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HOUSE OF REPRESENTATIVES—*Monday, January 27, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, offered the following prayer:

He restorest my soul: He leadeth me in the paths of righteousness for His name's sake.—Psalms 23: 4.

Almighty God our Father, who hast made us for Thyself so that our hearts are restless until they find rest in Thee, lead us we pray Thee, from the persistent pressures of pursuing problems into the green pastures and beside the still waters of prayer and meditation.

Give to us quiet confidence for the facing of these hours, intrepid courage for the living of these days and creative faith for the tasks that confront us. Chosen to lead our people in these critical times, make us instruments of Thy will for the healing of our Nation and our world.

"Sit our feet on lofty places;
Gird our lives that they may be
armored with all God-like graces,
In the fight to set men free,
Grant us wisdom, grant us courage
that we fail not man nor Thee!"

Bless the family of our beloved colleague, JOHN C. KLUCZYNSKI, who has gone home to be with Thee. Comfort them with Thy presence and give them strength for the days ahead.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on January 24, 1975 the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 1. Joint resolution extending the time within which the President may transmit the budget message and the economic report to the Congress.

APPOINTMENT OF MEMBERS OF JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 United States Code 1204(a), the Chair appoints as members of the Joint Economic Committee the following Members on the part of the House: Messrs. PATMAN, BOLLING, REUSS, MOORHEAD of Pennsylvania, HAMILTON, LONG of Louisiana, BROWN of Ohio, BROWN of Michigan, Mrs. HECKLER of Massachusetts, and Mr. ROUSSELOT.

HOUSE CONCURRENT RESOLUTION TO DISAPPROVE THE 5-PERCENT CEILING ON SOCIAL SECURITY COST-OF-LIVING INCREASES

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I am, on Wednesday next, January 29, together with the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), and the distinguished chairman of the Subcommittee on Social Security of the Committee on Ways and Means, the gentleman from Massachusetts (Mr. BURKE) introducing a resolution which expresses the sense of Congress in opposition to President Ford's proposal to hold social security cost-of-living increases to 5 percent this year.

Under present law, social security payments would automatically increase by 8.7 percent, effective July 1 of this year.

Mr. Speaker, millions of elderly Americans have felt the devastating effects of rampant increases in the prices of almost every basic commodity, especially food and fuel.

As Congress develops policies and programs to dampen inflation, reverse recession, and reduce our consumption of foreign oil, one of our first concerns must be equity.

Certainly, we must take action to strengthen our economy. But as a responsible government, we must also protect those people who are most vulnerable to the ravages of rising prices.

No group of people warrants our concern more than the millions of elderly, of disabled and of children who depend so heavily on social security benefits.

President Ford's proposal, however, puts the concerns of these needy people at the bottom of the list.

Here is what the President's plan for rescinding the automatic cost of living escalator in social security payments would do. The plan would—

Increase the average monthly benefit for a retired couple from $310 to only $325 rather than to $337 under the 8.7-percent increase;

Increase the average monthly benefit for an individual from $186 to only $195 rather than to $202; and

Undermine the intent of Congress to make social security inflation proof.

The President, then, wants to hold the average individual social security benefit increase to about $9 per month, which is $7 less than these needy people would receive if the automatic increase were to go into effect.

This means that, between July and December of this year, the President wants to increase individual social security benefits by only $54 rather than the full 8.7-percent increase of $96. That is a loss of $42 per person.

Mr. Ford has described this 5-percent ceiling on increases in social security benefits as a part of his program to combat recession and to reduce the consumption of imported oil.

The President also maintains that his total package will produce the greatest equity.

I think, Mr. Speaker, that as far as the elderly and others receiving social security benefits are concerned, the President's package is a shell game where the vulnerable end up the losers.

Take, as an example, the President's proposal to give taxpayers a rebate of 12 percent of their income tax payments. For the elderly, who earn little or no taxable income and who depend primarily on social security, Mr. Ford's rebate plan would mean they get only a few dollars back.

The rebate certainly will not make up for the loss of social security income they will incur if the President's 5-percent ceiling is approved.

Equally shortsighted, especially with respect to the millions of elderly people in the country whose sole means of support is social security, is the President's program to pay $80 per person to those too poor to pay any income taxes.

The reason I say this is that an individual would lose $42 of his social security benefits under the President's 5-percent ceiling. The rebate would, in effect, be worth only $38.

For another example of the potential effect on social security recipients, especially the elderly, consider the President's energy proposals.

Mr. Ford wants to place a $3 per barrel tax on imported oil and to decontrol all domestically produced petroleum.

Individuals who depend on social security income will watch the President's income tax rebate quickly evaporate as their energy bills skyrocket.

Many elderly people depend on their automobiles to take them to hospitals, to local centers, and for shopping. With gas prices expected to go up at least 10 cents per gallon under President Ford's plan, anyone driving a car which gets 15 miles per gallon just 5,000 miles per year will pay $33 extra a year for gas.

Because the President also wants to raise the price of all petroleum products, home heating oil will increase by an estimated 11 cents per gallon. A person with a home which uses a modest amount of heating oil, about 500 gallons a year, will pay an additional $55 to stay warm.

Mr. Speaker, there are obviously some families in this country that might be able to absorb these inflationary increases.

But I feel certain that for the elderly and others who receive social security benefits, the combination of rising prices and reduced social security payments will spell nothing short of disaster.

Mr. Speaker, confronted with the implications of President Ford's program for America's elderly and needy, Congress must refuse to approve any decrease in the 8.7-percent-cost-of-living increase which social security recipients deserve to receive this coming July.

Accordingly, I invite all Members of the House to join in cosponsoring the following resolution:

H. Con. Res. —

Whereas the President has proposed that the social security cost-of-living-benefit increase scheduled for this July be limited to 5 percent;

Whereas prices are rising at twice this level, imposing an especially serious burden on those Americans who must rely on social security benefit payments;

Whereas the proposal for a five percent limit on social security benefit increases has caused great concern and distress to many Americans; and

Whereas, the original intent of the social security cost-of-living-escalator provision was to protect beneficiaries from the uncertainties of the political process during inflationary periods: Now, therefore, be it

Resolved by the House of Representatives (*the Senate concurring*), That it is the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living-benefit increases be enacted.

COORDINATING FEDERAL POLICY WITH RESPECT TO MANAGEMENT OF SHORTAGE OF NATURAL GAS

(Mr. PREYER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PREYER. Mr. Speaker, I am today introducing a bill to coordinate Federal policy with respect to the management of shortage of natural gas.

As many of you know, particularly you Members from the Southeast, natural gas curtailment plans ordered by the FPC have seriously affected industry. Textile plants rely on this clean burning fuel for their processing and it is absolutely essential for brickmaking and fertilizer production. Recently in North Carolina a fertilizer plant was closed for a week or more because it was unable to obtain sufficient supplies for its operation. It has been estimated that in North Carolina as many as 46,000 jobs could be affected if curtailments announced by Transcontinental Pipeline are allowed to remain in effect.

Thus, it is obvious that some kind of equitable distribution is essential if we are to avoid further economic distortions. Under my bill, the Federal Power Commission would be required to order curtailment plans in accordance with established criteria as cited in this bill and in the Emergency Petroleum Allocation Act of 1973. In addition to providing for protection of sufficient supplies for residential and commercial customers which has been the policy of FPC in ordering curtailment plans, such plans will also provide for maintenance of public services, agricultural operations, and protection against loss of jobs and closing of factories and businesses which may result from inability to acquire sufficient supplies of natural gas or alternative fuels. In order to accomplish this equitable distribution, the bill requires FPC to order interchange between natural gas pipeline companies if necessary to obtain the objectives as stated above. As you may know, Transco, which is the only pipeline serving North Carolina, is in severe curtailment whereas other pipelines have not been as hard hit by an inability to obtain supplies from the producer. This interchange would assure that no area would suffer unduly from shortages of natural gas.

This legislation requires that the Federal Power Commission and the Federal Energy Administration work together in accomplishing equitable distribution and to manage the shortage in such a way that minimizes unemployment to the largest extent possible. However, if there is disagreement between the two agencies, the Federal Energy Administrator can direct the FPC to make modification in its plan to comply with the criteria set forth in this bill and in the Emergency Petroleum Allocation Act. The FPC would continue to have jurisdiction and administration over distribution of natural gas.

I believe there is considerable interest in the need for this kind of legislation and I am hopeful that early hearings will be held on the bill.

LEGISLATION INTRODUCED TO HELP VICTIMS OF THE RECENT BLIZZARD

(Mr. NOLAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NOLAN. Mr. Speaker, the cruelest, most destructive, devastating blizzard of the 20th century struck Minnesota, Iowa, and South Dakota little more than 2 weeks ago. For three unbelievable days and nights the 80-mile winds blasted the shelterless prairies burying homes and barns, cars and cattle, and highways and towns in drifts up to 30 feet high. As the storm intensified, the thermometer plunged to 70 below zero wind chill temperature. One local newspaper called it an Arctic hurricane.

Several colleagues and I returned home the following weekend to find stunned farmers and ranchers digging thousand and thousands of cattle, hogs and poultry out of the drifts, frozen as they stood. These people, the victims already of a long summer drought, an early September freeze, and the worst cost price squeeze of the century, now face additional losses far in excess of $20 million. And that is only the beginning because many of the animals that survived are blinded, diseased, or sterile.

I am today introducing a bill to help those people rebuild for the spring. The legislation calls for long-term low-interest loans in amounts equal to the losses suffered and forgiveness of some of the principal. We in the Midwest are asking for your understanding and your speedy support.

This legislation is a special act to deal with a special situation. It is beyond the power of any government to stop an act of nature. We are, therefore, obliged to be especially compassionate. The farmers and ranchers are just now beginning to repay what they borrowed to stay in business after last year's droughts, and early frosts. One farmer said to me:

> Mr. Nolan, right now my new loans are just going to pay off my old loans. I'm trying to stay in business and I'm still telling my sons to stay on this farm and work it after I die. But what do I tell them when there is no farm . . . when I have to sell out and move? And what's the United States Government going to tell them when they ask why?

I do not want to have to answer that question, and I know you do not either. I am, therefore, asking an interest rate reduction from 5 percent down to 1 percent on Federal disaster loans granted as a result of this blizzard. Additionally, I am asking that these farmers be given up to 20 years for repayment. And finally, I am asking that these loans be "forgiven" at one-half the principal up to $10,000.

In conclusion, I believe it is time the Congress, the administration, and the American people realize the American farmer can no longer feed the world by himself. When the farmer succeeds, we share the reward. When hardship strikes, we must share the burden.

VOTING RIGHTS ACT EXTENSION

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUTCHINSON. Mr. Speaker, I am introducing on behalf of myself and Congressmen McClory, Railsback, Fish, and Cohen the administration's bill to extend the Voting Rights Act for 5 additional years. In the absence of legislation, sections 4 and 5 of the Voting Rights Act will expire on August 6, 1975. Section 4 of the act is the trigger mechanism. Section 5 subjects changes in affected States' voting laws to Federal oversight.

The bill introduced today also extends for 5 years the present ban on literacy tests as a voting qualification.

FAMILY PLANNING AND POPULATION RESEARCH ACT OF 1975

(Mr. CARTER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CARTER. Mr. Speaker, today, I am

introducing the Family Planning and Population Research Act of 1975.

This measure would extend through 1976 those Federal programs in family planning and biomedical research established under the original act of 1970. My bill is similar to that which was incorporated in the recently vetoed Health Services Act of 1974.

Together with extending the family planning program, my proposal would add a new section 1009 to title X of the Public Health Service Act. In this new section, the Secretary of Health, Education, and Welfare would be required to submit a plan for governmental action in family planning for the next 5 fiscal years. The plan would list those programs available; it would include a proposal for extending family planning services to all those who wish to take advantage of them; it would list the estimated manpower requirements for full and effective implementation of the program. Later reports would be required listing results of governmental efforts and recommendations for legislative and administrative action where necessary.

Family planning is important. In these times of economic uncertainty, the traditional family structure and its role in our society is undergoing its greatest challenge. People are having trouble making do, and that economic stability in jeopardy has always played a major role in sound family existence.

I urge quick action upon this legislation.

IS ANOTHER RECESS NECESSARY?

(Mr. SIKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, during early and mid-February, a great many people are going to ask if another congressional recess is necessary. I doubt that they will be pleased by the fact that Congress will be in recess February 6 to 17 to observe the birthdate of Abraham Lincoln. Mr. Lincoln's birthdate is a very important one for the Nation, but it is a 1-day event—not an occasion that justifies an 11-day recess from the growing and increasingly troublesome task awaiting the attention of Congress.

The public recalls that Congress did not return to work until January 14. Since that time, they have been deluged with talk of "reform" emanating from the Halls of Congress, which means simply a shift of power to the liberals.

The public, also, has been reminded in a positive way by President Ford that there is a need for action from Congress on the Nation's problems. He clearly portrayed the gravity of those problems. Whether or not we agree with the cures he proposed, Congress now has the responsibility to come up with programs that both the administration and Congress can live with and which can benefit the Nation.

I think Congress should forgo its recess. In the 94th Congress, we have taken no steps to cope with problems which momentarily are growing more serious. This lack of action will go sour with the public and it should. No amount of speechmaking during the recess will explain inaction in Washington.

In the words of the distinguished Speaker of the House:

> The condition of the economy and the demands for a positive program of energy conservation and development make it necessary that Congress assert firm leadership in the new year.
>
> We are prepared to assume this responsibility. The condition is much too serious to permit the economy simply to drift and the energy shortage to remain unsolved.

COLUMBUS HAS PAID A HIGH PRICE TO PROVE AVIATION IS NOT SAFE ENOUGH

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, on Saturday, a private aircraft carrying five Columbus men crashed on final approach to Washington National Airport killing all on board. How does one find adequate words to express his deep feelings of sorrow for the loss of community leaders, husbands, fathers, and friends? These men will always be remembered because of the living legacy they have all left Columbus and the Nation. Never has a city experienced such a tragic loss of leaders.

Less than 2 months ago on December 1, 1974, 92 people lost their lives when TWA flight 514 from Columbus en route to Washington crashed on landing. Columbus has paid a heavy price to prove that aviation is not safe enough.

Similar tragic instances have occurred at Lancaster, Ohio, Charlotte, N.C., Boston, and Philadelphia where a plane in sight of an airport came in too low and crashed on its landing approach. We in the Congress have a responsibility. Somehow we must determine exactly what happened in each of these crashes and what must be done to prevent similar accidents from happening in the future. It is important that the Committee on Public Works and Transportation begin hearings today to recommend to the Congress what we need to do to prevent such tragic losses from ever occurring again.

FINAL REPORT OF EXECUTIVE DEPARTMENTS AND AGENCIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation:

To the Congress of the United States:

I am transmitting today the fourth and final annual report of each executive department and agency on its activities during Fiscal Year 1974 in the administration of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Federal agencies report that the effects of implementation of the Uniform Act have generally been extremely beneficial for displaced families and individuals. The replacement housing payment available to displaced homeowners and tenants in addition to a payment for moving expenses, have greatly enhanced the rehousing options of displaced persons. The relocation assistance program of the agencies has been instrumental in assisting those displaced to improve the quality of their housing and standard of living and in assisting many tenants to become homeowners. The Uniform Act's program and policies are being favorably received by those persons displaced and communities affected by Federal and federally assisted projects.

The Administrator of General Services, who has responsibility for executive branch leadership in the implementation of the Uniform Act, has recently reported to me concerning accomplishments under this program and plans to further improve the administration of the Act. I endorse these efforts and include his report as an enclosure to this transmittal.

GERALD R. FORD.

THE WHITE HOUSE, *January 27, 1975.*

LEGISLATION AMENDING TITLE TO SOCIAL SECURITY ACT INTRODUCED

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, today, I am introducing legislation to amend title II of the Social Security Act, which has the effect of removing the retirement test, or earning limitation, from the Social Security Act. This legislation, if enacted, would remove the restrictions the act places on an individual on the amount of outside income he or she may earn while receiving social security benefits.

I would like to share briefly with you and my colleagues why I believe the earnings limitation should be removed.

In the President's state of the Union message, he admitted that "the state of the Union is not good." Yet, the President has requested that the Congress reduce Government expenditures at the expense of our senior citizens. I am aghast at the President's proposal. I shall not support using our senior citizens as the scapegoat in the fight against inflation.

Even prior to the President's proposal to limit social security increases to 5 percent in the coming year, it was evident to me, and I am sure to many of my colleagues, that individuals on fixed incomes, such as retirement benefits, are suffering most from the effects of inflation and recession. I have received much correspondence from my constituents, who are on fixed incomes and who share with me their dilemma: They can barely make ends meet, and some cannot do even that, nor do they wish to be driven to welfare. The majority of their benefits go to purchase food and fuel, both commodities whose prices have increased drastically over the past year.

With these additional costs, attempting to make house payment, or pay the monthly rent, or purchase the bare necessities, such as clothing, and so forth, become impossible. Wholesale prices have increased 20 percent from 1 year ago, and this is reflected mainly in food and fuel costs. I doubt that these costs will be reduced in the coming year. As a matter of fact, if the President's recent proposals should prevail, fuel costs will rise dramatically.

The average monthly individual benefit for all retired workers, with or without dependents also receiving benefits, is now $186. How can we expect an elderly person receiving a fixed annuity to survive which exist, and which has an effect on almost everyone's pocketbook?

The legislation I am today introducing, Mr. Speaker, would, I believe, eliminate some of the adverse conditions the elderly who are affected by the social security earnings limitation now face. It would permit them to be employed, earning additional income to supplement their social security benefits while not having their benefits reduced. For those who choose to work, this would help to make their life more pleasant and productive.

I would like to share with you and my colleagues some correspondence I have received on this particular subject:

> I am writing concerning about the age of people who get S[ocial] S[ecurity] and what you can make at your age. I want to know why the age can't be 65 instead of 72. I understand when you reach 72 you can make all you want to and not lose your S.S. What I would like to know is why it can't be brought down to 65. I am a widow lady and have to work for my living. I am 68 and very active. The way prices are now a person just can't get by. I work and try to make what we are allowed to make, $2400. There is a lot more feel the same way as I do. Would you let me know how you feel about this?

The following correspondence is a good example why the social security income limitation is detrimental and should be removed. Another person writes:

> I am writing to you in regards to the amount of money that a person may earn and still receive social security benefits.
>
> I am a widow . . . with two dependent children . . . and I am 57 years old. I enjoy working and would like to work more hours, but find it impossible to do so because of the limit of earnings. . . .
>
> With the limit of $2,400 and at $2.00 an hour you can only work 24 hours a week for 50 weeks out of the year.
>
> The way prices are going up you usually spend more than take home, or groceries and school lunches.
>
> The social security takes care of the main expenses and that is all.
>
> I have many times heard and read where you said that limit should be taken off. *I agree* because you find so many people *who enjoy working* and have to curtail their hours just because of the limit. . . .
>
> I am sure all recipients who are now working would enjoy working without fear that they were going over their limit. . . .

Not only does this woman need the additional income, but she is also interested in working because it keeps her active and productive. Therefore, two purposes are served if we remove the earnings limitation—which has increased this year to $2,520 but is clearly not enough.

Perhaps the major inequity of the earnings limitation is that it ignores the fact that these individuals have contributed into a "pension" plan, in which they should be entitled to reap benefits according to the contributions made by the employee and the employer on behalf of the employee upon retirement age. Senator Barry Goldwater, who has been a major advocate of removing the earnings limitation, stated that—

> The restriction is an outrage against millions of citizens who have made years of contributions out of their hard-earned salaries . . . workers who have contributed from their earnings over a lifetime of work are entitled, *as a matter of right,* to receive benefits when they reach the annuity age. I repeat, Social Security beneficiaries are not wards of the government. They are not on relief. They are not objects of charity. They are self-respecting Americans who have paid for the benefits which they will receive in old age.

It is even more of an insult to these individuals when another social security recipient who receives income from investments—no matter what the amount—such as stocks and bonds, rentals, and so forth, is not penalized—because this income is not considered earned income in the social security law. Yet, which individual would be in greater need of additional income? Should we penalize the person who did not have the income during his or her working years to invest in stocks and bonds, or in real estate?

I do not think we can continue this outrage against our elderly. They are entitled to a decent life, and a life which they should be capable of providing for themselves. The Social Security Act was first intended to provide this for the senior citizens, and while inflation has cut this short, perhaps we can still provide the elderly with greater dignity and respect, if we remove the earnings limitation provision in the law. I hope the committee and the Congress will act on this immediately.

IN DEFENSE OF POLITICIANS: DO WE ASK TOO MUCH?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Time magazine is not always attuned to the thinking of elected officials—particularly Congressmen. That is putting it mildly. Nevtheless, it is an informative publication and its news coverage is broad. I have noted with particular interest a recent essay in Time from the pen of Thomas Griffith. It is entitled "In Defense of Politicians: Do We Ask Too Much?" It is down to earth and well written. As a member of the establishment, I recognize a professional and knowledgeable touch in commentaries on politicans. This one states the case well—well enough that it should be printed in the Congressional Record and I include it in my extension of remarks:

[From Time magazine, Jan. 27, 1975]

In Defense of Politicians: Do We Ask Too Much

The 94th Congress that assembled last week is sprinkled with bright new members who seem intent on embarking in new directions. Oddly enough, this promising shift is the result of last November's torpid election, in which only 38% of Americans of voting age cast ballots. That apathetic performance confirms a disillusionment with politicians that has been gathering for a long time.

"From the beginning of the Republic," House Speaker Nicholas Longworth once complained, "it has been the duty of every freeborn humorist to make jokes at us." He may have had in mind Mark Twain's crack that Congress is our only native American criminal class. But there have been times in recent years when the entire nation could have been indicted for contempt of Congress.

Politicians have a bad name: a lot of fathers would not want their daughters to marry one, and candidates' wives openly express the wish that their husbands were in some other line of work. But at the very least, politicians are entitled to plead, in the words of the old song: "You made me what I am today, I hope your're satisfied." That plea will probably get them about as much sympathy as the jilted lover gets, but it deserves to be considered. Complacent public discussion usually turns on the poor quality of the candidates up for election. Only rarely are two more pertinent questions asked: In its demands, is the public emphasizing the wrong qualities in a man? And is the public making failure inevitable by entertaining false expectations of what a man can do in office? These questions apply to all politicians, even to the ones who become Presidents.

The very public that asks politicians to be statesmen will not forgive them for failing to look first after that public's narrower interests. The first bleak lesson a young idealist in politics learns is that his idealism may give him an attractive freshness, but his durability in office will be decided on more practical grounds: by a public looking for a public *servant*. Thus Gerald Ford probably did not think of himself as cynical but as merely plying his trade when he cautioned reporters not to judge how he would act in the White House on the basis of how he had voted in Congress. "Forget the voting record," he said. "The voting record reflects Grand Rapids."

Compare that with Edmund Burke's celebrated 18th century address to the electors of Bristol, in which he promised the voters not obedience to their desires but the free exercise of his judgment. Burke's elevated remark won an enduring place in political history—but he soon fell out of favor with his Bristol electors. America's founding fathers decreed that Congressmen should face reelection every two years to give them "immediate dependency" on the electorate. A public that scorns Congress as a whole usually likes its own Congressman, particularly if he has made it his business to please them. For all the talk of throwing the rascals out, close to 90% of Congressmen regularly win re-election. Often, it is not just that the down-home voters like (or at least tolerate) their man in Washington, but that they recognize that his increased seniority helps him to bo better by his district.

Incumbency is thus a politician's most cherished possession. He will think twice, and then a third time, about any vote that will jeopardize his seat; profiles in courage are rare enough, but a fullface confrontation with danger is what a skilled politician is most skilled at avoiding. Incumbency is also beautiful in the eyes of the giver. As Common Cause points out, the decisive factor in raising campaign contributions is not whether the candidate is a Republican or Democrat, but whether he is an "in" or an "out." Incumbents get three times as much. No wonder Congressmen are willing to reform presidential campaign financing but not their own.

What helps the Boston Navy Yard or Grand Rapids or General Motors may not equally help the nation, but every successful Congressman is a master of specific service. He steers himself to a committee assignment (agriculture, military affairs) where he can best serve the dominant interests of his district, and if he sits there long enough he can become one of those committee barons whom the rest of the nation may deplore but cannot unseat.

In a nation so big that, in European terms, its politics are not those of a country but of a continent, most politicians become knowledgeable in the competing pressures of society, and learn to mediate among them (that is their real specialty). Ella Grasso, the new Governor of Connecticut, says that working in an earlier campaign for Senator Abe Ribicoff taught her "the importance, the integrity of compromise." In Washington, living among interests whose agents are sleepless and persistent (lobbyists for unions, industries, veterans, teachers, doctors), a Congressman rarely hears the voice of the ordinary, unorganized voter—until that voter decides to become angry with him. Often when a Congressman casts his best, most disinterested votes, he does so in definance of specific interests and to an indifferent silence from everyone else.

A new Congressman may have arrived after a successful career elsewhere, but he must still undergo a humbling apprenticeship. Anxious to make his mark among his jostling peers, he will have ingested Sam Rayburn's advice that to get along, go along; perhaps he has also learned from John Nance Garner that "you can't know everything well. Learn one subject thoroughly." In a place where talk is cheap and oratory poor, his fellow legislators will judge him by whether he has "done his homework" well—and that phrase accurately registers the tedium involved. Going along, getting along, he becomes part of the system; a student of fallibility and a scholar of compromise; a man who nonetheless tries to be guided by, and to act upon, his own convictions as much as he can; in short, a politician. He may still be an honorable man, but is no longer an innocent one.

The process both educates and cripples. And from the most ambitious among such men, the public discovers its Presidents. It may be unhappy with the narrowed choices provided (Nixon *v.* Humphrey in 1968; Nixon *v.* McGovern in 1972) but it rarely looks elsewhere. John Gardner, Ralph Nader and half a dozen university presidents or business executives may be estimable men, but never having submitted themselves to the bruising and blooding of the electoral route, they are thought not to have paid their dues. Something is lacking in hard knowledge, in the experience of deferring to the public will, in the despised political art of accommodation, in the adrenaline of ambition. The taste of it, as Lincoln said, must be in your mouth a little. The tradition that the man seeks the office, not the other way around, may explain Gerald Ford's strange lassitude about the potentialities of the office in his first months as the nation's first appointed Chief Executive—though last week's State of the Union message gave him another opportunity to try to rise to the needs of the presidency.

As President, Ford at least had the earlier advantage, in common with all Congressmen, of a weary familiarity with most of the topics—missiles, farm subsidies, taxes—that beset the Oval Office. Hours of debate and committee meetings, even if only fitfully attended, give any Congressman a shrewd awareness of the flash points of contention on any subject. Governors lack that schooling, though they get better training as adminstrators. Theirs used to be a well-trod route to the White House until the overwhelming importance of world affairs made any state capital seem too parochial a preparation for the White House. With the public demanding a wider range of presidential choices, though, the rejection of Governors as candidates in recent years may be changing—as indeed it should.

For just look at them, these presidential hopefuls, all men of some worth, as they strive for attention, climbing the ladder of national familiarity—*Meet the Press*, appearances on the *Today* show—until their very fluency becomes a tic. (How easy at this stage to underestimate their potentialities, as Walter Lippmann famously did Franklin Roosevelt's, considering him an amiable fellow with a queer desire to be President.) Habitually the public measures presidential candidates for Superman's costume, and almost inevitably finds them lacking. Could it be the Superman costume that is one of the problems?

Great Presidents who are still popular on the day they leave office make a very short list. Often it is not until much later that the public retroactively admires men like Lincoln and Truman, who were widely condemned by the contemporaries. The British political scientist Harold Laski had a relaxed theory about the elasticity of the U.S. presidency and the kind of Presidents accordingly to be sought. In times of crisis, as in the wartime presidencies of Lincoln, Wilson and Roosevelt, Presidents uneasily wielded the powers of dictators; authority that had been skillfully diffused throughout Government was concentrated in one person until the crisis was surmounted. But to Laski the "whole genius of the system" was against the continuation of such power, if only because, in James Maidson's words, "the accumulation of powers in a single hand is the very definition of tryanny." Besides, once the danger has passed, other interests, in and out of Government, want their power back. Throughout most of American history, the public has thus been satisfied with what Theodore Roosevelt called "Buchanan Presidents."

In his classic 1888 study of American politics, Lord Bryce titled one chapter "Why Great Men Are Not Chosen Presidents." Between a brilliant and a safe man, he thought, parties would invariably choose the safe. "The ordinary voter does not object to mediocrity," thought Bryce; he likes a President to be sensible, vigorous and magnetic, but "does not value, because he sees no need for, originality or profundity or a wide knowledge. Great men are not in quiet times absolutely needed."

Yes, but who lives in quiet times any more?

For four decades, ever since 1933, America has been living with a presumption of continuing emergency. A vanity in crisis survival has developed. Eisenhower, that least energetic of Chief Executives, talked about crusades; Johnson declared a war on poverty; the Kennedys thrilled over the technological gadgetry of crisis situation rooms that made macho solutions more tempting. The public has come to demand outsize Presidents, and then to be disappointed with them. Think of it: this man might have to press the button—though for nearly 30 years no one has pressed the button. Summit meetings have been dramatized as if the drawn-out process of wary reconciliation can be achieved only by one particular, indispensable President.

The gap between the public's expectation of Presidents and the reality has grown so great that it can only be bridged, if at all, by a public relations campaign of pretense and concealment. Television has given an unsettling emphasis to a certain kind of publicity skill. George Washington would have made a dull TV performer. As the first effective television President, Kennedy proved how important it was to be fast on his feet. This helped to set a demanding new standard that elevates flash over substance. The effect of television—which in one year can make an unknown face tiresomely overfamiliar—has been to disqualify able but uncharismatic men, and to make others (Humphrey and Muskie come to mind) glib parodies of their once more impressive selves.

In the present atmosphere, no one seems good enough to be President. Perhaps one difficulty comes from a public confusion about what kind of crisis, or combination of crises, the country faces and therefore the kind of qualities it seeks in the man. The romantic longing to rally behind bold leadership, as if this were a wartime emergency with a simple, patriotically accepted goal to be personified in one man, is too simplistic a remedy for that messy complexity of economic, moral and social problems we all struggle with. The time has come to de-emphasize not the office of the presidency buy the myth of the omnipotent President, reigning from the Oval Office, glorified for being lonely in his ordeals when he should be judged by whether he can inspire independent men around him, can listen to divergent advice and make clear choices, and can then invoke the strengths of the nation as a whole.

To recognize the complexity of problems that defy facile, masterly solutions is to reintroduce those qualities in which a politician should excel: an ability to discriminate between conflicting arguments and pressures, a sense of the public mood, a gift for articulating issues and rallying support, an egotistical confidence in decision. Presidents with healthy egos learn to recruit minds better trained or more specialized, as Franklin Roosevelt and John Kennedy pre-eminently did. They borrow ideas but reserve to themselves, as experts in the art of mediating, the pragmatic political judgments of how far they can go and when. Roosevelt more than Kennedy had a confident sense of the national direction. When this essential ingredient of leadership is combined with the practical knowledge of the feasible, the utilitarian art of politics finds its moments of nobility, and the craftsmanship of the consummate politician justifies his demeaning apprenticeship. Greatness? That is a description only to be bestowed afterward.

FRANK HULSE AND SOUTHERN AIRWAYS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, in progressive, growing Okaloosa County, Fla., with its tremendous Eglin Air Force Base, there are many of us who recognize the singular contributions of Southern Airways. Southern Airways provides excellent communications north, south, east, and west. Flying directly into Eglin Air Force Base, it has provided the communication links which are essential to the successful industrial expansion of Fort Walton Beach and the other Eglin-Okaloosa communities.

The Okaloosa County communities are not alone in recognizing and appreciating the services of Southern Airways. Sixty-four cities are benefited by Southern Airways and many of them are important communities having no other air service.

To speak of Southern Airways is also to speak of Frank Hulse, founder of Southern Airways in 1949 and still its president. The success story of Frank Hulse and the progress of Southern Airways are synonymous. Time and again this struggling company was almost pushed to the wall but each time, in some way, Frank Hulse and his associates kept their planes flying and continued to provide essential services.

The South is proud of Southern Airways and deeply appreciative to Frank

Hulse and his associates for the service they render to 64 cities, for this means service throughout the South.

The South magazine for January-February 1975 carried an exciting story about Southern Airways and Frank Hulse. I am pleased to submit the story in the CONGRESSIONAL RECORD:

MAKING THE GAMBLE PAY OFF

(By Gene Tharpe)

The fog lifted—and Southern Airways was in business, June 10, 1949. Since then Southern has struggled to get on its feet, battled severe financial difficulties and withstood pilots' striking, a fatal crash and a hijacking and $2 million ransom. To its credit, the Atlanta-based regional carrier has emerged from its dark clouds into prosperous times, earning a 17th place ranking among the nation's airlines.

The gray mist of that 1949 fog was burned away by the heat of the sun more than 25 years ago, and with its lifting a DC–3 with 11 paying passengers took off from Atlanta on Southern's maiden flight. It was bound for Memphis with intermediate stops at Gadsden, Birmingham and Tuscaloosa, Ala., and Columbus, Miss. That's the way Frank W. Hulse, 62, founder of Southern Airways Inc., and still its reigning president, remembers the shaky beginning of the regional airline. Southern still serves those five cities, but otherwise you wouldn't recognize the child.

Southern now flies swift DC–9 jets, serves 64 cities in 13 states, expected about $100 million in revenues in 1974, employs 2,500 people, has total assets of more than $66.5 million, has stockholders' equity of more than $7 million, expected to carry three million passengers in 1974 and is beginning vigorously to compete jetnose-to-jetnose with far bigger airlines for passengers.

Southern is now consolidating its position as one of nine regional airlines. "We're in the best financial shape we've ever been in," says Hulse in his office near enough to the Atlanta airport to hear the distant roar of jets. As of its third quarter, ending September 30, the company reported a net of $2.81 per share. That would compare to 23 cents in 1973.

BOYHOOD DREAMS

Hulse's love affair with aviation and Southern began like most dreams during his boyhood in North Augusta, S.C. In the early 1920s he would watch heroes in Curtiss Jennies and other pioneer aircraft bump along the runway and soar toward the clouds. Hulse didn't have to think twice to know that was for him and he took his first flying lesson in 1927 when he was 15, doing odd jobs around the airport in exchange for flying time. He earned his pilot's license in 1929 before entering Georgia Tech in 1931.

After earning a degree, Hulse worked on a Depression era short-lived job in Ohio for The Coca-Cola Co. But he couldn't stay away from the whirling soul-sound of propellers and returned home to the Augusta airfield.

As assistant manager at the airport in 1936, he was on the scene when Delta Air Lines began service to Augusta. Hulse soon became "righthand man and general flunky, baggage man, ticket-taker, janitor, weatherman and part-time mechanic for Delta." About the only thing he didn't do, says Hulse, was make money.

When the airport manager became an Eastern Airlines pilot, Hulse bought out the fixed-base operation at Augusta, the beginning of Southern Airways. He continued as Delta's station manager until 1939 when he left to concentrate all efforts on Southern which, because of the growth of aviation, was expanding its fixed-based operations to other southeastern cities, providing aircraft maintenance and private pilot training.

WORLD WAR II GIVES BOOST

World War II interrupted the early operations, but it proved to be a boost to Hulse's aviation career. He served briefly in the U.S. military, but was soon released to set up civilian training schools for military pilots. During the war, Southern instructors trained about 25,000 military pilots.

"That was really the beginning of our airline operation," recalls Hulse. He had to move around the Southeast a lot and had a chance to find out just how difficult it was to get around the area, since scheduled airline service to all but a few major cities was nonexistent.

With the aid of friends, Hulse decided to establish a regional airline in the South after the war. He applied with the Civil Aeronautics Board (CAB) in January 1944, but authorization didn't come until 1947. The problem then was to raise capital. In the post-war recession, that wasn't easy, Hulse remembers.

Finally putting together $100,000 in capital and a war-vintage DC–3, converted for civilian use, plans were made for the first commercial flight. Delays kept occurring. The CAB granted three extensions, but finally decreed the first flight had to go June 10, 1949, or Southern's authorization would be withdrawn. June 10 dawned with fog, and the Atlanta airport was still socked in at departure time.

A call from a CAB official in Washington wanted to know why the flight was delayed. "Old buddy," Hulse remembers saying, "your spies haven't told you the whole story. Even the birds are walking here." Luck was with Hulse and Southern, because about an hour later the fog cleared enough for the DC–3 to rumble into the sky.

Although Southern was on its way, the $100,000 in capital was hardly enough "to keep the sheriff away from the door." Hulse recalls devising "all kinds of schemes to extend our credit.

"We exchanged stock for parts and services. We even got credit cards for our pilots so they could get fuel but the oil companies soon realized what we were doing and we had to stop that. But we made it." Southern put many southern cities on the world airline map. Places like Athens, Ga., and Tuscaloosa and Dothan, Ala. "Of the 64 cities we now serve, we are the only airline in 20 of them and many people have taken their first airplane ride with us," says Hulse.

The job of providing air service to many small and medium-sized communities Southern shares with eight other regional airlines in the continental U.S. (the survivors of about 25 that flew at one time or the other).

Twenty-five years ago, the local service carriers supplementing the big trunk carriers like Delta and Eastern provided air service to 205 communities, but carried less than one million passengers. Local carriers now serve almost 600 communities (395 of them exclusively), carrying more than 30 million passengers annually.

Southern's peak fleet of DC–3s reached 26, then 25 Martin 404s before making the dramatic transition to DC–9 jets in June 1967. The last DC–3 was phased out shortly thereafter, but Southern still flies seven "Mighty Martins" into airports not big enough to take jets. More than 90 per cent of Southern's passengers fly on its fleet of 24 DC–9s. Southern also does "substantial" charter business throughout the nation with the 500-miles-per-hour DC–9 jets.

During the '50s and early '60s Southern's route system grew to connect cities from New Orleans to Memphis to Charleston to Jacksonville throughout the South.

The system really began to expand, however, in 1967 when the CAB began giving regional airlines longer, more profitable routes to offset and reduce the subsidy the government pays to regionals to provide air service to communities too small to support the service. Continuing into recent years, Southern has recently dropped, or is seeking to drop, service to five subsidized airports.

BOON AND FINANCIAL BACKLASH

Southern broadened its reach when the CAB awarded the carrier several long routes, including service to New York, Washington, D.C., St. Louis and Chicago, as well as a lucrative route to Orlando and Miami. However, the high costs of starting up these long routes, along with financing expensive jet equipment, enmeshed Southern in serious financial difficulties. Adding to the problem was the economic decline of 1969–1971, resulting in a decrease in air travel and heavy financial losses for most all airlines.

After earning profits in 14 of its first years, Southern suffered a 1967 net loss of $238,000; of $211,000 in 1968; of $822,000 in 1969; and then a whopping $2.3 million in 1970. The result was that in 1971 Southern began finding itself in default on some of its credit agreements. To correct this, Southern sold additional shares of stock, managed to arrange for the deferment of more than $3 million in due debt payments, and obtained a loan of $600,000.

Hulse and his management staff struggled to negotiate the new financial arrangements, and a break was soon in sight. With the pickup in the economy in late 1971 and early 1972, Southern's financial position improved rapidly and the airline paid its debts up to current status. There was still a net loss of just over $1 million in 1971, but profits jumped to $1.6 million in 1972. Net income in 1973, plagued again by an economic decline, fell to $417,000. But for 1974, net profits through September soared to $4.6 million on revenues of $82 million and Southern anticipated its best earnings and revenues year ever.

The company's common stock, however, is caught in the general stock market doldrums and is not following the airline's profits up. Traded over-the-counter, Southern's common did climb early in 1974 to the $6 per-share range, but in the Fall was selling in the $3–$4 area. All-time high was a bid price of $32.25 several years back, but after a three-for-two stock split in 1966, Southern's common high has been a bid price of $22.50 in 1967 and has been selling below $10 since 1970.

Hulse is the largest stockholder of his company, controlling approximately 10 per cent of the 1.4 million common shares outstanding. Hulse's friends, Southern's board of directors, and management, also own substantial amounts of the company's common although there are approximately 5,000 stockholders in total.

OTHER PROBLEMS

Financial problems haven't been the only ones facing the growing airline. There was, for example, the Nov. 10, 1972, hijacking of one of the company jets after takeoff from Birmingham. Three hijackers demanded $2 million in ransom and controlled the plane for 30 hours as it flew around the eastern United States. Southern provided the $2 million and although government agents shot out most of the plane's tires at the Orlando airport, the pilot managed to take off and land safely in Havana. Cuba returned the jet, its crew and passengers, but kept the hijackers and the $2 million. The Cubans still have the money, although there has been an indicated willingness to return it under certain circumstances.

The CAB, knowing Southern in 1972 could ill afford to lose the $2 million, agreed to pay the airline an extra $100,000 in quarterly subsidy payments to cover the ransom loss. If the ransom is ever recorded, the government will be reimbursed.

BIGGER, STRONGER

Meanwhile, Southern grows bigger and stronger. In 1972 it arranged for a $39 million loan to expand its jet fleet. In 1973 it boarded 2.5 million passengers, to rank 18th among all U.S. airlines, and flew 721 million revenue miles to rank 17th. The fuel crisis last winter shot fuel prices higher than ever and slowed progress, but the airline came back strong during 1974. Through October it was running a high load factor of 52.4 per cent, up from 43.4 per cent a year ago. That's a 20.7 per cent increase.

The primary carrier in Mobile and Huntsville, Southern is the number two passenger carrier out of Memphis, pushing giant American Airlines into third. In the Orlando-Miami market, Southern leads in passengers carried. Southern ranks fourth in total passengers in Atlanta, behind Delta, Eastern and United Airlines, although Atlanta is Southern's biggest passenger city. New Orleans provides Southern with its third highest number of passengers.

In some markets, Southern is alone but in many others it fights for the passengers with the "big boys."

Hulse mentions that Southern has been approached by bigger airlines about merger several times but says a deal has yet to be offered that would be better than "what we have." Besides, "I see a time coming when there will be little or no demarcation between the regionals and trunk carriers."

And with its current prosperity, Southern has begun sprucing up its ground facilities, installing new seats and other modern furnishings in some of its terminals and boarding gates. Construction is underway on a $25 million maintenance and training base in Atlanta. Even the jet fleet is receiving a new white and dark blue paint job, and the firm is in the midst of a new corporate identity program.

Southern's recent coming of age brings on a vigorous new advertising campaign. Costing $1 to $2 million, the program is based on the theme "Nobody's Second Class on Southern," and pokes fun—but hits hard—at the distinction on the bigger airlines between first and tourist-class service. Southern offers only one class of service, standard, and, say the ads, "Southern won't classify and treat you like a second-class citizen" and "You won't have to take a back seat to anyone."

Southern officials believe the ad campaign will catch passengers' attention and remind the big airlines that Southern is competing for every passenger it can get.

Looking ahead, Hulse says he wants to see the CAB award Southern a route from Miami to the Cayman Islands in the Caribbean. He believes the Caymans will be the future financial center of the Caribbean area. If the CAB gives Southern the route, it would be the airline's first international service.

The growing status of Hulse's Southern is a handsome payoff for a boyhood dream of flying Curtiss Jennies.

DEFERRAL OF HUD 701 COMPREHENSIVE PLANNING GRANTS OPPOSED

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I have today introduced a resolution disapproving the President's deferral of $50 million in HUD comprehensive planning grants.

The recently enacted Housing and Community Development Act established a new system for community planning to meet housing needs. The bill calls on the units of local government to make an extensive review of its needs and ability to meet them; the amount of Federal funding required; the mechanisms for expending the funds; and the administrative requirements of directing the activities so funded.

Section 401(e) of the law explicitly increased authorizations for 701 planning grants. The House Banking and Currency Committee released a report which stated:

> This program has assumed increased importance during the past few years as a result of expanding State and area-wide planning activities. The higher authorization level is necessary to accommodate this expansion of planning activities and the increased demand on planning funds likely to result from the bill's community development block grant provisions.

Mr. Speaker, the announced deferral of $50 million will greatly hinder the planning activities of local governments across the Nation.

The Housing and Community Development Act was designed around a core of well-funded, federally assisted planning grants around the country. Termination of these grants will eviscerate the effectiveness of this approach.

Mr. Speaker, I know that many of my colleagues will share my view that local government units across the Nation need and deserve these funds, and that the House must act to prevent this subversion of the intentions of the Housing and Community Development Act.

EXCISE TAXES ON IMPORTED OIL: PRELUDE TO ECONOMIC DISASTER

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today introducing a joint resolution to prohibit for a period of 60 days the imposition of tariffs, fees, and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of the Congress of any such action within 30 days.

I am sure my colleagues are aware that the Governors of 10 Northeastern States met with President Ford last week in a futile attempt to delay the imposition of these taxes on imported oil. The President has already signed into law this so-called energy conservation plan which can only wreck havoc upon our already beleaguered national economy.

Mr. Speaker, I ask my colleagues in the House to join in the effort to forestall the implementation of this shortsighted plan. The President has failed to take into account how these taxes will increase the cost of food production and manufacturing a wide range of consumer goods, particularly those utilizing petrochemical feedstocks. This administration plan is inherently inflationary, and will not, in my judgment, contribute to a significant decrease in national fuel consumption. Additionally, it will impose a very unfair burden upon the poor and the elderly of this Nation by increasing the cost of their food, heat, electricity, gasoline, and many other goods.

This country desperately needs a sound national energy policy, and I am sure the President will find that this Congress is willing to assume its share of responsibility for developing energy conservation strategies and promoting programs to encourage increased energy production in this Nation. However, the President must realize that this Congress will be abdicating its responsibility to the American people if it gives its tacit approval to the administration's plan by failing to speak out against the flaws that are self-evident.

Mr. Speaker, this Nation can afford to take a little more time to insure that energy policies that are adopted are sound and worthy of the support that the American people will be asked to give them.

It has often been said that "haste make waste." In these troubled times, we must exercise good judgment to insure that haste will not produce economic tragedy.

THE NEED FOR A FEDERAL ENERGY SECURITY CORPORATION

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today reintroducing legislation to provide for the establishment of a Federal Energy Security Corporation to engage in the production of natural gas and oil on federally owned lands, and for other purposes.

The energy deployment capability of this Nation has become one of the most crucial issues of our time. Although the United States is in a much more favorable energy deployment position than other industrialized nations, it is apparent that this energy edge is diminishing and that we, too, are growing more dependent upon Middle Eastern oil imports. The February 3 edition of Business Week contains a quotation from the exploration vice president of a major U.S. oil producer stating "we will never find enough big new deposits of crude to declare independence from the Middle East." This growing dependence is alarming because of its serious economic and political implications for this Nation. To meet this energy challenge, the United States is embarking on an ambitious program to increase development of fossil fuel reserves and to develop new sources of energy. A major portion of the initial phase of Project Independence is devoted to national energy conservation programs. Overall, the success of this effort will depend upon the cooperation and support of the American people. The President has asked all Americans to become shareholder's in America's energy future by accepting drastic increases in the price of energy products and cooperating in fuel conservation efforts.

The flaws in the President's initial energy conservation proposals are already apparent: our current inflation problems will only be exacerbated by the price increases resulting from the proposed tax on oil imports.

However, the most glaring defect in the administration's plan to increase the energy self-sufficiency of this Nation is that it places the economic fate of this Nation into the hands of the private sector. The thrust and timing of this approach could not be more ill advised. The public's level of confidence in the corporate sector is at an all-time low. The confidence of the average American in the credibility of the oil industry is even more strained.

The economic and political security of this Nation rests upon the success of our national energy effort. It is inconceivable to me that with so much at stake, we should be willing to trust the future economic security of the United States to a group of companies whose sole commitment is to the accumulation of profit. Certain incidents during the Arab oil embargo fully indicated to me that these companies are willing to compromise the best interests of this Nation in order to retain their trading ties with the Middle East oil producers.

Another example of corporate perception concerning national energy needs is contained in an article that appeared in the Washington Post on January 18. This article cited the curtailment of refinery expansion plans of Mobil Oil, Atlantic Richfield, Cities Service, Continental Oil, Amerada Hess, Murphy Oil, and Pennzoil. Some of these firms have decided to build their refineries overseas; others have decided to scrap construction plans altogether. When questioned about this unexpected turn of events, most of the companies responded that higher construction costs due to inflation and uncertainties about the availability of Middle Eastern oil forced these curtailments.

If one reads between the lines, one can see that what the companies are actually saying is that if they are given favorable tax treatment by the Federal Government, if favorable pricing policies are implemented, and if they are provided with access to national energy resources, they then might be able to respond to the energy needs of this country.

Mr. Speaker, the recent history of this country is replete with examples of similar economic coercion by the major oil companies. I, for one, believe that the American people have been held economic hostage long enough. Fourfold increases in oil company profits have not resulted in similar gains in oil production. We see all around us the victims of corporate production and pricing strategies—thousands of workers unemployed because of curtailments of natural gas supplies; the poor and the elderly struggling to keep up with rising costs of heating and lighting their homes; the decreased purchasing power of every American whose budget has felt the bite of higher energy prices, not only directly for energy consumption, but indirectly, in the price of every product he purchases that is produced with energy. How much more will the American people have to give to the oil companies? At what point will their frustration begin to affect their political perception—with subsequent consequences for all of us who serve in this Congress? How can we go about convincing the American people that our energy problems are real, and that their cooperation is essential for the success of Project Independence? Can we really expect Americans to be cooperative if a national effort of this magnitude and significance is being engineered by a group of private oil companies?

The American people need to have confidence in the reality of our energy problem. They need full and accurate information on the extent of our national energy resources, on production and distribution costs of energy products and on private corporation activities involving our national energy reserves. Part of this information could come from the National Energy Information System I have proposed in legislation introduced in this House. However, in addition to this information system, the American people also need a "yardstick" by which they can measure the activities of the private energy industry. A Federal Corporation engaged in the production and distribution of oil and natural gas would provide such a yardstick, and would do much to promote competition in all phases of the petroleum industry. Our national energy resources belong properly to the American people. While the Government may wish to seek the cooperation of the private sector in appropriate joint ventures, I believe that these public resources should be developed by a corporation whose sole responsibility is to provide for our national energy needs at prices reflecting the actual cost of production.

Additionally, this Federal Energy Security Corporation should have exclusive rights regarding the importation of oil. This exclusivity is important for two reasons: First, it would enable the Federal Corporation to establish equitable distribution channels for imported oil in the United States, thereby retaining the small and independent refiners and suppliers as viable entities in the petroleum market. Second, the vesting of these rights in a Federal corporation would enhance the bargaining position of the United States in negotiations with the Organization of Petroleum Exporting Countries, OPEC. OPEC is a multigovernment oil cartel, and yet, under present conditions, it deals only with private companies who "represent" the United States. If OPEC were obliged to deal with a single Federal Government entity in negotiating sales transactions, I believe it would be inclined to be a little more cooperative and reasonable, especially on pricing policies. At the present time, there is no incentive for such cooperation.

Mr. Speaker, I plan to share with my colleagues in the next few weeks the results of a study in which I am now engaged on the success of national oil and gas corporations in other countries. As my colleagues may be aware, the Government of Canada has proposed the establishment of such a crown corporation in bill C–8, presently pending before the Canadian Parliament. Great Britain, France, Italy, and Germany have government participation in oil and gas production and distribution. I believe a review of their record will indicate the feasibility of such government participation by the United States.

MORE TUNA BOATS SEIZED

(Mr. VAN DEERLIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, the illegal seizure of American tuna boats on the high seas has been resumed after a lapse of nearly 2 years.

On Saturday, four fishing vessels based in the Port of San Diego were intercepted by Ecuadorean naval units at a point 125 miles off that nation's coast. They are the *Calypso*, the *Mary Elizabeth*, the *Jacqueline A.* and *City of Lisbon*. All have been interned with their catch at the port town of Salinas, and their captains taken to Guayaquil for disposition of their cases.

Latest advices indicate a total of five Ecuadorean vessels—including two destroyers—made up the assault fleet. Although I do not yet have State Department confirmation, it is to be presumed that these were American-owned naval vessels on loan to Ecuador. If so, it would not be the first time that ships which once flew the Stars and Stripes have been used in actions against some of the very taxpayers who helped pay for these vessels in the first place.

And thus, Mr. Speaker, a nation which first claimed world attention by defying pirates of the Barbary Coast now provides all but the black flag to their modern counterpart.

TRIBUTE TO PRESIDENT WILLIAM McKINLEY

(Mr. REGULA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. REGULA. Mr. Speaker, today most Members of this House have received a red carnation, the gracious gift of Dale Anderson of Lamborn Floral Co., Alliance, Ohio, and presented in honor of the 25th President of these United States, William McKinley, born on the 29th of January in Niles, Ohio in 1843. The carnation was President McKinley's favorite flower and first became associated with him during the Ohio congressional campaign of 1876. Shortly after his tragic death in 1901 the American Florists Association resolved that all its members should wear a scarlet carnation on the martyred President's birthday. In 1904 the Ohio Legislature named the scarlet carnation as the official Ohio State flower, and in 1959 Alliance, Ohio was designated Carnation City. This is the significance of the carnations, recalling as they do the life and career of one of the Nation's most beloved leaders.

Beyond his 5 historic years as President, years of war and of peace, President McKinley served the people of Ohio and the Nation in this distinguished body for 14 years from 1877 to 1891, representing the 16th District, which I am proud to call my own. In 1892 he was elected Governor of Ohio, and in 1893 he was reelected. I direct the attention of the newly elected Members of this House to the inspiring example of President McKinley's career—as an active leader in his chosen party, as a Member of the Congress, as Governor of his State, and eventually as President. Conscientious dedication to the needs and concerns of his constituents at the local level, in his district, in his State, and finally in the Nation at large marked the stirring record of his steady ascent in public life.

It is particularly fitting today for me to call the attention of the House to the distinguished career of another great citizen of Ohio, the late Frank T. Bow, who served for 22 years as a Member of this body, representing the same 16th District which it is my privilege to serve. Frank Bow, reelected to this House 11 times, served in the great tradition of William McKinley, and is remembered by all who knew him with affection and respect.

We are living in troubled times for our Nation, times in which the values and ideals of our heritage seem to be derided and held in disrespect by many who should know better. In such times it is our awareness of the character and integrity evident in such men as William McKinley and Frank Bow that sustains our faith.

It has been said—and truly—that more than any President since Lincoln, McKinley was a man of the common people, close to their aspirations and able to articulate their deepest yearnings. The widespread national grief which accompanied his passing bore witness to the affection and regard in which he was held. People saw in him not only a great public leader in war and in peace but a private man whose inherent goodness shone through his duties as a family man.

Many are the curious facts which attend his life—the fifth President born in Ohio, he was also the fifth Ohio-born elected within 2 years. The fifth President to die in office, he was the third to be cut down by an assassin—and the second Ohio-born to be slain in office. He was a thoroughly modern man—the first to use the telephone for campaign purposes and the first to ride in an automobile. He was able to unite in his life the traditional values of the past and the dynamic spirit of the future.

It is well known that his administration marked the advent of this country on the international scene as a great world power. But his leadership in war was matched by his vigorous pursuit of peace and prosperity. During his years as President he sought to build a structure of peace throughout the globe, utilizing American power as a shield for the extension of peaceful commerce among all nations. His "open door" policy toward China alone would prove him a prophetic figure in a century which would late witness the rise of that nation to world power status.

One of his most important and prophetic statements was made in Buffalo in the year of his death 1901, speaking before the Pan-American Exposition. He declared:

> The day of exclusiveness is past.

He recognized the economic interdependence of the nations, an interdependence brought home to us afresh in recent months. He saw clearly that prosperity was indivisible and that international cooperation had become a necessity of life. These are lessons etched vividly in all our minds by the history of more than seven decades since he spoke.

His words then speak to us now with ever greater emphasis:

> Our interest is in concord, not conflict . . . our real eminence rests in the victories of peace, not those of war.

In urging "greater commerce and trade for us all," he saw that such economic linkages—to use a recent term—would insure peace and stimulate prosperity through "relations of mutual respect, confidence, and friendship."

Always a man of inner prayer and unshakable faith in God, on his lips at the last were the words:

> "It is God's way. His will, not ours, be done."

Later, one who was present wrote in his diary:

> The great life was ended. The little group around him passed out. It was thus that I looked upon him last. He died as he lived, in fear of his God and in his faith in His mercy and goodness.

He left behind him a legacy of trust, affection, and honor such as few statesmen in this or any nation have inspired, and it is this legacy to which we pay tribute today, mindful of the ageless prayer that as God was with our fathers so may He be with us.

THE NEED FOR A MUTUAL SURVIVAL PACT AMONG NATIONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, if we have learned anything from the recent instability with respect to energy and food resources, I hope it is a realization among both the developed and developing nations of the world that we are dependent upon each other for survival. The Earth's resources are divided in such a way as to make it virtually impossible for any nation to be totally independent and self-sufficient in today's world. We must seek the cooperation of all nations in the sharing of the Earth's resources for the benefit of all.

Richard N. Gardner, professor of law at Columbia University and former Deputy Assistant Secretary of State for International Organization Affairs in the Kennedy and Johnson administrations, has called for such cooperation through a "mutual survival pact" between developed and developing nations. Professor Gardner made his proposal in a report released at the World Food Conference in Rome last November. His report makes it clear that there are some difficult decisions ahead of developed and developing nations which will determine the future of world peace and the well-being of generations ahead.

For the benefit of my colleagues, I am including some cogent excerpts from Professor Gardner's report at this point in the RECORD:

> Political leaders talk a good deal these days about interdependence. Few are prepared to act upon it, however, when it comes down to brass tacks. For too many governments, the word is still a slogan which roughly translated means "what's mine is mine, what's yours belongs to me."
>
> Developed countries stress their right of access to raw materials essential to their well-being which are located in developing countries, yet they fail to discharge their trade and aid obligations to the developing countries under the second UN Development Decade. Faced with double-digit inflation, rising unemployment, and stagnant growth, rich nations are concentrating more than ever on their own domestic affairs. In the United States, some of the same people who denounced the Arab oil embargo are demanding restrictions on American food exports. The developed countries cannot expect the developing countries to be cooperative political or economic partners unless they show greater concern for the latter's priorities and interests.
>
> Developing countries, frustrated by their failure to make faster progress and intoxicated by the success of the oil exporters' cartel, seem to be moving from negotiation to confrontation. Not a voice was raised in the UN to question the Arab oil embargo, though it violated UN resolutions condemning coercion which were sponsored by the developing countries themselves—not to mention bilateral treaties and contractual commitments. The UN is in danger of becoming a place where developing countries have only rights, developed countries only obligations. If that were to happen it would cease to be an effective organization.
>
> Developing countries enlist under the banner of "sovereignty over natural resources," not always recognizing that developed countries also have "sovereignty" over their capital resources, their technology, and their internal markets. Moreover, developed countries also have raw materials. The world is more dependent on the United States for food than it is on the Middle East for oil. Hopefully the U.S. will never use its "food weapon" the way the Arab countries used their "oil weapon."
>
> As a matter of practical politics, there can be no double standard in the exercise of sovereignty—one for developed and one for developing countries. Even if there could be, it would hardly serve developing country interests: ironically, the greatest victims of the "sovereignty" the OPEC countries exercised in quadrupling oil prices have been the developing countries themselves.
>
> What the world requires now is not more self-serving talk about "sovereignty" but a mutual survival pact between developed and developing countries in which mutually-agreed limitations on the sovereignty of each are undertaken to protect the sovereignty of all. We need to strike a great transcontinental bargain in which access to energy and other raw materials, which industrialized countries need, is traded for other kinds of access that developing countries need—access to markets at stable and remunerative prices, access to technology, management skills and investment capital, and access to a fairer share of decision-making in international institutions.
>
> The "world survival bargain" will also have to balance assurances by rich countries to conserve on energy, food and raw materials with commitments by poor countries to change some suicidal demographic, agricultural and environmental practices. The Arab world will not be willing to exhaust its precious reserves of oil in a few years of full production so that the U.S. can continue its wasteful energy ways. Nor will the U.S. be willing to give endless amounts of food to an Indian government that cuts its family planning budget, mismanages food production and distribution, and invests scarce resources in the testing of nuclear devices. It seems inescapable that the "survival bargain," sooner or later, will require fundamen-

tal changes in domestic institutions, policies and practices on both sides of the great economic divide.

Today's political leaders are obviously not yet ready for such a bargain. What can be done to change the attitudes of leadership before it is too late? A new level of statesmanship will be required, but how do we get it?

To begin with, we need to educate governments and citizens around the world in the moral, economic, and political implications of interdependence. We need a systematic effort to bring together the "practitioners" and the "humanists" in the search for solutions, combining the skills of the politicians, diplomats, lawyers, economists, businessmen and scientists who "run the world" with the wisdom of the philosophers, historians, artists, and religious leaders who shape its basic values. Private organizations such as those which sponsored the Rensselaerville meeting are already committed to the search for "humanist values for an age of scarcity." The development of their programs on a truly global basis would promote more humane and rational decision-making, teaching us how to reconcile such goals as individual self-realization, social justice, and species survival.

The problem, of course, is not only conceptual, it is political. The political systems of the world, whether democratic or totalitarian, reward leaders for maximizing present benefits to their people while passing on the costs to other countries, to future generations, and to mother nature. Foreigners have little leverage unless they are powerful enough to grant important benefits or inflict severe penalties. Children don't vote, and unborn children vote even less. The earth, the atmosphere, the oceans have no political franchise. But our descendants will curse us for the way we are debasing the quality of their lives, and mother nature will eventually take her revenge.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. McClory (at the request of Mr. Rhodes), on January 28, 1975, through February 6, 1975, on account of official business.

Mr. Derwinski (at the request of Mr. Rhodes), on January 28, 1975, through February 6, 1975, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Edwards of Alabama) and to include extraneous matter:)

Mr. Shriver.

Mr. Gilman in three instances.

Mr. Mitchell of New York in four instances.

Mr. Horton in two instances.

Mr. Derwinski in two instances.

Mr. Crane in two instances.

Mr. Ashbrook in two instances.

Mr. Peyser.

Mr. Carter.

(The following Members (at the request of Mr. Bedell) and to include extraneous matter:)

Mr. Rangel in 10 instances.

Mr. Bolling.

Mr. Natcher.

Mr. Andrews of North Carolina.

Mr. Wolff.

Mr. Hamilton.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Dodd in 10 instances.

Mr. Moorhead of Pennsylvania in two instances.

Mr. Drinan in five instances.

Mr. Addabbo.

Mr. Bedell.

Mr. Roybal in 10 instances.

Mr. Ford of Michigan.

Mr. Mathis.

Mr. Wright.

The SPEAKER. The Chair recognizes the gentleman from Illinois (Mr. Price).

TRANSFER OF SPECIAL ORDERS

Mr. PRICE. Mr. Speaker, I ask unanimous consent that special orders scheduled for today be rescheduled for tomorrow and listed first.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO EXTEND REMARKS

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks in the extension of remarks today, without creating a precedent.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE LATE HONORABLE JOHN C. KLUCZYNSKI

Mr. PRICE. Mr. Speaker, it is my very sad duty to announce to the House the passing early this morning, in Chicago, Ill., of our beloved friend, the Honorable John C. Kluczynski.

All of us have known John for many years. He has been a great legislator. He has been a good friend to every Member of the House.

I will not take the time of the House at this moment, but later in the week I will ask for time so that the Members may have the opportunity to pay tribute.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

I wish to express my deep sorrow at the passing of our colleague John C. Kluczynski.

He was a very dear personal friend of mine, and in fact during the course of my first term he was my neighbor here.

Mr. Speaker, I note the passing of this great Member of the House with deep sadness. I extend my condolences and my sympathy to the members of his family.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I thank the gentleman for yielding.

I, too, was shocked to learn of the passing of our good friend, the gentleman from Illinois, John Kluczynski, this morning.

John came to the Congress shortly after I did, and our friendship has been a very close and personal one. We traveled together frequently between Chicago and the Capital, and we had a great deal in common in the representation of the people in our districts.

Mr. Speaker, John was a fine leader and a great representative of the people of his district. He knew their problems, he stayed in close communication with them, they respected him, and they loved him.

John was jovial and friendly. He was always cheerful. I never saw him angry at anyone. People liked to be with him. He brought sunshine wherever he went.

There is a great void now in our delegation. John will be missed very much.

Mrs. Yates and I extend our deepest sympathy to his family.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I, too, would like to pay my respects briefly to our beloved colleague, the gentleman from Illinois, John Kluczynski.

John Kluczynski was not only a hard working legislator, he was a man of unfailing good humor. I remember how, whenever we would meet, he and I used to exchange greetings in the Polish language because he knew that many of my constituents were of Polish origin. John always used to turn to colleagues and say by way of explanation of our exchange, "We Polish people have to stick together."

Mr. Speaker, I am going to miss John Kluczynski very much. I know that all of us will.

Mr. JAMES V. STANTON. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Ohio.

Mr. JAMES V. STANTON. Mr. Speaker, I, too, would like to express my condolences on the departure of the gentleman from Illinois, John Kluczynski, who exhibited such great humor, great love, and a great deal of understanding.

He served as my chairman on the Subcommittee on Transportation of the Committee on Public Works, and he assisted me in my campaign for reelection on two occasions.

More than that, John was an honest, thoughtful, and considerate man; he was a man who had great devotion to his family and to his friends. I think the greatest tribute anyone could pay to the gentleman from Illinois, John Kluczynski, would be to point out his loyalty to his friends, which was a hallmark of the way he lived throughout his life.

Mr. Speaker, I know that this House is going to miss him greatly, and hopefully the Kluczynski family and all of the Members will have an opportunity to express themselves, as indicated by the previous request made by the gentleman from Illinois (Mr. Price).

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to associate myself with the remarks made by my colleagues here today on the passing of the gentleman from Illinois, John Kluczynski.

John Kluczynski and I served in the Congress together for the past 16 years. He preceded me. When I came here as a freshman, his office was adjacent to mine, and since I was coming here as a freshman and since I was rather green, I leaned on John quite heavily for advice and counsel. I always found him to be a warm and close friend.

He was a dedicated and a devoted Congressman. He represented the people of Chicago and, yes, the people of this Nation in a great manner. He is going to be missed around here.

John Kluczynski and I also served together on the Subcommittee on the House Restaurant, and we had many interesting conversations about the problems there.

Mr. Speaker, my prayers and condolences go out to his wife and his family. May he rest in peace.

Mr. SIKES. Mr. Speaker, I am shocked and grieved, as are so many of my colleagues, at the untimely death of our beloved and distinguished colleague, John C. Kluczynski. Even though he had been in ill health for months, we could not bring ourselves to the thought that he might suddenly and without warning be taken from us. Now, he is gone and his passing leaves a great void in the House. He was truly a respected and able Member.

John Kluczynski's biographical sketch in the Congressional Directory is one of the briefest among all those printed. It states that he was elected to the Illinois State Legislature in 1932; he served 16 consecutive years; he was elected in 1948 to the Illinois State Senate; was elected to the 82d Congress in 1950, and reelected to each succeeding Congress.

This gives only a hint of the solidarity and dependability and capability of John Kluczynski. To learn the true facts about him, it was necessary to know him, to know of his friendliness, his uniform courtesy and his respected accomplishments in the House of Representatives. He was a good man for Congress, a strong leader in Congress, and a gifted legislator for the Nation.

America needs men like John Kluczynski and those who knew him and served with him realized this best of all. We will miss him and his good works. Those of us who served with him are enriched by our memories of him and our friendship with him.

Mr. HALL. Mr. Speaker, I join with my colleagues in paying tribute to the memory of the late Congressman John Kluczynski, of Illinois' Fifth District.

I have had the great honor of serving in this distinguished body for less than 1 month whereas Congressman Kluczynski ably represented his constituency for more than 24 years. I did not have the opportunity during this 1 short month to come to know Congressman Kluczynski as well as those who have served with him over the years. However, I have followed his distinguished career for some time. As the ranking member of the Public Works Committee, Congressman Kluczynski was a leading expert in public transportation and provided invaluable service to the Nation in this area. Congressman Kluczynski was a prime mover during the 1950's when construction of our network of interstate highways began.

Talking with other members of the Illinois delegation who have served with Congressman Kluczynski, I realize how greatly they valued his friendship and his dedication to public service.

Mrs. Hall and I offer our deepest sympathy to his wife, Estelle, to his brother, Thomas, who now sits on the Illinois Supreme Court and to the other members of the Kluczynski family.

Mr. EVINS of Tennessee. Mr. Speaker, certainly I want to join with Members of the Illinois delegation and others in paying a brief but sincere tribute to the memory of our beloved colleague who passed away today—Congressman John C. Kluczynski, of Chicago, Ill.

John Kluczynski—"Klu", as his friends affectionately called him—was a warm, genial, friendly person, and the news of his passing was shocking and distressing—he was a good friend as we served together on the House Small Business Committee for a number of years.

He will be recorded in history as one of the leaders in the development of an interstate transportation system—the Interstate Highway System—which has not only brought this Nation closer together but has resulted in the saving of many lives because of the excellence of the engineering on these limited access highways.

John was chairman of the Transportation Subcommittee of the Committee on Public Works, and in this capacity was a leader in developing the Nation's Federal highway system.

He was also chairman of the Subcommittee on Metropolitan and Rural Areas of the House Small Business Committee and, although from a major metropolitan area, demonstrated an understanding and concern for the problems of the smaller cities and rural areas as well as for those of the major urban areas.

John Kluczynski served his district, State, and Nation faithfully and well—he had served 24 years in the Congress and had just been reelected to his 13th term last November.

He was popular and able, and a skilled legislator whose contributions greatly enriched the legislative history of the House.

John Kluczynski was a distinguished member of the Committee on Small Business where we worked together. He was also my next-door neighbor with adjacent offices in the Rayburn Building, and my friend.

John Kluczynski will be greatly missed—his passing leaves a void that will be difficult to fill. I extend to Mrs. Kluczynski and other members of his family the deepest and most sincere expression of my deepest sympathy. Mrs. Evins joins me in these sentiments.

Mr. WON PAT. Mr. Speaker, it is with a sense of sadness and loss that I join my colleagues in paying tribute to our departed and good friend, John Kluczynski.

For more than 40 years, John Kluczynski served as a spokesman for his constituents, first in the Illinois State Legislature, then the U.S. Senate, finally in the House of Representatives for the past 24 years. He has served them well, with responsibility, efficiency, and dedication. In return they gave him their trust and confidence. And this is the final and most lasting tribute any man can receive.

John Kluczynski's presence has been part and parcel of this body; his absence will leave us a little less. I join with my colleagues in expressing condolences and sympathy to his wife, family, friends, and constituents.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues on this sad occasion as we pay tribute to our late friend and co-worker in the House, the Honorable John C. Kluczynski. "Klu" as he was affectionately known, was not only one of our most popular Members, but he was a dedicated man whose record of service spans more than 24 years in the House of Representatives.

His passing is mourned here today in the Nation's Capital just as others who knew his record express their grief in Illinois and other States around our country. His record of achievement includes landmark legislation dealing with our Interstate Highway System and aid to small business. As chairman of the Transportation Subcommittee of the House Committee on Public Works he compiled an outstanding record and helped shape our Federal highway programs. It was my privilege to work with John on small business matters before the House Small Business Committee and to experience firsthand his ability to work with other Members to develop progressive legislation.

John enjoyed a full life and he was a happy individual who appreciated life. His passing leaves a void in our Chamber and we will miss his good-natured approach to our responsibilities as legislators.

I extend my personal sympathies to his wife and the other members of the Kluczynski family.

Mr. MAZZOLI. Mr. Speaker, I would like to add my voice to those of my colleagues who paid tribute to John Kluczynski.

"Mr. Klu," as I called him, was a dedicated Member of the House for nearly a quarter century. And, he brought to this Chamber nearly two decades of experience in the Illinois State Legislature.

John Kluczynski's pleasant manner and hard work shall be sorely missed by this body.

I join my colleagues in offering sympathy to his wife, his family, and his many friends.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the life and character and public service of the late Honorable John C. Kluczynski.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I offer a resolution.

The Clerk read the resolution, as follows:

H. Res. 97

Resolved, That the House has heard with profound sorrow of the death of the Honorable John C. Kluczynski, a Representative from the State of Illinois.

Resolved, That a committee of 65 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolutions were agreed to.

The SPEAKER. The Chair desires to state that the Chair will announce tomorrow the names of members of the Funeral Committee on the part of the House.

The Clerk will report the remaining resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT

The SPEAKER. Accordingly, the House stands adjourned until 12 o'clock noon tomorrow.

Thereupon (at 12 o'clock and 15 minutes p.m.), pursuant to House Resolution 97, the House adjourned until tomorrow, Tuesday, January 28, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

183. A letter from the President of the United States, transmitting a draft of proposed legislation to extend the Voting Rights Act of 1965, and for other purposes (H. Doc. No. 94–23); to the Committee on the Judiciary and ordered to be printed.

184. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1974, or the Military Construction Appropriation Act, 1974, during the second half of fiscal year 1974, to make payments under contracts in a foreign country except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 736 and 109 of the respective acts; to the Committee on Appropriations.

185. A letter from the Secretary of the Army, transmitting reports of the number of officers on duty with Headquarters, Department of the Army, and detailed to the Army General Staff on December 31, 1974, pursuant to 10 U.S.C. 3031(c); to the Committee on Armed Services.

186. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 73 construction projects proposed to be undertaken for the Army National Guard, pursuant to 10 U.S.C. 2233a; to the Committee on Armed Services.

187. A letter from the Acting Deputy Chief of Naval Material (Procurement and Production), transmitting a report on Navy research and development procurement actions of $50,000 and over, covering the 6 months ended December 31, 1974, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

188. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed new cost accounting standard entitled "Part 409—Depreciation of Tangible Capital Assets", pursuant to section 719(h) (3) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Currency and Housing.

189. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed funding criteria governing the higher education personnel training programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

190. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of the Agency's intention to obligate Special Requirements Funds for various loan and grant projects in Syria, pursuant to section 903 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

191. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92–403; to the Committee on Foreign Affairs.

192. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act, as amended, during calendar year 1974, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

193. A letter from the Assistant Secretary of the Interior, transmitting notice of the receipt of a loan application and project proposal from the Valley Center Municipal Water District, Valley Center, Calif., pursuant to section 10 of the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

194. A letter from the Administrator, Federal Energy Administration, transmitting a report on the energy conservation study, pursuant to section 8(a) of Public Law 93–319 (H. Doc. No. 94–24); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

195. A letter from the Secretary, Railroad Retirement Board, transmitting a report on positions in grades GS–16, 17, and 18 under the Board during calendar year 1974, pursuant to U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

Received From the Comptroller General

196. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Rural Telephone Bank, Department of Agriculture, for fiscal year 1974, pursuant to 31 U.S.C. 841 (H. Doc. No. 94–25); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted January 2, 1975]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Report on the activity of the Committee on Interstate and Foreign Commerce, House of Representatives, for the 93d Congress (Rept. No. 93–1668). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HECHLER of West Virginia (for himself, Ms. Abzug, Mr. Badillo, Mr. Brodhead, Mr. Corman, Mr. Drinan, Mr. Edgar, Mr. Ford of Tennessee, Mr. Harrington, Ms. Holtzman, Mr. Koch, Mr. Long of Maryland, Mr. Moakley, Mr. Scheuer, Mrs. Spellman, Mr. Stark, Mr. Stokes, and Mr. Ottinger):

H.R. 2121. A bill to provide for the orderly phasing out of surface coal mining operations, and to control those underground coal mining practices which adversely affect the quality of the environment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS of North Dakota:

H.R. 2122. A bill to provide priority system for certain agricultural uses of natural gas; to the Committee on Interstate and Foreign Commerce.

By Mr. ANNUNZIO:

H.R. 2123. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2124. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself and Mr. Minish):

H.R. 2125. A bill to establish the Federal Savings and Loan Insurance Corporation as an independent corporate instrumentality of the United States; to the Committee on Banking, Currency, and Housing.

By Mr. ARMSTRONG:

H.R. 2126.A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 2127. A bill to amend subtitle C of the Consolidated Farm and Rural Development Act to reduce the rate of interest on emergency loans made under such subtitle and to authorize additional funds for the current fiscal year to expedite the processing of emergency loans to farmers and ranchers who suffered losses as a result of the recent blizzard in the midwestern part of the United States; to the Committee on Agriculture.

By Mr. BRINKLEY:

H.R. 2128. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 2129. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 2130. A bill to incorporate the National Association of State Directors of Veterans Affairs, Inc.; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts (for himself, Ms. Abzug, Mr. Boland, Mr. John L. Burton, Mr. Carr, Mr. Cornell, Mr. Drinan, Mr. Edwards of California, Mr. Harrington, Mr. Hawkins, Mr. Hungate, Mr. Jenrette, Mr. Lehman, Mr. O'Hara, Mr. Richmond, Mr. Rodino, Mr. Sarbanes, Ms. Schroeder, Mr. Seiberling, Mrs. Spellman, Mr. Waxman, Mr. Yatron, Mr. Young of Georgia, Mr. Zablocki, and Mr. Zeferetti):

H.R. 2131. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. CARNEY:

H.R. 2132. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that an individual who has attained age 65 may elect to treat any employment or self-employment performed by him as not covered for social security benefit purposes and exempt from social security taxes; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 2133. A bill to revise and to extend through fiscal year 1976 the programs authorized by title X of the Public Health Service Act for family planning and population research; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLINS of Texas:

H.R. 2134. A bill to authorize the Secretary of State to furnish free transportation to certain U.S. citizens desiring to establish permanent residence in a foreign country; to the Committe on Foreign Affairs.

By Mr. DOMINICK V. DANIELS:

H.R. 2135. A bill to amend the Natural Gas Act to secure adequate and reliable supplies of natural gas and oil at the lowest reasonable cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of Alabama:

H.R. 2136. A bill to prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with; to the Committee on Armed Services.

By Mr. FRASER (for himself, Mr. Harrington, and Mr. Rangel):

H.R. 2137. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit of $300 for certain personal exemptions, to impose an additional excise tax of 20 cents a gallon on gasoline and certain special fuels, to allow a refundable tax credit for the additional excise tax imposed on a certain portion of the gasoline and special fuels used for commuting or business-related highway travel and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN (for himself, Mr. Ullman, Mr. O'Neill, Mr. Burke of Massachusetts, Mr. Rostenkowski, Mr. Vanik, Mr. Fulton, Mr. Corman, Mr. Gibbons, Mr. Karth, Mr. Pike, Mr. Vander Veen, Mr. Helstoski, Mr. Rangel, Mr. Cotter, Mr. Stark, Mr. Jacobs, Mr. Mikva, Mrs. Keys, and Mr. Fisher):

H.R. 2138. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN (for himself, Mr. Ullman, Mr. O'Neill, Ms. Abzug, Mr. Adams, Mr. Ambro, Mr. Badillo, Mr. Barrett, Mr. Boland, Mr. Brodhead, Mr. Brown of California, Mr. Byron, Mr. D'Amours, Mr. Diggs, Mr. Edgar, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Mr. Jeffords, Miss Jordan, Mr. Maguire, Mr. Meeds, Mr. Melcher, and Mr. Neal):

H.R. 2139. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN (for himself, Mr. Ullman, Mr. O'Neill, Mr. Nolan, Mr. Oberstar, Mr. Pattison of New York, Mr. Richmond, Mr. Rodino, Mr. Roush, Mr. Seiberling, Mrs. Sullivan, Mr. Thompson, and Mr. Weaver):

H.R. 2140. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 2141. A bill to amend title 10 of the United States Code to provide that persons may qualify for nonregular retirement pay before age 60 if totally and permanently disabled; to the Committee on Armed Services.

H.R. 2142. A bill to establish a commission to study and make recommendations with respect to proposed amendments to the Constitution and laws of the United States which would modify the institutions of the three branches of the Federal Government; to the Committee on the Judiciary.

H.R. 2143. A bill to encourage earlier retirement by permitting Federal employees to purchase into the civil service retirement system benefits unduplicated in any local retirement system based on employment in Federal programs operated by State and local governments under Federal funding and supervision; to the Committee on Post Office and Civil Service.

By Mr. HANLEY:

H.R. 2144. A bill to provide for the designation of February 20 of each year as Postal Employees Day; to the Committee on Post Office and Civil Service.

H.R. 2145. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

H.R. 2146. A bill to amen dtitle 5, United States Code, to provide retention preference in reductions in force for employees who are former members of the Armed Forces retired on disability incurred in line of duty in wartime but caused by other than an instrumentality of war or injury or disease resulting from armed conflict, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HASTINGS (for himself, Mr. Horton, Mr. Frey, Mr. Symington, Mr. Rangel, and Mr. Preyer):

H.R. 2147. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to discharge obligations under the Convention on Psychotropic Substances relating to regulatory controls on the manufacture, distribution, importation, and exportation of psychotropic substances; to the Committee on Interstate and Foreign Commerce.

By Mr. HUTCHINSON (for himself, Mr. McClory, Mr. Railsback, Mr. Fish, and Mr. Cohen):

H.R. 2148. A bill to extend the Voting Rights Act of 1965, and for other purposes; to the Committee on the Judiciary.

By Mr. KARTH (for himself, Mr. Nix, Mr. Pepper, Mr. Patten, Mr. Dellums, Mr. Moorhead of Pennsylvania, Mr. Hechler of West Virginia, Mr. Rosenthal, Mr. Fraser, Mr. Stark, Mr. Metcalfe, Mr. Dominick V. Daniels, Mr. Johnson of California, Ms. Abzug, and Mr. Corman):

H.R. 2149. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. NOLAN (for himself and Mr. Pressler):

H.R. 2150. A bill to amend the Consolidated Farm and Rural Development Act to provide additional disaster relief with regard to certain disasters; to the Committee on Agriculture.

By Mr. PREYER (for himself, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Fountain, Mr. Hefner, Mr. Henderson, Mr. Jones of North Carolina, Mr. Mann, Mr. Martin, Mr. Neal, Mr. Rose, and Mr. Taylor of North Carolina):

H.R. 2151. A bill to give greater assurance that national and regional needs are satisfied in times of shortage of natural gas and petroleum and its products; to the Committee on Interstate and Foreign Commerce.

By Mr. PRITCHARD:

H.R. 2152. A bill to amend the Food Stamp Act of 1964 to rescind a proposed food stamp program regulation which would require each household to pay 30 percent of its adjusted net monthly income for a coupon allotment, and for other purposes; to the Committee on Agriculture.

By Mr. PRITCHARD (for himself and Mr. Meeds):

H.R. 2153. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Pacific Northwest Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. QUIE:

H.R. 2154. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. ROUSH:

H.R. 2155. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Ms. Abzug, Mr. Anderson of California, Mr. Badillo, Mr. Bonker, Mr. Brodhead, Mr. Brown of California, Ms. Burke of California, Mr. Carney, Mr. Carr, Mr. Danielson, Mr. Dodd, Mr. Drinan, Mr. Duncan of Oregon, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Fish, Mr. Ford of Tennessee, Mr. Fraser, and Mr. Gude):

H.R. 2156. A bill to amend the Federal Deposit Insurance Act to terminate the insurance of any bank which fails to pay a certain rate of interest on all tax and loan accounts; to the Committee on Banking, Currency, and Housing.

By Mr. SEIBERLING (for himself, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Ms. Holtzman, Mr. Howe, Mr. Jenrette, Mr. Leggett, Mr. Lehman, Mr. Long of Maryland, Mr. Mathis, Mr. McKinney, Mr. Melcher, Mr. Miller of California, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murtha, Mr. O'Hara, Mr. Regula, and Mr. Richmond):

H.R. 2157. A bill to amend the Federal Deposit Insurance Act to terminate the insurance of any bank which fails to pay a certain rate of interest on all tax and loan accounts; to the Committee on Banking, Currency, and Housing.

By Mr. SEIBERLING (for himself, Mr. Rodino, Mr. Roe, Mr. Sarbanes, Ms. Schroeder, Mr. Simon, Ms. Spellman, Mr. Stokes, Mr. Studds, Mr. Symington, Mr. Traxler, Mr. Van Deerlin, Mr. Waxman, Mr. Won Pat, and Mr. Mann):

H.R. 2158. A bill to amend the Federal Deposit Insurance Act to terminate the insurance of any bank which fails to pay a certain rate of interest on all tax and loan accounts; to the Committee on Banking, Currency, and Housing.

By Mr. SISK:

H.R. 2159. A bill to provide for the reimbursement of medical treatment facilities for emergency medical treatment given to aliens unlawfully in the United States; to the Committee on the Judiciary.

By Mr. VIGORITO:

H.R. 2160. A bill to amend the Regional Rail Reorganization Act of 1973 in order to provide for the reorganization under such act of a railroad heretofore found to be reorganizable under section 77 of the Bankruptcy Act and later found not to be so reorganizable; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES H. WILSON of California:

H.R. 2161. A bill to revise the pay structure of the police forces of the Washington National Airport and Dulles International Airport, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2162. A bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States; to the Committee on Post Office and Civil Service.

H.R. 2163. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

Mr. DOMINICK V. DANIELS:

H.J. Res. 141. Joint resolution to prohibit for a period of 60 days the imposition of tariffs, fees and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of the Congress of any such action within 30 days; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.J. Res. 142. Joint resolution relative to the determination of the fate of POW's and MIA's; to the Committee on Foreign Affairs.

By Mr. McCOLLISTER:

H.J. Res. 143. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. QUIE:

H.J. Res. 144. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. LITTON:

H. Con. Res. 68. Concurrent resolution expressing the sense of Congress regarding social security cost-of-living increases; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS:

H. Res. 98. Resolution disapproving the deferral of budget authority relating to comprehensive planning grants (deferral No. D75–1070) which is proposed by the President in his special message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. THONE (for himself, Mr. Abdnor, Mr. Armstrong, Mr. Bafalis, Mr. Bauman, Mr. Cochran, Mr. Collins of Texas, Mr. Conte, Mr. Dickinson, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mrs. Fenwick, Mr. Goodling, Mr. Gude, Mr. Guyer, Mr. Hansen, Mr. Horton, Mr. Ketchum, Mr. Kindness, Mr. Lagomarsino, Mr. Martin, Mr. McClory, Mr. Mosher, Mr. O'Brien, and Mr. Quie):

H. Res. 99. Resolution to require approval by the House of Representatives with respect to the fixing or adjustment of certain allowances for Members of the House; to the Committee on House Administration.

By Mr. THONE (for himself, Mr. Robinson, Mr. Sebelius, Mr. Shriver, Mr. Skubitz, Mrs. Smith of Nebraska, Mr. Spence, and Mr. Steiger of Arizona):

H. Res. 100. Resolution to require approval by the House of Representatives with respect to the fixing or adjustment of certain allowances for Members of the House; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

11. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the importation of dairy products; to the Committee on Agriculture.

12. Also, memorial of the Legislature of the State of Oklahoma, relative to changing the name of the Optima Reservoir to Leon Field Lake; to the Committee on Public Works and Transportation.

13. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to the proposed tariff on imported oil; to the Committee on Ways and Means.

14. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to an opinion issued by the Department of Justice affecting the refunding of fees on oil imported to Puerto Rico; jointly to the Committees on Ways and Means, and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. HECKLER of Massachusetts:

H.R. 2164. A bill for the relief of Michel Rudmanos-Ramia; to the Committee on the Judiciary.

By Mr. QUIE:

H.R. 2165. A bill for the relief of Archie N. Stadler; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

14. By the SPEAKER: Petition of the Maui-County Council, Hawaii, relative to exempting Hawaii from the proposed duties on petroleum products; to the Committee on Ways and Means.

15. Also, petition of State Senator Orval A. Keyes, Springfield, Nebr., relative to petroleum taxes; to the Committee on Ways and Means.

SENATE—*Monday, January 27, 1975*

The Senate met at 12 o'clock meridian and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Reverend Logan Cummings, pastor, First Baptist Church, Brownwood, Tex., offered the following prayer:

Eternal God, our Father, as servants pressed and pursued by the high concerns of public service in this bewildering and demanding day of global change when ancient foundations are being shaken and crumbling, we are grateful for quiet cloisters of the Spirit where in moments of reverential calm we lay hold to the strength of the God who is forever present in history, whose plan for nations cannot be ultimately defeated, and who sustains and restores our jaded souls.

In the awesome struggle to lead men by serving them, open our eyes that we may see not only the encircling hosts of evil, but also on the hills about us the fiery chariots of God's truth.

We ask it in the name of that One by whose invincible might we are made more than conquerors. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, January 23, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEATH OF BARON ROBERT SILVERCRUYS, FORMER BELGIAN ENVOY TO THE UNITED STATES

Mr. MANSFIELD. Mr. President, on yesterday, a longtime friend and a first-rate diplomat, the Baron Robert Silvercruys, died. As many Members of this body know, he married the widow of the distinguished late Senator from Connecticut, Mr. Brien McMahon.

I looked upon Baron Silvercruys as a man of great intelligence, great integrity, and great sagacity. On his retirement as Ambassador of the Belgians to the United States, he lived in this country and maintained a residence here. His loss will be a great one and deeply and personally felt by me.

At this time I wish to extend the deepest condolences and sympathy of Mrs. Mansfield and myself to his widow, Baroness Silvercruys.

Mr. President, I ask unanimous consent that obituaries published in the Washington Post and the New York Times of today be printed in the Record.

There being no objection, the obituaries were ordered to be printed in the Record, as follows:

Baron Robert Silvercruys Dies; Longtime Belgian Envoy to U.S.—Veteran Diplomat Took Part in Major Postwar Events—Served Nation 41 Years

Baron Robert Silvercruys, who retired in 1959 after 15 years as Belgian Ambassador to the United States, died Saturday at his home in Washington. He was 81 years old and also had a home in Nantucket, Mass.

Baron Silvercruys, who became Ambassador in 1945, participated in most of the major postwar events. He was a delegate to the San Francisco Conference on International Organization that year and first occupied the Belgian seat on the United Nations Security Council.

In 1949, Baron Silvercruys was one of the negotiators of the North Atlantic Treaty and signed it for his country. He was also signatory to the Belgian-Japanese peace treaty in San Francisco in 1951.

The year he retired, Baron Silvercruys took on his last major assignment—arranging the visit to this country of King Baudouin and accompanying him here. But he was no stranger to such tasks. In 1918, at the age of 25, he had prepared the visit to the United States of King Albert and Queen Elizabeth of the Belgians.

And Baron Silvercruys was also no stranger to this country. He served in the Belgian Embassy during the Administrations of seven Presidents, beginning with Woodrow Wilson and ending with Dwight D. Eisenhower. As Ambassador, he gave small luncheons and dinners several times a week, opening up opportunities for the kind of diplomacy he liked best and was best at.

Other diplomats sometimes debated whether the French Ambassador or the Belgian Ambassador had the better chef. Most chose the Belgian.

Born Oct. 17, 1893, Baron Silvercruys was the son of a High Justice of Belgium and was educated at the Universities of Louvain and Brussels, from which he took his law degree.

After serving in the Belgian Embassy in Washington from 1918 to 1922 as charge d'affaires, he was executive secretary to the Minister for Foreign Affairs until 1926, when he became a counselor at the Embassy in Washington.

In 1929 Baron Silvercruys was entrusted with a special mission to China as first Belgian representative to the Nanking Government, when Generalissimo Chiang Kai-shek first established himself there.

Subsequently, he became counsel of the Embassy in London. In 1937 he was named Minister to Canada and later became Ambassador there. During the war years he was instrumental in providing for the basic training of various Belgian military units in Canada.

Baron Silvercruys married Mrs. Rosemary Turner McMahon, widow of Senator Brian McMahon of Connecticut, who survives. He was a brother of the late Suzanne Silvercruys Stevenson, sculptor, painter, lecturer and author.

A funeral service will be held Wednesday morning in St. Mary's by-the-Sea Roman Catholic Church, Nantucket. A memorial service will be held later in Washington.

Baron Robert Silvercruys, Ex-Belgian Ambassador

Baron Robert Silvercruys, 82, the Belgian ambassador to the United States from 1945 to 1959, died Saturday at his home 3201 Woodland Dr. NW.

In his country's diplomatic service for 41 years before his retirement here, Baron Silvercruys had been the second-ranking envoy in length of service in Washington.

Since his retirement, he and his wife, the former Rosemary Turner McMahon, had divided their time between their home here and a home in Nantucket. He had occupied his time with writing, particularly poetry.

Baron Silvercruys had climaxed his ambassadorial career just before retirement as the official escort for King Baudouin of Belgium on a state visit to Washington in May, 1959. It was the King's first state visit to a foreign country during his reign.

Baron Silvercruys' country had been relatively little in the American news while he was ambassador. This was credited in part to the effectiveness with which he worked to keep relationships between the two countries in good order.

He was described as a man of dignity and courtly bearing with wit and good counsel who was a good friend to this country and a devoted servant to a free world.

He first served at the Belgian Embassy here as an attache in 1918 and was secretary of Belgian delegation to the Washington Conference in 1921–22.

After four years as private secretary to the Belgian Minister of Foreign Affairs, Baron Silvercruys returned to the Belgian Embassy in Washington as counselor.

He then was with the Belgian Legation in China from 1929–31, at the Belgian Embassy in London for five years and then minister and eventually ambassador to Canada from 1937 to 1945.

Baron Silvercruys was his country's delegate to the Conference on International Organization setting up the United Nations charter in San Francisco in 1945.

He was one of the signers of the North Atlantic Treaty in Washington in 1949 and a delegate to the Japanese Peace Conference in San Francisco two years later.

Born in Belgium of Belgian nobility, Baron Silvercruys held a doctor of laws degree from the University of Brussels. He later received honorary degrees from McGill University, the University of Toronto, Temple University, Drexel Institute and Bowdoin College.

Baron Silvercruys was known for many years in Washington social circles as the bachelor ambassador until his marriage in 1953 to Mrs. McMahon, the widow of Sen. Brien McMahon (D-Conn.).

He at one time was the director of the Belgo-American Education Foundation. An aviation enthusiast, he had a pilot's license.

He is survived by his wife.

RATIONING VERSUS HIGHER FUEL PRICES

Mr. MANSFIELD. Mr. President, there has been some discussion about rationing versus higher fuel prices and the like. I ask unanimous consent to have printed in the Record a letter to the Christian Science Monitor; an editorial published in the Baltimore Sun; a communication from Max L. Friedersdorf, Assistant to the President, outlining the administration's reasons in being against rationing, and an article entitled "Rationing: Some Pros—But a Lot of Cons," published in Time, February 3, 1975.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From The Christian Science Monitor, Jan. 24, 1975]

To the Christian Science Monitor:

No one has a magic way to solve the energy crisis but here is an idea that might work. I recommend gas rationing of the kind we had in World War II, with every car owner allowed enough gas for getting to work and a small amount for necessary shopping. Perhaps the old "A" "B" and "C" cards could be reinstated with each case decided by a ration board to ascertain real needs.

When rationing is mentioned, all those who remember the war years say, "Yes—but of course, it would only lead to a black market." I agree; there would be a black market and a profitable one. I see no reason to let these profits fall into the hands of unsavory characters. Instead, let the government set up its own "black market" in the form of supplemental coupons. Car owners who wanted to spend their recreational dollars on gas rather than bowling, golf, or cocktail parties, for example, could purchase as many supplemental coupons as they could afford.

Naturally, the coupons would not be cheap. By this system, the low-income family that uses its car only for necessary transportation would not be burdened with a gasoline tax it can ill afford. The high cost of supplemental coupons would cut down sharply on indiscriminate use of fuel without destroying the automobile industry or the many areas that are dependent on tourist dollars.

Jean R. Beach,
Frankenmuth, Mich.

[From the Baltimore Sun, Jan. 22, 1975]

Rationing Versus Higher Fuel Prices

Scarcely a week after the State of the Union address, the Republican President and the Democratic majority in Congress are on a confrontation course over energy conservation policies. This is to the good if it forces hard and early choices. It is to the bad if it is a precursor to stalemate. Mr. Ford has opted clearly for higher petroleum prices as his chief instrument for curtailing oil consumption. The Democrats, in a more hedging fashion, have expressed a preference for gasoline rationing. Neither side, it is gratifying to note, has shown any willingness to continue as we are, with our longrange security threatened by oil dependency.

It would be well if we keep national debate focused in coming weeks on this question of higher fuel prices versus rationing. This is where the essential first decision should be made, and it should be made promptly. The President and the Congress may, in the interim, get together on a form of tax rebate as a quick stimulus to the economy. This is easy, and temporary. But only after policy has been determined on the means for curtailing oil use will the government be in a position to deal with tax and energy questions of a longer-range nature.

Because debate should be focused and intensified, two new developments are encouraging. One was President Ford's attempt at his press conference yesterday to force Democrats to acknowledge that rationing would have to be mandatory and of long duration. The other was the earlier announcement by Senators Jackson and Kennedy that they would try to block a levy on imported oil that would hike fuel prices. The Jackson-Kennedy move may force an early showdown since Mr. Ford's higher tariff is to take effect February 1.

If we are to avoid the cop-out of doing nothing, the coming debate will have to do more than stress what is wrong with either rationing or higher fuel prices. That is easy. It will have to delineate what are the positive consequences of either course—or at least the positive consequences when compared with going a different route. Mr. Ford will have to convince the country that his method will really work, that it will be fashioned to cut more harshly into luxury gasoline consumption than necessary home-heating use and that its economic punishment on consumers and industry will be offset by changes in standing tax law. Democratic proponents of rationing, on the other hand, will have to prove that theirs is a surer method of reducing gasoline consumption that can be administered fairly. Whatever the final decision, we would hope that both the President and the Democratic leadership will accept each other's alternative as a policy preferable to the profligate waste of fuel and wealth that is a root cause of our current troubles.

THE WHITE HOUSE,
Washington, D.C., January 23, 1975.
Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: As you know, there is considerable discussion under way in the Congress, the press, and among the American people concerning rationing of gasoline and petroleum products. The President has carefully considered that option and found that it has many drawbacks. In his State of the Union message and his energy recommendations to the American people the President has called for other approaches to solving our energy problems.

I am enclosing a fact sheet outlining some of the most serious problems this country would face if rationing were adopted. I hope this information will be useful to you as you prepare for this very critical decision in the Congress.

Sincerely,
MAX L. FREIDERSDORF,
Assistant to the President.

BASIC QUESTIONS CONCERNING GAS RATIONING

The American people could perhaps live with rationing in a period of temporary emergency. But as a way of life, it is fundamentally inconsistent with our system and with the spirit of the American public.

Even in times of emergency, rationing has never worked fairly or efficiently. To cut a million barrels a day from our consumption by rationing only gasoline for private households, we would have to hold drivers to an average of less than 9 gallons per week—a reduction of about 25% from today. To reach the 1977 goal of a 2 million barrels a day reduction would require a second 25% reduction. Some persons would obviously need more, which means that the basic ration for ordinary persons would have to be even less. But gasoline accounts for only part of each barrel of oil, and we would clearly need to ration the remaining products, too—fuel oil, jet fuel, diesel fuel, refinery products going into petrochemicals, etc. Who would decide which persons needed more and which needed less of each of these things? Every family, every car and motorbike, every store, school, church, every manufacturer—everything and everybody—would have to obtain a permit for a certain quantity of gasoline, electricity, natural gas, etc. Those allocations would have to be changed every time someone was born or died or moved or got married or divorced, and every time a business was started, merged, sold out or bought another, or the church or school added on a new room. And some government official would have to approve it.

Last year, when the Administration considered the feasibility of rationing gasoline, it concluded that while it could be implemented, it would take four to six months to set up, employ about 15 to 20,000 full-time people, incur $2 billion in federal costs, use 40,000 post offices for distribution, and require 3,000 state and local boards to handle exceptions. When we consider the problems of just getting the mail delivered, are we really ready to trust an army of civil servants—however able and well-intentioned—to decide who deserves just what of this basic commodity?

What would the rationing bureaucracy do about such cases as:

The low-income worker who owns an old car that gets only nine miles per gallon but can't afford to trade it in? His affluent neighbor who buys a new car that gets 22 miles per gallon?

The low-income family that heats with oil a small but poorly insulated house, while their wealthy neighbor heats a large, well-insulated house with gas?

The Montana rancher who drives nearly 600 miles per month and the Manhattan apartment dweller who drives less than 100 miles?

The family that has to move from New York to California and use up several months' coupons in making the trip? One out of every five families moves every year.

The family with sick members? The family that does turn off the heat in empty rooms and the family that does not? The family with few children and many rooms to heat and the family with many children but few rooms?

The migrant worker who drives large distances every year but can't afford a more economical car?

The shortages that would inevitably develop in areas where the coupons happen not to match the gasoline supplies?

The gas stations, with limited quantities to sell, that maintain only limited services and are always closed on evenings and weekends?

The collusion, counterfeiting and illegal activities that would inevitably develop?

[From Time Magazine, Feb. 3, 1975]

RATIONING: SOME PROS—BUT A LOT OF CONS

If there is any broad consensus in the U.S. on energy policy, it is that the nation must cut back on fuel consumption and reduce its dependence on foreign oil. But voluntarism has failed. How, then, should the power of Government be used in a large democracy to make citizens consume less energy? President Ford's package of tariffs and taxes is aimed at raising the prices of gasoline, heating oil and other petroleum products in the hope that the market mechanism will yield a reduction in demand. Ford's complex, costly and contentious proposal has not only stirred savage opposition but also raised calls in and out of Congress for a new look at an old alternative: gasoline rationing.

Generally, Americans were shocked at the prospect of gas rationing when it loomed for a time during the Arab oil embargo a year ago. But one recent poll indicates that slightly more than half of the U.S. population would now accept rationing if it were the only alternative to Ford's price plan. It is as yet unclear what kind of national constituency would back the Senate bill, introduced last week by Democratic Majority Leader Mike Mansfield of Montana and Republican Lowell Weicker of Connecticut, that mandates a nationwide rationing program "within 60 days." (Ford announced that he would veto that or any other rationing bill.) But support for rationing is probably strongest among lower-income citizens who worry most about the pocketbook impact of Ford's plan. Rationing was a key part of the AFL–CIO alternative to the Ford program presented by George Meany last week, and it will surely figure prominently in the debate over energy policy in the weeks ahead.

Would rationing be a wise approach to the nation's energy problems? Its advocates offer three basic arguments.

IT IS DIRECT

The U.S. could cut its oil imports by the goal of 1 million bbl. a day—or 5.5% of consumption—merely by printing coupons limiting what motorists can buy. Thus rationing, says one of its Senate advocates, Colorado Democrat Floyd Haskell, would have "an immediate conservation effect."

IT IS FAIR

Gasoline would be doled out according to need rather than the ability to pay. The impact of Ford's price approach, notes Senator Lee Metcalf of Montana, would be greater on the poor than on the well-to-do. Under rationing, Metcalf is persuaded, "everyone would make a sacrifice at every level." With the conservation goals contemplated today, all motorists would get coupons entitling them to a 9 gal. per week.

IT IS FAMILIAR

The U.S. had gas rationing for 3½ years during World War II. The Government already has 4.8 billion ration coupons, printed during the Arab oil embargo and usable at any time, stashed in five locations around the country. The coupons would be sufficient to last for three months.

But will Americans buy rationing? Those who remember the World War II experience might doubt it. Owners of the nation's 25 million cars (there are about 101 million today) endured a coupon system that determined how much they could drive. There were "A" coupons (good for up to 4 gal. per week) for people who were deemed not to need a car much, "B" or "C" coupons for those having to drive somewhat more, and "T" or "X" coupons permitting unlimited gas purchases for truckers, doctors, telephone repairmen and others whose livelihood depended upon motoring.

The AFL–CIO's associate general counsel, Thomas Harris, who was the top rationing lawyer of the wartime Office of Price Administration recalls: "Rationing gave more trouble than anything else. In large parts of the country there was no shortage of gas, and people had trouble understanding the rationale of the program. Another big problem was the severity. An "A" book hardly gave you enough gas to keep your battery up. Then, the program had to be tailored to individuals. For instance, ministers got unlimited gasoline, so chicken sexers demanded it too—they said that they were essential to the war effort."

By the end of the war, an estimated 15% of all the "C" coupons in circulation were phony; counterfeiters had run them off to sell to conniving motorists or service-station dealers. Racketeers started a booming black market in stolen coupons. One gang even seized tickets worth 20 million gal. of gasoline from the Government's own offices in Washington.

Any rationing plan adopted today would probably be a "white market" system; coupons would be transferable, and people who did not need all their coupons could legally sell them to those who did. White market rationing would generate less skulduggery and ill feelings than the World War II variety did. But it would still be inadequate and unfair.

The Federal Energy Administration, which would run any rationing program, last week spelled out some of the possible consequences. Coupons would go to the nation's 125 million licensed drivers; another 15 million Americans might rush to get licenses just to be able to procure coupons. The white market price of the coupons could reach $1.20 per gal.—over and above the current average pump price of 55¢.

More important, rationing by itself would not provide a financial incentive to the U.S. energy industry to produce more domestic oil and develop alternate forms of energy. Rationing also would not help to promote energy conservation outside of curbing the use of cars. At the same time, the FEA reckons that rationing would probably depress the gross national product by nearly $13 billion in the first year, presumably by cutting the market for new cars.

GRAVE QUESTIONS

Unquestionably, rationing would generate widespread inequities. Lower-income motorists would be penalized because they tend to drive inefficient old cars that get poor gasoline mileage. Residents of rural and suburban areas would suffer more than city dwellers, because they are not served by adequate mass transit systems. A network of local rationing boards would probably be created to deal with hardship claims. But there would be much bureaucratic adjudication of minute details of Americans' private and business lives. By FEA's estimate, rationing would require the creation of a massive bureaucracy of as many as 25,000 full-time employees. Even Senator Mansfield concedes that any rationing program would require "a lot of fine tuning."

The arguments against rationing, of course, are not necessarily arguments for President Ford's flawed program to raise tariffs and taxes. By greatly increasing the price of all oil products (gasoline and fuel oil would go up about 10 cents per gal.), it would add at least two percentage points to the cost of living index. Furthermore, U.S. producers of petrochemicals, synthetic textiles and other products that derive from oil would be at a great disadvantage in world markets because their foreign competitors would be using cheaper oil. Grave questions exist over whether enough energy would be saved to justify these high costs.

There are alternatives. One that is appealing—because it attacks the main source of energy waste—is a big increase in the federal tax on gas at the pump, on the order of 20 cents per gal. or more. President Ford opposes a tax increase, and Congress has little enthusiasm for it. Another alternative is receiving increasingly serious attention in Washington: phased-in reduction in oil imports coupled with mandatory conservation measures and an allocation system that would spread the impact of reduced supplies. This in effect is a form of rationing without coupons.

Ford said last week that if Congress rejects his excise-tax package, he would probably fall back on such an allocation plan. This allocation could be an area for future compromise between the Administration and the Democrats. For the moment, some leading Democrats are lining up behind rationing, but there is one notable exception. Washington Senator Henry Jackson, a respected energy expert on the Hill, puts it well down on his list of policy alternatives. He has not curtly dismissed rationing as "a last resort," as the President did last week. But that could be one point on which "Scoop" Jackson and Jerry Ford are at least close to agreement.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rules VII and VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of items on the calendar beginning with Calendar No. 4 and ending with Calendar No. 9.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING FOR INQUIRIES AND INVESTIGATIONS

The resolution (S. Res. 13) authorizing supplemental expenditures by the Special Committee on Aging for inquiries and investigations was considered and agreed to, as follows:

Resolved, That section 4 of S. Res. 267, Ninety-third Congress, agreed to March 1, 1974, is amended by striking out "$415,000" and inserting in lieu thereof "$431,000".

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION FOR INQUIRIES AND INVESTIGATIONS

The resolution (S. Res. 29) authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigations was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The Committee on Rules and Administration, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, to expend not to exceed $432,600 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated in the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

SEC. 3. Not to exceed $180,000 shall be available for a study or investigation of privileges and elections.

SEC. 4. Not to exceed $252,600 shall be available for a study or investigation of computer services for the Senate, of which amount not to exceed $50,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 5. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 29, 1976.

SEC. 6. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INCREASED LIMITATION ON EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION FOR THE PROCUREMENT OF CONSULTANTS

The resolution (S. Res. 28) increasing the limitation on expenditures by the Committee on Rules and Administration for the procurement of consultants was considered and agreed to, as follows:

Resolved, That section 4 of S. Res. 266, Ninety-third Congress, agreed to February 1, 1974, is amended by striking out "$20,000" and inserting in lieu thereof "$30,000".

REVISION AND PRINTING OF THE SENATE MANUAL

The resolution (S. Res. 27) authorizing the revision and printing of the Senate Manual for use during the Ninety-fourth Congress was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Ninety-Fourth Congress, that said Rules and Manual shall be printed as a Senate document, and that two thousand additional copies shall be printed and bound, of which one thousand copies shall be for the use of the Senate, five hundred and fifty copies shall be for the use of the Committee on Rules and Administration, and the remaining four hundred and fifty copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the Committee.

HAZEL W. DIAMOND

The resolution (S. Res. 26) to pay a gratuity to Hazel W. Diamond was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Hazel W. Diamond, widow of Joseph J. Diamond, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to ten months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

LILLIAN D. WHITE

The resolution (S. Res. 25) to pay a gratuity to Lillian D. White was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Lillian D. White, mother of Ronald R. White, an employee of the Senate at the time of his death, a sum equal to three months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. MANSFIELD. Mr. President, I yield the floor.

GASOLINE RATIONING

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Washington Post of Sunday, January 26, 1975, on the numerous inequities of gasoline rationing and the extreme difficulties and expense which would be involved in that program.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 26, 1975]

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

LEAVE OF ABSENCE

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Senator from Vermont (Mr. STAFFORD) and the Senator from Idaho (Mr. MCCLURE) be granted official leave of the Senate for the next 2 weeks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE STATE OF THE ECONOMY

Mr. HUGH SCOTT. Mr. President, in an interesting speech at Fulton, Mo., a former colleague, Senator Fulbright of Arkansas, under the title "The Clear and Present Danger," makes comments—as of that date and prior to the President's state of the Union message, of course:

> It is being said these days in Washington—that most charitable of communities—that in calling for only voluntary restraints to curb inflation, President Ford shrank from "biting the bullet," offering up a "marshmallow" instead of a 5 percent surcharge on incomes over 15,000 dollars, but no gas rationing, and no price and wage controls. This may have been no more than a marshmallow, but as the President promptly retorted, Congress found even the marshmallow too tough for its tastes. It appears that no one is yet prepared to take the drastic steps—voluntary and mandatory—to curb inflation. It is almost as if we did not quite believe the evidence before our eyes, or our own words acknowledging that evidence. President Ford was not overstating the matter when he warned Congress that inflation threatens to "destroy our country, our homes, our liberties." Congress applauded the President's warning, but rather in the way one applauds a Fourth of July speech, as oratory to be appreciated and then forgotten, but not as literal truth to be absorbed and acted upon.

A columnist in Saturday's Philadelphia Inquirer, Mr. Sandy Grady, who normally sees matters solely with his left eye, has, to his own surprise, come up with a commendatory column entitled "Ford's Actions and His Grace Kill Old Jokes."

I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUGH SCOTT. Mr. President, Mr. Smith Hempstone, in the Washington Star-News of January 22, says:

> When a firm mismanages its affairs to the point where it faces the prospect of bankruptcy, it is neither unusual nor inequitable for the stockholders to fire the board of directors.
>
> Who, we the citizen-stockholders in America may ask ourselves, has brought USA & Co. to the point where we face a budget deficit of at least $30 billion this year, $45 billion next year and a national debt—a mortgage that future generations will have to bear—of more than $500 billion?
>
> And the answer to that question has to be: the Democrats.
>
> The Democrats have controlled the House of Representatives for two successive decades. They have dominated the Senate for 16 consecutive years. They have occupied the White House for 28 of the last 43 years.

I am skipping now, because I am going to have the entire article printed in the RECORD.

> And if the Democrats have been profligate, the Republicans have been stupid in their failure to bring the issue to the people in a form they could understand.

He goes on to say:

> The deficits incurred through such spending are not meaningless. They are the fuel that stokes the fires of inflation, debasing the worth of our work and devouring our savings.
>
> * * * * *
>
> Because the Democratic party bears such a heavy burden of blame for getting us—or allowing us to get ourselves—into this fix, the 94th Congress, which is heavily controlled by Democrats in both houses, has a special obligation. If it will not enact Ford's program, it has a responsibility to legislate a more effective one of its own.
>
> Everybody prefers inflation to recession, because inflation is tomorrow's problem while recession hits you today. But Congress and the American people have to understand that the party is over, the music has stopped, the bill has to be paid.
>
> This is a mess we cannot spend our way out of. The era of cheap energy, upon which our society has been built and by which our lives are ordered, is gone forever. We are a resourceful, energetic and adaptable people. We will learn to live with the new realities.
>
> But first we have to recognize what the realities are. Ford has prescribed a mildly bitter medicine. It is up to the Democratic Congress to administer it—and to us to swallow it.

Mr. President, I ask unanimous consent to have that article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star-News,
Jan. 22, 1975]

The Democrats' Burden

(By Smith Hempstone)

When a firm mismanages its affairs to the point where it faces the prospect of bankruptcy, it is neither unusual nor inequitable for the stockholders to fire the board of directors.

Who, we the citizen-stock-holders in America may ask ourselves, has brought USA & Co. to the point where we face a budget deficit of at least $30 billion this year, $45 billion next year and a national debt—a mortgage that future generations will have to bear—of more than $500 billion?

And the answer to that question has to be: the Democrats.

The Democrats have controlled the House of Representatives for two successive decades. They have dominated the Senate for 16 consecutive years. They have occupied the White House for 28 of the last 43 years.

It is the Democrats, with some honorable exceptions like the late Harry F. Byrd (father of the present senator from Virginia), who have spent money at home and abroad as if it were going out of style, disregarding increasingly swollen budget deficits and piling up debt as if there never would be any day of reckoning. And if the Democrats have been profligate, the Republicans have been stupid in their failure to bring the issue to the people in a form they could understand.

Some spending, of course, was essential. The $12 billion spent to restore the post-World War II economic health of Western Europe was one of the best investment this country ever made. The same cannot be said for the many more billions squandered elsewhere around the globe.

While there is and always has been fat in the Defense Department's budget, most of what was spent was justified by the threat to this country and its interests abroad posed by the Soviet Union. It is unfortunate but true that eternal spending is the price of liberty.

After the deprivations of the Depression years and the enforced austerity of World War II, it probably was inevitable that the country would embark upon an orgy of spending. But we—all of us, encouraged by the Democrats and abetted by Eisenhower—let the fiscal binge go on too long. And now we are in for one helluva hangover.

President Ford's program, embodied in his State of the Union speech and in the subsequent messages he will be sending to Congress, by no means offers a solution to the problem.

This thing has a momentum of its own. Little more than a decade ago, the federal budget was at the $100-billion level; two years ago it was at $250 billion; if the present level of expenditure continues, as Ford points out, the budget will top $360 billion in fiscal 1976.

The deficits incurred through such spending are not meaningless. They are the fuel that strokes the fires of inflation, debasing the worth of our work and devouring our savings.

All that Ford is pleading for is a first step, a lessening in the rate of growth of spending. And it is arguable that even this program, which has little chance of getting through Congress intact, is too inflationary, that Ford is attacking the immediate problem of today's recession by mortgaging our future.

Because the Democratic party bears such a heavy burden of blame, for getting us—or allowing us to get ourselves—into this fix, the 94th Congress, which is heavily controlled by Democrats in both houses, has a special obligation. If it will not enact Ford's program, it has a responsibility to legislate a more effective one of its own.

Everybody prefers inflation to recession, because inflation is tomorrow's problem while recession hits you today. But Congress and the American people have to understand that the party is over, the music has stopped, the bill has to be paid.

This is a mess we cannot spend our way out of. The era of cheap energy, upon which our society has been built and by which our lives are ordered, is gone forever. We are a resourceful, energetic and adaptable people. We will learn to live with the new realities.

But first we have to recognize what the realities are. Ford has prescribed a mildly bitter medicine. It is up to the Democratic Congress to administer it—and to us to swallow it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. May I complete just one thought?

Mr. MANSFIELD. I wanted to make some comments on Mr. Hempstone.

Mr. HUGH SCOTT. May I first speak briefly of a column by Mr. Robert Boyd in the Saturday, January 25, Philadelphia Inquirer? He points out the widespread disagreements between members of the majority party as to what the program should be; some being for gas rationing, some against, some being for wage and price controls, some against, all having apparently supported the Joint Economic Committee recommendation of March 1973 and most having attended the mini-summit meeting at Kansas City, and nothing much has happened since the spring of 1971, when a policy study was authorized, I believe by the Committee on the Interior.

He concludes as follows:

> The more likely outcome is that Congress will fail to pass some of Ford's proposals and succeed in blocking others, but that it will also be unable to push through a comprehensive program of its own.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Democrats Opposing Ford's Economic Plans Disagree on Their Own

(By Robert S. Boyd)

Washington.—President Ford weighs 195 pounds. If you put all 352 Democrats in Congress on a scale together, they would add up to about 31 tons.

But when it comes to a fight, the President usually has the edge.

The advantage of one-man leadership over a collection of lawmakers, no matter how numerous, is perfectly illustrated in the current struggle over national economic and energy policy.

Congress, so far at least, has not been able to get together to offer a comprehensive program, to match the one that Ford unveiled last week.

The Democratic leadership has come up with a set of "goals," but they are like chapter headings, lacking details and specifics.

In an effort to find a common denominator, the Democrats fuzzed up their proposals so much that they lost most of their substance.

Their official Program of Action to Revive the Economy fails to state how much it would cost, where the money would come from, who would benefit and how—questions people, including congressmen, expect Presidents to answer when they have a proposal.

The task force that produced the "action program" stated the obvious fact that the nation must save energy, but it was unable to decide upon a method. Instead, the congressmen listed seven alternatives—some of which they called "unpalatable"—without recommending any.

Even vague proposals like these stir disagreements among Democrats.

Sen. Hubert Humphrey, for instance, wants to lower the investment tax credit for business. Sen. William Proxmire wants to increase it.

Senate Democratic Leader Mike Mansfield favors mandatory wage-price controls. House Speaker Carl Albert is against them.

Beside being unable to agree on substance, Democrats are also divided on strategy and tactics.

Sen. Edward Kennedy and House Ways and Means Chairman Al Ullman want to pass resolution blocking Ford's plan to raise import fees on foreign oil. Albert says it's impossible, under cutting the Kennedy-Ullman effort.

Mansfield says Democrats should adopt an attitude of general support for the President's program. But his Number 2 leader, Sen. Robert Byrd wants to fight Ford tooth and claw.

Leadership problems compound the Democrats' difficulties.

Albert, for example, betrayed ignorance of the President's economic program at a meeting with reporters Wednesday. Albert was under the misimpression that Ford is suggesting a tax rebate based on the number of gallons of gasoline you buy—an idea that was abandoned months ago. The Speaker confessed that he wasn't aware that Ford had proposed a straight reduction in federal income tax rates starting in 1975—a surprising admission since Albert was picked to give the formal Democratic reply to Ford's proposals on national radio and TV Monday night.

Additional evidence of the Democrats' inability to produce their own economic program comes from the fact that most of the ideas they are offering are the same ones they have been proposing for nearly two years.

The Democratic majority of the Joint Economic Committee recommended in March 1973 that Congress tighten wage-price restraints, end the oil depletion allowance, lower interest rates and provide public service jobs for the unemployed.

The same committee made an almost identical list of suggestions in March 1974, adding a $10 billion tax cut to fight the developing recession.

There was much talk, but the congressional leadership failed to pick up the ball and nothing came of the proposals except a public service job program passed with administration support last December.

Nevertheless, most of the Joint Economic Committee's ideas were adopted by the House Democratic caucus last July, and by the Democratic Party at its mid-term conference in Kansas City in December.

And now most of them have reappeared in the Democratic "action program" announced by Albert this month.

Whether the congressional efforts will finally bear fruit remains to be seen, but recent history gives grounds for skepticism.

The more likely outcome is that Congress will fail to pass some of Ford's proposals and succeed in blocking others, but that it will also be unable to push through a comprehensive program of its own.

EXHIBIT 1

FORD'S ACTIONS AND HIS GRACE KILL OLD JOKES

[Sandy Grady—an opinion]

WASHINGTON—I suspect it's time we hung up those snide cracks about Jerry Ford's I.Q. being equal to his hat size, the stale joke that he played football too long without a helmet, the behind-the-back references to "Bozo the Clown."

Ford will never be so glib as Bill Buckley or Gore Vidal or Norman Mailer—for which we should be blissful with gratitude. But the President proved last week he could make tough decisions, sell them effectively and handle critics with grace. That's worth $200,000 a year.

Perhaps the trouble is, we lived so long with Richard Nixon's insecurities that it's a shock to find a President with a solid, unshakeable self-esteem. Maybe we're looking for flaws, confusing Ford's slow-paced, native decency for dullness.

HE PASSES OFF JOKES

In a one-hour TV interview with NBC's John Chancellor and Tom Brokaw, Ford was asked if he resented the innuendos around Washington about his intelligence.

"No," said Ford, a grin breaking, "and I'll tell you why. I was in the top 20 percent of my class at the University of Michigan and the top one-third at Yale Law School. So there must be a lot of people around who are dumber."

It was a direct hit. And Ford could have added (but didn't): "And a lot of them are Democrats in Congress."

Ford outfoxed those Democrats last week like a backwoods checker player. An old House man himself, Jerry Ford knows that the Congressional style is to drift and procrastinate over hard choices. But when he put his oil-price and tax-rebate program on the table, he forced Congress into the game—put up or shut up.

It was Jerry Ford's most impressive week and his most beleaguered. He showed he could wrestle with complexities and produce a solution—even if some called it a Rube-Goldberg machine. Ford gave a forceful sense of command because he was confident he was a step ahead of the critics. This was not Bozo the Clown.

REFRESHING CONTRAST

On Thursday, Ford was at his best under shot-and shell. Labor's George Meany, the sharpest octogenarian in town, grounched that Ford's program was "the wierdest one I've ever seen." Milton Shapp, echoing nine other governors, called it a "blueprint for disaster." Up on the Hill, Dems from Bill Green to Mike Mansfield unloaded grenades on Ford's oil tariff.

Under pressure, Jerry Ford behaved with a grace that was a refreshing contrast to the Johnson and Nixon regimes: (1) he didn't call his critics Nervous Nellies or attack their lack of patriotism but respected their differences; (2) He didn't sulk in the Oval Office but took every chance to explain his position openly, without doubletalk or dissembling.

Like most other bystanders, I doubt that Ford's contraption will fly. But he has, in effect, looked Congress in the eye and said, "if you can do any better, spit on your hands and get to work." Ford may finesse Congress into enacting gas rationing, the real, bullet-biting solution to the energy crisis. What alternative does he leave them?

AN ADMISSION

Ford's new sense of command isn't just a public relations gimmick—but that TV interview on NBC was a masterpiece of the genre. Sitting comfortably in the White House family room, Ford was candid, casual and on top of every issue. It would be phony to compare the performance to FDR's Fireside Chats—Ford lacks his ringing, magnetic voice—but it was the best political TV show since Ed Muskie's low-keyed, hearth-side chat was aired after Nixon's law-and-order ravings in 1970.

Once, Brokaw asked Ford what he would tell young Americans about justice, when Spiro Agnew was becoming rich, Richard Nixon was at San Clemente, and other Watergate figures were signing fat book contracts. Ford fumbled a moment, then said, "I don't know the answer. But I wouldn't buy the books."

That had to be a moment for the Guinness Book of Records—a President honest enough to admit he didn't have an answer. No, Jerry Ford's programs don't look like the way out of hard times; but compare his style and substance to the last White House tenant, and we've come a long way, baby.

JFK or FDR he's not, but you can scratch the Bozo-the-Clown guff.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, the Senator read something from the article by Mr. Hempstone which I wish to comment on. Mr. Hempstone is correct when he says that Congress and the American people—and I would include the administration—have to understand that the party is over, the music has stopped, and the bill has to be paid. But I am interested in Mr. Hempstone's objectivity as far as the Democrats are concerned. I would suggest to Mr. Hempstone that he get in touch with the Congressional Quarterly and that he find out how Democrats voted and how Republicans voted on the various appropriation and spending bills, because just as there is a difference of opinion as far as the Democrats are concerned, so is there a difference of opinion in that area as far as the Republicans are concerned. I would suggest most respectfully to Mr. Hempstone that he look at the record individually as far as all Senators are concerned, as well as collectively.

Mr. HUGH SCOTT. I thank the distinguished majority leader. Mr. Hempstone has not always been kind to me. I agree with him only when he agrees with me, and I think that is true of our reading of most columnists.

Mr. MANSFIELD. That is correct.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. First, I ask unanimous consent that I be permitted to speak for 10 of the 15 minutes and then yield to the distinguished Senator from North Carolina, who, under the previous order, has 15 minutes, reserving my remaining 5 minutes until the Senator from North Carolina has completed his remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator will be warned at the end of 10 minutes.

Mr. HARRY F. BYRD, JR. I thank the Chair.

RECONFIRMATION OF FEDERAL JUDGES

Mr. HARRY F. BYRD, JR. Mr. President, I intend to send to the desk a joint resolution for myself, the Senator from Alabama (Mr. ALLEN), the Senator from North Carolina (Mr. HELMS), the Senator from South Carolina (Mr. THURMOND), the Senators from Georgia (Mr. TALMADGE and Mr. NUNN), and the Senator from Utah (Mr. GARN).

Mr. President, the joint resolution I shall introduce later today requires that Federal judges be subject to reconfirmation by the Senate every 8 years.

This resolution is identical to Senate Joint Resolution 106 of the 92d Congress, which was the subject of hearings on May 19, 1972, before the Subcommittee on Constitutional Amendments of the Committee on the Judiciary, and to Senate Joint Resolution 13 of the 93d Congress.

As more and more power is centralized in the Federal Government, we need to appraise more critically the justification for life appointment of Federal judges.

There is widespread dissatisfaction with the existing system, under which some judges are exercising dictatorial powers. I believe that a full and open discussion of the questions involved will be healthy and valuable.

Let me begin this discussion by outlining what my proposed amendment would do, and what it would not do.

I want to emphasize at the outset that I fully support the concept of an independent judiciary. The amendment I have introduced simply provides a method by which the courts might be made more accountable.

The spirit in which I introduced this proposal was perhaps best expressed by Thomas Jefferson when he said, in a statement which is one of my favorites:

> In questions of power, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.

My amendment provides that Federal judges serve in office for a term of 8 years, at the end of which term they would be automatically nominated for reconfirmation by the Senate, unless they requested otherwise. If reconfirmed by the Senate, the judges would serve for an additional 8 years, after which they would again be subject to confirmation.

During the period of consideration by the Senate as to whether or not to give its advice and consent to the reconfirmation of any judge, that judge would continue in office. Moreover, his new, 8-year term of office would commence from the day after the date that the Senate approved the reconfirmation—or from the day after the expiration of his earlier term, whichever date is later.

The amendment would not affect any judge sitting prior to its ratification.

This, then, is the basic mechanism which I am suggesting.

The question arises at once: Is this a radical proposal, out of keeping with American tradition, or is it rather a reasonable means of achieving accountability of judges without destroying their basic independence? I submit that it is the latter.

In the first place, 49 of the 50 States now have fixed terms for their own judiciary. Only Rhode Island has life tenure for judges.

The experience in Virginia may be of significance. Originally the State constitution provided for life tenure. In 1850, a revised constitution established the practice of popular election of judges. Twenty years later, Virginia converted to the present method of election by General Assembly for specific terms of years.

The present Virginia systems, which is directly parallel to the method which I have proposed for the Federal judiciary, has worked well. Even though elected by the General Assembly, the Virginia judiciary has never hestitated to assert its independence. The Virginia Supreme Court has exercised its long-established power to strike down legislative enactments.

The experience of Virginia indicates that any fears of lack of independence on the part of judges who are subject to legislative reconfirmation are without foundation.

In May 1972, I placed the following question to the Honorable Albertis S. Harrison, Jr.: "Has the fact that Virginia's judiciary must be reelected by the legislature at stated intervals affected adversely the independence of the judiciary?"

Mr. Justice Harrison served as Commonwealth attorney of his county; he served as a member of the Virginia Senate; he served as Attorney General of Virginia; he served as Governor of Virginia; and he was then and is now serving as a justice of the Supreme Court of Virginia. His response bears careful note by skeptics of this form of judicial accountability:

> SUPREME COURT OF VIRGINIA,
> *Lawrenceville, Va., May 16, 1972.*
>
> Hon. HARRY F. BYRD, JR.,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR BYRD: Your letter of the fifth, sent to my Richmond office, has just reached me.
>
> You asked the following question: "Has the fact that Virginia's Judiciary must be reelected by the Legislature at stated intervals affected adversely the independence of the Judiciary?"
>
> I can state unequivocally that in my opinion the necessity that judges in Virginia be reelected by the General Assembly at stated intervals has not affected adversely the independence of the Judiciary. I would observe that with one or two exceptions the members of the Judiciary in Virginia have universally been reelected by the Legislature.
>
> I might further add that during my entire career as attorney, public official and a member of the Supreme Court of Virginia I have never heard of a single judge or justice in Virginia voice opposition to Virginia's system which does require reelection of judges of lower courts every eight years and of the Supreme Court every twelve years.
>
> Trusting that this answer your inquiry, and with kindest regards, I am
>
> Sincerely,
>
> A. S. HARRISON, Jr.

Indeed, I know of no documented assertion that the independence or integrity of the judiciary has been compromised in any State as a result of fixed tenure.

When we stop to think about it, why should any official in a democracy have lifetime tenure? In the modern world, only kings, queens, emperors, maharajas—and U.S. Federal judges—hold office for life.

I say again—why should any public official in a democracy have lifetime tenure?

I do not conceive this to be a liberal against conservative issue. Senator Robert M. LaFollette, Sr., of Wisconsin, one of the leading progressives of this century, in 1920, denounced "the alarming usurpation of power by Federal courts." He called for constitutional and statutory changes to end lifetime tenure for Federal judges.

Certainly I see no reason why the question of lifetime appointment for judges, as opposed to a reasonable system of reconfirmation, should not be submitted to the people of this Nation.

For well over a century after the creation of this Nation, the unwritten canon of judicial restraint, as expressed by such eminent justices as Holmes, Brandeis, Stone, Hughes, and Frankfurter, was one of our most hallowed legal principles.

But in this century, and particularly since the 1950's, first the Supreme Court and later the lower Federal courts have cast aside much of the doctrine of restraint. In all too many instances the Federal courts have gone well beyond the sphere of interpreting the law, and into the domain of making the law.

Under these circumstances, we are faced with a dilemma. Judges who are accountable to no one are invading the sphere of the elected representatives of the people, handing down decisions which have great impact on the lives of the citizenry. This situation is basically inequitable and contrary to the spirit of democracy.

Recently, the Honorable H. E. Widener, Jr., judge of the U.S. Court of Appeals for the Fourth Circuit, addressed this topic of judicial restraint in an article entitled "Some Random Thoughts on Judicial Restraint." Published in the Washington and Lee Law Review, vol. XXXI, No. 3, it provides a cogent commentary on the expansion of the powers of the judicial branch of Government.

Judge Widener notes:

> No more than a casual interest in current events, editorials, speeches, and the ever present public opinion polls indicates a growing, if not general, uneasiness in the public mind as to a certain lack of restraint on the part of the judiciary . . . (S)ome of the doctrines which, sometimes by other names, I believe have contributed to the uneasy feeling on the part of many that the day-to-day affairs of government are more properly conducted by responsible officials rather than those enjoying life tenure . . . are the doctrines of substantive due process; the hands-off rule of the courts as they may heed political questions; and the extension of the Federal power to regulate every petty local official as a result of the construction of 42 U.S.C. § 1983. I speak not to the merits of the decisions themselves for they are already on the books. Taken together, though, whether right or wrong, they show a drift toward judicial intervention which may not be ignored.

Under existing law, no real solution is available for the present dilemma. It is not possible to legislate resurrection of the doctrine of judicial restraint.

The Constitution established a subtle system of checks and balances; the question is whether the checks upon the mid-20th century judiciary are not entirely too subtle.

Impeachment has not provided a very useful means of policing judges. Thomas Jefferson referred to the impeachment process as "a bungling way of removing judges—an impractical thing—a mere scarecrow."

Lord Bryce, in his observations of our Government, said:

> Impeachment is the heaviest piece of artillery in the Congressional arsenal, but because it is so heavy it is unfit for ordinary use.

Characterizing congressional lethargy in this area, Woodrow Wilson said of impeachment:

> It requires something like passion to set them a-going; and nothing short of the grossest offenses against the plain law of the land will suffice to give them speed and effectiveness.

During his testimony on May 19, 1972, before the Subcommittee on Constitutional Amendments of the Senate Judiciary Committee, Paul Mason Shuford, a distinguished Virginia attorney and former president of the Bar Association of the City of Richmond, noted:

> I respectfully submit that each branch of Government has an equally important, though different, responsibility to the American people in regard to the preservation and protection of our liberties. When this equality is threatened by any of these branches, it is incumbent upon the other two to restore it, without in any way seeking to establish a superior position on the part of either of them. This I conceive to be the purpose of Senate Joint Resolution 106. I believe this would be its result, if adopted, because I think the psychological impact of knowing a man is not beyond the power of anybody or anything as long as he lives—and that is what we have now—will have a salutary effect on his demeanor, which will reduce the need for the Senate or any other body to get exercised quite so frequently over some of the decisions that are rendered, and it would leave the activism, the legislative role, to the

legislature where it belongs and leave the executive role in the executive where it belongs, and you will have a better, continuing trust. You have controls now to a certain degree over what the President does. They are not final controls. Except by impeachment, you cannot throw him out of office, because only the people can do that. But you have leverage on him. He has leverage on this body. The only one upon which there is no leverage—and which recognized this terrible responsibility for years through the doctrine of self-restraint—is the judiciary. In my opinion, they have in many instances, far too many lately, begun to ignore the doctrine of self-restraint.

For lasting reform, aimed at setting the judiciary within the same restrictions on power and authority that are applicable to the legislative and executive branches, some change in the law will be necessary.

Really basic reform could best be achieved through a system automatically applicable to all members of the Federal judiciary, such as the proposal I have just sent to the desk. It is nondiscriminatory in its approach and would serve to guard the interests of the people, through their representatives in the Senate, without compromising the fundamental independence of the judges who would be subject to reconfirmation.

In connection with the issue of independence, we have already seen that the experience of the States indicates no jeopardy of the judiciary's independence need be feared from a fixed-tenure system. But we need to look further into this question of independence. We need to consider what is the real purpose of judicial independence.

I think the true purpose of independence never was better stated than by Professor Philip Kurland of the University of Chicago Law School. In a discussion of the proposal by former Senator Tydings of Maryland to create a commission of judges to police the judiciary, Professor Kurland stated:

> It should be kept in mind that the provisions for securing the independence of the judiciary were not created for the benefit of the judges, but for the benefit of the judged.

I believe this to be a cardinal principle. Judicial independence should not be regarded as a fortress for the members of the judiciary, whether or not one believes that some judges are actual or potential oligarchs; on the contrary, it is supposed to be a shelter for the true rights of the people.

It is my contention that a uniform, reasonable system of fixed tenure and reconfirmation, such as I am proposing, would enhance the rights of the people. Therefore, it is, in its main thrust and intent, in line—not in conflict—with the real purpose of judicial independence.

There is no need to provide any official in a democracy with the prerogatives of a medieval baron in order to safeguard his independence of judgment. Indeed, to insulate a judge—or any other public official—from all accountability for his actions is to invite arbitrary action contrary to the will and welfare of the people of the United States.

Life tenure, devoid of restraint and accountability, is not consistent with democratic government. It is time we abolished it.

Returning once again to the sagacity of Thomas Jefferson, I would recall the following thoughts from his "Autobiography" (1821):

> There was another amendment of which none of us thought at the time and in the omission of which lurks the germ that is to destroy this happy combination of national powers in the General Government for matters of national concern, and independent powers in the States, for what concerns the States severally. . . . Our judges are effectually independent of the nation. But this ought not to be.

I submit that basic questions about the nature of our democracy are involved in the issue of judicial tenure. Such basic questions are best decided at the level closest to the people themselves. This is true through the constitutional amendment process.

Therefore, I hope that Congress will conduct a full debate and give final approval to this proposal. Then the question will be taken to the people through their representatives in the several State legislatures.

The call for such action has already been both significant and substantial. The General Assembly of the Commonwealth of Virginia has memorialized the Congress to submit such an amendment to the people. Likewise, the State legislatures of Alabama and Michigan have called for inclusion of this concept within our constitutional scheme.

The Honorable Norman F. Arterburn, chief justice of the Indian Supreme Court, has strongly endorsed this proposal.

And the Honorable Meldrim Thomson, Jr., Governor of New Hampshire, has said that such legislation "is essential if we are not to have a nation run by judicial dictatorship."

To delay a critical reappraisal of this matter only allows this flaw in our constitutional framework to continually work its mischief on the lives and liberties of the people.

Mr. President, the time to act is now.

I ask unanimous consent that the text of my resolution be printed at this point in the Record.

There being no objection, the joint resolution (S.J. Res. 16) was ordered to be printed in the Record, as follows:

S.J. Res. 16

Joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of eight years

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"Article —

"Section 1. Notwithstanding the provisions of the second sentence of section 1 of article III of the Constitution, each judge of the Supreme Court and each judge of an inferior court established by Congress under section 1 of article III shall hold his office during good behavior for terms of eight years. During the eighth year of each term of office of any such judge, his nomination for an additional term of office for the judgeship which he holds shall be placed before the Senate in the manner provided by the law, for the advice and consent of the Senate to such additional term, unless that judge requests that his nomination not be so placed. Any judge whose nomination for an additional term of office is so placed before the Senate may remain in office until the Senate gives its advice and consent to, or rejects, such nomination. If the Senate gives its advice and consent to an additional term of office, that term shall commence from the date of such advice and consent, or the day immediately following the last day of his prior term of office, whichever is later.

"Sec. 2. The terms of office established by section 1 of this article shall apply to any individual whose nomination for a judgeship is submitted after the ratification of this article to the Senate for its advice and consent."

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. Morgan). Under the previous order, the Senator from North Carolina (Mr. Helms) is recognized for a period of not to exceed 15 minutes.

A RESPONSIBLE JUDICIARY ACCOUNTABLE TO THE PEOPLE

Mr. HELMS. I thank the Chair.

Mr. President, I am delighted to join the distinguished Senator from Virginia (Mr. Harry F. Byrd, Jr.) in the sponsorship of this important and much-needed proposed constitutional amendment. I have long shared his view that all Federal judges should confront the reconfirmation process after a term of 8 years.

I share Senator Byrd's concern that our Federal judiciary no longer is accountable to the people. Far too many Federal judges in the past few years have gone well beyond their prescribed constitutional duty of interpreting the law, and have moved into the domain of making the law.

This was not the intended function of the judiciary, Mr. President, when our Founding Fathers established this Republic. Under our tripartite system of checks and balances, making laws is the proper role of the legislature, not the judiciary. Little wonder that more and more Americans are concerned that the Federal judiciary is no longer merely a coequal branch of Government, as the Constitution requires. Indeed, their well justified concern is that the Federal judiciary has become the "most equal branch" of Government.

Both the Supreme Court and the lower Federal courts have too often cast aside the doctrine of judicial restraint. For more than a century after the creation of this Nation, the unwritten canon of judicial restraint was one of our most hallowed legal principles. But in this century, especially since the late fifties, judicial restraint has often vanished as a moderating force in judicial decisionmaking.

Now we have judges, accountable to no one, invading the sphere of the people elected representatives, handing down decisions which have adverse impact on the lives of all of us. This situation is basically inequitable, Mr. President, and contrary to the spirit of democracy.

The problem is that under existing law, there is no real legislative remedy available. It is not possible to legislate the resurrection of the doctrine of judicial restraint. There is growing evidence that the system of checks and balances found in the Constitution has too often been arrogantly disregarded by the Federal judiciary. As the distinguished present occupant of the Chair (Mr. MORGAN) knows, we have had examples of that in our State of North Carolina.

Nor has impeachment provided a satisfactory check on the injudicious use of judicial power, being little more, in the words of Thomas Jefferson, than "an impractical thing—a mere scarecrow."

For meaningful and lasting reform, aimed at restoring the historic balance that once existed between the judicial and the legislative branches of Government, a clear-cut reminder to the Federal judiciary must be implemented—a reminder that judicial tyranny is not to be thrust upon the American people.

This is what Senator BYRD proposes with several colleagues, including the Senator from North Carolina. This proposed constitutional amendment sets up a system which will work automatically, and which will be applicable to all members of the Federal judiciary. As such, it is nondiscriminatory in its approach and serves to guard the interests of the people through their representatives in the Senate, without compromising the fundamental independence of judges subject to reconfirmation under its term.

By making the Federal judiciary more accountable to the people, there is no real conflict with the true concept of judicial independence.

The distinguished Senator from Virginia has eloquently emphasized this.

Judicial independence, after all, should not be regarded as a fortress for the judiciary, a barrier to protect the judiciary from scrutiny by and accountability to the people. Judicial independence is meant to be a shelter for the true rights of the people.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HELMS. Therefore, a uniform and reasonable system such as joint resolution proposes, enhances the rights of the people, while at the same time continuing to guarantee to the judiciary its rightful and necessary measure of independence.

In a democracy, there is no good reason to allow any public official the prerogative of life tenure—a characteristic of monarchies and autocratic states—in order to insure independence of judgment. Life tenure without restraint and accountability is inconsistent with democratic principles.

Mr. President, I reiterate that I am pleased to join with the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) in cosponsoring this constitutional amendment. Very basic questions about the nature of our democracy are involved in the issue of judicial tenure. And such questions are best resolved at that level closest to the people, by the constitutional amendment process. I commend to my colleagues this proposal and urge its consideration and passage.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 5 minutes.

Mr. HARRY F. BYRD, JR. First, I thank the able Senator from North Carolina for his remarks in the Senate this morning. I think what the Senator from North Carolina (Mr. HELMS) has said goes right to the heart of the problem that this joint resolution addresses, and it goes to the heart of a problem facing the American people today.

Now, Mr. President, I send to the desk the Senate joint resolution for myself, Mr. ALLEN, Mr. HELMS, Mr. NUNN, Mr. TALMADGE, Mr. THURMOND, and Mr. GARN, which I have introduced, and ask for its immediate consideration.

Mr. MANSFIELD. Mr. President, on behalf of the joint leadership, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HARRY F. BYRD, JR. Mr. President, I ask that the Senate joint resolution just sent to the desk be read twice by title.

The PRESIDING OFFICER. Is there objection? If not, the clerk will read it by title.

The legislative clerk read as follows:

> A joint resolution (S.J. Res. 16) proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of eight years.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. As I understand the parliamentary situation, if objection is made to further proceedings on the joint resolution, it having been read twice, it will then go on the calendar the following day.

The PRESIDING OFFICER. The joint resolution will be considered as having been read twice and will be placed on the calendar.

Mr. HARRY F. BYRD, JR. In order to get the resolution on the calendar, I object to further proceedings on the joint resolution at this time.

The PRESIDING OFFICER. The Senator objects to further proceedings? The resolution will be placed on the calendar.

Mr. HARRY F. BYRD, JR. I thank the Chair. I yield back the remainder of my time, Mr. President.

Mr. HELMS. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period of not to exceed 20 minutes for the conduct of morning business, with a 5-minute limitation attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there morning business?

ORDER OF BUSINESS

Mr. ALLEN. Mr. President, I understand I am to be recognized, and then there will be the period for the transaction of morning business with a 5-minute limitation.

Mr. KENNEDY. Mr. President, will the Senator from Alabama yield for a question without yielding the floor?

Mr. ALLEN. I yield.

Mr. KENNEDY. I have just a brief morning business statement, Mr. President, and I wonder if we can possibly get that in the record if we have not rung the bell. Are we off morning business?

Mr. MANSFIELD. No, we are in morning business. I understood the Senator had made his statement. It is true it is not on the calendar, but we have morning business, not to continue beyond the hour of 1 o'clock.

Mr. ALLEN. I would be delighted to yield to the distinguished Senator from Massachusetts if he is unable to wait until I have made my brief remarks.

Mr. KENNEDY. I will be glad to. I just picked up the latter part of the conversation. I thought we were at the end of morning business and I will gain the floor in my own right after the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama will proceed.

MIA'S AND POW'S

Mr. ALLEN. Mr. President, today, January 27, is MIA Awareness Day by proclamation of the President of the United States. It is also the second anniversary of the signing of the so-called Paris accords.

Mr. President, on this day a POW–MIA congressional vigil is being held here in Washington by families of our missing in action and our prisoners of war from the war in Vietnam and other areas in Southeast Asia.

Today I was visited by Maj. Gen. and Mrs. M. K. Deichelman, of Montgomery, Ala., who had two brave sons in the armed services fighting in Vietnam. Both of these gallant young men became prisoners of war, and at the conclusion of the hostilities or the supposed conclusion of hostilities in Southeast Asia, one of these brave young men was returned to his family. The other brother is listed as being missing in action, and I can certainly understand their concern and the concern of the families of the some 1,300 missing in action or prisoners of war who have not been accounted for.

Now, Mr. President, Rear Adm. Jeremiah A. Denton, Jr., who was one of the first of the prisoners of war to be returned—I believe he was the first to alight from the airplane—who is from Mobile, Ala., has issued a statement, and for the conservation of time I ask that his statement be printed in the RECORD, in support of ascertaining the fate of the prisoners of war and the missing in action.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JANUARY 1975.

STATEMENT

Two long years have passed since the Paris Peace Agreement was signed. As one of the lucky ones who came home, I remain deeply disappointed that some 1300 of my comrades who are listed as missing in action remain unaccounted for, and that no discernible progress has been made in persuading the North Vietnamese government to provide us with a full accounting of the MIAs and the KIAs. I continue to support our government's efforts to obtain a full accounting of the fates of these men. The families and friends of these missing men have my full and total support in their continuing efforts to know the truth about the status of their husbands, fathers, sons, brothers, and comrades.

JEREMIAH A. DENTON, Jr.,
Rear Admiral, USN.

Mr. ALLEN. Also, Mr. President, the distinguished Senator from South Carolina (Mr. THURMOND) has introduced or will introduce a bill, a companion to the bill in the House introduced by Mr. WILSON and Mr. BENNETT (H.R. 1638), which would prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with.

Also, my distinguished senior colleague, Mr. SPARKMAN, is going to introduce a resolution, the last paragraph of which reads:

Be it further resolved, That this Congress ask the President and the Secretary of State, who was the United States representative at the Paris peace talks, to take the necessay steps, including renegotiation if this is deemed necessary, to get an honorable determination of the fate of all United States servicemen and civilians missing in Southeast Asia.

I ask unanimous consent that the bill and the resolution be inserted at this point in the RECORD.

There being no objection, the bill and the resolution were ordered to be printed in the RECORD, as follows:

H.R. 1638

A bill to prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 555 or 556 of title 37, United States Code, on and after the date of enactment of this Act no change in the status of any member of the uniformed services who is in a missing status on or after such date may be made unless and until—

(1) the President has determined, and notified the Congress in writing, that all reasonable actions have been taken to accounts for all such members and that all reasonable effort has been made to enforce the provisions of article 8(b) of the Paris Peace Accord of January 27, 1973; and

(2) the Secretary concerned notifies the next of kin of such member in writing of the proposed change in status, and the next of kin of such member has not filed with the Secretary concerned, within sixty days after receipt of notification of the proposed change in status, an objection to such proposed change.

SEC. 2. As used in the first section of this Act, the terms "uniformed services", "missing status", and "Secretary concerned" shall have the same meaning as is ascribed to such terms in chapter 10 of title 37, United States Code.

JOINT RESOLUTION

Whereas January 27, 1975, will mark the second anniversary of the signing of the Paris Agreement, and

Whereas there seems to be a standoff wherein the North Vietnamese and the Viet Cong say the United States is not living up to the agreement, and

Whereas the Communist bloc countries in Southeast Asia are not abiding by Articles 8a and 8b of the Paris Agreements nor the Laotian protocol in returning our POWs and accounting for our MIAs.

Therefore, Be It Resolved, That it is the sense of the United States Senate and the United States House of Representatives that we ask all parties signatory to the Paris Agreements and the Laotian protocols to abide by their international agreements.

Be It Further Resolved, That this Congress ask the President and the Secretary of State, who was the United States representative at the Paris Peace talks, to take the necessary steps, including renegotiation if this is deemed necessary, to get an honorable determination of the fate of all United States servicemen and civilians missing in Southeast Asia.

Mr. ALLEN. Also, Mr. President, I ask unanimous consent that a brochure prepared and released by the National League of Families of American Prisoners and Missing in Southeast Asia be printed in the RECORD.

There being no objection, the brochure was ordered to be printed in the RECORD, as follows:

A NATIONAL DISGRACE

(A quotation from Senator Charles H. Percy—January 28, 1974)

(Brochure prepared and released by the National League of Families of American Prisoners and Missing in Southeast Asia.)

MIA—1,334 Americans were classified "Missing in Action" at the time of the peace agreement—negotiated surrender* by Dr. Henry Kissinger in Paris January 27, 1973.

POW—80 Americans in addition to the above group were known "Prisoners of war"—alive and are accountable by the enemy.

DIC—55 prisoners of war were claimed by the enemy to have "died in captivity"—after more than one year from the negotiated surrender date, we were allowed to have the remains of 23 of these men.

BNR—More than 1,100 Americans who were killed in action are listed as "body not recovered". None have been returned.

CASE FOR PRESUMED ALIVE

Whereas, Eighty men listed prisoners of war, have not yet been returned. They were known to be held captive by the enemy and are not on DIC list; and

Whereas, Documents relating to their capture have been supplied by us to the enemy who already possessed this information, and

Whereas, Enemy refusal to reply should be acknowledged as contempt for our weak leadership, rather than a denial that these men are alive. Remember, some of our returned prisoners have been presumed dead; and

Whereas, Missing in action classification covers a broad spectrum of ground troops and airmen, some disappeared, others were known to be alive in enemy territory, and

Whereas, Not all of these men can be presumed alive, but remember, some of the prisoners who returned were classified as missing for periods or five years and longer, and

Whereas, Many of these men were last known to be in populated areas and thus can be accounted for, and

Whereas, Accounting of the missing men was declared by Dr. Kissinger to be "unconditional and would be accomplished in the same time frame as the withdrawal of our Armed Forces"; now therefore, be it

Resolved, That the status of these men shall not be changed and that negotiations shall start immediately for the return of all Americans, military and civilian, to their homeland!

CASE FOR THE PRESUMED DEAD

Whereas, Eighty known prisoners of war have not communicated with their government or their families; and

Whereas, Dr. Kissinger and Le Duc Tho refuse to meet with each other for further negotiations on these men; and

Whereas, Gentle, diplomatic overtures to Communist officials concerning our remaining prisoners and missing continue to be ignored; and

Whereas, Secretary of State Kissnger and Secretary of Defense Schlesinger refused to testify at MIA hearings held by the Senate Foreign Relations Committee on 28 January 1974; and

Whereas, Commanders-in-Chief, past and present, have consistently neglected their responsibility for these American servicemen; and

Whereas, 389 known prisoners of war were abandoned in Korea. Should not this precedent be maintained? and

Whereas, In spite of many sightings of Americans since the surrender, the process of status changes (presumptive findings of death) is proceeding, which Government officials believe will cleanse their books and souls of this embarrassment; Now therefore, be it

Resolved, That these men who upheld our Nation's principle of freedom, should be declared dead, abandoned and forgotten.

Vote your conscience today and mail this brochure today to your Congressman:

I think these men should be presumed alive.

I think these men should be presumed dead.

Millions of Americans are deeply concerned about this national disgrace; help us change this to national pride—if you wish to help in this humanitarian effort, write to:

National League of Families of American Prisoners and Missing in Southeast Asia, 1608 K Street, N.W., Washington, D.C. 20006, Tel.: (202) 628-6811.

VIVA Voices in Vital America, 10966 Le Conte Avenue, Los Angeles, California 90024, Tel.: (213) 473-2901.

Mr. ALLEN. Mr. President, I feel that this Government should not rest until all of our prisoners of war and those who are missing in action are returned to this country or their fate is definitely established.

I feel that there has been entirely too much neglect of this subject by our Government and by the Congress itself. I hope that here on this day, Missing in Action Awareness Day, Congress will rededicate itself to getting some action in this area and that we will have our missing in action from Southeast Asia returned or their fate definitely established for the benefit not only of those who are prisoners of war and those who are missing in action, but for the peace of mind of their loved ones here in this country.

Now, Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. ALLEN. I yield the floor and will ask recognition at a later time.

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*Surrender—to yield to the possession of power of another; deliver up possession of (something) upon demand or compulsion; to give up, abandon or relinquish.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President of the Senate pro tempore, appoints the Senator from Florida (Mr. STONE) and the Senator from Maryland (Mr. BEALL) to the President's Commission on Olympic Sports.

The Chair, on behalf of the President of the Senate pro tempore, pursuant to Public Law 93-580, appoints the following Senators to the American Indian Policy Review Commission: the Senator from Montana (Mr. METCALF), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Oregon (Mr. HATFIELD).

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 33, 87th Congress, as amended and supplemented, appoints the Senator from Oklahoma (Mr. BARTLETT) to the Special Committee on Aging, in lieu of the Senator from Florida (Mr. GURNEY), resigned.

The Senator from Massachusetts is recognized.

ANTIRECESSION TAX REDUCTION FOR INDIVIDUALS

Mr. KENNEDY. Mr. President, I send to the desk an amendment to H.R. 1767, the forthcoming Debt Ceiling Act. The purpose of the amendment is to provide an immediate $15 billion antirecession tax cut for individuals.

It is my hope that Congress will send the Debt Ceiling Act to the President with three key positions:

First, the temporary increase in the debt ceiling, which has been requested by the administration before February 18.

Second, the deferral of the President's energy tariff increase and of any price increase for old oil. This is the deferral which Senator JACKSON and I proposed last week and which has now already been coupled to the Debt Ceiling Act by the action of the House Ways and Means Committee last Friday on H.R. 1767.

Third, a tax cut large enough to begin immediately to pull the collapsing economy out of its present tailspin of mushrooming unemployment and worsening recession.

In my view, deferral of the oil price increases and enactment of the antirecession tax cut ought to be the top priorities of Congress in the immediate future.

The administration's plan is seriously flawed, because its energy program will interfere with the antirecession program.

We have an energy crisis, but the solution is not to plunge the economy deeper into recession while trying to deal with energy. The President's peremptory unilateral action in raising the price of oil will do just that. He has taken a step that will begin immediately to drain upwards of $30 to $50 billion a year from the economy, at a time when no rebate plan is in place to recycle these billions of dollars back to consumers, and when the administration's proposed rebate plan itself is defective on its face in terms of both timing and amount.

As a result the President's unilateral action on energy endangers what must be our No. 1 priority, America's quick economic recovery.

As the event of the past week have revealed, Congress is already well on its way to reversing the President's unwise and mistaken action on the energy prices.

But correcting the President's action on energy is only half the job. We also owe it to the American people to act at the earliest possible opportunity on what is widely agreed to be the most urgently needed economic step—a substantial tax cut to stop the recession and bring the economy back to health.

The Debt Ceiling Act is the obvious vehicle for the immediate tax cut. The mechanism I propose is a simple, one-shot $15 billion stimulus, based on a $70 cash rebate for each personal exemption currently claimed on an individual's tax return. The rebate would be given against 1974 tax liability, so that it will be available immediately to every citizen.

For a married couple, the tax saving would be $140. For a family of four, the saving would be $280. Also, under the tax rules that now apply to personal exemptions, the elderly and the blind would be eligible for a double saving, $140 instead of $70 per person.

To insure that the rebate is concentrated in the low- and middle-income groups, where it is needed most, the amendment also contains a provision phasing out the tax relief for taxpayers with incomes over $25,000, with a full phaseout when the $40,000 income level is reached.

Most important, the rebate would be "refundable"—that is, it would be available to all individuals, whether or not they have a 1974 tax liability. The major advantage of the refundable step is that it provides substantial relief to millions of working poor and others in the lowest income groups, those who could not otherwise participate in the benefit of the tax cut, but who are the hardest hit by inflation and recession.

To obtain the rebate, an individual would simply file a tax return with the Internal Revenue Service and claim his rebate. The Internal Revenue Service would be directed to mail out the rebates immediately, without waiting for other aspects of the tax returns to be processed.

This tax relief proposal has the four obvious virtues of speed, simplicity, fairness, and effectiveness. Unlike the President's program, the vast majority of the tax relief would go to low- and middle-income groups. The stimulus to the economy could begin to work at once, because the full rebate would be sent out immediately, without being dissipated over installments several months apart. The stimulus is needed now. It makes no sense to wait until May, or to defer half of it to September, as the President has proposed, when action can come now. And, the $15 billion tax cut is large enough to give the economy the immediate boost it so badly needs today, without precluding the possibility of additional relief as the year goes on.

Equally important, the size of the rebate for most individuals would encourage purchases of the so-called "big ticket" items, which are so urgently needed to pull the economy out of the current recession. And, since the relief would be a one-shot tax reduction, the stimulus will be achieved without a permanent tax reduction or long-term revenue loss.

The tax cut I propose to add to the Debt Ceiling Act is close in amount to the tax cut for individuals proposed by President Ford—$15 billion versus $12 billion—although it differs substantially in the two critical aspects of timing and fairness.

Thus, the antirecession tax relief I favor would achieve the important goal of immediate tax relief for millions of citizens hard pressed by the twin burdens of inflation and recession.

It may well be that Congress will choose to adopt a different form of tax cut than the one I have proposed. A large number of proposals have been suggested in recent days as alternatives to the President's tax cut package. The test, however, is whether we can develop a package capable of enactment now, without bogging down in debate over details that would cost us valuable time in the fight against recession. The key point is that antirecession tax relief should be part of the Debt Ceiling Act sent by Congress to the President.

Nor must we allow the current passionate debate over energy to obscure what ought to be everybody's number one priority—ending the recession and bringing the economy back to health. Both President Ford and Congress agree that an immediate tax cut is desirable.

Surely, the President's objection to Congress' request for a brief deferral of his energy price increase program will not prevent him from signing a Debt Ceiling Act containing the tax cut that both he and Congress want and that ought to be our first economic priority.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHOOL DESEGREGATION

Mr. ALLEN. Mr. President, many times in the U.S. Senate I have contended that what we need in this country in connection with the education of our youth is a uniform national policy for desegregation of the public schools. I have contended that it is unfair to require immediate desegregation of public schools in the South while at the same time maintaining policies in our Federal Government that protect and foster segregation in our public schools in areas outside of the South.

I have pointed out that the forced, mass busing of schoolchildren from one area in the city to another area, and from one section of the county to another section of that county, was nonproductive; that it did not contribute to a better education for the children involved. Yet busing is continued as a policy to force desegregation of the public schools in the South.

What I am interested in is seeing that each and every child receive a good education. I believe that can be accomplished through a freedom of choice plan, with emphasis on neighborhood schools.

I have charged that segregation is on the increase in many sections of the country outside the South.

Yesterday, I noticed an article in the New York Times that would seem to bear out the contention made from time to time here in the Senate by the junior Senator from Alabama.

I ask unanimous consent that this article, from the New York Times of Sunday, January 26, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Integration in New York Schools: A Distant Goal

The fruit of New York State's 15-year commitment to school integration has been more segregation. In an action that at once reflected and could contribute to the trend, the Board of Regents has now disavowed the use of enrollment quotas and black-white ratios to measure racial imbalance.

By a 9–4 vote, the Regents opted rather to assess compliance with state integration laws in terms of schools' efforts "to bring about equal opportunity," but they were vague about what standards should be used to assess compliance beyond urging "serious effort."

What does the decision mean? Joseph W. McGovern, Chancellor of the board, who cast one of the dissenting votes, himself said the decision was a "dilution" of the Regents' prior supportive position on integration efforts.

The Regents statement could effectively impede the use of busing as a primary tool to achieve integration, since it is predicated on numerical standards. The statement was also generally interpreted as having undercut the authority of the Education Commissioner, Ewald B. Nyquist, who is charged with enacting Regents policy. Mr. Nyquist recently served integration orders, based on racial quotas, to five cities in the state.

The Regents are likely to face legal challenges. The National Association for the Advancement of Colored People said it may seek to nullify the policy statement on the ground that it contradicts accepted legal precedent.

Why the trend? The exodus of whites from inner cities and the generally higher birth rate among blacks are the two major demographic explanations for the increase of school segregation in the state.

Social attitudes reinforce the demographics. Busing is an unpopular expedient among parents—including many black parents—school boards and even the judges who often order it. President Ford, and President Nixon before him, have publicly made plain their distaste for it.

There is also ideological opposition from blacks who reject integration as a desirable social goal. A growing minority of black parents have come to share the same view of busing held by many whites: that for children it means a long bus ride and emotional stress, and for parents the loss of neighborhood schools and control of them. Many school boards locally controlled in New York City's minority areas are now pressing for integration by any method.

The record. The last major study of New York's school segregation showed that in 1968, 72.1 per cent of the minority children in the state attended schools with student bodies that were more than half minority. By 1971, the figure was 74.7.

Today the figure is 75 per cent. Most black and Hispanic students are concentrated in the state's largest cities, New York, Buffalo, Syracuse, Yonkers and Rochester; and half of them attend schools that are over 90 percent minority. By comparison, in the states of the Deep South, 33 per cent of the minority children were in such schools as of 1972.

Mr. ALLEN. The headline of the article is "Integration in New York Schools: a Distant Goal."

Mr. Weinberger, the Secretary of Health, Education, and Welfare, when asked why it is that there has been desegregation of public schools in the South and no, or little, desegregation of public schools in areas outside the South, made the classic comment in effect that there is too much opposition to that in areas outside the South. People in the South comply with the Supreme Court decisions and the edicts of HEW, but there is opposition to it in areas outside the South.

That is just too bad, that there is opposition. That did not deter HEW and the Federal courts from ordering desegregation on an immediate basis in the South. Let me read from this article for a moment:

> The fruit of New York's 15 year commitment—

They have been working on it for 15 years, it says here—

> To school integration has been—

What? Success?—

> Has been more segregation—

Mr. President, that is amazing. They work on the issue for 15 years and come up with more segregation.

Quoting further—

> In an action that at once reflected and could contribute to the trend, the Board of Regents has now disavowed the use of enrollment quotas and black-white ratio to measure racial imbalance. By a 9 to 4 vote the regents opted rather to assess compliance with state integration laws in terms of schools' efforts "to bring about equal opportunity," but they were vague about what standard should be used to assess compliance beyond urging "serious effort."

The board of regents in New York is urging serious effort in this area, but the Federal courts mandate immediate compliance in the South.

Let us look at some figures in the article:

> The last major study of New York's school segregation showed that in 1968, 72.1 percent of the minority children in the State attended schools with student bodies that were more than half minority.

About 72.1 percent went to schools that were more than half minority. They were not in schools where the minority were in the minority, which is what they are supposed to be seeking:

> By 1971 the figure was 74.7 percent. Today the figure is 75 percent.

So they are going backwards.

Let us see what the comparison is in the South:

> By comparison, in the States of the Deep South, 33 percent of the minority children were in such schools as of 1972.

In other words, two-thirds of the minority children in the South have been placed in schools where they have a white majority. Much of this is being accomplished by the device of busing. Everybody is against busing, but when we have a measure here in the Senate that would do away with busing or limit it, some of these people who are trying to amend rule XXII come in and filibuster such an effort.

Mr. President, I plead again that the Senate and the Congress ought to be interested in having a uniform national policy dealing with desegregation of our public schools. What is good for the South ought to be good for the North. What is good for the North ought to be good for the South. But that does not seem to be the case. Segregation is protected and fostered in areas outside of the South. But desegregation is the order of the day in the South.

I must commend and pay tribute to the people of the South for the manner in which they have, in good faith and in reasonably good spirits, complied with the Supreme Court dictates. The Supreme Court has changed 180 degrees in this area. The Brown decision merely said that the State cannot make pupil assignments on this basis of race. Now the current ruling is that the State must make assignments on the basis of race in order to desegregate the schools. That rule seems to operate just in the South because there is too much opposition to it, Mr. Weinberger says, in areas outside the South. That is a sort of weak or lame excuse, it seems to me. Whatever is the law of the land ought to be the law of the land throughout the country. We should not have one rule down South and another rule in areas outside the South.

It is about time, Mr. President, that the South is readmitted to the Union. We find that in many instances we have not been.

Mr. President, I voted to seat provisionally Mr. Wyman, from New Hampshire. The reason I voted in the Committee on Rules to seat him provisionally until it could be ascertained whether he had, in fact, won, was not only the fact that he held a certificate from the duly constituted authorities in New Hampshire to the effect that he had been elected, but, Mr. President, following the war between the States the Senate would not let Senators who were certified as having been elected by the legislature of our State into the Senate for over 3 years. They would come up here with certificates showing that they had been elected to the Senate, and the Senate would not let them in. So if the people of a State say that a man has been elected, if the duly constituted authorities in a State say that a man has been elected to the Senate, I am going to respect that certificate until it is proved to be incorrect.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORTS ON IMPLEMENTATION OF THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate a message from the President of the United States transmitting reports of executive departments and agencies concerning the implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act, which, with the accompanying reports, was referred to the Committee on Government Operations. The message is as follows:

To the Congress of the United States:

I am transmitting today the fourth and final annual report of each executive department and agency on its activities during Fiscal Year 1974 in the administration of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Federal agencies report that the effects of implementation of the Uniform Act have generally been extremely beneficial for displaced families and individuals. The replacement housing payment available to displaced homeowners and tenants in addition to a payment for moving expenses, have greatly enhanced the rehousing options of displaced persons. The relocation assistance program of the agencies has been instrumental in assisting those displaced to improve the quality of their housing and standard of living and in assisting many tenants to become homeowners. The Uniform Act's program and policies are being favorably received by those persons displaced and communities affected by Federal and federally assisted projects.

The Administrator of General Services, who has responsibility for executive branch leadership in the implementation of the Uniform Act, has recently reported to me concerning accomplishments under this program and plans to further improve the administration of the Act. I endorse these efforts and include his report as an enclosure to this transmittal.

Gerald R. Ford.

The White House, *January 27, 1975.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Metcalf) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations submitted today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 1:35 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has heard with profound sorrow of the death of the Honorable John C. Kluczynski, a Representative from the State of Illinois.

The message also announced that the Speaker has appointed as members on the part of the House of the Joint Economic Committee Mr. Patman, Mr. Bolling, Mr. Reuss, Mr. Moorhead of Pennsylvania, Mr. Hamilton, Mr. Long of Louisiana, Mr. Brown of Ohio, Mr. Brown of Michigan, Mrs. Heckler of Massachusetts, and Mr. Rousselot.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report of Operations Under the Food Stamp Act

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, the seventh annual report on operations under the Food Stamp Act of 1964 (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the Rural Electrification Administration

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report covering the activities of the Rural Electrification Administration for the fiscal year 1974 (with an accompanying report); to the Committee on Agriculture and Forestry.

Approval of Loan for Financing of Certain Generation, Transmission and Warehouse Facilities

A letter from the Acting Administrator, Rural Electrification Administration, U.S. Department of Agriculture, transmitting, pursuant to law, information relating to an REA insured loan to Big Rivers Electric Corp. of Henderson, Ky., in the amount of $6,483,000 for the financing of certain generation, transmission and warehouse facilities (with accompanying papers); to the Committee on Appropriations.

Report of Research and Development Procurement of the Navy

A letter from the Acting Deputy Chief of Naval Material (Procurement and Production), Headquarters Naval Material Command, Department of the Navy, transmitting, pursuant to law, a semiannual report of research and development procurement actions of $50,000 and over, covering the period July 1, 1974, through December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

Reports of Number of Officers on Duty With Headquarters, Department of the Army

A letter from the Secretary of the Army, reporting transmitting, pursuant to law, reports of the number of officers on duty with Headquarters, Department of the Army and detailed to the Army General Staff on December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

Proposed Standards, Rules, and Regulations Promulgated by the Cost Accounting Standards Board

A letter from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, proposed standards, rules, and regulations promulgated by the Cost Accounting Standards Board (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Act of the District of Columbia To Provide for Certain Emergency Unemployment Compensation

A letter from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, a copy of an Act to amend the D.C. Unemployment Compensation Act, adopted under emergency circumstances pursuant to section 412(a) of the act (with accompanying papers); to the Committee on the District of Columbia.

Report of the U.S. Tariff Commission

A letter from the Chairman, U.S. International Trade Commission, transmitting, pursuant to law, the annual report, for fiscal year 1974, of the U.S. Tariff Commission (with an accompanying report); to the Committee on Finance.

The World Food Situation and Prospects to 1985

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report of the U.S. delegation to the World Food Conference (with an accompanying report); to the Committee on Foreign Relations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the financial statements of the Rural Telephone Bank, Department of Agriculture, for the fiscal year ended June 30, 1974 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office issued or released in December 1974 (with an accompanying document); to the Committee on Government Operations.

Report of the U.S. Commission on Civil Rights

A letter from the U.S. Commission on Civil Rights, transmitting, pursuant to law, a report of the U.S. Commission on Civil Rights, January 1975, entitled "The Voting Rights Act: Ten Years After" (with an accompanying report); to the Committee on the Judiciary.

Report on the Administration of the Freedom of Information Act

A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1974 by the Occupational Safety and Health Review Commission (OSAHRC) (with an accompanying report); to the Committee on the Judiciary.

Proposed Voting Rights Act Amendments of 1975

A communication from the President of the United States, transmitting a draft of proposed legislation to extend the Voting Rights Act of 1965, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

Proposed Funding Criteria Governing the Higher Education Personnel Training Programs

A letter from the Executive Secretary to the Department, Department of Health, Education, and Welfare, transmitting, pursuant to law, proposed funding criteria governing the Higher Education Personnel Training Programs (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Ozarks Regional Commission

A letter from the Federal Cochairman, the Ozarks Regional Commission, transmitting, pursuant to law, the annual report of the Ozarks Regional Commission for the period ending June 30, 1974 (with an accompanying report); to the Committee on Public Works.

Land Use Report

A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on land use prepared by the council as part of its annual report (with an accompanying report); to the Committees on Public Works, Interior and Insular Affairs, Commerce, and Agriculture and Forestry, by unanimous consent.

Energy Conservation Study

A letter from the Administrator, Federal Energy Administration, transmitting, pursuant to law, a report to Congress entitled "Energy Conservation Study, December 1974" (with an accompanying report); to the Committees on Interior and Insular Affairs, Public Works, Commerce and Finance, by unanimous consent.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore:

Joint resolution from the Legislature of the State of California; to the Committee on Veterans Affairs:

"Assembly Joint Resolution No. 177—Relative to Veterans' Pensions

"legislative counsel's report

"AJR 117, Murphy. Veterans' pensions.

"Memorializes President and Congress of the United States to enact the recomputation amendment to federal legislation.

"Whereas, A recomputation amendment to legislation now pending before the Congress of the United States, would increase the retirement pay of all military retirees of all branches of service so as to equalize the pensions of older retires with the pensions of more recent retirees of equivalent rank or grade and length of service; and

"Whereas, Present inequities in the retirement laws for military retirees are unfair in that older retirees do not presently receive such equivalent benefits; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to support and enact the recomputation amendment to equalize the pensions of military retirees; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to each member of the Joint Senate-House Armed Services Committee."

Resolution from the Council of the County of Maui, Wailuku, Hawaii, requesting the Hawaii Delegation to Congress, the Governor of the State of Hawaii, and the Mayor of the County of Maui to secure an exemption from the tariff and import duties which President Ford intends to impose upon imported fuel and oil products; to the Committee on Finance.

Resolutions from the Massachusetts State Senate; to the Committee on Commerce:

"Resolutions Memorializing the Congress of the United States To Enact Legislation Establishing the Metric System As the Primary System of Measurement of the United States

"Whereas, In Public Law 93-380, "Education Amendments of 1974" H.R. 69. Section 403. the Congress of the United States found that increased use of the metric system in the United States is inevitable and that the metric system will become the dominant system in the United States; and declared it the policy of the United States to encourage educational agencies and institutions to prepare students to use the metric system with ease and facility as a part of the regular education program; and authorized expenditures to carry out the policy described; and

"Whereas, Delay in metrication is causing waste in effort and materials, both in teaching two systems of measurement and in the stocking of parts for products made in customary as well as metric units, while on the other hand metrication brings a great reduction in effort and materials due to the integrated nature and decimal character of the International System of Units known as SI and the enormous reduction in sizes needed as metric international standards are agreed upon; and

"Whereas, Markets are being closed by law or by reluctance of buyers against those who produce goods with customary measurements in a metric world; while on the other hand our competitive position is improved as firms go metric, an action which could be greatly aided by the Congress of the United States; and

"Whereas, It has been found in countries which are converting to the metric system that a government commission to coordinate all sectors of the country's operations is vital to the economical transition to the international language of measurement in trade as well as science; and

"Whereas, The United States Senate of the Ninety-second Congress voted unanimously to set up a commission and the House of Representatives Bill H.R. 11035 of the Ninety-third Congress contains a similar provision; and

"Whereas, The General Court of the Commonwealth in nineteen hundred and seventy-four memorialized the Ninety-third Congress of the United States to enact a metrication bill; therefore be it.

"Resolved, That the Massachusetts Senate memorializes the Ninety-fourth Congress of the United States to enact legislation without delay, establishing the International System of Units as the primary system of measurement for the United States, with a conversion commission to coordinate the operation for the greatest benefit to the people; and be it further

"Resolved, That copies of these resolutions be sent by the Clerk of the Senate to the presiding officer of each branch of Congress of the United States and to each member thereof from the Commonwealth."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 281. A bill to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes (Rept. No. 94-5).

ATTENDANCE OF A SENATOR

Hon. CHARLES H. PERCY, a Senator from the State of Illinois, attended the session of the Senate today.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 373. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interests on not more than $10,000 of long-term savings deposited with a savings and loan association. Referred to the Committee on Finance.

S. 374. A bill for the relief of Sarah Naomi Grant. Referred to the Committee on the Judiciary.

S. 375. A bill for the relief of Steve Wing-On Yan. Referred to the Committee on the Judiciary.

S. 376. A bill for the relief of Ilias Tsakalis. Referred to the Committee on the Judiciary.

S. 377. A bill for the relief of Angela A. Sandino de Balmaceda. Referred to the Committee on the Judiciary.

S. 378. A bill for the relief of Francisco Carpio and his wife, Zenaida T. Carpio. Referred to the Committee on the Judiciary.

S. 379. A bill for the relief of Carmela Marullo. Referred to the Committee on the Judiciary.

S. 380. A bill for the relief of Erdogan Altuglu, his wife, Hatice Altuglu, and their children, Suna Altuglu and Eroll Altuglu. Referred to the Committee on the Judiciary.

S. 381. A bill for the relief of Ludwik Kikla. Referred to the Committee on the Judiciary.

S. 382. A bill for the relief of Yee Wai Fung. Referred to the Committee on the Judiciary.

S. 383. A bill for the relief of Felicidad D. Medina. Referred to the Committee on the Judiciary.

S. 384. A bill for the relief of Quintin Yuyitung. Referred to the Committee on the Judiciary.

By Mr. BARTLETT:

S. 385. A bill to modify the Keystone Reservoir project on the Arkansas River in order to provide that previous owners be given a priority in the leasing of lands acquired for such project. Referred to the Committee on Public Works.

By Mr. PACKWOOD (for himself and Mr. Hatfield):

S. 386. A bill to amend the Internal Revenue Code of 1954 to provide the same tax treatment for recognized Indian tribes as are applicable to other governmental units. Referred to the Committee on Finance.

S. 387. A bill to exclude from taxation capital gains resulting from the condemnation of the Klamath Indian forest lands. Referred to the Committee on Finance.

By Mr. CHURCH (for himself, Mr. Clark, Mr. Humphrey, Mr. Kennedy, Mr. Biden, Mr. Ribicoff, Mr. Williams, Mr. Philip A. Hart, Mr. Burdick, Mr. Tunney, and Mr. Huddleston):

S. 388. A bill to amend titles II, VII, XVI, XVIII, and XIX of the Social Security Act to provide for the administration of the old-age survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes. Referred to the Committee on Finance.

By Mr. CHURCH (for himself, Mr. Clark, Mr. Humphrey, Mr. Kennedy, Mr. Huddleston, Mr. Biden, Mr. Ribicoff, and Mr. Williams):

S. 389. A bill to amend the Internal Revenue Code of 1954 to revise the retirement income credit and to increase the amount of such credit. Referred to the Committee on Finance.

By Mr. CHURCH (for himself, Mr. Clark, Mr. Humphrey, Mr. Kennedy, Mr. Huddleston, Mr. Biden, Mr. Ribicoff, Mr. Williams, Mr. Burdick, Mr. Tunney, and Mr. Bentsen):

S. 390. A bill to provide a program of income tax counseling for elderly individuals. Referred to the Committee on Finance.

By Mr. METCALF (for himself and Mr. Jackson):

S. 391. A bill to amend the Mineral Leasing Act of 1920, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. METCALF (for himself and Mr. Mansfield):

S. 392. A bill to designate certain lands in the Flathead and the Lewis and Clark National Forests in Montana as wilderness. Referred to the Committee on Interior and Insular Affairs.

S. 393. A bill to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BENTSEN:

S. 394. A bill to amend the Trade Act of 1974 to clarify the application of the Generalized System of Preferences to certain countries. Referred to the Committee on Finance.

By Mr. RIBICOFF:

S. 395. A bill to amend section 1504 of the Internal Revenue Code of 1954, as amended. Referred to the Committee on Finance.

By Mr. STEVENS:

S. 396. A bill to amend the Federal Water Pollution Control Act to authorize certain alternatives to secondary treatment for publicly owned treatment works. Referred to the Committee on Public Works.

By Mr. KENNEDY:

S. 397. A bill to authorize the acquisition and maintenance of the Goddard Rocket Launching Site in accordance with the Act of August 25, 1916, as amended, and supplemented, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 398. A bill to establish the birthplace of Susan B. Anthony in Adams, Mass., as a national historic site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 399. A bill to authorize the Secretary of the Interior to study the feasibility and desirability of a Boston Harbor National Recreation Area in the Commonwealth of Massachusetts. Referred to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY (for himself, Mr. Brooke, Mr. Javits, and Mr. Buckley):

S. 400. A bill to establish the Frederick Law Oldmsted Home and Office in Brookline, Mass., as a national historic site. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 401. A bill for the relief of Ubaldo Trevizo, Emma Yolanda Trevizo, Rodolfo Trevizo, Jr., and Olaya Trevizo. Referred to the Committee on the Judiciary.

S. 402. A bill for the relief of the estate of Melvin D. Anderson. Referred to the Committee on the Judiciary.

By Mr. FANNIN:

S. 403. A bill to amend title XIX of the Social Security Act to provide a special Federal matching rate with respect to medical assistance provided to certain Indians. Referred to the Committee on Finance.

By Mr. FANNIN (for himself and Mr. Goldwater):

S. 404. A bill to provide for national cemeteries in the State of Arizona. Referred to the Committee on Veterans' Affairs.

By Mr. DOLE (for himself, Mr. Goldwater, Mr. Fannin, Mr. Chiles, and Mr. Bellmon):

S. 405. A bill to provide for the reimbursement to taxpayers of all expenses, including court costs and legal and accounting fees, incurred by them in contesting unwarranted second audits of their income tax liability. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 406. A bill to amend the Merchant Marine Act of 1936, as amended, to authorize the establishment of a Great Lakes Regional Office, and for other purposes. Referred to the Committee on Commerce.

By Mr. GRIFFIN (for himself, Mr. Hugh Scott, and Mr. Mathias):

S. 407. A bill to extend the Voting Rights Act of 1965, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BROOKE (for himself, Mr. Hathaway, Mr. Kennedy, Mr. Leahy, Mr. Moss, Mr. Baker, Mr. Brock, Mr. McIntyre, Mr. McGovern, Mr. Stafford, Mr. Stevens, and Mr. Tower):

S. 408. A bill to repeal exemptions in the antitrust laws relating to fair trade laws. Referred to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. Stevenson):

S. 409. A bill to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GOLDWATER:

S. 410. A bill to repeal the earnings limitation of the Social Security Act for all workers age 65 and over. Referred to the Committee on Finance.

S. 411. A bill to provide tax relief for condominium owners, homeowner's associations, and cooperative housing corporations. Referred to the Committee on Finance.

By Mr. ABOUREZK (for himself, Mr. Clark, Mr. Culver, Mr. Humphrey, Mr. McGovern, Mr. Mondale, and Mr. Nelson):

S. 412. A bill to amend subtitle C of the Consolidated Farm and Rural Development Act to reduce the rate of interest on emergency loans made under such subtitle and to authorize additional funds for the current fiscal year to expedite the processing of emergency loans to farmers and ranchers who suffered losses as a result of the recent blizzard in the midwestern part of the United States. Referred to the Committee on Agriculture and Forestry.

By Mr. CANNON (for himself and Mr. Laxalt):

S. 413. A bill to authorize the Director of the Bureau of Mines to extend certain assistance to certain individuals engaged in mineral exploration and development. Referred to the Committee on Interior and Insular Affairs.

S. 414. A bill to declare that all right, title, and interest of the United States in 2,640 acres, more or less, are hereby held by the United States in trust for the Paiute-Shoshone Tribe of the Fallon Indian Reservation, Nevada. Referred to the Committee on Interior and Insular Affairs.

S. 415. A bill to convey to the Ely Indian Colony the beneficial interest in certain Federal land. Referred to the Committee on Interior and Insular Affairs.

S. 416. A bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians. Referred to the Committee on Interior and Insular Affairs.

S. 417. A bill to provide for the suspension of annual assessment work on mining claims held by location in the United States. Referred to the Committee on Interior and Insular Affairs.

S. 418. A bill to authorize the Secretary of the Interior to make certain Federal lands available to State and local governments for park and recreation purposes. Referred to the Committee on Interior and Insular Affairs.

S. 419. A bill to provide for the establishment of a national cemetery in the State of Nevada. Referred to the Committee on Veterans' Affairs.

S. 420. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada. Referred to the Committee on Veterans' Affairs.

By Mr. CANNON (for himself and Mr. Kennedy):

S. 421. A bill to regulate commerce and assure the availability of air transportation at the lowest reasonable cost to consumers by defining inclusive tour charter trip and advance-booking charter trip; by authorizing reduced rate transportation for the handicapped, the elderly, and the young; and for other purposes. Referred to the Committee on Commerce.

By Mr. MONDALE (for himself, Mr. Ribicoff, Mr. Humphrey, Mr. Pell, Mr. Weicker, and Mr. Williams):

S. 422. A bill to provide for the development and implementation of programs for youth camp safety. Referred to the Committee on Labor and Public Welfare.

By Mr. MONDALE (for himself and Mr. Humphrey):

S. 423. A bill to declare that certain federally owned lands within the White Earth Reservation shall be held by the United States in trust for the Minnesota Chippewa Tribe, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONDALE:

S. 424. A bill to restore the postal service seniority of Elmer Erickson. Referred to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS:

S. 425. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of United States companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HOLLINGS (for himself, Mr. Magnuson, Mr. Kennedy, Mr. Tunney, Mr. Mathias, Mr. Humphrey, Mr. Chiles, Mr. Williams, Mr. Case, Mr. Biden, Mr. Ribicoff, Mr. McIntyre, Mr. Brooke, Mr. Cranston, and Mr Pell):

S. 426. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

S. 427. A bill to amend sections 555 and 556 of title 37, United States Code, relating to members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

By Mr. HARRY F. BYRD, JR. (for himself, Mr. Allen, Mr. Helms, Mr. Nunn, Mr. Talmadge, Mr. Thurmond, and Mr. Garn):

S.J. Res. 16. A joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of 8 years. Ordered placed on the calendar.

By Mr. RIBICOFF (for himself and Mr. Weicker):

S.J. Res. 17. A joint resolution designating Monday, June 2, 1975, to honor the Connecticut Bar Association. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 373. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on not more than $10,000 of long-term savings deposited with a savings and loan association. Referred to the Committee on Finance.

Mr. HUGH SCOTT. Mr. President, the housing industry in this country has reached a critical point. New housing starts are at an unbelievably low level. Something must be done immediately to rectify the situation. The necessity for action is highlighted by the tremendous levels of unemployment in this industry nationwide.

I am introducing legislation today that should help to supply the thing most desperately needed by those in the housing industry—mortgage money to finance new construction. Since savings and loan associations and mutual savings banks are mandated by law to devote a significant portion of their assets to this end, my legislation proposes to exempt interest on the first $10,000 held in savings accounts in savings and loan associations or mutual savings banks by an individual for 12 months or more.

The legislation will act as an incentive for funds placed in institutions that support the housing industry. The more funds which come on line for these purposes, the better chance for turning around the housing construction market. It would act as a vital step in cutting unemployment in one of the most severely affected portions of the economy.

In a more longrun sense, it is vital to return housing construction to the 1972 year level. Each day old housing deteriorates and is no longer available to those seeking shelter, so there is a greater demand for the remaining housing. This scarcity tends to raise the price on the remaining available units. To forestall this problem we must continually build new housing to replace the old. The longer we wait, the more difficult it is to catch up to the pressures for new housing.

I would like to point out an additional provision of this legislation would allow a husband and wife who file a joint tax return, but who maintain individual savings accounts, to treat each savings account separately. This would allow them an exemption on interest on a total of $20,000 in savings and loan or mutual savings banks accounts.

I think this is important legislation and I will work for its enactment as soon as possible. It will give the economy and especially the housing construction industry a lifesaving shot in the arm. I hope my colleagues from both sides of the aisle will join with me in sponsoring this bill.

I ask unanimous consent the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125, and by inserting after section 123 the following new section:

"SEC. 124. INTEREST ON SAVINGS.

"(a) IN GENERAL.—In the case of an individual, gross income does not include interest or dividends received during the taxable year on money held for more than 12 months (determined as of the close of such taxable year) in a savings account maintained with a savings institution, as described in section 491 (relating to deduction for dividends paid on deposits) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

"(b) LIMITATION.—The provisions of this section do not apply to interest received with respect to amounts in excess of $10,000. In the case of a married individual, the provisions of this subsection apply separately to each spouse if the savings account maintained by that spouse is not maintained jointly with the other.

"(c) For purposes of this section, the term 'savings account' means an interest-bearing deposit or account which is not payable on a specified date or at the expiration of a specified time after the date of deposit (although the individual who maintains the deposit or account may be required by the savings institution with which the deposit or account is maintained to give notice in writing of an intended withdrawal not less than 30 days before withdrawal is made).".

(b) The table of sections for such part III is amended by striking out the last item therein and inserting in lieu thereof the following:

"Sec. 124. Interest on savings.
"Sec. 125. Cross references to other Acts.".

SEC. 2. The amendments made by this Act apply to taxable years beginning after December 31, 1974.

By Mr. CHURCH (for himself, Mr. CLARK, Mr. HUMPHREY, Mr. KENNEDY, Mr. BIDEN, Mr. RIBICOFF, Mr. WILLIAMS, Mr. PHILIP A. HART, Mr. BURDICK, Mr. TUNNEY, and Mr. HUDDLESTON):

S. 388. A bill to amend titles II, VII, XVI, XVIII, and XIX of the Social Security Act to provide for the administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes. Referred to the Committee on Finance.

SOCIAL SECURITY ADMINISTRATION ACT

Mr. CHURCH. Mr. President, on behalf of myself and the Senators from Iowa (Mr. CLARK), Minnesota (Mr. HUMPHREY), Massachusetts (Mr. KENNEDY), Delaware (Mr. BIDEN), Connecticut (Mr. RIBICOFF), Michigan (Mr. HART), North Dakota (Mr. BURDICK), California (Mr. TUNNEY), Kentucky (Mr. HUDDLESTON), and New Jersey (Mr. WILLIAMS), I introduce for appropriate reference, the Social Security Administration Act.

Quite clearly, social security is one of our Nation's landmark achievements.

In one form or another, it affects the lives of almost every American family.

SOCIAL SECURITY PROTECTION

More than 30 million persons—1 of every 7 Americans—receive retirement, disability, or survivors' benefits. In 1975 nearly 100 million workers will contribute to social security. In return, they will build credits toward future benefits for themselves and their families.

More than 90 percent of all persons 65 or older are eligible for social security payments. Approximately 80 percent of all men and women aged 21 to 64 are protected in the event a family breadwinner suffers a long-term disability. And, 95 percent of all mothers and dependent children are eligible for benefits if the father in the family dies.

Social security is the economic linchpin for most older Americans. It represents over half the income for two-thirds of aged single beneficiaries and one-half of elderly couple beneficiaries. Social security accounts for almost the entire source of support—90 percent or more of total income—for 30 percent of single elderly beneficiaries and 15 percent of older couples.

Additionally, medicare provides valuable protection against hospital and medical costs for the aged and disabled. Over 23 million Americans now have hospital insurance protection under medicare, and 23 million have medical insurance coverage.

These facts make it imperative that the financial integrity of the social security system be maintained, as well as its administrative objectivity.

INDEPENDENT NONPOLITICAL AGENCY

Last year I sponsored legislation to implement these twin objectives. That proposal, S. 3143, generated widespread bipartisan support. All in all, 50 Members of the Senate sponsored S. 3143.

The 93d Congress, however, adjourned before there was an opportunity to take action on the Social Security Administration Act.

Consequently, we are reintroducing this bill today with the strong hope that it can be acted upon promptly and favorably.

One of the key objectives of this proposal is to establish the Social Security Administration as an autonomous agency outside the Department of Health, Education, and Welfare. It would be under the direction of a three-member governing board appointed by the President with the advice and consent of the Senate.

To help provide greater insulation from political pressures, the three board members would be selected for 5-year staggered terms. Initial appointments, though, would be for 2, 4, and 5 years.

The President would also designate one of the three members as chairman.

This independent agency would continue to have administrative responsibility for the old age, survivors, and disability insurance program; medicare; supplemental security income; and that part of the black lung benefit program under the Coal Mine Health and Safety Act which is now administered by the existing Social Security Administration.

In addition, this new agency would: First, make recommendations concerning the most effective methods for providing economic security through social insurance, and second, prepare an annual report for the Congress regarding its activities.

Social security has clearly evolved now to a point where it is large and important enough to enjoy separate organizational status.

It also represents one of the largest direct-line operations in the entire Federal Government, employing about 80,000 persons throughout our Nation.

It has 1,300 offices conveniently located throughout the country.

Only the Department of Defense, Department of Agriculture, Department of the Treasury, the Postal Service, the Veterans' Administration, and the Department of the Interior are larger than the Social Security Administration.

I also strongly believe that separating the Social Security Administration from the Department of Health, Education, and Welfare would be advantageous from the standpoint of both units. HEW now has about 140,000 employees and numerous programs to administer. Most authorities agree that it is unwieldly and unmanageable by virtue of its size, budgetary level, and diversity of programs. Removal of the Social Security Administration would help to reduce it to more manageable proportions. Moreover, the smaller remaining units of HEW could receive the full-time attention of the Secretary and his staff.

An independent agency would also underscore in the mind of the public the very important and crucial difference between social insurance programs, such as social security, and other operations of the Government. Social security is, in fact, a nationwide retirement system and group insurance plan. People pay toward their own protection throughout their working lives and in return receive credits toward insurance protection for themselves and their families. This is a program operated by the Government, but it is essentially a self-help program of the people themselves. It should not be confused with the general functions of Government.

The efficiency of the Social Security Administration would, in my judgment, also be improved by independent status. The program should have the overall direction of full-time, nonpolitical executive attention. Policy direction by successive Secretaries of HEW and their staff—10 Secretaries during the 22 years of HEW's existence—does not lead to the best administration of this permanent and important institution in American life.

PROHIBITION ON POLITICAL NOTICES

Our Social Security Administration Act also includes another safeguard to prevent the social security and supplemental security income programs from becoming politicized.

Our proposal would prohibit the mailing of notices with social security and supplemental security income checks which make any reference whatsoever to Federal elected officers.

In the past Republican and Democratic administrations alike have customarily included announcements with social security increases, generally suggesting that a rise in benefits is because of action taken by a particular President.

This practice offers great potential for political mischief. It is not only demeaning for the social security system; it can also create very misleading inferences on the part of millions of beneficiaries who depend upon this essential program.

Social security should not become a political football—to be used by those in positions of high trust or individuals seeking to gain power.

It is simply too important to be exploited for narrow partisan purposes.

There is one further point that I want to emphasize. Our bill would not in any way prohibit the newly constituted Social Security Administration from mailing announcements for legitimate informational purposes.

It is only designed to ban the mailing of political announcements with social security or SSI checks.

REMOVE SOCIAL SECURITY TRUST FUNDS FROM THE UNIFIED BUDGET

This measure would also remove the transactions of the social security trust funds from the unified budget.

Until the fiscal 1969 budget, the financial transactions of the social security system were—except for purposes of economic analysis—kept entirely separate from the general revenue operations of the Government. And this is the way it should be.

Social security is, after all, a separately financed program paid for by earmarked contributions from workers and their families and the self-employed. These funds can be used for only two purposes: payment of benefits and the administrative expenses of the program.

However, the inclusion of the social security trust funds within the unified budget leads to confusion concerning our overall budgetary situation.

As a consequence, this practice has distorted decisions concerning social security and the general revenue operations of the Government. One clearcut example is the misleading way in which excesses of social security income over outgo are used to reduce the general deficit of the Federal Government. Even more alarming, needed improvements in social security are oftentimes opposed—not on the merits but because they might affect the deficit under the unified budget.

Mr. President, the administration's recent proposal—made on November 26—to cut back medicare benefits is another compelling reason to separate the transactions of the social security trust funds from the unified budget.

Their recommendations, which would add $425 million to the medical and hospital bills of the elderly and disabled, reveal a willingness to play fast and loose with the concept of social insurance.

They also show a fundamental misunderstanding of social insurance programs, such as social security.

In effect, the administration proposes to reduce medicare protection substantially but with no accompanying reduction in contributions.

Nelson Cruikshank, president of the National Council of Senior Citizens, described the administration's plan as "a double ripoff aimed both at the sick older people and at the younger workers who must pay the medicare bill."

The unified budget has caused further confusion concerning: First, whether social security is really separate from other programs of the Government, and, second, how well protected a beneficiary's rights are under this group insurance program.

Public understanding about managing the budget, as a whole, would also be improved if there would be general recognition that social security is separately financed. Its obligations are built up in the past, and no administration should be permitted to repudiate the promises that have been made.

Even though the social security transactions would not be a part of the unified budget, they would be taken into account for purposes of economic analysis, as has always been the case. Any general revenue contributions to social security would also be reflected in the expenditures of the general budget.

EXISTING FEATURES UNCHANGED

Finally, our proposal would leave unchanged most of the existing relationships between the Social Security Administration and other units of Government.

Responsibility for investment of the trust funds would still remain with the Secretary of the Treasury.

Authority to spend from the trust funds for administrative purposes would continue to be a part of the regular budget process, just as it is today.

The Advisory Council on Social Security would still remain, as well as other special purpose advisory councils. Their membership, though, would be appointed by the three-member governing board. This would help to strengthen the nonpolitical character of the program.

Moreover, the new agency would be subject to the usual clearances on legislative proposals. In general, it would operate under the broad supervision of the various control agencies of the Government. Our bill would not disturb the existing relationships between the program and the Office of Management and Budget, the General Accounting Office, and the General Services Administration.

CONCLUSION

All Americans—whether they are young or old—have a very real and direct interest in the soundness and integrity of the social security system. They also have a right to insist that the program continue to be built upon sound actuarial principles and equitable policy considerations. And, they must be assured that the program will be administered fairly, impartially, and effectively.

Mr. President, I urge the early adoption of the Social Security Administration Act.

I also ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 388

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Administration Act".

DECLARATION OF PURPOSE

SEC. 2. (a) The purpose of this Act is to strengthen the fiscal and administrative structure of the contributory social security programs. These programs constitute a retirement and group-insurance plan that provides nearly all American workers and their families protection designed to partly make up for the loss of earned income during retirement, during periods of extended and total disability before retirement age, or because of death, and provides protection against the costs of medical care during periods of extended and total disability and after age sixty-five. In conjunction with the program of supplemental security income to the needy, designed to fill the gaps in insurance protection, these contributory social insurance programs form a universal structure of economic security. It is essential that we take every practical step to assure the long-range fiscal integrity of these programs and to provide for nonpolitical, objective, and skilled program administration.

(b) In creating the contributory social security and health insurance programs, the Congress has undertaken a fiscal obligation which differs in essential respects from its obligations under programs financed in other ways. The distinctive nature of this obligation results from (1) the contributory character of the programs which gives to nearly every American a personal financial stake in future benefit rights, (2) the concomitant obligation of Government to assure beyond preadventure that these rights earned by compulsory contributions and based on past earnings will, in fact, be honored when they fall due whether in the near or the distant future, (3) the dependence of the programs, if this assurance is to be fully credible, on adequate long-term sources of income dedicated exclusively to these programs, (4) the need that changes in these systems which may be required to meet changing economic and social conditions be developed on a long-range basis and in the context of their interrelated benefit and financial structures. In order to assure more completely the full recognition of the fiscal obligations inherent in these programs, this Act separates the transactions of the self-financed social insurance programs from the transactions of the general budget.

(c) The magnitude of these social insurance programs and of the supplemental security income program—in terms of the number of people affected by them, the volume of income and expenditures, the number of persons engaged in their operation, the nationwide network of local offices, and the complexity of these huge operations—demands the utmost in skillful, nonpolitical administration. To help assure such administration and continuously high levels of service to the beneficiaries of and contributors to the programs, this Act constitutes the Social Security Administration as an independent agency in the executive branch, responsible directly to the President. The independence accorded by this change will also serve to emphasize to the public that the Government's role in the insurance programs is essentially that of trustee and manager for those who have worked in covered employment and contributed to the support of the programs, a role which is markedly different and carries different obligations from the Government's role in programs financed in other ways.

TITLE I—SOCIAL SECURITY ADMINISTRATION

SEC. 101. (a) **Title VII** of the Social Security Act is amended by inserting immediately before section 702 the following new section:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. (a) (1) There is hereby established, as an independent agency of the executive branch of the Government, a Social Security Administration (hereinafter in this section referred to as the 'Administration'). The Administration shall be headed by a Board which shall consist of three members who shall be appointed by the President, by and with the advice and consent of the Senate. The President shall, from time to time, designate one of the members as Chairman of the Board.

"(2) No individual shall, during the time that he holds the office as a member of the Board, engage in any business, vocation, or employment, other than the discharge of his duties and the exercise of his authority as a member of the Board.

"(3) Not more than two of the members of the Board shall be members of the same political party.

"(4) Each member of the Board shall hold office for a term of five years, except that (A) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (B) the terms of office of the members first taking office after the date of enactment of the Act to establish the Social Security Administration as an independent agency shall expire, as designated by the President at the time of appointment, one at the end of two years, one at the end of four years, and one at the end of five years, after the date of enactment of such Act.

"(5) Actions taken, and decisions made by, members of the Board shall be by majority vote; and any action so taken, or decision so made, shall be the action or decision of the Administration.

"(b) (1) It shall be the duty of the Administration to administer the programs established by titles II, XVI, and XVIII of this Act, and to discharge the duties and responsibilities imposed on the Secretary of Health, Education, and Welfare in connection with the administration of the program established by title IV of the Federal Coal Mine Health and Safety Act of 1969.

"(2) The Administration shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning the programs referred to in paragraph (1), and to other programs having similar objectives.

"(3) The Administration shall prepare and submit to the Congress an annual report on its activities, which report shall include the recommendations of the Administration made pursuant to paragraph (2).

"(c) (1) There shall be in the Administration an Executive Director, who shall be appointed by and serve at the pleasure of the Administration, and who shall perform such functions concerning the programs administered by the Administration as the Administration may prescribe.

"(2) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Administration, and who shall be the principal legal counsel in the Administration. The Administration may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.".

(b) Section 702 of such Act is amended by inserting, immediately before the period at the end thereof, the following: "; except that nothing in this section shall be construed to require the Secretary to make studies of or recommendations with respect to programs administered by the Social Security Administration".

(c) Section 706 of such Act is amended—

(1) by striking out "Secretary," wherever it appears therein, and inserting in lieu thereof "Social Security Administration",

(2) in subsection (c) (1) thereof, by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration", and

(3) in subsection (a) thereof, by striking out "the public assistance programs under this Act" and inserting in lieu thereof "the program established by title XVI of this Act".

(d) Section 201(c) of such Act is amended—

(1) in the first sentence thereof, by inserting "the Chairman of the Board of the Social Security Administration," immediately after "Secretary of Labor,", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(e) The last sentence of section 205(g) of such Act is amended by striking out "in the person occupying the office of Secretary or any vacancy in such office" and inserting in lieu thereof "in the membership of the Board of the Social Security Administration or any vacancy in the membership of such Board".

(f) Section 1817(b) of such Act is amended—

(1) in the first sentence thereof, by inserting ", the Chairman of the Board of the Social Security Administration," immediately after "the Secretary of Labor,", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(g) Section 1841(b) of such Act is amended—

(1) in the first sentence thereof, by inserting ", the Chairman of the Board of the Social Security Administration," after "Secretary of Labor", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(h) Title II (other than the first sentence of section 201(c) thereof, and the last sentence of section 205(g) thereof), title XVI (as enacted by section 301 of the Social Security Amendments of 1972), and title XVIII (other than the first sentence of section 1817(b) thereof, and the first sentence of section 1841(b) thereof), of the Social Security Act are each amended—

(1) by striking out, wherever it appears therein, "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration",

(2) by striking out, wherever it appears therein, "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration",

(3) by striking out, wherever it appears therein, "Department" (but only if it is not immediately succeeded by the words "of Health, Education, and Welfare", and only if it is used in reference to the Department of Health, Education, and Welfare) and inserting in lieu thereof "Social Security Administration", and

(4) by striking out, wherever it appears therein, each of the following words (but, in the case of any such word, only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he", and inserting (in the case of the word "Secretary") "Social Security Administration", (in the case of the made thereby), the Social Security Adminis-

istration's", (in the case of the word "his") "the Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Socal Security Administration".

(i) Section 1868(b) of such Act is amended by adding at the end thereof the following new sentence: "Any advice or recommendations so provided by the Advisory Council with respect to title XIX shall be transmitted by the Social Security Administration to the Secretary."

(j) Title XIX of the Social Security Act is amended by striking out "Secretary" wherever it appears, and inserting in lieu thereof "Social Security Administration" in—

(1) section 1902(a)(9)(A) thereof, and

(2) section 1903(i)(2) thereof.

(k) Section 1122 of such Act is amended—

(1) in subsection (c) thereof, by striking out "The Secretary shall pay" and inserting in lieu thereof "The Social Security Administration shall (pursuant to and in accordance with directives from the Secretary) pay",

(2) in subsection (d)(1) thereof, by striking out all the matter that follows clause (ii) of the first sentence and inserting in lieu of the matter stricken the following: "then, for such period as he finds necessary in any case to effectuate the purposes of this section, he shall in determining the Federal payments to be made under titles V and XIX with respect to services furnished in the health care facility for which such capital expenditure is made, not include (and shall direct the Social Security Administration, in determining the Federal payments to be made under title XVIII with respect to services furnished in such health care facility, not to include) any amount which is attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of proprietary facilities), or other expenses related to such capital expenditures. With respect to any organization which is reimbursed on a per capita basis, the Secretary shall, in determining the Federal payments to be made under titles V and XIX, exclude (and shall direct the Social Security Administration, in determining the Federal payments to be made under title XVIII, to exclude) an amount which in his judgment is a reasonable equivalent to the amounts which would otherwise be excluded under this subsection if payments were to be made on other than a per capita basis.", and

(3) in subsection (e) thereof, by striking out "in determining the Federal payments" and inserting in lieu thereof "for the purpose of the determination of the Federal payments".

(l) Part B of title XI of such Act is amended—

(1) in section 1152(e) thereof, by—

(A) inserting "or title XVIII" immediately after "(other than this part", and

(B) inserting at the end thereof the following new sentence: "In order to avoid duplication of functions and unnecessary review and control activities, the Social Security Administration is authorized to waive any or all of the review, certification, or similar activities otherwise required under or pursuant to title XVIII when it finds, on the basis of substantial evidence of the effective performance of review and control activities by Professional Standards Review Organizations, that the review, certification, and similar activities so required are not needed for the provision of adequate review and control.",

(2) in section 1155(a)(2) thereof, by inserting "(or cause to be made, in appropriate cases, by the Social Security Administration" immediately after "that the Secretary make",

(3) in section 1157 thereof, by striking out "The Secretary" and inserting in lieu thereof "The Social Security Administration",

(4) in section 1159(b) thereof, by—

(A) inserting "(or by the Social Security Administration, in case of a beneficiary or recipient under title XVIII)" immediately after "to a hearing thereon by the Secretary", and

(B) inserting "(or the Social Security Administration's final decision, in case of a beneficiary or recipient under title XVIII)" immediately after "review of the Secretary's final decision", and

(C) inserting "(or the Social Security Administration, as the case may be)" immediately after "The Secretary",

(5) in section 1165 thereof, by inserting "(promulgated in consultation with the Social Security Administration)" immediately after "The Secretary shall by regulations", and

(6) in section 1168 thereof, by adding at the end thereof the following: "In determining the amount to be payable from the Federal Hospital Insurance Trust Fund, the Secretary shall consult with the Social Security Administration; and any amount payable from such Fund shall be payable by the Social Security Administration, pursuant to and in accordance with directives of the Secretary.".

SEC. 102. (a) Except as provided in subsection (b), the term "Secretary of Health, Education, and Welfare" and the term "Secretary", when used to refer to the Secretary of Health, Education, and Welfare, shall be deemed to refer to the Social Security Administration when (and to the extent that) such term is employed in any provision of law which imposes any duty or responsibility on, confers any authority on, or imposes any limitation on the exercise of authority by, the Secretary of Health, Education, and Welfare with respect to the administration of the programs established by (1) title II, XVI (as enacted by section 301 of the Social Security Amendments of 1972), or XVIII, of the Social Security Act, or (2) part IV of the Federal Coal Mine Health and Safety Act of 1969.

(b) The provisions of subsection (a) shall not apply to any provision of law which is contained in (1) title II, XVI (as enacted by section 301 of the Social Security Amendments of 1972), or XVIII, of the Social Security Act, (2) title IV of the Federal Coal Mine Health and Safety Act, or (3) section 1122 of the Social Security Act, or part B of title XI of such Act.

SEC. 103. (a) There are transferred to the Social Security Administration (established by section 701 of the Social Security Act) all functions carried out by the Secretary of Health, Education, and Welfare, with respect to the administration of programs and activities the administration of which is vested in such Administration, by reason of this Act and the amendments made thereby.

(b) There are transferred to the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act) all personnel, assets, liabilities, contracts, property, and records, which the Director of the Office of Management and Budget determines to be employed, held, or used by the Secretary of Health, Education, and Welfare primarily in connection with the functions, activities, and programs which, by reason of this Act and the amendments made thereby, are vested in or become the responsibility of such Administration.

(c) The position of Commissioner of Social Security is abolished.

SEC. 104. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health, Education, and Welfare (or his delegate), and (B) which relate to functions which, by reason of this Act and the amendments made thereby, are vested in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), and

(2) which are in effect at the time this Act takes effect,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by the Social Security Administration (as established by section 701 of the Social Security Act).

(b) The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending at the time this Act takes effect before the Secretary of Health, Education, and Welfare with respect to functions vested (by reason of this Act and the amendments made thereby) in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), except that such proceedings, to the extent that they relate to such functions, shall continue before the Social Security Administration (as so established). Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Social Security Administration (as so established), by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in this subsection—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health, Education, and Welfare, shall abate by reason of the enactment of this Act. Causes of action, suits, or other proceedings may be asserted by or against the United States and the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), or such official of such Administration as may be appropriate, and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(d) This Act shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this Act, is vested in the Social Security Administration.

(e) Orders and actions of the Social Security Administration in the exercise of functions vested in such Administration under this Act (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Secretary of Health, Education, and Welfare in the exercise of such functions immediately preceding the effective date of this Act. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in the Social Security Administration shall continue to apply to the exercise of such function by such Administration.

(f) In the exercise of the functions vested in it under this Act (and the amendment made thereby), the Social Security Administration shall have the same authority as that vested in the Secretary of Health, Education, and Welfare with respect to the exercise of such functions immediately preceding the vesting of the same in such Administration, and actions of such Administration shall have the same force and effect as when exercised by such Secretary.

TITLE II—MISCELLANEOUS AND CONFORMING AMENDMENTS

SEC. 201. (a) Section 205 of the Social Security Act is amended by adding after subsection (q) thereof the following:

"(r) The Social Security Administration shall not permit to be enclosed with any check for benefit payments under this title any material which—

"(1) is not related to the provisions of this title or title XVIII, or

"(2) contains the name, signature, or title of any officer of the Government of the United States.".

(b) Section 1631(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) The Social Security Administration shall not permit to be enclosed with any check for benefit payments under this title any material which—

"(A) is not related to the provisions of this title or title XVIII, or

"(B) contains the name, signature, or title of any officer of the United States."

SEC. 202. Title IV of the Federal Coal Mine Health and Safety Act of 1969 is amended—

(1) in section 402(c) thereof, by striking out "where used in part B means the Secretary of Health, Education, and Welfare, and", and

(2) in all the provisions thereof (other than section 402(c) and section 427) by—

(A) striking out, wherever it appears therein, "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration", and

(B) striking out, wherever it appears therein, each of the following words (but, in the case of any such word, only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and he", and inserting (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

SEC. 203. (a) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) in the second sentence of subsection (a) thereof, by striking out "The Budget" and inserting in lieu thereof "Except as provided in subsection (d), the Budget"; and

(2) by adding at the end of such section the following new subsection:

"(d) The Budget shall set forth the items referred to in paragraphs (4), (5), (6), (7), (8), (9), and (12) of subsection (a) which are attributable to receipts of and expenditures from the general fund of the Treasury (commonly referred to as the 'administrative budget'), and shall set forth separately such items which are attributable to receipts of and expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund.".

(b) The amendment made by subsection (a) shall apply with respect to the Budget for the fiscal year ending June 30, 1976, and for each fiscal year thereafter.

SEC. 204. (a) Section 5313 of title 5, United States Code (relating to level II of the Executive Schedule), is amended by adding at the end thereof the following new paragraph:

"(22) Chairman of the Board of the Social Security Administration.".

(b) Section 5314 of such title (relating to level III of the Executive Schedule) is amended by adding at the end thereof the following new paragraphs:

"(60) Member of the Board of the Social Security Administration.

"(61) Executive Director, Social Security Administration.".

(c) Section 5315 of such title (relating to level IV of the Executive Schedule) is amended by striking out—

"(97) Commissioner of Social Security, Department of Health, Education, and Welfare.",

and by inserting in lieu therof—

"(97) General Counsel, Social Security Administration.".

SEC. 205. (a) This Act and the amendments made by this Act, shall take effect on the first day of the first calendar month which begins not less than ninety days after the date of enactment of this Act.

(b) Notwithstanding the provisions of subsection (a), the members of the Board of the Social Security Administration may be appointed prior to the effective date of this Act, but after the date of enactment of this Act; and the Executive Director and the General Counsel of such Administration may be appointed by such Administration at any time after all members of the Board of such Administration have been appointed. The officers referred to in the preceding sentence shall be compensated from the date they first take office, at the rates provided for in the amendments to title 5, United States Code, made by section 204 of this Act. Such compensation and related expenses of such officers shall be paid from funds available for the functions vested in the Social Security Administration by this Act and the amendments made thereby.

By Mr. CHURCH (for himself, Mr. CLARK, Mr. HUDDLESTON, Mr. BIDEN, Mr. RIBICOFF, and Mr. WILLIAMS):

S. 389. A bill to amend the Internal Revenue Code of 1954 to revise the retirement income credit and to increase the amount of such credit. Referred to the Committee on Finance.

UPDATE THE RETIREMENT INCOME CREDIT

Mr. CHURCH. Mr. President, on behalf of myself and the Senators from Iowa (Mr. CLARK), Minnesota (Mr. HUMPHREY), Massachusetts (Mr. KENNEDY), Kentucky (Mr. HUDDLESTON), Delaware (Mr. BIDEN), Connecticut (Mr. RIBICOFF), and New Jersey (Mr. WILLIAMS), I introduce for appropriate reference, a bill to update the retirement income credit.

The retirement income tax credit is one of the most complex features of our income tax law.

It was established in 1954 to help Government pensioners with little or no social security benefits, including retired teachers, policemen, firemen, and other Government annuitants.

This action was necessary because social security benefits were exempt from Federal income tax, but retirement benefits for governmental annuitants were almost entirely subject to tax.

Some means of providing equity had to be found, and it was for this reason that Government annuitants can claim a 15 percent credit on their qualifying retirement income: pensions, annuities, interest, dividends, or rent.

The maximum amount for computing the retirement income credit is now $1,524 for single aged persons and $2,286 for elderly couples. These amounts must, however, be reduced by:

First. Tax-exempt pensions, such as social security benefits and railroad retirement annuities; and

Second. Earned income, depending upon the individual's age and extent of earnings.

In the case of persons aged 62 to 71 the maximum base for computing the credit is decreased by $1 for each $2 of earnings between $1,200 and $1,700. And, thereafter, it is reduced on a dollar-for-dollar basis for earned income above $1,700.

For public pensioners or annuitants under 62, their maximum base is reduced for each dollar of earnings above $900.

The retirement income credit, however, stands in great need of modernization. It has not been updated since 1962 for single elderly persons and 1964 for aged couples.

Social security beneficiaries, on the other hand, have received six across-the-board raises during this period. These increases, I strongly believe, were necessary to protect older Americans from inflation and to raise social security benefits to more realistic levels.

The need to modernize the retirement income credit has been equally acute.

As a first step toward this goal, our bill would raise the maximum amount for computing the 15-percent credit from $1,524 to $2,500 for single aged persons and from $2,286 to $3,750 for elderly couples.

In terms of dollars and cents, this change alone could produce a tax savings up to $146 for single older Americans and $220 for elderly couples.

For aged persons struggling with low or moderate incomes, this relief would be timely and welcome, especially during this period of double-digit inflation.

Second, our proposal would raise the exempt earnings limitation before the maximum base for computing the retirement income credit would be reduced. For retired persons aged 62 to 71, the earnings ceiling would be increased from $1,200 to $2,520. Moreover, the $1-for-$2 reduction would apply to all earnings above $2,520, instead of just a $500 band—from $1,200 to $1,700—as under present law. For public pensioners under 62, the exempt earnings ceiling would be boosted from $900 to $1,260.

Third, this measure would build an automatic cost-of-living adjustment mechanism into the retirement income credit. Under this provision, the maximum amounts for computing the retirement income credit and the earnings limitation would be increased proportionately with social security cost-of-living raises.

The purpose of this provision is to help make the retirement income credit inflation-proof. Equally important, this measure can protect retired annuitants from long delays in updating the credit.

Our proposal, I am pleased to say, has the strong support of the National Retired Teachers Association, American Association of Retired Persons, and the National Association of Retired Federal Employees.

It has also been approved in similar form by the Senate on a number of prior occasions. Unfortunately, however, the proposal has been tied up in legislative logjams. Consequently, it has not yet been enacted into law—although there is substantial support to update the retirement income credit.

In terms of basic elements of tax equity and justice, the need for prompt and favorable action on this legislation is compelling.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 37 of the Internal Revenue Code of 1954 (relating to retirement income) is amended to read as follows:

"Sec. 37. Retirement Income.

"(a) General Rules.—

"(1) Joint returns.—In the case of a joint return—

"(A) if either spouse has attained the age of 65 before the close of the taxable year, or

"(B) if neither spouse has attained the age of 65 before the close of the taxable year but one or both spouses have public retirement system pension income for the taxable year,

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the retirement income (as limited by subsection (b)) received by the husband and wife during the taxable year.

(2) Other returns.—In the case of a return by an unmarried individual and of a separate return by a married individual—

"(A) if the individual has attained the age of 65 before the close of the taxable year, or

"(B) if the individual has not attained the age of 65 before the close of the taxable year but has public retirement system pension income for the taxable year,

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the retirement income (as limited by subsection (b)) received by the individual during the taxable year.

"(b) Limitation of Retirement Income.—

"(1) In general.—The amount of retirement income which may be taken into account for purposes of subsection (a) shall not exceed the following amounts (reduced as provided in paragraph (2)):

"(A) $2,500, in the case of an unmarried individual,

"(B) $2,500, in the case of a joint return where only one spouse is an eligible individual,

"(C) $3,750, in the case of a joint return where both spouses are eligible individuals, or

"(D) $1,875, in the case of a separate return by a married individual.

"(2) Reduction.—Except as provided in paragraphs (3) and (4), the reduction under this paragraph in the case of any individual is—

"(A) any amount received by such individual as a pension or annuity—

"(i) under title II of the Social Security Act,

"(ii) under the Railroad Retirement Act of 1935 or 1937, or

"(iii) otherwise excluded from gross income, plus

"(B) in the case of any individual who has not attained age 72 before the close of the taxable year—

"(i) except as provided in clause (ii), one-half the amount of earned income received by such individual in the taxable year in excess of $2,550, or

"(ii) if such individual has not attained age 62 before the close of the taxable year, and if such individual (or his spouse under age 62) is an eligible individual as defined in subsection (d)(4)(B), any amount of earned income in excess of $1,260 received by such individual in the taxable year.

"(3) Special rules for determining the reduction provided in paragraph (2).—

"(A) Joint returns.—In the case of a joint return, the reduction under paragraph (2) shall be the aggregate of the amounts resulting from applying paragraph (2) separately to each spouse.

"(B) Separate returns of married individuals.—In the case of a separate return of a married individual, paragraph (2)(B)(i) shall be applied by substituting '$1,260' for '$2,520', and paragraph (2)(B)(ii) shall be applied by substituting '$630' for '$1,260'.

"(C) No reduction for certain amounts excluded from gross income.—No reduction shall be made under paragraph (2)(A) for any amount excluded from gross income under section 72 (relating to annuities), 101 (relating to life insurance proceeds), 104 (relating to compensation for injuries or sickness), 105 (relating to amounts received under accident and health plans), 402 (relating to taxability of beneficiary of employees' trust), or 403 (relating to taxation of employee annuities).

"(4) Special rule for certain individuals receiving public retirement system pension income.—In the case of a joint return where one spouse is an eligible individual as defined in subsection (d)(4)(A) and the other spouse is an eligible individual as defined in subsection (d)(4)(B), there shall be an additional reduction under paragraph (2) in an amount equal to the excess (if any) of $1,250 over the amount of the public retirement system pension income of the spouse who is an eligible individual as defined in subsection (d)(4)(B).

"(c) Retirement Income.—For purposes of this section—

"(1) In general.—Except as provided in paragraph (2), the term 'retirement income' means income from—

"(A) pensions and annuities (including public retirement system pension income and including, in the case of an individual who is, or has been, an employee within the meaning of section 401(c)(1), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),

"(B) interest,

"(C) rents,

"(D) dividends, and

"(E) bonds described in section 504(b)(1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a),

to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year.

"(2) Certain individuals under age 65.—In the case of—

"(A) a return by an unmarried individual who has not attained the age of 65 before the close of the taxable year,

"(B) a separate return by a married individual who has attained the age of 65 before the close of the taxable year, and

"(C) a joint return if neither spouse has attained the age of 65 before the close of the taxable year,

the term 'retirement income' means only public retirement system pension income, and only so much of such income received by an individual during the taxable year as does not exceed $2,500.

"(d) Other Definitions and Special Rules.—For purposes of this section—

"(1) Public retirement system pension income.—The term 'public retirement system pension income' means income from pensions and annuities under a public retirement system for personal services performed by the taxpayer or his spouse, to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year. For purposes of this paragraph, the term 'public retirement system' means a pension, annuity, retirement, or similar fund or system established by the United States, a State, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia.

"(2) Earned income.—The term 'earned income' has the meaning assigned to such term in section 911(b) except that such term does not include any amount received as a pension or annuity.

"(3) Community property laws disregarded.—The determination of whether—

"(A) earned income, or

"(B) income from pensions and annuities for personal services (including public retirement system pension income and distributions to which subsection (c)(1)(A) applies),

is the income of a husband or wife shall be made without regard to community property laws.

"(4) Eligible individual.—The term 'eligible individual' means an individual who—

"(A) has attained the age of 65 before the close of the taxable year, or

"(B) has not attained such age but has public retirement system pension income for the taxable year.

"(5) Marital status.—Marital status shall be determined under section 153.

"(6) Joint return.—The term 'joint return' means the joint return of a husband and wife made under section 6013.

"(e) Cost-of-Living Adjustment.—Whenever the Secretary of Health, Education, and Welfare publishes the percentage amount of an increase in monthly benefits payable under title II of the Social Security Act pursuant to section 215(1)(1)(D) of such Act, the Secretary or his delegate shall—

"(1) increase each dollar amount in paragraph (1) and (2)(B) of subsection (b) by such percentage, and if any such increased amount is not a multiple of $1.00, increase such amount to the next highest multiple of $1.00, and

"(2) adjust each other dollar amount provided in this section in accordance with the increase in the dollar amounts in paragraphs (1) and (2)(B) of subsection (b).

Each dollar amount, as increased or adjusted under this subsection, shall be the amount in effect for taxable years beginning after the calendar year in which the Secretary of Health, Education, and Welfare publishes such a percentage increase in benefits.

"(f) Nonresident Alien Ineligible for Credit.—No credit shall be allowed under this section to any nonresident alien."

Sec. 2. (a) Section 904 of the Internal Revenue Code of 1954 (relating to limitation on foreign tax credit) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) Coordination With Credit for Retirement Income.—In the case of an individual, for purposes of subsection (a) the tax against which the credit is taken is such tax reduced by the amount of the credit (if any) for the taxable year allowable under section 37 (relating to retirement income)."

(b) Section 6014(a) of such Code (relating to tax not computed by taxpayer) is amended by striking out the last sentence thereof.

(c) Section 6014(b) of such Code is amended—

(1) by striking out paragraph (4),

(2) by redesignating paragraph (5) as paragraph (4), and

(3) by inserting "or" at the end of paragraph (3).

SEC. 3. The amendments made by this Act shall apply to taxable years beginning after December 31, 1974.

Mr. HUDDLESTON. Mr. President, I join my colleague from Idaho in offering this legislation, which is long overdue and which is necessary if we are to provide a fair and equitable tax system for all Americans.

What this bill does is update the retirement income credit for the first time in a decade and also provide an automatic cost-of-living adjustment in that credit to insure that it does not become outdated again.

This bill is a tribute to the distinguished senator from Idaho (Mr. CHURCH), who is also chairman of the Special Committee on Aging. This amendment also has the endorsement of the American Association of Retired Persons and the National Retired Teachers Association.

I would also like to pay tribute to the Finance Committee and its able chairman (Mr. LONG) for the interest that his committee has always shown in matters affecting the retired and elderly persons of this country. The elderly have no better friend in Congress than the senator from Louisiana.

Mr. President, I have a special interest in the cost-of-living adjustment portion of this bill, which I developed with the advice and guidance of the senator from Idaho. At the time of its original introduction, this cost-of-living provision had 24 cosponsors. Now that it is combined with the Church update provision, I am sure the overall bill enjoys the overwhelming support of the Senate.

Under present law a retirement income credit is allowed for single persons or couples age 65 or over having "retirement income"—that is, income from pensions dividends, interest, rents or other passive income sources.

This credit amounts to 15 percent of a base amount: for single persons the credit is 15 percent of $1,524—$229—and for couples 15 percent of $2,286—$343.

However, this credit is available only if the individual had 10 prior years of earned income above $600, and the income base eligible for this credit is reduced on a dollar-for-dollar basis by the amount of social security, railroad retirement, or other tax exempt pension income.

It is also reduced by 50 percent of earnings over $1,200 and by 100 percent of earnings over $1,700. The earnings limitation does not apply to those age 72 and over.

Thus these two provisions insure that the credit will not go to very wealthy individuals or those receiving other tax exempt pension—unless, of course, that person is over 72.

When this tax credit was first initiated in 1954, it was envisioned that it would provide somewhat comparable tax treatment for civil service and other private retirees with those receiving social security pensions.

That simply has not been the case. Since 1962 there have been six increases in social security. Monthly social security benefits for the average worker have increased from $76.19 in 1962 to $166.42 in 1973; the average monthly increase for couples has been from $127.90 in 1962 to $276.71 in 1973.

Yet the retirement income credit has not been updated since 1962 for single persons and 1964 for couples. As you can see, the retirement income credit is no longer anywhere near comparable to tax-exempt social security income. This constitutes a gross discrimination against those who have little or no social security.

Under the able leadership of the Senator from Idaho (Mr. CHURCH), who is chairman of the Senate's Special Committee on Aging, numerous attempts have been made to update and simplify the retirement income credit. We were successful last year in amending a tax bill to update the retirement income credit, but unfortunately that bill was recommitted to committee.

This amendment accomplishes the goals of updating the credit and simplifying its application, while also providing a cost-of-living adjustment. Some of the major updated provisions are:

It raises the base amount for the credit from $1,524 to $2,500 for single persons—$375—and from $2,286 to $3,750 for couples—$563. The base would also be $2,500 for married couples filling joint returns with only one spouse age 65 or over.

The earnings limitation is updated and increased. The maximum base for computing the credit is to be reduced by a single taxpayer or by each spouse if married and filing a joint return—this compares with the previous limitation which would reduce the base by one-half earnings in excess of $1,200 and 100 percent of earnings in excess of $1,700.

Several other simplifications of present law and improvements in the credit are included in the amendment.

The net result is that the bill updates the retirement income credit for the first time since 1964.

Our legislation is also designed to insure that 10 more years do not go by before another update of the tax credit is approved.

This would be accomplished by providing that whenever the Secretary of Health, Education, and Welfare determines an automatic cost-of-living increase in social security benefits is warranted—under title II, section 215(i)(1)(D) of the Social Security Act—then the base on which the retirement income credit is computed would be raised by a like percentage.

Mr. President, this portion of the bill could be properly called a cost-of-living adjustment provision for those who utilize the retirement income credit. If we do not enact this amendment, the almost 1 million affected Americans will see their meager retirement income annually eroded by inflation. And at the present rate of inflation, it does not take long to turn what was a good pension into a totally inadequate one.

The American Association of Retired Persons and the National Retired Teachers Association put it best:

> If the [update] legislation is enacted, roughly equal tax treatment will be restored, but, because social security benefits are now subject to automatic increase, equity would not be maintained over time, since the amount of retirement income which could be taken into account for purposes of computing the credit would not rise commensurately with social security and railroad retirement benefits.
>
> [The cost-of-living provision] would amend the retirement income credit provisions to assure that the maximum amount of retirement income to be taken into account for purposes of computing the credit would rise from year to year by the same percentage by which social security benefits are increased.

Certainly this Nation can provide a decent retirement for all its citizens, including those who are not on social security. And that certainly cannot be accomplished without making provision against rampant inflation.

Who would be the beneficiaries of this legislation? According to preliminary IRS reports on 1972 income tax returns, some 971,000 Americans utilized the retirement income credit.

Of that total, 70 percent make less than $10,000; 85 percent make less than $15,000; and 27 percent make less than $5,000. So the beneficiaries would be the low and moderate income retired person who is already hit hardest by inflation.

What would be the cost? The update provisions would cost approximately $200 million. And according to the U.S. Treasury, in a hypothetical case in which a 10 percent cost-of-living increase in social security benefits is made, the cost of increasing the retirement income credit base 10 percent would be only $25 million. That, I think, is a small price to pay to insure thousands of Americans that their retirement income will be sufficient to meet today's inflation.

Mr. President, one of the greatest needs this country has is for a more equitable tax system. We just concluded another session without the kind of major tax reform the American people need and want. Enacting this legislation will be a small step in that direction by providing greater equity for almost one million retired Americans. Surely we can take this small step this session.

By Mr. CHURCH (for himself, Mr. CLARK, Mr. HUMPHREY, Mr. KENNEDY, Mr. HUDDLESTON, Mr. BIDEN, Mr. RIBICOFF, Mr. WILLIAMS, Mr. BURDICK, Mr. TUNNEY, and Mr. BENTSEN):

S. 390. A bill to provide a program of income tax counseling for elderly individuals. Referred to the Committee on Finance.

OLDER AMERICANS TAX COUNSELING ASSISTANCE ACT OF 1975

Mr. CHURCH. Mr. President, on behalf of myself and the Senators from Iowa (Mr. Clark), Minnesota (Mr. Humphrey), Massachusetts (Mr. Kennedy), Kentucky (Mr. Huddleston), Delaware (Mr. Biden), Connecticut (Mr. Ribicoff), New Jersey (Mr. Williams), North Dakota (Mr. Burdick), California (Mr. Tunney), and Texas (Mr. Bentsen), I introduce for appropriate reference, the Older Americans Tax Counseling Assistance Act.

This bill is based upon a similar measure which I introduced last January.

That proposal received strong bipartisan support. In fact, 52 Members of the Senate—a clearcut majority—sponsored the bill.

Unfortunately, however, the 93d Congress ended before final action could be taken.

Recently representatives of the Internal Revenue Service met with my staff to perfect that proposal. And, the bill that we introduce today incorporates those modifications.

Briefly stated, this measure would authorize the Internal Revenue Service to enter into training and technical assistance agreements with nonprofit agencies to prepare volunteers to provide tax counseling assistance for elderly taxpayers.

This legislation would build upon the work already begun by a tax-aide for the elderly component of the IRS volunteer income tax assistance project. As the name of that project suggests, the IRS has attempted to provide, under existing authority, direct assistance to taxpayers in need of special help.

Attention to the elderly was authorized by IRS after Ira Funston, a retired Department of Labor attorney, urged the Senate Special Committee on Aging and IRS to pay special attention to the unique tax problems of older persons. Mr. Funston was also instrumental in winning the support of the Institute of Lifetime Learning of the National Retired Teachers Association-American Association of Retired Persons in providing tax counseling assistance for elderly taxpayers. NRTA-AARP deserves commendation for their leadership in this area.

With such assistance, the IRS volunteer program for the elderly achieved significant results during the last fiscal year: 5,000 tax counselors were trained. They assisted an estimated 150,000 elderly taxpayers on many matters, including the medical expense deduction, retirement income credit, and others.

We do not need any more proof that this program has been an extraordinary success. What is needed now is a genuine national commitment to improve and expand existing tax counseling assistance efforts. And this is precisely what the Older Americans Tax Counseling Assistance Act is designed to accomplish.

This bill would permit volunteer tax counselors to be reimbursed for their out-of-pocket expenses in providing assistance to elderly taxpayers.

Additionally, the Older Americans Tax Counseling Assistance Act would authorize the IRS to conduct special "alerts" concerning tax relief measures of direct interest to the elderly, such as the retirement credit.

The need for this action is especially compelling. Leading organizations in the field of aging have estimated that perhaps one-half of their members do not take advantage of the retirement income credit, even though they may be eligible.

Our bill includes another provision, at the request of the IRS. This measure would authorize the Secretary of the Treasury to hire retiree-annuitants, who would work up to 720 hours a year without losing their pensions. These temporary employees would primarily provide tax assistance services, but the IRS would also have authority to use these individuals to administer and enforce the tax laws.

Preparation of a tax return is ordinarily a complicated task for most persons. But for the elderly it is frequently even more difficult.

Upon reaching retirement age older taxpayers are oftentimes confronted with an entirely new set of rules, usually far more complex than during the preretirement years. Older Americans typically must complete their retirement income credit schedule, determine the taxable portion on their annuities, or compute the taxable gain when they sell their personal residences.

These provisions can pose formidable challenges, even for experienced tax preparers. But for the untrained—and oftentimes unsuspecting elderly taxpayer—they can be mind-boggling.

Perhaps the most troubled individual is the aged widow, who typically has low or moderate income and little or no experience in preparing form 1040.

On numerous occasions the IRS has emphasized that the Federal Government wants no person to pay more taxes than legally required.

Yet, many older Americans needlessly overpay their taxes each year. One important reason is that large numbers are unaware of helpful deductions which can save them precious dollars. Others are completely overwhelmed by the intricacies and nuances in the tax law.

But with appropriate tax counseling services many of these obstacles can be overcome. The tax-aide for the elderly program has amply demonstrated this time and time again.

With tax preparation time only a few short weeks away, the need for prompt action on this legislation is compelling.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 1. Short Title.

This Act may be cited as the "Older Americans Tax Counseling Assistance Act of 1975".

Sec. 2. Definitions.

For purposes of this Act, the term—

(1) "Secretary" means the Secretary of the Treasury or his delegate;

(2) "elderly individual" means an individual who has attained the age of sixty years as of the close of his taxable year; and

(3) "Federal income tax return" means any return required under chapter 61 of the Internal Revenue Code of 1954 with respect to the tax imposed on an individual under chapter 1 of such Code.

Sec. 3. Training and Technical Assistance.

(a) The Secretary, through the Internal Revenue Service, is authorized to enter into agreements with private or public nonprofit agencies or organizations for the purpose of providing training and technical assistance to prepare volunteers to provide tax counseling assistance for elderly individuals in the preparation of their Federal income tax returns.

(b) In addition to any other forms of technical assistance provided under this Act, the Secretary may provide—

(1) preferential access to Internal Revenue Service taxpayer service representatives for the purpose of making available technical information needed during the course of the volunteers' work;

(2) material to be used in making elderly persons aware of the availability of assistance under volunteer taxpayer assistance programs under this Act; and

(3) technical materials and publications to be used by such volunteers.

Sec. 4. Powers of the Secretary.

In carrying out his responsibilities under this Act, the Secretary is authorized—

(1) to provide assistance to organizations which demonstrate, to the satisfaction of the Secretary, that their volunteers are adequately trained and competent to render effective tax counseling to the elderly;

(2) to provide for the training of such volunteers, and to assist in such training, to insure that such volunteers are qualified to provide tax counseling assistance to elderly individuals;

(3) to provide reimbursement to volunteers through such organizations for transportation, meals, and other expenses incurred by them in training or providing tax counseling assistance under this Act, and such other support and assistance as he determines to be appropriate in carrying out the provisions of this Act;

(4) to provide for the use of services, personnel, and facilities of Federal executive agencies and of State and local public agencies with their consent, with or without reimbursement therefor; and

(5) to prescribe such rules and regulations as he deems necessary to carry out the provisions of this Act.

Sec. 5. Employment of Volunteers.

(a) Service as a volunteer in any program carried out under this Act shall not be considered service as an employee of the United States. Volunteers under such a program shall not be considered Federal employees and shall be subject to the provisions of law relating to Federal employment, except that the provisions of section 1905 of title 18, United States Code, shall apply to volunteers as if they were employees of the United States.

(b) Section 7803(a) of the Internal Revenue Code of 1954 (relating to appointment and supervision of Internal Revenue Service personnel) is amended by adding at the end thereof the following: "In order to provide tax assistance services, and to provide for the administration and enforcement of this title, the Secretary may appoint and fix the compensation of former Internal Revenue Service employees who are receiving annuities from the civil service retirement fund under subchapter III of chapter 83 of title 5, United States Code, without regard to the provisions of section 8344(a) of such title. An individual appointed under the preceding sentence may not be appointed to serve for more than 720 hours during any calendar year.".

(c) Amounts received by volunteers serving in any program carried out under this Act as reimbursement for expenses are exempt from taxation under chapters 1 and 21 of the Internal Revenue Code of 1954.

SEC. 6. PUBLICITY RELATING TO INCOME TAX PROVISIONS PARTICULARLY IMPORTANT TO THE ELDERLY.

The Secretary shall, from time to time, undertake to direct the attention of elderly individuals to those provisions of the Internal Revenue Code of 1954 which are particularly important to taxpayers who are elderly individuals, such as the provisions of section 37 (relating to credit against tax for retirement income) and section 121 (relating to gain from the sale or exchange of his residence by an individual who has attained age sixty-five).

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary for the purpose of carrying out the povisions of this Act $2 million for the fiscal year ending June 30, 1975, and $3 million for the fiscal year ending June 30, 1976.

Mr. WILLIAMS. Mr. President, I am pleased to join the distinguished chairman of the Senate Special Committee on Aging in cosponsoring two bills designed to make our Federal tax structure more responsive to the needs of older Americans, the Older Americans Tax Counseling Assistance Act and a bill to update the retirement income credit.

Hearings I conducted when I was chairman of the Special Committee on Aging provided disturbing evidence that large numbers of older Americans overpay their taxes for a variety of reasons. In far too many cases, these persons are totally unaware of helpful deductions. Others are completely baffled by the complexity of the voluminous Internal Revenue Code—undoubtedly one of the most complicated statutes ever enacted.

As the former chairman—now the ranking member—of the Special Senate Committee on Aging, I have long been concerned over the difficulties created by our tax laws for our Nation's elderly. In the last session of Congress, I cosponsored the Older Americans Tax Counseling Assistance Act, and I introduced a bill to update the retirement income credit. Unfortunately, time expired in the 93d Congress before final action could be taken on these measures.

Today, as double digit inflation continues to ravage the limited budgets of older Americans, we have an even greater obligation to alleviate the hardships placed upon the elderly by our tax structure. I joined in sponsoring these bills today because I believe they will provide urgently needed relief for our senior citizens from the burdens of our complex and outdated tax laws.

Specifically, the Older Americans Tax Counseling Assistance Act is designed to reduce the extraordinarily high incidence of elderly persons paying more Federal income tax than required by law. During our hearings, some witnesses estimated that perhaps one-half of all elderly individuals may pay more taxes than legally required. Many older Americans need tax counseling in order to prepare their own returns. This proposal would provide the wherewithal for the IRS to reimburse the tax consultants for their out-of-pocket expenses for training and providing services under the act.

Moreover, this bill would authorize the IRS to conduct special alerts to help assure that all aged taxpayers are fully aware of important tax relief measures, such as the retirement income tax credit. These tax relief measures are especially important in these times of cruel inflation because they can result in substantial savings for the elderly when filling out their tax forms.

I am delighted by the outstanding success experienced by the Institute of Lifetime Learning of the National Retired Teachers Association—American Association of Retired Persons in their operation of the tax aide for the elderly program. The program has clearly demonstrated the effectiveness of utilizing qualified older Americans who are so willing to employ their special understanding and talents to counsel other elderly taxpayers.

The Older Americans Tax Counseling Assistance Act would be a constructive means to provide further safeguards against elderly persons overpaying their taxes. The second bill we are introducing today, which would increase the retirement income credit, also provides relief to senior citizens from the tragic hardships caused by inflation.

As we all know, the retirement income credit was designed to put government pensioners such as retired teachers, policemen, and firemen, in an equitable tax position with social security recipients. Since social security benefits were not subject to tax, government retirees drawing little or no social security bore a heavier tax burden. This credit, passed in 1954 and revised in 1964, is now outdated.

Since the last time the retirement income credit was raised, social security benefits have more than doubled, but there has been no corresponding increase in the tax credit for public employee annuitants. This bill would provide a long overdue increase in the maximum amount for computing the income credit from $1,524 to $2,500 for an individual and from $2,286 to $3,750 for couples. This change alone could produce a tax savings of up to $146 for single older Americans and $220 for elderly couples.

Furthermore, this proposal would insulate the retirement income credit from future increases in the cost of living by providing for an automatic increase in the credit proportionate to the social security cost-of-living adjustments.

Public retirees have been waiting over a decade for this reform. In my judgment, we cannot allow older citizens to continue to bear the harsh burdens of our present tax code.

I urge my colleagues to join in supporting both of these measures, which are designed to continue congressional efforts to fulfill the Nation's obligation to older Americans.

By Mr. METCALF (for himself and Mr. JACKSON):

S. 391. A bill to amend the Mineral Leasing Act of 1920, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975—NOTICE OF HEARING

Mr. METCALF. Mr. President, I am introducing today for myself and Senator JACKSON the Federal Coal Leasing Amendments Act of 1975 (S. 391). This bill is almost identical to S. 3528, 93d Congress, which the Senate passed by unanimous vote on July 8, 1974.

S. 3528 was the result of extensive hearings on Federal coal leasing policy conducted by the Subcommittee on Minerals, Materials, and Fuels and hearings on coal policy issues and Federal mineral leasing and disposal policies conducted during the last 2 years by the National Fuels and Energy Policy Study. It draws heavily on the proposals made by the administration for changes in the Federal mineral development laws. The Interior Committee's report on S. 3528 states:

> The Committee is convinced that the changes in the basic coal leasing law, which would be made by S. 3528, should precede any large-scale Federal coal leasing program. Otherwise, billions of tons of coal may be placed into private hands under the provisions of a law which the Committee, the Administration, citizens of the area involved, the General Accounting Office, and other independent analysts all agree is outmoded and not in the public interest.

Mr. President, I am deeply concerned about the possibility that the current energy situation will lead to premature decisions to proceed with large-scale coal leasing when the impacts of such action are not fully understood. The issuance of such leases could, for all practical purposes, commit the land, water, and air resources of the area to development of surface mines, electric generating plants, coal gasification and liquefaction plants, water impoundments and new communities without adequate consideration of other alternatives and environmental, social, and economic impacts, and without adequate opportunity for advance planning by the communities involved.

The coal and electric power industries are placing increasing pressure on the administration to end the current moratorium and to lease large quantities of Federal coal. However, there must be a better understanding of the problems associated with surface coal mining in the arid semiarid regions of the West before turning more Federal coal over to private industry.

I support development of domestic energy resources in a realistic and responsible manner. Thus, I am convinced that the current coal leasing moratorium should continue until: First, a Federal surface coal mining law has been enacted; second, the Federal leasing law has been changed; and third, comprehensive land use plans for the areas which will be impacted by coal development have been prepared. This moratorium permits coal leasing where necessary to continue an existing mining operation or to provide adequate short-term coal reserves.

S. 391 would make six basic changes in the provisions of the Mineral Leasing Act of 1920 relating to development of Federal coal resources. These changes would correct the most glaring deficiencies in the existing law which have been identified by the Secretary of the Interior and many others.

First, coal leases would be issued by competitive bidding only.

Second, leases would be issued after adoption of comprehensive land use plans prepared in consultation with State and local governments and with ample opportunity for public review.

Third, prospecting permits and preference right leases would be eliminated.

Fourth, coal leases would be for a specified term of 20 years and so long thereafter as coal is produced in paying quantities.

Fifth, 1 year after obtaining a coal lease, the lessee would have to submit a development and reclamation plan. When the plan is approved, it would have to be followed, unless it was amended.

Sixth, the revenue-sharing provision of the Mineral Leasing Act of 1920 would be amended to broaden the purposes for which the States can use their share of coal leasing revenues.

NOTICE OF HEARINGS

Mr. President, the Subcommittee on Minerals, Materials, and Fuels will hold hearings on S. 391 on February 25 and 27. The hearings will begin at 10 a.m. in room 3110, Dirksen Senate Office Building. Persons wishing to testify should call Mike Harvey of the committee staff, 202—224–1076.

I ask unanimous consent that the letters which Senator Jackson and I wrote to Secretary of the Interior Morton on November 19, 1974, and January 13, 1975, together with the Department's January 17 response be printed in the Record at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METCALF. I would call to the Senators attention the fact that while I have not had an opportunity to study the Department's January 17 letter closely, it appears that it may contain some outdated information. For example, the answer to question 13 about the current status of litigation entitled "Sierra Club against Morton" does not mention the fact that the U.S. court of appeals for the District of Columbia circuit issued a limited injunction on January 3—2 weeks before the Department's letter was sent. This injunction ordered the Secretary of the Interior to "take no action concerning the mining plans and railroad rights-of-way set forth in the Eastern Powder River Coal Basin Environmental Impact Statement" pending further court order.

I will put the Department's response to my January 13 letter in the Record as soon as it is received.

Exhibit 1

Committee on Interior and Insular Affairs,
Washington, D.C., November 19, 1974.
Hon. Rogers C. B. Morton,
Secretary of the Interior,
Washington, D.C.

My Dear Mr. Secretary: On July 8, the Senate unanimously passed S. 3528, the Federal Coal Leasing Amendments Act of 1974. This bill was the result of extensive hearings on Federal coal leasing policy conducted by the Subcommittee on Minerals, Materials and Fuels and hearings on coal policy issues and Federal mineral leasing and disposal policies conducted during the last two years by the National Fuels and Energy Policy Study. It draws heavily on the proposals made by your Department for changes in the Federal mineral development laws. The Committee's report on S. 3528 states:

"The Committee is convinced that the changes in the basic coal leasing law, which would be made by S. 3528, should precede any large-scale Federal coal leasing program. Otherwise, billions of tons of coal may be placed into private hands under the provisions of a law which the Committee, the Administration, citizens of the area involved, the General Accounting Office, and other independent analysts all agree is outmoded and not in the public interest."

If S. 3528 is not enacted this year, the Interior Committee will act rapidly on coal leasing policy legislation next year. We support development of domestic energy resources in a realistic and responsible manner. Thus, we are convinced that the current coal leasing moratorium should continue until the Federal law has been changed and comprehensive land use plans for the areas which will be impacted by coal development have been prepared. This moratorium permits coal leasing where necessary to continue an existing mining operation or to provide adequate short-term coal reserves.

We are deeply concerned about the possibility that the current energy situation will lead to premature decisions to proceed with large-scale coal leasing when the impacts of such action are not fully understood. The issuance of such leases could, for all practical purposes, commit the land, water, and air resources of the area to development of surface mines, electric generating plants, coal gasification and liquefaction plants, water impoundments and new communities without adequate consideration of other alternatives and environmental, social, and economic impacts, and without adequate opportunity for advance planning by the communities involved.

We know that the coal and electric power industries are placing increasing pressure on the Administration to end the current moratorium and to lease large quantities of Federal coal. However, there must be a better understanding of the problems associated with surface coal mining in the arid and semi-arid regions of the West before turning more Federal coal over to private industry.

Perhaps the two most crucial areas in which more information is needed are hydrology and the reclamation of mined lands. Hydrology is particularly crucial in the West. Because there is little rainfall, fairy intensive irrigation probably will be required to re-establish adequate vegetation after mining. Furthermore, many coal seams in the West are major aquifers and not enough is known about the impact of surface mining on them. For example, according to a recent study by the National Science Foundation, surface coal mining near one western community would de-water such aquifers, affecting the source of water for several hundred wells. There is also great uncertainty about the feasibility of reclaiming arid and semi-arid lands. Most experts agree full vegetative restoration cannot be achieved in these areas for as long as 20–25 years after restoration has begun.

These problems have been highlighted recently in a number of documents published by your Department. The Draft Report of the Northern Great Plains Resources Program points out that large-scale coal development in the Northern Great Plains States will have far-reaching social and economic impacts in addition to the more frequently considered environmental impacts. The report repeatedly points out that the nature and extent of these impacts cannot be adequately assessed because of lack of technical data. This is particularly true of the cumulative impacts of large-scale surface coal mining and coal gasification and liquefaction and electric generating activity. Similar conclusions appear in the Draft Environmental Impact Statement on Proposed Federal Coal Leasing in the United States of America.

The Final Environmental Impact Statement on the Proposed Development of Coal Resources in the Eastern Powder River Basin of Wyoming graphically illustrates the massive changes which will take place as a result of surface coal mining and related activities in a relatively limited geographical area.

During the last several months, much of the coal and electric power industry emphasis on the need for development of Federal coal has stressed the fact that it is "low sulfur" coal. However, the relatively low sulfur content of much Western coal is, in many instances, substantially offset by its low BTU value. The significance of this fact is brought out in the "Preliminary Report of Coal Drill Hole Data and Chemical Analysis of Coal Beds in Campbell, Wyoming", prepared by the U.S. Geological Survey and the University of Montana Bureau of Mines and Geology. This report shows that the majority of coal samples tested are "high sulfur" at least in terms of violating air pollution standards for coal burning power plants. This casts considerable doubt on industry's arguments that Western coal would keep a power plant within new source performance standards and thus prevent violation of air quality laws.

Federal coal is only part of the Western coal supply picture. There are 252,000 acres of Federal coal already under lease in the Northern Great Plains States. However, the Draft Report of the Northern Great Plains Resources Program indicates that the total coal acreage under lease is at least 2,135,000 acres. In view of the many billions of tons of Western coal—Federal, state, and private—now owned by or leased to energy companies, we see no need to lease any more Federal coal in the immediate future. Given the tremendous uncertainties about the impact of surface coal mining on air and water quality, water supply, soil productivity, and the future of food and fibre production, we believe that rapid leasing would be a grave mistake.

In view of all these serious uncertainties, we would like to know what the Department's plans are with respect to future Federal coal leasing. Please answer the following questions:

1. Does the Department plan to use the Energy Minerals Allocation Recommendation System (EMARS) developed by the Bureau of Land Management?

2. What is the status of the following activities which the Department has had underway for some time:

a. The incorporation into EMARS of data from the Northern Great Plains Resources Study;

b. The preparation of surface and mineral ownership management maps through a coordinated effort of the Bureau of Land Management and Geological Survey;

c. A complete analysis of current leases;

d. Possible changes in regulations and lease stipulations requiring diligent development and continuous operations on existing and new leases to prevent speculative holding of coal resources; and

e. The completion of the final coal programmatic environmental impact statement.

3. How much acreage and tonnage do you expect to lease in the next five years?

4. How are you going to determine the amount to be leased?

5. When and where will leasing take place?

6. Will the leases contain terms and con-

ditions designed to assure production? What will they be?

7. What method of leasing will be used?

8. What will the rental and royalty rates be? How do these compare with rents and royalties received by States and private coal owners?

9. What are the Department's plans for intergovernmental coordination and public participation in any coal leasing program?

10. What plans does the Department have to monitor the environmental impacts of coal development? This would seem particularly important for future leasing decisions.

11. Do you plan to issue any more prospecting permits?

12. What action do you plan to take on pending applications for preference right leases? Does the Department still hold to the view that it has no discretion in the issuance of such leases despite the basic discretionary leasing authority clearly set forth in the 1920 Mineral Leasing Act and the provisions of the National Environmental Policy Act of 1969?

13. What is the current status of *Sierra Club v. Morton*, the litigation involving coal development in the Northern Great Plains, which is currently pending in the United States Court of Appeals for the District of Columbia Circuit?

14. What is the status of the Northern Great Plains Resources Program? What are the funding and manpower levels for FY 1975 and what levels are proposed for FY 1976?

15. What are your views on the coal policy options presented in the Project Independence Report?

16. What is the Administration position on S. 3528 as passed by the Senate?

We would appreciate your responses to these questions and any other comments you may wish to make as soon as possible.

Sincerely yours,

Henry M. Jackson,
Chairman.
Lee Metcalf,
Chairman, Subcommittee on Minerals, Materials, and Fuels.

January 10, 1975.

Hon. Rogers C. B. Morton,
Secretary of the Interior,
Washington, D.C.

Dear Mr. Secretary: On 19 November Senator Jackson and I wrote to you concerning Federal coal leasing policy. Among other things, we asked a number of specific questions. To date we have had no reply.

When the 94th Congress convenes, I intend to introduce legislation similar to S. 3528, the Federal Coal Leasing Amendments Act of 1974, which was passed by the Senate last July. The Department's answers to the questions posed in the 19 November letter could have a significant impact on the form of this legislation.

In addition, please furnish me with copies of the ten "option papers" and four "background papers" which have been prepared within the Department in response to Under Secretary Whitaker's 16 May 1974 memorandum on the coal leasing program. I would also appreciate your comments on the impact of the recent Court of Appeals decision in the litigation brought by a number of environmental groups dealing with the adequacy of the environmental impact statement on proposed development of coal resources in the Eastern Powder River Coal Basin in Wyoming.

If the Department cannot respond to the questions in this letter and the 19 November letter by Friday, 17 January, please have a member of your staff inform Mike Harvey of the Interior Committee staff (224-1076).

Very truly yours,

Lee Metcalf,
Chairman, Subcommittee on
Minerals, Materials, and Fuels.

U.S. Department of the Interior,
Washington, D.C., January 17, 1975.

In Reply Refer To: 3500 (711) 26336

Hon. Lee Metcalf,
U.S. Senate,
Washington, D.C.

Dear Senator Metcalf: Thank you for your letter of November 19, 1974, concerning the Department of the Interior's plans for future coal leasing. We understand your concern that the current policy of leasing only where short-term coal needs exist be continued until comprehensive land use plans for the areas which will be impacted by coal development have been prepared. However, the coal leasing procedures, Energy Minerals Activity Recommendation System (EMARS), which we are developing, are based heavily on the Bureau of Land Management's multiple use planning system. We are confident that any leasing which we would undertake under EMARS would fully consider the impact of attendant coal developments on other activities, resources, and plans in the areas. Rehabilitation requirements for any such leasing would be based on information developed in the planning process for each planning unit where leasing would be of our ability to adequately rehabilitate the mined area. Enclosed is the discussion of the questions raised in your letter which we hope will answer fully your concerns about our future plans for coal leasing.

This letter has also been sent to Senator Henry M. Jackson.

Sincerely yours,

——— ———.

QUESTIONS AND ANSWERS

Question. 1. Does the Department plan to use the Energy Minerals Allocation Recommendation System (EMARS) developed by the Bureau of Land Management?

Answer. The Department is in the final stages of development of EMARS. A full description of the EMARS process will be included in Section I of the final coal leasing programmatic environmental impact statement to be completed in January 1975.

The acronym EMARS originally referred to "Energy Mineral Allocation Recommendation System." The full title of the process has now been changed to "Energy Mineral Activity Recommendation System" to better reflect the actual operations of EMARS. The process will be based on indications of need for coal as expressed by applications or nominations as opposed to being based on supply/demand calculations as might be derived from a model.

EMARS is being developed to provide a process for determining how much Federal coal should be leased in various geographical areas in certain required time periods to help meet energy requirements. The process is based upon the multiple-use planning system which is used by BLM for management of the public lands; therefore, it considers the development of coal resources in the light of the impact of such development on the other resources of the area and upon the environment. Public participation is, of course, an integral part of the BLM multiple-use planning process.

No decision to implement EMARS can be made until the programmatic environmental impact statement has been completed and it has been determined that EMARS could be implemented within acceptable environmental impacts. We anticipate that any decision to implement EMARS must be made in the light of the total national energy situations.

Question. 2. What is the status of the following activities which the Department has had underway for some time:

a. The incorporation into EMARS of data from the Northern Great Plains Resources Study;

Answer. The data contained in the Northern Great Plains Resource Study will be incorporated into the data base to be used for resource planning in EMARS. Development policies in the Northern Great Plains will also consider the findings of the study.

Question. 2b. The preparation of surface/mineral ownership management quads through a coordinated effort of the Bureau of Land Management and Geological Survey;

Answer. The surface/mineral ownership management quads for the 21 priority Number 1 Known Coal Lease Areas will be completed by the end of December. Those remaining significant Known Coal Lease Areas will be completed by July, 1975.

Question. 2c. A complete analysis of current leases;

Answer. An analysis of current leases has been completed, but in light of additional data will be revised prior to general release.

Question. 2d. Possible changes in regulations and lease stipulations requiring diligent development and continuous operations on existing and new leases to prevent speculative holdings of coal resources;

Answer. The Department published proposed regulations in the *Federal Register* on December 11, 1974 (Volume 39, No. 239), which would revise the regulations relating to coal leases by including a definition of a "logical mining unit" and the term "diligent development" and "continuous operation." These new regulations will be applicable to coal leases issued after the effective date of these regulations and to the extent possible to existing leases The intent of these regulations is to encourage lessees to form logical mining unit and to begin development on their logical mining unit at an early date. Comments on the proposed regulations are requested on or before January 10, 1975.

Question. 2e. The completion of the final coal programmatic environmental impact statement?

Answer. The completion date for the final coal programmatic environmental impact statement is planned for late in January 1975.

Question 3. How much acreage and tonage do you expect to lease in the next five years?

Answer. We cannot estimate any specific amount of acreage or volume to be leased within a give timeframe. It is expected that any leasing program will be guided by nominations, resource availability and an environmental assessment conducted within the Bureau's planning system. Initially, it is proposed to request nominations on an annual basis by geographic area; however, coal lease applications will be accepted at anytime. The size and frequency of proposed lease sales within a geographical area will be made only when all nominations and lease applications have been fully evaluated. In some areas lease sales may be held annually while in other areas a more frequent pattern may be desirable.

Question 4. How are you going to determine the amount to be leased?

Answer. As stated in the answer to Question 3 above, the amount of acreage to be offered for lease under the proposed program will be guided by industry nominations of areas of interest and public nominations of areas of concern. (Areas of concern are those areas in which it is felt that other values exist which are of greater total value than the coal resource or where there are indications of high environmental hazards if the coal resource were to be developed.) The actual amount of land offered will depend upon knowledge of resource availability within nominated tracts and the environmental factors involved in developing these tracts. This determination will be made within the BLM planning system and through coordination with State and local groups. Ultimately, the decision as to the amount of land to be leased will be determined by industry's interest in leasing lands on a competitive basis which will ensure a fair return to the Government for the resource involved.

Question 5. When and where will leasing take place?

Answer. It is anticipated that the type of coal needed and the end use proposed will govern the areas of coal leasing interest. Thus, industry's resource needs will be reflected in these areas of nominations, Similarly, the level of competition for tracts offered for lease should provide experience for both size and timing for proposed lease sales. State and local land use planning will be another determining factor in selecting areas where leasing may take place. The planning, plus coordination with these groups, is an integral part of the BLM planning system.

Question 6. Will the leases contain terms and conditions designed to assure production? What will they be?

Answer. We propose to include terms, stipulations and incentives to assure early production in all new leases and in renewals of existing leases.

These provisions would include escalating advance royalties and the diligence requirements described in the answer to Question 2.

The diligent development requirement would assure that a lessee begin development operations on his lease within two years and that he would continue such operation to the point of production. The escalating advance royalties are intended to discourage speculative holding of a lease by making nonproductive holding of leases economically disadvantageous.

Question 7. What method of leasing will be used?

Answer. Under EMARS, it is proposed that future leasing initiated by the Department would be offered under a competitive bidding method.

Preference right lease applications would be processed where the applicant has earned the right to a lease under a prospecting permit. Although these permits were issued prior to the development of a coal leasing program, all preference right leases will be subject to NEPA and to all provisions and stipulations which may be developed under EMARS.

We also are considering limited use of prospecting permits in areas where we have little or no coal resource data. Permittees will be made aware of the provisions under which any preference right lease may be issued and that leases will be subject to a detailed analysis through the BLM planning system.

Question. 8. What will the rental and royalty rates be? How do these compare with rents and royalties received by States and private coal owners?

Answer. Rental rates for recent new leases have been set at $1 per acre. Royalties have been set at 4% of gross value at point of shipment for underground and 6% at point of shipment for surface and auger mines.

The Department is in the process of determining the royalty rates to be applied in the leasing program under EMARS if the decision is made to implement such a program.

Question. 9. What are the Department's plans for intergovernmental coordination and public participation in any coal leasing program

Answers. Intergovernmental, public and State coordination and participation are incorporated into the BLM multiple-use planning process in the early data gathering stage of planning for a specific land area. Meetings are held to review the preliminary management framework plan that is developed for each planning unit. BLM planners maintain frequent contact with knowledgeable people at all levels of government and with the general public in the process of multiple-use planning.

In addition, in the EMARS process, the public would participate in the decision making process concerning the magnitude and distribution of the leasing program through its nomination, applications and expressions of interest in areas to be leased or to be withheld from the leasing process because of environmental concerns.

Under EMARS, areas receiving interest for leasing will be analyzed in terms of preliminary plans developed by BLM in the planning process for the appropriate planning units. Tracts tentatively selected for possible leasing will be identified and reviewed through local public meetings before they are included in a tentative BLM leasing schedule. All tracts selected for consideration for leasing will be subject to environmental analysis, and, if necessary, an environmental impact statement will be prepared before a decision is made to offer the tract for lease. Public consultation is included as part of the process for the preparation of each environmental analysis. Public meetings, and hearings where appropriate, and review are part of the procedure for completion of an environmental impact statement.

The EMARS process would include public participation at each level of the process.

Question. 10. What plans does the Department have to monitor the environmental impacts of coal development? This would seem particularly important for future leasing decisions.

Answer. As part of the BLM multiple-use planning system, soil analysis based on deep soil borings will be conducted on selected areas prior to coal leasing. These studies will be used to prescribe rehabilitation treatment following mining on the areas studied. The operations will be monitored throughout the life of the lease and in the post lease period to determine the effectiveness of rehabilitation. The objective of this program is to develop correlations of prelease conditions, rehabilitation treatment and final rehabilitated conditions. Such correlations will be considered in prescribing treatment (lease requirements) in future leasing.

All rehabilitation operations will be monitored in the post lease period and conclusions will be considered in planning future leases.

Question. 11. Do you plan to issue any more prospecting permits?

Answer. As stated in Question 7, we propose to continue issuance of prospecting permits on a limited basis where more resource information on an area is needed in order to permit management of the coal resources. Generally, the determination of areas suitable for issuance of prospecting permits will be based on data collected and analyzed by Geological Survey and the physical location of these lands within the BLM planning units. The major criteria for determining if an area should be made available for prospecting are expected to be: (1) that the workability of the coal is not known; (2) that an overview of the rehabilitation potential has indicated that such action is feasible and practical; and (3) that other resource uses do not override or significally conflict with the possible extraction of coal.

Question. 12. What action do you plan to take on pending applications for preference right leases? Does the Department still hold to the view that it has no discretion in the issuance of such leases despite the basic discretionary leasing authority clearly set forth in the 1920 Mineral Leasing Act and the provisions of the National Environmental Policy Act of 1969?

Answer. The Department must determine with respect to each application for a noncompetitive coal lease whether the applicant has made a discovery of coal in commercial quantities under his prospecting permit. Section 2(b) of the Minerals Leasing Act, as amended (30 U.S.C. § 201(b)), provides that, if "the permittee shows to the Secretary that the land contains coal in commercial quantities, the permittee shall be entitled to a lease". On its face, section 2(b) does not appear to give the Department any discretion in the issuance of leases to permittees who have made the requisite discovery, and this has been the customary interpretation of the Department. *Leonard E. Hinkey*, A-26187 (June 12, 1951). However, this interpretation has recently been questioned, particularly with respect to the comparable provision on phosphate leases in section 9(b) of the Mineral Leasing Act, as amended (30 U.S.C. § 211(b)). We are, therefore, carefully reexamining this interpretation. A firm basis for asserting Departmental discretion in the issuance of a coal lease to a permittee who has made the necessary discovery is not yet evident.

Question. 13. What is the current status of *Sierra Club v. Morton*, the litigation involving coal development in the Northern Great Plains, which is currently pending in the United States Court of Appeals for the District of Columbia Circuit?

Answer. The action entitled *Sierra Club et al v. Morton et al*, No. 74–1389, is currently pending in the United States Court of Appeals for the District of Columbia Circuit on the Sierra Club's appeal from the District Court's judgment of February 14, 1974, with oral argument on the appeal on December 17, 1974.

Question 14. What is the status of the Northern Great Plains Resources Program? What are the funding and manpower levels for FY 1975 and what levels are proposed for FY 1976?

Answer. The Northern Great Plains Resources Program (NGPRP) is still an operating program. However, it has been decided by the Program Review Board of the NGPRP—with the strong support of the Governors—to shift responsibilities of the NGPRP to that of energy program coordinator rather than actually conduct studies. The Program Review Board members are Assistant Secretary Hughes (Interior), Assistant Secretary Long (Agriculture), Assistant Administrator Ligon (FEA), Assistant Administrator Alm (EPA), Governors of Montana, South Dakota, North Dakota, and Nebraska.

The main function of the NGPRP would be to coordinate the energy studies that are ongoing within the numerous Federal and State agencies. This would be accomplished by the formation of a Regional Coordinating Group composed of local policy making representatives from about 23 Federal, State, Indian, environmental and private entities. The NGPRP staff would also prepare special issue papers to be presented to the Program Review Board. These papers would detail important issues, data gaps and needs for further study. From these issue papers and recommendations from their representatives on the Regional Coordinating Group, the Program Review Board members will return to their State or Federal agency and implement appropriate policy.

Operations will be financed from ongoing funds previously appropriated. The staff will continue to be located in Denver and will be comprised of five professionals and three non-professionals. The Department of the Interior will provide two professionals and two non-professional positions; the Environmental Protection Agency will furnish two professional positions and the Department of Agriculture will provide one professional and one non-professional position.

Question 15. What are your views on the coal policy options presented in the Project Independence Report?

Answer. The Department of the Interior is generally in agreement with the Project Independence Report that there is a need to renew a leasing program for public land coal resources. Of course such a program must be undertaken only in full compliance with NEPA. No decision to undertake such a program could be made until the final coal leasing programmatic environmental impact statement has been completed and the determination has been made that a coal leasing program can be undertaken within acceptable environmental standards.

Question 16. What is the Administration position on S 3528 as passed by the Senate?

Answer. The Department would have approved S 3528 as passed by the Senate if a number of amendments had been made, but we would prefer much broader reform of the mineral laws. In the 93rd Congress the Department proposed S 1040, a bill that would repeal the Mining Law of 1872, the Mineral Leasing Act of 1920, and other related laws and would establish in their place a single leasing system for the disposal of almost all minerals in Federal lands. The Department is presently preparing proposals for the amendment of the Mining Law of 1872 and the Mineral Leasing Act of 1920 for the consideration of the 94th Congress.

Bureau of Land Management

[43 CFR Parts 3500, 3520]

DILIGENT DEVELOPMENT AND CONTINUOUS OPERATIONS

Basis and purpose. Notice is hereby given that the Department of the Interior proposes to revise the regulations relating to coal leases by including a definition of a "logical mining unit" and the terms "diligent development" and "continuous operation." The Mineral Leasing Act of 1920, as amended (30 U.S.C. 207), authorizes the issuance of coal leases for an indeterminate period upon condition of diligent development and continued operation of the mine. The present regulations do not define what constitutes diligent development or continuous operations. In addition, a definition is proposed which will permit establishment of a logical mining unit for the operation of several leases under the control of a single operator. These new regulations will be applicable to coal leases issued after the effective date of these regulations and to the extent possible to existing coal leases.

Interested persons are invited to submit their comments in writing to the Director, Bureau of Land Management, Department of the Interior, Washington, D.C. 20240, on or before January 10, 1975.

It is proposed to amend Chapter II of Title 43, Code of Federal Regulations, as set forth below.

1. Section 3500.0–5 is amended by adding definitions (d), (e), and (f) to read as follows:

§ 3500.0–5 Definitions.

* * * * *

(d) *Logical Mining Unit* (*LMU*). An LMU is a compact area of coal land that can be developed and mined in an efficient, economical and orderly manner with due regard to conservation of coal reserves and other resources and in accordance with an approved Mining Plan. An LMU may consist of one or more Federal leaseholds, and may include intervening or adjacent non-Federal lands, insofar as all lands are under the effective control of a single operator. It may also consist of lands committed to a contract for collective prospecting, development or operations approved by the Secretary pursuant to 30 U.S.C. 201–1. The Mining Supervisor is authorized to approve or establish an LMU.

(e) *Diligent development.* Diligent development means preparing to extract coal from an LMU in a manner and at a rate consistent with a Mining Plan approved by the Mining Supervisor. Activities that may be approved as constituting diligent development of an LMU include: environmental studies, including gathering base-line environmental data and design and operation of monitoring systems; on-the-ground geological studies, including drilling, trenching, sampling, geophysical investigation and mapping, engineering feasibility studies, including mine and plant design, mining method survey studies; and research on mining methods, contracting for purchase or lease of operating equipment and development and construction work necessary to bring the LMU into production. The work performed and the expenditure of monies may take place on or for the benefit of the leased land, or on other lands within the LMU, or at a location remote from the land so long as they are undertaken for the purpose of obtaining production from the LMU.

(f) *Continuous operation.* Continuous operation means extraction, processing, and marketing of coal in commercial quantities from the LMU without interruptions totaling more than six months in any calendar year, subject to the exceptions contained in 30 U.S.C. 207 and in the lease, if any.

§ 3522.1–2 Terms.

* * * * *

(d) Exception—(1) * * *

(2) *Coal.* A coal lease will be maintained only upon the condition of diligent development and, when required by the lease or the Mining Supervisor, continuous operation of the mine or mines in the logical mining unit of which the leasehold is a part. A lessee must have his lease included within an LMU within two years after the effective date of this regulation or by the second anniversary date of the lease, whichever is later. Where the older of a lease on the effective date of this regulation can demonstrate to the satisfaction of the Mining Supervisor that he has in good faith been unable to form such an LMU within the specified time, his lease will be treated as an LMU for the purpose of this regulation. The lessee is responsible for diligent development of the LMU and must report such work and expenditures within thirty days after each anniversary date of the LMU falling within years ending with the digits 2, 4, 6, 8, or 0. The Mining Supervisor is responsible for determining whether the lease has been or is being diligently developed. In addition, on each such anniversary date, the lessee shall advise the Mining Supervisor in advance of how he plans to diligently develop the LMU for the coming two years.

Dated: December 5, 1974.

JACK O. HORTON,
Secretary,
of the Interior.

[FR Doc.74–28839 Filed 12–10–74;8:45 am]

By Mr. METCALF (for himself and Mr. MANSFIELD):

S. 392. A bill to designate certain lands in the Flathead and the Lewis and Clark National Forests in Montana as wilderness. Referred to the Committee on Interior and Insular Affairs.

Mr. METCALF. Mr. President, I am introducing today for Senator MANSFIELD and me a bill to extend wilderness protection to some 378,200 acres in northwestern Montana on the Middle Fork of the Flathead River. The area would be called the Great Bear Wilderness in honor of its prime resident, the grizzly bear. The bill is identical to S. 3729, which I introduced last year.

Twenty years before passage of the Wilderness Act, a number of foresighted Montana conservationists sought protection for the outstanding wilderness qualities of the Middle and South Forks of the Flathead River. Unfortunately, their efforts were unsuccessful. Since that time, man's activities have altered much of the land area and the wilderness of 30 years ago no longer exists.

There remains, however, an opportunity to preserve, for tomorrow's citizens, the wild land and waters of the Flathead River's Middle Fork. And today, we have a legal means to insure protection of these resources and values, the Wilderness Act of 1964. History tells us, in clear terms, that today's values will be degraded if we ignore what may be our last opportunity to protect these lands.

The public lands and waters of the Great Bear Wilderness proposal presently provide habitat for two species of America's diminishing wilderness wildlife—the grizzly bear and the west slope cutthroat trout. The steep mountainous terrain of the headwaters of the Middle Fork shelter one of the last free-moving grizzly bear populations in the continental United States.

Grizzlies are true wilderness animals and without wild land they will perish. The grizzly faces extinction mainly because man has steadily taken his habitat through logging, roading, dam construction, and other developmental activities. In this proposal we will provide a vital habitat link between Glacier National Park and the Bob Marshall Wilderness.

The west slope cutthroat trout has been reduced to threatened species status due to destruction of spawning habitat throughout its former range. There are three major forks in the Flathead River system—South, North and Middle. Dams, mining, and subdivision development have greatly reduced the water quality of the North and South Forks. The survival of this native trout species and other important sport fish in the Flathead River system is dependent on protection of the upper Middle Fork watershed. The Great Bear Wilderness will accomplish that objective.

Mr. President, there are other factors which recommend inclusion of the upper Middle Fork and surrounding wild land in the National Wilderness Preservation System. It is a starkly beautiful mountainous area which supports populations of bear, elk, lynx, moose, mountain goat, coyote, ducks, grouse, and many nongame wildlife species. The mountains, valleys, and streams of the proposed wilderness are unexcelled for hiking, hunting, backpacking, horseback trips, fishing, ski touring, whitewater boating, photography, and other outdoor activities.

The Great Bear Wilderness proposal consists entirely of public lands unspoiled by the hand of man. Within the proposed boundary are lands where man can find solitude, gain awareness, develop his spirit of adventure, or simply renew himself. These are priceless values which are increasingly difficult to obtain.

Much of the timber resource within the Middle Fork is contained in areas classified as marginal zones by the U.S. Forest Service. A marginal zone is defined as one where logging by present methods would cause irreparable resource damage or involve costs in excess of values. The area is a de facto wilderness, presently managed much as it will be after receiving formal wilderness designation and the legal protection such designation provides.

There has been widespread citizen support expressed for preservation of this area. In the late 1960's, when plans to build roads and develop the Middle Fork threatened its wild land and water resources, citizen concern led to consideration of those values. Overwhelming support was voiced to protect not only the wilderness nature of the area, but the free-flowing river as well. Strong support has already been given by the Montana Wilderness Association, Wilderness Society, Flathead Lakers, Flathead Wildlife, Inc., National Wildlife Federation, Trout Unlimited, Guides and Outfitters, Federation of Western Outdoor Clubs, and Sierra Club. The outcome of this broad support to preserve this area and its values for future Americans is the Great Bear Wilderness proposal before you today.

Mr. President, I send to the desk my bill to create the Great Bear Wilderness. I ask unanimous consent that its text be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), the following described lands in the Flathead and the Lewis and Clark National Forests, Montana, comprising about three hundred and seventy-eight thousand two hundred acres, are hereby designated as wilderness:

Beginning at the southeast corner, section 34, township 32 north, range 18 west, M.P.M. (approximate longitude 113 degrees 53 minutes, latitude 48 degrees 29 minutes) (approximate elevation 4,840 feet);

thence 140 degrees for 6.5 miles to a ridgepoint on the Wahoo Creek-Cascadilla Creek divide (approximate elevation 6,020 feet);

thence 117 degrees for 0.9 mile to a ridgepoint on the Cascadilla Creek-Crystal Creek divide (elevation 5,736 feet);

thence 156 degrees for 1.2 miles to a ridgepoint on the Crystal Creek-Stanton Creek divide (elevation 6,352 feet);

thence northeasterly for 0.7 mile down the Crystal Creek-Stanton Creek ridge to the township 31 north, township 30 north line near the southeast corner of section 34 township 31 north, range 17 west (approximate elevation 5,720 feet);

thence 90 degrees for 1 mile to the southeast corner of section 35, township 31 north, range 17 west (approximate elevation 3,680 feet) near Stanton Creek;

thence 158 degrees for 1.4 miles to a ridgepoint on Grant Ridge (elevation 5,896 feet);

thence south-southwesterly for 1.1 miles up Grant Ridge to a ridgepoint on the Hidden Creek—Tunnel Creek divide (approximate elevation 7,100 feet);

thence 151 degrees for 2.7 miles to a ridgepoint on the Pinnacle Creek-Paola Creek divide (approximate elevation 6,840 feet);

thence southwesterly for 0.6 mile to a ridgepoint on the Pinnacle Creek-Paola Creek divide (elevation 6,703 feet);

thence 179 degrees for 1.5 miles to a ridgepoint on Paola Ridge (elevation 6,666 feet);

thence 149 degrees for 0.9 mile to a ridgepoint on the North Fork Dickey Creek-South Fork Dickey Creek divide (approximate elevation 6,050 feet);

thence west-southwesterly for 1.4 miles up the North Fork Dickey Creek-South Fork Dickey Creek divide to a ridgepoint on said divide (approximate elevation 6,800 feet);

thence 148 degrees for 1.5 miles to a ridgepoint on the South Fork Dickey Creek-Marion Creek divide (elevation 7,798 feet);

thence northeasterly for 2.9 miles along the South Fork Dickey Creek-Marion Creek divide to a ridgepoint on said divide (elevation 5,842 feet);

thence 180 degrees for 0.5 mile to the Marion Creek-Essex Creek divide (approximate elevation 5,200 feet);

thence southwesterly for 1.1 miles along the Marion Creek-Essex Creek divide to a ridgepoint on said divide (approximate elevation 7,000 feet);

thence 152 degreees for 1.7 miles to Snowshed Mountain (elevation 7,525 feet);

thence easterly for 1.1 miles along the east ridge of Snowshed Mountain to a ridgepoint on said ridge (elevation 7,097 feet);

thence 86 degrees for 1.6 miles to a ridgepoint on the McDonald Creek-Sheep Creek divide (approximate elevation 5,520 feet);

thence 138 degrees for 0.9 mile to a ridgepoint on the Sheep Creek-Java Creek divide (approximate elevation 4,983 feet);

thence 134 degrees for 1.5 miles to a ridgepoint on the Bear Creek-Edna Creek divide (approximate elevation 4,330 feet);

thence easterly along the Bear Creek-Edna Creek divide to the top of Mount Furlong (elevation 7,393 feet);

thence 91 degrees for 1.4 miles to Devils Hump (elevation 7,667 feet);

thence northeasterly for 1.2 miles on the Bear Creek-Devil Creek divide to a ridgepoint on said divide (elevation 6,735 feet);

thence 57 degrees for 1.8 miles to a ridgepoint on the Devil Creek-Grizzly Creek divide (elevation 6,814 feet);

thence 109 degrees for 2.3 miles to a ridgepoint on the Snake Creek-Giefer Creek divide (elevation 7,511 feet);

thence southerly for 1.4 miles along the Giefer Creek-Twenty Five Mile Creek divide to a ridgepoint on the Twenty Five Mile Creek-Lynx Creek divide (elevation 7,324 feet);

thence 224 degrees for 1.4 miles to a ridgepoint on the Lynx Creek-Goal Creek divide (approximate elevation, 7,170 feet);

thence 118 degrees for 1.9 miles to a ridgepoint on the Twenty Five Mile Creek-Ear Creek divide (elevation 7,042 feet);

thence in a southeasterly then northeasterly direction along Patrol Ridge for 1.9 miles to a ridgepoint on said ridge (elevation 6,879 feet);

thence 105 degrees for 2.4 miles to a ridgepoint on the Granite Creek-Morrison Creek divide (elevation 7,193 feet);

thence 50 degrees for 1.8 miles to a ridgepoint on the northern portion of Slippery Bill Mountain (elevation 7,519 feet);

thence southeasterly for 3.1 miles along Slippery Bill Mountain to the continental divide at a ridgepoint dividing Puzzel Creek and Crescent Creek (elevation 7,133 feet);

thence southeasterly for 3.0 miles along the continental divide to a ridgepoint on the North Badger Creek-Elbow Creek divide (approximate elevation 6,810 feet);

thence north-northeasterly for 3.0 miles along the North Badger Creek-Elbow Creek divide to the highest of the Bruin Peaks (elevation 7,728 feet);

thence 93 degrees for 3.2 miles to Curly Bear Mountain (elevation 7,940 feet);

thence southeasterly for 0.7 mile along the South Badger Creek-Lonesome Creek divide to Spotted Eagle Mountain (elevation 8,070 feet);

thence 108 degrees for 2.7 miles to Scarface Mountain (elevation 8,275 feet);

thence southeasterly for 2.3 miles along the Steep Creek-Small Creek divide to the North Fork Birch Creek;

thence easterly for 3.1 miles along the North Fork Birch Creek to the Lewis and Clark National Forest boundary;

thence in a southeasterly direction for 8.9 miles along the Lewis and Clark National Forest boundary to the Sheep Creek-Scoffin Creek divide;

thence in a southerly direction for 3.6 miles along the Sheep Creek-Scoffin Creek divide then along Walling Reef, crossing the North Fork Bupurer Creek, along the Washout Creek-Middle Fork Dupuyer Creek divide to Old Man of the Hills Mountain (elevation 8,237 feet);

thence 157 degrees for 2.7 miles to Mount Frazier (elevation 8,237 feet);

thence 164 degrees for 1.6 miles to Mount Werner (elevation 8,090 feet);

thence in a southwesterly direction for 4.3 miles along the East Fork Teton Creek-Muddy Creek divide then along the East Fork Teton Creek-Massey Creek divide to a ridgepoint on said divide (elevation 6,547 feet);

thence 259 degrees for 1.5 miles to a ridgepoint on a south-southeast ridge of Mount Wright (elevation 6,654 feet);

thence 146 degrees for 1.1 miles to a ridgepoint on the West Fork Teton River-North Fork Teton River divide (elevation 6,818 feet);

thence southeasterly for 2.7 miles along the Porcupine Creek-Waldron Creek divide to Mount Lockhart (elevation 8,691 feet);

thence westerly for 4.4 miles along the Olney Creek-Nesbit Creek divide and along Washboard Reef to the Bob Marshall Wilderness Area boundary (Continental Divide);

thence northerly then westerly for 52.5 miles along the Bob Marshall Wilderness Area boundary to the intersection of a line 0 degrees from Limestone Peak to Dean Ridge;

thence 0 degrees for 3.8 miles to Dean Ridge;

thence northwesterly along Dean Ridge for 3.7 miles to the intersection of a 90 degree bearing from Green Mountain;

thence 270 degrees for 2.8 miles to Green Mountain;

thence northwesterly for 1.5 miles along the Twin Creek-Trail Creek divide to Bent Mountain;

thence 276 degrees for 5.8 miles to Beacon Mountain (elevation 5,367 feet);

thence 318 degrees for 1.2 miles to a ridgepoint on the south ridge of Crossover Mountain dividing Hungry Horse Reservoir and Lower Twin Creek (elevation 5,139 feet);

thence northerly for 4.9 miles along the Hungry Horse Reservoir-Lower Twin Creek divide to Dry Park Mountain (elevation 7,196 feet);

thence 321 degrees for 2.3 miles to a ridgepoint on the southwest ridge of Circus Peak (approximate elevation 7,130 feet);

thence 344 degrees for 1.1 miles to Prospector Mountain, elevation 8,105 feet);

thence 315 degrees for 2.0 miles to Baptiste Lookout (elevation 6,698 feet);

thence 341 degrees for 2.7 miles to a ridgepoint on the Paint Creek-Logan Creek divide (elevation 6,431 feet);

thence 351 degrees for 1.9 miles to a ridgepoint on the Felix Creek-Unawah Creek divide (elevation 6,481 feet);

thence 314 degrees for 1.2 miles to a ridgepoint on the Harris Creek-Felix Creek divide (elevation 6,853 feet);

thence 330 degrees for 2.6 miles to a ridgepoint on the Clorinda Creek-Canyon Creek divide; approximately 0.6 mile up the ridge from the old Canyon Lookout site (approximate elevation 6,960 feet);

thence 332 degrees for 2.4 miles to ridgepoint on the Murray Creek-McInernie Creek divide (elevation 6,890 feet);

thence 324 degrees for 0.9 mile to Mount Murray (elevation 7,152 feet);

thence 340 degrees for 2.0 miles to a ridgepoint on the Seagrid Creek-Riverside Creek divide (approximate elevation 6,170 feet);

thence 325 degrees for 3.6 miles to a ridgepoint on the Lost Mare Creek-Hungry Horse Creek divide (approximate elevation 5,820 feet);

thence 359 degrees for 1.5 miles to a ridgepoint on the Turmoil Creek-Lost Mare Creek divide (elevation 6,565 feet);

thence 340 degrees for 1.6 miles to a ridgepoint on the Tiger Creek-Turmoil Creek divide (elevation 6,405 feet);

thence 287 degrees for 0.8 mile to a ridgepoint on the Margaret Creek-Tiger Creek divide (approximate elevation 6,200 feet);

thence 277 degrees for 1.2 miles to ridgepoint on the Strife Creek-Marget Creek divide (elevation 5,650 feet);

thence 331 degrees for 5.3 miles to a ridgepoint on the Emery Creek-Kootenai Creek divide (elevation 7,175 feet);

thence northerly for 1.8 miles along the Middle Fork Flathead River-Kootenai Creek divide to the intersection of the southern line of section 32 township 32 north, range 18 west (approximate elevation 6,020 feet);

thence 90 degrees for 2.7 miles to the point of beginning.

SEC. 2. The wilderness area established by this Act shall be known as the Great Bear Wilderness and shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

By Mr. METCALF (for himself and Mr. MANSFIELD):

S. 393. A bill to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

MONTANA WILDERNESS STUDY ACT OF 1975

Mr. METCALF. Mr. President, I introduce for appropriate reference the Montana Wilderness Study Act of 1975. As was the case with its predecessor legislation, S. 4066 which was introduced in the 93d Congress, this bill is being cosponsored by my distinguished colleague from Montana, the majority leader, MIKE MANSFIELD.

Where possible, I have tried to retain the same boundaries as the earlier bill. There are two notable exceptions and some minor ones, however. First, as the bill is being reintroduced, only nine areas are being covered instead of 10. Excluded is the Mount Henry Wilderness Study Area, comprising some 21,000 acres. Its introduction is being held in abeyance pending the outcome of the appeals procedure against two timber sales in the heart of the area. If the appeal is denied and the matter is doomed to lengthy litigation in the courts, I shall add Mount Henry to the bill as an amendment.

Second, I have redrawn the northern boundary of the proposed Taylor-Hilgard Wilderness Study Area to make it contiguous with the southern border of my expanded Spanish Peaks Wilderness Area bill, S. 355, which has also been reintroduced in the 94th Congress.

Minor boundary adjustments have been made in those areas of the bill wherever it is indicated that the controlling official map has been "revised January 1975."

I would like now, Mr. President, to repeat the essence of my introductory remarks made on October 1, 1974, when I introduced the original study bill. Before an area of land can enter the national wilderness system, it must undergo a formal study by the appropriate Federal resource agency. The study is then followed by agency recommendation and, if it merits, congressional approval and finally Presidential signature.

When the Wilderness Act was passed in 1964, it envisioned the study of all areas which might qualify for wilderness status. Now, a decade later—a decade of exploding commercial and recreational pressures—there remain far too many endangered areas which have not had the benefit of formal study.

Because of the nature of the land it administers, most wilderness comes under the jurisdiction of the Forest Service. The recent history of the Forest Service is a sad one. Under the Nixon administration, its budgets have been repeatedly slashed. Personnel have been reduced, recreational areas have been closed or their use curtailed, and undue emphasis has been placed on logging, particularly the ruinous practice of clearcutting. Congressional appropriations and directives aimed at alleviating these conditions have been ignored in express violation of the law.

President Ford has indicated that he wishes to return the executive branch to partnership with Congress. He has said that executive agencies will be required to follow the law of the land. A good starting point, I submit, would be to return the Forest Service to the multiple use sustained yield mandate of Congress, and to fund the agency properly in order that it can carry out that mandate.

This in turn would permit the agency to clean up a national backlog of formal wilderness area studies. Little time remains. The Forest Service's RARE—roadless area review and evaluation—program, which had the responsibility for identifying potential wilderness areas for future study, arbitrarily broke up many large tracts of prime land into smaller study units, thereby reducing their appeal as wilderness. Logging contracts have already been let in some prime areas, and more are contemplated.

I am therefore reintroducing, in cooperation with Senator MANSFIELD, a bill to start on the long road back toward compliance with congressional wilderness directives. We have identified nine areas in Montana which are prime candidates for wilderness designation. We are not asking that they be so designated at this time. Rather, we are asking that each will have the benefit of a formal wilderness study before their character is irrevocably altered. Five years are provided for completion of the study.

We wish to make two points clear. First, we do not fault Regional Forester Steve Yurich and his fine staff for the failure to date to conduct these studies. Field personnel have been pushed inexorably toward commercially oriented activities by Washington directives and tight budgets. Second, the areas listed in the bill do not exhaust those in Montana deserving of similar formal study. There are at least that many more which qualify, and others may be added to the list as time passes.

Mr. President, the areas chosen and their approximate size are:

Areas	*Acres*
West Pioneer Wilderness Study Area	157,000
Taylor-Hilgard Wilderness Study Area	245,000
Bluejoint Wilderness Study Area	42,000
Sapphire Wilderness Study Area	69,000
Elkhorn Wilderness Study Area	89,000
Ten Lakes Wilderness Study Area	30,000
Middle Fork Judith Wilderness Study Area	87,000
Big Snowies Wilderness Study Area	89,000
Hyalite - Porcupine - Buffalo Horn Wilderness Study Area	163,000

They were selected on the basis of their major importance for wilderness and undisturbed wildlife habitat, threats of logging or other development which would sacrifice their natural values without a comprehensive wilderness study, and substantial local support in nearby communities.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD, and that a description of each area be printed immediately thereafter.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Montana Wilderness Study Act of 1975".

SEC. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132), the Secretary of Agriculture (hereinafter known as the "Secretary") shall, within five years after the date of enactment of this Act, review certain lands designated by this section, as to their suitability or nonsuitability for preservation as wilderness, and report his findings to the President, as follows:

(1) certain lands in the Beaverhead National Forest, Montana, which are generally depicted on a map entitled "West Pioneer Wilderness Study Area" and dated January 1974, comprising approximately one hundred and fifty-seven thousand acres, which shall be known as the West Pioneer Wilderness Study Area;

(2) certain lands in the Beaverhead and Gallatin National Forests, Montana, which are generally depicted on a map entitled "Taylor-Hilgard Wilderness Study Area" dated January 1974, and revised January 1975, comprising approximately two hundred forty five thousand acres, which shall be known as the Taylor-Hilgard Wilderness Study Area; the northern boundary of which shall extend from Lone Mountain in the SW ¼ of Sec. 26 T6S, R7E M.P.M.; thence northwesterly along spur ridges approximately 4 miles to Fan Mountain in the center of Sec. 19; thence northwesterly along spur ridges approximately 2½ miles to the NW corner of Sec. 13, T6S, R1E; and said northern boundary shall coincide and form a common boundary with the southwest boundary of the proposed Spanish Peaks Wilderness Area recommended in S. 355, 94th Congress;

(3) certain lands in the Bitterroot National Forest, Montana, which are generally depicted on a map entitled "Bluejoint Wilderness Study Area" and dated January 1974, comprising approximately forty-two thousand acres, which shall be known as the Bluejoint Wilderness Study Area;

(4) certain lands in the Bitterroot and Deerlodge National Forests, Montana, which are generally depicted on a map entitled

"Sapphire Wilderness Study Area" and dated January 1974, comprising approximately sixty-nine thousand acres, which shall be known as the Sapphire Wilderness Study Area;

(5) certain lands in the Helena and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Elkhorn Wilderness Study Area" dated January 1974, and revised January 1975, comprising approximately eighty-nine thousand acres, which shall be known as the Elkhorn Wilderness Study Area;

(6) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Ten Lakes Wilderness Study Area" and dated January 1974, comprising approximately thirty thousand acres, which shall be known as the Ten Lakes Wilderness Study Area;

(7) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Middle Fork Judith Wilderness Study Area" dated January 1974, and revised January 1975, comprising approximately eighty-seven thousand acres which shall be known as the Middle Fork Judith Wilderness Study Area;

(8) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Big Snowies Wilderness Study Area" and dated January 1974, comprising approximately eighty-nine thousand acres, which shall be known as the Big Snowies Wilderness Study Area; and

(9) certain lands in the Gallatin National Forest, Montana, which are generally depicted on a map entitled "Hyalite-Porcupine-Buffalo Horn Wilderness Study Area" and dated January 1974, comprising approximately one hundred and sixty-three thousand acres, which shall be known as the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area.

(b) The Secretary shall conduct his review, and the President shall advise the United States Senate and House of Representatives of his recommendations, in accordance with the provisions of subsections 3(b) and 3(d) of the Wilderness Act, except that any reference in such subsections to areas in the national forests classified as "primitive" shall be deemed to be a reference to the wilderness study areas designated by this Act and except that the President shall advise the Congress of his recommendations with respect to such areas within seven years after the date of enactment of this Act: *Provided, however,* That the Secretary shall give at least sixty days' advance public notice of any hearing or other public meeting concerning such areas.

(c) The maps referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

SEC. 3. (a) Except as otherwise provided by this section, and subject to existing private rights, the wilderness study areas designated by this Act shall, until Congress determines otherwise, be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness.

(b) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife, and fish in the national forests.

(c) Nothing herein contained shall (1) limit the President in proposing, as part of his recommendation to Congress, the alteration of existing boundaries of any wilderness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value, or (2) limit the authority of the Secretary of Agriculture to establish, protect, study, or make recommendations to the President and Congress with respect to, additional wilderness study areas within national forests in the State of Montana.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

DESCRIPTION OF PROPOSED STUDY AREAS

West Pioneer, 157,000 acres, Beaverhead National Forest:

The West Pioneer unit is a highly scenic wildland of natural lakes and streams containing the indigenous and endangered Montana grayling and cutthroat trout. It is important elk and moose summer range. Occasional mountain goats are also seen in the area. Commercial timber is scattered and limited in volume, consisting primarily of pole-sized lodgepole pine.

In addition, in the northern part of the West Pioneer area on Effie Creek exists the world's oldest known stand of living lodgepole pine trees. Described by Mason in 1915 as being over 450 years old, the most ancient lodgepole pine in the stand now exceeds 500 years in age.

Another outstanding feature of the West Pioneers is the presence at the headwaters of Osborne and Stone Creeks of a relic stand of alpine larch (Larix lyallii), believed to be the easternmost stand of these trees in existence. Some of these trees were found by increment borer in 1972 to be more than 700 years old.

It would seem that these two outstanding biological aspects, along with the presence of the endangered grayling and cutthroat trout, would add decisive weight to the importance of the Forest Service giving the area a formal wilderness study.

Moreover, the area has been used for many years by residents and visitors alike for wilderness recreation—camping, quality hunting, fishing, hiking, backpacking, and sightseeing. This wilderness recreational use is growing rapidly each year.

Recommended for wilderness study by the Forest Supervisor, this pristine unit and the East Pioneer roadless area are the two largest and finest potential wilderness areas in the Beaverhead National Forest. Despite the fact that 75 per cent of the 2.1 million-acre Beaverhead Forest is undeveloped and roadless, the only designated wilderness acreage in the Forest is a small part of the Anaconda-Pintlar Wilderness. In fact, although numerous outstanding opportunities exist, the entire southwestern region of Montana is virtually devoid of established Wilderness Areas. With the major Montana population centers of Butte, Anaconda, and Dillon situated in the region, this unfortunate situation must be corrected if the wilderness study process is truly to achieve the Forest Service principal objective of "locating some new wilderness areas closer to the places where people live, so that more people can directly enjoy their benefits."

Although in fact one roadless unit, the Forest Service at Regional or Washington level has incorrectly broken the West Pioneer area up into several smaller roadless areas—Bobcat Mountain, Odell Mountain, and Deer Peak—which has resulted in greatly reduced Quality Index ratings for each area. Since the Forest Service has given major importance in its analyses and selection process to size, the arbitrary fracturing of the total area into segments has adversely affected its wilderness consideration by the Chief Forester. The Forest Supervisor had properly considered the areas as one unit, and it was in this homogeneous form that the area was tentatively selected by him for further wilderness consideration and public meetings. At those meetings and on subsequent occasions, the Montana Wilderness Association, Montana Wildlife Federation, Sierra Club, The Wilderness Society, local guide and outfitting industry, Montana Fish and Game Department, and others representing in total the overwhelming sentiment of conservation-minded citizens of Montana, have continuously expressed their desire that this magnificent potential wilderness be given a wilderness study.

Taylor-Hilgard, 245,000 acres, Gallatin and Beaverhead National Forests:

The Forest Service has proposed a wilderness study of only 79,000 acres in the Hilgard areas, whereas the entire roadless area inventoried by the Forest Service in 1971 contains 245,000 acres. The greater roadless area is pristine, superb wild country that is highly deserving of a wilderness study. It is, in fact, one of the largest and finest potential wilderness areas left in Montana. At the Forest Service roadless area public meeting in Bozeman, Montana, on April 18, 1972, the entire area received overwhelming support for a study.

The eastern half of the greater area, which is contiguous to the northwestern part of Yellowstone National Park, was unfortunately excluded by the Forest Service from the proposed study, as was the northern part.

Furthermore, the greater Taylor-Hilgard roadless area has a long record of strong Forest Service and public support for a wilderness study. For many years, Gallatin conservation groups, local ranchers, the Montana Wildlife Federation, Montana Wilderness Association, The Wilderness Society, and other organizations have urged the Forest Service to study the area for wilderness purposes. The Forest Service formally recognized its great wilderness potential and wildespread public support as early as 1958. In that year, Regional Forester Charles L. Tebbe wrote a letter—a copy of which is included with this report—to the Montana Wilderness Association announcing the establishment of a "hold" area of some 150,000 acres in the Taylor-Hilgard country, in addition to the adjacent Porcupine-Buffalo Horn area, in which he agreed that the Forest Service would forego roading, logging, and other development, pending completion of a wilderness study. A copy of the map, encompassing the total area which the Regional Forester agreed in 1958 to give a wilderness study, is also included.

The entire area is critically important habitat for major populations of elk, bighorn, sheep, mountain goat, moose, grizzly bear, and other wilderness species. It serves as a vital migration route to and from Yellowstone National Park for several of these wild animals. Parts of the roadless area represent important fall and winter range, as well as calving grounds, for elk. The bighorn sheep is officially rated as seriously reduced in numbers and vulnerable, subject to possible extinction. The grizzly is in the vanishing category. Both require a wilderness environment to survive.

The 79,000-acre Hilgard portion includes primarily the alpine Hilgard Basin and Taylor Peaks along the high crest of the Madison Range. Although spectacular and beautiful in its own right, this portion—if studied and designated by itself—would only represent a "wilderness on the rocks." The more eastern half of the greater roadless area is characterized, in general, by lower and more gentle terrain. It possesses high wilderness and wildlife values and is ecologically an essential part of the whole area. It also provides necessary natural foreground to the spectacular Hilgard and Taylor Peaks. The northern part of the area extends along the Madison crest to the undeveloped Jackson Creek area.

The entire area supports a substantial guiding and outfitting industry. Thousands of visitors make wilderness use of the area each year. Timber volumes—largely lodgepole pine with some Douglas fir and Englemann spruce—are limited and scattered. No mineral or water development conflicts exist. The area encompasses a major part of the watersheds of the Madison and Gallatin Rivers, world famous for their trout fisheries and other recreational attributes. Wilderness status would give added protection to the watershed, fisheries, wildlife, and wilderness values of the scenically magnificent Madison Range.

In view of these facts and the tremendous wilderness resources involved, it would seem that the citizens of Montana and the Nation could properly expect the Forest Service to keep its longstanding commitment to conduct formal wilderness studies of both the greater Taylor-Hilgard and Porcupine-Buffalo Horn roadless areas.

Forest Service plans for an immediate timber sale on Big Teepee Creek on the extreme southeast corner of the Taylor-Hilgard area would infringe on this unit and threaten destruction of part of its wilderness potential.

OCTOBER 17, 1958.

Mr. KENNETH K. BALDWIN,
General Chairman, The Montana Wilderness Association, Bozeman, Mont.

DEAR MR. BALDWIN: I wish I could have been with you and the group of people who looked over the proposed recreation area in the Upper Gallatin early in September. I have heard that it was a very good meeting which should result in a better understanding by all concerned of the problems to be worked out if a wilderness, wild or recreation area were to be established there.

I am informed that for some years the desire of interested local people for such an area in the Upper Gallatin has been recognized and discussed, and that until such time as a comprehensive study is made, the Service would refrain from logging or road development. The record shows earlier discussions and agreements related to a much smaller area than outlined on the map accompanying your letter, and as you say, Supervisor Duvendack himself suggested the inclusion, for study, of the Porcupine-Buffalo Creek country.

The enlarged study area and the restraint on development until the study is made, have been discussed with me and my staff. We accept the proposal because you urge it, because we too are interested in delineating boundaries along proper and defensible lines, and because for the time being at least there are no pressing needs for nonrecreational developments in the area under discussion.

We must and we will get on with the study. But in the meantime, and later when we come to discuss it and act upon the findings, it must be recognized that no significance attaches to the lines as drawn, insofar as the ultimate boundary of a wild, wilderness or recreation area is concerned. We are simply going to stay out of the area with roads and logging, except as they might be dictated by some emergency situation such as fire or serious insect infestation, so that a free hand may be taken after the facts are in, in making the most of this area from a recreation and multiple-use standpoint.

Very sincerely yours,

CHAS. L. TEBBE,
Regional Forester.

Bluejoint, 42,000 acres, Bitterroot National Forest:

Bluejoint is one of extremely few undeveloped "islands" in a sea of clearcuts on the Bitterroot National Forest southwest of Hamilton, Montana.

The area is situated along the Montana-Idaho border south of Nez Perce Pass. It is contiguous on its west border to the Magruder Corridor's Hells Half Acre roadless area which adjoins the Salmon River Breaks Primitive Area. Thus, Bluejoint, Hells Half Acre, and the Salmon River Breaks could all be joined together in a magnificent primeval wilderness of more than 350,000 acres.

Bluejoint and Deer Creeks are the principal streams in the proposed wilderness study area. Tributaries of the recreationally-important Bitterroot River, they contain excellent wild trout fisheries. The area is undisturbed habitat for major populations of elk, as well as deer, bighorn sheep, and bear. The large, moist alpine meadows along the creeks furnish the elk herds with excellent summer and fall range. Prominent landmarks of the area are Razorback Mountain (8,637 feet elevation), Deer Creek Point (8,367 feet), and Razorback Ridge.

The area burned over in the 1910–1919 fires. Despite the limited volume of new growth timber, the Bluejoint area is likely to be one of the units that will be scheduled by the Forest Service for roading and logging in the future.

Its important wildlife and wilderness values, in addition to its relationship to the adjoining Hells Half Acre roadless area (which the Chief Forester has placed on his wilderness study list) fully justify a formal wilderness review.

Elkhorn, 89,000 acres, Helena and Deer Lodge National Forests:

The Elkhorn area has many outstanding natural attributes that fully justify a formal wilderness study before further plans are made to develop it.

Located in the Elkhorn Mountains of the Helena and Deer Lodge National Forests, the 89,000-acre roadless and essentially roadless area still retains nearly all of its original remarkable wild character and charm.

Over 400 elk, 65 mountain goats, and an undetermined number of moose and other wildlife normally associated with the wilderness of the Rocky Mountains inhabit the proposed study area. Also present are mule deer, white-tailed deer, black bear, and grouse. Within 15 miles and a half-hour drive from the state capital, Helena, the wild region has considerable potential for quality recreational use—a use that has increased 1,400 percent since 1946.

Altitudes in the proposed study area range from approximately 4,800 feet at the forest boundary to 9,414 feet on Crow Peak. At 9,381 feet, Elkhorn Peak is another outstanding landmark of the area. Several beautiful natural lakes—Upper and Lower Tizer, Hidden, and Glenwood—are nestled in the large sub-alpine basin under the peaks. Crow Creek Falls is an outstanding scenic attraction. Major streams are Crow, Beaver, and Prickly Pear Creeks. About two-thirds of the proposed study area is timber covered, but a major part of this is non-commercial forest. Large grassy parks are interspersed throughout the high country, providing ideal spring, summer, and fall range for the elk herd, as well as some 2,300 cattle. Properly managed, the livestock grazing can continue without significant conflict. The timber consists primarily of lodgepole pine, Douglas fir, alpine fir, and Engelmann spruce. Whitebark pine and limber pine are also present. Lodgepole pine comprises most of the merchantable volume in the area. Until recent years, the lodgepole pine was considered by the Forest Service as a non-commercial "weed" tree. Even today, it is rated as a low-quality lumber species.

While the commercial value of the timber in the Elkhorns is low, its value for watershed protection and wildlife cover is extremely high. Precipitation, mostly in the form of snow, ranges over 30 inches a year in the higher zones. The undisturbed Elkhorn country provides critically important quality water for municipal, agricultural, industrial, and recreational use in the Helena-Townsend vicinity. Within the proposed wilderness study area, McClellan Creek forms the municipal watershed for East Helena. As the Forest Service has pointed out, the major concern expressed by attendees of (Forest Service) meetings, by members of the Advisory Committee, and through letters was the need to recognize the value of the elk herd and roadless areas found in the proposed Elkhorn Wilderness Study Area.

Conservationist, hunter, rancher, general public citizens, and the Montana Fish and Game Department all strongly urged that the area be kept in its present largely undeveloped condition.

In the western portion fading evidence of early-day prospecting and mining activities occur at the head of Wilson Creek and in the Tizer Lakes vicinity. Gold was the principal mineral involved, although none of the mining ventures has been operable for many years, and an old abandoned mine or two even lend a historical value to the area.

A very poor, unimproved four-wheel-drive road enters the western portion of the proposed study area from Prickly Pear Creek and extends to the Tizer Lakes. It should be closed to public motorized vehicular use about five miles from the lakes and allowed to revert to nature. Three small parcels of private land within the proposed wilderness study area have been identified by the Forest Service for early acquisition.

Immediate Forest Service plans are to extend roads into the eastern part of the proposed wilderness study area and log a small amount of timber. As the Forest Service has stated, this is a major calving area for elk. Subsequently, the Forest Service is scheduled to build roads into the heartland of the area, around Tizer Basin and an extensive zone to the north, and to log and otherwise develop this portion. The total annual cut would be about 1½ million board feet. This would be enough timber to operate a small sawmill less than two months.

Two small isolated units would be retained—one around Crow and Elkhorn Peaks, and the other in the rugged headwaters of Beaver Creek—for administrative undeveloped "back country" use. Timber harvest, road development and associated use would not only destroy the heart of the wild Elkhorn region but would also wipe out major elk calving grounds and escape cover during the fall hunting season, as well as irreplaceable spring, summer, and fall range for elk, moose mountain goat, bear, and deer.

Wildlife, wilderness, and watershed benefits of this area far outweigh minimal timber production values. Extremely few cities in the United States enjoy such a beautiful natural shrine so close to their population centers.

* * * * *

Sapphire, 69,000 acres, Bitterroot and Deer Lodge National Forest:

The proposed Sapphire Wilderness Study Area is located along the crest of the Sapphire Range which separates the scenic Bitterroot Valley on the west from the Rock Creek Valley to the east. The range, which includes parts of the Bitterroot and Deer Lodge National Forests, tapers to foothills on the north at the confluence of the Bitterroot and Clark Fork Rivers near Missoula, Montana. That portion which is proposed for wilderness study is the undeveloped higher southern part which abuts the Anaconda Range. The proposed study area is contiguous to the Anaconda-Pintlar Wilderness and would make a logical addition to it. The unit lies generally south of Skalkaho Pass.

This undeveloped, magnificient high country is situated in the headwaters of Rock Creek, one of Montana's blue-ribbon trout streams—and at the headwaters of the East Fork of the Bitterroot River, nationally famous for its fine elk herds.

Here, one can tread the crest of grassy alpine ridges, look down on a dozen beautiful glacial lakes and tarns, gaze to the west at the grandeur of "Montana's Alps"—the Bitterroot Mountains—or look to the east to the Flint Creek Range and south to the Beaverhead, Pioneer, and Anaconda Mountains.

In the meadows, made lush by numerous streams and lakes, one can see elk feeding on their summer range. Some 800 to 1,000 of these majestic wilderness animals are found in the proposed study area. The swampy areas provide ideal habitat for moose. The shy, elusive mountain goat is often seen working its way along a rocky escarpment. In the clear, cold headwaters of Rock Creek and the East Fork of the Bitterroot, the angler can test his skill on four native species of fish—westslope cutthroat and Dolly Varden trout, grayling, and whitefish. Wherever development has occurred in similar areas, these indigenous species have suffered.

The magnificient expanse of primeval forest land is also the last frontier for wildlife that has been unable to endure the crunch of civilization—the rare or threatened lynx, pine marten, fisher, and wolverine. A remnant herd of bighorn sheep is occasionally seen summering in the unit.

No significant minerals are known to exist in the area. Stands of slow-growing timber are scattered throughout the area. Although requiring two or three centuries to mature, the limited volume of timber nevertheless is viewed as a commercial product by the lumbering industry. Despite the overwhelming opposition of conservation groups and the Montana Fish and Game Department, the Forest Service is proceeding with imminent plans to road and log the Moose Creek unit in the southern part of the proposed Sapphire Wilderness Study Area.

Logging has already approached the study area from the east and west. On the eastern side, the coarse, sandy soils have started to erode and clog the streams with sediment that, if not halted, will eliminate much of the fisheries value of Rock Creek. To the west, even more timber harvest threatens the summer habitat of elk. If we are to project our wood fiber needs into the future, then we should also contemplate our wilderness needs for the years ahead and determine where each might best be accommodated.

With a 1,400 percent increase since 1946 in the use of officially established Wilderness and Primitive Areas—as reported by Dr. Robert C. Lucas of the Forest Sciences Laboratory maintained at Missoula in cooperation with the University of Montana—presently designated wilderness most assuredly will not be adequate to meet the demand in the future.

In summary, the proposed Sapphire study area has prime wilderness values that should not be overlooked or considered lightly. A formal wilderness study would give them proper recognition.

Ten Lakes, approximately 30,000 acres, Kootenai National Forest:

The Ten Lakes Wilderness Study Area is located in northwestern Montana in the highly scenic Whitefish and Galton Ranges, approximately five miles northeast of Eureka. It encompasses the undeveloped 6,195-acre Ten Lakes Scenic Area and adjoining 23,500-acre Ksanka Peak-Mt. Gibralter-Mt. Wam roadless area. The Ten Lakes Scenic Area was administratively designated for hiking and horseback use in May 1964. Its northern boundary is located on the Canadian border. The Ksanka Peak-Mt. Gibralter-Mt. Wam roadless area is a logical southern extension of the scenic area.

A number of prominent peaks over 7,000 feet in elevation dominate the high country. The proposed study area contains numerous glacial lakes and streams which provide quality fishing for the wilderness angler. Species of fish present include the endangered westslope cutthroat trout and mountain whitefish, as well as Dolly Varden, rainbow, and eastern brook trout. Ecologically, the westslope cutthroat and Dolly Varden trout are wilderness species.

A wide variety of wildlife inhabits the area. Among the wild creatures are mule deer, whitetailed deer, elk, moose, grizzly bear, black bear, mountain lion, lynx and wolverine. Except for deer and black bear, all of these species require wilderness to prosper. Development of any part of the present roadless area would adversely affect the grizzly bear and other wilderness species. Most of the area is forested. Tree species are primarily spruce, sub-alpine fir, and alpine larch. However, over two-thirds of the Ksanka-Mt. Gibralter-Mt. Wam roadless area is highly marginal or unsuitable for timber production under present harvesting methods because of low productivity, steep slopes, and unstable soils. Timber harvesting is not permitted in the Ten Lakes Scenic Area.

Because of the thin soil covering, lack of binder, and low organic material content in most of the proposed study area, the soil is easily damaged by over-use. Precipitation in the proposed study area varies from approximately 20 inches in the lower areas to more than 80 inches in the higher elevations, where most of the precipitation is in the form of snow. About 80 percent of the unit lies above 5,000 feet in elevation and produces an average of nearly four acre-feet of high quality water per acre. Extremely few areas in the West produce more water per acre than this part of the Whitefish Range. The area serves in part as a municipal watershed for Eureka. It provides water for ranches, the Kootenai River, and the Columbia River Basin.

The recent construction of Libby Dam and recreational development of the Koocanusa Reservoir are expected to attract increasing numbers of visitors to the area. Much of the proposed study unit is an important viewing area from Highways 93 and 37, as well as from Eureka and the Tobacco Valley. The unit receives significant wilderness use. Trails for foot and horseback travel are ideally situated throughout most of the area.

According to a May 15, 1974, Forest Service draft environmental statement for the Eureka-Grave Creek Multiple Use Plan, part of the Ksanka Peak-Mt. Gibralter-Mt. Wam roadless area is scheduled to be roaded and logged.

The entire roadless area, combined with the Ten Lakes Scenic Area, represents one of the few outstanding potential wilderness areas left on the Kootenai National Forest. It should be given the benect of a wilderness study.

Middle Fork Judith, approximately 87,000 acres, Lewis Clark National Forest:

The proposed Middlie Fork of the Judith Wilderness Study Area is located about forty miles southweest of Lewiston in the Little Belt Mountains. Near the center of Montana, the Little Belts are an isolated mountain range separated from the Big Belt Mountains by the Smith River Valley.

The proposed study area provides irreplaceable spring, summer, and fall range for the largest and only sizeable elk herd remaining in the eastern portion of Montana. The thriving herd is estimated at approximately 1,000 head. It has one of the highest calf-cow ratios in the state. Mule, deer, black bear, and numerous smaller wildlife also inhabit the area. The unit sustains a large amount of quality big game hunting. Yogo Peak, at 8,846 feet elevation, is one of the highest landmarks on the edge of the area. The peak historically furnished habitat for a band of bighorn sheep. Restoration of this magnificent wilderness animal to the area has been under consideration by the Montana Fish and Game Department.

The Montana Fish and Game Department acquired and has maintained for many years the 5,000-acre Judith River State Winter Game Range as an adjunct to the Middle Fork of the Judith roadless area.

The study area is vegetated in part with stands of Douglas fir, Ponderosa pine, and lodgepole pine interspersed with large, grassy parks. Cattle share the forage with the elk. With proper management, livestock grazing can continue in the area.

The native cutthroat trout, along with other species, is found in the Middle Fork of the Judith River and tributaries within the proposed study area. The Middle Fork is a small but beautiful river, and the canyon through which it flows is bordered by sheer limestone cliffs and is rated by the Forest Service as "very scenic." In fact, the Forest Service says of the entire study area, "The country is highly scenic and has recreation appeal." The area has been used for several generations as wilderness or back country.

Although a few mining claims are located at the head of King Creek, and a strip of mineralized land crosses the upper reaches of the Middle Fork, there is no current mining activity, and no operable minerals are known to exist in the area.

The study area is basically undeveloped and essentially in a natural condition. Old wagon roads, now used occasionally by four-wheel-drive vehicles, penetrate a small part of the unit. Two small parcels of privately owned inholdings lie near the center of the area. One inholding includes the Middle Fork Ranch which is operated as a summer cow-camp. The other serves as an outfitting camp. Except for limited building structures, the inholdings are largely undeveloped. Within the study area, a possible timber harvest has been planned.

Local citizens have strongly opposed roading and logging of the area because of the extremely adverse impact that such development would have on the major elk herd, quality hunting, and other wilderness uses. As the Lewistown Rod and Gun Club has pointed out, "the elk is ecologically a wilderness animal and will not tolerate increased disturbance" of roading, logging, and associated uses. This is the last undeveloped national forest area in the Judith River drainage.

The early life of Charles M. Russell, famed western artist and sculptor, was closely associated with the area. Russell Point, a rocky promontory on the nearby developed South Fork of the Judith, marks the approximate location of the log cabin where Russell lived as a youth with the old fur trapper, Jake Hoover.

Development of the study area would eliminate its outstanding wilderness potential, decimate the thriving elk population, destroy quality hunting and other undeveloped recreation, and render virtually useless the extensive adjoining Judith River State Winter Game Range. Four-wheel-drive vehicular use could be terminated, the inholdings acquired, and the proposed Middle Fork of the Judith study area considered for a wilderness designation. In the entire eastern part of Montana no wilderness areas have yet been designated, and few opportunities remain. This is one of the best.

Big Snowies, 89,000 acres Lewis and Clark National Forest;

The Big Snowies Wilderness Study Area is Lewistown, Montana. It encompasses most of located approximately 15 miles south of the national forest lands that are essentially roadless and undeveloped in the Big Snowy Mountains.

The area contains numerous drainage with intermittent streams in deep, well-defined limestone canyons. The crest of the Big Snowies runs in a general east-west direction for more than twelve miles through the middle of the area. Both the upper reaches of individual drainage and the crest of the Big Snowy Mountains are rated by the Forest Service as "quite scenic." Among the outstanding landmarks of the area are Greathouse Peak (8,730 feet elevation), Big Snowy Peak (8,600 feet), Lost Peak (8,333 feet), and Lime Cave Peak (7,005 feet). Interesting limestone ice caves are found within the unit.

Mule deer and white-tailed deer inhabit parts of the area and provide high quality hunting. Mountain goats were introduced in the 1950's and are occasionally seen along the crest of the Big Snowies.

Timber volumes are very small and largely inoperable on account of sparse, isolated stands, extremely steep terrain, and high cost of road construction.

A limited amount of grazing by cattle and sheep is permitted in the proposed study area. Grazing is restricted to a very short season because of insufficient water. Under the 1964 Wilderness Act, grazing would continue. A few stock water developments are located in Horsethief and Halfmoon Canyons on the eastern side. Unimproved jeep trails are found in the same vicinity. Existing stock water developments are allowable under the Wilderness Act, but the jeep trails would be closed and allowed to revert to nature.

Roads from all sides provide good access to the edges of the study area. One road to Crystal Lake forms a non-wilderness corridor into the northwestern part of the area and puts the user within convenient hiking distance of the crest of the range. Major use of the area is dispersed recreation in the form of hiking, backpacking, and horseback riding. Its proximity to Lewistown makes it popular to thousands of Montana citizens and non-resident visitors.

Although the Forest Service has no plans at present to build roads and otherwise develop this area, it will ultimately be developed and rendered unsuitable for wilderness classification unless specifically classified to retain its wilderness character.

The Big Snowies Wilderness Study Area is one of extremely few potential wilderness areas in central Montana—a region which presently is completely lacking in designated wilderness.

Hyalite-Porcupine-Buffalo Horn, approximately 163,000 acres, Gallatin National Forest:

The proposed Hyalite-Porcupine-Buffalo Horn Wilderness Study Area encompasses the spectacular Hyalite Parks approximately fifteen miles south of Bozeman and extends southward along the crest of the Gallatin Range including the Porcupine drainages and the Buffalo Horn sector, which joins the northwestern part of Yellowstone National Park.

Although it is a magnificent mountainous area entirely without roads or other significant signs of man's works, the Chief Forester in October, 1973, placed only the 22,268-acre Hyalite Peaks portion on his final wilderness study list. Earlier, failing to recognize that this entire portion of the Gallatin Range was roadless, the Forest Service had listed Hyalite Peaks and Porcupine-Buffalo Horn as separate roadless areas. The undeveloped, 24,000-acre Porcupine-Buffalo Horn, with its connection to Yellowstone Park and its lower Gallatin drainages, is critically important as a wintering and calving range for the large North Yellowstone elk herd.

As an indication of this importance, the Montana Fish and Game Department long ago acquired and has maintained the Porcupine State Winter Game Range on state lands in the Porcupine Creek area. In addition to elk, the wildlife-rich study area provides irreplaceable undisturbed habitat for moose, bighorn sheep, mountain goat, deer, grizzly bear, mountain lion, black bear, and other wild creatures. Because of its undeveloped conditions, these wild species move freely between the Hyalite-Porcupine-Buffalo Horn and Yellowstone Park.

As the Montana Fish and Game Department has pointed out, roading, logging, and other activities that would tame this wild country would inevitably disrupt and destroy these desirable movements, with extremely adverse effects on the wildlife populations themselves.

Numerous high quality streams drain into the famed Gallatin River from the western slope of the proposed study area. The Gallatin River is a blue-ribbon trout stream, known nation-wide for its outstanding trout fishing and other outdoor recreation. The trout fishing, as well as the superb quality and stability of this free-flowing river could be irreparably damaged by roading, logging, and other man-made developments on the tributary drainages in the proposed study area.

Also aware of its significance in an undeveloped state, Montana conservation groups and Forest Service officials have for a quarter of a century agreed that the Porcupine-Buffalo Horn area, along with the nearby Taylor-Hilgard, should be studied for a wilderness designation. To this end former Regional Forester Charles L. Tebbe's October 17, 1958, letter to the Montana Wilderness Association formally committed the Forest Service to place both areas in a "hold" status, without roading and logging, pending the completion of wilderness studies. Despite this solemn commitment, the Forest Service has recently proposed timber sales on the South Fork of Swan Creek within the proposed study area.

A request for road access across Forest Service lands to log Burlington Northern Railway Company inholdings poses another immediate threat to the area. Still another imminent threat comes from the Montana Power Company which has made application to the Forest Service and the Montana Department of Natural Resources and Conservation for a major powerline through the proposed Hyalite-Porcupine-Buffalo Horn Wilderness Study Area.

The principal difficulty that confronts wilderness consideration is the extent of land owned by the Burlington Northern within the proposed study area. These Burlington Northern lands appear in a checkerboard pattern throughout much of the proposed study area, although Forest Service acquisitions have consolidated most of the national forest acreage in the northern part around Hyalite Peaks. Also, in the southern portion, around the Porcupine-Buffalo Horn, state acquisitions by the Montana Fish and Game Department have eased the problem, since the Department's object in acquiring these lands was to keep them in a natural condition for their major wildlife values.

A possible solution to the Burlington Northern inholdings problem exists. There is a need for national forest land to allow the town of West Yellowstone to expand. It has been reported that Burlington Northern has informally expressed interest in exchanging approximately 11,000 acres of its land in the Porcupine-Buffalo Horn sector for Forest Service land adjacent to West Yellowstone.

Englemann-spruce, lodgepole pine, and a limited amount of ponderosa pine grow especially along the tributary drainages and lower slopes of the area, while large parts of the upper reaches are characterized by open grass parks, rock outcrops, and alpine tundra.

The proposed study area, with its proximity to both Yellowstone Park and the population center of Bozeman, ic substantially used and recreationally important for its quality hunting, fishing, backpacking, horseback packtrips, and wilderness camping. The continuation of these uses is dependent upon retaining the area in a wilderness condition.

Dr. Harold Picton, Associate Professor of Biology, Montana State University, Bozeman, in his research on the West Gallatin elk herd, has placed a monetary value of $647.00 spent per elk harvested in that area in 1972. At that rate, 100 elk harvested would mean that hunters would spend $64,700.00. Since a harvest would normally occur each year, the monetary value alone on harvested elk extended over a crop rotation of 200 years for Englemann-spruce and ponderosa pine, or even 120 years for lodgepole pine, could greatly exceed the monetary value of timber harvested.

Montana conservation groups believe that a comprehensive resource study would disclose that the watershed, wildlife, and wilderness values of the proposed Hyalite-Porcupine-Buffalo Horn Wilderness Study area are easily paramount and should be protected by a wilderness designation. The Gallatin Sportsmen's Association, Montana Wildlife Federation, Montana Wilderness Association, The Wilderness Society, the Montana Fish and Game Department, ranchers and many other Montana citizens strongly support a wilderness study for the Hyalite-Porcupine-Buffalo Horn area

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By Mr. BENTSEN:

S. 394. A bill to amend the Trade Act of 1974 to clarify the application of the Generalized System of Preferences to certain countries. Referred to the Committee on Finance.

Mr. BENTSEN. Mr. President, it is no exaggeration to state that hemisphere relations are at an alltime low. For those of us who have long been concerned about the slow but steady deterioration in relations with our neighbors, this is a matter of deep concern. A major explanation of this development is the orientation of this and the previous administration's foreign policy toward détente with former adversaries. The pursuit of détente is a policy I strongly support but détente by itself does not constitute a foreign policy. It leaves out too much for the world is a sphere, not a triangle. We are now paying the price of this imbalance in our foreign policy, an imbalance which has resulted in neglect of pressing problems elsewhere around the globe, in particular pressing problems in this very hemisphere.

Ironically our closest neighbors have been the most neglected. In our concentration on Big Power diplomacy, we have lost sight of Latin America's and Canada's importance to us, not only strategically and economically, in terms of markets and sources of raw materials, but also as hemisphere neighbors and increasingly important members of the world community with problems and potential we cannot afford to ignore.

Our own national security is closely meshed with the political and economic development of the hemisphere. National security implies not only military strength and an adequate defense structure. It also includes the good will and trust of our neighbors. It includes the careful cultivating of attitudes that make unilateral solutions unattractive. It includes economic well-being for no Nation is more insecure than one that is haunted by economic instability.

In recent weeks hemisphere relations have been further destabilized by congressional passage of the 1974 Trade Act. Among the provisions which affect Latin America is a prohibition on trade preferences under title V to any member of the Organization of Petroleum Exporting Countries which withholds supplies of vital commodity resources and raises the price to an unreasonable level so as to cause serious disruption of the world economy.

I share the deep concern of my colleagues over the damage inflicted on the world economy by the four-fold increase in oil prices over the past 2 years. I support efforts to achieve a reduction in that price although I am reluctantly coming to the conclusion that there exists only a remote possibility for such a reduction. It appears that the world will be forced to adjust to a permanently higher level than was enjoyed in the past. Certainly we should continue to work for a reduction in the price of oil but we should also realize that the energy problem is a two-pronged one: price and supply. Although there may be substantial agreement within the OPEC on pricing this is not the case with supplies. The OPEC is not a monolithic political or economic bloc. Indeed the behavior of the OPEC members has been divided on the question of embargoing supplies. I remind my colleagues in this Chamber that certain members of OPEC—specifically Venezuela, Ecuador, Nigeria, Indonesia, and Iran—did not participate in the oil embaro against the United States and the Netherlands. On the contrary, indications are that at least one country, Venezuela, substantially increased production and supplies of oil to the United States during that time. Some estimates indicate that shipments of Venezuelan oil to the United Sttes increased by as much as 20 to 22 percent.

Mr. President, the United States should address itself to this divergence in OPEC behavior by making every effort to encourage the development of closer ties with those countries which did not participate in the embargo. While we all seek an eventual freedom from reliance on oil imports, there is much the United States should be doing in terms of working with these members of OPEC on political and economic issues in order to maintain access to their supplies of energy while we develop alternatives. There is also much that the United States should not be doing. A case in point is the failure of the 1974 Trade Act to distinguish between those who participated in the OPEC embargo and those who did not. Therefore, I am today introducing legislation to exempt from the prohibition on preferences those members of the OPEC which did not participate in the embargo. This will be a significant stimulus toward improving relations with these nations and insuring continued supplies of energy to the United States in the event of another OPEC embargo. It is a minor and largely symbolic concession by the United States which will pay off in substantial dividends.

Mr. President, paralleling my concern over the deterioration of hemisphere relations is my conviction that insufficient attention is being paid to the economic issues that are beginning to pose a major threat to hemisphere development and stability. Granted that the eminently political problems of Cuba, the Panama Canal and the OAS continue to play a significant part in hemisphere councils. However, the issues of inflation and recession, unemployment, economic growth, access to markets and supplies and energy shortages, are increasingly critical. The March 1975 meeting of hemisphere foreign ministers in Buenos Aires, Argentina, will consider an agenda predominantly political. It is imperative, therefore, that a dialogue be initiated on the economic factors that are clouding the horizon. Therefore, Mr. President, I am also introducing today, with my distinguished colleague from Wyoming Mr. McGEE, a Senate resolution urging the President to work for the early convening of a meeting of hemisphere finance ministers to develop the means for addressing the short-term as well as long-term economic growth needs of the hemisphere. Such a hemispherewide dialog on economic issues would compliment the Buenos Aires meeting as well as Secretary of State Kissinger's planned visit to Latin America next month. I ask unanimous consent that the text of my bill as well as the resolution be printed in full at this point in the RECORD.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502(b)(2) of the Trade Act of 1974 (relating to beneficiary developing countries) is amended to read as follows:

"(2) if such country—

"(A) is a member of the Organization of Petroleum Exporting Countries and such country participates in any action pursuant to such Organization the effect of which is to withhold supplies of vital commodity resources from international trade and to raise the price of such commodities to an unreasonable level causing serious disruption of the world economy, or

"(B) is a member of any other arrangement of foreign countries and such country participates in any action pursuant to such arrangement the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and to cause serious disruption of the world economy."

S. RES. 33

Whereas economic issues are increasingly critical to the stability of Western Hemisphere relations, and

Whereas economic factors directly affect National priorities and foreign policies, and

Whereas the economies of the Nations of the Western Hemisphere are increasingly interdependent, and

Whereas current economic conditions, such as inflation, unemployment, raw materials and energy shortages and balance of payments deficits, threaten not only the orderly economic growth of the Hemisphere but also Hemisphere security, and

Whereas it is desirable that improved Hemisphere economic cooperation be achieved, consistent with the National interests and legitimate aspirations of each Hemisphere State, in order to combat more effectively the economic problems confronting the hemisphere, and

Whereas a discussion of Hemisphere economic issues would compliment the March 1975 meeting of Hemisphere foreign ministers, be it

Resolved, That it is the sense of the Senate that the President urge the convening as soon as possible of a meeting of Hemisphere finance ministers to develop means of furthering economic cooperation among the various States on the basis of a Hemisphere partnership; to suggest equitable and effective coordinate action to the extent possible in meeting the medium- to long-range economic growth needs of the States of the Hemisphere.

By Mr. STEVENS:

S. 396. A bill to amend the Federal Water Pollution Control Act to authorize certain alternatives to secondary treatment for publicly owned treatment works. Referred to the Committee on Public Works.

Mr. STEVENS. Mr. President, I am introducing a bill today that would amend the Federal Water Pollution Control Act to authorize certain alternatives to secondary treatment for publicly owned treatment works.

The 1972 amendments to the Water Pollution Control Act require that all municipal treatment facilities shall be upgraded to secondary treatment by July 1, 1977. The impact of this requirement on the Nation is staggering. For example, the cost of construction of secondary facilities for those municipalities discharging primary effluents into the Pacific ocean alone is estimated to be $650 million. This does not take into account the cost of increased energy needed to operate the new plants or the added cost of operating these facilities.

The 1972 amendments to the act require that municipally owned treatment works achieve secondary treatment by July 1, 1977, the "best practicable treatment" by July 1, 1983. Section 301(b) of the act requires that secondary treatment be the basis for "best practicable treatment." Inasmuch as neither the Congress nor the Environmental Protection Agency has yet determined what constitutes "best practicable treatment," I maintain that it is erroneous to assume it presupposes secondary treatment. True, secondary treatment may prove to be the "best practical treatment" for many areas. But it also may not be the "best practical investment" for many others.

Anchorage, Alaska, is but one example where secondary treatment is not the best practical treatment. In July of 1972 the Greater Anchorage Area Borough treatment plant became operational. It was one of the last primary treatment facilities approved for Federal grant funding. The existing facility cost over $6 million to construct and it is estimated that today's cost of converting the plant to secondary treatment would be $13 million. At the present rate of inflation, the 1977 cost of conversion would be nearly $20 million, and these costs are only for conversion of the existing plant. As Anchorage grows, additions would be required. It should also be noted that the operation and maintenance costs for a secondary plant is estimated to be 60 percent more than that of the existing facility, or $600,000 a year. This cost would be borne entirely by the Anchorage sewer rate payer. In this period of economic difficulty, it is essential that Congress take action to deter unnecessary and costly expenditures.

I do not question the fact that in many areas of the Nation, secondary treatment is necessary to upgrade or preserve the water quality of the municipal waste receiving waters. However, in Anchorage and several other areas, this is not the case. Anchorage cannot hope to improve the water quality of Upper Cook Inlet by secondary treatment of its wastewater. Indeed, the effluent from Anchorage's primary plant already contains less pollutants than the natural waters of the inlet. Expending from $13 to $20 million on a facility which would not improve the water quality of the inlet when that money could be used for needed environmental assets, such as extending sewers to needed areas of the borough, does not appear to be a wise investment.

Since I have proposed this type of legislation, I have received letters of support from numerous municipalities in Alaska. For instance, the city manager of Wrangell has stated:

> It would certainly be advantageous to Alaskan communities if the EPA requirements could be reduced from secondary sewage treatment to primary. Such a change would substantially reduce the cost and accomplish the intended purpose of environmental protection.

I again emphasize that this is not a situation unique to Alaska. Hawaii, Washington, California, and Guam have expressed similar concern.

Because the act does not allow the Administrator of the Environmental Protection Agency the flexibility to allow for the unique situations found in some municipalities, I am introducing this bill. It gives the Administrator the authority to authorize an alternative treatment when, and I emphasize only when, it is determined that such alternative would result in an equal or preferable effect on the receiving waters at a lesser cost in money or material resources, or both.

Such flexibility is recommended in the final report by the National Water Commission, entitled "Water Policies for the Future":

> The 1972 Act should be amended to give the EPA Administrator the flexibility to approve grants for alternatives to either conventional treatment processes or uniform treatment requirements when such alternatives can reasonably be expected to produce equal or better receiving water quality for the expenditure of a lesser amount of Federal funds.

A January 15 Washington Star-News article indicated that Mr. Russell Train, the Environmental Protection Agency Administrator, believes that the relaxation of antipollution standards proposed by President Ford is responsible. This is exactly the kind of bill President Ford was talking about. This legislation will reduce cost while in no way diminishing antipollution efforts.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of this bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(b) of the Federal Water Pollution Control Act is amended by inserting at the end thereof the following:

"(3) In the case of any publicly owned treatment works which is required to use secondary treatment pursuant to this section the Administrator may authorize an alternative treatment, upon application and a showing satisfactory to the Administrator that such alternative would result in an equal or preferable effect on the receiving waters at a lesser cost in money or material resources or both."

By Mr. KENNEDY:

S. 397. A bill to authorize the acquisition and maintenance of the Goddard Rocket launching site in accordance with the act of August 25, 1916, as amended, and supplemented, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

GODDARD ROCKET LAUNCH SITE

Mr. KENNEDY. Mr. President, I am introducing today legislation to authorize the Secretary of Interior to acquire and maintain the Goddard Rocket launching site in Auburn, Mass. I ask unanimous consent that the text of the bill be printed at the conclusion of these remarks.

This legislation seeks to preserve for all future generations of Americans, the site where Dr. Robert H. Goddard launched the first liquid-propelled rocket on March 16, 1926. The fact that the Congress still has the opportunity to preserve this site is due to the care and protection the people of Auburn have contributed over the decades. This is another perfect example of private, citizen effort to preserve and protect from destruction a site of national historic importance for all Americans. And as it is for so many historic sites in the Commonwealth of Massachusetts and all across this country, time has run out. Assistance from the Federal Government is crucial if the Goddard Rocket launch site is to be protected. The expenditure of funds for this purpose is not inflationary, it is an investment and I urge the Senate to act quickly to assure the passage of this legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the inspiration of present and future generations the site in the town of Auburn, Massachusetts, on which Doctor Robert H. Goddard launched the first liquid-propelled rocket on March 16, 1926, the Secretary of the Interior is authorized to acquire and maintain such site in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4), as amended and supplemented.

SEC. 2. There are hereby appropriated such sums as are necessary to carry out the purposes of this Act.

By Mr. KENNEDY:

S. 398. A bill to establish the birthplace of Susan B. Anthony in Adams, Mass., as a national historic site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

SUSAN B. ANTHONY HISTORIC SITE

Mr. KENNEDY. Mr. President, it is particularly fitting that during this year as we celebrate International Women's Year, the Congress take this opportunity to enact legislation which I am introducing today to establish the Susan B. Anthony home in Adams, Mass., as a national historic site. This action by the Congress does not in any way reduce the need to continue our efforts on substantive reforms to assure equal rights for women, but it could signal a renewed commitment to that crucial process.

Susan B. Anthony spent 50 years of her life working for equal rights for women, leading to her success with the National American Woman Suffrage Association and finally securing the right to vote for American women. Her endless efforts, long hours, tough work in the face of overwhelming opposition serve as an example to all those working for justice, equity, and personal liberty for all people in this Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall acquire on behalf of the United States the house and lot in Adams, Massachusetts, where Susan B. Anthony was born. The legal description of such lot shall be determined by the Secretary of the Interior.

SEC. 2. The Secretary of the Interior, acting through the National Park Service, shall administer, protect, develop, and maintain the house and lot acquired pursuant to the first section as a historic site in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4).

SEC. 3. There are hereby appropriated such sums as are necessary to carry out the purpose of this Act.

By Mr. KENNEDY:

S. 399. A bill to authorize the Secretary of the Interior to study the feasibility and desirability of a Boston Harbor National Recreation Area in the Commonwealth of Massachusetts. Referred to the Committee on Interior and Insular Affairs.

BOSTON HARBOR NATIONAL RECREATION AREA

Mr. KENNEDY. Mr. President, I am introducing today legislation to authorize the Secretary of Interior to study a role for the Federal Government in the development of a plan for Boston Harbor and the Boston Harbor islands.

The city of Boston and the Commonwealth of Massachusetts have worked hard to develop a program for the protection of the Boston Harbor islands. Beginning with a program of acquisition of privately owned islands authorized by the legislature, the agencies of State, and city government have moved toward the goal of once again making the harbor islands an integral part of city life in Boston as they were a century ago. This effort, coupled with the enormous Federal, State, and local effort to clean up the the waters of Boston Harbor has given new hope that we will finally achieve a coordinated program to make the best use of the islands. Some of the harbor islands are best suited for preservation and conservation. Others are suitable for use as recreation areas. The legislation I introduce today provides for a study to determine what the role of the Federal Government should be in this enormous undertaking and how we might best take advantage of Federal expertise in preservation and recreation planning and programs.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to consider preserving the Boston Harbor area and appropriate segments of adjoining land in their natural condition for public outdoor recreation, and preserving the priceless natural beauty and historic heritage of such area, the Secretary of the Interior shall study, investigate, and formulate recommendations on the feasibility and desirability of establishing Boston Harbor, from Winthrop to Hull, Massachusetts, its shores and its islands, as the Boston Harbor National Recreation Area. The Secretary shall consult with other interested Federal agencies, and the State of Massachusetts (including appropriate local bodies and officials thereof), and shall coordinate his study with applicable highway plans and other planning activities relating to the Boston Harbor area, in particular, the Secretary shall review the feasibility of coordinating a Federal government role in the plans and programs of the Metropolitan Area Planning Council for the Boston Harbor Islands.

In conducting such study and investigation pursuant to this Act, the Secretary of the Interior shall hold public hearings within the State of Massachusetts, upon the request of the Governor thereof, for the purpose of receiving views and recommendations on the establishment of such a national recreation area.

SEC. 2. Within two years from the date of the enactment of this Act, the Secretary of the Interior shall submit to the President of the United States a written report containing the findings and recommendations of the Secretary arising out of any study and investigation conducted pursuant to this Act. Such report shall contain, but not be limited to, findings with respect to—

(1) the scenic, scientific, historic, outdoor recreation, and the natural values of the water and related land resources involved, including driving for pleasure, walking, hiking, riding, boating, bicycling, swimming, picnicking, camping, forest management, fish and wildlife management, scenic and historic site preservation, hunting, fishing, and winter sports;

(2) the potential alternative beneficial uses of the water and related land resources involved, taking into consideration appropriate uses of the land for residential, commercial, industrial, agricultural, and transportation purposes, and for public services; and

(3) the type of Federal program that is feasible and desirable in the public interest to preserve, develop, and make accessible the values set forth in paragraph (1), including the consideration of scenic roads or parkways, and that also will have a minimum impact on other essential operations and activities in the area, and on private property owners.

SEC. 3. The President of the United States, following the receipt by him of such report, shall submit to the Congress such recommendations with respect thereto, including his recommendations for legislation, as he deems appropriate.

SEC. 4. There is authorized to be appropriated such sum, not to exceed $300,000, as may be necessary to carry out the provisions of this Act.

By Mr. KENNEDY (for himself, Mr. BROOKE, Mr. JAVITS, and Mr. BUCKLEY):

S. 400. A bill to establish the Frederick Law Olmsted home and office in Brookline, Mass., as a national historic site. Referred to the Committee on Interior and Insular Affairs.

OLMSTED HISTORIC SITE

Mr. KENNEDY. Mr. President, I am introducing today on behalf of myself and Senator BROOKE legislation to establish the Frederick Law Olmsted home and office in Brookline, Mass., as a national historic site.

By preserving the Olmsted home and office, we are commemorating a man who helped shape the face of this Nation. Frederick Law Olmsted is the originator of landscape architecture and the person most responsible for the concept of green space in major cities. Because of Olmsted's planning, the people of New York City enjoy Central Park and the people of Boston enjoy the Emerald Necklace, a parkland that sweeps along the Charles River.

All of the Members of Congress have the opportunity every day to appreciate the beauty and simplicity of Olmsted's creations as we walk through the Capitol Grounds which Olmstead designed and created.

Olmsted's contributions stretch the length of this country from Niagara Falls, to Belle Isle, to Yosemite Park. Every section of this country which Olmsted touched provides a setting of tranquil beauty and charm and open space that becomes more unique with each passing year.

Olmsted did not take the easy planning jobs—the simple wilderness preservations. He took on the enormous task of creating open spaces where they are needed most and the most difficult to achieve—in the population centers of a growing Nation.

The legislation we introduce today authorizes the Secretary of Interior to undertake the preservation and maintenance of Olmsted's home which also served as his office. This bill will allow the hundreds of drawings, prints, photographs, and documents which outline the history of Olmsted's achievements to be protected from damage, destruction, or loss. An advisory commission would be established to take advantage of the knowledge and expertise of those who have cared for Olmsted's materials for so many decades.

Olmsted envisioned a sense of enlarged freedom for those who would enjoy the cool, green spaces set among the concrete and pavement squares of our cities. The Congress has the opportunity to renew that commitment to a better quality of life for our urban citizens by acting quickly to protect Olmsted's work and his home.

I ask unanimous consent that at the conclusion of my remarks and Senator BROOKE's remarks, the full text of the bill be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, New England has perhaps as dense a concentration of historic places and buildings as any region in this country. Those of us who live in this region like to feel that this simply reflects the enormous contribution made by New Englanders to the contours of American history.

One New Englander of whom we are particularly proud is Frederick Law Olmsted. Without question Mr. Olmsted is America's premier landscape architect. His life spans the latter half of the 19th century and his work can be found in nearly every State in this Union. Indeed, his vision and sense of landscape has even shaped the very building in which we work, for he designed the Capitol grounds and the Capitol's lovely terrace.

Time does not permit a full listing of Mr. Olmsted's impressive accomplishments, but I ask my colleagues to consider the following sampling which indicates just how varied and vast is his influence throughout our Nation. He designed the park systems in Boston, New York, Buffalo, Milwaukee, and Rochester; he was the architect of individual parks in Chicago, Detroit, Atlanta, Louisville, and Charlestown; he was in part responsible for the formation of Yosemite National Park and for saving Niagara Falls; he designed the beautiful Biltmore estate in North Carolina and he was responsible for several university landscapes such as Stanford University in California.

Luckily for Americans, most of Mr. Olmsted's work has been painstakingly assembled in the Library of Congress. But a significant portion of his work still remains in Brookline, Mass., where he lived and worked for the last 20 years of his life and where his firm—Olmsted Associates, Inc.—continues to operate. There are literally thousands of plans, drawings, and photographs in his home and offices which document not only the brilliant work of Mr. Olmsted and his associates but also the history of landscape architecture in its formative stages.

Unfortunately, Olmsted Associates, Inc., can no longer assume the financial burden of this large, historic estate. And unless some alternative is forthcoming to keep the building and its valuable contents together, the firm has made it clear that they will have to take the extreme step of selling the contents to individual buyers, thereby dispersing forever this compact record of our most famous landscape architect.

That is why the bill I am introducing today with my colleagues is so critically important. It would authorize the Federal Government to purchase Mr. Olmsted's house and office and designate them a national historic site. I can think of nothing more fitting and timely than for this Congress to act in a positive fashion on this proposal. All of Frederick

Law Olmsted's valuable work must be afforded permanent security under one roof so that his brilliance and vision can be preserved for future generations.

S. 400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by gift or by purchase with appropriated or donated funds the lands, including improvements thereon, in Brookline, Massachusetts, comprising the Frederick Law Olmsted Home and Office, together with such additional lands as the Secretary may deem necessary for the purpose of establishing the Frederick Law Olmsted Home and Office as a national historic site. In addition, the Secretary is authorized to acquire by gift or by purchase with appropriated or donated funds those materials as deemed appropriate for historic preservation which may include original drawings and prints and reproductions, photographic negatives and prints, mechanical and technical equipment, written and printed documents and reports, books and publications, libraries, memorabilia, and any other such material deemed appropriate by the Secretary.

SEC. 2. The property including any of the aforementioned materials acquired by the Secretary under the first section of this Act shall constitute the Frederick Law Olmsted Home and Office National Historic Site. Such historic site shall be administered by the Secretary, through the National Park Service, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended and supplemented, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935.

SEC. 3. In furtherance of the purposes of this Act, the Secretary is authorized to enter into cooperative agreements with public and private agencies, institutions, organizations, and other entities to assist in the preservation and interpretation of the aforementioned properties and materials, or portions thereof, and to authorize such agencies, institutions, organizations, and entities to utilize the facilities of, and any aforementioned materials in, the Frederick Law Olmsted Home and Office National Historic Site.

SEC. 4. (a) There is hereby established the Frederick Law Olmsted Home and Office Advisory Commission (referred to in this section as the "Commission"). The Commission shall consist of thirteen members who shall have professional knowledge of, and concern for, the work of the Olmsted architecture firm, and who shall be appointed by the Secretary as follows:

(1) one member on the basis of a recommendation by the American Society of Landscape Architects;

(2) one member on the basis of a recommendation by the American Institute of Architects;

(3) one member on the basis of a recommendation by the American Institute of Planners;

(4) one member on the basis of a recommendation by the Frederick Law Olmsted Papers;

(5) one member on the basis of a recommendation by the Olmsted Sesquicentennial Committee;

(6) one member on the basis of a recommendation by the Library of Congress;

(7) one member on the basis of a recommendation by the Archives of American Art;

(8) one member on the basis of a recommendation by the National Gallery of Art;

(9) one member on the basis of a recommendation by the Commission of Fine Arts;

(10) one member on the basis of a recommendation by the National Endowment for the Arts;

(11) one member on the basis of a recommendation by the National Endowment for the Humanities;

(12) one member on the basis of a recommendation by the National Historical Publications Commission; and

(13) one member on the basis of a recommendation by the Smithsonian Institution.

(b) It shall be the function of the Commission to advise and otherwise assist the Secretary in carrying out his duties under this Act, including, among others, the control, protection, and conservation of such drawings, prints, reproductions, photographic negatives and prints, mechanical and technical equipment, written and printed documents, reports, books, publications, libraries, memorabilia, and other such materials referred to in the first section of this Act.

(c) Members of the Commission shall serve without compensation as such, but may be reimbursed by the Secretary for actual expenses incurred by them in carrying out their duties under this section.

(d) The Secretary shall designate one of the members of the Commission to serve as Chairman.

(e) Members of the Commission shall serve for terms of one year, but may be reappointed.

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. FANNIN:

S. 403. A bill to amend title XIX of the Social Security Act to provide a special Federal matching rate with respect to medical assistance provided to certain Indians. Referred to the Committee on Finance.

Mr. FANNIN. Mr. President, during the last Congress I introduced as an amendment to H.R. 3153, the Social Security Amendments of 1973, legislation which would have the effect of increasing Federal matching payments for services provided to Indian citizens under the medicaid program. This amendment was adopted by the Senate Finance Committee and subsequently was approved by the Senate with the passage of H.R. 3153 on December 19, 1973. H.R. 3153 was sent to conference and as we are all aware, no action was taken, with the result that this amendment, as well as many others, died with the end of the 93d Congress. Since the subject of my amendment is of vital importance to States having medicaid programs I am urging its adoption again to facilitate its enactment.

Mr. President, this legislation is designed to eliminate a major inequity in the administration of the medicaid program in States having large numbers of reservation Indian citizens. Under present Federal law, a State is required to contribute a portion of State funds to cover the costs of benefits provided to individuals participating in the medicaid program. The Indian Health Service, however, provides 100 percent financial support to those reservation Indian citizens who participate in the programs of the Indian Health Service. What has concerned a number of States and in particular, Arizona with its large Indian population, is the potential for financial problems should a large number of Indian citizens elect to participate in the medicaid program rather than in the programs delivered by the Indian Health Service.

To alleviate this potential problem, I am proposing that services provided to reservation Indians under medicaid be reimbursed at a rate of 100 percent by the Federal Government. The effect of this proposal is to provide a rate of reimbursement for service on the same basis as the Indian Health Service.

This solution was approved by the Senate Finance Committee in its consideration of H.R. 3153 and in doing so clearly indicated its understanding of the problem by indicating in the report accompanying H.R. 3153, the following:

> The Committee notes that with respect to matters relating to Indians, the Federal Government has traditionally assumed major responsibility. The Committee wishes to assure that a State's election to participate in the Medicaid program will not result in a lessening of Federal support of health care services for this population group, or that the effect of Medicaid coverage be to shift to States a financial burden previously borne by the Federal government.

Mr. President, the conditions which prompted this amendment have not changed, but the need for this legislation has been increased especially with Arizona's approval of legislation to establish a medicaid program. Arizona has been concerned, since the enactment of the medicaid program, with the financial implications that participation by the State would present to the State's financial program. The result has been that the State did not approve legislation to enable it to participate in the medicaid program.

Among the concerns the State felt would be harmful to its capacity to participate were the State matching requirements, mandated comprehensive health services, program regulations, and guidelines, and the participation by Indian citizens. These concerns, however, have largely been modified in recent years, but the problem of Indian participation remained unresolved and represented a potential financial problem of some magnitude unless corrective steps were taken. The State, however, did enact in its last legislative session, enabling legislation to permit the State to participate in medicaid and did so in belief that H.R. 3153 would be enacted into law, thus eliminating the last obstacle to the establishment of a medicaid program. However, with the problems associated with H.R. 3153, I am submitting legislation in this Congress so that Arizona will be assured of financial protection should a large number of reservation Indians elect to participate in Arizona's medicaid program when the State begins the delivery of services on October 1, 1975.

Mr. President, I wish to add that this legislation is not designed to assist Arizona alone, but rather to assist all States whose reservation Indian citizens are eligible for both Indian Health Service programs and medicaid services. It is simply unfair and inequitable to expect States to contribute State funds for services which Indian citizens can receive for free from the Indian Health Service. It is in this context that my amendment would correct an obvious inequity. Not only does my amendment eliminate an inequity, it would restore some financial sanity to those States whose medicaid programs have had to operate with the existing situation.

Mr. President, I wish to add that this is a fair and equitable solution to a problem which can have serious financial complications if large numbers of Indian citizens should elect to participate in a State medicaid program. I urge the Senate to adopt this bill.

By Mr. FANNIN (for himself and Mr. GOLDWATER):

S. 404. A bill to provide for national cemeteries in the State of Arizona. Referred to the Committee on Veterans' Affairs.

Mr. FANNIN. Mr. President, today with Senator GOLDWATER I am introducing a bill to establish a national cemetery in Arizona.

The veteran population in Arizona has more than kept pace with the general population growth. Not only do we have thousands of native Arizonans who have served in our country's Armed Forces, but we also have an exceptionally large number of retirees from other States.

In October 1974 the last burial site in Prescott National Cemetery was claimed. At this time the nearest national cemeteries in which Arizona veterans can be buried are in Los Angeles and El Paso.

Our veterans are proud of their service and many would like to be buried in a national cemetery. Families face a terrible decision as to whether to have a loved one buried in a national cemetery up to 400 miles away or in a cemetery in Arizona where the grave can be visited easily by surviving family.

With vast amounts of federally owned land in Arizona, it would not be difficult to choose a site for establishment of a new national cemetery. Provision should be made for our veterans and their loved ones to be buried close to each other and in their chosen home State of Arizona.

Mr. President, there is a particular need for a new national cemetery in Arizona and I hope this need will be met by speedy passage of this legislation.

By Mr. DOLE (for himself, Mr. GOLDWATER, Mr. FANNIN, Mr. CHILES, Mr. HELMS, and Mr. BELLMON):

S. 405. A bill to provide for the reimbursement to taxpayers of all expenses, including court costs and legal and accounting fees, incurred by them in contesting unwarranted second audits of their income tax liability. Referred to the Committee on Finance.

Mr. DOLE. Mr. President, I am today introducing a bill on behalf of the junior Senator from Arizona (Mr. GOLDWATER), the senior Senator from Arizona (Mr. FANNIN), the Senator from Florida (Mr. CHILES), the Senator from North Carolina (Mr. HELMS), the Senator from Oklahoma (Mr. BELLMON), and myself. This bill is almost identical to an amendment which I offered during debate on the tax reform bill in December of 1969—an amendment, incidentally, which was agreed to by the Senate but later dropped from the conference report on the bill subsequently enacted that year.

Briefly, the bill I offer today would provide for the reimbursement of court costs and legal and accounting fees incurred by a taxpayer in defending against a second audit of his income tax liability in cases where the Government's deficiency claim is not sustained.

Mr. President, this bill deals with the situation wherein the IRS conducts a field audit of a taxpayer's return, initially concluding that there is no deficiency, and subsequently conducts a second audit in which a deficiency is asserted. In such cases, prior to the second audit, the IRS writes the taxpayer to inform him or her that no additional tax is due based on the first audit. Although the IRS has a firm statutory base for conducting the second audit, it seems inequitable that a taxpayer who has once been told in writing that he is not liable for a tax deficiency may later be forced to incur considerable professional fees and court expenses to contest an IRS claim that ultimately proves to be unfounded.

This bill in no way impinges upon the right of the Internal Revenue Service to conduct a second audit of a tax return. However, by requiring the IRS to bear the costs of professional fees incurred by the taxpayer in contesting a second audit in which the taxpayer ultimately prevails, it is hoped that the IRS will be deterred from asserting marginal second audit deficiencies. The measure will thus add a greater degree of certainty to the original audit.

Mr. President, I should reiterate that the bill I proposed today has been agreed to previously by the Senate—during the 1969 tax reform debate. However, the measure was dropped in the conference report on the 1969 Tax Act because the Treasury Department did not submit a report on the amendment. Moreover, when a similar measure was introduced by the Senator from Arizona (Mr. GOLDWATER) in both the 92d and 93d Congresses, a report from the Department of Treasury was specifically requested so that the absence of a report could not be used as an excuse for failing to take action on the bill. Despite referral of the bill to the Treasury Department, no report was ever received by the Finance Committee.

This year, I am hopeful that both the Treasury Department and the Office of Management and Budget, to which the bill was referred in the last Congress, will respond promptly to a request by the Finance Committee for comments. I am confident that the Treasury Department and the OMB will view this legislation with favor after examining it.

By Mr. HUGH SCOTT:

S. 406. A bill to amend the Merchant Marine Act of 1936, as amended, to authorize the establishment of a Great Lakes regional office, and for other purposes. Referred to the Committee on Commerce.

GREAT LAKES MARAD REGIONAL OFFICE

Mr. HUGH SCOTT. Mr. President, I introduce today a bill to create a Great Lakes regional office within the Federal Maritime Administration.

Congress in 1970 took a landmark step in the Merchant Marine Act amendments of that year by officially designating, for the first time, the Great Lakes-St. Lawrence Seaway as the "Nation's fourth seacoast." Congress also refinanced the Seaway debt in order to keep tolls at levels which would encourage Seaway utilization and, in addition, authorized Great Lakes shipping to participate equally with other forms of shipping in the construction and operating subsidy programs established under the act. Congress has further been responsive to the needs of this system by enacting and extending a winter navigation program which has as its goal year-around shipping on the Great Lakes and the St. Lawrence Seaway.

Although there is today a Division of Great Lakes Shipping within the Maritime Administration, and although this division has achieved some commendable successes, the fact is that MARAD has never established an officially designated Great Lakes regional office which would reflect the "fourth seacoast" status envisioned by Congress. With headquarter regional offices in San Francisco serving west coast ports, in New York serving east coast ports and in New Orleans serving gulf ports, the Maritime Administration still remains essentially oriented toward salt-water shipping. In short, MARAD has a long way to go in recognizing the full potential of the Great Lakes.

The creation of a Great Lakes regional office together with the appointment of a director with specific responsibility for MARAD programs and activities within this eight-State region would in my opinion, achieve a needed step in this direction. The establishment of such an office would, for example, give Great Lakes interests better access to top MARAD management and policy decisions. It would facilitate programs designed to enhance winter navigation, pollution control, icebreaking technology, lock operations, ship-to-shore communications, cargo handling and storage, and new docking techniques. Even more importantly, improved participation in top MARAD policy decisionmaking would result in increased trade development and U.S.-flag participation in foreign trade from the Great Lakes.

Today, the average number of employees assigned to each of the 3 seacoast regional offices within MARAD is about 75, an average which is considerably higher than the relatively small number of persons assigned exclusively to Great Lakes activities. My bill, therefore, directs not only that a Great Lakes regional office be established, but also that it be provided with a staff of size and grade comparable to the other regional offices within the Maritime Administration. Of course, it is my intent that this office not work at cross purposes to, but rather in full cooperation with the St. Lawrence Seaway Development Corporation in order to further the accomplishment of goals which are of mutual interest.

What happens on the Great Lakes is of extreme importance not only to the Port of Erie—a modern shipping complex which makes significant employment and tax contributions to Pennsylvania's economy—but also to other Great Lakes ports in the geographic area that encompasses the States of Minnesota, Michigan, Wisconsin, Illinois, Indiana, Ohio, and New York. Worth emphasizing is the fact that at least 35 percent of the Nation's total exports are derived from this region each year; yet, the Great Lakes and St. Lawrence Seaway have never benefited fully from this fact.

Mr. President, I believe that the establishment of a Great Lakes regional office within the Federal Maritime Administration is long overdue. I am hopeful that Congress will move quickly to correct this inequity by enacting the legislation which I am introducing today.

By Mr. BROOKE (for himself, Mr. Hathaway, Mr. Kennedy, Mr. Leahy, Mr. Moss, Mr. Baker, Mr. Brock, Mr. McIntyre, Mr. McGovern, Mr. Stafford, Mr. Stevens, and Mr. Tower):

S. 408. A bill to repeal exemptions in the antitrust laws relating to fair trade laws. Referred to the Committee on the Judiciary.

Mr. BROOKE. Mr. President, on Demember 3, 1974, I introduced S. 4203, a bill to repeal exemptions in the antitrust laws relating to fair trade laws. The bill was referred to the Judiciary Committee, but did not receive consideration due to the short time remaining in the 93d Congress.

Today, I introduce the same bill in a different environment.

In the 8 short weeks since the bill was first introduced, an alarming deterioration has occurred in our economy. Inflation, formerly public enemy No. 1, has given way to recession as our major problem. Unemployment has increased dramatically. The gross national product—GNP—has declined precipitously. Yet, inflation continues at almost the same pace. Laast year, we experienced an inflation rate of 12.2 percent, the highest since price controls were removed at the end of the Second World War.

We face an increasing dilemma. Many proposals made to reduce inflation will increase the recession. And, almost all of the ideas put forth to bring us out of the recession will do so at the cost of reheating the inflationary tendencies we have tried to check. But the legislation I propose today is straightforward and uncomplicated. By ending fair trade laws, we can reduce consumer prices by $2.1 billion annually without compounding the problems of recession. A blow can be struck at inflation without exacerbating the recession. And we can do this by lessening the role of the Federal Government in the marketplace, by freeing the forces of competition, rather than by adding another layer of redtape to an already overburdened economy.

I will not repeat the history of fair trade legislation or the rationale for ridding our system of this costly anachronism. Rather, Mr. President, I ask unanimous consent that the text of the bill and the full text of my remarks of December 3 be printed at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. BROOKE. Let me add that I have been tremendously heartened by the positive support this bill has received. Such groups as the Cooperative League of the United States, Congress Watch, the Smaller Manufacturers Council of Pittsburgh, and the Smaller Business Association of New England have endorsed it. Many individuals from across the country have written to voice their support. I have been particularly heartened by the prospect that the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary hopes to schedule hearings within a month.

I am encouraged to have received word this morning that the administration fully supports my bill and will work for its prompt enactment. I am grateful to the President for his forthright stand and look forward to working with the administration in this effort to reduce prices for America's consumers.

In the weeks ahead, we will hear many debates on economic policy and on the course our country should take. There will be honest differences of opinion. I hope and trust that removing the burden of fair trade—of legalized price fixing—from the American consumer is one course of action on which we can all agree and can take forthwith.

EXHIBIT 1

Double digit inflation is now haunting the American consumer. In the past six months the Consumer Price Index has risen an average of one and one-half percent a month; in the past seven years the cost of living has spiraled by almost fifty percent. Dollar wages have increased at a brisk seven percent rate over the past two years, but prices have increased even more. We are experiencing the sharpest decline of consumer buying power since the removal of World War II price controls. It is now time for the Congress of the United States to seize the initiative and attack our number one enemy—Inflation.

President Ford has held a summit conference on inflation out of which have come many ideas for fighting inflation. In his economic address to the Congress following the conference, the President presented his legislative proposals. The Congress showed itself capable of acting with speed and incisiveness in at least one instance. On September 10, 1974, Senator Cranston and I introduced The Home Purchase Assistance Act of 1974 to provide needed mortgage funds for the suffering home buyer and housing industry. Just 35 days later, on October 15th, the final version of the bill had been reported to the floor of both Houses, debated, differences resolved, and passed by the Congress. On October 18th, President Ford signed the bill into law. Congress had perceived a need, found a solution, and acted.

Today, I am introducing another anti-inflationary measure that I hope will command the same cooperation and result in the same incisive and affirmative action. This legislation repeals resale price maintenance laws. It ends fair trade.

Fair trade laws, also known as resale price maintenance or quality stabilization laws, have been in effect since the depression. In simple terms, they allow a manufacturer to enter into an agreement with a retailer setting the minimum price at which his identifiable product may be sold. California passed the first law in 1931 and most states followed soon after. It became apparent, however, that these state laws when applied to interstate commerce, violated federal antitrust laws. Thus, in 1937, Congress passed the Miller-Tydings Act granting state fair trade laws an exemption from the Sherman Antitrust Act. In 1952, the McGuire Act granted state fair trade laws exemption from the Federal Trade Commission Act, thus legalizing non-signer provisions. These provisions, which had been enacted by some states, permit a manufacturer to sign a single fair trade agreement with one retailer, and then enforce the agreement against all other retailers in the state, even though they were not parties to the contract.

At the present time, 13 states have valid non-signer provisions (Arizona, California, Connecticut, Delaware, Illinois, Maryland, New Hampshire, New Jersey, New York, Ohio, Tennessee, Virginia, and Wisconsin). In addition, 23 other states have fair trade laws without non-signer provisions (Arkansas, Colorado, Florida, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Washington, and West Virginia). In all, 36 states have some form of fair trade laws currently in being.

The Miller-Tydings Act and the McGuire Act are permissive statutes. They allow states to enact laws that would otherwise be in violation of federal statutes. In effect, they permit states to regulate goods that are in interstate commerce. They provide a federal umbrella for restrictive state laws. Today, I propose we remove that umbrella and thus nullify the state laws as they apply to interstate commerce. I propose that we get the Federal government out of the marketplace and permit competition rather than restrictive private agreements to fix prices.

It is important to note that neither the federal nor the state government actually enforce any fair trade agreements. Should a manufacturer discover that a valid fair trade agreement into which he has entered is being violated, he must go to court and sue for damages. The government plays no role in this action.

Exponents of fair trade agreements base their arguments on the economic and social conditions that prevailed almost a half century ago. In the first part of the 20th century, this country underwent its gravest and most prolonged depression during which real income fell by more than 30 percent, unemployment rose from 3 to 25 percent and more than 200,000 business firms failed. The country was desperate for a remedy so when resale price maintenance was proposed as a panacea to the country's grave problems, and argued with logic that appeared to be valid, it was quickly embraced.

Resale price maintenance has long been touted as our savior from the evils of predatory price cutting as a form of competition in which a retail firm lowers its prices in order to draw business away from its competitors and eliminate them from the market. Once the predatory firm establishes control over the market and somehow prevents any new firms from entering, it then raises prices in order to gain monopolistic profits. Thus, it is argued, that while in the short run the consumer will obtain goods at low prices, in the long run prices will be higher and the number of stores selling and servicing these goods will be lower. Exponents of resale price maintenance often argue that fair trade acts as a countervailing force to the market power of chain and discount stores. These outlets are often unjustifiably accused of bait merchandising and plotting to destroy independent retail outlets. However, exponents always fail to note that there are already state and federal laws prohibiting false and misleading advertising, including the use of "bait and switch" and other discredited ruses. It is true that chain stores give retailers a run for their money by instituting more efficient marketing techniques and offering less frills. But this should be seen as a challenge to the less efficient retailers to develop new merchandising techniques, rather than as a threat to their existence. However, the evidence, including Justice Department and other studies, amply documents the fact that more business failures occur in fair trade states than in non-fair trade states—proving that fair trade does not prevent business failures.

The most persuasive study supporting this assertion was done by Professor Stewart Munro Lee of Geneva College and reported in the Spring, 1965, volume of the Journal of Retailing. Professor Lee wrote that his "data show no perceptible effect of fair trade laws on the total number of retail stores, the number of drug stores, or on the rates of failure in retailing in general or in the drug trade. Indeed, when one examines the details of this table closely, it appears that, if anything, the fair trade laws have opposite effects to those claimed."

This system of state resale price maintenance which is permitted by Federal law reduces competition and restricts our system of free enterprise at all levels of product distribution. The United States Department of Justice has estimated that resale price maintenance increases prices on fair traded goods by 18 to 27 percent—many economists feel that this increases the consumer price index by nearly 20 percent. Conservatively, this costs the American consumer over 2 billion dollars a year in higher prices. For example, a set of golf clubs that lists for $220 can be purchased in non-fair trade areas for $136; a $49 electric shaver sells for $32; a $1,360 component stereo system can be obtained for $915 and a $560 19'' color television sells for $483. The marketing techniques that have been established by chain and discount stores reduce the markup on consumer goods to 10 or 20 percent rather than the standard 40 to 60 percent. This is, of course, important to all consumers, but particularly to the 23 million low income people in the United States.

In the January 1969, Economic Report of the President, it was estimated that fair trade then cost consumers $1.5 billion ananually. When that figure is updated by the Consumer Index, it reveals that American consumers are now paying a hidden subsidy of $2.1 billion a year for fair trade. To remove that $2.1 billion unnecessary burden from our economy would be one of the most immediate anti-inflationary steps we could take.

Professor Hendrik S. Houthakker of Harvard, a former member of the President's Council of Economic Advisors, wrote an article entitled, "A Positive Strategy Against Inflation" in the Wall Street Journal of July 30, 1974. Professor Houthakker wrote, "Our economy has to be made less prone to inflation and more responsive to anti-inflationary policies. This means, in particular, that institutional barriers to price declines have to be removed . . . ". Specifically, Professor Houthakker wrote that we could curb inflation by, among other actions, abolishing resale price maintenance.

At the same time, the respected publication of the Consumers Union, "Consumer Reports" ran an article in its November issue entitled, "Good-Bye to Good Buys in Audio Equipment?". Following the article was an editorial entitled, "What's Fair about Fair Trade Laws?". The article observed that fair trade "confers price fixing power on private individuals without any recourse for public review of these pricing decisions. While the Governor of New York, Vice-Presidential designee Nelson Rockefeller described fair trade as 'an affront to the American system of competitive free enterprise', Rockefeller advocates repeal of existing fair trade laws. So does CU."

Aside from its inflationary effect, one of the most persuasive arguments against resale price maintenance is that it tends to freeze the channels of distribution and retard the advancement of technology. Fair trade helps protect those retail outlets that are unwilling or unable to improve their methods of operation. By restricting competition in price, fair trade provides for competition on the basis of advertising, salesmanship, and nonessential services. A Canadian committee set up to study the problem of resale price maintenance stated that: "The crux of the problem of resale maintenance, is whether the consumer should reap the benefits of the most efficient forms of retailing or . . . should be forced to pay more in order to make retailing . . . a more comfortable occupation . . .".

In the past, the most vocal support for fair trade legislation has been from the small business community. It is this sector of our economy, it has been argued, that would be most injured by weakening or repealing fair trade. Yet, one of the most active and highly respected small business organizations in the country, the Smaller Business Association of New England (SBANE), vigorously supports the repeal of fair trade laws. In a statement issued on November 14, 1974, Oliver O. Ward, President of SBANE, called fair trade laws anti-competitive and obsolete. I ask unanimous consent that the full text of the SBANE statement be printed in the Record immediately following the printing of the text of the bill.

Businessmen making transactions must have the freedom to change their prices; to increase or decrease sales as they see fit. It is the price of the goods to which suppliers and consumers react. We must permit the retailer to establish the level of service and extras that he wants to include with the product along with the right to set the selling price. To permit the manufacturer the right of price fixing places the entire chain of distribution in a straitjacket.

Resale price maintenance stifles innovation and forces production in the wrong direction. It is amply documented that resale price maintenance forces entrepreneurs to engage in inefficient promotional campaigns in order to develop volume—that is costly for both the businessman and the consumer.

The consumer, the businessman and the country are all best served by a dynamic and competitive system of marketing. We cannot on the one hand celebrate the beauties of free competition and then squelch it the moment it benefits consumers. Competition forces retailers, wholesalers and manufacturers to provide the consumer the most for his money. A repeal of the fair trade laws will stimulate an increase in productive efficiency. This coupled with increased volume due to lower prices will provide all levels of distribution with increased profits while providing the consumer more goods at lower prices.

Resale price maintenance has brought about three major distortions in our economy. They are: 1) artificially high prices; 2) restraint of innovation and efficiency; and 3) an increased reliance on costly promotional devices that increase prices.

There has been a good deal of talk in the past few months about biting the bullet to stop inflation. The time has come to stop talking and to act. Strong opinion has developed throughout the country to decrease the role of the Federal government in business activities so that the economy can react to normal market forces. The 1930's were a time of trauma when order in the marketplace was desired regardless of cost. The 1970's and the decades ahead are a different time with different institutions and different problems requiring different solutions. Now is the time to rid the economy of inflation-causing, competition-depressing, artificial encumbrances.

Fair trade legislation was an idea whose time had come and has now gone.

STATEMENT OF OLIVER O. WARD, PRESIDENT OF SBANE

SBANE supports legislation sponsored by Senator Edward Brooke to repeal the Fair Trade Laws because they are a strict form of price maintenance which is anti-competitive and not in the public interest. We believe that not only are the laws obsolete, but through the years, their enforcement has become almost non-existent in many states.

At a time when consumer dissatisfaction is at its highest level in 25 years, and the small business community is mounting substantial efforts to re-examine, and wherever possible, abolish over-zealous federal legislation, it would seem that the Fair Trade Laws repeal would be a good beginning.

In an October meeting that representatives of SBANE held with President Ford and other small business organizations, President Ford noted with concern an increase in the apparent alarm in the business community over regulatory agencies and promised that his Administration would come to grips with bureaucracy. Senator Brooke's legislation is most welcome.

Many large companies have traditionally favored Fair Trade Laws on the basis of their sheltering effect on the small retailer from the big discounters. We believe that small businesses in the retail field can be competitive and thrive through the flexibility and extra service available from the neighborhood small retail establishment.

Laws should not protect inefficient small businesses from the open market and the overall benefits of the repeal of the Fair Trade Laws and a return to a more competitive free enterprise system, is a legislative action to everyone's benefit.

S. 408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, as amended (15 U.S.C. 1), is amended by striking out the colon preceding the first proviso in the first sentence and all that follows before the period at the end of such sentence.

SEC. 2. Paragraphs (2)–(5) of section 5(a) of the Federal Trade Commission Act, as amended (15 U.S.C. 45(a)), are repealed.

SEC. 3. The amendments made by this Act shall become effective 90 days following the date on which this Act is enacted.

By Mr. PROXMIRE (for himself and Mr. STEVENSON):

S. 409. A bill to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

COUNCIL ON WAGE AND PRICE STABILITY ACT AMENDMENTS OF 1975

Mr. PROXMIRE. Mr. President, on behalf of myself and the distinguished Senator from Illinois (Mr. STEVENSON) I am today introducing legislation to strengthen the inflation fighting powers of the Council on Wage and Price Stability.

The Proxmire-Stevenson bill would require prenotification of wage or price increases which would significantly increase inflation, give the Council power to subpena key information, and provide for a 60-day delay before the wage or price increase could go into effect. This would give the Council and the President time to use the great powers of the President's office to persuade those involved to forgo the increase if they were not justified.

NO NEED FOR STANDBY CONTROLS

Mr. President, it is not necessary for Congress to enact legislation providing for any form of standby wage and price controls at this time. Two-thirds of the recent inflation has been caused by a handful of industries who exercise enormous economic power such as steel, chemicals, nonferrous metals, food processors and distributors, and oil. Anti-inflation legislation should be tailored to the precise inflationary problem we face rather than a shotgun approach which would attempt to control every mom-and-pop grocery store, the prices of every small farmer at the local feed lot or country elevator, or the profits of every small foundry or clothing store.

As we attempt to legislate for the future, it is important that we acknowledge the forces that have led to this current economic situation so that we can better understand why we are facing both record levels of inflation and recession. Only then can we begin to strive intelligently to regain the health of our economy.

The facts of the last year show that "wage push" did not contribute to inflation. In fact, the real purchasing power of the American workers declined during 1974. Corporations, especially those in the concentrated industries, increased prices far more than justified by the relatively small increases in wages, and thereby were able to achieve alltime record levels of profits in a time of falling demand.

PROFIT AND PROFITS IN CONCENTRATED INDUSTRIES

Let me review the pricing and profit picture for a few concentrated industries. Wholesale prices for the year 1974 rose by 57 percent for refined petroleum products, 83 percent for industrial chemicals, 38 percent for iron and steel, and 21 percent on processed foods and feeds while the prices received by farmers for their products actually declined. If we now turn to percent change in profits for the first three quarters of 1974 versus the first three quarters of 1973 we find that these same industries were outstanding performers in the profit race. Profits were up 66 percent for the oil and coal sector; profits were up 99 percent in the steel industry; profits were up 56 percent in the chemical field, and retail food profits were up by 48 percent.

It is clear that inflation is centered in a few concentrated industries and we need to strengthen the power of the Council on Wage and Price Stability to deal with these sectors rather than to reimpose across-the-board wage and price controls.

Controls achieve short-term price stability at the cost of creating shortages and finally black markets. Another large Federal bureaucracy will have to be formed to answer questions which for the most part, market forces answer more effectively. The market forces, by the changing of the relative price of goods and services, help decide what shall be produced, in what quantity and where. The more you artificially control the market, the less responsive to change becomes our economy.

Mr. President, I believe our bill represents a reasonable middle ground approach between the overly cumbersome and distorting requirements of complete controls and the too limited powers now possessed by the Council on Wage and Price Stability.

REPORTS AND SUBPENA

The Proxmire-Stevenson bill would authorize the Council to require periodic reports and to subpena information and witnesses whenever necessary to review and monitor inflationary wage and price increases.

This provision makes certain that the Council is able to receive all the records and statistics it needs to fully review a change in wages or prices.

PUBLIC INFORMATION

The Council would be required to make the reports and information obtained during its reviews and hearings available for public inspection unless the Council determines such disclosure would impose undue competitive disadvantages on the party submitting the information. The ability to make a large part of the information public will result in a more informed citizen debate and gives the President a freer hand in presenting his case to the American people if he feels a wage or price increase is not justified.

In addition, the availability of cost, price, and profit information also should help to keep prices down by attracting new entrants into an industry showing high profits. This would mean greater competition, increased supply, and lower prices to the consumer.

PRENOTIFICATION

The bill allows the Council to require up to a 30-day prenotification with respect to price increases by firms with sales in excess of $250 million a year and with respect to wage increases affecting more than 5,000 employees. When a wage settlement is reached through the collective bargaining process, the Council may require joint notification not more than 5 days after the agreement goes into effect. In addition, the Council would require prenotification by any other parties, wherever it found that a wage or price increase by those parties might significantly increase inflation.

This section of the bill "allows" but does not require the Council to have the concentrated industries in the economy prenotify wage and price increases. Even if the Council decided to require all firms with sales over $250 million a year to prenotify, if we exclude financial and utility companies, the total number of covered firms would be only around 600. Only 350 labor contracts would be covered if the Council decided to have all wage settlements affecting over 5,000 employees prenotified. It seems certain the Council will not decide to have all of the firms report on wage and price increases. For example, only a few labor contracts for more than 5,000 workers will come up this year.

In addition, this section of the bill gives the Council the power to monitor the wage and price behavior of some smaller firms and employees' organization which might become, or are, the standards for an entire industry or geographical area of the Nation. The Council might be able to stop a serious and inflationary ripple effect by reviewing a few key wage settlements and price increases.

DELAY POWER

The Council would be authorized to delay for up to 60 days any proposed price or wage increase which it determines could "significantly increase inflation."

This section of the bill is similar to the proposal of Dr. Arthur Burns, Chairman of the Federal Reserve Board. I believe it is essential that the Council have this power. It is not the power of long-term control or rollback or veto.

What delay does do, is to give the Council a chance to conduct public hearings and scrutiny of wage and price increases. It gives the Council and the President time to intensify public opinion against an inflationary price or wage increase.

In addition, the power to delay placed in the hands of the Council and the President a weapon which could be used effectively in bargaining with corporations or unions over the size of a price or wage increase. Specifically, the Council or the President can give a corporation the choice of receiving a somewhat lower price increase immediately or forcing them to wait 60 days to receive the full price increase announced. Many firms might decide it is better to get some price increases now rather than have to wait the full 60 days. I believe the delay power strengthens the hand of the President and the Council in this very important manner.

Some people will ask why not give the President the power to roll back as well as delay inflationary price and wage increases? The answer is that in addition to the delay power included in the bill, the President has great power to act if the President and Council find that a wage or price increase in an industry which would significantly increase inflation is unjustified. The President can and should bring the parties in and have a face to face talk with them in the Oval Office. He can examine their defense contracts, their Federal subsidies, the allocation of scarce materials to them, and the myriads of concessions, privileges, franchises, and other favors the Federal Government has to bestow upon them.

In final analysis, if all Presidential attempts at reason and persuasion fail, the President can call upon Congress for authority to roll back the specific increases in a particular industry during the 60 day period of delay. I believe this approach is much better than giving the President broad and general powers of rollback and control.

EXTENDING THE LIFE OF THE COUNCIL

The bill would extend the life of the Council until September 30, 1977, in order to make it easier for the Council to attract capable people to join its staff.

While I am fully aware of the serious budget problems this Government faces, I believe the extra $3 million per year authorized in my bill for the Council is taxpayers' money very well spent. I believe the benefits will far exceed the costs in this case. The Council will be able to increase its staff from 40 to about 100 because of the increased funding. I believe this increase in staff will allow the Council to fully and carefully perform its expanded duties to the Nation's fight for economic stability and security.

The final section of the bill involves the reassertion of jurisdiction by the committee of legislation providing for the control of the prices of certain commodities as provided for in the Standing Rules of the Senate and in the Economic Stabilization Act of 1970 which originated in the Committee on Banking, Housing, and Urban Affairs.

Mr. President, our bill does not reimpose across-the-board controls; nor does it apply to the whole economy. It is directed toward big business and big labor. It tries to insure that price and wage increases in the concentrated sector of the economy are consistent with the Nation's twin goals for fighting inflation and recession.

I urge my colleagues to join us in this program to strengthen the Council on Wage and Price Stability without destroying the market system which has brought, and will again bring, great economic progress to our Nation.

WAGE-PRICE LEGISLATION AIMED AT CURBING 'IRRESPONSIBLE' INCREASES

Mr. STEVENSON. Mr. President, today I join with Senator PROXMIRE in introducing a bill to strengthen the Council on Wage and Price Stability. This legislation is needed in order to give the Council the tools it needs to do an effective job in carrying out its mandate and to help in the fight against inflation and recession.

Despite the deepening recession, inflation continues to plague the economy. The most dramatic drop in economic activity in the last 30 years has failed to halt the rise in prices. In the face of declining consumer spending, failing GNP, and an unemployment rate of over 7 percent, prices continue to escalate. Increases in 1974 were the steepest in 30 years. Over the past year, automakers, steelmakers, and sugar producers have all boosted prices sharply. The expected forces of supply and demand fail to work, as declining demand and slackening economic activity are accompanied by continually rising prices. As a result, inflation continues and, in turn, causes recession. As more income is spent on the inflated cost of essentials such as fuel, food and shelter, less is available for expenditure in other sectors, which then experience recession.

The Council on Wage and Price Stability was created to identify the causes of inflation, expose inflationary behavior to public scrutiny, and temper irresponsible wage and price increases. To fulfill its mandate, the Council is required to review and analyze economic concentration, anticompetitive practices, and the inflationary impact of Governmental policies and programs. It is required to work with labor and management in sectors of the economy having special economic problems in order to improve the structure of collective bargaining as well as to improve the performance of those sectors in restraining prices. The Council is required to improve wage and price data bases in order to improve collective bargaining and encourage price restraint. It is required to conduct public hearings in order to provide public scrutiny of inflationary problems. And it is required to monitor the economy as a whole by acquiring reports on wages, costs, productivity, prices, sales, profits, imports, and exports.

This is a monumental task and one for which the Council is presently ill equipped, despite the commendable efforts to date of Dr. Albert Rees, the Director of the Council.

The Council has no authority to compel disclosure of the information necessary to determine whether wage and price increases are justified. It has no authority to acquire the information necessary to an analysis of wage and price data bases, economic concentration, or anticompetitive practices. It has no authority to compel reports on wages, costs, productivity, prices, sales, profits, imports, and exports despite the fact that the Council must acquire such reports in order to monitor the economy. The most it can do is ask for the information and hope for cooperation. And it has no authority to stop increases which are in fact without justification, despite their serious inflationary impact. All it can do is jawbone. But its powers are so minimal that its jawbone is without bite. In short, the Council is largely window dressing. It cannot address the growing concentrations of economic power in the hands of powerful interests which act contrary to the public good.

The bill which Senator PROXMIRE and I are introducing today will rectify this unsatisfactory situation. It will give the Council the authority it needs to be effective in identifying and determining the causes of inflationary wage and price increases, and it will give it the power it needs to help forestall irresponsible inflationary behavior.

The major provisions of the bill are as follows:

First, it would authorize the Council to require periodic reports and to subpena information and witnesses when necessary to carry out the Council's statutory responsibilities. This would make possible the acquisition of information necessary to determine accurately such matters as the reasons for any increase, the extent to which such increases reflect the forces of supply and demand, the extent to which economic concentration or anticompetitive practices are responsible for the increase, and the adequacy of available data in analyzing inflationary behavior in various sectors of the economy.

Second, it would give the Council the authority to delay for up to 60 days any price or wage increase which would or could significantly increase inflation. Such authority is essential if the Council is to have an opportunity to determine the basis of any such increase, the extent to which it may be justified, and the need for remedial action. Such delay would give the Council, the President, and the Congress time to fashion appropriate remedies before the public is made to suffer the consequences of irresponsible inflationary behavior. It would also afford the pressure of public opinion time to effect restraint.

Third, the bill would give the Council authority to require firms with gross sales in excess of $250 million to notify the Council of proposed price increases 30 days prior to the effective date of such increase. In addition, the bill would authorize similar prenotification from employers with respect to wage increases affecting more than 5,000 employees. Both provisions are essential to the effective exercise of the delay authority which would be granted by the bill.

Fourth, the bill would increase the Council's authorization by $3 million per year, extend its life to September 30, 1977, and provide that future directors be confirmed by the Senate. This would permit the Council to continue its work for an additional 2-year period and expand its presently meager staff capability of less than 40 persons, who cannot begin to monitor a trillion and a half dollar economy adequately. In addition, Senate confirmation of any future Director would insure that the Council is sensitive to the views of the Congress and the people on important matters affecting the economy.

And finally, the bill would require the Council to control the price of domestic old oil at a level equal to its price on January 1, 1975, and new oil at a price no higher than 70 percent of the average world market price for crude oil during the period January 1 through January 14, 1975. This is necessary to prevent energy-induced inflation and windfall profits for the major oil companies.

In the months—and possibly years—ahead, the Nation will continue to labor under the burden of strong inflationary influences. The double-digit inflation which has plagued the country over the past few years will continue to generate substantial cost-push pressures for some time to come. The President's plan to impose a $3 per barrel tax on petroleum and to deregulate oil and gas prices could add as much as 4 percent to the general increase in prices over the next year. If we are to avoid across-the-board wage and price controls, we need tools to identify irresponsible inflationary behavior, expose it to public scrutiny, and provide time to devise measures to prevent increases from triggering a new inflationary spiral. A strengthened Council on Wage and Price Stability, with the powers and resources conveyed by this bill, will give us such tools.

By Mr. GOLDWATER:

S. 410. A bill to repeal the earnings limitation of the Social Security Act for all workers age 65 and over. Referred to the Committee on Finance.

REPEALING THE MEANS TEST OF THE SOCIAL SECURITY ACT

Mr. GOLDWATER. Mr. President, I am pleased to reintroduce today a bill to completely repeal the earnings limitation on social security benefits paid to workers who are age 65 and older and to their dependents. By "earnings limitation" I am speaking of the penalty imposed on persons who are otherwise eligible for social security payments, but who earn more than $2,520 per year.

As the law now stands, a recipient receiving social security is denied $1 for every $2 he earns over the $2,520 exempt amount, until his benefits are cut off completely. The only exclusion is for persons 72 and older.

Mr. President, I will say again what I have said so often in the past about this penalty: "It is a shameful robbery by the law of our senior citizens."

First, I believe the American working man and woman has ben led by his Government to believe that social security benefits will be theirs "as a matter of right" when they reach a specific age. Workers have been told over and over through the years of the fact that they have earned a right to a benefit because of the payroll deductions from their own salaries and on their behalf by their employers.

Mr. President, the Social Security Administration and its defenders can hedge and hem and haw as much as they want about what these promises mean, but as understood by the working man and woman they were pledges that the scheduled benefits will be paid automatically to workers once they reach the statutory annuity age.

Mr. President, I reject the argument by supporters of the earnings limitation who say that social security was set up to insure against the loss of earnings. In this view, if a person does not stop working at 65, he suffers no loss of earnings and is entitled to no benefits.

This is preposterous. It overlooks the fact that many persons who continue working at age 65 or older cannot afford to retire. It overlooks the fact that persons who had placed equivalent amounts to those of their own payroll deductions, and their employers for them, into private investments will be paid more at the same annuity age regardless of their continued employment.

If true, this interpretation would also overlook the fact that, according to the system's advisory council, benefits will be paid "without the necessity of establishing need." Social security advisory councils have also pledged that "this is not a program of governmental aid given to the individual." But if a worker must show that he has a need for benefits because he has suffered a loss of earnings, then the program is transformed into a needs test and payments are not being made in the spirit of an earned right.

Nor are benefits being paid to a worker in a manner "which safeguards his freedom of action," as promised by past official spokesmen for the social security system. If a worker must quit work in order to receive his benefits, it can hardly be said that his freedom of action has been given any consideration at all.

Mr. President, the most current estimate I can get from the Government as to the total number of individuals aged 65 through 71 who will be adversely affected because of the means test is a minimum of 2 million workers and their dependents. About 600,000 workers in this age group will have all of their family benefits for 1975 withheld because of the penalty. An additional 800,000 workers aged 65 through 71 will have some of their family benefits for 1975 withheld because of the restriction. Moreover, there are in the same age group approximately 600,000 workers receiving full benefits but who are intentionally holding their wage earnings down because of the penalty.

Mr. President, regardless of how large the group of citizens is who will benefit from this change, and to me, 2 million citizens is a sizable group, I contend the means test is wrong and believe its repeal would be welcomed by all of our older citizens.

Mr. President, I ask unanimous consent that a copy of the bill which I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (c)(1), (d)(1), (f)(1), and (j) of section 203 of the Social Security Act are each amended by striking out "seventy-two" and inserting in lieu thereof "sixty-five".

(b) Section (h)(1)(A) of section 203 of such Act is amended by striking out "the age of 72" and "age 72" and inserting in lieu thereof in each instance "age 65".

(c) The heading of subsection (j) of section 203 of such Act is amended by striking out "Seventy-two" and inserting in lieu thereof "Sixty-five".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to taxable years ending after the date of enactment of this Act.

By Mr. GOLDWATER:

S. 411. A bill to provide tax relief for condominium owners, howeowner's associations, and cooperative housing corporations. Referred to the Committee on Finance.

EXEMPTING FROM DOUBLE TAXATION THE RESERVE FUNDS OF CONDOMINIUM OWNERS, HOUSING ASSOCIATIONS AND COOPERATIVE HOUSING CORPORATIONS

Mr. GOLDWATER. Mr. President, I am today reintroducing a much-needed bill to provide tax relief for condominium housing associations, community homeowner associations, and cooperative housing corporations.

My bill would exempt from double taxation, the membership contributions and assessments which are accumulated in reserve funds established by condominium and homeowners' associations and cooperative housing corporations to defray future maintenance and repair bills. In recent revenue rulings, the Internal Revenue Service has held, in my opinion totally without justification, that these reserve funds are subject to income tax at corporate tax levels.

Mr. President, these tax rulings are unfair. They discourage the setting aside of money for future housing improvements and repairs, and they clearly impose a double taxation on the money deposited with community housing associations and corporations by providing that the members of the association or corporation collectively must pay a second and higher tax on amounts for which they have already paid individual income taxes when these amounts are placed in the reserve.

As we are all familiar, one of the major attractions of condominiums and cooperative housing corporations is the responsibility assumed by the organization, instead of the individual homeowner, for such chores as exterior painting and repairs, replacements of walls and roofs, grass-cutting and landscape maintenance, repair of sidewalks and garages, and upkeep of common recreational areas. The cost of such maintenance and repairs are borne by the community organization by collecting and expending the funds needed for these activities. Typically, the owners of units or of the corporation would pay monthly assessments to the organization, which are, in turn, used for two related purposes.

First, a portion of the assessment, contribution or dues will be used currently for maintenance and repairs along with needed capital replacements and improvements. Second, another portion will be set aside in a reserve for future capital improvements and replacements, such as for major repairs to roofs, sidewalks, heating and air-conditioning equipment, and so forth.

Because of the individual owners understandable wish to limit their personal liability, where permitted by State law, most condominium owners and homeowners' associations are organized as nonprofit corporations. Of course, by its very nature, the cooperative housing corporation is already organized as a corporation.

Here is where the problem arises because the Federal Tax Code requires the inclusion in gross income of all receipts of a corporation, except those which are specifically excluded by law and revenue rulings. Thus, the assessments, dues, and contributions received by the community housing organizations for repairs and replacements will be included in gross income. Insofar as the amounts which are spent currently are concerned, there is not normally a tax problem. This results from the fact that the gross income will be offset by the deductible expenditure of the funds.

The heart of the problem comes with regard to that portion of the assessments, dues or contributions which are set aside in a reserve and will not be expended until a future year. Since there is not a currently deductible expenditure of these amounts to offset its treatment as gross income, Federal revenue rulings have held that the receipt of these amounts for a reserve fund makes them subject to the federal income tax, and at the corporation rate.

But what the Internal Revenue Service is doing is treating the amount of reserve assessments, contributions and dues as corporate profit, which it is not. As a result, the same amounts are subject to double taxation.

Mr. President, let me repeat, that we are not talking about the taxation of dividends, interest and capital gains, arising from the investment of accumulated reserves. I am only referring to that portion of the assessments, contributions or dues that are set aside for future improvements and replacements to private residences by community housing organizations.

A homeowner who lives in a noncondominium residence or a noncooperative apartment corporation is not taxed on the amounts he accumulates in a reserve for such purposes, omitting reference to any investment income, such as interest, which may be earned on these reserves. Why, I must ask—and the residents of townhouse developments, condominium apartments, and cooperative housing corporations ask—should they?

Mr. President, the bill I am introducing today will correct this unjust and unfair situation which amounts, in my opinion, to "double tax jeopardy" and makes the operation of capital improvement and replacement reserves more expensive to community organization homeowners than to other private citizens. It is downright disgraceful for a country which prides itself on humanitarian endeavors to overlook this measure, or accept a tax ruling against citizens which came off the top of some bureaucrat's head, and I urge prompt passage of the bill.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing shall be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraphs:

"(20) A corporation, organization, or association, not organized for profit, the membership of which comprises or is comprised solely of the owners of residential units in a condominium, housing development, or cooperative housing corporation, and—

"(A) which is operated exclusively for the ownership, management, or operation, and preservation, maintenance, and care (including preservation, maintenance, and care constituting capital expenditures) of the common areas and facilities of the condominium, housing development, or cooperative housing corporation, and

"(B) no part of the net earnings of which inures to the benefit of any member (there than through the performance of the functions described in subparagraph (A)) or to any other person."

(b) The amendment made by subsection (a) shall apply to taxable years ending on or after the date of the enactment of this Act.

By Mr. ABOUREZK (for himself, Mr. CLARK, Mr. CULVER, Mr. HUMPHREY, Mr. MCGOVERN, Mr. MONDALE, and Mr. NELSON):

S. 412. A bill to amend subtitle C of the Consolidated Farm and Rural Development Act to reduce the rate of interest on emergency loans made under such subtitle and to authorize additional funds for the current fiscal year to expedite the processing of emergency loans to farmers and ranchers who suffered losses as a result of the recent blizzard in the midwestern part of the United States. Referred to the Committee on Agriculture and Forestry.

Mr. ABOUREZK. Mr. President, I am today introducing legislation that I believe is vital to the well-being of American food producers and consumers.

Recently, one of the worst blizzards in history struck the Midwestern States. In the aftermath of the high winds and blinding snow, thousands of cattle and other livestock were found dead. Obviously, this loss means a severe financial hardship on producers. And we must also remember that most of these animals killed in the blizzard were mortgaged; thus, producers must pay off loans on animals on which they can get no return.

That means the American consumer may well face a shortage of meat, and it means that livestock producers, already on the verge of bankruptcy because of disastrously low market prices, are in serious financial trouble.

The bill I have introduced provides some badly needed relief for our food producers. My bill would establish long-term, low-interest loans to help get our livestock industry back on its feet.

I believe the 3 percent interest rate will give producers in this important industry the boost they need to stay in business.

It is imperative, I think, that we in the Congress show the American farmer and rancher that we are solidly behind them and that we want them to stay in business to produce our food.

I sincerely hope that my colleagues in the Senate will join me in support of this legislation.

Mr. CLARK. Mr. President, with inflation and recession and rising unemployment facing the country, these are difficult times for everyone. But some people, some businesses, have been hit particularly hard. The livestock industry is a good example. Over the last few months, livestock producers have had to contend with higher and higher feed and equipment costs and market instability that have left the cost of raising livestock well above the sale price of that livestock. If that were not enough, the weather has made things even worse.

The blizzard that swept through the Midwest earlier this month took a devastating toll. In 40 counties in Iowa alone, almost 20,000 head of cattle and 20,000 hogs died in the storm. The losses run into the millions of dollars in livestock, equipment, and buildings and the story is much the same in parts of South Dakota and Minnesota. For many livestock feeders, the storm may well be the last in a series of misfortunes that puts them out of business.

Under the Consolidated Farm and Rural Development Act of 1961, farmers in designated counties are eligible for 5-percent loans from the Department of Agriculture to help them recover from natural disasters like this blizzard. The program has helped a great many farmers over the years—in the last fiscal year, the Department made over $300 million in loans—but there are indications that many livestock feeders will not be able to take advantage of the program as it now stands. Given the condition of the economy and the impact of the blizzard, the 5-percent, 7-year loan requirements of the program, administered by the Farmers Home Administration, may not help. When I visited the area, many livestock feeders told me they could not meet the terms of the program until livestock can be raised and sold at some profit, and they cannot afford to wait for that.

In the past, Congress has reevaluated the emergency loan program in response to specific natural disasters. It happened in 1970 and again in 1972, and it should happen now. The legislation I am introducing in concert with six other Senators today can provide a focus for that review. It sets the interest rate for the loan program at 3 percent for 20 years, and it responds to the need for immediate assistance to the stricken areas with a one-time authorization to enable Farmers Home to hire additional personnel to process loan applications.

The legislation does not provide a forgiveness feature. Congress specifically rejected that approach in 1973. But it does provide a helping hand to people that face financial disaster as a result of this and other natural disasters.

The Department of Agriculture has projected $100 million for emergency loans this fiscal year, but it is authorized to loan as much as necessary to respond to natural disasters. The 3-percent interest requirement represents a compromise between the 5 percent established in the current law, and the 1-percent provision in effect in 1972 and part of 1973. It is the same interest rate established by Congress in the original law in 1961, the same interest rate and credit terms this country offers with its agricultural sales to foreign countries.

Mr. President, this legislation is vitally important to thousands of people in several Midwestern States affected by the blizzard. It may well mean the difference between bankruptcy and business survival for many farmers, and I hope the Congress can give it prompt attention.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 413. A bill to authorize the Director of the Bureau of Mines to extend certain assistance to certain individuals engaged in mineral exploration and development. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, on behalf of my colleague, Senator LAXALT, and myself, I introduce for proper reference a bill to authorize the Director of the Bureau of Mines to extend certain assistance to certain individuals engaged in mineral exploration and development.

Mr. President, this measure could well be called the small miners' and prospectors' bill. Its purpose is to provide such assistance, financial or otherwise, as the Director of the Bureau of Mines determines as necessary to enable small, independent operators to engage in mineral exploration and development. It was prepared and is introduced at the request of veterans of the search for gold, silver, and other minerals throughout our Western mountains.

Despite the fact that the large mining companies are involved with complex electronic equipment in their continuing search for mineral resources, the burro and the jeep have not been replaced by the helicopter. In testimony before the Senate Interior and Insular Affairs Committee, it has been continually stressed that nearly all of the mineral discoveries over the past century have been the result of individual prospectors making the initial discovery and then being forced for financial reasons to go to the large companies for development.

This bill, if properly implemented, will enable the prospector to again return to the hills in search of the minerals we so desperately need if the United States is to continue to hold its place as a world leader in this industrial age.

Mr. LAXALT. Mr. President, I am happy to join my colleague, Senator Cannon, in the introduction of this bill which would encourage the exploration for domestic mineral resources.

As we well know, we are now at the mercy of the foreign oil producing nations and are faced with drastic measures to attain our self-sufficiency in energy fuels.

It is in our self-interest to attain the same self-sufficiency in the production of minerals, all of which have a strategic value to our economy.

May I respectfully ask that the Interior Committee give full consideration to the immediate need for a full effort in mineral exploration.

By Mr. CANNON (for himself and Mr. Laxalt):

S. 414. A bill to declare that all right, title, and interest of the United States in 2,640 acres, more or less, are hereby held by the United States in trust for the Paiute-Shoshone Tribe of the Fallon Indian Reservation, Nev. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, on behalf of my colleague, Senator Laxalt, and myself I introduce for appropriate reference a bill to relinquish the right, title, and interest of the United States to some 2,640 acres of land to be held by the United States in trust for the Paiute-Shoshone Tribe of the Fallon Indian Reservation in the State of Nevada.

The Paiute-Shoshone Tribe is normally entitled to the land covered by this bill and the agricultural potential it represents. In the early 1900's when the Congress authorized the newlands reclamation project a land exchange program was entered into between the Indians with land holdings within the project area and the Federal Government. The program resulted in the Fallon Indian Reservation where the Indian families were located on 10-acre tracts with full water rights from the newlands project. The acreage limits on such family allotments prevent the people involved from making a proper living from the land. The object of this bill is to provide a stronger base for a viable Indian community in an area that was inhabited by the tribe long before the coming of the white man.

Resolution No. 7-67 adopted December 13, 1966, by the Business Council of the Paiute-Shoshone Tribes of the Fallon Reservation and Colony declares the Indians' urgent need for this additional land. I ask unanimous consent that the text of that resolution and bill be printed in the Record at this point.

There being no objection, the resolution and bill were ordered to be printed in the Record, as follows:

Resolution No. 7–67: Resolution of the Fallon Paiute-Shoshone Tribes of the Fallon Indian Reservation and Colony

Whereas, Article VI, Section 1(a) of the Constitution and Bylaws of the Paiute-Shoshone Tribe of the Fallon Reservation and Colony provides the Fallon Business Council with certain powers to negotiate with the Federal Government on behalf of the tribe, and

Whereas, dating back to the late 1890's a band of Indians settled in the Carson Sink area, and

Whereas, in the early 1900's with the creation of the Newlands Reclamation Project, a land exchange program was entered into between the Indians with land holdings in the project area and the United States of America. The program gave rise to the Fallon Reservation where the Indian families were to be located on 10-acre tracts with full water rights from the Newlands Project, and

Whereas, the Paiute-Shoshone Tribe of the Fallon Reservation and Colony are presently holding a water right on 4,877.3 acres, paid in full, and

Whereas, through experience and affirmed by field surveys, additional lands are required to make beneficial use of the above water rights, and

Whereas, it is the Business Council's understanding that a general review of withdrawn land status near the reservation is being made by the Department of Interior at this time, and

Whereas, members of the Paiute-Shoshone Tribe of the Fallon Reservation and Colony have an urgent need and have demonstrated that it will make use of the water and additional lands to better their standard of living, now therefore,

Be It Resolved that the following described lands: S½ of Section 33, T. 20 N., R. 30 E., MDBM, S½ of Section 34, T. 20 N., R. 30 E., MDBM, W½ of SE¼ & SW¼ of Sec. 35, T. 20 N., R. 30 E., MDBM, NW¼ of Section 2, T. 19 N., R. 30 E., MDBM, N½ and SW¼ of Sec. 3, T. 19 N., R. 30 E., MDBM, All of Section 4, T. 19 N., R. 30 E., MDBM and N½ and SW¼ of Sec. 8, T. 19 N., R. 30 E., MDBM, totaling some 2,640 acres be added to the Fallon Reservation and Colony to meet the above stated needs.

CERTIFICATION

I, the undersigned, do hereby certify that the Business Council is composed of 5 members, of whom 4, constituting a quorum were present at a meeting called and held this 13 day of Dec., 1966, and that the foregoing resolution was adopted at such meeting by a vote of 4 for and none against, pursuant to Article VI, Section 1(a) of the Constitution and Bylaws of the Paiute-Shoshone Tribes of the Fallon Reservation and Colony.

Vivian Hicks,
Secretary-Treasurer of the Fallon Business Council.

S. 414

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled. That all right, title, and interest of the United States in 2,640 acres, more or less, described below are hereby declared to be held by the United States in trust for the Paiute-Shoshone Tribe of the Fallon Indian Reservation, Nevada:

MOUNT DIABLO MERIDIAN

T. 19 N., R. 30 E., Sec. 2, NW ¼; Sec. 3, N ½ and SW ¼; Sec. 4, All; Sec. 8, N ½ and SW ¼;

T. 20 N., R. 30 E., Sec. 33, S ½; Sec. 34, S ½; Sec. 35, W½ SE ¼ and SW ¼.

Sec. 2. The Indian Claims Commission is directed to determine in accordance with the provision of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent of which the value of the beneficial interest conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

Mr. CANNON. The Senate Interior Committee did hold a hearing on this proposal January 1, 1974, but unfortunately the bill was never reported out of committee. Hopefully we can get action on this worthwhile proposal in the 94th Congress.

By Mr. CANNON (for himself and Mr. Laxalt):

S. 415. A bill to convey to the Ely Indian Colony the beneficial interest in certain Federal land. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, on behalf of myself and my colleague, Senator Laxalt, I introduce for appropriate referral a bill to convey to the Ely, Nevada, Indian Colony the beneficial interest in some 90 acres of land in White Pine County, Nev., to be used for the benefit of these native Americans.

At the present time, the land available to this particular colony is less than 10 acres. This was purchased in 1930 by the United States for Indian village purposes. It was contemplated at that time that it would be occupied by some five Indian families with a population of about 30.

Today, the tribal membership is near 100 and the need for additional land and facilities is urgent if this low-income minority group is to have the advantages that have accrued to their more prosperous neighbors.

Enactment of the legislation will make sufficient land available to take care of the tribal members and also permit them to take advantage of programs that enable these people to construct their own homes and provide sanitary facilities and living conditions that give them an opportunity to enjoy the same type of living standards that are available to most of us.

I introduced identical legislation in the 92d Congress. Unfortunately, the bill was not reached for action and I trust that early approval by the administration and prompt action by the committee will be forthcoming this year.

Mr. LAXALT. Mr. President, in cosponsoring this legislation with my colleague, Senator Cannon, I point out to you that its enactment will carry out the fullfilment of our obligation to our first Americans. This need of the Ely Indian Colony has existed for a matter of years, so may I please ask that the Committee on the Interior expedites its consideration of this measure.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 416. A bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, on behalf of myself and Senator LAXALT, I introduce for appropriate reference a bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians.

The Owyhee hospital is located on the Duck Valley Indian Reservation in Nevada and Idaho, in a remote and sparsely settled region of both States. There are some 600 non-Indians within a 50-mile radius of this hospital. When they need medical assistance—even routine care—they must travel over 100 miles to reach a medical facility.

Medical service must be made more readily available to these people. I think the need is obvious. The measure I am introducing today would authorize and direct the Secretary of Health, Education, and Welfare, subject to the consent of the Indian tribes involved, to take such actions as may be necessary in order to utilize the Owyhee hospital for the purpose of providing nonemergency medical care to non-Indians living within approximately 50 miles of the hospital. Such care would be provided on a fee-for-service basis.

Mr. President, this legislation will serve a dual purpose. It will humanely enable non-Indians living in this remote part of our country to more readily obtain necessary medical attention. It will also help assure that this facility will be adequately utilized, and the fees paid by non-Indians will contribute to the financial support of the hospital.

Mr. LAXALT. Mr. President, I join with my colleague Senator CANNON in sponsoring this bill that would designate the Owyhee Indian Hospital as a joint-use facility.

The Duck Valley Indian Reservation is located in one of the most remote and rugged areas in the United States, and usually experiences very severe winters. The distance of travel to a hospital required by non-Indians is compounded by this weather several months of the year, especially as roads are minimally maintained.

Inasmuch as the business council of the reservation supports this legislation and it would provide for a more economic operation of the hospital by the Federal Government, the cost-benefit ratio of the facility would be greatly improved.

It is my hope that the Department of Health, Education, and Welfare will fully support enactment of this bill.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 417. A bill to provide for the suspension of annual assessment work on mining claims held by location in the United States. Referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, on behalf of my colleague, Senator LAXALT, and myself, I introduce for appropriate reference a bill to provide for the suspension of annual assessment work on mining claims held by location in the United States.

Section 28 of title 30 of the United States Code now requires that on each mining claim located, and until a patent has been issued, not less than $100 worth of labor must be performed annually or improvements worth that amount must be made each year in order to maintain the validity of the claim.

The present fuels and energy shortage calls for a concerted effort by all Americans to conserve fuels. This fact and the further fact that present and growing shortages of gasoline and diesel fuels are making it more and more difficult for the holders of mining claims to perform the required annual assessment work militate in favor of a suspension of this statutory requirement.

The effect of this bill would be to suspend the requirements of 30 U.S.C. 28 as to all mining claims in the United States until July 1, 1980, provided that the claimant by July 1 of each year files a notice certifying his desire to continue to hold the mining claim involved.

There can be little question that the energy crisis warrants congressional reexamination of existing laws mandating the expenditure of fuels. Where it is possible to relax such requirements in view of the fuel shortage then, of course, that should be done.

The situation I have described is a case in point. I hope the Interior Committee and the Senate will be able to look at this situation expeditiously and approve a reasonable moratorium on the present requirement for annual assessment work.

Mr. LAXALT. Mr. President, I join my colleague Senator CANNON in sponsoring this bill to suspend annual assessment work on mining claims for the purpose of conserving fuel.

As we know, the conservation of fuel is in the public interest. This body will very soon take up this vital issue, and, although the fuel savings realized from a moratorium on assessment work on mining claims would be small, we must not overlook any and every move in the conservation of energy.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 418. A bill to authorize the Secretary of the Interior to make certain Federal lands available to State and local governments for park and recreation purposes. Referred to the Committee on Interior and Isular Affairs.

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill to authorize the Secretary of the Interior to make certain public domain lands available to State and local governments for park and recreation purposes.

This proposed Federal Land for Parks and Recreation Act will add a further dimension to our longstanding national policy of encouraging and assisting State and local governments in the acquisition of the open space they need to meet the burgeoning nationwide demand for more well managed park and recreation facilities.

The purpose of this legislation is to overcome present limitations in the law that restrict the availability of public domain lands for transfer to State and local management for park and recreational uses. As previously written, the Recreation and Public Purposes Act—43 U.S.C. 869(b)—restricts conveyances of public lands to States for recreational purposes to not more than three sites aggregating not more than 6,400 acres in any calendar year. The effect is to unduly complicate and prolong the implementation of statewide park and recreation systems and programs, particularly in the public domain States of the West which must rely on the Federal Government to make its lands available for State and locally administered park and outdoor recreation systems.

The bill I am introducing today would authorize and direct the Secretary of the Interior to make available to State and local governments for park and recreation purposes public domain lands—except lands on the Outer Continental Shelf and lands classified as primitive areas—administered by the Bureau of Land Management. Before approving any such transfer, the Secretary would be required to determine:

First, that the lands in question possess park or recreational values, second, that the State in which the land is located needs additional open space areas in order to provide a variety of well-managed outdoor recreation opportunities, third, that use of the public lands involved for park and recreation purposes would be compatible with planned Federal park and recreation programs, the comprehensive statewide outdoor recreation plan submitted by the State pursuant to the Land and Water Conservation Fund Act, or other State or local park or recreation plan approved by the Secretary, and fourth, that the State or local government seeking the transfer has the authority, resources, and capability to manage and operate the lands involved for park and recreation purposes. In order to conserve State and local funds for development and management of the areas involved, transfers under the bill would be without cost to the applicant, except for a reasonable charge to defray the administrative cost of the conveyance. Consistent with present policy and the provisions of the Recreation and Public Purposes Act, all mineral rights and interest in the lands covered by the bill would be reserved to the United States and provision is made for reversion of the land itself in the event it ceases to be used and maintained for park and recreational purposes.

Former Presidents on several occasions have urged the Federal Government to play an active, positive role in upgrading recreation opportunities and that State and local governments must play a crucial and central role in meeting the Nation's demand for parks and recreation. We have a situation today in which existing programs are not meeting the growing demand for outdoor recreation opportunities. Matching assistance for State and local park and recreation programs is grossly inadequate. The funding of our Federal park and outdoor recreation programs falls far short of the need that all recognize exists. Funding for recently authorized land acquisitions by the National Park Service alone has fallen behind congressional authorizations. And it is no secret that State and local governments find themselves caught up in varying degrees of fiscal crisis that inhibit their capacity to move as fast as they would like with the long-range open space investments required to provide for their present and future outdoor recreation needs.

There can be no question that additional authorities are needed to make unused Federal lands available for State and local recreational uses. A truly effective Federal-State partnership to broaden and enhance the Nation's recreational resources calls for a liberalization of the Federal Government's policy toward the disposition of unused public domain lands for such purposes.

The bill I am offering today is overdue and would be a meaningful exercise in the kind of constructive federalism we need to encourage and enable many of our State and local governments to maximize their contributions to the Nation's parks and recreational resources.

Mr. LAXALT. Mr. President, I wholeheartedly join with Senator CANNON in cosponsoring this legislation. The present restriction on the conveyance of public lands to the States for park and recreational purposes assumes that the land managers here in Washington are more qualified to control the growth of park and recreational land and facilities within a State than are those State agencies charged with this responsibility in their own areas.

Nevada's major industry today is tourism and recreation; and therefore, our expertise in this field is an established fact. This also applies to most other Western States.

A Federal-State partnership must be made a full partnership, rather than the big brother-little brother relationship that now exists.

May I respectfully call upon the committee to schedule this legislation for early action.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 419. A bill to provide for the establishment of a national cemetery in the State of Nevada. Referred to the Committee on Veterans' Affairs.

Mr. CANNON. Mr. President, on behalf of myself and Senator LAXALT, I introduce, for appropriate reference, a bill to establish a national cemetery in the State of Nevada. At present, there is no national cemetery in Nevada to provide for the burial of deceased veterans.

Although national cemeteries came into being during the Civil War to provide for the burial of soldiers who had died in service, most of them are situated where battles occurred and therefore are not evenly distributed in the 50 States. For this reason, the Western part of the United States has few national cemeteries, and the many veterans who served during World War II have no place within reasonable proximity to their domicile for burial. During the last World War we had approximately 16 million men under arms, and when you consider their dependents, we have a total of about 50 million people who are eligible for burial.

Due to the inexorable march of time, the need for this legislation is increasing in urgency. Early in the 2d session of the 92d Congress the Senate Committee on veterans' Affairs considered the proposal to establish a national cemetery in Nevada. Unfortunately, the bill was not adopted.

I urge the committee to reconsider this proposal at the earliest possible opportunity.

Mr. LAXALT. Mr. President, I am pleased to cosponsor this legislation with my colleague, Senator CANNON.

The establishment of a national cemetery in the State of Nevada is long overdue.

I call upon the Veterans' Administration to support the passage of this bill as our Government's obligation to our veterans has greatly increased in the past 35 years. World War II, Korea, and Vietnam called upon our youth to bear colors. It is now time for this country to carry out our responsibility and provide our veterans the dignity of a burial in the proximity of their loved ones.

May the committee please schedule early hearings on this legislation.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 420. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada. Referred to the Committee on Veterans' Affairs.

Mr. CANNON. Mr. President, I am introducing a bill today for myself and my Nevada colleague, Senator LAXALT, to provide for the construction of a Veterans' Administration hospital in the southern part of the State of Nevada.

At the present time, veterans in Nevada are served by only one VA hospital, located in Reno, in northwest Nevada.

Veterans in more populous southern Nevada, 500 miles to the southeast, have no VA facilities, except for limited services provided by an outpatient clinic in the Las Vegas area, and are therefore almost completely dependent on VA hospitals in crowded Los Angeles, 300 miles away.

I think it is a gross disservice to our veterans to force them to travel to Los Angeles to get treatment for service-related disabilities. In addition, it certainly is not fair to make the veterans of southern California wait for treatment because their facilities are overcrowded.

I urge serious consideration of this proposal at the earliest possible opportunity.

Mr. LAXALT. Mr. President, I join my colleague, Senator CANNON, in introducing this bill calling for the construction and operation of a VA hospital in southern Nevada.

I speak not only for the veterans living in southern Nevada, but also for those residing in the eastern areas of southern California, and for veterans living in southern Utah and northern Arizona.

Geographically, Las Vegas is the hub of this vast area. It is the center of commerce as well as the center for transportation for an area of thousands of square miles.

The distances between VA hospitals in this region are most times difficult for my Eastern colleagues to comprehend. Those of you from the northeast may be surprised to be told that the State of Nevada is larger than New England and the State of New York combined.

So I join Senator CANNON in urging your early consideration of this legislation.

By Mr. CANNON (for himself and Mr. KENNEDY):

S. 421. A bill to regulate commerce and assure the availability of air transportation at the lowest reasonable cost to consumers by defining inclusive tour charter trip and advance-booking charter trip; by authorizing reduced rate transportation for the handicapped, the elderly, and the young; and for other purposes. Referred to the Committee on Commerce.

LOW-COST AIR TRANSPORTATION ACT

Mr. CANNON. Mr. President, on December 10, last year I spoke to this body in regard to the alarming rise in the cost of air travel.

The Congress and the administration are equally concerned with the effects that recession and inflation are having on our economy. Rising costs, coupled with declining discretionary dollars in the pockets of our consumers, are having their effect on tourism and air transport services. The President's proposed imposition of additional taxes on imported fuel would have an even greater adverse impact on our air transport system as well as other modes of public transportation. I am not sure the air transport industry can absorb any additional costs for aviation fuel or, in turn, pass these costs on to the consuming public in the form of increased fares and rates without seriously damaging our air transportation system and related tourism operations. Public transportation, as you know, plays the predominant role in the promotion of tourism both within the United States and to and from the United States.

If we are to maintain a healthy air transport system, if we are to make air transportation available to the consuming public, if we are to protect our $60 billion tourism industry in the United States, then we must take action to make sure that low-cost air transportation continues to be available.

As this body is well aware, low-cost air transportation is becoming a thing of the past; unless prompt action is taken by the Congress to enact legislation that will insure the survival of our air charter system, many millions of Americans will be unable to take vacations by air.

As you know, the Civil Aeronautics Board during the past year has eliminated many of the discount fares that were heretofore existent on scheduled service. In the latter part of 1974 the Board proposed the elimination of the so-called affinity-type charter which is the backbone of our low-cost air transportation system. You will recall that I brought this to your attention when I addressed you concerning S. 1739 which

I had introduced in the last Congress, on which hearings were held and which the Senate Committee on Commerce favorably reported for floor action. I mentioned in my statement of December 10 that I planned to reintroduce that legislation along with other provisions and to schedule early hearings so that this Congress might take needed action at an early date to forestall unfavorable action by the Civil Aeronautics Board.

Mr. President, I send to the desk a new bill, the Low-Cost Air Transportation Act of 1975. Not only does it authorize so-called one-stop inclusive tour charters, it also authorizes "advance booking charters" which are needed by those persons who do not desire to buy an all inclusive package vacation tour. It would be my expectation that this new type charter might well, after it is tested in the marketplace for a period of 18 to 24 months, serve as a viable replacement for the so-called affinity-type charter.

In order, however, to provide necessary time for authorizing and testing this new-type charter authority, I have also included in the legislation a provision which would continue affinity charter authority in being until further action by the Congress. This latter provision is essential, as without it, the Civil Aeronautics Board may well terminate this authority without an adequate viable replacement being authorized.

I am sure that Members of this body are aware that several air travel clubs have been found by the Board to be illegally involved in common carriage by air. The Board has, on recent occasion, ordered these clubs to cease and desist from this activity. Other than the findings that the Board has made in orders issued, no rules or regulations have been promulgated by the Board to govern the operations of air travel clubs. I have, therefore, included a provision in this bill requiring the Board, within 90 days after enactment, to issue rules and regulations governing air travel clubs in air commerce. I believe air travel clubs are a legitimate method of air transportation for vacation travel and they should not be summarily outlawed—rather the Board should establish reasonable rules and regulations governing their operations. This the Board has failed to do.

I intend to explore, during our hearings, why air travel clubs should not be charterworthy so that the members of those clubs could utilize the charter services of either our scheduled or supplemental carriers for their transportation needs. Surely this would be a way to enable participants in these clubs to enjoy low-cost air transportation services and thus expand the activities of our certificated industry.

Mr. President, while this bill generally seeks to broaden and encourage the development of this Nation's charter air policy, we also are concerned about scheduled airline fares which have risen more than 20 percent in the last year.

As recently as 10 days ago, the Civil Aeronautics Board in considering discount and promotional fares filed by United, Trans World, and American, suspended United's proposal on the dubious grounds that the tariff was intended to be offered in all markets which United serves. I am deeply disappointed by the Board and its consistent refusal to allow the carriers some leeway in experimenting with promotional and discount fares. In this time of serious recession and inflation and with airline travel slumping dramatically, innovative fare proposals are desperately needed to try and generate new traffic. I fail to understand why the Board continually injects itself into management-type decisions by quarreling over whether a fare may be available in all markets or just in markets 1,500 miles apart. Let us let airline management make such decisions at least until such time as it can be proven that such promotional fares are eroding the regular fare base and the airlines yield per passenger mile.

As most of my colleagues are aware, the board has literally taken the ax to most promotional fares which have long been offered by the airlines. In 1974, two of the most popular discounts were abolished by board order—the family fare and the youth fare. While I agree with the Board's philosophy that such discount traffic must not be considered when buying equipment and planning service schedules, discount fares serve a useful purpose both for the public and the carriers by filling seats which would otherwise be flown empty. And they meet the public need for lower cost scheduled service for those willing to abide by the restrictions which are necessarily placed on discount travel.

Because of my interest in promoting air travel in both scheduled and nonscheduled service, I have included a provision in this bill which will expressly permit the airlines to offer reduced rates to families, to youths, to the elderly, and to the handicapped. Last Congress the Senate passed S. 2651, my bill which would have allowed such discounts but, unfortunately, the House failed to consider it and the bill died.

Last, Mr. President, I would hope my colleagues would join with me in pushing for the enactment of the Low Cost Air Transportation Act of 1975. It is long overdue. Given the present status of our economy, the public needs this type of service if it is to have access to much-needed vacation travel. Too long has the low-cost system of air transportation been neglected by the Civil Aeronautics Board. It seems to me that they have been preoccupied with the well-being of air carriers and have not paid much attention to the promotion of air transport and the availability of services that the public needs and wants.

Hopefully, the administration, the Civil Aeronautics Board, will join with this Congress in supporting this much-needed legislation and to the extent that they can act independently of the legislation, will adopt rules and regulations that will foster that low-cost concept.

By Mr. MONDALE (for himself, Mr. RIBICOFF, Mr. HUMPHREY, Mr. PELL, Mr. WEICKER, and Mr. WILLIAMS):

S. 422. A bill to provide for the development and implementation of programs for youth camp safety. Referred to the Committee on Labor and Public Welfare.

CHILDREN AND YOUTH CAMP SAFETY ACT

Mr. MONDALE. Mr. President, each year over 7 million children go to camps across the Nation. Yet, it is generally agreed that only six States have comprehensive health and safety laws pertaining specifically to camps. In other States, camps are sometimes left to adapt to inapplicable hotel and restaurant regulations, and parents are left to wonder exactly what standards they can rely on to protect their children.

Each summer our children reap the harvest of this disorganization and confusion. According to our most recent figures, in 1973, 25 children died, 1,448 were injured, and 1,223 suffered serious illness. These figures are minimums, based on a voluntary and admittedly incomplete survey of camps. The figures represent a variety of human tragedies, including drownings, burns, and broken limbs. And we do not even know how much more is to be discovered because there is no adequate means to inspect camps and investigate accidents. Worse, when dangerous situations are uncovered, State officials usually lack enforcement power to change the conditions.

Clearly, this is not what parents have in mind when they send their children for a happy and healthy experience. Parents have a right to expect that their children are being cared for and supervised according to reasonable standards of health and safety. They have a right to know exactly what conditions they are sending their children into, and they have a right to know which camps provide the safest experience.

Last year my Subcommittee on Children and Youth held a hearing on this question of how to best protect children while they are attending camps. We received testimony from parents whose children had been injured or killed, and from most of the country's large camping organizations. We worked out a "Children and Youth Camp Safety Act" which was endorsed by the Girl Scouts and Boy Scouts, the American Camping Association, the Campfire Girls, the Young Men's Christian Association and the Young Women's Christian Association, and the National Council of Parent-Teacher Associations. This bill was reported by the Labor and Public Welfare Committee in October. Unfortunately, because of the press of business on the floor at the end of the session, it was not acted on by the full Senate.

I am reintroducing this bill today in the hope that it will receive early action by the Senate.

Mr. RIBICOFF. Mr. President, I am pleased to join with the distinguished chairman of the Senate Children and Youth Subcommittee (Mr. MONDALE) in introducing the Children and Youth Camp Safety Act of 1975.

The problem of camp safety first came to my attention in 1966 when one of my constituents, Mitch Kurman of Westport, Conn., came to my office. Mitch, who had recently lost his son in a tragic camping accident, had been investigating the Nation's camp safety laws and had discovered they simply did not exist.

Most parents who send their children off to summer camp assume that the camp is safe. Many, however, learn only after their child has been injured or killed that safety is not always the rule.

A recent study showed that 24 States have absolutely no regulations or laws governing camping. Only 40 States have training requirements for counselors who supervise aquatic activities.

Forty-six States have no regulation regarding the condition of camp vehicles or the qualifications of their drivers. An equal number of States have no regulations on the minimum age of counselors. Twenty-nine States fail to even require annual camp inspections.

The absence of State regulations has meant that private camping organizations have had to establish and police appropriate standards. The American Camping Association with over 3,400 member camps, the Scouting organizations, the Association of Private Camps and church oriented groups have all made a substantial contribution to better camping. These organizations are to be commended for taking the initiative where the Government has failed.

Too many camps across the Nation, however, do not belong to any of these organizations and do not follow their advice. Moreover, even if a camp does associate with one of the advisory organizations, adherence to its established standards is purely voluntary.

Since taking up the fight for camp safety I have received scores of letters from parents around the Nation describing accidents and injuries their children suffered at camp. Camp safety legislation would not have prevented all of these accidents, but I believe strong camp safety standards would have protected most of the children.

Although the Congress cannot legislate accidents away, we can, by developing proper standards for youth camps, eliminate the causes of many accidents such as poor and dangerous equipment, unqualified camp personnel and the lack of proper sanitary and medical facilities.

We can also help alert parents to the potential hazards of youth camps and help them find the camp that best fits their child's needs.

Seven years have passed since I first introduced my camp safety bill. Since then, untold numbers of children have been hurt and even killed. Each year the Congress delays in passing adequate legislation means more children will suffer.

Summer camp is designed to be a wholesome experience and it is for the vast majority of young boys and girls. But for those children who are injured and for their parents it can be a nightmare.

The Senate has already gone on record in support of camp safety. In August 1971 it passed, as an amendment to the Higher Education Act, the Ribicoff Youth Camp Safety Act. Unfortunately, because of House opposition, it was dropped for a much weaker provision in conference.

The Mondale-Ribicoff bill we introduce today is a product of hearings held by the Children and Youth Subcommittee held in the last Congress on separate bills introduced by Senator MONDALE and myself. This new bill is an excellent one and could go a long way toward protecting our young campers.

Briefly stated, the bill would require the Secretary of HEW to promulgate youth camp safety regulations in the areas of sanitation, public and personal health, water safety, vehicle condition and operation. To assist the Secretary in formulating these standards the bill creates an Advisory Council on Children and Youth Camp Safety. Unless the House or Senate disapprove, the standards will go into effect 1 year after promulgation. The States then will have three options—to accept the Federal standards—to submit their own standards to be accepted by HEW—to give HEW authority to enforce the Federal standards within the State. Should a State choose to enforce the standards, it can receive 80 percent matching money from HEW. Repeated violations of safety standards will be subject to cutoffs of Federal funds and financial penalties to camp operators.

I urge all my colleagues to quickly approve this important legislation and help assure all young campers of a safe and enjoyable summer.

Mr. WILLIAMS. Mr. President, I am pleased to join as a cosponsor of the Children and Youth Camp Safety Act. This bill is identical to S. 3639 which was reported to the Senate floor in the 93d Congress, but which was not acted on by the Senate.

Since 1967 numerous bills have been introduced in both the House and the Senate providing for a Federal role in developing and enforcing uniform children and youth camp safety standards. To date no legislation to achieve this goal has been enacted. The bill I join in introducing today is similar to a provision passed by the Senate as part of the Education Amendments of 1972. At that time similar legislation had been reported by the House committee, but was amended on the floor to provide that the Department of Health, Education, and Welfare conduct a study of children and youth camp safety. It was this decision which prevailed in conference on the 1972 Education Amendments. The study subsequently conducted was the basis of S. 3639 and this identical bill. I believe that the time has come for us to pass this legislation.

There are approximately 10,000 camps in the United States. Each year an estimated 10 million able-bodied children and youth attend these camps. Yet, only six States have laws and regulations that are judged adequate by the Department of Health, Education, and Welfare to cover all aspects of camp safety, coupled with requirements for annual inspection of these sites, 24 States have no laws whatsoever. This situation cannot be allowed to continue.

Mr. President, I am pleased to report that my own State of New Jersey is among the six which do have adequate standards. On January 9, 1974, the new Jersey Youth Camp Safety Act was signed into law. As Mr. Oscar Sussman, director of the New Jersey Consumer Health Services, stated in testimony before the Subcommittee on Children and Youth concerning this bill:

> It is a needed piece of legislation . . . the State of New Jersey is prepared to comply by existing state law with most of the terms of this legislation.

Mr. Sussman goes on to say that without comparability across States, those States which have implemented strong laws suffer, and the camps within those States are placed in a noncompetitive status because of the extra costs involved in assuring decent health and safety standards.

The Children and Youth Camp Safety Act provides the mechanism to develop minimum guidelines and standards which States can adopt or use to develop their own standards. This will, I believe, institute a process of education through which the States themselves could either institute new or improve existing programs. The bill provides that the Secretary of Health, Education, and Welfare establish an Advisory Council on Children and Youth Camp Safety to consult on policy matters. The Council shall have 17 members, including the Secretaries of HEW, Agriculture and Interior—or their representatives, five representatives of organized camping, two representatives of other groups with expertise in camp safety, five representatives of consumers of camping services, and two State officials. The Senate will have the power to advise and consent on the appointments. In addition, the Secretary can draw on existing expertise in the area of camp safety from a wide variety of sources, particularly from those States which already have adequate legislation, in order to develop the standards that States adopt or use as guidelines to develop their own programs.

An area which I feel deserves special attention, and in which Federal regulations could provide a model for States, is the need to improve the standards that would benefit this Nation's handicapped children and youth. There are an estimated 11 million such persons who have not been able to take full and equal advantage of a fully integrated camp experience. This bill directs the Secretary to address the needs of these young people and to develop standards, with the assistance of individuals expert in the area on the Advisory Council, which will assist in insuring that handicapped children can attend any camp.

Some may feel that because we lack adequate statistical data about the existing conditions in all of our camps we should not pass this legislation. Some will argue that the pending legislation was formulated without sufficient evidence that a major portion of our existing camp sites are unsafe, and thus we should not act out of ignorance. But, we are not acting out of ignorance. While our knowledge of present conditions is by no means complete, we do know that there have been injuries and deaths at our camps, and that there are no uniform standards which might prevent these tragedies. This is surely a minimally sufficient condition to justify the need for Federal regulation. While camps in States which lack specific regulations may be safe, we cannot and should not premise our actions upon the mere possibility that they are in fact safe. Rather the more responsible and prudent course is to insure that every camp which our children may attend meets certain specific minimum safety requirements no matter where that camp happens to be located.

It is out of concern for the children and youth of this Nation and their families that we must take action on this legislation. Testimony before the Subcommittee on Children and Youth and the report of Department of Health, Education, and Welfare document tragedies which need not have happened and could have been prevented with adequate safety precautions. Camps are not a luxury in our urban society; they are vital for the complete growth of our children as persons and citizens. Camps enrich the lives of our children by providing an educational and creative experience in cooperative group living.

Their purpose is to hlep our youth mature not only physically and mentally but assist in their social development as well. Because of this vital role that camps do play, it is important that families be able to send their children to camps without hint or threat of tragedy. We have a responsibility to ourselves to protect this Nation's most vital asset by assuring that every campsite in America is guided by minimum standards.

By Mr. MONDALE (for himself and Mr. HUMPHREY):

S. 423. A bill to declare that certain federally owned lands within the White Earth Reservation shall be held by the United States in trust for the Minnesota Chippewa Tribe, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. MONDALE. Mr. President, I am today reintroducing legislation which I first introduced on May 23, 1967. I am proud to say that this bill is cosponsored by my distinguished colleague from Minnesota, Senator HUMPHREY.

This bill, identical to S. 1830 of the 90th Congress, S. 1710 of the 91st Congress, S. 1217 of the 92d Congress, and S. 2913 of the 94th Congress, restores to the Minnesota Chippewa Tribe, White Earth Reservation, certain submarginal lands of the United States and makes such lands part of the reservation.

These properties consist of approximately 28,700 acres purchased by the Federal Government during the mid-1930's under title II of the National Industrial Recovery Act. The lands were so acquired in order to retire them from private ownership, to correct maladjustments in land use, and with the expectation that they would be made available for tribal use.

Mr. President, these lands were originally owned by the Minnesota Chippewa Tribe. Unfortunately, they were allotted under the Allotment Act and subsequently passed at a cost of $175,664. In 1963, when similar legislation was introduced in the Congress, their market value was placed at $474,000 by appropriate governmental agencies.

Similar legislation has already been enacted restoring property to the Seminoles of Florida and to the Pueblos and other tribes in New Mexico. During the 92d Congress, a bill identical to the one I am introducing today was passed by the Senate. I am, therefore, most hopeful that this legislation will again receive favorable consideration during the present Congress.

The Minnesota Chippewa Tribe urgently needs this land. This legislation will mean jobs, income, sustenance, and productive activity for many. I urge my colleagues to give it immediate attention.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 423

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to valid existing rights, all of the right, title, and interest of the United States in the lands, and the improvements thereon, that were acquired under title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of the Act of August 24, 1935 (49 Stat. 750, 781), and that are now administered by the Secretary of the Interior for the benefit of the Minnesota Chippewa Tribe, White Earth Reservation, are hereby declared to be held by the United States in trust for said tribe, and the lands shall be a part of the reservation heretofore established for the tribe.

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the beneficial interest conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

By Mr. WILLIAMS:

S. 425. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of United States companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protest the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

THE FOREIGN DEVELOPMENT ACT OF 1975

Mr. WILLIAMS. Mr. President, in the past few years we have witnessed the rapid development of foreign investment in the United States. The figures are nowhere near precise, but the growth is unmistakable. For example, in the decade from 1962 to 1973, all foreign direct investment in U.S. business—investment amounting to control—rose from $7.4 billion to $14.4 billion, an annual average growth rate of almost 7 percent. In 1973, direct foreign investment rose a record 24 percent—to a total $17.7 billion. Figures for 1974 are not yet available, but it is certain that record levels were reached.

There are several reasons for the sudden expansion of foreign investment in American business.

The first is the success of traditional American economic policy—namely, to admit foreign investors freely and to treat them no differently than domestic investors. Unlike almost all other industrial nations, it is our policy not to offer foreigners any special incentives, nor to impose on them any artificial disincentives. Aside from a few recognized exceptions, we have maintained an "open door" policy with respect to the inward flow of foreign funds.

The second reason for the growth of foreign investment stems from recent developments in international economic and monetary affairs. A series of currency reevaluations has made investment in the United States more attractive. We help to set these events in motion by the decision in 1971 to suspend the convertibility of the dollar into gold. Almost immediately, a series of changes in the parity of foreign currencies in relation to the dollar produced a drastic shift in the cash purchasing power of foreign firms.

Thus, between 1968 and 1973, the purchasing power of German firms with Deutsche mark earnings increased by 171 percent, while the purchasing power of Japanese firms with yen earnings increased by 116 percent. This currency reevaluation, combined with the sharp decline in the price-earnings ratios at which publicly traded securities of U.S. business were selling, help to explain the new interest of foreign investors in the United States.

However, the October 1973 oil embargo and the ensuing energy crisis are the most significant reasons for the recent growth of foreign investment. As a result of a fivefold increase in world oil prices, the cash reserves of the Organization of Oil Petroleum Exporting Countries—OPEC—are multiplying at rates which almost defy computation. Last year alone, for example, Arab oil producers received some $112 billion. By the best estimates, this is some $60 billion more than they can rechannel into their own economies. Assuming no further escalation of oil prices, a petrodollar surplus of $70 billion is estimated for this year. And the World Bank has estimated that by 1980, OPEC nations will have accumulated reserves of $650 billion; by 1985, that figure will be $1.2 trillion—or about the value of all the goods and services produced in the United States last year.

Mr. President, never before in modern history have such financial resources been amassed with such speed. Indeed, the speed has been such that an already fragile international financial system has been seriously jarred and the economies of several of the inflation plagued oil-importing countries undermined.

The oil-producing nations are scanning the globe looking for safe investment harbors for surplus petrodollars. I would like to trace some of the investments they have made.

Perhaps the most striking transaction occurred last July when Iran acquired a 25-percent interest in Krupp, the huge West German steel, munitions and weapons producer. This acquisition followed earlier purchases by Iran of two other large West German steel mills.

Kuwait, perhaps the most sophisticated investor in the Middle East has also bought heavily into European industry. Kuwait's most controversial investment was its $300 million dollar purchase of 14 percent of the German auto maker, Daimler Benz. This acquisition was negotiated and consummated in secrecy and caught the German financial community and government by complete surprise. Embarrassed by its inability to determine the identity of the purchaser until Chancellor Schmidt ordered the intermediary bank to disclose its principal, the Bonn government is now contemplating new regulations to require notice of major stock purchases by foreigners. To follow this up, it was recently announced that one of Germany's largest private banks has acquired a controlling interest in Daimler Benz for the express purpose of keeping majority ownership within the country. Significantly, this action occurred after consultation with and encouragement by the Bonn government.

There have also been substantial investments in Great Britain. Abu Dhabi, who has only about 85,000 citizens on whom to spend its petro-fortunes, is investing heavily in real estate. It paid $86 million in cash—or about a week's worth of its oil revenues—for a 44-percent interest in the Commercial Union Assurance Co. of London. Not to be outdone, Kuwait then bid $246 million—again in cash—for all the shares of St. Martins Property Corp., a real estate company with holdings in London, Paris, and Brussels.

And in Latin America, the economic influence of the oil producers has been steadily increasing as countries like Peru turn to the Arabs for capital for essential industries.

In the United States, as I said at the outset, the growth of foreign investment has been dramatic. I have compiled a table of the major foreign investments in U.S. corporations in 1974, and I ask unanimous consent that it be included in full in the Record at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

A Partial Listing of Foreign Investments in the United States in 1974

Acquiror, acquisition, and percent of ownership

Bayer A. G. (Germany), Cutter Laboratories, Inc., 90%.

Lloyds Bank of London (England), First Western Bank and Trust, 100%.

Mitsui and Co. (Japan), Aluminum division of American Metal Climax, 50%.

Siemens A. G. (Germany), Dickson Electronics Corp. Merger.

Trust Houses Forte Ltd. (England), Travel-Lodge International Inc., 72%.

VMF (Holland), Bowen Engineering, 100%.

ABM (Boehringer Mannheim) (Germany), Bio Dynamics, 100%.

Bowater Corp. Ltd. (England), Mercantile Industries Inc., 71%.

Ciba Geigy (Switzerland), Air-Wick Industries Inc., 91%.

MacMillan Bloedel Ltd. (Canada), Energex Ltd., 66%.

Renold Ltd. (England), Atlas Chain and Precision Products, 100%.

Scottish and Newcastle Vintners Ltd. (Scotland), Simi Winery, 100%.

Mr. WILLIAMS. The list is not complete or up to date because of the lack of current and accurate information—a problem that I hope will be remedied. But the chart does serve to illustrate that rising foreign investment in U.S. industry is a very definite reality.

In this country there have been numerous actual or proposed foreign takeovers. Some, such as the purchase of 30 percent of the shares of Texasgulf, Inc., by the Canadian Development Corp. for $240 million; the takeover of Gimbel Brothers by the British American Tobacco Corp. for $195 million; and the tender offer by Liquifin A.G. for 50 percent of Ronson Corp.—a New Jersey corporation—were contested by management in the courts and in the newspapers. In these resisted takeovers, foreign interests failed to achieve working control.

Without surveying in full the penetration of U.S. industry by foreign investors, two recent transactions—or proposed transactions—demonstrate the potential impact of petro-dollar investments on our national welfare and independence.

Last August, Iran offered a loan to financially troubled Grumman Corp.—the maker of the F-14 fighter plane. This offer followed closely a rejection by the Congress of a proposed $100 million loan by the U.S. Navy to that company. Iran's plan was vetoed by the Defense Department, but the deal was restructured and in October the state-owned Bank Melli Iran and 9 American banks lent $200 million to Grumman—with Iran contributing $75 million of the total.

And just last month, Arab investors attempted—but failed—to buy a controlling share of Lockheed Aircraft—a major U.S. defense contractor. Fortunately, this bid failed because of the Department of Defense's industrial security program. While there is considerable debate over the effectiveness of the Defense Department's procedures for screening foreign investments in American defense contractors, at least in this case it was successful and prevented the consummation of the transaction.

Past use of Middle East dollar holdings may only be a harbinger of things to come. The London Economist has made some sobering calculations about Arab economic power. It is estimated, for example, that OPEC could use their surplus oil revenues to buy all companies on the world's major stock exchanges in 15.6 years—at present quotations—all companies listed on the New York Stock Exchange in 9.2 years; all IBM stock in 143 days; all Exxon stock in 79 days; and the Rockefeller family's wealth in only 6 days. These are chilling calculations, the implications of which must be evaluated with the utmost seriousness.

Mr. President, I believe it is time to assess whether our "open-door" economic policy should be modified in light of recent and reasonably forseeable events. Many others appear to have reached the same conclusion.

For example, Federal Reserve Board Chairman Arthur F. Burns stated recently that, while it would be all right for oil producers to invest in companies like Quaker Oats, foreign investment "in some of our strategic enterprises and industries would concern me." He then called for immediate hearings on legislation that would limit direct investment by members of OPEC in major U.S. corporations.

Numerous bills were introduced in the last session of Congress concerning the multifaceted implications of increased foreign investment in the United States. Undoubtedly, many of these bills will be reintroduced in this session. The only legislation in this area enacted last session, however, was the foreign Investment Study Act of 1974—which authorized a major study of foreign direct and portfolio investment in the United States.

Another example of the attention which foreign investment is receiving is the factfinding investigation conducted by the SEC, in part at my urging, into the adequacy of the regulation of foreign tender offers for U.S. corporations. At the heart of the SEC's inquiry are difficulties with the administration of the disclosure and investor protection amendments to the Federal securities laws which I sponsored in 1968 and 1970 when takeovers are by foreigners.

In reexamining our policy toward foreign investors, it is important to keep in mind that the benefits of foreign investment have in some cases far outweighed the disadvantages. Increased competition, technological transfers, increased domestic production, and full employment are all objectives to which foreign investment has contributed. Faced with a capital shortage as serious as the energy shortage, this Nation will need an enormous amount of capital to revive our sluggish economy and put more of our unemployed to work. Undoubtedly, the United States must continue to leave the welcome mat out for foreign investors, for their capital may be essential for American business.

However, we must recognize the fundamental responsibility to assure our national security and safeguard American economic and political independence. Viewed in this light, the need for immediate action to establish a flexible yet effective mechanism to monitor foreign investment is compelling. The United States has no established monitoring program. I believe this is foolhardy in light of the dramatic concentration of petro-dollars in the Middle East and the extremely depressed condition of the stock market.

Changes are occurring around the world in attitudes toward and treatment of foreign investment.

Most notably, the developed countries of Europe and North America—traditionally free of restraints on foreign investment—have begun adopting rules to control access and activity by foreign investors. Canada, for example, has adopted an elaborate process for reviewing all incoming foreign investment, to prevent foreign takeovers of Canadian corporations and to assure that control of Canadian economic affairs rests securely in Canadian hands. Before the Government approves an investment, it must be demonstrated that the purchase will result in "significant benefit" to Canada.

I have already referred to the West German experience. Traditionally, that country has placed few controls on foreign investment which are not applicable to domestic investment. However, in the aftermath of the Daimler-Benz situation it is probable that there will be a tightening of regulation of capital investment. Quite understandably, the German Government is reported to be considering legislation to make reporting by foreign investors mandatory.

Similarly, Great Britain has historically pursued a policy of treating foreign investors equally with domestic investors. Nevertheless, Great Britain has now imposed prior notification requirements on foreign investors and the Exchange Control Office of the Bank of England is required to affirmatively review and approve any acquisition of more than 10 percent of the shares of an existing company. There is a similar regulatory pattern in France, except that formal approval is required for anything more than 20 percent of the equity of local companies. The Netherlands, Japan, Switzerland, Australia, and Mexico also have comprehensive legislation governing foreign investments.

Mr. President, foreign investment in the United States has been beneficial to the U.S. economy in the past as it will be in the future. But we must ask ourselves whether permitting foreign investment without any Government oversight is consistent with our national interest. In my opinion, the absence of a watchman at our "open door" exposes us to dangers we have no reason to accept. This is particularly true in light of the unpredictable political and economic implications of Arab oil diplomacy.

Current restrictions on foreign investment exist only for specific sectors of the economy such as coastwise and fresh water shipping, domestic communications, atomic energy, domestic air transport, banking and insurance. In defense industries contracts involving access to or development of classified information require security clearance and have been used, as in the Lockheed case, to screen foreign investments.

Superimposed on this patchwork scheme are numerous laws whch can be used to take corrective action after the fact, so to speak. The Export Administration Act of 1969, for example, authorizes the President to prohibit or curtail exports for reasons of national security and domestic shortages or to further U.S. foreign policy. And the Trading with the Enemy Act authorizes the President to control foreign interests in this country during the time of war or national emergency.

The President also has the power to regulate the transfer of capital across national boundaries. For example, in times of dollar weakness or unfavorable balance of payments, the remittance of profits, dividends and interest and the repatriation of capital can be required. Similarly, the Federal Reserve Board possesses authority to limit credit provided to aliens by U.S. banks, although the Board recently withdrew guidelines in this area.

In summary, the various existing provisions with respect to the control of foreign investment amount to little more than a hodge-podge of post hoc control. There is no coordination of powers, nor are there effective techniques to assure that the Government receives notice of a completed foreign acquisition, much less notice of a proposed acquisition.

Mr. President, I am today introducing a bill to rationalize and coordinate this country's approach to foreign investors. The bill would do three things: First, by requiring the disclosure of the beneficial ownership of all publicly traded corporations, it would assure effective monitoring of all foreign investment in American business. Second, by amending the tender offer provisions of the Federal securities laws—the so-called Williams Act—the bill would require that the SEC and the President be notified before any foreign investor—whether an individual, a corporation, or a foreign government—could acquire 5 percent or more of a U.S. company. And third, the bill would establish a straightforward and usable procedure by which the President, as he deems appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, may prohibit any acquisition of such a 5-percent interest in a U.S. company by a foreign investor.

More specifically, the bill would amend the Securities Exchange Act of 1934 to require that the statements which beneficial owners of more than 5 percent of a corporation's securities now file with the SEC—so-called 13(d) statements—must include information with respect to the owner's residence and nationality. Also, these statements would be required to include information as to the identity, residence, and nationality of any person—other than the beneficial owner—who possesses sole or shared voting authority over the securities. These provisions would facilitate the identification of major foreign investors.

The basic disclosure provisions of the Federal securities laws would be extended to require foreign investors to file a 13(d) statement with the SEC 30 days in advance of any transaction which would result in the foreign investor owning more than 5 percent of the class of any equity security of a U.S. company. A U.S. company would include any domestic corporation with more than $1,000,000 of assets. The foreign investor's 13(d) statement would be confidential.

Promptly upon receipt of a 13(d) statement from a foreign investor, the SEC would transmit the statement to the President. During the 30-day waiting period, the President could conduct whatever review he considered necessary. If the impact of the investment was sufficiently adverse to the domestic economy, foreign policy, or national security, the President could prohibit the consummation of the transaction. This exercise of Presidential authority would be subject to judicial review.

The bill would authorize the SEC, the Attorney General, and U.S. corporation in which a foreign investor has acquired an interest, or any shareholder of such a corporation to sue in Federal court to unwind any acquisition made in violation of the 30-day prenotification requirement of the bill. The court would have the authority to grant temporary or permanent orders to prevent violation of or to enforce compliance with this requirement, including the specific powers to freeze voting rights of shares unlawfully acquired and to compel their disposition. In the event of disobedience of any judicial order, the court could vest ownership of the securities in a trustee who could then sell them. In addition, failure to file a 13(d) statement could result in a penalty of $1,000 a day.

Finally, the bill would require issuers of registered securities to maintain and file with the Commission a list of the names and nationalities of the beneficial owners of their equity securities. This provision of the bill is directed at the difficulties which government agencies, corporate management, and investors have all encountered in identifying not only foreign investors in American business but all beneficial owners.

Mr. President, foreign investment in our economy could have telling significance in the pursuit of American interests, nationally and internationally. The disclosure concept of the Securities Exchange Act of 1934 lends itself easily and effectively to improving the information flow about such investment, and the clarification and simplification of the President's powers to prohibit such investments assures the protection of the national economy. I believe this bill will provide necessary protections without creating burdensome impediments to the inward flow of foreign capital. Indeed, this bill assumes that our national policy should continue to favor maximum freedom of access to our capital markets.

Mr. President, there is an urgent and manifest need for this legislation. The world is today at a precarious, if not perilous, point. Difficult and complex negotiations are underway to resolve global economic and political problems which threaten to endanger world order and peace. The United States must be in a position of financial independence if we are to play an instrumental role in arriving at permanent and peaceful solutions. This bill will aid us in achieving that result.

Mr. President, I now ask unanimous consent that the full text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 425

A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of United States companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Investment Act of 1975".

Sec. 2. Subsection (a) of section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended as follows:

(a) Paragraph (9) thereof is amended to read as follows:

"(9) The term 'person' means a natural person, company, government, or political subdivision, agency, or instrumentality of a government.".

(b) Paragraph (19) thereof is amended to read as follows:

"(19) The terms 'investment company', 'affiliated person', 'insurance company', 'separate account', and 'company' have the same meanings as in the Investment Company Act of 1940.".

(c) The subsection is further amended by adding at the end thereof the following new paragraphs:

"(22) The term 'United States company' means any corporation, limited partnership, or business trust organized in one of the United States, the Canal Zone, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, or any other possession of the United States (hereinafter in this title collectively referred to as the 'United States') or any other company with its principal place of business in the United States.

"(23) The term 'foreign investor' means—

"(1) a natural person resident outside the United States;

"(2) a company other than a United States company;

"(3) a government of a country other than the United States or a subdivision, agency, or instrumentality of such a government (hereinafter in this title collectively referred to as a 'foreign government');

"(4) a United States company controlled by a person described in paragraph (1), (2), or (3) of this subsection; or

"(5) two or more persons acting in concert for the purpose of acquiring, holding, voting, or disposing of securities, at least one of whom is a person described in paragraph (1), (2), (3), or (4) of this subsection.".

Sec. 3. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended as follows:

(a) Paragraph (1) of subsection (d) thereof is amended to read as follows:

"(d)(1) Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is registered pursuant to section 12 of this title, or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of this title, or any equity security issued by a closed-end investment company registered under the Investment Company Act of 1940, is directly or indirectly the beneficial owner of more than 5 per centum of such class shall, within ten days after such acquisition, send to the issuer of the security at its principal executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Commission, a statement containing such of the following information, and such additional information, as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors—

"(A) the background, identity, residence, and nationality of such person and all other persons by whom or on whose behalf the purchases have been or are to be effected;

"(B) financial statements (which must be so certified if required by the Commission) of such person;

"(C) the source and amount of the funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading such security, a description of the transaction and the names of the parties thereto, except that where a source of funds is a loan made in the ordinary course of business by a bank, as defined in section 3(a)(6) of this title, if the person filing such statement so requests, the name of the bank shall not be made available to the public;

"(D) if the purpose of the purchases or prospective purchases is to acquire control of the business of the issuer of the securities, any plans or proposals which such persons may have to liquidate such issuer, to sell its assets to or merge it with any other persons, or to make any other major change in its business or corporate structure;

"(E) the number of shares of such security which are beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly, by (i) such person, and (ii) by each associate of such person, giving the background, identity, residence, and nationality of each such associate;

"(F) the number of shares of such security with respect to which any person (other than the beneficial owner) possesses sole or shared authority to exercise the voting rights evidenced by such securities and the background, identity, residence, and nationality of any such person; and

"(G) information as to any contracts, arrangements, or understandings with any person with respect to any securities of the issuer, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or guaranties of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom such contracts, arrangements, or understandings have been entered into, and giving the details thereof.".

(b) The section is further amended by adding at the end thereof the following new subsection:

"(f)(1)(A) It shall be unlawful for any foreign investor, directly or indirectly, to acquire the beneficial ownership of any equity security of a United States company which had total assets exceeding $1,000,000 on the last day of its most recent whole fiscal year, if after such acquisition such foreign investor would, directly or indirectly, be the beneficial owner of more than five percent of the class thereof, unless at least thirty days prior to such acquisition such foreign investor has filed with the Commission a statement containing the name of the United States company, the address of its principal executive officers, and such of the information specified in subsection (d) of this section and such additional information as the Commission, by rule, may specify as necessary or appropriate in the public interest or for the protection of Investors. Securities held by or for the account of the United States company (or a subsidiary that may not vote the securities) shall be disregarded in determining the percentage of beneficial ownership.

"(B) Promptly after the filing of a statement pursuant to this paragraph, the Commission shall transmit a copy of the statement to the President. Notwithstanding the provisions of section 24 of this title or any other provision of law, such statement shall not be disclosed to the public.

"(C) In exercising its authority under this paragraph, the Commission shall consult and cooperate with the President to assure that its actions are in accordance with the President's powers and responsibilities with respect to the activities of foreign investors in the United States.

"(2) At any time within thirty days of the date of the filing of a statement pursuant to paragraph (1) of this subsection, the President is authorized, by order, as he deems appropriate for the national security of the United States, to further the foreign policy of the United States, or to protect the domestic economy of the United States, to prohibit the acquisition to which the statement relates. The President, by rule or regulation, shall prescribe the procedure applicable to any exercise of the authority vested in him by the proceeding sentence. Such rules or regulations shall, as a minimum, provide that prompt notice shall be given of any exercise of such authority and that such notice shall be accompanied by written reasons. The functions exercised by the President under this subsection are excluded from the operation of subchapter II of chapter 5 of title 5, United States Code."

Sec. 4. Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end thereof the following new subsection:

"(g)(1)(A) Every holder of record of any security of a class described in section 13(d)(1) of this title holding such security for the account of another person shall file reports with the issuer of such securities in such form, at such times, and containing such information with respect to the identity, residence, and nationality of the beneficial owner of such securities and any person (other than the beneficial owner) possessing sole or shared authority to exercise the voting rights evidenced by such securities, as the Commission, by rule, may prescribe.

"(B) Every person for whom a second person is holding any security of a class described in section 13(d)(1) of this title who, in turn, is holding such securities for the account of a third person, shall file reports with such second person in such form, at such times, and containing such information with respect to the identity, residence, and nationality of the beneficial owner of such securities and any person (other than the beneficial owner) possessing sole or shared authority to exercise the voting rights evidenced by such securities, as the Commission, by rule, may prescribe.

"(2) Every issuer of a security of a class described in section 13(d)(1) of this title shall maintain in such form as the Commission, by rule, may prescribe a reasonably current list of the identity, residence, and nationality of the beneficial owners of the securities of each such class and the persons (other than the beneficial owners) possessing sole or shared authority to exercise the voting rights evidenced by such securities. Every such issuer shall file such list, or any specified part thereof, with the Commission at such times as the Commission, by rule, may prescribe, but in no event shall such list or specified part thereof be filed less frequently than annually or more frequently than quarterly.

"(3) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest or for the protection of investors.".

Sec. 5. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended by adding at the end thereof the following new subsections:

"(g) (1) The Commission, the Attorney General, a United States company in which a foreign investor has acquired or proposes to acquire any equity security, or a holder of record of any equity security of such a United States company, may bring an action in a district court of the United States (or a court of general jurisdiction, however designated, in any place, other than a State, under the jurisdiction of the United States) to enjoin such foreign investor from violating, or to enforce compliance by such foreign investor with, the provisions of section 13(f) of this title and the rules and regulations thereunder. On a showing that the foreign investor has engaged, is engaged, or is about to engage in acts or practices constituting such a violation the court shall grant appropriate relief in the form of temporary or permanent restraining orders and injunctions and orders enforcing compliance. Without limiting the generality of the foregoing, the court, on such terms and subject to such conditions as it considers proper, may order (A) the revocation or suspension, or any period specified in the order, of the voting rights evidenced by securities of the United States company acquired by the foreign investor in violation of such provisions, and (B) the sale of any securities so acquired.

"(2) If any foreign investor against whom an order or injunction entered pursuant to paragraph (1) of this subsection fails, within such reasonable time as is fixed by the court, to comply with the order or injunction, the court may, by order, vest any securities acquired by such foreign investor in violation of the provisions of section 13(f) of this title in a trustee named by it who may thereupon, notwithstanding any other provision of law, do all such things and execute all such documents as are necessary to give effect to the order or injunction of the court, and any proceeds of any sale of such securities received by him shall first be applied to payment of his fees and expenses in acting as trustee and thereafter any balance remaining shall be paid by him to such person as would, but for the order vesting such securities in him, have been entitled to receive the same.

(h) For purposes of subsection (e), (f), and (g) of this section, it is unlawful for any person to cause, command, induce, procure, or give substantial assistance to the commission of an act or practice constituting a violation of any provision of this title or the rules or regulations thereunder.".

Sec. 6. Section 32 of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(b)) is amended by inserting immediately following the first sentence thereof the following new sentence: "Any foreign investor which fails to file a statement required to be filed under subsection (f) of section 13 of this title or any rule or regulation thereunder, shall forfeit to the United States the sum of $1,000 for each and every day such failure to file shall continue.".

By Mr. HOLLINGS (for himself, Mr. Magnuson, Mr. Kennedy, Mr. Tunney, Mr. Mathias, Mr. Humphrey, Mr. Chiles, Mr. Williams, Mr. Case, Mr. Biden, Mr. Ribicoff, Mr. McIntyre, Mr. Brooke, Mr. Cranston, and Mr. Pell):

S. 426. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1975

Mr. HOLLINGS. Mr. President, during the last few years our Nation has learned that energy, and particularly oil and natural gas, affect virtually every aspect of our lives. It seems amazing, in retrospect, that in all the years of rapid growth in oil consumption and imports, we never really saw the handwriting on the wall. We believed that policy decisions about energy could be given a piecemeal approach, with some of the most important issues not even addressed, except perhaps in the corporate board rooms of the big oil companies. If we know better now, it is because we learned our lesson the hard way, through shortages, price increases, and an embargo.

The major task before us now is finding our way out of a bad situation, and charting a better course for the years ahead. The first step is to find out where we stand with respect to our energy resources, particularly oil and gas. We know that domestic oil and gas production have declined in recent years, and we know that the most promising areas for future production are on the Nation's Outer Continental Shelf. We cannot afford to wait any longer to find out the extent of the OCS resources and determine the best rate of future extraction. At the same time, we certainly cannot afford to give away our OCS lands to the multinational oil companies, whose vested interests may or may not coincide with the U.S. national interest. We must guarantee a fair return to the American people. We must also take into account our short-term and long-term needs, our country's economic and foreign policy positions, and the need to protect our marine and coastal environment.

The bill I am introducing today will do three important things: It will enable us to measure promptly the extent of the publicly owned oil and gas resources on the OCS, it will put the important decisions about production of those resources in the public sector where they belong, and it will allow the coastal States to plan for offshore oil before these decisions are made.

The citizens of our coastal States—including those in the Gulf of Mexico—realize that offshore oil development brings with it an array of onshore impacts requiring careful planning and investments of State money. The facilities needed to support OCS development include pipeline landfalls, platform construction sites, harbor supply bases, refineries, and petrochemical plants, to name a few. The people who work at these facilities require public facilities and services. The Coastal Zone Management program recognizes the rapid growth pressures that these developments can bring to the States. The States appear to be making rapid and effective progress toward developing coastal plans. We can help them by not dictating oil and gas development to them before they finish the job.

My bill authorizes and directs the Secretary of the Interior to initiate a major program of offshore oil exploration—including deep drilling—in frontier areas of the Outer Continental Shelf. It calls for a moratorium on conventional leasing on tracts where the Federal exploration program is underway. The Federal Government can conduct this program by using the same drilling and exploration firms that are usually hired by oil companies. The taxpayers of the United States—rather than the oil companies—would be the clients for these drilling companies, and the information received would pass directly into the public domain. Leasing to private companies would await the availability of much-needed data on the size and location of oil and gas in new areas. With better information, we can be sure that bids for production rights on federally explored tracts are truly representative of the value of the resources. The increased bonuses should offset the public expenditures for exploration.

During the exploration period, the coastal States will have time to complete the coastal zone management plans they are currently developing with funds authorized by the Coastal Zone Management Act of 1972. With those plans approved by the Secretary of Commerce and ready for implementation, the States will be in a much better position to cope with the inevitable onshore impacts of offshore oil production. The key decisions will not have been made beforehand without this important State contribution.

I know that the administration shares the views of my cosponsors and me about the importance of going into the frontier areas of the OCS and finding out the extent and location of the resources. But I firmly believe our approach to be sounder than a hasty plan to lease massive acreage to the oil companies and then leave the exploration scheduling, the decisionmaking and the information handling up to them.

One result of a sudden increase in acreage offered for conventional leasing this year would be a sharp reduction in competition and in the size of bonuses paid. We know this from our leasing experience in 1974, and if we extrapolate 1974 figures using the administration's lease plan for 1975–78, we can predict woefully inadequate return to the Treasury. In December 1973, when we leased tracts in the Mississippi-Alabama-Florida region of the Gulf of Mexico, 21.8 percent of the tracts were leased to sole bidders. In October 1974, another Gulf of Mexico sale that was part of 1974's greatly expanded offerings resulted in over 33 percent of the tracts going to sole bidders. Furthermore, the average price per acre dropped substantially in 1974 as the number of acres offered increased. These facts do not bode well for competition and fair return to the Treasury under the administration's plan.

It would not be wise to auction off a much-loved irreplaceable antique without first getting an objective appraisal of its value. Our oil and gas resources, like the antique, are valuable and irreplaceable. We cannot continue to auction them off at prices based on the buyers' own appraisals, which are not even shared with the people and their Government, the rightful owners of these resources. Our bill would require full public disclosure of all data acquired through exploration on Outer Continental Shelf lands.

The most important decisions in the chain of events leading to offshore oil production are those decisions made after discoveries are made and reserves are proven. Those decisions include answers to the following questions:

First. Should the new oil or gas field be developed immediately?

Second. How much energy will the field contribute to domestic supply—and to the reduction of imports—and where will this supply become available for consumption?

Third. How will the oil be delivered to shore, and where will its landing point be?

Fourth. Where will the oil be refined or the gas be processed for distribution?

Fifth. What alternatives need to be examined in each of these questions, and what are the environmental/economic/energy consequences of each?

Sixth. What will be the cost of developing the field, and what will be the economic benefits and price impacts?

Seventh. What will be the total impact of field development on the nearby coastal States?

In the past, many of these questions have been answered solely by the oil companies, with virtually no public involvement. The decisions to develop, to process at a certain place, to bring pipelines ashore have been made by the operating companies on the basis of achieving a maximum return on the company's investment and a maximum profit. Several of the questions—such as the examination of alternatives, the impact on coastal States, the total costs and benefits to the Nation—have not even been asked, let alone answered. These issues are now recognized, however, as legitimate concerns for makers of public policy.

By keeping OCS resources in Federal hands throughout the exploration process, the Government would gain the right and the opportunity to make these public policy decisions for itself and to address the previously neglected issues.

For the immediate future, it is clear that we will need to expand our production of offshore oil and gas about as rapidly as we can. But over the longer term, we do not know what rate of development and production will be in the Nation's best interest. There are wide variations in estimates of our remaining oil and gas reserves. If we accept the conservative estimates of Mobil Oil Corp., or even the recently lowered estimates of the U.S. Geological Survey, we must recognize the need to lower our growth rate in oil consumption. Otherwise, massive exploitation of our resources now will only result in rapid depletion after 1985 and greater dependence on imports later. The administration's crash leasing program is an embodiment of the old "Drain America First" policy.

The fact is, we cannot make good plans for stretching out the life of our resources until we can stop talking guesses and start talking facts about the extent of OCS oil and gas in the Atlantic and the Gulf of Alaska. We need to retain the right and the opportunity to make public policy through public decisions after we have the facts.

Mr. President, the ideas embodied in my bill appear to meet the major needs of our country in this important area. They are new ideas, and they will require careful examination by the Congress. Senator Jackson has joined Senator Magnuson in requesting the Office of Technology Assessment to study the feasibility and the implications of a Federal exploration program and the other concepts embodied in my bill. They appear to be ideas whose time has come, judging from their broad support among the Governors of the coastal States and the enthusiasm of the Senators who are joining me in introducing this legislation. My cosponsors and I look forward to cooperating fully with our colleagues on the Committee on Interior and Insular Affairs as they undertake the task of modernizing our policies relating to OCS oil and gas development.

Mr. President, I ask unanimous consent that the text of the bill, together with a statement prepared by Senator Mathias in connection with this measure, be printed at this point in the Record.

There being no opposition, the bill and statement were ordered to be printed in the Record, as follows:

S. 426

A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Outer Continental Shelf Lands Act Amendments of 1975".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.

TITLE I—PURPOSES, DEFINITIONS AND NATIONAL POLICY FOR MANAGING THE RESOURCES OF THE OUTER CONTINENTAL SHELF

Sec. 101. Purposes.
Sec. 102. Definitions.

TITLE II—AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT

Sec. 201. Policy.
Sec. 202. Revision of bidding and lease administration.
Sec. 203. Disposition of Federal royalty oil.
Sec. 204. Annual report.
Sec. 205. Ensuring orderly development of oil and gas leases.
Sec. 206. Geological and Geophysical exploration.
Sec. 207. Enforcement.
Sec. 208. Laws applicable to the Outer Continental Shelf.
Sec. 209. New sections of Outer Continental Shelf Lands Act.
Sec. 18—Outer Continental Shelf leasing program.
Sec. 19—Federal Outer Continental Shelf oil and gas exploration program.
Sec. 20—Outer Continental Shelf leasing and development plan.
Sec. 21—Environmental impact assessment and monitoring.
Sec. 22—Safety regulations of oil and gas operations.
Sec. 23—Inspections and enforcement of safety regulations.
Sec. 24—Remedies and penalties.
Sec. 25—Citizen suits.
Sec. 26—Liability for oil spills.
Sec. 27—Research and development.
Sec. 28—Determination of boundaries.
Sec. 29—Moratorium on leasing in frontier areas.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Pipeline safety and operation.
Sec. 302. Review of shut-in or flaring wells.
Sec. 303. Bidding system study.
Sec. 304. National Strategic Energy Reserve study.
Sec. 305. Relationship to existing law.

TITLE I—PURPOSES, DEFINITIONS AND NATIONAL POLICY FOR MANAGING THE RESOURCES OF THE OUTER CONTINENTAL SHELF

PURPOSES

Sec. 101. The purposes of this Act are to—

(1) establish policies and procedures for managing the oil and natural gas resources of the Outer Continental Shelf in order to achieve national economic goals and assure national security, reduce dependence on foreign sources, and maintain a favorable balance of payments in world trade;

(2) preserve, protect and develop oil and natural gas resources in the Outer Continental Shelf consistent with the need to balance orderly resource development with protection of the marine and coastal environment, in a manner consistent with the Mining and Mineral Policy Act of 1970 and designed to insure the public a fair and equitable return on the public investment in the resources of the Outer Continental Shelf;

(3) encourage development of new and improved technology for energy resource production that will increase human safety and eliminate or reduce risk of damage to the environment;

(4) assure that coastal states which are directly impacted by exploration and development of oil and natural gas adjacent to their coastal zone are provided an opportunity to participate in policy and planning decisions relating to management of the resources in the Outer Continental Shelf.

DEFINITIONS

Sec. 102. For the purposes of this Act—

(1) "Coastal zone" means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal States, and includes transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends seaward to the outer limit of the United States territorial sea. The zone extends from the shorelines inward to boundaries of the coastal zone as identified by the coastal States pursuant to the regulations promulgated under the authority of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454(b)(1)). Excluded from the coastal zone are lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government, its officers or agents.

(2) "Coastal State" means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound. For the purpose of this Act, the term also includes Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(3) "Adjacent Coastal States" means a coastal State of the United States which (A) would be directly connected by pipeline to drilling a platform, subsea production unit, transfer facility or other similar facilities; (B) would receive crude oil for refining or transhipment which was extracted from the Outer Continental Shelf and transported by means of surface vessels; or (C) is designated by the Administrator of the National

Oceanic and Atmospheric Administration pursuant to subsection 21(f) of this Act as a State which there is a substantial probability of significant impact on the coastal zone, marine environment or coastal environment which would result from the development and production of oil and gas anywhere in the Outer Continental Shelf.

(4) "Marine environment" means the physical, atmospheric, and biological components, conditions and factors which in combination and interactively determine the productivity, state, condition and quality of the marine ecosystem including the waters of the high seas, contiguous zone, transitional and intertidal areas, salt marshes, and wetlands within the coastal zone and in the Outer Continental Shelf of the United States.

(5) "Coastal environment" means the physical, atmospheric, biological, social and economic components, conditions and factors which in combination and interactively determine the productivity, state and quality of the human environment and the terrestrial ecosystem from the shoreline inward to the boundaries of the coastal zone as identified by the States pursuant to the regulations promulgated under the authority of the Coastal Zone Management Act of 1972 (86 Stat. 1280, 16 U.S.C. 1454(b) (1)).

(6) "Governor" means the Governor of a State or the person designated by State law to exercise the powers granted to the Governor pursuant to this Act.

TITLE II—AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT

POLICY

Sec. 201. Section 3 of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) is amended by adding the following new subsections (c) and (d):

"(c) It is hereby declared that the Outer Continental Shelf is a vital national resource held by the Federal Government in trust for all the people, which should be made available for orderly development subject to environmental safeguards, consistent with and when necessary to meet national needs as determined pursuant to section 18 of this Act.

"(d) It is hereby recognized that development of the oil and gas resources of the Outer Continental Shelf will have significant impacts on the coastal zones of the coastal States and adjacent coastal States and that in recognition of the national interest in the effective management of the coastal zone—

"(1) such States may require assistance in protecting their coastal zones insofar as possible from the adverse effects of such impacts and;

"(2) such States are entitled to participate in the decisions made by the Federal Government to explore, develop and produce oil and gas in the Outer Continental Shelf to the extent consistent with the national interest."

REVISION OF BIDDING AND LEASE ADMINISTRATION

Sec. 22. (a) Subsection (a) of section 8 of the Outer Continental Shelf Lands Act (47 Stat. 462, 43 U.S.C. 1331 et seq.) is amended by deleting the last sentence of the subsection and inserting:

"The bidding shall be (1) by sealed bids, and (2) at the discretion of the Secretary, on the basis of (A) cash bonus bid with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the production saved, removed or sold, (B) variable royalty bid based on a per centum of the production saved, removed or sold with a cash bonus as determined by the Secretary, (C) cash bonus bid with diminishing or sliding royalty based on such formulas as the Secretary shall determine as equitable to encourage continued production from the lease as resources diminish, but not less than 16⅔ per centum in amount or value of the production saved, removed or sold at the beginning of the lease period, (D) cash bonus bid with a fixed share of the net profits derived from operation of the tract of no less than 30 per centum reserved to the United States, (E) fixed cash bonus with the net profit share reserved to the United States as the bid variable, (F) cash bonus with a royalty fixed by the Secretary at not less than 16⅔ per centum in amount or value of the production saved, removed or sold and a per centum share of net profits derived from the production of oil and gas produced from the lease, or (G) competitive performance based on a work program submitted by bidders. The United States net profit share shall be calculated on the basis of the value of the production saved, removed, or sold, less those capital and operating costs directly assignable to the development and operation (but not acquisition) of each individual oil and gas lease issued under this Act to the lessee under a net profit sharing arrangement. No capital or operating charges for materials or labor services not actually used on an area leased for oil or gas under this Act under a net profit sharing arrangement; allocation of income taxes; or expenditures for materials or labor services used prior to lease acquisition shall be permitted as a deduction in the calculation of net income. The Secretary shall by regulation establish accounting procedures and standards to govern the calculation of profits. In the event of any dispute between the United States and a lessee concerning the calculation of the net profits, the burden of proof shall be on the lessee. That part of the net profit share due the United States which is attributable to oil production may be taken in kind in the form of oil and disposed of as provided in subsection (k) of this section. That part of the net share due in kind shall be determined by dividing the net profit due the United States attributable to the product or products taken in kind by the fair market value at the wellhead of the oil and/or gas (as the case may be) saved, removed or sold. In determining the attribution of profits as between oil and gas, costs shall be allocated proportionately to the value of their respective shares of production.".

(b) Subsection (b) of section 8 of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) is amended to read as follows:

"(b) An oil and gas lease issued pursuant to this section shall (1) cover an area as large as necessary to comprise a reasonable, economic production unit as determined by the Secretary, (2) be for a period of five years and as long thereafter as oil or gas may be produced from the area in paying quantities, or drilling or well reworking operations as approved by the Secrtary are conducted thereon, (3) require the payment of value as determined by one of the bidding procedures set out in subsection (a) of this section, and (4) contain such rental provisions and such other terms and provisions as the Secretary may prescribe at the time of offering the area for lease.".

DISPOSITION OF FEDERAL ROYALTY OIL

Sec. 203. Section 8 of the Outer Continental Shelf Lands Act (47 Stat. 462, 43 U.S.C. 1331 et seq.) as amended by this Act is further amended by adding a new subsection (k) to read as follows:

"(k) Upon commencement of production of oil from any lease issued after the effective date of this subsection, the Secretary shall offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the oil produced from said lease which is due to the United States as royalty or net profit share oil. The Secretary shall limit participation in such sales where he finds such limitation necessary to assure adequate supplies of oil at equitable prices to independent refiners. In the event that the Secretary limits participation in such sales, he shall sell such oil at an equitable price. The lessee shall take any such royalty oil for which no acceptable bids are received and shall pay to the United States a cash royalty equal to its fair market value, but in no event shall such royalty be less than the highest bid.".

ANNUAL REPORT

Sec. 204. (a) Section 15 of the Outer Continental Shelf Lands Act (47 Stat. 462, 43 U.S.C. 1331 et seq.) is amended to read as follows:

"ANNUAL REPORT BY SECRETARY TO CONGRESS

"Sec. 15. (a) Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives a report on the leasing and production program in the Outer Continental Shelf during such fiscal year, including a detailed accounting of all monies received and expended, and of all exploration, exploratory drilling, leasing, development, and production activities; a summary of management, supervision, and enforcement activities; and recommendations to the Congress for improvements in management, safety and amount of production in leasing and operations in the Outer Continental Shelf and for resolution of jurisdictional conflicts or ambiguities.

(b) Section 313(a) of the Coastal Zone Management Act of 1972 (86 Stat. 1280, 16 U.S.C. 1451 et seq.) is amended by striking the word 'and' after the word 'priority' in subsection (8); renumbering existing subsection (9) as subsection (10); and inserting the following new subsection (9):

"an assessment of the onshore social, economic and environmental impacts in those coastal areas affected by Outer Continental Shelf oil and gas exploration and exploitation; and".

ENSURING ORDERLY DEVELOPMENT OF OIL AND GAS LEASES

Sec. 205. Section 5 of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) is amended by adding the following new subsections.

"Ensuring Orderly Development of Oil and Gas Leases—

"(d) (1) After enactment of this section no oil and gas lease may be issued pursuant to this Act unless the lease requires that development be carried out in accordance with a development plan submitted by the lessee and found by the Secretary to be consistent with the leasing and development plan submitted by the Secretary pursuant to Section 20 of this Act, and provides that failure to comply with such development plan will terminate the lease.

"(2) The development plan will set forth, in the degree of detail established by regulations issued by the Secretary, specific work to be performed, environmental protection and health and safety standards to be met, and a time schedule for performance.

"(3) With respect to permits, licenses, and leases outstanding on the date of enactment of this section, a proposed development plan must be submitted to the Secretary within six months after the date of enactment of this section. Failure to submit a development plan or to comply with an approved development plan shall terminate the permit, license, or lease.

"(4) The Secretary may approve revisions of development plans if he determines that such revision will lead to greater recovery of oil and gas, improve the efficiency of the recovery operation, or is the only means available to avoid substantial economic hardship on the lessee, licensee or permittee to the extent consistent with protection of the marine and coastal environments.

"(e) After the date of enactment of this subsection, holders of oil and gas leases issued pursuant to this Act shall not be permitted to flare natural gas from any well unless the Secretary finds that there is no practicable way to obtain production or to conduct testing or workover operations with root flaring.".

GEOLOGICAL AND GEOPHYSICAL EXPLORATION

SEC. 206. Section 11 of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) is hereby amended to read as follows:

"SEC. 11. No person shall conduct any type of geological or geophysical explorations in the Outer Continental Shelf without a permit issued by the Secretary. Each such permit shall contain terms and conditions designed to (1) prevent interference with actual operations under any lease maintained or granted pursuant to this Act; (2) prevent interference with geophysical and geological exploration being conducted by the United States under the authority of section 19 of this Act; (3) prevent or minimize environmental damage; and (4) require the permittee to furnish the Secretary with copies of all data (including geological, geophysical, and geochemical data, well logs, and drill core analyses) obtained during such exploration.

ENFORCEMENT

SEC. 207. Subsection 5(a)(2) of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) is hereby amended by deleting the first sentence.

LAWS APPLICABLE TO THE OUTER CONTINENTAL SHELF

SEC. 208. Paragraph (2) of subsection (a) of section 4 of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) is amended by deleting the following words: "as of the effective date of this Act".

NEW SECTIONS OF OUTER CONTINENTAL SHELF LANDS ACT

SEC. 209. The Outer Continental Shelf Lands Act (47 Stat. 462, 43 U.S.C. 1331 et seq.) is hereby amended by adding the following new sections:

"OUTER CONTINENTAL SHELF LEASING PROGRAM

"SEC. 18. (a) Congress declares that it is the policy of the United States that Outer Continental Shelf lands determined to be both geologically favorable for the accumulation of oil and gas and capable of supporting oil and gas development without undue environmental harm or damage should be made available for leasing in a manner consistent with national needs.

"(b) The Secretary is authorized and directed to prepare and maintain a leasing program to implement the policy set forth in subsection (a) of this section. The leasing program shall indicate as precisely as possible the size, timing, and location of leasing activity that will best meet national energy needs for the ten-year period following the promulgation of such a leasing program in a manner consistent with subsection (a) of this section and to—

"(1) manage the Outer Continental Shelf in a manner which considers all of the economic, social and environmental values of the renewable and nonrenewable resources contained therein and the potential impact of oil and gas exploration on other resource values of the Outer Continental Shelf and the marine and coastal environments;

"(2) schedule and location of exploration, development and production of oil and gas among the oil-and-gas-bearing physiographic regions of the Outer Continental Shelf, based on—

"(A) existing information concerning their geographical, geological, and ecological characteristics;

"(B) their location with respect to, and relative needs of, regional and national energy markets;

"(C) their location with respect to other uses of the sea and seabed including fisheries, intracoastal navigation, existing or proposed sea lanes, potential sites of deepwater ports, and other anticipated uses of the resources and space in the Outer Continental Shelf;

"(D) interest by potential oil and gas producers in the development of oil and gas resources as indicated by exploration, nomination or consultation;

"(E) laws, goals and policies of the affected coastal States and adjacent coastal States.

"(3) schedule the timing and location of leasing so that areas and regions with the least potential for environmental damage and impact on the coastal zone are leased first, to the maximum extent practicable, consistent with the determination of national needs;

"(4) schedule the timing and location of leasing so as to allow development of the oil and gas resources to keep pace with the availability of construction materials, tubular steel products and other equipment and materials required for exploration and development of the resource;

"(5) receive fair market value for the oil and gas resources held in trust for the public.

"(c) The program shall include estimates of the appropriations and staffing required by all Federal agencies and programs necessary to—

"(1) conduct the geophysical exploration and exploratory drilling authorized and directed by section 19 of this Act;

"(2) obtain resource information and any other information needed to prepare the leasing program required by this section;

"(3) analyze and interpret the exploratory data and other information required prior to offering tracts for lease;

"(4) conduct environmental baseline studies and prepare any environmental impact statement required in accordance with Sec. 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852, 42 U.S.C. 4321 et seq.); and

"(5) supervise operations under each lease in the manner necessary to assure compliance with the requirements of the law, the regulations and the terms of the lease.".

"FEDERAL OUTER CONTINENTAL SHELF OIL AND GAS EXPLORATION PROGRAM

"SEC. 19. (a) The Secretary is authorized and directed to conduct a comprehensive exploratory program designed to obtain sufficient data and information to evaluate the extent, location and potential for developing the oil and gas resources in the Outer Continental Shelf. This program shall be designed to obtain the resource information necessary for determining whether commercial quantities of oil and gas are present. geographical extent of the field and estimates of the recoverable reserves in order to provide a basis for—

"(1) developing an oil and gas leasing and development plan pursuant to Section 20 of this Act;

"(2) improving the information regarding the value of public resources and revenues which should be expected from leasing;

"(3) increasing competition among producers of oil and gas by providing data and information to all potential bidders equally and equitably; and

"(4) providing the public with information on the extent and value of the public resources being offered for sale.

"(b) The Secretary, through the United States Geological Survey, is authorized to conduct seismic, geomagnetic, gravitational, geophysical, geochemical or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial sources which may be needed to implement the provisions of this section of this Act. The Secretary is further authorized to conduct or contract for such exploratory drilling as necessary to prove the presence of commercial quantities of oil or gas, extent of the field and to obtain sufficient information concerning the geology or seabed conditions which may affect the development of the resources.

"(c) Nothing in this section of this Act shall limit any person from conducting exploratory geophysical surveys including seismic, geomagnetic, gravitational, or geophysical surveys to the extent permitted by section 11 of this Act as amended; *providing, however*, that exploratory drilling shall not be permitted by any person prior to award of a lease other than a contractor of the United States Government to provide services pursuant to subsection (b) of this section.

"(d) The Secretary shall make available to the public all data, information, maps, interpretations and surveys by appropriate means which are obtained directly by the Department of the Interior or under a service contract pursuant to subsection (b) of this section; *providing, however*, that the Secretary shall maintain the confidentiality of all proprietary data or information purchased from commercial sources while not under contract with the United States Government for such period of time as is agreed to by the parties. For the purpose of this subsection, subsection 552(b)(9) of title 5 of the United States Code shall not apply to geological and geophysical information and data, including maps, concerning wells or other related information acquired directly by the Department or under a service contract pursuant to subsection (b) of this section.

"(c) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data that may be deemed necessary to assist the Secretary in implementing the exploratory program pursuant to this section of this Act. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"(f) The Secretary, in cooperation with the Administrator of the National Oceanic and Atmospheric Administration, is directed to prepare, publish and keep current a series of detailed bathymetric, geological, and geophysical maps of, and reports concerning, the Outer Continental Shelf oil and gas resources, based on data and information compiled pursuant to this section of this Act. Such maps and reports shall be prepared and revised at intervals of not more than six months, beginning January 1, 1976. Such maps and reports shall be made available on a continuing basis to any person on request.

"(g) Within six months after enactment of this section, the Secretary and the Administrator of the National Oceanic and Atmospheric Agency shall jointly develop and transmit to Congress an implementation plan for the oil and gas exploration program authorized by this section of this Act, including procedures for making the data and information available to the public pursuant to subsection (d) and maps and reports to subsection (f) of this section of this Act. The implementation plan shall include a projected schedule of exploratory activities and identification of the regions and areas which will be explored under the oil and gas exploration program during the first five years following enactment of this section. In addition, the implementation plan shall include estimates of the appropriations and staffing required to implement the oil and gas exploration program. No action taken to implement this subsection of this Act as it pertains to the development of the implementation plan for the oil and gas exploration program shall be considered a major Federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1972 (83 Stat. 852, 42 U.S.C. 4321 et seq.).

"(h)(1) The Secretary shall, by regulation, establish procedures for determining areas to be considered for exploratory drilling and potential leasing. The procedures shall include but not be limited to consultation (A) with the oil and gas industry; and (B) with State and local governments within the coastal States and adjacent coastal States which would be affected by subsequent leasing and development of the proposed area or region.

"(2) The Secretary shall, in determining areas to be selected for exploratory drilling, coordinate the oil and gas exploratory program provided for by this section of this Act with coastal management programs being developed by any coastal State or adjacent coastal States and for approval pursuant to section 305 of the Coastal Zone Management Act of 1972 (86 Stat. 1280, 16 U.S.C. 1451 et seq.) and the coastal zone management programs of any State which has been approved pursuant to section 306 of that Act.

"(3) The Secretary shall publish in the Federal Register a minimum of 120 days prior to the commencement of exploratory drilling in any area or region detailed information which includes but is not limited to (A) location of proposed drilling activities; and (B) time schedule for commencement and completion of drilling.

"(4) The selection and determination of areas for exploratory drilling and potential leasing shall be considered a "major Federal action" for the purpose of compliance with section 102(2)(c) of the National Environmental Policy Act of 1969.

"(i) The Secretary shall include in the annual report required by section 15 of this Act, information concerning the carrying out of the Secretary's duties under this section, and shall include as a part of each such report a summary of the current data for the period covered by the report.

"(j) There are hereby authorized to be appropriated $200,000,000 to carry out the purposes of this section of this Act during fiscal years 1976 and 1977, to the Secretary and to appropriate Federal agencies having responsibilities under this section of this Act.".

"OUTER CONTINENTAL SHELF LEASING AND DEVELOPMENT PLAN

"SEC. 20. (a) (1) The Secretary is authorized and directed to transmit a leasing and development plan to Congress at least 90 calendar days prior to announcing the invitation to bid on each tract in which oil or gas are found in commercial quantities. Each leasing and development plan shall be deemed approved and the Secretary shall be authorized to proceed with sale of the proposed lease tracts under the provisions of applicable laws and regulations unless between the date of transmittal and the end of the 90-day period, either House passes a resolution stating in substance that the House does not favor the leasing and development plan and setting out the reasons for the disapproval.

"(2) For the purpose of subsection (a)(1) of this section of this Act—

"(A) continuity of session is broken only by an adjournment of Congress since die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 90-day period.

"(b) Each leasing and development plan required by subsection (a) of this section shall include but not be limited to—

"(1) extent of the resources contained within the tracts proposed for sale;

"(2) location of the tracts in reference to other coastal and offshore activities, including other oil and gas developments or potential developments nearby;

"(3) estimates of the volume of recoverable reserves within the tract proposed for sale based on information derived from the oil and gas exploration program authorized by section 19 of this Act;

"(4) current market value of the oil and gas based on estimates of the recoverable volume in the tract proposed for sale under the development plan;

"(5) cost of producing the recoverable oil and gas under the proposed development plan;

"(6) anticipated location of production units, offshore support facilities, and right-of-ways and number of pipelines and other infrastructure necessary to produce and transport oil and gas from the proposed lease tract;

"(7) capacity of onshore facilities and infrastructure at the point of entry into a coastal State or adjacent coastal State of the oil or gas produced within each proposed tract estimated to the extent possible;

"(8) assessment of the need for new onshore facilities or infrastructure that may be required to handle the oil or gas produced from the proposed lease tracts or otherwise to support operations within the proposed lease tract;

"(9) exceptional, unique, or unusual conditions in the proposed lease tract which may require special treatment or precautions to protect the environment or insure the safe development and production from the tract;

"(10) expected rate of development and production if the proposed tract is leased;

"(11) proposed impact on the economic, social and institutional structure of the affected coastal States and adjacent coastal States; and

"(12) certification of the consistency of the projected development of the proposed lease tract in accordance with the provisions of section 307 of the Coastal Zone Management Act of 1972 (86 Stat. 1280, 16 U.S.C. 1451 et seq.), or where inconsistencies exist, these shall be noted in the leasing and development plan.

"(c)(1) The Secretary shall submit the proposed leasing and development plan to the Governors of the affected coastal States and adjacent coastal States for comment at least 60 days prior to transmittal to Congress pursuant to subsection (a) of this section. At any time prior to the submission of the leasing and development plan to Congress a Governor may request the Secretary to postpone leasing and development of the proposed tracts for a period not to exceed three years following the date proposed for sale in the leasing and development plan if the Governor determines that the proposed lease will result in adverse environmental or economic impacts or other damage to the State or the residents thereof. In the event of any such request, the Secretary shall postpone the transmittal of the leasing and development plan to Congress until proceedings under this subsection are completed.

"(2) The Secretary shall, not later than 30 days from receipt of such request:

"(A) grant the request for postponement; or

"(B) provide for a shorter postponement than request provided that such period of time is adequate for study and provision to ameliorate any adverse economic or environmental effects or other damage and for controlling secondary social or economic impacts associated with development of Federal energy resources in, or on, the Outer Continental Shelf adjacent to the submerged lands of such State; or

"(C) deny the request for postponement if he finds that such postponement would not be consistent with the national policy or the national interest as expressed in section 3 of this Act.

"(3) The comments received from the Governors of the affected coastal States and adjacent coastal States shall accompany the proposed leasing and development plan when transmitted to Congress. In the event that postponement was requested by any Governor, all correspondence, information and data pertaining to the request for postponement shall be made part of the record and shall accompany the leasing and development plan when transmitted to Congress.

"(d) All environmental impact statements relevant to the leasing and development plan for the proposed tract, area or region which are prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852, 42 U.S.C. 4321 et seq.) shall accompany the development and leasing plan when transmitted to Congress as required by subsection (a) of this section.

"(e) There are hereby authorized to be appropriated to the Secretary such sums as are necessary to carry out the purposes of this section during fiscal years 1976 and 1977.".

"ENVIRONMENTAL IMPACT ASSESSMENT AND MONITORING

"SEC. 21. (a) The National Oceanic and Atmospheric Administration shall be considered the "lead agency" for the purpose of complying with the requirements of the National Environmental Policy Act of 1969 (83 Stat. 852, 42 U.S.C. 4321 et seq.) as that Act pertains to the implementation of all sections of this Act.

"(6) Prior to formulation of the leasing and development plan as required by section 20 of this Act, the Administrator of the National Oceanic and Atmospheric Administration (hereinafter referred to as "Administrator"), in consultation with the Secretary, shall conduct a study of the area or region involved to establish baseline information concerning the status of the marine and coastal environment of the Outer Continental Shelf and the coastal zone which may be affected by oil and gas development. The study shall include, but not be limited to, background concentrations of hydrocarbons in water, sediments and organisms; background concentrations of trace metals in water, sediments, and organisms; classification and characterization of benthic and planktonic communities; description of the relationship and state of marine organisms and abiotic components including sediments; and other physical and chemical characteristics of the marine environment such as conductivity, temperature, micronutrients, dissolved oxygen and other factors which determine the productivity and quality of the marine environment.

"(c) The environmental impact statements related to the oil and gas exploration program authorized by section 19, and the leasing and development plan required by section 20 of this Act pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852, 42 U.S.C. 4321 et seq.), shall include, but shall not be limited to—

"(1) description of the marine and coastal environments affected as they exist prior to proposed leasing and development;

"(2) interrelationships and cumulative environmental impacts of development of the proposed lease tract in relation to possible future oil and gas developments or the siting of other energy facilities in the Outer Continental Shelf or in the adjacent coastal zone;

"(3) population and growth characteristics of the affected coastal States or adjacent coastal States and identification of any assumptions used to project the impact of proposed development of offshore oil and gas resources on population and growth, including an assesment of the effect of any possible change in population patterns or growth upon the resource base including land use, water, and public services;

"(4) relationship of the proposed leasing and development of oil and gas to existing or developing coastal zone management plans of the affected coastal States and adjacent coastal States developed in accordance with the Coastal Zone Management Act of 1972 (86 Stat. 1280, 16 U.S.C. 1451 et seq.), including the notation of any inconsistencies between the proposed exploration or development and such coastal zone management plans;

"(5) probable impact of the proposed exploration or development on the marine and coastal environments, including secondary or indirect impacts as well as primary or direct impacts;

"(6) negative effects of the proposed exploration or development as they may affect both the national and international environment;

"(7) unavoidable adverse environmental effects including but not limited to air pollution, water pollution, undesirable land use patterns, damage to ecosystems and threats to health;

"(8) extent to which the proposed exploration or development involves tradeoffs between short-term environmental gains at the expense of long-term losses, or, as the case may be, the reverse tradeoffs; and

"(9) any irreversible and irretrievable commitments of resources that would be involved in the proposed exploration or development should it be implemented.

"(d) Subsequent to leasing and development of any area, region or tract under the authority of this Act, the Administrator shall monitor the marine and coastal environment of the areas affected in a manner designed to provide time-series data and trend information which can be compared with baseline data and previously collected data for the purpose of identifying significant changes in the quality and productivity of the achievement.

"(e) The Administrator shall, by regulation, establish procedures to implement baseline studies, undertake environmntal impact assessments, monitor the affected areas and compile environmental impact statements authorized by this section of this Act.

"(f) The Administrator shall designate which coastal States are to be considered as 'adjacent coastal States' for the purposes of this Act within 60 days after receiving notice from the Secretary of an intent to proceed with exploratory drilling pursuant to section 19 of this Act. The Administrator shall designate as an 'adjacent coastal State' any coastal State in which

"(1) he determines that there is a substantial risk of serious damage, because of such factors as prevailing winds and currents, to its coastal or marine environment as a result of oil spills, blowouts, or release from vessels, pipelines or other transhipment facilities; or

"(2) he determines that new facilities will be required within the State to provide direct support to offshore oil and gas development under the proposed leasing and development plan. Such facilities shall include but not be limited to: harbor services and supply bases for vessels operating between the shore and the proposed offshore oil and gas lease tracts; oil production platform construction sites; oil or gas tank storage facilities; terminals for tankers or barges transporting oil or gas from production wells within the proposed lease tracts; natural gas treatment facilities and refineries utilizing crude oil or natural gas extracted from the proposed lease tracts.

"(g) The Administrator may determine that a coastal State is an 'adjacent coastal State' for the purpose of this Act at any time during the life of the proposed lease if he finds that the criteria under subsection (e) of this section apply.

"(h) There is hereby authorized and appropriated to the Administrator such sums as are necessary to carry out the purposes and functions of this section of this Act during fiscal years 1976 and 1977."

SAFETY REGULATIONS FOR OIL AND GAS OPERATIONS

"SEC. 22. (a) It is the policy of this section to ensure, through proved techniques, maximum precautions, and maximum use of the best available technology by well-trained personnel, the safest possible operations in the Outer Continental Shelf. Safe operations are those which minimize the likelihood of blowouts, loss of well control, fires, spillages, releases, or other occurrences which may cause damage to the environment, or to property, or endanger human life or health.

"(b) (1) The Secretary of the Department in which the Coast Guard is operating with the concurrence and advice of the Administrator of the Environmental Protective Agency, the Administrator of the National Oceanic and Atmospheric Administration, and the Secretary shall develop, promulgate, and periodically revise safety regulations for operations in the Outer Continental Shelf, to implement to the extent possible the policy of subsection (a) of this section. Within one year after enactment of this section, the Secretary of the Department in which the Coast Guard is operating shall complete a review of existing safety regulations, consider the results and recommendations of the study authorized in subsection (c) of this section, and promulgate a complete set of safety regulations (which may incorporate Outer Continental Shelf Orders) applicable to operations in the Outer Continental Shelf or any region or areas thereof. The Secretary of the Department in which the Coast Guard is operating shall repromulgate any safety regulations in effect on the date of enactment of this section which that Secretary finds should be retained. No safety regulations promulgated pursuant to this subsection shall reduce the degree of safety or protection to the environment afforded by safety regulations previously in effect.

"(2) In promulgating regulations under this section, the Secretary of the Department in which the Coast Guard is operating shall require on all new drilling and production operations, the use of the best available technology wherever failure of equipment would have a substantial effect on public health, safety, or the environment.

"INSPECTIONS AND ENFORCEMENT OF SAFETY REGULATIONS

"SEC. 23. (a) (1) The Secretary of the Department in which the Coast Guard is operating shall enforce the safety and environmental protection regulations promulgated under section 22 of this Act. The Coast Guard shall regularly inspect all operations authorized pursuant to this Act and strictly enforce safety regulations promulgated pursuant to this Act and other applicable laws, rules and regulations relating to public health, safety, or environmental protection. All holders of leases under this Act shall allow prompt access at the site of any operations subject to safety regulations to any inspector, and provide such documents and records that are pertinent to public health, safety, or environmental protection, as the Coast Guard may request.

"(2) The Secretary of the Department in which the Coast Guard is operating shall promulgate regulations within 90 days of the enactment of this section to provide for—

"(A) physical observation at least once each year by an inspector of the installation or testing of all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

"(B) periodic onsite inspection without advance notice to the lessee to assure compliance with public health, safety, or environmental protection regulations.

"(3) The Secretary of the Department in which the Coast Guard is operating shall make an investigation and public report on all major fires and major oil spillage occuring as a result of operation pursuant to this Act. For the purpose of this subsection, a major oil spillage is any spillage in one instance of more than two hundred barrels of oil over a period of 30 days or of fifty barrels over a single period of twenty-four hours; *Provided*, that an investigation and report of a lesser oil spillage may be initiated at the discretion of the Secretary of the Department in which the Coast Guard is operating.

"(4) For the purposes of carrying out their responsibilities under this section, the Secretary of the Department in which the Coast Guard is operating may by agreement utilize with or without reimbursement the services, personnel, or facilities of any Federal agency.

"(b) The Secretary shall, after consultation with the Secretary of the Department in which the Coast is operating, include in his annual report to Congress required by section 15 of this Act the number of violations of safety regulations found, the names of the violators, and the action taken thereon pursuant to section 24 of this Act.

"(c) The Secretary of the Department in which the Coast Guard is operating shall submit to the Congress an annual report on the enforcement responsibilities assigned that Department under this Act including, but not limited to—

"(1) the number and location of any known oil spillages, estimates of the amount of oil released, cause of the spillage when known, remedial action which may be taken to avoid future spillages of a similar nature, cost of cleaning up the spilled oil, assessment of damage done to the marine and/or coastal environment, and other information which may be useful in reducing the likelihood or future occurrences;

"(2) identity of violators, setting out any legal action taken under section 24 of this Act, and such penalties as may result therefrom; and

"(3) recommendations for legislation or authority deemed necessary to improve the enforcement of the laws, rules or regulations pertaining to the administration of this Act.

"(d) The Secretary of the Department in which the Coast Guard is operating shall consider any allegation from any person of the existence of a violation of any safety regulations issued under this Act. The Secretary of the Department in which the Coast Guard is operating shall answer such allegations within 90 days after receipt thereof, stating whether or not such alleged violations exist and, if so, what action has been taken.

"(e) In any investigation directed by this section the Secretary of the Department in which the Coast Guard is operating or the Secretary shall have power to summon before them or their designees witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witness or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States district court. In addition, they or their designees shall administer all necessary oaths to any witnesses summoned before such investigation."

"REMEDIES AND PENALTIES

"SEC. 24. (a) At the request of the Secretary of the Department in which the Coast Guard is operating, the Attorney General or any United States Attorney of the jurisdiction in which a violation occurred shall institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any rule, regulation or order issued under the authority of this Act.

"(b) If any person shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $50,000 for each and every day of the continuance of such failure. The Secretary may assess, collect, and compromise any such penalty. No penalty shall be assessed until the person charged with a violation shall have been given an opportunity for a hearing on such charge.

"(c) Any person who knowingly and willfully violates any provision of this Act, or any rule, regulation or order issued under the authority of this Act designed to protect public health, safety, or the environment or conserve natural resources or knowingly and willfully makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or who knowingly and willfully falsifies, tampers with, or renders inaccurate a monitoring device or data recorder required to be maintained under this Act or knowingly and willfully reveals any data or information required to be kept confidential by this Act, shall, upon conviction, be punished by a fine of not more than $100,000, or by imprisonment for not more than one year, or both. Each day that a violation continues shall constitute a separate offense.

"(d) Whenever a corporation or other entity violates any provision of this Act, or any rule, regulation or order issued under the authority of this Act, any officer, or agent of such corporation or entity who knowingly and willfully authorized, ordered or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

"(e) The remedies prescribed in this section shall be concurrent and cumulative and the exercise of one does not preclude the exercise of the others. Further, the remedies prescribed in this section shall be in addition to any other remedies afforded by any other law, rule and regulation.".

"CITIZEN SUITS

"SEC. 25. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

"(1) against any person including—

"(A) the United States, and

"(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulations promulgated thereunder, or any permit, license, or lease issued by the Secretary;

"(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary.

"(b) No action may be commenced—

"(1) under subsection (a)(1) of this section—

"(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, and (ii) to any alleged violator of the provisions of this Act or any rules or regulations promulgated thereunder, or any permit, license or lease issued thereunder;

"(B) if the Secretary has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the provisions of this Act, or the regulations thereunder, or the lease, but in any such action in a court of the United States any person may intervene as a matter of right; or

"(2) Under subsection (a)(2) of this section prior to 60 days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation complained of, constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

"(c) In any action under this section, the Secretary, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action, brought pursuant to subsection (a) of this section, may award costs of litigation including reasonable attorneys fees to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

"(e) Nothing in this section shall restrict any right which any person or class of persons may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief, including relief against the Secretary.".

"LIABILITY FOR OIL SPILLS

"SEC. 26. (a) Any person in charge of any oil and/or gas operations in the Outer Continental Shelf, as soon as that person has knowledge of a discharge or spillage of oil from any operation, shall immediately notify the nearest Coast Guard installation, of such discharge. Any such individual who fails to notify an appropriate agency of the United States Government immediately of such discharge shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both. Notification received pursuant to this subsection, or information obtained by the use of such notification, shall not be used against any such individual in any criminal case, except a prosecution for perjury or for giving a false statement.

"(b)(1) Whenever any oil or natural gas is discharged or spilled as a result of an operation on the Outer Continental Shelf, the Secretary for the Department in which the Coast Guard is operating shall remove or arrange for the removal of such oil or natural gas as soon as possible, unless that Secretary determines such removal will be done properly and expeditiously by the lessee or permittee of the operation from which the discharge occurs.

"(2) removal of oil or natural gas and actions to minimize damage from oil and natural gas discharges shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c)(2) of the Federal Water Pollution Control Act, as amended (86 Stat. 862, 33 U.S.C. 1321 et seq.).

"(3) whenever the Secretary of the Department in which the Coast Guard is operating acts to remove a discharge or spillage of oil or natural gas pursuant to this subsection, he is authorized to draw upon money available in the Offshore Oil Pollution Settlements Fund established pursuant to subsection (c) of this section Such money shall be used to pay promptly for all cleanup costs incurred by the United States Government in removing or in minimizing damage caused by such oil or natural gas spillage of discharge.

"(3) Strict liability for all claims arising out of any one incident shall not exceed $100,000,000. The holder shall be liable for the first $7,000,000 of such claims that are allowed. The fund shall be liable for the balance of the claims that are allowed up to $100,000,000. If the total claims allowed exceed $100,000,000, they shall be reduced proportionately. The unpaid portion of any claim may be asserted and adjudicated under other applicable Federal or State law.

"(4) In any case where liability without regard to fault is imposed pursuant to this subsection, the rules of subrogation shall apply in accordance with the laws of the State in which such damages occurred: *Provided, however,* That in the event such damages occurred outside the jurisdiction of any State, the rules of subrogation shall apply in accordance with the laws applicable pursuant to section 4 of this Act.

"(5) The Offshore Oil Pollution Settlements Fund is hereby established as a nonprofit corporate entity that may sue and be sued in its own name. The fund shall be administered by the holders of leases issued under this Act under regulations prescribed by the Secretary. The fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress. Claims allowed against the fund shall be paid only from moneys deposited in the fund.

"(6) There is hereby imposed on each barrel of oil produced pursuant to any lease issued or maintained under this Act a fee of 2½ cents per barrel. The fund shall collect the fee from the lessees or their assignees. Costs of administration shall be paid from the money collected by the fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income producing securities approved by the Secretary. Income from such securities shall be added to the principal of the fund.

"(7) Subject to the limitation contained in subparagraph (3) of this subsection, if the fund is unable to satisfy a claim asserted and finally determined under this subsection, the fund may borrow the money needed to satisfy the claim from any commercial credit source, at the lowest available rate of interest, subject to the approval of the Secretary.

"(8) No compensation shall be paid under this subsection unless notice of the damage is given to the Secretary within three years following the date on which the damage occurred.

"(9) Payment of compensation for any damage pursuant to this subsection shall be subject to the holder or the fund acquiring by subrogation all rights of the claimant to recover for such damages from any other person.

"(10) The collection of amounts for the fund shall cease when $100,000,000 has been accumulated, but shall be renewed when the accumulation in the fund falls below $85,000,000. The fund shall insure that collections are equitable to all holders of lease or right-of-way.

"(11) The several district courts of the United States shall have jurisdiction over claims against the fund.

"(c) If any area within or without a lease granted or maintained under this Act is polluted by any discharge or spillage of oil from operations conducted by or on behalf of the holder of such lease, and such pollution damages or threatens to damage aquatic life, wildlife, or public or private property, the control and removal of the pollutant shall be at the expense of such holder, including administrative and other costs incurred by the Secretary or any other Federal or State officer or agency. Upon failure of such holder to adequately control and remove such pollutant, the Secretary in cooperation with other Federal, State, or local agencies, or in cooperation with such holder, or both, shall have the right to accomplish the control and removal at the expense of the holder.

"(d) The Secretary shall establish requirements that all holders of leases issued or maintained under this Act shall establish and maintain evidence of financial responsibility of not less than $7 million. Financial responsibility may be established by any one of, or a combination of, the following methods acceptable to the Secretary: (A) evidence of insurance, (B) surety bonds, (C) qualification as a self-insurer, or (D) other evidence of financial responsibility. Any bond filed shall be issued by a bonding company authorized to do business in the United States.

"(c) The provisions of this section shall not be interpreted to supersede section 311 of the Federal Water Pollution Control Act Amendments of 1972 or preempt the field of strict liability or to enlarge or diminish the authority of any State to impose additional requirements.

"RESEARCH AND DEVELOPMENT

"SEC. 27. (a) The Secretary of the Department in which the Coast Guard is operating is authorized and directed to carry out a research and development program designed to improve safety of operations related to exploration and development of the oil and gas resources of the Outer Continental Shelf where similar programs are not presently being conducted by a Federal department or agency and where the Secretary determines that such research and development is not being adequately conducted by any other public or private entity including but not limited to—

"(1) downhole safety devices;

"(2) methods for reestablishing control of blowing out or burning wells;

"(3) methods for containing and cleaning up oil spills;

"(4) improved flow detection systems for undersea pipelines.

"(b) The Secretary of the Department in which the Coast Guard is operating shall establish equipment and performance standards for oil spill cleanup operations. Such standards shall be coordinated with the National Oil and Hazardous Substances Pollution Contingency Plan, and reviewed by the Administrator of the Environmental Protection Agency, and the Administrator of the National Oceanic and Atmospheric Administration.

"(c) The Administrator of the National Oceanic and Atmospheric Administration, in cooperation with the Secretary of Navy, the Secretary of the Department in which the Coast Guard is operating, and the Directors of the National Institutes of Occupational Safety and Occupational Health, shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety.".

"DETERMINATION OF BOUNDARIES

"SEC. 28. Within one year following the date of enactment of this section, the President may establish procedures for settling any outstanding boundary disputes, including international boundaries between the United States and Canada and between the United States and Mexico, and establish contiguous boundaries between adjacent States, as directed in section 4 of this Act.".

"MORATORIUM ON LEASING IN FRONTIER AREAS

SEC. 29. (a) Immediately upon the date of enactment of this section there shall cease any additional leasing of tracts for the purpose of developing oil and gas under the authority of the Outer Continental Shelf Lands Act (67 Stat. 462, 43 U.S.C. 1331 et seq.) in all regions and areas where there has been no previous development of oil and gas on the Outer Continental Shelf or other areas where geological or environmental conditions make oil and gas development hazardous (hereinafter referred to as "Frontier areas"): *to wit,* the areas known as Georges Bank; Baltimore Canyon; Blake Plateau; and the portion of the Florida Embayment in the Atlantic Ocean; Southern California, including the Santa Barbara Channel; and Gulf of Alaska. To the extent that leasing has commenced in these areas under the present rules and regulations in force, the Secretary of the Interior shall terminate negotiations with regard to all tracts which have been nominated for sale, are in the process of being nominated for sale, or have been designated for sale.

(b) This moratorium shall continue in any area until such time as the Federal Outer Continental Shelf Oil and Gas Exploration Program is implemented in that area pursuant to section 19 of the Outer Continental Shelf Lands Act and the frontier areas are explored as provided for; and Congress has concurred by its silence with an Outer Continental Shelf Leasing and Development Plan for that area submitted in compliance with section 20 of this Act.

TITLE III—MISCELLANEOUS PROVISIONS PIPELINE SAFETY AND OPERATION

SEC. 301. (a) The Secretary of Transportation in cooperation with the Secretary of Interior, is authorized and directed to report to the Congress wtihin 60 days after enactment of this Act on appropriations and staffing needed to monitor pipelines on Federal lands and the Outer Continental Shelf so as to assure that they meet all applicable standards of construction, operation, and maintenances.

(b) The Secretary of Transportation, in cooperation with the Secretary of the Interior, is authorized and directed to review all laws and regulations relating to the construction, operation, and maintenance of pipelines on Federal lands and the Outer Continental Shelf and report to Congress within one year after enactment of this Act on administrative changes needed and recommendations for new legislation.

(c) One year after the date of the enactment of this Act, the Interstate Commerce Commission and the Secretary of Transportation shall submit to the President and the Congress a report on the adequacy of existing transport facilities and regulations to facilitate distribution of oil and gas resources of the Outer Continental Shelf. The report shall include recommendations for changes in existing legislation or regulations to facilitate such distribution.

REVIEW OF SHUT-IN OR FLARING WELLS

SEC. 302. (a) Within six months after enactment of this Act, and each year thereafter, the Secretary shall submit a report to Comptroller General and the Congress listing all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Lands Act. The reports shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production or order cessation of flaring.

(b) Within six months after receipt of the Secretary's reports, the Comptroller General shall review and evaluate the reasons for allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to Congress.

BIDDING SYSTEM STUDY

SEC. 303. Within one year after the date of enactment of this Act, the Secretary of the Interior, in consultation with the Comptroller General, shall prepare and publish a report with recommendations for achieving an equitable system of lease sales while maximizing production and revenues from the leasing of Outer Continental Shelf lands, and shall include a plan for implementing recommended administrative changes and legislative proposals. Such report shall include but not be limited to the consideration of the following—

(1) competitive bidding systems provided in section 8 of the Outer Continental Shelf Lands Act as amended by this Act;

(2) measures to encourage entry of new competitors; and

(3) measures to increase supply to independent refiners and distributors.

NATIONAL STRATEGIC ENERGY RESERVE STUDY

SEC. 304. The Secretary of the Interior, in consultation with appropriate Federal officials, shall determine the extent and location of the oil and gas deposits held in reserve by the United States Government. The Secretary shall study the most appropriate means of developing a National Strategic Energy Reserve in the national interest. Included in the study shall be an assessment of the feasibility of establishing areas in the Outer Continental Shelf as strategic reserves, and the plausibility of developing certain existing onshore naval petroleum reserves for commercial production in exchange for designating comparable offshore oil and gas reserves as a National Strategic Energy Reserve. The Secretary shall consult with other Federal agencies and departments and nongovernmental authorities in conducting such study. The Secretary shall report to the Congress by July 1976 the results of such study.

RELATIONSHIP TO EXISTING LAW

SEC. 305. Except as otherwise expressly provided herein, nothing in this Act shall be construed to amend, modify, or repeal any provisions fo the Coastal Zone Management Act of 1972 or the National Environmental Policy Act of 1969.

STATEMENT BY SENATOR MATHIAS

Mr. President, over the last two years the Congress has become increasingly involved with the development of oil and gas resources on the Outer Continental Shelf. Prior to that time, little attention had been paid to this subject and leasing and production took place for many years under outdated legislation and with only a casual glance from regulatory agencies. Even though Congress has been concerned for these last two years with the Outer Continental Shelf, there has been no significant revision of the laws which govern this area.

In the last days of the second session of the 93d. Congress, the Interior Committee reported the Energy Supply Act of 1974 to the Senate floor for consideration and this was passed after considerable debate and amendment. There was no time to have that legislation or parallel legislation considered in the House before the end of the 93d. Congress. Though this disappointed some Senators at the time, it may have been a blessing, as we now have a much fuller view of what should be included in any comprehensive measure governing OCS development.

I know it is the intention of the Senate Interior Committee to report out legislation on this subject in the very near future and I applaud that intention.

While I consider it unwise to undertake leasing in frontier areas without amending the Outer Continental Shelf Lands Act, I also recognize that Congress has a responsibility to quickly enact the necessary legislation. I am very pleased, therefore, to joint Senator Hollings and others in introducing comprehensive legislation to govern leasing and production on the Outer Continental Shelf. The legislation we introduce today will provide a program which is sensitive to America's long-term energy need but at the same time mindful of the delicate coastal zone environment in which OCS development must necessarily occur.

I am pleased to have played a considerable part in Congress' increased involvement in the OCS. As the Appropriations Committee representative on the National Ocean Policy Study, I have had a full opportunity to represent Maryland as this legislation has taken form. The State of Maryland has a significant stake in what decisions we in the Congress make. Although Maryland has a relatively small Atlantic coastline, that coastline is certainly among the state's most important assets. Assateague is one of the last undeveloped barrier islands on the East Coast and we have fought too many long and difficult legislative battles to see that island now despoiled. Ocean City is a very different Maryland asset, but its value to the economy of Worcester County and the State of Maryland is equally great and could certainly be adversely affected by the unplanned growth of energy facilities. So anyone with good sense would call on the Federal and State governments to establish a sound working relationship so that any and all problems associated with OCS development could be carefully analyzed and the proper decisions made. This can only come about by extensive amendment to the present statutory framework.

The bill that I join in introducing today will provide a major program of offshore oil exploration in frontier areas of the Outer Continental Shelf by the Federal Government. There is no reason why the Federal Government cannot conduct a sound exploration program using private firms on a contractual basis. The important, but only difference, over present practice would be that the information would be fully available on these public lands. This would ensure first an adequate return to the public and, second, production only in an environmentally acceptable manner.

We have also sought to provide the Secretary of the Interior with greater latitude in holding lease sales of public lands. For some time now Congress has been disturbed over the level of competition existing in OCS lease sales. By providing new methods, we can assure that adequate competition does in fact exist.

I am particularly pleased that my amendment to the Energy Supply Act of 1974 has been incorporated into our broader legislation. It gives the Governors of the coastal states a right to delay leasing for up to three years should they find that their state will be subject to adverse economic or environmental impacts and the Secretary of the Interior concurs. My amendment, which passed the Senate, provided for a Board to review the Secretary's decision. I also introduced legislation of a similar nature earlier in this Congress. The legislation which we introduce today modifies that approach somewhat by providing that the Congress shall be the final reviewing authority should a Governor be denied his request. The Congress can, in effect, uphold the Governor by a resolution of either the House or the Senate. I think that this is a workable solution and one that adequately protects the coastal states.

The National Ocean Policy Study, since its creation approximately one year ago, has held extensive hearings on OCS development and the conclusion that I have drawn as a member of that panel is that OCS development is in the public interest if we proceed with the utmost caution and establish at the very outset the best controls and standards. Our bill has much to say about these matters. In short, it mandates that we make our best effort to ensure that the mistakes of the past will not be repeated. We are mindful that our states and the nation as a whole can lose environmentally and economically through poorly planned OCS development.

It is incumbent upon the Congress to establish new priorities and standards for OCS development. This must be a central pillar of our national energy policy. We must undertake this task on an expedited basis because the nation is critically short of domestic petroleum supplies, but we must never sacrifice careful planning in a rush for such supplies. We must be constantly mindful that an error on the side of conservation is easiest to correct.

SIXTH ANNIVERSARY OF THE SANTA BARBARA OIL SPILL

Mr. CRANSTON. Mr. President, on January 28, 1969—just 6 years ago tomorrow—the 5th of 63 planned wells on Union Oil Co.'s platform A in the Santa Barbara Channel belched forth a geyser of oil and catapulted a quiet recreational and educational community into the eye of the public storm that still rages over the future of offshore oil development.

Within 2 days of the sea floor rupture, it was estimated that as much as 2.1 million gallons of crude oil had been spilled. The slick then covered 32 square miles. By the third day, it covered 115 square miles. By the eighth day, 660 square miles of the channel and 100 miles of shoreline were contaminated. The spill, which began in January, continued through the spring and summer. Before it finally abated, estimates of the lost oil went as high as 160,000 barrels. But whatever the actual amount really was, it was more than we could afford environmentally and economically. And the looming question is: When will it happen again?

On the eve of this tragic anniversary, I am pleased to join with the distinguished chairman of the national ocean policy study, Senator ERNEST F. HOLLINGS, and others in sponsoring major legislation to amend the Outer Continental Shelf Lands Act of 1953 and to improve upon OCS legislation which passed the Senate but not the House in the 93d Congress.

This legislation is the culmination of the national debate which began on the oily beaches of Santa Barbara 6 years ago. Its early enactment must be a major goal of the 94th Congress. For we can wait no longer. Plans to double the amount of acreage now leased on the Outer Continental Shelf are in full swing, and unless the Congress takes immediate and affirmative action on this bill, 10 million acres of now undeveloped areas of the OCS will be leased in 1975. Of this total, 16%, or 1.6 million acres, is scheduled for sale off the coast of populated southern California. It is now abundantly clear that our present system for development of the Outer Continental Shelf is grossly inadequate. It does not guarantee the public—which owns these valuable resources—either a fair return or the full and timely development of the oil and gas. And it hands over to the oil companies the right to make critical energy and environment decisions without adequate, if any, public input. The time for change is at hand.

This new legislation embodies the recommendations of the national ocean policy study of the Senate Commerce Committee. First, it would place a moratorium on conventional leasing in new areas of the Outer Continental Shelf. This would mean that the lease sales now scheduled for 1975 and beyond would be canceled upon enactment of the legislation. This moratorium on conventional leasing would not, however, necessarily cause a delay in the discovery of and subsequent development—if desired—of new offshore oil and gas deposits. For, instead of turning over responsibility for exploration to the oil companies, this bill would authorize and direct the Secretary of the Interior—through the U.S. Geological Survey—to conduct seismic, geomagnetic, gravitational, geophysical, geochemical, and exploratory deep drilling activities in areas of the Outer Continental Shelf where oil and gas development have not previously occurred.

In short, the conventional leasing arrangement whereby the oil companies are sold rights to explore for and, in the event of a discovery, to develop the oil and gas resources of the OCS would be replaced by a new system which separates the exploration function from the development function.

The Federal Government would assume the exploration function. Areas where oil and gas are found, and where development is deemed appropriate, would then be leased to oil companies for development.

This marks a critical departure from our current leasing policy. It would not only improve the public data base about these federally owned reserves, it would also mean that the decisions which have the greatest impact on the marine and coastal environments and on future energy supply would be made in the public sector, with opportunity for full participation by affected coastal States.

The initial outlay of funds for federally sponsored exploration would be substantial. The bill calls for an authorization of $200 million for fiscal years 1976 and 1977. But the potential for better returns would be enhanced by the simple fact that the Federal Government—the lessor—would know the true value of the lease instead of depending on the purchase of some oil company information, which is itself expensive. It was recently discovered, for example, that some $200,000 of funds earmarked for environmental baseline studies in southern California's offshore areas were actually used by the Bureau of Land Management to purchase geophysical data for use in evaluating lease tracts. Incredibly, this data had already been purchased by the USGS but was being held confidential, even from its sister agency, the BLM.

The advantage of this new scheme is that it would leave the important decisions about energy in the public domain, not in the hands of the energy companies.

All data acquired by exploration with public funds would be made public and available to all bidders for development leases on an equal basis. In addition, the bill would provide for the enhancement of the coastal States' role in the decisions affecting the OCS near their shorelines. This would occur through a mandatory reporting mechanism whereby the Secretary of the Interior, after consultation with other affected Federal officials, would be required to circulate to the Governors of affected coastal States a report describing a commercial discovery, together with a recommendation about whether or not it should be developed. This report, along with the comments made by the Governors, would then be sent to the Congress, which in turn would have 90 days to review the report. If at the end of 90 days neither House approved a resolution of disapproval, the proposed leasing would be approved. This is an important addition, for it gives an opportunity for coastal State input without also extending the power of absolute veto to any one State.

The leasing options, for the development leases, would be left open. I prefer the royalty bidding system, with a sliding scale of decreasing royalty payments to provide an incentive for recovery of as much of the resource as possible and to guard against premature abandonment of the lease. However, it makes little sense for a bill to mandate the use of any one bidding system, and I am pleased that this bill will leave open a wide range of options including bonus and royalty bidding, profit-sharing and work programs.

Finally, this new OCS legislation would make an important separation of responsibilities. It would separate the development functions from the environmental baseline research and the regulation of safety and pollution control.

In short, this new bill makes essential changes in our present policies and programs affecting the development of the oil and gas on the Outer Continental Shelf. It will take long strides toward guaranteeing the public a fair return for its resources and maintaining the essential energy and environmental decisions in the public sector. I am pleased to be a cosponsor of this historic legislation and hope that it sees early action in this Congress.

By Mr. DOLE:

S. 427. A bill to amend sections 555 and 556 of title 37, United States Code, relating to members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

RIGHTS OF MIA'S AND THEIR FAMILIES

Mr. DOLE. Mr. President, the passage of time—and it is today 2 years since the signing of the Paris Peace Accords—must not be allowed to dim our commitment to the men declared missing in action in combat in Southeast Asia. Accordingly, I am reintroducing a bill to insure that the rights of our American servicemen who are missing in action, and the rights of their families, are not obscured or dissipated by military status reviews of the kind which have taken place, in some cases, last year. This measure will further provide for consistent review procedures among all military branches, and will insure that MIA families are given access to information upon which the status reviews are based.

The need for such assurances was underscored by certain actions taken by the military branches to alter the status of American MIA's still unaccounted for in Southeast Asia. Last year, the Army, Air Force, and Navy Secretaries initiated a methodical and, to some extent, arbitrary review of the cases of those missing servicemen to determine whether or not any "reasonable" basis existed for assuming that these individuals might still be living. If the respective service Secretary determined that no such basis existed for a particular MIA, then a "presumptive finding of death"—PFOD—was issued. During the first months of operation, this status-review process resulted in 69 PFOD's, in 88 cases which were considered. In several instances, the absence of any recent information about a missing serviceman was, itself, presented as "new" information reflecting doubt upon the serviceman's probability of survival.

Just a year ago, a panel of judges reviewing the court case of *McDonald* v. *McLucas* (73 Civ. 3190) held that a "minimum" of procedural standards must be followed in all such military status reviews in order to protect the rights of MIA family members. Although this ruling called for reclassification hearings open to MIA next of kin and provided them with an opportunity to present testimony of their own, it failed to establish any guarantees that family input would have an effective bearing upon the reclassification decision of the military service—even in those instances where no concrete evidence exists that an MIA is deceased. Subsequently, within a matter of several weeks, 69 American veterans of the Vietnam war were eliminated from the lists of the missing by the military services, and added to the rolls of the victims of that conflict.

Mr. President, Congress will be remiss if it permits such death determinations to continue at an accelerating pace during the coming months, with no more substantive basis for that decision than a "presumptive" finding drawn from lack of evidence to the contrary. Surely it is premature to arrive at such a negative conclusion on a man's fate when the North Vietnamese Government has not fully complied with the provisions of the Paris Peace Treaty of 1973 regarding an accounting for missing American personnel in Southeast Asia. Surely it is both insensitive and unjust to fail to reserve certain rights to these families and the MIA's they represent.

The measure I am introducing today will help to prevent declarations of death based on purely arbitrary deductions and decisions by the Secretaries of the military service in those cases where such a decision would run counter to the wishes of the family. It will preclude a change in the status of any MIA by the military services solely on the basis of the passage of time or the absence of additional information on that serviceman if the next of kin objects to such change.

It does not obstruct in any way the normal reclassification procedures prompted by new and substantive evidence which may become available on our MIA's from time to time; nor does it deny the previously existing rights of the next of kin to request or consent to reclassification procedures by the military. But it does maintain that all such procedures shall follow uniform and consistent guidelines; it does prescribe that recent court rulings be given statutory expression; and it does insure that the rights of those individuals whose lives are directly affected will not be foresaken.

As one who was closely involved in the efforts to secure the release of our POW's and to obtain information on the status of our MIA's, I certainly believe that such endeavors by our Government should continue at an optimum level until the Communists comply fully with the provisions of the Paris Peace Agreement which entitle the United States to conduct a full search and accounting for our MIA's. In the meantime, let us not permit arbitrary and presumptive determinations to rule over the objections of family members. Let us demonstrate to all concerned that justice and sensitivity still prevail with respect to our missing servicemen and their families.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 555(a) of title 37, United States Code, is amended by striking out the period at the end of clause (2) and inserting in lieu thereof a comma and the following: "subject to the provisions of section 556(i)."

(b) Section 555 of such title is further amended by adding at the end thereof a new subsection as follows:

"(e) The Secretary of Defense shall prescribe regulations for procedures and actions under this section and such regulations shall be applicable to all uniformed services."

Sec. 2. Section 556 of title 37, United States Code, is amended by adding at the end thereof the following new subsections:

"(i) Before the status of any member of a uniformed service who is in a missing status may be changed under the provisions of section 555(a) or under this section, the Secretary concerned must first notify the next of kin of such proposed change and hold a hearing on such proposed change. The next of kin shall be afforded a reasonable opportunity to (1) attend such hearing, (2) be represented at such hearing by private counsel, (3) examine all information upon which the proposed change of status is to be based, and (4) present any evidence or information relevant to the hearing.

"(j) The Secretary of Defense shall prescribe regulations for procedures and action under this section and such regulations shall be applicable to all uniformed services."

Sec. 3. Notwithstanding any other provision of law, in any case in which the status of any member of the uniformed service who is in a missing status is reviewed under section 555 or section 556 of title 37, United States Code, on or after the date of enactment of this Act, no change in the status of such member may be made by the Secretary concerned solely on the basis of the passage of time or the absence of any additional information pertaining to the member if the next of kin of such member objects to such change. Any objection by the next of kin to a change in the status of any member of the uniformed services who is in a missing status on the date of enactment of this Act shall prevail until such time as the provisions of the Paris Peace Accord of January 27, 1973, relating to the accounting of missing personnel, have been complied with. As used in this section, the terms "Uniformed services", "missing status", and "Secretary concerned" shall have the same meaning applicable to such terms in chapter 10 of title 37, United States Code.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 11

At the request of Mr. Brock, the Senator from South Carolina (Mr. Thurmond), and the Senator from Louisiana (Mr. Johnston) were added as cosponsors of the bill (S. 11) to amend the State and Local Fiscal Act of 1972 to make Federal revenue sharing a permanent program to provide for periodic increases in the dollar amounts of revenue returned to the States under that act to offset the effects of inflation, and to eliminate certain restrictions on the purposes for which local governments may use funds obtained under the act.

S. 18

At the request of Mr. Dole, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the bill (S. 18) to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees, and for other purposes.

S. 28

At the request of Mr. Moss, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 28, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax, or in the alternative a deduction, for energy conserving residential expenditures.

S. 66

At the request of Mr. Kennedy, the Senator from Maryland (Mr. Mathias), the Senator from North Dakota (Mr. Burdick), the Senator from Iowa (Mr. Clark), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of the bill (S. 66) the Nurse Training and Health Services and Health Revenue Sharing Act of 1975.

S. 102

At the request of Mr. Dole, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the bill (S. 102) to provide price support for milk at not less than 85 percent of the parity price therefor, and for other purposes.

S. 136, S. 137, S. 138, AND S. 139

At the request of Mr. Montoya, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of the bill (S. 136) to amend the Internal Revenue Code of 1954 to require the establishment of formal procedures and criteria for the selection of individual income tax returns to audit, to inform individuals of the reasons why their returns were selected for audit, and for other purposes; the bill (S. 137) to amend the Internal Revenue Code of 1954 to require judicial confirmation of the need for a jeopardy assessment; the bill (S. 138) to amend the Internal Revenue Code of 1954 to revise the provisions relating to property exempt from seizure for collection of taxes; and the bill (S. 139) to amend section 7802 of the Internal Revenue Code of 1954 to define the term of the Commissioner of Internal Revenue.

S. 149

At the request of Mr. Packwood, the Senator from Kansas (Mr. Dole) was added as a cosponsor of the bill (S. 149) to equalize the Federal tax treatment of unmarried individuals.

S. 156

At the request of Mr. Moss, the Senator from Ohio (Mr. Taft), the Senator from Nevada (Mr. Cannon), the Senator from Minnesota (Mr. Mondale), and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 156, to provide for continuing Earth resources satellite experimentation.

S. 168

At the request of Mr. Domenici, the Senator from Florida (Mr. Chiles) was added as a cosponsor of the bill (S. 168) to amend the Internal Revenue Code of 1954 to allow an income tax credit or an income tax deduction for certain expenditures of a taxpayer relating to the thermal design of residence of such taxpayer.

S. 187

At the request of Mr. Dole, the Senator from Delaware (Mr. Roth) was added as a cosponsor of the bill (S. 187) to provide a priority system for certain agricultural uses of natural gas.

S. 192

At the request of Mr. Weicker, the Senator from Florida (Mr. Chiles) was added as a cosponsor of the bill (S. 192) to require the disclosure of the net worth of public officials.

S. 199

At the request of Mr. Weicker, the Senator from New Mexico (Mr. Domenici) and the Senator from Kansas (Mr. Dole) were added as cosponsors of the bill (S. 199) to restrict the authority for inspections of tax returns and the disclosure of information contained therein, and for other purposes.

S. 216

At the request of Mr. Domenici, the Senator from Rhode Island (Mr. Pell), the Senator from Virginia (Mr. William L. Scott), and the Senator from Arizona (Mr. Fannin) were added as cosponsors of the bill (S. 216) to amend the Gun Control Act of 1963.

S. 231

At the request of Mr. Eagleton, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the bill (S. 231) to amend section 5(b) of the Food Stamp Act of 1964 to prohibit the use of funds to furnish food stamps to certain persons enrolled in institutions of higher education.

S. 284

At the request of Mr. Humphrey, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of the bill (S. 284) to provide price support for milk at 90 percent of parity and for other purposes.

S. 302

At the request of Mr. Domenici, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the bill (S. 302) to amend the Federal Food Stamp Act to prohibit any increase in the portion of a household's income that may be charged for food stamps under such act in the case of any household whose members are all 60 years of age or older or in the case of any household in which over one-half of the income is provided by members 60 years of age or older, and for other purposes.

S. 308

At the request of Mr. Domenici, the Senator from California (Mr. Tunney) was added as a cosponsor of the bill (S. 308) to provide one free physical per year for medicare recipients.

At the request of Mr. Domenici, the Senator from Indiana (Mr. Bayh) and the Senator from Florida (Mr. Chiles) were added as cosponsors of the bill (S. 308) to allow one free physical examination per year for medicare recipients.

S. 317

At the request of Mr. Weicker, the Senator from Kansas (Mr. Dole) was added as a cosponsor of the bill (S. 317) to establish a Joint Committee on Intelligence Oversight.

SENATE JOINT RESOLUTION 3

At the request of Mr. Kennedy, the Senator from Oregon (Mr. Hatfield), the Senator from Illinois (Mr. Stevenson), the Senator from Minnesota (Mr. Mondale), the Senator from Vermont (Mr. Stafford), the Senator from South Dakota (Mr. Abourezk), and the Senator from Colorado (Mr. Gary W. Hart) were added as cosponsors of the joint resolution (S.J. Res. 3) to require the submission and approval by the Congress of fees on oil imports.

SENATE JOINT RESOLUTION 12

At the request of Mr. Roth, the Senator from South Dakota (Mr. Abourezk), the Senator from California (Mr. Cranston), the Senator from Kansas (Mr. Dole), the Senator from South Carolina (Mr. Hollings), and the Senator from Illinois (Mr. Percy) were added as cosponsors of the resolution (S. Res. 12) amending the standing rules of the Senate providing for open meetings of conference committees.

SENATE RESOLUTION 16

At the request of Mr. Moss, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of the resolution (S. Res. 16) to amend rules XXV and XVI of the standing rules of the Senate with respect to jurisdiction over energy research and development matters, and for other purposes.

SENATE CONCURRENT RESOLUTION 1

At the request of Mr. Mondale, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of the concurrent resolution (S. Con. Res. 1) in support of International Women's Year 1975.

SENATE CONCURRENT RESOLUTION 5—SUBMISSION OF A CONCURRENT RESOLUTION URGING THE PRESIDENT TO ESTABLISH A COUNCIL ON MIA'S

(Referred to the Committee on Foreign Relations.)

PRESIDENTIAL COUNCIL ON MIA'S

Mr. DOLE. Mr. President, today I am introducing a Senate concurent resolution to express the sense of the Congress that a Presidential Council on MIA's be established. Since the status of servicemen listed as missing in action in Indochina became an issue, there have been a number of promises and implied promises that the fate of these men would be investigated and explained. Yet today, on the second anniversary of the signing of the Paris peace accord, there are still 80 servicemen listed as missing in action with no official explanation of their whereabouts.

A resolution of the MIA question is likely to be achieved by diplomacy and executive action. The need for, and accomplishment of, diplomatic and executive actions often come and go quickly. By the very nature of such actions, there is little opportunity for debate or consideration such as might be given in Congress. Therefore, it is my feeling that a council at the Presidential level would be more capable of providing meaningful advice to the President and the Secretary of State as to what sort of action would be most beneficial to resolving the MIA question. That is why I am introducing this concurrent resolution today.

It is my hope that the Presidential Council on MIA's would be able to take an active role in structuring our diplomatic and Executive actions in the best manner to resolve the MIA question. By being a part of the executive branch at the White House level, such a council would hopefully be in a better position to achieve meaningful action.

In addition, a Presidential Council on MIA's would be better able to study the wishes of the families of servicemen missing in action. One of the goals of such a council should be to make recommendations on better forming our policies toward MIA's and their families. This objective is stated in the resolution I am introducing.

Mr. President, the families of servicemen missing in action continue to be in a great deal of uncertainty about the fate or their kin. I strongly feel that we, as a nation, should not simply forget about these men and their families. A full accounting of the MIA's should be an integral part of our national foreign policy. Such an objective is the intended result of this legislation. I hope we can pass this concurrent resolution promptly so that the MIA's will not be unaccounted on the third anniversary of the Paris accord.

I request unanimous consent that the resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 5

Resolved by the Senate (the House of Representatives concurring):

Whereas, January 27, 1975, marks the second anniversary of the signing of the Paris Agreement, and

Whereas, the Communist block countries in Southeast Asia are not abiding by Articles 8a and 8b of the Paris Agreements or the Laotian protocol in accounting for our MIA's, and

Whereas, there appears to be a lack of effective action being taken or proposed to achieve a full accounting of MIA's.

Therefore, be it resolved that it is the sense of the United States Senate and the United States House of Representatives that the President establish a Presidential Council on MIA's to study the cases of MIA's and their families, to propose courses of action to achieve a full accounting, and to make recommendations concerning Federal policies related to MIA's.

SENATE RESOLUTION 33—SUBMISSION OF A RESOLUTION URGING A MEETING OF HEMISPHERE FINANCE MINISTERS

(Referred to the Committee on Foreign Relations.)

Mr. BENTSEN (for himself and Mr. MCGEE) submitted the following resolution:

S. RES. 33

Whereas economic issues are increasingly critical to the stability of Western Hemisphere relations, and

Whereas economic factors directly affect National priorities and foreign policies, and

Whereas the economies of the Nations of the Western Hemisphere are increasingly interdependent, and

Whereas current economic conditions, such as inflation, unemployment, raw materials and energy shortages and balance of payments deficits, threaten not only the orderly economic growth of the Hemisphere but also Hemisphere security, and

Whereas it is desirable that improved Hemisphere economic cooperation be achieved, consistent with the National interests and legitimate aspirations of each Hemisphere State, in order to combat more effectively the economic problems confronting the hemisphere, and

Whereas a discussion of Hemisphere economic issues would compliment the March 1975 meeting of Hemisphere foreign ministers,

Be it resolved that it is the sense of the Senate that the President urge the convening as soon as possible of a meeting of Hemisphere finance ministers to develop means of furthering economic cooperation among the various States on the basis of a Hemisphere partnership; to suggest equitable and effective coordinate action to the extent possible in meeting the medium- to long-range economic growth needs of the States of the Hemisphere.

SENATE RESOLUTION 36—SUBMISSION OF A RESOLUTION EXPRESSING DISAPPROVAL OF THE PLAN OF THE INDIAN CLAIMS COMMISSION IN THE CASE OF THE GRAND RIVER BAND OF OTTAWA INDIANS

(Referred to the Committee on Interior and Insular Affairs.)

Mr. PHILIP A. HART submitted the following resolution:

S. RES. 36

Resolved, That the Senate hereby disapproves the plan, for the use and distribution of the Grand River Band of Ottawa Indians judgment funds awarded by the Indian Claims Commission in Docket Numbered 40–K, submitted to the Congress by the Secretary of the Interior pursuant to the provisions of the Act entitled "An Act to provide for the use or distribution of funds appropriated in satisfaction of certain judgments of the Indian Claims Commission and the Court of Claims, and for other purposes", approved October 19, 1973 (87 Stat. 466).

AMENDMENTS SUBMITTED FOR PRINTING

INCREASE LIMITATION OF THE NATIONAL DEBT—H.R. 1767

AMENDMENT NO. 1

(Ordered to be printed and referred to the Committee on Finance.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes.

IGR HEARINGS

Mr. MUSKIE. Mr. President, on January 30 and 31, the Subcommittee on Intergovernmental Relations will begin hearings to determine the impact of the recession and inflation on State and local governments.

The purpose of these hearings is to determine whether an emergency Federal program is necessary in order to prevent the fiscal crunch at the State and local levels from undercutting Federal efforts to spur economic recovery.

Witnesses at the hearings will include mayors representing the U.S. Conference of Mayors and the National League of Cities, county officials, and Governors.

The hearings will be held in room 3302 of the Dirksen Senate Office Building. On January 30, the hearing will begin at 9:30 a.m. and on January 31 it will begin at 10 a.m.

ANNOUNCEMENT OF HEARINGS ON CONFIRMATION OF JAMES LYNN AS DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET

Mr. RIBICOFF. Mr. President, the Senate Committee on Government Operations will hold hearings on the nomination of James Lynn as Director of Office of Management and Budget. The hearings will be held on Wednesday, January 29, at 10 a.m. in room 3302, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

VIOLATIONS OF NATIONAL SECURITY

Mr. McCLELLAN. Mr. President, I wish to call to the attention of my colleagues a thought-provoking editorial which appeared in the Arkansas Democrat on December 23, 1974, in regard to the activities of Daniel Ellsberg.

The editorial points out that not only has Ellsberg escaped punishment for leaking the highly classified Pentagon Papers to the media and has gained notoriety and fortune from the escapade, but he is now preparing to repeat his performance by publicly divulging new secret information.

According to the Arkansas Democrat, Ellsberg has turned over "pounds upon pounds of new security documents" to a Senate subcommittee which he "stole" while working for the Government. Soon, the paper states,

> Ellsberg will be asked in to tell the Senate and the world what they all mean. . . . The Senate committee is promising juicy disclosures all the way back to 1958. The theme is, "How the White House Lies to Us."

Frankly, Mr. President, I find this abhorrent and contrary to the principles of the American systems of justice. One of its cardinal rules is that a wrongdoer should not profit from his crimes. Unfortunately, all too often in recent years, this principle has been violated with impunity.

As the Arkansas Democrat points out,

> Crime can pay off in both fame and fortune, if you're careful to steal the right thing at the right time and tell the world your conscience made you do it.

On January 15, 1975, William E. Colby, Director of the Central Intelligence Agency, testified before the Subcommittee on Intelligence Operations of the Senate Committee on Appropriations, that:

> There have been a number of damaging disclosures of our intelligence operations in recent years.

He pointed out that existing statutes do not adequately protect these essential secrets and said the executive branch is preparing legislative proposals to strengthen controls over intelligence secrets within the bounds of the Constitution.

It is my hope, Mr. President, in the light of the continuing indiscretions of Ellsberg and others, that as soon as these legislative proposals are presented to us, we give immediate consideration to them.

I ask unanimous consent that the editorial from the Arkansas Democrat of December 23, 1974, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"RIGHT" KIND OF THEFT

Theft and sensationalism. No, we're not talking about Watergate but about Daniel Ellsberg, a thief who never served a day but who got fat and famous by lifting the Pentagon Papers. In his case, crime paid, and now he has produced a new sensation.

He stole more than just the Pentagon Papers when he was working for government. Pounds upon pounds of new security documents have turned up in Senate custody. Early next year, Ellsberg will be asked in to tell the Senate and the world what they all mean.

He asked the Senate subcommittee on Foreign Operations to take custody after the papers were stolen from him (and then recovered) last fall in what seemed to be a routine professional theft—not at all the kind of thievery Ellsberg engaged in. His was a case of conscience. In any case, the Senate committee is promising juicy disclosures all the way back to 1958. The theme is, How the White House Lies to Us.

That's Ellsberg's stock-in-trade. He stole both these papers and the Pentagon Papers to show how our leaders do one thing and say another. It made him an instant hero in some circles—and he didn't lose any status when it turned out that the White House "plumbers" had broken into his psychiatrist's office to look into his mental history.

That burglary saved Ellsberg from paying for his crime. The trial judge threw out the theft charges, the plumbers went to jail and Ellsberg went on to greater glory. He has been writing a book about his conscientious exploits (while not on the lecture tour at $3,000 a pop) and now he's parlaying his operation into a second installment based on new revelations reaching back to White House duplicity during Lyndon Johnson's administration.

Some people have even given Ellsberg credit for upholding press freedom because some newspapers printed the stolen Pentagon Papers and then won a Supreme Court case against government efforts to convict them of violating security laws. Press freedom won. Ellsberg didn't share in that triumph.

Nevertheless, we don't think much of this so-called man of conscience. The moral test of his kind of lawbreaking is a willingness to take the consequences. Ellsberg didn't say, "Sure, I stole the Pentagon Papers and broke a law for principle and am now willing to take the consequences." No, he tried every legal trick in the book to beat prosecution—then lucked out when the plumbers were unearthed.

So a thief has become famous as a case of conscience and will reap new praise and sensationalism next year when an obscure Senate committee (which knows good copy when it sees it) will associate itself with the newly-disclosed theft. The morality of all this is just too much for us to compare detail by detail with Watergate. It's enough to say that crime can pay off in both fame and fortune if you're careful to steal the right thing at the right time and tell the world your conscience made you do it.

FOOD STAMPS FOR STRIKERS

Mr. FANNIN. Mr. President, I am very pleased to join today in cosponsoring Senator THURMOND's bill amending the Food Stamp Act of 1964, "to prohibit the distribution of food stamps to any household where the head of the household is engaged in a labor strike."

Federal legislation establishing the food stamp program became effective on August 3, 1964, and was amended on January 11, 1971—chapter 51, section 2011 to end, U.S.C. 7.

Neither the law nor its amendment provided for food stamps for strikers. Since 1968 there have been at least three unsuccessful attempts in the House to amend the Food Stamp Act by adding a provision prohibiting strikers from participating under the program, the most recent attempt being by way of a limitation in the Agriculture Appropriation Act in the 92d Congress. Similarly, the Senate has attempted without success to incorporate this amendment to pending bills on the Senate floor. These failures of Congress to act have been used by proponents of their use as legislative approval of the program.

The congressional history and the act itself demonstrates that it was intended to be a part of the Government's effort to distribute surplus food and to encourage domestic consumption of farm products.

The food stamp program is administered by the Food Stamp Division of the Food and Nutritional Service of the Department of Agriculture. The Division has regional staffs in five geographical areas which supervise several hundred employees.

They have no official authority over certification of eligible stamp users or actual disbursing of the stamps, which is in the province of the Department of Health, Education, and Welfare.

Food stamps in a Federal program and the benefits from it are now uniform nationally. Program eligibility which had previously been handled on a State or local level was standardized and benefit levels were last modified in mid-1971. The program has spread rapidly. By the end of fiscal year 1970, it was operating in 1,747 project areas in 48 States, and nearly 6.5 million people were participating. The value of the bonus coupons was upward of $600 million.

Several studies have been made which show convincingly that the utilization of food stamps by strikers has contributed to both the number and length of strikes. The most exhaustive study is the 1972 report of Wharton School of Finance and Commerce entitled "Welfare and Strikers—The Use of Public Funds To Support Strikers."

Mr. President, our basic labor-management laws, the Wagner Act, the Taft-Hartley Act, and the Landrum-Griffin Act all had as their stated purpose to create a balance between the rights of labor and management. Free collective bargaining to settle disputes has been our national policy. The entitlement of strikers for food stamps is directly contrary to that policy. The use of taxpayers' money to subsidize one side of a strike is wrong. This is a matter for the private, collective bargaining sphere of our economy. To put the Government on the economic side of either the striker or the employer in a labor dispute is unfair. Strikers are not indigent.

They have suffered a cut in income but it is at their insistence, not the Government's since they choose to use the economic weapon of a strike to enforce their demands in collective bargaining negotiations.

Mr. President, the food stamp program was intended to help the needy, the unemployed, the unemployable, families on welfare, mothers with dependent children, the aged, the blind and disabled, the people who through no fault or choice of their own are involuntarily the victims of incomes inadequate to provide them with quality, quantity, and the kind of food necessary to assure a proper diet. This bill would in no way affect these people. Unlike these people, strikers have access to special funds provided by their unions and ordinarily have a salable skill to assure them of work elsewhere. In fact every dollar which goes to the striker by way of food stamps may be one less available dollar for the people who really are in need.

In 1970, 6 years after the passage of the Food Stamp Act, the number of work stoppages hit a new all-time high of 5,716 strikes. The number of strikes lasting 90 days or more jumped from 200 in 1960 to 334 in 1970.

Mr. President, the Wharton study used a number of examples to justify its conclusion that strikers will probably receive $238 million in food stamps during 1973. A few of those examples are summarized below.

THE 1967–68 COPPER STRIKE

About 37,000 workers in five Western States were idle for 316 days in the nonferrous metals strike of 1967.

The primary issue of the strike was the structure of the collective bargaining unit with the unions attempting to force the companies to bargain on an industrywide coalition basis. As the strike continued more and more strikers turned to public welfare to reduce the economic pressures. Public assistance was obtainable in all of the States affected by the strike except Arizona. Strikers discovered that food stamps or surplus food were available in most States. This strike marked the beginning of widespread use of food stamps by strikers. Complete reports upon the amount and number are not available.

THE 1969–70 GENERAL ELECTRIC STRIKE

On October 26, 1969, approximately 164,000 employees went out on a strike which continued for 122 days. While the impact of the strike was greatest in New York and Massachusetts, various other States were affected. In all affected States, strikers received various forms of public welfare—surplus food, food stamps, welfare, and in New York unemployment compensation. No breakdown as to the value of food stamps issued is available.

THE 1970–71 WESTINGHOUSE STRIKE

On August 28, 1970, a 160-day strike began against Westinghouse at Lester, Pa. By January 1971 over 1,800 persons were receiving food stamps, representing a 164-percent increase over the number of participants prior to the strike. During this strike a strike vote was taken in which the strikers voted to continue the strike. Could that vote have been affected by the availability of food stamps?

THE 1970 GENERAL MOTORS STRIKE

On September 14, 1970, a 71-day strike against General Motors commenced. The greatest number of strikers were concentrated in Michigan. The Wharton study found that nearly $11 million in food stamps were provided for Michigan strikers.

OTHER STRIKES

In a 1970 Teamsters strike in Cook County, Ill., there were 15,000 strikers who participated in the food stamp program. To understand the impact of food stamps for strikers look, for example, at one case from Los Angeles County, Calif., during the 1970 auto strike—food stamps for strikers, report of the National Labor-Management Foundation, page 5. Before the strike a typical worker earned $2.75 per hour, with a weekly gross of $110. Average weekly deductions totaled $18.65, leaving a net pay of $91.35. What happened to this typical worker after he went on strike is most amazing. Nontaxable UAW strike benefits paid $40 weekly. This would buy $106 worth of food stamps for $42 per month—a nontaxable subsidy of $16 per week. The California Welfare Department paid him $282 per month in emergency relief, or $70 per week. This gave the striker $34.65 more per week in disposable income than he earned before calling the strike. He would have needed a raise of about $.90 per hour—an increase of almost 33 percent—just to stay even with his strike income.

It is obvious that the food stamp program played a major role in destroying this worker's incentive to return to work without exorbitant wage increases of a kind which brought the country to the brink of economic disaster in the summer of 1971. Negative incentives to workers such as the food stamp program make it easy to understand why this country's relative productivity is lagging—in this case, we—the taxpayers of the Nation and of California—pay a man more not to produce than he gets for working.

The argument has been made that those on strike have so-called right to food stamps because they are taxpayers when they are working. If this argument was carried to its logical conclusion by every taxpayer, then childless payers of school taxes could rightfully complain about the lack of return to them individually from their tax dollars. Or, those who do not own automobiles could rightfully complain that they get no return to them individually from taxes used to build streets and roads.

Advocates of food stamps for strikers make emotional appeals based upon the spector of starving wives and children. This argument becomes hard to accept as the general level of affluence in the labor force increases. Furthermore, the timing of most strikes is well known in advance, allowing any thoughtful worker to take necessary provident steps. I fully support the right to strike, but that right does not mean that those on strike have a right to public subsidies such as food stamps.

This bill does not affect the rights of workers who are out of work because of an employer lockout. However, I believe it would deny food stamps in selective strikes. An example of a selective strike occurs when the employer operates a number of plants. The same union is the bargaining agent in all of the plants. The plant chosen to be struck is strategic to the operations at other plants of the employer to the extent that he has no alternative to closing down one or more of the other plants. This is not the usual lockout used as a bargaining tool. Where the striker or unemployed worker is a member of the same union which is using the selective strike technique, I do not believe he should be entitled to food stamps and the bill so provides.

If Congress wishes to in some small measure cut down the number and especially the long duration of strikes the bill offers a beginning. It does not attempt to cut down on aid to dependent children, welfare, or unemployment compensation for strikers. By confining it to food stamps, we will be in better position to judge the effectiveness of Federal Government support of strikers.

THOUGHTS OF A DAIRY FARMER

Mr. ABOUREZK. Mr. President, Mr. Elmer E. Fagerland, of Langford, S. Dak., a dairy farmer, recently wrote me to report that he and his two sons are just plain fed up with the dairy business. Mr. Fagerland included with his letter an article written by Kathy Ainger in the Farm Wife News, which was republished in the Watertown Public Opinion and the Britton Journal of South Dakota.

Mr. Fagerland says the article expresses his thoughts about the dairy business. Mr. President, that is the sentiment of all the dairy farmers these days. I ask unanimous consent that the article by Kathy Ainger be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAYBE SOMEONE WILL ASK WHY

(By Kathy Ainger)

Why did my husband throw down today's "Tribune" and walk out to work in disgust? Why did he go to work at all after reading the editorial "Laws that push prices up?"

Why can't he ever dress up for work instead of wearing work shoes and knee-high boots covered with cow manure? Why can't he sit behind a desk and answer a phone instead of grinding cow feed in rain and cold? Why must he ride a tractor dawn to after-dark during the summer? Why can't we ever have a summer vacation like other people?

Why can't he ever sleep in one morning instead of trudging sleepily outside at 5 a.m. every day? Why can't he eat supper at a decent hour instead of waiting till 7 after work each night. Why does he have to work Christmas, Easter, Thanksgiving and every Sunday?

Why can't he ever take his family to early church? Why must he spend Christmas Eve in the barn milking cows? Why must our kids wait till Daddy comes in from work before they can go see what Santa left? Why can't I ever wake up in his arms?

Why must he help a sow deliver pigs? Why must he spend months of hard work and ever-more money? Why can't he ever have a say in how much he is paid? Why must he accept a cut in the milk check when expenses went up? Why isn't he even making the minimum hourly wage for his long hours?

Why must he watch helplessly while his income fluctuates day to day? Why can't he strike for a cost of living raise, higher overhead, paid vacations and holidays, and a wage contract? Why must he see his income go down, store prices go up, and still be blamed by the "Tribune" for inflation?

Why is he not respected for his work? Why do people sneer at his profession, go home, and eat the fruit of his labor? Why do they not appreciate his hard work to see that they are the best fed people in the world? Why must he take the blame when power-happy milk officials use his money illegally and national headlines proclaim dairy farmers crooks? Why do not these national headlines proclaim factory workers crooks when union officials make political campaign contributions in exchange for favors?

Why when people see a new luxury car say, "Man, those payments must really set you back," and when they see a new tractor say, "All these damn farmers are rich"? Why when schools need more money must he bear the burst of their support in raised real estate taxes? Why did he have to worry about gas to run the tractors when thousands of one-car commuters were on the road?

Why indeed? Why doesn't he say the hell with it and quit farming? Why don't people notice how many sows pregnant with next season's pork are being shipped for slaughter right now? Why don't people notice the dairy herds being sold for hamburger?

Why don't people notice the good farm land being sold for housing developments? Why don't people notice the terrible weather that ruined millions of acres of crops this year? Why don't people notice how many fewer farmers there are each year? Why don't people notice how very much depends on the few farmers that are sticking it out?

When the farmers are driven out of business by ingratitude, disrespect, poor income, inflation, shortages, bad weather, and public indifference, when food in abundance is a memory, when grocery stores have empty shelves, when all the good farm land is covered with concrete, when no one wants to work a 90-hour-week to produce food, when people in the United States, Chicago, next door, in your house, are actually hungry . . . then maybe someone else will quietly ask, "Why?"

THE JOB CORPS AT 10 YEARS

Mr. HUMPHREY. Mr. President, 10 years ago the Congress of the United States enacted legislation establishing the Job Corps. I was the author of this legislation. During my service as Vice President of the United States, I visited many of the Job Corps centers.

This program gave an opportunity for employment and training to thousands of young Americans. These were the young Americans who had been neglected or forgotten by our society. The Job Corps demonstrated that, if they were given a chance with proper training and education, these same young men and women could become productive and self-sustaining citizens.

I am very proud of the Job Corps. I defended it during the campaign of 1968 when the then Republican candidate for the Presidency, Richard Nixon, was calling for its elimination. Thank goodness that the Congress did not permit this even though a number of centers were closed. The Job Corps needs to be expanded. It has proven itself to be an effective instrument for training and employment.

An editorial in the Washington Post of Sunday, January 26, makes note of the 10th anniversary of the Job Corps. I commend its reading to the Congress. The editorial properly notes,

> The Job Corps was much more than an employment program; it was dealing in human renewal.

And finally,

> The need for Job Corps today is considerably greater than when it began.

The Congress should insist that this program be expanded.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

THE JOB CORPS AT 10 YEARS

"*. . . an example of a current poverty program that should be eliminated is the Job Corps. This is one program that has been a failure. It sounds good, but it costs $10,000 a year to train a man for a job that may not even exist. That's the government way of doing it.*"—Richard M. Nixon, April 1968.

In reaching its 10th anniversary this month, the Job Corps deserves congratulations on several counts. The most basic of these is for its mere survival. From the beginning, it was among the most sharply attacked of the poverty programs. Its purpose was to train young men and women—16 to 21—in skills that would qualify them for jobs. But it was immediately clear that much more than this was involved. The early Job Corps centers, in the description of OEO's first director, Sargent Shriver, were "filled with kids this country has literally dumped." Eighty percent had not seen a doctor or dentist in 10 years, 24 per cent had eye trouble, more than 60 per cent came from broken homes, the average schooling was nine years but reading proficiency was on the fifth grade level, and a third of the enrollees had behavorial problems. The Job Corps was much more than an employment program; it was dealing in human renewal.

The program's critics, offended that tax money was being spent on dropouts, toughs and supposedly hopeless cases, seized on isolated incidents—a fist fight between two recruits became "racial turmoil"—to discredit Job Corps. Few were more determined to do it in than Richard Nixon. The comment above was one of many about Job Corps in his 1968 campaign, but he had his facts wrong: the costs were much lower, the jobs did exist, and corporations and unions were partners with the government. For all his misguided determinations, Richard Nixon never killed the program. The idea behind it was too sound—as many allies in the Senate and House understood—and the need among the young unemployed was too great.

Today, the program has become an accepted part of the Ford administration's manpower efforts. Sixty-one centers are operating for 14,000 men and 5,000 women. In 10 years, nearly half a million trainees have been enrolled; the cost per enrollee in FY 1974 was $3,098. Unfortunately, evidence suggests that the Job Corps is still under some of the pressures it has endured all along. Funding in the last fiscal year was $176 million, down from $185 million in 1973 and $212 million in 1972. According to one Labor Department official, at one time there were 94 Civilian Conservation Centers but today the number is 27.

Some money is being saved by these cuts and closings, but assuredly it is the kind of short-term savings that eventually means little when compared with the losses: what the nation must pay to meet the needs of those on welfare, in prison and on the unemployment lines. With none of the skills or help they would receive in Job Corps, many youngsters may be destined for one or another of those fates. President Ford has hailed the Job Corps for having "sustained a remarkable record of success." If that's the case, what is needed now is a new commitment to develop the program. The need for Job Corps today is considerably greater than when it began.

SECOND ANNIVERSARY OF "PARIS PEACE AGREEMENT," DÉTENTE AND CONTINUOUS COMMUNIST AGGRESSION IN SOUTHEAST ASIA

Mr. HELMS. Mr. President, in Paris 2 years ago Secretary of State Henry Kissinger made a statement that he "was seeing a light at the end of the tunnel." A few days later, after signing the Paris agreement with his Communist counterparts, Dr. Kissinger promulgated "peace with honor." Today, exactly on the second anniversary of "peace with honor," exploding rockets on the outskirts of Saigon and the fall of the provincial capital of Phuoc Binh are announcing the new beginning of war. The Red side, after 2 years of low-key protractive aggression, has demonstratively broken the Paris agreement.

In recent, well-concerted activities by the Hanoi lobby in our Nation's Capital, and in some elements of the media, certain gross distortions have been advanced. In most cases, the purpose of distortions is to assist the Communist totalitarian dictatorship of Hanoi in its quest to impose the yoke of tyranny upon the peoples of Indochina.

These distortions of facts are related to the nature of the Government of the Republic of Vietnam, the so-called political prisoners issue, censorship of the press, corruption, and persecution of political opposition. Critics of the Republic of Vietnam either want to draw away American attention from the Communist aggression or simply refuse to face the realities of their position.

NORTH VIETNAMESE MILITARY BUILDUP

Contrary to the letter and spirit of the Paris agreement of January 27, 1973, the North Vietnamese have undertaken an extensive military buildup in South Vietnam. In terms of manpower, weaponry, and logistic support, their forces are stronger than ever before, even during the peak war years.

At the time the agreement was signed, there were about 220,000 Communist main force troops in South Vietnam—160,000 North Vietnamese and 60,000 Vietcong—these figures do not include local militia and part-time guerrillas. As of October 1974, there were some 300,000 Communist main force troops in South Vietnam—225,000 North Vietnamese and 75,000 Vietcong. The illegal infiltration of over 165,000 new troops from the North has thus been sufficient to strengthen North Vietnamese forces in the South by approximately 70,000 men, despite tens of thousands of casualties suffered by the North Vietnamese in the continuing fighting and the rotation of some of their troops from the South to the North.

The North Vietnamese have approximately tripled the strength of their armor in the South since the agreement by sending in about 400 new armored vehicles, mostly Soviet and Chinese-built T–54, T–55, and PT–76 tanks. They have also substantially strengthened their artillery by sending numerous light artillery pieces plus over 200 heavy artillery pieces, mostly Soviet and Chinese-built 130-mm and 122-mm field guns which significantly outrange comparable artillery in the South Vietnamese Government's arsenal.

Another major buildup has been in anti-aircraft artillery (AAA) strength. The North Vietnamese have moved in a number of new AAA regiments and hundreds of AAA weapons. All together, they have sent south more than 1,000 field artillery and AAA pieces. Also, since the agreement, they have deployed 16 heavy SA-2 surface-to-air missile launchers with six missiles each in the northern part of South Vietnam.

To help support their augmented forces, the North Vietnamese have greatly improved their logistic system, especially their road network leading into the South; and they have rebuilt their depleted armament stockpiles to the point that we estimate that they could sustain for over a year major offensive comparable to their 1972 Easter offensive. In fact, during the last several months alone, they have brought in enough ammunition to sustain a 1972-level offensive for over a year.

ADDITIONAL COMMUNIST VIOLATIONS OF PARIS AGREEMENT

The North Vietnamese Communists have attacked South Vietnamese cities, destroyed schools and massacred children, destroyed hospitals and whole villages and abducted tens of thousands of civilians.

They have refused to allow the International Commission for Control and Supervision to investigate treaty violations in Communist zones, and failed to designate points of entry to permit inspection of incoming military supplies, all as required by the Paris Peace Agreement;

Furthermore, they refused to pay their prescribed share of the expenses of the International Commission of Control and Supervision;

Failed to honor their commitment to cooperate in resolving the status of American and other personnel missing in action, even breaking off all discussions on this matter by refusing for the past 7 months to meet with United States and Republic of Vietnam representatives in the Four-Party Joint Military Team;

Broken off all negotiations with the Republic of Vietnam, including the political negotiations in Paris and the Two-Party Joint Military Commission talks in Saigon, answering the Republic of Vietnam's repeated calls for unconditional resumption of the negotiations with demands for the overthrow of the government as a precondition for any renewed talks; and

Escalated aggression in the South, overrunning several areas, including 11 district towns, which were clearly and unequivocally held by the Republic of Vietnam at the time of the cease-fire. Their latest and most-serious violations of the Paris Peace Agreement came in early December with offensives in the southern half of South Vietnam, which have brought the level of casualties and destruction back up to what it was before the agreement. These attacks—which included for the first time since the massive North Vietnamese 1972 offensive the overrunning of a province capital—Song Be in Phuoc Long Province—reflect a decision by Hanoi to seek once again to impose a military solution in Vietnam.

Each of these violates explicit provisions of the Paris Peace Agreement. No comparable violation can be legitimately charged against the Republic of Vietnam.

CRITICS OF VIETNAM AND THE REALITY

Those who work for the collapse of South Vietnam say that more aid means throwing good money after bad, since South Vietnam cannot survive anyway. But, these are the same critics who predicted that the government would collapse as soon as American troops left in March of 1973.

The anti-Vietnam and pro-Hanoi lobbyists say they do not want an antidemocratic regime. While the Government of South Vietnam is not a model of liberal democracy, it looks very good indeed when compared with the North Vietnamese Government, which is a communistic totalitarian dictatorship. Two brief comparisons may illustrate the point.

In South Vietnam there are 16 Vietnamese language newspapers of which 13 are classified either as "independent" or "opposition" papers. There is some censorship in the name of national security, which is understandable when considering the fact that the country is in a state of war. Nonetheless, reading the Saigon press suggests that newspapers can and do regularly and sometimes vigorously, criticize the government and its policies.

Opposition candidates can complete and win elections in South Vietnam held as constitutionally scheduled. President Thieu's supporters did not control a majority in the Senate from 1967 to 1973. A mere 40 of the 119 candidates seeking re-election to the Lower House in 1971 were returned by the voters. The 1971 Presidential election was uncontested only because both Nguyen Cao Ky and Duong Van ("Big") Ming chose to withdraw after having qualified for the race. In the most-recent provincial elections in Quang Tri Province, the opposition gained majority representation in the local administration.

The contrast in North Vietnam is clear. All newspapers are owned and controlled by the government and, predictably, are favorable to it. All candidates for the National Assembly must be approved by the Communist Party. In the four elections that have been held at irregular intervals since 1946, not a single member of the National Assembly has ever been defeated.

The continued loyalty of the military—at all levels—to the South Vietnamese Government, the increased support by the peasant masses—roughly a million of whom have gained title to their lands since 1970, and the decline of urban opposition testify to the preference of South Vietnamese voters for their democracy, whatever its shortcomings, rather than Communist control by the North.

The most current political activities in the Republic of Vietnam include demonstrations by the opposition and leadership among the Catholics. Such activities certify two important facts:

One; that peaceful demonstration and constitutionally guaranteed political actions can be freely carried out.

Two; the majority of those demonstrating—the Catholic anti-corruption movement under the leadership of Father Tran Huu Thanh—state that the purpose of their movement is to eliminate elements of corruption in order to improve the efficiency of the nation's anti-Communist struggle.

VIETNAM AND DÉTENTE

If détente means anything at all—which many regard as doubtful—the test of détente is general progress toward a more peaceful world situation. Last year, Soviet and Red Chinese military aid to the government in Hanoi amounted to over $1.3 billion. It is self-evident that without military aid from the Soviet Union and Red China, the Communists from Hanoi would not be able to wage aggression in the south. Consequently, if we are going to have peace in Indochina, and détente is going to have any meaning, the Soviets and the Government of the Mainland of China must stop providing means for continuous Communist aggression in that part of the world.

MIA AWARENESS DAY

Mr. BENTSEN. Mr. President, 2 years ago today the Paris Peace Accord was signed and many rejoiced at what was expected to be the end to hostilities in Vietnam. For our soldiers and POW's, this was an opportunity to return to families, friends, and country. Yet, for many families, these scenes of reunion were only painful reminders of relatives who had been lost in the war and remained unaccounted for. Little has been done to obtain information on those still missing and the State Department's latest figures of 1,300 still missing are a shocking reminder that the war will not be over until we know what happened to these courageous Americans.

In the last 2 years allegations have been made that some of our MIA's are still alive and being held as prisoners of war in Indochina. It is difficult for us here in Washington to ascertain the validity of these claims. But this is all the more reason that our Government must not relax its efforts in searching for information on those still missing.

President Ford's proclaiming today as MIA Awarness Day is an important symbol of the concern that we as Americans have for the fate of those who sacrificed so much in Indochina. I urge the Departments of State and Defense not to relent in their efforts to obtain as complete an accounting as possible of our MIA's and I urge the governments holding information about our missing to evidence their good faith by cooperating on this painful and poignant holdover from the Vietnam war.

RETROACTIVE PRICE MONITORING

Mr. HUMPHREY. Mr. President, I have been concerned for a good while with the growing structural rigidities in our economy. They both force prices up artificially and prevent price declines when costs fall. They have created an economy where prices rise all too easily, but never or rarely ever decline. The result is inflation—pervasive, eroding, never-ending inflation.

The decline in wholesale prices during December of .5 of 1 percent was heartening. At the same time, this decline still left wholesale prices 21 percent above last December—the greatest rise in such prices since 1946. And, of course, we have projection after projection by economists that consumer prices will still soar 8 or 9 percent in 1975. That is better than the 12 percent rise in 1974, but it is not good enough. My point, Mr. President, is this: Even though inflation is moderated, it will still remain at excessive levels into the foreseeable future. And, it will remain at excessive levels, even despite 7 million unemployed men and women, until we remove structural rigidities from our economy.

With others shortly, I will be proposing the establishment of a permanent price monitoring agency for our economy to replace the weak Wage and Price Stability Council. The purpose of this agency will be to identify these structural rigidities which hold prices up, and recommend techniques for their elimination. This will in no way reimpose across-the-board controls. We have a good idea of what some of the major structural rigidities are—for example, noncompetitive business pricing practices, excessive market control by a few firms, some Government rules and regulations. This agency will examine these and others.

Unfortunately, speculation regarding the establishment of such a price monitoring agency encourages firms to maintain or even increase prices—fearing the imposition of new price controls. This fear is unfounded. Yet, such fear persists. To prevent any further anticipatory price hikes based on such fears, the effective date of a monitoring agency should be January 1, 1975. This date will quickly discourage any further anticipatory price increases. It will directly aid in reducing the current rate of inflation. It is a necessary step, and a fair one.

The necessity of forestalling further anticipatory price hikes or price maintenance in the face of falling demand is, perhaps, best illustrated by a Wall Street Journal article on January 8, by Mr. Ralph E. Winter, entitled, "Being Prepared, Fear of New Controls Causes Many Concerns to Keep Prices High." Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEING PREPARED: FEAR OF NEW CONTROLS CAUSES MANY CONCERNS TO KEEP PRICES HIGH

(By Ralph E. Winter)

President Ford opposes wage and price controls. George Meany opposes controls. Businessmen oppose controls. Even the House Democratic leaders this week stopped short of recommending controls.

So it would appear that everyone could sit back and stop worrying about the possibility of controls anytime soon. But there's lots of evidence that businessmen aren't taking the no-controls talk too seriously.

Instead, they are making sure they are prepared in case the inflationary spiral does bring a new round of wage and price controls. Specifically, many companies—even those with slumping sales—are making certain they don't get caught with their prices down.

"We got caught by controls before," the president of a machinery producer says, "and our profit margins have been suffering for a couple of years as a result. I'm personally making damned sure that we aren't caught again."

This executive therefore is regularly reviewing the price levels of every division in his company with key officers and is insisting that prices be raised whenever costs go up, even at the risk of losing some business.

FAILURE OF PAST CONTROLS

When the final phase of the last round of controls ended last spring, there was wide agreement that the controls hadn't worked and so there was little chance they would be reinstituted. However, soaring inflation since then has cast doubt on that assumption. Third quarter price rises reached an 11.8% annual rate for the steepest inflation since the Korean war.

If this inflation doesn't abate, many businessmen feel controls may be reinstated as a desperation move, with the public's acquiescence. The House Democratic leaders, while not recommending controls, did suggest the administration be given power to delay wage and price rises for as long as 90 days.

Although President Ford has repeatedly ruled out controls, the December survey of the National Association of Purchasing Management Inc. shows that 27% of the purchasing agents believe price controls will be applied, 53% think they won't and 20% are undecided. Only 13% believe controls are needed.

But the mere suggestion of possible controls is inducing many companies to delay price cuts or post precautionary price rises, with the ironic result of further fueling the inflation conflagration. Because the past controls were based on prices charged over a 90-day period, the businessmen figure it's prudent to keep prices high now, even if possible controls are far down the road.

OTHER PRICE PRODS

Fear of new controls, of course, isn't the only reason that prices generally have failed to level off despite the deepening recession. High costs for such things as energy and labor are also factors in the complex economic situation. Whatever the reasons, the price spiral has been contradicting the classic theory that prices ease when demand lags.

Even in the depressed auto industry, price cuts to bolster sales have been a long time coming. Chrysler Corp.'s new plan to offer rebates of $200 to $400 to purchasers of new cars and trucks is the first significant step in that direction. And the use of a rebate instead of a price cut is being viewed by some as a way to keep the list prices high—in case controls come.

Moreover, conversations with top corporate executives in industries ranging from steel to consumer items indicate that price cuts will be few even if the recession continues. And they suggest that the price spiral will continue over the next six months, albeit at a moderating pace.

"Even some sort of new voluntary price-restraint program will be guidelines instead of firm rules, enforced by unfavorable publicity rather than legal sanctions, would seriously reduce our pricing flexibility," says a top executive of a major steel-products company. "We've got to be in a position where we don't need any price increases except those we can justify because of cost increases," he adds. "We probably wouldn't be allowed any catch-up under any type of controls, mandatory or voluntary."

A BRAKE ON THE ECONOMY

Economic consultants concur that the specter of controls is at least impeding many potential price cuts. "All the talk of controls is making companies hesitate on price cuts," says Albert H. Cox Jr., chief economist of the consulting firm of Lionel D. Edie & Co. "This is depressing economic activity further, since the economy isn't getting the price cuts it needs."

Michael K. Evans, president of the Chase Econometric consulting subsidiary of Chase Manhattan Bank, says, "We have evidence that the threat of controls is causing companies to go slow on cutting prices. In the past few months, a growing percentage of the businessmen I talk to have become convinced that controls are coming back."

These and other economists do believe, however, that prices will soon begin to level off because of weak demand. But whatever the outlook, there's little doubt that the controls specter has been influencing pricing decisions in many industries despite the administration's reassurances that controls aren't in the offing.

President Ford remains "very strongly" against controls, Edgar Fiedler, assistant Treasury Secretary, said last week, in the latest denial. Officials add that Mr. Ford would probably veto a bill providing standby authority to impose controls if such a measure clears Congress.

Officials of the Council on Wage and Price Stability similarly proclaim the case against controls. Conceding that some companies seem to be keeping their prices high because they fear controls, the officials say they are privately urging executives of these companies to cut prices—because controls just aren't in the works.

CREDIBILITY GAP

One key industry that isn't taking the reassurance at face value is the steel industry. "There's no doubt that fear of price controls was a factor in the frequency of steel price increases in 1974," a vice president of a Midwest steelmaker says.

He says the industry was severely burned when controls were instituted in August 1971 after repeated statements by the Nixon administration that price and wage controls weren't in the works. With the administration's blessing, steelmakers had signed a labor contract with a 15% first-year wage increase, effective that Aug. 1.

Immediately, thereafter, big-tonnage sheet and strip steel were caught in the administration's price freeze, and the steelmakers' profits plummeted. U.S. Steel Corp. calculates that under the controls program, steel prices by the end of 1973 were 6% short of covering cost increases.

After controls were lifted early last year, steel producers wasted no time in boosting prices. By the end of the year, the increases totaled more than 45% for many producers, despite a partial rollback of a year-end increase by Bethlehem Steel Corp. under government pressure.

Armco Steel Corp. says December price increases offset only about a quarter of the 10% rise over the previous four months in costs for such things as raw materials, wages and energy. But Armco's chairman, William Verity says profit margins are at least back to the levels of the 1960s, and that's "enough to encourage investment in new facilities." So he and other steel executives doubt there will be further price rises soon, especially with the recent reports of weaker demand and some order cancellations by steel users.

AUTO MAKERS CHANGE THEIR TUNE

Auto-industry observers similarly feel that prices are stabilizing somewhat following the steep boosts of 1974. Whereas the auto makers had indicated that last fall's price boosts would be followed by still others, the continuing sales slump has made them change their tune. Chrysler's rebate plan, still not officially announced, may not be followed by other producers, but more sales promotions are predicted. This approach would keep list prices high in case of subsequent controls.

If industries such as steel and autos fear price controls, the lumber industry is practically in a panic. Controls would be a disaster for lumber companies, according to Ralph D. Hodges Jr., executive vice president of the National Forest Products Association in Washington.

Mr. Hodges says such controls would hit the industry especially hard right now because the price of softwood lumber and plywood is at a 15-year low. A sizable amount of lumber is being produced and sold below production cost because the mills are "gambling that the market will turn around," he says.

But the low price levels in the lumber industry are clearly the exception, because price increases were rampant during 1974. The onset of a recession didn't exactly stem the tide, as illustrated by the startling 30% annual rate of wholesale price increases in October and 14.4% in November.

A DAILY CHORE

"It used to be that we could review the pricing structure once a year, but now it's something you have to stay on top of daily," says W. Paul Cooper, president of Acme-Cleveland Corp., a producer of machine tools, equipment drills and other expandable tools, "Components such as castings, bearings and raw materials keep going up so fast that it seems we keep running one lap behind in our prices," Mr. Cooper says.

An executive of a producer of auto and industrial products says he also expects the company's price levels to keep rising because costs keep going up. "We've got to stay right on top of pricing all the time or our profit margins would quickly erode," he says.

But he and many other executives indicate that increases in the next six months or so will be largely "defensive"—just passing along cost increases. This would be a change from mid-1974, when demand was strong and many companies were increasing prices to restore profit margins that had been slimmed during the 1971–74 controls period and even before. (Some economists define the change as a switch to cost-push inflation from demand-pull inflation.)

Armco suggests, for example, that the steel industry has pretty well accomplished the bolstering of profit margins. Much the same can be said about such other basic industries as paper and chemicals.

In addition, the prices of some raw industrial commodities such as copper, rubber, cotton, hides, steel scrap, wool and waste paper, are down from their highs, taking some pressure off the price spiral. Prices of a few manufactured products have begun to ease as a result, including cotton textiles, synthetic fibers and some cotton products.

OBSESSION WITH PROFIT MARGINS

But these are exceptions. A marketing official of a major chemical company says his industry remains "Obsessed with protecting profits through immediate passthroughs of costs" although volume has begun to dwindle. He contends that any fear of controls isn't evident in this obsession in his industry, but he believes it is a factor in other industries where the demand is more slack.

George J. Grabner, president of Lamson & Sessions Co., a fastener producer, says weaker demand is bound to "suppress price increases in excess of cost increases."

But the cost increases in many cases are substantial. For one thing, labor has just started getting in its licks, trying to rebuild workers' purchasing power eroded by inflation. Recent labor contracts have pushed hourly wages up 10% or more in the first year of the agreements.

The new coal industry contract provided a three-year package increase of 54%, which will be passed along to coal users, including the steel mills and electric utilities. The higher cost to utilities, in turn, will mean higher energy costs for scores of industries.

COSTLIER COSTS

Besides higher energy costs in general, many industries are coping with higher freight, postage and other charges. While interest rates are down from the peaks of a few months ago, they still represent a significant cost item to corporate borrowers.

Cost rises have been so sharp and unpredictable that some companies say they have trouble deciding the size of price increases. "It's really tough because we don't know what type of cost increase to expect 18 or 20 months from now," says Frank A. Furar, vice president, finance, of Danly Machine Corp., a Chicago producer of metal-forming presses. "We keep talking to our purchasing people to get their best estimate of what costs will be, but predicting is hard. You provide for a 10% materials cost increase, and then some clown will come along and raise castings prices 30%."

Some companies try to deal with the problem by inserting an escalator clause in delivery contracts. For instance, Giddings & Lewis Inc. gives purchasers of its machine tools a choice. Either prices are firm for deliveries within 12 months of publication of a new price list, and then rise a straight 1½% a month, or prices will climb in step with the rise in wholesale prices of industrial commodities.

Other concerns have simply given up trying to predict future prices. They tell customers who are placing orders that the price will be whatever price is in effect at the time of delivery.

These companies may prove the most farsighted. For some executives and economists expect that an economic recovery about a year from now will trigger still another surge of inflation.

A UNION DUES REMISSION

Mr. FANNIN. Mr. President, last week union leaders from around the Nation came to Washington to rally against President Ford's economic and energy program.

They denounced President Ford's program and made some vague general counterproposals which would create more inflation, thus causing even more recession.

There is one very positive program the unions could undertake to give the economy a shot in the arm and to help union workers caught in the inflation-recession bind. They could provide a remission of dues for union members for 1, 2, or 3 months. This would increase the spending power of the union members and it would relieve the tremendous burden on some union members who are out of work and yet have to keep paying dues.

From the large amounts being spent by the unions on political campaigns and lobbying, it is evident that they have very healthy treasuries. Some union officials with exceptionally high salaries also might like to consider taking a temporary salary cut to help out the rank and file by cutting their dues accordingly.

Mr. President, this idea did not originate with me. It came from a constituent, Mr. Clem Merskoetter of Phoenix, who called my Washington office at his own expense to discuss the economic problems facing this country. Mr. Merskoetter had been giving a great deal of thought to our economic plight, and the idea of a union dues remission occurred to him—he is now in business for himself but for many years he was a union member. He suggests that such a gesture by the unions would demonstrate their desire to really help solve our economic problems and improve the plight of those who are caught in today's inflation-recession squeeze.

It seems quite logical that if the Government cuts its tax on the American people, perhaps the unions could consider cutting their "tax" on members.

OBJECTIONS TO SOCIAL SECURITY 5-PERCENT CEILING

Mr. McINTYRE. Mr. President, I want to comment briefly on Senate Concurrent Resolution 2, introduced by the senior Senator from Minnesota, which I have cosponsored. I cannot stress strongly enough, Mr. President, my determination to work with the Congress and the administration in whatever way I can to help combat the dual enemies of inflation and recession.

But I do not see how taking away the cost-of-living increase due our senior citizens through social security will in any way lead to this goal. We will have to continue to be prudent in our assessment of Federal spending to insure that we avoid at all costs waste and overspending.

But in our zeal to cut spending, we must guard against cutting programs that are designed to help the very people most ravaged by inflation and recession. These are times when we must devote our talents and resources not only to pulling our country out of this economic dilemma, but to helping those who, because of their age or circumstance, have fallen victim already to this crisis.

I strongly support this resolution, Mr. President, and I shall work hard to insure that its principles are upheld.

INTERNATIONAL FOOD RESERVES

Mr. HUMPHREY. Mr. President, the issue of international food reserves continues to be one of great importance in light of the continuing pressures on food supply. I have long advocated the establishment of an international food reserve system wherein sovereign nation states would own, hold, and manage their own reserves under international guidelines. To be sure, this is a difficult and complicated matter but the pressure of population on food supply has made it absolutely essential that some system of food reserves be established. It is important, however, that those reserves not be used to manipulate the market or to depress prices to a point where farm producers suffer economic hardship.

Japan is our largest food customer. A recent article in the Washington Post of January 11 indicates that Japan is considering a plan to purchase and store large amounts of grain in the United States as its reserve stockpile.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 11, 1975]

Japan May Store Grain in United States

(By Don Oberdorfer)

Tokyo, January 10.—Japanese officials are considering a plan to purchase and store large amounts of grain in the United States as a "reserve stockpile" in case of global shortages, informed sources said today.

The plan has been informally discussed with a variety of U.S. businessmen and government officials, including members of a congressional delegation visiting Tokyo this week. The Japanese are expected to carry forward the discussion during a scheduled visit later this month by Assistant Secretary of Agriculture Clayton K. Yuetter.

As America's largest overseas agricultural customer and a massive importer of wheat, soybeans and feed grains, Japan is a major factor in the U.S. agricultural market. A decision by the Japanese to create a stockpile within the United States would mean enormous additional orders for American farmers and fill hundreds of storage silos now empty across the American plains. It would also have a significant impact on grain prices.

Serious political, economic and even legal problems could stand in the way of such a program, however. The Japanese have made it plain that they would want iron-clad rights to bring home their stored food for consumption at any time, regardless of any export embargo or other restriction that might be imposed on agricultural shipments. Such guarantees might require congressional action.

Rep. Thomas S. Foley (D-Wash.), who took a generally sympathetic view of the Japanese plan in discussions here this week, pointed out the concern among farmers and traders that unrestricted Japanese use of large reserves might affect prices.

The "soybean shock" of July 1973, in which the United States suddenly froze soybean exports, generated a deep sense of insecurity in Japan about the reliability of American food supplies. Japan depends on the United States for about 90 per cent of its soybeans (a vital item in the Japanese diet) as well as 67 per cent of its wheat and about 70 per cent of its feed grains. Total U.S. agricultural sales to Japan last year were $3.4 billion.

As Japan has become increasingly industrial, many of its agricultural areas have lost population and its self-sufficiency in agriculture has waned. As long as food was plentiful in the United States and elsewhere, it seemed more efficient, and was often cheaper, to purchase food abroad than to grow it at home.

Since the U.S. soybean embargo and the growing talk of approaching worldwide famines, the Japanese have begun searching for ways to protect themselves against the possibility of shortages. Secretary of Agriculture Earl Butz, who subsequently termed the U.S. soybean embargo "a very serious mistake," has given Japan abundant promises of continued American supplies, as have other high officials. But the Japanese remember the sudden cutoff to their soybeans, and have never been completely satisfied.

A recent medium and long-term study the Mitsubishi Research Institute did for the Japanese Ministry of Agriculture forecast worldwide shortages of rice, beef and milk beginning in the early 1980's and shortages of wheat, soybeans and feed grains in the mid-1980's. Prices of short-supply foods are expected to soar.

In a bid to reverse its declining trend of agricultural self-sufficiency, Japan has begun to increase the sums to be spent for subsidizing domestic farmers. It was reported today that the new national budget gives the Agricultural Ministry $20 million in unexpected additional funds to increase local production of food and feed grains.

Another factor in the Japanese discussion of a U.S.-based food stockpile is Secretary of State Henry A. Kissinger's proposal for an emergency food reserve system. The United States is expected to propose next month at a London conference on world food supplies that a stockpile of 60 million of tons of grain be created internationally. Press reports suggest that Japan might be asked to stockpile up to a tenth of this total amount, or 6 million tons.

Japan is said to be poorly situated for stockpiling large amounts of grain because of the high price of land and humid, hot summer temperatures. The Japanese were made well aware of the many vacant grain-storage silos across the United States by a recent sales pitch here by Gov. Arthur A. Link of North Dakota and other visiting officials.

Speaking of the Japanese grain storage plan, Ronald A. Maas, acting director of the Tokyo office of Wheat Association U.S.A., said: "I think there is some potential here, not next month and maybe not next year, but somewhere down the road. There are many ticklish problems that could arise; so far we have heard only a broad general idea. But it's something that bears watching."

VIVIEN KELLEMS

Mr. PACKWOOD. Mr. President, it is with a deep sense of regret that I note the passing of Ms. Vivien Kellems.

Ms. Kellems was well known as a dynamic, hardfighting supporter of the rights of unmarried people in this Nation. Her fight was often lonely, never easy, but always rewarding in the sense that she knew she was doing what had to be done.

I had the pleasure of meeting and talking with her on several occasions as we sought to develop the strategy for passage of the single taxpayer legislation. After fighting for enactment of such legislation for longer than most of us here today have served in the Senate, she finally was able to savor the sweet taste of victory when the measure was passed by the Senate in October of 1972. Regrettably, the sour taste of defeat came the next day as the Senate-House conference deleted the provision from the bill.

She never gave up though. Ever since then, she had doubled her efforts to secure passage of this equity legislation. We are on the verge of securing passage as the House gives evidence of moving in the direction of supporting the Senate's position on this legislation. I regret more than anything else the fact that Vivien will not be with us to savor that ultimate victory.

If ever there was a symbol of the good that one person can do in the fight for equal treatment of the laws, Vivien Kellems was that person. Her determination was unwavering, her conviction of the justness of her cause was the guiding light for so many of us. Her cause will be fulfilled. We will write justice into the tax laws for unmarried people. That will be our legacy for the grand lady from Connecticut.

I ask unanimous consent that today's Washington Post article on the death of Ms. Kellems be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 27, 1975]

VIVIEN KELLEMS, REBEL AGAINST U.S. TAX SYSTEM

SANTA MONICA, CALIF., January 26.—Vivien Kellems, who crusaded against a federal tax system she contended was discriminatory against single persons, died early Saturday of pneumonia.

Miss Kellems, 78, entered St. John's Hospital here about 10 days ago.

She lived in East Haddam, Conn., spending some winters in California, and had been there the last months with her brother, Dr. Jesse R. Kellems of nearby Brentwood.

Miss Kellems sent back her federal income tax returns for 1972 and 1973 with only her name filled in, said her secretary, who asked that her name not be used. The retired industrialist paid no income taxes in those years, she said.

"She wasn't paying her taxes on the basis that she's been overtaxed because she was single," the secretary said.

For the five years from 1967 to 1971, Miss Kellems paid only a portion of her federal income taxes, the secretary said.

"She felt it was an unfair tax," she added. "She was willing to pay on her basis and not on the basis of the Internal Revenue Service."

Miss Kellems contended that the 1948 law creating separate tax rates for single and married persons was illegal because it favored married persons.

In most instances, married couples filing joint returns have a lower effective tax rate than single persons. However, in some instances in which both have substantial incomes married persons—whether they filed jointly or separately—pay more taxes than would two unmarried persons with the same incomes.

Miss Kellems went to court to fight her tax assessments.

A U.S. Tax Court judge in Washington, D.C., ruled in June, 1972, that Miss Kellems was wrong in contending that she, a single person, should be taxed at the same rate as a married person.

Judge Graydon Withey ruled that the application of single return rates to her taxable income was not a violation of her constitutional rights.

In responding to that ruling, Miss Kellems said, "I'm delighted to get the decision. It's exactly what I expected because I knew that day in court we didn't have a chance. That so-called trial was a travesty . . . All this is OK because it's in the record and will go in the appeal."

She appealed the decision to the 2nd U.S. Circuit Court of Appeals. The case was pending at the time of her death.

Miss Kellems had a feisty, tongue-in-cheek sense of humor. Each time she confronted the IRS, she invited reporters and delighted in the role of quixotic spinster versus baffled bureaucrats.

The core of her argument was expressed in Hot Springs, Ark, in January 1972 when she told an audience the government owed her $83,000 in overpaid taxes and interest accumulating over 20 years "because I couldn't get a husband."

She said there were 6 million fewer women than men in this country and that presented a hardship to "maiden ladies" who would like to get a husband to take advantage of the tax break. "I have never refused to pay a tax. I have suspended paying taxes until they pay me," she said.

Miss Kellems was married once, at 18, but was divorced a year later, her secretary said. Her money came from the Kellems Co., which she founded in 1927. The company, which manufactured devices for joining sections of metal cables, was sold to the Harvey Hubbell Co. in 1962.

Several times she unsuccessfully sought political office. She tried for a Republican congressional nomination that went to Clare Boothe Luce in 1942, and later ran three times as an independent—twice for the U.S. Senate and once for governor.

THE HIGH RISK OF A BIG TAX CUT

Mr. HATHAWAY. Mr. President, unlike most of my colleagues, I am not in favor of a large tax cut at this time if it is not accompanied by tax reforms sufficient to pay for it. After a torrent of rhetoric about controlling inflation, suddenly everyone seems to have decided to abandon that fight completely in order to avert a recession. Like my colleagues, I am most eager to avert a recession, but I am not willing to risk inflationary dangers to do so. Runaway inflation leads to depression, and I am not willing to risk a depression to cure a recession. I feel an article by William Wolman in the January 20, 1975 issue of Business Week was a very succinct and timely expression of our present economic situation, and I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The High Risk of a Big Tax Cut

(By William Wolman)

As the government moves toward a tax cut, Washington's economic policymakers must consider the probability that the application of fiscal stimulus, expected this quarter, could easily result in higher prices and interest rates as early as midyear. If that happens, the economic recovery that seems a live possibility for that time could abort.

Deficit-increasing fiscal stimulus is a risky business, and for more than one reason. An obvious risk is simply what a major government deficit could do to a capital market already as nervous as an antelope at a waterhole.

Government spending is likely to grow by $45-billion in the current fiscal year and by an additional $35-billion to $37-billion in fiscal 1976. Even without a tax cut, this means a deficit of $25-billion this year and of $35-billion to $40-billion in 1976, a cumulative two-year deficit of $60-billion to $65-billion. Pile on the $15-billion temporary tax cut that the Administration is contemplating, and that cumulative deficit mounts to at least $75-billion. What is more, it could rise to more than $100-billion if Congress goes whole-hog for income tax cuts while avoiding offsetting increases in tariffs and excise taxes on energy.

CAPITAL DEMANDS

It can be argued, as some proponents of gung-ho fiscal stimulus do, that a decline in private borrowing by consumers and corporations could make room for higher federal deficits in the capital market. But this argument ignores two very important facts: The liquidity position of a host of U.S. corporations is in a shambles, making a substantial reduction in their demands on the long-term capital market unlikely despite slack sales and capital spending cutbacks; at the same time, recession will reduce the revenues of state and local governments, increasing their demand for financing.

In the face of enormous capital demands, heavy fiscal stimulus will force the Federal Reserve to choose between two unpleasant options. If the Fed refuses to absorb the increased debt, interest rates could soar again. The result would be a heightened liquidity trauma not only in corporate sector but also in the nation's entire banking system, plus a housing market that never gets off the ground.

If the monetary authority decides, instead, to absorb the debt by buying Treasury bills—and this amounts to the same thing as printing money—the U.S. money supply will go shooting up, making a new outburst of inflation inevitable. It is easy to gauge how tough the Fed's problem is. The nation's money supply stood at about $285-billion at the end of 1974. A 7% monetary growth rate during 1975 and 1976—surely the lowest figure that is consistent with restraining inflation—would mean $20-million in extra money this year and some $21-billion next year. A policy of creating more than $40-billion in debt over the next two years spells trouble.

WORLD MARKETS

That trouble will not be confined to the U.S. The dollar has sagged in world markets over the past few weeks, hitting 16-month lows, even though gold sales in the U.S. have been only moderate. One reason is apprehension among European bankers and businessmen over the inflationary consequences of U.S. fiscal stimulus. Any policy that debases the dollar in the foreign exchange markets causes an acceleration of inflation simply by raising the price of imports. The double-digit inflation of late 1973 and 1974 is in no small measure the result of dollar devaluation. Heavy U.S. deficits could mean a replay of the same problem in a muted form.

Finally, it is naive to assume that the market sensitivity that now exists in the capital and foreign exchange markets does not carry over to the labor markets. If heavy fiscal stimulus results in a resurgence of inflationary expectations, it will inevitably result in larger wage demands. As measured by compensation per man-hour, wage gains in manufacturing are running at an alarming 11.5% in 1974, up from some 8% in 1973. A huge government deficit will make it hard to bring this figure down, even with unemployment at 7% to 8%.

High and volatile inflation, which has persisted for a decade, raises serious questions as to whether fiscal stimulus can result in anything but an early resurgence of inflation, and any policy action that is based on the premise that prices will not rise because of heavy government deficits runs an enormous risk. Any policy is risky right now. But it is likely that pressing on in the fight against inflation is the safest one. If the inflation rate can be brought down by 6% by midyear, the physical volume of business sales is bound to start growing. And that, after all, is what an end to recession is all about.

WORLD FOOD CONFERENCE OUTCOME

Mr. HUMPHREY. Mr. President, I wish to point out an informative November 30 Science News article entitled, "The Great Grain Game," which provides an analysis of the recently concluded World Food Conference in Rome.

A great deal of attention was given to the issue of food aid and whether increased commitments would be made during the conference. Addeke H. Boerma, director general of United Nations Food and Agriculture Organization, asked countries with a surplus of grain to make commitments totaling this year's estimated 7- to 8-million-ton shortfall for needy nations.

At my urging and that of other Senators, a telegram was sent to President Ford from the U.S. delegation asking that the American delegation be authorized to make an increased commitment of a million tons. Days went by without an answer from Washington which, when received at the end of the conference, was negative. The article gives the impression that some type of commitment could have been forthcoming, and it would have had beneficial effects in terms of providing needed leadership.

More than 7 years ago, the President's Science Advisory Committee pointed out that living conditions for two-thirds of the human race were deteriorating, and that food shortages were a "grim reality." U.N. Secretary General Kurt Waldheim described the lack of foresight among nations in not responding to these warnings was "dismaying."

The World Food Conference made only a beginning in addressing the long- and short-term food issues. It still remains to be seen whether we will have the determination, courage and wisdom needed to lead in the fight against hunger.

Mr. President, I ask unanimous consent that this article by John H. Douglas be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Great Grain Game

(By John H. Douglas)

"Judgment on the success or failure of this conference is going to be made by hungry men in Africa and Asia."—Sayed Marei, general secretary of the World Food Conference.

A rainy first week turned into sunny Indian summer for the conclusion of the World Food Conference in Rome, as more and more delegates slipped away from the drone of business to peer at ancient ruins or stroll beneath the canopy of the famous Roman pines. Windows were thrown open in Mussolini's formidable "Palace of Congresses," which seemed more and more to resemble a goldfish bowl as the meeting progressed. Witless speeches and repetitious statistics conspired with the monolithic structure to increase a sense of isolation—particularly from the reality of starvation, which had brought together the thousand-odd government delegates and perhaps twice as many camp-followers.

In a parody of the Marine Corps slogan ("The difficult we do immediately, the impossible takes a little longer.") the conference delegates quickly dispensed with easy items of their agenda, and left the difficult for later meetings. Much was accomplished, but many participants had come wanting—perhaps needing—the impossible, in order to stave off famine in their lands: immediate food aid, immediate fertilizer supplies, immediate cooperation between industrialized and developing countries to spread the benefits of technology and agricultural research. Reserves of grain, to prevent catastrophic effects when weather again causes a bad harvest year, will be discussed "as soon as possible." Food aid to countries, which for years will be unable to feed themselves or buy competitively on the open market, should reach ten million tons a year, the conferees agreed—but where the food will come from and who will provide it remained unspecified. In quiet negotiations behind the scenes, Addeke H. Boerma, director general of the United Nations Food and Agriculture Organization (FAO), tried to pursuade countries with surplus grain to commit enough emergency aid to make up for this year's seven or eight million ton shortfall, which drastically effects some 32 countries. Again, nothing firm.

Along the corridors, talk turned to "lack of political will," in a word, leadership. As the world's largest producer and exporter of food, the United States inevitably became the focal point of arguments. Why the "low profile?" delegates asked. Why the lack of definite commitment, after having called the conference in the first place? Canada took the lead—promising a million tons of grain for next year if others will follow suit; Austria pledged a proportional share. Still no word from the United States.

A group of senators arrived, and immediately a telegram to President Ford was dispatched, asking that the American delegation be authorized to also pledge a million tons of grain. Appearance of delegation leader Earl Butz's name on the request was interpreted as a sign the Secretary of Agriculture had softened his stand that this was not the time or place to make such commitments—first see what the effect would be at home, and hold ministerial negotiations to make sure other nations did their bit.

The United States will almost certainly make such a donation eventually, said Sen. Hubert Humphrey (D-Minn.), "so why not announce it now when it may provide the leadership for other nations to do the same?" Sen. George McGovern (D-S.D.) went even further: Why not propose a 10 percent cut in military expenditures by the superpowers, and free some $20 billion a year? To make sure funds were available to pay for the extra million tons, Sen. Richard Clark (D-Iowa) proposed doubling "food for peace" money from $175 million to $350 million.

Days passed. No reply came to the telegram; no explanation was offered why there was no reply, nor speculation whether there would be one. Rumors grew that all was not well within the American delegation. Delegation member Donald Paarlberg admitted "we are not doing all we could," and conceded that Humphrey "has a point" on exerting leadership. Talking to a small group of reporters, Paarlberg said that while most crops had had a bad year, wheat and rice harvests in the United States had broken records. "I feel we could scrape up more wheat [for aid]," he said. The resulting inflationary pressures would not be that great—Paarlberg estimated that as much as a seventy cent rise per bushel in the price of wheat would only cause a one cent rise in the price of a loaf of bread.

Finally the senators left, and within hours, Secretary Butz appeared before a press conference to condemn the three most vocal of them for putting the United States "on the defensive." Again and again he lashed out at the "three Democratic senators" who were "trying to make news for themselves," who had made a "lot of noise," and who had caused the issue of the telegram to "escalate." Aid would be forthcoming, but these things were dealt with quarter by quarter.

Hadn't he signed the telegram asking that a million extra tons for emergency relief be committed immediately? Oh, that was just "over my signature" as head of the delegation. Besides, it was only a request for instruction. Besides, the democratic senators had "escalated" the issue.

At the very least, it was a public relations fiasco; at most a lost opportunity to exert humanitarian leadership.

But other confrontations, less well publicized, surely produced beneficial results. Oil exporting countries promised to give more money to help developing countries they met at the conference. A group of seven Arab emirates claimed to be setting aside more than 10 percent of their national income for aid purposes. The Iranian delegate said he was authorized to commit as much as $5 billion, beginning within two weeks of conference end, should other nations also make major new commitments. Representatives of agribusiness and consumer groups both met with delegates, who proposed new measures to make more equitable the commerce between small countries and giant industries that sometimes have as much as ten times greater budgets. Advocates of untrammeled technology found themselves brought up short by delegates from small countries where too rapid introduction of sophisticated techniques had disrupted society, thrown thousands out of work and sometimes ended in complete failure.

At a final press conference, the deputy chief of the American delegation, Edwin Martin, a patient, tireless professional diplomat, tried to smooth over some of the feathers ruffled by earlier dissention. "A two-week conference won't grow wheat or deliver food," he said, but a starving farmer in India may soon begin to feel the effects of the proposals coming from the conference. As for committing grain, "There is no question that there will be some increase in quantity" over last year. By its very existence, the conference had focused attention on the present crisis, and through its successes, would help forestall future ones—provided the nations involved acted on the resolutions passed here. And he pledged the United States to take an active part in that effort.

More than seven years ago, the President's Science Advisory Committteee warned that living conditions for two-thirds of the human race were deteriorating and that serious food shortages were becoming a "grim reality." Later, FAO sent forth clear warnings of imminent danger. In his address to the conference, U.N. Secretary General Kurt Waldheim said the lack of foresight among nations at not responding to these warnings was "dismaying," and that acting on them could have avoided the worst of the troubles directly ahead. If the conference has created an atmosphere in which such warnings are heeded and in which the role of the scientific community in recognizing and forestalling catastrophe is increased, then the effort must be considered a success.

But a delegate from one of the hardest hit countries told Science News that he and other Third World representatives were "very disappointed" that an emergency food aid program had not been announced at the conference. At the end, the United States was still reportedly waiting for a more definite commitment from oil producing countries that they would help fund such an effort. But the starving people Sayed Marei spoke of will render a harsh judgment indeed if these negotiations, stemming from the World Food Conference, do not produce quickly a more substantial fare than words.

INFLATIONARY ECONOMIC PROGRAM

Mr. HARRY F. BYRD, JR. Mr. President, I am convinced that the economic program put forward by the administration is a blueprint for more inflation.

An excellent analysis of our economic predicament and the solution advanced by the administration was published in The Washington Post on January 26. The author, Richard J. Whalen, states clearly the case against surrender to inflation.

Mr. Whalen puts his finger on the fundamental economic problem which we face: Staggering debt. Public and private debt now stands at about $2.5 trillion, and until the Government brings a halt to the continuous expansion of the public debt, little or nothing can be done to put the private sector back on a sound basis.

Any recovery based on the "funny money" of inflation is no recovery at all.

I ask unanimous consent that Mr. Whalen's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

(By Richard J. Whalen)

Note—Whalen, whose latest book is "Taking Sides," is a former writer for The Wall Street Journal and Fortune magazine. He is currently an international business consultant.)

After one of the more abrupt self-reversals in modern White House history, President Ford is now marching virtually in step with the Democratic opposition on economic policy. He has embraced the conventional wisdom—that steep recession, not inflation, is the enemy—and he proposes to fight it by amassing at least $80 billion in budget deficits over the next 18 months.

To a non-economist, the new consensus policy would be more reassuring if there were not such a strong whiff of panic about it. Scarcely three months ago, many of the same distinguished economists who are now urging massive fiscal stimulus were purring professional agreement on the need for a taut fiscal ship until double-digit inflation was whipped. From their vantage point atop the economic "summit" last fall, most failed completely to foresee the sharpness of this winter's downturn. The worrisome question arises: What are these experts failing to foresee now?

To be sure, some are full of a belated but amply justified humility about the shortcomings of their inexact science. Amid the rubble of their econometric models, they confess the same perplexity and fright as ordinary men. For example, Arthur M. Okun, the former chairman of the Council of Economic Advisers, last month told the Senate Budget Committee: "In the past few months, the nation's economy has been deteriorating at a rapid rate that, to me, in all candor, is frightening. It simply has no parallel in my professional career."

The decline has indeed been swift—real GNP plummeted at an annual rate of 9.1 per cent in the closing months of last year—but it is by no means unprecedented or even especially mysterious, despite Okun's statement. Like most of us, he is fortunate enough to have spent most of his adult life enjoying an extraordinary period of sustained prosperity, marked by relatively mild recessions. Since the mid-1960's, however, the boom has shown more and more evidence of inflationary excess. And now, as has happened before, inflation is yielding to deflation through the corrective forces of the marketplace.

CHILDREN OF THE BOOM

But we children of the boom are terrified to see it ending. We demand it continue, for we are accustomed to having our way in a world we have dominated for a quarter-century. We are haunted by the Depression our fathers suffered and by the nightmare of another cumulative deflationary spiral, which, should it materialize, would mean a far steeper fall because of the immensely greater height of our national prosperity. We refuse to see that the real question before us now is not how to escape the inevitable pain of deflation, but how to avoid making bad times cruelly worse.

In testimony last month before the same Senate committee, economist Otto Eckstein expressed this grand refusal that has now become a consensus. "The time is at hand to reverse our economic policies," he declared. "Whether the fight against inflation is won or lost, the risk of recession degenerating into near-depression has now reached the point where common prudence requires stimulus."

In other words, whether or not we cure the disease, we need a pain-killer for the patient. That would indeed be the prudent thing to do if the patient were not already suffering an overdose of this particular pain-killer. The patient is sick in the first place because of rapid inflation, and another massive dose may not simply deaden the pain but put him under once and for all.

One needn't be an economic expert to know that inflation is at the heart of our recessionary affliction. Economists may cling to the belief that inflation and recession are opposites, but it is evident to ordinary citizens that it was inflation which reduced their ability to buy, inflation which pushed the poor deeper into poverty and those on modest fixed incomes closer to becoming poor, inflation which triggered companies' sales slumps and layoffs, inflation which brought on our general economic decline. They may differ on what to blame for inflation—oil, bad crop weather, "administered" prices and wages, Vietnam, generally excessive expectations, all of the above—but its ultimate recessionary impact is clear.

And yet, knowing all this, we are now asked to abandon the fight against inflation, a fight we never really started. Rather, the resistance has consisted almost exclusively of Federal Reserve Chairman Arthur Burns' stubborn unwillingness to ratify double-digit inflation by pumping up the money supply accordingly. Practically everyone else in government, like the French troops on the storm, scarcely knew there was a war on, unless they accidentally stuck themselves with their WIN buttons. Budget Director Roy Ash, who learned his economizing while at Litton Industries building very expensive ships for the Navy, defied anyone to make meaningful cuts in a $300 billion-plus, mostly "uncontrollable" federal budget.

DISTORTED PICTURES

The explanation for our irrational tolerance of rapid inflation presumably can be found in a blind fear of deflation that has distorted our perception of the world around us. Since the enactment of the Employment Act of 1946, intended to cushion a postwar depression that never materialized, only one statistic has been guaranteed to prompt economists and politicians to break into a cold sweat—a sharply climbing unemployment rate. As it happens, this is also the economic statistic that the news media feel most comfortable with. A "soaring jobless rate" tells its own story.

Or does it? As the overall unemployment rate rose about 7 per cent last month, making headlines, causing the cold sweats and forging an anti-recession consensus, the "hardship unemployment rate"—those out of work 15 weeks or longer—rose to 1.4 per cent. The unemployment rate for heads of households was 4.5 per cent and for married men 3.7 per cent. Most of these people were receiving unemployment benefits and, in the case of the auto workers, supplemental benefits that raised total income close to their take-home pay while working. We were properly depressed to read of "the greatest number of people unemployed since the Thirties"—and probably did not remind ourselves that the civilian labor force meanwhile has grown two-thirds larger. Unemployment was high among teen-agers (18.3 per cent) and blacks and housewives, but they, too, had beneath them the economic safety nets created by a compassionate and rich society.

This is surely not to make light of the jolting experience of losing a job, of the distaste for being on the dole, of the boredom, the uncertainty and the anxiety about the future of the family. But in terms of social hardship, present unemployment bears no resemblance to that of the 1930s or even the 1950s.

Nonetheless, witness Eckstein struck the deepest fear nerve when he warned the senators that unemployment might persist above 8 per cent, and wondered "what such an experience would do to the American people's attitudes toward our economic system or toward each other." Whatever it might do to the economic system or to social stability, the senators knew what that kind of raw unemployment statistic could do to any officeholder who didn't try to "do something." And, according to the post-Keynesian orthodoxy, the something to do was to cut taxes, spend freely and rapidly expand the money supply.

OUR NATION OF DEBTORS

If the unemployment problem, while always distressing, is not as calamitous as it seems to most, the inflation peril is not only as bad as it appears but potentially much worse.

During the past generation, for the most part, we have lived extremely well, at least in the envious eyes of the rest of the world. But what has been the secret of our splendid prosperity? How have we paid for it?

In a word: debt. Debt so unimaginably large in the private and public sectors alike—some $2.5 trillion, according to the latest count—that the idea of ever paying off any substantial part of it is unthinkable. McGraw-Hill's economists recently totted up the categories: $1 trillion in corporate debt, $600 billion in mortgage debt, $500 billion in U.S. government debt, $200 billion in state and local government debt, and $200 billion in consumer debt. Merely to pay the interest due this year, they calculated, would take a sum more than one-third the GNP of the next biggest capitalist economy, Japan.

As might be expected, our nation of debtors has a vested interest in cheap, plentiful money—that is to say, in a devalued currency—because this eases the burden of repayment. The dollar that was worth 100 cents in 1939, and 48 cents in 1959, is currently worth less than 25 cents; if it continues to weaken at this rate, it will self-destruct sometime in the early 1980s. Is the progressive crippling of the dollar through inflation a legitimate source of worry to anyone other than gold cranks and right-wing hucksters of apocalypse? Does it have any real bearing on our ability to manage the U.S. economy and mitigate the effects of recession? The answer to both questions is yes.

After a generation of global expansion, the United States discovered in Vietnam that it is not exempt from the constraints which apply to other nations. When limits are overstepped, penalties follow. What is true in foreign policy is equally true, but much less clearly understood, in international financial and monetary affairs. Foreigners holding dollars are, in effect, our creditors. The penalty for reckless over-expansion of the U.S. dollar overseas has been the collapse of the world monetary system created in 1944, two dollar devaluations since 1971, and an entirely new exposure of the American economy to foreign demands and pressures.

In a world of floating paper currencies, which have no officially guaranteed rate of exchange in the money markets, the international purchasing power of the dollar may fall even faster than its value at home. This has the effect of making imports more costly, thus further boosting domestic inflation. It also makes U.S. food and raw materials cheaper for foreigners— like the canny Russian grain traders—and consequently scarcer and more expensive for Americans.

This is no argument for building "protective"—actually, imprisoning—walls around the U.S. economy. It's much too late for that anyway. But it does mean that those managing the U.S. economy in Washington are bound to anticipate and respect the moves of their counterparts in Bonn, Tokyo and other key centers within the new integrated world economy. If the United States opts for more inflation, penalties will surely follow.

PRINTING MORE MONEY

But the money markets might as well be on the dark side of the moon so far as the ordinary American is concerned. He is worried about the beast he encounters at the supermarket, which devours his purchasing power through spiraling prices. Yet the price effect of inflation is actually the tail of the beast, the final consequence of an inflationary chain of cause and effect.

Inflation begins with the creation of money, either by running the printing press or by expanding the lendable reserves of the banking system, at a rate faster than the economy produces goods, performs services, and creates real capital in the form of savings. Thus government, which has a monopoly on creating money and expanding credit, is where the inflationary scapegoat's horns belong. The rest of the beast consists of almost infinitely complex results and consequences.

For example, the insurance company executive, looking toward the turn of the 21st Century and beyond and calculating what the billions of dollars under his management will then be worth, gives the order: Stop writing mortgage loans. As the pool of long-term capital for housing loans shrinks, interest rates rise—and accelerating inflation causes other lenders to drop out and the pool to shrink further. As a result, millions of Americans who thought one-family houses in suburbia were part of their birthright find themselves living in "mobile homes," priced out of the market as a consequence of a remote lender's prudent fiduciary decision.

Or consider the businessman contemplating expansion. High inflation has laid his company's stock low. Why? Market analysts know his "real" profits are shrinking and they mark down the price-earnings ratio accordingly. As inflation drives up interest rates, investors desert the stock market for higher yields elsewhere, especially from government debt issues. With the stock price battered down to below the book value of the company's assets, issuing new stock to raise capital amounts to giving away part of the company.

Money set aside by the businessman to replace obsolete equipment (depreciation) and boost productivity cannot keep pace with rising costs.

The businessman must calculate the continued rising costs of labor and equipment in arriving at a potential future rate of profit. If inflation-driven wages are rising much faster than the company's output, profits will be inadequate to justify expansion, unless he looks overseas. (Unions are right to be worried about "runaway" plants and lost jobs, but some soul-searching is in order on runaway wage increases, too.)

And so, in the end, our businessman has no choice but to go to his banker and add to his company's debt. This is the path droves of American businessmen have followed in recent years as pyramid of corporate debts has risen to a dizzying height. It now amounts to 15 times after-tax profits, more than twice the 1955 figure. Even more worrisome, many businessmen have borrowed short-term (the only way the banker would lend) to finance long-term projects, and this had greatly increased their vulnerability to recession and reduced cash flows.

And then, with bankruptcy looming, he turns to Washington—which helped get him and his company's stockholders and workers in trouble in the first place.

MAKING MATTERS WORSE

Keynesian economic orthodoxy no longer makes sense because it has lost touch with reality. The presumed "stabilizer" of government has grown so large and demanding during the past two generations that it has become in practice the chief destabilizing force in the economy. The non-productive government sector of the economy (federal, state and local) has grown in recent years three to four times faster than the productive private sector. The burden of government has grown proportionately both directly (in ever-increasing taxes) and indirectly (through competition for capital and a host of bureaucratic interventions and regulations that raise costs, waste resources and reduce profits). Consider this government contribution to productivity: Individuals and corporations spend an estimated 130 million man-hours a year filling out government forms, excluding tax returns.

When overgrown, wasteful and demanding government achieves a certain "critical mass," its nature seems to change. It becomes incapable of translating good intentions into deeds. Often it is so muscle-bound it cannot move at all. It becomes its own—and the public's—worst enemy. Because it must spend, tax and borrow prodigiously, for no purpose beyond maintaining its own momentum, it drains much more money from the private sector than it intends and far more than it can restore without accelerating inflation. As individuals and businesses are forced to cut back their spending and the economy slows, gargantuan government lumbers to the rescue, but only makes matters worse.

If this seems too abstract a critique, consider last week's announcement that the Treasury will be compelled to raise $28 billion in the money markets during the next six months to cover its huge defict, which will push aside other would-be borrowers, keep the housing industry depressed and hamper the economy's recovery. If that is not King Kong government, what is it? The Australian economist Colin Clark once reckoned that a government's nature was transmuted when the public sector claimed one-third of a nation's income. Total spending in the U.S. government sector now equals 40 per cent of national income, or an estimated $500 billion this year.

DUBIOUS JUSTIFICATION

The dubious justification for the anticipated $80 billion-plus cumulative budget deficit through June 1976—a torrent of red ink unprecedented in peacetime—is the sheer size of the $1.4 trillion U.S. economy. A specious comparison is made between the expected $32 billion to $35 billion deficit and the $314 billion budget for the current fiscal year. Perhaps the most ludicrous comparison matches the deficit against the total population, a contemporary version of the New Deal line about owing it to ourselves.

The relevant comparison is between the size of the federal deficit and the size of the pool of real capital—that is, savings—available to finance it—in addition to financing all of the other public and private credit needs of the country. Not only government's direct claims on the nation's capital are growing at an alarming rate.

The indirect claims of the mushrooming "off-budget" federally sponsored agencies, such as the Export-Import Bank, and the Federal National Mortgage Association, are also soaring. A decade ago, federal agency debt was just $16 billion. Now it is $90 billion. Finally, there are the skyrocketing credit demands of state and local governments and government-sponsored authorities. Caught in the squeeze between rising expenditures and falling revenues, municipal governments borrowed a record $27 billion in short-term debt in 1974, much of which will soon have to be converted into long-term debt.

Last year, all levels of government absorbed fully 60 per cent of the funds raised in the nation's long-term capital markets. In 1975, according to Treasury Secretary William Simon, who is properly "horrified" at the prospect, the government sector's credit demand will take as much as 80 per cent of available long-term capital. Plainly, that is much too much if the nation is to regain prosperity.

Thus once again the Federal Reserve and Chairman Burns are alone on the anti-inflation front and plainly on the spot. Burns, a life-long student of business cycles and a pragmatic conservative, is immune to the panic rampant among the politicians and orthodox Keynesian economists. He is not afraid of deflation—quite the contrary—but he will do what he reasonably can to cushion the effects of the decline.

Specifically, in recent months this has involved almost daily behind-the-scenes bolstering of shaky giant corporations such as W. T. Grant, which the nervous banks agreed to refinance with the Fed's backing. To discourage congressionally dictated (and politically motivated) credit allocation, the Federal Reserve in the months ahead probably will err on the side of ease—and pray for the best. But it cannot go nearly as far as the politicians will demand without creating the potential for a renewed and more virulent inflationary spiral—on the order of 20 per cent—in 1976–'77.

THROUGH THE WRINGER?

Are we then obliged to go all the way through the wringer? Having come this far—much farther, in fact, than is generally realized—we should not flinch at the rest of a process that holds the promise of restoring noninflationary prosperity. Because of the lags between various sectors of the economy, some of them—for example, housing—appear headed for recovery within the next several months if panic-stricken government does not batter them with a new wave of inflation.

Ultimately, the consumer is the prime mover in the American economy, and the key to recovery will be restoration of his ability to buy, which means his disposable income must rise and prices fall to close the consumption gap. This is now occurring, in response to market forces.

The consumer truly went on strike last fall. In the third quarter of 1974, personal consumption expenditures rose $32.2 billion. But in the final quarter, consumer outlays fell $4.5 billion, the first such drop in 14 years and the sharpest since 1951. Auto sales sank 30 per cent, and the manufacturers soon were looking at an inventory of some 1.6 million unsold new cars. Their response has been "the battle of the rebates," a form of disguised price-cutting.

Like the auto-makers, many other industrial manufacturers also cling to "official" list prices while making sales at lower prices under various discount schemes. The reason is obvious: Business fears another government price "freeze" and a new round of economic controls. The maintenance of artificial list prices provides a measure of protection for profit margins squeezed by cost-push inflation.

Thus the memory and prospect of government intervention interferes with the mechanisms of the marketplace. As a result, the arrival of a healthy deflation, the surest means of ending the buyers' strike, is still not widely appreciated. Fortunately, the timidity of the "concentrated" and politically vulnerable industries will be more than compensated by the aggressiveness of smaller businesses closer to the wary consumer and hard-pressed for cash. As retailers seek to move costly excess inventories off their shelves, well-advertised price-cutting will become commonplace.

Deflationary signals will flow backward from the point of final sale through the chain of supply, compelling an adjustment of production. Within the first six months of 1975, large-scale inventory liquidation will occur. The effect will be to bring wholesale and retail prices closer to levels that can be supported by the consumer's disposable income.

THE WIZARD OF OZ

Orthodox economists behave as though falling prices were somehow un-American. They would rather attempt to pump up consumer demand to support inflated prices. But the consumer is smarter than his government. Since last summer he has sharply increased his rate of personal savings, a prudent and rational reaction to persistent inflation, higher taxes, increasing layoffs and pervasive uncertainty. If he is presented with an income tax windfall, the chances are excellent that he will sock the money away rather than spend it, thus temporarily defeating the policy of stimulus. But the consumer who pays off debts and rebuilds savings will be in a position to spend freely on the bargains that deflation will create.

But will he still have a job by then? His chances are immeasurably better if he and his neighbors can afford to buy each other's products and services. If he temporarily loses his job, we are all much better off supporting his household's cash flow and helping him find another job than we are pouring inflationary demand into the entire economy, which will set off the price-wage spiral again.

Business caught in the slump ought to qualify for temporary support as well, provided they are not merely seeking a bail-out for mismanagement. Here, we urgently need from the Congress a creative burst of institutional innovation, perhaps not a revived Reconstruction Finance Corporation, the New Deal's answer to deflation, but a more limited and sophisticated means of guaranteeing the bank loans of sound, asset-rich companies temporarily short of cash. Flexible business tax cuts would obviously be helpful if an equitable formula can be devised. To the inevitable objections to such a "pro-business" measure, there can be only one reply: are workers better off keeping their jobs with government-aided companies or going on the dole?

Sometime next summer, the buyers' strike should visibly be over—and so will be the liquidation phase of the business cycle. Then, the process should rapidly reverse itself as businessmen attempt to replenish inventories by placing new orders, causing factories to recall laid-off workers and hire new ones. All this can happen, following the classic pattern of recovery, provided Washington does not launch a new inflation.

The curtain has been torn away and we have seen the Wizard of Oz. The orthodox economists and their political allies do not have the secret of perpetual, recession-proof prosperity, as we assumed and they pretended over the past generation. But we still have something better—a market economy to correct excesses and restore prosperity.

VIVIEN KELLEMS

Mr. RIBICOFF. Mr. President, it is my sad duty to inform the Senate of the death of one of Connecticut's leading ladies and a champion of tax justice across the Nation—Vivien Kellems. She will be missed by those who knew her and those she fought for.

Vivien was a one-woman crusader for issues she believed in—whether it was against the use of party levers in the voting booth or for tax justice for single persons.

Her full life included a successful career as a businesswoman and an active involvement in the political arena.

But it was her crusade against tax injustice which made her name familiar to millions.

Her battle with the Internal Revenue Service began in 1943 and is still going on. Her refusal to pay a portion of her income taxes highlighted the discrimination in our tax system which penalizes those who are single.

I share her views about the need to end the discriminating tax burden which single people face. Working with her support I introduced legislation to equalize the tax burden for single and married people. This legislation has passed the Senate, but has never passed the House.

It would be a fitting tribute to her memory to reform our tax system to end the discrimination against the unmarried which now exists.

I ask unanimous consent that a New York Times article on Ms. Kellems be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VIVIEN KELLEMS, FOE OF TAX SYSTEM, DIES

LOS ANGELES, January 25.—Vivien Kellems, who battled the Federal tax system as discriminatory against single people, died early Saturday in a hospital here. She was 78 years old.

Miss Kellems, who lived in East Haddam, Conn., and spent some winters here, entered St. John's Hospital about 10 days ago, suffering from pneumonia, her personal secretary said. The cause of her death was not known immediately.

FIERY, EFFECTIVE ORATOR

In a contemplative moment during one of her widely publicized struggles with Federal tax authorities, Vivien Kellems mentioned that both her parents had been evangelistic ministers.

"I suppose," she mused, "in my case shouting about all that stinking, rotten business going on in Washington simply takes the place of shouting at the Devil."

A fiery and effective orator, the diminutive industrialist rarely made a speech without throwing in a quotation from the Bible to show which side of the argument—over the withholding tax, politics or whatever—the Lord was clearly on.

Many were the public figures, among them President ("High Tax Harry") Truman, who were singed by her fire and brimstone.

Vivien Kellems, the only girl in a family of seven children, was born June 7, 1896, in Des Moines, Iowa. The family moved to Eugene, Ore., when she was an infant. She attended public school there and later went on to the University of Oregon, where she majored in economics and earned her B.A. in 1918.

After graduation, she worked briefly as a booking agent for the West Coast Chautauqua circuit and the Florida circuit. She returned to the University of Oregon and earned a master's degree in economics in 1920.

Throughout her life, Miss Kellems repeatedly refused to discuss reports that during this period she had been married briefly and divorced.

"We don't talk about this matter, even in the family—never mention it at all," she said briskly. "Officially, I'm a spinster."

She had been engaged, though, to a young naval doctor shortly after her college graduation. He was killed when his ship was torpedoed in the Atlantic in 1918.

WENT ON LECTURE CIRCUIT

After getting her M.A., Miss Kellems entered Columbia University with the intention of earning a Ph. D., but left before completing the requirements and became a theatrical publicist. One of her first assignments was promoting Channing Pollock's "The Fool," a major success.

Later, she went on the lecture circuit, where her fees were supplemented by bonuses from producers whose plays she mentioned.

Miss Kellems' career in industry began in 1928. Her brother Edgar had invented an improved model of a woven grip used to pull cables through conduits. The grip was based on the principle of the familiar Chinese finger trap, a cylindrical mesh device that holds the victim's finger more firmly the harder he tried to pull it free.

With her brother's patent Miss Kellems obtained orders from several electrical companies in New York. On the strength of these orders, she borrowed $1,000 from a bank. Venturing another $1,000 of her own, she set up shop in a $50-a-month loft on Varick Street.

By the end of the year, the firm had a gross income of $40,000, and she paid her brother $4,000 in royalties. In the next decade, the company moved to two other Manhattan buildings, and in 1942 she moved the operation to a plant in the Saugatuck section of Westport, Conn.

Business grew when the country entered World War II. Kellems cable grips, already used extensively in the New York subway system and in the construction of the George Washington Bridge, were in great demand by naval shipyards.

In 1942, Miss Kellems embarked on the first of her numerous unsuccessful campaigns for public office, seeking the Republican nomination to represent her district in Congress. She lost in the state convention to Clare Boothe Luce, but not before the two outspoken women had exchanged bitter personal attacks that covered everything from the question of their bona fide residence to their relative sex appeal.

But it was her vendetta with tax officials that brought her nationwide fame. In December, 1943, she announced that she would not pay her Federal income tax for the last quarter of that year. As one consequence of that decision, she said, "They are still putting cold compresses on my accountant's head."

Miss Kellems contended that the Government should have permitted her to put aside a postwar reserve fund out of taxes. In any case, she argued, the graduated tax was unconstitutional, since the Constitution provides that "all duties, imposts and excises shall be uniform throughout the United States."

Henry Morgenthau, Jr., then Secretary of the Treasury, responded with a statement that refusal to pay taxes in wartime "smacks of disloyalty." Without her customary flamboyance, Miss Kellems quietly brought her tax payments up to date before the next March 15.

She tangled with the Internal Revenue Service again in 1948, after announcing that she would no longer withhold Federal income taxes from her employes' pay checks. She noted that employers were forced to act as Government tax collectors without drawing pay as Treasury agents.

She vowed not to withhold her employes' taxes until she was appointed to the job, and added: ". . . and I want a badge, too."

Miss Kellems got her employes to pay their income taxes by money order, so that they could see how much of their earnings went to Washington. Despite these payments, the Treasury appropriated $6,133 in fines from her bank account. This amount was later returned to her after a jury decided she had not acted "wilfully."

Early in 1944, Westport officials charged that Miss Kellems had set up her plant in a residential area in violation of the local zoning ordinance. But because the company was engaged in war work, no immediate action was taken.

Finally, after prolonged hearings and appeals, an injunction was granted in 1948. Miss Kellems paid a fine and moved her factory 100 miles up Long Island Sound to Stonington.

In 1950, Miss Kellems took another plunge into politics, seeking the Republican nomination for the United States Senate. Again she failed to win the support of the party organization.

SOUGHT NOMINATION

In 1954, she announced that she would run for Governor, but got nowhere. She sought the Republican nomination for the Senate again in 1956, again lost the party endorsement, launched an independent campaign but was thrown off the ballot because of "fraudulent signatures" on her nominating petitions.

She tried unsuccessfully for the Senate nomination in 1962, pledging to fight to reduce the taxes on the small businessman.

Miss Kellems drew national attention in 1965 when she staked a nine-hour sit-down in a polling booth. Her protest was against the use of party levers on voting machines, a system that made ticket-splitting illegal.

Miss Kellems had sold her company in 1962, declaring that "the day of the small family-held corporation is gone." Sounding her familiar theme, she asserted:

"The Federal Government gets 52 per cent of your profit in income taxes. Then you have to pay 16 other taxes out of the 48 per cent that's left. A small family-owned business has nothing left to finance expansion."

In 1971 Miss Kellems announced that she had refused again to pay Federal income taxes, on the ground that the tax laws discriminated against single persons.

In a letter to the then Treasury Secretary, John B. Connally, she billed the Government for $76,323.40, which she said represented the "illegal taxes" the Government had taken from her over a 20-year period, plus 6 per cent interest.

She told the House Ways and Means Committee in March, 1973, "the 16th Amendment does not tax people—it taxes incomes."

"Income should be taxed without regard to the morals or marital status of the taxpayer," she told Representative James Burke.

"Don't give up your courage, Vivien," Mr. Burke told her. "You stand up there and fight."

UNIFORM CORPORATE DISCLOSURE REQUIREMENTS

Mr. METCALF. Mr. President, I am pleased to announce that Federal regulatory agency staffs have developed proposed uniform reporting requirements regarding corporate ownership and structure. These recommendations were developed by the interagency Steering Committee on Uniform Corporate Reporting, a unique joint endeavor of the following independent regulatory commissions and executive and congressional entities:

Civil Aeronautics Board.
Federal Communications Commission.
Federal Maritime Commission.
Federal Power Commission.
Federal Trade Commission.
Interstate Commerce Commission.
Securities and Exchange Commission.
Federal Energy Administration.
Federal Reserve System.
General Accounting Office.
Senate Subcommittee on Budgeting, Management and Expenditures.

The proposed uniform reporting requirements deal with corporate structure, voting stock ownership, affiliations of officers and directors and debt holdings.

The model uniform reporting requirements were developed during the past 6 months by the Steering Committee on Uniform Corporate Reporting, which was created last summer as a result of suggestions, during our hearings on corporate disclosure, from the GAO, Federal regulatory commissioners, and members of the Senate Government Operations Committee. The model regulations are now before the commissions, FEA, and the Federal Reserve System for their consideration.

Adoption and enforcement of these model regulations by the agencies represented on the Steering Committee on Uniform Corporate Reporting would in my opinion constitute the most significant regulatory reform ever achieved in this country. Our hearings and the study which preceded them revealed the gaps and errors in the information regarding corporate ownership and structure in Government files. The study just published by the Federal Energy Administration, "Foreign Ownership Control, and Influence on Domestic Energy Sources and Supply," reinforces the evidence in our study and hearings.

Uniform and meaningful reports regarding corporate ownership and structure will reduce the burden on business, while permitting the regulating agencies, the Congress, and the using public to obtain accurate and needed information on a timely basis.

I urge Members and others who are interested in adoption of these proposed reporting requirements to make their views known to the regulatory agencies.

I ask unanimous consent to have printed in the RECORD:

The letter which I sent on January 24 to members of the independent regulatory commissions—with similar letters to the heads of FEA, the GAO, and the Federal Reserve System;

The January 24 letter to me from John J. Sandy, Chairman of the Steering Committee and chief of the CAB's Accounting Statistical Regulation Division; and

The report and model regulations from the steering committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LETTER TO MEMBERS OF GAB, FCC, FMC, FPC, FTC, ICC, SEC

JANUARY 24, 1975.

Enclosed for consideration by your Commission are model corporate disclosure regulations as developed by the interagency Steering Committee on Uniform Corporate Reporting and transmitted to me by its chairman.

The steering committee was created last summer as a result of suggestions from the General Accounting Office, Commissioners and Members of the Senate Government Operations Committee, during our hearings on corporate disclosure. Those hearings and the study upon which they were based, "Disclosure of Corporate Ownership" (Senate Document 93–62), had demonstrated that much of the information collected by Federal agencies regarding corporate ownership and control was inaccurate and misleading, that the Commissions were taking various steps to improve reporting requirements, data collection and tabulation and that coordination of the effort was desirable. The steering committee was asked to address these problems and propose uniform reporting requirements regarding corporate ownership and control.

Since June, 1974 the steering committee has held numerous working sessions at which the following were regularly represented:

Civil Aeronautics Board.
Federal Communications Commission.
Federal Maritime Commission.
Federal Power Commission.
Federal Trade Commission.
Interstate Commerce Commission.
Securities and Exchange Commission.
Federal Energy Administration.
Federal Reserve System.
General Accounting Office.
Subcommittee on Budgeting, Management and Expenditures.

To my knowledge such a joint Commission-agency-Congressional undertaking is unique. The mission was undertaken in the knowledge that Congress has already given the participating agencies extraordinary powers to collect information and to tabulate it so as to maximize its usefulness to other agencies and the public and to minimize burden on reporting firms, some of which are subject to varying reporting requirements from agencies.

In reviewing the recommendations of the steering committee I note the proposed regulations are in some instances similar or identical to those now in use by one or more of the agencies. So such reporting requirements have already been considered by Commissions and commented on by interested parties For example, the steering committee recommends collection of information regarding the thirty largest stockholders, as already required by a majority of the Commissions, except that holdings amounting to less than one-tenth of one per cent of a company's voting stock would not have to be reported. Procedures for aggregating holdings of a single investor now held in several accounts reflect those already in use or proposed by various Commissions. Recommended procedures for obtaining information on voting rights to stock in which the holder has no voting rights follow the procedure initiated last year by the ICC. Similarly the definition of "control" is patterned on definitions now in use by various Commissions. The definition of "financing lease" is the one used by the SEC. The proposed regulations also deal with deficiencies in reporting requirements, as testified to by Commissioners and other witnesses, in such matters as debt holdings and affiliations of officers and directors.

The proposed regulations do not suggest any restrictions on ownership and control of regulated firms. The regulations will, however, if promulgated and enforced, provide an information base which in my opinion will vastly improve the ability of Commissions, the Congress and the executive branch to ascertain needed factual data and carry out their responsibilities.

The information will also be invaluable in assessment of foreign ownership of American corporations. The Federal Energy Administration, in its recent report, "Foreign Ownership Control and Influence in Domestic Energy Sources and Supply", (prepared pursuant to Section 26 of P.L. 93–275, the Federal Energy Administration Act of 1974) reported that:

"For the most part, identification of foreign investments in U.S. energy sources and supplies must depend on incomplete and inconsistent data series. The requirements for corporate ownership disclosure under existing Federal laws and regulations are ineffective. The identity of capital sources for portfolio investments appears to be particularly difficult to determine, and information concerning foreign direct investments (FDI) is acknowledged to be incomplete. This is so despite the fact that existing laws require FDI to be recorded for the purpose of keeping balance of payments accounts. The U.S. Department of Commerce, Bureau of Economic Analysis (BEA), which is responsible for the collection of FDI data, has acknowledged that companies in which foreign governments have a controlling interest hardly ever observe the requirement for filing appropriate forms pursuant to the prescribed laws and regulations. Moreover, the FDI data that is collected is not sufficiently detailed nor disaggregated to permit specific identification of foreign financing in United States energy activities."

I believe that adoption and enforcement of these model regulations by the agencies represented on the steering committee would constitute the most significant regulatory reform ever achieved in this country. I respectfully urge you and your colleagues to give the regulations your prompt and careful consideration.

If changes in the model are deemed essential by your Commission I earnestly suggest that changes be made in cooperation with other Commissions or the steering committee, so that the principle of uniform reporting requirements for basic ownership and structure data can be established.

A uniform reporting form for this ownership and structure information will reduce the burden on business. And it will permit the regulatory agencies, and Congress and the using public to obtain accurate information promptly, thus fulfilling the statutory requirements of both the Federal Reports Act of 1942 and P.L. 93–135 (the Alaska Pipeline Act.) I need not recite to you the impressive testimony on this point before our subcommittee. The testimony may be useful in your consideration of these reporting requirements and my staff stands ready to cooperate with you and your colleagues to assist in assembling such testimony for your purposes. I requested the GAO and my staff to prepare an initial draft of a reporting form based on the recommendations of the steering committee. It is enclosed.

In closing, I wish to express my appreciation to you and your Commission for the participation of your staff in this endeavor. I realize that the work of the steering committee consumed many hours of time that could have been spent on Commission work. I believe, however, that the joint approach used here can be most useful to all of us who are interested in improved data collection. In the long run the adoption of uniform reporting requirements, and provision for convenient availability of information collected, can be of great benefit. Perhaps the joint approach should be used in other areas of information collection.

I look forward to continued cooperation with you and your Commission in these matters.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on Budgeting, Management and Expenditures.

CIVIL AERONAUTICS BOARD,
Washington, D.C., January 24, 1975.

Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to a request by the Honorable Phillip S. Hughes, Assistant Comptroller General of the United States, representatives of regulatory agencies and commissions held a meeting on June 3, 1974, to discuss corporate ownership disclosure reporting. At that meeting an Interagency Steering Committee on Uniform Corporate Reporting was established to pursue corporate reporting problems and recommend solutions which would be of mutual benefit.

A total of eight meetings were held during 1974 and 1975 and I have enclosed a document entitled "Model Corporate Disclosure Regulations" which represents the work of the Steering Committee to date. Members of the Committee believe it will prove to be a significant step toward the development of more uniform and informative corporate reporting and that it is worthy of transmittal to each regulatory agency and commission for their consideration. The document sets forth the composition and purpose of the Committee and contains recommended uniform corporate disclosure regulations which could be adopted by all Federal regulatory bodies.

On behalf of the Committee members, I would like to express our thanks for the close cooperation and assistance of staff from your Subcommittee on Budgeting, Management, and Expenditures which makes this an agency-Congressional venture.

Sincerely yours,

JOHN J. SANDY,
*Chief, Accounting and **Statistical** Regulation Division, Civil Aeronautics Board, and Chairman of Steering Committee.*

INTERAGENCY STEERING COMMITTEE ON UNIFORM CORPORATE REPORTING

COMPOSITION AND PURPOSE OF THE COMMITTEE

The Interagency Steering Committee on Uniform Corporate Reporting is comprised of representatives concerned with corporate disclosure regulations from the Civil Aeronautics Board, Federal Communications Commission, Federal Energy Administration, Federal Maritime Commission, Federal Power Commission, Federal Reserve System, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission and the Securities and Exchange Commission. The Committee was established at a meeting held at the request of the Honorable Phillip S. Hughes, Assistant Comptroller General of the United States on June 3, 1974.

The purpose of the Committee is to expand the concept of seeking joint solutions to common problems and help establish reporting uniformity among the various regulatory groups in order for the various regulatory bodies to reach better decisions. To achieve this goal, it is attempting to establish itself as a focal point for representatives of the member agencies and commissions to express their opinions on corporate disclosure matters of concern to all.

It is, by no means, attempting to express the official policy of agencies and commissions represented, but only to express the consensus of the Committee members representing those agencies and commissions. Furthermore, no regulatory body is required to abide by the recommendations of the Committee but the representatives hope that due consideration will be given to their recommendations.

STATEMENT OF THE PROBLEM

Interest in the corporate disclosure requirements of the various regulatory agencies and commissions has increased substantially in recent months. This has come about as the result of actions by the Congress, various consumer groups, and the regulatory agencies and commissions themselves. The agencies are aware of the need to obtain more detailed information in the areas of corporate structure, stock ownership, debtholdings, and interlocking corporate relationships. Once this type of data is disclosed, information with respect to the ownership and control of corporations will be more readily comprehensible.

At present, the corporate disclosure requirements vary widely among regulatory bodies. The Committee acknowledges that different agencies and commissions are free to determine the levels of information which are best suited to meet their regulatory needs and the needs of the general public. While the Committee has not sought to make such determinations, it has recognized that greater uniformity is a desirable goal. In furtherance of this goal, a total of eight Interagency Steering Committee meetings were held in 1974 and 1975. A draft of model regulations prepared by the staff of the Subcommittee on Budgeting, Management and Expenditures of the Committee on Government Operations, United States Senate was utilized as a beginning point. The draft was then analyzed and modified so as to directly address the common problems of corporate reporting.

RECOMMENDATION

The Interagency Steering Committee on Uniform Corporate Reporting recommends that the attached Model Corporate Disclosure Regulations be considered by Federal regulatory agencies and commissions to improve corporate reporting. We further recommend that the Supplemental Recommendations be considered as a means of expanding the Model Corporate Disclosure Regulations if it is deemed necessary by any regulatory agency or commission.

The recommendation is offered as a contribution to improved corporate reporting. It is the consensus of the members of the Committee that the Model Corporate Disclosure Recommendations be transmitted to the appropriate regulatory officials for the aforementioned purpose. This consensus does not imply agreement with every aspect of the paper by individual members nor does it imply approval by the agencies and commissions which employ the Committee Members:

Mary E. T. Beach, John T. Curry, Elaine M. Dawson, Jim Kitchen, Barry L. Malter, William Moss, John H. Phelps, Joseph J. Ryan, Barbara Salmanson, John J. Sandy, John Shipman, and Daniel Warman.

MODEL CORPORATE DISCLOSURE REGULATIONS

JANUARY 1975

Definitions

Annual Reporting. The term "annual reporting" means as of December 31 of each calendar year.

Control. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a person, natural or artificial. Sources of power may include, but are not limited to: equity security ownership; debtholdings; sole or partial voting arrangements; common directors, officers, or stockholders; or lease, purchase, lines of credit, supply, distribution, or operating agreements.

Financing Lease. The term "financing lease" shall refer to any lease which during the noncancelable lease period, either (1) covers 75 percent or more of the economic life of the property or (2) has terms which assure the lessor of a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

Parent of Respondent. "Parent of respondent" shall refer to every firm, holding company or other person or combination of persons who ultimately control the respondent, as well as any intermediary controlling entity.

Annual reporting requirements

I. Corporate Structure;

A. For each respondent, parent of respondent, subsidiaries (and/or organizations controlled) of the respondent, joint ventures involved in by the respondent, and subsidiaries (and/or organizations controlled) of joint ventures involved in by the respondent, the following information shall be submitted:

1. Name and address.
2. Basis of control.
3. Principal business activities:

(a) List and describe by 4-digit SIC Code and short title each industry in which the respondent's activities generated 10% of gross revenues or 5 million dollars (during the reporting year). 4-digit industry SIC codes & short titles are listed in the most recent *Standard Industrial Classification Manual* as published by the Executive Office of the President, Office of Management & Budget.

(b) 4-digit SIC Codes and short titles should be listed in order of significance relative to the total activities of respondent, based upon the percentage of gross revenues generated within each 4-digit industry.

4. Copy of the latest balance sheet and income statement and consolidated balance sheet and income statement, if available.

5. A copy of any chart or other graphic material showing the relationship of the respondent to such parents, subsidiaries, and other organizations listed.

B. In addition to subparagraph (A) above, list every corporation, partnership, or other business organization in which the respondent owns more than five percent of the outstanding voting securities or other ownership interests and indicate the percentage so owned.

II. Voting Stock Ownership:

A. In descending order, the 30 largest holders of voting shares (not to include any holder with less than one-tenth of one percent of the outstanding shares) in the respondent, identified as to—

1. Name.
2. Address.
3. Type (bank, broker, holding company, individual or other specified category).
4. the number of voting shares held (as of the end of the calendar year) and its percentage relationship to total outstanding shares. (If some shares—such as preferred issues—carry limited voting rights describe the limitation and the number of shares affected.)

(In determining the number of shares held, all nominee and other accounts of each shareholder, including accounts held by depository trust companies (CEDE & CO., SICOVAM, Pacific Coast Stock Exchange Clearing Corp., Midwest Stock Exchange Clearing Corp.) shall be aggregated and reported as one account in the name of the bank, broker, holding company, individual or other identified shareholder.)

B. With respect to each of the 30 largest holders, the number of shares (and percentage relationship to total outstanding voting shares) over which the holder has—

1. Sole voting power.
2. Shared voting power (if voting power is shared with any of the thirty largest shareholders, identify the shareholder and the number of shares held).
3. No voting power under any circumstances.

C. With respect to shares over which the stockholder has no voting power, the name and address of the person(s) empowered to vote the ten largest blocks of stock, the number of shares and the percentage of stock in relation to the total outstanding voting shares.

D. With respect to the 30 largest holders of voting shares in any parent, holding company or other organization or person controlling the respondent, provide the information required in subparagraphs (A), (B) and (C) above.

III. Affiliations of Officers and Directors:

A. The name, address and social security number of each of the principal officers and each director, trustee, partner or person exercising similar functions, of the respondent and parent together with his title and position with the respondent and with any parent, holding company, person, or combination of persons, controlling the respondent, and with any subsidiary of the respondent and any other company, firm or organization which the respondent controls.

B. For each of the officials named under subparagraph (A) above, list the principal occupation or business affiliation if other than listed in subparagraph (A), and all affiliations with any other business or financial organizations, firm or partnership.

C. A list of each contract, agreement or other business arrangement exceeding an aggregate value of one million dollars entered into between the respondent and any business or financial organizations, firm or partnership named in subparagraph (B) above, identifying the parties, amounts, dates and product or service involved.

D. A list of each contract, agreement or other business arrangement in excess of $600 entered into during the calendar year (other than compensation related to position with respondent) between the respondent and each officer and director listed in subparagraph (A), identifying the parties, amounts, dates and product or service involved. In addition, provide the same information with respect to professional services for each firm, partnership or organization with which the officer or director is affiliated.

IV. Debt Holdings:

A. A description of each long-term debt (debt due after one year) of the respondent in excess of one million dollars, including the name and address of the creditor, the character of the debt, nature of the security, if any, the date of origin, the date of maturity, the total amount of the debt, the rate of interest, the total amount of interest to be paid, and a copy of any and all restrictive covenants attached to the indebtedness (where such indebtedness is widely held, such as bonds and debentures, provide the name of the trustee in place of the creditor).

1. With respect to each holder of more than five percent of each issue reported provide the name, address, and type of holder—bank, broker, holding company, individual or other specified category and amount of debt held.

B. A description of each short-term debt (under one year) excluding accounts payable of the respondent, including the name and address of the creditor, nature and character of the liability, period of the debt, rate of interest, total amount of such short-term debt, nature of the security, and date when debt was paid, or date when such debt must be paid, and a copy of any and all restrictive covenants attached to the indebtedness.

C. A description of each financing lease arrangement, equipment trust, conditional sales contract, or major liability with respect to the capital assets of the respondent and involving aggregate payments in excess of one million dollars and a copy of any and all restrictive covenants attached to the indebtedness.

Supplemental recommendations

The design of the basic model legislation incorporates only the minimum requirements for corporate disclosure that the Committee members felt were appropriate for the participating agencies and commissions. In many areas suggestions were made to expand these minimum requirements beyond those presented and additions were proposed to clarify the model wording. Some Committee members also desired certain requirements to be designated as being subject to each agency's or commission's discretion. Therefore, the Committee decided to present supplemental recommendations in areas where either a single member or group of members felt strongly that further comments were necessary but where a consensus of the necessity for these comments by all groups represented could not be reached. These supplemental recommendations are designed only to call attention to areas that may provide further meaningful information if modified or to clarify existing requirements.

Annual reporting

Each agency or commission which now receives reports from respondents based on a fiscal year rather than calendar year reporting period should determine whether converting to a calendar year basis would be unduly burdensome.

I. Corporate Structure:

Subparagraph A 3(a)—The 10% of gross revenues or $5 million criterion for reporting industries in which the respondent has activities should be reviewed for its appropriateness by each agency or commission.

Subparagraph A 4—The respondent and parent of respondent could be required to submit a consolidated balance sheet and income statement. The format of the statements should show adjacent to the classification column, in separate columns, the related dollar amounts corresponding to each individual company making up the consolidation. The figures for the consolidated column of this statement would be a summation of the combined accounts of the parent and/or respondent and each subsidiary company as shown by their books of account after eliminating inter-company open accounts, security holdings, interest, dividends, rents, and other inter-company transactions, to include a disclosure of the eliminations at the bottom of the statements.

An additional subparagraph could be added requiring the respondent to provide the following information on each subsidiary:

(a) Date investment in subsidiary was acquired.

(b) Amount of investments in subsidiary at the beginning of the year.

(c) Amount of investments in subsidiary at the end of the year.

(d) Amount of gain or loss on disposing of investments in subsidiaries during year.

(e) Revenues received from subsidiaries during year.

(f) Full disclosure of any securities, notes and accounts pledged for subsidiary during year.

III. Affiliations of Officers and Directors:

Subparagraph A—The information reported could be expanded to be made applicable to officers and directors of subsidiary companies.

Subparagraph B—Business or financial organizations, firm or partnership should be interpreted to include financial and charitable foundations engaged in investment activities.

Subparagraph D—Each agency and commission should consider the broad scope of information required in the second sentence and make a determination of the extent to which the information is necessary.

IV. Debt Holdings:

Subparagraphs A, B, and C—The information reported could be expanded to be made applicable to the debt holdings of parents of the respondents.

Subparagraph A—In cases where voting rights are involved in the holding of long-term debt the person controlling the voting rights should be disclosed to the extent required by Paragraph II.

The one million dollar criterion for long term debt reporting should be reviewed for its appropriateness by each agency or commission. It may be appropriate to expand debt reporting to issues below the one million dollar level.

REPRESENTATIVES ATTENDING ONE OR MORE MEETINGS

Kenneth Anderson, Federal Trade Commission.

James Bayne, Interstate Commerce Commission.

Mary E. T. Beach, Securities and Exchange Commission.

Hassell B. Bell, General Accounting Office.

Carl F. Bogar, General Accounting Office.

Monte Canfield, General Accounting Office.

Jack Chesson, Senate Subcommittee on Budgeting, Management and Expenditures.

John T. Curry, Civil Aeronautics Board.

Elaine Dawson, Federal Power Commission.

J. M. Egertson, Federal Reserve System.

Jane Fenderson, Senate Subcommittee on Intergovernmental Relations.

David Fisher, General Accounting Office.

David B. Jacobsohn, Office of Comptroller of the Currency.

Jim Kitchen, Federal Power Commission.

W. Fletcher Lutz, Civil Aeronautics Board.[*]

Barry L. Malter, Federal Trade Commission.

Don Meyers, Securities and Exchange Commission.

Peter Monahan, Federal Communications Commission.

William Moss, Interstate Commerce Commission.

John H. Phelps, Federal Energy Administration.

Robert Plotkin, Federal Reserve System.

Paul W. Putney, Federal Communications Commission.

John Reifsnyder, General Accounting Office.

Vic Reinemer, Senate Subcommittee on Budgeting, Management and Expenditures.

Jerrold Rosenberg, Civil Aeronautics Board.

Joseph J. Ryan, Federal Communications Commission.

Lyle Ryter, Senate Subcommittee on Budgeting, Management and Expenditures.

Barbara Salmanson, Securities and Exchange Commission.

John J. Sandy, Civil Aeronautics Board.[**]

John Shipman, Federal Maritime Commission.

Thomas Sidman, Federal Reserve System.

Thomas Tucker, Federal Trade Commission.

E. Winslow Turner, Senate Subcommittee on Budgeting, Management.

Daniel Warman, Federal Maritime Commission.

POLITICAL "SOLUTIONS": REVERSE ECONOMICS

Mr. HELMS. Mr. President, as public attention is being mobilized into protest, against rising prices and energy shortages, many people are looking for political solutions to economic problems. To blame are the theorists who insist that the consumer somehow benefits when the Federal Government substitutes its bureaucratic management blunders for market forces.

In an analysis of the recent state of the Union message, I observed that the big Government and big spending inevitably lead to inflation and eventual social regimentation. Unless we halt inflation by prudent fiscal and monetary policies, and by inducing producers to produce in order to meet demand, the cries for price controls will become overwhelming. Since price controls do not work, the calls will be for more and more controls of various kinds—namely, for administrative meddling without markets. The administrative actions of this nature will undoubtedly generate rapid movements toward a sort of state "capitalism" in which the people, as taxpayers, are compelled to support industries that they did not, or could not, support as consumers.

Economic logic tells us that price is dependent upon supply and demand. If money is diverted through nonproduction into the marketplace, prices must rise. If production does not keep pace with needs—demand—then inflation must result. The bureaucratic meddling and other institutional interferences distort the marketplace, upset supply and demand, create shortages and add fuel to the fire of inflation.

Supply is obviously dependent upon production. To increase production, people must work and capital investments must be made. Needed capital for increased productivity must be attracted by incentive in form of profit. The greater the incentive, the quicker the producing sector will increase production, and once supply meets demand, prices will level off, or decrease.

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[*] Steering Committee Chairman through December 10, 1974.

[**] Steering Committee Chairman subsequent to December 10, 1974.

The free-market economy is an instrument of great utility. The markets are the only mechanism we have for establishing prices, and it is through prices that we can determine costs.

Reverse economics, on the other hand, can only continue to push the prices upward and the accepted standard of living that we enjoy downward.

There is nothing wrong with our traditional free economic system. What is wrong is the political abuse of it. The system has brought us tremendous achievements, as well as prosperity. The chief problem is that during the last few decades, our free economy was not permitted to function normally by those who pretend that larger doses of socialism will improve on a little socialism.

In countries like the Soviet Union, there are regimented efforts to administer prices and costs, assigning arbitrary values to them; but with millions of different kinds of items to be produced and allocated, the inevitable results are confusion, shortages, miscalculations, and—most ironically for a social system calling itself "scientific"—great difficulty in planning or accomplishing anything.

As we withdraw great chunks of our economy from the market and, therefore, from the price and cost system, we begin to encounter the same difficulties that the Soviets experience. The way things are going, it may not be long before the United States has a nonmarket economy that works badly, as the Soviet Union's nonmarket economy certainly has.

I am pleased to commend to my distinguished colleagues in the Senate a disclosure on wage and price controls that appeared on January 10, 1975, in the New York Times and the Washington Post. I think that I am correct, Mr. President, in my impression that this discourse was authored by a long-time friend of mine, a distinguished economist, Dr. George W. McKinney. Jr., senior vice president of Irving Trust Co., New York. In any case, it seems to me to be an exceedingly sound analysis.

Mr. President, I ask unanimous consent that this article be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Wage and Price Controls—An Urgent National Issue

When wage and price controls died last April, there were few mourners. But experience doesn't seem to teach us as much as it should. Pressures are already building for another round of direct controls. The recent Democratic mini-convention in Kansas City put a plank in its economic policy statement calling for direct controls, and politicians on both sides of the aisle share this sentiment. Even the White House has said that its opposition to controls is not "carved in granite." A New York Times sampling at a recent business convention found that most businessmen expect controls to be reimposed by mid-1975.

ALTERNATIVE SOLUTIONS

There are clear political grounds for the current interest in controls. Controls provide an easy way for politicians to seem to be doing something about inflation. And controls don't require the soul-searching and discipline that go with the really constructive solutions: taxes that, over time, pay for what Government spends; measures that limit short-term money growth to long-term needs; thoughtful plans to ease the pain of widespread unemployment by specifically helping those without jobs (in contrast with inflationary policies that stimulate aggregate demand and pump up buying power of those who have jobs).

The political nature of the issue is underscored by the insistence of some Congressmen that the controls be enacted in the form of a standby authority. This would clearly put any president in a no-win situation: if he doesn't use the controls, the inflation is his fault; if he does use the controls, all the unfortunate results are on his doorstep.

THE RECORD: CONTROLS DO NOT WORK

Aside from the politics of it, there's little evidence that wage and price controls have ever been effective—at least in peacetime. The Roman emperor Diocletian imposed wage and price controls in the year 300 A.D., and the penalty for violation was death. Yet the controls were abandoned after a couple of years because they were unenforceable.

Recently Italy, the United Kingdom, and France will have all had price controls. Consumer prices in the past year rose 25% in Italy, 18% in the United Kingdom, and 15% in France. Germany has not used general price controls, and their prices are up only seven percent—the best record of any major industrialized economy. The Germans used fiscal and monetary restraints without controls; they have only a limited inflation. The other countries relied more on controls and less on fiscal and monetary policies; they have substantial inflation. We don't see how anyone could miss that message, but some people seem to have done so.

The United States tried wage-price controls from 1971 to 1974 with the elaborate mechanisms of Phases I–IV. Some argue that these controls held the inflation rate one or two percent below what it otherwise would have been. We would argue that the controls increased inflation above what it otherwise would have been; controls do not stop spending pressures, they merely divert the pressures into new areas, or defer them to a later date. There's no way of proving which, if either, of these two views is correct. But there is one simple, incontrovertible fact: the controls did not stop inflation. Another fact: every major price index increased faster while controls were in effect (after Phase I) than during the same length of time immediately before controls were put into effect.

CONTROLS ARE WASTEFUL

The fundamental difficulty with direct controls is that they achieve the appearance of price stability at the cost of shortages and black markets. Scarce goods have to be allocated in some way. If they are not allocated through the price mechanism, they will be allocated through some non-price mechanism. This may be simply a question of who is willing to wait in line the longest as it was during the gasoline shortage last winter. The time lost and irritation caused by waiting in gas lines testifies to the wastefulness of this method of allocation. Queues—or other forms of non-price allocation—stimulate hoarding, too. Remember how everybody routinely got in a gas line when the tank was a gallon or two below the "full" mark? Gasoline cans were one of the real growth industries. Hoarding at the consumer level is repeated at other levels, too. Hoarding ties up capital in unneeded inventories of scarce materials and make shortages worse.

Another way of allocating materials in short supply is through a formal rationing system using tokens or coupons. This gets rid of the queues, but it has its own costs in the bureaucracy that must be created to administer it. Additional bookkeeping costs are also placed on business. Everyone spending his time in queues, or in unnecessary administration of bookkeeping, could instead be out increasing the supply of goods and services which are in demand. Rationing through the market price mechanism is the only system that gets the goods where they are needed most with a minimum of fuss and with the greatest efficiency.

SUPPLIES ARE REDUCED

Not only do controls produce inefficiencies and inequities in allocating what goods are available, they also reduce the supply. Investment is frequently curtailed as profit margins are set at inadequate levels by control commissions. The political reality is that control commissions are too often responsive to short run pressures from the public to keep prices low. In the long run, however, these artificially low prices reduce supply and increase shortages as new investment is discouraged or moves into uncontrolled areas that offer better opportunities for profit. One of the best examples of this in the United States is the regulation of the wellhead price of natural gas, which has created a dangerous shortage of that important national resource.

If prices are controlled but profit margins are not, scarce materials are increasingly diverted into production of items where the price controls permit the highest profit margins. Generally, these are not the things people want most. Consumers increasingly find it easy to get things they don't want, but the things they really would like to have can't be found.

If profit margins are controlled, investment goes into nonproductive uses and consumers tend to buy existing goods. Thus real estate and used cars, for example, are bid up in price, adding a new dimension to the inflation.

Even if the current profit margin is adequate, investment may be reduced because of the increased uncertainty controls produce. Will the controls be kept on or taken off? Will higher or lower margins be allowed? Businessmen are faced with forecasting the decisions of bureaucrats and politicians, and that can be even more difficult than forecasting variations in free market prices. Controls tend to reduce productivity and make the economy less efficient. Scarce materials are diverted from their most productive uses, and total output suffers.

DISTORTIONS DISCOURAGE CHANGE

After controls have been in force for a while, there is a problem of dealing with changing circumstances. How do you adjust some prices and wages relative to others as new conditions arise? Unless prices are free to change in response to shifts in demand and to changes in relative scarcities of resources, some poor administrator in Washington has to decide who gets an increase and who doesn't. Then the howls go up. But if no changes are made, distortions and inequities increase. In either case, disenchantment sets in and eventually the controls are removed. Generally, prices quickly move to even higher levels than would have existed without controls, as pent-up demand is released into the marketplace.

Our recent experience with controls in the United States produced many examples of the distortions they can create. In the 60-day freeze instituted in mid-1973, the prices of eggs and broilers were frozen while feed grain prices were not. The results were predictable. Poultrymen, squeezed between rising feed prices and fixed selling prices, drowned chicks they couldn't afford to feed. This led to bad publicity for the poultrymen and a shortage of chickens in grocery store. We could have put control on the price of feed grains, too, but if we had, even larger amounts of grain would have been diverted to export markets. Rigorous export controls could have stopped that but would have caused acute problems in our foreign relations. If you squeeze a wet sponge, the water comes out somewhere.

One more point: "It'll be harder going next time around. When controls were first introduced in 1971 there was a cooperative spirit and it was relatively easy to obtain compliance. Now the story is different; enforcement would require the creation of a large bureaucracy. Company after company has been boosting list prices just in case controls are applied. And it is highly likely that labor will prove much more demanding than last time.

CONTROLS NOT THE ANSWER

Direct wage and price controls are not the answer. Controls create unwarranted complacency on the part of fiscal and monetary authorities. Congress becomes more openhanded; the Federal Reserve feels free to follow more expansionary monetary policies—and these are the thing that cause inflation. Thus controls not only fail to solve the inflation, they are likely to make it worse. Since they also erode our cherished freedoms, we count them as a major policy error. Our nation has enough economic troubles already. Let's not add the burden of wage and price controls—which won't work anyway.

SENATOR McINTYRE COMMENTS ON THE STATE OF THE UNION MESSAGE

Mr. McINTYRE. Mr. President, there is much in President Ford's state of the Union message which deserves our praise. I am pleased by the President's forthrightness. Such candor has not been heard in similar messages for some time. Moreover, I wish to commend him for being flexible enough to make a radical change in his position and to recommend dramatic policy changes to meet our economic problems.

I commend the President further for his stated dedication to the principles of communication, conciliation, compromise and cooperation. I hope this spirit will continue.

Therefore I approach the task before us in an optimistic spirit, believing that the President and the Congress are now moving in the same direction, and that reasonable accommodations can be reached. And we must succeed, Mr. President. All the letters and telephone calls which I receive from my constituents express the gravest urgency. They want action quickly, and they are tired of recrimination and politicking between the President and the Congress. They want leadership, and they want results, and they are justly going to hold this Congress responsible.

The President's program will have wide-ranging impact. I find some aspects of the program commendable; but there are other areas where I want to see improvement.

THE ECONOMY

I applaud the idea of a tax cut, as well as the President's tough stand on cutting Government spending. I am afraid, however, that the stimulus of the tax rebate and the permanent tax cuts proposed by the President is going to be counterbalanced by the inflationary effect of increased energy costs, especially in New England. For example, the average rebate per capita is $76.92 nationwide—this figure is almost matched by oil cost increases per capita in New England of $73.55. Nor do these figures take into account the serious inflationary impact on other products throughout the economy.

In addition, I would have preferred that the benefits of the tax rebate and permanent tax cut be given more to low- and middle-income taxpayers. Only high-income taxpayers will receive the full $1,000 rebate. Therefore I will support alternative plans which will deliver a proportionately greater share of assistance to those who most need it, and as quickly as possible.

I have joined with many of my colleagues in opposition to the 5 percent limitation on social security increases. This is simply unacceptable, Mr. President. Our elderly and disabled have their backs against the wall; in New Hampshire in this long winter they are hungry and cold and now they are faced not only with the certainty of more inflation, but a reduction in the increases to which they are entitled. It would be inhuman to renege on our promise of a yearly automatic cost-of-living increase, and I will resist the President's suggestion with all my strength.

Nor can I support a similar penny-wise, pound-foolish measure such as the proposed rise in food stamp costs. I have cosponsored a measure to stop this grave error on the part of the administration. I do not believe that in order to redeem our economic situation we must impose the greatest burden on those least able to bear it.

Mr. President, I think this body has the ability to make the tough choices that are necessary to keep the deficit down; we must do so if we are to meet our responsibilities and the demands of our constituents. But we not need to slash programs which feed hungry people who are already desperately pressed by inflation.

ENERGY

I find the President's energy program alarming, to say the least. I agree wholeheartedly with the need to cut down on consumption and that energy conservation should be a national policy. I applaud the suggestion on a tax credit for home insulation, and would like to see more such incentives for energy saving.

But the President has chosen the cruel and costly method of price rationing to achieve his goal—and I believe that he is playing fast and loose with the health and welfare of the American people when he chooses to press ahead with his misplaced belief that increasing prices will make us cut consumption.

Let us look at some of the costs of this program. The President is ordering a $3 per barrel tariff on oil imports after April 1. This would put the price of oil at $15 a barrel. Even if the President does not push through a price hike in domestic crude oil production—which I oppose—his decision to raise the price of imported oil is going to cost plenty. That is why I am cosponsoring the joint resolution to impose a 60-day delay in these increases.

In my State of New Hampshire, average use of home heating oil will be about 2,000 gallons for this season. This is 20 percent below last winter's use. The cost per home of this increase is going to be 7 to 8 cents per gallon. That adds up to about $140 more this year for home heating oil than the average consumer paid last year.

Moreover the President's plan to put tariffs on imported oil used to generate electricity is going to boost New England's energy costs even more. In New Hampshire, the additional cost for every man, woman, and child is going to come to $17.

Add that to the increased price for gasoline—over a dime a gallon to the 30 million New Hampshire uses every month, and you begin to get an idea of what the President is asking us to pay.

I wrote to the President recently to tell him that fuel consumption in States like New Hampshire cannot be cut back further. We have cut to the bone already. To cut more through cost increases will cause serious health and employment problems. Jobs are going to vanish. Already a papermill in Berlin, N.H., is closing down in an area of severe unemployment. The New England textile industry faces another stretch of ill health, with 70,000 jobs strongly affected. If prices go up for energy, jobs go elsewhere. It has happened before and it will happen again.

I see no logic in a policy which cuts across the board, making no distinction between rich and poor, urban and rural, warm climate or cold. No accounting is made for desirability of certain uses—all is to be determined by price, which, Mr. President, many simply cannot pay.

And yet there are constructive things that can be done that do not have this drastic and brutal inflationary impact. Instead of an increase in all petroleum costs, I would prefer to see an increasing use of an allocation system, which takes regional needs into account.

In terms of energy development, President Ford envisions many new nuclear powerplants, coal mines and coal-burning powerplants, thousands of new oil wells, development of the outer continental shelf, and millions of new cars. Perhaps this is indeed what our future holds.

However, I would like to see us develop our abilities to find other kinds of fuels—study the thermal currents in the oceans, utilize wind and solar power. We are spending $2 billion on energy research, Mr. President, with more to come next year—much of the money going to the oil companies, by the way—and is it not time we pushed and started using what we know? A house in northern Maine, for instance, runs on batteries powered by the Sun and wind. A researcher in New Hampshire wants to manufacture wind powerplants. In Vermont, there was a massive windmill working to generate power that ran for a few years in the late 1930's. We have small independent businesses with the knowhow and the willingness to produce now. So why not get to it?

Nor will I concede that the way to correct our present problems is to do more of those things that created the problem—getting more people to buy more of the same kinds of cars. There are alternatives in transit and energy production if we have the imagination and initiative to use them.

In conclusion, Mr. President, there is new vitality in this Congress. In the last agonizing 2 years this Senate and the Congress have demonstrated that it is no longer a rubber stamp for the executive branch. Now we face an even more challenging task—to rise above party interests and to cooperate with a new President to act quickly and coherently to meet our country's needs. This is not going to be easy, and we must make those tough decisions that we have historically liked to leave to the President. But the people will stand for nothing less.

Let us get on with it.

SENATE RESOLUTION 23—DISAPPROVING DEFERRAL OF FUNDS FOR HUD 701 COMPREHENSIVE PLANNING GRANTS

Mr. MONTOYA. Mr. President, last week I joined more than 30 of my colleagues in introducing Senate Resolution 23, to negate the administration's proposed deferral of 50 percent of the fiscal year 1975 money appropriated for HUD comprehensive planning grants under section 701 of the Housing Act of 1954.

A cut in the grants makes absolutely no sense. HUD 701 grants can pay up to two-thirds of comprehensive planning costs for large and small cities and localities. Today the need for urban and regional planning—and the opportunity for small communities to plan expansion instead of merely sprawling—is acute. As the distinguished Senator from Minnesota, Mr. HUMPHREY, has indicated, the demands of continuing inflation will make self-imposed cuts necessary when communities are determining how to use the money they now receive. In addition, according to provisions of the new Housing and Community Development Act, grant recipients must now prepare land use and housing projection components in their comprehensive plans. The plans are effective and necessary, Mr. President and we must not cripple State attempts to use appropriated Federal funds for better communities.

In New Mexico we have special need for the planning grants. The very size and beauty of the State is testimony to the need for careful comprehensive planning by its cities and towns. Numerous planning projects in New Mexico are midway to completion, others are beginning. Many of the New Mexican comprehensive plans will benefit Indians and others in my State who have long been denied Federal largess. Altogether more than $1 million in comprehensive grant money under the 701 program went to New Mexico last year, and the many letters I have received concerning the proposed cut indicate that the money is being used in necessary, long-range planning projects.

I, therefore, wholeheartedly support Senate Resolution 23 to disapprove deferral of the fiscal year 1975 planning grant funds.

HOW TO RATION GASOLINE

Mr. BARTLETT. Mr. President, the following editorial on gasoline rationing appeared in the January 26 edition of the Washington Post. It should be of interest to all Senators because of the current debate about ways to reduce fuel consumption in the United States.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 26, 1975]

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

ROBERT W. WOODRUFF HONORED

Mr. TALMADGE. Mr. President, Atlanta's Dixie Business magazine annually honors an outstanding citizen who has contributed substantially to the betterment of the State of Georgia and the Nation. Robert W. Woodruff, chairman of the finance committee of the Coca Cola Co., has been named recipient of this award and cited as "A Great American for 1974," according to an announcement by the magazine's editor, Hubert Lee.

I congratulate Mr. Woodruff, and ask unanimous consent that his citation and other material about his distinguished career be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Robert W. Woodruff—"A Great American" for 1974

(By Hubert F. Lee)

To me, Robert W. Woodruff has been "A Great American" since 1923, the year he became president of The Coca Cola Company while I was editor of the Atlanta Junior Chamber of Commerce Official Publication and a young civic leader.

The year I spoke over WSB radio as director of Atlanta's Clean Up-Paint Up Campaign.

Dynamic Bob Woodruff was the greatest salesman I ever saw.

He inspired and motivated everybody he came in contact with.

Lowell Thomas, who won the Peabody Award this year, wrote:

". . . I often wondered how Bob Woodruff managed to accomplish such an increditable thing: turn out a product that swept the world. . ."

Bob Woodruff managed to accomplish such an increditable thing, Lowell, by establishing a policy in 1923 "that everybody connected with the manufacture and distribution of Coca Cola should make a good profit."

He hired good men and paid them well . . . such as his boyhood friend Harrison Jones, DeSales Harrison, who managed an Atlanta theater in 1921 when he help launch the Jaycees, and James H. Farley in 1940.

A Great American

ATLANTA, GA.—Robert W. Woodruff, who made Coca Cola a household name over the world and whose anaimous gifts have made him a great public benefactor, has been named the 20th "A Great American" (1974) by the editors of Dixie Business.

Hubert F. Lee, editor of Dixie Business for 45 years, said that the name of Robert W. Woodruff would add to the "Flowers for the Livinal honor group named since 1955.

Mr. Woodruff on July 11, 1974 was presented the "Shining Light" Award by W. L. Lee, president of Atlanta Gas Light Co. and Elmo Ellis, WSB Radio General Manager. Dr. E. Garland Hendon, Jr. told him "Thank God you came this way. . . .

Past Great Americans include:

Dr. Charles F. Kettering	1955
Cecille B. DeMille	1956
Helen Keller	1957
Tom D. Spies, M.D	1958
Sen. Lister Hill	1959
Oveta Culp Hobby	1960
R. Manton Wilson, M.D	1961
John H. Glenn, Jr	1962
Bernard M. Baruch	1963
Rep. Carl Vinson	1964
American Fighting Men	1965
E. K. Gaylord	1966
Donald Douglas, Sr	1967
Eddie Rickenbacker	1968
J. C. Penney	1969
Walter R. McDonald	1970
W. O. DuVall	1971
DeWitt and Lila Acheson Wallace	1972
Sen. Herman and Betty Talmadge	1973

SHINING LIGHT

Robert W. Woodruff, who has been a Shining Light for half a century, was honored in Atlanta July 11, 1974 with the Shining Light Award.

Woodruff was the "anonymous donor" who provided $9 million to purchase a block of land at downtown Five Points to develop what is now Central City Park.

W. L. Lee, president of Atlanta Gas Light Company, and Elmo Ellis General Manager of WSB, presented the Shining Light Award.

Dr. E. Garland Hendon, Jr. director of the Woodruff Medical Center at Emory University was one of the Atlanta leaders who praised Woodruff. "Thank God Almighty you came this way . . . Hendon declares. He was established an uncanny ability to look across the mountains and see the valleys beyond.

Dr. Philip Weltner cited Woodruffs interest in stimulating the growth and quality of the downtown area by his gifts for parks, the Atlanta Memorial center, and other projects.

Dixie Business named Woodruff one of the "South's 50 Foremost Leaders" in 1949.

Past honorees includes: Arch Avary, Ralph McGill, Ivan Allen, Sr., Dr. Rufus L. Clement, Dr. J. Elliott Scarborough, Jr., Mary Givens Bryan; Margaret Mitchell, H. O. Smith, Dr. George M. Sparks and Dr. Philip Weltner.

When C. C. Forbes named him one of "America's 50 Foremost Business Leaders" in 1947, the citation read:

"Robert W. Woodruff, Chairman of the Executive Committee, The Coca Cola Co. His superb salesmanship and broad-gauge business principles have made his product known and in demand all over the world, Generous sharer with all handling it. His innate modesty and kindly understanding have won him many devoted friends. His benefactions in the field of medicine are further evidence of his wide human sympathy."

Forbes Magazine included Woodruff in "America's 50 Foremost Leaders named in 1947, along wtih Thomas W. Martin, the "Man of the South" for 1946; Nelson Rockefeller, now Vice President; Donald Davis, Sr., the "A Great American" for 1967; Capt. Eddie Rickenbacker, the "A Great American" for 1968; and Glenn L. Martin, aircraft pioneer who suggested that I pick the South's 50 Foremost Leaders in 1949 to celebrate the 20th anniversary of Dixie Business. Which we did.

Our South's 50 Foremost Leaders honor group includes Robert W. Woodruff, the "A Great American" for 1974; E. K. Gaylord, the "A Great American" for 1966; Ernest L. Kurth "Man of the South" for 1949; Reuben B. Robertson, "Man of the South" for 1950; Frank P. Sanford, "Man of the South" for 1958;

B. C. Forbes was delighted to permit me to use his idea and when Ernest L. Kurth was named "Man of the South" for 1949, Forbes sent Robert Hiemann his managing editor to Lufkin, Texas to do a three page story. Hiemann is now chairman of American Brands.

Like all great men, Mr. Woodruff wrote me a gracious letter, dated July 27, 1949, from which I quote:

The notification which your letter brings is most gratifying and I greatly appreciate the honor of being included among such outstanding business leaders.

"Referring to the ballot which you enclosed, my nomination for the South's Man of the Year" for 1949 is . . .

The same man voted for Mr. Woodruff by a pleasant coincidence.

Eugene W. Stetson, who was named to the South's "Hall of Fame for the Living" honor group in 1953 on nomination of General Lucious D. Claw who wrote, ". . . I wish to suggest Mr. Eugene W. Stetson, a former Georgian who became head of the Guaranty Trust Company and one of our greatest banker," wrote July 27th, 1954:

"I would like to vote for Mr. Robert W. Woodruff . . . for many reasons.

"When he took the presidency of the Coca Cola Company, it was a small affair and today, it is one of the world's most important and most successful manufacturing enterprises.

"This great growth has been attributable, largely, to his genius, to his integrity, fine personality and great energy, with a very high character back of it all.

"Mr. Woodruff has been recognized by many of the large corporations of the United States, by being invited to become a member of their boards of Directors—the Guaranty Trust Co. of New York; the Metropolitan Life; the General Electric; the Southern Railroad and many others.

"His philanthropy has extended in a most unusual but quiet way, and has been most substantial. . . ." When Go. Gov. Marvin Griffin headed a group of industry hunting Ga. leaders, Eugene Stetson hosted a dinner of top industrialists he had invited to hear more about locating plants in Georgia.

Bobby Jones, Jr. the "Man of the South" for 1953, wrote: (2-18-55) "It seems to me that if you really want to pick out the man who has done the most for the South, you do not need to look any further than Bob Woodruff.

". . . I am sure that you know of what he has done for Emory University, the Emory University Hospital, the Winship Clinic, other Atlanta hospitals and schools, the Negro colleegs around here, Tuskeegee Institute and others.

"I do not know anybody in Georgia who has done so much good and tried so hard to keep everybody from finding out about it.

"Maybe you don't want an unending succession of Atlanta residents and maybe you would also have trouble getting Mr. Woodruff to accept but, nevertheless I would name him as all seven of my nominees . . ."

[Reprinted From Winter 1949 issue of Dixie Business]

Bob Woodruff Calls a Meeting

(By Hubert F. Lee)

Robert W. Woodruff, one of the South's 50 Foremost Business Leaders, invited a group of Atlanta civic leaders to a luncheon on November 2 and before some 40 business men returned to their business the Greater Atlanta Safety Council had been formed and $50,000 to finance it had been raised.

Included in the group were other distinguished leaders named this summer by Dixie Business as among the South's 50 Foremost Business Leaders—Hal S. Dumas, L. W. Robert, Jr., Frank H. Neely and C. B. McManus.

Ralph McGill, in a front page news story in The Atlanta Constitution wrote: "A chapter of the National Safety Council, regarded as the most efficient and successful organization in the United States, was organized in Atlanta yesterday at a meeting which rivaled in spirit and swiftness of action anything out of past great illustrations of the Atlanta spirit.

". . . Inspired by the presentation and by the offer of Robert W. Woodruff to raise half the budget necessary to create, equip and establish the chapter in operation the first year (the first year budget is $50,000), if those present would undertake to raise the remainder, the organization was completed in quick order."

The Board of Directors includes Major Clark Howell, George C. Biggers, Ralph McGill, Wright Bryan, Scott Allen, Scott Candler, L. F. Montgomery, Rutherford Ellis, Dan MacDougald, Fred W. Beazley, H. W. Bondurant, Hal S. Dumas, "Chip" Robert, Frank Neely, C. B. McManus, J. V. Carmichael, John O. Childs, Norman E. Elsas, Carlyle Fraser, T. R. Garlington, Richard H. Rich, Mayor W. B. Hartsfield, W. J. Hobbs, Charles H. Jagels, R. T. Jones, Jr., Robert S. Lynch, James C. Malone, R. C. Mizell, Jackson F. Moore, Howard Dobbs, John A. Sibley, Hughes Spalding, R. G. Taber, Carling Dinkler, Alex D. McLennan, Claude J. Hendon, Robert R. Snodgrass, E. P. Tuttle, James D. Robinson, George W. Woodruff, Frank Wilson, Ivan Allen, Jr., Wilbur F. Glenn and R. C. Doyal

THE VLADIVOSTOK ACCORD

Mr. HARRY F. BYRD, JR. Mr. President, the most comprehensive discussion that I have seen to date on the Vladivostok Accord was recently written by Prof. James Dornan, and it appeared in the Armed Forces Journal.

In this article, which I will include for the RECORD at the end of my remarks, Dr. Dornan argues that the Vladivostok pact has not rectified the strategic imbalances permitted by Salt I, and that the agreement will not slow down the nuclear arms race.

As Dr. Dornan points out:

> From the point of view of arms control, the recent Vladivostok agreement was largely a bit of sleight of hand. It neither puts a cap on the arms race, nor solves the most important strategic problem facing the U.S.
>
> It could mean that the Soviet Union will soon possess a large counterforce—capable striking force able to threaten American land-based missiles while the U.S. will have no comparable capability.
>
> At the same time, it creates the appearance of progress while ignoring or deferring real problems. It thus may further contribute to the growing euphoria about Soviet-American relations which is undermining support within Congress and among the public for defense programs adequate to protect the vital interests of the United States.

Mr. President, I believe Professor Dornan's article raises some very important points, and I would like to take the opportunity to share it with my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAYBE NO AGREEMENT WOULD BE BETTER

(By James E. Dornan, Jr.)

From the point of view of arms control, the recent Vladivostok agreement was largely and bit of sleight of hand. It neither puts a cap on the arms race, nor solves the most important strategic problem facing the U.S.

It could mean that the Soviet Union will soon possess a large counterforce—capable striking force able to threaten American land-based missiles—while the U.S. will have no comparable capability.

At the same time, it creates the appearance of progress while ignoring or deferring real problems. It thus may further contribute to the growing euphoria about Soviet-American relations which is undermining support within Congress and among the public for defense programs adequate to protect the vital interests of the United States.

The agreement is intended to supplement, extend, and in some key particulars supplant the Interim Agreement on Offensive Weapons signed in Moscow in 1972. The latter will be operative until October 1977, at that point the new agreement will come into effect and govern the military balance between the two superpowers until December 31, 1985.

The SALT II accord, as it is already being called, establishes a ceiling of 2400 on the total number of strategic delivery vehicles permitted each power. For purposes of this agreement strategic bombers are to be included within that total. As part of that overall ceiling, each side is permitted to depoly an aggregate number of 1320 missiles with Multiple Independently-Targeted Reentry Vehicles. Each side can determine for itself how many of these MIRVed missiles are to be of the land-based and how many of the sea-based variety. Neither side shall construct additional silos beyond the levels permitted by SALT I, and the limits on the number of silos designed for heavy land-based missiles contained in SALT I are also retained. Aside from these restrictions, each side is permitted "freedom to mix," that is, each side can determine its owr force requirements for numbers of bombers, land-based missiles, and sea-launched missiles. The numercial limits on SLMs imposed by SALT I are thus abandoned, subject only to the 2400 ceiling.

There have been some reports that the agreement bans air-mobile ICBMs; other accounts assert only that should either side deploy land-mobile missiles or air-mobile missiles with a range of more than 360 miles, such missiles will be counted against the permitted total of 2400 delivery vehicles. If the latter interpretation is correct, there are no limits on U.S. SRAM deployments.

The Vladivostok agreement places no limits on U.S. acquisition of smaller bombers such as the FB–111, nor does it restrict our development of new cruise missiles for deployment of U.S. surface ships. Forward-based aircraft in Europe are not counted under U.S. totals, and similar Soviet systems are not counted.

Finally, it has been reported that the provision of SALT I which limits increases in missile silo size to 15% is retained in the Vladivostok agreement. The Soviets have interpreted the SALT I clause as allowing increases of 15% in both the diameter and the depth of missile silos, and it does not appear that this ambiguity was resolved at Vladivostok. The measures necessary to verify compliance with all of the provisions of the accord have not yet been settled, and are to be negotiated in coming months.

Administration spokesmen have praised the agreement because it is based on principle that each side has a right to an equal number of strategic delivery vehicles. This, it is said, is a substantial improvement over certain features of SALT I, which froze us in a position of inferiority to the U.S.S.R. in numbers of both ICBM and SLBM launchers.

It is noteworthy first of all that the language of the Vladivostok Accord which limits the weapons permitted each side is different from the comparable terminology in the SALT I agreement. SALT I, contrary to popular misconception, regulates only numbers of launchers (silos and submarine tubes), not numbers of missiles or delivery vehicles. The underlying assumption of SALT I seemed to be that missile numbers could be controlled by limiting numbers of silos, since a silo could for all practical purposes be used only once. This will not be the case, however, once the Soviets have perfected their cold-launch technique and have developed a rapid re-load, rapid re-fire capability, allowing them to quickly reuse the silo by inserting extra missiles stored nearby.

It is not yet clear whether SALT II is intended to deprive the Soviet Union of that option, or whether the new language limiting delivery vehicles rather than launchers simply reflects the fact that bombers are now to be included within the aggregate force levels; it would have been awkward—and somewhat inaccurate—to refer to a bomber as a launcher. If the new agreement does prevent the Soviets from deploying more than one missile per silo, it represents a major step forward, although it remains to be seen how such a restriction could be enforced.

Under SALT I, the Soviets were permitted to deploy a maximum of 1618 ICBM's to 1054 for the United States. Similarly, the Soviets were allowed 740 SLBM launchers to 656 for the U.S. Old ICBMs (and, in the case of the U.S.S.R., certain old SLBMs as well) could be cashed in and exchanged for new SLBM launchers. Were the latter option fully exercised, the United States could reach an overall total of 1000 ICBMs and 710 SLBMs, while the Soviet Union would be allowed 1408 ICBMs and 950 SLBMs on modern nuclear submarines. Available evidence indicates that the U.S.S.R. is in the process of exercising the conversion options permitted by SALT I.

The Soviet Union also possesses 140 bombers to be counted as strategic vehicles under the Vladivostok terms. If their number is added to that of the ICBMs and SLBMs permitted the Soviet Union by SALT I, the total Soviet force would reach 2,498, 98 above the level agreed to at SALT II. At some point, therefore, the Soviets will have to decide how to bring their force levels within the 2400 limit. Several options are available. They could simply fail to acquire all of the new SLBMs permitted by SALT I. The impact of this move could be softened if the older H-class submarines with their 30 SLBM tubes were replaced with modern boats and SLBMs. Alternatively, they might phase out some of their early-model SS–11 ICBMs. Or they could scrap up to 98 of their existing bombers, which are obsolete and not considered to be effective weapons systems in any case. The latter option is most likely. Reports indicate that the new swing-wing Backfire bomber, now coming into service, is not to be counted as a strategic delivery vehicle for purposes of SALT II. Newer versions of the Backfire apparently have intercontinental range, and the Soviets doubtless plan to make it the mainstay of their air-striking force in the future.

Even more detailed computations are necessary in order to determine the effects of the Vladivostok agreement upon U.S. force levels. A key facet of the agreement is its provision that U.S. heavy bombers are to be included within the overall strategic delivery vehicle limit. The effects of this provision are obscured by the widespread disagreement published reports concerning precisely which American bombers are to be counted within the Vladivostok force limits.

In any case, there are serious objections to counting a bomber as the equivalent of a missile in calculations of strategic strength. If used in a nuclear assault against the U.S.S.R., the U.S. bomber force would be required to penetrate the Soviets' highly efficient air defense systems, and would certainly incur heavy losses. Assertions that a U.S. strategic force 25% of which consists of bombers is the equivalent of a Soviet force which may consist totally of missiles are therefore extremely disingenuous.

If all of the B–52s, including those used strictly for training purposes and those in mothballs, are counted and added to the total number of ballistic missile launchers in the American arsenal, the United States presently possesses approximately 2,260 strategic delivery vehicles of all types. Thus, the principal short-term effect of the Vladivostok accord is to give us the privilege of counting our long-range bombers in calculating the strategic balance. We are also permitted to add up to 140 additional delivery vehicles to our present force. Since SALT II bans the construction of new land-based silos, such additions will doubtless be either new bombers, presumably of the B–1 variety, or submarine-launched ballistic missiles of the Trident type.

Because the agreement allows freedom to mix within the 2400 delivery vehicle limit (subject only to the MIRV sublimit), the United States is also permitted to replace some—or all, if it chooses—of its old bombers with sea-launched ballistic missiles. Since the MIRV sublimit restricts the numbers of Tridents which can be deployed, some or all of the Polaris missile submarines will almost certainly be retained in service longer than planned. Additional B–1s beyond the planned purchase of 244 might also be added to the U.S. Force.

Both the B–1 and the Trident systems, however, are proving to be enormously expensive, and Congressional support for both programs may be waning. Moreover, neither Mr. Ford nor Mr. Kissinger have indicated any intention of recommending to the Congress substantial additions to the present U.S. strategic forces. The delivery vehicle equality guaranteed the U.S. by SALT II may for this reason alone prove illusory.

Thus, the Vladivostok agreement does modify some of the more objectionable provisions of SALT I. In particular, the U.S. can now acquire more SLBMs, while the Soviets are frozen at approximately their present missile launcher levels until 1985. But there is little likelihood that real equality in strategic force levels will be achieved, given political realities in the United States; this is particularly true if allowances are made for the fact that a significant proportion of the American force will for years to come consist of aging bombers of decreasing strategic value.

In defending the Vladivostok agreement, Administration spokesmen have emphasized that it provides for equality in numbers of MIRVed missiles, at a level of 1320 for each side. The United States had planned to deploy 496 Poseidon and 550 Minuteman III missiles by 1977; to that total we may now add, during the lifetime of SALT II, up to 224 Trident missiles (originally intended to be deployed or replacements for non-MIRVed Polaris missiles, under the terms of SALT I). It is thus argued that in this key index of military power, there is no longer a danger that the Soviets can surpass American totals, creating in the process either a real military danger for the United States or an appearance of superiority for the U.S.S.R. which the Soviets might exploit in crisis situations.

This argument, too, deserves the most careful examination. As noted earlier, if the Soviets build up to the maximum number of launchers permitted by SALT I and exercise all the conversion options permitted by that agreement, they would have available 1408 ICBM launchers by 1977. Of these, the Defense Department has estimated that approximately 1318 would be launchers for SS–9 and SS–11 missles, the types soon to be replaced by the larger MIRVed missiles now being tested. It thus seems clear how the number 1320 was settled upon at Vladivostok: once again, as in SALT I, planned Soviet deployment levels became the "limits" each side was allowed to reach. Under the agreement, the Soviets are free to MIRV all ICBMs placed in the new launchers. It is likely that they will do so, despite the hope of Secretary Schlesinger that they will "send some of their MIRVs to sea." Soviet strategic doctrine during the last decade has emphasized the need for both counterforce and countervalue options; and the Vladivostok accord, when combined with the relevant SALT I provisions, affords them the opportunity for a large countervalue force based on 950 SLBMs, plus a significant counterforce capability based on 132 MIRVed ICBMs.

This latter point is crucial to any evaluation of the claim that the Vladivostok Agreement guarantees the United States equality in numbers of MIRVed missiles. That claim is true as far as it goes, but it ignores the most significant feature of the agreement: it permits—in fact, virtually guarantees—Soviet superiority in numbers of MIRVed warheads on land-based missiles. Moreover, these warheads will be larger than their U.S. counterparts, and thus more counterforce-effective.

The reason has to do with the greater throw-weight of Russian missiles. As has often been pointed out, existing Russian ICBMs have a substantially greater throw-weight than American models; the Soviet advantage will be even greater when the replacement missiles now being tested are deployed. The SS–9 is to be replaced by the SS–18, with a throw-weight half again as large; the SS–19 has a throw-weight six times that of the SS–11.

If the U.S.S.R. chooses to miniaturize its warheads in the American manner, it will be able to deploy during the lifetime of the Vladivostok agreements over 27,000 warheads, a substantially larger number of warheads than the United States. Given their interest in the development of a counterforce capability, it is more likely that the Soviets will choose to deploy a smaller number of higher yield weapons. The U.S. may therefore retain an advantage in total numbers of warheads deployed on all delivery vehicles—particularly if one includes in the American total the SRAM warheads to be deployed on our strategic bomber force.

But even if this proves to be the case, the Soviets will possess a substantial and highly visible counterforce-capable striking force able to threaten U.S. land-based missiles, and the United States will not possess a similar capability. Thus in this key area of military strength, the Soviets will have achieved superiority, for possible use in intimidating the United States or its allies during international crises and for intrawar deterrence in the event of conflict between the superpowers. Serious questions must therefore be raised concerning Secretary Schlesinger's assertion that the throw-weight issue "deals with the issue of arms stability rather than the issue of equality or arms balance." Clearly it deals with both. Neither is the throw-weight issue "something of a phony," as Secretary Kissinger has claimed. On the contrary, it is the most important of the several strategic problems facing the United States in the post-SALT period, and that problem was not addressed by the Vladivostok accord.

In responding to such criticisms, Administration spokesmen have argued that the agreement does not prevent the United States from deploying larger missiles in its own silos, or otherwise increasing the size and overall effectiveness of re-entry vehicles used with existing missiles. Indeed, research and development on a new missile and on more powerful and more accurate warheads is already underway. It remains uncertain in the extreme, however, whether the United States will ever come close to matching the Soviets in these areas. Congress has long been skeptical about the desirability of programs to improve the counterforce-effectiveness of the U.S. land-based missile force; the new Congress is likely to be even more so.

In fact, the Ford Administration itself appears far from committed to such programs. Even Secretary Schlesinger, in his December 6th press conference in which he defended the Vladivostok accord, did not commit himself to achieving equality with the Soviets in missile throw-weight, and Mr. Kissinger is known to harbor doubts about the desirability of counterforce strategies and targeting doctrines.

In dealing with the throw-weight issue at his recent press conference, the Secretary of Defense observed that should the Soviets proceed to MIRV 1320 of their land-based missiles, the United States might respond by reducing our Minuteman force, and adding more SLMBs or bombers. This would diminish the overall vulnerability of the American second-strike force, while increasing the vulnerability of those land-based missiles which we retained. Under such circumstances, the strategic flexibility afforded the U.S. by the existing mix of delivery systems would be reduced. Our ability to acquire a more effective counterforce capability would also be complicated, since it is more difficult to develop the requisite accuracy on sea-based missiles. Finally, should the United States base more of its deterrent force at sea or rely to a greater extent on manned bombers, we would be inviting the Soviet Union to invest more resources in ASW forces and in air defense, thus in the long run rendering the sea and air portions of the triad more vulnerable as well.

Thus the arguments that the Vladivostok agreement rectified the strategic imbalances permitted by SALT I and also put a cap on the strategic arms race are inaccurate and misleading. The accord merely accelerates a shift toward qualitative improvements in weapons systems and away from increments in the size of strategic forces. Depending on the mood of Congress and the American public, the United States will either fall short of the permitted equality in numbers of delivery vehicles, MIRVs, and throw-weight, or be forced to match existing and future Soviet achievements in these areas, at enormous cost.

The Vladivostok accord thus appears to be another manifestation of Mr. Kissinger's belief that any agreement with the Soviets is better than none, because agreements contribute something called the "momentum of detente." It may be time to reevaluate this contention; indeed, there are several good reasons for arguing that no agreement would be better than this one. At the very least, there are good reasons to urge that the American negotiators be sent back to the table to gain Soviet acceptance of an arms control treaty which truly enhances the strategic security of both powers.

THE ALUMINUM OLIGOPOLY

Mr. HUMPHREY. Mr. President, public attention should be focused on current pricing practices by our major aluminum producers. Despite slumping demand, the major producers, including Alcan, Alcoa, and Kaiser, have vowed to reduce output and employment, rather than cut prices to stimulate demand. Alcan and Alcoa alone are cutting employment by over 1,000 workers as a result of this policy. This is a cruel decision which will put working men and women on the streets rather than risk lower profits. And, it can only occur because competition between these producers is nearly dead.

The major aluminum producers do not want to cut prices and risk a profit-debilitating price war—which would benefit both employees and consumers. They do not want to compete and so they simply decide not to—just like that. To be blunt, Mr. President, these aluminum producers are no longer acting like free enterprise competitors.

Steel producers have gone one step further. Despite soaring profits, United States Steel, for example, raised prices last month in the face of slackening demand. The token price reductions arising from strenuous efforts by President Ford only emphasize the bizarre pattern of rising prices in the face of declining demand. The objective is profits—a worthy objective. But profits earned, as in that case, by noncompetitive pricing practices, are earned at the expense of consumers and employees. In fact, Wall Street Journal analysts suggest these higher prices will enable United States Steel in 1975 to double 1974 profits—which were double 1973 levels.

As with the aluminum producers, these steel profits can be earned only because serious competition between producers is virtually dead. It is in cases like this that selective, targeted, Government monitoring of price levels is needed in the public interest.

An excellent recapitulation of events surrounding the recent oligopolistic behavior of aluminum producers was carried in the Wall Street Journal on December 30, 1974, and on January 15, 1975. These articles go to the heart of problems with noncompetitive pricing practices in our economy.

Mr. President, I ask unanimous consent that two articles from the Wall Street Journal, entitled, "Alcan and Alcoa To Pare Output of Aluminum," dated January 15, 1975, and, "Aluminum Makers Vow They Will Cut Production, Not Prices, During Slump," dated December 30, 1974, be printed in the RECORD. I further ask unanimous consent that a Wall Street Journal article entitled "Profits of Kaiser Aluminum Set Fourth Quarter High," dated January 17, 1975, also be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Dec. 30, 1974]

ALUMINUM MAKERS VOW THEY WILL CUT PRODUCTION, NOT PRICES, DURING SLUMP

(By Liz Shanov)

"Aluminum executives are all siding salesmen at heart," jokes a former executive of the industry, referring to volume-oriented approach of many door-to-door purveyors of house siding. "When sales drop, the first thing they want to do is cut prices."

But with aluminum demand slumping again, some North American producers are vowing to prove this industry folk tale no longer prevails. Just recovered from the four-year aftermath of their last price war and beset by rising costs, aluminum makers are trying to reverse their traditional approach to slumping demand by cutting production before they cut prices.

Whether this new determination will be enough to maintain prices depends chiefly on how long the slump lasts, industry analysts say. They agree that the pressures to cut production to maintain prices are probably greater than ever before. And while the slump seems certain to slow the industry's soaring profits, success in avoiding the usual severe price-cutting could help minimize the squeeze on aluminum makers' earnings.

Demand has fallen off significantly in the past two months. September's net shipments dropped to one billion pounds from 1.09 billion pounds in August, government figures show. Industry analysts estimate that aluminum consumption has dorpped another 10% to 20% since then. In some markets, particularly automobiles and appliances, the slide has been much sharper. And one analyst expects consumption in the first quarter of 1975 to fall 25% from a year earlier.

MAGNIFIED EFFECT

What's more, aluminum users have started to deplete the inventories they had built up during the period of tight supply earlier this year, rather than place new orders. Analyst Ray Hughes of Argus Research Corp. figures such inventory liquidation "may double or triple the effect" of the consumption decline. And almost no one thinks the slump will end earlier than mid-1975.

In other times, this set of circumstances would have been a cue for sharpened price competition. This time, however, the producers are trying to take what they hope is a less damaging move. Consider, for example, the reversal of strategy at Reynolds Metals Co.

During the last major industry slump in 1970, Reynolds held off on production cuts for more than eight months after the first reports of price-cutting; three months before Reynolds' first curbs on production, for instance, primary aluminum ingot was selling at 12% below list price. But this time, as demand softened through November and December, the nation's second-largest aluminum producer closed three primary production lines at two plants, idling 6.2% of its domestic capacity.

"Our company waited too long to cut back (production) in 1970," explains Chairman Richard S. Reynolds. "As a result," he adds, "we had to cut more deeply," down to 70% of capacity by the end of 1971 as a glut of the metal developed. It wasn't until August 1973 that Reynolds began running at over 90% of capacity again. "We learned from that experience," Mr. Reynolds declares.

FOLLOWING SUIT

Other aluminum makers insist they've learned the same lesson. Ormet Corp., a joint venture of Conalco Inc. and Revere Copper and Brass Co., is shutting down two primary lines Thursday at its Hannibal, Ohio, plant. The potlines have an annual capacity of 83,000 tons—32% of Ormet's total capacity. The cutbacks were prompted by a desire to avoid price-cutting, a Revere official indicates.

There are signs that other producers may follow suit. Anaconda Corp.'s aluminum division has developed contingency plans for slowing down ingot-producing operations—without actually closing any production lines—if the decline in demand lasts longer than anticipated. Other companies are cutting back their fabricating operations on items where the glut is greatest.

Aluminum Co. of America, the world's largest producer, has laid off 1,500 workers at six fabricating plants in the past two months. Kaiser Aluminum Chemical Corp. has furloughed 500 fabricating workers, Anaconda Corp. had laid off 600, Amax Aluminum Co. has furloughed 350, and Alcan Aluminum Ltd. has idled about 200 workers in its U.S. fabricating plants. Howmet Corp. has cut the workweek to four days from five at one plant and closed down two others, laying off 145. Revere extended Christmas and New Year's holiday closings at its rolling mill to two full weeks.

Yet Alcoa, Alcan and Kaiser all insist they intend to maintain full-scale primary aluminum production, carrying the excess ingot in their inventories. In any case, the aluminum makers are vowing to maintain list prices at all costs. And many buyers of aluminum say they are taking the producers' vow seriously and figuring on paying the list price in coming months.

Rising costs are the major reason aluminum executives have apparently stiffened their resistance to price cuts. In previous downturns, "you weren't afraid of costs going up 10% to 15% in the next 12 months" as is the case these days, says David Culver. Alcan's executive vice president for fabrication and sales. "When demand is softening at a time that costs are rising so sharply," he reasons, "to go to price-cutting is disastrous."

COST-OF-LIVING LINK

Costs are clearly rising. During the past year, the governments of Jamaica, Guyana, Surinam, Haiti and the Dominican Republic have increased their production levies on bauxite, the raw material for aluminum, by as much as 600%. As the cost of living soars, unionized aluminum-industry employes are getting a one-cent-an-hour pay boost for every 0.3 point rise in the consumer price index. Climbing power costs fall especially hard on an industry that requires from 6.5 to 8 kilowatts of energy to smelt one pound of aluminum.

Growing fears of a reimposition of price controls are another factor behind the industry's revised script for coping with slumps. Aluminum makers remember—painfully—that the government imposed the last set of price controls during the 1970–71 price war. The ceiling was based on the actual selling price, which had been discounted to 25 cents a pound from the list quote of 29 cents. "Everyone is very fearful" the price controls will be put back on, says an official of a major producer. So, he suggests, producers are especially determined not to get caught with their prices down again.

Since the industry was decontrolled completely last March, the price of ingot has climbed in steps to the current 39 cents a pound from the 29-cent level in effect when controls expired. James D. Miller, an analyst at Merrill Lynch, Pierce, Fenner & Smith Inc., figures the producers may be especially "hesitant to sacrifice the prices they've just attained." The aluminum makers have consistently argued that the current price barely gives an adequate return on investment for a capital-intensive industry.

Production cuts, of course, have always been the desired route for coping with slumps. In earlier times, however, it was almost impossible for the industry to take that course, some insiders contend. They point out that almost 800,000 tons of annual capacity was added during 1970–71 as the last slump was beginning. By contrast, no significant addition to the 1973 domestic capacity of 4.9 million tons was added in 1974 or is planned for 1975.

SCRAMBLING FOR A SHARE

As a result, many newer, smaller companies are in a much better financial position to absorb production cuts than they were in 1970, says Mr. Hughes of Argus Research. Back then, new producers often couldn't generate a profit unless their smelters operated at close to 100% capacity, even at shaved prices, the analyst notes. "They had to scramble to steal a market share," he says, referring to the rampant price-cutting.

But the scrambling didn't always work. "We learned a very tragic lesson," says John W. Eason, executive vice president of aluminum operations at Revere. "You don't gain any more business by reducing prices." Price cuts were often met by competing suppliers, he recalls, "so the business stays exactly where it is, but we're all selling at lower prices. That's when you get the red figure."

It remains to be seen, however, whether the producers' resolve can withstand the excess-supply pressures that are sure to intensify as the slump continues. Overly large inventories pose problems for both the producers and their customers. Despite the intention of some major producers to absorb unbought metal in their inventories, one smaller aluminum maker contends that "it's almost prohibitive to carry inventory." It figures the cost of financing inventory has doubled since 1970.

"Suddenly, our problem is one of liquidation," says George C. Anderson, president of Fullerton Metals Co., a large Illinois aluminum service center; he estimates that service centers, which provide a wholesale link between producers and users, are saddled with 25% to 30% more metal than they need to meet current demand. "We in the service-center industry have been quite guilty of giving price reductions and bargains," he adds. One result: Prices for fabricated aluminum sold by dealers and service centers have fallen below producers' list quotas in the past month.

So far, true to their word, producers don't appear to have discounted from their list prices on ingot or fabricated products. But some industry executives concede privately that the inventory problem might force prices down if the slump lasts longer than expected. "If this thing runs clear through 1975," says one, "and there's not much life in the economy in 1976, prices are going to be cut. You gotta sell sometime."

Most of the major producers opting to keep up production and carry excess inventory are betting that the slump will bottom out by the third quarter of 1975. "If one has the cash," says Alcan's Mr. Culver, "one runs at a reasonably good rate and assumes . . . that by 1976, demand will be greater than supply again."

Alcoa To Close Two Lines, Cutting Its Output 2.9 Percent

Pittsburgh.—Aluminum Co. of America, citing rising energy costs and slumping demand, said it will cut its primary aluminum production 2.9% by closing two potlines at its Point Comfort, Teaxs, plant.

About 190 workers will be laid off when the potlines are stopped next Monday, Alcoa said. The lines produce 46,000 tons of aluminum annually, out of Alcoa's total domestic capacity of 1.6 million tons. The remaining lines at the plant have a capacity of 134,000 tons and will remain in production, the company said.

The cutback is due to rising energy costs at the Texas plant, which is powered by natural gas, and to the recent sharp decline in aluminum demand, a spokesman said.

Alcoa, the nation's largest aluminum producer, is the third U.S. aluminum market to announce production cuts this month. Reynolds Metals Co. already has closed three primary production lines, totaling 6.2% of its capacity of 975,000 tons. Ormet Corp., a joint venture of Conalco Inc. and Revere Copper & Brass Co., will close 32% of its 250,000-ton annual capacity Thursday.

The cutbacks reflect the recent sharp softening of aluminum demand. Yesterday, the Aluminum Association, an industry group, reported that aluminum shipments in September fell 7.6% to 501,900 tons from August's 543,000 tons, and 15% from the 592,700 tons shipped in September 1973. However, industry analysts say aluminum consumption since September has dropped even further, and most industry insiders don't see a recovery until at least mid-1975.

In Montreal, Alcan Aluminum Ltd. "hasn't made a decision concerning a reduction in its production of primary aluminum, although it is studying the situation closely," a spokesman said. He added that Alcan is also experiencing a softening in demand.

Alcan and Alcoa To Pare Output of Aluminum

Aluminum Co. of America and Alcan Aluminum Ltd., the two largest North American aluminum producers, will cut back their primary production to just over 90% of capacity over the next few months.

Both companies cited declining aluminum demand.

In Montreal, Alcan said its major operating unit, Aluminum Co. of Canada will cut production 9.6%, or 100,000 tons, by Feb. 1. Alcan's Canadian smelter capacity is 1,035,000 tons annually. The action will involve the layoffs of about 500 workers, the company said.

The cutbacks, Alcan said, "could have a delaying effect" on the company's previously announced 10-year program to modernize its Canadian smelter system.

In Pittsburgh, Alcoa said it is closing down an additional 6% of its total capacity by March 1. The move brings its operating level to 1,435,000 tons per year, or about 91% of its rated annual capacity of 1,575,000 tons. (Alcoa had made cuts of about 3% of total capacity earlier this month.) The latest action will cause about 640 workers to be laid off, a company spokesman said.

The cutbacks by the two giants in the industry follow similar reductions by several smaller producers. Reynolds Metals Co., the continent's third-largest producer, was the first to cut primary production and is operating at 85.5% of its total domestic capacity of 975,000 tons.

Kaiser Aluminum & Chemical Corps., the continent's fourth-largest producer, is still operating at 100%. It is 38%-owned by Kaiser Industries Corp. However, after the Alcan and Alcoa moves yesterday, Kaiser said in Oakland, Calif., that it "has the question of operating rates under review" and expects to make a decision on any cutbacks before the end of the month.

Industry analysis predicted that the Alcan and Alcoa moves will put increasing pressure on Kaiser, as well as on other smaller producers who still are operating at capacity, to follow the emerging production pattern.

Alcoa said yesterday it will close three aluminum potlines, with a total capacity of 50,000 tons, at its Alcoa, Tenn., smelter during the week of Jan. 27. About 400 workers will be laid off.

A potline is the production line facility that turns out aluminum.

An additional 95 workers will be idled that same week when the company stops a 23,000-ton-a-year potline at its Point Comfort, Texas, plant. Alcoa already has closed two other potlines with a total capacity of 46,000 tons at that plant.

The rest of the Alcoa production cuts will be achieved by extending repair times for individual aluminum pots, a company spokesman said. These cutbacks, which will be scattered throughout the U.S., will idle 145 workers, the spokesman said.

Alcan said it will make its cuts at smelters in Arvida, Isle Maligne and Shawinigan, Quebec, and at Kitimat, British Columbia.

How long the cutbacks would delay the start of Alcan's modernization program hasn't been determined yet, the company said. No decision has so far been made to modify the program, the company added. "That would depend on financing and market conditions," Alcan said.

Many industry analysts predict aluminum makers will have to continue operating at less than 100% of capacity through 1975. Demand in 1975's first quarter, they estimate, will decline 25% to 30% from a year earlier, although many analysts warn that this figure could be altered drastically if the federal government adopts significant economy-stimulating programs.

In any case, some analysts figure that the cutbacks will significantly reduce the aluminum industry's large inventories and enable it to maintain list prices on aluminum ingot.

Profit of Kaiser Aluminum Set Fourth Quarter High

Oakland, Calif.—Kaiser Aluminum & Chemical Corp. profit spurted to records in the fourth quarter and all 1974 on higher sales. The company, which is 38%-owned by Kaiser Industries Corp., said it expects 1975 to be a "satisfactory year."

In the quarter, Kaiser Aluminum's net income almost tripled from the year-earlier period. It rose to $38.8 million, or $1.98 a share, from $13.4 million, or 66 cents a share. Sales were $444.3 million, up 34% from $332.6 million. Fully-diluted fourth quarter per-share earnings were $1.84 in 1974 and 64 cents in 1973.

In the full year, the company had a net of $104.3 million, or $5.29 a share, up 134% from $44.5 million, or $2.17 a share, a year earlier. Sales increased 36% to $1.74 billion from $1.28 billion. Fully-diluted per-share earnings rose to $4.94 in 1974 from $2.11 in 1973.

The company noted that its 1974 fourth quarter and full-year costs, provisions for taxes, net income and per-share earnings were restated to reflect the accounting change to last-in, first-out, or LIFO, from first-in, first-out, or FIFO. Its 1973 figures were computed on a FIFO basis.

Under LIFO, the cost of goods sold is based on the most recent prices for raw materials and other inventory items, thus reducing inflation's ballooning effect on profit.

Cornell C. Maier, president and chief executive officer, said the greatly improved earnings were caused by "more adequate prices" for aluminum products, along with "excellent profits" from nonaluminum activities, such as agricultural chemicals, refractories, international trading and industrial chemicals.

Looking ahead, Mr. Maier said, "clearly, 1975, with its economic and world political uncertainties, is going to be an extremely rigorous year. However, we do expect 1975 to be a satisfactory year for the company."

PROSPECTIVE DEFENSE SPENDING

Mr. BAYH. Mr. President, in the near future the President will submit a budget for defense spending in fiscal year 1976. From recent indications and news stories it appears that while the President will seek to hold the line on spending for social programs, he will request a tremendous increase in defense expenditures. Evidently, procurement of new weapons will not be prohibited by the President's pledge to oppose new spending programs.

According to current information, we should expect a request for $93 billion in total outlays for defense and for $105 billion in new defense obligational authority. The $93 billion in total outlays would be even higher were it not for the President's intention to hold Federal pay raises and military pension increases to 5 percent. For fiscal year 1975, the figures for total outlays and new obligational authority were $83 and $89 billion respectively. The prospective budget request marks an incredible increase of 12 percent and 18 percent. More importantly, these totals are well above the numbers that had been given to budget planners in the Pentagon by the Office of Management and Budget, and, therefore, represent a clear decision to use the defense budget as an antirecession weapon.

Mr. President, it was only a year ago when the Secretary of Defense admitted to Congress that the defense budget for fiscal year 1975 was padded by approximately $1.5 billion in order to stimulate the economy. Many of us stood up then and decried such an inefficient and misguided use of fiscal policy, and, fortunnately, we were able to cut over $4.5 billion from the administration's defense budget.

I had hoped that after last year's experience we would not have to debate the role of defense spending in the economy again. My hopes were buttressed by the fact that we had a new President who I thought would look with more sensitivity to the real needs of the people of this Nation. Unfortunately, Mr. President, I was overoptimistic. While we do have a new captain, the Ford administration is composed largely of the same old Nixon team, and, sadly, that team is insisting on playing the same Nixon games.

And the defense spending game is even more dangerous this year than it was last. The reality of recession, which many of us predicted for months, has now fully impacted upon the Nation. There is consensus among people of all political persuasions that the Government must move to stimulate the economy, and there will be a great temptation to use defense spending to accomplish such stimulation. Members of Congress will hear less and less about the merits of various defense programs, but rather how many jobs those programs will provide. We must take care Mr. President, that we do not embark upon a costly and wasteful course.

There is no question that with gross national product declining over such an extended period of time, with unemployment at a rate of 7.1 percent, and with all the economic indicators pointing towards continuing and deepening recession, that we must move swiftly to spur our economy forward. We must act with discretion, however, and to attempt to stimulate the economy through defense spending would be a disastrous mistake.

Last year, Mr. President, I pointed out in a number of speeches that defense spending was one of the least efficient of all ways possible to provide new jobs. I cited a study published by the Bureau of Labor Statistics in 1972 which showed that a $1 billion expenditure by the Department of Defense produces 75,812 jobs compared to 80,041 jobs produced by $1 billion spent by State and local government on health, or 104,019 jobs produced by the same amount spent on education.

Now, another BLS study, as yet unpublished, underscores this point. Breaking the spending versus jobs analogy into smaller categories, the study indicates that $1 billion will create in excess of 60,000 jobs in public housing, 88,000 jobs in VA health care and 136,000 jobs in manpower training. At the same time a billion-dollar expenditure for private defense contracts which are a major element in each year's defense budget, will produce only 51,000 jobs. It is clear that if our aim is to create jobs we can do so far better by using avenues other than defense.

What is more, spending for health and education and to help the unemployed, meets very real needs of the people, while buying many of the fancy new weapons systems accomplishes little but the bolstering of egos of some members of the Pentagon brass. Anyone who has carefully studied our defense programs, knows several of the weapon systems which have been advanced in recent years will make absolutely no contribution to our national security.

Recently, Professor Seymour Melman published some interesting statistics regarding what we could have done with the billions of dollars we have spent on sophisticated weapons. For example, with the 1973 request for a new airborne nuclear-war command post, we could have funded the vetoed Environmental Protection Agency plan to depollute the Great Lakes. For the B–1 bomber program we could have funded a national solid-waste treatment program or brought all poor Americans above the poverty line in 1971. For 1 nuclear aircraft carrier, equipped and with escorts, we could have met the cities' 1973 needs to rebuild blighted areas.

The point is, Mr. President, that there are some very important goals we can achieve by properly ordering our priorities. Let us not be fooled in the months to come by the argument that defense spending is essential to revive our faltering economy. We must, instead, examine the defense budget with a fine tooth comb and slash away the excesses. Then with the money we save let us move to expand public service employment and reform our unemployment compensation system. Let us come to grips with health and educational needs of our people. By so doing, we can stimulate economic growth, and at the same time take important steps in meeting the many real and human needs of our citizens.

AS CLEAN AIR DEADLINE APPROACHES, POLLUTION IS STILL A FACT OF LIFE

Mr. DOMENICI. Mr. President, the Wall Street Journal of January 27, has an article which I believe should be brought to the attention of the Members of this body. This article illustrates quite graphically how far we still must travel to actually clean the air of this Nation. We all understand the economic and energy problems which challenge us at this time, yet I do not believe we can afford to lose sight of the fact that we require an environmentally sound Nation for ourselves as well as for our children. The economy, energy, and the environment are all interrelated, requiring that we continue our efforts in each of these three areas.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AS CLEAN AIR DEADLINE APPROACHES, POLLUTION IS STILL A FACT OF LIFE

(By Burt Schorr)

According to the timetable set by Congress, the dawn of a new clean-air era for the U.S. should be only months away. Yet the long night of pollution shows no sign of ending soon in many parts of the nation, and President Ford is proposing a slowdown in pollution control that could only make matters worse.

One place particularly choked with pollution is Upland, Calif. Donald E. Maroney, an attorney there, wishes the sky would brighten—literally—so that he could bring his family back to what is now the most smog-stricken town in the Los Angeles basin. That would end his more than two-and-a-half-hour daily auto commute that began in 1970 when the Maroneys moved 73 miles south to Fallbrook, Calif., for the sake of their six allergic children. "If they'd just clean up the air, I'd love to move back," Mr. Maroney says. But Upland won't be able to meet that condition until the 1990s, if then.

In Brilliant, Ohio, Mrs. Beatrice Helmick wishes she didn't have to stay indoors to avoid the "stinking, acrid smell" prevalent during air pollution alerts. The Ohio River Valley area where Brilliant is located had 13 of these health warnings between last Sept. 1 and Nov. 30. Much of the sulphur dioxide causing the alerts comes from a half-dozen coal-fired power plants, two of them only a mile south of Mrs. Helmick's home. So far, ineffective regulations and effective resistance by the utilities have frustrated clean-up efforts.

GRITTY MARTINIS

In New York City, Christopher Toolson wishes he could enjoy the spacious terrace of the high-rent penthouse he shares with a friend 23 stories above Manhattan's East 83rd Street. But fly ash and grit from their building's incinerator stack drifts continuously over their rhodendrons, azaleas and patio furniture. "You go outside to enjoy the fantastic view of the East River and you get fly ash in your drink," gripes Mr. Toolson, an architectural designer. Although the building owners have installed the latest clean-up equipment, Mr. Toolson says that conditions haven't improved noticeably.

These personal discomforts all point toward the same unpleasant certainty: In coming years, Americans will be breathing dirtier air than Congress envisioned in 1970 when it established stringent criteria for cleaning up the atmosphere. The nation isn't close to meeting those standards. "It's hard to tell just when we'll get there," concedes Richard Wilson, a top enforcement official at the Environmental Protection Agency.

Progress has been slowed in part by the difficulty of choking off pollution without stifling the economy as well. The carbon monoxide from motor vehicles and the particulates (soot and other bits of solid matter) from older steel installations are cases in point. Furthermore, clean-air enforcers are discovering pollution sources to be more numerous and more troublesome than they bargained for, notably the incinerators and oil burners in big cities.

BENDING THE RULES

And now the effort to reduce dependence on foreign oil threatens to make the air still dirtier. The Ford plan also sets a broad goal of substituting coal for oil in power plants, even though such changeovers last winter in Philadelphia and New York City raised sulphur-dioxide levels.

In his State of the Union message, the President asked for relaxed controls on sulphur emissions to allow a switch to coal and to permit continued use of the high-sulphur coal that currently fires many power plants in the Midwest and South. The relaxation would permit power plants to delay installing sulphur scrubbers on their smokestacks until 1985, thereby allowing continued sulphur emissions for the next decade.

President Ford also made some proposals that wouldn't make air actually dirtier but rather less clean than planned. Among other things, President Ford wants Congress to postpone proposed stiffer new-car emission standards until after the 1981 model year. Auto companies, in return, would pledge a 40% improvement in gasoline economy.

It appears doubtful that the President's proposals to soften the Clean-Air Act will get far on Capitol Hill. Members of the key Senate environmental pollution subcommittee lean toward requiring sulphur-dioxide controls "as soon as practicable," rather than delaying them until 1985, a committee source says. A House specialist in environmental issues doubts that Congressmen will swap clean-air concessions for the gasoline mileage improvements volunteered by Detroit.

As the Clean-Air Act now reads, July 1 is the basic deadline for states to protect public health by achieving required reductions of six major air pollutants: sulphur dioxide, particulates, nitrogen oxides, carbon monoxide, hydrocarbons and petrochemical oxidants.

GOOD—AND BAD—NEWS

From his office overlooking the Potomac, Russel Train, head of the EPA, sees "tremendous progress" toward the clean-air deadline thus far. He can support his optimism with statistical evidence:

The EPA found that between 1970 and 1972, sulphur-dioxide levels in major cities fell an average of 15% and particulates declined 10%. Out of some 20,000 emitters responsible for 85% of the air pollution from smokestacks and other stationary sources, about 10,000 were meeting federal and state standards by July 1974, and another 4,000 were following approved clean-up schedules. As for automobiles, the emission ceilings in effect for 1975 models represent an 83% reduction in hydrocarbons and carbon monoxide from uncontrolled levels. Unless the Ford plan goes through, the final reduction to 95% of uncontrolled levels is due by 1977.

Yet, according to information that the EPA has prepared for the Senate environmental pollution subcommittee:

—Come July, three quarters of the nation's population still will be experiencing levels of sulphur dioxide, particulates, or both above the ceilings established by the EPA to protect health. And because of limited federal and state manpower, the EPA doesn't know how long it will take to identify all the pollution sources, much less get them into compliance. Along with easily detectable violations by some 900 major emitters, the agency is faced with many more hard-to-spot violations by perhaps 180,000 lesser emitters.

—Despite new vehicle controls and plans to spur car-pooling and mass-transit use, a dozen metropolitan areas where about one-fourth of the U.S. population lies are years or decades away from cutting total auto emissions to acceptable levels. Swollen vehicle populations, topography, weather and other factors are barriers to cleanup in these areas. Congress has no choice but to relax air rules of most of them, EPA officials believe.

—There are disturbing new indications that localized pollution accumulates in the atmosphere to affect whole regions of the U.S. The EPA has found, for example, that the sulphur dioxide released when coal and oil are burned reacts with iron, carbon and other particles in the air to form acid sulfates that are "long-lived, can be transported over long distances and can cause adverse effects at much lower concentrations than sulphur oxides." And last year the EPA discovered excessive ozone concentrations in remote, rural areas of Pennsylvania, West Virginia and Maryland, suggesting that hydrocarbons released in urban centers contribute to region-wide smog banks.

Just how well—or badly—the battle against air pollution is progressing is shrouded in considerable smog. Some 3,500 air-sampling stations around the country feed data into the EPA's central computer at Research Triangle Park, N.C. But William Cox, chief of monitoring and reports, admits the sampling network isn't yet extensive enough to identify many pollution "hot spots."

The samplings do indicate that despite reductions in many areas, particulates in the air remain at levels significantly above the ceiling set to protect health. That's clear to Gerard Soffian, an air-quality data specialist assigned to trouble-spotting in the New York-New Jersey region.

Mr. Soffian shows a visitor data from a sampling station in Lackawanna, N.Y., a steel town near Buffalo with a history of badly polluted air. Five years ago, the town registered an annual particulate level of 172 micrograms per cubit meter, more than double the federal standard of 75 micrograms. By the end of 1972 Lackawanna was showing only 107 micrograms, indicating good progress toward the goal.

However, the latest samplings show that particulate levels at the Lackawanna station had bounced back to 123 at the end of 1973 and has remained there. Mr. Soffian suspects that aged coking plants operated by Bethlehem Steel Corp. and other companies in the area are to blame. But he notes that careful investigation is needed to distinguished coke soot from "scavenger" particulates stirred from the ground by wind and traffic. Rural samplings indicate that uncontrollable background concentrations of dust can account for more than half the particulates recorded.

Lackawanna is located in one of the 39 regions around the nation that the EPA estimates won't meet the mid-1975 deadline for particulates. Another is Chicago, where W. H. Poston, city commissioner of environmental control, warns that "half the city will be over the ceiling for a number of years." Though Chicago has reduced the particulate count by converting some 190,000 housing units to pollution-free natural-gas heating, it is still plagued by particulate emissions from distant industrial districts and the doors and windows of local steel plants, as well as particles that are blown up from the street and other surfaces.

Similar problems dirty New York City's air, but there, spotty enforcement of standards further hampers clean-up efforts. The city's air-inspection force, shaken by a major bribery scandal and by severe budget cuts, currently has less than two dozen men assigned to residential and industrial buildings. Of these, perhaps 16 or 17 are actually pursuing polluters on a given day.

"I see plumes all over town and I don't have time to police them," says Frak Isparro, an inspector. Decaying conditions in the city's slums add to the problems. "We never send anybody to the South Bronx alone, and even with two men it's rough," Mr. Isparro adds. In slum neighborhoods, he says, "99% of the boiler rooms don't have lights, and you name it—dead dogs, dead cats, dead rats—there isn't anything you don't find down there.

A reporter who accompanies Mr. Isparro as he checks a complaint of excessive smoke from a century-old tenement in lower Manhattan finds the description isn't exaggerated.

The complainant, a 65-year-old retired dressmaker, lives across the street in a modern cooperative apartment where her terrace—about the level with the tenement's chimney—offers a pleasant view of lower Manhattan and part of the Brooklyn Bridge. "Every time I went outside to knit last summer, there was smoke down my throat, so I finally had to stay inside," she tells Mr. Isparro.

Three months have gone by since she phoned in her complaint, and the stack isn't smoking now. All the same, Mr. Isparro, using his flashlight, leads the way through a grimy, pitch-black passage in the tenement's basement to check the furnace. In the even grimier furnace room, littered with old boards and pipes, the oil furnace sits in a pit that is slowly filling with water from a broken sewer pipe.

It's obvious, though, that the furnace has a new burner unit. Although the Spanish-speaking building superintendent merely shrugs in response to Mr. Isparro's questions, the inspector deduces that sometime after the smoke complaint was made, the old unit was replaced to improve combustion of the heavier fuel oil that building owners have been allowed to use because of the sharp increase in oil prices.

A telephone check of city records tells Mr. Isparro that the furnace hasn't been certified since 1961, even though certificates are supposed to be renewed every three years. Nor has the building owner applied for the required permit to burn the heavier oil. An inspection at the changeover time could have detected the faulty burner.

Most likely, however, the furnace wouldn't have been inspected in any event. New York's overworked air inspectors simply don't have time for routine checks of the city's 33,000 registered boilers, incinerators and industrial pollution sources.

THE ECONOMY IN 1975

Mr. HUMPHREY. Mr. President, all Americans should be heartened to see that the White House has recognized recession as our No. 1 problem, and a tax cut as the first essential step in dealing with it.

The frightening burst in unemployment in the last 3 months, coupled with a serious decline in production, has convinced the administration to change its policies and reverse its tax program.

However, the worst recession since the dark days of the 1930's will not be solved by timid actions. The $12.5 billion individual income tax cut will not be sufficient to get the economy moving again. We need a cut of at least $20 billion, if we are to move this $1.4 trillion economy back toward a pattern of sustained growth. And, we must have a tax cut that provides relief to those who most need it, our lower and middle income families.

Of course, the President's energy tax proposal seriously threatens all efforts to return our economy to good health. The energy tax proposal would add from $45 to $60 billion to the Nation's energy bill. Of course, such a program will trigger a new wave of inflation and prevent economic recovery. We must find a fair and effective cure to the energy crisis that is not worse than the disease itself.

Mr. President, on January 15, the Wall Street Journal published an outstanding article by Dr. Walter Heller entitled "The Economy in 1975." As one of the Nation's most distinguished economists, and as former Chairman of the Council of Economic Advisers, under Presidents Kennedy and Johnson, Dr. Heller's analysis warrants the most serious study of every Member of Congress.

As the Joint Economic Committee embarks upon its extensive annual hearings into the conditions of our economy, Dr. Heller has provided a most timely and enlightening analysis.

Mr. President, I ask unanimous consent that "The Economy in 1975," by Walter Heller, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ECONOMY IN 1975

(By Walter W. Heller)

From the stream of tax proposals now flowing out of the White House, one can infer that the Ford administration has at least gotten the multiple message that we are in the midst of a steep slide into recession, calling for a large tax cut; that boosting oil prices will sterilize still more purchasing power and require an even bigger tax cut; that with the shock waves of the 1973–74 inflation now subsiding and no excess demand in sight, recession can safely be attacked as Public Enemy Number One.

So in a sense, the qualitative battle for sensible economic policy is being won. But the quantitative battle is only now being joined. How sharply we should cut taxes and ease money depends in large part on how deep and stubborn a recession we face and how far and fast inflation will ebb.

In assessing the 1975 outlook and the drastic about-face in policy it demands, one should bear in mind the hammer blows that have pounded the economy into its present state of submission. The Federal Reserve's stranglehold on the economy has been the most visible force, but fiscal policy and the "oil drag," while working more stealthily, have been at least as deadly in their effect.

Operating behind the false front of a widening deficit, fiscal policy in 1973–74 has undergone one of the sharpest swings from expansion to restriction in modern history. In terms of full employment (defined pragmatically as the situation prevailing in the first half of 1973), the federal budget on a national-income-accounts basis has shifted from a $7 billion deficit, at annual rates, in the second quarter of 1973 to a $27 billion surplus in the third quarter of 1974. Even after subtracting some $10 billion of corporate tax receipts attributable to non-recurring inventory profits, one is left with a huge swing of $24 billion toward restriction in 15 months.

In spite of economists' warnings as long as a year ago that the oil drag on consumer demand was the prime villain of the piece, inflationary cost-push effects of skyrocketing oil prices have until now not been given top billing by the nation's policymakers. But they can no longer ignore that quadruple oil prices are siphoning some $30 billion of consumer purchasing power into the hands of oil producers and royalty collectors, with very little offset so far in rising exports to OPEC or net increases in capital spending.

Another $20 billion or so would be plucked from consumers' pockets if price curbs on both "old" domestic oil were to be lifted ($10 billion) and a $2-per-barrel oil tax were to be imposed (another $10 billion). Since this method of cutting back oil consumption would boost prices, undercut consumer buying power, and prolong recession, one can only hope that this exercise in economic sadism will die aborning.

Policy has already waited too long to avoid the deepest recession since the Great Depression. Still at stake is first, the margin by which the current recession earns that dubious award; second, the timing of the turn from recession to recovery; and third, how many years it will take us to get back within striking distance of reasonably full employment (say, 5% unemployment). It is worth noting that even if recovery started next fall and proceeded at a sustained 6% annual growth rate in real GNP, it would not bring us back even to 6% unemployment before late 1978.

MUCH TALK, BUT . . .

In our forecast for 1975, George Perry of the Brookings Institution and I have assumed a $12 billion personal income tax cut, some easing of budget expenditure targets, a $10 billion add-on to the cost of petroleum products via federal policy changes and a continued decline of interest rates within the context of grudgingly easier monetary policy. In short, we expect much talk of a policy turnaround but fear an overly modest response to our sickening slide into recession. To the extent that the White House, the Federal Reserve and, more likely, the Congress respond with more stimulative measures than we now project, the outlook would be correspondingly brightened.

Real GNP will shrink in 1975 for the second year in a row—the first back-to-back declines since just after World War II. Following a 2% year-over-year drop in 1974, real GNP will fall another 3% this year. From a peak of $846 billion (annual rates, 1958 prices) in the fourth quarter of 1973, real GNP will fall to about $795 billion in mid-1975, a 6% drop, half again as large as any previous drop since World War II (though far from the 35% drop in the Great Depression). We expect the GNP deflator to rise 9½% year-over-year, but at a sharply decelerating rate later in the year. Nominal GNP would rise to $1,484 billion in 1975, $86 billion above 1974.

As the year wears on, the weakness that now pervades all sectors of the economy—consumption, investment and government—will be less widespread. However, with the too-late, too-little policy responses we now anticipate, we see no marked turnaround in the economy in the second half of 1975. As a result, unemployment will rise to a peak of about 8.25% and average 8% for the year.

Looking at some of the GNP sectors, one finds the depression in autos dominating the consumer spending picture. Although auto sales have probably hit bottom and will gradually revive from their unsustainably low rate of recent months, it will take months to work off huge dealer inventories. And with real income continuing to fall as recession deepens, no significant rebound is now in sight. Domestic auto sales for all of 1975 are unlikely to reach seven million units.

Beset with declines in real wages and real disposable incomes throughout 1973–74, consumers have been holding back the volume of their purchases as a means of coping with rising prices, but their buying power reserves are now in large part depleted. With food prices still rising and boosts in oil prices in the offing, consumer spending during the course of 1975 will not be strong enough to reverse the weakness in other sectors of the economy. Only if Congress cuts taxes deeply enough to provide a large net stimulus (over and above the new oil price squeeze) will there be any hope for a consumer-led climb out of the wilderness of recession.

In the investment sectors, the outlook for business capital spending is bleak. If history is any guide, the most recent investment survey plans, calling for a 4.8% rise in current dollar spending in plant and equipment between the third quarter of 1974 and the second quarter of 1975, are likely to be revised sharply downward. We expect investment outlays to be on a declining trend throughout 1975. Year-over-year, the dollar level of business fixed investment may show little change, but the real volume will drop for the first time in over a decade.

Declining production for inventory will be a major factor in the drop of real GNP this year. The legacy of 1974's rise in the ratio of total inventories to sales is a substantial overhang of excess stocks liquidation of business. A period of overall liquidation of inventories during 1975 seems unavoidable.

Modest increases in housing are in prospect. The rate of housing starts will fall below a million this winter before a mild recovery gets underway in spring. But not until the second half of the year will housing provide a significant counter-cyclical offset to the general weakness in the economy. Even so, housing starts will total only 1.25 million units for the year as a whole, not enough to forestall a substantial year-over-year drop in real residential construction activity.

In the government sector, the deepening recession will loosen the federal purse strings somewhat, and part of the rise in purchases, as in the case of the jobs program, will flow through state and local budgets. For 1975 as a whole, purchases in current dollars are expected to rise by $7.5 billion at the federal level and by $22 billion at the state-local level. This would represent some growth in real demand in the government sector, a modest offset to the recessionary forces in the private sector.

As recession deepens and inflation abates, corporate profits will be hit by the triple blow of declining volume, weak productivity and sharply lower capital gains on inventories. During 1973 and 1974, underlying profit margins—that is, margins that would prevail at a constant utilization rate—improved substantially in most industries. But in 1975, profits excluding inventory gains will be down 10%. After-tax book profits, which had been temporarily swollen by gains on inventories, will decline by some 22% for the year.

The most heartening aspect of the 1975 economic picture is the prospect of progressive relief from the traumatic price pressures of 1973–74. Raw materials prices are falling world-wide. With the whole world economy in recession, they should continue to soften throughout the year. Weak U.S. product markets also make it unlikely that we will get a repeat of the widening of profit margins that contributed noticeably to 1974's inflation. Most importantly, we expect that the weak labor market of 1975, with layoffs and unemployment rising sharply, will check the rate of wage increase and moderate the rise in standard unit labor costs.

TWO BIG UNKNOWNS

Special factors have upset inflation forecasts with regularity in the past two years, and could upset our 1975 outlook as well. Two big unknowns in the 1975 price picture are the prices of food and petroleum products. New oil excise taxes and decontrol could, as noted, boost prices by $20 billion. And if crops were to fail for a third consecutive year, our forecast of modest food price rises would be knocked awry. This, in turn, would make wage moderation less likely. Nevertheless, with weakness in labor and product markets bound to persist for two or more years, a marked easing of inflation is in the cards.

Specifically, in terms of the important non-farm price deflator, we foresee the inflation rate dropping from the 13% to 15% rates of the first three quarters of 1974 to the neighborhood of 5% before the year is out. Absent new policy blunders or crop failures, and given appropriately stimulative policy, we could expect 1976 to bring solid economic recovery coupled with inflation rates below 5%.

Against this backdrop of a sagging economy, receding inflation, and cold downdrafts from fiscal-monetary and energy policies, the case for easier Federal Reserve policies and a prompt and bold tax cut is overwhelming. We need to restore the health of the U.S. economy for its own sake. And we must be ever mindful that as we slide deeper into recession, we not only undermine the ability of our trading partners to cope with their oil-cum-recession crises but dangerously increase economic pressures on the Third World.

The right medicine now for recession and unemployment without triggering unwanted side effects on inflation would be a well-structured tax cut of $20 billion to $25 billion. The tax cut should be designed (a) to restore consumer confidence and buying power, (b) to provide relief to the victims of inflation and recession, (c) to be part of a social contract for moderation in wage and price increases, and (d) to provide stimulus for needed investment.

A tax cut to meet these specifications might include (1) a refundable tax credit of 2% of earned income up to $14,100 (the present dividing line for Social Security payroll taxes), (2) an increase in personal exemptions, low-income allowances, and standard deductions to compensate for the inroads of inflation, and (3) an increase in the investment credit to 10% for all industries.

FISCAL ACROPHOBIA

The greatest enemy of a tax cut of this size today is what one might call "fiscal acrophobia," an unreasoning fear of fiscal heights. A $20 billion to $25 billion tax cut sounds high until one puts it into today's rather than yesterday's fiscal and economic perspectives:

It would do no more than offset the "inflation drag," that is, the automatic increase in effective federal income tax rates "legislated" by inflation in 1973–75.

It would offset only about half of the prospective 1975 "oil drag", the combination of quadrupled crude oil prices plus the price effects of new oil policies now foreshadowed.

It would equal less than two-thirds of a year's automatic growth in federal tax revenues, which, at present tax rates, runs close to $35 billion a yaer.

It would be only 1½% of the projected GNP for 1975.

It would be smaller than the 1964 federal income tax cut translated into today's terms. That $11 billion cut would be $26 billion today. Yet, it was enacted when GNP was running 7% below the U.S. economic potential calculated at 4% unemployment, while GNP in 1975 will soon be running 10% below our economic potential calculated at 5% unemployment.

It is not an exaggeration to say that the biggest danger to the economy in 1975 is that we will think too small. Given what is now at stake in both economic and human terms, in both domestic and international terms—and given that inflation forces are ebbing, that excess demand is years away, and that tax cuts will help reduce cost-push pressures—our policymakers cannot afford *not* to think big.

THE PRESIDENT'S ECONOMIC PACKAGE

Mr. TOWER. Mr. President, in his state of the Union message President Ford announced a rational comprehensive program to stimulate the economy via individual and corporate tax reductions and to encourage energy conservation by raising the price of oil and natural gas. It is anticipated that this will retard and eventually limit the inflationary forces in our economy.

I wish to call to the attention of my colleagues two articles appearing in the Wall Street Journal on January 20 and one appearing on January 17 in the Washington Post. They provide excellent food for thought as we begin to evaluate critically the President's economic package.

I ask unanimous consent that the articles be printed in the Record at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 17, 1975]

Paying for What We Spend

(By George F. Will)

President Ford's program for short-term economic stimulation may fail to stimulate the economy, and may aggravate the economy's serious long-term, problem of insufficient capital formation.

Mr. Ford's proposed short-term cuts have two major defects. They are too small, and they are not matched by spending cuts.

As a long-term political strategy, sensible citizens should applaud any tax cut. It is clear beyand peradventure that in any year government revenues will be a sum X and government spending will be a sum Y, Y larger than X. Reducing X is the only way of limiting Y.

Today a tax cut also can be defended as a means of stimulating consumption that has been suppressed by inflation. As recently as mid-1974, installment debt consumed a record share of Americans' discretionary income. And for several years Americans' income has been reduced by relentless, insidious, unlegislated over-taxation as a result of inflation.

Personal taxes have been increasing daily—indeed, minute-by-minute—as inflation depreciates fixed follar exemptions and pushes the upper slice of individual incomes into higher tax brackets. Businesses have paid unreasonably high taxes because of chimeric inventory "profits" generated by inflation. Tax cuts of $12 billion for persons and $4 billion for businesses will not restore what has been lost.

To get a sense of scale, consider: $15 billion is less than half the purchasing power we are currently exporting annually to oil producing nations. The average family rebate will be less than $200, which is less than half the amount that government-mandated safety and anti-pollution equipment has added to automobile prices in recent years. The average rebate will not match what the average family has lost to inflation in the last six months.

We need, and Mr. Ford favors, a cut in the corporate tax rate from 48 to 42 percent. Certainly the measure Mr. Ford proposed in his Monday speech—a $4 billion cut through an increase in the investment tax credit—is an inadequate response to the economy's most significant problem: insufficient capital accumulation. Business profits have been decining in real terms for 10 years. Since 1960 U.S. capital formation (including residential) has averaged under 20 per cent of our total output, about the same as in Britain, and less than in France (25 per cent), Germany (26 per cent), Japan (33 per cent).

While excessively high corporate taxes have been reducing businesses' retained earnings, government borrowing—to finance its deficits, and to finance the programs of various "off budget" agencies—has been forcing up interest rates and crowding business out of the capital market.

In fiscal year 1974 the government borrowed $3 billion from the public to finance the $3.5 billion unified budget deficit. But it siphoned an additional $28 billion from the capital market for the "off budget" activities of the Export-Import Bank, the Federal Home Loan Bank Board, and scores of other federal agencies whose enormous drain on the capital market is semisurreptitious—you cannot read it in the budget.

In the last decade, while the government was piling up $104 billion in budget deficits, "off budget" federal agencies were borrowing $142 billion. If you seek a monument to that nearly quarter of a trillion dollars, look around the discombobulated economy. Look quickly at what is left of it, before it is pulverized by $100 billion in deficits in the next two years.

The economy's substantial problems require substantial measures: we need at least $30 billion in tax cuts, at least matched by spending cuts. But cutting government programs, unlike cutting taxes, is not politically risk-free. So the program offered is another dose of the policy that has reduced us to our current condition: we shall continue consuming government services we are unwilling to pay for.

But we will pay. Government borrowing to finance the looming monster deficits probably will impede capital formation (and job creation), force up interest rates (and abort housing recovery), aggravate the deepening business liquidity crisis (resulting in business failures). There are serious economists who believe that we may achieve the impossible—double-digit inflation and double-digit unemployment, simultaneously.

At 8:15 one morning last week in Atlanta 3,000 unemployed persons, many of whom had been waiting in a drizzle since dawn, smashed through two plate glass doors at the Civic Center auditorium in a pell mell rush to apply for 225 public service jobs. In the sound of shattering glass we may have heard the sound of the future.

[From the Wall Street Journal, Jan. 20, 1975]

Review of Current Trends in Business and Finance

(By John O'Riley)

Business profits, it has been said, have been mighty high recently for a country in a recession. Some have called them "obscene." Some have used more lusty adjectives. So, while the current recession debate rages (How long? How deep?), it may be well to look at the profit picture in historical perspective. And to not a trend that has gone almost unnoticed. After holding fairly steady for two decades, corporate profits as a share of national income have fallen steeply in the 1970s.

It is no small matter. It harbors a threat to your pocketbook and mine. The vast majority of us get our paychecks, our fringe benefits, our vacations, much of our insurance, both life and medical, and a lot of pension money from business employers—all of whom must live or die on profits. Americans who work on their own today are only a minute minority. Some 95% of us are on payrolls.

By far the biggest chunk of national income is compensation of employes. Corporate profit is a very small one. But the important thing is that, in the recent past, it has grown sharply smaller. Here, over a quarter of a century, are the official percentage shares of national income received as (1) compensation of employes and (2) corporate profits (with inventory valuation adjustment). Since there are other sources of income, the two figures do not add up to 100%. The 1974 figures are for the third quarter, the latest.

SHARES OF NATIONAL INCOME

[In percent]

Year	Employee compensation	Corporation profits
1950	64.1	15.6
1952	67.0	13.8
1954	68.6	12.5
1956	69.3	13.1
1958	70.1	11.1
1960	71.0	12.0
1962	70.7	12.2
1964	70.6	12.8
1966	70.2	13.3
1968	72.4	11.8
1970	75.4	8.6
1972	74.8	9.7
1974	75.1	9.2

Note the abrupt shift beginning with 1970. Employe compensation jumped above 75% for the first time. And profits fell below 10% for the first time.

Well, some may say, what's bad about this? Maybe the employes should get it all. After all, profits are just dividends for the wealthy, aren't they? Aren't profits and dividends the same thing? The two are fuzzily equated in many minds. But the answer is, of course, that they are not the same—not by a country mile.

The first bite that comes out of profits is the tax bite. And a massive bite it is. The table below traces over a decade the yearly tax liability (billion of dollars) of all corporations, and also their dividend payments, as recorded by the Department of Commerce. The 1974 figures are annual rates in the third quarter, the latest.

CORPORATE TAXES AND DIVIDENDS

Year	Taxes	Dividends
1965	$31.3	$19.8
1966	34.3	20.8
1967	33.2	21.4
1968	39.9	23.6
1969	40.1	24.3
1970	34.8	24.7
1971	37.5	25.0
1972	41.5	27.3
1973	49.8	29.6
1974	62.7	33.2

Over the years above, dividend payments have risen 67%. But corporate taxes have jumped 100%. The bottom line above shows corporations now paying almost twice as much of their profit to tax collectors as to stockholders. Dividends account for only about 3% of total personal income in the United States.

But even taxes and dividends don't tell the whole story of what has to come out of profits. To keep up with growing population and try to keep efficient, employers have to build new factories and buy new machines. The cost of such things has soared mightily. And where does the money come from? Primarily, it has to come from profits retained in the company to meet these bills. These necessarily retained profits that stockholders never see is now almost double dividend payments.

And then there are the wages and salaries—which have to be paid before profits are even counted up. It is taken for granted these days that wages and salaries must be raised every year. This would seem to be based upon the assumption that employer welfare also goes up every year. But this isn't so. Corporate profits go down as well as up and many periods see them fall steeply.

Here are examples. Commerce Department figures are annual rates of after-tax corporate profits in billions of dollars.

CORPORATE PROFIT TUMBLES

Period	Quarterly Hi	Quarterly Lo	Down (percent)
1948–49	$23.4	$17.7	24
1951–53	25.2	16.6	34
1956–58	27.7	19.8	28
1959–61	30.8	24.4	21
1966–70	50.7	36.7	28

After reaching an annual rate just above $50 billion in the third quarter of 1966, after-tax corporate profits did not get back above the $50 billion level until the first quarter of 1972—almost six years later. The average weekly wage of nonfarm workers in private industry rose 38% between 1966 and 1972.

Somewhere along the line, people may start to realize that soaking "big business" is really just soaking the sources of their own paychecks and reasonably priced products. They may see that at some point if some workers get super-high pay, many others may have no jobs at all. And they may perceive that if business costs (taxes, wages) get shoved too high, the prices of things producers make may automatically get pushed beyond the ability of people to pay them.

The golden-egg goose, if choked too much, may some day stop laying those eggs.

[From the Wall Street Journal, Jan. 20, 1975]

A GASOLINE TAX CASE

(By Lindley H. Clark, Jr.)

The economic and energy proposals of President Ford and the Democratic Congressmen were thoroughly dissected on this page last week, so there will be no attempt to do so in detail here.

Suffice it to say that Mr. Ford and his advisers at least seemed to see what the problem is and therefore contrived a balanced approach to a solution. Reading through the Democrats' program, with its heavy emphasis on transfer payments, leaves me feeling that they must be living in some other world.

Transfer payments—unemployment compensation, Social Security benefits and the like—are an essential part of our economic society. At times such as the present there is a case for some increase in such payments, but only as a form of disaster relief, not a scheme to pull the country out of inflation-recession.

President Ford's package at least recognizes that there is a need to stimulate businessmen as well as consumers. Perhaps the most attractive feature of his proposal is the suggested cut in the corporate income tax rate from 48% to 42%. Other ideas are less attractive: the $80-a-year payment to low-income Americans, for example.

The New York Times suggests that the $80 plan is a sort of negative income tax, an odd suggestion indeed. The negative income tax, if ever implemented, would supplant all welfare programs and guarantee everyone a subsistence income. The $80 would just be tossed into the pot.

The most worrisome part of the Ford package, however, is its approach to energy conservation. Mr. Ford starts off on the right foot by electing to leave the job to the price system, but he does so in a way that creates many new problems.

The President on his own authority will increase oil import fees by $3 a barrel. He asked Congress to pass within 90 days a more comprehensive program to include a $2-a-barrel excise tax on all domestic crude oil and a $2-a-barrel fee on imported crude oil and petroleum products, as well as an excise tax on natural gas.

Let it be quickly said that there is no perfect energy tax program. The Ford plan would cut consumption and it would spread its burden over many segments of the economy. But it suffers in comparison with a simple excise tax on gasoline.

As Michael K. Evans, president of Chase Econometric Associates, points out, the inflationary pressures generated by higher petroleum taxes would spread through nearly every sector of the economy. There would be a new upward push on utility rates, rents and a wide variety of products—quite possibly prolonging the slump. A gasoline tax would have fewer ripple effects and these could be much more easily handled.

A gasoline tax, Mr. Evans further notes, would hit at the point of greatest demand elasticity. The average American would find it easier to drive his car fewer miles than he would to use less heating oil to warm his home.

Mr. Evans' gasoline-tax figure is 30 cents a gallon, which he says would raise at least $25 billion a year. This amount, he suggests, "could then be redistributed as a $10 billion cut in personal income taxes, a $10 billion cut in corporate income taxes, and a $5 billion increase in spending for mass transit and railroads."

Once again, no plan is perfect. A gasoline tax would be anathema to the American Automobile Association and, more seriously, could have undesirable side-effects. But some of these effects could at least be minimized. Specific aid to victims of a broad petroleum tax—which would also raise gasoline prices, of course—would be harder to administer.

In the first place, the private automobile is still the least efficient way to move people. One step to consider with a straight gasoline tax would be to exempt fuel for the buses, airplanes and railroads that move people in large groups.

If government wanted to keep the gasoline taxes from rippling through the cost of products it could consider exempting or cutting the tax for the trucks that haul the products. All of these users would also be hit by the broad petroleum tax but in such varying degrees and differing ways that the impact would be harder to ease.

A straight gasoline tax obviously hits the automobile industry harder than a broad petroleum levy. But the industry now suffers more from a general recession and the inflated car prices than it does—or would—from high fuel costs. Along with everyone else, the industry has a lot to lose from an energy plan that worsens inflation and lengthens the recession.

Even if there had been no energy crunch, the automobile industry would have run into a diminishing market. The automobile population of the country has about doubled in the past generation, and there simply isn't room in our cities and highways for that sort of growth to continue forever.

Chrysler's Lynn Townsend may be overly pessimistic when he talks of an immediate adjustment to a domestic market of six million cars, but a substantial downward revision from the 10 million-plus years of the recent past was to be expected. It would have been far more comfortable if the change could have been spread over four or five years, but the Organization of Petroleum Exporting Countries left us little choice.

Automobile companies to some extent are already involved in mass transportation projects and further involvement, possibly with government aid and encouragement, seems desirable. In any case, though, even 90-cents-a-gallon gasoline is not going to eliminate private passenger cars.

The gasoline tax could be phased in gradually and the results carefully observed. It would be far more difficult to monitor the broad petroleum levy.

There is a third energy alternative, of course: a complex system of petroleum rationing and allocations designed to hold prices down while cutting imports. Some lawmakers, astonishingly enough, seem to think that's the way to go. The government has enough problems without getting involved in deciding which driver can drive how many miles.

A gasoline tax is the least-worst approach.

CONTINUING WAR IN INDOCHINA

Mr. KENNEDY. Mr. President, today is the second anniversary of the Paris Agreement on "Ending the War and Restoring Peace in Vietnam."

Regrettably, the violence and conflict have not ended. In fact, a report filed today with the Subcommittee on Refugees, which I serve as chairman, indicates there has been a massive increase in new refugees and war victims in South Vietnam during 1974. This last year saw close to 600,000 new refugees in South Vietnam, a toll that comes close to matching some of the worst years of the pre-ceasefire war.

Mr. President, as the subcommittee's report notes, there is no better indication that the basic confrontation in Vietnam stands unchanged—and no more certain evidence of the continuing war—than the statistics on the toll of human life the conflict continues to take. The statistics on refugees and civilian war casualties reported by the subcommittee tell us not only how much the Vietnamese people continue to suffer, but also of America's continued involvement in their suffering. Although American soldiers have left the shores of Vietnam, we continue to help finance the materials of war.

Rather than hearing from our President about military options and a need for more scarce tax-payer's dollars to fuel more war, Americans should be hearing what our diplomats are doing to finally bring peace.

What we need today is an immediate truce in South Vietnam. We need a return to the conference table—and a renewal of diplomatic efforts to accomplish the political goals of the ceasefire agreements. Our negative policies toward Indochina not only contribute to the breakdown of the 1973 ceasefire agreements, but are also short-changing urgent domestic needs among the American people.

The President's request for $520 million in supplemental military funds for Saigon and Phnom Penh borders on fiscal irresponsibility. This request increases by over 50 percent what Congress has already authorized and appropriated for this fiscal year. I think the American taxpayer would be shocked to learn that the ceasefire war has already cost the United States some $7 to $8 billion.

And it seems that no matter how often Congress acts to limit Federal spending in Indochina, the administration always finds ways to spend more by backdoor financing or supplemental appropriations. Congress must finally put an end to this senseless spending, for a war most Americans no longer support.

Mr. President, I would like to share with my colleagues a summary of the findings of the Refugee Subcommittee's report, as well as my written preface to the report, and I ask unanimous consent that they be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Humanitarian Problems in South Vietnam and Cambodia: Two Years After the Ceasefire

PREFACE

(By Senator Edward M. Kennedy, Chairman)

January 27, 1975 marks the second anniversary of the Agreement on Ending the War and Restoring Peace in Vietnam.

1973 began with the promise of peace—with ceasefire agreements for Vietnam and Laos, and the anticipation of a similar agreement for Cambodia. It also began with generous commitments by governments and others to contribute to the post-war rehabilitation and reconstruction of the peoples and nations of Indochina. With all this in mind, in 1973 and 1974 special Study Missions traveled to the area in behalf of the Subcommittee—with the hope that the Subcommittee could contribute responsibly to a discussion over our country's future relations with Indochina, in the aftermath of war. But, as so often in the past, their efforts were carried out under the spectre of continuing violence and warfare, which not only served to heighten the agony of a rapidly growing number of civilians in the war affected areas, but which also threatened the prospect of ending violence—or at least lessening it significantly—under the ceasefire agreements.

And so, for a good share of Indochina, the problems in 1973 and 1974 have been less about a post-war future, than how to meet the daily exigencies of battle, and the growing humanitarian needs created by continuing war. These have also been problems for American policy. And the issue now at hand is less about a future peace, than about recent developments and the present course of American policy—especially toward Vietnam.

In Cambodia, a high level of violence continues unabated. Each day of war brings another day of human suffering. Tragedy is piled upon tragedy. As rockets fall upon Phnom Penh, and as more artillery is fired into the countryside, more civilians become casualties or die. More children are orphaned or maimed. And more refugees flee devastated villages and towns.

A ceasefire, of course, has never been declared in Cambodia, so the conflict there is at least labeled for what it is—war. In South Vietnam, however, an elaborate ceasefire mechanism has been constructed, agreed upon, and signed—yet the fighting goes on and even escalates, as each side competes with the other in violating the Paris agreements.

As always, the most accurate barometer of the level of conflict in the field, is the movement of refugees and the occurrence of civilian war casualties. By this measure alone, the first year of the ceasefire in Vietnam was bad enough. But the second year produced a toll of war victims that comes close to matching some of the worst years of the pre-ceasefire war. New refugees numbered more than 594,000. And the total number of civilians admitted as war-related casualties to South Vietnamese hospitals was, by official count, at least 43,000. Moreover, the military deaths of both sides far surpassed those suffered by all American servicemen over an entire decade of the war.

All of this is not to denigrate the historic importance of the Paris agreements, which hopefully still provide a political framework for reconciliation in Vietnam, or to underestimate the importance of the very measurable progress towards reconciliation and normality in neighboring Laos. Rather, it is to remind us that war continues in many parts of Indochina, and that many civilians remain pawns in the conflict and continue to fall victim to the crossfire of war.

It is also to remind us that America is still involved in Indochina—and the question of what the character of this involvement should be—still remains an urgent issue before the American people.

The ceasefire agreements for Vietnam and Laos provided the United States with its first opportunity in over a decade to reorder our priorities in Indochina—to change the character of our involvement, to embark on new policies, and to practice some lessons from the failures and frustrations of the past.

But clearly, the thinking of a wartime bureaucracy, preoccupied with weapons delivery and how to maximize American influence and presence, still dominates our policies and programs in Indochina—despite new conditions, the ceasefire agreements, the return of our servicemen and prisoners of war, and the hopes of all Americans that we were finally disengaging from our heavy involvement in Indochina.

At the expense of vital American interests at home and abroad, the new Administration continues an old obsession with Indochina. Whatever the reason, there apparently remains a determination within the Administration to impose its views on the countries of the area. And in the absence of any change in Vietnam, on American terms, we shall continue to fuel a senseless war.

We are told we have a "moral commitment" in Indochina. And we hear officials say that if Congress does not provide the amount of military and economic aid requested, it will be a violation of the "clear understandings" the South Vietnamese had from us at the time of the ceasefire.

What "understandings"? And who made them? And why are they hidden from Congress and the American people?

And what about our "moral commitment"? What is so moral about providing vast quantities of ammunition for Indochina? What is so moral about an aid program that places a priority on fueling war and keeping a war-economy afloat, rather than helping to meet the needs of war victims throughout the area.

We have a moral obligation to help accomplish the political goals of the ceasefire agreements. We have a responsibility to remove our assistance to the people of Indochina from the political conflict, by channeling it through United Nations and other international humanitarian organizations. We have a duty to help people, not to buy time for governments too weak to support themselves.

Regrettably, the priority of American policy toward Indochina remains with the means of war rather than the tools for building peace. The President's recent request for additional military assistance to Saigon, and his suggesting the possibility of new American military operations, ignores the Paris Agreements of 1973 and our responsibility for helping to make them work.

Rather than hearing about military options and a need for more ammunition and military hardware for more war, Americans should be hearing about what our diplomats are doing to bring peace.

The lingering and bloody conflict in Cambodia deserves better of our diplomacy. The breakdown of the ceasefire agreement in Vietnam demands more than belligerent rhetoric and new military aid for Saigon. The fragile peace in Laos requires our support. And the deadlock in our relations with Hanoi must be broken.

As in the past, there is much to be done to bring peace and relief to the people and countries of Indochina. And there is much more our country must do to help.

SUMMARY OF FINDINGS

I. South Vietnam

1. Any pretense that the Paris Agreement for "Ending the War and Restoring Peace" has accomplished what it is entitled, is shattered by a simple look at official statistics on the continuing toll of refugees and civilian war casualties. The record shows that the official monthly average of war-related hospital admissions (3,600 each month) is the same level as last year, and down only slightly from previous years. In fact, the toll since the ceasefire is comparable to the levels of 1971 and 1972, peak years of the fighting.

New refugees continue to flee from the conflict in the countryside, reminiscent of the worst days of the past. Since the ceasefire agreement was signed, an estimated 1,413,000 refugees were displaced in South Vietnam—818,000 in 1973, and 594,000 in 1974. The cumulative total of refugees displaced since the war escalated in 1964–65, now stands at 11,683,000, as well over half of the total population.

2. Based upon official reports from the field, the worst period for refugees during 1974 was not late in the year, during what the Pentagon calls a "dry-season offensive;" rather, the greatest number of new refugees moved during the months of May-August, when escalated military operations were reported from both sides in the northern and central provinces. Some 353,000 new refugees were reported displaced during the summer, compared to 201,800 during the last months of 1974.

3. The "ceasefire war" raging in South Vietnam is clearly as dangerous as the old war. When the 1973 and 1974 toll of wounded and killed civilians is added to the official accounting of military casualties, it totals 339,822 Vietnamese killed or wounded in two years (compared to 56,231 American dead over an entire decade of fighting).

4. Programs for refugee resettlement and return to village have come to a halt, and 1974 was marked more by a feeling of the clock-being-turned-back than of "progress" in refugee resettlement.

5. The full extent of the war's impact upon the land and people of Vietnam will perhaps never be known, for along with the toll in lives and lost limbs, there has also been an accompanying toll in the strength and functioning of societal institutions.

Once a predominantly rural society, today some 65 percent of South Vietnam's population lives in an urbanized setting—mostly in a false urban situation, without a sustaining economic base. A critical need remains to return people to the land. However, South Vietnam remains a deficit agricultural area, with no prospect of becoming self-sufficient as long as there is conflict and no peace in the country side.

A massive social welfare problem has emerged in the need to care for orphans, war widows, and, for the first time in Vietnamese history, institutions to care for the aged, who normally is cared for in the extended family.

Rehabilitation needs of 178,000 Vietnamese physically disabled by the war remain to be met. Although some progress has been reported in providing prosthetic devices to 80,000 amputees, the long backlog of untreated cases will still not be eliminated for 2½ years, even if the war were to be stopped tomorrow.

6. After over a year of foot-dragging, programs for inter-country adoption of Vietnamese orphans have now received necessary funds. However, a critical problem remains in other child welfare programs. Only in recent months, after fourteen months delay, have Congressionally ear-marked funds for child welfare programs, reached voluntary agencies in the field, and a conference on child welfare planned in 1973, and and programmed for 1974, was convened only this month, on January 14, 1975.

The sums involved in child welfare remain small—some $7.5 milion for 1974, and $8.2 million programmed for 1975. Thus, there is a continuing need to provide additional support for child welfare, and to strengthen the capabilities of the Ministry of Social Welfare and other indigenous organizations to provide services to all children disadvantaged by the war.

7. Although continued progress is evident in the hospital and public health programs in South Vietnam, the burden of civilian and military casualties continues to out-pace its

capacity to treat or to rehabilitate them. But while pressure on the medical system remains constant, U.S. support for it has continued to decline.

II. Cambodia

1. In four years of war, Cambodia has become a nation of refugees. Over half its population have become refugees, moving from the countryside into the city. A desperate situation last year has become even more precarious this year as each new day of war adds more refugees to swollen towns and cities which offer no shelter and even less hope Some 1,140,000 refugees are officially registered, but the cumulative total refugees is close to 3,389,000.

2. War damage has been extensive, as the Cambodian government steadily loses control of territory—now claiming less than 15% under government control. Once a rice-rich nation, it now depends upon three-quarters of its rice from the United States.

3. Medical needs are critical. Without the presence of medical teams from the Indochina Operational Group of the International Red Cross, the war casualty problem in Cambodia would be catastrophic, rather than the mere crisis it is today. Nearly 50% of the hospital facilities have been destroyed, and there is no internal capability or administrative capacity to deal with the new medical burdens created by war—some 7,000 civilian war casualties each month. There remain critical shortages of beds, medical supplies and personnel to treat an ever growing number of casualties, much less to provide rehabilitative services.

4. The refugees of Cambodia have long been ignored. Only this past year—after years of inexcusable neglect—have additional funds and personnel been made available for refugee programs within AID and for the programs of voluntary agencies.

5. As in South Vietnam, a serious orphan problem has emerged with the war in Cambodia. Estimates of orphans who have lost one or both parents range as high as 250,000. The U.S. Embassy estimates that there are 3,000 to 4,000 orphans who have no family, and are in need of the care of orphanages which do not exist.

6. Nowhere in Indochina is there greater urgency to the humanitarian needs of refugees and war victims, and the highest priority must be placed upon increased international assistance and American support for the programs of the International Red Cross and other voluntary agencies. And this urgency will remain until diplomacy ends the long, entirely senseless war in Cambodia.

THE MINNESOTA RIGHT TO READ PROGRAM

Mr. MONDALE. Mr. President, I would like to take a few minutes today to discuss an article I recently read in an issue of American Education. It concerns an effective reading program instituted in Minnesota which is having remarkable success in the fight against illiteracy. The reading program was initially promoted by Gov. Wendell Anderson and the State education commissioner. It is a comprehensive plan to combat illiteracy, intended to encompass both children and adults.

As an overview of the situation, it is significant that the national figures for illiteracy are proportionally higher than those in Minnesota. It is also noteworthy that illiteracy rates have not been reduced in the United States in the last 20 years. Our country ranks with France and Belgium as the developed nations with the highest illiteracy rate.

To effectively counter this predicament, Governor Anderson has appointed a Right to Read Advisory Council to deal with illiteracy in Minnesota. Flexibility is the watchword for the right to read program which the council has established. Its strategy begins with the assumption that almost every child can learn to read, and implicit in the program is the idea that right to read means the right to learn how to read, not just the right to be taught. Time becomes a variable in the Minnesota plan and not a constant, so that a teacher remains with a child or adult until illiteracy is conquered. According to the program, the teacher takes into account that some students learn faster than others.

Right to read in Minnesota is both federally and State funded and plans to achieve the national literacy goals that 99 percent of students will be literate by age 16, and 90 percent of citizens over 16 will be able to read by 1980.

As a step in this direction, the Minnesota administered Adult Education Act has enabled training for local directors of right to read agencies so that literacy programs could be established in their communities. The result is that approximately 1,000 adult tutors have already been trained and more than 400 adult nonreaders have learned how to read.

For the Minnesota program it is not enough that money is appropriated, but that it is administered with as little overlap in services as possible. To quote from the article:

> A significant aspect of the Minnesota plan is its assumption that local, well-prepared leadership in each school district is essential to the resolution of reading problems.

Mr. President, there have been four phases of the right to read program over approximately 3 years. When phase I began in the fall of 1972, it involved 22 local school districts, 19 of these public and 3 nonpublic. Participating were 39,000 K through 12 pupils, almost 2,100 teachers, and a significant number of adult nonreaders. The news media worked to foster public support and encourage interested people to become volunteer tutors. Phase II in academic year 1973–74 expanded the program to 110 school districts and 55 nonpublic schools. Phases III and IV during 1974 and 1975 are in the process of extending right to read to all remaining schools in Minnesota.

A major aspect of the Minnesota plan is that it teams adult nonreaders with adult tutors. The reading method used was created over 40 years ago and is responsible for having instructed between 60 and 100 million people in different areas of the world to read. It has proven to develop a rapport between teacher and student.

In addition, conclusive results were found when the first phase of the Minnesota program was analyzed to determine its effectiveness.

A reading inventory was administered to representative samples of right to read and nonparticipating students, and the right to read students scored significantly higher.

Mr. President, this important model program should be brought to the attention of the American public. I ask unanimous consent that the American Education article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Minnesota's All-Out Drive on Reading

(By Micheal W. Fedo)

The impact of the National Right to Read effort has been felt in many communities around the country in recent years, and 31 States have put into operation programs in selected school districts to prepare leaders on reading program development. In Minnesota, where Right to Read is firmly established as the State's number one educational priority, Governor Wendell Anderson and State Education Commissioner Howard B. Casmey have committed the resources of the State Department of Education to the task of eliminating functional illiteracy at all levels throughout the State by 1980. Thus, in Minnesota, Right to Read means that parents can take comfort in knowing that no stone will be left unturned in making sure their children will learn to read in the school program. It also means that adult nonreaders will be given every chance to overcome their depressing handicap.

Minnesota developed a comprehensive plan for meeting its reading needs after taking a long and penetrating look at some disturbing facts of life within its borders. That such a plan was clearly necessary was expressed by Hugh Schoephoerster, State Right to Read director. "We found upward of 250,000 Minnesotans who had left school after completing fewer than eight grades. Many of them had either reading disabilities or couldn't read at all. Half or our State's unemployed between 16 and 21 are functionally illiterate. It has been reported that about one child in every eight enrolled in the State's school has a reading problem and is a candidate for failure."

That national figures for illiteracy are proportionately higher than these makes Minnesota's situation no less grievous. "If fewer youngsters fail reading in Minnesota than in some other States, we're still talking about failure," Dr. Schoephoerster says. "Beyond this, literacy levels have not been reduced in this country during the last 20 years. As a nation, we rank along with France and Belgium as the developed nations with the highest illiteracy rate."

Right to Read in Minnesota began when Commissioner Casmey and Governor Anderson agreed that reading had to be made a top priority. Governor Anderson challenged Minnesota educators when, in December of 1971, he told them: "As I look at the schools, as Governor, as a concerned citizen, as the father of three children soon to begin their school experiences, one area of instruction and one goal stands out as the most critical for each child. That goal is the ability to read.

"The ability to read is absolutely essential to the fulfillment of human potential in today's increasingly complex society. While deficiencies in any major subject area can be crippling factors, the inability to read is overwhelming. Without this skill, the student cannot effectively function in other areas of scholastic endeavor, much less hope for success in post-school employment or in life situations. As educators, you know the cruelty of this kind of deficiency for a child as he grows older. You know the failure that he suffers and the side effects on his behavior as he attempts to hide the shame and the hurt.

"I see in a Right to Read program the potential for a specific identifiable goal in education—a goal which is universally understood, which stands out clearly amidst the complexities of the many current education endeavors. It can be the rallying point for renewed confidence in our schools."

The Governor thereupon appointed a Right to Read Advisory Council to address the illiteracy problem in the State. The council, constituted from a cross-section of citizens, adopted the criterion of the U.S. Office of Education's National Right to Read program that functional literacy meant being able to read at the fifth-grade level. It further took the position that all but perhaps one percent of the population can be taught to read, and that parents have the right to expect that their children will be taught to read in school.

The council determined that drastic reform would be necessary within at least that part of the education system that consistently produces large numbers of functionally illiterate individuals. It felt that reform should be comprehensive, to include rural and urban, small and large, public and nonpublic schools, all of which needed to be served equitably. Nor did it neglect the needs of the out-of-school adult nonreader, recommending a range of services for this considerable group. Finally, the council concluded that whatever the shape of the operational plan to attack the State's reading problem, it must have clearly stated objectives, a broad base of public support, and a set target date for completion of the task.

Perhaps the key to the entire statewide reading effort was fashioned when the council established and disseminated a statement of "criteria of excellence" in reading program development, detailing 24 functions considered essential to the conduct of a comprehensive reading program. Acting upon the council's recommendations, Commissioner Casmey initiated action to assure that a critical mass of State resources and personnel was concentrated on putting those functions into action. Toward that end he called together members of the State Education Department staff who worked in areas affecting reading and formed them into a State agency task force with the assignment of coordinating their various endeavors toward the common goal. Such has been the progress of the twin efforts of the council and the task force that by next year the Minnesota plan—which presently involves more than 400,000 youngsters, K through 12—will be in effect in every Right to Read school in the State.

Given the dimensions of the job to be done, it is not surprising that considerable sums of money are involved. More than $40 million is being spent annually on reading-related programs administered by the State agency task force itself, plus the millions spent by local school districts for reading instruction. From the very outset, however, a first concern of the reading planners was not just that dollars were available for the program but that there should be a comprehensive, coordinated strategy for eliminating illiteracy. Only then, they felt, could it be determined with some degree of accuracy how many dollars would be needed to carry out their purpose.

Minnesota's strategy starts with the assumption that each child can achieve mastery of reading skills, and implicitly states that Right to Read does not mean the right to be taught, but rather the right to learn how to read.

Says Dr. Schoephoerster about this approach: "A teacher stays with a youngster until that youngster has mastered a skill—no matter how long it takes. The teacher does not leave the child floundering hopelessly behind because he or she didn't get the point at the same time the others did. We're talking about making time a variable in the instruction process instead of allowing it to remain a constant. This, of course, has implications cutting across the whole fabric of teaching in this State. In the short run our plan hopes to achieve teaching for a mastery of reading, this being a fundamental skill required for nearly every subject. But if the determination to stick with a child until he or she masters a skill is carried to its logical conclusion, then classroom failure is done away with, for it is reasonable to expect that this practice ultimately would extend to each subject a student takes. How better could education be humanized than to program failure out of existence?"

This special kind of perseverance is not to be taken lightly, involving as it does enormous dedication on the part of teachers. Nor can they be expected to handle the responsibility alone. "The State helps implement programs," says Dr. Schoephoerster, "keeps them workable so the teacher isn't physically and emotionally drained. In many cases this means providing special assistance, particularly through volunteer aides."

A guiding principle in this and other aspects of the Minnesota plan is recognition of the fact that some students learn faster than others. Where the vital skill of reading is concerned, school officials now say, "Okay, some will get it sooner than others. But *all* will get it. No child will leave school without acquiring reading skill."

The practical application of that principle may be said to have begun back in 1972 when Minnesota became one of 11 States granted seed money from the Office of Education to determine how its agencies could attain national literacy goals. These goals assert that 99 percent of the students will be literate at age 16, and that 90 percent of the citizens over 16 will be able to read by 1980.

Since that time the Minnesota legislature has made important contributions, allocating $100,000 to the State Department of Education in January of last year and recently granting another $300,000. These monies combined with redirected funds from within the State agency and Federal Right to Read grant awards are used to carry forth the plan of action. This means that the State is picking up three-quarters of the Rights to Read cost for fiscal year 1975. In addition to State resources, State-administered Federal dollars were put to work to solve the problem. Title II of the Elementary and Secondary Education Act and Title III of the National Defense Education Act provided local school districts in the State with incentive grants totaling more than $300,000 for the purchase of materials and equipment to help individualize instruction. Another $40,000 came from ESEA Title V, to finance the initial study to determine the impact of the Right to Read strategy on student achievement. Meanwhile, funds from the State-administered Adult Education Act provided training for Right to Read directors in local education agencies to establish and operate an adult literacy program in their communities—with the result that nearly 1,000 adult tutors have been trained and more than 400 adult nonreaders have learned to read.

Minnesota officials reiterate, however, that a basic consideration is not just that Federal monies have been made available—as they have in fact been to numerous States seeking to establish meaningful Right to Read plans—but that such resources be concentrated and coordinated so as to produce the greatest possible impact. The focus on that kind of effort is illustrated by a recent memorandum issued by Jack Hanson, the State's director for ESEA Title I (assistance for the education of children from low-income families) which stated if a local Title I director's school district was also a Right to Read district, the Title I director and Right to Read director must jointly agree on how Title I money was to be spent for reading projects. In short, they were not to work at cross purposes.

As for the day-to-day operation of the program, a local education agency (LEA) seeking to participate in it must first sign a contract with the State office stipulating that each pupil will be given the competence he or she needs, regardless of difficulties, and that a reading director will be selected and given the authority to achieve that objective. The local school board must meanwhile have secured approval and a pledge of cooperation from the teaching and administrative staffs, and have authorized the establishment of a local task force, whose recommendations it will consider. As the latter point indicates, a significant aspect of the Minnesota plan is its assumption that local, well-prepared leadership in each school district is essential to the resolution of reading problems.

The plan includes four phases over three-and-a-half years, and will officially end on December 31, 1975. By that time it is expected that Right to Read will be ongoing and self-perpetuating everywhere in Minnesota.

The first phase began in the fall of 1972 when the State invited local school districts to participate. Acceptance of that invitation carried with it a commitment by the school board to the Right to Read concepts, the designation of a reading director, and the agreement to make this director available for a 30-day training program conducted by the State Right to Read staff, followed by six months of "on-the-job" development in his own school district.

The training of the local Right to Read directors involved some areas they most likely never encroached upon during their professional preparation for teaching—the organization and management of a school district program, for example, or the various ways that additional instruction time can be generated. They were also instructed in the operation of Federal programs and the workings of the State Department of Education. All this without neglecting competence in basic reading theory, the organization and administration of a reading program, and the skills and relationships involved in being a successful change agent. Also, because each local reading director was expected to be thoroughly versed in all aspects of the program, a part of the time was set aside for study of programs for the disadvantaged, the handicapped, the gifted, summer school efforts, and others. Still another part of the training was given over to preparing administrative manuals, in-service training materials for teachers, and a school district plan of action directed toward the full attainment of the "criteria of excellence."

Of the 22 phase I directors trained in that first year, eight were subsequently selected to serve as regional directors after they had completed a year of work in their respective school districts. The arrangement called for a leave of absence by their local school boards of education and employment by the State Department of Education, with the assignment of replicating the training process throughout the State. Under the plan the local director assumes grass-roots functions in starting programs and putting them into effect, while the regional directors support these local efforts through training and counseling. Thus a multiplier effect was incorporated into the Right to Read Operation.

Of the 22 local school units in phase I, 19 were public school districts, and three were nonpublic. Involved were over 39,000 K–12 pupils, almost 2,100 teachers, and scores of adult nonreaders living within the boundaries of each jurisdiction. The news media also played a role, particularly in eliciting public support for the program and encouraging interested persons to apply as volunteer tutors.

Phase I, which was largely experimental in character, purposefully was kept small, so that it could be more easily managed and so that regional directors could get a clue to what they might expect in subsequent phases. With the basic problems thus ironed out, phase II was launched during academic year 1973–74 and saw regional directors training reading directors in 110 school districts and 55 nonpublic schools. Phases III and IV, through this year and 1975, will include all remaining schools in Minnesota.

Marie Struss, a phase II director in the Wayzata district, describes her duties as "getting into program development and a good deal of inservice training of classroom teachers. My basic role in to assist all the people who have contact with the children, and that includes not only teachers but parents, aides, volunteers, and all our substitutes. In short, I work with anyone who might have an influence on a child's learning."

The potential of the community in carrying out such a program is illustrated by the case of Shakopee, a southwest suburb of Minneapolis and one of the first communities to implement Right to Read. Regional Director Doris Surprenant reports that senior citizens and members of civic organizations were quick to join parent groups in volunteering for service, and some volunteer reading tutors were even drawn from a nearby State penal institution.

"Right to Read seemed to bring the entire community together," says Shakopee superintendent Robert Mayer, "and to get people really involved in the schools. Senior citizens have constructed word games for classroom use, for example, and many groups have contributed funds as well as services to the project." While most of the volunteers are housewives or senior citizens, their ranks also include high school seniors who tutor for one or two hours a day, for which they receive partial credit in a Family Life course.

A reading session in a Shakopee first-grade classroom may find the teacher in one corner with a group of youngsters reading from the basic text. Around the room, several chilren are playing games similar to Monopoly but designed to help them learn to recognize sounds. At a table, a housewife volunteer is working with two boys, developing word meanings so that soon they may be ready to start with the basic text.

Says Ms. Surprenat from her vantage point as regional director, "The children are picking up the security that comes from knowing they will learn. There's none of the pressure they used to feel about having to stay even or struggling to catch up." As a sidelight, other teachers say that the children appear to feel no impulse to tease or belittle a student who isn't as far along with reading as the others.

The Right to Read criteria of excellence in Minnesota require thorough recordkeeping on each student, and these records follow, the students all the way through their participation in Right to Read. For some that participation may continue into high school. Though the assumption is that most students will be functionally literate by that time, the program can make allowances for those who haven't quite gotten there. For them the English class becomes a reading class, and while they might not tackle Shakespeare or Milton, the determination is they will not leave school frustrated by the lack of the fundamental reading skill.

While the main thrust of Right to Read is at school-age children services to adult nonreaders are recognized as being no less important. As Governor Anderson said in a recent speech, "It is just as tragic to be unable to read if you are 35 or 50 as if you are 15."

Take, for example, Ernie, a Shakopee resident in his late 30s, and a first-rate mechanic whose boss recently offered him a job as head of the shop. Ernie turned the offer down, lamely explaining that his wife felt he'd be away from home too much of the time. The truth was that it pained Ernie to refuse this job but he knew he couldn't handle it because he couldn't read. Fortunately the boss learned of Ernie's shortcoming and got him into Right to Read where a tutor reports that he's overcome the nonreader stigma and is comfortable in his studies and doing well.

A kindergarten teacher in a Right to Read school reports that she was approached by a pupil's mother who had a pathetic problem. "Please teach me to read," the woman pleaded. "I'm so ashamed. My little girl has started to bring home books and she asks me to read them to her and I can't. I don't want her to know her mother can't even read children's books." She was promptly assigned a volunteer tutor and has by now completed her basic reading skills. "For the first time," she recently told the teacher, "I feel I'm really alive."

The practice under the Minnesota plan is that tutors teamed up with adult nonreaders are also adults, drawn from the local community. The method used is that developed by missionary-educator Frank Laubach over 40 years ago, with the lessons relying heavily on phonics and picture associations and the theme being "Each one, teach one," which in practice establishes a one-to-one relationship between tutor and nonreader. Dr. Laubach's method, credited with teaching between 60 and 100 million people around the world to read, anticipates that rapport will develop through friendship and the proper use of materials. That such rapport has in fact developed in Minnesota is demonstrated by the willingness of the adult tutors to pay for their own training and to purchase instructional materials out of their own pockets.

While a program committed to excellence is inherently applaudable, the test is whether it gets results. Phase I of the Minnesota plan has been recently analyzed by a professional evaluation team, with interesting results. In the evaluation, a random sample of students in both Right to Read and nonparticipating classes was administered a Prescriptive Reading Inventory (PRI), a "criterion referenced test" which measured attainment of 90 skill-related objectives rather than each student's achievement against that of the others. In terms of such skills as recognition of sounds and symbols, phonic analysis, structural analysis, translation, literal comprehension, interpretative comprehension, and critical comprehension, the Right to Read students scored significantly higher than those from nonparticipating classrooms.

"We're convinced that Right to Read works," states Commissioner Casmey. So are hundreds of teachers, administrators, and parents, to say nothing of the students—the eighth-grader who had once threatened to drop out of school because he couldn't read, for example, or the draftsman who used to have to get help from his wife every time he came across instructions he couldn't decipher. Right to Read is tangibly meaningful in their lives, and in the lives of thousands of others who are breaking free of the shackles of illiteracy.

RESEARCH AND THE QUEST FOR CLEAN WATER

Mr. DOMENICI. Mr. President, I feel that I must again convey to the Members of the body my concern for the research program which is being conducted as part of the Federal Water Pollution Control Act. The Water Pollution Control Federation has an excellent position paper entitled "Research and the Quest for Clean Water" which I believe highlights many of these problems. Due to the length of this article, I am not enclosing it in its entirety, but I am, instead, highlighting certain aspects. I ask unanimous consent that excerpts from this report be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Research and the Quest for Clean Water

The decade of the 70's was inaugurated by a rising global concern for environmental quality. Within many nations, this concern has been translated into landmark legislation designed to protect and enhance the quality of the environment.

The 1972 amendments to the Federal Water Pollution Control Act (Pub. L. 92–500) represents part of the United States' response to this world-wide concern for the environment. In establishing the ambitious goal of restoring the chemical, physical and biological integrity of the nation's waters, Pub. L. 92–500 pinned a large part of its hopes for success on an aggressive, far-reaching research program.

This statement of research needs is based on the growing conviction of the Water Pollution Control Federation, which comprises 23,000 public officials, scientists, professional engineers, and treatment plant operators and managers, that the nation and the objectives of Pub. L. 92–500 are being poorly served by present water pollution control research efforts. The Federation has felt an increasing need to call on its broad-based technical expertise to provide a concise discussion of those problems requiring urgent attention if the nation's pursuit of clean water is to have a chance of success. Although this statement of research needs has chosen Pub. L. 92–500 as a convenient focal point, it bears noting that the global character of water pollution gives this listing of research requirements an international applicability that varies only in some of its particulars.

The Federation's sense of urgency over the state of water pollution control research has its origin in the convergence of conflicting social demands on our water resources. On one side, population and economic growth have made increasing demands on the waterways to carry off the by-products of our affluent, industrialized society. On the other side, citizens have been demanding improvements in water quality for public health, recreational, commercial, and aesthetic reasons. Since availability of water is finite, the convergence of these conflicting social demands presents a critical challenge in reconciling these environmental and economic demands. The ingredients of such a reconciliation include: (1) development of analytical tools for measuring and assessing the problem; (2) development of improved and more cost-effective treatment technologies; (3) development of enviromentally more acceptable methods of disposing of pollutants removed from our waters; and (4) development of management policies that assure optimum and equitable implementation of control strategies.

Unfortunately, the technical and analytical tools available for this reconciliation are severely limited. Although substantial technological progress has been made over the years, achieving the full range of the nation's commitment to clean water requires continued advances and new approaches. The purpose of this document is to identify representative technical and analytical shortcomings and to indicate where research advances are needed. With the passage of Pub. L. 92–500 the American public established its financial and emotional commitment to clean water; it is now time for the scientific and technical community to fashion the additional tools needed to honor this commitment.

It is also worth stressing that any failure to close the gap between the nation's financial and emotional commitment to clean water, and the availability of technological tools to do the job poses several hazards. One possibility is that the expense and inadequacy sometimes associated with today's approaches may cause second thoughts about water pollution control efforts. The public and private sectors today are spending billions of dollars annually on treatment facilities, many of which are not cost-effective and often are incapable of effecting levels of pollutant removal that protect our waterways. A failure of today's massive capital outlays to bring desired results could lead to retrenchment.

A second possibility is that the high cost and difficulty of the task will lead to endorsement of seemingly attractive solutions without considering their full side effects. The Federation has recently issued policy statements warning of the potential risks with regard to the movement of toxicants and viruses associated with land disposal and water reuse. Water reuse and land disposal techniques are often endorsed as possible solutions without sustained scientific scrutiny.

Given this compelling case for an ambitious national research program, the Federation has viewed with dismay the apparent lack of direction in and shortsighted cost-cutting of the federal research program. Policy makers have apparently ignored the fact that the increased demands on the nation's finite water supply from economic growth and the quest for environmental quality have ushered in a new era in water pollution control. The nation can no longer afford to rest on its laurels if it hopes to have continued growth accompanied by environmental quality. The contention often made by policy makers that technology is available, and need only be applied, is only partially true, and is actually harmful because it serves to induce a sense of complacency unwarranted by the facts. Dispelling this complacency is one of the goals of this document.

The new era brought on by Pub. L. 92-500 demands a fresh look at the entire structure of water pollution control technology. Needed advances will not come from minor tinkering with existing treatment practices. Instead, major revisions and innovations are needed throughout the entire framework of the nation's water pollution control effort. From the scientific basics of analyzing and treating contaminants to the more subjective realm of policy formulation and implementation, water pollution control programs need to be revamped. The framework of this paper will be to first examine research needs with regard to analytical techniques, and then proceed sequentially to discuss wastewater treatment, assessment of environmental effects, and finally, management strategies.

1. ANALYTICAL TECHNIQUES

Fundamental to any water pollution control effort is the availability of adequate analytical tests for measuring water quality. Unfortunately, the type of data needed for current programs often is beyond the capabilities of existing analytical techniques. The need for advanced analytical methodology applies jointly to chemical, biological and physical parameters in the following areas:

Levels of Contaminants.
Nature of Contaminants.
Transport and Transformation of Contaminants.
Interaction and Effects of Contaminants.
Reliability of Measurements.
Rapid and Inexpensive Real Time Data Acquisition.

The need for advanced analytical methods has many ramifications. More emphasis is needed on the development of simplified and multiparameter techniques that save time and money. New and improved tests are also needed for determining the nature and amount of contaminants, particularly tests which would be capable of providing reliable data at extremely low concentrations. . . .

Chemical characteristics. Specific information is needed on the exact chemical nature of substances emanating from wastewater treatment plants. To date, the specific nature of trace complex organic substances, many of which are non-biodegradable, that persist in wastewaters remains unknown. Such compounds pose a spectrum of problems, ranging from acute or chronic toxicity to taste and odor nuisances, in down stream receiving water or ground water supplies. These problems may result either directly from the organic compound itself, or indirectly through conversion to other chemical species by reaction with other compounds such as the disinfection agents chlorine and ozone.

The issue of clearly distinguishing organic species is integrally tied to the concern over and measurement of heavy metals. Not only are many of the analytical questions concerning speciation and transport similar but also the nature of their interaction with organic compounds must be determined if the health and environmental effects of low lead, cadmium, mercury, and and other metals are to be identified. . . .

Biological characteristics. Waterborne disease outbreaks associated with drinking water, aquatic recreation, and the consumption of seafoods may often have their origin in the discharge of treated or untreated domestic wastewaters, and continue to occur in the United States and elsewhere. . . .

Much of the ignorance with regard to viruses stems from the continuing need for a reliable method of concentration and enumeration. After the development of an acceptable methodology, there will be a need to study the removal and inactivation of viruses by treatment processes, including disinfection. . . .

Physical characteristics. The measurement of physical parameters, such as suspended solids, is currently the most developed area of wastewater analysis. However, with the exception of temperature, these measurements are generally non-specific, and yield only gross response parameters. To a large extent, this reliance on non-specific physical measurements has evolved because of the lack of reliable and rapid chemical and biochemical tests noted in the preceding sections.

2. WASTEWATER TREATMENT

The entire cycle of municipal and industrial wastewater treatment, from collection through disposal of residual sludges, presents an area ripe for further research. Existing technology has been successful in eliminating water-borne disease epidemics such as typhoid fever. However, it remains inadequate for protecting existing water quality already badly degraded in some areas against the pressures of economic and population growth, let alone satisfying the public's desire for cleaner water. The cost of meeting the full panoply of the legal standards now approaches $350 billion. Improving the cost-effectiveness of treatment has itself become a fertile field for investigation. The entire treatment area demands fresh insights, particularly in the following areas:

Improved Systems Integration.
Real Time Process Control.
Design Performance Correlation.
Reclamation and Reuse.
Energy Conservation and Environmental Effects.

It should be stressed that these research needs apply to the entire treatment sequence of collection, treatment, and residual disposal.

Collection Systems. The proper design, construction, and maintenance of sewerage systems are important elements in the overall efficiency of a water pollution control system. More information is needed in areas such as pipe joining materials, bedding inspection techniques, inexpensive methods for controlling roots in sewers, and the value of using long lengths of pipe versus short sections. Existing information indicates that a large percentage of waste-water eventually reaching treatment plants originates as infiltration of highly varying quality. Significant improvements in treatment plant operation may be achievable by reducing or eliminating infiltration into wastewater collection systems. A great deal of research and demonstration has been performed in the past ten years, but the problem of quantification and reduction of pollution from either combined or separate storm water collection systems still continues. Information on the composition of urban and agricultural runoff and its effect on the environment is extremely limited.

Non-point sources (in contrast to point sources) have recently drawn the attention of many investigators, and are now recognized as significant contributors to pollution. Since they are presently uncontrolled, and subject to severe seasonal and other short term fluctuations, they represent a unique challenge, a challenge that must be met if water quality goals are to be met. Meeting the challenge, however, requires information, and until the information base is vastly improved in this area, positive regulatory action will be very difficult.

Contaminant Removal. The critical task in any treatment cycle is the removal of contaminants. The purpose of well-planned collection systems is to transport wastes to treatment facilities for treatment. But this planning will be for naught if the treatment facility fails to remove the contaminants.

Municipal Systems. Research is needed to specifically determine if the efficiency, reliability, and economics of existing municipal treatment plants can be improved and what administrative and technological changes should be made to implement these improvements. The development and use of continuous monitoring systems, diagnostic methods of evaluating plant performance, and new design or performance parameters must be emphasized.

All too often a wastewater treatment plant receives little attention after it is designed, constructed, and put into operation. The performance of treatment plants is rarely analyzed in a systematic manner to generate information that could be helpful in designing, constructing, and operating new plants. Such a systematic approach is presently hindered by the unavailablity of a standard method for comparing actual plant performance with design specifications. A "diagnostic" method or other well-defined means of analyzing plant performance is lacking. . . .

Implicit in this discussion of improving treatment processes is the need for cost-effectiveness. Many sophisticated processes for removing contaminants would present extreme cost problems if widely employed. To say, as many critics of water pollution control research do, that technology is readily available to provide higher levels of treatment is to ignore the fact that processes that are too expensive to be widely employed can hardly be said to be readily available. Affluence has its limits, and the costs of some new treatment technologies may approach these limits. . . .

Industrial Systems. Industry is having particular difficulty complying with the standards established under Pub. L. 92-500. Many of the observations made regarding research needs associated with municipal wastewaters and sludges apply equally to industrial wastes. Very often, however, industries are confronted with more severe toxicity problems, for example, wastewaters with excessive amounts of heavy metals such as lead, hexavalent chromium and mercury, all of which merit special attention. In this respect, many industries are still faced with the development of more economical, efficient treatment systems. Further, more efficient methods of treating specific industrial wastes are needed, such as those containing prohibitive concentrations of sulfates or nitrates. . . .

Special Systems. Septic tanks continue to provide treatment for a significant portion of the nation's households, small commercial enterprises, highway rest areas, and motels. In fact, the homes of 40 million Americans are still served by septic tanks. While it is generally conceded that their use poses environmental and public health management problems for local communities, it must be admitted that often they present the only alternative to no treatment at all. What is needed are working criteria for when septic tanks are acceptable or when their disadvantages should rule out their use. However, the continued use of septic tanks is assured, and thus their operation and design could benefit from additional scrutiny. The same is true of the chemical systems used by pleasure boats and some isolated commercial establishments. Reliability and the production of disinfected, nutrient-free effluent are two areas deserving attention. There is also need for a procedure to indicate how well these specialized systems are functioning. Such systems represent a prime example of where small incremental research efforts promise major returns.

Ultimate Residue Management. The growing problem of the disposal of increasing quantities of treatment residues is one result of success in other portions of the treatment cycle. Better collection and contaminant removal systems mean more residues. Furthermore, as contaminant removal techniques become more permeated with heavy metals, organic matter, nutrients, and viruses. This problem is particularly acute for industries that carry the major burden of reducing the discharge of heavy metals. Thus, in the last analysis, the new era of water pollution control entails not a final solution of today's problems, but a trading of water pollution problems for the problem of growing quantities of highly polluted sludges, solids, and brines. It should be noted that while the focus here is on residues from municipal and industrial wastewaters, this is but part of the larger issue of residue management, with other components in the areas of solid waste and residues from air pollution control efforts. To a large extent, the public's quest for improved environmental quality will eventually involve the development of new technology to handle the residues generated by the clean-up effort. . . .

ENVIRONMENTAL EFFECTS

The ultimate objective of a wastewater treatment cycle, from collection to residue disposal, is protection of public health and the integrity of the environment. For purposes of simplicity (to avoid a potentially endless list of specific problem areas) concerns in this area can be placed under the broad categories of ecological effects, aesthetic effects, and public health effects.

Admittedly, an individual agent or an event which places stresses on the environment usually cannot be confined to one of these categories. Despite this shortcoming, they provide us a convenient framework for considering these complex areas.

Ecological Effects. It is incumbent upon those in the water pollution control field to gain a greater understanding of the differing consequences of discharges from point and nonpoint sources. A given total mass flow into a particular system may have entirely different results depending on whether the inflow is from a point discharge or from diffuse nonpoint sources. Such considerations also determine to a large extent the feasibility of treatment and control strategies. An example of this need to distinguish between the different sources of a contaminant is the phosphorous control issue. In cases where nonpoint sources are the major source of phosphorus for algae growth in a fresh water body, the removal of phosphorus from municipal wastewaters may be an expensive and futile gesture. Also, where algae growth is prevented by a lack of light penetration, phosphorus removal again would be unnecessary. These examples serve to point out the need for fully evaluating an environmental system and its problems to insure that control strategies are not only successful, but do not squander precious resources.

Aesthetic Effects. Aesthetic effects generally accompany any ecological changes. The principal question is whether these aesthetic impacts should be ameliorated or simply be tolerated as an inevitable cost of an industrialized society. This is basically a cost-benefit question that demands economic and sociological research to generate information. The present state of the art is quite primitive. Economic impacts can be computed readily for shell fish and commercial and sports fishing industries, but aesthetic impacts, because of their subjective nature, remain largely unquantified. Because of this, they are often ignored in cost-benefit calculations, an oversight that demands redress.

Public Health Effects. Public health effects are more identifiable than either ecological or aesthetic effects but have been studied in the past only in terms of direct or acute effects. Recent work on the biological accumulation, transformation, and magnification of such contaminants as pesticides, heavy metals, and plasticizers has opened up entirely new areas of concern. The long-term chronic effects of low levels of chemical pollutants in conjunction with natural and wastewater treatment chemicals and disease producing agents remains largely an unknown area of significant concern. Water reuse, land disposal (wastewater and sludges) and ground water recharge all have served to highlight the fact that our continued ignorance in this area carries potential risks. Furthermore, not only must the health effects of these substances be studied, but their impact upon aquatic species must also be assessed. With respect to human health, the greater exposure of wastewater control personnel to many pollutants remains a largely ignored area of research.

It bears emphasis that reuse is not merely a future option under consideration. Both direct and indirect reuse are being employed as man's need for water out-strips available supplies. The question is not whether reuse will be employed, but, as with land disposal, whether it will be employed in a manner that does not imperil public health and the environment.

WATER POLLUTION CONTROL MANAGEMENT

In its broadest sense, water pollution control is a problem in public policy determination. As such it is a proper area for research in law, economics, sociology, systems analysis and modeling, and other disciplines related to decision making. Although research of this type has already proven valuable in solving pollution control problems, perhaps its greatest impact has been in uncovering and emphasizing areas in which further work is needed. It is important to note that there are two distinct kinds of research needs related to public policy:

Policy Formulation.

Technological and Socioeconomic Relationships in Policy.

Just as today's analytical techniques, treatment methodologies, and assessment capabilities all need upgrading to meet the challenge of higher expectations, so do current techniques for policy formulation need improving to deal with the complex and multiple social objectives associated with water quality systems. . . .

CONCLUSION

The new era inaugurated in the United States with the enactment of Pub. L. 92-500, and in other countries of the world with similar legislation, poses a variety of challenges for those in the water pollution control field. Unfortunately, the technological and analytical tools presently available to respond to these challenges are limited. The analysis and treatment of the complex organic and heavy metal compounds that have appeared since World War II continue to present extreme difficulties. The ability to conceptually handle viruses is primitive at best. Today's treatment technologies on which the private and public sectors are spending billions of dollars annually are expensive and often incapable of effecting levels of pollutant removal that protect water quality. Sludge disposal continues to be the Achilles' heel of the treatment cycle as municipalities have increasing difficulty in disposing of growing mounds of sludge in an environmentally acceptable manner.

This backdrop of growing problems and new challenges serves to bring us full circle to the original concern that is the fundamental reason for this paper—the woeful inadequacy of the present federal research effort. Municipal wastewater treatment technology offers an example. Today, spending for municipal technology research is one-third of what was being spent in 1967. For sludge disposal alone, which many municipalities rank as their top priority in water pollution control, funding has declined from $2.6 million in fiscal year 1968 to $668,000 in fiscal year 1973. The fact that almost 40 percent of the cost of municipal wastewater treatment lies in sludge handling and disposal costs, and the fact that cost-effective techniques are still unavailable makes such cuts ill-advised.

According to the Environmental Protection Agency's own estimates, it will take 30 years at current research funding levels to reach program objectives that Pub. L. 92-500 envisions being completed by the latter part of this decade. Furthermore, the disparity between funding and goals does not account for new problems that may come to the fore that could make priority claims on future research dollars.

The Federation believes that it is not unreasonable to contend that the limited present federal research effort in water pollution control represents little more than a surrender with regard to the nation's goal of clean water.

ATTACKING THE DOUBLE-TROUBLE OF INFLATION AND RECESSION

Mr. HUMPHREY. Mr. President, there have been many prescriptions offered to deal with our inflation and recession. Some would emphasize the use of fiscal policy to the exclusion of monetary policy. President Ford appears to be in this camp. Others would emphasize the use of both monetary and fiscal policy tools, excluding direct efforts to stimulate public service employment or expand unemployment benefits. Wall Street laissez faire economists are the leaders in this camp.

It is a mistake, however, to lump all business-oriented policy groups to the side of advocating little direct intervention in the economy beyond fiscal and monetary policy initiatives. There are many nominally conservative analysts who recognize the seriousness of our economic predicament and that only direct, major government intervention can reduce our inflation and unemployment quickly. Monetary and fiscal policy must be utilized, yes. But they work relatively slowly. They must be supplemented by additional public service employment, and unemployment compensation benefits, by direct credit allocation to housing and other hard-pressed industries, and by imaginative efforts to end the price-wage spiral.

Philip M. Klutznick, chairman of the Research and Policy Committee of the business-oriented Committee for Economic Development has strongly made the point that traditional monetary and fiscal policy prescriptions are inadequate to quickly deal with our double troubles of inflation and unemployment. In a recent speech, he outlined his prescription for solving these problems. His speech is worthy of attention because of the broad scope of his proposed remedies and because they are much more extensive and, to my mind, appropriate than those offered last week by President Ford.

Mr. President, I ask unanimous consent that Mr. Klutznick's speech, entitled, "Attacking the Double-Trouble of Inflation and Recession," presented on January 9, 1975, printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Attacking the Double-Trouble of Inflation and Recession

Mr Chairman, fellow trustees, ladies and gentlemen,

It is not customary for the chairman of the Research and Policy Committee to make a public address on the state of the economy. I do so at the urging of CED leaders who feel that we *especially* cannot be silent when the nation faces a deteriorating economy, with all the risks and penalties that implies. However, before I turn to today's challenges, it is appropriate to remind ourselves that we still "stand on the shoulders of yesterday." Wistfully, I wish that more of the splendid advice contained in relatively recent CED policy statements had been generally understood and particularly applied in a timely fashion. I refer especially to "Fiscal and Monetary Polices for Steady Economic Growth" (1969), "Further Weapons Against Inflation" (1970), and the Collado Emergency Panel which in 1972 produced "High Unemployment Without Inflation."

But, even good memories cannot substitute for present needs for action. We have several subcommittees working on the new generation of economic problems—the "new inflation", the scarcity of capital, the international oil crisis and its financial implications and a number of others. Those panels are moving forward in the acceptable CED process. But, they are delving into some of the toughest problems that this country has faced in decades. The work of these subcommittees will take time. I am reminded of the advice of my late and dear friend, Adlai Stevenson, who said: "A wise man does not try to hurry history."

While it is not the habit of Research and Policy Committee chairmen to speak out in this way, it is not exactly unprecedented, either. The roster of my illustrious predecessors, going back more than thirty years, is the best evidence—men like Ralph Flanders, Ray Rubicam, and Phil Reed—Marion Folsom, Meyer Kestnbaum, and Ted Houser—Frazar Wilde, Ted Yntema, and Pete Collado. These men never hesitated to speak out when the occasion demanded it. In my own way I will try to honor that tradition.

My purpose is not to sound an alarm. We are not yet in a state of emergency. It would be a mistake to pretend we are. Ill-conceived policies of panic could serve only to deepen our uncomfortable predicament.

Yet, to be complacent and ignore the danger signals is to refuse to recognize a phenomenon unknown in peacetime history. Price rises brought us in November to the largest twelve-month increase since September 1947—a whopping 12.6 percent! At the same time, production fell, and the rate of unemployment has just reached the highest level in fourteen years. Recession now shares with inflation the dubious role of public enemy number one.

The policy debate in Washington and around the nation has provided us the usual surfeit of catch-phrases and cliches but as yet little in the way of an acceptable and meaningful response to a complex and unyielding economic dilemma. Meanwhile, back at the controls, the engineers have been running the engines of stabilization in reverse: in a period of recession they have *reduced* the *real money supply* while pursuing an increasingly *restrictive* fiscal policy.

In Talmudic fashion, we argue over which is worse, an inflation or a recession, and which is best, a tax increase or a tax cut. Policies designed to deal with one set of problems may serve only to exacerbate another. We need to unlock the conundrum of simultaneous inflation and recession. But to do so, we are turning instinctively—almost nostalgically—to past policies and precedents. Past experience can be helpful only if we have the courage to adapt that experience insofar as it applies to new and strange circumstances. "Don't look back," Satchel Paige used to tell his teammates on the Cleveland Indians, "because something may be gaining on you." While we are looking behind us to find answers, inflation and recession are gaining on us. The retired person whose fixed income is withering away from inflation won't—and shouldn't—accept inflation as the price he must pay in order to put his son back to work on the assembly line. Nor should his son accept a lay-off with the cheery confidence that in his small way he is helping his parent get an extra meal.

Our problems are not insurmountable, but their solutions will require us to break out of the mold of traditional economic thinking. Our greatest challenge is an intellectual challenge—it is to understand some of the basic changes that have recently taken place in our economy, and to find new and creative ways to meet new conditions.

Let me cite a few examples:

1. *The discipline of fixed exchange rates, which was the foundation of international economics for more than a century, has disappeared.* Ill-conceived and mismanaged economic policies at home can still inflict damage on our economic relations abroad, but we no longer have to take the medicine of higher unemployment to remedy our balance of payments deficits.

2. *Within a decade, the chronic surpluses of U.S. farm products have given way to intermittent scarcities and depleted reserves.* The result has been surging prices in farm and food products and a steep climb in the consumer price index. Labor costs and prices on both farm and nonfarm goods rise, in turn, to keep pace. Unless we choose to go hungry, we all become victims of an inflation ratchet that moves continually upward. U.S. policy makers either fail to recognize these changes or in some quarters seem to embrace them.

3. *The era of cheap and abundant energy has ended in the United States, just as it has among all consuming nations.* This country, which depends on imports for less than two-fifths of its oil—or about one-sixth of its total energy sufpply—is seemingly at the mercy of OPEC, a price-fixing cartel. We have yet to comprehend fully this cartel's power or the price and income consequences of it. I suspect that OPEC itself is only beginning to realize the dire potentials implicit in this revolutionary situation. If the price of OPEC oil remains at the present level, many countries face the prospect of continuing economic decline.

For every major supply shortage—whether in farm products, energy and raw materials, or in credit and capital—we have relied all too heavily on the automatic mechanism of rising prices to expand supply or dampen demand. We have all but forgotten that it is possible to offset rising prices in one area by reducing prices in another—or that supply bottlenecks can be corrected, or that the tax system can provide important incentives to bolstering supply in many areas; or that negotiation between producer and consumer can produce some sanity.

4. *Economic policy has become excessively addicted to manipulation of the money supply as the principal instrument of economic stabilization.* In 1972 and 1973, when we needed fiscal and monetary restraint, the high employment budget, corrected for inflation according to the CED rule, ran large annual deficits and we poured money into the economy as if it were going out of style. Then, we tightened up again, but we tightened up too much. Few realize that in real terms the money supply has been falling. So now all eyes are on the Fed to see how far it will go in loosening things up once more. Our commercial banking system has been operating like yo-yos with interest rates climbing up at a dizzy pace and then beginning the inevitable slide down. At best, monetary policy is both inequitable and inadequate as a stabilization instrument. A few reasons are apparent:

The Federal Reserve does not have enough power over the banking system or a good enough statistical basis for exercising the appropriate degree of monetary control;

Excessive and unequal pressures of monetary restraint and climbing interest rates have hit hardest at housing, public utilities, municipalities, and small businesses;

Some of the escape hatches which moderated monetary restraint in earlier years have long since been closed. While the Treasury can still count on a Federal Reserve bailout when it has to borrow, the private sector has no lender of last resort in a liquidity crisis. There is no equivalent of the RFC (Reconstruction Finance Corporation) and no longer an ultimate source of credit at the 13(b) window of the Federal Reserve;

A special Act of Congress is necessary to handle a major financial crisis in the private sector. Even then, only a monumental calamity involving a giant corporation is likely to attract attention. Small and growing businesses must either find big partners, struggle against huge odds or go under;

Selective credit controls, except for stock market credit, are no longer used, even if available;

Selective credit allocations, except when used for farms and periodically for mortgages, are no longer part of the government's monetary operations; and

The world money markets have become dominated by OPEC's vast financial surpluses. Last year these were running at about $65 billion. We have yet to find an effective way to recycle enough of these funds into long-term capital investments in the United States—for energy programs or for other programs which have heavy capital requirements.

In view of these weaknesses and limitations in monetary policy, debate that is solely focused on whether to expand the money supply by 6, or 8, or 10 percent really misses the point.

Finally, I want to mention a most perplexing and troublesome phenomenon.

5. *The government has not devised adequate means to stop the leap-frogging of wages and prices.* It is difficult to fault a labor leader who seeks higher wage levels to compensate for declining purchasing power, just as it is difficult to fault a business leader who seeks higher prices to maintain profit levels in an era of surging costs. Wage and price policies—or even more extensive direct controls—are not likely to work very well or very long. But the expectation that the government will impose such controls has already accelerated and magnified both wage and price increases. And how to stop it? No one wants to get caught with his wages down—or his prices down. But, because of this, our price indexes reflect not only the *reality* of inflation but the great expectations of an inflation to come.

In this brief and inadequate examination of the changes that have taken place in our economic system in the past years, and some of the new rules and conditions under which our economy now operates, the message is clear that we can no longer rely instinctively on only the policies of the past. After a long night of revelry and excess, Rip Van Winkle went to sleep for twenty years, and when he awoke, he found that life was very different. Even though we have indulged ourselves excessively at times, this nation cannot, like Rip Van Winkle, afford the luxury of a 20-year nap to make us realize that times have changed. Among other things we must recognize that policies designed for an economy in which abundance and plenty prevail are not entirely suited to an economy of frequent scarcities and shortages.

I commend the recently completed work of the Research and Policy Committee on two fine statements—one on U.S. farm policy and another on achieving energy independence—for the clear and cogent way in which the Committee faced up to the new environment of scarcity. These two statements laid a solid groundwork for developing stabilization policies that recognize that the horn of plenty is an anachronism in today's world of energy, raw materials, and food shortages. They are constructive studies of change.

But CED cannot develop an effective program for achieving economic stability on a piecemeal basis. Along with appropriate money and budget policies, we need a new generation of economic solutions to deal with a young and stubborn generation of economic problems.

And these solutions, in my opinion, cannot be effective unless they recognize the major elements in the changing economic landscape which I have just described:

1. The discipline of fixed exchange rates is no longer the controlling influence in world monetary affairs.

2. Chronic surpluses on U.S. farm products have been replaced by scarcities and depleted food reserves.

3. The era of cheap and abundant energy and raw materials in the United States has ended.

4. Economic policy has become addicted to the manipulation of the money supply as a major stabilization instrument, and it has proven both inequitable and inadequate to the task at hand.

5. The government has failed to find a means of short-cutting and stopping the insidious game of leap-frog in wages and prices. Business and labor have to share the blame and help together to find the remedy.

The good news for 1975 is that the intolerable pace of inflation that we witnessed in the past twelve months is beginning to recede. But the bad news is that we are sliding deeper and deeper into a recession.

The short-term task of economic policy must be to correct a deepening recession without fueling a new burst of inflation. *This means that the anti-recession program that we use now should contain strong built-in defenses against a future inflation.*

The Program Committee and other subcommittees are working on a detailed and comprehensive double-purpose program to fight both recession and inflation. But I would point to what I believe are several policy directions worth exploring.

I believe that considerable easing of monetary pressures is desirable as part of an overall program to turn the economy around. My concern with loosening the money supply is with the past failure to take steps to redress the misallocation of that money to the detriment of the economy. Available credits should not be used to feed the inflation. There is growing evidence that, at current rates of interest, funds placed to the credit of certain businesses result in passing on increased interest costs in the form of increased prices. An urgent aspect of any easing of monetary restrictions is the need to direct the use of available funds into areas of greatest distress. If the money can flow toward the solution of public problems of high priority—without contributing measurably to inflationary trends—all the better.

The myth that we do not want to complicate our procedures by credit allocation defeats itself by the obvious fact that allocation is taking place by default. And in many instances the defaults are damaging to inflation control.

Selective credit allocation and emergency sources of liquidity for essential industries are imperative. A lender of last resort to the private sector must be established to handle individual liquidity crises—and especially to supply long-term capital for energy investments and investments that will relieve supply bottlenecks. Most of this can be done by guarantees. And, as the CED Research and Policy Committee has already recommended, federal agencies should devise incentives to encourage the use of variable interest-rate home mortgages.

I also call attention to a practice that I believe offers an open invitation to a self-reinforcing credit contraction and to increased business fears. Recent public announcements of the practice of excessive monitoring of bank loans by the supervisory authorities can only make bad matters worse. Bank examiners should make adequate review of loans all the time and maintain the integrity and confidentiality of supervisor-bank relationships as well. Publicizing what should be customary can only frighten lenders and borrowers alike.

Fiscal policy should, as CED's stabilizing budget rule requires, turn decisively toward the expansive side. I believe the size of the fiscal stimulus should be in the order of $25 billion. For comparison, let me remind you that the tax cut of $11 billion in 1964 would be equivalent to $26 billion in today's economy. This much stimulation is needed to stop the downslide in our economy and to start it moving up again. The resulting increase in the government's deficit, moreover, would help to offset the deflationary effect of the forced savings of $25 billion or more resulting from high oil prices. And if a petroleum tax is imposed, the resulting higher cost to consumers at a minimum would have to be offset by a larger tax cut than the one I will shortly propose. If, for example, a $3 per barrel tax is imposed, the amount of the tax cut might have to be increased by about $18 billion.

This Committee has in years past advocated a number of antirecession measures, but I suggest that they be carefully reviewed to make sure they do not compound future inflation. Extended unemployment compensation and federal welfare payments—programs which CED has supported—can minimize the human costs of a recession without excessively aggravating inflation, *providing* these "safety nets" do not become an alibi for prolonged deviations from high employment. If they do, they will only undermine productivity and thus weaken the fight against inflation.

Sometime ago CED recommended a program of public service employment as an anti-recession measure. The idea has caught on under decidedly different conditions. Our earlier endorsement did not contemplate an economy plagued by a combined recession and double-digit inflation.

Congress has recently appropriated large sums to provide the unemployed with public jobs. Expansion of public employment in areas burdened with high unemployment, activates a key anti-recession strategy.

In light of the current inflation, this anti-recession strategy could backfire if it merely supplements public service salaries and produces little, if any, net addition to available jobs.

An examination of the evolving uses of these funds in cities like New York, Chicago and Los Angeles discloses the dangers of more inflationary pressures, the local problems in securing needed local costs, and the inability to utilize the employment to meet local priority needs. In short, public service employment is not easily organized when it must filter through state and local governments which in some instances are badly disorganized, and poorly equipped to accommodate such a program. And it can have an adverse effect on government productivity. Perhaps greater care would suggest that federal projects that do not conflict with continuing functions of state and local governments should get greater consideration.

Now I speak of wages and prices. CED has in the past taken the position (quite unorthodox for a business group at the time) that some continuing direct governmental concern with significant wage and price decisions must play a role in the nation's overall stabilization strategy. I believe that principle continues to make sense. But when the government explores the various means of putting that principle into practice, it runs into all kinds of trouble, particularly when we face the double-trouble of inflation and recession.

Let's look at some facts. Recent wage increases have been averaging three or four times the three percent level that represents the long-term growth in productivity. Even so, the average worker rang out the old year with a net drop of nearly 3 percent in what an hour of his work would buy.

The desirability of a tax cut to break the momentum of the wage-price spiral is self-evident. Higher and higher wage settlements are simply not an answer. They merely push prices higher and further erode the real income of wage earners.

To compensate lower and middle income groups for the erosion of their buying power, I support a reduction of taxes on the first $15,000 a year of income sufficient to offset the amount by which real hourly wages seem to have declined in the last year—3 percent. This would amount to about $20 billion and would require a reduction in personal income tax liabilities of about 15 percent, and, of course, much more than that on lower incomes. Such action would release additional purchasing power while reducing pressures for another inflationary bulge in wages. With appropriate restraints this is a weapon well-suited for fighting on two fronts: inflation and recession.

Now I want to suggest the kind of restraints to accompany the tax cut which would make it effective in the two-front attack. That suggestion is that the Congress, the representative of all the people, should include in the legislation an explicit declaration of intent that the tax cut is being made as part of a social compact among business, labor and government to restrain future inflation. For labor, the compact calls for limiting wage increases, whether in existing contracts or otherwise, to an additional 4 percent. This proposal, if followed, would mean an increase of 7 percent in take-home pay and would virtually eliminate the wage push. If wage increases on average exceed the guideline, the tax reduction could be progressively reduced and in fact could be framed with such automatic reduction built in.

If labor and government are expected to produce a "social compact" on wages, business should do no less on prices. Sellers, large and small, should dehydrate their prices. Business should remove from prices the water that was pumped in to float the next round of price control. But this should be done in exchange for a guarantee that price controls will not be reimposed.

Now, some may think that such a compact is unrealistic, but I believe that the problems we face are so extraordinary that tough goals must be set for the country if we are to win this two-front war.

Government can reinforce the compact by taking appropriate measures in the international area. I believe that exchange rate policy and trade can play a critical role in fighting inflation, now and in years to come. An upward revaluation of the dollar can reduce prices on imported goods. Selective upvaluation can improve raw materials supplies and lower their costs. Trade policy can anticipate tariff negotiations by a unilateral reduction of tariffs to ease their inflationary impact. Selective export restrictions, if they can be managed without harming regular customers, can moderate food and commodity price increases.

Finally, an effective economic stabilization compact calls for coordinated action by the Executive Branch and the Congress.

There is no absence of advisory and policy making bodies in government. At the Executive level there are, to name a few, the Council of Economic Advisers, the Domestic Council, the Council on Wage and Price Stability, the Productivity Commission, and the newly created Economic Policy Council.

At the Congressional level there are, among others, the Joint Economic Committee, the Senate Finance Committee, the House Ways and Means Committee, and the new House and Senate Budget Committees.

I have no quarrel with the value of these bodies as institutions dedicated to strengthening our economic system. Several of them, in fact, were first dreamed of in CED. I have served in government in several capacities and I know its "agony and ecstasy." I remain cynical about the ability of these institutions to appreciate their awesome responsibilities for policy formulation and action, and about their authority and competence to perform their functions in the absence of clear goals and constructive and determined top leadership.

As Will Rogers used to say, "I never tell jokes. I just watch the government and report the facts." Government must instill great confidence that the formulation and management of economic policy in the country is in safe hands.

In sum total, what I have been talking about is simply this. To put the economy again on a healthy upward course, we need a strong fiscal and monetary stimulus. And let's not be intimidated by seemingly large numbers for budget deficits or monetary growth in the near-term. In today's trillion-four-hundred-billion dollar economy a fiscal stimulus of $25 billion is not an awesome amount. To do too little too late will cost the country much more and will only delay the recovery which will eliminate the deficit.

Our biggest worry is psychological. Continuing failure to resolve our economic dilemma becomes a self-fulfilling prophecy, and in the end our confidence is badly shaken. This fact is graphically reflected in consumer sentiment. The figures show that consumer confidence is at its lowest point in almost a quarter of a century. Nor is the search for confidence aided by official statements that we will be in the trough of this recession or at the height of this inflation for a given period of time. Of course, the people are entitled to the truth, and it is reassuring to see that truth is not the rare commodity we thought it was. But opinion is not necessarily truth. If you ask the people to WIN they should not be denied hopes that they are a part of a winning team.

This is the time to emphasize positive measures that are being taken to cure the illness, rather than the expected duration of the malady. What we need are clear statements of action taken—not official estimates of what will happen down the road. No one can be certain of the speed or duration of an economic tailspin. Nor will any single deed reverse it. A wide range of actions—small and great—must be taken. And it is this fact that must be emphasized rather than periodic gloomy predictions.

I finally read and completed Michener's "Centennial"—the story that goes back 2 million years to lay a foundation to celebrate the Centennial of Colorado. It is the exciting saga of the opening of the West. In those much simpler days change was very harsh and physical. In our more sophisticated economy and society which places its emphasis on celebration the rule of life is still the same. One passage puts these cogent words in the mouth of a thinking rancher:

"The character of a society depends more more upon what men think of themselves than upon what they really are."

They conquered the wilderness, the cruelty of weather and the struggle of conflicting races because they believed in themselves. We can do no less as descendants. Above all, we must believe in ourselves, in the enormous strength of the most powerful economy in the world and in the essential devotion and goodness of the American people.

We need positive steps to restore consumer confidence. We need a bold and decisive policy on energy and raw materials. We need measures to relieve the agonies of massive unemployment, and the economic and social dislocations caused by double digit inflation. We need to restore productivity and the will to work in the country. We need to end the despair about the competence of government—and of business and of labor—to test and generate new ideas, and to foster public understanding of their meaning.

I urge the CED Research and Policy Committee and its subcommittees to consider the issues and alternatives carefully and creatively. We have undertaken a complex and challenging job, but it is a job that must be done. At stake is nothing less than the strength and well-being of our nation.

We need not fear change—we should embrace it and use it to our needs. As a great philosopher said:

"To exist is to change; to change is to mature; to mature is to reconstitute one's self."

Nations are people; they exist, change and mature. Now with maturity, the challenge and opportunity is to reconstitute ourselves and to build on the greatness of our society.

THOMAS HART BENTON—PAINTER, SCULPTOR, RACONTEUR, AND AUTHOR

Mr. SYMINGTON. Mr. President, this past Sunday Thomas Hart Benton, a great American and proud Missourian, passed away from the life and family he loved and enriched so much.

Tom Benton, my friend, was a great artist and a colorful man. Ever true to himself and his art, Tom Benton painted, sculpted and wrote of the America he knew from history and from his own time, a rugged, wild and free land of pioneers and of hard-working and hard-playing people.

We in Missouri are fortunate and proud to have known this outstanding man and artist. Missouri and American heritage is richer for his long and full life.

His words, as recorded in the following editorial in the Kansas City Times, were often as strong as his art. Mr. President, I ask unanimous consent that the editorial, "The Full and Productive Life of Thomas Hart Benton," eulogies by his friends Lyman Field and Randall S. Jessee and one additional article from the Times be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Kansas City Times, Jan. 21, 1975]

The Full and Productive Life of Thomas Hart Benton

Thomas Hart Benton once said of John Steuart Curry, Grant Wood and himself:

Together we stood for things which most artists do not much believe in. We stood for an art whose forms and meanings would have direct and easily comprehended relevance to the American culture of which we were by blood and daily life a part. . . . We did not believe this stand separated us from the world family of artists. . . . We hoped to build our "universals" out of the particularities of our own times and our own places, out of the substances of our actual lives as most of the great artists of the world's past have done. . . .

As an artist, Tom Benton did what he had to do, deferring not at all to contemporary critics (who often are wrong), public taste (which is mercurial), or the sensibilities of institutions or politicians (in or out of the art world). He was, first, last and always, *himself*. If that self was sometimes caustic, occasionally rambunctious and often of a purposeful nature, short on routine amenities to strangers, that was too bad. He had things to do. A few years ago, in the last edition of "An Artist in America," he wrote:

I now know there is no such thing as failure in the pursuit of art. Merely to survive in that pursuit is a success. Pictures may fail to please, movements may fail to survive, but the artist has his rewards anyhow . . . The rewards of art, for the artist himself, are concomitants of its practice. They lie in the life-heightening acuteness of his everyday occupational experiences. The only way an artist can personally fail is to quit work.

The world knows Tom Benton primarily as a muralist. His great scenes in the Missouri Capitol, the Truman Library, Joplin and elsewhere have made him one of the most viewed artists of our age. Yet there are many who admire his portraits—especially those of his children— and still others who prefer the lithographs and simpler drawings to the swirling landscapes and vibrant colors of the larger works.

His murals and paintings brought a life of zest and controversy. The murals in Jefferson City raised various storms, and he was asked once by a heckler whether or not he was proud of Missouri. Benton replied that he was not necessarily proud of Missouri but that he certainly was interested in it. The man, wrote Benton (in the 1930's), could not understand, "any more than could my Communist friends in New York, that I did not believe in patterns of words . . . Like the New York radicals, he saw my kind of realism as cynicism . . . There are die-hards from the young Communists' nests in St. Louis . . . to the strongholds of Missouri conservatism who still maintain that because I painted no 'idealisms' my work is a disgrace."

He left New York in 1935 with a blast at what he considered the undue influence of homosexuals in art circles, but played no geographic favorites, for he later said that "the same damned bores you find in the penthouses and studios of Greenwich Village hang onto the skirts of art in the Middle West." In a great ruckus at the Kansas City Art Institute he was fired as head of the painting department principally (he believed) because he had remarked that museums were graveyards run by precious ninnies and that he would "rather exhibit my pictures in whorehouses and saloons where normal people would see them." This was the period when the great nude "Persephone" was on view in Billy Rose's Diamond Horseshoe nightclub. Now she can be seen at the Nelson Gallery.

Tom Benton's own words spoke best for him. What he saw in life and history and society is in his books as well as in the paintings, sculpture and drawings he left behind. Entirely aside from his art was the magnetic character that treasured friendships with a fierce loyalty. His nature was to value truth for the sake of truth, and that was reflected in his art which was his life.

[From the Kansas City Times, Jan. 20, 1975]

Thomas Hart Benton, 85, Dies; Era of American Painting Ends

Thomas Hart Benton, one of America's foremost artists and one of Kansas City's best known residents, died last night.

Benton, 85 years old, was taken by ambulance to Menorah Medical Center, where he was pronounced dead at 10 p.m.

A close friend said the artist's wife, Mrs. Rita Benton, told him her husband had just yesterday completed a large mural commissioned by the Country Music Foundation in Nashville, Tenn.

He finished the painting, she said, and they had dinner at the home at 3616 Belleview which they have owned since 1939. Benton returned to his studio in a carriage house behind the main house, as he often did when he had completed a painting, she said.

Mrs. Benton found her husband on the floor in the studio. He apparently had fallen from a chair. Friends called for an ambulance.

The country music mural was begun last spring with sketches, shortly after the artist's 85th birthday anniversary, April 15. He said then it would be his last mural, but in 1961 he had said he was painting his last mural for the Truman Library. And a few years later, he painted another last mural in Joplin.

"You can't retire from life," the artist said 10 years ago. "You can't retire like, I suppose, a man would retire from business, or a job. It is life to me. What the hell else would I do?"

Sketches for the country western mural were strong and vigorous, like Benton. He was nearly as well known for his outspoken ways and sometimes irascible behavior as for his art.

He received him name from his great uncle, the Missouri senator. His father, Maccenas E. Benton, served in the Confederate army and after the Civil War became a representative in Congress. He was dubbed its profanest member.

Benton's Aunt Jessie married John C. Fremont, the explorer. Benton's was an exceptional Missouri family. Except for the years he spent in Washington with his family, Benton spent his youth in the unrefined atmosphere of his native Neosho and later in Joplin, both rough Missouri Ozark mining towns.

With John Steuart Curry and Grant Wood, Benton completed the three painters of regional realism in the America of the 1930s.

A job working with the Joplin American as a cartoonist launched Benton's career. He made a deal with his family soon thereafter: He gave up the job and promised he would finish high school at a military academy if his family would permit him to attend art school in Chicago.

He lasted at the military school less than 6 months and went to Chicago on his own. In 1908 at the age of 19 he left for Paris. "I wallowed in every cockeyed 'ism' that came along," he said later of those years.

In his three years in Paris, he learned and used the impressionistic styles he later scorned often and publicly, returned to the United States, returning to New York where he lived for 23 years.

Experience as a draftsman during World War I began a change in his career. "I left the art-for-art's sake world in which I had hitherto lived," he said of that time.

While teaching at Chelsea Neighborhood Association in New York he met Rita Piaconta, a student, who became his wife.

In the 1920s he painted his first murals. In 1932 he painted murals for the Whitney Museum of Modern Art library. They were received with what was becoming a familiar pattern: Storms of praise and criticism.

In 1932 he completed a mural for the state of Indiana; 12 feet tall and 200 feet long. It was exhibited at the Chicago World's Fair.

In 1935 he received a commission to do his famous mural in the Missouri House lounge in Jefferson City. He also was asked to head the painting department at the Kansas City Art Institute.

A Missourian who had attempted to settle in Kansas City on his return from Paris but found New York more stimulating, Benton seized a chance to return to his native state. He had maintained his residence here ever since and also maintained a summer home at Martha's Vineyard on the East Coast.

Of the Missouri mural, depicting corrupt politicians and barroom brawls as well as railroads and rural life, he said: "It eventually came to please, or at least interest, most Missourians, and remains on the capitol wall."

In 1941 and after several years of bickering, Benton was fired from his post at the art institute. One director professed to have been shocked by passages in Benton's book, "An Artist in America."

He did not appear to be upset by the action, and when asked afterward how he would rate Kansas City as a cultural center, he commented with unusual subtlety, "I don't know, I haven't been fired in any other city."

He continued to paint major murals around the country. In 1957 he painted a mural representing the discovery of the St. Lawrence River by Jacques Cartier.

At the age of 71 he tackled another major effort, and in the process began a friendship with another famous resident: Harry S. Truman.

The mural, titled "Independence and the Opening of the West," dominates the lobby of the Truman Library. The former president oversaw the work. The two men became close friends.

Benton finished a portrait of a pensive former President, surrounded by books at an easy chair, shortly before Truman's death two years ago. Of Benton, Truman said: "He's the best damned painter in America."

The Benton home has become known for its casual atmosphere. A visitor recalled there always has been "a continuous flow of friends, neighbors, dogs, artists and admirers."

Benton resisted age. "I can't drink as much as I used to," he said last fall. "It makes me go to sleep.

"You have to give up a lot of things when you grow old," he told a magazine writer. "But that doesn't mean you have to give up everything. So many of my friends have given up. They get attached to their comforts or they get attached to their miseries.

"I've had to form a whole new circle of friends, people 20 to 25 years younger than me. Of course, once you're past 60 or thereabouts, you notice people's attitude toward you changes."

For the artist, he said, "Life is always rich. There is always something around the next bend in the river."

Last fall Benton walked through a retrospective of his work at the Nelson Gallery and reminisced and answered questions for his audience.

A woman asked him to talk a little about his still lifes.

"What's there to say about a still life?" he said.

Most of his paintings, like his personality, were vigorous. "The diesel engine," he said last fall, "is more efficient but not nearly as visual as the steam locomotive. With the steam locomotive you could see the pistons, the workings.

"Paint a picture of a diesel and you paint a box."

When the artist's work lost popularity in the 1950s and 1960s, he said he never worried about fame. "I just happened to live long enough to see fame again, and now I'm getting a chance to make some of the money that the dealers usually make after an artist is dead," he said.

"But then I wouldn't want to be so rich I spent all my time taking care of my riches. And I'm not fitted to be an international artist. My work is too American. I'm not really in things today, but I'm a side issue of some consequence."

He received both honors and money for his work. He always said, however, that the best way to honor an artist was to put him to work.

"You've got to do something. You can't just quit working," he said last April. "I actually think I'm painting better now than ever before. If I have anything to say at all it is not to break relations with the common, everyday world. Get out with the average man."

On another occasion he said: "I prefer creek bank and barracks society to higher varieties, where there are likely to be too many overcultivated attitudes for my taste."

Yet his own range of acquaintances, spanning a career spanning six decades, included John Marin, Jack Epstein, Diego Rivera, Stanton MacDonald Wright, Max Eastman, John Sloan, Clemente Orozco, John Steuart Curry and Grant Wood.

Some have said Benton's writings will one day become as well known as his paintings. He said once, commenting on increasing public interest in the arts, "It is as if our mechanistic world with its ever more strict disciplining of behavior were beginning to wear on the soul and people were seeking escape."

And, in "An Artist in America," he said, "When I sit above the waters of the Missouri, I feel they belong to me, and I to them."

In addition to his wife, Benton leaves a son and daughter, Thomas P. Benton of Boston and Jessie P. Lyman of Los Angeles and three grandchildren.

A Eulogy by Randall S. Jessee

I was a friend of Tom Benton's.

Hundreds across America and around this earth are proud to be so designated.

I speak for all of us this afternoon.

We are the friends who shared with him campfires, rushing rivers, cold sea mists, sun filled beaches, ocean spray, the chill of mountain torrents, the rivers and land of America and its people.

We also shared the bread and wine with him.

In short . . . we are those who knew and loved Tom Benton.

Aside from his family we are the people who will miss him most . . . except for the children.

Tom had a great and wonderful love and affinity with children.

Why? Perhaps because in the man there was the trace of a child, the great loyalties of childhood, the eternal expectation of the young, the miracle of growth of which he was so aware.

Today the children and his other friends do not say goodbye to a great artist . . . . Do not say goodbye to a great raconteur and author . . . . Do not say goodbye to a great historian.

All of us, each and every one, . . . say "Au Revoir," to a friend.

"Goodnight—Sweet Prince."

Thomas Hart Benton, 1889–1975

(A eulogy by Lyman Field)

"The poets say there is no occupation so good for your soul as the contemplation of nature. I agree. However, its benefits are heightened, intensified and expanded when you at the same time try to record your findings with images. The landscape painter who contemplates a natural scene and works at painting it has his soul doubly benefited. To the passive good of contemplation he adds the active good of creation. While under the spell of this twofold good, he is likely to be the happiest of men. This was my case during the late summer and autumn of 1910."

Thus, from the unpublished recent writings of our friend who continued to be the "happiest of men" even up to the very hour of his death last Sunday.

Not that he ever smugly proclaimed such happiness from the housetops. That was not his way. He took life as he found it. But he deeply believed: In the time of your life, live! And this he did in such full measure, that all things he touched, and the legions of persons who came within his sphere, were warmed and enriched by the way he lived his life.

Not that Tom Benton was any saint. That wonderful mane of hair, still framing the weathered leonine face up to the very end, was no halo.

He had a mantle of greatness, however, because fame came to him early and late, but he wore it simply, as a plain and sometimes prickly garment, which was never starchy.

His life span encompassed one tenth of the last century, three fourths of this: 1889 to 1975—over 85 years.

He lived and worked with great vigor and purpose right up to the very end, with his hands, his mind and his heart.

There was a lot of Ulysses in Tom Benton, as a solitary wanderer and with companions; but for all his wonderful travels in Italy, France, faraway islands, Mexico, most of the United States, the oceans, the rivers and streams, the great prairies and mountains of the American west, his home, his hearth, his table and his studio, both in Missouri and Martha's Vineyard, and his beloved Rita, held the deepest meanings for him.

He was as at home with the writings of St. Augustine, Thomas Aquinas and The Arabian Nights, as he was with the works, in the original French, of Hugo, Balzac and Baudelaire. He enjoyed the works of scientists, scholars, philosophers and poets. He was as remarkably informed and interested in his own times as he was in the history of the past. He was as at home in ancient Greece and the Italian Renaissance as he was in contemporary America.

He respected his elders, in his own fashion, quarrelled with his contemporaries, and admired the young. Indeed, he venerated the young people of today, almost as much as they loved him, holding to the strong optimism, in a pessimistic world, that the youth of today would be our society's salvation.

He loved his work, his wife, his family, his friends, his fellowman, his state and his country.

A few years ago the distinguished Missouri editor, Robert M. White, wrote:

"They're honoring Tom Benton again.

"They should.

"Everybody should.

"Tom, well, let's call him by all of it, Thomas Hart Benton is one of Missouri's great claims to fame.

"He ranks along with people like Mark Twain and Harry Truman and General Pershing and General Bradley. He ranks along with Eugene Field and T. S. Eliot and Senator Thomas Hart Benton and George Washington Carver . . .

"Tom Benton, who is now over 80, is right in there with those folks.

"Nobody paints better.

"And as long as art is appreciated—which is as long as man doesn't sink back into the swamp—Tom Benton's work will be honoring his state."

Yesterday that same editor wrote:

"Tom Benton died Sunday.

"But he will live on.

"Probably for generations.

"He was that great.

"Not that you would have noticed it if you passed him on the street.

"You probably wouldn't have noticed him at all. He was short and always a little mussed—comfortably so—and his bones stuck out and his face was lined. He walked a little bent. You probably wouldn't have noticed him. Not unless you looked at his eyes. You would have noticed them—dark, keen, almost afire with interest in everything around him.

"Tom noticed everything around him (you instinctively called him Tom because he was so much himself. No airs, no phoney baloney).

"Artists do that—they see more than the rest of us.

"And Tom saw a lot.

"He saw his America and his native Missouri, and in seeing it, he didn't just see the skin covering it. No, sir, not Tom. He looked deep down into the guts of this land he loved. And its people.

"And then he did his thing.

"His thing was to capture what he saw on canvas.

"And to do it honestly.

"He painted like he talked. Straight—straight from the shoulder.

"So now he's dead.

"But just his body.

"For his honesty, and his love for his fellow man, and for his country, will go on living on his canvases, and in the minds and hearts of those who knew him, for generations."

Tom Benton was no eccentric. But he had some wonderfully human eccentricities—his very own particular and peculiar characteristics which in the composite so exemplified the salt and flavor of his humanness and so endeared him to all who knew him. His walk—the rolling, slightly unsteady gait of the sailor home from the sea trying to shake the sea legs of a long voyage. The accompanying cane, which he loved to call his stick. His beret which he wore as only a Basque could wear it. The way he cocked his little finger as he sipped his bourbon, or savored a glass of wine. His delight in cognac as "the moment of truth". His intense interest in the configuration of a flower, a sea shell, the fretted intricacies under a magnifying glass of moss growing on a stone wall, the shape of a Morrel mushroom. The very spin of the huge planet earth intrigued him, in producing as it does the wonder of sunrise and sunset. He even marveled at the tilt of the earth on its mighty axis, producing, as it does, the seasons which he loved. His awe and wonder often traveled to the moon, and the sun, and other planets and to the stars beyond.

He disdained, without malice, high society which he regarded as "froth on a glass of beer", but he deeply loved what he called "the solid underneath layer" of common folk and his fellowman. And, through his remarkable genius, he portrayed for all of us, these images on wondrous canvases, and in figures of clay and bronze.

His power playing proclivities were inevitably clothed with pitifully transparent protestations of an ignorance of the rules of the game with which he vainly sought to cover his avarice—and yet by the time this threadbare guile was discovered he was already raking in the pots. But, win or lose, the companionship meant far more than the cards.

His wit and humor was always quick, sharp, salty but friendly. If the word chuckle had not been invented, it certainly would have been, to describe Tom Benton's own, and so frequent, expressions of mirth and merriment. And though, among his intimates, he dearly loved to poke fun at others in friendly fashion, his greatest enjoyment here was in poking fun at himself,

He was a great caster of spells. He did this almost always unconsciously, though on a few occasions he seemed to have some recognition of his remarkable powers in the enchantment of others. Only a very, very few people that he ever met failed to come under his spell—and most everyone was always warmed and captured. And then on each subsequent meeting, in curious fashion, the enchantment only increased. The enchantment was no respecter of persons and it ranged from little children to his celebrated friend, the late President Harry S. Truman.

He had many, many blessings beside his gifts of the artistic, of the mind, and of friendship. Perhaps his greatest blessing was his beloved wife Rita, who so faithfully fueled and tended the fires of his genius, and his life.

Tom Benton did not fear death. The prospect of death only filled him with sadness that life, which he loved so much to live, would for him, end.

In his autobiography "An Artist in America," Tom Benton wrote:

"These rivers of Missouri are often very beautiful. Many of them have their sources in immense hill springs which pour out of the limestone bluffs at the rate of thousands of gallons a minute. The water runs cold and clear for a while but is eventually muddied by tributaries from the lowlands. Muddy or not, the rivers have charm. Great sycamores hang over their banks and in the summer when the current moves slowly these are duplicated in the stream below. On one side or another of the rivers, outcropping white bluffs hang, and break the monotony of tree branch and foliage. To get in a skiff and row out in the middle of one of these rivers on a summer night when the moon is full is to find all the spirit of Spenser and his 'faery lands forlorn.' Missouri's summer moon is big and white and cuts out vivid and clear edges, but this only intensifies the somber interior depths of the tree shadows and adds an air of impenetrable and silent mystery to them. There is over these summer night waters and on the shadowed lands that border them an ineffable peace, an immense quiet, which puts all ambitious effort back in its futile place and makes of a simple drift of sense and feeling an ultimate and proper end of life."

And at the end of the 3rd Revised Edition he wrote:

"There is a high rugged bluff above the Missouri River a few miles from Kansas City. I drive out when I get bored and sit on that bluff. The river makes a great curve in the valley below and you can see for miles up and down the running yellow water. Although I was born and raised in the hill country of southwest Missouri, the great river valley appeals to me. I feel very much at home looking down upon it. Either I am just a slobbery sentimentalist or there is something to this stuff about your native land, for when I sit above the waters of the Missouri, I feel they belong to me and I to them.

"I feel I belong all over my state. There is about the Missouri landscape something intimate and known to me. When I drive around the curve of a country road, I seem to know what is going to be there, what the creek beds and the sycamores and walnuts lining them will look like, and what the color of the bluffs will be."

Another great American artist, the poet William Cullan Bryant, in an age long past, and in words that have now become part of the American language itself, suggested that when "the inevitable summons comes" a man should ideally go "as one who wraps the draperies of his couch about him and lies down to pleasant dreams."

Last Sunday evening, Tom Benton, in his 86th year, was seated before yet another wonderful mural, just completed by him, contemplating his creation when, according to the assurance of his trusted physician and long time friend, his great heart simply stopped beating and without pain.

RETIRED SENIOR VOLUNTEER PROGRAM

Mr. HARRY F. BYRD, JR. Mr. President, I read with interest and pleasure a recent article concerning a volunteer project in the Newport News, Va., area sponsored in part by the local Kiwanis Clubs.

RSVP—the Retired Senior Volunteer Program—numbers over 150 senior citizens among its participants. RSVP provides these Newport News area retired citizens an opportunity for meaningful and active service to people in nursing homes, veterans hospitals, mental retardation centers, migrant camps and other community service areas.

Dr. Addison M. Duval, a 72-year-old retired psychiatrist, is chairman of the RSVP Advisory Committee and a prime factor in the program's success. I commend Dr. Duval and the Newport News area Kiwanis Clubs for this exemplary project.

So that my colleagues can know of this fine project, I ask unanimous consent that this article which appeared in the recent issue of Kiwanis magazine be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Kiwanis magazine, December 1974/January 1975]

Kiwanis Clubs Say Yes to RSVP

(By S. Dean Olson)

Filomina Ramirez is in her seventies, a recent immigrant from Puerto Rico who lives with her daughter in Newport News, Virginia. A year ago she was depressed, withdrawn, and isolated. She had no friends and spoke English with some difficulty. She eventually became so lonely and out of touch with life that even the lively sounds of her grandchildren in the house irritated her.

Ernest Belanger is in his sixties, a retired superintendent of an aircraft factory. A year ago, freshly retired from a vigorous and responsible job, he experienced the cultural shock of having time on his hands. According to his wife he was climbing the walls.

Emily Mustian moved to the Newport News area from North Carolina where she had formerly been mayor of Kill Devil Hills. Like the others, she found that retirement could be a trying experience.

Mrs. Catherine Young and her daughter Anna Benton are eighty-three and sixty-three years old. They are both retired, but in their active years they had always enjoyed sound, meaningful activity.

All of these individuals—and another 150 like them—have undergone a renaissance in their outlook toward life. They are participants in the Newport News area in a program sponsored in part by the Kiwanis clubs of Capital District, Division 13. Called the Retired Senior Volunteer Program, it brings retired people back into meaningful and active service to men and women in nursing homes, veterans hospitals, mental retardation centers, and migrant camps—people that the volunteers find are often less fortunate than themselves.

The program is of immeasurable benefit to those the volunteers serve. But another benefit of RSVP is what it does for the volunteers. In view of all of those associated with RSVP, there has been a remarkable change in the volunteers' outlook on life.

"It brings new hope, new motivation, and new purpose to their lives," says Dr. Addison M. Duval, a Kiwanian for many years and himself, at seventy-two, a retired psychiatrist. "I'm convinced that volunteerism in people past fifty is one of the finest ways to keep mentally healthy and to prevent mental deterioration."

The volunteers in the program bear out Dr. Duval's belief. Mrs. Ramirez is a changed person today. She told Dr. Duval that the program had given her new reasons for living. "It was just like the sun was shining again. Now I am worth something, now I can smile again."

Ernest Belanger is doing something today that he has always secretly wanted to do. He volunteered for the program as a part-time spiritual advisor to the patients at Patrick Henry Nursing Home in Newport News. The hospital staff was so taken by his work and impressed by his dedication that he was appointed to a full-time chaplain post, akin to the missionary work he has been interested in for most of his life.

Another individual, a retired Navy captain, became involved in the program as an electronics expert. He repairs television sets and radios for Patrick Henry with equipment on loan from a local community college. His wife describes him as a "changed man" from the time he initially retired with little activity.

RSVP is full full of such heart-warming conversions. The 150 persons now in the program have joined since the program attracted its first volunteer in October 1973. RSVP now receives so many calls from those who want to participate that program personnel can leave recruiting to its enthusiastic volunteers. By the end of 1974, says staff director Mrs. Virginia Rollings, RSVP expects to have two hundred volunteers.

The volunteers work according to their individual desires and capabilities. They participate in two different sewing circles, one in Newport News and one in nearby York County, which make clothes not only for the hospital and nursing home patients but for children in the migrant camps on Virginia's eastern shore. Others volunteer for a "daily contact" service in which they regularly drop in on elderly people who live alone and fear unforeseen mishaps that may overtake them in their isolation.

In their visits to hospitals the volunteers read to the patients, feed them, comb their hair, and perform a number of personal serices, perhaps the most important of which is simply visiting with them. Before the volunteers arrived, many of the patients had no relatives or friends who came to see them.

Dr. Duval is chairman and another Kiwanian, Bill Fritz, former president of the Warwick club in the Newport News area, is a member of the eleven-person Advisory Committee to RSVP. Dr. Duval provided the initial Kiwanis contact with the program, and Andrew Bachmann, lieutenant governor for Division 13 and a member of the Warwick club, credits him with being the driving force behind Kiwanis involvement. "He's been the missionary," says Bachmann. "He's done everything. He's provided the enthusiasm."

The advisory committee meets six times a year to give direction to the program. The eleven-member committee represents a cross section of the community, according to Dr. Duval, who is in his second year as chairman. Other members of the committee include a retired school principal, the director of the local Jewish Community Center, a social services director, a retired businessman, and four participants in RSVP who provide their special insights into the program.

In its meetings the committee discusses future development of the program and offers suggestions and counsel to the director on specific problems such as transportation, budget, recruitment, and ways of providing meals for the volunteers. Often the members of the committee donate their own time to the resolution of problems where they have particular expertise.

The committee works closely with Mrs. Rollings, who as staff director is a full-time salaried employee in charge of the day to day operation of RSVP with a full-time secretary and field assistant. In the early stages of the program Mrs. Rollings made an extensive survey of the places in the community that needed voluntary help from people over sixty. Working from the information gathered in the survey, she talks extensively with each new volunteer to learn his or her particular interests and talents, and then matches them with the appropriate "serving location," as RSVP calls it, in the community.

Dr. Duval first became interested in the program after he had retired to the Newport News area from Georgia where he had been the state's mental health director for eleven years. An outgrowth of Federal legislation passed in 1968 under the Older Americans Act, RSVP first received funding in 1971. The Newport News program was initiated in 1973 by a group of prominent citizens, known as the Local Voluntary Action Center, which filed a successful application with the government and raised the necessary matching funds.

Dr. Duval met the director of the Local Voluntary Action Center, Mrs. Elsie Meehan, in the summer of 1973 at a mental health conference in Hampton. Mrs. Meehan asked him to head up a committee to select a director and assist in getting the program rolling.

Dr. Duval not only helped select the director, Mrs. Rollings, but with her help and the help of Mrs. Meehan, talked the program up with his fellow Kiwanians in the ten clubs of Division 13. With the backing of Warwick's then-president Bill Fritz—one of the program's biggest boosters—the Warwick club made the first contribution to RSVP, a thousand dollars that went to help purchase a van to transport the volunteers. In addition the club donated several sewing machines to equip the sewing circles.

Another member of the Warwick club who added his backing was lieutenant governor Bachmann. Now sixty-two and a twenty-year member of Kiwanis with perfect attendance, Bachmann knew firsthand the pains of retirement. He had retired for two months himself but could not stand the inactivity and returned to work as an advertising executive. Bachmann joined with Bill Reed from the Hampton club, who was division chairman of the Major Emphasis Program, to endorse a unified effort by the division clubs to provide financial support for RSVP.

By coincidence, in 1973 the Kiwanis International Board had selected the goal of improving the quality of life for senior citizens as a major emphasis program. "This made the decision easy for us," said Reed. "The Internatonal program emphasized what we found in our own backyard." As a result eight of the division's clubs (Warwick, Peninsula, Denbigh, Mercury 64, York, Hampton, Newport News, Olde Towne Hampton) pledged $4000 for 1974–75 in local funds for the continuation of support from the Federal government. The $4000 is the only cash RSVP put up, although it received credit from the government for meals and other donations rendered on a voluntary basis. The total came to $8000, and the government kicked in $32,000 on a four-to-one matching basis under terms of the grant.

It is entirely appropriate that Dr. Duval should be the driving force behind the Kiwanis involvement. A graduate of the Medical College of Virginia, he served in psychiatry at St. Elizabeth's Hospital in Washington, D.C., from 1929 to 1959. In 1948 he became a charter member of the Eastern Branch Kiwanis club of Washington and served as its third president.

Dr. Duval later worked as director of mental diseases for the State of Missouri. During a brief stay in Williamsburg, Virginia, he was a member of that Kiwanis club, and in 1963 he moved to Atlanta as director of Georgia's mental health program.

Although he is seventy-two, Dr. Duval looks more like sixty. He credits his verve and health to an active retirement, a philosophy that dominates RSVP. Recently he was a special guest at an RSVP annual recognition luncheon to honor the volunteers. The volunteers wore their brightest clothes, which was symbolic of their attitude, Dr. Duval recalls. Many of them were old in years but not in outlook. Their service to RSVP, to quote Mrs. Ramirez, had given them a "new worthwhileness."

"It all goes back to the basic human need to do something for others." says Dr. Duval. "It is the giving of yourself—this is where the purpose of life gets regenerated."

PRELIMINARY 1974 REPORT ON FEDERAL ADVISORY COMMITTEES

Mr. METCALF. Mr. President, the Federal Advisory Committee Act (Public Law 92-463) went into effect 2 years ago this month. The Senate Subcommittee on Budgeting, Management, and Expenditures conducted oversight hearings on the act in the 93d Congress. We will conduct further oversight hearings in the 94th Congress. The distinguished senior Senator from Illinois (Mr. PERCY) and the distinguished senior Senator from Delaware (Mr. ROTH) cosponsored this legislation with me. We and other members of the subcommittee intend to see that the executive and legislative branches fulfill their responsibilities under this act and Office of Management and Budget guidelines, to the end that unnecessary and unjustified advisory committees are abolished, that sufficient advance notice of meetings is published, that membership on committees and subcommittees is fairly balanced, and that the meetings are open to the public, except under exemptions justified by law.

The President's third annual report on advisory committees is due no later than March 31. So that Members and the public may know as quickly as possible which advisory committees have been terminated, I asked OMB to identify those advisory committees which were abolished last year. That information was provided last week by OMB Deputy Director Paul H. O'Neill.

It shows that 353 advisory committees expired or were terminated last year. OMB's preliminary count on the number of new advisory committees chartered last year is 221. Therefore, there was a net reduction of 132 advisory committees last year.

Thus the total number of advisory committees has been reduced from 1,439 in 1973 to 1,250 in 1974 and an estimated 1,118 in 1975.

I ask unanimous consent to have printed in the RECORD Mr. O'Neill's letter and accompanying list of advisory committees which expired or were terminated last year.

There being no objection, the letter and list were ordered to be printed in the RECORD, as follows:

OFFICE OF
MANAGEMENT AND BUDGET,
Washington, D.C., January 22, 1975.
Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Enclosed, as discussed with the staff of the Subcommittee on Budgeting, Management, and Expenditures, is a preliminary listing of advisory committees which expired or were terminated during 1974 (including December 1973) or as a result of the termination provisions of Section 14(a)(1) of the Federal Advisory Committee Act (P.L. 92-463).

The list indicates 353 committees expired or were terminated. However, a substantial number were created during the year, and some that terminated may be reestablished. The President's Annual Report will contain a complete listing of established and new committees.

The staff of the Committee Management Secretariat will be glad to discuss the list with your staff, at your convenience.

Sincerely,

PAUL H. O'NEILL,
Deputy Director.

ADVISORY COMMITTEE EXPIRATIONS AND TERMINATIONS OMB COMMITTEE MANAGEMENT SECRETARIAT—JANUARY 8, 1975

(Coding: A-Agency; S-Statutory; P-Presidential).

EXECUTIVE OFFICE OF THE PRESIDENT—OFFICE OF MANAGEMENT AND BUDGET

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

COUNCIL OF ECONOMIC ADVISERS

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CW 1974 (including December 1973)—1. Advisory Committee on the Economic Role of Women—(A) August 1974.

COUNCIL ON ENVIRONMENTAL QUALITY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—1. CEQ Governor's Advisory Committee on the Environmental Impacts of Potential OCS Oil and Gas Development—(A) October 22, 1974.

FEDERAL ENERGY ADMINISTRATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973).

1. Agriculture Advisory Committee—(A) June 27, 1974.
2. Business Advisory Committee—(A) June 27, 1974.
3. Petroleum Industry Advisory Committee (Independent Sector)—(A) June 27, 1974.
4. Project Independence Advisory Committee—(A) December 11, 1974.

OFFICE OF TELECOMMUNICATIONS POLICY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

SPECIAL ACTION OFFICE OF DRUG ABUSE PREVENTION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

OFFICE OF ECONOMIC OPPORTUNITY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

DEPARTMENT OF AGRICULTURE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. Ashley National Forest Cattle Advisory Board—(A).
2. Ashley National Forest (UINTAH) Woolgrowers—(A).
3. Mills (CIBOLA National Forest) Grazing Advisory Board—(A).
4. Peach Sales Managers' Committee—(A).
5. Pear Sales Managers' Committee—(A).
6. Plum Sales Managers' Committee—(A).
7. Nectarine Shippers Advisory Committee—(A).
8. Tokay Grapes Shippers Advisory Committee—(A).
9. Tierra Amarilla Division (Carson National Forest) Grazing Advisory Board—(A).
10. Toiyabe National Forest Livestock Grazing Advisory Board, MONO Division—(A).

Other Terminations in CY 1974 (including December 1973).

1. Advisory Committee on Cooperative Work with State Departments of Agriculture—(A) April, 1974.
2. Apache National Forest Multiple Use Advisory Committee—(A) December 31, 1974.
3. Arapaho National Forest Multiple Use Advisory Committee—(A) June, 1974.
4. Bighorn National Forest Multiple Use Advisory Committee—(A) June, 1974.
5. California Regional Roads Committee—(A) October 2, 1974.
6. Carson National Forest Multiple Use Advisory Committee—(A) June, 1974.
7. Cibola National Forest Multiple Use Advisory Committee—(A) October 31, 1974.
8. Coconino National Forest Multiple Use Advisory Committee—(A) October 31, 1974.
9. Coronado National Forest Multiple Use Advisory Committee—(A) December, 1973.
10. Grand Mesa and Uncompahgre National Forests Multiple Use Advisory Committee—(A) June 1974.
11. Gunnison National Forest Multiple Use Advisory Committee—(A) June, 1974.
12. Malheur National Forest Multiple Use Advisory Committee—(A) June, 1974.
13. Monongahela National Forest Advisory Committee—(A) April, 1974.
14. National Rural Fire Defense Committee—(A) October 31, 1974.
15. Ochoco National Forest Multiple Use Advisory Committee—(A) June, 1974.
16. Okanogan National Forest Multiple Use Advisory Committee—(A) June, 1974.
17. Packers and Stockyards Livestock Committee—(A) October 2, 1974.
18. Pike National Forest Multiple Use Advisory Committee—(A) June, 1974.
19. Rice Inspection Industry Advisory Committee—(A) October 2, 1974.
20. Rio Grande National Forest Multiple Use Advisory Committee—(A) June, 1974.
21. Roosevelt National Forest Multiple Use Advisory Committee—(A) June, 1974.
22. Routt National Forest Multiple Use Advisory Committee—(A) June, 1974.
23. San Isabel National Forest Multiple Use Advisory Committee—(A) June, 1974.
24. San Juan National Forest Multiple Use Advisory Committee—(A) June, 1974.
25. Shoshone National Forest Advisory Committee—(A) June, 1974.
26. Sitgreaves National Forest Multiple Use Advisory Committee—(A) June, 1974.
27. Siuslaw National Forest Advisory Committee—(A) June, 1974.
28. Targhee National Forest Multiple Use Advisory Committee—(A) June, 1974.
29. Timber and Watershed Management Research Advisory Committee—(A) June, 1974.
30. Tonto National Forest Multiple Use Advisory Committee—(A) June, 1974.
31. Wasatch National Forest Advisory Committee—(A) October 31, 1974.
32. White River National Forest Multiple Use Advisory Committee—(A) June, 1974.
33. Willamette National Forest Advisory Committee—(A) April, 1974.

U.S. DEPARTMENT OF COMMERCE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. National Inventors Council—(A).
2. FIPS Task Group 12—(A).

3. National Business Council for Consumer Affairs (S).

4. National Industrial Pollution Control Council (S).

Other Terminations in CY 1974 (including December 1973)—None.

DEPARTMENT OF DEFENSE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. Maritime Policy, Industry Advisory Committee—(A).

2. Military Academy Planning Advisory Board (A).

3. Audit Advisory Committee, Secretary of the Navy (A).

4. DoD Hemoglobinopathy Policy Review Committee (A).

5. National Industrial Reserve Review Committee (A).

6. Special Working Group on Hardness Assurance (A).

7. Advisory Committee for National Dredging Study (A).

8. Electronics Advisory Group, U.S. Army Electronics Command (A).

9. Harry Diamond Laboratories Scientific Advsiory Committee (A).

10. Material Acquisition Review Committee (A).

11. Aircraft Structural Integrity Program Industry Advisory Committee (A).

12. U.S. Air Force Academy Fine Arts Committee (A).

Other Terminations in CY 1974 (including December 1973).

1. DOD-Industry Integrated Logistic Support Advisory Committee—(A) Jan.-July, 1974.

2. Industry Advisory Council—(A) Jan.-July, 1974.

3. Electromagnetic Reception Advisory Panel (A) Jan.-July, 1974.

4. Electronic Data Processing Advisory Panel (A) Jan.-July, 1974.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. National Advisory Health Services Council (HRA)—(A).

2. National Advisory Council on Health Research Facilities—(S).

3. National Medical Library Assistance Advisory Board—(S).

Other Terminations in CY 1974 (including December 1973).

1. Advisory Committee on Medicare Administration Contracting and Subcontracting (SSA)—(S) June 30, 1974.

2. Cancer Control Prevention and Detection Review Committee (NIH)—(A) December 12, 1974.

3. National Advisory Commission on Multiple Sclerosis—(S) NIH March 20, 1974.

4. Panel on Review of Immune Serums, Antitoxins and Antivenins (FDA)—(A) June 4, 1974.

5. Panel on Review of In Vitro Diagnostic Reagents (FDA)—(A) June 4, 1974.

6. Panel on Review of Miscellaneous Biological Products (FDA)—(A) June 4, 1974.

7. Panel on Review of Pathology Devices (FDA)—(A) December 10, 1974.

8. Panel on Anthropology—(A) December 30, 1974.

9. Panel on Economies—(A) December 30, 1974.

10. Panel on Legal Research—(A) December 30, 1974.

11. Panel on Objectives, Measurement, Evaluation and Research Methodology—(A) December 30, 1974.

12. Political Science Panel—(A) December 30, 1974.

13. Panel on Social Thought and Processes—(A) December 30, 1974.

14. Dermatology Advisory Committee (FDA)—(A) August 27, 1974.

15. Drug Experience Advisory Committee (FDA)—(A) September 19, 1974.

16. Emergency Medical Services Administrators Advisory Committee (HSA)—(A) January 15, 1974.

17. Hypertension Information and Education Advisory Committee (NIH)—(A) July 9, 1974.

18. Medical Devices Advisory Committee (FDA)—(A) July 30, 1974.

19. Medical Devices Application Committee (NIH)—(A) September 30, 1974.

20. National Advisory Drug Committee (FDA)—(A) November 15, 1974.

21. National Advisory Food Committee (FDA)—(A) November 15, 1974.

22. National Advisory Public Health Training Council (HRA)—(A) June 30, 1974.

23. National Advisory Veterinary Medicine Committee (FDA)—(A) November 15, 1974.

24. Neuropharmacology Advisory Committee (FDA)—(A) June 4, 1974.

25. Panel on Review of Antacids (FDA)—(A) Aug. 26, 1974.

26. Public Health Conference on Records and Statistics—Standing Committee (HRA)—(A) May 17, 1974.

27. Task Force on Education and Training for Minority Business Enterprise (S) Jan. 12, 1974.

28. U.S. National Committee on Vital and Health Statistics (HRA)—(A) Dec. 19, 1974.

29. Regional Medical Program Ad Hoc Review Committee—(A) Sept. 30, 1974.

30. Arthritis Ad Hoc Review Committee—(A) June 30, 1974.

31. Ultra-violet Radiation and Skin Cancer Working Group—(A) Sept. 23, 1974.

32. *National Blood Resource Program Advisory Committee. *Thrombosis Advisory Committee.

33. **Arteriosclerosis Research Center Advisory Committee **Hypertension Research Centers Advisory Committee.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Automatic Expirations Jan. 5, 1975 (under OMB Bulletin 75-2).

1. The Flood Insurance Advisory Committee—(A).

Other Terminations in FY 1974 (including December 1973)—None.

U.S. DEPARTMENT OF THE INTERIOR

Automatic Expirations Jan. 5, 1975 (under OMB Bulletin 75-2).

1. Appalachian National Scenic Trail Advisory Council—(A).

2. Coal Mine Safety Research, Advisory Committee on—(A).

3. Fire Island National Seashore Advisory Commission—(A).

4. Fisheries Center and Aquarium Advisory Board—(A).

5-57. Grazing District Advisory Boards (53 each)—(S).

58. Honokohau Study Advisory Commission—(A).

59. Indian Education for Health Committee—(A).

60. Mar-A-Largo National Historic Site Advisory Commission—(A).

61. Saint-Gaudens National Historic Site, Advisory Committee for—(A).

62. U.S. Territorial Expansion Memorial Commission—(A).

63. Visitor Facilities Advisory Commission, National—(A).

64. Wild Free-Roaming Horses and Burros, National Advisory Board for—(A).

65. Wolf Trap Farm Park Advisory Board—(A).

66. Emergency Advisory Committee for Natural Gas—(A).

68. Foreign Petroleum Supply Committee—(A).

69. Industry Advisory Committee on Coal Exports—(A).

70. OECD Petroleum Advisory Committee—(A).

71. Petroleum Security Subcommittee for Foreign Petroleum Supply Committee—(A).

Other Terminations in CY 1974 (including December 1973).

1. National Council on Indian Opportunity—(P) November 25, 1974.

DEPARTMENT OF JUSTICE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. Board of Advisers of the Federal Reformatory for Women Bureau of Prisons—(S).

Other Terminations in CY 1974 (including December 1973)—None.

DEPARTMENT OF LABOR

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. National Manpower Advisory Committee and three Subcommittees—(S).

2. Subcommittee on Professional, Scientific and Technical Manpower—(S).

3. Subcommittee on Research, Development and Evaluation—(S).

4. Subcommittee on Training—(S).

5. Great Plains States Regional Manpower Advisory Committee—(S).

6. Middle Atlantic Regional Manpower Advisory Committee—(S).

7. Mountain States Regional Manpower Advisory Committee—(S).

8. New England Regional Manpower Advisory Committee—(S).

9. North Atlantic Regional Manpower Advisory Committee—(S).

10. North Central Regional Manpower Advisory Committee—(S).

11. Pacific Northwest Regional Manpower Advisory Committee—(S).

12. Southeastern Regional Manpower Advisory Committee—(S).

13. Southwestern Regional Manpower Advisory Committee—(S).

14. Western States Regional Manpower Advisory Committee—(S).

Other Terminations in CY 1974 (including December 1973).

1. Standards Advisory Committee on Heat Stress—(A) December 1973.

DEPARTMENT OF STATE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. United States CCITT National Committee (International Telephone and Telegraph Consultative Committee),[2]—(A).

2. Study Group 1 (U.S. Government Regulatory Problems.[2]—(A).

3. Study Group 2 (World and Regional Plan Committees),[2]—(A).

4. Study Group 3 (Telegraph Operations),[2]—(A).

5. Study Group 4 (World-Wide Telephone Network),[2]—(A).

6. Study Group 5 (Data Transmission and New Data Networks),[2]—(A).

7. Advisory Panel on Academic Music [1,2]—(A).

8. Advisory Panel on DANCE [1,2]—(A).

9. Advisory Panel on DRAMA [1,2]—(A).

10. Advisory Panel on FOLK MUSIC and JAZZ [1,2]—(A).

11. Advisory Panel on MUSIC [1,2]—(A).

12. Advisory Panel on INTERNATIONAL LAW [3]—(A).

13. Advisory Committee on International Business Problems [3]—(A).

14. Advisory Committee on International Organizations [3]—(A).

15. United States CCIR National Committee (International Radio Consultative Committee) [2]—(A).

Footnotes at end of article.

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*Merged into Blood Diseases and Resources Advisory Committee on Sept. 30, 1974; net result one termination.

**Merged into Arteriosclerosis and Hypertension Advisory Committee on Sept. 30, 1974; net result one termination.

16. Study Group 1 (Spectrum Utilization—Monitoring)[2]—(A).

17. Study Group 2 (Space Research & Radioastronomy Services)[2]—(A).

18. Study Group 3 (Fixed Service at Frequencies Below about MHZ) [2]—(A).

19. Study Group 4 (Fixed Service Using Satellites)[2]—(A).

20. Study Group 5 (Propagation in nonionized Media)[2]—(A).

21. Study Group 6 (Ionospheric Propagation)[2]—(A).

22. Study Group 7 (Standard-frequency & Time-Signal Services)[2]—(A).

23. Study Group 8 (Mobile Services)[2]—(A).

24. Study Group 9 (Fixed Service Using Radio-Relay System) [2]—(A).

25. Study Group 10 (Broadcasting Service (SOUND)) [2]—(A).

26. Study Group 11 (Broadcasting Service (Television))[2]—(A).

27. Study Group CMV (CCIR/CCITT Joint Study Group on Vocabulary)[2]—(A).

28. Study Group CMIT (CCIR/CCITT Joint Study Group for Television and Sound Transmission)[2]—(A).

29. Advisory Committee on "Foreign Relations of the U.S." [2]—(A).

30. Advisory Committee of the Foreign Service Institute [2]—(A).

31. Advisory Committee on International Intellectual Property [2]—(A).

32. Advisory Committee on the Law of the Sea [2]—(A).

33. Advisory Committee on Science and Foreign Affairs [2]—(A).

34. Advisory Committee to the U.S. National Section of the Inter-American Tropical Tuna Commission [1,2]—(A).

35. Advisory Committee to U.S. Section-International North Pacific Fisheries Commission [1,2]—(A).

36. Fine Arts Committee [2]—(A).

37. Government Advisory Committee on International Book and Library Programs [2]—(A).

38. National Review Board for the Center for Cultural Technical Interchange between East and West [2]—(A).

39. NW Atlantic Fisheries Advisory Committee,[1] [2]—(A).

40. Ocean Affairs Advisory Committee [2]—(A).

41. Overseas School Advisory Council[2]—(A).

42. Secretary of State's Advisory Committee on Private International Law [2]—(A).

43. Shipping Coordinating Committee [2] —(A).

Other Terminations in CY 1974 (including December 1973)—None.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Termination in CY 1974 (including December 1973)—None.

DEPARTMENT OF TRANSPORTATION

Automatic Expirations January 1, 1975 (under OMB Bulletin 75-2).

1. Radiation Advisory Committee for Radiation Biology Aspects of the SST—(A).

2. Advisory Council on Urban Transportation—(A).

3. Speed Ground Transportation—(S).

4. Great Lakes Pilotage Advisory Committee—(A).

Other Terminations in CY 1974 (including December 1973).

1. Albuquerque Air Traffic Control Advisory Committee—(A) October 30, 1974.

2. Fort Worth Air Traffic Control Advisory Committee—(A) October 1, 1974.

3. Houston Air Traffic Control Advisory Committee—(A) October 1, 1974.

4. Kansas City Air Traffic Control Advisory Committee—(A) February 1, 1974.

5. New York Air Traffic Control Advisory Committee—(A) June 9, 1974.

6. Washington, D.C. Air Traffic Control Advisory Committee—(A) June 20, 1974.

FOOTNOTES

[1] Established after January 5, 1973 (specifically September and October 1973) but scheduled by DOS for renewal January 4, 1975.

[2] Due to nonreceipt of consulting letters, all DOS agency committees expired January 5, 1975.

[3] Designated by DOS prior to January 5, 1975 as expiring on January 5, 1975.

DEPARTMENT OF TREASURY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. Investment Securities Advisory Committee—(A).

2. Joint Committee on Coinage—(P).

3. Food Industry Wage and Salary Committee—(A).

Other Terminations in CY 1974 (including December 1973).

1. National Commission for Industrial Peace—(P) (formerly in CLC and DOL December 12, 1974).

2. Consulting Committee of Bank Economists—(A), December 1973.*

3. National Advisory Committee on Banking Policies and Practices—(A), December 1973.*

4-17. 14 Regional Advisory Committees on Banking Policies and Practices (One for each National Bank Region)—(A), December 1973.*

ACTION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973—None.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Automatic Expirations Jan. 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973).

1. Coins and Medals Advisory Panel—(A) Jan. 11, 1974.

2. Commemorations and Convocations Advisory Panel—(A) Jan. 11, 1974.

3. (Ad Hoc Special Subcommittee on Commemorations)—(A) Jan. 11, 1974.

4. Creative and Visual Arts Advisory Panel—(A) Jan. 11, 1974.

5. Festival USA Program Committee—(A) Jan. 11, 1974.

6. Heritage '76 Program Committee—(A) Jan. 11, 1974.

7. Historic Conservation Advisory Panel Jan. 11, 1974.

8. Horizons '76 Program Committee—(A) Jan. 11, 1974.

9. Horizons '76 Advisory Group—(A) Jan. 11, 1974.

10. Invitation to the World Advisory Panel—(A) Jan. 11, 1974.

11. Performing Arts Advisory Panel—(A) Jan. 11, 1974.

12. Philatelic Advisory Panel—(A) Jan. 11, 1974.

13. Publications and Research Advisory Panel—(A) Jan. 11, 1974.

ATOMIC ENERGY COMMISSION

Automatic Expirations Jan. 5, 1975 (under OMB Bulletin 75-2).

U.S. Nuclear Data Committee—(A).

Other Terminations in CY 1974 (including December 1973).

1. Advisory Committee on Plant and Nuclear Materials Security—(A) February 1974.

2. ZGS Study Committee—(A) October 1974.

3. Physics Subcommittee—(A) October 1974.

4. Management and Procedures Subcommittee—(A) October 1974.

CIVIL AERONAUTICS BOARD

Automatic Expirations Jan. 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973).

Advisory Committee for Statistical Research to the Civil Aeronautics Board, American Statistical Association—(A) Sept. 14, 1974.

CONSUMER PRODUCT SAFETY COMMISSION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973).

1. Spray Adhesives Ad Hoc Committee—(A) January, 1974.

COST OF LIVING COUNCIL

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973).

1. Food Industry Advisory Committee—(A) May 31, 1974.

2. Health Industry Advisory Committee—(A) May 31, 1974.

3. Health Industry Wage and Salary Committee—(A) June 30, 1974.

4. Labor-Management Advisory Committee (A)—July 1, 1974.

5. Nonunion Construction Advisory Committee—(A) June 30, 1974.

U.S. ENVIRONMENTAL PROTECTION AGENCY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)

1. Advisory Committee on the Revision and Application of Drinking Water Standards—(A).

2. Petrochemical Industry Advisory Committee—(A).

3. President's Air Quality Advisory Board—(S).

4. Water Pollution Control Advisory Board—(S)

5. Antimicrobial Program Advisory Committee—(A).

Other Terminations in CY 1974 (including December 1973).

1. Meteorology Advisory Committee (A)—December 23, 1974.

2. Paint and Varnish Industrial Advisory Committee—(A) September 20, 1974.

EXPORT-IMPORT BANK OF THE UNITED STATES

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

FEDERAL COMMUNICATIONS COMMISSION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

FEDERAL HOME LOAN BANK BOARD

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

FEDERAL MEDIATIONS AND CONCILIATION SERVICE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

FEDERAL POWER COMMISSION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973).

Alaska Power Survey

1. Executive Advisory Committee—(A) Dec. 31, 1974.

2. Technical Advisory Committee on Coordinated System Development and Interconnections—(A) Dec. 31, 1974.

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*Terminated December 1973 but listed in Annual Report for 1973; therefore, listed herewith as CY 74 terminations.

3. Technical Advisory Committee on Economic Analysis and Load Projection—(A) Dec. 31, 1974.

4. Technical Advisory Committee on Environmental Considerations and Consumer Affairs—(A) Dec. 31, 1974.

5. Technical Advisory Committee on Resources and Electric Power Generation—(A) Dec. 31, 1974.

National Gas Survey

The task forces only under the Distribution Technical Advisory Committee:

6. Task Force: Facilities(A) Dec. 31, 1974.

7. Task Force: Finance—(A) Dec. 31, 1974.

8. Task Force: General—(A) Dec. 31, 1974.

9. Task Force: Regulation and Legislation—(A) Dec. 31, 1974.

The task forces only under the Supply Technical Advisory Committee:

10. Task Force: Liquefied Natural Gas—(A) December 31, 1974.

11. Task Force: Natural Gas Supply—(A) December 31, 1974.

12. Task Force: Natural Gas Technology (A) December 31, 1974.

13. Task Force: Reformer Gas (A) December 31, 1974.

14. Task Force: Regulation and Legislation (A) December 31, 1974.

15. Task Force: Synthetic Gas-Coal (A) December 31, 1974.

The task forces only under Transmission Technical Advisory Committee:

16. Task Force: Economics (A) Dec. 31, 1974.

17. Task Force: Facilities (A) Dec. 31, 1974.

18. Task Force: Operations (A) Dec. 31, 1974.

19. Task Force: Regulation and Legislation.

NATURAL POWER SURVEY

The task forces only under Technical Advisory Committee on Conservation of Energy:

20. Task Force on Environmental Aspects (A) Dec. 31, 1974.

21. Task Force on Practices and Standards (A) Dec. 31, 1974.

22. Task Force on Technical Aspects (A) Dec. 31, 1974.

The task force only under Technical Advisory Committee on Finance:

23. Task Force on Future Financial Requirements (A) Dec. 31, 1974.

The task forces only under Technical Advisory Committee on Fuels:

24. Task Force—Administration (A) Dec. 31, 1974.

25. Task Force on Environmental Considerations and Constraints (A) Dec. 31, 1974.

26. Task Force on Fuel Use Alternatives (A) Dec. 31, 1974.

27. Task Force on Utility Fuels Availability (A) Dec. 31, 1974.

28. Task Force on Utility Fuels Requirements (A) Dec. 31, 1974.

The task force only under Technical Advisory Committee on Power Supply:

29. Task Force on Forecast Review (A) Dec. 31, 1974.

The Task Forces only under Technical Advisory Committee on Research and Development.

30. Task Force on Energy Conversion Research—(A) December 31, 1974.

31. Task Force on Energy Distribution Research—(A) December 31, 1974.

32. Task Force on Energy Sources Research—(A) December 31, 1974.

33. Task Force on Energy Systems Research—(A) December 31, 1974.

34. Task Force on Environmental Research—(A) December 31, 1974.

GENERAL SERVICES ADMINISTRATION

Automatic Expiration January 5, 1975 (under OMB Bulletin 75-2).

1. Americana Committee for the National Archives (A)

2. Prologue Editorial Board—(A).

3-7. Regional Archives Advisory Councils (Regions 1, 5, 6, 8, and 10)—(A).

8. Special Advisory Committee on the Papers of American Blacks—(A).

9. Special Advisory Committee on the Papers of Notable American Women.

10. National Labor Management Manpower Policy Committee.

Other Terminations in CY 1974 (including December 1973).

1. General Services Administration Special Study Committee on the Selection of Architects and Engineers—(A) July 1974.

INTERSTATE COMMERCE COMMISSION

Automatic Expiration January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL CREDIT UNION ADMINISTRATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL ENDOWMENT FOR THE ARTS

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL MEDIATION BOARD

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—none.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL SCIENCE FOUNDATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Termination is CY 1974 (including December 1973):

1. Advisory Panel for Experimental R&D Incentives—(A) January 2, 1975*.

2. Advisory Panel for Research Management Improvement—(A) January 2, 1975*.

3. Advisory Committee for Planning and Institutional Affairs—(A) January 2, 1975*.

4. Science Information Council—(S) November 30, 1974.

RAILROAD RETIREMENT BOARD

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

SECURITIES AND EXCHANGE COMMISSION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. Advisory Committee on Model Compliance Program for Broker-Dealers—(A).

Other Terminations in CY 1974 (including December 1973)—None.

SMALL BUSINESS ADMINISTRATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

U.S. CIVIL SERVICE COMMISSION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. Employee Advisory Committee on Health Benefits—(S).

Other Terminations in CY 1974 (including December 1973).

1. The Advisory Council on Intergovernmental Personnel Policy—(P) June 30, 1974.

U.S. INFORMATION AGENCY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2).

1. English Teaching Advisory Panel—(A).

Other Terminations in CY 1974 (including December 1973)—None.

U.S. COMMISSION ON CIVIL RIGHTS

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

VETERANS ADMINISTRATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in Calender Year 1974 (including December 1973).

1. Merit Review Board for Oral Biology Programs—(A) October 1, 1974.

AD HOC ADVISORY GROUP ON PUERTO RICO

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in Calendar Year 1974 (including December 1973)—None.

ADVISORY COMMITTEE ON FEDERAL PAY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2—None.

Other Terminations in Calendar Year 1974 (including December 1973)—None.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in Calendar Year 1974 (including December 1973)—None.

CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH SPEAKING PEOPLE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in Calendar Year 1974 (including December 1973)—None.

COMMISSION ON THE ORGANIZATION OF THE GOVERNMENT FOR THE CONDUCT OF FOREIGN POLICY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in Calendar Year 1974 (including December 1973)—None.

COMMISSION ON THE REVIEW OF THE NATIONAL POLICY TOWARD GAMBLING

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS RELATING TO WIRETAPPING AND ELECTRONIC SURVEILLANCE

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

U.S. WATER RESOURCES COUNCIL

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

TENNESSEE VALLEY AUTHORITY

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

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* 1975 terminations listed under CY 1974.

Other Terminations in CY 1974 (including December 1973)—None.

SELECTIVE SERVICE SYSTEM

Automatic Expirations January 5, 1975 (under OMB Bulletin 75-2)—None.

Other Terminations in CY 1974 (including December 1973)—None.

DÉTENTE AND HUMAN RIGHTS

Mr. GARY W. HART. Mr. President, several evenings ago, I had the opportunity to hear a speech given by Mr. Valery Chalidze, author of "To Defend These Rights," an historical document which discusses the struggle to secure personal freedom in the Soviet Union. He comes to an important conclusion which I believe warrants the attention of my colleagues. In his speech, Mr. Chalidize applauds the moral support provided to the movement for human rights within the Soviet Union by Western intellectuals and some political leaders as the momentum which encourages the gradual transformation of the Soviet State into a free and open society. Such a transformation, he correctly asserts, will provide a more secure foundation for peace than pursuing a style of personal diplomacy, which is tenuous at best. I urge my colleagues to read this brief essay.

I ask unanimous consent that the text of the Valery Chalidize speech on the discussion of détente and human rights be printed in the RECORD.

There being no objection, the text of the speech was ordered to be printed in the RECORD, as follows:

DÉTENTE AND HUMAN RIGHTS

In recent years many people have expressed their hopes for détente in the relations between the Soviet Union and the United States. I have the impression that these hopes may be dampened for some time after the difficulties resulting from the ambiguities of diplomacy based only on oral exchanges. However, I hope that the process of detente will continue. And I would feel this way even if I were concerned not about the whole world situation but about a single problem only—the defense of human rights in the Soviet Union.

Many people are unhappy that the process of detente involves compromises, and compromises even with respect to the moral demands made on one's partner, but I believe that the relaxation of tensions is a constructive step toward the international protection of human rights in every country primarily because the process of working out detente is a process of discussion. And any aggravation of tensions impairs the chances for constructive peaceful discussion, including discussion of humanitarian problems.

However, no discussion, no attempt to achieve detente can prove constructive if the parties speak different languages, if one party does not understand what the other is saying. Therefore, it is vital to remember that in the Soviet Union many concepts, particularly social concepts, have an entirely different meaning than these concepts have for persons who are accustomed to and use the traditional conceptual language and value system of Western civilization.

I am speaking of this now, because my book is first of all, devoted to illustrating the idiosyncracy of Soviet conceptual language, especially with respect to law. I am speaking of a discussion of detente between parties who use different conceptual language and who have different value systems is not only unconstructive; it is dangerous.

I recall Norbert Wiener's illustration of the difficulties which await human beings in their intercourse with computers since computers may turn out to use a different system of values than human beings. Wiener told of an incident from an old English fable (I remember it roughly—a woman came into possession of a magic talisman which had the power to fulfill any wish. She was a poor woman and her wish was to receive 10 pounds. Her wish was fulfilled immediately. The postman came with the news that her son had died in battle and that she would receive ten pounds as compensation.

This is a very cruel example—our century should not prove to be that harsh, but you will remember a sufficiently cruel and recent example not taken from a fairy tale. Several nations agreed not to interfere in each other's internal affairs and not to use force in their mutual relations—I am speaking of the Warsaw Pact. Then, in 1968, it turned out that it was possible to introduce military forces into one of the member countries and change the leadership simply by terming these actions not interference in internal affairs and the use of force but instead "the rendering of fraternal assistance" and thereby making believe that the pact was not violated.

Or it is possible to ratify an international convention prohibiting forced labor and then persuade city dwellers to go to collective farms to gather the harvest under threat of having trouble made for them at work. It turns out to be no more of a problem to ratify the Convention against Discrimination in Education and then to deprive of their parental rights those Baptists who give their children a religious education. True, the Convention stipulates the right of parents to educate their children in conformity with their religious convictions, but if a parent has been deprived of his parental rights by a Soviet court, then he can be dealt with as if he were not a parent and therefore not protected by the guarantees of the Convention.

These are not isolated examples of using perversion of legal concepts. The members of the Moscow Human Rights Committee wrote in 1971: "the use of force to violate rights is now usually accompanied by the perversion of legal concepts. The longer they are exposed to the unchecked use of force, the more people's minds are affected by deliberately distorted notions of their rights." After half a century, the Soviet system for the perversion of concepts and the distortion of logic has been perfected. It is vital to study this system, this unusual language which uses distorted concepts—otherwise, mutual understanding will prove impossible.

Thus the current activity in defense of human rights in the Soviet Union of many Western intellectuals and some politicians, as well, assumes a particular significance. For in providing moral support for Soviet human rights advocates people in the West are encouraging the gradual transformation of the Soviet state into an open society, into a society with effective guarantees for freedom of information and movement. I think that such a transformation would provide a better hope for the preservation of peace than any treaties limiting the number of missiles.

Of course, the attention of Western public opinion to human rights in the Soviet Union is also important for concrete assistance to individuals who are suffering. The recent examples of the release of Silva Zalmonson and Simas Kudirka give rise to hope that the Soviet leaders are capable of manifesting humanity and good will—it is vital to encourage them to additional manifestations of such good will. Many individuals in the Soviet Union are suffering in confinement, punished because they preferred to be free. The West is not obliged to aid such victims—the West has many of its own problems. But the West will be acting wisely if it does aid these victims.

LEAA PROGRAM IS A CRIME

Mr. PROXMIRE. Mr. President, except perhaps for the present state of the economy, few things worry Americans more than crime.

We have witnessed a staggering increase in the amount of crime in America.

Property crime is on the rise. Violent crime is on the rise. Crime rates today are 16 percent higher than they were a year ago, according to the most recent FBI statistics.

To the already high crime rates in the cities is added the soaring crime rates in suburban and rural areas. The list of victims lengthens steadily. It includes even Members of this body.

People worry about their safety on the streets and the safety of their homes. Americans are being held hostage by fear—the fear of crime.

Because of these concerns, the Congress three times has passed anticrime legislation:

The Omnibus Crime Control and Safe Streets Act of 1968;

The Omnibus Crime Control Act of 1970; and

The Crime Control Act of 1973.

The intent of these laws may have been sound. But after a study of the Federal anticrime program, a review of GAO reports, and after conversations with law enforcement officials in my home State of Wisconsin, I have come to the conclusion that in 7 years, the Federal effort has done little but waste the taxpayers' money.

LEAA has shown an appalling lack of priorities, of accountability, and of results. It has concentrated on police programs and neglected other aspects of the criminal justice system; has devoted disproportionate resources to hardware at the expense of manpower training and recruiting; has funded ongoing programs in defiance of its mandate to develop new programs; has financed unproductive research and conferences; and has failed to properly analyze the effectiveness of its operations.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Title I of the 1968 act, as amended by the 1970 and 1973 acts, created a program of Federal assistance to State and local governments in fighting crime. The intent of this program was most recently stated in the declaration of purpose of the 1973 Crime Control Act:

> Congress finds that the high incidence of crime in the United States threatens the peace, security, and general welfare of the Nation and its citizens. To reduce and prevent crime and juvenile delinquency, and to insure the greater safety of the people, law enforcement and criminal justice efforts must be intensified, and made more effective at all levels of government.
>
> Congress finds further that crime is essentially a local problem that must be dealt with by state and local governments if it is to be controlled effectively.
>
> It is therefore the declared policy of the Congress to assist State and local governments in strengthening and improving law enforcement and criminal justice at every level by national assistance. It is the purpose of this title to (1) encourage states and units of general local government to develop and adopt comprehensive plans based on their evaluation of state and local problems

> of law enforcement and criminal justice; (2) authorize grants to states and units of general local government in order to improve and strengthen law enforcement and criminal justice and the development of new methods for the prevention and reduction of crime and the detection, apprehension, and rehabilitation of criminals.

To carry out these objectives, a Federal Law Enforcement Assistance Administration—LEAA—was created within the Department of Justice. LEAA was given the responsibility of distributing Federal funds to the State and local governments, coordinating the program, and carrying out various projects at the Federal level.

LEAA was first funded in the 1969 fiscal year, and through the present fiscal year nearly $4.2 billion has been appropriated for the program.

The bulk of the money has been given out as bloc grants to the States which in turn distribute funds to local units of government. There are few restrictions on the money's use and virtually no Federal control over funds after they are distributed.

And what has been the result of spending this money?

Failure. Abject failure.

Crime rates have not gone down, they have gone up. And LEAA has shown every sign of being an intolerable boondoggle.

A report by the House Committee on Government Operations in 1972 said:

> The block grant programs of LEAA have too often been characterized by inefficiency, waste, maladministration, and in some cases, corruption. They have had no visible impact on the incidence of crime in the United States. Moreover, State and local governments have not received meaningful leadership or direction from LEAA to enable them to find new ways to reduce crime and improve the operations of the system of criminal justice. In some respects the block grant programs have resulted in better coordination of criminal justice agencies and improvements in criminal justice services, but regrettably it must be said that they have achieved far less than the Congress and the public can rightfully expect considering the vast amounts of public funds which the taxpayer has provided.

The Senate Judiciary Committee's Subcommittee on Criminal Laws and Procedures said in its report on the 1973 Crime Control Act:

> In the Committee's opinion, LEAA has in the past not fully exercised the leverage provided to it by the plan approval authority to induce the state to improve the quality of planning for crime control programs. This is especially regrettable since the plan approval function is in a real sense the keystone of the Act. Some states are meeting high standards, but all too many are not.

The Lawyers' Committee for Civil Rights Under Law reported in 1972:

> Generally, LEAA has neither led the way for the states, nor held the states up to strict performance standards. This has been as true of the operation of the state planning agencies as of the quality of state programming . . . The over-all result is that the federal reform program has become a fiscal relief operation.

Finally, the comments of Attorney General William B. Saxbe in a speech last August:

> The criminal justice system continues to face major handicaps.
>
> Part of the problem rests with the federal grant-in-aid program operated by an agency in the Department of Justice—the Law Enforcement Assistance Administration . . .
>
> In its first six years, the LEAA budgets have totalled $3.2 billion—and nearly $900 million is expected for the current fiscal year.
>
> When I came to Justice, I said this money had to produce more results. I feel even more strongly about it today.
>
> In six years, LEAA has had four Administrators—and the appointment of a fifth was announced recently. During that period, there was no Administrator for nearly 18 months. Such turnover hardly enhances efficiency.

ALWAYS FOUND WANTING

The fact is that every time LEAA has been examined it has been found wanting. No microscope is necessary to discover its flaws; they would be visible through scratched glass.

In recent months, the General Accounting Office has looked at the Agency three times and has issued three critical reports.

On March 19, "GAO wanted to know if management had taken appropriate steps to find out, if possible, whether the projects had helped to prevent or reduce crime."

The answer?

> LEAA and the States have established no standards or criteria by which some indication of success or failure of similar projects can be determined.

In short, LEAA has made no effort to see how well it has spent its $4.2 billion.

On October 21, GAO again sought to determine LEAA's progress toward adequate evaluation. The report found that LEAA and the States said they would meet the evaluation requirements of the 1973 Crime Control Act—what else would they say?

> However, they have not yet defined how such evaluations are to be used in making program decisions.

Seven years, $4.2 billion, soaring crime rates, and they still "have not yet defined how such evaluations are to be used in making program decisions."

Attorney General Saxbe made a similar observation in his August speech when he said the fact that Congress was forced to write an evaluation requirement into law "is a sobering commentary on the level of Federal vision."

Most recently, on December 23, GAO reported on the failure of LEAA and the States to find adequate ways of continuing programs once Federal grants are curtailed. LEAA is intended to help launch innovative new programs, not be a source of funds for ongoing efforts.

Yet, according to a July 1974 study by the National Conference of State Criminal Justice Planning Administrators, on a national average, more than 54 percent of a State planning agency's Federal grant is committed to ongoing programs.

Further, GAO's December 23d report said:

> Neither LEAA nor the States had adequate information on the extent to which projects continued or merited evaluation.

NO SENSE OF PRIORITIES

In the absence of any firm evaluation of LEAA's programs, the only objective criteria we are left with are the crime statistics.

And the message of those statistics is clear. Except for 1972, crime rates have increased each year of LEAA's existence, and this year the rates are increasing faster than ever.

So what has been accomplished with the money?

Apparently, the police hardware industry has been booming. The sales of radios, helicopters, and riot gear have never been better. Companies even have worked the availability of LEAA funds into their sales pitches.

My own State of Wisconsin has spent $1,750,000 on radios alone, and once considered spending $8,750,000 more for that purpose.

The consulting business has done well also. There have been lots of "planning" to do, lots of useless conferences to hold, valueless research projects to undertake, and many dubious studies to perform.

The National Institute of Law Enforcement and Criminal Justice alone has received appropriations totaling nearly $156 million. This is strictly the research undertaken at the Federal level. It does not include the experimentation done by State and local governments.

The agency's appropriation for "data systems and statistical assistance" has been $86.4 million since fiscal year 1970, an incredible $71.7 million of that in the last 3 fiscal years.

Some idea of LEAA's perverse priorities can be seen in the use of $787,000 of Federal anticrime money in Dallas for a 20-month, hard-sell TV advertising campaign for crime prevention. "Don't ask for it," say the spots.

And, indeed, perhaps we ought to give ourselves the same warning, for clearly we never asked for this sort of performance by LEAA.

EXPECTATIONS NOT MET

We expected clear signs of progress in the war against crime. Instead, crime rates are worse than ever.

We expected a comprehensive action on the entire criminal justice system. Instead there has been a concentration on police, at the expense of courts, corrections, probation, and other programs.

We expected a clear determination of priorities for law enforcement. Instead there has been an emphasis on hardware at the expense of recruitment, training, and other manpower needs.

We expected that Federal money would be used to help State and local governments develop innovative approaches to dealing with crime. Instead, the program is funding ongoing programs, State and local governments are unwilling or unable to take over the programs, and there has been no analysis so far to determine if any of the programs have worked.

Finally, we were promised that the bloc grant approach would work far better than past categorical grant programs. Instead, it has been a catastrophe.

I would agree with the view that all wisdom does not reside in Washington. I might even accept the contention that 50 experiments are more likely to yield results than one.

But eventually someone has to be held accountable for the expenditure of billions of Federal dollars. Someone has to say, "No, that did not work" or "Yes, that works, maybe someone else should try it."

In the long run, moving in 50 different directions means only that we move nowhere.

The sad fact about LEAA is that it has encouraged States and local units to be more creative about winning Federal grants than about combating crime.

As Madison, Wis. Police Chief David Couper put it—

> LEAA is a game police departments play to get money from the Federal Government.

PROPOSALS FOR CHANGE

The Crime Control Act of 1973 extended the LEAA program through the 1976 fiscal year. This Congress, therefore, must determine LEAA's fate.

I have six suggestions:

First. When the Senate Judiciary Committee's Subcommittee on Criminal Laws and Procedures and the Senate Appropriations Committee's Subcommittee on State, Justice, Commerce, and the Judiciary hold their hearings on LEAA, I hope that they will go into the program's weaknesses in great detail.

LEAA should be required to make a full accounting of the success and failure of its many endeavors and to demonstrate that it has truly complied with the evaluation requirements of the Crime Control Act, of 1973.

Second. The bloc grant structure of title I of the Crime Control Act should be repealed and the structure of the Law Enforcement Assistance Act of 1965 should be restored. The 1965 act was judged to be a success and may have accomplished more with its modest budget than LEAA has done with more than 80 times as much in annual funding.

Third. The LEAA budget ought to be cut drastically and the funds either channeled into more productive criminal justice programs—strengthening Federal courts and law enforcement effort, for example—or simply returned to the taxpayers.

Fourth. Irrespective of funding level, LEAA should be barred from spending more than 40 percent of its "action grant" appropriation on police projects and should be required to spend a minimum of 25 percent of its appropriation for the court system and a minimum of 25 percent for corrections.

Fifth. There should be a clear time limit for repeat funding of ongoing projects. At the most, no single project should receive Federal funds for more than 3 years. Further, LEAA should be directed to concentrate its grants on startup and expansion costs for anticrime programs, rather than operating costs.

Sixth. No more than 10 percent of LEAA's budget should be used for research studies or experimental programs. The experimental programs which are authorized should be regarded as pilot programs of reasonably broad applicability and should be subjected to the most rigorous analysis as to their success or failure.

Further, such experiments should be conducted under Federal auspices, probably through the National Institute of Law Enforcement and Criminal Justice. Action grants to State and local governments should be confined to the implementation of programs which previously have been proven effective—in essence a "fly before you buy" policy for law enforcement.

The crime problem in America is serious and any program intended to deal with the problem must be equally serious. We do not have the time or the money to waste on LEAA's present frivolities.

FARMERS IN DESPERATE NEED OF ASSISTANCE

Mr. ALLEN. Mr. President, during the recent holidays, I traveled from one end of my home State of Alabama to the other, listening to the views of literally thousands of fellow Alabamians covering the full spectrum of issues and problems which face our country.

On January 7 in Moulton, Ala., and on January 8 in Athens, Ala., I attended public meetings with north Alabama farmers, farm-related businessmen, and representatives of private and government lending agencies to discuss our deep concern over the increasingly serious economic situation facing rural America. These meetings were open to the public and all interested citizens were invited to attend. The first day's meeting drew such an overflow crowd that it had to be moved to the county courthouse. The second day's attendance was more than 500 men and women. Represented at these meetings were farmers, bankers, feed, seed, and fertilizer dealers, farm equipment dealers, Federal farm credit and lending agencies, and State and county and local officials.

Accompanying me was Mr. James E. Thornton, a member of the professional staff of the Senate Committee on Agriculture. His knowledge and expertise were most helpful to me and to those who spoke up and made their views known and to those who attended and listened.

Mr. President, in accepting invitations to these meetings, and the on-the-farm tours which followed, I said that I wanted to hear the views of as many farmers and farm leaders as possible. Mr. President, the message from rural America is loud and clear: our farmers are in deep, trouble. Prices which they are receiving for their products are going down while the cost of producing is soaring. The credit crunch is reaching disastrous proportions in rural America. Many farmers are hard put to pay the loans they received to finance last year's crop and now they face growing uncertainties about the availability of financing for this year's crop. They are paying the highest interest rates in history. Fertilizer, farm equipment, seed everything they need is inflated in price and our farmers are not exaggerating one bit when they speak of being driven to the wall.

Mr. President, Alabama farmers, and farmers throughout America, are face to face with a financial crisis which is not of their making but which threatens their very existence.

There is no way of getting around the fact that a strong and viable agriculture is essential to the well-being of the Nation's economy. It would be impossible to relate at this time all of the views presented at these four meetings, but as representatives of the whole, I feel that my Senate colleagues will be interested in the well-developed remarks made by State Senator Albert McDonald and Mr. Billy Teague, both prominent in agricultural and commodity activities.

I ask unanimous consent that their remarks be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. Mr. President, these meetings were well covered by the Alabama news media, both local and State. The Moulton Advertiser, Alabama's oldest weekly newspaper and one of its finest, in its issue of Thursday, January 9, 1975, got to the heart of the first day's meeting in an article headlined, "Senator ALLEN Here: Farmers Ask Help." Mr. John Doty, writing for the Decatur Daily, one of Alabama's finest newspapers, caught the spirit of the January 7 meeting and accurately reflected it in his story entitled, "No Quick Help, ALLEN Tells Worried Farmers," Mrs. Pat Houtz, north Alabama correspondent for the Birmingham News, Alabama's largest newspaper, was in attendance throughout the second day's meeting in Athens, and her article, "Desperate Alabama Farmers Unload Woes on Senator ALLEN," is a cogent account of the seriousness of the farm situation in Alabama.

Mr. President, I ask unanimous consent that these three articles be printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. ALLEN. Mr. President, these meetings were invaluable to me providing firsthand information on the critical situation facing American agriculture. Alabama's farm situation is representative of that which faces farmers throughout our Nation.

Mr. President, Senator HERMAN E. TALMADGE, chairman of our Senate Committee on Agriculture and Forestry already has announced that our committee will begin holding hearings on a new 1975 Farm Act on February 3, 1975. These hearings will be held throughout that week as well as throughout the week of February 17. During the week inbetween these periods, I intend to return to my State for some additional meetings with Alabama farmers in the central and southern portions of the state.

Cotton will be taken up in our committee hearings on Monday, February 17. Peanuts, along with livestock, will be taken up in these hearings on February 19. In view of the importance of these farm commodities in Alabama, I intend to participate during both of these hearing dates, as well as other days, to the extent that my schedule will permit.

Mr. President, I wish to assure the farmers of Alabama, as well as of the Nation, that I intend to do all I can, both as a member of the Senate Committee on Agriculture and of the U.S. Senate, to help them regain economic justice in our Nation's economy. It is abundantly clear that upward adjustments will have to be made by this Congress in the 1973 farm law "target price" floor minimums and loan rate levels. And while I know we must exercise our legislative deliberations with great care and concern, we must act on these needed adjustments in our Nation's farm laws at the earliest possible date. We cannot ask farmers to take to their fields this spring and plant another crop—fence-row to fence-row—without some assurances of improved prices for their productions—both 1974 and 1975 crops.

Many of them are now receiving prices for their cotton and livestock, at a level of about one-half the cost of production. And while wheat, feed grain, and soybeans have generally been faring somewhat better than this of late, prices of these commodities in the future could fall similarly to disastrously low levels should demand for them drop precipitously, or should we get bumper harvests of them later this year.

Cotton farmers in Alabama, as well as elsewhere in the cotton growing regions of our Nation, already have given us their major signal of concern regarding the very low prices they are now receiving for their 1974 cotton crop. They have indicated, through the USDA January 22, 1975, planting intentions report, that they plan to reduce 1975 upland cotton plantings by 32 percent from last year's plantings. Some of this acreage will likely be shifted into soybeans, and grain sorghum crops.

Mr. President, my remarks are already longer than I had intended, but the crisis facing our farmers cannot be explained in a few short phrases, and I have not attempted fully to discuss them here. Let me close by saying again that it is my intention in the near future to attend other meetings with farmers in other sections of Alabama. Their problems and their views will be shared with Members of this body through my work as a member of the Senate Committee on Agriculture and Forestry where hard decisions will have to be made as we attempt to provide the right answers. The economy of our Nation cannot be normalized unless and until our farmers are dealt with fairly and promptly.

Exhibit 1

Recommendations for Congressional Action to Improve Cotton Price Situation

(By Albert McDonald, Huntsville, Ala., January 8, 1975)

1. *Urge support of Humphrey Bill or similar bill as vehicle for needed improvements in present farm legislation.* The move by the present administration to a "market oriented" cotton program has been a drastic mistake and has placed the cotton industry in Alabama in its most dire circumstance since cotton was introduced to this country. With a government policy of no floor under the price of cotton except a low loan (presently less than ½ the cost of production) the only means of obtaining a profitable price for cotton is for the commodity to be in short supply or in threat of short supply. This causes a "roller coaster" condition of short supply and adequate price to the farmer followed by a period of adequate supply and low prices. In every instance this results in eroding cotton markets. This situation is unbearable if we expect cotton to remain a viable agricultural enterprise.

2. *Establish cotton loan at a level which will insure recovery of production costs with level to be determined by a precise formula and adjusted annually for production cost trends.* Prior to legislative changes in 1970 and 1973 the CCC loan served as an orderly marketing tool, provided a means for carrying supplies at reasonable costs and aided farmers in obtaining production credit. Presently with an extremely low loan and high interest rates many farmers are forced to take whatever price, no matter how low, offered at harvest in times of adequate supply.

3. *Recommend that law be amended to allow for CCC non-recourse loans for periods as long as two years at interest rates which will encourage use of the loan.* There is some fear among farmers to use the loan in present form because of past practices of merchants to hesitate to purchase cotton from the loan because they knew it would be available through the CCC at the loan expiration date. An improvement in this situation to encourage holding cotton in the loan for extended periods will tend to keep excessive cotton off the market at times of more than adequate supply resulting in a higher price level.

4. *Establish Target price at level which will insure reasonable profit for cotton production.* Proposals which will result in a target price of 58 to 60 cents per pound with provision for increase in case of escalating costs of production would appear to be adequate for Alabama producers.

5. *Recommend Study of the Effects of CRS crop forecasting practices on price of farm commodities by an agency independent of USDA.* Many believe USDA crop forecasts tend to depress farm commodity markets and should be discontinued.

6. *Adopt legislation to require Secretary of Agriculture to set loan rate prior to crop year.* The Secretary of Agriculture has stated he has authority to lower announced loan rates for 1975 up to 1 August 1975.

7. The following administrative actions pertaining to 1974 cotton crop would be economically beneficial to cotton producers.

a. *Secretary of Agriculture to administer Disaster Payment provisions of present law according to legislative intent.*

b. *Reduction of interest rates on 1974 cotton placed in CCC loan.*

A Healthy, Viable Agricultural Economy Is Necessary for a Healthy World Economy

(By John W. (Billy) Teague, Toney, Ala., Jan. 8, 1975)

With the unemployment figure at 7.1% and rising and our economic condition moving toward a major recession if not a chaotic depression, I offer the following statement and recommendations:

1. Approximately ¼ of our population or 50 million people plus (I believe this figure to be correct) depend on Agriculture directly or indirectly for their livelihood. This includes producers, suppliers of chemicals, fertilizers, feeds seed, etc; producers of automotive products, trucks, tractors, parts, machinery, etc.; parts and service organizations, even reaching into the steel industry and to some degree the research and development portion of the population. Therefore it is absolutely essential that a healthy and viable agri-business community be maintained and indeed made stronger not only for the ¼ of the population aforementioned but for the welfare and well being of the other ¾ of the population and indeed the free world.

I believe that a recent statement (made in December as a matter of fact) by Senator Barry Goldwater is 100% correct and I quote "We face the greatest crisis in this country since World War II" unquote. In other words our very survival as a free and independent nation, able to repel aggressive intentions both economic and military, hinge on what we do about our greatest resource, that being the world envied capability of our agricultural producers and allied people in the support industry and land resources. In short our capability to produce food and fiber. The only other alternative being military intervention in the Middle East and that in my opinion is totally unrealistic at this time.

2. With unemployment at the 7.1% rate and rising, the largest block of consumers must be allowed to consume, that being the agri-business community. In order to bring this about we must:

A. Have adequate financing.

B. Incentive to produce—In my judgment, producers must be supported at a reasonable level. They must be in a position from a monetary standpoint to at least have a break-even proposition in a normal year. We producers have always and I believe will continue to take our chances with the ever present hazards of nature; hail, floods, droughts, freezes, etc. and hope to make a reasonable profit.

We must also have the continued support of our Extension Service, Land Grant Colleges, SCS and our extremely important Agricultural Stabilization and Conservation Service, which as you know is the only producer run organization operating within the limits of the laws, enacted by Congress and procedures written by the USDA.

Incidentally, speaking of the 7.1% unemployment figure and rising USDA is adding to that percentage by separating ASCS employees with as much as 15 to 20 years service in a drastic reduction in force. This does not sound reasonable at a time when the administration is proposing huge amounts (several billions of dollars in fact) to be spent hiring people simply to get them off the unemployment rolls. If ASCS is to render proper service to producers under the present farm program and hopefully a better program to be enacted by Congress, these skilled employees are vitally needed. Let me say also the present farm program is not providing adequate support for the cotton producer because the 38¢ target price is far too low and completely unrealistic due to:

A. The skyrocketing direct input and capital equipment costs.

B. The 12 month average price used for computing support payments for cotton, could cause producers in the last few months of the year to sell cotton at 30¢ or even 20¢ and still not be eligible for deficiency payments. In my judgment the average price should be determined during the months the producer normally sells the bulk of his cotton.

C. The disaster provisions of the present program is good, but should be simplified to reduce administrative costs. The cost of getting the disaster payment to the producer sometimes exceed the payment itself.

D. We must have priority insofar as essential input items are concerned—fuel, fertilizer, pesticides, herbicides, etc.

3. I feel that the present economic conditions dictate that the Congress improve and enact legislation to save Agriculture. I realize that this year's budget deficit will probably be large and probably that of next year larger but my overwhelming concern is not about domestic deficit spending but with our

international balance of payments deficit, which I feel is directly attributable to our energy imports.

I would respectfully recommend:

1. The enactment of the most stringent energy conservation program feasible, with respect to oil imports.

2. All out production of food and fiber, and I might point out that it only takes about 25% as much petrochemicals to produce a pound of natural fiber as it does to produce a pound of synthetic fiber. Therefore I feel it would be very much in the national interest to appeal to and to encourage the textile industry to utilize as much natural fiber as possible. We currently consume about 20 lbs. of natural fiber and 40 lbs. of synthetic fiber per capita.

EXPORTS

3. Use all available means: Trade Missions, Diplomatic Corps, Private and Public energys for the successful sales of our potentially enormous commodity production, even to the extent of trading with our newest (most favorable trade nation status) country.

I strongly feel and respectfully suggest that if these steps are not taken our country could fall into a major depression within an country, that we could see the dollar fall against foreign currencies so dramatically that our monetary system could be possibly ruined beyond repair and unemployment exceed (that of the great depression) 25%, and the paralyzing of our industrial complex and chaotic social conditions in our country, riots, looting, shortages, etc.

With all my being I respectfully urge every member of Congress, The President, Secretary of Agriculture and other appropriate agencies to consider my recommendations and act as promptly as possible.

Exhibit 2

[From the Moulton (Ala.) Advertiser, Jan. 9, 1975]

Senator Allen Here—Farmers Ask Help

He wanted them to talk about their farming problems.

And they did.

All morning long, beginning at 7 a.m. at a dutch-treat breakfast and continuing later at a meeting in the courthouse, then adjourning to a farm southeast of Moulton.

U.S. Senator Jim Allen came to Lawrence County Tuesday seeking first-hand information about critical farm problems. And the local farmers turned out in large numbers to share their views with him.

More than 100 persons attended the breakfast at a local restaurant, not only farmers but banking officials and representatives of various agricultural and farm lending agencies, along with city and county government officials.

Later, everyone moved to the courtroom for a question and answer session where a number of farmers had a chance to explain their problems and pose questions to the senator about the outlook for farming.

In particular they were concerned about the low price they are receiving for cotton and other farm commodities. They wanted to know what was being done in Washington to ease their situation.

Senator Allen, a member of the Senate Committee on Agriculture, said Congress needs to increase the target price of cotton and to increase the loan price. One farmer in the crowd, in response to the senator's question, said he felt farmers should be guaranteed of $.50 a pound or more for cotton he produces.

Many of them lamented about the low price received for 1974's cotton crop. Cotton is bringing about $.35 to $.37 cents a pound now, according to the senator.

Producing cotton costs the farmer more than he receives; as a result, more farmers hesitate to plant another crop without some assurance of federal help if market prices slump, as they did last fall. One farmer in particular said he planned to convert cotton acres to soybeans in 1975.

Another farmer spoke up that the government should provide information and advice to the farmers as to the market outlook, how much they should produce, and what price they can expect to get for their products.

"We were encouraged to plant a lot of cotton last year and we were told we'd get good prices but look what happened," the farmer commented. It was pointed out that many farmers are storing cotton for the time being, hoping prices will increase soon and then they'll sell.

Farmers who went in debt because of low market prices for their commodities in 1974 are now facing serious problems as they look to the 1975 crop and must refinance a debt carry-over from 1974.

Senator Allen said he wanted to "communicate the problems of our farmers" to members of Congress, but he offered no hope of any immediate relief.

An increase in target prices would be included in the new farm bill but Congress is not expected to pass that measure before the next planting season, Senator Allen said when farmers asked what assurance he could give them for 1975's crop.

"How can farmers continue to stay in business when they're losing money and can't make enough to pay their debts?" someone asked.

The reply from another farmer was that many of them would have to fold up unless some relief is forthcoming from the federal government.

Senator Allen said he believes lending agencies will be cooperative in taking care of farmers' needs; a resolution already approved by the Committee on Agriculture urges all agricultural lenders to do whatever they can. But the crux of the problem, as he pointed out, is that, "We are at a point where it costs the farmer more to produce his product than he's getting at the market place. That must be remedied."

The senator was invited to Lawrence County by Harold Speake, a Moulton attorney, at the request of Buddy Rose and other farmers who wanted to talk to Allen about their farming problems. It gave the senator an opportunity to get the first-hand information he was seeking, both in Lawrence County on Tuesday and in Limestone County on Wednesday.

Traveling with him was James E. Thorton, professional staff member of the Senate Committee on Agriculture and Forestry. He said his committee would meet next week and hoped to start hearings in early February on the farm bill.

Action can be expected in the next month or two to get a bill cleared in Congress and sent to the president for his signature by early summer.

Thorton said adjustments are needed on target levels because farm production costs have risen so high.

As one farmer pointed out, prices should be at a level which allows the farmer to "recoup" his out-of-pocket expenses for production. And someone suggested that in addition to loan prices and target prices, perhaps a price ceiling should be set on products sold to the consumer.

Senator Allen, in response to a question, said President Ford has been "short on leadership" on economic prices and the nation needs "bold leadership."

He noted, "I hope we can get some amendments made to the farm bill that will provide relief to farmers when they make a crop and go under."

[From the Decatur (Ala.) Daily, Jan. 7, 1975]

No Quick Help, Allen Tells Worried Farmers

(By John Doty)

Moulton.—Alabama Sen. Jim Allen, a member of the Senate Agriculture Committee, told a group of Lawrence County farmers here today not to expect any new target price legislation for cotton before the next planting season.

Allen made the remark in response to the concern voiced by several of the farmers over the potential agricultural situation in 1975–76.

Attorney Harold Speake said he asked Sen. Allen to come to Moulton at the request of Lawrence County farmers concerned over the rising cost of production of agricultural commodities and decreasing market prices.

A much larger crowd than was expected turned out for the 7 a.m. breakfast with the senator at a local restaurant. To accommodate the 100 or so farmers, the meeting was moved to the courtroom of the Lawrence County Courthouse.

Grady Rose, member of the Lawrence County Court of Commissioners and a major Lawrence County farmer, explained the unexpectedly large turnout in this way:

"It's the worst economic situation for the farmer in Lawrence County since the '30s. Sixty per cent of the cotton in Lawrence County is still in the fields."

"Lack of communication of our problems to Congress is one reason we haven't faired any better under existing legislation," said Sen. Allen. "When we get back to Washington, we're going to have to increase the target price on cotton. I want to know what figure we should shoot for as a revised target price and loan price."

Several farmers responded the minimum target price should be $.50 a pound or better.

As one farmer put it:

"Cotton should bring more than $.25 a pound, which is what they're being offered now. The farmers are going to fold up."

Rose explained that the target price is the price the Federal Government sets as a target for a particular commodity to bring. If the average price of the commodity is less than the target price, then the Federal Government will make up the difference, Rose said. However, if the target price is below what the commodity brings, the Federal Government is out of the picture, Rose said.

Jim Thornton, an aide to the Senate Agriculture Committee, said that new legislation "will be a question of considering all agricultural commodities. None will be singled out."

Thornton added that the new people coming into the Congress will be more sensitive to the problems of agriculture.

Sen. Allen reminded the farmers of a resolution he guided through the Senate which said the Senate hoped all agricultural lenders during this period of agricultural distress would go full measure to support the farmer.

"I feel like federal lending agencies are going to be just as cooperative in taking care of your needs in this area as possible," Allen said. "The farmer has done an excellent job, perhaps too good a job. He has produced enough to take care of all the free world and part of the world that is not free. It has come to the point it's costing the farmer in many areas more than he's getting in the market place. We're backing the farmers to the wall."

After the meeting Allen was to leave on a tour of several Lawrence County farms.

[From the Birmingham (Ala.) News, Jan. 9, 1975]

Desperate Alabama Farmers Unload Woes on Senator Allen

(By Pat Houtz)

Athens.—"This is really a high emotional experience for me," U.S. Sen. James Allen told almost 500 North Alabama farmers jammed into an Athens restaurant Wednesday. "I'm happy to see this tremendous crowd, but I am so sad at the life-and-death situation that you face."

He spoke little, but spent more than five hours listening and taking notes while farmers from 11 counties poured out their story of the Alabama farm situation they described as "desperate," "critical," "do-or-die" and "terrifying."

They told him they are losing money and have borrowed so much they wont be able to plant crops for next year. Caught in a cost-price squeeze, they spoke over and over of cotton and cattle prices that are a fraction of what they were last year, while the expense of operating farms have skyrocketed wildly.

"You can say this for Jim Allen: He's no coward. It takes a lot of guts to come down from Washington and face a wild crowd like this," a man in faded overalls said.

Jyles Machen, attending the meeting to represent U.S. Rep. Bob Jones, said he had been going to farm meetings with Jones for 15 years and had never seen anything like the emotion-charged Athens crowd.

When Allen tried to meet with a few farmers at a cafe in Moulton on Tuesday, so many hundreds showed up the meeting had to be moved to the courthouse.

"I've been a farmer all my life, I still go out in the rain and mud and manure, and I am in my 70s. I have a good farm but I can't even leave it to my kids. They don't want it, and my grandchildren don't want it. None of them can afford to lose what it loses!" one irate farmer said.

Arguments between farmers, warehousemen, and wholesalers flared both before and after the meeting.

I got 81 cents for my cotton last year and I was offered 33 cents for it last week!" one farmer said. He added that he cannot continue to operate another year "unless the government gives us immediate help."

The theme that ran through the entire day was that the farmers are in a state of emergency.

Bankers took the floor to tell Allen that the situation is "deadly serious." Farmers said they understood that the bankers couldn't lend them any more money when they already owed so much on this year's crop.

"The banks don't want to take our farms and our equipment. What can they do with it? But they can't lend us money when they know we are losing more every day. It isn't a low profit we are worried about—it is that we are losing thousands of dollars that we don't have, senator!" declared one farmer.

Many complained that cotton products are often almost impossible to find in the stores and that the price of cotton overalls has risen from $4 to $15 while the farm price of the fiber has plunged.

Representatives of mills tried to ward off the farmers by saying that the mills are in a "sick condition" because stores are cutting down on their inventories due to buyer resistance.

One farmer said the No. 1 action should be replacing U.S. Secretary of Agriculture Butz who, he said was a "corporation man who wants to do away with the small farmer." (His remark brought the greatest round of applause).

There also was much bitterness displayed against labor unions.

"Truck drivers and coal miners just sat down on the job and soon they got what they wanted. Our costs went up so they could get more pay. We'd better organize and get some clout ourselves," one young farmer said.

PROTECTION AGAINST OVERPAYMENT OF INCOME TAXES

Mr. CHURCH. Mr. President, millions of Americans are now assembling receipts, cancelled checks, and other data to prepare their tax return before the April 15 deadline.

All in all, an estimated 81 million tax returns will be filed this year.

Of this total, an estimated 7.2 million will be filed by persons 65 or older.

Recent hearings by the committee have provided convincing and disturbing evidence that large numbers of elderly persons pay more taxes than the law requires.

Witnesses have cited several reasons. Perhaps the most prevalent reason, though, is that many older Americans are simply unaware of valuable tax relief measures which can save them precious dollars.

To help provide a safeguard against this serious problem, the committee publishes each year an updated checklist of itemized deductions.

This summary is also helpful for younger taxpayers, since most of the allowable deductions—such as charitable contributions, qualifying medical expenses, and others—have equal application for them.

The committee's checklist is a useful reminder for taxpayers to assure that they do not overlook any allowable expenditure.

Additionally, the summary can be of assistance in determining whether it would be to the advantage of an individual to itemize his expenses or claim the standard deduction.

The committee has also prepared a summary of special tax relief provisions designed primarily for the elderly, such as the retirement income credit, to provide further protection against overpayment of income taxes.

Mr. President, I ask unanimous consent that both of these publications—the checklist of itemized deductions for Schedule A—Form 1040—and the summary of other tax relief measures for older Americans—be printed in the RECORD.

There being no objection, the checklist was ordered to be printed in the RECORD, as follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of a taxpayer's adjusted gross income (line 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 15, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expense (subject to 3% limitation):

Abdominal supports
Acupuncture services
Ambulance hire
Anesthetist
Arch supports
Artificial limbs and teeth
Back supports
Braces
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs
Chiropodist
Chiropractor
Christian Science practitioner, authorized
Convalescent home (for medical treatment only)
Crutches
Dental services (e.g., cleaning, X-ray, filling teeth)
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home Health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lip reading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physician.
Physical therapist.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt.
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pension or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends exclusion, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 15, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governments units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges or loan fees, credit investigation reports. If classified as service charge, may still deduct 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months divided by 12) limited to the portion of the total fee or service charge allocable to the year.

Points—deductable as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthy.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

CHILD AND DISABLED DEPENDENT CARE EXPENSES

The deduction for child dependent care expenses for employment-related purposes has been expanded substantially. Now a taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is $400 a month ($4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is $200 per month for one child, $300 per month for two children, and $400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds $18,000, his deduction is reduced by $1 for each $2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

MISCELLANEOUS

Alimony and separate maintenance (periodic payments).

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees for securing employment.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 33, Schedule A, Form 1040) or a credit (line 52, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $50 ($100 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $12.50 ceiling ($25 for couples filing jointly).

Presidential Election Campaign Fund.—Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) to help defray the costs of the 1976 Presidential election campaign.

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES FOR OLDER AMERICANS

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,050
Single (age 65 or older)	2,800
Married couple (both spouses under 65) filing jointly	2,800
Married couple (1 spouse 65 or older) filing jointly	3,550
Married couple (both spouses 65 or older) filing jointly	4,300
Married filing separately	750

Additional Personal Exemption for Age.—In addition to the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemp of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1975, you will be entitled to the additional $750 personal exemption because of age for your 1974 Federal income tax return.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met. (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part, or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as

his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $20,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $20,000, an election may be made to exclude part of the gain based on a ratio of $20,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 1 year before or 1 year after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sale price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of $600 in each of any 10 calendar years before 1974, and (c) have certain types of qualifying "retirement income". Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or
2. $1,524 ($2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, he must reduce the $1,524 figure by the amount of earned income in excess of $900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of $1,200 up to $1,700, plus the total amount over $1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax and he answers the questions for columns A and B and completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

NUREMBERG TRIALS ONLY REINFORCE NEED FOR THE ADOPTION OF THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, one of the worst offenders of the crime of genocide before the action was outlawed by the United Nations was the Nazi's extermination of 6 million Jews, 2½ million Poles, hundreds of thousands of Czechs, Serbs, and Russians.

When the Nuremberg trials convened it was decided that the Nazis could not be punished for acts of genocide committed prior to 1939. The Nuremberg tribunal which tried war criminals for crimes against humanity refused to consider outrages occurring before the war on the grounds that no international law was violated. Had the Genocide Convention been in existence two decades ago those who perpetuated atrocities between 1933 and 1939 could have been brought to justice.

This situation displays the same kind of inaction that was brought against those responsible for the Armenian massacres even though Turkey and her German allies were defeated in World War I. There is evidence on the record that Hitler duly noted this fact when he prepared his program of exterminations. Documents introduced at the Nuremberg trials contain the following statement made by Hitler in August 1939 just before the invasion of Poland:

> What the weak western European civilization thinks about me does not matter. . . . I have sent to the East only my Death's head units with the order to kill without pity or mercy all men, women, and children of the Polish race and language. Only in such a way will we win the vital space we need. Who still talks nowadays of the extermination of the Armenians?

It is quite apparent from the previous statement that Hitler interpreted the world's inaction on the Armenian massacres as tacit consent to do as he pleased. Why should the world stop him when they have always failed in the past to show concern?

The Genocide Treaty is the document that displays the world's outrage and concern over acts of Genocide. Yet the United States has refused to sign this important document. In the interest of further international peace and safety, in the hopes of eliminating all future crimes against humanity, I urge my colleagues to join me in support of the Genocide Convention accords.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for the conclusion of morning business having arrived, morning business is closed.

SELECT COMMITTEE TO STUDY GOVERNMENTAL INTELLIGENCE-GATHERING ACTIVITIES

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now proceed to the consideration of Senate Resolution 21, which will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 21) to establish a Select Committee of the Senate to conduct an investigation and study with respect to intelligence activities carried out by or on behalf of the Federal Government.

The PRESIDING OFFICER. The time for debate on this resolution is limited to 2 hours, to be equally divided between and controlled by the majority and minority leaders or their designees, with the vote to occur at 3 p.m.

Mr. MANSFIELD. Mr. President, I yield my time to the distinguished senior Senator from Rhode Island (Mr. Pastore).

I suggest the absence of a quorum, with the time to be charged against both sides.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GRIFFIN. Mr. President, I ask that the time on this side be yielded to the control of the Senator from Texas (Mr. Tower).

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that Miss Pam Turner, of my staff, have the privilege of the floor during the consideration of Senate Resolution 21 and all amendments thereto.

The PRESIDING OFFICER (Mr. Gary W. Hart). Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. TOWER. To be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the pending business?

The PRESIDING OFFICER. The pending business is Senate Resolution No. 21.

Mr. PASTORE. Mr. President and colleagues, I am not going to belabor this measure this morning by an extended explanation. As a matter of fact, I did explain it last week and I think that what we are trying to achieve is quite well understood by the Members of the Senate.

I do not think we are going to have any difficulty with this resolution. As a matter of fact, it is generally conceded, to be necessary, and I point up the fact that, by a vote of 45 to 7, it was approved by the Democratic Conference.

As I understand it, the minority leader has stated today his selection of members of the select committee, so I construe from that that the other side is more or less amenable to this resolution.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. PASTORE. Unless it was a gesture of futility.

Mr. TOWER. It was acceptance of the inevitable, I think.

Mr. PASTORE. Mr. President, I wish to make it abundantly clear at the outset that the FBI, the CIA, and Military Intelligence are absolutely necessary to the security and the survival of this great Republic. Anyone who questions for a moment, anyone who should try or anyone who should even begin to imagine that the Senator from Rhode Island is trying to do anything to disrupt or to injure in any way these fine agencies, should immediately disabuse his mind of it.

I have been connected for a long time with the workings of these agencies. I realize why they were instituted in the first place. We could not survive as a decent society without the FBI. We could never survive as a great nation in this troubled world, this sensitive world, without a CIA or military intelligence. So I wish to make it abundantly clear, Mr. President, that what we are trying to do is find out the abuses of the past and also of the present, to find out how it all started, how far it went, to remedy these abuses and make sure that in the future they will not happen; and in the final analysis, ultimately, that the confidence of the people will be reaffirmed and strengthened in their appreciation and their consideration, as to the essentiality of these great arms of Government.

Mr. President, having said that, I must in all fairness say that there have been some very serious abuses. I am not going to debate them this morning. As a matter of fact, our newspaper headlines have been replete with a dissertation of what they are. There have been charges and countercharges. There have been those who have exaggerated some of the wrongs; there are those who have minimized some the wrongs. Because the supervision on the part of Congress is spread throughout several committees, each of which has jurisdiction in its own way—the Committee on Foreign Relations is absolutely interested in inteligence abroad; the Committee on the Armed Services is absolutely interested in military intelligence; the Joint Committee on Atomic Energy is absolutely interested in where our nuclear weapons are and how well they are being protected and, vis-a-vis with our adversaries, what they have and what we must have—there is no question at all about the essentiality.

The important thing here is to restore public confidence so that these agencies, in the final analysis, will be responsive. That is what this is all about. This is not to challenge the chairman of one committee or to challenge the chairman of another committee. We are not here to rebuke any Member of Congress for what supervision he gave or did not give. That is not the question this morning. What we are trying to do here is create a select committee consisting of 11 members—6 from the majority, 5 from the minority. I know it is not going to be partisan. There is not a Member of the Senate who does not put his country before his party, or even, indeed, his own interest. If it were otherwise, that would be a blot on this great establishment.

What do we do by this resolution? We create a committee of 11 members. The names have already been suggested by the minority leader of those on the part of the minority party. We know who they are. I am sure they will all render fine service.

We do not know yet who the members are on the majority side. I know I am not one of them; I do not want to be one of them. I made that pledge at the time that I introduced this resolution, that I was not doing it for any selfish reason; I was doing it because I thought it needed to be done.

Mr. President, having said that, I have nothing further. I am perfectly willing to answer any questions. It is a very simple resolution. It is all spelled out. I understand there are going to be two amendments. I am amenable to both amendments, with the exception that on the Tower amendment, I hope we can clarify one statement at the end, where it says:

> The type of security clearance to be required in the case of any such employee or person shall be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee.

I think we ought to nail that down to be within the determination of the committee itself.

I should like to add some language in there, in the last sentence: "within the determination made by the committee itself."

Mr. TOWER. Mr. President, I wonder if I might visit with the distinguished Senator from Rhode Island.

Mr. PASTORE. When the proper time comes. I do not think we are too much in disagreement. I repeat what I said last week when I was questioned by the distinguished Senator from Mississippi, the chairman of the Committee on Armed Services: The jurisdiction of each committee as it now stands will continue. There is nothing in this resolution that changes that one iota. I suppose that the authorization bills, when they come up, will be referred to the Committee on Armed Services, there is no question at all about that. I suppose before deciding the authorization the chairman will conduct some kind of hearings, not competitive to the select committee; it could be consonant with it. I am not opposed to that.

As a matter of fact, let us face it: We are all here trying to do the right thing. Let us do it. That is about the size of it.

Now, Mr. President, I have here a statement by Senator Huddleston who asked me to have it inserted in the Record, and I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Huddleston

I am pleased to support Senate Resolution 21, which would establish a select committee on intelligence activities.

I believe the creation of such a committee is essential at this time.

I believe the committee as proposed in the resolution before us will meet the needs of the Senate and our Nation in terms of structure, representation and mandate.

A committee such as we are about to create must touch upon the various ages, views, geographical areas and philosophies which are a part of the Senate and our nation-at-large.

To structure it otherwise would diminish not only the acceptance of any findings and recommendations but also the possibility of reconciling contrasting views and theories which must be accommodated.

Ultimately, the report of this select committee must be widely accepted by many elements of the American people. Otherwise, efforts to correct past improprieties and restore confidence in our government's ability to conduct in an appropriate manner the very sensitive and important intelligence function, will falter.

To fail to create a broadly based committee would in the end be a disservice to ourselves, the Senate, our country and the American people.

Testimony already taken in the Congress strongly indicates that there have been abuses and misuses of authority within the Central Intelligence Agency. Allegations of other improprieties remain unanswered. A virtual floodgate of questions and charges has been opened, engulfing our intelligence community in suspicion and uncertainty. While some of this may have been more sensation than substance, the facts remain that both damaging testimony and allegations of serious misconduct are before us and that they have not been rebutted to the satisfaction of most members of Congress or of the American people.

The floodgate cannot and should not be closed; the questions raised must be answered; the faith of the people in this most sensitive area of their government must be restored.

If an agency has overstepped its authority, if it has violated the rights of citizens whom it is supposed to serve, if it has been involved in illegal activities, if it has been utilized in derogation of its public trust, then these matters must be fully investigated. Corrective steps must be taken.

There was an earlier time in this Nation when the agencies in question—born in a turbulent area of violent crime half a century ago, or in the aftermath of war 25 years later—enjoyed a very different image. They were looked upon as guardians of the Nation and protectors of law-abiding citizens. But, like so many of this country's institutions in recent years, they have fallen in esteem. The intelligence community has lost its glitter. The FBI hero of the 1930's has been replaced in the public eye by a much more dubious character.

Thus, the need for a full investigation of the tide of current charges goes beyond the obvious requirements of discipline within the government; it goes to a restoration of confidence in a segment of government that, more than any other, must hold the public's confidence.

No nation can gamble with its security. Indeed, the guarantee of that security is perhaps the most fundamental of all governmental responsibilities. Without it, all else can quickly fade.

National security arrangements, defense and foreign policy strategies, and decisions regarding a host of other issues rely upon intelligence. In fact, there are few who would argue that we could do without intelligence gathering activities—especially in what appears to be an increasingly complex and uncertain world.

Furthermore, the very nature of such activities requires that they be closely held and carried out with a certain degree of secretiveness and confidentiality.

But, the agencies involved in such activities, like Caesar's wife, must be above reproach—not just because of their special status and charge but also because actions which involve them in suspicion and question tend to impair if not destroy their ability to function.

There are those in this body who have followed closely the activities of the CIA and other agencies with intelligence responsibilities—the Defense Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation, and the Secret Service. For that reason, we should certainly make the best use of these persons; we should build upon their knowledge and experience.

At the same time, I believe we could benefit from new and fresh perspectives which could bring to such review an inquiring approach which might not only develop new ideas but also do much to insure a positive public response to the ultimate findings and recommendations.

I do, consequently, support establishment of a special committee to review intelligence operations in this country. I also think, however, that our intent and determination to insure a broadly representative committee must be made clear.

To accommodate the representation of the various views, I proposed in the Democratic Conference that we consider an 11-member body, rather than a smaller one. While this is an admittedly rather large committee, in this particular case, I believe that it is required. Many Committees have some jurisdictional claim over intelligence activities. Interest and concern over this matter goes far beyond the jurisdictional bounds of committees, encompassing, I would imagine, every member of the Senate. Views on the subject vary widely.

Furthermore, I believe that the special committee must have broad authority, as the resolution contains. It must be empowered not only to investigate possible illegal activities and abuses in the intelligence community, but also to review the mandates of the agencies concerned; to study the role of intelligence in today's world and to make recommendations regarding the type of structure which can best meet the intelligence objectives which are deemed necessary and proper.

Some may perceive the proposal before us as fraught with implications of sensationalism and headline hunting—an approach which we clearly cannot afford and which we would be irresponsible to permit. Our determination on that point, too, should be made clear. But in this year—so soon after Watergate—we cannot leave in doubt the operations and activities of agencies involved in such sensitive and significant endeavors. We must instead place our important intelligence-gathering activities on a sound and viable basis. In this case, skeletons in the closet are likely to haunt us not only at home but also abroad, not only on security issues but also in domestic politics. They must be laid to rest.

The alternative is to let matters ride, to permit a series of well-intentioned but overlapping investigations proceed, to divide efforts at a time when prompt and comprehensive action is needed.

Thus, the preferable course, it seems to me is the creation of a special committee (1) broadly representative of the various Congressional concerns on intelligence (2) dedicated to a thorough investigation of questioned activities and current intelligence operations and a reexamination of the role of intelligence operations in our society, and (3) charged with the responsibility of making recommendations to the Senate as expeditiously as possible regarding both necessary corrective actions and the future structure, authority and relationships within the intelligence community.

I believe Senate Resolution 21 will accomplish this and that adoption of it would be a right move in the right direction.

Mr. PASTORE. I now yield to my distinguished colleagues from California.

Mr. CRANSTON. I thank the Senator very much for yielding.

I want first to thank the Senator from Rhode Island for his magnificent leadership in this matter. Without his help we would not have accomplished as much as we have so swiftly in this very important matter. The efforts of the Senator from Rhode Island have manifested a quality of greatness.

I also want to thank the majority leader (Mr. MANSFIELD), Senator MATHIAS on the minority side, Senator BAKER, Senator WEICKER, and others who did so much of the vitally important spade work which has brought us to this point.

I have been involved in this matter since 1971, when I questioned Senator Ellender, the then chairman of the Committee on Appropriations, on the Senate floor about expenditures for intelligence operations. I joined in earlier resolutions prior to the time that I helped in the support that has been brought together behind the Pastore resolution.

I agree, of course, with the Senator from Rhode Island that we need an effective intelligence operation, we need it operating under clear and wise ground rules and under firm control by the Executive and Congress. I have been critical of the CIA and other intelligence agencies for many of the things they have done that they should not have done. There have been serious abuses. But there also have been great accomplishments. There have been deeds done by courageous and dedicated men and women, many of whom have risked their lives, and some of whom have lost their lives, in service of their country.

I would just make these points for the legislative history and for consideration by the committee that will be carrying on this activity:

If anyone needs reminding, there have been a series of revelations over the past decade and a half that point not only to the internal shortcomings of intelligence agencies in carrying out their assigned tasks, not only the lack of coordination between their operations and national policy as declared by the President and Congress, not only to the failure of these agencies to communicate with one another and with the President and the standing committees of Congress—but, also, and more alarming—to their power to subvert the Constitution and threaten freedom here at home while damaging—in the majority leader's words—"the good name of the United States" abroad.

Further, it must be admitted, their power was often misused at the direction of higher authority in the executive branch—or with the acquiescence of higher authorities—and with a knowing wink or willful ignorance on the part of many members of Congress.

But the problem goes beyond the CIA, the FBI, and other intelligence agencies. It goes beyond foreign relations. It goes beyond civil liberties at home.

Here the great issues of natural security and individual liberty are inextricably linked. We have to get some perspective on ourselves, on our origins, on our immediate past, and on our future—as we proceed from the aftermath of the Cold War to what appears to be an era of interdependence in a multipolar world.

The fundamental problem—as we approach the bicentennial—is to restore constitutional government in the United States. There has to be accountability and responsibility. The intelligence agencies must be adapted to the needs of a constitutional democracy in our time—or they must be eliminated.

We cannot eliminate them so we have to do what is necessary to keep them under control. That is a job for Congress.

Therefore, as the Senate proceeds to establish the select committee, it is important to identify three important missions of this committee:

First of all, it is charged with finding the facts in cases of alleged wrongdoing. Thus, the Pastore resolution empowers the select committee to "conduct an investigation . . . of the extent, if any, to which illegal, improper, or unethical activities" have been engaged in by the intelligence agencies of the U.S. Government. This will involve identifying individuals responsible for such activities, as well as their respective institutions. I cite paragraphs 1, 2, 3, 10 of section 2.

Secondly, the select committee is charged with going one step further. It is to consider the institutional changes needed in the organization of the executive branch and changes needed in congressional oversight mechanisms as well—so that these abuses of power cannot occur again I cite section 2, paragraphs 4, 5, 6, 7, 8, 9, and especially 11, 12, and 13, of Senate Resolution 21.

Finally, the select committee is directed to make a complete investigation and study of the extent and necessity of overt and covert intelligence activities in the United States and abroad. I cite section 2 paragraph 14.

It will be difficult for the select committee to carry out these missions —no matter how sweeping the mandate entrusted to it, no matter how great its delegated powers, and no matter how much access to secret documents and processes is guaranteed in the words of the Pastore resolution.

Just how does it investigate matters that, in their essence, depend on not being seen? How will the select committee know when it is not getting what it needs to know to get at the full facts? These questions are without easy answers.

Section 3(a), paragraph 11 of Senate Resolution 21 is of great importance. It grants the members and staff of the select committee "direct access" to any data, evidence, information, report, analysis or documents or papers" relating to the investigation in the possession of the intelligence agencies.

Despite this clause, it can be predicted that this information—in some instances—will be given up with great reluctance and, indeed, some of it already may have been destroyed.

Further, there will be a tendency for personnel of the intelligence agencies to use the classification system as a means of avoiding full testimony before the select committee. That is, they may "tell the truth" or provide the facts at the "top secret" or "secret" level, but not include information available on a given subject at a higher level of classification. Or they may cite law and executive orders and precedents and "executive privilege" as shields of justification for not telling all they know—even though they are under oath.

This problem could be greatly alleviated if the Senate through its select committee was guaranteed the full and active support of the Ford administration in this inquiry. As Walter Pincus pointed out in Sunday's Washington Post, such an investigation must inevitably end up questioning the past policies and practices of Presidents and their staffs.

Perhaps a confrontation with the White House and the bureaucracy is inevitable as the investigation proceeds. From the start, there are some powerful incentives for a cover up. The Senate should understand this reality now.

Already we see a former Director of the CIA, Mr. Helms, pointing the finger of responsibility at one dead President and at another who is incapacitated—and who, so far, has managed to avoid coming into court or before a congressional committee. This same man is known to have destroyed documents bearing on his tenure as Director of the CIA.

Further, the present Director of the CIA in his recent report apparently pointed to his predecessor and previous administrations as being responsible for acts of wrongdoing. The Senate should be reminded that this same man had spent his entire career on the operations side of CIA before he became executive director and later director. Mr. Colby at one time directed the controversial and perhaps dubious Phoenix program in Vietnam, and at one time he was deputy director for operations, DDO, in the CIA—with, responsibility for counterintelligence and domestic operations, among others.

This investigation cannot succeed without determining the individuals responsible for illegal and improper acts—be they in the Oval Office, the National Security Council—and the 40 Committee within it—the President's Foreign Intelligence Advisory Board, the U.S. Intelligence Board, or in the individual agencies. A number of the persons involved in past actions still serve in high positions in the Government.

So while the select committees' investigation must not degenerate into a witch hunt, it cannot be a picnic, either. For there are bound to be a lot of skeletons in a lot of closets. Individuals and agencies involved in wrongdoing or questionable practices must be identified. Or else the American people will be ill served by another coverup.

Some have stated that this investigation must not be a "TV spectacular." But it must not be conducted behind closed doors, either. "Protecting the national security" arguments must not stand in the way of the American people's full understanding of this problem, and they must not stand in the way of publicly assigning responsibility for past actions. Again, the fundamental issue is accountability and responsibility under a constitutional system of government.

There is no good reason why questions of policy in the intelligence community cannot be discussed in open hearings, and all facts bared—except for the most sensitive—that bear upon the matters and questions posed in Senate Resolution 21. In this regard, any classification-declassification system employed should be devised by the select committee—in cooperation with the executive branch, if possible. After all, one of the issues at stake is secrecy itself. The emphasis throughout should be on sharing the maximum amount of information with the public.

In conclusion, several elements are required for a successful investigation and study: A continuation of aggressive investigative reporting on the part of the press, and I know that will occur; a select committee with members and staff interested in getting all the facts and sharing them with the American people to the extent possible; the full cooperation of the executive agencies involved; sources and witnesses who are assured of proper protection along the way.

Again I thank the Senator from Rhode Island, the majority leader, and the many others for the magnificent work that has brought us to this point on this day.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, I will be very candid with the Senate. It was my original feeling that this matter should have been contained within the Committee on Armed Services which does have oversight jurisdiction over the CIA. But in the spirit that this resolution has been offered by the distinguished Senator from Rhode Island, I am certainly prepared to accept it, because I think that the Senator from Rhode Island has set the right tone for the conduct of this investigation and the subsequent conclusions to be drawn from it.

I think that some examination of the domestic activities of our intelligence-gathering organizations should be investigated and I think perhaps such an investigation is overdue.

I think it is essential that agencies involved in this kind of work be proscribed from activities that either violate their charter, their congressional authorizations, or militate against the individual freedom of the American people.

I think, to that end, this is the most important thing that our committee can do or that the select committee when it is chosen can do.

It is my view that we can develop constructive legislation that affords such proscriptions and such protections. I would express the hope that has already been expressed by the distinguished Senator from Rhode Island that we can conduct our work in a responsible way, so as to preserve the confidentiality of matters that impact on the national security of the United States of America.

We must recognize that our adversaries and our potential adversaries have had a sophisticated intelligence-gathering organization, that they have an advantage over us in that they operate in this country in a free society, and in most respects in our operations abroad we operate in closed societies, making the gathering of significant intelligence a much more difficult proposition.

I think we do have to afford adequate safeguards for our legitimate operations abroad.

I am hopeful that we can observe the need to conduct many of our deliberations in private. I think that although the objective set forth by the distinguished Senator from California is desirable, that as much as possible they be open to the public, there are going to be times, I think, when we can elicit more information and more significant and more penetrating and in-depth information, if we go into executive session.

So I think that what we must do is have a balanced approach here, recognize that we have to correct abuses, recognize that we must compel our intelligence-gathering operations to conduct themselves within the purview of the law that authorizes them, and at the same time recognize the vital interest of the United States from the geographic, strategic, political, tactical, economic situation that we find ourselves in and make sure we do not hobble ourselves and render ourselves at such a disadvantage that we cannot maintain the kind of international posture we need.

I might mention one other thing, Mr. President, and that is not only the necessity to protect some of our agents or some of our covert operations abroad, but also the confidence placed in us by foreign governments. We must, I think, be careful not to embarrass foreign governments, not just friendly governments, but perhaps some neutral governments and some that may not appear to be so friendly that may have supplied us some cooperation; and I would hope we would take care not to embarrass governments of these countries.

With the proper care, I think it is perfectly correct that we embark on this course today.

I am delighted to yield to the Senator from California.

Mr. CRANSTON. I thank the Senator for yielding.

On one point he mentioned, I recognize that there will have to be closed door sessions in order to get such information that would not otherwise be made available, and that the committee will need. I recognize the reason for his amendment. I think it is quite appropriate.

I would like to ask one question and make one point about it.

I think, as I said in my earlier remarks just now, that the committee must control the classification and declassification process, hopefully in coordination and cooperation with the Administration, but it cannot get itself into a situation where it is unable to do certain work that it feels it must do.

In regard to the specific amendment that the Senator has offered, under his amendment how do we prevent the executive from abusing this authority?

For example, suppose they did not cooperate——

Mr. TOWER. If the Senator from California will withhold on his question, I was going to engage in colloquy with the Senator from Rhode Island on this matter.

Mr. CRANSTON. Fine.

Mr. TOWER. And we will bring all this out.

Mr. CRANSTON. Fine.

Mr. TOWER. So that we will make it clear what everyone means and intends; but I think the distinguished Senator from Mississippi has been seeking the floor and has been very patient, so I would like to yield to him, and then we will take this matter up subsequently.

Mr. CRANSTON. Certainly. I thank the Senator.

Mr. TOWER. I yield to the Senator from Mississippi such time as the Senator requires.

Mr. STENNIS. Mr. President, I thank the Senator from Texas.

At this point, at least, I certainly will not require over 20 minutes, so we can just limit it to that.

Mr. President, after a conference with the Senator from Rhode Island and the Senator from Texas, I send to the desk an amendment to the proposed resolution and ask that it be considered now.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Mississippi proposes an amendment, at the end of the resolution, to add a new section as follows—

Mr. STENNIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. MANSFIELD. Why not let him read it?

Mr. STENNIS. All right, I withdraw that.

The PRESIDING OFFICER. The clerk will read it in full.

The assistant legislative clerk read as follows:

> At the end of the resolution add a new section as follows:
>
> SEC. 7. The select committee shall institute and carry out such rules and procedures as it may deem necessary to prevent (1) the disclosure, outside the select committee, of any information relating to the activities of the Central Intelligence Agency or any other department or agency of the Federal Government engaged in intelligence activities, obtained by the select committee during the course of its study and investigation, not specifically authorized by the select committee to be disclosed, and (2) the disclosure, outside the select committee, of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. STENNIS. Yes, I am glad to yield to the Senator from Rhode Island. I want to state very briefly what the purpose is, but I yield now.

Mr. PASTORE. For the purposes of the RECORD, would the Senator in explaining his amendment, which I am going to accept, explain what he means by "not specifically authorized"?

Mr. STENNIS. Yes.

That is or the second part, is it not?

Mr. PASTORE. Yes.

Mr. STENNIS. Mr. President, this amendment relates to what we ordinarily call "leaks." It does not put any limitation on the committee whatsoever.

The first part relates to matters that are not expressly authorized or given out by the committee itself or its members. It just requires that such reasonable rules and regulations as the committee may see fit be established by the committee regarding disclosures of information that might, in the second part, affect intelligence abroad.

But going back to the first one for just a moment, this relates to disclosures by those other than the committee, staff members or anyone else that might come in contact with this information.

In other words, the committee itself is called on by the Senate to make these rules and regulations.

Now, with reference to foreign intelligence or intelligence activities abroad—and that is what my plea is for here today, the protection of this foreign intelligence—there we are trusting the committee to write rules and procedures to set out for themselves and staff members regarding this foreign intelligence.

Mr. BAKER. Mr. President, will the Senator yield briefly for a question?

Mr. STENNIS. I am responding to a question of the Senator from Rhode Island.

Will the Senator restate his question with respect to paragraph 2?

Mr. PASTORE. I was wondering if the word "specifically" was not rather redundant. If it just said "not authorized by select committee," that would not lead to any controversial confusion.

Naturally, the authorization would have to be explicit. The word "specifically" for the time being, without knowing within what context it was inserted in the amendment, disturbs me for the moment, unless it is more explicitly explained. I thought if we just said "not authorized by the Select Committee" it would be enough.

In other words, I do not want the committee to sit down and begin to write a bill of particulars every time they are going to authorize some disclosure.

Mr. STENNIS. What line is the Senator referring to? I see it. That is before the second paragraph.

That relates to staff members.

Mr. PASTORE. I know that. This whole amendment relates to staff members. I quite agree with the Senator from Mississippi. I hope that the staff does not begin to hold news conferences. That always happens. They just take this whole thing over. I think if there are going to be any news conferences, they should be by the chairman or the members of the committee themselves. But in the past we have had the sorrowful situation that staff members fall over one another to see who can tell it to the press first. I think everything should be told to the press that needs to be told to the public. I think the public understands that.

Mr. STENNIS. This is not to prohibit that kind of information.

Mr. PASTORE. I know that. But I was wondering if the word "specifically" is not a little too tight for the committee. If we said "not authorized by the committee," I think we accomplish the objective.

Mr. STENNIS. What we were trying to get at was to cover the situation where a staff member or some other person had this information and, since it was not covered in any way very plainly, that there was no prohibition on it. I do not think this puts too much of a burden. The Senator is opening up all of these files.

Mr. PASTORE. No.

Mr. STENNIS. The resolution does. I do not mean the amendment does but the resolution opens up the files. We just have to have a safeguard.

Mr. PASTORE. I do not think we are meeting on our intent here. I am not opposed to the Senator's suggestion that the matter of leaks should be prevented, and that the staff should not disclose anything without authorization by the committee. The only thing that bothers me is that he is tightening up the obligation and responsibility of the committee a little bit too much by using the word "specifically." If he left the word "specifically" out, I think he would accomplish his purpose and not open it up to debate every time there is the question of disclosure.

Mr. STENNIS. The main point here is to have something explicit in writing by the committee as to rules and procedures. When we nail that down explicitly, how it should be done, then we cover the waterfront.

We can strike out the word "specifically."

Mr. PASTORE. Will the Senator strike it out?

Mr. STENNIS. Yes.

Mr. PASTORE. If he strikes it out, I would accept the amendment.

Mr. STENNIS. With the understanding that this still carries with it——

Mr. PASTORE. With the understanding that the committee and only the committee has the authority to disclose. I will admit that.

Mr. STENNIS. It is better to be careful here than to be sorry later. This is not directed at the committee.

Mr. PASTORE. I know that.

Mr. STENNIS. This is putting the Senate in a proper position. I think it will help the committee to have the Senate go on record here in making this one of the ground rules, so to speak.

Mr. PASTORE. Is the Senator willing to delete the word "specifically."

Mr. STENNIS. Yes.

Mr. PASTORE. With the modification. I will accept the amendment.

Mr. YOUNG. Will the Senator yield for 3 minutes? I support the amendment.

Mr. STENNIS. I do not have control of the time. The Senator from Texas has control of the time.

Mr. BAKER. Mr. President, I ask the Senator from Mississippi if he will yield for a question on his amendment.

Mr. STENNIS. All right, and then I will yield 3 minutes to the Senator from North Dakota out of my time. I yield for a question.

Mr. BAKER. This is a question of clarification. This amendment, of course, is an antileak amendment. I think that is fine. I hope we succeed. We failed miserably in the Watergate Committee. Our former colleague and I tried in every way we could. It did not work.

There are some matters of sensitivity that have not been leaked, but are still in the Atomic Energy Committee, many of them, in safe storage.

Paragraph 2 concerns me. It says:

> And, number 2, disclosure outside the committee of any information which adversely affects the intelligence activities of the United States.

It would appear on its surface to say that if we stumbled into a matter such as the Chilean situation, the Bay of Pigs, or the Lebanon incursion, notwithstanding that it might appear to the Committee to be something that ought to be dealt with in the Congress, we should not disclose it.

Will the Senator from Mississippi reassure me that that is not the purpose of paragraph 2?

Mr. **STENNIS**. No, that is not the purpose of paragraph No. 2. We tried to wrap it up in such a way as to require rules of procedure in the committee which I understand to be the feeling of the Senator from Tennessee.

Mr. **BAKER**. If there appears to be conduct by any agency of the U.S. Government that appears to be improper or exceeds its jurisdiction, that would not be limited by paragraph 2 of this amendment?

Mr. **STENNIS**. This does not put a limitation on the committee. It requires the committee to proceed under rules, regulations, and procedures. But these things are still left in the hands of the committee.

Mr. **BAKER**. I thank the Senator.

Mr. **STENNIS**. It is a rule of the Senate by a guideline.

Mr. **PASTORE**. With the modification, I am willing to accept the amendment.

Mr. **STENNIS**. If no one else wants the floor, can we have a vote on the amendment? Will the Chair put the question?

The **PRESIDING OFFICER**. Does the Senator from Mississippi modify his amendment?

Mr. **STENNIS**. Yes; by striking out the word "specifically" in the sixth line from the bottom.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment as modified.

Mr. **CURTIS**. Reserving the right to object and I, of course, will not object. I would like to ask a question.

Is there any penalty or enforcement means to compel staff members of this committee to not disclose information that their committee directs should not be disclosed?

Mr. **STENNIS**. It is a sad state of the law, Mr. President, but I am quite doubtful that we have a law that really is drawn to cover situations of this kind. We have the old Espionage Act of 1918, which specifically requires there must be an intent to do harm to the United States. It is a kind of wide-open proposition which is, in itself, a very strong argument here for the adoption of this amendment. It puts in some kind of an obstacle. A staff member, if he violated the rule, would violate a Senate rule. It would not have any criminal penalty attached to it, but it would be a rule to that extent.

I hope the committee will get a promise in advance that no one is going to write a book—that no staff member is going to write a book, or a journal article, or anything else—about things that were disclosed to them in these proceedings. I think that is a matter we have to trust to the discretion of the committee. Under present law we have to. I believe the Senator raised a good point.

Mr. **CURTIS**. I certainly am for the amendment of the distinguished Senator, but I believe we have to rethink our position on some of these things. Here in this country if someone discloses a tax return, he has violated a criminal law and can be punished. If he discloses secrets vital to the security of the United States, he is apt to defend it as the right of the people to know. We have, certainly, a right to not only make it a law violation to disclose, but there ought to be a penalty to it.

I thank the Senator.

Mr. **STENNIS**. I thank the Senator.

If there is no further discussion, could we have a vote on the amendment?

The **PRESIDING OFFICER**. The question is on agreeing to the amendment, as modified, of the Senator from Mississippi.

The amendment, as modified, was agreed to.

Mr. **STENNIS**. Mr. President, I ask unanimous consent to yield 3 minutes to the Senator from North Dakota without losing my right to the floor.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **YOUNG**. Mr. President, I see no objection to a thorough examination of the operations of the CIA, the FBI, or any other intelligence-gathering agency, but I believe it can only be done effectively, and without great injury to the agencies, by a relatively small committee and a small staff. A big investigating committee with a sizable staff—no matter how well intentioned—cannot avoid much of the information that develops at the hearings being leaked to the public, thereby becoming easily available to the intelligence agencies of Russia and every country in the world.

If the pending resolution involved a much smaller committee with only a very minimal staff, I believe the security of this Nation could be safeguarded and the investigation could be very helpful. I would hope that the meetings of the committee would be open to the public. If this were the procedure, then the public would get firsthand information rather than from leaks highly distorting the facts disclosed in the hearings.

Mr. President, I cannot help but be deeply concerned about the future effectiveness of the Central Intelligence Agency. No intelligence operation—particularly involving clandestine operations in foreign countries or involving some of our most advanced technology, especially in defense areas—can be publicly disclosed without endangering our sources of information, the lives of those involved in this type of intelligence operations, and the very effectiveness of an intelligence-gathering organization. Russian intelligence agents, for example, would only have to read our publications to obtain information highly valuable to them.

About 12 years ago when we had the missile crisis in Cuba a Russian intelligence agent, a high-ranking member of the GRU, disclosed to Great Britain and the United States a great deal of inside information regarding how far Russia would go in this missile crisis. He also provided us with much other information regarding the entire operations of the GRU and KGB—their two major intelligence-gathering agencies. A book was published regarding the Penkovsky papers and information which has been in circulation for several years.

The point I am trying to make, Mr. President, is that Penkovsky expected to be caught and was caught. There was a 2-day trial and he was killed. Here in the United States there is not much of a penalty for even the highest ranking intelligence officer, a Member of Congress, or anyone else for disclosing our most highly classified intelligence.

Mr. President, the Washington Star-News of Sunday, January 26, 1975, published a very good editorial on the subject of intelligence and the forthcoming investigations entitled "The Great Intelligence Exam." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GREAT INTELLIGENCE EXAM

This is the era of bosom-baring and the country's numerous intelligence-gathering organizations are not immune. As things stand now, various committees of the House and Senate are gearing up for investigations of the Central Intelligence Agency, the Federal Bureau of Investigation, the Defense Intelligence Agency and the National Security Agency. We hope that these investigations will be boiled down to, at most, one select committee in the House and Senate. We also hope that the investigations will be skeptical, thorough and responsible. A witch-hunt born of the peculiar sensitivities left over from Watergate would not be helpful. A careful analysis of this country's intelligence problems and legislation to remedy the mistakes and deficiencies of the past are very surely in order. A bipartisan congressional investigation is especially desirable in view of the conservative complexion of the blue-ribbon executive panel headed by Vice President Rockefeller which is also looking into CIA activities.

The difficulty, of course, is that, when it comes to intelligence-gathering operations, bosom-baring is a tricky procedure. The risk is that too much public exposure of a highly sensitive area of government will put the whole operation out of business, and imperil the reputations—and even the lives—of people involved, to say nothing of the nation's security. In the past, the congressional committees with intelligence oversight responsibilities have been squeamish about inquiring too deeply into these clandestine affairs. The present danger is that post-Watergate zealotry, inspired by news stories of a "massive, illegal domestic intelligence operation" mounted by the CIA a few years back, will lead to excesses of revelation.

For our part, we remain unconvinced that the charges have much real foundation. From what has been revealed so far—mostly by CIA Director William E. Colby to a House Appropriations subcommittee—it appears that the agency was involved in a program of internal surveillance of certain domestic dissident groups suspected of having connections with foreign agents. CIA agents were "inserted" in some of these organizations, some mail between American citizens and Communist correspondents was read, and files—largely furnished by the FBI—were established on some 10,000 people. In addition, Colby said, the program involved physical surveillance, wiretaps and break-ins directed at CIA personnel suspected of security leaks and, in a few cases, those who were thought to be receiving the information.

In Colby's opinion and that of his immediate predecessor, Defense Secretary James R. Schlesinger, the CIA, in this period, may have overstepped the strict limits of its charter. The various acts have been labelled as "'regrettable" or "inappropriate" or—in the case of Colby—the result of "a misconception of the extent of the CIA's authority." Richard Helms, who was CIA director during most of the period of anti-war fervor, stoutly denies any impropriety on his part. The difference in judgment reflects more than anything else the change in climate in the last two years.

But surely a large part of the problem lies in the ambiguity of the charter of the CIA, written by Congress in 1947. In setting up the agency, Congress ruled that it should have no "police, subpoena, law enforcement powers or internal security functions" within the United States—this area being strictly reserved to the long-established FBI.

How realistic and workable this prohibition was is sharply illustrated by the events under investigation. Despite the prohibition against domestic spying, the director of the CIA was also made "responsible for protecting intelligence sources and methods from unauthorized disclosure." He was also instructed by Congress to "perform such other functions and duties relating to intelligence affecting the national security as the National Security Council may from time to time direct." Between them, it can be argued that these directives provide ample justification for the activities being denounced as "illegal." And the evidence is reasonably clear that a number of former directors believed this was indeed the case.

Clearly, the first objective of the current investigations must be to spell out more clearly the rules under which the CIA—and other intelligence agencies as well—are supposed to function. If all domestic counterespionage is to be more severely restricted—as seems to be the mood of the liberal majority—Congress will also have to figure out how the CIA is to protect its "sources and methods from unauthorized disclosure." One obvious way, of course, would be pass a law making it a crime for former CIA agents to write books. But this would not solve the larger problem of trying to separate domestic and foreign intelligence into neatly separate operations.

Mr. STENNIS. Mr. President, how much time do I have remaining out of my 20 minutes?

The PRESIDING OFFICER (Mr. DOMENICI). The Senator has 2 minutes remaining.

Mr. TOWER. Mr. President, I yield 10 additional minutes to the Senator from Mississippi.

Mr. STENNIS. As I understand, that will leave me 12 minutes.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, my main plea today is for the protection of foreign intelligence and intelligence sources. I think all other matters do not add up, in the range of importance with the CIA's operations, to compare with this collection of foreign intelligence.

I appreciate very much the sentiments expressed on the floor of the Senate as to the necessity for CIA and other intelligence agencies, but that view is not shared by all the people and is not understood, either, by all the people. There is a great deal of sentiment, even understanding sentiment, that would question the necessity for the CIA, or the propriety of having it.

Another thing, Mr. President, is that this is not a political issue, and CIA is not a political agency of any kind. It serves one President after another, as they come. It makes no difference which party that President belongs to and has nothing to do, with political matters.

Primarily, CIA is a Government agency collecting foreign intelligence of the most highly sensitive nature.

To be effective, it must be secret. If intelligence facts are disclosed, they often lose all of their value. If an adversary merely infers that we have certain intelligence, often it is no longer of value.

An illustration would be work on a code.

The purpose of gathering intelligence is to learn intentions and capabilities. The first extensive foreign intelligence act ever passed by the Congress was in 1947. Called the CIA, it has come a long, long way in the past 26 years. For illustration, we no longer argue about a missile gap, or a bomber gap.

In the broad and essential fields, the CIA has done an extensive and effective job in dealing with enemy capabilities and intentions.

As we go through investigations, let us keep in mind the dangers from exposures. Exposures can be a matter of life and death to Americans abroad as well as friendly foreigners. This opinion is strongly shared by many highly respected persons, including Director Colby, who have been a part of the operations and know the facts first-hand. Friendly governments and friendly foreigners will greatly reduce, if not terminate their cooperation and assistance. They already have. The information flow has been greatly reduced. Our relations with other nations have been strained. Exposure of sensitive facts through hearings, through pressures, through staff members, or through other sources, regardless of the good intentions of the actors, comes at a price we cannot bear.

In a time of nuclear weapons, with the power to deliver warheads on target from continent to continent, we must have responsible information from many foreign sources. Further, our ships at sea, our military manpower scattered throughout the world in support of many commitments voluntarily made, are all in need of the fruit of intelligence gathered around the world.

The President, all Presidents, have to have this worldwide intelligence in formulating foreign policies, including trade and other economic policies formulated with nations around the world.

Intelligence comes from several sources, but much of it comes from our CIA agents abroad. In my travels, I have found them to be excellent men, capable and loyal, with a steady stream of highly valuable and responsible information. They seldom get credit for anything. They often get blamed—but by and large, they continue to carry on.

One purpose of my remarks today is to say a word of encouragement to those men; to tell them they are appreciated, and to ask them to carry on under highly adverse conditions.

From some of this intelligence, we make decisions in the Congress as to military weaponry. We often save great sums of money, because this intelligence lets us know what weapons to avoid building as well as what weapons are most probably needed. Without the intelligence gained under the CIA direction, we would not have known of the missiles in Cuba until they were actually fully installed and we were directly under the gun.

Indeed, U.S. intelligence, on which the CIA sits at the top, has come a long way over the past two decades. We have reached the point where the SALT agreement is possible, because we can now verify what they have in being. A number of other treaties have also been possible, because of our vertification process.

Under Director Colby, I feel that the CIA is now operating in a fine way, entirely within the law. I shall do my part in keeping it that way.

The organic act creating the CIA needs some amendments which tighten up the present law. Our committee has given some major amendments which I introduced in late 1973, special attention in 1974. I assisted Senator PROXMIRE with a similar major amendment offered by him to the military authorization bill. It passed the Senate with my active support and we made a strong effort at the conference in behalf of the amendment. It finally lost at conference because it was not germane, but the conferees for the House supported the idea of hearings which the House has started. We shall continue our efforts on that amendment and others.

We may have certain intelligence of great value to us. But if it is known to our adversaries that we have it, or if they suspect that we have it, then it turns to ashes in our hands and is of no value whatsoever.

Illustration: Hundreds of millions of dollars invested in electronic devices can become valueless overnight if it becomes known we have such devices.

Our committee shall continue to exercise committee jurisdiction on legislation regarding the CIA, and also exercise surveillance over its operations, and such other activities connected therewith as may be necessary.

We shall continue to have the Senator from Montana (Mr. MANSFIELD), and the Senator from Pennsylvania (Mr. SCOTT), the Democratic and Republican floor leaders and hence representing all of the Senators, invited to all of our meetings regarding the surveillance of the CIA. I have discussed this with the Senator from Montana on last Thursday and he expects to attend. The Senator from Pennsylvania attended our session last Thursday.

The CIA, of course must operate within the law, but I want to emphasize to all of my colleagues and to the American people that foreign intelligence supplied by the CIA is absolutely necessary for our President and his close advisers, including the top officials of all of our military services, both those in civilian and military positions. In modern times this information is not merely needed, it is essential.

Therefore, someone has to stand up for the CIA through foul as well as fair weather, and make hard decisions and take firm stands, whether popular at the time or not. I have done that and I propose to do just that in the future. I shall not shirk this duty.

This does not at all mean that I propose to operate a duplicate or rival investigation with any select committee. I will make no attempt to do that, but I will carry out the purpose, as I have briefly outlined it here.

I thank the Senator from Texas for yielding this time to me.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I thank the distinguished Senator from Mississippi for his cogent remarks.

I think it would be appropriate for me to thank him at this time for the splendid leadership he has shown in the Committee on Armed Services. In fact, on numerous occasions, we have looked in depth at some activities of the CIA and it has not been generally known that we have. I think the Senator from Mississippi has always measured up to his responsibility in the highest tradition of the Senate.

Mr. President, may I inquire how much time I have left?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. TOWER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. TOWER. May I call to the attention of my friend from Rhode Island that I have now offered the amendment.

The legislative clerk read as follows:

At the end of the resolution add a new section as follows:

"No employee of the select committee or any person engaged by contract or otherwise to perform services for the select committee shall be given access to any classified information by the select committee unless such employee or person has received an appropriate security clearance. The type of security clearance to be required in the case of any such employee or person shall be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee."

Mr. TOWER. Mr. President, the amendment is somewhat self-explanatory. However, I think we should make some legislative history on it. What is contemplated here is the type of Q clearance which is administered by the Atomic Energy Commission and which the Senator from Rhode Island is so well familiar with. I should like the Senator from Rhode Island to comment on it at this time if he would.

Mr. PASTORE. I have no objection to the amendment provided I get a further explanation of the last sentence:

The type of security clearance to be required in the case of any such employee or person shall be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee.

As determined by the committee.

After all, who is going to make this determination? We are not going to have a debate by the members of the committee every time we get to a point where this would apply. I am all for preserving the classification; the Senator from Texas knows that I am all for his amendment, the spirit of it, the intention, the objective of it. But I think we should make clear that the determination ought to be on the part of the committee.

When it says "sensitivity of the classified information," who is going to determine whether it is sensitive or not? We have to say here "the type of security clearance to be required in the case of any such employee or person shall, within the determination of the committee, be commensurate with the sensitivity," and so on.

Mr. TOWER. I should be glad to accept that as a modification by the Senator from Rhode Island.

Mr. PASTORE. That is what I want. I want the determination to be made by the committee, if we can work out that language.

Mr. TOWER. That suits me splendidly. As a matter of fact, if the Senator will read that language again, I think that would be a suitable modification.

Mr. PASTORE. The type of security clearance to be required in the case of any such employee or person shall, within the discretion of the committee itself, be commensurate with the sensitivity of the classified information to which such employee or person will be given access to the select committee.

Mr. TOWER. I will accept that language as a modification by the Senator from Rhode Island.

The PRESIDING OFFICER. The amendment will be so modified. Will the Senator send the modification to the desk?

The amendment, as modified, is as follows:

No employee of the select committee or person engaged by contract or otherwise to perform services for the select committee shall be given access to any classified information by the select committee unless such employee or person has received an appropriate security clearance as determined by the Select Committee. The type of security clearance to be required in the case of any such employee or person shall within the determination of the Select Committee be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee.

Mr. TOWER. What is contemplated here is a simple type of Q clearance which is ordinarily required of Senate employees.

Mr. PASTORE. I realize that. Every member of the staff of the Joint Committee on Atomic Energy has Q clearance and has to have it. I think in this particular case, where we are dealing with classified information, covert activities abroad and domestically, I think we have to have reliable people. We just cannot afford to take a chance.

Now, I am all for this study and this investigation. I repeat, I do not want to be misunderstood. There have been a lot of mistakes and they have to be corrected. But we are not out to destroy intelligence-gathering.

I remember one time when I was sent by President Kennedy to Moscow to witness the signing of the Nuclear Test Ban Treaty. I was sitting on the porch of the Embassy, together with Dean Rusk, at the time, and we were talking about a lot of measures. Finally, the Ambassador came out and said, "I suggest you two gentlemen take a walk and do your talking because this place is bugged."

"This place is bugged." Now, that is what the Russians are doing to us. As a matter of fact, they did it right down there at the United Nations. They had a bug, I think, under the American seal. We all remember that.

Let us face it: We are in a critical world where we are being spied upon and, in order to know what they are doing, we have to spy on them. There is no question about that. But that has nothing to do with many of these charges that have been made.

Nobody is out to destroy the CIA. Let us get an understanding on this. No one is out to destroy military intelligence. No one is out to destroy the FBI. Let us make it all clear.

On the other hand, this is an open society. All we are saying is that there are some things that have been wrong, and under the pretext of either national security or secrecy, private rights are being violated unnecessarily. That is all we are trying to eliminate. That is all we are trying to do. It is as simple as all that.

I am perfectly willing to accept this amendment with that modification.

Mr. TOWER. The modification has been accepted. The amendment has been so modified.

I might say one other thing. I think this is partially for the committee's protection. If we did not require clearance of some sort, it is not impossible that an alien intelligence organization could penetrate the committee by inserting one of its people on the committee staff. So I think we would want that kind of protection, because I do not think the committee would ever want to be embarrassed by finding—having failed to require any kind of clearance—that their staff had been penetrated.

Mr. BAKER. Will the Senator yield?

Mr. TOWER. I yield to the Senator from Tennessee.

Mr. BAKER. Will the Senator from Texas reassure me that by setting up these requirements for classification, we are not setting up within the committee layers of access and levels of access to information that will be available to the committee? What I have in mind is the possibility that the committee may decide that there is a requirement for security beyond even the requirements for Q clearance, a kind of "eyes only" classification, and have someone say to Howard Baker, that he can read those 8,000 pages, but his staff man does not have that clearance.

Now, can the Senator assure me that nothing that is contained in this amendment will in any way deprive any Member of access, and his staff, if otherwise properly cleared?

Mr. TOWER. I do not perceive that it would. In other words, for the protection of the staff——

Mr. BAKER. What does the Senator mean, he does not perceive that it would? Is it his opinion that it would or would not?

Mr. TOWER. It is my opinion that it would not.

Mr. BAKER. Does the Senator wish that to be included as part of the legislative history?

Mr. TOWER. As a matter of fact, the committee itself will determine.

Mr. BAKER. Does he wish it to be a part of the legislative history of this amendment that it is not his understanding or intention as the author of this amendment to create that situation?

Mr. TOWER. It is not my intention to create that situation.

Mr. BAKER. And it is not his belief that that will occur?

Mr. TOWER. It is not my belief that it will occur. But it is my intention that we should not have people on the staff who would be security risks.

Mr. BAKER. We all share that concern. Let us very much hope we succeed in keeping leaks from occurring altogether. I assure the Senator that this will be the case as far as this Senator is concerned. But as far as I am concerned, I cannot in good conscience see the adoption of an amendment that will make part of this committee privy to highly sensitive material while other parts of the committee, though legally, as a practical matter might be deprived of that information.

Mr. PASTORE. Will the Senator explain that again?

Mr. BAKER. Yes. Assume for a moment that the committee, in its discretion, according to the amendment that the Senator from Rhode Island proposed and Senator Tower accepted, adopts some classification beyond, say, a Q clearance. We all know there are some classifications beyond a Q clearance. Suppose the Senator's personal staff or select committee staff comes to him and says, "I cannot gain access to that last communication Director Colby sent to us because the committee says we have to have an XQI clearance as well as a Q clearance." I want to be sure that I, as a member of the committee, or anyone else as a member of the committee, will not be thus deprived of access to any information that comes before that committee.

Mr. PASTORE. His amendment only has to do with staff members. The Senator is saying he does not want to be deprived. If a member of his staff or anyone on that staff that he may be responsible for the committee engaging does not get the clearance from the committee that he must have, he cannot get the information.

There is nothing wrong with that, because he is the one who determined that he could not get it.

Mr. BAKER. Mr. President, as long as I am assured, which is the only thing I sought, that the concern that I expressed was not the intention of the author of the amendment, I will be satisfied I do not want to be deprived, legally or effectively, of any information that comes before this committee. If there are 10,000 pages of classified material, I cannot read it, and the Senator cannot either, or it is unlikely that he is going to be able to.

I think I have that assurance. If the Senator from Texas will express his understanding that this will not be used as a device to deprive any of us of information, then I am perfectly pleased with it.

Mr. TOWER. It was the intention of the Senator from Texas to establish what he thinks is the minimum requirement that we can establish; that is, some sort of clearance for people. I noted a moment ago that it is conceivable that if we required nothing, the committee staff could be penetrated by an alien intelligence-gathering organization. I think this would be particularly true of clerical help.

I think that the professional staff that is likely to be engaged will probably be people who will have no difficulty getting any kind of clearance they need. It is not my intention to proscribe or to hobble the action of any Senator on the committee.

Mr. BAKER. Whose authority will be required to gain the clearance, that of the full committee or the chairman and vice chairman?

Mr. PASTORE. By vote of the committee.

Mr. TOWER. I should say the committee has to meet and make its ground rules pursuant to the guidelines laid down here.

Mr. BAKER. Is that the Senator's intention?

Mr. TOWER. That is my intention.

Mr. PASTORE. May we have the amendment read again?

Mr. BAKER. Mr. President, one further question, if I may: It has been necessary, in my experience, to enlist one's personal staff, legislative assistant, or anyone else, to help in a compilation or ordering of the information at hand. I fully agree that then they should be required to have whatever clearance is required, and be fully investigated. But I hope there is nothing in this amendment that would prevent an application for clearance of personal staff, and that on obtaining that clearance, they would, in fact, be subject to the same rules as committee staff.

Mr. PASTORE. That is correct. We do that on the joint committee now. The Senator from Missouri has had members of his staff who have Q clearance look at some of our classified information. They are entitled to do it, with the permission of the committee itself.

Every person who looks at classified information has to be cleared. We should be clear about that.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Missouri.

Mr. SYMINGTON. I thank my able friend from Texas.

As I understand it, whoever is cleared, whether he be on the staff or off the staff, is cleared for the information. He is cleared for the information on the basis of the nature of the clearance that he receives. It would be up to the Senator in question to decide whether he was violating the rules of the Senate if he was on the committee and at the same time discussed any matter with somebody who did not have the proper clearance.

Am I correct in that?

Mr. BAKER. Absolutely.

Mr. PASTORE. That is right. No one disputes that.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. PASTORE. Yes.

Mr. STENNIS. I believe the Senator from Missouri was talking about someone who was not on the committee staff. I would not think that anyone who was not responsible to the committee would have access to this information.

Mr. PASTORE. Oh, no——

Mr. SYMINGTON. May I say in answer to my able friend, the Senator from Mississippi, I was discussing this matter with the distinguished senior Senator from Tennessee on the basis of his staff; and the Senator is entirely correct, and if he is on the committee—and I read he was on the committee—then it would be his problem to see that the people on his staff were cleared to receive the information on the basis of their clearance, and did not receive it if they did not have adequate clearance.

Mr. PASTORE. Provided they got the permission of the committee.

Mr. STENNIS. It would be a committee responsibility.

Mr. PASTORE. That is why I am writing there "by the determination of the committee."

Mr. BAKER. I entirely agree with that. Does the Senator from Texas?

Mr. TOWER. The determination is to be made by the committee, that is the difference.

Mr. BAKER. And it can be made for security classification for personal staff as well as staff——

Mr. TOWER. Not for personal staff. I think for any information that the Senator gives to his personal staff, he has the personal responsibility to determine whether that staff member has an adequate clearance. My own personal policy is that nobody handles classified documents on my staff unless they have clearance.

Mr. BAKER. That is the essence of my question. The answer to the question to the Senator from Texas is——

Mr. PASTORE. We are confusing a very simple thing. Let us get it plain. No one can look at classified information unless they have clearance.

Mr. TOWER. Right.

Mr. PASTORE. If a personal staff member of any member of the committee has that clearance, he or she can be entitled to that classified information only if the committee gives permission.

Mr. BAKER. Mr. President, that is my understanding.

Mr. PASTORE. That is the rule of the Joint Committee on Atomic Energy now. I cannot say it more clearly than that.

Mr. BAKER. Is that correct?

Mr. TOWER. That is correct, and the policy will be set by the committee. I see no reason why a majority of the committee cannot work it out satisfactorily.

The **PRESIDING OFFICER**. The time of the Senator from Texas has expired. The Senator from Rhode Island has 32 minutes.

Mr. **PASTORE**. I think we ought to get this amendment clarified further.

Mr. **MANSFIELD**. Mr. President, will the Senator yield?

Mr. **PASTORE**. I yield.

Mr. **MANSFIELD**. I understand, Mr. President, after listening to this debate, that it is the Senate select committee, if there is one approved by the Senate, which has the final determination as to who shall have access to what information; is that correct?

Mr. **PASTORE**. That is correct.

Mr. **MANSFIELD**. No executive agency shall determine directly or indirectly who shall have access to information.

Mr. **PASTORE**. That is correct. And I cannot be more explicit than that. I would like to have the amendment read.

The **PRESIDING OFFICER**. The clerk will read the amendment.

The legislative clerk read as follows:

> At the end of the resolution add a new section as follows:
>
> "No employee of the select committee or any person engaged by contract or otherwise to perform services for the select committee shall be given access to any classified information by the select committee unless such employee or person has received an appropriate security clearance as determined by the select committee. The type of security clearance to be required in the case of any such employee or person shall within the determination of the select committee be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee."

The **PRESIDING OFFICER**. The Senator from Rhode Island has 30 minutes remaining.

Mr. **CRANSTON**. Mr. President, will the Senator yield?

Mr. **PASTORE**. I yield.

Mr. **CRANSTON**. The Senator from Rhode Island, I think, has performed a very useful service in making plain that the second part of this amendment is finally in hand for decisionmaking purposes of the committee.

Mr. **PASTORE**. That is correct.

Mr. **CRANSTON**. But the first part creates a similar problem.

Mr. **PASTORE**. No, he added the words for the first part, too; right at the end of the first sentence he added the words "within the determination of the select committee."

Mr. **CRANSTON**. I have a somewhat similar question to ask; it is similar in its implication, and I perhaps need the help of the Senator in figuring out what to do about it.

With respect to the words "unless such employee or person has received an appropriate security clearance," who gives security clearance?

Mr. **PASTORE**. Usually by the FBI and all other sensitive agencies of Government. That is the way they do it now.

Mr. **CRANSTON**. The question I ask is, how do you prevent, and just make certain, that there is no abuse of this by the executive branch? They would not, I assume, try to hold down the staff to zero, but they might improperly withhold or delay security clearances.

Mr. **PASTORE**. The Senator from Montana just asked the question and I answered it. It is not up to any agency executive; it is up to the committee.

Mr. **CRANSTON**. Who is going to give clearances, the committee or the executive?

Mr. **PASTORE**. The committee is going to determine whether the clearance is adequate and sufficient.

Mr. **CRANSTON**. If a staff person that the committee wishes to use is denied clearance by the executive branch can the committee override and decide they are going to hire that person?

Mr. **PASTORE**. Well, in an extreme case, I would have to answer the Senator in the affirmative, but I mean, after all, I do not anticipate that. I do not anticipate that trouble.

Mr. **CRANSTON**. I did not anticipate it, generally. I think we might anticipate it in regard to certain individuals who might render invaluable service to the committee but who might be preferred not to be on that committee staff by one or another of the agencies we are talking about.

Mr. **PASTORE**. Is the Senator saying to me if for some capricious motive some executive department refused to grant a clearance, the question would arise, would that put that individual out of commission?

Mr. **CRANSTON**. Yes.

Mr. **PASTORE**. The answer is no. The answer is it is up to the committee to make the determination.

Mr. **CRANSTON**. That is fine. I thank the Senator.

Mr. **PASTORE**. OK. Does any other Senator wish to speak before we vote?

Mr. **BAKER**. Mr. President, I am happy to have this opportunity to express my support for Senate Resolution 21, legislation establishing a Senate Select Committee on Intelligence Oversight.

As an original cosponsor of the resolution offered by Senators MANSFIELD and MATHIAS, and as a strong supporter of this legislation offered by Senator PASTORE, I believe this resolution to set in motion a responsible study of the intelligence activities carried out by or for the United States is of tremendous importance.

In supporting the creation of a select committee, as in sponsoring legislation to establish a permanent Joint Committee on Intelligence Oversight, let me emphasize that it is not my intention to criticize the distinguished chairmen of the Armed Services Committee or the Appropriations Committee, or the ranking minority members of those committees. They have done an admirable job in carrying out the diverse duties and responsibilities of leadership on those committees. In my view, however, the far-reaching operations of the some 60 Government agencies which conduct an intelligence or law enforcement function demand the careful scrutiny of a select committee created for that purpose and charged with that responsibility.

Some have argued that Congress cannot be trusted to participate in the critical and terribly secret operations of the intelligence community. They cite the fact that Washington has become known as a city of leaks. I suggest, though, that critics are losing sight of the explicit confidence in which Congress has dealt with national security agencies of the highest order in the past.

In our past national conflicts, during World War I, World War II, the Korean war, and the war in Vietnam, the rule has been confidentiality where required.

I am proud to serve on the Joint Committee on Atomic Energy, a committee which is so ably chaired by the sponsor of Senate Resolution 21, Senator PASTORE. I believe I am correct in saying that, in more than a quarter century, there has never been a security leak from the Joint Committee, which daily deals with what are perhaps the most sensitive materials in the entire annals of the defense establishment. It is evident, then, that ample precedent exists for congressional participation in such a sensitive area. I am not impressed by those who contend that Congress is not to be trusted with the truth.

A balance must always be made between the requirements of a democracy for public knowledge, and the requirements of its security and defense. When a doubt arises, the people's branch of Government must be privy to those requirements and the pertinent information required to make a balancing judgment.

The outcome of the select committee inquiry, obviously, cannot be foreseen. I pledge my personal efforts, just as I know the other members of the select committee will dedicate their efforts, to seeing that our job is done thoroughly and that we follow the facts wherever they lead without fear or favor. This resolution charters neither a whitewash nor a witch hunt; it does establish a select committee to carry out a sensitive mission as fairly and as even handedly as possible.

It is not my intention to carry out a vendetta against the Central Intelligence Agency, or against any established intelligence agency of our Government. I believe that the CIA, the FBI, and other agencies are necessary to the security of our national institutions when they perform their proper functions.

Serious allegations have been made, however, and it is the responsibility of the Congress to weigh the charges, find the facts, and determine what remedial action, if any, is necessary to make sure that an effective intelligence program is maintained without endangering the rights of our citizens.

Mr. President, I shall not detain the Senate long. Everything has been said which should be said, I believe. I am pleased and I am gratified and enthusiastic about the action that I believe the Senate is about to take. I think that it signifies diligence and sensitivity and the recognition of a necessary national purpose. It speaks well of the viability of this group as a great deliberative body in support of the executive branch of Government.

I have no quarrel with the CIA. I certainly have no quarrel with the Senate Armed Services Committee or its distinguished chairman. This resolution, however, is drafted so that it extends far beyond the CIA, to the entire intelligence apparatus of this country. Some of my colleagues may be interested to know there are 60 agencies of the U.S. Government that conduct some sort of intelligence or law enforcement responsibility. There are 16 agencies of the Government conducting intelligence operations other than the CIA and the DIA, Defense Intelligence Agency, and the FBI, which have a combined budget of over a billion dollars a year. The intelligence of the Federal Government is an enormous business.

I became concerned about this matter in the course of Watergate. The stories which have appeared in the press and been related by others to me since that time have done nothing to allay that concern. It is important, I believe, that we have a thoroughgoing investigation to determine whether or not the agencies involved in the intelligence activities of the Government are complying with the requirements of the law.

But maybe—just maybe, Mr. President—there is one other thing that we need to do to reassure not only Congress but the people of this country, and that is to make sure that the intelligence community and, of course, to some extent the law enforcement community, is under somebody's control. They are not autonomous entities within a representative democracy, as I am sometimes tempted to suspect.

We are not talking about a Republican national administration or a Democratic. I rather suspect that some of the practices that we see discussed in the public forum began a long time ago, and maybe included activities going all the way back, possibly, to the Eisenhower administration, the Kennedy administration, and the Johnson administration. I think, Mr. President, one of the major undertakings of this committee ought to be to talk to the last surviving ex-President we have and to examine the records that are available to us to determine whether or not the President of the United States knows what is going on in the CIA, the DIA, and the FBI.

I want to be reassured in that respect, and I confess I am not now. I suppose we would run into the questions of our friendly adversaries on executive privilege and executive powers with respect to those Presidential powers. I know former President Harry Truman declined to grant certain information after he left office, but I think we ought to try. We ought to find out not whether the CIA, for instance, was engaged in domestic surveillance, but whether somebody was running the show. I know Congress was not running the show; and I want to be relieved of that shuddering fear I have that the White House was not, either.

So I pledge, if I am a member of this committee, that I will conduct it as discreetly and privately as I can commensurate with my responsibility.

I pledge that we will be careful to preserve our legitimate intelligence interests.

I pledge, as well, that the public's right to know is second only to national survival, and that when we are finished with the private portion of these hearings there will be a public disclosure, a public declaration including the good and bad, recent and in the past.

It is a terrible time we are in. We have not had a President who has completed his term, in a sense, since President Eisenhower. These are turbulent times when we have set about the business of investigating ourselves to the point where sometimes I think we are devouring our public officials, our leaders.

When I permit myself the luxury of thinking that, sometimes it also dawns on me that the investigation has been pretty productive, and we have got to do this one, too, not because we are bent on political cannibalism, but because it has to be done.

I believe, Mr. President, that it will be done, and done effectively.

I pledge my efforts in that respect and I serve notice, as well, that I will devote every ounce of my energy to seeing that we find all the facts and pursue them, wherever they lead us.

It is far too late in my political career to worry about whom I might hurt or who might be injured.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. PASTORE. Have we voted on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas, as modified.

The amendment was agreed to.

Mr. TOWER. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. How much time will the Senator require?

Mr. TOWER. A couple of minutes.

Mr. PASTORE. All right.

Mr. TOWER. Since I have run out of time.

Mr. PASTORE. OK.

Mr. TOWER. I have an amendment here which I will either offer or not offer. It is copied directly out of the resolution that authorized the select committee for the Watergate investigation.

It simply says:

> The minority members of the select committee shall have one-third of the professional staff of the select committee (including a Minority counsel) and such part of the clerical staff as may be adequate.

Mr. PASTORE. Why not leave that to the committee?

I think——

Mr. TOWER. The Senate resolution requires 30 percent, I believe.

Mr. PASTORE. Yes.

Mr. TOWER. If the Senator from Rhode Island will simply assure me the minority will get adequate staffing——

Mr. PASTORE. It will be up to the committee itself. I will not have any authority over the committee.

Mr. TOWER. I think an undertaking by this side of the aisle would be honored by the majority on the committee.

Mr. PASTORE. All right, so I undertake it.

Mr. TOWER. I thank my friend from Rhode Island.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator.

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> At the end of the resolution add a new section as follows:
>
> SEC. 7. As a condition for employment as described in Section 3 of this Resolution, each person shall agree not to accept any honorarium, royalty or other payment for a speaking engagement, magazine article, book, or other endeavor connected with the investigation and study undertaken by this Committee.

Mr. PASTORE. I will accept this amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. HATFIELD. Mr. President, I send up another amendment for the purpose of colloquy.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On Page 4, line 4, insert after the word "agency" the following: "or any Committee or Subcommittee of the Congress."
>
> On Page 5, line 13, insert after the word "agencies" the following: "or any Committees or Subcommittees of the Congress"

Mr. HATFIELD. Mr. President, I would like to ask the Senator from Rhode Island a question because I may withdraw the amendment after I have the record made on the problem that concerns me so greatly.

As a member of the Rules Committee, I am aware that we have brought before us the requests from various committees and subcommittees in the Senate for the budget to operate that committee.

The Internal Security Subcommittee of the Committee on the Judiciary, during the presentation of their budget request on February 27, 1974, indicated that they kept records on various people in this country which they gathered through intelligence activity. They had files, names of people that could be considered as suspicious, and other such characteristics as they indicated to our committee.

My only point is that I realize that this is not a matter of one Senate committee investigating other subcommittees or committees where we have the word "investigation" on page 2 of our resolution today, however, we have some various generalities as to what this committee's authority may include.

A prime responsibility is that it can look into, of course, any agency which is carrying out intelligence or surveillance activities on behalf of any agency of the Federal Government.

I would like to ask the Senator from Rhode Island if he considers that the language is broad enough, on page 2, lines 8 and 9, to include the reviewing of the activities of the Internal Security Subcommittee of the Committee on the Judiciary of the U.S. Senate, as it might relate to surveillance activities or gathering of intelligence.

Mr. PASTORE. Well, I mean, if they so determine. I do not see how that is apt to happen. The House already disbanded that committee. I hope we do it here in the Senate, as well. But this is a far-reaching authority.

If they so choose to do it, I would say that they could, but I would not want to amend the present resolution as it now stands.

Mr. HATFIELD. Would the Senator have any objections to the latitude and scope of this committee being interpreted to include some review or investigation of activities of the Internal Security Subcommittee, to see how it is collecting data?

Mr. PASTORE. Well, if they have done things as bad as the CIA or FBI, if it is so determined, I do not see why any Senate committee should be immune.

I mean, we have got to treat ourselves as we expect to treat everybody else.

Mr. HATFIELD. Mr. President, I am very happy to hear the Senator say this, because it would seem to me if we are basically concerned about the abridgement of civil rights of our citizens through the action of gathering intelligence, and so forth, of executive agencies, we should be doubly concerned about the procedures used by one of our own subcommittees of the U.S. Senate.

I, for one, am not satisfied with the answers I received from the chief clerk of that subcommittee as he appeared before our Rules Committee.

I would like to think it is understood that the resolution certainly carries with it enough authority for that committee under this resolution to look into these activities of the Internal Security Subcommittee, if someone brings that issue up before the committee.

Mr. PASTORE. Or any other committee.

Mr. HATFIELD. Or any other committee, but this one committee is already involved.

Mr. PASTORE. But that is not the thrust, I want to make it clear, not the thrust of this resolution, but it would be encompassed in it because it is broad in scope.

Mr. HATFIELD. I understand, but I would not want to exclude one of our own subcommittees, if we are so anxious to investigate the executive agency. That is why I am raising the question. Congress should look at its own intelligence gathering and file keeping also.

Mr. PASTORE. That is right.

Mr. HATFIELD. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BARTLETT. Mr. President, will the Senator from Rhode Island yield to me 2 minutes?

Mr. PASTORE. I yield 2 minutes to the Senator.

Mr. BARTLETT. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

To Section 2 add a new subsection as follows:

"(16) Whether new legislation or an amendment to any existing legislation should be enacted to strengthen the national security, intelligence or surveillance activities of the United States."

Mr. BARTLETT. Mr. President, the amendment adds to section 2, beginning on page 3, one more paragraph, to insure that the Senate further expressly authorizes and directs the select committee to make a complete investigation with respect to the following matters, or questions. It adds the question of whether there needs to be any bill introduced or any amendment to strengthen the national security, intelligence or surveillance activities of the United States.

I am aware, as the Senator from Rhode Island knows, that section 4 on page 10 of the bill authorizes the select committee to recommend the enactment of any new legislation or the amendment of any existing statute which it considers necessary for these purposes.

But I want to be assured that the question will be answered by the committee, and to know that in case there was no forthcoming legislation that there would be a definite and definitive answer as to whether this question had been reviewed and answered by the committee in its recommendation.

Mr. PASTORE. I would suppose so, otherwise this whole investigation would be a nullity.

In other words, if nothing was found and nothing was wrong, and naturally, of course, they had given a bill of endorsement, we would have to change nothing by legislation.

On the other hand, if certain authority was exceeded or the agencies went beyond the parameters of the present charter and got us mixed up in Laos, got us mixed up in Chile, got us mixed up in Cambodia and other parts of the world, where they had no authority without the consent of Congress, in that particular case, the committee would come back and make a recommendation, if they would find it necessary to do so.

I would hope, without encumbering this with duplicate language, that we would understand that these are legislative words of art when it says the select committee shall have authority to recommend the enactment of any new legislation. They have the authority. I would hope that they would exercise it.

Mr. BARTLETT. Will the Senator yield?

Mr. PASTORE. What the Senator wants to do is to say that they have to make a recommendation one way or the other.

Mr. BARTLETT. I am saying, if I may say to the Senator from Rhode Island, that they shall make a determination of whether or not there is legislation needed to strengthen the national security, intelligence or surveillance activities, that they shall make that determination. Is the Senator assuring me that they will make that determination in deciding whether or not they will avail themselves of the authority of section 4?

Mr. PASTORE. I would hope so. I would hope so.

Mr. BARTLETT. With that assurance from the Senator from Rhode Island, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CRANSTON. Mr. President, will the Senator yield? I would like to ask one question of the Senator from Texas regarding his amendment.

I assume that it was not his intention that the amendment would be used to deny a member of the select committee staff of the knowledge of the existence of a classification designation or a classified program. I ask that in light of the fact that many documents and programs bear a classification that is actually higher than "top secret" which, itself, is classified.

Mr. TOWER. May I say to the Senator from California I believe we have already answered that question. It would be up to the committee to determine what kind of clearance is required. That will be an internal housekeeping matter for the committee. But the guidelines should be laid down. I believe the committee would want to be protected. I mentioned as a worst case theory awhile ago that perhaps a foreign intelligence-gathering organization, in the absence of any intelligence clearing on our part, could insert one of its people into our committee staff and actually penetrate the committee. That would be of considerable embarrassment to the committee member under whose sponsorship that person was. I think we should have that protection.

In addition to that fact, the country should have that protection. I believe we have a public responsibility to make sure that the people that we put in these staff positions are going to be people whose sense of discretion and loyalty are beyond question.

Mr. CRANSTON. I admire the Senator's efforts to cut off such dangers. Since there is no law that gives the Executive the power of clearance or denial of clearance, since that is done by Executive order, whatever rules the committee writes will govern what happens in this area.

Mr. TOWER. This is correct. It is the committee's baby.

Mr. CRANSTON. I thank the Senator.

Mr. PASTORE. Well, let us see if we cannot put the baby to sleep. I suggest the absence of a quorum.

Mr. TOWER. Will the Senator withhold that for a minute and yield to me?

Mr. PASTORE. I yield.

Mr. TOWER. Mr. President, in the Friday, January 24 issue of the Arizona Republic, William P. Maloney, Jr., a former ambassador to Ghana and a good Democrat who insists that CIA regulation is long overdue, he states that:

> In the approaching investigations, it is important to keep two things in mind: That a competent intelligence branch is essential to our survival and that the CIA, with all its faults, is one of the best, if not the very best, organizations of its kind around. So let us not throw the baby out with the bath.

I ask unanimous consent that his letter in the Arizona Republic be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CIA Regulation Long Overdue

As a former diplomat, I have followed recent news on alleged involvement of the CIA in domestic affairs with special concern.

Clearly, congressional oversight and appropriate regulation of the agency are long overdue. A recent best seller on the subject, "The CIA and the Cult of Intelligence" by Marchetti & Marks, the accuracy of which is generally recognized, makes a compelling case in this regard.

There is enough blame to taint all involved, not only the agency itself but recent administrations and especially a pliant and gullible Congress. Additionally, the agency operates under a vague grant of powers which fails to define what is "domestic" and what is "foreign," let alone providing guidance for what falls in either category when it involves legitimate intelligence operations.

But in the approaching investigations, it is important to keep two things in mind: that a competent intelligence branch is essential to our survival, and that the CIA, with all of its faults, is one of the best, if not the very best, organizations of its kind around.

So, let's not throw the baby out with the bath. Hopefully, in the coming months both our domestic freedom as well as the structure and role of this excellent organization will be strengthened.

Mr. SCHWEIKER. Mr. President, I would like to commend the distinguished majority and minority leaders for their decisive action in moving to establish a select Senate committee to investigate the recent charges involving various organizations within the U.S. intelligence community. I had introduced my own legislation in this area, Senate Resolution 6, cosponsored by my colleague from Wisconsin (Mr. Proxmire), and I am pleased that the Senate has decided to move forward with a similar proposal.

I think it is appropriate to emphasize four points in connection with this. First, this Nation vitally needs an effective intelligence service. No one disputes that, and I am confident no one in this body would support any action which would undermine the effectiveness of Government organizations performing legitimate, necessary, intelligence functions. In the 14 years I have served in the House and Senate, I spent 10 years as a member of the Armed Services Committee, both in the House and here in the Senate, and that experience convinced me of the necessity for an effective intelligence organization.

But second, and equally important, it is the responsibility of the Congress to define legitimate intelligence activities, and to establish guidelines which the executive branch must follow in conducting intelligence activities—and then to see that these guidelines are enforced. The intelligence community, like every other sector of our free society, must be subject to the rule of law—and in fact, because of the unique nature of intelligence activities, it is fundamental to the integrity of our free institutions that the intelligence community respect the rule of law.

Unfortunately, the Congress has not been as vigilant in this area as it should have been. Despite nearly 200 legislative proposals, no major legislation regarding our intelligence community has been passed since 1949, when the original CIA charter was amended. In the intervening years, the statutory authority of the CIA has apparently been modified and expanded by a series of secret administrative actions, Executive orders, and National Security Council actions. As a result, the CIA now has a "secret charter" which may be vastly different from the original statute passed by Congress—and even those Members of Congress with oversight responsibilities for CIA cannot say with confidence what is in the secret charter. I hope the select committee will focus a major inquiry in this area, and will untangle the various provisions of the secret charter and insure that our basic intelligence authority is embodied in a new statute, passed by Congress, rather than in a series of secret documents. In a free society, the entire concept of a "secret charter" is an intolerable contradiction in terms and must not be permitted.

Third, there are numerous indications that the intelligence community—and particularly the CIA—has expanded its functions into nonintelligence areas, creating a shadow government, duplicating and even superseding the activities of other Government agencies. I recently disclosed an unclassified, CIA contract proposal, asking American firms to conduct industrial espionage against our NATO allies and others, to determine their future plans in the area of ground transportation. Certainly we have a legitimate Government interest in this area, but it should be pursued openly, by the Department of Transportation or Commerce, rather than covertly by the CIA. And in response to my disclosure, our NATO allies said they would be happy to share information of this nature with our Government and in fact, are now doing so, thus eliminationg any need for CIA activity. I hope the select committee will explore intelligence community activities in this area, to determine to what extent a shadow government has in fact been created, pursuing normal Government functions in secret, simply to avoid congressional oversight and accountability.

Finally, I think it should be emphasized that the CIA represents only about 15 percent of the entire U.S. intelligence effort. Recently, this has been the most visible 15 percent, in view of press disclosures, but certainly no responsible congressional evaluation in this area can take place without inquiry into all facets of the U.S. intelligence community. My bill specifically authorized inquiry into all U.S. intelligence agencies, and I would hope the select committee bill adopted today will have similar broad authority.

Mr. MUSKIE. Mr. President, the resolution before the Senate is the product of long and thoughtful concern over the role of intelligence agencies in a democratic society. Nearly 20 years ago, the distinguished majority leader urged the Senate to adopt a related measure to exercise its responsibility for the activities of our Nation's intelligence community.

Since the adoption of the National Security Act, there have been more than 200 attempts to establish separate and broadly based intelligence oversight committees for the Congress.

Today, with the leadership of the distinguished senior Senator from Rhode Island and the esteemed majority leader, and the many other Members of this body who have labored for this change, we can take a vitally significant step by the creation of a Senate Select Committee to Study Government Operations with Respect to Intelligence Activities.

This select committee is similar in many respects to a proposal offered by Senators Mansfield and Mathias which was referred to the Committee on Government Operations. The Subcommittee on Intergovernmental Relations, which I chair, held hearings on December 9 and 10 on that and other proposals to strengthen congressional oversight of intelligence activities.

While we will continue to explore the long-range congressional needs for a more permanent oversight mechanism, it is essential that we have a select committee study what has gone before us and to measure past activities of our intelligence agencies against the laws which authorized them.

For many years now we have been given constant assurances by the Central Intelligence Agency and other intelligence agencies that they have been forthcoming to the Congress through the appropriate channels such as the present oversight committees. Unfortunately, events of the past few years, and more particularly of the past few weeks, appear to suggest that there is an instinct on the part of these agencies to withhold information from the Congress to protect themselves.

In the past, proposals from the Congress, from scholars and from Presidential task forces have been met with little more than indifference. Certainly public opinion and opinion in the Congress have changed.

In recent years we have seen alarming evidence that the FBI has spied on Congressmen and on domestic political groups. The President has acknowledged that the CIA mistakenly became involved in domestic surveillance. We have had evidence of military agents spying on civilians on behalf of an agency created by Department of Defense directive. The list goes on.

The creation of a select committee to explore these allegations and activities as well as the overall activities and responsibilities of the entire intelligence community represents an objective response by the Senate to difficult and complex circumstances. It is not a call for a witch hunt. It is an assumption of responsibility.

This is an undertaking of the greatest importance. It is one which has the strong support of most of the Members of this body.

It is essential that this select committee begin now to obtain answers to the many questions which have been raised in the short run about the recent disclosures and allegations and in the long run about the authority and functions of all of our intelligence gathering agencies.

The committee should address the question of how we can balance vital national security needs with the public's right to know what its Government is doing and why.

If the events of the past 2 years are to provide the momentum to help fashion any changes in the way we conduct our Government, they should at the very least underscore the necessity for public accountability—in this case, accountability to the Congress for the proper and judicious administration of intelligence gathering agencies and the assurance that those activities are subject to the restraint of law as they impinge upon the free exercise of our constitutional rights.

If the select committee is to carry out this mandate, it must not be impeded in any way in its investigations.

The committee should explore still unanswered questions about the use of intelligence agencies in the Watergate incident and any other instances where agencies exceeded their authority.

The committee should examine the existing laws and procedures for review of their implementation and recommend necessary changes.

Finally, the work of the committee should serve as a basis for restoring public confidence in the integrity and quality of our intelligence agencies.

In the December hearings before the Intergovernmental Relations Subcommittee, Senator BAKER testified that as a member of the Senate Select Committee on Presidential Campaign Activities he was told at one point in his investigation that the CIA would supply no further information to the Watergate committee but instead would supply all of the information to their regular oversight committees. Senator BAKER went on to say:

> That effectively ended the Watergate Committee's inquiry into CIA involvement.

Based on the explanation by Senator MANSFIELD and Senator PASTORE on the day Senate Resolution 21 was introduced, there should be no question about the right and the authority of this committee and its staff to obtain any information which in any way affects or relates to the intelligence activities of the Government.

As the able majority leader stated so well:

> . . . it should be made clear that this committee will only be able to perform its function effectively if the provisions of this resolution are liberally construed by committees and by the agencies which are the subjects of its investigation.

Nothing should be able to be used as a bar to a thorough investigation—neither the system for classifying national secrets nor the provisions of the National Security Act itself.

I am confident that the members of this committee will use this authority judiciously with the utmost concern for preserving and improving the institutions they are charged to examine.

It has taken us a long time to reach this important point but the effort promises to bring forth fruitful and constructive change.

Mr. PACKWOOD. Mr. President, early last week the Senate determined to take an active role in the investigation of alleged misconduct by the CIA and the FBI. Legislation was offered to establish a Watergate-like select committee to thoroughly examine these allegations and determine their validity. We are going to vote on that legislation this afternoon and I intend to support it.

In addition to the CIA and the FBI, the select committee will also review the activities of the other Federal intelligence gathering agencies, including the National Security Council and the Defense Intelligence Agency. However, the main focus will be on the heretofore largely unknown activities of the Central Intelligence Agency and the Federal Bureau of Investigation.

For the last 2 months, the newspapers have been replete with stories of CIA involvement in Watergate-related intrigue in violation of the CIA's legislative mandate to restrict all intelligence gathering activities to foreign countries. Further, we have been informed that the FBI was actively and illegally wiretapping civil rights leaders and other politicians at the 1964 Democratic Convention. Who, Mr. President, sanctioned these wiretaps? Who suggested to the CIA that they assist E. Howard Hunt with his masquerade for the purpose of clandestinely breaking into the office of Daniel Ellsberg's psychiatrist—a patently illegal act? Who put together the Huston plan to infiltrate dissident groups for the purpose of gathering information on them? These are questions that need to be answered and I trust that in the course of the select committee's investigation they will be.

Mr. President, the collection and cataloging of information on individuals—without their knowledge or consent—has always been abhorrent to the American people. It is, at a minimum, a violation of the constitutional right to privacy as guaranteed by the fourth amendment and, at maximum, a threat to one's liberty and freedom of expression. In the context of these recent revelations, we hear the phrase "police state" bandied about and I am disturbed by it. A democracy is founded on the principle that the Government is for the people, not against them. Consequently, as the elected Representatives of the American people and their interests, it is incumbent upon the Congress to act quickly to insure that this unwarranted intrusion into the private lives of U.S. citizens has stopped and will not recur. The responsibility is ours and the response must be ours as well.

Mr. President, included within the purview of the select committee's inquiry is "The extent and necessity of overt and covert intelligence activities in the United States and abroad." I have already expressed my deep concern for unmonitored intelligence gathering operations within the United States, particularly those conducted by the CIA, but I would also like to remark briefly on the need for some congressional knowledge of and input into the foreign intelligence activities.

Up to this time, the Congress has generally had very little knowledge of CIA operations in a foreign country unless something goes wrong and a great deal of adverse publicity results. Witness the Bay of Pigs fiasco and the toppling of the Allende government in Chile. While I do not dispute the need for secrecy in their overseas intelligence operations, I would be interested to know if the CIA operates solely under the direction of the National Security Council and/or the President. Correspondingly, have the members of the current congressional subcommittees on intelligence oversight more often than not simply been presented with a fait accompli rather than consulted during the initial decision-making process? I do not think this is at all clear and it should be.

I have indicated my support for a permanent Joint Congressional Committee on Intelligence Oversight which should, in theory, enjoy a more comprehensive oversight capability than has been the case with the current subcommittees in the House and Senate. Given that reality, however, exactly what will that oversight capability include? And, more importantly, given the congressional track record on sensitive information leaks, can the security of intelligence information imparted to the oversight committee be guaranteed? These are very serious questions in my mind and I hope that the select committee will include them in its inquiry.

Mr. President, I believe that the need for the creation of a select committee to investigate the Federal intelligence community has been amply documented. I strongly endorse its enactment.

Mr. GOLDWATER. Mr. President, I rise in support of Senate Resolution 21 creating a Select Committee to Investigate Intelligence Activities.

At the outset, I want to state that the intelligence community has served the Nation loyally and ably. Moreover, I want to take this opportunity to salute the dedicated, hard working men and women of the intelligence community whose work goes largely unheralded because of the climate in which they must work.

Production of useful intelligence to guide the Nation's policy makers in making decisions relies upon the efforts of thousands of persons who do their work in a painstaking and careful way.

While agent operations are important to the Nation, they constitute a very small proportion of the total intelligence effort. Agent operations have been glamorized in novels and movies. Most of us enjoy this kind of entertainment, but the image that emerges is very far from reality.

The truth of the matter is that the production of intelligence requires the painstaking work of many specialists who carefully analyze information from many sources. Most of the work is far from glamorous and very far from James Bond.

Under the political climate now prevailing, I suppose a select committee was inevitable. I would have preferred that the Senate inquire into intelligence activities through the existing committees and subcommittees that have responsibilities for intelligence.

In supporting Senate Resolution 21, I want to make it clear that in no way do I agree to the criticism that has been made concerning our existing committees. I know that our colleagues on these committees have done their utmost to carry out the trust of the Senate.

Because the attacks on the intelligence community persist, and because part of that attack is directed to the existing committees, I am supporting Senate Resolution 21 as a way to clear the air and set the record.

When the distinguished senior Senator from Arkansas was chairman of the Permanent Investigations Subcommittee, I believe he established the procedure of having closed hearings before open hearings were held. If I remember correctly, the distinguished Senator from Arkansas established this procedure to protect both his subcommittee and witnesses from unnecessary embarrassment.

It is my hope that the Senate select committee will proceed in a careful and deliberate manner. I believe the committee's work, at least initially, should be in camera.

Most of the Senators and staff, who are going to serve on the committee, are not thoroughly familiar with the organization and functions of the intelligence community. Before any decision on open hearings is made, I would hope the members and staff would have ample opportunity to do some homework.

The Senators and staff who serve on the select committee are going to have knowledge of a lot of matters which, if improperly handled, can cause our Nation harm.

It is important that the select committee establish sensible rules in dealing with the intelligence community. In other words, let us get the information we need to do the job but no more.

There is a reason over and above security considerations for the select committee to hold its meetings in camera: The basic American idea of protecting professional and personal reputations unless unlawful or unethical acts are involved.

Although Senate Resolution 21 does not specifically make this point, I believe the work of the select committee should have as its focus the National Security Act of 1947. It is that act and the directives issued under its provisions which have created the intelligence community as we know it today.

Using the act of 1947 as a frame of reference, I believe the select committee should have two prime objectives:

First, to determine whether or not the act of 1947 needs revision.

Second, to determine whether or not there have been illegal activities within the intelligence community.

If there have been illegal activities, then I believe the committee must determine whether these illegal activities constitute a pattern or are merely aberrations.

Sometimes what may appear to be an illegal activity may turn out to be something quite different.

Ultimately, the select committee will make its findings and recommendations known to the Senate. It would be a tragedy for the Nation should this document reflect anything but the best of the Senate.

If surgery is required, let it be performed only after the most careful diagnosis. And, if there is surgery, let us use a very sharp scalpel—not a meat ax.

Mr. **DOMENICI**. Mr. President, the Central Intelligence Agency is charged with conducting the kinds of intelligence activities that are absolutely essential to preserve our free and open democratic society in the real world in which we live. I say this because example after example has shown that our Nation must remain ever-vigilant against the publicly stated desires of other governments to destroy our free existence.

The charter establishing the CIA limited it to foreign intelligence gathering. Allegations have been made that the charter has been exceeded on occasion. If correct, then much of the blame for these excesses lies with the Congress for failure to discharge its duty of congressional oversight. Recognizing that our Nation must have an intelligence gathering capacity that Congress has failed in its oversight responsibility, the question becomes: Is the creation of a select committee to investigate our intelligence operations, with all its extensive press coverage and certain leaks, the wisest method to explore and correct past wrongs and prevent future abuses? I have grave doubts.

There are many possible alternatives to such a suggested select committee. One alternative that comes immediately to mind is the creation of a permanent joint committee to oversee intelligence gathering by our Nation's agencies. Such an alternative has been offered in the form of S. 327, which I have cosponsored and intend to support.

However, the realities of our current situation dictate my reluctant support of Senate Resoultion 21, with the strong reservations mentioned previously and an admonition to my colleagues that we must not breach our national security by revealing matters of truly critical importance. These hearings must not be characterized by a veritable flood of leaks and publicity stunts that will permanently jeopardize the effectiveness of our intelligence operations which serve a very legitimate purpose. We must be on our guard that such legislation with a commendable purpose is not allowed, through error or excess, to undermine our country's security.

Mr. **PACKWOOD**. Mr. President, yesterday's Washington Post included an editorial by Walter Pincus entitled " 'Spies' and Presidents." In speaking of the investigation before a select committee to study the Federal intelligence community, Mr. Pincus declares that:

> No select Senate committee—not even a joint congressional committee—will get to the bottom of the U.S. intelligence community's problems without the full and active support of President Ford and his staff. This is because, he goes on to say, "The inquiry into intelligence activities must inevitably find out what past Presidents authorized the agencies to do."

Because of its particular relevance to the bill we will vote on today, I am bringing this article to the attention of my colleagues. Mr. President, I ask unanimous consent that the text of Mr. Pincus' editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"SPIES" AND PRESIDENTS

(By Walter Pincus)

No select Senate committee—not even a joint congressional committee—will get to the bottom of the U.S. intelligence community's problems without the full and active support of President Ford and his staff. The reason is simple: such an inquiry must inevitably end up trying to find out what past Presidents and their staffs authorized these agencies to do; what formal groups, such as the 40 Committee, approved; and what steps, if any, the White House ever took to stop abuses of authority or projects that were illegal on their face.

Current newspaper allegations about the Central Intelligence Agency's domestic activities and the CIA partial confirmation plus admission that the Federal Bureau of Investigation has collected files on members of Congress illustrate the point.

Former CIA Director Richard Helms tied the start of that agency's domestic activities in the late 1960s to "the express concern of the President" (Lyndon Johnson), although he did not detail how this "concern" was transmitted to him. The present CIA Director, William Colby, told a Senate subcommittee that, under Helms, the agency on Aug. 15, 1967 established a unit within its counterintelligence department "to look into the possibility of foreign links to American dissident elements." Two weeks later, Colby went on, the executive director of the President's National Advisory Commission on Civil Disorder asked how the CIA might assist that inquiry.

In setting up the commission, President Johnson's executive order had called upon all government agencies to cooperate. Colby never stated, in his prepared text, why or under what authority Helms had established the unit prior to receipt of the commission's request for assistance. Colby did add, however, that later the same year "the CIA activity became part of an interagency program, in support of the national commission (on disorder), *among others.*"

What that program was and who the "others" were who received its output were not spelled out. The only known group established at that time was one intended to work out a plan for handling disorders in Washington. Former participants on that interagency panel from the Pentagon and Justice Department don't remember CIA having been a party. Colby's later disclosure—that at this time the agency's Office of Security "inserted 10 agents into dissident organizations operating in the Washington, D.C. area . . . to gather information relating to plans for demonstrations . . . that might endanger CIA personnel, facilities and information"—parallels what this interagency group did. Whatever the facts were, only information from the White House tracing establishment of such a group could shed light on how the CIA became a participant.

In 1969, the CIA was asked by the White House to undertake surveillance of the President's brother, Donald Nixon, who, according to documents from the House impeachment inquiry, was moving to Las Vegas where it was feared he "would come into contact with criminal elements." The agency refused, but the Secret Service Act, which requires government agencies to cooperate in the protection of the President and his family, may have been the source of other such requests. Only the White House can disclose what role the CIA has been asked to play under that law.

In 1970 and 1971, White House aides asked CIA to participate in what was known as the Huston domestic intelligence plan and to provide assistance to a former agency official, E. Howard Hunt, who at the time worked for the President. Again, the question must be raised as to what White House authorization the agency was given to undertake the requested activities. Hunt's aid was cut off only when, in the words of the man who was then chief assistant to the deputy director, it appeared the agency was becoming involved in a "domestic clandestine operation."

In 1971 and 1972, according to Colby, the CIA undertook physical surveillances of five Americans including, apparently, newsman Jack Anderson, "to identify the sources of (news) leaks." This appears to complement the so-called "national security" wiretaps conducted by the FBI at the direction of the Nixon White House from 1969 to 1971. Again, the agency and the White House must make clear the authority under which the CIA conducted such operations.

In March 1974, Colby "terminated the domestic intelligence collection program (begun 7 years earlier) and issued specific guidelines that any collection of counterintelligence information on Americans would only take place abroad and would be initiated only in response to requests from the FBI. . . ." Was this at White House direction? And if not, could a future President reverse such a policy?

The FBI situation is slightly different. There is no information as to how or why former FBI Director J. Edgar Hoover began collecting politically-tantalizing material about congressmen and other public figures. One point is clear, however—he frequently used the information to titillate Presidents, and apparently no Chief Executive or White House aide ever told him to stop. When the so-called "national security" FBI wiretaps were operating, Hoover regularly sent social and political gossip picked up from overheard conversations to Nixon chief of staff, H. R. Haldeman. No objection or order to stop ever came back from the Oval Office.

One other presidential role in these areas needs exploration. Were agency directors ordered by the White House to cover up certain activities when called before congressional committees? Former CIA Director Helms, for example, when questioned by the Senate Foreign Relations Committee in February 1973, was asked directly about CIA participation in a White House plan in 1969 or 1970 to coordinate domestic intelligence activities. Helms said he could not recall—though he knew full well of his activities in 1970 Huston plan discussions. Last week he told senators he misunderstood the question.

At a May 1973 hearing, Helms told senators he had no idea that Hunt, prior to public mention of the Ellsberg break in, "was going to be involved in any domestic activity." Of course, he did—that was why aid to Hunt stopped. Former President Nixon and his aides kept a close watch over any congressional testimony that could implicate them or their assistants in Watergate. Was Helms told to mislead?

If current congressional efforts to harness the intelligence community break up as a result of lack of White House cooperation, additional allegations of past wrongdoings are bound to be made because the climate both inside and outside the secret security services has changed. Strong internal agency leadership has gone. And on Capitol Hill, the old staunch defenders of intelligence activities are either gone or powerless.

For those interested in protecting the legitimate functions of the intelligence community, the future looks grim—indeed black if the Ford White House fails to see that far more is needed than a narrow blue-ribbon commission studying a very narrow set of allegations.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield for 2 minutes?

Mr. PASTORE. I yield.

JOINT REFERRAL OF CERTAIN COMMUNICATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication from the Federal Energy Administration transmitting a study under Public Law 93-391, be referred jointly to the Committees on Interior and Insular Affairs, Public Works, Commerce and Finance, and that a second communication received this day from the Council on Environmental Quality on Land Use, prepared as a part of its annual report, be referred jointly to the Committees on Interior and Insular Affairs, Public Works, Commerce, Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON COMMERCE TO FILE REPORTS UNTIL MIDNIGHT TONIGHT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce be authorized to file reports until midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE TO STUDY GOVERNMENTAL INTELLIGENCE ACTIVITIES

The Senate continued with the consideration of the resolution (S. Res. 21) to establish a Select Committee of the Senate to conduct an investigation and study of governmental operations with respect to intelligence activities.

Mr. PASTORE. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Pursuant to the previous order, the Senate will now proceed to vote on the resolution, as amended. On this question the yeas and nays have been ordered, and clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. YOUNG (after having voted in the negative). On this vote I have a pair with the junior Senator from Washington (Mr. Jackson). If he were present, he would vote "Yea." If I were permitted to vote, I would vote "Nay." I therefore withdraw my vote.

Mr. GRIFFIN (after having voted in the affirmative). On this vote I have a pair with the Senator from Ohio (Mr. Taft). If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. Jackson), the Senator from Rhode Island (Mr. Pell), the Senator from California (Mr. Tunney), and the Senator from Indiana (Mr. Hartke) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston), and the Senator from Hawaii (Mr. Inouye) are absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell), and the Senator from California (Mr. Tunney) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Javits) is necessarily absent.

I also announce that the Senator from Maryland (Mr. Mathias), the Senator from Idaho (Mr. McClure), and the Senator from Vermont (Mr. Stafford) are absent on official business.

I further announce that the Senator from Ohio (Mr. Taft) is absent to attend a funeral.

I further announce that, if present and voting, the Senator from New York (Mr. Javits), and the Senator from Maryland (Mr. Mathias) would each vote "yea."

The result was announced—yeas 82, nays 4, as follows:

[Rollcall Vote No. 1 Leg.]

YEAS—82

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Hruska
Humphrey
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Tower
Weicker
Williams

NAYS—4

Helms
Scott, William L.
Talmadge
Thurmond

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Young, against
Griffin, for

NOT VOTING—11

Hartke
Huddleston
Inouye
Jackson
Javits
Mathias
McClure
Pell
Stafford
Taft
Tunney

So the resolution (S. Res. 21) was agreed to, as follows:

S. RES. 21

Resolved, To establish a select committee of the Senate to conduct an investigation and study of governmental operations with respect to intelligence activities and of the extent, if any, to which illegal, improper, or unethical activities were engaged in by any agency of the Federal Government or by any persons, acting individually or in combination with others, with respect to any intelligence activity carried out by or on behalf of the Federal Government; be it further

Resolved, That (a) there is hereby established a select committee of the Senate which may be called, for convenience of expression, the Select Committee To Study Governmental Operations With Respect to Intelligence Activities to conduct an investigation and study of the extent, if any, to which illegal, improper, or unethical activities were engaged in by any agency or by any persons, acting either individually or in combination with others, in carrying out any intelligence or surveillance activities by or on behalf of any agency of the Federal Government.

(b) The select committee created by this resolution shall consist of eleven members of the Senate, six to be appointed by the President of the Senate from the majority members of the Senate upon the recommendations of the majority leader of the Senate, and five minority members of the Senate to be appointed by the President of the Senate upon the recommendation of the minority leader of the Senate. For the purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice chairman of the select committee shall not be taken into account.

(c) The majority members of the committee shall select a chairman and the minority members shall select a vice chairman and the committee shall adopt rules and procedures to govern its proceedings. The vice chairman shall preside over meetings of the select committee during the absence of the chairman, and discharge such other responsibilities as may be assigned to him by the select committee or the chairman. Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the select committee and shall be filled in the same manner as original appointments to it are made.

(d) A majority of the members of the select committee shall constitute a quorum for the transaction of business, but the select committee may affix a lesser number as a quorum for the purpose of taking testimony or depositions.

SEC. 2. The select committee is authorized and directed to do everything necessary or appropriate to make the investigations and study specified in subsection (a) of the first section. Without abridging in any way the authority conferred upon the select committee by the preceding sentence, the Senate further expressly authorizes and directs the select committee to make a complete investigation and study of the activities of any agency or of any and all persons or groups of persons or organizations of any kind which have any tendency to reveal the full facts with respect to the following matters or questions:

(1) Whether the Central Intelligence Agency has conducted an illegal domestic intelligence operation in the United States.

(2) The conduct of domestic intelligence or counterintelligence operations against United States citizens by the Federal Bureau of Investigation or any other Federal agency.

(3) The origin and disposition of the so-called Huston Plan to apply United States intelligence agency capabilities against individuals or organizations within the United States.

(4) The extent to which the Federal Bureau of Investigation, the Central Intelligence Agency, and other Federal law enforcement or intelligence agencies coordinate their respective activities, any agreements which govern that coordination, and the extent to which a lack of coordination has contributed to activities or actions which are illegal, improper, inefficient, unethical, or contrary to the intent of Congress.

(5) The extent to which the operation of domestic intelligence or counterintelligence activities and the operation of any other activities within the United States by the Central Intelligency Agency conforms to the legislative charter of that Agency and the intent of the Congress.

(6) The past and present interpretation by the Director of Central Intelligence of the responsibility to protect intelligence sources and methods as it relates to the provision in section 102(d)(3) of the National Security Act of 1947 (50 U.S.C. 403(d)(3)) that ". . . that the agency shall have no police, subpena, law enforcement powers, or internal security functions. . . ."

(7) Nature and extent of executive branch oversight of all United States intelligence activities.

(8) The need for specific legislative authority to govern the operations of any intelligence agencies of the Federal Government now existing without that explicit statutory authority, including but not limited to agencies such as the Defense Intelligence Agency and the National Security Agency.

The nature and extent to which Federal agencies cooperate and exchange intelligence information and the adequacy of any regulations or statutes which govern such cooperation and exchange of intelligence information.

(9) The extent to which United States intelligence agencies are governed by Executive orders, rules, or regulations either published or secret and the extent to which those Executive orders, rules, or regulations interpret, expand, or are in conflict with specific legislative authority.

(10) The violation or suspected violation of any State or Federal statute by any intelligence agency or by any person by or on behalf of any intelligence agency of the Federal Government including but not limited to surreptitious entries, surveillance, wiretaps, or eavesdropping, illegal opening of the United States mail, or the monitoring of the United States mail.

(11) The need for improved, strengthened, or consolidated oversight of United States intelligence activities by the Congress.

(12) Whether any of the existing laws of the United States are inadequate, either in their provisions or manner of enforcement, to safeguard the rights of American citizens, to improve executive and legislative control of intelligence and related activities, and to resolve uncertainties as to the authority of United States intelligence and related agencies.

(13) Whether there is unnecessary duplication of expenditure and effort in the collection and processing of intelligence information by United States agencies.

(14) The extent and necessity of overt and covert intelligence activities in the United States and abroad.

(15) Such other related matters as the committee deems necessary in order to carry out its responsibilities under section (a).

SEC. 3. (a) To enable the select committee to make the investigation and study authorized and directed by this resolution, the Senate hereby empowers the select committee as an agency of the Senate (1) to employ and fix the compensation of such clerical, investigatory, legal, technical, and other assistants as it deems necessary or appropriate, but it may not exceed the normal Senate salary schedules; (2) to sit and act at any time or place during sessions, recesses, and adjournment periods of the Senate; (3) to hold hearings for taking testimony on oath or to receive documentary or physical evidence relating to the matters and questions it is authorized to investigate or study; (4) to require by subpena or otherwise the attendance as witnesses of any persons who the select committee believes have knowledge or information concerning any of the matters or questions it is authorized to investigate and study; (5) to require by subpena or order any department, agency, officer, or employee of the executive branch of the United States Government, or any private person, firm, or corporation, to produce for its consideration or for use as evidence in its investigation and study any books, checks, canceled checks, correspondence, communications, document, papers, physical evidence, records, recordings, tapes, or materials relating to any of the matters or questions it is authorized to investigate and study which they or any of them may have in their custody or under their control; (6) to make to the Senate any recommendations it deems appropriate in respect to the willful failure or refusal of any person to answer questions or give testimony in his character as a witness during his appearance before it or in respect to the willful failure or refusal of any officer or employee of the executive branch of the United States Government or any person, firm, or corporation to produce before the committee any books, checks, canceled checks, correspondence, communications, document, financial records, papers, physical evidence, records, recordings, tapes, or materials in obedience to any subpena or order; (7) to take depositions and other testimony on oath anywhere within the United States or in any other country; (8) to procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946; (9) to use on a reimbursable basis, with the prior consent of the Committee on Rules and Administration, the services of personnel of any such department or agency; (10) to use on a reimbursable basis or otherwise with the prior consent of the chairman of any subcommittee of any committee of the Senate the facilities or services of any members of the staffs of such other Senate committees or any subcommittees of such other Senate committees whenever the select committee or its chairman deems that such action is necessary or appropriate to enable the select committee to make the investigation and study authorized and directed by this resolution; (11) to have direct access through the agency of any members of the select committee or any of its investigatory or legal assistants designated by it or its chairman or the ranking minority member to any data, evidence, information, report, analysis, or document or papers, relating to any of the matters or questions which it is authorized and directed to investigate and study in the custody or under the control of any department, agency, officer, or employee of the executive branch of the United States Government, including any department, agency, officer, or employee of the United States Government having the power under the laws of the United States to investigate any alleged criminal activities or to prosecute persons charged with crimes against the United States and any department, agency, officer, or employee of the United States Government having the authority to conduct intelligence or surveillance within or outside the United States, without regard to the jurisdiction or authority of any other Senate committee, which will aid the select committee to prepare for or conduct the investigation and study authorized and directed by this resolution; and (12) to expend to the extent it determines necessary or appropriate any moneys made available to it by the Senate to perform the duties and exercise the powers conferred upon it by this resolution and to make the investigation and study it is authorized by this resolution to make.

(b) Subpenas may be issued by the select committee acting through the chairman or any other member designated by him, and may be served by any person designated by such chairman or other member anywhere within the borders of the United States. The chairman of the select committee, or any other member thereof, is hereby authorized to administer oaths to any witnesses appearing before the committee.

(c) In preparing for or conducting the investigation and study authorized and directed by this resolution, the select committee shall be empowered to exercise the powers conferred upon committees of the Senate by section 6002 of title 18, United States Code, or any other Act of Congress regulating the granting of immunity to witnesses.

SEC. 4. The select committee shall have authority to recommend the enactment of any new legislation or the amendment of any existing statute which it considers necessary or desirable to strengthen or clarify the national security, intelligence, or surveillance activities of the United States and to protect the rights of United States citizens with regard to those activities.

SEC. 5. The select committee shall make a final report of the results of the investigation and study conducted by it pursuant to this resolution, together with its findings and its recommendations as to new congressional legislation it deems necessary or desirable, to the Senate at the earliest practicable date, but no later than September 1, 1975. The select committee may also submit to the Senate such interim reports as it considers appropriate. After submission of its final report, the select committee shall have three calendar months to close its affairs, and on the expiration of such three calendar months shall cease to exist.

SEC. 6. The expenses of the select committee through September 1, 1975, under this resolution shall not exceed $750,000 of which amount not to exceed $100,000 shall be available for the procurement of the services of individual consultants or organizations thereof. Such expenses shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee.

SEC. 7. The select committee shall institute and carry out such rules and procedures as it may deem necessary to prevent (1) the disclosure, outside the select committee, or any information in relation to the activities of the Central Intelligence Agency or any other department or agency of the Federal Government engaged in intelligence activities, obtained by the select committee during the course of its study and investigation, not authorized by the select committee to be disclosed; and (2) the disclosure, outside the select committee, of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government.

SEC. 8. As a condition for employment as described in section 3 of this resolution, each person shall agree not to accept any honorarium, royalty or other payment for a speaking engagement, magazine article, book, or other endeavor connected with the investigation and study undertaken by this committee.

SEC. 9. No employee of the select committee or any person engaged by contract or otherwise to perform services for the select committee shall be given access to any classified information by the select committee unless such employee or person has received an appropriate security clearance as determined by the select committee. The type of security clearance to be required in the case of any such employee or person shall, within the determination of the select committee, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by the select committee.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the motion by the Senator from Montana (Mr. MANSFIELD) to refer all credentials and papers dealing with the New Hampshire election dispute to the Committee on Rules and Administration, which the clerk will state. The time on this debate is limited to 1 hour, to be equally divided and controlled by the Senator from Montana (Mr. MANSFIELD) and the Senator from Michigan (Mr. GRIFFIN).

The Senate will be in order.

The clerk will state the motion.

The legislative clerk read as follows:

> The Senator from Montana (Mr. MANSFIELD) moves that the credentials of Louis C. Wyman and John A. Durkin and all papers now on file with the Senate relating to the same be referred to the Committee on Rules and Administration for recommendations thereon.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, so that I may complete the work on the resolution providing for the select committee, on which the Senate has just expressed its approval.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from Montana has the floor. May we have order in the Senate?

SELECT COMMITTEE TO STUDY GOVERNMENT INTELLIGENCE ACTIVITIES

The Senate continued with the consideration of the resolution (S. Res. 21) to establish a select committee of the Senate to conduct an investigation and study of governmental operations with respect to intelligence activities.

Mr. MANSFIELD. Mr. President, I wish to state, before proceeding with the discussions and consideration of this resolution, that insofar as the majority leader is concerned, the chairman of the Committee on Armed Services, our colleague from Mississippi (Mr. STENNIS) is owed a vote of thanks because throughout the years he has scrupulously endeavored, to the best of his ability and in line with his other responsibilities, to scrutinize all activities of intelligence agencies related to the defense community. He need not yield to any Member of this body his stance as the preeminent "watchdog" of the Congress in performing this critical oversight function. I commend JOHN STENNIS. The Senate commends JOHN STENNIS for his assiduous and conscientious work in this endeavor.

Mr. President, now that the select committee has been approved by the Senate, the minority leader and I have directed a letter to the heads of agencies and departments of Government most preeminently concerned with intelligence endeavors. The letter reads as follows:

> As you may be aware, the Senate is to conduct an investigation and study of government operations with respect to intelligence activities. The scope of the investigation is set out in S. Res. 21, a copy of which has been enclosed for your information.
>
> We are writing to request that you not destroy, remove from your possession or control, or otherwise dispose or permit the disposal of any records or documents which might have a bearing on the subjects under investigation, including but not limited to all records or documents pertaining in any way to the matters set out in section 2 of S. Res. 21.
>
> Sincerely yours,

This letter is being directed to heads of 19 separate governmental units as listed here:

> JANUARY 21, 1975.
>
> Honorable William E. Colby, Director, Central Intelligence Agency, and as Coordinator of Intelligence Activities, Washington, D.C. 20505.
>
> Lt. Gen. Daniel O. Graham, Director, Defense Intelligence Agency, The Pentagon, Washington, D.C. 20301.
>
> Honorable William B. Saxbe, Attorney General, Dept. of Justice, 9th and Constitution N.W., Washington, D.C. 20530.
>
> Mr. John C. Keeney, Acting Asst. Attorney General, Criminal Div., 9th and Constitution N.W., Washington, D.C. 20530.
>
> Mr. John R. Bartels Jr., Administrator, Drug Enforcement Administration, 1405 Eye St. N.W., Washington, D.C. 20537.
>
> Honorable James R. Schlesinger, Secretary of Defense, Room 3E 880, The Pentagon, Washington, D.C. 20301.
>
> Honorable Howard H. Callaway, Secretary of the Army, Room 3E 718, The Pentagon, Washington, D.C. 20310.
>
> Hon. J. W. Middendorf, Secretary of the Navy, Room 4E 710, The Pentagon, Washington, D.C. 20350.
>
> Hon. John L. McLucas, Secretary of the Air Force, Room 4E 871, The Pentagon, Washington, D.C. 20330.
>
> Lt. Gen. Lew Allen Jr., Director, National Security Agency, Fort George G. Meade, Maryland 20755.

I add that the administration about the preservation of records, documents, et cetera, applies as well to all agencies and subagencies concerned but not specifically singled out.

The task faced by the select committee which the Senate has just established is to examine into the intelligence activities of the U.S. Government. No more important responsibility to the people of the Nation can be assumed by Senators than membership on this committee. What is asked of them, in the name of the Senate, is to probe fully and to assess completely, to understand thoroughly and to evaluate judiciously. To the extent that the intelligence agencies have acted correctly and within the law, that must be made known. If there have been abuses, they, too, must be set forth. There can be no whitewash in this inquiry; nor is there room for a vendetta. In the end, the Senate must know what has transpired so that it may seek to close legal loopholes if there are any. In the end, we must know so that together with the House and the President, we may move to foreclose any demeaning of the basic premises of a free society.

What is at stake in the work of this committee is a resolution of doubts. What is at stake is a restoration of confidence in a large and costly and little known segment of the Federal Government. The Senate must be satisfied that the intelligence community is doing the people's business, to the end that the Nation may be with assurance so advised. The Senate must be persuaded that what is being done in the name of security under a cloak of obscurity is the people's business, as defined, not by employees of a Government agency, but the people's business as defined by the Constitution and the laws duly enacted thereunder.

The committee is called on, furthermore, to elucidate for the Senate the relevance of the intelligence community as it now operates to the Nation's contemporary needs. We need to know what may be required, today, not what might have seemed necessary yesterday.

The fact that a commission is looking into the CIA is all to the good; the responsibility of that group is to the President who created it. Its existence in no way relieves us of our responsibilities. It is appropriate and proper at any time that the Senate so determines, to inquire into any agency and, as necessary, to seek to clarify and redefine its functions and the scope of its activities.

One aspect of the impending inquiry concerns covert activities. These activities have been acquiesced in, to say the least, by the Congress for a long time. No one should be surprised or appalled, therefore, to discover their existence a quarter of a century later. In recent years, however, the extent and necessity for them have come under question. Who sets the policy and why? What obtuse intrusions may there have been by these activities into the President's conduct of foreign affairs? What indifference, if any, to the laws passed by the Congress? What damage, if any, to the demeanor of the Nation? What interference in the personal lives of Americans and by whose authority and under what guidelines? What public funds have been committed and to what end? What proliferation of activities and how much overlap and duplication?

It used to be fashionable, Mr. President, for members of Congress to say that insofar as the intelligence agencies were concerned, the less they knew about such questions, the better. Well, in my judgment, it is about time that that attitude went out of fashion. It is time for the Senate to take the trouble and, yes, the risks of knowing more rather than less. We have a duty, individually, and collectively, to know what legislation enacted by Congress and paid for by appropriations of the people's money has spawned in practice in the name of the United States. The Congress needs to recognize, to accept and to discharge with care its coequal responsibility with the Presidency in these matters.

The Senate has begun to address itself to these questions by approving the creation of this select committee. There is a need to understand not only the present intelligence requirements of the United States but also what systems or procedures for oversight and accountability may be required to keep them within bounds set by the Constitution, the President and the elected Representatives of the people in Congress.

Wisely, I believe, a special committee for handling the investigation has been established by this action today. The scope of inquiry is far larger than can come within the purview of any single committee. Hopefully, within the select committee, the pieces—all of the pieces—can be fitted together. May I say that insofar as the Senate is concerned, I think this action expresses the expectation that the matter will be concentrated in this one committee. In my judgment, it would be most inappropriate for a bevy of studies of intelligence to proceed simultaneously in several others.

May I say, Mr. President, that this in no way conflicts with the legislative jurisdiction of the legislative committees so charged.

The select committee is equipped with a bipartisan membership. The Senators who will be selected for service on this committee are no different than the rest of us. They are not tied with a blue ribbon or a white or pink ribbon. There is no higher or lower order of patriotism in the Senate. There are no first- and second-class Senators. Those who will serve are men of competence, understanding, and decency. They will do the job which the circumstances and the Senate require of them.

The committee has been equipped with full authority to study, to hold hearings and to investigate all activities—foreign and domestic—of the intelligence agencies of the Federal Government. In the pursuit of that mandate, I have every confidence that the committee will act with discretion, with restraint and with a high sense of national responsibility. There is no cause and inclination to pursue this matter as a Roman circus or a TV spectacular. There is only the need to see to the sober discharge of very sober responsibilities.

How the committee proceeds is largely up to the members of the committee. They have the authority to make their rules and to define their procedures, and that would include the question of when to close or open the door to the use of television. As I have indicated, I would not anticipate any great requirements for the latter at this time. Most emphatically, I would express the hope, too, that committee staff would be selected with as much concern for discretion as for other qualifications. What comes to the public from this committee and when, ought to be solely—I stress the word "solely"—determined by the members of the committee.

The Senate is entrusting this committee with its deepest confidence. I know that that trust is secure and that the results of the inquiry will reflect the highest credit on this institution. I submit to the Chair the names of those assigned to the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities and ask that they be read and I do so on behalf of the distinguished Republican leader and myself.

The PRESIDING OFFICER. The clerk will read the nominations.

The assistant legislative clerk read as follows:

Senators Church, Hart of Michigan, Mondale, Huddleston, Morgan, and Hart of Colorado.

Mr. MANSFIELD. The Republicans also.

The assistant legislative clerk read as follows:

Senators Tower, Baker, Goldwater, Mathias, and Schweiker.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The Senate continued with the consideration of the credentials of the claimants to be U.S. Senator from the State of New Hampshire.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, are we back on the regular order of business?

The PRESIDING OFFICER. We are back on the Mansfield motion.

The Senator from Illinois is recognized.

RESOLUTION RELATIVE TO THE DEATH OF REPRESENTATIVE JOHN C. KLUCZYNSKI, OF ILLINOIS

Mr. PERCY. Mr. President, I ask the Chair to lay before the Senate a message from the House on H.R. 97.

The PRESIDING OFFICER. The clerk will read the message from the House.

The assistant legislative clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable John C. Kluczynski, a Representative from the State of Illinois.

Resolved, That a committee of 65 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect, the House do now adjourn.

Mr. PERCY. Mr. President, I have sent to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Illinois has the floor.

Mr. PERCY. Mr. President, a resolution is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read as follows:

S. RES. 34

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Honorable John C. Kluczynski, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it adjourn as a further mark of respect to the memory of the deceased Representative.

Mr. ALLEN. Mr. President, I have no objection, and I commend the Senator on his resolution.

The PRESIDING OFFICER. The Senate will proceed to its immediate consideration.

The question is on agreeing to the resolution.

The resolution was agreed to.

The PRESIDING OFFICER. The Chair appoints the Senators from Illinois (Mr. PERCY and Mr. STEVENSON) as members of the committee required by the resolution.

Mr. PERCY. Mr. President, with a strong sense of personal sorrow, I offer this resolution on behalf of myself and my distinguished colleague, Senator STEVENSON. We deeply regret the passing of our esteemed colleague, whose services to his country, to his State, and to his community have been a matter of record for so many years. I yield to my distinguished colleague.

Mr. STEVENSON. Mr. President, I was much saddened to hear of Congressman JOHN KLUCZYNSKI's death earlier today. He has been a valued Member of the Congress of the United States and a good friend.

I join with my distinguished colleague, Senator PERCY, in offering this resolution and our condolence to all members of the Kluczynski family.

Mr. President, earlier today, Representative JOHN C. KLUCZYNSKI, the dean of Chicago's congressional delegation, died. His passing is a great loss for the people of Illinois' Fifth Congressional District, the citizens of Chicago, of Illinois, and the Nation.

Congressman KLUCZYNSKI first entered the public service in an elective capacity in 1932 when he was elected to the Illinois House of Representatives. He served in that body for 16 years until 1948, when he ran successfully for the State senate. He resigned the State senate just over a year later, in December 1949, to become a candidate for the U.S. Congress. He was elected to Congress in November of 1950, and he has been in Washington serving the people of his district ever since.

Congressman KLUCZYNSKI was a Polish-American of great distinction. He cut a colorful figure in local, State, and national politics, but his work was the hard work of fostering the public interest. In the Congress he served on the House Public Works Committee and in recent years as chairman of the committee's Transportation Subcommittee's chairman, Congressman KLUCZYNSKI played a large and active role in the formation of our Nation's transportation policy, and particularly in the building of our great Interstate Highway System.

Congressman KLUCZYNSKI is to be buried Thursday in Chicago. My sympathies, and I am sure those of every Senator, go out to his widow Estelle and the entire family. We shall all mourn the loss of Congressman JOHN KLUCZYNSKI.

ORDER OF BUSINESS

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, who has control of the time?

The PRESIDING OFFICER. The Senators from Montana and Michigan.

Mr. MANSFIELD. Is time under control?

The PRESIDING OFFICER. There is 1 hour equally divided between the Senator from Montana and the Senator from Michigan.

Mr. MANSFIELD. I yield as much time as the Senator wishes.

CONTINUING AUTHORITY FOR THE COMMITTEE ON APPROPRIATIONS TO MAKE REPORTS DURING SESSIONS OF THE SENATE

Mr. McCLELLAN. Mr. President, on behalf of myself and the senior Senator from North Dakota (Mr. YOUNG) I ask unanimous consent that the Committee on Appropriations be, and it is hereby authorized during the 94th Congress, to report bills, including resolutions and joint resolutions, and to file reports during adjournments or recesses of the Senate, on appropriation bills, including resolutions and joint resolutions, together with any accompanying notices of motions to suspend rule XVI pursuant to rule XL for the purpose of offering certain amendments to such bills or resolutions or joint resolutions, which proposed amendments shall be printed.

Mr. President, this is the usual unanimous-consent request agreed to at the beginning of each session of Congress, and I ask unanimous consent accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION HONORING ROY WILKINS

Mr. HUMPHREY. Mr. President, I send to the desk a resolution.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. I yield as much time as the Senator wants.

Mr. HUMPHREY. I thank the leader. I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota presents a resolution honoring Roy Wilkins on the occasion of his being named American of the Year by the American Religious Town Hall Meeting.

Mr. HUMPHREY. Mr. President, Roy Wilkins, executive director of the NAACP, has been named "American of the Year" by the American Religious Town Hall Meeting. This is a conference of Roman Catholics, Protestants, and Jews, formed to promote tolerance and understanding among all peoples of every race and creed. They could not have chosen a better man to honor than Roy Wilkins. The Senate should take this opportunity to join in recognizing the great accomplishments of this courageous American. Accordingly, I am today introducing, for myself and Senators BENTSEN, TOWER, MANSFIELD, HUGH SCOTT, ROBERT C. BYRD, MONDALE, GRIFFIN, and GOLDWATER, a Senate resolution to honor the contributions of this distinguished American citizen to the cause of human dignity and justice.

We all know the depth of Roy Wilkins' commitment to justice, to equal opportunity for all Americans, to making the democratic process work, and to what he has called "the most radical idea of the 20th century—abolition of racial segregation." We all know what a profound mark he has made on the history of this country.

Our paths have crossed a number of times over the years of struggle for civil rights and economic opportunity for black Americans. I worked closely with Roy on the Civil Rights Act of 1957, 1960, 1964, and 1965. As chairman of the Leadership Conference on Civil Rights, he served as representative and coordinator of all the civic, labor, and church organizations committed to equal rights for all Americans. His energy, his dedication, his pragmatism, his clear vision of what had to be done, and his realistic assessment of how reform could best be accomplished, were invaluable in securing the passage of that legislation. I also have worked with Roy in the effort to assure equal opportunity for black Americans and decent living conditions for those in the inner city. He has worked as hard and long to end economic discrimination as he has to end legal and political discrimination.

I am particularly proud that the State of Minnesota can claim Roy Wilkins as a son. He grew up in Minnesota. He graduated from the University of Minnesota. He began his career as a journalist and a powerful civil rights advocate in our

State—serving while a student as an editor of the Minnesota Daily, as editor of the black weekly, the St. Paul Appeal, and as secretary of the St. Paul Chapter of the NAACP.

Perhaps Roy Wilkins' greatest contribution to America has been his untiring effort to make the democratic system work. He has used effectively the tools of democracy—the lawsuit, the ballot box, the political rally, the well-organized lobbying effort, the written and spoken word. He has used these tools for the best of causes—the extension of basic human rights to all Americans, the guarantee of constitutional freedoms to everyone.

Roy Wilkins has worked closely with Presidents to make fundamental reforms in our system. He led the fight that enabled President Truman to desegregate the armed forces. He worked with Presidents Kennedy and Johnson on the Civil Rights Act. President Johnson awarded him the Freedom Medal and called him "a unique American, whose contributions transcend the boundaries of time and territory."

He has used the courts to assert the legal rights of black Americans. The most famous legal victory for which Wilkins can claim a large share of the credit is the 1954 Supreme Court decision to overthrow the doctrine of "separate but equal" facilities in public education. He has said of this decision:

> It reaffirmed the Constitutional rights of Negroes as equal citizens and was the greatest document since Abraham Lincoln's Emancipation Proclamation.

Under Wilkins' leadership, the NAACP has initiated numerous court cases in defense of legal rights of black Americans, ranging from the right to equal pay for equal work, to the right to demonstrate peacefully.

Wilkins has been a master at using the strength of an organized minority to bring about constructive change—and at using the power of his own persuasive abilities and of this country's highest ideals to build majorities.

The NAACP has worked hard to register black voters and elect black candidates. Strongly committed to integration, it has relied on peaceful but forceful persuasion to win over the white majority in this country and has opposed the use of violence.

Having won so many battles for legal and political rights, Roy Wilkins is the first to acknowledge that these are not enough. For as long as he has been working to obtain the vote and change the laws, he has also been working for the rights of black Americans to have equal educational and job opportunities. His first major victory was to win better pay and working conditions for blacks on flood control projects along the Mississippi in the early 1930's. More recently, he has led the NAACP into the struggle for better housing, for more sanitary living conditions in depressed areas, for safer streets and better schools for the urban black. He has attacked the economic inequities of our society by using the same democratic methods with which he attacked political and legal inequities: Tenant committees have been organized; lawsuits have been filed; groups of citizens have put pressure on and worked with their school boards.

The continuing fight for the legal and economic rights of black Americans that Roy Wilkins and the NAACP are still waging was best described by him in a 1969 interview:

> The whole point of the NAACP was to establish the Negro as a legal entity, with the rights and privileges of a citizen. Who did that? We did that. We are still doing that. Who goes into court in some small Southern city because a colored woman is earning only $1 an hour doing the same work a white woman gets paid $2.50 an hour for? We do, every week, almost. Judicial rights and legislative approval, that's our continuing fight.

Mr. President, I ask unanimous consent that the resolution, with its cosponsors, I am introducing to honor Mr. Roy Wilkins be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution (S. Res. 35) was agreed to.

The resolution, with its preamble, as cosponsored by Senators MONDALE, BENTSEN, TOWER, MANSFIELD, HUGH SCOTT, GRIFFIN, ROBERT C. BYRD, and GOLDWATER, is as follows:

S. RES. 35

Resolution honoring Roy Wilkins on the occasion of his being named "American of the Year" by the American Religious Town Hall Meeting

Resolved,

Whereas Roy Wilkins has made a profound and enduring contribution to the pursuit of equal Justice under the law for all Americans, has helped reform the laws of this nation to correspond to our ideals of human rights and equality of opportunity, and has long been a courageous leader in the fight against segregation and racial discrimination;

Whereas Roy Wilkins has served the National Association for the Advancement of Colored People with distinction for 43 years, from his appointment in 1931 as Assistant Secretary and Editor of the CRISIS, the official publication of the Association, and in 1950 as Administrator; and since 1955 as NAACP Executive Director;

Whereas under his leadership the NAACP, the largest and oldest civil rights organization in our country, has grown from 240,000 to more than 450,000 members;

Whereas he is recognized as a statesman and effective advocate in the cause of civil rights, serving his fellow man with unassuming compassion and commitment to fundamental religious principles;

Whereas the American Religious Town Hall Meeting, Inc. in Dallas, Texas has voted unanimously to recognize Roy Wilkins as the "American of the Year": Now, therefore, be it

Resolved, that the Senate of the United States honors the contributions of this distinguished American citizen to the cause of human dignity and justice.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The Senate continued with the consideration of the credentials of the claimants to be U.S. Senator from the State of New Hampshire.

Mr. MANSFIELD. I yield the Senator from California as much time as he desires.

Mr. CRANSTON. I thank the leader.

The Senate Democratic majority, because it is a majority, and I think for no other reason has been accused by some of being "evilly disposed" in the matter of the New Hampshire seating dispute.

We have been accused of attempting to use our majority voting power to steal the seat.

A moment's cool consideration, however, points up how erroneous—and suspiciously misleading—are the charges.

If the majority does indeed wish to commit political theft, we could do it quite easily. We could simply vote, without further ado, to seat Mr. Durkin—and that would be that. We have, as Mr. Wyman's supporters endlessly emphasize, the votes with which to do it.

At the very least we could exert our voting power unilaterally to seat Mr. Durkin temporarily while the disputed ballots are analyzed. We could also do that quite easily. Why do we not then, if our motives are as evilly inclined as alleged

The distinguished Assistant Minority Leader, indeed, thinks "it is interesting and revealing" that we do not. He mistakenly concludes that it reveals the "weakness and inadequacy of Mr. Durkin's position"—as though the weakness or inadequacy of a position would stand in the way of a political majority that truly intends to steamroller the opposition.

No. What our restraint does in fact reveal is our respect for fair play, for due process, and for the right of the voters of New Hampshire to have the results of their November 5 election validated—whatever those results prove to be.

It would be patently unfair to "tilt" this dispute by voting to seat one or the other parties while the issue is still in doubt. We have therefore refrained from using our majority strength to impose such a prejudicial fait accompli on the Senate.

That particular quick shuffle, irony of ironies, is Mr. Wyman's supporters' strategy. And the purpose of their innuendos about the motives of the majority has become all too clear.

By tearfully exploiting their underdog status as the minority, by charging the majority a priori with foul play, and by appealing to a false morality, they hope to prod or to intimidate the majority into taking procedural steps which they as well as we know to be improper—but which would unfairly help Mr. Wyman's cause.

Failing that—and they shall fail—they hope to lay the groundwork for discrediting the Rules Committee and the Senate should the committee recommend, and the Senate confirm, the seating of Mr. Durkin.

I am confident, however, that the scheme will collapse. I am confident that the Senate will vote against the seating of either of the contestants—and against throwing out the November 5 Senate election returns in New Hampshire—until this dispute is settled in an orderly, judicious manner prescribed by the Constitution and by the rules and traditions of the Senate. Mr. Durkin wants no motion offered that he be seated now, and those statements to his cause, but whose first concern is the integrity of the Senate will offer no such motion—even though the Senate received and still has in its possession a certificate of his election from his State, and even though, I am told, there are some Senate precedents that the first certificate received by the Senate—and this was first—prevails.

I am confident that the final decision, whichever way it goes, will be further testimony to the fairness and integrity of the U.S. Senate.

Mr. President, I yield the floor.

Mr. GRIFFIN. Mr. President, I send to the desk, in compliance with the order of the Senate of January 16, 1975, a motion by Mr. WEICKER.

With the Chair's indulgence, I suggest the absence of a quorum. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. Do those motions comply with the order as having been submitted in a timely fashion and then having been printed?

The PRESIDING OFFICER. The motions do comply.

Mr. GRIFFIN. Now, as I understand it, the motion of the junior Senator from Michigan may or may not be called up tomorrow, as he sees fit, under the unanimous-consent agreement?

The PRESIDING OFFICER. That is within the discretion of the Senator from Michigan.

Mr. GRIFFIN. I thank the Chair.

Mr. President, since the Senate last debated this matter of the New Hampshire election, a very significant and important development has taken place. Last Wedneslay, the New Hampshire Legislature completed enactment and the Governor of New Hampshire signed into law senate bill No. 28.

This bill, now a part of the statutes of the State of New Hampshire, provides that if the U.S. Senate declares that there is a vacancy in the office of the junior Senator from New Hampshire, a special election to fill such vacancy shall be held no sooner than 35 days and no later than 45 days after the act takes effect. It also provides the candidates on the ballot for such election would be John A. Durkin, Louis C. Wyman, and Carmen C. Chimento, that the power of the Governor to appoint to fill the vacancy would be limited to an appointee who was not one of the named candidates, and that in other respects the provisions of the New Hampshire law relating to the form, manner, and conduct of elections would be made applicable.

Mr. President, I send to the desk a copy of the senate bill No. 28 as it was enacted and ask that it be printed in full at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. B. 28

State of New Hampshire, in the year of Our Lord one thousand nine hundred and seventy-five:

An act providing for a special election for the office of United States senator

Be it Enacted by the Senate and House of Representatives in General Court convened:

1. Special Election. A special election for the office of United States senator shall be held no sooner than thirty-five days and no later than forty-five days after this act takes effect, on a day, during said period, to be set by the governor and council, provided said day may not be the same day provided by RSA 39:1 for the holding of annual town meetings.

2. Candidates. The candidates on the ballot for that election shall be, John A. Durkin of Manchester, Democrat, Louis C. Wyman of Manchester, Republican, and Carman C. Chimento of Brookline, American Party.

3. Interim Appointment. The power of the government to appoint in case of a vacancy under RSA 63:3 is hereby amended for the purpose of this statute only so that the duration of any appointment made by him is limited to the period between the time that the 94th Congress convenes and the winner of the election held pursuant to this statute is seated by the Senate of the United States. The person so nominated shall not be any of the candidates whose names appear on the ballot for the special election.

4. Election Laws Applicable. All other provisions of the New Hampshire Revised Statutes Annotated relating to the form, manner and conduct of elections are hereby specifically made applicable to this election.

5. Absentee Voting. Absentee voting shall be permitted in this election.

6. Effective Date. This act shall take effect immediately upon the declaration, by the United States Senate, that a vacancy exists in the office of United States senator from New Hampshire.

Mr. GRIFFIN. Mr. President, on tomorrow, the Senate, under the order, will have 6 hours of debate, and I shall not seek to make the major case and argument here today.

But I do believe that the attention of the Senate should be focused squarely on the new situation. The act of the New Hampshire Legislature and its Governor now clearly provides a legal way for the Senate, if it sees fit to do so, to declare the seat vacant and refer the matter to the people of New Hampshire. This would accord them the right that the 17th amendment contemplated, which was representation in the U.S. Senate by a Senator of the choosing of the people of the State.

It is my present intention, even though the option is still mine, to offer the motion on tomorrow that Mr. Wyman be seated without prejudice. In some ways I must confess that the option of allowing the people of New Hampshire to have a new election, now that it is available, is even more appealing to this Senator. But I believe that the several choices and options should be before the Senate, and the Senate should have a chance to exercise its will. So I plan to offer this motion and to give the Senate the opportunity to follow on the precedents that have been clearly established over the years and throughout the history of this body. They would accord recognition to the duly constituted officials of the State of New Hampshire who have certified that Louis Wyman is the winner, even though by two votes, and that he be seated and be afforded the opportunity of representing that State in his body. I feel we would do this if a Democrat had been elected by two votes and certified by the duly constituted authorities of his State. We would be seating that Democratice winner without prejudice.

Mr. President, it would be an affront, an unconscionable affront, to the State of New Hampshire and the people of New Hampshire neither to seat Mr. Wyman without prejudice nor to give the people of New Hampshire the right to vote in a new election on the basis of the record that is before this body.

The very least, in good conscience, in terms of equity, in terms of fairness, this body can do, if it does not see fit to seat Mr. Wyman without prejudice, is to refer this matter back to the State of New Hampshire for a new election in accordance with the statutes of that State.

The country will be watching tomorrow to see what the Senate does. I hope and trust that the Senate will undertake and execute its great responsibility in any way that we can all be proud. I look forward to a vote tomorrow that will be a vote that the Senate can be proud of in the many, many years to follow on; that we will not set a precedent that we will not want to follow in the future.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, how much time is there remaining?

The PRESIDING OFFICER. Fifteen minutes for the majority and 23 minutes for the Senator from Michigan.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. President, the Senate is trying to be absolutely fair to both the persons who were contestants for this particular office, as the Senator from California pointed out a few moments ago. The distinguished Senator from Michigan says he hopes we will not establish a precedent, other than by either sending this matter back to the State of New Hampshire for a new election, or seating Mr. Wyman, without prejudice.

We have printed "Senate Election, Expulsion and Censure Cases from 1793 to 1972." There are many precedents there for proceeding in various fashions. One is where both of the parties are refused seating, and we have discussed that case at some length, that being the Pennsylvania case in which the Senate refused to seat either one of the contestants and sent it back to Pennsylvania for a new election. A third person was then declared the winner, sent to the Senate, and served in the Senate.

Here we have a very, very unusual situation. Mr. Wyman originally was declared as the winner by a few hundred votes, according to the election returns. Thereupon, a recount under New Hampshire law was requested. As a result of the recount Mr. Wyman was then declared the loser by a relatively small number of votes. In accordance with New Hampshire law, Mr. Wyman then claimed an appeal to the ballot law commission and was declared the winner by two votes, according to the ballot law commission's certification. That is the established procedure under New Hampshire law, except that the law of the

State of New Hampshire provides that the next appeal is to the legislative body concerned. If it were for State office, it would be to the State legislature. If it were for national office, it would be to the Senate of the United States, which is under the Constitution, the judge of the elections, returns, and qualifications of its own members.

Why is there some hesitancy to seat either one of the parties in this case? I have before me a copy of the petition which was filed with the Senate by Mr. Durkin, contesting this election, taking his appeal from the judgment of the ballot law commission. There are three very important reasons set forth which I think clearly point out why it would be unfair and inequitable to seat either one of the parties pending the determination by the Senate, if it can so determine, of the intent of the voters in the State of New Hampshire, and which one of these contestants won that election.

I can assure the Senate that if this matter comes to the Rules and Administration Committee, as we anticipate it will if that is the result of the vote tomorrow, the Rules and Administration Committee will try to determine which one of the two contestants was the choice of the New Hampshire electorate. If that cannot be determined, then I would anticipate that the committee would recommend to the Senate that the seat be declared vacant, as the Pennsylvania case was determined years ago, and that it be then referred back to the State of New Hampshire for such further proceedings as they might desire to take. It is obvious what their desire would be, as the Senator from Michigan already pointed out. The New Hampshire Legislature has now passed legislation providing for a special election, but that is contingent upon the matter being referred back—the seat being declared vacant.

I read from the new law:

> Election laws applicable. All other provisions of the New Hampshire Revised Statutes Annotated related to the form, manner and conduct of the elections, are hereby specifically made applicable to this election. Effective date: This act shall take effect immediately upon the declaration by the U.S. Senate that a vacancy exists in the office of the U.S. Senator from New Hampshire.

That act is contingent upon the Senate declaring that a vacancy exists in the office of the U.S. Senator from New Hampshire.

We are not prepared to make that determination now. We are charged with the constitutional responsibility of trying to determine who won that election. In doing that, we will give full consideration, as far as can be possibly determined, to the intent of the voters of the State of New Hampshire.

What has Mr. Durkin charged in his petition?

> First, that the New Hampshire Ballot Law Commission erred in overruling the Secretary of State and in increasing Wyman's votes or decreasing Durkin's votes on at least 40 ballots.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CANNON. I yield myself an additional 5 minutes.

That is the first allegation. Obviously, if that allegation turns out to be true, which the Senate Rules Committee would have the responsibility to determine, it would change the result of the two-vote margin.

> Second, in addition, the Ballot Law Commission erred in failing to count at least 20 votes for Durkin which he was entitled to and erred in counting at least 20 votes for Wyman which he was not entitled to.

That is the second point that could change the results of this election.

The third item:

> In making the errors described in paragraphs A and B

Which I have just referred to.

> the Ballot Law Commission, 1, ignored or failed properly to follow the established principle that wherever possible the intent of the voter should be determined from the ballot and surrounding circumstances.

If the Ballot Law Commission did err in that particular, that is something that we would intend to correct. Certainly, the Senate and the Rules and Administration Committee would follow wherever possible the intent of the voter if it can be so determined.

> Third, applied different standards in judging ballots for Durkin than were applied in judging ballots for Wyman.

Obviously, if the Ballot Law Commission did that, that could well change the result of the election, and that is something that the Committee on Rules and Administration and the Senate would not countenance. In other words, if we are going to apply a standard, that standard is going to be applied to ballots cast for both candidates rather than for only one of the candidates.

Fourth. Applied purely mechanistic and unlawful tests in counting certain ballots.

That particular charge may or may not change the result of the election—that one alone.

Fifth. Allowed oral testimony to contradict the written record, in violation of constitutional and statutory standards prescribed for casting and counting votes and ballots.

I do not know whether the Ballot Law Commission did that, but this is in the form of an affidavit, the sworn petition. If they did, that is certainly an action that the Committee on Rules and Administration and the Senate would not countenance—permitting oral testimony to determine the intent of an individual voter or what someone else says that voter intended. The ballots, themselves, are the best evidence from which the determination can be made.

Sixth. Ignored a long-standing published and statutorily-authorized rule which decreed that where a candidate's name was printed on a voting machine, write-in votes for such candidate should not be counted.

Seventh. Despite evidence that write-in votes on voting machines could result in double voting under known circumstances, refused to test the few machines in question to determine whether this had occurred.

Eighth. Failed to follow its own published rules of procedure.

Ninth. Committed numerous other errors of law and fact in reviewing several hundred votes protested before the Secretary of State and presented to the Ballot Law Commission by the parties.

Mr. President, those are very serious charges. Certainly, in a situation where there is a two-vote difference, according to the latest count, several of those, as I pointed out, could well change the result of the election. That is the reason why it is obviously very unfair to either one of these parties to have either candidate seated, with or without prejudice, pending the investigation by the Committee on Rules and Administration.

That, Mr. President, is the reason why I would oppose seating either one of these gentlemen. Furthermore, I would oppose declaring the seat vacant at this time. If it is not possible for the Senate to determine clearly the intent of the voters as to which party won this election, in that event, obviously, the seat should be declared vacant, and would go back, under the new law that New Hampshire has adopted, to proceed with a special election.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRIFFIN. Mr. President, will the Senator yield for a question?

Mr. CANNON. I will yield on the Senator's time.

Mr. GRIFFIN. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from South Carolina has sought recognition. Will the Senator withhold?

Mr. THURMOND. Yes.

Mr. GRIFFIN. Mr. President, the distinguished chairman of the committee indicated that if the committee found that it could not count the ballots and find a declared winner, then it would be appropriate to declare the seat vacant and have a new election. But I note that the distinguished chairman referred only to the pleading filed by Mr. Durkin in suggesting what the committee might review if this matter were referred to the committee.

Did the chairman overlook the pleading filed by Mr. Wyman, which not only answered the pleading of Mr. Durkin but also set up certain matters of concern that Mr. Wyman believes the committee's attention should be focused on also? Would it be the intention of the chairman of the committee to go into those allegations of irregularity by Mr. Wyman as well as the allegations of irregularity mentioned by Mr. Durkin?

Mr. CANNON. First, may I say that Mr. Wyman's petition was not overlooked. I was simply using this as an example. I would consider these matters placed in issue. I would assume that Mr. Wyman would deny all these, and therefore they would be at issue before the Committee on Rules and Administration and before the Senate.

I would consider that every issue that was properly raised by a recount procedure by either party would be an issue that would be before the committee to determine. The New Hampshire law specifies what is to be done in the event of a recount; and when the Secretary of State proceeds with the recount, each party has the opportunity to raise a question and to contest a particular counting. I would say that every issue that was raised by both those candidates should be considered by the Rules Committee.

In summary, yes, if the Rules Committee then determines that it cannot determine the intent of the voters and cannot determine which one of these men won that particular election, then I would be in favor of saying that the seat should be declared vacant. It would go back to the State of New Hampshire for a new election, under their new law.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. GRIFFIN. Mr. President, I yield myself 3 additional minutes.

I appreciate the response of the chairman of the committee.

Is it not a fact that, with respect to some of the irregularities called to the committee's attention in the pleadings of Mr. Wyman—namely, the alleged malfunctioning of some voting machines in Manchester—a review of that question did not fall within the jurisdiction of the Ballot Law Commission under New Hampshire law, but that the New Hampshire State court indicated that if the Senate took jurisdiction, it would fall under the jurisdiction of the Senate?

Would it be the expectation of the chairman, Mr. Wyman having brought the matter to our attention, that the committee would review the matter of the proper functioning of voting machines, particularly in the city of Manchester?

Mr. CANNON. The Senator from Michigan is a member of the committee, and he knows that the committee would have to adopt whatever guidelines it determines. I do not know whether the subcommittee, in going into it, would say that it would go back and attempt to determine whether there was a malfunction of the machine or not. I think it would be important to find out whether there was a malfunction; but if there were, whether you could have any indication of it, it would change the result of the election.

Mr. GRIFFIN. I thank the chairman for indicating that it would be important. I agree with him that if the committee were going to undertake the function of reviewing the election, looking at the matter of the possible malfunction of those voting machines would be important and could not be ignored. I appreciate that response.

Mr. President, unless the chairman wants more time on my time, I yield 8 minutes to the distinguished Senator from South Carolina.

THE SITUATION IN SOUTHEAST ASIA

Mr. THURMOND. Mr. President, today is the second anniversary of the Paris cease-fire agreement in South Vietnam. With tragic irony, the North Vietnamese have just recently, through force of arms, captured a province capital in clear violation of that agreement.

The Government of North Vietnam has unquestionably abandoned the agreements of Paris in January and March of 1973 and, instead, blatantly resorted to its old tactics of military force. As a result, South Vietnam and Cambodia have come under heavy attack in the past few weeks and the future of those nations' freedom is in grave danger.

Mr. President, I recently returned from a fact-finding tour of Southeast Asia and there is no doubt of the peril faced by the people of those beleaguered nations. Direct military attacks have been launched in considerable force both countries.

However, the plight faced by the South Vietnamese and Cambodians has been brought about partly by the refusal of the United States to provide adequate supplies, as promised. For example, at the time of the Paris peace agreement in January 1973, this Government promised to keep South Vietnam supplied with ammunition and equipment on a one-for-one basis. That is, we would replace all supplies and military hardware as it was used or became unusable.

That was the substance of "Vietnamization" and we have failed to adequately help those who are willing to fight their own battle. The self defense of South Vietnam and Cambodia has been severely hampered by rationed ammunition and shortages of many supplies. In the meantime, nearly a quarter-million heavily armed North Vietnamese are camped on their soil. Additionally, they have flagrantly violated the Paris agreement by continuing to build their arsenal of sophisticated weaponry in generous quantities from the Soviet Union and Red China.

In 1974, Congress cut severely the administration request for military aid to South Vietnam. That small nation is now suffering the consequences of the cuts made by Congress last year. When we withdrew American troops from South Vietnam, terminating our combat commitment which was begun a decade earlier by President Kennedy, we agreed to supply the people of that nation for their own defense.

Throughout that decade, during which the United States of America suffered 50,000 killed and 300,000 wounded in combat casualties in South Vietnam, we also invested more than $100 billion of our national treasure. We must not make a mockery of those years of sacrifice by refusing now to spend the limited amount necessary to equip these nations willing to stand up to Communist attacks.

There is no doubt of the need for more aid than we approved last year. I have seen with my own eyes the dilemma and danger which face these people. The North Vietnamese are encouraged in their attacks by declining U.S. aid and apparent weakening in congressional support.

Some say if we reduce or end U.S. aid, the killing will stop. My reply is that reduced aid will increase the killing, and those being killed will be the soldiers and citizens of South Vietnam who are attempting to defend their own territory.

Last year we did decrease our aid. By doing so, we merely encouraged Hanoi to escalate the violence and the killing. My trip showed that this is not a civil war. The Vietcong are no longer a significant factor. It is Hanoi that is fighting this war, and supplying it by new roads, trails, and pipelines, all of which were constructed in violation of the Paris agreement.

The attacks by Hanoi raise serious questions about détente. If the Soviets and Red Chinese want friendly relations with the United States, why are they increasing their aid to Hanoi and enabling the North Vietnamese to continue their aggression.

The violations of the Paris agreement are clear and many. On the second anniversary of this agreement we should tell the American people the facts on this matter. The official documentation of North Vietnamese violations is extensive. For example, the U.S. State Department lists the following:

> Build up of the North Vietnamese main-force army in the South through the illegal infiltration of over 160,000 troops;
>
> Tripled the strength of their armor in the South by sending in over 400 new vehicles, as well as greatly increased their artillery and anti-aircraft weaponry;
>
> Improved their military logistics system running through Laos, Cambodia and the Demilitarized Zone as well as within South Vietnam, and expanded their armament stockpiles;
>
> Refused to deploy the teams which under the Agreement were to oversee the ceasefire;
>
> Refused to pay their prescribed share of the expenses of the International Commission of Control and Supervision;
>
> Failed to honor their commitment to cooperate in resolving the status of American and other personnel missing in action, even breaking off all discussions on this matter by refusing for the past seven months to meet with U.S. and Republic of Vietnam representatives in the Four-Party Joint Military Team;
>
> Broken off all negotiations with the Republic of Vietnam including the political negotiations in Paris and the Two Party Joint Military Commission talks in Saigon, answering the Republic of Vietnam's repeated calls for unconditional resumption of the negotiations with demands for the overthrow of the government as a pre-condition for any renewed talks; and
>
> Gradually increased their military pressure, over-running several areas, including 11 district towns, which were clearly and unequivocally held by the Republic of Vietnam at the time of the cease-fire. Their latest and most serious escalation of the fighting began in early December with offensives in the southern half of South Vietnam which have brought the level of casualties and destruction back up to what it was before the Agreement. These attacks—which included for the first time since the massive North Vietnamese 1972 offensive the over-running of a province capital (Song Be in Phuoc Long Province)—appear to reflect a decision by Hanoi to seek once again to impose a military solution in Vietnam. Coming just before the second anniversary of the Agreement, this dramatically belies Hanoi's claims that it is the United States and the Republic of Vietnam who are violating the Agreement and standing in the way of peace.

Mr. President, the United States is a nation of honor and should abide by its commitment to supply the South Vietnamese the necessary tools of defense. Similarly, we should provide the Cambodians the means to prevent the fall of that nation to their Communist aggressors. If we in America stand by and let these two friendly nations fall, then the masters of Hanoi will absorb all of Southeast Asia. That is certainly not in our national interest.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The Senate continued with the consideration of the credentials of the claimants to be U.S. Senator from the State of New Hampshire.

The PRESIDING OFFICER. Who yields time?

The Senator from Michigan has 9 minutes remaining; the Senator from Montana has 5.

Does no one yield time?

Mr. BARTLETT. Mr. President, I noticed once again that the distinguished Senator spoke of the two certificates as having equal validity. I wonder if he would answer the question as to how he considers the two certificates equal if, in fact, one has been rescinded? I am addressing my question to the Senator from Nevada, asking how he considers them of equal value.

Mr. CANNON. The Senator is erroneous. The Senator from Nevada did not make that statement, that he considers those certificates to be of equal validity. The Senator from Nevada takes the position that it does not matter what the situation is with respect to the certificates. There are two certificates here, one that was, apparently, rescinded, if a rescission can be had. But the Senator's statement was made irrespective of whether there is or is not a rescission with respect to those certificates.

Mr. BARTLETT. Mr. President, I thank the Senator for straightening out the Senator from Oklahoma on that point. That raises another question.

If the Senator is not concerned about the validity of the certificate seating any Senator, could that not lead to seating a Senator improperly?

Mr. CANNON. It could if the Senate were to abuse its power. I may say there are precedents for that, very clear precedents. We had one situation, referred to the other day, in which two certificates were presented and the Senate refused to seat either one of the gentlemen in that instance. We have had them where one was presented and the Senate has refused to seat the person who had a certificate.

In the Pennsylvania case, the Vare case, there was a certificate there and the Senate refused to seat the Senators.

Mr. BARTLETT. It seems to me that the Senator is inferring, from these remarks, that the Senate has made a judgment in those two cases, making a judgment as to whether the certificate is valid or not.

Mr. CANNON. No, that is not correct. In the Vare case, in the case of Wilson against Ware, the Supreme Court decision in respect to that case said:

> When a Senator-elect presents himself to the Senate with a certificate of election claiming the right of membership, the jurisdiction of the Senate to determine the claimant's right is invoked and the Senate's power to adjudicate such right immediately attaches by virtue of section 5 of article 1 of the Constitution, and whether the credentials should be accepted and the oath administered, pending this adjudication, is a matter within the discretion of the Senate.

So the Court spoke on that very subject and said it is up to the Senate to determine whether the credentials should be accepted and the oath administered pending the investigation.

In that case, the Senate did not elect to accept the credentials, had both the parties step aside, and then finally declared the seat vacant, sent it back. It went back to a new election and neither of the contestants was elected.

Mr. BARTLETT. Mr. President, I believe that the record shows that the Governor refused to certify that Mr. Ware was chosen by the qualified electors of that State. I think in this particular case, the Governor's council rescinded the one certificate from Mr. Durkin and negated it, so it does not exist as a valid certificate, and issued later a valid certificate for Mr. Wyman. It seems to me that what the Senator is advocating is throwing out the whole action of the State of New Hampshire in this matter and asking the Senate to consider the two certificates—the one invalidated and the other a valid certificate—as being equal.

Mr. CANNON. No, the Senator is not correct in determining what my position is. My position is, yes, to throw out the actions of the State of New Hampshire because they have come up with three different results. We must come up with only one result as a result of the election if we can properly do so. It is this Senator's suggestion that we have both of the parties step aside, that we then try to determine the intent of the voters if we can, and if we cannot determine the intent of the voters—or it should come out as a tie—then that would be a matter for the Senate then to make a decision as to whether the seat should be declared vacant and a new election held under the present law that was enacted last week.

Mr. BARTLETT. Was not the certificate issued to Mr. Durkin limited by a review of the ballot law commission?

Mr. CANNON. No.

Mr. BARTLETT. And was that not later rescinded?

I wish to ask the Senator if he considers that this authority had the right to issue and also to rescind, and if that does not negate their action at that point?

Mr. CANNON. I have not gone into the question of whether the State had the authority to issue a certificate and then rescind it. I would assume that they probably did. To me, that is not material in this issue at all.

The materiality of this issue is that we have a certificate here now that declares a man a winner by two votes and we have three very serious allegations under oath, showing that if any one of those were true, the results would be different than that certificate that is before us. Now, that is placed in issue and the jurisdiction exists here under the Constitution.

It is clear in the Supreme Court's case, referring to Wilson against Ware, and also to that case itself, that jurisdiction has vested in the Senate and it is up to the Senate to try to determine—it is the judge of its own elections—to try to determine who won that election. If we can determine it, we should determine it. If we cannot determine it, we should send it back. But we should not abdicate our responsibility, simply because it was a two-vote difference and the legislature said, if the Senate sends it back, we will hold a new election—that, to me, is not justification for us to send it back.

I say to my distinguished colleague, it would be much easier for us to duck this issue and send it back, to abdicate our constitutional responsibilities. But I keep in mind the fact that we have a book full here of Senate elections, expulsions and censure cases that have occurred over the years pursuant to the Constitution. I am not about to shirk my constitutional responsibility at this time.

Mr. BARTLETT. I say to the distinguished Senator from Nevada that he is giving arguments from one point of view about recounting the votes or considering whether or not the tally certified by the State of New Hampshire ended up correctly. But he is not addressing himself to the validity of the certificate of election that was given to Mr. Wyman. He is saying he does not know or he does not seem to care whether it is valid or not.

Mr. CANNON. The Senator is absolutely correct. The Senator from Nevada is not concerned about this one certificate, whether Mr. Durkin's certificate was properly revoked or not properly revoked. The issue has vested in the Senate. The jurisdiction is here. We are the ones to make the determination.

So I do not think it makes a bit of difference which one of these certificates one looks at.

Mr. BARTLETT. It seems to me that it is the first responsibility of this body to determine whether or not a certificate is valid, the certificate of Mr. Wyman, and, if so, then respect the decision that was made by the voters and their elected officials of the State of New Hampshire.

Now, this could lead, of course, to a very lengthy counting. It could lead to the State of New Hampshire not being represented by a Senator in this body, a second Senator. So this just leads me to another question: Is there——

The PRESIDING OFFICER. All of the time of the Senator from Michigan has expired.

The Senator from Nevada has 5 minutes remaining.

Mr. BARTLETT. Will the Senator yield me 2 minutes?

Mr. CANNON. Yes.

Mr. BARTLETT. I would like to ask the distinguished Senator, because this is a very important matter to this body, is there any party position of the majority party on this matter? Has there been any caucus to in any way limit any action on the majority side?

Mr. CANNON. I would say the Senator ought to address that question to the majority leader. I am not aware of any attempt to limit action on the part of anyone, and I would be very surprised if there had been.

Mr. MANSFIELD. What was the question?

Mr. BARTLETT. The question was, has there been any action by the majority party that would in any way limit the action of any Senator on the majority side?

Mr. MANSFIELD. None whatsoever, and there will not be.

Mr. BARTLETT. Fine. I was sure this was the case, and I certainly think it is very important in this particular case that each Senator apprise himself of the record that has been made on the floor and the record that has been made in the committee, because I really think before we get to the arguments that the Senator from Nevada was talking about on the merits of the Durkin petition, that we first get to the basic argument of the validity of the certificate of election, so we would know whether or not to seat, without prejudice, Mr. Wyman, who has, from what I can understand, the only valid certificate.

In fact, I understand that the Durkin petition is not even signed under oath. So I think there should be an action taken, a determination, a judgment made by this body as to the validity of certificates of election. Otherwise, a good friend of a Governor or the senior State official can have an invalid State election certificate that apparently, by the Senator's action, would be received with the same care, consideration and validity as a valid certificate. So this concerns me, and what might follow later on, in looking at the actions of this body at this time.

Mr. CANNON. Well, I would just simply say to the Senator, as I have said in responses to numerous Senators, particularly on the minority side, the precedents are here and, if the Senator and the Senate desire to change the precedents, I guess they can do so. But, again, the Ware case that seems to be one that has been quoted a lot; that was an instance wherein the Senate declined to permit the oath to be administered to a Senator-elect, and this is what the Senator is contending here, pending the examination of his qualifications; they denied him the authority to take the oath and, as I said earlier, the seat was finally declared vacant, and it was sent back to the State of Pennsylvania as a result.

Now the Senator raised another question: He said New Hampshire would be deprived, pending this investigation and the proceeding, of its right of representation.

That question was raised in the same case. It went to the Supreme Court and the Supreme Court rendered the decision and said that that was not a deprivation—the refusal of the Senate to seat a claimant pending investigation did not deprive a State of its equal suffrage in the Senate within the meaning of article V of the Constitution. So it answered that question and the Senator's as well.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion of the Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

Mr. ROBERT C. BYRD. Mr. President, under the order entered a few days ago, 6 hours are allotted for debate tomorrow on the various motions dealing with the New Hampshire election dispute. That would be 3 hours to the side. I ask unanimous consent that the 6 hours be reduced to 5 hours, with 3 hours under the control of the distinguished Republican leader and 2 hours under the control of the distinguished Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDING ORDER CONCERNING PRINTING OF CONFERENCE REPORTS AND STATEMENTS AS SENATE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that notwithstanding the provisions of the Legislative Reorganization Act, conference reports and statements accompanying them not be printed as Senate reports when the House of Representatives acts first on such reports or conference reports and statements have been printed as a House report, unless specific request is made in the Senate in each instance to have such a report printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDING ORDER TO RECEIVE REPORTS AT THE DESK DURING 94TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the remainder of the 94th Congress it be in order for the proper members of the staff to receive reports at the desk when presented by a Senator at any time during a session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDING AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO MEET DURING SESSIONS OF THE SENATE DURING 94TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized to meet during the sessions of the Senate during the 94th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, when the Senate convenes tomorrow it will be at the hour of 11 a.m. After the two leaders or their designees have been recognized under the standing order, time will immediately begin running on the debate on the New Hampshire election dispute. That time has been divided with 3 hours under the control of Mr. Hugh Scott and 2 hours under the control of Mr. Mansfield.

At the present time, the first rollcall vote is scheduled to occur at the hour of 4 p.m. The two respective cloakrooms, however, in the meantime, will attempt to ascertain whether or not there would be any objection on the part of any Senator to the first rollcall votes occurring at 3 p.m. rather than at the hour of 4 p.m., as was previously agreed to. There will likely be at least three rollcall votes tomorrow.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, and pursuant to Senate Resolution 34, as a further mark of respect to the memory of the deceased Honorable John C. Kluczynski, late a Representative from the State of Illinois, that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and at 4:51 p.m., the Senate adjourned until tomorrow, Tuesday, January 28, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 27, 1975:

National Labor Relations Board

Betty Southard Murphy, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1979, vice Edward B. Miller, resigned.

U.S. Arms Control and Disarmament Agency

John F. Lehman, Jr., of Pennsylvania, to be Deputy Director of the U.S. Arms Control and Disarmament Agency, vice J. Owen Zurhellen, Jr., resigned.

The Judiciary

Stanley S. Brotman, of New Jersey, to be U.S. district judge for the district of New Jersey vice Mitchell H. Cohen, retired.

Department of Justice

Donald W. Wyatt, of Rhode Island, to be U.S. marshal for the district of Rhode Island for the term of 4 years (reappointment).

In the Navy

The following-named officers of the Naval Reserve for temporary promotion to the grade of rear admiral subject to qualification therefor as provided by law:

LINE

Sigmund F. Bajak
Bernard E. Nash
Richard Lyon
Anthony H. Murray, Jr.
Thomas E. Morris
Paul W. Rohrer

MEDICAL CORPS

Winston H. Weese

SUPPLY CORPS

Charles H. Mayfield

CHAPLAIN CORPS

Bertram W. Korn

DENTAL CORPS

Edward U. Austin

EXTENSIONS OF REMARKS

FRANK W. GAVLAK

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. HELSTOSKI. Mr. Speaker, Frank W. Gavlak, secretary of the Wallington, N.J., Board of Education, retired January 1 after 45 years of service. Today, I would like to take a few minutes to pay tribute to Mr. Gavlak and to thank him for the many fine contributions he made to the people of Wallington.

As a result of his dedication and vision, Mr. Gavlak was instrumental in implementing many new programs and policies which helped make Wallington one of Bergen County's more progressive school systems. Almost singlehandedly, he created a system of vocational education which through the years has proven beneficial to thousands of students from throughout the country.

Among his accomplishments in the area of vocational education, Mr. Gavlak recommended a program whereby Wallington was the first in the county to send students to Essex County Vocational School. Because of this idea, many students were able to establish their own businesses and subsequently achieve financial success.

In addition, Mr. Gavlak advocated a vocational school for Bergen County, and was appointed by the county superintendent of schools to serve on a committee to work in conjunction with the board of freeholders to establish such a school. However, his contributions to education and to the Wallington school system were not confined exclusively to the area of vocational education.

He organized a program using WPA funds to renovate the three public school buildings, and set up a record file on every individual who had attended Wallington public schools since 1892. Over the years, these records have helped former students establish dates of birth for citizenship papers, traveling visas, and to qualify for social security benefits. Furthermore, he advocated that Wallington maintain its own school repair program, and over the years he prepared all necessary specifications, other than those requiring the signature of an engineer or an architect, and supervised the work performed.

In addition to serving as board secretary, Frank Gavlak served in a variety of other important positions as well. He was an appointed member of the Wallington School Board for nearly 28 years, and served 3 years as councilman. Mr. Gavlak also was a member of the juvenile conference committee and served 37 years as a fireman. He is a charter member of hose company No. 3 and helped organize that company.

Mr. Speaker, Frank Gavlak's work extended to many community organizations and charity drives as well. He represented the Wallington schools in the first March of Dimes drive, and still serves as a member of that committee in Wallington. He also was chairman of the Christmas seal drive for 5 years, and has been a member of every charitable drive in Wallington. He also helped organize the Wallington Lions Club.

At this time, Mr. Speaker, I would like to add a personal note. Before coming to Congress, it was my privilege to serve as superintendent of schools in Wallington. In this position, I was fortunate enough to have the opportunity to work closely with this outstanding man. Hence, it truly gives me a great deal of pleasure to commend him today and to extend to him my best wishes on the occasion of his retirement.

THE ADMINISTRATION'S PROPOSALS REGARDING UTILITY REGULATION

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, January 20, 1975

Mr. METCALF. Mr. President, the New York Times published two very disturbing stories on January 6, the week before the President's state of the Union message. The first was titled "Bills Unpaid, Thousands Lose Heating." The headline on the second read "Electric Rates Expected To Rise Sharply in 1975." After evaluating the administration's proposals to bail out investor-owned electric utilities which were outlined in the state of the Union message, I can only conclude that the President and his energy advisers have failed to appreciate the gravity of the problem behind those two articles.

The story on unpaid bills examined the relationship between skyrocketing energy costs and the increasing inability of many customers to pay for basic energy needs. One indication of the problem is the alarming increase in the number of customers whose electricity was cut off for failure to pay their bills. Disconnections were up 37.6 percent from a year ago at Con Ed, 23.8 percent for the New England electric system, 93.4 percent for Ohio Power, and 90 percent for Kentucky Power.

The article on expected rate increases reported that State utility regulators approved $2.2 billion of electric rate increases last year and are being asked to approve $4 billion more.

The President has responded by proposing an energy program which his own advisers predict will further raise electric rates an average of 15 percent. A noted economist at the Federal Power Commission has estimated that while low- or medium-income families might get back $50 to $150 under the tax cuts proposed by the President, their fuel bills would go up $250 to $300 a year. Administration proposals concerning electric utilities are primarily repeats of the same old giveaway gimmicks which the industry has sought for years. However, there are a couple of new twists this time. Whether new or old, every administration proposal is guaranteed to raise electric rates for customers so that utilities can increase their profits.

The first prong of the President's attack on consumer pocketbooks is an increase in the investment tax credit for utilities from 4 to 12 percent. The biggest problem with that approach—which I discussed in detail in my remarks of September 11, 1974—pages 3756-30761—is that most of the large utilities are already paying little or no Federal income tax on their substantial profits, because of previous preferential tax treatment. Granting them yet another windfall would not have much effect, because they do not pay enough Federal taxes to utilize all of the credits the administration wants them to have. Only taxpayers can take advantage of tax credits.

Increasing the investment tax credit will result in tripling the present annual overcharge to customers from $250 to $750 million. Since unused credits can be carried forward 7 years, utilities will continue to avoid their fair share of taxes for years after present difficulties have been resolved.

The President's second proposal is to require that both Federal and State regulatory commissions allow the use of fuel adjustment clauses by utilities. Such clauses permit automatic passthrough of increased fuel costs to customers without any review by regulators. The abuses which have occurred where fuel adjustment clauses have been adopted are so rampant that I have already addressed the subject twice during the past 3 months on October 16—pages 35954-35959—and December 18, 1974—pages 40775-40780.

The abdication or regulatory power to a private company through use of an automatic passthrough clause has been found to violate due process of law by a court in my own State of Montana. The attorney general of Florida has challenged the use of a fuel adjustment clause in that State on similar grounds. In my previous remarks, I have described several examples of deception, inefficiency, and overcharge which have occurred under fuel adjustment clauses. They range from voluntary renegotiation of fuel contracts by utility managements to the purchase of $10 per ton coal from a utility subsidiary for $25 per ton.

The President also wants to require that Federal and State regulators include construction work in progress in the base upon which rates are set. The Congressional Research Service has calculated that adoption of this proposal will cost customers $37 billion over the next 5 years without showing them any increase in the allowed rate of return.

The Federal Power Commission is currently considering whether to allow construction work in progress as part of the rate base for utilities under its jurisdiction. I have submitted a detailed statement to the Commission in opposition to this harmful departure from accepted ratemaking principles. The record on this proposal is still open, and interested citizens should submit written comments to the Commission by March 30, 1975. Comments should be addressed to: Mr. Kenneth F. Plumb, Secretary, Federal Power Commission, 825 North Capitol Street, Washington, D.C. 20426.

Reference should be made to FPC Docket No. RM75-13 and RM75-14 conformed copies should be enclosed.

Mr. President, to acquaint interested citizens with my concerns about this proposed rulemaking, I ask unanimous consent that my statement to the FPC be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Lee Metcalf

(Re FPC Docket No. RM 75-13, Amendments to Uniform Systems of Accounts for Public Utilities and Licensees and for Natural Gas Companies and to Regulations Under the Federal Power Act and the Natural Gas Act, to provide for inclusion of Construction work in progress in rate base.)

To Kenneth F. Plumb, Secretary, Federal Power Commission: I am greatly dismayed by this proposed rulemaking to include construction work in progress in the rate base. If adopted, the rule will deceptively and unnecessarily raise the cost of basic electric service.

At a time when Americans are questioning why the classic economic law of supply and demand seems to work only when prices are going up, this under-the-table attempt to punish consumers for their commendable conservation efforts must be labeled irresponsible.

Once again, the average citizen sees that the agencies of government originally intended to protect his interest from monopoly power are instead more concerned with the financial success of the companies they are supposed to regulate. Utility customers will be forced to bail out managerial incompetence and inefficiency of the worst sort under this proposal.

Because this proposed rule defies the facts on record as well as our National efforts to promote conservation and combat inflation, I strongly urge the Commission to reject it. I ask each Commissioner to consider carefully the following points in light of the economic and political woes the American people have been forced to bear during the past two years:

(1) *The Proposal is deceptive.* The amount of profit allowed a utility is the product of a percentage fair rate of return multiplied by the rate base which is supposed to represent the capital invested in providing service. That product—the allowed profit—can be made larger by either increasing the rate of return or enlarging the rate base.

The public expects that if their rates are to be raised to provide more profit for investors, there must be a full hearing where each utility is required to prove that its investors deserve a greater rate of return. The public does not expect across-the-board rate increases by means of an obscure rule change which does not require an increase in the allowed rate of return or the proof which must accompany such an increase. Enlarging the rate base by including construction work in progress accomplishes higher profits without public awareness of that result.

If utility investors need more profit, then the Commission should move openly by the normal rate-making process and increase the allowed rate of return upon convincing proof. Consumers would then understand that their rates are being raised to increase utility profits.

Americans are sick and tired of price fixing, double-dipping, tax loopholes, and the myriad other hidden ways by which large corporations milk the public each year. The Federal Power Commission should not be an accomplice to such deception by approving the proposed rule.

(2) *The Proposal violates one of the basic principles of rate making.* It has long been accepted that the rate base should only include the value of property which is "used and useful" in providing service to current customers. Otherwise, customers would be forced to pay a return on property not used in the utility business. To prevent such inequity, the Federal Power Commission and most other regulatory commissions have not included unfinished and therefore unproductive property in the rate base.

Adoption of this proposal would change all of that. Utility managements will no longer have any efficiency incentive to complete plant construction expeditiously. Investors will earn a return whether capital is invested productively or not. Not only will regulation guarantee these cost-plus monopolies a profit, but they will be further elevated above the rigors of competition by being guaranteed a return on non-productive investment. Incompetent and inefficient utility will surely believe in Santa Claus if this proposal is adopted.

The primary reason that construction work in progress is so large in proportion to plant in service is that many utility managements have made the decision to "go nuclear" when adding additional generating capacity. That decision is not surprising since existing ratemaking procedures gear total allowed profit to the total amount invested in providing service, thus inducing managements to increase plant investment.

Nuclear power plants have the dubious distinction of being the most expensive power source available to utilities as well as the most time consuming to construct. That means the amount of construction work in progress increases geometrically. Construction periods of six to ten years are commonly forecast for nuclear plants.

The wisdom of restricting allowed return to current productive investment is essential as an incentive to bring plant on line as quickly as possible.

(3) *This proposal is based on an unrealistic projected growth rate for electricity consumption.* There is no present shortage of electric generating capacity in this Nation. All that propaganda we keep hearing about the lights going out if utilities do not earn enough to satisfy Wall Street is based upon projections of the amount of capacity needed to serve customers five or six years from now. The vast amounts of capital which excessive profits from today's customers are supposed to attract will be used to serve the assumed needs of customers far in the future.

Intelligent projections of growth in electricity consumption are an absolute necessity when dealing with capital requirements measured in tens of billions of dollars. The historical growth rate has been about 7% annually, but due to skyrocketing rates and conservation efforts by customers, the power industry's summer peak increased by only 1.04% this year, according to *Electric World*. Almost half of the 77 utilities surveyed had summer peaks which actually declined. The Commission's own Bureau of Power has compiled electric generation data for the first nine months of 1974 showing that the amount of electricity generated this year is 1.63% *less* than for the same period last year.

A peak that grows while total generation declines means even more inefficient use of the Nation's generating facilities. (It should be noted that customer resistance to increased consumption has occurred for the most part under rate schedules which encourage conservation. This should ensure more efficient use of existing facilities.)

After a $4 million, two-year study, the Ford Foundation's Energy Policy Project has found that a long-term average growth of about 2% annually—as set forth in its final report—is both technically feasible and economical.* The Congressional Research Service has calculated that a growth rate of 2% in 1975 and 3% thereafter would reduce the electric utility industry's demand for external capital by $57.8 billion over the next five years. That is a 50% reduction from the amount which would be needed using a business as usual scenario of 4% growth in 1975 and 6.5% thereafter as calculated by the Commission's Office of Economics.

Reducing capital demand by such a large margin would help lower interest rates and free capital resources for other uses such as housing. A low growth rate seems reasonable in view of the significantly larger proportion of customers' real income which now goes to pay for energy.

Cash earnings will increase for utilities under a realistic growth and construction projection. As unnecessary and expensive construction plans are abandoned to reduce the proportion of construction work in progress to plant in service, plant now under construction will begin contributing to earnings as it becomes operational. When Wall Street realizes that utilities will not need excessive amounts of high priced capital, investors will react more favorably in valuing existing and future debt and equity securities.

The situation in the electric utility industry today, then, is as follows: a very low growth rate in consumption; a corresponding enormous decrease in the amount of capital utilities will have to raise; and the prospect for increased cash earnings as maximum utilization of existing facilities occurs.

I would like to focus on the assumptions made by the Federal Power Commission staff in support of granting utilities higher immediate profits by including construction work in progress in the rate base.

No justification for adoption is offered in this proposed rulemaking. In fact, adoption is treated as an accomplished fact since public comment is only solicited on how best to implement the proposal. The perceived need for greater utility profits must derive from reports such as the study of the industry prepared by the Commission's Office of Accounting and Finance in September, 1974. That report recognized that growth in consumption is greatly diminished, that population and GNP are not expected to maintain historic post-World War II growth levels, and that the large proportionate real increases in the price of electricity are dampening demand. Nevertheless, the report accepts the premise that "increasing consumption of power is indigenous to our system of long-term economic growth." The analysis concludes, "But, in the absence of clearly defined new trends, we will base our appraisal of the future on earlier estimates of about 7% growth in the consumption of electricity."

That incredible statement typifies the sort of bureaucratic irresponsibility which causes my constituents to wonder if anyone in Washington knows what is going on in the rest of the Nation! If anyone wants a clearer definition of economic trends, I suggest they

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** A Time To Choose, America's Energy Future*, Energy Policy Project of the Ford Foundation, Ballinger Publishing Co., Cambridge, Mass., 1974, pp. 45-80, 325.

put down their copies of *Public Utilities Fortnightly* and go have a talk with the homebuilders in California, the miners in Montana, the auto workers in Michigan, or any head of household trying to plan the family budget. The efforts by consumers to halt the endless cycle of rate increases through conservation and changes in lifestyle are simply ignored.

The 27 September, 1974 issue of *FPC News* reports that the Bureau of Power is also using an average 7% demand growth rate in computing generating capacity for the years 1984 to 1993.

The really disturbing aspect of all this is that it may end up costing consumers up to $37 billion during the next five years if this proposed rulemaking is adopted, according to figures prepared by the Congressional Research Service. A Commission staff appraisal which blandly regards the most serious economic challenge since the Depression as a historical fluke becomes the rationale for changing long accepted ratemaking policies to raise utility profits. National Utility Service Inc., an economic consulting firm, surveyed fifty of the Nation's largest electric utilities and found that their rates rose 12.3% in 1973 and catapulted 55.4% in the first half of this year alone! The American people are fed up with government which does not respond to their needs. They can no longer afford the luxury of the Federal Power Commission staff ignoring current factual realities to see if a trend develops. Consumers do not see the sense in further raids on their shrunken pocketbooks to support an idle and speculative demand forecast when many people are losing their jobs and nearly everyone is cutting back to make ends meet. Utility investors should be willing to bear their share of the current financial burden until the demand for electricity catches up with the ambitious construction programs planned by their managements.

The Federal Power Commission must take into account the efforts of customers to adjust to a new energy-expensive lifestyle when deciding on policies which will significantly raise the basic cost of living. Perhaps an extensive staff study on the effects of skyrocketing electric rates would be an apt beginning.

(4) *This proposal will force customers to bail out inefficient utility managements.* As noted earlier, adoption of this proposal will remove any incentive for bringing plant on line expeditiously. Utilities which have invested heavily in problem nuclear facilities will be able to pass the cost of their mistakes on to the public.

Nuclear plants proved to be such an enormously expensive boondoggle that the *Wall Street Journal* has called them "atomic lemons." *Forbes* quotes Donald Cook, chairman of American Electric Power Co., as saying: "Nuclear plants have more problems than a hound dog has fleas. I'm talking about operating and engineering problems unrelated to safety." Construction delays due to improper planning are common. When they finally become operational, nuclear plants have been running at a wasteful 55% of capacity rather than the 80% operating ratio upon which all of the supposed cost saving figures are based.

The decision to go nuclear was made in corporate boardrooms without any input from the customers who are affected so greatly by that decision. It would be manifestly unfair to now require customers to bail out managements who have shown poor judgment.

(5) *This proposal is highly inflationary.* Including construction work in progress in the rate base will have the pure inflationary effect of raising prices without producing any benefit in return. The Commission's own Office of Economics has projected that it will cost consumers $22.1 billion over the next five years.

Other than needlessly enriching investors, there is no indication that any benefit will accrue from this proposal. There will be no need to raise the vast amounts of capital necessary to meet a 7% growth in demand if present trends continue. Increasing profits does not necessarily improve the attractiveness of utility securities anyway. Investors are aware of current trends and will not react favorably until utilities adjust to using their facilities more productively in a low-growth environment. It does not take a brilliant analyst to realize that customers are at the end of their rope and will not continually accept increased profits for utilities. We in the Congress are acutely aware of consumer resistance to proposals such as this, and I must stress the magnitude of such public sentiment.

In summary, I must impress upon the Commission and its staff that the American people and the Congress will no longer tolerate acquiescence to utility claims for ever greater profits when everyone else is paring back to fight joblessness and double-digit inflation. Any rate increase must be open, must be based on hard proof rather than idle assumptions, and each utility must bear the burden of proving its own need. Across-the-board rate hikes from proposals like this do not complement our National efforts to meet the economic challenge before us. Therefore, I must respectfully ask the Commission to reject this proposed rulemaking and go on record as being opposed to similar inflationary measures.

Mr. METCALF. Mr. President, there are other new twists in the President's program. One is a proposed change in the tax law permitting all industries, including utilities, to deduct preferred stock dividends for tax purposes. As with the proposed increase in the investment tax credit, adoption of this measure would not benefit most large utilities very much since they are now paying little or no Federal income tax.

The legislation to be proposed by the President would attempt to force the States into a cooperative effort with the administration to enrich utility investors at the expense of customers. The White House fact sheet says:

> The legislation would selectively reform utility commission practices by: 1) setting a maximum limit of 5 months for rate or service proceedings: 2) requiring fuel adjustment pass-throughs, including taxes; 3) requiring that construction work in progress be included in a utility's rate base; 4) removing any rules prohibiting a utility from charging lower rates for electric power during off-peak hours; and 5) allowing the cost of pollution control equipment to be included in the rate base.

The Federal Government regulates only interstate rates for electricity. Interstate residential, commercial, and industrial rates—which account for 93 percent of total electric revenues—are regulated by State commissions. State commissions are closer to the people who pay the bills and have been more aware of the need to balance speculative capital demands against the enormous rate increases customers have been forced to bear.

On September 11, 1974, top administration officials joined with the FPC in admonishing State regulators for failing to give utilities all of the profit increases they have demanded. Many of the State commissioners were understandably incensed at such a high-handed approach by Federal officials. They resented being blamed for all the problems in the utility industry when high interest rates and rising fuel costs are largely the result of Federal policies.

The administration is now trying to accomplish through coercive legislation what it has failed to do through browbeating. This arrogant attempt to force excessive profits on intrastate customers by usurping State regulatory powers must fail. The path to reliable electric service at a reasonable price does not rest upon excessive profits and oppressive legislation.

The public cannot afford the President's giveaway program to utilities during the current challenge facing the Nation. The time has come to adopt more equitable policies and cooperate with the States in protecting the interests of customers while insuring a viable electric system.

SCHOOL BOARD REPRESENTATIVES ON ACIR

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. PEYSER. Mr. Speaker, as we all know, public education in the United States is an extremely complex topic. As a member of the Education and Labor Committee I have become acutely aware of the need for the cooperation of all levels of government to insure that our educational system is effective in reaching our students.

One vehicle for this cooperation, the Advisory Commission on Intergovernmental Relations, brings together representatives of the Federal, State, and local governments for the consideration of their problems. It is their job to see that governmental functions, responsibilities, and revenues are allocated in the most desirable fashion. Conspicuously lacking on this board are representatives from the public education sector of our society.

The addition to the Commission of two elected school board officials, who are constantly exposed to the daily problems that occur in the actual operation of our schools, would give valuable insight and information into some of the needs of education today. These officials would provide the Commission with great insight into the problems of implementing complex Federal education programs on the local level. For example, the Commission evaluates the $4 billion in general revenue funds that are spent each year on elementary and secondary education. In dealing with a figure of this magnitude I believe it is not only profitable, but necessary to hear the opinion of the people who witness just where these funds go, and the resulting impact, good and bad, that they have. We must use the experience that these people have to properly evaluate where the needs of the schools are greatest.

Because of the role these school board members can, and should, play on the

ACIR, I joined with my colleague from Michigan (Mr. WILLIAM D. FORD) to introduce a bill in the 93d Congress that would have expanded the membership of the Advisory Commission to include these two officials. Unfortunately, although hearings were held on our bill by the Government Operations Subcommittee on Intergovernmental Relations, the bill was not reported out.

However, the need for this legislation is still present. Mr. FORD of Michigan and I have therefore reintroduced this bill to the 94th Congress. I urge the House to act on this bill.

AMERICA NEEDS MORE DOMESTIC OIL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. COLLINS of Texas. Mr. Speaker, when I was in Texas last weekend, I had lunch with some of the officials with the Atlantic Richfield Co. In Dallas they have the Atlantic Richfield producing division that is keenly concerned with finding more domestic oil reserves. I asked Jim Wilson of his estimate as to domestic oil reserves in this country.

He took consensus figures and said that oil in place in fields that have been found to date is approximately 438 billion barrels. He said that as of last year we had recovered 10 billion barrels of this oil.

They anticipate that future recoveries, which include secondary recovery, will be 26 billion barrels. American oilmen expect to get 9 billion barrels from Prudhoe Bay in Alaska. This means 35 billion barrels are available.

If the price goes high, there could be tertiary recovery of 12 billion barrels. There is also additional oil in deep sea offshore drilling, but with present environment and control restrictions, this is indefinite.

As we take the 103 billion barrels of oil that have been consumed and add to this 40 billion, which is a realistic figure with present recovery methods, we see that we would only be recovering 33 percent of the oil that has been found. It is also obvious that the new oil is more expensive, because it requires deeper drilling, longer hauls, and additional production costs such as water flooding.

The important factor that is overlooked is the fact that when we find oil, we are now able to only recover one-third of it. The economic cost is too high for greater recoveries. In our reserve estimates on where we stand on oil, we should use the 35 billion barrel figure. This is realistic, yet it shows how little oil reserve strength this country has.

The need is for more incentive and encouragement. Since the oil crisis, the major oil companies have all invested all their profits in capital drilling. They are borrowing money to drill. They have sold stock to drill. The entire emphasis is on drilling. Let Congress give the oil exploration companies more incentives including better depletion.

TAX RELIEF AND ENERGY CONSERVATION ACT OF 1975

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. FRASER. Mr. Speaker, last week I introduced H.R. 1608, the Tax Relief and Energy Conservation Tax Act of 1975. This bill is designed to give considerable tax relief to low- and moderate-income families by replacing the current $750 personal exemption with a $300 refundable tax credit. It will also reduce energy consumption by putting an additional 20 cents per gallon Federal excise tax on gasoline.

To show how this proposal will affect a family of four at different income levels, I am inserting a table which compares the current Federal income tax paid by these families with the tax they would pay under H.R. 1608. The tax relief is concentrated at low- and middle-income levels. However, even a family earning $25,000 per year can achieve some tax savings if they are frugal in using their car.

The table follows:

TAX IMPACT OF FRASER PROPOSAL ON A FAMILY OF 4 AT DIFFERENT INCOME LEVELS

Income	Taxable income [1]	Current tax	New taxable income	Tax on col. 3	Tax credit [2]	Income tax (rebate) col. 4—5	Gas tax paid [3]	Total tax col. 7+6	Tax savings col. 2—8
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
$3,000	0	0	$1,700	$245	$1,200	($955)	$150	($805)	$805
$5,000	$700	$102	3,700	569	1,200	(631)	150	(481)	583
$7,500	3,200	488	6,200	1,038	1,200	(162)	150	(12)	500
$10,000	5,700	901	8,500	1,490	1,200	290	150	440	461
$12,000	7,200	1,228	10,200	1,864	1,200	664	150	814	414
$15,000	10,000	1,820	13,000	2,510	1,200	1,310	150	1,460	360
$20,000	15,000	3,010	18,000	3,820	1,200	2,620	150	2,770	240
$25,000	20,000	4,380	23,000	5,340	1,200	4,140	150	4,290	90
$28,250	23,250	5,420	26,250	6,470	1,200	5,270	150	5,420	0
$50,000	45,000	14,060	48,000	16,060	1,200	14,860	150	15,010	(950)

[1] Gross income less standard deduction (or $1,300 low income allowance) less $750 times number of exemptions.

[2] $300 times number of taxpayers and dependents.

[3] 20 cents per gallon, 11,250 miles per year, 15 miles per gallon equal $150 gas tax.

THE FULL AND PRODUCTIVE LIFE OF THOMAS HART BENTON

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. BOLLING. Mr. Speaker, I call to the attention of my colleagues the fine tribute to the late Thomas Hart Benton of Kansas City. It appeared on January 21, 1975, in the Kansas City Times:

THE FULL AND PRODUCTIVE LIFE OF THOMAS HART BENTON

Thomas Hart Benton once said of John Steuart Curry, Grant Wood and himself:

Together we stood for things which most artists do not much believe in. We stood for an art whose forms and meanings would have direct and easily comprehended relevance to the American culture of which we were by blood and daily life a part. . . . We did not believe this stand separated us from the world family of artists. . . . We hoped to build our "universals" out of the particularities of our own times and our own places, out of the substances of our actual lives as most of the great artists of the world's past have done. . . .

As an artist, Tom Benton did what he had to do, deferring not at all to contemporary critics (who often are wrong), public taste (which is mercurial), or the sensibilities of institutions or politicians (in or out of the art world). He was, first, last and always, himself. If that self was sometimes caustic, occasionally rambunctious and often of a purposeful nature, short on routine amenities to strangers, that was too bad. He had things to do. A few years ago, in the last edition of "An Artist in America," he wrote:

I now know there is no such thing as failure in the pursuit of art. Merely to survive in that pursuit is a success. Pictures may fail to please, movements may fail to survive, but the artist has his rewards anyhow. . . . The rewards of art, for the artist himself, are concomitants of its practice. They lie in the life-heightening acuteness of his everyday occupational experiences. The only way an artist can personally fail is to quit work.

The world knows Tom Benton primarily as a muralist. His great scenes in the Missouri Capitol, the Truman Library, Joplin and elsewhere have made him one of the most viewed artists of our age. Yet there are many who admire his portraits—especially those of his children—and still others who prefer the lithographs and simpler drawings to the swirling landscapes and vibrant colors of the larger works.

His murals and paintings brought a life of zest and controversy. The murals in Jefferson City raised various storms, and he was asked once by a heckler whether or not he was proud of Missouri. Benton replied that he was not necessarily proud of Missouri but that he certainly was interested in it. The man, wrote Benton (in the 1930s), could not understand, "any more than could my Communist friends in New York, that I did not believe in patterns of worlds. . . . Like the New York radicals, he saw my kind of realism as cynicism. . . . There are die-hards from the young Communists' nests in St. Louis . . . to the strongholds of Missouri conservatism who still maintain that because I painted no 'idealisms' my work is a disgrace."

He left New York in 1935 with a blast at what he considered the undue influence of homosexuals in art circles, but played no geographic favorites, for he later said that "the same damned bores you find in the penthouses and studios of Greenwich Village hang onto the skirts of art in the Middle West." In a great ruckus at the Kansas City Art Institute he was fired as head of the painting department principally (he believed) because he had remarked that museums were graveyards run by precious ninnies and that he would "rather exhibit my pictures in whorehouses and saloons where normal people would see them." This was the period when the great nude "Persephone" was on view in Billy Rose's Diamond Horseshoe nightclub. Now she can be seen at the Nelson Gallery.

Tom Benton's own words spoke best for him. What he saw in life and history and society is in his books as well as in the paintings, sculpture and drawings he left behind. Entirely aside from his art was the magnetic character that treasured friendships with a fierce loyalty. His nature was to value truth for the sake of truth, and that was reflected in his art which was his life.

HEW AND SEX DISCRIMINATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ASHBROOK. Mr. Speaker, the Department of Health, Education, and Welfare frequently goes overboard in its regulations. HEW will seize upon a newly-enacted statute and carry it to ridiculous extremes.

A prime example is HEW's interpretation of title IX of Public Law 92–318. This title prohibits sex discrimination in education. Specifically, it provides:

> No person in the United States shall on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

In its proposed regulations issued June 18, 1974, HEW interpreted title IX to mean that schools could not give any assistance—aid, benefit, or service—to "any agency, organization, or person which discriminates on the basis of sex." This would include organizations such as Girl Scouts, Boy Scouts, Campfire Girls, YWCA's, YMCA's, sororities, and fraternities. These groups were to be prohibited from using school facilities since they engage in sex discrimination.

I find it very difficult to believe that HEW could take this view. Congress certainly never authorized nor intended such an outrageous result. This is not a matter of equality. It just shows how far HEW is willing to go and how absurd it can be in its statutory interpretations.

As a result, Congress has been forced to step in and correct HEW's improper interpretation of the law. YWCA's, YMCA's, Girl Scouts, Boy Scouts, Campfire Girls, sororities, and fraternities have now been specifically exempted from title IX. Further congressional action may well be needed to exempt physical educational classes and service organizations from HEW's unisex group approach. Perhaps the lesson to be learned from all this is to beware of HEW and its ridiculous regulations.

ANARCHISTS HAVE ANSWER FOR FUEHRER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. DERWINSKI. Mr. Speaker, one of the more fascinating and thought-provoking articles that has come to my attention recently was authored by syndicated columnist, Nicholas von Hoffman. I emphasize the thought-provoking nature of this column for it is the kind of commentary that we must all ponder over; even the minutest suggestion and details and then look at the broad picture.

I insert this column, which was carried in the January 18 Chicago Tribune, into the RECORD at this time:

ANARCHISTS HAVE ANSWER FOR FUEHRER

(By Nicholas von Hoffman)

WASHINGTON.—President Ford has been sniped at for the one quality we ought most to appreciate in him—his "lack of leadership."

Politicians and commentators who were denouncing the imperial Presidency a few months ago have been imploring our new President to "electrify" the nation, a la Franklin Roosevelt, while assuring him the citizenry pines for the strong leader who will achieve national unity thru national hardship and national sacrifice.

Free men who beg for regimentation are contemptible, but people who suffer from a fuehrer complex are the last to understand their own self-abasement.

The middle of the roaders who're demanding the government do something or anything at all, and the liberals advocating controls, rationing, and credit allocation can't imagine an America where people freely make their own arrangements about such things.

If you have a fuehrer complex, it's democratic to govern from the top. To regulate from above is simply democracy expressing itself thru bold leadership.

The far Right seems to be the only organized group able to offer unqualified opposition to regimentation thru leader worship. The Left is uncertain about it, perhaps seduced by a desire to get at the oil companies even if it means fattening the Washington leviathan.

The present antioil company agitation, however, is more an act of pique than of policy. What does it accomplish to cut Exxon's profits by transferring yet more power to the state?

The far Right realizes that and therefore concentrates its efforts in defending the free market even if it may bring a few benefits to Exxon and the likes of Nelson Rockefeller, whom many of Birchite persuasion regard as an agent of international Communism. He isn't, of course, but viewed from a laissez-faire perspective there isn't much difference between his kind of liberal, centralized authoritarianism and the prevailing principles of public administration in the Kremlin.

The Left agrees with the Right's judgment on Rockefeller. The trouble is that when Leftists agree with Rightists that private property and laissez-faire are a defense against tyranny from above, they don't feel comfortable about it.

The Left doesn't believe you can tell somebody without a job, "Don't worry, baby, the free market'll take care of you." So, lacking any other ideas, the Leftist is tempted to make common cause with the semiprivate Socialism espoused by the liberals, by Rockefeller, and by all the leading contenders for the next Democratic Presidential nomination.

To escape the bondage of bureaucratic Socialism, some Leftists are shifting over to far right libertarianism. Others are beginning to rediscover anarchism, the one left-wing political philosophy that tries to achieve material justice without the violence and compulsion of leaders and states.

Unfortunately, it's been so long since anarchism has been a living political force that most people use the word as a synonym for chaos. For most of us an anarchist is a guy in a history textbook with a beard and a bomb who was last seen some time in the late 19th century.

In fact, the last anarchist movement of any size went out of business during the Spanish Civil war. It was extinguished by the Communists, the Fascists, and the liberals, all of whom were scared to death of an antihierarchical, antigovernmental movement that believed in a voluntarist society in which people organized themselves to realize their economic aims without direction from on high.

Before their extirpation the anarchists of that era took over a goodly sized chunk of Spain, including the city of Barcelona where they ended up running everything from the street-car companies to the textile mills. Before being rubbed out, the Spanish anarchists did some prodigious things; and, although they can hardly serve as a practical model for what we might do in America today, their accomplishments demonstrate that anarchism in a modern industrial society isn't a wacked out, crazy idea.

It is also a good cure for fuehrer complexes, for if anarchism teaches nothing else it tells us that those who look for leaders shall assuredly find masters.

RABBI SCHNEERSON

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. HORTON. Mr. Speaker, on January 22, Rabbi Menachem Schneerson celebrated his 25th anniversary as leader of the Chabad-Lubavitch movement, a 200-year-old Jewish sect. Through the leadership of this wise and extraordinary man, the Lubavitch movement has inspired religious, educational, and humanitarian accomplishments throughout the world. His voice is revered as a noble expression of Jewish faith and thousands upon thousands of people have benefited from his untiring efforts.

The President of the United States and

the U.S. Senate have recognized Rabbi Schneerson's achievements and it is an honor for me to join with my House colleagues in paying tribute to the rabbi on this occasion. I extend to him my own best wishes and the hope that he will be blessed with many more years of service on behalf of spiritual brotherhood.

WALT DROPO AWARDED GOLD KEY

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. DODD. Mr. Speaker, on February 2, the Connecticut Sportswriters Alliance will present to Walter Dropo their Gold Key Award honoring famous athletes from Connecticut. Those who have followed the game of baseball throughout the years will know the recipient better as "Moose" Dropo, "The Moose from Moosup" Connecticut.

In his first year in the major leagues, Moose won rookie of the year honors playing first base for the Boston Red Sox, compiling the excellent statistics of a .322 batting average, 34 home runs, and 144 runs batted in while playing in only 134 games. For 13 seasons Moose was an outstanding major league ballplayer. He will be honored soon, and in recognition of his accomplishments I wish to place into the record an article from the Norwich Bulletin relating the career of Walter "Moose" Dropo.

The text of the article follows:

[From the Norwich (Conn.) Bulletin, Nov. 12, 1974]

Walt Dropo To Receive Gold Key

Norwich.—Walter "Moose" Dropo, the former long-time major league standout who helped put the State of Connecticut on the baseball map, will be the recipient of a Gold Key when the Connecticut Sportswriters Alliance stages its 34th annual dinner.

Dropo, the most famous member of Eastern Connecticut's well-known athletic family, will be honored, along with two other yet-to-be-named recipients, when the Nutmeg scribes hold their annual awards program on Sunday, February 2, 1975 at the Sheraton-Park Plaza Hotel in New Haven.

The Gold Key awards dinner annually honors well-known athletes from Connecticut who have made their mark in the sports world. Dropo, a 13-year veteran of major league baseball as well as a brilliant three-sports star at the University of Connecticut, is, without doubt, the number one professional athlete whose name is automatically associated with the State of Connecticut.

Nicknamed "Moose" during his collegiate days because of his large stature and his hometown of Moosup, Connecticut, Walt Dropo retained that label throughout his major league career, often being referred to by writers and announcers as "The Moose from Moosup."

BRILLIANT DEBUT

Dropo bolted into the major leagues with brilliant success in 1950, earning Rookie of the Year honors in the American League while patrolling first base for the Boston Red Sox.

The Nutmeg native also holds one major league record and two Boston Red Sox rookie records among his many laurels.

Dropo set the major league mark in 1952 as a member of the Detroit Tigers when he collected 12 consecutive base hits over a two-day, three-game span on July 14 and 15. That tied a record set in 1938 by Mike "Pinky" Higgins.

In 1950, while with the Red Sox, Dropo set a pair of Bosox' rookie records which still stand as he hammered 34 home runs and belted home 144 runs. Those marks came in just 134 games after Dropo was called up to the parent club from Louisville in "AAA" ball to sub for Billy Goodman who broke an ankle.

Dropo hit .322 that season and was named American League Rookie of the Year for his efforts. He also tied for the American League lead in runs batted in with 144, deadlocking him with Red Sox teammate Vern "Junior" Stephens in that department. In addition, Dropo led the AL in total bases with 326. He was named to the Sporting News All-Star team in 1950 as the first baseman and also was a member of the 1950 American League All-Star team, collecting a triple in three trips to the plate.

Born January 30, 1923 in Moosup, Dropo is the son of Mr. and Mrs. Savo Dropo and his parents still reside in Moosup. He attended Plainfield High School, graduating in 1941 after winning athletic letters in football, baseball, basketball and track.

Dropo entered the University of Connecticut the following fall and remained there until 1943 when he entered the Army. He saw service as a combat engineer in Africa, Italy, France and Germany.

Discharged in 1945, Dropo returned to the collegiate ranks at UConn and went on to star as a two-way end in football, a top basketball big man and as a highly-regarded baseball first baseman.

SIGNS WITH RED SOX

He graduated in 1947 and was signed to a professional baseball contract by chief Red Sox' scout Neil Mahoney.

At the same time, Dropo was scouted and squired by Red Auerbach of the Boston Celtics as well as Sid Luckman and George Halas of the pro football Chicago Bears—both teams being interested in Dropo's services as a football and basketball standout.

In his senior year at UConn, Dropo was a member of the East Squad in the annual East-West College All-Star basketball game played in Madison Square Garden.

Dropo spent his first season as a pro baseball player in 1947 with Scranton in the Class "A" Eastern League and in 1948 aided Birmingham annex the Class "AA" Southern League playoff crown.

In 1949, he played ten games with the Red Sox before moving on to Sacramento in the "AAA" Pacific Coast League.

Finally, in 1950, it was on to Louisville until late April when the injury to Goodman paved the way into the big leagues for Dropo and he stayed in the big time for the next 13 years.

In June of 1952, Dropo was traded by the Red Sox to the Detroit Tigers as part of a nine-player deal.

Also moving to Detroit were Bill Wight, Fred Hatfield, Johnny Pesky and Don Lenhardt while the Red Sox obtained Dizzy Trout, George Kell, Johnny Lipon and Hoot Evers.

Less than two months after joining the Tigers, Dropo established his major league mark of 12 consecutive base hits.

After the 1954 campaign, Dropo was dealt to the Chicago White Sox in a deal for Ferris Fain and he remained in Chicago until June 24, 1958 when he went to the Cincinnati Reds in a waiver deal.

In 1959, it was back to the American League and the Baltimore Orioles in a swap for Whitey Lockman. Dropo finished his fine major league career with the Orioles, retiring early in 1962.

LIFETIME AVERAGE OF .270

Despite his large frame and lack of foot speed, Dropo compiled an impressive career batting average of .270 on 1,113 hits in 4,124 trips to the plate. He scored 478 runs, had 168 doubles, 22 triples and 152 home runs. He drove in 704 runs and played in a total of 1,288 games.

Dropo and his brothers Milton and George were all standout athletes at UConn and are still active alumni. Walt was honored several years ago by the UConn Club for his efforts as a collegian and was also feted by the Stamford Old Timers.

Presently a resident of Marblehead, Mass., Dropo is a pension consultant for Investors Diversified Services. Married, he is the father of Jeff (16), Carla (14) and Martina (13).

Tickets for 34th annual Gold Key Dinner are still priced at $15 each and may be reserved by contacting The Bulletin Sports Department.

UKRAINIAN INDEPENDENCE DAY: A TRIBUTE TO VALENTYN MOROZ

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. SARBANES. Mr. Speaker, it is fitting that we should honor the 57th anniversary of the declaration of Ukrainian independence by paying tribute to Valentyn Moroz, whose own courage and independence of spirit exemplify the indomitable spirit of his people. The independence of the Ukraine, to which its people had aspired for nearly two centuries and which was so proudly proclaimed in 1918, was cruelly snuffed out just 4 years later, more than a decade before Moroz was born; yet it has had a profound effect on the course of his life.

An historian by profession, Valentyn Moroz has been a prisoner for all but 9 months of the last decade. He is currently incarcerated in solitary confinement in the infamous Vladimir prison in the Moscow region of the U.S.S.R., serving a 14-year term to which he was sentenced in 1970; should he survive the initial 6-year period in prison, he will face another 4 years in a labor camp and 4 additional years in exile. This is of course hardly his first experience with the Soviet penal system. In 1966 he was sentenced to 4 years at hard labor. He was released in September 1969, only to be arrested again in June 1970.

For what supposed crimes has Moroz been sentenced to pay such a penalty? In the brief period 5 years ago when Moroz was not imprisoned, he wrote and circulated several essays reaffirming the eternal human quest for freedom and protesting Russian colonial oppression of his native land; these essays were viewed as constituting "anti-Soviet propaganda and agitation." He was tried and sentenced in secret, but reports of those outrageous proceedings have since traveled round the world. Nowhere is the spirit of Valentyn Moroz better expressed than in the words he spoke to his accusers at the trial. He said:

> Your dams are strong, but now they stand on dry land, bypassed by the spring streams, which have found other channels. Your drawgates are closed, but they stop no one . . .

> I am being tried today behind closed doors; but your secret trial will boomerang regardless of whether I am heard, or whether I remain silent, isolated from the world in a cell in Vladimir Prison. There is a silence more deafening than thunder and it cannot be muffled . . .

Valentyn Moroz is not alone in his native land in his devotion to the cause of human rights and freedom. Hundreds of his compatriots have joined him in openly protesting cultural oppression, religious persecution, and economic exploitation, and like him many have gone to prison for daring to express their most deeply held convictions. Moroz extraordinary courage and eloquence have however made him their spokesman. He has become a symbol of the historic devotion in the Ukraine to the principles of freedom and independence, and indeed of efforts in every part of the world to insure that humanity's fundamental rights shall be recognized and protected.

It is appropriate for us, as citizens of a great nation founded on the conviction that every individual has the inalienable right to life, liberty, and the pursuit of happiness, to recall today the proclamation of Ukrainian independence 57 years ago, and to join together in speaking out on behalf of Valentyn Moroz and the enduring quest for human dignity and freedom which he represents.

FORTIETH YEAR OF ACTIVITY FOR THE WASHINGTON, D.C., RETAIL LIQUOR DEALERS ASSOCIATION ON MARCH 9, 1975

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ADDABBO. Mr. Speaker, I have just learned that the Washington, D.C., Retail Liquor Dealers Association will celebrate its 40th year of activity, with a banquet on March 9, 1975, at the Sheraton Park Hotel, Washington, D.C. At that time it will honor Hilliard Schulberg, its executive director, who will be completing his 25th year in that capacity.

As a beverage industry spokesman, Mr. Schulberg is one of its most highly regarded representatives on Capitol Hill and elsewhere. During his 25 years as executive director of the association, he has undertaken scores of difficult assignments, projects, and challenges on behalf of his own association and the beverage industry.

Many of these have involved months and years of patience, persistent effort, and diplomacy on his part, resulting in a record of accomplishments for the association and its individual members. More importantly, he has earned the reputation of being a sincere and fair man who has genuine concern and understanding for the situation of those he represents.

Mr. Speaker, I join with Hill's many friends and associates in saluting him on the occasion of his 25th year of dedicated service. He well deserves the accolade of "well done, thou good and faithful servant."

FOOD STAMP COST RISE

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. PRITCHARD. Mr. Speaker, I would like to urge each of my colleagues to closely examine the proposed food stamp regulations under which every food stamp family would be required to pay a full 30 percent of their disposable income to purchase food stamps.

Since less than 1 percent of recipients today are considered able to pay the increased cost of the food stamps they receive, it has been conservatively estimated that 1.5 million beneficiaries would be forced to drop out of the program. Last year, recognizing that projected savings of $645 million a year in Federal funds would translate into direct, out-of-pocket losses to more than 95 percent of the current recipients, I wrote the following letter to Secretary Butz:

DECEMBER 20, 1974.

Hon. EARL L. BUTZ,
Secretary, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: I want to express my adamant opposition to President Ford's proposal to cut back on the Food Stamp program as part of the administration's effort to hold down federal spending. This untimely decision deals a critical blow to many of our nation's older citizens who are now barely coping with soaring inflation. We must stop trying to balance the budget on the backs of the elderly.

Malnutrition is a serious problem among older Americans—a fact Congress has recognized with its expansion of the elderly nutrition program earlier this year. It is disturbing to see government give with one hand, and then try to take it away with the other. I am afraid that hiking the cost of food stamps could price them beyond the financial reach of the elderly who need them most.

Many of my constituents, including the Elder Citizens Coalition of Washington, have expressed alarm over this impending action. We all agree that budget cuts must be made, but not in such areas so vital to human survival as nutrition and health. I hope you will do whatever possible to convince the President to reverse this decision.

Sincerely,

JOEL PRITCHARD,
Member of Congress.

On January 14, I joined with a bipartisan coalition of House Members in sponsoring a resolution—House Resolution 41—urging "the Secretary of Agriculture [to] immediately rescind the proposed regulations and [to] take all necessary steps to insure that our Nation's elderly and poor will continue to benefit from the food stamp program to the same extent which they presently do."

Since the convening of the 94th Congress, analysis of the proposed regulations indicates on whom the burden falls most heavily. These are the elderly poor, those least capable of defending themselves against such levies. They have been accustomed to patching out their meager budgets with food stamps that cost only 10 to 20 percent of their incomes. An elderly couple with, say, $270 in adjusted monthly income can now pay $64 and receive food stamps worth $84. This is a "net benefit" of $20. Under Secretary Butz' proposal, they will be required to put up $81 to receive the same $84 worth of stamps—a "net benefit" of only $3.

It is not difficult to see what lies ahead for persons in such circumstances. They will simply drop out. Who will stand in long lines, fill out a 6-page form to become certified, and, once in the supermarket with his stamps, laboriously separate his hamburger from nonqualifying purchases, all for the sake of a $3 savings? It is asking too much, even for those for whom $3 is a considerable sum.

The Department of Agriculture has refused to estimate how many of the 15 million persons currently using food stamps could be expected to withdraw from the program. The best guess it that of the Community Nutrition Institute, which calculates that about 10 percent, or 1.5 million persons, would find the benefits of food stamps to be so small that they would simply abandon them completely.

By examining the proposed regulations, it is simple to understand why the elderly poor are hit hardest. Under the new regulations, one- and two-person households would be most severely affected. Of all one-person households participating, 74 percent are comprised of persons aged 60 or older. Of all two-person households participating in the program, 40 percent are comprised of persons 60 or older. Of all one- and two-person households combined participating in the program, 54 percent are comprised of persons 60 or older.

Today, I am introducing legislation which will rescind the proposed food stamp regulations. This bill is not merely "advisory," it is "binding" if enacted into law. It is substantially identical to legislation introduced by a bipartisan group of 30 Senators under the leadership of minority leader HUGH SCOTT and Senator MCGOVERN, the chairman of the Senate's Select Committee on Nutrition and Human Needs.

The legislation which I am today introducing would amend the Food Stamp Act to prevent the proposed regulation from going into effect. The amendment continues the concept that the cost of food stamps should represent a reasonable investment on the part of the household but provides that in no event can that investment be more than the percent charged under the current schedule.

This amendment would also reduce the maximum charge from 30 percent of net food income to 25 percent. In other words, these recipients now paying 10 percent and 20 percent of their incomes for stamps would continue to pay that amount, while those paying 26 percent to 30 percent would have the price reduced to 25 percent.

Mr. Speaker, I would like to have the text of this legislation and a section-by-section analysis appear in the RECORD at this point:

H.R. 2152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 7(b) of the Food Stamp Act of 1964, as amended, is amended, by deleting: "but in no event more than 30 per centum of the household's income" and inserting in lieu thereof the following: "but in no event more than the lesser of (1) the per centum charged a household with the same income January 1, 1975, or (2) 25 per centum of the household's income".

SEC. 2. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the following: "related individuals (including legally adopted children and legally assigned foster children) or nonrelated individuals over age 60" and insert in lieu thereof the word: "Individuals".

SEC. 3. Section 5(b) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and non-liquid assets, to be used as criteria of eligibility. The Secretary may also establish temporary emergency standards of eligibility for the duration of the emergency without regard to income and other financial resources, for households that are victims of a mechanical disaster which disrupts the distribution of coupons, and for households that are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided*, That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories, except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States."

SEC. 4. Section 10 of the Food Stamp Act of 1964, as amended, is amended as follows:

Subsection (e) is amended by inserting in clause (7), after the word "law", the following: ", and at the option of the State agency,".

SEC. 5. The Food Stamp Act of 1964, as amended, is amended by a deleting in section 3(e) the following:

"No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household or an elderly person for any purpose of this Act for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92-603, as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture."

b. adding a new subsection 5(e) as follows: "(e) Effective July 1, 1975, households in which all members receive supplemental security income benefits under Title XVI of the Social Security Act, or households in which all members are included in a federally aided public assistance or general assistance grant shall be certified for participation in the food stamp program under this Act. Certification of all other households shall be based on the uniform national standards established pursuant to subsection (b)."

SEC. 6. Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first two sentences and inserting in lieu thereof the following: "Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members or persons who are housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase a meal prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is not receiving federally donated foods from the United States Department of Agriculture for use in the preparation of such meals; and (2) is operated in a manner consistent with the purposes of this Act; and (3) is recognized as a tax exempt organization by the Internal Revenue Service. Meals served pursuant to this subsection shall be deemed "food" for the purposes of this Act."

SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 would amend the food stamp act to prevent the recently announced regulation change increasing the cost of food stamps to 30% for all participants from going into effect. The amendment continues the concept that the cost of food stamps should represent a reasonable investment on the part of a household but provides that in no event can that investment be more than the *per centum* charged a household with the same income under the current schedule. The amendment would also reduce the maximum charge from 30% of net food stamp income to 25%. In other words, those recipients now paying 10% and 20% of their incomes for stamps would continue to pay that amount while those paying 20-30% would have the price reduced to 25%.

SECTION 2

This section of the bill amends Section 3 of the Food Stamp Act of 1964, as amended, which defines the terms used in the Act.

Subsection (e) which defines the term "household" is amended to delete the requirement that household members under age 60 be related in order to qualify for the food stamp program. This requirement was ruled unconstitutional by the Supreme Court in its decision in the case of *Moreno* v. *USDA*, 413 U.S. 528. The amendment will bring the Act into conformance with the Supreme Court decision.

This provision was introduced at the request of the administration in the 93d Congress, but no action was taken.

SECTION 3

This section of the bill revises subsection 5(b).

Subsection 5(b) retains the concept that the food stamp program shall be limited to households whose income and resources are substantial limiting factors in the attainment of a nutritionally adequate diet. However, it excludes the housing payment in kind from the standards of eligibility. The inclusion of housing payments in kind not in excess of $25 is most unpopular among the States. To determine the value of in kind income, State agencies must develop expertise in estimating the value of housing or obtain guidance on the matter through other agencies or organizations. In either case, any possible savings to the program are more than offset by the complexities, if not impossibilities, of effectively administering this provision. Further, this provision would permit housing payments in kind to be disregarded for purposes of income, and thus be treated consistently with the way in which other payments in kind are handled under the food stamp and other welfare-type programs.

The revision of Subsection 5(b) further deletes the provision prohibiting the participation of certain tax dependents in the food stamp program. In its decision in the case of *Murry* v. *USDA*, 413 U.S. 508, the Supreme Court ruled that the "tax dependency" provision of the Act is unconstitutional. Thus, the *"tax dependency"* provision in the current Act is not enforceable.

This provision was introduced at the request of the administration in the 93d Congress, but no action was taken.

SECTION 4

This section of the bill revises Section 10 (e) (7) of the Act.

Subsection (e) (7) is revised to give a State agency an option to establish a system under which a food stamp household may elect to have its charge for the coupon allotment withheld from its public assistance check. The Act now mandates a State agency to offer such a system. This service is costly and of questionable value. An optional system would permit a State to operate the system in an area where it would be helpful, such as rural localities lacking adequate transportation. The State would not be required to bear the cost of administering such a system in larger metropolitan areas where public assistance withholding is not only of minimal usefulness but also subject to abuse. Giving the States this option could serve to gain their increased cooperation in other areas of greater program importance.

This provision was introduced at the request of the administration in 93rd Congress, but no action was taken.

SECTION 5

This amendment deletes from the household definition, Section 3(e), the language on eligibility of supplemental security income recipients. The current temporary provision under which supplemental security income recipients may automatically participate in the program will expire on June 30, 1975. On July 1, 1975, the complicated and costly provisions of Public Law 93-86 will become effective.

Subsection (b) of this section therefore contains a new provision governing the eligibility for food stamps of supplemental security income recipients. It would become effective July 1st.

Under the provision all SSI recipients in all states would be automatically eligible for food stamps. It is estimated that at least 90% of the SSI recipients do in fact have net food stamp income below the national guidelines. The administrative expense of investigating the 1 million SSI participants, to weed out the few ineligibles, would in all probability be greater than certifying for minimum bonus the few SSI recipients slightly above the cutoff line.

Public assistance recipients (AFDC) are automatically eligible under food stamp regulations. This amendment would extend that system to SSI recipients on a permanent basis and elevate the regulation to law.

SECTION 6

Section 6 removes the requirement that food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled must be over 60 years of age to use stamps for meals-on-wheels.

Without this section, many incapacitated persons under 60 who receive meals-on-wheels have to pay cash for the meals even though they have food stamps. Purchase of delivered meals with food stamps would still be limited to incapacitated persons.

MIA'S DESERVE BETTER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ASHBROOK. Mr. Speaker, with the North Vietnamese Communists in their current offensive in South Vietnam, completely disregarding the Paris Accords that they signed, there is little hope for peace in Southeast Asia. The only kind of peace that the Communists will bring to that part of the world is the peace of the slave labor camp, the prison, and the totalitarian society that they run on the mainland of China, in the Soviet Union, North Vietnam, North Korea, and numerous other dictatorships over the proletariat.

While the Communists violate those portions of the Paris Agreement dealing with arms, fighting men, and territory, they also have stopped any pretense of abiding by the sections of the same agreements concerning American men missing-in-action and killed-in-action in Indochina. The North Vietnamese refuse to give any information that they had previously pledged that they would. One of their latest refusals to search for MIA's or provide information on those that they know about came in a Christmas Eve message.

Silent are the voices of those Americans who were quick to come to the aid of the North Vietnamese aggressors. Medical aid is sent to North Vietnam but little is done to aid the families of MIA's.

Those men who have died or who are missing because of their service in the Armed Forces of our country deserve better.

At this point I include in the RECORD an editorial, the "MIA Runaround" from the Mansfield, Ohio, News-Journal of January 4, 1975:

MIA RUNAROUND

FEW diplomatic efforts are as frustrating as the one involving some indication of the fate of the 1,300 missing American servicemen in Vietnam. Not only do the communists refuse to honor the cease-fire agreement they signed, which specified assistance in the search, but they constantly erect new conditions before they will cooperate.

The latest exchange between American and Viet Cong representatives was no better. In an effort to gain information on at least some of the men, the U.S. Embassy in Saigon handed the Viet Cong a list of 87 Americans it has reason to believe are known to them.

Within days the Viet Cong answer was relayed. Nothing doing, until their conditions were met, said the communist representatives. Those conditions included cessation of all military assistance to Saigon, help in the overthrow of President Nguyen Van Thieu and fulfillment of all terms of the ceasefire agreement, including the ceasefire itself.

Since the United States no longer is a combatant it has little direct influence over ceasefire violations—and none at all over those chargeable to the Viet Cong. The first two "conditions" are not only totally unrealistic, but they have nothing to do with the earlier agreement signed by the Viet Cong.

STATUS OF THE ARMY

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. MITCHELL of New York. Mr. Speaker, I was impressed by some information on the status of the army I heard recently from Howard "Bo" Callaway, Secretary of the Army, which speaks well for the current management of that service.

The Army has made vigorous efforts to field a more effective combat force, reduce operating costs, and eliminate marginally useful elements at all levels. It has eliminated seven major management headquarters since the start of 1973, and has slashed the size of the Army staff in the Pentagon by 25 percent. A cutback in support activities has been made at virtually every installation. The resources freed by these efforts are being reforged into new fighting units and other combat elements which will improve our conventional defense.

The quantity and quality of new volunteers is likewise on the upswing. The Army recruited a total of 219,000 soldiers during 1974, a number exceeding the total population of Syracuse, N.Y. I consider this accomplishment, a 33-percent increase over a successful year in 1973, to be not only significant, but amazing.

Improved quantity has permitted comparable improvements to be made in manpower quality. The Army has imposed higher preenlistment standards and reduced the number of enlistees accepted from the lower mental categories. Currently, 74.5 percent of the enlisted force are high school graduates. Figures I saw this morning indicate that by the end of fiscal year 1976, 10 percent of our enlisted soldiers will have college experience and 80 percent will be high school graduates.

A third important trend which Secretary Callaway brought to my attention is the awareness of minority groups of the opportunities offered to all individuals in the Army. They recognize that no segment of our society has done more to provide equal opportunity for its people. Women, for example, have seen that over 90 percent of all jobs in the Army are open to them, including aviation positions. During 1974, the Army recruited over 15,000 woman, 1,000 more than its objective, and plans call for over 50,000 women in the Active Army by mid-1979.

Great strides have likewise been made to provide equal opportunity for people from minority ethnic backgrounds. For example, last year the Army had 12 black officers with star rank, two of whom commanded combat divisions. At the present time, black general officers represent 2.5 percent of all general officers—an increase from 0.2 in 1970. Among the Army's senior enlisted ranks, 11 percent of the sergeants major are black, an increase from 7.7 percent in 1972.

This kind of success has been achieved by a wholehearted commitment at the Army's highest levels to insure every soldier is provided the opportunity to rise on his own merit and efforts.

In summary, I would like to compliment Secretary Callaway on his forward-looking management and dynamic leadership. His efforts, and those of senior commanders throughout the Army, have set a brilliant example of dedicated and effective public service.

CONGRESSIONAL INACTIVITY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. DERWINSKI. Mr. Speaker, it must be noted that the Democrats in both the House and Senate have failed to follow congressional reform procedures which call for the immediate functioning of congressional committees in this session of Congress.

May I remind the Members that under the so-called reforms adopted by the House of Representatives, committee assignments, including those of the newly elected Members, were to have been processed in December, and Congress should have been ready on the 3d of January to actively address itself to the major problems facing the country. Instead, we find ourselves at the end of January with only one committee of the House fully operational. The Democratic leadership must bear the responsibility for this full month of congressional inactivity.

The bitter battles within Democratic ranks for committee chairmanships, subcommittee chairmanships and even committee assignments has, in effect, paralyzed the House for a full month. The Senate Democratic leadership, preoccupied with behind-the-scenes skirmishes over investigative committee roles and personal power struggles, has rendered the Senate equally ineffective.

Mr. Speaker, since I am not really saying anything original, I might add that the Democratic Congress is fiddling while Rome burns. It has resorted to rhetoric but no action insofar as addressing the energy and economic questions. The country must have an overall, long-term energy and economic program, based on a commonsense approach and not that of political rhetoric. Evidently too many congressional Democrats have interpreted the election results of last November 5 as a mandate to demagog rather than to make the hard and fast decisions through which we can provide for the economic progress, both domestic and international, that is called for in this period.

However, Mr. Speaker, I am basically optimistic insofar as our Nation's economic future is concerned. We have the strongest, broadest based, most flexible economic structure in the world, and thus we are far better equipped to withstand the present international and domestic economic problems than any other country. There are enough encouraging signs to show that the inflationary problems have been largely overcome and that present unemployment trends will effectively be reversed. By emphasizing the two-way flow of consumer goods in international trade, stimulating capital investment in energy sources within the United States, and by stimulating capital investment into steel, rail and other industries that need modernization, we can whip unemployment, continue to improve our standard of living, achieve energy and raw material self-sufficiency and continue to be the world's greatest economic power.

LEE HAMILTON'S WASHINGTON REPORT ENTITLED "VICE PRESIDENT ROCKEFELLER"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

VICE PRESIDENT ROCKEFELLER

On December 19, 1974 Nelson A. Rockefeller became the 41st Vice President of the United States after the United States Congress, for the second time in a little more than a year, voted to confirm a Vice President selected by the President under the provisions of the 25th Amendment. For the first time in history the nation is being led by a President and a Vice President who have not been elected by the people.

Under the 25th Amendment whenever there is a vacancy in the Office of the Vice President, the President nominates the Vice President who takes Office upon confirmation by a majority vote of both Houses of Congress. This Amendment makes clear that the President and the Congress are partners in the process and requires that the Congress, which stands in the place of the people in the selection process, exercise the most careful scrutiny in judging a nominee who could become President.

The Congress gave Mr. Rockefeller solid, but not overwhelming, support. Most Members feel, as I do, that the President should have the right to choose an individual in whom he has trust and confidence, and with whom he can work harmoniously. The President's choice should be confirmed in the absence of any information which would serve to disqualify the nominee.

The Congress should not blindly or subserviently confirm whomever the President decides to nominate, but it should determine that the nominee is a person of integrity, ability, and experience who is dedicated to the welfare of his country.

Without question, Mr. Rockefeller brings matchless experience, restless energy, a solid record of accomplishment, and demonstrated political capability to the Vice Presidency. I do not find myself in agreement with Mr. Rockefeller's entire record and philosophy of government, and I was disturbed by several of his judgments, but, on balance, I voted to confirm him because he is qualified to be Vice President and the President is entitled to have his choice in the Office unless the evidence disqualifies his nominee. I was favorably impressed by Mr. Rockefeller's conduct after President Ford nominated him. He responded to intensive questioning and searching investigation by the Congress and seems even to have viewed it as a healthy experience. His wife's illness only made this period more difficult for him.

The opposition to Rockefeller was based in large measure upon the risks inherent in merging the extraordinary economic power of the Rockefeller personal and family fortune with the political power of high office and the possibility of conflicts of interest that may arise from the exercise of political power and economic holdings that touch virtually every aspect of American economic life. In addition, Rockefeller's judgment was questionable on several matters: his involvement in publication of a derogatory book on Arthur Goldberg, his political opponent in 1970 for Governor of New York; his leadership in the Attica prison revolt; and his lack of sensitivity to legal and ethical questions involved in his substantial gifts and loans to public officials while he was Governor of New York.

The expectation in Washington is that, unlike most Vice Presidents, Rockefeller will have a real impact on government and politics despite the constraints of the Vice Presidency. The Office of the Vice President under Rockefeller is not expected to be insignificant. President Ford picked him solely for his usefulness to his Administration, not as an asset in an election campaign. At this junction in his Administration, the President, with no electoral mandate behind him, needs reinforcement. President Ford has shown neither the vanity nor the insecurity that would make it difficult to give Mr. Rockefeller real authority. Moreover, it is important to remember that four of the last six Presidents were first Vice Presidents and the other two, Agnew and Humphrey, were the heirs apparent to the Presidency.

Vice President Rockefeller's relationship to President Ford will not be easy and will take a high order of personal diplomacy. He must maintain a low profile, and he must not act too forcefully or become a rival power center to the President. He must always keep in mind that he works for the President and no one else. If he is to have any influence, it must be asserted through the President. Vice President Rockefeller must give up his habit of command and authority. He should start slowly, define carefully the lines of authority between himself and the President, and he should draw heavily upon his brain trust as he deals with policy questions.

For his part, President Ford must make full use of Rockefeller's talents, without letting him take over the government. I am encouraged by President Ford's apparent willingness to want his Vice President to play a major role in both domestic and foreign affairs.

THOMAS HART BENTON

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. BOLLING. Mr. Speaker, I call to the attention of my colleagues the well-deserved tribute to Thomas Hart Benton of Kansas City. It appeared in the Washington Post of January 21, 1975:

THOMAS HART BENTON

His friend Harry Truman called him "the best damn painter in America." And if you put it that way—proud, plain and just a bit defiantly anti-intellectual—Thomas Hart Benton, who died the other day at 85 in Kansas City, probably was the best damn painter around. He was, surely, if not the best painter in America, the best painter of it. Like most of the other painters of his generation, Thomas Hart Benton, had, to be sure, studied in Paris. He had dabbled in something called synchronism. He painted cubist pictures. But he had also shoveled coal during World War I for the U.S. Navy in Norfolk. During the Great Depression he hitch-hiked all across the country, playing his harmonica. And after that, in 1935, he quit teaching at New York's Arts Student League (where one of his students was Jackson Pollack), quit what he called "all that radical intellectual talk" in New York, and went back closer to his roots, which were in Neosho, Mo. He taught at the Kansas City Art Institute.

The art historians call him an American Regionalist because, like Grant Wood and John Steuart Curry, he painted America and American life, the way he saw it and wanted to see it. Mr. Benton's people are folks, his landscapes are bursting with vivid color and he liked to paint larger-than-life—by murals. His murals seem to sing about America to the sound of drums and fife. They are by no means all academically pretty. He painted bawdy houses and saloons, for instance, and caricatured politicians in pictures on the walls of the Missouri House of Representatives. They almost ran him out of town for it. Nor was he fashionable with the critics. In official art circles his work went out of style with the WPA post office murals. But as President Truman said, he was a damn good painter—and we would not be surprised if before long his work became fashionable again.

UKRAINIAN INDEPENDENCE

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 23, 1975

Mr. HORTON. Mr. Speaker, January 22 marked the 57th anniversary of the independence of the Ukrainian nation, an independence destroyed at the hand of Soviet conquest. It is an occasion on which all free people of the world must reaffirm their commitment to the 48 million people who remain under Soviet domination.

Many Members of Congress have joined me in rededicating ourselves to the quest for Ukrainian freedom and our words will serve as an inspiration to the valiant people of Ukraine. Our message is strong because our convictions are shared by the American people.

By proclamation of Mayor Thomas Ryan, the city of Rochester, N.Y., designated January 22 as Ukrainian Independence Day and the Ukrainian flag flew outside city hall with the flag of the United States as it has on that date for more than 20 years. A moving ceremony was held in the city council chambers where special tribute was paid to the men and women who have been imprisoned for "anti-Soviet agitation and propaganda," but who are actually striving to maintain their Ukrainian national identity and the Ukrainian national consciousness.

Mr. Speaker, I wish to share with my colleagues the remarks prepared in conjunction with this ceremony by Mr. William Andrushin, president of the Rochester branch of the Ukrainian Congress Committee of America:

January 22, 1975 marks the 57th anniversary of the proclamation of Ukraine's Independence which took place in Kiev on January 22, 1918. By this act, a Ukrainian independent state was officially established on all the ethnographical Ukrainian territories.

The young Ukrainian democratic republic was short-lived as Communist Russia attacked it almost immediately, despite the fact that the new Soviet Russian government had officially recognized Ukraine as an independent and sovereign state. The same recognition to Ukraine was granted by the Central powers, and a number of the countries of the Entente, including Great Britain and France.

After almost four years of continuous invasions and fighting, Ukraine, alone and unaided, succumbed to the numerically superior military forces of Communist Russia, which eventually destroyed the Ukrainian puppet government in Ukraine known as the "Ukrainian Soviet Socialist Republic", and incorporated it in 1922 into the "Union of Soviet Socialist Republics" (USSR).

The whole history of Soviet Russian-dominated Ukraine is a ghastly record in inhumanity, outright persecution and genocide, Russification and violation of human rights. Under Stalin, Ukraine was marked for physical extinction; under Khrushchev, and now under Brezhnev-Kosygin outright terror has been replaced by the subtle process of destroying the Ukrainian national consciousness and identity through Russification, mass arrests and illegal trials and by other oppressive methods.

In the course of its rule over captive Ukraine, Communist Russia destroyed millions of Ukrainians through man-made famines, and forced deportations; it abolished the Ukrainian Autocephalic Orthodox Church; it subordinated all aspects of Ukrainian life to the rigid control of Moscow, including Ukrainian economy, education, the press, the arts and literature, trade unions, and so forth.

From 1970 to the present the Soviet secret police, the KGB, has arrested over 560 Ukrainian intellectuals, all of whom were tried in camera and sentenced to severe terms in jails and concentration camps, or incarcerated in "psychiatric wards" for an indefinite period. These men and women, born mostly in the 1930's, are writers, literary critics, poets, professors, artists, journalists, teachers, academicians, students, film directors, research personnel, army officers, and others.

These young Ukrainian men and women have been formally sentenced and are being punished for participating in "anti-Soviet propaganda and agitation", that is, for criticizing the police terror, the Russification of Ukraine and the violation of human rights as defined in the U.S. Universal Declaration of Human Rights and the Soviet constitution. They are branded as outlaws because of their protests against suppression of their national, religious and cultural freedoms and traditions.

Valentyn Moroz, 38 year old Ukrainian historian, and Leonid Plyusch, 34 year old Ukrainian mathematician and cybernetics specialist, are reported to be suffering torture and being driven to literal insanity.

Valentyn Moroz went on a hunger strike for over 100 days at which time he was transferred to another Soviet penal institution.

Prof. Andrei D. Sakharov, outstanding Russian physicist, in his appeal from Moscow, disclosed that "Leonid Plyusch is near death: in the Dnipropetrovsk "Psychiatric Ward" and that the unregulated administration of large doses of haloperidol has caused a sharp deterioration of his health.

Other well known Ukrainian intellectuals who have been imprisoned are Ivan Dzyuba, a literary critic, and Vyacheslav Chornovil, the author of "The Chornovil Papers", one of the most important documents on the abuse of authority to come out of the Soviet Union.

The fact is that today Ukraine, with its 48,000,000 people, is more than ever a colony of Communist Russia; it is a land of inhuman persecution and economic exploitation.

ABORTION ON TRIAL

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. RYAN. Mr. Speaker, for some years now the entire matter relating to the state's involvement in matters regarding the question of life and the taking of life have been a source of continuous controversy for the American people and for most lawmaking bodies within the United States. The subject is broad in its spectrum and involves the question of capital punishment, the question of euthanasia as it relates to people with terminal illness, and the entire matter of state approval of abortions for pregnant women.

Last year I indicated that I was very much opposed to the Hogan constitutional amendment which would have nullified the recent Supreme Court decision on abortion. However, I pointed out that I was not in favor of an unlimited access to abortion for any woman upon her own demand. The reason for this is because I believe that life occurs at conception and abortion, therefore, is the taking of life.

This decision does not mean that I do not believe that the state may prescribe conditions under which a woman may receive an abortion legally. In fact, I believe very strongly that each State should involve itself in such a matter.

I have also counseled those who were against abortion and against the present Supreme Court decision to take the more logical course through the courts, because of the massive inconsistency within the Supreme Court decision.

The weakness in that decision, of course, has to do with the present futile attempt by both doctors and lawyers to decide when "life" begins in the womb, if they say it does not begin at conception. Does life begin at 20 weeks? Or 24 weeks? Or 16 weeks? More importantly, who will determine at what hour of what day the time elapses when a woman's pregnancy goes from a nonvital condition to a vital condition? Such a decision is obviously most important.

Does the doctor today give a pregnant woman a minor medical treatment whose only result is loss of the fetus, when the same treatment on the following day may result in that doctor's conviction for murder and in his confinement to prison for years?

The following recent case in Boston is one which I commend to the attention of all those interested in this question. I have predicted for some years now that a case would reach the Supreme Court in which the Supreme Court Justices would have to attempt to play doctor and to write some legal definition if they are to follow the logic of their previous abortion decision.

I hope that a case such as this will cause the Supreme Court to reconsider the futility of its present position and begin to recognize that the question is much more complicated and yet much more simple.

Life occurs at conception. However, the State can and does insist upon the right to take life under certain conditions. There is no reason why abortion could not be included among those conditions:

ABORTION ON TRIAL

Dr. Kenneth C. Edelin grew up in a black neighborhood in Washington, D.C., graduated from Meharry Medical College in Nashville, and became chief resident in obstetrics and gynecology at Boston City Hospital. He was an outspoken advocate of liberalized abortion laws and, in company with another physician, was responsible for all the abortions performed at the hospital—most of them involving women from Boston's impoverished Roxbury and South End. Last week, in a case laden with political overtones and difficult medical questions, Edelin was on trial for manslaughter in connection with an abortion he had performed.

Since Edelin's indictment last spring (Newsweek, June 24, 1974), the case has gained national attention from both sides of the abortion issue. For one thing, it involves some crucial questions left unanswered by the U.S. Supreme Court's historic 1973 ruling overturning restrictive state abortion laws. Among them: When does a fetus become a person? Is a fetus entitled to the full protection of the law? And what are a doctor's responsibilities toward saving the life of an aborted fetus?

The case involves an abortion Edelin performed Oct. 3, 1973, on a 17-year-old black girl who is estimated to have been anywhere from 20 to 28 weeks pregnant. As is common in "late" abortions, Edelin first tried to induce abortion by injecting a salt solution into the uterus to destroy the fetus, but this technique failed. He then performed a hysterotomy. This is a surgical procedure similar to a Caesarean-section delivery; first a small incision is made in the mother's abdomen and uterus, then the placenta is separated from the uterine lining and the fetus is removed.

UPSHOT

The matter might have ended in the delivery room had not investigators from the Boston district attorney's office accidentally discovered the fetus Edelin had removed. As it turned out, the investigators were in the hospital in the first place at the behest of anti-abortionists who had asked for an inquiry into a fetal-research project. The upshot of the investigators work was that four BCH doctors working on the fetal-research project were indicted under a 19th-century grave-robbery statute (they are still awaiting trial), and Edelin was charged with manslaughter for having allegedly killed a "well-nourished black male fetus."

According to the opening statement by assistant district attorney Newman A. Flanagan, the fetus in question was 24 to 28 weeks old, weighed 1½ pounds and could have survived outside the mother's womb. Flanagan charged that Edelin "watched the clock" for at least three to five minutes before removing the fetus, thus depriving it of oxygen and causing its death. Edelin's attorney, William P. Homans Jr., contended that the fetus was younger than 24 weeks and, therefore, not viable outside the mother's body. (In its 1973 decision, the Supreme Court noted that most experts place viability at 28 weeks, but added that a fetus may survive delivery at 24 weeks.) The fetus Edelin delivered, Homans insisted, was never a legal human being, and thus could not have been the victim of manslaughter.

Flanagan has consistently and heatedly denied that politics, religion or race played any part in the Edelin prosecution. But the fact remains that legal action against physicians is a major new strategy invoked by anti-abortion forces all across the country. Last year, doctors in Pittsburgh and in St. Paul, Minn., were accused of having aborted living fetuses, but in both cases no indictments were handed up. In New York, anti-abortionists obtained a temporary injunction to delay an abortion on a woman 26 weeks pregnant, who threatened suicide when she learned her baby might be defective. But by the time the order was delivered, the procedure had been performed.

In the Edelin trial, prosecutor Flanagan ran into unexpected trouble with some of his own witnesses. An operating-room technician who had earlier told the grand jury that she was present during the abortion testified that she had actually been assisting at another operation at the time. A Boston University medical student who had examined the mother and had entered on the record that she was 24 weeks pregnant told the court that he now had no recollection of the case, had worked only three days on obstetric service at the time of the abortion and had little experience in examining pregnant women. Finally, Dr. Hugh R. Holtrop, who had been chief of the outpatient OB clinic and was the first to examine the mother in the case, placed the age of the fetus at not more than 23 and possibly as few as eighteen weeks.

But the prosecutor won a round late in the week, when a doctor who had been present at the abortion testified. Dr. Enrique Gimenez-Jimeno said that he was sure the fetus was 24 weeks old. Moreover, he said, Edelin had delayed a full three minutes before removing the fetus. The trial is expected to take at least a month, while medical experts are called by both sides to discuss details of fetal life and abortion technique.

MARTIN LUTHER KING DAY

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. DODD. Mr. Speaker, I recently joined over 90 other Members of the House in supporting legislation which would make the birthday of the late Dr. Martin Luther King, January 15, a legal national holiday with the same status as New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

In this regard, I was very pleased that, as one of her first acts, Governor Ella Grasso proclaimed January 13 to be Martin Luther King Day in my State of Connecticut. In order that we rededicate ourselves to those ideals of equality and justice for which he fought, I think it is proper that we officially commemorate the birthday of this great human rights leader.

Mr. Speaker, at this time I would like to insert into the Record the text of Governor Grasso's proclamation. Thank you.

PROCLAMATION

Martin Luther King once said: "Even though we face the difficulties of today and tomorrow; I still have a dream. I have a dream that one day this nation will rise up and live out the true meaning of its creed; 'We hold these truths to be self-evident that all men are created equal.' "

Inspired by this dream of equality, Martin Luther King worked long and hard to make it a reality. This great leader would have been 46-years-old on January 15th, and I am sure that if his life had not been cut short, he would be continuing his work, his struggle to insure that the promises of democracy are realized.

A determined and eloquent leader, a man who fought tirelessly for justice without violence, Dr. King is remembered today for the spirit of black consciousness he helped raise and for the crusade he championed.

He is remembered with endearing respect and gratitude by all the peoples of this nation and the world. Dr. King is remembered for all he accomplished.

The General Assembly has directed, and wisely so, that a day be reserved in Connecticut to honor this distinguished American. I do, therefore, in accordance with the Statutes of the State of Connecticut, proclaim Monday, January 13, 1975 to be Martin Luther King Day.

I strongly urge that the flag be displayed on homes and public buildings throughout the state to mark this occasion.

I also hope that commemorative ceremonies will be held in all our communities to revere the noble accomplishments of this great man. I also urge that attention be devoted in the schools to Dr. King's record of achievement for all the people of this nation.

SENATOR ERNEST GRUENING—ON BIRTH CONTROL AND ABORTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. BROWN of California. Mr. Speaker, Senator Ernest Gruening was a founder of the American Birth Control League and a long time supporter of reproductive freedom and individual choice. I believe he would have been pleased to have his words which oppose efforts to overturn the Supreme Court decisions on the right to privacy and abortion entered in the Record at this truly appropriate time. Thus, in memory of this man who was so dedicated in his fight for human rights and because his words should be reread by us all, I should like to submit Senator Gruening's testimony before the Constitutional Amendments Subcommittee on March 6, 1974 on abortion for the Record:

TESTIMONY OF HON. ERNEST GRUENING

As a long time supporter of birth control—the term coined by that great American woman, Margaret Sanger, half a century ago—I have approached the matter of abortion with considerable caution. When I was conducting hearings on birth control as a member of the Government Operations Committee, I purposely never brought up the subject of abortion because I realized that it was a highly emotional issue and that it would detract from the growing sympathy of support for what seemed to be an essential change in our attitude toward birth control.

I felt then, as I do now, that if birth control were widely practiced and intelligently applied, the number of abortions would be substantially diminished and that we should continue to work in that direction.

However, it is inevitable that there will still be many involuntary or undesired pregnancies, and the issue of what to do then must be squarely faced. I realize and fully appreciate that there is something distasteful in abortion—the killing of nascent human life. But the fact is that abortion will take place in the case of a mother who already has more or as many children as the family can support, and in such cases there is a crucial and tragic dilemma which confronts those involved.

If we grant that abortions will take place, I submit that it is infinitely better to have it done legally and by a reputable physician rather than as it was done in the past before legislation sanctioning it was enacted or before the Supreme Court validated legal abortion in 1973. As a consequence many mothers have died since they were forced to seek out some quack, who used neither sterile instruments nor proper medical techniques, and thus created the great tragedy of a motherless family often with many small children. So it seems to me that we must first think of saving life, that we must respect the right to privacy of every woman. We must also see to it that the Supreme Court decision and legal abortion be upheld and that efforts to repeal this progressive legislation be defeated.

AMENDING AGRICULTURE'S EMERGENCY DISASTER RELIEF LOAN PROGRAM

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. BEDELL. Mr. Speaker, I am today introducing legislation which would amend subtitle C of the Consolidated Farm and Rural Development Act to make the terms of the Department of Agriculture's emergency disaster relief loan program more responsive to the real needs of disaster victims.

Two weeks ago a blizzard tore through a large section of the Midwest. The impact of the storm was devastating. Heavy snow and high winds took a huge toll in human and animal lives, damaged property, and left much of this region staggering under the blow.

Shortly after this storm had passed, I returned to my district to assess the extent of the damage. This visit left no doubt in my mind about the need for Federal participation in the restoration effort. In Iowa alone the storm cost the lives of nearly 20,000 head of cattle and 20,000 head of hogs, untold lost sheep and poultry as well as thousands and thousands of dollars in damage to farm buildings and confinement feeding sheds. As great as these losses are, the greatest loss in real dollars to the farmers was the poundage loss, called shrinkage, in the livestock that is still alive. It will be difficult to get an accurate assessment of this loss for several months to come. And, I understand that eastern South Dakota and southwestern Minnesota experienced similar losses.

During my trip to Iowa, it soon became apparent to me that the provisions of our current emergency loan program are not adequate to meet the needs of this disaster's victims and that some changes in existing law are necessary to insure that meaningful, responsible, and timely relief will be available to the victims of this and other similar natural disasters.

Thus, after speaking at length with individual disaster victims, with State and local officials involved in the disaster relief effort, and with officials from the Department of Agriculture, including Secretary Butz, I have drafted legislation which I feel constitutes a responsible and necessary response to this problem.

This legislation does not make any radical changes in the structure of existing disaster relief statutes. It simply brings the emergency loan program more in line with the realities of a disaster situation. Loans authorized under the current program are for 7 years and carry a 5-percent rate of interest. My bill would extend the loan repayment period to 20 years, where such an extension is needed, and would lower the interest rate to 3 percent.

I believe that these changes are necessary and fair. I am convinced that the vast majority of farmers and ranchers hit by natural disasters do not want a giveaway program. The many Iowans with whom I have spoken in the past 2 weeks are not asking for any forgiveness provision. They are not calling for unreasonably low interest rates. All they want is some realistic help so that they can recover from this unexpected natural disaster and remain in operation. They want and need long-term financing at a reasonable rate of interest to help them get back on their feet. My bill will give them, and others like them, this opportunity.

Furthermore, in discussing this problem with USDA officials, I was disturbed to learn that the processing of loan applications submitted as a result of recent disaster declarations throughout the country has often been slowed by the scarcity of certain administrative moneys. In fact, I understand that in some areas of the country travel expense money for Farmers Home Administration field personnel has been exhausted so that the appraisal work on loan applications has been delayed for a period of several months. This is inexcusable. The time element is a crucial factor in a disaster loan program. To tell a farmer reeling from the blow of a natural disaster and threatened with financial extinction that he must wait 4 to 6 months for his loan application to be processed is absurd. In many cases, it may prove fatal to his operation.

To alleviate this problem, I have included a provision in my bill that would authorize the appropriation of a sum not to exceed $1,000,000 to employ additional personnel during the remainder of the fiscal year for the purpose of expediting emergency assistance under subtitle C of the Consolidated Farm and Rural Development Act. There is no excuse for denying deserving farmers and ranchers who suffer serious losses as a result of a natural disaster timely assistance because of the lack of the administrative funds necessary to process their loan applications.

Once again, let me emphasize that I firmly believe that the legislation I have introduced today is necessary and responsible. The farmers and ranchers of America are a strong and independent breed. They have contributed much to their Nation and its economy. After suffering the impact of a natural disaster, they do not want a handout, only an honest chance to get back on their feet. No one benefits from driving hard-working individuals like this out of business. My legislation represents a reasonable attempt to allow them to survive and continue to contribute to the growth of our country. I hope that the Congress will recognize the importance of the prompt enactment of this bill into law.

The text of the bill is attached:

H.R. 2127

A bill to amend Subtitle C of the Consolidated Farm and Rural Development Act to reduce the rate of interest on emergency loans made under such subtitle and to authorize additional funds for the current fiscal year to expedite the processing of emergency loans to farmers and ranchers who suffered losses as a result of the recent blizzard in the midwestern part of the United States

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 324 of the Consolidated Farm and Rural Development Act (7. U.S.C. 1964) is amended to read as follows:

SEC. 324. The Secretary shall make loans under this subtitle at (1) a rate of interest not in excess of 3 per centum per annum repayable in 20 years or over such longer periods as loans for similar purposes are made under subtitle I of this Act, and (2) upon the full personal liability of the borrower and upon such security as the Secretary may prescribe.

SEC. 2. In order to expedite emergency assistance under subtitle C of the Consolidated Farm and Rural Development Act to farmers and ranchers who suffered serious losses as a result of the severe blizzard which occurred in the midwestern part of the United States in January 1975, there is hereby authorized to be appropriated to the Secretary of Agriculture a sum not to exceed $1,000,000 to employ additional needed personnel during the remainder of fiscal year 1975.

SCOUTING IN THE SEVENTIES

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. NATCHER. Mr. Speaker, 1975 will mark the 65th anniversary of Scouting in our country and I consider it one of my finer privileges to publicly salute this outstanding group of Americans during February, their anniversary month.

The Boy Scouts of America offer to today's young man the same hope and direction it offered the young man of yesterday. The program was established for the express purpose of providing boys and young adults an effective educational program; a program that would build in them the qualities of good character, that would instill in them the responsibilities of citizenship, and one that would develop in them their personal fitness.

Since its inception the mission of Scouting has been to help young America on its road to adulthood, and while Scouting in the seventies is far different from Scouting in 1910, its basic premise is unchanged. To accomplish its purpose the program has adapted itself to the needs of each succeeding generation of Scouts.

Scouting today is a vital, contemporary movement. It addresses to current issues; issues such as drug abuse, conservation, and employment. Project SOAR is but one example. SOAR, save our American resources, has as its emphasis the areas of education, action, and aid. Primarily an ecology program it gives Scouts a valuable insight into our environmental and energy problems. Operation Reach is Scouting's positive approach to drug prevention. Medical authorities, peer groups, and parents are brought together in a common effort and in an atmosphere that encourages trust between generations.

Scouting's long-range program, Boypower, was inaugurated in 1969 and seeks to involve a representative one-third of our American boys in Scouting. Boypower wants to reach every Scout-age boy, from every segment of our society and, through the Scouting program, give them confidence to meet the demands of the future and the skill to become its leaders.

Already 4½ million boys are enrolled in Scouting; 1½ million adults are involved in the program. It is difficult for me, however, to think of Scouts in terms of statistics. In Kentucky, and I speak especially of the Second Congressional District, Scouting is people. It is the cub pack next door, the Scout troop at the school, the Explorer Post that meets at the civic center. The leaders are our friends and neighbors. The sponsors are our local organizations and businesses. To those of us who were Scouts, Scouting remains a very personal experience.

I congratulate the Boy Scouts of America on the scope, the vitality, and the accomplishments of their program. Today's Scouts have set for themselves an even more challenging course—one that will better their future, and ours. I am privileged to pay them my respect and wish for them continued success.

"FEELING GOOD" TELEVISION SERIES PERFORMS IMPORTANT PUBLIC HEALTH SERVICE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. RANGEL. Mr. Speaker, on November 20, an important new TV. series premiered on 250 public broadcasting stations throughout the country. The series, "Feeling Good," is a public interest effort on health care for adults, and it is being sponsored by the Corporation for Public Broadcasting, the Robert Wood Johnson Foundation, the Exxon Corp., and the Aetna Life and Casualty Co.

The emphasis of the series is on prevention and on education people, especially the young, that they have more control over the state of their health than they think they do. Various programs will focus on such health care topics as alcohol abuse, hypertension, the health care delivery system, child care, and mental health.

"Feeling Good' is an energetic attempt to bring the basic facts about the prevention of illness and the maintenance of good health to the American people. In this respect "Feeling Good" performs a function that should have been filled by the medical community, but which, unfortunately, they abdicated long ago.

The producers of "Feeling Good" should be commended not only for the production of the series itself, but for their tremendous efforts to disseminate information about the series to the public. An extensive outreach project has involved several medical associations and several State welfare organizations in spreading information about "Feeling Good" to their constituents.

In addition the series' own Community Education Services Division operates seven regional offices staffed with people trained in outreach work with the rural and urban poor. Their job is to bring "Feeling Good" to the attention of those who might benefit the most from it.

"Feeling Good" is an outstanding contribution to the American people. Hopefully, in the future more television efforts of the caliber of "Feeling Good" will evolve. It is important that television become more actively involved in producing programs in that sphere of interest to which "Feeling Good" addresses itself: the public health.

I respectfully submit the following two informational releases describing the purpose of the series for the information of my colleagues:

"Feeling Good" Debuts November 20 as CTW's Major New Public TV Show on Health Care for Adults

"Feeling Good," CTW's new prime-time series on health care for adults, will premiere on the 250 stations of the Public Broadcasting Service Wednesday night, November 20 (8 p.m. EST, 7 CST).

The experimental series—26 hour-long shows to be broadcast each week for a full year—has been characterized as television's most ambitious attempt to both inform people and motivate them toward healthier living.

It is the first program to be created for adults by CTW, pioneers of such successful TV productions as "Sesame Street" and "The Electric Company."

Feeling Good will employ a variety-magazine format using animation, song, dance, comedy and documentaries to treat 11 priority health topics: alcohol abuse, cancer, child care, exercise, dental care, the health care delivery system, heart disease, hypertension, mental health, nutrition and prenatal care. Each topic will be treated several times during the series' first year.

Several informational and behavioral goals have been developed for each topic. The aim is to inform people about the symptoms and methods of avoiding various health problems and to motivate them to take some actions in preventing their occurrence or to decrease their danger.

The underlying philosophy of Feeling Good is that people have more control over their health than they realize. The show will point out some of the fundamentals of good health and then will pinpoint how people's actions play an important role in the kind of health they enjoy.

Primary target audience for the series is young parents who play major roles in influencing the health of their immediate families. Of particular concern to the producers are the health problems of low-income families.

Major underwriters are the Corporation for Public Broadcasting, the Robert Wood Johnson Foundation, Exxon Corporation and the Aetna Life and Casualty Co.

A TALENTED CAST

The series will use a resident company of six performers who congregate at "Mac's Place"—a variety store in a shopping center. The characters include Mac, the owner; a resident at a nearby hospital and his wife, an exercise instructor; an elderly woman who frequently visits Mac's; a young waitress raising her nine-year-old child alone; and the middle-aged owner of a sporting goods store.

CTW auditioned 200 actors for the roles, finally settling on a cast that is rich in Broadway, TV and motion picture experience. Featured players are Rex Everhart (who played Ben Franklin in "1776"), Joe Morton (currently starring in "Raisin"), Marjorie Barnes (from "Hair"), Ethel Shutta (a veteran radio performer last seen on Broadway in "Follies"), Priscilla Lopez (fresh from "Pippin"), and Ben Slack (most recently seen in "Serpico").

In addition to the regular cast, Bill Cosby will appear as a regular guest star and celebrities such as Pearl Bailey, Johnny Cash, B. B. King, Helen Reddy, and Bob and Ray will show up in cameo appearances.

A TYPICAL SHOW

One of the first shows in the series, for instance, will focus on prenatal care, nutrition and mental health.

In the prenatal-care sequence Bill Cosby plays an about-to-be-born baby praising his mother for taking good care of him by eating properly, exercising, and not smoking. Helen Reddy follows with a song on the subject and some spoken advice for mothers-to-be.

The nutrition sequence contains a satire on quick-food establishments. A skit has a family of four rushing out to supper at an eatery, the "Bun and Run" (decorated appropriatly enough, in an Olympic track meet motif). The skit focuses on the need for a varied diet.

The nutrition "cluster" ends with B. B. King (who is both chef and blues singer) instructing the viewer on the proper way to cook bròccoli and singing a song during the two minutes it takes for the broccoli to steam.

Mental health is handled in documentary fashion. A young blue-collar worker who has been under psychiatric care discusses how he has been helped by therapy—the goal is to reduce stigma associated with seeking such care.

At "Mac's Place" the focus is on Mac's fear of going for a medical checkup (his last one was eight years ago) and his great relief when he finally does go and is declared physically fit, although a little overweight.

TWO YEARS IN THE MAKING

CTW's staff began its investigation of the potential of the series in 1972 by interviewing health experts from all parts of the country to determine pressing health problems and to discover the extent to which TV might play a part in lessening them. Then came a series of nine seminars in 1973 which focused on certain crucial health topics.

The experts agreed that TV has an immense untapped potential not only for providing vital health information, but also for helping people to make use of this information in their daily lives.

Much of the advice given CTW underscored the point that health education depends not merely on the *transmission* of information but also on *motivating* individuals to make use of the information in their daily lives.

"Too many people," says Dr. J. Robert Buchanan, chairman of the series' national advisory council, "regard good health as a birthright for which they have little or no continuing responsibility. Illness, on the other hand, is frequently denied, or if it's acknowledged, the patient commonly hastens to transfer total responsibility for dealing with it to someone else, usually a physician. Moreover, there is a common failure to recognize the relationship between an individual's way of life and the kind of health he or she enjoys."

Many task force participants agreed that to "think preventive" might be the single most important notion that the Workshop's producers might promote.

RESEARCH INPUT VITAL

For that matter, personal economics alone could dictate the case for emphasizing prevention. As one health administrator concluded, "The only way this country can afford the rising cost of health care is through prevention."

The pattern of research feedback developed for Sesame Street and The Electric Company has been tailored for Feeling Good by CTW's staff of specialists in social psychology and communications research.

In an attempt to identify successful techniques and "influence strategies" and to examine audience reactions to various types of material, the production and research staffs put together a body of sample program segments on videotape last year, which was tested for appeal and credibility in four cities last fall.

Similarly, a one-hour pilot show was tested among more than 2,000 target viewers throughout the U.S. to provide feedback to the producers. Research on the effectiveness of Feeling Good will include various testing of more than 5,000 people before, during and after the 26 weeks of the series.

CTW plans an extensive national outreach project centered on local public television stations. This will involve cooperation with national health organizations and unions and with community level medical, health and education groups.

A national promotion campaign, utilizing newspapers, magazines, radio and TV will be designed to increase awareness of the series and underscore its informational objectives.

A major commercial network TV special will be broadcast shortly before the series' premiere to reach potential audiences who might not otherwise be familiar with public television programming.

Appearances at meetings and conventions of health, medical and scientific organizations will extend notice of the series and the producers' plans to professionals in health, education, communications and related fields.

The Workshop's Community Education Services Division (CES) which operates seven regional offices across the country staffed by specialists in outreach work with the urban and rural poor, will help draw attention to the programs and encourage community members to take advantage of the information and assistance they provide.

Seminars, briefings and distribution of promotional and health information literature are among activities planned for the health series.

SERIES UNDERWRITERS

Production of the first season's programs of Feeling Good along with research and extensive activity is budgeted at $6.5 million.

Four underwriters have contributed the bulk of the funds raised to date for the series: Corporation for Public Broadcasting, the Robert Wood Johnson Foundation, Exxon Corporation and the Aetna Life and Casualty Co.

Other funding, most of which was earmarked for the feasibility and development phases of the project, came from six foundations including: Edna McConnell Clark

Foundation, Commonwealth Fund, the John and Mary R. Markle and vanAmerigen Foundations, the Grant Foundation and Ittleson Family Foundation.

Outreach: A Nationwide Effort Reinforces TV's "Feeling Good" Series, Seeking To Inform and Motivate the Target Audience

An ongoing national utilization campaign to reach the target audience of "Feeling Good" and follow-up its informational and motivational themes will be an integral part of the new national TV experiment.

The prime-time series, which debuts on the 250 stations of the Public Broadcasting Service on November 20, is the first adult program created by CTW, which has already been successful in drawing millions of new viewers to public television through "Sesame Street" and "The Electric Company."

CTW has also pioneered in developing unique follow-through projects to reinforce the educational messages of its shows.

Building on this base, the Workshop is helping to create an extensive national audience-building and outreach project centered on local public television stations. This involves cooperation with national health organizations and labor unions and with community-level medical, health and education groups.

Many local television stations will follow-up the national series with projects focusing on information and treatment available in the community.

A 30-minute commercial network TV special preview of the series will be aired in more than 100 cities the weekend of November 16. It is designed to reach potential audiences who might not otherwise be familiar with public television programming and attract them to Feeling Good just before it premieres.

PRINT MATERIALS AVAILABLE

In addition, community health services directories, published in conjunction with local public television stations, will be available in some cities both as a reminder of the show and as a ready reference to available neighborhood health services.

A mailer for use in clinics, hospitals and schools summarizes key information on major health subjects covered in the series. Leaflets in both English and Spanish describing the series are also available.

The promotion staff has also prepared a 113-page communications manual which is a catalogue of editorial, art promotion and advertising elements. This looseleaf book can be updated during the season.

A monthly newsletter, the "Feeling Good Report," is available through CTW to medical and health professionals, teachers and community leaders. This report is briefing them on the development and progress of the series.

OTHER PROMOTIONAL EFFORTS

A number of national organizations are cooperating in promoting the series and its informational and behavioral goals. The American Dental Association, for example, has plans to distribute free disclosing tablets which show the location of plaque on the teeth. This is in conjunction with the third show on December 4 in which a trial use of these tablets is encouraged.

The National Health Council will serve as a clearinghouse for information. Viewers with questions will be encouraged through on air "referral spots" to write the council, which will direct the inquiries to the appropriate agency.

In New York State, the Broome County Medical Society would like to do a follow-up program that focuses in-depth on health problems. Community meetings may also be scheduled to discuss particular health topics.

Meanwhile, CTW health show staffers have been making appearances at meetings and conventions of health, medical and scientific organizations to extend notice of the series and the producers' plans to professionals in health, education, communications and related fields.

GRASSROOTS CTW ACTIVITIES

The Workshop's Community Education Services division (CES) operates seven regional offices across the country staffed by specialists in outreach work with the urban and rural poor. Their role is to draw attention to the programs and to encourage community members to take advantage of the information and assistance they provide.

CES coordinators are conducting task force meetings around the country with health, education and community people.

Several state and local organizations have indicated that they will help in publicizing the series. The Ohio State Department of Public Welfare, for example, plans to send out information on the series to some 700,000 employees and welfare recipients in the state. CES is cooperating with the Detroit Department of Health in conducting an immunization program aimed at making parents more aware of the importance of getting their children immunized. The Michigan Council of Health and Mental Health is planning a mass mailing to health professionals, community organizations and people involved in consumer education to acquaint them with the series and its content.

CROATIAN COMMUNITY IN PITTSBURGH

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it is with great pleasure that I insert in the RECORD the following article from the Pittsburgh Post-Gazette commenting on the development and lifestyles of our Croatian community in Pittsburgh.

We are very fortunate and very proud to have a number of ethnic groups in my congressional district of Pittsburgh. Among them are the Croatians who immigrated to the United States during the latter part of the 19th century and early in the 20th century and settled largely in Pennsylvania. They have been a loyal and hard-working group who have contributed enormously to the community around them. Their determination to maintain their long heritage will enable future generations to share in their magnificent traditions.

The courage and loyalty manifested by the Croatians and their desire to maintain their culture are discussed in detail in the following article which I herewith insert:

[From the Pittsburgh Post-Gazette, Dec. 24, 1974]

The Croatians: In Forefront of Ethnic Heritage Effort

(By Clarke Thomas)

For Pittsburgh Croatian families such as the Ed Sambol of Lawrenceville tonight's Croatian Christmas Eve service at St. Nicholas Catholic Church in Millvale epitomizes their heritage.

Sambol will conduct the music and six others in his family plus two of his sisters either will perform in the tamburitza band or sing in the choir.

The historic church with its famed murals by Maximilian Vanka and Joko Knezevich will be packed with parishioners and Croatian well-wishers from throughout the Pittsburgh region. They will sing such familiar Croatian carols as "Djetesce Nam se Rodilo" (To Us a Child Is Born) and "Andjeosko Pjevan" (Angels' Song) to the leadership of the tamburitza band and the choir.

A procession of children will carry a doll representing the Infant Jesus to a crib in front to the sounds of the universal carol, "Tina Noc" (Silent Night). A formal announcement in Croatian of the Birth of Christ will be made, followed by an official mass conducted by the Rev. Romildo Hrboka and the telling of the Nativity story, interspersed by Croatian hymns.

For the hundreds present the occasion will represent many elements of their long heritage stemming from the Balkans of what now is north central Yugoslavia:

The tamburitza music which has grown to such a dominant place in the life of many ethnic groups in Pittsburgh.

Their religious faith and the special historic dispensations from the Vatican to allow the Croatian language in services, because the Croatians were on the frontier for Christendom against the Ottoman Turks.

The family feasting beforehand (many families will have eaten sumptuously, including the traditional kolbassi and wine) and opening of presents.

The service at St. Nicholas also represents this generation's reviving interest in that heritage. Only four years ago the church added the tamburitza band and the extensive singing of Christmas carols to the traditional service.

Sambol, a violin teacher in the Pittsburgh public schools, explained: "We think such efforts are vital in preserving these beautiful hymns. You realize why when you see how much we've practiced since Thanksgiving, because we had to teach so many of our younger people and children to pronounce words unfamiliar to them."

Interestingly, Croatians are in the forefront of the general ethnic heritage effort. Two of the major interethnic organizations in Pittsburgh are headed by Croatians, Walter Kolar with the world-famed Tamburitzans of Duquesne University, a music and dancing troupe; and Charles Cubelic with the Pittsburgh Folk Festival.

Some Croatians trace this appreciation of heritages besides their own back to the land from which their ancestors immigrated to the United States in waves between 1880 and 1920, and especially to Pennsylvania where as sturdy, hard workers they found jobs in the mines and the mills.

Croatia was part of the Austro-Hungarian empire before World War I. Though Croatia had not been a separate nation since medieval times, it gleams in European history because its peoples, hills and valleys served as a barrier against the spread of the Ottoman Turks in the high tide of their conquests after the fall of Constantinople in 1453.

Some Pittsburgh Croatians say that the influence on their homeland from Vienna and Budapest, from Venice and Italy across the Adriatic and, of course, by the nearness of the Turkish occupiers enriched its culture and also made its people adept at working with others, more quick to accept other traditions.

But Croatia was a hard land under outsiders, and it is no wonder so many of its sons came to the land of opportunity, to "pry up some of the gold from the golden streets," and return home. They came from three regions near the Croatian capital of Zagreb—the Prigorje (by the Mountains), the Zagorje (behind the mountains), and the Posavina (by the Sava river valley).

In Pittsburgh they settled particularly on the Northside, with one of their communities Yaska, near the Heinz plant; and two of their nationality churches there still exist—St. Nicholas on East Ohio and St. Nicholas in Millvale. The other three Croatian churches in this diocese are Holy Trinity in Ambridge, Visitation of the Blessed Virgin Mary in Rankin and Sacred Heart in McKeesport.

Elsewhere in the region they settled in Monaca, Aliquippa, Brownsville, Masontown, Johnstown and Cokesburg (where the celebration of St. George's Day in April is a major event).

The story of Pittsburgh's early Croatians centered on boarding houses because so many who came here were bachelors or men who had left their wives behind while in America for a few years to earn money. They gravitated to boarding houses run by Croatian women, whether a housewife earning extra cash for the family, or a widow.

Usually the home was quite circumspect, but a rich element of local Croatian history concerns Teta (Aunt) Jaga, a vibrant buxom redhead who ran a boarding house in Ambridge. Reviled as a floozy by the upright elements of the community, she was beloved by others because of her organizing ability and her generosity in supporting charitable efforts.

Soon, however, the norm was that of a tightly knit family that clung to its heritage as closely as any ethnic group.

"Some parents would sacrifice anything to get their children in school," recalls one Pittsburgh Croatian. "They were a 'give-up' generation, giving up everything for their children's future. They were frugal and woudn't buy on credit. Tverdi glava (hard-headed). Hard-working and proud of it."

But Gabriel Zgainer, North Hills, who immigrated there in 1912, recalls that many parents, unable to read or write themselves, were slack on the subject. "If we send the kid to school, okay; if not, okay," was their attitude.

Many Croatians made their own wine, from market grapes and slivovitz (plum brandy). "You'd have fruit flies around the house for weeks," recalls Charles Cubelic. "It was a part of our culture right through Prohibition."

Many families made their own kobase (kolbassi) and sauerkraut. "We'd shred cabbage and put it in a crock or wine barrel and then it would be time to stomp sauerkraut," Cubelic said. "I can remember doing that an hour one time and catching a cold."

Friday nights for a typical family would mean beans and sauerkraut and barley soup. Monday night the meal could be sauerkraut and beans.

Sarma (meat pastries), roast chicken and roast lamb were for special meals. Baccala (boiled cod) was eaten on Christmas Eve. "It would smell up the whole house and it and the garlic would smell up the church afterward," one Pittsburgher recalls fondly.

Anne Pappa, North Hills, said in Croatian families "the woman respects the husband's word; he has the last word."

However, among the Croatians the relationship between husband and wife seems on a more level keel than in some Slavic groups. Helen Trouton in her work on peasant Yugoslavia said that in the areas under the Turks, the men met and plotted by themselves. In contrast, "Croat peasants meeting in their homes for discussions had to allow their women folk to know what was going on and to intervene occasionally."

Picnics were a major occasion (and still are part of Croatian life) because there young men and women had a chance to meet with romances often eventuating.

The Croatians had singing societies (avoir), with an especially notable one in an old mansion on Canal Street, North side. Most of these have died out.

The big new thing is the tamburitzan troupes.

According to Walter Kolar, the tamburitza—a long-necked, plucked lute-like stringed instrument—played a nationalistic role in the mid-19th century when Croatians were resisting their Austro-Hungarian overlords. They were so popular among the immigrants here that some young men were accused of being tamburashi bums (similar to the ski bums of a later day).

The popularity of the instrument has spread far beyond the Croatians. It is the keystone of the entertainment of the Tamburitzans of Duquesne, a music and dancing troupe with such professional polish it has been sent overseas on goodwill tours by the U.S. State Department. The "Tammies," as they are nicknamed, now have been successful enough that Duquesne University has launched a new department, the Duquesne University Institute of Folk Arts, for which a $5 million drive has just been launched.

The movement has been particularly popular with teen-agers and young people, with Junior Tamburitzan clubs formed in many communities. It is said that now there are more tamburitzan orchestras in Western Pennsylvania than in all of Yugoslavia. Nick Trdina, who has a Croatian radio program, comments: "We're saving Yugoslavia's heritage for them. Some time they'll want it again and be glad we kept it going."

The tamburitza therefore has had much to do with maintaining or reawakening ethnic pride.

Trdina recalls, "When I was a kid, some people were ashamed of being Croatian. They would say they were Austrian, which, strictly speaking, they could since they had immigrated from the Austrian empire. Some people changed their names. And you were called a Hunkie."

For contrast, Dan Shebetich, a music major at Pitt, shrugged, "I use Hunkie all the time, but not in a derogatory sense. I'm proud of it."

Back then it hurt. Most of the immigrants were of peasant stock, and rising up the economic ladder was difficult.

Some of the first success stories were the tavern keepers. Cubelic, whose father operated a tavern in Lawrenceville, recalls that a saloon keeper for the Croatians was counselor, jackleg lawyer, "psychiatrist," money-lender and banker, too. With peasant suspicion, many Croatians shied from regular banks, preferring to leave their money with a tavern keeper.

An early leader was Kosto Unkovic, the first Croatian here to get a law degree, at Duquesne, who led the way and helped many of his and later generations of Croatians to enter the law. He was approved as honorary consul for Yugoslavia by President Hoover. One son, Alexander, was president of the Pennsylvania Bar Association in 1972, and another, Nicholas, is a noted labor lawyer. A daughter, Zora, is Better Living editor of the Post-Gazette.

Actually, Croatian men who entered the professions went more into law than medicine or education. Women went into teaching, however.

Some went into business, a notable example being Anthony Tomasic, president of a company specializing in the distribution of industrial and municipal bonds.

In the days when women were not prominent professionally, Mrs. William McAleer, the former Katherine Ruskovic, often was an interpreter in various courts in Pittsburgh in a number of languages.

Leonard Staisey, chairman of the Board of County Commissioners, has Croatian blood on his mother's side.

In the life of the Croatian community here two other institutions should be mentioned: the Catholic church and the insurance fraternal organizations.

As with other ethnic groups, the church was a dominating influence in shaping the community. The Franciscan orders from Croatia, both priests and nuns, were important elements in church and parochial school.

One authority in the Pittsburgh Diocese describes the situation: "There is a certain ferocity among Croatian Catholics about their faith. A real pride in their faith, like that of the Poles. Maybe it was because they were squeezed among the Serbian Orthodox, Muslim Turks, and non-Roman Catholics.

"Their churches here still maintain a Croatian flavor. Their young people seem to be more Croatian than, say, the young Poles are Polish. Their parishes are growing smaller in number, but not in intensity. A visiting church dignitary will be served a Croatian meal, the bishop will be greeted at the door with a bouquet of roses in a delightful old-fashioned touch."

But there is an interesting split among Croatians—they either are strongly pro-church or strongly antichurch.

"You'll find no one more devout than among the Croatians," said one church observer. "But you'll also find no one more anti-clerical than some Croatians."

Partly, the latter stems from the attitude of some immigrant men who felt the hand of the church had been too heavy in their homeland. Their womenfolk would go to church, but they only at Christmas and Easter. Now in church going households the father goes with the family as a matter of course.

The split for some has been evidenced by their devotion to their fraternal lodges. The oldest and largest, the Croatian Fraternal Union (CFU), was riven in 1926 when the main line of its membership at the time resisted feared clerical encroachment. Those who disagreed split off to form the Croatian Christian Union, which has 11,000 members, with its headquarters in Gary, Ind.

The CFU, formed in 1894 in Allegheny (now Northside), with 107,000 members is the 14th largest fraternal insurance organization in America. Its headquarters now is in Monroeville. It sponsors 37 Junior Tamburitzan organizations in the U.S. and Canada, has an active sports program, furnishes college scholarships, and has consistently supported the Duquesne Tamburitzans financially. While its number of lodges (most named for church saints, incidentally) is decreasing, that is because of mergers.

"Croatians are political, and when they bickered and disagreed in the old days, they'd start a new lodge," a CFU official explained. "We push the other way now."

The Croatian community also has been divided over how to relate to the Communist government of the homeland. Some strong anti-Communists will have nothing to do with Yugoslav President Tito. Others, equally anti-Communist, insist that his government has been a bulwark against the spread of Soviet Russian imperialism and, anyway, good relations should be maintained with the Yugoslav people.

Curiously, the question is garbled somewhat because to strong Croatian nationalist Tito, though himself of Croatian extraction, is seen as a Yugoslav centralist blocking the hoped-for separatist movement for an independent Croatia. The so-called progressive faction, which has the majority in the CFU, for example, favors a single country, while the more conservative faction is separatist.

During the McCarthy era a list of subversives mistakenly mixed up the CFU newspaper, Zajednicar (Fraternalist), with the Croatian section of a Chicago organization suspect of Communist leanings. The CFP immediately got a letter of clearance from the U.S. attorney general, but the charge has continued to dog it, to the chagrin of its loyal American members.

Here then are the Pittsburgh Croatians,

with their unity and their divisions, their love of hard work and of hard play, and their ability to organize and to plug away slowly to meet their objectives.

The twin slogan of the CFU ably sums up the way Croatians see themselves, and the reasons for their remarkable Pittsburgh success:

"U Slozi Je Moc!" (In togetherness there is strength.)

"U Radu Je Spas" (In work there is salvation).

STATEMENT IN SUPPORT OF THE BILINGUAL COURTS ACT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ROYBAL. Mr. Speaker, today I am introducing a bill which provides for more effective bilingual proceedings in Federal district courts of the United States, and for other purposes, Mr. DON EDWARDS of California is cosponsoring this legislation.

This bill represents a well-conceived legislative response to the difficulties experienced by many Americans who, because of language, are effectively excluded or severely handicapped in receiving equal justice through our formal legal system. These individuals, whether seeking redress of wrongs inflicted upon them or defending themselves in civil or criminal actions, are in many cases compelled to participate in legal proceedings where the language used is totally alien to them. Such a situation poses an intolerable affront to the basic notions of justice and fair play implicit in our ideal of "a nation of laws" and renders meaningless our constitutional guarantees.

It is obvious that the right to effective representation of one's interest in a court of law requires at the very minimum that a person be able to understand the language of the courtroom proceedings. The Bilingual Courts Act promises realistically to remedy the disadvantage frequently faced by our Nation's language minorities in working with the Federal court system. By making available simultaneous translation and recording of courtroom proceedings in both criminal and civil cases, Congress will have taken an important step in insuring full equality and due process before the Federal courts.

Recent census data indicates that a great number of Americans will benefit from this enlightened legislation. Of the more than 5 million Mexican Americans living in the Southwest, many are bilingual and have only a limited ability to communicate in English. The same is true for the more than 2 million Puerto Ricans living in the United States, mostly concentrated in northeastern States.

Further, in the past decade or so more than 600,000 Cubans have emigrated to our shores, more than 40 percent of whom reside in Florida. Although the Spanish-speaking minorities account for the majority of non-English speaking persons in this country, other minorities are concentrated in various regions: Asian Americans in California, Native Americans on reservations throughout the Continental United States and Alaska, the French speaking in Maine and Louisiana, and a variety of different nationalities in Hawaii. In short, existing evidence makes clear that hundreds of thousands of Americans are critically in need of bilingual courtroom facilities to assure equitable treatment under the law.

It is imperative that our National Government take immediate and constructive action to insure that justice is not denied these individuals in the Federal courts because of linguistic or cultural differences. To ignore this obligation would represent a callous retreat from this Nation's commitment to equality before the law for all our people. It would inevitably fuel cynicism and distrust in these minorities for our traditional legal institutions. Cynicism, fear, and distrust are the invariable by-products of a legal system which champions the rights of some while neglecting those of others. Passage of the Bilingual Courts Act would demonstrate to these groups that their government is positively concerned with their rights and welfare and committed to ending the causes of many injustices they now suffer.

Apart from simple, commonsense notions of justice and fairplay, legislation mandating simultaneous translation of bilingual proceedings finds compelling support in basic individual safeguards of the Constitution. The sixth amendment guarantees that in "all prosecutions the accused shall enjoy the right to be confronted with the witnesses against them; and to have the assistance of counsel for his defense." The fundamental rights of confrontation and counsel in criminal matters becomes little more than a cruel hoax and empty gesture to a defendant unable to comprehend the charges of his accusers or consult with counsel relative to his defense.

In effect, the accused is related to a position of mindless presence in proceedings which will ultimately determine whether he is to remain a free member of society. Or as so aptly stated by the Alabama State court in *Terry* v. *State*, 21 Ala. App. 100 (1925):

> Mere confrontation of the witnesses would be useless, bordering upon the farcical, if only the accused could not hear or understand their testimony.

Only through the aid of simultaneous translation may such persons adequately communicate with the court and exercise the right to cross examine witnesses, to test their credibility, their memory, and the accuracy of their testimony against the defendant.

Similarly, the fifth amendment to the Constitution supports the application of the Bilingual Courts Act to both civil and criminal proceedings. The fifth amendment provides:

> No person shall . . . be deprived of life, liberty, or property without due process of law.

It cannot seriously be doubted that any legal proceeding, whether civil or criminal, which places a person or his property in jeopardy without insuring understanding participation in the trial process is devoid of basic and fundamental fairness as to be contrary to the due process clause. And civil cases, no less than criminal proceedings, threaten a person with a loss of important personal and property rights and may lead to drastic personal consequences.

Thus, the fifth amendment requires the same concern for the right of parties to both civil and criminal actions, and, in the case of the non-English speaking, must provide adequate interpretive facilities.

It may be regretted that current judicial authority fails to clearly establish a right to simultaneous translation in all Federal court proceedings. The Supreme Court has not ruled directly on the issue and lower court rulings are indecisive at best. This must not, however, deter Congress from legislating in an area where action is greatly needed.

Here, as in other issues of urgent national concern, Congress together with the courts, has the responsibility to protect individual liberties and insure that the civil rights of substantial numbers of Americans are no longer prejudiced in our courts.

Although some steps have been taken to provide for interpreters in actions before Federal and State courts, these provisions generally make the appointment of an interpreter discretionary with the trial judge. See, rule 28(b) of the Federal Rules of Criminal Procedure; 18 U.S.C. 30006A(e); rule 43(f) of the Federal Rules of Civil Procedure.

The U.S. Civil Rights Commission, in its 1970 report, found that the "makeshift" bilingual facilities prevailing in the courts of the Southwest were wholly inadequate to meet existing needs. In the five States surveyed by the Commission's report, for instance, only three full-time Spanish-speaking interpreters were found to be employed in the Texas courts and the other in California district courts.

And even where professional interpreters were employed, they were generally criticized as being inadequately trained in legal matters for work as courtroom interpreters. Moreover, current legislation fails to establish uniform procedures for governing how bilingual facilities are to be utilized or for assuring that they are available in all cases where actually needed.

The Bilingual Courts Act proposed by H.R. 7728 represents dramatic advance over earlier congressional attempts to provide bilingual courtroom facilities and remedies many deficiencies found in existing legislation. The act clearly spells out the responsibilities of the Federal courts and standardizes procedures to insure that competent interpreters will be available upon request in cases involving non-English-speaking witnesses. First, the act provides that whenever a judge upon a motion of a party determines either that a party of the proceeding does speak and understand English with a reasonable facility or that a witness may not speak or understand English, the proceeding is to be conducted in a court equipped for the simultaneous language translation of the proceeding by an interpreter and the recording of the testimony presented to the court.

Second, the act would require the equipping of at least one courtroom in each district with facilities appropriate for recording and simultaneous translation of proceeding to and from English by electronic and other means. Third, procedures would be established under the act for determining adequate qualifications and certifications of interpreters and other necessary personnel.

Finally, the term "judge" is defined to include U.S. magistrates and referees in bankruptcy so that the protections of the bill will also extend to proceedings over which these men now preside. Finally, procedures would be established under the act for determining adequate qualifications and certification of interpreters and other necessary personnel.

I am hopeful that Congress will act to meet these objectives and reaffirm its commitment to end the inequalities of our present court system in favor of the one which guarantees equal justice under law.

THE FEDERAL RECORDS MANAGEMENT ACT OF 1975

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ARCHER. Mr. Speaker, I am introducing a bill entitled the "Federal Records Management Act of 1975." The purpose of this proposed legislation is to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies to more effectively deal with the problem of the Federal paperwork burden.

The growing role of the Federal Government has required more and more paperwork. The amount of paperwork has been rapidly increasing in recent years and the costs of maintaining these records have also increased.

During 1972, the U.S. Senate Select Committee on Small Business conducted hearings on the Federal paperwork problem. At that time, it was estimated by the committee that a firm employing not more then 50 people was required to fill out in the course of a year as many as 75 to 80 different types of forms, many of them several pages long. The costs to the small businessman and to the Government of keeping and maintaining these records are passed on to the consumer and taxpayer, respectively.

In examining the total costs of paperwork, the Second Hoover Commission estimated in 1955 that it was costing the Federal Government $4 billion a year. By 1966, this amount had increase to $8 billion. A report to the Congress from the Comptroller General of the United States in August 1973, revealed that the Federal paperwork costs had increased to a staggering $15 billion for $1973. In addition, this report noted that the cost of Federal paperwork would continue to increase and that better management and procedures were needed in order to promote efficiency. A vivid example illustrates the massiveness of this problem. If all the Federal records in 1973 were put in one file drawer, this drawer would extend over 1,300 miles, a total of 7 million cubic feet of records. This expansion will continue as the Federal Government accumulates more and more records from its present activities. Additional paperwork requirements will be added by new laws passed, and more storage space and machinery, that is office copiers, computers, will become necessary.

We should work to eliminate unnecessary and unessential records and to adopt realistic procedures to better manage the records the Federal Government possesses at present and in future years.

This proposed legislation will strengthen the authority of the Administrator of General Services in the field of records management by Federal agencies. The bill attempts a more precise definition of the term "records management" and provides specific outlines for handling all types of Federal records. Specific objectives of records management are detailed: Accurate and complete documentation of the policies and transactions of the Federal Government; control of the quantity and quality of records of the Federal Government; simplification of the processes through which records are created, stored, retrieved and used; preservation and disposal of records; establishment and maintenance of a system which focuses continuous attention upon records from their initial creation to their final disposition; keeping control of the mechanism for record creation to prevent the creation of unnecessary records; and the establishment and maintenance of other systems and techniques to carry out a policy of sound records management. This bill clarifies the responsibilities of the Administrator including development and promulgation of records management standards, guidelines, procedures, and techniques.

The Administrator may conduct paperwork studies at the request of the head of any Federal agency. A noteworthy feature of this bill is the provision for a revolving fund established in the Treasury Department, which would receive the revenues collected by the Administrator for conducting paperwork studies of Federal agencies. The money deposited in this fund would then be available to conduct further paperwork studies and related activities in such amounts specified in annual appropriations acts without regard to fiscal year limitations. However, the Administrator would have the authority to charge any Federal agency for the cost of any study required by the head of a Federal agency and he could exempt anyone from the charges required if the Administrator determined that such charges would be impractical. If such an exemption is granted, appropriations to the General Services Administration are authorized to reimburse the fund established for any loss of revenue. Thus, this legislation would establish effective procedures for the management and control of Federal paperwork studies while providing a realistic means to pay for such studies.

In addition, this legislation requires that the Administrator of General Services shall transmit reports to each House of Congress, the Comptroller General, and the Director of the Office of Management and Budget by March 31 of each year regarding a statement of each inspection and study conducted as well as an evaluation of the adequacy of personnel staffing support for the records management function within each Federal agency. In order to facilitate procedure and due process, a Records Review Board would be established to hear appeals from any order issued by the Administrator to any executive agency.

The objective of this legislation is to encourage the head of each Federal agency to establish and maintain an efficient and continuing records management program in all aspects of the records operation procedure. It is necessary to realize that the problem of Federal paperwork is a growing one and it is necessary to take action before it gets more complex and more difficult. It is my belief that if we can pass this type of legislation, we will have taken a major step toward dealing with the Federal paperwork burden insuring efficient and economical agency operations.

SENSELESS AND SHOCKING EPISODE

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. MATHIS. Mr. Speaker, on January 22 near the small town of Blakely in southwest Georgia, four men were lined up behind a counter and shot to death with a high-powered rifle during a robbery at a small grocery store. This follows an even more senseless and shocking episode in the same area in 1973 when killers brutally executed the members of an entire farming family in Donalsonville, Ga., after having raped one of the victims and robbed the others. The Albany, Ga., Herald recently carried a series of interviews in which one of the men convicted of this mass slaying boasted of numerous murders, rapes, robberies, and lesser crimes over a period of several years in Maryland and several other States. He was apprehended for many of these crimes and was himself astonished at the gullibility of some judges and the leniency of a judicial system which freed him time and again.

The most important point made by these interviews and the point I would like to make is demonstrated by a statement by this indiscriminate killer that he coupled his robberies with murder of the victims, because the abolition of capital punishment left him nothing to fear beyond life imprisonment for armed robbery. If this insane slayer is reasonable enough to be deterred by threat of State execution for his crimes, then who can intelligently maintain that the more calculating brand of criminal, such as those responsible for the Blakely, Ga., deaths are not deterred by capital punishment?

Georgia and other States have redrafted their death penalty statutes in an attempt to conform with the incomprehensible Supreme Court decision in which the confused, muddleheaded "Justices" outlawed the death penalty as it was then being applied. Of course, all this was academic, because then as now no criminals were being executed. As the Georgia murders indicate, this must change.

The taking of human life in a civilized society at the behest of the State is a most somber decision that no one can take pleasure in. But to maintain a social policy of coddling rank murderers exhibits the least reverence for human life imaginable. No one would argue that an evenhanded application of the death penalty in the most heinous cases would deter every would-be murderer in this category, but if one innocent human life is saved, then capital punishment is justified as a compassionate defense of the ultimate civil right.

SHOWDOWN AT THE PX

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. DRINAN. Mr. Speaker, I commend to my colleagues an informative article reprinted from the South Middlesex News of Framingham, Mass. This article points out that the administration has ordered that the 420 commissaries and PX's operated worldwide by the Pentagon become self-supporting by 1977.

This article points out that removing price supports from commissary operations will save millions of dollars for the taxpayer. At the same time, the greatest significance of the phasing out of the PX may well be that it will induce and eventually force service people to mingle more with civilians.

The article also points out that it is indefensible to permit major generals who are paid $36,000 a year to take advantage of the discount commissary.

The article, "Showdown at the PX," follows:

SHOWDOWN AT THE PX

(By Tom Tiede)

FORT BELVOIR, VA.—When the military command of the 1800s began receiving gripes that vagabond hustlers were peddling rotgut whiskey and rancid beans to food-short outback troops, the post commissary was ordered up as a solution.

The idea, back when soldiers earned $10 a month and when the nearest civilian stores were often on the other side of the Indians, was to provide cheap and convenient on-garrison grub for the sake of rank and file morale.

It has in the years since become a service institution of no small consequence.

The government spends $250 million annually to operate 420 commissaries worldwide, and some three million military people now consider it their sacred right to purchase food at cost (the average commissary savings is between $25 and $30 per $100 of goods).

Small wonder then the gloom that has settled among the grapefruit of post stores throughout the nation as the Ford administration acts to alter the tradition.

The President has ordered severe cuts in commissary subsidies, has ordered the stores to become self-supporting by 1977, and in essence may be calling for an end to a military privilege that some consider as important as retirement pay.

"My Dan's enlistment is up in April," says a pincurled wife of a Fort Belvoir sergeant. "If they cut the commissary they can kiss his 13 years goodbye."

Indeed, so serious is the matter inside the service that Pentagon observers hint of possibel rebellion "with national security implications" if the Ford plan is adopted.

The argument is that an all-volunteer Army is not formed on patriotism alone, that certain comforts must be guaranteed to attract the bodies.

"If Congress increases pay to cover the commissary loss, OK," says a manpower general, "otherwise I think we may be knocking off 20 percent of our potentials."

Despite such risks, however, the Ford proposal is to many outside the military a welcome maneuver. And not only for the few million it may save the harassed taxpayer.

The greater significance of removing supports from commissary operations is that it may eventually force service people to mingle more with us regular civilians.

If prices on-post rise, military people will increasingly go off-post to compare.

The result could be some stripping away of the insulating effect of military service, a reintroduction to the real world.

There can be no doubt the reintroduction is desirable. Although military posts no longer maintain the protective grip on personnel they once did (In the 1930s many posts forbade large numbers of troops from all but rare civilian contact, garrison make-up is still designed to isolate.

Fort Belvoir, as example, has not only a commissary for groceries, but a PX for department store items, a bank and two branches, a credit union, a flower shop, a photo studio, a library, three on-post elementary schools, a theater, a bowling alley, a golf course, a gas station, a firehouse—and living quarters for three of four of everybody assigned.

"Technically," says a post publicist, "a man and his family could serve two years here without ever going outside the gates."

Presumably, no one does spend all his time in the womb, but one must wonder.

Though younger troops retain the more out than in sentiment, careerists do not.

They often talk of civilian life as "outside," civilian business as "gypsters," civilian problems as "theirs" not "ours."

The worry in this should be obvious, especially in the all-volunteer or mercenary military era: An isolated service is a risky service; civilian control demands that civilian attitudes be present.

In times past, certainly, there was good argument for providing on-post conveniences for servicemen and women.

A corporal earning $140 a month, trying to support a wife and child, needed protection and cut-rate groceries.

Now, however, an Army private earns $344 base pay, a 20-year-old corporal gets more than $500—and major generals, who also frequent the discount commissaries, are paid $36,000 a year.

Most earn their salaries, to be sure; but as for the other privileges, it seems unwise to put soldiers in any other world than the rest of us.

JOE BARR STAYS IN STEP WITH POLITICAL AFFAIRS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it is not unusual to find among those in politics and Government the qualities of dedication, hard work, and ability. In fact I have found one of the rewards of political life to be the joy of associating with so many capable and devoted individuals. Among the many, however, there are always a few whose unique influence, personality, and dedication set them apart. Such a man is Joseph Barr, former mayor of Pittsburgh.

Joe Barr is a rare individual. He is also a rare politician. He not only had the imagination to dream, but the ability to put into action his dreams of progress. He has combined a high idealism with hard-headed practical intelligence and tremendous political ability. He truly exemplifies the man who has the courage to change those things which he can change, accept those things he cannot change, and possess the wisdom to know the difference. It is not difficult to understand, therefore, why Joe Barr was chosen repeatedly for the Pennsylvania Senate, served a decade as mayor of Pittsburgh, and for 40 years been an influential figure in the Democratic Party.

I am lucky to have been one of the many who has benefited from a close association with Joe Barr. Our friendship goes back many years to a time before I entered politics. It is a friendship which I have treasured and I trust that the vitality and wisdom of Joe Barr will continue to be shared although he is now officially in retirement.

The Pittsburgh Press, in a series of articles has highlighted the career of Mayor Barr in an article called "A Porttrait of the Statesman: Joe Barr." Under leave to extend my remarks I include herewith that article:

JOE BARR STAYS IN STEP WITH POLITICAL AFFAIRS

(By Ann Butler)

(In a continuing series, "Out of the Limelight," Press staff writers will reveal what yesterday's headliners are doing, how they have adjusted to the sidelines and what they think of today's world, particularly the areas in which they starred.)

A Portrait of the Statesman: Joe Barr.

With head held high and back ramrod straight, he moves with grace. Pausing to make a point, he rests one hand on his hip, while the other stabs the air.

It's as if he were surrounded by the flash of news photographers and fielding questions at a press conference 20 years ago—rather than just remembering the way it was, during animated conversation in the living room of his Point Breeze home.

The former mayor is 68—and dapper in a navy blazer. His hair is snow white, yet there is a twinkle in the blue eyes that shine so sincere in the rosy Irish puss.

The prismatic presence of the man is magnetic. He radiates vitality, confidence, charm.

Joe Barr likes people and people like him. And that, quite simply, may be the secret to his success.

Not only has he served as Pittsburgh's mayor for a decade and as state senator for 20 years, he also has counseled presidents during a career, in which he has not missed a Democratic convetion since 1932.

The gregarious raconteur's memories and political wisdom sound much like marvelous machine gun jazz—for the inimitable delivery hasn't changed. It's raspy, gravel-gut mumbles, punctuated by the 'heh heh' chuckle and easy smile.

Ladies and gentlemen, Joe Barr:

"Politics. I loved it. It's a happy life. You can see things getting done. You're able to help people.

"You've gotta like people," he advises. "You must be ready and willing to listen to their stories and troubles.

"I never had much of a contest," he muses. "It's no trick to winning here—for a Democrat.

"We're probably the oldest Democratic family west of the Alleghenies. My children are the eighth generation," he added with pride, settling down on the sofa.

"I don't think there's anyone happier in retirement than me. It's a good normal family life."

Troublesome eyesight is the main reason Barr is not as active as he once was politically. He has had seven operations—two for cataracts and five for detached retinas.

"I've been lucky in life—always healthy—except for the eyes," he says. "The Lord's been good to me, and so has the Democratic Party."

In the last campaign, he "gave a couple of speeches and spoke at a closing dinner rally." He claims "anybody could have done better than Pete Flaherty" in his bid for the Senate.

"He had everything going for him. He was 'Noboby's Man.' Then, at the last minute, he tried to jump on the bandwagon. His main trouble is disassociation with business. Hell, the name of the game is jobs . . . I just can't figure the man out."

If Barr were running City Hall, housing would be his first priority followed by mass transit: "Rapid transit is the answer to saving the city," he asserts. "Whoever named it Skybus made a grievous error.

"It's a funny thing about politics. People by nature fight progress. If you're gonna be a leader, you've gotta cut right through it."

At 68, Joe Barr still believes the world can be changed for the better. He may indeed be out of the most intense political limelight now. But during the course of the two-hour visit, the phone rang at least a half dozen times.

And there were mumbled references to "Vance Hartke and the an Am boys are in trouble, gotta help them out," and "Sure, I know Ella Grasso, our first woman governor." So, you get the impression Joe Barr is still, at least, in the shadow of power.

"I'm a little bit of an adviser," he concedes. "I go down to Harrisburg every now and again. I was very active in national politics when I was a member of the National Executive Committee"—a post he resigned in 1972 because of his eyes.

He recalled a bull session with Lyndon Johnson that lasted until after 1 a.m. "Johnson was a great big tough Texan, but he had a soft sentimental side that people rarely saw I watched him cry that night—over the war.

"President Kennedy? I knew him when he was in the House. He came here to speak during the primary, and my wife Alice shook her finger at him and said, 'don't you dare run for president. You're a Catholic. You've gotta back your way into it.' (She meant he should run for vice president.)

"He didn't forget it. The day after he was sworn in, he said to me, 'Tell Alice I made it.' "

Alice White Barr is lovely.

The slender woman with the ashen hair and beautiful hazel eyes was wearing a red sweater and gray slacks, when she breezed into the living room. Her husband asked her if she had been to Mass that morning.

"Yes," she answered, and kidding him, she added: "Somebody better pray for you."

Joe laughed heartily.

He has often said no political victory could match the happiness he felt when he and Alice were married. They met in 1948. He was 43 and she was 29.

"We've had a most happy life together. She was great for a fellow who had to be in public life.

"She used to get mad at State Department, sending her letters about how to address people. Hell, those people loved Alice. The Queen of Thailand gave her that Oriental jewelry box. And they had to hold a plane up once until Alice got there to say goodbye to the wife of the Korean president."

The Barrs have two children. Candy, 24, is a credit analyst here, and her husband, Patrick Loughney is in law school. Skip, 22, is studying photography.

"Alice was a great mother," says Barr. "She's never let the kids come into the Mayor's Office. Not once. She was never one for spoiling the kids.

"She understood politics and government. But she thought that only one in the family should be in it.

"Politics is the easiest game in the world, if you play with one set of rules. Your word has to be your bond. You don't have to be too fast to give it, but always stick by it—or you're done."

It is such a simple political philosophy.

Indeed, Joe Barr is not a complex man. Ask him what is most important to him now, and he does not hesitate:

"Hanging on, I guess," he says with a chuckle, "and to try and be a good husband and good father . . . and, I hope, in not too long a time, a good grandfather. That's what matters now."

HOUSE JOINT RESOLUTION 92—TO IMPROVE CENSUS AND STATISTICS ON AMERICANS OF SPANISH ORIGIN OR DESCENT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ROYBAL. Mr. Speaker, in an effort to assure reliable up-to-date statistics for Americans of Spanish-speaking background, I have introduced House Joint Resolution 92, directing the Census Bureau, Department of Labor, Office of Management and Budget, and other Federal data-gathering agencies to begin collecting data which accurately depict the social and economic conditions facing Mexican Americans, Puerto Ricans, and other Spanish-speaking persons. I am pleased to have Representative PAT SCHROEDER, chairperson of the House Subcommittee on Census and Statistics which has jurisdiction over this matter, join with me in sponsoring this resolution.

In May of 1969, the Census and Statistics Subcommittee held hearings after receiving numerous complaints against the Census Bureau for its failure to provide, in the 1970 count, proper identification and enumeration of Spanish-origin persons. As a result of pressure from this subcommittee and representatives of the Mexican American community, the Bureau agreed to include a 5-percent sample question on Mexican or Spanish origin. But this concession was at best an expedient, an afterthought, adopted by the Bureau to quell criticism. Very little was done to insure that even this small sampling would adequately estimate and describe the Spanish-origin population in this country. The Bureau in failing to develop adequate bilingual and bicultural methods, ignored its legal responsibility to comply with Federal equal opportunity laws, including our voting and civil rights acts.

In the wake of the 1970 census, several Latino groups, particularly the Mexican American Population Commission, conducted independent surveys which estimated the Spanish-origin population at over 12 million people, as compared to the Bureau's estimate of just over 9 million. In a November 1971 suit against the Bureau, the Commission accused the agency of "incompetence, and often willful and arbitrary indifference" in counting Spanish-origin persons.

During that same year and again this past Congress, I introduced a bill similar to House Joint Resolution 92 to alert Congress to the issue. This move was followed by a letter to the Bureau protesting its defective methods and calling for an immediate recount in selected areas as a realistic approach to check accuracy. The Census and Statistics Subcommittee was again instrumental in setting up a series of meetings with the Bureau and persuading it to guarantee proper identification of Mexican-origin persons on a 100-percent basis in future censuses. These meetings only confirmed what I had earlier suspected about the Bureau's ineptness in reaching low-income families, particularly those living in the inner-city, the barrio, and the migrant community. The Bureau did not provide a Spanish or bilingual questionnaire on a routine basis and relied too heavily on the mailout-mailback procedure, despite the fact that many Latinos needed help to fill out the lengthy English-only forms. Further, the Bureau showed insensitivity in its hiring practices, failing to employ adequate numbers of bilingual enumerators and community education specialists—census-takers and advisers who had the trust and support of the Latino community.

What emerged from the 1969–72 period was the picture of a governmental agency reluctant to change or admit serious error in the face of criticism. As a consequence, it refused to recognize the importance of bilingual and bicultural factors. Many of us became convinced that the Bureau actually believed it possessed statistical infallibility and immunity to criticism.

Perhaps one reason for this contemptuous attitude has been the lack of Latino representation in the Social and Economic Statistics Administration which houses the Census Bureau. According to March 30, 1974, employment data, the Spanish surnamed continue to comprise a negligible 1.3 percent of the administration's total staff, with no Spanish-surnamed at the GS 16 to 18 executive levels.

In May of last year the Bureau issued a 1973 population survey for "Persons of Spanish origin in the United States," which showed a substantial increase in Spanish origin of more than 1.5 million over 1970 figures. This revision showed a 17-percent rise in Spanish-origin population and a nearly 40-percent increase in the Chicano population since 1970. The Bureau credited two-thirds of this increase to population growth. I find it difficult to believe that any group could multiply at such a Malthusian rate. A more convincing explanation derived from the 1973 improvements in the data-collecting methods. The first dealt with the expansion of Spanish origin for children under 14 years old to include the Spanish origin of the wife of the head. The second involved the expansion of Mexican ethnic origin from two to four categories. And the third related to changes in survey procedures with emphasis on interviewing.

The U.S. Commission on Civil Rights, in a report entitled "Counting the Forgotten," presented further evidence of a "significant undercount" of the Spanish-origin population, citing the Bureau's own estimate of the 1970 black undercount, and its insensitivity in developing methods to accurately count Spanish-speaking communities. The National Urban League also observed in a 1973 report that the undercount rate for Spanish-origin population was "probably much larger than those for blacks."

In response, the Bureau has taken the position that without reliable statistics on births, deaths, and net immigration it cannot prepare undercount estimates for persons of Spanish origin. I consider this defeatist attitude premature and harmful. A substantial undercount means the loss of millions of dollars a year in Federal and local assistance as well as equal employment opportunities for Latinos. While the Bureau has made improvements in Spanish-origin census, particularly in the March 1973 results, I am disappointed by its apparent failure to develop a strategy estimating the size of the Spanish-origin undercount. I regard this strategy-building as an essential step in determining census accuracy. There exists a number of possible sources: the Immigration and Naturalization Service data on the nationality of immigrants, available statistics on the migration of Puerto Ricans to the mainland, statistics on Spanish surnamed from the five southwestern States, and various school enrollment and employment data kept by Federal, State, and local agencies, to mention but a few sources.

The Census Bureau has the constitutional mandate to compile and publish accurate data on U.S. population. There is little doubt that governmental agencies at all levels rely heavily, and in many cases exclusively, on data developed by the Bureau. This dependency has its own domino effect, particularly in the case of Labor and Agriculture, agencies directly affected by House Joint Resolution 92. Since both rely on Census figures, any inaccuracy or deficiency directly affects their own statistical reports and interpretations. If Bureau figures are suspect, then theirs and those of other agencies, are also suspect.

The consequence of an undercount are extremely serious, and involves constitutional issues of due process and equal opportunity. For one, an undercount encroaches on the voting rights of a constituency. It affects not only reapportionment but the very right to vote as protected by the Civil Rights Act and recent court decisions mandating bilingual elections. Further, an undercount affects a wide spectrum of Federal assistance programs which depend on racial and ethnic data to determine need, including the Civil Rights Act, general revenue sharing, equal employment opportunity, comprehensive employment and training, adult and vocational education, elementary and secondary education, national housing and economic opportunity.

With so many agencies involved in data collection and use, I would expect that the Office of Management and Budget would carry out its responsibility under the Budget and Accounting Procedures Act in setting guidelines for the "improved" gathering and publication of Federal statistics on Spanish-origin population. To achieve this goal and strengthen its intent House Joint Resolution 92 includes the following provisions:

1. The Department of Labor, in cooperation with the Bureau of the Census, shall undertake a study to determine the feasibility and cost of publishing monthly, in addition to current quarterly reports, a nationwide unemployment rate among Americans of Spanish origin or descent.

2. The Bureau of the Census and the Departments of Labor and Agriculture shall undertake further efforts to collect and publish regularly statistics on the social and economic conditions facing Americans of Spanish origin or descent.

3. The Office of Management and Budget, in cooperation with the Bureau of the Census and other data-gathering Federal agencies, shall develop a Government-wide program for the collection of data for Americans of Spanish origin or descent.

4. The Bureau of Census, in cooperation with appropriate State and local agenices and various population study groups and experts, shall undertake a study to determine what steps are necessary for developing creditable estimates of undercounts of Americans of Spanish origin or descent in future censuses.

5. The Bureau of Census shall provide for the development and use of bilingual questionnaires and enumerators in the collection of data.

6. The Bureau of Census shall implement an aggressive affirmative action program for the employment of personnel of Spanish origin or descent.

Mr. Speaker, I firmly believe that the adoption of House Joint Resolution 92 will set in motion a greater Federal awareness of the just concerns of Spanish-speaking Americans. There is no excuse for defective data as a basis for present or future programs. Clearly Federal agencies have a legal responsibility to develop and use accurate statistics on Spanish origin. To fail in that commitment is to raise a most serious issue—one encompassing a people and its government. As this country's second largest minority group, the Spanish speaking have scrutinized the performance of this Government in responding to its concerns. They have become increasingly critical and disappointed in the Government's conduct. Defective counts and surveys bring not only loss in funds, resources, and representation, but loss of trust in the legal and governmental process itself.

House Joint Resolution 92 if carried out, offers substantial evidence of this Government's willingness and intent to respond to the grievances of Spanish-speaking Americans.

COMPULSORY UNIONISM: A NEGATIVE VIEW

HON PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. CRANE. Mr. Speaker, at the present time organized labor is launching a massive campaign to compel Federal employees and their counterparts in the Post Office Department to join or support a labor union as a condition of employment.

Under the proposed legislation, all Federal employees would have to accept a union agent as their sole legitimate "representative" in dealing with Government. In addition, they would be compelled to pay money to the union as a condition of employment, in order to "compensate" the union for its representation.

It is anathema in a free society to compel men and women to join a private organization as a condition of employment. Such coercion violates all of our traditional principles concerning freedom of choice. It is even more objectionable to impose such compulsion upon employees of the U.S. Government. If the Government does not provide its employees with freedom of choice our country will find it very difficult to convince its citizens, particularly its younger citizens, that our statements about individual freedom are anything more than a rhetorical sham.

Unfortunately, many legislators who speak of individual freedom when it comes to opposing military service, or opposing the operations of our intelligence agencies, or opposing racial, sexual, or ethnic discrimination, become strangely silent over the simple proposition that each American should have the right to decide whether or not to join a labor union.

How is it that for so many freedom of choice is a virtue in all matters but is negative and dangerous when it comes to labor unions? This is almost impossible to understand. If labor unions are in the best interests of workers, they would want to join them voluntarily. If they are not in the best interests of workers, why should government compel them to join?

Unfortunately, organized labor has contributed millions of dollars to political campaigns in order to purchase support for this kind of coercion. American labor previously believed in freedom of choice. Samuel Gompers, who founded the AFL declared that,

> There may be here and there a worker who for certain reasons . . . does not join a union of labor. That is his right.

Today's labor leaders do not share that view.

Discussing the dangers of compulsory unionism, Reed Larson, executive vice president of the National Right to Work Committee, writes that,

> If membership in government unions is permitted to become a condition of employment . . . we might as well kiss the merit principle and responsible government goodbye.

I wish to share with my colleagues the important article, "Compulsory Unionism: A Negative View," by Reed Larson which appeared in the Federal Times of January 8, 1975, and insert it into the RECORD at this time:

COMPULSORY UNIONISM: A NEGATIVE VIEW

(By Reed Larson)

(NOTE.—Federal Times does not necessarily share the position taken by Mr. Larson on the union shop. We do believe, however, that he has eloquently addressed one side of an issue that will surface in the next Congress.

(Whatever else that may be said of Mr. Larson he does convey a most provocative point of view and that is the purpose of Forum.—Editor.)

One of the most talked about political events in years took place recently when AFL–CIO President George Meany legitimatized his break with Democratic Party chieftain Robert Strauss.

Just about every political commentator in the business had an interpretation of the falling-out.

At the same time, they completely missed the significance of an equally dramatic political story which was unfolding on Capitol Hill.

Because while Meany and Strauss were consummating their royale spat, the "new guard" of Big Labor was—with the open assistance of House Democratic leaders—assuming command of the 94th Congress by stacking key committees with dozens of pliable congressmen who owe their elections to union politicking.

As a result, officials of the AFL–CIO public sector unions, who recently pooled their muscle in a new AFL–CIO subdivision (the public union department), will be calling many of the shots in the new Congress.

LEGISLATIVE ASSAULT

This is not just significant because it happened, or because it was overlooked by virtually every Washington journalist except Mary Russell of The Washington Post. It's important because it paves the way for a major assault in the new Congress for union-written legislation which would compel federal and postal employees, and eventually public employees at all other levels of government, to pay money to unwanted unions in order to work for their own government.

As Federal Times readers know, hearings were held on similar compulsory unionism legislation in the 93d Congress, but were stymied there by the public's lack of support.

We doubt the present Congress will care much whether the public supports or opposes such legislation.

Anyway, according to our reading of the present political climate, hearings—which will undoubtedly be stacked with union representatives—probably will be held on similar legislation early in the 94th Congress and legislation very likely will be reported out of committee.

And a real donnybrook will take place on the Senate and House floors, pitting the powerful AFL–CIO political machine and its congressional buddies against the expressed wishes of the American people, the vast majority of whom reject the idea that anyone, especially not government employees, should have to pay tribute to a private organization in order to earn a living.

An independent public opinion survey conducted less than a year ago showed that more than two-thirds of the American people support this Right to Work point of view.

Above all else, top union officials want, and expect the 94th Congress to give them, revolutionary new labor laws which would compel all 14.5 million public employees to pay money to unwanted unions in order to keep their jobs.

Compulsory union legislation affecting federal and postal service employees will be pushed early to test the waters.

Why union officials think they can get such legislation passed by the new Congress is no secret.

UNION BUYING POWER

It is reliably estimated that a figure of $25 million would be on the conservative side if a price tag could be put on union political spending in the recent federal elections.

Nationally syndicated labor columnist Victor Riesel, whose estimates have been disputed but never disproven by union officials, claims to have "stopped counting" around the $25 million mark.

And union political spending expert Douglas Caddy, whose controversial book "The Hundred Million Dollar Payoff" is considered the most authoritative work in this area, claims the 1974 figure was substantially higher.

Regardless, the money—whether it was $25 million or $125 million—was spent because the bosses of Big Labor expect Congress to repay the favor. And the compulsory unionism legislation is their number one priority.

PUBLIC SECTOR

Obviously, public sector unions are just as heavily involved in political activities as the more established international AFL–CIO, Teamsters, and Auto Workers.

In a Detroit court battle, *Mamie Adams, et. al. v. City of Detroit, et al.*, officials of the country's largest and most militant public sector union, the American Federation of State, County and Municipal Employees, AFL–CIO, recently admitted in a "request for admissions" that their political activities are an integral part of everything they do, indistinguishable from their other activities.

The plaintiffs in this case are a group of public employees who oppose having the union use their compulsory dues money to support political causes and candidates they personally oppose. Theoretically, the same kind of situation could arise if compulsory unionism is introduced to the federal service.

STOOGES

Fundamentaly, the proposed legislation would make federal employees and their counterparts in the post service the unwilling stooges of union officials. Anybody who would want to work for any government agency would:

(1) Have to accept an unwanted union agent as his sole legitimate "representative" in dealing with his own government.

(2) And have to pay money to the union, as a condition of employment, in order to "compensate" the union for its unwanted representation.

Individual employees, and other lawful employee organizations to which they may belong, would have *no* legal say in conditions of employment once a particular union is recognized as monopoly (exclusive) bargaining agent for the group. Put more simply, the individual's rights and freedoms would be subordinated to the union's.

VOLUNTARY ASSOCIATION

The right of government employees to join voluntary associations is established beyond question, as it should be.

Free association is exactly the opposite of compelled association, however, which is a distinction we must keep in mind. This distinction must be preserved in the federal service.

Significantly, 34 states also have laws which strictly prohibit forced membership in any public employee organization.

Voluntary association is not a radical idea. In fact, it's the idea upon which Samuel Gompers founded the American Federation of Labor.

Gompers put it like this: "This workers of America adhere to voluntary institutions in preference to compulsory systems which are held to be not only impractical, but a menace to their rights, welfare and their liberty."

Addressing himself directly to the matter of union affiliation or non-affiliation, Gompers added, "There may be here and there a worker who for certain reasons unexplainable to us does not join a union of labor. That is his right," Gompers said.

In federal service the right to join or not join labor organizations dates back to an executive order issued by John F. Kennedy.

Arthur Goldberg, Kennedy's Secretary of Labor and a former union lawyer, explained the Kennedy Administration's rationale in a speech before the American Federation of Government Employees.

Goldberg said compulsory unionism is, very simply, "inappropriate to the Federal Government."

"And because of this," he said, "there is a larger responsibility for enlightenment on the part of the government union."

Goldberg correctly argued that voluntary unionism, designed to protect the individual employee and not the union bureaucracy, forces union officials "to win acceptance by your own conduct, your own action, your own wisdom, your own responsibility and your own achievements."

In other words, good unions don't need compulsion.

AFGE officials, of course, know this—being one of only a dozen unions nationally to gain 100,000 or more new members during the past ten years.

Yet AFGE officials are leading the push for compulsory unionism in federal service.

UNION RATIONALE

Union officials, correctly or incorrectly, argue that the costs of representing all the employees in a bargaining unit are prohibitive, so all employees should be required to share the burden equally. Otherwise, they argue, union members are forced to pay the costs of representing so-called "free riders."

This is how they defend the demand for involuntary union shop and "agency shop" arrangements.

Yet a simple solution is available, which they refuse to endorse.

Simply put, it's this:

If representing non-members of the union creates a problem, as they allege, then write the law so that union officials don't have to represent non-members. They have only to represent those people who want the union's representation in the first place, and are willing to pay for it.

This would solve their "problem" while protecting the right of every employee to earn a living whether or not he wishes to affiliate with a union.

If membership in government unions is permitted to become a condition of employment, meaning nobody but union members can work for the government, we might as well kiss the merit principle and responsible government goodbye.

We doubt that's what the federal government's employees want.

We know it's not what the American people want.

And we're confident they won't let this, or any other Congress sell the rights of government workers out to the $25 million bidders.

ABOUT THE WRITER . . .

Reed Larson is executive vice president of the National Right to Work Committee, an organization that is dedicated to the extinction of the union shop.

The committee, founded in 1955, "believes every American should be able to get and hold a job for which he is qualified without having to join an unwanted union," says Larson.

He is one of the persons that was instrumental in having a voluntary union provision placed in the Postal Reorganization Act of 1970.

Larson joined the committee in 1959.

REGULATION OF INTRASTATE AIR CARRIERS

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. WRIGHT. Mr. Speaker, these are troublesome times for many of our Nation's transportation modes. The questions of Federal regulation in these areas should command great attention in this Congress. The use or abuse of State regulatory powers in affecting or burdening the Federal transportation system, particularly in the air transportation field is an inescapable part of the problem.

Recently, in a thoughtful speech to the Association of Local Transport Airlines, the Honorable Richard J. O'Melia, a member of the Civil Aeronautics Board and now its Acting Chairman, called attention to the growing problem of State-Federal conflicts in the economic regulatory system because of dual regulation of air transport by the CAB and by State authorities.

Noting that the Federal Government has preempted the field of air safety, Mr. O'Melia has quite properly suggested that, if State regulation of air transportation continues to create unsatisfactory problems, then the final recourse may well be a similar exercise of Federal consitutional power to establish some consistency in the economic regulatory field.

Certainly, we cannot and should not stand idly by while our interstate air transport system is slowly but surely smothered on a piecemeal basis by inadequate or nonexistent local oversight and regulation. I submit Chairman O'Melia's speech for inclusion in the Record and suggest that it be carefully studied by all who share my concern with the preservation of a viable national air transportation system, which is so vital to the economy of the Nation as a whole.

Federal and State Regulation of Commercial Aviation

(By Hon. Richard J. O'Melia)

Mr. President, Friends, Ladies and Gentlemen: It gives me great pleasure to be here with you today, because I am with so many good friends and because of the unique service that you fulfill in our air transport system. As you recall, the Board initiated the local service experiment in 1944, and made it an integral part of our industry in 1955 when it permanently certificated the local air carriers. It now seems odd that at one time we considered your services to be an experiment. This summer I had the pleasure of seeing in the Silver Anniversary issue of the Local Air Transport Yearbook a brief article I contributed, highlighting the essential role of local service carriers. Being here today affords me the opportunity to reaffirm my view that our national air transport system must not be limited to serve only the large urban centers. It is the local service carriers that provide the essential link making our system truly national. I thank you for this opportunity.

In the few minutes I have with you today I want to touch upon a particular problem that very much concerns the Board and is clearly a source of irritation to direct air carriers and to the traveling public. It may perhaps represent as much or more of a problem to local service airlines as to any other category of commercial air carriers.

I am referring to the dual regulation of air transport, on the one hand by the CAB and on the other by state authorities. That it is a problem can hardly be questioned. This dual regimen creates too many perplexities, too many burdens, too many controversies, too many court challenges; we can not simply ignore it and hope that it will go away. We must face up to this problem and decide how to deal with it.

It is a problem that is growing in size, complexity and intensity. In the past ten years it has extended itself to more and more states. I have some figures that may not reflect the latest picture—since they are derived from a survey made a few years ago—which show that at least 29 of our fifty states now assert jurisdiction over commercial air transportation within their borders. I'm told that in some 18 states the State Aeronautics Commission or Department of Aeronautics regulates intrastate air transport, while in some 17 states the Public Utilities Commission claims jurisdiction. In fact, in at least six states both the State PUC and the state aeronautics agency assert joint jurisdiction to varying degrees over the same enterprises.

And then there is the CAB. It is charged by Congress with encouraging the development of an economically sound air transportation system tailored to meet the needs of our domestic and foreign commerce of the Postal Service, and of the National Defense. This difficult task should not be burdened with unnecessary limitations. It can be logically argued, as well as on the basis of judicial pronouncements, that just as the Federal Aviation Administration was envisaged as the single agency to guide and oversee safety measures and standards in air transport, so the CAB was created by Congress to vest in one body complete economic control of this large, diverse and multi-faceted industry.

However, the fact is that Congress did not do this. The Federal Aviation Act does not by its terms accord the Board as comprehensive an authority over economic air transport regulation as it grants to the FAA over safety matters. This means that the constitutional power of Congress to pre-empt this field—which is not questioned—has not been exercised. This has created a vacuum, a reluctance to occupy the field completely, that, to use the words so often quoted, has left a "residuum of power in the states to make laws governing matters of local concern".

And the state authorities have not limited themselves to regulating the intrastate carriers. As many of you have experienced, the state entities have reached out and have placed requirements on interstate carriers. The Board has not questioned the practice by some states of requiring a Board-certificated carrier to apply for and accept a State certificate for the carriage of intrastate traffic between points in that state named in the federal certificate. And further, the Board has recognized that a state may regulate the rates charged by an interstate carrier for the carriage of intrastate traffic. However, the increasingly active assertion of overlapping powers has created a situation of conflicting objectives and burdensome requirements.

I have been indicating one aspect of the problem—the conflict and confusion caused by dual or overlapping jurisdictions. Let me highlight another difficulty arising from this regime. Because of the CAB's limited jurisdiction, there exists within this broad and far-ranging industry an element which has to a great extent remained beyond the Board's reach—the intrastate carrier. To the extent that the intrastate carrier plays a purely local role in air transport, it can logically be said to remain validly a subject for state regulation. The truth of the matter, however, is that the intrastate carrier to a very substantial degree affects the interstate services of our Federally certificated carriers. It does this in a number of ways, such as through the common use of air transport facilities and by controlling feeding in and fanning out services. But, most importantly, it affects the interstate carrier by competing for the passenger whose origin and destination are in different states, and whose itinerary only incidentally goes between two points within a state.

Let me cite by illustration just one instance of how this competition for the interstate passenger—indeed we might say how this diversion of the interstate passenger—can take place. Wherever an airport destined for a point just across the state line the question of whether the passenger is intrastate or interstate will pose itself. Typical of this situation is Lake Tahoe whose airport serves a large number of California passengers heading for or coming from a vacation center just across the Nevada state line. An interstate carrier serving the Nevada resort through a Nevada airport might argue that its interstate traffic is bing divided.

From an operational point of view, perhaps the most troublesome aspect of the problem is that a number of states are authorizing large aircraft intrastate operations, usually at fare levels well below those found reasonable by the Board for similar interstate operations. These large aircraft intrastate operations—using aircraft types ranging from the 737 to the L–1011—compete head to head with certificated interstate carriers, and may be substantially impairing their economic posture. In some cases, as you all know, the intrastate carrier operates from a metropolitan area's municipal airport, rather than from the regional airport used by the certificated carrier. This is an additional lure to many passengers, which, when combined with lower fare, results in substantial diversion from the interstate airline.

Let me say a few words about two elements of intrastate operations that I have just mentioned—that is large aircraft operations and fares—from a slightly different prospective.

The issue of state versus federal regulation over the operation of large aircraft looms today in only three states—Texas, Florida and California. While there are other noncertified operations being conducted throughout the United States, the intrastate large aircraft operations which have an impact on certificated operations are concentrated in, and perhaps limited to, these three states. The frequency of services for these operations ranges from a low of one weekly roundtrip, as in the San Jose-Lake Tahoe operation by Holiday, to a high of 298 weekly frequencies in the Los Angeles-San Diego market by Pacific Southwest. The cities receiving such service vary in size from points with a population of 100,000 to the largest metropolitan centers of the three states. And the city-pair markets involved are all of the substantial size which the Board in the past has deemed to merit certificated service.

The primary reason for the emergence of large aircraft intrastate operations in these markets is that the certificated incumbent has left a substantial share of the market untapped for economic and operational reasons. In some cases this has been due to the fact that the intrastate market in question was an appendage to the interstate carrier's long-haul operations, which originated or terminated at far distant points. This left untended market opportunities offering substantial economic rewards to the intrastate carrier able and willing to offer lower fares. And there is no question that they can offer lower fares. The fact that the intrastate carrier does not need to arrange for connecting services, involving reservations and communications systems, is an element that contributes significantly to its cost advantage. And this is only one of many cost advantages that the intrastate carrier enjoys.

What I am saying is that the growth of large aircraft operations by intrastate operators in part results from the decisional actions of the certificated carriers in abandoning or limiting their services to those intrastate points. It is not surprising that in those instances, the intrastate carrier can succeed in running the certificated carrier out of the market.

This happening can recur in other areas of the country where certificated carriers may by operational decisions create lucrative opportunities for intrastate carriers. Such situations may well be created in Ohio, Pennsylvania, Missouri and New York. And there may be others.

I do not pretend to have dealt in these few words with all aspects of this large aircraft intrastate problem. This is a topic that merits exhaustive treatment. But I did want to emphasize the point that these intrastate operations have grown because a market existed that was not fully served by a federally certificated carrier.

Now let me turn to the other point. The intrastate/interstate question is also an important one in the rate field. Clearly the Board has jurisdiction, as prescribed in the Federal Aviation Act, over fares and rates in interstate domestic air transportation. The Supreme Court has ruled that it is the passenger's intended itinerary that determines the interstate versus intrastate nature of the movement. Thus, an intrastate carrier could be subject to federal jurisdiction if, as a common carrier, it carried such interstate passengers, even if its flights operated only within one state and merely connected with an interstate carrier.

A specific aspect of this area of the law of current interest at the Board concerns the issue of whether unjust discrimination or undue or unreasonable preference or prejudice, as prohibited by our statute, results from parallel but different tariffs applied by a certificated carrier to intrastate and interstate passengers in a given market. This issue can be seen in the matter of intrastate fares within Texas and California. A proceeding is now pending before the Board to determine whether it is lawful under the Act to apply different fare levels for travel between the same points within either state, with one fare applying to the interstate passenger and a different fare to the intrastate passenger. Mind you, these different fares would apply between the same points, on the same flights, and for the same services. Specifically, to give you an example, the intrastate passenger between San Francisco and Los Angeles would pay a lower fare than a stopover passenger moving between the same points as part of a journey which takes him outside the state.

This case, entitled *Interstate and Intrastate Fares in California and Texas Markets*, Docket 24779, has been heard and the Administrative Law Judge has issued his ruling. As you may know, the Judge concluded that discrimination does exist in circumstances in which interstate carriers are charging different fares between the same points depending on the interstate or intrastate nature of the passenger's itinerary, since there are no significant distinctions in the services received by the two different fare-paying passengers nor any demonstrated differences in the carrier costs of providing service to the two categories of passengers. Of course, the legal question is whether that discrimination constitutes an unjust discrimination under the Act.

However, the Judge also found that for the interstate carriers to participate at all in the carriage of intrastate traffic they must match the intrastate fares charged by the intrastate carriers and sanctioned by the California and Texas public utilities commissions. The law recognizes competitive necessity as a factor that may justify a fare differential. In other words, the Judge said that under the circumstances at issue, it is all right for the interstate carrier to charge a different level of fares to the intrastate passenger.

These conclusions of the Judge lead us to an important corollary issue. If interstate operators choose to meet lower competitive fares in order to preserve their participation in an intrastate market, must they also carry interstate traffic between the same points at the lower fare which prevails for intrastate passengers? The Judge in this case concluded that they did *not* in a rationale that sought to balance the consequences of the two possible conclusions. Now, how do you feel about that?

This case, which is not yet decided by the Board, illustrates the type of case and the difficulties that can arise from intrastate versus interstate operations. This is one of the very few occasions the Board has been called upon to decide on the intrastate-interstate fare question, but the existence of two overlapping regulatory systems could reasonably be expected to result in other similar issues requiring judicial resolutions.

I have touched upon two types of problems created by the presence of state and federal regulation merely to illustrate the nature of the conflicts that can arise. The question is, "What can and should the Board and the regulatory state bodies do to ensure that this duel system will not substantially impair our national air transport system?"

In meeting this problem we are not without guidelines as to the basic principles to be applied. From a Constitutional point of view, it has long been well established that the power of Congress to regulate interstate commerce extends to local activities which are related to, and have an effect on, interstate commerce. Congress *could* subject transportation of purely intrastate traffic by intrastate carriers to federal economic regulation to the extent necessary for effective regulation of interstate carriage. It could then substantially pre-empt the field of economic regulation of air transport just as it has done in vesting the Federal Aviation Administration with broad power to extend federal safety regulatory jurisdiction to intrastate activities. Congress may at some point choose to do so.

In the light of its *present* statutory provisions, the Board has been zealous to give effect to the provisions of policies of the Act to the fullest extent possible, but has also scrupulously respected the limits of its jurisdiction. It has previously held that the economic impact of wholly intrastate operations of an intrastate carrier on interstate carriers affords no basis for its assertion of jurisdiction over the intrastate carriers. This position has been affirmed by the courts.

In concluding, let me make a few general observations. There will undoubtedly be occasions when an interestate carrier's operations will present particular specialized problems for a given state. In those circumstances it would appear far preferable for the matter to be presented to the Board for adjudication, rather than for a constitutional confrontation to be brought on by the state's exercise of questionable power. On the other hand, the impact of intrastate operations on certificated carriers may well make the intrastate carrier's regulation by the Board desirable in order to achieve the basic goals of the Federal Aviation Act. The Board, however, should not permit this to lure it into an untenable assertion of jurisdiction.

In my opinion, the answer lies not in a strained construction by the Board of the statutory power already conferred, followed by litigation to test such interpretation. I would expect that the states also would follow a policy of restraint and accommodation in the best interest of both local and national aviation objectives. Should these reciprocal efforts fail to achieve regulatory harmony and fail to establish the best possible regulatory environment for our air transport system, it may be necessary to appeal to the lawmaker to amend the law.

I am pleased to know that your organization, in recognition of the harmful effects that can be and are being caused by this problem has established a committee on intrastate regulation. This committee, under the chairmanship of Mr. Emeory Ellis (who is incidentally a CAB alumnus) has been entrusted the task of considering the questions arising from state and federal jurisdiction over air transport and of submitting to your assembly a report and recommendations it may consider desirable.

We all understand the constraints that are incumbent upon both the Board and the industry with respect to matters pending before the Board. We must be vigilant to avoid any expressions that could be interpreted to be of an *ex parte* nature. However, the subject of my remarks is a broad one having to do with the Board's basic authority. Your views and recommendations on the statutory or regulatory measures that might be taken to ameliorate the situation created by the presently existing conflicts would, I believe, be appropriate, timely and helpful.

I feel certain that the mutual efforts of state and federal authorities, with the assistance and cooperation of industry associations, such as ALTA, will enable us to find the proper balance between state and federal jurisdiction in the best interest of a sound and effective air transport industry.

Thank you.

SPEECH BY FORMER SPEAKER JOHN W. McCORMACK ON THE BICENTENNIAL OF THE AMERICAN REVOLUTION

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. ANDREWS of North Carolina. Mr. Speaker, one purpose of our Bicentennial celebration is to communicate basic ideas of the American Revolution, and the Honorable John W. McCormack, former Speaker of the House of Representatives, has defined these ideas in a simple, yet important, speech.

Speaker McCormack's comments are especially significant because he was Speaker on July 4, 1966, when Public Law 89–491 was enacted creating the American Revolution Bicentennial Commission. The key language that "special emphasis shall be given to the ideas of the Revolution" was repeated in Public Law 93–179, when the American Revolution Bicentennial Administration was established by law on December 11, 1973.

Speaker McCormack's statement can be the basis for communicating values and basic ideas in seminars, forums and discussions, and it can serve as the catalyst to infuse the "Spirit of '76" into the commemorative events associated with the Bicentennial.

Recently I received a condensation of this speech from Maj. Gen. Thomas J. Donnelly, retired, a consultant to the North Carolina Veterans Council and a resident of Raleigh, N.C. General Donnelly, retired adjutant general of Massachusetts, is a close friend of former Speaker McCormack. I might add that General Donnelly and Gen. John Tolson, secretary of the North Carolina Department of Military and Veterans Affairs, share a keen interest in our American heritage and are taking active roles in North Carolina's Bicentennial efforts.

Under leave to revise and extend my remarks in the Record, I am pleased at this point to insert the speech by our distinguished former colleague, Speaker McCormack:

Condensation of a Speech by the Honorable John McCormack

There are two four letter words I bring to your attention. One is Love—the other is Hate. They spell out basic differences between our American way of life and Totalitarianism. Love decress that we should be governed by law—Hate provides only that we shall be governed by the arbitrary rule of but a few men. We are a government of laws and not men. We are a nation dedicated to the belief in the Fatherhood of God and the practical achievement of an American Brotherhood of man that can serve as an example to other nations. We have gone a long way in achieving that goal but we still have a long road to travel. I know of no better time to re-dedicate ourselves to the great ideals of our forefathers than the present.

It was my proud privilege to be Speaker of the U.S. House of Representatives when Public Law 89–493 was enacted into law on July 4, 1966. That law established the American Revolution Bicentennial Commission. The language in that law is clear. It says among other things that we shall give special emphasis to the ideas associated with the Revolution. The time had arrived when all of us must re-discover those ideas or more to the point—the American philosophy. This philosophy is incorporated in the Declaration of Independence and the U.S. Constitution. That philosophy has five permanent principles that should be our beacon lights in achieving the American brotherhood we spoke about. In brief, those principles are: 1. The natural law of God. 2. The natural rights of the individual. 3. The sovereign power of the people. 4. The constitutional distribution and balancing of powers. 5. The achievement of idealistic goals.

Now let us examine each of these to show how the supreme motive of Love is expressed by this American philosophy. The first principle answers the question, "What is man?". It tells us that each individual is on an eternal journey guided by a metaphysical reality that is higher than the mere laws of men. It is the source of our second principle—the natural rights. The second principle is the center of all American law. It informs us that each individual is born with certain rights that Jefferson said were "unalienable". And of course all rights have co-equal responsibilities. The object of these natural rights is that each of us must be given the opportunity to grow—to fulfill—to achieve. Contrast this central American idea with the Totalitarian concept that each individual is just a cog in the machinery of an autocratic state.

The third principle tells us that only the people shall rule. Lincoln said it was government of the people, by the people, for the people. Jefferson said it was government by consent of the governed. Again, contrast this with the Totalitarian idea that all government should be possessed by only a few men at the top. And they can be as arbitrary as they please. There is no check to their power. This brings us directly to the fourth principle—the constitutional distribution and balancing of powers. Many call it a system of checks and balances. The great thought behind our U.S. Constitution is that powers must be restrained from any forms of abuse. That is why we separate, limit and balance powers. We can understand our Constitution by looking at it from a standpoint of Powers and Rights. We have mentioned how we restrain powers by pitting one power against the other. We seek a reasonable balance between these powers. Now we talk about our Rights.

The Bill of Rights spells out just what rights cannot be invaded by any arbitrary acts of government. The first eight are extensions into law of the doctrine of natural rights—the last two of the original Bill of Rights refers to powers of the states. All Americans should be familiar with the Bill of Rights. The final principle is the achievement of idealistic goals. The Preamble to the Constitution sets forth these goals. It tells all generations of Americans that we have a national commitment to establish justice and to secure the blessings of liberty to all. Further, it informs us that the way to achieve these idealistic goals is not by force, but by means that are domestically tranquil. And it clearly says that in order to preserve this way of life we must at all times be prepared to defend ourselves. We would prefer it otherwise, but the world is not yet under a rule of law.

We hear much today of Liberalism and Conservatism. We always had Liberals—we have always had Conservatives. John Adams was a Conservative. Thomas Jefferson was a Liberal. Yet on basic principles these men could agree. It is time during this forthcoming celebration of the American Revolution that all of us should follow their example and come to a common understanding of those permanent principles that constitute so much of our American heritage.

CHILE—THE ESTABLISHMENT OF FACISM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. BROWN of California. Mr. Speaker, I realize the necessity of finding rapid solutions to the present economic crisis which threatens our country, but I cannot let this august body forget the present flagrant lack of human rights that persist in enveloping the entire lifestyle of the Chilean people. While we must concern ourselves with our own grave problems here in the United States, it is still within our abilities to express our abhorrence of such inhumane treatment.

The following article by Everett G. Martin—who specializes in Latin American affairs—was published in the Wall Street Journal on January 9, 1975. It is very thorough in its portrayal of the current situation in Chile:

Nights in the Palace of Laughter

(By Everett G. Martin)

Santiago, Chile.—To many Chileans, particularly the members of the military junta headed by army Gen. Augusto Pinochet, it all seems like a conspiracy. They dismiss the rising flood of criticism of violations of human rights in Chile as part of a Soviet propaganda assault designed to save face in the wake of the overthrow of Marxist President Salvador Allende 15 months ago.

No doubt their contention is somewhat justified. Events in Chile have been subjected to more sustained attacks, ridiculous exaggerations and misinformation from abroad than nearly any other recent happening.

Still it would be unfortunate if the junta persists in regarding all its critics as servants or dupes of the Soviets. Although the situation of political prisoners has improved measurably since the first hysterical weeks after the coup, incidents of police brutality and torture still continue. Indeed, a significant minority of the junta's own supporters are beginning to worry that such repressive acts are becoming an integral part of the new government's system.

Other countries, including some of Chile's severest critics, may have worse human rights records over the longterm, but Chile has prided itself on being something better than those countries. Before its social structure was torn apart by its fatal experiment at mixing Marxism with pluralistic democracy, Chile was the outstanding example in Latin America of a country striving to live by legal principles that recognize individual rights.

This is why so many outsiders who are sympathetic to the nation's present state of trauma feel they must remind the Chilean government of its own heritage.

Concern focuses on the activities of a pervasive six-month-old intelligence organization called DINA, which stands for *Direccion de Inteligencia Nacional.*

DINA grew out of the need to coordinate the counter-intelligence activities of the three armed forces and the *carabineros* (national police) in order to pinpoint and root out any potential terrorists. Said to be commanded by a tough, calculating colonel of army engineers, Juan Manuel Contreras, it has become a secret police froce with the kind of agents who wear sunglasses at midnight. They can apparently defy even high government officials in their relentless pursuit of suspects.

Operating almost invariably at night, they pick up persons they suspect and take them off blindfolded to secret interrogation centers. It seems most of their victims are cleared and released unharmed physically after a few days. But many of these people are severely shaken mentally from the ordeal of being questioned by unseen men who shout and call them all kinds of obscenities, often while they hold a pistol to their heads and threaten to kill them.

INTERROGATING THE MIDDLE CLASS

In recent months the numbers of persons of the middle class subjected to this treatment seems to have increased sharply as DINA investigates families and friends of Marxist extremists who tend to be youthful intellectuals.

An 84-year-old grandmother, for example, who is something of a doyenne in her set, went through an all-night session before influential friends got her freed. A prominent architect and his wife were held for five days until the wife could convince agents that her name was in an extremist's address book because she'd dated him as a teenager.

Such victims get no chance to present evidence of their innocence. They must depend on whether their interrogators choose to believe them.

These interrogation tactics took a particularly ludicrous turn in northern Chile where it was suspected that terrorists had infiltrated from Argentina. A small copper mine is in the area, and normal procedure would be for the authorities to alert the miners to watch for the infiltrators. Instead, the entire staff of the mine—40 workers and four managers—were arrested for four days of threats and frightening interrogation as if they were the terrorists.

Most prisoners suffer mental torture, but many are brutalized physically as well.

Take the case of Rodrigo, 28, (not his real name) and his 24-year-old brother. Their father had been a longtime friend and supporter of Dr. Allende, but both sons voted against the Allende government. Rodrigo actually spent most of the Marxist years studying business administration in the U.S. and only returned to Chile to await his U.S. immigration visa.

DINA has never questioned the father, but one night in September both sons were thrown into the back of a pick-up truck and taken blindfolded to a secret interrogation center in Santiago. Among inmates it's known as the Palace of Laughter.

The DINA men were fanatic about concealing their own identity. One of them threatened that "I'll blow your head off if you see my face."

That night the brothers tried to sleep on the concrete floor with six other prisoners, but the guard kept kicking them to keep them awake. They got no breakfast, and as they sat waiting to be questioned a man came in and began cursing and shouting at them while he walked around slapping them for emphasis.

Rodrigo recalls that the man said, "This is a dictatorship! There are no human rights! Get this through your heads! We are establishing fascism . . . it's only us and Pinochet!"

(Asked about this, a government spokesman said that the man wasn't stating junta policy. He explained that DINA uses what it calls the *ratonera* or mousetrap technique to make prisoners feel trapped and helpless.)

The brothers were then taken to separate rooms for questioning.

In Rodrigo's case, a man started immediately to beat him all over, demanding to know where he had hidden arms. He alternated with another interrogator who argued in a friendly, persuasive tone for a confession. "I kept saying I didn't have anything to confess," says Rodrigo.

The session lasted almost an hour. Afterward he learned that his brother had been stripped naked and given electrical shocks from a hand-crank generator. The faster they cranked the worse the shocks. They started with wires attached to his hands and feet and finally to his testicles. "My brother said he became numb to the pain after the first few shocks, but he kept screaming in agony so they wouldn't do anything worse."

The next day it began again. This time Rodrigo made them understand he'd spent most of the Allende years in the U.S. "At first they tried to accuse me of running a cocaine smuggling ring here," he recalls, "but finally I heard one of them say, 'He can't be a Marxist, they only have two political parties in America.' "

They forced him to sign three documents blindfolded. Later that night after signing another statement that he'd been well treated, he was transferred to a new prison where the blindfold came off. His brother underwent a third day of torture before he was transferred.

Rodrigo was placed with seven other prisoners, several of whom had been tortured. The worst, he says, was a 55-year-old man whose legs had been torn open by the shocks and a muscle put out of place on his back from the shock-induced spasms.

At the end of the sixth day, the brothers were released. Rodrigo recovered quickly, but his brother suffered crying fits for weeks. "I can't believe my country would do this to us," Rodrigo says.

A foreign ministry spokesman, objecting to torture stories that are all too easy to come by in Chile today, complains, "The international press creates the impression that this is a way of life in Chile. These are isolated cases of miscarriage of orders. The government repudiates those actions and punishes the violators."

THE OAS REPORT

A five-nation investigating team of the Organization of American States has just released a report which states that some police officials have indeed been indicted for torture. The junta also says that victims can bring charges against their torturers. Such assurances seem meaningless, however, since DINA agents are so careful to keep anyone from seeing their faces and victims must sign statements that they weren't mistreated. An honest investigation of its own jails by the junta could end torture quickly if its intentions were genuine.

The bulk of the OAS report charges Chile with "extremely serious violations of human rights" including "every kind of sexual agression" against women and men. It estimated there are 5,500 political prisoners, but that doesn't account for all those temporarily in DINA's hands.

Unlike sprawling Brazil where most people don't seem to know about police brutality, Chile is a tight society of 10.6 million people, each one with a vast network of friends. More and more individuals are hearing first hand of torture stories from a trusted friend and coming to believe them.

Their minds, however, are somewhat conditioned to accept brutality because civilian police have traditionally used rough measures against common criminals. Thus a business executive comments, "I don't like what's going on. It must be changed, but what else can they do now. Those people won't talk unless they are forced to, and the police must get the information they have."

People like him also point to DINA's remarkable success so far in thwarting potential terrorists. Some 130 tons of armaments have been uncovered, most allegedly smuggled from Cuba to equip President Allende's clandestine army. Recently, a major hideout of the extremist Movement of the Revolutionary Left (MIR) was discovered in Santiago, and the leader was killed in a shootout. Officials believe this broke the organization's back. Nearly a hundred MIR members are said to have taken asylum in the Italian embassy.

It could be argued that such success might allow DINA to soften its tactics from now on, but officials note that the Communist Party cell structure has scarcely been touched yet. "Few people realize just how frightened the government is of terrorism," a sympathizer says, "Officials and their families are living in constant danger."

FEAR OF PERU

The military also fears that a guerrilla outbreak might be coordinated with an attack by the Peruvian army, which has just purchased more than 100 tanks from the Soviets. For nearly a century, the Peruvians have smarted over losing the copper-rich Atacama Desert to the Chileans in the War of the Pacific. With Chile's war material antiquated, the economy weak and the armed forces occupied with running the country, the time seems ripe for revenge.

Nonetheless, a group of Chilean lawyers are pressing for a revival of legal safeguards for persons arrested. For their trouble, they, too, are regarded as enemies of the state. General Pinochet gives little indication that he even understands what a legal system is about. He said recently, "They ask that one apply legality to totally illegal acts that delinquents commit. The government will apply to them only military legality."

The lawyers seeking improvement in the situation believe that it could come about if the junta sees that its repressive image is frightening off foreign investors. They would also like to see the U.S. State Department apply discreet pressure on the junta; but unfortunately, Secretary of State Henry A. Kissinger has rebuked Ambassador David H. Popper for bringing up human rights with the junta.

Meanwhile, a foreign ministry official, who concedes that DINA's methods are "a little crude," says confidently, "When there are no more terrorists, there will be no more DINA." He overlooks the fact that DINA is a bureaucracy and bureaucracies have a way of turning themselves into institutions that can't easily be dislodged.

HOUSE CONCURRENT RESOLUTION 507

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. WOLFF. Mr. Speaker, I rise to advise you of my intention to demand of the President that the provisions of House Concurrent Resolution 507, requiring the President to "assure that adequate control measures have been developed to safeguard the United States from a renewed flow of illicit opium and its derivatives originating in Turkey" be invoked in the wake of the administration's request for $229.9 million in arms sales to Turkey.

I have today written to the White House a letter, which I shall submit for the RECORD, informing the President of my intent, and reminding him of the provisions of House Concurrent Resolution 507.

Mr. Speaker, while I announced last week that I would press for a meeting with President Ford and Secretary of State Kissinger to discuss our Nation's joint overseas drug efforts, the requested aid for Turkey makes such a meeting, and the need for intergovernmental cooperation, all the more imperative.

The Turkish Government's recently announced control plans are hardly acceptable, because they have granted licenses to 120,000 opium poppy farmers, and provided only 200 inspectors to check the farms.

Mr. Speaker, as a result of the seeming impossibility of the Turks' adequately policing the heroin poppy production, the

United States is once again forced to brace itself for an inundation of heroin on our shores, and I must strongly, although reluctantly, insist that the provisions of House Concurrent Resolution 507 be invoked before we consider, much less approve, the massive sum of $229.9 million in arms sales to Turkey.

Finally, I would remind the House that the previous Turkish agreement to stop heroin poppy production, in return for American aid, cut heroin addiction in our Nation in half.

Text of the letter follows:

JANUARY 23, 1975.

Hon. GERALD R. FORD,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing with regard to the proposed arms sale to Turkey of tank modernization equipment totalling $229,911,933.

Under House Concurrent Resolution 507, adopted by the 93rd Congress, the President is directed to "assure that adequate control measures have been developed and implemented which would effectively safeguard the United States from a renewed flow of illicit opium and its derivatives originating in Turkey." H. Con. Res. 507 further provides that if the President is unable to make these assurances, all assistance to the Government of Turkey shall be suspended.

As Chairman of the House Foreign Affairs Special Subcommittee on International Narcotics Control, I have been advised that 120,000 farms in Turkey have been authorized to grow poppy, yet only 200 inspectors have been assigned to monitor the poppy production. Congress has not yet received the assurances required by our resolution to insure against an influx of Turkish grown opium to American shores.

In view of the proposed $229.9 million arms sale to Turkey—which, as you know, Congress has authority to prohibit—I believe it is incumbent that the Congress receive, at the earliest opportunity, a full and official report assessing the adequacy of the steps which Turkey has taken to control opium production. It is imperative that a full report to the Congress precede any authorization by Congress of assistance to Turkey, in particular, the substantial proposal of $229.9 million.

I await your report on this most pressing concern and look forward to an early reply.

With kindest regards, I am
Sincerely,

LESTER L. WOLFF,
Member of Congress.

FEDERAL EMPLOYEES LABOR RELATIONS ACT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. FORD of Michigan. Mr. Speaker, I have introduced the Federal Employees Labor Relations Act of 1975, legislation which I first introduced in 1973.

Last year, the Subcommittee on Manpower and Civil Service, on which I serve, conducted several days of hearings on this and other legislation designed to establish a mechanism for regulating labor management relations for Federal employees. It is my hope that the subcommittee will make this issue its first order of business in the 94th Congress, and it is my hope that we will be able to report a bill that will protect the rights of Federal employees as fully as possible.

The Federal Employees Labor Relations Act is intended to bring about this protection. It would do this by providing full collective bargaining rights for Federal employees and enable them to join the great majority of American workers in the enjoyment of well-earned rights and benefits. The bill would establish a five-member Federal Employee Labor Relations Board, similar to the National Labor Relations Board, which would have full authority to interpret, apply and enforce the provisions of the statute.

It provides that each department, agency, bureau, or other unit would be obligated to negotiate with the employees' duly elected union representative over such matters as pay, classification, fringe benefits, and other "conditions of employment." In addition, unions would be empowered to negotiate agency shop provisions and to seek binding arbitration in such matters as grievances, disciplinary proceedings, and equal employment opportunity complaints.

Mr. Speaker, this legislation would also grant Federal employees the right to strike under certain conditions. When a negotiation impasse is reached, the bill provides for the appointment of a mediator. If the mediator fails to resolve the dispute, the parties would select a factfinder with power to make findings of fact and to recommend terms of settlement. Before the factfinder's report is issued, the union would decide whether the recommendations of the factfinder are to be binding or only advisory. If they are to be binding, the union would be prohibited from engaging in a strike. If only advisory, the union could strike. However, Federal district courts would be authorized to issue a restraining order or temporary or permanent injunction when the commencement or continuance of a strike poses a clear and present danger to the public health or safety which in light of all relevant circumstances it is in the best public interest to prevent.

Under the provisions of this legislation, exclusive representation would be recognized after the demonstration of majority support for a union through appropriate evidence, whether an election or a showing of membership cards. Separate bargaining units would be authorized for professionals and nonprofessionals, unless a majority of each desired a single unit.

Mr. Speaker, quite simply, this legislation provides, for Federal employees, the same rights and benefits which have existed for employees in the private sector for nearly four decades. This proposed legislation has the unqualified support of the National Treasury Employees Union and the Coalition of American Public Employees, which is composed of the NTEU, the American Federation of State, County, and Municipal Employees and the National Education Association.

In introducing this bill, I would like to make it clear that my intention is to devise a basic framework to provide Federal employees with equitable collective bargaining rights, and I urge all my colleagues to join me by supporting this effort.

THE UNITED NATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. CRANE. Mr. Speaker, when the United Nations was formally initiated in 1945, many Americans held out great hope that this organization would help to usher an era of peace, brotherhood, and tranquillity into the affairs of men and nations.

Unfortunately, as many critics of the U.N. pointed out from the very beginning, this could hardly be the case when the very nations which most threatened the peace and tranquillity of the world were to become leading members. The lessons which the world should have learned from the experience it had with the ill-fated League of Nations were ignored, as so many historical lessons have been ignored at such great cost to mankind. Utopian dreams of a peaceful future world offered more hope to a war-weary world than did the hard realism of those who understood all too well the pitfalls into which such a world organization would inevitably fall.

The United States was so determined to create a United Nations that it gave in almost immediately to the demands of the Soviet Union which made it clear that such an organization would inevitably fail.

Gov. James H. Byrnes, who later served as Secretary of State under President Truman, accompanied President Roosevelt to the Yalta Conference where the matter of the U.N.'s creation was discussed. He found that Mr. Roosevelt "was more interested in the establishment of the United Nations than in any other item on the agenda." Soviet leader Josef Stalin wanted full membership status for the Ukraine and Byelorussia. Both are Republics of the Soviet Union, meaning that Stalin was clearly asking for three votes for the Soviet Union in the General Assembly of the planned world organization. Governor Byrnes believed strongly that it was a mistake to give in to the Soviets on this demand. However, according to Byrnes, Mr. Roosevelt told him that his objection to the Soviet demand "might endanger the adoption of the resolution—concerning the organization of the United Nations—by the Soviets."

Thus, the Soviet Union received three votes to one for every other member state, including the United States. From the very beginning the United Nations was flawed by the unreasonable demands of totalitarians and the acquiescence in those demands by the U.S. Government and by the free world.

Within the past several years the fact that the United Nations is not a force for peace but, instead, for international discord and turmoil, has become clear, even to many of its longtime friends, to men and women who overlooked so much in the past but cannot, in good faith, overlook the overwhelming negative reality of today.

Consider several of the steps the United Nations has taken, in violation of its own charter and in opposition to the best interests of world peace.

According to article 4 of the Charter of the United Nations—

> Membership in the U.N. is open to all peace-loving states which accept the obligations contained in the present Charter. . . .

By stretching this definition to include Communist China, the U.N. has shown that its own charter is now irrelevant to its real operating procedures. It has now embraced the philosophy of "universality" rather than "peace-loving," yet universality does not cover Taiwan, which has been expelled, Rhodesia, against whom an embargo has been declared, or South Africa, which has been suspended.

Once seated in the United Nations, the Communist Chinese rapidly revealed their complete disregard for the so-called international civil service status of U.N. employees of Chinese nationality. Of the approximately 160 Chinese working for the U.N. Secretariat in early 1972, about 85 percent held passports from the Republic of China on Taiwan.

To set an example, the Communist Chinese warned the Chinese translators on the U.N. staff "to straighten up and fly left," as the New York Daily News put it, and "to improve their political accents." To prove their loyalty to Communist China, they were instructed to study such publications as the Peking Review and the Communist Chinese People's Daily. The obvious choice for the Chinese U.N. staff members was to bow down to such political coercion or face unemployment. In addition, at the demand of the Chinese Communists, press representatives from the Republic of China have been stripped of their U.N. credentials. The rest of the world has silently acquiesced in such actions.

The United Nations' record has been a negative one. Whatever peace the world has had since 1945 has been in spite of the United Nations, not as a result of its activities.

During the first 25 years of the U.N.'s existence, 75 armed conflicts were fought between nations. Additional conflicts have been added to this record during the 1970's. Aggression in Korea was stopped under U.N. auspices, but it was actually the achievement of American arms with minimal support from other U.N. members. It was, in addition, a war in which the aggressor was temporarily stopped, but not finally defeated. Discussing this circumstance, Gen. Mark Clark, U.N. Supreme Commander in Korea, recalled that:

> In carrying out the instructions of my government I gained the unenviable distinction of being the first United States army commander in history to sign an armistice without a victory.

As one consequence, the United States today still maintains substantial Army contingents along the Korean armistice line to discourage Communist aggression.

When the people of Hungary rose up against Soviet oppression in 1956, the United Nations did nothing. When the Communists built the Berlin wall in violation of international law, the United Nations Charter, the U.N. did nothing. When the people of Czechoslovakia rose up against their Communist government, the U.N. remained silent.

The United Nations, in June 1963, accepted the credentials of the Soviet-imposed Hungarian Government. Discussing this action, the Assembly of Captive European Nations declared that:

> The approval of the credentials of the Kadar regime by the United Nations Credentials Committee will come as a great shock to the people of Hungary and other captive nations. The absence of any attempt to challenge the legitimacy of the representatives appointed by a regime the UN has branded as one established by Soviet military intervention will, we feel, be viewed as proof that to all practical purposes the question of Hungary has been dropped, as proof that sheer expediency and not principle determines the policies.

The hypocrisy of the United Nations was discussed in these terms by John C. Wetzel in his study, "The United Nations: Myth Versus Reality":

> The sheer hypocrisy and inconsistency of UN policies has by no means been limited to communist aggression. In December, 1961, India, whose late leader Nehru had always been an ardent advocate of the United Nations, invaded the small Portuguese enclaves of Goa, Damao and Diu. Using superior force, at the ratio of ten to one in favor of the aggressors, the Indians struck viciously against the small territories which had been under Portuguese rule for more than 450 years. Preaching non-violence, neutrality and nonaggression to the rest of the world, the Indians—in complete violation of the UN Charter—resorted to military force to advance their imperialist designs. What happened in the halls of the United Nations? . . . The Security Council's resolution calling for a cease-fire and condemning the Indian aggression was vetoed by the Soviet Union, which later received Nehru's thanks . . . Whatever else the UN was supposed to accomplish its advocates always defended it on the grounds that at least it served as a sort of world conscience, a place where civilized mankind could condemn and act against the barbarians amongst us. . . . Americans will have to get used to the fact that UN is *not* the answer to the world's problems and crises.

It is interesting to note that in December 1963, 2 years after the Indian invasion of Goa, a delegation of Goans, chosen by representatives of Goan communities all over the world, came to the U.N. with a plea for self-determination for their more than 700,000 fellow Goans. The U.N. refused to hear the Goan plea. How different was the U.N. reaction in 1974 to the plea of the Palestine Liberation Organization. But the Goans had murdered no one, had hijacked no airplanes, and threatened the destruction of no sovereign state. Their only sin was that the country which had invaded their territory was India, rather than a nation in less favor with the current U.N. majority.

When former supporters of the U.N. are forced to admit that they have been wrong, it becomes clear that the excesses of the current majority must no longer be supported by the United States.

The case of Prof. John Roche of Brandeis University, formerly chairman of the Americans for Democratic Action, is one example. Speaking to his fellow liberals in an article in New America of November 30, 1974, Professor Roche writes that:

> One of the reasons so few top government officials are ever fired is that the act of dismissal constitutes an admission of incompetent judgment by the President. In other words, he has a vested interest in his mistakes. So do we all—as evidenced by the liberal community's refusal to face up to the baleful reality of the United Nations.

Dr. Roche notes that:

> Gradually over the past decade I have been getting more and more infuriated, and Algerian Foreign Minister Bouteflike lit the fuse with his inaugural speech as President of the current U.N. General Assembly. In the name of the progressive third world he declared war on the United States, the Western Alliance, Israel, and wicked imperialists everywhere. Then the Palestinian guerrillas were accorded "observer status" at the U.N. (next to Mafia) . . . The ousting of Taiwan was outrageous. . . . I favored the admission of Peking, but saw absolutely no justification for expelling a real country. South Africa is a real country dominated by a regime I despise. But the last time I did a count I discovered sadly that about 80 per cent of the member nations of the U.N. are run by regimes I despise—the democratic countries could caucus in my living room.

John Roche wrote:

> To put it bluntly, the United Nations has been taken over by a coalition of anti-democratic nations . . . The last time I looked, the United States was putting in about a quarter of the money, to say nothing of the choice of location and other perks. Now I don't like anti-democratic organizations, but I am prepared to accept their existence—so long as I don't pay for their fun and games.

So outrageous has been the highhandedness of current majorities in the United Nations that such longtime friends of the world body as the New York Times are urging a reconsideration of our relationship to it. The Times commented, for example, that—

> The suspension of South Africa from the current U.N. General Assembly is illegal and dangerous. It is a disastrous precedent for an organization that cannot be effective unless its membership is universal. It is a grim irony that virtually the same Assembly majority that suspended a founding member of the U.N. one day could on the next enthusiastically welcome the leader of a terrorist organization whose goal is destruction of another member state.

When the United Nations Educational, Scientific and Cultural Organization—UNESCO—barred Israel from its European region and failed to place it in membership in any other region, it once again violated its own charter.

Stephen Hess, a senior fellow at the Brookings Institution and formerly a member of the U.S. delegation to UNESCO, declared that—

> The withdrawal of all UNESCO funds to Israel . . . and denying Israel a place in the organization's regional structure are entirely alien to the purpose of the Organization.

A letter to the U.S. delegation from longtime UNESCO supporters Leo Rudloff and Mrs. Reinhold Niebuhr declared that:

> It is tragic that at this moment in history that UNESCO should become an organ of propaganda.

Intellectuals and scholars from throughout the world, men and women such as Jean Paul Sartre, Simone de Beauvoir, Francoise Giroud, Issac Stern, and Leonard Bernstein have signed a letter stating that they will no longer participate in UNESCO activities.

The UNESCO action has already produced one sign of financial crumbling for the United Nations. Switzerland, incensed over the U.N.'s action, is now considering a 10 percent reduction in her contribution to the organization.

The current U.N. majority is intent upon imposing its will on the world body—a body most of whose bills are paid by the United States. The President of the General Assembly, Abdelaziz Bouteflika of Algeria, for example, invoked his Afro-Asian majority to sharply limit the voice of Israel during the assembly debate on Palestine. He used his presidential powers to order a chief-of-state welcome for PLO chief Yasir Arafat in the Assembly and also made the extraordinary ruling that South Africa could no longer participate in the work of the current session. Many diplomats viewed that action as the first step toward the total exclusion of Israel as well. One U.N. official lamented that, "We are in the hands of the revolution." An American diplomat commented that the current majority had "driven another nail" into the coffin of the U.N.

The U.N. has refused to condemn violence and terrorism but has, quite to the contrary, encouraged it—and only on the part of the Palestinians but also on the part of a variety of radical guerrilla organizations in Africa and elsewhere.

The casualty tolls in acts of political terrorism in the 6 years ending December 31, 1973, was 268 dead and 576 wounded. Two U.S. Ambassadors, Cleo A. Noel, and his chief deputy, S. Curtis Morris, as well as a Belgian chargé d'affaires, Guy Eid, were killed. The eight members of the Black September Movement responsible for the assassinations were arrested in the Sudan. They were brought to court and convicted, then sent to Cairo to be turned over to the PLO. They have now been released.

The United Nations has refused to take any action against terrorism. As long ago as the opening of the 1972 session of the General Assembly, the United States requested such action. The U.N. finally established an ad hoc committee of 35 appointed by the Secretary General to arrive at a definition of terrorism. It met on July 16, 1973, and came to no conclusion.

The reason that the U.N. does not condemn terrorism is that the majority of its current membership supports such violent activity. The U.N. has refused to condemn slave labor camps in the Soviet Union, mass murders in Communist China, a denial of religious and political freedom throughout Eastern Europe, terror in Uganda and Tanzania. It has, however, been frequent and vehement in its condemnation of several "easy targets," South Africa, Portugal, and Israel.

In the important book, "United Nations Journal: A Delegate's Odyssey," William F. Buckley, Jr., discusses his experiences as a member of the U.S. delegation to the General Assembly and as U.S. Representative on the Human Rights Committee.

While all members of the U.N. gave lip service to such human rights as the freedom of speech, press, religion, assembly, and travel, the fact is, Buckley points out, that—

> Of the 135 members of the United Nations, 20 are governed by parliamentary representation.

The Soviet Union, for example, ratified the Declaration of Human Rights Convention. Yet, Buckley writes:

> Within four months Soviet State police (a) having publicly reviled Solzhenitsyn, (b) denied him a legal residence in Moscow, (c) censored his work and denied him royalties, (d) forced their way into his apartment, (e) dragged him away without serving him with a warrant, (f) stripped him of his clothing and possessions, (g) charged him with a crime, (h) divested him of citizenship, (i) put him in an airplane, and (j) dumped him, an exile, in West Germany. In doing so, the Soviet Union violated at least 15 articles of the Declaration.

Yet the United Nations, Buckley found, would consider only the infractions of Israel, South Africa, and the Western nations. It was totally uninterested in any violation of human rights considered by Communist states or by nations in the Third World—clearly the ones in most serious violation.

Buckley writes:

> One learns almost instantly at the United Nations that the convention is very simply to ignore Soviet infractions against the stated ideals of the organization. . . . This becomes something in which everyone is automatically trained; even as, say, altogether spontaneous conversations deploring drunkenness will take place in households in which a principal is an alcoholic; after a while nobody notices.

Secretary General Waldheim of the United Nations said recently that:

> We must not lose sight of the ideal.

Former delegate William Buckley responds that:

> What he does not realize is that they have abandoned their own ideal. . . . How an organization which cannot muster the courage to pronounce the word "Soviet Union" in a discussion of human rights, could enforce human rights . . . is the kind of thing that produces the distinctive mistiness of U.N. rhetoric.

Another longtime supporter of the United Nations, and one who has served as U.S. delegate to the General Assembly, who has become disillusioned with the world organization is Colgate W. Darden, Jr., formerly Governor of Virginia and president of the University of Virginia.

At a speech delivered at the Virginia Military Institute, he stated that—

> The U.N. has shown with its greatly enlarged membership a marked disposition to impose unreasonable burdens upon the more advanced industrial nations. It appears bogged down in petty bickering and self-serving ventures. . . . The structure of the present organization should be re-examined, and if it cannot be revamped so as to bring about a reasonable balance between the members it should be abandoned and some other plan devised.

It is my belief, and has been my belief for many years, that an organization which includes within its ranks those nations which have aggressive designs toward others can never be a force for peace. What is needed, and has long been needed, is an organization which unites nations which are truly peace-loving, so that they might work together to make it clear that aggression will not be permitted to succeed.

I am pleased that many of my liberal colleagues, who placed great faith in the United Nations for so many years, even though such faith was never rewarded by any accomplishments, have finally learned that this organization has been a failure and, worse, has, with the use of U.S. funds, made the world less rather than more safe.

It is too bad that they did not come to this realization much earlier. They would have done well, for example, to consider the analysis presented by William Henry Chamberlin, who warned in a 1964 article in "The Freeman," that—

> The very expression, United Nations, is a misnomer, because of the deep divisions of ideology and national interest by which the world is divided. To expect the United Nations, given these differences and given its archaic and unrealistic Charter, to point a clear united lead in time of crisis is to expect swift action from a Tower of Babel.

Despite their previous unwillingness to recognize the reality of the United Nations' inherent futility, I am pleased to welcome those who now have come to this realization to the effort many of us have long pursued with regard to cutting U.S. funding to that organization.

Since its creation, the U.N. has spent more than $4.7 billion of the U.S. taxpayers' dollars. In 1972, Congress limited annual U.S. payments to 25 percent of the U.N. budget. Previously, the U.S. payment had been upwards of 30 percent. The 25 percent is still the highest paid by any nation. The Soviet Union's is 12.9 percent—when it pays. In 1964, when the Soviet Union had been in default more than 2 years and under the Charter was threatened with losing its voting rights, the Soviet leaders promised to pay. The voting challenge was dropped, but payment has not been made.

Of the 135 U.N. members, 92 are in arrears $204 million. More than one-half of this indebtedness—$110 million—is owed by the Soviet Union and its satellites. In September, while submitting a $540.4 million, 2-year U.N. budget, Secretary General Waldheim warned that only $447.8 million income could be expected. Thus, he proposed a budget with a $92.6 million deficit.

In September, the U.N. was so strapped for funds that Mr. Waldheim asked the

United States to pay its final 1974 installment of $10 million in advance, which we did. The debtors—the Soviet Union, black African countries, India—continued in arrears, but saw fit to expel South Africa, limit Israel, and invite the PLO.

If the United States does not decide to withdraw from the United Nations, a course which seems more attractive to increasing numbers of Americans, it must, at the very least, sharply limit its contribution. Further, it should pay nothing more to the U.N. until all those nations who are in arrears bring themselves up to date in their payments.

It is suicidal to pay the bills for an organization whose goal has become world revolution, the stimulation of terrorist violence, and the destruction of the West. Many Americans previously had a tendency to engage in such suicidal activities. Now that U.N. actions have come closer and closer to home that number, fortunately, is decreasing.

SENATE—*Tuesday, January 28, 1975*

The Senate met at 11 a.m. and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, in whom we live and move and have our being, we thank Thee for another day in service to our fellow man. Match us to this time of trouble. Make us great and strong in the things of the spirit. Grant to us clear minds, warm hearts, and wills to obey the guidance of Thy Spirit. Lift all our deliberations into the higher order of Thy kingdom. Reward us with the inner satisfaction of being good workmen, whose hearts are at peace with Thee and in fellowship with one another.

We pray in His name who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 28, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. RICHARD STONE, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ALLEN. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, January 27, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ALLEN. Mr. President, I ask unanimous consent that all committees of the Senate may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ALLEN. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Does the Senator from North Carolina seek recognition?

Mr. HELMS. I thank the Chair, but the Senator has no comment at this time.

APPOINTMENT TO THE JOINT ECONOMIC COMMITTEE

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 79–304, appoints the Senator from Arizona (Mr. FANNIN) to the Joint Economic Committee, in lieu of the Senator from Pennsylvania (Mr. SCHWEIKER), resigned.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The ACTING PRESIDENT pro tempore. Under the previous agreement, the Senate will now proceed to the consideration of the motion proposed by the Senator from Montana (Mr. MANSFIELD) to refer all credentials and papers dealing with the New Hampshire election dispute to the Committee on Rules and Administration.

Time for debate on this motion is limited to 5 hours, 2 hours to be controlled by the Senator from Montana (Mr. MANSFIELD) and 3 hours to be controlled by the Senator from Michigan (Mr. GRIFFIN).

Who yields time?

Mr. ALLEN. Mr. President, I yield the time reserved to the majority leader to the distinguished Senator from Rhode Island (Mr. PELL).

Mr. PELL. Mr. President, I have no particular statement to make on this matter at this time.

I believe that we should move ahead; and when the time comes to vote, I intend to support the majority leader's motion. I support his view that neither gentleman be seated and it is the duty of the Senate to ascertain whether the evidence is available on which we can decide the result of the New Hampshire election between Messrs. Wyman and Durkin.

To my mind, there is an analogy here with a footrace. If there is a footrace and it is very close, the fellow who may have been just a smidgen behind would naturally want to see a rerun of the race; but the fellow who thought he was a smidgen ahead would probably want to wait until a photograph had been developed of the photo finish, to see who had won.

I think that under both New Hampshire law and the Constitution, the Senate has an obligation to see whether it is possible, on the basis of the body of votes available, that the result of the New Hampshire election can be decided. If it is apparent, after we study those votes, that it is not possible to decide the result of the election, or if it becomes a tie, then I can see where we would declare the seat vacant. But if we can find the result of the election in this body of evidence, I believe we should go ahead and do so.

I also believe that we should make every effort to make sure that this is done in a fishbowl atmosphere, as open to the light of day as possible, to make sure that the general public knows that these votes would be fairly counted.

In today's Washington Post there is an interesting editorial concerning the New Hampshire Senate election.

This editorial, after a careful review of the allegations, urges the Senate to adopt the Mansfield motion which would be to have both contenders for the seat stand aside and refer the matter to the Rules Committee. However, this editorial goes one step further and adopts an idea which I have been espousing since this matter first came up, and that is to have a third party—some nonalined, ultrarespectable group—be given the actual responsibility of counting the ballots so that the ultimate results will not only be fair, but also appear to be fair to the citizens of New Hampshire.

My urging of this course of action has met no support either in the Rules Committee or in casual discussions with other Senators. Indeed, I have been accused of abrogating my responsibilities as a Senator. Nevertheless, whether made up of special arbitrators or retired Federal judges, a third-party panel would appear to me to be the ideal way to handle this very important matter. And I am pleased to see that this concept is supported by the Washington Post.

I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE NEW HAMPSHIRE SENATE RACE

The Senate will try to decide today how to handle the closest and most confusing Senate election in history, the New Hampshire contest between former congressman Louis C. Wyman, a Republican, and Democrat John Durkin. After one full recount, New Hampshire's secretary of state declared Mr. Durkin the winner by 10 votes out of about 223,000. Mr. Wyman appealed to the state Ballot Law Commission, which reviewed about 400 contested ballots and concluded that Mr. Wyman had won by two votes. Mr. Durkin, charging that there were errors and inconsistencies in the commission's review, then appealed to the Senate as constitutional forum of last resort.

The Senate, which likes to have a precedent for everything, has none to guide it in this matter. Neither candidate is alleging illegal practices. Some partisans have voiced concern about possible power plays by the Republicans who control the New Hampshire machinery or by the Democrats who dominate the Senate. But the real problem was created by the voters. The people who voted for senator in New Hampshire on November 5th were so nearly evenly divided that the outcome could turn on any one of several hundred judgment calls about disputed ballots and situations in various wards. The question thus is how the final judgments should be made.

The case is so difficult that many have been driven to throw up their hands and advocate a new election. The Republican-controlled state legislature has just passed a law making this possible if the Senate should declare the seat vacant. But a new election at this point would be the worst possible step. It would run contrary to the entire American political tradition, which holds that elections take place at fixed intervals, that winners are determined by counting the ballots lawfully cast—and that a one-vote margin is enough. If elections can be thrown out because the results are too close to call easily, the stability of the entire system could be undermined. What is too close? And who is to decide? Moreover, in this case the ultimate forum, the Senate, has not yet even reviewed the matter thoroughly. At this point, there are no grounds for concluding that a winner cannot be named—and there is no justification for telling the people of New Hampshire that their wishes, as expressed on Nov. 5, are so obscure that the matter should be decided by whoever might turn out to vote next time around.

Rather than dodging a decision, the Senate should set about reviewing the case. That in itself is complicated because Messr. Durkin and Wyman disagree on what should be reviewed. Mr. Durkin is willing to rest his appeal on a review of the 400 or so ballots examined by the state commission. Mr. Wyman maintains that if the Senate looks into anything at all, its inquiry should also encompass about 3,100 ballot protests which the candidates did not pursue during the second recount, plus some other matters—such as the apparent malfunctioning of various voting machines—which neither the secretary of state nor the ballot law commission touched on at all.

It may seem odd that the candidate who prevailed in the state re-count should be asking for a wider Senate inquiry than is the candidate who lost. But Mr. Wyman has a point. For one thing, as New Hampshire's highest court recently emphasized, the state's law provides for less than exhaustive review of Senate elections in part because the Senate is the final judge. Thus if some protests cannot be heard in the Senate, they cannot be heard at all. Moreover, as the final arbiter, the Senate has an obligation to resolve the case in an equitable, comprehensive way that leaves minimal uncertainty or cause for complaint. Obviously if a Senate judgment were reached on the basis of just 400 ballots, considerable bitterness and doubt could linger on.

The best course for the Senate, in our view, would be to instruct the Rules Committee to name a special panel of disinterested outsiders, acceptable to both candidates, to inspect all contested ballots and look into all the procedural issues which both men have raised. With the results of such an independent review in hand, the Rules Committee and the Senate would be better able to assess the facts and reach a final judgment which all parties—including the people of New Hampshire—would accept as fair.

One question that remains is whether either Mr. Wyman or Mr. Durkin should be seated provisionally while a Senate review proceeds. The usual practice is to seat the man holding a valid certificate of election. Mr. Wyman was certified as the winner most recently, after the Ballot Law Commission's partial recount. But the validity of that certification rests on the very actions that ought to be reviewed. Thus there is reason to ask both to stand aside. This situation, however, underscores the importance of proceeding quickly to settle the case. For until the Senate reaches a final judgment, New Hampshire will either lack a senator or be represented by one who may not have won the election. Such a circumstance should not be tolerated for long.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Durkin may be given the privilege of the floor today.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I do not make the request for Mr. Wyman because he has the privilege of the floor as an ex-Senator.

Mr. PELL. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield such time to the distinguished Senator from Alabama as he may require.

Mr. ALLEN. Mr. President, the pending motion is the motion of the distinguished majority leader, Mr. MANSFIELD, that the entire matter of the New Hampshire senatorial election be sent back to the Committee on Rules and Administration for further investigation, hearings, or such action as the committee might deem appropriate.

The Senator from Alabama is not urging any of his colleagues to take any particular action with respect to the motion of the distinguished majority leader. He merely wishes to go on record as to his political philosophy, his feelings of what principle and justice and fairness dictate that the Senate should do in this matter.

The proceeding came before the Committee on Rules and Administration prior to January 14. The first official meeting of the committee was on the 14th; but prior to that time, the subcommittee had met, and an opinion had been issued by the legislative counsel to the effect that the Senate is a continuing body and that even though the 93d Congress had adjourned sine die, and the 94th Congress had not yet convened, the committee was still authorized to act.

At a later time, possibly, I shall put that opinion in the RECORD in connection with the debate on rule XXII, because it is very relevant on the point of whether the Senate is a continuing body. The opinion of the Legislative Counsel on this unrelated subject is also to the effect that the Senate is a continuing body. The committees of the Senate do have a right to function after the sine die adjournment of one Congress and before the opening session of the next Congress. This was the ruling of the Legislative Counsel.

When the matter was brought before the full Committee on Rules, on which I have the honor of serving, these facts became known: Following the November election for the office of U.S. Senator from the State of New Hampshire, Mr. Wyman was the apparent winner of the race by a margin of several hundred votes, the exact number not being material; on a recount, an official recount, Mr. Durkin was found to have been winned by a 10-vote margin. As the Governor of New Hampshire and Governor's Council proceeded to issue a certificate of election to Mr. Durkin, the Governor and the council overlooked, or took no note of the law of New Hampshire, which gave a candidate the right to appeal the official count to what is known as the ballot law commission in the State of New Hampshire. Mr. Wyman appealed to the ballot law commission, as he was authorized to do, under the statute of New Hampshire. The ballot law commission, on a further recount of the votes, found Mr. Wyman to be the winner by two votes. The Governor of New Hampshire and his council, now, apparently, realizing that they had acted prematurely in issuing a certificate to Mr. Durkin while Mr. Wyman had the right to appeal to the ballot law commission, proceeded to rescind the election certificate held by Mr. Durkin and, the ballot commission having found Mr. Wyman to be the winner by two votes, the Governor and the council certified Mr. Wyman as the winner of the election. That certificate came to the Secretary of the Senate, as did Mr. Durkin's certificate and the Governor and council's rescission of the Durkin certificate.

The Secretary turned over to the Senate the certificate issued to Mr. Durkin, issued prior to the appeal by Mr. Wyman to the ballot law commission. He turned over to the Senate the purported rescission of that certificate and the new certificate to Mr. Wyman declaring him to be the winner. The certificate did not say by what margin he won, whether he won by 2,000, 200, or 2. This is not necessary for in the certificate, the margin of victory is not inserted.

Mr. President, it was proposed in the Committee on Rules that Mr. Wyman be seated provisionally, the words used being "without prejudice"—seat him "without prejudice."

Without prejudice to what? Without prejudice to Mr. Durkin's right to carry on his contest before the Committee on Rules?

Mr. President, many, I assume, expected that to be decided by party line vote and possibly, to some extent, it was. There are five Democrats and three Republicans. The three Republicans voted for the motion to seat Mr. Wyman without prejudice to Mr. Durkin's rights; four of the Democrats voted against this. The Senator from Alabama, feeling that recognition should be given to the certificate of the duly authorized authorities in the State of New Hampshire, voted to seat Mr. Wyman provisionally, without prejudice to Mr. Durkin's rights, resulting in a 4-to-4 vote decision.

Then, on a further motion by the distinguished Senator from West Virginia (Mr. Robert C. Byrd) that both contestants, both candidates, stand aside, and that the matter be reported to the Senate and rereferred to the Committee on Rules for further study and action. A 4-to-4 vote resulted there. The matter has now come to the full Senate for further action.

It is understood that the distinguished Senator from Michigan (Mr. Griffin) has the right to offer an amendment to Mr. Mansfield's motion, an amendment to seat Mr. Wyman provisionally. That is the motion that was made in the Committee on Rules which resulted in the 4-to-4 vote. The Senator from Alabama is going to vote for the motion or the amendment of the Senator from Michigan, if it is offered, to seat Mr. Wyman provisionally.

Mr. President, let us analyze to see what would have happened if that motion to seat Mr. Wyman provisionally had carried in the Committee on Rules and Wyman had been seated here, in the Senate, provisionally, as the duly constituted authorities of the State of New Hampshire said that he should be. That is the point, Mr. President. The people of New Hampshire, through their duly authorized officers, those charged with the duty of making certificates, have said that Mr. Wyman has been elected. That is good enough for me until that is shown not to be the case.

So if Mr. Wyman had been seated provisionally on January 14, this now being the 28th, 2 weeks later, in my judgment, Mr. President, this matter would already have been settled, because I believe in 2 weeks' time the matter could have been decided, and we would not be here today arguing about it.

I have complete confidence, Mr. President, in the subcommittee headed by the distinguished Senator from Rhode Island (Mr. Pell), with the other members being the distinguished assistant majority leader, Mr. Robert C. Byrd, and the assistant minority leader, Mr. Griffin. I have complete confidence in the ability of those gentlemen sitting on the subcommittee to come to the truth of this matter. I believe they would have done it by now had we seated Mr. Wyman provisionally, as the motion made in the Rules Committee would have provided.

Mr. President, some might say it is passing strange that a Democrat from Alabama would have voted in the Rules Committee to seat provisionally a Republican candidate for the Senate. I was not concerned with the politics of the matter. What the people of New Hampshire said was what interested me. The people of New Hampshire, acting through their Governor and his council, said that Mr. Wyman was elected. I might state that Mr. Durkin sought in Federal court to have his certificate, which had been rescinded, revalidated. A three-judge Federal court there in New Hampshire, held that his certificate was meaningless, inasmuch as it had been issued prior to action by the ballot law commission from the State of New Hampshire, to which Wyman had the right to appeal, and had appealed. That confirms what I have been suggesting, that the people of New Hampshire, acting through their duly constituted authorities, have spoken, and that is good enough for me until it has been proved to be wrong.

Mr. President, the Senator from Alabama has not come to the Senate to vote a straight party line vote here in the U.S. Senate without considerations of principle. I might say that as the Senator from Alabama prepared to run again for the U.S. Senate last year, he went into every county of the State of Alabama and stated that he had not, during his 6 years in the Senate, maintained a policy of voting a straight party line vote, but rather that he had decided and was going to decide matters as they came before the Senate on the basis of principle, justice, and fairness, and he was not going to vote for or against any measure here in the U.S. Senate just because it was the position of any political party, but against his principles or convictions.

That position of the Senator from Alabama was approved by the people of Alabama in the November election. So this is a matter of principle with the Senator from Alabama, and he is not asking a single Member of the Senate to vote as he is going to vote, that is, to seat Mr. Wyman provisionally, send the matter back to the Rules Committee, let them conduct the fair and impartial examination of the ballots that I know they will conduct, let them make their recommendation to the full committee, let that recommendation come on out to the Senate, and let us decide on the matter.

Just because it was a close vote, Mr. President, is no reason to say that the man certified by the State of New Hampshire as the winner of that election should not be seated. I think it is unfair. I think it is throwing political weight around to take that action. This is a matter that should not be decided on the basis of party lines.

Mr. President, I might say when that action was taken by the Rules Committee, the Senator from Alabama, as I have noticed it worded in the press, "bolted party lines and voted with the Republicans" on this matter. You would think that in a Democratic State such as Alabama there would be mass meetings all over the State criticizing the Senator from Alabama for his action. But, Mr. President, I can say in all sincerity that no stand that the Senator from Alabama has taken here in the U.S. Senate during the time he has been here has received greater approbation and approval by the people of Alabama than his vote in the committee on this issue.

Scores of letters have been received. Many editorials have been written. Not one single letter or editorial has criticized the vote of the Senator from Alabama to seat Mr. Wyman as required by certificate of election issued to him by the Governor of New Hampshire and his council. But the Senator from Alabama was not satisfied with that tremendous response by mail. He went down to Alabama and saw people from every section of the State. Not one person—and the Senator from Alabama talked with many scores of people—disagreed with the vote of the Senator from Alabama—this is a Democratic State.

Mr. President, our people are tired of politics as usual. They want matters here in the Senate decided on the basis of principle.

Let us do what is right and fair and just in this matter. Let us seat Mr. Wyman provisionally, and then if there is anything wrong in his election, if in fact he did not win, after the Rules Committee makes a careful search and examination, then he has not been seated finally. All the Rules Committee would have to do would be to come back and say, "On the basis of our examination we find that Mr. Durkin won by 100 votes. We recommend Mr. Durkin's seating and that Mr. Wyman not be seated," because his seating, under the motion which I understand the Senator from Michigan is going to make, would be only provisional. There is no danger of the situation getting out of hand, Mr. President. It would be right here in the breast of the Senate. The Senate could take action just as quickly as the Rules Committee acts.

Let us not play politics in these critical times, Mr. President. That is the thinking of the Senator from Alabama.

Another thing that was in the back of the mind of the Senator from Alabama as he voted to honor, to accept, to give prima facie recognition to the certificate of the duly constituted officials in New Hampshire was the situation that existed here in the Senate more than 100 years ago.

Following the War Between the States, Mr. President, while the contention was made during that war that the Southern States were still in the Union, when the war was over, I will say to the distinguished Senator from Virginia and the distinguished Senator from North Carolina sitting here, the position that was taken, I will say also to the distinguished Senator from Florida (Mr. Stone), who is now presiding over the Senate, "Oh, yes, they did leave the Union after all, and now they have got to get back in."

So our legislatures in the Southern States—it is true they were controlled by carpetbaggers—sent Senators up here year after year clutching in their hands certificates of election by the legislatures asking admittance to this august Chamber, and it was not until June 1868, Mr.

President, that the Senate saw fit to allow the Southern States to have representation here in the Senate.

So back then, Mr. President, that injustice was done to the Southern States. They were not allowed to send Senators up here no matter if they had elected their Senators—by legislature, prior to the 17th amendment, of course.

So that was in the back of the mind of the Senator from Alabama as he considered what was right, what was just, and what was proper on this motion to seat Mr. Wyman provisionally.

If the Senate and the national Government, not just the Senate, but if 100 years ago they would not let into the Senate men who were certified by the duly constituted authorities in the respective Southern States, would not let them into the Senate over a period of more than 3 years, I did not want to see that injustice done to a Northern State. If it was unjust back then, it would be unjust now. I want to honor the actions of the people of a State when they tell us what decision they have reached. They cannot all come up here and say, "Well, we all voted for Mr. Wyman" or "we voted for Mr. Durkin." They have got to act through duly constituted authority, and they did so act, Mr. President.

Whether an election is won by two votes, or 2,000 votes, if the people of the State say it has been won, well it has been won. So let us accept that provision. Let us accept that finding by the people of New Hampshire.

Then, I daresay, by tomorrow the subcommittee of the Rules Committee headed by the distinguished Senator from Rhode Island (Mr. PELL), who is an honorable and fairminded man, that subcommittee will get to work in this matter and, I believe that in a matter of 2 weeks or so the matter will be solved.

What is there to risk, Mr. President, what is at risk by those opposed to seating Mr. Wyman? The matter is still in the hands of the Rules Committee. It still is in the hands of the subcommittee headed by Senator PELL, Senator BYRD of West Virginia, and with membership by the distinguished Senator from Michigan (Mr. GRIFFIN). But, 2 to 1, both of the majority members having voted for asking both gentlemen to stand aside, what is at risk? There is nothing at risk if it is right and fair, proper and honorable. That is the decision that the subcommittee of the Rules Committee will reach. I have no doubts the Senator from Alabama will support the findings of the subcommittee, because he knows that when they come back with a finding it is going to be based on the facts as they found them to be.

Do you think that seating Mr. Wyman would have an adverse effect on the subcommittee? Do you think that would unduly influence the subcommittee? I think not. I do not think that would make much of an impression on the distinguished Senator from Rhode Island (Mr. PELL) who is sitting here. I do not think the fact that the Senate seated Mr. Wyman provisionally and then said to Mr. PELL, "Go and find out whether this is right," I do not think that should upset him very much. I do not think it will make him do less than to count the ballots as he found them.

So, Mr. President, there is everything to gain and nothing to lose, as I see it, by certificate of election furnished to him seating Mr. Wyman as called for by the based on the results of the November election in the U.S. Senate race in New Hampshire by the Governor and his council.

So, Mr. President, I hope that the distinguished Senator from Michigan (Mr. GRIFFIN) will, at the appropriate time, offer his amendment or substitute motion, as the case might be, and the Senator from Alabama will support that because he believes that the Senate should honor, yes, it should honor—and that word ought to permeate these entire proceedings—the certificate which states that Mr. Wyman was elected by the people of New Hampshire to the U.S. Senate.

I yield the floor.

Mr. PELL. I appreciate very much the remarks of the Senator from Alabama, and I would hope that I would justify his faith in the fairness with which any recount would be conducted.

But in that regard I very much support the idea that was in the Post editorial today, and which I had suggested previously in the Rules Committee, that there should be a panel that would not have any interest one way or the other that would count the ballots under our supervision and give a recommendation to the subcommittee.

In response to the thoughts of the Senator from Alabama, which obviously have a good deal of merit, we have to weigh the other side. If the subcommittee or the full committee, whoever had the responsibility for the counting, came out with the conclusion that there was a tie or that the ballots were undecipherable or such other condition that we could not make a decision as to who won the election and wanted to refer it back to New Hampshire, then I think Mr. Durkin would be at a very strong disadvantage, because he would be running against an incumbent Senator with all the advantages that go with being an incumbent Senator, a Senator who at the same time would have been in office for a short period of time and would not have incurred the disadvantages of having to take stands on the positions and issues over the past years.

Mr. ALLEN. Will the Senator yield for a moment?

Mr. PELL. Certainly.

Mr. ALLEN. The Senator said Mr. Wyman would be an incumbent Senator. It seems to the Senator from Alabama that is hardly correct, because it could not go back to New Hampshire unless a vacancy had been declared, so Mr. Wyman could not be the incumbent Senator, and he has already served in the Senate, or already appointed to the Senate for the remaining days of the term of Senator Cotton of New Hampshire, so if the vacancy is declared, he would not go back as the incumbent Senator.

Mr. PELL. The Senator is correct, but he would have been an incumbent Senator for several weeks, or however long the process would take.

I would hope it would take the least possible time, but do think it would give him this advantage.

As with all questions, it is not 100 percent one way and zero percent the other, but when you look at it in balance, I think the incumbency would give an advantage and it is for that reason I intend to support the majority leader's amendment.

Mr. GRIFFIN. Will the Senator from Rhode Island, who is the chairman of the Elections and Privileges Subcommittee, yield to me for a question?

Mr. PELL. Certainly.

Mr. GRIFFIN. I was interested in the reference to the editorial in this morning's Washington Post, and the indication of approval of it by the distinguished Senator from Rhode Island.

Would it be——

Mr. PELL. Excuse me, that is just me, not our colleagues.

Mr. GRIFFIN. Yes.

Would it be fair to assume that the distinguished Senator from Rhode Island also agrees with that part of the editorial which states, and I quote:

> Mr. Wyman maintains that if the Senate looks into anything at all, its inquiry should also encompass about 3,100 ballot protests which the candidates did not pursue during the second recount, plus some other matters—such as the apparent malfunctioning of various voting machines—which neither the secretary of state nor the ballot law commission touched on at all.

And at another point in the editorial:

> Thus if some protests cannot be heard in the Senate, they cannot be heard at all. Moreover, as the final arbiter, the Senate has an obligation to resolve the case in an equitable, comprehensive way that leaves minimal uncertainty or cause for complaint. Obviously if a Senate judgment were reached on the basis of just 400 ballots, considerable bitterness and doubt could linger on.

Yesterday, the distinguished Senator from Nevada, the chairman of the full committee, was on the floor and engaged in a colloquy with the junior Senator from Michigan. We focused on the fact that there is concern, not only about the irregularities alleged in the pleadings filed by Mr. Durkin, but also about irregularities set forth in the pleadings filed by Mr. Wyman.

I wonder if the Senator from Rhode Island could give the Senate some assurance that if the elections and privileges subcommittee is assigned the responsibility of reviewing this election that it will look into all the points raised by either candidate, as suggested by the Washington Post editorial to which he has referred with approval this morning?

Mr. PELL. I cannot give the Senator that assurance because if I were given the responsibility in this regard, and I am not sure whether it would be done at the full committee or the subcommittee level, I would have to be guided by what the full committee directed me to do.

Obviously, the 400 ballots would be a minimum. Whether we went beyond that I think would have to be discussed within the committee.

We have discussed it in the past, but I certainly cannot give the Senator an assurance on the floor at this time of an enlarging of the amount to be discussed.

Mr. GRIFFIN. Well, I was not thinking that the Senator from Rhode Island could speak for the full committee or even the subcommittee because I recognize that he is only one Senator, as the junior Senator from Michigan is one Senator. But he is a very important Senator. What I really am asking the Senator from Rhode Island is how he views this matter. Would he be willing to take the approach recommended by the editorial in the Washington Post which speaks in terms of fairness and equity and the judgment of the issues raised by both candidates? Is that not at least a minimum that the Senate could expect?

Mr. PELL. Well, my own personal view is that the machines would be difficult to work with.

Mr. GRIFFIN. Regardless of the evidence, or regardless of what the facts are?

Mr. PELL. Well, this should be talked out in the committee, as far as the 3,500 votes go, as already has been said in the meeting of the full committee—I think my recollection is correct—that consideration could be given to examining those, but we want to talk about it in the committee.

Mr. GRIFFIN. Now, this is very interesting and, I must confess, somewhat disturbing because one of the matters that the committee presumably would seek to determine is whether it is possible to determine what the vote of the people of New Hampshire was; is that not correct?

Mr. PELL. That is correct, although I remind the Senator of the fact that Mr. Wyman was willing originally to let his case rise or fall on the 400 ballots before the ballot law committee and Mr. Durkin said that if the count of the 400 ballots were against him, he would go home.

So the 400 seems to contain the nub of the problem.

Mr. GRIFFIN. With great respect for the chairman of my subcommittee, I must say I find it very strange reasoning that, on the one hand, when Mr. Wyman, who is the certified winner by two votes, says that he is willing to have a new election and let the people of New Hampshire decide his fate, the answer comes back, from some quarters at least, that Mr. Wyman cannot make such a decision.

But, on the other hand, when we get to the point of what the Senate will do in the event it reviews the election, the argument is suddenly advanced that we cannot review all of the questions—that somehow Mr. Wyman is supposed to have precluded himself in some way; and on that basis the Senator from Rhode Island seems to say he does not want to look at the whole matter. I find this very difficult to understand.

But let me ask the Senator from Rhode Island: Suppose it should be clear from the record that there are 12 or 15 voting machines in key areas that did not function—that the numbers of votes involved in such malfunctioning clearly could have made a difference in the outcome of the election. Is the Senator from Rhode Island saying now that he would nevertheless disregard the malfunctioning of those machines?

Mr. PELL. I think we would have to assume that those machines broke pretty even.

Mr. GRIFFIN. How could the Senator assume that?

Mr. PELL. There is no easy answer, but in any election machines break down. Do you think if you found out afterwards that some of the machines did not work, that you should then have a new election, in Michigan, Alabama, or elsewhere?

Mr. GRIFFIN. I would say in all respect I do not think one can make a general response to a question like that. One should look at the specific facts in the particular case and see what happened—how many votes were involved, and whether any discrepancy could have affected the outcome.

I would say, also respectfully, that just recently in the State of Louisiana there was a race for the House of Representatives. One voting machine in one precinct malfunctioned, and it was determined that the votes affected could have affected the outcome of the election. In that case the State of Louisiana held a new election. Obviously, the Senate is not bound by what the State of Louisiana has done in a very similar situation. However, I cannot imagine that the Senator from Rhode Island would ignore, if we are going to review this election, the malfunctioning of a number of voting machines, if that should happen to be the case. Is the Senator really saying that?

Mr. PELL. What I am saying is that carrying the Senator's argument to its logical conclusion we ought to recount all 288,000 ballots.

Mr. GRIFFIN. No. I am only suggesting that we review those points of irregularity and contest which either side has raised. The Senator from Rhode Island seems to be saying, "No, we are only going to review certain areas of protested ballots, particularly those raised by Mr. Durkin."

Mr. PELL. I think this is a question that can be raised, in the committee but I would not give an assurance now. The Senator is asking for an assurance in the Chamber. I am giving an assurance that at the minimum the 400 ballots should be examined. We can talk about the 3,500. Beyond that I would not want to give any assurance. If the Senator does not agree with me, then we have to agree to disagree, but that is my position as of now.

Mr. GRIFFIN. Does the Senator disagree with the Washington Post editorial?

Mr. PELL. I inserted it in the RECORD. I agree with 99.9 percent of it, particularly the idea of the panel.

Mr. GRIFFIN. I wish the whole Senate were here to hear this because it is certainly very, very disturbing.

Mr. PELL. We raised this in the committee and discussed it back and forth.

Mr. GRIFFIN. I know. It was disturbing to me then, too. My concern is: What will the Senate Rules Committee do with it if the Senate refers this case to that committee. The Senator from Rhode Island can eliminate that concern right away. The Senator knows that I believe, with the Washington Post, that if this matter is to be referred to the Committee on Rules, that committee should review all substantial questions that have been raised by either candidate. That is the only fair way to proceed.

Now, as the Senator from Rhode Island knows, there are only three members on the campaigns and elections subcommittee. If the distinguished chairman of the subcommittee, the Senator from Rhode Island, would give assurances to the Senate, at least we could vote with some feeling as to the degree of fairness that would be observed.

Mr. PELL. No. I would give the assurance I said earlier: The body of votes that have already been counted by the ballot law commission, perhaps the 3,500 that were challenged. Beyond that I will not go, beyond the position we took in the full committee.

Mr. GRIFFIN. I have never used the words that the election would be "stolen," but I wonder if the Senator from Rhode Island cannot understand why some people would feel that that might be the case—particularly if there is to be no assurance of a minimum degree of equity and fairness.

Mr. PELL. This is why, if there is a recount, I want to see it done in full public view so that people know that we are counting as fairly as we can.

Mr. GRIFFIN. But counting only those portions, or reviewing those particular matters, that the Senator from Rhode Island sees fit to review?

Mr. PELL. Not that I see fit to review. These were the ones that the two candidates raised.

Mr. GRIFFIN. No. The Senator appears to be leaving out a number of questions that Mr. Wyman has appropriately raised—raised not only before our committee but in the courts of New Hampshire. It appears that the Senator would be arbitrarily excluding some of those points.

Mr. PELL. This we can talk about and argue about in the committee, but I am not giving an assurance here in the Senate at this time.

As far as using the word "stolen"——

Mr. GRIFFIN. I have not used the word myself. But I wonder if it might not be understandable why others have used it.

Mr. PELL. I noticed Mr. Wyman the other day used that phrase himself.

I would ask unanimous consent to have inserted in the RECORD at this point an article quoting Mr. Wyman as suggesting that the election would be stolen.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WYMAN SEES PLAN TO "STEAL" HIS VICTORY

(By Spencer Rich)

Warning that he will appeal to the Supreme Court, Republican Louis C. Wyman complained yesterday that he fears Democrats on the Senate Rules Committee will try to "steal" his New Hampshire Senate victory.

"I don't want this thing stolen from New Hampshire or from me," said Wyman, who was declared a two-vote winner in the Nov. 5 election by the state Ballot Law Commission. "You can bet your sweet patootie" that if the Senate committee proposes to count only the 400 ballots that Wyman's opponent wants recounted, "we'll be in the Supreme Court for mandamus" to compel a recount of 10,000 or more that Wyman wants reviewed.

Both Wyman's election over John A. Durkin and the reelection of Sen. Henry M. Bellmon (R-Okla) over Democratic challenger Ed Edmondson are being challenged before the Senate Rules Committee by the losers.

Edmondson at a press conference yesterday, said he is asking the Senate to seat him in place of Bellmon, on grounds that voting machines in Tulsa County didn't have the master levers required by state law to enable citizens to vote a straight party ticket. Edmondson said he carried an 18,000-vote margin in the rest of the state but lost the election when Bellmon piled up a 22,000 vote plurality in Tulsa.

Edmondson said he believed many Democratic voters wishing to vote a straight ticket pulled down the bottom lever—next to the name of Democratic Rep. James R. Jones—mistakenly thinking it was the absent master lever. He said Jones ran far ahead of him. The state Supreme Court held that removal of the master levers violated state law, but it refused to throw out the election result, finding insufficient evidence that absence of the lever changed the outcome.

Edmondson said he is asking the Senate to refuse to seat Bellmon. But he indicated that, in view of Bellmon's possession of an election certificate from duly constituted Oklahoma authorities, he wouldn't be surprised if Bellmon is seated when the Senate convenes next Tuesday—subject to ouster later when the Rules Committee takes up Edmondson's case.

The Wyman-Durkin battle was much closer and more hotly contested. Wyman, a former House member, initially was thought to have won by 355 votes, but an official recount gave the race to Durkin by 10 votes and he was certified. Wyman then appealed under state law to the ballot law commission. Originally there were 32,000 questionable ballots, but about 3,500 were considered by the commission and only 400 of these were actually checked. The commission then declared Wyman a two-vote winner, 110,926 to 110,924, and he was certified. Durkin appealed to the Senate Rules Committee, which has jurisdiction over election disputes, asking that it recount the 400 votes.

Wyman said angrily yesterday that he holds the only valid certificate of election issued by New Hampshire and is entitled to be seated while the Rules Committee considers Durkin's appeal.

He said the precedent is to seat the candidate with the valid certificate and let him hold office pending any decision by the Rules Committee to reverse the outcome.

But he said he feared that the majority Democrats on the committee and its Privileges and Election Subcommittee might pull a "power play" and force both him and Durkin to stand aside while the case was reviewed, which might take months.

Moreover, he said, subcommittee Chairman Claiborne Pell (D-R.I.) and member Robert C. Byrd (D-W.VA.) had indicated they favor recounting only the 400 ballots, refusing to recount at least 10,000 others that Wyman claims are questionable.

"Implicit" in this, Wyman said, "is the hint that they'll come out with a different count than the state of New Hampshire. I don't want to have a power play pulled here."

Wyman also said one of Durkin's biggest campaign supporters was the AFL-CIO, which gave Durkin $35,000 and which, he said was also a strong supporter of Pell in past elections.

Wyman said he would be willing to stand aside if the Rules Committee declares the seat open and thereby paves the way for a new election.

In Concord, N. H., the state Senate has passed legislation to set up such an election, and the GOP dominated House is expected to act shortly, perhaps next week. Wyman said Durkin fears such an election.

Mr. GRIFFIN. Mr. President, I would be glad to have this time charged against the time under my control.

Mr. PELL. I would be delighted.

Mr. GRIFFIN. I must confess that I am amazed, disappointed, and discouraged. I cannot imagine that if the people of the United States as a whole could hear this debate that they would not feel concerned.

Let me just preface what I am about to say with this remark. It has not been the practice and the tradition of the U.S. Senate to recount elections. The Senate, over the years, as reflected by the printed collection of various cases, of course, has often had contested election matters brought before it. In many instances elections have been challenged in the Senate on the basis of fraud or corrupt practices. The Senate has decided such questions when they have been raised, but the Senate has rarely recounted the vote conducted by a State.

It was done in Maryland in 1946, when the Democratic candidate, Mr. O'Connor, won by a margin of something around 2,000 votes. As I recall, there was a charge of corrupt practices relating to the expenditure of funds. The Senate in that case proceeded to recount the whole election in Maryland. There was no recount procedure provided for under the laws of Maryland. That omission of such a procedure was considered pertinent by the Senate in proceeding to a recount.

But in the situation now before the Senate, the State of New Hampshire did have a recount procedure.

Second, it is interesting to note that when the Senate did decide to recount in the 1946 Maryland case, it proceeded to recount the whole election, all the ballots and to review all the questions raised.

Now, in the case before us the winner has a margin of only two votes—but there is no allegation of fraud, illegality or corrupt practices. Still we are being asked to recount a recount.

To do so would be a very drastic step for the Senate to take. I suppose the Senate can take such a step but, surely if we do so—if we do undertake to review the decision made by the duly constituted officials of the sovereign State of New Hampshire, then by God let us do it on a fair and equitable basis.

A good argument can be made that if we review anything, we should review and recount all the ballots that were cast—just as was done in the Maryland case. But if the Senate is not going to do that, then surely, we should review at least the ballots and the challenges of irregularity that have been raised by either side.

The chairman of the subcommittee seems to be avoiding the question now—and I am afraid he may avoid it later—of the malfunctioning of the same voting machines in the city of Manchester. It may not be established that those voting machines actually malfunctioned. But there is reason to believe that they malfunctioned. Experts should be called to testify, those machines should be examined, and the committee should seek to determine whether or not the voters in those precincts had an opportunity to register their votes and have them counted. What if we find that they did not—in a situation where the election was decided by two votes? Are we going to ignore that? I do not see how we can ignore it.

If the Senate does not see fit, on the RECORD today, to declare the seat vacant and refer the matter back to the people of New Hampshire for a new election, which would be a fair and equitable way to dispose of this matter—and it can be done legally—then surely the committee has an obligation to look at the voting machine question raised.

I am appalled, very frankly, that we cannot get the assurance laid before the Senate that the committee would conduct itself in that manner, or at least that individual members of the committee would proceed in that manner.

I would be glad to yield. I keep hoping, because I think the people really want this kind of assurance. Not only Senators, but also the people of the United States of America want it.

Mr. PELL. The only assurance I can give the Senator is the same assurance I have given him before, that we will review this question when it is brought up in the committee and make a decision within the committee as to what will be examined.

In this regard, the Senator from Michigan mentioned the machines in Manchester. I think Manchester is one of the few areas of the State which traditionally are Democratic. So, presumably, if there was a malfunction and there was a rerun of the election in Manchester, it would benefit the Democratic side, not the Republican side.

Mr. GRIFFIN. It is altogether possible. I am suggesting that this question should not be ignored, that we should look into it and try to determine what the facts were and see whether or not the voting machines did malfunction; and whether the malfunctioning, if it existed, could have affected the outcome of the election.

Mr. PELL. I note that the result in Manchester was a 1,125-vote majority for Mr. Durkin. So if there were a malfunctioning, presumably, on an even basis——

Mr. GRIFFIN. How could the Senator possibly presume something like that? Is he willing to presume it and then let the decision be made on the basis of his presumption? Does he suggest that the people of the United States would be satisfied with that kind of performance by the U.S. Senate?

Mr. PELL. No.

Mr. GRIFFIN. It seems as though that is the suggestion.

Mr. PELL. All I say is that we will examine the point of the Senator from Michigan, his viewpoint, when it comes up. But I will not give the Senator an assurance now that can be exaggerated in meaning and importance and would be misleading to the Senate.

As one Senator, I repeat that if I am charged with the responsibility—personally, I will be delighted if I am not; I do not think I have ever enjoyed a job less than being the chairman of this subcommittee—if I am charged with the responsibility, it will be in a fishbowl atmosphere, and we will see where we go from there, as directed by the full committee. Beyond that, I will not go.

Mr. GRIFFIN. I apologize if I seem to be pressing the subcommittee chairman. But I do think that some of these matters are important to the decision that the Senate will be called upon to make when it votes today. In the background, of course, is the fact, as I have recited before, that the Committee on Rules and Administration is composed of eight members, five Democrats and three Republicans. It is expected, although it does not necessarily have to happen, that the review of this election, if it is so ordered by the Senate, will be referred by the full Committee on Rules and Administration to its Subcommittee on Privileges and Elections, which is made up of three members. The three members are the distinguished Senator from Rhode Island (Mr. PELL), who is chairman; the Senator from West Virginia (Mr. ROBERT C. BYRD)—the two Democrats of the three-member committee—and the junior Senator from Michigan, now speaking, the sole Republican on that three-member subcommittee.

I wonder whether the Senator from Rhode Island, who is the chairman of that subcommittee, would agree with me that the deliberations of the full committee and the subcommittee on this matter—not only as we proceed into the review, if it is ordered, but also in terms of making the basic decisions which the Senator from Rhode Island is hesitant to commit himself on—should be meetings that are held in open session, open to the public and the press, so that there can be full public scrutiny of the arguments and the decisions that are made?

Mr. PELL. Right. It would most certainly be my recommendation that that should be done.

I remind the Senator that it was my suggestion that made the last meeting of the Committee on Rules and Administration open. It was also my suggestion that the subcommittee, following the hearings, should have an open meeting. But I never like to put my colleagues in a spot, and I did not push it to a rollcall vote.

In a matter of this importance, I very much do think it should be open. I am not a majority of the committee, but I invite the Senator's attention to the fact that I would have liked the original subcommittee to have been open.

Mr. GRIFFIN. The Senator is absolutely correct.

Mr. PELL. But there was not enthusiasm among my colleagues, and I did not want to push it to a rollcall vote.

Mr. GRIFFIN. That has been his position in the committee, and I commend him for it. I think it is important that if the committee or the subcommittee should be called upon to review this matter, that it be done in open session.

Mr. PELL. I cannot guarantee it on one vote, but I would support that.

Mr. GRIFFIN. I want the Senator to understand that both with regard to this question and the earlier question, I was not seeking to suggest that he could commit the committee or the subcommittee. I was only seeking his view. But his view is very important. He is the chairman of the three-member Elections and Privileges Subcommittee. The two of us constitute a majority of the subcommittee, and we could make the decision right here and now—if we saw fit—to assure the Senate that, so far as the subcommittee is concerned, all questions of substance raised by either side would be reviewed. It seems to me that would be the minimum kind of assurance that our subcommittee should give.

I am certain that it would be the view of the Senator from Rhode Island that if there were such committee or subcommittee proceedings, that the two candidates—actually the three candidates—as well as their attorneys—would be able to be present, at least as observers, during the course of such proceedings.

If there were a review of ballots, there would be an opportunity for them to make points and argue and so forth.

Is that contemplated?

Mr. PELL. I am not going to get into any more specifics. The Senator knows my general views. I want it to be done in as much of a fishbowl atmosphere as we can have, but I am not going to make any more specific commitments on the floor as to what specfic procedures we will follow. I just would not feel right about going further. I think he knows what my intentions are. I am sure that, no matter what we do, there will be contests and disagreements, which I regret.

That is one of the reasons that I like the idea of an outside panel, because I frankly think that the idea of the three of us touching those ballots—and we are two to one Democratic—does not have, perhaps, as much objective appearance as there would be if there were a panel that would consider them and report back to us. This is my view which I have ventilated within the full committee and I would advance and intend to advance again. Again, my view may not prevail, but that is my view. I will not go further into any specific commitment at this time, period.

Mr. GRIFFIN. Without suggesting that any commitments should be made, I wonder if it is the view of the Senator from Rhode Island that any review of ballots and other questions should be done, whether it is by the committee, subcommittee, or some independent panel, in accordance with New Hampshire law, statutory and otherwise.

Mr. PELL. I would not agree with the Senator. We are in the Senate. I am not a lawyer. I think it should be done according to Senate precedents, discussed and handled here.

Mr. GRIFFIN. Without regard to what are the rules and precedents laid down by the statutes and the decisions of New Hampshire?

Mr. PELL. I think those would enter into our thinking, but it is a Senate responsibility and we would have to decide it as fairly as we could. I think both sides would have an opportunity to make their views known; how we will conduct it, we shall decide in a meeting of the committee.

It seems to me the Senator is presuming that his motion is going to lose, and it may well. But provided it does lose, I will not be in the position of making these specific commitments at this time as to how it is to be handled. I will do my best to be fair. Beyond that, I cannot go.

Mr. GRIFFIN. I thank the Senator from Rhode Island for his response.

Mr. PELL. It was a nonresponse, I am afraid.

Mr. GRIFFIN. My motion will be that Mr. Wyman, who was the duly-certified winner, be seated provisionally and that the matter be referred to the Committee on Rules and Administration for recommendation. I am not necessarily proceeding on the basis that my motion will not prevail. If my motion prevails, the Committee on Rules and Administration would have a responsibility.

Mr. PELL. I stand corrected in that. I was thinking of the Weicker motion.

Mr. GRIFFIN. I see.

I think that, once again, it is very, very important, I suggest, to the Senate, and not only to the Senate, but to the whole country that will be watching the Senate, to try to determine what is involved in the decision that we are about to make when we vote today and how the Committee on Rules would proceed.

I find it somewhat disturbing that the chairman of the subcommittee apparently does not think that the Senate should proceed under, and in accordance with, New Hampshire laws in order to determine what the will of the people of New Hampshire was on November 5. Presumably, the people of New Hampshire were acting in accordance with and under New Hampshire laws when they voted. Whether they do or not, in fact, people are presumed to know the law as they mark their ballots in different ways to express their intention. Presumably, they did so under New Hampshire law. I am sure that it could be very, very disturbing if the Senate were not only to substitute its judgment for the duly-constituted officials of the State of New Hampshire with respect to certain ballots, but should, in doing that, also disregard the laws of New Hampshire.

One of the problems which must be recognized, whether we talk about 400 or 3,100 or 250,000 ballots—is the fact some of the ballots were marked in ambiguous ways by various voters—voters who did not follow the traditional method of putting an "X" in the proper place.

In my own State of Michigan, we have had a number of recounts over the years, going back to the days, the early races of G. Mennen "Soapy" Williams for Governor. As I recall, there was a recount of his first election and there was a recount of his second election. So, in my State, we have quite a history of recounts. Under the laws of my State, and the people generally recognize this—the interpretations have been quite strict. One has to mark his ballot properly or it is likely to be thrown out and disregarded—even though the true intent of the voter might be quite obvious.

On the other hand, a fair reading of the statutes of New Hampshire and the decisions of its courts indicates that the laws of that State are applied differently. In New Hampshire, the authorities have been very liberal in seeking to give effect to the intent of the voter, even though he might have strayed quite far from the prescribed manner of marking the ballot.

I do not know exactly what the meaning of the response of the Senator from Rhode Island was when he said that he did not feel that the Senate would follow the laws of New Hampshire. Obviously, it could make a great deal of difference.

I think that the Senator from Rhode Island has been quite candid and frank. Although I am disappointed by some of his responses, and even though I may disagree with him, I do think it is well that the Senate and the people at least know what we face here as we approach this vote.

Mr. PELL. Will the Senator yield?

Mr. GRIFFIN. Yes, I yield.

Mr. PELL. I make the point but as I said earlier—maybe I misexpressed it, but I think I gave this impression—that we will not be bound by the laws of New Hampshire, but we shall certainly take them into consideration and intend to carry them out. My own view is that if we can ascertain what the desire of the voter was, then that is how that ballot should be counted. That would be the way that I should want to see it operated.

Some of these questions, as the Senator knows, are very difficult. For instance, there was a ballot which had a picture of a little man on it, and then the voter put a clown for one of the other candidates; and another one which had a picture, and the voter wrote the word "crook" across the ballot for another one. These would require a real mystical interpretation to figure out for whom they were intended. But I think we should do our best, and as we ascertain the intent of the voter, according to my understanding of the New Hampshire law, that man should get the vote. The fact that the cross does not touch all four corners, or that they use a check or put the cross somewhere else, for example, is immaterial, according to my understanding, under the New Hampshire law.

Mr. GRIFFIN. That is my general understanding of the New Hampshire statutes and court decisions, that they are liberal and seek to give effect to the intent of the voter if it can be determined.

Mr. President, at the appropriate time I shall make my motion to seat Mr. Wyman without prejudice, in order to give the Senate a full range of options. If the Senate adopts my motion it would be following established precedents by recognizing the valid certificate of the duly constituted authorities of the State.

This would give the State of New Hampshire representation by two Senators in the Senate.

That has the advantage, of course, which has been recognized over the years, by seating a Senator-elect with a certificate of election—at least on a provisional or conditional basis. It is important to take note of the fact that there are constitutional provisions other than the provision which says the Senate shall be the judge of the election returns of its Members.

The Constitution also provides that each State shall be represented by two Senators, and when we should break precedent in this case—by adopting the Mansfield motion—we will be denying New Hampshire one U.S. Senator.

I very strongly call to the attention of the Senate the provisions of the 17th amendment, which provides that each State shall be represented by two Senators, not elected by the U.S. Senate or the legislatures of the States, but elected by the people of the State. There will be a very serious, grave injustice if, without great justification, we end up with a Senator from New Hampshire who is elected by the Senate of the United States substituting its judgment for that of the people of the State of New Hampshire, rather than according full faith and credit and recognition to the requirement of the 17th amendment.

Even though I intend to make my motion to give the Senate the full range of its options, I frankly agree, in view of the developments that have taken place in the State of New Hampshire in the last week, with the position advocated by the other Washington newspaper, the Evening Star, and also by newspapers in the State of New Hampshire, and as reflected by polls taken of the people of New Hampshire, that the best way to resolve this controversy would be to refer it back to New Hampshire for a new election.

So, if the Senate does not see fit to follow its own traditions and precedents, which it will have an opportunity to do on the first vote, then, at the very least, it seems to me the Senate should agree to the motion to be offered by the Senator from Connecticut (Mr. WEICKER), to give the people of New Hampshire the right to decide this controversy through a new election. That course of action would meet with the general approval—approval not only of the people of New Hampshire, but the people of the whole United States of America, who are going to be watching what the Senate does.

Mr. President, I reserve the remainder of my time.

Mr. PELL. Mr. President, I would like to recapitulate here for a moment, if I may, and observe that much has been said in committee and here on the Senate floor about the New Hampshire Senate election contest which is pending before this body.

Statements have been made suggesting that only the sovereign State of New Hampshire should have the right to resolve this contest and that any effort by the U.S. Senate to intervene constitutes a violation of the New Hampshire sovereignty. The State of New Hampshire, by law, provides for the manner in which a recount of an election shall be conducted, and New Hampshire law even provides for a further appeal from the recount to the ballot law commission. However, at that point, there is no longer a further right of appeal with respect to congressional and State legislative offices.

The law providing for an appeal from decisions of the ballot law commission reads as follows:

> It is hereby declared that it be the legislative intent to provide no appeal under this section in the cases of contested elections for the offices of United States Senator, Representative of the Congress, State Senator or Representative to the General Court in view of the constitutional provision vesting in both Houses of Congress and both Houses of the General Court exclusive jurisdiction over the elections and qualifications of their respective members.

Following the decision of the ballot law commission, Mr. John A. Durkin exercised his right under the law of the State of New Hampshire and the Constitution of the United States to file a petition with the U.S. Senate contesting the results of the election in the State of New Hampshire.

There is a long line of U.S. Supreme Court cases upholding the power of the Senate to be the judge of the elections, returns and qualifications of its Members. I know that the junior Senator from Michigan is learned and well read in these precedents. The most recent is that of Roudebush against HARTKE which was decided on February 23, 1972. The Supreme Court held in that case that while a State has the power, under article 1, section 4 of the Constitution, to examine and recount elections held in the State, the U.S. Senate is the final arbiter of elections for the office of U.S. Senator.

The Court further held that a recount does not prevent the Senate from independently evaluating the election any more than the initial count does. The Senate is free to accept or reject the apparent winner in either count and, if it chooses, to conduct its own recount.

The authority of the Senate is clear and the jurisdiction of the Senate has been invoked by the filing of the petition of contest. It is a disagreeable task and one I am sure we all regret having, but it is with us. The Senate now may assume responsibility for determining which of the contestants, if any, is entitled to this seat, and in order to make that determination, the Senate should refer this matter back to the Committee on Rules and Administration for further consideration, and I know that, speaking as one member of that committee, I have not prejudiced any of the matters that the Senator from Michigan has raised. I can assure him that all matters raised by the two individuals will be given a fair and indepth hearing by me. I will just not make any further commitment in this regard at this time. But any matter that he has raised on the candidates I believe should be considered in the full committee, and I know I will support their consideration in the subcommittee.

Mr. GRIFFIN. Mr. President, I suggest——

The PRESIDING OFFICER (Mr. GLENN). Does the Senator from Rhode Island yield time?

Mr. PELL. I suggest the absence of a quorum, the time to be evenly divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, it seems apparent, if the Committee on Rules and Administration is required to review the election, that one of the matters that may involve some controversy, is the question of looking into the alleged malfunctioning of certain voting machines.

Perhaps it should be recalled that questions have been raised about the recent Senate election in Oklahoma. The only questions raised with respect to that election in Oklahoma related to the operation of certain voting machines.

It will be recalled that the Senate proceeded to seat the Senator-elect, Senator BELLMON, without prejudice—he was the winner of the election as certified by Oklahoma State officials.

But I have doubt in my mind that the Committee on Rules will at least look into the question of the operation of those voting machines raised by the Democratic candidate who lost. The committee is not going to ignore the question altogether. I have no doubt that the Committee will review the circumstances, at least.

How could we possibly proceed to look at a question relating to the operation of certain voting machines in Oklahoma, and then arbitrarily, out of hand, refuse even to look at an allegation of malfunctioning voting machines in New Hampshire?

Now, I raise this point because I am very concerned as a member who has participated in the deliberations of the subcommittee and the full committee up to this point that that could be the course the committee might take—unless the strong weight of logic and public opinion is brought to bear.

Now, with regard to the matter of malfunctioning voting machines in the New Hampshire Senate election; I think it is of some importance to take note of the fact that there is a forgotten man in the New Hampshire election. He was the third party candidate who ran on the ticket of the American Independent Party. His name was Carmen Chimento and in the course of these proceedings he filed an affidavit which reads as follows:

> On November 25, 1974, I was present in Manchester when the Secretary of State checked the voting machines for the City of Manchester. The Secretary of State stated at the outset that there would be no test voting of the voting machines. During the tallying of the public and protective counters on the voting machines. I noticed obvious discrepancies between the public counters and the protective counter reading recorded on machine numbers 1633 and 1640.
>
> I specifically asked a representative of the Shoup Company (the manufacturer of the voting machines) his opinion as to what caused the discrepancy of machine # 1633. He replied that the discrepancy was most probably caused by a malfunction of the protective counter (which is a sealed instrument that records every ballot ever cast on that machine since it was first used. In other words, the counter is always incremented by one each time a voter enters and leaves the voting machine after casting his vote, and that these counters cannot be decremented.) Approximately fifteen minutes later, I noticed another discrepancy, and again received the reply that the malfunction most probably was in the protective counter. This disturbed me because I have an extensive background in electro-mechanical theory, and to me this counter is the most important security function of the machine. In fact, I had a conversation with a Mr. Fred Elliot of Boston who supervises the voting machines for the City of Boston, and he indicated to me that in all the hundreds of machines in his jurisdiction, never had he encountered a malfunction of the protective counter.
>
> The fact that both the Secretary of State and the Ballot Law Commission refused to allow test-voting of the Manchester Voting machines bothers me because the Rules and Regulations of the Ballot Law Commission were not followed by the Manchester voting officials and because many seals were missing on some of the voting machines and because twelve of the Manchester voting machines had discrepancies totaling over 1000 votes.

I have read into the RECORD the text of an affidavit sworn to, not by Mr. Wyman, but by the third-party candidate who trailed far behind in the returns. It should be noticed also that the problem of the malfunction of voting machines, manufactured by the particular company involved, has not been an experience unique to New Hampshire.

I am advised that machines manufactured by the same company were purchased and used for the first time in the last election in Transylvania County, N.C. The malfunctioning of the voting machines in that North Carolina county was so serious that officials there had to call a new election the next day, and use paper ballots instead of the voting machines.

I am advised that the Shoup Co. acknowledged that the machines malfunctioned there, and agreed to give free service to the people in that county in North Carolina for the next election.

I raise these points here on the floor, Mr. President, to try, in some way, to impress upon the Senate that this is not a trivial matter. The election we are concerned about was very close—the margin as it stands now is only two votes. Obviously, if 11 or 12 voting machines were malfunctioning the outcome of the election could have been affected—and it will be the obligation of the committee at least to look into the matter—and to call experts before the committee—not only experts from the Shoup Co. but others who are experts as to voting machines—to try to determine whether, in fact, they malfunctioned—and what could be the outside limits of the extent of any such malfunction.

Mr. STONE. Will the Senator yield for a question?

Mr. GRIFFIN. I yield.

Mr. STONE. Does the Senator from Michigan assert that the malfunction or possible malfunction of 12 voting machines could well have affected the result of the election?

Mr. GRIFFIN. The Senator from Michigan is trying very hard to make the point that if the Senate sees fit to refer this matter to the Committee on Rules and Administration, that it should consider the questions raised by both sides. One of the questions raised by Mr. Wyman, which I fear may be ignored, is the question of the malfunctioning of those voting machines. I do not know what the conclusion of the committee might ultimately be.

The committee conceivably could listen to the expert testimony, examine the machines, and conclude it would not make any difference. If that should be the conclusion and it was on the record, open and fair, there would not be any problem. But what is concerning the junior Senator from Michigan is the possibility, if not probability, that the question, itself, will be ignored.

Does the Senator agree with me that we should at least look into the question?

Mr. STONE. The Senator confused me when he asked the chairman of the subcommittee, the distinguished Senator from Rhode Island, whether anyone could ever determine what machines that malfunctioned would have voted had they voted properly. Therefore, the Senator from Florida is confused as to whether the Senator from Michigan is asserting the invalidity or validity of the election in the absence of those machines functioning properly.

Mr. GRIFFIN. If there was confusion, I certainly appreciate the Senator's question. It gives me an opportunity to clear it up. I am not asserting or arguing for any particular result from the examination of the problem. I am only saying it is a problem that should not be ignored.

Mr. STONE. Can the Senator take a position as to how those malfunctioning voting machines should be treated?

Mr. GRIFFIN. Not at this point.

Mr. STONE. At any point. How does anyone ever know what the machines would have concluded had they functioned properly?

Mr. GRIFFIN. Let me say this. The election obviously was very close. If there were 12 machines in a city that malfunctioned so that those voters did not have an opportunity to indicate their will—so we cannot tell what could have been the outcome in those areas—then would it not be very logical for the Senate to declare the seat vacant and have a new election in accordance with the laws of New Hampshire? That would be the result.

Mr. STONE. If that is the Senator's logical conclusion, does the Senator abandon his desire to certify and provisionally seat Mr. Wyman?

Mr. GRIFFIN. As I indicated earlier, I thought that the appropriate thing to do would be to afford the Senate the full range of options which it will have if all three motions are put before the Senate.

Mr. STONE. Does the Senator not argue against his own position if he offers the motion to provisionally seat anybody in an election on which the Senator has cast doubt by referring to the malfunctioning of 12 machines? Has the Senator not cast doubt as to the validity of the certificate of Mr. Wyman or anyone else, taking the position that no one can ever determine how 12 malfunctioning machines could ever have correctly been treated?

Mr. GRIFFIN. I suggest, first of all, that the Senate follow its traditional precedents and practices by seating Mr. Wyman, and then to have the committee look into the questions that have been raised. I am not necessarily concluding at this point that any machines did in fact malfunction, or if they malfunctioned what was the effect of it. I do think that that may very well be the logical conclusion of the committee if the committee will face up to the problem and look at it.

Mr. STONE. Would the distinguished minority whip take the personal position, in his conduct and position on the subcommittee or full committee, that if Mr. Wyman's recount shows more votes but there was a malfunction of voting machines, that the election should nevertheless be vacated?

Mr. GRIFFIN. If it is clear that the machines malfunctioned, if the number of votes involved could have affected the outcome of the election, then I definitely will state now for the record that I would be in favor of a new election whether or not the review might otherwise indicate Mr. Wyman as the winner.

Mr. STONE. Would the distinguished Senator explain to the Senate and to the Senator from Florida how he can determine how many votes would have been voted, how many votes could have been voted, if the machines malfunctioned?

Mr. GRIFFIN. I do not know that I know all the answers to those questions without getting into the problem. The Senator is jumping over the basic question and that is, Should the committee look at the problem? If the committee looks at the problem, then we should look into the questions that the Senator is asking. But if the Senator is arguing that we should ignore the problem, then we are really at loggerheads. I have not heard the Senator respond to that question.

Mr. STONE. As far as I am concerned, I think that all relevant claims should be considered. That is my personal position.

Mr. GRIFFIN. I appreciate that, and I hope that committee will listen to that point of view.

Mr. STONE. But the Senator from Florida thinks that the Senator from Michigan, by taking the position on the possibility that 12 machines malfunctioned and, therefore, that there is no way of determining the election, has, in effect, undercut his own position that anyone should be seated at this time, provisionally or otherwise.

Mr. GRIFFIN. I appreciate that observation by the Senator from Florida. I am willing to concede that there is some degree of inconsistency in the two positions that are before the Senate today. I am merely saying that if the Senate is not willing to follow the traditions and precedents of seating Mr. Wyman as it would seat a Democrat if he had won by two votes—would the Senator like to respond to that? If a Democrat had won by two votes, we would be seating him.

Mr. STONE. In responding, the Senator from Florida would take the same position that he intends to take now, whether he had been a Republican or Democrat.

Mr. GRIFFIN. The Senator would take that position merely because he only won by two votes?

Mr. STONE. No; having looked into the matter, the Senator from Florida has not yet announced the position he will take on all three of these motions. In fact, he has been listening to the debate to determine whether he should follow the line of the Senator from Alabama. He was pretty much persuaded to follow that line until the Senator from Michigan explained about how bad these malfunctioning machines are. Now he has more doubts about seating anyone provisionally until, as the Senator points out, all the contested questions are gone into by the full committee. That is really the position he is in.

Mr. GRIFFIN. Now I am confused. The motion of the junior Senator from Michigan is that the certified winner be seated provisionally and that the matter be referred to the committee for recommendations. That would give the committee the opportunity.

Mr. STONE. The committee would have the opportunity whether the distinguished minority whip's resolution is agreed to or the majority leader's resolution or motion is agreed to. In both cases, the entire issue would be referred back to the Committee on Rules and Administration.

The Senator from Florida was leaning to the position of the Senator from Alabama until the additional doubt was raised by the distinguished minority whip as to the validity of anyone's certificate or anyone's election until the entire matter is really looked at by the committee, in the light of the difficulty of ascertaining whether or not these machines did constitute a total swing of the election either way.

I grant that on the face of it, the certificate of Senator Wyman has validity and has much greater weight; and the Senator from Florida was prepared—and he may still be—because of the debate of the Senator from Alabama to provisionally seat the holder of the valid certificate.

However, the distinguished minority whip has raised a more than substantial doubt on the validity even of that certificate in challenging whether 12 machines functioned properly. The distinguished minority whip has cited a relatively disinterested affidavit, that of the third-party candidate, as to whether even that certificate has validity, in the light of the possibility of the malfunctioning of 12 machines.

Under those circumstances, the Senator from Florida is again leaning toward the position that they both should stand aside until the committee looks at the malfunctioning question. He hopes they do, and hopes they look at all contests by either side.

Mr. GRIFFIN. I think the Senator from Florida is making a point that is not without some logic and reason, particularly if he emphasizes and insists that the committee look into this problem, since he seems to be concerned and convinced that it raises a serious question. If he is, then it is important that the committee review that problem and other problems of substance raised by either party.

Mr. STONE. True.

Mr. GRIFFIN. I am certain that the Senator from Florida would feel that the committee had not performed its function if it should not follow that guidance.

The other option, of course, for the Senator from Florida, as well as other Senators, particularly if he is concerned now about the fact that there are other questions of substance, would be to refer the matter back to the people of New Hampshire for a new election, which would be similar to the action taken recently in Louisiana with regard to a House race, where only one voting machine malfunctioned. The race was close, and a new election was held. The people then would have the opportunity to determine who they wanted to represent them.

Has the Senator from Florida given any thought to that option?

Mr. STONE. The Senator from Florida has given it some thought; but it seems to him to be the line of least resistance to bounce it back to an additional election, if we can determine who validly won the election that took place.

He is unwilling to prejudge committee review. He believes that the committee will accurately, publicly, and fairly scrutinize all contests of substance, and that if thereafter the committee is unable to recommend who actually won, that is time enough for us to decide to saddle the people of New Hampshire and the candidates with the expense and difficulties of yet another election.

It is only if we cannot determine who really had the most votes that we should be giving it back to an additional election, particularly in the light of the statutes of the State of New Hampshire and the Constitution of the United States.

Mr. GRIFFIN. I appreciate the comments of the distinguished Senator from Florida. I think he has made a very important contribution to the dialog and the debate, and I certainly respect his views and argument.

Mr. President, I yield 12 minutes to the Senator from South Carolina.

The **PRESIDING OFFICER** (Mr. Ford). The Senator may proceed.

Mr. **THURMOND**. Mr. President, the contested election to determine who will be the junior Senator from New Hampshire presents a most serious matter to the U.S. Senate.

To make the proper decision, all of the facts behind this case should be examined. To review briefly, at the end of the canvass by New Hampshire officials of the November 5, 1974, election, Louis C. Wyman was declared the winner by 355 votes.

His opponent, John C. Durkin, called for a recount. When the first stage of the recount proceeding under New Hampshire law ended, Mr. Durkin led by 10 votes, and he was issued a certificate of election on November 27. This certificate was pursuant to a resolution which stated that it was subject to the "rights of appeal to the ballot law commission." The ballot law commission is the second stage of the recount procedure in New Hampshire.

On December 5, following a notice of appeal to the commission, the Governor and council officially rescinded the November 27 certificate issued to Mr. Durkin after a showing that all of the ballots had not actually been recounted by the New Hampshire Secretary of State.

A suit was then filed by Mr. Durkin in Federal court requesting the court to require that the rescinded certificate be reissued. A three-judge panel, which consisted of two Democrats, denied the request in a unanimous ruling by stating that a certificate of election could have "meaning only after the ballot law commission completes its work."

The ballot law commission is a bipartisan group which consists of two Republicans and one Democrat. After the commission examined the protested ballots, they rendered a unanimous decision declaring Mr. Wyman the winner by two votes. On December 27, a certificate of election was issued declaring Mr. Wyman to be the winner of the election.

As the Senate considers the controversy surrounding the senatorial election in New Hampshire, I urge my colleagues not to submit to the temptation of partisan politics. This election has been contested under the applicable New Hampshire statutes and the State's ballot law commission has made its determination. I caution the Senate from establishing a dangerous precedent—that of substituting its judgment, which unfortunately will have partisan underpinnings, for the judgment of local election officials who are charged with this responsibility and are familiar with the State election laws.

As for me, I favor the seating of Mr. Wyman, because he is the only one who has received a valid State certificate of election. There has been no allegation of fraud or other illegal practices in the election which has been the basis for Senate consideration of this type of issue in the past. There is absolutely no justification for seating Mr. Durkin, and if this body should do so, we are going to lose respect in the eyes of the American public. Let us face it, partisanship has its place. It contributes to an open and vigorous discussion of issues. It creates a spirit of competition, but has no place in a situation like this one. The Senate has a responsibility to be completely fair and to avoid even the appearance of partisanship.

It has been suggested that a new election should be held. In fact, Mr. Wyman has indicated that he is willing to let the voters of New Hampshire decide the issue. Although I would favor a new election should the Senate refuse to unconditionally seat Mr. Wyman, I think that a new election should not be jumped at prematurely as an appropriate course of action. If every very close election is going to require a new election, the statements I have been hearing lately about a man's vote meaning so much is simply rhetoric with very little value. One vote can determine an election—a mandate is not required. We should make sure that a new election is held only in situations where there is an absolute tie or persuasive evidence of illegality or serious error. We must ever be aware of the precedent we are setting.

This contest presents the Senate with the opportunity of asserting itself as respecting the judgment of State officials in such matters where no fraud or other illegal practice is involved. By doing so, the Senate will avoid becoming a forum for contesting every close senatorial election in the future.

Mr. President, I urge the Senate to respect the decision of New Hampshire officials and seat Mr. Wyman as the junior Senator from New Hampshire.

Mr. President, I do not think anyone would accuse the Washington Star of going overboard on conservatism. An editorial of January 13, 1975, closed with this paragraph:

> If the Senate can't see its way clear to seat Wyman, it would seem best for everyone concerned to let the voters of New Hampshire decide the issue, particularly since the legally certified winner is willing.

Mr. President, I again remind the Senators that the legally certified winner according to the State officials in New Hampshire is Mr. Wyman. Why should we question their honesty or their integrity by referring this matter to the Committee on Rules of the Senate and deciding this matter in the Senate? The people of New Hampshire are the ones entitled to decide this issue, and the people of New Hampshire through their State officials, have declared Mr. Wyman the winner.

Another editorial from the Washington Star of January 26 has this quotation:

> The November election was fouled up from the word go, and claims of irregularities came from both sides. Wyman seemed to be the winner at first by 355 votes but a recount put Durkin ahead by 10 votes. Then another recount gave it to Wyman by two votes and he was certified as the winner by the New Hampshire Ballot Law Commission.
>
> Had there been legal machinery in the state for a re-run, another election probably would have been scheduled before the controversy reached Washington. The state legislature has just passed a bill authorizing a runoff, and the Senate ought to seize this opportunity to get the hot potato out of its hands. Wyman has agreed to a runoff but Durkin apparently thinks his chances are better in having the Senate decide the matter. It would be shockingly unfair for the Democratic-controlled Senate to find, lo and behold, that state officials don't know how to count or don't know a Durkin ballot when they see one, and declare that the legally certified winner wasn't the winner after all but that the Democratic loser was.

Mr. President, I am a believer in the rights of the States, and under the Constitution, the State officials are the ones who determine the outcome of elections. The machinery is set up to that end and the certifications are made by State officials. The certification here, the only one that really counts, declares Mr. Wyman to be the winner.

Certainly, if there is any doubt at all about this matter, we should not ignore the people of New Hampshire, the State officials of New Hampshire, and, simply because the Democrats dominate this Senate, by the vote of this body, seat a man, the people of New Hampshire did not elect. After all, honesty is honesty; fairness is fairness. If we are not going to seat the man the State officials of New Hampshire say was elected, the least we can do is to refer it to the State of New Hampshire and have another election.

Mr. President, this is a vital matter, and if it is not decided in the right way, in my judgment, it will haunt this Senate in the years to come. The precedent we should set here, of refusing to seat the candidate certified by the New Hampshire officials, will haunt this Senate for years to come.

Mr. President, I hope the Senate will not go on record and establish a precedent of this kind.

The **PRESIDING OFFICER**. Who yields time?

Mr. **McINTYRE**. Mr. President, will the Senator from Rhode Island yield me some time?

Mr. **PELL**. I yield such time as the Senator may desire.

Mr. **McINTYRE**. Mr. President, I truly regret the unprecedented closeness of the Senate election in New Hampshire.

I regret this for many reasons.

I regret that two fine candidates, their wives, families, friends, and supporters have had to suffer more than 2 months of nerve-straining anxiety.

I regret that the people of my State do not yet have a duly elected junior U.S. Senator, though their ballots were cast 84 days ago.

And I regret—most emphatically regret—that the U.S. Senate must now exercise its constitutional responsibility to resolve this issue.

Let me speak to that last point for a moment, Mr. President.

I regret that the dispute had to come to this court of last resort because I understand, perhaps more than any man in this body, how painful this particular exercise of our constitutional responsibility may be.

I understand, and I respect the sensitivity of those Members of my own party, the majority party in these Chambers, to suspicion that the political weight of their numbers alone will resolve the New Hampshire election in Washington, D.C.

Indeed, in recent days, the dominant newspaper in my State has been trumpeting over and over again that partisanship is certain to prevail in the Senate, and has made me the prime target in its attack.

But while I regret that this responsibility has come to us, and while I sympathize with my Democratic colleagues' concern that they might irresponsibly be tarred with the suspicion of partisanship, I appreciate that this is the court of last resort, that this issue came to us in the due process ordained by the Constitution, and that we cannot shirk the responsibility now that it is ours.

This body is, indeed, the final judge of the qualifications and the election of its Members, and we must act in that capacity.

The responsibility is ours not only by virtue of constitutional provision, but by the fact that New Hampshire law existing at the time of the election provides no other recourse to resolving this dispute.

In view of the regrets I expressed at the outset, it is easy to understand the temptation to default in our responsibility and simply echo the call for a new election.

But let us consider that temptation for a moment.

First, there are the obvious and practical considerations. A new election will cost each of the two hard-pressed candidates a great deal of money for another campaign. A new election will cost the taxpayers of New Hampshire additional money for the election process itself.

Second, a new election would be held under the authority of an ex post facto law in New Hampshire, for under the law that existed on November 5, 1974, a runoff election could only be held in the event of an absolute tie. The election did not result in an absolute tie, nor did the recount or the State ballot law commission review of the protested ballots.

I wonder, Mr. President, if the Senate of the United States wants to see the rules of the game changed after the game has been played.

I cannot believe that. I cannot believe that any more than I can believe that this body will shrink from the responsibility of deciding who, indeed, the people of my State elected in that duly conducted election of November 5, 1974.

This may be a considerable task, Mr. President, but it is by no means an impossible task. History is replete with razor-thin elections where a winner was ultimately determined.

This case is no different. There is a winner here, too. A winner chosen by the people.

I am confident that a final, scrupulous, impartial review of the ballots in dispute will reveal once and for all who that winner is.

I am hopeful that all of my colleagues will accept that responsibility.

I am hopeful that my Republican colleagues would hesitate to prejudice an impartial review by voting now to seat Mr. Wyman before that review is completed.

And I am hopeful, too, that my Democratic colleagues will approach their role in this constitutional exercise resolved to see the issue decided on its merits, willing to let the chips fall where they may, and determined not to favor the Democratic petitioner because he is a fellow Democrat, or to penalize him—and this is very important, Mr. President—because of an exaggerated fear of being labeled partisan.

Fair play demands that we enter into this exercise of our constitutional responsibility with neither contestant having an artificial advantage.

Mr. President, for this and all other reasons I have cited, I strongly support the motion of the distinguished majority leader to have both contestants stand aside without prejudice until this body has fairly and finally determined who will be the new junior Senator from the State of New Hampshire.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. McINTYRE. I ask unanimous consent that the time be divided equally between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. WEICKER. How much time remains to the distinguished assistant minority leader? I believe he is in control of the time.

The PRESIDING OFFICER. Seventy-three minutes.

Mr. WEICKER. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Connecticut may proceed.

Mr. WEICKER. Mr. President, I wish, first of all, and let the record so show, that as we attempt to fulfill our constitutional responsibilities I notice very few Senators sitting here, since apparently this is what we are supposed to be doing, judging the membership itself.

At the outset, I will raise this point. It is the very reason why I do not think the Senate can make a judgment on the matter. How can the Senate make a judgment on the matter, when it is not even willing to sit here and listen to the various arguments on both sides of this issue? That illustrates the ridiculousness of this exercise, right on down the line, to adjudicating which ballots are valid and which are not. We are not, it seems to me, as illustrated by our own inattendance, in a position, at least certainly so far as the ballots are concerned, to make a decision.

I do not question for one moment the constitutional right or the authority vested in the U.S. Senate to make determinations relative to its own membership. That is not the issue here. But I would like someone to show me in the Constitution where it says that the method that we use to determine our own membership must be employing the Rules Committee of the U.S. Senate. It does not say that. It only says that we may determine our own membership; and as to the method that we employ, that is entirely within the discretion of the majority of the Members of this body.

In other words, it is not unconstitutional to suggest that the Senate can say that the people of New Hampshire should make this determination. That is a method, as, indeed, a method is to have the Rules Committee make that judgment. It is a method.

So, first off, let us establish the fact that those of us who prefer to see this matter resolved by the people of New Hampshire are not in any way questioning the constitutional authority or the constitutional power vested in this body. Let the record so show; that power is absolute, and it is not questioned.

However, I propose to my colleagues that in a time of political change, when, in the broadest sense, relative to general elections we try to expand the voting franchise, when in a narrower sense we try to open our political parties to the greatest popular participation, when, in a governmental sense, we are trying to open up the actual processes of the committees and of the Government itself, in order to achieve a greater relevancy as between the legislative branch of the Government and the people of this country, the method that best suits our times is to allow the determination to be made by the people of the State of New Hampshire.

I am not in any position to judge the ballots. I understand some are void, some machines malfunctioned, various interpretations can be given other ballots. I am in no position to make that kind of a judgment. One can hope for the best; but certainly it is not any type of judgment that guarantees accuracy or guarantees the right outcome.

On the other hand, do I feel that in the selection process this is something that is best accomplished by the people of New Hampshire, those who are served by their representatives in this body? Yes. Can they make a mistake? Yes. But then they have the right to correct it in 6 years' time, come another election.

So it is not the constitutional authority of the Senate which is at issue, rather it is how the Senate will exercise such authority to resolve the question.

Let us drop back to Mr. GRIFFIN's motion in the first place, which would seat the Senator from New Hampshire, specifically Mr. Wyman, without prejudice to Mr. Durkin and then have the matter referred to the Rules Committee.

Again, here, it is only a matter of method that we are talking about. There is no Federal system of election recount. We have no Federal law on the books which applies to all 50 States, setting forth the procedures of recount. Therefore, I can only assume the legality of a decision arrived at in the State of New Hampshire, and that decision is that Louis Wyman won the senatorial election of New Hampshire by two votes.

In the strictest legal sense, that is the decision, and then the burden of proof goes to the other side to upset that decision. If there had been a Federal law or a Federal procedure relative to recount, then certainly it would have been invoked. But there is none. Therefore, New Hampshire has made its decision, and it stands as legal.

Now we move down to Washington, and here sits this constitutional right of the U.S. Senate to determine its own membership. And so, because the issue is raised by one of the contestants, the Senate chooses to exercise its constitutional right and substitute its judgment for that decision arrived at by the State of New Hampshire.

I suppose in the strictest sense we have the right not to seat Lou Wyman under the guise of our constitutional power, but, without any further action, I think all of us would look upon that as not being an adequate response to the problems raised.

So, Mr. President, I suggest to my colleagues that the constitutional way out of this dilemma, and the equitable way out of it, is to exercise our power to determine our own membership by referring this matter to the electorate of New Hampshire. Then we have done right by our authority, by our traditions, by our commonsense, and by our future, and by our precedents, and most importantly, will have done right by the people of New Hampshire.

The argument, and I have to emphasize this point because I know the fear, and it is the fear that I had myself, I have to emphasize the point because I do not want Senators to feel that by referring this to New Hampshire we are, de facto, eliminating article I, section 5 of the Constitution which gives to the U.S. Senate the right to determine its own membership. It is just that we are so tradition-bound that we de facto have come to look upon the Rules Committee route as a part of that same constitutional right. It is not. It is just a custom or a practice that has been built up.

So, on the one hand, we have the law, the Constitution of the United States and, on the other hand, the practices of the U.S. Senate.

The PRESIDING OFFICER (Mr. FORD). The Senator's 10 minutes have expired.

Mr. WEICKER. I allot myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. WEICKER. Insofar as the legal argument is concerned, I think we have the right to decide the membership in this case will be determined by the voters of New Hampshire.

I will not vote for the motion of the distinguished Senator from Michigan. I again say that legally he is correct. Mr. Wyman should be seated, no question about it. But, also, within that motion is the method of determining who the winner is going to be, and that method is the traditional one of allowing the Rules Committee to decide. It is that portion that I cannot accept because, as I have indicated, these times, I think, call for the greatest possible participation in making this determination and the greatest possible participation is by the constituency itself.

Clearly, I cannot vote for the motion of the distinguished majority leader. In fact, it probably comes as close to being unconstitutional as any of the three motions because, in fact, we are then flying in the face of a result admittedly legal at its source; and, additionally, I cannot vote for the motion of the distinguished majority leader because, again, I would disagree with the method employed, the traditional, the old political method, of having the decision moved behind closed doors and into the hands of the Rules Committee.

That leaves me with my own motion, which motion declares the seat vacant and sends the matter back to the people of New Hampshire for their decision.

On January 15, during the debate on the question of the seating of the Senator from New Hampshire, I stated my reasoning for delaying any immediate vote on this matter, which was to allow the New Hampshire Legislature time to pass a bill providing for a new election. I made no pretense as to why it was that I was talking and not to a time limitation. I wanted to find out what the people of New Hampshire had in mind as to a resolution of this difficult problem.

On January 22, 1975, the Governor of New Hampshire signed into law a bill providing for a special election for the office of U.S. Senator. According to the major provisions of this act, a special election shall be held within 35 to 45 days from the time the Senate declared a vacancy in such office. A special date would be set by the Governor and the council. The candidates on the ballot for the election shall be John A. Durkin, of Manchester, Democrat; Louis C. Wyman, Republican; and Carmen C. Chemento, American Party.

Election laws, relating to form, manner, and conduct of the election would be applicable in this special election. Importantly, this act will take effect immediately upon the declaration, by the U.S. Senate, that a vacancy exists in the office of U.S. Senator from New Hampshire. Previous to the enactment of this law, a new election could not have been held in New Hampshire unless there was an absolute tie in general election. By expeditiously passing this legislation, the New Hampshire Legislature has created the legal machinery to allow the citizens of New Hampshire, not the U.S. Senate, the opportunity to choose their own Senator to represent them for the next 6 years.

The Washington Star-News editorial of January 13, 1975, best summarizes the "reasonable" choices the Senate may make to resolve this difficult question:

> The Senate appears to have only two reasonable choices in the controversy over the election of a Senator in New Hampshire. It can either seat the man who has the only valid state certificate of election—Republican Louis C. Wyman—or it can declare the seat vacant and ask for a new election.

I have introduced a substitute motion to the Mansfield motion which would provide a fair and equitable solution to this problem confronting the Senate. Specifically my motion states:

> That the United States Senate declare vacant the Senate seat for the State of New Hampshire for the term commencing in the 94th Congress and subject to the calling of a special election in the State of New Hampshire by the Governor thereof in accordance with New Hampshire Senate bill No. 28, which became law January 22, 1975.

This approach promises a clear-cut winner. It is fair to the candidates and more importantly to the people of New Hampshire. By adopting the Weicker motion, the Senate will not, as some people contend, be shirking its responsibilities under article I, section 5 of the Constitution.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. WEICKER. I yield myself 5 additional minutes.

Rather, it is a recognition by the Senate that it cannot determine with certainty the winner of the office of U.S. Senator from New Hampshire and has chosen a fair and democratic procedure to resolve this question. Louis Wyman, despite the fact he holds, in my opinion, the only valid certificate of election, has stated publicly many times that he would welcome a runoff election. He is willing to again take his case to the people of New Hampshire and seek a clear mandate from the electorate.

It is important to note that the duly authorized officials of the ballot commission carefully scrutinized the contested ballots in an attempt to ascertain the voters' intent in a fair and impartial manner. The petition filed by Mr. Durkin contends errors in judgment by these State officials. It demands that the U.S. Senate review the recount and, in effect, substitute its judgment for the judgment of a duly constituted State body.

The January 26 Washington Star-News editorial accurately states the inequitable nature of such a Senate proceeding.

> It would be shockingly unfair for the Democratic controlled Senate to find, lo and behold, that state officials don't know how to count or don't know a Durkin ballot when they see one, and declare that the legally certified winner wasn't the winner after all but that, the Democratic loser was.

The simple fact remains that the Senate can not decide with absolute certainty the voters' intent should it engage in a recount procedure.

Furthermore, questions have been raised concerning possible voting machine malfunctioning. In one case, it was reported that too many votes were recorded. In view of the closeness of the election, I do not believe a valid determination of the winner of the election can be made by the U.S. Senate. To attempt to do so will set a precedent that will haunt this distinguished body for years to come.

It should be mentioned that the State of Louisiana recently held a new election in the Sixth Congressional District because of voting malfunctioning and disputed absentee ballots. This is the fair and democratic way to decide a contested election. To have the Senate engage in recounting votes will open a Pandora's box.

I do not believe this serious question should be finally resolved in a Senate committee room or on the Senate floor. Let the people of New Hampshire decide this matter. The New Hampshire Legislature has acted. A mechanism has been provided to hold a new election. The Senate only has to declare the Senate seat of New Hampshire vacant, to allow the votes of the people of New Hampshire, not the votes of the U.S. Senators, to elect the next Senator from the State of New Hampshire.

The motion I have offered provides the Senate with a wise course to follow, by bringing the choice back to where it belongs—to the voters of New Hampshire. In an election that has been shrouded with allegations of irregularities and confusion, the Senate would do itself proud by putting New Hampshire's legal machine to work, so the next Senator from New Hampshire will truly be the elected representative of the constituents of New Hampshire. The final decision should be made in New Hampshire, not in Washington.

More importantly, the people of New Hampshire want a new election. The Manchester Daily Reader and Sunday News conducted a poll in which 1,800 people are in favor of a new election and 200 people are against it. The Keene Sentinel, in a recent editorial, captured, I believe, the sentiment of the people of New Hampshire:

> After two weeks of posturing on both sides of the issue in Washington, it is more apparent than ever that only a new election can determine a winner in the Wyman-Durkin race—a winner whose mandate is undiminished by suspicion that the real victor was "robbed."

I ask unanimous consent that the full text of this editorial, entitled "People's Choice", be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Keene Sentinel, Jan. 20, 1975]

PEOPLE'S CHOICE

> After two weeks of partisan posturing on both sides of the issue in Washington, it is more apparent than ever that only a new election can determine a winner in the Wyman-Durkin Senate race—a winner whose mandate is undiminished by suspicion that the real victor was "robbed."
>
> In New Hampshire, meanwhile, a bill to provide a special election in late February probably will come before the House on Wednesday. The measure earlier won quick endorsement in the State Senate, but House leaders have moved deliberately while events unfolded in Washington.
>
> There is no evidence that, as John Durkin charges, the Ballot Law Commission deliberately disallowed several legitimate votes which would have confirmed his original recount victory. It does appear, however, that the intent of voters among the 400 contested ballots is open to conflicting interpretation.
>
> A review of these few ballots by the U.S. Senate might well end in a judgment that Durkin is the winner, as he claims he should be. But the Senate must be concerned with the prospect of overturning the due process decision of a state body which appears to have acted in good conscience.
>
> The 68 Democratic senators must also consider the reaction in New Hampshire, certainly, among Republicans, if they ultimately seat Durkin permanently.
>
> No matter how valid they claim that judgment is, too many people here and on the GOP side of the Senate will believe that Wyman was wrongfully deprived of office and the popular will frustrated.
>
> The Senate has every reason, therefore, to declare the seat vacant and permit the people of New Hampshire to resolve the dilemma themselves via a new election.

Mr. WEICKER. Now, in the course of the debate several weeks ago, I tried to ascertain as to what some of the difficulties were with this method of sending the matter back to the people of New Hampshire.

All sorts of strange reasons popped up, nothing of which had to do with the Constitution or, indeed, with the legal situation, the legal facts surrounding the situation.

One was that Louis Wyman, being a Senator, would be the incumbent and would have an advantage. Louis Wyman was the U.S. Senator from New Hampshire. He filled the unexpired portion of Senator Cotton's term, so technically, he can call himself Senator Wyman.

Then, too, there was the fact he might have additional financing and Mr. Durkin would not have any.

Listen, we are not living in a day and age, in which the electorate is not fully cognizant of what is going on. The better financed candidate is not going to win this next election in New Hampshire. The fact that Louis Wyman was a Senator for 3 days is not going to impress him upon the people of New Hampshire more than his opponent.

As to the matter that apparently bothers some of my colleagues on the other side, the closeness of the election, it really does not make any difference whether the final result was 2 votes, 4 votes, 10 votes, 100 votes, 200 votes. It is the principle that is involved here.

It is interesting to note, and we can slide around all we want to, but under similar circumstances we seated the distinguished Senator from Oklahoma pending satisfactory outcome of the challenges in Oklahoma. However, we failed to do that for Louis Wyman from New Hampshire, because the Oklahoma situation was a disparity of, I think, some 3,000 votes and New Hampshire was 2.

If principle applies, it applies, as far as I am concerned, as a matter of precedent.

But what is important, I believe, is that as among ourselves we look not only to this, but to what the future could hold. How are we going to determine these matters next year or the year after? It is going to happen again. Everyone says it is a rather unusual situation, but it will happen again.

Take a look and see the closeness of the elections in this day and age and, surely, it is not beyond the realm of possibility that a similar situation will confront this distinguished body.

Again, I would advocate under a similar set of circumstances that the constituency itself make the decision.

My comments might be suspect if, indeed, it were Louis Wyman that had lost the election by 2 votes and trying to get it back in the State of New Hampshire, but that is not the case. He won.

According to the laws of New Hampshire, he won, and there is no Federal law which says that he was not the winner or that Mr. Durkin was.

The PRESIDING OFFICER. The time has expired.

Mr. WEICKER. I yield myself an additional 3 minutes. Mr. President, Are we going to bring our methods—not our rights, our rights are established by the Constitution and they are uncontested, but are we going to bring our methods—in tune with what it is we advocate within our political parties, what we advocate legislatively on the floor of the Senate, or when it comes our turn are we going to operate in somewhat different style, a style that goes behind the door, a style that does not believe that the wisest decision is made by the greatest number, but rather by the smallest number?

That is what I argue, not just in regards to the Wyman-Durkin controversy and its resolution, but, in the future, when a similer situation confronts the Senate that we have the decision be made by those best qualified to make it the constituency affected.

I do not for 1 minute question the integrity of any man on the other side of the aisle.

The votes over there will be individually made and they will be made on the basis of fact and honest conviction and not on the basis of any prearranged scheme. I want the RECORD to show that indicates my belief.

But what we deal with nowadays is what the public perceives. There is no way, in a circumstance such as we have here, where one political party dominates the Senate, that people are going to think anything other than that the majority was used to oppress the minority.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WEICKER. I yield myself another 5 minutes.

The facts of the situation lend some logic to that type of an opinion.

Each citizen of the United States is not privy to what goes on on this floor. They have to view our proceeding from the outside. From that vantage point, we appear fearful. We express a fear of allowing the constituency to elect its own.

So the suspicion exists that there must be some sort of a deal, there must be some sort of a prearranged signal as among the majority.

I have stated my clear conviction that no such prearranged signal exists, this matter will be resolved by the individual judgments of 100 men.

But I think it is important for a group that calls for openness in Government and more participation in our political process, to operate when we know it is our test under the same set of principles. What makes us fearful to apply to ourselves that which we are asking the rest of the country to do in how we legislate and the rules we establish for our own political parties?

I have already explained, it is not an assault on the constitutional process because I concede the validity of the powers granted this body under the Constitution, but it is only the method we employ.

I am in no position to determine what went on in this election and no Member in this body can give the assurance that he is in such a position, not unless 100 strong we go to New Hampshire. For those who ski, that would probably be a delightful expedition. On a firsthand basis, we could examine the ballots, those that exist; we could go into those situations of the voting machine malfunction. My gosh, my colleagues are not even out here right now listening to the arguments back and forth. How will we make that kind of judgment? At best it will be an imperfect judgment. It is not something that should be left in our hands. Rather, this is a question that should rest in the hands of the people of New Hampshire. What are we afraid of? I admit to the fact that Republicans control New Hampshire. Fine, the election law situation is a matter of the Republicans getting together. The Democrats control the situation down here. We have a stand off. Let the people decide. That is all that is being said in my motion.

I agree with the statements in one of the editorials on all of this posturing back and forth. I think there is. But nobody can accuse anyone of posturing, be it in the Senate of the United States or the Senate of New Hampshire, if the message comes across to let the people decide.

So, Mr. President, I would hope that my colleagues would find it in their hearts to do the right thing, not the traditional thing. The traditional thing, as far as I am concerned, does not relate to what the public demands today. Not the partisan thing, but who is right in the light of these times, and what is right for our future in similar situations yet to come. When we honestly are incapable, by virtue of that which is given to us of deciding the will of the people, we should let the people themselves decide. We should not be afraid of this approach. That is the foundation of our democratic process.

Mr. President, I yield at this time.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be equally divided between both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. WEICKER. Mr. President, I yield myself 5 minutes.

I wonder if I might direct a question to the distinguished Senator from Nevada or the distinguished Senator from Rhode Island, whoever cares to respond.

Why is it, given these particular facts, that it is felt that a better decision can be arrived at by the Rules Committee of the U.S. Senate rather than the people of New Hampshire?

Mr. CANNON. In the first place, I would say to the distinguished Senator that is not the issue at all, as to whether a better decision could be arrived at. The question is that jurisdiction lies with the Senate under the Constitution. If the Senator wants to change the Constitution, I would suggest that he start by offering a constitutional amendment to that effect. But short of that, under the Wilson against Vare case and other cases that have been cited throughout these proceedings, the jurisdiction is vested. The Senate is charged with the responsibility of determining, if it can, who won that election. That is pure and simple. It is the only thing we are going to try to determine, if the Senate so directs us to.

Mr. WEICKER. Will the Senator from Nevada be good enough to point out to me that section of the Constitution which states that the determination is to be made by the Rules Committee of the U.S. Senate?

Mr. CANNON. Rule XXV of the Standing Rules of the Senate in interpreting section 5, article I, of the Constitution. Rule XXV was adopted by the Senate pursuant to the adoption of the rules of the Senate.

Mr. WEICKER. But the Senator will agree that there is nothing in the U.S. Constitution that says the only way the U.S. Senate can make the determination of its own membership is by way of the Rules Committee of the Senate?

Mr. CANNON. Of course not, not the Rules Committee, per se. But the Constitution does say each House shall be the judge of the elections. I am not suggesting that the Constitution says it has to come to the Rules Committee, but that is rule XXV of the Standing Rules of the Senate. I would be delighted to have some other committee take this if they would be willing to take it.

Mr. WEICKER. How about a committee consisting of the people of New Hampshire?

Mr. CANNON. Neither the Constitution nor the rules of the Senate provide for that.

Mr. WEICKER. But they do not provide for the Rules Committee either.

Mr. CANNON. The people of New Hampshire have spoken on this subject. New Hampshire has come up with three different decisions so far. What we are trying to do is to carry out our constitutional responsibility and try to determine what the people of New Hampshire said. That is all.

Mr. WEICKER. Will the distinguished Senator from Nevada agree that the Constitution of the United States is silent insofar as the method is concerned by which we determine our membership?

Mr. CANNON. Certainly, the Constitution is silent. It simply says that each House shall be the judge of the election of its Members.

Mr. WEICKER. And I would concur with the distinguished Senator from Nevada. I think those of us who are on the other side of this issue want to reemphasize our belief that this body does have the right to determine its own membership. We are not in any way contesting or assaulting that portion of the Constitution. But by virtue of this dialog, both of us agree the Constitution is silent as to the methods that we employ to make that determination.

Mr. CANNON. There is no question about it. That is why we follow the rules and precedents. We have a book here that is about one-half inch thick governing election, censure, and so on, cases that come under the Constitution.

Mr. WEICKER. Is that not one of the great things about this body, that every day we set a new precedent? That is the difference, for example, between this body and our colleagues across the way, in that there are very few rules that dictate our actions. Rather, each day arrives, and we set a precedent.

So we could set the precedent that a proper method of determination would be to allow the particular political subdivision—the constituency—to make the determination by way of runoff election.

Mr. CANNON. No, we could not set that precedent.

Mr. WEICKER. We can.

Mr. CANNON. No, we cannot.

Mr. WEICKER. Why not?

Mr. CANNON. Because we cannot set precedents that go beyond the Constitution.

Mr. WEICKER. How does it go beyond the Constitution?

Mr. CANNON. The Constitution says that each House shall be the judge of the elections returns and qualifications of its own Members, and so on. In section 4, the Constitution even gives the Senate the authority to change the time, place, and manner of holding elections for Senators and Representatives, if it so desires. The States are given that authority, but they say that it shall be prescribed by each State, or the legislature thereof. But Congress may at any time, by law, make or alter such regulations except as to the places of choosing elections. There is the Constitution. If the Senator wants to change it, he should start with a constitutional amendment. That is what the Constitution says now.

Mr. WEICKER. Would the distinguished Senator from Nevada agree that the Senate of the United States could determine——

The PRESIDING OFFICER (Mr. LAXALT). The 5 minutes of the Senator from Connecticut have expired.

Mr. WEICKER. Would the distinguished Senator from Nevada care to share some time?

Mr. CANNON Certainly.

What time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Michigan has 37 minutes, and the Senator from Nevada has 82 minutes.

Mr. CANNON. I yield 5 minutes to the Senator.

Mr. WEICKER. I thank the distinguished Senator from Nevada.

Will the Senator agree that it would be impossible for the Senate to order that this decision process take place in a committee other than the Committee on Rules and Administration?

Mr. CANNON. It would require a change of the rules of the Senate, but the

Senate certainly could order it. The Senate frequently changes the rules of the Senate for action of the Senate itself. It has that authority.

Mr. WEICKER. The point I am trying to make is that it would be possible, as a way of arriving at a judgment, for the Senate of the United States, employing its constitutional right, to determine its own membership. It would be possible for the Senate to employ a method which, in effect, would, in this instance, send the election back to New Hampshire.

Mr. CANNON. I think not at this time. I do not think that would be carrying out the constitutional responsibility. I believe the Senate could do it in one instance or two instances. I will recite what I believe them to be.

One instance would be if the Senate reviews the election and comes up with an absolute tie. Then the Senate could declare the seat vacant and refer the matter back to the Senate for such further action as they desire to take.

The other instance would be if the Senate attempted to determine the intent of the voters of the State of New Hampshire and we come out and say that we cannot determine the intent of the voters of New Hampshire, for whatever reason, in the process of examining the ballots or counting the ballots. If that should take place, then I think it would be incumbent upon the Senate to say, "We will have to declare the seat vacant. We cannot determine what these voters intend."

Mr. WEICKER. So that it would be possible this afternoon for the U.S. Senate to say, "We cannot determine the intent of the people of New Hampshire, and we send it back to New Hampshire." That is one of the motions.

Mr. CANNON. I think that would be a possibility, although it would not be a very well-educated one, because we have not attempted to determine the intent of the voters. So I, for one, would not vote to send it back, saying that we cannot determine the intent of the voters, when we have not even looked to see.

I believe it would be incumbent upon us at least to look and see whether we can determine the intent of the voters.

To answer the Senator, yes, it would be possible, if the Senators here this afternoon were convinced in their minds as to what they now know, that they could not study this matter and determine the intent of the voters—they could refer it back to the State of New Hampshire.

Mr. WEICKER. I have a rather voluminous document here, which I imagine is the result of the hearings that already have been held. I have read it, and I am still confused as to the validity of the contested ballots. It is not a question that we have not looked at it. Attention has been paid to this matter.

Mr. CANNON. Attention has been paid, but the election itself has not been looked at. At this hearing, the subcommittee heard from both parties what the charges were, to try to determine whether the Senate should take jurisdiction in the matter.

As I pointed out on the floor of the Senate yesterday—and I do not want to preclude Mr. Wyman from his response to the petition—based on the Durkin petition that is filed and here before us, if the allegations set forth in paragraphs a, b, and c are true, then the result of the election would be different from what it was with the 2-vote margin. Whether or not they are true, I do not know, and that is the thing the committee would have to go into.

Mr. Wyman has made some charges. If those are true, it would change the result in his favor.

These are matters that I think the Senate has to look at under its constitutional responsibility. I am not suggesting anything more or anything less.

If someone were to make a motion here this afternoon to seat Mr. Durkin without prejudice, I would vote against it. I would vote against it as I will vote against the motion to seat Mr. Wyman without prejudice, because I think that to seat either one of these gentlemen without prejudice would be unfair, until we have made a determination.

After the committee, or the subcommittee, has gone into the matter and we cannot determine who won that election, or cannot determine the intent of the voters of New Hampshire, then I, for one, would be for coming back to the Senate and saying, "We cannot make such a determination and therefore recommend that the seat be declared vacant and that it be sent back to the State of New Hampshire."

Mr. WEICKER. Of course, I would concur to this extent, that I intend to vote against the motion of the distinguished Senator from Michigan to seat Mr. Wyman—not on the basis of the illegal situation, because, legally, as I have interpreted it, New Hampshire has declared a winner, but on the basis that I feel that the method used, as to determining the situation, should be one which encompasses the people of New Hampshire and not the Committee on Rules and Administration of the U.S. Senate. That would be my disagreement.

In the case of the motion of the distinguished Senator from Montana, my disagreement is twofold. No. 1, declaring the seat vacant in the face of what nobody contests—and if somebody does, I would like to hear it—is a legal decision by the State of New Hampshire. For the same reason, I would oppose the Griffin motion for the method used, which again throws it into the hands of the Committee on Rules and Administration.

I ask the distinguished Senator from Nevada how we resolve whether or not New Hampshire's decision is legal. Does this committee contest the legality of a final determination of the State of New Hampshire?

Mr. CANNON. No; the committee, in my judgment, would not contest the legality or the illegality of any decision of the State of New Hampshire. We would simply try to determine what the voters intend. The people have already spoken up there. They have had the opportunity and they have spoken, although I must say that it was somewhat confusing. But they have spoken on the subject.

So our responsibility is to try to determine now what they said—nothing more, nothing less—and give the intent as to the voters' intent, if we possibly can do so.

I know a little something about these processes. I have gone through an election recount. We may find that there are votes that have to be thrown out because what the voter intended cannot be determined. Those will have to be thrown out and disregarded.

Ground rules have to be set up that apply equally to both sides, so that one does not get an unfair advantage if the ground rule is applied in one fashion with respect to votes that would favor him and in another fashion with respect to votes that are against him. That is a very important factor, and that is set forth in the petition here.

The allegation is made that the ground rules were not applied evenly. I do not know whether or not they were.

Mr. WEICKER. Are we going to investigate, as the U.S. Senate, the various State officials of New Hampshire? Is it part of our function?

Mr. CANNON. No, sir.

Mr. WEICKER. This is a presumption——

Mr. CANNON. The U.S. Senate will try to determine the intent of those voters, irrespective of what the election officials of New Hampshire said. We will do it under uniform ground rules that will apply equally to Mr. Durkin and to Mr. Wyman.

Mr. WEICKER. In other words, we can do this in the case of every election in the United States.

Mr. CANNON. We could. The committee does not even suggest getting in from a jurisdictional standpoint, first, unless somebody contests the election; and second, unless there are reasonable grounds for a contest.

Mr. WEICKER. I only wish to point out that I, at least, make the presumption that a final determination from a State of the Union is just that, a final determination.

Again, I am not disputing our right to take a look at it, but I take it that whatever they do is within a constitutional authority. The final determination of the State of New Hampshire seats Louis Wyman by two votes. That still does not mean we cannot look at it. We can look at that two-vote victory, just as we can look at the victory of every other man elected to the U.S. Senate in the elections of 1974. I agree. I do not contest the right. But I ask at what point do we intrude and by what method do we then employ in trying to make a determination which is better than that one made by the people themselves?

Mr. CANNON. First, may I say that the Senator is not quite correct in what he says about the final determination in New Hampshire. If he would read the New Hampshire law, he would see that it applies to the ballot law commission. This provides for an appeal to the Supreme Court from the decisions of the ballot law commission made under paragraph 2, section 4, and not otherwise.

Mr. WEICKER. May I respond right there at that point?

Mr. CANNON. Not until I finish. I will be glad to let the Senator respond in a minute:

> And findings of fact made by the commission shall be final if supported by the requisite evidence.
>
> It is hereby declared to be the legislative intent to provide—

And listen very carefully—

> To provide no appeal under this section in the cases of contested elections for the offices of United States senator, representative in congress, state senator or representative to the general court in view of the constitutional provisions vesting in both houses of congress and both houses of the general court exclusive jurisdiction over the elections and qualifications of their respective members.

Mr. WEICKER. I shall respond to that. I again concur with the distinguished Senator from Nevada that that right does exist in this House. I do not dispute that at all. But it certainly does not tell us how we have to make our judgment or what method we use. All I am advocating is not that the distinguished Senator from Nevada and his colleagues in the Rules Committee have done the wrong thing at all. I am merely laying before this body the fact that since we write our own rules day by day and our own precedents, it is neither illegal nor unconstitutional nor unusual to suggest that maybe a better method, insofar as making that judgment in this day and age, is to allow the people of New Hampshire to have another election rather than to try to substitute our judgment on these matters relative to ballots and voting machines. That is all I am saying—not that the committee has done wrong at all, but that we can do better. And we can do better constitutionally.

Mr. CANNON. That is a very good suggestion from the Senator. As long as he feels that way, I suggest that all he would have to do is propose another amendment to the Constitution and perhaps he could get it through in a few years to take care of this particular situation.

Mr. WEICKER. Let me ask this one additional question of my distinguished colleague from Nevada. Let me point out one thing. I wish to point out for the RECORD, that I have served with the distinguished Senator on other committees; I know him to be a man of enormous integrity and just as hard working as anybody I ever met in the Government of the United States. I know that the efforts relative to the Rules Committee have been pursued with honesty and diligence. I wish the RECORD to show that.

Mr. CANNON. I thank the Senator for his kind remarks.

Mr. WEICKER. If this body adopts the Weicker motion which declares the seat vacant and sends the matter back to New Hampshire for a new election, does he feel that we would have then committed an unconstitutional act?

Mr. CANNON. Yes; I think that would be beyond the Constitution, because it says that the Senate itself shall be its judge: Each House shall be the judge of the elections. We are not carrying out that provision of the Constitution in section 5, article 1. We are simply saying we are going to send this back to New Hampshire before we have had a look at it.

The distinction that I make is that we have not had a look at it to try to determine if we can be the judge, if we can determine the intent of the voters of the State of New Hampshire, because that is our obligation. But once we have tried to look at it and make that determination, at that point, once we have come to that point and we say we cannot judge it, because of a variety of reasons, then I think we could say, first, we cannot make that determination because of the facts; or we make the determination that the vote ended in a dead heat, is a tie, and, therefore, we declare the seat vacant and send it back to the State of New Hampshire for whatever action they are able to take under their own law.

Mr. WEICKER. Therefore, it might be advisable for each Senator prior to his vote on the Weicker motion to say, "I honestly do not think that I can determine this matter and I vote for the Weicker motion." Then it would be constitutional?

Mr. CANNON. Well, in my own judgment, I may say, if the Senate votes that way, that will end it as far as I am concerned. I do not intend to try to press the point beyond that particular position. But I feel that a Senator would be derelict in his duty if he came in here and said, "I cannot make the determination," before he had even looked at it to see, before he or the committee had even looked at it to see. Once they have looked at it, if they come up with that judgment, that is going to be it as far as this Senator is concerned.

Mr. WEICKER. Would the Senator care to comment also on that section of the constitutional amendment 17 which reads:

> The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years, and each Senator shall have one vote.

Mr. CANNON. This has already been covered by the Supreme Court in the Wilson against Vare case, which seems to be the landmark case that has gotten most of the attention around here during the course of this debate. But the Supreme Court had that question posed as to the refusal of the Senate to seat a claimant pending an investigation. There, I may say, there were two contestants in that particular case, and the Senate finally decided, after they made the investigation, to seat neither one of them and sent it back to the State of Pennsylvania. But the question that arose and was posed to the Supreme Court was whether the State was deprived of its equal suffrage in the Senate within the meaning of article V of the Constitution. The Supreme Court answered that question in the negative.

Mr. WEICKER. I yield myself 4 minutes.

Of course, I think the Constitution speaks rather clearly. We are in the area of intent—"elected by the people thereof." I think the determination of our membership relates to either allegations of fraud, of which there are none, or misconduct on the part of officials in the election process. No such charges have been brought before us in the Wyman-Durkin case.

I might add this very much relates to the case which the distinguished Senator cites, though the facts in those regards are very much different.

No, I think the basic decision that sits before this body is not that the position of the distinguished Senator from Nevada is wrong at all. I think he has plenty of precedent to substantiate his case. What I am suggesting to this body is that, as we do in all other instances, we once again make our own rules and set our own precedents. We must say that in the performance of the duty thrust upon us by the Constitution of the United States. The performance of our duty in this case does include deciding to have this matter resolved by the New Hampshire constituency itself rather than by the Members of this body.

I think that in terms of the constitutional power that we have, we are authorized to make such a determination. Certainly it makes for far better government than a determination made by—how many members of the Rules Committee are there?

Mr. CANNON. Eight.

Mr. WEICKER. Eight individuals. That is where we are. We get into all sorts of trouble in this country with one man, two men, or eight men making decisions.

Mr. CANNON. If the Senator will let me point it out, the determination of the Rules Committee is not final. That has to come back to the Senate, and the Senate has to make the final determination. The Rules Committee is acting only as an arm of the Senate.

Mr. WEICKER. I am glad that the distinguished Senator brought this up. So we can consider this voluminous document to be an examination of the entire matter by the U.S. Senate as it sits here; and we have looked at it?

Mr. CANNON. That is not a look at the election; no. That is a look at the question of whether or not the Senate ought to take jurisdiction in this matter, whether there are charges here that, if substantiated, would change the apparent result of the election. And there are; those charges are there. Whether or not those charges are factual I cannot say, and the committee did not attempt to say. The committee simply attempted to say that this is a matter that we ought to go into, that the Senate, by constitutional provision, needs to take a look at the election, to try to determine the intent of the voters.

Mr. WEICKER. Mr. President, I yield back the remainder of the time yielded to me, so that it will now revert to the distinguished assistant minority leader. Was there a balance remaining?

The PRESIDING OFFICER. The Senator had 4 minutes remaining. Who yields time?

Mr. GRIFFIN. Mr. President, I yield the distinguished Senator from Oklahoma such time as he may consume.

Mr. BARTLETT. I thank the distinguished Senator from Michigan. Mr.

President, I am quite concerned about the attitude of some in this body in regard to the seating of Senator-elect Louis Wyman.

Also, I am concerned that the complete story of the New Hampshire election is not getting out to the general public.

The facts of this matter are very simple:

First. On November 5, 1974, the Senate election was held in New Hampshire and Louis Wyman declared elected by 355 votes.

Second. Mr. John Durkin then asked for a recount. After an apparently complete—but later found to be incomplete—recount Durkin had a 10-vote lead, and he was issued a certificate of election which was by resolution made subject to Mr. Wyman's "rights of appeal to the ballot law commission."

Third. Mr. Wyman then filed notice of appeal to the ballot law commission with a showing that all ballots had not been counted at the recount. With this showing the Governor and council rescinded the certificate of election to Mr. Durkin.

Fourth. At this pont Mr. Durkin filed suit before a three-judge Federal Court asking them to require the Governor to reissue the certificate. The court refused, saying that a certificate of election could have "meaning" only after the ballot law commission completes its work.

Fifth. The ballot law commission, pursuant to Mr. Wyman's appeal, heard evidence and counted the ballots which had been overlooked and others at the first recount and then declared Mr. Wyman the winner by two votes. The decision of the ballot law commission was unanimous and included two Republicans and one Democrat—the Democrat, incidentally, being the former gubernatorial candidate of the Democrat Party in 1970 and 1972.

Sixth. The secretary of state then issued a certificate of election to Mr. Louis Wyman.

Now it is obvious at this point there is only one valid certificate of election—that being in the name of Mr. Louis Wyman.

Without evidence to the contrary, we must presume that each of the official acts was regular and proper. In other words, based on the facts presented, the Governor properly issued a certificate to Mr. Durkin, then properly rescinded it and finally properly issued one to Mr. Louis Wyman. In courts of law there is a basic presumption that "public officials discharge their duty in accordance with law."

With this information Louis Wyman should be seated immediately by the Senate. Mr. Durkin has not alleged that any fraud was involved, just that he wants a recount.

The fact that the Senate refused to seat Louis Wyman on January 14, the regularly scheduled date for swearing in newly elected Senators, could be an example of the danger of one party domination of either House of Congress. The Democrats are flaunting the apparent will of the people of New Hampshire.

I certainly believe John Durkin should have hearing. However, in the absence of any evidence of fraud or wrongdoing, the duly elected and certified Senator-elect should be sworn in and seated. There cannot be two valid certificates of election, as inferred from statements by Members of the majority. At this point there is one valid certificate, and the holder of that certificate should be seated in the absence of any charge of fraud, and there is none here.

Mr. Wyman has leaned over backwards to be fair in this matter. Even though he was duly elected and certified, he has called for a runoff election because, as he says, "in an election this close there is no mandate."

I hope the morality which was so prolific, abundant, and proudly announced during the Watergate hearings does not disappear during the first weeks of this session. I hope it is apparently loud and clear on the decisions of the New Hampshire election.

I concur with Louis Wyman that, in an election as close as two votes, it is objectively impossible to ascertain the real winner. The use of paper hand-stamped ballots is certainly not perfect and fair-minded persons can come to different conclusions on how such a ballot is cast. The question is not one of counting ballots; it is one of which ballots to count. The grey area of counting votes cast with paper ballots is larger than the apparent difference in the votes of Mr. Wyman and Mr. Durkin, therefore, a runoff election is the only fair method to resolve this virtual deadlock. The New Hampshire Legislature has provided the necessary legislation to accomplish this. In the meantime, however, the people of New Hampshire deserve full representation in the Senate. In accordance with their law, which no one has suggested is unfair, the State of New Hampshire has asked that Louis Wyman be seated. It is most disturbing that there are those in the Senate who would refuse this request.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum and that the time be charged to the other side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 38—PROVIDING FOR MEMBERS ON THE PART OF THE SENATE OF THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. CANNON. Mr. President, from the Committee on Rules and Administration I report an original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee on the Library, and ask unanimous consent that the Senate proceed to the immediate consideration of the same.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

S. RES. 38

Providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library.

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

JOINT COMMITTEE ON PRINTING: Mr. CANNON of Nevada, Mr. ALLEN of Alabama, and Mr. SCOTT of Pennsylvania.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Mr. CANNON of Nevada, Mr. PELL of Rhode Island, Mr. WILLIAMS of New Jersey, Mr. HATFIELD of Oregon, and Mr. GRIFFIN of Michigan.

The PRESIDING OFFICER. The Senate will proceed to its immediate consideration.

Mr. CANNON. The resolution was reported unanimously from the Rules Committee. The distinguished minority whip or the minority leader is a member of one of those joint committees and the other is a member of the other joint committee, so the resolution has had the minority approval with respect to the membership on the committee. I hope the Senate will approve it.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. GRIFFIN. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, if the unanimous consent will be restated, the junior Senator from Michigan has no objection.

Mr. CANNON. Mr. President, I ask unanimous consent that we proceed immediately to the consideration of the resolution.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the resolution.

The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The Senate continued with the consideration of the credentials of the claimants to be U.S. Senator from the State of New Hampshire.

Mr. GRIFFIN. Mr. President, if I may, I would like to have the attention of the chairman of the Committee on Rules and Administration.

A question, of course, before the Senate is whether this matter should be referred to the Committee on Rules and Administration for further proceedings and recommendations. It would be most appropriate that the Members of the Senate in trying to make their decision on that question would have as much information and guidance as possible as to what would occur if the matter should refer to the Committee on Rules and Administration.

The distinguished Senator from Nevada, the chairman of the committee, made it clear in his colloquy with the Senator from Connecticut (Mr. WEICKER) that he believes the function of the committee in the Senate now is to seek to determine what was the will of the people of New Hampshire on November 5 when they voted, as I understood it.

Mr. CANNON. The Senator is correct.

Mr. GRIFFIN. Now, if that should be the function of the committee, it would seem to this Senator that one way to do that would be for the committee then to seek to have a recount of all the ballots cast and a review of all the questions of irregularity that had been raised. I do not know of any Senator on either side that is actually arguing that all of the 300,000, or whatever the number is, ballots should be recounted one by one.

I wonder if the chairman will indicate whether he agrees with the position set forth in the editorial in this morning's Washington Post which incidentally takes the view that neither candidate should be seated?

Mr. CANNON. May I say I agree with that.

Mr. GRIFFIN. Yes; and I am wondering if the chairman, either as chairman or as an individual Senator, also agrees with that portion of the editorial which says that the questions raised by both sides should be reviewed by the committee?

Mr. CANNON. Well, I certainly would not think that questions raised by only one of the parties ought to be considered. I do not see how in all fairness the intent of the voters could be determined on that type of a construction.

It seems to me, and I was not sitting with the subcommittee when they went into this matter, but if I recall correctly, it seems to me that this matter was placed in issue before the secretary of state and at this time both parties had the opportunity to raise objections.

Now, as far as this Senator is concerned and not as chairman of the committee, I would consider that the questions raised by both of those contestees at that time before the secretary of state ought to be considered by the Rules Committee or by the Privileges and Elections Subcommittee in trying to determine this matter, and certainly not a charge made by one and not one made by the other, that would not be a fair way to do it.

But I do not think that the question of going back beyond the ballots that were ruled out and said by both sides at the time of going to the secretary of state, all these are settled. I certainly would not think the committee would go back into any new issues that might be raised back at that time.

Mr. GRIFFIN. Well, I am not quite sure that I understand the answer of the distinguished chairman from Nevada.

Mr. CANNON. Well, the answer was very specific to the Senator's question.

The question was, did I think either individually or as chairman of the committee that the charges made by only one of the parties should be considered, and my answer to that is no.

Mr. GRIFFIN. And that the questions that were raised by either party in the course of the proceedings would be subject to review by the committee. Or is the Senator trying to say that only those questions that were before the ballot law commission would be reviewed?

Mr. CANNON. I think perhaps it would be fair to say that I am somewhere in between those two, but this is a matter that the committee itself will have to determine, either the full committee or the subcommittee, in laying down the ground rules.

I would hope that the ground rules would be ground rules that could be agreed upon by both sides with their attorneys with respect to where the contest actually lies.

Mr. GRIFFIN. I would certainly agree with the chairman that that would be the ideal situation. I do not see how either party could contend for a broader review than he asked for at some stage in the proceedings at the State level. But if we could understand that the questions raised by either party at any stage in the State proceedings would have the attention and the consideration of the committee, then that would at least be helpful.

But if the Senate is going to turn this matter over to the committee, and then the committee in seeking to determine what was the intent of the people of New Hampshire does not look at all the questions related to the vote, obviously the committee could not determine what the voters——

Mr. CANNON. If the Senator is concerned about the so-called 400 votes, I would anticipate individually that it would go beyond those 400 votes.

Mr. GRIFFIN. Well, that is very nice of the Senator to say it would go beyond that, but the Senator is not answering my question.

Mr. CANNON. I am not answering it because, frankly, I do not know.

I do not know what the recommendations will be of the counsel for the two parties involved.

I think their recommendations ought to be taken into consideration and I cannot make an informed judgment until I have the information, and I would expect to get the recommendations from the chairman of the committee, as well.

Mr. GRIFFIN. I would say to the distinguished Senator from Nevada, with all deference and respect, that those matters are raised by Mr. Wyman and his attorney in the response that he filed with the committee in response to the petition by Mr. Durkin.

There is no surprise about what it is that the two parties want the committee to review. The only problem is getting an agreement that the committee will do that. I refer to the matter of alleged malfunctioning machines, to the fact that absentee ballots were allegedly mishandled in some areas, and other matters that were set forth.

I have never been able to get a clear answer that the committee would take notice of those questions and look at them.

Mr. CANNON. I am certain that as diligent a representative as the distinguished minority leader is of the minority party, with him being a very important member of that committee, he will see that the rules and regulations that are agreed to will be fair to both parties concerned. I will assure him that I will make every effort individually to see that they are fair.

Mr. GRIFFIN. I appreciate that response. I thought maybe the Senator from Nevada would at least indicate agreement with the principles set forth in this editorial in the Washington Post, that all the questions of both sides that have been legitimately raised would be reviewed.

Mr. CANNON. I would certainly think that the committee would consider every complaint that was raised by either party.

Mr. GRIFFIN. Fine.

Mr. CANNON. Whether or not some of those may be considered to be valid complaints is something else again. In other words, some of them may be rather frivolous. I am sure the Senator knows, as a lawyer, that many times lawyers make points in their pleadings that are not really serious ones. Certainly, individually I would think that any serious complaint raised by either party which would affect the result of the election would be something that the committee ought to look at.

Mr. GRIFFIN. I thank the Senator very much for that response. I think we have made some progress. For a good many days we seemed to be having the debate focus on only 400 ballots that Mr. Durkin wanted recounted. It is my view, and I think it has now been indicated that it is shared by the Senator from Nevada, that we cannot be arbitrary about this. If we are going to try to determine what it was that the people of New Hampshire decided on November 5, it seems to me we have to look at all the legitimate questions that have been raised, or recount the whole election. That would be the other alternative.

Mr. CANNON. Even recounting the whole election would not necessarily solve the problem. They might come up with a similar type of result. They might come up with a tie, with a number of things.

The point I am trying to make, and I hope the Senator understands it, is that a lot of these ballots are not contested by either of the parties. As a member of the committee, I am not interested in going in and counting every ballot that was cast in the State of New Hampshire, and going in to look at the back of every machine, unless those issues have been raised by one of the parties. If they have been raised, if serious issues have been raised, then we need to look at them.

The Senator mentioned the so-called question of 400 votes. I do not know who used the term of 400 votes. I first heard about it on the minority side. I do not know whether anybody on the majority side ever referred to the 400 votes or not as being the sole limit of it. I personally do not envision 400 votes being the limit of where the committee would go in this instance.

Mr. GRIFFIN. Would the chairman expect that whatever review of this election takes place would be handled by the full committee?

Mr. CANNON. The chairman is not completely certain in his own mind. The subcommittee chairman has said he has no objection to the full committee handling it. I personally would prefer to refer it to the subcommittee since it is within their jurisdiction. If the full committee desires to have it come up before the full committee, that is the way we will handle it. I will leave that up to the committee to decide.

Mr. GRIFFIN. I have already put this question to the chairman from Rhode Island, and I was pleased with his response. Concerning any meetings of the full committee where the question is what to do and how to proceed, would the chairman agree with me that it would be wise if that meeting was open to the public and the press?

Mr. CANNON. I think it would be wise.

Mr. GRIFFIN. Our other meeting was open.

Mr. CANNON. I would say that it would be open unless someone made the motion and the majority voted to close it. I personally would think that it ought to be open.

Mr. GRIFFIN. I appreciate that. I certainly agree. It seems to me that as much as possible every step of the proceeding, if it takes place, ought to be open to scrutiny by the public and the press.

Mr. CANNON. The Senator is absolutely correct.

I may say that this is not a pleasant task, as far as the chairman of the committee is concerned. I wish there were some way that it would go away. I wish it were not before us. But, as I see our constitutional responsibility, I think it is before us. I see no other way to avoid it, other than by abdicating that constitutional responsibility. I am not willing to take that step.

I agree with the Senator that it is something that ought to be out so that everybody can look at it and so that they can see, as I am sure they will, that the Senate Rules Committee is being absolutely fair; that we are establishing ground rules that will apply equally to both parties in this matter. However that result comes out, it will be the best judgment based on fairness and honesty in the committee. I see no other way the matter could be handled, nor would I want it handled any other way. The committee has acted very responsibly in the past in some difficult assignments. I am sure it will in this one.

Mr. GRIFFIN. I appreciate those responses from the chairman.

I respectfully say that there is one way that the matter can go away. It can go back to the people of New Hampshire where they would have the opportunity to vote and make a decision which would be the fairest and best way to do it. That would be to adopt the Weicker motion. I realize the chairman does not favor that.

Mr. President, I suggest the absence of a quorum with the time equally charged.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TOWER). Without objection, it is so ordered.

Mr. MANSFIELD. Will the distinguished Senator yield to me briefly?

Mr. CANNON. I am delighted to yield to the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that voting on the Wyman-Durkin matter begin at the hour of 3:30.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, and I shall not object, this is short notice for Members on both sides, but they were advised yesterday that there would be an effort made to try to move the voting up to either 3 or 3:30. I do not know of any Senator on this side who will be inconvenienced, and I know it will help some with travel plans.

Mr. MANSFIELD. There was one Senator over here who raised an objection, but that has been cleared.

Mr. GRIFFIN. Yes. So I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask the distinguished Senator from Nevada if he will yield the minority leader and me the last 2 minutes.

Mr. CANNON. I shall be delighted to.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum cal be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, as we approach the deadline on this vote, we have heard very good arguments on all sides on all issues, and they all have merit. But it is our job to try to simplify the arguments that have been made; and I would like to leave with the Senate a very simple analogy to our present situation.

The analogy is a footrace. If there is a footrace, and both runners know they have reached the finish line almost at the same time, the one who thinks he may be a smidgen behind would want a new race, while the one who thought he was a smidgen ahead would say, "Let us wait and have the photograph of the finish developed, so we can see who won."

The judge of the race, if he were a responsible one, would say, "Yes, let us wait and see if the photograph, when developed, will show who won the race. If it does not, we will go ahead and have a new race."

In this race, the Senate of the United States is the race judge, and I think this is the analogy we should all keep in our minds.

Mr. President, I yield the floor.

Mr. GRIFFIN. Mr. President, in accordance with the order previously entered into, I call up my motion, which has been printed, in order that it may be before the Senate at 3:30 p.m.

The PRESIDING OFFICER. The clerk will state the motion.

The assistant legislative clerk read as follows:

> The Senator from Michigan (Mr. GRIFFIN), proposes the following motion in the nature of a substitute for the motion proposed by Senator MANSFIELD:
>
> I move that the oath of office be administered to Louis C. Wyman, of New Hampshire, and that he be seated without prejudice, and that the petition of contest by John A. Durkin, the response thereto by Louis C. Wyman, and all relevant papers, be referred to the Committee on Rules and Administration for recommendation.

Mr. GRIFFIN. Mr. President, this motion, as a substitute for the motion of the Senator from Montana, will give the Senate the opportunity to do in this case what the Senate has consistently done over the years in situations where there is no allegation of fraud or illegality or corruption. That is to give prima facie recognition to the certificate issued by the State authorities, and to seat that Senator-elect, at least on a provisional basis, and then allow the Committee on Rules and Administration to investigate any questions that have arisen with respect to the election.

I respectfully point out again that if this procedure is not followed in this instance it will be unprecedented. There is no instance in the history of the Senate where a Senator-elect with a valid certificate has not been seated at least provisionally under these circumstances. To do otherwise, even in the case of a margin of two votes, is to open the door in the future for doing it in cases where the margin is 20 votes, 200 votes, or 2,000 votes. That is a precedent which I hope the Senate will not adopt.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. GRIFFIN. I am glad to yield to the distinguished minority leader.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. HUGH SCOTT. Will someone yield me a minute?

Mr. CANNON. I yield 1 minute to the distinguished minority leader.

Mr. HUGH SCOTT. I thank the Senator.

Briefly, Mr. President, I call attention once more to the fact that following the War Between the States, from 1865 until January 14, 1868 the Senate refused to accept certificate of election for Senators-elect from former States.

I repeat that if we are going back to the behavior of 1865, it ought to be remembered that what the Senate can do to the State of New Hampshire it can do to the other 49 sovereign States. It would be, in my judgment, an abuse of the Senate's powers and authority to proceed now to take away from the State of New Hampshire its own electoral determination that Senator Wyman should be seated. I support the motion.

The PRESIDING OFFICER. The Senator from Montana has the last minute.

ORDER TO VACATE LINCOLN DAY RECESS

Mr. MANSFIELD. Mr. President, after consultation with the Democratic policy committee and with the distinguished Republican leader, and he in turn, I assume, after consultation with the Republican conference, we wish to make the announcement that the so-called Lincoln Day recess has been canceled.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. HUGH SCOTT. I advised those members of our conference who were still in attendance of the decision of the majority, and we will see that all other Senators who were not advised will be so advised.

Mr. MANSFIELD. Yes. I want to express my appreciation to the distinguished minority leader for his understanding and to all Senators for their understanding, because I am quite certain that on both sides engagements had been made on the basis of the promise made by the joint leadership last year. If anyone is discommoded by this change of events, I express to them my sincere apologies and praise their understanding.

Mr. HUGH SCOTT. If the Senator will yield further, I understand that some of these engagements are of a nature that cannot, at this late date, be broken, and we will have to be understanding if, for that reason, some Senators find it impossible to attend.

Mr. MANSFIELD. Yes, but the business of the Senate will continue.

Mr. HUGH SCOTT. I thank the Senator.

SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

The Senate continued with the consideration of the credentials of the claimants to be U.S. Senator from the State of New Hampshire.

Mr. CURTIS. Mr. President, I rise at this time to urge that the Senate act expeditiously and forthrightly to seat Louis Wyman as a Senator from the State of New Hampshire; and that we then get on with the important business at hand in dealing with the problems of the Nation.

Today we find ourselves in the position of acting as an election commission in the matter of the New Hampshire Senate election—a position, I am sure was not the intention of our forefathers. I do not think we need dwell too long on this matter, since our course is clear. We have only to recognize the legal, valid certificate of election of the State of New Hampshire. That certificate is issued to Louis Wyman.

The extensive debate on both sides of this issue is unnecessary, and continued lengthy pursuit of this matter for resolution by the U.S. Senate is unwise. There should be no issue at all. We have a valid certificate of election from the sovereign State of New Hampshire. The election in New Hampshire was conducted along with others across the Nation last November. It was a close election, and the challenge and recount process has been exhausted. Louis Wyman has been certified the winner for the Senate seat to succeed our former esteemed friend and colleague Norris Cotton.

We should not be debating this issue, because there is no valid issue. Some members have seen fit to bring it up at the request of Mr. John Durkin, who lost the New Hampshire election. Their basis for bringing it up here comes from an invalid and rescinded certification of election which was originally erroneously issued to Mr. Durkin by the State of New Hampshire. This certificate was issued before the full procedures of contest and recount had been completed by the State.

Having completed the contest process of the election through its ballot law commission, the State of New Hampshire rescinded the certificate issued to Mr. Durkin and issued a certificate of election to Louis Wyman. The Senate has refused to honor the request of the State of New Hampshire to return and invalidate the certificate issued to Mr. Durkin.

Although hope was held out that Mr. Durkin would receive friendly consideration in the Senate, he did pursue further the final certification of the State of New Hampshire. He filed suit in Federal court to challenge the findings of the ballot law commission which resulted in rescission of his certificate. But that court unanimously upheld the ballot law commission in its conduct of the election contest and recount which resulted in the certification of Louis Wyman as the election winner.

It is important to note that Mr. Durkin had the opportunity to appeal this Federal court decision, but having failed to do so, he has exhausted all legal procedures and by this abandonment acknowledges the decision of the court and outcome of the New Hampshire election as certified by the State's ballot law commission.

Mr. President, the matter of the New Hampshire election has been before the Senate since we began the 94th Congress. The Senate has found no fraud or wrongdoing, and thus having fulfilled its authority and obligation in determining the qualifications of an election, the Senate should now properly seat the certified election winner, Mr. Wyman.

Our constitutional system provides the rights of the States to choose their own elected representatives. Once the due process of such election is completed, the States should be entitled to the representation produced by their election processes. If, in the absence of fraud or wrongdoing, the U.S. Senate refuses to recognize the certification of election of a State, we will be establishing a horrendous precedent that will rock the very foundations of our freedom and representative government.

Our elections are determined on the basis of the candidate who receives the most votes whether by two, or two thousand or two million. Once all avenues of challenge and contest are exhausted in the case of close elections, the States certify election winners on the basis of most votes received. We provide for recourse to the courts to determine the validity of any contests, and to the Senate to determine the presence of fraud or wrongdoing. Once all procedures of recourse are pursued and vote counts upheld or finalized, and absence of fraud or wrongdoing is discounted, the only remaining step we have is for the final seating of the certified election winner.

For the U.S. Senate to act in any other way would be to establish precedent that would deny this very process and the right of the people to choose their own representatives. Such action would undermine our process and would place in the hands of persons not residents of a State the power to decide its representatives. This clearly was not the intent of our forefathers.

I again urge that we can now act to seat the certified election winner of the State of New Hampshire, Mr. Louis Wyman.

Mr. BAYH. Mr. President, as many of us debating here today are aware, serious constitutional questions were raised on the floor of the New Hampshire House when it was considering new legislation calling for a special election. At that time, several members of the New Hampshire House felt that the constitutional problems raised by this new election law were significant enough to warrant referring the matter to the State supreme court. In order that we can all have the benefit of some of the constitutional issues raised during the House debate, I ask unanimous consent to have the remarks of New Hampshire Representative Dudley Dudley printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

A Speech Given by New Hampshire Representative Dudley Dudley, January 22, 1975 in the New Hampshire House on the Motion by Representative Eugene Daniell To Send Senate Bill 28 to the New Hampshire Supreme Court for an Opinion on Its Constitutionality—That Opinion To Have Been Handed Down No Later Than January 30

Mr. Speaker:

I rise in support of the pending motion to refer Senate Bill 28 to the New Hampshire Supreme Court for an opinion by a week from tomorrow.

As a member of the Statutory Revision Committee I am one of the five Democrats you referred to last night on television as having voted in favor of passage of Senate Bill 28 in committee. I have consistently said that I could not argue against a new election, for many of the reasons being discussed here today.

But, since my committee met last Thursday, and voted "ought to pass" I did something that I should have done a long time ago—I looked at the United States Constitution as it pertains to elections and the seating of its members. Here it is—simple, short and straightforward. Section 5 of Article I says: "Each House SHALL be the Judge of the Elections, Returns and Qualifications of its Own Members." It is in that simple statement that the Senate receives its constitutional OBLIGATION to involve itself in this election and to judge it. Why should we in the New Hampshire House feel any need at all to give the Senate a tool for avoiding a hard decision? When we in this House face tough problems, do we try to avoid our responsibility, duty, obligation to handle them by turning the questions back to the people who elected us?

The Senators' responsibility is clearly defined by the Constitution which is the law of the land. Nowhere in our state Constitution nor in the federal Constitution are we Representatives in the New Hampshire House—venerable and wise though we may be—given the right to pass an amendment to the United States Constitution—AND THAT IS WHAT WE WOULD BE SEEKING TO DO BY PASSAGE OF THIS BILL. I support the Daniell motion to send this bill to the Supreme Court, although to the me the issue is clear—if we believe in our Constitution, and if we believe in the constitutional process that has made this country great for much of the time the old man has looked down the notch, then we will vote to get a judicial opinion on this most critical piece of legislation from our Supreme Court.

Our debate here today has the eyes of the country on New Hampshire, and on the United States Senate as well. Over and over again we have read the yards of coverage in the local, state and national press—"The Senate is the final arbiter in such matters," or "The Senate is the final judge in contested elections of its own members." No one on either side is attempting to dispute that because the Constitution clearly grants the Senate not only that right, but that duty. Should the United States Senate, finding it has a "hot potato," be able to cop out and make no decision, because we in the New Hampshire House are willing to accommodate them?

If the Senate, in its wisdom decides to void our November election, it presently has the power, authority, obligation, duty—whatever you choose to call it—to call for a new election. Number 59 of the Federalist Papers, by Alexander Hamilton states that whenever extraordinary circumstances exist in elections to the national Senate, the authority to call for a new election rests with the Senate.

Once again, let me quote our Constitution on the subject: "Each House SHALL be the Judge of the Elections, Returns and Qualifications of its own Members." When our Founding Fathers said "SHALL be the Judge," that is what they meant—they didn't mean "May sometimes except when elections are disputed," or "May except when elections are close and the decision is a burden." Our Founding Fathers said: "The Senate SHALL be the judge" and to change that wording and that obligation would require a constitutional amendment. If the United States Senate feels the New Hampshire election results warrant a new election, let the Senators call for it. The power and obligation to do so is theirs under that precious document, our Constitution.

For these reasons I ask you to join me in support of the pending motion to send this bill to the Supreme Court for a judicial decision.

Mr. HASKELL. Mr. President, the situation facing the Senate today, as we all realize, is without precedent in this body. Those of us who have already been elected and sworn in as Members of the Senate are being called upon to exercise our constitutional duty to make the final determination in a contested election in New Hampshire.

There is no doubt that the Senate is obligated to be the final arbiter of contested elections. Article I, section 5, of the Constitution of the United States specifies that:

> Each House shall be the Judge of the Elections, Returns, and Qualifications of its own Members . . .

I do not presume to be an expert on this particular election. I do know that up to 3,100 ballots have been in dispute at various times since the election. One individual was certified, after having been judged the victor by 10 votes. That decision was then reversed and another individual was then certified, having been elected by two votes. Various allegations have been made concerning the method used in recording disputed ballots, and whether all of the voting machines were functioning properly.

It is clear to me, Mr. President, that in order to discharge our constitutional obligation in a fair and orderly manner we must have a thorough investigation of the dispute.

The Committee on Rules and Administration has jurisdiction over "'Matters relating to the election of the President, Vice President, or Members of Congress . . ." I concur with the majority leader's desire to have a thorough investigation of this contest take place and am pleased to support the resolution he introduced to refer the matter to the Rules Committee.

Some have characterized this dispute as being a partisan matter. I do not concur. I realize that the New Hampshire machinery for resolving the dispute is controlled by members of the Republican Party while the Senate is controlled by members of the Democratic Party. In spite of the Democratic majority I do not believe that my colleagues on the Rules Committee, both Republicans and Democrats, will approach this task in a partisan manner. Each of the ballots must be inspected and a decision as to how that ballot should be recorded must be made, ballot by ballot. I do not envy their task but I know they will perform it in the most judicious manner possible.

Since I have been in the Senate we have handed the members of the Committee on Rules and Administration a variety of other difficult, highly sensitive tasks. These "hot potatoes," also unprecedented in scope and nature, have included the nominations of Gerald Ford and Nelson Rockefeller to serve as Vice President and the initial preparation for a trial of impeachment. They have served us well and I am looking forward to hearing their report on this dispute.

Mr. KENNEDY. Mr. President, I strongly support the motion by Senator MANSFIELD that both contenders for the seat of the junior Senator from New Hampshire—Mr. John Durkin and Mr. Louis Wyman—should stand aside temporarily, until the Senate Rules Committee and the full Senate have the opportunity to review the ballots in dispute and to make a recommendation to the Senate.

From all appearances, this case is unique in Senate history. The margin of election is so close that the Senate has ample justification for requesting both candidates to stand aside temporarily. That is the only fair and rational way to proceed. I urge the Senate to reject not only the transparently partisan arguments being made for the seating of Mr. Wyman, but also the premature arguments being made for a new election.

In my view, neither candidate holds a certificate of election that should be honored by the Senate. Mr. Durkin's certificate, based on his 10-vote victory in the New Hampshire Secretary of State's recount, has been superseded by the results of the State ballot law commission. Mr. Wyman's certificate, based on his two-vote victory in the ballot law commission's recount, is defective because of the Commission's obviously questionable decisions on a number of the disputed ballots.

Certainly, in considering the examples of the ballot law commission's work presented by Mr. Durkin to the Rules Committee earlier this month, no Senator can fairly and objectively examine this evidence and believe that the Commission's conclusion should be even temporarily credited by the Senate.

No one can say now what the final outcome will be, after the Senate's own scrutiny. What can be said is that a decision to seat either candidate at this time would be premature, and might well be reversed in the immediate future, once the Rules Committee has examined the ballots. The wiser course, therefore, is to wait until the results are clearer.

The only fair solution now is for both contenders to stand aside, and for the Rules Committee and the Senate to carry out their responsibility to reach a final objective determination at the earliest possible opportunity. Certainly, baseless partisan charges are not sufficient grounds for the Senate to seat Mr. Wyman.

I also feel that the Senate should not declare a vacancy in the seat or acquiesce in a new election except as a last resort, after a finding by the Senate that there is an absolute tie vote or that it is otherwise impossible to determine a winner.

Except in such extraordinary circumstances, there is no justification for the Senate to nullify the New Hampshire election of November 5, 1974 or to disfranchise the 200,000 voters who went to the polls that day.

The Senate would be setting a novel and unacceptable precedent, if it were to cancel an election solely on the ground that the results were uncomfortably close. The Senate has its own constitutional responsibility to carry out, and the sooner we accept it, the sooner this difficult case will be resolved.

Mr. GRIFFIN. Mr. President, I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous agreement, the hour of 3:30 having arrived, the Senate will now proceed to vote on the substitute motion by the Senator from Michigan (Mr. GRIFFIN).

The question is on agreeing to Mr. GRIFFIN's motion.

The yeas and nays have been ordered, and the clerk will now call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HASKELL (when his name was called). On this vote I have a pair with the distinguished Senator from Idaho (Mr. MCCLURE). If he were present and voting, he would vote "yea"; and if I were at liberty to vote, I would vote "nay." I, therefore, withhold my vote.

Mr. METCALF (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Vermont (Mr. STAFFORD). If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I, therefore, withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. JACKSON), is necessarily absent.

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Washington would vote "nay" and the Senator from Ohio would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Idaho (Mr. MCCLURE) and Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that the Senator from Tennessee (Mr. BAKER) is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

I further announce that the Senator from Ohio (Mr. TAFT) is absent attending a funeral.

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from Washington (Mr. JACKSON). If present and voting, the Senator from Ohio would vote "yea" and the Senator from Washington would vote "nay."

The result was announced—yeas 34, nays 58, as follows:

[Rollcall Vote No. 2 Leg.]

YEAS—34

Allen
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stevens
Thurmond
Tower
Young

NAYS—58

Abourezk
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Eastland
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Haskell, against
Metcalf, against

NOT VOTING—5

Baker
Jackson
McClure
Stafford
Taft

So the motion of Mr. GRIFFIN was rejected.

Mr. WEICKER. Mr. President, I ask that my motion be brought up at this time and read.

Mr. PASTORE. We cannot hear the Senator, Mr. President. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

The clerk will state the motion of the Senator from Connecticut.

The assistant legislative clerk read as follows:

> The Senator from Connecticut moves that the United States Senate declare vacant the Senate seat for the State of New Hampshire for the term commencing in the 94th Congress and subject to the calling of a special election in the State of New Hampshire by the Governor thereof in accordance with New Hampshire Senate Bill No. 28, which became law January 22, 1975.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Do I understand there is 10 minutes allotted to this motion, 5 minutes on each side?

The PRESIDING OFFICER. Under the previous agreement the Senate will now proceed to the consideration of the substitute motion by the Senator from Connecticut, with 10 minutes to be equally divided and controlled by the Senator from Montana and the Senator from Connecticut, and with a vote to occur thereon. Who yields time?

Mr. WEICKER. Mr. President, I ask for order at this time?

The PRESIDING OFFICER. May we have order?

The Senator from Connecticut.

Mr. WEICKER. Mr. President, I ask all my colleagues on both sides to devote just a few minutes to what, in effect, is our judgment by virtue of our constitutional right of a situation that has come into our hands.

I want to reaffirm my belief in our constitutional right to adjudicate our membership, to determine our membership. This amendment is no wise assaults, chips away at, or contradicts that absolute right of the U.S. Senate to determine its membership.

The amendment states there are varied methods by which we can exercise that judgment. It is not in the Constitution of the United States that our judgment has to be exercised by the Rules and Administration Committee, or any other committee. Indeed, I suggest to the Senate today that, within that power we have, it is our duty consistently to seek out the best possible ways of exercising that judgment, that determination.

That is why I voted against the motion of the Senator from Michigan, and I shall vote against the motion of the distinguished Senator from Montana—if offered. Both motions employ a method that I do not feel in this day and age is the best answer to handling this difficult situation.

In the course of my debate with the distinguished Senator from Nevada I asked him to touch upon those instances when indeed we might take such an action of sending it back to the constituency from where it came. He said, "If we cannot make the decision down here, that would be the valid basis for sending it back to the constituency from whence it came."

I ask each Senator, before voting on this motion, to take a look at the document before him that has within its contents a picture of a voting machine. This document clearly indicates how there was a discrepancy with regard to the voting machine in Manchester, N.H., and clearly sets forth how it is impossible for any one of us here to make the determination as to who was the winner in New Hampshire.

So what I am asking that we do is to act as we do every day, when, indeed, we set our own rules and we set our own precedents. I ask that we determine, one, yes, we have the power to decide who shall be a Member of this body; and that, two, as men of fair conscience, and of relevancy to today's political world, the best method in this set of circumstances is to allow that judgment to be made by the people of New Hampshire.

We are operating within our constitutional power. We cannot set a different political standard for the rest of the country, either in our own parties or in this Chamber, a standard that has come to encompass greater enfranchisement, greater participation, out-in-the-open decisions, if, in fact, at this point in time given these circumstances we estimate that 3, 8, or indeed, 100 can make a wiser decision than thousands in the State of New Hampshire.

In conclusion, in asking support for this amendment, I ask you to vote for it, and in doing so to uphold our constitutional right and to make a determination within our powers of commonsense, fairness, and relevancy to the citizens of today's Nation.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

I stated earlier in colloquy with the distinguished Senator from Connecticut, that it may be that this is not the best method by which to proceed, but it is the constitutional method. It is the method prescribed by the Constitution. It is not that the Rules Committee make a determination, but that the Senate, itself, make the determination, if it can, as to who won the election.

The Senator is quite right. If, after we look at it, we make the determination that we cannot then decide in trying to determine the intent of the voters of the State of New Hampshire who actually won that election, then we would have the obligation of declaring the seat vacant and referring it back to the State of New Hampshire in accordance with law.

Section 5, article I of the Constitution clearly points out that this body is the judge of its elections under the Constitution. The New Hampshire law recognizes that fact by referring to an appeal from the ballot law commission. In situations other than a U.S. Senator, a congressional race or a State representative race, there is the right of appeal to the Supreme Court of the State of New Hampshire. But where is the appeal here? The appeal is to the Senate of the United States. That is exactly where this matter has been placed.

The Supreme Court has recognized the fact that this matter has vested with the Senate immediately upon the filing of this particular contest that has been filed with the Senate. That case has long since been decided in the case of Wilson against Vare, a Pennsylvania case, where two contestants came in. In that case, the Supreme Court went further and said that the State of Pennsylvania had not been denied its right of equal suffrage under the Constitution by virtue of the fact that they had no sitting Senator in that seat while the contest was trying to be determined by the Senate. The Senate in that case went on and refused to seat either one of the contestees, one of whom had a certificate from the Governor of the State at that time.

The Senate determined that neither of them should be seated, and declared the seat vacant. The matter went back to the State of Pennsylvania for a new election. On the new election neither of the contestees was elected to the U.S. Senate.

So we have a very clear precedent in this case.

As I said to the distinguished Senator from Connecticut, certainly we can change the methods of proceeding if we want to make it some other way. I think we would be remiss in our constitutional responsibility if we were to try to change it now, before we have even looked at the results of this election to see if we can make that determination. But if we can make that determination, we have the constitutional responsibility. If we want to abdicate our responsibility, then I would say now we should simply say we will declare the seat vacant without even looking at it to make a determination and send it back again to the State of New Hampshire.

I hope the Senate will vote against this particular motion.

Mr. HUGH SCOTT. Will the Senator from Connecticut yield me the 1 minute remaining?

Mr. WEICKER. I yield the remainder of my time.

Mr. HUGH SCOTT. To vote this amendment down, Mr. President, is to go counter to the expressed wishes of the Legislature of New Hampshire, the Governor of New Hampshire, the ballot law commission, of the people of New Hampshire, which were, judging by the polls, 8 to 1 in favor of a new election and against the declared wishes of the candidates. The Senator-elect, Mr. Wyman, says he wants a runoff; the contestant, Mr. Durkin, has said in the RECORD that he has been for a special runoff all along. The trouble is it cannot be negotiated.

That was his statement in the RECORD. Now it can be negotiated. Now the State of New Hampshire has accommodated him so that everybody wants a new election, unless the Senate decides otherwise. That would be a pity. I support the motion.

The PRESIDING OFFICER. There is 1 minute remaining to the other side.

Mr. CANNON. I yield back the remaining 1 minute.

The PRESIDING OFFICER. The question is on the motion. The yeas and nays have been ordered. The clerk will proceed to call the roll.

The second assistant legislative clerk called the roll.

Mr. HASKELL (when his name was called). On this vote I have a pair with the Senator from Idaho (Mr. McCLURE). If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. METCALF (after having voted in the negative). On this vote I have a pair with the Senator from Vermont (Mr. STAFFORD). If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. JACKSON) is necessarily absent.

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Washington would vote "nay" and the Senator from Ohio would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Idaho (Mr. McCLURE) and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that the Senator from Tennessee (Mr. BAKER) is absent due to illness.

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from Washington (Mr. JACKSON). If present and voting, the Senator from Ohio would vote "yea" and the Senator from Washington would vote "nay."

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

I further announce that the Senator from Ohio (Mr. TAFT) is absent attending a funeral.

The result was announced—yeas 39, nays 53, as follows:

[Rollcall Vote No. 3 Leg.]

YEAS—39

Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Byrd,
  Harry F., Jr.
Case
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
McClellan
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stennis
Stevens
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—53

Abourezk
Allen
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Stone
Symington
Tunney
Williams

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Haskell, against.
Metcalf, against.

NOT VOTING—5

Baker
Jackson
McClure
Stafford
Taft

So Mr. WEICKER's motion was rejected.

The PRESIDING OFFICER. Under the previous agreement, there will now be 10 minutes debate on the Mansfield motion, with the time to be equally divided and controlled by the Senator from Montana (Mr. MANSFIELD) and the Senator from Michigan (Mr. GRIFFIN), with the vote then to occur thereon with no tabling motions or amendments to be in order.

Who yields time?

Mr. GRIFFIN. Mr. President, I yield such time as he may consume to the distinguished minority leader.

Mr. HUGH SCOTT. Mr. President, the Senator from Pennsylvania yields himself 2 minutes.

Mr. President, the Senate has spoken here quite erroneously, in my opinion. It is interesting that with our 4 absentees, there would have been 43 votes in favor of a new election, so that the Senate now, by a change of 4 Senators one way or another, could precipitate an election. That again shows the folly of the Senate's attempting to determine what should be done in a two-vote majority if the Senate will not accept the valid certificate.

The PRESIDING OFFICER. May we have order in the galleries and in the Senate.

Mr. HUGH SCOTT. Mr. President, the current Bible reading of the day, the editorial in the Washington Post, makes the valid point that we have come to this stage of whether or not to refer the matter to the Rules Committee—and because I think the Senate is not acting providently here, I am going to vote against that motion, consistent with my vote in favor of the other two. But if it is to go to the Rules Committee or, to put it in parliamentary language, if we are going to be rolled over, then I hope and believe that we are going to have a just and a fair count.

It is important that whatever is relevant, as has been the point made by several speakers, whatever is relevant should be determined from each candidate's pleading. I do not think we can cut short the contention of either candidate as to what should be determined by the committee.

I believe, too, it would be fairer for us to have this decided by the full Committee on Rules, which would save one lengthy step, since the subcommittee has already acted in holding hearings; and since we know that the Committee on Rules will ultimately get it, I hope that they will get it in the first instance. I would favor that process if we are, indeed, going to be rolled over.

It seems to me that every issue that was raised by both of those candidates should be considered by the Committee on Rules, which I believe is a statement made by the distinguished chairman of the committee. I agree with that.

I hope the motion will be voted down. I have been here too long to be other than realistic. But we are going down a dangerous road and what we are trying to do, or what some are trying to do to New Hampshire, I repeat, can be done to any of the other 49 States. I will just bet the day is coming when some people who vote to roll over a sovereign State are going to find that it is their State that caught the byblow sometime later.

I yield back the remainder of my time. I thank the distinguished Senator from Michigan.

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes.

May I say that there is not going to be any rolling over. As far as the Committee on Rules and Administration is concerned, it has an exemplary record for fairness, and I think it possesses the full confidence of the Senate. Certainly, it has had a number of most difficult questions and issues confronting it in the past 2 years. During that time, I know of no one on either side in this Chamber who has raised the slightest objection concerning the fairness and objectivity of that committee.

Mr. President, all this resolution states is that the credentials of Louis C. Wyman and John A. Durkin—both of them—and all papers now on file with the Senate relating to the same be referred to the Committee on Rules and Administration for recommendations thereon.

It is a simple motion. It is something which the Senate, in my opinion, should have faced up to 2 weeks ago, but unfortunately, 2 weeks have gone by and only now is action in the offing.

I read to you section 5 of article I of the Constitution:

> Each House shall be the judge of the elections, returns and qualifications of its own members . . .

Mr. President, I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, I too, shall vote against this motion. It speaks of credentials of Mr. Durkin. There are no credentials of Mr. Durkin to be referred to the Committee on Rules and Administration.

I yield the remainder of my time to the Senator from Connecticut (Mr. WEICKER).

Mr. WEICKER. Mr. President, I make the comment that what this resolution does is challenge the legal election practices of the State of New Hampshire. It refuses an opportunity for the people of New Hampshire to vote.

The PRESIDING OFFICER. All time has expired.

Mr. WEICKER. It indeed is the tyranny of the majority which I have always opposed and I shall continue to oppose it.

No one is crying at all. But the image of all of us—all of us—as Senators is done no great honor by taking away this decision from the people.

Mr. MANSFIELD. Mr. President, all I can say is that the Constitution must, should, and will prevail.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. LAXALT). The question is on agreeing to the motion of the Senator from Montana (Mr. MANSFIELD) that the credentials of Louis C. Wyman and John A. Durkin and all papers now on file with the Senate relating to the same be referred to the Committee on Rules and Administration for recommendations thereon.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. METCALF (when his name was called). Mr. President, on this vote I have a pair with the Senator from Vermont (Mr. STAFFORD). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. HASKELL (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Idaho (Mr. MCCLURE). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Washington (Mr. JACKSON) is necessarily absent.

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from Washington would vote "yea" and the Senator from Ohio would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that the Senator from Tennessee (Mr. BAKER) is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "nay."

I further announce that the Senator from Ohio (Mr. TAFT) is absent attending a funeral.

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from Washington (Mr. JACKSON). If present and voting, the Senator from Washington would vote "yea" and the Senator from Ohio would vote "nay."

The result was announced—yeas 58, nays 34, as follows:

[Rollcall Vote No. 4 Leg.]

YEAS—58

Abourezk
Allen
Bayh
Bentsen
Biden
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Eastland
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NAYS—34

Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Case
Curtis
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Mathias
Packwood
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stevens
Thurmond
Tower
Weicker
Young

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Haskell, for.
Metcalf, for.

NOT VOTING—5

Baker
Jackson
McClure
Stafford
Taft

So Mr. MANSFIELD's motion was agreed to.

The PRESIDING OFFICER. May we have order in the Senate and in the galleries?

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Utah without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Utah.

TRIBUTE TO THE BOY SCOUTS OF AMERICA

Mr. MOSS. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> It is the wish of the Congress to express pride in the strength and achievements of the Boy Scouts of America as this important youth movement marks its sixty-fifth anniversary.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. MOSS. Mr. President, this is a traditional resolution concerning the Boy Scouts which is normally presented in the month of February. It pays tribute to the partnership between scouting and the civic, religious, and fraternal organizations.

It has been cleared with the minority side, Senator HRUSKA of the Committee on the Judiciary, Senator EASTLAND, and with the leadership on both sides. Therefore, I ask for an immediate vote upon the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. CON. RES. 6

> It is the wish of the Congress to express pride in the strength and achievements of

the Boy Scouts of America as this important youth movement marks its sixty-fifth anniversary.

Whereas the Boy Scouts of America were granted a charter by the Congress in 1916, and

Whereas the achievements of Scouting are the result of the partnership between the Scouting movement and the schools, churches, civic and service clubs, fraternal bodies and other community organizations which have provided the opportunities for the young people to associate with Scouting, and

Whereas the success of Scouting which results in character development, citizenship training and training in physical and mental fitness is dependent upon the dedicated volunteers who serve as Cubmaster, Scoutmasters, Explorer Advisors, Den Mothers and in other positions of leadership, and

Whereas the month of February has traditionally been set aside to celebrate the anniversary of Scouting; now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States in Congress assembled, this nation shall pay tribute to the productive partnership which exists between Scouting and civic, religious, community and fraternal organizations; salute the spirit of voluntary action represented by the thousands of men and women who serve Scouting, and express to the six million members of this movement that America needs Scouting; Scouting needs America.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent when it completes its business today, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily and that the Senate turn to the consideration of Calendar No. 11, S. 281; that it be laid before the Senate and made the pending business. This request has been cleared all around as far as the leadership is aware.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 281) to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes.

COMMITTEE AMENDMENT

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

Section 1. This Act may be cited as the "Regional Rail Reorganization Act Amendments of 1975".

Sec. 2. (a) Section 211(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(a)) is amended by deleting the phrase "for purposes of assisting in the implementation of the final system plan;" and inserting in its place "for purposes of achieving the goals of this Act;".

(b) Section 211(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(e)(1)) is amended by deleting the phrase "carry out the final system plan" and inserting in its place "achieve the goals of this Act".

(c) Section 211(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(f)) is amended by deleting the phrase "goals of the final system plan" and inserting in its place "goals of this Act".

Sec. 3. (a) Section 213(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 723(a)) is amended by adding the following at the end thereof: "Where the Secretary and the trustees agree that funds provided pursuant to this section are to be used (together with funds provided pursuant to section 215 of this Act, if any) to perform program maintenance on designated rail properties until the date rail properties are conveyed under this Act or to improve such designated properties, such agreement shall contain the conditions set forth in section 215(b) of this Act.".

(b) Section 213(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 723(b)) is amended by striking out "$85,000,000" and inserting in lieu thereof "$210,000,000".

Sec. 4. Section 215 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 725) is amended to read as follows:

"INTERIM AGREEMENTS

"Sec. 215. (a) Purposes.—Prior to the date upon which rail properties are conveyed to the Corporation under this Act, the Secretary, with the approval of the Association, is authorized to enter into agreements with the trustees of the railroads in reorganization in the region (or railroads leased, operated, or controlled by railroads in reorganization)—

"(1) to perform the program maintenance on designated rail properties of such railroads until the date rail properties are conveyed under this Act;

"(2) to improve railroad facilities and equipment of such railroads; and

"(3) to acquire railroad facilities or equipment for lease or loan to any such railroads until the date rail properties are conveyed under this Act, and subsequently for conveyance pursuant to the final system plan, or to acquire interests in such facilities or equipment owned by or leased to any such railroads or in purchase money obligations therefor.

"(b) Conditions.—Agreements pursuant to subsection (a) of this section shall contain such reasonable terms and conditions as the Secretary may prescribe. In addition, agreements under paragraphs (1) and (2) of subsection (a) of this section shall provide that—

"(1) the Corporation shall not be required under title III of this Act to compensate a railroad in reorganization for any portion of the value of the properties subject to the agreement and designated under the final system plan for transfer to the Corporation which is attributable to the maintenance or improvement performed pursuant to the agreement. The Association and the special court shall, in determining value pursuant to section 303, take into account the physical conditions as of the effective date of the agreement; and

"(2) in the event that property subject to the agreement is sold, leased, or transferred to an entity other than the Corporation, the trustees or railroad shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer which reflects values attributable to the maintenance and improvement provided pursuant to the agreements.

"(c) Obligations.—Notwithstanding section 210(b) of this title, the Association shall issue obligations under section 210(a) of this title in an amount sufficient to finance such agreements and shall require the Corporation to assume such obligations. The aggregate amount of obligations issued under this section and outstanding at any one time shall not exceed $300,000,000. The Association, with the approval of the Secretary, shall designate in the final system plan that portion of such obligations issued or to be issued which shall be refinanced and the terms thereof, and that portion from which the Corporation shall be released of its obligations.

"(d) Conveyance.—The Secretary may convey to the Corporation, with or without receipt of consideration, any property or interests acquired by, transferred to, or otherwise held by the Secretary pursuant to this section or section 213 of this Act.".

Sec. 5. Section 303(c)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(c)(1)) is amended by deleting the last word of paragraph (A); by deleting the period at the end of paragraph (B) and inserting "; and" in its place; and by inserting after paragraph (B) the following new paragraph:

"(C) what portion of the proceeds received by a railroad in reorganization from an entity other than the Corporation for the sale, lease, or transfer of property subject to an agreement under section 213 or section 215(a) (1) or (2) of this Act reflects value attributable to the maintenance or improvement provided pursuant to the agreement.".

Sec. 6. Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by inserting immediately after the third sentence the following: "This limitation on compensation shall not apply, however, if the Board determines with respect to a particular position or positions that (1) a higher level of compensation is necessary, and (2) is not in excess of the general level of compensation paid officers of railroads in positions of comparable responsibility.".

Sec. 7. Subsection (b) of section 207 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 717(b)) is amended (1) by inserting "(1)" immediately before the first sentence thereof, and (2) by adding at the end thereof the following two new paragraphs:

"(2) Whenever a court having jurisdiction over a railroad subject to reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205) has found, pursuant to a final order under paragraph (1) of this subsection, that the reorganization of such railroad shall not be proceeded with pursuant to this Act, such reorganization court may, upon a petition which is filed within 10 days after the date of enactment of this subsection by the trustees of such railroad, reconsider such order. Such reorganization court shall (i) affirm its previous order or (ii) issue an order that the reorganization of such railroad be proceeded with pursuant to this Act unless it finds that this Act does not provide a process which would be fair and equitable. The provisions of paragraph (1) of this subsection are applicable in such reconsideration, except that (A) such reorganization court shall make its decision within 30 days after such petition is filed, and (B) any decision by the Special Court on appeal from such a decision shall be rendered within 30 days after such reorganization court decision is made. There shall be no review of the decision of the Special Court. The Association shall take any steps it finds necessary, consistent with time limitations and other provisions of this Act, to effectuate the consequences of such a revised order, including the preparation and submission of any necessary or appropriate supplements to the preliminary system plan.

"(3) The Office is authorized to hold public hearings on the preliminary system plan and to make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of the preliminary system plan, not later than

60 days after the date of release of such plan. The Office is authorized to hold public hearings on the supplement and to make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of the supplement, not later than 30 days after the date of release of such supplement.".

SEC. 8. Paragraph (2) of subsection (d) of section 205 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715(d)(2)) is amended to read as follows:

"(2) employ and utilize the services of attorneys and such other personnel as may be required in order to properly protect the interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the reorganization process as provided by this Act.".

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to designate the distinguished Senator from Connecticut (Mr. WEICKER) in charge of the bill on this side.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

In view of the fact that many Members were told that there was an extremely good possibility that there would not be a rollcall vote tonight, I would just like to suggest to the attachés of the Senate that they get on the telephone and notify all Members that there will be a rollcall vote on the pending business.

Would those Senators interested in this bill be open to the consideration of a time limitation?

Mr. CURTIS. Reserving the right to object, I would like about 5 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 20-minute limitation on the pending bill, that the time be divided equally between the distinguished Senators from Indiana (Mr. HARTKE) and Kansas (Mr. PEARSON) and that 5 minutes of that time be allotted to the distinguished Senator from Nebraska (Mr. CURTIS).

Mr. ALLEN. Mr. President, reserving the right to object, may I ask if this is the further bailout of the Penn Central?

Mr. HARTKE. That is right.

Mr. ALLEN. I do not believe we ought to limit the discussion to 20 minutes, and I am going to just leave it open, if the distinguished majority leader will allow me.

Mr. MANSFIELD. I withdraw my request.

Mr. HARTKE. Mr. President, I send some technical amendments to the desk and ask that they be considered at this time en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Mr. HARTKE proposes certain technical amendments.

The amendments are as follows:

On page 7, lines 21 and 23, delete the words "railroad facilities and equipment" and insert in lieu thereof the words "rail properties."

On page 8, line 18, after the words "section 303", insert the words "of the Act".

On page 10, line 22, delete the word "two" and change the word "paragraphs:" to "paragraph:".

On page 11, lines 14 and 16, change the words "Special Court" to "special court".

On page 11, between lines 22 and 23, insert the words "Section 207 (a) (2) is amended to read:"

On page 12, line 4, delete the word "the" and insert in lieu thereof the word "any".

Mr. HARTKE. Mr. President, these amendments deal with nothing more than correcting words and things of that kind, and I understand there is no objection on the minority side.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

Mr. HARTKE. Mr. President, very briefly, what we are considering here is legislation which is requested by the administration which was introduced by myself and the Senator from Kansas (Mr. PEARSON). It is designed to avert a major catastrophe in an already sick industry.

Just for the sake of background and for this RECORD——

Mr. WEICKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will the Senate please come to order?

Mr. HARTKE. On January 2, 1974, the President signed the Regional Rail Reorganization Act. It was Public Law 93-236. The act provided a framework for a reorganizing of eight major bankrupt Midwest and Northeast railroads into a modernized, efficient rail system that could insure the continuation of the Central Rail Service in the region.

Its enactment was prompted by the possibility of a breakdown of service throughout the area which would, in turn, trigger economic disaster on a grand scale.

The eight Class I railroads of the region serve an area in which 42 percent of this country's people live and in which 50 percent of this country's industrial goods are produced.

The Railroad Service is so intertwined with the industrial production that it is estimated that a 1-month termination of service, for example, in my home State of Indiana would mean a jobless rate in our State of 24 percent over and above the present rate of unemployment; an 8-week shutdown would reduce the gross national product by 2.7 percent, and reduce the overall Nation's economic activity by 12 percent.

The adverse impact would not be limited to the Midwest and the Northeast. Eight affected railroads are part of an indivisible network which ties this country together. Northeast railroads, for example, receive over 300 cars a day from Alabama, over 640 cars a day from California, and over 520 cars a day from Minnesota.

In return, the same railroads send over 680 cars a day to Texas, over 200 a day to Washington State, and over 550 cars a day to Tennessee.

To avert the threatened economic disaster, the Regional Rail Reorganization Act required the Department of Transportation to provide short-term aid in the form of grants to insure that essential services were not disrupted. At the same time, a newly created planning body—the U.S. Railway Association—was charged with identifying the essential parts of the bankrupt railroads and fashioning a consolidated rail system, the Consolidated Railway Corp., to take over from the bankrupt railroads. The Secretary of Transportation was required to aid this process by guaranteeing loans to the railroads for the improvement and reorganization of those parts of their operations which would be included as part of the consolidated system $85 million was authorized for the section grant program; $150 million was authorized for improvements pursuant to the section 215 loan guarantee program.

Eight Class I railroads were in bankruptcy proceedings at the time of passage of the act: the Penn Central, Reading, Erie Lackawanna, Lehigh Valley, Central of New Jersey, Boston and Maine, Ann Arbor, and Lehigh and Hudson River. Reorganization courts subsequently determined that two, the Boston and Maine and the Erie Lackawanna, were capable of income-based reorganization and thus were not "railroads in reorganization" for the purposes of the act. Although they probably would be involved in the final system, they were not eligible for the interim grants, loan guarantees, and the labor protective provisions of the act were inapplicable.

The 12 months following the passage and signing of the Regional Rail Reorganization Act have brought further economic difficulties to these railroads. The difficulties have jeopardized the planning process and have renewed the specter of total termination of service in the Midwest and Northeast. Inflation, increased costs and diminished revenues eroded the railroads already precarious cash flow positions. For example, the Penn Central's fuel costs rose 100 percent during the course of 1974. On top of inflation, the coal strike and then the sharp economic downturn reduced the amount of freight being hauled and eroded the companies' financial conditions still further. In 1975, the Penn Central's estimated revenues will be running at a level at least 7 percent below those of 1974. The Department of Transportation, at hearings on S. 281, testified that this estimate may prove "optimistic" as the recession deepens.

The tremendous increases in prices for fuel, materials, labor, and other expenses have occurred at the same time that the revenues of these railroads have been falling. For instance, the coal strike of last November and December cost the Penn Central alone $5 million a day in revenues. Sharp declines in other principal commodities hauled by these carriers has also occurred. The declining sales of automobiles, for instance, has had a dramatic effect on revenues.

The Department of Transportation, after carefully reviewing the cash position of the carriers in the Northeast and Midwest, has recommended that the Congress authorize further interim assistance until the final system plan for restructured and improved rail service can be implemented in the first quarter of 1976. The committee increased the amount the Department requested by an additional $25 million for two reasons. First, the Department's estimates of need were based on the economic predictions of the Penn Central. However, in testimony before my subcommittee last week, the Department admitted that those estimates were "optimistic." Furthermore, the Department's request included no aid for the Erie Lackawanna Railroad, which is also in danger of cessation of operations in the near future. There are other provisions of this bill which will allow the Erie to fully enter the planning process as a railroad in reorganization under the act. This will permit interim assistance to assure continuation of essential rail services and at the same time give the U.S. Railway Association more control over the planning process. It will also allow the labor protection provisions of the bill to apply to the employees of the Erie who are displaced in the reorganization process.

Now, Mr. President, as distasteful as it may seem to provide further interim assistance to these carriers and as much as I, frankly, personally am very reluctant to ask for these funds, because I know it is not the most pleasant task, it is absolutely essential to assure the continuation of vital rail services.

If the Penn Central alone shut down, it would cause reverberations throughout the economy that could plunge the entire Nation into a major depression, even without consideration of present economic conditions, and we are frightfully close to having that possibility become a reality. The current cash shortage will prevent the Penn Central from meeting its payroll on February 25. This means that they will begin embargoing traffic—in other words, the acceptance of any cars or shipments—over the entire railroad on February 14 in preparation for a complete shutdown.

They would have to notify the carriers and shippers that they would not be able to make sure they would have delivery of the cars delivered to them, nor would they be able to make sure they were delivered to other carriers in the shipments originating on the Penn Central.

If the Congress does not act before then, the consequences could be catastrophic.

Quite honestly, for many cities it would mean not brownouts, but blackouts, and for some cities, like New York, Philadelphia, and Boston, it would probably mean they would not have sufficient food to feed their people, and the trucks could not possibly haul in enough to get the job done.

Let me set forth just a few of the principal commodities carried by the Penn Central alone:

Type of freight and percent of industry total:

	Percent
Automobiles	34.7
Metals	34.6
Waste and scrap	30.5
Metallic ores	19.6
Coal	12.5
Stone, clay, and glass products	11.7
Food	11.3
Petroleum	11.1

These numbers speak for themselves. If the transportation of these essential items were disrupted, it would certainly mean economic chaos for the entire United States.

Now, there are several alternatives. One of them is liquidation. That is the dire consequence to which I point.

The other is to follow what the Penn Central wanted, and that was that they wanted us just to provide the cash to continue to operate with no strings attached. We rejected that idea.

The provision we have accepted this time is modification of 213 and 215, which in substance says that there must be accountability, but in addition to that, that in the event there is any money which goes into this system which ultimately increases the value, that the Government would not be required to pay for that in the ultimate takeover—that is, to pay twice.

EMERGENCY AID FOR CONTINUED RAIL SERVICE IN THE NORTHEAST AND MIDWEST

Mr. WEICKER. Mr. President, S. 281, the Regional Rail Reorganization Act Amendments of 1975, was introduced at the request of the administration to meet an emergency situation with respect to the reorganization of the bankrupt railroads in the Midwest and Northeast region pursuant to the Regional Rail Reorganization Act of 1973. As reported by the Committee on Commerce, the bill would also make certain other amendments to that act and to the Rail Passenger Service Act.

Much of the essential service in the Midwest and Northeast region presently is being provided by railroads which are insolvent and undergoing reorganization under section 77 of the Bankruptcy Act. Those railroads which have been determined not to be reorganizable on an income basis are to be reorganized pursuant to the Regional Rail Reorganization Act, which was signed by the President as Public Law 93-236, on January 2, 1974. Of the bankrupt railroads, the Boston & Maine and the Erie Lackawanna have been determined by the courts to be reorganizable on an income basis under the Bankruptcy Act. However, the trustees of the Erie Lackawanna have recently determined that it now cannot be reorganized in this manner, and an amendment proposed by the committee would permit the Erie Lackawanna to be reorganized pursuant to the Regional Rail Reorganization Act.

The Regional Rail Reorganization Act established an incorporated nonprofit association to be known as the U.S. Railway Association, USRA. USRA is charged with the responsibility of developing, and submitting to Congress within 540 days after enactment of Public Law 93-236—June 26, 1975—a final system plan for reorganizing the railroads in the Midwest and Northeast region into an economically viable system capable of providing adequate and efficient rail service to the region. A preliminary system plan is to be submitted to Congress within 420 days after enactment—February 26, 1975.

Pending implementation of the final system plan with the establishment of the Consolidated Rail Corporation, the act authorizes two forms of interim financial assistance to railroads being reorganized pursuant to its provisions. First, section 213 authorizes the Secretary of Transportation to make grants, not to exceed $85,000,000 to such railroads to assure continued provision of essential transportation services. Second, section 215 authorizes the Secretary, with approval of USRA, to enter into agreements with railroads for the acquisition, maintenance, or improvement of railroad facilities and equipment necessary to improve property that will be in the final system plan. USRA is authorized to issue obligations up to a maximum of $150,000,000 to finance these efforts.

At a hearing held by the Surface Transportation Subcommittee on January 21, the Department of Transportation, DOT, testified that the bankrupt railroads of the Midwest and Northeast presently are confronted with a serious financial crisis as a result the general economic downturn and that, unless additional funds are made available promptly, the Penn Central, and possibly other railroads, will cease operations early this year. At that same hearing the trustees of the Penn Central noted that they face wage payments of over $14 million at the end of February and that without further cash assistance, the railroad will cease all operations.

DOT has recommended that the authorization in section 213 be increased by $100 million—from $85 million to $185 million—and that the authorization in section 215 be increased by $150 million—from $150 million to $300 million. In order to provide the Department with a cushion and obviate the need for further legislation should the Penn Central's projections prove to be optimistic, and in order to have sufficient funds available to extend financial assistance to the Erie Lackawanna, the committee has proposed the DOT proposed authorization in section 213 be increased an additional $25 million to $210 million. However, financial assistance pursuant to section 213 and 215 may be extended only when conditions which will assure that any improvements to rail properties made as a consequence of such assistance will benefit the Consolidated Rail Corporation and not accrue to the estates of the bankrupt railroads.

The U.S. Railway Association has recommended that the Regional Rail Reorganization Act be amended to enable the Erie Lackawanna to become a "railroad in reorganization" as defined in the act and thereby be reorganized pursuant to that act. A committee amendment to the bill would establish a procedure whereby the trustees of the Erie Lackawanna may petition the district court for an order that the reorganization of the railroad be proceeded with pursuant to the act. The principal advantage of this manner of reorganization is the added certainty of the planning process. With the Erie Lackawanna being reorganized pursuant to the act, the U.S. Railway Association may mandate in the final system plan which Erie Lackawanna properties are to be conveyed to the Consolidated Rail Corporation.

Finally, the committee adopted an amendment which would permit exceptions to the limitation imposed on salaries of the National Railroad Passenger Corporation, Amtrak, so as to attract capable and talented management. It is not, of course, the intention of the committee by this amendment to encourage a wholesale raising of Amtrak salaries. Rather, the committee recognizes that the realities of the marketplace may require occasional exceptions to the salary limitation.

S. 281 is, however, principally emergency legislation that must be enacted promptly to maintain essential rail service during the planning process of the Regional Rail Reorganization Act and to encompass the Erie Lackawanna as well as the other bankrupt railroads being reorganized pursuant to that act. Accordingly, I urge my colleagues in the Senate to give this measure prompt favorable consideration.

Mr. HARTKE. Mr. President, all I can say is that I am not enthusiastic, but I am telling everyone, very desperately, the country needs this legislation, not the Senate and Congress nor the Penn Central trustees. I would urge——

Mr. CURTIS. Will the Senator yield?

Mr. HARTKE. Yes, I am glad to yield to the Senator.

Mr. CURTIS. How much money does this provide for Penn Central?

Mr. HARTKE. This provides a total amount in what is called section 213, which is grant money, of $125 million.

Mr. CURTIS. For the Penn Central?

Mr. HARTKE. Well, let me explain just a moment.

Twenty-five of that we put in because of contingencies for the Erie Lackawanna, the $100 million additional in this amount is subject to the Department of Transportation, in other words, finally agreeing that they need it, they would have to make a show for it, not draw it down immediately. The cash short flow for the Penn Central for the payroll of February 25 is estimated to be $14 million. They need $14 million February 25 just to meet the payroll that they will have.

Mr. CURTIS. Even though an application must be made for a grant, what is the total amount in this bill that will end up for the Penn Central?

Mr. HARTKE. The total amount, most of it will end up for the Penn Central.

Mr. CURTIS. How much is that?

Mr. HARTKE. The total amount in this bill, first, there are two parts. One of them deals with the actual grants for operating, that is about $100 million, which is most Penn Central money. It is available to all railroads in reorganization, but most is Penn Central.

There is also $150 million here in 215 section money which really provides for rehabilitation which is necessary to keep the railroad in operation, but that is loans.

Those loans are guaranteed by the Federal Government and ultimately become obligations of the Consolidated Rail Corporation.

Mr. CURTIS. Does that mean $114 million plus $150 million in guaranteed loans?

Mr. HARTKE. No. The $14 million which I referred to is included in the ultimate $100 million which it is anticipated the Penn Central and closely-related operations will require.

Mr. CURTIS. In other words, this bill authorizes $100 million for Penn Central plus $150 million in loans?

Mr. HARTKE. That is basically right.

Mr. CURTIS. How much have they already received?

Mr. HARTKE. They have gone down $85 million in the grant section, section 215.

Mr. CURTIS. But in all sections?

Mr. HARTKE. That is basically all they have received so far, except for loan guarantees.

Mr. CURTIS. How much in loan guarantees?

Mr. HARTKE. They had $150 million but they only approved $146 million of that just very recently. It has not been used yet. It has just been approved for use very recently.

Mr. CURTIS. So they have had——

Mr. HARTKE. $84.1 million specifically.

Mr. CURTIS. Plus $146 million in guaranteed loans?

Mr. HARTKE. Yes. But those ultimately become the obligation of the carrier. In other words, what is happening is keeping the railroads in a functioning position is estimated to be in excess of $2 billion. We are not doing anything in that regard whatsoever.

Mr. CURTIS. The distinguished Senator referred to various alternatives. Is one alternative to continue the operation but sell the company and let somebody buy it at a figure at which they can operate?

Mr. HARTKE. Nobody would want to buy it.

Mr. CURTIS. We do not know.

Mr. HARTKE. There is nobody who wants to buy the railroad. The problem is very simply that this railroad went into chapter 77 reorganization and failed. The trustees say there is no way to reorganize it on a financially viable basis. You can liquidate the railroad. If you liquidate the railroad and stop the transportation, I gave you the consequences. That is one alternative.

Mr. CURTIS. Is it possible to liquidate the railroad without stopping the transportation?

Mr. HARTKE. No, sir.

Mr. CURTIS. Why not?

Mr. HARTKE. It is not possible. No one wants it.

Mr. CURTIS. How do we know about a successor corporation, if they bought it at a price. After all, the Senator has recited the tremendous business they have.

Mr. HARTKE. Let me say to the Senator what I have said repeatedly. I will say this: I am prepared to do this, to withdraw from supporting this legislation. The Department of Transportation requested it. I am prepared to withdraw and let the consequences fall where they may because I am really very tired of coming into the Senate and trying to defend an operation and keep this country from going into depression unless there is something special. I did not create this situation. The Congress did not create this situation. The Penn Central situation is on our hands and the ultimate consequence is one of two things: We can destroy the country if we want to, with no action. If Senators prefer to go ahead and delay this, I will wash my hands of the whole thing. This is no joy for me. I am not interested. I am doing this at the request of the administration with the best brains in this country that I know. There is no one who wants this railroad, not even Con Rail, very much.

Mr. CURTIS. The Senator from Nebraska certainly is not criticizing the distinguished Senator from Indiana.

Mr. HARTKE. I am asked why somebody does not want to buy it, and I am saying no one wants it. No one wants a bankrupt railroad.

Mr. CURTIS. I did not know I was out of order asking questions about the bill. I listened intently to the Senator's speech. It aroused my interest.

Mr. HARTKE. I will be glad to try to answer any question the Senator has.

Mr. CURTIS. The Senator has answered them. I wanted to know how much money was involved, how much they had before, and whether or not there was another alternative.

Mr. HARTKE. Let me just say that we are not at the end of the string. I am not going to mislead the Senate a bit. I am saying it is going to take more money beyond this.

Mr. CURTIS. I appreciate the Senator's frankness.

Mr. HARTKE. I think there is no use misleading anybody on this issue. It is not a very pleasant one. But it is a matter of whether we are going to keep this system going, which is the largest transportation system in the world, period.

Mr. CURTIS. Has the distinguished Senator and his committee had an opportunity to check into the efficiency or lack of efficiency of the operations in the last months where the Government has had an interest?

Mr. HARTKE. Yes; we are monitoring that. But let me point out again——

Mr. CURTIS. What did the Senator find?

Mr. HARTKE. We found out that as far as they are concerned they say they are doing a pretty good job. But the point very simply is that this is under a court's jurisdiction. A judge in Philadelphia, by the name of Phillip, is in charge of the operation. They are operating with court-appointed trustees. Those trustees are not primarily responsible to anyone except to that judge, to the judicial system.

Mr. CURTIS. What did the Senator find about the efficient operation?

Mr. HARTKE. Basically, they are doing a pretty good job, frankly, considering what they have to do it with. It is estimated it will take $5 billion to put the rails and plant back in shape.

Mr. CURTIS. From whom?

Mr. HARTKE. Ultimately, hopefully, we can put something together here with Conrail beginning in January 1976 that will start to be able to put this back on its feet. That is the very purpose of the

U.S. Railway Association Act. They are going to sell bonds, I hope. They tell us they can. They tell us they can raise money and create a viable operation. But even Secretary Brinegar, who just left us, came to me and said:

> Vance, all I can tell you very simply is that I hope they realize that they are fooling around with a system that they are going to have to put some money into. Otherwise there will be total chaos for the country.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. HARTKE. I will be glad to yield.

Mr. BROCK. Does the Senator have any idea how much more money this year?

Mr. HARTKE. How much more money when?

Mr. BROCK. This year.

Mr. HARTKE. It is estimated it will take about $300 million to keep the Penn Central going through the first quarter of 1976 when USRA is supposed to take over, $300 million total.

Mr. BROCK. USRA takes over and they issue bonds. Are those bonds guaranteed by the Federal Government?

Mr. HARTKE. The bonds?

Mr. BROCK. Yes.

Mr. HARTKE. Let me just state something. I want to clarify one point. This bill we hope will take them up to the place where USRA and Conrail will take over. This is in the first quarter of 1976. But I want to preface that. It is made on the proposition that there will be only a 7-percent downturn in their present revenue. If the economic situation deteriorates more rapidly than that, it is made on the basis that fuel costs will not go up. Both of those propositions are beyond our control.

Let me point out again that when you come to the place where USRA will ultimately develop the final system plan and turn this over to the operating organization called the Consolidated Rail Corporation, at that time they will be authorized to issue bonds which will be guaranteed by the Federal Government.

Let me try to put this into a quick perspective again. The ultimate end on the other side of that coin is that if it fails then the Government probably will have to take over in its own right and operate under a nationalized system. I do not think anyone ought to be misled. We are faced with a serious situation. The difference is that if we went now to a nationalized program, the acquisition of these assets would probably be in the neighborhood of $12 to $14 billion under the due process clause. Then we have to spend all this money even beyond, if we are going to keep them going. It is estimated, as I said a moment ago, it will take about $4.5 to $5 billion to put this railroad back in shape. I really think it is going to take more money from the Government beyond the loan guarantees and beyond the bonds. I cannot tell you how much more at this moment. No one knows.

Mr. BROCK. As I understand the gentleman, we have put in about $100 million, and loaned another $100 million?

Mr. HARTKE. $125 million is basically for the Penn Central and Erie-Lackawanna.

Mr. BROCK. That is in this bill. I am talking about the previous bill.

Mr. HARTKE. $125 million and $150 million in additional loan guarantees in this bill. It is roughly in the neighborhood of $275 to $300 million.

We have only spent $84 million in grants. We are going to add another $125 million, making it about $215 million we will have in grants. Beyond that, it is anticipated it will take about another $1.5 billion in bond sales and $1 billion in the actual operation to keep it going.

Mr. BROCK. We are talking about something on the order of $3 billion for either direct or backup support to put it on its feet.

Mr. HARTKE. I can agree to that. That is what they say now. My own judgment is that it is nearly five.

Mr. BROCK. All right, $5 billion.

Let me pursue the question of the Senator from Nebraska. If this were to lose the support of Congress and the people of Indiana and Tennessee—and I think it has already lost the support of the people of Tennessee—what happens if it does go bankrupt?

Mr. HARTKE. It is bankrupt.

Mr. BROCK. It is bankrupt? At that point, there are sections of that railroad with enormously heavy traffic and they are good revenue producers. In other words, they are profitable sections. Would they not be purchased or taken up by competing railroads?

Mr. HARTKE. How?

Mr. BROCK. I think that what the Senator is saying to me is that if it goes bankrupt and another railroad takes it over and operates it efficiently, we do not lose any money; but if we let it go bankrupt and the Federal Government nationalizes it and takes it over, it is going to cost $14 billion. I do not think there is any choice there.

Mr. HARTKE. The railroad is in reorganization. There is no such thing as a bankrupt railroad.

Mr. BROCK. I understand that.

Mr. HARTKE. It proceeds under chapter 77 of the bankruptcy law. There is no legal provision for a bankrupt being a railroad. That is one thing. Reorganization is similar. Under reorganization, what happens is that they file the petition, such as is done in a bankruptcy proceeding. They go to the judge, and the judge then appoints trustees to take over the assets of the corporation, who in turn are ordered by the court to submit a plan of reorganization to put the railroad into a position where it can make money again and on a profitable basis.

What has happened here is that some time ago, when we first went into this legislation, the trustees came to Congress and said, "We have reported to the court that we cannot reorganize the Penn Central on a profitable basis."

The Erie-Lackawanna just came to us about 2 weeks ago. Even though at the time this law was originally passed they thought they could; they now are in the same position where they have told the court they cannot reorganize as a profitable railroad.

Now the proposition very simply is that we are trying to put together a quasi-governmental operation—that is what it amounts to—to consolidate and bring forth a viable railroad operation in the mideast and the northeast, under a plan of essential services. That is where we are today. That will not be completed until the first quarter of 1976. The preliminary system plan will be available on February 26 of this year. The final system plan is scheduled to come in at the latter part of June of this year.

In this, of course, certain sections of this railroad will be designated probably to be available to other financially viable railroads, and that ultimately will be worked out. But as of now, there is no way legally to go ahead and take over parts of this railroad and still keep a system going. It just is not there. First, no railroad in the United States has enough cash to acquire this property.

Mr. BROCK. It is not worth anything. Why would it take any cash? It is costing us $5 billion to take a chance on it.

Mr. HARTKE. I agree with that.

Mr. BROCK. Why do we not give it to them?

Mr. HARTKE. Give it to whom?

Mr. BROCK. Any railroad that would operate it. Any of them would operate it if they got the property for nothing.

Mr. HARTKE. We do not have the authority to give it to them.

Mr. BROCK. I do not say we should give it to them. But if we stop supporting this railroad that takes money out of my State, which gets no service whatsoever from it——

Mr. HARTKE. Wait a minute. Tennessee does get service.

Mr. BROCK. Not from Penn Central.

Mr. HARTKE. Tennessee gets about 300 carloads a day by this system—not directly, but they are shipped and handled into Tennessee. They originate on the Penn Central.

Mr. BROCK. We appreciate that.

Mr. HARTKE. That is not small potatoes.

Mr. BROCK. No, but it is coming in on Southern and L. & N. track. It is not coming in on the Penn Central track.

Mr. HARTKE. They come from Philadelphia and Scranton and Indianapolis. The Southern does not go to Indianapolis. It would like to. The Southern would like to have the Cincinnati and Indianapolis route, which is now Penn Central. The Illinois Central Gulf would like to have the Indianapolis-Kankakee route.

Mr. BROCK. They can do a better job than is being done now.

Mr. HARTKE. I grant the Senator that. He is right.

Mr. BROCK. I am not trying to pick at the Senator. I understand his position, and I appreciate it. But I do not see the end of it. I cannot see the end of a situation where businesses are going to continue to come in and say, "We cannot make money; we are important to the national interest, and you guys have to bail us out," and continue the inefficiency after doing whatever created the problem. The regulation is insane, and we all know that. We are not dealing with the fundamental root of the problem.

Mr. WEICKER. Yes, we are. In response to the distinguished Senator from

Tennessee, the fact is that there are certain portions of this operation that will go back into the hands of private enterprise, and certain portions of this operation private enterprise does not want anything to do with, which means that if we want to continue certain essential services, yes. Government will have to pick up the disaster left behind by private enterprise.

Mr. BROCK. Not Government—Tennessee. We pay the bills.

Mr. WEICKER. May I point out to the distinguished Senator from Tennessee that if there is an image that this, for some reason or other, has to do with wealthy Northeast commuters, and so forth, these governmental relationships are contracted for and paid for by those in the Northeast. The benefit of what we are talking about here actually accrues to those States such as the State of Tennessee, which has its marketplace in the Northeast, not to the Northeast. That is what is misleading by the argument that the Senator from Tennessee is presenting. If these marketplaces to Tennessee are cut off, there will be uproar in Tennessee.

We are not talking about a commuter-passenger operation. We are talking about one of the principal marketplaces in this country having access vis-a-vis those areas represented by States such as Tennessee.

The Senator from Indiana and I have lived with this problem. So far as I am concerned, this is a wretched case of mismanagement. Private enterprise has fallen flat on its nose. We do not want any part of it. But we can throw up our hands, in which case it is not a fact that somebody else is going to come along from private enterprise and have it run along smoothly. It will be out of business.

I, together with the Senator, have begged and pleaded that we get together and have one entity under which we run essential rail service in this country, rail services which private enterprise does not want.

At the end of the line—and this is where the difference comes with respect to a year ago or 2 years ago—we have Conrail, we have USRA, we have Amtrak. These were not present on the scene. We are in that transition period.

I do not want to give them a nickel, but they are under a court order now, and I do not see any other alternative. They will not be enriched by what we are doing now.

Mr. BROCK. I know they are not being enriched. I am talking about the rest of us being impoverished. I am worrying about the question the Senator raised when he said that at some point private enterprise will take over whatever they want and the other essential services will be done by somebody else.

I do not know why private enterprise cannot do it. I do not know why, in the most dense concentration of people and industry in the United States, a railroad cannot operate competitively with one that operates in Tennessee, or Utah, or New Mexico, with all the problems and the trackage and everything else we have down there.

It seems to me that something is awry, and I do not think it all can be laid at the doorstep of private enterprise. It was not private enterprise that mandated rates. It was not private enterprise that mandated 100-mile days. It was not private enterprise that mandated who serves on a cab and who does not. It was not private enterprise that said, "You have to serve this community, and you cannot withdraw the service, even though truck service is available."

Mr. WEICKER. We could carry on this debate. I think the record of ripoffs insofar as the individuals and the corporate entities are concerned, as they relate to the railroad industry, is one of the saddest chapters in private enterprise in this country. All I know is that we are trying to maintain a viability to something that is essential to the economy.

I would prefer that private enterprise stepped up and said, we will be glad to take over the Penn Central, and we would not have to lay out 1 cent of taxpayer funds. Nobody wants it. That is the difficulty; nobody wants it.

Mr. HARTKE. Maybe I can do this with the Senator from Tennessee. I think the Senator from Connecticut points up the problem. I asked him, No. 1, if we close down Penn Central, what happens to some of the commuter services? Since they are being paid for primarily by transit authorities someplace in the State of New York, the State of New Jersey, the State of Connecticut, they probably would be the only thing continuing to operate, those commuter services. That is No. 1.

No. 2, for 20 years at least, maintenance was deferred on the Penn Central. They did not do it. It got so bad in my home State of Indiana—I held hearings out there on safety. I was the author of the railroad safety bill. I pointed out the number of derailments they have. The Federal Railroad Administration came out and practically closed down all the Penn Central system until they brought it up to what is called class I condition. Class I condition is not the top, that is the bottom. That means it is safe to go 10 miles per hour, that is all. They finally brought it up to that rate.

There are places in this railroad system, for example, in Richmond, Ind., where a locomotive was standing still and jumped the track.

Now, this is sort of a tragedy. I have been out there on railroad——

Mr. BROCK. Is the Senator sure this is not being run by the Postal Service?

Mr. HARTKE. This is being run by the Penn Central. Private enterprise did that. I can show the Senator that I can pick up those spikes just with my fingers. It is supposed to hold the rail down. I can show him, he can tumble the ties with his hands. That is the condition they are in.

Now, they created this condition. But as the Senator from Connecticut said, if there were any way we could wash our hands of this, I think we would. But we see the situation that it is now coming to, we hope, a satisfactory conclusion. That is hopeful. We do have some hope. But that is 1976, a year from now. On February 14, they would start to embargo shipments and it would be felt in Tennessee. The Senator would have everybody in Tennessee—as the Senator from Connecticut said, he would be surprised at how many people would be calling him from Tennessee if he told them tomorrow morning that the Penn Central is going to close down on February 14 or February 25, when they cannot meet a $14 billion pay bill. They are not going to ask those employees to work without a paycheck. And there is no one who is going to lend them any money and no one is going to buy them.

Now, the problem is, we are not in a position where we are trying to do something to help somebody else. We are trying to save ourselves enough service in this section of the country so the country just does not go into catastrophe.

The Senator talks about the embargo on fuel. This will make that seem like a summer picnic in which we have rainbows dancing around our hearts, in comparison to this.

Mr. BROCK. I understand what the Senator from Indiana is saying, and what the Senator from Connecticut is saying. I am not unsympathetic. I hope I did not leave the impression that I am unconcerned with the management of this company. Nor am I criticizing the commuter services, which are paid for locally. I am simply saying that it looks like, we have to say, at some point, "When do we get off this track before we all get derailed? Where is the end?" That is what I cannot see.

It looks to me like we are going down a bottomless pit and when we bail out Penn Central with taxes we draw from other railroads, we may impoverish them to the point where we have to bail them out, and it just grows and grows. I cannot see the end of it and it is very difficult for me to sell to my people in Tennessee.

Mr. WEICKER. I agree completely with the Senator from Tennessee. Let the RECORD show that this is not on the initiative of either the Senator from Indiana or myself. I do not want to introduce this legislation. He does not want to introduce it. But the basic answer lies, whether we all want to admit it or not, in the fact that, for what—25 years now?—95 or 96 percent of our Federal transportation moneys went into the highways. What do we expect? There it is. There has been absolutely no investment in a rail system in this country.

Yes, I think one of the great issues for our generation of Senators, and I mean that, is going to be to build a viable transportation system which has all forms, highway and rail. We are stuck with an absolute zero when it comes to rail, thanks to a commitment made 25 years ago. It is going to be our job to rebuild it and it is just going to be plain nasty to do. I do not see any end of it as we stand on this floor now. Hopefully, as we conclude our careers x number of years from now, we will have left the Nation a balanced transportation system and one, I might add, that, when we get into an energy crisis, will have more facets to it than just an automobile.

Mr. HARTKE. Let me say to the Senator from Tennessee that I do want to give him one little ray of hope.

When the final system plan is implemented, hopefully beginning in the first quarter of 1976, about 1 year from now, we will come forward with a beginning of the revitalization of the railway system.

As the Senator from Connecticut has said, we have spent most of our transportation money on automobiles. If anyone thinks the airlines come off without being subsidized, the fact is that the air traffic controller is paid for out of our Federal checks. The weather service is paid for out of our Federal checks. The money for airports comes in now at 75 percent Federal money. On the waterways, we paid for dams, TVA being an example. The biggest barge line in the United States is in Tennessee. It is owned in Indiana, but it is operated in Tennessee.

Mr. BROCK. That is our problem.

Mr. HARTKE. The point is it is a fact that we do subsidize these people. I am not very happy about it, but I do think that in this interim period we have done a pretty good job of making sure that no one rips off what they have been ripping off before.

I might tell the Senator that if the Penn Central trustees—not the creditors, not the stockholders—if these trustees had their way, they would not have the protection built into it that this bill has. They say, "Just give us the money to keep on operating with no strings attached." We said no.

We have not very good strings, but we have a sort of lightweight line that will catch about a 15-pounder.

Mr. BROCK. I hope so.

If we cast too many votes like this, I hope we are around to be part of the solution.

Mr. WEICKER. I concur.

Mr. BROCK. I question whether my constituency would allow me to do it, because they have the same concerns that I do. That is really what I am expressing. I have great fear that we are simply walking down the same path, maybe with a little different twist to it, toward nationalization. But I have no more illusions about Government operation than I do about private. To date, I have not seen any commitment on the part of Congress to look at our regulatory reform in the degree that I think is absolutely essential. I have not seen any commitment on the part of Congress to take a look at what the options are in terms of maintaining basic needs.

Mr. HARTKE. We will give the Senator a chance. We are going to have regulatory reform hearings, and he is welcome to come. I have been the only Senator at most of them.

Mr. WEICKER. I think the distinguished Senator from Tennessee, because he has been in the forefront of the demand for regulatory reform, knows that the junior Senators, again, are moving on this front and we are going to get very deeply into that area in this session of Congress, at least from what I heard, both in Government Operations and in the Committee on Commerce.

There are significant changes that have taken place, such as the matter of a highway trust fund. The Senator is well aware of the change that has taken place there.

The Senator from Indiana and myself have objected to this constant outflow of subsidy money, both to Amtrak and to the other rail organizations, unless there was a commitment of money directed toward R. & D. and capital improvements; otherwise, it just becomes a subsidization of deficits. With the same railroad run the same way, we end up with the same deficits. We were the ones who fought hard to make sure R. & D. was emphasized, and capital improvement, so we can get out of that cycle.

I can assure the Senator that when I say we are going to put something together here that requires a minimum of Government, but that which does involve Government is going to be the best, that is the commitment that I have made vis-a-vis a rounded transportation system. But this is entirely different thinking from that which has pervaded Congress and the executive branch of Government for the last 25 years.

Mr. BROCK. The Senator from Tennessee is sympathetic with the position of the two distinguished Members with whom he has been discussing the matter. It makes it very hard to disagree when he knows that the hearts of the Senators are not in their own proposals. I am not sure that I can support this. However, I do appreciate the assurances that have been made and the honesty of the conversation.

Mr. HARTKE. Personally, I think the Senator from Connecticut would be glad to offer it if he had a better solution or a better plan. We would certainly listen to it.

Mr. BROCK. We should start working on it right now.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, this is a matter that I believe needs a little more discussion. As a matter of fact, I inquired at the desk for the committee report on this measure, and none is available, or none was available about 30 minutes ago, unless some have come in since.

Something involving at this time approximately a couple of hundred million dollars, with the further statement that it is only a part of what will probably amount to about $5 billion or more before it is over, is something I do not think we ought to just pass with four or five Senators here on the Senate floor, even though a rollcall has been ordered.

I want to say right here and now that I commend the distinguished Senator from Indiana and the distinguished Senator from Connecticut for their efforts. I recognize the fact that they have no pride of authorship in this matter. As a matter of fact, they do not seem to have any pride at all in this legislation. They seem to feel that it needs to be pushed.

Any measure involving hundreds of millions of dollars that has such faint praise from the managers of the bill here on the Senate floor, I believe, requires a little looking at. As I recall, when this regional reorganization bill passed the Senate back in 1973, I engaged in colloquy with the distinguished Senator from Indiana and asked him a number of questions, and I posed the question posed by the distinguished Senator from Tennessee today, wondering why no southern roads were involved in any organization of this sort, down in areas where the population is small and the distances are large, as contrasted with the areas where these railroads are involved, where the population is great, and the mileage is low. Why they cannot make a go of it is something that the Senator from Alabama does not understand.

What the Senator from Alabama objects to, among other things, is the fact that they take these 18 or 19 bankrupt roads, throw them in a pot together, and preserve, in this reorganization plan, the very same conditions that brought the railroads to bankruptcy. They do not change anything, as the Senator from Alabama understands it.

I remember there is one certainly unreasonable provision in the bill, or in the contract that was negotiated, that seemed more than a little strange to me. It is just such things as that that have burdened the railroads down to the point where they have not been able to make a go of it.

I recall that it was stated when this matter was up for consideration back in 1973 that the contract between management and the employees was such that if any employee, having served as much as 5 years on one of these railroads, had lost his job as a result of the organization, he would receive his same compensation from the time of the loss of his job until he reached 65 years of age, so that if a man 20 years old worked for 5 years on one of these roads and lost his job as a result of a merger, then they would have to pay him for 40 years at his compensation, and if those people who were left on the payroll in his classification got up to where they made more money than what he was making at the time he lost his job, then he would get those raises.

In the meantime, if he got a job somewhere else, then half of the salary he got on this job would be credited against the other salary. I believe that just applied, however, to those making up to $30,000 a year; so that if a man making $30,000 a year lost his job and was carried on the payroll, then, or some form of compensation, from that time until age 65 if he went out and got a $30,000 job, it would cut his regular compensation in half, or he would just have to put in half of what he made on the new job, so that he would be making $45,000. If he did not get a job, he would just have to get along on his $30,000 a year, without working.

If the Senator from Alabama is incorrect in his understanding of what was provided at that time and I assume is still provided, he would like to be corrected.

The Senator from Alabama also raises the point that they throw in the pot these 18 or 19 bankrupt roads operating under the same conditions that brought them to bankruptcy, and then I asked the Senator from Indiana if there is going to be anything done about consolidating any of these roads to eliminate parallel mileage. He said, as I recall—the Senator will correct me if I am wrong—that it was intended that there be no consolidation, no elimination of any of the operations of one road for at least 18 months while they were making this study.

Mr. President, if the Government is going to continue to subsidize the Penn Central and these 18 or 19 bankrupt roads in the Northeast or Midwest, or wherever they are—not in the South, I might say—they will never make a go of it. What we ought to do is let them seek to operate and let the laws of free enterprise and sound business judgment dictate whether the areas can support a railroad or not. I assume they can, but they need to be operated on a basis where they can make a profit as a business enterprise, and not through subsidization ad infinitum by the Government.

Mr. MANSFIELD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. MANSFIELD. Mr. President, the Senator has a point when he indicates that a bill of this seriousness being taken up in the Senate without a report is open to question.

I have been in contact with the Government Printing Office, and those reports will be here no later than tomorrow morning. I was wondering if the Senator would consider the possibility of a time limitation for debate and a vote at a time certain tomorrow afternoon?

Mr. ALLEN. Well, I have got no objection to setting a time certain. I want to lay a predicate, Mr. President, for a no vote on the bill. I am not going to set my judgment up against the judgment of the Members of the Senate, but I want to lay a predicate just by my opposition. I have no objection to voting tomorrow providing we do have the report in hand.

However, the distinguished Senator from Indiana has told me that he is not going to be here tomorrow, so that disturbs me.

I wonder if we could possibly pass it over until such time as he is here. I am definitely not trying to conduct an extended debate with respect to the bill.

Mr. MANSFIELD. I understand that. It would not have been brought up tonight unless there was a sense of urgency.

Would the Senator from Indiana consider the possibility of taking it up tomorrow or Thursday at the latest? If the urgency is there I think we ought to dispose of it one way or the other as soon as possible.

Do the Senators from Indiana and Connecticut have any suggestions?

Mr. HARTKE. I would think if we want to come to a time certain vote for tomorrow and be assured the report will be here—we were assured by the Government Printing Office it would be here later this evening.

Mr. MANSFIELD. That is correct. It will be here later this evening.

Mr. HARTKE. I have no objection if the Senator wants to wait until the report comes in and to raise such questions tomorrow

Mr. ALLEN. I understood the Senator would not be here.

Mr. HARTKE. That would not make any difference.

The point is there is not much more that I can say. If the Senator has any questions I would like to answer them. I frankly would be delighted if the Senator from Alabama would take over the entire responsibility. He says that I have no pride of authorship. Let me say that I did not cause the problems of the Penn Central. I do want to say one thing about the Southern, if I can have the floor.

Mr. MANSFIELD. The Senator from Alabama has the floor.

Mr. ALLEN. I would be delighted to yield.

Mr. HARTKE. There will not be any Southern, you can rest assured of that. Second, if the Senator would contact the president of the Southern and other presidents, inasmuch as they also would like to see this a viable operation, they want to see this railroad going, and they would endorse what we are doing here today, although with no more enthusiasm than I have, but only in their self-preservation, just as I am moving to try to preserve a country.

I will say to the Senator in all sincerity I am inclined to—and I have said repeatedly—I have indicated that I might, just say, "well, if the people really do not want to move forward with this measure, then I will leave it with those who object to it," and the Senator from Alabama can figure out how we are going to feed the people, because that is the problem.

I am not trying to overdramatize this point but just trying to say very simply I did not ask for this job. The Department of Transportation asked that I do it, and I am trying to say to the Senator the Penn Central siutation—the Senator from Connecticut has said that there is no more outstanding demonstration of the failure of a private enterprise in the railroad system than the Penn Central. I am telling the Senator it is a sorry mess. We have had hearings over there——

Mr. ALLEN. Why pour more money into a sorry mess is the question of the Senator from Alabama.

Mr. HARTKE. That is a fair question. We are not pouring more money into a sorry mess. We are just giving them enough money to go ahead and pay the employees; to go ahead until such time as we can take over. You could have the Conrail take over tomorrow. We do not have a railroad manager. We do not have anybody to put in the stations to handle the freight. We do not have anybody who can take the orders. We do not have any management. That could be done.

If we did that we would have to contract right back with the same people. It is sort of like saying to the Senator that as far as the train is concerned it is good, let us keep the train going, except no one will move until we get some fuel. They are paying cash for fuel.

Mr. ALLEN. I have noticed in the paper where a number of railroads are seeking to take over certain segments of the Penn Central.

Mr. HARTKE. Let me point out that ultimately that is going to happen, as I said; that is going to happen, and it will happen as soon as the system plan is completed. We are trying to do that. We are trying to unravel the mistakes of, the Lord only knows, at least in the last 20 years, and it just cannot be done overnight.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

TIME LIMITATION AGREEMENT—S. 281

Mr. MANSFIELD. Mr. President, would the Senator be amenable to a suggestion, with the proviso that the report is available tomorrow, and I am certain it will be, that there be 4 hours limitation of debate on the pending bill, the time to be equally divided—I mean not to exceed 4 hours debate on the pending bill, the time to be equally divided between the Senator from Indiana, or whomever he may designate, and the Senator from Alabama, or whomever he may designate, with the proviso that the report is available?

Mr. ALLEN. Yes, that would be satisfactory to me. I do not believe it will take anything like that long, and I believe we would be able to yield back a great deal of the time.

Mr. MANSFIELD. Not to exceed 4 hours.

Mr. ALLEN. Yes.

Mr. MANSFIELD. Mr. President, I make such a request and I ask that rule XII be waived.

Mr. ALLEN. If that is satisfactory to the Senator from Indiana.

Mr. HARTKE. That is all right.

Mr. MAGNUSON. We meet at 12.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said. Mr. President, with respect to the agreement which was entered into on the railroad reorganization measure, I ask unanimous consent that there be a time limitation on any amendment thereto of 20 minutes, a time limitation on any debatable motion or appeal of 10 minutes, and the time to be equally divided and controlled in accordance with the usual form and the time to come out of the 4 hours allotted overall.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That on Wednesday, January 29, 1975, during the further consideration of S. 281, to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes, debate on the bill be limited to not to exceed 4 hours to be equally divided and controlled by the Senator from Indiana (Mr. HARTKE) and the

Senator from Alabama (Mr. ALLEN) or their designees.

Ordered further, That debate on any amendment shall be limited to 20 minutes, and that debate on any debatable motion or appeal shall be limited to 10 minutes, in each case to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Provided further, That time used on amendments and debatable motions and appeals shall come out of the time on the bill, and that this agreement shall not be operative if the report on the bill is not available.

Mr. ALLEN. In view of the opportunity tomorrow to discuss the issue, after the report has been brought to the Senate, I will wait until then to conclude my remarks, except to say that I deeply appreciate the position, the attitude, the expertise and the dedication of the distinguished Senator from Indiana (Mr. HARTKE) for his work on this bill and in this entire area, and the Senator from Alabama certainly is not critical of the Senator from Indiana.

Mr. HARTKE. I understand.

Mr. ALLEN. Because he appreciates the job the Senator is doing. But that does not mean that the Senator from Alabama has to favor the legislation managed by the distinguished Senator from Indiana.

I make the same comment with respect to my distinguished friend, the Senator from Connecticut.

Mr. HARTKE. I understand.

Mr. WEICKER. I appreciate the questions of the distinguished Senator from Alabama because I think they are questions which should be raised because it keeps everybody's feet to the fire regardless of the end result, because we expect something considerably different from the mess in which we are now, and that is exactly why it is important for the Senator from Alabama to point out these things.

Mr. ALLEN. I thank the Senator.

Mr. WEICKER. He and I have the same end in view.

Mr. HARTKE. Let me say to the Senator from Alabama I understand and appreciate what he is saying, and I appreciate his comments. There is one part of that measure that I think should be clarified, and that is the so-called labor protection section in which the Senator said a contract was made. That agreement is not a liability of the railroad; it is a liability of the Government now.

Mr. ALLEN. I understand.

Mr. HARTKE. But that does not make it any more palatable or any more justifiable. I just want to point out that is not an additional burden this railroad is going to have. But let me say it is a cost ultimately of the final operation.

Mr. ALLEN. Well, it would be a cost to the Government either way. It is just a question of which pocket Uncle Sam reaches in and gets the money from.

Mr. HARTKE. I think that is a fair assessment.

I would like to point out one other thing. What we are talking about here is not taking and giving money for something like a Reconstruction Finance Corporation loan. It is not that type situation. All we are trying to do is to restructure a railroad system, and we are trying to do it in a fashion which maybe down the road the Senator from Alabama will say, "I am glad I asked those questions, because now I have a rule which at least I can live with."

Mr. ALLEN. Let me ask the distinguished Senator if this moratorium which was written into the bill about eliminating double trackage and duplicating facilities, if the time of that moratorium is up, and whether we might start now looking for the eliminating of competing and duplicating facilities.

Mr. HARTKE. Yes.

Well, two parts. No. 1, this moratorium only extends during planning stages and that, as I said, the preliminary plan commences February 26 and the next one is 4 months down the road, the final plan.

Second, there are provisions in the law for taking that type action now, but it has to be demonstrated that it is necessary or in the best interest overall.

Mr. ALLEN. So in all this time, there have been duplicating facilities operated, is that correct, during this planning period?

Mr. HARTKE. Well, probably duplicate facilities operate anyway. The problem has been whether we can discontinue certain lines which are no longer necessary.

Mr. ALLEN. I understand.

Mr. HARTKE. But we can do that.

Mr. ALLEN. But it has not been done, up to now has not.

Mr. HARTKE. Some of it has.

Mr. ALLEN. I understand the 18-month moratorium does not end until February.

Mr. HARTKE. It applies very definitely to the situation generally, but there are provisions for getting around that total, but we cannot just abandon the whole thing, otherwise we would have nothing to build on.

What we tried to do here is take this operation, as bad as it is, and it is deteriorating continually, to bring it back into a situation to have something to go with.

So that what we are really saying in the long run, that the Federal Treasury has such a vital state in continuing this operation that unless we salvage it now we are going to be faced with a resurrection afterward, and I say it is a lot easier to save the life of a railroad than bring a dead one back to life.

Mr. WEICKER. But I think in response to the Senator from Alabama, it has to be said that we do not want the same railroads running over the same tracks in the same way. No, we do not.

It is exactly with the idea in mind that we are going to change the way it is run, who is running it, and what is running. We are in that transition stage now, but that is our objective. So what we are living with now, we do not want. The same objective the Senator has got.

Mr. ALLEN. I thank the distinguished Senator.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. WEICKER. Mr. President, can the distinguished Senator from West Virginia indicate as to when the time limitation agreement commences tomorrow?

Mr. ROBERT C. BYRD. Yes, I am glad the Senator asked that question.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND FOR CONSIDERATION OF THE RAILROAD REORGANIZATION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will proceed to the consideration of the Railroad Reorganization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

SUPPLEMENTAL APPROPRIATION FOR MILITARY ASSISTANCE TO SOUTH VIETNAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate a message from the President of the United States proposing a supplemental appropriation for military assistance to South Vietnam, which reads as follows:

To the Congress of the United States:

Two years ago the Paris Agreement was signed, and several weeks later was endorsed by major nations including the Soviet Union, the United Kingdom, France and the People's Republic of China. We had succeeded in negotiating an Agreement that provided the framework for lasting peace in Southeast Asia. This Agreement would have worked had Hanoi matched our side's efforts to implement it. Unfortunately, the other side has chosen to violate most of the major provisions of this Accord.

The South Vietnamese and Cambodians are fighting hard in their own defense, as recent casualty figures clearly demonstrate. With adequate U.S. material assistance, they can hold their own. We cannot turn our backs on these embattled countries. U.S. unwillingness to provide adequate assistance to allies fighting for their lives would seriously affect our credibility throughout the world as an ally. And this credibility is essential to our national security.

VIETNAM

When the Paris Agreement was signed, all Americans hoped that it would provide a framework under which the Vietnamese people could make their own political choices and resolve their own problems in an atmosphere of peace.

In compliance with that Agreement, the United States withdrew its forces and its military advisors from Vietnam. In further compliance with the Agreement, the Republic of Vietnam offered a comprehensive political program designed to reconcile the differences between the South Vietnamese parties and to lead to free and supervised elections throughout all of South Vietnam. The Republic of Vietnam has repeatedly reiterated this offer and has several times proposed a specific date for a free election open to all South Vietnamese political groups.

Unfortunately, our hopes for peace and for reconciliation have been frustrated by the persistent refusal of the other side to abide by even the most fundamental provisions of the Agreement. North Vietnam has sent its forces into the South in such large numbers that its army in South Vietnam is now greater than ever, close to 289,000 troops. Hanoi has sent tanks, heavy artillery, and antiaircraft weapons to South Vietnam by the hundreds. These troops and equipment are in South Vietnam for only one reason—to forceably impose the will of Hanoi on the South Vietnamese people. Moreover, Hanoi has refused to give a full accounting for our men missing in action in Vietnam.

The Communists have also violated the political provisions of the Paris Agreement. They have refused all South Vietnamese offers to set a specific date for free elections, and have now broken off negotiations with the Government of the Republic of Vietnam. In fact, they say that they will not negotiate with that Government as it is presently constituted, although they had committed themselves to do so.

Recent events have made it clear that North Vietnam is again trying to impose a solution by force. Earlier this month, North Vietnamese forces captured an entire province, the population centers of which were clearly under the control of the South Vietnamese Government when the Paris Agreement was signed. Our intelligence indicates, moreover, that their campaign will intensify further in coming months.

At a time when the North Vietnamese have been building up their forces and pressing their attacks, U.S. military aid to the South Vietnamese Government has not been sufficient to permit one-to-one replacement of equipment and supplies used up or destroyed, as permitted by the Paris Agreement. In fact, with the $700 million appropriation available in the current fiscal year, we have been able to provide no new tanks, airplanes, trucks, artillery pieces, or other major equipment, but only essential consumable items such as ammunition, gasoline, spare parts, and medical supplies. And in the face of the increased North Vietnamese pressure of recent months, these supplies have not kept pace with minimally essential expenditure. Stockpiles have been drawn down and will soon reach dangerously low levels.

Last year, some believed that cutting back our military assistance to the South Vietnamese Government would induce negotiations for a political settlement. Instead, the opposite has happened. North Vietnam is refusing negotiations and is increasing its military pressure.

I am gravely concerned about this situation. I am concerned because it poses a serious threat to the chances for political stability in Southeast Asia and to the progress that has been made in removing Vietnam as a major issue of contention between the great powers.

I am also concerned because what happens in Vietnam can affect the rest of the world. It cannot be in the interests of the United States to let other nations believe that we are prepared to look the other way when agreements that have been painstakingly negotiated are contemptuously violated. It cannot be in our interest to cause our friends all over the world to wonder whether we will support them if they comply with agreements that others violate.

When the United States signed the Paris Agreement, as when we pursued the policy of Vietnamization, we told the South Vietnamese, in effect, that we would not defend them with our military forces, but that we would provide them the means to defend themselves, as permitted by the Agreement. The South Vietnamese have performed effectively in accepting this challenge. They have demonstrated their determination and ability to defend themselves if they are provided the necessary military materiel with which to do so. We, however, may be judged remiss in keeping our end of the bargain.

We—the executive and legislative branches together—must meet our responsibilities. As I have said earlier, the amount of assistance appropriated by the previous Congress is inadequate to the requirements of the situation.

I am, therefore, proposing:

—A supplemental appropriation of $300 million for military assistance to South Vietnam.

The $300 million in supplemental military assistance that I am requesting for South Vietnam represents the difference between the $1 billion which was authorized to be appropriated for fiscal year 1975 and the $700 million which has been appropriated. This amount does not meet all the needs of the South Vietnamese Army in its defense against North Vietnam. It does not, for example, allow for replacement of equipment lost in combat. It is the minimum needed to prevent serious reversals by providing the South Vietnamese with the urgent supplies required for their self-defense against the current level of North Vietnamese attacks.

I believe that this additional aid will help to deter the North Vietnamese from further escalating their military pressure and provide them additional incentive to resume the political discussions envisaged under the Paris Agreement.

All Americans want to end the U.S. role in Vietnam. So do I. I believe, however, that we must end it in a way that will enhance the chances of world peace and sustain the purposes for which we have sacrificed so much.

CAMBODIA

Our objective in Cambodia is to restore peace and to allow the Khmer people an opportunity to decide freely who will govern them. To this end, our immediate goal in Cambodia is to facilitate an early negotiated settlement. The Cambodian Government has repeatedly called for talks without preconditions with the other Khmer parties. We have fully supported these proposals as well as the resolution passed by the United Nations General Assembly calling for early negotiations among Khmer parties.

Regrettably, there has been no progress. In fact, the Communists have intensified hostilities by attacking on the outskirts of Phnom Penh and attempting to cut the land and water routes to the capital. We must continue to aid the Cambodian Government in the face of externally supported military attacks. To refuse to provide the assistance needed would threaten the survival of the Khmer Republic and undermine the chances for peace and stability in the area.

The Cambodian Government forces, given adequate assistance, can hold their own. Once the insurgents realize that they cannot win by force of arms, I believe they will look to negotiations rather than war.

I am, therefore, proposing:

—Legislation to eliminate the current ceilings on military and economic assistance to Cambodia, and to authorize the appropriation of an additional $222 million for military aid for Cambodia, and

—An amendment to the fiscal year 1975 budget for the additional $222 million.

To provide the assistance necessary, the present restrictions on our military and economic aid to Cambodia must be removed and additional money provided.

The $200 million in military assistance currently authorized was largely expended during the past six months in response to the significantly intensified enemy offensive action. In addition, I have utilized the $75 million drawdown of Department of Defense stocks authorized by Congress for this emergency situation. Since the beginning of the Communist offensive on January 1, ammunition expenditures have risen and will exhaust all available funds well before the end of this fiscal year. To meet minimum requirements for the survival of the Khmer Republic, I am requesting an additional $222 million in military assistance and the elimination of the present $200 million ceiling on military assistance to Cambodia. I am also requesting elimination of the $377 million ceiling on overall assistance to Cambodia. This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country.

I know we all seek the same goals for Cambodia—a situation wherein the suffering and destruction has stopped and the Khmer people have the necessary security to rebuild their society and their country. These goals are attainable. With the minimal resources and flexibility I am requesting from you, the Congress, we can help the people of Cambodia to have a choice in determining their future. The consequences of refusing them this assistance will reach far beyond Cambodia's borders and impact severely on prospects for peace and stability in that region and the world. There is no question but that this assistance would serve the interests of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *January 28, 1975.*

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a message received from the President of the United States relative to Vietnam and Cambodia be jointly referred to the Committees on Appropriations and Foreign Relations.

The PRESIDING OFFICER (Mr. Tower). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 3:57 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that pursuant to the provisions of 20 U.S.C. 42, 43, the Speaker has appointed Mr. Mahon, Mr. Yates, and Mr. Cederberg as members on the part of the House of the Board of Regents of the Smithsonian Institution.

The message also announced that pursuant to the provisions of section 4(a), Public Law 92, 484, the Speaker has appointed Mr. Teague, Mr. Udall, Mr. Brown of California, Mr. Mosher, Mr. Esch, and Mrs. Holt as members on the part of the House of the Technology Assessment Board.

The message further announced that pursuant to the provisions of section 804b), title 8, Public Law 91–452, the Speaker has appointed Mr. Hanley, Mrs. Spellman, Mr. Steiger of Arizona, and Mr. Wiggins as members on the part of the House of the Commission on the Review of the National Policy Toward Gambling.

The message also announced that pursuant to the provisions of 16 U.S.C. 513, the Speaker has appointed Mr. Ichord and Mr. Lott as members on the part of the House of the National Forest Reservation Commission.

The message also announced that pursuant to the provisions of 14 U.S.C. 194(a), the Speaker has appointed Mr. Dodd and Mr. Sarasin as members on the part of the House of the Board of Visitors to the U.S. Coast Guard Academy.

The message further announced that pursuant to section 8002 of the Internal Revenue Code of 1954, the Chairman of the Committee on Ways and Means has appointed Mr. Ullman, Mr. Burke of Massachusetts, Mr. Rostenkowski, Mr. Schneebeli, and Mr. Conable as members on the part of the House of the Joint Committee on Internal Revenue Taxation.

The message also announced that pursuant to section 712(a)(2) of the Defense Production Act of 1950, the chairman of the Committee on Banking, Currency, and Housing has appointed Mr. Patman, Mrs. Sullivan, Mr. Reuss, Mr. Brown of Michigan, and Mr. Johnson of Pennsylvania as members on the part of the House of the Joint Committee on Defense Production.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Aeronautical and Space Sciences:

S. Res. 37. An original resolution authorizing additional expenditures by the Committee on Aeronautical and Space Sciences for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. CANNON, from the Committee on Rules and Administration:

S. Res. 38. An original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library. Considered and agreed to.

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

S. Res. 40. An original resolution authorizing additional expenditures by the Committee on Labor and Public Welfare for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Mr. MAGNUSON. Mr. President, as in executive session, I report favorably sundry nominations in the National Oceanic and Atmospheric Administration and the Coast Guard which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of January 16, 1975, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. THURMOND:

S. 428. A bill for the relief of Chi Hung Lai and his wife, Shuk King Lai. Referred to the Committee on the Judiciary.

By Mr. WILLIAM L. SCOTT:

S. 429. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day. Referred to the Committee on the Judiciary.

S. 403. A bill to amend title 28 of the United States Code to provide that petit juries in the U.S. district courts shall consist of six jurors, except in trials for capital offenses. Referred to the Committee on the Judiciary.

S. 431. A bill to authorize the Secretary of the Interior to establish the George Washington Boyhood Home National Historic Site in the State of Virginia. Referred to the Committee on Interior and Insular Affairs.

By Mr. HELMS:

S. 432. A bill for the relief of Sung Wai Luk (William Sung). Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 433. A bill to amend title 10, United States Code, to designate the Medal of Honor awarded for military heroism as the "Congressional Medal of Honor." Referred to the Committee on Armed Services.

S. 434. A bill to amend the Agricultural Act of 1949, as amended. Referred to the Committee on Agriculture and Forestry.

By Mr. YOUNG (for himself, Mr. Dole, and Mr. Bellmon):

S. 435. A bill to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31. Referred to the Committee on Agriculture and Forestry.

By Mr. YOUNG:

S. 436. A bill to amend the Internal Revenue Code of 1954 to increase the estate tax exemption and the gift tax exclusion. Referred to the Committee on Finance.

By Mr. METCALF (for himself, Mr. Mansfield, Mr. Mondale, Mr. Burdick, Mr. McGovern, Mr. Humphrey, Mr. Montoya, Mr. Moss, and Mr. Inouye):

S. 437. A bill to provide for additional Federal financial participation in expenses incurred in providing benefits to Indians, Aleuts, Native Hawaiians, and other aboriginal persons, under certain State public assistance programs established pursuant to the Social Security Act. Referred to the Committee on Finance.

By Mr. METCALF:

S. 438. A bill for the relief of Marilyn Joy Fuller and her son, Jack Stephen Fuller. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. Jackson, Mr. Church, and Mr. McClure):

S. 439. A bill authorizing and directing the Corps of Engineers to construct a four-lane high-level highway bridge between Clarkston, Washington, and Lewiston, Idaho. Referred to the Committee on Public Works.

By Mr. CLARK:

S. 440. A bill to amend the Social Security Act to improve eligibility and computation methods under the old age, survivors, and disability insurance program, to increase Supplemental Security Income payments, to improve the benefits in the Medicare program including out-of-hospital prescription drugs and a long-term care program, to consolidate the two-part Medicare program and to eliminate all premiums and co-insurance from the Medicare program, to provide for the administration of the Social Security programs by a newly established independent Social Security Administration, to provide for new payment procedures under the Medicare program, to establish a new consumer price index for older Americans for calculating automatic cost-of-living benefit increases, and for other purposes. Referred to the Committee on Finance.

By Mr. EASTLAND (for himself, Mr. Stennis, Mr. Allen, Mr. Bentsen, Mr. Chiles, Mr. Hatfield, Mr. Hathaway, Mr. Helms, Mr. Hollings, Mr. Humphrey, Mr. Jackson, Mr. Johnston, Mr. Long, Mr. Magnuson, Mr. McGovern, Mr. Packwood, Mr. Sparkman, and Mr. Williams):

S. 441. A bill to amend the Forest Pest Control Act of June 25, 1974. Referred to the Committee on Agriculture and Forestry.

By Mr. BENTSEN:

S. 442. A bill to amend the Internal Revenue Code of 1954 to prevent political misuse of the Internal Revenue Service, to restrict the access of Federal and State agencies to confidential tax information, and for other purposes. Referred to the Committee on Finance.

S. 443. A bill to provide for the continuing availability of capital for economic growth and the creation of new jobs and to provide for greater competitiveness in our economy by amending the Internal Revenue Code of 1954 to impose limitations on institutional holdings of securities and to encourage individuals to invest in securities. Referred to the Committee on Finance.

By Mr. MONTOYA:

S. 444. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of The President, and for other purposes. Referred to the Committee on Government Operations.

By Mr. HUGH SCOTT (for himself, Mr. Abourezk, Mr. Schweiker, Mr. Ribicoff, Mr. Hatfield, Mr. Domenici, Mr. McIntyre, Mr. Beall, Mr. Williams, and Mr. Javits):

S. 445. A bill to assure that an individual or family, whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally-assisted programs. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 446. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits shall continue through the month of his death (except where the continuation of such entitlement and the consequent delay in the payment of survivor benefits would reduce the total amount payable to the family). Referred to the Committee on Finance.

By Mr. CRANSTON:

S. 447. A bill for the relief of Jesus Cortez Pineda. Referred to the Committee on the Judiciary.

S. 448. A bill to amend the Immigration and Nationality Act with respect to the waiver of certain grounds for exclusion and deportation. Referred to the Committee on the Judiciary.

By Mr. TUNNEY:

S. 449. A bill to authorize appropriations for the enforcement of the antitrust laws by the Department of Justice. Referred to the Committee on the Judiciary.

By Mr. JAVITS:

S. 450. A bill for the relief of Felipe Alperovich. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 451. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer. Referred to the Committee on Finance.

By Mr. HARTKE:

S. 452. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax related to the purchase of certain new motor vehicles during 1975 and 1976. Referred to the Committee on Finance.

By Mr. HARTKE (for himself and Mr. Hatfield):

S. 453. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax related to the purchase of houses. Referred to the Committee on Finance.

By Mr. CHILES:

S. 454. A bill to amend the Occupational Safety and Health Act of 1970 and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BIDEN (for himself, Mr. Case and Mr. McGovern):

S. 455. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to prohibit the disposition of food to foreign countries under such Act in any fiscal year unless the Secretary of Agriculture determines and certifies that all domestic feeding programs will be adequately provided with appropriate foods in such fiscal year. Referred to the Committee on Agriculture and Forestry.

By Mr. CHURCH (for himself, Mr. Jackson, Mr. Randolph, and Mr. Magnuson):

S. 456. A bill to authorize appropriations to carry out the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878) for fiscal year 1976, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

S. 457. A bill to extend section 167(k) of the Internal Revenue Code. Referred to the Committee on Finance.

S. 458. A bill to provide minimum standards in connection with certain Federal financial assistance to State and local correctional, penal, and pretrial detention institutions and facilities. Referred to the Committee on the Judiciary.

S. 459. A bill to assist urban criminal justice systems on an emergency basis in those cities where personal security, economic stability, peace and tranquility are most impaired and threatened by the alarming rise in the commission of serious crime. Referred to the Committee on the Judiciary.

S. 460. A bill to provide assistance to State and local criminal justice departments and agencies in alleviating critical shortages in qualified professional and paraprofessional personnel, particularly in the corrections components of such systems, in developing the most advanced and enlightened personnel recruitment training and employment standards and programs, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 461. A bill to grant an alien child adopted by an unmarried United States citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse. Referred to the Committee on the Judiciary.

By Mr. RANDOLPH (for himself, Mr. Javits, Mr. Kennedy, Mr. Stafford, Mr. Williams, Mr. Cranston, Mr. Mondale, Mr. Pell, Mr. Schweiker, Mr. Taft, Mr. Hollings, Mr. Hathaway, and Mr. Humphrey):

S. 462. A bill to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act. Referred to the Committee on Labor and Public Welfare.

By Mr. THURMOND:

S. 463. A bill to amend the Internal Revenue Code of 1954 to encourage the use of recycled oils. Referred to the Committee on Finance.

By Mr. JAVITS:

S. 464. A bill for the relief of Gabriel Gellerman. Referred to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 465. A bill to amend the Trade Act of 1974 to provide for the application of the Generalized System of Preferences to Western Hemisphere countries. Referred to the Committee on Finance.

By Mr. JAVITS:

S. 466. A bill to establish the Franklin D. Roosevelt National Historic Site. Referred to the Committee on Interior and Insular Affairs.

S. 467. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled. Referred to the Committee on Finance.

By Mr. MONDALE:

S. 468. A bill for the relief of Joseph Bernard Kelly, wife Shirley Joan and children Robert, David and Karen. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 469. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes and to repeal the percentage depletion allowance. Referred to the Committee on Finance.

By Mr. WILLIAMS:

S. 470. A bill to amend the Coastal Zone Management Act of 1972 to suspend until no later than June 30, 1976, Federal oil and gas leasing in areas seaward of State coastal zones. Referred to the Committee on Interior and Insular Affairs.

S. 471. A bill to require the publication of all public laws in the Federal Register. Referred to the Committee on Rules and Administration.

By Mr. METCALF:

S.J. Res. 18, a joint resolution to designate 13 March 1975 as "Music in Our Schools Day." Referred to the Committee on the Judiciary.

By Mr. BARTLETT:

S.J. Res. 19. A joint resolution proposing an amendment to the Constitution of the United States to establish maximum age limits for certain officers of the Government. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAM L. SCOTT:

S. 429. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day. Referred to the Committee on the Judiciary.

S. 430. A bill to amend title 28 of the United States Code to provide that petit juries in the U.S. district courts shall consist of six jurors, except in trials for capital offenses. Referred to the Committee on the Judiciary.

S. 431. A bill to authorize the Secretary of the Interior to establish the George Washington Boyhood Home National Historic Site in the State of Virginia. Referred to the Committee on Interior and Insular Affairs.

Mr. WILLIAM L. SCOTT. Mr. President, I have three bills to send to the desk, and ask that they be printed and referred to the appropriate committees.

The first bill would return Memorial Day to May 30, and Veterans Day to November 11. Recently, both of these patriotic holidays have been observed as part of the so-called Monday holiday law. Veterans Day was long observed as Armistice Day—the occasion of the end of the First World War, the 11th hour of the 11th day of the 11th month—and has a very special and important significance because of that historical fact. Observance of Memorial Day comes from many sources and it also has the richness of tradition and custom behind it. May 30, Memorial Day, or Decoration Day, was conceived as a day to remember deceased friends and pay tribute to those servicemen who gave their lives for our country.

The second bill would provide for six-man juries in Federal, civil, and criminal cases, except in trials for capital offenses. As you know, many district courts under local rules are providing for six-man juries in civil cases and this bill would provide statutory authority. The same rationale that supports six-man juries in civil cases also supports similar jury size in criminal trials. Savings in time and money with the same protection for defendants, will be benefits received from a reduction in the number of jurors. With the ever increasing number of cases in our Federal courts, the resulting delay and expenditure of money, Congress must take the necessary action to assist the courts.

The third bill relates to the establishment and preservation of Ferry Farm, the boyhood home of George Washington, as a national shrine. As we approach the Bicentennial celebration, it seems appropriate that we take steps to preserve this site, restore and maintain it in conjunction with the first President's birthplace at nearby Wakefield, Va. The measure would authorize the Secretary of Interior to acquire the property and to establish it as the George Washington Boyhood Home National Historic Site. This is the place near Fredericksburg where legend tells us George Washington chopped down the cherry tree and threw a silver dollar across the Rappahannock River.

By Mr. THURMOND:

S. 433. A bill to amend title 10, United States Code, to designate the Medal of Honor awarded for military heroism as the "Congressional Medal of Honor." Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, I rise today to introduce a bill to eliminate the long-standing confusion by changing the name of the Medal of Honor to the Congressional Medal of Honor.

This legislation does not change the established criteria or selection process. Neither does it dilute the honor and prestige which rightfully accompanies this high award. This change is strongly supported by the Congressional Medal of Honor Society. Of course, this society consists of the approximately 300 living recipients of this great honor.

Mr. President, a number of medals are known as medals of honor. There would only be one Congressional Medal of Honor and this high decoration has generally been so designated, although unofficially. The very fact that these men have formed an organization known as the Congressional Medal of Honor Society speaks for itself.

Mr. President, I urge this bill be referred to the Senate Armed Services Committee, where I would hope the Committee will give it early consideration.

By Mr. THURMOND:

S. 434. A bill to amend the Agricultural Act of 1949, as amended. Referred to the Committee on Agriculture and Forestry.

A BILL TO RAISE THE TARGET PRICE FOR COTTON

Mr. THURMOND. Mr. President, on August 22, 1974, I introduce a bill to provide for an emergency increase in the target price of the 1974 and 1975 crops of cotton. At that time, I pointed out that farm production costs had skyrocketed since the target price was set at 38 cents per pound in 1973 and that the market price of cotton had declined to a level where it was impossible to make a profit under normal production.

Since then, the cost-price squeeze has worsened on both ends. The world market price for cotton has fallen to near the present target price level, while farm production costs have continued to climb, primarily because of higher fertilizer, pesticide, and labor costs. The Department of Agricultural Economics at Clemson University has recently calculated that it costs a minimum of 55 cents per pound, excluding any charge for land and return to management, to produce cotton on land yielding an average of 500 pounds per acre. Similarly, the USDA cotton production cost figures for 1974 showed a need for a return of at least 55 cents per pound in order for Southeastern cotton farmers to cover their variable operating costs.

Mr. President, at this point I ask unanimous consent that a table showing the estimated costs and returns for cotton grown in South Carolina be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COSTS AND RETURNS OF SOUTH CAROLINA COTTON AT DIFFERENT YIELD AND PRICE LEVELS

	400 lb	500 lb	600 lb
COSTS [1]			
Input:			
Seed	$6.75	$6.75	$6.75
Lime	7.00	7.00	7.00
Mixed fertilizer	36.00	42.00	42.00
Nitrogen	11.40	15.20	15.20
Herbicides	10.00	14.30	14.30
Insecticides	42.93	51.53	51.53
Defoliant	2.10	2.10	2.10
Tractor and equipment	53.33	58.10	58.10
Aerial chemical application	18.75	21.25	21.25
Labor ($2.50 per hour)	15.50	15.50	15.50
Interest on operating capital	7.67	8.80	8.80
Ginning and warehousing	24.00	30.00	39.00
Cost per acre (excludes land)	235.43	272.53	281.53
Cost per pound	.59	.55	.47
Operating capital required	170.43	195.63	195.63
RETURNS [2]			
Product:			
Cottonseed ($0.05 per pound)	32.00	40.00	48.00
I. Cotton lint at $0.55 per pound	−15.43	2.47	48.47
Total lint and seed	16.57	42.47	96.47
II. Cotton lint at $0.45 per pound	−55.43	−47.53	−11.53
Total lint and seed	−23.43	−7.53	36.47
III. Cotton lint at $0.38 per pound	−83.43	−82.53	−53.53
Total lint and seed	−51.43	−42.53	−5.53

[1] Outlay at various yield levels.

[2] Returns to land, management, and general overhead at various yields.

Prepared by: Department of Agriculture, Economics and Rural Sociology, Clemson University, Clemson, S.C., November 1974.

Mr. THURMOND. Mr. President, these data clearly show that, at the current world market prices for cotton, even our most efficient farmers who obtain high yield levels are losing money on cotton. If this situation continues, then the inevitable consequences will be that cotton producers either are forced out of business completely or into alternative agricultural enterprises. Already there are very clear indications that this is happening, not just in South Carolina, but throughout the cotton States. Many of our cotton farmers are planning to greatly reduce their cotton acreage next year or get out of business entirely. This is a most unfortunate trend, both from the standpoint of the agricultural economy and our domestic textile industry, which depends on American cotton as one of their most important raw materials.

There is no doubt that our farmers are faced with a crisis in cotton production. If we, as a nation, desire that this particular enterprise will continue as one of the strengths of our agricultural economy, then we must provide our cotton producers with a meaningful incentive to invest the nearly $200 per acre which are required for cotton production. The present target price of 38 cents per pound is clearly and simply inadequate for this purpose.

Accordingly, I am today introducing legislation to raise the target price for the 1975 cotton crop to a more realistic level of 55 cents per pound and provide that the target price for subsequent years will be adjusted from that level in line with changes in the cost of production.

In presenting this bill for the careful consideration of my colleagues in the Congress, I am mindful of one of the basic principles embodied in the Agriculture and Consumer Protection Act of 1973—that producers should look to the marketplace rather than the Government for an increasing proportion of their farm income and returns. I support this worthy objective, and I think our more efficient farmers can compete in a free market economy in the long run.

However, we must recognize that the past 2 years have been extraordinarily atypical ones for our entire economy and particularly for agriculture. 1973 was an exceptionally good year for cotton farmers and for agriculture in general. Cotton prices rose to unprecedented levels in excess of 80 cents per pound on the world markets, and there was anxiety over whether textile plants could secure sufficient supplies of cotton to meet their needs.

Unfortunately, this past year has been literally disastrous for cotton growers. Prices have continued to decline due to a worldwide recession in the textile industry. At the same time, prices farmers must pay for the goods they buy have vastly increased. Thus, it is no surprise that December 1974 prices for American upland cotton averaged only 57 percent of parity.

An increase in the target price for cotton is urgently needed to partially remedy this unhealthy situation. While a substantial improvement in the economy and in the worldwide demand for cotton remains the best hope for cotton growers in the long run, a higher target price that more accurately reflects real costs of production is necessary for short-term relief.

The target price level which I am proposing will provide a meaningful incentive and reasonable guarantee to cotton growers. It will enable our more efficient cotton producers to survive and will keep American cotton competitive abroad. It should also provide a psychological stimulus to sagging cotton markets.

Mr. President, at this point, I ask unanimous consent that this bill be printed in the Record and referred to the appropriate committee for prompt consideration.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Act of 1949, as amended, is further amended as follows:

Section 103(e)(2) is amended by striking "1974 and 1975 crops, 38 cents" in the first sentence and inserting in lieu thereof "1974 crop, 55 cents per pound in the case of the 1975 crop, 55 cents".

By Mr. METCALF (for himself, Mr. Mansfield, Mr. Mondale, Mr. Burdick, Mr. McGovern, Mr. Humphrey, Mr. Montoya, Mr. Moss, and Mr. Inouye).

S. 437. A bill to provide for additional Federal financial participation in expenses incurred in providing benefits to Indians, Aleuts, Native Hawaiians, and other aboriginal persons, under certain State public assistance programs established pursuant to the Social Security Act. Referred to the Committee on Finance.

Mr. METCALF. Mr. President, the Senate has twice approved the bill I introduce today to reimburse the States for public assistance payments to native Americans including Indians, Aleuts, Eskimos, and Hawaiians. Unfortunately, on both occasions my proposal was lost—in 1970 when the House refused to go to conference with the Senate on the bill, H.R. 17550, social security amendments and again in 1972 when the House-Senate conference rejected this Senate amendment to H.R. 1, the comprehensive social security bill of the 92d Congress.

In the 93d Congress, 12 other Senators and I offered S. 2505, a measure which I have now redrafted and introduce today.

The Finance Committee has indicated that my first proposal was rejected by the conference committee because it was too broad. Members of the committee suggested that the amendment would more likely be approved if the definition of Indian were narrowed and I have accordingly modified it.

My original proposal said, and I quote:

> (c) The term "Indian" refers to any individual (1) any of whose ancestors were natives of the area which consists of the States of the United States (other than Hawaii) and the District of Columbia prior to the discovery of America by Europeans, (2) who regards himself as an Indian and who holds himself out, in the community in which he resides, as being an Indian, and (3) who is regarded, in the community in which he resides, as being an Indian. The amendment I offer today says, and I quote:
>
> (c)(1) For the purposes of this section, the term "Indian" means any individual who (i) is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the States in which they reside, or who is a descendant, in the first or second degree, of any such member, or (ii) is considered by the Secretary of the Interior to be an Indian for any purpose, or (iii) is determined to be an Indian under regulations promulgated by the Secretary of Health, Education and Welfare which regulations shall further define the term "Indian."

I have added a new phrase to my original proposal. At the end of paragraph (c)(1) cited above, the period is removed, a comma is inserted and a fourth phrase is added as follows: "or, (iv) is enrolled in the Alaska Native Claims Settlement Act."

The distinguished senior Senator from Alaska (Mr. Stevens) has advised that this language is essential if the bill is to meet its intended purpose.

As I have said, what I seek here is reimbursement to all of the States for welfare payments to Indian people not only for aid to dependent children, but for supplemental security income and medicaid.

Under existing law, special Federal payments are made to two States for programs of aid to dependent children of Indian people living on reservations within their boundaries. I wish to expand the authority to include all States and all eligible native Americans and all public assistance. Let me explain.

At the end of 1973, the Congress approved a provision in another social security bill—Public Law 93-233—that partially restored special Federal payments made to States in behalf of the Navajo and Hopi, a provision that was repealed in the Social Security Amendments of 1972.

It is this special Federal assistance to Arizona and New Mexico over the last 25 years that was the genesis of my amendment. Perhaps a brief history of the measure is in order.

Mr. President, I ask unanimous consent that an article by the Honorable Wilbur J. Cohen, former Secretary of Health, Education, and Welfare, be printed in the Congressional Record at the conclusion of my remarks. Mr. Cohen's history of the legislation which I will summarize, appeared in the Social Security Bulletin for June 1950.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. In 1949, Senators O'Mahoney, Hayden, Chavez, McFarland and Anderson sponsored legislation that was ultimately approved in 1950 as Public Law 474, which increased from 75 percent to 95 percent the Federal share of public assistance for the Navajo and Hopi residing on reservations in New Mexico and Arizona. The provision affected payments for old age assistance, aid to dependent children, and aid to the blind.

As the Social Security Amendments of 1972 authorize a 100-percent Federal share for old-age assistance, disability payments, and aid to the blind, there remained three programs in which the States pay a share of the cost. These are aid to dependent children, medicaid, and supplemental security income. As we have seen, by amendment to the Social Security Act at the end of last year, the special payments for aid to dependent children in behalf of Navajo and Hopi Indians were restored so that the States of New Mexico and Arizona are now receiving this reimbursement.

Other States, with substantial native American populations, either on reservations or in villages and cities, do not receive such special Federal aid.

My bill would make Federal reimbursements to all States—not only New Mexico and Arizona—for all public assistance—not only aid to dependent children as now provided for Navajo and Hopi families. My amendment would reimburse Alaska for medicaid, aid to dependent children, and supplemental security income for Aleuts and Eskimos; it would repay Hawaii for payments for native Hawaiians and Montana for support of the Blackfeet, Crow, and Northern Cheyenne, as well as other American Indians, whether on the reservation or not. My bill would authorize Federal reimbursement for public assistance to Indians living on State reservations such as those in Maine. It would repay Minnesota for aid to eligible Indians, whether living in Minneapolis or on the Blue Earth Reservation.

Mr. President, the State of Montana has seven Indian reservations within its boundaries and a substantial population living in our towns and cities. The total number of American Indians living in Montana approaches 30,000.

Our assistance to Indian people in the three categories encompassed in my bill costs Montana $1 million annually; Alaska reports expenditures in excess of $9 million. North Dakota is spending $2.3 million for such aid to dependent children for reservation Indians alone.

In Montana, in North and South Dakota, and in many other States, we are doubly burdened by public assistance expenditures for Indian people in that the existence of the reservations, of nontaxable Federal property, deprives us of revenue that would be raised that could help support welfare aid. We lose the tax revenue we need and, at the same time, have added expenditures in behalf of a people whose unemployment rate runs between 2 and 10 times the national average, even at today's rate.

Mr. President, great strides are being made on Indian reservations and among urban Indian people today as a result of improved education opportunities and their participation in economic development, health, job training, and housing construction programs. The Congress, in extending these opportunities to Indian tribes as entities of Government, has given recognition time after time of the special responsibility of the Federal Government for Indian welfare. But beyond that, and consonant with the principles of impact aid to areas deprived of tax revenues because of the Federal presence, we have been neglecting our responsibilities for welfare assistance to Indians, except for the special payments in behalf of the Navajo and Hopi.

The improvement in life for Indian people is reflected in increased enrollments and numbers of graduates from secondary schools as well as from colleges and universities, in the increased numbers of Indian people returning to the reservations to live, in better housing and health. Training programs and economic development promise a significant reduction in unemployment.

I am convinced that Indian people are on the threshold of a dramatic change for the better, that the quality of their lives whether on or off reservation is going to be enormously improved within a decade if present trends continue. I think there is every likelihood that the cost of public assistance will be dramatically reduced as the change I foresee takes place at long last. But I emphasize that my bill does not propose a new program, rather it proposes a shift from the States to the Federal Government of a responsibility that is Federal. I hope it will be approved.

Public Assistance Provisions for Navajo and Hopi Indians: Public Law 474

(By Wilbur J. Cohen[*])

On April 19, President Truman approved Public Law 474, providing for the rehabilitation of Navajo and Hopi Indians. Section 9 of this law provides for increasing the Federal share of public assistance payments for needy Indians of these tribes who reside on reservations or on allotted or trust lands and who are recipients of old-age assistance, aid to dependent children, or aid to the blind. The new law becomes effective July 1, 1950. It provides that with respect to assistance payments for these Indians the Federal Government will pay, in addition to its regular share under titles I, IV, and X of the Social Security Act, 80 percent of the State's regular share. The maximums for individual payments specified in the Act apply to these payments.

Thus, in a payment of $20 to a needy individual, the regular State share is $5 and the Federal share is $15. For Navajo and Hopi Indians the Federal Government will pay $4 additional (80 percent of the $5 State share) or a total of $19 out of the $20 payment. The Federal share in such a payment would thus be increased from 75 percent to 95 percent. In a $50 payment the Federal share would be increased from $30 to $46, or from 60 percent to 92 percent.[1] The accompanying table illustrates the effect of section 9 on public assistance payments to Navajo and Hopi Indians.

LEGISLATIVE HISTORY

The first form (S. 1407) of the legislation that became Public Law 474 was introduced on March 25, 1949, by Senators O'Mahoney, Hayden, Chavez, McFarland, and Anderson. Companion bills, H. R. 3476 and H. R. 3489, were introduced in the House of Representatives.[2] S. 1407 passed the Senate on July 6, 1949, with amendments, and passed the House with some further amendments on July 14, 1949.[3] In the Conference Committee a new provision dealing with increased Federal grants to the States for public assistance to Navajo and Hopi Indians was included in section 9. The Conference Report was accepted in both the House and the Senate on October 3, and the bill was then sent to the President. The President vetoed the bill on October 17, 1949,[4] but his veto message did not contain any objection to the public assistance provisions of the bill.

The Senate deleted the provisions of the bill to which the President objected and passed a new bill S. 2734, on October 18, the day after the veto was received. Immediate consideration of the bill in the House on October 19 was objected to by Representative Kean, a member of the House Committee on Ways and Means.[5]

With the adjournment of Congress, S. 2734 went over to the second session in 1950. The House passed the bill on February 21, 1950, with several amendments, one of which changed the method of determining the Federal share of public assistance payments to the two tribes. However, this amendment was based upon an erroneous interpretation of section 9 and in effect made the entire public assistance provision inoperative.[6] The Conference Committee therefore deleted certain language from the amended section 9 and thus restored the section's effectiveness.[7] The Conference Report was adopted by the House on April 6, 1950, and by the Senate on April 10. The President signed the bill on April 19, 1950.

The basic issue as to whether Indians should be given public assistance entirely at Federal expense or on the same basis as other individuals has been the subject of lengthy debate. When the House added the provision to S. 1407 to make all Indians within the Navajo and Hopi reservations subject to the laws of the State in which they live, it became necessary to consider whether this same principle should be applied to public assistance recipients or whether it should be modified in some way. The following quotation from the Conference Committee Report describes the difference of opinion between the two houses:

> The House conferees insisted upon section 9, but the Senate conferees wanted it eliminated for the reason that the extension of State laws would obligate the States to make available the benefits of the State social security laws to reservation Indians, an obligation which has not been assumed by New Mexico and Arizona for two reasons: First, they have not admitted their liability, claiming that under the enabling acts and Federal laws the Indian was an obligation of the Federal Government. Second, because of the large Indian population, the States strenuously urged their financial inability to meet this obligation.[8]

The Conference Report also explains the justification for the "80-percent formula":

> Less than 20 percent of the Navajo and Hopi Indians speak the English language. The States have indicated their willingness to assume the burden of administering the social security laws on the reservations with this additional help. The Conference Committee was of the opinion that this was a fair arrangement particularly in view of the large area of taxfree land and the difficulty in the administration of the law to non-English-speaking people, sparsely settled in places where there are not adequate roads; and that it would be of particular advantage to the Indians themselves. This arrangement can and no doubt will be changed as soon as the Indians are rehabilitated. Both States assume full responsibility for nonreservation Indians at the present time.
>
> The percentage to be paid by the States under this section, other than the cost of administration, is the same as was worked out in a conference at Santa Fe, New Mexico, between representatives of the Federal Security Agency, Bureau of Indian Affairs, the offices of the Attorney General of the States of Arizona and New Mexico, and the State Department of Welfare of the States of Arizona and New Mexico, on April 28 and 29, 1949. At this conference, it was agreed that the net cost to the State would not exceed 10 percent of the total cost incurred by the Federal and State Governments in aid to needy Indians (aged, blind, and dependent children). This is the agreement under which the States are now operating. However, it is the opinion of the Conference Committee that the Indians would be greatly benefited by the States' assuming full responsibility for the administering of this law, and it would assure a continued assistance which would not be dependent upon appropriations through the Bureau of Indian Affairs from year to year.
>
> Before the passage of the Social Security Act, the Federal Government assumed full responsibility for needy reservation Indians, and there is strong argument that the Federal Government still has full responsibility for their care. The additional cost of the extension of social security benefits not heretofore assumed by New Mexico and Arizona is only part of the cost of the extension of State laws to the reservations. Therefore, the Conference Committee is of the opinion that the amendment which was adopted is a fair and equitable division of the expense.[9]

The 80-percent formula embodied in Public Law 474 is based upon a formula proposed in bills S. 691 and H.R. 1921, introduced in both houses on January 27, 1949, for all Indian "wards" in any State. Testimony was given before the House Committee on Ways and Means in favor of H.R. 1921,[10] but the Committee did not report that bill out nor did it include any special provision for Indians in the social security bill, H.R. 6000, reported out by the Committee.

FEDERAL SHARE OF ILLUSTRATIVE PUBLIC ASSISTANCE PAYMENTS TO NEEDY MEMBERS OF THE NAVAJO AND HOPI TRIBES

Law	Federal share of payment, by specified amount							
	To aged or blind individual				To 1 dependent child		To 3 dependent children	
	$20	$40	$50	$60	$27	$54	$63	$106
Social Security Act Amendments (1948)	$15	$25	$30	$30	$16.50	$16.50	$40.50	$40.50
Public Law 474 (1950)	19	37	46	46	24.90	24.90	58.50	58.50

Footnotes at end of article.

HISTORICAL BACKGROUND

On several occasions Congress has given consideration to legislation affecting Indians receiving public assistance under the Social Security Act. In 1935 when the original social security bill was being considered in the Senate, a provision for payment by the Federal Government of the full cost of Indian pensions was passed by the Senate as an amendment to the pending bill. The proposed amendment provided for a new title in the Social Security Act making payments to Indians "a pension from the United States in the sum of $30 per month." [11] This amendment was sponsored by Senator Norbeck of South Dakota. It was dropped, however, by the Conference Committee and was not included in the final law.

In a special report of the Social Security Board on proposed changes in the Social Security Act, which President Roosevelt submitted to the Congress in January 1939, the Board stated as follows:

A number of States have a considerable Indian population some of whom are still wards of the Federal Government. The Board believes that, with regard to certain Indians for whom the Federal Government is assuming responsibility in other respects, and who are in need of old-age assistance, aid to the blind, or aid to dependent children the Federal Government should pay the entire cost. If this provision is made, the Board should be authorized to negotiate cooperative agreements with the proper State agencies so that aid to these Indians may be given in the same manner as to other persons in the State, the only difference being in the amount of the Federal contribution. The Board believes that it should also be given authority to grant funds to the Office of Indian Affairs for this purpose, if that appears more desirable in certain circumstances.[12]

The House Committee on Ways and Means, however, did not include any provision concerning Indians in the 1939 social security bill. The Senate Committee on Finance considered an amendment affecting Indians but did not report it out. On the floor of the Senate, an amendment was offered which provided that "notwithstanding any other provisions of law, the Social Security Board shall not disapprove any State plan under titles I, IV or X of this act because such plan does not apply to or include Indians." [13] This amendment passed the Senate but was deleted by the Conference Committee and was not included in the final 1939 law.

The Social Security Administration has consistently interpreted the Social Security Act to mean that a State public assistance plan could not legally be approved if that plan discriminated against any citizen of the United States on account of race. Twenty-four of the 26 States in which there are Indians residing on reservations provide public assistance under the Social Security Act to these individuals. In Arizona and New Mexico, however, questions have been raised over the years by both State agencies as to whether reservation Indians were to be included in the public assistance programs under the Social Security Act.

The immediate factors that led to the inclusion of the public assistance provisions in section 9 of Public Law 474 first made themselves felt on April 17, 1947. On that date the State Board of Public Welfare of New Mexico refused the application of a Navajo Indian for old-age assistance on the grounds that reservation Indians were not a responsibility of the State Welfare Department "just as long as they are under the complete jurisdiction of the Indian service and insofar as the expenditure of State money for their welfare is concerned." At about the same time the Arizona State Department of Public Welfare also took a position that it would not make payments to reservation Indians.

The Social Security Administration discussed the subject with the State agencies in an effort to resolve the conflict between the position they had assumed and the requirement of the Social Security Act that assistance must be available to all eligible persons within the State. Discussions continued over a period of time, and the States were informed that the continued receipt of Federal funds for their public assistance programs was dependent on whether the State programs were operating in conformity with the principle that applications are to be accepted from all who apply and assistance granted to all eligible persons. During the same period the Bureau of Indian Affairs made some payments, as their funds permitted, to needy Indians in the two States.

Finally, after all efforts to bring the States into conformity with the requirements of the Social Security Act had failed, the Commissioner for Social Security, after due notice, held hearings to determine whether there was a failure by New Mexico and Arizona to operate their plans in accordance with sections 4, 404, and 1004 of the Social Security Act. A hearing on New Mexico was held on February 8, 1949, and on Arizona on February 15, 1949. Before findings or determination based upon these hearings were made, the arrangements described in the quotations from the Conference Report on S. 1407 were completed at Santa Fe, New Mexico, on April 28 and 29, 1949, and assistance was provided for reservation Indians in these two States. It was the purpose of Public Law 474 to solve, by congressional action, the problems raised in the hearings before the Social Security Commissioner.[14] As stated in the Conference Report on the bill, the Committee felt that efficient operation could be more definitely assured if the State were to administer the entire program for needy Indians rather than share the responsibility with the Bureau of Indian Affairs.

FOOTNOTES

*Technical Adviser to the Commissioner for Social Security.

[1] The above figures and those in the table are used only as general illustrations of the amount of Federal participation. They are based on hypothetical individual payments, whereas actually, under the basic formula of the Social Security Act, the Federal percentages are not applied to individual payments but rather to the average payments of a State under each title. That part of any payment for a month in excess of $50 to an aged or blind recipient and in excess of $27 with respect to one dependent child in a home and $18 with respect to each of the other dependent children in a home is not counted in computing the averages.

[2] For the history of legislative proposals before 1949 see *Hearings Before a Senate Subcommittee of the Committee on Interior and Insular Affairs on S. 1407* (81st Cong., 1st sess.), pp. 3–7. Hearings were also held on H.R. 3476 by the House Committee on Public Lands.

[3] For proceedings in the House see *Congressional Record* (daily edition), July 14, 1949, pp. 9682–92.

[4] Ibid., Oct. 17, 1949, pp. 15119–20.

[5] Ibid., Oct. 19, 1949, pp. 15243–46.

[6] Ibid., Feb. 21, 1950, p. 2129.

[7] See Conference Report on S. 2734, *Congressional Record* (daily edition), Apr. 5, 1950, p. 4835.

[8] House Report 1338 to accompany S. 1407, Sept. 22, 1949, p. 7.

[9] Ibid., pp. 7–8.

[10] *Hearings before the House Committee on Ways and Means on H.R. 2892* (81st Cong., 1st sess.), pp. 791–801.

[11] *Congressional Record,* June 18, 1935, p. 9540; see also letter from the Commissioner of Indian Affairs stating that he was "in sympathy with this proposal," pp. 9540–41.

[12] *Hearings Relative to the Social Security Act Amendments of 1939 Before the House Committee on Ways and Means* (76th Cong., 1st sess.), February 1939, p. 15. The Secretary of the Interior also urged that "social security benefits for Indians be administered as a part of the general plan for the citizens of the United States" (*Hearings Before the Senate Committee on Finance on H.R. 6635,* 76th Cong., 1st sess., June 1939, p. 272).

[13] *Congressional Record,* July 13, 1939, pp. 9027–28.

[14] On December 27, 1949, the Arizona State Board of Public Welfare adopted a resolution stating that it would not discontinue its policy of excluding crippled reservation Indian children in the provision of treatment services. The Commissioner of the State department in transmitting the Board's resolution to the Chief of the Children's Bureau of the Social Security Administration stated that it was "necessary to sever our connections." No Federal funds have been paid to Arizona under part 2 of title V of the Social Security Act since December 22, 1949.

Mr. MONDALE. Mr. President, I am proud to once again join the distinguished Senator from Montana (Mr. METCALF) in sponsoring his bill which would provide 100-percent Federal reimbursement for the cost of all welfare assistance programs to American Indians. As you know, Mr. President, this bill has twice passed the Senate—once in 1970 and once in 1972. Unfortunately, it has been dropped in conference with the House. I continue to believe that this amendment is fair, important, and reasonable; I, therefore, continue to give it my full support.

The Federal Government has a unique responsibility toward the American Indian and toward the States in which the Indian lives. To a large extent as a result of Federal policies and actions, Indians have been forced to live in economically deprived situations. Many are trapped by their environment, into a pattern of repeated economic failure. As a group, Indians rank among the lowest on the economic scale. Frequently, the Federal Government has been responsible for the relocation and resettlement of Indian tribes from reservation to reservation and from State to State. This has added to the welfare burden on the jurisdictions in which the Indians are forced to live.

Since our national policies have contributed so heavily to the economic segregation, I believe the Federal Government has an obligation to eradicate the effects of the segregation. The bill offered by the Senator from Montana, which I am proud to cosponsor, represents an important means toward that end. Under its provisions, the Federal Government will assume the entire cost for AFCD, SSI, and medicaid for Indians. The bill will relieve the States of this financial responsibility and place it with the Federal Government. Two States currently receive Federal support for welfare assistance to Indians in those States. This bill would extend relief to all States.

This would not, by any means, relieve the States from responsibility for their Indian population. We would hope that, with the welfare burden lifted, States with Indian populations would channel some of the unburdened funds into other worthwhile projects aimed at helping the Indians. In addition, as a result of the fact that much of the land on which the Indians reside is held in trust and not subject to State or local taxation, the States will continue to share some of the responsibility for the Indian populations. Additionally, because of the low economic status of many Indians, income tax revenues from this group are minimal.

This bill is very important to my State. In Minnesota, a large percentage of the Indian population is on welfare. In fact, the annual welfare bill for the Indian population is approaching $8 million, of which more than half is paid by State and local government. Under this bill, the State would be reimbursed for this amount. In Hennepin County, approximately $760,000 would be returned to the State. In Beltrami County, in northern Minnesota, where Indians make up approximately one-fourth of the welfare caseload, the savings from this measure would be approximately $600,000.

I urge my colleagues to once again act favorably on this bill. I sincerely hope that, because of significant improvements in the language of this version, the measure will, if passed, be retained by the conferees. The American Indians, and the States in which they live, deserve no less.

By Mr. MAGNUSON (for himself, Mr. Jackson, Mr. Church, and Mr. McClure):

S. 439. A bill authorizing and directing the Corps of Engineers to construct a four-lane high-level highway bridge between Clarkston, Wash., and Lewiston, Idaho. Referred to the Committee on Public Works.

Mr. MAGNUSON. Mr. President, on behalf of my colleague from Washington (Mr. Jackson) and the Senators from Idaho (Mr. Church and Mr. McClure) and myself, I am today introducing legislation authorizing and directing the Corps of Engineers to construct a four-lane high-level highway bridge between Clarkston, Wash., and Lewiston, Idaho.

This bill is identical to legislation we sponsored in the last Congress which was favorably reported by the Public Works Committee's Subcommittee on Water Resources. It is also identical to a provision of broader legislation which was favorably reported by the full Public Works Committee and passed unanimously by the Senate on October 11, 1974. Unfortunately, the House was unable to act on the bill prior to adjournment of the 93d Congress.

The need for this legislation is even greater now than when it was passed by the Senate last year. Consequently, I am extremely hopeful that both houses will take early action on this bill so that it can be enacted into law this year. I will certainly be working toward that end. I am especially grateful for the efforts which were made last year by the distinguished chairman of the Water Resources Subcommittee (Mr. Gravel) and by the distinguished chairman of the Public Works Committee (Mr. Randolph) to bring the legislation before the full Senate as quickly as they possibly could. Their continued leadership and assistance on this bill will, of course, be essential, and their efforts will certainly continue to be greatly appreciated.

Mr. President, at this time I will briefly summarize the bill, the need for its enactment, and the broad support it enjoys in the two areas that would be directly affected.

The bill would authorize and direct the Secretary of the Army, through the Corps of Engineers, to construct a four-lane high-level bridge across the Snake Piver between Clarkston, Wash., and Lewiston, Idaho. The Secretary would also be authorized and directed to construct the necessary bridge approaches. The new bridge would be located approximately 2 miles upstream of the present U.S. Route 12 bridge between the two cities. For their part, the affected State and local jurisdictions would be required to: first, hold and save the United States free from any damages resulting from the construction; second, provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction; and, third, maintain and operate the bridge and approaches after they are built.

The need for the new Lewiston-Clarkston Bridge which would be authorized by this bill has been created by construction of the Federal Lower Granite lock and dam project on the Snake River. Therefore, it is entirely appropriate that the new bridge and approaches be built at Federal expense as this bill would authorize.

Completion of the Lower Granite project this year will substantially raise the Snake at Lewiston-Clarkston. Consequently, the drawbridge that was built in the 1930's and now serves as the only link between the two cities will have to be raised far more frequently for vessel movement. That will be the case since the clearance under the bridge will be reduced from its present range of 26 to 45 feet to a range of 13 to 18 feet according to estimates by the Corps of Engineers. That, in turn, is projected by local officials to create serious traffic congestion on both sides of the river since there are now more than 22,000 two-way vehicular trips over the bridge on an average day. This will not only cause considerable inconvenience to the many persons who must daily commute between Lewiston and Clarkston, but it will also seriously affect the economy of the whole region. That is the case since the existing bridge is the only bridge across the river between Idaho and Washington in the entire area. The frequent openings of the old bridge will also create another problem that I believe to be of particular importance. Specifically, the increased openings will pose a direct threat to public health and safety since the only ambulance service available to Clarkston residents is headquartered across the river in Lewiston.

Mr. President, it is indeed rare when legislation so directly affecting not only two cities but also two counties and two States is the recipient of unanimous support. However, I am pleased to report that this bill has that kind of support. The States of Washington and Idaho, the counties of Asotin in Washington and Nez Perce in Idaho, and the towns of Lewiston and Clarkston all officially endorsed the bill during hearings held last year by the Water Resources Subcommittee. Also, prior to that time, both the Idaho and Washington State Legislatures formally memoralized Congress requesting Federal construction of a second bridge.

In closing, Mr. President, I express again my appreciation for the efforts made last year on this bill by the Water Resources Subcommittee and by the full Public Works Committee and strongly urge that the Senate once more pass this bill as it did in the last Congress. The need for the second bridge is even greater now than it was then.

Mr. JACKSON. Mr. President, I am pleased to join with my colleague from Washington, Senator Magnuson, and with Senators Church and McClure in support of the construction of a four-lane highway bridge to cross the Snake River between Clarkston, Wash., and Lewiston, Idaho. This legislation, I might add, is the culmination of the Lewiston/Clarkston area.

The present structure at U.S. Route 12, which has served the two cities for 35 years, will soon be inadequate as a transportation link. The lower Granite Lock and Dam Project, due for completion shortly, will raise the water level such that the normal flow of traffic will be greatly hindered by the constant need to raise the bridge. Currently, there are 22,000 two-way vehicular trips every day and 20 to 25 minutes is required to raise and lower the present span, causing traffic congestion. This is an especially critical consideration in light of the reciprocal agreements between the two communities for fire protection, ambulance service, and police ministration. Furthermore, the pathology lab and blood bank in Lewiston is the only one in the entire area, serving a population in excess of 37,000 people. The delay caused by the lifting of the bridge would render ineffective these much-needed services.

Mr. President, with 22,000 cars passing over the existing bridge each day every time the bridge is opened an average of 307 cars, containing perhaps 500 people, are inconvenienced with a 20- to 25-minute delay. This is only an average—during hours of heavy use I feel certain that the traffic volume over the bridge would at least double. This inconvenience, which really translates into both time and financial loss can be tolerated no longer. This problem needs to be addressed and resolved now.

The physical location of the new bridge would be 2 miles upstream from the present structure. In terms of logistics, it is planned that State and local jurisdictions would be required to: First, free the United States from any damage resulting from the construction and, keeping with normal practice, provide the necessary maintenance and operate the structure once the construction is completed.

I feel there is a definite and much warranted need for a new bridge to speed the flow of traffic, and for the public health and safety.

Mr. CHURCH. Mr. President, today I join my colleague from Idaho (Mr. Mc-

CLURE) and the distinguished Senators from Washington (Mr. MAGNUSON and Mr. JACKSON) in cosponsoring legislation to authorize the construction of a second bridge to span the Snake River and connect Lewiston, Idaho, and Clarkston, Wash. This bill was introduced last year and received favorable action in the Senate. However, the House of Representatives did not act on the measure and consequently it is necessary to reconsider this legislation in the Senate.

Federal expenditures for a second bridge between the two cities are entirely justifiable. Construction by the Army Corps of Engineers of the Lower Granite Dam on the Snake River will create a reservoir which will fill up later this year. This reservoir will raise the normal water level significantly higher than the free flowing high water mark for which the present bridge is designed.

The drawbridge which currently services the two cities was built in the 1930's and is now the only transportation link between Lewiston and Clarkston. According to Army Corps of Engineers estimates, the filling of the reservoir will reduce the clearance under this existing bridge from the present range of 26 to 45 feet to a range of 11 to 18 feet.

In hearings held last September, State and local officials reported that raising the water level will adversely affect the traffic flow between the two cities. Traffic congestion between Lewiston and Clarkston will occur, because the bridge will have to be lifted each time a large boat, sailboat, or barge attempts to pass underneath. Having been designed and built in a different era, the bridge can take as long as 20 to 25 minutes to raise and lower.

Regular two-way vehicular traffic across the bridge now averages some 22,000 trips per day. Water traffic is expected to greatly increase with the filling of the reservoir, and this means more frequent raising of the bridge. This in turn will cause interruption of bridge traffic, greater congestion on both sides of the river, and traffic problems in the downtown areas of both cities as a result of traffic tieups caused by delays in crossing the Snake River.

Even more significant, because of the expected increase in water traffic, local officials have warned that a direct threat to the public safety may result unless a second bridge is constructed. This is so because the two cities directly involved conduct cooperative health and safety programs and have reciprocal agreements for fire, ambulance, and police service.

A Federal project is directly responsible for the anticipated traffic problems and threats to the public safety. It seems to me that the Federal Government is thereby obligated to finance construction of a second bridge to alleviate these problems.

This bill would authorize construction, at Federal expense, of a four-lane, high-suspension highway bridge and approaches connecting the two cities. In keeping with normal practice, local or State interests will provide land and easements necessary for construction of the bridge and would maintain and operate the bridge after construction.

For the reasons I have just outlined, I am hopeful that the Senate will, once again, give favorable and prompt action to this bill. I stand ready to assist in any way I can.

By Mr. CLARK:

S. 440. A bill to amend the Social Security Act to improve eligibility and computation methods under the old age, survivors, and disability insurance program, to increase Supplemental Security Income payments, to improve the benefits in the medicare program including out-of-hospital prescription drugs and a long-term care program, to consolidate the two-part medicare program and to eliminate all premiums and coinsurance from the medicare program, to provide for the administration of the social security programs by a newly established independent Social Security Administration, to provide for new payment procedures under the medicare program, to establish a new consumer price index for older Americans for calculating automatic cost-of-living benefit increases, and for other purposes. Referred to the Committee on Finance.

SOCIAL SECURITY REFORM ACT OF 1975

Mr. CLARK. Mr. President, today I am introducing legislation which amends our social security laws. It is a comprehensive bill, one which represents a great deal of work by social security experts, older citizens, and others who are concerned about the social security system and want to improve its efficiency, financing, and its benefits.

Social security is one of the most successful programs ever enacted by the Congress. It benefits every member of society—dependents, students, young workers, the disabled and older citizens—and that benefit measurably improves the quality of life for millions of Americans. This legislation, the Social Security Reform Act, recognizes the vast number of beneficiaries and potential beneficiaries, and tries to build upon the demonstrated success of the social security system.

For almost 40 years, the social security program has been a great national asset. It is not another welfare program designed to eliminate the burden of poverty. It is a program that prevents dependency. Workers contribute to the system and, in return, they receive benefits as an earned right.

Social security pays monthly cash benefits to over 30 million Americans, and over 21 million aged and disabled people get part of their medical and hospital bills paid by the two-part medicare program. Social security is a disability program and a health insurance program combined, and it provides monthly life insurance when the family's breadwinner dies. To pay for these benefits, there is a financing mechanism through payroll contributions. Without it, the benefits would not be available.

The social security system is a national cooperative program, and it has allowed millions of Americans to enjoy a productive and fulfilling life without the fear of economic disaster in times of need. But over the years some people have questioned its effectiveness. The inflation and recession now tearing at the country have emphasized both the need for a sound social security and supplemental income program and the need to correct the shortcomings of the current system.

This legislation represents an attempt to respond to the unmet potential and the obvious problems. It will provide more protection for younger workers and their dependents, more protection for older workers, and it will afford older citizens the income and health security that they need and deserve. This legislation has been designed to give consumers—those people who are contributing to the system through payroll taxes or those who are receiving benefits from social security—a better return on their investment. The bill is a package of proposals and ideas that can be considered together or separately. It will take time and considerable study by the Congress to evaluate them, and that is one reason I have introduced the legislation early in the session and despite the President's request that no new Federal programs be initiated this year. Setting the economy straight must be the first priority of the Congress and the administration. In the meantime, however, we cannot ignore the needs of those people that have been most adversely affected by this country's economic difficulties.

The first step is an independent Social Security Administration, outlined in this bill. I introduced a similar measure with Senator FRANK CHURCH—chairman of the Senate Special Committee on Aging—in the 93d Congress, and it received the support of a majority of the Senate. This new Social Security Administration would be outside the Department of Health, Education, and Welfare, outside the direct political influence of the executive branch.

The Social Security Reform Act calls for the more efficient and direct payment of doctor and hospital bills so that medicare beneficiaries do not have to bargain for their health care. And, the bill would consolidate the two-part medicare program, streamlining that program and eliminating the monthly premium of $6.70 which medicare beneficiaries must now pay.

Under the bill, younger workers and their dependents would be entitled to disability payments for short-term disabilities, and the bill would provide improved medicare benefits to the disabled; disabled widows and widowers could collect full benefits regardless of age, and older people could receive home health services under medicare without first going to the hospital as the law now requires. The Social Security Reform Act would eliminate the 150 days limit on in-patient hospital services, ensuring full payment of hospital expenses in the case of severe illnesses or injuries.

No social security issue is of greater concern than reforming the way we all pay for social security benefits. This legislation included a provision to increase the burden of social security taxes on those best able to pay for them by raising the wage base for social security taxes.

And this legislation includes a provision which would finance the improvements in medicare benefits from general revenues as suggested by the 1975 Advisory Council on Social Security. Introducing general revenues into the medicare system would have two advantages: It would allow payroll taxes to be used to a greater extent for financing social security cash benefits, and it would help guarantee the long-range financial stability of the social security system.

If this legislation becomes law, the definition of disability would be changed to the "occupational" definition of disability recommended by the 1971 Advisory Council on Social Security, providing many workers not now covered, with the financial security they need to get well and reenter the work force. Disabled workers would be entitled to medicare benefits immediately after they began to receive cash benefits instead of waiting 2 years as required under existing law. Right now, once a person is determined disabled, he or she must wait for 5 months before becoming eligible for cash benefits. Under this legislation the time would be reduced to 3 months.

Older people are directly affected by a number of provisions in this bill. Coinsurance and premium payments under medicare would be eliminated, and there is a provision for out-of-hospital prescription drugs—the major uninsured health care cost for older Americans. A $1,000 limit would be established on an older person's liability in case of catastrophic illness or injury. And, the legislation would allow older people entitled to medicare coverage to buy coverage for a spouse who has not yet reached the medicare eligible age of 65. These improvements were recommended in the final report issued by the 1971 White House Conference on Aging, and the time has come to implement them. Health security for all Americans—especially the elderly—must be made comprehensive.

Two important improvements are made in the supplemental security income—SSI—program. When Congress established a minimum income floor for every blind, disabled, and aged person, the level was shamefully low. Recently, an automatic cost-of-living escalator for SSI recipients was enacted by the Congress, and now it is time to raise the meager incomes of these individuals at least to the level of poverty. This legislation would do that, raising an individual's benefits to $2,400 a year and a couple's income to $3,000 a year. In addition, there is a provision to make medicare coverage available to individuals entitled to supplemental security income payments; this would give them health security as well as some degree of financial security. These benefits would be financed through general revenues.

Other provisions in this legislation have a broader impact. One section in this bill provides additional drop-out years for calculating the primary insurance amount—the monthly social security benefits. This means workers will get generally higher cash benefits because the benefits will depend on a worker's income in his or her later years when earnings are higher. Second, the primary insurance amount for some 10 million men and their dependents will be recalculated to eliminate a discriminatory provision retained in the current laws. Differences in coverage and eligibility for men and women have already been eliminated, but a problem remains: a large number of men who already have retired are not affected by the present law. This legislation would make these updated provisions retroactive, providing greater benefits for millions of beneficiaries and their dependents.

Entering a long-term care facility is one of the most persistent and frightening problems faced by older Americans. Older people want to remain in their homes, where they are a part of the neighborhood, rather than being institutionalized, and this legislation would establish a program to study and fund projects designed to help keep older people in their homes. Right now there is ample evidence that we are not prepared to handle the people who need the shelter and conveniences of long-term care facilities, and alternatives to institutionalization are vitally needed.

Also included in the legislation is a medicare long-term program which will cover both institutional and noninstitutional care. The program will establish community long-term care centers responsible for coordinating the various services necessary to enable beneficiaries to live at home and to use institutions only as a last resort. The benefits would include home health services, homemaker services, nutrition services, long-term institutional care services, and community mental health center outpatient services.

Finally, the Social Security Reform Act would establish a special consumer price index for older Americans to calculate the automatic cost-of-living increases to which individuals under SSI and social security are entitled. Right now, the general Consumer Price Index is used to calculate inflation for everyone, and because older Americans spend a disproportionate share of their incomes on food, housing, medical care, transportation and utilities, the general Consumer Price Index does not adequately measure their inflation. A consumer price index for older Americans would correct this inequity.

Coupled with this provision is a cost-of-living escalator which would be adjusted twice a year instead of once a year as under present law. This would help give older people some relief during inflationary periods.

Mr. President, this legislation is not completely new or innovative. Many of these provisions have been introduced in the Congress and discussed before committees many times before. But it is an effort to consolidate many goals and programs to reform the social security system.

There can be no doubt that some of the provisions in this legislation will be costly, but it is important to remember that when it comes to the health and welfare of people, the money will be well invested. For years, older people, disabled and blind citizens, and many others have had to bear insufferable burdens. The social security system should be reformed to reflect the needs and concerns of people and to take affirmative action on them. That is why I have introduced this legislation, and why I will work for the adoption of these provisions—either together or separately—during the 94th Congress.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY REFORM ACT

TITLE I—SOCIAL SECURITY PROGRAMS

Part A—Provisions relating to supplemental security income program

1. Increase SSI payments to $2400 a year for individuals, $3000 a year for couples.

In 1972, P.L. 92-603 federalized the state-administered welfare programs for adults. The new federal program established a minimum federal payment which could be supplemented by the States, and the first federal payments were made in January 1974. After two benefit increases, the level of federal payments for a single individual is $1752 per year, and $2628 per year for a couple. The provision would raise the level of payments up to the poverty level as defined by the U.S. Bureau of the Census.

Part B—Provisions relating to old age, survivors and disability insurance program

2. Revise Definition of disability.

Under current law, a person must meet stringent requirements to be classified as disabled, leaving many individuals—especially older workers—without any compensation at all. The amendment would define a disabled person as one who can no longer engage in substantial gainful activity in regular work or in any other work which he has engaged with some regularity in the recent past. The amendment would move away from the present medical definition of disability and move towards the occupational definition of disability as recommended by the 1971 Advisory Council on Social Security.

3. Elimination of 12 month period of illness prognosis requirement and reduction of waiting period for disability benefits.

Under current law, a person must be certified as one whose disability will continue for at least 12 months in order to receive any disability benefits. The amendment would eliminate this prognosis requirement.

At present, a person who has been classified as disabled must wait for 5 months before becoming eligible for disability benefits. The provision would reduce the waiting period to three months thus making Social Security disability benefits more responsive to disabling conditions of younger and older workers.

4. Changing base period upon which social security benefit payments are calculated.

Under current law, the base period upon which the average monthly wage is calculated runs from 1951 to time of retirement. A person may elect to drop five of his or her lowest salary years upon which the average monthly wage is calculated. The amendment would provide an additional drop-out year for each 15 years of coverage under Social Security, which would provide greater benefits to the worker upon retirement. Thus, the wage replacement rate would improve providing more continuity in pre- and post-retirement income.

5. Entitlement of Disabled Widows and Widowers to full benefits without regard to age.

Disabled widows or widowers must wait until age 55 to collect actuarially reduced widow's or widower's benefits. Disability benefits may be collected without regard to age, but for the most part, disabled widows and widowers do not have a work record which provides them with sufficient income from disability payments. The amendment would entitle these people to full widow's or widower's benefits without regard to their age.

6. Recomputation of Primary Insurance Amount.

The amendment would recalculate the primary insurance amount—the monthly benefits—for some 10 million males and their dependents to correct a past discriminatory provision. Under prior law, the method of computing benefits for men and women differed in that years up to age 65 were taken into account in determining average earnings for men, while for women only years up to age 62 were taken into account. Also, benefit eligibility was set at age 65 for men, but at age 62 for women. Under P.L. 92-603, these differences in ages for men and women were phased out prospectively. The amendment would make the updated provisions included in P.L. 92-603 retroactive to those males and their dependents who have had their primary insurance amount calculated under the old formula.

Part C—Provisions relating to medicare

7. Financing of Medical insurance benefits.

The amendment would combine Part A—the Hospital Insurance program—and Part B—the Supplementary Medical Insurance program—under Medicare into one unified program and eliminate the monthly premium payment which older people must pay under current law. At present, the premium payment is $6.70 per month. Unification of the 2 part Medicare program would provide greater administrative efficiency in the program.

8. Hospital Insurance for the Disabled.

Under current law, once a person has been determined to be disabled he or she must wait two years before becoming eligible for Medicare benefits. The amendment would extend medicare coverage—hospital insurance and supplemental medical insurance—after the 3rd month when disability payments begin.

9. Elimination of Coinsurance.

Medicare beneficiaries must pay three health care costs: premiums, deductibles, and coinsurance. The coinsurance is the percentage of the health care bill that older people pay after paying the deductible. This provision would eliminate the coinsurance, and thus eliminate much of the cost of health care to older Americans.

Presently a Medicare recipient pays coinsurance under both Parts A and B. Under Part A—the Hospital Insurance Program—a beneficiary pays coinsurance for hospital stays longer than 60 days and skilled nursing care stays that are longer than 20 days. For the 61st to 90th day in a hospital, $23 copayment is required, and for the 91st day to the 150th day, there is a $46 a day copayment. For skilled nursing facilities, $11.50 copayment is required for the 20th to 100th day.

Under Part B—the Supplemental Medical Insurance program—a patient must pay 20 percent of all "reasonable" charges beyond the $60 deductible.

10. Coverage of out-of-hospital prescription drugs.

The major uninsured health care cost for older Americans is out-of-hospital prescription drugs. The amendment would make available most out-of-hospital prescription drugs at a fee of $1 to help cover administrative costs. To insure cost and quality controls, an independent formulary committee would be established, and it would be responsible for ensuring that the appropriate drugs are available to Medicare beneficiaries under this provision.

11. Medicare for individuals, age 60 through 64, who are spouses of individuals who are entitled to Medicare benefits.

This amendment will allow people who are eligible for Medicare to buy Medicare benefits for their wives or husbands who are over age 60 at an actuarially adequate amount which shall be adjusted annually to take into account fluctuating health care costs.

12. Medicare for individuals entitled to Supplemental Security Income.

This amendment would make available Medicare coverage for those people who are receiving SSI, but who are not eligible for Medicare benefits or who must buy-in to the Medicare system at present. About 30 percent of the aged population receiving SSI are not eligible for Medicare, and disabled persons are allowed to buy-in to the Medicare system at actuarially adequate amounts.

13. $1,000 limit for Catastrophic illnesses.

This amendment would place a ceiling of $1,000 on the amount which Medicare beneficiaries are liable for health expenses in any given calendar year, providing for catastrophic illnesses—long hospital stays or extensive medical care.

14. Elimination of post-hospital requirement for home health services under Part A of Medicare.

Under present law, a person must first be hospitalized for 3 days before becoming eligible for home health benefits—those services which provide basic health care in the home. This amendment would eliminate the requirement that a Medicare beneficiary be hospitalized before realizing home health care benefits. This would prevent people from needlessly becoming institutionalized at a greater cost to the taxpayer.

15. Elimination of Durational limits on in-patient hospital services.

Under present law, a person is entitled to 150 days of hospital care under Medicare Part A—Hospital Insurance. The amendment would eliminate the 150 day maximum limit to assure that long-term illnesses which require hospitalization for over 150 days are paid in full by Medicare.

16. Utilization Review Requirement for home health agencies.

The Social Security Reform Act calls for the elimination of the post-hospital requirement to be eligible for home health care benefits. This amendment would establish review agencies to ensure that the home health benefit is utilized appropriately.

17. Changes in payment procedures and administrative mechanisms under the Medicare program.

The amendment provides for the Social Security Administration to establish accounts for Medicare recipients. All copayments and deductible charges under Medicare would be billed to these accounts, and the Social Security Administration would be responsible for the timely collection of them. All charges by providers of institutional services would be set by means of prospective budgeting; individual medical professionals would be reimbursed on a negotiated fixed fee schedule subject to final review by the Social Security Administration. Reimbursement would be determined with representatives of the medical profession, institutional providers, consumers and other interested parties. Providers of health services may elect whether or not to participate in the Medicare program, but if they do participate, then no more than the fixed fee may be charged to any individual seeking health services, thus holding down health care costs.

18. Study of Personal Care services in lieu of Institutional Care facilities.

The amendment provides grants to conduct tests and demonstrations to maintain persons who are disabled or have other health-related problems in their own homes who otherwise would require institutionalization. Services may include homemaker services, home maintenance, laundry services, nutrition services, and assistance with shopping and transportation. The purpose of the amendment is to support and evaluate projects which would provide alternatives to institutionalization. Results from these projects would be used in the implementation of the long-term care program established in the legislation.

19. Establishment of Medicare Long-Term Care Program.

The provision would cover both institutional and noninstitutional care, but it is designed to avoid institutionalization by enabling beneficiaries, whenever possible, to receive services in their homes. Responsibility for all long-term care would be centered in "community long-term care centers" whose governing boards would include consumer representatives. At least half of the governing board would be made up of people eligible for long-term care and at least one-fourth of the board would be elected by people eligible for long-term care. The local agency is responsible for coordinating the many different services needed by recipients, and a state agency is established to coordinate the local community agencies.

The goal of the long-term care program is to enable beneficiaries to live at home and to use institutions only as a last resort. The benefits established in this amendment include home health services, homemaker services, nutrition services, long-term institutional care services, day care and foster home services, and community mental health center outpatient services.

TITLE II—SOCIAL SECURITY ADMINISTRATION

This title establishes an independent Social Security Administration outside the Department of Health, Education, and Welfare as part of the executive branch of the government. The independent agency will be headed by a three member governing board appointed by the President with the advise and consent of the Senate. The President will designate one of the board members to be chairman, and the three board members will select an executive director to help them in the administration of the Social Security programs.

The Administration shall be responsible for the administration of Medicare, Old Age, Survivors and Disability Insurance payments, supplemental security income and black lung benefits—Title IV of the Federal Coal Mine Health and Safety Act of 1969.

The Administration will study and make recommendations as to the most effective method of providing economic security through social insurance and it shall prepare and submit to Congress an annual report on its activities together with the aforementioned recommendations.

Title II would prevent any officer of the United States from sending out political notices with monthly benefit checks eliminating a long-time practice of announcing benefit increases to the advantage of the President.

In summation, this title will strengthen the fiscal and administrative structure of the contributory social security programs, and to ensure that these programs are not subjected to changing political pressures from different administrations.

TITLE III—MISCELLANEOUS AMENDMENTS

Consumer price index for older Americans

The amendment would establish a consumer price index for older Americans which would be used to calculate the automatic cost-of-living increases under present law. Right now, the general Consumer Price Index (CPI) is being used to calculate older persons' inflation, and because older Americans spend a disproportionate share of their incomes on food, housing, medical care, transportation and utilities, the general CPI does not adequately measure their inflation. The CPI for older Americans would correct this inequity.

Semi-annual cost of living increases

Under present law, the Social Security and Supplemental Security Income automatic cost-of-living escalators are adjusted once a year. This amendment would provide for increases to be adjusted twice a year giving older people some relief during inflationary periods.

Increase in earnings base

This amendment would increase the wage base upon which social security taxes are levied from $14,100 up to $18,000 in calendar year 1976, $21,000 in calendar year 1977 and $24,000 in calendar year 1978. This proposal would insure that social security taxes become more progressive, and it would also give those people with income up to $24,000 higher benefits in retirement so that their wage replacement rate would more closely parallel their preretirement incomes.

By Mr. BENTSEN:

S. 442. A bill to amend the Internal Revenue Code of 1954 to prevent political misuse of the Internal Revenue Service, to restrict the access of Federal and State agencies to confidential tax information, and for other purposes. Referred to the Committee on Finance.

INTERNAL REVENUE SERVICE REFORM AND TAXPAYER PRIVACY ACT

Mr. BENTSEN. Mr. President, the need for prompt passage of legislation to prevent political abuses of the Internal Revenue Service and to safeguard the confidentiality of Federal tax returns has been vividly demonstrated by the House Judiciary Committee's impeachment inquiry, the final report of the Senate Watergate Committee as well as the revelations of the political activities of the IRS special services staff which operated between July 1969 and August 1973.

The prompt enactment of legislation to insulate the Internal Revenue Service from partisan politics and to protect the privacy of tax returns will greatly bolster public confidence in our system of government.

Such legislation will demonstrate to the American people that their leaders in Washington can respond to the tragic lessons of Watergate with strong and constructive political reform legislation.

Last year I introduced the first bill in the Senate to provide increased statutory protection for the confidentiality of Federal tax returns. Today I am reintroducing this legislation. My proposal will reform our system of Federal tax administration and Federal tax enforcement to help insure that political misuse of the IRS does not occur in the future. This bill includes six major items:

First, criminal penalties would be imposed against the use or attempted use of the IRS for the purpose of political harassment. In addition, the General Accounting Office, which is an arm of the Congress, would be directed to audit the operations of the IRS and report its findings annually to the Senate Finance Committee, the House Ways and Means Committee, and the Joint Committee on Internal Revenue Taxation.

Second, strict procedural safeguards would be established to prevent the President and the White House staff from misusing confidential tax information.

Third, increased criminal penalties would be imposed against anyone who knowingly and without authorization discloses confidential tax information.

Fourth, a taxpare would be allowed to file suit for damages against any person who knowingly and without authorization discloses the taxpayer's confidential tax information.

Fifth, clear limitations would be established on the access of Federal and State agencies to confidential tax information.

And sixth, the General Accounting Office would be authorized to audit the use of confidential tax information by any Federal or State agency.

As a member of the Senate Finance Committee, which has jurisdiction over our tax laws, I will be actively working to secure early Senate approval of this legislation.

The new law I propose will carefully restrict the existing practice whereby confidential tax returns and tax information are often distributed to a large number of Federal, State, and local governmental agencies which play no role whatsoever in the enforcement of our Federal tax laws. Unrestricted dissemination of confidential tax information throughout all levels of Government poses a grave threat to our right to privacy. Since the American Revolution we have cherished this very fundamental human value. The right of privacy was included twice in the Bill of Rights—in the fourth amendment which protects all Americans against unreasonable searches and seizures and in the fifth amendment which guarantees the privilege against self-incrimination. Congress must continually make every effort to prevent any abuse of this precious right.

My proposed legislation will also help prevent political misuse of the Internal Revenue Service which can seriously undermine public confidence in the enforcement of our Federal tax laws. This bill will help insure that our tax laws are administered fairly and impartially.

Several examples of misuse of the Internal Revenue Service were described in the final impeachment report of the House Committee on the Judiciary.

In 1970 the White House obtained tax information on Gov. George Wallace of Alabama and leaked this to the press.

In 1972 the White House demanded an IRS investigation of Democratic National Committee Chairman Lawrence O'Brien.

On September 11, 1972, White House Counsel John Dean personally gave the Commissioner of Internal Revenue a list of 575 names of staff members and contributors to Senator McGOVERN's Presidential campaign. John Dean asked that the IRS investigate or develop information about the people on the list.

All these were indefensible attempts to misuse the IRS. Under my proposal, all would be specifically outlawed and subject to stiff criminal penalties.

The second article of impeachment adopted by the House Judiciary Committee last July charges this specific misuse of the IRS by former President Nixon:

> He has, acting personally and through his subordinates and agents, endeavored to obtain from the Internal Revenue Service, in violation of the Constitutional rights of citizens, confidential information contained in income tax returns for purposes not authorized by law, and to cause, in violation of the Constitutional rights of citizens, income tax audits or other income tax investigations to be initiated or conducted in a discriminatory manner.

The report of the House Judiciary Committee continues:

> The Committee finds clear and convincing evidence that a course of conduct was carried out by Richard M. Nixon's close subordinates, with his knowledge, approval, and encouragement, to violate the Constitutional rights of citizens—their rights to privacy with respect to the use of confidential information acquired by the Internal Revenue Service; their right to have the tax laws of the United States applied with an even hand; and their right to engage in political activity in opposition to the President. This conduct involved an attempt to interfere with the lawful administration of the Internal Revenue Service and the proper conduct of tax inquiries by misusing confidential IRS information and the powers of investigation of the IRS for the political benefit of the President. In approving and encouraging this activity, he failed to take care that the laws be faithfully executed and violated his Constitutional oath faithfully to execute the Office of President and to preserve, protect and defend the Constitution.

These grave abuses of our tax system clearly demonstrate the need for prompt passage of remedial legislation.

The Washington Post has stated:

> Of all the abuses of power which took place during the Nixon years, the most alarming to many citizens were the attempts by White House aides to use the Internal Revenue Service to help political friends, to punish people regarded as enemies—or simply to collect intelligence on the opposition.

The New York Times pointed out:

> Of all of the Watergate lessons, the one that seemed to strike the members of the House Judiciary Committee hardest was the potential for political abuse and victimization of individuals through the Internal Revenue Service.

However, it must be emphasized that even if the tragic events of Watergate had never occurred, other incidents in which our Federal tax system has been flagrantly abused by Federal, State, and local officials would still dictate the need to enact my legislative proposals.

Most Americans are unaware of just how many agencies of the Federal Government have access to individual tax returns. For example, according to IRS statistics, during 1973 the following Federal agencies requested and received tax returns from the Internal Revenue Service:

Civil Aeronautics Board.
Department of Agriculture.
Department of Commerce.
Department of Health, Education and Welfare.
Department of Justice.
United States Attorneys.
Federal Deposit Insurance Corporation.
Federal Home Loan Bank Board.
Federal Trade Commission.
Interstate Commerce Commission.
Renegotiation Board.
Securities and Exchange Commission.
Small Business Administration.
United States Postal Service.
Veterans Administration.

That is 15 different Federal agencies.

In addition, practically all State governments and many local governments receive Federal tax returns.

Such widespread distribution of confidential tax information is clearly open to serious abuse and, in fact, abuses have occurred.

Employees of Federal agencies have acquired confidential tax returns for their personal use.

Officials of State and local governments have given confidential tax information to private credit agencies.

In addition, there have been well publicized efforts to authorize the Department of Agriculture to inspect the Federal tax returns of our Nation's farmers.

The legislation that I am introducing today will help prevent abuses of this kind in the future.

Mr. President, I would now like to explain the provisions of my bill in some detail:

1. PROHIBITION AGAINST ATTEMPTS TO USE THE INTERNAL REVENUE SERVICE FOR POLITICAL PURPOSES

First, my proposal would specifically prohibit anyone from initiating or attempting to initiate any tax audit or any other tax investigation in a discriminatory manner for such purposes as the harassment of political enemies. In addition, this proposal would prohibit anyone from using the Internal Revenue Service for personal reasons.

Violations of this provision would constitute a felony and would be punishable by a fine of not more than $10,000 or imprisonment of not more than 5 years, or both.

The use of our tax system to punish or harass political opponents is indefensible. All Americans have a right to have their tax laws applied with an even hand.

Our system of tax collection, based upon voluntary self-compliance, has been very successful in raising Federal revenues. Indeed, our success is the envy of all other nations around the world. In many nations the failure to pay taxes seems to be the rule rather than the exception. However, we cannot maintain this public confidence in our tax system unless Americans are convinced that Government officials cannot utilize tax returns for political purposes. The attempt by John Dean to initiate an IRS investigation of McGovern supporters was indefensible. Under my legislation this kind of abuse would constitute a felony.

In addition, the General Accounting Office, which is an arm of the Congress, would be directed to audit the operations of the Internal Revenue Service and report its findings annually to the Senate Finance Committee, the House Ways and Means Committee, and the Joint Committee on Internal Revenue Taxation. This will provide increased congressional oversight of IRS activities and prevent misuse of our Federal tax collection system for political purposes.

STRICT STATUTORY LIMITS ON WHITE HOUSE ACCESS TO CONFIDENTIAL TAX RETURNS

Second, my bill would establish strict safeguards on White House access to confidential tax returns and, in addition, would provide congressional oversight of such access.

The evidence revealed during the House impeachment inquiry clearly demonstrates that unlimited White House access to tax returns is open to serious abuse.

Under my proposal, the President of the United States could receive a tax return only upon his personal written request to the Commissioner of Internal Revenue explaining the specific need for such return. Any request would have to specify in writing any member of the White House staff who is also authorized to see the returns. Furthermore, the Commissioner of Internal Revenue would be required to submit a semiannual report to the Joint Committee on Internal Revenue Taxation listing all returns furnished to the President. The joint committee would have the authority to publicize any portion of those reports it believed to be in the public interest. This congressional oversight would serve as a strong deterrent to any future attempts by the White House to misuse its access to tax returns.

INCREASED PENALTIES FOR THE UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

Third, this legislation would increase the existing penalties for unauthorized disclosures of confidential tax information.

A growing number of States and counties have agreements with the Internal Revenue Service to receive Federal tax returns such as the form 1040. There have been instances in which State and local officials have given confidential tax information to private credit agencies, for example.

Under my proposal, the individual who knowingly discloses confidential tax information without authorization would be subject to a stiff penalty. This would help prevent such outrageous and indefensible abuses of our tax system as the dissemination of confidential tax information to private detectives and credit services.

PRIVATE REMEDY FOR UNAUTHORIZED DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

Fourth, a taxpayer would be allowed to file suit for up to $20,000 in damages against any person who knowingly and without authorization discloses confidential tax information about that individual.

This private legal remedy will help deter anyone from misusing confidential tax information.

CONFIDENTIALITY OF FEDERAL TAX RETURNS

Fifth, my proposal would limit the access of Federal and State agencies to confidential tax information.

As I noted earlier, a surprising large number of agencies of the Federal Government have wide access to confidential tax returns. The practice is open to abuse and invasions of personal privacy. My legislation explicitly makes tax returns confidential. There would be no governmental access to these returns except under carefully limited circumstances.

One of the best illustrations of the inadequacies of existing law in protecting the confidentiality of tax returns involves the tax returns of our Nation's farmers.

On January 17, 1973, President Nixon issued Executive order 11679 authorizing the Department of Agriculture to inspect income tax returns filed by persons having farming operations. The stated purpose for the order was to allow the Department of Agriculture to obtain data from farm operations for statistical purposes only. The order did not indicate specific data to be gathered. On January 23, new Internal Revenue Service regulations went into effect to implement the Executive order.

Neither the Executive order nor the IRS regulations limited the type or amount of information that could be released to the Department of Agriculture. The January 23 IRS regulation states:

> The Secretary of the Treasury, or any officer or employee of the Department of the Treasury with the approval of the Secretary, may furnish the Department of Agriculture (for the purpose of obtaining data as to the farm operations of such persons) with the names, addresses, taxpayer identification numbers, or any other data on such returns or may make the returns available for inspection and the taking of such data as the Secretary of Agriculture may designate.

The President issued a revised Executive Order 11709, on March 27, 1973. This permitted the Department of Agriculture to inspect farmers' tax returns in accordance with amended IRS regulations, which limited the scope of the data which could be obtained. The new regulations provided that only "names, addresses, taxpayer identification numbers, type of farm activity, and one or more measures of size of farm operations such as gross income from farming or gross sales of farm products," would be furnished the Agriculture Department.

In this original Executive Order 11679, any employee of the USDA might gain the authority to examine any tax returns of citizens showing farm income or expenses as long as they could claim it was for statistical purposes. But, even when the President substituted a new, modified Executive order, farmers' tax returns were still potentially an open book. USDA employees could still examine any farmer's tax returns and obtain any piece of information that might be construed to be a measure of the size of the farming operation of the taxpayer. Close examination of a farmer's tax returns will clearly show that almost any piece of information on the return could be so construed.

It is very significant to note that these Executive orders were formulated as a model or prototype for future Executive orders opening tax returns for similar statistical uses by other Federal agencies. In response to a congressional inquiry last year, the Justice Department said:

> The original order was prepared by the Department of the Treasury in language designed to serve as a prototype for future tax return inspection orders.

Although President Nixon revoked these Executive orders last March, there are several reasons why Congress must now provide greater statutory protection to the confidentiality of tax returns.

First, since the American Revolution, we have cherished our right of privacy and Congress must continually make every effort to protect this very fundamental human value.

Second, the events of Watergate illustrate that easy access to confidential tax returns by Federal employees creates a potential for abuse. We must not give Federal officials easy access to tax returns so that unprincipled employees of an executive department can engage in a "fishing expedition" to investigate taxpayers. For example, if we were to allow Agriculture Department officials to inspect at random the tax returns of all farmers, soon the Commerce Department would be scrutinizing the returns of businessmen, HEW would be auditing doctors' returns and HUD would be reviewing the tax returns of large numbers of homeowners. This potential for abuse must be prevented by clear statutory restrictions.

Third, every effort must be made to safeguard the integrity of the Internal Revenue Service and to prevent its "politicization." We can help protect IRS from political pressure by protecting the confidentiality of tax returns.

My proposal explicitly states that all tax returns are confidential except in carefully limited circumstances. Under my proposal tax returns would be available only to the following individuals:

First, the taxpayer or his attorney.

Second, officers and employees of the Internal Revenue Service, the Treasury Department, and the Justice Department for the exclusive purpose of tax administration and tax enforcement.

Third, employees of the Department of Justice, U.S. attorneys, and employees of other Federal agencies who are engaged in Federal criminal investigations and prosecutions but only if a Federal district judge issues a court order which authorizes the IRS to release a particular return. A Federal judge could issue such a court order only if there is probable cause to believe that information contained in a particular taxpayer's return is reasonably necessary to enforce a Federal statute with criminal penalties and no alternative source for this information is reasonably available.

This procedure would enable the Justice Department, for example, to obtain tax returns that may be needed to prosecute a narcotics case while establishing a judicial mechanism to prevent misuse of confidential tax information. Many of the most serious crimes—for example, narcotics violations, gambling, loansharking, embezzlement, and political corruption—involve violations of our tax laws—failure to report income—as well as violations of criminal laws. Due to the interrelationship of nontax offenses with tax offenses, it takes the coordinated and cooperative efforts of the IRS and other Federal law enforcement agencies to achieve effective law enforcement.

For example, according to the Justice Department, the successful prosecutions against former Circuit Judge Kerner, Alderman Keane, Congressman Podell, many political contribution cases, recent cases involving frauds upon the Small Business Administration and the Department of Housing and Urban Development, and the corruption and fraud cases in Illinois, Maryland, and New Jersey could not have been made without tax returns and tax information.

Fourth, the President of the United States, upon his personal written request to the Commissioner of Internal Revenue explaining the specific need for such return and designating the member of the White House staff who is authorized to see the return.

Fifth, State tax officials, but exclusively for the purposes of State tax administration and State tax enforcement and only upon the written request of the chief tax official of that State.

Sixth, the Senate Committee on Finance, the House Ways and Means Committee, and the Joint Committee on Internal Revenue Taxation. Access to tax returns by other congressional committees would require a resolution of the appropriate House of Congress. In addition, tax information would only be furnished in closed executive session. Access to tax returns by the Senate Finance Committee, the House Ways and Means Committee, and the Joint Committee on Internal Revenue Taxation is essential to enable the tax writing committees of Congress to effectively evaluate the impact of existing Federal tax provisions and to effectively evaluate various proposals to amend the Internal Revenue Code.

Seventh, income, estate, gift, unemployment, and certain excise tax returns would be open to the filing taxpayer, the beneficiary of a trust, a trustee in bankruptcy and a member of a partnership. Income tax returns of a deceased taxpayer would be open to the representatives of his estate and, along with estate and gift tax returns, to certain other persons upon a satisfactory showing of a material interest.

In addition, under my proposal, statistical information can be compiled from tax returns by the IRS for the use of any Federal or State agency so long as the information furnished does not disclose the identity of any taxpayer or any return.

Furthermore, under my proposal, the Commissioner of Internal Revenue would be required to submit to the Joint Committee on Internal Revenue Taxation, a semi-annual report listing—with the reasons why—all returns furnished to the President, State tax officials, U.S. attorneys, Department of Justice, and other Federal agencies. This congressional oversight would serve as a strong deterrent to prevent misuse of confidential tax information.

GENERAL ACCOUNTING OFFICE OVERSIGHT OF THE IRS

Under the sixth section of my bill, the General Accounting Office, which is an arm of the U.S. Congress, would be authorized to audit the use of confidential tax information by Federal or State agencies.

This GAO oversight will help deter misuse of confidential tax information.

CONCLUSION

In conclusion, I believe that the tragic events of Watergate demonstrate that we must take prompt steps to help insulate the Internal Revenue Service from political pressures and that we must take prompt steps to help preserve the confidentiality of tax returns. The Internal Revenue Service Reform and Taxpayer Privacy Act which I am reintroducing today will help achieve those goals.

By Mr. BENTSEN:

S. 443. A bill to provide for the continuing availability of capital for economic growth and the creation of new jobs and to provide for greater competitiveness in our economy by amending the Internal Revenue Code of 1954 to impose limitations on institutional holdings of securities and to encourage individuals to invest in securities. Referred to the Committee on Finance.

STOCKHOLDERS INVESTMENT ACT

Mr. BENTSEN. Mr. President, I am today reintroducing my proposed Stockholders Investment Act which was S. 2842 during the last Congress. Current economic problems clearly demonstrate the need for congressional approval of this legislation to help strengthen our Nation's stock markets which are so important to sustained economic growth.

Today inflation and recession are clearly our leading domestic problems. Spiraling prices are making it harder and harder for the average American family to make ends meet. The high rate of unemployment translates into economic tragedy for the families of those American workers who are jobless.

All Americans understand the impact of inflation—it costs more and more to fill a supermarket basket. All Americans understand the impact of unemployment—there is simply no monthly paycheck to meet everyday living expenses.

Yet few Americans realize that healthy stock markets are crucial to our fight against both inflation and recession.

Today's inflation is the result of several factors, but one way to help reduce it is to insure that our economy maintains the levels of production needed for sustained economic growth. Although during periods of recession, excess productive capacity may appear in some sectors of the economy, we must not lose sight of the importance of continually maintaining adequate levels of productive capacity for noninflationary growth. Economic policymakers in Washington must not forget that previous production shortages and bottlenecks significantly contributed to inflation. Increased production results in greater competition and helps moderate prices. However, to increase production, American industry needs vast sums of money and one of the traditional sources for financing this expansion is the stock market.

Industrial expansion and increased production are also needed to create new jobs and to reduce the danger of a prolonged recession.

Unfortunately, at this stage our stock markets are not providing sufficient money to meet the needs of American business. As national economic policy is formulated to curb inflation, to reduce unemployment, and to promote growth, we must be sure that fiscal monetary, and tax policies are also directed toward revitalizing our stock market.

Most Americans view our stock markets simply as a vehicle for investing money in the hope of making a profit. However, this overlooks the fact that our stock markets serve a much more important and basic function for our entire economy. They provide a vital source of equity capital to help industry raise money for expansion and modernization toward several ends: To deliver useful products to the consumer at reasonable costs; to create new jobs for our growing work force; to compete effectively in a growing world market so that we can maintain a favorable balance of trade; to pay the costs of meeting environmental standards; and to achieve reasonable energy and mineral self-sufficiency.

Our economy faces a huge demand for new capital in the years ahead and only with stock markets that function smoothly can we expect to meet that need and thus help curb inflation and reverse recession. Capital requirements in the environmental area alone are enormous. The Council on Environmental Quality and the Environmental Protection Agency estimated in March 1972, that meeting pollution standards between 1972 and 1980 would cost industry some $26 billion.

The New York Stock Exchange has estimated that our economy as a whole must generate $2.65 trillion for additions to plant, equipment, and inventory during the next 10 years. However, current economic conditions and recent trends in our stock markets raise the prospect that American industry may not be able to raise anything approximating that figure. In fact, there are indications that the equity capital problem in America can be as serious as the energy crisis.

Let us look briefly at three trends in our economy and stock markets: High interest rates, institutional dominance of the stock market, and increasing corporate debt.

HIGH INTEREST RATES

First, high interest rates have resulted in a situation where a variety of investments, such as certificates of deposit and Treasury notes, offer attractive alternatives to investment in the stock market. As a result, the number of individual investors in the stock market, who are so essential to a healthy economy, has been declining. It is estimated that the number of individual shareholders in the United States has dropped by as many as 800,000 since 1972.

High interest rates can be reduced through a combination of less restrictive monetary policy and greater fiscal responsibility. Our growing Federal deficit has forced the Federal Government to enter the private money markets to borrow needed funds. This competition for funds from the Federal Government drives up interest rates. I was one of the original supporters of the Budget Reform Act, which was signed into law in 1974. The new legislation will enable Congress to gain tighter control over Federal expenditures so that the Federal deficit will be reduced. This will help moderate interest rates.

INSTITUTIONAL DOMINANCE OF THE STOCK MARKET

Second, there has been a growing tendency for large managers of pension assets such as bank trust departments and insurance companies to concentrate billions of dollars of pension investments in a small number of select stocks. Efforts must be made to diversify these enormous institutional holdings and this is one of the major goals of my proposed "Stockholders Investment Act."

GROWING CORPORATE DEBT

Third, over the past decade, corporations have greatly increased their borrowings. Corporate debt has tripled in 15 years and now stands at about $1 trillion. This extraordinary buildup—which results in increased debt equity ratios—has contributed to the declining condition of our stock markets. Efforts must be made to make capital more easily available in the form of equity and this is the second major goal of my proposed "Stockholders Investment Act."

The declining role of small investors, the growing dominance of institutional investors, and the increased corporate reliance on debt rather than equity are very disturbing. Our economy cannot survive without the participation of a large number of individual investors. Small companies depend upon the smaller, noninstitutional investors for equity investment. Every large corporation depends upon thousands of small enterprises, as suppliers of components, as generators of ideas and products and producers of income for their owners and shareholders who then buy the products of large corporations. All companies, small and large—as well as the institutions themselves—depend upon the individual investor to supply liquidity, depth, and continuity to the market.

The importance of maintaining broad-based stock markets—with a multitude of participants—cannot be overestimated and it is essential that our national economic policy and tax be structured to encourage this diversity.

Without viable stock markets we will be unable to provide sufficient jobs for a growing work force and the American worker will be the loser.

Without viable stock markets we will be unable to prevent shortages of scarce resources and manufactured goods and the American consumer will be the loser.

In June of 1973, the Senate Finance Committee created the Financial Markets Subcommittee to study the important relationship between the stock market and the economy and I was selected chairman. As a result of hearings at which a wide range of witnesses testified—academic experts, corporate executives, and leaders of the securities industry—I introduced legislation aimed at encouraging greater individual investment in the stock market as well as diversifying the billions of dollars of pension investments. This bill, which I am today reintroducing is known as the Stockholders Investment Act.

This bill will help American industry raise the money needed for expansion so that we can increase production, promote competition, and help moderate prices. It will help American business raise the capital needed to provide jobs for our growing work force.

CAPITAL GAINS PROVISIONS

The Stockholders Investment Act would make several major changes in our tax laws to help stimulate our financial markets. Under present law, the maximum capital gains rate is 35 percent without regard to the special minimum tax preference provisions of any other provisions. Under the legislation I have proposed, this maximum rate would decrease annually during the holding period of an asset until the maximum rate is approximately 14 percent for assets held 15 years. The present 6-month holding period for capital gains treatment would be extended to 12 months and this would be phased in by 1 month per year.

This legislation would also liberalize the tax treatment of capital losses. Today, if an individual's capital losses exceeded his capital gains, he can deduct up to $1,000 against his ordinary income each year. This has not changed since 1942, yet per capita disposable income has risen more than 400 percent since then. Taking into account this increase in income, my proposal would allow $4,000 in capital losses to be deductible against ordinary income. This provision would, in effect, allow the same tax treatment the investor received in 1942.

These provisions are intended to encourage greater individual investment in the market so that a larger source of equity capital is available to meet industry's growing capital needs. In addition, this legislation includes tax provisions to insure that institutional investors diversify their pension investments to include a larger number of corporations. It would require that managers of pension assets invest no more than 5 percent of their aggregate discretionary pension assets in the stock of any one company. Furthermore, no pension manager could hold more than 10 percent of the outstanding stock of a company with respect to its aggregate discretionary pension assets.

These capital gains proposals are important for several major reasons:

First. They will encourage greater savings and investment.

Second. They will encourage the risk-taking spirit in America which is needed to provide capital for the creation of the "new IBM" and the "new Xeroxes."

Third. They will reduce the "lock-in" of capital in our economy and provide essential liquidity in our markets.

GROWING CAPITAL REQUIREMENTS

In recent years, our economy has experienced serious shortages and lack of capacity in a wide range of areas from fertilizer and tubular steel to food and fuel. One of the causes of many of these shortages has been a lack of capital needed for expansion and modernization.

The rate of savings and investment in the United States is lower than the rate of savings and investment in other industrialized nations.

Let us look at some figures.

Gross private investment in plant and equipment as a percent of GNP is only 10 percent in the United States compared to 17 percent in West Germany, and 19 percent in Japan.

According to Commerce Department statistics, we save as a proportion of after-tax income at a rate lower than Britain's, at two-thirds of the rate in France, at just over half the rate in Germany, and only 40 percent of the rate in Japan.

My capital gains proposals will help increase the rate of savings and investment in our economy.

THE RISK-TAKING SPIRIT

Economic growth in our Nation depends upon the availability of a sufficient supply of equity capital for the risk takers and entrepreneurs who have the initiative to start new businesses and to develop imaginative new ideas.

My proposals would encourage this risk-taking spirit in America. They would offer potential investors the incentives to take the risks inherent in equity investing which is so important in expanding job opportunities and providing a larger tax base for our Government. Venture capital must be available so that today's new and promising company can—10, 20, or 30 years from now—become the "new IBM."

Testimony at the hearings of our Financial Markets Subcommittee has demonstrated the extent to which trading on our capital markets is dominated by large institutional investors who have replaced the individual investor. In 1963, 35 percent of the trading on the New York Stock Exchange was attributable to institutions. Today, that figure is over 70 percent—just double.

If the stock market continues to be dominated by large institutional investors, the American consumer and wage earner will eventually pay for it in terms of slower economic growth. America's economic growth depends heavily upon the rise of dynamic new companies, like Polaroid, Xerox, and IBM in the past two decades. Historically, firms of this type have been financed initially by individual investors. If the bulk of investment funds continues to flow through institutions which play "follow the leader" and concentrate their holdings in a few favored stocks, the dynamic young companies—the IBM's of the next generation—will not be able to get adequate capital.

LOCK-IN AND EFFICIENT ALLOCATION OF RESOURCES

My capital gains proposals would also reduce the so-called lock-in of assets held for a long period of time and provide for a more efficient allocation of capital resources. Under our present law, individuals are discouraged from selling securities that have been held for some time but if "locked-in" assets were sold, a great deal of additional tax revenue would be collected.

A graduated capital gains rate would also help avoid tying an investor to investments that may not be the most suitable use of his resources. With millions of investors making tax decisions, rather than investment decisions, a substantial amount of available capital is being put to less than optimum use. We do not live in a static economy. The capital needs of different sectors of our economy change. One function of the stock market is to direct capital to where it is needed most and can earn the greatest return. Present tax provisions hinder this flow.

A reduction in the "lock-in" would provide greater liquidity in our capital markets and liquidity is vital to insuring that the price of stocks accurately reflects the value of the companies being bought and sold. Relative stock prices play an important role in the allocation of capital in our economy. Valuations—reflected in stock prices—govern the allocation of resources that produce the millions of different products and services turned out by the American economy. Whether a company is able to issue new stock or obtain additional loans to finance a new expansion frequently depends upon what its stock is selling for. It is essential to the health of the company that its stock be accurately priced.

In order to achieve the most efficient evaluation of stock prices and hence the most efficient allocation of our financial resources, the securities market must have a multiplicity of decisionmakers—a large number of individual shareholders as well as institutional buyers and sellers.

Institutional dominance of the stock market clearly poses problems for established companies. When stock prices accurately reflect future earnings prospects, poorly managed companies experience low earnings and, hence, a low stock price. Thus, conditions are ripe for them to be taken over by people who will manage them more efficiently, raise earnings, and thus earn for themselves a capital gain. However, when stock prices become divorced from earnings and depend instead upon whether a company has attracted the favor of a few institutional investors, this process breaks down. Well-managed companies find themselves threatened with takeovers by poorly managed ones who happen to be institutional favorites or even by foreign companies. Also, when corporate managers cannot raise their firms' stock prices and assure themselves capital gains in the shares they own, they lose a powerful incentive to manage efficiently. Instead, they have the far less desirable incentive to spend their time convincing institutional managers how desirable their companies are for investment.

Reduction of the "lock-in" would also have the beneficial result of helping individuals provide for their retirement years. Many middle-income Americans invest in "growth stocks" when their children are grown and they are in their late forties or fifties. By the time they reach retirement they would like to sell those stocks and invest in income-producing stocks. Under present law, they can do so only at a substantial tax penality. My proposal would allow them to transfer their assets without incurring a painful loss in their savings.

These capital gains proposals will encourage greater individual investment in the market so that a larger source of equity capital is available to meet American industry's growing capital needs.

This means more products to the consumer at reasonable costs.

This means new jobs for America's growing work force.

PENSION INVESTMENT DIVERSIFICATION PROVISIONS

The Stockholders Investment Act also includes major tax provisions to insure that large managers of pension assets diversify their investments to include a larger number of corporations.

A very disturbing trend in our economy is the extent to which tens of billions of dollars of pension investments are being concentrated in a small number of select stocks. Extensive data presented to the Senate Financial Markets Subcommittee clearly demonstrates the tendency of large institutions to invest enormous amounts of money in a very few issues.

To help curb this excessive concentration, my legislation would impose reasonable limitations on the amount of shares in any company that a pension manager can hold. Under this legislation, a pension plan could not receive favorable tax treatment unless the assets of the plan were placed with a pension manager who invested no more than 5 percent of his total discretionary pension assets in one equity security and, in addition, acquired no more than 10 percent of the equity security of any one company with respect to his aggregate discretionary pension assets. However, this limitation would not apply retroactively. Managers of pension accounts would not be forced to dispose of current stock holdings to meet these limitations.

A number of our Nation's largest bank trust departments recognize the wisdom of these limits and, in fact, have already adopted these limits on a voluntary basis. The purpose of putting these limits into law is simply to insure that all pension managers follow the example that some of the best banks have established on their own.

Decades ago, Congress enacted tax incentives to encourage the growth of pension plans. Under current tax laws, qualified pension plans receive three tax benefits. First, employers are given a tax deduction for all contributions made to a qualified plan. Second, the investment earnings of assets in the plan are tax exempt. Third, employer contributions are not taxable to the employee at the time of contribution. Rather, the income tax is deferred until the money is actually distributed to the employee after his retirement—at which time he is usually in a much lower tax bracket.

Tax qualified pension plans today receive an estimated tax subsidy of $4 billion annually. Inasmuch as the Federal Government encourages the creation of pension plans through out tax laws, these tax laws must include safeguards to prevent excessive concentration of pension investments.

There is substantial precedent under both State and Federal law for limitations on the amount of stock in one company that a pension manager can hold. Insurance companies are so limited in practically every State. Mutual funds are subject to holding limits established by Federal law. Yet no such limits apply to banks which are the largest institutional investors and also the biggest managers of pension assets.

Insurance statutes in almost every State impose limitations on the investments of insurance company assets. Although the rules and the percentages vary from State to State, many States restrict insurance companies from holding more than 10 percent of the outstanding stock of a company or from investing more than 5 percent of the insurance company's separate or general accounts in one stock. These percentages are often applied to all of the accounts of an insurance company, in the aggregate.

Under Federal law, diversified mutual funds are restricted from holding more than 10 percent of the outstanding shares of any company or from investing more than 5 percent of the assets of the mutual fund in one security. However, this limitation applies only to 75 percent of the total assets in a mutual fund.

There are five essential reasons for imposing diversification limitations on pension managers.

First, the extent to which institutions concentrate their pension investments in a few select stocks raises disturbing questions about the safety of the enormous amounts of pension money that these institutions manage. In testimony before our committee, one trust department argued that those of us who advocate limits on their holdings are ignoring their fiduciary responsibility for these funds. Quite the contrary. Prior to coming to the Senate, I was involved in the management of an insurance company, a mutual fund, and a savings and loan association, as well as several banks—all of which involved fiduciary relationships. It is precisely because of the fiduciary responsibility that limitations are needed.

Today, more than 20 million Americans participate in our private retirement system. The retirement incomes of these Americans depend directly upon the safety of the pension investments. Excessive concentration of investments in only a few stocks jeopardizes the safety of these assets since a major decline in value of only two or three of these select stocks would substantially reduce the value of the pension assets.

Second, limitations on the investments of pension managers will prevent a small number of large institutions from achieving too much control over our entire economy.

We must never allow our financial institutions to control American business to the extent that such institutions control German business. One of Germany's banks owns 25 percent of no less than 20 nonfinancial companies. The largest German bank owns one-quarter of the country's largest shipping company. Even these impressive shares of direct ownership do not reflect the true power of German financial institutions. Some observers estimate that as much as 60 percent of German industry is now effectively controlled by banks.

The Senate Financial Markets Subcommittee has obtained data indicating the frequency with which American institutions hold large portions of the outstanding shares of a single company. In 1973, one bank trust department held more than 14 percent of the outstanding shares of Walt Disney, almost 12 percent of Schlumberger and over 10 percent of Polaroid. The aggregate discretionary accounts of another large bank included more than 18 percent of one company, close to 18 percent of a second company, and over 10 percent of a third.

When a single institution owns more than 10 percent of a company, it no longer is just an investor—it is an owner. Continued institutional acquisition of large portions of American corporations will lead to too few individuals possessing too much economic control over the entire economy. Limitations on institutional holdings will halt this trend.

Third, limits on the stock that one pension manager can hold in one company will limit the money this manager can pour into the market to bolster the price of any particular stocks. This will limit the ability to create self-fulfilling prophecies. The ability of pension managers to channel billions of dollars of new pension money every year into a few select stocks can have a very distorting effect on our stock market and our economy.

Fourth, holding limitations could help provide greater liquidity in the market. Thousands of individual investment decisions, occurring hour after hour, are necessary to allow our capital markets to price securities in a manner which reflects their true value and to provide the liquidity that has made our capital markets unique in the world. One of the factors that detracts from liquidity of the markets is the holding by a few institutions of a substantial amount of the stock of a limited number of companies.

Finally, these limitations on concentration will encourage greater institutional interest in the many well managed, small- and medium-size companies which have strong historical earnings records and good growth prospects, but now have seriously limited access to our Nation's capital markets. Diversification of pension investments into these smaller companies will substantially increase competition in our economy at the same time as it provides greater safety for the funds.

Another provision of the Stockholders Investment Act would facilitate the flow of institutional money to small- and medium-size companies.

A great deal of the recent growth of institutional investments has been due to the inflow of private pension funds. The assets in private pension funds currently exceed $150 billion.

On September 2, 1974, President Ford signed the new pension law. This law included a "prudent man" rule which exposes the managers and trustees of pension plans to liability for losses resulting from unreasonable investments. Certainly, this is necessary to protect pension assets against highly risky investments, but it could also have an undesirable effect. It might lead to even greater concentration of investments in companies which have been thoroughly analyzed and stamped with the approval of giant bank trust departments. Trustees will be very reluctant to reach out beyond successful, solid, well-researched companies toward those which are newer, still attractive but less completely tried. Yet we must not forget that at one time, IBM, Xerox, and Polaroid were new and untried companies.

Legislation is desirable to provide pension managers with leeway to invest 1 percent of the assets of any pension plan in companies with paid-in capital of less than $25 million. This would be an exemption from the prudent man rule for 1 percent of the pension assets. However, the "leeway clause" would in absolutely no way relieve fiduciaries from any prohibitions against self-dealing or fraudulent transactions. The "leeway clause" would relieve a fiduciary from liability only with respect to the riskness of an investment. Nor would the "leeway clause" imply that investment in all companies of less than $25 million are high-risk investment. Many are not. This provision would simply allow a limited amount of pension assets to be invested in a small company which presents a higher than normal risk but offers the prospect of a higher than normal return.

The exit of the individual investor from the market has denied new businesses a traditional source of equity capital. New businesses have had a particularly difficult time raising equity capital in recent years.

Even if individual investments in the market increase, institutions should still be given the opportunity to make greater investments in unseasoned companies so as to insure an adequate source of equity capital for good new business ventures. A "leeway clause" which allows the investment of a small portion of the assets of each pension plan in new issues of somewhat higher risk would help maintain a viable equity market for these new issues.

A leeway clause would be similar to the so-called basket clauses found in a great many State insurance laws.

Many States permit life insurance companies to invest a small portion of their assets in companies which otherwise would not qualify as acceptable investments. A leeway clause for pension funds would be an exemption from the "prudent man rule." It would help assure a ready source of risk capital for the new Xerox and the new IBM. The vitality of capitalism in this country demands an easier flow of capital into good, growing concerns which may not yet be as big or as familiar to investors as the institutional favorites.

An exemption from the "prudent man" rule of only 1 percent of the assets of a pension trust would certainly not jeopardize the safety of the pension assets, and investments in unseasoned companies can be very profitable.

CONCLUSIONS

Stock markets in the United States are an essential element in our competitive free enterprise. Our markets have been the most productive in the world. Their survival depends on the willingness of people to save out of their incomes and put these savings out at risk in the hope of a reasonable return. The markets normally accumulate capital from millions of people and allocate it to the sectors of the economy that have productive use for it. In the process there has been created a source of strength for the country that is immeasurable—thanks to millions of individuals who share in the ownership of American business.

The adoption of sound fiscal, monetary, and tax policies is essential to the maintenance of healthy and viable capital markets in our Nation. Less restrictive monetary policy, incentives for individual investment in the stock market, and tax provisions to diversify pension investments will help achieve that goal. This is essential to the American consumer in terms of the availability of a wide variety of goods at reasonable prices. This is essential to the American worker in terms of the creation of new jobs for our growing work force.

Mr. President, at this point in the Record I ask unanimous consent to have printed a fact sheet describing this legislation.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

Fact Sheet—Senator Lloyd Bentsen's Proposed "Stockholders Investment Act"

1. LIMITATIONS ON THE STOCK HOLDINGS OF PENSION MANAGERS

No pension fund could qualify for favorable tax treatment unless the assets of the fund were placed in the hands of a manager who invests no more than 5% of its aggregate discretionary pension assets in any one equity security and, in addition, who acquires no more than 10% of any equity security of any one company with respect to the aggregate discretionary pension accounts. This limitation would not apply retroactively. Managers of pension accounts would not be forced to dispose of current stock holdings to meet these limitations, but they could not acquire additional shares of any security in which the pension manager had reached the limitation.

If any manager of tax-exempt pension funds exceeds these limitations (for example, by purchasing an additional 1% of the total equity securities of a company in which it already holds 10%), a penalty tax equal to 5% of the excess holdings would be imposed on the manager by the Internal Revenue Service. In the event that the manager fails to dispose of the excess holdings within 180 days, IRS will impose an additional penalty of 100% of the excess on the manager.

Excess holdings that result exclusively from fluctuations in market values will not be subject to a penalty tax. These limitations will not apply to investments in companies with a capital account of less than $25 million. These limitations apply only to pension plans and not profit-sharing plans.

Limits on institutional holdings are necessary to protect the more than 30 million private pension plan participants from excessive concentration of pension investments in only a few select stocks and to encourage greater institutional interest in well-managed small and medium-size companies. In addition, these limits would help prevent a small number of large institutional investors from achieving too much control over our economy.

2. VENTURE CAPITAL FROM PENSION FUNDS

Pension managers would be given leeway to invest 1% of the assets of any pension plan in companies with capital accounts of less than $25 million. This would be an exemption from any prudent man rule for 1% of the pension assets. However, the "leeway clause" would not relieve fiduciaries from any prohibitions against self-dealing or fraudulent transactions. The "leeway clause" would relieve a fiduciary from liability with respect to the risk of an investment.

This provision would facilitate the flow of pension investments to new and expanding smaller companies that are in great need of equity capital and which present a higher than normal risk but offer the possibility of a higher than normal return.

3. GRADUATED CAPITAL GAINS TAX

Under present law, the maximum capital gains rate is 35% without regard to the special minimum tax provisions or any other provision. This legislation would decrease the maximum rate annually over the holding period of a capital asset until the maximum rate was reduced to about 14% for assets held fifteen years. Capital losses would be provided comparable sliding-scale treatment over the holding period of the asset. The present six month holding period for capital gains treatment would be extended to twelve months. This would be phased in by one month per year.

This provision would help reduce the "lock-in" of long-term assets and provide greater liquidity in our capital markets. A graduated capital gains rate would also encourage the risk-taking spirit in America which has been so important to economic growth and the creation of new jobs.

4. LIBERALIZED CAPITAL LOSS TREATMENT

Today, if an individual's capital losses exceed his capital gains, he can deduct up to $1,000 against his ordinary income each year. This hasn't changed since 1942, yet per capital disposable income has risen over 400% since then. This bill would allow the individual to deduct up to $4,000 of capital losses against ordinary income. It would also allow a three-year carryback of capital losses against capital gains.

Liberalized loss treatment would encourage more risk investment which is so important in starting new businesses and creating new jobs. It would also encourage investors to take their losses, thus providing greater liquidity in our capital markets.

By Mr. MONTOYA:

S. 444. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes. Referred to the Committee on Government Operations.

Mr. MONTOYA. Mr. President, today I am introducing a bill which would establish an Office of Spanish-Speaking Affairs in the Executive Office of the President. My good friend Congressman Edward R. Roybal of California is introducing a companion measure today in the House of Representatives.

During the last days of the 93d Congress the Senate favorably considered a bill to extend the life of the Cabinet Committee on Opportunities for the Spanish-Speaking. Unfortunately the House, in the closing hours of the 93d Congress, did not act favorably on the measure and on December 31, 1974, the Cabinet Committee ceased to exist.

Mr. President, I was the author of the legislation which, in 1969, originally established the Cabinet Committee as an advocate for the more than 10 million persons of Hispanic origin who live in the United States. These citizens had special needs which were not being met. They had problems which were unique to them. They needed an advocate, especially in Government. The particular problems of the Spanish-speaking and Spanish-surnamed peoples had been evident long before the creation of the Cabinet Committee. President Johnson in 1967, established an Ad Hoc Committee to increase opportunities for our second largest minority, the Spanish-surnamed citizens. He believed, as I do, that an extra effort would have to be made to draw many of these people into Government, to make sure that Federal programs were reaching them, and to assure equality of opportunity to them in education and employment.

The committee was established by the Congress as a Cabinet Level Executive Committee in 1969, and Public Law 91–181 was signed by the President on December 30, 1969. At that time there was great hope for improvement in the lives of our Spanish-surnamed minorities through the active and aggressive work of this new committee.

Unfortunately, we have not seen a successful fulfillment of our hopes. Although the committee has been in existence for 5 years, they have not ever really had the impact on the target population which was intended. Those of us who were involved in the original legislation and who understood the unique and difficult problems which daily face Spanish-speaking and Spanish-surnamed citizens, have been deeply concerned about the Cabinet Committee and have been greatly disappointed in some of its actions over these years.

We have been unhappy to hear complaints and see a growing disenchantment among many Spanish-surnamed people and the organizations which represent them.

We were shocked and disillusioned to discover the use which the White House made of the Cabinet Committee through its nefarious responsiveness program, and other partisan political pressures during the 1972 Presidential Campaign. I was especially discouraged, as a member of the Senate Select Committee on Presidential Campaign Activities, to hear the testimony of Mr. William Marumoto concerning these efforts to politicize what had been intended to be a bipartisan and generous effort to help a minority group in great need.

In hearings before Congressman Holifield, chairman of the House Government Operations Committee, in July 1973, the chairman of the Cabinet Committee was questioned about his own participation in the reelection campaign of President Nixon, and admitted having campaigned for the President. Since the chairman is not under the Hatch Act, and stated that his trips on the campaign were paid for by the Finance Committee, or refunded to the Cabinet Committee, his actions during the campaign were probably not illegal. They are, however, certainly not those we would expect from the chairman of a committee of this kind, and I am sure that he is now aware of that fact.

Mr. President, I believe that the concept behind establishment of the Cabinet Committee is still a solid one, and given proper direction an executive level office can function effectively to meet the needs of the target population. Due in large part to the failure of the original Cabinet Committee many needs of the Spanish-surnamed people remain unmet, and their problems have not been addressed.

One of the most serious problems facing the Spanish-surnamed population in the United States is that of securing equal opportunity in job employment. One of the goals of the Cabinet Committee was to increase opportunity for the

Spanish-surnamed in Federal employment. In 1970 President Nixon developed a 16-point program with the stated purpose of increasing those Federal job opportunities. This program, which has been given a lot of publicity by the Cabinet Committee, has been almost a total failure. Since 1970 the percentage of Spanish-surnamed persons in civil service and government has gone up only two-tenths of 1 percent: From 2.9 to 3.1 percent. Even this slight improvement is illusory: Most of the jobs for the Spanish-surnamed are not in the GS pay system of Civil Service, but in the wage systems—the lowest paid Federal employment. As of November 1973—the latest figures available—the Spanish-surnamed make up only 2.4 percent of those Federal employees who have a GS rating.

At the GS-1 level—the lowest level—Spanish-surnamed make up 6.3 percent. At the top levels, however—GS-17 to GS-18—the Spanish-surnamed have never gotten above six-tenths of 1 percent.

Clearly, neither the 16-point program nor the Cabinet Committee on Opportunities for Spanish Speaking People have made any appreciable change in the opportunities provided the target minority for Federal employment.

The Cabinet Committee did not meet as it was required to do by the original law. It has not been able to make reports on its activities to the Congress or the President, as required by law. It has repeatedly been under attack from members of the Spanish-surnamed community.

Perhaps the most serious complaint against the Cabinet Committee, of course, is that they have not really achieved any progress for the people whom they are peing paid to represent. The median income for the Spanish-surnamed minority is still only 70 to 80 percent of that for other Americans. The educational opportunities of the children of this minority group are still inadequate and the resulting employment and poverty in adulthood is a continuing problem. There are serious problems for members of the Spanish-surnamed minority and these problems have not been attacked by the Cabinet Committee effectively.

All of these facts, Mr. President, would seem to recommend that a new approach be taken to this long-standing problem. The bill that Congressman ROYBAL and I are presenting today, takes full cognizance of needs which must be met, and of the failings of the now extinct Cabinet Committee and proposes a new executive level Office of Spanish-Speaking Affairs within the Executive Office of the President.

Mr. President, this new Office would provide consideration of the problems facing the Spanish-speaking at the highest levels of our Government. It would provide for a Director appointed by the President and confirmed by the Senate, while retaining Cabinet level input on an advisory level where it would be most effective.

Also under the proposed new law Federal agencies are no longer given the option to refuse to provide information necessary to the proper functioning of this office. Under our bill the Office would also establish a Spanish-Speaking Information Clearinghouse which would gather data and disseminate information concerning the social and economic conditions encountered by the Spanish speaking. The bill also contains several provisions which take the mandate of the Office of Spanish-Speaking Affairs beyond the awareness phase and into the action phase.

Mr. President, one chief criticism of the Cabinet Committee was that it engaged in partisan political activity. Under section 10 of our bill the Office for Spanish-Speaking Affairs is clearly prohibited from such activity and the use of any of its funds for such activities. This language, I am confident, will result in an effective nonpartisan advocate for the Hispanic minority in this country.

I think it is clear that a tremendous need still exists to involve the Spanish speaking in all phases of the Federal Government, its programs and policy development. I ask my colleagues in the Senate to join me in establishing this Office of Spanish-Speaking Affairs, so that we can provide hope of real progress for the second largest minority in the Nation.

Mr. President I ask that the text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to (1) assure that Federal Programs and resources are reaching all Mexican Americans, Puerto Rican Americans, Cuban Americans. And all other Spanish-Speaking and Spanish-surnamed Americans and providing the assistance they need, (2) assure that the laws, policies and practices of the Federal government are providing equal opportunities for Spanish-speaking and Spanish-surnamed Americans in all areas, including employment, education, health, housing, and community development, economic development, and grant and contract procurement, and (3) seek out and develop new programs and resources that may be necessary to handle problems that are unique to such persons.

ESTABLISHMENT

SEC. 2. There is established in the Executive Office of the President the Office of Spanish-Speaking Affairs (hereinafter referred to as the "Office").

DIRECTOR, STAFF AND EXPERTS

SEC. 3. (a) The Office shall have a Director who shall be appointed by the President, by and with the advise and consent of the Senate, and who shall be paid at the rate of basic pay in effect for level V of the Executive Schedule.

(b) The Director may appoint and fix the pay of such personnel as he deems desirable.

(c) The Director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule.

DUTIES

SEC. 4. (a) The Director shall—

(1) advise Federal departments and agencies regarding appropriate action to be taken to help assure that Federal programs are providing the assistance needed by Spanish-speaking and Spanish-surnamed Americans;

(2) advise Federal departments and agencies on the development and implementation of comprehensive and coordinated policies, plans, and programs focusing on the special problems and needs of Spanish-speaking and Spanish sur-named Americans, and on priorities thereunder;

(3) advise and assist Spanish-speaking and Spanish-surnamed groups and individuals in receiving assistance available by law;

(4) establish and maintain a Spanish-speaking Information Clearinghouse which shall collect, analyze, and disseminate information concerning the social and economic conditions encountered by Spanish-speaking individuals; and

(5) appraise the laws, policies, and performance of the Federal Government with respect to the achievement or denial of equal opportunities for Spanish-speaking individuals, and report such appraisal annually to Congress and the President in the report required under section 6 of this Act.

(b) In carrying out his duties, the Director may foster such surveys, studies, research, and demonstration and technical assistance projects, establish such relationships with State and local governments and the private sector, and promote such participation of State and local governments and the private sector as may be appropriate to identify and assist in solving the special problems of Spanish-speaking and Spanish-surnamed Americans.

POWERS

SEC. 5. (a) The Director may prescribe such rules and regulations as he determines necessary to carry out the provisions of this Act.

(b) The Director shall consult with and coordinate the activities of the Office with appropriate Federal departments and agencies and shall utilize the facilities and resources of such departments and agencies to the maximum extent possible in carrying out his duties.

(c) The Director, in carrying out his duties, may enter into agreements with Federal departments and agencies as he deems appropriate.

(d) The Director shall operate such regional offices as may be necessary to efficiently carry out the provisions of this Act.

ADVISORY TASK FORCES

SEC. 6. (a) The Director may appoint one or more advisory task forces from among persons who are representative of and involved in the affairs of the Mexican American, Puerto Rican American, Cuban American, and other elements of the Spanish-speaking and Spanish surnamed American community. Any such task force shall—

(1) advise the Director with respect to his functions under the Act;

(2) be approved by either the House or Senate Government Operations Committees;

(3) be subject to the provisions of the Federal Advisory Committee Act (86 Stat. 770);

(4) transmit to Congress and the President a report of its activities on an annual basis or upon completion of work, whichever occurs first.

(b) Each task force member who is appointed from private life shall receive $100 a day for each day during which he is engaged in the actual performance of his duties as a member of the task force. A member of the task force who is an officer or employee of the Federal Government shall serve without additional compensation. All members of the task force shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

OBTAINING INFORMATION AND STAFF

SEC. 7. (a) The Director may secure directly from any Federal agency information necessary to enable him to carry out this Act. Upon request of the Director, the head of each such agency shall furnish such information to the Committee.

(b) Upon request of the Director, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Office to assist him in carrying out his duties under this Act.

(c) Upon request of the Director, the head of any Federal agency is authorized to furnish such services and facilities to the office as is appropriate to carrying out the provisions of this Act.

ANNUAL REPORT

Sec. 8. The Director shall, within six months after the end of each fiscal year, submit a report to the President and the Congress of the activities of the Office for the preceding year, including in such report an appraisal of Federal performance as described in Section 3(a)(5) and any recommendations he deems appropriate to accomplish the purposes of this Act.

COORDINATING COUNCIL

Sec. 9. (a) There is established a Coordinating Council on Spanish-Speaking Affairs (hereinafter referred to as the "Council").

The Council shall be composed of the heads of each of the following agencies, or their representatives—

(1) the Secretary of Agriculture;

(2) the Secretary of Commerce;

(3) the Secretary of Labor;

(4) the Secretary of Health, Education, and Welfare;

(5) the Secretary of Housing and Urban Development;

(6) the Secretary of the Treasury;

(7) the Secretary of Defense;

(8) the Secretary of Transportation;

(9) the Attorney General;

(10) the Director of the Community Services Administration;

(11) the Administrator of the Small Business Administration;

(12) the Commissioner of the Equal Employment Opportunity Commission most concerned with the Spanish-speaking and Spanish-surnamed Americans;

(13) the Chairman of the Civil Service Commission;

(14) the Administrator of Veterans' Affairs; and

(15) the Director of the Office, who shall serve as Chairman of the Council.

The Council shall have the responsibility for developing and implementing agreements, policies, and practices designed to maximize effort, and eliminate conflict and inconsistency among the various Federal agencies responsible for carrying out and enforcing legislation, orders, and policies affecting Spanish-speaking Americans. On or before July 1 of each year, the Council shall transmit to the President and to the Congress a report of its activities, together with such recommendations for legislative or administrative changes as it concludes are desirable to further promote equal opportunities for Spanish-speaking and Spanish-surnamed Americans.

(b) The Council shall meet at least quarterly each year, and shall be presided over by the Director of the Office.

BAN ON PARTISAN POLITICAL ACTIVITIES

Sec. 10. No part of any funds authorized to carry out this Act shall be used to finance any activities designed to influence the outcome of any election to Federal office or any voter registration activity, or to pay the salary of the Chairman or any employee of the Committee after the date on which such persons engage in such activity, as determined by the United States Civil Service Commission. For the purpose of this section, the term "election" shall have the same meaning as prescribed for such term by section 301(a) of the Federal Election Campaign Act of 1971 (86 Stat. 3), and the term "Federal office" shall have the same meaning as prescribed for such term by section 301(c) of such Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 11. There is hereby authorized to be appropriated for fiscal years 1975 and 1976 such sums as may be necessary to carry out the provisions of this Act.

EXPIRATION

Sec. 12. This Act shall expire five years after it becomes effective.

By Mr. HUGH SCOTT (for himself, Mr. Abourezk, Mr. Schweiker, Mr. Ribicoff, Mr. Domenici, Mr. McIntyre, Mr. Beall, Mr. Williams, and Mr. Javits):

S. 445. A bill to assure that an individual or family, whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs. Referred to the Committe on Finance.

Mr. HUGH SCOTT. Mr. President, I am pleased today to introduce a bill to correct an inequity in our social security system. The purpose of this bill is to disregard social security in determining allowable income for those receiving benefits from any other Federal or federally assisted program such as supplemental security income, SSI, aid to families with dependent children, AFDC, and veterans. Since the 11-percent increase in social security benefits last year, many people in these groups have found their total benefits have been reduced. This clearly was not the purpose of the social security increase.

Last year, recognizing that veterans had been negatively affected by the social security increase, I joined in cosponsoring a bill introduced by the Senator from New Mexico (Mr. Montoya). This bill was designed to aid those veterans whose total pension was reduced because of the raise in social security. Since that time I have been contacted by many constituents giving personal testimony that they too, although not in the veterans group, were facing the same problem.

One lady from Allentown, Pa., who has a blind son receiving a disability pension writes:

> Recently, as you know, there was an increase in Social Security. My son received this increase, but his SSI check was reduced by the amount of this increase in Social Security.

Consequently, while Senator Montoya's bill was a good one, my bill, I believe, is a better one because it recognizes a greater need. It does not focus solely on the veteran, but includes all groups which have been treated unfairly by the social security increase.

My bill will provide that any individual or family whose income is increased because of subsequent increases in monthly social security benefits will not suffer a loss of or a reduction in the benefits due them under certain other Federal programs. Any individual who was receiving benefits for the month immediately preceding the first month the social security increase became effective will be entitled to any subsequent increase in those benefits and his total income will not be reduced as a result of that increase.

By my own rough estimates, this bill will aid more than 2.5 million people who are now receiving both social security benefits and benefits from other Federal programs.

Increases in social security this year, no matter what percentage is finally agreed to, will further increase the number of people facing a total reduction in benefits, rather than an expected increase. Each of these people have faced a reduction in their anticipated benefits. I am deeply concerned that so many Americans are suffering great hardships when social security increases should have meant relief.

Mr. President, I urge my colleagues to recognize this need and to act quickly on this vital measure, to end the intolerable burden upon millions of persons.

I ask unanimous consent that the text of my bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a), in addition to any other requirement imposed as a criterion for determining eligibility to participate in or receive benefits provided by, or for determining the amount, type, or quantum of benefits to be provided under, any plan or program—

(1) which is designed to provide benefits to individuals or families who meet prescribed conditions,

(2) which establishes need (based on lack of or smallness of income or resources) as a criterion for determining eligibility of individuals or families to participate therein or receive the benefits provided thereunder, or for determining the amount, type, or quantum of benefits to be provided to individuals or families thereunder, and

(3) which is (A) a Federal plan or program, or (B) is a plan or program of a State (or political subdivision thereof) which is funded (wholly or in part) by Federal funds, there is hereby imposed the requirement that, in determining under such plan or program the income or resources of any individual who (or any family the members of which include any individual who), for the month immediately preceding the first month with respect to which a general social security benefits increase becomes effective, was—

(4) a recipient of benefits (or a member of a family which was a recipient of benefits) under such plan or program, and

(5) received (or had previously established entitlement to) a monthly insurance benefit under section 202, 223, or 228 of the Social Security Act,

there be disregarded any amount received by such individual—

(6) which is attributable solely to such general social security benefits increase, and

(7) for or with respect to any consecutive period of months (beginning with the first month with respect to which such general social security benefits increase became effective) with respect to each of which such individual is—

(A) a recipient of benefits (or a member of a family which is a recipient of benefits) under such plan or program, and

(B) entitled to such monthly insurance benefit.

For purposes of paragraph (7) (A), an individual shall be deemed to be a recipient of benefits (or a member of a family which is a recipient of benefits) under such plan or program for any period after the date of enactment of this Act with respect to which the requirement imposed by this subsection is not complied with if he would have been eligible to receive such benefits (or was a member of a family which would have been eligible to receive such benefits) had such requirement been complied with during such period.

(b) The requirement imposed by subsection (a) shall be applicable in the case of general social security benefit increases which become effective after March 1974, and shall be effective in determining eligibility to participate in or receive benefits under (and in determining the amount, type, or quantum of benefits under) a plan or program referred to in such subsection for periods after March 1974.

(c) The requirement imposed by subsection (a) with respect to any plan or program shall be deemed not to have been violated, in the case of any individual who immediately prior to the effective date of a general increase in the level of benefits provided under the plan or program (as determined in accordance with regulations of the Secretary of Health, Education, and Welfare) was entitled to have any amount of social security income disregarded because of such requirement, solely because the total amount of social security income which was so required to be disregarded (in the case of such individual) immediately prior to such general increase is, on or after the effective date of such general increase, reduced (but not below zero) by an amount equal to the amount of such general increase.

(d) Notwithstanding any other provision of law, no Federal funds shall be paid to any State (or political subdivision thereof) with respect to any expenditures made under any plan or program (referred to in subsection (a)) for any period which commences on or after the first day of the first calendar month which begins more than 60 days after the date of enactment of this Act, unless, for such period, such plan or program is operated so as to comply with the requirement imposed by subsection (a).

Sec. 2. It shall be the duty of the Secretary of Health, Education, and Welfare to promulgate such rules and regulations as may be appropriate to assure the uniform implementation of the provisions of the first section of this Act; and such Secretary shall furnish appropriate information and data to and shall otherwise cooperate with and assist other Federal agencies with a view to assuring compliance with the provisions of such section.

Mr. ABOUREZK. Mr. President, it is gratifying to be a sponsor of this bill, along with the distinguished Senator from Pennsylvania (Senator Hugh Scott), because I am convinced that there are few, if any, more persistent and pestilent problems affecting Americans on social security than the one which this legislation is designed to correct.

The problem is simple. When a social security recipient receives a raise in benefits, he is oftentimes put into a higher income bracket. If that person is receiving any other type of Federal pension, this raise causes him to suffer a reduction in that pension. Many times, the result of this is that a person loses more than he gains—something which was never the intention of the social security increase.

I am sure that almost any Member of Congress can attest to the widespread effect this problem has had on their constituents. Senator Scott has stated that more than 2.5 million people have been adversely affected by this problem and I am sure that this figure is very accurate. Judging from my mail, a large number of these unfortunate people live in my State of South Dakota. Almost daily I receive calls, letters, and telegrams from people who, due to this situation, have faced the agonizing problem of losing part of their limited income. Yesterday, for example, a man from Aberdeen, S. Dak., called to tell me that because of his 11-percent raise in social security benefits, he suffered a 17.5-percent reduction in his veteran's pension. His VA pension was sliced from $68.75 a month to $57.20.

With the new round of social security increases now taking effect, there will likely be thousands more who will feel the cold bite of net reductions in their fixed, limited incomes. Needless to say, with double-digit inflation, pushing the cost-of-living up over 12 percent last year, it will be difficult if not impossible for these people to make ends meet. One might ask just where a couple in their seventies, living merely on subsistence levels, will cut their expenses to meet their loss of income. Will it be one meal a week, or maybe one less prescription drug? No one can really say, but the effect will be the same. The net loss which they have suffered by this problem will result in sacrifice—even grave sacrifice in some cases.

Mr. President, passage of this legislation is vital to the millions of people in every State who desperately need the limited income they are receiving from social security benefits and the other federally funded pensions. It is one thing to say let us give them more money; but, it is quite another thing to say let us let them keep what they have got. This bill simply provides for that.

There is always a question regarding the cost of a certain bill as it is debated and considered in the Congress. Naturally, the question is bound to arise here. How much would this provision cost? The answer is simple. The answer is, nothing. There is actually no additional Federal expense over and above the amount approved by the Federal Government. The people affected by the legislation will simply be obtaining the benefits which were intended to be given them by the Government in the first place. If an 11-percent increase in social security benefits is approved, that is exactly what the Government will be paying. Right now, the Government is accruing a savings from what the benefits should cost because of the quirk in the law permit that these net reductions in a recipient's annual income.

There can be little doubt that the people who are needlessly affected by this problem deserve our attention. I am convinced that the best way to serve attention on this problem is to consider favorably the bill which we have introduced today. Without such consideration, there is little the Congress can do to insure that the dignity of the millions of older Americans who are forced to rely on these benefits is maintained.

By Mr. HUGH SCOTT:

S. 446. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits shall continue through the month of his death (except where the continuation of such entitlement and the consequent delay in the payment of survivor benefits would reduce the total amount payable to the family). Referred to the Committee on Finance.

Mr. HUGH SCOTT. Mr. President, I am pleased today to introduce a bill which will allow the spouse of a deceased social security recipient to retain the social security benefit check for the month in which the recipient died.

Present law requires that this last check be returned to the Social Security Administration regardless of when the death took place, be it the 1st of the month or the 30th.

The Social Security Administration informs me that the reason a monthly social security benefit check becomes invalid if the recipient dies during that month is to offset the full month's benefits the recipient receives when his benefits begin. Nevertheless, this practice seems unnecessarily unfair and callous, placing an additional burden on a family which has just suffered a great loss.

The administration of social security benefits, as we have all become increasingly aware, needs a great deal of streamlining and equalizing. This is only one of several bills I will be introducing which will amend present social security law to make it more responsive to the needs of those it seeks to assist. I believe the bill I offer today deserves the attention and the expeditious treatment of my colleagues in the Senate. I hope each member will lend his support to this measure.

I ask unanimous consent that the text of my bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Entitlement to Benefits for Month of Death

"(x) (1) (A) For purposes of this title (subject to subparagraph (B) of this paragraph)—

"(i) in determining the month with which any person's entitlement to monthly insurance benefits ends under subsection (a), (b), or (c), under the first sentence of subsection (d) (2), or under section 223(a), where the event terminating such entitlement is the insured individual's death, and

"(ii) in determining the month with which any person's entitlement to monthly insurance benefits begins under subsection (e), (f), (g), or (h) or the second sentence of subsection (d) (2),

the insured individual shall be deemed to have died in the month following the actual month of his death.

"(B) The provisions of subparagraph (A) shall not apply in the case of any insured individual if their application with respect to the month of such individual's death would reduce the total of the benefits payable under this title for such month, as determined by the Secretary on the basis of applications filed within such period as the Secretary shall by regulations prescribe, to all persons (including such individual) who are (or would under such subparagraph be) entitled to benefits on the basis of such individual's wages and self-employment income.

"(2) For purposes of this title, in determining the month with which any person's entitlement to monthly insurance benefits ends under subsections (b), (c), (d), (e), (f), (g), or (h) of this section, where the event terminating such entitlement is such person's death, such person shall be deemed to have died in the month following the actual month of his death."

Sec. 2. Section 228(a) of the Social Security Act is amended by striking out "the month preceding".

Sec. 3. The amendments made by this Act shall apply only in the case of deaths occurring in or after the month in which this Act is enacted.

By Mr. TUNNEY:

S. 449. A bill to authorize appropriations for the enforcement of the antitrust laws by the Department of Justice. Referred to the Committee on the Judiciary.

Mr. TUNNEY. Mr. President, those who have recently proposed ambitious programs to cure our economic woes seem to have overlooked, or at least seriously underestimated, one of our most potent weapons—vigorous enforcement of the antitrust laws.

It is estimated that monopoly power, price fixing, and other illegal business practices may cost American consumers as much as $80 billion per year, and deprive them of numerous new jobs because competition is stifled and new companies are kept out of the market. Clearly, violations of antitrust laws fuel skyrocketing inflation.

We have tools to fight these illegal activities: the Sherman and Clayton antitrust laws. More recently, we have the Antitrust Penalties and Procedures Act, which I sponsored, which sets stiff new penalties for antitrust violators and opens the consent decree process to healthy public scrutiny.

The problem, however, is that the trust fighters, the Antitrust Division of the Department of Justice, are hobbled by inadequate appropriations and a small staff. Against the legions of antitrust defense lawyers are pitted a mere 370 Government lawyers. Against the millions available to companies to beg off of threatened antitrust lawsuits—IBM was able to settle one proposed lawsuit against it by paying over $15 million in attorneys fees alone to the other company—is a $17 million annual Federal budget.

And so today, I am introducing the Antitrust Enforcement Act of 1975, which will authorize a doubling of the present budget of the Justice Department's Antitrust Division in fiscal year 1976, and a further 40-percent increase in fiscal year 1977, bringing that budget to $50 million in law enforcement muscle.

The cost is equivalent to the price of two modern jet fighters, yet it will put real teeth into laws that have been on the books for 85 years, but which have been sadly underused.

My sponsorship of this legislation is a continuation of 3 years of work in trying to increase the Antitrust Division's budget. In 1973, Senator Hart and I succeeded in adding $1 million to the Senate appropriations—only to lose this sum in conference. Last year, the administration itself realized the need to add almost $3 million in funds.

A look at recent history shows these modest increases to be far too small. Economic concentration has increased significantly in the period since World War II. Since 1950, the top 200 corporations in the United States have increased their control over manufacturing industries from 46 to 66 percent. These 200 corporations are more powerful than the 1,000 largest corporations were at the end of World War II.

In real terms, the Antitrust Division's budget has slipped since 1950. Its professional staff has been increased a mere 13 percent. Meanwhile, the gross national product has nearly tripled in real terms.

To take on what are referred to as "structural" cases—antitrust actions against monopoly or oligopoly concentrations of power in an industry, like the computer industry—the Antitrust Division has had to siphon off enormous amounts of manpower and resources. As many as 40 lawyers are required to handle such cases, which usually last at least 10 years. As much as $20,000 a month in expense allowances may be necessary to transport and support a Washington-based legal team in New York City in order to fight a case against a major company there. The private sector is usually able to muster anywhere from 5 to 50 times the resources as the Government in the typical antitrust case. It is suggested that IBM, against whom the Government brought an action in 1969, may spend more in its legal defense than the entire budget of the Antitrust Division for a year.

Because the structural cases involve so much of the resources, too little attention is given to price-fixing and other violations within the vast area of service industries and professional services, such as real estate costs, doctors' and lawyers' fees, and engineering and architectural fees. The Antitrust Division has recently taken the view that the economics of professional service are covered by the antitrust laws, and has prosecuted some actions against architects, doctors and lawyers. Yet services now account for 40 percent of the gross national product, and more resources would permit more rigorous scrutiny in this area.

The skewed resources of the Division also inhibit policing of localized price-fixing and other illegal practices. Obviously, these localized violations are as harmful to the consumers affected as any national conspiracy, and it is certainly wrong to give the impression to small businessmen that they can violate the antitrust laws with impunity.

An additional handicap on the Division is the lack of inhouse economic analysts. In the past 2 years, the Division has taken steps to strengthen its fledgling economic staff, but far more backup is needed for the teams working on the major cases like IBM and A.T. & T.

There has been too much reliance on the "mailbox method" of starting investigations, in lieu of going out and finding violations. Certainly, the Division should be able to respond to requests, but, to be more effective, it must have its own policing capability.

Upwards of 80 percent of antitrust cases are not brought to trial, but are settled through consent decrees. In the bargaining which precedes a consent decree, the vast disparity between the resources of the private side and the Government is often crucial in giving the defendant an edge in achieving its goals. Both sides know that the Government cannot afford to go to trial except in the most important cases. It was dissatisfaction with consent decrees which led me to introduce the Antitrust Procedures and Penalties Act last year. As consent decrees will now be more public the Government will be under pressure to get better settlements, even to go to trial in marginal cases. This will ultimately be very good for the enforcement of antitrust laws, but added manpower is essential to make last year's reforms work.

Because of its inadequate resources, the Division seldom intervenes in regulatory proceedings where anticompetitive rules or regulations are being considered. Yet it has become clear in recent months that many of these rules serve to protect the regulated industries at the expense of the consumer. Thought is now being given to eliminating the antitrust exemptions for the regulatory agencies, to insure adequate scrutiny of the impact on competition of their decisions by the Antitrust Division. The Division is studying the situation, but it simply cannot handle additional jurisdiction without additional resources.

To add $33 million to the antitrust budget over 2 years would save money. The investment is clearly worth it if it makes a dent in the $80 billion lost annually by consumers. For example, the price of the antibiotic, Tetracyclene, dropped 95 percent after the Division took action; and public utilities recovered almost $450 million for customers after the Division sued manufacturers of electrical generating equipment. Then, too, there are the drastically needed new jobs which would be created by thriving competitive industries.

For all these reasons, I urge the Senate to enact promptly the Antitrust Enforcement Act of 1975. I intend also to pursue the goals outlined in the legislation when the Justice Department appropriation is acted upon by the Congress.

Mr. President, I ask unanimous consent to have printed in the Record the text of the Antitrust Enforcement Act of 1975.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Enforcement Act of 1975".

SEC. 2. (a) Chapter 31 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 527. Authorization of appropriations for antitrust enforcement

"In addition to any other sums authorized to be appropriated to carry out the activities of the Department of Justice, there is authorized to be appropriated to such Department for the civil and criminal enforcement of the antitrust laws of the United States, the sum of $35,000,000 for fiscal year 1976, and the sum of $50,000,000 for each fiscal year thereafter.".

(b) The analysis of chapter 31 of title 28, United States Code, is amended by adding immediately below the item relating to section 526 the following new item:

"527. Authorization of appropriations for antitrust enforcement.".

By Mr. BAYH:

S. 451. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, today I am introducing a bill to include the "Pap" test for uterine cancer as a covered service under part B of medicare.

Mr. President, cancer, the abnormal multiplication of cells, encompasses a broad range of clinically distinct diseases. If it were only one disease we could hope to consolidate our allied medical knowledge in pushing for cancer's eradication. Unfortunately, it is not that simple. The multiplicity of cancers compounds the complexity of finding the key to cure.

This year an estimated 365,000 Americans will die of cancer; approximately 1,000 a day; one every 1½ minutes. These cold, cruel statistics fail to include the cost of human suffering of the victims, their relatives, and their friends.

Mr. President, the latest statistics of the National Cancer Institute reveal the grim fact that in 1975 there will be an estimated 46,000 new cases of uterine cancer alone, of which over 11,000 of these patients will die. The most prevalent form of uterine cancer is cancer of the cervix. Of the 11,000 terminal uterine cases, more than 7,800 will have cancer of the cervix.

One of the truly great tragedies of uterine cancer is that it would very rarely prove fatal if it were discovered early rather than after invasive development. When discovered at its earliest stage, carcinoma-in-situ, uterine cancer, is just about 100 percent curable.

Unlike other virulent types of cancer, cervical cancer which is treated and arrested at its nascent stage is highly unlikely to recur in later years. The American Cancer Society tells us that a woman who is discovered to have early cervical cancer is expected to live just about as long as women in her age group who have not had this type of cancer, provided they have undergone appropriate medical treatment. Survival rates are predominately a reflection of the stage at which uterine cancer is found. If the cancer is not recognized until it is at a more advanced stage, the survival rates of women affected with it decrease each year, even after undergoing appropriate biomedical tests and treatments.

Given a disease that has such a good prognosis at its earliest stage and is so difficult to cure later, it seems that a full scale effort would be in effect to discover a simple diagnostic test to uncover cervical cancer as early as possible and to get every adult woman in this country to take this test as often as the medical profession thinks is necessary. If this were the case, we could insure that every single case of cervical cancer discovered will be at the earliest stage where it is more easily curable.

Well, Mr. President, it is no real news to announce that we have discovered such a diagnostic test.

The test I refer to is the well known Pap smear, invented by the late Dr. George N. Papanicolaou two decades ago. The test is simple, requires but a few moments of the patient's time, is painless, and inexpensive. Fourteen years ago, Dr. C. J. Lund, writing in the January 1961 issue of the Journal of the American Medical Association said:

> The epitaph for cervical cancer has been inscribed. The methods and techniques are available to destroy it. The date of death remains unwritten in the hands of the practicing physicians and their patients.

Yet, since that optimistic statement was written almost 14 years ago, approximately 182,000 women in this country have died of cervical cancer. Their dates of death were written before the date of death on cervical cancer because we have not made the decision to somehow get each and every woman in this country to take this test on a semiannual basis.

Despite efforts by the American Cancer Society and public health groups there are still substantial numbers of women who have never taken a Pap test in their lives, to say nothing of taking one at the recommended interval of once a year for women under 35 and twice yearly for those over 35 or those who are presently ingesting birth control substances.

Medical researchers have identified specific groups of women who are less likely than others to have this test done. These groups are older women, undereducated women, and low-income women. An ACS study showed that while 59 percent of women in a family income bracket above $7,000 had a Pap test, only 32 percent of those with income under $3,000 had.

Thus, the tremendous advances in control of cervical cancer over the last two decades insofar as they depend on the Pap test, have been mainly among young and better educated women whom we are more likely to reach with public education programs and who are more likely to realize the tremendous benefits of taking this regularly. Particularly among the elderly, it is difficult to get this message across.

In one comprehensive study in the State of Connecticut, "Cancer of the Cervix in Connecticut," by Dr. Barbara W. Christine and her colleagues, reported in Connecticut Medicine of December of 1972, it was found that while approximately 40 percent of women in the 20 to 29 age group had received a Pap smear, only 9 percent of women over 60 had done so. Yet, it is in this older group that the mortality rate due to cervical cancer is highest.

This is at least partially because a cancer discovered in an older woman is more likely to be at a later stage for the very reason that the older woman is unlikely to have had the simple test which would have discovered the disease when it was curable. It means that we must do everything possible to encourage the more widespread use of the Pap test among women in the older age group.

Mr. President, eventually I would hope that this test will be available free of charge on a walk-in basis to every woman in this country. In the meantime, we must find a way to make a start in this direction. I believe the legislation I am introducing does this and more. We have a vehicle to encourage women to take Pap tests, and that is the medicare program. The medicare program is, of course, restricted to the disabled and those in the older age groups. But since it is older women who are least likely to take the Pap test, the medicare program is a natural place to begin. If the medicare program were to cover the Pap test as part of the coverage of diagnostic laboratory tests, there is no doubt in my mind that we could raise dramatically the proportion of women in the older age groups who would avail themselves of the opportunity to take this test.

The only reason I can discover why this test is not now covered is the exclusion from the medicare program of routine physical checkups. But a test to discover uterine cancer should not be placed in the same class as a routine checkup. A woman has no way to observe her uterus, to check herself on whether there is possibly something wrong with it, until it is too late. The early stages of this disease are not painful and frequently present no physical symptoms which would cause a woman to have a complaint and go to her doctor for this complaint. If we wait for this complaint to develop—in which case the Pap smear would be covered by medicare because it would then be nonroutine—it may very well be too late for this woman to be in the group which can expect to be completely cured of this disease.

What we need is to do everything possible to have this test done on a routine basis. The Congress has frequently recognized the importance of general preventive health care. The proposed legislation is another effort in this direction. Preventive medicine makes particularly good sense in an area such as uterine cancer where there is little possibility of a disease being discovered in a curable stage when one waits for symptoms to develop.

The Connecticut study to which I referred earlier documents very clearly the need for a preventive approach to uterine cancer through the routine application of diagnostic tests. In the oldest group of women studied in the Connecticut report—age 50 and over—who would be most comparable to the women enrolled in the medicare program, 60 percent of the cases of early cervical cancer—cancer in situ or stage 0—were discovered on strictly routine office calls or calls involving a nongynecological complaint. The remaining 40 percent of the cases of early cervical cancer were discovered after the woman made a gynecological complaint. In strong contrast, 85 percent of advanced stage cervical cancer was diagnosed after a specific complaint was made.

Only 15 percent of the cases of advanced cervical cancer were discovered through examinations which were strictly routine or initiated after a nongynecological complaint. Of the women over age 50 who ultimately proved to have cervical cancer and waited until they had a gynecological complaint to have the Pap test taken, 88 percent already had advanced stages of the disease when cure is most difficult. Of the women in this age group who ultimately proved to have cervical cancer but who took the Pap test on a routine basis, only 46 percent had an advanced stage of the disease, and 54 percent had the earliest stage of the disease which is almost always curable. These data make crystal clear that if we are to find cervical cancers in their early stages, we must rely on routine use of the Pap test rather than wait until symptoms are felt. If we wait for complaints to develop, we are waiting too long to expect that the cases of cervical cancer which are discovered will be in the early curable stages.

Mr. President, some Senators may feel that this amendment would provide services to people who are not in financial need and who could very well afford to pay for these tests themselves. Since the Pap test is not an expensive one, at the same time that the program would not be prohibitive for the medicare program to undertake, some may feel that it is also not prohibitive for individuals to pay for it themselves. This is not an unreasonable argument. Certainly it is a good bargain to be able to pay $12 twice a year for a test that could diagnose a cancer when it is just about 100 percent curable instead of skipping this test and taking the risk that one will not discover a cancer at that stage but that it might show up later when the chances of cure are much less. I think that would be a bargain and I am sure that the millions of women who take this test religiously once or twice a year also think it is a great bargain. The problem, Mr. President, is not only that many of our elderly are also poor, but more importantly that many of our elderly women do not know about this test, or do not realize its importance.

Thus, they do not avail themselves of the opportunity of getting this tremendous bargain. As I mentioned before, every study that I have seen of the use of the Pap test has shown that most tests are performed on young women and that elderly women are least likely to have this test done. All this in spite of the fact that deaths from invasive uterine cancer are highest among elderly women.

Thus, Mr. President, my concern is that we find a way to encourage the use of this test, hopefully among all women, but at the very least among our aged citizens who are least likely to know about it, and to whom we have made a national commitment, through medicare, of assisting with their health problems.

What I would hope is that every time a medicare recipient goes to a doctor's office, a clinic, or a hospital, regardless of the reason she is there, the doctor who attends her, knowing that the Pap smear is covered by medicare, will inquire whether she has had this test in the last 6 months, and if not, would encourage her to have one done. For every doctor that is successful in that regard, Mr. President, and causes us to spend a few dollars from the medicare program to pay for that test, we will be saving the Federal Government and the people of this country thousands of dollars in what they would eventually have to pay out for treatment of advanced cases of cervical cancer. This is true, Mr. President, because programs for early diagnosis and prevention of uterine cancer are among the most cost-effective programs in the cancer area.

Furthermore, knowing that the test is covered by medicare will encourage women to go to their doctor to get it, even if they are feeling fine and would not otherwise go. This has a secondary benefit, too, Mr. President, because many doctors have noted that going for routine Pap tests is of tremendous importance in increasing discoveries of other diseases in their early stages because the patient then is likely to have a routine physical as long as she is there for the Pap test. And I do not believe there is any illness or diseases that cannot be helped to a somewhat greater extent when it is discovered at an early stage than when it goes undetected until it is far advanced. Thus, encouragement to routine administration of the Pap test would have three important advantages:

First, it would enable discovery of cervical and other uterine cancers at the earliest stages of the disease when they are much more easily curable, thus avoiding unnecessary deaths from this disease;

Second, it is a cost-effective program which would save the people of this country millions of dollars per year;

Third, it will encourage routine physical examinations during which other serious illnesses may be discovered in their early stages when cure or treatment is more effective, thus reducing deaths, incapacities, and financial costs due to those diseases.

Mr. President, in the interests of the health and welfare of every woman in this country, and therefore of all our citizens, I urge the passage of this legislation.

I ask unanimous consent that the full text of this legislation be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1861(s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and".

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) routine exfoliative cytology tests (papanicolaou tests) conducted for the diagnosis of uterine cancer, but only (A) when provided to a patient who during the preceding 6-month period has not been the subject of such a test on a routine basis and (B) if provided on a scheduled allowance basis (as determined under regulations of the Secretary).", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a)(7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(s)(10),".

(d) The amendments made by this Act shall apply only with respect to services furnished on or after the first day of the month following the month in which this Act is enacted.

By Mr. HARTKE:

S. 452. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax-related to the purchase of certain new motor vehicles during 1975 and 1976. Referred to the Committee on Finance.

By Mr. HARTKE (for himself and Mr. HATFIELD):

S. 453. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax-related to the purchase of houses. Referred to the Committee on Finance.

INVESTMENT TAX CREDITS FOR INDIVIDUALS

Mr. HARTKE. Mr. President, today I am introducing two bills which will provide investment tax credits for individuals. The tax credits, which could be claimed as either immediate rebates or as credits against Federal income tax liability, are to be given for the purchase of automobiles and houses. The United States has since 1962, with the exception of two short periods, allowed business firms to claim investment tax credits for their investment in plant and equipment.

The purpose of the investment tax credit is to stimulate investment, and thereby stimulate the economy, and increase productivity and economic efficiency through plant modernization. I support the concept of the investment tax credit; this is why I introduced legislation in the 92d Congress to reinstate the investment tax credit after it had been suspended. And at the present time, I favor increasing the investment tax credit above its present rate of 7 percent. If we ever needed a stimulus to the economy and increased productivity, we need it now.

But, I also favor a new concept: Investment tax credits for individuals. These credits are intended to stimulate the economy by providing direct stimulus to the two most depressed industrial sectors—autos and housing. They are also designed to improve consumer confidence and help consumers, especially the poor and middle income consumers, overcome the terrible effects of double-diget inflation.

At this stage no one needs to prove that we are in the midst of the most severe recession since World War II. Real gross national product for the United States decreased in each quarter in 1974. And the last quarter was the worst; economic output plunged downward at an annual rate of 9.1 percent, the most severe decline in nearly 16 years. Unemployment is at a 15 year high level at 7.1 percent. Six and one-half million working men and women are unemployed. The number of jobs in our economy actually has fallen by 1.4 million since September 1974. Real personal income has been declining for over a year. As a result of these and other factors, consumer confidence is the lowest it has been for many years. Consumers, afraid of the future, uncertain of their economic security and, indeed, of the economic security of the country, are reducing their demand for goods and services. This wholly understandable and logical action by consumers further constricts the economy and jeopardizes future economic growth.

And this process will not soon reverse itself if bold and constructive new action is not taken immediately. Some economists are now predicting the beginning of economic recovery by the second half of 1975. Similar predictions were being made in January of 1974, but the recovery never materialized. Instead recession got worse. Even those economists now predicting recovery are saying it will be slow and incomplete. Unemployment will rise to 8 percent or above and stay intollerably high well into 1976 even if our economic recovery develops. But economic forces are at work which foreshadows even more difficult economic times before improvement occurs. Inventories are high and are not yet reducing despite cuts in production. Capital spending has declined. The decline in consumer spending is accelerating. And perhaps worst of all, the President, and his policy advisors, are preaching an economic negativism, calling for an energy policy which will cause further economic stagnation, dislocation, and inflation.

Mr. President, I favor economic policies designed to stimulate the American economy and build confidence in our future. There is widespread agreement on the need for general tax cuts, and I favor such tax cuts. The tax cuts should be larger than those called for by the President, and they should be directed more specifically to helping the poor and middle-income taxpayers who suffer the most from inflation and unemployment. But I do not believe that across-the-board, general fiscal policy is the total solution to our economic crisis. Surely economic knowledge has advanced to the point where we can tailor our economic policy to the economic problem. General tax cuts stimulate the economy, but they stimulate the economy indiscriminately. Once the economy begins growing again bottlenecks and shortages begin developing in some sectors while excess capacity still exists in others. The bottlenecks begin dragging the economy down, and causing inflation, before full potential economic growth is realized.

Under such circumstances, it makes better sense to direct the economic stimulus toward the industries which are suffering the greatest collapse and have the largest slack capacity. This policy will produce the greatest economic recovery and the fewest economic problems once the recovery is underway.

The two most depressed industries in the United States today are the automobile and the housing industries. The auto and housing industries are crucial to the U.S. economy. Both industries employ hundreds of thousands of workers. In addition, their so-called ripple effect pervades the entire economy creating jobs in supply industries, such as rubber, plastics, glass, steel, aluminum, lumber and building supplies, and also creating jobs indirectly in retail trade, banking, service industries, and so forth.

Both the auto and housing industries are regarded to be "leading" economic sectors. If these industries turn down, the general economy will usually follow. And these industries are in the depths of a depression. Automobile sales declined drastically during 1974, and early 1975 sales are the lowest in 13 years. Unemployment in the auto industry has reached 300,000 and could be as high as 1 million by july. Right now, more automobile plants are closed in the United States than are operating. The housing industry is equally depressed. Housing starts have been falling precipitously since early 1973. Total 1974 housing starts were 75 percent below the previous year's figure. The level of homebuilding in December 1974 was the lowest in 8 years.

The depression in these two industries has dragged the rest of the economy into recession. But just as these leading industries can lead the economy downward, they can also lead the economy into recovery. If sales of automobiles and housing pick up, the stimulus to the economy will be enormous, not only economically but psychologically. For this reason, the two bills I am introducing are designed specifically to stimulate the auto and housing industries by granting investment tax credits to individuals for the purchase of a car or a house.

The first bill would allow a tax credit or rebate of 10 percent of the purchase price of a new, domestically produced automobile in 1975—retroactive to January 1—and 5 percent in 1976. The credit would be limited to a maximum of $500 in 1975 and $250 in 1976. A rebate could be claimed immediately by providing proof of purchase and sales price to the Internal Revenue Service, and the IRS would send a special tax rebate check, or the credit could be claimed at the time of filing the taxpayer's next income tax return.

The second bill, which I am introducing with my colleague from Oregon (Mr. Hatfield), would provide a tax credit or rebate of 5 percent of the purchase price of a new residence in 1975—retroactive to January 1—and 2.5 percent in 1976. The credit would be limited to a maximum of $1,250 in 1975 and $625 in 1976. This credit could also be claimed immediately as a rebate or as a credit at the time of filing the annual tax return.

The purpose of these two bills is to stimulate directly the purchase of automobiles and houses. The investment tax credit for individuals is not intended as a substitute for a general tax cut; rather it is a supplement. There is increasing evidence that a general tax cut may not sufficiently stimulate the economy. Consumer confidence is so low, and consumers have been so badly hurt by recent inflation and economic dislocation, the taxpayers may save their tax cut. No one can deny that lower- and middle-income taxpayers deserve help in rebuilding their depleted savings but we also need to stimulate the economy and get people back to work. The combination of general tax cuts and the new investment tax credit for individuals should provide this stimulus. The general tax cut will increase consumers' aftertax income, and generally improve consumer confidence and outlook. The individual investment tax credits will lower the cost of autos and homes, stimulate demand, and help stretch the budgets of hard-pressed consumers.

Precision is not possible in estimating the effect of these tax credits. However, research indicates the tax credit for automobiles should increase sales by from 400,000 to 900,000 cars during 1975. The effect of the tax credit on homebuilding should be approximately 200,000 new housing starts in 1975. These are not inconsequential amounts. They represent major stimulants to the auto and housing industries and, coupled with the effect of a general tax cut, should provide substantial boost to the economy. The cost of the two credits would be approximately $6 billion in 1975 and half of that in 1976.

Some people have urged that any tax credit designed to stimulate the purchase of autos and housing should be skewed to favor the purchase of more fuel efficient cars and well-insulated houses. I fully agree with the goal of energy conservation and believe it should be vigorously pursued by regulation and economic incentives. However, the investment tax credit for individuals is intended to be as simple as possible to have the maximum effect on consumption. A complex schedule of tax rebates would greatly diffuse the effect of the tax credits on consumer confidence and demand. The goals of energy conservation and safety can be and are being pursued in other ways. For example, the auto industry has recently agreed to improve the fuel efficiency of its cars by 50 percent by 1980.

In summary, the economy is in the midst of the worst recession of the postwar years. There are no sure signs that the economy will soon pull out of the recession even with a general tax cut. The auto and housing industries are the most depressed sectors of the economy; they led the economic downturn, and they can lead the economic upturn.

The bills creating investment tax credits for individuals, which I am submitting today, are designed to effectively reduce the prices of autos and housing, improve consumer confidence, and stimulate these two "leading" industries. This should increase production and put men and women back to work, not only in the auto and housing industries, but in the many industries directly and indirectly related.

Mr. President, I ask unanimous consent that the text of the two bills be printed in the Record at this point.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Purchase of motor vehicle.

"(a) In General.—There is allowed to an individual as a credit against the tax imposed by this chapter for the taxable year, an amount equal to—

"(1) 10 percent of the purchase price of each new motor vehicle purchased by the taxpayer during calendar year 1975, and

"(2) 5 percent of the purchase price of each new motor vehicle purchased by the taxpayer during calendar year 1976.

"(b) Limitations.—

"(1) Dollar amount.—The credit allowed by subsection (a) for the purchase of a new motor vehicle during calendar year 1975 shall not exceed $500 multipled by the number of new motor vehicles purchased by the taxpayer during such year. The credit allowed by subsection (a) for the purchase of a new motor vehicle during a calendar year 1976 shall not exceed $250 multiplied by the number of new motor vehicles purchased by the taxpayer during such year.

"(2) Married individuals.—In the case of a husband and wife who file a joint return of tax under section 6013, the amounts specified in paragraph (1) with respect to each motor vehicle apply to the joint return as if it were the return of one taxpayer. In the case of a married individual making a separate return of tax, the amount specified in the first sentence of paragraph (1) shall be $250 in lieu of $500, and the amount specified in the second sentence of paragraph (1) shall be $125 in lieu of $250.

"(3) Price increases.—

"(A) General rule.—No credit is allowable under subsection (a) for the purchase of—

"(i) a 1975 or earlier model motor vehicle if the purchase price of the motor vehicle is greater than the purchase price of that motor vehicle in effect on January 15, 1975,

"(ii) a 1976 model motor vehicle if the purchase price of the motor vehicle is more than 5 percent greater than the purchase price of the 1975 model of that motor vehicle in effect on January 15, 1975, and

"(iii) a 1977 model motor vehicle if the purchase price of the motor vehicle is more than 5 percent greater than the purchase price of the 1976 model of that motor vehicle in effect on January 15, 1976.

"(B) Model year.—The model year of a motor vehicle shall be determined by the Secretary or his delegate, and, in the absence of a different finding by the Secretary or his delegate, shall be the model year designated by the manufacturer.

"(C) Purchase price.—For purposes of determining the amount of the credit allowable under subsection (a) (before the application of subparagraph (A) of this paragraph), the purchase price is the sales price agreed upon between the taxpayer and the seller, as evidenced by a written contract, disregarding any allowance for the trade-in of a motor vehicle owned by the taxpayer or any other form of non-monetary payment. For purposes of subparagraph (A) of this paragraph, the term 'purchase price' means the sum of the amounts described in paragraphs (1) and (2) of subsection (f) of section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232(f) (1) and (2)).

"(4) Application with other credits and deductions.—

No credit is allowed by subsection (a) for the purchase of a motor vehicle during any taxable year for which the taxpayer claims a credit or a deduction under this chapter (other than under subsection (a) of this section) with respect to that motor vehicle.

"(c) Recapture of Credit for Early Disposition.—No credit is allowable under subsection (a) for the purchase of a new motor vehicle if the taxpayer sells, leases, or otherwise transfers ownership or use of such vehicle to another person (other than his spouse or a dependent) within 12 full calendar months after the purchase of the new motor vehicle.

"(d) Definition of New Motor Vehicle.—For purposes of this section, the term 'new motor vehicle' means a motor vehicle (as defined in section 102(3) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391(3)) manufactured on the North American continent which, at the time of its purchase by the taxpayer, has not previously been sold for purposes other than resale. Such term does not include any truck, bus, tractor, or other vehicle on which a tax is imposed by section 4061(a)(1) (relating to imposition of tax on trucks, buses, tractors, etc.).

"(e) Credit Against Previous Year's Taxes.—Notwithstanding the provisions of subsection (a), any purchase of a motor vehicle with respect to which a credit is allowable under subsection (a) may, at the election of the taxpayer, be credited for the taxable year immediately preceding the taxable year in which the motor vehicle was purchased.".

(b)(1) The table of sections for such subpart A is amended by striking out the item relating to section 42 and inserting in lieu thereof the following:

"Sec. 42. Purchase of motor vehicle.
"Sec. 43. Overpayments of tax.".

(2) Section 6401(b) of such Code (relating to excessive credtis) is amended—

(A) by inserting after "lubricating oil)" the following: ", 42 (relating to purchase of motor vehicle),"; and

(B) by striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

(3) Section 6201(a)(4) of such Code (relating to assessment authority) is amended—

(A) by inserting "or 42" after "section 39" in the caption of such section; and

(B) by striking out "lubricating oil)," and inserting in lieu thereof "lubricating oil) or section 42 (relating to purchase of motor vehicle),".

Sec. 2. Section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232) is amended by—

(1) striking out "and" at the end of paragraph (e),

(2) striking out the period at the end of paragraph (f) and inserting in lieu thereof a semicolon and the word "and", and

(3) adding at the end thereof the following:

"(g) a statement as to whether the purchaser of such automobile is denied a credit against tax under section 42 of the Internal Revenue Code of 1954 on account of the provisions of subsection (b)(3) of such section.".

S. 453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Purchase price of new principal residence.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year, an amount equal to—

"(1) 5 percent of the amount of the purchase price of a new principal residence if the taxpayer acquires such residence during calendar year 1975, or

"(2) 2.5 percent of such amount if the taxpayer acquires such residence during calendar year 1976.

"(b) Limitations.—

"(1) Dollar amount.—The credit allowed under subsection (a) for the purchase price of a new principal residence may not exceed—

"(A) $1,250 in the case of a new principal residence acquired during calendar year 1975, and

"(B) $625 in the case of a new principal residence acquired during calendar year 1976.

"(2) Married individuals.—In the case of a husband and wife who file a joint return of tax under section 6013, the amounts specified under paragraph (1) apply to the joint return. In the case of a married individual filing a separate return of tax, the amount specified in paragraph (1)(A) shall be $625 in lieu of $1,250, and the amount specified in paragraph (1)(B) shall be $312.50 in lieu of $625.

"(c) Definition.—For the purposes of this section, the term 'new principal residence' means a principal residence (within the meaning of section 1034) the construction or reconstruction of which is begun after December 31, 1974, and before January 1, 1977."

"(d) Election to Apply Credit to Preceding Year.—At the election of the taxpayer (made at such time and in such manner as the Secretary or his delegate prescribes by regulations), the credit allowed under subsection (a) for any taxable year (based on the purchase price of a new principal residence which the taxpayer has acquired during the taxable year) shall be allowed as a credit against the tax imposed by this chapter for the preceding taxable year."

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Purchase price of new principal residence.
"Sec. 43. Overpayment of tax."

(c) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "or for two" after "section 39" in the caption of such sections; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 42 (relating to purchase price of new principal residence),".

(d) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", and 42 (relating to purchase price of new principal residence),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

Mr. HATFIELD. Mr. President, I am pleased to join the Senator from Indiana (Mr. Hartke), in introducing a bill which would direct a portion of the anticipated net tax cut to the depressed housing industry. The device of using a tax credit or rebate to create incentives for home purchases is a practical and simple method of assisting people with the prohibitive cost of purchasing a home.

According to this bill, individual taxpayers would be granted a tax credit of

5 percent of the purchase price of a new residence with a maximum of $1,250 in 1975. This would channel about $2.5 billion of a net tax cut to one of the high unemployment sectors of the economy. In the hope that there will be a recovery in housing by next year, the credit would be reduced to 2.5 percent of the purchase price, up to $625, in 1976.

I do not need to emphasize the deplorable stagnation in the homebuilding industry. While the permits granted in December were up slightly from November, housing starts were down again that month. In 1974, there were 1,340,000 housing starts, a drop of 35 percent from 1973. This, of course, speaks of severe unemployment problems among the various construction trades and the industries supplying construction materials. Although my own State is very dependent on the fortunes of home construction, the entire country is affected in some way by the health of the housing industry.

Apart from the fact that the current recession owes much to the weakness of housing, slumps such as we are in now represent a failure to keep pace with our national goals of providing adequate housing for a growing population. At the peak of the current cycle of homebuilding in 1972, housing starts were at the level of about 2½ million. As we have seen, the 1974 rate was scarcely more than half that. To keep pace with the growing number of households and to offset the number of housing units which become unusable each year, we should be producing as many units now as we were in 1972.

A preliminary estimate by the National Homebuilders Association indicates that a tax credit bill such as this one could result in 200,000 new starts in 1975. This would be an increase of about 20 percent above the 1,050,000 units expected without such an incentive. Assuming the general accuracy of this projection, it would be possible to get us back on the track of meeting housing goals and to shore up a seriously depressed industry, simply by channeling a portion of a net tax cut being considered to counteract recession.

Certainly this device will not by itself solve our housing problems. The Department of Housing and Urban Development has recently anounced a series of new policies and programs also intended to spur new construction starts. This includes lowering the ceiling on some interest rates, providing new money for constructing rental units for low-income persons, and broadening the program of subsidizing mortgages. The major lack in this package is the kind of help offered by the bill. This is an immediate and direct assist to the home purchaser. Other programs to help the very low-income people should continue. This tax credit would help the person whose income allows him to accumulate a down payment and make regular mortgage payments from his income. The ceiling on the credit assures that the help is directed toward average home purchases, since it would be confined to the first $25,000 of the cost of the home in the first year.

The inflation in the cost of homes, whether single-family residences, multifamily dwellings, or whatever, has left many middle- and lower-income families without the ability to purchase a home. The median price of homes has gone up 15 percent in the last year and now is at $37,000. In our present tight money market, mortgage funds are frequently not available or only made available with a high down payment and extra costs which push the interest rate above 10 percent, apart from Government assistance of some type.

Mr. President, I realize that analysts are projecting a recovery in home building by the end of this year. Housing starts tend to precede recovery in the general economy, since labor becomes more available during a general slump and consumers are willing to obligate themselves to a mortgage before they will increase their purchases of less durable goods. But I do not believe we can sit by and wait for the cycle to bring recovery. For one thing, the President's economic package contains a number of features which threaten to postpone recovery in housing. The high deficits projected for the remainder of this fiscal year and for the next will place a great deal of pressure on interest rates, as the Government borrows to meet its obligations. Therefore, we cannot wait complacently for an upswing.

Analysts also see signs of recovery in the leveling off of the relative price of building or purchasing of a home. For example, lumber is down somewhat and unemployed workers are willing to work on terms more attractive to the purchaser. This is not a reason for refusing to help the homebuilding industry. In fact, this provides an excellent setting for assistance. The tax credits would provide significant additional motivation for prospective home purchasers to proceed at once toward their goal.

Mr. President, it is my hope that this proposal will be given immediate committee consideration and will become a part of a package of stimulative tax changes. The greatest benefit will come from providing an incentive early in this year. In terms of the depression in the housing industry and in relation to our national housing goals, it is clear to me that Senator HARTKE's bill is a worthwhile one.

By Mr. CHILES:

S. 454. A bill to amend the Occupational Safety and Health Act of 1970; and for other purposes. Referred to the Committee on Labor and Public Welfare.

OCCUPATIONAL SAFETY AND HEALTH ACT AMENDMENTS OF 1975

Mr. CHILES. Mr. President, I introduce a bill to amend the Occupational Safety and Health Act of 1970. This bill is comparable to legislation I offered in the 93d Congress. As my colleagues know, in the several years since its enactment, the Occupational Safety and Health Act has been the focus of considerable interest and concern—with the debate continuing as to the effectiveness and equitableness of the law. A number of efforts were launched in the previous Congress to change the present statute in one aspect or another but as of yet we have failed to address the OSHA issue head on, with appropriate committee consideration and then move to constructively amend the act. I feel strongly that we need to do so and it is with that hope that I have again introduced these amendments.

I think it goes without saying that the objective of assuring safe and healthful working conditions is of the utmost importance to all Americans and must be a primary goal for both the employer and the employee. The Occupational Safety and Health Act, in recognizing the pressing need to reduce the occurrence of personal injury and illness on the job and establishing an agency charged with pursuing that goal, represents a significant legislative achievement. However, in light of the groundswell of critical comment regarding OSHA and the evidence of significant problems being experienced by the business community, I think it very appropriate that Congress take a long, hard look at the law and its administration to determine if it is working as Congress intended.

In speaking for my own State of Florida I know there is very widespread concern with the present administration of OSHA and I feel this concern is more than justified. I know also that what I have heard from Floridians is representative of a nationwide dissatisfaction with some of the standards and procedures implemented under the act.

I believe it is important to keep in mind that discontent on the part of employers with OSHA does not reflect a lack of support for the effort to bring about a safe and healthful working environment. In my discussions with Florida employers I have witnessed a strong commitment to worker safety and an active interest in eliminating hazardous conditions. Objections to aspects of the OSHA program cannot and should not be construed as efforts to diminish the worker safety program.

The question which needs to be addressed is how effectively and fairly the Occupational Safety and Health Act serves the goal which it establishes. It is my conviction that if the objective of assuring safe and healthful working conditions is to be realized, it will take a working partnership between the employer and the Occupational Safety and Health Administration. The current situation of suspicion, confusion and unrealistic demands on the employer is hardly conducive to the establishment of such a partnership.

The solution to problems within the OSHA program lies not in efforts to repeal the Occupational Safety and Health Act nor in changes that might serve to lessen worker protection. However, I think it is by now evident that there are areas in which the act can be changed—not only to improve worker safety but also to provide more practicable procedures and requirements from the standpoint of the employer and to assist the employer in complying with regulations promulgated under the act.

Fortunately in the recent past there has been a growing appreciation of the importance of determining the costs of new legislation. The economic impact of new laws and regulatory measures is finally getting some much needed attention with the realization that Government actions that add to the cost of doing business are paid for in the end by the consumer and serve to feed the inflationary spiral. It is this type of attention which must be directed toward OSHA and which argues for changes in the law to eliminate instances of burdensome and costly overregulation.

At a time when our economy is experiencing serious difficulties with the dual threats of inflation and recession, it is vital that any unnecessary interference with our rate of productivity growth be curtailed. Efforts to reduce or eliminate Government-induced inefficiencies in the production of goods and services can play a significant role in relieving long-term inflationary pressures.

A key factor in this Nation's traditional economic strength has been our high level of productivity growth.

However, in 1973, private sector productivity declined and that slide continued in 1974. Department of Labor statistics show a productivity decline at a 3 percent annual rate for the third quarter of 1974—the second largest drop in 14 years. And, as our productivity curve has dropped, the inflation curve has risen.

If a return to economic health is to be accomplished this trend of decline in productivity has to be turned around. Of course a number of factors will come into force in the effort to return to a pattern of growth in our productivity rate but one of major significance must be that of Government requirements and standards affecting the operations of private enterprise. The proposal I am offering is aimed at improving the current administration of the Occupational Safety and Health Act so as not only to insure a safe working environment but to do so with a minimum of cost and hardship for the private sector. I think these goals are both compatible and in light of present economic conditions most necessary.

Initially, this bill addresses the question of costs borne by employers in attempting to comply with OSHA regulations. While certainly a price cannot be placed on considerations of health or safety, economic feasibility must be a primary factor in the development of standards. Requirements levied upon the employer must be technically and economically practicable if we are to realistically expect the businessman to be able to comply and remain in business.

The Occupational Safety and Health Administration has to some extent moved in the direction of evaluating the economic impact of proposed standards especially in response to the recent Executive order requiring that all major legislative proposals, regulations and rules emanating from the executive branch include a statement certifying that the inflationary impact of such action has been considered.

The extremely important perspective to be gained from this type of inquiry, that should in turn be an integral element in any decisionmaking on proposed standards, is apparent from a recent study concerning the impact of imposing the 85 dBA industrial noise exposure criterion as recommended by the National Institute for Occupational Safety and Health. This study, though limited in scope to only 19 industry groups of the manufacturing sector, indicated a total compliance cost, expressed in 1973 dollars, of over $31 billion. The fact of this staggering cost figure stems in large measure from the requirement of the proposed standard that engineering or administrative controls be used rather than less expensive personal protective equipment. Such controls would be required even if they could not reduce the noise level to the mandated limits. The study report, commissioned by the Department of Labor, aptly sums up the choices faced by industry in dealing with the costs of compliance:

> If everything else—including profits—remains unaffected and the economy is producing at full capacity, these costs, which do not contribute to capacity or productivity increases, would displace planned investments. The resulting decrease in the rate of capital accumulation, however, could produce far-reaching effects. Insufficient replacement of capital consumed would lead to a reduction in productive capacity. Industries would be unable to meet growing markets and to absorb the growing labor market. Because it would be unfavorable to finance noise control measures by displacing planned investments, funds for these expenditures are more likely to be obtained from profits or through a general price increase.

The potential impact of a new standard such as the suggested 85 dBA noise level points to the clear necessity for a mandatory, comprehensive economic impact study for all projected rule-making by OSHA and that the costs identified be carefully weighed in relation to the benefits that may be derived from the standard. The legislation proposed would require an economic impact statement for all proposed OSHA standards, a cost-benefit analysis by the agency, and publication of the impact statement in the Federal Register along with the proposed regulation for appropriate review and comment by the parties to be affected.

In further recognition of economic realities, the bill would eliminate the promulgation of standards requiring the alteration, replacement or phaseout of equipment or facilities before the normal useful life of such unless, and I stress the word, "unless," the failure to do so would result in a continued employee exposure to "serious violations" as defined in the act.

There are several problem areas in the current administrative procedures of OSHA which I feel can and should be corrected through legislative action. One of the most persistent sources of dissatisfaction with OSHA lies in the inspection procedures. While the fact of inspections is central to the administration of the law and provides the only feasible means of identifying violations, the inspection process, as presently operated has resulted in an atmosphere of suspicion and a pervasive attitude that business is being harassed. The fact of this atmosphere and attitude obviously undermines the establishment of the working partnership between business and OSHA which I strongly feel is essential to accomplishing the goals of the act.

The practice of unannounced inspections strikes many as an unwarranted approach to securing compliance. At present, inspections are undertaken with little opportunity for the employer to have a qualified safety inspector present, to observe the inspector's test and advise when the department's findings are inaccurate or when a challenge of the department's charges is appropriate. To rectify this situation, amending language is proposed which calls for reasonable advance notice of inspection when to do so would not hamper or defeat the purposes of the act.

The confusing and voluminous nature of OSHA standards presents a rather difficult situation for the average employer in trying to comply with every aspect of applicable regulations. This uncertainty and the resulting frequency of small fines is a source of considerable frustration to the business community, but hardly serves in any way to materially improve worker safety and health. The authority to levy fines for nonserious violations during an initial inspection is not necessary for the accomplishment of the goals of the act and has proven to be merely an irritant. As a step toward fostering an improved relationship between OSHA and the employer, I think this authority should be terminated.

In a further effort to insure that enforcement will be characterized by reasonableness, the act should be amended to allow exceptions from standards in cases when it can be demonstrated that the regulation is not applicable to a particular work situation. Also penalties should not be incurred if successful alternative protective measures have been put into operation or if it is clearly evident that the employer has fully met his responsibilities under the act and lack of compliance is attributable to employee actions.

In examining the current operation of the appeal process, there is an evident need for more workable and equitable procedures in contesting a citation. Needed changes that are proposed include increasing the period of time in which an employer may decide to contest from 15 to 30 days; stipulating that an employer may withdraw from a proceeding at any time previous to the conclusion of a hearing without change in citation; and limiting the jurisdiction of the OSHA Review Commission to be that of upholding, reducing or dismissing penalties; not adding increased penalties.

Along with changes in administrative procedures, I feel the law should be redefined in respect to the role of both the employer and the Occupational Safety and Health Administration in correcting safety or health hazards. The guiding principle in determining and applying standards must be the development of requirements that work to solve the problem. They should not reflect a preconceived disposition toward certain methods or controls on the part of the regulating agency. In most cases there are at least several ways of eliminating a hazard and the employer, who must live with whatever approach is taken, should be the decisionmaker in choosing which means will be employed as long as the goals of the Occupational Safety and Health Act are served. The bill would provide the employer with the flexibility to determine within the scope of available options what means to use in protecting employees.

A redirection is also in order for the Occupational Safety and Health Administration from the more punitive nature of current operations to a more constructive role in assisting the employer to meet standards. To that objective, the act should be amended to require that the Department in issuing citations will also provide guidance as to how the violation may be corrected.

The lack of such guidance in the past has been a particular problem for the smaller businessman, not well acquainted with the mechanics of dealing with a Federal agency, and often at a loss in determining what effort at compliance will be acceptable to the Department and yet reasonable in terms of his own financial resources.

One final area for change that should prove of considerable importance in facilitating compliance is that of instituting onsite consultations by the Occupational Safety and Health Administration. Current problems with compliance stem in a large measure from the lack of any real assistance from the Federal Government in the task of identifying and correcting possible safety or health hazards. At present, the Occupational Safety and Health Administration will not provide consultation without issuing citations for violations and quite naturally there are few requests for consultations of that nature.

The regulations are complex and technical and there is a definite need for a program of assistance in order to achieve compliance. This is especially vital for the smaller employer, financially unable to engage the services of a professional safety consultant. As one Florida businessman wrote me:

> We are doing our best and would like to have the health and safety inspectors helping us with consultation rather than further burdening us with fines.

I am sure that Congress, in enacting the Occupational Safety and Health Act of 1970, was interested in the improvement of working conditions and not in seeing how many fines could be levied. As I have repeatedly indicated, OSHA and business must work together to achieve the goals of the act and a system in which the only way to receive help is to run the risk of fines hardly serves to encourage the development of such a partnership.

What is needed is a more constructive role for OSHA in providing assistance to the employer in meeting the objectives of the law. Proposed is that the present training and employee education provision in the act be broadened in scope to include technical assistance. The agency would be directed to initiate onsite consultations and provide advice at the request of employers and be required to make recommendations for eliminating hazards. The addition of this function will meet a very real need that has become evident since the passage of the Occupational Safety and Health Act.

I believe these amendments to the Occupational Safety and Health Act of 1970 are necessary to the achievement of effective worker protection. I urge prompt consideration of this bill by the Senate Labor and Public Welfare Committee.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today be printed in the RECORD to be followed by a section-by-section analysis.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Act Amendments of 1975".

SEC. 2. (a) Section 6(b)(2) of the Occupational Safety and Health Act of 1970 is amended by inserting at the end thereof the following: "The Secretary shall not propose any rule promulgating a new occupational health or safety standard before (a) he has as part of each such proposal reviewed and published in the Federal Register the financial impact of such proposed standard and (b) has determined with due regard for that impact that the benefit to be derived from such standard justified such proposal".

(b) Section 6(b)(4) of such Act is amended by inserting "(A)" immediately after the subsection designation and adding a new subsection 6(b)(4)(B) as follows:

"(B) No standard adopted or promulgated under this section shall require any employer to phase out, change, or replace existing equipment or facilities before the normal useful life of that equipment or facility has expired unless failure to so phase out, change, or replace that equipment or facility prematurely would result in a serious violation as defined in section 17(k)."

(c) Section 6(b)(7) of such Act is amended by inserting immediately after the period in the second sentence the following: "Such protective equipment, controls, and technological procedures may be utilized by the employer at his option where (a) the selected options will afford adequate protection to the employee and (b) the use of such equipment, controls, or procedures do not create a new danger to the health and safety of the employees affected".

(d) Section 6(c)(1) of such Act is amended by deleting the existing language and substituting the following language: "The Secretary shall provide, without regard to the requirements of chapter 5, title 5, United States Code, for an emergency standard to take effect immediately after publication in the Federal Register if he determines (A) that there is clear and recognized evidence of employees being exposed to serious danger from exposure to substances or agents determined to be toxic or physically harmful or from new hazards, and (B) that such emergency standard is necessary to protect employees from such danger".

SEC. 3. (a) Section 8, subsections (b), (c), (d), (e), (f), (g) of the Occupational Safety and Health Act of 1970 are redesignated as subsections (c), (d), (e), (f), (g), (h), respectively. A new section 8(b) of such Act is added to read as follows:

"(b) The Secretary shall provide at least twenty-four hours advance notice to the employer to be inspected that an inspection will be made where (1) such notice would afford the employer an opportunity to have qualified management personnel or consultants present during the inspection and (2) where the Secretary has determined that such notice would not unreasonably hamper or defeat the purposes of this Act.".

(b) Section 2(b)(10) of such Act is amended to read as follows:

"(10) by providing an effective enforcement program;"

SEC. 4. (a) Section 9(a) first sentence of the Occupational Safety and Health Act of 1970 is amended by inserting before the period the following: "and shall where practicable suggest a course or courses of action which if implemented would correct the violating condition or process".

(b) A new section 9(b) of such Act is added to read as follows:

"(b) Any employer inspected under section 8 who has been found to be not in compliance with any rule or standard adopted or promulgated under sections 6 (a), (b), or (c) shall not receive a citation or penalty for such violation if he is able to show (1) that implementing such rule or standard would not materially affect the safety or health of his employees in the facility inspected, (2) he has employed alternative procedures to protect his employees from the hazards contemplated by the rule or standard which are as effective in protecting the safety and health of his employees, or (3) the employer furnished adequate notice and exerted all reasonable efforts, pursuant to such regulations as the Secretary may prescribe, to obtain the compliance of his employees and the violation of the Act was attributable to such employees and the employer could not otherwise have reasonably prevented the violation."

(c) A new section 9(d) of such Act is added to read as follows:

"(d) A citation which is not issued in accordance with the provisions of section 8 (a) and 8(e) shall be of no force or effect."

SEC. 5. (a) Section 10(a) of the Occupational Safety and Health Act of 1970 first and second sentences, section 10(b) first and second sentences of such Act and section 10 (c) first sentence of such Act are all amended by deleting the words "fifteen working days" and substituting in place therefor the words "thirty working days".

(b) Section 10(c) second sentence of such Act is amended by striking the word "modifying" and substituting in place therefor "reducing";

(c) Section 10(c) third sentence of such Act is amended by deleting the word "Secretary" and inserting therefor "Commission".

(d) Section 10(c) of such Act is further amended by adding immediately after the period at the end of that subsection the following: "Any employer who has notified the Commission that he intends to contest a citation issued under section 9(a) or notification issued under subsection (a) or (b) of this section may withdraw the same at any time prior to conclusion of a hearing thereon and upon so doing the citation and assessment, as proposed, shall be deemed a final order of the Commission and not subject to review by any court or agency".

(e) Section 11(a) of such Act is amended by striking the fourth sentence and substituting therefor the following: "The commencement of proceedings under this subsection shall operate as a stay of the order of the Commission for the lesser of 90 days or until such time that the court has ruled on the request for such stay".

SEC. 6. Section 17 of the Occupational Safety and Health Act of 1970 is amended by striking subsection (c) and redesignating subsection (d), (e), (f), (g), (h), (i), (j), (k), (l) as subsections (c), (d), (e), (f), (g), (h), (i), (j), (k), respectively.

SEC. 7. (a) Section 21 of the Occupational Safety and Health Act of 1970 is amended by changing the heading to read as follows:

"TRAINING, EDUCATION, AND TECHNICAL ASSISTANCE

(b) Section 21 of such Act is further amended by inserting at the end thereof the following new subsection:

"(d) (1) In order to further carry out his responsibilities under this section, the Secretary shall visit the workplaces of employers for the purposes of affording consultation and advice to such employers. Such visits (A) may be conducted only upon a valid request by an employer for consultation and advice at the workplace on the interpretation or applicability of standards or on possible alternative ways of complying with applicable standards, and (B) shall be limited to the matters specified in the request affecting conditions, structures, machines, apparatuses, devices, equipment, or materials in the workplace. Where, after evaluating a request by an employer pursuant to this subsection, the Secretary determines that an alternative means of affording consultation and advice is more appropriate and equally effective, he may provide for such alternative means rather than onsite consultation.

"(2) The Secretary shall make recommendations regarding the elimination of any hazards disclosed within the scope of the onsite consultation. No visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no notices or citation shall be issued nor shall any civil penalties be proposed by the Secretary upon such visit, except that nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers.

"(3) Nothing in this subsection shall be deemed to require the Secretary to conduct an inspection under section 8 of the Act of any workplace which has been visited for consultative purposes. The failure of the Secretary to give consultation and advice regarding any specific matter during a consultation visit shall not preclude the issuance of appropriate citations and proposed penalties with respect to that matter."

SEC. 8. This Act shall take effect sixty days after the date of its enactment.

SECTION-BY-SECTION ANALYSIS

EXPLANATION OF SECTION 2(a)

Many of the standards in effect do not materially affect worker safety or health, yet are extremely costly to the employer. This amendment would not dictate that the Secretary could not continue to promulgate these regulations which afford minimal worker protection regardless of cost; however, it would force the Labor Department to openly recognize the cost-benefit ratio and, more importantly, would also provide employers with some of the information necessary to make a reasoned judgment as to whether or not they should contest the standard itself in the courts under Section 6(f) of the Act.

Additionally, this proposal would require the Secretary to ascertain which industries were directly affected by the proposed rule (in order to compute cost) and would therefore directly assist the Secretary in any attempts to promulgate standards on a vertical industry basis as opposed to the "across the board" coverage found in most standards in effect.

EXPLANATION OF SECTION 2(b)

This section would establish "grandfather clauses" for equipment and facilities which are often expensive to phase out and yet do not represent dangers of any magnitude to employees. Legislation that has severe financial impact often has reasonable delay dates in its implementation; however, the safety law had only brief delays for the legislation itself and in most cases, only an additional short delay for educational purposes where the regulations affected capital investments.

A review of testimony offered in support of the bill as originally passed shows that the necessity to pass this law was based on employee exposure to what are considered "serious violations". The suggested amendment would not delay the implementation of the law in favor of capital investments where those type of violations were concerned.

EXPLANATION OF SECTION 2(c)

This change suggests that once the objective criteria regarding employee health is determined by the Secretary, the employer would determine within the scope of available options which ones he would employ to protect the employees. For instance, a paint spray booth, under the regulations, might have to be ventilated with exhaust fans when in use, although not any one employee would spend more than one hour in the area. *Requiring* this expensive ventilation equipment (plus the anti-pollution equipment which might be required due to EPA regulations) would not seem practicable when the use of respirators would protect the employee just as well, assuming that use of the respirator did not represent a separate health hazard.

The noise problem is also indicative of the unjustified impact of restricting an employer to certain methods of abatement. *Requiring* engineering controls to be used before the employer is allowed to employ personal protective devices (ear plugs or muffs) is far less practicable and affords no more safety to the employee. This inequity is magnified when one considers that *after* employing these controls the problem may only be partially abated and the employer would have to go to personal protection anyway as a last resort.

EXPLANATION OF SECTION 2(d)

The suggested amendment would make one change to the existing law regarding emergency standards.

Emergency standard making which is without the protections of the Administrative Procedures Act, would only be employed where there was clear evidence of such a need.

EXPLANATION OF SECTION 3(a)

The change to Section 8 of the Act would give the employer an opportunity to have a qualified safety professional at the facility during the time of inspection so that any tests to be made could be monitored by the employer. In many instances, especially tests of the environment, this opportunity to be sure the inspection is being properly conducted is necessary in order to provide an effective defense to the Department's charges should a contest be undertaken by the employer. Under the present law it is conceivable that although a test was made improperly, the employer, not having a professional at the scene, would not know whether the results were accurate, and might thereby agree to paying a fine which should not have been proposed in the first instance.

The fear that employers would use this opportunity of advance notice to correct violations is overstated and, in any event, could be met by issuing citations for violations that have been evaded under Section 9(c) of the law, with the compliance officer being informed of these "quickie" abatements during the walk-around.

It should also be noted that employers who would be intent on taking advantage of this advance notice can presently refuse admission to their plants without penalty. The Labor Department's internal procedures contemplates that in such a situation a court order be sought to obtain entry; however, there is not any penalty to the employer for forcing this action. The net result would be to provide the business with 24-48 hours advance notice of the second inspection.

EXPLANATION OF SECTION 4(a)

This amendment would require the Department of Labor, where not impracticable, to *suggest* a course of action which would correct the cited violation. This would, in effect, provide a small, yet oftentimes necessary, insight into what the Labor Department will accept as reasonable abatement of the violating condition, although it would not bind the employer to use that course of action to the exclusion of any others he may feel are more suitable in correcting the condition.

EXPLANATION OF SECTION 4(b)

This new Section 9(b) would cover those situations where standards are in effect to cover a contemplated hazard that does not exist in some facilities. By giving the employer the right to show the standard need not apply to his workplace, much of the harm that has resulted from implementing broad horizontal standards could be alleviated. Additionally, this new Section 9(b) would allow an employer to protect his employees with alternative safety measures other than those contemplated by the standard. The present law rarely provides for performance standards as opposed to specification standards. This results in requiring employers to protect employees only as the regulations suggest although there may be less costly and just as effective methods of meeting the problem.

There is a procedure in Section 6(d) of the Act for obtaining Labor Department approval of alternative methods through a permanent variance; however, it is a cumbersome and time-consuming approach for the employer and would probably involve substantial aggregate legal costs to small employers who do not have the expertise or the in-house manpower to file petitions. In any event, once cited for a violation of a standard the burden should be on the Secretary to show that there was in fact an unsafe condition.

The change would also recognize that the Congress does not intend to hold the employer to a test of strict liability whenever a violation occurred. Although the Review Commission has recognized in several cases that the employer cannot absolutely insure employee compliance the Labor Department continues to cite for violations created by employees against express instructions.

EXPLANATION OF SECTION 4(c)

This change is intended to restate the Congressional directive in Section 8 that citations would *only* be issued after an inspector had formally established his presence at the worksite and that inspections were to be conducted with walkaround rights afforded to both employers and employees. There have been several cases where this directive of the Congress has been ignored by the Secretary.

EXPLANATION OF SECTION 5(a)

This section would change the period of time in which an employer must decide upon whether or not to contest a citation from 15 working days to 30 working days. The 15-day period is far too short and inconsistent with most other laws affording due process in the appellate area. The change would also work to relieve employers, the Labor Department, and the Review Commission of the unnecessary appeals which are filed quickly because there is insufficient time to consider the merit of the citation and penalty.

EXPLANATION OF SECTION 5(b)

This change would further amend Section 10(c) of the law by indicating that the Review Commission was in the position of upholding, reducing, or dismissing penalties proposed by the Department. In approximately 10% of the cases that have gone to a full hearing the word "modifying" has been taken to mean by the Commission that they had the authority to raise penalties which were being contested by the employer.

The Commission was established to afford "relief" to employers appealing orders from the Secretary where they thought the penalty was too high. Subjecting employers to the possibility of a higher fine after a hearing is not only contrary to the intent of Congress but has a chilling effect on exercising the right of appeal.

EXPLANATION OF SECTION 5(C)

The law is unclear in 10(c) as to who hears appeals for extensions of abatement periods. The change would validate the existing practice of having the Commission rule on these appeals.

EXPLANATION OF SECTION 5(d)

This change would guarantee employers who have appealed orders of the Secretary the right to withdraw from the case at any time prior to their hearing without subjecting themselves to any conditions except to do exactly what he would have had to do if he had not asserted his right to a hearing.

A paper-pushing practice has mushroomed at the Commission which makes it difficult for anyone to withdraw from a case unless he has the services of a lawyer. No one should be penalized simply because he availed himself of his constitutional right to a hearing nor be subjected to a maze of Government red tape for no apparent reason.

EXPLANATION OF SECTION 5(e)

Section 11(a) of the Act would be changed to continue the stay of the Secretary's order if affirmed by the Commission or grant a stay of the Commission's decision if the employer appeals to the appropriate Court of Appeals for at least 90 days or until the Court has ruled on the request for the stay. The Court has discretionary power to grant relief in this manner; however, there is not any provision for staying the order of the Review Commission until at least the employer is informed of whether or not the court shall exercise their discretion and grant a continuing stay until resolved by the judiciary. The law as passed has a chilling effect on the employer's right of appeal as penalties for failing to abate past the date of the Review Commission's decision could result in fines as high as $1,000 per day.

EXPLANATION OF SECTION 6

Removal of Section 17(c) of the law would, in effect, remove the Department's authority to penalize employers for violations considered to be non-serious upon a first inspection. It is these non-serious violations which result in relatively minor penalties that have contributed substantially to the outrage of employers. Businesses are being fined for relatively insignificant violations without having been informed of some of the requirements of the standards and although the right to appeal is present, it is far more expensive to contest than to pay the penalty proposed by the Department of Labor.

EXPLANATION OF SECTION 7

The suggested language would specifically direct the Secretary of Labor to provide onsite consultation to employers without the authority to issue citations for violations found on these employer initiated visits. The amendment would not affect the Secretary's right to seek injunctions for hazardous conditions representing "imminent dangers." The Secretary is also required to suggest methods of eliminating any hazards disclosed to the employer.

Failure of the Secretary to disclose violations on this consultative visit would not preclude the issuance of citations on a subsequent Section 8 inspection. Such failure, however, coupled with the employer's request for consultation, should be of significant value on appeal based on a "good faith" argument as provided under Section 17(j) of the Act.

By Mr. CHURCH (for himself and Mr. JACKSON, Mr. RANDOLPH, and Mr. MAGNUSON.

S. 456. A bill to authorize appropriations to carry out the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878) for Fiscal Year 1976, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CHURCH. Mr. President, I introduce for appropriate reference legislation to authorize funds to be appropriated to expand substantially the funding for nonnuclear energy programs in the new Energy Research and Development Administration (ERDA). I am joined in cosponsorship of this measure by the distinguished Senators from Washington (Mr. JACKSON and Mr. MAGNUSON) and the distinguished Senator from West Virginia (Mr. RANDOLPH).

During the 93d Congress the Committee on Interior and Insular Affairs played a lead role in the passage of several landmark laws establishing new research and development programs in nonnuclear energy technologies, including solar and geothermal technologies. Foremost among these new laws is the Federal Nonnuclear Energy Research and Development Act of 1974 which I cosponsored.

This new law sets forth the congressional policies and authorities which will guide ERDA in carrying out the Federal nonnuclear research program. The nuclear research program, of course, will continue to be guided by the provisions of the Atomic Energy Act.

Furthermore, the Federal Nonnuclear Energy Research and Development Act of 1974 establishes a procedure of annual authorizations of appropriations for the ERDA nonnuclear programs. In the forthcoming authorization procedure for the initial fiscal year budget for the consolidated programs, the Congress must give particular attention to the ERDA nonnuclear energy programs to insure that the policies set forth in recent legislation are implemented. Such implementation will insure that ERDA achieves a proper balance and direction in its programs.

The intent of the measure we are introducing today is to provide an early expression of the extent of congressional support for the nonnuclear energy programs. The President's budget will be transmitted to the Congress in a few days, and the responsible committees will then begin to examine, in detail, the adequacy of the proposed budget and program for ERDA.

As the chairman of the Subcommittee on Energy Research and Water Resources, I can assure my colleagues of my own intent to carefully consider ERDA's nonnuclear research proposals in detail. New technologies which can be developed through aggressive Federal support for energy research and development offer the only long-term solution to the energy problems which beset up today.

It is unfortunate that we did not have the foresight to begin this effort years ago. If we had, there would now be many more options to choose from in solving our present dilemma. We must now be certain that no more time is lost. The energy research and development effort must not be allowed to falter at the outset.

Mr. JACKSON. Mr. President, I am cosponsoring today legislation to authorize funds to be appropriated for carrying out the provisions of the Federal Nonnuclear Energy Research and Development Act of 1974 which was an important piece of legislation handled by the Committee on Interior and Insular Affairs during the last Congress.

A number of nonnuclear energy research programs are being transferred to the new Energy Research and Development Administration (ERDA) from several other departments and agencies. For the fiscal year 1975 the total budget authority for the programs to be transferred is nearly $500,000,000. This figure is substantially above the $200,000,000 spent on such programs the previous fiscal year. However, in order to achieve the option of energy selfsufficiency in the next 10 years, we must greatly increase the level of funding for nonnuclear energy programs for several more years. In passing the Federal Nonnuclear Energy Research and Development Act, the Congress has already expressed its intent to spend $20 billion over the next 10 years in support of nonnuclear energy research.

Accordingly, in this bill there is proposed an authorization of $800 million for the fiscal year 1976 for the basic program. If the administrator of ERDA proposes major demonstration plant projects requiring a Federal investment of more than $50 million each, these proposals will be authorized separately as required by the act.

I anticipate that the administration will make further recommendations concerning the appropriate level of appropriations for these programs. The Senate Committee on Interior and Insular Affairs will conduct careful and complete hearings before reporting a final recommendation on the amount to the Senate. Further refinements in the authorization may be necessary to reflect changes in emphasis for certain programs when the internal organization of ERDA is finalized.

If we are to save our economy from the ravages of imported oil prices, we must move forward with a sense of great urgency on the development of alternative energy sources. It is essential that the first year of coordinated research and development in nonnuclear energy reflect the urgency and balance necessary to the future of the program.

By Mr. JAVITS:

S. 457. A bill to extend Section 167(k) of the Internal Revenue Code. Referred to the Committee on Finance.

Mr. JAVITS. Mr. President, I introduce for appropriate reference a bill to extend section 167(k) of the Internal Revenue Code, relating to a past write-off of rehabilitation expenses in low and moderate income housing. This section was extended for 1 year on a temporary basis but a full extension is needed with improvements. My bill does just that.

In the Tax Reform Act of 1969, Congress enacted section 167(k) of the Internal Revenue Code as an incentive for the rehabilitation of low- and moderate-income housing.

This section applies when a taxpayer makes capital expenditures of at least $3,000 per unit in the rehabilitation of low- and moderate-income housing over a 2-year period—rehabilitation expenditures. For this purpose, low- and moderate-income housing is defined, in general, as housing rented to persons whose adjusted incomes are not in excess of 90 percent of the income limits for assistance under section 221 of the National Housing Act. (Treas. Reg. § 1.167 (k)-3(b)(2).)

Under section 167(k), a taxpayer may elect to depreciate rehabilitation expenditures of up to $15,000 per unit over a 60-month period—with no salvage value—using the straight line method of depreciation. Any balance of the taxpayer's rehabilitation expenditures is depreciable under the normal methods of depreciation and over the normal useful lives. The 60-month period was based upon the 60-month amortization period enacted by Congress for defense expenditures during World War II and the Korean war.

Section 167(k) was premised on a finding that it was necessary to provide greater incentives for the development of rehabilitated low- and moderate-income housing than for the development of new low- and moderate-income housing. Thus, a 1967 HUD report to Congress concluded that a rehabilitation project is far more risky and difficult for the developer and manager because it is generally located in the core of a poverty area and, therefore, poses special relocation, construction and managerial problems.—See HUD, Report on Rehabilitation Programs to Senate Committee on Banking and Currency, 90th Congress, 1st Sess. VII (1967).*

In supporting Section 167(k) on the floor of the Senate, Senator Carl Curtis stated, among other things, that:

> A 5-year writeoff of this nature is a powerful and effective incentive to rebuilding and rehabilitating existing housing facilities. It will result in a rehabilitation of deteriorating neighborhoods and slum areas. It will do this with private capital, saving the taxpayers' money.
>
> The provision is strongly supported by the Department of Housing and Urban Development and by the Treasury Department. Mr. President, in view of our housing crisis and the condition of our inner cities, we cannot afford not to provide an incentive of this nature to rehabilitation of our existing large supply of apartment buildings and other rental housing facilities. These facilities have been allowed to deteriorate to such an extent that they are frequently no longer useful or adequate for family use. (15 Cong. Rec. 37884 (Dec. 9, 1969) (remarks of Senator Curtis)).

Since 1969, over 100 rehabilitation projects have been undertaken with financing from two sources:

A mortgage loan which was:

First, insured by the U.S. Department of Housing and Urban Development—HUD—under section 236 or 221 of the National Housing Act; or

Second, made directly by a State or local housing finance agency; and

Equity contributions of investors—generally in limited partnership form—based upon the section 167(k) incentive.

The actual results of these projects have been generally what one might expect in such an innovative and risky program, that is, many false starts, but also major successes that validate the program and show the potential for far broader results in the future.

On the negative side, many "quick buck" operators were attracted to the rehabilitation programs with a view toward realizing substantial undeserved profits either by:

Building the project at a lower cost than the agreed construction price—under a Government loan program which did not require cost certification; or

By selling the equity interests without apprising the investors of all the facts.

In addition, many inexperienced groups—profit and nonprofit—attempted to use the rehabilitation program to learn the development and contracting business—and generally lost the Government's money as well as their own.

On the other hand, there have been some stunning examples of success in using the rehabilitation process to achieve the goals of the housing programs.

The positive results are typified by those achieved in a 700-unit project in Williamsburg, Brooklyn, N.Y., developed by Kraus Enterprises, Inc., which was financed by loans from the city of New York and assisted by rent supplement payments from HUD.

Broad scale rehabilitation projects in New York and Boston were also successfully undertaken by Continental Wingate Corp. with mortgage financing insured by HUD under section 236.

Section 167(k) is a necessary incentive for equity investment in a highly difficult and risky activity. It is explicitly mentioned as the incentive for rehabilitation in HUD's proposed regulations for section 23 leasing of rehabilitated housing. (24 CFR § 1276.3(n)(2).) Clearly, apart from this tax incentive no one would invest in a rehabilitation project, since:

The maximum allowable return from rents is only 6 percent and is rarely, if ever, realized in full; and

Because of the location and dependence on Government rental assistance, there is little, if any, chance of the investor recovering his equity commitment on a future sale.

Critics of section 167(k) have prepared hypothetical tables indicating that:

First, investors in a rehabilitation project make the minimum required equity investment of 11 percent of the Government loan and realize a substantial yield on said investment, and

Second, inconsistently, there are further equity contributions by the investors which represent an additional profit—the so-called "premium"—to the developer/contractor over and above any fees included in the Government loan.

It appears, however, from testimony before the House Ways and Means Committee, that the actual pattern is far different from these hypothetical calculations. The only witness submitting a detailed statement as to numerical results in a section 167(k) project stated that:

> 1. Equity contributions by the investors equal to over 20% of the government loan will often be necessary to cover all costs of completing the project (including the cost of the developer's organization which performs the functions of land assembly, management pending rehabilitation, relocation and rent-up losses).* At the 20% plus equity level, the investors' yield is at a reasonable level.
>
> 2. If long delays and difficulties are encountered (as they generally will be in this type of venture), the developer/contractor may not—even at a 20% plus contribution level—realize any significant net compensation after expenses for its work on the project. (See letter to the Committee dated February 13, 1973 from Stephen S. Ziegler, Esq.)

This statement is supported by the Little study, which stated that in view of the many potential pitfalls, it is not clear whether the tax benefits are "a sufficient incentive to encourage large producers to participate in rehabilitation." (Arthur D. Little, Inc., "Project Rehab Monitoring Report—Overview," p. 176 (HUD Report F. May 22, 1971). See also Belin, "Real Estate Rehabilitation: A New Tax Incentive; The Tax Rules," N.Y.U. 29th Inst. on Fed. Tax. (Pt. 2) 1055, 1066–67 (1971).)

The necessity for extending the section 167(k) incentive is demonstrated by plans currently being made by the Williamsburg developer—with the New York State Division of Housing and Community Renewal—for a far larger project in the South Bronx area of New York City. The required financial backing, and bonding, for this massive project are to be provided by a major life insurance company—which will be compensated from the equity contributions of the investors. If section 167(k) is not extended, the 1976 and later stages of this project cannot proceed—for the basic reason that there will be no funds available to pay the financial backer.

The question might be raised, of course, as to whether certain of the abuses of the past 5 years might not recur in the future if section 167(k) were extended. In fact, however, HUD, the State and local housing finance agencies, the SEC and the blue sky authorities have already instituted controls to stop these abuses, including:

First, strict cost certification requirements;

Second, increased bonding requirements;

Third, requiring that the developer and manager show a significant "track record" before granting a project loan;

Fourth, insistence on the advance submission of a management plan and promulgation of detailed guidelines on project management; and

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* These conclusions were recently confirmed in Arthur D. Little, Inc., *Project Rehab Monitoring Report—Overview,* 68–70 (HUD Rep. F-22, May 1971) (the "Little Study").

*The Little Study confirms the difficulty and magnitude of these functions and the fact that the government loan does not contain any compensation therefor (see especially pp. 180–81, 197, 217).

Fifth, guidelines for disclosures in prospectuses offering equity interests.

Indeed, I am recommending that still further controls be added to section 167(k) in the extending legislation, that is:

First, the section should apply only when, under a HUD, State or local program:

The owner is limited as to rental charges and net income;

Cost certification of development costs is required; and

Construction and development fees payable from mortgages proceeds are limited to specified percentages of other costs.

These conditions are stricter than those now embodied in sections 1250(a)(1)(C) and 1039(b)(1)(B) which define qualified low- and moderate-income housing for purposes of different rules for taxation of gair by sale. The conditions will assure that the tax incentive will be granted only when the owner's economic return is limited.

Second, the section should be limited to a situation in which the owner is taking a major developmental risk. A minimum requirement should be the rehabilitation of over 20 units in a 2-year period. The minimum rehabilitation expenditure per unit should be raised from $3,000 to $8,000.

Third, the $15,000 limit on costs eligible for 60-month depreciation should be increased to $20,000. This is necessary to keep the incentive apace with the increase in "brick and mortar" construction costs since 1969.

Fourth, it has been asserted that the present tax structure does not assure long term interest in project management. To overcome this objection, I would recommend the following changes in the rules under section 1250 governing the tax consequences of a disposition of a Section 167(k) project:

The gain realized on a foreclosure at any time during the first 200 months of operations should be fully taxed as ordinary income, thus providing a strong incentive for the developer and investors to have a continuing interest in the operations of the project.

Under—existing law section 1250(a)(1)(C)(iv)—the percentage of section 167(k) additional depreciation subject to tax at ordinary income rates on a deposit would otherwise decline by 1 percent per month after 100 months.

The gain on the sale of the project should be fully taxable as long term capital gain—even if the project has not yet been held for 200 months—when all of the following requirements are met:

The project was developed by the owner and held by it for at least 120 months;

The sale is made to a tenants' cooperative, with the approval of HUD or the State or local agency;

The aforesaid approval contains a finding by the agency that the cooperative was actually exercising management functions under a management contract with the owner for the 3 years preceding the sale; and

All mortgage payments coming due beginning 1 year after cost certification, were made when due.

These provisions will provide the owner with a substantial incentive to gradually and responsibly groom the tenants for the assumption of management of the project.

With the foregoing changes, I believe that extension of section 167(k) for a further 5-year period is greatly needed. Such an extension will make possible a far broader use of rehabilitation in furnishing decent housing—at a reasonable price—to low-income working families. It will enable us to build upon the experiences of the past 5 years—in achieving even better results in the future.

By Mr. JAVITS:

S. 458. A bill to provide minimum standards in connection with certain Federal financial assistance to State and local correctional, penal, and pretrial detention institutions and facilities. Referred to the Committee on the Judiciary.

S. 459. A bill to assist urban criminal justice systems on an emergency basis in those cities where personal security, economic stability, peace and tranquility are most impaired and threatened by the alarming rise in the commission of serious crime. Referred to the Committee on the Judiciary.

S. 460. A bill to provide assistance to State and local criminal justice departments and agencies in alleviating critical shortages in qualified professional and paraprofessional personnel, particularly in the corrections components of such systems, in developing the most advanced and enlightened personnel recruitment training and employment standards and programs, and for other purposes. Referred to the Committee on the Judiciary.

STRENGTHENING OF THE CRIMINAL JUSTICE SYSTEM

Mr. JAVITS. Mr. President, I introduce today three bills to strengthen our criminal justice system; in substance, bills I introduced in the 93d Congress.

Americans throughout the Nation continue to be deeply troubled about the condition of our system of criminal justice and its capacity to safeguard the rights of all, while protecting our people from crime and the fear of crime. In 1968, Congress set a priority for national crime control, a priority for making our streets safe and our homes secure. We have witnessed a tremendous increase in the allocation of Federal resources to crime control and crime prevention programs.

The latest statistics from the Uniform Crime index of the FBI show that serious crime is increasing at the rate of 1 percent per year—the lowest reported rate increase since 1960. Several major cities—including New York City have recently reported an actual reduction in certain categories of violent crime. Nevertheless, there is no doubt that our society still bears much too heavy a burden in the cost of crime and its related problems.

Despite the progress that has been made, we know that we will confront almost chaotic conditions in many parts of our criminal justice system—particularly in our local criminal courts and in the Nation's prisons.

We know that many of the old assumptions and practices about criminal justice have properly been questioned. We know also that there can be no real safety or security, or any lasting solution to the problem of high rates of crime unless we deal effectively with the problem of the repeat offender. And we cannot begin to deal with recidivism as long as we fail to recognize that a basic respect for the humanity of every man must be the hallmark of any humane system of justice.

In the area of drug abuse and narcotic addiction, I have long supported an extensive Federal, State, and local commitment to the treatment and rehabilitation of drug users in order that they may be returned to society as productive and useful citizens. In order to complement these efforts, I recently introduced two bills, S. 1137 and S. 1138 designed to increase the capability of our law enforcement agencies and our courts to deal more effectively with the professional, high volume narcotics trafficker.

The three bills I introduce today are designed to deal with other aspects of our national crime problem. These measures deal with the problems of prisoners' rights and criminal recidivism; the shortage of qualified custodial and rehabilitative corrections personnel, and emergency funding for local criminal justice reform. The bills are:

The National Corrections Standards Act;

The Emergency Crime Reduction Act; and

The Criminal Justice Professions Development Act.

The corrections component of our criminal justice system still suffers from a plethora of ills: a lack of public support and understanding, piecemeal programing and understaffing, overcrowded, and unsanitary conditions, universal treatment of the prisoner as having few rights, a lack of facilities for job training and education, and totally inadequate funding.

The Congress must finally give immediate attention to this issue in all of its aspects. This includes corrections manpower development, corrections rehabilitation services, including job training and job placement, corrections education services, construction and renovation of correctional facilities, decentralized community corrections programs, and in my view, the critically important and traditionally neglected issue of prisoners' rights.

I have no illusions about the size of the problems attendant on effective correctional rehabilitation. There are hardened criminal offenders who are beyond any hope of peaceful reintegration into our society, and who will stubbornly resist our best efforts. And our people have a right to insist that they be protected from such offenders.

But there are many who can be rehabilitated and yet inhuman prison conditions inconsistent with our sense of justice and with any commonsense approach to the problem only lead to recidivism. The failure to recognize this, and to make it a fundamental operating principle within every jail, prison, correction, and detention facility in the Nation makes not sense from a moral, legal, or pragmatic view.

Morally, there is no basis for the proposition that the commission of a crime against society allows society to destroy the personal integrity of human beings by stripping away all of their legal and human rights. The idea that we should use prisons to sweep away what some might consider "human garbage" is repugnant to the very ethics upon which our Nation was founded.

Legally, the Federal courts have held that proportionality in punishment is a constitutional requisite and that inmates are protected from unreasonable action by corrections authorities by the due process and equal-protection provisions of the 14th amendment. The view that conditions in a jail alone can be so bad as to violate the eighth amendment ban against cruel and unusual punishment has gained new support in State and Federal courts in recent years.

Pragmatically, too, inmates should be treated as human beings. It violates commonsense to expect a man who has been brutalized and hardened to be kindly disposed to a society which has not only imprisoned him—and in some instances "caged" would be the more apt word—but which has tormented him as well.

Our corrections system cannot hope to do its job under the kind of conditions which are common in many prisons and detention facilities throughout the country. The variety of indignities commonly suffered by inmates ranging from sexual attacks, inadequate food, heat, and medical attention to the despair of men without hope debases and degrades our society as a whole in their eyes.

Unless our corrections system can impart to inmates a sense of ethical values—which is to say, some genuine belief in the humaneness of society, and its willingness to accept them as members if they will abide by its rules—no amount of new funding will reform the system and rehabilitate those who are within it.

Mr. President, we must therefore alter the structure of the prison system itself. The overall philosophy and policy that governs that system and the attitudes of the public, of corrections administrators and custodial personnel, and of inmates themselves are central to this issue. The relationship between staff and inmates, and a reexamination and sharpening of goals and fundamental objectives are matters which are really at the core of our problem with the American prison system. The Nation's corrections administrators, and those who have been committed to criminal justice reform must take a primary leadership role in this effort.

The first bill I introduce today, the National Correctional Standards Act, would establish national minimum standards of policy for the treatment of inmates and improved institution-inmate relationships. It was the subject of hearings last year in the National Penitentiaries Subcommittee, under the distinguished chairmanship of the Senator from North Dakota .Mr. BURDICK).

The standards would be developed—consistent with 13 general objectives set out in the bill—following public hearings, by an independent Commission appointed by the President, with the advice and consent of the Senate. Its members would be broadly representative of experience in fields related to corrections and criminal justice at the Federal, State, and local level.

Following presentation to the Attorney General, the standards could not be changed, except by majority vote of the Commission. It is important to emphasize that the standards would not be developed, legislated and mandated by Congress, but rather by those who have been closest to the problem.

The standards would then be applicable to LEAA which would administer all of its corrections grant programs under the act in accordance with the standards. They would also be applicable to the Federal prison system. The Commission would be required to complete its work within 1 year from the time of its appointment.

The bill provides that all State and local correctional departments must promulgate and implement within a reasonable time the minimum standards so established or face a cutoff of Federal funds from the Law Enforcement Assistance Administration.

The standards will deal not only with "legal rights," but also with the administrative policy standards that govern significant aspects of the daily existence of the inmate. The 13 general objectives that the bill sets out for consideration by the Commission can be summarized in four categories:

First, minimum standards to promote respect for the human rights of inmates. Here we are dealing with the basic needs of the prisoner for adequate food and medical care, sanitary living conditions, recreation facilities, hygienic needs and freedom from sexual attacks and abuse. They will also cover regulations pertaining to the sending and receiving of mail, including the opening, censoring, and confiscation of correspondence, the right to communicate with the outside world, at least with family and friends, access to legal assistance, the right to vote, and visiting privileges.

Second, standards will apply to the establishment of mechanisms to raise issues relating to the basic conditions under which inmates live, the improvement of such conditions, and the resolution of grievances of all kinds. There is a critical lack of communication between the inmates and the policymakers in the prisons. Some prison systems are now experimenting with a citizen ombudsman who fulfills this function. They will also deal with the publication and notice to inmates of rules governing their conduct and the conduct of correctional personnel, and procedures to be followed in adjudicating charges for violations, minimum and maximum penalties, and forms of punishment.

Third, standards will relate to the utilization and employment of professional and paraprofessional minority group personnel and to the provision of bilingual minimum education services. Race is clearly an extremely dangerous problem. Nearly all of the guards and prison officials in many prisons are white. Increasing numbers of inmates are black, Puerto Rican, and Mexican American. Racial antagonism is thereby reinforced and frequently sparks the flashpoint of prisoner unrest.

Fourth, standards will relate to special rules applicable to the incarceration or detention of those who have been charged with, but not convicted of, any crime, those who are juvenile delinquents and youth offenders, those who are felons and misdemeanants, and persons of different sex. In many local corrections systems, including New York City's thousands of persons detained prior to trial—all presumed to be innocent until proven guilty—live under more serious deprivation than those who have been convicted. We must begin to address this situation and provide realistically for the rights of such persons.

Mr. President, my second bill is the Criminal Justice Professions Development Act of 1975. I believe it to be an indispensable part of any comprehensive strategy to improve our performance in correctional rehabilitation. It is a necessary complement to the National Correctional Standards Act, which I have just introduced.

We cannot continue to ask our correctional departments and agencies at the State and local level to accept the kinds of responsibility we have long given to them without providing adequate resources for recruitment, training, and employment of their professional personnel.

We cannot ask them to raise their standards of performance and to take on more ambitious goals and profoundly difficult objectives without a commitment to respond on their issue.

The bill would amend the Omnibus Crime Control and Safe Streets Act of 1968 by creating a new part J, "Criminal Justice Professions Development." It would establish and support a national network of regional crime and delinquency centers which would serve as training institutions for students and practitioners of criminal justice, centralized channels for recruitment of criminal justice personnel, consultation centers for criminal justice agencies and relevant professional schools, and research centers for basic and applied studies of criminal justice.

The professional staff of such centers would be composed of personnel drawn both from the academic community, primarily in the fields of law, clinical psychology, psychiatry, social work, and public administration, as well as, from the practicing agencies of criminal justice.

The bill would also provide increased academic assistance for corrections systems, professional personnel, including probation and parole officers. A 3-year $35,000,000 authorization is recommended to provide assistance for study and training in academic subjects related to correctional administration and rehabilitative services.

The bill would also provide for the establishment of a Presidential Advisory Council on Criminal Justice Professions Development, an annual assessment of criminal justice manpower needs by the Attorney General, and authorize a national criminal justice professions recruitment program.

Recognizing that recruitment and compensation of new personnel is an absolute necessity, the bill would also authorize LEAA to make grants to State and local corrections departments and agencies to assist them in the recruitment, employment, and compensation of professional and para-professional personnel.

This would apply to administrative, custodial, rehabilitative, medical, and other personnel, consistent with criteria established by LEAA. In any event, not more than one-third of any grant could be expended for the compensation of custodial personnel.

Also, any grantee would have to provide adequate assurances that—

First, Federal funds would not be used to supplant State and local funds;

Second, personnel standards and programs reflect the most advanced and enlightened practices and objectives; and

Third, the applicant is making progress in improving the recruiting, organization, training, and education of personnel engaged in correctional activities.

In 1972 LEAA expended in block grants and discretionary funding over $18 million for personnel, recruitment, and training throughout the national criminal justice system. Under part E, providing exclusively for corrections improvements, the total expenditure was only $3,350,000. While there is some additional spending for corrections under part C of the act, the largest share of funds in this area has gone to the law enforcement component of criminal justice.

My bill would authorize an additional $40,000,000 for corrections during the next 3 years.

Mr. President, my third bill, the Emergency Urban Crime Reduction Act of 1975 seeks two basic objectives which I think are essential to any new grant-in-aid legislation in the criminal justice area:

First. Specific priority uses to which the funds must, in part, be put which are reasonably calculated to produce short-term results in reducing crime rates in urban areas.

Second. The initiation of some genuine long-term reform in each of the three component parts of the local criminal justice system—police, courts, and corrections.

The measure would concentrate a proposed authorization of $300 million for each of the next 3 years in the central cities having the highest crime rates in the country. The President would designate as many as 25 cities as "emergency crime areas."

This designation would be based upon the number of crimes per 1,000 inhabitants committed in each particular city. The figures used would be taken from the uniform crime reports published each year by the FBI. During each year, the selected cities would receive a direct grant based upon two factors: first, population; and, second, rank in the crime index.

Particular allocations would be based on both of these factors.

On the city level the funds will be administered by a Commission to be appointed by the mayor of each designated city. The Commission shall consist of a representative from the police force, a representative from the judiciary, a representative from the corrections department, and selected community representatives to reflect a cross section of the city on the Commission. The Commission will have flexibility within the three stated areas to determine the specific projects and the specific ways in which the city's grant funds will be spent. The cities will be encouraged to develop innovative programs in the three target areas and to make every effort to reduce the crime rate on an emergency basis.

The basic purpose of this legislation is to sharpen the focus of the fight against crime and to direct the necessary funds into areas where they are most needed. The overall administration of the program will be in the hands of the Justice Department and each year the designated cities will be required to file a report detailing what has been done in the three critical areas.

The only restriction on the use of the money allocated to the cities is that it must be used in three areas, for upgrading the police force, improving the court system, and revamping the correctional system.

The bill establishes priorities for specific anticrime programs, with one-third of each city's total allotment going for police, one-third for courts, and one-third for corrections. In each of these three areas priority projects may include, but are not limited to programs designed to:

First, strengthen the police component of the criminal justice system by utilizing civilian, unarmed, surveillance, and patrol teams in local areas, working under the direct supervision of police authorities, new police narcotics enforcement programs in city school systems, and administrative machinery of law enforcement agencies;

Second, improving the courts component by increasing the efficiency of criminal court procedures, providing alternatives to the bail bond system and establishing, on a trial basis, pretrial services agencies; and

Third, improving the corrections component by facilitating the recruitment and training of custodial and rehabilitative correctional personnel, as well as parole and probation officers, providing separate detention facilities for juveniles, including authorization to renovate existing correctional facilities and leasing additional facilities for such purposes.

Mr. President, these three bills or any other legislation are not the whole answer. The issue of crime in our society is the outgrowth of dramatic change in our society which must be confronted, in a larger sense, by the Congress, the States, our local communities, and the people themselves.

But so long as the misguided maiming of human beings remains institutionalized in our criminal justice system, so will the cycle of crime and punishment, and more crime, accelerate and trap us all.

The roots of the chaos in our penal system are in a misconception of what that system and our society should and must do for those who are consigned to exist with it. While the requirements of both human dignity and order within our prisons must be met, the lesson of the prison tragedies must be that human dignity and mutual respect cannot become the casualties of our emotions. For those on both sides of the issue who would use terror, fear, accusations, and polarizations we must deny them their opportunity to dictate our policy.

We need, instead, to be a people who will sustain a strong effort to insure a system of justice which will respect and encourage the full humanity of each man and woman within the prison walls, while recognizing the frustration and difficulties of those who are charged with the responsibility of true rehabilitation.

By Mr. WILLIAMS:

S. 461. A bill to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse. Referred to the Committee on the Judiciary.

ALIEN CHILD ADOPTION BY UNMARRIED U.S. CITIZENS

Mr. WILLIAMS. Mr. President, today I am introducing legislation to amend the Immigration and Nationality Act to grant an alien adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse.

In the past, I have authored legislation which provided assistance for the disadvantaged children of South Vietnam. Ten percent of the funds allocated were used to facilitate intercountry adoption. I am pleased to say that our interest has considerably lessened a once drawnout and frustrating adoption procedure.

The measure I am sponsoring is similar to H.R. 568, a bill introduced by Congressman KOCH. Although a similar bill was passed unanimously by the House, in the 93d Congress, it was not considered by the full Senate. Therefore, I am offering this legislation to facilitate its review in this Congress.

In addition, I joined my colleagues Senators CRANSTON and MONDALE, in cosponsoring legislation in the 93d Congress which promoted the health and welfare of children in need of adoption and alleviated the many obstacles obfuscating domestic adoption. However, legislative action on these measures was not completed and cumbersome domestic barriers remain which need to be overcome.

The numerous cases of unmarried U.S. citizens frustrated by their inability to adopt alien children has convinced me that there is a need to amplify our current laws to allow a greater number of qualified U.S. citizens the opportunity to adopt. Under existing law, section 101(b)(1)(F) of the Immigration and Nationality Act allows only married U.S. citizens, and not unmarried U.S. citizens, the right to petition for immediate relative status for an alien orphan intended to be or already adopted.

This distinction in the law has caused much suffering. For example, the American unmarried aunt or uncle, either single, widowed, or divorced, of an alien orphan cannot now obtain immediate relative status for her or his orphaned niece or nephew. Although many States now allow adoption by an unmarried person, this adoption is thwarted by an antiquated immigration policy.

Giving unmarried U.S. citizens the same rights as married U.S. citizens does not exempt a prospective parent from meeting the preadoption requirements of a State which must be met prior to approval of the immediate relative petition. The opportunity for increased adoptions would be expanded, but they would continue to be handled on a strict case-by-case basis.

I cannot overemphasize that State preadoption requirements must be met before a petition for an adopted child may be approved. This legislation in no way diminishes the responsibility of each State to execute its legal obligations. Moreover, present law vests approval authority of a petition in the Attorney General. This responsibility, too, remains in force.

Therefore, adequate safeguards exist including both State and Federal requirements which have been established to promote the best interests of the adopted child. My proposed legislation simply extends the alien child adoption procedure to unmarried U.S. citizens in a manner consistent with the law.

Mr. President, I would like to add that the concept of this legislation has received the approval of the Department of Justice and the Department of State. I am confident that this new emphasis on unmarried U.S. citizens will accelerate intercountry adoptions, and provide a substantial number of deserving children the advantage of a better and more stable life.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b)(1)(F) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)(F)) is amended—

(1) by inserting before "by a United States citizen" both times it occurs in such subparagraph the following: "by an unmarried United States citizen or", and

(2) by striking out "who have complied" in such subparagraph and inserting in lieu thereof "who has or have complied".

By Mr. RANDOLPH (for himself, Mr. JAVITS, Mr. KENNEDY, Mr. STAFFORD, Mr. WILLIAMS, Mr. CRANSTON, Mr. MONDALE, Mr. PELL, Mr. SCHWEIKER, Mr. TAFT, Mr. HOLLINGS, Mr. HATHAWAY, and Mr. HUMPHREY):

S. 462. A bill to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act. Referred to the Committee on Labor and Public Welfare.

Mr. RANDOLPH. Mr. President, in April 1974, I introduced S. 3378, a bill to provide assistance for the developmentally disabled and to establish a bill of rights for the developmentally disabled. Most of the members of the Subcommittee on the Handicapped joined in this action.

That legislation was our response to a full review of the developmental disabilities program by the General Accounting Office. I had requested this study on behalf of the Subcommittee on the Handicapped, and we received the two-volume report from the GAO 1 year ago. The report concerned itself with the administration of this legislation at the Federal and State levels and its impact and effect on the individual consumer—the person afflicted with a developmental disability.

S. 3378 was designed to assist the States in developing a comprehensive plan for services to developmentally disabled individuals, a plan which would bring together all of the resources in a coordinated way so that there would be an array of services without duplication of efforts. We worked diligently on this legislation; and when the Senate passed S. 3378 on October 1, 1974, I believed it to be an innovative and intelligent measure which, when enacted, would result in significant progress in serving developmentally disabled persons.

Unfortunately, due to the press of other legislative matters, the House Interstate and Foreign Commerce Committee was unable to meet with us in conference on this legislation. Although the authorizing legislation expired on June 30, 1974, it is my understanding that appropriations for the program are contained in a continuing resolution—House Joint Resolution 1178—which provides authorization for the program until February 28, 1975.

This situation must not be allowed to continue much longer. The Subcommittee on the Handicapped considers the legislation which I introduce today its priority matter of business because we believe that the provisions in it are vital to the continuing improvement of the developmental disabilities program. The bill is identical to the one which passed the Senate last October, and it is my hope that it will be before the Senate again in the immediate future.

In order to review the measure, I will summarize the major provisions:

First, definition. The developmentally disabled are presently identified and limited to those suffering from mental retardation, cerebral palsy, or epilepsy. My legislation would broaden the definition to include autism, learning disability, or any other condition which is "closely related to mental retardation as it refers to general intellectual functioning or impairment in adaptive behavior or to require treatment similar to that required by mentally retarded individuals." Other present requirements are that: first, the disability must originate before age 18; second, it must continue indefinitely; and third, it must constitute a severe handicap. These are retained in the proposed definition.

Second, administration. At present the Division of Developmental Disabilities is buried at the bottom of the Social and Rehabilitation Service administrative structure. We believe that this program should be located in an administrative structure which emphasizes planning. Therefore, this bill would move the administration of the developmental disabilities program into the Office of the Secretary and establishes an Office of Developmental Disabilities, headed by a Director.

Third, university-affiliated facilities and satellite centers. This legislation continues the program of demonstration and training grants which are to be used for covering part of the cost of administering and operating demonstration facilities and interdisciplinary training programs for professional personnel who will provide services for developmentally disabled persons. In addition to an authorization of $25 million for fiscal year 1975 and each of the 4 succeeding fiscal years for these grants, there is also an authorization of $6.5 million for each fiscal year of the bill for renovation and modernization.

We do propose, however, that UAF's establish as priority goals: First, deinstitutionalization of persons with developmental disabilities whenever possible; normalization outside institutions; development of community-based programs; and follow-up services for persons who leave institutions; second, early screening, diagnosis, and evaluation of infants and preschool children who suffer from developmental disabilities—this includes maternal care, developmental screening, home care, infant and preschool stimulation programs, parent counseling and training; third, services for adults, including counseling, client program coordination, follow-along services, protective services, and personal advocacy services; and fourth, normalization of institutional life.

There is an innovative satellite-center program, which is a logical outgrowth of the UAF program. The clinical services provided by UAF's are necessarily expensive since they are operated by institutions of higher education committed to high quality research and training activities. The clinical services developed by the UAF's are needed by the States as they attempt to serve the developmentally disabled individuals within their boundaries. Such services would be costly and impractical if provided on a multi-State basis by existing UAF's, whereas they can be provided at reasonable costs by clinical service agencies.

Thus, my bill proposes the establishment of UAF-satellite centers in States which do not have UAF's within their borders. Such satellite centers would work as backup resources to other clinics within such States while themselves receiving backup support from the UAF's. An intercommunicating network of UAF's, each working with a limited number of State satellite centers which in turn work with other clinics throughout the Nation, would provide a communication and support system which would make the knowledge and skills found in the UAF's available to the smallest and most isolated clinic.

Fourth, formula grants to the States. For the purpose of making formula grants to the States for planning, provision of services, and construction and operation of facilities for persons with developmental disabilities, my bill authorizes appropriations of $50 million for fiscal year 1975; $85 million for fiscal year 1976; $95 million for fiscal year 1977; $100 million for fiscal year 1978; and $110 million for fiscal year 1979. The authorizations are to be allotted among the States on the basis of the present formula, that is: First, population; second, extent of need for services and facilities; and third, financial need. Also as at present, not more than 10 percent of these funds will be available to the Secretary for grants of national significance. Priorities for these grants include integrated service model projects, demonstration projects to coordinate and utilize all available community resources, and public education projects.

Fifth, National Advisory Council. This Council is for the first time placed in the Office of the Secretary and has designated members: the Deputy Commissioner of the Bureau of Education for the Handicapped, the Commissioner of the Rehabilitation Services Administration, the Administrator of the Social and Rehabilitation Service, the Director of the National Institute of Child Health and Human Development, the Director of the National Institute of Neurological Diseases and Stroke, the Director of the National Institute of Mental Health, and the Assistant Secretary of the Office of Human Development. Members of the Council must be off the committee at least 1 year before reappointment. The Council is to monitor the administration of the developmental disabilities program at the Federal level and report directly to the Congress, as well as to the Secretary.

Sixth, State planning councils. In addition to reorganizing and strengthening the National Council, my bill also proposes to change and enlarge the functions of the State planning councils. In the new legislation, the State planning council is appointed by the Governor so that it is accountable directly to him as chief executive officer, and it will have sufficient stature to provide the monitoring and evaluation of the programs instituted by the State plan. Its membership shall include representatives of the principal State agencies, local agencies and nongovernmental agencies and groups concerned with services to persons with developmental disabilities. One-third of this committee must consist of consumers or their parents or guardians. Each State is responsible for the assignment of adequate personnel to insure that the Council may carry out its duties.

The duties of the State planning councils are to: First, develop and prepare the required State plan; second, approve, monitor, and evaluate the implementation of the State plan and submit to the Governor and State legislature an annual report on this implementation; third, establish priorities for the distribution of funds within the State; fourth, review and comment on all State plans in the State which concern persons with developmental disabilities; and fifth, submit to the Secretary, through the Governor, any periodic reports which the Secretary may reasonably request. The State council shall also approve the design for implementation of its State plan which is submitted by the administering State agency and shall have access to all other plans within that particular State relating to persons with developmental disabilities so that it will not duplicate existing services.

Seventh, State plans. The State plans, in addition to containing specific information, must have as priorities: The reduction and eventual elimination of inappropriate institutional placement of persons with developmental disabilities; the improvement of the quality of care, habilitation, and rehabilitation of persons with developmental disabilities for whom institutional care is appropriate; the provision of early screening, diagnosis, and evaluation of developmentally disabled infants and preschool children—including maternal care developmental screening, home care, infant and preschool stimulation programs, and parent counseling and training; the provision of counseling, client program coordination, follow-along services, protective services, and personal advocacy on behalf of developmentally disabled adults; the support of the establishment of community programs as alternatives to institutionalization, designed to provide services for the care and habilitation of persons with developmental disabilities, which programs utilize the resources and personnel in related community programs; the protection of human rights of all persons with developmental disabilities; and the provision for interdisciplinary intervention and training programs for multihandicapped individuals.

Most of the new requirements in the State plan are designed so that they will either strengthen the Council—by the provision of adequate personnel; provide for more efficient utilization of funds and resources—by stating that all relevant information concerning any programs affecting persons with developmental disabilities shall be made available to the planning council; provide for fair and effective evaluation of programs to serve developmentally disabled persons; and reinforce existing laws on architectural barriers—by stating that the construction, renovation, and modernization projects must comply with standards prescribed pursuant to the Architectural Barriers Act of 1968.

Eighth, relationship of the State planning council to the State agency responsible for administration of the State plan. The study conducted by the Comptroller General of the United States brought to our attention that in the case of most States, the planning function—which the Congress had originally intended to be the primary duty of the State planning councils—had been neglected and that priority had been given to the grant disbursing function which the councils were also performing.

Faced with the GAO study, we tried to design a system which provides for cooperation and complementary functions between the State planning council and the State agency which administers the program. The State planning council is to act in a leadership and advocacy role; to be responsible for the State plan, for the general direction and goals of the program, for the identification of gaps and of the needs, to provide the uniform planning authority that is needed for the maximum effective utilization of the available resources. The State agency is to administer the funds through the design for implementation which is to be part of the State plan. The design for implementation is a document prepared by the State agency and is that part of the State plan which includes details on the priorities for spending, for the use of funds provided under this act, on the specific objectives to be achieved, on the methods of implementation, on a method for periodic evaluation of a program's effectiveness in meeting State plan objectives, and also includes a list of programs and resources to be utilized.

Neither the State planning council nor the implementing State agency alone can do the job. While the council has the prime responsibility for the development and updating of the comprehensive State plan, the agency has the equally critical responsibility to select from alternative strategies those best methods of actually implementing the plan through its program development and program evaluation procedures. I would like to stress that bringing needed services to persons with developmental disabilities can occur only if this partnership succeeds.

Ninth, special projects. My bill authorizes $17.7 million for fiscal year 1975; $20 million for fiscal year 1976; $22.5 million for fiscal year 1977; $25 million for fiscal year 1978; and $27.5 million for fiscal year 1979 for grants for special projects and demonstrations which hold promise of expanding or otherwise improving services to persons with developmental disabilities—especially persons who are also disadvantaged or multihandicapped. Most of these authorizations have been contained in other legislation, but have been administered by the Division of Developmental Disabilities; these authorities have been: Comprehensive health planning—section

314(e) of the Public Health Service Act; MR community facilities—initial staffing; and section 4(a)(1) of the old Vocational Rehabilitation Act—section 304(b)(1) of the Rehabilitation Act of 1973. Questions have arisen as to the appropriateness of funding special projects for developmentally disabled persons under other legislation, particularly the Rehabilitation Act authority. Thus, we decided to create specific authority under the developmental disabilities legislation.

Tenth, evaluation. Comprehensive planning for future needs must begin with an accurate assessment of existing services and resources. Thus, I believe that the States must bear the principal responsibility for evaluating services rendered to the developmentally disabled. My legislation specifies development at the Federal level of a model evaluation system which can be adapted by each State to fit its own needs. It is my belief that this provision strikes an appropriate balance between the need for uniform evaluative criteria, standardized defintions and methodology, yet recognizes the differences among the States as to their organization for human services and the need for flexibility in implementation.

Eleventh, title II. This title is the bill of rights for the mentally retarded and other individuals with developmental disabilities and is based upon a bill which Senator JAVITS, the ranking minority member of the Committee on Labor and Public Welfare, introduced in the 93d Congress.

Following investigation and studies concerning the inhumane conditions at State institutions such as Willowbrook in New York City, this title provides two alternatives to the States: The adoption of the Joint Commission on the Accreditation of Hospitals standards for residential and community facilities; or meeting alternative standards contained in part B. The purpose of this title is to improve the living conditions in such institutions so that they do not remain or become human warehouses reminiscent of the 19th-century neglect.

Mr. President, the thrust of this legislation is planning—planning that will assist in the development of new service systems which respond to the needs of the developmentally disabled. It provides the authority for public agencies to cooperate by pooling their resources; this will reduce duplication of services and improve treatment and training programs. It was only after very careful deliberation that the subcommittee determined that the limited funds authorized in this measure would be best utilized if the emphasis were on comprehensive planning.

By Mr. THURMOND:

S. 463. A bill to amend the Internal Revenue Code of 1954 to encourage the use of recycled oils. Referred to the Committee on Finance.

Mr. THURMOND. Mr. President, during recent years, I have proposed that the Congress seriously consider the enactment of legislation which would greatly promote the protection of our environment by providing a tax incentive for recycling lubricating oils. In this day of petroleum shortages, the recycling of lubricating oils would result in tremendous savings.

Today I am introducing legislation which will serve a twofold purpose. This bill involves not only the prevention of a major form of air and water pollution, but also the conservation of a critical national resource. The problem involves the dumping of used lubricating oil into our water supply and the indiscriminate burning of other used petroleum products.

Mr. President, the used oil problem is staggering. Approximately 750 million gallons of this precious resource is wasted every year. This figure could change however, as waste could be significantly reduced and the environment could be preserved if we would only recycle this used oil.

For over four decades, small businessmen have been dealing with recycled oil, and since 1950, the Association of Petroleum Rerefiners has been attempting to draw attention to discriminatory Federal actions and rulings that threaten the very existence of the entire industry.

The fact that lubricating oils can be cleaned and refined over and over again to their original quality is an unknown process to many individuals. Mr. President, listening to the rerefiners' story with a sympathetic ear and acting to correct their very real grievances, we can advance our fight against the shortage in our fuel supplies.

Let me explain the situation briefly. Only about half of the estimated 2½ billion gallons of lubricating oils sold for industrial and automotive use in the United States every year is actually used up. This means that the other half is drained at service stations, garages, airfields, railroad yards, bus and truck terminals, auto fleet headquarters, and industrial plants. More than 1 billion gallons of valuable oil could be recycled back into lubricating form and quality, yet 75 percent of it, according to recent studies is wasted.

Mr. President, used oil is not just wasted, but it becomes a powerful pollutant of air and water. Whatever portion of those 750 million gallons that is dumped on purpose, or just allowed to drain down into the water supply, remains a health hazard almost indefinitely. Just as lube oil will not break down under the extreme temperatures and pressures of the automobile engine, it will not break down for years when left in lakes and streams. On the other hand, whatever portion of those 750 million gallons that is burned, even when blended in small ratios with bunker fuel under carefully controlled burning conditions, may still contribute millions of pounds of metallic oxides that never break down.

Even in view of this problem, very little of this valuable and potentially dangerous oil is rerefined and recycled. The reason is that the Federal Government has imposed obstacles and restrictions that actually prevent the petroleum rerefiners from marketing their products in competition with the major oil companies. GSA will not buy it for use in Government vehicles; IRS makes off-highway users pay extra for it; FTC insists that very can be labeled so that very few motorists will buy it; and no one will set oil quality standards and performance requirements that will give the rerefiners a chance to prove that their product can be just as good as the original. This is an incredible series of discriminatory practices which came into existence through a serise of unfortunate circumstances.

Mr. President, in 1965 the Excise Tax Reduction Act leveled a double-barreled blast at the rerefiners. Prior to that time there had been an excise tax levied on the manufacturer of cutting oils (3 cents per gallon) and other lubricating oils (6 cents per gallon) which was paid by the first user of these oils.

The Excise Tax Reduction Act removed the excise tax for cutting oils. Subsequently, administrative rulings were issued that provided for an excise tax exemption for lubricating oils that are seldom used for lubricating purposes. Since rerefiners had been exempt from paying the excise tax—the tax on the original oil had already been paid—rerefiners had enjoyed a competitive edge until passage of the act and issuance of the administrative rulings. Additionally, in 1965, the Internal Revenue Service ruled that because these tax funds were to go into the highway trust fund, off-highway users, notably railroads, could be refunded their full tax payments at the end of the tax year when they purchased 100 percent new lubricating oil. IRS also refused to allow tax refunds on any new oils that were to be blended with rerefined oil, as is often the case when the rerefiner wants to meet the viscosity requirements of the ultimate user. Thus, the rerefiners lost their 6 cents per gallon margin among off-highway users, and are penalized for manufacturing blended oils for off-highway users.

As a result of these handicaps, more than half of the rerefiners have been forced out of business in recent years. It seems that the U.S. Government has weighted the scales against the small businessman. Unless something is done soon, the rest of the rerefiners must also close down. If this happens, what do we do with these 750 million gallons of waste oils?

Walter C. McCrone Associates of Chicago was asked to analyze the combustion products present in waste oils before they are rerefined. This report pointed out that more than 1,000 pounds of metal oxides—mostly lead, but with lesser amounts of calcium, phosphorous, barium, and others—are released when 10,000 gallons of waste oils are burned. If we assume that only 260 million gallons were burned last year, generally regarded as a conservative figure, we come to the frightening conclusion that at least 26 million pounds of metallic oxides were released through burning last year.

This brings us to the realization that waste lubricating oil has to be treated somehow prior to disposal. Whether recycled back into lubricating form or blended with bunker oils as the American Petroleum Institute recommends, there must be some process to remove the metal additives. It has become almost a technological race—the demands of the auto engines for more powerful additives to improve performance versus the ability of the rerefiners to identify and remove these additives. It is time we threw our strength behind the continuing efforts of the rerefiners to win this race, not only to reclaim the oils, but also to find some economic use for the sludge that contains these unrerefinable additives.

Mr. President, I am introducing a bill which would amend the Internal Revenue Code of 1954 to encourage the use of recycled oil. It is my opinion that we must take steps to clean up our environment and also take steps to preserve our dwindling natural resources. This bill is just one step in this direction, but it is a necessary one. Not only will this bill help to control pollution and preserve a natural resource, but it would also help to revitalize a faltering industry.

This bill will amend existing tax laws covering lubricating oils. It will equalize and simplify the tax on lubricating oil by requiring all producers and manufacturers of new lubricating oils to include hydraulic and cutting oils, but excluding recycled oil, to pay a 6 cents per gallon excise tax. The bill also will repeal section 6424 of the Internal Revenue Code that allowed tax refunds to users of lubricating oils. It is hoped that these amendments to the Internal Revenue Code will stimulate the purchase of recycled oil.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sections 4091, 4092, and 4093 of the Internal Revenue Code of 1954 (relating to lubricating oil) are amended to read as follows:

"Sec. 4091. IMPOSITION OF TAX.

"There is hereby imposed on lubricating, hydraulic, and cutting oils (other than recycled oils) which are sold in the United States by the manufacturer or producer a tax of 6 cents per gallon, to be paid by the manufacturer or producer.

"Sec. 4092. DEFINITIONS.

"(a) CERTAIN VENDEES CONSIDERED AS MANUFACTURERS.—For the purposes of this subpart, a vendee who has purchased lubricating, hydraulic, or cutting oils free of tax under section 4093 shall be considered the manufacturer or producer of such oils.

"(b) LUBRICATING OIL.—The term 'lubricating oil' means all oil regardless of origin, which—

"(1) is suitable for use as a lubricant, or

"(2) is sold for use as a lubricant.

"(c) HYDRAULIC OIL.—The term 'hydraulic oil' means all oil which is used primarily to transmit power or pressure, but which may also serve lubricating and other functions.

"(d) CUTTING OIL.—The term 'cutting oil' means all oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also serve lubricating and other functions.

"(e) RECYCLED OIL.—The term 'recycled oil' means used oil which has been re-refined or otherwise processed to remove the physical and chemical contaminants acquired through use, which by itself or when blended with new oil or additives is substantially identical or superior to new oil intended for the same purposes.

"Sec. 4093. EXEMPTION OF SALES TO PRODUCERS.

"Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under this subpart upon lubricating, hydraulic, or cutting oils sold to a manufacturer or producer of such oils for resale by him."

(b) Section 4094 of the Internal Revenue Code of 1954 (relating to cross reference) is hereby repealed.

(c) Section 6424 of the Internal Revenue Code of 1954 (providing off-highway users of lubricating oils with a tax refund of 6 cents per gallon) is hereby repealed.

SEC. 2. The amendments made by the first section of this Act shall apply with respect to sales occurring after the last day of the calendar quarter in which this Act is enacted.

By Mr. KENNEDY:

S. 465. A bill to amend the Trade Act of 1974 to provide for the application of the Generalized System of Preferences to Western Hemisphere countries. Referred to the Committee on Finance.

Mr. KENNEDY. Mr. President, I rise to introduce a bill which will remove a major cause of deteriorating relations today between the nations of Latin America and the United States.

Section 502 (b)(2) of the Trade Reform Act of 1974, Public Law 93-618, has been criticized throughout the hemisphere as discriminatory and unfair. Venezuela and Ecuador, as members of OPEC, led the protest. But they have the support of other Latin American nations as well, and yesterday, we learned that the Latin American nations have indefinitely postponed the foreign ministers meeting in Buenos Aires scheduled for March.

The result is that this provision which was directed at the Arab Nations which initiated last year's embargo, has threatened our entire relationship with Latin America. It has shaken further the fledgling attempt at a new dialogue, which already had been undermined by reactions to our failure to support an end to sanctions against Cuba during the Quito Conference in November.

Section 502(b)(2) broadly affects all producing nations without distinction, and in so doing represents I believe an unwise restriction on the President's ability to comply with our own original initiative supporting a generalized system of trade preferences for developing countries.

Venezuela and Ecuador argue, and rightly so, that they should not be lumped together with other OPEC nations in a retaliatory action primarily aimed at those who organized the oil embargo of a year ago.

Venezuela not only refused to cut off all exports to the United States, as OPEC urged, but it maintained their full level of oil shipments to us.

As our No. 1 foreign supplier of crude oil and petroleum products—1.8 million barrels per day—Venezuela's shipments immeasurably assisted us in withstanding Arab pressures.

Venezuelan leaders, with whom I had the pleasure of discussing this and other issues Sunday at a symposium on United States-Venezuelan relations, sponsored by the Fletcher School of Diplomacy and Law at Tufts University, were particularly resentful at the affront which this provision constitutes.

It must be noted as well that Venezuela is one of the hemisphere's leading democracies, and it is one of our traditional friends and allies. It is vital to strengthen that bond of friendship. The distinguished Venezuelan delegation, led by the new foreign minister, Dr. Roman Escovar Salom, and including members of the opposition as well as the government party, emphasized once again the traditional bonds of friendship that link our two peoples and their desire for a cooperative solution to economic issues between us.

If we can point to high oil prices as a matter of deep concern to the people of my State and the people of the Nation.

They can point to the high prices of U.S. manufactured products and U.S. food exports. They ask only that we meet in a spirit of cooperation rather than confrontation. I believe that spirit can assure a final settlement of our differences that is fair to both countries. And it is evident that the trade bill provision is an obstacle to such a process of cooperation.

I would emphasize that the need for a resolution of our economic differences with other developing nations does not end with Venezuela. Iran, Nigeria, and Indonesia, for example, maintained their traditional supply commitment to us during the embargo. For that reason, I would prefer that this provision were not present. However, my bill will at this time simply exclude the nations of the hemisphere from its coverage. They are the most immediately affected, and I beileve we may therefore obtain more rapid approval if we work in stages toward the final removal of this provision.

Ultimately, the issue of high foreign oil prices must be settled within a review of the international economic system. It is somewhat difficult to charge the oil producing nations with the sole responsibility for higher prices, as well, when the President proposes to not only add $3 per barrel on all foreign imports of oil, but also proposes to permit domestic "old oil" to rise from its current $5.25 per barrel to $13.40 per barrel.

Last year, I urged a world producer-consumer conference, including the developing nations among the consumers, as an appropriate forum for the initiation of a process of review of international economic factors that have seen sky-rocketing inflation and recession hit our own country as well as many other nations around the world.

This bill, which removes the discriminatory provision as it applies to Latin America, is an attempt to remove this issue as an obstacle to a process of cooperatively resolving our differences.

I ask unanimous consent the recent new articles on this subject appear in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 28, 1975]

U.S.-LATIN CONFERENCE IS CANCELED

(By Joannne Omang)

BUENOS AIRES, Jan. 27.—Argentina today postponed indefinitely a meeting of the Latin

American foreign ministers with U.S. Secretary of State Henry A. Kissinger that had been scheduled for March, charging the United States with "rigidity and unfairness" in its dealings with Latin American nations.

Foreign Minister Alberto Vignes told a press conference that recently enacted U.S. foreign trade legislation "undermines inter-American solidarity." The trade bill has been denounced by several Latin countries.

Although Vignes did not mention that the future of the hemisphere's relations with Cuba was also a factor in the postponement, Latin diplomats had regarded that as the only substantive item on the agenda.

The foreign ministers' meeting had been scheduled as the next step in a "new dialogue" proposed by Kissinger between the United States and Latin America.

"This is nothing more than a postponement of the new dialogue and not an interruption," Vignes said.

He said that Kissinger will visit Buenos Aires in mid-February for bilateral talks as previously scheduled.

His visit here is to be part of a troubleshooting trip to five Latin American countries, and diplomats said today that it had not been affected by the cancellation of the foreign ministers' meeting.

In addition to Argentina, Kissinger is also to stop in Chile, Peru, Brazil and Venezuela.

[The Associated Press reported in Washington, however, that Kissinger will postpone his Latin American swing. Some officials reportedly indicated that the Middle East situation may call for too much of Kissinger's attention to permit the trip.]

The trip might begin on Feb. 16, but with only three weeks to go, no firm preparations on such matters as agenda and security have been undertaken.

In his press conference, Vignes said that Argentina, in its capacity as host for the March foreign ministers' meeting, had attempted to bring about a common Latin American position on the trade act to present to Kissinger. He indicated that a unified approach had not been achieved.

It is know, however, that the talks included discussion on whether to invite Cuba to the meeting, as well as expression of irritation over the trade act.

The trade act, which excludes Ecuador and Venezuela from trade concessions as members of the Organization of Petroleum Exporting Countries, has been interpreted in Latin America as proof that Kissinger has little interest in what goes on here and even less interest in Latin feelings, and that the 'new dialogue' is purely rhetoric.

[The State Department issued a statement expressing "regret" at the cancellation of the foreign ministers' meeting. It went on to say, however: "We cannot but consider it inappropriate that some Latin American countries have insisted on conditions for the Buenos Aires meeting which they know to be incompatible with our constitutional processes, as well as substantively unjust." Kissinger has stated that he, too, disagrees with some of the trade act's restrictions and has asked that they be rescinded by Congress.]

The controversy over the trade act is merely the latest in a series of U.S.-Latin disagreements.

Ecuador and Venezuela announced shortly after the trade act was passed that they were insulted by it and would not attend the March meeting. Whether they had been unjustly tarred with OPEC's brush, although they did not join in cutting off oil sales last winter, or the U.S. government had not bothered to consider the effect of the bill on them, they said it was insulting either way.

The Cuban issue also has at its center the same question of U.S. attitude. During the November meeting of foreign ministers of the Organization of American States the United States abstained from the discussion and voting on whether the hemisphere's diplomatic and economic embargo against Cuba should be ended. The U.S. position was the key factor in the proposal's falling short by two votes.

Latin diplomats saw that as arrogance. Their feeling was that the United States had been willing to twist arms for 14 years in Latin America in order to win its way on its own Cuban policies, but it would not lift a finger to help a majority of Latin countries get what they wanted—a resumption of normal relations with Cuba—when U.S. policy on the question had not jelled.

Raw feelings over these two basic sore points—Cuba and the trade act—were aggravated by Kissinger's failure to attend the November meeting in Ecuador. Many Latins interpreted that as additional proof that he was less interested in Latin American affairs than in those almost anywhere else.

U.S. diplomats argued during and after the Ecuador debacle that their hands-off position on Cuba had given the Latins the independence they had been seeking.

President Perez Again Criticizes New U.S. Trade Law

(By Hernando Orozco)

BOGOTA, JAN. 11.—Venezuelan President Carlos Andres Perez has reiterated that the new U.S. trade law violates the principles of the OAS Charter.

In a personal message to his Colombian counterpart, Alfonso Lopez Michelsen, to thank him for his governments' decision to support the Venezuelan and Ecuadorean proposal to convoke the Permanent OAS Council, Perez has again criticized the law approved by the U.S. Congress and signed by President Gerald Ford.

This law has been termed "discriminatory" against Venezuela and Ecuador, the leading oil producers in Latin America.

Perez's message was carried to Bogota by a Venezuelan Government emissary. Venezuelan Charge d'Affairs Antonio Aveledo delivered it yesterday to Colombian Foreign Affairs Minister Indalecio Lievano Aguirre.

The text of the message has not been released yet, but reliable sources told this agency it points out that the consequences of the U.S. trade law must be analyzed within the framework of the OAS and that is why the convocation of the OAS Permanent Council is important.

In an official declaration Tuesday, Lievano Aguirre reported that the Colombian ambassador to the OAS had been instructed to "support the Venezuelan request to call a special meeting of the OAS Permanent Council to deal with the important issue of the discriminatory features of the new trade law approved by the U.S. Congress and signed by President Ford. Colombia feels this meeting is all the more advisable and timely because it will be possible to determine through deliberations if there is a favorable climate for holding the foreign ministers meeting in Buenos Aires.

So far the Colombian Government has not made any official statement regarding the law's probable effects on Colombia. However, the law has been harshly criticized by former Liberal Presidents Alberto Lleras Camargo and Carlos Lleras Restrepo.

On his part, former Colombian Foreign Minister Alfredo Vasquez Carrizosa has said that, as a result of the trade law, the policy of the new dialog with Latin America proposed by U.S. Secretary of State Henry Kissinger appears to be doomed to failure.

Venezuela Upset by U.S. Trade Bill

CARACAS.—Venezuela, key supplier of U.S. oil imports, warned Friday that application of a controversial U.S. trade bill discriminating against oil-exporting countries would have "implications in the traditional good relations between both countries."

The trade bill passed recently by Congress and to be signed by President Ford, excludes nations belonging to the Organization of the Petroleum Exporting Countries from the benefits of the system of general tariff preferences.

REDUCES POLICY OF HELP

Venezuelan Foreign Trade Institute President Reinaldo Figueredo said the U.S. trade bill's restrictions and limits greatly reduced the universally accepted policy of helping lesser developed countries through preferential trade policies.

Mr. Figueredo said if President Ford decided to apply the bill against Venezuela, "certainly, an act of this nature could not help but have implications in the traditionally good relations between both countries."

He said if the United States took discriminatory action against raw materials producers associations, the move could extend beyond OPEC to other groups such as iron, copper and bauxite producers.

Venezuelan President Carlos Andres Perez, in a New Year's Day address, was sharply critical of the U.S. trade bill, calling it "offensive" and warning that it would not open the way to understanding but rather "create a climate of confrontation that threatens world peace."

COULD CHANGE TRADE PACTS

In the specific case of Venezuela, which ships more than half of its three-million-barrel per day oil exports to U.S. markets as well as two-thirds of its 26-million-ton a year iron ore exports to U.S. markets, Mr. Figueredo warned application of the trade bill's discriminatory amendment would imply a radical change in trade agreements between the two countries.

By Mr. JAVITS:

S. 466. A bill to establish the Franklin D. Roosevelt National Historic Site. Referred to the Committee on Interior and Insular Affairs.

Mr. JAVITS. Mr. President, I introduce a bill which would allow the National Park Service to accept property for the Franklin D. Roosevelt National Historic Site which is adjacent to the original Hyde Park property but was not part of that property. I ask unanimous consent that the bill be printed in the RECORD together with a statement from the Park Service describing the property.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 301 of the joint resolution approved July 18, 1939 (53 Stat. 1062), is hereby amended to read as follows:

"SEC. 301. The head of any executive department may accept for and in the name of the United States title to any part or parts of the said Hyde Park Estate and title to any contiguous property or properties located in the town of Hyde Park, Dutchess County, State of New York, which shall be donated to the United States for use in connection with any designated function of the Government administered in such Department.".

Home of Franklin D. Roosevelt National Historic Site, Hyde Park, N.Y.

The National Park Service desires to be responsive to Mr. Gerald Morgan, Jr., of Richmond, Virginia in his offer to donate certain lands and buildings for use in conjunction with the Home of Franklin D. Roosevelt National Historic Site. Under present law, Joint Resolution 118 of July 18, 1939, lands that were formerly a part of the estate of Franklin D. Roosevelt may be accepted as donations. Of the approximate 68 acres Mr. Morgan offered to donate, 52 acres have been accepted by the National Park Service and added to the site. Congressional authorization is needed, however, to accept the approximately 16 acre portion of the property which contains the buildings and is the prime road frontage property since these lands were never a part of the Franklin D. Roosevelt estate.

The National Park Service has developed a draft Master Plan for the historic site. It contains a number of recommendations and suggested uses for the property which justify acquisition. Public meetings on this proposed plan and its Environmental Impact Statement were held on July 31, 1974 in Hyde Park, N.Y., and there was no public opposition to the suggested acceptance of the donated lands. A Final Environmental Statement is now being prepared.

Under the Master Plan, the Morgan property will contain a parking area—thus removing this intrusion from the home environs—and a visitor facility to provide an effective introduction to the home and the library.

The mansion, "Bellefield," and the outbuildings on the Morgan property will be adaptively restored and will accommodate administrative and maintenance functions for both the Roosevelt Home and the Vanderbilt sites, resulting in greater efficiency of operation. Some library functions will take place in the mansion, with opportunities for local and regional organizations to use it and the grounds under appropriate agreements.

The principal structure is a large three-story mansion of 30 rooms, with basement and 12 baths, fronted by a sweeping circular drive and flanked on the south by a formal garden. The central portion of the mansion was built in 1790, and the first-floor rooms are elegant and spacious. Later additions occurred in 1918.

Other buildings on the property are two two-car garages, built in 1918. Next to the garages is a storage shed, about 1930, and a short distance away is an eight-room, two story stone house.

The character of the land is similar to the National Historic Site, with meadows spreading back from Albany Post Road to encompass the buildings, then steep terrain pitching down to the river.

The Morgan estate will make possible the graceful reception of visitors, and preparation for their visit with the last intrusion on the site. The existing historic site parking area and ticket booth will be removed and the historic vegetable garden re-established thus assuring better preservation of the historic environs.

By Mr. JAVITS:

S. 467. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled. Referred to the Committee on Finance.

Mr. JAVITS. Mr. President, I introduce a bill to provide the disabled an income tax deduction of up to $750 to cover transportation to and from work and to allow them the same additional $750 income tax deduction as is now given the blind.

This measure is a successor to legislation I first introduced in February of 1950 when a Member of the House of Representatives.

This proposal is a logical sequence to a series of enactments by the Congress of legislation designed to help the handicapped become useful and productive citizens. The Civilian Vocational Rehabilitation Act of 1920 provided grants in aid for such services as job training and artificial limbs. Subsequent major expansions in 1943, 1954, and the 1960's broadened the scope of the program to include, among other things, corrective surgery, equipping rehabilitation facilities and sheltered workshops. My proposal is now a logical next step.

The Nation is now expending more than $1 billion annually for rehabilitation programs. The economic incentive envisioned by this bill I am introducing today would further help these people to help themselves and aid them to achieve some personal independence from institutions, from overburdened families, and from local and State governments.

It has long been evident that our handicapped citizens are capable of being productive workers, contributing to the Nation's economy instead of being dependent upon it. But their disabilities impose upon them additional expenses in pursuit of their livelihoods which are not fully deductible, such as special orthopedic devices, extra travel costs because they are unable to utilize routine methods of transportation, expensive additions to shop or home to facilitate their movements, special prosthetic devices, higher insurance costs, and the costs of hiring help to perform the simple tasks which the nonhandicapped perform for themselves. In addition, rising costs of these items and services are particularly burdensome.

Hundreds of thousands of Americans have endeavored valiantly to transform their physical handicaps from stumbling blocks to building blocks. They wish to use their crutches to move on, not just to lean on. This legislation will help them do just that. It is as practical in economic terms as it is humanitarian. It is, in effect, a practical bill to benefit those who have no alternative than to be practical.

Finally, it should be noted that this measure is, in part similar to the amendment to the Tax Reform Act of 1969, sponsored by the distinguished Senator from Arizona (Mr. FANNIN) of which I was a cosponsor. That amendment provided for a tax deduction of up to $600 to the disabled for transportation and was approved by the Senate on December 4, 1969. Unfortunately, the provision was lost in conference.

By Mr. MONDALE:

S. 469. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes and to repeal the percentage depletion allowance. Referred to the Committee on Finance.

ANTI-RECESSION TAX RELIEF AND REFORM ACT

Mr. MONDALE. Mr. President, I am today introducing legislation that would provide a $12.5 billion, $75-per-person, rebate on 1974 taxes, and a permanent net cut of $15 billion in individual and corporate taxes.

This package would provide total stimulus to the economy of $27.5 billion in calendar 1975, and $15 billion a year thereafter.

It has the following components:

A $75 per exemption rebate on 1974 taxes for low- and middle-income taxpayers—$12.5 billion temporary stimulus in calendar 1975;

A $225 optional tax credit which may be taken in place of the existing $750 personal exemption, plus an increase in the low-income allowance from $1,300 to $2,000—$12.2 billion a year permanent tax cut, beginning in 1975;

A modified version of President Ford's $80 per adult payment to the poor, extending the payments to dependent children and making the phaseout more gradual—$2.6 billion a year in payments;

A permanent increase in the investment tax credit to 10 percent for all businesses, including utilities—$2.5 billion a year tax cut; and

Repeal of the oil depletion allowance as of January 1, 1975—revenue gain of $2.2 billion in 1975, gradually rising to $3.5 billion by 1980.

THE DEEPENING RECESSION

We are in the midst of the worst recession since the 1930's, and it is growing more serious each day.

Unemployment is now 7.1 percent, and heading toward 9 percent or higher before year's end.

Real GNP dropped 9.1 in the fourth quarter of last year, culminating the worst yearly decline since 1948.

The average worker's real earnings—after inflation and taxes—fell last year by 5.4 percent, the steepest decline on record.

Housing starts have fallen 35 percent in the last year to an annual rate of 868,000, the sharpest drop since 1943.

Automobile sales are 25 percent below the depressed levels of last year.

And consumer confidence has fallen to its lowest level since World War II.

Fighting recession must therefore be our most important priority in the short term. Our present energy situation is serious and it will not go away. But there are limits to what we can do to conserve energy over the very short term. If we seek to push against those limits with a program imposing sharp energy price rises on the economy, we risk pushing both unemployment and inflation to double-digit levels, with little compensating gain in energy conservation and independence.

Our economy has already been severely battered and weakened by the OPEC-induced energy price increases. There is little to be gained and much to be lost by pounding it into recession for years to come with the self-inflicted wounds President Ford has proposed in his energy package.

We must proceed at once on development of a well-constructed program to conserve energy, develop alternate sources, and reduce our dependence on foreign oil. But we must also recognize the need to balance our long-term energy needs against the seriousness of our short-term recessionary situation. The tax package I am introducing today, therefore, concentrates on the immediate and acute problem of recession.

$75 PER EXEMPTION ON 1974 TAXES

The first step should be a prompt one-shot rebate of approximately $12 billion on 1974 taxes. This temporary rebate has two important advantages:

First. It provides some relief to the more than one million Americans who were employed and paying taxes in 1974, but who are now without jobs, and;

Second. It makes it possible to concentrate a large part of the stimulus in calendar 1975, when it is most needed, without eroding too severely the long-term revenue base of our tax system. While the broad outlines of President Ford's $12.2 billion rebate plan are sound, some important changes are needed in it.

First, it must be concentrated on the low- and middle-income taxpayers who have suffered most from inflation and recession. President Ford's 12 percent across-the-board cut—even with the $1,000 ceiling—will give fully 43 percent of the total relief to those making over $20,000, who make up less than 15 percent of all taxpayers. It would give $104 in relief to a family of four making $10,000, and $1,000 to a family making $50,000. This is not fair. Beyond that, it will have less stimulative impact than a cut concentrated on those with lower incomes, since the affluent beneficiaries of the Ford plan are likely to save most of their rebate rather than spending it.

The plan I propose would give each individual and family a rebate of $75 for each personal exemption listed on their 1974 tax returns. A family of four earning $10,000 would get a rebate of $300 under this plan, compared to $104 under the Ford proposal. All taxpayers up to $25,000 would get the full $75 per-exemption credit, and it would be gradually phased out above that level so that no one earning more than $50,000 would benefit. Nearly 83 percent of the relief would go to those under $20,000, and 61 percent to those under $15,000. The total cost would be $12.5 billion, compared to $12.2 billion under the Ford proposal.

I ask unanimous consent to have printed in the Record a table showing the impact of a $75 per-exemption credit, as compared to President Ford's 12 percent across-the-board plan.

There being no objection, the table was ordered to be printed in the Record, as follows:

$75 PER-EXEMPTION REBATE OF 1974 TAXES (MARRIED COUPLE 2 DEPENDENTS)

Adjusted gross income	Mondale rebate on 1974 taxes	Ford 1974 rebate
$5,000	[1] $98	$12
$6,000	[1] 245	29
$8,000	300	67
$10,000	300	104
$12,500	300	151
$15,000	300	204
$17,500	300	259
$20,000	300	319
$25,000	300	450
$30,000	240	618
$40,000	120	955
$50,000	0	1,000

[1] Total 1974 taxes.

Mr. MONDALE. Mr. President, a second problem with the Ford plan for a rebate of 1974 taxes is that the rebate is divided into two checks, half in May and half in September. The stimulus to the economy is needed immediately, and economists are nearly unanimous in the view that this $12 billion rebate can be handled at one time without disrupting the money markets, the overwrought imaginings of our Treasury Secretary to the contrary notwithstanding.

$12.2 BILLION PERMANENT INDIVIDUAL TAX CUT

The legislation I propose would give a permanent $12.2-billion-a-year tax cut to individuals by giving taxpayers the option of taking a $225 tax credit instead of the existing $750 personal exemption, and by increasing the low-income allowance from $1,300 to $2,000.

Under this plan, almost all families with incomes up to $26,000 a year would get some tax relief. A family of four making $10,000 would save $387 in taxes, and a family of the same size earning $15,000 would save $226. Larger families would save more. A family of six making $10,000 would save $556, and a family of that size making $15,000 would save $348.

Over 82 percent of the relief would go to those making less than $15,000 and nearly 96 percent to those making less than $20,000. I ask unanimous consent that a series of tables showing the tax savings for families of various sizes, and the total distribution of relief by income categories, be printed in the Record at the conclusion of my statement.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, the withholding tables would, of course, be changed promptly to get this extra purchasing power into the hands of consumers as soon as possible.

This form of permanent relief has a number of advantages:

It reduces the inequity inherent in the present $750 personal exemption, which is worth only $105 in reduced taxes to those in the lowest bracket making $5,000 a year, but which saves those in the highest bracket making $200,000 a year $525 in reduced taxes. Under an optional $225 credit—which is subtracted directly from the tax due rather than from the income on which the tax is figured—each exemption is worth at least $225 in reduced taxes.

The increase in the low-income allowance from $1,300 to $2,000 relieves a large number of low-income people from the burden of paying Federal income taxes. In addition, it provides a substantial amount of extra relief for single taxpayers, who are not as much helped by the $225 optional tax credit as are large families. Further, the increase in the low-income allowance—or minimum standard deduction—to the same level as the $2,000 maximum standard deduction simplifies tax return filing, making it unnecessary for many low- and middle-income taxpayers to itemize their deductions. Finally, the higher low-income allowance makes it possible for many renters with incomes under $15,000 to obtain tax advantages similar to those received by homeowners with similar incomes who itemize their deductions.

$80-PER-PERSON PAYMENT TO THE POOR

President Ford has proposed an innovative and constructive $2 billion plan to make payments to those with low incomes of $80 per adult. The payments would be reduced by $4 for every $25 of income over $2,250 for single persons, or $4,500 for married persons filing jointly. This would be a permanent program, with the first yearly payments coming this summer.

The bill I am introducing today modifies the Ford plan somewhat by extending the $80 payments to dependent children, and by making the phaseout somewhat more gradual—$2 reduction for each $25 in extra income over $2,250 or $4,500. The extra cost from these changes is modest, increasing the total to only $2.6 billion. Nearly $2 billion of this would go to those with incomes under $5,000, with almost all of the rest going to those between $5,000 and $10,000. I ask unanimous consent to have printed in the Record a table showing the payments that would be made to families of different sizes at different income levels.

There being no objection, the table was ordered to be printed in the Record, as follows:

$80 PER PERSON PAYMENT TO THOSE WITH LOW INCOMES

Adjusted gross income	Family size (persons) 1	2	3	4	6
$2,000	$80	$160	$240	$320	$480
$3,000	20	160	240	320	480
$4,000	0	160	240	320	480
$5,000	0	80	200	280	440
$6,000	0	40	120	200	360
$7,000	0	0	40	120	280
$8,000	0	0	0	40	200
$9,000	0	0	0	0	120
$10,000	0	0	0	0	40
$11,000	0	0	0	0	0

10 PERCENT INVESTMENT TAX CREDIT

Mr. MONDALE. Mr. President, President Ford has proposed a 1-year increase in the investment tax credit from 7 percent—4 percent for utilities—to 12 percent, at a cost of $4 billion, and a permanent reduction in the corporate tax rate from 48 to 42 percent, at an annual cost of $6 billion.

The legislation I propose would provide, instead, for a permanent increase in the investment tax credit to 10 percent for all businesses, including utilities. The cost would be $2.5 billion a year.

Many businessmen have expressed concern over rapid fluctuations in the level of the investment tax credit. Since most business capital investment decisions are made a year or more in advance, it is difficult for business to respond to short-term increases in the investment tax credit.

In addition, with business now operating at only 75 percent of capacity, with consumer demand way down, and with corporate profits—and taxes—dropping, it is uncertain how much impact a sharp one-time increase in the investment tax credit would have.

I believe, therefore, that a permanent 10-percent investment tax credit would be a more effective and carefully focused tax stimulus for business than the measures President Ford has proposed.

REPEAL OF THE OIL DEPLETION ALLOWANCE

There is no tax reform that is more overdue than repeal of the oil depletion allowance. This past year has seen an almost weekly shuttlecocking of promises and postponements. One week repeal is imminent, the next week there is another excuse for waiting until next time.

In my view, the future is now for repeal of depletion. If it is not made a part of the major tax cut package we will soon be considering, there will be further endless months of excuses, postponements, and rear guard actions by the oil lobby.

The issues are clear. We have been debating them for practically a quarter of a century. The oil industry has received incentives beyond the dreams of avarice through price increases alone in the past year. The incentive of percentage depletion is no longer justified.

The bill would therefore repeal the percentage depletion allowance for oil and gas as of January 1, 1975. However, the bill includes the provisions of the House Ways and Means energy bill of last year (H.R. 17488), keeping depletion at 22 percent for now on federally regulated natural gas, and that subject to fixed-price long-term contracts.

The revenue gain from repealing oil and gas depletion would be $2.2 billion in 1975, $2.5 billion in 1976, $2.8 billion in 1977, $3.2 billion in 1978, $3.3 billion in 1979, and $3.5 billion in 1980.

CONCLUSION

Mr. President, the American people are rightly demanding action and initiative from their elected representatives. We face the worst economic crisis in a generation. It is not a time for partisan sniping, or for seeking after small advantage. We should strive for constructive compromise, and the legislation I propose today is offered in that spirit.

However, on many issues—such as energy—there may well be fundamental differences of view which cannot honestly be papered over or subsumed under hastily devised compromises. The challenge we face is to know which differences are fundamental and which are not, to proceed honestly toward the best resolution possible.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Recession Tax Relief and Reform Act"

SEC. 2. TEMPORARY PAYMENT FOR PERSONAL EXEMPTIONS.

(a) General Rule.—The Secretary of the Treasury shall pay to each eligible individual who files a return of tax imposed under chapter 1 of the Internal Revenue Code of 1954 for the taxable year ending within or with calendar year 1974 an amount determined under subsection (b). The Secretary shall make the payment as soon as possible after the receipt of the return. For purposes of this section the term "eligible individual" means an individual—

(1) who is residing in the United States and who is a citizen of the United States or an alien lawfully admitted for permanent residence under the Immigration and Nationality Act, and

(2) with respect to whom a personal exemption deduction under section 151 of the Internal Revenue Code of 1954 is not allowed to another individual, except as provided in section 151(e)(2) of such Code, for the taxable year ending within or with calendar year 1974.

(b) Amount.—Subject to the limitation contained in subsection (c), the amount payable to an individual is $75 (counting a husband and wife filing a joint return of tax under section 6013 of the Internal Revevnue Code of 1954 as 2 individuals) plus the product of $75 multiplied by the number of exemption deductions allowed such individual for dependents under section 151(e) of such Code for the taxable year to which the return relates.

(c) Limitation.—The amount of the payment to which an individual is entitled under subsection (b) shall be reduced by an amount which bears the same ratio to the amount of the payment (determined without regard to this subsection) as the amount by which the adjusted gross income (as defined in section 62 of such Code) of the individual exceeds $25,000 ($50,000 in the case of a joint return of tax under section 6013 of such Code) bears to $25,000 ($50,000 in the case of such joint return).

(d) Treatment as Overpayment of Tax.—For purposes of any law of the United States, any payment made under this section constitutes a refund of an overpayment of the tax imposed under chapter 1 of the Internal Revenue Code of 1954.

SEC. 3. TAX CREDITS FOR PERSONAL EXEMPTIONS AND INDIVIDUALS.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new sections:

"SEC. 42. PERSONAL EXEMPTIONS.

"(a) General Rule.—At the election of the taxpayer, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to $225 multiplied by the number of exemptions to which the taxpayer is entitled under section 151. Such credit shall not exceed the tax imposed by this chapter for the taxable year.

"(b) Election.—An election under subsection (a) for a taxable year may be made at any time before the expiration of the period for filing a claim for a refund or credit of an overpayment of tax for such taxable year and shall be made in such form and manner as the Secretary or his delegate prescribes by regulation.

"(c) Denial of Deduction.—If a taxpayer elects the credit provided by subsection (a) for a taxable year, no deduction shall be allowed under section 151 for any exemption to which he is entitled under such section.

"SEC. 43. INDIVIDUAL CREDIT.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $80 ($160 in the case of a joint return of tax under 6013) plus $80 for each exemption allowed to such taxpayer for a dependent under section 151(e) for such year.

"(b) Limitation.—The amount of the credit allowed under subsection (a) for the taxable year shall be reduced (but not to an amount less than 0) by an amount which bears the same ratio to the amount allowed as a credit to such taxpayer under such subsection as the amount by which the adjusted gross income (as defined in section 62) of the taxpayer for the taxable year exceeds $2,250 bears to $1,000.

"(c) Election to Apply Credit to Preceding Year.—

"(1) In general.—At the election of the taxpayer (made at such time and in such manner as the Secretary or his delegate prescribes by regulations), the credit allowed under subsection (a) for any taxable year shall be allowed as a credit against the tax imposed by this chapter for the preceding taxable year.

"(2) Short form.—For purposes of the election under paragraph (1), the Secretary or his delegate shall make available to the taxpayer a simple form for purposes of amending his return of tax for such preceding taxable year. In addition, the Secretary or his delegate shall make a special effort, in cooperation with other Federal, State, and local agencies, to locate and inform individuals of their eligibility for the credit allowed under this section."

(b) Technical Amendments.—

(1) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal Exemptions.
"Sec. 43. Individual Credit.
"Sec. 44. Overpayments of tax."

(2) Section 37 (a) of such Code (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof a comma and "and section 42 (relating to personal exemptions)".

(3) Section 41 (b) (2) of such Code (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof a comma and "and section 42 (relating to personal exemptions)".

(4) Section 46 (a) (3) (B) of such Code (relating to the investment credit) is amended—

(A) by striking out "and" at the end of subparagraph (B),

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a comma and "and", and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) Section 42 (relating to personal exemptions)."

(5) Section 50A (a) (3) of such Code (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a comma and "and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) Section 42 (relating to personal exemptions)." (c) Refundable Credit.—

(1) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 43" after "section 39" in the caption of such section; and

(B) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to individual credit),".

(2) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", 43 (relating to individual credit),"; and

(B) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(d) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

SEC. 4. INCREASE IN LOW-INCOME ALLOWANCE.

(a) In General.—Section 141(c) of the Internal Revenue Code of 1954 (relating to the low-income allowance) is amended—

(1) by striking out "$1,300" and inserting in lieu thereof "$2,000"; and

(2) by striking out "$650" and inserting in lieu thereof "$1,000".

(b) Conforming Amendment.—Section 6012 (a) (1) of such Code (relating to persons required to make returns of income) is amended by striking out "$2,050" wherever it appears and inserting in lieu thereof "$2,750" and by striking out "$2,800" wherever it appears and inserting in lieu thereof "$3,500".

(c) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

SEC. 5. INCREASED INVESTMENT CREDIT.

(a) In General.—Section 46 of the Internal Revenue Code of 1954 (relating to amount of credit) is amended by—

(1) striking out "7 percent" in subsection (a)(1) and inserting in lieu thereof "10 percent"; and

(2) striking out "4/7 of" in subsection (c)(3).

(b) Effective Date.—The amendments made by this section apply with respect to section 38 property which is constructed, reconstructed, erected, or purchased after December 31, 1974.

SEC. 6. REPEAL OF PERCENTAGE DEPLETION FOR CERTAIN OIL AND GAS WELLS.

(a) In General.—

(1) Section 613(a) of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended by striking out "subsection (b)," each place it appears therein and inserting "subsection (b) or subsection (d),".

(2) Section 613(b)(1)(A) of such Code is amended by striking out "oil and".

(3) Section 613(d) of such Code is amended to read as follows:

"(d) Percentage Depletion for Certain Domestic Gas Wells.—

"(1) In General.—Except as otherwise provided in this subsection, in the case of any oil and gas well, the allowance for depletion under section 611 shall be computed without reference to this section.

"(2) Exemption for Regulated Natural Gas and Natural Gas Sold Under Fixed Contract.—

"(A) In general.—

"(i) Regulated Natural Gas.—Except as provided in subparagraph (B), in the case of regulated natural gas, the percentage referred to in subsection (a) shall be 22 percent.

"(ii) Natural gas sold under fixed contract.— In the case of natural gas sold under a fixed contract the percentage referred to in subsection (a) shall be 22 percent.

"(B) Termination of regulated natural gas exemption.—In the case of regulated natural gas, if the summary of prices published pursuant to subparagraph (C) for any calendar year shows—

"(i) an average price per 1,000 cubic feet of regulated natural gas which equals or exceeds.

"(ii) one-sixth of the average price per barrel of domestic crude oil not subject to Federal price control,

then the allowance for depletion shall be computed for all periods after December 31 of such calendar year without reference to subparagraph (A)(i).

"(C) Compilation of data with respect to prices of regulated natural gas and domestic crude oil.—For each calendar year beginning after December 31, 1973, the Secretary or his delegate shall compile data establishing—

"(i) the average sales price per 1,000 cubic feet of regulated natural gas sold during such year, and

"(ii) the average sales price per barrel of domestic crude oil not subject to Federal price control which is sold during such year.

Within 90 days after the close of any such calendar year (or, if later within 90 days after the date of the enactment of this Act), the Secretary or his delegate shall publish a summary of such data in the Federal Register. Any such summary so published shall be final and conclusive.

"(D) Authorization to compile data.—

"(i) Data from executive agencies.—In compiling the data required under subparagraph (C), the Secretary or his delegate is authorized to receive directly from any other executive department or agency of the United States information and statistics necessary for the compilation of such data. Such other executive department or agency shall furnish any such requested information and statistics directly to the Secretary or his delegate.

"(ii) Purchasers and sellers to furnish information.—If no other executive department or agency of the United States is able to furnish the Secretary or his delegate the information and statistics from which the data required under subparagraph (C) can be compiled, the Secretary or his delegate may by regulation require purchasers and sellers of domestic crude oil and regulated natural gas to make such reports of sales, volumes, prices, and related information as may be necessary to compile the data required under subparagraph (C).

"(3) Definitions.—For purposes of this subsection—

"(A) Crude oil.—The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separaters or field facilities.

"(B) Natural gas.—The term 'natural gas' means any product (other than crude oil) of an oil or gas well if a deduction for depletion is allowable under section 611 with respect to such product.

"(C) Regulated natural gas.—The term 'regulated natural gas' means natural gas subject to the jurisdiction of the Federal Power Commission with respect to the sale or transportation of which an order or certificate of the Federal Power Commission is in effect (or a proceeding for the issuance of such an order or certificate has been instituted), if prices taken into account directly or indirectly in the issuance of such order or certificate.

"(D) Natural gas sold under a fixed contract.—The term 'natural gas sold under a fixed contract' means domestic natural gas sold by the producer under a contract, in effect on April 10, 1974, and all times thereafter before such sale, under which the price for such gas cannot be adjusted to reflect to any extent the increase in liability of the seller for tax under this chapter by reason of the repeal of percentage depletion under this section."

(b) Effective date.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

EXHIBIT 1

TABLE 1.—ESTIMATED DECREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY UNDER A PROPOSAL TO INCREASE THE MINIMUM STANDARD DEDUCTION TO $2,000 AND TO GRANT AN OPTIONAL $225 TAX CREDIT IN LIEU OF THE $750 EXEMPTION DEDUCTION

[By adjusted gross income class, 1974 income levels]

Gross income class	Number of returns affected (thousands)			Decrease in tax liability (millions)	Percent of total relief	Percent of taxable returns
	Total number with tax decrease	Number made non-taxable	Number shifting to the standard deduction			
0 to $3,000	4,057	251	99	$254	2.1	6.1
$3,000 to $5,000	7,579	587	500	1,320	10.8	11.3
$5,000 to $7,000	8,273	449	1,020	1,850	15.2	12.4
$7,000 to $10,000	11,428	457	1,964	2,992	24.5	17.1
$10,000 to $15,000	15,858	177	678	3,632	29.7	23.8
$15,000 to $20,000	9,477	19	0	1,657	13.6	14.7
$20,000 to $50,000	5,145	1		$504	4.1	13.5
$50,000 to $100,000	5	(1)	0	1	.0	1.0
$100,000 and over	1	(1)	0	(1)	.0	.2
Total	61,821	1,940	4,262	12,209	100.0	100.1

[1] Less than 500 returns or $500,000.

Note: Details will not necessarily add to totals because of rounding.

TABLE 2.—$225 OPTIONAL TAX CREDIT PLUS $2,000 LOW INCOME ALLOWANCE TAX SAVINGS

[Assumes personal deductions of 17 percent of income]

Adjusted gross income	Present tax	Tax with $225 credit	Tax saving
Married couple with 4 dependents:			
$3,000			
$5,000			
$6,000	$28	0	$28
$8,000	312	0	312
$10,000	586	$30	556
$12,500	976	553	423
$15,000	1,371	1,023	348
$17,500	$1,826	$1,541	$285
$20,000	2,285	2,078	207
$25,000	3,330	3,270	60
Married couple with 2 dependents:			
$3,000			
$5,000	98	0	98
$6,000	245	0	245
$8,000	559	100	449
$10,000	867	480	387
$12,500	1,261	1,003	258
$15,000	1,699	1,473	226
$17,500	2,156	1,991	165
$20,000	2,660	2,528	132
Married couple with 1 dependent:			
$25,000	3,750	3,720	30
$3,000			
$5,000	$208	$0	$208
$6,000	362	0	362
$8,000	694	325	369
$10,000	1,010	705	305
$12,500	1,408	1,228	180
$15,000	1,864	1,698	166
$17,500	2,329	2,216	113
$20,000	2,848	2,753	95
$25,000	3,960	3,945	15

Adjusted gross income	Present tax	Tax with $225 credit	Tax saving
Married couple with no dependents:			
$3,000	28	----------	28
$5,000	$322	0	$322
$6,000	484	$170	314
$8,000	837	550	287
$10,000	1,152	930	222
$12,500	1,573	1,453	120
$15,000	2,029	1,923	106
$17,500	2,516	2,441	75
$20,000	3,035	2,978	57
$25,000	4,170	4,170	0
Single person:			
$3,000	138	0	138
$5,000	491	275	216
$6,000	681	465	216
$8,000	1,087	885	202
$10,000	1,482	1,365	117
$12,500	1,996	1,966	30
$15,000	2,549	2,536	13
$17,500	3,145	3,145	0
$20,000	3,784	3,784	0
$25,000	5,230	5,230	0

By Mr. WILLIAMS:

S. 470. A bill to amend the Coastal Zone Management Act of 1972 to suspend until no later than June 30, 1976, Federal oil and gas leasing in areas seaward of State coastal zones. Referred to the Committee on Interior and Insular Affairs.

COMPLIANCE MORATORIUM OF OFFSHORE DRILLING

Mr. WILLIAMS. Mr. President, I am introducing a bill today to delay any offshore oil leasing by the U.S. Department of the Interior until the affected coastal States can comply with the law for coastal zone management plans.

In response to the national need for oil, the Interior Department has announced its intentions to lease 10 million acres a year off the Outer Continental Shelf, beginning this year. Clearly, our Nation must explore and develop new domestic fuel sources in order to reduce dependency on foreign suppliers and still adequately meet our energy needs.

However, the administration has exhibited an unproductive and irresponsible haste in its headlong rush to expand offshore oil leasing. This is especially true when it will take several years to produce additional supplies, at the earliest. We do not have to act in the absence of a full-scale investigation and analysis of the environmental, technical and economic issues involved in the development of a new source of energy. In developing its massive leasing plan, the Interior Department is largely ignoring the intent of Congress to protect our coastal environment from the potential adverse consequences of offshore drilling as expressed in the Coastal Zone Management Act of 1972. This act was created to assist the States in developing adequate controls to prevent damage to the adjacent land and to preserve the fragil ecological balance in coastal areas.

One of the prime areas in the Atlantic Ocean for offshore oil leasing is the Baltimore Canyon located between 40 to 100 miles off the coast of New Jersey, Maryland, and Delaware. In my own home State of New Jersey, the development of offshore oil drilling may have a profound impact on many vital State concerns such as recreation areas, commercial shipping, fishing, and waste disposal. Offshore drilling raises a myriad of questions concerning shifts in population density, adequate housing, educational facilities, and fire and police protection, all of which influence the quality of life in these coastal areas.

In view of the administration's failure to demonstrate a willingness to protect our coastal environmental, I am pleased that the Congress has assumed a leadership role in properly assessing the critical questions regarding the onshore effects of the development of oil supplies on the Outer Continental Shelves. The Congressional Office of Technology Assessment has undertaken a $523,000 study of offshore drilling which will include an assessment of the environmental, economic, social, and political effects in New Jersey and Delaware.

The OTA study will provide the Congress and the coastal States with the unbiased and vital information regarding not only the costs and benefits entailed in offshore drilling proposals, but also ways to prevent or limit the costs to the affected States. Furthermore, the OTA report will include assessments on the best locations, technologies, and rates of development for oil supplies on the Outer Shelf. The legislation I am introducing today to postpone the Interior Department's leasing plan would allow the coastal States to benefit from the OTA findings in developing their coastal management plans.

Furthermore, the need for a delay in the leasing plans becomes even more apparent in light of the serious problems which exist in the current leasing practices of the Outer Continental Shelves. The most critical defect in the leasing program is the failure of the Bureau of Land Management and the U.S. Geological Survey to provide the public with accurate information concerning the location and productivity of offshore oil reserves. The Survey relies on information prepared by the oil industry trade associations who have vested interests in maintaining high prices for oil.

The Federal Government's noninvolvement in the exploration process results in a lack of independent information about our resources. Consequently, serious doubts arise over the validity of the industry data and the likelihood that American taxpayers will receive adequate revenues for their oil and gas reserves that are truly representative of the fair market value.

In addition to these leasing problems, widespread doubts exist about whether the oil industry can manage such a massive quantity of offshore development. In light of the current shortage of drilling apparatus and the enormous capital requirements involved in such a large leasing program, it seems unlikely that the oil industry would be able to promptly develop the offshore land which they lease. Furthermore, the oil industry bids on the offshore acreage to be offered this year are likely to be far too low in light of the huge capital requirements and the financial risks involved in the development of new energy supplies.

In my judgment, it is absurd for the administration to implement a massive leasing plan which will result in Federal revenues representing only a fraction of the real value of the resources while doing little to alleviate the oil and gas shortages in the next few years.

Clearly, a postponement in the offshore leasing plan proposed by the Interior Department is necessary in light of the insufficient communication between the Department and the coastal States and the glaring weaknesses in both the leasing practices and industrial capabilities. The legislation I am introducing will postpone any offshore leasing until affected coastal States have received final approval of a coastal zone management plan, or until June 30, 1976, whichever comes first.

This delay will provide the additional time needed for the coastal States to adequately prepare for the environmental, economic, and social impacts of offshore drilling on the neighboring lands. I urge my colleagues to join me in supporting this approach which will continue the congressional commitment to preserve the environment and protect the quality of life on our coastal areas. Most importantly, this legislation will not unduly burden the search for new supplies, but it will help to conduct that effort in a rational manner.

I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 470

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of law, the Secretary of the Interior may not grant any lease for the exploration and development of oil and gas deposits of submerged lands of the Outer Continental Shelf which are seaward of the seaward boundary of any coastal State before whichever of the following dates first occurs:

"(1) the date on which the Secretary finally approves the coastal zone management program of the State pursuant to section 306; or

"(2) June 30, 1976."

By Mr. WILLIAMS:

S. 471. A bill to require the publication of all public laws in the Federal Register. Referred to the Committee on Rules and Administration.

Mr. WILLIAMS. Mr. President, I have received an interesting suggestion from Mr. Paul Axel-Lute, the Federal documents librarian at the law school library of Rutgers University. He has recommended that the law be amended to provide for publication of public laws in the Federal Register as soon as possible after they are signed by the President. Libraries and the public would have much quicker access to the precise wording of new laws under this proposal, and recently enacted legislation would be available much faster than it is through depository distribution of slip laws or through commercial services.

I certainly believe that this proposal merits the careful attention of the appropriate congressional committees. Therefore, I am introducing legislation to provide for this type of publication.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1505 of title 44, United States Code, is amended by redesignating subsection (c) as (d), and by inserting after subsection (b) the following new subsection:

"(c) Public Laws.—Each public law shall be published in the Federal Register. The Administrator of General Services shall provide for such publication of each public law as soon as practicable after the date of its enactment."

By Mr. METCALF:

S.J. Res. 18. A joint resolution to designate March 13, 1975, as "Music in Our Schools Day." Referred to the Committee on the Judiciary.

Mr. METCALF. Mr. President, the Music Educators National Conference have designated March 13, 1975, as "Music in Our Schools Day." On that day every elementary and secondary school in all 50 States will open the day by singing '"'This Land Is Your Land" as a curtain raiser for the Bicentennial.

Recognizing the importance, as well as the enjoyment, of music in the lives of all of us, whether listeners or performers, I submit for appropriate reference a joint resolution to declare March 13, 1975, "Music in Our Schools Day," and I ask unanimous consent that its text be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 18

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

Whereas the enjoyment of music and the opportunity to participate in musical activities are basic needs of every child, and

Whereas such enjoyment and participation offer immeasurable potential for enriched adult living, and

Whereas the musical experience enhances understanding of our Nation and its culture, and

Whereas the lifelong benefits resulting from music education in the schools are recognized by audience and performers alike in the art and our country's school music education program is recognized throughout the world for its involvement of millions of young people, and

Whereas the Music Educators National Conference, in cooperation with twenty-five national organizations, will sponsor a national "Music in Our Schools Day" on March 13, 1975, and urge all citizens to participate in this observance,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 13, 1975, shall be designated "Music in Our Schools Day."

By Mr. BARTLETT:

S.J. Res. 19. A joint resolution proposing an amendment to the Constitution of the United States to establish maximum age limits for certain officers of the Government. Referred to the Committee on the Judiciary.

Mr. BARTLETT. Mr. President, I am today introducing for the Senate's reconsideration a proposed constitutional amendment establishing a mandatory retirement age for members of the Federal judiciary.

If adopted, this constitutional amendment would do the following: First, it would prohibit appointment to the Federal bench of any person who has attained the age of 70 years. Second, the amendment would require all judges to retire at the age of 70 except those judges who are now serving and who have not acquired their full retirement benefits. These judges in the latter category would be allowed to continue their service until their judicial retirement has vested.

Mr. President, the purpose and value of this proposed amendment are obvious. It just makes no sense to allow persons executing the authority and responsibility of a Federal judge to continue their duties at a time when they may not be fully capable either physically or mentally.

Although Oliver Wendell Holmes served admirably on the Supreme Court until he was 90 and Louis Branders retired at 82, these are rare exceptions.

Far too often judges, being devoted to their job, far outstay the time when they can judiciously perform their duties.

Business and government have already recognized the good judgment of a reasonable retirement age. In 1966 the Congress passed legislation requiring civil service employees to retire at age 70. In most instances American businesses require retirement by age 65.

The need for mandatory retirement of judges exceeds that of most other professions. Presently judges are in the unique position of serving for life with virtually no oversight short of impeachment for commission of a crime.

There exist numerous cases of judges who, though well qualified when younger, continue to serve and handle important cases even though advancing age has brought on senility and actual incompetence.

Some would argue that, if such an amendment is passed covering the judiciary, as a corollary it should also include Members of Congress.

However, there is a considerable difference between Members of Congress who must periodically face the voters and a Federal judge who is isolated from any oversight. The voters frequently retire a politician who does not have the good sense to see that he can no longer do the job. Voters do not have this opportunity with Federal judges.

Mr. President, if passed, this amendment will do a great deal to restore the public's lagging confidence in their judicial officers, for often, one senile judge has given the judiciary as a whole a black mark. I urge serious consideration of this amendment.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 7

At the request of Mr. Metcalf, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 7, a bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

S. 28

At the request of Mr. Moss, the Senator from Oregon (Mr. Hatfield) and the Senator from Wyoming (Mr. McGee) were added as cosponsors of S. 28, to amend the Internal Revenue Code of 1954 to provide a credit against tax, or in the alternative a deduction, for energy conserving residential expenditures.

S. 104

At the request of Mr. Inouye, the Senator from Indiana (Mr. Bayh), the Senator from New Mexico (Mr. Domenici), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of S. 104, to amend the Social Security Act to provide for the inclusion of services of licensed registered nurses under medicare and medicaid.

S. 114

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey), the Senator from South Dakota (Mr. McGovern), and the Senator from Montana (Mr. Metcalf) were added as cosponsors of S. 114 to amend the Social Security Act to provide that certain persons who have innocently entered into a legally defective marriage to an insured individual and have lived with such individual as his husband or wife for at least 5 years, shall be treated, for benefit purposes, as if such marriage had been legally valid.

S. 118

At the request of Mr. Inouye, the Senator from Alabama (Mr. Allen), the Senator from Arkansas (Mr. Bumpers), the Senators from Arizona (Mr. Fannin and Mr. Goldwater), the Senator from Wyoming (Mr. Hansen), the Senator from Maine (Mr. Hathaway), and the Senators from Minnesota (Mr. Humphrey and Mr. Mondale) were added as cosponsors of the bill (S. 118 to incorporate the Pearl Harbor Survivors Association.

S. 123

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey) and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of the bill (S. 123) to amend title XVIII of the Social Security Act to provide for coverage of certain clinical psychologists under supplementary medical insurance benefits programs established by part B of such title.

S. 196

At the request of Mr. Kennedy, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of the bill (S. 196) to amend the Fishermen's Protective Act of 1967.

S. 231

At the request of Mr. Eagleton, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 231, a bill to amend section 5(b) of the Food Stamp Act of 1964 to prohibit the use of funds to furnish food stamps to certain persons enrolled in institutions of higher education.

S. 323

At the request of Mr. MOSS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 323, a bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes.

SENATE JOINT RESOLUTION 12

At the request of Mr. KENNEDY, the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Arkansas (Mr. MCCLELLAN) were added as cosponsors of the joint resolution (S.J. Res. 12) to prohibit for a period of 60 days the imposition of tariffs, fees and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of the Congress of any such action within 30 days.

SENATE RESOLUTION 37—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

(Referred to the Committee on Rules and Administration.)

Mr. MOSS, from the Committee on Aeronautical and Space Sciences reported the following resolution:

S. RES. 37

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Aeronautical and Space Sciences, or any subcommittee thereof, is authorized from March 1, 1975, through February 28, 1976, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $57,000, of which amount not to exceed $1,000 shall be available for the procurement of the services of individual consultants, or organization thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1976.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 39—SUBMISSION OF A RESOLUTION PROVIDING FOR RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

(Referred to the Committee on Rules and Administration.)

Mr. METCALF. Mr. President, today I am reintroducing a resolution authorizing a year's experiment with radio and television coverage of Senate floor sessions—including a capability for closed-circuit monitoring of chamber activities—together with a running summary of debate transmitted by teletype to Member's offices and to the news galleries.

Designed to implement recommendations of the Joint Committee on Congressional Operations, this resolution is cosponsored by Senators MANSFIELD, ROBERT C. BYRD, HUGH SCOTT, GRAVEL, CHILES, TAFT, STONE, HUMPHREY, MUSKIE, STEVENSON, BROCK, BIDEN, MCGOVERN, CLARK, BAKER, MOSS, RIBICOFF, MONTOYA, SCHWEIKER, MATHIAS, LEAHY, PERCY, PACKWOOD, MONDALE, SYMINGTON, EAGLETON, JAVITS, BEALL, ROTH, WILLIAMS, GARN, and STAFFORD.

Specifically, as stated in my remarks on S. 447, which I first introduced on behalf of Senator TAFT and others last December, the resolution calls for—

First, provision of a continuous video feed, initially serving monitors in a limited number of House and Senate office locations. After a trial period of approximately 60 days, to provide for technical adjustments, this feed can be made available to commercial and public broadcasters, network organizations as well as local stations, for use live or recorded on videotape for delayed use in news or public affairs programs as they see fit. Congress should exercise no control over the selection of materials for broadcast use.

Second, provision of a continuous audio feed, initially carried into each congressional office via existing telephone lines. After a trial period of approximately 30 days, this feed can be made available to commercial and public broadcasters under the same conditions specified above.

Third, provision of a running summary of floor debate, daily committee schedules, bill status and other relevant information, transmitted on teletype printers and made available for use in the press galleries, by the wire services and other media outlets, as well as for use by Members of both Houses. A final printed summary, plus principal actions of each committee and subcommittee, can be prepared and made available for distribution shortly after the close of each day's House and Senate session.

The resolution also provides that copies of the videotapes and audio recordings shall be deposited with the Library of Congress for historical and educational purposes.

Under provisions of the resolution, the test would be supervised by the Senate Committee on Rules and Administration.

Mr. President, I will not burden the RECORD with additional details of and justification for this experiment at this time. The joint committee conducted a 2-year study—including extensive hearings—of congressional communications needs and capabilities. Its findings and recommendations for broadcasting House and Senate proceedings are available in an interim report filed October 10, 1974 (S. Rept. 93-1275). My floor statement of December 10, 1974 (CONGRESSIONAL RECORD, pp. 38825-38828 contains an expanded description of the purposes and background of the resolution we are reintroducing today.

Technical advances in broadcasting have made it possible to cover the Senate without installing extensive extra lighting. Existing light levels are nearly adequate for color coverage, assuming that the most sensitive equipment is used. In short, broadcast coverage can be accomplished without intruding unduly upon Senate proceedings and without disturbing or discomforting Members on the floor.

Given the many challenges to our governmental system that confront us today, we must move forward now with a test of broadcast coverage, not as a device to improve the "image" of the Senate but as a practical step to involve more citizens in the workings of representative democracy.

Mr. President, I ask unanimous consent that a copy of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 39

Resolved, That (a) beginning as soon as possible during the first session of the Ninety-fourth Congress and continuing for the remainder of that session, the Committee on Rules and Administration (hereafter in this resolution referred to as the "committee") is authorized and directed to provide for radio and television coverage of the proceedings in the Senate Chamber. Such coverage shall be provided for continuously at all times while the Senate is in session, except for any time when a meeting of the Senate is ordered with closed doors.

(b) The committee shall maintain videotapes of such coverage and shall maintain separately recordings of the audio portion of such coverage. Copies of such videotapes and recordings shall be made available to public and commercial broadcasting stations as provided in this resolution. Copies of such videotapes and recordings shall be deposited with the Library of Congress and, under rules and regulations prescribed by the committee, shall also be made available to educational institutions, libraries, and other organizations.

SEC. 2. (a) The committee shall initially provide for monitors with which to receive the television coverage of the proceedings in the Senate Chamber to be located in such offices in the Capitol and the Senate and House office buildings as it considers desirable. As soon as practicable, the committee shall make the television coverage of the proceedings, and the videotapes thereof, available to public and commercial television broadcasting stations in accordance with the provisions of section 4.

(b) The committee shall, at the request of any Member or officer of the Senate or the House, any committee of the Senate or the House, or any joint committee of the Congress, provide for transmission of the audio portion of the coverage of such proceedings into the office of such Member, officer, committee, or joint committee. As soon as practicable, the committee shall make such audio portion, and recordings thereof, available to public and commercial radio broadcasting stations in accordance with the provisions of section 4.

SEC. 3. The committee shall also provide a daily written summary of the proceedings of the Senate and other information pertaining to legislative activity. Under rules and regulations prescribed by the committee such information shall be made available, by means of teletype printers or other written means to the news media and Members, officers, and committees of the Senate and the House, and to joint committees of the Congress.

Sec. 4. The radio and television coverage of the proceedings in the Senate Chamber, videotapes of such coverage, and recordings of the audio portion of such coverage shall be made available to public and commercial broadcasting stations subject to the following terms and conditions:

(1) Such coverage, videotapes, and recordings shall be broadcast solely for the education, enlightenment, and information of the general public.

(2) No part of such coverage, videotapes, or recordings may be used in any commercial advertisement.

(3) No part of such coverage, videotapes, or recordings may be broadcast with commercial sponsorship, except as part of bona fide news programs and public affairs documentary programs.

(4) No part of such coverage, videotapes, or recordings may be used to promote or oppose the candidacy of any person for elective public office, whether in a paid political broadcast or otherwise.

Sec. 5. (a) The committee is authorized to employ such professional, technical, and other personnel as may be necessary to carry out the provisions of this resolution. The committee is also authorized to enter into contracts with individuals, corporations, and organizations to carry out its functions and duties under the resolution.

(b) The expense of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Sec. 6. As soon as possible after the conclusion of the first session of the Ninety-fourth Congress the Joint Committee on Congressional Operations shall evaluate, and report to the Congress with respect to—

(1) the effectiveness of audio and video systems as a means of monitoring activities in the Senate Chamber,

(2) the effect of radio and television coverage on proceedings in the Senate Chamber, and the attitude of Members of the Senate toward such coverage,

(3) the extent and nature of the use of the radio and television coverage, and videotapes and recordings thereof, by public and commercial broadcasting stations in accordance with this resolution,

(4) the response of the general public to broadcasts of such coverage, videotapes, and recordings, and

(5) the effectiveness of the information provided and made available under section 3 from the viewpoint of the news media and Members, officers, and committees of the Senate.

Sec. 7. As soon as possible after the report required in section 6 has been filed, the committee shall report to the Senate with respect to the radio and television coverage of proceedings in the Senate Chamber and other activities carried out under this resolution, together with its recommendations thereon, including its recommendations for continuing such coverage and other activities.

Mr. PACKWOOD. Mr. President, this afternoon I join with a number of my colleagues in the introduction of legislation to provide for an experimental program of radio and television coverage of the daily Senate sessions. This bill is the product of an extensive inquiry conducted by the Joint Committee on Congressional Operations into the various means for better acquainting the public with the activities of Congress.

Most polls taken show that public confidence in the Congress has badly eroded over the last 5 years. In many instances, I believe that we deserve poor marks. However, I think it could be of enormous value to the public in judging the efficacy of the Congress to have a chance to view the day-to-day workings of the Senate. One of the major findings of the joint committee's investigation into the media and the Congress was that the Executive has more and more made effective use of the media for the purpose of reaching the American people while the Congress has remained basically passive in this regard.

I support live coverage of our sessions. When you consider that only 6 weeks ago the Senate Chamber was shown on live television for the first time ever, this seems a large step. No doubt we will have some instant stars and a measure of demagoguery. However, that should plateau quickly.

Another ramification of live coverage will be greater accountability for each and every Senator. It seems entirely logical and justifiable that this should be the case. I can see the mail now, "Where were you during that vote on April 6, 1975?" Or, "I disagree with what you said in the Senate. Your facts don't back up your conclusion." Personally, I welcome this kind of exchange and look forward to active feedback from my constituents.

Mr. President, about 40 of the States already provide for television coverage of their State legislative sessions. Certainly, their activities are of immediate concern to their constituents. However, at this particular juncture in our history, the people of the United States are more and more closely watching the Congress. We are being monitored for our responsiveness to the pressing problems facing this Nation. I cannot think of a more comprehensive way of communicating congressional concern with and active focus on the resolution of our difficulties than by bringing it to the American people through their TV sets. I would urge early action on this legislation by the Senate and early implementation of its provisions thereafter.

SENATE RESOLUTION 40—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON LABOR AND PUBLIC WELFARE

(Referred to the Committee on Rules and Administration.)

Mr. WILLIAMS, from the Committee on Labor and Public Welfare, reported the following resolution:

S. Res. 40

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Labor and Public Welfare, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $1,850,000, of which amount not to exceed $90,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

NOTICE OF HEARING

Mr. MANSFIELD. Mr. President, I wish to announce, on behalf of the Senator from Washington (Mr. Jackson), that the National Fuels and Energy Policy Study, Committee on Interior and Insular Affairs, will hold hearings on President Ford's energy program on January 31. Witnesses invited to testify are Secretary of State, Henry A. Kissinger, Secretary of the Treasury, William E. Simon, Secretary of the Interior, Rogers C. B. Morton, and Administrator of the Federal Energy Administration, Frank G. Zarb.

The hearings will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

NOTICE OF HEARINGS ON THE CULTIVATION, USE, AND CONTROL OF OPIUM

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee To Investigate Juvenile Delinquency of the Committee on the Judiciary will hold hearings on the cultivation, use, and control of opium.

The subcommittee intends to explore numerous concerns including the following: The background and impact of the Turkish poppy ban and its recent rescission; the adequacy and operation of Controlled Substances Act provisions designed to prevent diversion and traffic and to insure the availability of supply adequate to meet legitimate medical needs; the merit of recent Justice Department Drug Enforcement Administration proposals amending the Controlled Substances Import and Export Act to permit the importation of poppy straw; the results of research efforts to develop synthetic alternatives to opium derivatives; and the merit of proposals to domestically cultivate opium poppies with low abuse potential.

The hearings are scheduled for March 4 and 5, 1975, at 10 a.m. in room 2228, Dirksen Senate Office Building. Representatives from the Office of Management and Budget, the Department of Justice, the Department of State, and Department of Health, Education, and Welfare, the Department of Agriculture, as well as others in the private and public sectors with special interest and expertise in these matters have been invited to testify.

Any person wishing to submit a statement for the record should notify John M. Rector, staff director and chief counsel of the subcommittee at 202-224-2951.

NOTICE OF NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Public Welfare has scheduled a hearing on Wednesday, January 29, at 9:30 a.m., in room 4232, Dirksen Senate Office Building, on the nomination of Betty Southard Murphy, of New Jersey, to be a member of the National Labor Relations Board, and if confirmed by the Senate, designated as Chairman of the Board.

ADDITIONAL STATEMENTS

THE 100TH ANNIVERSARY OF THE FIRST PERFORMANCE OF "CARMEN"

Mr. JAVITS. Mr. President, the 100th anniversary of the premiere of the opera "Carmen," as staged by opera diva Regina Resnik, will be commemorated by a special television presentation on Monday evening, March 10, 8 to 9:30 o'clock e.s.t., over the Public Broadcasting Service.

New York's WNET-13 will originate the program through a grant from Xerox Corp.

Entitled "Carmen: the Dream and the Density," the program interweaves the tragic story of "Carmen" composer Georges Bizet with the day-to-day rehearsals and preparation for a new production of his most famous work at the Hamburg State Opera in Germany. It has been highly praised by critics in England and Germany, where the program has been telecast.

Miss Resnik, a New Yorker, who has sung the title role in "Carmen" some 250 times since making her debut at New York's Metropolitan Opera in 1944, was invited to stage the new production by the director of the Hamburg Opera Company. She in turn invited Arbit Blatas, a well-known impressionist painter, to design the startling new sets and costumes.

Two internationally known singers star in the program. Huguette Tourangeau, a French Canadian, appears as Carmen and Placido Domingo, one of the Metropolitan Opera's foremost tenors, sings Don Jose.

The brief history of Bizet is incorporated into the special to heighten viewers' understanding and enjoyment of Miss Resnik's concept.

The producers recreate the original night of "Carmen" at the Opera Comique in Paris in 1875, when the audience, expecting the traditional light heroine in a light artificial plot, booed lustily at what has been called "this first stage venture into the world of passion and tragedy."

The program notes that Bizet died 3 months later, not knowing that "Carmen" would become the world's most popular opera.

THE HONORABLE RICHARD D. LAMM, COLORADO'S 38TH GOVERNOR

Mr. HASKELL. Mr. President, it is a pleasure to have this opportunity to share with my colleagues in the Senate the inaugural address of Colorado's 38th Governor, the Honorable Richard D. Lamm.

Dick Lamm, an accomplished lawyer and certified public accountant, began his fine record of public service to the State of Colorado in 1966 when he was elected to the Colorado House of Representatives. He served as assistant minority leader in that body from 1971 until his election on November 5, 1974, as Governor of Colorado.

During his tenure in office, Dick was the chief sponsor of many legislative initiatives in such vital areas as tax relief for the elderly, no-fault automobile insurance, medical licensing revision, and battered child legislation.

I look forward to having the opportunity of working with the Governor, as I know he will make many significant contributions to our State.

I ask unanimous consent that the text of Governor Lamm's inaugural address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS

(By Richard D. Lamm)

We live—to paraphrase Dickens—in the best of times; we live in the worst of times; we live in the age of reason but in the shadow of poverty and despair. We take great pride in our civilization and our standard of living only to be brought back to reality rudely with unprecedented air pollution, shortages, energy crises, and warnings that our standard of living is built on false premises.

As policy-makers, we peer anxiously into a murky future amidst immensely conflicting advice. Conventional wisdom tells us that solutions of the future are merely extrapolations of the solutions of the past: the transportation crisis can be solved by more highways and larger supertankers, population-related problems by more people and more tax base, and technological-related problems by more technology. We are finding, increasingly, that our historic solutions do not work. We must "disenthrall" ourselves from many of those historic solutions.

Serious problems face us. Our land is becoming crowded, our food-growing capacity limited; we have blind wealth on one hand and abysmal poverty on the other; and our mineral and energy resources are finite. The incredible combination of recession and inflation will soon hit us hard and there will be serious readjustments in our life styles.

The age of abundance is over. We are told on all sides that we are entering the age of scarcity, and we ought to listen.

The American character that conquered the wilderness and overcame hardships to make this a land of plenty will be tested anew in the coming years.

Today we are being asked to: solve our energy problems; reverse our economic difficulties; conserve our limited natural resources; eliminate the causes of social dependency; and to re-establish the ethics of conservation, self-reliance and cooperation.

FEDERAL-STATE RELATIONS

As a new state we joined the United States 100 years ago believing in the true sense of federalism. I am convinced we must assert our belief that federalism is a sharing of responsibilities and tasks while reserving specific authorities to the State and to the federal government. Drawing the lines which define these areas of responsibility becomes more and more complex when Colorado is asked to provide the nation with the immediate solutions to the energy problems.

Colorado may have something more important than its energy to export. It may have a philosophy and a new approach to solutions which are more important than our energy resources. They can dig up, strip, extract and remove all Colorado's energy resources, and there will still be an energy crisis. Unless we pay as much attention to decreasing demand as we do to increasing production, our society will be doomed to failure. Historic growth rates—of population, or resource use, or energy consumption—cannot continue unchecked. So long as our political and economic system continues to equate progress with continued growth and increased consumption there will never be "enough."

The West has lived with scarcity as a fact of life: a scarcity of grasslands, a scarcity of water. We have a valuable lesson which we must export along with our energy resources—that our society cannot continue to careen, rapidly and blindly, into the future hoping "something will turn up." We must make some fundamental adjustments now. We must move away from worship of "more, further, quicker, richer" to an appreciation of the finite. We must learn to consume less, waste less, recycle more, and conserve our limited endowment of natural resources and energy supplies. We must consider our land as a precious natural resource, not a commodity to be sold and traded; and we must turn inward toward spiritual and educational rewards and less to materialistic rewards.

A CONSERVATION ETHIC

In addition to a strong role in the decisions affecting our energy, it is time to begin dealing realistically with all our dwindling natural resources. To this end, I will encourage a return to a true frontier ethic of stewardship for our land, waters and resources. We cannot in good conscience continue to use more and more.

All the renewable resources—the soils, the forests, the grasslands, the waters and the wildlife—will produce more under well-managed programs of conservation. With true conservation and the best possible use of our improving technology, these resources can continue to support a moderately increasing population.

The non-renewable resources—the minerals, petroleum and metals—will not grow and multiply with proper care. We must use less, find substitutes, or do without.

We cannot waste. Our throw-away, over-packaged, discard and disposable life-style can and should come to an end. The West must lead the nation to show that the good life does not have to be wasteful or extravagant.

OUR CENTENNIAL-BICENTENNIAL YEAR

As we move toward our Centennial-Bicentennial year, let us re-examine what it means to be Americans. The value of being an American is not measured by having two cars in every garage and a color television set. Our progress as a people cannot be measured by garbage compactors, B-1 bombers and plastic flowers. It is measured by our continued right to live and work in equality and freedom being judged only on our ability.

Our country is great not because we have great leaders but because we have a great people, people who overcame adversity, poverty, prejudice and handicaps of all kinds.

We will solve today's problems only if we meld the best ideas from our diverse communities into the solutions we attempt. We need the support, the ideas and the participation of everyone.

This has been pointed out most beautifully, not by me, but by you who voted in this past election. You have elected Colorado's most diversified officials. In top leadership roles are the first woman Secretary of State and the first black Lieutenant Governor. Your representatives have selected a Chicano to head the majority party in the House of Representatives. We, here on this platform, are examples of that diversity.

My grandfathers, 100 years ago, were a bricklayer and an ice man.

Ruben Valdez has roots in Colorado for many, many generations. Both his grandfathers were lumberjacks traveling between lumber camps in northern New Mexico and what is now Southern Colorado. They raised generations of their family on this land.

George Brown's grandfather was a Kansas farmer. He is the descendent of a Louisiana slave plantation family.

Mary Estill Buchanan comes from a politically active family and it will surprise no one to know that she is a relative of Mrs. Missouri Ann Powell, a feminist in the 1860's who came to Colorado as a mail-order bride. One of her grandfathers served as governor of Puerto Rico for three terms.

We are the extension of what it means to be American. We are examples of the right to live in freedom and equality, the right to be judged on one's ability, not by one's caste, color or sex.

As Americans and Coloradans, we were not guaranteed an easy life. I and others elected by you are not going to have an easy future. We shall need the wisdom of Solomon who prayed to the Lord to give him the strength to listen. Let us listen and learn from one another. We will not always be right but we will always be trying, together. What we accomplish will be the result of your full support and participation.

Colorado is a great state under great pressures, but we have a great people. I believe we shall meet the test of the times.

SENATOR JAMES B. ALLEN—DEDICATED SERVANT

Mr. HARRY F. BYRD, Jr. Mr. President, the Washington Star-News on January 23, 1975, published an excellent article on the Senator from Alabama (Mr. ALLEN).

Written by a fine reporter, Martha Angle, the Star-News piece caught so well the dedicated Senate services of JAMES B. ALLEN. It develops so well his philosophy, his courage, and his ability.

The Senator from Virginia has high admiration for Senator ALLEN. He is, I feel, an outstanding Senator.

I ask unanimous consent that Martha Angle's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star-News,
Jan. 23, 1975]

THE SENATE'S ONE-MAN WRECKING CREW

(By Martha Angle)

James Browning Allen, a veritable one-man wrecking crew, is plugging away this week at one of his favorite chores: dismantling the reform efforts of Senate liberals.

Quietly but stubbornly, the Alabama Democrat is battling to keep the Senate from voting on a proposal to ease its much-criticized filibuster rule.

Allen's weapon? The filibuster itself.

Reform advocates want to permit the Senate to invoke cloture, thereby limiting debate, by a three-fifths margin instead of the two-thirds now required.

But if Allen has his way, and he very well may, the reformers will have to muster a two-thirds vote simply to shut him up and give the full Senate a chance to accept or reject their proposed rules change.

Allen doesn't believe the Senate's treasured right of free debate should be easily abridged.

"Shall we destroy the one feature that more than any other makes the U.S. Senate the greatest deliberative body in the world? I say no," he told his colleagues this week.

"People need an opportunity for unwise legislation to be considered and slowed down," Allen said. "They need some restraint upon the abuses of an unbridled majority."

With an oblique glance at Sen. Walter F. Mondale, D-Minn., sponsor of the proposed rules change and a staunch civil rights advocate, the Alabama Democrat said, "I hate to see some of the sponsors of this gag rule working against the rights of a minority." He placed just the faintest emphasis on the word "minority," suppressing a grin as the barb hit home.

In the six years since he first came to Capitol Hill, the 62-year-old Alabama Democrat has emerged as a master of Senate rules and parliamentary procedure matched only by Majority Whip Robert C. Byrd, D-W. Va.

Both men attained their skills by endless study of written rules and past precedents, and by spending long hours on the Senate floor absorbing the often-tedious details of the legislative process.

But Byrd uses his mastery of procedure to speed the flow of legislation through the Senate, while Allen more often employs the rules to throw grit into the machinery, blocking or delaying action on measures he dislikes.

The filibuster is his favorite tactic, though by no means the only weapon in his procedural arsenal.

Twice in recent years Allen has used the filibuster to block a Senate vote on legislation to create a federal Consumer Protection Agency. He used it to sink a comprehensive tax reform package which Sen. Edward M. Kennedy, D-Mass., tried to attach to a bill raising the federal debt ceiling last year.

Allen succeeded in delaying, in some cases for months at a stretch, ultimate Senate passage of the 18-year-old voting age, postcard voter registration and campaign financing reform.

He will no doubt employ "extended debate" against other measures this year.

"I don't feel the majority is always right," Allen said. "There are times when the majority can run roughshod over the minority."

In partisan terms, Allen is a member of the "majority" in the Senate—the Democratic majority, that is. But his voting record belies the party label.

Last year, for example, Allen tied for first place among Senate Democrats in supporting former President Richard M. Nixon on 65 percent of the test votes recorded by Congressional Quarterly. The average "presidential support score" of Democratic senators was 39 percent, and the Republican average only 57 percent.

Some Democrats privately accuse Allen of "carrying water" for the GOP administration on such issues as tax reform and campaign financing, where the White House did not want to appear to be leading the opposition to supposedly progressive measures.

But a former White House official, when asked about such allegations, laughed ruefully and said, "It was the other way around. Allen was out in front of us on a lot of stuff. He's a self-starter who doesn't need anyone to point the way."

Allen's penchant for following the dictates of his conscience rather than the tugs of party loyalty may have cost him a seat on the Senate Judiciary Committee this year.

Just days before the Democratic Steering Committee met to make committee assignments, Allen bolted party lines and voted with Republicans on the Senate Rules Committee in favor of granting provisional seating to the GOP contender for a contested New Hampshire seat in the Senate.

His vote deadlocked the Rules Committee at 4-4, thereby throwing the dispute to the full Senate.

Allen said he believed the Senate had a duty to honor the election certificate issued to Republican Louis C. Wyman by New Hampshire officials even though Wyman's victory margin was Allen's vote on the New Hampshire dispute didn't sit well with some of his fellow Democrats, and when the Steering Committee met to hand out committee assignments it gave the Judiciary seat to liberal James Abourezk, D-S.D., instead of to Allen, who had more seniority.

"You win some and you lose some," Allen said afterwards. "I don't want to talk sour grapes."

Allen might have lost his bid for the Judiciary seat regardless of how he voted on the New Hampshire case. Senate liberals waged a ferocious backroom campaign to keep the Alabama Democrat off the influential panel.

With his grasp of Senate Rules and his debating talents, Allen could have "brought this committee to a screeching halt," said one liberal Democrat who serves on Judiciary.

Even Allen's worst political enemies respect the hulking second-term senator, praising his tenacity and his integrity.

Sen. Alan Cranston, D-Calif., a liberal who seldom agrees with Allen on legislative issues, said the Alabama Democrat "knows the rules upside down and backwards. He can catch other people napping, but he's not sneaky. He just plays hardball within the rules."

Sen. Robert P. Griffin, R-Mich., assistant GOP leader, said Allen's command of Senate rules "isn't a complete substitute for having the votes—but it sure helps."

Sen. James B. Pearson, R-Kan., who with Mondale is leading the effort to change the filibuster rule, said Allen is "effective in a negative sort of way. He can stop a lot of things, although I don't know how much he can start."

Pearson said Allen has "remarkable composure. He never loses his temper. You never even see color come to his cheeks, no matter how intense the debate."

Allen is unfailingly courteous to friend and foe alike, and seems content to swim against the tides of political and stylistic fashion.

"He's a loner," said one Democratic senator. "He doesn't care what people think as long as he's doing what he believes is right."

At times Allen's unquestioned personal rectitude has left some of his less fastidious colleagues squirming.

When first elected to the Senate in 1968, Allen gave up his law practice and sold all of his stock holdings. He also decided to accept no fees for outside speaking engagements, not even expense reimbursements.

Such precautions against possible conflicts-of-interest are far from commonplace in the Senate, and are even more impressive in light of Allen's modest financial condition.

Even though he is not required to do so by Senate rules, Allen has published a detailed personal financial statement each year that he has served in the Senate. The latest report shows his net worth has declined slowly but steadily since he arrived in Washington, dropping from $92,984 at the end of 1968 to $78,758 by Dec. 31, 1974.

Allen is just as careful about his campaign financing as he is in handling his personal finances.

Although he vigorously opposed public financing of federal election campaigns, Allen supported other reforms aimed at tightening limits on contributions and expenditures and requiring full public disclosure of both.

He ran his own re-election campaign last year on a virtual shoestring, spending only $40,000 of the $151,000 he collected.

The modest campaign chest proved more than adequate. Allen won his second term with 95 percent of the vote.

"I feel like I'm in step with the people of Alabama," he said with typically understated good humor.

SENATOR HRUSKA ADDRESSES THE NATIONAL CONFERENCE ON APPELLATE JUSTICE

Mr. FONG. Mr. President, on Sunday, January 26, my colleague the Senator from Nebraska (Mr. Hruska) addressed the National Conference on Appellate Justice in its San Diego, Calif., meeting on the work of the Commission on Revision of the Federal Court Appellate System.

While his speech is of especial interest to me as one of his fellow Commissioners, I am confident its subject will be of vast interest to all Members of Congress and to the general public.

The Senator from Nebraskka treated with two points: First, the need for additional appellate capacity in our Federal judicial system, and second, a description of a proposal for a new tribunal to fill that need. Greater details of the plan are expected to appear within the next month or so in the form of a preliminary report.

Senator Hruska pointed out that the number of cases lodged in the Supreme Court has burgeoned in the last 25 or so years—from about 1,200 in 1951 to its level of over 4,000 in the term just completed.

Notwithstanding that dramatic increase, the number disposed of on the merits in paid cases—appeals and certiorari—has remained fairly constant in the past 25 years or more. That is to say—in the range of 150.

Quoting from Dean Griswold's Irvine lecture, Senator Hruska pointed out that in 1951, "about 18 percent of paid cases were heard on the merits," while about 6 percent were so heard during the 1973 term.

The Senator from Nebraska contends that if the growth pattern should continue, the percentage of cases afforded review by the Court will continue to diminish. And if so, at some point in the near future the percentage of cases accorded review will have dipped below the minimum necessary for effective monitoring of the Nation's courts on issues of Federal statutory and constitutional law.

The Supreme Court has given ample evidence of its ability to move swiftly and to act decisively in cases of great national moment. But not every case can command that kind of attention. Far too many cannot do so.

Hence, the Commission on Revision has concluded that there is a clear need for an alternative forum which would resolve such questions of national law more rapidly, more efficiently and at an earlier time; subject always to the ultimate power of the Supreme Court to review.

In his remarks, Senator Hruska then outlined the most important elements of the model which the Commission will be submitting in its preliminary report. He discusses, first, the organization—structure—of the new "National Court of Appeals;" second, the jurisdiction to be assigned to it; and third, the provisions for review by the Supreme Court of the new court's decisions.

Plans for processing the Commission's report include: Wide distribution of its preliminary draft to courts, attorneys, law schools, and interested citizens. Commission hearings in Washington on April 15 and 16; and in St. Louis, Mo., on April 21 and 22.

Thereafter, the Commission will formulate its final report to be filed with the President, the Chief Justice, and the Congress. This is to be done on or before June 21 of this year.

Mr. President, I am pleased at the tone with which the Senator developed his theme. Particularly, I am gratified by one of his summarizing statements as follows:

> The Commission has fashioned a very specific proposal. Yes, it is not set in concrete; we are not wedded to it irrevocably, certainly not to each of the details, which together make the whole. But we do believe that the need for a proposal of this general type has been demonstrated, and that it would serve a useful purpose to have comments and criticism focus on its specifics. If there be those who are of the view that some other proposal will better meet the need, or who would deny the need, or amend the tentative recommendations, let them come forward and give us the benefit of their reasoned consideration.

Mr. President, I like that approach. It is in that same spirit that I commend the attention of my colleagues to Senator Hruska's speech. Mr. President, I ask unanimous consent that its text be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FONG. I conclude my remarks, Mr. President, by listing the names of Commission members:

Appointed by the President:

Hon. Emanuel Celler, New York City, former chairman, House Judiciary Committee.

Dr. Roger C. Cramton, dean, Cornell University School of Law.

Francis R. Kirkham, Esquire, San Francisco, Calif., firm of Pillsbury, Madison, and Sutro.

Judge Alfred T. Sulmonetti, Oregon State Circuit Court, 4th Judicial District, Portland, Oreg.

Appointed by the Chief Justice:

Judge J. Edward Lumbard, vice chairman, senior judge, U.S. Court of Appeals for the 2d Circuit, New York.

Judge Roger Robb, U.S. Circuit Court judge, District of Columbia Circuit, Washington.

Bernard G. Segal, Esquire—former president, American Bar Association—partner in law firm Schnader, Harrison, Segal, and Lewis, Philadelphia.

Prof. Herbert Wechsler, director of American Law Institute, member of faculty, Columbia Law School, New York.

Appointed from the House:

Congressman Jack Brooks of Texas.

Congressman Walter Flowers of Alabama.

Congressman Edward Hutchinson of Michigan.

Congressman Charles E. Wiggins of California.

Appointed from the Senate:

Senator Roman L. Hruska of Nebraska, chairman.

Senator John L. McClellan of Arkansas.

Senator Quentin N. Burdick of North Dakota.

Senator Hiram L. Fong of Hawaii.

Prof. A. Leo Levin is executive director. He is a member of the University of Pennsylvania College of Law Faculty.

EXHIBIT 1

REMARKS OF U.S. SENATOR ROMAN L. HRUSKA, CHAIRMAN, COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM, AT THE NATIONAL CONFERENCE ON APPELLATE JUSTICE, HOTEL DEL CORONADO, SAN DIEGO, CALIF., JANUARY 26, 1975

It is indeed an honor to appear before this distinguished audience. It gives me particular pleasure to have been introduced by Dean Roger Cramton, a distinguished educator and public servant whom we are proud to number among the members of the Commission on Revision of the Federal Court Appellate System.

The Congress charged the Commission with studying the structure as well as the internal procedures of what is termed the Federal courts of appeal system, and with formulating recommendations for such change "as may be appropriate for the expeditious and effective disposition of the caseload", consistent always "with fundamental concepts of fairness and due process."

I want to share with you this morning the Commission's current thinking on the question of structure: specifically our perception of the need for additional appellate capacity to assure stability and coherence in the national law and also our tentative proposals for meeting that need.

The Commission approached its assigned task aware that our society imposes great demands upon the federal judicial system and aware that there is every indication these demands will increase rather than decrease in the years ahead. It is in the interest of society that these demands be met as effectively and efficiently as possible. We asked ourselves: are these needs being met today in optimal fashion? Might they be better met by the creation of a new tribunal?

It is appropriate to begin with an examination of what is happening in the federal appellate system.

The United States Supreme Court is today the only court with the power of handing down judgments which constitute binding precedents in all state and federal courts. The Supreme Court is charged with maintaining a harmonious body of national law through its power of review of the judgments in the cases brought before it by way of certiorari and appeal. As the number of cases brought to the Court for review has burgeoned, the number disposed of on the merits after argument has remained relatively constant. Obviously, the major variable has been in the number of cases not accorded plenary review.

The figures are dramatic. The Freund report showed about 1200 cases filed in the Court in 1951. Twenty years later the number had tripled to about 3600. The volume continues to rise. In its most recent term just completed it was over 4,000.

The Court was hearing about 150 cases on the merits in 1925; it was hearing about 150 such cases 25 years ago. It hears about 150 cases on the merits today.

Dean Griswold in his Irvine lecture summarized the significance of these figures as follows:

"Putting it another way, about 18% of paid cases (appeals and certiorari) were heard on the merits twenty years ago, while about 6% of paid cases were heard on the merits during the 1973 Term. What became of the other 12% of paid cases? . . . they were lost in the 1973 Term simply because of inadequate appellate capacity to hear cases on a national basis."

The focus of our inquiry has not been the burden on the Supreme Court. We have not attempted to examine whether that Court is or is not overworked, leaving it to the Court itself to speak as to its own condition, if and when it chooses to do so. The sole focus of the inquiry has been to determine whether the need for definitive declaration of the national law in all its facets is being met.

There are those who find in these court statistics evidence that it is not.

At the least, the data raised serious questions about the future. They provide no basis for confidence that the Supreme Court in the decades ahead can be expected adequately to satisfy the needs for stability and harmony in the national law as the demands continue to increase.

Let us assume, however, that the inference from these raw statistics is merely suggestive, and let us examine the situation from other perspectives in order to consider whether, and to what extent, the evidence supports the suggestion that the federal system indeed lacks adequate appellate capacity.

I turn to the "argument from experience," and participants in the system as it operates today.

Erwin N. Griswold served as Solicitor General of the United States for six terms of the United States Supreme Court, from 1967 until June 1973. One of his responsibilities was to pass on nearly every case in which any officer or agency of the Federal Government had lost in a lower court and wanted to take the case to the Supreme Court, either by appeal or by certiorari. Reviewing the experience of those six Terms in the Irvine lecture this past October, Dean Griswold elaborated on the need for the solicitor general to refuse to recommend Supreme Court review in a substantial number of cases because of the workload of the court. There are, he concluded, "At least twenty government cases every year which are fully worthy of review by an appellate court with national jurisdiction and . . . the Government and the legal system suffer . . . from lack of authoritative decisions which would come from such review and would serve as a guide to government agencies and the lower courts."

This statement is made by one in a unique position to observe the flow of cases and the trends of the law in the federal courts. It must command respect. It does not show that the system is breaking down. Nor did Dean Griswold argue that it does. Rather, it is important evidence that there is a problem and thus a potential for improvement.

A distinguished judge of the United States Court of Appeals, Judge Shirley Hufstedler of the Ninth Circuit, has spoken in even stronger terms. The Supreme Court, she observes, "now hears fewer than 1 per cent of the cases decided by the Federal courts of appeals." Courts of Appeals, she continues, "can be neither right nor harmonious 99 per cent of the time. One per cent supervision is patently inadequate." What is significant here is the basis of Judge Hufstedler's conclusion, and as Judge Hufstedler notes, that basis is the experience of adjudicating federal cases appealed to a busy court, and the "informed intuition" which derives from that experience.

It is not to be expected that all judges will share Judge Hufstedler's views as to how serious this situation has already become. Indeed there is evidence of some dissent. It is significant, however, that if the growth pattern should continue, the percentage of cases accorded review by the Supreme Court will continue to diminish. We may assert with confidence that at some point the percentage of cases accorded review will have dipped below the minimum necessary for effective monitoring of the nation's courts on issues of federal statutory and constitutional law.

INTERCIRCUIT CONFLICTS

The existence of a need for additional appellate capacity to declare the national law is supported by several bodies of evidence. One of the most dramatic is the existence of unresolved inter-circuit conflicts, direct and frontal. They arise because courts of appeals have come to opposite conclusions in cases which cannot be distinguished. There is evidence that at least some of these conflicts are not being resolved by the Supreme Court because of the press of more urgent business.

The Commission has sponsored research designed to discover the number and nature of these direct conflicts. Preliminary results clearly support the existence of an unmet need, thus providing a strong argument for the creation of a new court with judicial capacity and authority to fill the vacuum.

Direct conflicts, however, are but a small part of a broader problem. The American Bar Association House of Delegates' February, 1974 resolution on the subject pointed to the need for "prompt resolution of legal issues of national concern which the Supreme Court lacks the time to deal with".

Judge Harold Leventhal has elaborated on this point. The term conflict is "shorthand," he wrote to the Commission. It "should include substantial divergencies in approach to a common legal problem as well as outright conflict of holding." Such divergencies have been termed "sideswipes". It is clear that there are many more of them than there are direct conflicts. This was demonstrated, if demonstration was needed, by Professor Floyd Feeney's study of petitions for certiorari, undertaken for the Commission.

The research undertaken by the Commission has been extensive. Professor Feeney's study is just one of a number of major sources of data that have provided helpful information concerning the unresolved direct inter-circuit or state-federal conflict.

A preliminary review would indicate that there are unresolved conflicts, some of which are dramatic in their impact, although most are more prosaic in character and significance.

It is difficult to estimate the number of such direct conflicts. In his report to the Commission, Professor Feeney suggests that if we were to examine all cases, "we would find, at a conservative estimate, 40 conflicts that had gone unresolved for at least two years. Preliminary data indicate that more attenuated conflicts are even less likely to be resolved, though at the same time the lack of resolution may well be less critical." However, this number would be reduced if one were to exclude cases denied review so that the issues might "percolate" through the circuits.

Mr. Justice White in a recent dissent (*Bailey* v. *Wenberger,* 95 S. Ct. 190 (Oct. 21, 1974)), from the denial of certiorari, implied that certiorari was being denied despite the existence of a conflict, because of the state of the Supreme Court's docket. Noted dissents from denial of certiorari, many with opinions, have become quite numerous and provide an important field for study. Miss Arlene Fickler, of the Commission staff, undertook such a study, not limited to direct conflicts, and concluded that the dissents do reveal a "substantial number" of cases which might appropriately be decided by a national tribunal."

Unresolved conflicts, however, are not the sole measure of the problem. The fact that the Supreme Court resolves a conflict between the circuits does not demonstrate that the existence of an alternative tribunal to which the task could have been assigned would not have been a preferable method of maintaining a harmonious and stable body of national law.

There are several reasons for this. First, there are cases which the Supreme Court takes because it does feel the obligation to resolve differences between the circuits, but which are, in terms of their intrinsic significance, unworthy of the time and effort required of the one Supreme Court. Some of the labor law cases decided by the Court appear to our distinguished consultant in this area, Professor Clyde Summers, to fit this description. An alternative mechanism for resolving conflicts would allow the Supreme Court greater freedom to hear, or to refuse to hear, such cases, relieved of the pressure to adjudicate solely because two other courts had disagreed.

Secondly, many conflicts are ultimately resolved by the Supreme Court, but only after years of uncertainty, confusion, and, inevitably, forum shopping by litigants eager to take advantage of the situation. We may put to one side for later comment issues which deserve to "percolate through the circuits." What we should ponder seriously is the cost to litigants and courts when narrow technical questions take six to ten years for resolution.

Of great concern is the uncertainty and relitigation which result from the possibility of conflict, even though a conflict never develops. Successive taxpayers may litigate the identical issue in circuit after circuit, encouraged by the hope of developing a conflict, and even though their hope is never realized, there is a cost to the system. By the same token the government may refuse to acquiesce, despite adverse rulings in several circuits, not only in tax cases, but in the cases of other agencies as well.

The need exists, to quote Judge Hufstedler, "to supply national answers to issues that have become pressing long before circuit disagreements have arisen . . . to supply reasonably prompt definitive answers to issues of national concern . . . ." Dean Griswold has made the same point in a somewhat different fashion: there is need, he argues, for a "prompt decision, having nationwide validity, . . . particularly . . . in cases involivng statutory construction where repeated litigation and long delay in coming to a definitive result is unavoidable under our present system."

In a recent article, Professor Paul Carrington develops more fully the price we pay under the present system for failing to provide prompt and definitive adjudication in the cases of which Dean Griswold speaks. It is important to assess the costs to the system, and to the litigants, of elephantine periods of gestation during which an inter-circuit conflict is developed and of irresolution during which it is allowed to continue. We turn to that inquiry.

In his study cited above, Professor Carrington described the views of the government concerning what is, and what is not, an authoritative ruling. He wrote:

"The United States does not regard a decision of the United States Court of Appeals as authoritative in the traditional common law sense. It is quite prepared to continue to litigate in other circuits a question that has been resolved in only one; even in the same circuit, the United States may be willing to relitigate an issue if minor factual distinctions can be made between the pending matter and the preceding decision. It appears to be the house rule of the Justice Department that three unanimous Courts of Appeals decisions are sufficient to establish authoritatively that a government position is wrong."

It should be observed that under the Justice Department's house rule three adverse rulings by Courts of Appeals do not necessarily suffice to constitute an authoritative ruling in which the Department will acquiesce. The rule as stated requires unanimity on the part of each panel. Obviously, a conflict may never develop and yet the repetitive litigation will continue.

In studying the NLRB, we were struck by a recent case in which the government lost successively in five circuits, only to succeed, at long last, in creating a conflict on the sixth try. The same, of course, is true of cases in which private litigants litigate and relitigate in the hope of finding a forum hospitable to them.

Such futile, repetitive litigation exacts a high price in waste. We are speaking of years of indecision in which a conflict may, or may not, ultimately emerge. Where it does emerge, continued diversity in the application of the national law exacerbates the problem. A recent example concerns the tax treatment of insiders who are obliged to disgorge shortswing profits realized in violation of the Securities and Exchange Act of 1934. Specifically, the question concerns the deductibility of such payments as ordinary and necessary business expenses.

Five years have passed; three circuits have spoken; and the issue is not yet determined.

In one sense, the development of an actual conflict is irrelevant, unless it be to expedite Supreme Court intervention. Of course, years may pass before one knows whether there will be a conflict. A recent case on net operating loss carrybacks is characterized by Dean Griswold in the following terms:

"This is another case of no world shaking importance, clearly not worthy of the time of the Supreme Court. Yet, it is a recurring question, and is one which should be settled quickly on a national basis.

"The decision of the Tax Court in *Charter Real Estate Co.*, 52 T.C. 346, was rendered in 1969, more than five years ago. It was affirmed by the First Circuit in 428 F.2d 474 on May 29, 1970. It will, in all likelihood, be a full five years after that date before the matter can be decided by the Supreme Court—and it still is not worthy of the time and energy of the Supreme Court.

"All in all, I think it is a poor way to run a railroad."

The Supreme Court has given ample evidence of its ability to move swiftly and to act decisively in cases of great national moment. But not every case can command that kind of attention from our one Supreme Court. There clearly appears a need for an alternative forum which would resolve such questions of national law more rapidly and more efficiently, subject always to the ultimate power of the Supreme Court to review.

The Commission has concluded that there had been demonstrated at least as a prima facie matter a need for an additional national appellate capacity.

A PROPOSAL TO MEET THE NEED

The next step was to design a tribunal to meet that need. In that endeavor we had the benefit of advice and suggestions from many quarters; and although in many respects we have followed our own path, we are indebted to those individuals and organizations whose thinking and debate have done so much to illuminate the problems.

It is a pleasure specifically to acknowledge our debt to the Advisory Council on Appellate Justice for its submission and, in addition, to so many of its members who have favored us with their individual views.

Without reviewing the many alternatives that were considered, I should like to outline the most important elements of the model which the Commission will be submitting to the country in its preliminary report:

The organization (or the structure) of the new Court.

The jurisdiction to be assigned to it.

The provisions for review by the Supreme Court of the new Court's decisions.

STRUCTURE

The structure that we envisage is a simple one. We believe that it will meet the needs that have been demonstrated to exist now and those that can be anticipated in the foreseeable future. In summary, we propose that Congress create a new tribunal, to be called the National Court of Appeals. The court would consist of seven Article III judges with appointment by the President, confirmation by the Senate, and tenure during good behavior. They would sit only en banc.

The court's jurisdiction also has simplicity as its keynote.

Cases could be brought to it under either of two heads of jurisdiction:

First, a "transfer jurisdiction," under which the regional Courts of Appeals could transfer cases that would otherwise be heard by those courts.

Second, a "reference jurisdiction," under which the Supreme Court could refer to the National Court any case within its appellate jurisdiction.

TRANSFER JURISDICTION

The transfer jurisdiction would operate as follows. Upon the filing of any case in a Court of Appeals, the court could transfer the case to the National Court under either of two circumstances:

First, when the case turns on a rule of federal law applicable to a recurring factual situation, and a persuasive showing is made that an immediate authoritative determination of the question by the National Court is in the public interest.

Second, when the case turns on a rule of federal law, and federal courts have reached inconsistent conclusions with respect to it.

The National Court would be empowered to return any appeal to the court in which it was initially filed if the National Court deemed that the case was more appropriately to be decided by the regional court in the first instance.

Although for convenience I have referred to transfers by the Courts of Appeals, both the Court of Claims and the Court of Customs and Patent Appeals would be empowered to transfer cases under the circumstances described.

The provision for transfer would apply to any case that might be heard by a Court of Appeals—appeals from reviewable decisions of district courts, petitions for review of administrative agency orders, applications for enforcement of agency orders, and original proceedings, including petitions for mandamus and the like.

A motion for transfer could be made by any party. Transfers could also be ordered by a regional court on its own initiative if it found that the case was appropriately to be decided by the National Court. The regional courts would be required to act expeditiously on all motions for transfer.

REFERENCE JURISDICTION

I turn now to the *reference jurisdiction*. Our proposal is that the Supreme Court be empowered to refer any case within its appellate jurisdiction to the National Court of Appeals for decision. We do not suggest that the enabling legislation limit the classes of cases that could be referred; rather, the legislation would provide that the Supreme Court itself would promulgate rules that would govern the exercise of its discretion in utilizing the reference procedure.

It is worth emphasizing that in the case of the transfer jurisdiction there is really no added level of appellate review. Similarly, except in the very rarest of instances, there would be no added level of appellate review where the Supreme Court referred a case to the National Court of Appeals for a nationally binding decision.

SUPREME COURT REVIEW

With respect to review by the United States Supreme Court, we contemplate that any case decided by the National Court, whether transferred by a regional Court of Appeals or referred by the Supreme Court, could be reviewed by the Supreme Court upon petition for certiorari. In other words, the National Court would not have the last word in any class of cases; access to the Supreme Court would not be cut off.

However, we anticipate that few decisions of the National Court would in fact be reviewed by the Supreme Court. To avoid elongating the appellate process any more than is absolutely necessary, we suggest that in cases referred to the National Court by the Supreme Court, there would be no new briefs, but simply a short statement focusing on considerations not present at the time of the initial application for review.

Such, then, is the design we contemplate. We believe that under this plan the National Court would be able to decide at least 150 cases on the merits each year, thus doubling the national appellate capacity.

FUNCTIONS AND IMPACT

The new National Court of Appeals would be empowered to resolve conflicts among the circuits; but its functions would not be limited to conflict resolution: it could provide authoritative determinations of recurring issues before a conflict had ever arisen. Certainly, too, where the same question was pending in different circuits simultaneously and an immediate resolution was desirable, the various circuit courts could transfer the cases to the National Court for a rapid authoritative decision. The effect should be to bring at an early time greater clarity and stability to the national law.

This would be accomplished, we believe, in an efficient manner, without compromising any of the virtues of the present system. Far from increasing the cost of litigation, cost measured in both time and money, it should serve to expedite resolution of national issues, to reduce the incidence of purposeless relitigation and overall, to effect speed and economies. There would be no interference with the power of the Supreme Court to control its own docket. There would not be, save in the rarest instance, four tiers of courts. The appellate process would not be unduly prolonged. There would be no occasion for litigation over jurisdiction. The work of the new court would be important and varied. It could be expected that service on it would attract individuals of the highest quality.

FUTURE TASK AND PROCEDURE

All this is interesting enough, you may say to yourselves, but will it lead to anything more significant than a report to be filed in the National Archives, another footnote to be added in some scholarly historical tome? What, if anything, is to happen now? Let me respond by sharing with you our plans for the next few months. The proposals which have been sketched in briefest outline today are being incorporated in a preliminary report which we intend to disseminate widely in order to gain the benefit of criticism and comments from all segments of the profession and from interested citizens generally.

In shaping these proposals we have had the benefit of thoughtful comment from a large number of people, representing widely divergent points of view. From this mass of alternative suggestions, and differing perceptions as to the nature and indeed the existence of the need, has emerged the proposed recommendation. It is the very best which our Commission, composed of distinguished jurists, scholars, practitioners and legislators has been able to produce following sustained effort.

The Commission has fashioned a very specific proposal. Yet, it is not set in concrete; we are not wedded to it irrevocably, certainly not to each of the details, which together make the whole. But we do believe that the need for a proposal of this general type has been demonstrated, and that it would serve a useful purpose to have comments and criticism focus on its specifics. If there be those who are of the view that some other proposals will better meet the need, or who would deny the need, or amend the tentative recommendations, let them come forward and give us the benefit of their reasoned consideration.

SCHEDULED HEARINGS

To that end the Commission has scheduled hearings in Washington, April 15 and 16, in St. Louis on April 21 and 22. Oral testimony, however, is only one method of communicating suggestions for improvement and change. There are others as well. The Commission invites the fullest measure of public debate concerning its preliminary report. Thereafter, the Commission will formulate a final report to the President, the Congress and the Chief Justice, a report which by governing statute must be filed no later than June 21, this year.

ROLE OF CONGRESS

The Commission's report, of course, is not self-implementing. It is expected that legislation designed and based upon the Commission's Report will be introduced during the current session of Congress. Hearings and due consideration will follow. But the process need not be interminable, nor so dilatory that the needs of the country go unmet for too much longer. The Congress has given ample evidence that the quality of justice in the federal system is of deep concern to its members.

The Federal Rules of Evidence were signed into law by the President earlier this month after a painstaking process of study, debate and compromise. A thoroughgoing, detailed devision of the Federal Criminal Code is making significant progress in the legislative halls and, I might note, the first report of Commission on Revision of the Federal Court Appellate System, that dealing with circuit realignment, has commanded the attention of the Senate subcommittee to which it has been referred; implementing legislation may soon be expected to move to the full committee.

The Congress can act. Hopefully, it will. Our task at this juncture, one in which I invite the fullest participation by the members of this distinguished audience, is to shape the best possible recommendation to lay before the Congress. We ask your help, knowing well that you share with us the ultimate goal of all our efforts: preserving and enhancing the role of the federal judiciary in our system of government and, above all, the quality of justice in our society.

POLITICS VERSUS ECONOMICS

Mr. HATHAWAY. Mr. President, as I have stated, I am not in favor of a gigantic tax cut at this time. There are several reasons for this, perhaps the most important of which is that I feel it would be inflationary at a time when we can ill-afford any more inflation. I do not understand how my colleagues, who were all railing against inflation such a short time ago, are now so ready to support an inflationary policy. Furthermore, over the long term, those who have benefited most from our inflationary policies are the largest corporations and the most powerful unions. And it is now the inflexibility built into our system by these huge economic entities that makes inflation so difficult to control. I think it may be time to change some of our basic attitudes toward the way our economy operates.

A good expression of our need to take another look at the issues involved in a tax cut was contained in a recent editorial in the Christian Science Monitor by Joseph C. Harsch.

I ask unanimous consent to have this editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Politics Versus Economics

(By Joseph C. Harsch)

In Washington Democrats and Republicans are competing with each other over which party can cut taxes fastest for the most voters. There is no issue between them over the merits of tax cutting. Both have accepted the popular wisdom of the moment that the American economy is in a dangerously deflationary condition and that tax cutting is the essential remedy.

The real issue in Washington is therefore not between the rival political parties. There is an issue, and both are ignoring it. It is over price and wage levels. Are they to be maintained where they have been placed by some eight years of permissive inflation? Or are they to be allowed to settle back to an older level?

Every political interest which has benefited from the inflation is now lined up in favor of sustaining the high price and wage levels. They have won their big success in persuading both political parties to commit themselves to tax cutting. Tax cutting means increasing spending money in the hope that it will cause the public to buy up the surplus cars and other goods which American industry has been overproducing. This in turn should improve the demand for labor at the high wages which have resulted from the inflation.

Chrysler is the most visible of the contrary forces. Chrysler has a backlog of 340,000 cars that had not been moving. It is now embarked upon a rebate system which amounts to price cutting. That is, Chrysler is willing to cut its profit margin and perhaps even take a loss in order to bring down its inventory. It also proposes to base its future production plans on an expectation of a future market of six million cars a year instead of the nine million market the American automobile industry has been enjoying. Ford is following Chrysler's lead.

Price cutting, if it became general, would normally lead to wage cutting. Even the danger of price cutting has had a restraining influence on labor. This winter of declining employment has also been relatively free of wage dispute and strikes.

If government kept out of the economy at this stage it is a reasonable probability that all industries suffering from overproduction and long inventories would follow the Chrysler lead into price cutting which in turn would lead to wage cutting. And would this be a bad thing?

Not everyone in the United States, by any means, has benefited from the climb up the inflation mountain. The big corporations and the most powerful trade unions have been able to keep their profits and wages going up as fast as or faster than the inflation rate. Their slice of the American pie has been expanding. But the slices of all those whose profits and income have lagged behind the inflation rate have been suffering.

But those who have suffered from inflation have nothing like the political influence in Washington enjoyed by those who have benefited from the inflation. In this rush to prop up the inflation-produced wage and price level by cutting taxes no one seems to be worrying about the poor who do not enjoy the luxury of reducible income taxes. to raise the price of food stamps while cutting incomes taxes.

This of course merely underlines the political fact that those with political influence get more out of Washington than those without it. The rush to cut income taxes is aimed to help big industry and big labor.

But is this actually the best way to help the American economy? Isn't there a serious danger that in this rush to check recession the politicians will actually be fueling another round of inflation? The last round has already damaged the American middle classes. Can those classes survive another such round? Aren't the politicians forgetting inflation too quickly in their sudden worry about unemployment?

THE PLIGHT OF THE AGED TENANT

Mr. TUNNEY. Mr. President, the American Association for the Advancement of Science recently conducted a meeting on Aging and the Quality of Life during its annual meeting in New York City. An important paper, "How To Hurt Aged Tenants Without Even Trying," was presented by Dr. Werner Z. Hirsch, professor of economics at the University of California at Los Angeles. He long has been interested in the plight of aged citizens throughout the Nation and has, I believe, made a compelling case for the reexamination of both local and Federal housing laws affecting the senior citizen.

Mr. President, at this time, I ask unanimous consent that his paper be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

How To Hurt Aged Tenants Without Even Trying

(By Werner Z. Hirsch)

I

Policies intended to improve the lot of aged tenants, particularly poor ones, appear to have gone awry. The men and women in State Legislatures and on the federal and state bench whose influence shaped these policies into law were motivated, without doubt, by compassion and good will. They sought to enhance the quality of life of the aged. But in translating good intentions into policies and action, the effects were frequently wrong. There are those who will place the blame on greedy landlords, others on poorly written laws and rulings; still others will argue that failures occurred because legal sanctions were invoked in contradiction to the economic facts of life, and a fiasco was therefore inevitable. Whichever explanation one accepts—and we will seek to show that legislators and courts all too often have failed to understand the elementary consequences of economic forces—the facts are incontrovertible: in the post-war period state legislatures and the courts have been making significant housing policies in the small (as distinguished from such federal housing policies in the large as urban renewal, public housing, etc.), all designed to change the relation between landlord and tenant in favor of the latter. The objectives of compassionate legislatures and courts were to assist the poor in general and the aged poor in particular in obtaining better and more reasonably priced rental housing. Yet, could it turn out that laws designed to attain these objectives may on the contrary have had the opposite effects, to the lasting detriment of poor senior tenants?

Here are some facts about indigent aged tenants—

In 1970 about 14 percent of the U.S. population was 60 years old and over (and the percentage is on the increase).[1] Of the 27 million persons with 1970 incomes below the poverty level (families: $3,388; and unrelated individuals: $1,834), about 19 percent were 65 years and older. Between March 1970 and 1971, less than 9 percent of the persons 65 and over changed their domicile (compared to 41 percent of the 20–24 year age group); thus, the aged are quite immobile. About 28 percent of the 27.5 million persons 60 and older were renters in 1970, paying a median monthly rent of $90. (The mean rent was $70.)

II

How has the relation between landlord and tenant changed in the last quarter of a century, i.e., since the National Housing Act of 1949 called for "the realization as soon as possible of the goal of a decent home and a suitable living environment for every American family"?[2] Basically, two approaches have been pursued: laws that assure tenants—

1. habitable housing, and
2. continued tenancy.

Towards the first objective courts and legislatures have created and extended rights of actions of tenants. The traditional landlord-tenant relationship, which was weighted heavily in favor of the landlord, has been extensively modified to increase the property rights of tenants, associated with a lease, concomitantly reducing those rights of landlords.[3] A number of legal remedies have been fashioned to provide a minimum level of housing quality to tenants—repair and deduct, rent withholding and abatement, and receivership.[4] These remedies, often supplemented by provisions that prohibit retaliatory eviction, facilitate return of tenant's security deposit and legalize rent strikes, dot the supplements to state civil codes as graphic testimony to an evolving trend.[5] Courts have increasingly begun to imply a warranty of habitability into urban residential leases.[6] In addition, to assure tenants of continued tenancy, just-cause eviction statutes are being tried.

It was the intent of the proponents of such legal modifications to improve the living conditions of low-income tenants by assuring every tenant a dwelling fit for human habitation. This decision was based on the implicit value judgment that landlords were better able than tenants to bear the costs and to control the risks of maintaining habitable premises.

However, the ability of the law to deal with problems exsting in society is constrained by the fundamental maxim of economic life: "one does not get something for nothing . . . there is no free lunch."[8] This view suggests that legislatures and courts may not necessarily have given anything to low-income tenants by extending additional legal rights to them. Certainly, new rights of action exist where none have existed before, but the class of people which the law was particularly designed to help may possibly be precisely the same class of people most likely to pay the price for the introduction of these new rights. Thus those deemed by legislatures and courts to be best able to bear the costs, e.g., landlords, may often pass on the increased costs of maintaining habitable living quarters to the class of persons least able to bear the burden.

Laws which establish and enforce minimum levels of habitable housing quality in the short-run place burdens on landlords in the form of increased maintenance and operating costs, taxes, insurance, and risks of litigation. These costs must be borne by someone. Depending on housing market demand and supply elasticities, the increased cost will be borne in different proportions by landlord and tenant. Landlords may respond to increased costs in three basic ways: absorb the costs and operate at a low profit, pass on the costs in the form of higher rents, or abandon the building. Both the second and third modes of action are most likely to be detrimental to low-income tenants, particularly since throughout the post-war period a disproportionately strong demand for low-rent housing has persisted.

Thus, modification of the traditional landlord-tenant relationship may in fact hurt, rather than help, indigent tenants by passing on to them all or most of the increased costs of providing higher quality housing. And there is in fact some empirical evidence to this effect. Under a grant from the U.S. Department of Housing and Urban Development we undertook a statistical analysis of data from the University of Michigan Panel Study of Income Dynamics—1968–72. Our multiple regression analysis reveals that aged indigent tenants, i.e., 60 years or older, paid in 1972 significantly higher rents in states which had habitability laws than in those which did not. When we hold constant the effects on rent of income, lot value, repair status and number of rooms, we find aged tenants in the presence of habitability laws on the average paying annually $122 more than in their absence. (Average annual rent for our sample was $819.)[9] These rent increases may be related to the limited mobility of the aged.

There remains the question of whether the increase in rental price forced on indigent aged tenants is balanced by the resulting increase in their quality of life. On a priori grounds the answer must be in the negative. Why? Because if tenants wanted better housing in the absence of habitability laws, they could have rearranged their budgets and obtained such. But they did not, and we are therefore inclined to conclude that given their limited budgets, poor aged tenants were spending as much on housing as they considered to be in their best interest.

We can shed additional light on this issue by looking at relevant rental demand and supply elasticities: Recent empirical estimates of low cost rental demand and supply elasticities obtained by deLeeuw reveal the former to be about -1.2 and the latter about $+0.7$.[10] On the basis of these elasticity estimates, we would expect much of the increased cost to be passed on by the landlord to the tenant. But matters are complicated by demand and supply function shifts. Thus habitability laws can lead to an upward shift of both the housing service demand and supply functions. Since the law imposes additional costs, there is little doubt that the supply function will shift. Whether the demand function will shift, however, is less certain. For example, if the tenant does not value improvements engendered by the law or has a low expectation that improvements will result, the demand function will shift very little, if at all. Under such conditions (admittedly a polar case) the deLeeuw elasticities suggest that 37 percent of the cost associated with habitability laws will be passed on to tenants without, or with only very minor, compensating benefits.

Let us next turn to laws designed to enhance the property rights of indigent tenants in general and aged tenants in particular by assuring them continued tenancy, should they so desire. Such just-cause eviction statutes have been proposed in a number of instances and have been enacted in the state of New Jersey.[7] In a proposed California statute, senior citizens were singled out for special treatment i.e., A B 1202, which passed the California Assembly in the 1973–74 legislative session, listed six grounds only for evicting a tenant 60 years of age or older who has been in continuous possession of a dwelling for five years. They are:

a. Non-payment of rent and utility charges;

b. Failure to comply with landlord's rules and regulations;

c. Condemnation of the building;

d. Failure to comply with statutorily imposed obligations;

e. Intended use of the unit as landlord's resident; or

f. Intended use of unit for other than residential purposes.[11]

Thus, for example, A B 1202 fails to allow for the evictions necessary to improve premises.

Since just-cause eviction statutes reduce the property rights of landlords and with them their flexibility to rent out their apartments, such laws impose costs on landlords. These costs come about because tenants assured of continued tenancy can feel free to use all available legal remedies to obtain from landlords relatively high levels of repair and maintenance. Thus, just-cause eviction statutes reinforce the extension of the warranty of habitability and its enforcement and as a result further increase costs. To avoid such penalties, particularly if they are large, landlords will tend not to rent to senior citizens, the very group the law was intended to help.[12]

Interestingly enough, at the time the California legislature was debating passage of a just-cause eviction statute for aged tenants, there was no evidence that aged tenants in general and aged indigent tenants in particular were seriously threatened by evictions. Instead, the University of Michigan Panel data show that only 3.8 percent of aged tenants were forced to move involuntarily in 1970, and this number included tenants whose dwellings were torn down as well as those who were evicted. In that same year, 4.9 percent of the tenants under 60 years of age were involuntarily moved, most likely many more because of building demolition than eviction. Thus, we feel there is little justification for passage of a just-cause eviction law, which singles out the aged, particularly since it is likely to hurt more than help aged tenants.

III

The unknown has always been frightening, at least to those doing all right as they are. Those who are satisfied with their condition fear new laws and become conservatives. But the unknown effects resulting from the passage of a new law should perhaps be worrying also those who are to be helped by it. At least it should occasion some penetrating questions whether the law will indeed do for them what it is supposed to do. Lawmakers should be careful to anticipate any foreseeable direct and indirect effects, considering how many lives can be adversely affected, particularly in the short-run.

In legislative decision making, no less than in common-law adjudication, cognizance must be taken of the economic facts of life. When mutual gains are present, the parties will be motivated to initiate trades with a view to capturing the potentially realizable surplus value. Attempts to shut off or to forestall trade by law when mutuality of gain exists, tends to encourage costly evasion of postulated standards of conduct. Counterproductive results can come about, and the very legality of society itself, may be eroded if many laws are formulated to the disregard of fundamental economic relations, and are therefore evaded.

It might be argued that ill-considered laws are mainly hurtful in the short-run. Frequently, the legal and political system tends to rectify mistakes, if in no other manner than by withholding enforcement. For example, the New York habitability legislation, which singled out welfare recipients and in

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Footnotes at end of article.

fact threatened to be harmful to them, has been relegated to dormancy. Eight years after the Spiegel Law was passed virtually no legal action was filed under it; most likely the authorities recognized its detrimental effects. But there is little solace for the aged in this resiliency of our system. Aged tentants live basically in the short-run. While other groups in the population may be able to wait for corrective action, senior citizens cannot.

Perhaps it is for these considerations that aged indigent tenants should fear not only their unfeeling enemies, but also their well-meaning friends who find it politically attractive to offer aid by legal sanctions which do not require government expenditures. Could it be that the attack on the housing problems of the aged indigent tenant will resemble the results of the Civil War? Research by Robert W. Fogel and Stanley L. Engerman claim to show that the attack on the material conditions of the life of blacks after the Civil War was not only more ferocious, but in certain respects, more cruel than that which preceded it.[13]

Courts and legislatures should be urged to resist policies that fly in the face of fundamental economic forces and may therefore hurt those they were intended to help. While I would plead for more compassion and concern about the lot of those lives that are difficult—the aged, the poor, the ill, the unemployed, etc., we must recognize that in the past many forward-looking social programs were often poorly thought through. All too many turned out to be counterproductive.

Such well-intentioned but unsound policies can and should be avoided. They antagonize conservatives from the outset, ultimately embarrass liberals, and despite great outlays do not accomplish their objectives; but they first create excessive hopes, and later frustrations, among those the program was designed to help.

The way to avoid mistakes is to first carry out a thorough, imaginative but hardheaded analysis, which must include much thought about the likely direct and indirect effects of proposed laws and rulings. Many of these effects can be gamed and anticipated. For example, in order to accomplish the objective of providing aged indigent tenants with improved housing, an extension of tenants' legal rights of action alone is not enough. Hand in hand with enhanced tenants' rights must go improvement of their purchasing power, so that they can afford better housing. Supplementing the housing policy in the small that assures indigent aged tenants improved housing with a housing policy in the large that provides them with rent subsidies offers better promise towards an enhanced quality of life of the aged.

FOOTNOTES

*Paper prepared for session on Aging and the Quality of Life at the annual meetings of the American Association for the Advancement of Science, New York, January 27, 1975.

**Valuable assistance in the research for this paper by Joel G. Hirsch, Steven Margolis and Jack Nelson is gratefully acknowledged. Responsibility for errors, if any, and conclusions rest solely with the author.

[1] While U.S. population of all ages increased 1.9 percent between 1970 and 1972, the 65–74 and 75 and over age groups increased 2.9 percent and 5.3 percent, respectively.

[2] Section 1 of the Housing Act of 1937, 50 stat. 88 as amended by the Housing Act of 1969, 63 stat. 413, 42 *U.S.C.* S4441 (1958).

[3] Robert S. Schoshinsky, "Remedies of the Indigent Tenant: Proposal for Change," *Georgetown Law Journal*, Vol. 54, (1966) pp. 519–556.

[4] An example of repair and deduct statute is Cal. Civ. Code § 1942 (1973); of a withholding statute is Mich. Stat. Ann. 27A–5720 (Supp. 1974); of an abatement statute is Conn. Gen. Stat. Ann. § 47-24b (1960); and of receiverships N.J. Stat. Ann. § 40–48–2.12h (Supp. 1974–75) and 2A–42–93 (1967).

[5] An example of a retaliatory eviction statute is Cal. Civ. Code § 1942.5 (1970); of a security deposit statute is Cal. Civ. Code § 1950.5 (1970, amended 1972); and of legalized rent strikes is New York Real Property Actions and Proceedings Law, § 769–82 (1965, amended 1974).

[6] "Tenant Remedies—The Implied Warranty of Fitness and Habitability," *Villanova Law Review*, Vol. 16, (1971), pp. 710–728.

[7] N.J. Stats. Ann, 2A: 18–53 (West Supp. 1974).

[8] Admittedly, this statement assumes conditions approaching those of a zero-sum game.

[9] In summary form the following multiple regression equation was estimated:

Rent=61.8+122 Law (3.0)+0.20 income (40.4)+0.04 lot value (10.9)+45.6 room number (6.5)—194.9 repair status (8.8)

(Repair variable was 0 if dwelling was in need of no major repairs and 1 if it was.)

$R^2=0.83$ which is statistically highly significant, as are the F-statistics—given in brackets. (Critical F-statistics for a sample size of 23 are: 90=3.0; .95=4.4; .975=6.0).

The F-statistic for the entire equation is 17.1.

[10] Frank deLeeuw and Nkanta F. Ekanem, "The Supply of Rental Housing", *American Economic Review*, December 1971, pp. 806–817.

[11] A.B. No. 1202 (1973–74 Regular Session) California Assembly.

[12] Just-cause eviction statutes singling out senior citizens resemble in certain effects the Spiegel Law of New York State. Under that law, rent withholding by the New York Welfare Department is authorized whenever a recipient of public assistance is occupying housing accommodations in a building in which there are violations deemed to be dangerous, hazardous, or detrimental to life or health, (N.Y. Soc. Welfare Law 143–b (2) and (5)). In the face of the Spiegel Law, New York landlords became reluctant to rent to welfare recipients.

[13] In that interval, the life expectations of blacks declined by 10 percent, their diet deteriorated, and their sickness rates increased by 20 percent. (Robert W. Fogel and Stanley L. Engerman, *Time on the Cross: The Economics of American Negro Slavery*, Boston: Little, Brown, 1974.)

THE DEATH OF GEN. JAMES McCORMACK, BOARD CHAIRMAN, AEROSPACE CORP.

Mr. THURMOND. Mr. President, Maj. Gen. James McCormack, U.S. Air Force, retired, a distinguished soldier and later corporation executive, died suddenly January 3, 1975, at his winter home on Hilton Head, S.C.

General McCormack was chairman of the board of the Aerospace Corp. at the time of his death. An expert in organizing nonprofit service corporations, he served as chairman of the Communications Satellite Corp. from 1965 to 1970.

A Rhodes scholar and graduate of the U.S. Military Academy, he served first in the Army and then the Air Force rising to the post of Deputy Chief of Staff for Research and Development prior to his retirement.

After leaving the military service he held many high posts in the Boston, Mass., area and also acted as a consultant to the White House, State Department, Defense Department, and National Aeronautics and Space Administration.

General McCormack's untimely death was a distinct loss to our State and Nation. My heartfelt sympathy is extended to his wife, Eleanor Morrow, two children and seven grandchildren.

Mr. President, I ask unanimous consent that General McCormack's biography, prepared by Aerospace Corp., and obituaries which appeared in the Washington Post and New York Times on January 6, 1975, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAJ. GEN. JAMES McCORMACK, USAF (RET.) CHAIRMAN, BOARD OF TRUSTEES, THE AEROSPACE CORP.

Maj. Gen. James McCormack, USAF (Ret.) has been Chairman of the Board of Trustees of The Aerospace Corporation since July 15, 1970.

Actually, his association with the nonprofit, public service company goes back to the period immediately preceding its establishment in June 1960. In 1959, General McCormack was a member of the Millikan committee, established to study ways of strengthening the technical management of Air Force space and missile systems acquisition. The following year, he served on the organizing committee of the new management concept, and in June, was elected a charter member of the Board, holding that post until 1965.

Born at Chatham, La., November 8, 1910, General McCormack was graduated from the United States Military Academy in 1932, and also holds master's degrees in the arts from Oxford University and in engineering from M.I.T.

He was a military engineer officer from 1932 through 1941, and from then until 1947 a general staff officer concerned variously with construction, research and development, transportation, and politico-military affairs in the War Department and in Europe with U.S. and British forces.

At the time of his retirement from military service, General McCormack was Director of Research and Development in the U.S. Air Force. His prior assignments had included Director of Military Applications in the U.S. Atomic Energy Commission from 1947 to 1951.

In 1956, he organized and until 1958 was the first president of the nonprofit Institute for Defense Analyses, a consortium of ten universities supporting the Department of Defense and other federal agencies in science and technology. He later helped organize several nonprofit, national service corporations, including Educational Services, Inc. and Mitre Corporation.

As vice president of the Massachusetts Institute of Technology from 1957 to 1965, General McCormack participated in the formulation and execution of Institute policy and supervised M.I.T.'s two largest research efforts—Lincoln Laboratory in Lexington and Instrumentation Laboratory in Cambridge, working in the fields of communications, data processing, and space and missile technology. From 1965 to 1970, he was chairman and chief executive officer of the Communications Satellite Corporation.

Since his retirement from military service, General McCormack has served as a consultant to the White House, State Department, National Aeronautics and Space Administration, Civil Service Commission, Department of Defense, Army, Navy, and Air Force. He also has participated in several major national studies: The Draper Committee on Foreign Military Assistance, the Gaither Panel on the National Security, and the Rockefeller Special Study Panel on the Military Aspects of International Security.

His military decorations include the Distinguished Service Medal, Legion of Merit and Bronze Star, the French Legion of Honor, and the Order of the British Empire.

He is the father of two: a son, James, who is a captain and Army aviator; and a daughter, Ann, who is the wife of Maj. James D. Stanton, Infantry.

His clubs include; New York-University, The Brook. Washington-Army and Navy, International, Federal City, George Town.

He is a member: American Academy of Arts and Sciences, Council on Foreign Relations.

[From the Washington Post, Jan. 6, 1975]

Gen. James J. McCormack Dies; Deputy Chief of Staff for AF

Maj. Gen. James McCormack, a Rhodes scholar and graduate of the U.S. Military Academy who served with the Army in World War II and transferred to the Air Force and became a deputy chief of staff before he retired in 1955, died Friday at Hilton Head, S.C. He was 64.

A native of Chatham, La., he did graduate work at Massachusetts Institute of Technology, of which he was vice president from his retirement until 1965.

Gen. McCormack transferred to the Air Force in 1947, serving as director of military applications with the Atomic Energy Commission, and vice commander of the Air Research and Development Commission before becoming Air Force deputy chief of staff for research and development.

Following his retirement, Gen. McCormack also served as president of the Institute for Defense Analyses here, president of the Greater Boston Chamber of Commerce, chairman of the Massachusetts Bay Transportation Authority, and a member of the Boston Memorial Auditorium Commission.

In 1965 he joined the Communications Satellite Corporation here as its chairman and chief executive officer, retiring from that position in 1970. Since 1970, he had served as chairman of The Aerospace Corporation of Los Angeles, Calif.

Gen. McCormack also was a consultant to the White House, the State Department, the Department of Defense, the National Aeronautics and Space Administration, and other government agencies.

He also served on the boards of the Bulova Watch Co., Eastern Air Lines, Mitre Corporation, Draper Laboratory, the Institute for Defense Analyses, Steadman Security Corporation, the U.S. Air Force Academy, the Industrial College of the Armed Forces and Tulane University.

Gen. McCormack was awarded honorary doctorate degrees by Bowdoin College, Johns Hopkins University, Lawrence University, Northeastern University and Suffolk University.

He is survived by his wife, Eleanor Morrow, of the home at 1001 Wilson Blvd., Arlington; a son, Maj. James R. McCormack, of Norfolk, Va.; a daughter, Mrs. Ann M. Stanton, of Ft. Campbell, Ky.; and seven grandchildren.

[From the New York Times, Jan. 6, 1975]

Maj. Gen. James McCormack, Former Head of Comsat, Dead

Boston, Jan. 5.—Maj. Gen. James McCormack, chairman of the Communications Satellite Corporation (Comsat) from 1965 to 1970, died Friday at his winter home in Hilton Head, S.C. He was 64 years old.

Survivors include his widow, the former Eleanor Morrow; a son, Maj. James R. McCormack of Fort Rucker, Ala., and a daughter, Anne M. Stanton of Fort Campbell, Ky.

The funeral will be at 2 P.M. on Tuesday at Arlington National Cemetery.

HAD KEY NUCLEAR ROLE

An Army engineer, General McCormack served throughout World War II in the War Department General Staff and was named operations officer of its plans and operations division in May, 1945. His scientific background gave him special qualifications for a key role in the early nuclear age.

Born in Chatham, La., General McCormack went from Riverside Military Academy to West Point, graduating in 1932 and winning a Rhodes scholarship at Oxford, where he studied modern languages. On his return in 1935 he was stationed in Laredo, Tex., and then took a master's degree in engineering at Massachusetts Institute of Technology.

In 1947 at the age of 36, he was made a brigadier general and assigned to the Atomic Energy Commission as director of military application. When the independent Air Force was established he transferred into it and rose to major general and chief of research and development before retiring in 1955.

RESIGNED FROM M.I.T.

General McCormack remained close to the defense establishment as first head of the Institute for Defense Analysis, formed by 10 universities in support of Federal agencies in science and technology, from 1955 to 1958. Meanwhile he had become vice president for industrial and governmental relations at M.I.T., where he served from 1958 to 1965.

It was then that he was chosen chairman and chief executive of Comsat, the corporation managing communications links by way of satellites, at a salary of $125,000.

On accepting the post he resigned from M.I.T., and from all his company directorships to devote himself to the new post. A contemporary account noted that after an evening speaking engagement in Los Angeles General McCormack took a night jet to Washington without stopping to change his clothes and attended his first Comsat board meeting in his dinner jacket.

As the system developed the Ford Foundation, headed by McGeorge Bundy, called in 1966 for using the profits it received from relaying commercial television to underwrite a noncommercial TV network. Mr. McCormack said such a "funneling" of savings that might be enjoyed by commercial carriers would have to be determined by Congress. He subsequently drafted a plan to this end.

A few weeks later General McCormack told a seminar on educational technology here that it was now "perfectly possible technically for all the world to have good schools, pure water, clean air" and livable cities. The problem, he said, is how to marshal the humane, economic and political machinery and resources.

In 1967 he rejected the Ford Foundation charge that Comsat threatened to become a "baleful monopoly." He described it instead as "a youngster trying very hard to employ private funds and private initiative to do exactly what the Congress by law and the President by his directives have told it to do."

General McCormack persuaded the White House to declassify Comsat's plans to construct and operate a domestic satellite television system to serve both commercial and noncommercial TV, so that it could start discussing the details with the networks. He retired as chairman on medical advice in the spring of 1970 but remained a director. He was also chairman of the Aerospace Corporation of Los Angeles.

RATIFICATION OF THE EQUAL RIGHTS AMENDMENT

Mr. BAYH. Mr. President, it gives me great pleasure to report to you that the Indiana House of Representatives voted yesterday to ratify the equal rights amendment. As the prime Senate sponsor of the equal rights amendment, I want to take this opportunity to express my personal appreciation to each member in the Indiana House who voted for ratification. The Indiana State Senate is expected to take up the matter some time in the next few weeks, and I hope that it will follow the example set by the House when it approved the ratification resolution by a vote of 61 to 39.

Since the Congress enacted the proposed 27th amendment to the Constitution on March 22, 1972, 33 State legislatures have voted to ratify the amendment. Two States have voted to rescind their original ratification, although the legal consequences of this action remain unclear, and I understand that one of these States, Nebraska, is considering a motion to rescind their rescission.

A number of States in addition to Indiana will be considering ratification resolutions during the next few months, and I am hopeful that this year we will achieve the five remaining States necessary to make equality before the law for both men and women, a part of our Nation's Constitution.

During the 50-year struggle to achieve an equal rights amendment to the Constitution, a number of national organizations have given their support to this effort for women's equality. The National Organization for Women has recently compiled a list of those organizations, numbering over 120, and I would like to ask unanimous consent that this list of organizations that have officially endorsed the Equal Rights Amendment be printed in the Record.

Unfortunately, during much of the recent debate over the ratification of the equal rights amendment, a number of myths about the consequences of this amendment have risen to the surface. In order to put many of these myths to rest, I ask unanimous consent that an article by Lucy Komisar from the May 1974 issue of Family Circle magazine be printed in the Record.

There being no objection, the list and article were ordered to be printed in the Record, as follows:

National Organizations That Have Officially Endorsed the Equal Rights Amendment

American Association of College Deans.
American Association of Law Libraries.
American Association of University Professors (A.A.U.P.)
American Association of University Women.
American Association of Women Ministers.
American Bar Association (A.B.A.).
American Civil Liberties Unit (A.C.L.U.).
American Federation of Labor—Congress of Industrial Organization (A.F.L.–C.I.O.).
American Federation of Soroptimist Clubs.
American Federation of State, County, and Municipal Employees (A.F.S.C.M.E.).
American Federation of Teachers (A.F.T.).
American Federation of Television and Radio Artists (A.F.T.R.A.).
Americans for Democratic Action (A.D.A.).
American Home Economics Association.
American Jewish Congress.
American Medical Women's Association, Inc.
American Nurses Association.
American Psychiatric Association.
American Psychological Association.
American Psychological Association's Women Caucus.
American Public Health Association.
American Society for Public Administration (A.S.P.A.).
American Society of Microbiology.
American Society of Women Accountants.

American Women's Society of Certified Public Accountants.
American Veterans Committee.
American Women in Radio and Television.
Association of American Women Dentists.
Association for Supervision and Curriculum Development (A.S.C.D.).
B'nai B'rith Women.
Brotherhood of Railway, Airline, Steamship Clerks.
Catholics for the E.R.A.
Christian Church (Disciples of Christ).
Church Women United.
Citizen's Advisory Council on the Status of Women.
Coalition of Labor Union Women (C.L.U.W.).
Common Cause.
Communications Workers of America (C.W.A.).
Council for Christian Social Action, United Church of Christ.
Council for Women's Rights.
Democratic Party.
Ecumenical Task Force on Women and Religion.
Evangelicals for Social Action.
Federally Employed Women (F.E.W.).
Federation of Organizations for Professional Women.
Federation of Women Shareholders in American Business, Inc.
General Federation of Women's Clubs.
Intercollegiate Association of Women Students.
International Association of Human Rights Agencies.
International Brewery, Flour, Cereal, Soft Drink, Distillery.
International Brotherhood of Painters, Allied Trades.
International Brotherhood of Teamsters.
International Cement, Lime, Gypsum Workers.
International Chemical Workers Union.
International Union of American Leather Workers.
International Union of Barbers, Hairdressers and Cosmetologists.
International Union of Electrical, Radio and Machine Workers (I.U.E.).
International Union of United Automobile, Aerospace and Agricultural Implement Workers (U.A.W.).
Interstate Association of Commissions on the Status of Women.
Ladies of the Grand Army of the Republic.
Las Hermanes.
Leadership Conference on Civil Rights (L.C.C.R.) 150 participating organizations.
Leadership Conference of Women Religious (Catholic).
League of American Working Women (L.A.W.W.).
League of Women Voters of the United States (L.W.V.).
Men for the E.R.A. (M.E.R.A.).
National Assembly of Women Religious (Catholic).
National Association for the Advancement of Colored People (N.A.A.C.P.).
National Association of College Women.
National Association of Colored Women.
National Association of Laity (Catholic; N.A.L.).
National Association of Negro Business and Professional Women's Clubs, Inc.
National Association of Railway Business Women, Inc.
National Association of Social Workers.
National Association of Women Deans, Administrators and Counselors.
National Association of Women Lawyers.
National Black Feminist Organization.
National Catholic Conference for Interracial Justice.
National Coalition of American Nuns.
National Council of Churches of Christ, U.S.A.
National Council of Jewish Women.
National Council of Negro Women.
National Council of Women Chiropractors.
National Council of Women of the U.S. (affiliated with International Council).
National Education Association (NEA).
National Federation of Business and Professional Women's Clubs, Inc. (B.P.W.).
National Organization for Women (N.O.W.).
National School Boards Association.
National Secretaries Association (N.S.A.).
National Treasury Employees Union.
National Welfare Rights Organization.
National Women's Party (N.W.P.).
National Women's Political Caucus (N.W.P.C.).
NETWORK Staff (Catholic Nuns).
Oil and Chemical and Atomic Workers' Union.
Order of Women Legislators.
Planned Parenthood.
Presbyterian Church in the United States.
Republican Party.
St. Joan's International Alliance, U.S. Section.
Secretary's Advisory Committee on Women's Rights and Responsibilities, H.E.W.
Service Employees International Union.
Sociologists for Women in Society.
Southern Christian Leadership Conference (S.C.L.C.)
Special Presidential Bodies (Task Force on Women's Rights and Responsibilities, Commission on the Status of Women).
Steward and Stewardess Division, Air Line Pilots Association, International.
The Newspaper Guild.
Union of American Hebrew Congregations.
Unitarian Universalist Association.
Unitarian Universalist Women's Federation.
United Farm Workers.
United Methodist Church.
United Presbyterian Church, U.S.A.
United Presbyterian Women.
U.S. Commission on Civil Rights.
United Steelworkers of America (U.S.W.A.).
Women in Communications, Inc. (W.I.C.I.).
Women Theologians United.
Women United.
Women's Bureau, U.S. Department of Labor.
Women's Christian Temperance Union (W.C.T.U.).
Women's Circle, Woodmen of the World.
Women's Committee on Freedom in the Church-National Association of Catholic Laymen.
Women's Equity Action League (W.E.A.L.).
Women's International League for Peace and Freedom.
Young Women's Christian Association of the U.S.A. (Y.W.C.A.).
Zero Population Growth (Z.P.G.).
Zonta International, U.S. Federation.
Platform of the Democratic Party.
Platform of the Republican Party.
Endorsed by Presidents Eisenhower, Kennedy, Johnson, Nixon and Ford.

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10 MYTHS ABOUT THE EQUAL RIGHTS AMENDMENT

Myth No. 1.—The ERA will do away with husbands' obligation to support their wives and children; or, wives will be required to contribute half their families' support.

Fact: All states require a husband to support his wife and children and some require husbands and wives to support each other. However, these laws are not enforced unless a marriage breaks up and one of the partners files for divorce or brings a criminal action for nonsupport. The courts have ruled that a married woman living with her husband can get only what he chooses to give her. In some community-property states he even controls her property and earnings. According to the Association of the Bar of the City of New York, the ERA would require husbands and wives to support one another, depending on each one's earning power, resources and non-monetary contributions to the household. Where one is the chief wage earner and the other runs the home, the wage earner would be obliged to support the homemaker.

Myth No. 2.—The ERA will end husbands' obligation to pay alimony and child support.

Fact: Although two out of three states provide alimony for wives only, court awards are based not just on sex but on factors like duration of marriage; the husband's and wife's ages, health and financial situations; the wife's need and past contribution to the family's income and property; the husband's ability to pay; and society's interest in preventing the wife from going on welfare. Under the ERA, the laws that already exist in one-third of the states would prevail: alimony and child support would be based on circumstance, not sex. If one marriage partner had been the moneymaker and had no resources, that person would get alimony. If one partner has custody of the child, the other would be required to make support payments.

Myth No. 3.—Mothers would no longer get custody of their children in divorce cases.

Fact: Although children have traditionally been awarded to their mothers in divorce cases, judges generally make these awards not because of any law but out of their conviction that this serves the children's best interests. The ERA would invalidate existing laws giving either mothers or fathers legal preference (some give fathers legal preference for boys or older children), and judges would continue to make decisions based on each child's best interest. Since 85 percent of custody arrangements are arrived at outside the courts, the effect would be slight. The ERA would also invalidate laws in some states which give only the father the right of guardianship and control over his child's earnings and property.

Myth No. 4.—Women would lose their dower rights in their husbands' estates.

Fact: Right now a woman has very little right to her husband's wages or property except after her husband's death. The ERA would extend dower rights to men in those few states where men do not have a right in their wives' estates. It would also end those situations where a wife does not have control of her *own* property until her husband dies or she is divorced from him. In most community-property states, although the husband and wife each own one-half of the marital property, the husband has sole control and can dispose of it without his wife's knowledge or consent.

Myth No. 5.—Young women will be drafted and forced into combat duty.

Fact: Today there is no draft for anyone; still, several hundred thousand women volunteers are serving in the armed forces. Under the ERA, women would be required to register with Selective Service Boards. If there should be a draft again, they would be subject to the same physical tests as men and receive assignments according to their capacities. Only one in 10 of all people in the armed services ever engages in combat. Women also would receive the same exemptions as men. Even at the height of the Vietnam draft call, Congress exempted all fathers; the ERA would require it to exempt all parents. In the past, Congress has exempted all married men; the ERA would require it to exempt all married women as well Or it could, and obviously would, exempt any person who has the prime responsibility for the taking care of a child.

How many women want to be drafted? About as many as the men who do, but if it is an obligation of citizenship, it ought to apply to everyone equally.

Myth No. 6.—The ERA will invalidate laws banning rape, prostitution, sodomy, adultery and white slavery.

Fact: The ERA would revise these laws

so that they apply to men and women equally. Some states that punish adultery as a crime define it as sexual relations between a married woman and a single man, but not relations between a married man and a single woman. The ERA would require the law to punish or not punish both equally. The law against rape, based on physical conditions specific to males and females, would not be changed. Laws are already on the books against forcible sodomy to punish those who commit sexual assaults on men. Illinois law already treats sex crimes in sex-neutral terms; the ERA would extend that practice to the other states.

Myth No. 7.—Women workers will be forced to lift heavy weights, work long hours.

Fact: Until recently, laws in many states limited the number of hours women could work or the weights they could lift in certain jobs, regulated their working conditions for other jobs and banned them altogether from still others. Some rules requiring seats and rest periods were helpful. Others simply kept women from better jobs. Many of these were the target of sex-discrimination complaints filed under Title 7 of the Civil Rights Act. As a result, the Equal Employment Opportunity Commission has ruled such laws invalid.

The AFL-CIO, which originally opposed the ERA because of its effect on protective laws, now endorses the amendment and seeks to extend beneficial statutes to men. However, California has extended to men the rule that employers must equip objects heavier than 50 pounds that must be moved with pulleys, casters or other devices. Over 60 percent of the men who receive workmen's compensation for job-related injuries are suffering from strain, sprain, hernia or other disabilities arising from having to lift weights.

Myth No. 8.—Women will lose special privileges such as maternity leave.

Fact: The chief "privilege" women have today is the right to be forced to leave their jobs whenever their employers—or, in some cases, the states in which they work—decide it is necessary, and to be denied accrued benefits and even their jobs when they want to return. They also have the "right" not to get state disability, medical insurance or sick-leave pay when they get pregnant. The EEOC has ruled that pregnancy should be treated like any other medical disability. The ERA would not affect practices by private firms, but would end discriminatory state laws relating to forced maternity leave, disability insurance and government employment. It would also require that post-childbirth leaves for public employees be extended to men, so that the couple can decide about child-care arrangements themselves.

Myth No. 9.—The ERA will require the integration of public rest rooms, school locker rooms, college dormitories, prisons, public hospitals, army barracks and the like.

Fact: In 1965 the Supreme Court established the constitutional right to privacy. This will permit the separation of the sexes in all places that involve sleeping, disrobing or other private functions.

Myth No. 10.—The ERA will destroy the family and gallantry.

Fact: The ERA will have no effect on private actions, only those that are regulated by law. Husbands and wives will continue to make their own decisions about their personal lives. As for gallantry and the endless debate over who opens doors, pulls out chairs, helps with coats and lights cigarettes, the government has never passed laws about such matters, and the granting of equal rights to women will, in consequence, never affect them. As Senator Marlow Cook of Kentucky has said: "The passage of this amendment will neither make a man a gentleman nor will it require him to stop being one."

REFLECTIONS ON AMERICAN FOREIGN POLICY

Mr. SPARKMAN. Mr. President, the 94th Congress has convened at a moment of legislative resurgence in both foreign and domestic affairs.

This forward movement is both gratifying and sobering—gratifying in constitutional terms, but sobering indeed in the face of problems of unprecedented magnitude and complexity. Power and responsibility in our system are properly inseparable. Those of us who have been here through the convulsions of Vietnam and Watergate have participated in a process of constitutional adjustment which has brought the U.S. Congress to a degree of strength and independence greater than at any time in the last four decades, with powers probably exceeding those of any other parliamentary body in the world. We have acquired thereby for ourselves, and for the unusually large number of new members who join us in this 94th Congress, an unprecedented degree of responsibility for dealing effectively with the perplexing and dangerous issues that confront us at home and abroad.

Before turning to these foreign policy issues—which are my major concern today—a word seems in order as to the role of the Senate and its Foreign Relations Committee, whose chairmanship I have the honor to serve in this Congress.

The committee, I feel certain, will wish to give time and attention to a number of unresolved matters of legislation and oversight.

We will wish at the outset to implement the new oversight responsibility accorded the Foreign Relations Committee by the Foreign Assistance Act of 1974 to insure that the CIA engages in no foreign activities other than intelligence gathering without advance notice to the Congress.

We will renew our efforts to see that ambassadors are nominated—and confirmed—solely on the basis of merit and not as political rewards—an effort which we expect will be assisted by recently adopted campaign reform legislation limiting contributions.

We will give close attention to the Vladivostok agreements and their implementation, a subject to which I shall return in a moment.

We will also, I hope, advance upon previous initiatives toward the phasing out of grant military aid; the refocusing of economic aid toward a "grass roots" as against a "trickle-down" approach; the review and scrutiny of our large and growing military sales; and a reexamination of military and economic assistance to the still war-torn nations of Indochina.

The committee may also this year wish to undertake a careful study of the findings of the Murphy Commission on the Organization of the Government for the Conduct of Foreign Policy, due to report later this year. It would seem especially timely to consider the adequacy of present processes in the State Department and other agencies for the coordinated conduct of foreign political and economic policies, particularly with regard to energy.

Important as these matters of legislation and oversight are, I have always believed—and continue to believe—that the primary foreign policy responsibility of the Senate is in its advice and consent function—the rendering of advice whether it is solicited or not, the granting or withholding of consent according to our own individual judgment. The essential requirement is independence. A Senator is constrained by no principle either of dissent or acquiescence. In rare instances of national emergency we may find it necessary to suspend judgment or delay scrutiny, but in all except these most extraordinary circumstances our duty toward the executive is one of fair but rigorous scrutiny. We have neither the authority nor the resources to participate in the day-to-day conduct of foreign policy, but we are entrusted with both authority and responsibility to define the objectives and determine the direction of foreign policy, according to our own best judgment of the national interest.

With these introductory thoughts, I turn now to survey briefly some of the principal foreign policy questions which are likely to engage the time and attention of the 94th Congress.

We meet in a time of convulsive change, the full extent of which can now be only dimly perceived. The world population explosion is catching up with the world's capacity to produce food and is threatening not only mass starvation but massive social disintegration. In the industrialized countries, a quarter-century of unprecedented economic growth—growth based on the accelerating and profligate use of finite resources—has been abruptly ended by the energy crisis. The dislocations caused by the sudden quadrupling of the price of oil in turn threaten the Western international political structure which was built so laboriously after World War II.

No nation can deal with these problems alone. Never was the fact of interdependence more glaringly self-evident.

All of this lends increased urgency to the national security issues, particularly in the field of strategic arms control, involved in our relations with the Soviet Union. Both the United States and the Soviet Union possess many times the number of deliverable warheads it would take to devastate the other; at present the United States has about 36 warheads—every single one of which can destroy a city—for each of the Soviet Union's 219 major urban areas. Each side also possesses virtually invulnerable retaliatory submarine forces. In these circumstances it simply does not matter very much if the Russians have a greater number of missile launchers, as they do, or if we have a greater number of deliverable warheads, as indeed we do. In fact, we have three times as many warheads as the Russians, and as the Secretary of State has pointed out, it is warheads not launchers which blow up targets.

How are we to put a stop to this dangerous, ruinous rivalry? For a start we can simply recognize that overkill is overkill, that superfluous weapons are indeed superfluous, and that many of the new systems being developed, though technologically fascinating, are redundant and unnecessary.

It is up to the executive and Congress to question and review our strategic arms programs, to eliminate the unnecessary old ones, refuse funds for unneeded new ones, and in general limit our strategic arms to those which are strictly essential to our national security.

The preliminary agreement on strategic arms reached at the Vladivostok summit in November 1974 is useful as far as it goes, but its real value will depend upon its implementation and subsequent agreements. Since the agreement was concluded, Secretary Kissinger has said that, contrary to earlier assumptions, there is no obstacle to additional accords for force reductions to take place well before 1985, which is the projected timespan for the Vladivostok agreement. Members of the Foreign Relations Committee will await and encourage these further accords with keen interest. Commonsense and the national interest commend an all-out effort to carry the SALT talks far beyond the limited agreements thus far reached—including the ABM treaty, the interim agreement of 1972, the "threshold" test ban of 1974, and now the Vladivostok ceilings on strategic arms.

A word is also in order on a related aspect of Soviet-American détente, the gradual expansion of economic relations between the two superpowers. For both political and economic reasons there is much to be said for gradually increasing trade and investment between the United States and the Soviet Union. Here as in the SALT talks the guiding principle is the need for peace, and for the normal, businesslike, cordial dealings which can give nations a vested interest in peace.

Trade and investment may bring political as well as economic benefits, but the transactions involved must in any event be based on sound economic principles because the political benefits can be no more durable than their economic underpinnings. The political benefits indeed are mutual: the Russians have as great a need of peace as we do. Neither side, therefore, should demand either special economic treatment or unusual political concessions as the price of its cooperation.

No less vital than Soviet-American détente to our national security is the continuing strength and cohesion of our alliance with the NATO nations and with Japan.

Unfortunately, these bonds are at present under strain, partly because of the move toward détente itself. It may not have been humanly possible for the United States to keep the Western Europeans aware of every step in the process of détente with the Soviet Union, but in any event the record has not been a really good one. The tendency has been to inform the North Atlantic Council after an action, rather than to consult or to notify in advance. An egregious example of this tendency occurred during the military alert of October 1973.

Our policymakers would be well advised not only to avoid public complaint and recrimination of the sort in which they have engaged on several occasions, but beyond that to consult and coordinate with our European allies on a continuing basis, never taking them for granted, and with due regard for their interests and attitudes, even when these do not coincide perfectly with our own.

It is especially urgent that we consult and cooperate with our European allies and with Japan on problems relating to the price and supply of oil and the major changes which are going to be required in international monetary and financial dealings in order to allow the consuming countries to pay for their essential oil imports. I shall comment further on this matter later, in my discussion on the Middle East.

High on the agenda of American-European relations for the coming year is the issue of our trying to maintain a large, costly conventional defense force in Western Europe at a time when the whole Western World is in an economic crisis. During the past year the United States has cut back some of its support forces in Europe while maintaining its combat forces. Let us hope that conditions will develop such that American forces in Europe can be further reduced, and substantially so, without detriment to the real fabric of our Western defense forces.

This is not to suggest for a moment that the United States can or should retreat from its NATO obligations. The Western Alliance is at the very core of our global security system. An American military force in Europe is essential as an earnest of our unalterable commitment, but the exact size and composition of that force must be determined in the context of our overall military and economic requirements, as well as those of our NATO allies.

In Asia as in Europe the United States has vital interests. Our commitment to Japan ranks in importance with our NATO commitment. The American security guarantee has provided a protected environment for Japan's economic resurgence, but this has not been a one-sided arrangement. The degree of cooperation which the Japanese Government has offered us on the entire range of economic and diplomatic issues is almost unparalleled. What this means is not that the Japanese are subservient to our requirements, but that to a remarkable degree the two nations have parallel interests—in the peace and stability of Asia, in the counterbalancing of Soviet and Chinese power in the Far East, in the advancement of the developing countries, and—more recently but most urgently—in the devising of new world arrangements for reliable supplies of petroleum at costs sustainable by the oil-consuming countries.

Another Asian country in relation to which the United States has major interests is the People's Republic of China. One of the most significant accomplishments of the previous administration was the reopening of American contact with China. The process of normalizing relations which was set in motion by the Shanghai communique should be encouraged. For the past year, however, there has been little movement toward the fully normalized relations which had been envisioned. Whether the delays have been occasioned by our own or Peking's internal difficulties or by an undiminished American commitment to Taipei we cannot know for certain. Whatever the reason, we would hope that the movement so promisingly begun will not be allowed to flounder.

A wise policy often consists of things one does not do as well as of what one does. Successive American administrations have shown excellent judgment in resisting whatever temptation may have arisen to fish in the troubled waters of Sino-Soviet controversy. American interests and world peace are served by the normalization of political, economic, and cultural relations with both China and the Soviet Union, coupled with scrupulous neutrality as to the issues between them.

By contrast with China and Japan, Southeast Asia is belatedly recognized as an area of limited American security interests. Whatever the merits of previously held positions during the long, acrimonious debate over Indochina, that is the consensus we have now reached, and it would be futile to raise again the question of American involvement.

Thus, now more than ever, the Vietnamese and Cambodian Governments will have to make their own way. The outlook in this respect is not encouraging. Even with vast amounts of aid at their disposal, they have steadily lost the confidence of their people and proved unable to cope with their adversaries. The recent loss by the Saigon government of an entire province near the Cambodian border signals a new and critical stage of the Vietnam war. It is evident now, even if it was not evident before, that the Paris Accords were essentially a basis for American withdrawal and the return of our prisoners, an arrangement for that "decent interval" beyond which the struggle for Indochina would go on among the indigenous parties.

Any administration requests for additional aid to South Vietnam and Cambodia should certainly receive close and careful scrutiny in Congress. The administration should be prepared to explain in what exact ways the national interest of the United States will be served by military assistance to enable the Saigon and Phnom Penh regimes to continue fighting in their respective countries. The administration should also be prepared to report on exactly what steps have been taken or are contemplated to bring about President Thieu's compliance with those provisions of the Paris agreements which call on him to join with the Communists' "Provisional Revolutionary Government" in a "National Council of Reconciliation" to organize elections for a new South Vietnamese Government.

Until and unless convincing reasons to the contrary are brought forward, it would seem advisable for the United States to focus its efforts in Indochina not on a continuation of the armed struggle but on promoting a political accommodation between the contending factions in both Vietnam and Cambodia.

The basic political issues, which were left unresolved by the Paris Accords of January 1973, have been given little or no high level attention since then, and our only present prospect is the expenditure of unlimited billions of dollars on civil struggles in Vietnam and Cambodia, struggles in whose outcome we have at best a doubtful interest. I would hope too that during the coming year the administration will bend its efforts toward a reduction of arms shipments by outside powers to all of the Indochinese factions.

I turn now to the Middle East, the area of the world in which the national interests of the United States are now most directly engaged and also most directly threatened. Here we are dealing with two related and interacting crises, that if the price and supply of oil, and the ever-volatile Arab-Israel conflict.

The oil crisis precipitated by the October war of 1973 has brought the industrial democracies of the world to a degree of jeopardy so great that their democratic systems as well as their economies are threatened. President Ford was not overstating the matter when he warned in Detroit on September 23, 1974, of a possible "breakdown of world order and safety." Italy and Great Britain seem to be in the vanguard, facing the imminent threat of bankruptcy. But other advanced industrial countries are threatened as well, including the United States, which has now been plunged into the worst economic crisis since the great depression of the 1930's.

Although the quadrupling of oil prices is by no means the sole cause of our current economic difficulties, it is certainly the major cause, and it has subjected the Western economies to pressures which the Organization for Economic Cooperation and Development calls "probably unprecedented outside time of war." The energy crisis must be recognized as an historic turning point in our economic history, requiring unprecedented measures of self-discipline and international cooperation.

Thus far the industrial nations have attempted to deal with the situation by scrambling for access and advantage. The crucial question was put by Secretary Kissinger in his address to the Washington Energy Conference in February 1974:

> Will we consume ourselves in nationalistic rivalry which the realities of interdependence make suicidal? Or will we acknowledge our interdependence and shape cooperative solutions?

Various proposals for cooperation have been put forward, but none has yet commended a consensus. Careful consideration should be given to the Kissinger-Simon plan for a $25 billion lending facility for mutual assistance among the oil consuming nations, who together would be expected to reduce imports by more than 3 million barrels of oil a day. Immediate consideration must also be given to the proposal put forward by the finance ministers of the European Economic Community for a $10 to $12 billion recycling system to be administered by the International Monetary Fund.

Beyond that, it is essential that we undertake to save the international monetary system from collapse by attracting the surplus capital of oil-producing States to long-term capital-formative investments in the United States and other industrial countries. As noted in an important recent article jointly written by an international group of distinguished economists, the OPEC countries have a vital interest in the continuing economic prosperity of the oil-importing countries if they are to be able to convert their exhaustible oil into permanent income. As the authors also note:

> Only those capital inflows to the OPEC countries which are attracted to productive investment elsewhere address themselves to the dual requirements of sustaining economic activity in the consuming countries and generating the ultimate means of payment.[1]

International economic cooperation is the only—and I emphasize only—feasible means of resolving the international aspects of the energy crisis. I see no merit, and great danger, in recent suggestions of the feasibility of military action. Secretary Kissinger was stating no more than the obvious when he said that force could not be ruled out if the industrialized world were threatened with "actual strangulation"—no nation can be expected to acquiesce in its own ruin. But precisely because that is obvious, no useful purpose is served by saying so in the present sensitive circumstances.

In his speech to the World Energy Conference in Detroit last September 23 President Ford noted that—

> Throughout history, nations have gone to war over natural advantages such as water or food. . . .

But he also took note of the crucial difference between the past and the present, nuclear age, in which "any local conflict may escalate to global catastrophe." Observers may speculate that the superpowers have come to recognize each other's vital interests, and that the Russians would therefore stand aside while the United States took military action in the Middle East just as we did when they invaded Czechoslovakia. These observers may well be right, but they may also be wrong; and if they were wrong, few of us would survive the miscalculation. They should also ponder the prospect that if we ever were to occupy the oil fields of the Persian Gulf, we should be prepared to occupy them permanently because we would have earned the undying enmity of the entire Arab world.

The other, related crisis of the Middle East is the Arab-Israeli conflict, which is probably the greatest single threat to world peace.

I commend the Secretary of State for his efforts and achievements thus far, and I urge him to intensify these efforts and also to enlist the cooperation of the Soviet Union for an equitable settlement. A stable peace in the Middle East will require a Soviet as well as an American guarantee; if the Soviet Union is to guarantee the peace, it must inevitably be a party to the drawing up of its specifications.

I turn finally to comment briefly on the "third world" of south Asia, Africa, and Latin America. Except for Latin America these are regions in which the United States has only minimal security interests. This is not to say that we ought to be uninterested in or indifferent to the Indian subcontinent and black Africa, but only to make the point that our major concerns in these regions are essentially developmental and humanitarian rather than strategic. In all of these areas, therefore, including Latin America, it makes sense for us to abstain from political intervention and especially from military action or threat, and to channel our economic assistance through the United Nations and related international agencies such as the World Bank and the Inter-American Development Bank.

Some of the Latin American States themselves have recently taken a most commendable initiative toward the military neutralization of their region. Meeting in Peru in December 1974, members of the Andean group of Latin republics pledged to bring about "effective arms limitations" among themselves, and in particular to put an end to the purchase of offensive weapons from foreign suppliers. The declaration remains to be implemented by practical measures to be discussed in a further meeting at Caracas, in which it is hoped that Brazil, the largest and most powerful of Latin American States, will also participate.

The Andean initiative should be welcomed and scrupulously respected by the United States, which traditionally has been the largest foreign supplier of arms to the Latin American republics. More generally, but in the same spirit, the United States should reaffirm its commitment to the principle spelled out in article 15 of the Charter of the Organization of American States, that—

> No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.

There should be no further breaches of this solemn obligation, whether covertly as in Chile or openly as in the Dominican Republic.

The time has also come for careful consideration of making a change in our policy toward Cuba. Our policy of isolating Cuba has been a failure, and it is time to reexamine that policy with a view toward ending the futile economic boycott and restoring normal relations.

As we survey the complex and bewildering problems of a fast-changing world, we perceive one common attribute among all of the challenges that confront us: The inescapable necessity of cooperation among nations for global solutions. We will in a world bound together by unbreakable bonds of interdependence. Our economic well-being, and indeed our very survival, are linked indissolubly to the well-being and survival of others.

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[1] Khodadad Farmanfarmaian, Armin Gutowski, Saburo Okita, Robert V. Roosa, and Carroll L. Wilson, "How Can the World Afford OPEC Oil?" *Foreign Affairs*, January, 1975, p. 209.

The world has become a community in its needs if not yet in its attitudes. Soviet-American détente has profound implications for the security of all nations, not just for the two superpowers. The security and economic stability of Europe and Japan are inseparable from the security and economic stability of the United States. The Arab-Israel conflict affects and is affected by the energy crisis, and it could also escalate into Soviet-American confrontation. The oil-producing states have as great a stake in the economic stability of the industrial nations, if their earnings are to have lasting value, as the industrial states have in reliable access to oil at manageable prices. The hopes of the developing countries are also inextricably linked to those of the advanced nations and the oil-producing nations.

We live in what has been aptly termed a "village" world; yet we remain divided by short-sighted rivalries and mean-spirited, obsolete nationalisms. We are in need of international institutions for the solution of global problems, and most particularly of a strengthened and rejuvenated United Nations. The squabbling, powerless assemblages that convene in New York are not a fulfillment of the United Nations idea; they are rather the result of our neglect and contempt for that idea. It is time—indeed long past time—to act on the sound advice of Prof. Richard Gardner of Columbia University, who calls upon the rich and poor nations of the world to enter into a "mutual survival pact," to give international organization the chance that it has never really been given.

"Most important of all," Professor Gardner writes:

> We need a more principled approach to the conduct of foreign policy. Instead of citing the United Nations Charter and other sources of international law when it suits our short-term interest and ignoring them when it does not, we would recognize our long-term interest in strengthening the norms and processes of a civilized world community.[2]

In Wilson's and Franklin Roosevelt's time the building of a world community was an ideal to be aspired to; it has now become an urgent, practical necessity.

A STUDY OF THE AMERICAN INTELLIGENCE COMMUNITY

Mr. BAYH. Mr. President, I was heartened by the Senate vote establishing a select committee to investigate the intelligence-gathering operations of our Government.

For years, we have heard rumors and allegations of improper conduct by agencies collecting information pertaining to national security both at home and abroad. In recent months the number of charges and the intensity of debate regarding intelligence operations have increased significantly. It is time that a thorough and comprehensive review of the intelligence community be undertaken.

The investigation authorized must not be spectacular or sensational. It must be extensive and conducted with a critical eye, but always mindful of the interests of national security. Through its work the Senate will be able to provide the people with the facts regarding intelligence matters and provide recommendations which assure that the fundamental rights of privacy of our citizens are not violated, while those responsible for the security of our Nation continue to have access to important information critical to making sound decisions and judgments.

I believe, Mr. President, that the select committee is the proper way for us to proceed with this task. The issues that arise in examining our intelligence activities are issues normally considered by a number of committees. It would have been terribly inefficient for each committee to have investigated various aspects of intelligence relevant to its particular jurisdiction. There would, out of necessity, have been much duplication, and, through lack of a single coordinating mechanism, there would have been many gaps in the investigation.

Further, one select committee will have much greater control over sensitive information gathered in the course of its duties. There is no question, Mr. President, that the committee will learn of information which will be vital to the security of individuals and the Nation. One committee will be able to establish mechanisms to safeguard such materials far more easily than would several committees and greatly reduce the likelihood of such information falling into the hands of unauthorized persons.

In sum, Mr. President, I believe that we must have this thorough study of the American intelligence community, but we must insure that the investigation is conducted in a professional, orderly manner. In an endeavor so sensitive, there is no place for piecemeal revelations from various committees. The investigation must not be a three-ring circus. To accomplish our goal, we must have a unified, coordinated effort, and the select committee will provide the proper mechanism for this effort. For these reasons, I voted for the resolution to establish the select committee to investigate the intelligence community.

AFL-CIO ACTION PROGRAM TO PUT AMERICA BACK TO WORK

Mr. WILLIAMS. Mr. President, last Thursday, the General Board of the AFL-CIO met in emergency session in Washington to consider the crisis in our economy and to recommend urgent steps to combat it.

The keynote address by George Meany was more than a call to action and a drumbeat of criticism. It was an artful presentation of the graphic truth about the human misery and hopelessness that have descended upon millions of American families in these times.

The meeting was held in an atmosphere of exasperation, as well as deep concern. For many months, the AFL-CIO, other labor organizations and noted economists had seen recession boiling up around us and had been pleading for a national economic policy that recognized reality.

The Congress heard the pleas last year and responded with a post election package of emergency employment programs and extended unemployment benefits for breadwinners who could find no work.

The administration, on the other hand, appeared not to hear the warnings nor to heed them—until the stunning statistics on the economic downturn of the fourth quarter of 1974 were compiled for the President to see a little more than 2 weeks ago.

With those grim data in hand, the President finally acknowledged the dire condition of the economy. At long last, he turned around in a change of course that his aides described as "179 degrees" and placed a higher priority on combating recession with a range of new economic stimulants.

Many of us felt that the shift in course was long overdue, that the delay had transformed a critical situation into an emergency. That, too, was the sense of the AFL-CIO's General Board in compiling their Action Program to Put Americans Back to Work. The board said, in its statement of introduction,

> Public confidence in the government's ability to manage the economy continues to erode from one record low-point to another. . . . Immediate, massive, emergency measures are required to turn the economy from the edge of disaster.

The broad essentials of the action program approved by the general board reflect an urgency, and a realism, about what can be done in short order:

An immediate tax cut of at least $20 billion, primarily for low- and middle-income taxpayers;

Immediate Government measures to reduce America's dependence on imported oil;

Immediate reduction of interest rates and allocation of credit for high-priority social and economic activities;

Immediate massive Federal efforts to create jobs for the unemployed;

Immediate action to protect existing jobs from unfair foreign competition;

Immediate Government assistance to the unemployed to minimize their hardships; and

Rejection of the President's proposed 5 percent ceiling on Government retirement benefits and Federal pay increases.

Mr. President, these general goals are on the "parallel tracks" that have been laid by the President and the leadership of Congress. As to specifics, they differ in some respects from both the executive and legislative approaches thus far and, therefore, constitute additional options for us to consider in the days immediately ahead.

Personally, I am impressed by the compassionate, informed, soul-searching efforts that these recommendations represent, and I believe they deserve the careful consideration of the Congress, along with the President's program and the evolving program of the congressional leadership.

So that my colleagues can study the details of the AFL-CIO action program, I ask unanimous consent that it be printed in the RECORD.

I also ask unanimous consent that the address of George Meany, president of the AFL-CIO, to the emergency session of his general board be printed in the RECORD.

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[2] Richard N. Gardner, "The Hard Road to World Order," *Foreign Affairs*, April, 1974.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AFL–CIO ACTION PROGRAM TO PUT AMERICA BACK TO WORK

America is in an economic emergency. The recession, which began more than a year ago, is already the most prolonged and the deepest since the 1930s. There is no end in sight.

The downward spiral is gathering momentum. In December, industrial production tumbled 2.8 percent, on top of a 4.6 percent decline in the previous 12 months. Public confidence in the government's ability to manage the economy continues to erode from one record low-point to another.

The country is on the brink of depression. Immediate, massive, emergency measures are required to turn the economy from the edge of disaster.

Without this emergency action, unemployment will feed on unemployment. Production cutbacks will spread further. The threat of widespread bankruptcies of businesses and banks will become reality.

Therefore, to spare the American people the misery of a depression and to turn the economy around and provide jobs for American workers, the AFL–CIO General Board urges the following immediate actions by the Congress and the President:

I. An immediate tax cut of at least $20 billion, primarily for low- and middle-income taxpayers, to stimulate the economy through added purchasing power.

Specifically, we urge immediate Congressional consideration of the unanimous compromise recommendations of the Labor-Management Advisory Committee to the President. This emergency tax package calls for:

1—A $15 billion cut of individual income taxes, effective January 1, 1975, through reduced withholding from paychecks, heavily weighted on behalf of low- and middle-income families, by means of a $70 tax credit per exemption and a 5 percent cut in the tax remaining after the exemption credit, with a maximum cut of $375 per return; and

2—A $5 billion cut in corporate taxes to create jobs through an increase in the investment tax credit from the present 7 to 12 percent on business investment in equipment and machinery in the United States and from the present 4 to 12 percent for utilities.

The President ignored the recommendations of his Labor-Management Advisory Committee. He proposed a 12 percent tax rebate, up to a maximum of $1,000. This would amount to less than $12 for a family of four earning $5,000 and only $157 for a similar sized family earning $12,500 a year. By contrast, a family would have to have an income of more than $41,000 (about 2 percent of U.S. families) to receive the maximum $1,000 rebate.

The President's proposal would not stimulate the economy, because it gives the bulk of its benefits to those income groups who don't need it. Low- and middle-income families, those hardest hit by inflation and recession, need a tax cut in order to purchase consumer goods and they need it every week, not just in two pitifully small lump sums. Therefore, we will oppose the President's lopsided rebate proposal.

In addition, we will support enactment of a program to give relief to those working poor who pay no income taxes because their earnings are too low. Such a program will also stimulate the economy by giving added purchasing power to those who need it the most.

Following enactment of the needed emergency tax-cut stimulus for the economy, we urge the appropriate committees of the Congress to promptly begin work on closing the loopholes of special tax privilege for the wealthy and corporations. Only through tax justice will the government's needs for tax revenue be met by a fair and equitable tax structure.

II. Immediate government measures to reduce America's dependence on imported oil and establishment of a fair and equitable system of allocation and rationing.

President Ford's energy proposals are rationing by unfair taxation and high prices and would not conserve energy. He has proposed unfair taxation and high prices and and would not conserve energy. He has proposed unfair tax and price increases for oil and natural gas which would be passed on to all consumers, without distinguishing between essential and unessential consumption. In fact, increased energy costs would far exceed the President's proposed tax reductions for the vast majority of American families.

His proposed so-called "windfall profits tax" is not a tax on profits at all. It is yet another excise tax on each barrel of oil and will be paid by consumers. His proposed reduction in the corporate tax rate is economically unjustified.

Therefore, the AFL–CIO urges the Congress to take the following immediate actions:

1—Enact a quota on oil imports, including a ban on such imports originating in those countries that embargoed oil to the United States and Holland in 1974.

2—Take the importation of oil out of private hands and place it in the hands of government. The government should determine the amount of oil imported, negotiate its price and provide for its internal allocation.

3—Establish a fair and equitable system of allocation and rationing to minimize regional, industry and individual hardships.

4—Reject the President's proposal to deregulate the price of natural gas and decontrol the price of domestic crude oil. In addition, the government should revoke the lease of any oil or natural gas producer who refuses to pump supplies discovered on land leased from the United States. These leases should then be turned over to companies who will produce the needed supplies.

5—Block the President's imposition of a $3 barrel duty on imported oil. This proposal is nothing more than another excise tax which would be paid by consumers and is particularly discriminatory against the industrialized Northeast.

6—Encourage enforcement of the reduced highway speed limit, encourage drivers to reduce optional trips, increase operating subsidies to mass transit for fare reductions.

7—Terminate U.S. government subsidies for the giant international oil companies, including elimination of the depletion allowance on foreign oil operations and the dollar-for-dollar credit against U.S. taxes for these corporations' royalty and tax payments to foreign governments.

8—Adopt a genuine excess profits tax, such as the successful tax in effect during the Korean War.

9—Stretch out present environmental restrictions on energy production and use to reduce energy consumption and facilitate expansion of domestic energy output. This is a matter of timetable not of objectives. The advance of technology and development of clean energy sources can permit realization of environmental objectives. The two programs should be viewed as compatible parts of a single problem. Extension of auto emission control standards should provide that the auto companies be required to increase mileage per gallon and to lower prices, dollar-for-dollar, for any cost reductions enjoyed as a result of an extension.

10—Establish a petroleum stockpile to guard against future oil embargoes.

When these emergency steps are taken, the Congress must then begin work on creation of a federal oil and gas corporation to provide a yardstick for new energy exploration and development; launch a crash program to develop alternative energy sources and technology; investigate monopolistic practices of the giant oil companies; and regulate foreign investments in the U.S. from the oil-producing areas of the Middle East.

III. Immediate reduction of interest rates and allocation of credit for high-priority social and economic activities.

Under the Credit Control Act of 1969, the President has the authority to direct the Federal Reserve Board to reduce interest rates and allocate credit. If he continues to refuse to use this authority, the Congress must enact legislation mandating the Federal Reserve Board to take these actions.

Significantly lower interest rates are essential to restore the health of the home-building industry and to encourage the general expansion of sales, production and employment. In addition, available credit must be allocated for housing, local government facilities and basic industrial expansion. Curbs must be placed on the extension of credit to speculators, gambling casino operators and foreign borrowers.

The AFL–CIO also urges the following actions:

1—Presidential reactivation of all programs for low- and middle-income housing. Revival of these programs, already authorized and funded by the Congress, would support the construction of thousands of needed housing units, providing jobs on the construction sites and in the various supply industries.

2—An immediate reduction in interest rates for FHA and VA home mortgages to 6 percent under Federal mortgage assistance programs.

3—An immediate review of government regulations holding up the awarding of federal funds for the construction of housing.

4—Establishment by the Congress of a government agency to be the lender of last resort for business and state and local governments. The interest rates should be reasonable and loans should be directed at the preservation and creation of jobs in the private sector, including housing, as well as to assist state and local government efforts to maintain and expand public facilities and services.

In addition, the Congress should immediately undertake a broad review of federal housing programs with a view toward expanding federal efforts, better coordinating programs and reducing unnecessary red tape. If the United States can make loans of U.S. taxpayer money to the Soviet Union at 6 and 7 percent interest rates, then it can surely authorize home mortgage loans to the American people at similar interest rates.

IV. Immediate, massive federal efforts to create jobs for the unemployed.

There is only one solution to unemployment, and that is jobs. Therefore, the AFL–CIO urges emergency action on the following job-creating programs:

1—Immediate release of a substantial portion of the $19 billion in appropriated funds impounded by the President. Priority should be given to releasing those funds that would create jobs. Specifically:

a. $9 billion of the impounded funds for construction grants for sewers and waste treatment plants.

b. Nearly $4.4 billion for federal aid to highways.

c. $372.5 million for hospital construction and modernization.

In addition, we urge the President not to carry out his announced intention to impound about $6 billion more in highway funds for Fiscal Year 1976.

Release of these funds could immediately result in orders for building materials and the hiring of workers for on-site construction.

2—Immediate Congressional action on an Accelerated Public Works program providing a minimum of $2 billion in grants to communities with high unemployment to enable them to step up short-term construction and repairs of public facilities.

3—Full funding by the Congress and full implementation by the Labor Department and state and local governments of the Public Service Employment Program adopted by the Congress in December.

The long lines of applicants for these public service jobs in communities across the country also indicate the need in Fiscal 1976 to increase the present authorization so as to provide one million additional public service jobs for Americans who cannot find work.

We insist that federally financed public service jobs must be additional jobs and that state and local governments must not be permitted to fire permanent employees in order to hire temporary public service job seekers. Workers hired under the public service employment program should be accorded the same general conditions of employment as regular state and local government employees.

4—Expansion of federal programs to provide assistance to young people to stay in school, and a doubling of the youth summer job program to help young people earn enough money to return to school in the fall.

V. Immediate action to protect existing jobs from unfair foreign competition.

Because of the nation's economic crisis and the continuing large deficit in the U.S. balance of payments, we urge the President to:

1—Immediately use his powers under the Trade Act of 1974 to establish quotas on imports of industrial goods in those areas where U.S. production has declined in recent months.

2—Immediately impose import restrictions against countries whose trade practices have placed unfair or unreasonable burdens on U.S. commerce.

3—Immediately impose export controls on raw materials and other products in short domestic supply, including petroleum products and coal, through a system of monitoring and licensing.

Because of the unfair economic competition resulting from the expansion of foreign operations of U.S.-based multinational companies, we urge the Congress to:

1—Revoke provisions for the deferral of tax payments on foreign-earned profits.

2—Eliminate the foreign tax credit.

3—Repeal Sections 806:30 and 807 of the Tariff Code which encourage foreign production for shipment back to U.S. markets.

4—Regulate the export of American capital and technology that results in the export of American jobs.

VI. Immediate government assistance to the unemployed to minimize their hardships.

For unemployed workers, the government must:

1—Substantially improve the nation's unemployment insurance system by:

a. Making extended unemployment compensation benefits available to jobless workers recently covered by the Emergency Jobs and Unemployment Assistance Act of 1974 for the same duration as for jobless workers covered by the permanent program.

b. Eliminating the "waiting week" requirement in state programs which delays the payment of benefits for the jobless.

c. Increasing the individual's weekly benefit amount to two-thirds of the former weekly wage up to two-thirds of the state-wide average weekly wage, with the increased costs paid by the federal government during this emergency period.

d. Requiring Employment Security Offices in those areas of substantial unemployment to remain open longer hours all week long, hiring enough additional staff to process claims without the demeaning and unnecessary delays to which the unemployed are presently subjected.

2—Provide health care to the millions of workers who lose their health insurance coverage under employer-employee plans when they become unemployed. The health care crisis facing the unemployed—who are denied Medicaid and stripped of their group coverage—is further evidence of the need for urgent congressional enactment of National Health Security. Therefore, we also call upon the House Ways and Means Committee to quickly hold subcommittee hearings and begin work on the long-neglected problem of an adequate health care systems for America.

3—Make the limited Aid to Unemployed Fathers program mandatory in all states. Additionally, because workers exhausting their unemployment insurance will have to rely increasingly on welfare to sustain themselves and their families, Congress must immediately begin work on establishing federal minimum benefit standards for the Aid to Families with Dependent Children Program.

4—Provide that the increased costs of welfare during the present emergency are borne by the federal government. Obviously, financially hard-pressed states and cities cannot bear the additional burden.

5—Reject the Administration's efforts to increase the cost of food stamps to the unemployed and the poor. In addition, we urge the following immediate improvements in the food stamp program:

a. Reduction of the present 30-day certification period to 15 days.

b. Adequate staffs of trained workers should be provided to handle certifications.

The AFL-CIO further believes that unions have a special responsibility to help meet the immediate needs of their unemployed members. Therefore, we urge:

1—Local central labor bodies to enlist, through their community service programs, the participation of all government, voluntary and private agencies to expedite the handling of applications, complaints and special needs of the unemployed.

2—Local central labor bodies to work with the Human Resources Development Institute to develop jobs and provide adequate counselling and referral for unemployed union members.

3—State federations to expand their efforts to inform newly-covered unemployed workers of the availability of unemployment insurance benefits and to prod state Employment Security Offices to provide better service for all unemployed.

4—Local central labor bodies to arrange to use union halls as emergency centers for processing unemployment compensation claims in order to reduce the long lines outside of overloaded employment service offices.

* * * * *

Further, we take note of the President's proposal to place a 5 percent ceiling on mandated cost-of-living adjustments for Social Security, Railroad Retirement and civil service and military retirement benefits, and a similar 5 percent ceiling on pay increases for federal employees required under the Federal Pay Comparability Act.

This is unfair and inequitable. On the one hand the President proposes higher prices for just about everything people must buy and, on the other, attempts to deny retirees and federal employees that to which they are legally entitled.

Therefore, the AFL-CIO will vigorously oppose the President's proposed ceiling in the Congress.

CONCLUSION

This is the AFL-CIO program for action. We present it to the President and to the Congress. And we call for immediate action on each and all of its points.

We pledge to our members, our fellow workers and our fellow citizens that we will not relent in our support of this program to put America back to work.

AFL-CIO President George Meany's Address

This General Board has been called into emergency session because of the state of the American economy. President Ford last week said it is "not good." That sets some sort of a record for understatment. The fact is: the economy is in the worst shape it has been in since the Great Depression.

Six and a half million workers were counted by the Labor Department as officially unemployed in December.

Another 850,000 unemployed are reported as too discouraged to even look for work.

Still another 3.4 million people are working part-time for what the Labor Department calls "economic reasons."

That adds up to 10.7 million Americans who are either out of a job or underemployed as a result of the current recession. And those are only the ones counted by the government.

Unemployment among blacks and other minorities is higher now than at any time since World War II. And the government's official statistics do not reflect real conditions in the ghetto. Unemployment rates estimated as high as 40 percent. Rampant discouragement. Real deprivation and hopelessness. The cold statistics miss this human misery.

The Gross National Product—a Commerce Department statistic—dropped 9.1 percent in the last three months of 1974. This is the largest decline in the GNP in nearly 30 years. The primary cause was a drop in consumer spending.

Double-digit inflation—fueled by the prices of food and energy and by high interest rates—continues unabated. The buying power of workers' paychecks is lower now than it was in 1965. And if the buying power of paychecks can't keep up with inflation, you can imagine what has happened to unemployment compensation checks.

The only good news in the President's speech was that he admitted there was only bad news.

In fact, the real bad news in the President's message was his proposals.

His economic program was the weirdest one I have ever seen:

To fight inflation, he proposed to increase the cost of living.

To fight recession and stimulate the economy, he resurrected the old, discredited "trickle-down" theory of economics that Arthur Burns first learned before the 1930 depression.

For those who are suffering the most—the unemployed, the aged, the sick and the poor—he proposed even more suffering.

The President's proposals were very disappointing. They were based on statistics, computer profiles and economists' models, but not on human needs.

Unless an Administration looks at people as flesh and blood, and not as simple statistics, its proposals will not be good enough for the American people.

The American people demand a program to end recession . . . a program that will get America back to work . . . a program that will stabilize the economy.

That is why we are here today.

Our program must be one of action. Actions the President can take immediately. Actions the Congress can take within 60 days. It will be an emergency program.

Of course, America has serious long-range problems confronting it. Problems like national health insurance, extension of the Voting Rights Act, welfare reform, improved minimum wages and a realistic program to achieve full employment in America. At this time, we will concentrate primarily on emergency actions to turn the economy around.

The Executive Council meeting next month will address itself in more detail to the longer-range problems confronting this country.

Let me make one thing perfectly clear: the AFL–CIO will not shrink in its support of vital social programs just because President Ford is threatening to veto any new programs.

The Economic Policy Committee of the AFL–CIO met last evening and developed a solid, emergency program it is going to recommend to the Executive Council, which will meet during the luncheon recess.

This afternoon, the Executive Council will have this program ready for your consideration, discussion and action.

During this morning's session, we are going to hear detailed reports on the economic facts of life facing all segments of the American economy.

These reports will not be very optimistic, because there is nothing to be optimistic about. Unless, of course, you happen to own a lot of oil company stock or drill for natural gas as a sideline or loan money at usurious rates.

The stock our members hold is their skill and their union card. Their labor builds the country. Their paychecks buy the goods their labor produces.

The jobs they hold are their only hedge against inflation. And too many of them have had that hedge taken away from them as the direct result of government policies.

The first thing we should all realize is that this economic disaster didn't sneak up on America. It didn't happen overnight, and it didn't just happen since October 8—the debut of the WIN button.

The AFL–CIO, repeatedly and consistently, warned of the dangers facing this country. We warned the President. We warned the Congress. We warned anyone who would listen.

But the policy makers were deaf to our warnings and blind to the evidence.

We predicted exactly what has happened—economic disaster. None of us takes any satisfaction in saying we were right. Every one of us wishes we had been wrong.

Six years ago this week, Richard Nixon became President. This is also the sixth anniversary of the return to Washington of Dr. Arthur Burns, his pipe, and his 19th Century economic theories.

It is an anniversary millions of workers are "celebrating" on the unemployment lines. That's where they get their slice of the Burns' cake.

Six years ago, 2,700,000 workers were unemployed—3.3 percent of the workforce. Inflation was going up at the annual rate of 4.2 percent.

That, said Richard, was too high. He had a plan—a game plan, if you will—to reduce inflation by slowing down the economy through tight money and high interest rates.

It was a plan, he said, that would not increase unemployment.

In fact, we still have in the files of the AFL–CIO the letter he sent to the AFL–CIO Executive Council in February of 1969 boasting about this game plan and repeating his promise that it would not increase unemployment. Well, like all of Richard's promises, it wasn't worth the paper it was written on.

Soon unemployment began to rise. Higher interest rates increased inflation, as businesses passed on the higher cost of money to consumers.

For 2½ years, the Nixon economic advisers told the country: "Things are getting better. We can see light at the end of the tunnel."

They said that all the way up to August 15, 1971, when Mr. Nixon, using the blank check authority given him by the Congress of the United States as a political ploy, imposed a controls program of freezes and phases conceived in inequity.

Wages were held down. Profits soared. Interest rates continued to climb. Prices jumped. Executive compensation increased.

It was a program to "zap" labor—one of Nixon's economic advisers admitted much later—and, in that, it succeeded.

But by "zapping" wages while living costs mounted endlessly, purchasing power of workers began to deteriorate. In an economy built on consumer purchasing power, that was a policy certain to achieve disaster.

Add the oil embargo and the great grain robbery, laced with another round of interest rate increases, and you have the ingredients of today's economic mess.

Administration policies that paid blackmail to the Arab extortionists . . . that emptied America's grain reserves . . . that exported other goods in short domestic supply . . . that tightened the money supply and jacked up interest rates—those are the direct causes of double-digit inflation and recession.

It wasn't wage increases or excessive demand or social security increases or a drop in productivity.

Every American schoolchild could have told the government how to handle the blackmail demands of the Arab oil sheiks. The response should have been: "Not one cent for tribute."

Instead, Henry Kissinger had a new quotation for the history books: "Pay."

And pay we did. And we will continue to pay until the United States deals with the blackmailers in the manner that they deserve.

No tribute, no foreign aid, no trade, no jet fighters—nothing, until the blackmail stops.

If the United States embargoed oil from those countries that cut off supplies to this country, there would be hardship. There would have to be strict allocations and strict rationing.

But allocations and rationing are a small price to pay to avoid total economic collapse and to take America's economic destiny out of the hands of the Arab sheiks.

At noon of August 9, 1974, America got a new President. And we in the labor movement had hopes that he would quickly turn his attention to resolving the economic mess his predecessor made.

We didn't expect any instant miracles. And we didn't get any.

We were concerned—and we expressed our concern—that the new President continued to surround himself with the same economic advisers who had created this mess. But he expressed a willingness to listen to labor's ideas about the economy.

We were pleased when President Ford personally convened a mini-summit composed of trade unionists and listened to our views. I can tell you that nobody pulled any punches.

Speaker after speaker cautioned the President that inflation wasn't the only economic problem facing this country. Recession, we said, was equally grave and threatened to get worse. And he listened and he invited us back to the big summit.

Again, we warned of recession. We told the President that taking people's jobs away from them was no way to fight inflation.

But, we said, labor was willing to sacrifice as much as anyone else, as long as anyone else, to whip America's economic problems—provided the sacrifice was equal.

Well, he listened.

But on October 8, when the President addressed the Congress, we found out that he hadn't heard us.

We had talked about jobs. He talked about "WIN" buttons.

We talked about equality of sacrifice, and, as a matter of fact, so did he. But then he proposed a tax increase on middle-income families and a tax cut for corporations.

The White House called it "more of the old-time religion."

Well after three months it became obvious that the old-time religion did not work.

So, last week, the President proposed his new program, which he said would lift America out of recession and stop inflation.

It will do neither.

Let's look at his proposals:

First, there is the 12 percent tax rebate he announced in his television speech two days before the State of the Union message.

It is a one-shot deal, with a limit of $1,000, paid in two installments. To get the full $1,000, a family would have to have an income over $40,000 a year. That lets out about 98 percent of the American people.

In fact, for a family of four with a $7,500 income, the rebate would amount to $58.08, or an average of $1.11 a week. Now, when that family receives its first rebate check in May of $29.04, I'm sure they will rush right out and use it as the downpayment on a car.

Well, $1.11 a week won't even cover the increased cost of gasoline the President also proposed.

His rebate won't stimulate the economy, because the people who need it the most won't get enough money to buy a toaster.

Prior to his State of the Union message, the President convened several meetings of his Labor-Management Advisory Committee.

The committee recommended a compromise tax-cut proposal to stimulate the economy. It was a compromise arrived at through collective bargaining because the committee wanted something it could unanimously recommend to the President to meet a national emergency.

For individual taxpayers, the Labor-Management Advisory Committee recommended a tax cut, weighted to the low- and middle-income taxpayers. It provided for a $70 tax credit per exemption, plus an additional 5 percent tax reduction, up to a maximum of $375 per family.

The committee unanimously felt that this would put additional buying power in the hands of the people who needed it the most and who would spend it.

For business, the committee agreed to an increase in the investment tax credit to 12 percent in the hope this added stimulus would create more jobs. The increase was particularly important for utilities who now only get a 4 percent investment credit.

As you know, the AFL–CIO has always opposed investment tax credits, but in this emergency we felt this compromise package would provide the economic stimulus America needs—$15 billion for consumers and $5 billion for corporations. That's the shot-in-the-arm the economy needs.

The Labor-Management Advisory Committee proposal would give a family of four with a $7,500 income a $290 tax cut. But the President's rebate proposal would give them only $58.08. For a family of four with a $12,500 income, the President proposes a $157 rebate compared with the committee recommendation of $331.

Compare who would receive the bulk of the tax cut under the President's proposal and under the recommendation of the Labor-Management Advisory Committee:

The 12 percent tax rebate would mean that those who earn more than $20,000 would get 43.6 percent of the money. Under the Committee proposal, those earning less than $20,000 would get 76.7 percent of the money. The President's proposal is upside down.

In his speech to the Congress, the President added two more elements to his proposal—a permanent tax cut for low- and middle-income taxpayers and a cut in the corporate tax rate, which he linked absolutely to the price and tax boosts that are part of his energy program.

But his tax cut for low- and middle-income families is an illusion. To get it, these families would first have to pay more for gasoline, more for heating fuel, more for food, more for just about everything they buy.

For the vast majority of families, the tax cut would be far less than the increased prices they would have to pay.

To get a permanent tax cut of $16.5 billion, consumers would have to pay $55 billion in price increases.

These are the President's proposals for new energy taxes—he calls them "energy conservation taxes":

A $3 per barrel fee on imported crude oil, to be imposed under existing authority, that would later be replaced by a legislated $2 per barrel excise tax on both domestic and imported crude oil;

An excise tax on natural gas;

And a "windfall profits" tax that is nothing more than another excise tax paid by the consumer.

On top of this, he proposes to decontrol the prices of domestic crude oil and natural gas. That alone would cost consumers about $20 billion a year.

What the President has proposed is rationing by taxation and by high price.

The President says the price of natural gas must be decontrolled, so the producers will have enough money to find new supplies.

What he doesn't tell the American people is that the so-called controlled price of natural gas has more than doubled in a little over a year. He doesn't tell the American people that the natural gas suppliers have refused to tell the government the truth about their reserves.

We know that natural gas companies are capping new wells as soon as they find the gas. They'll produce the gas only when the country gives in to their blackmail demand of no price control.

Much of this gas was found on land leased from the United States.

The government should tell the blackmailers: "Produce the gas or your lease will be revoked and turned over to someone who will pump it out of the ground."

In short, the President's tax and energy proposals would not stimulate the economy. They would increase inflation. They would not conserve energy. They would enhance the profits of the oil giants.

The President also announced to the Congress that he would veto any increase over 5 percent in Social Security, railroad retirement, civil service and military retirement benefits, and federal employees' wages.

He says the government should set an example.

The laws of the United States say that Social Security and the retirement programs are supposed to be increased according to the cost of living. And the wages of federal employees are supposed to be comparable with those in private industry.

The example the government should set is one of obeying the law. The federal government cannot go on, year after year, attempting to short-change its own employees.

The President says that if the 5 percent ceiling isn't adhered to, the federal deficit would be too large.

Benefit recipients and federal employees didn't cause the federal deficit.

I'll tell you what did cause the deficit.

Higher interest rates on the federal debt, brought about by Arthur Burns' policy of tight money.

Permitting business to reduce their taxes through inventory gimmicks.

Encouraging U.S. multinationals to export American jobs.

Mounting vast loopholes in the tax laws.

And two recessions, deliberately caused by the Nixon-Burns policies.

The Administration has also proposed to increase the cost of food stamps to the poor and the unemployed. That is unconscionable. The unemployed have already had their jobs taken away from them. The Administration must not also take away their food. We will strongly support efforts in the Congress to reverse Administration proposals to increase the cost of food stamps.

So far, I've talked about what the President talked about. Let me tell you what he didn't talk about.

He didn't talk about the billions of dollars in funds authorized and appropriated by the Congress that are now impounded by presidential order. In your kits is a complete breakdown of those funds—the total for this fiscal year already is $19 billion. When you add in the highway funds for next fiscal year that the President has impounded already, the total jumps to $25.3 billion.

For fiscal 1975 and 1976, there are $10.7 billion in highway funds held up by a stroke of the presidential pen. Government economists figure that every billion dollars in highway funds means 70,000 jobs—35,000 on-site and 35,000 off-site jobs. And our economists think their estimates are conservative.

At a minimum, in highway funds alone, the President is holding up 700,000 jobs. The $9 billion in impounded water and waste treatment construction funds could create hundreds of thousands more jobs.

The President also didn't talk about the nearly $1 billion in housing and community development funds he has withheld. A listing is in your kits. The housing industry is in a depression; hundreds of thousands of construction workers are unemployed; hundreds of thousands of families are without decent housing.

He also didn't talk about the authority he has to reduce interest rates and allocate credit to socially-useful projects. High interest rates are one of the primary causes of inflation. Cities, counties and towns all across America are faced with a credit crunch. Housing projects, basic industries, utilities are forced to compete for scarce credit dollars with speculators, conglomerates, inventory hoarders, foreign borrowers, and promoters of gambling casinos and luxury condominiums.

The President's power hasn't been used. It is contained in Section 205 of the Credit Control Act of 1969—Public Law 91–151, if you want to look it up.

These three actions—releasing impounded funds, reactivating housing programs and controlling interest rates and allocating credit—could be taken immediately.

They could have been taken on December 6 or January 3, when we remined the President of each of these available remedies to recession.

Because the President has thus far refused to act, recession has gotten worse. Once again, we urge him to take these actions to put America back to work.

Each of these actions would create real jobs. Unemployed workers could go off unemployment rolls and on to payrolls. They could pay taxes instead of using them.

All the unemployment insurance and all the public service jobs still don't add up to the economic benefit that comes with real jobs.

There is only one sure cure for unemployment—jobs. Real jobs at decent rates of pay.

Unemployment compensation—as valuable as it is to help unemployed workers keep body and soul together—can never be a substitute for a job. It is a stopgap that has, thus far, kept this country out of a depression. Unemployment compensation needs to be improved. But jobs are the only real solution.

That is what we must address ourselves to this afternoon.

We must address ourselves to these specific actions the Congress can take to get America back to work:

An immediate tax cut that will stimulate the economy by placing purchasing power in the hands of low- and middle-income families;

An immediate cut in interest rates and mandatory allocation of credit to socially-useful projects;

An immediate, sensible housing program that will provide decent housing for American families and decent jobs for American workers;

An immediate Accelerated Public Works program that will fill basic community needs and provide jobs for scores of thousands of on-site workers and many, many more jobs in supplying industries;

An immediate program to protect existing jobs from unfair foreign competition; and

An immediate program of federal assistance to the unemployed to relieve their hardship.

In closing, I want to talk about the misery of unemployment. I think some people have forgotten just how miserable it is.

The National Association of Manufacturers is promoting the idea that unemployment is not all that bad.

While the NAM would never be expected to know the depths of despair unemployment causes for a worker and his family, I think that many in Congress may have also forgotten.

If you think your Representative or Senator needs to be reminded when he next comes home for a visit, take him with you to the unemployment office.

Invite him to stand in the cold with those in the unemployment lines and shiver. And to wait in line for hours to sign up for benefits, only to have to return to stand in line for hours to get the check.

Maybe those Administration advisers who call for balanced budgets should go home with an unemployed worker, and sit at the dinner table with the worker's family while they figure out how to balance their budget. Maybe an Arthur Burns or an Alan Greenspan can figure out which is more important: medicine or milk. Maybe they can figure out which kid is the sickest, so that he can go to the doctor and get a prescription that will be divided among the other children.

Maybe these same advisers should go with the unemployed worker seeking work. Let them have the door slammed in their face. Let them hear—over and over again—"We're not hiring."

Maybe—just maybe—if the people's representatives in the Congress and the Administration policymakers *see, feel, touch* and taste the people's problems, then jobs will be created for Americans.

This has not been a very happy speech. It wasn't meant to be. This is not a very happy time for America.

But we have faith—in this country, in its system of government, in the strength of its people.

We wouldn't be here if we didn't have faith.

Faith has carried America this far. But we can't live on faith alone. It must be buttressed by action. Now is the time for action—compassionate, sensible, fair action by the Congress and the President.

INDIANA GIANT

Mr. BAYH. Mr. President, I was deeply grieved to learn that Frank McHale has passed away. He was one of those rare individuals who combined courage, intellect, and a faith in the political process—which we do not have enough of anymore.

He believed, as I believe, that each one of us has to do what he or she can to make our communities and our country a better place to live. He believed that if enough citizens share this concern we can solve our problems and make a great Nation an even better place to live.

I would hope that the passing of Frank McHale will serve as a stimulus to those young people who are asking questions about whether the political process is the place for them to influence the course of events. Frank McHale proved the political process is, indeed, the place.

It was possible in his time and it is possible in ours.

Frank McHale was a banker, railroad executive, and lawyer during his 83 years, but his real love was politics. Although he never held public office he became interested in politics while fighting the Ku Klux Klan. It was then that Frank McHale declared that he would help remove any bigot from public office regardless of party affiliation.

As Democratic National Committeeman for Indiana from 1937 to 1952 under Presidents Franklin Roosevelt and Harry Truman, Frank McHale had the final word on most Federal appointments throughout Indiana. Not one of those appointments, he was proud to recall, ever failed in his job or was disloyal.

Frank McHale was instrumental in helping two Democratic lawyers become Governors of Indiana. Paul McNutt served as Governor from 1933 to 1936 and Roger Branigin from 1965 to 1968.

Realizing that a democratic government is only as strong as a well-informed citizenry can make it, Frank McHale often stressed the need for all Americans to take an active interest in politics. He once said:

> The weakest link on our democratic form of government is that politics—which is the practical application of the science of government—has so little attraction for the great bulk of our business and professional people.

Frank McHale began his political career in 1920 when he was elected first vice-commander of the Indiana Department of the American Legion. He was elected State Legion commander in 1928 and was active in Legion affairs for the rest of his life.

Born in Logansport, he practiced law there after graduation from the University of Michigan Law School. In 1933, he moved his law practice to Indianapolis. He was a member of the Cass County, Indiana State, and American Bar Associations and the American Judicature Society.

In addition, Frank served on the board of St. Joseph's College, and was a former member of the board of the Catholic Youth Organization and the St. Mary's Child Center and Winona Memorial Hospital in Indianapolis.

As an example of his generosity, last year Frank pledged $1.2 million to finance construction of a multipurpose auditorium at Logansport Senior High School as a memorial to his family.

A memorial for the benefit of the people is a fitting tribute to Frank McHale. A political legend has now passed from the Indiana and national scene. We have lost an irreplaceable man who will be missed by his family, his friends, his party, his State, and his country.

SUPER BIG GOVERNMENT MUST BE PAID FOR EVENTUALLY

Mr. **DOMENICI.** Mr. President, the economic-energy program of the Ford administration will increase the Federal debt to $604 billion. This is roughly double the amount of present annual Federal outlays. Therefore, if all other Federal expenditures—including defense and social programs—ceased to operate, and if tax revenues continued at present levels, it would still take 2 years to retire the Federal debt.

A more realistic retirement rate is $10 billion annually, and yet even, this amount is seldom achieved consistently over any given 5-year period. If it were, the debt would still not be retired in any of our lifetimes.

The consequence of this level of debt or deficit is potentially crippling to the United States. Just this past week the Federal Government announced its intention to go into the open money market in a quest for $28 billion to finance the growing Government deficit, the most massive borrowing of any peacetime period. This means that business, housing, consumer credit, and all private and local government money needs are competing for capital on a less and less favorable basis with a government whose voracity shows no signs of diminishing.

In 1965, as the Wall Street Journal of January 24, 1975, reveals, Federal "transfer payments" amounted to 6.9 percent of the aggregate of wages and salaries nationwide. By December 1974, that figure rose to over 20 percent. I ask unanimous consent that the text of this article be printed at the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. **DOMENICI.** Mr. President, this "breakdown between reward and effort" has the short-term benefit of providing the votes of grateful recipients to their benefactors, but the long-term effect is the destruction of our economy.

In order to finance these programs, the Federal Government can either tax the "haves" or print more money unsupported by tax revenues. It has chosen the latter course. Yet every bit of this printingpress money diminishes the value of all other money supported by real capital. The result, as we are now seeing, is runaway inflation.

The Ford program would gear-up the presses to pump additional huge amounts of deficit money into the economy. There is no question that this will further erode all the rest of the money supply. And yet there are those who want an even greater influx of Federal dollars into the economy. I cannot support their position. Although the President's program will have some inflationary impact, I feel that it provides a necessary cushion for the economy without overstimulation.

That cushion is found in the rebate schedule and in the President's energy package. In addition to providing the cushion I have mentioned, the tariff on foreign energy reveals to OPEC our national solidarity. Just the threat of a united front against oil blackmail resulted this past weekend in an Algerian proposition to freeze oil prices for the next 5 years.

My support of the President's energy program is not without some reservation. We must carefully scrutinize the plan to decontrol domestic oil and gas, and the proposal to tax windfall profits to include a plowback provision for true energy activities.

But, by and large, the President's economic program appears to me to provide the proper balance of energy and economy, and holds deficits down to the extent practicable, given these stormy times.

Accordingly, Mr. President, I intend to support the administration on the foreign oil tariff question and resist efforts to sidetrack or delay that program. I urge my colleagues to consider the matters I have mentioned today as well as the other grave consequences further delay and indecision would bring about if a comprehensive, coordinated plan is not adopted.

EXHIBIT 1

THE TRANSFER PAYMENT EXPLOSION

It was encouraging to hear Eric Sevareid of CBS comment favorably on President Ford's proposals to at least begin to bring federal spending under control. For more than a decade, most Americans have tended to assume that the U.S. is so rich it could do just about anything. Mr. Sevareid was apparently shocked to learn that if present trends continue, by 1985 half the national income will be controlled by government. What this means, of course, is that half of all national income will be taken in taxes.

That prospect in itself is cause for alarm, but what is even more troubling is the reason for this growth of government. Spending is not increasing by leaps and bounds because of military requirements. It is not growing because government is rebuilding cities, constructing dams or financing scientific research and development. It is mushrooming at a steadily accelerating rate because of government commitments to give cash to people who are not producing after extracting it from people who are producing. We are in the midst of an explosion in transfer payments.

As recently as 1965, government transfer payments to individuals came to a modest $37.1 billion. Last month, federal, state, and local governments were disbursing cash to individuals at an annual rate of $155.9 billion, for which no services are rendered. These include Social Security pensions, government pensions of all kinds, unemployment benefits, black-lung money, food stamps, welfare payments and health insurance benefits. While the payments are of course defended on grounds of compassion, they are having a serious effect on the economy, by steadily breaking down the relationship between reward and effort. The following table is revealing:

	Government transfer payments (in billions)	Wages and salaries	Transfers as percent of wages and salaries
1965	$37.1	$538.9	6.9
1972	103.2	626.8	16.5
1973	117.8	691.7	17.0
1974	139.8	751.1	18.6
Dec. 1974 [1]	155.9	765.4	20.4

[1] Dec. figure is at an annual rate.

What the table doesn't show is the great burst since October, when a rapid triggering of unemployment, welfare and food stamp benefits coincided with a slide in wages and salaries. In two months, wages and salaries dropped by $7.6 billion at an annual rate and transfer payments advanced by $8.3 billion. The December 1974 over December 1973 annual rates showed an increase in wages and salaries of $46.1 billion and an increase in transfer payments of $33.3 billion. With the bottom of the economy not in sight, it seems highly likely that in 1975 transfer payments will grow more than wages and salaries.

It is taken as axiomatic that production is maximized when taxes are zero, i.e., output is greatest when employers and workers can keep everything they produce. The nation benefits from taxes, even though production is not maximized, when it employs receipts in ways the private sector cannot—providing general government, police and fire protection, national security, etc. Helping the poor, the elderly and weak is certainly an important function. From the figures one would assume it is being discharged far better now than five years ago, though the improvement is certainly not reflected in political rhetoric.

The problem is that the tradeoff between lower production and general benefits has a breaking point when private production can no longer carry the burdens placed on it by government. The nation has been flirting with that breaking point for a long time, but seems to have reached it in October. Present and future taxes, which have to be raised to finance government deficits, are now so high that it is more beneficial for more and more producers and workers to not work than to work.

Any serious attempt to solve the nation's economic problems has to focus on this explosion of transfer payments. Mr. Sevareid's concern with government spending has to come to grips with the implications of the following table:

FEDERAL BUDGET

[In billions of dollars]

	1970	1975	Increase
Total	196.6	304.4	107.8
Transfers	66.6	134.2	67.6
Defense	77.5	82.0	4.5
All Other	52.5	88.2	35.7

The only reason we have for even cautious optimism about the future is that, at long last, a few brave policymakers, politicians and opinion shapers seem willing to break the bad news to the public. President Ford made a good start in his State of the Union Message. Mr. Sevareid made his contribution. Now, somehow, the news has to get to Capitol Hill.

MRS. MARGARET BUSH WILSON, NEW CHAIRMAN OF THE NAACP

Mr. EAGLETON. Mr. President, I want to extend my congratulations to Mrs. Margaret Bush Wilson, an eminent lawyer from St. Louis, Mo., who was recently elected to be chairman of the board of the National Association for the Advancement of Colored People.

I have known Mrs. Wilson for many years so I can speak from personal knowledge when I state that her qualifications for this most important position are of the very highest. She is an individual with a record of accomplishments in a number of areas—a record that presages even greater accomplishments in the high position she is assuming.

Mr. President, Margaret Bush Wilson brings honor and distinction to the State of Missouri and the city of St. Louis—her hometown and mine as well. The challenges of her new position are many and great, for I believe that, in many ways, the difficulties that lie in the way of securing the full enjoyment of their rights by all Americans are even more difficult than they were in the last decade when the civil rights movement was clearly the embodiment of an idea whose time had come. The eradication of subtle, often deeply ingrained racism from the institutions of society promises to be an even tougher task than was the process of eliminating blatant barriers erected under color of law.

I know of no one better equipped than Margaret Bush Wilson to provide the leadership that is so vital in this work. I ask unanimous consent that articles and an editorial from the St. Louis Post Dispatch, the St. Louis Globe Democrat, and the New York Times regarding Mrs. Wilson be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the St. Louis Post-Dispatch, **Jan. 14,** 1975]

Friends Call New NAACP Head Brilliant, Professional, Reliable

(By George E. Curry)

Mrs. Margaret Bush Wilson, the St. Louis lawyer who was elected yesterday as **board** chairman of the National Association for the Advancement of Colored People, is described by friends as brilliant, professional, quiet and reliable.

She will need those qualities and more when she assumes leadership to the nation's oldest civil rights organization, which recently has been beset with dwindling membership, aging leadership and increasing financial difficulties.

Mrs. Wilson, 55 years old, will be the immediate superior of Roy Wilkins, the organization's executive director. Mrs. Wilson and Wilkins were born in St. Louis, although he spent most of his childhood in Minnesota.

Mrs. Wilson was **the first black woman** elected to the position and only the second woman chairman in the NAACP's 65-year history.

Mrs. Mary White Ovington, one of the founding members of the organization, served as acting chairman and chairman of the board from 1917 to 1932.

"I assumed they elected me because I'm competent and professional," Mrs. Wilson said at a press conference in New York yesterday. "My sex and my race are accidents of my birth. I take them for granted."

The goal of the NAACP is the same as it was when it was founded, to eliminate racial discrimination, Mrs. Wilson said. However, she said now the struggle must focus on "institutional racism," which she described as being "those subtle things that keep people out for artificial reasons."

Mrs. Wilson's background and legal expertise have been in the area of housing and real estate. Her father, the late James T. Bush Sr., founded the old Real Estate Brokers Association of St. Louis. He died in 1962 at the age of **82.**

Her mother, Mrs. M. **Berenic** Bush, **had** been president of the Missouri and St. Louis Associations of Colored Women's Clubs and the Council of Negro Women. She was active also in the League of Women Voters and the Young Women's Christian Association. She was 86 years old when she died last March.

Friends and associates of Mrs. Wilson here generally greeted news of her election with approval.

"She is confident and very reliable," said Wayman F. Smith III, her law partner. "She's a brilliant woman and a very competent lawyer. I think the world of her—what else can I say?"

Mrs. Wilson and her husband, Robert, are divorced. Friends say that she is proud that the couple's only child, Robert E. Wilson III, is a second-year law student at Harvard. She lives at 4372 Lindell Boulevard.

Howard B. Woods, long active in many civic groups, said: "I'm delighted that Mrs. Wilson has a new role of responsible leadership. I anticipate her leading an important organization to new areas of endeavors for the cause of civil rights. The NAACP has withstood the rigors of time and all kinds of assaults."

"I expect strong leadership. She is a very knowledgeable person," said Ernest Calloway, an urban affairs professor at St. Louis University. Calloway, who is a past president of the St. Louis chapter of NAACP said, "She has a social awareness that has been missing in other persons at the NAACP."

He said also that Mrs. Wilson would have to provide a new form of leadership if the organization is to survive.

Although many of Mrs. Wilson's associates expect forceful leadership from her, some do not. Public Safety Director Joseph W. B. Clark, for instance, expects little variance from policies.

"She has been on the board for a long time and she has always been close to the (Roy) Wilkins (former chairman Stephen G.) Spottswood faction. I anticipate little change in the thrust of the NAACP."

Mrs. Wilson ran for United States Representative from the Eleventh district in 1948 on Henry Wallace's Progressive Party ticket. In response to a Post-Dispatch questionnaire then, she stated her goals as, "Working on the principal of the people's rights and needs as against those of special interest. I shall fight for peace, civil liberties and economic democracy."

The new chairman was graduated from Talladega College in Alabama and received her law degree from Lincoln University at Jefferson City in 1943.

Mrs. Wilson was born in St. Louis and returned here, after completing her education, as a lawyer for the Rural Electrification Administration.

She and her former husband, who is also a lawyer, wrote the city's 1948 rent and conviction control ordinance, which had the effect of freezing rents at price of six years earlier. Voters approved the measure by a 2-to-1 margin.

She was president of the local NAACP chapter from 1959 to 1962 and president of the state branches from 1963 until she failed to be re-elected in 1966. State Representative Harold Holliday defeated her then by a vote of 24 to 19, with five of the six St. Louis delegates voting against Mrs. Wilson.

She was acting director of the St. Louis Model City Agency from 1968 to August 1969 when Mayor Alfonso J. Cervantes named Arthur J. Kennedy **director.**

Many members feel that with the election of Mrs. Wilson the NAACP will continue its assault on inequality and discrimination until all barriers are removed.

[From the St. Louis Post-Dispatch, Jan. 15, 1975]

For the NAACP

Her friends welcome the election of Mrs. Margaret Bush Wilson of St. Louis as board chairman of the nation's oldest civil rights organization, the NAACP, by referring to her as brilliant, professional and reliable. To that we would add courageous. Mrs. Wilson gave her talents freely to the civil rights movement before the walls of segregation began to tumble, and when few legal fees and little popularity was to be gained by any lawyer opposing the then-legal forms of discrimination.

In becoming the first black woman to head the National Association for the Advancement of Colored People, Mrs. Wilson recognizes that the struggle is now somewhat different: a struggle not so much against legal racism as against institutional racism in employment, housing and, indeed, even in education. This task requires some shift in emphasis from the NAACP and a new form of leadership from Mrs. Wilson. If the history of either proves anything, it is that they will be adaptable and enduring and, indeed, successful, for their goal is no less than to induce this nation to stand on its first principles.

[From the St. Louis Globe-Democrat, Jan. 14, 1975]

CITY PROVIDES A WOMAN OF THE FUTURE FOR NAACP

(By James Morice)

Mrs. Margaret Bush Wilson, a St. Louis attorney who has served both in city government and as a leader of the local civil rights movement, has become the first black woman to be elected chairman of the National Association for the Advancement of Colored People.

Monday's announcement was to the delight of people who have worked with her in St. Louis.

"I think the NAACP is very fortunate to have a person of Margaret's abilities, caliber and forcefulness," said Arthur Kennedy, director of the city's Manpower Program.

"This is a new day and age—these youngsters are not willing to wait another 50 years for integration—they want it now. Margaret is the kind of person who can hold the checks and balances to make the whole thing liveable," he said.

Mrs. Wilson, who has been president of the St. Louis branch of the NAACP and served as president of the state NAACP chapter for four years, was elected national chairman at the organization's meeting in New York.

She succeeds Stephen G. Spottswood, who died last month after heading the 64-member board of directors since 1961.

As chairman, she will be the immediate superior of Executive Director Roy Wilkins and will be expected to provide much of the philosophical leadership for the group

Local associates—many of whom have found themselves on different sides of the political fence from Mrs. Wilson—describe her as a forceful, articulate woman who has a readiness to use the judicial system to achieve integration.

Kennedy, victor of a year-long struggle with Mrs. Wilson for leadership of the city's Model Cities program in 1968–69, said she "was the legal brains behind many of the programs we had going in Model Cities."

"She's one of those lawyers who should be starving to death because she's spent most of her time giving her talents away to groups or persons who really couldn't afford to pay," said Mrs. Gwen Giles, St. Louis commissioner of Human Relations.

"She doesn't hesitate to take on causes that seem immediately unpopular and I think it is because she has such great depths of love for St. Louis," Mrs. Giles said.

Mrs. Wilson served as acting head of the Model Cities Agency for a year, headed a rat control program in St. Louis, and was the first black woman to run for Congress from St. Louis.

In addition, she was active in a reform movement in the local NAACP in 1964 in which she sought to make the organization more active in gaining civil rights for local minorities.

Ernest Calloway, instructor of urban affairs at St. Louis University and former president of the St. Louis NAACP, said Mrs. Wilson "is not of the past—she's of the future."

"The important thing here—and I think Margaret understands this—is that we tend to think most of our problems are rooted in race," he added. "But many of our problems are rooted in class, and we must start to understand the class nature of our problems."

Although Mrs. Wilson, who has served on the NAACP national board for the last several years, is considered a supporter of Wilkins, Calloway said events will force changes in the NAACP and Mrs. Wilson.

"It's quite possible the NAACP will get its second breath with Margaret—we're on the downhill side of the 20th Century and we're facing new problems every year," he said.

However, Joseph Clark, St. Louis director of public safety and a member of the St. Louis NAACP's executive board, said he expects few basic changes under Mrs. Wilson's leadership.

"She has been a very strong supporter of the present administration in its controversies," he said. "I would think there would be a continuation of the same kinds of policies."

Mrs. Wilson has indicated a strong interest in combatting de facto segregation in housing patterns, and also has been active in integration in the areas of education and employment.

"Margaret is one of the kinds of people you're finding more and more of today, who are able to give reasonable alternatives to situations—alternatives that are workable in our present system," Mrs. Giles said.

"At the same time she is ready to point out the failures of that system that can and should be changed," she added.

Mrs. Giles said she welcomed Mrs. Wilson's election to the national post, especially in that it would bring more representation for the Midwest—a sentiment echoed by Clyde Cahill, a recent appointee to the St. Louis Circuit Court and former legal counsel to the state NAACP.

"I think that someone with the exposure to the Midwest and its stability will bring about a kind of strength that today's nation, today's problems, require," Cahill said.

"I'm sure that her basic grounding in the law will inspire others to use the courts and the judicial system to make life greater in this great country of ours," he added.

Mrs. Wilson is the second woman to head the 400,000-member NAACP in its 65-year history.

[From the New York Times, Jan. 14, 1975]

NEW NAACP HEAD—MARGARET BUSH WILSON

(By Charlayne Hunter)

While Margaret Bush Wilson was working as acting director for Model Cities in St. Louis, she was puzzled when associates openly referred to her as Mary Poppins. "It was not until I left," the diminutive Mrs. Wilson recalled yesterday, "that I learned that the rest if it was '. . . with a razor blade.'"

The 64-member board of directors of the National Association for the Advancement of Colored People, which elected her as its new chairman yesterday, may or may not have heard that story.

But that quality, according to many of them, was certainly among those taken into consideration when they chose her from among four contenders to succeed Bishop Stephen G. Spottswood, who died in December after serving as chairman since 1961.

Board members say the natures of both racial discrimination, which comes in many forms, and the 400,000-member civil-rights organization itself demand a leader at the top who knows how to combine the persistent optimism and charm of a Mary Poppins with a tough pragmatism.

They said the board had felt comfortable in choosing the soft-spoken but firm lawyer to lead the organization and its employes because they had not only watched her grow up in the organization, but had tutored her as well.

SHE'LL BE TERRIFIC

"She's from one of the better-known middle-class black families in St. Louis," said one associate, "but, as a lawyer and a lifelong worker in the N.A.A.C.P., she has worked with the problems of folks who represent a large part of the association's membership—working class and poor people. She'll be terrific for the job."

Following the election, Roy Wilkins, who as executive director of the N.A.A.C.P. is an employee of the board, said Mrs. Wilson was an "excellent choice, smart and has never given in under pressure." He added that he looked forward to working with her. "She's from my home town, you know—St. Louis. We're both from the 'Show Me' state."

The 55-year-old Mrs. Wilson's involvement as a leader in the association began at the local level, where in 1958, she was the first woman president of the 6,000-member branch in St. Louis.

Following four years as president of the Missouri State Conference of Branches, she was elected in 1963 to the National Board of Directors, where she remained until her election as chairman yesterday.

Part of her tutoring occurred under the late William Ming, a Chicago lawyer, whom she succeeded two years ago as permanent chairman or chief parliamentarian of the organization's national conventions.

"I don't have any horror stories," Mrs. Wilson said yesterday in explaining her commitment to one of the country's leading organizations for racial justice.

"I consider myself an aristocrat. Character. Competence. Accomplishment," she said firmly. "That's my definition of aristocracy."

Sitting on the edge of her hotel bed and pounding her fist occasionally for emphasis, she continued:

"I am what I am because my parents were fine, spirited human beings who had a sense of family and were concerned about bringing us up in the best possible world." Mrs. Wilson has one brother and one sister.

Although both parents are now dead, it was their lifetime involvement in the N.A.A.C.P. that charted her own course, she said, adding that they had been involved, "because it was the thing to do."

She said her father, the late James Bush Sr., a real-estate broker, was the "spark plug" who organized black real-estate brokers to bring a suit against restrictive covenants in housing.

"THOSE FEMALE THINGS"

That successful case, Shelley v. Kramer, was to housing discrimination what Brown v. Board of Education was to segregated education, as one N.A.A.C.P. official put it. And Mrs. Wilson proudly recalls that her first case following her graduation from Lincoln University Law School in 1943 was to incorporate the brokers who brought the suit.

Following her father's interest and encouragement to her to enter a career in nursing, teaching or social work—"all those female things"—Mrs. Wilson majored in economics and mathematics at Talledega College. After law school, she began working in real-estate law, and after, among other things, served as an assistant attorney general in Missouri.

Mrs. Wilson, who has a 24-year-old son, Robert 3d, a junior at Harvard Law School, is no feminist; she feels that the fact she is a woman at the top of an organization that has made few concessions to the women's movement is "irrelevant and immaterial."

"Sex and race are accidents of birth," she said. "I take them for granted."

Although she hopes to broaden the involvement of young people in the N.A.A.C.P., she said yesterday that she contemplated no major change in the 65-year-old organization's direction.

"We have to have an integrated society," she said at her first news conference. "That's what this country is all about."

INCREASED COST FOR FOOD STAMPS

Mr. BAYH. Mr. President, on January 17 the administration announced its intention to go ahead with plans to increase the price of food stamps, effective March 1. These new regulations require food stamp recipients to pay 30 percent of their income for the stamps and it is estimated that the cost to the average user under this plan will increase by approximately one-third. At the present time, these recipients pay on a sliding scale according to their ability to pay with the average payment set at 23 percent of their income.

This action by the administration demonstrates a total lack of understanding regarding the very real problems faced by people at the lowest end of the economic ladder. Many of these citizens, the elderly, disabled and poor, are on fixed incomes, and increasing their monthly payments for food stamps places a severe strain on budgets already suffering from the pressures of inflation. In fact, under the original proposals by the Department of Agriculture, the cost of the food stamps in some cases would have been more than the actual value of the stamps themselves. The revised regulations create a situation where the stamps will be worth at least $1 more than they cost. With the ever increasing price of food, savings of $1 are practically negligible.

I sympathize with the President's desire to reduce unnecessary Federal spending. However, I question the wisdom of trying to achieve necessary savings by creating a situation whereby people now receiving bare minimum nutrition are forced to make further sacrifices in their diet. Certainly there are many other ways in which Federal spending can be reduced more wisely, and without such a callous disregard of the economic plight of those who rely on food stamps to meet a minimum standard of nutrition.

The poor and elderly are already paying a reasonable proportion of their income to purchase food stamps. As a cosponsor of S. 13, a bill which will reverse the precipitous action by the administration, I hope that Congress will act promptly to see that the congressional intent creating the food stamp program is carried out. Early passage of this legislation will save food stamp recipients from making uncalled for sacrifices in our battle against inflation.

FOOD STAMP CUTBACK

Mr. SCHWEIKER. Mr. President, in late 1974, President Ford announced a dramatic increase in the cost of food stamps for our Nation's poor and near-poor. The proposed change makes it mandatory that all food stamp recipients pay 30 percent of their income to obtain their stamp allotment. Presently, the average food stamp recipient pays 23 percent of his total income. The new regulation will affect 95 percent of all food stamp recipients and is to become effective on March 1, 1975.

Mr. President, what this change does is simple—it effectively eliminates all elderly SSI recipients from the food stamp program. For example, SSI recipients who receive $146 per month paid $30—20 percent of their income—for $46 in stamps this past January 1. However, after March 1, the same recipients will pay $43—30 percent of their income—for $46 worth of stamps. This is more than a 43 percent increase in food stamp costs.

The administration is cutting food stamp eligibility under the guise of controlling Federal spending. I totally disagree with this kind of thinking. While the United States is experiencing a recession, coupled with double digit inflation, the elderly, the poor, and the underemployed simply cannot afford life's necessities, including food. What is Government's reaction? Take more food purchasing power away from those least able to afford it. Here again, this proposal amounts to a "Catch 22" reaction to a serious national problem.

Last December, I joined with 42 of my colleagues in signing a letter protesting this change. On January 15, 1975, I again joined my colleagues, this time in introducing legislation, S. 13, which would stop this proposed food stamp cost increase. Since then, two other bills have been introduced to stop this change. The response remains the same—the changes will become effective March 1.

Mr. President, time is running short for the elderly and the poor. In 1 month, unless Congress takes positive action, inflation and recession will be joined by federally mandated food stamp cutbacks as the greatest worries of our Nation's poor. I encourage all Members of Congress, both in the House and the Senate, to press for immediate remedial legislation to correct this thoughtless cutback.

Also, Mr. President, I request that an article titled "Food Stamp Cutback Viewed as Madness," by Sylvia Porter, which appeared in the Washington Star-News, January 27, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star-News, Jan. 27, 1975]

FOOD STAMP CUTBACK VIEWED AS MADNESS

(By Sylvia Porter)

We are in deep danger of being caught between budget deficits soaring out of control and drowning our economy in red ink and administration moves to cut the budget in ways utterly repugnant to our fundamental commitment to help those who can't help themselves. The dilemma is excruciating.

As just one illustration, consider the Department of Agriculture's explosive proposal for drastic price boosts in food stamps beginning March 1 and the response by leaders of both parties in Congress that the action is "incredible" and must be reversed.

The administration's justification is clear: Budget expenses must be held down, food stamps are a major drain and the proposed new regulation—requiring all food stamp recipients to pay a flat 30 percent of their net income toward their food-stamp allotment, the maximum permissible under the 1964 Food Stamp Act—would result in net "savings" to the government of $650 million a year.

On the surface, the boost does not appear to matter much to the middle-income family, and USDA officials have publicly stated, in fact, that 25 percent of food stamp recipients would not be affected at all by the increases.

But other facts on what the increases would do to whom uncover a quite different, appallingly cold-blooded tale.

The raises would affect fully 95 percent of those now on the program—or nearly 14 million Americans out of the 14.7 million now receiving food stamps.

Hardest hit would be one- and two-person households (20 percent, or nearly 3 million food stamp recipients, live in such households and more than half of these are elderly).

For most single persons, the boost in cost of food stamps would be between 35 and 100 percent from the amounts they are now paying. For some, the increase would be 800 percent. The boost would force an estimated 10 percent of those now getting food stamps—nearly 1.5 million—to drop out of the program altogether.

As an example of who would surely drop out, a person living alone, with a new income of $154 a month—who now pays $33 for $46 worth of stamps—would have to pay $45 for just $46 worth. Thus, every one-person household with a monthly income of $154 or more would be dropped from the program.

As another example, an elderly, blind or disabled person who is now getting a monthly income of $146 through the Supplemental Security Income (SSI) program, and who now pays $30 a month for $46 of stamps, would have to pay $43 as of March 1 for $46 of stamps.

Thus, this person's food stamp bonus would be reduced to a mere $3, and the financial incentive would be reduced almost certainly to zero—considering all the red tape a person must untangle to apply, reapply and actually get the stamps.

For an elderly individual with an income as little as $108 a month, the cost of $46 of stamps would rise from $18 to $32, leaving just $76 to cover all other items.

Still another hidden effect of the new food stamp price increases would involve an estimated 5 percent of today's recipients who would not be able to find the cash to pay for a full month's food stamp allotment—and would be forced to buy only part of a month's supply of stamps.

One tiny group who would not be affected would be those who now pay nothing for stamps—only about 4 percent of those in the program. Another miniscule group not affected would be those households now paying precisely 30 percent of the food stamp values.

For instance, an eight-person household with a monthly income of exactly $250 now pays 30 percent of the cost of food stamps—but such families account for less than 1 percent of all those receiving food stamps.

Should the proposal be permitted to become effective, it would represent one of the biggest cutbacks in public assistance benefits in our history. Even persons living below the poverty line (currently an income of $194 a month) would have no incentive to try to get food stamps.

As one Agriculture official said, after his department's announcement, "This is madness."

To ask the poor to take on so heavy and lopsided a burden of curtailing our federal budget—while stores of embarrassing extravagance in virtually every area of spending multiply by the hour?

Yes, this is madness!

SOME ADVICE FROM I. F. STONE ON HOW NOT TO SOLVE THE OIL CRISIS

Mr. ABOUREZK. Mr. President, I. F. Stone needs no introduction. His article carried in the February 6, 1975, issue of the New York Review of Books warns that recent loose talk of war as a solution to the energy crunch is dangerous in the extreme.

His early warning on this subject should bear special importance to anyone who remembers his warnings about another danger spot in Southeast Asia over a decade ago.

I. F. Stone said then that force in the face of nationalist aspirations thousands of miles from our shores was a prescription for disaster. He was right.

Today he warns that an easy fix on oil, the military fix, would be an equal disaster. He notes, and correctly so, that military seizure of Middle Eastern oilfields would not solve the energy crunch, would totally destroy American standing in the region, would create the worst threat of nuclear confrontation ever, would guarantee protracted guerrilla warfare in the region and might well cost more in straight dollar terms than buying oil at almost any price.

I ask unanimous consent that Mr. Stone's excellent article be printed in the RECORD and urge that it be read carefully by any who might be attracted by the superficial merits of a quick military seizure of Middle Eastern oilfields.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Review, Feb. 6, 1975]

WAR FOR OIL?

(By I. F. Stone)

I

There never was a web so tangled as the oil crisis. If there were no Israel and there were no Arabs there would still have been an oil crisis sooner or later. The era of cheap energy is over, and the adjustment will be painful.

When tension becomes unbearable, human beings often resort to violence for sheer catharsis. So with nations. There is always the pull toward war as a way out, and this is particularly true of a superpower like our own country with a huge military establishment. There is always the subconscious tendency, when we are frustrated by some complex social or economic problem, to reach for a solution by force. What's the good of spending so much money on the armed forces if we can't use them in a pinch? This is the undertow which pulls us toward the folly of a military solution for the oil crisis.

In Israel there is the same undertow. A new war is the line of least resistance in Israel, a tempting way to avoid the political and other risks in negotiation and concession for a settlement. And the undertow there reinforces the undertow here, and I see in this the shadow of serious trouble for our country, and in particular for the American Jewish community.

A line has been drawn by Ford and Kissinger. The US will resort to war, not to lower oil prices but to avoid the "strangulation" of the industrialized West and Japan. In all honesty, should a new oil embargo really bring the wheels of industry to a stop, the ensuing anger and panic could make a cry for war irresistible. The trouble with the Ford-Kissinger threat is that by making this explicit, it begins to prepare the public mind for war, and to make war seem a rational and possible solution far short of actual "strangulation." People will begin to think that the energy crisis can be solved without belt-tightening, simply by seizing Arab wells.

Another dangerous by-product is that the US threat may make Israeli hard-liners feel that pre-emptive war is a good gamble because if it triggers an Arab oil embargo, as it almost certainly will, then the embargo will bring US military intervention against Arab oil producers in the Middle East. In this perspective, the Ford-Kissinger threat only makes it harder to negotiate a peaceful settlement by leading the Israeli government to believe it can postpone serious concessions for peace, and if necessary win a new breathing space by resorting to a new war. The Arab threat of an oil embargo has become a bargaining card for Israel since its resort to pre-emptive war would thus entail disaster for Western Europe and Japan. The danger in this is not a new Masada but another Samson—a Samson who can add the leverage of his enemies to his own strength.

It is most unfortunate that at such a time *Commentary* should publish an article in its January issue which goes far beyond the Ford-Kissinger line. The article advocates the breaking of the oil cartel and a restoration of lower oil prices, by seizing the Arabian oil fields along the Persian Gulf. Though the author, Robert W. Tucker, does not say so, this is exactly the kind of rescue operation of which some Israeli hard-liners may have been dreaming.

One of the worst aspects of this inflammatory proposal is the place where it appeared. *Commentary* is published by the American Jewish Committee. Nothing could be more dangerous for American unity, for the future of the American Jewish community, and for Israel itself than to have it look as if Jewish influence were trying to get the US into war with the Arabs, and to take their richest resource from them.

The question of Israel already occupies a disproportionately large role in American politics. At a time when the US Army has an excessively high ratio of the black poor, US embroilment in a Middle East war has a far greater potential for social disruption, class and racial, than the recent Vietnamese war. The energy crisis and the depression, inflation and joblessness are sufficiently destabilizing in our society without an injection of anti-Semitic paranoia. It was irresponsible for *Commentary* to publsh, at this time, the most explicit call yet for a military solution to the oil crisis.

Nor does such criminal nonsense help Israel. In the eyes of the Arabs the mere suggestion will sound like a repeat—on a far larger scale—of Suez. In the Suez invasion, Israel joined with England and France in a military attack to deny Egypt the revenues for reconstruction and development which the Suez Canal represented. Once again, in Arab eyes, Israel would be spearheading a Western imperialist attack on their possessions and aspirations.

History amply and painfully demonstrates that the safety of Jewish communities depends on the welfare of those among whom they live. The long-range interests of Israel are no different. It cannot survive in the Middle East as an enemy of its neighbors. An American military occupation of the Arabian Peninsula, with or without Israeli military collaboration, would dig deeper than ever the gulf between Israeli and Arab.

The Tucker article has set off a wave of concern and dismay in the American Jewish community, including many who are middle-of-the-road Zionists. But few have the courage to speak out amid the hysteria over Israel. Tucker himself is not Jewish and his proposal came, most unexpectedly, from a teacher and writer who had been in the antiwar movement during Vietnam. His last book was a plea for a new isolationism.[1] There is no reason whatsoever to link his turnaround to interventionism in the Middle East with any cabal, Jewish or military. The article was given to *Commentary* only after it was turned down by *Foreign Affairs*.[2] Politically the article was a freak, but it appeared at a dangerous place and time.

The timing was unfortunate, of course, because it came so soon after the appearance in *Business Week* for January 13 of the Secretary of State's interview which put war into the headlines. It is important to look again at exactly what Kissinger was asked and how he replied:

Q. One of the things we hear from businessmen is that in the long run the only answer to the oil cartel is some sort of military action.

A. Military action on oil prices?

Q. Yes.

A. A very dangerus course. We should have learned from Vietnam that it is easier to get into a war than to get out of it. I'm not saying that there's no circumstances where we would not use force. But it is one thing to use it in the case of a dispute over price, it's another where there's some actual strangulation of the industrialized world.

This was not a ringing call for war. Nor was it especially new. Ever since the oil crisis began, it has been the political tactics of the American government under Nixon and Ford to warn that if the oil cartel pushed too hard the US might resort to arms.

This has been given melodramatic illustration in the past year by calculated "leaks" about US Marines training for the invasion of desert countries. The latest was seen on French TV January 9, after a French crew—thanks to arrangements made by the American embassy in Paris with the Pentagon—was allowed to film such a practice invasion by 2,000 Marines off the coast of Sardinia early on the morning of December 20. The French TV audience was told that this was the third such landing maneuver since October. This filming, like the hint from Kissinger, seems to be part of a deliberate strategy to frighten the Arabs. It may not frighten them but it certainly should frighten us, as it has already frightened many Western European observers.

A description of the French TV show was printed in an eight-column spread across the top of page one in the Washington *Evening Star-News*, Friday, January 10. When the TV interrogator asked whether this was preparation for a battle for oil, a US officer replied that the Marines were ready for it, and that a "high echelon" plan existed for invading Libya. There was a smiling picture of Vice Admiral Turner, commander of the Mediterranean fleet, who starred in the French documentary. "We don't want to invade," he told the French audience, and was so quoted in the *Star* account, "but we are prepared."

At the Pentagon press briefing that day, the press officer was subjected to sharp questions and sought to parry them lamely by implying that the story wasn't newsworthy because he had already confirmed the filming of the landing maneuver when asked about it the day it occurred last December 20. For some strange reason the story seemed to disappear, and I saw no reference to it in any of the Washington, New York, or Baltimore papers the next day.[3]

The failure of the *Washington Post* to report the landing maneuver in Sardinia is the more puzzling because it had fed the talk of war for oil by printing two prowar proposals only a few days earlier. It reprinted the Tucker article in full as the main feature of its Sunday Outlook section on January 5. On its editorial page the same day it printed a special article by Earl C. Ravenal, formerly a Pentagon think-tanker, now a lecturer at the Johns Hopkins School of Advanced International Studies where Tucker also teaches.

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[1] *A New Isolationism—Threat or Promise?* by Robert W. Tucker (Universe Books: New York, 1972).

[2] For constructive non-panicky suggestions for dealing with the increase in oil prices and the attendant transfer problem we highly recommend the first three articles in the January issue of *Foreign Affairs*, "How Can the World Afford OPEC OIL?," "A World Depression?" and "Restructuring the World Economy." The first is by an international group of financial scholar-officials, including the chairman of Iran's Development Industrial Bank. On the political side we also recommend George Ball's article, "The Looming War in the Middle East and How to Avoid It" in the January *Atlantic Monthly*.

[3] In its early "bulldog" edition *The New York Times*, Sunday, January 12, published a dispatch from Flora Lewis in Paris on the disquiet created there by the French TV show and then dropped the story from its "Late City" or main edition.

Ravenal was for ending the Kissinger peace effort in favor of US disengagment from the Middle East, but disengagement of a most peculiar kind. He regards pre-emptive action as Israel's "most potent instrument of deterrence" and wants to leave Israel free to use it, which Israel cannot do now—he indicated—without fear of risking American displeasure. Hence a "disengaged" US would leave Israel free to wage pre-emptive war while Ravenal would have the US guarantee "minimal replacement of destroyed or exhausted equipment" and an "offer to organize a neutral humanitarian force of interposition if any Middle Eastern population were in danger of annihilation." Such disengagement would avoid "the onus of forcing Israel to forfeit relatively secure frontiers and flexible military tactics in exchange for dubious international promises."

This would be to abandon efforts for peace and instead issue Israel a blank check for pre-emptive war. Ravenal's heady scenario even had the Soviets deciding not to interfere because "several divisions of Soviet paratroopers might be chewed up by the Israelis." To give prominence to such inflammatory ruminations as Ravenal's and Tucker's and then fail to report the invasion maneuvers which surfaced in the French TV show calls for explanation by the *Washington Post* editors.

The day the story about the maneuvers broke here, *The New York Times* appeared with a Drew Middleton dispatch, "Military Men Challenge Mideast 'Force' Strategy." Middleton had questioned a number of military men about the feasibility of the Kissinger threat and the Tucker proposal. Middleton said the "generals and admirals" he had questioned here and in Europe "in the last four weeks" all "emphasized that they had no knowledge that any such operation had been or was about to be planned." Were three practice landings since last October made public just to frighten the Arabs and OPEC?

Middleton wrote that "Allied officers feared the effect on the North Atlantic Treaty Organization of a unilateral American action." He even quoted General Johannes Steinhoff, the retired West German Air Force officer who was chairman of NATO's military committee from 1971 to 1974, as saying that "the alliance reaction" to Kissinger's statement "had been an exasperated, 'For God's sake!' "

Middleton reported that other officers "pointed out that European attitudes might change under stress." Then, as Admiral John P. Weinel, the U.S. representative on NATO's military committee, told a symposium at the Armed Forces Staff College recently, "If the economic strain became too great, 'it would be a new ball game.' " Were the landing operations militarily and the French TV show psychologically a preparation for it?

Middleton's interviews indicated a consensus among the U.S. military that Libya would offer a more feasible candidate for seizure than Saudi Arabia. "A combined air-sea strike could be launched against Libya with greater hope of surprise," they seemed to agree, "than one directed deep into the Persian Gulf area."

Middleton said that the military men considered "the seizure of selected Middle East oil fields militarily feasible but politically disastrous." But the political concern was limited to two areas—the NATO countries, who might change their minds under stress, and the U.S. "There may come a time," one general said, obviously with regret, "when we should move for our national interest and the memory of Vietnam will stop us."

Tucker tries to allay this fear. He says we could seize control of 40 percent of OPEC production and 50 percent of OPEC reserves by occupying a "mostly shallow coastal strip less than 400 miles in length" from Kuwait down along Saudi Arabia to Qatar. "Since it has no substantial centers of population," Tucker argues, "and is without trees, its effective control does not bear even remote comparison with the experience of Vietnam."

This notion that guerrilla fighters depend on tree cover is about as shallow as you can get. The very name guerrilla originated in the successful struggle against Napoleon by scattered irregular bands in the arid mountainous country of northern Spain. Those who think that Arabia is a poor place for guerrillas and a good one for an occupying force should read the brilliant account in the fourteenth edition of the *Encyclopedia Britannica* of the Arab guerrilla operations against the Turks in 1916–1918. It is signed "T. E. La.," i.e., T. E. Lawrence, who helped to lead that successful Arab revolt.

Tucker writes as if Saudi Arabia not only lacked trees but people and weapons. The latter are in ever-growing supply thanks to the US.[4] The population is ample and trained enough for a fierce desert guerrilla campaign. The idea that you can slice away a coastal strip of a country's territory, containing most of its wealth, and just sit there, happily enjoying the fruits of occupation and shipping out the oil spurting from its wells, belongs to an anthology of military-political delusions.

Linked with the military problem is a wide range of political problems, and it is these which none of Middleton's generals or admirals seems to have noticed. The first is that imperialism has been most easily practiced since the days of the Macedonians and the Romans when there were civil conflicts in which the imperial power could intervene to help one side or the other. The CIA covert operations and our military incursions since World War II have been in this pattern. In Latin America, as in Indochina, we have had the help of contending factions in class war. In Iran when the CIA did the dirty work of the oil companies and overthrew Mossadeq, it could fall back on the Shah. But if you overthrow the Shah—or King Feisal of Saudia Arabia or the oil sheiks of the Persian Gulf emirates—you have nowhere else to go. There is no basis for any support in the populations of any oil state, rich or poor, for an American invasion. There is no Thieu or Chiang Kai-shek in OPEC. There is no oil-exporting nation from "Third World" Nigeria to Communist China in our "good neighbor" in Venezuela which is not out to get every last dollar it can for that ever more precious commodity, oil.

Militarily and politically, an invasion of any Arab oil state could be the beginning of a conflict that would spread like a wildfire. Tucker writes as if the job could be done with surgical neatness simply by seizing the oil wells in a 400-mile strip along the Persian Gulf. Saudi Arabia's capital, Riyadh, lies some 200 miles from the coast. Do we seize it, or leave it as a center of resistance? What about a new capital further inland, or across the Peninsula in Mecca or Medina? How subdue the country without destroying its government and occupying the whole of it? This desert area is bigger than a dozen South Vietnams combined. And how do you protect American lives and property in the rest of the Arab world?

Tucker says, "It would be hard to find a group of states with a weaker collective military capability" than the Saudis and the adjacent Persian Gulf states. But it would be folly not to think of the shock waves the invasion would set up elsewhere. Would Iran feel safe? Or Libya? Would Venezuela?

What of the Soviet Union? Even Tucker recognizes "the distinct possibility that the Russians would move forces into Iraq" lest its leading Arab oil satellite also be occupied. The appearance of Russian troops in Iraq—he says—"would necessitate establishing a substantial American military presence in Kuwait as one of the first moves in intervening."

What if the Russians misread this as an offensve "signal" and not a defensive move, and escalated the stakes? No more need be said to suggest the dangers of an American invasion in an area so close to the Soviet Union. A comparable event geographically would be a Russian invasion of Venezuela or seizure of the oil refineries in the Dutch West Indies.

New encouragement was given these dangerous speculations by Secretary of Defense Schlesinger at a press conference January 14 when he called a Persian Gulf military operation "feasible." A *Wall Street Journal* dispatch the next day summed up what seems to be the rather woozy Pentagon reasoning behind these orchestrated hints. "An element of calculated irrationality," it reported, "is useful for keeping other nations off balance." The price however may be to unbalance ourselves. In the State of the Union Message Ford asked Congress to lift recent restrictions on military and foreign policy. Does he mean the War Powers Act and those recent statutes designed to keep us from sliding back into war over Vietnam and Cambodia? The administration's penchant for "calculated irrationality" emphasizes the need for maintaining these tight reins.

There are a number of crucial nonmilitary questions with which Tucker does not deal. How do we supply Western Europe and Japan with oil while we repair the blown-up Arabian wells, try to repel guerrilla attacks, and somehow placate the anger in the other oil-producing states? Can this be done quickly enough to prevent the gravest kind of social disorder and economic breakdown in the two areas we are to be defending—Japan and Western Europe, the two other main areas of world capitalism? The U.S. public would have to pull in its belt far more tightly than anyone has yet suggested to meet Western European and Japanese needs—and these might last a long, long time.

And while we are thus supposedly trying to save ourselves and our allies from high oil prices, what will be the cost of all these military measures? Vietnam has cost well over $100 billion and the end still is not in sight. This new episode in militarism might easily cost several times as much as the new price of oil.

II

If you look closely, the government is not—*not*—talking about a reduction in the price of oil anyway, not now, and not in the future. The so-called "Project Independence," which so far is only Nixon-era public relations, depends on a permanently higher level of prices for oil and all other forms of energy. Nixon's program was based on the ten dollars a barrel newly fixed by OPEC. Ford's is three dollars higher. His new program, by decontrolling domestic oil prices, and imposing the new oil import duty, would almost double the domestic price of crude. This will be a bonzana for practically all U.S. producers of energy since prices of other fuels will rise with oil.

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[4] Tucker himself in a footnote acknowledged that the "impotence" of the Arab oil states was temporary because during 1973–1974 Western arms sales to the Persian Gulf states were reported in excess of $3 billion and included such sophisticated equipment as the F–14 fighter, the harpoon antiship missile, and a variety of SAM systems. He added that while "it will be at least a year before these weapons enter Arab inventories in sizable numbers, their eventual availability will undercut the current US dominance both in quality and in quantity." Our arms salesmen seem to have hit the Arabian beaches first.

So long as the problem is attacked in terms of conventional capitalist economics—so-called "market forces" in a market controlled by what is in effect a domestic energy cartel—then the only way to attract new capital into developing new forms of energy (all of them more expensive than petroleum has been *or even now is*) must be to assure the investor a permanently higher price for energy. Ford even goes so far as to propose in his State of the Union Message that price "floors" be enacted to protect energy producers from any decline in energy prices! Hence Exxon's hearty endorsement of the Ford program (*The New York Times*, January 16, p. 65) for recognizing "the importance of relying on market forces." In the lexicon of the oil companies "market forces" always seem to mean higher prices.

If the U.S. seized the oil wells of Arabia and the Persian Gulf emirates, it would in effect only be joining OPEC, saving ARAMCO and the other U.S. companies in the Gulf states from nationalization, but it would have to leave the new price structure virtually intact. Otherwise there would be no way to attract capital to the development of the alternative energy sources required for growing energy needs much less for "independence." For Western Europe and Japan the formidable transfer problem would remain—only the transfer of wealth would be to the U.S. and the oil companies.

The sharp rise in oil prices shifted the world balance of power in favor of the U.S. The quadrupled price was a blow to the European Common Market and Japan, our two main capitalist competitors. The growth of both was beginning to threaten U.S. dominance. The rise in oil prices hurts them more than us because we are far less dependent on foreign sources of supply. From this point of view the sudden action by OPEC served U.S. imperial and U.S. oil company strategy—the oil companies have never been so profitable. The new Ford program aims to keep it that way.

The Ford program is geared for maximum profitability to the Western energy cartel. A socially planned program would conserve gasoline by rationing, to protect the many people who must have gasoline to go to work because public transportation is inadequate and sometimes nonexistent. Many workers may have to economize on food before they can economize on gasoline. Gas and fuel prices are highly inelastic and to depend on higher oil prices for conservation is to invite a further rip-off by the oil companies at the expense of the hard-pressed worker. It is good to see that the new Democratic program calls instead for conservation via rationing and allocations.

The Ford program is inequitable. The new oil excise and import taxes add up to $30 billion—and the impact on the consumer will be far greater than that. The energy cartel and the middlemen will take their cut on the increased costs of fuel, transportation, electricity, and every product dependent on energy, including food.

All energy prices will go up with oil. The effect will be a sharp rise in the already inflated cost of living. The cruelest blow hits the most vulnerable. Those on social security are entitled by law to a 9 percent increase this year to keep pace with inflation. Ford would cut this meager relief to 5 percent. To counterbalance the new inflationary upsurge Ford offers the inadequate remedy of a $12 billion tax rebate of 12 percent, but no more than $1,000 per taxpayer. The maximum means a gift of $1,000 each to the 1,500,000 taxpayers in the over $40,000-a-year bracket. That should help the sale of Cadillacs.

Even the poor who pay no income taxes will suffer as consumers for the $30-billion rise in oil taxes, while the well-to-do will get a $1,000 tax bonus. Abroad OPEC and the Western energy cartel, mostly US multinationals, may be encouraged to raise world oil prices another three dollars a barrel to keep pace with the three dollars a barrel rise in oil prices within the US market. The "ripple" effects may hit the poorer countries, still staggering from OPEC's quadrupled price, like a second tidal wave.

The new Ford program is neither fiscally conservative nor is it populistic. It is auto industry and oil company economics. The Democratic program is better because it reflects concern for the less privileged sectors of the economy. But its turgid campaign-style prose also reflects little readiness to cope with the more fundamental problems raised by higher energy costs.

A painful and basic problem is how to end the dominant role of the automotive industry and its satellite highway lobby. In the long run even free mass transit, with revived use of the railroads, would prove far less costly in energy, raw materials, and pollution than the private automobile era. This may be the minimum adjustment that the new high energy price level requires. It calls for a shift of priorities from middle-class wastefulness to public needs, and that would spell a better life for the poor. We need a revival of socialist thinking and perspectives for economic planning. An era of scarcity will no longer permit the waste on which capitalism has fattened.

The difficulties ahead are great enough without nonsense about a solution through war, a hate-Arab campaign, or a Jewish hysteria about Israel so irrational that it strengthens the hard-liners there and invites anti-Semitism here. The immediate need is for a settlement in the Middle East which will guarantee Israel's survival side by side with a Palestinian Arab state.

Those who cannot forget the holocaust are filled with anguish, as I am, lest we live to see another in Israel. But to rely on another Mideast war or threats of war to prevent it would be to invite what we fear. The lesson of the holocaust is not to be learned in the war colleges but in our prophets. The lesson of the holocaust is that to treat other human beings as less than human can lead to the furnaces. The way to honor the dead is to see the Palestinian Arab as a displaced brother, not as an expendable. The language of Hobbes is no less repellent when we hear it in Hebrew from Jerusalem; the logic of Hobbes is not for small nations, nor for minorities, and especially not for those of us who are Jews. Isaiah says Zion shall be redeemed by justice. Some modicum, at least, of justice for our Palestinian Arab brothers is now the keystone of world stability and Israel's survival.

TOWARD REAL INDEPENDENCE

Mr. HARTKE. Mr. President, Project Independence has been the subject of much discussion. In most instances, it has become little more than an euphemism for independence from Arab oil. That, I would agree, is a laudable objective. However, it implies a continuing reliance on fossil fuels. In the short-run there is, of course, no feasible alternative; but it would be folly for us to become so preoccupied with this immediate goal that we forsake what I consider to be the real meaning of Project Independence.

Human progress has meant increasing amounts of fuel consumption per person. The very essence of progress is the deliverance of man from physical labor, the ever-greater substitution of inanimate for animate power sources. Unless we are willing to accept both a slowing down—perhaps even a retrogression—of this process and no extension of it to those parts of the world that are still technologically centuries behind the Western World, we must devote ourselves to the perfection of inexhaustible energy supplies.

This is a long-range project. But it is also the means for enabling future generations to enjoy what we have enjoyed and to conquer yet greater challenges to the human spirit. Even if we had sufficient fossil fuel for a thousand years, we would be faced with its pernicious effects on our environment. We have practically within our grasp the almost unlimited potential of solar, geothermal, and rotational energy. We must make the perfection of the technologies capable of efficiently utilizing them a generally acknowledged priority of the first magnitude. It is my fear that the more successful our short-term efforts to free ourselves of imported oil are, the more inclined we will be to forget that real independence involves the substitution of fossil fuels.

I was pleased to learn that the National Science Foundation has awarded important new grants for the development of solar and wind energy. I congratulate the NSF and urge it to push ahead with similar projects, and not to feel shy about requesting additional funding from the Congress.

Mr. President, I ask unanimous consent to have printed in the Record an article on the future usage of wind as an energy source which recently appeared in the Washington Post.

There being no objection, the article was ordered to be printed in the Record, as follows:

United States Pushes Research For Windmill Power

(By Howard Benedict)

The federal government is getting serious about windmills as it pumps more money into the development of new designs for the ancient energy source.

For centuries of European and Asian civilization, windmills ground grain, drove ships and pumped water. But their importance declined with the discovery of oil and the invention of the steam engine. In this country they have been used on farms to pump water and drive electric generators.

Now, with world energy supplies growing scarcer and costs soaring, the windmill has acquired a new appeal as a clean, limitless source of power.

The National Science Foundation and National Aeronautics and Space Administration this week awarded $500,000 contracts to two industrial firms for preliminary design of very large wind energy systems.

The contractors, General Electric Co. Space Division and Kaman Aerospace Corp., will examine modern versions of windmills at sizes that generate 100 kilowatts for use by small communities or farm cooperatives to three megawatts for possible connection into the power networks of large utility companies.

A three megawatt windmill would be the largest ever built. Its rotor blades would be about 200 feet in diameter and each windmill could produce enough electricity to supply 100 to 200 homes, NASA reported.

The foundation plans to invest $30 million in wind energy research projects in the next five years and already has invested nearly $1 million in construction of a 100-kilowatt windmill near Sandusky, Ohio.

The Ohio windmill, to be completed next July, will stand 160 feet tall and its 120-foot diameter blades are intended to catch the wind and convert it to enough power to run 10 homes.

That project and the newest studies are being managed for the foundation by NASA's Lewis Research Center in Cleveland.

Other wind energy projects sponsored by the foundation include research on the wind itself, methods of harnessing wind energy, small systems for remote areas, and the assessment of environmental, legal, social, economic and other issues regarding wind power.

The Atomic Energy Commission also announced this week that it is testing an egg-beater shaped wind turbine whose 15-foot blades drive into the wind to generate electricity. A prototype has been mounted atop a building at the Sandia Laboratories in Albuquerque, N.M.

The AEC said this vertical axis turbine has the potential for wide use in the Great Plains and other places where the wind blows regularly with sufficient velocity.

Earlier this year, Prof. William E. Heronomus, a civil engineer at the University of Massachusetts in Amherst, proposed an ambitious scheme to supply all of New England's electricity with a network of giant windmills anchored offshore in the Atlantic Ocean.

He said 3,675 windmills located 12 to 200 miles offshore would generate almost 40 billion kilowatt hours of electricity a year—as much as the six New England states used last year. And the load could be easily doubled, he said.

Among technological problems that would have to be solved, he said, are designing large propellers that would turn easily and withstand hurricanes.

William Irving, director of research and environmental affairs for Boston Edison, said another problem is what to do when the wind is calm.

"We couldn't see a utility putting all those millions of dollars offshore and then depending heavily on it," Irving said. "We'd have to have some kind of backup."

He said utilities are studying the uses of wind as a source of electricity in the future. But right now they are going ahead with a program to build nuclear power plants.

NEED FOR SCIENCE POLICY ADVICE

Mr. JOHNSTON. Mr. President, on January 15 Senator KENNEDY introduced the National Policy and Priorities for Science and Technology Act of 1975. I have cosponsored this legislation because I believe very strongly that we must continue to coordinate our research in basic science and in technology in order to meet the ever-increasing national challenges that we face today.

When the science advisory mechanism was dismantled several years ago, I thought that a serious mistake was made. Under the old system, with the President's Science Advisory Council, the Federal Council for Science and Technology, the Office of Science and Technology, and the President's Science Adviser, we had a multifaceted approach to science advice that brought many of our most talented scientists into the governmental arena. We were able to tap these men and women as national resources in deciding where our research priorities should be and what role science could play in our national programs.

The legislation that I am pleased to cosponsor would reestablish this important advisory mechanism in the executive branch of our Government. I think there are at least two important reasons why we should do that.

First, there are important science and technology elements to the work of most of our executive departments. For example, the Agriculture Department is always trying to find means of increasing our crop productivity. The Transportation Department is today challenged with developing new and creative systems to move people comfortably and quickly in our metropolitan areas. And, of course, the Department of Health, Education, and Welfare continues to fund important parts of our research to conquer disease. We need some central advisory group to orchestrate the science elements of each of these executive bodies.

Second, and perhaps even more important, we must continue to develop a national science policy, and to have a centralized approach to allocating the large amounts of money that our country spends each year on research. This was the great contribution of the science advisers who were in Government during the Kennedy and Johnson administrations. These dedicated scientists provided important guidance in determining where national priorities in research should be, and how our resources should be allocated toward solving a myriad of problems.

Because we need men and women of science to continue to play the kind of role I have described, I think the pending legislation is quite important. I want to take this opportunity to congratulate Senator KENNEDY and those Senators who have worked most closely with him in developing a new approach to science advice that will reestablish a partnership among the professional scientist, the Government policymaker, and the public administrator that we so deeply need in this country. I am pleased to join in the effort to do this by cosponsoring this bill.

DIGNITY OF MANKIND DAY

Mr. HUMPHREY. Mr. President, Gov. Wendell Anderson proclaimed October 24, 1974, as Dignity of Mankind Day in the State of Minnesota. I am very proud of the progressive personality of my State and the great strides its people have made toward the betterment of all mankind.

There is evidence of man's dignity all around us—in science and technology, in the arts, in tilling the fields, in every small act of human kindness. At a time when we are about to celebrate the 200th birthday of our Nation, it is especially fitting for all Americans to take time to reflect upon the great spirit of human dignity which has been at the hub of our development through the centuries. In recognition of that dignity, it is my hope that we will all resolve to make a daily effort to contribute in some way to the further development of humanity.

Mr. President, I ask unanimous consent that Governor Anderson's proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas: Minnesota is a highly developed state pioneered by its hardy forefathers, and each generation in turn has made significant contributions to aid the following generation; and

Whereas: Minnesota has made great progress in the fields of medicine, engineering, and other areas with a view toward the betterment of mankind; and

Whereas: Minnesota proudly recognizes that each nation and ethnic group has made great progress and shared this progress with all mankind;

Now, therefore, I, Wendell R. Anderson, Governor of the State of Minnesota, do hereby proclaim October 24, 1974 as Dignity of Mankind Day in Minnesota and urge all citizens to be supportive of their fellow men and sensitive to their needs and let us invite all nations of the world to share with us in Mankind's recognition of its Dignity.

THE FORD ADMINISTRATION AND THE ELDERLY

Mr. BAYH. Mr. President, I have been surprised and saddened in recent months by the policy which has been adopted by the Ford administration regarding the elderly. The first shock came last November when the President proposed increasing the cost of medicare to our senior citizens as part of his program to cut $4 billion from the fiscal 1975 budget. Despite wide criticism of this proposal to increase expenses for those who have been injured the most by 12-percent inflation, the President announced this month that not only would he like to increase the cost of medicare, he would also increase the costs of food stamps and limit the cost-of-living increases in social security benefits. On top of this he would raise the cost of energy with no provision to help the elderly, a group which is severely affected by rising energy costs.

I have given this subject considerable thought, Mr. President, and tried to come up with some logical reason for the President's following this course. I must confess that I have not found that reason. At a time when we are *talking* about multibillion dollar tax cuts to stimulate the economy, it makes no sense at all to begin economizing by eliminating essential benefits for older Americans.

Fortunately, it now appears that the President will not press for legislation to raise deductibles and coinsurance requirements under medicare. Indeed, I am very hopeful that we will be able to pass legislation such as that I cosponsored last year which would eliminate the provisions in existing law which permit periodic adjustments in charges to those insured under medicare.

We must make certain, however, that the President does not succeed in accomplishing his other goals. His proposal to limit to 5 percent the cost-of-living adjustment for social security, presently projected at 8.7 percent, is unconscionable. It would mean a $2.6 billion reduction in annual benefits for millions of social security beneficiaries. A retired couple would lose $12 per month. A retired individual or widow would lose about $7 a month. The sums of $7 and $12 a month may not sound like much, Mr. President, but anyone who has been in touch with senior citizens dependent upon social security knows that $7 or $12 can make the difference in providing proper nourishment, food, heating, and good health.

I was pleased to join with many of my colleagues last week in sponsoring Senate Concurrent Resolution 2, which expresses disapproval of the President's proposed 5-percent ceiling. I am very hopeful that this resolution will bring home the message to President Ford that Congress will not sit by while this or any administration attempts to ride roughshod over the rights and needs of the elderly.

I also hope, Mr. President, that we will see swift enactment of S. 13, a bill which I cosponsored to prohibit the President from increasing the costs of food stamps, and that Congress will move to protect the poor and the elderly from the increased costs of energy proposed by President Ford. This group pays a disproportionate amount of its income for food and energy, and the impact of another increase in costs will be tremendous. The elderly spend their money on necessities, Mr. President, not luxuries, and we cannot ignore the effects of increasing once again the costs of their basic needs.

Mr. President, I believe that in hard economic times such as these, we should reaffirm our commitment to the poor and the aged, and work for new programs to ease their burdens. It is indeed unfortunate that we are having to expend our efforts fighting old battles with this administration simply to preserve the good that has already been accomplished.

CHINA REPORT

Mr. HUMPHREY. Mr. President, I was fortunate enough to have been a part of the congressional delegation chosen to visit the People's Republic of China in September of last year.

That trip provided us with abundant insight and understanding about the Chinese people, their government, their customs and their standard of living. Shortly after I returned, I prepared a brief report outlining some of our findings, together with many impressions gathered from our travels.

The Minnesota Farmers' Union has printed this report in toto in the newspaper distributed to its members, and portions of it have appeared in the Minneapolis Tribune.

Mr. President, I ask unanimous consent that the text of my China report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CHINA—AS SEEN BY U.S. SENATOR HUBERT H. HUMPHREY

ARRIVAL

From the window of the big 707 jet, I caught the first glimpse of the People's Republic of China.

Stretched out before us, as we neared the city of Shanghai, were a coastal plain that extended as far as the eye could see, rice paddies, innumerable streams and waterways, the massive harbor of the Whampoa River, the great Yangtze River—and, off in the distance, the mountains.

No matter, where one travels in China, the mountains always are in view. Over 70 per cent of the country is mountainous; 20 per cent, water; and 10 per cent arable land.

Waiting to greet us at the Shanghai airport, following our 22 hour flight from Washington, D.C., were our hosts and escorts for the two-week visit to China during September. We were to be guests of the Chinese People's Institute for Foreign Affairs. Ours was the sixth delegation of U.S. officials to enter China, since relations between the two countries were normalized.

The other members of the delegation were Senators William Fulbright (D-Ark.), Hiram Fong (R-Hawaii), who is of Chinese ancestry, and Representatives Peter Frelinghuysen (R-N.J.), Clement Zablocki (D-Wis.), Barbara Jordan (D-Tex.) and William Broomfield (R-Mich.).

With the exception of Mrs. Fulbright, who had undergone surgery, we were accompanied by our wives, as well as three experts on China from our government.

FIRST IMPRESSIONS

As we approached the airport terminal building, we observed a massive picture of Communist Party Chairman Mao Tse-tung. It was the first of many that were to be seen displayed in every conceivable public place throughout the country. Along with the picture, there usually would be a brief message from the Chairman exhorting the people to greater accomplishment.

The only other photographs of public people regularly seen in China were those of Lenin, Marx, Engels and Stalin. No contemporary Russian was to be found.

Inside the airport we were escorted to a waiting room, where our hosts served us a cup of hot tea. Wherever we went in China, there was always time for tea. Or, if one chose not to have hot tea, there was the inevitable orangeade.

Our itinerary provided that we leave Shanghai almost immediately aboard a Chinese plane (a Boeing 707 purchased from the United States) for Peking, the capital of China. From there we would go to central and southern China, Yangchuan, Taiyuan, Changsha, Shaoshan, Hangchow and finally back to Shanghai.

We were to travel approximately 1,000 kilometers by car and train and many hundreds of miles by plane. We were permitted to move about freely and to talk to many people in the cities as well as rural China.

Throughout our travels we experienced great friendliness, hospitality and courtesy. I witnessed almost no pushing or shoving. Yet the people were inquisitive. They would stare intently at us, particularly at the clothes worn by the women.

Most Chinese adults wear white blouses and black or grey trousers, and the children are attired in a variety of styles and colorful materials. Men now have crew cuts, rather than long hair.

There are over 40 languages and even more dialects. But there is a determined effort to encourage the young people to speak a standardized national dialect. There also is a number of nationalities with differences in coloring and bone structure.

Despite its huge population and vast size, how little we in the United States know of this country. Almost nothing is taught in our schools about ancient or modern China.

From 1949 to 1972, the United States had no diplomatic or commercial relationships with this country. In other words, we had cut out of our thinking, our economic and political decisions, an area of the world considerably larger than the United States, with a population of some 800 million people.

China to most Americans during this period was Taiwan, Formosa, and Chiang Kai-shek. Thus, we have much to learn and it is important that we learn it quickly.

The Chinese, unlike the Russians, do not judge themselves by comparing their country with the United States, Germany or Great Britain. They are not racing against us, but against themselves.

Instead what concerns them is where their country is now compared with 1949, when the revolution succeeded and the Communists assumed leadership.

Everything is measured by that bench mark. What was steel production in 1949? What is it now? What was the production of wheat in 1949? What is it now? How many hospitals were there in 1949? How many are there now?

China is so busy with itself—developing its land, building its industries, training its young people, converting itself into a modern society—that it appears to have little time for international adventure or military aggression.

While we know that China has a large army, we saw few soldiers among the general populace. There, soldiers are not simply stationed on military reservations. They are part of the country's regular work force, helping to construct roads and irrigation projects and cleaning up cities.

Most of the Chinese military force is close to the Russian border. The Soviet Union appears to be their adversary and is the country about which they express the most concern. This is understandable, since they share a common frontier of some seven thousand miles.

HOUSING—ROADS—PEOPLE

The roads are packed with people—people everywhere, particularly young people, any hour of the day or night. And they are moving about in every type of conveyance. There are two and three-wheel bicycles, trucks, buses, carts drawn by an ox or donkey, carts drawn by a man and his son. Or some simply walk, carrying on a bamboo pole their vegetables and fruits in a basket suspended at each end.

There are no private automobiles, but they have some good quality cars. There are only three styles, the Red Flag, a limousine with curtains or the side windows; the Shanghai, similar to a Chevrolet or Ford; and the Peking Jeep, similar to our jeeps.

A bicycle is one of the first luxuries for which the average Chinese saves. Prior to the revolution, there might be one bicycle to a village. Now there is practically one to a family and that represents great economic and social progress. Other items they seek are a radio, a sewing machine and a wrist watch.

A bicycle, we were told, would cost from 120 to 140 yuan ($60 to $70), depending on the accessories. A watch would cost from 120 to 140 yuan. The average wage is about 50 to 60 yuan per month (from $25 to $30). And it goes to 100 yuan for skilled workers and from 200 to 300 yuan for professors and factory managers. So there are wage differentials.

The use of human labor is overwhelming. Everyone seems to have a job and works a six-day week. There is a puritanical work ethic, with unusual emphasis upon achievement, self-reliance and determination.

The Chinese are strong, trim and healthy people. There is almost no obesity, except among the very old. Schools, factories and rural areas stress physical fitness.

Most of the people walk extensively, as well as participate in calisthenics and highly competitive sports, particularly soccer and basketball. Chairman Mao is an avid swimmer. And, because he swims, there is a good deal of emphasis upon swimming.

The roads are impressive. Some are gravel-topped, but most of them are hard surfaced, either oil or asphalt. There is little concrete, except in the cities. China has launched a program of building farm-to-market roads in order to bring the produce more easily from the countryside into the cities.

Housing is dilapidated and inadequate. The Chinese readily admit it and are trying to improve the situation. The climate during our visit was warm and humid. But there is no air conditioning and no screens on the windows. The water is basically good, although there is a great need for improvement in their water and sewage systems.

Considerable attention focuses on education and health needs. The education experience begins at age four with nursery school and kindergarten, and continues through nine years of elementary and secondary training—although in some rural areas it may be less. All young people work in factories and rural communes.

The justification given for this work activity is that China does not want a group of educated young people who are remote from the working classes, an educated elite, which she maintains is too often true in many other developing countries.

China's higher education has not yet fully recovered from the Cultural Revolution, when the universities were closed for a long period.

In the health field the most important development is the use of what are called "barefoot doctors," a million and a half people who have been trained to give basic health care to those residing in China's rural areas, the villages and communes.

Over 50 per cent of these barefoot doctors are women. They instruct in personal hygiene, give vaccinations, treat minor illnesses, engage in preventive health care and nutrition education and provide information on family planning.

Medical care is free for all adults and half-price for children under 16. Dental care is free. You must pay for dentures, but they are modest in price.

In the 25 years since 1949, the Chinese political leaders and the social order have brought crime, juvenile delinquency, prostitution, drug addiction and alcoholism under control.

They have developed a well disciplined society and are visibly engaged in making it a united cohesive social order. The achievements are remarkable. But they have been purchased at a high price—the price of individual freedom and extra-ordinary political discipline.

POLITICAL LIFE

The U.S. delegation spent its first three days in Peking meeting with important leaders of the People's Republic. We did not see Chairman Mao or Chou En-lai, who had been ill. But we consulted at length with Vice Premier Teng Hsiano-ping and Vice Foreign Minister Chiao Kuan-hua.

Mainly, I was impressed by the openness and candor with which all matters could be discussed. Any point of difference was explored without irritation.

We recognized that we were operating in a society that exercises censorship and we wanted to learn as much as possible. Therefore, we agreed that the talks would be off the record, so that everyone would speak more freely.

The Chinese did not ask questions about the domestic situation in the United States. A favorable reference to President Gerald Ford, whom they had met during his visit to China when he was minority leader of the House of Representatives, was the only acknowledgement that a change in Presidential leadership had occurred.

It is my view that our relations with China are on a steady course, that the attitude of Chinese officialdom toward the United States is friendly. They are beginning to develop heavy industry and, therefore, will want technology. This will provide us with trade opportunities.

They find their relationships with us "comfortable" as they say. They indicated that if the U.S. abides by the general principles of the Shanghai communique, that the situation will continue to improve.

It is obvious that they recognize our leadership internationally, economically and militarily. But they do not believe that we are a threat to them or that we are seeking anything from them. They are a realistic people who understand our defense posture and why we have troops in Europe.

As far as the future of Taiwan is concerned, they make clear that this is a matter that the Chinese will have to settle among themselves.

Their relationships with the Soviet Union are not cordial. In fact, there is great tension and bitterness between these two Communist powers. It was during Khrushchev's time that their relations deteriorated and ultimately were broken. Kosygin has been to Peking, but was unable to improve the situation.

What will happen in the future and particularly after Mao is difficult to predict. It may well be that a faction will come to power in China that once again will seek to renew her relationships with the Soviet Union.

But, as for now, the political life of China is geared to the menace of Soviet power. Nevertheless, the Chinese express no fear and have great confidence in themselves to deal with any problems that may develop.

PEKING

Peking is an old city, with a population of 5.4 million. It is the capital of China and has been for most of the past 700 years. But its political significance is greater today than ever before.

In Peking are made the great political and economic decisions that dominate or influence the lives of people throughout the country. It is the communications center which carries the message of the government and the Communist Party to the distant areas of China.

Many of the main highways and railroad lines emanate from the city. Almost all the air traffic is under the control of the Peking central airport. We were told that even the clocks in China are set to Peking time, despite the fact that distances may be as much as 3,000 miles and ordinarily would cover a number of time zones.

Peking truly is several cities in one. As it has grown and expanded over the centuries, new cities have been built on top of the old.

Within Peking is the so-called Imperial City which was heavily fortified in the early years of China's history and had held such great attraction for the explorer, Marco Polo. And, within the Imperial City, is the Forbidden City which only those of royal blood were permitted to enter.

The entrance to the Forbidden City is known as the Gate of Heavenly Peace. Located approximately in the center of the city, it is the symbol of China and has been for centuries.

Even now, under the regime of Chairman Mao, it is from the podium in front of this Gate of Heavenly Peace that the political leaders of modern Chia speak. And the parades and political demonstrations are held within the huge area in front of the gate.

TEMPLES—TOMBS—PALACES

Contributing to the grandeur and beauty of the Forbidden City are majestic temples of graceful, yellow tile, halls, gates and gardens, with an altar which in former times only the emperor could ascend annually to offer sacrifices to the supreme being.

Approximately 40 miles to the north by car is the Great Wall of China, begun some 2,000 years ago, which stretches from the deserts of China eastward to the sea. This was the line of demarcation between the agricultural society of China and the barren plains of the herdsmen of Central Asia.

Parts of the wall have been restored, but most of it is ruins. The section near Peking is frequented by many tourists. It was our privilege to see it and to take a long walk along the wall to one of its towers.

We stopped at the Ming tombs—the burial grounds for all but one of the 14 emperors who ruled China during the period of the Ming dynasties from 1368 to 1644. The approach to the tombs is intriguing. It is studded with carved animals—camels, lions and elephants.

We visited the rather curious Summer Palace built by the dowager empress of the Ch'ing dynasty. It seems that the empress took the money appropriated to build the navy and instead constructed the Summer Palace, along with a magnificent lake, about six feet deep. It is almost an exact replica of the West Lake of Hangchow, one of China's beauty spots.

The dowager empress simply didn't want to travel to the West Lake. She wanted the West Lake in Peking, so she had the lake dug by hand and water diverted to it. She also built an impressive marble boat which sits today on the banks of the Lake, a startling sight to behold. The cost of the entire enterprise was 500 million ounces of silver.

CHILDREN'S HOSPITAL

We toured the 600-bed children's Hospital in Peking, where both Chinese traditional medicine and modern medicine are practiced. Great numbers of children also use the outpatient clinic daily.

The hospital provides preventive medical care; trains "barefoot doctors" for rural areas and paramedics for neighborhood clinics; cares for children in nurseries and primary schools; and provides for home calls to families.

There is a staff of about 800; 180 doctors, 300 nurses and many technicians. Eighty percent of the doctors are women.

In the city, most births take place in hospitals. In rural areas, they occur primarily in the home. Contraceptives are free, as is birth control information. But if you are not married, there is no provision for contraceptives. Abortion is legal.

FARMERS MARKET

Before leaving Peking, we visited the vegetable and poultry market. The Chinese eat little beef, but consume considerable pork, chicken, duck and a wide variety of vegetables.

We found radishes, cabbage, chili beans, red peppers, garlic, onion, ginger, potatoes, cucumbers and peas—all well displayed in large quantities. A mixed basket, about 12 inches across, loaded with different kinds of squash, cabbage and other vegetables, sold for 17 cents.

There was a delicatessen in the market, with assortments of pork, beef and poultry products. Pork sold for 19 cents a kilo; ham, $1 a kilo; sausage, about 80 cents a pound. There were wide varieties of fish. Shrimp was 32 cents a pound and carp, 19 cents.

At the egg counter we found duck eggs for 40 cents a dozen; eggs wrapped in clap, seven cents each; and preserved eggs, 45 cents a dozen. Cooking oil was rationed.

CHINESE FOOD

In the main, Chinese food is excellent, light and plentiful. The artistic qualities of the Chinese are reflected in their eating habits and diet. They are punctual people. Meals start on time and guests are expected to arrive on time. Generally, the social hours and meals are not extended.

All luncheons and banquets in which we participated were informal, regardless of the rank of guests attending. Ordinarily, the men would come in open-necked short sleeve shirts and women in modest dresses or pant suits.

On one occasion we ate at the famous Peking Roast Duck Restaurant. As we approached it, we saw a pick-up truck loaded with dressed ducks. The workers were literally pitching the ducks onto the ground to get them into the restaurant for preparation.

We had an extraordinary menu. Mainly, it was duck. There were nine hors d'oeuvres, with a mixture of duck and other foods. There was duck consomme, duck gizzard, web of duck foot, four treasure duck soup, fried duck liver, roast duck, cold chicken, cold pork, squid, rice chips, almond soup and watermelon.

We visited the kitchen of this restaurant. They had huge ovens. We saw the ducks being washed, filled with boiling water, sealed and then placed for a brief period inside one of the blazing ovens.

On the wall of the kitchen were slogans criticizing Confucius and Lin Piao, former Vice Chairman of the Communist Party and defense minister. We found this wherever we went: the exhortations to the workers or peasants to produce, to organize, to overcome the imperialistic capitalists.

GOVERNMENT—ECONOMY

China used to be called "the sick man of Asia." Today, however, there are those who say it has been transformed into a strong, relatively united country which commands respect throughout the world.

However one evaluates the People's Republic of China in this past quarter of a century, it is true that there has been drastic change. This has been achieved, of course, under a strict system of Communist Party control and state organization.

Industry has been socialized. A collective system of farming has been established. There has been a major effort to develop resources.

Tremendous strides have been made in education, literacy and health, all of which have contributed to the economic vitality of the country.

Planning has been the pattern of this central government. During the first five-year plan, from 1953 to 1957, there was remarkable growth in industrial production, approximately 18 per cent a year—one of the highest growth rates of any country. Steel output tripled in that five-year period. Coal production doubled. The manufacture of cotton textiles rose between 20 and 25 per cent.

This period was followed by the "Great Leap Forward," from 1958 into the early 1960's. It was a determined effort to expand greatly China's economy, particularly her industrial production. Progress was made, but it did not fulfill its overly ambitious goal.

Much of its success depended upon the cooperation and assistance of the Soviet Union. But political problems developed between the two countries and, with them, the cancellation of essential Soviet technical assistance. This brought China's industrial development to an abrupt halt.

At the same time a major drought seriously affected her agricultural production.

INDUSTRY

But despite these great adversities, the Chinese governmental system held together. China recovered and emerged possibly stronger and more self-reliant than either she or anyone else at the time dreamed possible.

For example, in 1964, China conducted her first nuclear test. Amazingly, by 1970, she had placed in orbit her first Chinese-made space satellite. These were no small achievements and represented a high degree of technical competence.

In the 1970's, the Chinese resumed with renewed vigor, industrial expansion and agricultural development. There has been great progress since that time. The gross national product was estimated at about $172 billion in 1973, per capita income at $191.

In 1952 China produced about 155 million metric tons of grains. In 1973 this had been increased to 253 million.

In 1952 she was producing 7.3 billion kilowatt hours of electricity. In 1973, it was 102 billion. This means that China electrified her cities and much of her rural areas in an astonishing program of electrical expansion.

Her steel production rose from 1½ million metric tons in 1952 to 26 million in 1973, despite vigorous emphasis upon agricultural development.

China is blessed with many natural resources. She has iron ore deposits. There is every reason to believe that she has extensive oil resources.

Thus, the industrial future for China looks bright, particularly as she develops her foreign trade with Japan, western European nations and the United States.

From all we were able to learn, unemployment is small or simply not measurable. There has been little or no inflation since 1952. In fact, prices have been relatively stable for two decades or more. There is a balanced budget and no public debt, except for some deferred payments with strict repayment schedule.

CULTURAL REVOLUTION

A movement which had a major impact on the country's progress was the cultural revolution which occurred in the late 1960's. Much has been written about it.

In many ways the cultural revolution was a planned youth rebellion, highly organized, in which students rebuked and reviled their teachers, and many political leaders and bureaucrats were criticized for being "slaves to foreign ways." It was to purge the party of those who might be designing a place of special privilege for themselves.

Many innocent people were labeled as traitors. They were dragged in the streets and humiliated in public exhibitions. Others were put on trial for having violated the tenets of the revolution and for being susceptible to capitalistic tendencies.

In fact, it appeared for a while that the cultural revolution was getting out of hand. It became necessary for Chairman Mao and other political leaders to bring it under control.

Criticism and humiliation are techniques regularly used to discourage or destroy opposition in China. Unlike Stalin, who would have the opposition exiled, put in slave camps or shot, the Chinese do it in a more delicate manner. But it is just as effective.

At present, some of the leaders who were victims of the cultural revolution are being "rehabilitated" and brought back into the political structure.

It is important to keep in mind that Chairman Mao believes that there should be a kind of continuing revolution. He prefers to keep the political structure fluid, so there is no chance for the development of a strong, inbred bureaucracy.

GOVERNMENT STRUCTURE

To understand the political or government organization of China, one has to think on two tracks There is the Communist Party and there is the official government structure. There is a state constitution and a party constitution. Both are based on the Marxist principle of the dictatorship of the proletariat.

These two constitutions provide the authority for Chinese governmental and party organizations, and they work side by side.

Despite the fact that the People's Republic was established in 1949, real political power was held by the Chinese Communist Party, at least until 1967. A few prominent political leaders in the politburo made the major decisions and, of course, Mao was the dominant figure.

There was a legislative body called the National People's Congress. But the Communist Party exercised its power through a state council which was the official governing body of the People's Republic. It was a sort of "super cabinet" and was in charge of the overall government structure and bureaucracy.

It was the growing bureaucracy which disturbed Chairman Mao. From 1967 until 1971, the cultural revolution dismantled the political party and severely weakened the government. Even today there are remnants of it at work.

But by 1969 the Communist Party was being rebuilt again and the Tenth Party Congress adopted a new party constitution and undertook massive criticism of Confucius and Lin Piao, the Party's vice chairman as well as defense minister. Since then all mention of Lin Piao has been eliminated. He later was the victim of an airplane crash.

Mao remains the chairman of the Party, and shortly after our visit the draft of a new Chinese constitution named him head of state and commander of the armed forces.

There are 21 provinces in China. There also are five autonomous regions: Inner Mongolia, Ningsia Hui, Tibet, Sinkiang Uighur, Kwangsi Chuang. Traditionally, these have been minority population areas.

Three major metropolitan areas come under the direction of the central government: the capital city of Peking, Shanghai and Tientsin. These cities are vitally important to the political, social and economic structure of China. So the central government has maintained supervision and control.

PEOPLE'S COUNCILS

The People's Councils have been replaced by what is known as a revolutionary committee, a form of collective leadership representing an alliance of civilian, Communist Party cadre and the "soldiers and representatives of the revolutionary masses." I never was able to determine who belongs to the latter group.

Each of the local government levels—communes, villages and cities—has its revolutionary committees presided over by a chairman and vice chairman.

Likewise, the Communist Party is undergoing a complete renovation. There are Party committees in all communes, municipalities and regions. The Party committee directs the revolutionary committee, which in turn functions as its administrative arm.

The Party now is expanding its work to include the Young Communist League trade unions and other groups which act as a back up reinforcement to the Party's structure. All such organizations were dismantled during the cultural revolution.

So the Chinese political structure once again is back in shape.

But the question that cannot help but come to the forefront is who will be the next national leader. One has to keep in mind that Chairman Mao is an old man, 80 years of age, and Chou En-lai is 76 and has been in ill health.

Will the new Chinese leadership continue in the tradition of Mao? Or will it be revisionist, coming to resemble the Soviet Union where capitalistic principles seem on the ascendency?

No one knows. Yet I suppose this is the most important question about China that is being discussed in the chancellories of the world—what and who comes after Mao.

When we put the question to our Chinese hosts, they told us that the system would continue, that it is not based upon a man but on a set of principles, that the Maoist precepts are deeply imbedded in the mentality, spirit and life of the Chinese people, and that the new leadership would go on as Chairman Mao would wish.

AGRICULTURE

About 80 percent of the population of the People's Republic of China lives and works on the farm. Chinese agriculture not only occupies most of the population, but it provides about 50 per cent of the income for the national budget; 40 per cent of the raw materials used in industry and 70 per cent of Chinese exports.

Despite recent attempts to mechanize agriculture—primarily through the introduction of electric pumps, small agricultural machines and tractors—the overwhelming preponderance of agricultural work still is done by hand.

There are vast swarms of people in the fields planting, harvesting, building canals, ditches and irrigation works.

The People's Republic places a high priority on agricultural development on a nationwide basis. And it is proud of the accomplishments that have been achieved in feeding its people and eliminating the starvation which is rampant in many other areas of the world.

Mao really is a "country boy," the son of a middle peasant family. His revolutionary efforts in the early years in the cities ended in failure. Knowing that China was overwhelmingly rural and the bulk of the population was the peasantry, he decided to take his revolutionary doctrines and activities there where the central government had less control.

Mao and other Communists recruited some of their best troops and most ardent supporters among the poor and lower-income peasants. At least two-thirds of the land in China was held by large land owners. Approximately 70 per cent of the peasants had little or no land of their own and worked as day laborers or sharecroppers. These conditions, of course, offered a fertile field for Communist Party recruitment.

With the rise of power of Mao and the Communist Party, agrarian reform began in 1950, with a redistribution of the land previously owned by the big landlords.

After the land redistribution program, the peasants owned the land until 1955. Then the socialist cooperatives were formed, with the peasants contributing their land to collective ownership of the cooperatives. In 1958 there was the formation of the new basic unit of agricultural production, the commune.

THE COMMUNE

The commune also is the basic unit of social life in all of its aspects: economic, political, cultural, administrative and military. It is the owner of all property, except for tiny plots of land on which peasants are permitted to grow vegetables, raise hogs and other livestock.

Within the commune, there are two further levels of organization: the production brigade and the production team. Generally, one commune contains anywhere from 15 to 20 brigades and one brigade has 10 production teams.

When the communes were created, there were about 25,000 of them nationwide. Today there are almost 75,000. The average population of the commune is between 6,000 and 8,000, although some near the great cities such as the one we visited near Peking, include up to 50,000 or more people.

At the beginning of the "Great Leap Forward," when enthusiasm for the formation of communes was most intense, the Chinese experimented with some of the most advanced ones which included centralized dormitories, mess halls and child care units in which children were to be raised apart from parents.

There also was an attempt to decentralize and promote modern industry, so the communes undertook such efforts as setting up backyard steel furnaces to become industrially as well as agriculturally self-sufficient.

But the pace was too fast and the goals too extreme. It was necessary to redirect the efforts of the communes.

The commune today is the basic administrative organ of local government. It is similar in size and in many of its functions to county or township government in the United States.

It performs such functions as training and maintenance of the militia, education, child care, health care, housing, public welfare services and the organization of sewage, irrigation, flood control and soil erosion activities.

These frequently involve more than one village and often more than one commune.

The commune is governed by a revolutionary committee. The committee members are selected by the Communist Party, and the people in the commune are permitted to vote upon whether or not they want the list of persons submitted by the Party for leadership positions.

The commune is highly politicized. There is a trained political cadre that keeps the work of the commune in tune with the goals of the central government and the Communist Party. Nevertheless, there is a good deal of administrative flexibility, so that the communes may adjust to the necessities of the time and particular demands of the people in a variety of geographical areas.

The commune is responsible for the redistribution of income and profits from both agricultural and industrial production within the commune area. It provides basic tax revenue to the central government.

In agriculture, that tax will vary from five to eight per cent of the gross income of the commune. This is the one and only tax that is paid to the central government.

PRODUCTION BRIGADE

I am sure that every foreign visitor to China has been informed about Tachai commune in Eastern Shansi province. Because of its success in cultivating marginal land and achieving high yields of agricultural production with largely traditional tools and manpower, it has been portrayed as the model for all of China's agricultural units.

In 1964 Mao Tse-tung singled it out as an outstanding example of how man, through self-reliance, determination and social organization, can transform nature and emerge from ignorance and poverty.

Tachai is located in China's loess lands. Loess is a fine loamy silt, yellowish brown in color, and often referred to by the Chinese as yellow earth. It is readily subject to erosion from wind and water.

In times past, there were grasses and scattered groves of trees to protect the fertile, but easily eroded, soil. However, in recent centuries increased production pressures resulted in deforestation and over-cultivation of these silty lands. Torrential summer downpours, a regular occurrence, coupled with drought to further the destruction.

Now, after two decades of hard work by the Tachai production brigade, almost all of the gulleys, which were characteristic of the area have been terraced or filled. More than a hundred dams have been constructed and sloping hillside plots on the ridges have been replaced by more level fields. A successful reforestation effort has been made.

But the outstanding accomplishment of the Tachai commune is the construction of a huge reservoir, located just a couple of miles from the village. The reservoir is a rock-lined aqueduct, some four miles in length, which was built to channel water to three reservoirs located above the Tachai fields.

Today more than half of the crops in these fields—wheat, millet, corn, cotton and rice—are irrigated.

In the midst of these massive efforts to reclaim the eroded land and make it productive, Tachai was plagued once again by torrential rains and severe drought. And during the summer of 1963, the biggest flash flood in the history of the country occurred. Stone walls, terraces and many homes were destroyed. But the village, painstakingly rebuilt, now has a relatively modern appearance.

TACHAI COMMUNE

There are approximately 450 people in the Tachai production brigade. They live in rows of stone-fronted cave dwellings or two story stone buildings. There is a hospital, educational facilities and a large auditorium which serves as an exhibition hall and museum, highlighting the work of Tachai.

The commune has preserved a few dilapidated cave dwellings, several hillside plots and one or two small unreclaimed gulleys to show visitors what the land was like originally.

The cave dwelling is one of the region's most interesting and unique features. Homes are literally dug into the sides of the vertical cliffs of this thick loess soil. The average room is about 30 feet long and eight to 15 feet wide. Cultivated fields generally are over the apartment which is cool in the summer and warm in the winter.

These dwellings have helped to relieve desperate housing needs. But they are in the process of being replaced by large apartment units constructed out of brick and rock.

Strangely, one is reminded of Israel here where similar efforts are being undertaken. China is rebuilding her land and seeking to modify her climate, just as Israel has done by a massive program of reforestation which began in 1949. Trees are everywhere throughout the country—along the road, out in the agricultural areas climbing the hills and mountains.

The old imperial dynasties cared little about trees. And the Japanese literally cut down hundreds of thousands of square miles of timber during their occupation. Thus, an almost unbelievable problem of soil erosion has been the result.

Both Israel and China have had to enter into vast programs of water conservancy and irrigation. Both the commune in China and the kibbutz in Israel have many similarities in developing agriculture and in work style. Both use every inch of soil for productive purposes, sometimes planting two or three crops yearly on the same plot of ground.

Agricultural development around the great cities also is very intense. These communes experience more central government control than do the rural communes, which have some autonomy as do some of the provinces and regions.

But the central government, nevertheless, gives prime attention to agriculture everywhere and lays down state goals for agricultural production. It can vary the price that farmers receive for their crops in order to encourage them to produce those that are most urgently needed.

This is, of course, the incentive system. Even in China, state planning alone is not enough. There must be occasional economic incentives, as the government has discovered.

I asked one of our Chinese hosts what the priorities in agriculture were. He replied: irrigation, electrification, fertilization and mechanization. Water conservation and development of rural transportation also are given prime attention.

The Chinese, like Soviet officials, are extremely reticent when asked about crop estimates. But it was my view and that of a team of U.S. agricultural experts who were in China at the same time—that the 1974 crop is good, possibly the best in several years.

If there is going to be any effective international program to alleviate hunger, such crop statistics are essential. I hope that there will be better cooperation in this area in the future.

The U.S. agricultural team was impressed by Chinese strides in breeding and disseminating new varieties of dwarf rice similar to the "miracle" rice developed at the International Rice Research Institute in the Philippines.

Our U.S. congressional delegation likewise was impressed with the quality of research at the Grain Crops Research Institute near Canton and in other areas of China as well as with the outreach of research efforts.

Today China has a number of agricultural experiment stations similar to those in the United States. It is now developing its own form of county agent extension service to help peasants in the communes improve their production and eliminate waste in harvesting and storage.

One of the members of the U.S. agricultural team, Dr. Norman Borlaug, who is a world authority on wheat and received the Nobel Prize in 1970 for his agricultural research efforts, believes that Chinese agricultural techniques could provide invaluable help to India and other Asian countries.

The history of agriculture in China is one that the people can point to with considerable pride. They have come a long way, but they still have the serious problems of transportation and marketing—and, surely the need for mechanization is there.

Nevertheless, one cannot help but ask what will happen to the peasants once agriculture is mechanized. I put this question to our Chinese hosts. They replied that China's plan is to absorb the manpower released from the agricultural sector into light and heavy industry. Whether it will work, only time will tell.

GATEWAY TO CHINA

Of all the great cities of China, Shanghai is possibly the best known to the western civilization. Indeed, the city once was a bastion of western capitalism and, paradoxically, was the birthplace of the Chinese Communist Party. Today it is China's largest city, her most important port and the prime center of trade and industry.

Shanghai occupies an area of approximately 2,400 square miles and includes 10 rural counties. These counties provide much of the food supply for the 11 million inhabitants of the city.

As you might imagine, the city is congested. Almost half the entire population lives within an area of 54 square miles. It is the largest metropolitan area on the Asian mainland, and one of the largest in the world.

A visitor to Shanghai will note at once its western style particularly along the downtown section known as "the Bund." This is a wide, active boulevard, with an impressive skyline of tall buildings, constructed in years past to accommodate the needs of western capitalism. Now it is the hub of Shanghai's commerce and banking.

PORT CITY

Since the mid-18th century, Shanghai has been a flourishing domestic port. The great ocean-going ships can travel up the Yangtze for literally hundreds of miles.

It is said that over 9,000 ships a day come into the port of Shanghai. One sees a fantastic mixture: the ocean-going vessel, the old fashion sampan, barges loaded with coal, modern tankers bringing in oil for the refineries, freighters, coastal ships that carry commerce along the coastline and passenger ships of every conceivable kind.

The flags of countries in eastern Europe, Africa, Asia, and western Europe are visible wherever one looks. Shanghai is not only one of the great commercial ports, but also serves as a naval base to protect Chinese national security. We saw a number of Chinese naval vessels, submarines, destroyers and Corvette-type ships.

The government of China has been modernizing the port. There are huge cranes and breakways. Docks are being constructed. It is possibly one of the busiest ports in all the world.

Since 1970, China has built 26 10,000-ton freighters and two fine overseas cruise ships in the 25,000-ton class. All shipping is under government ownership and control.

Shanghai's history is both sad and a romantic one. Foreign enclaves dominated its business and commercial activity during the 19th century and even into the early part of the 20th century.

SHANGHAI—PAST AND PRESENT

First came Great Britain, later France and then the Germans, the Dutch and others. Industry and commerce flourished during those early days and western merchants prospered.

But Shanghai was at the same time spawning a vast area of urban slums—breeding crime, prostitution and drug addiction—which brought violent discontent, strikes and revolt against foreign rule.

Shanghai once was called the "Paris of the East." It was labeled the adventurer's paradise. Its name in Chinese means "up from the sea," and Shanghai does seem to rear up out of the water.

But those who read about Shanghai in its earlier days remember it, too, for its opium dens and brothels run by crime syndicates. Sailors settled their waterfront feuds along what was known as "Blood Alley."

Now all of that is changed, and Shanghai literally has been remade by the People's Republic. It has rid itself of crime, prostitution, and drug addiction. The city now is immersed in Maoist puritanism.

Gone are the nightclubs. In fact, night life is nonexistent. The great neon lights that one sees are not there to advertise commercial products. Instead, they extol Mao and Communist virtues.

The 25 years of Communist rule have done little to alter the western appearance of the city's urban core. But monuments to foreign domination have either been transformed or eliminated.

Some of the great commercial houses of the British and French have been converted into government offices. Blood Alley now is a street of busy, productive shops. The old race track, once the haunt of European merchants, is now a beautiful public park.

The golf course is a zoo. And the magnificent homes of rich western merchants serve as children's palaces, nurseries, playgrounds or hospitals.

One concession to the past remains. The magnificent old Palace Hotel, once considered the finest in all Asia, retains its original function, although it has been renamed the "Peace Hotel."

INDUSTRIAL CITY

Shanghai is the giant industrial city of China. It is there that the Chinese display their technological development at its best in what is known as the Shanghai Industrial Exhibition Hall.

We saw huge tractors, 15-ton trucks, pharmaceutical supplies, electrical appliances, beautiful textile products, machine tools, radios and televisions—a vast panorama of industrial goods.

The Shanghai Industrial Exhibition Hall once was known as the Sino-Soviet People's Friendship Building. It still bears the signs of traditional Russian architecture that you see in Moscow on the university buildings or great hotels. But when relations cooled between those two countries, the name was changed.

Wherever we toured, we had the opportunity to talk with workers at will—on the streets or in their homes. We called on one worker and his family on the outskirts of Shanghai. He and his wife and four children live in two small rooms in a housing project. There were no rugs, no draperies, no chandeliers, just a single bulb hanging from the ceiling. They owned a radio, a clothes cabinet and a trunk which also served as a table.

One daughter works at a commune, another is in middle school and the two sons are in middle and primary school.

The wife works a 48-hour week in a cotton mill. She has Fridays off. He is a welder and teaches in a vocational school. He has Tuesdays off. His salary is 105 yuan ($52.50 per month).

The relationship of this family with their neighbors reminds me of an early American rural village, where everything had to be done locally and one couldn't wait for materials to come from Kansas City. All projects involve team effort. The only way to survive is to work together.

CHILDREN'S PALACE

We visited one of the children's palaces, housed in a 130 room villa that once belonged to a rich Austrian merchant. It, too, has huge gardens. I understand that there are 10 more like it in Shanghai and others located in such cities as Canton, Nanking, Peking, and Chunking.

Children between the ages of seven and 16 have access to the Children's Palace. They come after school and weekends on a voluntary basis to develop their talents. The program is highly organized with professional supervision. Or, if they choose, they can simply come and play on the spacious grounds.

There is no charge for the instruction or guidance. The palaces abound in cultural activities of every kind: music, ballet, acrobatics, gymnastics, arts, crafts, ceramics, sewing, needlepoint, and brocade.

Here we found what seemed to be an oasis of openness and freedom in this closely organized and highly disciplined society. And yet you could tell that the young people were participating in the activities with great purpose.

I noted that the attention the young people, ages 8 to 14, gave to a conductor was so perfect and precise that you would have thought you were looking at a group of highly paid professionals.

We were conducted through the Children's Palace by children, ages 10 to 12. Their maturity, hospitality, and courtesy were impressive. They were at our sides at all times explaining what was going on, bringing us tea and providing a wet cloth to wipe our hands and face because of the heat and humidity so characteristic of Shanghai in September.

There also is an organization for young people, known as the "Little Red Soldiers." The only requirement for membership, I was told, is to be physically fit, to study diligently and to work hard.

COMMUNISM AND YOUTH

Make no mistake about it, Maoist Communism is at work on its young people. It is teaching the obedience to the state, to the principles of Chairman Mao, self-discipline, self-reliance, physical fitness, work, study and recreation.

There is a determined effort on the part of Chairman Mao and his followers to make a new kind of man in China. And the young, who are not indoctrinated with the ideas and philosophy of the past, the new generation, are the minds and bodies which can most easily be molded in the Maoist tradition.

Therefore, the central government and all of its many institutions bring their greatest efforts to bear upon the young, hoping to create in them a new spirit, a new way of life.

Only time will tell whether this effort will be effective. But there is no doubt that it is having a great impact upon young and old alike.

Shanghai is governed tightly by the central government from Peking, because it is recognized that port cities tend to be more liberal, open and cosmopolitan. The Chinese leaders do not want this city to be the breeding ground of any new political philosophy.

Yet, this is a city with spirit and will be an interesting one to watch in the days ahead, just as one must also keep an eye focused on Peking, the center of power in China.

After all, the ships of over 100 nations come to her ports. This international exposure alone will inevitably leave some impact upon the social, economic and cultural life of this great city and the country.

The wide variety of ships tell you, too, that China is opening up, that it is looking to the West and to the East, that the Chinese are prepared to play their role in the world's commerce.

Shanghai is China's gateway to the world. It looks out upon Asia, Africa, America and Europe. And at this time, more than any other city in the country, it welcomes the foreigner.

A CHALLENGE TO ELECTION LAW "REFORMS"

Mr. BUCKLEY. Mr. President, on January 2 of this year, former Senator Eugene McCarthy of Minnesota, Representative William Steiger of Wisconsin, and a number of other concerned Americans joined me in filing suit in the District Court of the District of Columbia challenging certain aspects of the election law "reforms" adopted by the Congress and signed into law last year.

Last Friday, the court rejected a Government motion to dismiss our challenge and left the decision on the merits to the circuit court of appeals which is authorized under an amendment I introduced last year to hear cases of this sort arising under the legislation. In his decision, District Judge Howard Corcoran ruled that our suit raised "substantial constitutional questions" warranting a full trial. I ask unanimous consent to print in the Record a copy of the complaint we filed on January 2 as well as a copy of Judge Corcoran's memorandum and order of January 24.

I know that a number of colleagues here are interested in the outcome of this suit and I will therefore be inserting additional materials as they become available.

There being no objection, the material was ordered to be printed in the Record, as follows:

[U.S. District Court, District of Columbia, Civil Action No. 75-0001]

Complaint for Declaratory and Injunctive Relief

James L. Buckley, United States Senator from the State of New York, 5020 Glenbrook Road, N.W., Washington, D.C. 20016; Eugene J. McCarthy, 3053 "Q" Street, N.W., Washington, D.C. 20007; William A. Steiger, Member of the United States House of Representatives from the Sixth Congressional District of the State of Wisconsin, 323 Constitution Avenue, N.E., Washington, D.C. 20002; Stewart Rawlings Mott, 800 Park Avenue, New York, New York 10021; Committee for a Constitutional Presidency, 1223 Connecticut Avenue, N.W., Washington, D.C. 20036; Conservative Party of the State of New York, 468 Park Avenue South, New York, New York 10016; New York Civil Liberties Union, Inc., 84 Fifth Avenue, New York, New York 10011; American Conservative Union, 422 First Street, S.E., Washington, D.C. 20003; Human Events, Inc., 422 First Street, S.E., Washington, D.C. 20003, Plaintiffs against Hon. Francis R. Valeo, Secretary, United States Senate, Office of the Secretary, The Capitol, Washington, D.C. 20510; Hon. W. Pat Jennings, Clerk of the United States House of Representatives, The Capitol, Washington, D.C. 20510; Hon. Elmer B. Staats, Comptroller-General of the United States, General Accounting Office, 441 G Street, N.W., Washington, D.C. 20548; Hon. William B. Saxbe, Attorney General of the United States, Department of Justice, Constitution Avenue and 10th Street, N.W., Washington, D.C. 20530; Federal Election Commission, c/o Hon. Francis R. Valeo, Ex Officio Member, The Capitol, Washington, D.C. 20510, and c/o Hon. W. Pat Jennings, Ex Officio Member, The Capitol, Washington, D.C. 20510, Defendants.

JURISDICTION

1. This action seeks declaratory and injunctive relief against certain provisions of the Federal Election Campaign Act of 1971, Public Law 92-225, 86 Stat. 3, 2 U.S.C. Sections 431 *et seq.* (hereinafter referred to as the FECA), the Federal Election Campaign Act Amendments of 1974, Public Law 93-443, 88 Stat. 1263 (hereinafter referred to as the FECA Amendments), and Subtitle H of the Internal Revenue Code of 1954, Public Law 92-178, 85 Stat. 562, as amended by Public Law 93-53, 87 Stat. 138, 26 U.S.C. Sections 9001 *et seq.* (hereinafter referred to as Subtitle H), and against their enforcement by the defendants, on the grounds that the FECA, the FECA Amendments, and Subtitle H deprive the plaintiffs of freedom of speech and association, of the right to petition for redress of grievances, of the right of privacy, and of due process of law and discriminate invidiously against them, all in violation of the First, Fourth, Fifth, Sixth, and Ninth Amendments to the Constitution and the further grounds that the mode of appointment and confirmation of members of the Federal Election Commission and its purported power to administer, interpret, make rules and enforce said laws is in violation of constitutional separation of powers.

2. The jurisdiction of this Court rests upon 28 U.S.C. Sections 1331, 2201, and 2202, and Section 315(a) of the FECA, 88 Stat. 1285, 2 U.S.C. Section 437h. The amount in controversy, exclusive of interest and costs, exceeds $10,000.

3. Convocation of a three-judge district court is moved pursuant to 28 U.S.C. Sections 2282 and 2284, and certification to the Court of Appeals is requested under Section 315(a) of the FECA, 88 Stat. 1285, 2 U.S.C. Section 437h.

PARTIES

4. Plaintiff James L. Buckley is a United States Senator from the State of New York. He is a citizen of the State of New York and of the United States and is eligible to vote in elections for the office of President of the United States. He is a registered voter in the State of New York in the Republican Party. He is a federal taxpayer. Plaintiff Buckley has contributed in the past to the campaigns of particular candidates for federal office in amounts greater than $1,000 and desires to do so in the future as a means of expressing his views on public issues. He may seek to be a delegate to the 1976 Republican Party National Convention. Plaintiff Buckley intends to be a candidate for federal office within the meaning of the FECA, the FECA Amendments, and Subtitle H. Said candidacy will be aided by volunteers whose incidental expenses will exceed $500 and thus constitute a contribution or expenditure within the FECA and the FECA Amendments. The expenditure of funds is essential to his success in conveying his ideas and position on public issues to voters and potential voters. To that end, plaintiff desires to solicit and receive contributions larger than $1,000, employ personal funds or the funds of his immediate family as available and necessary, and to spend whatever amounts are available and necessary to convey his views to voters and potential voters in a meaningful way.

5. Plaintiff Eugene J. McCarthy is a former United States Senator from the State of Minnesota. He is a citizen of the State of Minnesota and of the United States and is eligible to vote in elections for the office of President of the United States. He is a federal taxpayer. Plaintiff McCarthy intends to be a candidate for federal office within the meaning of the FECA, the FECA Amendments, and Subtitle H. The expenditure of funds is essential to his success in conveying his ideas and positions on public issues to voters and potential voters. To that end, plantiff desires to solicit and receive contributions larger than $1,000, and to spend whatever is available and necessary to convey his views to voters and potential voters in a meaningful way. Said candidacy will be aided by volunteers whose incidental expenses will exceed $500 and thus constitute an expenditure under the FECA and the FECA Amendments. He is the Honorary Chairman of the Committee for a Constitutional Presidency, a political committee within the meaning of the FECA, the FECA Amendments, and Subtitle H, which is independent of the two major parties and of any other political party.

6. Plaintiff William A. Steiger is a Member of the United States House of Representatives from the Sixth Congressional District of Wisconsin. He is a citizen of the State of Wisconsin and of the United States, and is eligible to vote in elections for the office of President of the United States. He is a registered voter in the State of Wisconsin. He is a federal taxpayer. He may seek to be a delegate to the 1976 Republican Party National Convention. Plaintiff Steiger is considering a candidacy for federal office in 1976. The expenditure of funds is essential to his success in conveying his ideas and positions on public issues to voters and potential voters. To that end, plaintiff desires to spend whatever amounts are available and necessary to convey his views to voters and potential voters in a meaningful way.

7. Plaintiff Stewart Rawlings Mott has contributed in the past and will contribute in the future amounts in excess of $1,000 to individual candidates for federal office and in excess of $25,000 in the aggregate to such candidates. Plaintiff has also made expenditures on behalf of clearly identified candidates but independent of such candidates in excess of $1,000 and intends to do so in the future. Plaintiff Mott has made and intends to make expenditures against clearly identified candidates in excess of $1,000. Plaintiff has incurred and intends to incur certain incidental expenses on behalf of candidates as a volunteer in excess of $500. Such contributions are for the purpose of furthering plaintiff's ideas and positions on issues of public policy.

8. Plaintiff Committee for a Constitutional Presidency is a political committee within the meaning of the FECA, the FECA Amendments, and Subtitle H and a not-for-profit corporation under the laws of the State of Illinois. Plaintiff is independent of the major parties and of any other political party. It intends to sponsor a candidate for the office of President of the United States in 1976 and desires to solicit and receive on behalf of such candidate contributions in excess of $1,000, to contribute to said candidate an amount in excess of $5,000 and to make expenditures on behalf of said candidate in excess of two cents multiplied by the voting age population of the United States. Plaintiff will not hold a national nominating convention in 1976 to select its candidate, as such a convention is defined by the FECA Amendments. If plaintiff's candidate is to wage an effective campaign as an independent, he must make expenditures in excess of $20,000,000. Plaintiff's candidate will not be selected by primaries and will become eligible for state ballots through petition, and expects to incur expenses in that petition effort. Said activities are for the purpose of furthering plaintiff's ideas and positions

on issues of public policy and are essential to its ability to participate meaningfully in the political process.

9. Plaintiff Conservative Party of the State of New York (hereinafter Conservative Party) is a political party in the State of New York and a political committee within the meaning of the FECA, the FECA Amendments, and Subtitle H. It has nominated in the past and intends to nominate in 1976 candidates for the offices of President of the United States, United States Senator from the State of New York, and Members of the United States House of Representatives from all or nearly all of the Congressional Districts of the State of New York. Plaintiff will seek to place its candidate for President only on the ballot in New York. Plaintiff is what is commonly called a third party. It intends to solicit and receive contributions in excess of $1,000 for many such candidates, to contribute to many such candidates amounts in excess of $5,000, and to expend on behalf of said candidate for President of the United States an amount in excess of $1,000, to expend an amount in excess of two cents multiplied by the voting age population of the State of New York in the case of its candidate for United States Senator, and to expend an amount in excess of $10,000 in the case of many candidates for the House of Representatives. In some cases, plaintiff may choose a candidate who it hopes will expend personal funds in excess of $35,000 in the case of a candidate for United States Senator and $25,000 in the case of a candidate for the House. Said activities are for the purpose of furthering plaintiff Conservative Party's ideas and positions on issues of public policy and are essential to its ability to participate meaningfully in the political process.

10(a). Plaintiff New York Civil Liberties Union (hereinafter NYCLU) is a not-for-profit corporation, organized under the laws of the State of New York. It is a non-partisan organization, dedicated to defending the rights guaranteed to persons under the Constitution and having as a principal function the dissemination of information concerning such rights within the State of New York. Plaintiff NYCLU, the New York State affiliate of the American Civil Liberties Union, is and has been since its inception barred by the American Civil Liberties Union constitution, by-laws, and policies from endorsing or opposing any candidate for public office.

(b). Plaintiff NYCLU has in excess of 40,000 members in New York State. Such members reside in all parts of the State. Membership dues for the NYCLU are $15 per year. Many members contribute more than $15 per year. Some contribute more than $100 per year, and the prime source of funds for NYCLU is contributions by members. The experience of the plaintiff NYCLU has been and is that membership is a controversial matter in many parts of the State. NCYLU does not disclose the names of its members and contributors. NYCLU regularly receives a substantial amount of "hate mail," most of which attacks NYCLU, its leadership and members, for allegedly subverting law and order or supporting "radical" groups. Numerous persons who have been identified with NYCLU activities have from time to time been threatened with physical violence or subjected to harassment of reprisals. As a consequence, many members request assurances that their names will remain confidential, and many contributors expressly request that they not be listed on the membership rolls.

(c). As part of its program of public education on controversial civil liberties issues, such as school busing, prisoners rights, and police misconduct, plaintiff NYCLU often sponsors newspaper advertisements or otherwise expends funds in excess of $1,000 in order to communicate its views to the public, and intends to do so in the future. The sole purpose of such activity is to set forth and publicize plaintiff's views and positions on important public issues involving civil liberties. Although plaintiff NYCLU does not endorse or oppose the election of candidates for public office, its advertisements and statements of views on public issues frequently and necessarily refer to, praise or criticize the conduct or actions of clearly identified public officials who may also happen to be candidates for federal office.

(d). In addition, the plaintiff NYCLU regularly publicizes, in its membership newsletter and through other publications, the civil liberties voting records, positions and actions of elected public officials, who are also frequently candidates for federal office. The NYCLU also solicits and then publicizes the views of candidates for office on civil liberties issues. NYCLU's purpose in communicating such information is to inform its members and the public generally about the views and actions of public officials and candidates with respect to civil liberties issues. The expenses of disseminating such information are normally paid for out of the plaintiff's general funds supplied by membership dues and contributions. Disclosure by the plaintiff of the names of its members and contributors would cause and tend to cause persons who are presently members to resign and would deter other persons from joining, paying dues and making contributions to the NYCLU.

11. Plaintiff American Conservative Union (hereinafter ACU) is a political committee within the meaning of the FECA, the FECA Amendments, and Subtitle H of the Internal Revenue Code of 1954. Plaintiff is independent of the two major political parties or of any other political party. Plaintiff ACU has made in the past, and intends to continue in the future to make contributions to political candidates whose ideas and positions on issues of public policy are similar to its own. These contributions will exceed $5,000 in the case of individual candidates. Said contributions are for the purpose of furthering ACU's positions on public issues.

12. Plaintiff Human Events, Inc., is a corporation organized under the laws of the State of Delaware. It publishes a weekly newspaper devoted primarily to the reporting of events of political importance and interest, to the discussion of public issues, and to the discussion of public officials, political leaders and candidates. Human Events also distributes books, tapes, pamphlets, reprints of articles, and employs other forms of communication to further its corporate and editorial purposes. It endorses explicitly or by implication or refrains from endorsing candidates for federal offices where it deems it necessary and appropriate. It regularly takes editorial positions on matters of public controversy. It has in the past and intends in the future to recommend to those of its readers who share its views that such readers communicate their views to public officials, political candidates, and other political leaders. Plaintiff is wholly owned by its three top executive employees and is not controlled directly or indirectly by any political party or political committee.

13. Defendant Francis R. Valeo is the duly appointed Secretary of the United States Senate. This defendant is a designated "supervisory officer" within the meaning of the FECA and the FECA Amendments and will enforce Titles I and III of the FECA until the appointments and qualification of all the members and general counsel of the Federal Election Commission, Section 208, FECA Amendments, 88 Stat. 1286. He is sued in his official capacity.

14. Defendant W. Pat Jennings is the duly appointed and presently acting Clerk of the United States House of Representatives. This defendant is designated a supervisory officer" within the meaning of the FECA and FECA Amendments and will continue to enforce Titles I and III of the FECA until the appointments and qualifications of all the members and general counsel of the Federal Election Commission, Section 208, FECA Amendments, 88 Stat. 1286. He is sued in his official capacity.

15. Defendant Elmer B. Staats is the duly appointed Comptroller-General of the United States. This defendant is designated a "supervisory officer" within the meaning of the FECA and FECA Amendments and will continue to enforce Titles I and III of the FECA until the appointments and qualification of all the members and general counsel of the Federal Election Commission, Section 208, FECA Amendments, 88 Stat. 1286. He is sued in his official capacity.

16. Defendants Valeo, Jennings, and Staats, in their respective capacities as "supervisory officers" under the FECA, are charged with enforcement of the FECA and the Regulations promulgated thereunder. Defendants Valeo and Jennings are also *ex officio* Members of the Federal Election Commission.

17. Defendant William B. Saxbe is the Attorney General of the United States. As such, he is charged with the enforcement of criminal sanctions against violations of Title 18 of the United States Code. He is also empowered to receive from the supervisory officers and/or the Federal Election Commission notifications of apparent violations of the FECA and the FECA Amendments, and at the request of the supervisory officers and/or Federal Election Commission, to institute civil actions for relief or any other appropriate order. In any case in which the Federal Election Commission refers an apparent violation to the Defendant, he must respond by report to the Commission with respect to any action taken by him regarding the apparent violation.

18. Defendant Federal Election Commission is established by Section 208(a) of the FECA Amendments, 88 Stat. 1280, as amended by the FECA, 2 U.S.C. Section 437c. The six members of the Federal Election Commission have not been confirmed as of the date of the filing of this complaint. When said members are confirmed and in office, they will be named in their official capacities as defendants in this action.

THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 AND THE AMENDMENTS OF 1974

19. The FECA Amendments substantially revise the FECA, and incorporate within their statutory framework Subtitle H of the Internal Revenue Code of 1954.

LIMITS ON CONTRIBUTIONS TO CANDIDATES

20. Section 101(a) of the FECA Amendments, 88 Stat. 1263, amends 18 U.S.C. Section 608 to provide *inter alia* that

(a) no person (as defined by 18 U.S.C. Section 591(g) to mean an "individual, partnership, committee, association, corporation or any other organization or group of persons") shall contribute to any candidate with respect to any election for any federal office more than $1,000;

(b) no individual shall make contributions agregating more than $25,000 in any calendar year (contributions in a calendar year being defined to mean any contribution made with respect to a given election whether or not made during the actual year of such election); and

(c) no political committee as defined by 18 U.S.C. Section 608(b) as amended by the FECA Amendments to mean an organization registered as such under Section 303 of the FECA for a period of not less than 6 months which has received contributions from more than 50 persons and (except for State party organizations) has contributed to 5 or more candidates for federal office, (other than a principal campaign committee) shall make contributions to any candidate with respect to any election for federal office in excess of $5,000.

21. Section 101(b) of the FECA Amendments, 88 Stat. 1266, amends 18 U.S.C. Section 608(a) (1) to provide that no candidate shall make expenditures from his personal funds or those of his immediate family in connection with his campaigns for nomination for election, or for election to federal office in excess of the following aggregate amounts:

(a) $50,000, in the case of a candidate for the office of President or Vice President of the United States;

(b) $35,000, in the case of a candidate for the office of Senator or for the office of Representative from a State which is entitled to only one Representative; and

(c) $25,000, in the case of a candidate for the office of Representative in any other State.

22. Section 102(c) of the FECA Amendments, 88 Stat. 1269, amends 18 U.S.C. Section 591(e) to provide that certain incidental expenses incurred by volunteers in excess of $500 are a "contribution" within the meaning of Section 101(a).

23. The limitations specified in paragraphs 20, 21 and 22 of this complaint are not to be adjusted according to changes in the Consumer Price Index.

LIMITS ON CANDIDATE EXPENDITURES

24. Section 101(a) of the FECA Amendments, 88 Stat. 1264, amends 18 U.S.C. Section 608 to provide that:

(a) no candidate shall make expenditures in excess of $10,000,000 in the case of a candidate for nomination to the office of President of the United States, except that the aggregate of expenditures in any one State shall not exceed twice the expenditure limitation applicable in such State to a candidate for nomination for election to the office of Senator, and except that the Federal Election Commission is empowered to prescribe rules under which expenditures in two or more States shall be allocated for purposes of the expenditure limitation, based on the voting age population in each State which can reasonably be expected to be influenced by such expenditure.

(b) no candidate shall make expenditures in excess of $20,000,000 in the case of a candidate for election to the office of President of the United States;

(c) no candidate shall make expenditures in excess of the greater of 8 cents multiplied by the voting age population of the State of $100,000, whichever is greater, in the case of a campaign for nomination for election by a candidate for the office of United States Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative;

(d) no candidate shall make expenditures in excess of the greater of 12 cents multiplied by the voting age population of the State or $150,000, whichever is greater, in the case of any campaign for election by a candidate for the office of Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative;

(e) no candidate shall make expenditures in excess of $70,000 in the case of any campaign for nomination for election, or for election by a candidate for the office of Representative in any State entitled to more than one Representative;

(f) Section 102(d) of the FECA Amendments, 88 Stat. 1270–1271, amends 18 U.S.C. Section 591(f), relating to expenditures to exclude, *inter alia*, a candidate's fund-raising costs up to 20 percent of the applicable spending limit; and

(g) the limitations enumerated in paragraph twenty-seven subparagraphs (a) through (e) of this complaint shall be adjusted with reference to the Consumer Price Index, by a formula provided in Section 101 (a) of the FECA Amendments, 88 Stat. 1265.

25. Section 101(a) of the FECA Amendments, 88 Stat. 1264, amends 18 U.S.C. Section 608 to define an expenditure "made on behalf of a candidate" as one made by

(a) an authorized committee or any other agent of the candidate for the purposes of making any expenditure; or

(b) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

INDEPENDENT EXPENDITURE LIMITATIONS

26. Section 101(a) of the FECA Amendments, 88 Stat. 1266, amends 18 U.S.C. Section 608, to prohibit expenditures by any "person" as defined by 18 U.S.C. Section 591 (g) to mean an "individual, partnership, committee, association, corporation or any other organization or group of persons", independent of and not by or on behalf of a candidate but "relative to a clearly identified candidate" in excess of $1,000. "Clearly identified" is defined to mean (1) the candidate's name appears, (ii) a photograph or drawing of the candidate appears; or (iii) the identity of the candidate is apparent by unambiguous reference.

EXPENSES OF VOLUNTEERS

27. Section 102(d) of the FECA Amendments, 88 Stat. 1270, amends 18 U.S.C. Section 591 to provide that "expenditure" includes certain incidental expenses incurred by volunteers in excess of $500.

PENALTIES

28. Section 101(a) of the FECA Amendments, 88 Stat. 1266, amends Section 608 of the FECA to provide that any person who violates any provision of that Section shall be fined not more than $25,00 or imprisoned not more than one (1) year, or both.

PRESIDENTIAL NOMINATING CONVENTIONS

29. Section 406(a) of the FECA Amendments, 88 Stat. 1295, amends Section 9008 of the Internal Revenue Code of 1954 to limit the expenditures of the national committee of a party with respect to a presidential nominating convention to $2,000,000 (adjusted to the Consumer Price Index).

30. Section 406(a) of the FECA Amendments, 88 Stat. 1295, amends Section 9008 of the Internal Revenue Code of 1954 to provide that the Federal Election Commission may authorize the national committee of a party to make expenditures which exceed the limitation enumerated in paragraph 29 of this complaint. Such authorization is to be based on the Commission's determination that "due to extraordinary and unforeseen circumstances, such expenditures are necessary to assure the effective operation of the presidential nominating convention by such committee."

31. Section 406(b) (3) of the FECA Amendments, 88 Stat. 1296, amends Section 9012 of the Internal Revenue Code of 1954, to provide that any officer or member of a national committee who consents to a violation of the requirements specified in paragraph 29 of this complaint shall be fined not more than $5,000 or imprisoned not more than one year, or both.

AMOUNTS CONTRIBUTED IN EXCESS OF EXPENDITURES

32. Section 210 of the FECA Amendments, 88 Stat. 1289, provides that amounts received by a candidate as contributions which exceed his or her expenditures may be used to defray any ordinary and necessary expenses incurred in connection with his or her duties as holder of a federal office.

EXPENDITURES OF POLITICAL PARTY NATIONAL COMMITTEES

33. Section 101(a) of the FECA Amendments, 88 Stat. 1265, amends 18 U.S.C. Section 608 to provide that the national committee of a political party and state committees of a political party may make expenditures in connection with campaigns for federal office subject to certain spending limits. In the case of a national committee, it may spend no more than an amount equal to two cents multiplied by the voting age population of the United States in connection with a general election for President. A national or state committee of a party may spend: (1) up to two cents multiplied by the voting age population of the state or $20,000, whichever is greater, in connection with an election to the office of Senator or of Representative from a State which is entitled to only one Representative; (2) up to $10,000 in connection with an election to the office of Representative in any other State.

SUBSIDY FOR PRESIDENTIAL ELECTIONS

34. Sections 403–409 of the FECA Amendments, 88 Stat. 1291, amend Subtitle H of the Internal Revenue Code of 1954 to provide public financing for elections for the office of President of the United States. Under Section 9002 a candidate with respect to any presidential election is defined as an individual who has been nominated for election to that office by a major party or has qualified to have his name on the election ballot (or to have the names of electors pledged to him on the election ballot) in ten or more states. A major party is defined as one whose candidate in the preceding presidential election received, as the candidate for such party, twenty-five percent or more of the total number of popular votes received by all candidates for such office. A minor party is defined as one whose candidate in the preceding presidential election received, as the candidate of such party, five percent or more but less than twenty-five percent of the total number of popular votes received by all candidates for such office. A new party is defined as one which is neither a major party nor a minor party.

35. Section 9006 of the Internal Revenue Code of 1954, as amended by the FECA amendments, establishes a "Presidential Election Campaign Fund" composed of amounts designated to the fund by individuals under Section 6096. Section 6096 permits individual and joint taxpayers to designate one or two dollars, as the case may be, of the taxes they owe to the Presidential Election Campaign Fund. If, at the time of a certification from the Federal Election Commission for payment to eligible candidates, such amounts are not or may not be sufficient to satisfy the full entitlements of the eligible candidates of all political parties, a pro rata distribution is called for, in accord with a priority for different kinds of expenses as established by the FECA.

36. Under Section 9004 of the Internal Revenue Code of 1954, as amended by Section 404(a) of the FECA Amendments, 88 Stat. 1291, candidates for major parties are entitled to equal payments, up to the statutory expenditure limit of $20,000,000, as adjusted by reference to the Consumer Price Index. Candidates of minor parties are entitled to payments equal to an amount which bears the same ratio to the amount allowed major party candidates as the number of popular votes received by the minor party's presidential candidate in the preceding presidential election bears to the average number of popular votes received by major party candidates for President in the preceding presidential election. A candidate who in the previous presidential election received between five and twenty-five percent of the popular vote is to receive an amount computed in the same manner as that of a minor party (less whatever his or her party receives). After the election, a candidate of a minor party who receives more than five percent of the popular vote is entitled to an amount similarly computed if that exceeds the amount computed on the basis of the previous election. A candidate of a new party who receives more than five percent of the popular vote is entitled after the election to an amount computed on the basis of the same ratio.

37. Under Section 9008 of the Internal Revenue Code of 1954, as amended by Sec-

tion 406(a) of the FECA Amendments, 88 Stat. 1294, major parties are entitled to payments up to $2,000,000 to defray expenses of nominating conventions (to be paid before any of the payments specified in paragraph 36 of this complaint). Minor parties are entitled to an amount to support their nominating conventions computed on the ratio described in paragraph 36 of this complaint based on the previous presidential election. The Federal Election Commission may authorize national committees of major and minor parties to make expenditures exceeding the limits described in pargaraph 29 of this complaint upon a determination by the Commission that "due to extraordinary and unforeseen circumstances, such expenditures are necessary to assure the effective operation" of the convention.

38. Under Sections 9033 and 9034, as amended by Section 408(c) of the FECA Amendments, 88 Stat. 1297, a candidate for nomination for election to the office of President of the United States may receive from the Presidential Election Campaign Fund funds to pay expenses incurred in connection with his or her campaign for nomination if he or she has received contributions in excess of $5,000 from residents of at least twenty states (the excess over $250 from any one individual not to be counted), the funds provided to be in an amount matching such contributions (the excess over $250 from any one individual not to be matched). Such payments are to be made only if sufficient funds are available for the payments specified in paragraphs 36 and 37 of this complaint.

FEDERAL ELECTION COMMISSION

39. Section 208(a) of the FECA Amendments, 88 Stat. 1280, amends the FECA, 2 U.S.C. Section 437c, by providing for the establishment of a Federal Election Commission. Said Commission is to be composed of six members, two appointed by the President pro tempore of the Senate on the recommendations of the majority and minority leaders of the Senate, two by the Speaker of the House of Representatives on the recommendations of the majority and minority leaders of the House, and two by the President. All must be confirmed by a majority of both Houses.

40. The Commission has broad powers, Section 208(a) of the FECA Amendments, 88 Stat. 1282, 2 U.S.C. Section 437d. It may, *inter alia:* (a) investigate with the aid of compulsory process; (b) exercise primary jurisdiction with respect to civil enforcement of the FECA, as amended, by bringing actions (including proceedings for injunction) in federal district courts; (c) refer violations to the Attorney General; (d) formulate general policy with respect to the administration of the FECA, the FECA Amendments, and certain provisions of Title 18 of the United States Code; (e) render advisory opinions; and (f) make rules necessary to carrying out the FECA and the FECA Amendments.

41. Section 209(b)(1) of the FECA Amendments, 88 Stat. 1287, amends Section 316(a) of the FECA to empower the Commission to make rules and regulations under the provisions of the FECA and FECA Amendments relating to reporting and disclosure. Any proposed rule or regulation dealing with required reports or statements by a candidate for the office of Senator and by political committees supporting such candidate shall be transmitted to the Senate. If the Senate does not disapprove such a proposed rule or regulation within 30 legislative days, the Commission may prescribe it. Any proposed rule or regulation dealing with required reports or statements by a candidate for the office of Representative and by political committees supporting such candidate shall be transmitted to the House. If the House does not disapprove such proposed rule or regulation within 30 legislative days, the Commission may prescribe it.

If a proposed rule relates to required reports or statements by a candidate for the office of President of the United States, and by political committees supporting such candidate, it shall be transmitted to both the House and the Senate. Both the Senate and the House may disapprove any such proposed rule or regulation within 30 legislative days.

42. Section 302 of the FECA Amendments, 88 Stat. 1290, amends the FECA, 2 U.S.C. Section 456, to provide that if the Commission finds that a candidate for a federal office failed to file a report required by the FECA or the FECA Amendments, such person shall be disqualified from becoming a candidate in any future election for federal office until one year after the expiration of the term for which such person was a candidate.

MISCELLANEOUS DEFINITIONS

43. The FECA and FECA Amendments define in Section 301(d) a political committee as "any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000."

44. Section 301(e) of the FECA and Section 591(e) of Title 18 U.S.C., as amended, define a contribution as a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing the nomination for election of any person to federal office or for influencing the results of a primary to select delegates to a national nominating convention or influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of the President of the United States. News stories, commentaries and editorials are not excepted from these definitions.

45. Section 301(f) of the FECA and Section 591(f) of Title 18 U.S.C. define expenditures to mean a purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination for election of any person to federal office or for influencing the results of a primary to select delegates to a national nominating convention or influencing the results of an election held for the expression of a preference for the nomination of persons for election to the office of the President of the United States. News stories, commentaries and editorials are excepted from these definitions.

REPORTING AND DISCLOSURE

46. Under Section 302(b) of the FECA, as amended by Section 202(a) of the FECA Amendments, 88 Stat. 1275, committees must keep detailed records identifying any person who contributes $10 or more. Under Section 304(a) of the FECA, as amended by Section 204(a) of the FECA Amendments, 88 Stat. 1277, political committees receiving contributions or making expenditures on behalf of a candidate must file reports with said candidate's principal campaign committee which comply in all respects with the reports required to be filed with the Federal Election Commission by the principal campaign committee. A principal campaign committee must, under Section 304(b) of the FECA, report the full name, mailing address, and occupation of each person who has made one or more contributions to or for said committee in an aggregate amount in excess of $100, together with the amount and date of said contributions.

47. Section 204(c) of the FECA Amendments, 88 Stat. 1277, amends Section 304 of the FECA to provide that a member of Congress need not report as contributions received or expenditures made the value of services furnished by the Senate or House recording studios, or by an individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if such services were paid for by the Republican or Democratic Congressional Committees. The section does not apply to recording services furnished during the calendar year before the year in which the Member's term expires.

48. Section 204(c) of the FECA Amendments, 88 Stat. 1278, provides that every person who makes contributions or expenditures other than by contributions to a political committee or candidate in an aggregate amount in excess of $100 shall file with the Commission a report containing the information described in paragraph 46 of this complaint.

49. Section 208(a) of the FECA Amendments, 88 Stat. 1279, amends the FECA as follows:

"Sec. 308. Any persons (other than an individual who expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election, or who publishes or broadcasts to the public any material referring to a candidate (by name, description, or other reference) advocating the election or defeat of such candidate, setting forth the candidate's position on any public issue, his voting record, or other official acts (in the case of a candidate who holds or has held Federal office), or otherwise designed to influence individuals to cast their votes for or against such candidate or to withhold their votes from such candidate shall file reports with the Commission as if such person were a political committee. The reports filed by such person shall set forth the source of the funds used in carrying out any activity described in the preceding sentence in the same detail as if the funds were contributions within the meaning of section 301(e), and payments of such funds in the same detail as if they were expenditures within the meaning of section 301(f)."

50. Section 208 of the FECA Amendments, 88 Stat. 1284, amends the FECA to provide that the Federal Election Commission may institute civil actions for relief, including injunctions, if there is reason to believe that a person has engaged, or may engage, in acts or practices which violate the Act. The Commission may also request the Attorney General to bring civil actions for relief, including injunctions, against violations of the Act.

PENALTIES

51. Title 2 U.S.C. Section 441 provides that any person who violates the registration, reporting and disclosure provisions specified in paragraphs 46, 47, 48, or 49 of this complaint shall be fined not more than $1,000 or imprisoned not more than one year, or both.

CAUSES OF ACTION

52. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they restrict and inhibit political activity by limiting the solicitation, receipt or making of contributions on behalf of political candidates, in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution.

53. The FECA and the FECA Amendments violate the rights of one or more of the plaintiffs in that they restrict and inhibit political activity by preventing candidates or their immediate family from expending personal funds where available and necessary, in violation of their rights of freedom of speech and association guaranteed by the First Amendment to the Constitution.

54. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they restrict and inhibit political activity by limiting the incidental expenses which volunteers working on behalf of political candidates may in-

cur, in violation of their rights of freedom of speech and association guaranteed by the First Amendment to the Constitution.

55. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they limit expenditures by a candidate for federal office, and thereby restrict and inhibit the candidate's ability to communicate his ideas and positions, in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution.

56. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they are designed to have, and have, the effect of favoring most incumbent officeholders and thereby disadvantaging most challengers, in violation of their rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution. Incumbents have, at the government's expense, permanent offices, the frank, expense allowance, an established staff, access to Congressional television recording services, and a variety of office supplies and expenses, none of which constitute expenditures within the FECA and the FECA Amendment when used by them for all but blatantly political purposes. Challengers can employ such valuable resources only by making expenditures which the Act limits to an amount far below the value of what is available to incumbents by virtue of their office alone. This disparity is in addition to the political advantages which naturally inhere in incumbency, such as ability to make news and wider name recognition.

57. The FECA Amendments deprive one or more plaintiffs of their constitutional rights in that they allow incumbent officeholders and successful candidates to employ surplus campaign funds to defray the expenses of their offices, thus discriminating invidiously against candidates challenging incumbents and against unsuccessful candidates for federal office, in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution.

58. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they discriminate against third parties and minor parties which rely heavily on large contributions, in violation of their rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution.

59. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they discriminate against third parties or minor parties which have not previously demonstrated their ability to capture a large percentage of the popular vote or which run candidates on a "balance of power" or "spoiler" strategy hoping to influence the policies of the major parties, in violation of their rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution.

60. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they limit the expenditures of national committees of a political party in the case of campaigns for federal office in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution.

61. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they discriminate against political parties lacking a national committee, in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution.

62. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they discriminate against political parties sponsoring a candidate for President in only one State, in violation of their rights of freedom of speech and association guaranteed by the First Amendment to the Constitution and the Due Process Clause of the Fifth Amendment to the Constitution.

63. The FECA Amendments deprive one or more of the plaintiffs of their rights in that the method of appointment of the Federal Election Commission violates the constitutional separation of powers and discriminates invidiously against them in violation of the Due Process Clause of the Fifth Amendment to the Constitution.

64. The FECA Amendments deprive one or more of the plaintiffs of their right to a hearing before an impartial tribunal by entrusting administration and enforcement of the FECA, as amended, to the Federal Election Commission, in violation of the constitutional separation of powers, Article III, and the Due Process Clause of the Fifth Amendment to the Constitution.

65. The FECA Amendments deprive one or more of the plaintiffs of their rights in that the Federal Election Commission is empowered to make rules under the FECA in violation of the constitutional separation of powers and the Due Process Clause of the Fifth Amendment to the Constitution.

66. The FECA Amendments deprive one or more of the plaintiffs of their rights in that the Federal Election Commission has power to disqualify a person from becoming a candidate for election to federal office in violation of the First, Fifth, and Sixth Amendments to the Constitution.

67. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they provide, through auditing procedures, for the Federal Election Commission to inspect lists and records required to be kept by political committees of individuals who contribute more than $10, in violation of their right of freedom of speech and association and privacy guaranteed by the First, Fourth, and Ninth Amendments to the Constitution and of their right to due process of the Fifth Amendment to the Constitution.

68. The FECA Amendments and the FECA violate the rights of one or more of the plaintiffs in that they require political committees to register and disclose the names of those of their contributors who contribute in excess of $100, in violation of their rights of freedom of speech, association and privacy guaranteed by the First, Fourth, and Ninth Amendments to the Constitution and of their right to due process of the Fifth Amendment to the Constitution.

69. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they discriminate invidiously against them by not requiring the same disclosure from incumbent officeholders of all resources available to such incumbents, such as the value of services furnished by the Senate or House recording studios or the services of certain individuals on their staffs, in violation of the right to due process of the Fifth Amendment to the Constitution.

70. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they provide that every person contributing or expending more than $100 other than by contribution to a political committee or candidate (including volunteers with incidental expenses in excess of $600) must make disclosure to the Federal Election Commission, in violation of the rights of freedom of speech, association and privacy of the First, Fourth, and Ninth Amendments to the Constitution and of their right to due process of the Fifth Amendment to the Constitution.

71. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they require any person who expends funds or commits any act for the purpose of influencing the outcome of an election or who publishes or broadcasts to the public any material advocating the election or defeat of a candidate, setting forth a candidate's position on any public issue, his voting record or any official acts to file reports with the Commission as if such person were a political committee, in violation of the rights of freedom of speech, association and privacy of the First, Fourth, and Ninth Amendments to the Constitution.

72. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they provide criminal penalties for violation of the disclosure provisions of the statutes, in violation of the rights of freedom of speech, association and privacy of the First, Fourth, and Ninth Amendments to the Constitution.

73. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they restrain and inhibit individual political activity by limiting to $1,000 the independent (not on behalf of a candidate) expenditures of any person relative to an identified candidate, in violation of the rights of freedom of speech and association of the First Amendment to the Constitution.

74. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they exclude from the definition of "political committee" committees registered for less than the period of time prescribed in the statute, thus invidiously discriminating against such committees by prohibiting them from participating in the political process for a six-month period, in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution.

75. The FECA and the FECA Amendments provide that the government may bring criminal prosecutions against anyone who violates or is about to violate Section 608 of the FECA and Section 9008 of the Internal Revenue Code of 1954. The risk of criminal prosecution deters and restrains one or more of the plaintiffs and in certain instances constitutes a prior restraint of their exercise of their rights of freedom of speech and of association in violation of the First Amendment to the Constitution and deprives one or more of the plaintiffs of due process of law in violation of the Due Process Clause of the Fifth Amendment to the Constitution.

76. The FECA, the FECA Amendments, and Subtitle H of the Internal Revenue Code of 1954 deprive one or more of the plaintiffs of their constitutional rights in that federal tax money is thereby used to support political movements and organizations, in violation of the restrictions imposed on the federal taxing and spending power by the First Amendment to the Constitution.

77. The FECA, the FECA Amendments, and Subtitle H of the Internal Revenue Code of 1954 deprive one or more of the plaintiffs of their constitutional rights in that federal tax money is thereby used to support only certain political parties in violation of the restrictions imposed on the federal taxing and spending power by the First Amendment to the Constitution.

78. The FECA, the FECA Amendments, and Subtitle H of the Internal Revenue Code of 1954 deprive one or more of the plaintiffs of their constitutional rights in that federal taxpayers are permitted to designate neither their preference for parties nor for candidates in violation of the rights of freedom of speech and association guaranteed by the First Amendment to the Constitution.

79. The FECA, the FECA Amendments, and Subtitle H of the Internal Revenue Code of 1954 violate the constitutional rights of one or more of the plaintiffs in that they establish officially supported political parties and discriminate against minor parties and independent candidates, against parties sponsoring a candidate for President in less than ten States, against candidates with substantial support in less than twenty States, against parties who have neither nominating conventions nor primaries, and against independent candidates not nominated by conventions or primaries. These provisions violate the rights of freedom of speech and association of the First Amendment to the Constitution and the right to due process of law of the Fifth Amendment to the Constitution.

80. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they empower the Federal Election Commission and the Attorney General to bring civil actions, including proceedings for injunctions against any person who has engaged or who may engage in acts or practices which violate the Act. The risk of being subject to civil injunction proceedings deters and restrains one or more of the plaintiffs and in certain instances constitutes a prior restraint of the exercise of their rights of freedom of speech and association of the First and Fifth Amendments to the Constitution.

81. The FECA and the FECA Amendments violate the constitutional rights of one or more of the plaintiffs in that they limit the freedom of the press by exempting news stories, commentaries, and editorials from the statutory definitions of "expenditure" but not from the statutory definitions of "contribution," thus subjecting those press functions to regulation, in violation of the rights of a free press guaranteed by the First Amendment to the Constitution.

82. Titles I, II, III, and IV of the FECA Amendments deprive one or more of the plaintiffs of the rights of freedom of speech and association and of due process of law under the First and Fifth Amendments to the Constitution because they are excessively vague and overbroad.

83. Titles I, II, III, and IV deprive one or more of the plaintiffs of their retained rights under the Ninth Amendment to the Constitution.

84. Unless application of the FECA, the FECA Amendments, and Subtitle H of the Internal Revenue Code of 1954 against the plaintiffs is enjoined by this Court, plaintiffs will suffer irreparable injury and will be unable to exercise their constitutional rights to participate effectively in the political process, to communicate their views on issues of public policy, to support candidates for federal office, and to compete without discrimination in the electoral process.

PRAYER FOR RELIEF

Wherefore, plaintiffs pray that the Court make application for the convening of a three-judge district court and that said three-judge court hear this action, and upon such hearing to:

1. Order, adjudge, decree and declare that the FECA, the FECA Amendments, and Subtitle H are repugnant to the Constitution of the United States, and that said statutes violate plaintiffs' rights under the Constitution of the United States; and further

2. Permanently enjoin and restrain defendants, their agents and assistants from the use, operation, enforcement, execution and application of the FECA, the FECA Amendments, and Subtitle H in any and all respects in which the same may be found to be repugnant to the Constitution of the United States; and further

3. Grant such order and further relief as to the Court may seem just and proper, together with the costs and disbursements of this action.

Plaintiffs further pray, pursuant to Section 315(a) of the FECA, 88 Stat. 1285, 2 U.S.C. Section 437h, that this Court immediately certify, to the United States Court of Appeals for the District of Columbia Circuit all questions of constitutionality raised herein.

Dated: January 2, 1975.

[U.S. District Court for the District of Columbia—Civil Action No. 75-0001]

James L. Buckley, et al., Plaintiffs, v. Hon. Francis R. Valeo, et al., Defendants

MEMORANDUM AND ORDER

In their complaint the plaintiffs seek declaratory and injunctive relief against certain provisions of the Federal Election Campaign Act of 1971, 2 U.S.C. § 431 *et seq.* (Supp. II, 1972); the Federal Election Campaign Act Amendments of 1974, *Pub. L. No.* 93-443, 88 Stat. 1263; and Subtitle H of the Internal Revenue Code of 1954, 26 U.S.C. § 9001 *et seq.* (Supp. III, 1973), *as amended, Pub. L. No.* 93-443, 88 Stat. 1263, and against their enforcement by the defendants. The grounds of the complaint are that the statutes deprive them of the right to petition for redress of grievances, deprive them of the right of privacy, deprive them of due process of law and discriminate invidiously against them, all in violation of the First, Fourth, Fifth and Ninth Amendments to the Constitution. Further alleged grounds are that the mode of appointment and confirmation of members of the Federal Election Commission and its purported power to administer, interpret, make rules and enforce said statutes is in violation of the constitutional separation of powers. The charges are detailed in paragraphs 52 through 84 of the complaint.

This Court's jurisdiction is invoked pursuant to 28 U.S.C. §§ 1331, 2201-2202, and § 315(a) of the Federal Election Campaign Act of 1971, 88 Stat. 1285, 2 U.S.C. § 437h [hereinafter cited as § 315(a)].

Since they seek an injunction restraining the enforcement of an act of Congress, plaintiffs also seek to convene a three-judge district court, pursuant to 28 U.S.C. §§ 2282, 2284. The defendants have opposed that motion. Further, pursuant to § 315(a), plaintiffs request this Court to certify immediately all questions of constitutionality raised by the complaint to the United States Court of Appeals for the District of Columbia Circuit.[1]

The plaintiffs are four individuals (two of whom are Members of Congress, and one former Senator) and five organizations. The defendants are the Secretary of the United States Senate, the Clerk of the House of Representatives, the Comptroller General, the Attorney General and the Federal Election Commission.[2]

I

The Federal Election Campaign Act of 1971 as amended by the 1974 Amendments covers very comprehensively all aspects of the financing and conduct of future Federal elections, and the complaint is correspondingly broad, in that it attacks most of the key provisions of the Act on various constitutional theories. But, at this particular juncture, we focus only upon the meaning and effect of § 315(a).[3]

Section 315 establishes a unique procedure for judicial review of actions arising under the Act which raise constitutional issues. It authorizes the Federal Election Commission, the national committee of a political party, or any individual eligible to vote in any election for the office of President to bring an appropriate action in a district court to test the constitutionality of any provision of the Federal Election Campaign Act of 1971, *as amended*, or of Sections 608, 610, 611, 613, 614, 615, 616, or 617, of Title 18, United States Code.

The District Court in which a complaint is lodged is required to certify "immediately" all constitutional questions to the Court of Appeals for its Circuit, which, in turn, is required to hear and determine those questions sitting *en banc*.

The judgment of the Court of Appeals on the constitutional questions, in turn, is reviewable by direct *appeal* to the Supreme Court, and any such appeal must be brought within 20 days of the decision of the Court of Appeals. Finally, both the Supreme Court and the Court of Appeals are required to expedite any matter certified by the District Court.

These unusual review provisions pose several rather obvious questions for the District Court, *in limine, viz.*:

(1) Should the District Court make an initial determination as to constitutionality?

(2) If so, must a three-judge court be convened for that purpose?

(3) Should the District Court explore such preliminary matters as to the standing of each of the parties to bring a complaint?

As this Court construes § 315(a) and the legislative history of *Pub. L. No.* 93-443, the answer to each of the foregoing questions is in the negative.

The very essence of § 315, as the Court reads it, is speedy judicial review. The District Court is mandated "immediately" to certify questions of constitutionality to the Court of Appeals, § 315(a); the Court of Appeals is mandated to hear the case *en banc*, thus by-passing the normal panel determination, § 315(a); and the decision of the Court of Appeals, *en banc*, is reviewable by a direct appeal to the Supreme Court to be brought no later than 20 days after the decision of the Court of Appeals, § 315(b). It is to be further noted that it is the statutory duty of the Court of Appeals and of the Supreme Court to advance the case on their respective dockets and expedite the case "to the greatest possible extent." § 315(c). Such a mandated procedure would not seem to permit any activity on the part of the District Court which would involve the usual delay pending answer, briefing, argument and consideration, provided only that a substantial constitutional question is raised by a complaint and that complaint is filed by a party having standing to lodge it.

The legislative history, although somewhat sparse, would seem to bear out these conclusions.

II

The 1974 Amendments to the Federal Election Campaign Act of 1971 became law October 15, 1974. *Pub. L. No.* 93-443. It immerged from S. 3044 and its House counterpart, H.R. 16090.[4]

The original S. 3044 was introduced in the Senate February 21, 1974. It did not include provisions for special review of constitutional issues as is now provided by § 315(a).

The history of the present § 315 is as follows:

(1) On April 10, 1974 Senator Buckley of New York (a plaintiff herein) introduced without objection an amendment to S. 3044, which read as follows:

EXPEDITIOUS REVIEW OF CONSTITUTIONAL QUESTIONS

Judicial review

"Sec. 407. (a) The Federal Election Commission, the national committee of any political party, and individuals eligible to vote for President are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this Act or of Chapter 29 of title 18, United States Code. The district court shall immediately certify all questions of constitutionality of this Act to the United States court of appeals for that circuit, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law or rule any decision on a matter cer-

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Footnotes at end of article.

tified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal must be brought within 20 days of the court of appeals decision.

"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any question certified under subsection (a)."

The amendment was accepted without vote. *Id.* At the time Senator Buckley submitted his amendment he remarked:

". . . (The amendment) merely provides for the expeditious review of the constitutional questions I have raised. I am sure we will all agree that if, in fact, there is a serious question as to the constitutionality of this legislation, *it is in the interest of everyone to have the question determined by the Supreme Court at the earliest possible time. Id.*" (Italic added.) 120 *Cong. Rec.* 10562 (daily ed. April 10, 1974).[5]

(2) S. 3044, as thus amended, was referred to the House Administration Committee on April 22, 1974.

(3) On July 24, 1974, the House version designated as H.R. 16090 was introduced in the House with the Buckley amendment included and was eventually reported out of committee with the amendment still included.

(4) On October 7, 1974, the Conference Report was filed with both the House and Senate. It was accepted by the Senate on October 8, 1974 and by the House October 10, 1974.

(5) Significantly, in conference, the authorization in the Buckley amendment "to institute such actions in the appropriate District Court including actions for declaratory judgment or injunctive relief as may be appropriate to implement or construe any provision of this Act," was changed to authorize actions "to construe the constitutionality of any provision of this Act or of Sections 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18 U.S.C." The power "to implement" the Act is deleted.

Where the change originated is not clear. It is not reported in hearings or debates. The comment in the Conference Report simply says:

"The conference substitute generally follows the House amendment and makes it clear that these special judicial review provisions are available only for actions directed at determining the constitutionality of provisions of the Act and of provisions of title 18, United States Code, related to the activities regulated by the Act." *S. Conf. Rep. No.* 1237, 93d Cong., 2d Sess. 96 (1974).

III

We would look, as well, to other provisions of the Federal Election Campaign Act of 1971 and Subtitle H of the Internal Revenue Code of 1954 having some bearing on District Court activities in given situations.

A. § 314 of the 1971 Act sets out the enforcement powers of the Federal Election Commission and includes, *inter alia*, authorization for the Commission to institute suit in a District Court to implement its findings by injunctive or other appropriate relief. In such a case the action of the District Court is reviewable in the usual way by the Court of Appeals and then by the way of *certiorari* to the Supreme Court. Of course, in such a case the Commission would be the plaintiff exercising its enforcement powers, while the present case represents a challenge by outside parties to the constitutionality of certain provisions of the Act. Presumably, a challenge to Commission procedures instituted under § 314 on constitutional grounds would invoke the application of § 315(a).

B. Section 9011(b) (1) and (2) of Title 26, U.S.C., to some extent would seem to cloud the meaning and effect of § 315(a).

Chapter 95 of Subtitle H was enacted to implement the so-called "dollar check-off." As originally enacted, it was not a part of the Federal Election Campaign Act of 1971. However, in 1974 the amendments to the 1971 Act and to Subtitle H were embraced within the same general framework, thus bringing them under the same umbrella, presumably to be construed compatibly.

Section 9011(b) (1) of Title 26, U.S.C., like § 315(a), authorizes the Federal Election Commission, the national committee of any political party, and any individual eligible to vote in any election for the office of President "to institute such actions, including actions for declaratory judgment or injunctive relief as may be appropriate to implement or construe any provision of . . . Chapter (95)."[6] However, § 9011(b) (2), unlike § 315(a), expressly provides that any such suits are to be heard and determined by a court of three judges in accordance with the provisions of § 2284 of Title 28, U.S.C.

Thus, although the Federal Election Campaign Act of 1971, the Federal Election Campaign Act Amendments of 1974, and Subtitle H of the Internal Revenue Code of 1954, are laws *pari materia* and form a cohesive all-embrasive framework as far as Federal elections are concerned, there is, nevertheless, inconsistency between the judicial review called for under § 315(a) and that required by § 9011(b) (2).

Giving effect to the rule that all provisions of an act must be construed to give effect to its ultimate purpose,[7] the two provisions must be reconciled, unless we are to hold that a complaint, such as that at bar, challenging both the Subtitle H provisions, and the other provisions of the Act, is somehow to be bifurcated to give the two different parts of the 1974 Amendments different procedural treatment. We arrive at that reconciliation by concluding that Congress, in its most recent pronouncement, namely § 315 (a), directed that the constitutionality of "*any* provision of this Act"[8] is to be processed as provided in § 315(a) and that to the extent that § 315(a) is, or appears to be, inconsistent with the earlier enacted Chapter 95 of Subtitle H, § 315(a) is to control.

Notwithstanding any apparent inconsistencies or conflicts noted above, this Court is convinced that the overriding concern of Congress was to provide swift judicial review of all constitutional questions engendered by the passage of the 1974 Amendments, and to have all those questions, when properly framed in a single complaint, decided together rather than in a piecemeal fashion. Surely Congress could not have intended the unworkable result that would follow were this Court to convene a three-judge district court to decide plaintiffs' Chapter 95, Subtitle H claims, while the remainder of their claims proceeded directly to the Court of Appeals under § 315(a).[9]

IV

The foregoing dictates the conclusions that Congress contemplated that any constitutional challenge to any provision of the Act would be processed through the lower courts to the Supreme Court with a minimum delay, and that to obviate as much delay as possible,[10] the only function of the District Court would be to screen the complaint for determination of whether a constitutional issue was raised and whether it was raised by persons having the statutory authority to do so.[11] The Court accordingly will certify the entire proceeding to the Court of Appeals forthwith.

Further, the Court concludes that a three-judge district court is not required in the present case. The plain statutory language indicates the unequivocal intent of Congress to establish an *ad hoc* procedure for judicial review of the statutes in question. The procedure established by § 315(a) is clearly inconsistent with that found in 28 U.S.C. §§ 2282 and 2284. Under § 2284 the three-judge district court hears and determines the questions presented on the merits. From its judgment there is a direct appeal to the Supreme Court. 28 U.S.C. § 1253. That procedure, itself an exception to the usual Supreme Court review, has obviously been supplanted by § 315(a).[12]

V

In light of the above, the Court holds (1) that § 315(a) mandates that this Court must certify immediately to the Court of Appeals all well-pleaded constitutional questions, without in the first instance making a determination as to such constitutionality, and (2) that a three-judge district court is not required to be convened for this case.[13]

The Court specifically finds that the plaintiffs raise substantial constitutional questions, and that at least the four individual plaintiffs have standing to seek judicial review of the provisions in question.[14]

Further, the Court declines to rule on the defendants' motion to dismiss. As on the question of organizational standing, the matters raised in the motion to dismiss are more properly left to the initial determination of the Court of Appeals.

VI

Accordingly, it is this 24th day of January, 1975,

Ordered and Adjudged that plaintiffs' application for a three-judge district court be, and the same is hereby, denied; and it is further

Ordered and Adjudged that the constitutional questions raised by plaintiffs in their complaint be, and the same are hereby, certified immediately to the United States Court of Appeals for the District of Columbia Circuit; and it is further

Ordered and Adjudged that the Clerk of this Court shall, as soon as practicable, transmit the entire file of the instant case to the Clerk of the Court of Appeals for this Circuit.

FOOTNOTES

[1] Plaintiffs also seek to have the defendants' time in which to respond to the complaint reduced from 60 days to 30 days. *Fed. R. Civ. P.* 12(a). In view of the fact that the defendants have moved to dismiss, plaintiffs' request is now moot.

[2] The 1974 Amendments to the Federal Election Campaign Act provide that the Act shall be administered by a "Federal Election Commission." 2 U.S.C. § 310(a). Until the Commission is qualified, the Comptroller General, the Secretary of Senate, the Clerk of the House of Representatives "shall continue to carry out their responsibilities under Title I and Title III of the Federal Election Campaign Act of 1971." 2 U.S.C. § 315(b). The Commission has not yet been established.

[3] Section 315(a) provides:

"Sec. 315(a) The Commission, the national committee of any political party, or any individual eligible to vote in any election for the office of President of the United States may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this Act or section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code. The district court immediately shall certify all questions of constitutionality of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc."

[4] As a "clean" bill, S. 3044 had no hearings held on it. The same applies to its House counterpart, H.R. 16090. In the previous session to the Ninety-third Congress, however, there were numerous measures introduced in both the Senate and the House concerning various aspects of public financing of Federal elections. A number of those measures were accompanied by hearings. For ex-

ample, in the Senate, *see Hearings on S. 1103, S. 1954 & S. 2417 Before the Subcomm. on Privileges and Elections of the Senate Comm. on Rules and Administration,* 93d Cong., 1st Sess. (1973); *Hearings on S. 23, S. 343, S. 372, S. 1094, S. 1189, S. 1303, S. 1355 & S.J. Res. 110 Before the Subcomm. on Privileges and Elections of the Senate Comm. on Rules and Administration,* 93d Cong., 1st Sess. (1973). In the House, *see Hearings on H.R. 7612 & S. 372 Before the Subcomm. on Elections of the House Comm. on House Administration,* 93d Cong., 1st Sess. (1973) (2 vols.). In none of those bills was there a judicial review procedure precisely the same as § 315(a). It should be noted, however, that § 2(a) of S. 2417, to add a § 514(b) in a new Title V of the Federal Election Campaign Act of 1971, has similar language to that of § 315 but without the "immediate certification" provision of § 315(a). *See Hearings on S. 1103, S. 1954 & S. 2417 Before the Subcomm. on Privileges and Elections of the Senate Comm. on Rules and Administration,* 93d Cong., 1st Sess. 495 (1973).

[5] *See also* the remarks of Representative Frenzel, one of the House minority conference managers of S. 3044, during the floor debate in the House concerning S. 3044, who stated: "(A)ny individual under this bill has a direct method to raise these (constitutional) questions and to have those considered *as quickly as possible by the Supreme Court.*" 120 *Cong. Rec.* 35140 (daily ed. Oct. 10, 1974). (Emphasis added). He also said that, in his view, "There are at least 100 items questionable from a constitutional standpoint in (S. 3044)." *Id.*

[6] Chapter 95 of Subtitle H of the Internal Revenue Code of 1954, 26 U.S.C. § 9001 *et seq.* (Supp. III, 1973), is the Presidential Election Campaign Fund Act, the so-called dollar check-off.

Pub. L. No. 93–443, the 1974 Amendments, also added a new Chapter 96 of Subtitle H, the Presidential Primary Matching Payment Account Act. 88 Stat. 1297, 26 U.S.C. § 9031 *et seq.*

The 1974 Amendments substituted "Federal Election Commission" for "Comptroller General" in 26 U.S.C. § 9011(b). *See* § 404 (c) (21) of the Federal Election Campaign Act Amendments of 1974, 88 Stat. 1293.

[7] 2A *C. Sands, Sutherland Statutory Construction* § 46.05, at 56–57 (4th ed. 1973).

[8] Emphasis added. "This Act" is, of course, the Federal Election Campaign Act of 1971, as amended by the Federal Election Campaign Act Amendments of 1974. Section 315 (a), as noted *supra,* was added by § 208(a) of the 1974 Amendments as a new section of Title III of the 1971 Act.

[9] Cf. United States v. Walton, No. 74–1790 (D.C. Cir. Jan. 23, 1975), Slip Op. at 8:

We note in conclusion that many rules of statutory construction place the courts in an unco-operative position with regard to legislative intent. Judicial protection of significant statutory and constitutional interests at times require courts to demand a "clear statement" of intent before deferring to a legislative judgment. There always comes a point, however, where the legislative intent is as clear as is humanely possible and at that point the courts must defer or exercise their constitutional responsibilities.

[10] On this question of urgency and the problems attendant to any delay in resolving the constitutional questions, *see* Washington Post, Jan. 18, 1975, at A4, col. 1; Washington Star-News, Jan. 19, 1975, at E3, col. 1.

[11] ". . . Congress has the undoubted power to give, withhold, and restrict the jurisdiction of the courts other than the Supreme Court . . ." Battaglia v. General Motors Corp., 169 F.2d 254, 257 (2d Cir.), *cert. den.,* 335 U.S. 887 (1948) (citation omitted).

[12] It would be anomalous indeed to convene a three-judge district court in this case, where at least one member of the court would have to be a Circuit Judge, and then to certify the case to the Court of Appeals, at which point the Circuit Judge who sat on the three-judge district court would seemingly have to recuse himself, thus obviating the congressional design that the case be heard by the Court of Appeals *en banc.*

[13] This case, then, is distinguishable from American Civil Liberties Union v. Jennings, 366 F. Supp. 1041 (D.D.C. 1973), *prob. juris. noted sub. nom.* Staats v. American Civil Liberties Union, 417 U.S. 944 (1974), a three-judge district court, which held unconstitutional § 104(b) of the Federal Election Campaign Act of 1971, 47 U.S.C. § 803(b) (Supp. III, 1973).

In that regard, the Court notes that § 205 (b) of the Federal Election Campaign Act Amendments of 1974 repealed Title I of the Federal Election Campaign Act of 1971, 47 U.S.C. § 801 *et seq.* (Supp. III, 1973).

[14] It is not so clear, however, that each of the five organizational plaintiffs possesses the same requisite standing. This is so because obviously none is eligible to vote for the office of President in any election. It is unclear, in the present procedural posture of plaintiff's case, whether any of the named organizational plaintiffs may be "the national committee of any political party" within the meaning of the relevant statute. Since at least some of the plaintiffs have the requisite standing, and since the ultimate decision as to the standing of others may have to await further exploration, in the interests of time, this Court defers to the Court of Appeals on that issue.

THE POTENTIAL IMPACT ON CONSUMER PRICES UNDER PRESIDENT FORD'S ENERGY AND TAX PROPOSALS

Mr. ABOUREZK. Mr. President, President Ford's energy and tax proposals will have an enormous economic impact upon the American people. Even the Federal Energy Administration has had to dramatically increase its estimate of the price impact on the average American family caused by the President's proposals. The FEA now estimates that the average American family will have to pay an additional $345 per year, an increase of 38 percent over the previous estimate.

But even this estimate understates the likely impact of the President's proposals. Economist Mathew Kerbec has calculated that the total amount of the inflationary impacts, including estimated ripple effects through the entire economy, will total approximately $120 billion, $78 billion of which will have to be absorbed by the American people after tax rebates totaling $42 billion. Certainly such an impact will have devastating additional inflationary and recessionary effects on the economy.

Mr. President, I ask unanimous consent that Mr. Kerbec's analysis be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Analysis of Potential Impact on Consumer Prices Under the New Ford Administration Energy and Tax Proposals

CRUDE OIL AND REFINED PETROLEUM PRODUCTS

Assume: 1. That 18 million barrels of crude oil are refined daily and this will drop to 17 million barrels a day when the energy taxes are imposed.

2. That the present composite average for the 11 million barrels produced daily in the U.S. is $7.20 and this will increase to $11 per barrel after excess profit taxes are imposed.

3. That a $3 import and excise tax will be imposed on 17 million barrels daily. Then the yearly tax revenues are calculated as follows:

	Billion
(11.00–7.20)×11 million×365=	$15.257
$3×17 million×365=	18.615
	33.872

This will result in tax revenues of $33 billion but this cost has to be passed on to refineries and this is where the price amplifications due to ripple effects start. For the purposes of this analysis let us assume that this crude oil is marked up by only 15% to cover financing and other miscellaneous costs as it passes through the refinery.

Then the selling prices to industries becomes $38.89 (1.15×$33.872) billion. Thus the total price increase will amount to $33.89 billion on a refined petroleum level.

Present crude oil costs are:

	Billion
Domestic average:	
$7.20×11 million×365=	$28.908
Imported (landed):	
$12.41×7 million×365=	31.707
	60.615

The program will have added 64% to the price of refined petroleum products (38.89 div. by 60.615).

NATURAL GAS

The following estimates were developed from data supplied by Mr. Henry Lippick, Counsel, Senate Commerce Committee 224–3595 and Mr. David Schwartz, Assistant Chief, Office of Economics, Federal Power Commission 386–5162.

Assume: 1. That we use 22 trillion cubic feet of natural gas yearly or 22 billion units of gas with 1000 cubic feet in each unit. Prices usually cover a quantity of 1000 cubic feet or MCF. The total price for all gas was about $11 billion in 1974.

2. Under present proposals the 13 billion CMF sold interstate would go from about $0.50 per CMF to $0.80 per CMF, an increase of $0.30 per CMF.

3. A 37 cent excise tax would be levied on the 22 billion MCF.

Then the total increase in price for natural gas would be:

13 billion×$0.30=$3.90 billion which will go to the oil producers.

22 billion×$0.37=$8.14 billion which will go to the U.S. Treasury as taxes.

$12.04 billion total increase for natural gas prices at the wellhead.

The $12.04 billion represents over a 100% increase in the price. Natural gas is a necessary requirement to produce fertilizer, petrochemical feedstocks, and industries that freeze, can, package and market food. The point to be made is that much of this gas is used for purposes other than to heat homes and is subject to price markups as it ripples through the economy.

COAL

Assume: That 600 million tons of coal are used each year.

1. That the average price in 1974 was $20 per ton. (According to the Wholesale Price Index for December the price of coal went up about 78% in the past year. It is assumed that if the prices for refined petroleum products increase about 64% and natural gas increases about 100% that coal will increase approximately 70%.) This means that the price of coal will increase by $14 a ton.

2. The total cost for coal in 1974 was approximately $12 billion.

Then the total increase in price would be: $14×600 million=$8.4 billion as coal prices find their way up to the new natural gas and crude oil price levels.

The $8.4 billion in price increases will be primarily windfall profits for the coal industry, less tax offsets.

Total Increase in Energy Prices as a Result of the Ford Administrations Energy and Tax Proposals are as Follows:

	Billion
Refined petroleum products	$38.89
Natural gas	12.04
Coal	8.40
Total	[1] 59.33

[1] Total increase in 1975 if the Ford Administration's policies are implemented.

However, it must be clearly understood that this $59 billion is only a start in measuring the effects of these energy price increases. Coal is used primarily by electric power generating companies and as a raw material in the production of steel. Oil products are used as raw materials in the transportation industry and in all the production processes concerned with producing plastics which is a $100 billion a year industry. Actually there is a cost for energy associated with obtaining, producing or transporting all raw materials and products and there are no exceptions.

One scenario for measuring the Price Amplification Effects as these price increases ripple through the economy could be by thinking of the total economy as one manufacturing operation with a 30% gross markup; one wholesale operation with a 20% gross markup; and one retail operation with a 30% gross margin. These markups are cumulative and transform the $59.33 billion into $120.44 billion at the consumer level (1.3×1.2×1.3×$59.33=$120.44).

If the crude oil tax of $33.87 billion and the $8.4 billion tax from the natural gas are redistributed to consumers in the form of lower taxes the total tax will amount to about $42.31 billion. One of the big questions is in forecasting how much of the tax rebate will be used to buy the higher priced electricity, fuel oil, gasoline and public transportation and how much will be left to purchase products produced by the depressed industries.

The end result of this first go-around in our scenario would be an inflationary impact of $120 billion offset by increased purchasing power of $42 billion. If no raises were given, that is, the buying power of the people remained constant more money would be spent for fewer necessities which would increase inflation and expenditures for non essentials which people could do without or postpone buying would be reduced, setting off a new round of production cutbacks and layoffs. It is estimated that this energy tax program will result in about a 7% increase in inflation. If this program resulted in $60 billion less being spent for goods and services and we assume that, on the average, 20% of the selling price of products are labor costs—then the labor bill would be cut by $18 billion. If the average salary for workers in the bottom 80% of the income group is $10,000 per year the $18 billion could mean 1.2 million jobs lost through reduced demand.

The above analysis is rough in that it does not show how much of the industrial income is recycled back into the buying power pool or the increased spending that would accrue through wage increases. Its main purpose is to show that huge increases in energy prices can and do have an economic impact far greater than any other commodity.

Another way to provide an insight to the potential inflationary effects of the new energy tax proposals is by examining the Consumer Price Index under the assumption that prices for coal, natural gas and crude oil will rise by an average of 75% in one year as indeed they did in 1974 and will if the new energy tax proposals are implemented.

Table 1 attached was calculated in September 1974 at a time when energy prices had gone up by 75%. Under the new energy proposals the Table is applicable in showing the first round effects and does not include second and third order effects due to interest and wage increases. The Table shows that a 75% increase in the price of energy could result in a 7.58% inflation under the dual assumptions that the energy component column is accurate and the prices for energy increase by 75%.

NOTE: It is estimated that current annual energy prices are running about: $60.61 billion for oil, $11.00 billion for natural gas, $12.00 billion for coal, or $83.61 billion total for fossil fuel energy.

The $59.33 billion increase in the price of these energy products as a result of the Ford Administration's energy and tax policies will increase the total energy bill by over 70%.

Based on the 70% increase inflation would increase by over 70% (0.70×10.10 from Table 1=70.7%)

Analysis based on the study Superinflation/Recession—Causes, Effects and Cures. Published by the Output Systems Corporation, 2300 S. Ninth Street, Arlington, Virginia 22204, Phone (703) 521-2300.

FROM CONSUMER PRICE INDEX, AUGUST 1974* (TABLE 1)

	Relative importance	Percent energy component ***	Relative importance of energy component	75-percent increase in energy component
Food	24.810	15	3.72	2.79
Housing (33.321) (fuel, gas, electric and utilities)	4.820	90	4.34	3.25
Apparel and upkeep	9.945	4	0.40	0.30
Transportation	12.602	10	1.26	0.95
Health and recreation	18.946	2	0.38	0.29
Total			10.10	**7.58

*Figures may not add up due to rounding. Computations are based on the fact that the prices for coal, refined petroleum products and natural gas have increased by 75% in one year.

NOTES:

1. The total cost to the United States for coal, refined petroleum products and natural gas, in 1974, will be approximately $107 billion. This is an increase of $50 billion over 1973. When Price Ripple Effects are added on a cumulative basis as these prices spread through the basic industries, the finished goods industries and finally through the wholesale and retail sectors of the economy the cost to the consumer could be as high as $100 billion—much of which will not be recycled back into the economy, in the short term, as wage increases and dividends.

2. **The 7.58% increase due to rising energy prices does not include Price Ripple Effects caused by the resultant high interest rates which were forced up by demands for short term working capital by companies squeezed between rapidly rising costs and relatively inflexible selling prices or wage increases which rose as a result of the Consumer Price Index.

3. The August 1974 Wholesale Price Index shows that while crude petroleum went up 79% in one year—refined petroleum products went up by 87.2%. The 1972 Census of manufactures shows that about 60% of the selling price for refined petroleum products results from crude petroleum costs. This is a prime example of Price Ripple Effects—that is, while crude oil went up 79%, refined petroleum products went up 87.2%. Basically selling prices in the basic industries are subject to two factors: (1) The Cost-Push due to the increased cost of raw materials and (2) a Profit Margin-Push due to their market power.

***Conclusion:* The energy component column was based on the best estimates available in September 1974. We do not know of any government agency who had definitized these relationships. Using this data it is imperative to face the fact that a 75% increase in the prices of coal, natural gas, and refined petroleum products in a one year period will automatically result in a 7.58% increase in inflation.

Source: Superinflation/Recession—Causes, Effects and Cures. Published by Output Systems Corporation, 2300 S. 9th St., Arlington, Va. 22204.

VOTER APATHY

Mr. THURMOND. Mr. President, the most important right that we have as Americans is the right to vote. This right is the safeguard of all our other rights, as by voting we elect the officials who make, interpret, and execute our laws. Every American of voting age should vote at every election. This is the democratic system. Those who do not vote are not only wasting their opportunity to influence their Government, they are also by implication rejecting the system that gives them that opportunity. They have no right to complain if the Government fails to work as they would like it, or even if the Government should someday fail to work altogether. By not exercising their right they are steadily undermining it.

Unfortunately, the number of people who do not vote seems to be increasing. In last year's mid-term elections, only 45 percent of the electorate as a whole went to the polls. The records for certain segments of the electorate were much worse. In particular, figures compiled by the Census Bureau show that barely one out of every five eligible voters between the ages of 18 and 21 bothered to cast a ballot. This performance is deplorable. Something must be done about it. I urge all my colleagues in the Senate and House to make every effort to encourage voter participation among all ages, races, and social and economic groups. If we in public life express our concern strongly enough over the next 2 years, the figures for the 1976 elections may begin to show some improvement.

Mr. President, a number of articles have appeared recently in newspapers and magazines giving the sad facts of voter apathy. I ask unanimous consent that the following representative account be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 27, 1975]

FOUR OF FIVE YOUNG PEOPLE DID NOT VOTE

Four of five Americans between the ages of 18 and 21 stayed away from the polls in last November's mid-term elections, the Census Bureau reported yesterday.

Among all categories of voters nationwide, only those approaching retirement age bucked the pattern of massive apathy toward last fall's balloting, according to bureau statistics.

Besides young people, minorities and women showed the least interest in the congressional elections and the selection of governors and local officials.

Overall, only 45 per cent of a record 141 million eligible voters reported going to the polls last Nov. 5. Many of the estimated 76 million who stayed home said they were either uninterested or disliked politics in the post-Watergate era.

The preliminary Census Bureau report was based on interviews of more than 100,000 eligible voters questioned two weeks after the election.

The report showed that not since 1958 had such a high proportion of those eligible, chose not to vote. In that recession year, only 43 per cent of those eligible turned out.

The lowest figure historically was 32.5 per cent in 1942, when millions were away at war.

Comparisons before 1966 are inexact, since not until that year did the Census Bureau begin to ask people whether they voted and why. Earlier figures from other sources counted actual votes measured against the known voting age population.

By that method, also acknowledged to be slightly inexact, the 1974 figure for total turnout was 39 per cent, six percentage points below the Census Bureau's finding.

LAKE DALECARLIA, IND., SOLVES ITS SAFETY PROBLEM

Mr. BAYH. Mr. President, one of the reasons I am so proud to represent the citizens of Indiana in the Senate is that we Hoosiers are a pretty self-reliant group. When the solution to a problem lies within our grasp, we solve it ourselves.

Recent events, particularly with respect to the economy, confirm that an increasing portion of our lives cannot be quickly controlled at the community, State, or even national level. But I would never underestimate the extent to which individual action throughout the neighborhoods of America can bring about the renewed sense of stability and direction so many Americans seek.

Recently, I read about an example of this Hoosier initiative in the community of Lake Dalecarlia, in southern Lake County. Confronted with a serious crime and safety problem, the citizens of Lake Dalecarlia did not merely wring their hands and blame it on "the Government." Instead, they took the bull by the horns and, as part of the General Federation of Women's Clubs' "Brighten the Night" effort, established a program to install additional street lighting in their area. At a time when the consumption of energy must be limited, it is significant to note that this program utilizes mercury vapor lights, which I understand can offer a community up to 200 percent more light while using less power than incandescent bulbs.

P. J. Johnson, executive director of the Street and Highway Safety Lighting Bureau in New York City, has written an interesting article on this community effort in Lake Dalecarlia which I believe will be of interest to my colleagues. Sadly, Mr. Johnson's article must be updated by noting the recent passing of Lake County Chief Deputy Sheriff Millard Matthews, who is quoted in the text. Chief Matthews was an outstanding public servant and will be missed by the residents of Lake County. I ask unanimous consent that the text of Mr. Johnson's account be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAKE DALECARLIA, IND.: 21 INSPIRED WOMEN TO THE RESCUE

During the crime wave of the sixties, the country's cities got most of the attention. Outraged politicians, scared citizens and victimized store owners pushed for significant law and order programs. Police departments beefed up their work staffs, more federal money was funnelled into urban renewal and cities in many cases quadrupled budgets for street lights.

But crime wasn't limited to the nation's cities. For the first time, many suburbanites found they could no longer leave their houses unlocked or walk alone at night. Here, though, they also could direct their concern to city councils and local police departments.

In the hubbub everyone forgot about the unincorporated town, the country's rural areas.

In many cases, crime was nothing more than vandalism or occasional burglary. But it had an unquieting effect on people. When the crime turned to rape or murder, neighbors became desperate. These were areas served by a sheriff in a not-so-nearby town, areas that had no street lighting and no town government to support the introduction of local police or lighting.

"If it was a busy night in the area, the sheriff's office would say they were sorry but they would have to put you on a waiting list and come as soon as possible," says Irene Kennedy of Lake Dalecarlia, Indiana.

Lake Dale, as residents refer to it, is some 20 miles south of Gary. Up until six years ago, 85 percent of the population surrounding the quiet, sleepy lake were just summer residents. But as families have moved away from inner-city problems, communities like Lake Dale now support 85 percent permanent residents. Some Lake Dale household heads commute as far as Chicago to work each day.

The migration brought with it problems—more people with fewer services to go around, more cars and more accidents on unlighted roads, and teenagers who'd grown up for the most part in cities exposed to vandalism and car thefts. Evidence of drugs in nearby Lake Dale schools has been found as low as the 6th grade. Something had to be done to deter crime, to make vandals afraid of being seen, to prevent auto accidents at night, to facilitate emergency vehicles which could easily get lost on the area's many new streets.

The heroines of this story are 21 women who, almost naively, got involved by putting in three street lights.

In the course of raising the money to pay the maintenance on these lights, they offered to pay the first three months maintenance to any individual or group of area residents who put in their own street lights.

"We began canvassing in each of our own neighborhoods, explaining how lights would help and what they'd cost," says Elizabeth Hunt, President of the Dalecarlia Women's Club," and suddenly we've gone from a community of two lights to one with 70."

"Unfortunately, Lake Dale citizens had to protect themselves," says Chief Millard Matthews of the Lake County Sheriff's Office, which is responsible for 500,000 residents. "We have a south car in operation and like to think we could be there in five minutes. But if we're occupied, it could be 50."

Lake Dale covers approximatley 200 acres with a 7½ mile shore line that spread out like a hand. Winding roads and unlighted dead end streets dot the area. Lake Dale has no sidewalks either.

"I never let my kids go beyond the yard at night before the lights went in because I was afraid drivers wouldn't or couldn't see them," says Joan Fletcher. Cats and dogs were run over. Adults carreid flashlights, fearing to walk alone because of the chance of being mugged.

Every homeowner with a boat was in constant jeopardy of having his motor, battery, and boating accessories tampered with. This was the kind of vandalism that previously occurred almost 100 percent during the nighttime hours.

"For a community of 2,500 we had the crime frequency of a town four or six times our size," says Jim White, a vice president with a chemical processing manufacturer in Homewood, Ill. and Lake Dale resident. White is also the elected president of the Property Owners Association, a sort of government body which operates in lieu of a town board. "I suppose the association could have taken responsibility for the street lights three or four years ago when vandalism was so high. But the association hasn't been very meaningful in the past. It is the women's club that's been the most active in our community. They are terribly well organized and have tremendous carry through on projects."

The real beauty of this women's club is that they strive to do positive things. Many citizens across the country are frustrated by rising crime and accident rates at night but they rarely do anything but complain. If street lights are seen as a possible answer, the logistics and imagined high cost keep people from making even simple inquiries.

Lake Dale's Women's Club consists of women of all ages, most of whom are full-time housewives and mothers. While basically they're no different from any other cross section of American women, they think positively. They put their heads together and decided to stop talking and do somethting about solving their community's problems.

"Late in 1968, we were looking for a new project. We wanted something that could be continued year after year and that would help everyone," explains Mrs. Hunt. "Street lights met that requirement." Community improvement is one of the major goals of the 11-million member General Federation of Women's Clubs across the country. In the 10 years that the Lake Dale club has been chartered, they've been active citizens, raising money for such things as deaf children, a nurse's scholarship and band uniforms.

"When we were first chartered no one considered lighting as a project," says Mrs. Kenney. "But not that many people lived here then and there wasn't a significant amount of vandalism." By 1968 things had changed. One house had been completely stripped by vandals; there was a surge in window peeping; and twice cars had hit the narrow bridge which comes after a bad curve on Main Street. The bridge crosses a small dam where the Lake spills into Cedar Creek. Others had made it over the bridge only to hit something on the other side.

It was at the bridge that the women made their first lighting move. Contacting the Northern Indiana Public Service Company 10 miles north in Crown Point, they found they could put in a 175 watt mercury vapor light for $48 a year by using an existing pole. "These are our dusk to dawn lights which have a round pattern of light," says Bob Hart, district manager, NIPSCO. "We generally put them at a 24 foot height unless otherwise requested and maintain them on a group replacement."

At the same time a "not too bright" incandescent light at the corner of Colfax and 159th was replaced with a mercury vapor unit. The turnoff here was difficult and several people had missed it and hit a telephone pole. The third location chosen that year was on the northeast road entering Lake Dalecarlia, where the school bus must travel.

When phone calls of appreciation started coming in, the women knew they'd happened upon something of real significance to the community. The ladies blanketed the area with mimeographed sheets and arranged for articles in the Lake Dale newsletter, and the Gary and Lowell newspapers. The Club announced a three month initial sponsorship for any person or group which would sign a three-year contract with the utility for a light.

For a lot of residents just the fact that the club was so dedicated to their project served as an impetus. In many cases they thanked the women for their inspiration, put in a light, but refused to take the money.

By the end of 1972, the women had put $705.92 into street lighting.

Getting that much money together isn't easy, but ingenious ideas help. Aileen Gordon took a sign "Eat So Lake Dale Can Get Lit" to work once a month and sold lunches to office workers and Card-o-ramas charged members $1 to play bridge and pinocle. Hand-made bazaar items and homemade baked goods were incorporated into summer festivals with games for children and chance drawings for adults. But the Salad Bar was their most successful project. Now in its fourth year, the club regularly holds a $1.25 luncheon at the Property Owners Building. Each member makes four dishes (only breads and salads) to serve eight people. Every member is also responsible for selling 11 tickets. Last fall, 250 tickets were sold.

Through their efforts the Dalecarlia Women's Club has twice been awarded cash prizes in the bi-annual GFWC/Reader's Digest Brighten the Night Competition.

The women are convinced their lighting project will continue to grow. They'd like to see more lights in the back of people's homes at the lake's edge to prevent boat vandalism and to allow children to ice skate on winter nights.

The hope is to keep vandalism and accidents down. Already, it seems insurance is easier to get and the police and fire departments are finding their job much easier.

"There's no question that with the lights we can see addresses better and get around dark corners faster," says Sterling Holst, Lake Dalecarlia's Fire Chief. In 1972 the voluntary fire department answered some 70 calls. Sixty five percent of these were at night.

"The complexion of communities like Lake Dale has changed so drastically in the last 8 years," says Chief Matthews. "They used to be quiet sleepy hamlets where the residents all went to bed at nine. Now our police must live around the clock, and only in a lighted area can they see possible trouble. I was born in this county, but at night in an unlighted area, even I grope to find a turnoff."

CONTINUED IMPORTANCE OF FARM COOPERATIVES, MARKETING ORDERS, AND FEDERAL FARM BARGAINING MECHANISMS

Mr. HUMPHREY. Mr. President, in these times of increased instability in our Nation's farm and food sectors, farm cooperatives, agricultural marketing orders, and other Federal farm bargaining mechanisms have come under increasing attack and question. These attacks have come not only from some consumer oriented "public interest" groups and the Republican Heinz Committee task force in the House, but also from within the Federal Government itself, namely, from the Justice Department, the Federal Trade Commission, and the President's Office of Management and Budget.

While I in no way mean to question the right of any of these groups or agencies to examine or hold up for public scrutiny the administration and enforcement of those Federal laws that guide the operation of these farm bargaining organizations or activities, I believe that farmers and those administering these laws must insist that such examinations be fair, factual, and void of prejudice.

On January 13, 1975, Dr. Randall E. Torgerson, staff economist with the Agricultural Marketing Service of USDA, now on special assignment from the University of Missouri, addressed the National Bargaining Conference in San Diego, Calif., on the general subject of various farm bargaining mechanisms, and the importance of strengthening, not weakening them, in light of today's changing market conditions.

In his address, he examines such allegations that Federal marketing orders "lead to undue price enhancement"; that their administration "does not consider the public interest"; that they "regulate production"; and that marketing orders "are industry-run, self-interest programs." He also examines the changes and importance of market intelligence as it relates to effective farm bargaining. And, he comments on the enforcement responsibilities of the U.S. Department of Agriculture with respect to the Capper-Volstead Act and the Agricultural Fair Practices Act. In short, he has an important message that, in my judgment, should be thoroughly reviewed and understood by farmers, the consuming public, Government agencies and by Members of Congress.

Mr. President, I ask unanimous consent that Dr. Torgerson's January 13 address to the National Bargaining Conference be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RELATIONSHIPS OF GOVERNMENT PROGRAMS IN BARGAINING

(By Randall E. Torgerson, Staff Economist*
Agricultural Marketing Service, USDA)

Pricing of agricultural commodities is an issue high on the agenda of many agricultural and consumer groups and of researchers throughout the country. This is true because the market structure setting in which farmers and ranchers operate today is changing and is different than that which we faced 15–20 years ago. Similarly, consumers are changing. They are questioning food pricing mechanisms about which they have little initial understanding. They are mobilizing into effective political protest groups and are marshalling more informed input into Government regulatory agencies and Congressional hearings. The economy obviously is not as stable today as it has been in recent times. The social forces of the '70's bear little resemblance to the social forces of the '60's.

Consequently, agricultural policy decisions for 1975 will be made in a context which has been fairly unique in the lifetime of most of today's farmers. After 40 years of Government involvement in basic commodities, we now have had several years experience with a freer market. While not all the evidence is in, this policy decision, augmented by off-crop years and strong export demand, has depleted reserves and has sent price levels for grains to record high levels. The economic position of most farmers in the past 2 years has significantly improved.

It is precisely because of this change that agricultural marketing becomes a different ball game. Basic commodities freed from Government programs are now in a similar market setting faced by producers of livestock, fruits and vegetables. The National Bargaining Conference has focused its time and energies over the years to many concerns of market-oriented policy such as new cases in bargaining experience, changes in market structure and needed legislation. I want to share with you a few observations about marketing changes I observe and how some of the Government programs relate to bargaining.

The freeing of commodities from Government programs has been only one of three fundamental changes that have been ongoing in our domestic agricultural markets. The second is the continued concentration of economic power by conglomerates and other types of firms operating in the food industry. Many of these actually have entered into agricultural production. The third is the continued deterioration of open-assembly markets—particularly terminals—where prices generated have served as a barometer of the value of farm products.

When double-digit inflation and the world food situation are added to this equation, we can see why these developments have caused a re-examination of Government programs related to agricultural marketing. Some of the programs and activities coming under scrutiny are in the areas of marketing orders and agreements, market intelligence and enforcement. I want to discuss these programs with you and then make a few observations of my own with respect to needed legislation.

MARKETING ORDERS

I want to be candid about our new agricultural posture: Freeing commodities from Government programs also may have the effect of more price instability in the next 10 years than we had over, say, the past 30 years. This is a trade-off for the much more important benefits of the new market-oriented policy. On the other hand, we need not sit back and let destabilized markets get out of control. The primary mission of marketing orders is to stabilize markets in the short and long run—for such things as fruits and vegetables, milk and nuts—to bring order to the chaos, and to assure adequate food supplies to consumers and more stable prices to producers and consumers. USDA presently operates 109 marketing agreements and orders—61 for milk, 47 for fruits, vegetables, and tree nuts, and 1 for tobacco.

Some of our non-agricultural friends might ask why stability is such a good thing. The answer is that widely fluctuating prices have real social costs, and these in turn can have a ripple effect on the rest of American society. Fluctuating prices lead to displacements, capital costs, and other factors of instability. Specifically, farmers with massive investments could not take the down cycle of many wide-price swings over the long pull. If they exited from production, consumers would be the big losers as well as producers.

The primary thrust of the marketing order program is to achieve orderly marketing of available supplies. In the case of perishable and cyclically produced commodities such as fruits, vegetables, and tree nuts, this is a function which traditionally has not been well performed by free market forces. Marketing orders have evened out the peaks and valleys of supply cycles over the long run, thereby leading to a more orderly and stable production and marketing system. Marketing orders also evolved because of the economic deficiencies of the unequal bargaining power between marketing participants. Marketing disparities arose where individual, non-organized farmers had to deal with a single, well-structured buying organization. Therefore, marketing orders presuppose the existence of marketing cooperatives and/or bargaining associations by producers to countervail buyers of their products.

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* Dr. Torgerson is on special assignment from the University of Missouri-Columbia in his capacity as Staff Economist of AMS. Views expressed are his own and not necessarily those of the USDA. Talk presented to the National Bargaining Conference, January 13, 1975, San Diego, California.

Recently, the use of marketing orders and the organizational activities by farm operators have in turn led to the growth of a number of publicly expressed concerns. These are serious concerns that agriculture must deal with in order to cope with modern market conditions. In the process of expressing concerns, some myths about marketing orders have been generated.

First, market orders lead to undue price enhancement. While many articulate voices argue that undue enhancement has occurred in marketing, research of ERS tends to support the notion that marketing orders have a primary stabilizing effect. Current data support the conclusions that there has *not* been undue price enhancement in this past year of rising food costs. USDA research shows that four-fifths of the 15 percent rise in retail food prices in 1974 came from bigger *marketing* margins. This suggests that the farmer's relative position has been lessening instead of being unduly enhanced.

Second, market order administration does not consider the public interest. This charge has a particular sting to it since it is made so frequently and is given such public exposure. I am prepared to concede that some activist consumer organizations feel that they don't have enough impact on the administration of marketing orders. Yet, marketing orders must be based on the records of public hearings where all interested parties can present testimony before changes are made. Maybe, there can be more public participation and input. This is something we are taking a closer look at, and so should producers.

Third, marketing orders regulate production. Many persons allege that marketing order have the effect, if not the purpose, of regulating production. As you know, there is no authority in the enabling legislation to regulate production. The main objective of marketing orders is not to restrict the overall volume which is marketed but to even out the flow of products and to control quality which benefits both the producers and the consumer. We believe that these provisions of marketing orders lead more toward marketing efficiency than they do toward price enhancement. Nevertheless, one of the goals farmers should embrace in this new year of food price concern is the goal of answering this very understandable consumer misconception of the effect of marketing orders.

Fourth, marketing orders are industry-run, self-interest programs. This myth is probably rooted in one of the oldest criticism of the Department of Agriculture and its programs; namely, that we take care of our own while ignoring the public. Yet, there are public interest criteria set down in the AMA Act and USDA decisions under marketing orders are made in accordance with these criteria. The industry—in the form of producer and joint producer/handler committees—assists in administering fruit and vegetable marketing orders and makes recommendations to the Department for program action. However, the Department has full decisionmaking authority and responsibility. It would be a good idea to articulate that fact to a wider national audience.

Market orders are a tool. They are useful. They are desirable. They provide much public information. But, they are not above examination. We want to preserve them, but we must also be prepared to acknowledge when changes are necessary or when sound criticism has been made. That is why the President announced last October a review of market orders and other regulations to see if they are responsible for inflated prices.

The Department and the Council on Wage and Price Stability have just completed the work of a market task force to fulfill the President's directive. That task force examined regulations that have a potential price impact; the location of decision authority; the types and reliability of information brought to bear; and the types of analyses supporting that decision. This task force report is complete and is now being reviewed by the Assistant Secretaries and the White House. The report will serve an educational role about marketing orders and hopefully will dispell some of the myths just identified.

While I believe some of the publically expressed concerns are exaggerated, I also believe we must be realistic enough to sense the need for responsible use of market orders by producer groups. Just as some irresponsible activities of a few farm groups are imputed by the public to all farmers, so too is the irresponsible use of the market power of some producer groups. Using group action must be kept within the boundaries of propriety and good sense. It is clear what the consequences are of foolish actions, political as well as economic, by some cooperatives and farm groups.

The Agricultural Marketing Agreement Act and the Capper-Volstead Act reinforce each other in sanctioning the activities of cooperatives under marketing orders. But, sanction is not license and any dereliction in either area would certainly risk condemnation of *both* programs. A corn blight can start in one field and spread to a whole county in days. One peach afflicted with brown rot can imperil an entire orchard in 48 hours. These natural phenomena should be kept in mind when one bad organization or co-op begins to reflect on dozens of legitimate ones. Capper-Volstead and the AMA Acts are not shields to cover all activities, and we must never forget that.

A specific example of the need for judicious use of market power is exemplified by over-order pricing in Federal order milk markets. Over-order price premiums generally reflect compensation for services that cooperatives are rendering to the market that handlers would otherwise have to furnish themselves. In establishing over-order premiums, it is necessary to maintain price alignment with other areas of the country. Non-alignment in over-order pricing may serve to some as a signal of undue price enhancement, which the Secretary under the Capper-Volstead Act is responsible for monitoring.

MARKET INTELLIGENCE

One of the changes in markets that I identified in my opening comments was the deterioration of pricing institutions that have served as a guide to the value of farm products. Market news, nevertheless, has come into increasing demand with the widely fluctuating level of commodity prices and the influence of world market conditions that we have experienced in recent years. This has caused us to not only take a look at some of the established ways we collect information and the validity of the information we obtain, but also to see where we can improve market intelligence programs to meet users needs. Market information furnished by Government plays the basic role of making market news equally available to all market participants and thereby enhances competition. Market information is also the foundation for successful bargaining. We realize that there is a new challenge in offering comprehensive market news on a timely basis and are working to meet it.

In trying to do so, however, we meet some obstacles brought about by the changing market structure. Traditional open-assembly markets have given way to decentralized markets and to a fragmented pricing system. Decentralized marketing means that there are more points to cover. At the same time, increasing use of contracting, forward selling, formula pricing and committee pricing—not to mention negotiated pricing—have made the job of collecting and reporting information difficult. A particularly thorny problem is accessability to information in large-scale firms. Concentration, by definition, typically runs counter to the availability of market intelligence through voluntary means.

Over the long run, the job of market news is to try to keep up with the market system itself. We are dealing with a dynamic industry. Not only have traditional marketing institutions, such as the Chicago Stockyards, passed into history, but other terminal markets are declining throughout America. In the broiler industry, for example, there are now only two, and oftentimes, only one transaction in the marketing channel. Add to these factors the rising use of formula pricing and reference pricing from private reports such as Urner-Berry and the "yellow sheet," and one can see that the base for many of our competitive markets has become very thin. Thin markets are readily susceptible to manipulation. If we are not careful, the market news reporting service can report prices that are not representative of actual transactions occurring throughout the country because of the thinness of markets.

To deal with these diverse matters—of which market news concern is an obvious symptom—agriculture is on the verge of establishing new and more reliable pricing systems which interject competitiveness or a more equal balancing of market forces to replace those that have become, or are becoming, institutionally obsolete. New rules will be defined. These alternative pricing systems may include computer auctions and negotiated pricing among others. An example is the computerized auction selling of livestock, grain, and other commodities. As we learned from studying the Canadian hog marketing experience, some degree of compulsion may be required to use these systems effectively to assure a sufficient supply to derive a competitive price. Market orders can also go hand-in-hand with bargaining as is the case of price negotiations for processed fruits and vegetables. These new pricing systems, in some cases, would require new legislation of an enabling nature, as well as the strengthening of existing laws. In any case, the job of making reliable market news available would be greatly enhanced by the aforementioned pricing methods.

In many respects, the national economic and political climate of the past 3 years has not been conducive to forward movement of any of the four bargaining bills that have been before Congress. Inflationary pressures and high food prices, plus the prosperity that many commodity sectors have enjoyed, have dampened the enthusiasm for such legislation. But today, planting intentions portend bumper crops. Discontent, due to increasing capital costs in farming and a depressed livestock industry, may well bring the issue of alternative pricing systems from the back to the front burner.

ENFORCEMENT RESPONSIBILITIES

In the absence of new legislation, attention is likely to be drawn to the enforcement responsibilities held by the USDA under the Capper-Volstead Act and the Agricultural Fair Practices Act, commonly known as S. 109. Under Capper-Volstead, the Secretary has scrutinizing powers to ensure that undue price enhancement does not occur under cover of law. As cooperatives get larger, the Government sees a role which calls for closer observation of the pricing activities in this environment.

The 50-year history of the Capper-Volstead Act has been one of very few complaints of undue price enhancement. As a matter of fact, most complaints have been registered with the Secretary within the past 10 years—the most recent being in the spring of 1974 by a potato processor against the Potato Growers of Idaho, Inc., a bargaining association. J. R. Simplot Company alleged in this case that the grower's association had "unduly and unreasonably monopolized and restrained trade in interstate commerce" by forcing Simplot to "either accept the unreasonable demands of the adamant association and sign a contract on its terms, or curtail processing operations." PGI's contract demands of $4.00 in 1974, up an average of $2.00 from 1973, were characterized as "unreasonable and unduly high" and exceeded increases in production costs in 1974.

Complaints such as this are routinely investigated for evidence of undue price enhancement. This includes examination of production costs, prospective supply and production alternatives, stock levels, open market prices, future prices, and product demand, among others. The Secretary has found no evidence of undue price enhancement to date. Yet, because of the current climate, the Secretary is in the position of being asked questions on his administration of the Act. Increasingly, the public may more and more demand that the Secretary take action against cooperatives or that he search out more carefully examples of price misconduct. You, as bargaining association leaders, should take this consideration into account when establishing your bargaining goals.

The other area of enforcement for which the USDA has responsibility is the processing of complaints and the prosecution of unfair trade practices under the Agricultural Fair Practices Act of 1967. To date, three cases have been successfully prosecuted under this law. Two involved broiler growers, one in Maine and the other in Arkansas. The third case, *Butz v. Lawson Milk Company*, is the first case that has resulted in full court litigation. Judge Lambros, Northern District Court of Ohio, ruled that despite inconsistencies in the wording, the legislative intent of the Act was clear. In essence, the case supported the producer, John Weir, who was cut off from his contract with Lawson because of his affiliation with a milk cooperative. Even so, the ruling raises storm signals because the decision showed a number of deficiencies in the way S. 109 was written.

As an example, the Judge said that in its final form, the Agricultural Fair Practices Act "is a creature of conflicting intent and is, as a result fraught with seemingly inconsistent and paradoxical provisions." Most problems in this regard were due to the Act's disclaimer clause. These deficiencies should command the close attention of all of you gathered here. Only strengthening of the Act will make it a creature of the law that is more easily interpreted by those responsible for enforcing it—both in the Department and in the courts.

WHERE FROM HERE?

It is clear to me that expanded use of bargaining associations and cooperatives is necessary if farmers are going to survive in the future economic organization of agriculture. Pricing of products through bargaining is a natural outcome of the evolving makeup of market forces. It definitely fits into the "new" market-oriented policy which places more responsibility for initiative and marketing back on marketing participants. Leadership is required by you to see that this process of price discovery is put in the proper framework and that the machinery is developed to implement it. To this end, I would make the following observations:

1. New legislation is needed to implement bargaining on a broader basis. At a minimum, this should include bargaining in good faith provisions, stated affirmatively. The new bill should be kept simple. It should provide accreditation by a bargaining board and should be applicable to as many commodities that are feasible to include. Such legislation will cause handlers to recognize bargaining associations. It will also be a basic law that can be built upon in the future through amendments. Newly enacted State bargaining bills in Michigan, Minnesota, and California are building momentum for eventual Federal legislation.

2. Society is presently very food price conscious. For this reason, bargaining legislation can only move forward if advocates can show that the new process will lead to pricing efficiency. The thinness of existing reference prices or terminal quotes must be spelled out. Cooperative leaders should help to take the lead in recognizing this fact rather than proceeding with the status quo. Bargaining must be promoted for what it is, namely, an alternative mechanism for terms of sale discovery. Advocates of this legislation have a huge educational job to do about the facts of marketing in today's agriculture and the fact that bargaining will lead to self-determination for farm operators.

3. The Agricultural Fair Practices Act needs improvement through amendment. In addition to correcting deficiencies in the "Disclaimer" clause, the Act should include failure to bargain in good faith as an unfair trade practice.

4. In the waning days of S. 109 and the early period of introduction of new bargaining bills, the farm press jokingly called the new bills the "Washington lobbyist's retirement act." Producers must be sure that the bargaining bills are not put up merely as window dressing for membership consumption, but that you light some fires and make sure you let your Washington representatives know you care.

5. A critical policy decision will likely be made in coming months on national food reserves. Do cooperatives have a role in this arena? They probably do. This opportunity should be thoroughly explored and possible legislative action considered. Obviously, cooperatives that take on reserve management responsibility (analogous to the Government's CCC operations) will have to be compensated for this undertaking. This may be the road to new cooperative growth as was learned in the Scandinavian experience.

6. Recent challenges to cooperatives by the Justice Department, FTC, Heinz Committee, and "public interest" groups hit at the heart of farmers' legislative authority to organize and to effectively secure their own markets—hence their future in farming—through organized marketing and bargaining. Based on my studies at home and abroad, I am convinced that farmers will need to use more coordinated cooperative marketing efforts through federations and agencies-in-common in the future than they have in the past. Don't let them take this right to organize at higher levels away from you. Federation is important. Due to the natural disruptive influences in large-scale cooperatives that we have recently witnessed, a new will to make federations work is in the offing. You must protect your rights to regional, national, and international federations, or how else will you compete with your multi-national firm counterparts?

7. Finally, bargaining associations and cooperatives go together in representing farmers' economic interests. Each plays an essential role in maximizing potential market power. The bargaininig associations focus on the value of farm products in the field or at the farm gate, while cooperatives secure an outlet in the marketing channel and focus on what the market will bear. The former tends to be more dogmatic and liberal in price demands, while the latter tends to be more business oriented and conservative. Between them, a natural conflict within the farm family exists that is healthy in arriving at a price somewhere in the middle ground between the two. We need to assure a climate in agriculture for both, especially through combined or coalition efforts, in legislative formulation and organizational development.

SUMMARY

Government programs have a close relationship to present and future bargaining efforts through marketing orders and agreements, market intelligence, enforcement activities, and in creating a climate for group action in agriculture. Bargaining groups and cooperatives should continue to encourage the Department to pursue these activities so long as they are useful in your marketing efforts. Farmers must get out in front so that their needs in future pricing systems are recognized and planned for. This issue of pricing farm products will be determined by the legislative agenda of the next few years. Leadership by those of you here today is needed to press your cause and to enunciate it in Washington. If you feel that your Government hasn't created a favorable climate for your bargaining efforts, it probably is because they haven't heard from you.

RICHARD TUCKER—IN MEMORIAM

Mr. JAVITS. Mr. President, on January 8 of this year, one of the great tenors of history, Richard Tucker of the Metropolitan Opera Company, died suddenly while on tour in Michigan. His death was a great tragedy not only for his family and friends but all of us who are his friends, and for the tens of millions of Americans and other people of the world who knew his fabulous voice over the years. Mrs. Javits and I extend our heartfelt condolences to Sarah Tucker and Richard Tucker's children and family.

I ask unanimous consent that Mr. Tucker's obituary in the New York Times of January 9, 1975, and a eulogy delivered by Schuyler Chapin, the general manager of the Metropolitan Opera be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RICHARD TUCKER, THE MET TENOR, IS DEAD

(By Donal Henahan)

Richard Tucker, for 30 years a leading tenor with the Metropolitan Opera Company, died of a heart attack yesterday afternoon in Kalamazoo, Mich., where he was to have appeared in an evening concert. He was 60 years old.

The baritone, Robert Merrill, who was touring with him, said that Mr. Tucker had collapsed in his hotel room and died in Bronson Hospital.

"He was the greatest tenor in the world," Mr. Merrill said.

Only two other star singers in the company's 90-year history—Giovanni Martinelli, the tenor, and Antonio Scotti, the baritone—lasted longer in the cruelly competitive Metropolitan arena, Martinelli for 32 seasons and Scotti for 34.

Mr. Tucker made his Metropolitan debut on Jan. 25, 1945, in the role of Enzo in "La Gioconda."

Mr. Tucker's voice was generally ranked among the finest natural tenor instruments of his time, an assessment highlighted by a remark made in 1956 by Rudolf Bing, then the Metropolitan's general manager: "Caruso, Caruso, that's all you hear! I have an idea we're going to be proud some day to tell people we heard Richard Tucker."

Mr. Tucker was born here Aug. 28, 1914, the son of Jewish immigrant parents, who named him Reuben Ticker. His father, who had come to this country from the Rumanian province of Bessarabia, now part of the Soviet Union, was a Manhattan fur worker and sometimes officiated as cantor in his synagogue.

Reuben changed his name for professional reasons, but was known to his oldest friends as "Ruby." As a boy he played baseball and basketball, and was a tackle on the New Utrecht High School football team.

At the age of 6, he was singing alto and caught the notice of Joshua Samuel Weisser, cantor of the Allen Street Synagogue on the Lower East Side. At his death, he was still an ordained cantor who sang during High Holy Day and Seder services.

In 1963, while on tour in Israel, Mr. Tucker officiated at Sabbath services in the Great Synagogue in Tel Aviv, after which he led hundreds of worshippers in a procession through downtown Tel Aviv, singing hymns.

Mr. Tucker's operatic career was, in a sense, an accident of marriage. Thirty-five years ago, he met Sara Perelmuth, who was the sister of Jan Peerce, already a well-known tenor.

At the time a $25-a-week fur salesman, Mr. Tucker proposed marriage to Sara on a BMT subway platform, and she accepted, even though he was not considered a great catch by her well-off family.

Soon, Mr. Tucker found himself in a friendly rivalry with his brother-in-law and made up his mind that he too could become a famous singer. He began taking voice lessons from Wagnerian tenor Paul Althouse, impressing that artist with his determination.

"Tucker just came for his lesson," Althouse recalled years later, "took off his hat, sang, put on his hat again and went."

Until his marriage, Mr. Tucker had never seen a Metropolitan Opera performance. After several years of study, however, he entered the Metropolitan Auditions of the Air and won a second prize. A job with the Chicago Theater of the Air on radio station WGN followed (he sang condensed versions of operas and operettas).

A CHEERING SECTION

It was in 1944, finally, that Mr. Tucker, having refused to enter the Met's Auditions of the Air for a second try, managed to persuade Edward Johnson, the company's manager, to audition him on the Met stage. Mr. Johnson ordered the novice to learn the part of Enzo in "La Gioconda" and came back. When he made his debut a year later in the role, delegations from Brooklyn and the garment industry were there to cheer him on.

Mr. Tucker was one of an illustrious group of American singers who were brought into the Metropolitan in the nineteen-thirties and forties during the Johnson era. Among the others, who broke tradition by being mostly American trained were Leonard Warren, Jan Peerce, Robert Merrill, Helen Traubel, Eleanor Steber, Risë Stevens, Blanche Thebom and Roberta Peters.

At the height of his career—and some of his admirers would contend that it was at its highest point when he died—Mr. Tucker earned more than a quarter of a million dollars a year. This season he gave recitals in many American cities in addition to his opera engagements here. He had recently come back from Barcelona, Spain, where he had realized one of his longtime dreams of singing the role Eleazar in Halévy's "La Juive," a part made famous by Caruso. This season, too, his schedule included 11 joint recitals with Mr. Merrill.

Although he appeared on occasion in European opera houses such as La Scala in Milan, where he made his debut in 1969, Mr. Tucker's career centered on the Metropolitan.

He once confessed, in fact, that European traditions could be confusing to a boy from Brooklyn. At the end of one act in Verona, the home of Italy's most hot-blooded opera audiences, Mr. Tucker retired in dismay when he heard the screams of "Bis! Bis!" from the standing crowd, calling for an encore. "I thought they were yelling 'Beast! Beast!'," he explained later.

Although opera continued to absorb most of his time and his energies and to win him the most notice (he had leading roles in six season opening performances at the Met), Mr. Tucker could be persuaded to spread himself elsewhere about the musical scene. He helped open the Lincoln Center for the Performing Arts 12 years ago, singing with the New York Philharmonic under Leonard Bernstein at Philharmonic Hall, now Avery Fisher Hall. He sang the "Star Spangled Banner" at the official opening ceremonies of the New York World's Fair in 1964.

But his true medium was opera, and he bathed in its frivolities as well as its glories. Among the early glories was his selection by Arturo Toscanini in 1949 to sing Radames in Aïda" in the Italian maestro's first nationwide opera broadcast. Among his frivolities was the time he broke into Italian for a famous aria during an English-language performance of "Martha" in 1961.

Mr. Tucker was, even for an operatic tenor, rather short (he said he was 5 feet 8 inches tall, but that was an optimistic figure). As Winthrop Sargeant once described him in Life magazine, he was "round, stocky (185 pounds), with a bald head, a surrounding fringe of glossy black hair and, without his toupee, has the look of an energetic owl."

As an actor, he was more often admired for his energy, in fact, than for his dramatic depth or theatrical skill. His gestural repertory, although it expanded somewhat in later years, never went much beyond the standard tenor's device of raising one arm to express mild emotion and two arms to suggest deeper matters.

But as early as 1951, music critics were inclined to look the other way and simply listen. Noel Strauss of The New York Times once declared, "Not since Caruso has this reviewer heard any tenor who delivered Rodolfo's music with more fervor or greater accuracy." Louis Biancolli of The World-Telegram & The Sun went further, perhaps: "Tucker once more demonstrated that if he continues singing as beautifully as he does, a new Mario Lanza will be signed up by Hollywood some day to do 'The Great Tucker.'"

When Rudolf Bing arrived at the Met as general manager in 1950, however, Mr. Tucker wryly complained that his voice was no longer considered enough. "Being an opera star," he said, "isn't what it used to be. With Mr. Johnson, he *wanted* you to act, but with Mr. Bing you *hafta* act."

Mr. Tucker enjoyed being an opera star, and there were those who suspected him of purposely, imitating or even parodying Everyman's notion of what a tenor does and says. He once refused to sing at a gala sponsored by an Italian-language magazine because advertisements for the concert carried the name of the soprano Renata Tebaldi in larger type than his.

When Maria Callas was making news by feuding with the Metropolitan Opera, Mr. Tucker leaped into the spotlight by feuding with Miss Callas over curtain calls. Perhaps the moment he enjoyed most was the time he withdrew at the last minute from an NBC television program because Ed Sullivan and Sol Hurok were fighting over the rights to his services.

HIS COLLEAGUES MOURN

With word of Mr. Tucker's death, tributes quickly came from many of his Metropolitan colleagues.

Luciano Pavarotti, himself one of the Met's leading tenors, said from Milan: "Richard Tucker was one of my gods. In my life there has always been that great voice to use as an inspiration. I, as well as the world, mourn the death of this magnificent tenor."

In New York, Marilyn Horne, the mezzo-soprano, said: "My heart is broken. He was America's ideal—a pioneer and a beacon to all of us artists."

The soprano Joan Sutherland and her husband, the conductor Richard Bonynge, said in London: "One of the phenomenal voices of this century. It was always more and more amazing how fresh and young his voice sounded. The world of music will miss him very much."

Cornell MacNeil, the American baritone, said here, "There ain't gonna be another and there will be a large hole in all of our lives."

Leontyne Price, the soprano, said: "I loved and respected Richard as a great artist and as a warm family and religious man. He was one of the most wonderful colleagues I have ever worked with. I shall miss him."

A funeral service for Mr. Tucker will be held tomorrow at 10 A.M. on the Metropolitan Opera stage.

AT THE MET, NEWS BRINGS MOANS FROM AUDIENCE

Some had heard the news that Richard Tucker was dead on the radio before they arrived at Lincoln Center for last night's performance of Donizetti's "Don Pasquale." But many in the near-capacity audience at the Metropolitan Opera House did not know until Schuyler Chapin, the Met's general manager, walked on stage before the first curtain to announce it.

"We shall miss him," said Mr. Chapin, whose brief announcement was greeted by a sustained moan from the opera-goers. "He always gave 175 per cent of himself, and the company wishes to dedicate the performance of this marvelous comedy to him."

"I was supposed to have dinner with him tomorrow night," said Oscar Kolombatovich, the opera's fencing master, who was in the office of Francis Robinson, the Met vice president, when the first report was received.

Several artists mentioned Mr. Tucker's Barcelona triumph in "La Juive" last month, which he reportedly regarded as one of the greatest performances of his long career.

"It was his biggest success," said the baritone William Walker. Adriana Maliponte, who embraced Mr. Robinson in mutual consolation, recalled that she had appeared with Mr. Tucker in "La Bohème," for her second Met appearance in 1971.

"He was such a wonderful person," said the soprano, whose sentiments were echoed by those in the audience.

"We were supposed to hear him next week," said Mrs. Samuel Marsh, during the first intermission.

"I used to go to hear him when he was a synagogue cantor," said Jacob Berger.

"I've only heard him on records," said Oleg Hoffman, "I wished I'd seen him in person, but that enjoyment is gone forever now."

SWEETNESS AND POWER

(By Harold C. Schonberg)

When Richard Tucker made his Metropolitan Opera debut, during the 1944–45 season, it was apparent to all that a major tenor voice was in the offing. The young singer was, of course, inexperienced, was not much of an actor and was not built along matinee idol specifications. But he had a powerful, well-produced voice with ringing top notes and an exceptionally even scale. Few tenors of the postwar generation equaled him in natural vocal gifts.

Edward Johnson, then manager of the Metropolitan, knew what Mr. Tucker's potential was. Johnson, himself a famous tenor during the nineteen-twenties and thirties, brought Mr. Tucker along slowly. He saw to it that Mr. Tucker was not put into roles that would strain his voice, nor did he throw a multiplicity of operas at the young tenor. In some respects, Mr. Tucker's development was like that of Rosa Ponselle, the great American dramatic soprano, who knew only one role when she stepped onto the stage of the Metropolitan.

BANTAM COCKINESS

Year by year, Mr. Tucker added to this repertory, and while it was not particularly large, it took in the major roles of Italian opera. His skills as an actor developed, and he was especially convincing as Turiddu in "Cavalleria Rusticana" and as the clown in "Pagliacci." His acting was of the old school, but it had a certain bantam cockiness that audiences doted on. Mr. Tucker paced himself very well through the years. This season he was to celebrate his 30th anniversary at the Metropolitan Opera, and his voice, aside from the very top notes, was as powerful and as smoothly produced as ever. Most tenors, Caruso included, lose their high notes after a certain point and have to transpose down.

ADMIRED CARUSO

If there was one singer Mr. Tucker admired, it was the legendary Caruso. Those who knew the Caruso recordings realized that Mr. Tucker in his own singing adopted many of the stylistic and even technical traits of his great predecessor. The one artistic sorrow in Mr. Tucker's life was that the Metropolitan Opera would never stage for him Halevy's "La Juive." The role Eleazar in that opera was one of Caruso's greatest successes, and Mr. Tucker was anxious to be the first tenor after Caruso to sing the role there. He did, however, sing it elsewhere in the United States in the last few years.

There were those who said that Mr. Tucker's voice, with its combination of sweetness and power, did indeed resemble Caruso's. Mr. Tucker has left some recordings, though not so many as his high position in contemporary singing might have indicated. He did relatively little recital work, which cut down one area of recording, nor did he do very much singing overseas. During his years, the Metropolitan Opera did next to no opera recording. He did leave enough, however, for future generations to realize that Richard Tucker had one of the most remarkable voices of his generation.

EULOGY BY SCHUYLER CHAPIN

Sarah—Barry—David—Henry.

"Spiritual happiness is to make peace with oneself, your neighbors and with God and honesty has always been for me the grounds on which my maker, my fellowmen and I meet as friends." These words were written by Richard Tucker and appeared in the New York Herald Tribune on March 3, 1953.

You will remember the essay goes on: "To me truth implies that I am willing to face the consequences of my acts. It is better to give some definition to have the situation in my control rather than let the situation control me."

Not the least of the benefits of honesty is the comfort that comes to me in trouble, when I can think, "at least I've been told the truth. For all these reasons I pray in the words of George Washington in a letter to Alexander Hamilton—(quote) I hope I shall always possess firmness and virtue enough to maintain what I consider the most enviable of all titles the character of an honest man (unquote).

Richard was an honest man in everything that he did. His life as a human being and as an artist were intertwined—each feeding upon the other. His legacy is, indeed, a rich one. Only two artists in the 90 years of the Metropolitan—Martinelli and Scotti—had a longer record. Richard in his 30 years gave 503 performances in New York, 213 performances on tour and undertook thirty-two roles. To each he brought 175% of himself. He believed that the public was entitled to his best every time he put his foot on the stage and he never failed them, just as he never failed his friends or family as a man.

In Genesis it says that it is "not good that man should be alone" and the marvelous, extraordinary thing about Richard was that he never was in his lifetime and never will be now.

William Walker said two days ago that Richard Tucker taught him the difference between vanity and ego. He said that vanity is something you throw away—ego is something you build. Bill Walker was coming to the theater to do his first Don Pasquale. Richard would use this first time as a spur.

No, Richard is not dead—he never will be. The legacy he leaves the personal one—his wife, children and his grandchildren—and his professional—the sound of his voice—proves out that his prayers for honesty were always answered.

There is a gentle Danish expression that, I think, says it all: "To live in hearts we leave behind is not to die."

THE PRESIDENT'S ENERGY PLAN—A COSTLY REMEDY

Mr. HUMPHREY. Mr. President, the administration's proposal to conserve energy by increasing the price of oil and gas has serious implications for many segments of our economy, as well as for our consumers.

It has been estimated that, if fully implemented, President Ford's program would cost American businesses and consumers from $45 to $60 billion each year.

The inflationary impact of these price increases would be severe, adding from 2 to 3 percent to the Consumer Price Index. Of course, draining the economy of even a portion of these funds would place a severe drag on our already sick economy.

A recent article in the Wall Street Journal, "Ford Program To Save Energy May Not Save the Consumer's Cash," reports the reaction to the President's proposal, by those segments of business most directly affected.

Utility executives on the east coast report that the administration's proposal could add about 25 percent to already skyrocketing utility bills.

Spokesmen for the transportation industry are not happy at all with the plan. The already troubled airlines report that they would have to increase fares by 21 percent simply to cover increased fuel costs, not to mention recovering losses from the drop in sales that would no doubt occur. The Nation's truckers indicate that it would be absolutely necessary to raise motor-freight rates immediately to reflect higher operating costs.

Independent heating oil distributors are outraged by the President's proposal. The cost impact on homeowners will be particularly severe in areas that rely heavily on imports. According to industry spokesmen in New England, for example, the cost of heating the average home would increase another $75 or more.

Mr. President, all of this means that an even larger portion of the consumers' shrinking budget will have to be spent on energy.

I must admit that I have great difficulty unraveling the logic in this program. In fact, I frankly wonder whether or not the President had carefully thought through all of the disturbing implications of his proposal before it was offered.

Mr. President, the implications of the President's proposal and the reactions to it described in the recent Wall Street Journal article deserve the attention of Congress. Therefore, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTLY REMEDY: FORD PROGRAM TO SAVE ENERGY MAY NOT SAVE THE CONSUMER'S CASH

Utilities don't like it. "I'm not too happy about what he's talking about," one executive says.

Transportation companies don't like it. It is "a serious policy error," one official says.

Heating-oil distributors don't like it. "We are going to be absolutely crucified," one official says. "It's murderous."

And consumer groups are expected to disapprove also.

What they're all talking about is President Ford's energy program, which he outlined in a televised talk to the nation last night (see story on page 3). The energy plan aims to cut U.S. fuel consumption by raising consumer prices for petroleum products. And, of course, it's those higher prices that everyone is angry about.

If the whole Ford energy program is enacted, it is estimated that current prices would rise 11 to 15 cents a gallon for gasoline and heating oil. These rises would result from new taxes and tariffs on oil and natural gas and the removal of current price controls on oil.

All this would come of course, at a time when crude-oil prices in the U.S. have quadrupled from the October 1973 levels, leading to a rise about 40% in gasoline prices and a near doubling of fuel-oil prices. Among many other things, utility bills and airline fares have gone up as well. And, under the new program, they're likely to go up still more.

ANOTHER VIEW

Ford administration officials see things differently. They concede that fuel prices would rise under the program. But they argue that the aim is to force cuts in consumption. And if consumers conserved enough fuel, their total bill wouldn't be any higher than now, these officials say. Besides, the Ford program also calls for income-tax rebates, which are supposed to offset the higher energy costs.

Specifically, this is President Ford's program:

Mr. Ford will act under existing law to impose a $1-a-barrel tariff on all imported crude-oil and petroleum products, effective Feb. 1. By April 1, this would rise to $3. The President wants Congress to enact accompanying legislation that would impose an excise tax of $3 a barrel on all domestic crude oil and an excise tax on natural gas. He also wants Congress to impose a windfall-profits tax on the oil industry timed to coincide with administration plans to end price ceilings April 1 on the two-thirds of domestically produced crude oil that currently is under federal price control.

Oil and natural gas, which would be affected by the Ford program, account for about three-fourths of the energy used in the U.S. The remaining one-quarter comes from other sources, mainly coal and hydroelectric and nuclear power. Oil-industry sources estimate that the program would add $29 billion to $30 billion a year to the nation's oil bill. That estimate assumes some decline in demand because of higher costs to consumers.

How much of the Ford program Congress will go along with is, of course, another question. Yesterday, for instance, the Democrats presented an economic program of their own that includes energy-saving measures. And even if enacted, just how much conservation the Ford program would achieve is a matter of disagreement.

UTILITIES' REACTION

But there isn't much disagreement among utilities as to what would happen if the Ford program is approved. In New York, the Edison Electric Institute predicts a rise of about 25% in electricity bills for the more than 13.3 million U.S. customers of utilities that rely on oil as their source for generating energy. This would come atop the average of 25% that the institute estimates that all electric utilities raised their rates last year from 1973.

The utilities that use oil are mainly in the Northeast, the mid-Atlantic and South Atlantic states, and the Pacific Southwest. Coal is king in the Midwest, and hydroelectric power dams are dominant in the Northwest.

It was Joseph Tyrell, a vice president and treasurer of Boston Edison Co., who said of the Ford programs that "I'm not too happy about what he's talking about." He figures that a $3-a-barrel rise in oil prices would drive Boston Edison's oil costs up $30 million to $36 million annually. "That'll go right through to our customers," he says, probably raising monthly electricity rates by about 10%.

PASSING IT THROUGH

That phrase, "right through," crops up often when utility executives are questioned. Leigh Fitzgerald, vice president for finance of New England Electric System of Westborough, Mass., says that "we would have no alternative but to hand (the increases) right through" to customers. He says a $3-a-barrel rise in the price of oil would result in "a major increase of 25% or better in our fuel costs, which are already driving our customers crazy." And in California, a spokesman for San Diego Gas & Electric Co. says, "If you increase the tax on raw material, it'll flow right through to the customer." He estimates a $3-a-barrel rise would increase the utility's oil-fuel costs 20% to 25%.

A spokesman for Southern California Edison Co., one of the largest U.S. utilities, says the President's proposal "would hit us pretty hard." And in New York on Friday, Charles F. Luce, Consolidated Edison Co.'s chairman, fired off a telegram to President Ford "strenuously" objecting to the proposal.

There is one part of the President's program that utilities disagree on. This is a plan to raise the investment tax credit for electric utilities to 12% from 4% to eliminate the gap between utilities and other industries.

Mr. Tyrell of Boston Edison says that the change in the investment tax credit "is wonderful if you're making enough money to pay taxes. But we're not paying any federal taxes because of high depreciation and capitalization deductions," he says. And Mr. Fitzgerald says New England Electric System might benefit from a liberalization of the investment tax credit but adds, "That doesn't show up in rates for a while."

However, R. W. Britt, financial vice president for Wisconsin Electric Power Co. in Milwaukee, says that the change "would be very helpful for a capital-intensive industry such as ours." And R. G. Maginn of Central Illinois Light Co. says a 12% tax credit would mean "a substantial reduction in cash payments for taxes and hence a reduction in the need for outside financing."

Transportation concerns aren't any happier than utilities about the prospects for increased fuel costs. It was Paul J. Tierney, president of the Transportation Association of America, who termed Ford's program "a serious policy error which would adversely affect both the economy and the nation as a whole." The association, based in Washington, D.C., represents a wide segment of the transportation industry, including users of the various services. He says the Ford program could result in an "exacerbation of the already extremely serious inflationary and recessionary pressures now being exerted on the U.S. economy."

Domestic airlines say the Ford program would almost certainly force more big fare rises. Paul Ignatius, president of the Air Transport Association, says:

"If the trucks and the trains and the buses and the airlines have to pass through this tax (as expected) to the users of transportation, then the cost of everything will go up whether it is a loaf of bread or a pair of shoes or whatever."

As far as the airlines are concerned, the Ford program also is clearly at odds with last week's Department of Transportation suggestion that the carriers be forced to cut their fares 10% across the board to stimulate flying and help the economy. Remarks one airline executive sarcastically:

"It's nice to see Washington speaking with a unified voice again. How are we supposed to cut fares while our costs are increased astronomically at the same time?"

The proposed $3-a-barrel tax on oil would force an estimated 21% increase in U.S. fares, Trans World Airlines says. That increase, a spokesman says, would only cover the added fuel costs. "And that," he adds, "doesn't take into account the further loss of traffic we'd experience at a time when traffic is already experiencing perhaps the severest setback in industry history."

Albert V. Casey, chairman and president of American Airlines, says the $3-a-barrel tax would "seriously threaten" the airline industry's "ability to survive" and "would immediately result in substantial layoffs." And a spokesman for Pan American World Airways says of Mr. Ford: "If he's interested in raising prices, all we can do is express horror."

Generally speaking, truckers share the airline industry's dismay. "I hope they don't do it," says R. R. Smith, chairman of Smith's Transfer Corp., a Staunton, Va., trucker. He adds that it would be "absolutely necessary to raise motor-carrier freight rates immediately" to cover higher fuel costs.

John V. Pincavage, an analyst with Blyth Eastman Dillon & Co., in New York, says the last fuel surcharge permitted truckers by the Interstate Commerce Commission was 6% in February 1974. He figures that truckers would need about a 1% rise to cover the possible increase in fuel costs.

He says, however, that the freight-rate rise probably wouldn't be felt by most consumers until business improves and more trucks are rolling. "Truck traffic is down very severely from a year ago, so the truckers aren't using as much fuel because 10% to 20% of the trucks are parked in lots," he explains.

Perhaps the most vociferous in their comments were heating-oil distributors. It was Charles Burkhardt, executive vice president of the New England Fuel Institute, who said that "we are going to be absolutely crucified. It's murderous." The institute represents 1,300 area independent heating-oil distributors.

The institute figures that a $3-a-barrel rise in oil prices would add a total of $75 million to home-heating costs, or $30 annually to the cost of heating each home in the area. Industry will fare even worse, the institute figures, paying a total of $442 million more each year for residual fuel oil. About half that cost will be borne by utilities, the institute says. The other half of the cost will be felt by various New England businesses and could lead to "an exodus" of businesses from New England to warmer areas of the country, the institute fears.

The ultimate consumer, who apparently will bear most of the cost, isn't expected to be happy either. In Washington, consumer representatives predict that the Ford plan is headed for a wall of resistance. "When the rich can still afford to drive their luxury cars, high oil prices aren't exactly fair," contends Ellen Berman, who heads the energy-policy task force of the Consumer Federation of America.

Meanwhile, nine consumer and environmental groups are endorsing their own energy platform. One of its plans would protect low-income consumers with a pricing policy that establishes a base quantity of electric power and home heating oil at low rates. Purchases above that would cost progressively more.

NEGOTIATING WITH THE PLO

Mr. HATFIELD. Mr. President, while some may disagree with Senator ABOUREZK's position on the Middle East, I would like to bring to the Senate's attention an article written by Senator ABOUREZK entitled, "Negotiating with the PLO" which was carried in the New York Times on Sunday, January 26, 1975.

Senator ABOUREZK has long been concerned about peace in the Middle East. This article clearly outlines his position on this subject, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEGOTIATING WITH THE PLO

(By JAMES ABOUREZK)

WASHINGTON.—As part of his effort to find some rational solution to the Middle East conflict, Nathan Yalin-Mor visited me in Washington in December. Nathan Yalin-Mor is an Israeli, a man who both looks and sounds extremely kind, and is, I am convinced, totally committed to a Middle East peace.

Between 1944 and 1948, he was the leader of the Stern Gang, the Jewish terrorist group that played a large part in the establishment of Israel. Mr. Yalin-Mor said that in search of a settlement he had visited a great many people—Arabs, Americans, even the Palestine Liberation Organization. "To me," he said, "the P.L.O. is not taboo like it is to many people. You see, I was once a terrorist myself."

Unfortunately, Mr. Yalin-Mor's realism regarding Middle East politics is not shared by a great many interested people here. Negotiations with the Palestinians has not been the subject of debate, but rather of a kind of shrill hysteria. This condition was reinforced with a Dec. 9 letter signed by 71 Senators and sent to President Ford.

Like other letters and resolutions concerning the Middle East circulated for cosponsorships on Capitol Hill by the Israeli lobby, or their friends on Congressional staffs, this latest document was strident.

The letter singled out the "prominence" of the P.L.O. at the Arab summit conference at Rabat and the United Nations General Assembly as a "direct threat" to American foreign policy.

It called on the United States to take the lead in organizing its friends and allies to "resist political and economic blackmail" in the future. The letter denounced Yasir Arafat and the P.L.O. and urged the President to reiterate our country's "long-standing commitment to Israel's security by a policy of continued military supplies and diplomatic and economic support."

Many members of Congress support Israel on principle, but to many more, co-sponsorship of statements such as the Dec. 9 letter has become an easy way to satisfy that part of their constituency that demands continued reaffirmation of support. Some members of Congress to whom I have talked consider signing a letter to be much easier than voting for appropriations for Israel. A statement brings little or no criticism back home. A vote for foreign aid to Israel often will.

But while a part of the Congress takes a cavalier view of such "routine" public statements, the Dec. 9 letter is having a profound effect on the participants in the Israeli-Arab conflict.

The Arabs, more particularly the Egyptians and the Saudis, have been led by Secretary of State Kissinger to believe that since October, 1973, the objective of United States diplomacy has been to move both sides to the negotiating table as quickly as they can be moved.

The principal 1973 Arab combatants, Syria and Egypt, last year manifested time after time their willingness to negotiate an end to hostilities.

The Arabs are united in their desire to turn to internal development, but in return for an end to hostilities it is necessary that their lands, occupied since 1967, be returned. And the Palestinian problem must be settled.

For the most part, members of the Administration have recognized the necessity of participation in peace efforts by some representative of the Palestinians, and accordingly have soft-pedaled Arab and United Nations recognition of the P.L.O. The Dec. 9 letter is seen by the Arabs not as a friendly Congressional pat on the head for Israel, but as a loud and clear signal that Congress has signed another blank check to be filled out whenever Israel needs it. Nor is this view lost on the outward indication of total support to sit tight and refuse to meet the Arabs in negotiations.

Most of the world's powers, large and small, have called for Israeli concessions and a resolution of the Middle East conflict through negotiations. No settlement can come about and no peace can endure unless the Palestinians have been settled in a homeland of their own. Whatever might be said about whether or not established Arab governments exploit the Palestinians, the Palestinians' own diaspora has brought them into daily contact with nearly every Arab citizen in the Middle East. That contact is a constant reminder of what has happened to the Palestinians and brings them universal sympathy throughout the Arab world. The result is that no Arab government can survive a separate deal that excludes the Palestinians.

There is no way I know of to negotiate a settlement without inclusion of the Palestinians.

The Palestine Liberation Organization is not only the military arm of the dispersed Palestinians but its political arm as well. The leadership is chosen in as democratic a way as is possible for a scattered group of exiles.

Organizations of Palestinians exist wherever a concentration of Palestinians exists—in the refugee camps and in cities throughout the Middle East. The 155-member Palestine National Congress is made up of representatives of such organizations as the lawyers' guild, doctors' guild, women's federation, labor unions, and others. From the Palestine National Congress is selected a fourteen-member Executive Committee to formulate day-to-day policy for the P.L.O. The Executive Committee also elects the over all leader, who is, in this instance, Mr. Arafat.

Israel's earlier effort to question whether or not the P.L.O. represents the Palestinians failed. The decision of the Arab countries at Rabat, and the amount of Palestinian support for Mr. Arafat in the West Bank and elsewhere, provided too much contrary evidence for the credibility of that theory.

But the more recent, and eminently more successful, campaign to picture Mr. Arafat as a sinister force who must not be allowed to sit at a negotiating table is pushing the United States close to the edge of the cliff.

By any standards for a comparable situation, Mr. Arafat is the most moderate leader obtainable by the diverse factions of the P.L.O. He has moved the organization to the point where it is willing to negotiate with Israel. If, following such a delicate political feat, Israel persists in its refusal to negotiate, and its continued refusal wins support from the Congress, Mr. Arafat's position will be undermined. And the oft-stated parade of horrors will follow on the heels of that refusal.

Those Palestinian moderates who now argue internally that violence is no longer the way to achieve their objective of a Palestine state will lose their argument to militant factions who argue that negotiation is a waste of time.

Radicals both within the P.L.O. and in Arab governments have predicted that the United States plea for negotiation amounts to a confidence game designed to distract the Arabs and buy more time for Israel.

Further endangering a moderate P.L.O. position are certain interpretations of Mr. Arafat's United Nations speech in which he spoke of a democratic secular state of Palestine. Cries are heard that such a proposal amounts to a declaration of war. Other pro-Israeli commentators have said that the speech, coupled with Mr. Arafat's refusal to recognize Israel's right to exist, is proof of his intention to annihilate Israel.

These interpretations avoided two important realities: The P.L.O.'s fall-back negotiation position is an independent state consisting of the West Bank and Gaza; and Mr. Arafat's offer to negotiate with Israel is a *de facto* recognition which results in far less internal grief for him than would a statement of recognition, which Israel now demands. His willingness to sit down with the Israelis pre-empts those demands.

Very little imagination is needed to write the script for the chain of events if Mr. Arafat is eased out of his leadership of the P.L.O. It is not difficult to outline the step-by-step escalation of violence until finally the United States and Russia discover that the "vital interests" of each require their active participation in a Middle East shooting war.

An oil embargo would result from even a minimum military confrontation. Our present economic condition makes the United States vulnerable to an outbreak of anti-Semitism against both Jews and Arabs, manifesting itself in a total cutoff of aid to Israel, an attempted take-over of Arab oil fields, or a combination of both.

The majority of Israel's support in this country comes from American Jews. They fear the imminent destruction of Israel. But that fear often prevents them from rational discussion of what is in the best interest of all the participants. Jews, as a people, have suffered through 5,000 years of a history filled with attempts at their destruction. Now they hear shouts of apocalypse coming from the Government of Israel, reinforced with the daily hammering by the American press. How can one expect rational discussion in such an atmosphere?

But somewhat in the United States Government a necessary majority exists capable of seeing beyond the next Middle East war. Open-ended Congressional support for anything Israel wishes to do, or not do, may satisfy a constituency, or it may even see Israel through a military victory or two. But such political and military largess can only insure Israel's survival for a short time.

Left to their own devices, the Arabs and the Israelis might take years to do each other in. But add to their passions the politics of oil, and the capriciousness of the big powers, and an approaching doomsday becomes more real.

From the destruction of war, Nathan Yalin-Mor now knows the value of peace. In order to escape that destruction we in the United States desperately need to learn from his experience. But the opportunities to avoid violence and to make a durable settlement are narrowing. In my view, those members of Congress who are dedicated to the permanent survival of Israel and its people are the only ones who can insure that survival. They can do so by signaling Israel that our commitment of support depends upon a rational approach and a willingness to make the necessary compromises. A real commitment to the survival of Israel, of the Palestinians, and to the rest of the world requires no less.

IMPLICATIONS OF THE ARMS TRADE

Mr. KENNEDY. Mr. President, 2 weeks ago, the national press carried news of the U.S. sale to Saudi Arabia of several squadrons of F-5E and F-5F fighers at the cost of $756 million. Earlier, announcement was made of the sale to Iran of the Navy's new F-14 jet fighter—one of our country's most advanced weapons, at the same time that it is being introduced in the U.S. Armed Forces.

These two events bring into focus a problem that is of growing importance and salience in our foreign policy—the mushrooming of the conventional arms trade.

Mr. President, by legislating an end to our foreign military assistance program as well as military assistance advisory groups over a period of the next 3 years, Congress has clearly signalled its disapproval of the U.S. role in the international arms trade. But only in recent years has the Congress begun to realize that the far more serious issue is that of the magnitude of cash arms sales in the last several years.

Last year such sales totaled more than $8 billion—twice the level of 1973. But the administration has not shown sufficient understanding of the serious political, strategic, and moral implications of the United States leading the way in an arms trade that is spiralling upward with a dizzying and frightening momentum.

The President was asked in his press conference last week why the United States was contributing so much to the military buildup in the Middle East—$7 billion in arms sales last year alone. His reply, that these sales were necessary "in order to maintain the internal security of the various countries, and in order to maintain equilibrium in arms capability' is an inadequate one, and is a policy prescription for a shortsighted and potentially dangerous course.

It is sometimes argued that arms sales to some Middle East countries are in the national interest, as a way of helping to pay our swelling oil bills. But in return for this one-shot boost for our balance of payments, we stand to pay a high price in terms of the serious long run risks of political turmoil and military conflict. By pumping sophisticated weaponry into countries of the Middle East, where there are traditional rivalries and no tradition of a balance of power, we are helping to produce greater tensions in what is already the most tense region in the world, from the standpoint of global peace.

There is also the grave risk that arms for oil producing states could be brought to bear in the Arab-Israeli conflict, thereby making the search for peace even more difficult.

These actions can only have the effect, in turn, of provoking the Russians to increase their arms supplies to Iraq, and perhaps other countries in the area.

Nor is it enough to argue, as others do, that if we do not supply these arms, the customers will simply go elsewhere. As the world's largest arms merchant, we should take the lead in promoting cooperative efforts with the other nations which sell arms, as well as the purchasing countries, to avoid beginning or accelerating fruitless and potentially perilous regional arms races, particularly in areas as volatile as the Middle East.

It should be a high priority of our foreign policy to put a stop to the incessant proliferation of conventional arms. These are potential billions of dollars in wasted resources—resources which could be spent for housing for education, for health care, and other human needs, in countries newly rich, but very much involved in the process of development.

It is important for the Congress to take note of this issue and the serious implications which arise from it. For a policy does exit—not one that the Congress has made, but one which we have permitted nonetheless. That is the policy of the grab-bag; selling huge quantities of arms to almost any country that has the cash to pay for them.

It is our responsibility to undertake to thoroughly review and discuss the basis and consequences of this policy, and seek to formulate some guidelines for future foreign arms sales. Last year the Congress took a first step, and a constructive one in passing an amendment introduced by the distinguished Senator from Wisconsin (Mr. NELSON), an amendment which I was pleased to cosponsor. This legislation requires the filing of quarterly reports to the Congress on the amount of arms sold to each country. In addition, any proposed sale over $25 million must be reported, and Congress has the authority to disapprove any such sale.

Now we will have access to the information that is needed, on a timely and regular basis, to formulate a coherent policy with firm guidelines on cash sales of arms, as well as the authority to take action when we disagree with the administration.

Mr. President, I ask unanimous consent that two editorials from last week's New York Times and Washington Post on this subject be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 27, 1975]

MERCHANTS OF DEATH

Millions of words have been written in the past three decades about the dangers of nuclear war and rightly so. But the arms that have killed more than ten million human beings since World War II have all been conventional weapons. Most of them have been obtained through an international arms trade that makes Basil Zaharoff and the other "merchants of death" of an earlier era look like peanut venders.

The United States unfortunately leads the world in arms sales, which the oil billions of the Arab states and the oil-payments deficits of the arms-producing industrial nations are turning into perhaps the world's fastest growing commerce.

The recent contract for $750 million with Saudi Arabia for sixty American F–5 jet fighters and the training of pilots is unique, however. It carries the United States a long way toward becoming a large-scale supplier of both sides in both of the Mideast's main arms races, that between Arabs and Israelis and that between Iran and the Arab states bordering the Persian Gulf.

In the year ended last June, American arms sales abroad more than doubled to $8.5 billion. Almost $7-billion of that was for the volatile Middle East, with Iran alone getting $4 billion on top of $2 billion the year before. Apart from $1.5 billion of arms grants to Israel during and after the October 1973 war, gift arms in recent years have been reduced sharply by Congressional opposition to the arms trade. But the cash sales now have soared far above the levels of arms aid the Congress found objectionable.

The irony is that arms gifts were under the control of Congress. Cash arms sales are not as yet. Arms gifts went primarily to allies and were designed to advance foreign policy interests or the security of the United States. The current level of arms sales appears to be unrelated to any coherent policy at all, despite what President Ford said at his press conference. Decisions appear to be made on an ad hoc basis without over-all plan or high-level policy review.

The predominant factor in the booming business seems to be a directive by President Nixon on Dec. 20, 1973, creating an interdepartmental committee to spur exports, including arms sales, for balance-of-payments reasons. The rationale evidently was that if the United States did not sell arms, other nations would.

But there obviously are other factors. The armed services have always been interested in foreign purchases that, by increasing the production run, reduce the per-weapon cost for the Pentagon's budget. American arms companies, when unrestrained by Government policy, naturally will sell for profit to any buyer.

When prospective buyers have the kind of cash the oil-producing countries now possess, extraordinary results follow. Perhaps the most extraordinary is the agreement of the Joint Chiefs of Staff to the sale to Iran of some of the nation's most advanced weapons—such as the Navy's new F–14 jet fighter—simultaneously with their introduction into the American armed forces.

The arms trade is no longer simply a hand-me-down business for getting rid of obsolete, second-hand weapons. The Soviet Union has supplied Syria with MIG–23 swing-wing interceptors before providing them to its Communist allies in Europe. France and Britain are seeking foreign orders not only to help oil payments, but to help their defense industries survive. France now exports more than half of its aerospace output.

After the 1967 war, the United States repeatedly sought Soviet agreement to limit arms sales to Israel and its Arab neighbors and Moscow always refused. In the Persian Gulf, it is the United States—through its enormous arms sales to Iran's Shah, who talks openly of reviving the glory of Persia's ancient empire—that has spurred a multination arms race. Soviet arms sales to Iraq helped trigger the Shah's action. Now, even the tiniest of sheikdoms is acquiring jet fighters.

In theory, American influence for peace can be stronger with countries dependent on American—rather than Soviet—arms and a flow of American spare parts and ammunition. But Soviet arms transfers now appear to be running at half or less of the American level, with those of France and Britain still further behind.

Control and limitation of arms transfers to the developing countries—and especially to the tinderbox area of the Middle East—will not be easily achieved. But it will not be achieved at all if the United States abandons moral leadership by becoming the leader in arms sales. In view of the apparent indifference of the Ford Administration to this dirty business, Congressional action to revive an American policy of restraint and leadership by example is an urgent necessity.

[From the Washington Post, Jan. 25, 1975]

SELLING ARMS IN THE PERSIAN GULF

The Persian Gulf countries keep buying American weapons and the United States, cheerfully and mindlessly, keeps selling them. In the face of a great deal of melancholy experience to the contrary, our government apparently continues to assume that other nations will never be so wanton as actually to use the exceedingly powerful armaments on which they are spending billions of dollars a year. The whole subject is a difficult one for American officials to discuss in public since the putative reasons for our conduct are transparent and the real reasons are rather shabby.

In fact, we are selling these weapons partly to pay for oil, partly to butter up the governments that have oil to sell, and partly to preserve jobs in the American aircraft and armaments industries. Weapons experts are now a very substantial item in our foreign trade. This country sold more than $8 billion in arms in the last fiscal year, nearly all of it to Middle Eastern countries. Almost $4 billion worth went to Iran alone. The current volume of sales is certainly no lower. The United States is now pouring very modern arms at an astounding rate into a region that is at once the most volatile in the world and one on which all of the world's industrial economics depend for their basic fuel.

In his press conference this week, President Ford found himself confronted with a question on those weapons shipments. He responded first with a reference to the American efforts to work out a peace settlement between Israel and her Arab neighbors. There the United States is carrying on an intensive and continuous diplomatic campaign in behalf of peace. Arms sales there are justified in order to keep the balance of forces from tipping while the talks go on, and to ensure that the passage of time does not benefit one side at the expense of the other.

But then the President, proceeding to progressively weaker arguments, added that we sell these arms also to "maintain the internal security" of some of these countries. Internal security? The Grumman F–14, of which Iran has ordered some 80, flies at well over twice the speed of sound with missiles aboard. Grumman is now preparing to send a contingent of some 2,000 engineers and technicians to Iran to maintain these planes and train Iranians. They will raise to about 12,000 the number of Americans currently employed in Iran in one aspect or another of the arms business. Some of our sales to Iran have involved the establishment by American companies of production plants there. They constitute insurance that, should Iran choose to use its new equipment, it would not find itself entirely dependent on American shipments and American policy for its supplies of parts and ammunition.

President Ford further suggested to his

press conference that our arms sales are also intended to maintain "equilibrium in arms capability" among the purchasing nations. While that logic may apply well to Israel and the adjacent Arab states, it makes no sense at all in the Persian Gulf where Iran's power now far exceeds that of any other state in the region. To take one highly ominous example, Iran is now reported to have two battalions of heavy artillery operating inside the borders of its old enemy, Iraq, in support of the Kurdish rebellion against the Iraqi government. Iraq, which does not have guns of sufficient range to meet this challenge, has altogether predictably gone to Moscow for help. The United States obviously is not creating a balance in the Persian Gulf but, on the contrary, has built an imbalance that forces the Iraqis toward the Soviet Union. This effect is particularly unfortunate since Iraq has given considerable evidence of understanding very well the dangers of too close a relationship to the Russians, and has been trying to avoid precisely the kind of dependence into which this country is now inadvertently helping to push it. There are, incidentally, indications that the level of intermittent fighting along the Iraqi-Iranian border is rising. There is, of course, no intensive and continuous diplomatic campaign by the United States in behalf of peace along Iraq's borders.

Iran is not, certainly, the only nation in the Persian Gulf that the United States is arming. This country is currently helping to rebuild, for example, the armed forces of Saudi Arabia. The Saudis are now rich enough to need a great deal of military protection from all of their neighbors—including our other customer, Iran.

The unpleasant possibilities here are manifest. The sporadic border incidents between Iran and Iraq might easily expand into much more serious fighting. It is quite conceivable that trouble of the most bloody sort might break out over offshore drilling sites in the Gulf itself. To consider the worst and most dangerous of possibilities, spreading warfare in the Gulf, might prevent oil tankers from moving in and out of the docks at all. The Gulf states, with their fat bank accounts, could afford it—at least in the financial sense. The rich industrial nations, which depend on Persian Gulf oil, could not. But nobody in the United States government seems to be worrying much about that.

A $70 PER CAPITA ANTI-RECESSION TAX CUT—TAX BURDEN AND DISTRIBUTION TABLES

Mr. KENNEDY. Mr. President, yesterday, I introduced amendment No. 1 to H.R. 1767, the Debt Ceiling Act, to provide an immediate $15 billion anti-recession tax cut for individuals.

The mechanism I propose is a simple, one-shot $15 billion economic stimulus, based on a $70 cash rebate for each personal exemption claimed on an individual's tax return. The rebate would be given against 1974 tax liability, so that it will be available immediately to every citizen.

For a married couple, the tax saving would be $140. For a family of four, the saving would be $280. The rebate would also be "refundable"—that is, it would be available to all individuals, whether or not they have a 1974 tax liability. The advantage of the "refundable" step is that it provides substantial relief to millions of working poor and others in the lowest income groups, those who could not otherwise participate in the benefit of the tax cut, but who are the hardest hit by inflation and recession.

Further, to insure that the rebate is concentrated in low- and middle-income groups, where it is needed most, the amendment also contains a provision phasing out the tax relief for taxpayers with incomes over $25,000, with a full phase-out when the $40,000 income level is reached.

There is broad bipartisan agreement between Congress and the administration on the need for an immediate anti-recession tax cut of this order of magnitude, and the Debt Ceiling Act is the obvious vehicle to achieve it. The economy needs the stimulus of a tax cut now—not September 1, not May 1, not April 15, not March 1, but now, on February 18, when the debt ceiling is extended. And the sooner we enact the tax cut, the sooner it can begin to work its healing economic medicine and the sooner this worst of all recessions since the 1930's will be ended.

Although there are many different possible forms that tax relief can take, the proposed amendment has the obvious virtues of speed, simplicity, fairness and effectiveness. The vast majority of the tax rebate would go to low- and middle-income groups, providing well-deserved relief for millions of citizens hard-pressed by the twin burdens of inflation and recession.

Mr. President, I ask unanimous consent that two tax burden and distribution tables prepared by the staff of the Joint Committee on Internal Revenue Taxation, summarizing the effect of the tax cut, may be printed in the RECORD. As noted, the tables are based on a full phaseout at the $50,000 income level, rather than the $40,000 level proposed in the amendment. Thus, the revenue decrease under the amendment will be slightly lower than the figures in the table. As also noted, it is estimated that an additional $2 billion would be required if all eligible individuals participate in the "refundable" aspect of the tax cut.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—ESTIMATED DECREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY RESULTING FROM A REFUNDABLE $70 CREDIT PER PERSONAL EXEMPTION DEDUCTION (AS AVAILABLE UNDER PRESENT LAW) PHASED OUT BETWEEN $25,000 AND $50,000 OF ADJUSTED GROSS INCOME

[By adjusted gross income class, 1974 income levels]

Adjusted gross income class (thousands)	Number of returns affected (thousands): Total Number with tax decrease	Number of returns affected (thousands): Number made nontaxable	Decrease in tax liability [1] (millions)	Percentage of total tax relief	Cumulative percentage of total tax relief
0 to $3	17,475	2,393	$1,646	11.4	11.4
$3 to $5	8,958	1,649	1,174	8.1	19.5
$5 to $7	8,596	1,324	1,267	8.8	28.3
$7 to $10	11,666	1,066	2,200	15.2	43.6
$10 to $15	16,083	408	3,621	25.1	68.7
$15 to $20	9,869	34	2,482	17.2	85.9
$20 to $50	9,027	6	$2,038	14.1	100.0
$50 to $100	0	0	0	0	
$100 and over	0	0	0	0	
Total	81,673	6,880	14,428	100.0	100.0

[1] To these figures must be added an additional $2,000,000,000 to cover individuals in the total population who are not included in the returns filed in 1970 as modified to represent 1974.

Note: Details may not add to totals because of rounding.

TABLE 2.—FEDERAL INDIVIDUAL INCOME TAX LIABILITY UNDER PRESENT LAW AND UNDER A REFUNDABLE $70 CREDIT PER PERSONAL EXEMPTION DEDUCTION (AS AVAILABLE UNDER PRESENT LAW) PHASED OUT BETWEEN $25,000 AND $50,000

[Single person and married couple with none, 1, 2, and 4 dependents, assuming deductible personal expenses of 17 percent of income]

Adjusted gross income	Tax liability: Single person: Under present law	Single person: Under the proposal	Married couple with 0 dependents: Under present law	Married couple with 0 dependents: Under the proposal	Married couple with 1 dependent: Under present law	Married couple with 1 dependent: Under the proposal	Married couple with 2 dependents: Under present law	Married couple with 2 dependents: Under the proposal	Married couple with 4 dependents: Under present law	Married couple with 4 dependents: Under the proposal
$3,000	[1] $138	[1] $68	[1] $28	[1] —$112		[1] —$210		[1] —$280		[1] —$420
$5,000	[1] 491	[1] 421	[1] 322	[1] 182	[1] $208	[1] —3	[1] $98	[1] —182		[1] —420
$6,000	[1] 681	[1] 611	[1] 484	[1] 344	[1] 362	[1] 152	[1] 245	[1] —35	[1] $28	[1] —392
$8,000	[1] 1,087	[1] 1,017	[1] 837	[1] 697	[1] 694	[1] 484	[1] 559	[1] 279	[1] 312	[1] —108
$10,000	1,482	1,412	1,152	1,012	1,010	800	867	587	586	166
$12,500	1,996	1,926	1,573	1,433	1,408	1,198	1,261	981	976	556
$15,000	2,549	2,479	2,029	1,889	1,864	1,654	1,699	1,419	1,371	951
$17,500	3,145	3,075	2,516	2,376	2,329	2,119	2,156	1,876	1,826	1,406

Adjusted gross income	Tax liability									
	Single person		Married couple with 0 dependents		Married couple with 1 dependent		Married couple with 2 dependents		Married couple with 4 dependents	
	Under present law	Under the proposal	Under present law	Under the proposal	Under present law	Under the proposal	Under present law	Under the proposal	Under present law	Under the proposal
$20,000	$3,784	$3,714	$3,035	$2,895	$2,848	$2,638	$2,660	$2,380	$2,285	$1,865
$25,000	5,230	5,160	4,170	4,030	3,960	3,750	3,750	3,470	3,330	2,910
$30,000	6,850	6,794	5,468	5,356	5,228	5,060	4,988	4,764	4,508	4,172

[1] Computed without reference to the tax tables for returns with adjusted gross income under $10,000.

AGRICULTURAL COMMODITIES AND THE UPCOMING LEGISLATIVE HEARINGS

Mr. HUMPHREY. Mr. President, I would like to point out two January 28 New York Times articles on the recent Chinese cancellation of orders for 600,000 tons of wheat.

The one article, by H. R. Maidenberg, "China Is Cutting Two-Thirds of United States Wheat Purchases," deals with the reasons for the Chinese cancellation and the impact that this step will have on overall availabilities.

The second article, by Elizabeth Fowler, "Prices of Wheat Slide for March," points out the recent drop in wheat prices which was brought on by the Chinese cancellation of contracts for 600,000 tons of wheat.

This cancellation—as well as other developments of recent weeks such as the expectation of substantial 1975 crops and the Soviet decisions on trade with the United States—have had a dampening impact on grain prices.

We will be having 2 weeks of hearings on the whole range of agricultural legislation during the month of February. The importance of exports, information on agricultural commodities and trade and the role of the Government will be important topics during these hearings.

It is clear to me that our Government has not yet faced the need to develop a policy to deal with this important area. At this time, we do not know whether our 1975 crops will be abundant or in short supply.

Clearly, we need a policy and a program which can handle both abundance and scarcity. Our consumers and farmers, the developing countries, and our trading partners would all benefit from some clarification in this area.

I am hopeful that our hearings will address these issues and come up with viable solutions.

Mr. President, I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CHINA CUTTING TWO-THIRDS OF U.S. WHEAT PURCHASES

(By H. J. Maidenberg)

The Chinese Goverment has canceled contracts to buy 601,000 tons of American wheat scheduled for shipment between next month and September, Cook Industries, Inc., a major grain trading company, announced yesterday.

According to Cook, the grain involved represented all its outstanding contracts with Peking and constituted about two-thirds of the total wheat registered for shipment to China between now and mid-1976.

In the crop year ended last June 30, China bought three million tons of American wheat and became this nation's biggest customer for grain. However, improved weather conditions in China since then caused experts to believe sales this crop year would be below 1.8 million tons.

Aside from Cook, a Memphis-based concern, Peking buys grain from other big exporters.

Most grain traders appeared baffled by the cancellation, nonetheless. Some thought that Peking wants to get out of contracts made early last year, when wheat prices were above $5 a bushel, 60 pounds. Average wheat prices today are just under $4 a bushel, they noted.

A leading grain exporter offered one explanation, however, by pointing out that Peking had rejected cargoes of American wheat several times last year because of traces of smut, a plant disease, found in the samples taken from ships.

"The Chinese usually buy the so-called 'any-origin' wheat, which is a trade euphemism for the cheapest grades available," he said. "They are terrified of importing that disease along with the grain."

Actually, a large part of the nation's wheat crops contain the smut. Most millers remove the diseased grain with special processing machinery. But the worst affected wheat is usually sold to foreign buyers that are too hungry or don't have any sizable wheat crops that could be infected.

One prominent Chicago grain trader, who has dealt with Peking, observed yesterday:

"They don't follow markets too closely day by day and often miss trends. When some one high up says 'buy,' they come in and buy. I have often told them that by plunging into markets with huge orders, they increase their costs.

A CALMER ATTITUDE

"Perhaps they now realize that by stretching out their orders and watching for market dips, they can save considerable foreign exchange. You know, the Russians used to act the same way when they dumped large amounts of gold and platinum on world markets.

"And when prices broke in those thin markets under the weight of their sales, they complained bitterly about being taken."

Another grain expert offered the view that the cancellation reflected a calmer attitude toward future world supplies, adding:

"When grain moves up in the grain market, everybody rushes in to nail down supplies, whether they need the goods or not at the moment. When prices drop, as they have been doing for weeks now, everybody wants to unload grain in the hope of buying it back at a lower cost when needed."

But all the grain experts reached for comment professed ignorance about crop conditions, supplies and other data on China's agriculture.

What is known is that Peking does have an internal transport problem and often finds it more convenient to import grain needed in its large port cities than to move the bulky commodity from deep within the nation to the coast.

LAND WORKED INTENSIVELY

Another known fact is that more than 80 per cent of the Chinese work the land intensively, often double-cropping suitable acreage. Peking's farm policy, the experts noted, was to keep as many people as possible on the land until sufficient industry was developed to utilize labor made surplus by farm machinery.

"One of the secrets concerning how famine has been eliminated by the Chinese in recent decades in their Government's success in preventing surplus farm labor from moving to urban areas," a grain trader said.

As for the United States, faced with the smallest wheat carry-over in 30 years and rising foreign demand, the canceled Chinese contract represents only 17 million of the 1.1 billion bushels of wheat that will be exported this crop year.

DROP IN GRAIN SUPPLY SEEN

WASHINGTON, January 27.—Agriculture Department economists expect supplies of the principal grains to fall to low levels before the next crops come in, despite larger stocks of wheat on hand now than last year and currently reduced consumption of livestock-feed grains, the agency reported today.

Wheat supplies at the end of the current crop year, June 30, are expected to total 250 million bushels, economists on the department's Outlook and Situation Board said.

That compares with last year's carry-over of 247 million bushels and the most recent previous estimate for this year that the carry-over would fall between 204 million and 257 million bushels.

"VERY LOW LEVELS"

There was little change between this month's and earlier predictions of tight supplies for corn and other livestock-feed grains. Export demand is expected largely to offset reduced domestic consumption, the report said.

"It looks like stocks are going to be pulled to very low levels," J. Dawson Ahalt, assistant to the department's chief economist, said in an interview.

Noting that prices had been falling in recent weeks, and that they fell again today in reaction to Friday's report by the department that wheat stocks were up 19 per cent over last year, Mr. Ahalt said: "Those prices have already fallen more than we expected."

He added that he saw no reason for further declines in light of the expected supply situation.

The department reported a forecast of 300 million bushels as the corn carry-over at the end of the corn-crop year, Sept. 30, compared with 483 million bushels last year. The last previous report on corn predicted the carry-over would end up in a range between 295 and 315 million bushels.

For all feed grains the prediction was a carry-over of 12.7 million tons. The previous prediction was a range between 12.3 and 13.5 million tons. Last year's carry-over was 22.2 million tons.

The report showed little change from previous predictions that year-end supplies of soybeans would be below last year's levels and rice supplies would be up.

Prices of Wheat Slide for March—Drop Laid to Cancellation of Big Order by China

(By Elizabeth M. Fowler)

The announcement just before the close of trading that China had canceled orders for about 600,000 tons of wheat depressed the price on the Chicago Board of Trade yesterday to $3.90 a bushel for the March delivery. This compares with a price of $4.04 on Friday.

The announcement, which was made by Cook Industries, Inc., a large grain export concern, came too late for most commission houses to alert their speculative accounts. It therefore, may have an impact on prices again today.

Calling the news "demoralizing" a commodity analyst said that with declining commodity prices the cancellation of contracts appears to have become a trend among foreign nations. A few weeks ago, for example, Taiwan and Korea failed to meet commitments for cotton they had ordered. This happened when cotton was dropping steadily in price on news of the deepening recession here.

A report of typhoon damage to the sugar crop in the Philippines sent world sugar futures up the daily 2-cent-a-pound limit on the New York Coffee and Sugar Exchange. March, the most active delivery, closed at 39.20 cents a pound.

Some analysts believe that damage to the sugar crop, which is harvested September through May, has been overestimated, but the price rose under the impact of new speculative buying.

Cocoa futures rose sharply on the New York Cocoa Exchange in response to what analysts call a continued squeeze by longs in the nearby March position.

Another factor for the rise was a report that only 8,844 tons of cocoa beans was bought last week by Ghana's central purchasing commission from the nation's farmers. This figure surprised many analysts who expected the figure to be in the range of 11,000 to 12,000 tons. However, many observers believe that the harvest might be much better than the recent buying figures indicate and that Ghana might be underdeclaring the weekly purchases:

Short sellers were active in potato futures yesterday, forcing prices down to a new contract low for May of 3.54 cents a pound. The closing price on the New York Mercantile Exchange was 3.58, down from 3.62.

Cash prices for potatoes in Maine recently have been about 2.10 cents a pound. Since it costs about 1.14 cents a pound for transportation and other charges to deliver the potatoes in the New York market, potato producers have been selling futures to take advantage of the relatively higher price in the futures market.

CONGRESSIONAL INVESTIGATION OF SSI PROGRAM

Mr. CRANSTON. Mr. President, I want to bring to the attention of the Senate that the Committee on Finance, pursuant to my recommendations, set forth in a letter to Chairman Long on January 14, has today directed its staff to undertake immediately a major investigation of the supplemental security income—SSI—program. I am extremely gratified that the distinguished chairman (Mr. Long) and the Senate Finance Committee members have agreed to this course of action.

Ever since the Social Security Administration assumed responsibility for the State aid programs for the aged, blind, and disabled, my office has been swamped with letters and calls from California elderly and disabled persons. They have reported processing delays, snarled payments, and generally poor services from the Social Security Administration offices.

Last summer, Mr. President, I communicated with Secretary Weinberger about these problems, and, thereafter, 180 additional claims representatives were added to California's local offices. California social security offices—with a network of over 120 district and branch offices—now handle a combined SSI and social security caseload of over 3.3 million persons. The SSI caseload constitutes by far the largest of any State—15 percent of the total Federal beneficiaries. While helpful, therefore, the 180 new claims representatives has not come near meeting client needs in California.

I have continued, consequently, to receive numerous complaints from both California SSI and social security beneficiaries, as well as employees in Social Security Administration district and branch offices. This, and discussions of my own with constituents and other Members of Congress, led me to conclude that SSI implementation problems in California and nationwide continue to be most substantial and require far more than just a further increase in staffing capacity.

As a result, on January 14 I wrote to Chairman Long urging that his committee undertake an investigation of the implementation and operation of the SSI program by the Social Security Administration. On January 15, the chairman and I discussed the matter personally, and the following day he advised me of his full support for my recommendation and that he would submit it to the committee at the earliest opportunity.

Among other things, I suggested that the investigation include a review of Social Security's Bureau of Data Processing to determine the effectiveness of the systems needed for program administration; a review of personnel management and payroll functions at the district, regional, and Federal levels; a review of procedures used in disability determinations and appeals cases; and a review of space utilization and acquisition of equipment.

Mr. President, I ask unanimous consent that the full text of my letter to Senator Long and his very responsive letter of today to me be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Washington, D.C., *January 14, 1975.*

Hon. Russell B. Long,
Chairman, Committee on Finance,
Washington, D.C.

Dear Russell: Last January the State aid programs for the aged, blind, and disabled became a responsibility of the Social Security Administration under the new Federal Supplemental Security Income (SSI) program. Since then, my office has been swamped with letters and calls from California elderly and disabled persons. They have reported processing delays, snarled payments, and generally poor service from the Social Security Administration offices.

Consequently, last summer I communicated with Secretary Weinberger about these problems, and, thereafter, 180 additional claims representatives were added to California's local offices.

California's social security offices—with a network of over 120 district and branch offices—now handle a combined SSI and social security caseload of over 3 million persons. The SSI caseload constitutes by far the largest of any State—15 percent of the total Federal beneficiaries. While helpful, therefore, the 180 new claims representatives has not come near meeting client needs in California.

I have continued to receive numerous complaints from both California SSI and social security beneficiaries, as well as employees of our Social Security Administration district offices. This, and discussions of my own with constituents and other members of Congress, has led me to conclude that SSI implementation problems in California and nationwide continue to be most substantial and require far more than just a further increase in staffing capacity. Evidence of the Federal Government's many failures in implementing SSI thus far can be found in the following situations brought to my office's attention:

(1) inordinate delays, in many cases, in processing applications, despite a caseload which has increased only slightly relative to the potential number of eligible recipients;

(2) long waiting periods at social security district offices for both SSI and, as a result, social security beneficiaries;

(3) widespread incidence of lost or misdirected checks, late checks, and lost applications;

(4) unusual numbers of underpayments and overpayments of SSI benefits;

(5) utilization of informal (non-appealable) denials in the casework interview procedure compared to formal adjudicative (appealable) denials at a ratio of 10:1;

(6) failure by the Social Security Administration to plan and carry out the necessary staff training during the 14-month lead time and SSA's present substantial incapacity in terms of time and funds to implement large-scale, crash training programs;

(7) frequent inability of staff to find out or offer any explanation for failure to make prompt, regular, and accurate payments; and

(8) five-fold expansion of the use of overtime resulting in both excessive costs to the taxpayer, and reduction of morale, efficiency, and accuracy of the SSA employees.

I wish to stress that all of the aforementioned problems have occurred despite conscientious and determined efforts on the part of the vast majority of SSA employees. I am most concerned that further deterioration in quality of service to all individuals currently dependent upon the Social Security Administration may irrevocably undermine the well deserved and long-standing high public reputation, and hence, public support, enjoyed by the agency. Another disturbing aspect of the SSI implementation difficulties is that the capacity of both public and private social services agencies to provide much needed assistance has been severely strained, due to the help which those agencies must provide to SSI clients attempting to negotiate the SSI aplication process.

After careful study and thought, I have concluded that the situation is sufficiently grave to warrant a thorough, expert investigation of the SSI program. I believe the Finance Commitee staff, under your leadership has the capacity, expertise, and perspective to undertake such an investigation and to complete it expeditiously. Such an investigation should, where apropriate, involve the staff of other Congressional Committees, the General Accounting Office, and consultants (firms and individuals). The investigation should include, among other matters, the following:

(1) an examination of studies on SSI implementation already done nationally and regionally;

(2) a review of the staffing, policies, practices, and equipment of the SSA Bureau of Data Processing to determine the extent and nature of the improvements necessary in the computer program systems;

(3) an analysis of the way the Social Security Administration is organized to administer the program and its personnel management practices, including the adequacy of staff allocations, job descriptions, training, promotions, and work evaluation procedures (the Committee might wish to retain a consulting firm on this aspect of the study);

(4) a determination of the extent to which staffing limitations may have exacerbated the problems of SSI implementation;

(5) an evaluation of the disability determination and appeals processes to ascertain the fairness, accuracy, efficiency, and effectiveness of those processes;

(6) an evaluation of the effectiveness of SSA outreach efforts and the overall results of "Project SSI Alert";

(7) a study of the effectiveness of SSA evaluation policies and procedures;

(8) a review of such other matters as may be helpful to understanding and reducing the principal problems in implementation of SSI; and

(9) recommendations for administrative and, where necessary, legislative actions to resolve these problems expeditiously and economically.

I, therefore, respectfully urge that you bring this matter to the attention of the Committee at your earliest convenience and that the Committee direct that such an investigation be undertaken forthwith of the implementation and operation of the SSI program by the Social Security Administration. Hopefully, the investigation will be able to be completed by July 1.

I would like to extend my deep appreciation to the professional staff of the Committee, who have, as always, been most helpful and cooperative in pursuing the subject of this letter with my staff.

With kindest regards,

Sincerely,

ALAN CRANSTON.

COMMITTEE ON FINANCE,
Washington, D.C., January 28, 1975.
Hon. ALAN CRANSTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of January 14, 1975, urging that the staff of the Committee on Finance undertake a study of the Supplemental Security Income (SSI) program. I think you will be pleased to learn that the Committee, at its meeting of January 28, 1975, directed the staff to make such a study.

I certainly share your concern over the problems which have arisen in connection with SSI. As you know, it was the intent of the Committee on Finance in recommending this program, which was enacted in 1972, that it should provide to the aged, blind, and disabled of this country an increased measure of income security and provide it in a manner both dignified and reliable. I think it is entirely appropriate at this point to undertake a thorough examination of the SSI program with a view towards determining to what extent, in what ways and for what reasons it may not have fulfilled its expectations.

It is, to be sure, reasonable to anticipate that the inauguration of a major new program such as Supplemental Security Income would encounter certain start-up difficulties. Now that the program has been in operation for over a year, however, it should be possible to distinguish these start-up problems from problems of a more permanent nature which might indicate basic administrative flaws in the operation of the program or may require legislative resolution.

I have asked the staff of the Committee, in planning its study of the SSI program, to take into consideration the specific points mentioned in your letter to me. I have also instructed the Committee staff to consult with your staff from time to time and to keep them informed of the progress of the study.

With every good wish, I am

Sincerely,

RUSSELL LONG,
Chairman.

Mr. CRANSTON. Mr. President, I would like to highlight some of the evidence of administrative foul-ups in implementation of SSI which have been brought to my attention.

OVERPAYMENTS AND UNDERPAYMENTS

Mr. President, the HEW regional IX office has advised me that, in doing the redeterminations on SSI eligibility which are required annually under the law, they estimate that as many as 17 percent of all SSI checks are overpayments; 8 to 9 percent underpayments; and 5 to 6 percent for ineligible recipients who should be terminated.

In Medoc County in California, the department of social services found that some persons were receiving $600, $700, and $800 more than they were entitled to receive. The monthly payment for an aged individual in California is $235, including the State Supplemental Payment, known as SSP; for an aged couple, it is $440. When errors in overpayment are discovered, the grants are reduced to collect the overpayment. If the recipient spends the overpaid original money, that person will then need a county general relief grant. This results in an unnecessary financial burden on the county already hard pressed to stretch its tax base to meet citizen needs.

The following are some examples of overpayment errors in this county for the month of September:

In one case, a married individual was receiving $821.07 from SSP—California's share—and $165.10 from social security. Adding in the spouse's benefit, the couple was receiving $1,211.17 per month.

In another case, the SSI/SSP amounted to $773.03 monthly for each recipient, or $1,546.06 a month for the couple.

In yet another case an individual was receiving $585.90 a month.

Still another person in the county was receiving a $57 per month underpayment. She was shown receiving $95 for social security. In fact, she received none. Because of this error she received $178 SSI/SSP. If there had not been another error in the computer information, she would have received even less.

LENGTHY DELAYS IN APPLICATION PROCESSING

Mr. President, while the Social Security Administration has no way of providing any information on the processing time for applications during this past year, officials in the HEW region IX office have advised me that its "par" for processing claims is now 30 days. If that is their par, Mr. President, I submit that the Social Security Administration in region IX is scoring double and triple bogeys on far too many cases on the SSI course.

Sylvia Porter estimated in her syndicated column of January 6 on SSI that 361,000 SSI claims are pending nationwide and that the waiting period before an application is decided upon can stretch to 10 months. HEW in Washington confirmed to my office that her figures are essentially correct.

LONG WAITING PERIODS AT SOCIAL SECURITY OFFICES

Mr. President, SSI and social security recipients can spend anywhere from 2 hours to several days waiting for services at a district or branch social security office. Letters attesting to the inconveniences which older and disabled people have endured because of such delays swamped my office early last year when the transition from State to Federal administration was first underway. Continued reports of long waiting periods, fully a year later, are distressing indeed.

INCIDENCE OF DELAYED OR MISSING CHECKS

Mr. President, the HEW region IX office estimates that 2 to 5 percent of all SSI checks do not initially reach the recipient. This compares with a rate of 0.5 percent for social security checks. Even taking into account the greater extent to which many SSI recipients are transient, an error rate this large is unacceptable. It means that some 200,000 persons across the Nation face the prospect of not receiving their checks at the beginning of every month. In each case, the individual must first report his missing check to the social security office and then go to the nearest welfare department to apply for a replacement check.

Although the law requires that the check reach the individual within 4 days after it is reported missing, the hardship of living even a few days without a subsistence check is exacerbated in the case of individuals already burdened by old age and infirmity. Many of these persons have disabilities that make it extremely difficult to travel back and forth between the social security and welfare offices.

RECIPIENT CONFUSION

Mr. President, because the Social Security Administration does not routinely explain to recipients how their grants are computed, recipients have no way of knowing whether their grants are correct. One county in California discovered that a recipient had received two contradictory notices, sent 10 days apart.

The first notice, dated August 6, 1974, read:

> Your monthly benefit rate has been increased beginning 3/74 and again in 6/74 because of amendments to the Social Security Act.
>
> Shortly after 8/01/74, you will receive your first check which will include all benefits due you through 7/74. A check for $103.10 will be sent to you on or about 9/03/74. After that, a check for $103.10 will be sent to you each month.

The second notice, dated August 16, 1974, read:

> Your checks will stop September 1974.
>
> To get Supplemental Security Income checks, your countable income cannot be more than the legal limit. As long as your income is more than this limit, no checks can be sent to you.

Mr. President, the second notice stating "Your checks will stop September 1974." Not only—understandably—confused the recipient unnecessarily, but it also greatly alarmed her, as she had already spent the $1,424.50 paid her on back bills.

GENERAL ERRORS

One small California county—again Medoc—has 307 persons on SSI/SSP. On the September 1974 summary report there were 52 errors—almost a 17-percent rate. Four months later, the county still reports an error rate of over 10 percent, even though the Social Security Administration claims that nationwide mistakes have been reduced to less than 5 percent of the total caseload.

CONCLUSION

Mr. President, I wish to stress that all of the aforementioned problems have occurred despite very conscientious and determined efforts on the part of the vast majority of SSA employees. I am most concerned that further deterioration in quality of service to all individuals currently dependent upon the Social Security Administration may irrevocably undermine the well deserved and longstanding high public reputation, and hence, public support, enjoyed by the agency. Another disturbing aspect of the SSI implementation difficulties is that the capacity of both public and private social services agencies to provide much needed assistance has been severely strained, due to the help which those agencies must provide to SSI clients attempting to negotiate the SSI application process.

Mr. President, I believe that problems such as those I have described demonstrate the great need for an investigation of SSI that will explore all aspects of the program and its administration in California and nationwide.

The Finance Committee's decision is thus a most timely one. I thank the committee again for its receptivity to my suggestion and I look forward to reviewing the findings and the administrative actions it proposes. My understanding is that the study should be completed in approximately 6 months.

Mr. President, I ask unanimous consent that various communications from local governments, organizations, and associations, as well as various news and editorial items be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COUNTY OF YOLO,
Woodland, Calif., January 20, 1975.

Hon. ALAN CRANSTON,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR ALAN: Enclosed is a copy of an Editorial appearing in the January 1975 County Welfare Directors Association "Confidential Bulletin" relating to the Federal Social Security Administration taking over of the aged, blind, and disabled welfare programs. I believe this is a fairly objective statement of the problem confronting California County government with respect to these programs. This is how it looks at the local level.

We continue to appreciate your efforts for Yolo County.

Sincerely yours,

ERWIN W. MEIER,
County Executive.

THE GREAT FEDERAL EXPERIMENT

Some 12 months and a few days ago, administrative responsibility for the aged, blind and disabled programs was transferred from state and county welfare departments to the Social Security Administration of the Federal government.

More than one year later a number of things are evident. Unfortunately, some of them are painfully evident.

H.R. 1, the legislation which provided for the change, seemed to fulfill the hopes and dreams of legislators, welfare administrators, aid recipients and taxpayers. In retrospect perhaps it was too much to expect that any one congressional measure would accomplish all this and please so many divergent groups.

In all fairness, however, and in the final analysis everyone wanted a program for the aged, blind and disabled with more security, less anxiety, and fewer complications. From an objective viewpoint there is considerable doubt that this has happened.

A look at the record will show a very high rate of fiscal errors. People underpaid, overpaid and not paid at all. Medi-Cal cards issued and not issued and applications stretching over many months before eligibility or ineligibility is determined. Had any county welfare department in California performed in a similar manner, its director would have been hung on the nearest lamp post and its employees would have been scorned into oblivion.

Fortunately, or unfortunately, according to one's philosophy, county welfare departments are still very much in the picture—cleaning up mistakes almost as fast as the SSI program makes them. This is being accomplished through the generosity of AB 134 with county personnel and, all too frequently, county money.

One may well ask what went wrong? How has Social Security with such a previous enviable reputation piled up such a miserable track record in the SSI program?

Some things are obvious and others are obscured in the bureaucratic folds of the federal agency.

In spite of months of study, surveys, and observation it is very evident that Social Security did not realize the ramifications of the program it was getting into. There appears to have been a complete lack of knowledge of the characteristics and the living habits of the aged, blind and disabled population.

The computer experts in Baltimore visioned a huge electronic operation with no variations for a program which was centered on human beings.

The first computer program was not wired for any change in circumstances in spite of the fact that welfare officials had informed Social Security that approximately 40 percent of aged, blind and disabled recipients had a significant change in circumstances at least once a month.

In general local Social Security officials have worked hard and have tried to make the system work. They have been frustrated and discouraged. Some of them have voiced the opinion that the SSI is a failure. In spite of all this and to the shocking surprise of welfare and Social Security officials, several highly placed officials were given rewards and recognition in April of 1974 for the outstanding feat of converting the public assistance programs to SSI.

One could go on far into the night. This is not an "I told you so" or a wish to have the program fail attitude. We still have hope that SSI will in the foreseeable future, assume full responsibility for the program and administer it in such a manner that the needy aged, blind and disabled will have their needs met in a prompt and humane manner.

If there is one outstanding lesson to be learned from all that has transpired, it is that there is no magic in federal administration and further that programs serving human beings need to be administered on a level of government near to the people and the circumstances and conditions under which they live.

We submit that the remaining public assistance programs, AFDC, Food Stamps, Medical Needy, and General Relief are in need of change and revision. In the interest of the applicant, the recipient, and the taxpayer, we trust that the lawmakers will profit from the lessons learned in the federal experiment with the aged, blind and disabled.

SOCIAL SECURITY
MANAGEMENT ASSOCIATION,
San Francisco Region, October 15, 1975.

DEAR CONGRESSMAN: The Social Security Management Association, San Francisco Region, in its annual meeting on August 24, 1974, unanimously adopted a position resolution. This resolution, enclosed for your information, expresses the feelings and frustrations of management in their efforts to provide better and more efficient government.

The members of the Association represent Social Security field management in the states of California, Arizona, Nevada and Hawaii. The membership, without exception, voted to distribute copies of the resolution to all senators and representatives in the four state area of the region.

I hope you will find this resolution informational for it exhibits the dedication and concern of the management staffs to provide the best possible service to the public.

Sincerely,

AL BARTOLIC.

A RESOLUTION SUBMITTED TO THE SAN FRANCISCO REGIONAL MANAGEMENT ASSOCIATION ANNUAL MEETING, AUGUST 24, 1974, AND ADOPTED UNANIMOUSLY BY THE BODY

Be it resolved, That the San Francisco Regional Management Association recognizes that under the current Administration, the Bureau of District Office Operations and the Social Security Administration is providing unacceptable service to the American public.

Processing time for all types of claims is excessive; delays in payment for reasons beyond the claimant's control are common; corrections in the amounts of, or eligibility to, are delayed beyond reason or impossible to obtain; claimants are forced to suffer excessively long waiting times for service in district and branch offices.

It is the determination of this organization that the following actions must be adopted by the present Administration to improve this service:

1. An independent review of the Bureau of Data Processing must be undertaken immediately to determine the reason for that Bureau's failure to provide the essential systems for program administration and to reorganize or contract out its functions. We find that this Bureau's failure is the primary reason our public service is unacceptable.

2. That the Bureau of District Office Operations be provided the necessary personnel which workload processing data have long proven are necessary. This must include immediate reallocation of staff from other bureaus if no other resource is available.

3. That the indefinite use of overtime as an administrative policy for workload processing in lieu of permanent staff is dishonest, inefficient, and grossly unfair to the public and our staffs and must be discontinued.

4. That our staffs are working in, and our public is being served in, office space which is frequently over-crowded, obsolete, and a safety and health hazard. We must have the right to acquire, manage, and maintain our own office space in view of the General Serv-

ices Administration's near total inability to perform this function for us.

5. The system for our district and branch office equipment acquisition from GSA is as frustrating and nearly as inefficient as for space. Offices are prohibited from purchasing equipment on the open market yet are spending uncounted thousands of dollars on rental of common equipment which will never be recouped. This waste must be stopped. District and branch offices must be given direct purchase authority.

6. To perform the tasks of this Bureau, we must have employees in sufficient numbers and sufficiently trained. They must be supported by an efficient personnel management system. We find that the Department and Administration have failed in these responsibilities to our employees. Hiring authority is capriciously given and withdrawn, the San Francisco Regional Personnel Office is unable to cope with its workloads; the Central Payroll Office is highly inefficient and unresponsive; The Central Office slow and reluctant to recognize the classification impact of changing workloads and program responsibilities in the field. We strongly recommend that the Bureau of District Office Operations be given its own regional personnel offices and classification authority. We urge that SSA be given its own payroll function.

7. We believe that many of our administrative problems could be solved and our public service improved if our administration was not subject to the inertia of the huge DHEW bureaucracy. We support the legislative proposal SB 3143 to remove SSA from DHEW and to give SSA independent agency status.

SOCIAL SERVICES UNION,
LOCAL 535 AFL–CIO,
Los Angeles, Calif., July 3, 1974.

Senator ALAN CRANSTON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CRANSTON: Local 535 requests the assistance of your office in securing a Congressional Investigation into the administration of the SSI/SSP programs by the Social Security Administration.

We are specifically concerned with the following conditions:

1. There presently exists poor and inhuman management of the SSI/SSP programs.

2. The plight of the elderly, disabled and blind caught in a system of lost applications, lost checks, late checks, long waiting periods at social security offices and overpayment and underpayments—to be resolved at the clients confusion and expense.

3. The lack of adequate staff to service the SSI/SSP populations and unfortunately in some instances a strong bias against the SSI/SSP recipient.

4. Inconsistencies in interpretation of federal legislation from state to state, causing much suffering for people who must move from one state to another.

5. The lack of adequate social services delivery to the blind, disabled and elderly due to the federal limit on federal funds for all social services—nation wide, while all forms of social work agencies concerned with the problems of the "adult aids" are severely strained just aiding their clients through the SSI/SSP maze itself.

If you have any questions, or require further information in this matter please feel free to contact me directly.

Sincerely,

DAVID D. CRIPPEN,
Executive Director.

[From the Washington Star-News, Jan. 6, 1975]

ADDED SECURITY INCOME—1

(By Sylvia Porter)

Last fall, Social Security computers spewed out letters promising an increase in their next benefit checks to more than 3,000 elderly in a Northeastern state, reflecting a boost in Supplemental Security Income—a welfare reform program designed to guarantee an income floor to elderly, blind and disabled.

The increases showed up in the checks and generally were spent at once.

Social Security then sent out telegrams informing the recipients that the raises were a mistake and requested that the amounts—ranging from a few dollars to $125—be returned.

Many sent back not only their SSI checks but also their Social Security checks and even cash from the meager savings accounts they are allowed to have under the SSI program, because they were "afraid of getting in trouble with the government," or losing their benefits.

Then to top it, when the time came for the next month's benefit checks to be sent, the honest people who had returned their checks (leaving themselves virtually penniless for a full 30 days) were informed there would be no SSI checks at all during that month.

Matters became so desperate that local antipoverty groups and state agencies were forced to set up emergency services to provide the elderly with money to buy food until the snafu could be straightened out.

The state's Legal Aid got an injunction against Social Security, forbidding SS from accepting any more money being returned—and Legal Aid now is preparing a class action suit to recover money that had been returned.

This is just one horror story uncovered by my associate, Lydia Ratcliff, which has come out of the year-old federal Supplemental Security Income program originally heralded as being "as important to older Americans as the passage of Medicare."

So inadequate has the SSI program been that critics have dubbed it the "Supplemental Insecurity" program.

There were 3.9 million in the program, at latest count, receiving a maximum of $146 a month in federal benefits per person (or $219 per couple)—plus state supplements, in many states. Total SSI benefits now being paid are about $500 million a month.

But . . . The number enrolled is only about half those estimated to be eligible—7.2 million according to the Social Security Administration, and 8 to 9 million according to the Bureau of Social Science Research in Washington.

As many as 5 million of our elderly, blind and disabled remain in ever-more desperate financial circumstances while the program continues to be riddled with unexplained delays and benefit cutoffs.

Applicants frequently are unable to travel to the district office or they are discouraged by all-day waits in the SS office.

An estimated 361,000 SSI applications are pending, and the waiting period before an application is decided upon can stretch to 10 months. Even the clearly eligible may be forced to wait months before they receive benefits.

Yet, as Adele Blong, a lawyer for the Center on Social Welfare Policy and Law in New York, says, "Even a few days' delay can be a personal disaster if you're trying to live on less than $1,600 a year."

In fact, the gap between the SSI income floor and the poverty line is even greater than it was when the law was enacted in October 1972.

Contributing to this scandalous SSI situation are two major factors:

Although SS had a full 14 months to launch the program (it didn't become effective until Jan. 1, 1974), the program began before many key rules and regulations were issued. Thus, the SS staff has been ill-equipped to make key decisions.

New regulations still are being issued almost every week—leaving both potential beneficiaries and administrating officials baffled. Social Security offices have been seriously understaffed and employes supposed to be implementing the SSI program have been poorly trained. Requests for more staff have been rejected at the White House level.

In brutal summary: The SSI program to date has been among the biggest broken promises ever made by a Congress and an administration. Instead of a giant step toward reform of our unworkable welfare system, it is, as of now, a disgrace.

[From the Washington Star-News, Jan. 7 1975]

ADDED SECURITY INCOME—2

(By Sylvia Porter)

Are you—or a friend or relative who is elderly, disabled or blind—among the millions eligible for, but not receiving, federal Supplemental Security Income benefits?

As many as 5 million Americans are not receiving benefits legally due them under our nation's first "guaranteed income" program designed to aid the very poorest among us.

There has been an utterly inadequate effort to find eligibles during the program's first year, and where outreach efforts have been made, incompetence frequently has been the rule.

Thus, this week's series will give you the first who-what-where-how primer on all aspects of the SSI program. The data was put together with the assistance of the Community Nutrition Institute in Washington and the New York-based Center on Social Welfare Policy and Law.

Q. Can you get both Social Security and SSI?

A. Yes—and an estimated one in five SS beneficiaries is also eligible for SSI.

Q. What are the maximum federal benefits you can get?

A. As an individual, $146 a month; as a couple, $219. You receive as a monthly benefit the difference between your actual net income (after deductions described tomorrow) and these maximums. The maximums are adjusted each July 1 to take into account living cost increases.

Q. How much are the state supplements?

A. Only about half the states make additional payments to supplement federal SSI benefits, with the amounts varying from state to state. The maximum combined federal-state payment to an aged individual (65 or over) is $269 a month (in Massachusetts). The maximum for a couple is $440 a month (in California). Even higher amounts are paid to individuals in some states in special living arrangements, such as certain custodial care institutions.

Q. Where does the money for SSI benefits come from?

A. From general Treasury revenues—our tax payments.

Q. Are all SSI beneficiaries automatically eligible for Medicaid to pay health-related bills not covered by Medicare?

A. Yes, if you formerly received state aid to the aged, blind or disabled. But each state has the option to make or not make all new SSI recipients eligible for Medicaid.

Q. Are all SSI beneficiaries eligible for food stamps?

A. No. In five states (California, Massachusetts, Nevada, New York, Wisconsin) SSI recipients are specifically ineligible for food stamps because these states have "cashed out" the food stamp bonus by upping SSI benefits by appropriate amounts. In all other states most SSI beneficiaries are eligible and should apply at food stamp offices.

Q. What if you (or your relative or friend) are in a nursing home or foster care home or rest home?

A. If it's a public institution where you are not covered by Medicaid, you are not eligible for SSI. If it's a private non-medical residence, you do qualify for regular SSI benefits. If it's a public or private Medicaid-covered institution, you generally get the maximum of $25 a month (vs. the regular $146.) Generally, states cannot add to this $25 maximum, but they are permitted to supplement this sum for a limited period if the purpose is to help pay the person's cost of keeping a shelter to return to when he or she has left the institution.

[From the Washington Star-News, Jan. 8, 1975]

ADDED SECURITY INCOME—3

(By Sylvia Porter)

Are you—an elderly, disabled or blind American or this person's relative or friend, now trying to survive on Social Security plus possibly some other benefits income—aware that you also may be eligible for Supplemental Security Income benefits placing an income floor under you?

Have you been told that you might be eligible even if you own your own house and car, even if you have substantial savings in the bank, even if you are working and earning an income, even if your application for benefits has been rejected?

Do you know that you may now have as much as $375 a month in earnings from a job and still get SSI benefits—and that in states which supplement the federal payments you may earn even more and still qualify for SSI benefits?

Today, 3.9 million Americans are getting SSI benefits under a year-old program designed to help our lowest-income citizens by guaranteeing an income floor of at least $146 a month for an individual and $219 for a couple.

But as research by my associate, Lydia Ratcliff, has uncovered, this is less than half the 8 million to 9 million estimated to be eligible. The tragic fact is that millions of you do not know whether or not you are eligible.

Your eligibility depends primarily on your "net" income and your assets—as defined by the law and by regulations issued by the Social Security Administration.

How do you figure your "net" income?

You deduct the first $20 of any income—earned or unearned, including Social Security benefits—plus the next $65 of earned income, plus 50 percent of any additional earned income. Thus you, an individual, can have up to $166 ($239 for a couple) in unearned income such as Social Security benefits. You also can have up to $377 a month ($523 for a couple) in earned income for employment.

For instance, let's say you as an individual get SS benefits of $120 a month and that this is your only income. You first deduct $20 from this income, leaving you with $100 in net income. Subtract this from the $146 federal income floor and you get a SSI payment of $46 a month (in a state with no state supplement).

You also may deduct refunds of real estate and sales taxes, life insurance proceeds up to $1,500 which the beneficiary has spent on the insured's last illness or burial, "infrequent and irregular" earned income up to $30 per quarter, and infrequent and irregular income that is unearned, up to $60 a quarter.

The income of your children or other relatives is not counted in determining your eligibility. Only the income of your spouse. Or if you are a blind or disabled child under age 18, or 18 to 21, and at school and living with your parents, their income would be counted.

If you are getting free room and board by living in someone else's household, federal benefits are lowered by one-third—to $97 for an individual or $146 for a couple.

But if you can meet the definition of a "co-head" of the household, the one-third reduction does not apply.

Even if you are not living in another person's household, but if a relative or friend is paying part of your room and board, that contribution is counted as income to you.

If SS overpays you but you don't realize it's an overpayment and you spend it, SS generally cannot require you to pay back any money and cannot deduct any money from your future checks. In a case like this, SS could require repayment only if you had extra money in addition to your SSI check and to the income that was deducted in determining your SSI payment.

[From the Washington Star-News, Jan. 9, 1975]

ADDED SECURITY INCOME—4

(By Sylvia Porter)

The rules governing Supplemental Security Income benefits—a program originally designed to be of vital importance by placing an income floor under the poorest of our elderly, disabled or blind citizens—have been disgracefully underpublicized. They are sadly and widely misunderstood. They also are changing constantly.

You may, in fact, be eligible today for benefits—even though in 1974 you applied and were turned down because your other income was too high or your assets were too great or you weren't disabled enough.

Yesterday's column gave you a rundown on today's basic income requirements for SSI eligibility. Generally speaking:

If your Social Security and/or private pension checks amount to less than $166 ($239 for a couple) and you have no earnings or other income, you surely are eligible for some SSI benefits—if you also can meet the "assets test" described below.

If your total earned income—from work—is less than $377 a month ($523 for a couple) and you have no unearned income, you'll surely be eligible for some SSI benefits (assuming, again, that you can meet the assets test).

If you have some earned income and some unearned income the maximum total will be in between.

And if you live in a state which supplements the basic federal SSI payment, the income limits are substantially higher.

But in addition, you may own your home and car and also have a modest amount of money in the bank and/or life insurance policies and still collect benefits.

Q. How much savings can you have and still get SSI?

A. You can have assets up to $1,500 as an individual or $2,250 as a couple—including money in the bank, stocks or bonds. The "excess" value of your house, car or personal belongings—above the permissible maximums described below—is counted as part of these assets.

Q. What are these other limits?

A. Your permissible assets include the value of a home worth up to $25,000. "Value" is generally based on a tax assessment which the SS office requires you to bring in. But if your home is worth $26,000, $1,000 is counted against your $1,500 assets limit.

Q. And your car?

A. You're permitted to own a car worth up to $1,200, and any value above this is counted as part of your other cash assets. However, if your car is worth more than $1,200, and if you need it regularly for your job or to get medical care (as most people do), the car's entire value is exempted.

Q. What other exemptions are there?

A. Household goods and personal effects valued at up to $1,500, and the face value of your life insurance policies if this is less than $1,500 (term and burial insurance are completely excluded, no matter what their face value). Exemptions also include other property deemed "essential for self-support," and tools or assets of an operating business for the blind and disabled, the resources needed "to achieve a plan of self-support." Such resources are excludable, though, only to the extent that they yield a "reasonable rate of return."

Q. Must you give the federal government a lien on your house or other property before you can get SSI benefits?

A. No. The federal government may not impose any lien on any of your property as a prerequisite for giving you benefits.

Q. What should you do if the Social Security office has told you—verbally—that you don't qualify for benefits because your assets are too high?

A. Even if you already have inquired about SSI benefits and been turned down verbally at the SS office, this denial may have been invalid. Or the rules may have changed since you applied, raising the total of assets and-or income you may have and still qualify.

So, you owe it to yourself to go back and make a written application, if you think you are eligible (or a relative or friend is). SS admits that every person who thinks he or she may be eligible has the right to make a written application so that this person may get a formal decision on eligibility.

[From the Los Angeles Times, Dec. 13, 1975]

SOCIAL SECURITY: AND THE WAIT GOES ON

(By Kathleen Hendrix)

It's 8:30 a.m. and the Broadway-Vernon Social Security Office won't open for half an hour. The waiting line stretches around the side of the building.

The people are black, mostly middle-aged or elderly. One man has his arm in a sling; another has plastic tubes inserted into his nose; a few people lean on canes or crutches. One man, not much over 30, is doubled over from arthritis propping himself on a short crutch. The woman next to him, a neighbor, she says, helps hold him up.

There is quiet talk. Most seem resigned or steeled to a long wait and frustration, but the minute they are asked about the situation inside, their feelings come alive.

"You better believe there's a wait."

"I got here at 9:33 yesterday. I got in at 11 and left at 3:15." Telling the hours gives the woman a grim satisfaction. "And after all that, they couldn't find my papers. I filed a claim in April. No record of it. I had to go home, get my tax papers, my mortgage, and come back today to file again."

"This is my third time here for the same thing. They keep telling me I got the wrong forms, or not enough copies. Then they send me back to get one for my daughter. They just need more help in there. That's the trouble. They can't help it."

The woman whose papers were lost is not impressed. "If they hire more like the one who lost my papers they aren't getting anywhere. They don't even know which office I'm supposed to go to. Yesterday they told me I should have gone to Crenshaw. I tried to call before I came. I couldn't get a line."

"You can't call!" The woman's tone suggests that a call to the White House would be more easily accomplished. "You don't get nobody on the phone, baby."

"There's only two or three in there really willing to help you. The rest just eat, talk to each other, tell you to come back tomorrow. If you want to file a new claim, you have to get in before 11 or they won't take you."

That had happened to the man crippled with arthritis the day before. He had come straight from the doctor's office with his papers and he had been too late. He has high blood pressure, heart trouble and arthritis, he says.

A middle-aged woman in a red coat hadn't gotten in yesterday, either. She stood in a line outside the building from 9:30 to 11:30, waiting to reopen a disability claim. "Then at 11:30, a man came outside and looked at our papers. If you were filing a new claim or reopening one, they sent you home and told you to come back another day."

A young woman who heard that spoke with much bravado. "If they try that with me, I'm not coming back."

A chorus of "That's what they want you to do." "They want you to give up, that's why they do it."

At 9 a.m., the door opens. Within 10 minutes the first people are receiving service, the rest have been issued numbers. The 42 seats in the waiting area are filled, a handful of people stand against the wall. The people who have been talking outside receive numbers in the low 30s. A receptionist begins calling out numbers and taking each person's name and purpose of business. It takes an hour to accomplish this much for the people who came at 9 a.m.

The office is not a bad-looking place. There are draperies, plants, prints on the wall—Toulouse Lautrec, Paul Klee, Picasso and Don't Be Fuelish; the straight-backed chairs are upholstered; the floor is carpeted in turquoise, and needs cleaning badly.

It's mostly one large room; the waiting area in a windowed corner, the rest a bay of desks, crowded together with just enough space to make a private conversation possible if not probable. The staff seems to work steadily, at a normally relaxed pace. They do not often glance toward the crowded waiting area.

There are 38 staff members at the Broadway-Vernon office, half of whom are interviewers, according to Jim Hodgson, assistant district manager of the Huntington Park district office, parent office to the Broadway branch. Last year there were 24 on the staff. Hodgson said the increase was due to an increased workload, largely attributable to the transfer of Supplemental Security Income from welfare to Social Security last January. The elderly, blind and disabled are eligible for SSI, and Social Security's personnel, offices, computers and paperwork have been severely burdened by the additional work.

PR PROBLEMS

"We're suffering," Hodgson said, "but of course the people are suffering the most." It's painful for him to hear of people's accusations, but it's no surprise. He acknowledged Social Security has an increasingly severe public relations problem. "We know a lot of people have lost confidence in our goodwill. We've always prided ourselves that at least we always responded immediately to critical situations. We haven't been able to do as well this year."

As for the unsatisfactory conditions at Broadway-Vernon, Hodgson said that supposedly General Services Administration, the government's real-estate agency, was looking for new space. When more adequate space becomes available, Social Security, according to Hodgson, will increase the staff to 45. Even with their inadequate staff allocation, Hodgson said, they could do that much. But the space makes it impossible. "We just have to put up with this wretched space a while longer."

At 9:30 No. 67 comes through the door. By now 15 people are standing. People are good about giving seats to the obviously infirm, who now include two old blind men. The air is bad, heavy with cigaret smoke. People are yawning and shifting uncomfortably in their winter coats. The sheer draperies do little to keep out a harsh sun.

"If we get out of here by 11 or 12 we're in luck," one woman mutters.

There is little conversation. People describe their illnesses or aches to each other. The woman in the red coat, who is now No. 32, says she has a circulation problem and has been taking pills for five years. She hates to take medicine. Most of the time, her left arm feels dead. The doctor warned her of a heart attack and told her to lose weight. She's lost 23 pounds and feels no better.

At 9:42, her number is called. Then, the young crippled man. In a few minutes they sit back down to continue the next phase of the wait.

At 10 a.m. the woman whose papers had been lost the day before leaves, relieved but not euphoric. She has been transferred to the Crenshaw office. "They said everything's OK unless my check doesn't come on the 27th. If it doesn't I'll have to go to the Crenshaw office on the first."

There are 30 people jammed in the aisles. The guard politely but urgently tries to make some order of it. No. 99 has been issued.

It appears to be coffeebreak time for the staff. Eleven desks are empty. No names are called. The waiting area couldn't be more crowded.

"The employees are guaranteed a 15-minute break in the morning and afternoon," John Hodgson said, "and a half-hour for lunch. Supervisors do their best to see it's not abused. I'm sure this causes a lot of unhappiness when someone's been waiting an hour and a half to be interviewed. Another misunderstanding—they see people who are not doing any interviewing. But that's not their job. They're data-review technicians or clerical help."

At 10:30, the woman in the red coat takes out a brown paper bag and starts eating Fritos and cookies. "I had no breakfast. I'm eating it now."

The seat next to her is vacated and a man in his 60s who has been standing for more than an hour eases into it. "There you go. Now I can relax next to you, baby."

They talk about their claims. She'd been turned down in February because she hadn't been sick for 12 consecutive months, she says. She does not like being here.

"They're not giving you enough to live off of. It's just survival. Believe me, if I weren't disabled, I wouldn't be here, because of my pride, but pride don't help you none. I stood in line once in the '30s when I was a little girl. I don't like standing in line for hours to ask somebody to give me a handout."

At 11 a.m., the crowd has thinned. The guard starts forming a new line outside the door, holding people back until there's more space. The air is sickening.

No. 83 sits down next to No. 32. An older woman. She puts her head in her hands. "This whole building's going round and round with me."

After a moment she turns to a young girl on her other side and asks, "Tell me something. After you get this rolling do you have to come here again?" The girl didn't know.

At 11:15, No. 32, in the red coat, is called by an interviewer. Also a black woman in her 50s.

At 11:20, the young crippled man is called. His neighbor goes with him. It takes them a small eternity to reach the desk. She almost carries him.

There are 12 people in the line outside the door.

At 11:45, the woman in the red coat leaves. She stops outside on the curb, looks straight ahead of her and says she is still being denied. The reasons are various and in her anger she jumbles her explanation. She will have to have a hearing and bring her doctor to testify.

"When in hell is a doctor going to come to my aid in court?"

TREMBLING WITH ANGER

She is trembling with anger and her voice is very tight. What seems to gall her as much as the refusal is the attitude of her interviewer who she says was condescending and skeptical.

"I was born in America, too. I've worked all my life. What the hell would I be standing in a soup line again for if I could support myself? I did domestic work. I can't do that now. I didn't have an education so I could get a soft job like her."

It is too much for her and she cries briefly. "I'm not trying to hide anything from them. I'm trying to find somebody who can be of some help to me. I got so mad in there I almost passed out. That's what I've got to be careful of with my blood pressure."

She stepped off the curb. "I've got to go wait for that bus now."

At noon, the guard opens the door and lets a few people in.

Three old women arrive, two of them guiding the third, who is feeble. They are dressed as if for church, in straw hats and navy-blue coats. They are momentarily confused, then shocked by the line outside the door. "There must be aplenty of 'em inside then," one said and the line assured her she was right.

The three had a discussion. "We could come back another day. We've got 10 days."

People tell them it will be the same no matter when they come, but suggest the best thing is to get there about 7:30 and wait then.

The women plot how one could wait in line while another sits in the car. Eventually they leave.

LOST HER CARD

A young girl arrives, equally confused—and put out. She has lost her Social Security card and wants a new one. People urge her to go home and call the central office number, through which Social Security tries to process as much routine business as possible. She needs little persuading, waves her arm in dismissal of the building and takes off.

At 12:25, the crippled man and his neighbor come out. They had filled out an application and had been told there should be no problem; he should start receiving payments in three months. This confuses and upsets him, and he keeps asking his neighbor the same questions about the interview over and over. By now he is leaning on her so heavily it is hard for her to walk. A woman leaves the line to take his other arm. The car is across the street, about 50 yards away.

His questions are beginning to exasperate his neighbor, who tries her best to keep her voice steady and calm. She is worn out, too.

"Don't you worry about that now," she urges him. "Stop thinking about it. You just concentrate on getting to that car. That's all you got to think about now—just getting to that car."

[From the San Francisco Examiner, Oct. 8, 1974]

HUNGRY AND OLD, SHE WAITED FOR CHECKS

(By Stephen Cook)

Jean Mellor, 74, walked out on her husband this year and moved to San Francisco. Eventually, she found herself in the Tenderloin, trying to survive on $81.60 a month in Social Security benefits.

In May, a social worker told her she was eligible for Supplemental Security Income (SSI), a federal-state public assistance program administered by the Social Security Administration.

Under the law, blind, disabled or elderly persons with assets (not including homes) of less than $1,500 are entitled to income of at least $235 and not more than $255 a month.

In Mrs. Mellor's case, the social worker said, the income would be $255. Today, Mrs. Mellor has some advice to others in similar circumstances:

"Try and get it . . . You have never known such a mixup in your life."

The first shock was the line at the Social Security office on Golden Gate Avenue. Ten minutes of standing can mean exhaustion for an elderly person. It took 30 minutes to get to the receptionist.

When she reached the receptionist, she was told to wait. She waited two hours. In the reception area jammed with waiting elderly, there was no public restroom. Those who inquired were told there was a toilet for employees in back which could be used, if necessary.

Eventually, a Social Security employee took Mrs. Mellor's application and told her she would be informed by mail what benefits would be coming.

In June, she received a letter saying that she was entitled to $173.40 a month.

But the money did not come. Mrs. Mellor waited and waited, then she sent her social worker to apply for her.

"And then they discovered that they had lost my whole file and they had to start all over again. So I'm supposed to be living on $81.60. How do you get by on that? You tell me. I pay $75 for my room and pay my own electricity. You tell me. How am I supposed to eat?"

Mrs. Mellor, with the aid of the social worker, fought the system. Late in the summer, checks began to arrive. But they were for differing amounts, never for the $173.40 she was expecting.

This month, for the first time, the correct check arrived.

"You know there are almost 15,000 old men and women living around here," she said, "A lot of them can fight for themselves and they're going to fight for themselves. But the huge majority can't. They're too tired with life.

"As far as Washington is concerned, any human being only a number and you're a name anymore. You're only a number and you're at the bloody mercy of a machine.

"It's ridiculous. There's nothing sublime about it, God knows. In your old age, when you want some peace. It's just utterly stupid."

J. Leland Embrey, district manager of the Social Security Administration, said Mrs. Mellor paints too gloomy a picture.

She was not eligible for SSI until July, he said, and she did receive special checks while the government tried to straighten out problems with her SSI checks.

Embrey denied that anyone has gone fundless because of problems with SSI payments, claiming that persons in such circumstances were referred to the country, which loaned them up to $200 a month until the SSI checks came.

Mario Gutierrez, project director at the North of Market Health Council, a Tenderloin agency serving senior citizens, was the case worker who came to Mrs. Mellor's aid. Her case was not unusual, he said.

The SSI program, which began in January and replaced the State Old Age Assistance program, is "a complete disaster," he said.

"We've had cases where people haven't received their checks for seven or eight months."

Gutierrez and others at the clinic have compiled a report on the SSI program, concluding it puts the senior "at the mercy of a disorganized, poorly planned program which violates civil and human rights."

One glaring problem is that countless senior citizens are still unaware of the program. Why, the report asks, hasn't the Social Security Administration included information on the extra help program with the Social Security checks it mails monthly?"

"Senior citizens are very proud," it says. "They have worked or have been supported most of their lives by their working spouse and do not find it easy to ask for financial assistance. It has been our experience that if a prospective applicant has not received his check in due time, he or she will not go back down to the SSI office to inquire about it."

NOW THE COMPUTER HAS CAUGHT UP

The Social Security Administration undertook the Supplemental Security Income (SSI) program on short notice and with inadequate staff last January, according to Marilyn Etchison, assistant district manager.

But, she said, most of the problems have been solved today.

"There were quite a few problems when we started in January. There were 35,000 people to be converted to SSI. There were some systems problems. About five to seven per cent didn't get their checks on time.

"It took quite a while to get them some money. The computer would go down for days at a time. It was pretty hectic.

"We had tremendous crowds of people in here—1,500 a day. The work load was tremendous. Our people were working 10 hours a day and eight hours on Saturday.

"Most of the people who came were very upset. They didn't get their checks. They had nothing to fall back on. Sometimes they had to wait a couple of hours. Then, when the computer wasn't working, we couldn't give them answers."

All that has improved, she said. The crowds have thinned. The computer has caught up. (Critics of the system deny this.)

"Each month it gets better," she said. "Most people are getting their checks straightened out. The ones who are still having problems have really complicated problems."

The Social Security office does need a better reception area, she said. It's not constructed to handle crowds. There are no toilets.

"Actually," said Mrs. Etchison, "we'd like to be able to do more work on the telephone."

That will be a problem, though. There is only one number for Social Security in the whole Bay Area. An Examiner reporter who dialed it last week let it ring 35 times before giving up.

"The telephone system has been a big problem for us," Mrs. Etchison admitted. "We do have a local office number to call for claims, though."

The trouble is, it's not listed.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order there will be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited to 5 minutes each, at the conclusion of which the Senate will resume consideration of the unfinished business, S. 281, a bill to amend the Regional Rail Reorganization Act of 1973.

There is a time limitation on that measure of not to exceed 4 hours, with a time limitation on amendments, debatable motions, or appeals, and with the understanding that time on any amendment, debatable motion, or appeal will come out of the overall 4 hours.

There is a yea-and-nay vote ordered on final passage of the measure. So there will be at least one rollcall vote tomorrow.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 noon tomorrow.

The motion was agreed to; and at 5:46 p.m., the Senate adjourned until tomorrow, Wednesday, January 29, 1975, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 28, 1975:

DEPARTMENT OF STATE

Robert J. McCloskey, of Maryland, a Foreign Service officer of the class of Career Minister, now Ambassador at Large, to be also an Assistant Secretary of State.

NEW COMMUNITY DEVELOPMENT CORPORATION

Otto George Stolz, of North Carolina, to be a member of the board of directors of the New Community Development Corporation vice Alberto Faustino Trevino, Jr., resigned.

THE JUDICIARY

J. Smith Henley, of Arkansas, to be U.S. circuit judge for the eighth circuit vice Pat Mehaffy, retired.

HOUSE OF REPRESENTATIVES—*Tuesday, January 28, 1975*

The House met at 12 o'clock noon.

Rabbi Nathan Zolondek, Temple Tifereth Jacob, Hialeah, Fla., offered the following prayer:

Almighty G-d, Supreme Ruler of Nations, as the curtain rises upon another day in our lives, invoke Thy blessing upon the work of our hands.

We pray Thee, enlighten the minds of our leaders, endow them with true wisdom and guidance so they may pursue the paths of justice, democracy, and brotherhood. Help us to eradicate intolerance, prejudice, and malice from our midst.

Guard our beloved country from every enemy and drive from the hearts of men hatred, lustful desires, and greed that blinds the vision of Thy truth.

Fortify our united determination to establish a better world in our time.

Grant that these blessed United States of America serve as a beacon light for liberty loving people the world over.

May freedom and equality, brotherhood and peace fill our land forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a resolution as follows:

S. Res. 34

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable John C. Kluczynski, late a Representative from the State of Illinois.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it adjourn as a further mark of respect to the memory of the deceased Representative.

The message also announced that the President pro tempore, pursuant to Public Law 93–580, appointed Mr. Metcalf, Mr. Abourezk, and Mr. Hatfield as members, on the part of the Senate, of the American Indian Policy Review Commission.

The message also announced that Mr. William H. Brown, Parliamentarian of the House of Representatives, and Mr. Charles W. Johnson, Assistant Parliamentarian of the House of Representatives, have the privilege of the Senate floor for the remainder of the 94th Congress.

RABBI NATHAN ZOLONDEK

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Mr. Speaker, I am pleased to welcome to the House today Rabbi Nathan Zolondek of Hialeah, Fla.

Rabbi Zolondek received his B.A. degree from Brooklyn College and is a graduate of the Mesifta Rabbinical College of Brooklyn, N.Y., where he was ordained as rabbi in 1947.

Having served in the capacity of rabbi and director of education in various communities, Rabbi Zolondek is the spiritual leader of Temple Tifereth Jacob in Hialeah, where he was served for the past 4 years.

Rabbi Zolondek is active in community and civic affairs in Dade County and has also worked vigorously in support of the State of Israel and for Soviet Jewry. In 1974, he received the Scroll of Honor Award from the State of Israel and also a certificate for meritorious service for his efforts on behalf of Israel's 25th anniversary and the Yom Kippur war.

Rabbi Nathan Zolondek is a man who is devoting his life to helping others. I am proud to know him and I want to thank him for his prayer at the opening of today's legislative meeting.

ELECTION OF MEMBERS TO STANDING COMMITTEES

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 101) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 101

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Agriculture: William C. Wampler, Virginia; Keith G. Sebelius, Kansas; Paul Findley, Illinois; Charles Thone, Nebraska; Steven D. Symms, Idaho; James P. Johnson, Colorado; Edward R. Madigan, Illinois; Peter A. Peyser, New York; Margaret Heckler, Massachusetts; James M. Jeffords, Vermont; Richard Kelly, Florida; Charles E. Grassley, Iowa; Tom Hagedorn, Minnesota; W. Henson Moore III, Louisiana.

Committee on Appropriations: Elford A. Cederberg, Michigan; Robert H. Michel, Illinois; Silvio O. Conte, Massachusetts; Garner E. Shriver, Kansas; Joseph M. McDade, Pennsylvania; Mark Andrews, North Dakota; Burt L. Talcott, California; Jack Edwards, Alabama; Robert C. McEwen, New York; John T. Myers, Indiana; J. Kenneth Robinson, Virginia; Clarence E. Miller, Ohio; R. Lawrence Coughlin, Pennsylvania; C. W. Bill Young, Florida; Jack Kemp, New York; William L. Armstrong, Colorado; Ralph S. Regula, Ohio; Claire Burgener, California.

Committee on Armed Services: Bob Wilson, California; William L. Dickinson, Alabama; G. William Whitehurst, Virginia; Floyd Spence, South Carolina; David C. Treen, Louisiana; George M. O'Brien, Illinois; Robin L. Beard, Tennessee; Donald J. Mitchell, New York; Marjorie S. Holt, Maryland; Robert W. Daniel, Jr., Virginia; Elwood Hillis, Indiana; Andrew J. Hinshaw, California; Richard T. Schulze, Pennsylvania.

Committee on Banking, Currency, and Housing: Albert W. Johnson, Pennsylvania; J. William Stanton, Ohio; Garry Brown, Michigan; Chalmers P. Wylie, Ohio; John H. Rousselot, California; Stewart B. McKinney, Connecticut; John B. Conlan, Arizona; George Hansen, Idaho; Richard T. Shulze, Pennsylvania; Willis D. Gradison, Ohio; Henry J. Hyde, Illinois; Richard Kelly, Florida; Charles E. Grassley, Iowa; Millicent Fenwick, New Jersey.

Committee on the Budget: Delbert L. Latta, Ohio; Elford A. Cederberg, Michigan; Herman T. Schneebeli, Pennsylvania; James T. Broyhill, North Carolina; Del Clawson, California; James F. Hastings, New York; Garner E. Shriver, Kansas; Barber B. Conable, Jr., New York.

Committee on the District of Columbia: Gilbert Gude, Maryland; William H. Harsha, Ohio; Stewart B. McKinney, Connecticut; Edward G. Biester, Jr., Pennsylvania; Tom Railsback, Illinois; Robert W. Daniel, Jr., Virginia.

Committee on Education and Labor: Albert H. Quie, Minnesota; John M. Ashbrook, Ohio; Alphonzo Bell, California; John N. Erlenborn, Illinois; Marvin L. Esch, Michigan; Edwin D. Eshleman, Pennsylvania; Peter A. Peyser, New York; Ronald A. Sarasin, Connecticut; John H. Buchanan, Jr., Alabama; James M. Jeffords, Vermont; Larry Pressler, South Dakota; William F. Goodling, Pennsylvania; Virginia Smith, Nebraska.

Committee on Foreign Affairs: William S. Broomfield, Michigan; Edward J. Derwinski, Illinois; Paul Findley, Illinois; John H. Buchanan, Jr., Alabama; J. Herbert Burke, Florida; Pierre S. du Pont, Delaware; Charles W. Whalen, Jr., Ohio; Edward G. Biester, Jr., Pennsylvania; Larry Winn, Jr., Kansas; Benjamin A. Gilman, New York; Tennyson Guyer, Ohio; Robert J. Lagomarsino, California.

Committee on Government Operations: Frank Horton, New York; John N. Erlenborn, Illinois; John W. Wydler, New York; Clarence J. Brown, Ohio; Gilbert Gude, Maryland; Paul N. McCloskey, Jr., California; Sam Steiger, Arizona; Garry Brown, Michigan; Charles Thone, Nebraska; Alan Steelman, Texas; Joel Pritchard, Washington; Edwin B. Forsythe, New Jersey; Robert W. Kasten, Wisconsin; Willis D. Gradison, Ohio.

Committee on House Administration: William L. Dickinson, Alabama; Samuel L. Devine, Ohio; James C. Cleveland, New Hampshire; Charles E. Wiggins, California; M. Caldwell Butler, Virginia; J. Herbert Burke, Florida; Marjorie S. Holt, Maryland; W. Henson Moore III, Louisiana.

Committee on Interior and Insular Affairs: Joe Skubitz, Kansas; Sam Steiger, Arizona; Don H. Clausen, California; Philip E. Ruppe, Michigan; Manuel Lujan, Jr., New Mexico; Keith G. Sebelius, Kansas; Alan Steelman, Texas; William M. Ketchum, California; Don Young, Alaska; Robert E. Bauman, Maryland; Steven D. Symms, Idaho; James P. Johnson, Colorado; Robert J. Lagomarsino, California; Virginia Smith, Nebraska.

Committee on Interstate and Foreign Commerce: Samuel L. Devine, Ohio; James T. Broyhill, North Carolina; Tim Lee Carter, Kentucky; Clarence J. Brown, Ohio; Joe Skubitz, Kansas; James F. Hastings, New York; James M. Collins, Texas; Louis Frey, Jr., Florida; John Y. McCollister, Nebraska; Norman F. Lent, New York; H. John Heinz III, Pennsylvania; Edward R. Madigan, Illinois; Carlos Moorhead, California; Matthew J. Rinaldo, New Jersey.

Committee on the Judiciary: Edward Hutchinson, Michigan; Robert McClory, Illinois; Tom Railsback, Illinois; Charles E. Wiggins, California; Hamilton Fish, Jr., New York; M. Caldwell Butler, Virginia; William S. Cohen, Maine; Carlos J. Moorhead, California; John M. Ashbrook, Ohio; Henry J. Hyde, Illinois; Thomas N. Kindness, Ohio.

Committee on Merchant Marine and Fisheries: Philip E. Ruppe, Michigan; Charles A. Mosher, Ohio; Paul N. McCloskey, Jr., California; Gene Snyder, Kentucky; Edwin B. Forsythe, New Jersey; Pierre S. du Pont, Delaware; David C. Treen, Louisiana; Joel Pritchard, Washington; Don Young, Alaska; Robert E. Bauman, Maryland; Norman F. Lent, New York; Matthew J. Rinaldo, New Jersey; David F. Emery, Maine.

Committee on Post Office and Civil Service: Edward J. Derwinski, Illinois; Albert W. Johnson, Pennsylvania; John H. Rousselot, California; Andrew J. Hinshaw, California; James M. Collins, Texas; Gene Taylor, Missouri; Benjamin A. Gilman, New York; Robin L. Beard, Tennessee; Trent Lott, Mississippi.

Committee on Public Works and Transportation: William H. Harsha, Ohio; James C. Cleveland, New Hampshire; Don H. Clausen, California; Gene Snyder, Kentucky; John Paul Hammerschmidt, Arkansas; E. G. Shuster, Pennsylvania; William F. Walsh, New York; Thad Cochran, Mississippi; James Abdnor, South Dakota; Gene Taylor, Missouri; Barry Goldwater, Jr., California; Tom Hagedorn, Minnesota; Gary Myers, Pennsylvania.

Committee on Rules: James H. Quillen, Tennessee; John B. Anderson, Illinois; Delbert L. Latta, Ohio; Del Clawson, California; Trent Lott, Mississippi.

Committee on Science and Technology: Charles A. Mosher, Ohio; Alphonzo Bell, California; John Jarman, Oklahoma; John W. Wydler, New York; Larry Winn, Jr., Kansas; Louis Frey, Jr., Florida; Barry M. Goldwater, Jr., California; Marvin L. Esch, Michigan; John B. Conlan, Arizona; William M. Ketchum, California; Gary A. Myers, Pennsylvania; David F. Emery, Maine.

Committee on Small Business: Silvio O. Conte, Massachusetts; J. William Stanton, Ohio; Joseph M. McDade, Pennsylvania; John Y. McCollister, Nebraska; William S. Broomfield, Michigan; Tim Lee Carter, Kentucky; Hamilton Fish, Jr., New York; M. Caldwell Butler, Virginia; William S. Cohen, Maine; Millicent Fenwick, New Jersey; Tom Kindness, Ohio; William F. Goodling, Pennsylvania.

Committee on Standards of Official Conduct: Floyd Spence, South Carolina; James H. Quillen, Tennessee; Edward Hutchinson, Michigan; Albert H. Quie, Minnesota; Donald J. Mitchell, New York; Thad Cochran, Mississippi.

Committee on Veterans' Affairs: John Paul Hammerschmidt, Arkansas; Margaret M. Heckler, Massachusetts; Chalmers P. Wylie, Ohio; Elwood Hillis, Indiana; James Abdnor, South Dakota; William F. Walsh, New York; Tennyson Guyer, Ohio; George Hansen, Idaho; George O'Brien, Illinois.

Mr. MICHEL (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Ways and Means:

January 24, 1975.

Hon. Carl Albert,
The Speaker of the House of Representatives.

Dear Mr. Speaker: Pursuant to section 8002 of the Internal Revenue Code of 1954, the following Members of the Committee on Ways and Means have been designated as Members of the Joint Committee on Internal Revenue Taxation:

Honorable Al Ullman.
Honorable James A. Burke.
Honorable Dan Rostenkowski.
Honorable Herman T. Schneebeli.
Honorable Barber B. Conable, Jr.

Sincerely,

Al Ullman,
Chairman.

The SPEAKER. The clerk will notify the Senate of the appointments.

APPOINTMENT AS MEMBERS OF JOINT COMMITTEE ON DEFENSE PRODUCTION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Banking, Currency and Housing:

January 27, 1975.

Hon. Carl Albert,
The Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: As you know, pursuant to section 712(a)(2) of the Defense Production Act of 1950 (title 50, Appendix, United States Code, section 2162(a)(2)), it is the duty of the Chairman of the Committee on Banking, Currency and Housing to suggest five members of the Committee to be members of the Joint Committee on Defense Production.

The members selected to serve on this Committee for the 94th Congress in pursuance of this law are as follows: Wright Patman, Leonor K. Sullivan, Henry S. Reuss, Garry Brown of Michigan and Albert W. Johnson.

With kindest regards and best wishes, I am

Sincerely yours,

Henry S. Reuss,
Chairman.

The SPEAKER. The clerk will notify the Senate of the appointments.

APPOINTMENT AS MEMBERS OF TECHNOLOGY ASSESSMENT BOARD

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 92–484, the Chair appoints as members of the Technology Assessment Board the following Members on the part of the House: Mr. Teague, of Texas; Mr. Udall, of Arizona; Mr. Brown, of California; Mr. Mosher, of Ohio; Mr. Esch, of Michigan, and Mrs. Holt, of Maryland.

APPOINTMENT OF MEMBERS TO ATTEND THE FUNERAL OF THE LATE HONORABLE JOHN C. KLUCZYNSKI

The SPEAKER. The Chair appoints as members of the funeral committee to attend the funeral of our colleague, the late Honorable John C. Kluczynski from Illinois, the following Members on the part of the House:

Mr. Price, Mr. O'Neill, Mr. Michel, Mr. Derwinski, Mr. Rostenkowski, Mr. Shipley, Mr. Anderson of Illinois, Mr. Findley.

Mr. McClory, Mr. Yates, Mr. Annunzio, Mr. Erlenborn, Mr. Railsback, Mr. Crane, Mr. Metcalfe, Mr. Murphy of Illinois.

Mr. Madigan, Mr. O'Brien, Mrs. Collins of Illinois, Mr. Mikva, Mr. Hall, Mr. Hyde, Mr. Russo, Mr. Simon.

Mr. Evins of Tennessee, Mr. Jones of Alabama, Mr. Wright, Mr. Dingell, Mr. Broomfield, Mr. Conte, Mr. Johnson of California, Mr. Gonzalez

Mr. McDade, Mr. Roberts, Mr. Rooney, Mr. Hungate, Mr. Carter, Mr. Howard, Mr. J. William Stanton, Mr. Snyder.

Mr. Fish, Mr. Yatron, Mr. Roe, Mr. Roncalio, Mr. McCollister, Mr. James V. Stanton, Mr. Cohen, Mr. Baldus.

Mr. Bedell, Mr. Derrick, Mr. Evans of Indiana, Mrs. Fenwick, Mr. Goodling, Mr. Krebs, Mr. LaFalce, Mr. Nolan, Mr. Richmond.

SOUTH TEXAS GIRL NAMED BLUE JEAN QUEEN

(Mr. de la GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. de la GARZA. Mr. Speaker, it is with pleasure and pride that I cite an example of today's American youth at its best.

My example is Miss Vilma Garza, a 15-year-old sophomore in the Edinburg, Tex., high school, who recently was named "Blue Jean Lamb Queen" of the South Texas Lamb and Sheep Exposition.

Twenty-two fine young women competed for the title of queen of the 24th annual exposition. The judges must have had difficulty in choosing the winner.

The lovely queen is the daughter of Mr. and Mrs. Armando F. Garza, who live near Edinburg in my district. She is the sweetheart of the Future Farmers of America chapter, which sponsored her, is a student council representative, a member of the Edinburg High School Rodeo Club and Edinburg 4–H unit 2, and a calf scramble winner at the Rio Grande Valley Livestock Show.

I extend my hearty congratulations to Vilma Garza, to her parents, and to the school she has done proud.

INTRODUCING PUBLIC SERVICE EMPLOYMENT ACT OF 1975

(Mr. HAWKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAWKINS. Mr. Speaker, I am introducing today the Public Service Employment Act of 1975. The need for such a law is revealed, starkly, in the figures which assault us with almost daily regularity—growing unemployment, diminishing gross national product, sharply reduced public services. Rising in giant leaps, unemployment is fast approaching 8 percent of the work force, double that for blacks, even higher for Spanish-speaking persons and native Americans, and still higher for youth and older persons. Truly, it is a national disaster.

At best, current public service employment authorizations, titles II and VI of the Comprehensive Employment and Training Act, will provide jobs for fewer than 1 in 10 of the currently unemployed. And the temporary nature of these programs mitigates against the development of quality jobs, ones which render real services to the communities and offer genuine opportunities for the workers.

A program too small to do the job serves to encourage struggles over who will get the few jobs available—will they go to the newly laid-off or to the long-term unemployed, will we hire the parent only to ignore the child, the husband at the expense of the wife, white as opposed to black, veteran as opposed to nonveteran.

My bill, the Public Service Employment Act, will provide at full funding in excess of 1 million jobs. It will mean not only jobs for a million people, but, self respect and opportunity for them and their families, needed public services for them and their families, needed public services for their communities and increased aggregate demand for the economy as well as revenue for Federal, State, and local governments. While the cost, $10 billion, is not small, the cost of doing less is higher—higher in terms of the individuals, their families, their communities, the public revenues forgone and the belief in the opportunity for productive work available for persons who want and need to work.

Not only does the bill substantially increase the number of jobs which will be available, but it broadens the public service employment design in two ways. First, it makes the program permanent, recognizing that even in good times there are substantial numbers of persons ready and willing to work for whom work is not available in the private sector. Second, it makes possible through prime sponsors employment opportunities in the wide array of nonprofit private agencies. These changes build upon the experience in previous programs such as the Emergency Employment Act and CETA itself, and, I believe, will serve to move us closer to the promise of full employment for all.

ALLEVIATING WORLD HUNGER AND FAMINE

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, on behalf of the chairman of the Agriculture Committee, Mr. Foley, and my colleagues of the Foreign Affairs Committee, Mr. Fraser and Mr. Buchanan, I invite you to cosponsor a bill to alleviate world hunger and famine. It is low cost but high benefit.

It provides funds to U.S. land-grant universities so they, in turn, can help build land-grant-type universities in food-deficit nations.

It is inspired by the success of the land-grant system both here and abroad. By taking education directly to farmers, through extension, classroom, and practical research, land-grant universities have made U.S. agriculture the best in the world.

In recent years these universities have helped build nine successful land-grant-type universities overseas. The bill will enable them to expand this program swiftly and substantially.

It will be introduced for the first time Thursday. If you wish to be a first-day sponsor, call my office by tomorrow night.

Those who have already agreed to join Mr. Foley, Mr. Fraser, and Mr. Buchanan as cosponsors are Mr. Rodino of New Jersey, Mr. Rosenthal of New York, Mr. O'Hara of Michigan, Mr. Sebelius of Kansas, Mr. Thone of Nebraska, Mr. Simon and Mr. Mikva of Illinois, Mrs. Lloyd of Tennessee, Mr. Baldus of Wisconsin, Mr. Harrington of Massachusetts, Mr. Forsythe and Mr. Helstoski of New Jersey, Mr. Badillo of New York, and Mr. Riegle of Michigan.

HON. JOHN JARMAN: A MAN OF COURAGE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I want to personally commend the courageous gentleman from Oklahoma (Mr. Jarman) for his willingness to place principles and beliefs ahead of political expediency. His decision to change his allegiance from the majority to the minority party—indeed from the liberal to the conservative party in the House—is a welcome act of political courage in an age of cynicism.

It is obvious that many conservatives within the Democrat Party are now being driven from the house of their fathers. Their only sin seems to be that their views coincide with the views of a majority of Americans—that is, they are conservatives.

I commend the leadership of my own party and its members for offering the gentleman from Oklahoma a place of seniority in his new committee assignments.

I hope that other members of the majority party who have the courage of their convictions will follow in the footsteps of the gentleman from Oklahoma. I only hope that my own party will be willing to reaffirm the basic conservatism that has been our principal belief. What is needed in this country is not a conservative third party, but a conservative second party. The gentleman from Oklahoma (Mr. Jarman) has shown the way.

REPEALING LIMITATION UPON AMOUNT OF OUTSIDE INCOME AN INDIVIDUAL MAY EARN WHILE RECEIVING SOCIAL SECURITY BENEFITS

(Mr. ABDNOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABDNOR. Mr. Speaker, today I introduced legislation repealing the limitation upon the amount of outside income which an individual may earn while receiving social security benefits. Under present law, for every $1 earned over $2,400 in a year, an individual loses 50 cents in social security benefits. There are 2.5 million Americans aged 65 to 72 who must live with this unfair law.

The earnings limitation actually penalizes those aged 65 to 72 who still want and are capable of working. This is highly inequitable when you consider the fact that many who can must supplement their retirement income in order to maintain a meager life's existence.

There are many arguments for and against the elimination of the earnings limitation. I will not go into them here, but the House must as soon as possible. Many have introduced similar bills before and many will come after mine. It is time to act on either completely removing this yoke from the necks of those who earn salaried wages, or at least increasing the present $2,400 ceiling over a period of years until it is removed altogether.

APPOINTMENT AS MEMBERS OF COMMISSION ON REVIEW OF NATIONAL POLICY TOWARD GAMBLING

The SPEAKER. Pursuant to the provisions of section 804(b), title 8, Public Law 91-452, the Chair appoints as members of the Commission on the Review of the National Policy Toward Gambling the following Members on the part of the House: Mr. Hanley, of New York; Mrs. Spellman, of Maryland; Mr. Steiger, of Arizona; and Mr. Wiggins, of California.

APPOINTMENT AS MEMBERS OF NATIONAL FOREST RESERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of 16 United States Code 513, the Chair appoints as members of the National Forest Reservation Commission the following Members on the part of the House: Mr. Ichord, of Missouri; and Mr. Lott, of Mississippi.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of 14 United States Code 194(a), the Chair appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following Members on the part of the House: Mr. Dodd, of Connecticut; and Mr. Sarasin, of Connecticut.

THE PRESIDENT'S REQUEST FOR AID TO SOUTH VIETNAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the President has today submitted to the Congress a supplemental request of $300 million in aid for South Vietnam. After having attended the bipartisan leadership meeting at the White House this morning where the President, Secretary Kissinger, Secretary Schlesinger, and General Brown briefed the leadership on the situation in Southeast Asia, I would think it wise for Members, particularly our freshmen Members, to withhold any snap judgment on this request for additional funds until they have had an opportunity to get all the facts.

I recognize, Mr. Speaker, that it is a very unpopular proposition to deal with at the moment in view of our troubled times at home, but I do not think we should be so provincial as to look only inward and close our eyes to continually shifting conditions abroad, for our own long-range interests are inevitably intertwined with those of the rest of the world. We are seeing that with regard to energy in the Middle East and with regard to food in Africa and India, and it is also true with regard to the problems of Southeast Asia.

One further point, Mr. Speaker, that ought to be remembered, and that is this request for additional funding is not in excess of the amount that was authorized by the 93d Congress. Members will recall there was a significant cut in the appropriation from the authorized level, and this is simply a partial restoration of that cut.

FOUR-YEAR TERM FOR MEMBERS OF U.S. HOUSE OF REPRESENTATIVES

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I have today introduced a joint resolution to amend the Constitution providing that the term of office of the House of Representatives shall be 4 years. Mindful of the debate which has surrounded this proposition in previous sessions of Congress, I would like to offer my reasons for making this proposal.

The most often advanced arguments are well known to all of us, yet they bear repeating because of the enormity of the problem. Those of us who are closest to the problem realize the high cost of a biennial campaign. We are also aware of the limitations that the biennial campaigns place on our ability to provide necessary services to our Nation and constituents. Moreover, the present 2-year term becomes even more of a burden as the population of our Nation increases, which has a corresponding effect on increasing the costs of each succeeding campaign.

Members of this great body, and particularly freshman Members, barely have an opportunity to acquaint themselves with the rules and procedures of the Congress before they must divert their attention to solidifying a political base just spawned. This necessary and unwelcomed preoccupation, Mr. Speaker, in my opinion, is totally out of consonance with our higher calling to represent our constituents and Nation.

Mr. Speaker, it might be well to look at the debate surrounding the term of office in order to gain a historical perspective. The debate over the term of office for Representatives began in the Constitutional Convention in Philadelphia in 1787 with the competing positions. Elbridge Gerry insisted on a 1-year term. "Where annual election ends, slavery begins" became one of our first post-Revolution slogans. James Madison offered a 3-year term. He argued on behalf of a 3-year term on the premise that it would take at least 3 years for Members to acquaint themselves with the needs of States other than their own. Furthermore, argued Madison, the best procedure was to consider what was necessary to attain a proper government and then to present the plan to an informed citizenry. When the question was finally called, Madison's proposal for a 3-year term won seven to four. However, we find later as part of a compromise, the term was set at 2 years.

Since the Constitutional Convention, several proposals have been offered to increase the term of Representatives. This amendment would prohibit a Member of the House of Representatives from being a candidate for election to the other House during his current term as a Representative unless he were to resign at least 30 days prior to the election. In proposing a 4-year term for all Members which would commence 2 years after each Presidential election, I do so in the spirit of Madison believing that such a change would enhance the stability and dignity of our House of Representatives. More importantly, our country would become the principal beneficiary. The text of the proposed constitutional amendment follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The terms of Representatives shall be four years and shall commence at noon on the 3rd day of January of the second year after the year of the regular term of the President is to begin.

"SEC. 2. No Member of a House of Congress shall be eligible for election as a Member of the other House for a term which is to begin before the expiration of the term of the office held by him unless, at least thirty days prior to such election, he shall have submitted a resignation from such office which shall become effective no later than the beginning of such term.

"SEC. 3. This article shall take effect on January 3, 1984 if it is ratified prior to January 1, 1983."

UKRAINIAN INDEPENDENCE DAY

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURKE of Massachusetts. Mr. Speaker, it gives me great pleasure to join with the people of the Ukraine in commemorating their independence. January 22, 1975, marked the 57th anniversary of independence which lasted only 2 short years, 1918–20. Although Communist Russia would have preferred it be believed that the Ukraine welcomed their protective shadow, the Ukraine's valiant struggle for freedom continues to this day.

Rather than prospering under Communist Russian rule, the people of the Ukraine have suffered a severe and enduring oppression. When the Communists heard a voice of protest, a plea for freedom was answered with a firing squad. But this did not silence the cry for liberty. For every patriot that died, there were others behind him with equal courage, and with the same burning desire to regain the independence which the Communists had taken from a once proud and happy nation.

My fellow colleagues, the Ukrainian struggle for independence continues. Even as I address you now, the Communists are subjecting the people of the Ukraine to renewed cultural repression and mass arrests. Gentlemen, 57 years is a long time to fight for freedom, but these noble people have kept up the fight. Their courage should serve to inspire all of us to dedicate ourselves to do everything in our power to see that their dreams become reality.

The Ukrainian Congress Committee of America, Inc., has developed five goals which are to help them move forward and implement the return of the universal, basic human rights of their fellow men. They are:

1. A strict Congressional accounting of across-the-board emigration from the U.S.S.R.;
2. An equally strict accounting of deals made by our businessmen who are admittedly confused by present rules in the U.S.-U.S.S.R. trade;
3. In the spirit of Senator Jackson's appeal to Brezhnev on September 10, 1974, the release of Valentyn Moroz;
4. Congressional hearings on the resurrection of the Ukrainian Orthodox and Catholic Churches genocided by Stalin; and
5. A short-term select committee on the Captive Nations to crystallize for our citizentry a reality that no amount of diplomacy can conceal.

We must urge the President to take up the battle for Ukrainian independence. We will not be satisfied until this great people and their great nation can, once again, join the independent nations of the free world.

APPOINTMENT AS MEMBERS OF BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 United States Code, 42, 43, the Chair appoints as members of the Board of Regents of the Smithsonian Institution the following Members on the part of the House: The gentleman from Texas (Mr. MAHON), the gentleman from Illinois (Mr. YATES), and the gentleman from Michigan (Mr. CEDERBERG).

RECOGNIZING THE RIGHTS OF THE FRANCO AMERICAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 10 minutes.

Mr. COHEN. Mr. Speaker, last session marked the greatest recognition of the rights of non-English-speaking children since the 91st Congress enacted the first Bilingual Education Act. The U.S. Supreme Court's ruling in the case of Lau against Nichols held that non-English-speaking children have the constitutional right to special help enabling them to gain an equal educational opportunity. For the non-English-speaking child this test case ranks with other civil rights landmarks such as Brown against the Topeka Board of Education. In response to it, the Congress has expanded and improved the original Bilingual Education Act, and HEW has redrafted the regulations which apply to this law.

In the spirit of this reform, I have become particularly concerned with the impact that our former policies had on one of our Nation's less visible non-English-speaking groups: the Franco-American. Many of my colleagues may not be acquainted with the Franco-American situation in America because certain historical and economic factors have tended to isolate these people in Louisiana and in the New England States. However, according to the 1970 U.S. Census, Franco Americans constitute the sixth largest minority in America.

Furthermore, available evidence would also indicate that this minority is one of the most disadvantaged of the larger ethnic populations in New England and the United States. Among the nine largest of the self-identified ethnic origin groups examined in the Current Population Survey of the U.S. Census compiled in March 1972, the Franco American ranked only above the Spanish American in terms of median income and education for the United States as a whole. According to a study done at the University of Maine at Portland, second generation Franco Americans in New England ranked last among nine ethnic groups both in terms of education and income.

Yet, despite these statistics and the size of the Franco-American community, they have never been legally recognized as a minority even though ethnic groups much smaller in number have been. The effect has been to deny them participation in programs which could be vital to their success in our society. Therefore, I am reintroducing today legislation to amend the Emergency School Aid Act to extend to Franco-Americans the same benefits afforded other minority groups under that act.

The Emergency School Aid Act was designed to deal with discrimination in our public schools. While Franco-Americans may not suffer from physical discrimination, they can be handicapped by a mental and spiritual discrimination which is far worse. We have discovered that mere physical integration is inadequate to remedy the discrimination suffered by the child who speaks and thinks in one language and is required to learn in another.

Ethnic students have special educational needs which have often impaired their ability to succeed in public schools. No longer can we assume that by providing a child with the same facilities, textbooks, teachers, and curriculum as other children, that the child enjoys an equal educational opportunity. If that child cannot understand the medium in which the material is taught, he is effectively excluded from the educational process and is a victim of fundamental discrimination.

Those of us who are fully matriculated into our monolingual, monocultural society find it hard to appreciate the problems which face the Franco-American or other ethnic groups. Educators know that exclusion from one's own cultural heritage and history, from one's language and community, can be so destructive to the self-confidence of a student that he gradually loses his ability to learn. Ethnic students must be able to relate their mother tongue to their personal identity, because language and the culture it carries are at the very core of a child's self-concept. Held mentally captive by the myth of the American melting pot, whole generations of children have been denied an effective education without which the chances for upward mobility of our society are effectively blocked.

While we in America profess that we no longer follow our former melting pot philosophy of cultural eradication, we must now move forward to a philosophy of cultural pluralism. How we answer the needs of the Franco-American and other ethnic groups is of prime importance. Officials within the Department of Health, Education, and Welfare alert to this situation have succeeded in including the Franco-American under the Emergency School Assistance Act by means of the discretionary authority of the Secretary.

However, this process can only be undertaken on a case-by-case basis, holding up much-needed programs for long periods of time. My bill allows Franco-Americans to participate equally with the Nation's other recognized ethnic groups in programs of bilingual education, in new school curriculums of particular relevance and utility to the group, in training of professional staffs and teachers to help meet the specialized needs of Franco-Americans, and in formulating programs to bring cultural and ethnic relevance to community activities.

Without this legislation we blatantly choose to ignore one of the country's largest ethnic groups. More importantly, however, we deny the Franco-American the tools afforded other groups in their quest for educational equality. While my colleagues knowledgeable of other ethnic groups may not be familiar with the Franco-American, they are familiar with his problems. Justice demands that the Franco-American have equal access to the compensatory education provided other non-English-speaking groups.

WE MUST RESIST GASOLINE RATIONING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, over a year ago when the administration was considering gasoline rationing to meet the sudden oil shortage caused by the Middle East embargo—millions of coupons were even printed for ready use—the Congress expressly denied President Nixon the option of gasoline rationing. The Congress agreed that it would be inequitable, corruptive, expensive, and ineffective even in the shortrun situation of a deepening embargo.

Now President Ford has expressed his opposition to gasoline rationing and has presented two additional persuasive arguments against it. First, the problem is now long-term conservation; and second, the need to encourage development of other energy sources is essential. Our energy crisis is permanent and rationing will not provide a permanent solution.

In spite of the more valid arguments against rationing, the leadership of the Congress is favoring this approach. The reasons are simply "frustration politics." The majority wants to frustrate the President's programs and cripple his leadership. This is 1976 politics. It is adversary politics and ought to be rejected in the best interests of our Nation.

I opposed rationing during the temporary embargo, and I do now in our battle for long-term conservation and our truly compelling need to encourage the development of alternate energy sources.

Our congressional district is especially hard hit by petroleum shortages and higher gas and oil prices, consequently, rationing would work least well and be most inequitable in our area.

However, if mandatory rationing is forced upon gas and oil users by the Congress, I shall propose and support a two-tiered program: a simple minimum allocation for every user and then additional supplies at higher prices. This would project the poor and the user with higher demands more effectively than the simple rationing proposal which is now being promoted.

No matter how good the intentions, no rationing system has worked successfully or fairly—even in a shortrun emergency situation. Anyone who has ever tried to devise a fair rationing system will oppose rationing based on their past experience.

Congress knows the economics and the needs for conservation as well as the President. Any delay is part of the miserable game of frustration or adversary politics. Delay is harmful to energy users and taxpayers. The Washington Post also knows how not to ration gasoline and I include their lead editorial of January 26:

[From the Washington Post, Jan. 26, 1975]

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances, and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its commitees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

CONGRESS SHOULD CONSIDER ABORTION DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, I am today introducing a resolution to create a select committee of the House to conduct a full and complete study of the constitutional basis of the January 22, 1973, Supreme Court decision on abortion.

Perhaps, no ruling by the Supreme Court since the 1954 case of Brown against Board of Education has caused so much controversy as this court decision. Hundreds of my constituents have written, called, or personally told me of their deep concern.

I oppose abortion as a general proposition. However, most of the people with whom I have talked believe that under certain circumstances it should be permitted. As an example, many feel that it should be permitted if necessary to save the life of the mother. Others have told me they think it is justified in cases of incest or rape. Still others believe it is justified when illness or medication taken by the mother is considered by her doctor as likely to result in a severely deformed child. The problem is drawing an appropriate line and expressing it in the language of a constitutional amendment.

Several amendments were introduced in the 93d Congress, and each defined in a different way when abortion should be permitted. However, no agreement on exceptions was reached. At Senate hearings last year, John Cardinal Krol, Archbishop of Philadelphia, was asked whether an exception should be made if it is necessary to save the life of the mother. He responded:

> We cannot support any exception.

The Pope has now concurred. Other religious leaders feel exceptions should be made.

Unfortunately, the House Judiciary Committee did not hold hearings on the resolutions, despite the fact that I and many other Members of Congress requested that this be done to afford people an opportunity to express their views on the question.

It is extremely important that the House examine the issue thoroughly to determine what course is most desirable from the standpoint of the moral issues involved, as well as from the standpoint of public convictions. Approval of my resolution will afford the Congress the opportunity to do so, and I urge its prompt consideration.

Text of resolution follows:

H. Res. 102

Resolved, That there is hereby created a select committee to be composed of eleven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete study of the constitutional basis of the January 22, 1973, United States Supreme Court decisions on abortion, the ramifications of such decisions on the power of the several States to enact abortion legislation, and the need for remedial action by Congress on the subject of abortions.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is in session, has recessed, or had adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary; except that neither the committee nor any subcommittee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The committee or any subcommittee thereof authorized by the committee to hold hearings shall publish reports of the hearings, and shall have authority to report legislation to the Congress.

The committee shall report to the House within six months of adoption of this resolution the results of its study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

PROPOSING TAX CREDIT FOR PURCHASERS OF DOMESTIC AUTOMOBILES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Esch) is recognized for 5 minutes.

Mr. ESCH. Mr. Speaker, I rise to offer legislation which will have a direct and immediate effect on our worsening economic situation. It deals with one of the hardest hit of our industries, the automobile industry. Simply stated, it would provide a tax credit for any individual who purchases an automobile from a domestic manufacturer in 1975. The credit would be $250 for a car that receives at least 15 miles per gallon as an average between city and open road and $100 for a car with an average mileage below that amount.

It is legislation which is in line with both what the President and the majority party have proposed, that is, a tax cut to stimulate the economy. It is not offered as a substitute for their proposals but as a supplement. As part of an overall tax cut program it will bring direct and immediate relief to one of the major employers in our economy. Moreover, it will do so in a manner which encourages the purchase of energy efficient automobiles.

By bringing sales back up to the level at which we were before the massive layoffs, we would spend approximately $2 billion in tax rebates. Yet, as one of the major architects of the present emergency unemployment insurance program, I would remind my colleagues that we will spend two or three times that amount in unemployment compensations this year.

There are those that will object to this legislation on the grounds that it is too specific and that it sets unwise precedent for interference in the free market system. I would like to speak briefly to both of these points.

The automobile industry is one of the major employers in our economy. It is directly responsible for hundreds of thousands of jobs in its own plants and indirectly for hundreds of thousands more in suppliers and dealerships across the country. According to the Christian Science Monitor—

It has been estimated that one out of every five jobs in the country is related in some way to the auto industry.

One need only look at unemployment figures in my own State of Michigan to demonstrate the point. The national unemployment figure for the month of December was 7.1 percent. Yet in Michigan where the automobile industry plays such a prominent role in the economy, the comparable figure was 11.2 percent statewide and an even higher 12.4 percent for the Detroit area. The UAW estimates that some 300,000 autoworkers have been laid off, including employees of supplier companies. And with a record inventory of 1,742,725 cars, or a 124.6-day supply, the auto companies indicate that more cutbacks are yet to come. My proposal deals directly with the problem of declining sales. It is designed to quickly reduce this inventory so the industry can begin to put their unemployed back to work.

The second objection we will hear is that it means undue interference in the free market system. I would like to remind my colleagues of where we are today with regard to Government interference in the automobile industry. It is estimated that current Federal regulations have pushed up the cost of a new car by $700. We are therefore, Mr. Speaker, far beyond the point of "putting our foot in the door" with regard to undue interference in the automobile industry. If prices have risen dramatically on new cars, it is a result of Government interference not for lack of it. Whatever the pros and cons of the timing and the extent of these regulations, if we have interfered with the industry to attain environmental safety goals, are we any less correct in intervening to attain an equally important goal, that of putting our unemployed back to work? And, are we wrong in intervening in a manner that has already been suggested for the economy as a whole, by way of our tax laws? I would suggest that the answer in both cases is obvious, and I would encourage my colleagues to give prompt and serious attention to this legislation.

BOMBING OF FRAUNCES TAVERN IN NEW YORK CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico (Mr. BENITEZ) is recognized for 15 minutes.

Mr. BENITEZ. Mr. Speaker, on Friday, January 24, a mass murder was perpetrated at Fraunces Tavern in New York City. Four innocent and unsuspecting persons were killed and 53 were wounded when a high-powered bomb exploded, pursuant to the new technology of indiscriminate assassinations for purposes of political blackmail. Following established practice of self-accusation propaganda, a terrorist group calling itself the Armed Forces of National Liberation for Puerto Rico—FALN—has claimed credit for this massacre, has related it to retaliation for supposed national and international delinquencies of the United States, and has pretended to associate itself with trumped-up grievances and objectives which the FALN attribute to Puerto Rico.

As the elected Representative of Puerto Rico to the United States, I denounce this criminal action and reject its purported justification. Neither Puerto Ricans nor anyone else have any wrongs which can be righted through the assassination of innocent people. Puerto Ricans from all walks of life on the island and on the mainland are shocked and outraged by such cold-blooded, sadistic, inhuman behavior.

The Governor of Puerto Rico, Rafael Hernández Colon, has condemned and repudiated these felonies. He has directed the chief of police and all other governmental agencies to cooperate to the fullest with the New York and Federal authorities in searching out and bringing to the bar of justice whoever participated in these crimes.

Who makes up this group which signs itself FALN, which purports to speak for Puerto Rico's independence and which for that purpose has claimed credit for three separate bombings in New York City? Neither the FBI nor the chief of police in Puerto Rico have any record of such a group operating on the island. The acronym FALN surfaced for the first time in the American press in connection with the October 26 bombings in Manhattan. It is an established Latin American acronym used in Argentina, Colombia, Guatemala, and Venezuela by well-trained fringe guerrillas. Throughout Latin America it is identified with extreme leftist, antigovernment and anti-American action groups. You may read the details in the chapter on Latin American terrorist organizations published as a staff study by the Committee on Internal Security of the House of Representatives, under the general title of "Terrorism," August 1, 1974.

We do not know if the FALN is a New York branch office of a larger conspiratorial movement. We do not know either if any Puerto Ricans are participating or if the name of Puerto Rico is being used cynically as a disguise or as a way of poisoning United States-Puerto Rican relations. Verbal propaganda, distortions and misrepresentations of Puerto Rico's reality have been used against Puerto Rico and the United States at the United Nations and elsewhere. We do know that in Communist countries, in the Third World, in Cuba, among the New Left groups everywhere, the fringe nationalists and socialist groups of Puerto Rico are entertained and treated as visiting heros, and encouraged and assisted in their propaganda and their activities. We have suffered verbal attacks as part and parcel of the marketplace of discussion. But the killing of innocent people as a form of propaganda is a totally abhorrent act which we condemn and which men everywhere must reject. Historically, Puerto Ricans have been, at Tel Aviv and other places, victims of such crimes, not perpetrators.

I do not recognize—none of us Puerto Ricans can recognize—the spirit or the will of the Puerto Rican people in acts like Friday's bombing in New York. No sane Puerto Rican would claim to be acting on behalf of his country and his people in such incidents as those reported in Mayaguez on January 11 and in New York on January 24. I do not discard the possibility that some of our own people may have been trapped emotionally into participating in such schemes in New York or in Mayaguez. If they have been so trapped, they have been exploited into betraying the nature of our society, the values, the courage, and the integrity for which Puerto Rico stands.

I believe I can bear witness to the true nature of our society, our hopes and expectations. Before coming to Congress, I worked for 40 years, first as an instructor and then as chancellor and president of the University of Puerto Rico.

I have seen the indomitable spirit of the Puerto Rican people in many faces in many places, in many instances. It is a radiant force, moving and creative against ignorance, inequity, in search of human justice and fulfillment.

I have seen the gallant determination against all odds in the faces of young students without means and have witnessed through the years how they became teachers, lawyers, doctors, engineers, public servants. I have shared first-hand the hope and the driving force of workers, housewives, young people, citizens in all walks of life helping build a university relevant to our needs of intellectual and professional accomplishments.

I know the quality of the leadership that inspired and worked close to our people to evolve from a stricken land with a yearly per capita income of $122 in 1940 to new levels of human development unparalleled in the Caribbean. These gains have been achieved in spite of population growth and of the serious and pressing problems of rapid change and modernization throughout the world. Under present difficult circumstances, there is no exhaustion of our spiritual resources and creativeness. The young generation of Puerto Rican leaders entrusted with the responsibility of government today are loyally carrying on the tradition of service and dedication so essential to our survival.

Mutual understanding and solidarity between Puerto Rico and the United States are also indispensable. To poison that understanding, to undermine that solidarity, are the only conceivable goals of this criminal behavior. There is method in this madness, obsessed with the premeditated purpose of perpetuating violence as a desperate means of foisting independence upon Puerto Rico.

Over 90 percent of the people of Puerto Rico are deeply and definitely set against independence. Why? Because as far as Puerto Rico is concerned, independence is an anachronism for a small and densely populated community. Puerto Rico's association of 76 years with the United States, in spite of misunderstandings and confusion, has been valuable, strengthening and mutually rewarding. We have no intention whatsoever of rupturing that relationship. We are persuaded that either independence or statehood would, for different reasons, completely hamper Puerto Rico's potentials and contributions.

As long as the ballot box prevails, as long as there is mutual communication and understanding, our goals will be advanced through the free associated status we call commonwealth. The people of Puerto Rico have overwhelmingly endorsed that status. Presently a joint committee appointed by the President of the United States and the Governor of Puerto Rico is working at revising and improving Commonwealth in the light of the experience of the past 22 years. This form of status, constantly examined in a quest for perfection, is the road that Puerto Rico wishes to travel in permanent union and association with the United States. This is the road that, God willing, we will pursue in the years ahead in fulfilling our commitment to freedom and justice for all, common enemies of democratic self-determination to the contrary notwithstanding.

Mr. DE LUGO. Mr. Speaker, will the gentleman yield?

Mr. BENITEZ. I yield to the distinguished gentleman from the Virgin Islands.

Mr. DE LUGO. Mr. Speaker, I thank the gentleman for yielding.

I would like to commend the gentleman on his remarks, and I wish to point out to the newer Members of the House the distinguished record which has been made by our colleague, the Resident Commissioner from the Commonwealth of Puerto Rico.

The gentleman is a former chancellor and president of the University of Puerto Rico, this is true, and he is also one of the architects of the Commonwealth and one of the distinguished leaders of the Commonwealth of Puerto Rico.

Mr. Speaker, I commend the gentleman on his remarks, and I congratulate the people of Puerto Rico for having such a distinguished and eloquent spokesman representing them in the House of Representatives.

Mr. BENITEZ. Mr. Speaker, I thank the gentleman for his kind words.

ROE AGAINST WADE: TWO YEARS LATER

The SPEAKER pro tempore. Under a previous order of the House the gentlewoman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, 2 years ago this month the Supreme Court, in its historic decision in *Roe* v. *Wade* (410 U.S. 113 (1973)), affirmed a woman's right to privacy in deciding whether or not to terminate a pregnancy. Another decision in the same month, *Doe* v. *Bolton* (410 U.S. 179 (1973)), prohibited States from making abortions unnecessarily difficult to obtain by prescribing elaborate procedural guidelines.

The majority of the public, regardless of religious affiliation, now favors legal abortion. They understand that legal abortion means State neutrality, and that anything else is compulsory pregnancy.

There are, however, individuals in this Congress who advocate measures which would nullify or vitiate the Supreme Court decisions. While we in Congress would never pass laws which make abortion compulsory, these individuals are asking us to make pregnancy compulsory.

The Constitution, according to Justice Holmes in *Lochner* v. *New York* (198 U.S. 45 at p. 70) "is made for people of fundamentally differing views." Those individuals who seek to outlaw abortion are attempting to impose one view on an entire people. They would substitute uniformity for diversity, and compulsion for the right to choose.

Some individuals would make all abortions illegal. Those who would impose a ban on abortion in the name of protecting rights of the unborn would deprive citizens of their rights under the fourth amendment, which guarantees the constitutional right to privacy.

Equally important are the practical consequences of such measures. Those who would overrule Roe against Wade ignore the benefits that have resulted from legalizing abortion, including a decline in maternal death rates, a decrease in the number of hospital admissions for botched abortions, fewer deaths resulting from unsafe abortions, and a decline in out-of-wedlock births.

Outlawing abortion will not mean that women will cease to seek abortion. It will mean, instead, that women will once again be delivered into the hands of bootleg abortionists and extortionists. Such proposals are unconscionable, and deserve speedy rejection.

There are other individuals who would single out a certain class of women and deprive them of the right to obtain an abortion. A bill offered in the other body would prohibit the use of HEW funds for abortion. Were such a proposal enacted into law, thousands of indigent women would be unable to have an abortion because they lack the necessary funds. Enactment of such a law would demonstrate a flagrant disregard for the rights and well-being of some of the most oppressed members of our society—poor women.

In addition, the constitutionality of such a measure is open to serious question. Such a proposal creates an invidious classification that restricts the fundamental right of women in a certain class to decide whether or not to terminate their pregnancies. By prohibiting the use of HEW funds to pay for abortion, while allowing such moneys to be used to fund medical maternity services, we would be denying low-income women equal protection of the law. Six Federal district courts have recently ruled that when States provide funding for maternity care, they must also pay for abortions. Any proposal on the Federal level to restrict the ability of poor women to obtain abortions conflicts with the decisions in Roe against Wade and Doe against Bolton, and with the lower court rulings interpreting these cases, and would violate the equal protection and due process protections of the fifth and fourteenth amendments.

I believe that abortion is the least desirable method of birth control. No woman prefers it. It is generally regarded as a method of last resort. Hopefully, there will be fewer abortions as women and men gain more familiarity with and access to contraceptives. But safe and legal abortion must be available to any woman who finds herself pregnant and for any one of multitude of reasons does not wish to have a child. And a safe, legal abortion must be an option for all women, for the equal protection clause of the fourteenth amendment applies to all women, rich or poor.

POLONIA HONORS JOHN C. MARCIN, CITY CLERK OF CHICAGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on Friday, January 31, at the Starlight Inn, the Honorable John C. Marcin, city clerk of the city of Chicago, will receive from Polonia Weekly its Polonia Merit Award.

John Marcin has been a friend and personal associate of mine for over 25 years. His long and distinguished service to the people of Chicago merits this recognition.

He was born on Chicago's Northwest Side, which I am privileged to represent in the Congress, and he still resides on the Northwest Side with his devoted wife, Beatrice. He graduated from DePaul Academy, DePaul University, and the Columbia School of Business, and he also has done graduate work at George Washington University here in the Nation's Capital.

John is a veteran of World War II and served honorably for 3 years in the U.S. Army Corps of Engineers. He is a respected business leader, and is a former president and general manager of Wisconsin Ceramics Corp., as well as the former owner of Marcin Catering.

He was first elected Democratic committeeman of the 35th ward in 1952, and since then has served the public interest with dedication, ability and integrity. He has also served as a delegate to the National Democratic Convention since 1952. He has given admirable service for 20 years as city clerk of Chicago, and additionally, has served on all levels of the Democratic Party's committees. In 1964, he was named by President John F. Kennedy as national chairman of an ethnic division of the All Americans Council of the Democratic National Committee, and he is still serving in this position.

John is the only person in the city of Chicago to be accredited by the International Institute of Municipal Clerks as a "Certified Municipal Clerk." He served two terms as president of the institute and initiated the organization and certification programs now in use. Additionally, as city clerk of Chicago, John modernized the city clerk's office and updated its operating procedures by installing computers and eliminating redtape.

The city clerk of Chicago is also a staunch supporter of youth activities, and has sponsored the John C. Marcin Boys' Baseball League, an affiliate of the Little League and the Babe Ruth League.

Mrs. Annunzio joins me in extending to John and to his wonderful wife, Beatrice, our sincerest best wishes for continued good health and many more years of distinguished service to the people of our city.

PUBLIC ENEMY NO. 1—THE ECONOMIC DILEMMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BRINKLEY) is recognized for 15 minutes.

Mr. BRINKLEY. Mr. Speaker, I rise to address Public Enemy No. 1, a designation which I think is now agreed to by all—the executive and the legislative, Democrat and Republican—as regards the economic dilemma.

In a letter to the President, I have asked that he seriously consider a compromise energy program that would test the sincerity of the oil-producing nations and give the United States more of a voice than it now has in writing the rules of international oil trade. I include the letter at this point in the RECORD.

In addition, Mr. Chairman, I was recently extended the high honor of being invited by the Columbus, Ga., Ledger, a very prominent newspaper in my district, to write a guest editorial column previewing the 94th Congress. It concerns itself almost totally with the Nation's economic crisis, and I also include this in the RECORD:

JANUARY 27, 1975.

Re Conditional embargo by redefinition of tariff.

Hon. GERALD R. FORD,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I know that consideration has been given to many possibilities in meeting the crisis at hand on our energy deficiencies. Yet it is possbile that a simple, straight-forward solution has been overlooked. I respectfully suggest those responsible for economic planning consider the effect of the following proposal. Although it would not solve all of our problems, it definitely would address the issue squarely and would proceed one step at a time.

An *inverse tariff* which pushes downward from a price ceiling on imported oil would prevent prices on gas and oil products from increasing. At the same time, the price of imported crude would be that much less, pushed downward to a more fair level, and frozen.

Since this amounts to a conditional embargo, a progressive formula adverse to the Arab bloc would be helpful to encourage continuation of trade. Namely: if trade is maintained at supply and demand levels, a tariff of $1.00 per barrel on crude to remain constant, which $1.00, when added to the cost of the barrel of crude, would amount to no more than the price of a barrel of crude on January 1, 1975. However, if the flow of oil is interrupted for 30 days, the tariff as to each producer would rise to $2.00 per barrel. After 60 days of interruption, the tariff would rise to $3.00 per barrel and remain constant thereafter until the producer resumed trade; whereupon, the $3.00 tariff would be maintained for a period of time equal to the period of abstinence, less 30 days; the next 30 days would be under the $2.00 tariff and thereafter the $1.00 per barrel tariff would apply.

When the Arabs are convinced that Americans will make whatever sacrifice may be necessary, is the day when they will become reasonable. There is an urgency against postponing "squarely facing" the major problem of our time. If the Arabs wish to again throw their weight around and trigger the embargo over so modest an action, certainly they would do so in the future if faced with a more critical situation. Such action should not be allowed to go unchallenged in terms of complete counter-sanctions in addition to the formula.

We meet our adversaries with one modest step which is subject to becoming increasingly harsh, but we would again be in control of our own destiny instead of being out of control. The matter would be brought to a head, one way or the other.

I pledge my support to the use of the Naval petroleum reserves at Elk Hills and Teapot Dome. A petroleum allocation plan should be on standby. To illustrate the real and earnest need for conservation, all government chauffeur driven limousines should be grounded. Our NATO participation, which belongs to the last chapter, with its enormous outflow of American dollars and petroleum products, should be reexamined at once.

But the first thing is to regain self-control in a national sense by writing our own rules.

Respectfully,

JACK BRINKLEY,
Member of Congress.

CONGRESS AND NATION MUST NOT DELAY SOLVING ECONOMIC WOES

(By Congressman JACK BRINKLEY)

Unlike past sessions when Congress could address a broad range of issues and anticipate answers that satisfied a wide cross-section of the populace, in the 94th Congress one chief issue—the economy—will override all others.

We members of Congress hear daily from well-meaning citizens with ideas of what is wrong and what is needed to set things right. But I am concerned that very few mention that a general, perhaps painful belt-tightening could be the answer.

While there are nearly as many "solutions" as there are types of business and groups of citizens, the problem will not be solved by putting out brush fires here, increasing federal funds there, and generally patching things together each time we reach another crisis.

Public service jobs, increased unemployment compensation, priming isolated segments of the economy and subsidizing failing businesses will continue to be only stop-gap measures until Congress and the administration come to grips with the main issue—sound money.

We must get away from a money-printing mentality which suggests that when buying slows or when money gets short, we can just crank out some more. History is on the side of those who advocate that we must return to a system which provides a dollar's worth of goods or services for every dollar in circulation. If our dollars can no longer be backed by gold, shouldn't they at least be backed by something tangible?

The Immorality of Inflation, as suggested in the title of a sobering economic treatise, will challenge the new Congress in January, and we must then make the hard decisions, without flexibility to wait another two years: Do we cut federal spending to allow existing money to be used in the private sector; do we cut back the money in circulation in order to allow supply and demand to regroup as productivity hopefully catches up; or do we simply print more money, increase spending and allow the money to chase after relatively fewer goods and services—which is the precise cause of inflation?

If we decide on one of the courses that would stem the flow of money, and therefore restore some balance, how then do we assure that we don't go too far the other way and cause even more drastic recession, with inherent unemployment and hard times?

The 94th Congress, as I see it, must avoid Great Society spending and superficial pump-priming, and must dig out the root causes of the problem. Other issues will be secondary until we do this. With a constant goal, we can strive for measured progress and predictability without recession.

This will require more than lip service. It must invoke real and earnest teamwork between government and the private sector; a partnership of labor and management toward greater productivity and quality control. People programs must not be abandoned. They are important to any success story, and priority must remain with education and training. Our national character demands also great responsibility, for instance, to the needs of our elderly—as a matter of unselfish priority over our own needs.

But it is sheer folly, above all, to think that our problems—yes, including the energy crisis—are not directly tied to the problem of too much money chasing after too little, public and private.

The longer we delay; the longer we prime the pumps and do little more; the longer we allow a debased "jello" currency which becomes increasingly worthless, we will merely add to the crisis which already exists.

PRESIDENT FORD'S FOOD STAMP PROPOSALS: A PROGRAM THAT PENALIZES THE POOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, on January 20, I introduced H.R. 1673, a bill designed to prevent the administration's food stamp price increase proposals from going into effect on March 1.

This unconscionable assault upon the meager food budgets of the poor and the elderly was designed to satisy the administration's penchant for budget-cutting measures. If Congress permits this program to come into operation without a vigorous challenge, it will have abdicated its responsibility to those Americans who have the least capability to cope with economic repercussions of inflation and recession.

This morning, the Washington Post contained a compelling article by Marquis Childs which underscores the need for a congressional rejection of the administration's food stamp proposals.

Mr. Speaker, I am sure that all my congressional colleagues share the concern of the President about the need for fiscal prudence. However, we must find areas in the budget that can be effectively cut without extracting a cruel human cost. Economic logic and basic human compassion must accompany concern for a balanced Federal budget. I urge my colleagues to support legislation that will prevent this shortsighted food stamp proposal from going into effect on March 1.

The article from the Washington Post follows:

A PROGRAM THAT PENALIZES THE POOR

(By Marquis Childs)

The Ford switchback system, giving with one hand and taking away with the other, works its cruelest hoax on those least able to bear the burden. The President proposes to raise the price of food stamps going to 17,000-000 persons at the lowest income level.

The benefits they would get from a tax cut or perhaps from income payments would be wiped out by a rise in the cost of the stamps. This food supplement makes the difference, particularly for the elderly, between existence and something like starvation.

The rapid increase in the number of those eligible under a careful screening process is a measure of the deepening recession. The jump was nearly 2,000,000 in December and the curve is steadily upward.

The President has ordered that, across the board, each person must pay 30 per cent of his or her income for food stamps. To be eligible, a household of four must have a monthly income of under $513 and resources of whatever kind of less than $1500. The screening process involves so much paper work in state-administered plans that many who might be eligible do not try to qualify. Possibly another 15,000,000 could qualify and, under the pressure of rising costs for rent, heat and the other necessities of life, the list is certain to grow.

Currently the poorest recipients pay as little as 5 per cent of their income while the average is 23 per cent. The President's proposal would save $650 million in the next fiscal year and $325 million in the remaining months of the current year.

For all the red tape in determining eligibility, the plan is essentially a simple one. An eligible family of four buys $154 worth of food stamps a month. The price said, 25 per cent of income represents a bonus of perhaps 10 to 15 per cent. The stamps are taken to the grocery store where they are given for whatever food the recipient chooses just as though they were money.

Even with the bonus provided by the stamps, a family of four must spend an estimated 40 per cent of income for food. And no one can pretend that this puts a nutritionally adequate diet on the table. Only 10 per cent at this bottom level get a sufficient diet.

The increase to 30 percent ordered by the President will go into effect on March 1 unless Congress acts before that time. Sen. George McGovern, whose committee on nutrition led the way in exploring hunger in America, has put in a bill to hold percentages of income at present levels with the maximum charge reduced from 30 to 25 per cent. The measure has 45 co-sponsors including Sen. Hugh Scott, the Minority Leader, and several other Republicans.

McGovern is confident the Senate will act before the deadline and he has had assurance of favorable action by the House. The amount that would be saved is minuscule alongside the billions that go for other purposes, notably the proposed $90 billion defense budget.

We have heard a lot about hunger in India, Bangladesh and Africa. Starvation comes to grisly life on the television screen as living skeletons wait in vain for a bowl of gruel. The scale is so large and the passivity of the victims so pervasive that the atmosphere is one of hopeless resignation.

Specialists who should know estimate 30 million to 40 million persons are hungry in America. But we hide our hunger. It is an old man or an old woman rifling a garbage pail or buying a can of dog food which will be made to last for two to three meals.

Hunger in pregnant women and infants is seen in birth defects, including mental retardation, that will be lifetime handicaps. Something is being done about this last through a government organization called Women, Infants, Children. Supplemental feeding is being provided under careful medical supervision for 635,000 women and children.

The origins of President Ford's proposal to boost the cost of food stamps to the poor are cloudy. The tendency is to blame that popular villain, Secretary of Agriculture Earl Butz whose department has the say-so on food and nutrition. A candidate given credit by those in the know is Roy L. Ash, director of the Office of Management and Budget. But the President took it and, short of action by Congress, his order will prevail.

CRIMINAL ACTIVITIES OF THE CIA

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, today I am resubmitting, with 24 cosponsors, a resolution of inquiry calling on the President to disclose to the House Judiciary Committee all information he has regarding possible criminal acts committed by the Central Intelligence Agency. I originally submitted this resolution on behalf of Congressman John Burton and myself at the beginning of this Congress. The resolution has been referred to the Judiciary Committee.

Our resolution is narrowly focused. It does not inquire into the CIA's adherence to or violation of its own charter. Other legislative proposals will—and should—deal with those questions. Rather, the resolution is concerned with the extent to which the CIA has engaged in surreptitious entry, burglary, intercepting mail, wiretapping and electronic surveillance not pursuant to court order, and maintaining files on U.S. citizens—thereby engaging in the violation of Federal criminal statutes.

The Judiciary Committee has oversight responsibility for the enforcement of our Federal criminal laws. The recent allegations regarding the CIA make it imperative that the committee determine whether the existing laws are themselves sufficient to deter Government agencies from violating the laws and abusing the rights of citizens.

Allegations of high-handed and criminal behavior by the CIA are a very serious matter. Surely one of the principles on which our system is based is that nobody is above the law—not the President and not the CIA. It is imperative that agencies of Government, as well as private citizens, be made to abide by our laws.

I urge my colleagues to support this resolution when it comes to the floor.

The 24 cosponsors of the resolution are: Ms. Abzug, Mr. Badillo, Mr. Baucus, Mr. Brown of California, Mr. Conyers, Mr. Dellums, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mr. Helstoski, Mr. Jenrette, Mr. Koch, Mr. Metcalfe, Mr. Mitchell of Maryland, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Roybal, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Waxman, Mr. Weaver, and Mr. Charles H. Wilson of California.

WHO BUT THE PEOPLE WHO SEEK TO DESTROY US WILL BENEFIT FROM COMPROMISING AND INTERFERING WITH CIA?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, on the 22d of December, the New York Times charged that our foreign intelligence service, the CIA, "directly violating its charter, conducted a massive illegal domestic intelligence operation."

Even though in the ensuing controversy a Presidential commission was appointed and congressional committees are lining up to investigate the charges, it is already abundantly clear that the activity which is under attack and which may have been used purposely to stir up the fuss:

Was not a domestic operation;

Was not in violation of CIA's charter; and

Was not illegal.

The Director of Central Intelligence, Mr. William E. Colby, has flatly denied in sworn testimony given to congressional committees, this New York Times allegation.

Mr. Speaker, the essential facts have already been well-publicized:

CIA was asked, starting in 1967, to help determine if anti-American foreign elements were exploiting dissident movements within the United States;

Likely targets of such exploitation, individuals and organizations, were identified in leads supplied mostly by the FBI; and

CIA's job then was to report back to the FBI or other appropriate authorities on their foreign travel—where they went, who they saw, what they did abroad.

Mr. Speaker, I submit that the foreign aspect of this situation fits foursquare within the CIA's foreign intelligence charter—there simply is no other Federal agency intended for or capable of the job of intelligence collection abroad. In fact, failure to carry out such an assignment would be tantamount to a dereliction of duty.

Now it is clear, Mr. Speaker, that this intelligence collection program abroad has either been misunderstood or someone has been the victim of intended distortions. But to confuse matters further, someone has lumped together with this program several undertakings within the United States—activities anyone is free to either applaud or deplore—designed to protect intelligence sources and methods—an obligation imposed upon the Director of Central Intelligence by the National Security Act of 1947.

Mr. Speaker, I am one of those privileged to sit on the Appropriations Committee which considers, evaluates and rejects or approves CIA's budget. I know how costly some of our intelligence collection systems are. I am aware that countermeasures can deny us the benefit of vital information. I am aware of the threat to the safety of individuals who collaborate with CIA, if their secrets are compromised. Therefore, I am going to err, if I must, on the side of zealousness in protecting these matters. But, Mr. Speaker, I also believe in congressional oversight and the checks and balances of our constitutional system. I am aware that the CIA is specifically proscribed from internal security functions. If someone has evidence that CIA has disregarded this limitation, I want to know. I am in a situation where such matters can be discreetly explored and corrected if need be.

This Nation has been fortunate to have had a distinguished succession of Directors of Central Intelligence—Mr. Colby, Mr. Schlesinger, Mr. Helms, Admiral Raborn, Mr. McCone, Mr. Dulles, to name some. They are dedicated men—dedicated to our Nation, the need for objective intelligence. They have been served by equally devoted professionals within CIA who helped give us the type of intelligence product which:

Made possible treaties on nuclear weapons, SALT;

Monitored crises;

Saved the Nation literally hundreds of millions of dollars by accurately assessing the force structure against us; and

Forestalling miscalculations by our own leaders.

Mr. Speaker, such people are the preservers of our system, not its destroyers. Let us not, in the aftermath of all that we have gone through these recent years, indulge ourselves in an emotional binge which could conceivably undermine that one institution in our Federal structure which is assigned the essential task of giving us the unvarnished truth about the world around us. Let us remember, institutions after all are only the length and breadth of the shadows of those who work within them. Let us not now unfairly besiege and beleaguer those who have served so well. Let us give them the tools and the oversight they deserve and need. Who but the people who seek to destroy us will benefit from compromising and interfering with CIA?

WHO WILL AWARD DAMAGES TO THE VICTIMS OF THE MAY DAY DEMONSTRATION?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, one of the more ridiculous court actions of recent times is an award of $10,000 each to lawbreakers who sought to shut down our country. Nevertheless, that is what has happened in the case of 1,200 demonstrators who were booked by police in Washington during the May Day invasion of the Capital in 1971. It is to be hoped that a higher court will overturn this absurd decision.

When the demonstrators came to Washington vowing to shut down the Capital City and the Government of the United States, they came here determined to violate the right of every citizen in the Nation. It was their purpose to obstruct the work of policemen and firemen, halt social security payments, old age assistance, service to constituents by Members of Congress, and to stop the enforcing of rules, regulations and laws by Federal agencies.

They staged riots, disturbances, traffic blockades, and altogether were in violation of literally dozens of laws. They were arrested by law enforcement officials to keep bad matters from becoming worse. When the jails were filled to overflowing, some of them had to be taken to RFK Stadium for safekeeping. All of them were fed and given proper care to the extent possible under trying circumstances. When they were released after a relatively brief incarceration, some having paid minimum fines and others simply sent on their way, they brought suit claiming that those who set out to shut down a government, without regard to the consequences to the Nation, were illegally arrested while engaged in this effort.

It is this case which resulted in a ruling by a lower court granting a total of $12 million on the premise that their civil rights were violated.

Mr. Speaker, the members of this group were not deprived of their rights. Instead, the rights of every other American were violated on that day. Isn't it time for the rights of the public to be protected for a change? Hopefully the appeal now pending will right the wrong that has been done our system of justice.

INFLATION AND UNEMPLOYMENT

(Mr. MADDEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MADDEN. Mr. Speaker, since the 94th Congress convened 2 weeks ago, numerous letters have come to my office from Indiana, but other sections of the Nation requesting immediate action on a number of various legislative proposals and programs concerning our economy.

The vast majority of these communications specifically refer to about a half dozen major problems which this Congress should, without delay, consider and enact, to prevent the recurrence of a devastating depression similar to the 1930 economic catastrophe. I submit to the Members a summary of some legislative problems which the various House committees should undertake to hold hearings on immediately:

INFLATION AND UNEMPLOYMENT

REDUCE INTEREST RATES

In the Spring of 1969, the leadership of the government's financial operations and economic controls have been under the control of Arthur Burns, Chairman of the Federal Reserve System. Under his direction, we have had another identical blueprint of the financial policies under the Andrew Mellon, the multimillionaire banker, during the 1920's who was Secretary-Treasurer under Presidents Harding, Coolidge and Hoover. They used the same old "trickle down" theory of economics. They led us into the greatest depression in history, with approximately 14 million idle over the nation.

PROFITEERING ON INFLATION

In the first year of the Nixon Administration of 1969, there was approximately 95,000 less moderate and low priced homes built in the Nation that was built during 1968, the last year of the Johnson's Administration. This should have been a signal that the old policy of raising interest and increasing profits was leading the Country in the repetition of the 1920 period. Arthur Burns still seems in complete control of our economy regardless of the curbing of Housing, industry, manufacturing and employment.

The Congress enacted legislation in the summer of 1970 giving the President absolutely power to curb interest rates, rents, food, wages, etc. President Nixon signed this anti-inflation bill but did not enforce the legislation. Fifteen months later President Nixon in August 1971, announced his celebrated 90-day freeze which was a failure. The press media have also failed to remind the people that during the last 5 years, the Congress enacted legislation for our economic welfare but during this period of time approximately 18 vetoes of Congressional legislation have been the cause for staggering our economic progress.

LOST JOBS

In this Session of Congress, we must limit and also set quotas on all products manufactured by American owned foreign factories using cheap labor and placed on American markets to under sell domestic manufactured products made by American workers.

TAX REFORM

Immediate enactment of a Tax Reform bill which will repeal the fabulous tax loopholes enjoyed by corporations and oil conglomerates who are escaping their just share of taxation. Economists have reported that approximately 15 to 18 billion dollars in escaped taxes can be brought to the Federal Treasury.

IMPOUNDMENTS

The Executive Department must discard the old Nixon policy of Presidential impoundments of Federal money which Congress authorized and appropriated. The President must immediately start the Mass Transit programs enacted by Congress in the last Session on Urban projects which will put several hundred thousands of people to work within the next six months. In the last session, Congress started a crash program by the Federal government to create additional employment for idle workers. This new Congress must expand that program.

OIL AND GAS

The Administration's policy of raising the tax on gas and fuel with the ideal that it would reduce consumption is a mistake. Millions of workers must use their automobiles daily to either go to work or look for employment. People with high incomes and wealth will not reduce their gas consumption one gallon. The increase price will only benefit the Oil Sheiks in the Middle East and inflict more of a handicap on the unemployed and the low income citizen.

ACTION NOW

This new 94th Congress with almost 100 new Freshmen must carry out the mandate given them in the November election.

The Congress and President must act now on Inflation, High Interest, Crime, Taxes, Protection of Privacy, Unemployment, Corruption in Government, Anti-Pollution, Mass Transit, National Health Insurance, Educational Expansion, Veterans and Elder Citizens' Legislation.

EVANS INTRODUCES BILL TO ELIMINATE OUTSIDE EARNINGS LIMITATION ON SOCIAL SECURITY BENEFITS

(Mr. EVANS of Indiana asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EVANS of Indiana. Mr. Speaker, today I have introduced legislation to repeal the outside earnings limitation on social security benefits. Under the present law, a social security recipient may not earn more than $2,400 per year without suffering a reduction in social security benefits. I strongly believe that this restriction in the law works a severe hardship on older Americans who are struggling to make ends meet, and that this provision in the law must be eliminated.

Mr. Speaker, one-half of our 21 million Americans over 65 have no income except social security benefits or supplemental security income—SSI. The average social security benefit for a retired individual is $186 per month, or $2,232 per year, and for a retired couple, the average benefit is $310 per month, or $3,720 per year. This is below the Bureau of Labor Statistics minimum budget for elderly persons, which is pegged at $5,200 a year for elderly couples, and $2,860 per year for individuals. While the elderly compose only 10 percent of our total population, they constitute nearly 20 percent of the Nation's 24.5 million poor.

Poverty routinely translates into poor nutrition and inadequate housing. Almost 30 percent of older Americans' budgets are used to purchase food, compared to 16 percent of other Americans' budgets. Those under 65 pay 23 percent of their incomes for housing, while the elderly pay almost 35 percent. Six million older persons live in dilapidated or substandard housing, and 1.6 million live in units without even basic plumbing facilities.

Our older Americans cannot afford to work, because they cannot afford to forfeit their social security benefits. They cannot afford adequate housing; some cannot afford adequate food. When the price of the necessities of life is too high, some just cannot afford to live.

Retired Americans who are receiving social security have earned the right to these benefits, and we should not deny them the right to supplement this poverty-line income. The outside earning limitation on social security benefits can justifiably be likened to enforced poverty.

Mr. Speaker, I hope that the Ways and Means Committee will give this bill its early and favorable consideration.

INTRODUCTION OF TAX REDUCTION BILL

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ULLMAN. Mr. Speaker, I am today introducing a bill (H.R. 2166) providing for tax cuts and investment incentives as an alternative to the administration's temporary tax reduction proposal. I believe that my bill is more responsive to those who have been hit the hardest by inflation and, at the same time, does the most to bring us out of the current recession.

My package consists of six parts:

A 10-percent tax rebate for 1974 taxes that is phased out for people with incomes between $20,000 and $30,000.

A substantial increase in the standard deduction.

A 5-percent refundable tax credit for low-income workers.

An increase in the investment tax credit to 10 percent.

A $10,000 increase in the corporate surtax exemption, against which the 22-percent tax rate applies.

An incentive for reinvestment of shareholder earnings in public utility corporations.

Together, these tax reductions total $18 billion, a reduction that is urgently needed because of the weakness of the economy.

The administration has proposed a 12-percent tax credit for 1974, up to a maximum credit of $1,000 to provide $12 billion in tax relief for individuals. This proposal is too regressive: 43 percent of the reduction is received by taxpayers with incomes over $20,000, who make up only 12 percent of all taxpayers, and only 15 percent goes to those with incomes under $10,000. Since high-income people will be less likely to spend their tax credit, a more progressive credit will not only be fairer, but it will also be more effective in stimulating the economy than the administration proposal.

My bill includes a package of three provisions which go primarily to the low- and moderate-income families who have been hurt the most by rising food and energy prices. These proposals together reduce taxes for individuals by about $14 billion. Under these proposals, 94 percent of the total relief will go to individuals with incomes of $20,000 and under and 52 percent will go to those with incomes under $10,000.

First, the bill provides a credit of 10 percent against 1974 tax liability up to a maximum of $300.

The credit phases out for those with incomes between $20,000 and $30,000. The differences in the 1974 rebate under my bill from the administration's proposal is that, under my bill, the credit will go only to people who need it the most and who will spend it. This rebate will cost $6 billion in revenue.

In addition to the 1974 rebate, two other features of my bill for individual tax reductions are to apply to 1975 incomes and are to provide immediate tax relief through the withholding system. Individuals will receive the relief in increments corresponding to their pay periods, which will not only help them cope with inflation but will also stimulate the economy since taxpayers will be more likely to spend their tax cuts if they are spread out over the entire year.

The second provision of my bill providing for individual tax cuts deals with the standard deduction. The bill raises the minimum standard deduction from $1,300 to $1,900 for single returns and $2,500 for joint returns; increases the percentage standard deduction by raising the rate from 15 percent to 16 percent and raising the maximum amount from $2,000 to $2,500 for single returns and $3,000 for joint returns. These changes result in a revenue cost of $5 billion.

These increases in the standard deduction not only provide tax reductions to individuals but also are necessary to remove low-income families from the income tax rolls. It is anomalous for a Government agency to define a family as poor and at the same time have the Government collect income tax from such a family. Today the poverty level for a four-person family is $5,440, but such a family can pay income tax on income in excess of $4,300. The standard deduction increases in my bill take families which are below the poverty level off the income tax rolls.

These changes in the standard deduction will also induce 10 million taxpayers to switch from itemizing their deductions to using the standard deduction, which will greatly simplify the income tax return for these people.

The third tax reduction in my bill is a 5-percent refundable tax credit for earned income up to a maximum credit of $2,000, which will be phased out for incomes between $4,000 and $8,000. In effect, this credit can be viewed as a rebate of the social security payroll tax to low income individuals who, although they may not have any income tax liability, are liable for the social security tax in all but a few cases. The effect of this provision is to rebate a large portion of this tax to these low income individuals. It has a revenue cost of $3 billion.

This bill also provides incentives in certain tax reductions for business. The bill raises the investment credit from 7 percent to 10 percent. This should be an added inducement to encourage business to make investments, and with the expected demand as a result of the tax reductions, the combination should spur productive expansion which would further provide jobs and increase income. A higher investment credit is needed to increase productive capacity. This will both get the economy moving now and alleviate potential shortages so that inflationary pressures will be eased when the economy is prosperous in the future.

Public utilities are experiencing a serious credit problem and also are in need of tax incentives to encourage them to make the needed expenditures for the expansion of their facilities. As a result, my bill increases the investment credit for public utilities, which is presently 4 percent, to the same 10 percent level provided for corporations generally. In addition, since public utilities are often prevented from taking advantage of their full credit because of the limitations on the credit, the bill increases the limit, which is 50 percent of tax liability in excess of $25,000, up to 100 percent of tax liability. This is done for a temporary period, for the next 2 years, after which time the 100-percent level is lowered by 10 percentage points annually to bring it down to the 50-percent limit which is the generally applicable limit. These increases in the credit involve a revenue cost of $3 billion.

In order to provide some relief for small businesses and those which are operating well below their full capacity, the bill increases the corporate surtax exemption level from $25,000 to $35,000. This is the level up to which a 22-percent rate is applicable; the 48-percent rate applies to taxable incomes above that level. In effect, then, this provision provides a tax reduction of $2,600 for all businesses which have at least $35,000 of taxable income. There will be a revenue cost of $600 million.

Finally, the bill contains a provision to further alleviate some of the credit problems for public utilities. This provision would permit public utilities to provide a dividend reinvestment plan for their stockholders. Shareholders who elect to reinvest their dividends in the utility's stock would not be taxed on them currently but would be taxed when the stock is disposed of. This provision is intended to assist the utility in meeting its dividend requirements to its shareholders, but at the same time to keep needed cash to be invested in desperately needed capital equipment.

These tax cuts total $18 billion for 1975. I believe it is imperative that we have a tax cut of at least this magnitude. My bill makes these provisions initially effective for 1 year. Later, when the committee deals with the proposed energy taxes and tax reform, I would expect these tax increases other than the 1974 refund to be made permanent.

We now face a serious economic problem. Unemployment is rising toward 8 percent, and the gap between actual and potential output is over $200 billion. These tax cuts are a step towards restoring prosperity, and I hope that these tax reductions can be enacted as soon as possible.

MISSING IN ACTION

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PICKLE. Mr. Speaker, for 1,300 American families, the Vietnam war remains a daily reality. These are the families of men unaccounted for in Indochina.

To lose a loved one in a war is a tragic incident. But not to know if a loved one is alive or dead is a perpetual nightmare, an unfinished chapter in the life of all concerned.

When someone dies we can grieve, but we can also pick up and go on. For the families of 1,300 Americans this option is not open. Uncertainty leaves their lives in a gray limbo, hinders their ability to move ahead, freezes their lives in time. It is a cruel and useless thing for the Communist forces in Indochina to withhold information about these men. It cannot make us want either to increase or to decrease our involvement there. It can only leave a nasty feeling toward their inhumanity. Inhumanity for the sake of inhumanity has no redeeming feature. Lack of compassion only debases those who show this trait.

Let us hope that the forces who hold information on the fate of these missing men will soon cease this useless harassment and give these families a chance to go on living.

Mr. Speaker, we must keep the pressure on. We must have an accounting.

CHRIS HOLMES, OUTSTANDING PAGE

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.

Mr. PICKLE. Mr. Speaker, I have been very fortunate to have the services of an outstanding page over the last few months. This young man is Chris Holmes, formerly of Austin, Tex. His parents are Rev. and Mrs. William Holmes. The Reverend Holmes is our Washington pastor, and the pastor for many of my esteemed colleagues at the Metropolitan United Methodist Church.

Besides the skill Chris has displayed on his job and in the classroom, he has found time for extracurricular activities—namely, basketball. And Chris has excelled in this department as well. In fact, he is leading scorer in the Washington area.

Chris was featured in an article in the Washington Star which I would like to insert in the Record.

Page Boy: Holmes Scores His Points on Basketball Court, Too

(By Kathleen Maxa)

In the halls of Congress, Chris Holmes used to be known as "Curly," the eager page from Texas who had an untimely knack for greeting preoccupied legislators and aides with a disarming "howdy"

That was before he began racking up 48 and 54 points a game.

"Now when I'm introduced to someone," he said, "I am Chris Holmes—who scored 54 points."

And while Holmes—a senior at the Capital Page School whose basketball career until this year was spent mostly on the bench at Austin (Tex.) High School—enjoys the acclaim, the growth he seems most proud of is measured in inches, not compliments.

"I used to be 6-foot-5," he said, "but after the game (against Archbishop Neale) when I scored 54 points, I measured myself and found I had grown three-quarters of an inch."

Every quarter-inch counts when you hope to play college basketball, as Holmes does. His coach, Clayton Singleton, who headed the basketball program at Anacostia High School before becoming its assistant principal, believes his big man "would definitely be a good college forward. He's a very good shot 10–15 feet from the basket and he handles the ball well."

So far this season, Holmes has been averaging 35 points, which makes him the leading scorer in the Washington area.

Holmes, is a veteran of Interhigh-caliber basketball, which he admits accounts for his scoring power against weaker competition. Before he was selected by Rep. J. J. Pickle (D-Tex.) for page duty his family moved from Pickle's home district to Washington this summer—Holmes was the backup forward on a AAAA junior varsity team in Austin.

"I'm used to playing against 6-foot-8 fellows that are a lot better than I am," he said. "And while I've always been able to score, it's my defense that needed work."

With 70 students in the Capital Page School—about half of them girls—the Pages are not exactly a basketball power. Last November's elections and accompanying Congressional changeovers seemed to sap what strength the team had.

"We lost three starters during the Christmas break," Singleton said, "and eight players all together. So far, we've only added three new players this session."

Last session the team posted a 3–1 record. In the first game of this session last Thursday, the Pages lost to Takoma Academy 73–50 as Holmes scored 24 points.

While he admits it can be discouraging to play against teams that share the advantage of having played together all season, it doesn't seem to diminish his enthusiasm for the sport.

Despite a rigorous schedule which includes classes, homework and congressional duties that consume eight hours a day or more, players show up faithfully for practice three nights a week for the 15-game season.

"I've learned one thing from the whole experience," Holmes said. "I can do more things averaging only five hours sleep a night than I ever thought I could do with eight."

LADY BIRD JOHNSON

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PICKLE. Mr. Speaker, last week, January 22, marked the second anniversary of the passing of our 36th President, Lyndon B. Johnson. Mr. Johnson's strength over the years was augmented by his wife and confidante, Lady Bird.

Just as President Johnson has left his indelible mark on the country with his legislation in so many fields—education, civil rights, health—Mrs. Johnson, too, has carved out a niche for herself in the field of beautification.

Mrs. Johnson also devotes a great deal of her time and energy to the late President's legacy, the LBJ Library. The library is living history and has thrilled thousands upon thousands of visitors since its opening, May 22, 1971.

Associated Press correspondent Saul Pett recently did an excellent job of capturing the spirit of Lady Bird Johnson in this profile which I insert in the Record:

"I Guess I've Mellowed In": No Gloom for Mrs. Johnson 2 Years Into "New Season"

(By Saul Pett)

(She spoke of many things, two years into widowhood. Of the past—to be savored with a few old friends—and of the present and future, the mainstream of Lady Bird Johnson's life.)

"Lots of little habits finally end," said the remarkable lady behind the desk. "I guess I've mellowed in."

Thus, she no longer turns down the corner of book pages to talk to her husband about, the way she did during their 38 years together and for months after he was gone.

Some things take longer.

"No matter how many dear friends and loving children one has," said Lady Bird Johnson, "there comes a time when they all go back to their lives, and there is nobody especially yours."

The observation was made as a matter of fact, not self-pity. The wife of the 36th president, who died two years ago Wednesday, has no time or inclination for that. She recoils from the word, widow, because "it seems like you're taking to yourself a gloomy condition."

The lady is not gloomy. Two years into a "new season" of her life, she lives very much in the present and recalls the past with joy. "Oh, wouldn't Lyndon have loved this? ... Can't you just hear him saying that? ..." And with the memories, her brown eyes pop like Roman candles and her arms dance in the air with the delight of a little girl racing toward her first pony.

At 62, Lady Bird Johnson, who shared the White House with one of the most visceral of presidents, remains a combination of eternal girl and strong, realistic woman, a compelling blend, someone said, of magnolias and pure unalloyed steel.

Gracious but firm, she declines to be drawn into comment on public issues.

What might Lyndon Johnson be trying to do with today's sagging economy?

"I don't have the slightest idea," she laughs, but I just know he'd be stirring."

Her thoughts about Watergate and the resignation of President Nixon?

"As one who inhabited that house, I'll always have sympathy and understanding for the man in that job. But it would not be fitting for me to discuss it."

Down the hall from Mrs. Johnson's sunny office, in the Lyndon Baines Johnson Library at the University of Texas, is a precise replica of the Oval Office as it was when her husband occupied it. On tape, tourists hear him saying:

"No president ever came into this office on a platform of doing what is wrong . . . Every man (here) was dedicated to doing what he believed was in the best interest of his country . . ."

Mrs. Johnson also declines to discuss the level of public cynicism left in the wake of Watergate, Vietnam and other divisive issues.

"My relation to the big things are just not part of my life any longer. I'm out of the mainstream. I live in a healthy-minded enclave of friendly, happy, hard-working people, and I just love it."

She did part the curtain on recent history long enough to deny, with some vehemence, suggestions that Lyndon Johnson left office and died four years later with a sense of rejection by his countrymen.

"He truly wanted to be president of all the people. He came into office wanting, more than anything else, to unite the country . . . (In 1968) he knew it was divided and I think he clearly felt he couldn't unite it. That was why he couldn't forsee many more 18-hour days in the job. But it was not rejection. Once out of office and with his responsibilities gone, he didn't think much about it."

In contrast to the "big things," Mrs. Johnson much prefers to discuss her current activities, a list of which requires a deep breath. The lady divides her time between various beautification projects, family business affairs (the LBJ ranch on the Pedernales and a radio station in Austin), overseeing the library, visiting her children and grand-children in Austin and Washington, working as a regent of the University of Texas, travel at home and abroad, answering 300 letters a week ("I seem to have an intimate relationship with so many people"), and, in the months of April and May, yielding to the urge to "just get into the car and go wherever the most wild flowers are and enjoy, enjoy."

The two environmental projects now "very much in the front" of her life, getting Mrs. Johnson's time and effort, not merely her name, are the riverfront park in Austin and the "LBJ Grove" in Washington, 15 acres along the Potomac which will become a memorial to her husband. She is a prodigious walker of both sites.

In Austin, she led a recent visitor on a brief tour of the Johnson library and then a mile walk on the bike and hike path of the new park along the Colorado River.

In the library, one noted the artifacts and symbols of Lyndon Baines Johnson's long career . . . Boyhood pictures in Texas . . . Certification as Senate Majority Leader in 1955, signed by a vice president named Nixon . . . A small card containing the first public words of the 36th president on a dark day in November, 1963: ". . . I know that the world shares the sorrow that Mrs. Kennedy and her family bear. I will do my best. That is all I can do . . ."

Jeweled gifts, worth a fortune, from foreign potentates . . . Exhibits reflecting the "Great Society" programs in education, health, poverty and civil rights . . . Johnson's first memo on the attack in the Gulf of Tonkin . . . His words carved in granite on a giant pylon: "Until justice is blind to color, until education is unaware of race, until opportunity is unconcerned with the color of men's skins, emancipation will be a proclamation but not a fact."

And, finally, his teleprompter copy of his stunning announcement in 1968: ". . . I shall not seek and will not accept" nomination for re-election.

Lady Bird Johnson paused at an exhibit titled "Gifts from the American People." It contains what Harry Truman once called "the junk a president receives" and which he stored by the acre in the basement of his library.

Mrs. Johnson said it was her favorite spot in her husband's library. "Some of the things are treasures. Some are not. But I find it all touching, and dear, charming and, sort of wild."

Mrs. Johnson changed to walking shoes, added a leather jacket and we walked along the Colorado River on a benign sunny day, trailed at a discreet distance by a Secret Service man.

Work on the riverfront park, she explained, began in 1969 when she returned from Washington to stay. The city provided the land and a committee headed by Mrs. Johnson raised $160,000 for plantings to provide "a change of color."

She spoke of many things as we walked along the river. She talked of natural beauty being made available for public use. "In a project like this, everybody has to have at it; otherwise, it has no meaning." She cringed at the sight of a railroad bridge and hoped soon for trees to screen it. "Won't do it all, but something beats nothing."

Mrs. Johnson spoke of the past. "It's there to savor, to bring out around a fire with a few old friends. But it can't be the meat of daily living. You can't feed on it."

At a bend in the river, we came on two black ladies fishing. "You all catchin' anything?" she sang out. "Not yet," they said. She laughed and they laughed in the special way white and black Southerners seem to have of sharing some private joke.

Farther along, we talked about what Wednesday, the anniversary of her husband's death, might be like for her. She said she'd probably spend the evening with her daughter Luci and her family and one or two friends.

"I'm sure I'll be thinking back and be glad for all the fun things we did together, especially in those four years of his retirement. You don't really appreciate each day until they run out. You've really got to be ungrateful to life if you can't give thanks to the past."

A NATIONAL POLICY FOR PRIVATE HIGHER EDUCATION

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the Record and to include an article on "National Policy for Private Higher Education.")

Mr. MICHEL. Mr. Speaker, a special task force of the National Council of Independent Colleges and Universities, in conjunction with the Association of American Colleges, has just published an important and timely study of the problems currently plaguing our private higher education institutions.

As I have long had an interest in this subject, and as two of the Nation's finest private institutions, Bradley University and Knox College, are located within my district, I have read this document with great interest, and I strongly believe that it deserves the attention of all who sit in this body.

As is pointed out in the study, the situation facing private higher education at this time is very serious. It is imperative that we begin a national discussion of the possible ways in which these vital institutions may be preserved. The study provides an excellent starting point for such a discussion, and so I would like at this time to have a portion of it printed in the Record:

A National Policy for Private Higher Education

1. INTRODUCTION

American higher education has historically been conducted under two more or less distinct kinds of sponsorship. Throughout this report we shall perforce speak of "public" and "private" institutions and of the public and private sectors of the academic enterprise. In doing so we do not seek to emphasize differences. Both kinds of institutions have the same essential role: they are engaged in similar activities—instruction, research and community service. Both accept students from within and from outside the state in which they are located, though the mixture varies from institution to institution. Both receive funds, though in different proportions, from taxes, private gifts and student payments. Both kinds of institutions are public in the sense of meeting public needs and providing benefits to the public. They are complementary and interdependent. Together they constitute a system of higher education that is unsurpassed in its capacity to serve students of widely varying backgrounds and talents, in its ability to respond to a vast range of social needs, in its over-all performance and its peaks of excellence, in its fidelity to unfettered pursuit of individual development and the common weal.

The basic distinction between the *two types* of institutions lies simply in their sponsorship and in the variations of character and program that flow from differing sponsorship. Public institutions are underwritten by government, usually state or local government. Private institutions are sponsored by nongovernmental bodies and therefore are often referred to as "independent" institutions.

Higher education in this country originated primarily under private auspices. Though public support has a long history going back to the founding of Harvard in the seventeenth century, public colleges and universities became significant in numbers and enrollment only in the latter part of the nineteenth century. As late as 1950, enrollments were equally divided between private and public institutions. Since then, however, most of the growth has occurred in public institutions as the states have enlarged existing colleges and universities and created hundreds of new ones. Education in that sector has enjoyed large public subsidies which have enabled it to set its charges to students substantially lower than would be necessary to meet the actual cost of instruction. Such tuitions are far below those which private institutions must typically charge. Today, the private sector enrolls only about 24 per cent of the total student population and its share must be expected to decline still further. (The percentage, of course, varies widely among the several states.)

In recent years the financial position of private colleges and universities has been notably weakening. For a few institutions the situation is already becoming catastrophic; for most, including some of the most prestigious institutions, the future is precarious. Many thoughtful observers, believing that if the relative decline of the private sector is prolonged much further, it will be detrimental to higher education as a whole, view the prospect with dismay. The four commissions or task forces that have recently studied higher education in depth have all recognized the value of the private sector and expressed concern about its future. Similarly, numerous earlier commissions and committees endorsed the concept of diversity and independence in higher education, and some of them recommended that the states should initiate or increase support for private institutions. But for the most of those bodies public policy for the private sector was not a major concern and was treated peripherally.

Such lack of attention to the question of a public policy for private higher education is readily understandable. The very concept of privateness or independence invites the inference that the body politic has no responsibility for the private sector. Traditionally, the leaders of private higher education have themselves been happy to accept almost exclusive responsibility for the planning, the management, the social role and the future welfare of their institutions. They have tended to be wary of governmental intervention. Indeed the private sector may be regarded as making its distinctive contribution to the total endeavor precisely because it is relatively independent of government. It provides an indispensable counterweight to what might otherwise become a monolithic public system. So it is easy to assume that the health, welfare and survival of the private sector is none of the government's business and that no public policy for private higher education is either necessary or desirable.

The matter cannot, however, be disposed of so easily. Government cannot help having policies that affect private higher education in one way or another, even though they are not so intended. Private institutions are affected whenever a new public institution is established or an old one closed, whenever an educational program in a public institution is started or terminated, whenever public tuitions are raised or lowered, whenever public salary levels for faculty are adjusted, whenever certain sections of the tax law are amended. Moreover, government has a financial interest in the preservation of the private sector, which serves over 2,100,000 students at an estimated saving to the taxpayer of some 2.9 billion dollars a year.

The time has in fact come when the American nation must decide whether it shall continue to enjoy the benefits of a dual system of higher education. If it is convinced that the private sector is essential to the well-being of the whole academy and of the larger society, it must be willing to adopt purposeful and appropriate *public policies* to ensure the survival of the dual system.

Governmental policies designed to sustain threatened private activities of social value have long been established in other areas. Government has provided direct or indirect support for the arts and humanities, for hospitals, nursing care and medical research, for airines and shipping, for small farms and small businesses, to name a few obvious examples.

Public assistance to private higher education is consistent with our national tradition and, in fact, is being increasingly provided. Many states have already acknowledged a responsibility to independent colleges and universities by adopting programs of financial support. What is now needed is to extend and intensify those initial efforts in a manner that will assure the survival and health of a competitive private sector without either impairing the essential independence of private colleges and universities or damaging the public sector.

The mounting problems of private higher education have not yet reached the point of irreversibility. They are still surmountable. The means for dealing with them are at hand and well within the capacity of the nation. But without prompt and positive action the outlook is bleak. The purpose of this report is to suggest the measures that are needed to maintain a flourishing private component in a healthy and balanced system of higher education.

The report is brief and can be quickly read, but for the convenience of the reader who is concerned only with its conclusions and recommendations, they are brought together in Chapter 2. The reasoning that led to those conclusions and recommendations is set out in Chapters 3–11.

2. CONCLUSIONS AND RECOMMENDATIONS

Private higher education (*chapter 3*)

The private sector of higher education is enormously valuable to American society and is an influential complement to the public sector. Policy-makers in both state and federal governments should give increasing attention to preserving and strengthening private higher education.

Financial distress (*chapter 4*)

The financial problems of private higher education other than demographic factors and escalating costs—the tuition gap, the unfavorable provisions of federal student aid programs, the indiscriminate creation of new public institutions, and tax reform proposals inimical to private philanthropy—could all be solved or alleviated by quite modest changes of public policy. State and and federal governments should take measures along the lines proposed in this report, which are consistent with the public interest and the autonomy of private institutions, to effect the necessary changes. The measures proposed are to be viewed as a series of inter-related programs, primarily at the state level but supplemented by the federal government. Any one of them would be helpful, but all are needed to provide the private sector with the substantial support it needs in order to achieve long-range stability.

Narrowing the tuition gap (*chapter 5*)

Each state should provide adequately funded grants having the effect of substantially narrowing, but not necessarily closing, the tuition gap.

This report elaborates on one simple, direct and practicable way to narrow the gap, namely, tuition offset grants for all students in private institutions. We believe this specific proposal is sound and should receive serious consideration in every state. We recognize, however, that this is not the only way, and so it is not formulated as a rigid recommendation.

Rather we recommend that each state find a way, consistent with its traditions and needs, to enlarge student choices by substantially narrowing the tuition gap. Other possibilities would be to extend the coverage of present state programs of assistance to needy students in private institutions or to extend present state scholarship programs so that they would include far more students and provide more adequate grants. Another way would be to modify various federal programs of student aid so that they would include more students and recognize differences in tuitions between public and private institutions (See Chapter 7.) Still another way would be to give institutional grants to private institutions from state or federal funds or both. The important objective is not to adopt a particular scheme but effectively to narrow the tuition gap in one way or another.

Correcting geographic inequities (*Chapter 6*)

The amount and types of aid to private institutions and the students attending them have varied greatly among the states, with resulting inequities based on accidents of geography. An equally serious problem is that state aid to students in private colleges has usually been confided within state boundaries. Federal legislation should be enacted to provide incentive grants to the states to encourage them to overcome geographic inequities by giving adequate aid to private colleges and by making provision for students who attend out-of-state institutions. The federal program should be flexible enough to permit the states to act in accordance with their traditions, constitutional restraints and local conditions.

Federal student aid programs (*Chapter 7*)

Federal programs of student aid are not well suited to the needs of private institutions and their students. The programs do not provide realistic amounts of money to help students meet the costs of attending private colleges and universities. The conditions are often too restrictive or the programs are underfunded. Federal BEOGs should be modified, for example, by adding an extra allowance to students for private tuition or a special cost-of-education supplement for private institutions. The funding of all federal student aid programs should be increased to provide a realistic number and amount of grants.

Statewide planning (*Chapter 8*)

A rational system of higher education, including both public and private sectors, can only be attained by careful planning. State educational planning agencies should take into account the presence of private institutions, consult with them, when feasible make contracts with them for needed services, and otherwise avoid unnecessary duplication and wasteful competition. Private institutions should cooperate in statewide planning, but the actions of state planning agencies should respect the essential autonomy of both public and private institutions.

Taxation (*Chapter 9*)

Federal and state income, inheritance and estate taxes should continue to provide strong incentives for philanthropic giving. These incentives should be strengthened, for example, by adopting the Pifer plan for increasing the exemptions available to lower-income taxpayers. Private colleges and universities should have the same tax exemptions as comparable public institutions.

Fund raising by public institutions (*Chapter 10*)

In the area of private giving as a source of support for higher education, new relationships and understandings between the public and the private sectors are needed. The private institutions should acknowledge that public colleges and universities may need private gifts for innovation and enrichment; the public sector should recognize that private institutions must enlarge their search for public funds, both on state and federal levels, in order to maintain their vitality.

Other measures (*Chapter 11*)

Present student loan programs are complex and ineffective. A coherent national system of long-term student loans should be established with adequate funding and moderate interest. It should *supplement* other forms of aid and not be viewed as a substitute for tuition grants or other aid programs.

To strengthen the academic quality of small, developing colleges and universities, which include among their ranks many institutions serving predominantly minority students, the federal program, Strengthening Developing Institutions, should be reauthorized.

The number of graduate fellowships and the level of funding for research should be increased. We support the recommendations of the 1974 report of the National Board on Graduate Education.

Many private institutions cannot obtain sufficient money from current funds for maintenance and depreciation reserves. Matching grants should be available to private institutions for replacement, remodeling and reconstruction of buildings and equipment. Bonding authority, available to private institutions in some states, should be widely adopted.

Lifelong or recurring education should be financed in a way that will enable both public and private institutions to meet these educational needs.

3. THE CASE FOR PRIVATE HIGHER EDUCATION

The case for a substantial body of strong private colleges and universities, though compelling, is not so widely understood as it ought to be. The private sector is not merely an ornament or a luxury—nice to have but readily dispensed with in a crisis. It is an important, even essential, part of the American system of higher education.

In making this case, there is no implication that private higher education as such is in any way superior to public higher education. No invidious comparisons are needed or intended. Both sectors serve important public purposes and both have the capacity for excellence in discharging their functions. The two are interdependent, complementary and mutually supportive. A special case must be made for private higher education simply because it is in jeopardy and because new public policies are needed to preserve the benefits accruing from the dual system.

DIVERSITY

More than 1,500 private colleges and universities are operating in the United States. They enroll more than 2,100,000 students. They are located in 49 of the 50 states. They range in size from a few hundred to more than 30,000 students. They vary in function from small liberal arts colleges and specialized professional schools to great universities with elaborate graduate and professional programs. Some emphasize occupational interest, others liberal studies. They range in clientele from those serving particular ethnic or religious groups or particular areas to those serving a broad spectrum of the population. Most are of the latter type. They vary in location, some being rural, some suburban, some urban. They vary in their philosophy of education and in the nature of their educational impact. Some are four-year colleges and some two-year. They include institutions of great fame and influence as well as little-known institutions which serve specialized or local needs. Some cater to students of exceptional ability and some to those of more modest ability. Some are heavily engaged in research and public service, while others concentrate on instruction. Some are residential and some serve primarily commuting students. The degree of variety within the private sector is suggested by the data in Tables 2 and 3. (Tables not reproduced in the Record.)

Diversity is necessary if the higher educational system is to be able to serve its many clienteles and purposes. In the words of Ralph Besse, an influential trustee of several private institutions:

> *. . . the student constituency to be served by higher education . . . includes men and women, old people and young people, rich people and poor people, many races, ethnic groups and non-ethnic groups, brilliant minds, and a range of interest, aptitudes, personal needs, ambitions and motivations as broad and varied as our exceedingly complex culture.*
>
> *The social needs which higher education must serve are equally varied, as fields of knowledge expand in depth and number, technological competition increases, world involvement accelerates, urban living alters our mores, and affluence impacts our total way of life.*
>
> *And thus the mere statment of the complex nature of students and of social needs is almost enough to demonstrate the requirement of both institutional and program diversity. Certainly no one institution or type of institution could be adequately designed to achieve optimum service and quality for such a variety of demands.*[1]

In the spirit of Mr. Besse's comment, particular emphasis must be given to the unique role of the small private college. It typically offers a campus of human scale, rich community life, concern for the values of liberal-learning, and attention to students as individual persons. Many small colleges, including those that are not well known, perform a highly valuable service in these respects. The nation would be ill served if such institutions were to disappear or were forced to change their mission substantially.

In general, private institutions of all types have included among their main objectives the development of the student's personality as an individual. This concern is reflected in the fact that private institutions of all types are on the average smaller than comparable public institutions. A comparison of the average enrollment of public and private institutions is shown in Table 4. (Table not reproduced in the Record.)

Checks and Balances

The private sector of higher education serves as a counterweight to the public sector and provides useful checks and balances. Its existence diffuses responsibility for higher education, which would otherwise be a sole prerogative of government. The very presence of private institutions is a forceful reminder that independent, non-political education is not an unattainable ideal. The private sector provides examples of alternative administrative modes and educational programs. It thus serves the public sector of higher education as well as society at large, and some of its strongest supporters are to be found among public institutions. The University of California, for example, is strengthened by the presence nearby of a Stanford. Similarly, most state and community colleges are influenced by the styles and traditions of neighboring private institutions. Conversely, of course, the private sector is influenced by the public sector.

Excellence

We raise here the question of quality because it affects deeply the future of our society. An admirable discussion of this issue is found in the previously cited paper by Ralph Besse. As he points out, in the modern thrust for equality of opportunity in higher education quality has sometimes suffered. It might have suffered even worse without the protection of diversity. Under the banner of egalitarianism, a subtle attack has launched against excellence in higher education. Of course, excellence which is available only to the wealthy cannot be defended, but excellence based on achievement can not only be defended but may in the long run be indispensable. It contributes to the preparation of outstanding leaders, to the sound development of our culture, to the maintenance of our competitive position in the world.

As Besse states, there is nothing inappropriate in a "diversity of the learning process which provides opportunity in one institution for average or sub-average intellects and opportunity in another for superior intellects. Almost all the progress of history is traceable to superior minds." This is true, he says, not only of science, "where brilliance is commonly recognized as an ingredient of creativity. It is equally true . . . in art, music, philosophy, literature and every other important category of social activity . . . . whatever value may be derived from the social leavening that comes from the less brilliant students and faculties mingling with the more brilliant students and faculties, it is more than offset in end result by a diversity which permits brilliant faculties to compound their effectiveness by teaching brilliant students." The private sector contributes substantially to such diversity.

Many private institutions are characterized by a traditional form of educational and intellectual excellence. This is true not only of the great research universities but also of numerous small colleges. Such institutions are a national resource of incalculable value. Their excellence is derived largely from the traditions and the influences (including small size and selectivity of personnel) associated with private control. This is not to deny that a high order of excellence may be achieved in the public sector, which would of course be absurd. Yet it is no accident that so many private institutions have achieved exceptional educational and intellectual quality.

The excellence achieved in the private sector and the flexibility derived from private control have enabled many private institutions to achieve educational leadership, to serve as standard-setters, and to be sources of innovation. The private sector has no monopoly on leadership of this kind, but it has often used the independence and flexibility that come with privateness to set the example of what a college or university should be like. The efforts of public institutions to keep up with their private competitors has been an important factor in the progress of the public sector.

Academic Freedom

Academic freedom consists in part of the right and duty of individual professors to seek and speak the truth. More broadly, it includes significant inner direction for colleges and universities as institutions. It means that the academic community should have a dominant voice—based on professional judgment—in deciding what to teach, how to teach, what academic standards to maintain, what lines of research and scholarship to pursue, what to publish and whom to employ as teachers. Academic freedom in this sense is always in jeopardy, but in the past decade it has been subject to unprecedented erosion from growing political influence and from increasing reliance on funds earmarked for purposes prescribed from outside.

Private institutions are by no means exempt from pressures threatening academic freedom. But their relative independence from government, the diversity of their governing boards, and in many cases their traditions tend to make them less susceptible to forces that could curb academic freedom than are public institutions. Even if this were not so, academic freedom is more likely to be upheld in a system of higher education with diversified control than in one under monolithic control.

Liberal Learning and Values

One of the important functions of the private sector has been, and still is, to keep alive the traditions of liberal learning and to emphasize sound personal values as one of the important outcomes of higher education. Again, private institutions have no monopoly on liberal learning or values; yet in some areas of the public sector there has been a marked tendency to stress manpower needs and vocational techniques. That liberal education with emphasis on values has survived and prospered in the public institutions is due in part to the persistent influence of private colleges and universities.

Relief to Taxpayers

The private sector educates annually over 2,100,000 students. If private colleges and universities were to disappear, the education of those students would be the responsibility of public higher education. The present average subsidy per student in the public sector is about $1400. Multiplying by 2,100,000 students yields an estimated additional annual cost to taxpayers of 2.9 billion dollars. This amount represents only the operating costs and ignores capital costs.

Concluding Comment

The case for maintaining and strengthening the private sector of higher education is persuasive. This is not to assert that every single private institution is a Harvard, any more than every public institution is a Berkeley. If, however, one examines closely the private institutions of this country, one will find that overwhelmingly they are making significant contributions. Each in its own way serves its own particular clientele. Even the less well known private colleges have their particular missions, and to depreciate their contributions is to do a great disservice to higher education and to the nation. There are, of course, marginal institutions—mostly underfunded—some of which are unclear about their purposes, or under incompetent leadership, or the victims of misfortune. But the vast majority of private institutions have long served productively, and they deserve an honored and secure place in the American higher educational system.

Perhaps the most conclusive evidence of the value of private institutions is that 2,100,000 students are patronizing them when it costs the student on the average $1600, or 67 per cent, more than it would cost to attend a public institution. But as the tuition gap widens, the number of students who can afford private higher education without financial aid is steadily declining.

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[1] Ralph M. Besse, "The Case for Pluralism and Diversity in Higher Education" in *Higher Education, Human Resources and the National Economy*, Addresses and Discussion Papers from the Sixtieth Annual Meeting of the Association of American Colleges, 1974, p. 169.

CONCLUSION AND RECOMMENDATION

The private sector of higher education is enormously valuable to American society and is an influential complement to the public sector. Policy-makers in both state and federal governments should give increasing attention to preserving and strengthening private higher education.

VOTES RIGHTS ACT EXTENSION

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, I am privileged to cosponsor the administration's proposal extending for 5 years both the ban on tests and devices as prerequisites to voting and the protective remedies of sections 4 and 5 of the Voting Rights Act.

A recent report of the U.S. Commission on Civil Rights entitled "The Voting Rights Act: 10 Years After" reveals that many of the circumstances which warranted the enactment of this legislation in 1965 remain operative in 1975. The right to vote is fundamental and must be protected. The current means of protecting the right to vote are banning tests or devices as prerequisites to voting pursuant to section 201 of the Voting Rights Act, 42 U.S.C. section 1973aa (1970), and invoking prophylactic remedies in sections 4 and 5 of the Voting Rights Act, 42 U.S.C. sections 1973b, 1973c (1970).

Section 4 "triggers" section 5 remedies in jurisdictions which used a voting test or device as a precondition to voting on either November 1, 1964, or November 1, 1968, and which had either less than 50 percent of its voting population registered or less than 50 percent voting in the 1964 or 1968 Presidential elections. States or counties falling within the section 4 coverage must then get the approval of the Attorney General for any change in their voting laws or, in the alternative, file suit in the U.S. District Court for the District of Columbia to prove that their new voting law does not have a discriminatory purpose or effect.

The retention of this protective procedure is necessary to prevent erosion of the gains made in the past 10 years. By continuing to monitor changes in voting laws of the covered jurisdictions, the Federal Government can assure that Americans who have been able to exercise their elective franchise for the first time by virtue of the Voting Rights Act will continue to be able to do so with Federal supervision until 1980. For this reason, I urge Members to support this important legislation.

Mr. Speaker, it has come to my attention that H.R. 939, introduced by the chairman of the Committee on the Judiciary, seeks to extend the protections of sections 4 and 5 of the Voting Rights Act until 1985 while permanently banning the use of voting tests or devices. Although I am sure this legislation has been offered with the best of intentions, I have grave reservations concerning the permanency of the ban on voting tests and devices. The Supreme Court held in *Lassiter* v. *Northampton County Board of Elections*, 360 U.S. 45 (1959), that literacy tests were not per se unconstitutional. A permanent ban of these tests flies in the face of this holding and may therefore be held by a court to be arbitrary and unconstitutional.

I would urge my fellow Members to consider the implications of passing a bill which may be held to be unconstitutional. Should the permanent ban on literacy tests be voided, the Court could not impose a 5- or 10-year ban. The result would be that literacy tests could be used until a new law is passed and effective. This is too great a risk to run. Moreover, as a matter of policy I do not think this Congress is prepared to say that there will never be a time when the States may use legitimately a test or device, whether that time be 1980 or 3080. In our zeal to defend the rights of all people to vote we should not pass the bill which could ultimately result in the undermining of those rights.

Therefore, Mr. Speaker, I will support a safe 5-year extension of the Voting Rights Act and I hope my colleagues will do the same.

RESULTS OF ALL-VOLUNTEER FORCE

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, it is my intention to continue a practice begun during the 93d Congress of placing in the RECORD monthly summaries of the recruiting results of our all-volunteer services. It is still important, in my view, that all Members have an opportunity to review the results of the all-volunteer force. Today, I will provide these results for November 1974.

Preliminary figures show that the total strength of the four military services at the end of October was about 2,154,000, or 99 percent of their October target of 2,168,000. Strengths by service are compared with their June 1975 authorizations in the table below:

ACTIVE MILITARY STRENGTH

[In thousands]

	October 1974 (preliminary)	June 1975 (authorization)
Army	781	785
Navy	550	540
Marine Corps	192	196
Air Force	632	628
Total DOD	2,154	2,149

The 36,900 men and women recruited in November were approximately 1 percent above the total objective of 36,700.

ENLISTED ACCESSIONS—ALL SOURCES

Service	November 1974		
	Objective	Actual	Percent
Army	17,100	17,200	100
Navy	9,300	9,500	102
Marine Corps	4,200	4,100	98
Air Force	6,000	6,100	100
Total DOD	36,700	36,900	101

Ninety-five percent of all non-prior-service enlistees were in mental categories I–III which are the average and above average mental groups. This was the highest proportion of average and above average mental category enlistees for a single month since the Department began keeping statistics on the mental ability of its accessions in May 1951. Approximately 63 percent of the new enlistees were high school graduates, and about 9 percent or 3,200 were women. Black enlistments accounted for 18 percent of the November enlistments compared to 19 percent in October. The services also recruited about 3,700 prior-service personnel.

The total selected reserve strengths declined slightly during October.

SELECTED RESERVE STRENGTHS

[In thousands]

	End strength		Average strengths	
	October 1974 (preliminary)	September 1974 (actual)	Fiscal year 1975 through October	Fiscal year 1975 authorized
Army National Guard	391.2	392.2	393.9	400.0
Army Reserve	231.7	232.3	232.4	225.0
Navy Reserve	111.1	112.3	112.5	117.0
Marine Corps Reserve	32.0	31.7	31.5	36.7
Air National Guard	93.9	93.7	93.7	95.0
Air Force Reserve	45.5	45.3	45.4	51.3
Total DOD	905.4	907.5	909.4	925.0

HOW LIBERALS REDISCOVERED FREE SPEECH

(Mr. ALBERT (at the request of Mr. KREBS) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, I am happy to include in the CONGRESSIONAL RECORD a very fine, provocative article carried in the December 22, 1974, Washington Post by a distinguished native Oklahoman and practicing Washington attorney, Marcus Cohn. Mr. Cohn specializes in communications law. The article follows:

[From the Washington Post Dec. 22, 1974]

HOW LIBERALS REDISCOVERED FREE SPEECH

(By Marcus Cohn)

On Sept. 25, 1970, Charles W. Colson sent a memo to H. R. Haldeman in which he proposed that the White House get a ruling from the Federal Communication Commission on the "role of the President when he uses TV." This, he argued, would have "an inhibiting impact on the networks." Probably the last thing he ever expected was that this memo—and others—would end up helping to ignite a flurry of judicial and congressional dedication to broadcasters' First Amendment rights.

Broadcasters, of course, have been delighted—indeed, amazed—to find a growing number of liberals as their new defenders. There is, for example, Democratic Sen. William Proxmire of Wisconsin, who 15 years ago played a central role in requiring the FCC to judge how stations handle controversial issues. This Fairness Doctrine notion had been kicking around for a number of years by then, but it was Proxmire who proposed and pushed through the amendment to the Communications Act. Today the same Sen. Proxmire is delivering Senate speeches declaring that the doctrine is unconstitutional. He now describes it as the "unfairness doctrine," an

"Orwellian double think" procedure, and the subversion of Voltaire to mean "I will defend to the death your right to agree with me."

PLENTY OF COMPANY

Proxmire is certainly not alone in his sharp change of heart; he has plenty of company among federal judges, other liberal members of Congress and intellectuals who have similarly reversed course in the wake of Watergate and other events on a wide range of issues.

Historian Arthur Schlesinger Jr., for example, has spent a good deal of his career supporting a strong presidency, illustrating his case with studies of President Franklin Roosevelt, and then growing even more enthusiastic about the strong, activist President when he actually got the chance to play a role in the Kennedy White House. In those days, Prof. Schlesinger has written, President Kennedy was too often deflected from noble purposes by reluctant bureaucrats and elected congressmen who checked his power. Now, however, Schlesinger argues in his book "The Imperial Presidency" that the President has too much power.

Similarly, when conservative State Department employee Otto Otepka tried to tell Congress a few pertinent facts about how the department was doing its business, many distinguished liberals—who happened. to think Otepka and his congressional allies were on a Communist witchhunt—cried out that the State Department should exercise "executive privilege" and withhold Otepka's information. Many of those same liberals had very different ideas about our last administration's right of executive privilege.

Then there is the case of scholar-politician-diplomat Daniel Patrick Moynihan, who once stridently warned the country that scholars are at their weakest in prescribing massive government programs and have, in fact, sold the country large amounts of "snake oil." Scholars should stick to studying results, said Moynihan. But within a year or so after he wrote this warning, Moynihan became the czar of domestic policy in the Nixon administration and proposed what he said was the most far reaching social reform (a guaranteed annual income) since the 1930s.

These and other turnabouts can be explained in a number of ways. We all know that a foolish consistency is the hobgoblin of little minds. It is also possible, and hopefully true, that men learn by experience and change their preconceptions.

But there is yet another potential explanation: Is it possible that despite some of the most scholarly formulations about the relationships within government and between government and the governed these matters are really decided, perhaps unconsciously, on the basis of just who has the power? More bluntly, do some people think that lots of government power is fine when the "good guys"—their people—are in office, but government power must be drastically reduced when the "bad guys"—the "other" people—get elected?

JUDICIAL SANCTIFICATION

Obviously, our fundamental rights should be decided on firmer ground than whether politicians to our liking are in command at the moment. The Constitution and our laws are not so easy to change that we can alter our notions on the basis of who won the last election. And yet, as Prof. Philip Kurland, a constitutional scholar at the University of Chicago Law School, has pointed out, "When it is a President with what has come to be called 'charisma,' a Franklin Delano some of us have applauded the seizure of power by the President. When that office is occupied by one whose objectives are less to our tastes, we deplore the power that has become his to exercise."

One of the most striking examples of this phenomenon has occurred in the area of freedom of speech, and particularly the use of the air waves. Suddenly liberals have begun to argue that broadcasters should have the same First Amendment rights enjoyed by newspapers, and that the FCC should stay out of programming matters—a far cry from their earlier position.

In the 1940s, such FCC commissioners as James Lawrence Fly, Clifford Durr, Paul Walker, Paul Porter and Frieda Hennock—all devoted New Dealers—constantly urged greater government involvement in programming. They argued that radio stations had a responsibility to engage in more non-entertainment; it was euphemistically called "meaningful" programming.

Those were the days when Louis G. Caldwell, a determined and brillant conservative, represented the interests of the Chicago Tribune and other violently anti-Roosevelt licencees. He argued repeatedly that the commission was violating the First Amendment when it stepped into the programming area. But the commissioners and the staff scoffed at such a notion.

The commission position received judicial sanctification from some general and gratuitous language that Justice Frankfurter included in a 1940 opinion on behalf of a unanimous Supreme Court. He said the commission not only had the duty to act "as a kind of traffic officer policing the wave lengths to prevent stations from interfering with each other," but that it was Congress' intention to place upon it the obligation of "determining the composition of (the) traffic." Although this reference was not required by the issues involved in the case at hand, it was immediately used by the FCC and by other courts as a definitive interpretation of the commission's powers and a congressional command that it aggressively involve itself in programming.

THE BLUE BOOK

Until 1946, there were no federal guideposts outlining what actually constituted programming in the public interest. However, on March 7, 1946, the commission issued a 50-page brochure which had a blue cover and immediately became known as "The Blue Book."

The Blue Book required each station to report in its license renewal application the amount of programming it had carried in each of several categories—for example, education, news, discussion, and religion. In addition, the station was required, and still is required, to include in its application promises about the programming it would carry in the three-year license period. Then, each time a license renewal application was filed, the commission weighed how well the promises had been kept.

The Blue Book acknowledged that the Communications Act prohibited the FCC from censoring programs. But the commission, after reviewing the congressional history of the Communications Act and the judicial review of its powers, concluded that it not only had the right to make such judgments, but, indeed, it was "under an affirmative duty . . . to give full consideration to (the) program service" of every licensee at renewal time.

During the next quarter century the U.S. Court of Appeals for the District of Columbia (to which practically all FCC decisions are appealed) encouraged the commission's programming activity. In case after case, the court brushed aside First Amendment whimpers and not only approved the commission's right to make programming judgments, but even scolded the commission when it shirked this task.

For example, in 1962 Chief Judge David L. Bazelon, on behalf of a unanimous court which then included Judge Warren Burger, held that "the commission may impose reasonable restrictions upon the granting of licenses to insure programming designed to meet the needs of the local community."

Until November of 1969, we had very few hard facts showing that the White House had ever used the FCC to pressure stations—and particularly the networks—to assure a friendly attitude toward the President and his programs.

We do know that President Roosevelt sent a memorandum to FCC Chairman Fly on Oct. 3, 1940, in which he said: "Will you please let me know when you propose to have a hearing on newspaper ownership of radio stations." We also know that during the Eisenhower years rumors were rampant that Sherman Adams and other members of the White House elite recommended to the FCC what the outcome should be in contested hearings, where there were two or more applicants for the same facility.

But neither the Roosevelt inquiry nor the interference by the Eisenhower White House were designed to intimidate the networks or stations or newspapers because of program content that was critical of the administration. That was a Nixon administration invention, and its history is by now familiar.

There was FCC Chairman Dean Burch's phone call to CBS president Frank Stanton on Nov. 4, 1969, requesting a transcript of the network's news analysis that had followed a Nixon address the night before. There was Vice President Agnew's Des Moines speech nine days later castigating the networks' news coverage and reminding them that they held licenses through the sufferance of the FCC. There were, according to CBS's Stanton, a number of White House phone calls over the next three years expressing displeasure with news broadcasts. There was the Colson memo to Haldeman. There was the December, 1972, Indianapolis speech by Clay T. Whitehead, director of the White House's Office of Telecommunications Policy, condemning the "ideological plugola" and "elitist gossip" of network news. And there was President Nixon on tape telling Haldeman that "The main thing is The Post is going to have damnable, damnable problems out of this one. They have a television station . . . And they're going to have to get it renewed."

Some late recanted their positions; Burch subsequently said he never should have made the Stanton call, that he didn't realize its implications, and Whitehead later termed the Fairness Doctrine "the mark of a totalitarian society . . . government enforced journalism . . . a total incongruity with freedom of expression in this country . . ."

Whitehead found himself in strange company. For once the Nixon White House's involvement in FCC programming matters became a matter of public record, a number of liberal senators and judges change their tunes as well.

On Sept. 25, 1972, for example, Judge Bazelon joined two of his colleagues in an opinion sustaining the FCC's denial of a license renewal on a programming issue, and stated that he would file, at a later date, a concurring opinion. But during the following 40 days he had second thoughts. On Nov. 4, 1972, he issued instead a 39-page (*dissenting*) opinion in which he argued that FCC involvement in programming violated the First Amendment; he said that the commission had no constitutional right to deny a station its license because of its programming.

Bazelon repeatedly referred to the "chilling effect" that FCC programming intervention and supervision has on freedom of speech and thought. He noted that "highly respected members of newspaper and broadcasting corps" had warned us "that governmental regulation of broadcasting has been more pernicious than any group of private censors." He went on to say that there was "some question as to what the FCC may constitutionally ask of applicants with respect to programming plans . . ." And more recently, in a speech to the Federal Communications Bar Association, he urged the "broadcast media . . . (to) strenuously resist all government attempts to interfere with their wide legitimate decisions."

A JOYOUS TREMOR

When Supreme Court Justice William O. Douglas said on May 29, 1973, that he had concluded that "TV and radio stand in the same protected position under the First Amendment as do newspapers and magazines," and when Justice Potter Stewart concurred, a joyous tremor went through the broadcasting industry.

While the courts—and particularly their liberal members—were showing determination to curtail the FCC's power over programming, such other liberals as Sens. Proxmire and George McGovern and former Sen. Eugene McCarthy began to urge that station owners' program judgments be cloaked with First Amendment rights.

On March 14, 1972, for example, McCarthy issued a "Statement on Freedom of Broadcasting" which warned of the dangers which occur when power is given to the White House/FCC to interfere, criticize or evaluate whether the content of broadcasting serves the public interest. He stated, "We cannot continue government efforts to regulate the quality and substance of broadcasting." He saw no reason at all why the government "should impose quality standards on radio and television broadcasters when we have no such government controls on newspapers." His absolutist position arose from the fact that those who wanted to increase the regulation of broadcasters were doing so "in the hope of getting them to do what they want . . ."

Watergate then, has helped validate the thesis that our dedication to the basic philosophy behind the First Amendment is inversely related to our confidence that the White House understands its values and purposes. When we are convinced that the presidential political process recognizes and respects the First Amendment's purpose and sanctity, the less nervous and anxious we are about its vitality and values. The more we doubt the President's commitment to it, the more eager we are to implement and strengthen it. Bad presidencies have the effect of giving the First Amendment a charge of adrenalin.

THE BOLLING HOUSE

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, the changes that have taken place in the rules of the House and the rules of the Democratic Caucus which tend toward central leadership are not mere happenstance. Many people have been enrolled and many have helped. But of all people in the House most responsible is Richard Bolling who, as the following article in the New York Times indicates, recognized the problems a long time ago.

The article follows:

[From the New York Times, Jan. 21, 1975]

The Bolling House

(By William V. Shannon)

Washington.—"In the many years that I have been a member of Congress, the House has revealed itself to me as ineffective in its role as a coordinate branch of the Federal Government, negative in its approach to national tasks, generally unresponsive to any but parochial economic interests. Its procedures, time-consuming and unwieldy, mask anonymous centers of irresponsible powers. Its legislation is often a travesty of what the national welfare requires."

Those words were written a decade ago by Representative Richard Bolling, Missouri Democrat, in his book "House Out of Order." Mr. Bolling has devoted much of his energy during his 26 years in Congress to trying to make the House of Representatives the responsible and effective legislative body it once was and could be again. Slowly he has made headway. Last week's upheaval against veteran committee chairmen brought the House close to the ideal he has espoused.

When the feisty young progressives of 1911 stripped Speaker Joseph Cannon of his automatic power to appoint the chairmen of committees, they failed to provide any substitute arrangement to exercise responsibly the power that he deployed irresponsiblv

Unwittingly, they thus opened the way for individual committee chairmen to turn their committees into baronies where rigid seniority prevailed. An occasional liberal became chairman, but under the seniority system, most of the chairmanships gravitated to those members who had the safest seats—rural Southerners or machine regulars from a few big cities.

The ideal toward which Mr. Bolling and like-minded reformers among House Democrats have worked is to restore power to the Speaker but power shared with an elected policy committee and responsible to an active caucus of the majority party. The first breakthrough came in 1961 with the enlargement of the House Rules Committee, making it more amenable to the wishes of the Speaker in scheduling debate on legislation. The second came in 1965 when two Southern Democrats who had supported the Goldwater candidacy were stripped of their committee seniority by the House Democratic caucus. This established the principle of fidelity to party.

In December, the caucus stripped the Democrats on the Ways and Means Committee of their power to assign other Democrats to committees. This authority was placed with the Speaker and the Steering and Policy Committee that he chairs, instantly transforming that important group into a new power center.

The 24-member Steering and Policy Committee is made up predominantly from the middle levels of the House Democrats, persons who are not yet committee chairmen but not radical insurgents either. The committee last week voted to unseat two long-time chairmen—Wright Patman of Texas, who has headed Banking and Currency, and Wayne Hays of Ohio, who has headed House Administration.

By a surprisingly narrow vote of 14 to 10, the committee redesignated Edward Hébert of Louisiana as chairman of Armed Services and Bob Poage of Texas as Agriculture Chairman. Since the Policy Committee has only one freshman member and the 75 freshmen are the easiest element, this narrow approval was an ominous signal for those incumbents.

When the Democratic Caucus met, the warnings were made good and Mr. Hébert and Mr. Poage were ousted. In an extremely close vote, the caucus rejected Mr. Patman's proposed successor and left the chairmanship open for reconsideration at another caucus tomorrow. By intense politicking, Representative Hays also rescued himself.

Last week's actions shifted the balance of power from the chairmen of the legislative committees to the Policy Committee and the caucus. Gone are the days when Virginia's Howard Smith on the Rules Committee or Georgia's Carl Vinson on Armed Services or Arkansas' Wilbur Mills on Ways and Means could ignore national party policy and treat the Speaker of the House with the lordly condescension that Dukes of Burgundy once showed to the early kings of France.

The upheaval in the House is bad news for the Ford Administration. A conservative President such as Mr. Ford, like his predecessors Mr. Nixon and Mr. Eisenhower, could normally expect to profit from the failure of the liberal majority of House Democrats to translate their votes into effective control at the committee level. The Republican-Southern Democratic coalition has traditionally worked through the oligarchy of conservative committee chairmen. Such dealings across party lines are now likely to be considerably more difficult though not impossible.

In electing strongly liberal majorities in the House and Senate, the nation presumably wanted legislation of a progressive cast. This realignment of power in the House makes it much more likely that the nation will get what it wants and will be able to hold the majority party accountable for Congress' success or failure.

FBI FILES MAINTAINED ON MEMBERS OF CONGRESS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it was recently discovered that the FBI maintains files on Members of Congress. The fact is that it is old news. My suggestion that Congress be alert to and halt FBI maintenance of secret files or political dossiers on Members of Congress can be found in statements I inserted in the Congressional Record on February 7, 1973, and September 12, 1973.

Congressmen Bingham, Rosenthal, and I, when we learned that there were files on Members of Congress held by the FBI, instituted a lawsuit to obtain those files. Judge Gesell in deciding the case held that complaints to the FBI, whether against Members of Congress or anyone else, were not available under the Freedom of Information Act. After this adverse decision and after obtaining from Director Kelley a letter in which he made it clear that the complaints did not involve either criminal or security matters, we did not proceed with the case. Instead, I am proceeding with legislation introduced last year and reintroduced on the first day of the new Congress which would require the destruction of files maintained by the FBI with respect to Members of Congress except where such files are maintained as part of an investigation into alleged violations by a Member of Congress for the purpose of prosecution. That bill is H.R. 563.

My legislation was drawn with respect to Congressmen because they were the ones on whom files were being collected. However, I believe that all citizens should be similarly protected in or out of Congress.

I have brought this legislation to the attention of Subcommittee Chairman Don Edwards and Bob Kastenmeier for their consideration during hearings that they hold on the FBI.

MATERNAL AND CHILD HEALTH PROGRAMS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on Friday, January 24, I sent a letter with 38 Members of the House to President Ford protesting any rescission of funds for maternal and child health programs. Those of us who supported the maternal and child health programs authorized under title V of the Social Security Act were gratified last year to see the Congress approve a needed increase in funds to deliver health care to over 1 million low-income mothers and children. This increase which President Ford signed into law brought the funding level of these programs up to the amount they had received in 1973. This increase has not been released to the States and now it is expected that the President will recommend that the $23 million increase be rescinded. It is most important that we let him know the reaction of Members of Congress to such an anticipated move.

The letter was signed by me and the following Members: Bella Abzug, Democrat of New York; Joseph Addabbo, Democrat of New York; Herman Badillo, Democrat of New York; Jaime Benitez, Democrat of Puerto Rico; Michael Blouin, Democrat of Iowa; John Brademas, Democrat of Indiana; George Brown, Democrat of California; James Burke, Democrat of Massachusetts; John Burton, Democrat of California; John Conyers, Democrat of Michigan; Robert Drinan, Democrat of Massachusetts; Robert Edgar, Democrat of Pennsylvania; Don Edwards, Democrat of California; Dante Fascell, Democrat of Florida; James Florio, Democrat of New Jersey; Harold Ford, Democrat of Tennessee; Don Fraser, Democrat of Minnesota; Tom Harkin, Democrat of Iowa; Ken Hechler, Democrat of West Virginia; Henry Helstoski, Democrat of New Jersey; Elizabeth Holtzman, Democrat of New York; Martha Keys, Democrat of Kansas; Ray Madden, Democrat of Indiana; William Moorhead, Democrat of Pennsylvania; Richard Ottinger, Democrat of New York; Claude Pepper, Democrat of Florida; Charles Rangel, Democrat of New York; Fred Richmond, Democrat of New York; Peter Rodino, Democrat of New Jersey; Robert Roe, Democrat of New Jersey; Ben Rosenthal, Democrat of New York; Paul Sarbanes, Democrat of Maryland; Patricia Schroeder, Democrat of Colorado; Gladys Spellman, Democrat of Maryland; Stephen Solarz, Democrat of New York; James Stanton, Democrat of Ohio; Pete Stark, Democrat of California; and Henry Waxman, Democrat of California. The text of the letter follows:

> Dear Mr. President: Despite overwhelming expressions by the House and Senate last fall to increase the appropriations for maternal and child health programs and your enacting the increase into law, it has become apparent that budgetary action might be taken by you which will have very serious implications for maternal and child health programs and crippled children's services.
>
> It is our understanding that you intend to submit to the Congress, with your budget message, a rescission proposal to reduce maternal and child health funds by $23 million, and that you will propose to defer increases approved by Congress under the fiscal year 1975 appropriations act for the third quarter.
>
> Under P.L. 93-53, the authorizing statute for these maternal and child health programs, the states are to receive funds for maternal and child health programs in fiscal year 1975 for an amount equal to that which they received in 1973. These programs are operating in this time of inflation on funding barely adequate 2 years ago.
>
> We would like to advise you that any request for a rescission of the funds approved by the Congress for fiscal year 1975 for health services under Title 5 of the Social Security Act is not acceptable to us. The full amount appropriated by the Congress for these health services for mothers and children for fiscal year 1975 must be paid to the states to keep the programs viable.
>
> We urge you to continue to support full and adequate funding for these programs.

A similar letter was sent to President Ford by the American Medical Association, the American Academy of Pediatrics, and the American College of Obstetricians and Gynecologists.

SEVENTY-SEVEN MEMBERS STAND UP FOR TAX EQUITY

(Mr. KOCH asked and was given permission to extend his ramarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have introduced a bill today cosponsored by 77 Members to remove the tax inequities between single and married persons. Millions of Americans are in the process of preparing their 1974 tax returns. Approximately 54 million of them will be discriminated against when they pay their taxes on April 15 solely on the basis of their marital status.

The 16th amendment to the Constitution gives Congress the right to levy income taxes. But Congress has never passed a law saying that single people shall be taxed just because they are single. Nor has Congress passed legislation saying that married people, both of whom work, shall be penalized by higher taxes. But this is precisely what is happening today.

Whether widowed, divorced, or unmarried, a single person who works pays up to 20 percent more in taxes than a taxpayer with a nonworking spouse filing a joint return. Penalized in the same way as singles is the working married couple filing separately or jointly on two incomes who in some cases are more highly taxed than two single persons earning the same income and living together.

In an attempt to remove these discriminatory tax inequities Senator Bob Packwood and I have introduced legislation which would establish a uniform tax rate structure for all taxpayers. The single taxpayer bill would grant all unmarried individuals the full tax benefits of income splitting now enjoyed by married persons filing joint returns on a single income. The legislation would also assist working married couples filing separately on two incomes.

An American revolution that started in 1773 in Boston Harbor began over the tax on tea. A revolution in current tax policies will probably be predicated upon the dictates of our economy. Currently, we in Congress and the administration are considering tax cut proposals. In so doing we must seek to remove the tax inequities for unmarried persons and married persons where both husband and wife work. Single persons who work and married couples who are both employed are the main groups of persons who would spend their money putting it back into the economy. The purpose of a tax cut is to add purchasing power and therefore this is one certain area in which the inequity would be removed and the goal of turning around a recessionary economy accomplished.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Milford (at the request of Mr. O'Neill), until further notice, on account of hospitalization.

Mr. Jarman (at the request of Mr. Rhodes), for January 28 through February 6, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Fenwick) to revise and extend their remarks and include extraneous matter:)

Mr. Cohen, for 10 minutes, today.
Mr. Talcott, for 5 minutes, today.
Mr. Findley, for 5 minutes, today.
Mr. Esch, for 5 minutes, today.

(The following Members (at the request of Mr. Krebs) to revise and extend their remarks and include extraneous matter:)

Mr. Benitez, for 15 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Fraser, for 5 minutes, today.
Ms. Abzug, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Bingham, for 5 minutes, today.
Mr. Brinkley, for 15 minutes, today.
Mr. Eilberg, for 5 minutes, on January 29.
Mr. Dent, for 30 minutes, on January 29.
Mr. Gaydos, for 30 minutes, on January 29.
Mr. Dominick V. Daniels, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. Fenwick) and to include extraneous matter:)

Mr. Ashbrook in seven instances.
Mr. Young of Alaska.
Mr. Fish.
Mrs. Fenwick.
Mr. Forsythe in two instances.
Mr. Sarasin.
Mr. Cohen.
Mr. McKinney.
Mr. Findley in two instances.
Mr. Derwinski in two instances.
Mr. Crane in two instances.
Mr. Schneebeli.
Mr. Symms in three instances.
Mr. Goodling in 10 instances.
Mr. Martin.
Mr. Shriver.
Mr. Rousselot in two instances.
Mr. McClory in two instances.
Mr. Latta in two instances.

(The following Members (at the request of Mr. Krebs) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Nowak.

Mr. Corman.

Mr. Hall in two instances.

Mr. Brademas in six instances.

Mr. Richmond.

Mr. Bolling.

Mr. Anderson of California in three instances.

Mr. Hamilton.

Mr. Obey in two instances.

Mr. Brinkley.

Mr. Yates.

Mr. Leggett in three instances.

Mr. Koch in three instances.

Mr. Hawkins.

Mr. Matsunaga.

Mr. Edwards of California.

Mr. Kastenmeier.

Mr. Hungate.

Mr. McFall.

Ms. Abzug in two instances.

Mr. Patten.

Mr. Roybal.

Mr. Murphy of New York.

Mr. Ullman.

ADJOURNMENT

Mr. KREBS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Wednesday, January 29, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

197. A letter from the President of the United States, transmitting an amendment to the request for appropriations for fiscal year 1975 for International Financial Institutions (H. Doc. No. 94–28); to the Committee on Appropriations and ordered to be printed.

198. A letter from the Under Secretary of the Air Force, transmitting a report on the progress of the Reserve Officer Training Corps Flight Training program during calendar year 1974, pursuant to 10 U.S.C. 2110 (b); to the Committee on Armed Services.

199. A letter from the Attorney General, transmitting a report on the enforcement of title I (Truth in Lending) of the Consumer Credit Protection Act of 1968, pursuant to section 114 of Public Law 90–321; to the Committee on Banking, Currency and Housing.

200. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on deliveries of excess defense articles during the first quarter of fiscal year 1975, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971 [22 U.S.C. 2321b(d)]; to the Committee on Foreign Affairs.

201. A letter from the Director, Federal Bureau of Investigation, Department of Justice, transmitting a report on positions in the FBI in grades GS–16, 17, and 18 during calendar year 1974, pursuant to 5 U.S.C. 5114; to the Committee on Post Office and Civil Service.

202. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization Convention No. 137 and Recommendation No. 145 concerning the social repercussions of new methods of cargo handling in docks, and Convention No. 138 and Recommendation No. 146 concerning the minimum age for admission to employment, pursuant to article 19 of the ILO Constitution (H. Doc. No. 94–29); jointly, to the Committees on Foreign Affairs, and Education and Labor and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally refererd as follows:

By Mr. ULLMAN:

H.R. 2166. A bill to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low income allowance and the percentage standard deduction, to provide a credit for certain earned income, to increase the investment credit, and for other purposes; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 2167. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 2168. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 2169. A bill to amend the Internal Revenue Code of 1954 to exempt buses and predominantly in public passanger transportation service from the manufacturer's excise tax; to the Committee on Ways and Means.

By Mr. CONTE (for himself, Ms. Abzug, Mr. Carr, Mrs. Chisholm, Mr. Evans of Colorado, Mr. Edwards of California, Mr. Fulton, Mr. Gude, Mr. Henderson, Ms. Holtzman, Mr. Nix, Mr. Roybal, Mr. Roe, Mr. Stark, Mr. Stokes, and Mr. Yates):

H.R. 2170. A bill to require congressional approval of tariffs on petroleum imports; to the Committee on Ways and Means.

By Mr. CASEY (for himself, Mr. Archer, Mr. Beard of Tennessee, Mr. Burleson of Texas, Mr. Collins of Texas, Mr. Robert W. Daniel, Jr., Mr. Derwinski, Mr. Flynt, Mr. Goldwater, Mr. Hinshaw, Mr. Holland, Mr. Johnson of Pennsylvania, Mr. Jones of North Carolina, Mr. Ketchum, Mr. Kindness, Mr. McDonald of Georgia, Mr. Mathis, Mr. Patman, Mr. Robinson, Mr. Roe, Mr. Ryan, Mr. Steiger of Arizona, Mr. Treen, and Mr. Won Pat):

H.R. 2171. A bill to amend the Clean Air Act to prohibit the Administrator of the Environmental Protection Agency from requiring an indirect source emission review as a part of any applicable implementation plan; to the Committee on Interstate and Foreign Commerce.

By Mr. DON H. CLAUSEN:

H.R. 2172. A bill to establish fishing zones of the United States beyond its territorial seas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 2173. A bill to establish a contiguous fishery zone (to the outer limits of the Continental Shelf) beyond the territorial sea of the United States; to the Committee on Merchant Marine and Fisheries.

H.R. 2174. A bill to establish a contiguous fishery zone (200-mile limit) beyond the territorial sea of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. CLEVELAND (for himself, Mr. Wright, Mr. Abdnor, Mr. Bafalis, Mr. Don H. Clausen, Mr. Cochran, Mr. Derwinski, Mr. Goldwater, Mr. Hagedorn, Mr. Hammerschmidt, Mr. Harsha, Mr. Hastings, Mr. McKay, Mr. Quie, Mr. Regula, Mr. Riegle, Mr. Rose, Mr. St Germain, Mr. Shriver, Mr. Shuster, Mr. Snyder, Mr. Taylor of Missouri, and Mr. Walsh):

H.R. 2175. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification; to the Committee on Public Works and Transportation.

By Mr. COHEN:

H.R. 2176. A bill to amend the Emergency School Aid Act to extend to Franco-Americans the same benefits afforded other minority groups under that act; to the Committee on Education and Labor.

By Mr. CONABLE:

H.R. 2177. A bill to amend the Tariff Schedules of the United States to provide for a partial exemption from duty for articles previously exported from the United States composed in part of fabricated components the products of the United States, when returned after having been exported, without having been advanced in value or improved in condition while abroad; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 2178. A bill to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income; to the Committee on Ways and Means.

By Mr. CORMAN (for himself and Mr. Conable):

H.R. 2179. A bill to amend the Internal Revenue Code of 1954 to revise the method of taxing accumulation distributions from trusts; to the Committee on Ways and Means.

By Mr. CORMAN (for himself and Mr. Pettis):

H.R. 2180. A bill to amend the Tariff Schedules of the United States to suspend the duty on certain aircraft components; to the Committee on Ways and Means.

H.R. 2181. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 2182. A bill to extend to certain Federal law enforcement and firefighter personnel who were reemployed annuitants on July 12, 1974, the benefits provided to other Federal law enforcement and firefighter personnel under the act of July 12, 1974; to the Committee on Post Office and Civil Service.

H.R. 2183. A bill to amend section 204 of the Federal Water Pollution Control Act to authorize the use of ad valorem taxes to satisfy the user charge system requirement; to the Committee on Public Works and Transportation.

By Mr. de la GARZA:

H.R. 2184. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applicants for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNING:

H.R. 2185. A bill to amend title 10, United States Code, to provide separation pay for regular enlisted members of the U.S. Armed Forces; to the Committee on Armed Services.

H.R. 2186. A bill to amend section 13(c) of the Fair Labor Standards Act of 1938 to exempt from the child labor provisions of such act certain individuals employed in the harvesting or preparation of seafood; to the Committee on Education and Labor.

By Mr. DOWNING (for himself, Mr. Dingell, Mr. Forsythe, and Mr. Anderson of California):

H.R. 2187. A bill to amend the Fish and Wildlife Act of 1956 to authorize the Secretary of Commerce to make loans to associations of fishing vessel owners and operators organized to provide insurance against the damage or loss of fishing vessels or the injury or death of fishing crews, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 2188. A bill to authorize a program of exploratory fishing for the purpose of assisting in the development and utilization of species of fish suitable for industrial uses, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DRINAN:

H.R. 2189. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 2190. A bill to amend title 10 of the United States Code in order to prohibit the exclusion, solely on the basis of sex, of women members of the Armed Forces from duty involving combat; to the Committee on Armed Services.

By Mr. EILBERG:

H.R. 2191. A bill to amend title 28 of the United States Code to increase the number of U.S. district court judges and for other purposes; to the Committee on the Judiciary.

By Mr. ESCH:

H.R. 2192. A bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers; to the Committee on Interstate and Foreign Commerce.

H.R. 2193. A bill to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

H.R. 2194. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit of $250 for each new passenger automobile with a fuel consumption rate of at least 15 miles per gallon which is purchased during 1975 and $100 for any other new passenger automobile purchased during 1975; to the Committee on Ways and Means.

H.R. 2195. A bill to amend title II of the Social Security Act so as to gradually increase and ultimately remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. Roncalio, Mr. Breaux, Mr. Brown of California, Mr. Buchanan, Mr. Burgener, Mr. Carter, Mr. Conlan, Mr. Coughlin, Mr. D'Amours, Mr. Danielson, Mr. Drinan, Mr. Eshleman, Mr. Harkin, Mr. Hightower, Miss Holtzman, Mr. Johnson of Pennsylvania, Mr. Long of Maryland, Mr. McClory, Mr. McCloskey, Mr. Moorhead of California, Mr. Mosher, Mr. Myers of Indiana, and Mr. Nix):

H.R. 2196. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. Ottinger, Mr. Pritchard, Mr. Regula, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Shipley, Mr. Simon, Mr. Solarz, Mr. Stokes, Mr. Thone, Mr. Wampler, Mr. Waxman, Mr. Charles H. Wilson of California, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Zeferetti, Mr. Murphy of New York, Mr. Beard of Rhode Island, Mrs. Chisholm, Mr. Moakley, Mr. Boland, and Mr. Crane):

H.R. 2197. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 2198. A bill to prohibit discrimination on the basis of age in the granting of credit; to the Committee on Banking, Currency and Housing.

H.R. 2199. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2200. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if that taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 2201. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 2202. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 2203. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or petroleum products; and for other purposes; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. Runnels, Mr. Charles H. Wilson of California, Mr. du Pont, Mr. Long of Maryland, Ms. Abzug, Mr. Mitchell of Maryland, Mr. Fraser, Mr. Sarbanes, Mr. Seiberling, Mrs. Collins of Illinois, Mr. Won Pat, Miss Holtzman, Mrs. Mink, Mr. Railsback, and Mr. Mazzoli):

2204. A bill to authorize the voluntary withholding of Maryland, Virginia, and District of Columbia income taxes, pursuant to agreements subject to review by the Committee on House Administration of the House of Representatives, in the case of certain legislative officers and employees; to the Committee on House Administration.

By Mr. HAWKINS:

H.R. 2205. A bill to provide public service employment opportunities for unemployed and underemployed persons, to assist States and local communities in providing needed public services, and for other purposes; to the Committee on Education and Labor

H.R. 2206. A bill to amend the Economic Opportunity Act of 1964 to provide for demonstration projects to combat rural poverty, to restore community land grants, to promote rural community bilingualism, to revive rural Mexican-American culture, and for other purposes; to the Committee on Education and Labor.

H.R. 2207. A bill to enforce the Treaty of Guadalupe-Hidalgo as a treaty made pursuant to article VI of the Constitution in regard to lands rightfully belonging to descendants of former Mexican citizens, to recognize the municipal status of the community land grants, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2208. A bill to set up an Independent Civil Rights Enforcement Office, and for other purposes; to the Committee on the Judiciary.

By Mr. HAWKINS (for himself, Mr. Reuss, Mr. Addabbo, Mr. Anderson of California, Mr. Aspin, Mr. Danielson, Mr. Edwards of California, Mr. Flood, Mr. Ford of Tennessee, Mr. Gilman, Ms. Holtzman, Ms. Jordan, Mr. Leggett, Mr. Madden, Mr. Murphy of New York, Mr. Pepper, Mr. Riegle, Mr. Ryan, Mr. Seiberling, Mrs. Spellman, Mr. Stokes, Mr. Charles H. Wilson of California, and Mr. Young of Georgia):

H.R. 2209. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. HAYS:

H.R. 2210. A bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States; to the Committee on House Administration.

By Mr. HELSTOSKI:

H.R. 2211. A bill to amend section 1114 of title 18 of the United States Code to make the killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

H.R. 2212. A bill to exclude from gross income the first $750 of interest received on deposits in thrift institutions; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 2213. A bill to amend the Equal Educational Opportunities Act of 1974 to prohibit any agency of the Federal Government from requiring schools or other educational institutions, as a prerequisite to the receipt of Federal funds, to provide such agency with access to certain records maintained by such schools or other institutions; to the Committee on Education and Labor.

H.R. 2214. A bill to temporarily suspend required emission controls on automobiles registered in certain parts of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2215. A bill to amend title 5, United States Code, to revise the pay structure for Federal employees whose duties primarily relate to firefighting; to the Committee on Post Office and Civil Service.

H.R. 2216. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. JOHNSON of Pennsylvania:

H.R. 2217. A bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition; to the Committee on Interstate and Foreign Commerce.

H.R. 2218. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2219. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. JONES of Oklahoma (for himself, Mr. Derwinski, Mr. Roe, Mr. Waggonner, Mr. Risenhoover, Mr. Carter, Mr. Danielson, Mr. Schulze, and Mr. Moorhead of California):

H.R. 2220. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Oklahoma:

H.R. 2221. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. KARTH (for himself, Mr. Brown of California, Mr. Carney, Mr. Harrington, Mr. Mikva, Ms. Holtzman, Mr. Dent, Mr. Eckhardt, Mrs. Spellman, Mr. Edwards of California, Mrs. Mink, Mr. McCloskey, Mr. Yatron, Mr. Fascell, and Mr. Ottinger):

H.R. 2222. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 2223. A bill for the general revision of the copyright law, title 17 of the United States Code, and for other purposes; to the Committee on the Judiciary.

Mr. KOCH (for himself, Ms. Abzug, Mr. Ashley, Mr. Addabbo, Mr. Bafalis, Mr. Breaux, Mr. Brown of Michigan, Ms. Burke of California, Mr. Burke of Massachusetts, Mr. John L. Burton, Mr. Cochran, Mr. Conlan, Mr. Conyers, Mr. Coughlin, Mr. Crane, Mr. Diggs, Mr. Downing, Mr. Drinan, Mr. Eilberg, Mr. Fascell, Ms. Fenwick, Mr. Findley, Mr. Frenzel, and Mr. Forsythe):

H.R. 2224. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

Mr. KOCH (for himself, Mr. Fraser, Mr. Ford of Tennessee, Mr. Flood, Mr. Gude, Mr. Guyer, Mr. Harrington, Mr. Heinz, Mr. Helstoski, Ms. Holtzman, Mr. Hungate, Mr. Jenrette, Mr. Johnson of Pennsylvania, Mr. Kastenmeier, Mr. Long of Maryland, Mr. McClory, Mr. McCloskey, Mr. McCollister, Mr. McCormack, Mr. McDonald of Georgia, Mr. Melcher, Mr. Mezvinsky, Mr. Mikva, Mr. Miller of California, and Mr. Minish):

H.R. 2225. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Moore, Mr. Murphy of Illinois, Mr. Nix, Mr. Oberstar, Mr. Pepper, Mr. Rangel, Mr. Rees, Mr. Richmond, Mr. Riegle, Mr. Rodino, Mr. Rousselot, Mr. Roybal, Mr. Runnels, Mr. Sarasin, Mr. Sarbanes, Mrs. Schroeder, Mr. Simon, Mr. James V. Stanton, Mr. Steelman, Mr. Stokes, and Mr. Symington):

H.R. 2226. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Thone, Mr. Van Deerlin, Mr. Waxman, Mr. Winn, Mr. Yatron, Mr. Zeferetti, Mr. Mollohan, and Mr. Moakley):

H.R. 2227. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. LITTON:

H.R. 2228. A bill to amend the Food Stamp Act of 1964 to prohibit any individual from receiving food stamps who receives at least one-half of his income from any other individual who is a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

H.R. 2229. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter; to the Committee on Ways and Means.

By Mr. McCLOSKEY:

H.R. 2230. A bill to offer amnesty to persons who have failed or refused to register for the draft or who have failed, or refused induction into the Armed Forces of the United States, or have deserted the Armed Forces, and for other purposes; to the Committee on the Judiciary.

H.R. 2231. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 2232. A bill to establish a Joint Committee on Intelligence Information, and for other purposes; to the Committee on Rules.

By Mr. MURPHY of New York:

H.R. 2233. A bill to require the Secretary of the Army to remove Shooters' Island from lower Newark Bay to improve navigation; to the Committee on Public Works and Transportation.

By Mr. NATCHER:

H.R. 2234. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. NOWAK:

H.R. 2235. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. OBERSTAR:

H.R. 2236. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to further cultural activities by making unused railroad passenger depots available to communities for such activities; to the Committee on Education and Labor.

H.R. 2237. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

H.R. 2238. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in physician shortage areas; to the Committee on Ways and Means.

By Mr. OBEY:

H.R. 2239. A bill to amend the Internal Revenue Code of 1954 to provide that interest shall be paid to individual taxpayers on the calendar-year basis who file their returns before March 1 if the refund check is not mailed out within 30 days after the return is filed, and to require the Internal Revenue Service to give certain information when making refunds; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 2240. A bill to amend the Food Stamp Act of 1964 to prohibit, after January 1, 1975, an increase in the percentage of a household's monthly net income required to be paid for a monthly allotment of food stamps unless the Congress establishes the increases; to the Committee on Agriculture.

By Mr. PETTIS (for himself, Mr. Conable, Mr. Pritchard, Ms. Holtzman, Mr. Corman, Mr. Solarz, Mr. Charles H. Wilson of California, Mr. Nedzi, Mr. McFall, Mr. Edwards of California, Mr. Mosher, Mr. Sisk, Mr. Ryan, Mr. Lloyd of California, Mr. Stokes, Mr. Dellums, Mr. Richmond, Mr. Gude, Mr. Anderson of California, Mr. Rees, Mr. Moss, Mr. Dingell, Mrs. Burke of California and Mr. Hawkins):

H.R. 2241. A bill to provide for the establishment of the National Conservation Area of the California Desert and to provide for the immediate and future protection, development, and administration of such public lands; to the Committee on Interior and Insular Affairs.

By Mr. PICKLE:

H.R. 2242. A bill to provide for paper money of the United States to carry a designation in braille indicating the denomination; to the Committee on Banking, Currency, and Housing.

H.R. 2243. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in certain district courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. QUIE:

H.R. 2244. A bill to amend the Agricultural Act of 1949 to provide that the price support level for milk be adjusted quarterly; to the Committee on Agriculture.

H.R. 2245. A bill to retain November 11 as Veterans Day; to the Committee on Post Office and Civil Service.

By Mr. RHODES:

H.R. 2246. A bill to provide that the President shall include in the budget submitted to the Congress under section 201 of the Budget and Accounting Act, 1921, an item for not less than $2 billion to be applied toward reduction of the national debt; to the Committee on Government Operations.

H.R. 2247. A bill to amend the Land and Water Conservation Fund Act of 1965 to establish a special annual entrance permit for handicapped persons; to the Committee on Interior and Insular Affairs.

By Mr. ROE:

H.R. 2248. A bill to provide that, after January 1, 1975, Memorial Day be observed on May 30 of each year and Veterans' Day be observed on the 11th of November of each year; to the Committee on Post Office and Civil Service.

H.R. 2249. A bill to provide financial aid to local fire departments in the purchase of advanced firefighting equipment; to the Committee on Science and Technology.

H.R. 2250. A bill to provide financial aid for local fire departments in the purchase of firefighting suits and self-contained breathing apparatus; to the Committee on Science and Technology.

H.R. 2251. A bill to order the construction of Veterans' Administration hospital in the southern area of New Jersey; to the Committee on Veterans' Affairs.

By Mr. ROUSH:

H.R. 2252. A bill to provide for the appointment of two additional district judges in Indiana; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 2253. A bill to amend the Community Services Act of 1974, to provide for the establishment of a National Office for Migrant and Seasonal Farmworkers within the Community Services Administration, with responsibility for the coordinated administration of all of the programs of that Administration serving migrant and seasonal farmworkers; to the Committee on Education and Labor.

H.R. 2254. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes; to the Committee on Government Operations.

By Mr. ROYBAL (for himself, Mr. Edwards of California, and Mr. Badillo):

H.R. 2255. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in certain district courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 2256. A bill to amend the Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHULZE:

H.R. 2257. A bill to authorize the Secretary of the Interior to establish the Valley Forge National Historic Park in the Commonwealth of Pennsylvania, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHRIVER (for himself, Mr. Abdnor, Mr. Bafalis, Mr. Cochran, Mr. Collins of Texas, Mr. Devine, Mr. English, Mrs. Fenwick, Mr. Ford of Tennessee, Mr. Grassley, Mr. Hansen, Mr. Hechler of West Virginia, Mr. Heinz, Mr. Jeffords, Mr. Kindness, Mr. Krueger, Mr. Lagomarsino, Mr. McDonald of Georgia, Mr. Quie, Mr. Robinson, Mr. Rousselot, Mr. Sebelius, Mr. Skubitz, Mr. Thone, and Mr. Winn):

H.R. 2258. A bill to amend the Postal Revenue and Federal Salary Act of 1967 to abolish the Commission on Executive, Legislative, and Judicial Salaries; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa (for himself and Mr. Bergland):

H.R. 2259. A bill to suspend for 90 days the reduction in food stamp benefits and to fix the loan rate and thereby facilitate more orderly marketing of the 1974 and 1975 crops of feed grains, wheat, cotton, and soybeans; to the Committee on Agriculture.

By Mr. THONE:

H.R. 2260. A bill to exempt highway motor vehicles used exclusively in soil and water conservation work from the highway use tax; to the Committee on Ways and Means.

By Mr. STUDDS:

H.R. 2261. A bill to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from increasing the price of crude oil produced in the United States from the price of such oil in effect on December 1, 1974; to the Committee on Interstate and Foreign Commerce.

By Mr. WAGGONNER:

H.R. 2262. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES H. WILSON of California:

H.R. 2263. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WYDLER:

H.R. 2264. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 2265. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. ASPIN:

H.R. 2266. A bill to amend title XIX of the Social Security Act to provide that any hospital or nursing home which desires to participate in the medicaid program must also participate in the medicare program (if qualified therefor), and to prohibit Federal matching of hospital and nursing home expenses under the medicaid program in the absence of such participation; to the Committee on Interstate and Foreign Commerce.

Mr. BARRETT:

H.R. 2267. A bill to establish an Agricultural Products Export Control Board to allocate exports of agricultural commodities to assure that domestic needs for such commodities are satisfied at reasonable price levels; to the Committee on Foreign Affairs.

By Mr. CONABLE:

H.R. 2268. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care service within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CONTE:

H.R. 2269. A bill to amend title XVIII of the Social Security Act to provide that the periodic adjustments made in the inpatient hospital deductible shall hereafter reflect increases in social security cash benefits rather than increases in the cost of inpatient hospital services; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 2270. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 2271. A bill to prohibit the importation into the United States of commercially produced domestic dog and cat animal products; and to prohibit dog and cat animal products moving in interstate commerce; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. DENT:

H.R. 2272. A bill to amend Public Law 874 of the 81st Congress to create within the Department of Health, Education, and Welfare a National Overseas Education Board having responsibility for the elementary and secondary education of certain overseas dependents; to the Committee on Education and Labor.

By Mr. EILBERG:

H.R. 2273. A bill to amend title XVIII of the Social Security Act to remove certain limitations presently imposed upon the types of optometric services which are covered under the medicare program, and thereby to provide coverage under such program for all of the services normally provided by an optometrist; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 2274. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

H.R. 2275. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for regular physical examinations; to the Committee on Ways and Means.

By Mr. HAWKINS:

H.R. 2276. A bill to amend the Economic Opportunity Act of 1964 to guarantee equal opportunity for access to legal services to the Nation's minority and disadvantaged groups, and for other purposes; jointly to the Committees on Education and Labor, and the Judiciary.

By Mr. HEINZ (for himself, Mr. Guyer, Mr. Pritchard, Mr. Ruppe, Mr. Cochran, Mr. Hinshaw, Mr. Frenzel, Mr. Regula, Mr. Eshleman, Mr. Forsythe, Mr. Thone, Mr. Martin, Mr. Sarasin, Mr. Wydler, Mr. Hyde, Mr. Steelman, Mr. Moorhead of California, Mr. Anderson of Illinois, and Mr. Lott):

H.R. 2277. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL (for himself, Mr. Anderson of California, Mrs. Burke of California, Mr. Coughlin, Mr. Danielson, Mr. Drinan, Mrs. Fenwick, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Frenzel, Mr. Gude, Mr. Harris, Mr. Holland, Mr. Kastenmeier, Mrs. Lloyd of Tennessee, Mr. Lloyd of California, Mr. McCloskey, Mr. Mitchell of Maryland, Mr. Ruppe, Mr. Seiberling, Mr. Sisk, and Mr. Wirth):

H. J. Res. 145. Joint resolution to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DON H. CLAUSEN:

H.J. Res. 146. Joint resolution authorizing increased production of petroleum from the Elk Hills Naval Petroleum Reserve for national defense purposes; to the Committee on Armed Services.

By Mr. EILBERG:

H.J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual from conception; to the Committee on the Judiciary.

By Mr. HELSTOSKI (for himself and Mr. O'Neill):

H.J. Res. 148. Joint resolution to designate April 24, 1975, as National Day of Remembrance of Man's Inhumanity to Man; to the Committee on Post Office and Civil Service.

By Mr. McCLORY:

H.J. Res. 149. Joint resolution proposing an amendment to the Constitution of the United States to provide 4-year terms for Members of the House of Representatives; to the Committee on the Judiciary.

By Mr QUIE:

H.J. Res. 150. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of Office of President and Vice President of the United States; to the Committee on the Judiciary.

H.J. Res. 151. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination and election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. PEPPER:

H.J. Res. 152. Joint resolution commending the Cuban Declaration of Freedom; to the Committee on Foreign Affairs.

By Mr. McFALL (for himself, Mr. Reuss, Mr. Brademas, Mr. Ashley, Mr. Bowen, Mr. Flood, Mr. Hawkins, Mr. Hayes of Indiana, Mr. McDonald of Georgia, Mr. McHugh, Mr. Murphy of New York, Mr. Nolan, Mr. Randall, and Mr. Yates):

H. Con. Res. 69. Concurrent resolution to express the sense of the Congress that the President should not impose any tariff or other import restriction on petroleum or petroleum products before April 1, 1975; to the Committee on Ways and Means.

By Mr. PEPPER:

H. Con. Res. 70. Concurrent resolution to disapprove 5-percent ceiling on social security cost-of-living increases; to the Committee on Ways and Means.

By Mr. FINDLEY:

H. Res. 102. Resolution creating a select committee to study the Supreme Court decisions on abortion; to the Committee on Rules.

By Mr. GUDE (for himself, Mr. Fraser, Ms. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Stokes, Mr. Thompson, Mr. Studds, Mr. Boland, Mr. Solarz, Mr. Frenzel, Mr. Lehman, Ms. Holtzman, Mr. Koch, Mr. Anderson of Illinois, Mrs. Collins of Illinois, and Mr. Ottinger):

H. Res. 103. Resolution expressing the sense of the House that the U.S. Government should seek agreement with other members of the United Nations on prohibition of weather modification activity as a weapon of war; to the Committee on Foreign Affairs.

By Mr. HENDERSON (for himself and Mr. DERWINSKI):

H. Res. 104. Resolution to provide funds for the expenses of the investigation and study authorized by House Rule XI; to the Committee on House Administration.

By Mrs. HOLT:

H. Res. 105. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Ms. HOLTZMAN (for herself, Ms. ABZUG, Mr. BADILLO, Mr. BAUCUS, Mr. BROWN of California, Mr. CONYERS, Mr. DELLUMS, Mr. FORD of Tennessee, Mr. HARRINGTON, Mr. HAWKINS, Mr. HELSTOSKI, Mr. JENRETTE, Mr. KOCH, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. WAXMAN, Mr. WEAVER and Mr. CHARLES H. WILSON of California):

H. Res. 106. Resolution directing the President to provide the Committee on the Judiciary of the House of Representatives certain information relating to certain activities of the Central Intelligence Agency; to the Committee on the Judiciary.

By Mr. MEEDS:

H. Res. 107. Resolution that the House of Representatives disapproves the plan submitted by the Secretary of the Interior, pursuant to the provisions of the act of October 19, 1973 (87 Stat. 466), providing for the distribution of funds appropriated in satisfaction of an award of the Indian Claims Commission to the Cowlitz Tribe of Indians in docket No. 218; to the Committee on Interior and Insular Affairs.

By Mr. PEYSER (for himself, Mr. WIRTH, and Mr. OTTINGER):

H. Res. 108. Resolution expressing the sense of the House that the Secretary of Agriculture should rescind the food stamp regulations proposed on December 6, 1974; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII,

15. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to the expulsion of Israel from the European section of UNESCO; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS:

H.R. 2278. A bill for the relief of Mrs. Mary Sexton (Mary Nuku); to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 2279. A bill for the relief of Mrs. Louise G. Whalen; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 2280. A bill for the relief of Mr. and Mrs. Luis (Maria) Echavarria; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 2281. A bill for the relief of Kim Ung Nyu; to the Committee on the Judiciary.

H.R. 2282. A bill for the relief of Lee-Daniel Alexander; to the Committee on the Judiciary.

H.R. 2283. A bill for the relief of Kim-Jenny Brooke; to the Committee on the Judiciary.

H.R. 2284. A bill for the relief of Kim-John Bartholmew; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 2285. A bill for the relief of Robert DiFranco; to the Committee on the Judiciary.

By Mr. VANDER VEEN:

H.R. 2286. A bill for the relief of Concepcion Orozco DeRivas and Gloria Garcia; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

16. The SPEAKER presented a petition of Herman Howlery, Menard, Ill., relative to redress of grievances, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

WORDS OF INSPIRATION IN TIMES OF TROUBLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 27, 1975

Mr. RANGEL. Mr. Speaker, the economic future of our country looks bleak. During the recent months unemployment has climbed to 7 percent and is destined to go up before the end of the year. The black unemployment rate is almost double the national figures, and as seems to be the case during most economic setbacks, it is the poor and the black that are suffering the most.

However, even under the most trying times we must continue to look toward the future with hope; we must look not only to ourselves but to each other for strength, for in unity there is strength and may I remind my colleagues that the struggle for equal rights is a battle for human rights, regardless of race, creed, or sex. It is for this reason that I submit to you, my colleagues, the inspiring words of the Honorable Mayor of Atlanta, Maynard Jackson, presented at the annual Congressional Black Caucus dinner in Washington in September of 1974:

ROCK OF AGES

(By Mayor Maynard Jackson)

Over three and one-half centuries ago, an old, gray-haired mother stood on the shores of the mighty African continent and watched with strained gaze a small ship slowly fade from view. As that vessel of evil disturbed the serenity of that tranquil sea, she endured the pain of recalling that her sons and daughters had been stolen, beaten, chained and sold into a system so perverse that it challenged her understanding, she knew nothing of the politico-economic arrangements of that day. Words such as mercantilism and imperialism meant nothing to her; but in her heart she knew that something had just made an attack upon the soul of her people.

Although she was left behind, too old to be privy to the plunder, she felt the tremors when that enslaved black humanity, which theretofore had thrived under the moon and stars of freedom, survived the middle passage and was spewed onto the docks of Jamestown, Virginia, to make cotton king and the king corrupt.

As we were defined as chattel, sold like a horse, worked like a mule, mated like cattle and treated like a dog, the spirit of that old woman presided over us. She saw us emancipated into a system of freedom where everybody was free but us. She consoled us while we endured pellagra, boll weevil exploitation, lynching, castration and racism so barbaric that its vestiges plague the oppressed and the oppressor even a century later.

Today, as we remember our common roots, we honor these four matriarchs of the movement and the strength, intelligence and comparison of universal black womanhood which they represent. We celebrate the black woman as our "rock of ages", that tower of power, suggested by Ernie Barnes' painting, who is so often seen standing at the bus stop, clothed in the rainments of poverty, surrounded by rumpled shopping bags, waiting for her ride home after a hard day's work for too little money.

Hers is not the smooth contour of the venus de milo, the mysterious smile of the Mona Lisa or the languid beauty of a Paul Gaughin polynesian bather. She bugles from too many starches. She grimaces from corns and bunions that vie for position on weary feet. She is weathered by experience and withered by the heavy burden of being overworked, oppressed and ignored. But she's our rock of ages, standing steadfast against the tides of trouble, the rancor of racism and the bitter winds of benign neglect.

While she remembers us, she wonders now whether we remember her. She taught us to stick together, yet she saw the anti-black elected official, self-consuming, paranoid disunity of a national black political convention in Little Rock that fiddled around while home was burning.

She taught us to love one another, yet the spiraling incidence of black-on-black crime makes her wail the words from Genesis, "the voice of your brother's blood is crying to you from the ground."

She taught us to survive on little in a land of plenty. Yet, now she stands in mute amazement at an America where the thing that is fed the best is inflation, and it is partial to dark meat.

Our rock of ages taught us that if we did right, obeyed the law and loved the Lord, we, too, could walk America's glory road up to Canaan land. Yet, she now sees that when America catches a cold, black America catches pneumonia.

The black unemployment rate is double that of whites, 20% in some innercity neighborhoods and 36% among black teenagers.

The black high school drop out rate is twice the national average and black college graduates often earn less than the white high school graduate.

The chances that a black American will die before the age of 35 are four times greater than if one were white; and of the black children under 14 years of age who were born in a public hospital, 60% have never seen a dentist.

If you are a black American, the chances that you will be robbed are triple those if you were white; the chances that you will be burglarized and have your car stolen are almost double. If you make less than $3,000, your chances of being robbed are five times higher than if your income is over $10,000. A black, poor woman's chances of being raped are four times as high.

If Richard Nixon were black, he would be catching so much hell he would rather be in jail.

Our rock of ages sees us here tonight in our finery at $100 per plate and representing 3,000 black elected officials, but her reality nevertheless is rocked by the truth of Langston Hughes' plaintive cry of the masses,

"I swear to the Lord
I just can't see
Why democracy means
Everybody *but* me."

She taught us to do unto others as we would have others do unto us. But now she discovers that Richard Nixon rewrote that proverb so that in the first chapter of the new testament book of Watergate it now reads, "Do unto others before they do unto you." Now she discovers that, while she urged us to be boy scouts and girl scouts, Nixon was re-writing the oath to read, "On my honor I will do my best to get my part and steal the rest."

Our rock of ages taught us, like Albert Camus, that change and love can redeem our lives and prevent them from becoming nothing more than absurd caricatures of meandering meaninglessness. Yet now she sees that, after America has spent millions of dollars and millions of hours of manpower on churches and other places of worship, sensitivity sessions, studies, conferences, seminars, research, analysis and summit meetings, we *still* live in an era of more hate than love, more discord than unity, more ignorance than enlightenment, more poverty than wealth, more despair than hope, more neglect than attention, more problems than solutions, more down than up.

She taught us to remember our roots, remember our brothers and sisters who are still locked in the dungeons of deprivation. Yet, today she sees some black people who have escaped from poverty (for the time being) and who also are trying to escape their duty to the poor. Some black Americans have gotten so big that they don't have time for the folks who made it possible for them to be so big.

Watch out, America! You are chipping away at the rock of ages and we, her sons and daughters, will not simply let the chips fall where they may. She is us, America, and we are you, and we must stand together lest we fall apart! No more hypocrisy, America! No more

"People walking up to ya
Singing 'Glory Hallelujah'
And all the while they're trying to sock it to ya
In the name of the Lord."

No more weeping and a' wailing! Our rock of ages taught us to be tough, and when the going gets tough, the tough get going. We cannot tolerate the mistaken belief that the time for group struggle is over and that the 1970's are a period for individual pursuits and materialistic gains. We still must have the unity and group identification that made civil rights a *movement*.

We must seek allies *regardless of color*. Our protracted struggle must be one of good *people* against bad ideas. We must remember that the rock of ages taught Martin Luther King, Malcolm X, Whitney Young, Medgar Evers and their women that, in its ultimate dimensions, the struggle for black liberation is a battle for *human* rights, black *and* white. If we are to change our national policies, we must be a broad-based political force that can change the people who make the policies. So, let Black America be united, but let us also reach out, as we did in the 1960's and include our white brothers and sisters of good heart. As Julian Bond reminds us, "when your house is on fire and somebody runs up with a bucket of water, don't ask him who he is. Don't ask him where he got it. Just make sure it's not gasoline, and pour it on."

These four martyrs did not leave their wives widows just to elect 110 black mayors across this Nation: the fight is for freedom. The fight was not just to send a thousand black students to Ivy League schools; the fight is for freedom. The fight was not just to open up a handful of $20,000-a-year jobs in business and government; the fight is for freedom—freedom for *all* from economic and racial oppression.

So, we must redefine our strategies, sharpen our political tools and stick to our goals if we are to prove ourselves worthy of the faith of our rock of ages. She taught us that the essence of black people is *will*, perseverance, and a dogged determination to survive. We must have the *will* to keep our eyes on the goal and not become disillusioned with the *process*.

Black men must look to ourselves and each other for strength, but black men also must draw strength and inspiration from the black woman, our rock of ages. We must not allow the tensions and pressures of our struggle to turn us against each other. We must not allow the false dichotomy between the struggle for black liberation and the struggle for women's liberation to divide us along biological lines. We must use our struggles for complete human liberation as a basis for increased unity. Without complete trust in each other, we can only defeat ourselves.

Finally, I come to you tonight to say that I have faith that we will make it. We will win our human struggle for ourselves and for generations yet unborn because the rock of ages has given us the *will* to do when others don't, the *will* to keep on keeping on. As Ella Wheeler Wilcox said:

"There is no chance, no destiny, no fate
Can circumvent or hinder or control
The firm resolve of a determined soul.
Gifts count for nothing:
Will alone is great,
And all things fall before it soon or late.
What mighty force can stay the sea-seeking river in its course,
Or turn the ascending orb of day into night?
Each well-born soul must *win* what it deserves.
Let the fool prate of luck;
The fortunate is he
Whose earnest purpose never swerves,
Whose every action or inaction serves
The one great aim.
And even death will stand still
And wait an hour, sometimes more,
On such a *will*."

PHARMACISTS HONOR MORRIS BOYNOFF, OF MENDOCINO, CALIF.

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. OBEY. Mr. Speaker, the American Pharmaceutical Association has announced that the APhA Academy of General Practice of Pharmacy's 1975 Daniel B. Smith Award will be given to Morris Boynoff, of Mendocino, Calif.

While I have not had the pleasure of meeting Mr. Boynoff myself, one of my staff assistants is a Californian who has known Mr. Boynoff for more than 10 years. In his view, Mr. Boynoff's award is richly deserved.

Here is the APhA press release announcing the award and summarizing Mr. Boynoff's achievements:

MORRIS BOYNOFF TO RECEIVE 1975 DANIEL B. SMITH AWARD

Morris Boynoff of Mendocino, California, is the recipient of the APhA Academy of General Practice of Pharmacy's 1975 Daniel B. Smith Award. Boynoff will receive the Award at the 1975 APhA Annual Meeting in San Francisco, April 19–24.

Mr. Boynoff has served as a community pharmacist for 23 years, and his dedication to and practice of pharmacy in California has influenced a generation of his colleagues. When presented with the University of California's Pharmacy Alumni Association Award in 1968, Boynoff was cited for having had "more influence in shaping pharmacy affairs locally, which then reverberated across the national scene, than any other practitioner in California."

Boynoff has practiced in Mendocino since 1970, and the physicians and dentists of that city have given him blanket authority to dispense the generic drug of his choice, even when a brand name is prescribed. In addition, Mr. Boynoff is credited with the solution to a venereal disease epidemic which swept the thousands of transient workers in and around Mendocino during the growing season.

One of his nominators summarizes his accomplishments this way: "The relationships which he had established with other professionals and committees marked him as an outstanding individual both as a humanitarian and a professional. His activities in achievement as well as education have been many. The leadership role he has performed in California cannot be minimized. His writing ability, his wit, his perceptive and keen insight have all contributed to the creation of a unique professional."

U.S. CONGRESS CAN WIN VIETNAM WAR IN 1975

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. LEGGETT. Mr. Speaker, as we come once again to the annual Republic of Vietnam financial crisis, we see again the annual mood music coming from Indochina that seems magically to occur every time the administration prepares a request for a few hundred million more dollars to keep the Vietnam war going for a few more months.

In a recent edition of the Washington Star-News, Mr. Arthur Hoppe gives a rare insight behind the scenes to look at the tremendous amount of hard work that goes into the staging of such events as the fall of Phuoclong. The names have been changed, of course, to protect the innocent:

VHTNNNG BLOWS A BIG LOSS

(By Arthur Hoppe)

It was in the 43rd year of our lightning campaign to wipe the dread Viet-Narian guerrillas out of West Vhtnnng. At last we had achieved Peace with Honor—mainly by getting the hell out of the place.

Of course, the West Vhtnnngians went right on fighting the East Vhtnnngians under their dedicated military leaders, Gen. Wyn Na Phieu and General Lu Sa Phieu. But thing were going badly.

The beloved president of that bastion of democracy, General Mi Thieu, called an emergency meeting of his Cabinet.

"My brothers," he said, "and my second cousins, too, we are suffering disastrous losses."

"In Whar Dhat Province or in Wot Dhat Province?" asked Gen. Wots Ghang Ahn, who wasn't too bright.

"No, you idiot, in Washington," said Gen. Thieu. "The American Congress has cut our aid to a measly $700 million a year. If this keeps up, we'll suffer the greatest loss of all—namely our villa on the French Riviera."

"I've got it!" said Gen. Ahn. "Let's win some smashing victories to restore American confidence in our ability to defend ourselves."

"Are you out of your rice-picking mind?" said Gen. Thieu. "Boy, you sure don't understand the mysterious occidental mind. Now, here's my plan . . ."

Under Thieu's orders, the famous Vhtnnngian general, Hoo Dat Don Dar, took personal command of the battle. Executing a series of brilliant maneuvers reminiscent of von Clausewitz, in two short weeks he managed to lose Whar Dhat Province, Wot Dhat Province, two armies and his gold-hilted sword in a crap game.

There was panic in the capital—the American capital, that is.

The President personally called Gen. Thieu. "Dee-fense, dee-fense!" said the President. "But don't worry, I am personally sending you a shipload of WIN buttons, which I have declared surplus."

"Just what we need," said General Thieu dryly.

"And I'll get you a couple of billion from Congress," said the president, "if things keep going like this."

"They will," said Gen. Thieu confidently.

And they did. In a month, Gen. Ho had lost half of West Vhtnnng and Yaw Nin Gulf, Congress lost its mind and passed the Yaw Nin Gulf Resolution. Unfortunately, Gen. Hoo got so in the habit of losing that he lost his balance in a Gin Seng Parlor and fell into a vat of Gin Seng (a heady native brew).

In his stupor, he appointed Gen. Wots Ghang Ahn to replace him in the field.

"Congratulations, glorious leader," Gen. Ahn proudly reported to Gen. Thieu a week later. "I have recaptured all our lost territory and our two lost armies, which I found lost in thought in a dance hall. Victory is ours! For the Americans dearly love a winner."

"Ai-yee!" said Gen. Thieu calmly. "The Americans love a winner, you fool but they only support losers."

"I guess I lost my head," said Gen. Ahn contritely.

"Not yet," said Gen. Thieu. "But how about a week from Tuesday?"

INTENTION TO REQUEST CLOSED RULE ON H.R. 1767, AS AMENDED

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ULLMAN. Mr. Speaker, I am taking this means of announcing to my Democratic colleagues in the House of Representatives the action of the Committee on Ways and Means this afternoon with respect to the rule to be requested for H.R. 1767, the bill which suspends for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 to increase tariffs or to take any other import adjustment action, with respect to petroleum or products derived therefrom, and which also extends the public debt ceiling. My purpose in making the following announcement is to comply with rule XVII(a) of the Democratic Caucus concerning requests for closed rules.

The committee has authorized and directed me as chairman to request the usual-type closed rule from the Committee on Rules on H.R. 1767, as amended. We will request that all points of order be waived, that committee amendments only be permitted, that the rule provide for 4 hours of debate to be equally divided, and with the usual one motion to recommit.

It is our expectation that we will file the report on this bill by midnight tomorrow night, Wednesday, January 29, and the report should be available on Thursday, January 30. It is my intention to go to the Rules Committee, if the committee will hear us for that purpose, on Tuesday, February 4 to seek the closed rule to which I referred above. It is our further hope that, if the Rules Committee grants our request for the closed rule, that the leadership will schedule this legislation for consideration on the floor of the House on Wednesday, February 5, 1975.

ENERGY EXHAUSTION OR BLOCKED ACCESS TO ENERGY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ASHBROOK. Mr. Speaker, the energy situation facing our country has resulted in a number of proposals to overcome our shortages and our dependence on foreign sources of energy. President Ford has put forward a number of programs. Senator JACKSON has countered that he will oppose the President's program and offer his own.

In the debate that is taking place on our country's energy needs and the methods of fulfilling them there has been much discussion but often little substance. A recent presentation by Peter Beckmann, Ph. D., doctor of science, brings a reasoned position that has not been too widely heard in the councils of government.

It seems to me that our environmental desires must be balanced with our energy needs. Dr. Beckman presents a position that should be considered.

At this point I include in the RECORD Dr. Beckmann's presentation entitled "No Energy Exhaustion" from "Imprimis" published by Hillsdale College:

NO ENERGY EXHAUSTION

(By Peter Beckmann)

The present malaise of society includes a strong antiscientific trend. Reputable universities offer courses in astrology while their enrollment in the hard sciences and engineering is decreasing. Science is increasingly coming under attack. Not only from outsiders who do not understand science—that type of attack is as old as science itself—but now also from disrupters within. Holders of scientific degrees are telling us that the trouble with the world is too much science and technology. Nobel prize winners are lending their names to anti-nuclear organizations whose emotional propaganda blatantly disregards the facts. The authors of *The Limits to Growth* fed their computer programs with carefully manipulated data that would bring about the preconceived result of catastrophe under all conditions.

Blatant disregard of the facts is what the various anti-growth and anti-technology movements have in common. At a time when the fertility rate in the U.S. has dropped below the replacement value, we are being scared by the evils of population growth, vividly expounded by those whose attitude is "there's too many of you others." Lake Erie is declared dead at a time when it has more fish than all the other Great Lakes combined. The dangers of nuclear power, far and away the safest form of large-scale energy conversion yet invented, are magnified by those who callously disregard the 50,000 coal miners afflicted with black lung and the 100 times higher accident rate (per energy produced) in coal mining. Pollution is blamed on technology when, in fact, only more and superior technology can eliminate it.

Among the most cherished myths of the technophobes is the ancient theory of the bottom of the barrel. If we don't watch our step, we are told, we will deplete this planet's finite resources. But what if we *do* watch our step? There is obviously something wrong with this theory, for if we do watch our step, we still merely deplete the barrel somewhat later; why is it better to die over a slow fire since, by this theory, the bottom of the barrel will be reached sooner or later anyway? We are given no answer to this question, for example, by the authors of *The Limits to Growth*, whose most desirable world model shows a semi-starved, semi-polluted world whose resources are relentlessly going down and down.

The fact is that the barrel has a very elusive bottom, for non-renewable does not mean irreplaceable. Moreover, history shows that with very few exceptions (such as whale oil) raw materials were replaced not because they ran out, but because something better became available. The change from glass bottles to plastic bottles, for example, did not come about because the world ran out of sand from which to make glass.

Untenable as the bottom-of-the-barrel theory is for mineral resources, it becomes absurd for energy, for it would violate a physical law: Energy cannot be destroyed, it can only be converted from one form into another. So the enemies of technological advance have taken refuge behind another physical law, the Second Law of Thermodynamics, which, roughly speaking, says that in every conversion of energy from one form to another, some fraction must irretrievably be turned into heat. Therefore, goes the story, if we convert too much energy, we will generate so much waste heat as to endanger the world by changing its climate.

There are, indeed, some problems with high concentrations of waste heat; there are also ways of turning waste heat into useful heat. But the gist of the argument is a colossal exaggeration. To each even one percent of the energy incident on the globe from the sun, we would have to convert energy on a mind-boggling scale: every American man, woman, child and infant on the breast would have to consume, from midnight to midnight, no less than 2 MW of power, which he could do by running 600 clothes dryers all day and all night, or by cleaning his teeth twice a day with 15 million electric toothbrushes. And the rest of the world would still have to consume twice as much.

But enough of countering unfounded charges. Let us take a look at the amount of energy available to us. The sun will shine for another 50 billion years, and nuclear fusion cannot run out of fuel as long as there is water in the oceans. To bridge the gap of the next three decades before these sources can effectively be harnessed, there is enough uranium to fuel hundreds of nuclear plants, there is enough coal in the U.S. to last for several centuries, and the oil deposits in the continental shelves are estimated at 100 billion barrels, together with trillions of cubic feet of natural gas. There is more oil in the oil shale of the mountain states than in the entire Middle East.

Uranium can be mined in low concentrations at a higher cost, for fuel costs represent only a minor part of the operating costs of nuclear power plants, and breeders running on thorium could extend the supply to some 2,000 years. Coal can be gasified and liquefied with little pollution to produce gas, oil, gasoline, methanol, hydrogen, and other fuels. It can also be utilized *in situ* with minimal environmental effects. *In situ* processing of oil shale is under investigation and appears feasible. As for offshore oil, the technology of preventing oil spills, and cleaning them up quickly if they do occur, has come a long way since the Torrey Canyon and the Santa Barbara oil spills.

Clearly, then, there is no lack of energy; there is not even a lack of clean energy. But the access to that energy is blocked by nontechnological obstacles, chief among which are, in my opinion, government interference with free markets, and environmentalist technophobia.

Until last year, the price of oil was controlled at an unrealistically low level, resulting, on one hand, in the rapid decline of exploration and capital investment, and on the other, in making oil so "cheap" that it was burned under the boilers of power plants. Oil now has a two-tier price structure which, broadly speaking, rewards those who produce a little oil and punishes those who produce a lot of it. This year the number of small wells drilled has, for the first time since the 60's, surpassed 30,000; but the total domestic oil production continues to decline. This is not surprising; if government decrees fixed the price of potatoes grown in fields, but allowed a free market in potatoes grown in flower pots, there would be a flower-pot-potato boom, but the total potato production would decline.

The electric power industry is shackled hand and foot by a myriad of regulating agencies. The rates charged are not determined by the need of new capital investments, but in public hearings which have become forums for propaganda against corporate profits, and the regulators find it popular to "pass the profits on to the consumers." Until people wake up to what the so-called consumer advocates are doing to them, the utilities will continue to do what they are doing now: cannibalize their capital spending budgets under a policy that amounts to save now, run out of power later.

A second obstacle is environmentalism, which originally had the laudable aim of a clean environment, but is now being used as a horse on which to crusade against business, profits, industry, technology, and similar evils that allegedly plague us. It is beginning to border on the impossible to construct a new power plant, oil refinery, coal gasification plant or other energy facility. Much of the blame for this must go to the character of presently required impact statements, which always stack the deck against the innovator who wants to change the status quo. He is required to demonstrate, and rightly so in my opinion, that the innovation will not unreasonably harm the environment or have other undesirable consequences. But he is put on the defensive: his opponents have no comparable responsibility in considering the undesirable consequences of *not* proceeding with the innovation. A judge is required to decide whether a new power plant may harm the marine life of the adjacent river if the plant is built: he is not required to decide how many women might one day die in childbirth for lack of electric power if the plant is *not* built.

And so what we are witnessing is certainly no exhaustion of energy, but blocked access to that energy.

Let me take one more example, the oil imported from the Arab countries, which is produced at an operating cost of about 20 cents a barrel and sold for upwards of $12 since the OPEC price-fixing cartel has quadrupled the price in a single year. Apart from exposing the U.S. to political blackmail, the flow of $100 billion to the OPEC countries this year threatens to bankrupt the economies of the industrialized countries and to bring famine to the underdeveloped countries for lack of fertilizers. It won't even do the OPEC countries any good, for their primitive economies are utterly incapable of absorbing such astronomic sums. What can be done about that?

First, one can use strong language, as President Ford and other high U.S. officials have recently done. This could goad the OPEC countries into taking an even stronger stand, but more likely, they will merely laugh it off.

Second, one can wait for the cartel to break up. The same greed that gives rise to a cartel in the first place eventually causes its members to cheat on each other. Libya is already cheating, and Saudi Arabia is chafing at the high prices. Even so, it could be a long wait.

Third, there is a forceful military solution, which is, at present, unthinkable for anybody acquainted with political realities.

Fourth, the oil-consuming countries might band together and take countermeasures. They might, but they won't. Last October, the EEC countries voluntarily rushed in a mad scramble to get what they could each for themselves, leaving, for example, their member country Holland high and dry without oil in violation of all their solemn treaties. Not much hope from that quarter.

And that, I believe, leaves only one alternative to cut OPEC-fixed oil prices: open up the abundant U.S. energy sources until the cartel crumbles under the pressure of supply and demand. How can that be done? It can be done, in my opinion, as follows:

1. Decontrol oil, gas and electric power. Higher prices will work wonders for conservation and for capital investment. The poor, like everybody else, will gain when prices come down again by increased supply. The alternative is an energy shortage with higher prices, anyway, and that hits the poor even harder. Government taxes on gasoline will not increase the supply; if past experience is any guide, they will be used for further wars on poverty that cure nobody's poverty except that of its administrators.

2. Open up the continental shelves for oil exploration; open up the vast deposits of low-sulfur coal in the West. In North Dakota, the land covering five million tons of coal supports only five cows. Not all strip mining is of the West Virginia kind. In Wyoming, there are 400-ft. coal seams close under the surface, and they do not lie under Yellowstone Park; they lie in desolate and almost uninhabited country. Speed up the development of *in situ* processes to produce oil from oil shale.

3. Make environmental restriction two-sided: consider not only what a new energy facility will do to somebody's view from his window, but also what may eventually happen to him and everybody else if such facilities are *not* built. Make judges sit on the horns of a genuine dilemma (that, after all, is their job), not on a deck always stacked in favor of the status quo.

4. Combat anti-technological and emotional attitudes by taking the facts and figures to the people. Show that pollution is not a necessary by-product of technology, but that more and better technology is needed to combat pollution. Calculate the price tags of abundant energy, and the even higher price tags of energy shortages. Use the facts to dispel anti-nuclear superstitions. Do not let Ralph Nader's phony fables go unanswered. How many people know, for example, that every time Ralph Nader flies to some campus to deliver one of his speeches on the "radioactive society," he gets a 100 times bigger dose of radiation than he will get in his lifetime from nuclear power plants? We are not, after all, in most of these cases, dealing with opinions and hypotheses, but with well defined and measurable quantities.

Let me summarize my position. There is no exhaustion, there is an abundance of energy; but the access to it is blocked by economic, political and ideological obstacles. Reason and technology can overcome these obstacles—though not overnight—and ensure abundant and clean energy for everybody.

WHY THE CAMPAIGN TO RECOGNIZE CUBA?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. SYMMS. Mr. Speaker, I am pleased to present another weekly column by Ronald Reagan. In the following article Governor Reagan questions the wisdom of the current campaign to recognize Communist Cuba. He makes the point that the United States should be taking measures to free the Cuban people before any favors are extended to the Cuban Government. The article is as follows:

WHY THE CAMPAIGN TO RECOGNIZE CUBA?

(By Ronald Reagan)

There has been a lot of talk lately to the effect that it's "just a matter of time" before the United States "normalizes" its relations with Castro's Cuba.

The idea got its first big push last fall when two U.S. senators—one a Democrat, the other a Republican—took off for Havana with a bevy of newsmen in tow, but without approval from the State Department. The United States hasn't had diplomatic relations with Cuba for some 15 years, but the senators had it in mind that they would engage in a bit of suave personal diplomacy to see if the fiery Fidel Castro had softened up any.

What they were treated to first was the most vitriolic harangue against the United States that the Cuban premier has mustered in several years. It lasted for more than an hour. Far from sizzling the ears of the senators, the visitors sat down to dinner and small talk with Castro afterward.

At about that time, a privately endowed group of former U.S. government officials and scholars, the Commission on U.S.-Latin American Relations, sent the President a 54-page report urging a lifting of the 10-year-old embargo on trade with Cuba. Along with it has come a steady drumbeat of like-minded newspaper and magazine articles.

Why the concerted campaign—and it appears to be just that—to open trade and diplomatic relations with the Cuban dictator whose people have lived, since 1959, in egalitarian poverty?

Surely, the yearning for Havana cigars can't be that great on the part of a few congressmen and liberal scholars.

The rational appears to be that there is nothing to be gained, in terms of this nation's interests, in continuing the isolation of Castro's Communist island. Therefore, the argument goes, we should be gentle and conciliatory to the bearded revolutionary.

Very little has been said of what we should expect from Castro in exchange for a lifting of the embargo of the Organization of American States (OAS) and for recognition by the United States. If, in fact, the time has come for us to reevaluate our Cuban policy, we should do it with a quid pro quo in mind.

At the November meeting of the OAS, the United States abstained from voting on a resolution to lift the trade embargo on Cuba. The resolution didn't get the two-thirds vote required, but it came close. Before we change our position, we should define the "quo" the United States wants for the "quid."

For example the United States should demand satisfactory answers from Castro to these questions:

What will he do about Soviet military bases on the island? We should settle for nothing less than their removal.

What will he do to assure the other nations of the Western Hemisphere that he will no longer train, equip and support Communist guerrillas in other American states? Perhaps a free and open inspection in Cuba by OAS monitors could provide the solution.

What will Castro do about settling the $1.5 billion worth of claims by U.S. citizens whose property his government seized?

What will he do to assure former Cubans, now U.S. citizens, of the freedom to visit Cuba unhindered and without harassment?

What will he do to guarantee the restoration of individual freedoms to the people of Cuba? He may argue that this interferes with the internal affairs of his country, but he has never hesitated to interfere with the internal affairs of other Latin American nation, and not on the side of individual liberty, either.

Instead of U.S. senators making fools of themselves, and instead of self-appointed study groups suggesting we hand Castro what he wants, let's do some good old-fashioned American bargaining. In the process, we might be able to bargain the bombastic dictator into restoring liberty to his people. They need it.

ORIENTATION PROGRAM AND INTERIM ALLOWANCES FOR FIRST-TERM MEMBERS-ELECT

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. LITTON. Mr. Speaker, reflection upon one's own first few weeks as a first-termer in the House should be all that is needed to activate empathy for incoming Members-elect.

Thus, our 92 new colleagues whom we have recently welcomed to our midst, represent almost a hundred added reasons why I have rushed to the hopper and reintroduced my proposal to remedy some of the primary causes of frustration shared by most—if not all of them.

This proposal, reintroduced with one minor change relating to implementation, was one of my first legislative initiatives when I came to the House 2 years ago. It was envisioned as a bipartisan legacy from Members of the 93d Congress to all future Members-elect. One hundred and seventeen colleagues joined in cosponsorship. The bill sought to accelerate the scheduling of seminars—to render orientation of first-termers an easier, more expeditious process—and to provide certain interim allowances during the period following certification as victor in the election until the date the oath of office is taken.

Unfortunately, this proposal was preempted by a major piece of legislation with which the House Administration Committee was concerned during most of the last session—the campaign reform bill. Be that as it may, I am more convinced than ever before of my bill's merits since discussing it with some of my new colleagues.

Admittedly, since my proposal was originally introduced, a few of the gaps between rhetoric and reality have been temporarily bridged. These gains were an outgrowth, in part, of discussions on the Bolling and Hansen proposals for congressional reform. Members-elect to the 94th Congress were brought in for more comprehensive orientation than heretofore offered preceding groups of first-termers; some per diem expenses were authorized for Members-elect and one designated aide. The prebiennial party caucuses will long be remembered by all who witnessed the impact our large corps of newcomers exerted even before their oaths were taken. All of this represents some ground gained, but falls far short of the goal my proposal seeks to reach.

Mr. Speaker, my proposal would provide funding for two seminars to be conducted under the auspices of the officers of the House of Representatives, or some appropriate committee of the House. Thus, there would be a direct link between the Members-elect and those in a position to dispense invaluable advice and guidance.

The first seminar would take place in November following the general election, and again in December, for newly-elected Members and two aides designated by each Member-elect. The aides would be given a choice of attending either seminar. Members-elect would have the option to attend either, or both. Transportation costs to and from the seminars would be provided, as well as per diem expenses for Members-elect and their aides.

From a logistics standpoint, these trips to Washington could cut through a crucial time-barrier. Members-elect might wish to seize the opportunity during this interval to interview applicants for their staffs. The second seminar might also be timed to coincide with the date designated to draw for office space. Again, prebiennial party caucuses might be scheduled in efforts to expedite the time usually spent in organizing the House.

Another provision of my bill would provide for partial staffing. As all of us are aware, the day after election a retiree—or one who has been defeated—acquires "lame duck" status. A Member-elect suddenly is faced with the stark reality that approximately a half-million people consider him, or her, their Representative. This, of course, poses many problems and creates an almost untenable situation, brought on in part by the Member-elect who has spent many months telling his future constituents how quickly he, or she, plans to respond to their needs. Yet, during the 60 days between the end of the election and the date of swearing-in, unless the Member-elect is extremely fortunate, he is without a staff, and oftimes, alas, without money as well. Further compounding this sad state of affairs, the Member-elect starts out in January with much to learn, a new office without equipment, and a 2-months' accumulation of mail.

My bill would provide the Member-elect with funding for an interim period to staff at a level not to exceed one-half the clerk hire allowance to which the Member-elect would be entitled by law if already sworn in. This allowance would be apportioned on a per diem basis between the date designated as winner in the campaign, until the date the new Member is duly sworn. With access to these funds, the Member-elect would be able to cope with the heavy flow of mail that inevitably arrives during the difficult interim period. Thus, Members-elect would not be forced to start 60 days behind senior colleagues whose offices are already established to function in an efficient manner the very first day a new biennial convenes.

Additionally, the bill provides that Members-elect would not have to wait until January to assemble the countless items needed to equip a newly established office. There would be access to the stationery account in an amount not to exceed one-tenth of the total, prior to the date the oath of office is taken. This would not mean that Members-elect would be allotted a larger stationery allowance than senior Members, but only that access would commence upon certification as victor in the campaign rather than the date of swearing-in.

Mr. Speaker, my bill—which on reintroduction was designated as H.R. 611, is not an all-encompassing proposal to meet every need Members-elect might have during the interim period. It does not provide for temporary office space, telephones, or other desirable conveniences. It seeks to fulfill primary rather than secondary needs of Members-elect engaged in a battle against time, needless frustration, and other deterrents. Though it does not provide optimum emoluments, I do wholeheartedly believe my proposal is a foundation upon which to build. H.R. 611 could be another significant step in the right direction toward objectives which, I hope, all my colleagues deem worthy of enthusiastic support.

THE FOOD STAMP OUTRAGE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. RICHMOND. Mr. Speaker, as the Congressman from an area of Brooklyn where many residents are dependent upon food stamps for the maintenance of their daily nutritional requirements, and the only New York City member of the House Agriculture Committee, I realize only too clearly the shortsightedness and inhumane effects of Secretary of Agriculture Earl Butz' 30-percent food stamp proposal.

The new requirement handed down last week by the USDA would force all recipients to pay 30 percent of their income for food stamps. If the Butz proposal is enacted on March 1, this Nation will be faced with an epidemic of malnutrition among the poor, the very young, the disadvantaged, and the unemployed.

Congress intended that food stamps would provide for the nutritional needs of those families who could not afford to pay for the full amount of their food. The program set up a sliding scale whereby recipients pay only a reasonable proportion of their income for food stamps. The 30-percent maximum proposed by Secretary Butz is clearly unreasonable, and in fact, will mean severe hardship for those who can just barely feed their families now.

Put forth under the guise of saving the Federal Government money, the Butz plan would effectively drive more than 1.7 million people from the program, while requiring that 95 percent of the 17 million remaining participants pay more for their stamps.

In New York City alone, recipients would be forced to pay $35 million more per year for their stamps. Moreover, this increase coupled with the Ford energy program will force the poor to pay more than 40 percent of their income for food. Once the President's energy program is put into effect, fuel and gasoline prices will skyrocket, resulting in even higher food costs for the city dweller.

Currently, New York City receives most of its fresh produce, meat, and poultry, from the South and the Southwest. A rise in fuel and transportation costs therefore, will force food prices up even higher.

The food stamp recipient is caught in the middle of this squeeze. While inflation is decreasing the value of the stamps and other benefits, the Government is asking them to pay more for these devalued stamps. The only result of such administrative folly can be more hunger and malnutrition among the Nation's poor and growing ranks of unemployed.

Secretary Butz says the food stamp cutbacks will help in the fight against inflation by saving the administration $650 million. But to ask those who cannot even properly feed themselves and their children to bear this burden is simply inhuman and unjust.

ABOLISH THE PAY COMMISSION

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. SHRIVER. Mr. Speaker, on the first day of this session, I introduced a bill to abolish the Commission on Executive, Legislative, and Judicial Salaries, the Presidential Pay Commission. Since then, I have been greatly encouraged by indications of support from Members on both sides of the aisle on this particular issue. Therefore, I am today reintroducing this legislation along with 27 cosponsors.

The Presidential Pay Commission was created in 1967 with the power to recommend top-level Government pay increases to the President. The President, then, every 4 years, transmits the proposals he accepts from the Commission to the Congress. The role of the Congress in this procedure is limited strictly to veto power, if a vote can be obtained at all on a resolution of disapproval.

Congress should never have established the Pay Commission, nor should it have given away the power to prescribe pay raises for top officials. I have been consistently against this practice since its inception. I voted against the original legislation to establish the Pay Commission, and I continue to feel that its passage was an irresponsible action. My bill would correct this situation, and restore to Congress the responsibility for salary determinations, as was the case prior to the enactment of the law which set up the Pay Commission. In addition, it would freeze current pay levels unless and until Congress took specific legislative steps to change those levels.

I feel strongly that we must restore to Congress its clear constitutional powers. For this reason, along with my bill, I have just cosponsored Congressman CHARLES THONE's congressional allowances bill, which would require whole House approval of any adjustment in congressional allowances. At present, allowances for stationery, travel, telephone, postage, and other office expenses are decided by the House Administration Committee, without the approval of Congress.

Mr. Speaker, the Gallup poll has indicated that the majority of all Americans feel that the state of the economy is the major problem facing our country today. My volume of mail on this subject backs up that sampling. We are engaged in a desperate fight against inflataion. I feel that it would be not only irresponsible, but unconscionable to grant increases now when we are confronted with the current economic squeeze. How can we possibly raise our own salaries at the same time we are asking the citizens of our country to cut back, "tighten their belts," and brace themselves for an energy tax.

I am confident that none of us in the House of Representatives campaigned for reelection on a promise of voting himself or herself a pay raise. In fact, if this question was brought up during the campaign, I suspect that the overwhelming response by the candidates was negative. Imagine the mood of the electorate when, immediately after the November elections, news reports confirmed that big congressional pay raises based on the Salary Commission's recommendations were being prepared by a committee of the House of Representatives.

These are difficult times, and it is especially important now that we be scrupulously honest and thoughtful in the way we deal with our problems. Events of the past year have demonstrated that we as public officials must work toward restoring waning public confidence and trust in Government. In this regard, I call the attention of my colleagues to my bill, and urge all Members to indicate their support.

Mr. Speaker, I include the text of the bill which I have introduced in the RECORD:

A bill to amend the Postal Revenue and Federal Salary Act of 1967 to abolish the Commission on Executive, Legislative and Judicial Salaries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Postal Revenue and Federal Salary Act of 1967 (Public Law 90–206; 81 Stat. 613) is amended by striking out section 225.

SEC. 2. The amendment made by the first section of this Act shall become effective on the date of the enactment of this Act, except that such amendment shall not apply with respect to recommendations of the President made under section 225(h) of the Postal Revenue and Federal Salary Act of 1967 (2 U.S.C. 358) before the date of the enactment of this Act.

A UKRAINIAN ANNIVERSARY

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 23, 1975

Mr. ZEFERETTI. Mr. Speaker, 200 years ago the free people of the Ukraine declared their independence, delineating for the world to see and remember their unique heritage, culture, and nationhood.

After existing as a free nation, not only in a political sense, but in the hearts and minds of millions of Ukrainians everywhere, that nationhood was physically terminated by the Soviet Union. In the intervening years, the concept of Ukrainian nationhood burned brightly and was inextinguishable, insofar as the feelings of millions of Ukrainians were concerned.

When Cszarist Russia splintered, the Ukraine again declared its independence, only to have Soviet armies again end the political existence of this free state. Nevertheless, the light of nationhood still continued to burn brightly around the world in Ukrainian immigrant colonies. Today, the Ukraine, as a free state, does not exist. But as an ethic, culture, and way of life, it is very much alive. That alone is enough to guarantee the survival of the idea of Ukrainian nationhood. That is why it is fitting for us to mark this anniversary today.

As long as ideas remain alive in the minds of people, repression cannot destroy what they believe in.

REPRESENTATIVE PAUL SIMON ON HUNGER PROBLEMS

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. YATES. Mr. Speaker, the House is fortunate to have as one of its new and distinguished Members, Congressman PAUL SIMON from Illinois. He is known in our State as editor, author, State representative, State senator, college professor, Lieutenant Governor, ombundsman, and perhaps most important, as a humanitarian. With his brother, Arthur, he coauthored an important book, "The Politics of World Hunger," which has become a text book for all of us trying to help in this awesome crisis facing the world today. We owe Congressman SIMON a debt for underscoring and articulating so well the call for solutions. An article which he has written at the request of the editor, John Gardner, for the Southern Illinoisan, Carbondale's daily newspaper, entitled "Why Should Southern Illinoisans Worry About Global Hunger Problem" is deserving of your review and interest. I commend it to you:

WHY SHOULD SOUTHERN ILLINOISANS WORRY ABOUT GLOBAL HUNGER PROBLEM?

(By Paul Simon)

"Why should anyone in Southern Illinois be concerned about the growing problem of world hunger?"

We have some severe problems of our own: The lowest family income of any congressional district in Illinois, a shortage of job opportunities, a shortage of physicians, much below average assessed valuation per pupil for the support of our schools—the list could go on and on. It is more understandable to hear this question in our district than in most areas of the Nation. And, it is asked by many.

In fairness, the question is posed by people who have no real understanding of the severity or the breadth of the mounting world need for protein. Any reader who wants some feel for the problem could read an excellent new paperback, "By Bread Alone," written by Lester R. Brown. Since the world food conference held in Rome in December, many newspapers and magazines have had articles containing insights.

Recently a woman living in our district, trying to persuade me on another subject, said that as far as the people of India and other areas are concerned, "let famine or earthquakes or something like that take care of them."

There are moral reasons why most people in Southern Illinois would reject such an approach, but there are also some extremely practical reasons for concern by our area. Among them are these four:

1. We can't have a world of peace as long as some nations are well fed and most are poorly fed. Southern Illinois will contribute more than its share of casualties to any international conflict in which the United States is involved.

2. Southern Illinois needs to develop economically. As people around the world earn enough money to buy our food and manufactured goods, our standard of living will rise.

3. People of Southern Illinois are security conscious. We support an adequate defense establishment, and people who lack the basics are more of a threat to our security than submarines of another nation.

4. In a smaller and smaller world, problems do not stop at the border of one nation. If a disease breaks out in a major way among the malnourished of South America, it will not stop there; that disease probably will reach Southern Illinois. If there are important economic dislocations in much of the rest of the world, they will adversely affect the economy of our nation and of Southern Illinois.

Most of those who either reject or ignore these four points, say, "We have problems to take care of here." Yet, they are the very people who oppose the programs which would move toward solution of our domestic ills. You don't hold back money from mental health because there are education needs, or from education because there are mental health needs. We recognize their interdependence. We must also recognize the interdependence of moves against poverty abroad and at home. And, incidentally, what most of us are talking about is not an increase in the total U.S. budget, but a realignment of some of our present priorities, referred to later in this article.

Let's look at each of the four points in a little more detail:

1. Peace

During the conflict in South Vietnam, an above average percentage of Southern Illinois young men fought in that war, and the same probably occurred in the other conflicts of the past century. The reason is in part cultural, with a greater sense of patriotism evident in our area than in some. But, part of the reason is economic, the poorer areas of the nation always contributing more because the ways of escape (college deferment, for example) are less available to them.

2. Southern Illinois Economy

When the United States helped Western Europe with the Marshall Plan, we did it—in my opinion—largely from humanitarian motives. We saw people desperately in need. But a humanitarian response turned out to be a tremendous investment in our own economic growth. Western Europe became a great trading partner, and as their economy prospered, so did ours.

There are two differences now: the people who need help in Asia, Africa and South America are not the blood relatives of most of us. Their names are not Schmidt or Genesio or Thompson. After World War II, public officials could make hay helping people. Now that is gone. I know as I sit at my old typewriter knocking out this story for the Southern Illinosian that I will receive more letters criticizing this article than in support of it. Because the people who need help come from different areas now—areas with few relatives here—the political climate has changed.

The second difference is that in Western Europe and Japan we dealt with highly educated people who responded rapidly. The return on our investment came quickly. In India and Guatemala and a host of other countries, the assistance that is provided will ultimately help us too, but the return will not be as rapid.

However, it will be there. And Southern Illinois will benefit. We have not begun to tap adequately either Southern Illinois' agricultural or industrial potential, and foreign markets will help us do that. We will be richer and so will they.

As John F. Kennedy said, "The rising tide lifts all the boats."

3. Security

If you include veterans expenditures with defense, we now spend about 63 times as much for military hardware and personnel than we do for helping the impoverished abroad. We spend roughly $375 per U.S. citizen on the military, $6 per person on foreign economic assistance. Because Southern Illinois income is lower, the tax figures for our areas would be lower, but the ratio is the same.

The people of Southern Illinois and the nation must recognize those figures as an imbalanced investment in our security.

We must continue to have an adequate defense; I wish we were not living in that kind of a world, but we are. One way of defending this rich nation is to show the people of the world that they can make progress without going to war against us.

4. Problems Spread

At one time in the United States the narcotics problem existed only in the ghettoes of the big cities. No one else cared much and because of our indifference the problem grew and came out of the ghetto into every community in the nation.

Indifference to problems people face never pays off.

Because through the decades state government has not paid enough attention to the problems of Southern Illinois—particularly south of Highway 13—the state pays in public aid costs and a loss of income back to the state.

If because people are underfed and cannot resist disease. Asian flu or tuberculosis or other contagious diseases spread, the illness will not stop at the sign which welcomes people to the United States.

Economic problems do not either. The present depressed U.S. economy is caused in part because the developing nations must suddenly spend a much higher percentage of their income on petroleum products (particularly fertilizer) than they did two years ago—and they have less money to spend buying U.S. products.

Each of these reasons is adequate by itself to cause us to be concerned.

But, the underlying motivation should continue to be moral. We should do what is right and just simply because it is right and just, not because there are special rewards for doing that. A public official should be honest, not because that is "smart" or "he might get caught," but simply because honesty is the right thing.

If we do what is right and just in a world with mounting problems, we will be building a better future for your children and mine—for the children of Southern Illinois and the children of the world.

AURORA KIWANIS CLUB TO HONOR REV. SYLVESTER J. EYE

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. HALL. Mr. Speaker, on Tuesday, February 4, the Aurora Kiwanis Club will present its first annual "Service to God and Fellow Man" award to the Rev. Sylvester J. Eye, pastor of the St. Nicholas Catholic Church.

The Aurora Kiwanis Club will present this award to the individual who has "distinguished himself by service to Judeo-Christian ideals and who should be recognized for work on behalf of humanity to the Glory of God," each year.

There could be no more deserving recipient of this award than Father Eye. He is the dean of Aurora's Catholic clergy being ordained April 3, 1937. Father Eye is not only active in church councils and boards but is one of the founders of the Centro Hispano Americano and Centro Cristo Rey. He has served as chaplain of the Aurora Fire Department and is a former board member of the United Way. Father Eye was instrumental in working with the Aurora Clergy Association in organizing Aurora's ecumenical Thanksgiving services.

I commend the Aurora Kiwanis Club for its fine idea of honoring an outstanding citizen and add my congratulations to Father Eye, an excellent choice to become the first recipient of the award.

COVERAGE OF PSYCHOLOGISTS' SERVICES UNDER MEDICARE (PART B)

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. CORMAN. Mr. Speaker, I am introducing a bill for the purpose of amending title XVIII of the Social Security Act, part B, to provide for the coverage of clinical psychologists' services under the supplementary medical insurance component of the medicare program.

All qualified and competent health professionals must be available to the elderly and disabled if they are to benefit fully from the medicare program. Clinical psychologists represent a large pool of well-qualified health service providers. Under current law, however, their services are largely unavailable to medicare recipients.

Many important procedures and new developments in the provision of health and mental health services represent technological applications of research and experimentation conducted by the profession of psychology. The private practice of psychology is governed by statute in 47 States and the District of Columbia, with some 22,500 psychologists legally authorized by the States for practice. Duly licensed clinical psychologists providing health services in most States are subject to peer review, professional standards and a code of ethics promulgated and enforced by the American Psychological Association as well as the various State associations.

The 93d Congress gave substantial consideration to, and recognition of, clinical psychologists as primary health service providers. For the record, I would like to summarize the pertinent legislation enacted by the last Congress:

First. Public Law 93-112, the Rehabilitation Act of 1973, recognized the services of licensed psychologists for both assessment and/or services for mental disability.

Second. Regulations implementing Public Law 93-222, the Health Maintenance Organization Development Act of 1973, explicitly enumerate "clinical psychologist" among the qualified health practitioners.

Third. Public Law 93-363 established parity between clinical psychologists and other recognized providers of health services in Federal Employee Health Benefit Act plans.

Fourth. Public Law 93-416 amended chapter 81 of subpart G of title 5, the United States Code, relating to work injuries compensation of Federal employees by broadening the definitions of both "physician" and "medical, surgical, and hospital services and supplies" to include "clinical psychologists."

The services of clinical psychologists have also been recognized in other Federal health programs—or the health aspects of these programs—such as the CHAMPUS—1970, CHAMPVA—1973, the comprehensive manpower program regulations to Public Law 93-203—1974, and regulations for the WIN program—1974.

Clinical psychologists represent a significant, well-recognized, and critical professional health manpower resource distributed throughout the Nation where health services are needed and are being sought.

I hope that in the near future we will have a universal and comprehensive national health insurance program. In preparing for national health insurance, we must begin to make maximum use of all qualified health providers. The place to begin is by strengthening the health provider resources available to the elderly and disabled by providing coverage of psychologists' services under medicare, as I have proposed in this bill. I ask your approval.

VOICE OF AMERICA—A VICTIM OF DÉTENTE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ASHBROOK. Mr. Speaker, the Voice of America has become another victim of détente. In the past the VOA served as a lifeline for those living under communism. Opposition stirring within Communist countries was a major part of program broadcasting.

All this has changed, however, under the leadership of James Keogh, Director of the U.S. Information Agency. According to a recent story in Time magazine, the VOA is now trying to avoid "provocative" stories.

This policy has been evident for some months. In the April 3, 1974, CONGRESSIONAL RECORD, for example, I expressed my concern over the reluctance of the VOA to broadcast into the Soviet Union extensive excerpts of Alexander Solzhenitsyn's book "Gulag Archipelago." Although the VOA program department planned on doing a series of 10-minute excerpts, the project was vetoed by the U.S. Information Agency.

Numerous incidents such as this have led many to charge that political considerations are being allowed to suppress legitimate stories. A Yugoslav writer has said:

> The VOA is jamming itself—apparently out of some misguided spirit of détente.

This charge has been basically admitted by USIA Director Keogh himself. In the Time interview, Keogh stated:

> Détente has changed what we do in USIA. Our program managers must be sensitive to U.S. policy as enunciated by the President and the Secretary of State. That policy is that we do not interfere in the internal affairs of other countries. We're not in the business of trying to provoke revolutions.

It is extremely unfortunate that the VOA is no longer serving as a lifeline for those living under communism. The cause of freedom can only suffer.

Following is the text of the article from the December 16. 1974. issue of Time:

MUTED VOICE OF AMERICA

One unexpected result of détente is a change in tone at the Voice of America. Until recently, as a matter of course, the Government radio network heard round the world in 36 languages reported on opposition stirring within Communist countries. Now Voice executives are trying to avoid "provocative" stories. In the process, they have restricted VOA correspondents to the point where many of the newsmen feel that legitimate stories are being suppressed. Some editors and reporters in the radio's U.S.S.R. division have grumbled about interference from the *glavlit*—the Russian term for official censor.

As an official outlet for the United States Information Agency (USIA), Voice of America, with 2,303 employees and an annual budget of $55 million, operates under statutory authority. Its stated mission is to report on the U.S. and American foreign policy and to "combat Communism." In practice, it has wobbled between its dual roles as Government propagandist and conveyor of straight news. James Keogh, the former executive editor of TIME who became USIA director in 1973, discarded the old Cold War attitudes of his hard-line predecessor, Frank Shakespeare. Under Keogh, a skilled, seasoned newsman, VOA began finally to accept détente as a reality and to report evenhandedly on the new warmth in U.S.-U.S.S.R. relations. However, Keogh also tightened the policy reins on VOA correspondents. During Watergate, he forbade any stories that were attributed to unnamed sources, thereby preventing VOA's broadcast of some important revelations.

Today, many experienced journalists at the VOA are bitterly disappointed. Keogh and his deputy for the Soviet block, John Shirley, they say, have allowed political considerations to mute the Voice. Among recent examples they cite:

The program department planned a series of ten-minute excerpts and summaries from Alexander Solzhenitsyn's *Gulag Archipelago*, the nightmare account of Soviet repression, to counteract Moscow's propaganda against the book. USIA ordered the project canceled.

VOA's Munich bureau suggested a series on young workers in the Soviet Union and Eastern Europe. Washington turned the idea down, according to one VOA official, because "if it had been honest and accurate, it would have been offensive to the governments involved; it would have seemed gratuitous and ideologically polemical."

A Voice correspondent, Lawrence Freund, preparing a story on the trial of a group of Croatians accused of separatism, noted that Yugoslav security was being stepped up around President Tito's residence in Belgrade. USIA killed the story as "too sensitive" because it fostered the impression of political instability. Instead, VOA broadcast a toned-down story from the wire services.

Freund also reported, after Henry Kissinger's November visit to Belgrade, that the U.S. might resume arms sales to Yugoslavia. Though reporters aboard Kissinger's plane published the information, the U.S. embassy in Belgrade suppressed Freund's report on the ground that an official American network should not encourage provocative "speculation."

Last month Deputy Assistant Director Shirley sent out a written order stiffening a 1967 rule that Voice correspondents must get advance approval from local American embassies before they undertake a story. A number of correspondents feel that the Shirley letter has given the embassies new power to censor their stories in advance. Shirley has promised, but not yet issued, a clarification that would limit the embassies' ability to do so.

NO ADVOCACY

Because the Voice has always been a lifeline for dissidents in Communist countries, many apparently now feel let down. A prominent Yugoslav writer recently said: "The VOA is jamming itself—apparently out of some misguided spirit of détente." Pavel Litvinov, a Soviet intellectual now in exile in the U.S., gave a speech to Voice employees in the U.S.S.R. division in which he said: "The quality of your broadcasts to my country has declined 500% in the last few years." Astonishingly, the audience burst into applause.

Last week Keogh, John Shirley and VOA Program Director Jack Shellenberger rejected the charges of censorship. In interviews with Time they defended their policy of not offending Communist governments. Keogh said that VOA has devoted "hundreds of hours" of air time to reports on what the American press was saying about the Solzhenitsyn story. He vetoed broadcasts of excerpts or summaries of *The Gulag Archipelago* because that amounted to "advocacy journalism." Said Keogh: "The Voice of America is not an international NBC or CBS. Détente has changed what we do in USIA. Our program managers must be sensitive to U.S. policy as enunciated by the President and the Secretary of State. That policy is that we do not interfere in the internal affairs of other countries. We're not in the business of trying to provoke revolutions."

The tension between VOA journalists and their USIA superiors is one item on the agenda of a 20-member panel that will recommend to Congress some changes in the Government's information services. The group, appointed by two commissions that monitor Government information programs, is headed by Frank Stanton, former vice chairman of CBS Inc. It is expected to recommend next month that the Voice be given greater journalistic freedom. It remains to be seen whether this is possible, given the built-in limitations of any Government-run news operation.

TWENTY-FIFTH ANNIVERSARY OF RABBI SCHNEERSON

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 23, 1975

Mr. MURPHY of New York. Mr. Speaker, January 23 marked the 25th anniversary of Rabbi Menachem Schneerson as leader of the Lubavitch Movement, a 200-year-old sect of the Jewish faith. I join with my colleagues in taking note of this important occasion.

The Lubavitcher Chassidim have played a vital role in preserving Jewish tradition and culture, and with the strength and wisdom of Rabbi Schneerson to guide them in their many humanitarian efforts, the Lubavitch continuously impart a special significance to society. Their spiritual belief in the joys of religion and life is a source of inspiration to us all. I wish the Rabbi continued success in his future years of leadership, and a special mazel tov on this anniversary.

THE 28TH ANNUAL VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM: A MOVING TRIBUTE TO OUR COUNTRY

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. MATSUNAGA. Mr. Speaker, it was my great privilege, during a recent trip home, to participate in the 28th annual voice of democracy scholarship program, sponsored by the Hawaii Department, Veterans of Foreign Wars, and its Ladies Auxiliary. As you know, the State winners of this annual broadcast script writing contest will be coming to Washington, D.C., later this year to compete for scholarships and other awards.

The theme of this year's competition is "My Reponsibility as a Citizen." Judging from Hawaii's winning entries, it will again be difficult for the judges to select a national winner.

Because I believe that my colleagues will be moved and inspired, as I was, I am submitting for reproduction in the Congressional Record the essays of Hawaii's first place winner, Robert H. Maus, a student at St. Louis High School, and two runners up, Helen Hahn, a student at Kalani High School, and Stephen Davis, a student at Hawaii Baptist Academy.

The essays follow:

My Responsibility as a Citizen

(By Robert H. Maus)

Mount Rushmore stands in the Black Hills of South Dakota an awesome tribute to democracy. Chiseled in a cliff of solid granite are heroic images of Washington, Jefferson, Lincoln, and Roosevelt—Presidents whose deeds were monumental, truly larger than life. Gazing on this colossus, we wonder at the inspiration and dedication of its creator.

Gutzon Borglum, born in 1871 to Swedish immigrant parents, learned early the value of hard work and a love for America. He became a successful sculptor but was not content to simply enjoy his good fortune. At an age when retirement must have beckoned, he thought first of his country. Gutzon Borglum, in a labor of love, carved the Mount Rushmore Memorial.

He undertook the task alone, scaling the sheer cliff, blasting and chipping away at the unyielding rock. The endeavor, tremendous in scale but fraught with tedious detail, was harsh and demanding. Each day's progress was insignificant, but the days stretched into years and when he died in 1941 his monument was virtually completed. It stands today, one of the modern wonders of the world, because Gutzon Borglum loved America enough to make the commitment his task required.

I have a great task ahead fulfilling my responsibility as a citizen by defending and preserving the three great pillars of democracy—Liberty, Justice, and Equality. I too must love America enough to make the commitment my task requires. Democracy is my responsibility.

This has not been America's finest year. For the first time in our history a President has resigned his office, sky-rocketing prices for mid-eastern oil have sent economic shock waves around the world, and recession and inflation cast lengthening shadows across the nation. But America has faced problems before—she has survived depression, civil war, and global conflicts. Still her three pillars, Liberty, Justice, and Equality, stand firm.

The pillar of Liberty must be defended. Service on the field of battle is the ultimate defense, but soldiering in every day life is important too. Democracy is not a game for armchair quarterbacks. It requires voting players informed on the issues. Only one person in four, worldwide, enjoys a free press and free speech. Reading and listening to the media is a precious opportunity. I must exercise it as I exercise free speech by speaking out and preventing a vocal minority from molding public opinion. I exercise liberty in many ways through religious, school and community affairs. I may never give my life for liberty, but I will live my life for liberty. This is the commitment that liberty requires. Democracy is my responsibility.

America's second pillar is Justice. Her judicial system is the finest in the world, but it is a system of men as well as laws. I must support my law enforcement agencies and elected officials to insure the dictates of the Constitution. But my responsibility to maintain justice goes further. I must serve it by example through honesty and compassion in dealing with others. It is painfully clear at this time in our nation's history that integrity is a watchword of democracy, and I must maintain high ethical standards. I must be honest with myself, guarding lest I be swept up in popular waves of cynicism and apathy, blindly following trends in "modern morality". I must beware the shoals and snares of situation ethics. This is the commitment that justice requires. Democracy is my responsibility.

Equality, the third pillar, demands personal commitment. I am only one person, but my actions can help to lower the barriers that still exist between Americans. Equality is the product of Liberty and Justice—proof that they are alive and intact in a troubled world. And the brightest facet of the American dream, the envy of all the civilized world, is "equality of opportunity". I must strive to insure this opportunity, this hope, this inspiration for every American. This is the commitment that equality requires. Democracy is my responsibility.

There is a lesson in the life of Gutzon Borglum. Working day after tiring day, he immortalized four giants of our democracy on a cliff of gray granite in the Dakotas. He left an inspirational legacy. Like Gutzon Borglum, my responsibility as a citizen cannot be fulfilled in a week or a year. It is a never ending task of defending and preserving the three great pillars of democracy—Liberty, Justice, and Equality—this is the commitment that America requires. Democracy is my responsibility.

My Responsibility as a Citizen

(By Helen Hahn)

I was not born an American citizen. I came to America when I was very young. One day, my father took me to the Immigration Building. There I was asked, "Do you want to be an American citizen?" This struck me since I had never really considered myself as an alien to the U.S. After all the years of pledging allegiance to the American flag, of learning about America's past, and growing up among America's children, I was not yet legally American. So I thought: America is not an Utopia and I have reason to believe such is nonexistent. But this country is advanced technologically and she is a major and powerful nation. However, I did not choose to become a citizen because of these but because America guards the rights and the freedoms of all her peoples. Thereby accepting this citizenship, I have gained all the privileges and all the responsibilities as any other American.

If I were to tell you what I consider as the responsibility of citizenship, I would first have to define this type of responsibility. Such a responsibility should not be cumbersome or seem like an unappealing duty. Instead, I believe this responsibility should be carried just in the manner in which we carry our own names. This sense of responsibility should be like a natural force without need of constant remembrance. I am an American and I have pride in America. By nature, I should try to honour America in the things I do.

So now, what is this responsibility? I believe if simplified into two words, these would be, "Be Concerned". It is to be concerned about America's present and future, to be concerned about the American people and to be concerned about the government placed in service to these people.

Why should I be concerned? Because I believe in what America stands for, which is justice and freedom for all. These ideals can be attained by concerned citizens and they live only through concerned citizens. It is the people that make up a country. Without Americans who hold up America's ideals, there would be no America.

As an American I should be concerned about other Americans. We must care about each other that we may be unified. Unity is essential. It is essential to be "indivisible" in order to maintain a strong nation. This unity, which is the outline of the American spirit, can be attained by some mutual respect and the realization of something that we all share equally. This something is the responsibility we have as Americans.

We need not be great philanthropists to be concerned. Packing up litter, forming car pools, not wasting, contributing time, effort or services to some organization concerned with fighting pollution, inflation or disease, all of these show laudable concern. Little actions done by masses of people cause big results. It is a part of our responsibility, therefore, to take minimal concern of our present state and economy.

The most important part of my responsibility is to practice my privileges in concern for the country and not abuse these privileges. Having reached the legal age, one is given the privilege and the duty of voting. If I care about the government, about how things are run, and what things need to be done for the people, then I know that it is necessary to vote.

However, the most outstanding prerogative America gives to her people is the freedom of press and of speech. I can speak out on what I feel is right or wrong and I can hold peaceful demonstrations to express my views. We have congressmen and senators to write to and they usually give helpful response. But I do not believe in any type of violent demonstrations for violence creates only more violence. Protest, I consider as patriotic if done in sincerity. If someone feels a certain law is morally wrong or unconstitutional, and he protests expressing his views to correct such a law, he is doing it out of concern of getting rid of what he feels is destructive to America. But if someone were to protest only to make noise, then this person would be misemploying a very valuable freedom.

I conclude by noting that it is the word "concern" that outlines everything I do as a citizen. Therefore, I must be concerned because my responsibility as a citizen is like the name I carry, it brings me together with every other American, it makes me notice the significance of my little services, and it makes me proud to be American.

America was built with hope and by faith. With our faith, America will continue to live.

My Responsibility As a Citizen

By Steven J. Davis

Guns fired, cannons blasted, and blood reddened the landscape as Americans brutally fought and killed one another. The president was moved with great sorrow, as he watched America go from a promising young country, that was ever expanding, into a nation entangled in a great Civil War. As President Lincoln led this troubled land, he must have reflected on a different time—A time of heated arguments in Independence Hall, and brilliant compromise to establish our Constitution—A time when men from differing backgrounds pulled together to establish the humbled beginnings of these great United States—A time when great Americans had visions of a nation of freedom and peace. As Abraham Lincoln thought of these men's dreams, he saw them crumbling before his very eyes. Finally the day came when the war ended, but a bullet shattered Lincoln's hope of ever seeing America pick up the pieces and truly become the United States once more.

Now, though we are not in the midst of war between states, America is steadily being infiltrated by degrading forces. The family as an institution is being shaken, moral standards are steadily declining, and freedom is geting so free that it often grows to the point of perversion.

As we see these problems and many more, we should become increasingly aware and respond to our responsibility as citizens.

The individual citizen is the backbone of America. It is the responsibility of each one of us to keep that backbone fit. We must stay abreast of current events, and not allow our minds to become stagnant or filled with depravity. We must also keep ourselves physically fit to serve both our nation and our fellow man. We must not neglect our bodies by letting them become a dumping ground for every soda shop in town. A two inch overhang around our middle mustn't become an implanted American way. We can't let the only exercise we get be walking to our cars and we have to stop turning into maniacs once we get inside them.

We must become vitally concerned with safety practices. Our highways, homes, schools, and jobs all harbor accidents, just waiting to happen. It is our responsibility to be alert to these dangers, and take positive action to eliminate them.

It takes the involvement of a united people to keep this nation strong. There are many things we can do. We must not leave the job for the other guy. Adults should share their experience and knowledge with a generation that has neither seen the problems nor faced the situations they have, and combine it with the vitality and fresh ideas of today's youth. If we have a special talent, we should share it with others. We should visit the elderly and the ill, vote in all elections, drive in car pools to save fuel and space, save paper, cans and bottles for recycling. If we see litter, we should pick it up, and be sure we don't contribute to the problem. We must obey all laws, and if we find fault, work within our system to change them. Whatever we can do, we must do. Edmund Burke, a famous British statesman, once said, "All that is necessary for the forces of evil to win in the world, is for enough good men to do nothing."

The United States was founded by men who had a deep faith in God. Our country is based on these men's religious beliefs, and a nation built on God will surely fall without Him. We must all unite as a nation under God to overcome our complex national problems.

We are not currently engaged in a civil war, but peace is not a reality within our nation. How can we have peace, while some of our citizens despise their fellow Americans? People cannot be at peace in their nation unless they are at peace with one another, and they cannot be at peace with one another until they give up their foolish hatred and prejudice and learn to love.

This country has come a long way in its short two hundred years. I love it and am very proud of it. There is no place in the world I'd rather live than in the United States of America. I beseech all Americans to look at our history, and see all the work that has gone into the construction of our government, to remember the men who fought and died, and to strive for the peace they died for. Let us all work together, never taking our citizenship for granted, that our nation of the people, by the people, and for the people may long endure with responsible citizens working together for a truly United Nation.

OLD PROBLEMS IN THE NEW YEAR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. DERWINSKI. Mr. Speaker, since the Soviet Union has chosen to blast the Congress for adversely interfering with their foreign policy by the passage of the Trade Reform Act of 1974, I believe it is important that we recognize that détente is an empty slogan for the rulers of the Kremlin to use as they see fit. Their goal continues to be world domination, and not peace with freedom for all peoples.

I believe it is pertinent to direct the attention of the Members to the effective discussion of this subject in the December 1974 edition of the American Bulletin, published by the Czechoslovak National Council of America. Therefore, I insert the article into the RECORD at this time:

Old Problems in the New Year

A review of 1974 brings us back to January and to the conclusion that not much has changed. The oil crisis, inflation at home, guerrilla warfare abroad, and a general feeling of uneasiness in the West have been and will continue to be with us in the new year.

Millions of words have been written and spoken. Probably the most abused word is that of détente. Certainly, the Soviet Union has shown no willingness to coexist in peace. The fact that after many months of negotiations, visits of heads of state, conferences in Geneva, Vienna, Washington, Moscow, etc., the Soviet Union has finally agreed to permit 60,000 Jews to emigrate annually, is of importance only to the Jews and their families. The basic principle of free flow of ideas and communication and free movement of people, the cause the United States has been championing, still remains unsolved, and almost taboo as far as the Soviets are concerned.

The word détente makes a good slogan. If the word would mean the same thing to both sides, it would be a move in the direction toward peaceful existence. However, two authorities on the Soviet Union and Communist ideology, both former U.S. ambassadors to Moscow, have warned us against putting our trust in the latest Soviet drive. The Hon. Jacob D. Beam was quoted in the October issue of the American Bulletin.

Today another authority, former U.S. Ambassador Foy D. Kohler cautions us in his monograph The Soviet Union and the October 1973 Middle East War—Its Implications for Détente (U.S. Press Association, November 12, 1974): "As the Soviets see it, détente 'presupposes' an unrelenting class struggle between the two opposing systems in which Moscow remains free to use all means short of nuclear war to promote the advance of the revolutionary and national liberation movements and to achieve a shift in the balance of forces in its favor. Consequently, détente, in the U.S. meaning of the concept, only applies to certain areas of U.S.-Soviet relations, areas which are of mutual benefit to both sides. Furthermore, and as the Soviet interpretation of 'peaceful coexistence' makes explicit, this concept does not extend to a similarity of interests in the preservation of international stability. Thus the global 'normalization' of international relations and relaxation of tension . . . simply means that the U.S. must cease all attempts to defend its interests or protect its allies . . ."

Economic instability is not the serious problem to the Soviet Union and its satellites as it is to us because they do not have to consider the welfare of labor unions, the working class and the middle class, and the people in general. The Soviet Union fully intends to take advantage of Western economic difficulties; the Communist press in Czechoslovakia has been writing gleefully of rising prices and unemployment in the United States (it has always described our "severe unemployment" even at the time of high employment). The Soviet Union will do its best to increase our difficulties; the oil crisis in the Middle East, the state of affairs in Greece and Turkey, guerrilla "liberation" wars, etc. Moscow is not interested in maintaining international stability; quite the contrary. Communism can succeed only if the West fails. To some die-hard Communists it may seem that at long last Marxist-Lenin ideology is about to bear fruit. Détente is to be one of the ways to achieve that end.

THE SPIRIT OF POLAND WILL NEVER DIE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ZEFERETTI. Mr. Speaker, few nations have struggled more valiantly nor shed more blood for the right to exist than Poland.

After thriving in its own right as a power for centuries, Poland was at last overwhelmed by armed conquerors. However the greatest triumphs of Polish culture and intellectuality emanated from Polish people in exile from their native land. Simultaneously, the Polish people rebelled again and again against the various conquerors who sought to enslave them.

Rebellion followed rebellion. Repression followed repression. Consistently the conquerors sought to make Poles feel they had to give up their ethnicity, religion, and culture. Stubbornly, the Poles resisted all such efforts, and today they are still successful in clinging to what is uniquely theirs, in terms of heritage. One such rebellion occurred on this day in 1863. It was viciously repressed as subsequent rebellions have been. It is fitting to remember and commemorate this occasion. Now, because the Polish people, whether in their homeland or in their adopted homelands, remember that heritage and cling to it tenaciously. Even today, the Soviet Union persists in trying to sever Poles from their history. Just as it failed then, so it shall fail today.

ELDERLY "FIXED INCOME"? TRAVESTY OF THE TRUTH

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. FORSYTHE. Mr. Speaker, Charles DeGaulle once described old age as a shipwreck; a shipwreck of a once useful life cast aside on the shoals of inactivity by a society that has grown increasingly youth oriented. I cannot accept this definition. The pages of history and the pages of our newspapers clearly trace the accomplishments and the active role of our senior citizens. The society that ignores the wisdom and experience of its senior citizens is truly forfeiting a resource of independent thought and leadership.

But in one sense, Mr. DeGaulle might have been distressingly accurate. Old age can be a financial shipwreck. With the highest income earning years behind them many senior citizens are now living on fixed incomes guaranteed by social security or by private pension plans. But the term fixed income is a deceptively cruel one; for there is no such thing as a fixed income for senior citizens. Anyone who has witnessed the relentless upward march of prices knows that with each passing month, senior citizens receiving a so-called fixed income are actually the recipients of a steadily declining income.

Too many senior citizens are floundering on the shoals of financial disaster. These Americans do not want welfare. They want help to keep up with the staggering burden of inflation. Mr. Speaker, I recognize these facts and, therefore, I am introducing today a senior citizens legislative program which I believe should be adopted immediately. My legislative package consists of seven bills which would:

Prevent the proposal to increase the cost of food stamps by 30 percent from going into effect,

Increase the social security earnings limitation to $5,000, the present limit is a meager $2,400,

Exempt the first $5,000 of retirement income from Federal income taxes,

Prevent veterans pensions from being reduced or taken away because of increases in social security benefit levels,

Provide a refundable property tax credit in the form of a $500 cash grant to senior citizens earning less than $9,000 a year. Renters would credit 25 percent of their rental fee,

Include prescription drugs under medicare,

Cover regular physical examinations under medicare,

Prohibit discrimination on the basis of age in granting credit.

Mr. Speaker, for too long the Congress has paid lip service to the needs of America's senior citizens. The Congress has been long on talk and short on action. The time for enactment of a sweeping senior citizens program is long past and I urge the House of Representatives to begin hearings immediately on the legislation I have today introduced.

REMARKS BY THE VICE PRESIDENT

HON. HERMAN T. SCHNEEBELI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. SCHNEEBELI. Mr. Speaker, Vice President Rockefeller made some very responsible statements in a speech he made in Chicago before the National Business Leadership Conference. The contents and significance of this speech reflect a respect to the problems confronting us today and I am sure the American public will benefit from reading this fine analysis of our contemporary problems:

Remarks of the Vice President

I am delighted and honored to bring you the greetings of the President of the United States. I just want to say that he wished he could be with you here tonight. I know that this organization, its objectives, its achievements are very close to his heart; and therefore, he sends his special greetings and asked me to come to represent him.

You know, it's interesting, but in the brief 200 years of the history of America, this Nation has achieved a standard of living unequalled in the history of man. This society has the ability, through hard work, individual initiative, private enterprise and by operating within the framework of the Federal system and the framework of laws, to provide maximum diversity within unity and to foster individual initiative and creativity.

This is the great tradition of your organization. It is a tradition that you are passing on to the new generation of Americans through the Junior Achievement program. By introducing young Americans to the private enterprise system, you are helping to keep alive the spark of individualism that has made possible this country's rise to greatness. I can imagine no more vital purpose. I commend you for what you're doing, the dedication and devotion of those who have given of your time and resources to make possible these opportunities for young people all over the country to have those rare experiences.

And, I have to say, parenthetically, my great grandfather did the same thing for my grandfather. He got him started at seven years of age—of course, he lived on a farm—and got him started raising turkeys and working for his neighbors. But, he lived those same fundamental principles you are inculcating in this wonderful group of young Americans who are here tonight, and who are all over this country as beneficiaries of your efforts.

Our country is still a great country. But, let's face it, we're in deep trouble today—inflation, unemployment, the energy crisis. President Ford said it with blunt honesty to the Congress, and I quote, "The State of the Union is not good." But, fortunately for all of us, President Ford has emerged as the strong, decisive leader that our Nation has always called forth in times of crises.

It has been my privilege in the last few weeks to see at first hand the tremendous dedication and courage of this man in tackling and mastering these unparalleled economic and social problems, the long meetings day after day with experts, advisers, consultants, his intense concentration, his deep human concern, his keen perception and penetrating questions, drawing out the different points of view, trying to reconcile, to understand and then emerging with bold, imaginative solutions to the problems. He has put these solutions together in a delicately balanced, comprehensive program. That's what went into his proposals to the Congress of the United States—proposals to reshape the forces of disruption and to meet the needs of our Nation and of the American people. Ladies and gentlemen, America has a great leader in President Ford.

Now, of course, these problems are so new, so complex, so interrelated that there are naturally differences of opinion. But let's face it—that's the vitality and the strength of democracy. That's what has made this country what it is today. But the President has had the courage to put forth his program—a comprehensive program, a tough program, but a good program for America.

Now under our system, Congress has the responsibility to respond positively and rapidly, either by adopting the President's program or by coming up with its own program—equally comprehensive, equally courageous, bold enough to deal with the crisis that confronts us.

This society and free societies throughout the world find themselves more seriously challenged than in any time short of war. Never before in peacetime have there been such violent disruptions—disruptions that came upon us almost without our realizing it.

The one part of the program which the President has presented to the Congress relates to energy. Less than a decade ago, the United States had a surplus. The world had a surplus. With the rapid growth of industrialization that has taken place in the last two decades, the increased consumption rate, the rapid progress in this country, and in Japan, Europe and the developing countries—slowly, almost imperceptibly, we have all found ourselves in a situation where we were importing larger and larger percentages of oil. Then came a situation, which I do not think anyone anticipated, which has affected the entire world. The producing nations got together and decided that they wanted a bigger piece of the action. Or, if you want to put it practically, they quadrupled the price of oil. They got the action, and they are now becoming the capitalists of the world. And so, $65 billion this year from the industrial world, from the developing world, will be slowly moving this year and, as years go by, building up to $100 billion, $200 billion, $300 billion, $600 billion, $800 billion in the producer countries. The consuming countries have found themselves totally unprepared for this situation such as the balance of payments problem, the lack of capital. These are crises which our institutions were not ready for.

But let's not forget the fact, ladies and gentlemen, that this Nation is blessed with resources which can be developed. This is one of the principal objectives of the President. We can become independent of the rest of the world again in energy sources, even be an exporter of energy. In so doing, the possibility of blackmail, the possibility of disruption and destruction of our economy and our society can be prevented.

Now, it's bad enough with just that problem. But add to it another problem that has emerged at the same time, because of the rising standard of living, the increased demand for foods, the change in dietary habits, droughts, population growth, crop failures which suddenly converged on us. This country, which had taken surpluses of food for granted, found itself, after the wheat purchase by the Soviet Union, in a deficit position. Some prices doubled. But, at least we have the food. There are many nations in the world which don't have the food and which don't have enough foreign exchange because of the increase both in food prices and in oil prices. They face the scarcity of fertilizers, the scarcity of water and energy to drive the tractors and, therefore, there is a falling off in their production of food. In the meanwhile, their populations are growing and the result is the tragedy of starvation.

With these problems, inflation, the scarcity of money, people start to hold back on purchases. They feel uncertainty and fear, and then finally the growing unemployment rate. The dimensions of the problem are totally new. The economists call them "discontinuities" which make it almost impossible to make the predictions.

These are just the rough outlines of the complexities of the problems which are felt by every American and everyone in a free society. I think a basic question is: can free societies discipline themselves to make the tough, necessary actions to deal with these revolutionary and unpredicted economic and social changes that are taking place throughout the world? This is the basic challenge and a very serious one. Can America rebuild its strength to meet its problems at home and to continue its leadership of the free world? And I've got to say, from my viewpoint, the answer is "yes."

If we move intelligently, decisively, on all fronts, we can deal with the problems through cooperation. We can control inflation, restore sound growth, increase employment and continue to improve the quality of life for all.

It is not going to be easy. It is going to take self-discipline and sacrifice. But it can be done; and, in my opinion, it will be done. This is the greatest challenge America has ever faced. I think a better nation and a better world will emerge because America is a Nation of achievers. That is what you are concerned with; that is what you represent as both the achievers who made and built this Nation and as those who are sponsoring the achievers of tomorrow.

I would just like to end up by saying that I have abiding faith in America and its future.

PRICE REDUCTION ACT OF 1975

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. McCLORY. Mr. Speaker, it is my intention to introduce today or tomorrow a measure which would have the effect of outlawing so-called fair trade marketing practices which our present Federal statutes condone.

Mr. Speaker, the measure entitled "Price Reduction Act of 1975" would be directed at retail price fixing which is engaged in through contracts between manufacturers or distributors and retail merchants—fixing the retail prices of certain trademark or brandname products.

Mr. Speaker, the existing practice is permitted under existing Federal law and as a result, has been mandated by 36 State legislatures.

Mr. Speaker, in this period of inflationary and artificially high prices, the interests of the American consumer and taxpayer deserve the benefit of the free and open marketplace where competitive prices may be established without the prohibition of State statutes and the blanket authority of our Federal laws.

Mr. Speaker, the President and his administration in a comprehensive attack against high prices of consumer goods are to be commended for recommending to the Congress this legislation, and I am pleased to join as a sponsor.

Mr. Speaker, it is my further hope that the House Judiciary Committee will schedule hearings on this measure in order that it be enacted at the earliest possible date for the benefit of our economy and the American people.

SOCIAL SECURITY EARNINGS LIMITATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. FINDLEY. Mr. Speaker, elderly people living on social security benefits are especially hard hit by inflation, and yet existing law discourages them from working for extra income.

Many of them are physically able and actually wish to work. Unfortunately they are discouraged from doing so, because they will lose benefits from social security if their employment income exceeds $210 a month.

For every $2 earned above that level, $1 is subtracted from social security benefits.

This injustice is compounded by the fact that beneficiaries who get extra income from investments—stocks, bonds, rentals—are not penalized. They may earn hundreds of thousands of dollars from such sources without any reduction in benefits from social security. This is an outrageous form of financial discrimination which favors the wealthy and hurts the poor.

The social security law must be changed to correct this injustice.

LIST OF COSPONSORS

Mr. Roncalio, Mr. Breaux, Mr. Brown of California, Mr. Buchanan, Mr. Burgener, Mr. Carter, Mr. Conlan, Mr. Coughlin, Mr. D'Amours, Mr. Danielson, Mr. Drinan.

Mr. Eshleman, Mr. Harkin, Mr. Hightower, Ms. Holtzman, Mr. Johnson of Pennsylvania, Mr. Long of Maryland, Mr. McClory, Mr. McCloskey, Mr. Moorhead of California, Mr. Mosher, Mr. Myers of Indiana.

Mr. Nix, Mr. Boland, Mr. Ottinger, Mr. Pritchard, Mr. Regula, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Shipley, Mr. Simon, Mr. Solarz.

Mr. Stokes, Mr. Thone, Mr. Wampler, Mr. Waxman, Mr. Wilson of California, Mr. Wilson of Texas, Mr. Winn, Mr. Zeferetti, Mr. Murphy of New York, Mr. Beard of Rhode Island, Mrs. Chisholm.

TWENTY-FOURTH CENTURY CLUB

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ROUSSELOT. Mr. Speaker, it is extremely important to each Member of Congress that he be able to maintain a continuous exchange of information with his constituents. I am sure that you and our fellow colleagues are well aware that one of the most efficient ways to accomplish this is through newsletters and periodic questionnaires. It is essential that constituents be kept well informed of legislative activities and that the views and votes of their Representative be made known. Newsletters must be printed at the Member's personal expense inasmuch as there is no congressional allowance to cover these costs. I make this as a point and not as a suggestion that there should be such a congressional allowance.

The constituents in my congressional district, formerly California's 24th and now the 26th District, have been willing to support the cost of my constituent-information mailings through contributions to a trust fund maintained for this sole purpose. This account has been operating as the "Twenty-Fourth Century Club," and is established as a trust with a treasurer and an assistant treasurer acting as trustees. None of these funds are disbursed to me directly and no disbursements are made to cover any of my personal expenses. All funds are applied only to provide public information to benefit all of the constituents in my congressional district. This fund does not have a political purpose, and contributions which are solicited and received are kept in an account separate from any campaign activity.

Mr. Speaker, the contributors to this trust are not a limited or exclusive group—many of the contributions to support this information program are under $10. The purposes of my newsletter program are public information. I want to declare the existence of this fund and state that the books for this account and a list of all contributors and/or participants will be fully disclosed upon request. I want this information to be made public and I am placing it in the CONGRESSIONAL RECORD for that purpose at this time. The following is a letter sent by the chairman of the Twenty-Fourth Century Club to the entire membership with a complete statement of receipts and expenditures. The information follows:

TWENTY-FOURTH CENTURY CLUB,
Arcadia, Calif., January 27, 1975.

TO THE MEMBERS,
Twenty-Fourth Century Club:

This organization was founded in 1973 for the purpose of funding Congressman Rousselot's Voter Information Program, of which his Washington Report is the principal increment. This will be the final report under the name of the Twenty-Fourth Century Club, since Congressman Rousselot now represents the newly created 26th Congressional District of California.

The Twenty-Fourth Century Club has operated as a public trust for the benefit of all of the voters in the old 24th Congressional District of California. Mr. Joseph M. Crosby, Treasurer, and Mr. Clark J. E. Hunt, Assistant Treasurer, have been the principal trustees of Club funds. Mr. Crosby is president of California Liquid Fertilizer Company and Mr. Hunt is a California certified public accountant (retired).

Enclosed you will find a financial report for the calendar year 1974, showing receipts and disbursements as well as the funds on hand at the beginning and end of the year. As can be seen from the statement of receipts, "membership dues" have been the backbone of this program.

We are grateful to all contributors who have participated in the two-year operation of the Twenty-Fourth Century Club. In 1975 this "Trust" is being renamed the "Voter Information Program—26th District," which more clearly denotes its objectives.

Very truly yours,
DONALD E. BUTLER, *Chairman.*

Enclosure.

Twenty-Fourth Century Club Fiscal Report, 1974

Cash on hand—Dec. 31, 1973	$8,253.68
Receipts:	
Memberships (60 at $100 each)	6,000.00
Miscellaneous small contributions	2,711.20
Interest received	160.53
	8,871.73
	17,125.41
Disbursements:	
Preparation and printing of Washington report	14,042.61
Preparation and printing of membership appeals	292.62
Miscellaneous printing	182.98
News media subscriptions	239.00
Press clipping service	246.04
Professional services and research assistants	954.39
Miscellaneous supplies and expense	428.12
	16,385.76
Cash on hand—Dec. 31, 1974	739.65
Cash on hand, Dec. 31:	
Wells Fargo—account 0616-010492	453.20
Lincoln Savings & Loan Association Account 10-142455	286.45
	739.65

We certify that the above information is complete and correct for the calendar year 1974.

JOSEPH M. CROSBY,
Treasurer.
CLARK J. E. HUNT,
Assistant Treasurer.

THE STERN FOUNDATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. DRINAN. Mr. Speaker, I am happy to bring to the attention of my colleagues the formation of a very promising private institute to secure funding for research projects related to diseases of the central nervous system.

The following story of the late Mrs. Sharon R. Stern, one of my constituents, is a moving demonstration of the fact that we know all too little about brain damage even though it is the third largest cause of death in the country today.

It is truly inspiring to discover persons who do not rely upon Federal or foundation funds for research but search in the private sector for contributions.

The statement on the Stern Foundation follows:

SHARON R. STERN MEMORIAL FOUNDATION, INC.

The Sharon R. Stern Memorial Foundation, Inc., P.O. Box 1064, West Acton, Massachusetts 01720, has been organized in memory of a young girl whose appreciation and love of life needs to assume new means of expression.

On October 4, 1974, eight weeks after her wedding day, Sharon's car was struck head-on in an automobile accident. Thirteen days later, never regaining consciousness, Sharon succumbed to brain damage she incurred during the accident.

Brain damage is the third largest killer in our country today. Equally frightening is the fact that the majority of people suffering from afflictions and disease to the central nervous system do not die, but linger on in pain, year after year, living a comparatively non-productive, frustrating life. The current average cost per patient lifetime to these victims is a staggering $900,000.00. In addition, the crippling effects of the potential loss of productivity on our country's economy is staggering.

The Sharon R. Stern Memorial Foundation, Inc., has been organized to expedite the conquering of afflictions, trauma, and disease to the central nervous system. The Foundation will act as a vehicle to solicit funds from all sectors and administer those funds directly into neurological research.

The Foundation hopes to provide an additional source of funding for research projects dealing with the central nervous system, not to compete for federal appropriations with the Institute of Neurological Diseases and Stroke.

Educating the public in areas of neurology, the personal impacts of breakthroughs in these areas and the impact of their personal involvement is also of primary importance. A further objective is assistance in the coordination of ongoing neurological research as well as of new programs.

The Foundation hopes to serve the investigating scientists by acting as a resource, an index to which they may refer thus enabling them to avoid duplication of efforts, but allowing them the luxury of being able to combine theoretical and practical application of talent and intellect.

No other organization in this country focuses so strongly on these objectives. I compliment the merit and fortitude put forth by the Sharon R. Stern Memorial Foundation, Inc. I further hope that the Foundaton be given all the recognition and cooperation it deserves and requires, by both private citizens and governmental agencies, to realize its objectives in serving mankind.

STATEMENT BY W. J. USERY, JR.

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. CLAY. Mr. Speaker, I sponsored legislation providing for a Federal guarantee of collective bargaining rights for public employees. The public sector is the largest and fastest growing sector of the labor market today. Yet, since the enactment of the National Labor Relations Act during the New Deal era there has been no Federal legislation governing labor relations in this vital sector of the economy. During the past months the Federal Mediation and Conciliation Service has taken an active role in attempting to avoid labor dispute in public sector. Its Director, W. J. Usery, spoke last October to the New Hampshire School Board Association concerning the importance of regulating labor disputes in the public sector. I commend his statement to my colleagues in the House:

Federal Mediation's Role in Public-Sector Collective Bargaining

(By W. J. Usery, Jr.)

In the drive over from Boston this morning, I had the privilege of seeing nature's finest work of art on display here in New Hampshire.

The vivid showing of fall's colors that you folks are blessed with cannot help but make a person feel at ease with himself, and with those around him.

The thought crossed my mind during our trip here that we might do well to pass a law saying that all negotiations in America would take place in a clearing in a New Hampshire forest in the fall. I just can't imagine anyone having a serious argument in the midst of such beauty.

The only thing I know of that can compare with God's work in New Hampshire in the fall is the springtime smell of peach blossoms in my home State of Georgia.

Both sensations give a person a fine feeling of tranquility.

As a Federal mediator—a labor-management peacemaker—I can only envy nature's way of putting us at ease.

I want to thank Jay Boynton for the invitation to speak to this distinguished audience of school board members, school superintendents, business administrators and principals.

And that, in itself, shows how we change. Because I can clearly remember the day when a call to appear before my own principal was less than a pleasure.

Seeing him standing there with his paddle—it made me wish that we could negotiate an agreement. Unfortunately for me, he sometimes decided to strike instead.

Things are different now. Today in many places neither the principal nor the teacher can strike a student. The only time a teacher strikes now is when he is involved in a dispute with management.

The results, to my mind, aren't a great deal different. People get hurt, and little really changes.

About the best we have been able to do is to look for different methods to solve our problems.

The search for solutions is on. And I don't have the slightest doubt about the outcome. We will succeed.

We will succeed by making the free collective bargaining process in the public sector work—in one form or another—with the same dynamic precision that is becoming the norm in the private sector of our economy.

I have been saying in recent weeks that 1974 has all the earmarks of being a brilliant year in our nation's long and determined struggle to make the free collective bargaining process rewarding to all.

In the face of the severe tests that came with the ending of controls, double-digit inflation and rising unemployment, the collective bargaining system is proving itself to be the one economic tool than can be counted on to work.

This is a victory that is uniquely American. It is true that we had an expected surge in strikes following the ending of controls. But we have been able to avoid the nationwide labor-management-government wars that crippled economies of many other free-world lands, including England, Ireland, Italy and, to a lesser degree, India and Japan.

We have done so well in recent months in coping with the post-control economic readjustments that today our strike rate is back to normal—and less than half of what it was just a month ago.

Our free collective bargaining system is succeeding in the private sector because of the creative, constructive and responsible efforts that are being made by negotiators on both sides of the table—and by mediators and arbitrators and educators in the labor relations field who are committed to the promotion of labor-management peace.

Unfortunately, the collective bargaining situation in the public sector is less encouraging.

In the vast public sector of our economy, confusion is the order of the day in labor-management relations. All too often and with growing frequency, that confusion is resulting in bitter and generally illegal strikes.

The strikes, in turn, have caused men and women of good will to fashion a crazy quilt of hundreds of individual laws, regulations and executive orders to deal with the increasingly chaotic conditions.

Today, state legal bargaining rights vary from statutes that merely provide punishment for strikers, through permissive collective bargaining—as you have for municipalities and school boards in New Hampshire—to broad bargaining rights and, in the case of seven States, a limited right to strike.

The leaderships in 13 States have chosen to remain mute on the question.

Let's take just a brief look at the checkerboard pattern of legislation in this field.

In Indiana, only teachers have the right to organize and bargain collectively.

In Kentucky, the law covers police and fire fighters only in cities of more than 300,000 population—and Louisville is the only city to meet that test.

My home State of Georgia permits collective bargaining with fire fighters in cities with a population of more than 20,000 but less than 150,000. Just four communities meet this criteria. Georgia's two major cities, Atlanta and Savannah are exempt in law, if not in fact.

Texas, by its nature, seems determined to outdo every other State on almost everything. And in the field of public-sector collective bargaining, the Texans have fashioned a winner. For in Texas last year, the legislature granted police and fire fighters the right to bargain . . . if . . . if the voters in the community vote by referendum to authorize the bargaining.

And if you think that collective bargaining in the field of education has become a bit muddied, I can tell you—things could be worse. You could have to cope with a recent ruling handed down by an obviously capable and concerned Attorney General in West Virginia.

After a close search of the West Virginia law, he came to this conclusion:

It's okay for county school employees to form and join unions. And school boards are within their rights to recognize such unions.

He said the parties can negotiate, can enter into written agreements and can even appoint third-party neutrals.

But they cannot—under the law—bargain collectively.

Why?

Well, the attorney general found that the term "collective bargaining" implies the right to strike and the right to agree to binding arbitration. And the state of West Virginia permits neither.

On the other hand, the word "negotiate," he ruled, merely implies the right to communicate.

This lack of uniformity—coupled with the repressive nature of some statutes—is causing national unions to propose, Congress to consider, and even some public officials to support national legislation.

Congress is listening because the scope of the problem has grown to truly gargantuan proportions.

Thirty-nine years ago, when the original national Labor Relations Act was passed, Congress specifically excluded the men and women who worked for state and local governments. There were 2.7 million of them.

Today, that workforce has mushroomed to nearly 12 million, and it is still growing . . . and it is still excluded from the NLRA.

Now in a day when figures in the billions have become common, it is sometimes difficult to remember that a million is still quite a few. So I think it is important that we put that public employment figure in perspective.

If we took the total employment figure for AT&T, the entire auto and steel industries . . . and added to that the payrolls of all railroads and airlines in America, plus every soldier, sailor and marine and every single one of the 2.7 million federal employees—if we did all that, our total figures would still be nearly 3 million shy of the payroll of state and local governments.

Our schools alone require the services of some 3.4 million teachers, including 2.4 million in our elementary and secondary public schools.

Again, for perspective, this means that we have five teachers for each person employed in the entire postal service.

In the past decade, these millions of workers have been turning in droves toward unions and union-like associations to help them in solving their on-the-job problems.

The result has been an explosion of public-sector union membership. Today, more than 3 million state and local employees are paying union dues—and more are joining their ranks each day. One union alone, the American Federation of State, County and Municipal Employees, has been steadily growing at a rate in excess of 1,000 members each week for the past five years.

The most highly organized public employee, of course, is the teacher. The once-mild-mannered National Education Association has become a militant organization of a million and a half members, and the aggressive American Federation of Teachers has 440,000 on its rolls.

Is it surprising, then, that strikes in the public sector have taken a sharp swing upwards?

The Department of Labor tells us that in 1958, there were just 15 strikes by public-sector employees in the entire nation. Last year, that figure was 388. And one labor leader, in testimony this month before Congress, said that figure was suspect—that it was on the low side.

The upswing in teacher strikes has been nothing short of amazing. In the five years from 1961 through 1965, teachers participated in a grand total of 18 strikes—an average of fewer than four a year. In the past five years, the average number of teacher strikes each year has topped the 100 mark.

These work stoppages by public employees have come in the face of job losses, fines and jail terms—in addition to the very human sacrifice that any strike requires.

Clearly, the time for a precise system of collective bargaining procedures that will provide the means of settling disputes without strikes is needed—and now.

While the legislative experiments that have occurred in an effort to bring peace to the public sector's labor-management relations have been of value, they have not brought answers that are anywhere near being equal to the problems. Punishment of workers and their organizations is not the answer. Indeed, more often than not punishment inflames the dispute and makes it far more difficult to reach an agreement.

Congress now has before it a variety of measures supported by the public-sector unions

One, for example, would place State and local labor-management affairs under the umbrella of the National Labor Relations Act. Another would establish a separate, specialized Federal authority to handle public-sector organizing and collective-bargaining procedures.

A third approach—and one with the least support of labor unions—would involve the creation by the Federal Government of minimum standards that would protect the employees' fundamental rights to organize and bargain collectively. From this base, the States would be permitted to improvise, experiment and find customized methods of dealing with their own particular problems.

No one of sound mind in Washington dares to predict what Congress might do on any specific proposal—nor when they might do it.

But this Congress has been quite active in the field of labor-management relations.

Seeing the potential for turmoil among the Nation's 2.3 million employees of some 24,000 private health care facilities, the Taft-Hartley Act was amended in August to place them under the jurisdiction of the National Labor Relations Act.

The bill holds a special significance for us at the Federal Mediation and Conciliation Services.

Congress made it mandatory for the unions and the health-care institutions to utilize the services of our agency in an attempt to resolve any dispute that might lead to a strike.

It was not the intent of Congress or the bill's primary sponsor, Senator Robert Taft of Ohio, to strengthen unions or to weaken management in the private health-care field.

It was the intent of Congress to detour the rising trend of strikes in the private health-care field by providing unions and managements with adequate legal options that would encourage the peaceful settlements of their disputes.

I can report to you that early returns indicate that the leaders of private health-care facilities and unions across the land are showing a strong determination to improve their relationships through the new law. And I can tell you that early returns indicate that they are succeeding.

As I said earlier, no one can accurately predict what Congress will do with the public-sector labor-management proposals that are now in the legislative hopper.

So it seems to me that the only option currently available is to do the very best job we can with the tools that are avaliable.

Because the problems are with us . . . they are serious . . . and they are not going to go away.

One option that is avaliable to public-sector negotiators is mediation—either through state mediation agencies, where they exist, or through our Federal Mediation and Conciliation Service.

I know that in the proposed agreement between your State and the State Employees Association of New Hampshire, there is an article that requires our agency to be notified when any new negotiations are scheduled, and to call for a mediator the moment an impasse is reached.

I welcome this recognition of the value of the mediation process, and of the talents of the 280 professional mediators who are members of our team.

The Federal Mediation and Conciliation service has not always been active in public sector disputes.

In fact, in years past, mediators were asked the logical question of why our agency, which was established under the Taft-Hartley Act, would render its services in an area of labor-management relations that is not covered by the same legislation.

The answer is that the pressures caused by the often long and violent recognition strikes of the mid-60's left federal mediators little choice but to try to help when they could.

As recently as 1965, there were a few public-sector laws and even fewer mediators available to the warring parties. If you recall the terrible experiences in Memphis and other communities at the time, I think you'll agree that "warring" is not too strong an adjective.

Knowing the limitations of its resources, the FMCS set up strict standards for mediator involvement.

First, a joint request from the parties was required.

Second, the agency would not participate if any other state mediation, fact-finding or arbitration services were available.

Third, we would make ourselves available for a limited period of time, because of budgetary limitation and private-sector priorities.

Even with these restrictions, troubled parties would come to the FMCS, and the agency gained a "last-best-hope" image in severe disputes.

From 1969 until 1973, when I served as Assistant Secretary of Labor, I was asked to serve as a peacemaker in several significant disputes in both the private and public sectors—among them, the Philadelphia teachers' strike.

Upon becoming director of the FMCS, I was determined—budgetary limitations or not—that the agency would provide greater assistance to public-sector disputes.

I made this decision because I could see that the most explosive, the most destructive, the most divisive strikes in the nation were those in the public sector.

Consequently, one of my first actions as director was to lower the agency's restrictive criteria for involvement.

Our mediators will now enter any dispute in the public sector as long as the parties will have us—and as long as no State or local mediation services are involved or available.

In addition, we have organized an office of technical services to make fact-finding available to the parties . . . to assist in the creation or strengthening of State mediation agencies and to provide training for their personnel . . . and to make available educational assistance that the parties might find useful in their labor relations programs.

A few months ago we appointed in each of our seven regions an outstanding mediator to coordinate our activities in Federal and public-sector bargaining. And our staff of five national troubleshooters who work out of Washington are now assigned to major disputes in the public as well as the private sector.

Congress, by the way, has shown that it shares our concern for making the peace in the public sector by allowing us to add a small number of professionals to our staff.

My message to you is this—we do care, and we are ready, willing and able to help in every way possible.

We care because we know that the development of mature, responsible and reasonable collective bargaining practices is one of the greatest contributions that can be made to all Americans.

INNOVATIVE IDEA CONSERVES ENERGY, CUTS FEDERAL COSTS

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. McFALL. Mr. Speaker, in this time of critical energy shortages, it is encouraging to note that innovative ideas are being offered by people from all walks of life on ways to conserve our vital resources.

One such idea has turned into a very practical operation which is saving thousands of gallons of petroleum as well as other fluids which are in short supply.

At the Defense Supply Agency's West Coast Defense Depot Tracy, commanded by Army Col. David D. McConaghy, unique system for reclaiming petroleum products has been introduced. Through the use of a portable filtration unit developed by employees of the Directorate of Industrial Plant Equipment on Rough and Ready Island in Stockton, oils, hydraulic fluids, and cleaning solvents are reclaimed, purified, and reused for as yet an undetermined number of times.

During the first year of use at the installation in my congressional district in California, a savings to the Federal Government of more than $16,000 is expected, as well as conserving a large amount of precious liquids which normally are used one time and then discarded.

I am calling this successful activity to the attention of the Federal Energy Administration and the Department of the Army—which purchases petroleum products for all components of the Government—in the hope that similar machines may be developed for a similar use elsewhere and that the recycling process can be used on a larger scale, perhaps by working with refineries. It is my understanding that motor oils can be refined, but an ample supply of the used oil must be available in order to make the process cost effective.

An excellent article in the January 14, 1975 issue of the Modesto Bee described the recycling process being used at Rough and Ready Island. Because of the widespread interest in energy conservation, I would like to insert the Bee article at this time. It follows:

[From the Modesto (Calif.) Bee,
Jan. 14, 1975]

In Goes the Bad Oil, Out Comes the Good

Stockton.—While many have been talking about oil problems in this country, the people at Tracy Defense Depot's Rough and Ready Island have done something about it.

They have come up with a portable filtration unit that cleans oils, hydraulic fluids and cleaning solvents used in machine tool repair operations.

Albert Tennant, who heads the depot's industrial equipment directorate on Rough and Ready Island, west of here, said the unit is expected to save more than $16,000 during the first year of use.

The unit can recycle 200 gallons of oil an hour and will be used to reclaim 14,850 gallons of oil or 80 percent of the total used at the plant, 5,325 gallons of hydraulic fluid or 90 percent of what is used, and 8,250 gallons of cleaning solvent, about 70 percent of what is used.

Tennant said the idea for the unit first came up about two years ago in connection with saving money. Although only depot personnel were involved in the program initially, outside people such as officials of companies which make filtering devices and engineers from local petroleum firms eventually were asked for their thoughts.

The result is a portable unit on wheels which removes the oil from a machine oil reservoir, sends it through a filter and then puts it back through a maze of filters into 55-gallon drums for future re-use.

The unit is not the answer-all to current petroleum needs. It cannot, for instance, recycle oil from internal-combustion engines because it contains too much acidity. But Tennant said there are commercial firms capable of such work and he proposes that the local military as well as others might someday turn to such companies to handle the recycling of oil from combustion engines.

One advantage of the filtering unit being used in the directorate's operation is its portability. Mounted on a small trailer pulled by a tractor, the unit is easily moved from one large piece of machinery to another inside the 20,000 square foot building where it is located.

Tennant said the unit, the first of its kind developed within the Department of Defense, already has drawn the interest of Washington officials. Some large industries in the East have similar units in operation, he said.

AMBASSADOR CALLS DIEGO GARCIA A DIPLOMATIC BLUNDER

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. LEGGETT. Mr. Speaker, last year we had something of a struggle over the question of whether to develop the Indian Ocean island of Diego Garcia into a refueling base for our combat and logistics ships and aircraft.

Some of us said that there was no need to establish a naval presence in the area, that the Soviet threat was miniscule, that the Navy was simply trying to create a mission for itself, and that the nations surrounding the Indian Ocean would take a dim view of our creating a potential war zone in their backyards.

Others said that the Soviet presence in the area was essential, and that the nations surrounding the Indian Ocean would welcome our protective presence.

Recently, the last point of contention was resolved in favor of those of us who oppose development of Diego Garcia. Daniel Moynihan, who was our Ambassador to India during that period, is resigning. Now that he is free to speak his mind, he has told the press that the American move was deeply offensive to the Indian Government and has created "a large, generalized suspicion of American intentions" which still remains.

At this point, therefore, our Diego Garcia efforts have gained us a net minus, and the offsetting pluses are not in sight.

I insert in the RECORD a news report of Ambassador Moynihan's statement as reported in the Washington Star-News of January 7, 1975:

INDIAN OCEAN MOVE—MOYNIHAN HITS U.S. BASE POLICY

NEW DELHI.—Outgoing U.S. Ambassador Daniel Patrick Moynihan has accused Washington of touching off a wave of anti-Americanism by its handling of a decision to build a refueling base in the Indian Ocean.

"Never in the annals of history has the United States offended so many, so much and over so little," he said in an interview yesterday.

Moynihan said the United States was "pretty clumsy" in its handling of a decision to turn a communications outpost on the atoll of Diego Garcia into a refueling base for American ships.

"I have been appalled by the way we've gone about it and so has the United States Congress been appalled," he said.

He added, however, that his final talks with Prime Minister Indira Gandhi left him more optimistic about the future of U.S.-Indian relations than he has been in weeks.

He said Washington decided to proceed with plans for the refueling post despite a U.N. resolution declaring the Indian Ocean a "zone of peace."

He said the move touched off a heavy flow of cables from countries bordering on the Indian Ocean. "At one period we had cables on this issue going back and forth between 42 capitals," he said.

"But we made no effort to explain why we wanted to be there or what our needs were," he said. "We made no effort to win acquiescence—not to say that we could have won it."

He said congressional opposition has forced President Ford—in order to gain an $18.1 million appropriation for the move—"to tell the whole world that flyspeck called Diego Garcia is necessary to the security of America."

Moynihan, who flies to Hong Kong today, is scheduled to make a brief trip to China before returning to Harvard University after two years as ambassador. He will be succeeded next month by former Atty. Gen. William B. Saxbe.

The ambassador said he agreed during his last meeting with Mrs. Gandhi "about a succession of things and disagreed about other things—but the agreeing was predominant."

"But there is still a large, generalized suspicion of American intentions here," he said. "There is a free floating anxiety which settles on this or on that issue."

Meanwhile, the New York Times reported that Indian and U.S officials are seeking to resolve an abrupt deadlock over the delicate issue of American food shipments here.

Secretary of State Henry A. Kissinger was meeting Triloki Nath Kaul, India's ambassador to the United States today in an attempt to resolve the differences.

The main snag is that the agreement would include a "no export" clause, meaning that India is obligated to guarantee that she will not resell or send the food to other countries. American officials say that India has made similar agreements with Canada and Australia.

But India is reluctant to agree to this condition with the United States largely because it implies American leverage over the decisions made by Mrs. Gandhi's government. The situation is complicated by the fact that India owes the Soviet Union 2 million tons of wheat, that was sent here last year and is set to be repaid starting in 1976.

UKRAINIAN INDEPENDENCE DAY STATEMENT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. CRANE. Mr. Speaker, during the current era of "détente" many Americans and others in the Western World tend not to think about the grim reality of life under communism.

While many claim that communism has "changed," the unfortunate fact is that men and women who live under Communist regimes still do not possess the elementary freedoms of religion, of speech, and of emigration. As long as such symbols of repression as the Berlin Wall continue to stand, it remains clear to all who will open their eyes that communism remains a force for human degradation and enslavement.

In addition, in an era when the world has rejected the concept of colonialism, that one nation has a right to dominate the life of another, it remains a continuing and unfortunate fact of life that the Soviet Union's colonial empire remains unchanged.

Men and women of many nationalities—Latvians, Lithuanians, Estonians, Georgians—have had their national identities destroyed, their languages virtually eliminated, and their traditional ways of life all but eradicated. Despite the efforts of the Communist leadership to Russify all of the peoples of the Soviet Union, however, the ethnic identities and the religious faith of tens of millions of the colonized peoples remain firm and strong. In this sense, communism has failed.

In none of the colonized nations has it failed more dramatically than in the Ukraine. There, despite every totalitarian effort to destroy the Ukrainian culture, language, and religious faith, all three remain very much alive.

On this occasion of the 57th anniversary of the independence of the Ukraine I wish to join my voice to those many others throughout the world who are making it clear that the valiant people of the Ukraine have not been forgotten. We are aware of their desperate effort to keep their culture and civilization alive and we share their faith that the Ukraine will one day be free and independent again.

On this date in 1918, the Ukrainian nation declared its independence and founded the Ukrainian National Republic. This Republic was destroyed in 1920 by armed conquest on the part of the Communist leadership of the Soviet Union. Today, the 48 million Ukrainian people constitutes the largest non-Russian nation under Moscow's domination, both within and outside the U.S.S.R.

There are some in the United States who now tell us that what occurs in the Soviet Union is none of our business. They tell us that we should do business with the Communist government and avert our eyes from the suffering of the unfortunate millions who have been deprived of basic human rights. They tell us that legitimate humane concern for the suffering of innocent men and women is somehow meddling in the internal affairs of a foreign country, even though that same country has signed the Universal Declaration of Human Rights, an international treaty, guaranteeing the very freedoms it deprives.

I will not avert my eyes from either the suffering of innocent people or the flagrant disregard of international law on the part of the Soviet leadership. Of what value are new arms treaties and other parts of the détente package if we do not enforce the international treaties to which the Soviet Union has already affixed its name? If the Soviet Union can sign agreements and violate them with impunity, détente becomes a mockery and a ratification for tyranny.

I hope that my colleagues in the Congress will not abandon the millions of men and women who live under the colonial regime instituted by the Soviet Union over such formerly independent and free nations as the Ukraine. How secure is the freedom of the American people if we ignore the violations of freedom and dignity on the part of other regimes? In my opinion, that freedom would not be secure at all, for just as nazism represented a barbarism whose end goal was the destruction of all free societies, so communism represents a similar threat.

For better or worse, men are their brothers' keepers. When any nation's freedom and independence is challenged and eliminated, the freedom and independence of all nations are in jeopardy.

I look forward to the time when the people of the Ukraine will once again be masters of their own house. It is toward that day that all of us must work for on the day when the Ukraine is independent and free, the security of all of us will be that much greater.

WORKERS IN PERIL

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. OBEY. Mr. Speaker, today I am inserting in the RECORD the final article in a four-part series from the Washington Post entitled, "Workers in Peril." I am also inserting an article which appeared in the Post on Saturday, January 25, which dramatically illustrates the problems pointed out in the "Workers in Peril" series.

With shocking regularity we have discovered one industrial chemical after another in the last 12 months which appear to be causing an excess rate of cancer among those workers who are exposed. Last week yet another potential carcinogen was revealed. Chloroprene, a colorless liquid which has been linked with excess rates of lung and skin cancer, is now being studied by officials of the E. I. du Pont de Nemours Corp. and the National Institute for Occupational Safety and Health.

This comes at a time when the Office of Management and Budget, in direct defiance of the new budget act, is unlawfully impounding $4 million in funds for research on chemical hazards and NIOSH continues to suffer from administrative restraints which prevent the agency from hiring adequate staff to research hazards such as chloroprene.

The articles follow:

CHLOROPRENE LINKED TO CANCER

(By Douglas Watson)

Several American scientists soon will visit the Soviet Union to learn more about two Russian studies that report higher lung and skin cancer rates among people exposed to chloroprene, a colorless liquid chemical used in the production of synthetic rubber.

Officials of the National Institute for Occupation Safety and Health (NIOSH) and E. I. du Pont de Nemours and Co., which operates three chloroprene plants in this country, say they are very concerned about the possible implications of the Soviet studies for an estimated 2,500 Americans who work with chloroprene.

Du Pont in recent weeks has tightened procedures to limit plant exposure to chloroprene which it produces in large quantities for chemical processes and marketing under the trade name of Neoprene. It has alerted its customers to the possibility of "escaping chloroprene."

Neoprene is used in making hoses, cable sheaths, adhesives, fabrics and other goods where the chemical's high resistance to weathering and oil is valued.

Du Pont executives said the chemical corportion also has notified its chloroprene workers about the Russian medical studies and plans soon to send three company representatives to Soviet Armenia, where there is a chloroprene plant and where the Russian studies were done.

According to NIOSH, one Russian study of 19,979 people between 1956 and 1970 found that the incidence of lung cancer was at least 2½ times greater for chloroprene workers than those in many other jobs.

The second Russian study looked at 24,989 people over the same 15-year period and found that the incidence of skin cancer was at least 4½ times greater for chloroprene workers than for those not exposed to the chemical.

The study also found that those working with chloroprene derivatives had a skin cancer rate that was higher than average but still little more than half that of persons who had worked for long periods in chloroprene production.

Federal and Du Pont officials emphasized that they know of no deaths or higher cancer rates among American chloroprene workers. But they acknowledge that long-term mortality studies to detect any pattern of chloroprene-caused disease in this country have not been done.

Dr. Joseph Wagoner, NIOSH's director of field studies and clinical investigation, said his agency is "deeply concerned" that chloroprene-caused cancers may have gone undetected in this country and has begun investigating the health of chloroprene workers.

Du Pont produces chloroprene at plants in Louisvlile, Ky., Laplace, La., and Houston. Another Du Pont chloroprene plant—in Montague, Mich.—closed in 1972.

NIOSH said that in recent years up to 385 million pounds of chloroprene have been manufactured annually, with production involving an estimated 2,500 workers now and an unknown number of former chloroprene workers.

"It takes maybe 10, 15 or 20 years for these things (diseases) to show up" in individuals, said Dr. John A. Zapp, director of Du Pont's Haskell Laboratory in Delaware, which in December first reported its concern to NIOSH, the research agency for the Occupational Safety and Health Administration (OSHA).

Du Pont began taking a closer look at chloroprene last year after workers at another plant were found to have died of angiosarcoma, a rare liver cancer, as a result of industrial exposure to vinyl chloride, a gas used in manufacturing vinyls and plastics.

Chloroprene is a member of the vinyl chloride chemical family, Wagoner said.

Zapp said that Du Pont began studying the medical literature on chloroprene and came across the Russian studies this fall. Zapp said Du Pont's concern "is more theoretical than anything else" because its own statistics indicate no unusual incidence of cancer among the company's chloroprene workers.

NIOSH's report says, "Humans exposed to chloroprene have been reported to develop dermatitis, conjunctivitis, corneal necrosis, anemia, temporary loss of hair, nervousness and irritability."

Lyle Cressey, manager of Du Pont's Louisville plant where 500 people work with chloroprene, said, however, the only effect of the chemical noticed there is that a few workers have developed skin rashes.

Chloroprene is listed at 412th on NIOSH's priority list for developing toxic substance standards. Asked why there haven't been any American studies of chloroprene's effects, a NIOSH official said, "There are just so many chemicals to look at that it's been impossible to cover the whole territory."

"A LONG WAY TO GO," MARYLAND OFFICIAL SAYS

(By Douglas Watson)

Harvey A. Epstein, Maryland's commissioner of labor and industry, said that when it comes to occupational health, "I guess it's a fair statement to say we are not moving fast enough. We've got a long way to go before we can assure each worker a safe and healthy workplace."

Indeed, a May 1974 federal evaluation found uninformed inspectors, long delays in enforcement action and general laxness in Maryland's occupational safety and health program.

Maryland is one of 26 states which have assumed responsibility for enforcing the Occupational Safety and Health Act that Congress enacted in 1970 to assure that the nation's work places meet minimum safety and health standards.

The four-year-old federal law, hailed as landmark legislation, is forcing private employers and state governments to pay more attention to safety and health on the job. However, government officials are quick to acknowledge that the law's objectives are far from being fully realized.

As the law has begun to have impact, many businessmen around the nation have complained that they are being harassed by unreasonable standards and overly complicated regulations. Attempts have been made in Congress to weaken the law and the two federal agencies the law established and charged with the primary responsibility for occupational safety and health.

The Labor Department's Occupational Safety and Health Administration (OSHA) and HEW's National Institute of Occupational Safety and Health (NIOSH) got off to a slow start in promulgating health standards, but began picking up momentum in the past year.

The federal agencies are at the same time being attacked by businessmen fighting stricter standards and criticized by others for doing too little, too late.

The 1970 federal law encounters the 50 states to assume responsibility for overseeing occupational safety and health as long as their programs are "at least as effective as" the federal agencies. Maryland and 25 other states have done so.

In addition to other findings, the OSHA report found that when Maryland's Division of Labor and Industry did impose fines against companies, they averaged only $229 for a serious first violation, compared with an average $615 imposed by OSHA.

The report said that, even so, most of the fines were withdrawn. "During the period evaluated, 91 per cent of these contested citations were resolved in informal conferences by dropping the citation or reducing the penalty. Employees may be, and usually are, excluded from such conferences and documentation of conference proceedings is negligible," it said.

Epstein said that much progress has been made since the federal survey was done last winter.

"We've purchased equipment. We've trained people. We've enlarged our staff. We're making an honest effort," said Epstein. He said the state has reduced its response time from an average 38 days to 14 days and ended its previous policy of not considering imposing fines for lesser violations.

However, Dr. Allan S. Moodie, who works under Epstein as chief of the state division of labor and industry's occupational health program, said: "At the moment we are barely able to deal with complaints. We're just putting out fires. It's sort of an emergency service. We're not really doing planned, systematic inspections," Dr. Moodie said.

Dr. Moodie resigned recently, expressing frustration about having a lot more responsibility than actual authority.

Bethlehem Steel Corp., Maryland's largest private employer with 22,000 workers at Sparrows Point near Baltimore has not had to pay any fines to either Maryland or OSHA during the past two years, although state inspectors issued about four citations for serious safety or health violations and about 26 citations for lesser violations in six visits there.

Over the same period inspectors from OSHA's Baltimore office visited parts of Sparrows Point about 18 times, but imposed no fines, they said.

Epstein, a former state legislator, became Maryland's commissioner of labor and industry in June 1972. Charles A. Della, the assistant commissioner, is a former president of the state AFL-CIO and Sparrows Point machinist.

Over the years relationships between state officials and business executives have been informal in the health and safety field.

In 1966 when a state health official received a report that a Sparrows Point worker "had elevated blood leads maybe as high as .08 milligrams"—which NIOSH says is an unacceptable level posing the risk of lead poisoning—the state official discussed the matter by telephone with a Bethlehem Steel executive.

Then, the state official noted in an office memorandum that an inspection "would involve us and our records" in a dispute. He decided to rely on the possibility of a report from the Bethlehem Steel executive, writing, "We will not visit the area until the case is settled and then on a routine tour."

In 1969 another state health official rejected a union representative's request that an unannounced inspection of Sparrows Point be made by the state.

"Even the President of the United States could not get past the plant guards without a pass," the state health official said, adding: "Because of the vast number of buildings occupying an area of perhaps five miles square, one could get lost in this huge complex and not be found for five years. It is therefore essential to have a guide."

The state official added that "Bethlehem Steel Co. is one of the pitifully few companies in the state which have not only topnotch "fully staffed medical and safety programs, but is the only plant in the state which has a competent industrial hygienist on the premises."

The memorandum concluded that: "After all the internal avenues of redress have been exhausted, then the union is free to call upon outside agencies."

In 1972 a third state health official wrote in an office memorandum, "An anonymous caller, who identified himself only as an employee of Bethlehem Shipbuilding Co., complained of fumes from the sulfuric acid recycling plant at Bethlehem Steel Corp. adjacent to the shipyard."

The memo continued, "when the wind is right, these fumes are blown over the shipyard causing acute respiratory distress and burn the skin of the workers. Effect is reportedly so severe that the men 'run for cover.' It was suggested that the union handle the complaint via established grievance procedure. The caller will not do this since he claims that his name will be used and an excuse found to fire him."

The state health official concluded by noting that he had been reassured by a Bethlehem Steel executive that within two months the offending plant would be phased out of operation.

The 1970 Occupational Safety and Health Act, which aims "to assure so far as possible every working man and woman in the nation safe and healthful working conditions," created OSHA to promulgate and enforce national safety and health standards and established NIOSH to do research and make recommendations on standards to OSHA.

Under the law OSHA conducts its own work-site inspections in states that have not assumed responsibility for administering the law and oversees states such as Maryland that have qualified to run their own enforcement programs. The 1970 law covers federal employees and all nongovernment workers except those subject to other federal legislation—a total of 60 million workers.

Federal and state inspectors generally are banned by the law from announcing their industrial inspections in advance. Employers who are found in violation can be fined up to $1,000 for each serious violation and up to $10,000 for willful or repeated violations.

During fiscal 1974 OSHA conducted 77,074 inspections, with nearly half of the inspections resulting in proposed penalties totaling $6.5 million, an average of $182 in proposed penalties per establishment penalized. Employers may appeal proposed citations and penalties, but only 5 per cent do.

In its first full year of operation, fiscal 1972, OSHA had a $33.8 million budget and 514 inspectors. During fiscal 1974 OSHA had a $70.4 million budget and 920 inspectors. This fiscal year it has a $102 million budget and authorization for 1,261 inspectors.

When the 1970 federal law took effect, the number of occupational injuries and illnesses being reported tripled. The new law requires reporting of all cases involving medical treatment; formerly companies reported only those cases that prevented a worker from doing his regular job for one more day.

The concern many businessmen have about OSHA's regulatory role is reflected in magazines such as "national Safety News," which has been loaded with ads directed toward companies worried about complying with new federal safety and health standards.

"Got OSHA problems?" asks one. "Don't sweat it . . . Scott simplifies compliance," reads another. "Meeting the challenges of OSHA and the energy crisis," says another of the ads offering safety and health equipment. A number have falsely claimed to be "OSHA approved." Many consultants recently have sprung up to advise employers on meeting OSHA's standards.

One of those who has been critical of OSHA while continuing to support its general purpose is Frank R. Barnako, manager of safety and workmen's compensation for Bethlehem Steel and a member of OSHA's national advisory committee.

"OSHA needs to do more to review and decide the application of standards and to revise them in accordance with practicalities . . . The number of contests on citations proves that a great deal of work needs to be done to clarifiy and revise existing standards," Barnako told a House committee last May.

Assistant Secretary of Labor John H. Stender, head of OSHA, responds to complaints by saying, as he did in a Nov. 14 speech, "For years we accepted workplace risk and danger as part of man's job, like Evel Knievel. And because we accepted risk and danger, we wound up with the inevitable consequence: a sordid record of statistics of death and disability."

Stender continued, "The tragedy of such a system that the victims themselves are innocent. They believe in America. They work to make our country a better place to live . . . In many cases, their willingness to work proved to be their mistake in life."

To those who contend that the federal standards are too costly, Stender has said, "We are deeply convinced that job safety and health improvements will more than pay for themselves by reducing lost time, equipment down-time and insurance and workmen's compensation premiums that now cost employers some $14 billion a year."

OSHA has found it difficult to set standards quickly for a wide variety of potentially hazardous materials, there being 22 steps in OSHA's standards-drafting process.

OSHA has established new federal standards for exposure to vinyl chloride, asbestos and for a group of 14 carcinogens or cancer-producing substances, thereby acting on three of 24 standards NIOSH has recommended. OSHA is nearly ready to set standards for inorganic arsenic and noise.

It i working with NIOSH on a project to add more safeguards to present limits on industrial exposure to 400 toxic substances. However, NIOSH is aware of 18,000 toxic substances, of which 1,800 are carcinogens.

OSHA first focused on five of the most commonly found health hazards in industry: asbestos, carbon monoxide, cotton dust, lead and silica. It initially has placed heavy emphasis on five particularly hazardous industries: longshoring, meat packing, roofing and sheet metal work, lumbering and manufacturing of mobile homes and campers.

There are tensions between the Labor Department's OSHA, which must consider the practical problems of enforcing standards, and HEW's National Institute for Occupational Safety and Health (NIOSH), which by law must warn OSHA of medical risks regardless, and with businessmen's complaints, those tensions have risen.

Many in NIOSH are frustrated by budgetary limitations; in fiscal year 1974 it had 611 employees and a $31.2 million budget, though when the agency was founded there were plans to develop a staff of more than 1,100 and a $70 million budget. The Ford administration has agreed to only $2 million of a proposed $6 million increase in NIOSH's budget next year.

A national shortage of qualified industrial hygienists is slowing occupational health programs: most states are far from the federal government's recommended ratio of one industrial hygienist for every four industrial safety inspectors. Maryland has 170 safety inspectors to visit the state's 65,000 businesses, including 3,292 manufacturing plants, but only 11 industrial hygienists.

Their job is to take air samples and chemical measurements during plant inspections to be certain employees aren't being overexposed to toxic materials. The state has five authorized industrial hygienist jobs it hasn't been able to fill.

THE STATE OF THE UNION

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. MARTIN. Mr. Speaker, since President Ford's address to Congress and the Nation, some newspaper editors have not taken the time to get a clear picture of this country's economic troubles and the full ramifications of proposals that will be considered by the House and Senate.

I hope my colleagues will read the following editorials which appeared in the Charlotte News on January 16, 1975. I want to commend the editors of the Charlotte News for their understanding and clear thinking in dealing with the crucial—and interrelated—issues before us:

THE STATE OF THE UNION . . .

This country's people are resilient and courageous; they have not lost the ability to persevere in a good or necessary cause. What they have lacked in the energy and economic crisis of the past year is not will, but leadership. It was this that President Ford most needed to address with his state of the union messages. And it was this that he did address, credibly and effectively.

Leadership is both a matter of style and substance. President Ford's natural style is plainness, which served him well this week. His speeches were straightforward, his meaning clearly put in ordinary language. He spoke to the things on people's minds; jobs, inflation, taxes, energy. He explained his goals, and his plans for reaching them. The talks were low-key, informative and appropriate to the situation.

His substantive plan, discussed in more detail in the editorials below, is as plain as his style. It is composed mostly of such workaday, but reliable, devices as tax cuts, import fees and tax credits. Such glamor as it contains—as in the commitment to synthetic fuel plants—was carefully understated. His predecessor sometimes sketched grand designs that were never built; Mr. Ford presented working drawings.

It is by no means certain that his plan is correct in every detail. There is quite a large area of uncertainty and disagreement among the experts, because the problems to be solved are unique in American experience. Anybody's plan must necessarily involve trial and error, and must contemplate timely adjustment in response to the unpredictable actions of the rest of the world. Thus the President offered not a final answer, but a workable proposal for starting to rebuild the American economy in a world that has changed fundamentally. Overall, it was an encouraging piece of work on his part.

HARD CHOICES ON ENERGY

The heart of the energy issue is this: the world has been changed fundamentally by the four-fold increase in oil prices and the use of oil as a political weapon. Societies, like ours, that were built on the assumption of unlimited supplies of cheap oil must change markedly, or face ruin. It is this unpleasant truth that energy policy must recognize.

President Ford's new policy does seem to recognize it. There are some measures to reduce oil imports, environmental compromises to provide immediate energy alternatives and long-term proposals to make the nation and its allies less dependent on oil and less wasteful of energy in all forms. It is a policy to change the size and nature of the nation's energy diet.

It is not going to be a pleasant policy to live with. The taxes proposed to drive down use of oil and gasoline will work through higher prices to the consumer. They are designed to make it more painful to drive, to use boats, to keep houses toasty and to do the other things Americans enjoyed doing before the oil revolution. They are designed to force changes in the way Americans live. All the talk about a nicer, easier way to do it—through rationing, or this scheme or that—is as empty as claims that you can lose weight without eating less, or claims that you can cure alcoholism without cutting down on alcohol.

To be sure there are questions that should be asked. The President's decision to forego a direct gasoline tax in favor of a general levy on oil has one advantage: the levy can be imposed on imported oil immediately without approval of Congress. That has some symbolic value here and abroad. But for the long term, there are good reasons to favor placing more of the burden on gasoline and less of it on the oil products that heat the nation's homes and run its factories and transportation system. Similarly, while it is apparent that some environmental compromises must be made if the nation is to simultaneously end recession and dependence on foreign oil, not all the ones proposed by Mr. Ford are equally desirable.

These questions ought to be asked. But it must always be kept in mind that the nation is dealing with fundamental matters. It is idle to suppose that a society can be remade without inconvenience and pain. Of course, not having an effective energy policy is also painful. It is part of the reason for high prices and deepening recession. It is a principal reason for the chaos in the world financial structure. Unless this country does adapt to the new energy world, however painful the adaptation may be, worse things than 65-cent gasoline will come to pass.

THE ECONOMY: HALF SPEED AHEAD

In the past five months President Ford has done a complete turnabout on economic policy. But it ought also to be remembered that the economy has been doing some impressive flips of its own during the past year. Given the unprecedented nature of those changes, President Ford outlined what appears to be a reasonable and coherent plan of action.

The plan, which includes a stimulative tax rebate now and some long-range economic boosters later on, has the immediate advantage of political acceptability. It is something the Democratic Congress can live with. Of course, the exact size and distribution of the tax rebate will undoubtedly undergo change in Congress. But that is less important than that the measure be passed soon, since almost everyone is agreed that the economy needs some short-term stimulation, and needs it fast.

The theory behind the Ford plan is that the anti-inflationary policies of the Nixon administration went too far. The economy of the 1960s, like a speeding train, had to be slowed down. But in the process of applying the brakes the train came to an untimely halt and millions of workers were thrown off. Now President Ford is faced with the task of picking up speed again to take those workers back on board. But he must avoid opening the throttle too wide and returning to the reckless speeds of old. It is a chancy business, one not even the most sophisticated economists are willing to predict. Yet Mr. Ford is wearing the engineer's cap, and so he must act.

As outlined in the State of the Union address, his plan tries to strike a balance between recession and inflation. As the first order of business it calls for a rebate on 1974 taxes. The hope is that Americans will buy more goods and services, thereby stimulating the economy and putting more people back to work.

But it will take more than a single shot in the arm to do the job. Businesses need more long-term stimulation than that. And consumers can hardly expect to get much mileage out of the initial tax rebate if the costs of gasoline and heating oil go up this year, as President Ford has proposed. That is why Mr. Ford made some other long-range proposals: to institute a separate tax cut on 1975 taxes that could be carried on indefinitely, and to grant special tax credits and cash grants to those who will be hardest hit by higher energy prices. Coupled with some proposed tax benefits for businesses, these measures should give the economy the kind of long-term psychological push it needs.

That way is not without its dangers, of course. The federal deficit will become even more bloated, and inflation will be further fueled. But the Ford proposals do not ignore these realities. The President addressed very forcefully the matter of federal spending. He reminded the Congress that both it and the executive branch have been indulgent in the past. He pointed out that skyrocketing federal programs such as Social Security and veterans' benefits are some of the main contributors to inflation. They must be grappled with if national economic policy is to have any meaning.

The question now is whether Congress has the will not only to pass the tax cuts, which are popular, but also to prescribe some harsher medicine on federal spending and energy, which is not. For in the long run it does little good to put unemployed Americans back to work if their paychecks are immediately eaten up by rampant inflation. The Ford plan takes acount of that. Now it is the job of Congress to help make it work.

THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. GOODLING. Mr. Speaker, for the benefit of my constituents I would like to submit the following brief guide to the Employee Retirement Income Security Act of 1974. Hopefully this information will be of assistance to the many people who have inquired about the new law.

The article follows:

Guide to the Employee Retirement Income Security Act of 1974

HIGHLIGHTS

The new law establishes:

Procedures for qualifying and registering plans with the Departments of Treasury and Labor.

Stringent standards for plan fiduciaries, including a broad definition of fiduciary and detailed prohibited transactions.

Reporting requirements regarding conditions and operations of all employee benefit funds (pension, welfare, etc.) to both the Departments of Treasury and Labor.

Requirements regarding disclosure to plan participants of plan contents, participants' rights and procedures.

Minimum participation (eligibility), vesting, and funding standards.

A system of insurance of nonforfeitable (vested) benefits, and contingent employer liability to the insurance corporation in event of plan termination.

A role for the Department of Labor, the new pension insurance corporation, and participants in the qualifying and registration procedures.

Regulatory authority in the Departments of Treasury and Labor with obligation to coordinate regulations and reporting.

Coverage of all employee benefit plans which seek tax qualification or which are subject to jurisdiction under the Commerce Clause.

Means by which individuals not covered by a retirement plan may set up their own plans and obtain preferential tax treatment.

New limits on deductibility of contribution to retirement plans.

Excise penalties and equitable remedies as additional methods to enforce prohibited transaction rules and the minimum eligibility, vesting and funding requirements of the labor and revenue codes.

Effective dates related to the specific titles and provisions of the Act.

COVERAGE

Excluded from the plenary coverage of the Act are:

(1) governmental plans;

(2) certain church plans;

(3) non-U.S. plans primarily for aliens;

(4) workmen's compensation and unemployment compensation plans.

(5) unfunded plans which provide benefits in excess of the Internal Revenue Code limitations on contributions and benefits.

Excluded from all but the reporting and disclosure requirements are:

(6) unfunded plans maintained by the employer primarily to provide deferred compensation for select management or highly compensated employees.

Excluded from the participation, vesting, funding and plan termination insurance requirements are:

(7) plans established by labor organizations (under Sec. 501(c)(5) of the Internal Revenue Code) which do not provide for employer contributions, and

(8) plans established by fraternal or other organizations (under Sec. 501(c)(8), (9); (18)) which do not provide for employer contributions.

Specifically excluded from the funding standards are:

(9) profit-sharing, stock bonus, and other individual account plans (except for money purchase plans), and

(10 certain qualified level premium individual insurance contract plans, and

(11) plans that have not after the date of enactment provided for employer contributions.

Also excluded from coverage under plan termination insurance are:

(12) individual account plans (e.g.: profit-sharing stock bonus, and money purchase pension plans), and

(13) plans that have not after the date of enactment provided for employer contributions, and

(14) plans established by professional service employers and which have fewer than 26 active participants, and

(15) plans established exclusively for "substantial owners".

ADMINISTRATION AND PROCEDURE

Jurisdiction regarding registration of plans (other than welfare plans) is generally shared by the Internal Revenue Service (through the new Office of Employee Plans and Exempt Organizations) with the Department of Labor.

The plan which seeks qualification for tax benefit purposes first files with the IRS information regarding the funding, vesting and participation standards of the plan and notifies the plan participants of such action.

In the period prior to qualification, upon petition by a group of participants, the Secretary of Labor may intervene with the IRS in behalf of the participants regarding the vesting, funding or participation provisions of the proposed plan. In addition, the employer, the employees, the Labor Secretary, or the Pension Benefit Guaranty Corporation may petition the U.S. Tax Court to obtain a declaratory judgment in regard to a plan qualification.

If the IRS finds a plan qualified, it is to certify this fact to the Department of Labor, which must accept this certification as conclusive evidence of initial compliance with participation, vesting, and funding standards.

When a plan does not seek IRS qualification for tax purposes, the Secretary of Labor can through the Federal courts require compliance with the participation, vesting and funding standards of the bill.

Plans which are qualified under the tax law are to be audited by the I.R.S. Generally, the Department of Labor is to limit its involvement to matters dealing with individual benefits.

The Act gives authority to the Secretary of the Treasury to write regulations on participation, vesting, and funding except that the Secretary of Labor is directed to prescribe regulations in a few select areas. The two departments are to coordinate their activities and any regulations prescribed by one department are to be binding on the other.

DISCLOSURE TO PARTICIPANTS

The administrator of a pension or welfare plan is responsible for providing to participants and beneficiaries:

(1) a "summary plan description" (written in a manner calculated to be understood by the average plan participant) within 120 days after the effective date (or 90 days after an individual becomes a participant); and

(2) an undated summary plan description every 5th year, unless there have been no amendments, in which case every tenth year; and

(3) a summary description of any material modification of the plan within 210 days after the end of such plan year; and

(4) a copy of the statement of assets, liabilities, receipts, disbursements and other material necessary to fairly summarize the "annual report" within 210 days after the end of each plan year; and

(5) upon written request and within 30 days, a copy of the plan description, annual report, bargaining agreement, trust instrument, or other plan documents for which a reasonable charge may be made; and

(6) the information in (5) in the principal office of the administrator and certain other places; and

(7) upon written request (but not more than once every year) and within 30 days, a statement of total pension benefits accrued and the time and amount of vesting; and

(8) a statement as to a terminated vested participant's benefits and rights within a prescribed period after the end of the plan year in which such participant terminated.

REPORTING

The administrator of a pension or welfare plan is to file with the Secretary of Labor:

(1) an annual report within 210 days after the end of the plan year which is to contain an audited financial statement, a certified actuarial report and other scheduled financial items on forms the Secretary may require (E.G., a balance sheet and income statement, party-in-interest transactions, transactions exceeding 3% of the plan's assets, loans and leases in default, etc.); and

(2) a plan description within 120 days after the later of the plan's adoption or the effective date of the Act, and an updated summary at least every 5 years; and

(3) a summary plan description at the time furnished to participants; and

(4) a description of modifications and changes in the plan within 60 days after such change.

The administrator of a plan other than a welfare plan is to file with the Secretary of Treasury:

(1) an annual registration statement within a time prescribed by the Secretary and is to contain information on the names and Social Security numbers of terminated participants with deferred vested benefits; and

(2) a notice of a change in status of a plan (e.g.: merger, termination, change in names etc.), and

(3) an annual return containing such financial and other information as the Secretary may prescribe and to be filed within a period prescribed by the Secretary, and

(4) an actuarial statement of valuation before 30 days prior to a merger, consolidation, or transfer of a plan's assets or liabilities; and

(5) an actuarial report containing a statement of valuation, an actuarial opinion, and such other information as the Secretary may prescribe to be filed in a time and manner prescribed by him (at least one every 3 years).

The administrator of a plan covered under plan termination insurance is to file with the Pension Benefit Guaranty Corporation an annual report which includes a statement disclosing the occurrence of any "reportable event".

The Secretaries of Labor and Treasury and the Corporation are directed to coordinate the timing and content of the various reports required to be filed with each agency. Reports involving fewer than 100 participants would be simplified.

FIDUCIARY RESPONSIBILITY AND TRUST REQUIREMENT

All assets of an employee benefit plan are to be held in trust by one or more trustees subject to certain exceptions (e.g., insurance contracts). The Secretary of Labor may exempt welfare plans from this requirement.

In addition every plan must be maintained pursuant to a written instrument which provides for one or more "named Fiduciaries" who jointly and severally have authority to control and manage the operation of the plan.

An individual is subject to the fiduciary rules if the individual is a trustee, a "named fiduciary" a person to whom a "named fiduciary" delegates duties or if the individual—

Exercises any discretionary authority or control respecting management or disposition of a plan's assets, or

Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or

Has any discretionary authority or discretionary responsibility in the administration of such plan.

Fiduciaries are require to discharge their duties with respect to the fund solely in the interest of the participants and their beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

A fiduciary is specifically required to diversify the investments (except in the case of employer securities purchased by profit-sharing, stock bonus, or thrift and savings plans) so as to minimize the risk of large losses unless under the circumstances it is prudent not to do so.

A fiduciary (and a "disqualified person" under the Internal Revenue Code) is specifically prohibited from letting the following transactions occur in regard to a plan:

Dealing with the plan's assets for his own account.

Acting in any plan transaction on behalf of a party adverse to the interests of the plan or participant.

Receiving personal consideration from any party dealing with the plan in connection with a plan transaction.

Transferring property to any party-in-interest.

Permitting the acquisition of property from any party-in-interest.

Extending or receiving credit from a party-in-interest.

Furnishing of goods, services, or facilities by a party-in-interest.

Acquisition of employer securities exceeding the new limitations (generally 10% of the assets of the plan).

A fiduciary may, however, engage in certain otherwise prohibited transactions; he may, e.g., receive benefits from the plan so long as the benefits are consistent with the terms of the plan, permit loans to participants if they generally benefit the plan, receive reasonable compensation for services rendered, etc. The list of exceptions to otherwise prohibited transactions can be expanded by agreement of the Secretaries of Labor and Treasury when to do so would (1) be administratively feasible, (2) be in the interest of the plan, and (3) protect the rights of participants and beneficiaries.

A fiduciary is personally liable to the plan for any breach of fiduciary duty while a disqualified person (who is generally a party-in-interest) is subject to an excise tax penalty.

Trustees may allocate their responsibilities and other fiduciaries may allocate or delegate their responsibilities; however, a fiduciary remains liable for the illegal acts of a co-fiduciary if he knowingly participates in or conceals such illegal acts.

Plans are protected against less by reason of fraud or dishonesty by requiring fiduciaries who handle funds to be bonded.

PARTICIPATION

An employee benefit plan (other than welfare plans) is not to require as a condition of participation an age greater than 25 or a period of service longer than 1 year (3 years for plans which provide for immediate 100% vesting) whichever is the later. Certain pension plans may exclude from participation employees who are within 5 years of normal retirement age. A "year of service" is defined as a 12-month period during which the employee has not less than 1,000 hours of employment.

VESTING—NONFORFEITABLE BENEFITS

Every employee benefit plan (other than a welfare plan) is to meet one of three minimum vesting rules.

1. Ten Year Service Rule—100% vesting after 10 years of service.

2. Graded 15-year Service Rule—25% vesting after 5 years of service; then 5% additional vesting for each year of service from year 6 through 10, then 10% additional vesting for each year of service from year 11 through year 15, so that an employee is 100% vested after 15 years of service.

3. Rule of 45—50% vesting after 5 years service or, if later, when age plus service equals 45, such percentage increasing by 10% each year until 100% is reached; additionally a participant under the Rule of 45 must be 50% vested after 10 years of covered service, such percentage increasing by 10% for each additional year of covered service, so that an employee is 50% vested after 10 years and 100% vested after 15 years regardless of his age.

A plan is permitted to change its vesting rule at any time if a provision is made that accrued vested benefits not be reduced for participants at the time of change. In addition, any participant with at least 5 years of service may elect to remain under the pre-amendment vesting schedule with respect to past and future benefit accruals.

A year of service for vesting purposes is defined as at least 1,000 hours of employment in a 12 month period. A participant is to accrue benefits for each year of participation (after the first year) in which at least 1,000 hours have been worked. A plan is required to meet one of three benefit accrual rules except that benefits for past services must be at least one-half of the minimum.

Once accrued benefits become vested, they cannot be reduced or forfeited on account of "bad boy" clauses or other conditions (with limited exceptions). A plan must provide for a "buy-back" permitting recapture of forfeited vested benefits (where vesting is less than 50%) if the plan provides for such forfeiture when the participant withdraws his own mandatory contributions.

Present rules regarding plans which coordinate with Social Security benefits are changed. The benefits of a terminated participant are to be calculated without taking into account increases in Social Security benefits after the date he terminates.

Another study (to be completed within 2 years) which could impact on vesting requires the Department of Labor to determine the feasibility of issuing regulations to insure that employees under Federal procurement and other contracts be protected against forfeiture of pension rights.

The Act requires that a plan pay all benefits (including deferred vested benefits) in a joint and survivor form at age 65 or, if earlier, the normal retirement age under the plan. A pre-retirement survivor option is also to be available to participants attaining early retirement age.

FUNDING

All covered pension plans must make annual minimum contributions equal to normal cost plus 30 year (for single employer plans) or 40 year (for multi-employer plans) amortization of unfunded accrued liabilities for all plan benefits. Plans may amortize liabilities existing on the effective date over 40 years. Experience gains and losses are to be amortized over no more than 15 years for single employer plans and 20 years for multi-employer plans. An alternative method for meeting the minimum funding standard is provided for certain plans using accelerated funding methods which lead to a high degree of benefit security for participants.

An enrolled actuary is to be retained by the plan administrator on behalf of the participants to evaluate the plan's funding status (at least every 3 years) and to offer his opinion as to whether the required figures represent his best estimate of anticipated experience under the plan.

The amortization period may be extended by the Secretary of Labor if certain conditions are met. The IRS may also grant a waiver, of the funding requirements on a year by year basis (up to 5 waivers in a 15 year period) if certain hardship conditions can be demonstrated. A failure to meet the minimum funding requirements may result in an excise tax being levied on the employer.

TERMINATION INSURANCE

There is established within the Department of Labor a Pension Benefit Guaranty Corporation, to consist of the Secretaries of Labor (Chairman), Treasury, and Commerce, The Corporation is to guarantee the payment of vested benefits (up to $750 a month) to participants of plans which terminate.

A 7-member Advisory Committee, appointed by the President, is established.

Annual premiums for the first 2 years are to be $1 per plan participant for single employer plans and 50¢ per plan participant for multi-employer plans. Plans may elect a second annual premium based on a percentage of unfunded insured benefits and total insured benefits, but such premium may not be less than 50¢ per participant for single and 25¢ per participant for multi-employer plans.

Later, the Corporation may revise the premium rates and create new rates based on (1) number of participants, or (2) unfunded insured benefits, or (3) total insured benefits. Such revisions must be approved by Congress.

The employer remains liable up to 30% of net worth for any unfunded insured vested benefits of a terminated plan. The Corporation is to establish contingent liability insurance covering this employer liability. Conditions of coverage are to be defined by the Corporation and include payment of the contingent liability premium for five years. Coverage may be elected from the date of enactment with premiums set and collected on a retroactive basis. The Corporation is to explore the possibility of providing contingent liability insurance through the insurance and banking industries.

Employer liability is to be payable over a period of time specified by the Corporation. A lien with the same effect as a tax lien is imposed at such time as the employer neglects or refuses to make payments on demand.

In the case of a voluntary termination, the "date of termination" agreed to by the employer and the Corporation is the date on which the plan's benefits and assets are valued, the employer's liability is established (but with the net worth of the employer determined up to 120 days before such date), and the lien is imposed. The benefits guaranteed on such date are the vested benefits under the plan up to the lesser of $9,000 per year or 100% of the high 5-year compensation.

Benefit increases within 5 years of a plan termination are insured 20% for each year they were in effect prior to termination.

The Corporation must also provide assistance to individuals with respect to evaluating the desirability of using various "portability provisions" (e.g. individual retirement accounts) under the Act.

INDIVIDUAL RETIREMENT ACCOUNTS

An employee whose employer doesn't have any qualified pension, profit-sharing, or similar plan is entitled to set up his own plan. Contributions up to the lesser of 15% of compensation of $1,500 may be contributed to an individual retirement account, annuity, or bond program and may be excluded from the employee's gross taxable income. Earnings on these accounts are to be tax free. Distributions from such accounts because of retirement after age 59½ or disability at any age are to be taxed as ordinary income. A 10% excise tax is levied on premature distributions.

The employee and the trustee (who must be a bank or other qualified person) must guard against the fund engaging in certain prohibited transactions. These plans may not purchase life insurance, but certain endowment type contracts to the extent of their non-life insurance elements are permissible investments.

CONTRIBUTIONS FOR THE SELF-EMPLOYED

The present contribution limits to self-employed (H.R. 10) plans is increased from $2,500 to $7,500 (or 15% of earned income if less).

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Pension, profit-sharing, 403(b) annuity, self-employed, and all other tax qualified plans are now subject to certain overall benefit and contribution restrictions. Generaly, a pension plan may not provide benefits greater than $75,000 per annum. Contributions on behalf of an individual to a profit-sharing or other defined contribution plan is limited to the lesser of $25,000 or 25% of compensation. All plans of the employer are combined for the purpose of testing the limitations. A lower limit equivalent to 140% of the limit under one plan is applicable when an individual is a member of both a defined benefit and defined contribution plan. The above dollar limitations are to be increased with the cost of living.

ENFORCEMENT

Criminal sanctions may be imposed on persons who willfully violate the reporting and disclosure provisions of the Act or who use coercive force to interfere with employee rights under the Act.

Violations of the funding standards and prohibited transaction rules may result in the imposition of excise tax penalties. A plan may also be disqualified if it does not meet certain other requirements of the Internal Revenue Code.

In addition to the above, the Secretary of Labor or any participant or beneficiary may bring a civil action to enjoin any act which violates any provision of Title I and to recover denied benefits. Dollar assessments and the removal of fiduciaries are but two examples of the types of penalties that may result from such civil actions.

EFFECTIVE DATES

Participation and Vesting:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Accrual of certain supplementary benefits may be deferred until expiration of contract but not later than 12/31/80.

Funding:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Collectively bargained plans, at expiration of contract but not later than 12/31/80.

Reporting and Disclosures: 1/1/75, but Labor Secretary to issue regulations immediately.

Fiduciary Standards: 1/1/75.

Termination Insurance:

Single employer plans—

Benefits to be paid for plans terminated after 6/30/74.

Employer liability and other provisions, on enactment.

Multi-employer plans 1/1/78, but Secretary may use discretionary authority to pay benefits before then.

Pre-emption of State Laws: 1/1/75.

Individual Retirement Accounts: 1/1/75.

Limitations on Benefits and Contributions: Plan years beginning 1/1/76.

THE REGULATORY AGENCIES AND INFLATION

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mrs. FENWICK. Mr. Speaker, we all know the consequences of the current 12-percent rate of inflation as we watch its relentless attack on our family budgets and savings. We can all agree that the rate of inflation must be slowed and that fairness must be exercised in whatever anti-inflation package we choose. But we disagree on the types of programs we need and on the merits of specific proposals. We also disagree about the causes of our present economic difficulties.

One cause which has drawn only lip service, is the inefficiency generated by the regulatory agencies. In a speech before the Financial Analysts Federation in Detroit on October 7, 1974, the Chairman of the Federal Trade Commission, Mr. Lewis Engman, quoted private estimates that regulation of transportation alone costs the consumer $16 billion a year and said:

> The fact of the matter is that most regulated industries have become federal protectorates, living in the cozy world of cost-plus, safely protected from the ugly spectors of competition, efficiency and innovation.

This is a harsh assessment, but we need this type of scrutiny if we are to get at the roots of our economic difficulties. The appropriate congressional committees should initiate oversight hearings on the regulatory agencies to identify and eliminate Federal rules and regulations which unjustifiably increase consumer costs.

I wish to share Mr. Engman's speech with my colleagues and insert it into the Record at this time:

Address of Lewis A. Engman

I imagine many of you followed with the same interest I did the summit and pre-summit economic conferences last month.

Probably you were not surprised at the fact that inflation—or perhaps, to put it more accurately, "stagflation"—was widely agreed to be the country's number one problem.

You should not have been surprised either that there was little agreement on how to deal with it. You get that many economists, businessmen and labor leaders together and you will be lucky if you can get them to agree on where to go to lunch.

Can you imagine acting as moderator for that group? I can think of less frustrating jobs. Like being the construction foreman on the Tower of Babel, for instance.

I don't want to be unfair to the summits. Although gatherings like that do not exactly produce an ideal decisionmaking environment, I believe it was worthwhile to get everyone's views out on the table. It also demonstrated that the present inflation is not a problem susceptible to a quick or easy "fix".

As for getting a consensus from that many independent minded people on a subject as complex as how to stop inflation, I suspect that anything resembling agreement would be most likely to be a sort of eclectic anthology of economic wisdom, and I'm not at all sure that is a good idea.

If we are going to make it up the long haul ahead of us, it is more assuredly not going to be in an economic policy vehicle that has John Kenneth Galbraith's engine block, Otto Eckstein's clutch, Dick Gerstenberg's drive shaft and Leonard Woodcock's transmission.

That kind of compromise approach reminds me of the husband and wife, one of whom wanted to paint the house red, and the other blue. Since neither would settle for the other's color, they mixed the two paints together and got purple, which was ugly but okay because neither one of them liked it.

In economic planning as in painting, the only thing to be said for that approach is that it is equitable.

Certainly there is no shortage of suggestions for how to deal with inflation.

On the front shelf is the traditional medicine, prescribed since time immemorial for the symptom of uppity prices: tight money and a balanced budget. There are those who doubt the effectiveness of this old cure in a cost-push world, but its proponents still outnumber its detractors.

In addition, there are some, myself among them, who also believe that inflation can be reduced by purging the economy of anti-competitive behavior. The FTC and the Justice Department's Antitrust Division are both looking with especial care for the types of trade restraints, collusion and unfair marketing practices which reduce competition and lead to higher prices for consumers.

Some have suggested that import duties and quotas be lifted to permit entry of more lower priced foreign goods.

Others cast their vote for the reimposition of controls or, at least, for some form of guidelines.

But the suggestion enjoying perhaps the greatest vogue at the moment is that inflation can be curbed by reducing the government's involvement in the economy; more specifically, by reducing its regulatory role.

It is not just the survival-of-the-fittest, every-man-for-himself freemarketeers who make this suggestion. It has the support of many people generally viewed as liberal and interventionist in their approach to the economy.

It has received the blessing of Ralph Nader.

And it is about to be endorsed by Lew Engman.

And here's the reason. Though most government regulation was enacted under the guise of protecting the consumer from abuse, much of today's regulatory machinery does little more than shelter producers from the normal competitive consequences of lassitude and inefficiency. In some cases, the world has changed reducing the original threat of abuse. In other cases, the regulatory machinery has simply become perverted. In still other cases, the machinery was a mistake from the start. In any case, the consumer, for whatever presumed abuse he is being spared, is paying plenty in the form of government-sanctioned price fixing.

Take the airline industry for instance. Under the Federal Aviation Act, the Civil Aeronautics Board controls the entry of new carriers to the market, controls the distribution of routes and has the power to disapprove or modify an airline's rate change proposal after hearing complaints from the so-called competition.

The result is that in the areas of rates and routes for all intents and purposes there is no competition at all. Competition, where it exists, is concentrated on the one unregulated aspect of airline activity, customer service. That is why the average airline commercial looks like an ad for a combination bawdy house and dinner theatre.

This may lead to some pleasing amenities. But it puts the customer in the position of captive buyer. Nobody asks him if he would rather have the money than the movie, or if he would like to brown bag it from New York to California instead of having the steamship round of beef au jus on the little plastic plate. He is just asked to pay up.

If you have any doubt that one consequence of the CAB's control over rates and routes is higher prices, you need only look at what happened some years ago in California when Pacific Southwest Airlines, an intrastate carrier not subject to CAB rate regulation or entry restrictions, entered the San Francisco/Los Angeles market with rates less than half those being charged by the interstate CAB certified carriers TWA, Western and United. What happened? After attempting to ignore PSA's lower fares, the CAB carriers were forced to cut their rates to meet the competition. Even today, to fly from L.A. to San Francisco it costs only about half as much on a per-mile basis as it costs to fly from Washington to New York.

Of course, it is true that a major airline will try to make a fat profit on a high volume run like Los Angeles/San Francisco because it knows it is going to lose a bundle flying between Black Rock and Where-am-I City which the CAB, with the full support of concerned and interested members of Congress, requires it to do.

Except in those instances where it encounters competition from a PSA, it will succeed in this little book balancing act, charging one customer to pay for the flight of another so the CAB can perpetuate a network of routes which no longer and perhaps never did conform to the pattern of demand.

Certainly, no interstate carrier need be excessively concerned about new competition. The CAB has not approved entry of a new trunk carrier to the market since 1938. And just last month, the CAB rejected an application by Laker Airways, a privately-owned British airline, to fly regularly scheduled New York/London flights for $125 each way. That price, by the way, is little more than one-third of the economy fare charged now by Pan Am, TWA, and the other members of the international rate-fixing cartel.

As if that were not enough, the CAB also has been moving in directions which would raise prices in the heretofore unregulated charter market. Recently, it approved discussions between scheduled and charter carriers in hopes that a mutually satisfactory rate-floor for charter flights could be agreed to. I hardly need add that any such floor would be higher than current rates.

I would find it hard to imagine a more obvious instance of prices being pushed up by regulation than the case of the airlines.

Unfortunately, I do not have to imagine such a case, for we have the Interstate Commerce Commission. That body, as you know, was created way back in 1887 supposedly to protect shippers against the monopolistic power of the railroads.

But by 1935, the nation had sprouted a network of highways, and the trucks which rolled over them were biting deeply into the market power of the railroads.

With the trucking field still wide open to new entrants, this might logically have been the time to dismantle the ICC. The railroad monopoly was broken, competition could take its course.

Did that happen? No sir. Instead of freeing the railroads from regulation, Congress, in the Motor Carrier Act of 1935, just cast the regulatory net wider to include the interstate truckers as well.

As a result, today we have a situation in which market entry by new trucking firms is restricted by the ICC at the same time that rates are being fixed by the carriers who are given antitrust immunity to do so. Though the ICC has authority to investigate rate findings by the carriers, according to testimony given before a House Committee two years ago, the Commission was doing so in less than one percent of the cases.

And what is the result? Well, when the Supreme Court held some time ago that fresh dressed poultry was an agricultural commodity under the ICC Act and thus not subject to regulation, the average rate for shipping it fell by 33 percent. It is gratifying to note that the party who got the short end of the 5–4 decision was a certificated carrier who was trying to stamp out the competition of an uncertificated carrier who had the temerity to haul chickens without a license.

I have given you just a couple of examples. But, when you take all of the industries subject to direct federal regulation—that's air, rail and truck transport, power generation, television, radio, the securities industry and others—it works out to a substantial fraction of the economy.

In fact, it is estimated that these regulated industries account for 10 percent of everything made and sold in this country. What makes them even more important from the point of view of inflation is that they tend to be industries whose prices show up as costs buried in the prices of hundreds of other products.

Take transportation for example. When you change the price of hauling freight, that change is going to show up in a lot of other products. Moreover, it will show up not just once but again and again. By the time you get a piece of meat from the pasture to the plate, it carries with it numerous transportation charges.

And these industries subject to direct regulation are only part of the story.

There are, in addition, the dozens and dozens of federal and state regulations, prohibitions, proscriptions and requirements all of which subvert competition in the name of a greater objective—though sometimes it is hard to see exactly what that greater objective is or on whose judgment its greatness rests. I refer to things such as:

State laws against advertising the prices of eyeglasses or prescription drugs;

The Jones Act forbidding foreign competition in the shipping business between U.S. ports;

The Federal Government's own "buy American" procurement preferences which can allow domestic producers to charge as much as 50 percent more than foreign sellers for some items. I should add that many states have similar preferences;

An agricultural price support program which asks the consumer to buy with his tax dollars what he does not want, cannot use and will never eat; and

An agricultural export subsidy program which asks the consumer to pay the farmer to sell his products to some foreign buyer at a price lower than that at which the consumer himself can get it.

The effect of some of this regulation may perhaps be seen in some recent events in California. This summer the California Milk Producers Association dumped 420,000 gallons of fresh skim milk into Los Angeles harbor. The dairy co-op said that it was necessary to dump the milk "because no market could be found for it."

At what price, I might ask. I suspect that more milk could be sold if it were not for the elaborate government programs designed to maintain higher than competitive prices on the producer, processor and on the retail levels.

I mention only a few. Former Council of Economic Advisers' member Hendrik Houthakker has campiled a list of 45 regulatory policies that contribute to inflation.

The list of noble goals advanced to support these regulatory subsidies is virtually without end. I'm as humane as the next guy. I am not criticizing these goals. A responsive government must take action to address the demands of the people.

But mischievous means are not justified by noble ends.

To me, the most distressing development is the pervasive and well-accepted dishonesty that pervades the government's approach to regulation.

The existing crazy quilt of anti-consumer subsidies embodied in the intrically woven fabric of federal and state statutes and regulations is pernicious because:

The subsidies are deliberately hidden from public view;

The government has irresponsibly lost track of the actual cost of these subsidies; and

In most, if not all, cases, we have adopted the least efficient form of subsidy with the purpose of hiding the subsidy from the public and obfuscating its true cost.

From time to time, proposals have been made to provide direct cash subsides in lieu of the patchwork of regulatory subsidies that now pervade our economy. Opponents rise indignantly to object that hard-working individuals and businesses don't want handouts. Well, a rose by any other name . . .

Our airlines, our truckers, our railroads, our electronic media, and countless others are on the dole. We get irate about welfare fraud. But, our complex systems of hidden regulatory subsidies make welfare fraud look like petty larceny.

I have no way of knowing what the numerous regulatory measures cost the consumer each year. I have seen private estimates indicating that the annual costs in the transportation area alone may exceed $16 billion.

I invite students of this kind of thing to come up with their own figures. Whatever they are, I think we can all agree on this: the costs are too high.

There are free market purists who are reveling in the growing dischantment with heavy-handed regulation. They have contended all along that the market was the fairest and most rational allocator of resources; that you could no more improve its performance by regulation than you could improve the performance of a fine watch by poking around in its works with a paperclip.

It seems to me that these arguments—taken to the extreme—are both naive and destined to be ignored. They are naive because they stress only the virtues of the long range adjustment facility of the market system. They ignore the short term dislocations that market forces produce and they discount legitimate social objectives that enlightened peoples choose to pursue. Voters do not live on bread alone. And to the extent they do live on bread, it is this year's bread, not next year's.

The market will not prevent bank failures or compensate their victims. It will not guarantee safe toys or unadulterated drugs. And it will not ensure a clean environment.

If we want to be assured of these things, we may need some regulation.

Regulation may also be needed to protect the consumer where natural monoplies exist, that is, where economies of scale argue strongly for a market being served by a single producer. Electric power and local phone service are good examples of this.

These are instances in which some would say that the benefits of regulation can be said to exceed its costs.

But the trade-off between benefits and costs is not always an easy determination to make. Moreover, neither the benefits nor the costs will remain constant over time. Some of the costs, such as direct expenditures, are obvious. Others, such as the costs the consumer pays for diminished competition, are not so obvious.

The problem of weighing costs and benefits is made more complex because often it is necessary to compare unlike qualities. (How, for instance, do you give pain and suffering a monetary value?) Or because those who bear the costs may be far more numerous than those who reap the benefits. (In order to spare one person 100 units of discomfort, is it fair to assess 100 people more than one unit each?)

I don't know the answers to these questions. The point is that each and every regulation or regulatory policy that contributes to inflation should be re-examined to make sure that the trade-off between costs and benefits which presumably brought about its institution, is still valid. We may well find that some of the more costly ones look a lot less attractive in a world of 12 percent inflation than they did in a world of 3 percent inflation.

We should also re-examine them to see whether those imagined trade-offs were accurate in the first place. For instance in the case of the ICC, rates wasted no time in going up immediately after the agency's creation.

When truckers are permitted to fix prices and are subject to a panoply of regulations all because the transportation mode with which they compete once had excessive market power, one is hard pressed for a logical explanation. When airlines are going broke despite the fact that they charge twice as much as others are willing to fly for, something is seriously wrong.

The fact of the matter is that most regulated industries have become federal protectorates, living in the cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation.

There are those who hold the businessman to be so unprincipled and greedy that they regard any governmental interference with his free movement as an addition to the social welfare.

Experience would seem to contradict that point of view. In point of fact, the effect of government interference frequently has been to remove the one thing that stood in the way of the anti-social exercise of greed; I am referring to competition. Meanwhile, the scheme of regulation has proven at least as susceptible to the lure of protectionism as the private interests it replaced.

As a political matter, we will not be able to pare away our excessive regulatory fat unless the public can be assured of adequate protection against the abuses that regulation was designed to curb.

We at the Federal Trade Commission can help provide that assurance. Through a vigorous antitrust policy, we can help prevent the aggregations of private market power which permit consumer abuse and create a need for regulation.

But there will still be cases in which regulation is necessary. For those cases, the advice I would offer is that the costs of the regulation—and I mean the direct costs, the indirect costs, the present costs and the future costs—be fully understood and consistent with what we hope to gain. The task won't be simple. Cost calculations of the type I propose are likely to be imperfect. We currently lack not only accepted calculation methodologies but also much of the raw data necessary to informed estimates. But unless substantial progress is made, our regulators will continue to stumble around in an increasingly expensive game of blind man's bluff. Unless and until these facts are brought to light, I see little hope for assuming that public actions will match up to public expectations or the public interest.

POSTAL SYSTEM REFORM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. CRANE. Mr. Speaker, today, the business of the U.S. Postal Service is part monopoly and part competitive. There is competition in the delivery for most fourth-, third-, and second-class mail. Letter mail, categorized as first-class mail, however, is protected by a statutory monopoly and has no direct competition. The result of this Government monopoly in the delivery of first-class mail is twofold: one, Americans pay more for less service; and, two, private individuals and groups are denied the freedom to perform this function.

Everyone is horrified by unjust galloping inflation with dramatic increases in the price of everything, but the cost of mailing a letter has soared so dramatically that it leaves most other items at the starting block. Five years ago it cost just a nickel to mail a letter first class; today it costs a dime. That is a 100-percent increase. At the same time as this doubling of costs, postal service has been dramatically cut. In some areas pickups and deliveries have been reduced from five to one a day. In short, the U.S. Postal Service with a Government monopoly over all letter mail has bred high cost, inefficient and unreliable service.

I propose that first-class mail be opened up to private competition. I have introduced legislation to this effect in the House of Representatives and I continue to work for its passage. Today you have a choice between sending a package by Government parcel post or by private parcel service. I want to give you this same choice for letters. Open competition has always been the condition which best serves the customer. The result of free competition in the area of letter delivery, I am confident, will be better, more reliable service at a lower cost to you.

The public would gain substantially from removing the present Government monopoly on first class mail. A study by the U.S. Postal Rate Commission staff showed an over-charge to first class mail users by the Postal Service of about 2 cents per letter in 1972, in the days of the 8-cent stamp. that overcharge paid for, among other things, a contract cost overrun that has exceeded $140 million since the Postal Service was established in 1969, and third and fourth class mail rates that are too low to cover their own handling and delivery.

What has been unprofitable for the U.S. Post Office has already proven profitable for a variety of private carriers in the nonletter delivery area. Private postal service corporations such as Consumer Communication Services Corp., based in Ohio; Private Postal System of America, Inc. based in Florida; and the American Postal Corp. serving the entire west coast, are growing rapidly in their volume of nonletter delivery. It is interesting to note that these private firms, as well as many others, are making a profit by charging lower rates than the Government is charging while at the same time, the U.S. Postal Service increases its yearly deficits to over $1 billion. Furthermore, private carriers have proven to be more reliable and more efficient. For example, the U.S. Post Office has five times the breakage fee and three times the accident rate of the private package carrier United Parcel Service.

In addition, the U.S. Government has a great deal to gain. While the Postal Service is now operating at a loss subsidized by tax dollars, private carriers who made a profit delivering mail would pay taxes on that profit; thereby putting additional revenue into the Treasury as well as removing a serious drain on it.

The only incentive to a private carrier for entering the letter delivery field would be the ability to perform the same service more efficiently at less cost. Private businessmen know that an inability to produce for less lost would mean no realistic competition even if it were legal to compete. Thus, the public has nothing to lose from removing present limits and a great deal to gain. One report done by McKinsey and Company projects that a private carrier could make an 18-percent return on an investment for delivery of local mail for a cost to users approaching half of the present cost.

Harlan Lewis, the president of the Wichita Independent Postal System of America, says that his system can deliver mail for approximately 4 cents per letter. The organization has franchises in 52 cities, and believes that it can deliver mail more efficiently than the Government—at lower prices and at a profit.

The argument that a number of carriers would provide less convenient service is ridiculous in concert and in practice. If private carriers could not perform to the satisfaction of their customers, then such customers would cease to use their service. In fact, there are few who would express the view that the U.S. Postal Service is operating to provide maximum convenience. Indeed, documentation of the U.S. Postal System's inefficiencies and frequently cited slip-ups seems to support the argument that the present Government monopoly on letter delivery operates to guarantee inconvenience.

The argument that competition in the delivery of mail would make difficult such things as regulation of junk mail, mail safety, shared facilities and international mail is stated without justification or explanation. Congress has every right and power to regulate all mail carriers—private and public—in connection with these facets of mail delivery.

This view is supported by a subcommittee of the Permanent Select Committee on Small Business who reported on

October 16, 1974, after lengthy hearings, that—

> It would now be appropriate to seriously consider ending this monopoly [on first class mail delivery] and afford private enterprise the opportunity to perform this vital function. Witnesses testified as to the willingness and ability of private enterprise to assume this function and the ability of private firms to successfully compete with the Postal Service in the carriage of other classes of mail; and the ability of these privately owned firms to do so profitably demonstrates that the private sector of our economy deserves the opportunity to relieve Government of this increasingly costly and burdensome task . . ."

I will reintroduce legislation to open up delivery of letters to private competition. My bill, if passed, would constitute an important step toward an efficient postal system, a system that would bring into play the energies and technological expertise of our dynamic private sector, and permit the free, competitive market to operate, insuring for us that our mail can be delivered with maximum feasible speed and accuracy at minimum cost. I will continue to work for passage of legislation to open up first-class mail delivery to private competition.

KENNETH COX OF MARSEILLES, ILL., TO BE HONORED

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. HALL. Mr. Speaker, in 1910 William D. Boyce of Illinois first incorporated the Boy Scouts of America, marking the official beginning of the scouting movement in America. Mr. Boyce was an extremely active man and among his many activities he was president of the Marseilles, Ill., Land and Water Power Co. In La Salle County, which is part of the 15th District I now have the honor of serving, is a statue of Mr. Boyce commemorating his fine work.

Mr. Speaker, as is so often the case, many men and women live their lives and make substantial contributions and no statues are erected. One such man is also an active citizen of Marseilles, Mr. Kenneth Cox. Kenneth Cox is an outstanding citizen who has provided decades of service to his community.

Nine years after William Boyce incorporated the Boy Scouts, Kenneth Cox became a member of the Marseilles United Methodist Church. During the past 40 years, Mr. Cox has been the scoutmaster for the church's troop. He has helped to shape and guide the lives of hundreds and hundreds of young men and that is his great contribution and a better testimonial than a statue.

On February 9, the Marseilles United Methodist Church, whose pastor is Rev. Thomas E. Lowrey, will hold a dinner in honor of Kenneth Cox and his fine work. I want to add my voice to all of Kenny's good friends and thank him for the quiet service he has contributed over the years.

NO ENERGY EXHAUSTION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. SYMMS. Mr. Speaker, the January 1975 issue of Imprimis, published by Hillsdale College, is devoted to a discussion of the energy situation. Dr. Peter Beckmann of the University of Colorado makes the point that there is no shortage of energy materials, only a shortage of production. It reads as follows:

NO ENERGY EXHAUSTION

(By Peter Beckmann)

The present malaise of society includes a strong anti-scientific trend. Reputable universities offer courses in astrology while their enrollment in the hard sciences and engineering is decreasing. Science is increasingly coming under attack. Not only from outsiders who do not understand science—that type of attack as old as science itself—but now also from disrupters within. Holders of scientific degrees are telling us that the trouble with the world is too much science and technology. Nobel prize winners are lending their names to anti-nuclear organizations whose emotional propaganda blatantly disregards the facts. The authors of The Limits to Growth fed their computer programs with carefully manipulated data that would bring about the preconceived result of catastrophe under all conditions.

Blatant disregard of the facts is what the various anti-growth and anti-technology movements have in common. At a time when the fertility rate in the U.S. has dropped below the replacement value, we are being scared by the evils of population growth, vividly expounded by those whose attitude is "there's too many of you others." Lake Erie is declared dead at a time when it has more fish than all the other Great Lakes combined. The dangers of nuclear power, far and away the safest form of large-scale energy conversion yet invented, are magnified by those who callously disregard the 50,000 coal miners afflicted with black lung and the 100 times higher accident rate (per energy produced) in coal mining. Pollution is blamed on technology when, in fact, only more and superior technology can eliminate it.

Among the most cherished myths of the technophobes is the ancient theory of the bottom of the barrel. If we don't watch our step, we are told, we will deplete this planet's finite resources. But what if we *do* watch our step? There is obviously something wrong with this theory, for if we do watch our step, we will merely deplete the barrel somewhat later; why is it better to die over a slow fire since, by this theory, the bottom of the barrel will be reached sooner or later anyway? We are given no answer to this question, for example, by the authors of *The Limits to Growth*, whose most desirable world model shows a semi-starved, semi-polluted world whose resources are relentlessly going down and down.

The fact is that the barrel has a very elusive bottom, for non-renewable does not mean irreplaceable. Moreover, history shows that with very few exceptions (such as whale oil) raw materials were replaced not because they ran out, but because something better became available. The change from glass bottles to plastic bottles, for example, did not come about because the world ran out of sand from which to make glass.

Untenable as the bottom-of-the-barrel theory is for mineral resources, it becomes absurd for energy, for it would violate a physical law: Energy cannot be destroyed, it can only be converted from one form into another. So the enemies of technological advance have taken refuge behind another physical law, the Second Law of Thermodynamics, which, roughly speaking, says that in every conversion of energy from one form to another, some fraction must irretrievably be turned into heat. Therefore, goes the story, if we convert too much energy, we will generate so much waste heat as to endanger the world by changing its climate.

There are, indeed, some problems with high concentrations of waste heat; there are also ways of turning waste heat into useful heat. But the gist of the argument is a colossal exaggeration. To reach even one percent of the energy incident on the globe from the sun, we would have to convert energy on a mind-boggling scale: every American man, woman, child and infant on the breast would have to consume, from midnight to midnight, no less than 2 MW of power, which he could do by running 600 clothes dryers all day and all night, or by cleaning his teeth twice a day with 15 million electric toothbrushes. And the rest of the world would still have to consume twice as much.

But enough of countering unfounded charges. Let us take a look at the amount of energy available to us. The sun will shine for another 50 billion years, and nuclear fusion cannot run out of fuel as long as there is water in the oceans. To bridge the gap of the next three decades before these sources can effectively be harnessed, there is enough uranium to fuel hundreds of nuclear plants, there is enough coal in the U.S. to last for several centuries, and the oil deposits in the continental shelves are estimated at 100 bililon barrels, together with trillions of cubic feet of natural gas. There is more oil in the oil shale of the mountain states than in the entire Middle East.

Uranium can be mined in low concentrations at a higher cost, for fuel costs represent only a minor part of the operating costs of nuclear power plants, and breeders running on thorium could extend the supply to some 2,000 years. Coal can be gasified and liquefied with little pollution to produce gas, oil, gasoline, methanol, hydrogen, and other fuels. It can also be utilized *in situ* with minimal environmental effects. *In situ* processing of oil shale is under investigation and appears feasible. As for offshore oil, the technology of preventing oil spills, and cleaning them up quickly if they do occur, has come a long way since the Torrey Canyon and the Santa Barbara oil spills.

Clearly, then, there is no lack of energy; there is not even a lack of clean energy. But the access to that energy is blocked by non-technological obstacles, chief among which are, in my opinion, government interference with free markets, and environmentalist technophobia.

Until last year, the price of oil was controlled at an unrealistically low level, resulting, on one hand, in the rapid decline of exploration and capital investment, and on the other, in making oil so "cheap" that it was burned under the boilers of power plants. Oil now has a two-tier price structure which, broadly speaking, rewards those who produce a little oil and punishes those who produce a lot of it. This year the number of small wells drilled has, for the first time since the 60's, surpassed 30,000; but the total domestic oil production continues to decline. This is not surprising; if government decrees fixed the price of potatoes grown in fields, but allowed a free market in potatoes grown in flower pots, there would be a flower-pot-potato boom, but the total potato production would decline.

The electric power industry is shackled hand and foot by a myriad of regulating agencies. The rates charged are not determined by the need of new capital investments, but in public hearings which have become forums for propaganda against corporate profits, and the regulatory find it popular to "pass the profits on to the consumers." Until people wake up to what the so-called consumer advocates are doing to them, the utilities will continue to do what they are doing now: cannibalize their capital spending budgets under a policy that amounts to save now, run out of power later.

A second obstacle is environmentalism, which originally had the laudable aim of a clean environment, but is now being used as a horse on which to crusade against business, profits, industry, technology, and similar evils that allegedly plague us. It is beginning to border on the impossible to construct a new power plant, oil refinery, coal gasification plant or other energy facility. Much of the blame for this must go the character of presently required impact statements, which always stack the deck against the innovator who wants to change the status quo. He is required to demonstrate, and rightly so in my opinion, that the innovation will not unreasonably harm the environment or have other undesirable consequences. But he is put on the defensive: his opponents have no comparable responsibility in considering the undesirable consequences of *not* proceeding with the innovation. A judge is required to decide whether a new power plant may harm the marine life of the adjacent river if the plant is built: he is not required to decide how many women might one day die in childbirth for lack of electric power if the plant is *not* built.

And so what we are witnessing is certainly no exhaustion of energy, but blocked access to that energy.

Let me take one more example, the oil imported from the Arab countries, which is produced at an operating cost of about 20 cents a barrel and sold for upwards of $12 since the OPEC price-fixing cartel has quadrupled the price in a single year. Apart from exposing the U.S. to political blackmail, the flow of $100 billion to the OPEC countries this year threatens to bankrupt the economies of the industrialized countries and to bring famine to the underdeveloped countries for lack of fertilizers. It won't even do the OPEC countries any good, for their primitive economies are utterly incapable of absorbing such astronomic sums. What can be done about that?

First, one can use strong language, as President Ford and other high U.S. officials have recently done. This could goad the OPEC countries into taking an even stronger hand, but more likely, they will merely laugh it off.

Second, one can wait for the cartel to break up. The same greed that gives rise to a cartel in the first place eventually causes its members to cheat on each other. Libya is already cheating, and Saudi Arabia is chafing at the high prices. Even so, it could be a long wait.

Third, there is a forceful military solution, which is, at present, unthinkable for anybody acquainted with political realities.

Fourth, the oil-consuming countries might band together and take countermeasures. They might, but they won't. Last October, the EEC countries voluntarily rushed in a mad scramble to get what they could each for themselves, leaving, for example, their member country Holland high and dry without oil in violation of all their solemn treaties. Not much hope from that quarter.

And that, I believe, leaves only one alternative to cut OPEC-fixed oil prices: open up the abundant U.S. energy sources until the cartel crumbles under the pressure of supply and demand. How can that be done? It can be done, in my opinion, as follows:

1. Decontrol oil, gas and electric power. Higher prices will work wonders for conservation and for capital investment. The poor, like everybody else, will gain when prices come down again by increased supply. The alternative is an energy shortage with higher prices, anyway, and that hits the poor even harder. Government taxes on gasoline will not increase the supply; if past experience is any guide, they will be used for further wars on poverty that cure nobody's poverty except that of its administrators.

2. Open up the continental shelves for oil exploration; open up the vast deposits of low-sulfur coal in the West. In North Dakota, the land covering five million tons of coal supports only five cows. Not all strip mining is of the West Virginia kind. In Wyoming, there are 400-ft. coal seams close under the surface, and they do not lie under Yellowstone Park; they lie in desolate and almost uninhabited country. Speed up the development of *in situ* processes to produce oil from oil shale.

3. Make environmental restriction two-sided: consider not only what a new energy facility will do to somebody's view from his window, but also what may eventually happen to him and everybody else if such facilities are *not* built. Make judges sit on the horns of a genuine dilemma (that, after all, is their job), not on a deck always stacked in favor of the status quo.

4. Combat anti-technological and emotional attitudes by taking the facts and figures to the people. Show that pollution is not a necessary by-product of technology, but that more and better technology is needed to combat pollution. Calculate the price tags of abundant energy, and the even higher price tags of energy shortages. Use the facts to dispel anti-nuclear supersitions. Do not let Ralph Nader's phony fables go unanswered. How many people know, for example, that every time Ralph Nader flies to some campus to deliver one of his speeches on the "radioactive society," he gets a 100 times bigger dose of radiation than he will get in his lifetime from nuclear power plants? We are not, after all, in most of these cases, dealing with opinions and hypotheses, but with well defined and measurable quantities.

Let me summarize my position. There is no exhaustion, there is an abundance of energy; but the success to it is blocked by economic, political and ideological obstacles. Reason and technology can overcome these obstacles—though not overnight—and ensure abundant and clean energy for everybody.

WHAT IS GOING ON IN SOUTHEAST ASIA?

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Ms. ABZUG. Mr. Speaker, there are ominous signs that the administration is contemplating a renewal of direct involvement of our military forces in Southeast Asia. With the support of my colleagues, I am planning to introduce a resolution of inquiry directing the Secretary of Defense to furnish specific information on the extent of our involvement thus far. To illustrate the need for such a resolution, I would like to introduce into the Record today an article by Anthony Lewis, which appeared in the New York Times for January 16:

[From the New York Times, Jan. 16, 1975]

Madness in Great Ones

(By Anthony Lewis)

Boston, January 15.—There has hardly been a time when problems so numerous and so profound confronted us at once. The American economy is in deep trouble. The price of oil is shaking the international financial structure. Future world supplies of energy and food are in doubt. War threatens the Middle East. Relations between the United States and the Soviet Union are deteriorating.

In the midst of all this, the leaders of the American Government are thinking about—Vietnam. Vietnam? Vietnam.

Our obsession with a country so remote from American interests has been a puzzle for years. That it should go on now, as half a dozen real problems strain our resources of leadership and character, shows how mad an obsession it is.

Indeed, many Americans will find it hard to believe that their leaders are once again trying to deepen this country's involvement in Vietnam, so irrational is the idea. But that is exactly what is happening. The headlines are all too familiar.

The State Department issues a grave warning against truce violations by the Communist side. Hanoi says that American reconnaissance flights have resumed in violation of the peace agreement and of later explicit undertakings; U.S. officials deny it, then admit it, saying that breaches by the other side allow us to ignore the agreements. The Secretary of Defense warns that American opinion reacts "in anger to outright aggression."

The immediate purpose of all the orchestration is plain enough. The Administration is going to ask Congress for a massive emergency increase in military aid to Vietnam. It knows that it faces great resistance, based on logic and experience, so it raises the cries of alarm to a new pitch of shrillness.

If we do not act in 1975 to save South Vietnam, they say, doom will arrive. But the argument remains as faulty as in 1955 or 1965, and the result of accepting it can only be more tragedy.

The justification for intensified American intervention is that the Communists have upset the peace agreement made two years ago. But the evidence is rather the other way on initial responsibility for the breakdown of the truce. In the current issue of Foreign Affairs, hardly a radical journal, Maynard Parker writes:

"Almost from the moment the agreement was signed, President Thieu took to the offensive in an attempt to eradicate the Communist ink spots. . . . The second phase, which began on Jan. 4, 1974, with a speech by Thieu ordering the Army 'to hit them in their base areas' and ended in May, 1974, resulted in a market increase in large-scale offensive operations . . . ."

President Thieu also blocked implementation of the agreement's political provisions, including creation of a new national council and assurance of free movement between zones in South Vietnam. In fact he prohibited any public mention of the agreements terms. Mr. Parker says the other side "evidently did think there would be at least a period of peace and were unprepared for—and staggered by—the aggressiveness of" Thieu's military operations.

But however the agreement has been violated, the fundamental fallacy is the notion that more American intervention can bring peace. We tried that. If the blood we spilled had any meaning, it must have been to teach us that our involvement in Vietnam only escalated the level of fighting and prolonged it.

To escalate the American role now is to chase the old delusion that we can impose our settlement on the Vietnamese. If we start down that road again, no one should expect it to stop at arms aid. Secretary of Defense Schlesinger, in his remarks about "aggression" rousing America to anger, signaled the possibility of U.S. forces going back into combat.

Why are we hearing again the disastrous phrases of a decade ago? The most important source of the official obsession is well-known. Henry Kissinger spent four years fighting that war, and enlarging it into Cambodia, and he does not want to "lose." He wants to keep Thieu in Saigon as long as he is in Washington.

Henry Kissinger complains about Congress restricting his flexibility. The reason it has done so is evident from the Vietnam example. More than any past Secretary of State, he has maneuvered and tricked and distorted the law to get around what he knew was the will of Congress and the nation. He sent most of our food aid to Saigon; he juggled funds; he even asked his lawyers to see whether the War Powers Act, restricting Presidential war-making, might allow him to bomb Vietnam despite a flat legislative ban on bombing.

No one should underestimate Mr. Kissinger's salesmanship now. He can still cry havoc better than anyone. But at least he does have to ask this time—ask Congress. Is there really a new spirit of independence in Congress? We shall know better when we see whether it has the courage to end the grotesque obsession with Vietnam.

FULL EMPLOYMENT AND EQUAL OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. HAWKINS. Mr. Speaker, our economy is undergoing a devastating period of instability. It is my belief that a major consideration of action that the Congress must address, is how can the 7.1 percent that are currently unemployed be returned to work? For a long time I have been a strong advocate of the full employment concept, which in effect means that all Americans willing and able to work, would be guaranteed employment by the Federal Government. To this end, I have introduced, with my good friend and colleague, Congressman HENRY REUSS, the equal opportunity and full employment bill.

The bill has received considerable support in the House of Representatives; it has also received great interest and support nationally.

Dr. Wilbur J. Cohen, dean of the school of education at the University of Michigan, and former Secretary of Health, Education, and Welfare under President Lyndon Johnson, has recently editorialized his support of the Hawkins-Reuss full employment bill in his school's newspaper, the Innovator. I would like to share Dr. Wilbur Cohen's remarks with my colleagues, since I believe Dr. Cohen has eloquently stated the case for a Federal commitment to full employment now:

FULL EMPLOYMENT AND EQUAL OPPORTUNITY

(By Dr. Wilbur J. Cohen)

Educational institutions face serious financial difficulties in 1975 and 1976 because of high rates of inflation and unemployment. Combined with the "teacher surplus," zero population growth, and the decline in economic growth, these several developments will have a significant impact on all levels of education during the next few years.

Some observers of the educational scene predict that at best education will be in a "steady state" condition for the immediate future. If so, the movement toward collective bargaining in education will accelerate, as will the efforts to implement the concept of educational accountability. Education, as well as other public functions such as health and social services, can continue to improve only if our nation has full employment and balanced economic growth. Unemployment is not only a waste of valuable resources, it also diminishes the gross national product and makes it impossible to provide the income for growth and innovation of the educational system.

Across-the-board reductions in federal or state educational programs would be unwise. Most economists agree that such cutbacks would have little effect in curbing inflation but would contribute to an increase in unemployment. Certain selective adjustments based upon a critical evaluation of program experience may well be advisable along with some internal reallocation of priorities. Our legislators should be reminded, however, that there are unemployed teachers, even though in many urban areas classes are still far too large. I am strongly in favor of a substantial public-service employment program which, among other things, will provide employment for teachers in school districts where there are pressing needs for additional staff.

I am impressed with the objectives of a recent bill introduced in the Congress, the "Equal Opportunity and Full Employment Act of 1976," which establishes a national policy and national machinery to assume employment for all individual in the nation who are willing and able to work. The objectives are so sound that I have consented to become a member of the National Committee for Full Employment.

The bill states that to the extent that Americans cannot exercise the right to "equal opportunities for useful paid employment at fair rates of compensation . . . (1) the country is deprived of the larger supply of goods and services made available under conditions of genuine full employment, of the trained labor power prepared to produce needed goods and services, and of the larger tax revenues received at all levels of government, without any changes in tax rates, under conditions of genuine full employment, (2) inflationary shortages and bottlenecks are created, (3) the job security, wages, salaries, working conditions, and productivity of employed people are impaired, (4) families are disrupted, (5) individuals are deprived of self-respect and status in society, and (6) physical and mental breakdown, drug addiction, and crime are promoted."

During the coming months as major federal and state budgetary and policy decisions are made, we may well determine the future of educational progress for the next five or more years. There is a vital need for a national commitment to the full employment of our human potential and to equal opportunity and access to health, education, and social services for all our citizens.

PENSION TRUST DEPLETED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. FINDLEY. Mr. Speaker, the editor of the Hillsboro and Montgomery County News, Mr. Robert R. Bliss, recently wrote a perceptive comment on a crisis in the social security fund and recommends, in my view, an excellent improvement. Under it people 65 years and older would be able to continue working, but during that period he and the employer would be exempt from paying social security taxes on income. The text of the editorial follows:

PENSION TRUST DEPLETED

What does the future hold for retirees who have felt secure that pensions won years ago at the bargaining table will keep them comfortable during their golden years?

This question is foremost in the minds of 19 retired employees at the former American Zinc Co. smelter at Taylor Springs who have been advised a company pension trust fund is broke and is being liquidated. The same question doubtless arises in the mind of every person now participating in a nongovernmental pension program.

What kind of control exists to keep pension funds in gilt-edged securities? What has happened to the pension funds invested in common stocks which have market values of half or less than before the big slide of the past year?

Many pensioners' income from Social Security alone is insufficient for them to exist especially if they are not well and require expensive medicines. Will government through food stamp subsidies or Supplemental Security Income (SSI) be able to provide the extra essentials their depleted industrial pensions made possible?

With more persons retiring early and more retirees living longer because of the health care made possible by Medicare and Medicaid, will government pension programs be endangered by the same problems now affecting industrial pensions? Few employee pension trusts are based on proved actuarial formulae. Instead they rely on the financial stability of the employer company and the input of active employees. The whole scheme of things falls apart when massive layoffs occur and company profits dwindle or disappear.

The State of Illinois used massive chunks of tax money to supplement teachers' retirement pension funds. Will the state or the federal government be able to come to the rescue of many of the private pension funds which will be in big trouble if economic conditions continue to thwart industrial production?

There is massive new federal legislation which offers some protection to pensioners' security and rights, but most of this legislation will have to be dragged through the courts to test its legality. By that time some of the denied pensioners may become mighty hungry.

There is clamor among many younger members of unions to lower the dues burden for pensions. At the same time union officials are faced with the double dilemma of having an upsurge in the number of members retiring and claiming pensions thus eliminating them as dues-payers. And there is a decided decline in the number of younger members being added to the unions' ranks.

One local skilled craftsman who had a 40-year record of dues-paying into a pension fund received his first monthly pension check—it was for $16.

There is clamor in the halls of Congress directed at the White House to effect a large tax cut as an economic stimulus. There is alarm expressed at the regressive effect of Social Security taxes which take 5.85 percent of most wage earner's pay checks and a like contribution from his employer.

Effort will be enormous to cut this tax burden, but what happens when the Social Security Administration suddenly finds its massive income shrinking because there is a loss of perhaps a tenth of those whose contributions are not forthcoming while their means of income is shutoff. Presently the first $14,100 of annual earnings is subject to Social Security deductions and there's talk of shooting that up to $24,000. This will add a tremendous bite on the pay check of every wage earner and every self-employed taxpayer.

There could be some relief to this national dilemma if industrial rules were changed to permit 65-year-olds and older to continue working and permit the older worker and his employer to be exempt from paying Social Security taxes on income. This would delay many persons from applying for their Social Security income, it would leave 5.85 percent more money in workers' paychecks and it would be a 5.85 percent bonus to the boss for permitting the older employee to continue on the payroll.

This contention will be shot down on the theory that job opportunities are needed by now unemployed younger persons, but for the immediate future it appears desirable to treat gingerly demands on all private and public pension funds until a brighter economic outlook materializes.

FOREIGN FLEET ACTIVE AGAIN

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. PATTEN. Mr. Speaker, in the previous 93d Congress I was one of the cosponsors of a bill that would establish a 200-mile limit and I will help sponsor a similar bill in the present Congress.

The need for passing such legislation is urgent. It is outrageous—if not incredible—to allow foreign vessels to plunder the sea off our coastlines. It is wrong and should not be allowed. The present 12-mile limit is not only inadequate—it is ridiculous. Our commercial fishing industry is being severely affected and those who fish for pleasure are also being hurt. Progress was made on this important question at the Caracas conference last summer, but legislation enacted by Congress would help even more, a sign that America is determined to stop the disgraceful exploitation of the sea off our coastlines.

One of the best articles about how serious this problem is was written by Walter Frank, the respected columnist of the Home News of New Brunswick, N.J., who is considered an authority on outdoor sports. I hereby insert his article, entitled, "Foreign Fleet Active Again," and hope that my colleagues in the House join other cosponsors in the fight against the destruction of the once-plentiful fishing supply off the coastlines of New Jersey, Massachusetts, and other States:

FOREIGN FLEET ACTIVE AGAIN

(By Walter Frank)

Foreign flag commercial fishing vessels, blamed for a drop in the fish catches off the New Jersey and Massachusetts coastlines, seem to be active again. The fleets had moved out far at sea recently when complaints poured in that the boats were "in on the beach" operating their trawlers.

There is every evidence that these foreign fishing boats are ruining the Atlantic coast fisheries. After every visit there is a noticeable drop in the catches made by sports fishermen aboard party boats.

Late in December there was an evident offshore movement of Boston Mackerel to within reach of party boat anglers. Several days in a row the foreign flag vessels, six work ships and a huge "mother ship," that processes the catch, operated in the mackerel area. Two days later there was not a mackerel to be caught.

The same thing happened off Barnegat Ridge recently when the party boat fleet was into some of the best codfishing of the season. The foreign fleets moved in, lowered their gigantic nets and swept the famous area clean.

The whiting fisheries have been clobbered by the same boats week after week and the only bright spot is Ambrose Light area where the fleet operation is stymied, even at night, because of the heavy traffic in the area.

Capt. Howard Bogan, skipper of the big Jamaica, out of Brielle, has had a front row seat for the goings-on offshore. His boat is big enough to make far offshore runs, beyond the 12-mile limit, where the better fishing has been found. He painfully and in furor, watches the big trawlers sweep the water clean of anything that swims.

Bogan has been one of the loudest supporters of the 200-mile limit for foreign flag fishing vessels. He waged a one-man battle for years until others with as much at stake, including the commercial fishing boat operators out of both Massachusetts and New Jersey ports, joined the battle.

The Bogans come from a fishing family and have always practiced conservation both in the sports fishing and commercial fields. All members of the family are engaged in fishing in some way. They study migrations of fish, they know the bottom of the New Jersey coast like the palms of their hands.

The Bogans and the other skippers along the shore who earn their bread and butter in the fishing boat business, decry the damage being done to the ocean bottom by the gigantic foreign trawlers.

The rigs used for trawling (dragging) the bottom are all heavy steel traps and heavy chains. These are dragged along the bottom of the sea floor, forcing fish into giant nets trailing the steel "jaws." The action actually "levels any hills or mounds of sand and rock, in which bottom fish seek safety and food. Once destroyed, these sanctuaries may take years to rebuild and additional years for any fish to repopulate the areas.

The action of the draggers not only scoops up all the fish, it also destroys the small crabs, bait fish, worms and other creatures that are the mainstays of the larger fishes diet. It is a chain reaction destruction that can destroy the meagre population of fish that escape the nets.

This situation is not confined to the Atlantic coast but is also rampant on the West coast and in the Gulf of Mexico, where the shrimp industry has been similarly clobbered by the foreigners.

The crux of the pressing fisheries program is the volume of fish being taken by the mammoth fishing boats and the size of the mother ships working. Millions of tons are being caught and processed each day during the operations.

The need for the 200-mile limit is only secondary. The most serious need is for the fleets to practice some conservation of the species. Little effort is being made to limit catches or to observe any sanctuary boundaries. It is a case of making hay while the sun shines to the foreigners.

The sad part of it all is that the Russians did sign an agreement several years ago to cut down on their take and to observe special "sanctuary" areas along the Atlantic coast. These treaties have already been relegated to a locked cabinet somewhere in Russia and Japan.

The treaties were drawn up by the State Department several years ago, expressing confidence the foreigners would adhere to the agreements. Unfortunately it turned out to be words on paper, nothing else.

The foreigners have raised havoc with our own fishing fleets and lobstermen. The foreigners, fishing inside the 12-mile limit, have "caught" sets of lobster pots, have become entangled in the nets of U.S. ships working nearby, despite advance warnings. They have scattered party fishing boats with careless approaches to fishing grounds.

The only sign of cooperation was in evidence last summer at the Law of the Sea Conference in Caracas. The Russians and other foreign countries, agreed on the 200-mile limit. Perhaps that is why the sudden fishing activity off the United States coasts. It may be a matter of "get all you can this year" maybe next year the new law will be passed.

This is everyone's battle, the consumer as well as the fisherman. Write to your congressman today asking him to support the 200-mile limit with his vote when it comes up on the floor.

WHO PULLS THE STRINGS OF THE HOUSE "REVOLT"

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. BAUMAN. Mr. Speaker, in case any of the Members of the House missed the article in the Washington Post of Sunday, January 26, 1975, by David S. Broder, I am inserting it at the conclusion of my remarks today.

This article, by one of the most reliable political reporters, points out the intervention by outside groups in support of the successful moves to oust a number of former chairmen of House committees including the role of the National Committee for an Effective Congress—NCEC—and Common Cause, together with a number of individuals.

This story raises an interesting question as to whether or not under Federal law it is legal for organizations and individuals to contribute money to Members of Congress to finance their political operations within the House. This is a question that remains unanswered, but in view of the "reform fever," I assume that all Members will support efforts to answer this question and assure that no Federal laws have been violated.

To my Republican colleagues I direct particular attention to the part of the article dealing with the plans being made for our future political demise.

As the Orientals say, "Very interesting."

The article follows:

HOUSE "REVOLT" HAD BACKING—OUTSIDE GROUPS HELPED OUST CHAIRMEN

(By David S. Broder)

Outside organizations and individuals—some of them at least nominally Republican—played an important role in the successful "freshman revolt" inside the House Democratic caucus. Their new goal is to repeat the coup next year on the Republican side of the House.

Their intentions became public this weekend as a variety of groups that supported the freshman-fomented rebellion celebrated the overthrow of three committee chairmen and a shift in the House's power structure.

One of them, Russell D. Hemenway, executive director of the National Congress, said, "Our major effort in 1976 will be in the Republican primaries, to find and support progressive Republicans who will take on the mossbacks in that party."

The NCEC, a nominally nonpartisan organization, provided campaign specialists to about half the freshman Democrats and arranged for most of the financing of the temporary office through which the freshmen coordinated their activities of the Democratic caucus.

Six thousand dollars of the $8,500 that financed the freshman office came from J. Erwin Miller, a prominent Republican industrialist from Columbus, Ind., and his sister, Clementine Tangeman of New York.

Peter Hutchinson, Miller's deputy on the project, said the board chairman of the Cummins Engine Co., a longtime backer of Vice President Rockefeller and other progressive Republicans, is "very high" on a similar effort among Republicans next year.

"There will be a lot fewer Democratic challengers in 1976," Hutchinson said, "and Mr. Miller would like to see the young Republicans emerge in a lot of districts. We are encouraging the NCEC to help find emerging Republican talent for that challenge."

Miller and Mrs. Tangeman were also among the biggest contributors to the special NCEC fund that hired top campaign consultants to work in behalf of 49 Democratic challengers in last fall's campaign.

They contributed $12,500 to the $125,000 effort—a sum topped only by General Motors heir Stewart Mott's $20,000 contribution.

Thirty-five of the 49 candidates aided by the NCEC consultants' program won House seats, comprising almost half the 75 freshman Democrats whose presence helped transform the party caucus last week.

The organization of the caucus reforms and the overthrow of the three committee chairmen involved many longtime leaders and staff members of the House Democratic Study Group, and such traditionally pro-Democratic outside organizations as the United Auto Workers.

But such nonpartisan organizations as Common Cause, whose chairman, John Gardner, retains his Republican identification, provided powerful ammunition and support for the Democratic rebels. The Common Cause board voted Friday to extend the reform effort to the Senate and the Republican party in the next 18 months.

The principal staff members involved in the NCEC campaign project and the freshman Democrats' office had a surprisingly Republican background.

The director of the NCEC campaign was David Brunell, an independent from Michigan who came from the staff of Rep. Donald W. Riegle, Jr., of Flint, who switched to the Democratic Party only two years ago after winning election three times as a Republican. His principal associate was Anne Canby, a registered California Republican from the staff of Rep. Paul N. (Pete) McCloskey, Jr. (R-Calif.), who challenged President Nixon in the early 1972 primaries.

The staff for the freshman Democrats headquarters also came from Riegle's office—Douglas Dibbert, a Democrat, and Kathleen I. Sadler, an independent.

It was Brunell who developed the idea that NCEC could increase its impact in 1974, a year when political contributions were down, by hiring campaign consultants at wholesale rates and providing their services free to selected campaigns.

Brunell, Canby and political consultant Ralph Murphine recruited the 20 consultants and assigned them to the 49 selected campaigns, for varying lengths of time, to assist with polling, media efforts, fund raising, organizing or other needed functions.

It was at a post-election meeting in the office of Rep. Donald M. Fraser (D-Minn.), with several of the NCEC-aided winners present that the question of a headquarters for the freshmen came up. Brunell and Canby went back to Miller for the money that was needed. The only other contributors to the freshman office were three Colorado Democrats, allied with freshman Rep. Tim Wirth (D-Colo.), who raised $2,500 for the project.

Miller's support for both the campaign effort and the freshman office was explained by Hutchinson, his assistant, in these terms: "Mr. Miller wanted to do what he thought best for the Republican Party, but in 1974 it seemed best to support some Democratic challengers opposing Republicans who do not support Mr. Miller's philosophy."

While Miller contributed as an individual to several Republican campaigns last year, the NCEC project aided only Democrats in 1974.

Hutchinson said, "Having helped these Democrats get elected, Mr. Miller wanted to make them as effective as possible, so he supported the idea of setting up an office to coordinate their efforts in the caucus.

"But he feels this really opens up the competition for both parties in these districts, and that next year, there will be opportunities for Republicans who support Mr. Miller's moderate philosophy. He is very high on the NCEC operation."

Brunell and Canby are planning to begin their 1976 operations this April, operating again under the auspices of NCEC and with the backing of Miller, among others.

"We want to provide some services for the marginal incumbents and target the people in Congress who ought to be challenged," Brunell said.

"Last time, we did very little in the primaries, but next year the Republican primaries offer our best opportunity to get new blood in. There aren't that many seats left that Democrats can pick up, so it makes sense to make a special effort to support the independent Republicans."

Hemenway, too, commented that "anyone who thinks you're going to get a lot more Democrats in 1976 is crazy. But we've long been interested in getting a more modern Republican Party, and I think 1976 will present a good opportunity for electing more liberal, Ripon Society-type Republicans. I'm already looking at the Republican incumbents we could challenge."

Would the desired result be an upheaval in the House Republican Caucus comparable to that which the Democrats have just seen, Hemenway was asked.

"That's the hope," he said.

TIFFIN, OHIO, ADVERTISER-TRIBUNE BACKS FORD INITIATIVES

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. LATTA. Mr. Speaker, in an editorial, the Tiffin, Ohio, Advertiser-Tribune in my congressional district recently analyzed President Ford's economic and energy proposals and found them worthy of support. I was particularly pleased to note the Advertiser-Tribune's support for at least a 1-year moratorium on new spending programs. For the benefit of colleagues, I am inserting the editorial in the RECORD at this point in my remarks:

OUR VIEWPOINT

Suddenly we have the feeling that someone is trying to do something about the state of the economy, and we urge our readers to let our officials in Washington know we are pleased with the effort.

President Ford Monday evening briefly outlined a proposal to put money into our hands through a 12 per cent rebateon our 1974 personal income taxes. This appears to be a quick and relatively uncomplicated way to stimulate our sagging economy, with six per cent to be paid in May and six per cent in September.

The proposed $4 billion investment-oriented tax credit for business should help encourage investments in plants and equipment. Industrial growth is obviously a key to economic recovery.

A $30 billion increase in energy taxes and tariffs designed to make Americans cut down on the use of gasoline and fuel oil was also included in the President's proposal.

This will undoubtedly mean higher prices for gasoline in the coming months, which would again make all of us more aware of the need to conserve fuel. The President will also seek a five-year delay on higher auto pollution standards to get 40 per cent better gas mileage.

Perhaps the most satisfying proposals made by the President were for a one-year moratorium on new spending programs, except for energy, and a five per cent limit on federal pay increases in 1975.

Quoting from the President's speech: "Plainly, it is time to declare a one-year moratorium on new federal spending programs. I need your support in this. It is vital that your representatives in Congress know that you share this concern about inflation."

Today's State of the Union speech and coming weeks will provide us with greater details of President Ford's proposals. At the moment, however, we fully support his efforts and feel the people of Seneca County should let their legislators in Washington know how they feel.

PETITION FOR SANITY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Ms. ABZUG. Mr. Speaker, equal protection of the law and respect for the rights of the individual are fundamental principles of our Constitution. Yet too many of our fellow citizens still suffer the effects of prejudice and discrimination because of their affectional or sexual preference. It has been estimated that there are over 20 million homosexual men and women in the United States. But even if gay people were only a small minority, the issues would be the same. Those issues are the right of the individual to privacy and the freedom for consenting individuals to engage in private affectional relationships of their own preference.

I have introduced legislation—H.R. 166—which would amend the Civil Rights Act of 1964 and other acts to prohibit discrimination against homosexuals in employment, housing, education, and in other respects. As part of the growing movement to protect freedom of affectional and sexual preference, the editors of Ms. magazine have published in their February issue a "Petition for Sanity," signed by distinguished women from across our Nation representing a wide spectrum of ideologies and diverse constituencies. I am inserting at this point in the Record the text of the petition and the list of initial signers:

PETITION FOR SANITY

We, the undersigned, wish to state publicly our opposition to an archaic practice that is still alive in this country: the attempt by government to interfere in the sexual lives of consenting adults, and the failure by government to protect the civil rights of people who suffer such interference from others.

We believe all people to have common cause in eliminating this practice. Though laws and regulations governing private sexual behavior tend to be selectively enforced against lesbians and male homosexuals—particularly from poor, minority, and politically unpopular groups—they potentially affect every person, regardless of personal power or sexual orientation. Not only do these laws and regulations leave privacy and individual freedom to the whim of employers and legislators, landlords and judges, but their enforcement results in a tragic waste of human talent. Even when not enforced, their existence serves to inhibit the free choice of lifestyle.

Therefore, we urge every person, regardless of race, age, class, sex, or sexual orientation, to join us in establishing this fundamental right to privacy and individual freedom.

As feminists, we sign this petition for one additional reason. In the history of women's struggle for self-determination, it has been a painful fact that almost any woman who did not choose to play a traditional or secondary role might find herself labeled a lesbian, and restricted in her efforts for fear of the effects of that label. Indeed, even the Women's Movement itself has sometimes been divided and weakened by this fear. Therefore, we must unite on the issue of *all* women's right to a free choice of lifestyle, regardless of sexual orientation. Only when the word *lesbian* has lost its power to intimidate and oppress, when it is as positive as other human choices, can each individual woman be fearless and free.

As women and as feminists, we pledge to work toward the following goals which we believe will benefit all citizens.

1. The repeal of all regulations and the elimination of institutional practices that limit access to employment, housing, public accommodations, credit, government or military service and child custody because of sexual orientation.

2. The repeal of all laws that make sexual acts between consenting adults criminal.

3. The passage of legislation that will guarantee each individual's rights, regardless of sexual orientation, so that those who suffer discrimination for that reason will have the same access to redress as do the victims of discrimination because of race, sex, religion, or national origin.

4. The creation of a social climate in which lifestyles may be freely chosen.

Bella S. Abzug, Congresswoman, N.Y.

Margie Albert, union organizer, District 65, Distributive Workers of America*.

Maya Angelou, writer, actress.

Ti-Grace Atkinson, feminist.

Bette Bardeen, attorney.

Barbara Barrie, actress.

Elizabeth S. Bell, nurse.

Carol Bellamy, New York State Senator.

Roberta Benjamin, former president, Boston National Organization for Women.

Blanche C. Bersch, attorney.

Caroline Bird, author.

Bea Blair, Executive Director, National Abortion Rights Action League.

Diane Serafin Blank, attorney.

Nancy Borman, member of publishing collective, "Majority Report."

Patricia Bosworth, writer, Executive Editor, "Viva."

Ivy Bottini, former board member, NOW.

Jean Boudin, poet, writer, housewife.

Rita Mae Brown, writer, feminist organizer.

Charlotte Bunch, editor, "Quest: A Feminist Quarterly."

Carol Burris, Women's Lobby.

Karen Burstein, New York State Senator.

Josephine Catoggio, New Yorkers for Women in Public Office.

Jacqueline Michot Ceballos, Coordinator, New Yorkers for Women in Public Office.

Phyllis Chesler, author, feminist.

Shirley Chisholm, Congresswoman, N.Y.

Marjory Collins, editor, "Prime Time."

Cynthia M. Cornish, member, National Black Feminist Organization.

Diana Davies, silversmith.

Ellen B. Davis, editor, "Gay Community News," Boston.

Susan Davis, publisher, "The Spokeswoman."

Karen DeCrow, president, NOW.

Barbara Deming, writer.

Carol Downer, Feminist Women's Health Center, Los Angeles.

Rosalyn Drexler, writer.

Sissy Farenthold, Chairwoman, National Women's Political Caucus.

Brenda Feigen Fasteau, attorney.

Frances FitzGerald, writer.

Linda Francke, General Editor, "Newsweek."

Ellen Frankfort, writer.

Jo Freeman, Assistant Professor of Political Science, State University of New York, Purchase.

Jane Galvin-Lewis, consultant, Social Change Advocates.

Jane Gapen, poet.

June Murray Gill, Secretary, NBFO.

Janice Goodman, attorney.

Vivian Gornick, writer.

Lois Gould, writer.

Patricia A. Graham, educator.

Carol Greitzer, Councilwoman, New York City Council.

Elinor C. Guggenheimer, Commissioner, New York City Department of Consumer Affairs.

Marilyn G. Haft, Director, American Civil Liberties Union National Project on Sexual Privacy.

Elizabeth Hardwick, writer.

LaDonna Harris, Comanche Indian.

Wilma Scott Heide, former President, NOW.

Aileen Hernandez, urban consultant.

The Reverend Carter Heyward.

Elizabeth Holtzman, Congresswoman, N.Y.

Jane T. Howard, writer.

Florence Howe, President, The Feminist Press.

Dolores Huerta, First Vice-President, United Farm Workers AFL–CIO.

Dorothy Pitman Hughes, Administrator, West Side Community Alliance.

Josephine Hulett, Field Officer, National Committee on Household Employment.

Elizabeth Janeway, writer.

Jill Johnston, writer.

Erica Jong, poet, novelist.

Karen Kaplowitz, attorney.

Mary F. Kelly, attorney.

Florynce Kennedy, attorney.

Dorothy E. King, educator, NBFO.

Lucy Komisar, writer.

Jill Krementz, photographer.

Mary Anne Krupsak, Lieutenant Governor, New York State.

Carol Bonosaro Kummerfeld, Director, Women's Rights Program, U.S. Commission on Civil Rights.

Martha Weinman Lear, journalist.

Ellen Levine, writer.

Annn Lewis, Aide to the Mayor of Boston.

Carol H. Libow, attorney.

Viveca Lindfors, actress.

Bonnie Lobel, political organizer.

Loretta Lottman, Director, Gay Media Action, Boston.

Patricia Loud, author.

Sally Lunt, Chairperson, Health Task Force, Massachusetts.

Ann Maguire, Co-Moderator, Gay-Way, WBUR, Boston.

Marya Mannes, author.

Agnes Martin, artist-painter.

Jane Pierson McMichael, Director, NWPC.

Margaret Mead, anthropologist.

Eve Merriam, writer, poet.

Helen S. Meyner, Congresswoman, N.J.

Kate Millett, writer.

Anaïs Nin, writer, diarist, critic.

Elaine Noble, State Representative, Massachusetts.

Eleanor Holmes Norton, Commissioner, New York City Commission on Human Rights.

Joyce Carol Oates, writer, Professor of English.

Jean O'Leary, board member, National Gay Task Force.

Yoko Ono, artist.

Clara Oreskes, Editor, "Feminist Times."

Anne O'Shea, writer.

Gail Thain Parker, President, Bennington College.

Kathleen Peratis, Director, ACLU Women's Rights Project.

Eleanor Perry, film writer, producer.

Janice Peterson, feminist-psychotherapist.

Marge Piercy, poet, novelist.

Rabbi Sally J. Priesand.

Estelle R. Ramey, endocrinologist.

Helen Reddy, singer.

Mary Carol Reilly, actress, educator.

Malvina Reynolds, songwriter.

Carol Eisen Rinzler, writer.

Barbara H. Robert, M.D.

Anne Roiphe, novelist.

Carol Rosenberger, concert pianist.

Alice Rossi, Professor of Sociology, University of Massachusetts.

Bernice Sandler, board member, Women's Equity Action League.

Nora Sayre, writer.

Barbara Seaman, writer.

Marcia Seligson, journalist.

Deborah Singletary, student.

Margaret Sloan, writer.

Nancy Stanley, attorney.

Shiela Tobias, educator.

Lily Tomlin, actress.

Inez S. Turner, teacher.

Kay van Deurs, silversmith.

Lindsy Van Gelder, writer.

Lenore J. Weitzman, Secretary, NOW Legal Defense and Education Fund.

Joanne Woodward, actress.

MILITARY AID TO ISRAEL AND U.S. DEFENSE STOCKS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. HAMILTON. Mr. Speaker, in November 1974, I wrote the Departments of State and Defense asking them to comment on the accuracy of an Evans and Novak column which indicated that the supply of certain military equipment to Israel since October 1973 has caused the Pentagon concern because of the effect of that supply on shortages of certain weapon systems, in particular M–60 and M–48 tanks, TOW missiles and F–4 fighter aircraft.

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*Organizations listed for identification purposes only.

Unfortunately, much of the Defense Department's reply was classified, but it did indicate, in summary, that the resupply program for Israel "has intensified some of the shortages we had already been experiencing."

A copy of the Evans and Novak column and correspondence with the State and Defense Departments on its follow:

Committee on Foreign Affairs,
Washington, D.C., November 19, 1974.
Hon. Henry A. Kissinger,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: I would like very much for the Department of State to comment on the enclosed Evans and Novak article which appeared in the *Washington Post* of November 18, 1974.

In addition to your general observations about the tone and focus of what the article says about Pentagon thinking on Middle East issues, I would like to have the Department's specific comments on the statements made relating to the effects then and now of the supply to Israel since October 1973 of M60 and M48 tanks, TOW missiles and F4 fighter aircraft.

I would appreciate your early consideration of this request.

Sincerely yours,
Lee H. Hamilton,
Chairman, Subcomimttee on the Near East and South Asia.

Behind the General's Outburst

(By Rowland Evans and Robert Novak)

Behind the outrageous overblown slurs on American Jews by Gen. George Brown is sober, well-justified concern at the Pentagon over the drain of ever more costly military aid to Israel at a time of growing congressional resistance to defense spending.

Accordingly, the general's blunt warning at Duke University last month that Israel's influence in Congress is "so strong you wouldn't believe it" had a solid foundation. Leaving aside his gratuitous, untrue and grossly offensive crack about American Jews owning "the banks in this country, the newspapers," Brown's warning about Israel's control over Congress is reflected in the vast transfer of scarce military supplies to Israel.

Pentagon concern reached a peak just after the $2.2 billion U.S. airlift of desperately needed military equipment to Israel during and after the fourth Arab-Israeli war in October 1973.

One result of that resupply line for Israel is this shocking fact: late model M60 tanks airlifted out of U.S. military depots in West Germany and flown to the Mideast battlefield have still not been replaced in the American arsenal a full year later.

All told, some 600 American tanks—both M60s and M48s—were rushed to Israel. That was almost 10 per cent of the entire American tank force. With a production line running then at a mere 30 a month, thanks to congressionally-imposed budget restraints, that draw-down of the American arsenal to aid Israel ate up nearly two years of capacity production.

Potentially more damaging for the United States was the airlift of nearly one-half the entire supply of the highly sophisticated TOW anti-tank missile, the famous wire-guided tank killer. Although precise numbers are shrouded in military secrecy, it is known that approximately 100 of these miracle missile-launchers were rushed to Israel.

Highly qualified military officials told us privately that this drain of the newest U.S. ant-tank weapon threatened "training problems" in the U.S. Army by causing shortages of the missile launcher. But when we asked for an official statement on the alleged shortfall, the Pentagon's official spokesman hedged, saying only there had been "no apparent adverse impact on individual training conducted by our Army schools . . . that we can tie directly to the sending of TOW systems to Israel last year."

Along with half the supply of TOW launchers, Israel also obtained 2,000 actual TOW warheads, about 25 per cent of the entire U.S. stock. But warheads are far easier to produce than the launcher itself.

There are other examples of the dangerous draw-down of American military capabilities forced on the Pentagon by the October War. For instance, the Air Force today is short of the small percentage of F4 fighter aircraft—the mainstay of Israel's air force—that is equipped with extremely costly electronic counter measures (ECM). "A high percentage of the very small number of these aircraft we had went to Israel," a Pentagon official told us.

By far the most dangerous shortfall is the M60 tank. The Army is now desperately trying to boost production to 100 a month from the present rate of 40 (up from 30 a year ago) but cannot find suppliers of turrets. The Army has not yet replenished the tanks flown out of Germany to Israel; indeed, it was 2,000 tanks short when the Israelis made their October war demand. The Army's tank arsenal is so depleted that M60s pledged to Morocco and some other countries have had to be replaced by old-model tanks.

But there is a deeper reason for Brown's outburst against Jewish influence in American politics, going beyond military aid: Israel's political allies here so dominate the debate over the Middle East that the Arab case remains somewhat obscure.

In short, the emotional preoccupation in Congress with defense of Israel short-circuits Pentagon fears about U.S. influence throughout the vast Moslem world, particularly in the Arab oil states. It is a little-known fact that Air Force pilots today are restricted to extremely short flight-time to conserve fuel. Likewise, the Navy's "steaming days" for front-line warships have been drastically reduced.

All this lay behind Brown's ham-handed assault on the power of the American Jewish community. Quite apart from the general's inexcusable rhetoric, the Pentagon views the Middle East in terms of long-range U.S. strategic interests—a view that does not always parallel those of Israel.

Department of State,
Washington, D.C., December 19, 1974.
Hon. Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia, Committee on Foreign Affairs, House of Representatives.

Dear Mr. Chairman: Secretary Kissinger has asked me to reply to your letter of November 19 and to regret the delay in our answer.

The Department of State does not feel competent to comment on specific allegations in the Evans and Novak article from the *Washington Post* of November 18, 1974, concerning the effect on U.S. military forces of arms shipments to Israel.

The Department does wish to point out that, in its judgement, all such shipments are and have been necessary in furtherance of the policy of the U.S. Government to support the continued existence and independence of the State of Israel, to help create a situation in which the possibility of another war can be minimized, and to pursue actively negotiations leading toward a peace settlement.

Cordially,
Linwood Holton,
Assistant Secretary for Congressional Relations.

Committee on Foreign Affairs,
Washington, D.C., November 19, 1974.
Hon. James R. Schlesinger,
Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: I would like very much for the Department of Defense to comment on the enclosed Evans and Novak article which appeared in the *Washington Post* of November 18, 1974.

In addition to your general observations about the tone and focus of what the article says about Pentagon thinking on Middle East issues, I would like to have your specific comments on the statements made relating to the effects then and now of the supply to Israel since October 1973 of M60 and M48 tanks, TOW missiles and F4 fighter aircraft.

I would appreciate your early consideration of this request.

Sincerely yours,
Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia.

Assistant Secretary of Defense,
Washington, D.C., January 17, 1975
Hon. Lee H. Hamilton,
Chairman, Subcommittee on the Near East and South Asia Committee on Foreign Relations, Washington, D.C.

Dear Mr. Chairman—

(U) Before Congress' recess for the Christmas holidays, you requested that Secretary Schlesinger provide commentary on the Evans and Novak article in the *Washington Post* of November 18, 1974. I am replying to your request.

(U) There is concern, of course, at the Pentagon over the supply of arms to Israel since October 1973 and its impact on US readiness. As you know, the US has supplied substantial quantities of arms and equipment in support of Israel under the provisions of the Foreign Military Sales Act, as amended, as well as the $2.2 billion Emergency Security Assistance Act passed by the Congress in December 1973. Some of those items, such as tanks and aircraft, are long-lead time articles which require two years and more to produce and it is only natural that Pentagon officials are reluctant to release these types of DOD assets. Such reluctance does not, however, signify that DOD is opposing the basic policy of support to assure Israel's integrity as a sovereign state.

(U) There is some misunderstanding about the security assistance that is being provided to Israel. Only part of the assistance provided to Israel since 6 October 1973 has been taken from US inventories; a substantial part of the funding on behalf of Israel has been devoted to procurement of items from production as well.

(U) Incidentally, the Evans and Novak article also suggests or infers that the entire $2.2 billion in emergency assistance was airlifted to Israel. It is true that deliveries arriving in Israel during the October War were airlifted, but most of the materiel provided has been carried on Israeli ships.

(U) You also asked for information on tanks, TOW missiles and F-4 aircraft. The data which follows will assist in putting the Evans and Novak article in better perspective.

[Security deletion.]

(U) The supply program for Israel has intensified some of the shortages we had already been experiencing, most notably of tanks, requiring drawdowns from prepositioned sets of equipment in Europe, from Reserve Components and National Guard inventories, and, in some instances, from the active forces themselves.

[Security deletion.]

(U) I hope these comments are responsive to your needs and I thank you for your interest in this most important matter.

Sincerely,

JAMES H. NOYES,
Deputy Assistant Secretary Near Eastern, African, and South Asian Affairs.

A LENGTHY WITCHHUNT ENDS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. EDWARDS of California. Mr. Speaker, the effort to abolish the House Internal Security Committee as a standing committee of the House of Representatives is one that took many years to accomplish. It began the day in 1961 when our former colleague, Jimmy Roosevelt, first stood up in opposition to the committee, and ended just 2 weeks ago when the majority of the House agreed to a change in our Rules eliminating HISC and transferring its jurisdiction to the Committee on the Judiciary.

Abolishing HISC become one of my major goals from the time I came to Congress in 1963. In the early years of opposition other opponents and I consulted the other members of the House and interested groups of private citizens, constantly reminding them of the serious threat to individual constitutional rights posed by the actions and very existence of a House Un-American Activities Committee and subsequently HISC.

It took many years to lay the groundwork, and those of us who had given so much of our time and energy to this were greatly cheered when in 1971 our ranks were expanded to include our colleagues, the Honorable ROBERT DRINAN, Congressman DRINAN took on the challenge of opposing the committee by joining the committee, and thus for him our recent victory is very much a personal one.

It is a pleasure to point out to the other Members of the House the recent editorial in Congressman DRINAN's hometown newspaper, the Boston Globe, pointing out his contribution to our success.

The editorial follows:

A LENGTHY WITCHHUNT ENDS

The US House, post-Watergate soul-searching coursing through its veins, Tuesday inaugurated its 1975 session on an appropriate note. It consigned to infamy the House Internal Security Committee, a catapult in the late 1940s and early 1950s for a politically ambitious and conspiratorially minded young congressman named Richard M. Nixon.

A precursor of Watergate, the committee for three decades ran roughshod over civil liberties in the name of national security. Mr. Nixon, as a member, beat a demagogic drum in his anticommunist crusade. Although a conspicuous example, the former President was by no means the only offender.

The committee—known until six years ago as the House Un-American Activities Committee—issued 174 contempt citations, 10 times as many as the other House committees combined, but mostly to no avail. The courts found most of the citations unwarranted, and few of the defendants ever went to jail.

Yet only six of the bills originating in the committee since 1945 ever became law. The committee . . . investigations, invading the privacy of countless individuals for dubious legislative advantage. In a 1971 suit, three persons subpoenaed to testify before the committee challenged its authority, charging with some justification that it merely sought the "exposure of witnesses . . . to public scorn, obloquy and harassment and intimidation . . . without any legislative purpose."

In recent years, the power of the committee has withered, as anticommunist hysteria has subsided. Its $725,000 budget of a few years ago has been shaved by more than $100,000 and its staff of 39 persons diminished by 15. It has tended to avoid the raucous confrontations, a staple of the committee in the past, between members and witnesses.

Indeed, the committee had become a shadow of its former self. Many of its members had resigned. No freshmen in the House sought membership this year.

The House thus recognized the inevitable in abolishing the committee. It has assigned its functions to the House Judiciary Committee, steeled from Watergate and equipped to inquire into internal subversion, where necessary. Ironically, it was the Judiciary Committee which had this jurisdiction before the advent of the House Un-American Activities Committee.

The demise of the committee represents a personal victory for Rep. Robert F. Drinan of Massachusetts, who joined it four years ago to challenge it from within. In one of his trenchant critiques of the committee, Drinan said in 1971: "Men and women old enough to recall the use of the US Congress as a vehicle for systematically wrecking the careers and reputations of individuals whose associations did not meet with the approval of their accusers will always look back upon the episode with embarrassment and discomfort." The words stand as a fitting epitaph for the Internal Security Committee.

THE PRESIDENT'S ENERGY PROGRAM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. DRINAN. Mr. Speaker, I would like to bring to the attention of the Members of the House two fine letters relating to the disastrous effect which the President's energy program would have on New England consumers and industry. These letters, which were originally sent to President Ford, were forwarded to me by the Greater Fitchburg and Leominster Chambers of Commerce.

I do feel that this country must reduce its consumption of energy, Mr. Speaker. However, this must be done in a manner which is not going to bring on economic devastation to New England. In Massachusetts, we are approximately 75 percent dependent on oil for our energy need, much more than most regions which are only 15 to 20 percent dependent on oil. This means that with only 5.8 percent of the Nation's population, we would be asked to bear over 10 percent of the newly imposed energy cost increases through the President's energy package. This seems to me to be grossly unfair and discriminatory, and on top of the already severe economic conditions in Massachusetts, I fear that new oil increases could lead to a potentially disastrous situation.

The letters to which I referred above give us a good look at the difficulties which the oil tariff would bring on at a local level. I heartily commend these letters to the attention of my colleagues:

GREATER FITCHBURG CHAMBER
OF COMMERCE,
Fitchbugh, Mass., January 16, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: We, together with most rational people throughout the nation, support you in a tough, comprehensive energy program which will lead to the reduction of our dependence upon foreign imports and toward developing our own domestic resources. We cannot, however, stand by and let you further punish New England for its geographical location, remote from domestic oil and gas sources, for the failure of the Government to allow it to develop offshore drilling, for government regulations which prevented it from continuing the use of coal, for the lack of a national energy policy which would have permitted it to be far more nuclear independent than we find ourselves today, hence, for its dependence upon imported oil.

Last year, New England bore the brunt of the OPEC boycott and now bears the brunt of its economic war against the United States. New England has proved that it could conserve during that boycott and did so at the rate of approximately 14 percent while the rest of the nation conserved little, if any. Some Fitchburg manufacturers saved as much as 30 to 35 percent of their energy use. Now, New England is conserving energy at an equivalent, if not greater, rate, but at this time, it is due more to recession than from lack of fuel. New England bore a five-fold increase in its oil cost—oil used for manufacturing and electric generation, a three-fold increase in domestic heating oil. The Petroleum Act of 1973 was supposed to relieve New England of this burden and equalize prices across the nation. After a full year of concerted efforts by New England's industry and its Congressional Caucus, a trivial amount toward equalization was announced, but even that has failed to materialize. Now, we are to expect another 25 to 30 percent increase in energy costs through your import tariff. We had hoped and fully expected, by your recognition of New England as a special problem at your fireside interview, that you would announce a way to effect the tariff by having the nation assume the burden as a national security measure, and not let it fall on already economically depressed New England.

We urge you, Mr. President, not to soften your program for energy independence, but to achieve it as a national, not a regional goal. Please show compassion for the New England States who already saved the nation from economic collapse during the November to March embargo, and who have borne the economic hardship ever since. Let the tax or tariff dollars that will be collected from all forms of energy be passed on to New England to offset the high cost it must bear until, either we are independent of foreign imports, or equalization of all energy costs have actually taken place.

Respectfully yours,
Howard W. Evirs, Jr.,
Chairman of the Board.
William T. Murray,
President.

Leominster Chamber of Commerce,
January 21, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: We of this area, naturally support any program that would in effect, lead to the reduction of our dependence upon foreign imports and toward developing our own domestic resources. However, we have been dismayed that your administration may arbitrarily increase the already fantastically inflated cost of energy in regions such as ours by imposing a heavy new tariff on imported oil.

An across the board oil tax or tariff is grossly unfair to New England and especially to Massachusetts. Industrial companies in the Leominster Area alone already have cut fuel consumption from 20 to 30 percent. Residential consumers have done nearly as well in most instances. There is a practical limit to conservation, so for many such companies the only way to further reduce oil consumption would be to close the plant doors. Therefore, the tariff plan would not effect further significant fuel savings, only force these companies to pay a higher price for what they must have . . . and ultimately, to pass costs on to consumers of their product.

We feel that a new rash of plant shutdowns and layoffs could result from the assumption that New England industry can either pass along such higher costs to the consumer or absorb them. Massachusetts already has the second highest unemployment rate in the nation.

The New England Fuel Institute states that 86% of the six state region's total energy needs are supplied by oil. Nationally, the figure is 45%. On that basis alone, we would get hit twice as hard. However, we not only use more, we import more. Some 90% of all our residual oil for electric power and industrial heating and processing is imported, along with 25% of our home heating oil.

To tremendously magnify our competitive disadvantage and, in reality, compel the businesses, industries and individual consumers of Massachusetts to subsidize unfairly a national policy, would conservatively drain another three-quarters of a billion dollars a year out of the New England economy. It could mean a 25 to 30% increase in the electric power fuel adjustment charge for Massachusetts consumers. For industry, the impact, therefore, would be a double-barrel one . . . higher heating and processing costs plus higher electric power costs.

Finally, we feel that the entire concept is needlessly inflationary. It won't create a single new job and, according to a leading economist, the tariff (coupled with domestic excises and price increases) could send a $100 billion "ripple" through our entire economy.

We, therefore, Mr. President, beseech you to maintain your goal for energy independence, but not at the expense of the industry and businesses of the New England states. Such a program is not only damaging to our economy but disastrous to our highly industrious region.

Very truly yours,
George C. Rellstab,
President.
John K. Hathaway,
Executive Vice President.

CHILDREN OUT OF SCHOOL

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. BRADEMAS. Mr. Speaker, while Congress was adjourned, a study of great importance to the children and families of America was published.

I refer to a report entitled, "Children Out of School in America," issued on December 21, 1974, by the children's defense fund of the Washington Research Project, Inc.

Mr. Speaker, the study found that nearly 2 million school-age children, ages 7 to 17, are not enrolled in the Nation's schools. This astonishing figure does not include "the hundreds of thousands of children expelled and suspended and otherwise thrown out of school for alleged disciplinary reasons and countless truants."

Mr. Speaker, as the report notes, "most Americans assume that all children go to school." But the 1970 Bureau of the Census data show that almost 2 million children have not been enrolled in a school for 2 or more months.

Indeed, in 10 States surveyed, more than 6 percent of the school-age population was not enrolled, and in 30 areas surveyed by the fund, nearly one in five 16- and 17-year-olds was out of school.

Who are these children who have been excluded from school? Fourteen percent of them suffer from mental, physical, or emotional disability.

Thirty percent of them face such barriers as expenses, lack of transportation, the need to work, difficulty with English, and pregnancy.

Ten percent of these students are habitual truants, and 30 percent of them are not in school for various family reasons, including not liking and, indeed, fearing the school, and family problems.

Mr. Speaker, because the astonishing figures contained in this report must concern all public officials, I include a summary of the study at this point in the Record:

[Report by Children's Defense Fund of the Washington Research Project, Inc.]

Study Finds 2 Million School-Age Children Excluded From the Nation's Public Schools

Nearly two million school-age children, ages 7 to 17, are not enrolled in the nation's schools. Of these, more than a million are under 15 and more than three-quarters of a million are between 7 and 13 years old according to a report released today by the Children's Defense Fund. Ten states have more than 6 percent of their school-age population not enrolled.[1]

These United States Census figures, however, "only reflect the surface of how many children are out of school in America" the Children's Defense Fund states. Not included are "the hundreds of thousands of children expelled and suspended and otherwise thrown out of school for alleged disciplinary reasons, the countless truants who elude Census enumerators and school officials alike, the many children whose parents do not understand English and who therefore do not correctly answer the Census nonenrollment questionnaire, the handicapped children and pregnant girls who are listed as receiving home or alternative instruction even though we know in many instances that this is tantamount to being deprived of schooling."[2]

"Also not counted are the far greater numbers of children who are technically in school but who benefit little or not at all. They are the functionally or partially excluded children. They may remain in school and learn little or nothing but they may well become so frustrated with their situation that they drop out—thereby increasing the numbers of physically excluded children reported in our study."

The report, *Children Out of School in America,* is the result of a year and a half study which involved door to door interviews with 6,500 families and more than 300 school officials and community leaders in 9 states and the District of Columbia. The report also contains analyses of 1970 United States Census nonenrollment data and United States Office for Civil Rights data on school suspensions and special education placement in selected states and local school policies, regulations and data.

NATIONWIDE PROBLEM

The Children's Defense Fund's survey was conducted by its own staff, with the cooperation of the American Friends Service Committee Southeastern Public Education Program and local community groups and individuals in each area.

In 30 areas surveyed, the Children's Defense Fund found that 5.4 percent of all children aged 6 to 17 were out of school. Nearly one in five 16 and 17 year olds were out of school.

In many communities and states the out of school problems found by the Children's Defense Fund were even more striking.

In a Portland, Maine housing project, children 6 to 17, predominantly white and poor, were out of school at a rate twice the Children's Defense Fund's survey average, 10.8 percent.

In a Census tract in Holyoke, Massachusetts, with a heavy Puerto Rican concentration, 37.5 percent of 16 and 17 year old Puerto Rican children were out of school.

In Denver, Colorado in a largely Chicano Census tract, 9.6 percent of the 6 to 17 year olds were out of school.

In the poor white Mud Creek area of Flood County, Kentucky, 9.2 percent of the school-age children were out of school.

In a New Bedford, Massachusetts neighborhood, 60 percent of all 16 and 17 year olds, and 72.7 percent of Portuguese youths that age were out of school.

In an all Black area of Washington, D.C. 20.8 percent of 16 and 17 year olds were out of school.

FROM FAMILIES OF ALL KINDS

The Children's Defense Fund found children out of school all over the nation. They are white, Black, and brown, rich and poor, from families with all kinds of income and educational levels. Some kinds of children, however, are more likely than others to be out of school. They share a common characteristic of differentness" by virtue of race, class, language, or "handicap".

"We found that if a child is not white, or is white but not middle class, does not speak English, is poor, needs special help with seeing, hearing, walking, reading, learning, adjusting, growing up, is pregnant or married at age 15, is not smart enough or is too smart, then, in too many places, school officials decide school is not the place for that child," the Children's Defense Fund said.

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[1] The Census defines "nonenrolled" as any child who has not been in any school for three consecutive months.

[2] The Children's Defense Fund's analysis also excludes the more than 85,000 children in detention and other institutions who were not considered enrolled by the Census.

These children are, the report states, "for the most part, out of school not by choice but because they have been excluded. It is as if many school officials have decided that certain groups of children are beyond their responsibility and expendable. Not only do they exclude these children, they frequently do so arbitrarily, discriminatorily, and with impunity."

The Children's Defense Fund found children excluded from school for reasons ranging from inability of some families to afford clothes, textbooks, school fees, or transportation charges; pregnancy; to many kinds of mental, physical and language "handicaps" for which schools have no or grossly inadequate programs. It also found "rampant use of suspensions and other disciplinary devices to throw children out of school. They are imposed for a wide array of offenses, many of which are educationally indefensible."

SCHOOL SUSPENSIONS A MAJOR NATIONAL PROBLEM

The Children's Defense Fund's analysis of suspension data submitted to the Department of Health, Education and Welfare's Office for Civil Rights for over 2,800 school districts all over America reveals that during the 1972–73 school year, at least 1,012,347 children were suspended at least once for over 4,062,408 school days or 11,130 school years.

Among secondary school, children and among minority children, schooling deprivation through suspension is especially acute. While 8 percent of all secondary school children in these districts were suspended at least once, almost 12 percent of the Black secondary school children were suspended. Compared to the overall white rate of 6 percent, the Black rate was about twice as large. Suspensions for Black children were 25 percent longer than for white children.

According to the Children's Defense Fund, these figures substantially understate the suspension problem. Many districts underreport suspensions or call them by other names. For example, the city of Los Angeles reported zero suspensions to the Office for Civil Rights. Chicago and New York failed to give an ethnic breakdown of the more than 50,000 children they jointly suspended. Moreover, these figures only represent instances where children were suspended at least once. The Children's Defense Fund found, for example, that of the children suspended in its survey, 40 percent were suspended more than once.

The Children's Defense Fund's own survey corroborates the Office for Civil Rights' data regarding the disproportionate suspension of minority students. "At the secondary school level, Black students in our survey were suspended more than three times as often as white students—12.8 percent compared with 4.1 percent."

"In eight areas we surveyed, over 15 percent of the Black secondary school students were suspended, and in six areas over 20 percent of the Black secondary school-age males were suspended. In three areas, over 30 percent of the Black males were suspended: New Bedford Census Tract 6510 with 36 percent; Sumter County Precinct 2 with 36 percent; and Columbia Census Tract 5 with 35 percent. In two areas, over 30 percent of the Black secondary school-age females were suspended: Denver Census Tract 41.01 with 31 percent; and New Bedford Census Tract 6526 with 33 percent."

NOT ONLY A MINORITY PROBLEM

While minority children suffer most, suspensions are not just a minority problem. Almost one half million of the children suspended in the Office for Civil Rights' district reports were white.

The Children's Defense Fund found that 63.4 percent of all the suspensions in its own survey were for offenses that were neither dangerous to persons nor to property; 24.5 percent related to truancy and tardiness. Only 3 percent of the children were suspended for destruction of school property, "criminal" activity, or the use of drugs or alcohol.

"Expulsions and suspensions," the Children's Defense Fund said, "are frequently a unilateral process with little or no chance for children or their parents to be heard. And they are often imposed so arbitrarily that they lack all semblance of fairness." For example:

In Macon, Georgia, a 16-year-old black youngster was expelled for the rest of the school term (three months) because he could not pay $5.00 to replace a ruler he had broken accidentally in shop class.

In New Bedford, Massachusetts, a 17-year-old white boy was suspended for two days when he left the school grounds to help an old man change a flat tire. When his mother called the school to inquire about the incident, she was told her son had done a good deed but the rule was that he had to be suspended for leaving school grounds and it could not be broken.

The Children's Defense Fund also found numerous children in and out of school with unmet special needs. It found strong indications of misclassification in the placement process for special education programs. Minority children were particularly affected. The Children's Defense Fund's analysis of special education data from the Office of Civil Rights for 505 school districts in Alabama, Arkansas, Georgia, Mississippi, and South Carolina for children enrolled in classes for the educable mentally retarded (EMR) found that black children were twice as likely to be placed in classes for the mentally retarded as white children.

"While some people have doubts about whether schools can effectively foster equality and promote upward mobility," the Children's Defense Fund's report "rests on the fundamental and indisputable premise that total denial of schooling is an almost certain guarantee of failure in American society."

Nobody understands this more than poor parents who have learned from their own lives what it means to be uneducated. As one mother we interviewed in Macon, Georgia stated: "The way the schools are now . . . I don't know if they're learning anything much, but it's better than nothing."

"We owe our children more than nothing" the report concludes. "To continue to deny our children schooling or to give them as little as we can is so unfair to the children denied, and so costly to the rest of us in future dependency, as to be intolerable. That we single out some groups of children who are different for special deprivation of education is downright cruel. It profoundly violates American pretensions to provide equal opportunity to all within its fold."

The report calls for specific reforms in the various areas resulting in children being excluded from school.

The Children's Defense Fund is a national, nonprofit organization created in 1973 to provide long-range and systematic advocacy on behalf of the nation's children. It is funded by private foundations and staffed with lawyers, federal policy monitors, researchers and community liaison people dedicated to reforming institutions, policies and practices affecting the lives of children.

The Children's Defense Fund was established as an arm of the Washington Research Project, a Washington-based public interest research, advocacy and legal group started in 1968 to monitor federal programs on behalf of the poor and minorities.

EXTENDING THE VOTING RIGHTS ACT

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. COHEN. Mr. Speaker, I am pleased to join with Congressmen HUTCHINSON, MCCLORY, RAILSBACK, and FISH in introducing legislation to extend the 1965 Voting Rights Act for an additional 5 years, including its provisions banning literacy tests and certain other devices used as prerequisites to voting registration.

In 1965, Congress recognized the failure of earlier laws to adequately secure equal voting rights and enacted the Voting Rights Act to provide for immediate and automatic remedies in certain jurisdictions guilty of discriminatory voting practices. Under the act, the use of a literacy test or similar restrictions is banned. Further, to correct the problem of local registrars and election officials who refuse to deal fairly with applicants, the Attorney General is authorized to appoint Federal examiners and Federal election observers to supervise registration and voting in the covered jurisdictions. To prevent the springing up of new devices and qualifications designed to stultify minority participation, enforcement of voting procedures other than those in effect on November 1, 1965, is prohibited. This prohibition can be waived if proposed changes receive prior approval from the Attorney General or the Federal District Court.

In the almost 10 years that the Voting Rights Act has now been in effect, significant improvements have been achieved in nonwhite participation. Black registration has risen from 29 to 56 percent. The number of black elected officials has increased from 14 to almost 400. Over 6,600 Federal observers have been sent to cover 66 different elections in the affected States and 40 lawsuits have been initiated by the Justice Department to enforce provisions of the act. When the act was amended and extended in 1970, the coverage formula was adopted to reflect the 1968 Presidential election. As a result, three counties in New York—which together contain more blacks than any of the seven Southern States originally covered under the act—have been included under its enforcement powers. Additionally, the courts have held than Spanish-surnamed persons are also entitled to its protections.

While much has been accomplished by the Voting Rights Act, however, problems in minority voting participation still exist. Last fall, the Civil Rights Division in the Department of Justice issued a report of its activities under the act and recommended an extension of its authority for another 5-year period. Originally, the provisions restricting voting practices in certain States were limited to a 5-year period with the hope that sufficient voting power would be achieved by minorities in that time period that additional Federal protection would not be needed.

However, after more than a century of discriminatory voting practices, it was not surprising to find that all the problems could not be corrected in such a few short years. Thus, in 1970 Congress extended the temporary provisions for an additional 5-year period, and it now appears that at least another 5 years will be necessary as well.

Recently, the distinguished chairman of the House Judiciary Committee (Mr. RODINO) and the chairman of the Subcommittee on Civil and Constitutional Rights (Mr. EDWARDS) introduced legislation to extend the Voting Rights Act for another 10 years. While I have the greatest respect for these gentlemen, it is my opinion, that the extension should be more limited in time in order to enable for closer congressional review and oversight of the act's continuing enforcement. The Federal restrictions imposed upon several States under the act have been declared by the courts to be a constitutional and proper responsibility of the Federal Government under the 15th amendment. At the same time, however, we should not ignore the constitutional principle of State sovereignty by imposing the restrictions and penalties contained in the act for longer than is necessary to accomplish its goals. For the moment, the danger remains that the increases in minority registration and voting will prove only temporary unless they are confirmed by continuing encouragement over the next several years. However, it is not unreasonable to assume that the needed changes can be accomplished on a permanent basis in that period of time. If another 5 years does not prove sufficient to reach the goals of the Voting Rights Act, Congress can certainly provide another extension. It is important, however, to provide the affected States with the encouragement and opportunity to have the restrictions removed as soon as possible through further substantial improvement in voting registration. And Congress clearly has a duty for timely review of the program to insure that the rights of every citizen are secured in the most effective and equitable manner possible.

In concluding, I would like to quote from the testimony last fall of J. Stanley Pottinger, Assistant Attorney General for Civil Rights, before the congressional Black Caucus. In urging continued congressional involvement in and support for the Voting Rights Act, he said:

> This great Act was pased after the 1965 Selma-Montgomery march as an expression of the national conscience. It has been the centerpiece of all the civil rights Act, and the issues of extension deserve our most serious and careful evaluation with full recognition of the value of the Voting Rights Act as a basic protection of an American promise.

It is my hope and expectation that the Judiciary Committee will give prompt and favorable consideration to extending the Voting Rights Act for an additional 5 years.

THE CRUEL TREATMENT OF MENTAL HEALTH

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. LEGGETT. Mr. Speaker, a tragic sense of priorities has been displayed by President Ford's veto of H.R. 14214. This bill would have extended and revised the expiring Community Mental Health Centers Act of 1963. It provided States with funds to authorize the establishment of local community mental health centers, and has given invaluable services to those mentally handicapped who previously had the opportunity for treatment only at ineffective State and county institutions. While the administration has verified the success of the program, it has simultaneously vetoed all further financial support for its continuance, long before most have benefited from it.

In addition to authorizing funds to complete existing grants for established community mental health centers, the new bill would have authorized new programs and centers. Particularly, new emphasis would have been placed on consultative and educational programs with other mental health agencies, so that the most effective and modern care could be provided for all those with neglected mental problems. It is hardly necessary to emphasize the acute need for these types of services.

President Ford's veto of H.R. 14214 has cut off funds from a program which is so essential to the existence of a healthy and content society. My constituent, Dr. Donald G. Langsley of the UCD Sacramento Medical Center, has indicated this sense of priorities. I hope the Congress can rectify this executive veto error shortly by reenacting the legislation.

A letter from Dr. Langsley follows:

DIVISION OF MENTAL HEALTH,
UCD SACRAMENTO MEDICAL CENTER,
Sacramento, Calif., January 8, 1975.

Hon. ROBERT LEGGETT,
House Office Building,
Washington, D.C.

DEAR SIR: The pocket veto of HR 14212 was an affront to the Congress and a tragedy for the American people. The Community Mental Health Center Program has been highly successful in beginning the movement of treatment for mental illness from distant state institutions to the community where the patient lives. It has been responsible for beginning the development of mental health services for children and for prevention and early detection of mental illness (thus avoiding chronicity and expensive rehabilitation).

However, the program is barely underway. Many communities have not yet established local mental health programs. Others do not have a full range of services to children and families as well as drug abusers and alcoholics. There continues to be a very major need for federal support of the development of community mental health centers.

We are keenly aware of the need and the potential for success as a result of our Sacramento County experience. As Chairman of the Psychiatry Department at the U.C. Davis School of Medicine I am also Director of the three community mental health centers operated by U.C.D. which serve 400,000 citizens in the county. The mental health centers in the other two catchment areas of Sacramento County were established during the first five years of the county program (where I was also Director of the total county program). We have been able to obtain a staffing grant in each of those five catchment areas. As a result of the federal support (as well as the State Short/Doyle Program) Sacramento County has been able to develop comprehensive mental health services at the local level. In 1968, when I first came to Sacramento, the county was sending 1,200 patients a year to state mental hospitals—we now send 20 or 25 per year. Sacramento County used to have a small public-funded clinic with six or seven thousand outpatient visits per year. We now have well over 100,000 outpatient visits per year. We deliver approximately 40,000 staff hours per year of mental health consultation to schools, churches, courts and human services agencies. The private and the public sectors are involved in comprehensive programs for children and families, as well as for adults. We have also featured a variety of services and a panoply of programs for the chronically mentally ill who used to be in state hospitals. They are not being neglected or left alone in board and care homes. In spite of certain sensational news articles, we have had no mass violence nor any indications that those suffering from mental illness are more dangerous to the general public than other groups of citizens. I could go on at some length about the Sacramento program and would be happy to provide additional data if you should wish it. I mention that program because it is clear demonstration of the success of the community mental health center concept and the need for renewal of community mental health center legislation.

I hope that you will support legislation similar to HR 14212 when it is re-introduced. If it is passed by the Congress but vetoed, I urge you to support an over-ride. In spite of the serious condition of the economy and the need for careful expenditure of federal funds, the amount of money involved is quite small relative to many other projects and the need in terms of human suffering is very, very large.

Cordially,
DONALD G. LANGSLEY, M.D.

THE FLAWS IN FORD'S FUTURE PROGRAM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. SYMMS. Mr. Speaker, while there are many aspects of President Ford's energy proposals that I support, some serious flaws in the tax proposals on energy are pointed out by the economic writer Henry Hazlitt. The following article appeared in the February 1, 1975, issue of Human Events; I commend it to my colleagues for their consideration:

THE FLAWS IN FORD'S ENERGY PROGRAM

(By Henry Hazlitt)

The politicians are confronting the American public with an utterly false alternative. The true choice is not between a heavy import tax on oil and gasoline rationing, but simply between removing the price controls on all oil or imposing an otherwise needless rationing.

Mr. Ford's own energy program is a strange mixture of sensible and ruinous proposals.

Let us begin with the sensible. He proposes to deregulate new natural gas, and he plans "to take presidential initiative to decontrol the price of domestic crude oil on April 1."

Because of the demagogic opposition to such decontrol in the Democratic Congress, this proposal took courage. It falls short of what is needed. The price of domestic oil should be decontrolled immediately rather than two months from now. And the President does not clearly promise to get rid of all government allocations of crude oil and gasoline.

It is ironic that when general price ceilings were abandoned last year, the government kept them on the very commodity in which they did most harm. Price ceilings, wherever they are effective at all—that is, wherever they are lower than a free market price would be—always do two things. They discourage production and encourage wasteful consumption.

There are people who argue that we are not discouraging production by our present oil-price controls because we have put no ceiling price on oil from "new" wells but only on oil from old wells that were brought in before the price controls went into effect.

They might change their opinion if they used their imaginations a little. Suppose you or I found ourselves in possession of two oil wells—a "new" one and an "old" one—and were allowed to sell our "new" oil at $10 or $12 a barrel, or whatever happened to be the market price, but were permitted to sell our "old" oil for only $5 a barrel. We would be tempted, of course, to pump all the oil from the new well that we safely could while prices were so high, and pump out as little oil from the old well as we could get away with as long as such price ceiling stayed on.

This is exactly what the oil companies have been accused of doing. Whether they are doing it or not, there is no more certain way to create new crimes than to impose new stupid restrictions.

This price ceiling not only produces bitter recriminations and new policing costs, but forces the government to set up a system of compulsions and allocations. The oil companies must be ordered to sell this or that amount of oil to this or that refinery or other buyer or geographical section in order to produce "equity." The job is certain to be mishandled and wasteful. The oil price controls and government allocations were responsible for the long automobile queues at gas stations last winter.

A free market for oil would make all allocations, quotas and rationing entirely unnecessary. By letting prices go up, it would maximize incentives to production and tend to minimize consumer wastefulness. A free market can do this job infinitely better than any set of government bureaucrats.

Mr. Ford wants to make us less dependent on imported oil. There are two other ways in which he can help to do this. The first is to encourage—or at least remove the obstacles to—the use of alternative sources of energy, such as coal, and the exploration and development of new domestic or offshore oil supplies. The second is to give maximum encouragement and help to the construction of strategic oil storage facilities, in case the Arab countries should plan another embargo. He has promised to do both these things.

He has also optimistically envisioned within the next 10 years the building of "30 major new refineries" and "the drilling of many thousands of new oil wells." But he hardly helps to encourage this achievement by his proposal of a "windfall profits tax" on the oil companies.

Removing price controls, allocations, obstacles to new domestic exploration, and confiscatory tax threats, and encouraging the building of more oil storage facilities, is as much as the government ought to try to do at this time.

But because of an astonishing confusion of thought, Mr. Ford has come out with a ruinous proposal. He tells us he is using his presidential powers (delegated to him by Congress) "to raise the fee on all imported crude oil and petroleum products. Crude oil fee levels will be increased $1 per barrel on February 1, by $2 per barrel on March 1 and by $3 per barrel on April 1."

In addition to all this he plans to ask Congress to impose "excise taxes and import fees totaling $2 a barrel on product imports and on all crude oil." And he blandly announces that this will impose an added burden of $30 billion on all of us who use gasoline, heating oil, or electric power generated from oil.

The White House itself admits that the average increase of the energy bill of a family would be $250 a year. Fuel costs of utility companies may be forced up 10 to 25 per cent. Boston, according to its mayor, has already seen the cost of heating the average home jump from $382 to $624 in the past 15 months. Small wonder that this proposal has met protest everywhere.

The President's goal of making us less dependent on imported oil can be sufficiently achieved, for the time being, by removing internal controls. Let the price go up to its free market level. The higher price of domestic as well as foreign oil will force economies in use.

But there is a limit to the economies that Americans can reasonably be asked to make in any short time. We cannot overnight stop heating our homes or driving to work. Nor can we immediately reconvert our furnaces back from oil to coal. Or drive our cars with still uninvented synthetic fuel.

It makes no sense immediately to impose on ourselves even higher oil and gas prices than the OPEC cartel has already forced on us. All we would impose is still further hardships, and still greater disruption and unemployment.

We would probably make the situation even worse by a rigid government ceiling on oil imports. Indeed, once we have constructed additional oil facilities, the best policy might be to import more oil, even at these exorbitant prices, to protect ourselves against any future attempt at another embargo.

Most of the proposals of Mr. Ford and the Democratic Congress today remind us once more of the truth in Thoreau's conviction that government never furthers any enterprise but by the alacrity with which it gets out of the way.

STRANGLED BY REGULATIONS

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. LATTA. Mr. Speaker, with business and industry being slowly strangled by regulation after regulation, I never cease to wonder how they produce the goods and services we need without their leaders losing their sanity. It must be because they are such a dedicated and tenacious group. One of their champions is a constituent of mine, W. C. Killgallon of Bryan, Ohio, who not only manages to keep going in spite of all the roadblocks laid in his company's path by our great bureaucracy, but also manages to poke a little fun at the bureaucrats along the way. A sample of what I mean is in the form of a dream he just related to me by letter. It follows:

BRYAN, OHIO, *January 7, 1975.*
Hon. DELBERT L. LATTA,
House Office Building,
Washington, D.C.

DEAR DEL: As a member of the Toy Industry, which has been kicked from pillar to post by the bureaucrats, we pay particular attention to releases by the U.S. Consumer Product Safety Commission (CPSC). The most important among its mailings seems to be NEISS NEWS (National Electronic Injury Surveillance System).

After studying the latest issue of NEISS NEWS (Volume 3, No. 3—October/November 1974) I was quite incensed because of the fact that CPSC apparently have been following Ralph Nader's bouncing ball, rather than paying attention to its own expensive statistics. In such a state of mind, I went to bed in search of peaceful repose but, alas, I was disturbed by a dream which related an interview between Mr. Ralph Nader (RN) and the Consumer Product Safety Commissioner (MC). Please bear with me as I attempt to transcribe those portions of my dream which I can recall:

RN. Thank you, Mr. Commissioner, for taking of your valuable time to grant me this interview.

MC. Not at all, Ralphie, boy, you know that your every wish is my command.

RM. U-m-m; well yes, and I'll see to it that you get your reward in heaven. Shall we proceed with the questions?

MC. As you like, no holds barred with you, my great, good, unselfish and omnipotent champion of all that is virtuous.

RN. There are two background questions which will help set the stage for those which follow; do you mind?

MC. Shoot, Ralph, my time is your time.

RN. My apologies, dear sir, but I have a bit of a problem determining the basis of the Mean Severity Index.

MC. Ralph! I'm surprised at you. It is quite simple.

RN. Well, let me explain: I quote from the NEISS "notes on Data Table"; it appeared in NEISS NEWS for January 1973.

"One of the most important tools used by BPS in setting priorities for special investigations and studies is the Mean Severity Index, abbreviated by an S-bar (S). The index of relative severity is computed for every product and product group. Both severity and frequency of injuries are involved in the computations. A high number indicates more serious injuries, on the average, than a low number.

"The determination of (S) begins when a NEISS hospital coder enters "diagnosis" and "body part affected" as a four-digit number on a code sheet. The first two digits represent diagnosis; the second two, body part. For example, sprain-foot is entered as 6483; amputation-foot 5083.

"All possible diagnosis and body part four-digit numbers are distributed among eight estimated severity categories When "hospitalization" is entered as the disposition, the category number is raised to the next higher level. Category 7 therefore is reserved for category 6 cases which become hospitalized. Category 8 is for deaths.

"Each of the estimated severity categories has a value, geometrically expanded from an arbitrary initial value of 10 for the lowest level (Category 1). A sprained foot (6483) has been placed in Category 1 while an amputation of the foot (5083) is placed in Category 6 and moves up to Category 7 as it requires hospitalization. The crude severity values for these two injuries are 10 and 2516, respectively. These values are estimates of relative losses incurred at succeeding levels of injury severity."

Do you follow me, Commissioner?

MC. Yes, yes! Yes, of course.

RN. Good. Thank you kindly. Perhaps you can tell me if a sprained foot, which requires hospitalization, carries a higher severity value than an amputation of the foot, 5083, which does not require hospitalization?

MC. Certainly, why else would we carry the amputated foot to the hospital and provide Category 7 for such contingencies?

RN. I see. In other words, Commissioner, if the amputated foot makes it to the hospital, it is classed under two crude severity values and the pain, confusion, mental suffering and emotional conflicts thus generated are recompensed by making an amputated foot that can walk a more news-worthy accident than a sprained angle that is carried to the hospital.

MC. Ralph, you *are* profound! Next question.

RN. I notice you do not list the accidents of that great killer of all, motor cars. Is there a particular reason?

MC. Ralph! shame on you. How can you ask such a question after what you and the Congress have done to the Automobile Industry? Seat belts, shoulder straps, buzzers, inter-locks, ignition control, pollution safeguards, head rests, environmental protective devices. Why, I could go on all day, but I do not want to monopolize your time, Ralphie boy.

RN. Fine, dear sir, so I suppose Congress and I have designed a car which is accident-proof.

MC. Yes, in a way. Only now there are more people killed in garages than formerly were killed on the highways.

RN. Will you expand upon that, please?

MC. Certainly. First, the mortality-incidence is highest among heart attack victims who blew their stack because of their inability to get the car started due to their lack of dexterity required to get all operating devices in proper synchronization prior to being able to work the ignition.

RN. I must say that's just great! What is the second highest?

MC. Asphyxiation.

RN. Oh, those stinking, lousy, robber oil barrons!

MC. No, you see, after winning the grand prize by getting the car started, too many people sit in the car beyond the 15 minutes required until the car is able to move smoothly. So—p-f-f-f-t! Asphyxiation! Another statistic! But we have no time for such trivialities. Car sales are way off and that's good enough for me.

RN. Oh, what a great Congress we have! Natural born followers, they jump at every word I say. And they sit up and take notice when you speak, Mr. Commissioner.

MC. Yes, indeed, Ralphie boy. I've got my eye on you, too. You're a real comer! You've shown those big shots up in Detroit they know nothing about selling cars. If we work hand in hand, there will be no pollution from automobiles. We'll put the people on their feet! The white-wing will again reign supreme.

RN. Ah, Mr. Commissioner, now I begin to see things a bit more clearly. Now I understand why Chevrolet has set out to sell baseball, hot dogs and apple pie. It looks to me like a subversive attempt to undermine not only your position, but to topple the entire fabric of government.

MC. Come again, Ralphie, dear boy. This sounds like an exposé which will get me an hour and a half of prime time.

RN. Take baseball. Do you realize that in fiscal 1974 team sports accounted for 41,709 injuries with a mean severity index of 20?

MC. But what does that have to do with baseball?

RN. My figures are not quite as good as yours, Mr. Commissioner. You see, you dumped Team Sports under one figure in your fiscal 1974 report; but the first 3 months of fiscal 1975 list 3,125 baseball cases with a mean severity index of 21.

MC. Is that so? And what else did it say? Was that the worst situation?

RN. No, there were a few which caused more injuries. Since there are but few, I'll remind you of them; I am reading as they appear on your list: Bicycles and Bicycle equipment. 8,107 cases at 31.

MC. (Aside) Bah! We'll put them on their feet, too.

RN. Football. 3,937 cases at 22.

MC. (Aside) Stupid asses! Not a brain in their heads. Roman gladiators! And for such big pay! We'll get to them later.

RN. Nails, Carpettacks, Screws, Thumbtacks. 3,830 at 15.

MC. (Aside) We're going to eliminate those hazards, too. Let them use wooden pegs.

RN. Storm doors, not otherwise specified. 4,641 cases at 29.

MC. (Aside). It's just an extra door anyway, a damned nuisance. All it does is save a bit of energy and we must not save energy if it causes accidents.

Is that all, Ralph?

RN. Those are the big ones. But you can see what Chevrolet is doing in promoting baseball. After they get a third of the population maimed or killed in baseball games, they will probably switch to advertising football.

MC. Ralph, my boy, it is a gigantic crusade. Just remember, Rome was not torn down in a day!

RN. With all due respect, Mr. Commissioner, what are your priorities?

MC. Well, you know what we have done to the Toy Industry. And they have a very small percentage of the overall accidents reported. Let's see, for fiscal 1974 it was projected at 3,271 cases out of a total projected for the country of 200,758, or 1.62% of the total. But you see, Ralph, publicity is what we need; to hell with the facts. And, boy, when one coms out in favor of motherhood and children! Why, you can't lose. Anyway, it's only a small industry and not too many people lose their jobs.

RN. Yes, but the Toy Industry is suffering now, do you intend to keep it at the top of your priority list?

MC. Oh, no, we'll just keep jabbing them a bit now and then. I'd say HOMES will be our next best bet.

RN. Homes?

MC. Why, yes, first we'll eliminate the stairs . . . . 23,426 cases at a mean severity index of 31; and that's more than 7 times as many cases as the entire Toy Industry.

RN. Great! But what are you going to do with the stairs in the present two-story homes?

MC. Make them put in elevators! Then burn the stairs and railings to save on fuel consumption.

RN. What a thinker you are, Mr. Commissioner. Now how about the other danger areas in the home? I notice nails, carpet-tacks, screws and thumb tacks are high on the 3-month list with 3,830 cases at 15, architectural glass at 2,358 cases at 22; doors, other than glass doors, 1,890 at 24. And so it goes, on and on.

Why, it's enough to make me want to sleep under a tree.

MC. Don't worry, Ralph (and this is off the record), when we get through with them the Indians will be the giants of the home construction industry. A teepee really isn't all that bad! And think of the fertilized acreage when they move the towns from one spot to another!

RN. And how about the farmers, Mr. Commissioner?

MC. Farmers?

RN. I'm sorry, sir, but I meant to ask what you can do to save them from dire disaster? Even though the fiscal 1974 report projected only 670 farm accidents, they must have been lulu's, because the crude severity value is at 129. And do you know that one of the fellows we ruined in the Toy business said he felt there were more farm accidents in his county during fiscal 1974 than you projected for the entire country.

MC. We should care about the figures and what people think, Ralph. Those fellows are so busy raising farm products they don't even yell when we add thousands to the cost of their equipment. We're going to beat their plowshares into swords and go out after those fellows shouting about baseball, hot dogs, apple pie and you know what.

RN. I'm amazed you are utterly fantastic, Mr. Commissioner. I did have problems with my anti-hot dog campaign. You know, people just wouldn't concern themselves about whether there was beef, pork, cow tails, water and whatever in hot dogs. The simple fools just kept buying them. But now you give me an idea: We can blame the farmers. We'll say something like this about how they are making hot dogs:

Round about the cauldron go;
In the poison'd entrails throw.
Toad that under cold stone
Days and nights has thirty-one
Swelt'red venom sleeping got
Boil thou first i' the' charmed pot.

Fillet of a fenny snake,
In the cauldron boil and bake;
Eye of newt, and toe of frog,
Wool of bat, and tongue of dog;
Adder's fork, and blind-worm's sting,
Lizard's leg and howlet's wing—
For a charm of pow'rful trouble,
Like a hell-broth boil and bubble.

Scale of dragon, tooth of wolf,
Witch's mummy, maw and gulf
Of the ravin'd salt—sea shark,
Root of hemlock digg'd i' th' dark,
Silver'd in the moon's eclipse,
Nose of Turk, and tartar's lips,
Finger of a birth-tangled babe
Ditch-deliver'd by a drab—
Make a gruel thick and slab;
Add thereto a tiger's chawdron,
For the indulgence of our cauldron.

Cool it with a baboon's blood,
Then the charm is fit and good.

MC. Fantastic! Who would have ever dreamed of such a plan of attack? But Ralphie, did I read a few of those lines some place before?

RN. Oh, yes, Mr. Commissioner, I lifted it out of Shakespeare. But those guys on Capitol Hill will never suspect a thing. I've been using stuff from Karl Marx for years and not a peep out of any of them. Even if they suspect plagiarism, they'll think it was from some Turk and those people aren't very popular up on the Hill at the moment.

MC. Charming! Elegant! Awe-inspiring! I wish I had thought of it myself. And you can bet your bottom dollar the media will fall for it.

RN. On that we can rely. In fact, I wonder if even dogs will eat hot dogs after we spread the good news of that concoction!

MC. How else will you help me help the farmers, Ralph, dear boy?

RN. Well, I've often wondered about the expensive frames you have forced farmers to build around and above their tractors.

MC. Just like those ignition tricks. We were testing the Congress; it goes along with anything your breath has touched. But we are giving farmers permission to drape a sheet over the frames and use the tractor for a teepee. And when they run out of gas, we hope we have horses to pull those ugly damn things. Farmers! Bah, humbug! They work too hard.

RN. I'm beginning to get the picture, Mr. Commissioner. The parts are falling neatly into place. I suppose that 04 Housewares category is not far behind in your list of priorities.

MC. You better believe it.

RN. I see where cutlery, cutting and chopping devices (unpowered) and drinking glasses accounted for 11,187 cases in fiscal 1974; but, you know, they must only have cut their hands off at the wrist and stayed away from the hospital, because the mean severity index is only 14.

MC. Ralphie, my boy, never say only! An accident is an accident and we must chase them down until every one is eliminated. This land must be made safe for democracy! And less of those messy band-aids.

RN. I'm sorry, sir,

MC. Forgiven. But imagine the shambles one finds in the kitchens across this great land of ours. We must eliminate knives, forks, and spoons. Are we better than the great folks of the Roman Empire? If they could break things into chunks and gobble them up, why do we have to be slicing everything?

RN. But how about drinking glasses?

MC. People should drink water direct from the tap. Booze? Forget it, we'll impose prohibition.

RN. Wonderful! Marvelous! And I suppose you have something equally startling in mind for beds and bathtubs. The fiscal 1974 figures show 5,753 beds and bedding cases at 37 and 1,869 bath and shower fixture cases at 49. This is a shocking revelation. I had no idea there was so much mayhem involved in the beds and baths of America.

MC. Aren't you overlooking something, Ralph? That same category lists, 6,948 cases at tables with a mean severity of 30; and 4,956 cases of chairs, couches and slip covers at the half-a-foot index of 30.

Now can you understand why the Indians will be the great builders. These things do not happen in a teepee.

RN. There's another which crept in the first quarter fiscal 1975 report. I refer to Pins and Needles with 526 cases at 20.

MC. It must be Watergate. The media, Congress and the Justice Department have the citizenry on pins and needles; and it simply follows that the ——— of fortune play no favorites. We'll study the pins and needles category thoroughly—probably put a thousand people to sleep on it during 1975. But we'll not be able to get the media attention on such an insignificant item. We'll have to think of something startling.

I've got it! Shoot at the heart I always say. Every sharp edge and every sharp point must be eliminated. Pins can be rounded on both ends and needles can have a hole in each end. Then it will be as hard to be pricked by a pin as for a camel to pass through the eye of a needle.

RN. Mr. Commissioner, I notice all of your releases carry the message that you are an Equal Opportunity Employer. May I congratulate you.

MC. Yes, indeed. Thank you.

RN. And does that mean that the mean severity index of Blacks in the population is matched by the same percentage of Blacks working in your department?

MC. Wait a minute, Ralph. That doesn't say a thing about working. It merely says we provide an equal employment opportunity.

RN. I have over-stayed my time, Mr. Commissioner. I did not mean to infringe upon the afternoon of rest and relaxation. I must get across town to appear before three committees on the Hill; you know, they will not proceed without me.

MC. Bless you, my friend.

The whole thing is quite a mess, Del, and I am willing to bet it will get worse before it gets better.

Cordially yours,

W. C. KILLGALLON.

THE TRANSFER PAYMENT EXPLOSION

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. BRINKLEY. Mr. Speaker, a very discerning constituent of my district, Mr. John Neal Wilkinson, III, of Hogansville, Ga., recently called to my attention a most sobering editorial from the Wall Street Journal, dealing with the problem of Government "transfer payments" to individuals—as the article puts it, the problem of "government commitments to give cash to people who are not producing after extracting it from people who are producing."

Mr. Wilkinson suggested that the article should be brought to the attention of every Member of Congress, and I agree. I insert it at this point in the RECORD:

THE TRANSFER PAYMENT EXPLOSION

It was encouraging to hear Eric Sevareid of CBS comment favorably on President Ford's proposals to at least begin to bring federal spending under control. For more than a decade, most Americans have tended to assume that the U.S. is so rich it could do just about anything. Mr. Sevareid was apparently shocked to learn that if present trends continue, by 1985 half the national income will be controlled by government. What this means, of course, is that half of all national income will be taken in taxes.

That prospect in itself is cause for alarm, but what is even more troubling is the reason for this growth of government. Spending is not increasing by leaps and bounds because of military requirements. It is not growing because government is rebuilding cities, constructing dams or financing scientific research and development. It is mushrooming at a steadily accelerating rate because of government commitments to give cash to people who are not producing after extracting it from people who are producing. We are in the midst of an explosion in transfer payments.

As recently as 1965, government transfer payments to individuals came to a modest $37.1 billion. Last month, federal, state, and local governments were disbursing cash to individuals at an annual rate of $155.9 billion, for which no services are rendered. These include Social Security pensions, government pensions of all kinds, unemployment benefits, black-lung money, food stamps, welfare payments and health insurance benefits. While the payments are of course defended on grounds of compassion, they are having a serious effect on the economy, by steady breaking down the relationship between reward and effort. The following table is revealing:

	Government transfer payments (in billions)	Wages and salaries	Transfers as percentage of wages and salaries
1965	$37.1	$538.9	6.9
1972	103.2	626.8	16.5
1973	117.8	691.7	17.0
1974	139.8	751.1	18.6
December 1974 [1]	155.9	765.4	20.4

[1] December figure is at an annual rate.

What the table doesn't show is the great burst since October, when a rapid triggering of unemployment, welfare and food stamp benefits coincided with a slide in wages and salaries. In two months, wages and salaries dropped by $7.6 billion at an annual rate and transfer payments advanced by $8.3 billion. The December 1974 over December 1973 annual rates showed an increase in wages and salaries of $46.1 billion and an increase in transfer payments of $3.3 billion. With the bottom of the economy not in sight, it seems highly likely that in 1975 transfer payments will grow more than wages and salaries.

It is taken as axiomatic that production is maximized when taxes are zero, i.e., output is greatest when employers and workers can keep everything they produce. The nation benefits from taxes, even though production is not maximized, when it employs receipts in ways the private sector cannot—providing general government, police and fire protection, national security, etc. Helping the poor, the elderly and weak is certainly an important function. From the figures one would assume it is being discharged far better now than five years ago, though the improvement is certainly not reflected in political rhetoric.

The problem is that the tradeoff between lower production and general benefits has a breaking point when private production can no longer carry the burdens placed in it by government. The nation has been flirting with that breaking point for a long time, but seems to have reached it in October. Present and future taxes, which have to be raised to finance government deficits, are now so high that it is more beneficial for more and more producers and workers to not work than to work.

Any serious attempt to solve the nation's economic problems has to focus on this explosion of transfer payments. Mr. Sevareid's concern with government spending has to come to grips with the implications of the following table:

FEDERAL BUDGET

[In billions of dollars]

	1970	1975	Increase
Total	196.6	304.4	107.8
Transfers	66.6	134.2	67.6
Defense	77.5	82.0	4.5
All other	52.5	88.2	35.7

The only reason we have for even cautious optimism about the future is that, at long last, a few brave policymakers, politicians and opinion shapers seem willing to break the bad news to the public. President Ford made a good start in his State of the Union Message. Mr. Sevareid made his contribution. Now, somehow, the news has to get to Capitol Hill.

TIME OF REFLECTION—UKRAINIAN 57TH ANNIVERSARY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. SARASIN. Mr. Speaker, following the Yalta Conference, the Ukrainian Soviet Socialist Republic, the Byelorussian Soviet Socialist and the Union of Soviet Socialist Republics were made individual and sovereign members of the United Nations General Assembly. However, true self-determination for Byelorussia and the Ukraine constituted a dream that even today, has not reached fruition. Instead, the men and women who had once woven the rich fabric of a century-old culture were forced to conform to the aims and goals of a totalitarian regime. The Communist Party of the Soviet Union and congruent state government organs guided the Union of Soviet Socialist Republics down the road to industrialization, scientific advancement and nuclear arms exploration.

Despite the old reality, the State of the Ukraine has not abandoned her struggle for independence. January 22, 1975, marked the 57th anniversary of her birth as a nation. Fifty years have not changed the fact that the people of the Ukraine enjoy tremendous agricultural and industrial wealth and remember and honor the cultural, religious and historic heritage that political reality has minimized.

Over 48 million Ukrainians have fought for human dignity and rights in a morass of torture and suppression of individual expression. Their situation is an exaggerated and swollen example of the 20th century man and woman caught in the steel and concrete life of "progress." In the United States, black and Indian Americans work to preserve their heritage and build an equal place in society. Likewise, American women encourage the realization of women's rights and American youth has attained the right to be directly involved in the choice of elected public servants.

The next year marks our own 200th anniversary and should provide a time of reflection and appreciation for the fight that our world neighbors, like those people living amidst the restriction in the Ukraine have waged. I would like to take this time to encourage Ukrainians and those in the United States of Ukrainian descent to continue the fight for their dream and we, in the United States, will continue to follow their example and pursue the full realization of individual rights in our Nation. We can offer each other the richness of irrepressible cultures and moral support, and hope that the future will bring change and improvement.

GUARANTEEING OLDER AMERICANS MINIMUM ANNUAL INCOMES

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ZEFERETTI. Mr. Speaker, 25 million Americans are over age 65, and their best income earning years are very much behind them. For their working lives, they contributed to the well being and prosperity of this country. Today, they seek retirement years immune from want, and our country, to its shame and their sorrow, has not responded adequately to their needs. It is a fact that the largest single source of recruits for the ranks of the poor come from our elderly citizens. It is also a well-known fact that millions of them live in actual want, deprived often of elementary necessities almost all the rest of us take for granted. We are the only industrialized Western country where such a situation is known to prevail, and some of it can be seen in my own 15th Congressional District of New York City.

In a number of proven situations, because of limited, fixed incomes ravaged by a still uncontrolled inflation rate, the elderly must make heart-rending choices. Even though these citizens constitute less than one eighth of our population, they account for approximately one fourth of all prescriptions for drugs. Many suffer from chronic conditions requiring regular drug treatments. Many of these drugs are painfully expensive. Simultaneously, the elderly have been doubly hard hit by the escalation of energy costs.

In many cases, they have simply been priced out of the energy market, and live through winters with minimum heat. The same is true of clothing and food. Authenticated cases of older persons being caught shoplifting in supermarkets are common where they concentrate. Only when caught by food store managers, they are found to have concealed a tin of tuna or a packet of frozen food. The message is obvious. Many of them are being forced to make painful choices. If they eat adequately, they cannot afford drugs for painful conditions. If it is the drugs, then the diet suffers. Already, many elderly citizens are subsisting on one meal a day, or are known to be eating pet foods. This is not the America I know. This is not the promise of our country. This is not a comfortable retirement for our people. Rather, this is a national shame we are all responsible for. And it is a situation that must be corrected.

The 1971 White House Conference on Aging sought prompt enactment by Congress of a minimum income floor for the elderly. It sought to set that minimum in accordance with the intermediate level budget established by the Bureau of Labor Statistics. Today, these recommendations are even more valid as we confront a total economic situation, where inflation is in tandem with unemployment. Job opportunities for older people are virtually nonexistent today in many parts of the land. Here, then, is the final straw.

Congress should enact legislation assuring a minimum annual income level for the aged. Such a bill has been introduced, and I join in sponsoring it with pleasure, enthusiasm and determination that some progress will be made in this area shortly.

The bill would also correct regional inadequacy, for a minimum income in one part of the Nation will not purchase the same amount of goods and services in another. To residents of New York, the pain of reduced purchasing power is worse because of the cost of living, which erodes the dollar's purchasing power before our eyes. Its major provisions are:

First. Establish a minimum income standard for senior citizens of $3,850 annually for an individual and $5,200 for a couple.

Second. Adjust this sum annually to reflect changes in the intermediate budget level cost of living as determined by the BLS.

Third. Increase benefits for those living in large urban areas where the cost of living exceeds the national average.

Fourth. Finance the legislation by a combination of payments from the Social Security system and appropriations from general tax revenues.

For $2,053 annually an elderly citizen in the South, for example, can buy all the goods and services that would cost a New York City resident $2,425. Yet both people, regardless of where they live, receive the same social security check of $2,244; what the average retired worker receives.

Further, by raising the minimum income to the intermediate budget level, this measure would increase benefits by approximately $1,260 annually per recipient. If enacted, this bill would lift millions of older people from subsistence levels to something a little better.

No social need anywhere in the United States cries out with greater justice for real attention than the plight of these older people. Many of them are alone in the world, or are physically isolated from people. Many are afraid to venture forth far from where they live. Many have children or other close relatives, but they live in far-off suburbs, often impossible for them to reach on a regular basis. Many prefer to remain in their old neighborhoods, rather than live with children or in nursing facilities. What they need is a decent income to live in familiar surroundings, among friends and leading relatively secure lives. Only better incomes can provide this.

Americans pride themselves on being compassionate people. We have helped the world in the past decades in the most lavish, unselfish manner. Can we then turn our back upon our own fellow citizens, who have only us to depend upon and look to? I think not. I pray not. Compassion is a beautiful word. It doesn't mean pity or charity. It means understanding. That is all these people want. And if we understand, we must help. My commitment is to render such assistance.

BUFFALO ATTORNEY INSTALLED IN STATE DEPARTMENT POST

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. NOWAK. Mr. Speaker, the western New York area, which includes a large population of persons of Polish heritage, was extremely proud that President Ford selected Leonard F. Walentynowicz, a Buffalo, N.Y., attorney, to become the new Administrator of the State Department's Bureau of Security and Consular Affairs.

Mr. Walentynowicz was officially installed in the post last week and an article in the January 24, 1975, Buffalo Evening News described that event and the Buffalo area well wishers who attended. The text of that article follows:

BUFFALO LAWYER IS INSTALLED IN KEY POST WITH STATE DEPARTMENT

WASHINGTON, Jan. 24.—Buffalo attorney Leonard F. Walentynowicz Thursday was sworn in as assistant secretary of state in charge of the second largest bureau in the State Department with 3000 employes scattered all over the world.

His family and friends looked on as Ambassador Stuart Rockwell, deputy chief of protocol, administered the oath.

Mr. Walentynowicz, as administrator of the Bureau of Security & Consular Affairs, will be responsible for visa and passport matters and consular services for Americans abroad. He is a former assistant district attorney for Erie County and a former special prosecutor on behalf of the Erie County Bar Association.

Out-of-town well-wishers on hand included his parents, Mr. and Mrs. Zenon Walentynowicz of Buffalo; a brother, Edward Z. of Cheektowaga; two sisters, Mrs. Lorraine Budzilo of Cheektowaga and Mrs. Raymond Sierzchula of the Town of Tonawanda; his mother-in-law, Mrs. Ann Dzialak of Buffalo, Lackawanna Mayor Joseph Bala, Reps. Jack Kemp (R., Hamburg) and Henry J. Nowak (D., Buffalo), former Buffalo law partners Leonard Berkowitz and Norman Walawander and Al Mazewski, head of the Polish Union in Chicago.

CONGRESS AND THE PEOPLE MUST REVIEW TAX ON IMPORTED OIL

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. OBERSTAR. Mr. Speaker, yesterday I introduced legislation to delay the President's proposed $3 per barrel tax on imported oil for 90 days while Congress and the American people review its impact on the economy.

A total energy-economy program is of highest priority, but because the President's or any other program will impose hardships on the American people, it is imperative that they fully understand it, be convinced that the burdens are shared equally, and believe that today's sacrifices will lead to a better tomorrow.

The President's program fails on all three counts.

No one can pin down its full impact on the economy, but it will surely add torque to the economy's quickening tailspin into depression.

It penalizes the poor and the elderly, while increasing the windfall profits of domestic energy producers across the board.

There is substantial evidence that it will not accomplish its stated goal of cutting back on gasoline consumption and reducing our dependence on the oil producing countries.

And it particularly penalizes Minnesota and other States like it which are almost totally dependent on imported crude oil.

The Federal Energy Administration has yet to make public its own estimates of the full impact on consumers of the $3 per barrel increase; and the White House has already revised its own figures upward.

The Joint Economic Committee estimates the oil duty increase will take close to $50 billion out of the economy this year. This means roughly $250 in purchasing power lost to every single American; or $1,000 for a family of four.

Mr. Speaker, our present economic problems are directly attributable to the fact that people cannot buy; that production has been cut back severely, and that workers have lost their jobs.

Another $1,000 a year bite out of already pinched disposable income will only aggravate the problem at a time when the GNP has dropped 9.1 percent in the last quarter of 1974, when inflation increased at a rate of 13.7 percent over the same 3 months, and when unemployment has reached 7.1 percent and is still climbing.

Further, I sincerely doubt that a 10 to 15 cent hike in the price of gas, which the administration is projecting, will accomplish the goal of the program—to cut back on gas use and free us from dependence on the OPEC countries.

Top administration officials concluded it would take a 40 to 50 cents per gallon increase to effectively limit gas consumption. Anything less, according to them, will not cut back on gasoline use, but will wreak havoc on the economy.

It will hurt the poor and the elderly living on fixed incomes who cannot absorb the increases in home heating fuels, electricity, or the other price rises which industry will pass along to the consumer.

It will hurt Minnesotans probably more severely than it will the Northeast.

It will benefit only the domestic energy producers who will be free to raise their prices to the equivalent of the new $15.50 price for a barrel of imported crude.

Mr. Speaker, we know the President's program will trigger another round of inflation, increase the recessionary pressures, penalize the poor and the elderly. There are serious doubts it will achieve the promised benefits; rather, the evidence is to the contrary.

And, coming from an administration which a bare few months ago advocated a surtax and clamored for the oil producing countries to lower their prices, it is surely suspect.

This program must be scrutinized by the entire spectrum of economists and energy experts and by the American people. This scrutiny can best be performed; through the congressional hearing process, where all factors can be openly debated, so that the public can be fully informed of its advantages as well as its shortcomings.

And, whether or not Congress approves, the President's recent action on import duties, we must enact stiff windfall profits taxes—on oil, coal, and natural gas producers—and return to the consumer the purchasing power already lost to past price rises as well as those which will inevitably follow the President's oil boost.

But we must first prevent or roll back the President's price increase on imported oil until we have had time to fully study its effects, particularly the multiplier or "ripple" effect on the economy, as the price increase is passed on to the consumer.

There are at this point too many unknowns for the United States to embark on a program of such disastrous potential, without fully testing the condition of the economic waters.

IN TRIBUTE TO JARED CARTER

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. YOUNG of Alaska. Mr. Speaker, a distinguished civil servant is leaving his position as Deputy Under Secretary of the Interior to reenter the private practice of law in Ukiah, Calif., and I think his departure deserves to be noted.

Jared G. Carter is one of that breed of people who serve their Government because they find satisfaction in taking part in its efforts to meet the public's needs, regardless of partisan considerations. He is a hard worker who has never lost his sense of proportion or his good humor, and a thoughtful analyst of complex issues who retains a refreshing candor and ability to express thoughts with concise clarity.

Jared has handled some of the toughest subjects, requiring a balance between development and the environment, that lie within the purview of the Department of the Interior: the trans-Alaska oil pipeline; proposals for natural gas pipelines across Alaska; development of "Pet 4," the naval petroleum reserve in that State; the prototype oil shale leasing program in Colorado, Wyoming, and Utah; powerplant site selection and coal gasification projects in the Four Corners region of the Southwest; legislation to authorize construction of deepwater ports; and the effort to accelerate and expand oil and gas leasing in new areas of the Outer Continental Shelf. In those efforts, he has been deeply embroiled in controversy at times, but has unfailingly shown a forthrightness and fairmindedness that do him great credit. He was one of those who early recognized the shortage of our natural resources—particularly energy and water resources, and he gave everything he had to the campaign to make America use their resources more efficiently, and to make our country secure against foreign blackmail and price-gouging without spoiling the environment. He served effectively under two fine Under Secretaries of the Interior—the late William T. Pecora, and the incumbent, John C. Whitaker.

Jared Carter was born in Wingate, Tex., but moved with his family to California at an early age. He is a graduate of the University of California at Los Angeles, and won his law degree on a 3-year scholarship at Stanford University. Following graduation from Stanford, he served several years in the Marine Corps, where he was a first lieutenant; clerked for 1 year for Associate Justice William O. Douglas of the U.S. Supreme Court; and was an assistant professor of law at Stanford from 1963 until 1965. He then practiced general corporate law in San Francisco, and came to the executive branch in Washington in 1967 as a legal adviser with the Department of State, concerned mainly with international trade and investments, and transportation. He was the U.S. representative at the 1971 Guatemala conference on civil aviation. He joined the Office of Ocean Affairs, a part of the Office of the Secretary of Defense, in that same year, to become principal deputy director of that office, devoting particular emphasis to directing the Department of Defense's contribution to U.S. and international preparations for the Caracas conference on law of the sea, held in 1974. Jared's appointment as Deputy Under Secretary of the Interior was announced in April 1972 by Secretary of the Interior Rogers C. B. Morton. Of his departure from Washington, Secretary Morton said the other day, in part:

> Jared's services to this Department have been many and varied, and he will be missed by all of us who have come to rely on his sound judgment and hard work. He works effectively with all segments of this Department, with other agencies, and with the Congress and the public. For many months, he has been eager to get back to California and private practice, but we regret to see him go.

To which, many of us in Congress would say, amen.

ESTABLISHMENT OF A NEW FEDERAL OFFICE OF SPANISH-SPEAKING AFFAIRS

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. ROYBAL. Mr. Speaker, on February 26, 1969, I introduced a bill to establish an Interagency Committee on Mexican-American Affairs. At that time, I felt it was essential for the betterment of the Spanish-speaking community in this country that a Cabinet-level agency be formed to deal exclusively with their concerns. My bill gave statutory basis to the Interagency Committee established during the Johnson adminstration. The name of the committee, under my legislation, was changed to the Cabinet Committee on the Spanish-Speaking and its area of authority was expanded to include all segments of the Spanish-speaking community.

The main thrust of this legislation was a Federal connection: the opportunity to utilize the many resources of Federal agencies in ways beneficial to the Spanish-speaking population, the channeling and creation of Federal programs for Spanish-speaking assistance. The committee was to advise Federal agencies on matters of Spanish-speaking concern, to suggest ways to improve already existing programs and to create new ones.

With the advent of the Nixon administration's Committee To Re-Elect the President, however, pressures from the Executive forced the committee to channel its energies into partisan, campaign-related activities far removed from its authorization. The committee was no longer a spokesman for the Spanish-speaking but rather an arm of the executive campaign command. It is not far-fetched to categorize the Cabinet Committee as yet another victim of CREEP.

The committee finally perished due to a combination of mishandled lobbying efforts, and failure of the House and the Senate to iron out differences in proposals for the renewal of the committee.

The Spanish-speaking people cannot afford to let their voices be stilled because of an administration which subjugated all concerns to that of self-perpetuation. The legislation, which I have introduced today, provides for the reorganization and reestablishment of this agency as the Office of Spanish-Speaking Affairs, and strictly prohibits partisan political activities by the Office. It is imperative that the Office of Spanish-Speaking Affairs retain autonomy from the partisan functions of the executive so as to be an effective advocate in behalf of the Spanish-speaking. This independence will further allow it to assess the accomplishments of Federal agencies with regard to the achievement or denial of opportunities for Latinos.

The new Federal Office for Spanish-Speaking Affairs will differ from the old Cabinet Committee in several other respects. The Spanish Office will have an evaluative capacity similar to that of the U.S. Commission on Civil Rights which will authorize it to judge Federal performance in the employment of persons of Spanish origin. In addition, my legislation will give the Spanish Office a mandate to demand information upon request from Federal agencies. It will use data thus obtained to establish a Spanish-speaking information clearinghouse for the collection, analysis, and dissemination of this information.

Further, ths bill would establish an interagency Coordinating Council on Spanish-Speaking Affairs chaired by the Director, and composed of key executive departments and agencies, together with the newly enacted Community Services Administration, the Equal Employment Opportunity Commission, the Civil Service Commission, Small Business Administration, and the Veterans' Administration. This Council will hold quarterly meetings in order to improve Federal policies and practices towards the Spanish-speaking community. It will coordinate related activities among the various Federal agencies and oversee them, and will submit a report of its accomplishments and recommendations yearly. This Council will operate as a separate entity from the Office of Spanish-Speaking Affairs. Instead of an advisory council structure, the new legislation will provide for ad hoc task forces comprised of persons representative of the Spanish-speaking community and closely involved in its concerns.

It is obvious, then, that the new legislation I propose to you to regenerate an agency on the executive level operating in behalf of the Spanish-speaking people is one which would both strengthen that agency and insulate it from partisan political activities.

In 1969, when I first submitted my proposal for the creation of a Cabinet Committee on the Spanish speaking, testimony in support of my bill documented that the contribution of the Spanish speaking to this country was "a great and historic" one and pointed out instances of this truth from the cultural traditions of California, Florida, and the Southwestern States, to the outstanding war record of our Spanish-speaking veterans. Yet, at the same time it was all too clear that the second largest minority in this country was poverty stricken—poorly housed, fed, clothed, and educated. Attention was called to an abnormally high dropout rate for high school students of Spanish origin; to a lack of jobs and to a labor force for the most part employed in the most menial low-paid occupations.

The Cabinet Committee was created in an attempt to counter the conditions I have mentioned; while it did not totally serve this purpose it was intended to exist as a vital organ through which the Spanish-speaking people could communicate their needs to the executive branch of Government. Its purpose was to bring equality to the Spanish speaking and assure that Federal programs would reach this minority group and provide them with equal opportunities. Instead, the Cabinet Committee was manipulated for campaign purposes in support of Nixon's re-election effort, and last year it was abolished.

With the abolition of this agency, we must ask ourselves whether living conditions for the Spanish speaking were so improved between 1969 and 1975 as to alleviate the need for an agency of this kind, if in the short interval of those 6 years the problems unique to the Spanish-speaking community have been solved and their needs met.

A cursory glance at the facts indicates that this simply is not the case; no panacea has been found. In 1975, the problems confronting the Spanish-speaking community are greater than ever. Persons of Spanish origin are still misunderstood and misrepresented by the Census Bureau. They are still undereducated, underpaid, and discriminated against in areas ranging from unemployment to treatment in the courtroom.

Our failure to meet the needs of the Spanish-speaking student in this country is devastating, exemplified by a three out of four high school drop out rate in the barrios of east Los Angeles. In a society whose demands must be met by higher education, the average Spanish-speaking student barely completes the eighth grade.

Employment statistics for those of Spanish origin have remained virtually stagnant in the years since the establishment of the Cabinet Committee, causing the Spanish speaking to suffer even more than the average American from the effects of our economic decline. The statistics are grim: As of the fourth quarter of 1974, out of a labor force of over 4 million, 325,000 Spanish-speaking Americans were unemployed, averaging 8.2 percent unemployment as opposed to the national average of 6.1 percent. And among the 62.7 percent of the Spanish origin labor force who do find jobs, incomes are so low that the median income for Chicanos and Puerto Ricans average $7,908 and $7,163 when the average figure for the United States was $12,051. Forty percent of all Spanish-speaking persons earn between $4,000 and $10,000, and 63 percent of all Chicanos earn below $10,000 per year. And from 1969 to the present time, there has been no increase in real income for the Spanish speaking, whereas the population as a whole has had a 4 percent increase.

These statistics point to another aspect of the Spanish-speaking employment dilemma, for it is a well-known fact that white collar and professional level employment among the Spanish-speaking community is scarce. Through my work on the Treasury, Postal Service, and General Government Appropriations Subcommittee, I am more than aware of the miniscule percentages of Spanish origin persons in the managerial levels of Government in the Federal agencies. Thus, a continuing lack of opportunity holds nearly 30 percent of Puerto Rican and Mexican-American families below the recognized poverty level, while Federal programs of assistance continue to be notoriously unsatisfactory. The Spanish speaking continue to experience every social ill that accompanies the state of poverty in this land of so-called opportunity.

It is evident that a path to equal opportunity must be paved through the recreation of an agency devoted solely to the concerns of the Spanish speaking. Further, it is imperative, that this office, once it has been reestablished, must concentrate full time on the massive problems encountered by the Spanish-speaking community, rather than squandering its energies on partisan political causes. Those unique needs and concerns must be paramount in the work of this agency until the social and political barriers presently confronting the Spanish speaking are forever knocked down.

HOUSE OF REPRESENTATIVES—*Wednesday, January 29, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Trust in the Lord and do good.—Psalms 37: 3.

O God and Father of us all, whose goodness faileth never and whose truth endureth forever, in the midst of pressing duties and persistent demands we open our hearts unto Thee praying that the light of Thy spirit may shine upon our pathway revealing the way to righteousness, justice, and peace.

Keep our hearts clean, our minds clear, and our spirits courageous as we face the tasks of these trying times. Lead us and lead our people into the realm where good will reigns, truth rules, and justice regulates the affairs of all.

Before this altar of prayer we dedicate ourselves to Thee and to our Nation for the welfare of all mankind; through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

TO AMEND WOOL PRICE SUPPORT PAYMENTS BILL

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, today I am introducing legislation which would retroactively amend existing regulations governing the computation of wool price support payments as provided by the National Wool Act of 1954.

This bill would authorize payments to producers under applications therefor previously filed or to be filed in cases where a bona fide sale of the wool was made by the producer but he is unable to present evidence of payment due to default by the purchaser.

My bill provides relief for wool producers in Wyoming and other States who in 1970 consigned and delivered wool to a marketing agency in Colorado from which they received promissory notes, none of which were ever paid by that agency, and on which wool incentive payments were made. Subsequently, in 1972, these producers' incentive payments were withheld by the Department of Agriculture because the Department found the earlier payments to be improperly determined under existing regulations. These regulations presently provide that the grower's application for payments must be supported by a final accounting for the wool. A promise to pay, even though supported by a promissory note has not been accepted as the equivalent of a payment within the meaning of the regulations governing incentive payments.

This decision has caused considerable hardship for those producers who acted in good faith in consigning their wool to an agency they considered to be financially responsible.

Similar legislation introduced in the last Congress received the support of the Department of Agriculture and the Office of Management and Budget. I urge my colleagues to support this bill to insure an equitable treatment of these wool producers.

RESOLUTION TO OPPOSE A CEILING ON SOCIAL SECURITY COST-OF-LIVING INCREASES

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on behalf of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill), the distinguished chairman of the Subcommittee on Social Security of the Committee on Ways and Means, the gentleman from Massachusetts (Mr. Burke), and myself, I am today introducing a House concurrent resolution which expresses the sense of Congress in opposition to President Ford's recent proposal that social security cost-of-living increases be held to 5 percent this year.

The President wants Congress to reduce the expected 8.7 percent social security cost-of-living increase which will automatically go into effect on July 1 of this year.

The President is asking 30 million needy social security recipients—children, the elderly, and the disabled—to take a 40-percent cut in the scheduled 8.7-percent increase in benefits as a part of his program to combat recession.

This is an unfair burden to ask these people to bear on top of the ravages they have already suffered from soaring inflation.

Mr. Speaker, the 92d Congress widely anticipated the need to protect social security recipients from the threat of rising prices by approving an automatic cost-of-living increase in social security benefits tied to the rise in the Consumer Price Index.

We must not turn our backs on these deserving people, and we must not approve the President's ceiling on social security increases.

I insert, at this point, a list of those who have agreed to join Mr. O'Neill, Mr. Burke of Massachusetts, and me as cosponsors. The number of cosponsors so far totals 108:

List of Cosponsors

Ms. Abzug, Mr. Ambro, Mr. Ashley, Mr Aspin, Mr. Badillo, Mr. Beard, Mr. Bedell, Mr. Biaggi, Mr. Bingham, Mr. Blouin, Mr. Boland, Mr. Bonker, Mr. Carney, Mr. Carr, Mr. Clay.

Mr. Conte, Mr. Conyers, Mr. Cornell, Mr. D'Amours, Mr. Daniels, Mr. Danielson, Mr. Dellums, Mr. Diggs, Mr. Dingell, Mr. Downey, Mr. Drinan, Mr. Early, Mr. Edwards of California.

Mr. Eilberg, Mr. Evans of Colorado, Mr. Fascell, Mr. Fisher, Mr. Fithian, Mr. Florio, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Fulton, Mr. Gaydos, Mr. Harrington, Mr. Hayes, Mr. Hefner, Mr. Helstoski.

Mr. Hicks, Mr. Hinshaw, Mr. Howe, Mr. Hubbard, Mr. Hughes, Miss Jordan, Mr. Jacobs, Mr. Harris, Mr. Hawkins, Mr. Howard, Mr. Kastenmeier, Mrs. Keys, Mr. Koch, Mrs. Lloyd, Mr. Long of Maryland.

Mr. McCormack, Mr. McHugh, Mr. Mazzoli, Mr. Meeds, Mr. Melcher, Mrs. Meyner, Mr. Mikva, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Morgan, Mr. Mottl, Mr. Murtha, Mr. Nix.

Mr. Nowak, Mr. Oberstar, Mr. Patten, Mr. Pattison, Mr. Pepper, Mr. Perkins, Mr. Reuss, Mr. Richmond, Mr. Riegle, Mr. Risenhoover, Mr. Rodino, Mr. Roncalio, Mr. Rosenthal, Mr. Roush, Mr. Santini, Mr. Sarbanes.

Mr. Seiberling, Mr. James V. Stanton, Mr. Stark, Mr. Studds, Mr. Thompson, Mr. Udall, Mr. Walsh, Mr. Wirth, Mr. Yatron, Mr. Young of Georgia, Mr. Zablocki, Mr. Zeferetti, Mrs. Boggs, Mr. Brooks, Mr. Moorhead of Pennsylvania, Mr. Edgar, Mr. John Burton.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1767 TO SUSPEND FOR 90-DAY PERIOD AUTHORITY OF PRESIDENT UNDER SECTION 232 OF TRADE EXPANSION ACT OF 1962

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, January 29, 1975, to file a report on the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 16, 1975, and before the beginning of such 90-day period; and for other purposes, along with any supplemental, minority, and/or separate views.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO SIT WHILE HOUSE IS READING A MEASURE FOR AMENDMENT UNDER 5-MINUTE RULE DURING 94TH CONGRESS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have permission to sit while the House is reading a measure for amendment under the 5-minute rule in the 94th Congress.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

TENTH ANNIVERSARY OF JOB CORPS PROGRAM

(Mr. PICKLE asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, today marks a very important anniversary for nearly one-half million Americans, in particular, and our society as a whole. The anniversary marks the 10th anniversary of the Job Corps program—the program with a heart, and a mission.

Many of us were here in the heady days of 1964 and 1965. Those days saw the passage of legislation designed to cure the many hatreds of our people—poverty, racism, disease, and economic inopportunity.

To conduct this fight, a program was needed to put young men and women on the road to productive lives and out of the alleys to lifelong poverty and despair. His goal was the motivation for the Job Corps.

Since the Job Corps got under way in 1965, nearly one-half million people have worked in the Job Corps program, learning a skill and accepting the challenge America offers.

Mr. Speaker, one of the proudest and biggest days in my life was April 10, 1965. On that day, President Lyndon Johnson, a warrior against poverty, dedicated the Gary Job Corps Center in San Marcos, Tex. This center, located in President Johnson's congressional district, and near his alma mater, knew President Johnson's love and dedication to opening the doors to all Americans—regardless of race or economic background.

On that day, he quoted Thomas Wolfe, and it is well to repeat those words today:

> To every man, his chance.
>
> To every man, regardless of his birth, his shining golden opportunity.
>
> To every man the right to live, to work, to be himself, and to become whatever his manhood and his vision can combine to make him.
>
> This, seeker, is the Promise of America.

Beautiful and wonderful words on an important occasion.

Mr. John Stetson, National Job Corps Director, and his staff are doing a good job in keeping alive these goals. This program says that our Government does care about our young men and women, and that we want them to understand responsibility, to believe in opportunities, and to prepare for those jobs by good training.

Mr. Speaker, I also insert an editorial from the January 26, 1975, Washington Post, in the Record at this time:

The Job Corps at 10 Years

"*. . . an example of a curent poverty program that should be eliminated is the Job Corps. This is one program that has been a failure. It sounds good, but it costs $10,000 a year to train a man for a job that may not even exist. That's the government way of doing it.*"—Richard M. Nixon, April 1968.)

In reaching its 10th anniversary this month, the Job Corps deserves congratulations on several counts. The most basic of these is for its mere survival. From the beginning, it was among the most sharply attacked of the poverty programs. Its purpose was to train young men and women—16 to 21—in skills that would qualify them for jobs. But it was immediately clear that much more than this was involved. The early Job Corps centers, in the description of OEO's first director, Sargent Shriver, were "filled with kids this country has literally dumped." Eighty per cent had not seen a doctor or dentist in 10 years, 24 per cent had eye trouble, more than 60 per cent came from broken homes, the average schooling was nine years but reading proficiency was on the fifth grade level, and a third of the enrollees had behavorial problems. The Job Corps was much more than an employment program; it was dealing in human renewal.

The program's critics, offended that tax money was being spent on dropouts, toughs and supposedly hopeless cases, seized on isolated incidents—a fist fight between two recruits became "racial turmoil"—to discredit Job Corps. Few were more determined to do it in than Richard Nixon. The comment above was one of many about Job Corps in his 1968 campaign, but he had his facts wrong: the costs were much lower, the jobs did exist, and corporations and unions were partners with the government. For all his misguided determination, Richard Nixon never killed the program. The idea behind it was too sound—as many allies in the Senate and House understood—and the need among the young unemployed was too great.

Today, the program has become an accepted part of the Ford administration's manpower efforts. Sixty-one centers are operating for 14,000 men and 5,000 women. In 10 years, nearly half a million trainees have been enrolled; the cost per enrollee in FY 1974 was $3,098. Unfortunately, evidence suggests that the Job Corps is still under some of the pressures it has endured all along. Funding in the last fiscal year was $176 million, down from $185 million in 1973 and $212 million in 1972. According to one Labor Department official, at one time there were 94 Civilian Conservation Centers but today the number is 27.

Some money is being saved by these cuts and closings, but assuredly it is the kind of short-term savings that eventually means little when compared with the losses; what the nation must pay to meet the needs of those on welfare, in prison and on the unemployment lines. With none of the skills or help they would receive in Job Corps, many youngsters may be destined for one or another of those fates. President Ford has hailed the Job Corps for having "sustained a remarkable record of success." If that's the case, what is needed now is a new commitment to develop the program. The need for Job Corps today is considerably greater than when it began.

AIDING OUR ENEMIES

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, as many of our colleagues know, Ecuador has just seized five U.S. tunaboats beyond the 12-mile limit. This hostile action shattered a truce of nearly 2 years during which none of our ships was molested in what we and most other seafaring nations regard as international waters.

Besides constituting an act of piracy against the fishermen involved, the latest seizures also threaten to undermine the Law of the Seas Conference scheduled to resume this spring in Geneva.

Our own laws are quite specific about countermeasures to discourage aggression by nations dependent on the United States for economic and/or military assistance. Cut them off, the statutes say, but for perhaps understandable diplomatic and humanitarian considerations our Government at times has seemed loath to get tough with the offenders.

I take the floor now, Mr. Speaker, to urge in the strongest possible terms that the United States move at once to cut off military sales to Ecuador, in direct response to the seizures that occurred over the weekend. I am told the tentative allocation for Ecuador in the current fiscal year is $12.5 million in military sales plus

$400,000 for military training. I have no quarrel with the additional $5.4 million scheduled to be disbursed in Food for Peace and economic/technical programs; this help benefits individuals instead of the derelict Government of Ecuador.

But the law is the law, and the Foreign Military Sales Act, as amended, requires that such sales be terminated for 12 months following the seizure on the high seas of a fishing boat. Only the President is authorized to waive this requirement, and then only when in his judgment national security might be compromised by withholding the aid.

I cannot see how holding back the arms money from Ecuador could have any negative impact at all on our national defenses. In fact, the opposite might well be true: Cutting off military sales could have a positively beneficial effect, in that Ecuador could not buy as many weapons to harass our fishing boats.

Unless he can give us compelling reasons for releasing these funds, the President should allow the law to take its course. To act otherwise would be to capitulate to piracy, and encourage it to continue.

AIR TRAGEDIES

(Mr. DEVINE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, yesterday I went through a very saddening experience in attending four funerals in 1 day.

We are all aware of the tragic crash of a private plane last Saturday, January 25, wherein three close personal friends, respected citizens, and community leaders from my district lost their lives along with two very fine and dedicated pilots.

Columbus, Ohio, has received more than its share of air tragedies in the past 2 months, and the National Transportation Safety Board has its hands full in conducting hearings and investigations, not only relating to this most recent crash, but also the loss of 93 lives on December 1 when TWA flight 514 from Columbus to Washington crashed on the approach to Dulles International Airport.

The Columbus Dispatch carried a very fine editorial memorializing the passengers and crew in the private aircraft, and I am including it with my remarks:

AIR CRASH VICTIMS ENRICHED HUMANITY

The tragic private plane crash that killed three prominent Columbus business executives and the crew of two as it neared its Columbus-to-Washington destination resulted in a deep loss to our entire community.

All five, including Edgar T. Wolfe Jr., publisher and chairman of the board of the The Dispatch Printing Co., were under 50 years of age, with much of their already fruitful professional careers still ahead of them.

With Mr. Wolfe as passengers in the plane were Frederick W. LeVeque, a real estate executive, and Carlton S. Dargusch Jr., well-known attorney. Pilots of the twin-engine plane were Richard White and Robert D. Hatem.

Like Mr. Wolfe, Mr. LeVeque and Mr. Dargusch were highly regarded for their numerous civic endeavors, designed for the betterment of the community in which their roots ran deep.

Each of these men bore a distinguished family name and thus inherited respective traditions which they not only were expected to, but which they did carry forward with excellence and dignity.

As a son and namesake of the late Edgar T. Wolfe Sr., publisher of the former Ohio State Journal, Mr. Wolfe early learned the responsibilities of his profession which enabled him, in turn, to become a progressive and outstanding publisher himself.

Too, he maintained a special interest in aviation and was always a strong supporter of the continuous development of Port Columbus, which his father helped found in the late 1920s.

Although seldom in personal evidence, Mr. Wolfe was a strong supporter of public development enterprises which he believed necessary to the growth and sound economic advancement of the entire metropolitan area.

He approached these with a single-minded devotion in an effort to assure their success.

He was an inquisitive and serious-minded man and one of his numerous personal interests attesting to that was the breeding of Charolais cattle. Often he would lay aside his avid pursuit of outdoor sports for this enticing venture.

Like Mr. Wolfe, Mr. LeVeque followed the path of a distinguished father, a professor of architecture, who became a figure of note in the community through the development of Olentangy Village and subsequently as co-owner of the LeVeque-Lincoln Tower.

Over the years, Mr. LeVeque maintained the Tower as the focal landmark of the Columbus Civic Center along the Scioto River.

Situated as this huge and significant office building is, it was only natural that he should venture into the off-street parking business.

This he did, starting at the Tower itself and then further developing that enterprise into other off-street parking places elsewhere in the city.

As is the character of leaders, Mr. LeVeque gave immensely, too, of his personal time to other productive pursuits. These included, primarily, his work for Children's Hospital, the Boy Scouts of America and the Columbus School for Girls.

Another that should not go unmentioned was his active leadership in the annual Columbus Pro-Am Golf Tournament for charity.

Mr. Dargusch also was of the mold of his collegues with whom he died.

He, too, came of notable family, the son of retired Gen. Carlton S. Dargusch Sr., who has made an outstanding career in military service, the law and in government.

The youngster Mr. Dargusch responded also to his heritage and within the limitations of his professional environment pursued numerous productive activities.

He had distinguished himself in the law, legislation and politics and had built a comparatively large and sucessful law firm. Too, he was an intensely active leader.

Outside his professional and business obligations, Mr. Dargusch gave his personal time to his church—Trinity Episcopal.

Mr. White, as chief pilot, and Mr. Hatem, as co-pilot, in the private aviation concern in which they were employed were well known as accomplished men in their field, too.

Both held the respect and affection of those whom they worked and lived.

The sudden and tragic deaths of these five men cannot be other than a grievous loss to the entire community and to their families.

One of the great ironies is that all should have been snatched from life at the very threshold of still greater accomplishments to come. Yet, for those contributions already given, there is universal gratitude.

The families of each are, indeed, offered the sincere condolences of all of those lives they touched and made richer during the time each was among us.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The **SPEAKER** laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 28, 1975.

Hon. CARL ALBERT
Speaker, House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:32 P.M. on Tuesday, January 28, 1975, and said to contain a message from the President concerning increased assistance to South Vietnam and Cambodia.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, U.S. House of Representatives.

INCREASED ASSISTANCE TO SOUTH VIETNAM AND CAMBODIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–30)

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

To the Congress of the United States:

Two years ago the Paris Agreement was signed, and several weeks later was endorsed by major nations including the Soviet Union, the United Kingdom, France and the People's Republic of China. We had succeeded in negotiating an Agreement that provided the framework for lasting peace in Southeast Asia. This Agreement would have worked had Hanoi matched our side's efforts to implement it. Unfortunately, the other side has chosen to violate most of the major provisions of this Accord.

The South Vietnamese and Cambodians are fighting hard in their own defense, as recent casualty figures clearly demonstrate. With adequate U.S. material assistance, they can hold their own. We cannot turn our backs on these embattled countries. U.S. unwillingness to provide adequate assistance to allies fighting for their lives would seriously affect our credibility throughout the world as an ally. And this credibility is essential to our national security.

VIETNAM

When the Paris Agreement was signed, all Americans hoped that it would provide a framework under which the Vietnamese people could make their own political choices and resolve their own problems in an atmosphere of peace.

In compliance with that Agreement, the United States withdrew its forces and its military advisors from Vietnam. In further compliance with the Agreement, the Republic of Vietnam offered a comprehensive political program designed to reconcile the differences between the South Vietnamese parties and to lead to free and supervised elections throughout all of South Vietnam. The Republic of Vietnam has repeatedly reiterated this offer and has several times proposed a specific date for a free election open to all South Vietnamese political groups.

Unfortunately, our hopes for peace and for reconciliation have been frustrated by the persistent refusal of the other side to abide by even the most fundamental provisions of the Agreement. North Vietnam has sent its forces into the South in such large numbers that its army in South Vietnam is now greater than ever, close to 289,000 troops. Hanoi has sent tanks, heavy artillery, and anti-aircraft weapons to South Vietnam by the hundreds. These troops and equipment are in South Vietnam for only one reason—to forceably impose the will of Hanoi on the South Vietnamese people. Moreover, Hanoi has refused to give a full accounting for our men missing in action in Vietnam.

The Communists have also violated the political provisions of the Paris Agreement. They have refused all South Vietnamese offers to set a specific date for free elections, and have now broken off negotiations with the Government of the Republic of Vietnam. In fact, they say that they will not negotiate with that Government as it is presently constituted, although they had committed themselves to do so.

Recent events have made it clear that North Vietnam is again trying to impose a solution by force. Earlier this month, North Vietnamese forces captured an entire province, the population centers of which were clearly under the control of the South Vietnamese Government when the Paris Agreement was signed. Our intelligence indicates, moreover, that their campaign will intensify further in coming months.

At a time when the North Vietnamese have been building up their forces and pressing their attacks, U.S. military aid to the South Vietnamese Government has not been sufficient to permit one-to-one replacement of equipment and supplies used up or destroyed, as permitted by the Paris agreement. In fact, with the $700 million appropriation available in the current fiscal year, we have been able to provide no new tanks, airplanes, trucks, artillery pieces, or other major equipment, but only essential consumable items such as ammunition, gasoline, spare parts, and medical supplies. And in the face of the increased North Vietnamese pressure of recent months, these supplies have not kept pace with minimally essential expenditure. Stockpiles have been drawn down and will soon reach dangerously low levels.

Last year, some believed that cutting back our military assistance to the South Vietnamese Government would induce negotiations for a political settlement. Instead, the opposite has happened. North Vietnam is refusing negotiations and is increasing its military pressure.

I am gravely concerned about this situation. I am concerned because it poses a serious threat to the chances for political stability in Southeast Asia and to the progress that has been made in removing Vietnam as a major issue of contention between the great powers.

I am also concerned because what happens in Vietnam can affect the rest of the world. It cannot be in the interests of the United States to let other nations believe that we are prepared to look the other way when agreements that have been painstakingly negotiated are contemptuously violated. It cannot be in our interest to cause our friends all over the world to wonder whether we will support them if they comply with agreements that others violate.

When the United States signed the Paris Agreement, as when we pursued the policy of Vietnamization, we told the South Vietnamese, in effect, that we would not defend them with our military forces, but that we would provide them the means to defend themselves, as permitted by the Agreement. The South Vietnamese have performed effectively in accepting this challenge. They have demonstrated their determination and ability to defend themselves if they are provided the necessary military material with which to do so. We, however, may be judged remiss in keeping our end of the bargain.

We—the Executive and Legislative Branches together—must meet our responsibilities. As I have said earlier, the amount of assistance appropriated by the previous Congress is inadequate to the requirements of the situation.

I am, therefore, proposing:

—A supplemental appropriation of $300 million for military assistance to South Vietnam.

The $300 million in supplemental military assistance that I am requesting for South Vietnam represents the difference between the $1 billion which was authorized to be appropriated for fiscal year 1975 and the $700 million which has been appropriated. This amount does not meet all the needs of the South Vietnamese army in its defense against North Vietnam. It does not, for example, allow for replacement of equipment lost in combat. It is the minimum needed to prevent serious reversals by providing the South Vietnamese with the urgent supplies required for their self-defense against the current level of North Vietnamese attacks.

I believe that this additional aid will help to deter the North Vietnamese from further escalating their military pressure and provide them additional incentive to resume the political discussions envisaged under the Paris Agreement.

All Americans want to end the U.S. role in Vietnam. So do I. I believe, however, that we must end it in a way that will enhance the chances of world peace and sustain the purposes for which we have sacrificed so much.

CAMBODIA

Our objective in Cambodia is to restore peace and to allow the Khmer people an opportunity to decide freely who will govern them. To this end, our immediate goal in Cambodia is to facilitate an early negotiated settlement. The Cambodian Government has repeatedly called for talks without preconditions with the other Khmer parties. We have fully supported these proposals as well as the resolution passed by the United Nations General Assembly calling for early negotiations among Khmer parties.

Regrettably, there has been no progress. In fact, the Communists have intensified hostilities by attacking on the outskirts of Phnom Penh and attempting to cut the land and water routes to the capital. We must continue to aid the Cambodian Government in the face of externally supported military attacks. To refuse to provide the assistance needed would threaten the survival of the Khmer Republic and undermine the chances for peace and stability in the area.

The Cambodian Government forces, given adequate assistance, can hold their own. Once the insurgents realize that they cannot win by force of arms, I believe they will look to negotiations rather than war.

I am, therefore, proposing:

—Legislation to eliminate the current ceilings on military and economic assistance to Cambodia, and to authorize the appropriation of an additional $222 million for military aid for Cambodia, and

—An amendment to the fiscal year 1975 budget for the additional $222 million.

To provide the assistance necessary, the present restrictions on our military and economic aid to Cambodia must be removed and additional money provided. The $200 million in military assistance currently authorized was largely expended during the past six months in response to the significantly intensified enemy offensive action. In addition, I have utilized the $75 million drawdown of Department of Defense stocks authorized by Congress for this emergency situation. Since the beginning of the Communist offensive on January 1, ammunition expenditures have risen and will exhaust all available funds well before the end of this fiscal year. To meet minimum requirements for the survival of the Khmer Republic, I am requesting an additional $222 million in military assistance and the elimination of the present $200 million ceiling on military assistance to Cambodia. I am also requesting elimination of the $377 million ceiling on overall assistance to Cambodia. This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country.

I know we all seek the same goals for Cambodia—a situation wherein the suffering and destruction has stopped and the Khmer people have the necessary security to rebuild their society and their country. These goals are attainable. With the minimal resources and flexibility I am requesting from you, the Congress, we can help the people of Cambodia to have a choice in determining their future. The consequences of refusing them this assistance will reach far beyond Cambodia's borders and impact severely on prospects for peace and stability in that region and the world. There is no question but that this assistance would serve the interests of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *January 28, 1975.*

APPOINTMENT AS MEMBERS OF HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

The SPEAKER. Pursuant to the provisions of section 5(b), Public Law 93–131, the Chair appoints as members of the House Commission on Congressional

Mailing Standards the following Members of the House: Mr. UDALL of Arizona, chairman; Mr. CHARLES H. WILSON of California; Mr. HOWARD of New Jersey; Mr. DERWINSKI of Illinois; Mr. QUILLEN of Tennessee; and Mr. LOTT of Mississippi.

APPOINTMENT AS MEMBERS OF JOINT COMMITTEE ON ATOMIC ENERGY

The **SPEAKER**. Pursuant to the provisions of 42 United States Code 2251, the Chair appoints as members of the Joint Committee on Atomic Energy the following Members on the part of the House: Mr. PRICE of Illinois; Mr. YOUNG of Texas; Mr. RONCALIO of Wyoming; Mr. McCORMACK of Washington; Mr. MOSS of California; Mr. ANDERSON of Illinois; Mr. LUJAN of New Mexico; Mr. HORTON of New York; and Mr. HINSHAW of California.

COMMUNICATION FROM THE MAJORITY LEADER—NOMINATION AS MEMBER OF FEDERAL ELECTION COMMISSION

The **SPEAKER** laid before the House the following communication from the majority leader, which was referred to the Committee on the House Administration:

January 14, 1975.

Hon. CARL ALBERT,
Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to P.L. 93–433, Sec. 310(B) I recommend the Honorable Robert Tiernan as my nominee to serve as a member of the Federal Election Commission.

Sincerely,

THOMAS P. O'NEILL, Jr.
December 16, 1974.

COMMUNICATION FROM THE MINORITY LEADER—NOMINATION AS MEMBER OF FEDERAL ELECTION COMMISSION

The **SPEAKER** laid before the House the following communication from the minority leader, which was referred to the Committee on House Administration:

December 16, 1974.

Hon. CARL ALBERT,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Public Law 93–443, Sec. 310(B), I recommend the Honorable Vernon W. Thomson of Wisconsin as my nominee to serve as a member of the Federal Election Commission.

Yours sincerely,

JOHN J. RHODES,
Minority Leader.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER**. The chair wishes to state that pursuant to the provisions of section 208(a), title 2, Public Law 443, the nomination of the Honorable Robert O. Tiernan, of Rhode Island, is submitted for the term ending April 30, 1977, and the name of the Honorable Vernon W. Thomson, of Wisconsin, is submitted for the term ending April 30, 1980.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 8]

Abzug
Alexander
Andrews, N.C.
Aspin
AuCoin
Baldus
Beard, R.I.
Beard, Tenn.
Bell
Bolling
Bowen
Brown, Calif.
Burgener
Chappell
Chisholm
Clay
Cochran
Collins, Ill.
Conlan
Conyers
Corman
Crane
Daniel, Robert W., Jr.
Dellums
Dent
Derwinski
Diggs
Dodd
Duncan, Oreg.
Emery
Esch
Evans, Ind.
Fish
Fraser
Goldwater
Hannaford
Harsha
Hébert
Holt
Howe
Ichord
Jarman
Jeffords
Jones, Okla.
Ketchum
Krebs
LaFalce
Lent
Litton
McClory
McHugh
Macdonald, Mass.
Milford
Mills
Mitchell, N.Y.
Moffett
Moss
Nolan
O'Brien
Pattison, N.Y.
Pepper
Pike
Pritchard
Railsback
Rees
Santini
Scheuer
Sebelius
Shipley
Shriver
Snyder
Steed
Steelman
Stuckey
Taylor, Mo.
Teague
Udall
Walsh
Waxman
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wydler

The **SPEAKER**. On this rollcall 348 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HEARINGS ON ILLEGAL ALIEN LEGISLATION

The **SPEAKER** pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary, has scheduled one day of public hearings on February 4 to consider H.R. 982, a bill which I have introduced along with Chairman PETER W. RODINO to make it unlawful for employers to knowingly hire illegal aliens.

This hearing will be held in room 2141 at 10 a.m. on February 4. We have invited officials from the Departments of Justice and Labor to testify on this legislation, as well as representatives of organized labor.

As my colleagues will recall, this urgently needed legislation passed the House of Representatives in both the 92d and 93d Congresses and I am hopeful that it will receive expeditious consideration in the current Congress.

Those who desire to submit statements for inclusion into the hearings record should address their request to the Subcommittee on Immigration, Citizenship, and International Law in room 2139, Rayburn Building.

GASOLINE RATIONING

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN) is recognized for 5 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, in the current debate over alternatives to reduce fuel consumption, gasoline rationing has been suggested as an equitable, efficient, and economical means of achieving this objective.

In order that the rationing alternative can be fairly evaluated, however, I think we should be mindful of the inequities and serious economic hardships that any system to individually ration gasoline, no matter how well intentioned, would create.

With this in mind, I am submitting for consideration by my colleagues a timely and thought-provoking editorial on gasoline rationing which appeared in the Washington Post of Sunday, January 26, 1975.

The editorial follows:

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation.

Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea nearby to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer reationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

THE NEED FOR PAROLE REORGANIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 10 minutes.

Mr. RAILSBACK. Mr. Speaker, there is an urgent need for reform of this Nation's Federal Board of Parole. As a member of the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice I have had the opportunity to visit correctional institutions across the country. They included the Cook County Jail, the Statesville Penitentiary, the State Prison in Vienna, and the St. Charles Training School for Boys in my home State of Illinois. I have learned firsthand that parole is one of the most important concern's of every inmate from the day he enters prison. However, the Federal parole system has been variously described as arbitrary, capricious, and oppressive. It has often been unresponsive to the needs of inmates and thus generated enormous animosity and resentment.

In November 1973, the U.S. Board of Parole initiated a major reform by publishing the standards used to assist the board in determining when a convict can be released from prison. Although this was a significant step in the right direction and is very much appreciated by the members of the subcommittee, there remains a need for additional reform. Herman Schwartz, parole authority and professor at State University Law School, Buffalo, claims that the Board still has too much discretionary power. He states that—

> Insofar as the guidelines simply codify past practice, all they do is to project forward the terrible injustices and arbitrariness of the board in the recent past. It's true there will be more equity. All prisoners will be treated with equal unfairness.

Another charge levelled at the Board concerns the domination of its members by officials of the Justice Department. The Board currently operates within the Justice Department and relies upon the agency for its budget requests.

It is in response to these significant criticisms and my own personal observations that I am cosponsoring H.R. 13826, the Parole Reorganization Act of 1975. This legislation was previously introduced in the 93d Congress but failed to reach the floor. I am hopeful that the bill will receive the early attention of the House this year. The Parole Reorganization Act establishes an independent Board of Parole consisting of a national board and five regional boards. It also provides for more equitable parole procedures and assures due process for inmates in the initial parole hearings and in parole revocation or appeal hearings.

The bill serves to correct many of the inherent abuses of our present parole process. Under the system now in practice, when a violation of parole results in its revocation, the parolee is reincarcerated without any credit for the time spent on parole. This means that if a parolee spent 2 years of a 10-year sentence in prison and 7 years on parole before having his parole revoked, he could then be forced to spend 8 more years in prison. This is manifestly unfair if we consider that the institution of parole has been defined by the courts as "imprisonment." Presently, a prisoner can be forced to serve a combined sentence greater than that imposed by the sentencing judge. The Parole Reorganization Act would correct this obvious injustice by giving the parolee credit for the time spent on parole.

In addition, a shift in emphasis would now take place such that the Board would be forced to take the initiative to either parole an inmate or show that there is a high likelihood that he will violate the law, that his release would be incompatible with the welfare of society, or that the prisoner's release at that time would so deprecate the seriousness of his crime as to undermine respect for the law. It should not be incumbent upon the prisoner, with his meager resources, to establish that he should be paroled.

The bill would also provide for the termination of parole supervision after 5 years of clean street time unless it is probable that the parolee would then violate the law. As it now stands, a parolee who was initially given a long sentence is unable to envision an end to the restrictions of his parole. The proposed change would reduce the amount of staff time spent on someone who no longer needs supervision. It would also eliminate unnecessary continued punishment.

While I recognize the need to protect society we must not abrogate our responsibility to the prisoner who is also a member of that society. The Parole Reorganization Act of 1975 provides for more equitable and meaningful parole procedures and thus serves to aid in the restoration of the convict to a free and productive life. The ultimate beneficiary of these changes can only be the society as a whole.

SUPPORT THE ECONOMY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 5 minutes.

Mr. QUIE. Mr. Speaker, I wish to draw the attention of my colleagues and businessmen across the country to a very important and innovative program established by the Apache Corp. to reinvigorate the economy.

The corporation has established a plan called "Support the Economy Program," which in today's acronym-oriented society is called STEP. The company is offering cash incentives to the first 10 percent of their employees who purchase new automobiles or major appliances.

I strongly commend the company for

this dynamic step it is taking. If emulated by other companies, it could mean a giant leap forward for the economy.

I submit the letter and description of the plan for the information of my colleagues:

APACHE, CORP.,
Minneapolis, Minn., January 24, 1974.
Hon. ALBERT H. QUIE,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN QUIE: I am writing to you as a concerned citizen who fears both the potential social and economic consequences of our continuing and deepening recession.

I am also a businessman who believes that private industry has much to contribute at this critical hour in our nation's history.

We have inaugurated a plan we call "Support the Economy Program" (STEP). We are offering cash incentives to the first 10 percent of our employees who purchase new American built 1975 model autos or major appliances. A base incentive of $150 will apply to all autos with an additional $50 applying to higher mileage models. A $25 incentive will apply to appliances. While only a minor part of our business is directly related to these industries, we have come to the simple conclusion that we can do most to help ourselves by helping others.

We recognize that governmental action is urgently needed. But, if the private sector can also be sufficiently innovative, our initiatives could supplement yours in important ways.

Our company is small and even insignificant in the total scheme of things. That is why I have written to business leaders across the country urging them to start programs of their own to encourage consumers to make *planned* purchases that will aid in the liquidation of inventories and help restore consumer confidence.

And that is why I am writing to you. Because of your position, your influence is great. Any support you might give to this kind of initiative would be beneficial and could help get this program moving across the country.

Such efforts could send a positive "ripple effect" reverberating through our economy. I urge you to help us—and America—if you honestly conclude, as we have, that this additional private initiative could make an important difference.

If your busy schedule permits, I would greatly appreciate your personal reactions. A program outline is attached.

Very truly yours,
RAYMOND PLANK.

EMPLOYEE BACKGROUND—APACHE'S "SUPPORT THE ECONOMY PROGRAM" (STEP), JANUARY 24, 1975

AUTOMOTIVE INCENTIVE

$150 cash for the first 400 American made automobiles or pickup trucks purchased or leased by full time Apache or wholly-owned Apache subsidiary employees.

$50 extra ($200 total) if the automobile is rated at 18 miles per gallon or more by the current EPA highway fuel economy rating. This is to be verified on bill of sale by dealer. 18 miles and over includes some models from each of the four major auto manufacturing firms.

Incentive available to all full time Apache or Apache wholly-owned subsidiary employees.

Limited to one automobile or pickup per employee.

Offer good until February 28, 1975 or until incentive for the total of 400 vehicles has been reserved.

APPLIANCE INCENTIVE

$25 each for the first 800 American made major appliances purchased.

Eligible appliances: washer, dryer, range, refrigerator, freezer, air conditioner, dishwasher, micro-wave oven.

Limit of two appliances per employee; but the same employee may take advantage of both automotive and appliance incentive.

Incentive available to all full time Apache or Apache wholly-owned subsidiary employees.

Offer good until February 28, 1975 or until total number of allocated appliance incentives have been reserved.

MECHANICS OF PROGRAM

Employee applies to local Program Administrator for an available auto or appliance incentive.

Administrator authorizes incentive if company allotment has not been used up. Allotment determined as follows:

10 percent of employees may purchase or lease an automobile or pickup.

10 percent of employees may purchase up to two appliances.

Incentive will be paid after bona fide sales documents (including EPA highway rating for cars) are presented to Program Administrator.

Two employees may not pool their incentives to jointly purchase one auto or appliance.

OPEN HOUSE AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, today I am introducing a package of nine congressional reform measures which I have designated, "the Open House Amendments of 1975." Taken together, these measures would further open the proceedings of the House to the public and insure greater individual Member accountability.

Stated briefly, my amendments provide for radio and TV broadcasting of House floor proceedings, public access to committee records, further opening committee meetings and House-Senate conferences to the public, banning proxy voting and increasing recorded votes in committees, prohibiting party caucuses from issuing binding instructions on Members' committee and floor votes, providing by law ample time for each new House to debate and amend its proposed rules, and forbidding committee chairmen to bring up bills under a suspension of the rules without either the consent of the ranking minority member or a majority of the committee.

CONSIDERATION OF HOUSE RULES

Mr. Speaker, at the beginning of this 94th Congress, I joined with other Members on my side of the aisle to protest the manner in which we were considering our new rules. The rules resolution had been brought out of the Democratic Caucus, we were given no opportunity to review the proposed changes in advance, only 1 hour of debate time was allotted, and there was no opportunity for amendment. Not only did we complain that the Democratic Caucus rules stripped away at least two reforms adopted in the House just last October, but that the full House was not being given full opportunity to determine the rules of its proceedings as guaranteed by the Constitution. Our own Republican Task Force on reform had already endorsed numerous other reforms, most of which are contained in the package I am introducing today; and yet, we were precluded from offering these on the floor or mandating the Rules Committee to report back its recommendations within a specified time.

As I pointed out in my floor remarks at that time, House rules are designed as much for the protection of a minority against the wantonness of power of a majority, as they are to facilitate majority rule. And yet, the minority was permitted no input in the rules of the House in the 94th Congress.

Because this very abbreviated and restrictive procedure for considering new rules is unfair to all House Members, I have introduced a bill to amend the United States Code to require that each new House take up to 10 hours to debate the proposed rules resolution, with time equally divided between the majority and minority, followed by full opportunity for amendment.

I would like to point out to my colleagues that this is precisely the way the House once operated, and there is no reason we cannot again follow such a procedure given the paucity of House business during the early weeks of a new Congress. Dr. George Galloway, in his excellent "History of the United States House of Representatives" makes the following observation:

> Except for the exciting contests that marked the general revisions of 1860 and 1880, the customary practice in post bellum days, when a new House met, was to proceed under general parliamentary law, often for several days, with unlimited debate, until a satisfactory revision of former rules had been effected. Proposed changes in the old rules were discussed on these occasions in a leisurely, good-natured way and the meaning of the complex code of the House was explained to the new Members.

Galloway goes on to quote from L. G. McConachie's book, "Congressional Committees" (1898) on the importance of these first debates in a new House:

> Discussion of the rules does not mean cold argument over phraseology, clear reasoning upon scientific legislative methods. It is the impassioned utterance of men newly gathered together, and as yet unacquainted with each other, but fresh from constituencies whose districts completely cover the broad surface of the United States. . . . In these discussions upon the broad subject of the State of the Union, a large part, often the largest part of the talking is made up of random speeches by the newer members. The older fellows sit back, say nothing, listen. The new man may break some ice as to the meaning of the complex code which governs proceedings, but the old man gathers large ideas as to the character of the complex mass of membership which will soon come under his directing and governing hand.

So, not only did these first debates provide the full House with ample opportunity to discuss, learn and change the rules, but also afforded new Members a chance to step forward and introduce themselves and their views. This shatters the myth that the unwritten rule in the House has always been that new Members should be seen and not heard.

BROADCASTING HOUSE FLOOR PROCEEDINGS

Mr. Speaker, this leads into another reform which I am proposing: The audio and video broadcasting of House floor proceedings. Our Joint Committee on Congressional Operations recommended this last year after holding extensive hearings at which I was privileged to testify. My resolution is directly patterned after the joint committee's proposal that "Congress move forward with a carefully designed but limited test to determine the ultimate feasibility and desirability of a permanent system for broadcasting activities in the House and Senate Chambers," and that "this test begin as soon after the opening of the 94th Congress as possible and continue through the 1st session."

Had arrangements been made for this late last year, time could have been set aside in the House for reactions to the President's state of the Union message as well as for a more extended debate on the adoption of our rules. I could envision a series of debates on our economic and energy problems in the early part of the new session, even before legislation is reported from committees. This would certainly help to further educate the public, acquaint it with the new Congress, and focus on the various aspects and conflicting views on the major issues of the day.

OPENING UP THE CONGRESS

Broadcasting floor proceedings, taken together with greater utilization of our existing rule permitting broadcasting of committee hearings, should go a long way toward opening up the House to the public. I have proposed several other rules toward this end in my "open house" reform package. As things now stand, while committee hearings must be open for all but a few exceptions, committee meetings, including important markup sessions may be closed by majority vote for any reason. I have proposed that the same rule which applies to committee hearings be applied to committee meetings as well. I have also proposed that all House-Senate conferences be completely open. The rule just adopted in the House would permit either a majority of House or Senate conferees to vote to close a conference. This may or may not result in more open conferences. My proposed rule would insure complete openness by requiring that no conference report be considered in the House unless the conferees, in their statement, include an assurance that all conference sessions were open to the public.

I have also proposed several other amendments aimed at greater openness. As things now stand, while a record of committee actions must be kept, the public may only see the recorded vote portion of that record. My proposed amendment would insure public access to the entire record, except for certain classified materials. With respect to committee voting, I have introduced resolutions to once again ban all proxy voting in committees, another to permit any Member of a committee to demand a rollcall vote and to require a rollcall vote on all motions to report a bill or resolution. Taken together, I think these proposed rules will help to increase Member accountability to the public as well as attendance at committee meetings.

I have also introduced a resolution which restricts the right of a chairman to unilaterally request that a bill reported from his committee be considered under a suspension of the rules. My new rule would require that either the chairman and ranking minority Member, or a majority of the committee, by rollcall vote, must approve bringing up a bill in this manner. I think it is important to stress that the suspension procedure is but another form of closed rule, allowing only 40 minutes debate on a bill, no opportunity for amendment, and requiring a two-thirds vote for passage. One chairman last year admitted that he had brought a bill up under suspension because he wanted to kill it. We must put an end to such a cynical abuse of the suspension procedure and insure that the work of the committee is not lost at the last minute by such tactics.

BINDING CAUCUS INSTRUCTIONS

Finally, Mr. Speaker, I have introduced a resolution which would, in effect, prohibit either party caucus from binding its Members' votes on committees or on the floor, contrary to their conscience. This rule would further permit any Member claiming to be so bound to raise a point of order at the time he casts his vote on the provision or measure he is bound to vote for or against. Such tactics to require a Member to put obedience to caucus above conscience or constituency are completely alien to our representative system and must be exorcised in our House Rules. The Democratic Caucus rules now provide for such binding instructions; our own House Republican Conference does not and will not as long as I am chairman.

A Member may vote contrary to his caucus instructions on floor votes if he declares in caucus or afterward in writing that he has made a prior commitment to his constituents in the last campaign or feels the provision in question is of dubious constitutionality. He may not deviate from the instructions if he simply feels in good conscience that the provision in question is bad or wrong. And under no circumstances can he deviate from caucus instructions concerning his votes in committee. The rationale here, as explained in a Democratic study group paper issued last year, is that a Member serves on a committee at the pleasure of and as a creature of the caucus only. He has no constitutional right to a seat on a committee and thus must not concern himself about voting his constituency on a committee. He is there to do the bidding of his creator, the caucus.

Mr. Speaker, I appreciate the fact that some will argue that such caucus instructions are integral to the functioning of party government in various parliamentary systems. But this is not a parliament; it is the Congress of Representatives of the people of the United States, chosen by the people to represent the interests of the people of this very diverse and pluralistic land. Even our two major parties tend to reflect this diversity, and this is a major source of their strength. Permitting a small group within a party caucus to dictate how a Member should vote is completely contrary to the republican nature of our system. As I have pointed out on previous occasions, the majoritarian nature of caucus rule is a myth since as few as 74 of the 290-odd Democrats—a majority of a bare caucus quorum—may bind Democratic committee votes.

I would also like to point out that the device of party instructions is not necessarily permitted in all parliamentary systems. The constitution or "basic law" of the Federal Republic of Germany, for instance, specifically forbids such instructions in article 38:

> (1) The deputies to the German Bundestag shall be elected in general, direct, free, equal and secret elections. *They shall be representatives of the whole people, not bound by orders and instructions, and shall be subject only to their conscience.*

Mr. Speaker, if our counterpart in West Germany, the Bundestag, is constitutionally free of binding party instructions, and yet is still able to operate under a responsible party system, why shouldn't our Democratic colleagues in the House be able to do the same? I am not proposing a constitutional amendment; but I am proposing an amendment to our House rules prohibiting our party caucuses to bind Members contrary to their consciences. Obviously, the Democratic Caucus could still issue instructions if they changed their rules to permit their Members to vote contrary to those instructions as a matter of conscience. My proposed rule is also carefully drawn in such a way that only a Member directly affected by such instructions could raise a point of order. This could not be raised by a Republican Member. Thus, if all Democrats are still willing to suffer the whip without a whimper, the caucus could ignore the prohibition without consequence.

At this point in the RECORD, Mr. Speaker, I include a summary of my "open house" amendments as well as the full text of each:

SUMMARY OF ANDERSON "OPEN HOUSE AMENDMENTS OF 1975"

(1) *Broadcasting House Floor Proceedings*—This resolution authorizes and directs the Speaker to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings, to be made available to commercial and public broadcasters for news and public affairs programs following 60-day trial period.

(2) *Prohibit Binding Party Instructions*—This resolution amends clause 1 of House Rule VIII to prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes contrary to his conscience, and provides that

any Member so bound may raise a point of order.

(3) *Public Access to Committee Records*—This resolution amends clause 2(e)(1) of House Rule XI to provide that all records of committee action be made available for public inspection except for such material which may endanger national security or violate any law or House rule. Present rule only provides that record of rollcall votes shall be open to public.

(4) *Proxy Voting Ban*—This resolution amends clause 2(f) of House Rule XI to completely prohibit proxy voting in committee.

(5) *Open Committee Meetings*—This resolution amends clause 2(g) (1) of House Rule XI to require that all committee meetings be open unless the committee, by majority vote in open session, determines meeting should be closed because public disclosure of matters to be considered would endanger the national security or violate a law or rule of the House. Committees would still be permitted to meet in private for internal budget or personnel discussions.

(6) *Rollcall Votes in Committees*—This resolution would amend clause 2(1) (2) (A) and (B) to permit any Member in committee to demand a rollcall vote on any proposition, and to require a rollcall vote on all motions to report a matter.

(7) *Suspension of Rules*—This resolution would amend clause 1 of Rule XXVII to require that either the chairman and ranking minority Member of a committee or a committee majority, by rollcall vote, must request that a matter reported be considered under a suspension of the rules.

(8) *Open Conferences*—This resolution amends clause 6 of House Rule XXVIII to require that all House-Senate conferences be open to the public and that each conference report contain a statement to that effect.

(9) *Consideration of House Rules*—This bill would amend Title 2 U.S.C. Chapter 2 ("Organization of Congress") to require that, at the convening of a new Congress, ten hours of general debate be allocated on proposed House rules resolution, equally divided between the majority leader and minority leader, and that amendments to the resolution shall be in order.

H. Res. 110

Resolved, That, notwithstanding any ruling or custom to the contrary, the Speaker of the House of Representatives is hereby authorized and directed to take immediate action to implement a plan for the audio and video broadcasting of proceedings in the Chamber of the House of Representatives. After a 60-day trial period, to provide for technical adjustments, such broadcasts shall be made available to commercial and public broadcasters, network organizations as well as local stations, for use live or recorded on videotape for delayed use in news or public affairs programs as they see fit.

Sec. 2. The Speaker is further authorized to delegate responsibility for the direction of such program to any existing or temporary committee as he may deem appropriate. In no event shall the House, the Speaker, or such duly authorized committee exercise any control over the selection of materials for broadcast use.

H. Res. 111

Resolved, That rule VIII of the Rules of the House of Representatives is amended in the following way:

Rule VIII, clause 1 is amended by adding the following:

"No Member may be bound by order or instruction of his party caucus or conference to vote contrary to his conscience. A point of order shall lie with respect to any provision or measure so voted in committee provided it is made by a Member so bound and was first made in committee in a timely manner and improperly overruled or not properly considered. A point of order shall also lie with respect to any provision or measure on which a Member has been bound, by order or instruction of his party caucus or conference, to vote in the House of Committee of the Whole, contrary to his conscience, provided such point or order is made by a Member so bound."

H. Res. 112

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(e)(1) is amended to read as follows:

"(e)(1) Each committee shall keep a complete record of all committee action which shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee, except for such information, the disclosure of which, the committee determines would endanger the national security or would violate any law or rule of the House of Representatives. Such record shall include a record over every vote on any question, whether by voice, division or rollcall. Information on any vote on any question shall include a description of the amendment, motion, order or other proposition, and, in the case of rollcall votes, the name of each Member voting for and each Member voting against such amendment, motion, order or other proposition, and the names of those Members present but not voting. Rule XI, clause 2(k)(7) is amended by adding the following: "consistent with the provisions of subparagraph (e)(1) of this clause."

H. Res. 113

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(f) is amended to read as follows:

"(f) No vote by any Member of any committee or subcommittee thereof with respect to any measure or matter may be cast by proxy."

H. Res. 114

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(g) (1) is amended to read as follows:

"(g) (1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee and subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by a rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of matters to be considered would endanger national security or would violate any law or rule of the House of Representatives. This paragraph does not apply to open committee hearings which are provided for by clause 4(a) (1) (C) of rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters."

H. Res. 115

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(1) (2) (A) is amended by adding the following:

"A rollcall vote on any question in committee may be demanded by any member of the committee."

Rule XI, clause 2(1) (2) (B) is amended by adding the following:

"A rollcall vote shall be required on every motion to report any bill or resolution of a public character."

H. Res. 116

Resolved, That rule XXVII of the Rules of the House of Representatives is amended in the following way:

Rule XXVII, clause 1, is amended by adding the following:

"Nor shall any rule be suspended for the purpose of considering any matter reported from a committee unless the chairman and ranking minority member of the committee, or a majority of the committee, in open session, with a quorum present, by a rollcall vote, requests that such matter be considered under a suspension of the rules."

H. Res. 117

Resolved, That rule XXVIII of the Rules of the House of Representatives is amended in the following way:

Rule XXVIII, clause 6 is amended to read as follows:

"6. Each conference meeting between the House and Senate shall be open to the public. The explanatory statement accompanying each report made by a committee of conference shall include a statment affirming full compliance with this clause, and it shall not be in order to consider any report which does not include such a statement."

H.R. 2287

A bill to amend title 2 of the United States Code to provide for the consideration and adoption of the Rules of the House of Representatives for the Ninety-fifth and each succeeeding Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 2 of title 2 of the United States Code is amended by adding at the end thereof the following new section:

"§ 29A. Consideration and adoption of the Rules of the House of Representatives.

"At the first session of Congress after every general election of Representatives, in the exercise of its constitutional right to determine the rules of its proceedings, the House of Representatives of the Ninety-fifth and each succeeding Congress shall consider and adopt the rules of its proceedings. After general debate on the resolution incorporating the proposed rules, which shall be confined to it and shall continue not to exceed ten hours, to be equally divided and controlled by the majority leader and the minority leader, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the resolution for amendment, the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion."

(b) The chapter analysis of chapter 2 of title 5 of the United States Code is amended by inserting immediately below the item relating to section 29 the following:

"29A. Consideration and adoption of the Rules of the House of Representatives."

PANAMA CANAL: ATLANTIC END BRIDGE-ROAD PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in much current propaganda for a new Panama Canal treaty to surrender U.S. sovereignty and ownership over the Canal Zone to the Republic of Panama, it is often charged that the zone separates that country into parts. This fact was fully understood by our statesmen in the early part of this century, among them President Taft who recognized that the Canal Zone "runs through the heart" of Panama.

In 1903–04, when the Canal Zone was acquired, there was relatively little traffic between the two parts of Panama and that could be handled by existing roads or small vessels. After completion of the canal, the need for crossing facilities became increasingly apparent.

The first step toward providing them were taken by Congressman Maurice H. Thatcher, a former member of the Isthmian Canal Commission and Governor of the Canal Zone during peak construction, 1910–13, who in 1929 introduced and in 1930 secured enactment of legislation establishing a free ferry system across the Pacific entrance of the canal at Balboa and the construction of a highway in the zone connecting the western terminals of the ferry with the road system of Panama. Both were officially named by the Congress in his honor.

These ferries were operated until 1962 when they were replaced by the impressive Thatcher Ferry Bridge, also named the Progress in his honor.

During World War II there was a second ferry system operated across Limon Bay at the Atlantic end of the Canal Zone to handle the heavy traffic of those years in connection with canal defense. Today, there are no adequate crossing facilities in the Atlantic terminal of the canal. The only means for doing so is a small automobile bridge at one of the Gatun locks, which is not satisfactory for general use.

The time is now approaching for the construction of suitable bridges and roads at the Atlantic end of the Canal Zone to connect with the road systems of Panama for the convenience of residents of both the zone and Panama.

To provide the indicated bridge and road facilities I have introduced the following measure:

H.R. 199

A bill to provide for construction of certain bridges, approaches, and roads in the Panama Canal Zone, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to serve the needs of the Canal Zone and the Republic of Panama, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed—

(1) to construct, or cause to be constructed, across the Atalntic sea level portion of the Panama Canal, and maintain, a bridge clear of all locks and dams of the canal and with a clearance not less thn the clearance of the Thatcher Ferry Bridge in the Canal Zone;

(2) to construct, or cause to be constructed, and maintain, a bridge at a suitable point across the Chagres River in the Canal Zone; and

(3) to construct, or cause to be constructed, and maintain, such approaches to each such bridge, and such additional roads in the Canal Zone, as may be necessary to provide appropriate highway connection of each such bridge with the road system of the Canal Zone and the road system of the Republic of Panama.

(b) Such bridges, approaches, and roads shall be constructed and maintained for the accommodation of the public and shall be made available for use by the public free of tolls.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

(d) There are authorized to be appropriated such sums as may be necessary to finance the construction, operation, and maintenance of such bridges, approaches, and roads in accordance with this Act.

ILLEGAL ALIENS—A NATIONAL CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, on January 14, I reintroduced H.R. 982, an amendment to the Immigration and Nationality Act, which will make it unlawful to knowingly hire aliens who have not been legally admitted to this country for permanent residence or have not been authorized by the Attorney General to work while in the United States on a temporary basis.

This bill, which I first introduced in the 92d Congress in 1972, has twice passed the House of Representatives by an overwhelming majority. Such legislation was needed at that time, and the statistics relating to apprehension and deportation of illegal aliens clearly demonstrate that the problem has now reached severe—almost crisis proportions. It is significant to note that the number of illegal aliens removed from this country in the last fiscal year was double the number legally admitted for permanent residence under our present immigration law.

It is quite evident that in the absence of remedial legislation, the situation will continue to worsen rapidly. Population growth and increases in the labor forces of the economically less advantaged countries in this hemisphere, which are the source of most illegal aliens, are growing rapidly. A doubling of the work force in many of these countries is indicated for the next decade. These "push" factors, coupled with the economic attractiveness of employment in the United States, will intensify the illegal aliens problem unless corrective action is taken.

All of us are aware of the tremendously high unemployment in the United States today. Millions of Americans are desperately seeking employment but are unable to find it. At the same time, those hundreds of thousands of illegal aliens who have already entered our labor market continue to deprive Americans and legal residents of needed job opportunities.

The impact of these illegal aliens upon our Nation and the economy is severe, particularly in this recessionary period. When I served as chairman of the Immigration Subcommittee in the 92d Congress we held hearings in seven cities beginning in 1971 and heard numerous accounts and illustrations of the impact.

A Department of Labor witness testified that illegal aliens indeed take jobs that would normally be filled by American workers. They depress wages and impair working conditions and compete with unskilled and less educated Americans—the disadvantaged to whom our manpower programs are directed.

The Commissioner of Immigration last fall testified that with passage of this legislation and with some increases in manpower and resources for his agency 1 million jobs would be opened up for unemployed Americans and legal resident aliens.

Illegal aliens increase the burden on taxpayers in many ways. Welfare and unemployment costs are accelerated when citizens' efforts to find employment are thwarted because illegal aliens are holding jobs. We heard testimony that these aliens avoid income taxes and send much of the money they earn out of this country. Perhaps as much as $1 billion or more yearly is removed from our economy this way, accounting for a large part of our balance-of-payments deficit.

In addition, the illegal aliens reduce the effectiveness of employee organizations, and themselves represent to unscrupulous employers a group that is highly susceptible to exploitation.

In the hearings, we heard of many instances of aliens who had come illegally to the United States to improve their lot, yet were victimized by those who pretended to aid them.

Many pay exhorbitant sums of money for documents, fraudulent or otherwise, which are used to unlawfully enter this country.

The illegals, who are more to be pitied than scorned, are always mindful and fearful of detection and apprehension. Consequently they are in a precarious position, subject to substandard wages and working conditions and forfeiture of overtime and fringe benefits.

Since the illegal aliens are usually unskilled or low skilled workers, they compete most directly with members of minority groups who have been traditionally denied opportunities to improve their skills and always make up the largest portion of unemployed persons. In many instances, these are native-born Mexican Americans or aliens lawfully admitted to the United States.

I am fully convinced that the benefits which will accrue to ethnic and minority groups from this legislation will far outweigh any risk that such individuals will lose their jobs—a possibility which some have feared may result. Furthermore, the bill has been carefully drafted to preserve the job security of all American workers and afford new employment opportunities for U.S. citizens and aliens legally in the United States.

Immigration is basically good for the United States. Immigrants have built this Nation and will continue to benefit our country by offering their skills and talents. But immigration must be orderly. Aliens coming to the United States, whether as immigrants or nonimmigrants must come within the provisions of the law.

Our Government cannot condone fraud in connection with its immigration laws. Nor can we look the other way when aliens admitted as nonimmigrants violate their status by taking unauthorized employment, which means one more job opportunity is lost for a citizen or legal alien.

More particularly, firm action must be taken against those unscrupulous employers who cruelly and selfishly exploit this source of cheap labor for their economic advantage.

Although the Immigration and Nationality Act imposes severe criminal penalties on the alien who surreptitiously enters our country across the border, it has proved to be an ineffective deterrent, as demonstrated by the vast numbers who now enter each year. Moreover, there is no penalty for the employer who makes use of this labor supply for his own ends. This bill will cover the void which now exists in the law, and by removing the employment incentive I believe it will act as an effective deterrent to further illegal entry.

In summary, the adverse impact of millions of illegal aliens on the labor market, public service programs and our balance-of-payments deficit is overwhelming and a comprehensive legislative solution is urgently needed.

As a result I have asked the Immigration Subcommittee to give this bill their immediate attention.

CORRECTIONS AND PRISON REFORM LEGISLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. **KASTENMEIER**. Mr. Speaker, in the past decade we have seen this Nation's Chief Executives, its Attorneys General, its successive Chief Justices, the Director of its Federal Bureau of Prisons, and every group which has explored the situation, call for a change in America's prison system and its programs for rehabilitating criminal offenders. In recent years we have also read studies prepared by the Federal Bureau of Investigation, the Law Enforcement Assistance Administration, and countless government and private groups which confirm that the number 1 contributor to crime in this Nation is the discharged recidivist who resumes a life of crime. We have also seen studies which establish that the most critical time in determining whether or not a person released from prison will turn again to a life of crime is in the first weeks and months following his release from custody.

No one can deny that the Congress has a grave responsibility in the area of the control of crime in this Nation. The Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice has tried to meet this responsibility in recent years by examining in depth every single aspect of our Nation's corrections system. Confident that we can cut crime in this country if we reduce the present rate of recidivism, the subcommittee will continue to explore in depth the way we treat criminal offenders sentenced to our Nation's penitentiaries, and the condition in which we release offenders to make their way in the community.

I am today introducing with many of my fellow Members of Congress, five measures whose enactment I believe will constitute a major step in reducing the rate of recidivism of criminal offenders in this country. This legislative package is designed to insure that offenders incarcerated in our jails and prisons will be afforded the constitutional rights which they are guaranteed, so that their institutional treatment will prevent, rather than foster, bitterness and hostility toward the society which keeps them confined. The second purpose of this legislation is to assure that upon release from confinement, exoffenders will receive the assistance necessary to enable them to live a life free from crime and become reintegrated into the Nation's society as productive citizens.

At a very minimum we must accomplish these goals. We cannot forget that 95 percent of the people now in our prisons will someday reenter society "outside the walls". To ignore the need for reform of our present system of dealing with criminal offenders is to insure continued escalation of crime rates in the future.

The bills I am introducing today are the following:

PAROLE REORGANIZATION ACT

This legislation was introduced in the 92d and the 93d Congresses. The time for its passage is now at hand. It provides for establishment of an independent and regulated U.S. Parole Commission and for the detailed infusion of due process into the Federal parole system. Our subcommittee has held extensive hearings on this legislation and it has been the subject of much discussion by members of the committee, the U.S. Board of Parole, and the Department of Justice.

OFFENDER REHABILITATION FUND

This bill creates a fund for loans and small gratuities to Federal prisoners upon their release from custody. The bill is the result of an extensive study by the General Accounting Office of the present and past use of loans and gratuities to prisoners in the Federal Bureau of Prisons. It is an effort to assist the former inmate during the critical weeks immediately following release from custody and to permit him to join the mainstream of our society in a productive way and not return to crime.

FEDERAL CORRECTIONAL OMBUDSMAN ACT

This bill was originally introduced by Mr. METCALFE to establish a U.S. correctional ombudsman. It provides for an independent third party to investigate the complaints of the staffs and inmates of our Federal prisons, and provides for inspection and subpena powers.

INMATE RELIEF ACT OF 1975

This bill provides for civil action in the protection of constitutional rights of those individuals confined in State institutions. It is intended to reflect current case law and to provide legal standing for those inmates who believe they have been mistreated or dealt with unfairly while confined.

VOTING RIGHTS FOR EX-OFFENDERS

This bill provides for the right to vote in Federal elections to criminal offenders upon their release from correctional institutions. It was passed by the full Judiciary Committee late in the 93d Congress, and it is my belief that this legislation will receive prompt attention in the present Congress.

No one should be deceived by the legislation I am introducing today. Even its immediate passage would not solve the twin problems of how to reduce crime in our society, and how to deal decently with individuals sentenced to confinement in our Nation's prisons. It is, however, an important first step. For this reason, the subcommittee intends to schedule early hearings on this legislation and to press vigorously for action by the Congress on these extremely important issues.

EXPLANATION OF THE BILL TO AMEND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. **STAGGERS**. Mr. Speaker, the Railroad Unemployment Insurance Act has not been kept abreast of changing economic conditions and of changes that have occurred from time to time in the Railroad Retirement Act, particularly, the enactment of the Railroad Retirement Act of 1974. The result is that the act still carries a maximum limitation of $400 per month on the creditable and taxable compensation and carries a benefit table ranging from $8 to $12.70 per day. The law also requires that there be earnings of at least $1,000 in the base year in order to qualify and minimum employment in at least 7 months the first time the employee qualifies.

My bill would modernize the act in each of these respects. Sections 1 and 4 of the bill eliminate the $400 per month ceiling on creditable and taxable compensation and, instead, would now apply only the ceiling corresponding to the one applicable to the wage base under the Social Security Act. This is substantially what we did with railroad retirement in the enactment of the amendments last year.

Section 2 of the bill revises the benefit table to a range of earnings from $500 per base year to $5,000 and over, with benefits ranging from $10 to $33 per day. One must understand that the law provides, in addition to a benefit table, a provision that benefits shall be not less than 60 percent of the last daily rate of compensation in the base year, so that actually the table provides maxima on top of that.

Another problem lies in the fact that in the railroad industry seniority is especially well developed and unemployment tends to be concentrated among the shortservice employees. The minimum employment period of employment in 7 months particularly imposes a hardship in times like the present when there is widespread unemployment and, in the railroad industry, it is concentrated among the empolyees with least service. My bill would eliminate the 7-month requirement and would enable an employee to qualify if he has earned at least $500 in the base year. These amendments, in conjunction with the provision in section 3 for accelerating the benefit year so as to bring it closer to the base year, should provide substantial relief for hardships now being experienced.

There is no question but that more benefits will be paid, and hence there will be larger expenditures under the bill. This should be substantially covered by the increase in the tax base. The railroads, for too long, have had the advantage of a completely artificial ceiling on the taxable compensation for unemployment insurance purposes.

It is urgent that Congress act on this bill with the greatest expedition. The same reasons of urgency have prompted me to provide that the bill will be effective as of January 1, 1975.

LAWSUIT TO ENJOIN THE UNITED STATES FROM PARTICIPATING IN FURTHER MILITARY ACTION IN CAMBODIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, I will be filing a suit next week which will seek a preliminary injunction restraining the United States from carrying on military and paramilitary activities in Cambodia. The suit will be brought against President Gerald R. Ford and other high-ranking officials and will be filed in the Massachusetts Circuit of the U.S. District Court.

In the last 4 years the Congress has repeatedly prohibited funds from being used to support military action in Cambodia and other parts of Southeast Asia. Provisions in the Continuing Appropriations Act of 1974 specify that—

> None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam by United States forces.

The Foreign Assistance Act of 1971 prohibited the United States from providing advisors to military or paramilitary forces in Cambodia as well. In addition, current military activities in Cambodia by the United States appear to be in violation of the 1973 Paris Peace Treaty.

Despite a clear congressional mandate, available evidence indicates that U.S. personnel are engaged in combat, combat support, and intelligence activities in Cambodia. Our Government appears to be advising and directing the operations of the armed forces of the Lon Nol regime on a day-to-day basis. These activities include frequent aerial reconnaissance by the U.S. Air Force, the furnishing of intelligence data, recommendations with respect to bombing targets, airlifting military supplies, military ground operations such as sabotage and rocket attacks, maintaining of U.S. personnel in excess of the congressional limitation of 200, and providing economic and military assistance to the Lon Nol regime. U.S. activities in the Cambodian civil war are not marginal, but rather, decisive. They have been amply documented in an excellent statement in the CONGRESSIONAL RECORD on December 3, 1974, pages 37943–37946.

Previous cases decided in the first circuit such as Massachusetts against Laird have indicated that the courts will step in and enjoin, or declare illegal, military operations conducted in contravention of a congressional mandate.

While it is impossible to predict the actions of the court in this suit, it would certainly seem that recent disclosures in Cambodia provide a mandate for judicial intervention.

Mr. Speaker, I am pleased to announce that the following Members of the House have joined me as coplaintiffs in this lawsuit. They are as follows: KEN HECHLER, BENJAMAN S. ROSENTHAL, DONALD M. FRASER, DON EDWARDS, FORTNEY "PETE" STARK, MICHAEL HARRINGTON, BELLA S. ABZUG, RONALD V. DELLUMS, JOHN F. SEIBERLING, RICHARD L. OTTINGER, GEORGE MILLER, BOB CARR, HERMAN BADILLO, HENRY HELSTOSKI, FREDERICK W. RICHMOND, EDWARD R. ROYBAL, GEORGE E. BROWN, JR., and YVONNE B. BURKE.

Due to the importance of this suit, I think it is important that my colleagues be more fully apprised of the issues involved here. Consequently, I include here a draft of the complaint which I will be filing in the First Circuit of the Federal District Court on Friday:

[U.S. District Court for the District of Massachusetts]

DRAFT COMPLAINT

Robert F. Drinan, et al., Plaintiffs, v. Gerald R. Ford, individually and in his capacity as President of the United States; James R. Schlesinger, individually and in his capacity as Secretary of Defense; John L. McLucas, individually and in his capacity as Secretary of the Air Force; Henry A. Kissinger, individually and in his capacity as Secretary of State, and John Gunther Dean, individually and in his capacity as United States Ambassador to Cambodia; William L. Colby, individually and in his capacity as Director of the Central Intelligence Agency, Defendants.

I. NATURE OF THE ACTION

1. Plaintiffs seek a preliminary injunction restraining defendants from carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and from furnishing advice, support, training and intelligence to the military forces of the Lon Nol regime, on the ground that such activities are in violation of the mandate of Congress, the Constitution of the United States, the Paris Peace Treaty and other provisions of domestic and international law. Plaintiffs also seek appropriate declaratory relief.

II. JURISDICTION

2. This is a civil action seeking a declaratory judgment pursuant to Title 28 U.S.C. § 2201 *et seq.* and injunctive relief, pursuant to Title 28 U.S.C. §§ 1331(a) and 1361, adjudging that certain operations currently being conducted in, over, off the shores of, and respecting Cambodia under the direction of defendants are in violation of domestic and international law, restraining defendants and their agents from engaging therein. Jurisdiction is conferred upon this Court by Title 28 U.S.C. §§ 1331 and 1361; Title 5 U.S.C. §§ 701–706; Article I, Section 8, Clause 11, and Article I, Section 2, Clause 5 of the Constitution of the United States and the Fifth Amendment thereto. The matter in controversy involves rights, privileges and immunities valued in excess of $10,000 exclusive of interest and costs.

III. PLAINTIFFS

3. Plaintiff Robert F. Drinan is the duly elected Member of the United States House of Representatives from the Fourth Congressional District of Massachusetts, residing at 140 Commonwealth Avenue, Newton, Massachusetts.

[Insert additional plaintiffs.]

4. The above-named plaintiffs, hereinafter referred to as "Congressional plaintiffs," have been deprived by the action of the defendants of their Constitutional and statutory right to participate, with other members of Congress, in deciding where American forces are to be committed to combat, combat-support operations or to activities likely to draw such forces into combat. In addition, they have a right to compliance, by the executive branch, with their lawful mandate, and are entitled to a determination as to the legality of defendants' actions complained of herein, under their Constitutional duty to determine whether a resolution of impeachment is called for.

IV. DEFENDANTS

5. Defendant Gerald R. Ford is the President of the United States and Commander in Chief of the Armed Forces, and in these capacities, it is his duty "to take care that the laws be faithfully executed" and he is responsible for all the actions of all the defendants and their agents.

6. Defendant James R. Schlesinger is the Secretary of Defense and is the official responsible for the conduct of the Armed Forces of the United States.

7. Defendant John L. McLucas is the Secretary of the Air Force and, in that capacity, is the civilian official directly responsible for and in control of the operations being conducted by the United States Air Force in Southeast Asia.

8. Defendant Henry A. Kissinger is the Secretary of State, and in that capacity is responsible for the conduct of the foreign affairs of the Nation, and the operations of the foreign service.

9. Defendant John Gunther Dean is the United States Ambassador to Cambodia, and in that capacity, is responsible for the execution of United States policy toward Cambodia and for the conduct of all official United States personnel in Cambodia.

10. Defendant William F. Colby is the Director of the Central Intelligence Agency and in that capacity is responsible for the conduct of all CIA personnel in and with respect to Cambodia.

V. THE INCIDENTS AT ISSUE

11. On February 27, 1973, the United States signed, in Paris, the Agreement On Ending The War And Restoring Peace In Vietnam, Article 20(b) of which obliges the United States to put an end to all military activities in Cambodia.

12. In a series of enactments both prior and subsequent to February 27, 1973, the Congress of the United States has manifested its unequivocal intent to prohibit the direct or indirect involvement of the United States in the Cambodian civil war, whether in a combat, combat-support, or advisory capacity.

13. Nevertheless, on information and belief, United States personnel are engaged in combat, combat-support, and intelligence activities in, over, off the shores of and respecting Cambodia and are advising and directing the operations of the armed forces of the Lon Nol regime on a day-to-day basis. Such activities, on information and belief, include, but are not limited to, the following:

a. Frequent aerial reconnaisance by unarmed, and possibly armed, United States Air Force planes, over Cambodia.

b. Furnishing intelligence data and analysis to the Armed Forces of the Lon Nol regime, based on such reconnaissance.

c. Recommendations with respect to bombing targets.

d. Airlifting military supplies to troops of the Lon Nol regime in combat zones.

e. Military and ground operations staffed by United States military and CIA personnel, including sabotage, spying, rocket attacks on enemy supply lines and coordinating local air strikes.

f. Off-shore marine and naval maneuvers which support ground and air attacks, including armed United States military personnel and supplies (Operation Eaglepull materials to be elaborated on).

g. Maintaining official United States personnel in Cambodia in excess of the Congressional limitation of 200.

h. Combat payments made to United States military personnel engaged in activities in, over, from off the shores and respecting Cambodia.

i. Direct and immediate military and strategic advice, having, for all practical purposes, the effect of military orders, such advice being furnished at all levels of the United States Mission in Cambodia, from the Ambassador in Phnom Penh to individual Americans attached to isolated units in the field.

j. Economic and military assistance to the Lon Nol regime, including financing of activities, programs and supplies, and providing personnel, expert and otherwise, without which assistance the Lon Nol regime could not maintain itself against the will of the people of Cambodia, and without which regime the hostilities, involving United States personnel and assistance on a continuing basis, as heretofore alleged, would cease.

United States involvement in the Cambodian Civil War is decisive, not marginal. It has been amply documented by journalists reporting from Thailand and Cambodia, as illustrated by Congressman Aspin's speech entitled "Secret War in Cambodia" (Exhibit A).

14. Certain of the operations complained of have been admitted or confirmed by United States officials:

a. The Department of Defense, in a press release dated November 25, 1974, admitted conducting aerial reconnaissance flights over Cambodia and passing intelligence information to the Cambodians, but denied that such activity was in violation of the Paris Peace Agreement or Congressional prohibitions on activity by U.S. forces in Southeast Asia.

b. Defendant Schlesinger, on June 5, 1974, testified before the House Foreign Affairs Committee that U.S. planes were flying hundreds of supply missions each month to Cambodian towns and villages surrounded by insurgent troops.

c. Defendant Dean, according to a survey report by staff members of the House Foreign Affairs Committee, "by his own admission . . . does not hesitate to give strategic military advice to Lon Nol or tactical advice to subordinate military commanders."

d. The same survey report states that the Congressional limitation on the number of U.S. military and civilian officials authorized to be present in Cambodia at any one time "has been violated daily by the United States Mission in Phnom Penh."

VI. CAUSES OF ACTION

15. *First*, defendants' actions, referred to in paragraphs 1, 13, and 14, in carrying on military and paramilitary activities in and over and respecting Cambodia and furnishing direction, advice, support, training and intelligence to the military forces of the Lon Nol regime, all conducted in violation of specific Congressional prohibitions, are in violation of Article I, Section 8, Clause 11 of the Constitution, which confers exclusive power to authorize war upon the Congress.

16. *Second*, defendants' actions, as set forth in paragraph 15, in the absence of a declaration of war and in the absence of a report by the President to Congress, followed by Congressional authorization, are in violation of the 1973 War Powers Resolution, 50 U.S.C. §§ 1541 *et seq.*

17. *Third*, defendants' actions, as described in paragraph 15, are in violation of the Special Foreign Assistance Act of 1971, 22 U.S.C. § 2411 in that they constitute both the introduction of United States ground combat troops into Cambodia and the provision of United States advisors to or for military, paramilitary, police or the security or intelligence forces, as prohibited by that statute.

18. *Fourth*, defendants' actions, as set forth in paragraph 15, are in violation of Section 30 of the Foreign Assistance Act of 1973, 22 U.S.C. § 2171 which prohibits the expenditure of any funds authorized under the Foreign Assistance Act or under any other law "to finance military or paramilitary operations by the United States."

19. *Fifth*, defendants' actions, as described in paragraph 15, are in violation of Section 108 of the Continuing Appropriations Act of 1974, P.L. 93–52, 87 Stat. 130, prohibiting after August 15, 1973, the obligation or expenditure of any and all funds "to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of Cambodia."

20. *Sixth*, defendants' actions, as described in paragraph 15, are in violation of Section 307 of the Second Supplemental Appropriations Act of 1973, P.L. 93–50, 87 Stat. 99, which prohibits the expenditure of any funds therein appropriated, and, as of August 15, 1973, any funds appropriated therefore under any Act, from being expended "to support directly or indirectly combat activities in or over or off the shores of Cambodia . . . by United States forces."

21. *Seventh*, defendants' actions, as described in paragraph 15, are in violation of Section 806 of the Department of Defense Appropriation Authorization Act of 1974, P.L. 93–155, 87 Stat. 605, which prohibits the obligation or expenditure of any funds, appropriated theretofore or thereafter "to finance the involvement of United States military forces in hostilities in or over or from off the shore of . . . Cambodia" in the absence of specific Congressional authorization.

22. *Eighth*, defendants' actions, as set forth in paragraph 15, are in violation of Section 13 of the Department of State Appropriation Act of 1973, P.L. 93–126, which prohibits, as of August 15, 1973, the obligation or expenditure of any funds, theretofore or thereafter appropriated, ". . . to finance the involvement of United States military forces in hostilities in or over or from off the shores of Cambodia", absent specific Congressional authorization.

23. *Ninth*, defendants' actions, as described in paragraph 15, are in violation of the Foreign Assistance Act of 1971, 22 U.S.C. § 2416, which limits to 200 the total number of United States civilian and military personnel authorized to be present in Cambodia at any one time.

24. *Tenth*, defendants' actions, as described in paragraph 15, are in violation of Article 20(b) of the Agreement On Ending the War and Restoring Peace in Vietnam, which obliges the United States to cease military activities in Cambodia.

Relief

Wherefore, plaintiffs pray that this Court:

1. Declare that defendants' actions in carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and furnishing direction, advice, support, training and intelligence to the military forces of the Lon Nol regime, are in violation of Article I, Section 8, Clause 11 of the United States Constitution; the 1973 War Powers Resolution, 50 U.S.C. §§ 1541, *et seq.*; Section 7(a) of the Special Foreign Assistance Act of 1971, 22 U.S.C. § 2411; Section 307 of the Foreign Assistance Act of 1973, 22 U.S.C. § 2151; Section 108 of the Continuing Appropriations Act of 1974, P.L. 93–52, 87 Stat. 130; Section 307 of the Second Supplemental Appropriations Act of 1973, P.L. 93–50, 87 Stat. 99; Section 806 of the Department of Defense Appropriation Authorization Act of 1974, P.L. 93–155, 87 Stat. 605; Section 13 of the Department of State Appropriation Authorization Act of 1973, P.L. 93–126; the Foreign Assistance Act of 1971, 22 U.S.C. § 2416; and the Agreement On Ending the War and Restoring Peace in Vietnam.

2. Enjoin the defendants from carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and furnishing direction, advice, support, training and intelligence to the military forces of the Lon Nol regime.

3. Grant such other and further relief as to this Court may appear proper and just.

A SMALLER FLEET AND A FORMIDABLE COMPETITOR

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Armed Forces of the United States are confronted with the triple problem of smaller operating forces, higher costs, and a growing Soviet military threat. From the standpoint of the Navy, this is discussed well in the January issue of Seapower by the Honorable J. William Middendorf II, Secretary of the Navy. Secretary Middendorf is, of course, one of the best informed men in the Nation on this problem. He is also a very capable administrator. His work as Secretary of the Navy has been outstanding. I feel that his article, which is entitled "A Smaller Fleet, and a Formidable Competitor," should be reproduced in the Congressional Record and I include it with my own remarks:

A Smaller Fleet, and a Formidable Competitor

(By J. William Middendorf II)

In the Office of the Secretary of the Navy, by the side of a large formal portrait of President Theodore Roosevelt, there is a facsimile of a letter written in 1898. Then-Assistant Secretary of the Navy Teddy Roosevelt had just seen the Director of the Geological Survey. "He has shown me some interesting photographs of Professor Langley's flying machine," Roosevelt wrote in the letter to the Secretary of the Navy. "The machine has worked," Roosevelt said, continuing—"It seems to me worthwhile for this government to try whether it will not work on a large enough scale to be of use in the event of war. For this purpose I recommend that you appoint two officers of scientific attainments and practical ability, who in conjunction with two officers appointed by the Secretary of War shall meet and examine into this flying machine to inform us whether or not they think it could be duplicated on a large scale, to make recommendation as to its practicability and prepare estimates as to the cost." Roosevelt concluded: "I think this well worth doing."

Theodore Roosevelt was a man of action. His decision to look into Professor Langley's flying machine had great impact on the very survival of the United States. Now, more than three-quarters of a century later, the United States Navy is ready to commission a nuclear-powered attack aircraft carrier that will be the most complex single weapon ever built by man. The Nimitz joins the fleet this summer, seven years after her keel was laid. The 91,000-ton carrier will have an air group of more than 90 sophisticated, multi-mission aircraft. Most notable of these, perhaps, is the F-14 Tomcat, a superb fighter. The Tomcat and its Phoenix weapons system will greatly improve the Navy's fleet air defense capability and give it a powerful offensive punch.

PROUD QUESTION, CAUTIOUS ANSWER

The United States Navy celebrates its 200th Birthday in 1975. The Naval Service is actually older than the nation, as the Navy was founded during the Continental Congress in October of 1775, nine months before the Declaration of Independence was signed. This year should be the proudest in the U.S. Navy's history—a birthday year when a powerful new aircraft carrier joins the fleet. Will it be the proudest? That question requires a cautious answer.

The Navy's basic missions today are almost identical to those it had when formed. Throughout 200 years, the Navy has defended the coasts of the United States, protected sea lines of communication, deterred aggression, and projected the presence of the United States throughout the world. Yet the scope of naval activities is far greater now than ever before. Naval technology is vastly different, the international political system in which the United States exists is radically altered, and a foreign power is building a navy that could conceivably return the U.S. Navy to a position other than number one in the world for the first time in the lives of most U.S. citizens.

Consider just one reason that having a second-best Navy could be disastrous to the American people: The United States is essentially an island nation, growing increasingly dependent on foreign sources of raw materials and energy. Last year, the United States imported by sea about 1.6 billion barrels of crude oil and refined petroleum products accounting for 29 percent of its domestic consumption. Europe and Japan are much more dependent on oil imports that come by sea. It is possible to construct a scenario in which the oil spigot to Europe, Japan or even the United States is turned off by naval action. A strong U.S. Navy may prevent anyone's giving serious consideration to such a plan.

SECOND PLACE IS THE SAME AS LAST

Make no mistake about it: being the number two navy in the world would not be like being number two in the college football polls. If there were a contest between number one and number two military powers in the real world of international politics, there might be no need for next year's ratings. Likewise, college football coaches usually have a luxury that leaders in the world political system do not have. They know when and where their team will take the field against its competitors. Thus, it is essential to the survival of the country that the Navy remain sufficiently strong—one loss in a game played with such deadly weapons may end the rating system. As a collateral, the U.S. Navy must measure the capabilities of its most formidable competitor. It cannot rely on the hope that there will never be a contest. It must be prepared.

Basic questions must then be asked in this Navy Bicentennial year:

What is the status of the Navy?

How does it compare with the Soviet Navy?

Can the U.S. Navy celebrate its 200th birthday with confidence in its ability to defend itself now and in the future?

How does all the above relate to inflation and recession and other great issues in the United States?

Among the missions of the U.S. Navy is protecting the sea lanes for the transport of critical imports, and rendering a political and diplomatic presence in the world in support of national policy. Yet, today, the U.S. Navy has the fewest number of ships in the active fleet since a year and a half before Pearl Harbor.

The ships of today's Navy are much more capable than their World War II-vintage counterparts. Today's aircraft carrier Enterprise (CVAN-65), with its air group of sophisticated F-14s, A-6s, and A-7s, packs a much more potent punch than her World War II predecessor (CV-6). However, just six years ago the United States had an active fleet of nearly 1,000 ships. Much of that fleet was constructed during World War II. In 1968 the average of the active fleet had increased to 18 years. It became unmistakably clear that the United States had to reduce the numbers of its older ships and build new ships if it wished to maintain naval supremacy. Those objectives seemed feasible. Reducing the number of older ships in the inventory was feasible, even easy. Building the new ones was another story.

Between 1963 and 1967 the Navy had programmed 250 new ships—50 per year. Then came the fiscal demands of the Vietnam War, with its requirements for operating funds at the expense of shipbuilding. The United States also undertook the conversion of 31 Polaris submarines to carry the Poseidon missile, which substantially upgraded the nation's strategic deterrence capabilities.

In the last six years, although the numbers of aging ships in the active fleet had been reduced, the Navy received authority to build 13 ships per year. That rate of shipbuilding—13 ships per year—means that the U.S. Navy will not be able to sustain a fleet of even 500 active ships unless substantial increases are made in the number of ships being built each year.

The Navy finds itself, in effect, following a course of action which, if allowed to go uncorrected, would amount to unilateral naval disarmament.

The Navy's newest carrier, the Nimitz, entering the fleet this year, is the result of naval and Congressional planning and funding *nearly ten years ago*. There are other bright spots in the status of today's Navy—new ships—that are the result of equally positive action that is now several years in the past. However, the Navy currently has only 67 new ships under construction for delivery in the next five years. Included are two more aircraft carriers, Eisenhower and Vinson, scheduled for commissioning in 1977 and 1980, respectively. They will enable the United States to continue to maintain moving air bases at sea at a time when reliance on foreign land-based operations is being reduced. Their nuclear propulsion plants, which cost an added premium, will enable the United States to make better and more efficient use of its aircraft carriers—which are down in number from 23 in 1968 to 14 in 1974.

Last month, the United States launched another nuclear-powered frigate, USS Virginia, and in early 1975 the South Carolina will be commissioned. They join the nuclear frigates California, Truxtun and Bainbridge. Four additional ships of the Virginia class are scheduled to be in the fleet by 1980. Armed with missiles, guns and helicopters, the new 10,000-ton nuclear-powered ships will greatly enhance the capabilities and independence of carrier task groups.

NEW SHIPS COMING

There will be other new ship milestones for the Navy in 1975. By the middle of the year, the first of the new "963" (Spruance-class) destroyers will become operational. The 7,600-ton destroyers are the first gas turbine-powered major combatants in the U.S. Navy.

Also in 1975, the Navy will be commissioning the first of the Los Angeles class of high-speed nuclear-powered attack submarine, which has anti-submarine warfare as its primary mission.

The amphibious forces and the Marine Corps will soon be receiving the Tarawa, first of five high-speed helicopter-capable amphibious warfare ships. Each of those ships will combine the capability of older and smaller amphibious landing ships and thus increase the Navy's flexibility. Their speed will provide greatly reduced reaction time.

In 1975 the Navy began construction of the lead ship of the Trident class of submarines. Trident submarines will be larger and quieter and, with the increased range of the Trident missile system, will be able to be stationed farther away from their targets and in the deeper, harder-to-find environs of the world's oceans.

The shipbuilding programs enumerated, the result of previous Congressional authorizations, are a step in the right direction. They will provide new platforms of increased capability to the United States. However, they do not solve the critical problem of loss of numbers of ships, which is so important for the future in meeting U.S. national objectives in a multi-ocean world and in the face of increased Soviet naval activity.

The Navy has initiated two ship programs that will contribute to the fleet's numerical strength. The first ship is the Patrol Hydrofoil Missile (PHM). Capable of operating at high speeds in heavy sea conditions, the PHM is expected to provide the Navy a potent punch in many different operational environments. PHMs can be expected to readily assume the patrol and surveillance functions formerly assigned to larger ships, thereby relieving Spruance- and Knox-class combatants for other duties, such as carrier task force operations and anti-submarine warfare. The second ship is the Patrol Frigate (PF). It is envisioned as a low-cost workhorse for the fleet, designed to carry out the very important sea control mission.

An even more advanced concept is the Surface Effect Ship, which is capable of speeds in excess of 80 knots. Once the research and development is completed, the United States could build and deploy such ships over the oceans of the world. Their high-speed capability and weapons systems would make them potent and nearly invulnerable to torpedo attack.

Congress is very much aware of the Navy's need for more ships. However, inflation is debilitating the Navy's shipbuilding effort. The price of scrap steel has nearly doubled in less than a year. Overall cost escalations will probably reach 20 percent. Therefore, due principally to inflation, there exists a funds deficiency in current Navy shipbuilding programs. That deficiency, about $2 billion, represents additional funds needed for ships approved.

AIRCRAFT AND WEAPONS SYSTEMS

The Navy's status cannot be assessed with a review of ships and shipbuilding alone. Aircraft, weapons systems, and people are also key indicators as to any navy's strength.

More than five dozen F-14A Tomcats have been delivered to the Navy. The first two operational squadrons are embarked on USS Enterprise in the Pacific.

The first squadron of the S-3A Viking carried-based anti-submarine warfare (ASW) aircraft became operational last year. In addition to its submarine detection function, the S-3A will be capable of launching the Harpoon missile. Another important element of the anti-submarine warfare team is the SH-3 helicopter. A third arm of the Navy's ASW aircraft community is the 24 active and twelve reserve squadrons of land-based aircraft, including an important new addition to the fleet, the P–3C. Equipped with a computerized avionics system and the latest, and most advanced ASW sensors and weapons, the P-3C is an anti-submarine, anti-ship and ocean surveillance aircraft which will also be capable of launching the Harpoon missile within two years.

The Harpoon, which will be delivered to the fleet in 1976, is an anti-ship or "cruise" missile system designed to be launched from either a ship or an aircraft. It can also be launched in an encapsulated form from submarines.

Other munitions, such as the Sidewinder and Sparrow missiles, are undergoing modernization, and the Navy is developing a family of improved "stand-off" munitions that will provide a balanced offensive capability.

NAVY PERSONNEL PROGRAMS

In the people area, the all-volunteer force and pay raises make the Navy competitive with industry for volunteers. They have also placed burdens on the Navy budget. The Navy has 547,000 men and women on active duty, down from 764,300 in July 1968.

Although the Navy fell behind its very high cumulative recruiting goals for the last half of 1974, more than 13,000 more persons were enlisted than during the same period last year. The Navy is confident that the shortfalls from the first half of the fiscal year will be made up by spring, and that present high quality standards will be maintained. Predictions are that shortages experienced during the first half of Fiscal Year 1975 as a result of very high goals (40 percent greater than last year) will be overcome and the Navy will attain its recruiting objectives for the fiscal year. Meanwhile, the Navy's retention rate continues to improve. First-term reenlistments are up significantly over previous years.

Another aspect of the overall personnel situation is the increasingly important part played by women in the Navy. There are approximately 17,000 women in the Navy now and their numbers are growing rapidly.

Also, in order to effect a greater reliance and achieve the "total force" concept of greater defensive capability, the Naval Reserve is being strengthened. The Naval Air Reserve is receiving newer and more sophisticated aircraft, and the Naval Surface Reserve is receiving destroyers from the active fleet.

"A REALLY EXCELLENT NAVY, BUT * * *"

In summary, the status of the United States Navy as it enters its Bicentennial year can be described with pride, for the most part. The United States has a good Navy, with single ships either entering the fleet or on the drawing boards that represent significant advances over past years.

The volunteer Navy, particularly in a period of economic difficulties in the country, appears to be a reality that will benefit the Navy. The United States, in other words, has a really excellent Navy, but especially when compared to the U.S. Navy of the past and to the Soviet Navy of the past.

Unfortunately, it must be compared to the Soviet Navy of the *present* and the Soviet Navy of the *future*.

It is the *trend* of expanding Soviet naval capabilities that is such a significant strategic development. The *trend* in burgeoning Soviet naval capabilities, when considered together with other Soviet tactical and strategic military developments, would give any Secretary of the Navy cause for concern.

THE U.S.S.R. GOES TO SEA

With regard to the Soviet Navy:

(1) Since 1962 the Soviets have outbuilt the United States in numbers of ships in every category except aircraft carriers. During the period 1962–1973 they added 271 major surface combatants and submarines, as opposed to the United States' 176 new ships. Following are the current active ship inventories for major combatants and submarines:

	Soviet Navy	U.S. Navy
Aircraft carriers	0	14
Cruiser helicopter carriers	2	0
Cruisers	30	6
Destroyers	80	90
Escorts	109	66
Submarines	325	115
Total	546	291

Ship numbers and comparisons can be extremely dangerous. One cannot compare a 90,000-ton U.S. aircraft carrier to an 850-ton Soviet "minor combatant." Yet the more than 135 guided-missile-firing patrol boats in the Soviet inventory cannot be simply ignored or brushed aside because of their small size.

For example, the OSA and Komar classes, now more than 13 years old, have been used with success in combat. An 80-ton Egyptian Komar sunk the 2,500-ton Israeli destroyer Eilat on 21 October 1967. The operations of Indian OSAs in the war with Pakistan in December 1971 were equally successful. The Soviet 850-ton Nanuchka-class carries the SS–N–9 surface-to-surface missile. Its 1,100 pound warhead is twice that of the anti-ship missile the U.S. plans for the future.

(2) The Soviets have deployed aboard their ships highly sophisticated sensors, electronics and offensive and defensive weapons systems. They have developed an arsenal of some 20 types of anti-ship-capable missiles and their variants. Having ranges from 20 to 300 miles, they can be fired from aircraft, from surface ships, and from submerged submarines.

A number of years ago the United States Navy made a deliberate choice to put all of its missile capability on sea-based aircraft without developing an over-the-horizon shipborne surface-to-surface missile. At that time the United States had a force of some two dozen aircraft carriers, combat proven during World War II. Now, with only 14 aircraft carriers and facing a major Soviet anti-ship missile capability, the United States is ready to introduce its first over-the-horizon surface-to-surface missile—Harpoon.

(3) The Soviet Navy has gone to sea. From a coastal defense navy in 1962, today there are Soviet ships circumnavigating Hawaii, exercising in the Caribbean, and operating near the strategic oil routes of the Indian Ocean.

(4) The Soviets have upgraded their strategic submarine ballistic missile force. Their new Delta-class submarine carries the 4,200-mile SS–N–8 missile, capable of hitting San Francisco from its homeport a few hundred miles west of Alaska. All U.S. metropolitan centers are within range of the USSR's strategic submarine missiles.

(5) Soviet *naval* developments coincide with the impending Soviet deployment next year of *four* new classes of ICBMs—with warheads up to 25 megatons—and a new long-range bomber, the Backfire.

SUMMARY: THE KEY QUESTION

This is where the United States Navy stands today, and these are the issues that affect a report on its status. It must be remembered that the United States is more dependent on foreign sources of raw materials and energy now than in the past. The United States has a much smaller Navy to do the job than it did six years ago. The USSR is building navy ships at a rate numerically faster than is the United States. The world economic and political situation continues to be tense. The United States needs the credibility and capability of a strong Navy now more than ever.

What Navy programs will be proposed to the Congress—a new Congress—in 1975? It is too early to be specific, before the defense budget is presented by the President.

But certain needs are fairly obvious: the need for authorization of more patrol and hydrofoil ships to give the Navy added numbers of surface ships; the need for powerfully-armed surface ships that could operate independently of carrier task forces; the need for a beginning toward an aviation platform that might be described as a light carrier; the need to continue the Navy's effective submarine and aircraft programs; the need for research and development to maintain the Navy's technology; and clear recognition that sea power is an indispensable element of the U.S. national posture that must be kept in balance with an ever growing Soviet naval building program.

The key point is this: when the Navy goes to Congress with its 1975 budget proposals, those proposals will have been very carefully scrubbed by the Navy and the Department of Defense. Those who are concerned about the security of the United States should familiarize themselves with the issues and form their opinions accordingly. A strong naval program is a crucial requirement for the United States that few people will even be aware of until the results are apparent five or ten years from now.

Oddly enough, the question that can best be answered today is not "Who's number one?" It is "Who will be number one in 1980 and 1985?"

THE STORY OF LAKEWOOD AND ITS POSTMASTER

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the American legend is comprised of much more than the big cities and great developments. There are also the often untold stories of the people who contribute to the story of America in little towns and communities that dot our Nation's countryside. In these areas legends are born which become the folklore that tells its own important side of the American story.

One of these worthwhile legends tells the story of Mrs. Hazel Britton, postmistress of the little north Walton County town of Lakewood. Mrs. Britton was appointed postmistress by Postmaster General Lawrence O'Brien 9 years ago. She has conscientiously served each day since. She is the widow of the late T. J. Britton, a prominent developer in the area. Her story and the story of the Lakewood Post Office were recently told in the Miami Herald and retold in the Florala News which is published in Florala, Ala. I feel that Mrs. Britton's story is significant enough to justify reprinting in the CONGRESSIONAL RECORD:

POST OFFICE USED TO BE BOAT HOUSE

The little town of Lakewood and its postmaster, Mrs. Hazel Britton, received statewide attention recently when they were the subject of an article in the Miami Herald by Al Burt.

Mrs. Britton will have served as Postmaster at Lakewood nine years this Christmas. And in those nine years, she hasn't missed a day at work because of sickness. "I have flown that flag every day," says Mrs. Britton. What is it the commercial says—"When you have your health, you have everything." Mrs. Britton can vouch for that.

Had it not been for the ingenuity of Mrs. Britton and her late husband, T. J. Britton, Lakewood probably wouldn't be enjoying the unique little postoffice it has today. It was established in 1903 and the uniqueness of this particular postoffice building is that it used to belong to Britton's son, Tom, and was his pride and joy—a boathouse afloat beautiful Lake Jackson. It afforded Tom and his friends many a leisure hour of fishing and party fun. Florala banker Ed Rodwell, a very good friend of Tom's, and his cousin, down through the years, had a boathouse, also, and the two of them remember fondly the good times they spent at Lake Jackson.

The boathouse was removed from the lake, split in half, and taken to Lakewood where George Lancaster, then a popular contractor in the area, put it back together again. It must have been made of pretty good stuff because it is still in remarkably good condition and is pleasingly quaint with its porthole windows and antique furnishings, all taken from the offices of the once famed Britton Lumber Company of Lakewood.

Mrs. Britton's husband and his brother, W. H. Britton, came here from North Carolina at the turn of the century to form the lumber company. In those days the Brittons owned thousands of acres of land and built a number of businesses in Florala which included a bank, opera house and hotel. But, as their lumber business faded with the depression, so did their land holdings dwindle around Lakewood. Still in hand, however, is most of the town about one section, or 640 acres.

In its heyday, Lakewood boasted a population of 450 people, three times its present size. There was a railroad depot, which is still intact sitting off down in the middle of a corn field, and spur tracks that ran 25 miles south to hook up to the main line at Mossy Head, plus three streets with houses on them and all the machinery of a lumber mill center.

About all that is left of the town is the post office which Mrs. Britton operates six days a week from 12:00 until 5:00. Of her service, Mrs. Britton's patrons say—"picking up the mail at the Lakewood postoffice is 'like the pause that refreshes.' " And truly Mrs. Britton is a remarkable woman—just as spry and chipper as can be.

About 300 yards south of Lakewood is Florida's highest surveyed hill. According to the State Bureau of Geology. It reaches the lofty elevation of 345 feet. The Bureau cautions there may be others higher, but if so, they have not been surveyed.

The elevation is indicated by a marker posted on the road next to a church, now used as a voting precinct.

In sparsely populated Walton County, which stretches from Alabama to the Gulf of Mexico in the western half of Florida's Panhandle, remote Lakewood is not unusual.

The 1970 census listed a population of 16,087, most of it around the county seat at DeFuniak Springs or farther south along Choctawhatchee Bay and the Gulf Coast. It has grown 3.3 percent since 1960.

Mrs. Britton would prefer that Lakewood not be called another of Florida's old ghost towns, because it is her home and is a lovely area, but unkind strangers might see it that way.

While she likes Lakewood as it is, as a business woman, she nevertheless is intrigued by the development boom in the rest of Florida and, especially, the oil boom west of here around Jay. Mrs. Britton was careful to retain half the mineral rights on family land that was sold, and has high hopes of one day striking oil. "The land has been surveyed and there seems to be a good chance that there's some over here, too," says Mrs. Britton.

In this, she and Lakewood are like other parts of Florida, yet untouched by the new boom times. They want to share in the affluence showering down on the state, yet they are fearful of change. Still, they look for a chance to take the gamble.

"We hope someday to have big development around here," said Mrs. Britton, "we want to stay like we are, because it is so beautiful and peaceful. But there is room to grow without ruining the beauty."

SUPER-PRICING: ANOTHER BURDEN FOR THE AMERICAN CONSUMER

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today reintroducing legislation that would make it an unfair practice for any retailer to increase the price of certain consumer commodities once the price on the commodity has been marked and to permit the Federal Trade Commission to order a retailer to refund any money obtained by the price increase. This bill would apply to interstate commerce dealing with certain consumer commodities such as food, drugs, cosmetics, and other consumer products. My bill would also empower the Federal Trade Commission to halt any violations immediately.

While some supermarket chains have made efforts to alert consumers of forthcoming price increases, there are still many other retail food stores where "super-pricing" is still in practice. And the problem is not confined to retail food outlets. When a consumer inquires as to the reason for repeated markups on goods, he is probably told that inflation has caused an increase in the wholesale purchase price of the particular commodity. While this is a valid reason for price increases on newly received goods, it does not justify markups on goods which were acquired at a previous lower price.

Some retailers maintain that uniform pricing eliminates customer confusion, which in turn can lead to customer hostility. I believe consumers have much more reason to be hostile if this "uniform pricing policy" results in unjustified overcharging of the customer and the accumulation of unconscionable profits for the retailer.

Mr. Speaker, in our inflation-ridden economy, the American consumer is already reeling under the economic impact of rising prices on almost everything he purchases. Super-pricing adds to this already intolerable burden, and yields benefits only to those who seek to reap unfair and unjustified profits at the expense of the beleaguered American consumer.

CONGRESS SHOULD SUPPORT WOMEN'S YEAR

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I am today introducing, with Mrs. HECKLER and 48 other cosponsors, a concurrent resolution in support of International Women's Year. This is the same resolution we introduced last August. It is disappointing that Congress has lost the opportunity to go on record in support of Women's Year prior to its beginning, but I retain hope that we can proclaim our support before it is over.

The United Nations proclaimed 1975 as International Women's Year in order to promote equality between men and women, and to recognize women's contributions to international relations. Last January, President Nixon issued a proclamation in support, and President Ford recently established a commission to coordinate U.S. efforts in this regard. Congress has remained silent. Let us now say to the United States and the world that we support International Women's Year and the U.N. objectives for it, and that we will strive to overcome the obstacles still encountered by women in exercising their full measure of human rights and responsibilities. In this way, our efforts will have a lasting effect, and will help to shape a better future for all humankind. I urge speedy passage of this resolution.

THE TAX CUT-REFUND BILL

(Mr. GIBBONS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GIBBONS. Mr. Speaker, in order to refine the issues and to get action, I have discussed with staff proposals that have been aired by members of our committee concerning the tax cut-refund bill.

I am suggesting an overall figure of $18 billion. The following chart and the attached statement explain the proposal. I solicit your comment and support.

Revenue effects for calendar 1975

[In billions]

1974 tax rebate	−$9.0
Increase in the standard deduction	−5.0
Refundable earned income credit	−3.0
Increase in the investment tax credit	−3.0
Increase in the corporate surtax exemption	−.6
Total for individuals and corporations	−20.6
Repeal of percentage depletion, gas and oil	+2.6
Overall revenue effect, calendar 1975	−18.0

Now, Mr. Speaker, next I would like to outline in greater detail this bill that I have today introduced.

OUTLINE OF POSSIBLE TAX PROGRAM TO BE APPROVED BY FRIDAY, FEBRUARY 7, 1975

1. A refund of 14 percent of 1974 tax liability up to a maximum of $300, with a phaseout of the refund between $20,000 and $30,000 of adjusted gross income. This would be paid in one installment instead of two. (Revenue effect, −$9 billion.)

2. Increase the minimum standard deduction from $1,300 to $1,900 for single persons and to $2,500 for married couples. Also, increase the standard deduction from 15 percent to 16 percent and increase the maximum standard deduction from $2,000 to $2,500 for single persons and to $3,000 for married couples. (Revenue effect, about −$5 billion.)

3. Provide an earned income credit of 5 percent of wage and salary and self-employment income not to exceed $200. This would be a refundable credit. The credit would be phased out for adjusted gross income levels between $4,000 and $8,000. (Revenue effect, about −$3 billion.)

4. Increase the investment tax credit from 7 percent to 10 percent—to be effective for at

least two years. (Revenue effect, —$3.0 billion.)

5. Increase the corporation surtax exemption from $25,000 to $35,000. (Revenue effect, —$600 million.)

6. Repeal percentage depletion for oil and gas. This would apply to both foreign and domestic production. (Revenue effect, +$2.6 billion.)

NOTE.—Tax changes made by proposals 2–6 would be effective *retroactive to January 1, 1975*. Revenue effects refer to calendar 1975 tax liabilities, except for proposal 1 (which refers to 1974 tax liabilities but revenue effects in calendar 1975.) Withholding rates would be adjusted 45 days after the date of enactment to take these changes into account.

Mr. Speaker, over the last few days, we have been encouraged by leading economists and by the President to make substantial tax reductions and refunds available so as to stimulate the economy and to avoid worsening the recession. During these panel discussions, I have been attempting to discover a set of proposals that would receive wide support in the Congress and would be quickly adopted so that uncertainty would be eliminated and confidence in the future could be restored.

A tax proposal embracing the following items is one that could be adopted. Some parts of it will not receive unanimous support but I believe will receive a large enough support to pass the House of Representatives.

In summary, there are five features of the proposed bill, which are as follows:

First. A 14-percent tax rebate for 1974 taxes that is phased out for people with incomes between $20,000 and $30,000.

Second. A substantial increase in the standard deduction.

Third. A 5-percent refundable tax credit for low-income workers.

Fourth. An increase in the investment tax credit to 10 percent.

Fifth. A $10,000 increase in the corporate surtax exemption, against which the 22-percent tax rate applies.

The administration's proposals give too much to those who need it the least and do not give enough to those who need it the most. Inflationary problems have been most significant in the areas of food and fuel. Low and moderate income families must spend a greater portion of their budget on these items than higher income families. As a result, it is necessary that we give the lion's share of any tax reductions to the families which have been the hardest pressed.

Higher income families, although they have been affected by inflation, have not been affected nearly as much as low and moderate income families. It is more likely that the higher income families would be in a position to save larger portions of any tax relief than would be the case for low and moderate income families. Thus, the bill provides the tax relief to those who need it the most and where it would have the largest effect for the needs of the economy.

The administration did not propose any changes in the percentage depletion allowance for oil and gas. It is obvious from all that we have seen that this special incentive for the oil and gas industry is no longer necessary. Therefore, the bill repeals the percentage depletion allowance for oil and gas as of January 1, 1975. This repeal provides revenues from the oil and gas industry which has been making huge windfall profits which can be used to reduce the overall deficit and to provide further tax relief for individuals. There does not appear to be any benefit to our economy for these companies to continue to get windfalls not only on account of the increase in the price of oil but also as a result of percentage depletion, especially when it is applied to the inflated prices for oil and gas.

The bill provides three provisions for tax relief for low- and moderate-income families. First, there would be refund of 14 percent of 1974 tax liability up to a maximum of $300. This refund would be phased out for incomes between $20,000 and $30,000 in order to make it applicable to those in the lower income levels. The refund would be paid in one installment rather than the two proposed by the administration.

Second, the bill increases the standard deduction which would provide immediate relief in the form of lower withholding in the paychecks of taxpayers. The minimum standard deduction would be increased from $1,300 to $1,900 for single persons and to $2,500 for married couples. Also, the percentage standard deduction rate is to be increased from 15 percent to 16 percent and the maximum standard deduction increased from $2,000 to $2,500 for single persons and to $3,000 for married couples.

The third feature of the bill for individual income tax relief is to go to low-income individuals who either have a very small, or no, income tax liability, but are liable for the social security tax in all but a very few cases. The provision in the bill provides a 5-percent refundable tax credit for earned income up to a maximum of $200. The credit will be phased out for individuals at adjusted gross income levels between $4,000 and $8,000. In effect, this provision can be viewed as a rebate of a portion of the social security payroll tax to low-income individuals.

The bill also has two provisions which are intended to provide incentives for businesses. The first provision increases the investment credit from 7 percent to 10 percent. This increase is needed at this time to encourage capacity expansion for our productive needs. In view of the serious credit problems of public utilities, the bill also increases the investment credit for them from the present 4-percent level to the same 10-percent level for corporations generally. Public utilities, however, have an additional problem in that they have not been as profitable in recent years and, thus, even though they may be eligible for a higher investment credit, the limitations on that credit prevent them from enjoying the full tax benefit. This limitation is 50 percent of tax liability in excess of $25,000. The bill raises this limit to 100 percent for a 2-year period but then reduces it 10 percentage points annually for a 5-year period until it again is at the 50-percent level generally applicable.

The final provision in the bill provides tax reductions for small businesses. It does this by increasing the surtax exemption level from $25,000 to $35,000. This is the level at which the 22-percent rate applies. Thus, small businesses which have taxable income of at least $35,000 will save a maximum of $2,600 by this change.

The overall cost of the bill is approximately $18 billion. The tax reductions that are included for individual relief amount to $17 billion: $9 billion of this cost goes to the 1974 refund, $5 billion to the increases in the standard deduction, and $3 billion to the 5-percent refundable earned income credit. In the case of businesses, the increased investment tax credit and the raising of the limitation with respect to public utilities costs approximately $3 billion. In addition, the increase in the surtax exemption level from $25,000 to $35,000 costs approximately $600 million. The total of the revenue impact of this package with respect to the amounts provided for individuals and businesses is approximately $20.6 billion; however, the amount recovered by the repeal of the percentage depletion allowance for oil and gas is approximately $2.6 billion.

On balance, these proposals are far more beneficial in providing tax relief to those who need it the most and in providing a stimulus to our economy than those proposed by the administration. It is imperative that we pass on these quickly so that the relief can be made available to individuals as soon as possible.

AMENDING THE PRESIDENTIAL PARDON POWER

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, several months ago this country was thrown into turmoil by President Ford's grant of a pardon to Richard Nixon. Even before this action by the President, there had been widespread speculation that Richard Nixon, while still President, would pardon himself. At the time, many people questioned whether this use of the pardon power was constitutional and whether, even if constitutional, such use of the power should be limited by constitutional amendment.

Presidential pardon power ought to be reasonably restricted. I am, therefore, introducing a constitutional amendment prohibiting a President from pardoning himself, and limiting his power to pardon former Presidents and Vice Presidents.

My proposed amendment would prevent the shameful spectacle of a President's pardoning himself. With respect to Vice Presidents and former Presidents, a pardon may not be granted before conviction under any circumstances. After conviction, a pardon could be granted only on grounds of innocence or terminal illness—as certified by the President and concurred in by three-fourths of both Houses of Congress.

In my judgment, a pardon ought to be available if evidence arises which indicates innocence or if the convicted person is terminally ill.

PRELIMINARY VIEWS ON RAIL RESTRUCTURING

(Mr. ROONEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROONEY. Mr. Speaker, on January 10, 1975, the Rail Services Planning Office of the Interstate Commerce Commission sent a progress report to the U.S. Railway Association on the restructuring of seven bankrupt railroads in the Midwest and Northeast United States now under way.

The report discusses a number of key issues, including low-density lines, the shape the new rail system should take, the amount of rail competition that should be maintained, financial considerations, labor, environment, energy, and rail passenger service.

I was particularly struck by RSPO's comment that many communities and businesses in the region have now lived for nearly a year without knowing whether rail services upon which they rely are going to continue in the future. Many have feared to expand their businesses and to locate new plants on particular rail lines. The economies of many communities have suffered drastically as a consequence.

On November 13, 1974, at the direction of the Congress, the USRA published annual and supplemental reports outlining the progress that has been made to date in reorganizing the bankrupt carriers.

This RSPO analysis I mention today was prepared in response to that report and in response to the concerns expressed to RSPO by many users of rail service that the USRA is proceeding along the same course followed by the Department of Transportation last February when the DOT identified approximately 25 percent of the rail mileage in the 17-State Midwest and Northeast region as "potentially excess."

I am concerned, therefore, that USRA, like the DOT, is relying solely upon statistical formulas to determine whether rail services are profitable and whether they should be continued to the exclusion of the other goals expressed in the act.

These goals include, in addition to establishing a financially self-sustaining rail system in the region:

Providing adequate rail service to meet the region's needs;

Improved high speed passenger service, including upgrading the Northeast corridor;

The preservation of existing patterns of service by railroads, to the extent consistent with other goals of the Act, and of existing rail trackage in areas where fossil fuel natural resources are located;

The retention and promotion of competition in rail and other transportation services in the region;

The attainment of satisfactory environmental standards;

The movement of passengers and freight in the region in the most efficient manner; and

The minimization of job losses and unemployment in areas presently receiving rail service.

As the RSPO states:

> Automatic exclusion of a line from the Final System Plan because it fails to generate revenues which exceed its costs does not address satisfactorily the other goals of the Act, nor does it promote, in general, the provision of rail service adequate to meet the needs of the region . . . the other goals stated in the Act must be given more than lip service. In balancing the statutory criteria, we think it inevitable that USRA will have to impose upon Conrail the burden of assuming some services that appear now to be operated at a loss. The failure of the USRA annual report to recognize this as even a remote possibility is disturbing.

Continuing, the report points out:

> The fact that the management of a bankrupt railroad—given its myriad financial and other problems—could not operate a particular service at a profit can hardly be persuasive that that same service—given a new management outlook and the advantage of Federal assistance—could not become a profitable one. What is needed, then, is not total reliance upon past operating experience, but an understanding of how the restructured Conrail system will operate, and carefully developed forecasts of future traffic volumes, costs, and revenues on individual local-service lines.

I commend the Rail Services Planning Office report to my colleagues and insert it into the RECORD along with a covering letter from George M. Chandler, Director of the Office:

PRELIMINARY VIEWS ON RAIL RESTRUCTURING

(Comments of the Rail Services Planning Office on the United States Railway Association's First Annual Report and Supplemental Report)

RAIL SERVICES PLANNING OFFICE,
INTERSTATE COMMERCE COMMISSION,
Washington, D.C. January 10, 1975.

Mr. ARTHUR D. LEWIS,
Chairman of the Board of Directors,
U.S. Railway Association,
Washington, D.C.

DEAR MR. LEWIS: Upon receiving the United States Railway Association annual and supplemental reports in November, the Rail Services Planning Office decided that it should offer USRA its comments on a number of the issues presented there. We felt an obligation to do this because certain statements, assumptions, and omissions caused us concern, and because we believed that the spirit of mutual cooperation with which USRA and RSPO must necessarily approach the rail restructuring process required that we give you the opportunity to receive our views now, and that we not reserve our criticisms for publication only after the issuance of the preliminary system plan.

The accompanying report summarizes many of the suggestions submitted by interested members of the public who took the time and who made the effort to respond to our request for their assistance. It also reflects our own present thinking on some of the issues basic to our mutual task. We hope that you and your staff will find our comments helpful, and we urge that you give all possible consideration to the public comments, copies of which have previously been sent to you.

Sincerely,

GEORGE M. CHANDLER,
Director.

INTRODUCTION

The Regional Rail Reorganization Act of 1973 (the "Act") as enacted on January 2, 1974, required the United States Railroad Association ("USRA") to issue its preliminary system plan for the restructuring of the bankrupt railroads in the Midwest and Northeast by October 29, 1974. When it became apparent that that deadline could not be met. USRA sought an extension of time for 120 days, or until February 26, 1975. The extension was granted when President Ford signed Senate Joint Resolution 250 on October 26, 1974.

In seeking the extension of time, the officers of USRA agreed with certain concerned Senators and Congressmen that some statement of the progress of the planning process should be made publicly available on or about the date of the original preliminary system plan deadline. Therefore, when USRA issued its first annual report, describing its organization and activities through June 30, 1974 it appended to it a supplemental report discussing a number of issues basic to the carrying out of its planning responsibilities. Among other things the report discussed certain "strategic options" which USRA had under study in its consideration of the basic structure which the reorganized railroad system might take; the role of competition in developing that industry structure; and the procedure which USRA was following for determining which branch lines should be included in the restructured system.

Upon reviewing the USRA annual and supplemental reports, the Rail Services Planning Office (the "Office"), despite disappointment at their lack of specificity, decided that a number of the issues raised were worthy of, and ripe for, comment. Inasmuch as the Office, under section 205(d)(1) of the Act, is required to "solicit, study, and evaluate the views with respect to present and future rail service needs of the region" of public officials, users of rail service, and the public generally, we concluded that public comment on the reports should be sought to assist us in preparing our comments.

On December 2, 1974, the Office issued a notice, published the next day in the Federal Register, soliciting comments on the issues discussed in the USRA annual and supplemental reports. Over 200 such comments have been received, and copies of all of them have been given to USRA. Time does not permit that all those offering comments be recognized here. Nevertheless, the Office wishes to make known to all who responded to our request for assistance that we appreciate that response, and that all the many valuable suggestions received have been carefully considered in the preparation of this report to USRA.

THE PUBLIC RESPONSE

Public reaction to the USRA annual and supplemental reports was expressed from a wide spectrum of interests. The largest single group sending its comments to the Office was composed of users of rail service. They include some of the nation's largest manufacturing companies and major shippers by rail, small family businesses shipping only a few cars a year, individual railroad passengers, and almost every kind of rail service user in between. The next largest number responding were public officials, at every level of government: federal agency spokesmen, governors, county and regional government authorities, and the elected officials of cities of every size. Letters from individual citizens concerned with the impact of rail service upon such things as community development, the environment, and inflation made up a substantial part of the body of responses received. Also expressing their views were officials of several railroads and spokesmen for railroad labor, and this Office's Public Counsel.

Understandably, the responses from such a diffuse group ran the gamut of virtually complete satisfaction with the USRA reports to total condemnation. A number of those submitting their comments praised USRA for the progress it had made and for the way in which its work and its ideas were described in the reports. At the other extreme, a number of those responding to our notice simply said they had nothing to say at all on the ground that the reports were so vague and uninformative as to contain nothing worthy of comment.

Many of the parties complained that the lack of specificity and of in depth analysis in the reports made it difficult to comment intelligently. It was even suggested that, in view of the vagueness of the USRA reports, it could only reasonably be concluded that USRA was either holding back information available to it and not revealing decisions that it had already made, or that it simply does not have the basic information and has not made the basic decisions which would permit it to issue the preliminary system plan by the February 26 deadline.

Low density lines

The single subject which, by far, drew the largest volume of public comment was service over low-density branch lines. This will come as no surprise to anyone who has followed the course of rail restructuring during the past year. The fear that direct rail service might be lost has been the spur that has driven hundreds of small communities—and many not so small—and individual users of rail freight service to take an active and continuing part in the planning process.

In requesting public views on the USRA annual and supplemental reports, we stressed that they contained discussions of issues basic to the restructuring activity which is the joint responsibility of USRA and the Office. We noted that it was our intention, then, to address the basic issues—the concepts—which the planning staff and directors of USRA are developing and employing. Many of those submitting comments devoted much of their responses to the need for continued rail service at specific points on individual local service lines. This kind of information, which is important to the planning process, is welcome at any time, and will prove useful to us in developing our comments later on the preliminary system plan. However, the nature of the USRA annual and supplemental reports, and the necessarily limited scope of our present comments upon those reports, preclude our including any detailed analysis of such submissions in this paper.

Much criticism was directed at USRA's failure to report decisions concerning the inclusion or exclusion in the preliminary system plan of specific low-density lines which it has had under study, and particulary of those identified as "potentially excess" in the Secretary of Transportation's report on "Rail Services in the Midwest and Northeast Region" issued February 1, 1974. Many businessmen and communities have now lived for nearly a year not knowing whether that designation of the rail services upon which they rely is going to be removed, or whether they really do stand ultimately to lose their rail lines.

The record in hearings held previously by this Office is filled with examples of those who have feared to expand their businesses or to locate new enterprises on particular lines, to the severe economic detriment of the communities involved. The public response to the USRA reports is replete with expressions of bewilderment, anger, and incomprehension at the inability of USRA to provide, in a year's time, positive indications that any given line is slated for inclusion in, or exclusion from, the Consolidated Railroad Corporation ("Conrail") system. Criticism of the USRA reports for failing to include such information is by all odds the single most prevalent theme running through the public responses. Concern was also expressed that the reports contained no indication that the testimony introduced at the Office's hearings held during the spring and summer of 1974 was being considered by USRA in making decisions with respect to local-service rail lines.

Criticism of the approach which USRA is taking in deciding whether individual local service lines should be included in the preliminary system plan was contained in a large number of the public responses. The commonest view expressed was that USRA is not properly following the congressional directive to balance the several statutory goals, because it is following a course which gives one of those goals—profitability—preeminence at the expense of the others. In support of this point of view, Public Counsel submitted a detailed summary of the legislative history of the statutory provisions related to inclusion of branch lines in the restructured rail system.

Many of those commenting made the point that the Act does not require that each individual line or service be profitable, but only that the system as a whole be financially self-sustaining. USRA was frequently criticized for failing to provide an operating definition of profitability; for failing to address—or to indicate how it would deal with—the local economic, social, and environmental impacts that would stem from the discontinuance of existing rail service; for relying on railroad supplied data and cost estimates; and for using allocated and system average costs in analyzing branch line profitability.

Industry structures

Many of those commenting on the USRA annual and supplemental reports expressed their views on the structural alternatives described. Here, again the responses varied greatly with some favoring one of the proposed alternatives, some another, and some simply praising USRA for having given consideration to a variety of possible means for structuring the new rail system. All of the structural alternatives received some support wtih the Conrail/Neutral Terminal suggestion probably gaining the most individual support. There was substantial support for the "fixed plant entity" option, and this appears to reflect an attitude that was quite apparent at the Office's hearings last year: that a substantial segment of the public believes that there should be a continuing governmental involvement in the financing and provision of rail services.

The most frequently expressed criticisms of the structural options suggested by USRA were that they did not give sufficient attention to the impact of Conrail upon the railroads in the region not being reorganized under the Act, and particularly upon the Erie Lackawanna; and that the benefits of competitive rail service and the need to provide effective competition for Conrail were being given inadequate attention.

Other considerations

One matter which was of concern to many, and which was touched on briefly in the USRA annual report, is its handling of the so-called interim abandonments under section 304(f) of the Act. Such comments were largely directed towards USRA's pending rulemaking proceeding in which it proposes to establish procedures for dealing with abandonment applications from the railroads in reorganization.

Concern was expressed also at the treatment of passenger service in the USRA reports. It was pointed out that the reports give no indication that USRA is giving consideration to which medium and short distance corridors would be suitable for rail passenger service as is specifically required by the Act. It was noted, too, there is only very limited discussion of the possibilities of transferring the ownership of the northeast corridor passenger lines to some other entity such as Amtrak. USRA was also criticized for failing to give any consideration to the needs of the United States Postal Service.

Spokesmen of railroad labor expressed their concern that they had not been given due consideration in the planning process. They voiced the opinion that railroad employees and railway labor organizations could make substantial and worthwhile contributions to the planning process if given the opportunity to do so. They encourage the opening of a meaningful dialogue between USRA and railroad labor organizations.

Complaints were voiced about the composition of the USRA Board of Directors, and in particular about its lack of a small shipper representative.

Finally, there was concern expressed that it was difficult to obtain copies of the USRA annual report in a timely fashion. Along this line it was also noted that there has been an apparent failure on the part of USRA to make direct contact with local citizens and citizens' organizations, and to provide interested persons with information about USRA activities. Even the United States Department of Defense reported that its only contact with USRA has been through the Rail Services Planning Office.

EVALUATION OF THE USRA REPORTS

Industry structures

Selecting the best means for structuring the rail system to emerge from the properties of the bankrupt railroads is among the most critical basic decisions to be made by the United States Railway Association. The structure chosen will have to provide for a system that can meet the rail transportation needs of the midwest and northeast. It must provide Conrail with the opportunity to be profitable in competition with the solvent railroads in the region, and with aggressive and successful carriers of other modes. The structure must permit the solvent railroads to stay healthy, and allow for sufficient competition to provide incentives for Conrail and the other carriers in the region to improve the quality of their services.

ISSUES INVOLVED

Selection of a particular structure involves acceptance of associated policy decisions governing such issues as financial self-sufficiency, competition, alternative routing choices, and service improvement incentives. Although of substantial importance, local service considerations are not an issue here. Local service policies are independent of industry structure and are not made implicitly by selecting a particular structure.

Financial self-sufficiency

A restructured system which is not financially capable of continued operation could fall into bankruptcy, again presenting the nation either with the same threats of rail service curtailment or cessation it faces today, or with the need to provide large-scale financial support at public expense. Any structural alternative which merely delays resolution of this rail service problem would be totally unacceptable. If the structure selected cannot provide for financial self-sufficiency, the decision to supplement Conrail's revenues must be made now; it must not be deferred until it is forced upon us by a Conrail bankruptcy.

Care must also be exercised to assure that Conrail's financial performance is not achieved at the expense of neighboring railroad's profitability. Preservation of a viable regional system, not simply a viable Conrail, is critical to achieving the goal of adequately serving the region's rail transportation needs.

Competition and service incentives

From the viewpoint of shippers and receivers, transportation is an extension of their production and marketing processes. In this era of progressively more sophisticated marketing techniques and technological developments, the need to coordinate rate adjustments and transportation services with the specific needs of shippers and receivers has become extremely important. From the shippers' or receivers' standpoint, competition between carriers is fundamental to inducing rate and service innovations. In short, on the one hand, competition forces necessary change, and on the other hand, lack of competition ultimately may have deleterious effects not only on the ability of shippers and receivers to compete in their own markets, but also on the carrier itself through loss of traffic generated by those shippers and receivers.

Any restructuring plan which would eliminate competitive rail service in major markets will not satisfy the rail transportation needs of the region. A carrier with a monopolistic hold on a particular geographic area could concentrate its service improvement efforts in other areas where its traffic base could be diverted to competing carriers. It is worth noting, too, that much traffic is captive to rail, so that intermodal competition is not always a factor.

To the extent possible, we think that there should be at least two competing railroads in each major, long-haul market. At the same time, we do not believe that rail competition is something to be maintained at all cost, or that the ability of a carrier to operate profitably should be impaired solely to preserve multiple-carrier service along a particular route. Nor do we believe that any one rail customer is inherently entitled to the service of two railroads—a situation which exists today at many plants and which can lead to unnecessary over-supply of service to the detriment of all concerned.

If two carirers serve the same general area, however, many customers will have direct access to both. The service improvements instituted to satisfy these shippers' needs will have a cascading beneficial effect on the service provided to the others in the area.

Connecting carriers too, where possible, should have the choice of routing their line-haul interline traffic over two or more viable, independent competing carriers. For many connecting carriers interline traffic represents a significant portion of their total traffic base. Deterioration of service on this traffice, as could happen if there were no alternative routing choice, could drive the traffic away from the connecting carrier, eroding its traffic base and weakening its financial position.

A system structure which results in a continuing operating subsidy for the restructured carrier would similarly provide little or no incentive for the carrier to improve its service. Being subsidized, there would be no profit motivation for the carrier. Actions taken by the carrier to improve service quality would not improve or worsen its financial position, but would only serve to change the amount of the subsidy. The potential impact on rail users and the connecting railroads would be severe.

EVALUATION OF STRUCTURES

The USRA report presented five alternative industry structures, having dismissed regional monopoly and controlled liquidation.

Conrail I—Merge the six bankrupts (Penn Central, Lehigh Valley, Reading, Central of New Jersey, Ann Arbor, and Lehigh & Hudson River) into a single railroad.

Conrail/Neutral Terminals—Establish neutral switching carriers to perform industry switching services in the Philadelphia and Newark/New York areas, and merge the remaining portions of the bankrupts into a single railroad.

Conrail East/Penn Central West—Make Conrail a neutral switching carrier covering all eastern terminals and reorganize the bankrupts' western lines, presumably under Section 77 of the Bankruptcy Act.

Penn Central Unmerged—Establish two major carriers from the bankrupts, basically along the routes of the former Pennsylvania and New York Central railroads.

Separate Fixed Plant Entity—Use government funds to upgrade the bankrupts' rights-of-way, allowing Conrail to repay the government and eventually acquire ownership of the fixed plant. As this presents only an alternative scheme for right-of-way ownerships, it could be implemented in conjunction with any of the four operating structures listed above.

Conrail I

Under this alternative, merging the six bankrupts, the restructured system would apparently be afforded the best opportunity to achieve economies through the consolidation of facilities, operations, and administration. At the same time, the result would be a monopoly in many major markets. Conrail I almost certainly, therefore, offers the best possibility for the restructured rail system to achieve financial self-sufficiency.

Under the present structure of the bankrupts, there is competition for traffic in the major market areas in the east. In general, the smaller bankrupts operate as "feeders" to the line-haul railroads of the region—principally the Chessie System, Norfolk & Western, Erie Lackawanna, and the New England carriers, as well as the Penn Central. In this way, the solvent carriers who do not operate in the eastern traffic generating areas still participate in the line-haul movements for significant portions of this traffic. The Reading, for example, feeds much of the traffic originating on its lines to the Chessie System and N&W; Lehigh Valley provides an important connection for N&W at the Buffalo gateway; and the Jersey Central is a major generator of traffic for the Erie Lackawanna.

However, if all of the bankrupts were merged into Conrail I, traffic originating on the properties of the former feeder lines would be Conrail's traffic, and would not voluntarily be fed to competing line-haul carriers. As a result of Conrail's virtual monopoly on the major traffic generating area of the east, traffic now handled by the competing line-haul carriers would no longer be readily available to them. Whether even solvent carriers such as Chessie and N&W could survive this loss of business is uncertain. The impact on the Erie Lackawanna, attempting to emerge from bankruptcy under the Bankruptcy Act, would almost certainly be devastating. The Boston & Maine, in a similar situation, could also be adversely affected.

The monopolistic nature of the Conrail I structure can be seen dramatically in its impact on north-south routings along the east coast. It would operate all tracks in an area about 100 miles wide running from Altoona, Pennsylvania, to the Delaware River, blocking all possible competitive north-south routings along the east coast. The availability of two competing north-south routes is of considerable importance to rail users and to connecting rail carriers. The rail users would consider the availability of only one north-south routing choice as severely limiting their ability to influence the carrier to provide good service on their traffic. Similarly, the connecting rail carriers are dependent on the service characteristics of the routes they utilize in order to keep traffic on their systems. The states in the region also view the availability of two independent competitive north-south routes as a basic requirement.

Conrail/neutral terminal switching carriers

In suggesting that neutral switching companies might operate rail services in the New York/Newark and Philadelphia areas, USRA presents a means for overcoming Conrail I's dominance in the eastern traffic generating areas. The carriers competing with Conrail would have access to the terminal switching companies. Because the terminal companies would not be affiliated with any line-haul carrier, they would have no particular preference as to which line-haul carrier participated in the movement of a shipment. The shippers' choices between competing carriers could then be based on the service provided.

It is generally believed that the terminal services which would be provided by the proposed neutral terminal companies are now being performed at a loss—a loss which, for the most part, is now being absorbed by Penn Ceneral and the other bankrupts. One of the problems faced by USRA is what to do about that situation. A neutral terminal company would, presumably, have to charge a line-haul carrier (through a division of revenue or the establishment of a switching or terminal charge) enough to cover the cost of its operations, or it would have to be subsidized. Passing the full cost of terminal operations on to the now solvent line-haul carriers would mean that those carriers would have to absorb the cost, probably to their ultimate financial detriment, or pass it on to the user in the form of higher rates, thus risking the diversion of that traffic. If, on the other hand, the terminal carriers' charges were not sufficient to cover costs, the continuing loss would have to be subsidized.

Certainly, subsidy should not be built into the Conrail system except as a last resort. The totality of services now being provided by the railroads in reorganization are being performed at a loss and it is USRA's task—and ultimately Conrail's—to turn this situation around. This will have to be done in some way other than imposing on the now solvent railroads too great a share of the eastern district terminal costs now largely being borne by Penn Central. Increased line-haul rates may be one answer; others may be found in the modernization of the terminal facilities, the consolidation of terminal operations, and in the performance of fewer terminal services. The ultimate solution will probably have to include major revisions in present pricing policies and rates structures.

Establishing neutral terminal companies at major traffic generating points would place the line-haul carrier at the mercy of the terminal operator for service. There is a great concern on the part of railroads forwarding traffic to these terminal areas about the quality of service that might be provided by the switching carrier. Much of this traffic originates in areas which are within overnight truck distance. Several railroads in the region, now solvent, are dependent on precisely this type of traffic. If the "overnight-truck divertable" traffic were to be lost to these railroads, it could have a severe impact on their financial positions.

Shippers whose plants are located in these terminal areas would be dependent on the terminal switching company for all switching services. Again, if the service deteriorates, these captive users could be severely injured.

One of the important points which USRA must consider in deciding on an industry structure is how best to eliminate or minimize the losses from unprofitable but essential operations. Given that eastern seaboard terminal operations are unprofitable, USRA more likely to be made profitable, or at least must answer the question whether they are to break even, if they remain in the control of line-haul carriers or if they are turned over to independent operators.

Conrail East/Penn Central West

This option is similar in concept to the neutral terminals option, except that the terminals would be expanded to include the entire area extending from Baltimore to Boston and lying east of a line drawn between Harrisburg and Albany, and that Conrail would be the terminal operator. The issues involved in this structure are the same as those involved in the neutral companies option.

This option would provide substantially more competition than is now the case. It would open more markets to the solvent carriers, making it likely that they would capture a larger share of the traffic originating and terminating on the terminal carrier than they now handle. This diversion of traffic, however, would reduce the traffic base of the reorganizing western lines of the bankrupts, reducing the likelihood of their achieving financial self-sufficiency.

Penn Central unmerged

Under this alternative, the six bankrupt properties would be separated into two carriers, each about the size of the N&W and a little smaller than the Chessie System. The route structures of these two carriers would generally follow the lines of the former Pennsylvania and New York Central Railroads.

Much of the overlapping and intertwining of the former Pennsylvania and New York Central lines in Ohio, Indiana, and Illinois would be eliminated. However, the southern, or Pennsylvania, system would have a route into Chicago, and the northern, or the New York Central, system would have access to St. Louis. On the eastern end, the New York Central would have competitive access to Philadelphia, possibly over the Lehigh Valley. The Pennsylvania route would have access to the northern New Jersey area, and would provide a competitive choice in the New York/New Jersey market. Penn Central Unmerged would provide competitive east-west routings and a potential competitive north-south service involving the New York Central's line into Philadelphia.

The Penn Central Unmerged alternative would make it more difficult than the others to achieve economies through facilities consolidation. Also, viewed as a unit, the two carriers would have the same virtually exclusive access to the traffic generating areas of the east as Conrail I, which could result in a significant diversion of traffic from the solvent carriers and the Erie Lackawanna.

Separate fixed plant entity

This plan is not an operating plan, but an alternative way of addressing the issue of right-of-way ownership and maintenance. If a fixed plant solution were to be implemented, it would be in conjunction with an operating plan.

Under the fixed plant proposal presented by USRA, the government would take over the bankrupts' rights-of-way and upgrade them to a satisfactory level. Conrail would then operate over these rehabilitated rights-of-way, either leasing them from the government or paying it a user charge. Eventually, when federal funds were recovered, ownership of the fixed plant would revert to Conrail.

Although some of the other fixed plant solutions proposed, notably the rail trust fund presented by the Commonwealth of Pennsylvania, would utilize a surface transportation surcharge as the means of financing the right-of-way rehabilitation, the Separate Fixed Plant Entity set forth by USRA envisions recovery of the upgrading costs exclusively from charges assessed the operating company using the right-of-way. This raises a concern about the ability of Conrail to repay the government for the rehabilitation expenditure. If the basic premise that rehabilitation costs are greater than Conrail could afford to pay is true, then it is probably also true that repayment of these costs to the government would also be beyond Conrail's financial capacity.

The concept of a fixed plant solution is intriguing. It could provide the means by which the restructured rail system could be financially self-sustaining, relieved of the large expenditures necessary for upgrading and maintenance. Further, the entry of solvent carriers into the areas where competitive service is threatened could be facilitated through fixed plant solutions. If the solvent carriers could extend their operations by paying only a user charge, rather than a substantial capital outlay for purchase or upgrading, it is possible that they might find it in their best interests to serve these areas. The fixed plant concept also has potential as a vehicle for channeling federal funds into meaningful public work projects.

POSSIBLE STRUCTURAL COMBINATIONS

None of the industry structure options presented by USRA appears to satisfy completely the rail transportation needs of the region, although some of them do meet most of the immediate objectives stated in the Act.

Each of the options presented by USRA would leave a minimum of four competing, east-west line-haul rail systems in that part of the region lying west of the Buffalo-Harrisburg axis: Conrail itself, the Chessie System, the Norfolk & Western, and the Erie Lackawanna. We can only wonder if this is not more than the traffic can bear, and in particular, we question whether the EL could survive in this environment.

USRA's task is made more difficult because it must strive to attain the statutory goals while not having direct control over the fate of three of these four competing systems. That fact, however, does not relieve USRA of the responsibility of considering what impact the statutory restructuring plan will have upon the EL, as well as upon the solvent carriers of the region, and for seeking a means of achieving efficiencies by proposing the consolidation of certain facilities of these carriers.

In deciding how to structure the one or more railroad companies to be fashioned from the lines of the six carriers to be reorganized under the Act, we urge USRA to look to the future, and to consider whether the optimal industry structure for the region might not be one that includes ultimately no more than two or three dominant railroads. To this end, an attempt should be made to devise an industry structure that would make all portions of some of the bankrupts—including EL and B&M—attractive as investments or as merger partners to other, stronger railroads, including Conrail itself.

The Office strongly recommends to USRA that additional options, primarily modifications and combinations of those presented, be analyzed. We suggest as additional alternatives for analysis modifications of Conrail I, providing limited solvent acquisition of certain of the bankrupt properties; the transfer of other rail properties to Conrail; and an alternative to both Penn Central Unmerged and the Neutral Terminals options, which would provide for an independent rail system made up for the most part of the smaller eastern bankrupts.

Limited solvent acquisition

Although USRA put aside further consideration of controlled liquidation because of "the current lack of interest by the solvent carriers in acquiring a major part of the existing properties in their deteriorated condition," it is likely that a partial version of this concept, possibly in conjunction with one of the fixed plant alternatives, would be of interest to several railroads, both inside and outside the region. Interest has been evidenced recently by some solvents to acquire or operate over certain of the bankrupts' properties, even though none has expressed willingness to take over major portions of these properties. Limited "solvent" (we include Erie Lackawanna and Boston & Maine in this category) acquisition of selected lines of the bankrupt properties could provide the acquiring railroads with access to areas of the region which would otherwise be left without competitive rail service or without competitive through routings. However, the solvent carriers are likely to be interested in acquiring only the best portions of the bankrupts and not their marginal or unprofitable operations. Care would have to be taken to assure that introducing more competition than now exists at major traffic generating points in the region would not unduly affect Conrail's potential for achieving financial self-sufficiency.

Despite these difficulties, limited acquisition by the solvents of physical properties or of trackage rights from the bankrupts presents one means of achieving certain of the statutory goals. It could make competitive service available in markets that might otherwise become the exclusive province of Conrail. Equally important, it could place the solvents in a stronger position to compete effectively with a Conrail blessed with what is potentially an extremely strong route structure and possessing the advantage of various kinds of government assistance.

Transfers to Conrail

As a correlative to the transfer of some properties from the six bankrupts being reorganized under the Act to other railroads, USRA should explore possible transfers from such other railroads to Conrail. In addition to outright purchase by Conrail, these might include opportunities to effect savings through elimination or downgrading of Conrail lines in favor of trackage rights over the lines of other carriers, or through the joint use of yard and terminal facilities.

Mid-Atlantic Railroad Company

An alternative structure which could provide competitive rail service in Eastern Pennsylvania, Northern New Jersey, and Southeastern New York would be a two-system structure involving the Penn Central and Ann Arbor in one system and all or substantial portions of the Lehigh Valley, Reading, Central of New Jersey, and Lehigh & Hudson River in the other system. The latter system, commonly referred to as the Mid-Atlantic Railroad Company, has been actively proposed by the Lehigh Valley and Reading trustees and managements.

The Mid-Atlantic system would provide competitive service in the traffic generating areas of the eastern seaboard and, because Mid-Atlantic would separate the Reading and Lehigh Valley from Penn Central, it would permit a competitive north-south routing independent of the Conrail system. This advantage could be maintained even if a considerable amount of duplication in the facilities of Penn Central and Reading were eliminated.

The Mid-Atlantic system would have significant traffic origination and termination capabilities, and would tend to route traffic away from its competitor Conrail, and onto its other connecting carriers. Thus, if it were to be established, the feeder function of the smaller bankrupts would be continued—at least with respect to the N&W and Chessie System. (We question whether Mid-Atlantic would voluntarily keep open the present CNJ–EL connection at Lake Junction, New Jersey.) It might be possible to structure Mid-Atlantic so as to develop into an important feeder for the Erie Lackawanna, thus strengthening that carrier in its struggle with its competition—the financially much stronger Norfolk & Western and potentially powerful Conrail operating over the favorable former New York Central "water-level" route. One way to do this would be to eliminate the present Lehigh Valley access to Buffalo, thus forcing Mid-Atlantic to interchange with EL somewhere east of Buffalo and giving EL a better opportunity to share in traffic for which it would otherwise have to compete with N&W. This solution would also make it easier to effect consolidations of duplicative facilities of EL and LV in western New York.

Light density lines

The only contact most users have with rail freight operations is the pickup and delivery service which the railroad performs on their lines. This service directly affects the operations of their businesses, and often is integral to their production processses. Because it is the area of rail freight operations with which they are most familiar and because of the potential impacts upon their own operations, local rail service is a very significant issue to the rail service users. The possibility that local service will be discontinued on a particular line—serving their own facility or those of their customers—is of primary concern to most shippers.

LOCAL SERVICE ISSUES

As noted by USRA at page 53 of its supplemental report, the light density lines issue was dramatized by the Secretary of Transportation's Report on "Rail Service in the Midwest and Northeast Region" issued February 1, 1974. Two basic assumptions underlay the treatment of low density lines in that report: *first*, that low-density lines are major money losers which must be given a major part of the blame for causing the eastern railroad bankruptcies; and *second*, that some statistical formula can be devised by which such money losing lines can be identified. We questioned the validity of both these assumptions in our "Evaluation of the Secretary of Transportation's Rail Services Report" issued May 2, 1974, and nothing has happened since its publication to cause us to change our thinking in this respect. We note with dismay that USRA seems to have accepted the validity of these two highly questionable propositions.

Automatic exclusion of a line from the Final System Plan because it fails to generate revenues which exceed its costs does not address satisfactorily the other goals of the Act, nor does it promote, in general, the provision of rail service adequate to meet the needs of the region. However, even though we do not accept the argument that operation of low density lines was a major contributing factor to the bankruptcies, we recognize that no rail system, or any other business, can survive if it continues to perform very many of its operations at a loss. And while the Act does not specify that every line in the Conrail system must be profitable, its first goal is that the total system be financially self-sustaining.

USRA is faced with something of a dilemma in making decision whether to include or exclude local service lines. If the system is to be financially self-sustaining, cross-subsidization of money losing services must be kept to a minimum. On the other hand, the other goals stated in the Act must be given more than lip service. In balancing the statutory criteria, we think it inevitable that USRA will have to impose upon Conrail the burden of assuming some services that appear now to be operated at a loss. The failure of the USRA annual report to recognize this as even a remote possibility is disturbing.

IDENTIFICATION OF MONEY-LOSING SERVICES

A basic step in the trail restructuring process is to determine which operations would have to be conducted by Conrail at a loss. USRA appears to have approached this problem as one of gathering and analyzing historical data. In our view, the fact that the management of a bankrupt railroad—given its myriad financial and other problems—could not operate a particular service at a profit can hardly be persuasive that that same service—given a new management outlook and the advantage of Federal assistance—could not become a profitable one. What is needed, then, is not total reliance upon past operating experience, but an understanding of how the restructured Conrail system will operate, and carefully developed forecasts of future traffic volumes, costs, and revenues on individual local-service lines.

While we deplore USRA's apparent total reliance upon historical data in approaching the branch-line problem, we recognize, of course, that past performance is important in making preliminary route selection decisions. Certainly, all quantifiable cost and revenue factors ought to be identified and measured accurately in order to develop a factual base from which to begin the evaluation of low density operations for inclusion in the Conrail system. Here our experience convinces us that no statistical formula is capable of telling the planners whether a given line was operated profitably in a given year. To make that determination, each such operation must be given individual attention.

We are apprehensive that USRA, in developing cost figures for individual local service lines, may rely too heavily on system average costs and on estimates developed by the bankrupt railroads. The Office, in testing its subsidy standards developed under section 205(d)(3) of the Act, used such data and estimates and compared them with actual figures for two Penn Central branch lines, the line from Georgetown to Lewes in Delaware and the line from Columbus to Holmesville in Ohio. We found in these tests that the estimates provided by the Penn Central grossly overstated both the operating and maintenance expenses incurred on the individual lines. The overstatement of these expenses resulted in an understatement of the profitability of specific lines and could, in some cases, present a line which is actually profitable as being unprofitable.

In assigning traffic to a branch line, we believe that USRA should not limit consideration to that traffic which originated or terminated on the line, but that bridge traffic should be included in the revenue and cost calculations. While this will not be a significant factor on some lines, on others it could influence the viability calculation to a large degree. In assigning indirect costs to a branch line, we urge that USRA exercise great care not to include an allocation of system overhead costs which are not necessarily attributable to the operation of the branch line. In most instances, we think that branch line costs in excess of the direct costs will be found not to be avoidable if the service is abandoned.

Finally, before a line is determined to be excess, the traffic figures for the year 1974 should be reviewed. This could be done quickly by comparing factors such as number of carloads or total revenue for the line. This review of 1974 figures is recommended because, under the current statutory timetable, the notices for proposed discontinuances will not even be posted until September 1975. It is important, regardless of what decisions are made, that the most recent readily available data be used at the time when the decisions are made.

Other considerations

In addition to the recommendations on industry structure and local service considerations, the Office urges USRA to reevaluate its approach to financial planning, environmental and energy considerations, passenger service, and labor issues.

FINANCIAL PLANNING

The USRA supplemental report's brief treatment of the overriding financial considerations of restructuring is understandable; financing planning, to some degree, must first have a structural and conceptual base on which to build. At the same time, however, if the public is to have the opportunity to debate and evaluate the preliminary findings of USRA prior to presentation of these findings to the Congress, the financial plan and financial structure chosen by USRA must be dealt with in detail in the preliminary system plan.

If the Office, the Congress, and the public are to make any meaningful assessment of the preliminary system plan, it is imperative that the plan bear a close resemblance to the final system plan envisioned by the Association. In addition to developing an operating structure for the region, the preliminary system plan must provide adequate detail relating to all corporate financial features specified in section 206(e) and the valuations of properties and securities required by section 206(f) of the Act.

The Office strongly recommends that USRA incorporate information on financial planning and capital structure in the preliminary system plan in sufficient depth and detail to withstand the intensive scrutiny of the financial community. The Office suggests the following be covered in detail in the preliminary system plan:

(1) pro-forma earnings of Conrail over the number of years necessary to complete restructuring, rehabilitation, and modernization;

(2) pro-forma effects of the plan on the earnings and finances of railroads in the region not included in Conrail;

(3) pro-forma capitalization of Conrail, debt equity ratio, adequacy of coverage and margin of safety for fixed charges;

(4) sources and application of Conrail funds over the period contemplated for the restructuring, rehabilitation, and modernization process;

(5) significant accounting policies recommended for Conrail and used as a basis for the pro-formas, particularly those related to the rehabilitation and modernization expenditures and to depreciation and amortization;

(6) the valuation of the rail properties to be conveyed by railroads in reorganization or solvent railroads in the region pursuant to the plan;

(7) the valuation of the securities to be conveyed by Conrail, other railroads in the region, and by any other entities pursuant to the plan; and the supporting data for such valuation;

(8) the extent to which employee stock ownership plans will be utilized for meeting the capitalization requirements of Conrail;

(9) the management which is to effectuate the plan.

The preliminary system plan should also contain enough financial detail on any alternative plans rejected to permit reasonable assessment of the relative financial advantages of the plan selected.

ENVIRONMENT AND ENERGY

The Office is concerned that USRA's approach to environmental considerations is going to be an "after-the-fact" assessment of environmental impacts rather than the development of factors to be used in the planning process. Similarly, the study of the energy efficiency of alternative modes appears to be based primarily on broad averages, and not designed to be a specific input to the analysis of lines or services to be included in the restructured system.

The Office believes that the intent of the Act is that environmental and energy considerations are to be integral parts of the planning process, not simply devices by which discussion of a plan selected on other criteria is expanded. We are particularly disturbed that the Association appears to be doing little toward determining the location of fossil fuel deposits in the region and toward considering that information in determining what trackage should be included in the system.

PASSENGER SERVICE

The Office notes that the Association has awarded contracts for study of the economics of alternative modes for rail traffic, including the social and environmental costs. It is not clear that these studies will include the cost, energy, or environmental advantages that might be inherent in providing passenger transportation by bus and perhaps even by water. The Office believes that the preliminary plan should include an examination of these alternatives.

Because the level of passenger service in the Northeast corridor is substantially greater than that of other inter-city passenger routes additional considerations enter into the analysis of the Corridor. While other passenger services represent only small increments of traffic on established freight routes, the Corridor is dominated by passenger service. Passenger demand projections and Amtrak's plans indicate significant increases in passenger service in the Corridor in the near future. The Office has endorsed removing through freight service from the Corridor onto parallel routes, with retention of freight service to the industries located in the Corridor.

Because the Corridor situation is unique, considerations of Corridor ownership and operation must be addressed. Although Conrail, being an operating railroad, would be best suited to operate the Corridor, Conrail's own operations in the Corridor will be minimal. Amtrak and State transportation authorities will be the major users of the Corridor, but Amtrak is not organized in a manner which would facilitate its entry into railroad operations. State and regional transportation authorities which operate commuter service in the Corridor have an interest in assuring that the entity operating the Corridor satisfactorily addresses their needs.

Ownership of the Corridor seems to fit most reasonably either in Amtrak or a new agency, possibly a "fixed plant entity", created for this purpose. The owner would be responsible for establishing maintenance standards, approving schedules, and financing improvements and deficits. Users would bear the full cost of their operations, including a fair return on investment. The entity actually operating the Corridor would be responsible for performing the day-to-day operations in a safe, efficient, and impartial manner, and for resolving disagreements between users of the Corridor.

There are two reasonable choices for the operation of the Corridor: Amtrak and Conrail. An operations department could be established within Amtrak, and staffed by transferring to Amtrak the personnel now managing and operating the Corridor for the Penn Central. This arrangement would be complex, probably running into employee concerns of seniority, pay structure, advancement, and job security. Perhaps even more important, it would deprive the corridor operator of the opportunity to draw on the body of experienced personnel, both in management and labor, available from a larger railroad.

Conrail operation of the Corridor could overcome these concerns. Conrail could, as the Penn Central has, transfer employees between the Corridor and other locations as necessary, providing employee security and the potential for advancement, as well as valuable training. Conrail, however, should not be responsible for the losses sustained by passenger operations in the Corridor. Several approaches are possible. Conrail could operate the Corridor under a management contract to Amtrak or other owning agency; a separate affiliate of Conrail could be established, the financial results of which would not be included in Conrail's financial statements; or a separate division of Conrail could operate the Corridor on regularly-allocated subsidy funds from Amtrak and state transportation authorities.

RAILROAD LABOR

The Office urges USRA to address labor transitional issues immediately. The principal considerations important to labor involve administration of the employee protection provisions of the Act and negotiation of the implementing and collective bargaining agreements.

The procedural mechanisms for administering displacement allowances affect the employees of carriers which acquire portions of the bankrupts as well as the employees of the carriers being reorganized under the Act. One of the protection features requires the railroad to furnish an employee with a computation of his protected compensation within 30 days after the employee presents notification that he has been adversely affected. As this provision will involve acquiring roads as well as Conrail, USRA is in the best position to establish a standardized procedure for handling this and other provisions. Having such a mechanism operational by the date of conveyance would ease the transition and help prevent a backlog from accumulating.

The Office recommends that USRA initiate a series of meetings with labor leaders to resolve any obstacles foreseen in achieving an equitable implementing agreement within the statutory time limitations. We also recommend that the incorporators of Conrail appoint the labor relations director for Conrail as soon as possible so that a meaningful dialogue can begin with labor, and informal meetings with labor leaders can be held, in advance of formal negotiations, to begin discussions on the implementing agreement.

SUPPLEMENT

JANUARY 13, 1975.

The trustees of Erie Lackawanna announced on January 9, 1975 that that railroad could not be successfully reorganized on an income basis under Section 77 of the Bankruptcy Act, and that they would take the actions necessary to have it included in the Regional Rail Reorganization Act restructuring process. Our comments on the USRA Annual and Supplemental Reports had been completed prior to the EL's announcement. Rather than revise those comments, we are adding to them this supplemental section assessing the effects of the EL inclusion on the restructuring process, primarily in relation to industry structure issues.

The Erie Lackawanna's basic route structure includes a mainline extending from northern New Jersey through Buffalo to Dayton, Ohio, and Chicago. It has an important connection with the Delaware and Hudson at Binghamton, New York. It participates in the Boston & Maine, D&H, EL route from New England to the west—primarily via the Chicago gateway—which provides a competitive east-west routing choice independent of the Penn Central for New England interests. Now that the EL is clearly a candidate for inclusion in the restructured system, USRA must re-evaluate its position on competitive rail service in the Northeast.

Each of USRA's alternative industry structures involved a certain degree of east-west competition from the EL. If the EL is included in Conrail I, this competition would be eliminated and Conrail's monopoly on the traffic generating areas between Philadelphia and New Haven would be absolute. Such a solution would not be desirable.

We are concerned about the ability of the D&H and B&M to survive a restructuring that included the EL in Conrail I, as both would be seriously jeopardized by any diversion of EL overhead traffic onto the present Penn Central route into New England. We see the EL inclusion as adding substantial weight to the proposition that the bankrupt lines should be restructured as two independent systems.

We see two possible solutions. One is to allow solvent railroad acquisition of bankrupt trackage to connect the D&H and the solvent carriers, both to the west and the south. The other recognizes that inclusion of the EL in the restructured system or systems makes the creation of the Mid-Atlantic Railroad Company much more attractive. With EL included, Mid-Atlantic would be in a position to compete with Conrail both in the traffic generating areas of the eastern seaboard and in providing line-haul service to the west.

Inclusion of the EL in the restructured system will facilitate USRA's efforts to devise an industry structure which results in the elimination of as much duplicative trackage as possible. In particular, serious consideration should be given to joint facility operation by EL and other railroads west of Buffalo where their route structures are parallel and highly duplicative.

ILL-ADVISED DECISION TO CLOSE FRANKFORD ARSENAL

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARRETT. Mr. Speaker, the Secretary of the Army sometime ago announced an intention on the part of the Army to close down the Frankford Arsenal in Philadelphia and transfer its major functions to the Rock Island Arsenal in Illinois. The Frankford Arsenal has a long and most envious record of service to the needs of our country and our defense forces. Its performance has in many instances been most unique. Its record is second to none.

The Pennsylvania delegation has repeatedly opposed this effort on the part of the Army and has presented several viable and advantageous alternatives which would have kept the functions of the Frankford Arsenal in the Philadelphia area.

Recently Mr. Hoag Levins, an outstanding young reporter and writer, spent 4 days in Rock Island, Ill., as well as time at the Frankford Arsenal in preparation of a series of articles which appeared this month in the Philadelphia Daily News. The series is worthy of reading and consideration by the Members of the House and the defense establishment as part of the ongoing consideration of the inadvisability of the closing down of the Frankford Arsenal.

I ask unanimous consent that the articles appear in the RECORD.

There being no objections, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Daily News Jan. 13, 1975]

INSIDE FRANKFORD ARSENAL—WHAT WILL BE LOST IF ARMY CLOSES IT DOWN

(By Hoag Levins)

If you fear fires, enjoy movies, drive a car, work with metal or value your vision, the Frankford Arsenal may have changed your life.

If that surprises you, it just shows that you—like most Philadelphians—don't really know what has been going on inside the arsenal for the last decade.

The super-secret research center is no longer an arsenal, the Daily News discovered in series of visits last week inside the walls.

The center, to be closed by the Defense Department by 1977, long ago got out of the "bombs and bullets" manufacturing business for which it became famous during World War II.

With the same secrecy which characterizes all its internal moves, the arsenal has developed a core of scientists, engineers and technicians who now work in one of the most unusual research and development centers in the world.

The arsenal at Tacony and Bridge Sts. today is thought of in the same terms which evolved during the 1940's when workers dispatched trainloads of munitions to fight a war.

A place of mystery and a self-contained city, the Arsenal had its own generating plants, fire department, hospital, water and sewerage systems and police force. Even in emergencies—such as munitions explosions—it didn't let outsiders in.

Today the 110-acre complex's gunpowder storage houses—with three-foot-thick concrete walls—have been converted to workshops and warehouses.

The Arsenal's famed bullet shops are abandoned, their thousands of machines and assembly lines covered with canvas, heavy grease or layers of dust. Its bomb foundries and artillery shell works are occasionally used only for experimental work.

"We should have changed the name of the place for the sake of accuracy and called it 'Frankford Research and Development Center'," explained Seymore Miller, the Arsenal's Technical Director.

Miller's office is decorated with munitions memorabilia celebrating arsenal accomplishments during his 25 years there.

On the wall, bullets of every size and shape are displayed some cut down the middle to show their powder charge. One long narrow box traces the development of a bullet, from the first formless metal blob to finished, highly polished bullet. On the desk a special rack holds 20-millimeter shells, their tips colorfully decorated in red, green, purple and yellow.

"What we do now is develop a new item of munitions, test it out and create the tools needed to produce it on a large scale. Then we send them all off to the government-owned, company-operated plants around the country that long ago took over the actual production."

Miller is not happy about the Arsenal's closing.

"They are not closing a storage arsenal. They're closing down a repository for engineering expertise. When you move this operation somewhere else, very few of our people will actually move with it. You'll have plenty of equipment, but you won't have the people who have spent a dozen years gaining the experience you need to do this sort of work.

"The Army is dealing with buildings and equipment. You can build a building and buy equipment anywhere. The capability here is the man who knows what to do with that equipment. He is the capability of our mission. It'll take ten years or more to create more like him in some other location. This move doesn't make sense, no matter how you look at it."

Miller's frustration is echoed in office after office throughout the Arsenal.

"The Army is going to hurt itself and Philadelphia by closing this installation," said Joseph Mc. McCaughey, top civilian executive of the arsenal. "I'm most fearful that it will lose our cadre of young, aggressive engineers and scientists

"They are the future of the field. People are the mission. This thing is about people and experience, not equipment and old buildings," said McCaughey.

A visitor can sum up the story of "this thing" from the intersection of Reese St. and Worth Rd.

That intersection—not far from McCaughey's office—serves as a symbolic crossroads in time for the Arsenal and its 158 years in Philadelphia.

A stone's throw is the Building No. II, which a small plaque indicates is more than 100 years old and still in use. Eight other nearby buildings date back to the Arsenal's beginning.

Encircling a large grassy parade mall, the buildings occupy 9.5 acres of some of the most historic land in Philadelphia. Even the U.S. government can not make changes on this area without the approval of the Philadelphia Historical Commission.

A stone thrown in the opposite direction will fall just short of Building No. 109—a more modern structure typical of many of the laboratories and workshops which sprawl across the Arsenal grounds.

In the basement of No. 109 is an ultramodern communications center where, on Nov. 22, a rattling teletype announced the decision to close the arsenal and eliminate 3,500 jobs.

The Arsenal's historic background, so long a selling point with the Pentagon, has now become a weakness. The Army decided its "outmoded" facilities could no longer keep up with modern resarch demands. There is a counter-argument.

Said Dr. David Rosenblatt, director of the Arsenal's Pitman-Dunn laboratories:

"It's difficult for some people to visualize, but the sort of work we do here now is aimed at the future. With the close of the facility, the results might well take until the 1980's to show up, when the Army begins to look for new systems and development and sees that there is this five-to-ten-year lag when not much was done in the way of research. That's how long it would take to just get back to our normal level of operation on current projects."

Throughout the complex's 240 buildings, more than 1,500 engineers and technicians work at research projects ranging from lubricating oils to laser beams.

The Arsenal's engineers have been granted more than 1,000 patents, and their ideas have been involved in the Mercury, Gemini and Apollo space shots. Equipment developed at the arsenal went to the Moon with Neil Armstrong and Buzz Aldrin in 1969.

In the basement of Building No. 65, a visitor waits for his eyes to adjust to the dim light. A huge blue box, half the length of the room, resembles an under-size freight car without wheels.

The blue box is a 1,000-watt carbon dioxide laser, one of many used at Frankford Arsenal in experimental work. The laser, discovered in the early 1960s, can concentrate rays of heat which will instantaneously vaporize any known substance on earth.

In the main headquarters building, Joseph M. McCaughey leaned back from his enormous desk, pressed his finger tips together and nodded solemnly.

"We're in a difficult period right now," admitted McCaughey, the Arsenal's top civilian executive. "The arsenal is to be closed for sure. But they haven't cut our work load. We're going on just like before.

"We have no time schedule for closing. We don't know what missions will be transferred. The future of the people working here is totally up in the air.

"Obviously, that has an overall effect on the morale."

The Street That Beat Hitler

(By Hoag Levins)

Out past the dangling gray ash of his cigarette, ghosts were dancing down Craig Rd.

"You shoulda' seen 'em. There was so many people here it was like a sea of people in this street," said the man eagerly. His rough hand gestured broadly down the length of deserted Craig Rd. which cuts its way through a cluster of red brick industrial buildings inside Frankford Arsenal.

"This here is the street that beat Hitler. There were bullets coming out of these buildings like you couldn't believe. It was like a beehive here," he said, flicking an ash into the gutter and shaking his head at the memories.

Behind him a four-story building bore the date "1865" in stone above the massive double-entrance doors. Like much of the arsenal, Craig Rd. was planned and built around the time of the Civil War.

Craig Rd. workers turned out the paper and powder wads needed by Union Army riflemen. Some 57 years later, operations along the street's "Bullet Row" had changed considerably and centered around the production of the new metal bullet cartridges used by the Allies throughout World War I. By the 1940's, Bullet Row housed one of the most massive munitions manufacturing operations in the world.

Every round of small caliber ammunition fired by American troops during World War II came along Craig Rd. At the peak of the war, more than 22,000 people worked in three shifts round-the-clock. They made 8 million bullets a day.

"You could feel it when you came to work. It meant something to be part of the arsenal. We were working to save the world.

"That sounds silly as hell now, but that's the way it was then," said the Craig Rd. watchman, walking back up the steps into building 215.

Inside the building, one finds the arsenal-that-used-to-be. It lies quietly beneath a heavy layer of dust, surrounded by the smells of cold grease and old wood.

Row after row, lines of small wooden cubicles await a shift of workers which have not come for a decade. Hundreds of women sat here each day as an overhead chute dropped an avalanche of brass casings past each station for one final check.

Room after room, floor after floor, building after building, the idle machinery waits. Here and there, one finds an old apron on a rusty nail, old hair pins beneath a bench, or a few battered boxes of loose brass shells, an industrial ghost town.

Further down, like square shouldered steel soldiers, giant 2,000-ton presses stand two and three stories high.

"It took three months just to get that one press in place," said one worker, jabbing his grease-blackened hand authoritatively at the monstrous machines. "Imagine them moving this stuff out of here to somewhere else. This is just one building—there are dozens like this one, all full," he said, disappearing around a corner.

"It depends on how you want to look at it," said William Lennox, walking through the chilly factories, his hands deep in the pockets of his coat. "The army is talking about idle buildings. We look at them as potential factories. In peace, no one wants to hear about arsenals or bullet shops. In war, suddenly they become popular as hell. One day we're going to need these factories and we're not going to have them."

Lennox, who is the Arsenal's information officer, has worked there 29 years. His father worked there before him, and his father's father before that.

In a nearby mailroom, Eleanor Duzenski, who came to the arsenal in 1941 as a patriotic 18-year-old girl with nine brothers in the service, said:

"It was important to work here in those days. I wanted to have a hand in the war effort along with my brothers. Here, we were fighting for the same thing . . . end the war and bring the boys home."

Plant Could Help Save Whales

Scientists at Philadelphia's Frankford Arsenal may save the world's endangered sperm whales.

For centuries, the 60-foot-long whales have been mercilessly hunted for their oil, one of the finest quality lubricants yet discovered. The whales are on the endangered species list but are still hunted because of heavy demand for their oil.

Studies at the arsenal's Pitman-Dunn laboratories may soon change that. Scientists found that an oil made from jojoba plant seeds has the same luricating qualities as sperm whale oil. Jojoba plants only grow in the arid southwestern U.S. where Indian tribes are now considering jojoba as a cash crop because of the Arsenal's findings.

Ironically, the same arsenal which 100 years ago supplied muskets and bowie knives to fight the plains Indians may now provide a living for some of their descendants.

[From the Philadelphia Daily News, Jan. 27, 1975]

Is the Frankford Arsenal "Outmoded"?—The Rock Island Line Is Fine, but . . .

(By Hoag Levins)

Rock Island, Ill.—The Army, in closing the "outmoded" Frankford Arsenal in Philadelphia, intends to transfer many functions here—to an arsenal built during the Civil War.

During a tour of this 113-year-old Illinois arsenal, the Daily News found the same sort of buildings and equipment available now at the 158-year-old Frankford Arsenal.

On Nov. 22, 1974, after years of rumor and speculation, the Army announced it was closing down Frankford by July 1977.

The main reason cited was the Philadelphia arsenal's age which, in part, dates back to the Spanish-American War. Officially, the Army said, it found Frankford buildings "outmoded" for the sophisticated business of modern munitions development.

Now, the Army plans to move at least two major functions of the Frankford Arsenal into buildings here at Rock Island. Frankford's fire control and small-arms munitions programs will be housed here in buildings constructed during the early 1860s when this island arsenal was the site of a prison.

Nearly 2,000 of those soldiers are still here, their tombstones marching row after row in the snow at one end of this 960-acre island in the middle of the Mississippi River.

That Confederate cemetery, a well known local landmark, underscores this arsenal's history reaching back nearly as far as that of the Frankford Arsenal.

Aside from the Civil War structures that now hold the bulk of the workshops and labs, a number of other workshops were built during both World Wars.

One HUGE building erected in 1917 holds the sprawling computerized machine shop which turns out the massive cannons for which Rock Island Arsenal is famous. That shop has the largest inventory of computer-programmed machines in the Defense Department.

Rock Island Arsenal officials won't comment officially on whether or not their facilty can accommodate work now done at the Frankford Arsenal. However, privately they admit it could. Said one: "We have plenty of space here. It's a matter of time and money. If you don't have what you need, you buy it."

Pat Klein, chief information officer at Rock Island, points with pride to the massive Civil War buildings that line the streets of the arsenal. "What we've done here is to constantly update the inside of the buildings."

His tour led through structures with two-foot-thick stone walls and story-high windows much like the 1860s buildings which line the streets of Frankford Arsenal.

"The feeling here is, when you have solid buildings like these," explained Klein, "you have as sturdy a building as you're ever going to find. You wouldn't be able to buy buildings like this today . . . no matter how much money you had to spend."

Rock Island Housing: Very Scarce

Rock Island, Ill.—One of the first—and largest—problems Philadelphia Arsenal workers will find in Rock Island is housing.

There isn't any.

Rock Island has traditionally been plagued by housing shortages, greatly increased by the current building slump and tight money.

The Army consolidated its new Armament Command here two years ago, and brought in hundreds of new workers. They took most of what housing was left.

"It was outrageous," remembered one Rock Island Arsenal worker. "Everybody knew you were an arsenal transfer. The price of every house went up $10,000. The condition of the houses was simply beyond belief."

Dick Weeks, president of the Quad-Cities Development Group, composed of realtors, industrialists and civic leaders interested in promoting the region, said:

"Unfortunately, you can't win in our housing market right now. People coming here are looking at inflated prices for homes in a market that is very, very tight."

John Miller, president of the Rock Island Bank, said the going rate for home mortgages is 9¼ percent.

Arsenal officials say those who transfer will not be given financial assistance to offset losses in selling their old house or in the higher costs and interest rates on a new one.

As an example of the prices in Rock Island, Police Chief Charles Myers bought a four-bedroom home in 1968 for $36,000. His taxes on it are about $800 a year.

"It's just a regular house and now its value is up to about $50,000 and climbing," Myers said.

Lynn Ash, executive editor of the local newspaper in Rock Island, called the housing situation "so bad now that what most people do when they come here is to go about 60 miles out into the farm lands."

Prices There

Philadelphians moving to Rock Island can expect to encounter the sort of prices which the family of Larry Long of the Chamber of Commerce there has paid in the last week, including:

Man's haircut: $3.25
Woman's shampoo and set: $6
Dry cleaning, man's suit: $2
Daily paper: 15 cents
Gasoline, regular: 56 cents per gallon
Gasoline, high-test: 60 cents per gallon
Bacon: $1.37 per pound
Frying chickens, whole: 46 cents per pound
Head of lettuce: 45 cents
Ground beef, good grade: $1.09 per pound
8 pounds of potatoes: $1.69
Visit to family doctor: $12
Dental check-up: $15

No Golf a Handicap to Keeping Our Arsenal?

Rock Island, Ill.—Strange as it sounds, could a factor in the Army's decision to close the Frankford Arsenal in Philadelphia have been golf?

According to military, political and industrial sources embroiled in the controversy, the Frankford Arsenal has been doomed because it doesn't have a golf course as do most other major Army installations. Said one Washington source:

"It sounds crazy, that the Army brass would balance its total arsenal capability picture against golf courses and nice mansions to live in, but if you knew some of the reasons behind Army decisions, you'd be astounded. The golf course that Frankford doesn't have was the last nail in its coffin."

Another government source says:

"These generals and other higher officers like the frills. They like large homes. Frankford can do the job, but it doesn't have any of the frills. It's a drab place and a commanding officer can't take a visiting dignitary out to the golf course. That is what they like to do."

A few years ago, when the Army transferred the Metrology and Calibration Center from Philadelphia, it sent the mission to Red Stone Arsenal in Huntsville, Ala. That Alabama arsenal has its own golf course.

Currently, all seven major military facilities likely to take over functions from Frankford have golf courses. Some even have their own hunting and fishing preserves.

The other six are Edgewood Arsenal/Aberdeen Proving Grounds complex and Indian Head Naval Facility in Maryland; Picatinny Arsenal, and Fort Monmouth in New Jersey; Fts. Lee and Belvoir in Virginia, and Rock Island in Illinois.

Rock Island has one of the nicest courses of all. The Rock Island golf club is privately operated, with a par 71, 7,000-yard, 18-hole course covering acres of lush wooded grounds a few steps from Colonel's Row, a series of castle-like mansions facing out onto the Mississippi River where the arsenal's top officers live.

The golf club charges two rates. Military members pay $60 a year. Civilians pay a $1,050 entrance fee and $500 additionally a year. Civilian membership is limited to 75.

"The Army brass like the nice things in life for themselves," said a civilian official. "Get them together behind closed doors and they're like a bunch of kids in a candy store—except they own the candy store."

Said an Army officer at Rock Island:

"You have to look at it from the viewpoint of a career Army officer. The base is his entire life. He doesn't care what's outside. Frankford has a reputation as a dump to live in. It's in the middle of that grimy, dirty industrial district. Now if you were an officer and had a chance to pick between Frankford and the riverfront along the Mississippi, which would it be?"

A high civilian official said:

"Understand that generals in the Army live in their own little world. Especially that's true for the older, stiffer officers. They put a large value on things like prestigious houses and communities small enough to make their wives' tea parties major social news events. They just love to walk an important visitor out the front door and over to the golf course. It's a big thing in their life."

INAUGURAL ADDRESS OF GOV. DAVID L. BOREN

(Mr. ALBERT (at the request of Mr. Mineta) asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, on January 13, David L. Boren was sworn in as the 21st Governor of Oklahoma. In his excellent inaugural address, he called on Oklahomans to resolve "that the renewal of our Nation will begin with us, in Oklahoma."

I have known David Boren all his life and am proud that he is a resident of the Third Congressional District. His father, Lyle H. Boren, served in this House as a Representative from Oklahoma for 10 years, from 1937 to 1947. David's sister, Susan, is a former member of my staff.

David Boren has already proven himself to be an outstanding scholar and legislator, and I am confident that he will do an equally fine job as Governor. I am happy to take this opportunity to share his inaugural address with my colleagues:

Inaugural Address—Gov. David L. Boren, Oklahoma's 21st Governor, January 13, 1975

Governor Gary, Governor Hall, Members of the Three Branches of Government, My Fellow Oklahomans: Standing here with my wife, family, and friends who have made my role in today's activities possible, my feeling, more than any other, is of humility.

My every effort will be to merit the trust and confidence you have placed in me.

Today also strengthens and intensifies my determination.

With your continued help, I am determined to make Oklahoma an example to the Nation in open and honest government where the people will know how every dollar is spent and about every action taken.

This office is yours. I take it in trust. I will treat it as yours and not as mine.

You have given me the responsibility to make tough decisions and I will make them. I cannot promise you that my judgment will always be right, but I do pledge that I will work hard to learn what is right and then always do the right as I perceive it.

I will require the highest standards of public service from all who serve under my authority. Any failure to measure up to those high standards will know justice that is swift and sure.

Inaugural addresses are traditionally spiced with rhetoric and poetic phases. I prefer to speak to you directly about my sincere beliefs.

There is in this Nation an uneasy feeling that something is wrong. Man holds in his mortal hands the power to abolish all forms of human poverty. Never have we had more materially. Never have human beings been so advanced in their knowledge of the universe around them or the norms of social behavior. Never has a people had such military power or the ability to move so fast or see so much as those who live today. If we return to the very beginning of recorded human history, to the very first symbol etched into stone by primitive man which we have now been able to decipher, of all of the people who have lived from that time to this, we have more materially. Think about it. You and I have more than any people who ever lived on the face of this globe.

Yet, with all of our material wealth, there is a feeling that something is lacking. Next year is our bi-centennial as a Nation. The material wealth of 1976 far surpasses that of 1776, but is the spirit of 1776 still alive? There seem to be lacking the Washingtons and the Jeffersons who led with boldness, who set our sights on lofty and noble ideals. There seem to be lacking the spirit of self sacrifice and the devotion to principle that typified the minutemen. Why are we not now writing chapters in our history to match any ever written in our 200 years? Why instead do we see the dissolution of family life, the loosening of moral standards and the defiling of the highest positions in government by everything from petty theft to abuses of power by people of both political parties?

What we need in this Nation is old fashioned spiritual renewal. It can come. It must come. Let us resolve here today that the renewal of our Nation will begin with us, in Oklahoma. As Oklahomans, our fathers and mothers, our grandparents have taught us lessons more valuable than any sophisticated philosophical treatise. They have shown us that it is the simple things that add greatness to life.

It is a simple honesty, unlocked doors, an agreement sealed by a handshake, a straight from the shoulder expression of opinion. It is not trading self respect for material success. It is the courage to take a stand for a good cause and the willingness to assume responsibility openly for mistakes. It is frugality that hates waste, and pride in one's work, whatever it might be. It is a generous spirit that helps a neighbor in need.

Let these virtues of our pioneer heritage be our virtues. I am not afraid of the future. I welcome it because I know that we who live in this State care about our country and our fellow man. More Oklahomans voted for state officers this year than ever before. We the people of Oklahoma serve notice that we are ready to spear-head a renewal of community spirit that will be a model to our Nation.

Our federal system will work only if the states stand on the cutting edge of good government. We in Oklahoma are ready to be a model of excellence for the Nation.

Already our Legislature has moved to renew the spirit of openness and honesty in state government. They have opened the Legislature for all the people to see. Secrecy in government is the great ally of tyranny and corruption. Our state will become a model of openness for the Nation.

We are ready to renew the spirit of hard work and frugality. There are those in our state who can work who do not work. They drain the taxpayers and steal from our elderly and disabled. We say to those who can work, "You will work for every check which you draw from the State of Oklahoma," and to those who are elderly or helpless "We will fight to see that you have enough to live in dignity." Our state will develop a welfare system which is a model to the Nation.

We are already to renew the spirit of excellence of always giving our best, whatever our position in life. We will not tolerate an inefficient system of government which burdens the taxpayers with almost 250 overlapping boards and agencies. We will not tolerate wasteful political patronage which has doubled the number of state employees in barely the last decade. The taxpayers have had enough. With 40¢ of every dollar earned going to taxes and one out of every six people working for government at some level, someone somewhere must turn this trend around. I say let's do it now. Let Oklahoma lead the way.

We in Oklahoma government in all three branches reject the timid opportunism which has created a leadership vacuum in our Nation. We do not need politicians who read the polls to see which way the wind is blowing. We need statesmen who lead boldly and proclaim openly the dictates of their consciences. Harry Truman often said "The buck stops here". As your Governor, I accept the challenge of Harry Truman. As far as my administration is concerned, the buck stops with me. When I put my name on the ballot, I asked you for a chance to follow the lead of my conscience and to have you hold me accountable for all of my acts, both my successes and my failures.

I am your employee. I am prepared for you to hold me accountable. None of us in this day and time has a right to hold a public trust with an eye toward personal gain or the results of the next election.

William H. Murray said in his Farewell Message that no one ever doubted during his term who was the Governor. The same will be true during the next four years. You the people have given me a job to do and, within the limits of my ability, I intend to do it.

I have but one aim and that is to do my very best for you for the next four years. To our Legislators and other public officials, I say "I cannot be a good Governor without your help and counsel. I need your help. I seek it." To all of my fellow Oklahomans, I say "Our state and our Nation will not be renewed unless you care enough to make it happen. Work with all of us in state government. Let us know that you care deeply."

"We the people" are the three most important words in the Constitution. You alone can bring decency and honesty to government. I cannot do anything by myself. Will you help me? Will you care enough to write to me and to your Legislators? If you are silent, if you sit on the sidelines, our state will not change for the better. Do you care enough to go to public meetings, write letters to the editor, and help to solve social problems in your own communities and neighborhoods?

Where is the hope for our future in Oklahoma? It is not in me. It is not in our Legislators and other public officials. It is not even in laws on the books. The hope for our future is in you. Everyone of you listening now. Only a great people can produce a great government. You must care enough to make it happen.

What makes the difference between a Nation that is truly great and one that is merely rich and powerful? It is the simple things that make the difference. Honesty, knowing right from wrong, openness, self respect, and the courage of conviction. America is not merely rich and powerful, America is great.

Will America remain great? Comfort says "Tarry awhile". Opportunism says "This is a good spot". Timidity asks "How difficult is the road ahead?" I know how Oklahomans will answer them. We answer, "Stand aside, Oklahoma cares enough to lead the way."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Fenwick) to revise and extend their remarks and include extraneous material:)

Mr. Don H. Clausen, for 5 minutes, today.

Mr. Railsback, for 10 minutes, today.

Mr. Quie, for 5 minutes, today.

Mr. Anderson of Illinois, for 30 minutes, today.

(The following Members (at the request of Mr. Mineta) to revise and extend their remarks and include extraneous material:)

Mr. Flood, for 5 minutes, today.

Mr. Rodino, for 10 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mrs. Burke of California, for 5 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Staggers, for 5 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Young of Texas, for 60 minutes, January 30, 1975.

Mr. Conyers, for 60 minutes, February 19, 1975.

Mr. Barrett, for 5 minutes, today.

Mr. Foley, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rooney, and to include extraneous matter notwithstanding the fact that it exceeds two pages of Record and is estimated by the Public Printer to cost $1,599.

(The following Members (at the request of Mrs. Fenwick) and to include extraneous matter:)

Mr. Heinz.

Mr. Shuster.

Mr. Kemp.

Mr. Cohen in three instances.

Mr. Steelman.

Mr. Archer.

Mr. Gradison.

Mr. Pettis.

Mr. Broomfield.

Mr. Carter in two instances.

Mr. Michel.

Mr. Railsback.

Mr. Emery.

Mr. Collins of Texas in four instances..

Mr. Gude.

Mr. McKinney.

Mr. Quie.

Mr. Bafalis in two instances.

Mr. Symms in two instances.

Mr Rousselot in two instances.

Mr. Don H. Clausen in two instances.

Mr. Sarasin.

Mr. Gilman in two instances.

Mr. Armstrong in two instances.

(The following Members (at the request of Mr. Mineta) and to include extraneous material:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Helstoski.

Mr. Natcher in two instances.

Mr. Nichols.

Mr. Reuss.

Mrs. Meyner.

Mr. Moorhead of Pennsylvania in five instances.

Mr. Hamilton in two instances.

Mr. Won Pat.

Mr. Harris in 10 instances.

Mr. Rosenthal in 10 instances.

Mr. Pepper in two instances.

Mr. Hungate.

Mr. McFall.

Mr. Zeferetti in 10 instances.

Mr. Addabbo.

Mr. Ottinger.

Mr. Ginn in two instances.

Mr. Dominick V. Daniels in three instances.

Mr. Bennett in two instances.

Mr. Hughes in 10 instances.

Mrs. Schroeder.

Mr. Gaydos in two instances.

Mr. Rooney.

Mr. Kastenmeier.

Mr. Ford of Tennessee.

Mr. Byron.

ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Thursday, January 30, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

203. A letter from the President of the United States, transmitting a proposed supplemental appropriation for Military Assistance, South Vietnamese Forces and a budget amendment for Military Assistance for Cambodia in fiscal year 1975 (H. Doc. No. 94–38); to the Committee on Appropriations and ordered to be printed.

204. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Department of Health, Education, and Welfare for "Saint Elizabeths Hospital" and "Departmental Management" have been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations for fiscal year 1975, pursuant to section 3679 of the Revised Statutes [31 U.S.C. 665]; to the Committee on Appropriations.

205. A letter from the Secretary of the Army, transmitting a report on the progress of the Army Reserve Officers' Training Corps flight instruction program during calendar year 1974, pursuant to 10 U.S.C. 2110; to the Committee on Armed Services.

206. A letter from the senior vice president, Potomac Electric Power Co., transmitting the balance sheet of the company as of December 31, 1974, pursuant to 37 Stat. 979; to the Committee on the District of Columbia.

207. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to provide additional military assistance authorizations for Cambodia for the fiscal year 1975, and for other purposes; to the Committee on Foreign Affairs.

208. A letter from the Secretary, Smithsonian Institution, transmitting the annual report of the Smithsonian for fiscal year 1974, pursuant to the act of August 10, 1846 [20 U.S.C. 58]; to the Committee on House Administration.

209. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Statistics of Interstate Natural Gas Pipeline Companies, 1973"; to the Committee on Interstate and Foreign Commerce.

210. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting the annual report of the Commission for 1974, pursuant to the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

211. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to repeal exemptions in the antitrust laws relating to fair trade laws; jointly to the Committees on the Judiciary, and Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 2287. A bill to amend title 2 of the United States Code to provide for the consideration and adoption of the Rules of the House of Representatives for the 95th and each succeeding Congress; to the Committee on Rules.

By Mr. ARCHER (for himself and Mr. Obey):

H.R. 2288. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. BALDUS (for himself, Mr. Aspin, Mr. Bedell, Mr. Blouin, Mr. Cornell, Mr. Nichols, Mr. Nolan, Mr. Obey, and Mr. Traxler):

H.R. 2289. A bill to provide price support for milk at not less than 100 percent of the parity price therefor, and for other purposes; to the Committee on Agriculture.

By Mr. BAUMAN:

H.R. 2290. A bill to amend the Rail Passenger Service Act of 1970 to require the National Railroad Passenger Corporation to initiate additional rail passenger service in the northeast corridor to determine the feasibility of utilizing such service to provide alternative transportation systems; to the Committee on Interstate and Foreign Commerce.

H.R. 2291. A bill to amend the Internal Revenue Code of 1954 to provide a limited exclusion from gross income for interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. Charles H. Wilson of California, Mr. Davis, Mr. Murphy of New York, Mr. Broomfield, Mrs. Holt, Mr. McKinney, Mr. Dingell, Mr. Ashley, Mr. Sarasin, Mr. Long of Maryland, Mrs. Lloyd of Tennessee, Mr. Delaney, Mrs. Spellman, Mr. Hamilton, Mrs. Collins of Illinois, Mr. Ford of Michigan, Mr. Jenrette, Mr. Gilman, and Mr. Vander Jagt):

H.R. 2292. A bill to amend the Immigration and Nationality Act to provide penalties for certain persons who employ, or who refer for employment, aliens who are in the United States illegally, and for other purposes; to the Committee on the Judiciary.

By Mr. BREAUX:

H.R. 2293. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 2294. A bill to amend the Emergency School Aid Act to extend to French-Americans the same benefits accorded other minority groups under that act; to the Committee on Education and Labor.

H.R. 2295. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications centers to make the national emergency telephone number 911 available throughout the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 2296. A bill to amend section 4 of the Fish and Wildlife Act of 1965, to provide short term relief to those portions of the fishing industry which have suffered economic dislocation; to the Committee on Merchant Marine and Fisheries.

H.R. 2297. A bill to provide for the disposition, by the Secretary of the Army, of certain easements which are no longer necessary for Federal navigation projects; to the Committee on Public Works and Transportation.

H.R. 2298. A bill to amend title 38 of the United States Code to clarify the circumstances under which the Administrator of Veterans' Affairs may pay for care and treatment rendered to veterans by private hospitals in emergencies; to the Committee on Veterans' Affairs.

H.R. 2299. A bill to amend the Internal Revenue Code of 1954 to provide an individual tax credit for disaster preparation expenses; to the Committee on Ways and Means.

H.R. 2300. A bill to impose quantitative limitations on the importation of shrimp into the United States during calendar years 1974 and 1975, and to impose a duty on imported shrimp; to the Committee on Ways and Means.

H.R. 2301. A bill to amend the Internal Revenue Code of 1954 to provide an individual tax credit for disaster evacuation expenses; to the Committee on Ways and Means.

By Mr. BROOKS (for himself, Mr. Horton, Mr. James V. Stanton, and Mrs. Collins of Illinois):

H.R. 2302. A bill to revise certain provisions relating to per diem and mileage expenses of Government employees and disabled veterans, and for other purposes; to the Committee on Government Operations.

By Mrs. BURKE of California:

H.R. 2303. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

H.R. 2304. A bill to amend title VI of the Public Health Service Act to provide for adequate outpatient care in medically underserved areas; to the Committee on Interstate and Foreign Commerce.

H.R. 2305. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CARTER:

H.R. 2306. A bill to amend the Public Health Service Act to revise and extend the National Health Service Corps program; to the Committee on Interstate and Foreign Commerce.

By Mr. DAN DANIEL:

H.R. 2307. A bill to authorize and direct the Secretary of the Army to convey to the Virginia Polytechnic Institute and State

University certain lands of the United States of America at Fort Pickett, Va.; to the Committee on Armed Services.

By Mr. DOMINICK V. DANIELS:

H.R. 2308. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

H.R. 2309. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. ECKHARDT:

H.R. 2310. A bill to assure protection of environmental values while facilitating construction of needed electric power supply facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of Alabama:

H.R. 2311. A bill to exempt small independent oil producers from the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 2312. A bill to provide certain services for Government employees in order to assist them in preparing for retirement; to the Committee on Post Office and Civil Service.

By Mr. FAUNTROY:

H.R. 2313. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, transportation, possession, and ownership of handguns, except in certain circumstances; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.R. 2314. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. GIBBONS:

H.R. 2315. A bill to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low income allowance and the percentage standard deduction, to provide a credit for certain earned income, to repeal percentage depletion, to increase the investment credit, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN (for himself, Mr. Ullman, Mr. O'Neill, Mr. Beard of Rhode Island, Mr. Goodling, Mr. Hawkins, Ms. Holtzman, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Rooney, Mr. Stokes, Mr. Wirth, and Mr. Yatron):

H.R. 2316. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 2317. A bill to provide price support for milk at not less than 87½ percent of the parity price therefor; to the Committee on Agriculture.

By Mr. HANLEY:

H.R. 2318. A bill to amend title II of the Social Security Act to increase to $8,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Abdnor, Mr. Madigan, Mr. Beard of Tennessee, Mr. Gude, Mr. Hastings, Mr. Mosher, Mr. Jeffords, Mrs. Heckler of Massachusetts, Mr. Conte, Mr. Goodling, Mr. Broyhill, Mr. Carter, Mr. Winn, Mr. Cohen, and Mrs. Holt):

H.R. 2319. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

By Ms. JORDAN:

H.R. 2320. A bill to amend the Internal Revenue Code of 1954 to prohibit States from denying unemployment compensation to individuals who are unavailable for work because of temporary illnesses; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 2321. A bill to amend the Clayton Act to preserve competition among corporations in the production of oil, coal, uranium, and geothermal power; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Railsback, Mr. Edwards of California, Mr. Conyers, Mr. Eilberg, Mr. Seiberling, Mr. Drinan, Ms. Holtzman, Mr. Mezvinsky, Mr. Cohen, Mr. Badillo, Mr. Rosenthal, Mr. Murphy of New York, Mr. Biester, Mr. Coughlin, Mr. Gude, Mr. Eckhardt, Mr. Harrington, Mr. Koch, Mr. Stokes, Ms. Abzug, Mr. Aspin, Mr. Mikva, and Mr. Rangel):

H.R. 2322. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Edwards of California, Mr. Conyers, Mr. Eilberg, Mr. Seiberling, Mr. Drinan, Ms. Holtzman, Mr. Badillo, Mr. Diggs, Mr. Rosenthal, Mr. Pepper, Mr. Murphy of New York, Mr. Helstoski, Mr. Biester, Mr. Eckhardt, Mr. Harrington, Mr. Koch, Mr. Stokes, Ms. Abzug, Mr. Aspin, Mr. Metcalfe, and Mr. Rangel):

H.R. 2323. A bill to authorize actions for redress in cases involving the violation of the constitutional rights of inmates in State or local correctional facilities or jails; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Railsback, Mr. Edwards of California, Mr. Conyers, Mr. Eilberg, Mr. Seiberling, Mr. Drinan, Ms. Holtzman, Mr. Badillo, Mr. Diggs, Mr. Rosenthal, Mr. Pepper, Mr. Murphy of New York, Mr. Biester, Mr. Harrington, Mr. Koch, Mr. Stokes, Ms. Abzug, Mr. Metcalfe, Mr. Mikva, and Mr. Rangel):

H.R. 2324. A bill to amend title 18 of the United States Code to establish a revolving fund for making loans to individuals released from prison; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Railsback, Mr. Edwards of California, Mr. Hungate, Mr. Conyers, Mr. Eilberg, Mr. Seiberling, Ms. Jordan, Ms. Holtzman, Mr. Badillo, Mr. Diggs, Mr. Rosenthal, Mr. Pepper, Mr. Murphy of New York, Mr. Helstoski, Mr. Biester, Mr. Harrington, Mr. Koch, Mr. Stokes, Ms. Abzug, Mr. Aspin, Mr. Metcalfe, Mr. Rangel, and Mr. Conte):

H.R. 2325. A bill to amend title 18 of the United States Code to establish an Office of the U.S. Correctional Ombudsman; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Diggs, Mr. Pepper, Mr. Helstoski, and Mr. Metcalfe):

H.R. 2326. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 2327. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. McFALL:

H.R. 2328. A bill to amend the Immigration and Nationality Act to classify as "special immigrants" alien veterans who served honorably in the U.S. Armed Forces, together with their spouses and children, for purposes of lawful admission into the United States; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 2329. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSHER (for himself, Ms. Abzug, Mr. Anderson of California, Mr. Badillo, Mr. Conte, Mr. Conyers, Mr. Coughlin, Mr. Duncan of Tennessee, Mr. Forsythe, Mr. Harrington, Mr. Helstoski, Ms. Holtzman, Mr. McCormack, Mr. McKinney, Mr. Moorhead of California, Mr. Pettis, Mr. Quie, Mr. Regula, Mr. Roe, Mr. Ruppe, Mr. Sarasin, Mr. Seiberling, Mr. Stark, Mr. Talcott, Mr. Charles Wilson of Texas, and Mr. Won Pat):

H.R. 2330. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. NICHOLS:

H.R. 2331. A bill to amend the Education of the Handicapped Act to provide tutorial and related instructional services for homebound children through the employment of college students, particularly veterans and other students who themselves are handicapped; to the Committee on Education and Labor.

H.R. 2332. A bill to amend the National Trails System Act to authorize a feasibility study relating to the Bartram Trail in Alabama; to the Committee on Interior and Insular Affairs.

H.R. 2333. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a segment of Hatchet Creek in Alabama as a potential component of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

H.R. 2334. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 2335. A bill to amend chapter 84 of title 18 of the United States Code relating to the assaulting, injuring, or killing of police officers and firemen, and for other purposes; to the Committee on the Judiciary.

H.R. 2336. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

H.R. 2337. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty; to the Committee on the Judiciary.

H.R. 2338. A bill to amend title 5 of the United States Code with respect to the observance of Veterans Day; to the Committee on Post Office and Civil Service.

H.R. 2339. A bill to provide a pension for veterans of World War I and their widows; to the Committee on Veterans' Affairs.

H.R. 2340. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2341. A bill to amend titles 37 and 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age 60, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2342. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself, Mr. Bevill, Mr. Buchanan, Mr. Dickinson, Mr. Edwards of Alabama, Mr. Flowers, and Mr. Jones of Alabama):

H.R. 2343. A bill to designate the new Forest Service laboratory at Auburn, Ala., as the George W. Andrews Forestry Sciences Laboratory; to the Committee on Agriculture.

By Mr. PEPPER:

H.R. 2344. A bill for the relief of unemployment through the performance of useful public work, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RIEGLE:

H.R. 2345. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, to raise the contribution base, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2346. A bill to impose temporary quotas on motor vehicles imported into the United States from foreign countries which do not allow substantially equivalent market access to motor vehicles manufactured in the United States; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Conyers, Mr. Florio, Mr. Ford of Tennessee, Mr. Hannaford, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Ms. Holtzman, Mr. Koch, Mr. Metcalfe, Mrs. Meyner, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Nix, Mr. Rangel, Mr. Rees, Mr. Richmond, Mr. Rodino, and Mrs. Spellman):

H.R. 2347. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily rental structures being converted to condominium units, by providing for the establishment of national minimum standards for condominium sales and conversions (to be administered by an Assistant Secretary for Condominium Housing, Department of Housing and Urban Development); and to insure that financial institutions engaged in the extension of credit to prospective purchasers of condominium units make credit available without discrimination on the basis of age, sex, race, religion, marital status, or national origin; to the Committee on Banking, Currency and Housing.

By Mr. ROSENTHAL (for himself, Mr. Solarz, Mr. Stark, Mr. Studds, Mr. Waxman, Mr. Yatron, Mr. Zeferetti, Mr. Diggs, and Mr. Dodd):

H.R. 2348. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily rental structures being converted to condominium units, by providing for the establishment of national minimum standards for condominium sales and conversions (to be administered by an Assistant Secretary for Condominium Housing, Department of Housing and Urban Development); and to insure that financial institutions engaged in the extension of credit to prospective purchasers of condominium units make credit available without discrimination on the basis of age, sex, race, religion, marital status, or national origin; to the Committee on Banking, Currency and Housing.

By Mr. ROYBAL (for himself, Mrs. Burke of California, and Mr. Eilberg):

H.R. 2349. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other proposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RUNNELS:

H.R. 2350. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Eastern New Mexico Water Supply Project, New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER:

H.R. 2351. A bill to amend title 5, United States Code, to guarantee to each employee in the competitive service who has completed the probationary or trial period, the right to a hearing, a hearing transcript, and all relevant evidence prior to a final decision of any agency to take certain action against such an employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SCHROEDER (for herself and Mr. Evans of Colorado):

H.R. 2352. A bill to provide that the project referred to as the Chatfield Dam and Lake on the South Platte River, Colo., shall hereafter be known and designated as the Edwin C. Johnson Dam and Lake; to the Committee on Public Works and Transportation.

By Mr. SEIBERLING:

H.R. 2353. A bill to amend section 5042(a)(2) of the Internal Revenue Code of 1954 to permit individuals who are not heads of families to produce wine for personal consumption; to the Committee on Ways and Means.

H.R. 2354. A bill to amend title XVI of the Social Security Act to provide that any payments of supplemental security income benefits which are due an individual at his or her death may, if such individual does not leave a qualified surviving spouse, be made to any person who was contributing over half of such individual's support at the time of such death; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. Fraser, Ms. Abzug, Mr. Badillo, Ms. Burke of California, Mr. Dellums, Mr. Harrington, Ms. Jordan, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Rees, Mr. Stark, Mr. Stokes, and Mr. Van Deerlin):

H.R. 2355. A bill to protect the civil and constitutional rights of professional athletes; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2356. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 2357. A bill to amend the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES V. STANTON (for himself and Mr. Carney):

H.R. 2358. A bill to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. Gude, Mr. Horton, Mr. Bennett, Mr. Harrington, Ms. Burke of California, Mr. Simon, Mr. Mazzoli, Mr. Solarz, Mr. Edgar, Mr. Railsback, Mr. Won Pat, Mr. McCloskey, Mr. Brodhead, Ms. Lloyd of Tennessee, Mr. Baldus, Ms. Abzug, Mr. D'Amours, Mr. Ottinger, Ms. Chisholm, Mr. Hastings, and Mr. Cohen):

H.R. 2359. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. SYMMS (for himself and Mr. Hansen of Idaho):

H.R. 2360. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. TEAGUE:

H.R. 2361. A bill to prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with; to the Committee on Armed Services.

By Mr. WHITE:

H.R. 2362. A bill to extend from 8 months to 24 months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States; to the Committee on Ways and Means.

By Mr. WHITE (for himself, Mr. Lehman, Mr. Pickle, and Mr. Charles H. Wilson of California):

H.R. 2363. A bill to amend section 131 of title 13, United States Code, to provide for the taking of censuses of manufacturers, of mineral industries, and of other businesses, for congressional approval of the content of questionnaires used in the taking of such censuses, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 2364. A bill to restore the right of freedom of choice; to the Committee on Education and Labor.

H.R. 2365. A bill to amend the Communication Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 2366. A bill to require the Supreme Court to report the reversal of State criminal convictions in written decisions; to the Committee on the Judiciary.

H.R. 2367. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2368. A bill to amend the Internal Revenue Code to remove the limitations on the amount of medical and dental expenses which may be deducted, to permit taxpayers to deduct such expenses, to arrive at their adjusted gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 2369. A bill to abolish the Commission on Executive, Legislative, and Judicial Salaries established by section 225 of the Federal Salary Act of 1967, and for other purposes;

to the Committee on Post Office and Civil Service.

H.R. 2370. A bill to provide for the withdrawal of second-class and third-class mailing permits of mail users who have used these permits systematically in the mailing of obscene, sadistic, lewd, or pandering mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2371. A bill to provide that certain land acquired for flood-control purposes which is no longer needed for such purposes be disposed of as surplus property; to the Committee on Public Works and Transportation.

H.R. 2372. A bill to authorize an additional 41,000 miles for the National System of Interstate and Defense Highways; to the Committee on Public Works and Transportation.

H.R. 2373. A bill to provide for determination through judicial proceedings of claims for compensation on account of disability or death resulting from disease or injury incurred or aggravated in line of duty while serving in the active military or naval service, including those who served during peacetime, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2374. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

H.R. 2375. A bill to protect funds invested in series E U.S. savings bonds from inflation and to encourage persons to provide for their own security; to the Committee on Ways and Means.

By Mr. WINN (for himself, Mr. Shriver, Mr. Skubitz, Mr. Sebelius, and Mrs. Keys):

H.R. 2376. A bill to provide for the establishment of the Agricultural Hall of Fame National Cultural Park in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF:

H.R. 2377. A bill to prohibit commercial flights by supersonic aircraft into or over the United States until certain findings are made by the Administrator of the Environmental Protection Agency and by the Secretary of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 2378. A bill to prohibit the importation into the United States of commercially produced domestic dog and cat animal products; and to prohibit dog and cat animal products moving in interstate commerce; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BIAGGI:

H.R. 2379. A bill to authorize the Secretary of the Interior to establish a National Law Enforcement Heroes Memorial within the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BREAUX:

H.R. 2380. A bill to amend the Merchant Marine Act, 1920, to establish a grant program to enable public ports to comply with certain Federal standards, to direct the Secretary of Commerce to undertake a comprehensive study of the present and future needs of public ports in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. BURKE of California:

H.R. 2381. A bill to prohibit the importation, manufacture, possession, sale, and any other transfer of hollow point (dum dum) bullets in the United States; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. FAUNTROY:

H.R. 2382. A bill to amend the act entitled "An Act To Incorporate the American University", approvde February 24, 1893; to the Committee on the District of Columbia.

H.R. 2383. A bill to authorize voluntary withholding of Maryland, Virginia, and District of Columbia income taxes in the case of Members of Congress and congressional employees; to the Committee on House Administration.

By Ms. JORDAN:

H.R. 2384. A bill to amend the Sherman Antitrust Act to provide lower prices for consumers; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2385. A bill to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of U.S. energy resources on public lands and elsewhere, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. KASTENMEIER (for himself, Mr. Railsback, Mr. Edwards of California, Mr. Conyers, Mr. Eilberg, Mr. Seiberling, Mr. Drinan, Ms. Jordan, Ms. Holtzman, Mr. Mezvinsky, Mr. Cohen, Mr. Badillo, Mr. Diggs, Mr. Rosenthal, Mr. Pepper, Mr. Helstoski, Mr. Biester, Mr. Eckhardt, Mr. Harrington, Mr. Koch, Mr. Stokes, Ms. Abzug, Mr. Metcalfe, Mr. Mikva, and Mr. Rangel):

H.R. 2386. A bill to prohibit the denial or abridgement of the right of former criminal offenders to vote in elections for Federal office; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself and Mr. Murphy of New York):

H.R. 2387. A bill to prohibit the denial or abridgement of the right of former criminal offenders to vote in elections for Federal office; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2388. A bill to establish a Federal Oil and Gas Corporation; jointly to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce and Science and Technology.

By Mr. KOCH:

H.R. 2389. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the suplementary medical insurance program and remove the 100-visit limitation presently applicable thereto to amend part A of such title to liberalize the coverage of post hospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit the payments of rent under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committee on Interstate and Foreign Commerce and Ways and Means.

By Mr. McCLORY:

H.R. 2390. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; to the Committee on the Judiciary.

By Mr. MAZZOLI:

H.R. 2391. A bill relating to withholding by the United States of certain taxes imposed by States, and political subdivisions thereof, in the case of Federal employees; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 2392. A bill to promote voluntary school integration by assisting magnet schools; to the Committee on Education and Labor.

By Mr. NICHOLS (for himself and Mr. Brinkley):

H.R. 2393. A bill to establish within the National Cemetery System the Fort Mitchell Regional Veterans' Cemetery in Russell County, Ala.; to the Committee on Veterans' Affairs.

By Mr. RIEGLE (for himself, Mr. Brown of Michigan, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Dellums, Mr. Diggs, Mr. Edwards of California, Mr. Fascell, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Hungate, Mr. Lehman, Mr. Mitchell of Maryland, Mr. Murtha, Mr. Preyer, Mr. Reuss, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. Ruppe, Mr. Shipley, Mr. Steelman, Mr. Traxler, and Mr. Ullman):

H.R. 2394. A bill to amend the Employment Act of 1946 with respect to stability of the general price level; to the Committee on Government Operations.

By Mr. RIEGLE:

H.R. 2395. A bill to prohibit certain acts with respect to petroleum, petroleum products, and natural gas; to the Committee on Interstate and Foreign Commerce.

By Mr. RIEGLE (for himself, Mr. Dellums, Mr. de Lugo, Mr. Edwards of California, Mr. Eilberg, Mr. Harrington, Mr. Hawkins, Mr. Helstoski, Ms. Holtzman, Mr. Matsunaga, Mr. Metcalfe, Mr. Rosenthal, Mr. Charles H. Wilson of California, and Mr. Charles Wilson of Texas):

H.R. 2396. A bill to amend the Social Security Act to establish a program of food allowance for older Americans; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. RONCALIO (for himself and Mr. Johnson of Colorado):

H.R. 2397. A bill to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers; to the Committee on Agriculture.

By Ms ABZUG:

H.R. 2398. A bill to amend the Emergency Jobs and Unemployment Assistance Act of 1974 to provide increased unemployment benefits; to the Committee on Education and Labor.

By Mr. ADAMS:

H. Res. 109. Resolution requesting the Secretary of Agriculture to rescind the food stamp regulations proposed on December 6, 1974; to the Committee on Agriculture.

By Mr. ANDERSON of Illinois:

H. Res. 110. Resolution authorizing and directing the Speaker of the House of Representatives to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings; to the Committee on Rules.

H. Res. 111. Resolution to amend rule VIII of the Rules of the House of Representatives to prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes, and to permit any Member so bound to raise a point of order; to the Committee on Rules.

H. Res. 112. Resolution to amend rule XI of the Rules of the House of Representatives to require that the record of committee action be made available for public inspection, with certain exceptions; to the Committee on Rules.

H. Res. 113. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

H. Res. 114. Resolution to amend rule XI of the House of Representatives to require that all committee meetings, with only limited exceptions, shall be open to the public; to the Committee on Rules.

H. Res. 115. Resolution to amend rule XI of the Rules of the House of Representatives to provide that any member in committee may demand a rollcall vote on any matter, and that a rollcall vote shall be required on any motion to report a bill or resolution from committee; to the Committee on Rules.

H. Res. 116. Resolution to amend rule XXVII of the Rules of the House of Representatives to prescribe procedures whereby a committee may request that a matter reported should be considered under a suspension of the rules; to the Committee on Rules.

H. Res. 117. Resolution to amend rule XXVIII of the Rules of the House of Representatives to require that all House-Senate conferences shall be open to the public and that no conference report shall be in order for consideration unless all conference sessions were open; to the Committee on Rules.

By Mr. BENNETT:

H. Res. 118. Resolution amending clause 6 of rule X of the Rules of the House of Representatives with respect to the election of the chairmen of standing committees of the House; to the Committee on Rules.

By Mr. BYRON:

H.J. Res. 153. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in national emergency; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. Leggett, Mr. Studds, Mr. Forsythe, Mr. Brown of California, Mr. Danielson, Mr. Dellums, Mr. Edwards of California, Mr. Hawkins, Mr. Hinshaw, Mr. Moorhead of California, Mr. Ryan, Mr. Stark, Mr. Van Deerlin, and Mr. Charles H. Wilson of California):

H.J. Res. 154. Joint resolution to authorize the establishment of the Tule Elk National Wildlife Refuge and the establishment of a Federal-State management program for the conservation, protection, and enhancement of Tule elk and other species, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GIAIMO (for himself, Mr. Cotter, Mr. Dodd, Mr. McKinney, Mr. Moffett, and Mr. Sarasin):

H.J. Res. 155. Joint resolution designating Monday, June 2, 1975, to honor the Connecticut Bar Association; to the Committee on Post Office and Civil Service.

By Ms. Holtzman:

H.J. Res. 156. Joint resolution proposing an amendment to the Constitution of the United States with respect to the pardon power; to the Committee on the Judiciary.

By Mr. KINDNESS:

H.J. Res. 157. Joint resolution designating the period from February 17 to February 23 of each year as "Sertoma Freedom Week"; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland:

H.J. Res. 158. Joint resolution to designate the first Tuesday of June of each year as National Parliamentary Law Day; to the Committee on Post Office and Civil Service.

H.J. Res. 159. Joint resolution authorizing the President to proclaim April 14 of each year as John Hanson Day; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out the death penalty in certain cases; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.J. Res. 161. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 162. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 163. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 164. Joint resolution proposing an amendment to the Constitution relating to the terms of office of judges of the Supreme Court of the United States and inferior courts; to the Committee on the Judiciary.

H.J. Res. 165. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

H.J. Res. 166. Joint resolution to establish a commission to investigate the increase in riots and law violations, including loss of life and property, damage to or threat of damage to or destruction of the economy of States, counties, municipalities, or other political subdivisions, the causes thereof, and to recommend legislation that would grant States, counties, municipalities, or other political subdivisions additional rights to obtain injunctive and other relief to the end that the public welfare be protected; to the Committee on the Judiciary.

H.J. Res. 167. Joint resolution to establish a commission to investigate the increase in law violation, to determine the causes and fix responsibility for the breakdown in law enforcement, with the resulting destruction of life and property, to recommend corrective legislation, and for other purposes; to the Committee on the Judiciary.

H.J. Res. 168. Joint resolution providing that the United States shall not participate in any civil action except as a party to such civil action; to the Committee on the Judiciary.

H.J. Res. 169. Joint resolution to establish the Commission for Reestablishing Constitutional Principles; to the Committee on the Judiciary.

By Mr. BRADEMAS (for himself, Mr. O'Neill, Mr. Burke of Massachusetts, Mr. Ambro, Mr. Badillo, Mr. Bingham, Mr. Boland, Mr. Bonker, Mr. Carney, Mr. Carr, Mr. Conte, Mr. Conyers, Mr. Cornell, Mr. Danielson, Mr. Dellums, Mr. Diggs, Mr. Dingell, Mr. Downey, Mr. Drinan, Mr. Early, Mr. Eilberg, Mr. Evans of Colorado, Mr. Fascell, Mr. Fulton, and Mr. Hayes of Indiana):

H. Con. Res. 71. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'Neill, Mr. Burke of Massachusetts, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Gaydos, Mr. Harrington, Mr. Hughes, Mr. McHugh, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Oberstar, Mr. Richmond, Mr. Sarbanes, Mr. Studds, Mr. Wirth, Mr. Biaggi, Mr. Seiberling, Mr. Fithian, Mr. Ashley, Ms. Abzug, Mr. Fisher, and Mr. Roush):

H. Con. Res. 72. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'Neill, Mr. Burke of Massachusetts, Mr. Florio, Mr. Hefner, Mr. Helstoski, Mr. Hinshaw, Ms. Jordan, Mr. Kastenmeier, Ms. Keys, Mr. Koch, Ms. Lloyd of Tennessee, Mr. Long of Maryland, Mr. McCormack, Mr. Mazzoli, Mr. Meeds, Mr. Melcher, Ms. Meyner, Mr. Mikva, Ms. Mink, Mr. Morgan, Mr. Mottl, Mr. Murtha, Mr. Nix, and Mr. Nowak):

H. Con. Res. 73. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'Neill, Mr. Burke of Massachusetts, Mr. Patten, Mr. Pattison of New York, Mr. Pepper, Mr. Perkins, Mr. Reuss, Mr. Riegle, Mr. Risenhoover, Mr. Rodino, Mr. Roncalio, Mr. Rosenthal, Mr. Santini, Mr. James V. Stanton, Mr. Stark, Mr. Thompson, Mr. Udall, Mr. Walsh, Mr. Yatron, Mr. Young of Georgia, Mr. Zeferetti, Mr. Beard of Rhode Island, Mr. Bedell, and Mr. D'Amours):

H. Con. Res. 74. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'Neill, Mr. Burke of Massachusetts, Mr. Clay, Mr. Aspin, Mr. Dominick V. Daniels, Mr. Blouin, Mr. Hicks, Mr. Hubbard, Mr. Howe, Mr. Zablocki, Ms. Boggs, Mr. Jacobs, Mr. Brooks, Mr. Harris, Mr. Hawkins, Mr. Howard, Mr. Moorhead of Pennsylvania, Mr. Edgar, and Mr. John L. Burton):

H. Con. Res. 75. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mrs. Heckler of Massachusetts, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Bell, Mrs. Boggs, Mr. Brown of California, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Davis, Mr. Drinan, Mr. du Pont, Mr. Eilberg, Mr. Fascell, Mr. Fraser, Mr. Frenzel, Mr. Gonzalez, Mr. Gude, Mr. Helstoski, Mr. Hicks, Mrs. Holt, and Miss Holtzman):

H. Con. Res. 76. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mrs. Heckler of Massachusetts, Mr. Horton, Mr. Koch, Mr. Long of Maryland, Mr. Meeds, Mr. Melcher, Mr. Metcalfe, Mrs. Mink, Mr. Mitchell of New York, Mr. Nix, Mr. Peyser, Mr. Reuss, Mr. Rose, Mr. Rosenthal, Mrs. Schroeder, and Mr. Stark):

H. Con. Res. 77. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mrs. Heckler of Massachusetts, Mr. Symington, Mr. Vander Jagt, Mr. Wolff, and Mr. Yates):

H. Con. Res. 78. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. HYDE:

H. Con. Res. 79. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. TEAGUE:

H. Con. Res. 80. Concurrent resolution expressing the sense of Congress that necessary steps be taken by the U.S. Government to determine the status of missing servicemen and civilians in Southeast Asia; to the Committee on Foreign Affairs.

By Mr. GILMAN:

H. Con. Res. 81. Concurrent resolution expressing the sense of Congress that a Presidential Task Force on MIA's be established; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 2399. A bill for the relief of Leonard Alfred Brownrigg; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.R. 2400. A bill to correct an inequity in the case of certain applications for letters patent of Tsukumo Nobusawa; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 2401. A bill for the relief of Wilmoth N. Myers; to the Committee on the Judiciary.

H.R. 2402. A bill for the relief of Kiyonao Okami; to the Committee on the Judiciary.

By Mr. HICKS:

H.R. 2403. A bill for the relief of Mrs. Keith Gordon; to the Committee on the Judiciary.

H.R. 2404. A bill for the relief of eligible survivors of certain individuals who were killed while participating in the Air Force Reserve Officers' Training Corps flight instruction program; to the Committee on the Judiciary.

By Mr. HIGHTOWER:

H.R. 2405. A bill for the relief of Chris Gus Yiantsou; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 2406. A bill for the relief of Edmund Fagundes Lima; to the Committee on the Judiciary.

H.R. 2407. A bill for the relief of Edmundo Alfredo Oreiro Espinueva; to the Committee on the Judiciary.

By Mr. NICHOLS:

H.R. 2408. A bill for the relief of John Raymond Witt; to the Committee on the Judiciary.

By Mr. PETTIS:

H.R. 2409. A bill to authorize and direct the Secretary of the Interior to quitclaim to Kaiser Steel Corp. the remaining interest of the United States in and to certain public lands in Riverside County, Calif.; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER:

H.R. 2410. A bill for the relief of Nestor Manuel Lara-Otoya; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2411. A bill for the relief of Alinor Anvari Adams; to the Committee on the Judiciary.

SENATE—*Wednesday, January 29, 1975*

The Senate met at 12 o'clock meridian and was called to order by Hon. Gary W. Hart, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths."—Proverbs 3: 5, 6.

O Lord, replenish our hearts and minds with the truth of Thy written revelation that we may be doers of Thy word, and not hearers only. Move us to a deeper dedication to the eternal verities and enduring principles which make a people great and good and strong. In these difficult days be to us our sure guide, O Lord, our strength and our redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., January 29, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Gary W. Hart, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. GARY W. HART thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, January 28, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the executive calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND COAST GUARD

The second assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration and the Coast Guard.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

COOPERATION, NOT CONFRONTATION

Mr. HUGH SCOTT. Mr. President, if there is not a good fight going in town, there always are people who are looking around for a chance to promote one. This town is more full of fight promoters than Las Vegas.

Currently, there are all sorts of "think pieces"—if I can dignify them by that phrase—which delight in using the term "confrontation" and weave elaborate webs of confrontation stories between Congress and the President.

We have voted for open sessions here, and it is a pity that we cannot let the people see the way we talk when we are together with the President. There have been four such meetings this week, two of them with the bipartisan leadership. We are prudent in what we say of what goes on in those meetings, but I would like to mention the tone of them.

Throughout these meetings, the Democratic and Republican leaders of Congress, in discussing with the President the economic and the energy problems, have both sturdily and steadily made the point that nobody wants confrontation, that what we want is cooperation, that what we want to achieve is legislation; and the President says, "I have a plan."

The President said, in effect, "At the

moment, it is the only plan in town. It is not necessarily perfect. Congress will develop its plans. Congress may wish to refine or improve or change or modify my proposals, and probably will. Let me see what you come up with. Let's see if we can work out something in the national interest."

"But above everything else" says the President, "I urge you, as you have a right to urge me, to move speedily with these programs, so that the public is not left without legislation in the tax field, in the tax rebate field, and the energy field."

I am sure that the distinguished majority leader would agree with this somewhat generalized conclusion. We meet in amity and comity. We meet out of a sincere desire to preserve and protect and advance the national interest, the domestic tranquillity. Yet, we come out of these meetings and are immediately asked who confronted whom.

It is ridiculous—it is utterly and absolutely ridiculous—to continue to read about these elaborate confrontations that never took place. It is a little like the phrase about "the little man that wasn't there."

I solicit, if I may, the comment of the distinguished majority leader as to whether I have accurately portrayed the mood and the tempo and the spirit of executive and legislative leaders.

Mr. MANSFIELD. Mr. President, the distinguished Republican leader has accurately and correctly stated the situation.

We are not interested in confrontation. There will be differences. We want to cooperate because we know that neither the President alone nor Congress alone can solve the common problem which confronts the people of this Nation and, for that matter, the Western World at this time.

Any idea of confrontation is a figment of somebody's imagination. The worst possible course which either the President or Congress could pursue would be one of confrontation and antagonism. Neither exists, I am happy to say.

I repeat, there will be differences, as there should be in a democracy. But I hope that we are mature enough and sensible enough and aware of the Nation's problems enough so that we can work out these differences wherever possible and that if we feel very strongly on a particular issue, rather than criticize the other, we will try to come up with an alternative.

Mr. HUGH SCOTT. I thank the distinguished majority leader for his usual fairness.

The pity of it is that we have here stated the truth, and the truth so often is not news. I doubt that we will read a word of it in any journal or hear it on any radio or television program. It is not news that people are trying to get along. I am sorry that is the case.

APPOINTMENTS BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Gary W. Hart). The Chair, on behalf of the Vice President, pursuant to Public Law 91-510, appoints the Senator from New Mexico (Mr. Domenici) to the Joint Committee on Congressional Operations.

The Chair, on behalf of the Vice President, pursuant to Public Law 89-81, appoints the Senator from Nevada (Mr. Laxalt) to the Joint Commission on the Coinage.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

FULL EMPLOYMENT AND JOB DEVELOPMENT ACT OF 1975—S. 472

Mr. JAVITS. Mr. President, in the very same spirit just stated by the majority and minority leaders, I introduce for myself and 13 of my colleagues the Full Employment and Job Development Act of 1975. The cosponsors are Senators Edward W. Brooke, Clifford P. Case, Alan Cranston, William D. Hathaway, Hubert H. Humphrey, Edward M. Kennedy, Charles McC. Mathias, Walter F. Mondale, Gaylord Nelson, Jennings W. Randolph, Hugh Scott, Robert T. Stafford, and Harrison A. Williams.

This bill would establish a Federal Full Employment Board, serving as an independent agency in the executive branch and its purpose is to implement a full employment policy. The Board would consist of five full-time members appointed by the President and confirmed by the Senate. Included in their ranks would be one representative of labor, one representative of management, one distinguished economist, one manpower expert, and one member from the general public. The bill would take effect upon enactment and give authority to the Board through the end of fiscal year 1977.

Mr. President, it has been patently obvious for some time that, notwithstanding the commitment to maximum employment in the Employment Act of 1946, this Nation has not had at any time a full employment policy or anything approaching it.

Under this bill, the Board would be authorized and directed to recommend a policy of achieving full employment in each fiscal year and the means of reaching that objective. Such means could be through monetary and fiscal policy, job training, public service employment, unemployment compensation, and such other policies as the Board may recommend. The Board would, of course, draw on the analyses, reports, and recommendations of all agencies of Government and on private sources. Its role would be to show how best the full employment objective could be attained in each fiscal year.

Symptomatic of this situation and contributing to it is the fact that we have not established a positive goal relating to employment. Unfortunately we have generally adopted negative standards subordinating the issue of employment to the issue of unemployment.

We do not ask "have we reached full employment," instead, even in the best of times we ask if we are at "tolerable" or "acceptable" levels of unemployment.

It has been too often a question of what the traffic can bear in terms of unemployment rather than our direction in terms of employment.

Now that "intolerable" and "unacceptable" are inadequate to describe the present unemployment situation and even as to our short-term prospects, the words "deplorable" and "appalling" seem insufficient, it is time to get our sights on the positive employment objective and begin to define positive goals and means of implementing them.

Our present situation is tragic evidence of how badly matters can deteriorate when employment is given a lower priority than unemployment.

Unemployment at 7.1 percent in December was at our highest rate since 1958. It has been climbing at a rate matched only by the 1957-58 recession. The number of Americans out of work—6.5 million in December—was surpassed only during the depression of the 1930's. And the worst is yet to come.

Initial claims for unemployment insurance, a generally recognized leading indicator of labor market activities, averaged 666,000 during the first 2 weeks in December, which is a postwar record. Other labor market indicators such as overtime and weekly hours are deteriorating rapidly.

Six months ago, economists were projecting unemployment rates of 7 percent. However, with each new staggering adverse economic development, the profession revised its unemployment projections upward, and now projections by administration experts and others of 8 percent and more are common.

Pulling ourselves out of this situation requires more than a good faith effort to get things moving again. It requires a many faceted program with one aim in mind: to provide the largest number of jobs consistent with the stability of the dollar as an international currency and confidence in it at home.

The simple numbers of getting our country on the recovery path again are sobering. As a general rule we can start making a dent in the unemployment rolls only when the economy is moving faster than the growth in the labor force plus the growth in productivity. This means real economic growth of at least 4.5 percent per year, but at the present time the GNP is declining at a real rate of 9.1 percent. The momentum of this devastating decline will carry unemployment upward throughout most of this year, economists say, carry total unemployment to as many as 7.5 million persons.

Mr. President, this national picture—as bad as it is—hardly holds a candle to the situation now in my own State of New York and areas within the State.

The rate of national unemployment is, as I noted, at 7.1 percent for December.

But the rate of unemployment in New York State, according to the figures released just yesterday by State industrial commissioner, Louis Levine, is at a startling 7.5 percent for December, substantially up from the November rate of 6.8 percent and for New York City, the rate jumped from 7.4 percent in November to 8.5 percent with 269,700 persons unemployed—thus almost three times the jump from 6.7 to 7.1 percent in the national rate between November and December; and, even worse, the rate in Buffalo, N.Y., was 10.3 percent in December, compared with 8.8 percent in November—depression-like levels.

This shows the need not only for the legislation I am introducing today, but additional legislation I am preparing to provide an authorization sufficient to create in this calendar year at least 1 million jobs nationally, doubling the current authorized effort, which is 500,000 jobs in the aggregate under titles II and VI of the Comprehensive Employment and Training Act of 1973, as amended by the Emergency Jobs and Unemployment Assistance Act of 1974.

Mr. President, in respect to the situation in New York, I ask unanimous consent that an article by Michael Stern, published in this morning's New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 29, 1975]

CITY JOBLESS RATE CLIMBS 1.1 TO 8.5 PERCENT, WITH 269,700 IDLE

(By Michael Stern)

Almost 37,000 more New York City residents lost their jobs in December, pushing the unemployment rate here up 1.1 percentage points—from 7.4 to 8.5 per cent—and the total of jobless to 269,700, the State Department of Labor reported yesterday.

The November-to-December unemployment-rate increase was extremely sharp, almost three times the jump from 6.7 to 7.1 per cent in the national jobless rate for those months. It was another indicator that New York City's economy, which once had been considered recession-resistant, is feeling this recession acutely.

Commenting on the worsening unemployment trends here and in the state, where the jobless rate rose from 6.8 to 7.5 per cent, Louis L. Levine, the State Industrial Commissioner, said:

"What we are seeing now is just the tip of the iceberg. I think it is going to get worse, much worse. The figures for January and February are going to show even more unemployment."

QUICK U.S. ACTION URGED

Mr. Levine called for "fast Federal action to return confidence to the national economy." He said that "Congress and the President have to stop dueling and get down to business."

In Washington, Senator Jacob K. Javits characterized the city's latest unemployment rate as "staggering," and he renewed his call for the creation of a million public-service jobs to provide alternate employment for people thrown out of work.

Another indicator of the weakening of the city's economy is the accelerating shrinkage in the number of jobs it sustains. From December, 1973, to last December, that number shrank by 89,700, to 3,481,700. The year-to-year decline in November was 75,900. In October, it was 71,600; in September, 64,400; in August, 45,100, and in July, 27,000.

Even worse hit than New York City last month was Buffalo, where the unemployment rate climbed to 10.3 per cent from 8.8 per cent in November. Economists with the Labor Department said Buffalo, where the number of jobless now is 56,500, was feeling the national turndown in the steel, automobile and machine-tool industries.

Throughout the state, the number of jobless people rose 54,800, to 570,100. A year earlier, there were 153,800 fewer people out of work—416,300.

JOBS UPON LONG ISLAND

Only Nassau and Suffolk Counties showed unemployment declines last month. In Nassau the rate fell from 4.9 to 4.7 per cent, with the number of jobless declining from 31,100 to 30,100. In Suffolk, the rate fell from 6.2 to 5.9 per cent, and the number of people out of work declined from 27,000 to 26,100.

Commissioner Levine said the declines in Long Island probably were a "seasonal abbaration" and predicted that joblessness would be shown to be increasing there when the January figures were ready.

Almost all sections of the city's economy showed job losses last month, department economists said. The number of jobs in manufacturing fell 20,300, to 606,800, with half the loss—10,200 jobs—in the apparel industry which fell to 162,000 jobs in December, the lowest level ever recorded.

Other areas of decline were, construction, off 3,100 jobs, to 96,200; services, off 500 jobs, to 794,200; government service, off 500 jobs, to 572,100.

RETAIL TRADE JOBS GAIN

Wholesale and retail trade gained 11,300 jobs, for a total of 692,000, but the increase was much smaller than is usual in a December. In December, 1973, there were 24,200 more jobs in this area.

There also was an increase of 400 jobs in banking, bringing the total to 137,000, the highest level of employment ever achieved in that field.

Labor Department economists said the December rise of 36,800 in the number of jobless people in the city was "real" in the sense that it represented people who were actually laid off from work. This was established through correlations with the number of new claims for unemployment insurance. In other months, the figures are raised or lowered by people entering or leaving the labor force.

Mr. JAVITS. Mr. President, in his state of the Union address, President Ford, announcing a "new direction," stated:

> Let us mobilize the most powerful and creative industrial nation that ever existed on this earth to put *all* our people to work. The emphasis of our economic efforts must now shift from inflation to jobs.

This statement—which in its reference to all our people constitutes a reiteration of the full employment principle—means in effect that unemployment and recession have become "Public Enemy No. 1" in the minds of the executive as well as the legislative branches.

When inflation was "Public Enemy No. 1," the Executive and the Congress responded with the establishment of the Cost of Living Council and later the Council on Wage and Price Stability.

Now that unemployment and recession must be considered "Domestic Enemy No. 1"—in what I called in a speech delivered last week the "war against worldwide depression"—we need a Federal Full Employment Board to spearhead efforts to get people back to work now, as well as pursue the object of full employment as a national goal for the future.

Public service employment programs and job training efforts can be important tools in dealing with the unemployment situation, but they cannot do the massive job that is needed.

At present, even if we were to double the current authorized public service job effort—which is at about 500,000 jobs in this calendar year—we would still reach only one-sixth of those now out of work.

Hence, while essential, public service employment alone cannot be the basis for a full employment policy. Even if it were desirable, we do not have the public resources to commit to reaching such a goal by subsidy alone.

This means that if we are to bring unemployment down to even a tolerable level, other levers will have to be pulled to effect employment and they will have to be pulled thoughtfully and with a sophisticated view of their interrelationship.

Income tax rebates—as the President has suggested—and a wealth of other governmental efforts may be utilized, but there is no entity now devoted to the efforts of full employment that can show us how we "get from here to there."

The Council of Economic Advisers organized under the Employment Act of 1946—which established the goal of maximum employment—has been given a broader and wholly advisory function. Its responsibility is to overview the general economy, but it has not been and cannot be an advocate for full employment alone.

The Department of Labor while generally entrusted with the goal of increasing employment opportunities and administration of comprehensive manpower and public service jobs legislation, has no charter to make recommendations with respect to the many programs outside of its jurisdiction which have substantial effects of full employment.

The Commission on Productivity and the National Commission on Manpower are both very important in the struggle against unemployment and recession, but they too have specialized responsibilities.

Mr. President, the Full Employment Board would take on the task of spearheading our efforts at reaching full employment by:

Recommending to the President and the Congress by January 20 of each year—beginning January 20, 1976—a program to achieve full employment in each fiscal year and alternative means of attaining that objective. An interim report is required by June 1, 1975, with respect to the coming fiscal year 1976.

Reviewing and making recommendations with respect to monetary, fiscal, income, and other governmental policies in terms of their impact upon achieving full employment.

Reviewing and making recommendations with respect to decisions made and to be made by public and private employers.

Reviewing and making recommendations with respect to job training, public service jobs, and other funded programs directly or indirectly affecting employment.

Improving employment and unemployment data for use by prime sponsors under the Comprehensive Employment and Training Act of 1973 and the Emergency Job and Unemployment Assistance Act of 1974 toward achieving full employment.

Undertaking long-range and short-term surveys to estimate employment needs in terms of demand and supply by sector, by geographical area, by industry, and by occupation, including anticipated changes in short-term and long-term technology.

Holding on a regular basis nationwide and regional conferences designed to encourage the support of management and labor in meeting the objectives of the act.

Analyzing and making recommendations with respect to the extent to which the Federal budget may assist in reaching full employment, including the effect of different types of governmental funding and procurement policies.

Performing such other functions dealing with full employment as the President or the Congress may direct.

This measure is based upon the provisions for a Full Employment Board contained in the Full Employment and Job Development Act of 1973, which I introduced on May 3, 1973, with many of the same cosponsors. They included my principal cosponsor Senator MONDALE, and Senators BROOKE, CASE, HART, HUMPHREY, MOSS, MUSKIE, PASTORE, PELL, RANDOLPH, TUNNEY, and WILLIAMS.

The basic difference between the measure we introduce today and the 1973 proposal is that we no longer include a separate public service jobs fund made available to the Board. Since introduction of the earlier measure, the Congress has passed both the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Unemployment Assistance Act of 1974, providing specific funds for public service employment. As our new measure is considered, it is my expectation that a link between any new public service funds and this Board will be appropriately developed.

Mr. President, some might ask how we can be considering full or even maximum employment at a time when the statistics and our observations indicate that we are at almost a minimum employment level situation.

But, what better time to formulate a full employment policy than now when the issue of employment is so vividly exposed to national attention? What better time to repair the roof than now when we can still see where the holes are, as we face a deluge of joblessness? If we do not, it is predictable that we will find ourselves swamped and running around with buckets—if we are not already there—rather than applying the planned approach that is needed.

In the end I hope that we will have, and I will work for a right to a job opportunity for every American. As an indication of my commitment to that goal, in addition to developing this legislation, I have joined with Senator HUMPHREY and four of my colleagues in introduction of S. 50, the Equal Opportunity and Full Employment Act of 1975—based upon an original measure introduced by Congressman HAWKINS in the House.

Mr. President, I ask unanimous consent that a section-by-section description and a copy of the bill be printed in the RECORD at this point.

There being no objection, the description and bill were ordered to be printed in the RECORD, as follows:

FULL EMPLOYMENT AND JOB DEVELOPMENT ACT OF 1975

(Section-by-Section Description)

Sec. 2. *Congressional Statement of Policy and Findings.* This section states that in order to attain the national objective of full employment it is necessary to assure an opportunity for a job to each American, that the United States has the capacity to do so and that the Federal Government lacks any comprehensive means to reach that objective.

The purposes of the Act is to provide for the implementation of a full employment policy through the establishment of a "Federal Full Employment Board".

Sec. 3. *Federal Full Employment Board.* This section establishes as an independent agency in the executive branch a "Federal Full Employment Board", to consist of five members appointed by the President by and with the advice and consent of the Senate as follows: one representative of labor, one of management, one distinguished economist, one distinguished manpower expert, and one member of the general public. Not more than three members may be of the same political party. Members shall serve full time.

Sec. 4. *Functions of the Board.* This Section authorizes and directs the Board to (i) recommend to the President and the Congress by January 20 of each year (beginning January 20, 1976) a program to achieve full employment in each fiscal year and alternative means of attaining that objective; (and interim report is required by June 1, 1975, with respect to the coming fiscal year 1976); (ii) review and make recommendations with respect to monetary, fiscal, incomes, and other governmental policies in terms of their impact upon achieving full employment; (ii) review and make recommendations with respect to decisions made by public and private employment and establish appropriate procedures for the receipt of information from such employers necessary to carry out the purposes of the Act; (iv) review and make recommendations with respect to job training, public service jobs and other programs under the Comprehensive Employment and Training Act of 1973 and the Emergency Job and Unemployment Assistance Act of 1974 and other federally funded programs directly or indirectly affecting employment, in terms of their impact upon achieving full employment, including, but not limited to, increases in funding and appropriate distribution necessary to meet such objective; (v) improve employment and unemployment data for use by prime sponsors under the Comprehensive Employment and Training Act of 1973, and the Emergency Job and Unemployment Assistance Act of 1974 toward achieving full employment; (vi) undertake employment planning and long-range and short-term surveys to estimate employment needs in terms of demand and supply by sector, by geographical area, by industry, and by occupation, including anticipated changes in short-term and long-term technology; (vii) hold on a regular basis nationwide and regional conferences designed to encourage the support of management and labor in meeting the objectives of the Act; (viii) analyze and make recommendations with respect to the extent to which the Federal budget may assist in reaching full employment, including the effect of different types of governmental funding and procurement policies; (ix) perform such other functions as the President or the Congress may direct.

Sec. 5. *Authorization of Appropriations.* This Section authorizes "such sums" fiscal year 1975 and for each of the two succeeding fiscal years for the activities of the Board.

SEC. 6. *Reports.* This Section provides for an annual "Full Employment Report" setting forth the Board's recommendations with respect to implementation of a full employment policy in fiscal year 1976, and for succeeding fiscal years. The report is to be referred to appropriate committees in each House.

Sec. 7. *Definitions.* This Section defines Board, Secretary, State, public service job development program, and unemployed persons.

Sec. 8. *Effective date.* This section provides that the Act shall take effect upon enactment.

S. 472

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Full Employment and Job Development Act of 1975".

CONGRESSIONAL STATEMENT OF POLICY AND FINDINGS

SEC. 2. (a) Congress hereby finds and declares that—

(1) to attain the objective of full employment it is necessary to assure an opportunity for a gainful, productive job to every American who seeks work and to furnish the employment opportunity, training, and related assistance needed by any person to qualify for employment consistent with his or her highest potential and capability;

(2) the United States has the capacity to provide each American who is available for work the full opportunity, within the framework of a free society, to prepare for and to obtain employment at the highest level of productivity, responsibility, and remuneration consistent with his or her abilities; and

(3) while full employment is a national objective, the Federal Government lacks any comprehensive means of reaching that objective with the results of individual hardship, unacceptable levels of unemployment, an erosion of the American spirit of work, and increasing welfare dependency.

(b) It is the purpose of this Act to provide for the implementation of a full employment policy through the establishment of a Federal Full Employment Board.

FEDERAL FULL EMPLOYMENT BOARD

SEC. 3. (a) There is hereby established as an independent agency in the executive branch of the Government a Federal Full Employment Board, to consist of five members appointed by the President by and with the advice and consent of the Senate as follows:

(1) One member shall be representative of labor.

(2) One member shall be representative of management.

(3) One member shall be a distinguished economist.

(4) One member shall be a distinguished manpower expert.

(5) One member shall be representative of the general public.

Not more than three members shall be members of the same political party. The President shall designate one member to serve as Chairman.

(b) Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term and the terms of office of the members first taking office after the enactment date shall expire, as designated by the President, one at the end of one year, two at the end of two years, and two at the end of three years.

(c) The Board shall meet at the call of the Chairman or at the call of the President and in no event less than four times each year. A quorum shall consist of three members.

(d) Members of the Board shall receive compensation at the rate prescribed for level

IV of the Executive Schedule by section 5315 of title 5 of the United States Code.

(e) The President is authorized to appoint, by and with the advice and consent of the Senate, as Executive Director of the Board. The Executive Director shall be the principal executive officer of the Board and shall receive compensation at the rate prescribed for level V of the Executive Schedule by section 5316 of title 5 of the United States Code.

(f) The Executive Director of the Board with the approval of the majority of the Board is authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for carrying out the Board's functions under this Act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, and is authorized, subject to such provisions, to employ such other officers and employees as may be necessary for carrying out its functions under this Act and fix their compensation in accordance with the provisions of such chapter 51 and subchapter III of chapter 53.

FUNCTIONS OF BOARD

SEC. 4. (a) The Federal Full Employment Board is authorized and directed to—

(1) recommend to the President and the Congress by January 20 of each year (beginning January 20, 1976) a program to achieve full employment in each fiscal year and alternative means of attaining that objective;

(2) review and make recommendations with respect to monetary, fiscal, income, and other governmental policies in terms of the impact of such policies upon achieving full employment;

(3) review and make recommendations with respect to decisions made by public and private employers and establish appropriate procedures for the collection of information, from such employers, necessary to carry out the purposes of this Act;

(4) review and make recommendations with respect to job training, public service employment and other programs under the Comprehensive Employment and Training Act of 1973 and the Emergency Jobs and Unemployment Assistance Act of 1974 and other federally funded programs directly or indirectly affecting employment, in terms of the impact of such programs upon achieving full employment, including increases in funding and appropriate distribution necessary to meet such objective;

(5) improve employment and unemployment data for use by prime sponsors under the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Unemployment Assistance Act of 1974 toward achieving full employment;

(6) undertake employment planning and long-range and short-term surveys to estimate employment needs in terms of demand and supply by sector, by geographical area, by industry, and by occupation, including anticipated changes in short-term and long-long-term technology;

(7) hold nationwide and regional conferences on a regular basis designed to encourage the support of management and labor in meeting the objectives of this Act;

(8) analyze and make recommendations with respect to the extent to which the Federal budget may assist in reaching full employment, including the effect of different types of government funding and procurement policies; and

(9) perform such other functions as the President may direct.

(b) In exercising its duties and functions under this Act, the Board is authorized to—

(1) use the services, facilities, and information (including statistical information) of other Government agencies;

(2) supply technical and administrative assistance to labor and management and similar groups;

(3) establish regional and such other local offices as it deems necessary;

(4) make grants to or enter into contracts with any public or private agency or organization;

(5) accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities;

(6) consult and coordinate with the Council on Economic Advisers to the President, the National Commission for Manpower Policy, and with the National Commission on Productivity;

(7) consult with such representatives of industry, labor, antipoverty, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties; and

(8) make recommendations for the elimination of delays in respect to the dissemination of information concerning job vacancies.

REPORTS

SEC. 5. (a) The Board shall transmit to the Congress, on or before January 20 of each year (beginning January 20, 1976) a report, to be known as the "Full Employment Report", setting forth a program to achieve full employment for the following fiscal year, and alternative means of attaining that objective, as required under section 4(a)(1) of this Act, together with a statement of the Board's activities during the current fiscal year and proposed activities for the following fiscal year. An interim "Full Employment Report" shall be submitted to the Congress by June 1, 1975, with respect to fiscal year 1976.

(b) Each Full Employment Report, and all supplementary reports transmitted under subsection (a) of this section, shall, when transmitted to Congress, be referred to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives, which committees shall hold at least annually hearings on the report and such supplementary reports. Nothing in this subsection shall be construed to prohibit the consideration of the report by any other committee of the Senate or the House of Representatives, including any joint committee of the Congress, with respect to any matter within the jurisdiction of any such committee.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary for fiscal year 1975, and for each of the two succeeding fiscal years for the activities of the Board.

SENATE CONCURRENT RESOLUTION 7—SUBMISSION OF A CONCURRENT RESOLUTION CONCERNING THE IMPOSITION OF ECONOMIC CONTROLS

Mr. BEALL. Mr. President, I do not have to remind my colleagues of the crushing inflationary situation in which our country finds itself today. The Wholesale Price Index for 1974 was higher than at any time since World War II, and the real purchasing power of the consumer's dollar has sank at an alarming pace.

There are, of course, many reasons for this trend. Excessive Federal spending for too many years, and a too rapid growth in our money supply have planted the seed for inflation. Additionally, unusually poor harvests lead to world food shortages and escalating food prices. World petroleum prices skyrocketed, and had an inflationary impact in almost every area of economic activity. Finally, an economic boom occurred simultaneously throughout the rest of the world, thus creating a heavy demand for many goods and services previously consumed by only a fraction of the world's population.

However, I believe there is presently in this country another reason for increasing prices which, although much more difficult to identify than other causes of inflation, just as surely adds to price pressure. That reason is the fear by many in the business community of this country that its Government may impose economic controls.

In August 1971, when wage and price controls were imposed, many companies were caught, so to speak, with their prices down. With their selling price suddenly frozen, manufacturers and businessmen of all types and sizes were forced to absorb cost increase after cost increase, with no way to recoup these losses.

Caught once, many business concerns have vowed that it will not happen again. Thus, some companies are now either failing to lower prices when possible, or putting into effect precautionary price increases whenever they are faced with any kind of cost increase.

Further, in situations where actual costs to the buyer have declined, particularly for durable goods, the list price often stays the same, seemingly as a hedge against possible price controls.

For instance, in the automobile industry, American manufacturers are now offering rebates to buyers of up to $500 off the cost of a new car. Why do they not lower the "window," or list price? The answer could be that by lowering the sticker price, they would be lowering the base price in the event of controls. But by offering discounts, the maximum price is still in effect, and dealers can return to it easily, even in a situation of price controls.

The respected publication, the Morgan Guaranty Survey, published by the Morgan Guaranty Trust Co. in its December 1974 report states that—

> Businessmen, worried about reimposition of price controls, are either inclined to increase prices to reflect any increased costs or are hesitant to lower them. Of course, if at some point in 1975 business and industry become convinced that controls are not going to be imposed—or that a new controls effort would not penalize companies which had dropped their prices—the result could be a rather dramatic downswing in prices.

Mr. President, the implications of such thinking are indeed serious. Unless the Congress either stops talking about wage and price controls—an action which I hardly expect—or convinces business and industry that, if they lower prices now, they will not be penalized later, then our country runs a great risk of seeing higher and higher prices caused by a fear of future economic controls.

Therefore, I am introducing today a sense of the Congress resolution which states that if economic controls are imposed, it is the desire of Congress that those business concerns who lowered prices on or after January 1, 1975, shall not be penalized in the establishment of any base price pursuant to those controls.

It is a resolution that I believe can be supported by both those who support controls and by those who oppose their imposition. No matter what our differences on the ultimate economic policy of our Nation, no one wants to see prices rise to higher levels, particularly for reasons which have nothing to do with market forces.

Personally, I strongly oppose the imposition of wage and price controls. As politically attractive as wage and price controls seem to be in the short run, they would be detrimental to our Nation's long-term interests. Controls, in my judgment, would lead inevitably to a misallocation of resources, inefficiency in the marketplace, a growth of black markets, and a rising dissatisfaction on the part of the people who are subject to controls.

However, as we in the Congress consider whether controls should be imposed, we should not foster an atmosphere of uncertainty in our economy which encourages businesses to make precautionary price increases, or not to lower prices when possible. By allowing this feeling to exist, we are adding fuel to the fires of inflation.

My resolution, however, is not designed to give a "blank check" to businesses in the event of controls. We are not mandating that a company can automatically return to a higher price for no justifiable reason other than to increase profits. What we are saying is that should controls be imposed, those companies which were able to temporarily lower prices should not be penalized should they find it necessary, because of increased costs, to return to a higher price.

This resolution, if enacted by Congress, will encourage businesses to lower price levels on their products, because it would eliminate the distortions caused by a fear of economic controls. The result may well be a significant slowing of consumer price increases, and in some cases actual reductions in prices.

Therefore, I hope the Senate will give this resolution its swift and favorable consideration.

Mr. President, I ask unanimous consent that an article from the Wall Street Journal of January 8, 1975, entitled "Fear of New Controls Causes Many Concerns To Keep Prices High," and my resolution be printed in the Record at the conclusion of my remarks.

There being no objection, the article and resolution were ordered to be printed in the Record, as follows:

Being Prepared—Fear of New Controls Causes Many Concerns To Keep Prices High; Despite Ford's Disclaimers, Firms' Planners Hedge Against a Replay of 1971; Defying Economic Theories

(By Ralph E. Winter)

President Ford opposes wage and price controls. George Meany opposes controls. Businessmen oppose controls. Even the House Democratic leaders this week stopped short of recommending controls.

So it would appear that everyone could sit back and stop worrying about the possibility of controls anytime soon. But there's lots of evidence that businessmen aren't taking the no-controls talk too seriously.

Instead, they are making sure they are prepared in case the inflationary spiral does bring a new round of wage and price controls. Specifically, many companies—even those with slumping sales—are making certain they don't get caught with their prices down.

"We got caught by controls before," the president of a machinery producer says, "and our profit margins have been suffering for a couple of years as a result. I'm personally making damned sure that we aren't caught again."

This executive therefore is regularly reviewing the price levels of every division in his company with key officers and is insisting that prices be raised whenever costs go up, even at the risk of losing some business.

FAILURE OF PAST CONTROLS

When the final phase of the last round of controls ended last spring, there was wide agreement that the controls hadn't worked and so there was little chance they would be reinstituted. However, soaring inflation since then has cast doubt on that assumption. Third quarter price rises reached an 11.8% annual rate for the steepest inflation since the Korean war.

If this inflation doesn't abate, many businessmen feel controls may be reinstated as a desperation move, with the public's acquiescence. The House Democratic leaders, while not recommending controls, did suggest the administration be given power to delay wage and price rises for as long as 90 days.

Although President Ford has repeatedly ruled out controls, the December survey of the National Association of Purchasing Management Inc. shows that 27% of the purchasing agents believe price controls will be applied, 53% think they won't and 20% are undecided. Only 13% believe controls are needed.

But the mere suggestion of possible controls is inducing many companies to delay price cuts or post precautionary price rises, with the ironic result of further fueling the inflation conflagration. Because the past controls were based on prices charged over a 90-day period, the businessmen figure it's prudent to keep prices high now, even if possible controls are far down the road.

OTHER PRICE PRODS

Fear of new controls, of course, isn't the only reason that prices generally have failed to level off despite the deepening recession. High costs for such things as energy and labor are also factors in the complex economic situation. Whatever the reasons, the price spiral has been contradicting the classic theory that prices ease when demand lags.

Even in the depressed auto industry, price cuts to bolster sales have been a long time coming. Chrysler Corp.'s new plan to offer rebates of $200 to 400 to purchasers of new cars and trucks is the first significant step in that direction. And the use of a rebate instead of a price cut is being viewed by some as a way to keep the list prices high—in case controls come.

Moreover, conversations with top corporate executives in industries ranging from steel to consumer items indicate that price cuts will be few even if the recession continues. And they suggest that the price spiral will continue over the next six months, albeit at a moderating pace.

"Even some sort of new voluntary price-restraint program with guidelines instead of firm rules, enforced by unfavorable publicity rather than legal sanctions, would seriously reduce our pricing flexibility," says a top executive of a major steel-products company. "We've got to be in a position where we don't need any price increases except those we can justify because of cost increases," he adds. "We probably wouldn't be allowed any catch-up under any type of controls, mandatory or voluntary."

A BRAKE ON THE ECONOMY

Economic consultants concur that the specter of controls is at least impeding many potential price cuts. "All the talk of controls is making companies hesitate on price cuts," says Albert H. Cox Jr., chief economist of the consulting firm of Lionel D. Edie & Co. "This is depressing economic activity further, since the economy isn't getting the price cuts it needs."

Michael K. Evans, president of the Chase Econometric consulting subsidiary of Chase Manhattan Bank, says, "We have evidence that the threat of controls is causing companies to go slow on cutting prices. In the past few months, a growing percentage of the businessmen I talk to have become convinced that controls are coming back."

These and other economists do believe, however, that prices will soon begin to level off because of weak demand. But whatever the outlook, there's little doubt that the controls specter has been influencing pricing decisions in many industries despite the administration's reassurances that controls aren't in the offing.

President Ford remains "very strongly" against controls, Edgar Fiedler, assistant Treasury Secretary, said last week, in the latest denial. Officials add that Mr. Ford would probably veto a bill providing standby authority to impose controls if such a measure clears Congress.

Officials of the Council on Wage and Price Stability similarly proclaim the case against controls. Conceding that some companies seem to be keeping their prices high because they fear controls, the officials say they are privately urging executives of these companies to cut prices—because controls just aren't in the works.

CREDIBILITY GAP

One key industry that isn't taking the reassurances at face value is the steel industry. "There's no doubt that fear of price controls was a factor in the frequency of steel price increases in 1974," a vice president of a Midwest steelmaker says.

He says the industry was severely burned when controls were instituted in August 1971 after repeated statements by the Nixon administration that price and wage controls weren't in the works. With the administration's blessing, steelmakers had signed a labor contract with a 15% first-year wage increase, effective that Aug. 1.

Immediately thereafter, big-tonnage sheet and strip steel were caught in the administration's price freeze, and the steelmakers' profits plummeted. U.S. Steel Corp. calculates that under the controls program, steel prices by the end of 1973 were 6% short of covering cost increases.

After controls were lifted early last year, steel producers wasted no time in boosting prices. By the end of the year, the increases totaled more than 45% for many producers, despite a partial rollback of a year-end increase by Bethlehem Steel Corp. under government pressure.

Armco Steel Corp. says December price increases offset only about a quarter of the 10% rise over the previous four months in costs for such things as raw materials, wages and energy. But Armco's chairman, William Verity, says profit margins are at least back to the levels of the 1960s, and that's "enough to encourage investment in new facilities." So he and other steel executives doubt there will be further price rises soon, especially with the recent reports of weaker demand and some order cancellations by steel users.

AUTO MAKERS CHANGE THEIR TUNE

Auto-industry observers similarly feel that prices are stabilizing somewhat following the steep boosts of 1974. Whereas the auto makers had indicated that last fall's price boosts would be followed by still others, the continuing sales slump has made them change their tune. Chrysler's rebate plan, still not officially announced, may not be followed by other producers, but more sales promotions are predicted. This approach would keep list prices high in case of subsequent controls.

If industries such as steel and autos fear price controls, the lumber industry is practically in a panic. Controls would be a disaster for lumber companies, according to Ralph D. Hodges, Jr., executive vice president of the National Forest Products Association in Washington.

Mr. Hodges says such controls would hit the industry especially hard right now because the price of softwood lumber and plywood is at a 15-year-low. A sizable amount of lumber is being produced and sold below production cost because the mills are "gambling that the market will turn around," he says.

But the low price levels in the lumber industry are clearly the exception, because price increases were rampant during 1974. The onset of a recession didn't exactly stem the tide, as illustrated by the startling 30% annual rate of wholesale price increases in October and 14.4% in November.

A DAILY CHORE

"It used to be that we could review the pricing structure once a year, but now it's something you have to stay on top of daily," says W. Paul Cooper, president of Acme-Cleveland Corp., a producer of machine tools, equipment drills and other expandable tools. "Components such as castings, bearings and raw materials keep going up so fast that it seems we keep running one lap behind in our prices," Mr. Cooper says.

An executive of a producer of auto and industrial products says he also expects the company's price levels to keep rising because costs keep going up. "We've got to stay right on top of pricing all the time or our profit margins would quickly erode," he says.

But he and many other executives indicate that increases in the next six months or so will be largely "defensive"—just passing along cost increases. This would be a change from mid-1974, when demand was strong and many companies were increasing prices to restore profit margins that had been slimmed during the 1971–74 controls period and even before. (Some economists define this change as a switch to cost-push inflation from demand-pull inflation.)

Armco suggests, for example, that the steel industry has pretty well accomplished the bolstering of profit margins. Much the same can be said about such other basic industries as paper and chemicals.

In addition, the prices of some raw industrial commodities such as copper, rubber, cotton, hides, steel scrap, wool and waste paper, are down from their highs, taking some pressure off the price spiral. Prices of a few manufactured products have begun to ease as a result, including cotton textiles, synthetic fibers and some cotton products.

OBSESSION WITH PROFIT MARGINS

But these are exceptions. A marketing official of a major chemical company says his industry remains "obsessed with protecting profits through immediate pass-throughs of costs" although volume has begun to dwindle. He contends that any fear of controls isn't evident in this obsession in his industry, but he believes it is a factor in other industries where the demand is more slack.

George J. Grabner, president of Lamson & Sessions Co., a fastener producer, says weaker demand is bound to "suppress price increases in excess of cost increases."

But the cost increases in many cases are substantial. For one thing, labor has just started getting in its licks, trying to rebuild workers' purchasing power eroded by inflation. Recent labor contracts have pushed hourly wages up 10% or more in the first year of the agreements.

The new coal industry contract provided a three-year package increase of 54%, which will be passed along to coal users, including the steel mills and electric utilities. The higher cost to utilities, in turn, will mean higher energy costs for scores of industries.

COSTLIER COSTS

Besides higher energy costs in general, many industries are coping with higher freight, postage and other charges. While interest rates are down from the peaks of a few months ago, they still represent a significant cost item to corporate borrowers.

Cost rises have been so sharp and unpredictable that some companies say they have trouble deciding the size of price increases. "It's really tough because we don't know what type of cost increase to expect 18 or 20 months from now," says Frank A. Furar, vice president, finance, of Danly Machine Corp., a Chicago producer of metal-forming presses. "We keep talking to our purchasing people to get their best estimate of what costs will be, but predicting is hard. You provide for a 10% materials cost increase, and then some clown will come along and raise castings prices 30%."

Some companies try to deal with the problem by inserting an escalator clause in delivery contracts. For instance, Giddings & Lewis Inc. gives purchasers of its machine tools a choice. Either prices are firm for deliveries within 12 months of publication of a new price list, and then rise a straight 1½% a month, or prices will climb in step with the rise in wholesale prices of industrial commodities.

Other concerns have simply given up trying to predict future prices. They tell customers who are placing orders that the price will be whatever price is in effect at the time of delivery.

These companies may prove the most farsighted. For some executives and economists expect that an economic recovery about a year from now will trigger still another surge of inflation.

S. Con. Res. 7

Resolved by the Senate (the House of Representatives concurring),

Whereas our Nation now faces serious economic difficulties; and

Whereas various proposals have been and will be offered in response to these economic problems, including the consideration of certain economic controls on wages, prices, and other forms of economic activity; and

Whereas it has been reported and called to the attention of the Congress that a number of business concerns are delaying price reductions or posting precautionary price increases because of the fear of such controls; and

Whereas the effect of such action by business concerns may be preventing price decreases, and in some cases even significant reductions: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) That in the event that economic controls are imposed, it is the sense of the Congress that business concerns who, on or after January 1, 1975, lowered prices shall not be penalized in the establishment of any base price pursuant to those controls.

QUORUM CALL

Mr. HELMS. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 281

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James Lucier of my staff be accorded the privilege of the floor during the consideration of S. 281.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. CLARK. Mr. President, I ask unanimous consent that a member of my staff, Mr. Andy Loewi, be given the privilege of the floor for the remainder of the day, including during the voting.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Gary W. Hart) laid before the Senate the following letters, which were referred as indicated:

Report of the Department of the Air Force

A letter from the Under Secretary of the Air Force transmitting, pursuant to law, a report on the progress of the Reserve Officer Training Corps flight training program for the calendar year 1974 (with an accompanying report); to the Committee on Armed Services.

Report of the Attorney General

A letter from the Attorney General transmitting, pursuant to law, a report on the enforcement of title I of the Consumer Credit Protection Act for the calendar year 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Department of State

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the first quarter of fiscal year 1975 (with an accompanying report); to the Committee on Foreign Relations.

International Agreements Other Than Treaties

A letter from the Acting Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Report of the Director of the FBI

A letter from the Director of the Federal Bureau of Investigation transmitting, pursuant to law, a report with respect to positions in the Bureau in grades GS 16, 17, and 18 (with an accompanying report); to the Committee on Post Office and Civil Service.

Resolutions of the International Labor Conference

A letter from the Assistant Secretary of State transmitting resolutions adopted at the International Labor Conference in June 1973 (with accompanying papers); to the Committee on Labor and Public Welfare.

Reports of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of reports concerning visa petitions which have been approved (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Gary W. Hart):

A resolution adopted by the City Council of the City of Miami Beach, Fla., memorializing the U.S. Senate to ratify the Geneva Genocide Convention; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

S. Res. 41. An original resolution continuing the authorization for two additional temporary professional staff members and two additional temporary clerical assistants for the Committee on Finance; and

S. Res. 42. An original resolution authorizing additional expenditures by the Committee on Finance for routine purposes. Referred to the Committee on Rules and Administration.

By Mr. RANDOLPH, from the Committee on Public Works:

S. Res. 44. An original resolution authorizing additional expenditures by the Committee on Public Works for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. RIBICOFF, from the Committee on Government Operations:

James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS (for himself, Mr. Brooke, Mr. Case, Mr. Cranston, Mr. Hathaway, Mr. Humphrey, Mr. Kennedy, Mr. Mathias, Mr. Mondale, Mr. Nelson, Mr. Randolph, Mr. Hugh Scott, Mr. Stafford, and Mr. Williams):

S. 472. A bill to provide for the implementation of a full employment policy through the establishment of a Federal Full Employment Board. Referred to the Committee on Labor and Public Welfare.

By Mr. PHILIP A. HART:

S. 473. A bill for the general reform and modernization of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. HOLLINGS:

S. 474. A bill relating to changes in status of members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

By Mr. MOSS:

S. 475. A bill entitled "The Federal Employee Administrative Hearing Rights Guarantee Act." Referred to the Committee on Post Office and Civil Service.

By Mr. MOSS:

S. 476. A bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay. Referred to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 477. A bill for the relief of Miss Germa Rowe. Referred to the Committee on the Judiciary.

By Mr. HANSEN:

S. 478. A bill for the relief of Patrosinio Simental, Otilia Simental, Eva Simental, Adam Simental, Soledad Simental, David Simental, and Aurora Simental. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 479. A bill for the relief of Doreen Francis and children: Anthony and Angeline. Referred to the Committee on the Judiciary.

By Mr. FONG:

S. 480. A bill for the relief of Sergio Osmena, Jr., his wife, Lourdes R. Osmena, and their son, Tomas R. Osmena. Referred to the Committee on the Judiciary.

S. 481. A bill for the relief of Jonabel O. Resurreccion. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. Inouye):

S. 482. A bill to amend the Public Health Service Act to provide for a national program of medical malpractice insurance and arbitration of medical malpractice claims. Referred to the Committee on Labor and Public Welfare.

By Mr. BROCK (for himself, Mr. Beall, Mr. Burdick, Mr. Dole, Mr. Fong, Mr. Ford, Mr. Garn, Mr. Hansen, Mr. Philip A. Hart, Mr. Hartke, Mr. Haskell, Mr. Hathaway, Mr. Humphrey, Mr. Laxalt, Mr. Leahy, Mr. McIntyre, Mr. Montoya, Mr. Percy, Mr. Randolph, Mr. Ribicoff, Mr. Stafford, Mr. Tower, Mr. Tunney, Mr. Williams, and Mr. Young):

S. 483. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of age in the granting of credit. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GOLDWATER:

S. 484. A bill to help relieve the burden of high property taxes by allowing each homeowner a Federal tax credit or rebate for property taxes paid for the support of public schools. Referred to the Committee on Finance.

By Mr. BROCK (for himself and Mr. Baker):

S. 485. A bill for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao. Referred to the Committee on the Judiciary.

By Mr. FANNIN (for Mr. Taft):

S. 486. A bill for the relief of Aleksandar Lomejko. Referred to the Committee on the Judiciary.

S. 487. A bill for the relief of Robert Braun. Referred to the Committee on the Judiciary.

S. 488. A bill for the relief of Miguel Angel Rivandeneira, his wife, Ana Marie Rivandeneira, and their children, Monica Silvia Rivadeneira, Ana Susana Rivadeneira, and Roxana M. Rivadeneira. Referred to the Committee on the Judiciary.

By Mr. ABOUREZK:

S. 489. A bill to amend the Clayton Act to preserve and promote competition among corporations in the production of oil, natural gas, coal, oil shale, tar sands, uranium, geothermal steam, and solar energy. Referred to the Committee on the Judiciary.

By Mr. ABOUREZK (for himself, Mr. McGovern, Mr. Young, and Mr. McGee):

S. 490. A bill to amend section 111(a) of title 38, United States Code, relating to the payment of travel expenses for persons traveling to and from Veterans Administration facilities. Referred to the Committee on Veterans Affairs.

By Mr. CRANSTON (for himself, Mr. Tunney, Mr. Cannon, Mr. Gravel, Mr. Humphrey, Mr. Inouye, Mr. McGee, Mr. Pell, Mr. Stevenson, and Mr. Williams):

S.J. Res. 20. A joint resolution to authorize the establishment of the Tule Elk National Wildlife Refuge and the establishment of a Federal-State management program for the conservation, protection, and enhancement of Tule elk and other species, and for other purposes. Referred to the Committee on Commerce.

By Mr. HOLLINGS:

S.J. Res. 21. A joint resolution to authorize and request the President to issue annually a proclamation designating February of each year as "National History Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. Brooke, Mr. Case, Mr. Cranston, Mr. Hathaway, Mr. Humphrey, Mr. Kennedy, Mr. Mathias, Mr. Mondale, Mr. Nelson, Mr. Randolph, Mr. Hugh Scott, Mr. Stafford, and Mr. Williams):

S. 472. A bill to provide for the implementation of a full employment policy through the establishment of a Federal Full Employment Board. Referred to the Committee on Labor and Public Welfare.

(The remarks of Mr. Javits on the introduction of the Full Employment and Job Development Act of 1975 are printed earlier in the Record.)

By Mr. PHILIP A. HART:

S. 473. A bill for the general reform and modernization of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

PATENT REFORM AND MODERNIZATION ACT OF 1975

Mr. PHILIP A. HART. Mr. President, in 1966 the report of President Johnson's Commission on the Patent System recommended substantial overhaul of the system to raise the quality and reliability of the U.S. patent. In 1973, President Nixon transmitted to the Congress a special message seeking its reform and modernization.

The patent system in this country today is operating virtually unchanged since 1836, and is sorely in need of reform and modernization. Patents are being handled by this creaky system in such a way that roughly 70 percent of those patents litigated in appellate courts are held invalid and fewer than 20 percent of the litigated patents are held valid. It is true that only a small proportion of issued patents are litigated—but these are the ones having a significant impact on the economy. At hearings during the 93d Congress before the Patents, Trademarks, and Copyrights Subcommittee, prominent patent counsel to major corporations contended that a majority of nonlitigated issued patents also are not of sufficient inventive quality to merit the issuance of a patent.

The Patents, Trademarks, and Copyrights Subcommittee chaired by the senior Senator from Arkansas (Mr. McCLELLAN) has been trying hard to reform our system for issuing patents. Patent reform legislation was reported both in the 92d and 93d Congresses, but advanced no further due to the unyielding opposition of the organized patent bar.

Today, Mr. President, I am introducing the Patent Reform and Modernization Act of 1975. The bill is an outgrowth of patent bills introduced last Congress, respectively, by Senator HUGH SCOTT (S. 2504) and myself (S. 1321). It reflects in large measure the bill reported by the subcommittee, as refined by last summer's compromise proposal of Senator SCOTT and myself. That proposal, Mr. President, was the result of a constructive and extremely useful dialog with a number of corporate patent counsel who supported it. In many respects, it is similar to the patent reform bill (S. 23) introduced on January 15 by the distinguished chairman of the subcommittee.

Although complex and interrelated, the bill's essential structure may be described as follows:

First. Maintaining and improving high constitutional standards of patentability—sections 102 and 103.

Second. Returning individual inventors and small businessmen to the mainstream of technological progress by limiting Patent Office fees, by instituting a system of deferred maintenance fees, and by setting up a program within the Patent Office to assist individual inventors and small businessmen in applying for and obtaining patents—sections 28 and 41.

Third. Assuring disclosure of all material information by:

Replacing the ex parte method of issuing patents with a more conventional administrative agency approach, including a public adversary proceeding—section 135;

Requiring a patentability brief, a comprehensive oath by inventors, attorneys, and applicants, and increased disclosure of the invention in the specification—sections 112, 115, and 131;

Authorizing the use by the Patent Office and others of subpenas and the discovery process—sections 23 and 24; and

Creating an Office within the the Patent Office to represent the public interest in assuring expeditious issuance of valid patents, prompt rejection of others, and overall compliance with the provisions of the patent law—section 3(d).

Fourth. Instituting a deferred examination system to allow a more thorough examination of fewer applications—chapter 18.

Fifth. Eliminating production goals and quotas which stress quantity rather than quality—section 132.

Sixth. Modernizing Patent Office search facilities to facilitate prompt and complete access to relevant prior art—sections 6 to 10.

Seventh. Making the Patent Office independent of the Department of Commerce in the exercise of discretion concerning its rulemaking, investigatory, and adjudicatory functions.

Mr. President, I believe that we are close to a consensus on the subcommittee and hope that the 94th Congress will enact legislation modernizing the Patent Code. I welcome the constructive comments and suggestions from all interested members of the public and the patent bar so that this bill can be further refined, and the subcommittee can report out the best possible legislation.

By Mr. HOLLINGS:

S. 474. A bill relating to changes in status of members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

Mr. HOLLINGS. Mr. President, as we begin the 1st session of the 94th Congress, an important piece of unfinished business cries out for our early and serious attention. It is a matter of national obligation. It concerns our commitments to America's fighting men and to their brave families. I speak, of course, of the missing in action of the war in Indochina.

In our obligations to these men, and in our treatment of their families, the Government of the United States has been remiss. The problem is, of course, a very difficult one, and the intransigence of the other side for 2 years now since the signing of the Paris peace accord has been responsible for our inability to obtain an accounting of our men. But it is also true that the full weight of the United States has not been brought to bear on the problem. The families of these men are not advocating that we begin World War III over the issue, but they do expect—and rightfully so—that their Government utilize its resources and diplomacy in a way which reflects our national obligation to obtain an accounting of our fighting men. This the Government has demonstrably failed to do.

I have met with the families of these men, and I know the uncertainty and doubt which plague their every day. They want to know the fate of their loved ones. They want to know the truth, straightforward and honestly. Instead, they have been deprived of any clear idea of what has been done on behalf of our missing men, what is being done, and what is contemplated for the future. Sad to report, the amnesty problem has received more attention from the administration than the MIA problem. Those who went and fought—and many of them no doubt died—have not received the attention of those who chose not to go at all.

Of central concern to the families is the whole tangled question of status review changes and presumptive findings of death. The permanent legislation—sections 555 and 556 of title 37, United States Code—is sorely inadequate to current needs. Indeed, the legislative history would indicate that these sections were enacted primarily for purposes other than the making of determinations of death. On top of the inadequate permanent legislation is a conflicting maze of reclassification procedures and court interpretations and directives which have developed over the months. In other words, confusion abounds with regard to the procedures used in status review changes. The fact is that I have yet to talk to any person in all of Washington who understands the jungle of legislation, practice, court directives, and all the rest. If the so-called experts lack this knowledge, is it any wonder that the families of the men—cut off from needed information—are confused?

Mr. President, new permanent legislation, addressed specifically to the procedures of status review changes for the purpose of death findings, is long overdue. Such legislation should include specific guidelines and procedures. It should provide more access to the facts for the families of the missing men. It should include clear-cut definition of such terms as "next-of-kin." And it should protect more fully the rights of the serviceman and the rights of his family. The bill I am introducing today would instruct the Committee on Armed Services of the Senate to conduct an in-depth study of sections 555 and 556 of title 37, United States Code, to determine desirable changes in the permanent legislation. The Committee on Armed Services would report the result of its study to the Senate not later than May 30, 1975, together with its legislative recommendations.

While efforts to formulate more adequate permanent legislation go forward, it is imperative that we provide interim procedures which will protect the rights in question and which can be easily understood by all the parties concerned. The bill I send to the desk today prohibits during the interim status review changes and presumptive findings of death unless and until the following two provisions have been complied with:

First. The President determines and notifies the Congress, in writing, that all reasonable action has been taken to obtain an accounting of our men and to implement article 8(b) of the Paris peace accord of January 27, 1973; and

Second. The Secretary of the military service concerned notifies the next of kin, in writing, of a proposed change in status, and the next of kin has not filed within 60 days of receipt of such notification an objection thereto.

In other words, once the Presidential assurances section has been complied with by the Executive, the families have this interim option available to them. Those families who feel that more evidence is needed—who feel that a status change at that particular point is unwarranted—are given the means to prevent such change. Those who wish to proceed with the determination—satisfied with the available evidence—may do so. I believe this is an equitable approach. Certainly before the subject of status review changes is even broached to the families, they are entitled to assurances from the Commander in Chief that all reasonable action has been taken to obtain an accounting of the missing men. We would be untrue to our national commitment of our missing men were to be reclassified as dead in the knowledge that every reasonable effort had not been made on their behalf. So this measure requires Presidential assurances. It provides the families with the interim means whereby they may stop what they consider unwarranted changes of status. And it mandates a thorough review of the existing legislation with an eye to developing more satisfactory procedures.

Mr. President, the substance of this measure is similar to an amendment to the Military Construction Authorization Act which I proposed last July. That amendment, which was cosponsored by 27 Senators, was incorporated into the Military Construction Authorization by the Armed Services Committee. The bill, including the section on MIA's, passed the Senate by a vote of 82 to 3 on September 11. It then went to conference with the House. In conference, there was a procedural objection from the House side as to germaneness, and in the closing days of the session, the MIA section was deleted. Early in this new session, however, measures similar to mine will be introduced in the House and I am very hopeful of early legislative consideration from the House.

The time to act is now. We have seen this problem swept under the rug for some 2 years. It is necessary that we recognize our responsibilities now—and that we live up to those responsibilities. Mr. President, I ask my colleagues to address this problem with the urgency and the action that it demands. In doing so, we will be true to our commitments—and true to ourselves.

By Mr. MOSS:

S. 475. A bill entitled "The Federal Employee Administrative Hearing Rights Guarantee Act." Referred to the Committee on Post Office and Civil Service.

DUE PROCESS FOR FEDERAL EMPLOYEES

Mr. MOSS. Mr. President, I am introducing today a bill that will guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay.

Legislation to establish this fundamental right is long overdue. In fact, it is somewhat surprising that there is still a need for such legislation. Some agencies have already established the right to a pretermination hearing under their own regulations and procedures and one would think that by now, the right to a hearing would be firmly established throughout the Federal service.

Unfortunately, this is not the case. Many agencies still do not recognize the right of their employees to hear the evidence against them before termination or suspension. The seriousness of this situation has been brought to my attention by the National Treasury Employees Union.

When employees have brought suit, claiming the right to a hearing, the courts have left the matter up in the air. The recent Supreme Court decision in Arnett against Kennedy addressed the question of pretermination rights of Federal employees, but did not speak directly on the question of the right to a hearing.

The courts have not acted decisively to delineate the pretermination rights of Federal employees, mainly because they have not had clear statutory guidelines. There presently is no statute that clearly mandates executive agencies to promulgate uniform regulations in this area.

The purpose of this bill is to provide such a mandate. The bill states that every Civil Service employee who has completed the trial period is entitled to: First, 30-day written notice of suspension or termination action; second, access to all evidence relevant to the action; third, a hearing before a hearing examiner at which the employee may be represented by counsel, present evidence, and cross-examine witnesses; fourth, a copy of the verbatim transcripts of the hearing, and fifth, a written decision by the hearing examiner.

These procedures would provide Federal employees with at least a minimum of due process, and would go a long way to insure that they are not removed arbitrarily or capriciously.

Mr. President, the main argument for this legislation is one of simple human rights. But we should also note that it would have the effect of strengthening our Federal Service.

During the Watergate revelations we learned that during the 1972 election campaign administration officials attempted to subvert the regular work of various Government agencies and to use these agencies to further blatantly political ends. When Federal employees are faced with such pressures and blandishments, they obviously need some protection under the law.

We must make certain that the men and women in the civil service are devoted to the public good and service of their country, and not to the occasional arbitrary whims or misguided judgments of their superiors. It obviously will be easier for them to speak out, to criticize, to devote themselves to the public good, if they do not face the threat of arbitrary dismissal.

By Mr. MOSS:

S. 476. A bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay. Referred to the **Committee on Post Office and Civil Service.**

FEDERAL EMPLOYEES' RIGHT TO COUNSEL

Mr. MOSS. Mr. President, this week, I introduced a bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay.

Today I am introducing what I regard as a companion bill. This proposal would guarantee to Federal employees the right to counsel during interrogations which may lead to disciplinary actions. The bill would also prevent agencies from obtaining unwarranted reports from employees concerning their private lives.

My congressional colleagues are well aware that I have always strongly defended the U.S. Civil Service. The Federal Government has made great strides since the days of the "spoils system," and today's civil service system stands as one of our Nation's great achievements.

But there is still room for considerable improvement. The vast majority of our Federal employees take pride in their jobs, and they are devoted to the service of their country. I am afraid, however, that we have not yet provided these employees with all of the legal safeguards necessary to carry out their jobs with the steadfastness the Federal service requires.

There is no greater impediment to devoted, wholehearted service than the threat of unreasonable or capricious discipline. Unfortunately, we have yet to establish fully adequate protection against the threat of arbitrary suspension or firing, and against the infringement of individual privacy.

The legislation I am proposing would go a long way toward establishing this protection. The bill is part of the legislative program of the National Treasury Employees Union. I have found from working on legislation with this group, as well as other Government employee unions, that they are concerned not simply with improving the lot of their own members, but with improving the civil service system, and thereby strengthening our American system of government.

By Mr. KENNEDY (for himself and Mr. INOUYE):

S. 482. A bill to amend the Public Health Service Act to provide for a national program of medical malpractice insurance and arbitration of medical malpractice claims. Referred to the Committee on Labor and Public Welfare.

NATIONAL MEDICAL MALPRACTICE INSURANCE AND ARBITRATION ACT OF 1975

Mr. KENNEDY. Mr. President, the bill I, together with my distinguished colleague, Senator INOUYE, am introducing today is entitled the Medical Malpractice Insurance and Arbitration Act of 1975. It is designed to deal with those medical malpractice problems which were described in detail by Senator INOUYE and me when we introduced the National Medical Injury Compensation Act on January 17, 1975. As I stated at that time, I planned to introduce a bill which would propose the use of medical arbitration to settle medical malpractice disputes.

I have introduced two fundamentally different proposals to deal with the rapidly worsening medical malpractice problem because I wish to explore all sides of the issue and all possible solutions to the problem during hearings before the Health Subcommittee, now scheduled to begin on April 8, 1975.

I hope the subcommittee, as the result of recommendations arising out of the hearings and other deliberations, will report legislation to the full committees and the Senate during this session. My intent is that such legislation be effective in protecting physicians and other health care providers against the rapidly worsening threat of malpractice suits and loss of malpractice insurance. In addition, any acceptable legislation must assure the public of the maintenance of high standards of quality in health care.

Arbitration as a means of settling disputes is not a new approach in our country. Arbitration has been used widely for many years to settle both labor-management and commercial disputes. Both labor-management and commercial agreements commonly include provisions for arbitrating disputes arising between parties.

Arbitration is not used extensively to settle medical malpractice claims at this time. It is used most extensively by health maintenance organizations which include arbitration provisions in their comprehensive health care contracts with their subscribers. According to Prof. William Curran of the Harvard School of Public Health, and a member of the Medical Malpractice Commission sponsored by the U.S. Department of Health, Education, and Welfare, the number of health maintenance organizations which are using arbitration is increasing.

In addition to contractual or voluntary arbitration, there are instances of arbitration imposed by State statutes or by the courts. In New Hampshire, legislation was enacted which provides that medical malpractice claims, together with all other forms of professional liability claims, may be submitted to an arbitrator. The arbitrator decides upon the merits of the claim and assesses damages. The parties may accept or reject the arbitrator's decision. The plaintiff may go to court if he is not satisfied with the settlement.

In both Philadelphia County and Allegheny County, the courts by rule have initiated a requirement that all tort disputes involving less than $10,000 be submitted to arbitration. One arbitration is complete, either party can demand a court trial, subject to economic penalties such as payment of court costs.

What has been the experience with the arbitration of medical malpractice claims?

The organization with the most extensive experience with contractual arbitration as a means of settling medical malpractice disputes is the Ross-Loos Medical Group in California, which has been using this approach since shortly after it was founded in 1929. Their experience was examined in detail by the Medical Malpractice Commission to which I referred earlier. Their findings are encouraging in several respects: over 90 percent of the claims examined were settled informally without the necessity of going to arbitration, the time required to settle the claims that did go to arbitration was considerably less than the time required for court cases, and costs were between 15 and 45 percent less, exclusive of payments to the plaintiffs.

In a study of alternatives to litigation done for the Medical Malpractice Commission by Baird et al., the authors concluded that arbitration was the most promising approach in reducing court dockets.

A further advantage noted by advocates of arbitration is that the findings can be of great value in settling future arbitration cases and as a means of improving health care quality through provider education.

Although there are many advocates of arbitration as the primary approach to settling medical malpractice claims, critics of arbitration note that it may reduce the size of awards to patients because the process will favor the defending provider. They note that arbitration is most commonly proposed by insurers and providers, whose principle motivation is not fair settlements, but reducing claims and holding down claims costs and insurance premiums.

They note that the relationship between the parties that exists with the contractual arbitration approach used in labor-management and commercial relationships, and even in subscriber-health maintenance organization contracts, is far different than the relationship that patients commonly have with physicians and hospitals. Patients, therefore, are far vulnerable to coercion than parties to labor-management and commercial agreements. They argue that the court system, however imperfect, still represents the best means of assuring the claimant's right to a fair resolution of his claim.

To assure protection of the claimant's rights, the bill I am proposing would require that medical malpractice claims be submitted to arbitration, while providing the claimant with recourse to the courts if not satisfied with the arbitrator's findings.

BILL SUMMARY

Under the proposed bill, claimants and medical care providers would be required to arbitrate medical malpractice disputes. The decision of the arbitration panel would not be binding on either party, however. The claimant can either accept the decision of the arbitration panel or institute court action, if dissatisfied with the decision. The decision of the arbitration panel would be admissable as evidence in any court proceeding, subject to review by the court before admission.

Arbitration as a means of settling medical malpractice claims, and as described in this bill, would be effective in those States which passed enabling legislation consistent with the requirements in this bill. Arbitration would be authorized under State laws which incorporate the provisions of this bill.

In addition, under this bill, the Secretary of Health, Education, and Welfare would contract with providers of health care services who choose to participate in the program.

The providers would pay an annual premium to the medical malpractice insurance fund and would receive Federal medical malpractice insurance coverage.

In return for participation, providers would be required to comply with State licensure and relicensure requirements which meet or exceed the minimum standards established by the Secretary. In addition, physicians would agree to accept review of their services by Professional Standards Review Organizations, to accept as payment in full for medicare cases the level of payments established by the Federal Government, and to obtain concurring opinions from specialists prior to the performance of surgical procedures.

In the case where a provider accumulated unusual losses, the Secretary would investigate the provider's performance. If it were found that the provider's performance was seriously of grossly inferior quality, or that it resulted in unnecessary harm to the patient, the Secretary would be authorized to terminate the providers participation in the medical malpractice insurance program.

A schedule of contingent fees for the plaintiff's attorney would be established which would diminish the percentage of the plaintiff's awards that could be paid to the plaintiff's attorney as the size of the award increases.

Findings of arbitration panels would be required to be reported to the appropriate State Licensing Agencies and Professional Standards Review Organizations.

The bill would meet a major criticism of arbitration: that the system would favor the provider by denying the plaintiff his day in court. I anticipate, however, that the findings of the arbitration panel will be accepted by both parties in the majority of cases because they will recognize the basic fairness of the process. Further, the admissability of the arbitration panels' decisions as evidence in subsequent court actions should discourage capricious use of the courts as should the establishment of a scale of contingent fees for plaintiff attorneys.

This bill provides that the responsibility for implementation of the National Medical Malpractice Insurance and Arbitration Act of 1975 rests primarily with the States. The national standards both for arbitration and for licensure and relicensure for health professionals provide a framework which the States must use in developing the necessary legislation to implement the act.

The effectiveness of this bill will depend in large part upon the responsiveness of the States in enacting legislation consistent with the requirements of this bill. I am confident that the States will respond positively and rapidly because it is the States which are now burdened with the medical malpractice problem.

By Mr. BROCK (for himself, Mr. BEALL, Mr. BURDICK, Mr. DOLE, Mr. FONG, Mr. FORD, Mr. GARN, Mr. HANSEN, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. McINTYRE, Mr. MONTOYA, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. STAFFORD, Mr. TOWER, Mr. TUNNEY, Mr. WILLIAMS, and Mr. YOUNG):

S. 483. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of age in the granting of credit. Referred to the Committee on Banking, Housing and Urban Affairs.

EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS OF 1975

Mr. BROCK. Mr. President, I am today introducing an amendment to the Equal Credit Opportunity Act to extend that law to prohibit discrimination on the basis of age in the granting of credit.

The Equal Credit Opportunity Act passed by the last Congress merely prohibited discrimination on the basis of sex or marital status with respect to credit transactions. My reason for originally submitting this narrower approach to credit discrimination was to solve this one unconscionable problem which had been uncovered by the National Commission on Consumer Finance on which I served. It later became apparent that some creditors have been discriminating against our older citizens simply because of their age.

Some credit grantors, for instance, base credit worthiness primarily on evidence of gainful full-time employment, while disregarding the fact that retired persons no longer need to rely on employment for their incomes. This practice continues, although proceeds from social security, pensions, and annuities tend to be more permanent and reliable than income from employment.

The most frequent credit discrimination is encountered when retired persons attempt to establish credit after having always paid cash. Many department stores will no longer accept a personal check from an individual without a major credit card, and consequently older people often are obliged to apply for credit cards after reaching the age of 65. In my judgment, credit worthiness should be decided on the same basis as that of other age groups which apply for credit for the first time.

The importance of this issue is enhanced by the fact that we can expect during the next 25 years an increase of elderly by 46 percent. By the year 2000, there will be 29 million older Americans; they will comprise about 24 percent of the population versus 10 percent today.

In order that our older citizens may be protected against credit discrimination, I am today introducing the Equal Credit Opportunity Act Amendments of 1975. This bill makes it unlawful for any creditor to discriminate against any applicant who has the capacity to contract, on the basis of an arbitrary age limit, with respect to any aspect of a credit transaction. The protection of these amendments is limited to applicants who have the capacity to contract. Obviously, minors who cannot be held accountable for their contractual obligations should not be included within the purview of this legislation.

The legislation prohibits only discrimination on the basis of "an arbitrary age limit." The purpose of this legislation is to permit the use of statistically valid tests and actuarially sound criteria in the granting of credit. For example, it would not be fair to require a creditor to grant credit to an 85-year-old man who might claim discrimination because he was turned down on his application for a 30 year mortgage. In a similar vein, an inquiry of age would be permitted so that decisionmaking in the credit granting process may be based upon knowledge, not ignorance, in fairness to the credit grantor.

This legislation is important to our older citizens, and I request unanimous consent at this point that the bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Credit Opportunity Act Amendments of 1975".

SEC. 2. Title VII of the Consumer Credit Protection Act is amended as follows:

(1) Section 701 is amended to read as follows:

"§ 701. Prohibited discrimination

"(a) It shall be unlawful for any creditor to discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction. An inquiry of marital status shall not constitute discrimination for purposes of this subsection if such inquiry is for the purpose of ascertaining the creditor's rights and remedies applicable to the particular extension of credit, and not to discriminate in the determination of credit-worthiness.

"(b) It shall be unlawful for any creditor to discriminate against any applicant who has the capacity to contract, on the basis of an arbitrary age limit, with respect to any aspect of a credit transaction. An inquiry of age shall not in itself constitute discrimination for purposes of this subsection.".

(2) In the last sentence of section 704 (b), strike out "sex" and insert in lieu thereof "age, sex,".

(3) In section 705 (e), strike out "sex" and insert-in lieu thereof "age, sex,".

By Mr. GOLDWATER:

S. 484. A bill to help relieve the burden of high property taxes by allowing each homeowner a Federal tax credit or rebate for property taxes paid for the support of public schools. Referred to the Committee on Finance.

RESIDENTIAL PROPERTY TAX RELIEF ACT OF 1975

Mr. GOLDWATER. Mr. President, today I am reintroducing legislation designed to reduce substantially the property tax of every homeowner in the Nation.

My bill includes three major features which will direct its benefits primarily to the low- and average-income family.

First, the bill will reduce the burden of every homeowner who pays a school tax on his residence by granting him a Federal income tax credit up to $150, in addition to the deduction which is now allowed for real estate taxes.

Second, it will allow elderly homeowners who pay more than 5 percent of their total income in local property taxes to obtain a Federal rebate of those taxes up to $150.

Third, the bill will provide tax relief for the Nation's 10 million mobile home dwellers on an equal basis with site-built homeowners.

Mr. President, the local or State property tax is still a major source of financing for public school education. It provides half of the funds spent annually on public school support, while only 10 percent comes from Federal aid to education. According to the Advisory Commission on Inter-Governmental Relations, $14 billion of all residential property taxes was raised from the take on single-family homes. In addition, there was an estimated quarter-billion dollars in State property taxes derived from single-family homes. Neither of these amounts include the tax take on mobile homes, about which I will have more to say later in these remarks.

Mr. President, the property tax has become so burdensome that Prof. Richard Netzer calculates that the residential property tax, viewed as a sales tax imposed on the rental value of a home, was equivalent to a tax rate of 21 percent for 1970. In other words, the property tax, seen as a sales tax on rental value, falls much more heavily on housing than comparable sales taxes do on other commodities in our economy.

Mr. President, I would emphasize that this tax is paid for by the typical American who is already hard pressed to meet the combined burden of Federal, State, and local income and sales taxes, not to mention the additional taxes on the electricity, gas, telephone services and other basic necessities of life which he must use and which persons in many areas of the country must pay. This massive panoply of taxes hits especially hard at retired persons, as I shall prove, but they are also felt severely by the vast majority of salaried workers who are unable to take advantage of such privileges as investment tax breaks or business expense deductions.

In this connection, I believe it is important that we should reject the myth that property tax relief would benefit only the rich. To the contrary, homeowners as a class have average or below average incomes.

In its "Residential Finance Survey" for 1970, the U.S. Bureau of the Census reports that the family income from all sources was below $15,000 in 74 percent of the Nation's 31 million one-family, owner-occupied homes. Forty-five percent of these families had incomes of less than $10,000 and almost 19 percent had family incomes of less than $5,000. The findings of this survey are substantiated by the nearly identical statistics included in the Internal Revenue Service analysis of the 26 million Federal income tax returns filed in 1970 which itemized real estate tax deductions.

The actual number of single-family households with moderate- and low-family incomes is substantially higher than these already impressive statistics. My office has been informed by the Census Bureau that its survey did not encompass any of the Nation's 4 million mobile homes. One of the major attractions encouraging the rapidly growing number of dwellers of mobile homes to purchase these homes instead of site-built homes is the ability of modest income families to enjoy homeownership without being well-to-do; and I am certain that if the incomes of the approximately 8 million people who then lived in mobile homes as their principal residence had been included with the data compiled by the Census Bureau in its property survey, the burden of the property tax would be seen to fall even more heavily on the poor and lower income families.

As great as the burden of the property tax is upn the typical family, it falls most severely upon the Nation's 6.3 million elderly homeowners. In fact, a tax study made by the staff of the Advisory Committee on Inter-Governmental Relations in late 1972 concluded that the burden on the elderly is "a national scandal."

Almost 2 million elderly families paid 17 percent, and in some regions of the country as high as 31 percent, of their total annual income in real estate taxes. The average elderly homeowner paid over 8 percent of his income in property taxes, compared with 3.4 percent of total income for the average American family.

At hearings on property tax relief held by the Senate Subcommittee on Inter-Governmental Relations in 1973, the American Association of Retired Persons presented testimony graphically describing the plight of the Nation's elderly homeowners. For example, letters were introduced into the record from citizen after citizen who complained that they are paying more now for taxes in their retirement than they were paying when they were working. There was a letter from one gentleman who wrote that he lost his wife of 53 years. This resulted in a reduction or cut in his social security. Yet, at the same time, his property tax was raised 200 percent.

Now, I know there is a movement afoot whereby governments would grant loans on homes to pay property taxes and these loans would become liens against the houses. I want to state very emphatically my belief that this is a callous and repugnant attitude. For most people in the lower income bracket, their residence is their only capital purchase. It represents stability, security, safety, and comfort. It is the only thing they really have in case of catastrophe.

Mr. President, I am totally and unequivocally opposed to allowing the property tax to become the "inheritance tax" on the poor, which is exactly what the tax lien idea would do. It is my belief that you should look at the flow of cash income to the household, and if a family cannot pay their tax out of their cash flow, they should not have to liquidate or encumber their property holdings.

Therefore, I provided in the bill I am introducing today for a special rebate of tax payments to the elderly who are hard pressed financially. By this provision, an elderly person or couple, age 62 or older, can file for a Federal rebate of all local and State property taxes which exceed 5 percent of his or their total income up to a maximum of $150. This rebate would be paid by the Federal Government regardless of whether or not the elderly taxpayer owes any Federal income tax payments. In other words, it would not be a tax credit granted only if the taxpayer owed an equal or greater amount of Federal income tax, but would be a true rebate directly tied to the homeowner's payment of a real estate tax and not to his payment of income tax.

In addition, I have provided in the bill for recognition of the 10 million Americans who live in moble homes as first class citizens. Far too often, lawmakers and agency bureaucrats have overlooked the fact that a growing number of Americans live in mobile homes year around and that one out of every two new single-family houses sold is a mobile home.

Accordingly, I have provided in the legislation that taxpayers who own mobile homes shall be given the very same tax credit or rebate as the one given to the owners of site-built homes. Moreover, the bill insures that any mobile home tax which contributes to the support of public education would be eligible for purposes of tax credits, whether the tax is labeled a personal property tax, a license fee, or whatever.

Mr. President, I believe the Supreme Court decision of 1973 in the case of San Antonio School District against Rodriguez, which upheld the constitutionality of the property tax system of financing public schools, means that locally raised dollars will continue to pay a major share of school funds. In short, I fear that the residential property tax will continue to grow faster than the income of the average household, and I believe it is imperative that the average family, and particularly the poor and the elderly, be given relief against the massive growing pressure of the school tax on owners of residences.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Residential Property Tax Relief Act of 1975".

SEC. 2. (a) Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 43, and by inserting after section 41 the following new section:

"SEC 42. RESIDENTIAL PROPERTY TAXES PAID FOR SUPPORT OF PUBLIC EDUCATION.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the State and local residential property taxes paid or accrued during the taxable year which are imposed for the support of public elementary and secondary education, but only to the extent that such taxes do not exceed the lesser of—

"(1) $150 ($75, in the case of a married individual filing a separate return), or

"(2) except as provided in subsection (b), the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under the preceding sections of this part (other than sections 31 and 39).

"(b) CERTAIN INDIVIDUALS WHO HAVE ATTAINED AGE 62.—In the case of an individual—

"(1) who has attained the age of 62 before the close of the taxable year, and

"(2) who has paid or accrued State and local residential property taxes during the taxable year which are imposed for the support of public elementary and secondary education in excess of 5 percent of his total income for the taxable year,

the limitation contained in subsection (a)(2) shall not apply to the extent of the amount of such excess, reduced by the amount (if any) of the credit allowable for the taxable year under subsection (a). For purposes of this subsection, the total income of an individual includes all items taken into account in determining support for purposes of section 152.

"(c) INCOME TAX BENEFITS NOT TO EXCEED AMOUNT OF RESIDENTIAL PROPERTY TAXES PAID FOR SUPPORT OF PUBLIC EDUCATION.—If the amount allowable (but for this subsection) as a credit under subsection (a) for any taxable year, when added to the amount by which the tax under this chapter for the taxable year is less by reason of the deduction allowed under section 164 for State and local residential property taxes for which credit is otherwise allowable under subsection (a), exceeds the total amount of State and local residential property taxes paid or accrued during the taxable year which are imposed for the support of public elementary and secondary education, the amount allowable as a credit under subsection (a) shall be reduced by an amount equal to such excess.

"(d) STATE AND LOCAL RESIDENTIAL PROPERTY TAXES.—For purposes of this section, the term 'State and local property taxes' means—

"(1) State and local real property taxes (within the meaning of section 164) on property which is comprised primarily of one or more dwelling units, including mobile homes, and the land on which the dwelling unit or units are situated, and

"(2) State and local taxes (other than real property taxes) or license fees on mobile homes.

"(e) DETERMINATION OF AMOUNTS OF RESIDENTIAL PROPERTY TAX PAID FOR SUPPORT OF PUBLIC EDUCATION.—For purposes of subsection (a), the amount of any State or local residential property tax which is imposed for the support of public elementary and secondary education shall be—

"(1) with respect to any residential property tax imposed solely for such support, the amount of such tax; and

"(2) with respect to any residential property tax imposed in part for such support, the portion of such tax—

"(A) designated in the bill for such tax submitted to the taxpayer by the taxing jurisdiction imposing such tax; or

"(B) determined from information set forth in such bill or from information furnished to the taxpayer by such taxing jurisdiction,

as the amount of such tax which is imposed for the support of public elementary and secondary education.

"(f) SPECIAL RULES.—

"(1) TAXES CONSTRUCTIVELY PAID.—Under regulations prescribed by the Secretary or his delegate, the provisions of subsections (d), (e), and (f) of section 164 shall apply to real property taxes with respect to which credit is allowable under subsection (a).

"(a) TRUSTS.—No credit shall be allowed under subsection (a) to a trust."

(b) The table of sections for such part IV is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Residential property taxes paid for support of public education.

"Sec. 43. Overpayments of tax."

SEC. 3. Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits treated as overpayments) is amended—

(1) by inserting ", 42 (relating to residential property taxes paid for support of public education)," before "667(b)5", and

(2) by striking out "31 and 39" and inserting in lieu thereof "31, 39, and 42".

SEC. 4. The amendments made by this Act shall apply to taxable years beginning after December 31, 1975.

By Mr. ABOUREZK:

S. 489. A bill to amend the Clayton Act to preserve and promote competition among corporations in the production of oil, natural gas, coal, oil shale, tar sands, uranium, geothermal steam, and solar energy. Referred to the Committee on the Judiciary.

INTERFUEL COMPETITION ACT OF 1975

Mr. ABOUREZK. Mr. President, I am introducing today legislation which would prohibit major, vertically integrated oil companies from owning any assets in other energy industries—coal, uranium/nuclear, oil shale, geothermal steam, solar, and so forth. Some people ask "Why pick on the oil companies? Companies other than oil companies are developing these resources." In answer to this question, Mr. President, I would submit that no other companies have the kind of overpowering economic and political control as is exercised in our country by the major oil companies.

The top 5 oil companies are among the Nation's 10 largest industrial firms. And 12 oil companies are among the top 25. I agree with the observation made by former Federal Power economist, Dr. John Wilson, that—

> Because of the industry's size and scope and because of the critical role of energy in modern life, the policies, actions and performance of these firms affect virtually every aspect of our nation's economy, and they deeply influence the welfare of every consumer of oil and natural gas (as well as coal,

> uranium, oil shale, geothermal steam and solar energy) and every purchaser of industrial or commercial products whose manufacture and transportation depend upon the availability and price of energy.

The major oil companies' incredible ability to substantially influence our country's economy is confirmed by the December 1974 report of the Joint Economic Committee:

> Higher energy prices, including their effect on the cost of nonfuel commodities, contributed about one-fourth to one-third of the 12 percent increase in consumer prices in 1974.

And in its September 1974 report the committee determined that—

> Increasingly, a significant part of the current inflation can be understood in the context of administered prices in concentrated industries which typically increase despite falling demand.

Therefore, we can logically conclude that only if the marketplace is open, free and, above all, competitive will consumers and the public interest be adequately served. If free markets are monopolized, consumers will be overcharged and supplies will be kept short so that prices continue to rise. This is precisely what has taken place in the petroleum industry. And, unless action is taken soon to prohibit these oil companies from controlling America's remaining producible energy resources, our economic problems are likely to worsen.

According to the National Petroleum Council's 1972 report, "U.S. Energy Outlook":

> At least 50 percent of the Nation's remaining oil and gas potential, approximately 40 percent of the coal, 50 percent of the uranium, 80 percent of the oil shale and some 60 percent of the geothermal energy resources are located on federal lands. This estimate is similar to that made by the Ford Foundation's energy policy project just last year. According to the Ford Foundation report, these resources are the property of the people of the United States, and their proper management becomes perhaps the most important of the many energy policy responsibilities of the Federal Government.

In our country public resources are leased to private owners or leaseholders to develop under trust for all citizens of the United States. Under current leasing arrangements full legal title of valuable public resources—oil, natural gas, coal, uranium—is transferred from public ownership to a private corporation for its exclusive exploitation, extraction, removal, sale and private profit until the resource has been removed, sold for profit and exhausted.

Under the guise of what the Nixon and Ford administrations have called Project Independence, major oil companies have launched an all out campaign to gain control of America's abundant, valuable remaining energy resources, specifically those underlying publicly owned lands. The wisdom of turning over our valuable energy resources to a few companies is not only questionable but fraught with grave danger in terms of America's free enterprise system and environmental integrity. The Ford Foundation noted that—

> Enormous pressures are now being exerted to open these resources to much more rapid exploitation. National priorities will be affected because the pace at which federal lands are opened can play a key role in determining the overall rate of energy supply growth, the mix of fuels, and the degree to which the nation must depend on imports. It will largely determine whether environment values are respected, what regional values take priority over others, whether the people receive a fair return, and how much of the resource will be left for future generations.

Under pressure from the major oil companies the administration has called for increased leasing of offshore oil and gas lands, western coal lands—which include land on Indian reservations—further exploration and drilling in Alaska as well as the opening up of naval petroleum reserves. The administration has also held lease sales for oil shale and geothermal lands.

This kind of full-scale rush to lease the country's remaining energy resources is being promoted chiefly by the major oil companies. In 1972 the National Petroleum Council argued that—

> The Government should accelerate the leasing of lands for exploration and development of energy resources by private enterprise in a manner consonant with environment goals. Such a leasing system should provide sufficient total acreage at more frequent intervals so industry can fully deploy its skills to develop needed energy supplies.

Yet, current leasing policies are accomplishing precisely the opposite of recommended. A major portion of the public lands already leased are not being developed. A great number of the lessees are not developing their leases, but are speculating on the increasing worth of the resources in the ground. Only 11 percent of Western coal lands, for example, are in production. And oil companies are already years behind in exploring and developing offshore lands leased from the Government. Finally, these companies often sell the resources originally leased from the public back to the public for prices that have little relation to costs. Testifying before the House Select Committee on Small Business in 1970, Alex Radin, general manager of the American Public Power Association, stated that—

> Although the fuels industry is entitled to fair profit, there is no inherent right on the part of the private holders of vital natural resources, such as fuels, to obtain a price which bears little or no relationship to the cost of production, or to withhold these resources until guaranteed any price which a tight market would pay in order to obtain this necessity.

Congressional investigations have already shown how the major oil companies with the help of the Nixon administration were responsible for creating petroleum shortages prior to the Arab oil embargo. In addition, there are strong indications that these same companies have been underreporting and holding back production of natural gas supplies creating shortages in various parts of the country. And, as a matter of fact, recently two Federal Power Cômmission investigators discovered that under a platform offshore Louisiana operated by the Cities Service Oil Co. substantial amounts of natural gas supplies existed which were not delivered to the Transcontinental Pipeline Co.—Transco. In turn, the Transcontinental Pipeline Co. had told the FPC that it had to curtail deliveries of natural gas to 11 east coast States. After the hidden reserves were uncovered, Transco said it had enough natural gas to meet the current demands of all its customers. The well discovered by the two FPC investigators had been classified "producible shutin," a classification that exists for over 100 more wells drilled on Federal leases. The point to be made here is the same made by Senator Estes Kefauver some years ago:

> Under a system of free enterprise, it is basically illogical to expect businessmen to subdue the acquisitive urge to social ends. Profit-seeking is the accepted purpose of their undertakings; self-interest is the motivating force that drives them. Does it make sense to admonish business leaders to pursue courses of conduct that may endanger the security of their own corporate domains? Can we really expect executives steeped in the tradition of "protecting the interests of their stockholders," voluntarily to relinquish opportunities for profit in order to serve the public welfare?

The answers to these questions are obvious. The solutions to the problems raised by Estes Kefauver are the same solutions proposed by that great Senator over 15 years ago:

> At least up to now no better system has been devised to protect the public than the competitive system. I am not speaking of the more superficial appurtenances of competition—of the occasions when firms, for public relations purposes, use the rhetoric of competition in rationalizing their conduct, or engage in a little theatrical byplay to prove its existence, or even reach a management decision that some competitive behavior is in order. Nor am I speaking of a competition that is carefully channeled into certain forms such as advertising claims and ornate packaging displays, but which is rigidly barred from *the field of price* (emphasis added).
>
> The distinct advantage of the market as the instrument of control is that, in its way, it constitutes a form of representative government. It allows the massive aggregate of the country's consumers to vote their preferences by extending or withholding their custom. And where there is *a multitude of independent producers* each vying for business, there need be no cause for concern; the market will issue its decree of survival or downfall with utmost impartiality.

Mr. President. If Congress cannot guarantee that America's remaining energy resources will be developed by a "multitude of independent producers," then two other choices exist, and let me be blunt. The first is to permit the major oil companies to control America's energy resources, make national energy policy—both domestic and foreign—set prices, earn monopoly profits and transfer more and more wealth from the lower three-quarters of our population to the upper one-quarter. In such a situation all risks are borne by the public—consumers, workers, farmers, small businessmen and other taxpayers—while all benefits accrue to the major companies and their industrial and financial allies. The other choice, Mr. President, is nationalization. In this case, the industry would be owned and operated by the Federal Government for the benefit of the people. Such a choice, while transferring both risks and benefits to the public, has little historical precedent in our country. Neither of these alternatives is suitable, but one of them will come to pass unless the Congress decides that a free, open, competitive economic marketplace is preferable. The legislation I introduce today, Mr. President, would go a long way to insuring that America's valuable energy resources are not controlled by a domestic cartel of major oil companies.

OIL INDUSTRY STRUCTURE

Mr. President, let me briefly describe how the oil industry in the United States is controlled by a handful of vertically integrated, multinational oil companies. The 20 largest companies own 94 percent of the Nation's oil reserves as of 1970; 20 companies control 87 percent domestic refining capacity; and 20 companies control roughly 79 percent of the gasoline sales market.

The major oil companies control of the petroleum industry is extraordinary. The major companies control crude oil exploration through their ownership of land and leases; they control crude oil reserves and crude oil production. Control over production is furthered by the major companies' control over crude oil pipelines into the different producing fields. The major companies control most of the refineries in the United States and the Caribbean from which the east coast receives much of its refined products. The major companies control marketing operations, especially in gasoline.

There is little doubt that this kind of economic power in and of itself is immense. But the major oil companies are tied even closer together through joint business arrangements which provide the companies with protection from competition and a firm basis for acting together in areas of mutual interest.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point certain tables in this connection.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE II-2.—COMPANY SHARES OF PROVED DOMESTIC CRUDE RESERVES, 1970

Rank	Company	Share of domestic proved reserves (percent), 1970
1	Standard (N.J.)	[1,2] 9.92
2	Texaco	[1,3] 9.31
3	Gulf	8.97
4	Standard (Calif.)	[1,3] 8.97
5	Standard (Ind.)	[4,3] 8.46
6	ARCO	[3,2] 7.48
7	Shell	[1] 5.90
8	Mobil	[1,3] 4.87
9	Getty	[5] 3.85
10	Phillips	[1,3,6] 3.55
11	Signal	3.28
12	Union	[3] 3.18
13	Continental	[3,6] 2.77
14	Sun	[1,3] 2.67
15	Amerada Hess	[3,7] 2.49
16	Cities Service	[1,3] 2.49
17	Marathon	[5] 2.37
18	Skelly	1.09
19	Superior	[1,8] 1.03
20	Tenneco	.90
	Top 4	37.17
	Top 8	63.88
	Top 20	93.55

[1] Includes natural gas liquids.
[2] Includes Alaska.
[3] Includes Canada.
[4] Official, including natural gas liquids.
[5] Official.
[6] Excludes controlled reserves.
[7] Includes equity in Canadian affiliate.
[8] Excludes "probably additional" reserve.
These explanatory notes accompanied the reserve estimates.

Note: Individual company reserves obtained from estimates of Rice, Kerr & Co., Engineers. Universe data obtained from "Report on Crude Oil and Gasoline Price Increases," cited supra. This figure was taken as approximately 39,000,000,000 barrels, including Alaska. Concentration data would be lower the more this figure understates actual proven reserves. Concentration data should be taken to be, at best, only rough estimates. It is not known to what extent both the universe estimate and the individual company reserve data include crude production from secondary recovery techniques.

TABLE II-3.—COMPANY SHARE OF DOMESTIC CRUDE OIL AND GASOLINE REFINING CAPACITY, 1970

Rank in crude oil capacity	Company	Share of crude oil capacity (percent)	Share of gasoline capacity (percent)
1	Standard (N.J.)	8.59	9.22
2	Standard (Ind.)	8.22	7.94
3	Texaco	8.13	9.19
4	Shell	7.99	7.69
5	Standard (Calif.)	7.66	6.72
6	Mobil	6.28	6.30
7	Gulf	5.78	6.47
8	ARCO	5.42	6.25
9	Sun	3.60	4.54
10	Union	3.51	3.24
11	Standard (Ohio)	3.47	3.09
12	Phillips	3.14	4.24
13	Ashland	2.51	2.11
14	Continental	2.36	2.03
15	Cities Service	2.22	2.26
16	Getty	1.64	1.76
17	Marathon	1.12	1.92
18	Coastal States	1.06	.73
19	Amerada Hess	.98	.79
20	Champlin	.97	.63
	Top 4	32.93	34.04
	Top 8	58.07	58.78
	Top 20	86.15	87.38

[1] The top 20 firms in gasoline capacity included Clark Oil (1.21 percent), Tenneco (1.35 percent), and American Petrofina (0.85 percent), in lieu of 18–20 above.

Note: Data obtained from Mineral Industry Surveys, Bureau of Mines, "Crude Oil Capacity," Jan. 1, 1971.

TABLE II-7.—COMPANY GASOLINE MARKET SHARES 1970

Rank	Company	Market share [1] (percent of)
1	Texaco	8.13
2	Shell	7.87
3	Standard (New Jersey)	7.42
4	Standard (Indiana)	7.30
5	Gulf	7.12
6	Mobil	6.60
7	ARCO	5.55
8	Standard (California)	5.02
9	Sun	4.15
10	Phillips	3.97
11	Union	3.29
12	Continental	2.35
13	Cities Service	1.96
14	Marathon	1.73
15	Standard (Ohio)	1.46
16	BP	1.41
17	Ashland	1.27
18	Tenneco	.93
19	Kerr-McGee	.77
20	Murphy	.75
	Top 4	30.72
	Top 8	55.01
	Top 20	79.05

[1] Based on gallonage sales.

Note.—Market shares obtained from "National Petroleum News," "Factbook Issue," mid-May 1971, p. 127.

TABLE II-8.—A COMPARISON OF COMPANY RANKING IN CRUDE PRODUCTION, CRUDE REFINING CAPACITY, AND GAS LINE SALES[1]

Company	Rank in crude production	Rank in crude oil refining capacity	Rank in gasoline sales
Standard (New Jersey)	1	1	3
Texaco	2	3	1
Gulf	3	7	5
Shell	4	4	2
Standard (California)	5	5	8
ARCO	6	8	7
Standard (Indiana)	7	2	4
Mobil	8	6	6
Getty	9	16	(2)
Union	10	10	11
Sun	11	9	9
Continental	12	14	12
Marathon	13	17	14
Phillips	14	12	10
Cities Service	15	15	13
Amerada Hess	16	19	(2)
Tenneco	17	(2)	18
Skelly	18	(2)	(2)
Superior	19	(2)	(2)
Louisiana Land & Exploration	20	(2)	(2)
Standard (Ohio)	(2)	11	15
Ashland	(2)	13	17
BP	(2)	(2)	16
Kerr-McGee	(2)	(2)	19
Murphy	(2)	(2)	20

[1] Based on the rankings of tables 4 and 7. Rank in production is for 1969. Rank for capacity and gasoline sales is for 1970.
[2] Not ranked within the top 20 firms.

Mr. ABOUREZK. The Federal Trade Commission in its February 1974 complaint against the eight largest integrated oil companies has cited these interrelationships as a way to "share risks and insure monopoly profits." The FTC stated that—

> The companies are interdependent to such an extent that, in virtually every facet of their operation, they have common rather than competitive interests. While intercompany cooperation is particularly pervasive at certain levels of the industry, no level of operation is free of strong ties between—the companies.

The companies are tied together in joint ventures in crude oil production, ownership, and operation of crude oil producing leases, bidding for leases, transportation of crude oil and petroleum products, some refinery operations and in international ventures. "The net effect of these interrelationships," said the FTC complaint, "has been to create a solid community of interest among—the companies—which fosters cooperation rather than competition in the industry."

The Federal Trade Commission's complaint offers a number of other important insights into the dominance of the major oil companies. For example, the "lack of sufficient crude oil available for independent refineries is due, in large part, to—the companies'—control over crude oil." Or, the companies' "ownership of pipelines allows them to determine the routing of the lines, to impose an array of restrictions on the shipments of competitors, to render access by nonowners inconvenient and expensive, and to set tariffs."

But the major oil companies dominate not only the petroleum industry, but the natural gas industry as well. According to the testimony of Dr. John Wilson, an economist formerly with the Federal Power Commission, as of June 30, 1972 the eight largest producers of natural gas were among the largest producers of petroleum. According to Wilson the major oil companies—Exxon, Shell, Standard of Indiana, Gulf, Phillips, Mobil, Texaco, Union Oil, Atlantic Richfield, and Continental—were the top 10 producers of natural gas in 1971. In 1972 Standard of California replaced Continental. Wilson describes the control of reserves of natural gas by these major producers:

As of June 30, 1972, at least four of these largest producers were among the top eight suppliers of available reserves in each major producing areas. In the Texas Gulf Coast and other Southwest areas all of the top four firms were among these top ten majors; in fact, three of the four producers were the same in both areas. In the South Louisiana and Permian areas, three of these majors were among the top four suppliers . . . Of the top four ranking firms in each of the six areas, that is, 24 possible places in all, 22 places were accounted for by major integrated oil companies . . .

The amount of uncommitted gas reserve controlled by the largest producers is an indication of the extent of control over future supplies. In many producing companies control between 75 percent and 100 percent of uncommitted reserves. Furthermore, the same kinds of joint venture arrangements that exist in the petroleum industry exist in the natural gas industry.

Pipelines, traditionally separate corporate entities from the major oil companies, have joined with these companies in bidding arrangements for offshore reserves.

Specific information detailing the intricate interrelationships that tie major oil companies together, in what can only be termed a private economic assistance pact, has been collected by Dr. Wilson in a study funded by the National Science Foundation. Some of Dr. Wilson's most revealing charts follow:

Mr. President, I ask unanimous consent that tables showing ownership interests in oil wells be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

RESPONDENT OWNERSHIP INTERESTS IN PRODUCING OIL WELLS, TOTAL U.S. AND PAD DISTRICTS I–V (1973)

Respondent	Gross wells (number) (1)	Gross wells jointly owned (number) (2)	(2)÷(1) percent (3)
American Petrofina	6,674	5,888	88.2
APCO Oil	4,612	4,488	96.9
Ashland Oil	6,471	4,867	75.2
Champlin Petroleum	4,087	3,014	73.7
Cities Service	14,715	10,818	73.5
Clark Oil	92	92	100.0
Clinton Oil	3,001	2,140	71.3
Crown Central	1,231	125	10.2
Diamond Shamrock	975	294	30.2
Exchange Oil and Gas	134	109	81.3
Exxon	26,694	15,544	58.2
Forest Oil	2,642	2,503	94.7
General American	6,793	5,878	86.5
General Crude	3,012	2,304	76.5
Gulf Oil	31,196	21,517	69.0
Hunt Oil	168	29	17.3
Lone Star	2,277	2,123	93.2
Louisiana Land	458	429	93.7
Monsanto	2,443	2,239	91.6
National Co-op	2,637	2,513	95.3
Occidental Petroleum	359	294	81.9
Panhandle Eastern	1,830	1,565	85.5
Pennzoil Company	7,963	2,300	28.9
Phillips	17,127	14,705	85.8
Shell Oil	24,795	16,179	65.2
Southwestern Refining	22	22	100.0
Standard Oil (California) (Western Operations)	10,007	2,958	29.6
Standard Oil (Ohio)	6,664	6,292	94.4
Sun Oil	6,809	3,039	44.6
Texaco	55,522	42,813	71.1
Texas City Refining	91	52	57.1
Texas Oil & Gas	182	128	70.3
Total Leonard	37	37	100.0
Union Texas (Allied)	5,770	5,722	99.2

RESPONDENT OWNERSHIP INTERESTS IN PRODUCING NATURAL GAS WELLS, TOTAL U.S. AND PAD DISTRICTS I–V (1973)—Continued

Respondent	Gross wells (number) (1)	Gross wells jointly owned (Number) (2)	(2) ÷ (1) Percent (3)
American Petrofina	343	293	85.4
APCO Oil	513	499	97.3
Ashland Oil	2,175	567	26.1
Champlin Petroleum	832	260	31.2
Cities Service	3,308	1,345	40.2
Clark Oil	14	14	100.0
Clinton Oil	527	353	67.0
Crown Central	260	167	64.2
Diamond Shamrock	908	230	25.3
Exchange Oil & Gas	146	146	100.0
Exxon	4,427	1,850	41.8
Forest Oil	238	193	81.1
General American	556	495	89.0
General Crude	541	489	90.4
Gulf Oil	3,207	2,070	64.5
Hunt Oil	24	17	70.8
Lone Star	835	285	34.1
Louisiana Land*	101	100	99.0
Monsanto	826	766	92.7
National Co-op	177	174	98.3
Occidental Petroleum	175	158	90.3
Panhandle Eastern	1,326	641	48.3
Pennzoil Co	1,821	871	47.8
Phillips	2,736	1,356	49.6
Southwestern Ref	11	11	100.0
Standard Oil (Calif) (Western Operations)	223	128	57.4
Standard Oil (Ohio)	435	397	91.3
Sun Oil	1,377	642	46.6
Texaco	4,952	3,136	63.3
Texas Oil & Gas	745	558	74.9
Total Leonard	7	7	100.0
Shell Oil	1,828	1,147	62.7
Union Texas (Allied)	492	483	98.2

*PAD III only Louisiana Land and Exploration did not report their providing natural gas well interests for PAD I.

GROSS DOMESTIC EXPLORATORY WELLS DRILLED BY RESPONDING PETROLEUM COMPANIES (1971–73)

Company/year	Gross exploratory wells (number) (1)	Gross exploratory wells drilled with others (number) (2)	(2) ÷ (1) (percent) (3)
Allied Chemical:			
1973	26	21	80.8
1972	50	44	88.0
1971	28	22	78.6
American Petrofina:			
1973	44	41	93.2
1972	28	24	85.7
1971	24	20	83.3
Atlantic Richfield;			
1973	44	34	77.3
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
Belco Petroleum:			
1973	28	28	100.0
1972	59	59	100.0
1971	74	74	100.0
Champlin Petroleum:			
1973	8	8	100.0
1972	22	12	54.5
1971	54	26	48.1
Cities Service:			
1973	76	56	73.7
1972	54	36	66.7
1971	42	33	78.6
Clark Oil:			
1973	20	20	100.0
1972	17	17	100.0
1971	17	17	100.0
Clinton Oil:			
1973	20	2	10.0
1972	29	3	10.3
1971	24	4	16.7
Crown Central:			
1973	10	8	80.0
1972	12	0	0
1971	7	1	14.3
Diamond Shamrock:			
1973	30	19	63.3
1972	24	19	79.2
1971	13	5	38.5
Exchange Oil & Gas:			
1973	30	20	66.7
1972	30	24	80.0
1971	39	19	48.7
Forest Oil:			
1973	26	24	92.3
1972	18	16	88.9
1971	32	22	68.8
General American Oil (Texas):			
1973	16	8	50.0
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
General Crude Oil:			
1973	23	8	34.8
1972	23	9	39.1
1971	34	32	94.1
Hunt Oil:			
1973	7	1	14.3
1972	3	0	0
1971	8	3	37.5
Kerr-McGee Corp.:			
1973	30	26	86.7
1972	26	20	76.9
1971	24	16	66.7
Lone Star Prod. Co.:			
1973	109	82	75.2
1972	63	41	65.1
1971	27	10	37.0
Louisiana Land & Exploration:			
1973	30	20	66.7
1972	16	7	43.9
1971	29	25	86.2
Monsanto Co.:			
1973	33	29	87.9
1972	34	28	82.4
1971	25	19	76.0
Murphy Oil:			
1973	6	2	33.3
1972	5	0	0
1971	5	4	80.0
Occidental Petroleum:			
1973	40	40	100.0
1972	31	30	96.8
1971	70	56	80.0
Pennzoil Co.:			
1973	58	50	86.2
1972	50	42	84.0
1971	58	44	75.9
Phillips Petroleum:			
1973	67	44	65.7
1972	66	42	63.6
1971	42	33	78.6
Shell Oil Co.:			
1973	170	70	41.2
1972	86	33	38.4
1971	(*)	(*)	(*)
Standard Oil (Ind.):			
1973	140	47	33.6
1972	133	44	33.1
1971	224	57	25.4
Standard Oil (Ohio):			
1973	18	18	100.0
1972	21	17	81.0
1971	28	28	100.0
Sun Oil:			
1973	56	49	87.5
1972	120	62	51.7
1971	69	37	53.6
Tesoro Petroleum:			
1973	55	42	76.4
1972	93	80	86.0
1971	61	58	95.1
Texas City Ref. Co.:			
1973	7	5	71.4
1972	4	1	25.0
1971	5	0	----------
Total Leonard:			
1973	23	23	100.0
1972	9	9	100.0
1971	0	0	----------

*Not yet reported.

GROSS DOMESTIC DEVELOPMENTAL WELLS DRILLED BY RESPONDING PETROLEUM COMPANIES (1971–73)

Company/year	Gross developmental wells drilled (number) (1)	Gross developmental wells drilled with others (number) (2)	(2) (1) (percent) (3)
Allied Chemical:			
1973	230	227	98.7
1972	91	81	89.0
1971	103	94	91.3

Company/year	Gross developmental wells drilled (number) (1)	Gross developmental wells drilled with others (number) (2)	(2) (1) (percent) (3)
American Petrofina:			
1973	58	51	87.9
1972	162	155	95.7
1971	112	105	93.8
Atlantic Richfield:			
1973	712	615	86.4
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
Belco Petroleum:			
1973	12	12	100.0
1972	56	56	100.0
1971	77	77	100.0
Champlin Petroleum:			
1973	70	60	85.7
1972	63	45	71.4
1971	132	90	68.2
Cities Service:			
1973	187	145	77.5
1972	178	132	74.2
1971	178	156	87.6
Clark Oil:			
1973	22	22	100.0
1972	4	4	100.0
1971	3	3	100.0
Clinton Oil:			
1973	19	10	52.6
1972	40	30	75.0
1971	43	14	32.6
Crown Central:			
1973	25	22	88.0
1972	35	30	85.7
1971	(*)	(*)	(*)
Diamond Shamrock:			
1973	75	44	58.7
1972	48	23	47.9
1971	29	25	86.2
Exchange Oil & Gas:			
1973	23	21	91.3
1972	18	18	100.0
1971	28	14	50.0
Forest Oil:			
1973	17	15	88.2
1972	30	20	66.7
1971	58	36	62.1
Gen. American Oil (Texas):			
1973	26	13	50.0
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
Gen. Crude Oil:			
1973	80	71	88.8
1972	107	83	77.6
1971	83	64	77.1
Hunt Oil:			
1973	5	3	60.0
1972	6	2	33.3
1971	17	13	76.5
Kerr-McGee Corp.:			
1973	33	25	75.8
1972	26	24	92.3
1971	35	33	94.3
Lone Star Prod. Co.:			
1973	124	54	43.5
1972	63	39	61.9
1971	15	9	60.0
Louisiana Land & Exploration:			
1973	49	41	83.7
1972	47	32	68.1
1971	81	73	90.1
Monsanto Co.:			
1973	50	46	92.0
1972	34	30	88.2
1971	20	15	75.0
Murphy Oil:			
1973	10	10	100.0
1972	14	14	100.0
1971	3	1	33.3
Occidental Petroleum:			
1973	13	12	92.3
1972	50	46	92.0
1971	40	34	85.0
Pennzoil Co.:			
1973	168	113	67.3
1972	142	90	63.4
1971	119	39	32.8
Phillips Petroleum:			
1973	524	447	85.3
1972	360	320	88.9
1971	276	247	89.5
Shell Oil Co.:			
1973	555	350	63.1
1972	586	258	44.0
1971	(*)	(*)	(*)
Southwestern Refining:			
1973	2	2	100.0
1972	0	0	----------
1971	1	1	100.0
Standard Oil (Calif.):			
1973	149	59	39.6
1972	43	41	95.3
1971	25	23	92.0
Standard Oil (Ind.):			
1973	1,024	638	62.3
1972	831	326	39.2
1971	472	250	53.0
Standard Oil (Ohio):			
1973	99	88	88.9
1972	102	92	90.2
1971	110	92	83.6
Sun Oil:			
1973	693	574	82.8
1972	366	289	79.0
1971	467	277	59.3
Tesoro Petroleum:			
1973	47	36	76.6
1972	84	36	42.8
1971	55	51	92.7

*Not yet reported.

OWNERSHIP, CAPACITY, AND THROUGHPUT OF CRUDE OIL PIPE LINES OVER 50,000 BBL/D CAPACITY (1973 DATA)

Pipeline/owners	Ownership percentage	Percentage total throughput by an owner
American Petrofina Pipe Line Co.: American Petrofina [1]	100	100
Ashland Pipeline Co.: Ashland Oil [2]	100	100
Basin Pipeline System: [3]		
Section I:		
Atlantic Richfield	13.76	(*)
Cities Service	9.18	[4] 8.80
Shell	34.86	(*)
Texaco	42.20	(*)
Section II:		
Atlantic Richfield	12.45	(*)
Cities Service	8.30	(*)
Shell	34.02	(*)
Texaco	45.23	(*)
Butte Pipe Line Co.: [5]		
Burlington Northern	10	(*)
Murphy	20	(*)
Shell	51	(*)
Western Crude Oil Inc.	19	(*)
Capline Pipeline: [6]		
Ashland	22.94	(*)
Marathon	15.28	(*)
Mid-Valley P/L [7]	7.65	(*)
Shell	11.15	(*)
Southcap P/L [7]	21.60	(*)
Standard Oil (Indiana)	7.44	(*)
Texaco	13.94	(*)
Capwood Pipeline: [8]		
Clark Oil	33.83	33.16
Shell	66.17	59.39
Chicap Pipe Line Co.: [9]		
Clark Oil	22.76	18.34
Standard Oil (Indiana)	29.17	16.44
Union Oil	48.07	27.76
Cook Inlet Pipe Line Co.: [10]		
Atlantic Richfield	(*)	(*)
Marathon Oil	30	35.76
Mobil Oil	(*)	(*)
Union Oil of California	(*)	(*)
CRA Inc.:		
CRA Inc. [11]	100	100
Crescent Pipeline Co.: Tenneco [12]	100	(*)
East Texas Main Line: [13]		
Cities Service	45.65	43.62
Crown Central Petroleum	20	(*)
Texaco	34.35	(*)
Enid Refinery Crude Pipeline System: Champlin Petroleum [14]	100	100
FIN–COS Corp.: (Cosden Pipe Line System) American Petrofina [15]	100	100
Four Corners Pipe Line Co.: [16]		
Atlantic Richfield	10	(*)
Continental	10	(*)
Gulf	20	(*)
Shell	25	(*)
Standard Oil (California)	25	(*)
Superior Oil	10	44.50
Jayhawk Pipeline Corp.: [17]		
NCRA	50	(*)
Coastal States Gas Producing Co	50	(*)
Kaw Pipe Line Co.: [18]		
Cities Service	33.33	26.72
Phillips Petroleum	33.33	13.36
Texaco	33.33	1.66
Kenai Pipeline Co.: [19]		
Atlantic Richfield	50	33.60
Standard Oil (California)	50	31.52
Kerr-McGee Crude System: Kerr-McGee Corp. [20]	100	100
Mesa Pipe Line System: [21]		
Cities Service	15.33	17.96
Gulf	64.35	66.60
Standard Oil (Ohio)	5.07	4.44
Sun Oil	6.50	5.09
Union Oil	8.76	5.88
Mid-Continent Pipe Line Co.: Claymont Investment Co. (Sun) [22]	100	100
Minnesota Pipeline Co.: [23]		
Ashland Oil	33.30	37.08
J. How. Marshall	7.10	(*)
Koch Ref'g	59.60	(*)
Owensboro-Ashland Pipeline: Ashland Oil [24]	100	100
Phillips Pipe Line Co. Ranch System: [25]		
Segment I:		
Ashland Oil	4.97	(*)
Atlantic Richfield	20.49	(*)
Charter Oil	8.05	(*)
Crown Central Petroleum	4.37	2.68
Phillips Petroleum	7.03	(*)
Shell	35.25	(*)
Segment II:		
Ashland Oil	(*)	(*)
Atlantic Richfield	(*)	(*)
Charter Oil	(*)	(*)
Crown Central Petroleum	(*)	(*)
Phillips Petroleum	(*)	(*)
Shell	(*)	(*)
Standard Oil (Indiana)	(*)	11
Segment III:		
Ashland Oil	4.97	(*)
Atlantic Richfield	20.49	(*)
Charter Oil	8.05	(*)
Crown Central Petroleum	4.97	(*)
Phillips Petroleum	7.03	(*)
Shell	35.25	(*)
Standard Oil (Indiana)	2.80	(*)
Platte Pipe Line Co.: [26]		
Atlantic Richfield	25	7.78
Continental	20	11.84
Gulf	15	.54
Marathon Oil	25	28.74
Union Oil	15	4.68
Southcap Pipe Line Co.: [27]		
Clark Oil	50	33.49
Union Oil	50	54.27
Tecumseh Pipeline Co.: [28]		
Ashland Oil	20	12.62
Atlantic Richfield	40	(*)
Union Oil	40	(*)
Texaco-Cities Pipe Line Co.: [29] [30]		
Cities Service	50	8.36
Texaco	50	44.39
Texas-New Mexico Pipe Line Co.: [31]		
Atlantic Richfield	35	(*)
Cities Service	10	10.96
Getty Oil	10	(*)
Texaco	45	41.52
West Texas Gulf Pipe Line.: [32]		
Cities Service	11.40	20.58
Gulf	57.72	50.08
Standard Oil (Ohio)	9.23	4.34
Sun Oil	12.61	14.30
Union Oil	9.04	6.30
Whitecap Pipeline: [33]		
Paloma Pipeline	33.33	29.23
Union Oil	53.33	46.18
Whiteshoal [34]	13.33	16.95
Woodpat Pipeline: [35]		
Marathon Oil	40	54.95
Texaco	60	45.09

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*Indicates not reported.

[1] Capacity of 88,000 bbl/d; annual throughput of 19,094,000 bbl.

[2] Capacity of 378,000 bbl/d; annual throughput of 139,841,000 bbl.

[3] Capacity unreported; annual throughput for entire 2 section pipe line of 173,785,000 bbl.

[4] Represents percentage total throughput of Cities Service on entire Basin Pipeline System.

[5] Capacity of 120,000 bbl/d; annual throughput of 37,005,000 bbl.

[6] Capacity of 624,000 bbl/d; annual throughput unreported.

[7] The Southcap pipe line is owned 50 percent by Clark Oil Co. and 50 percent by Union Oil Co. of California; the Mid-Valley pipe line is, as listed herein, co-owned by Sun Oil, Standard Oil (Ohio) and Gulf.

[8] Capacity of 133,000 bbl/d; annual throughput of 35,024,000 bbl.

[9] Capacity of 270,000 bbl/d; annual throughput of 106,684,000 bbl.

[10] Capacity ranging from 72,000 to 200,000 bbl/d; estimated annual throughput of 47,815,000 bbl.

[11] Capacity of 85,000 bbl/d: annual throughput of 19,388,000 bbl.

[12] Capacity of 67,000 bbl/d; line acquired by Tenneco mid-1973

[13] Capacity unreported; annual throughput of 21,819,000 bbl.

[14] Capacity of 69,000 bbl/d; annual throughput of 18,160,000 bbl.

[15] Capacity of 65,000 bbl/d; annual throughput unreported.

Footnotes continued on following page.

[16] Capacity of 80,000 bbl/d; annual throughput of 10,895,000 bbl.

[17] Capacity of 280,000 bbl/d; annual throughput unreported.

[18] Capacity unreported; annual throughput of 17,201,000 bbl.

[19] Capacity of 160,000 bbl/d; annual throughput of 22,812,000 bbl.

[20] Capacity of 70,000 bbl/d; annual throughput of 24,591,000 bbl.

[21] Capacity of 316,000 bbl/d; annual throughput of 103,762,000 bbl

[22] Capacity of 146,000 bbl/d; annual throughput of 52,122,000 bbl.

[23] Capacity of 170,000 bbl/d; annual throughput of 57,150,000 bbl.

[24] Capacity of 179,000 bbl/d; annual throughput of 1,317,000 bbl.

[25] Capacity of 311,000 bbl/d in sec. I, 385,000 bbl/d in sec. II, and 322,000 bbl/d in sec. III; annual throughput for entire system of 224,528,000 bbl.

[26] Capacity of 155,000 bbl/d; annual throughput of 65,533,000 bbl.

[27] Capacity unreported; annual throughput of 44,704,000 bbl.

[28] Capacity of 120,000 bbl/d; annual throughput of 55,422,000 bbl.

[29] Crude and product line.

[30] Capacity unreported; annual throughput of 88,726,000 bbl.

[31] Capacity unreported; annual throughput of 173,284,000 bbl of which 34.26 percent was by nonowners.

[32] Capacity unreported; annual throughput of 154,587,000 bbl.

[33] Capacity of 173,000 bbl/d; annual throughput of 37,959,000 bbl.

[34] Whiteshoal Pipeline Corp. ownership: Kerr-McGee Corp., 64.5; Cabot Corp., 16.1; Felmont Corp., 9.7; Case-Pomeroy Oil, 9.7 percent.

[35] Capacity of 311,000 bbl/d; annual throughput of 53,883,000 bbl.

OWNERSHIP, CAPACITY, AND THROUGHPUT OF PRODUCT OIL PIPELINES OVER 20,000 BARRELS PER DAY CAPACITY (1973 DATA)—Continued

Pipeline/owners	Ownership percentage	Percentage total throughput by an owner
Amdel Pipe Line Co.:[1]		
American Petrofina[2]	50	59.62
Union Oil	50	40.28
ATA System:[3]		
Diamond Shamrock Oil & Gas	33.33	39.33
Phillips Petroleum	33.33	29.62
Texaco	33.33	31.04
Badger Pipeline Co.:[4]		
Atlantic Richfield	34	*
Cities Service	32	58.02
Texaco	22	21.29
Union Oil	12	*
Casa Products System:[5]		
Atlantic Richfield	50	*
Gulf	50	*
Cherokee Pipe Line Co : Continental[6]	100	44.44
Choctaw to Geismar System (ethylene):[7]		
Allied Chemical	41.7	*
BASF Wyandotte	41.6	*
Marbon	16.7	*
Collins Pipe Line Co.:[8]		
Murphy Oil Co	20	*
Tenneco Oil Co	80	*
Colonial Pipe Line Co.:[9]		
Atlantic Richfield	1.58	*
B.P. Oil	8.96	1.14
Cities Service	13.98	0.25
Continental	7.55	*
Gulf	16.78	15.70
Mobil Oil	11.49	*
Phillips Petroleum	7.10	4.13
Standard Oil (Indiana)	14.32	9.58
Texaco	14.27	13.66
Union Oil	3.97	*
Dixie Pipeline Co. (LPG):[10]		
Allied Chemical	8.59	9.76
Atlantic Richfield	7.38	*
Cities Service	5.00	5.04
Continental	4.05	5.43
Exxon	11.05	22.28
Gulf	18.22	3.14
Mobil Oil	5.00	*
Phillips Petroleum	14.53	5.86
Shell Oil	5.53	*
Standard Oil (Indiana)	12.08	9.66
Texaco	5.00	4.43
Transcontinental	3.57	*
Enid Refinery Products System: Champlin Petroleum[11]	100	100
Everglades Pipeline Co.:[12]		
Buckeye	41	*
Cities Service	39	17.24
Phillips Petroleum	10	*
Union Oil	10	*
Explorer Pipeline Co.:[13]		
APCO Oil	2.92	*
Cities Service	6.80	11
Continental	7.70	6.60
Gulf	26.69	*
Phillips Petroleum	4.52	2.37
Shell Oil	26.00	*
Sun Oil	9.40	7.98
Texaco	15.97	18.70
Harbor Pipe Line System:[14]		
Gulf Oil	33.33	38.43
Standard Oil (Ohio)	33.33	22.82
Texas Pipe Line	33.33	38.74
Houston Gathering System: Gulf[15]	100	100
Inland Corp.:[16]		
Shell Oil	27	*
Standard Oil (Ohio)	47	66.80
Sun Oil	10	7.07
Union Oil	16	*
Lake Charles Pipe Line Co.:[17]		
Cities Service	50	71.31
Continental	50	28.68
Lake Charles to Geismar Pipe Line (ethane): Allied Chemical[18]	100	*
Laurel Pipe Line Co.:[19]		
Gulf	49.11	39.10
Standard Oil (Ohio)	17.01	15.49
Texaco	33.88	31.80
Lindgulf Product System:[20]		
Gulf	50	*
Texaco	50	*
Marathon Pipeline Co.: Marathon Oil[21]	100	73.46
Miami Valley Corp.:[22]		
Standard Oil (Ohio)	20	*
Union Oil	80	*
Michigan-Ohio Pipeline Corp.: Total Leonard[23]	100	100
NCRA Products Line:[24]		
National Cooperative Refining Association	100	*
Ohio Product Pipe Line: Standard Oil (Ohio)[25]	100	100
Olympic Pipe Line Co.:[26]		
Mobil Oil	29.5	*
Shell Oil	43.5	*
Texaco	27	*
Plantation Pipe Line Co.:[27]		
Exxon	48.83	32.61
Shell	24.04	19.60
Standard Oil (California)	27.13	17.80
Port Arthur Products Station:[28]		
Gulf	33.33	*
Texas Pipe Line	33.33	*
Union Oil	33.33	*
SAAL System:[29]		
Amarillo to Abernathy section:		
Diamond Shamrock Oil & Gas	33.33	69.75
Phillips Petroleum	33.33	19.32
Texaco	33.33	9.83
McKee to Amarillo section: Diamond Shamrock Oil & Gas[30]	100	*
Sarnia Pipeline System:[31]		
Dome Pipe Line Corp	50.0	*
Standard Oil (Indiana)	50.0	*
Trans-Texas System: Diamond Shamrock Oil & Gas[32]	100	100
Valvoline Oil Co.: Ashland Oil[33]	100	100
West Shore Pipe Line Co.:[34]		
Cities Service	8	3.22
Clark Oil	8	8.30
Continental	6.5	6.90
Exxon	3.5	1.22
Marathon Oil	9	9.97
Mobil Oil	14	*
Shell Oil	20	*
Standard Oil (Indiana)	16.5	15.60
Texaco	9	5.38
Union Oil	5.5	*
Wolverine Pipe Line Co.:[35]		
Cities Service	8	4.43
Clark Oil	11	*
Marathon Oil	10	7.31
Mobil Oil	21	8.12
Shell Oil	7	9.26
Texaco	17	*
Union Oil	26	*
WYCO Pipe Line Co.:[36]		
Mobil	20	*
Standard Oil (Indiana)	40	31.35
Texaco	40	25.81
Yellowstone Pipe Line Co.:[37]		
Continental	40	59.12
Exxon	40	39.75
Husky Oil	6	*
Union Oil	14	*

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[1] Capacity of 25,000 barrels per day; annual throughput of 1,127,000 barrels.

[2] Also owns 30 percent of Amdel crude line with Standard Oil (Ohio) owning the other 70 percent.

[3] Capacity of 21,000 barrels per day; annual throughput of 6,420,000 barrels.

[4] Capacity of 163,000 barrels per day; annual throughput of 51,363,000 barrels.

[5] Capacity of 144,000 barrels per day; annual throughput unreported.

[6] Annual throughput of 63,000,000 barrels; capacity unreported.

[7] Capacity of 25,000 barrels per day; annual throughput unreported.

[8] Capacity of 163,000 barrels per day; annual throughput unreported.

[9] Capacity of 1,464,000 barrels per day; annual throughput of 519,432,000 barrels with 23.82 percent total Colonial throughput by nonowners.

[10] Capacity of 300,000 barrels per day; annual throughput of 25,714,000 barrels with 6.89 percent total Dixie throughput by nonowners.

[11] Capacity of 36,000 barrels per day; annual throughput of 10,839,000 barrels.

[12] Annual throughput of 13,643,000 barrels; capacity unreported.

[13] Capacity reported as ranging from 304,000 barrels per day gasoline and 272,000 barrels per day oil—360,000 per day Port Arthur to Tulsa, and 216,000 barrels per day Tulsa-Hammond; annual throughput reported as ranging from 85,045,000–79,117,000 barrels.

[14] Capacity of 144,000 barrels per day; annual throughput of 37,741,000 barrels.

[15] Capacity of 250,000 barrels per day; annual throughput of 31,128,000 barrels.

[16] Capacity of 300,000 barrels per day; annual throughput of 102,813,000 barrels. Voting percentages are Shell 25 percent, Standard Oil 50 percent, Sun 10 percent and Union Oil 15 percent.

[17] Annual throughput of 84,214,000 barrels; capacity unreported.

[18] Capacity of 30,000 barrels per day; annual throughput unreported.

[19] Capacity ranging from 148,000 to 200,000 barrels per day; annual throughput of 44,078,000 barrels with 13.09 percent of total Laurel throughput by nonowners.

[20] Capacity and throughput not reported.

[21] Annual throughput of 66,407,000 barrels.

[22] Capacity of 40,000 barrels per day; annual throughput unreported. Voting control is shared equally by owners.

[23] Capacity of 49,000 barrels per day; annual throughput of 12,800,000 barrels.

[24] Capacity of 49,000 barrels per day; annual throughput of 5,383,000 barrels.

[25] Capacity of 75,000 barrels per day; annual throughput of 23,192,000 barrels

[26] Capacity ranging from 110,000 to 170,000 barrels per day; annual throughput of 62,452,000 barrels with 37.93 percent of total Olympic throughput by nonowners.

[27] Capacity of 506,000 barrels per day; annual throughput of 184,668,000 barrels.

[28] Capacity of 792,000 barrels per day; annual throughput unreported.

[29] Capacity of 21,000 barrels per day; annual throughput of 11,668,000 barrels.

[30] Capacity of 22,000 barrels per day; annual throughput unreported.

[31] Capacity of 55,000 barrels per day; annual throughput unreported.

[32] Capacity of 21,000 barrels per day; annual throughput of 5,762,000 barrels.

[33] Capacity of 43,000 barrels per day; annual throughput of 6,990,000 barrels.

[34] Capacity of 170,000 barrels per day; annual throughput of 59,769,000 barrels with 23.54 percent of total throughput by nonowners.

[35] Capacity of 270,000 barrels per day; annual throughput reported as ranging from 99,547,000 to 92,044,000 barrels.

[36] Capacity reported ranging from 11,000 barrels per day to 52,000 barrels per day; annual throughput of 22,243,000 barrels with 29.45 percent of total throughput by nonowners.

[37] Capacity of 50,000 barrels per day; annual throughput of 18,363,000 barrels.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY ATLANTIC RICHFIELD CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Atlantic Richfield	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	15	19.0	595	5.5
Owned with others	64	81.0	10,151	94.5
Total	79	100.0	10,746	100.0
Co.owners:				
Amerada Hess	11	13.9	2,184	20.3
Cities Service	21	26.6	5,898	54.9
Continental Oil	19	24.0	6,708	62.4
Exxon	26	32.9	7,396	68.8
Getty Oil	21	26.6	6,857	63.8
Gulf Oil	22	27.8	4,650	43.3
Marathon Oil	13	16.4	2,027	18.9
Mobil Oil	21	26.6	4,477	41.7
Penzoil Co	4	5.1	2,130	19.8
Phillips Petroleum	15	19.0	1,531	14.6
Shell Oil	21	26.6	5,610	52.6
Standard Oil (California)	8	10.1	3,498	32.6
Standard Oil (Indiana)	28	35.4	7,126	66.3
Standard Oil (Ohio)	4	5.1	313	2.9
Sun Oil	30	38.0	4,762	44.3
Superior Oil	6	7.6	2,191	20.4
Tenneco	13	16.4	4,236	39.4
Texaco	20	25.3	1,844	17.6
Union Oil (California)	21	26.6	4,042	37.6
Others**	4	5.1	76	.7

*The cumulative total capacity of all gas processing plants in which Atlantic Richfield owns an interest.

**Other petroleum companies or individuals with whom Atlantic Richfield shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY CITIES SERVICE OIL CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Cities Service	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	30	42.8	2,335	23.8
Owned with others	40	57.5	7,450	76.6
Total	70	100.0	9,785	100.0
Coowners:				
Amerada Hess	7	10.0	875	8.9
Atlantic Richfield	25	35.7	6,337	64.8
Continental Oil	12	17.1	5,013	51.2
Exxon	16	22.8	5,460	55.8
Getty Oil	12	17.1	5,390	55.1
Gulf Oil	14	20.0	5,485	56.1
Marathon Oil	5	7.1	580	5.9
Mobil Oil	9	12.8	1,903	19.4
Pennzoil Co	1	1.4	100	1.0
Phillips Petroleum	8	11.4	1,205	12.3
Shell Oil	16	22.9	5,668	57.9
Standard Oil (California)	4	5.7	3,370	34.4
Standard Oil (Indiana)	14	20.0	4,757	48.6
Standard Oil (Ohio)	3	4.3	455	4.6
Sun Oil	18	25.7	2,211	22.6
Superior Oil	5	7.1	2,168	22.6
Tenneco	10	14.3	3,849	39.3
Texaco	14	20.0	1,812	18.5
Union Oil (California)	14	20.0	3,545	36.2
Others**	7	10.0	461	4.7

*The cumulative total capacity of all gas processing plants in which Cities Service owns an interest.

**Other petroleum companies or individuals with whom Cities Service shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY CONTINENTAL OIL CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Continental Oil	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	8	20.0	436	4.6
Owned with others	32	80.0	9,058	95.4
Total	40	100.0	9,494	100.0
Co.owners:				
Amerada Hess	8	20.0	3,365	35.4
Atlantic Richfield	21	52.5	6,790	71.5
Cities Service	12	30.0	4,993	52.6
Exxon	11	27.5	6,848	72.1
Getty Oil	12	30.0	6,256	65.9
Gulf Oil	10	25.0	4,956	52.2
Marathon Oil	8	20.0	2,740	28.9
Mobil Oil	11	27.5	4,240	44.6
Pennzoil Co	3	7.5	2,675	28.2
Phillips Petroleum	10	25.0	2,464	26.0
Shell Oil	13	32.5	6,244	65.8
Standard Oil (California)	4	10.0	4,400	46.3
Standard Oil (Indiana)	17	42.5	6,827	71.9
Standard Oil (Ohio)	2	5.0	175	1.8
Sun Oil	14	35.0	3,760	39.6
Superior Oil	5	12.5	1,619	17.0
Tenneco	10	25.0	3,925	41.3
Texaco	6	15.0	565	6.0
Union Oil (California)	12	30.0	4,108	43.3
Others**	4	10.0	258	2.7

*The cumulative total capacity of all gas processing plants in which Continental Oil owns an interest.

**Other petroleum companies or individuals with whom Continental Oil shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY MOBIL OIL CORP. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Mobil Oil	Total number of plants	Percentage of total number of plants	Total capacity * (1,000 mcf/d)	Percentage of total capacity
Wholly owned	16	25.8	1,609	14.7
Owned with others	46	74.2	9,328	85.3
Total	62	100.0	10,937	100.0
Co.owners:				
Amerada Hess	5	8.1	2,225	20.3
Atlantic Richfield	20	32.2	4,406	40.3
Cities Service	8	12.9	1,665	15.2
Continental Oil	11	17.7	4,775	43.6
Exxon	15	24.2	5,146	47.0
Getty Oil	11	17.7	3,407	31.2
Gulf Oil	14	22.6	3,328	30.4
Marathon Oil	10	16.1	2,705	24.7
Pennzoil Co	3	4.8	2,730	25.0
Phillips Petroleum	11	17.7	2,850	26.0
Shell Oil	12	19.4	3,793	34.7
Standard Oil (California)	6	9.7	2,247	20.5
Standard Oil (Indiana)	19	30.6	5,147	47.1
Standard Oil (Ohio)	2	3.2	100	.9
Sun Oil	19	30.6	4,690	42.9
Superior Oil	8	12.9	1,793	16.4
Tenneco	12	19.4	2,173	19.9
Texaco	17	27.4	2,915	26.6
Union Oil (California)	19	30.6	4,062	37.1
Others **	2	3.2	15	.1

* The cumulative total capacity of all gas processing plants in which Mobil Oil owns an interest.

** Other petroleum companies or individuals with whom Mobil Oil shares ownership interest in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY PHILLIPS PETROLEUM CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Phillips Petroleum	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	10	28.6	1,280	22.7
Owned with others	25	71.4	4,359	77.3
Total	35	100.0	5,639	100.0
Co.owners:				
Amerada Hess	4	11.4	330	5.8
Atlantic Richfield	13	37.1	1,172	20.8
Cities Service	3	8.6	360	6.4
Continental Oil	7	20.0	1,712	30.4
Exxon	7	20.0	1,564	27.7
Getty Oil	4	11.4	198	3.5
Gulf Oil	8	22.8	2,162	38.3
Marathon Oil	5	14.3	324	5.7
Mobil Oil	10	28.6	2,177	38.6
Pennzoil Co	2	5.7	1,370	24.3
Shell Oil	7	20.0	1,945	34.5
Standard Oil (California)	5	14.3	1,680	29.8
Standard Oil (Indiana)	12	34.3	2,328	41.3
Standard Oil (Ohio)	1	2.8	63	1.1
Sun Oil	11	31.4	2,343	41.5
Superior Oil	3	8.6	1,455	25.8
Tenneco	2	5.7	78	1.4
Texaco	3	8.6	333	5.9
Union Oil (California)	7	20.0	2,205	39.1
Others**	4	11.4	1,238	22.0

*The cumulative total capacity of all gas processing plants in which Phillips Petroleum owns an interest.

**Other petroleum companies or individuals with whom Phillips Petroleum shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY STANDARD OIL CO. OF CALIFORNIA TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Standard Oil Co. of California	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	11	34.4	512	8.0
Owned with others	21	76.6	5,884	92.0
Total	21	100.0	6,396	100.0
Co-owners:				
Amerada Hess	3	9.5	2,000	31.3
Atlantic Richfield	8	25.0	3,563	55.7
Cities Service	4	12.5	3,460	53.5
Continental Oil	6	18.8	4,485	70.1
Exxon	8	25.0	5,215	81.5
Getty Oil	7	21.9	3,492	54.6
Gulf Oil	8	25.0	3,493	54.6
Marathon Oil	5	15.6	2,152	33.6
Mobil Oil	6	18.8	2,350	36.7
Pennzoil Co	2	6.2	1,350	21.1
Phillips Petroleum	5	15.6	1,630	25.5
Shell Oil	9	28.1	5,380	84.1
Standard Oil (Indiana)	9	28.1	5,315	83.1
Standard Oil (Ohio)	1	3.1	12	
Sun Oil	6	18.8	1,618	25.3
Superior Oil	4	12.5	3,210	50.6
Tenneco	2	6.6	1,873	29.3
Texaco	6	18.8	1,014	15.8
Union Oil (California)	7	21.9	3,530	55.2
Others **	2	6.2	23	

* The cumulative total capacity of all gas processing plants in which Standard Oil (California) owns an interest.

** Other petroluem companies or individuals with whom Standard Oil (California) shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY STANDARD OIL CO. OF OHIO TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Standard Oil Co. of Ohio	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	4	22.2	93	12.2
Owned with others	14	77.8	667	87.8
Total	18	100.0	760	100.0
Co-owners:				
Amerada Hess	2	11.1	135	17.8
Atlantic Richfield	6	33.3	500	65.8
Cities Service	3	16.7	325	42.8
Continental Oil	2	11.1	175	23.0
Exxon	5	27.8	422	55.5
Getty Oil	4	22.2	277	36.4
Gulf Oil	7	38.9	437	57.5
Marathon Oil	1	5.6	12	1.6
Mobil Oil	3	16.7	115	15.1
Pennzoil Co	1	5.6	20	2.6
Phillips Petroleum	2	11.1	175	23.0
Shell Oil	4	22.2	247	32.5
Standard Oil (California)	2	11.1	32	4.2
Standard Oil (Indiana)	4	22.2	350	46.0
Sun Oil	7	38.9	400	52.6
Superior Oil	0	0	0	0
Tenneco	3	16.7	140	18.4
Texaco	3	16.7	265	34.9
Union Oil (California)	2	11.1	225	29.6
Others**	2	11.1	20	2.6

* The cumulative total capacity of all gas processing plants in which Standard Oil (Ohio) owns an interest.

** Other petroleum companies or individuals with whom Standard Oil (Ohio) shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY TENNECO, INC., TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Tenneco	Total number of plants	Percentage of total number of plants	Total capacity* (5,000 mcf/d)	Percentage of total capacity
Wholly owned	2	6.7	175	2.8
Owned with others	28	193.3	6,169	97.6
Total	30	100.0	6,304	100.0
Co-owners:				
Amerada Hess	4	13.3	385	6.1
Atlantic Richfield	12	40.0	3,707	58.8
Cities Service	9	30.0	3,610	57.3
Continental Oil	8	26.7	3,525	55.9
Exxon	11	36.7	4,557	72.3
Getty Oil	11	36.7	3,808	60.4
Gulf Oil	13	43.3	4,968	78.8
Marathon Oil	5	16.7	245	3.9
Mobil Oil	8	26.7	1,455	23.1
Pennzoil Co	1	3.3	1,200	19.0
Phillips Petroleum	4	13.3	465	7.4
Shell Oil	14	46.7	5,073	80.5
Standard Oil (California)	2	6.7	5,873	29.7
Standard Oil (Indiana)	13	43.3	3,927	62.4
Standard Oil (Ohio)	0	0	0	0
Sun Oil	13	43.3	1,058	16.8
Superior Oil	5	16.7	3,320	52.7
Texaco	6	20.0	1,662	26.4
Union Oil (California)	6	20.0	2,376	37.7
Others**	0	0	0	0

*The cumulative total capacity of all gas processing plants in which Tenneco owns an interest.

**Other petroleum companies or individuals with whom Tenneco shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY TEXACO, INC., TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Texaco	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	32	37.3	4,190	37.7
Owned by others	54	62.8	6,924	62.3
Total	86	100.0	11,114	100.0
Co-owners:				
Amerada Hess	5	5.8	1,096	9.9
Atlantic Richfield	19	22.1	1,816	16.3
Cities Service	11	12.8	1,010	9.1
Continental Oil	5	5.8	473	4.2
Exxon	19	22.1	3,085	27.8
Getty Oil	16	18.6	1,9'8	17.5
Gulf Oil	22	25.6	2,857	25.7
Marathon Oil	6	7.0	1,165	10.5
Mobil Oil	17	19.8	3,173	28.5
Pennzoil Co	2	2.3	1,106	10.0
Phillips Petroleum	6	7.0	590	5.3
Shell Oil	15	17.4	2,890	26.0
Standard Oil (California)	7	8.1	1,050	9.4
Standard Oil (Indiana)	15	17.4	3,255	29.3
Standard Oil (Ohio)	3	3.5	205	1.8
Sun Oil	20	23.2	2,223	20.0
Superior Oil	6	7.0	647	5.8
Tenneco	4	4.6	1,090	9.8
Union Oil (California)	14	16.3	1,760	15.8
Others**	2	2.3	90	.8

*The cumulative total capacity of all gas processing plants in which Texaco owns an interest.

**Other petroleum companies or individuals with whom Texaco shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

FINANCIAL HOUSE DIRECTORATE INTERLOCKS AND SECURITIES HOLDINGS IN PETROLEUM COMPANIES

ALLIED CHEMICAL

Financial houses with whom director is affiliated: Bowery Savings Bank (N.Y.), Chase Manhattan, Chemical Bank, Donaldson, Lufkin, & Jenrette, Inc., Fidelity Union Ban Corp., First National Bank (Southaven, Manhattan, Lazard Freres & Co., Loeb, Rhoades & Co., N.Y. Life Ins. Co.

Financial houses among largest corporate equity holders: Bankers Trust Co., Chase Manhattan, Lazard Freres & Co., Loeb, Rhoades & Co., Merrill Lynch, Morgan Guaranty Trust, National Shawmut Bk. of Boston, State Str. Bank & Trust (Boston), Swiss Bank Corp.

Financial houses among largest corporate debt holders: Chase Manhattan, Liberty Mutual, U.S. Trust Co.

AMERADA HESS

Financial houses with whom director is affiliated: Com'l Union Assur. Co. Ltd., Chemical Bank, First Nat'l Bank of Jackson, Ms., First Nat'l State Bank of N.J., Lamar Life Ins., Mutual Benefit Life Ins. Co., N.Y. Life Ins. Co., Thos. Jefferson Life Ins. Co.

Financial houses among largest corporate equity holders: Bank of California, N.A., Bank of Delaware, Bank of New York, Chase Manhattan, Equit. Life Assur. Soc., Manufacturers Hanover, Morgan Guaranty Trust, Prudential Ins. Co., State Str. Bank & Trust (Boston).

Financial houses among largest corporate debt holders: Chase Manhattan, Chemical Bank, Equitable Life Assur. Soc., First Nat'l Bank of Chicago, First Nat'l City Bank, Metropolitan Life Insurance, Morgan Guaranty Trust.

AMERICAN PETROFINA***

Financial houses among largest corporate debt holders: American Nat'l Insurance Co., Chase Manhattan,** Dry Dock Savings Bank (N.Y.), European-American Banking Corp., First Nat'l Bank-Dallas, (Lease trustee for eight insurance companies),* Mass. Mutual Life Ins. Co., National Bank of Detroit, Southwestern Life Insurance Co.

*** American Petrofina Holding Co. is listed as largest equity holder.

** For Prudential Ins., N.Y. Life Ins. Co., Penn. Mutual Life Ins., and Conn. Gen'l Life Ins. Co.

* Pacific Mutual Life Ins. Co., Penn. Mutual Life Ins. Co., Commonwealth Ins. Co., State Farm Ins. Co., Acacia Mutual Life Ins. Co., Country Life Ins. Co., Lutheran Mutual Life Ins. Co., United Benefit Life Ins. Co.

APCO OIL

Financial houses with whom director is affiliated: American Nat'l Fire Ins. Co., Central Nat'l Corp. (N.Y.), Continental Reinsur. Co., Federated Capital Corp., Great American Inc. Co., Jefferson Ins. Co. of N.Y.; Lehman Bros., Loeb, Rhodes & Co.

Financial houses among largest corporate equity holders: Bache & Co., Bank of Montreal, Brown Bros. Harriman & Co., Central Nat'l Corp. (N.Y.) Chase Manhattan, First Nat'l City Bank, E. F. Hutton & Co., Inc., Loeb, Rhoades & Co., Madison Fund, Inc., Merrill Lynch, Morgan Guaranty Trust, Pershing & Co., Inc., Wilmington Trust Co. (Del.)

Financial houses among largest corporate debt holders: Bank of Montreal, Chase Manhattan, First Nat'l Bank of Chicago, Wilmington Tr. Co. (Del.) Loeb, Rhoades & Co., Madison Fund, Inc., Merrill Lynch, Metropolitan Life Ins. Co.

ASHLAND OIL

Financial houses with whom director is affiliated: Bank of Bluegrass (Lexington, Ky.), Criterion Ins. Co., Drovers State Bank (Minn.), First Security Nat'l Bank & Trust Co. (Lexington, N.Y.), First Union Nat'l Bank of N.C. (Charlotte), GEICO, GE Financial Corp. & Gov't Employees Life Ins. Co., May Ave. Bank & Trust (Ok. City), Second Nat'l Bank (Ashland, Ky.), Second New Haven Bank (Ct.), Security Ins. Group (Textron), Security-Conn. Life Ins. Co., U.S. Trust Co. of N.Y.

Finacial houses among largest corporate equity holders: Bank of N.Y., Cede & Co., Continental Bank (Ill.), Morgan Guaranty Trust, Nat'l Shawmut Bank (Boston).

Financial houses among largest corporate debt holders: Bank of Delaware, Bankers Trust Co., Chase Manhattan, Dresdner Bank of Germany.

ATLANTIC RICHFIELD

Financial houses with whom director is affiliated: Not reported.

Financial houses among largest corporate equity holders: Bankers Trust Co., Cede & Co., Chase Manhattan, Manufacturers Hanover.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Amsterdam-Rotterdam Bank N.V., Chase Manhattan, Metropolitan Life Ins. Co., Morgan Guaranty Trust, N.Y. Life Ins. Co.

BEACON OIL

Financial houses among largest corporate equity holders: P. H. Greer Co., Inc.

BELCO PETR.

Financial houses among largest corporate equity holders: U.S. Trust Co. of N.Y.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Chase Manhattan, El Paso Nat'l Bank, First Nat'l City Bank, Morgan Guaranty Trust.

CHAMPLIN PETROLEUM (UNION PACIFIC CORP. SUBSIDIARY)

Financial houses with whom director is affiliated: Amer'n Bkrs. Ins. Co. of Fla., Brown Bros. Harriman & Co., Bus. Men's Assur. Corp., Chemical N.Y. Co., Colo. Nat'l Bank (Denver), First Nat'l Bank of Oregon, First Nat'l City Corp., First Sec. Bank of Idaho, N.A., First Sec. Bank of Utah, N.A., First Security Corp., First United Bancorporation, Guarantee Mutual Ins. Co., Irving Trust Co., Charter N. Y. Corp., Metropolitan Life Ins. Co., Mutual Life Ins. Co., Omaha Nat'l Bank, Real Banc, Inc., The Seaman's Bank fo Savings, Security Pacific Corp., United Mo. Bancshares (Kansas City), W. Omaha Nat'l Bank, White Weld & Co., Inc., World Service Life Ins.

Financial houses among largest corporate equity holders: Bank of N.Y., Brown Bros. Harriman & Co., Chase Manhattan, Equit. Life Assur. Soc. of U.S., Manufacturers Hanover, Merrill Lynch, Nat'l Shawmut Bank of Boston, State Str. Bank & Trust (Boston).

CITIES SERVICE OIL CO.

Financial houses with whom director is affiliated: Canadian Imperial Bank of Commerce, First Nat'l Bank of Tulsa, Harlem Savings Bank, Kuhn Loeb, Loeb, Rhoades & Co., Manufacturers Hanover Trust, Morgan Guaranty Trust, J. P. Morgan & Co., New Amsterdam Casualty Co., State Nat'l Bank—Greenwich, Ct.

Financial houses among largest corporate equity holders: Bank of New York, Brown Bros. Harriman, Cede & Co., Manufacturers Hanover, Morgan Guaranty Trust.

Financial houses among largest corporate debt holders: Chase Manhattan, First City Nat'l Bank (Houston), Metropolitan Life Ins., U.S. Trust Co. of N.Y.

CLARK OIL

Financial houses with whom director is affiliated: Association Life Ins. Co., and Loewi & Co.

Financial houses among largest corporate equity holders: Cede & Co. and Marine National Bank (Milwaukee).

Financial house among largest corporate debt holders: Aetna Casualty-Aetna Life, Nat'l Bank of Chicago, Jefferson Std. Life Ins., Lutheran Mutual Life Ins., Mass. Mutual Life Ins., Nat'l Life Ins., New England Mutual Life Ins., Northwestern Nat'l Life Ins., Prudential Ins., and Teachers Ins. & Annuity.

CLINTON OIL

Financial houses with whom director is affiliated: Central State Bank (Wichita), City Bank & Trust Co. (Jackson, Mi.), First Nat'l Bank of Wichita, Gude, Winmill & Co., and Northern States Bancorp (Detroit).

Financial houses among largest corporate equity holders: Cede & Co., and Merrill Lynch.

Financial houses among largest corporate debt holders: First City Nat'l Bank (Houston), Reserve Life Ins. Co., and Rothschild Intercontinental Bk. Ltd.

COMMONWEALTH OIL

Financial houses with whom director is affiliated: Banco Credito y Ahorro Ponceno, Banco de Economia de P.R., Banco Popular de P.R., Carib. Fed. S & L, First Penn Corp., Fireman's Fund Amer'n Ins. Co.'s, First Boston Corp., First Nat'l Bank of Boston, First Nat'l City Bank, Puerto Rico Inv. Funds Inc., Putnam Tr. Co. (Greenwich, Ct.).

Financial houses among largest corporate equity holders: Bache & Co., Blyth, Eastman Dillon, Union Sec. & Co., First Nat'l Bank of Boston, Loeb, Rhoades & Co., Merrill Lynch, Pitcairn Co. (Wilmington, Del.).

Financial houses among largest corporate debt holders: First Nat'l City Bank*, New York Life Ins. Co., Riggs National Bank (D.C.).

CONTINENTAL OIL

Financial houses with whom director is affiliated: Bankers Trust Co., Canada Life Assurance, Canadian Imperial Bank of Commerce, Cont. Ill. Corp., Federated Capital Corp., Johnson City Bank (Tx), Morgan Guaranty Trust, J. P. Morgan & Co., Inc., Putnam Trust Co., Royal Globe Ins. Co., Trust Co. of Ga., U.S. Trust Co. of N.Y.

Financial houses among largest corporate equity holders: Bank of New York**, Bankers Trust Co., Cede & Co., Chase Manhattan***, Mellon Nat'l Bk & Trust (Pittsburgh).

Financial houses among largest corporate debt holders: Bankers Trust Co., Chase Manhattan, First Nat'l City Bank, Mellon Bank, Morgan Guaranty Trust.

CROWN CENTRAL PETROLEUM CO.

Financial houses with whom director is affiliated: Chase Manhattan, N.A., Hallgarten and Co., Union Trust Co. of Md.

Financial houses among largest corporate equity holders: Barclay's Bank Co. (N.Y.), W. E. Hutton & Co., Loeb, Rhoades & Co., Merrill Lynch, Tom and Barut, Ltd., Union Trust of Md.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Conn. General Life Ins., Equitable Life Assur., Interstate Life & Accident Ins., Jefferson Std. Life Ins. Co., Mutual Life Ins. Co., New England Mutual Life Ins. Co., Penn. Mutual Life Ins. Co., Union Trust Co. of Md.

DIAMOND SHAMROCK OIL & GAS

Financial houses with whom director is affiliated: Cleveland Trust Co., First Nat'l Bank of Amarillo, Tx., First Nat'l Bank of St. Louis, First Union Corp., Mellon Nat'l Corp., St. Louis Union Trust Co., Society Nat'l Bank of Cleveland.

Financial houses among largest corporate equity holders: American Bk. & Trust Co. of Pa., Bank of N.Y., Cede & Co., Cleveland Trust Co., First Nat'l Bank of Chicago, Irving Tr. Co., Mellon Nat'l Bk. & Tr. (Pittsburgh), Pittsburgh Nat'l Bk., State Str. Bk. & Tr. Co. (Boston), Swiss Bank Corp., Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Bankers Trust Co., Chase Manhattan, Morgan Guaranty Trust, N.J. Nat'l Bank, Savings Bank Tr. Co., Wilmington Tr. Co.

EL PASO NATURAL GAS CO.

Financial houses with whom director is affiliated: American Bank (Odessa, Tx.), Bank of New York, Desert Ins. Co. Ltd., El Paso Nat'l Bank (Tx.), First City Bancorporation of Texas, First State Bank, Home Savings & Loan (Odessa), Int'l Ins. Agency, Inc., Mellon Bank & Trust Co., Pacific Mutual Life Ins. Co., Permanent Bank & Trust Co. (Odessa, Tx.), San Angelo Nat'l Bank, TX Comm. Bank N.A., TX Comm. of Houston, TX Comm. of Lubbock, Western Bancorp (CA.).

Financial houses among largest corporate equity holders: First Nat'l City Bank, Merrill Lynch, Reynolds Securities.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Chase Manhattan, Conn. Gen'l Life Ins. Co., Equitable Life Assurance, John Hancock Mutual Life Ins., Metropolitan Life Ins. Co., Mutual Life Ins. Co., N.Y. Life Ins. Co., Northwestern Mutual Life Ins., Sun Life Assurance Co. of Canada, Travelers Ins. Co.

EXCHANGE OIL & GAS

Financial houses with whom director is affiliated: American Tidelands Life Ins. Co., Hibernia Nat'l Bank in N.O., Wertheim & Co.

EXXON

Financial houses with whom director is affiliated: American Gen'l Ins. Co., Chase Manhattan, Chemical Bank, Dry Dock Savings Bank (N.Y.), Equit. Life Assur. Soc., First City Bankcorporation of Texas, First Nat'l City Bank, Metropolitan Life Ins., Morgan Guaranty Trust, J. P. Morgan & Co., Prudential Ins. Co., Texas Commerce Bancshares, Inc.

Financial houses among largest corporate equity holders: Bank of New York, Bankers Trust Co., Cede & Co., Chase Manhattan Bank, Chemical Bank, First Nat'l Bank of Boston, Manufacturers Hanover, Morgan Guaranty Trust, State Str. Bank & Trust (Boston), United States Trust Co.

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*In group for credit agreement with Chase Manhattan, Chemical Bank, 1st Nat'l Bank of Boston, B. Credito y Ahorro Ponceno, Banco de Ponce, Banco Pop. de P.R.

**Nominee for: General Investors Company, Inc.; The Johnston Mutual Fund, Inc., Petroleum Corporation of America; United Funds, Inc.; and The United States Fund.

***Nominee for: American Mutual Fund, Inc.; Chemical Fund, Inc.; Eberstadt Fund, Inc.; Equity Fund, Inc.; International Resources Func, Inc.; and Investment Company of America.

Financial houses among largest corporate debt hodlers: Bankers Trust Co., First Nat'l City Bank, John Hancock Mutual, Metropolitan Life Ins., Mutual Benefit Life Ins., Travelers Ins. Co.

FARMLAND INDUSTRIES

Financial houses with whom petroleum company director is affiliated: Farmers Elev. Mutual Ins. Co., Farmers Life Co., Farmland Life Ins. Co.

Financial houses among largest corporate debt holders: Bank of the Southwest, Bankers Trust Co., Chase Manhattan Bank, Commerce Bank Kansas City), First Natl. Bank of Chicago, First Natl. City Bank, Omaha Bank for Co-ops, St. Louis Bank for Co-ops, Wichita Bank for Co-ops.

FELMONT OIL CORP.

Financial houses with whom director is affiliated: The Franklin Corp.

Financial houses among largest corporate equity holders: Cede & Co.

FLETCHER OIL & REFRIGERATION CO.

Financial houses with whom director is affiliated: Idaho Fidelity Corp.

Financial houses among largest corporate debt holders: Northwestern Natl. Life Ins. Co.

FOREST OIL

Financial houses with whom director is affiliated: Nat'l Bank of Commerce (San Antonio).

Financial houses among largest corporate equity holders: Bank of CA, Bank of NY, Cede & Co., First Nat'l Bank of Nev., Metropolitan Life Ins. Co., State Str. Bank & Trust (Boston).

Financial houses among largest corporate debt holders: Chase Manhattan, N.A.,* Federal Life & Cas., John Hancock Mutual, Lehman Bros., Inc., Metropolitan Life Ins. Co., Morgan Guaranty Trust, Mutual Life Ins. Co., Northwestern Mutual Life, People's Home Life Ins., State Str. Bank & Trust (Boston).

GENERAL AMERICAN OIL CO. OF TEXAS

Financial houses with whom .director is affiliated: American Nat'l Bank of Jacksonville, Blyth Eastman Dillon & Co., Deposit Guaranty Nat'l Bank (Miss.), The Excelsior Life Ins. Co., Matthews & Co., Ltd. (CAN), The People's Nat'l Bank, Tyler, Tex., Republic Nat'l Bank of Dallas, Standard Life Ins. Co., State Bank of Jacksonville (Fla.).

Financial houses among largest corporate equity holders: Cede & Co., Chase Manhattan, New England Merchants Nat'l Bank (Boston), Republic Nat'l Bank of Dallas.

GENERAL CRUDE OIL

Financial houses with whom director is affiliated: American General Ins. Co., Glenmede Trust Co. (Pa.), Meyerland State Bank, Manufacturer Hanover Corp.

Financial houses among largest corporate equity holders: Bank of New York, Glenmede Trust (Pa.), Manufacturers Hanover.

HAMILTON BROS. PETROLEUM CORP.

Financial house with whom director is affiliated: Chase Int'l Inv. Corp., First Nat'l Bancorp., First Nat'l Bank in Dallas, Lamar Life Ins., Life & Casualty Co. of TN, Nat'l Shawmut Bank of Bos., Trust Co. of N.Y.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: Bank of Montreal.

HUNT OIL CO.

Financial houses with whom director is affiliated: Exchange Bank & Trust Co. (Dallas).

Financial houses among largest corporate debt holders: Federal Savings & Loan Assoc. (Thibodeau, La.), Mutual Life Ins. Co., N. American Life & Casualty Co.

HUSKY OIL

Financial houses with whom director is affiliated: Cont. Ill. Nat'l Bank & Trust, First Security Corp. (Utah).

Financial house among largest corporate equity holders: Bank of Montreal, Can. Imp. Bank of Comm., Chase Manhattan, Cont. Ill. Nat'l Bank & Trust, Royal Bank of Can., Montreal Trust Co., Canada Permanent Trust Co.

Financial houses among largest corporate debt holders: Bank of New York, Cont. Illinois Nat'l Bank (Chicago), Federal Life & Casualty Co., First Sec. Bank of Utah, Morgan Guaranty Trust, New York Life Ins.

KERR-M'GEE CORP.

Financial houses with whom director is affiliated: American Bank of Edmond (Ok.), American Fidelity Assur. Co., American Fidelity Ins. Co., Capital Hill St. Bank & Trust Co. (Ok. City), Citizens Bank of Ok. City, Fidelity Bank, N.A. (Ok. City), First Nat'l Bank, Alex. Ok., First Nat'l Bank & Trust, Muskegee, Ok., First State Bank, Blanchard, Ok., First State Bank & Trust Co. of Oklahoma City, F & M Bank of Tulsa, Lehman Bros., Inc., Liberty Nat'l Corp. (Ok. City), Reserve Nat'l Ins. Co., Soc. First Nat'l Bank of L.A., S.W. Title & Trust Co. (Ok. City).

Financial houses among largest corporate equity holders: Cede & Co., Chase Manhattan, Fidelity Bank, N.A., First Nat'l Bank of Boston, Lehman Corp., State St. Bk. & Trust (Boston), Metropolitan Life Ins. Co., Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Bank of Southwest, First Nat'l Bank of Chicago, First Nat'l City Bank, John Hancock Mutual, Prudential Ins. Co. of America, N.Y. Life Ins. Co.

KEWANEE OIL

Financial houses with whom director is affiliated: Blyth Eastman Dillon & Co., Philadelphia Nat'l Bank, Tanney, Montgomery, Scott, Inc.

LION (TOSCO SUBSIDIARY)

Financial houses with whom director is affiliated: Exchange Bank & Trust Co. (Dallas).

Financial houses among largest corporate debt holders: The Equitable Life Ins. Soc., The First Nat'l Bank of St. Paul.

LONE STAR GAS CO.

Financial houses with whom director is affiliated: Bank of Commerce, Employers Casualty Co., Republic Nat'l Bank of Dallas, San Angelo National Bank, Texas Employers Ins. Assoc.

Financial houses among largest corporate equity holders: Chemical Bank (trustee), Equitable Life Assur. Soc., First Nat'l Bank in Dallas, First Nat'l City Bank, Mellon Nat'l Bank and Trust (Pittsburgh), Merrill Lynch, Nat'l Shawmut Bank, Northwestern Pa. Bank of Dallas. Republic Nat'l Bank of Dallas.

Financial houses among largest corporate debt holders: Mellon Nat'l Bank & Trust (Pittsburgh).

LOUISIANA LAND AND EXPLORATION

Financial houses with whom director is affiliated: American Life Ins. Co. of N.Y., Bank of N.Y., Citizens Nat'l Bank of Hammond, La., Depository Trust Co., Dry Dock Savings Bank, First City Nat'l Bank of Houston, Hibernia Nat'l Bank of New Orleans, La. and Southern Life Ins., J. P. Morgan & Co., N.Y. Life Ins., Northern Ins. Co. of N.Y., Whitney Nat'l Bank (New Orleans).

Financial houses among largest corporate equity holders: Bank of New York, Bankers Trust Co., Brown Bros. Harrison & Co., Cede & Co., Chase Manhattan, Delaware Trust Co., Goldman Sachs & Co., Harris Trust & Savings Bank (Chicago), Lehman Bros., Lewco Securities Corp., Manufacturers Hanover Trust, Md. Nat'l Bank, Mellon Nat'l Bank & Trust (Pittsburgh), Merrill Lynch, Morgan Guaranty Trust, Nat'l Bank of Tulsa, Nat'l Bank of Rutherford (N.J.), Northwestern Nat'l Bank of Minn., Savings Bank & Trust Co., Spencer Trask & Co., Inc., State Str. Bank & Trust Co. (Boston), U.S. Trust of N.Y.

Financial houses among largest corporate debt holders: Bank of New York, First Nat'l Bank of Commerce (New Orleans, La.).

MARATHON OIL *

Financial houses with whom director is affiliated: The First Boston Corp.; First Nat'l Bank of Findlay (Ohio), Nat'l City Bank of Cleveland, N.Y. Life Ins. Co., Philadelphia Nat'l Bank, Sears Bank & Trust Co. (Chicago), Toledo Trust Co.

Financial houses among largest corporate equity holders: Nat'l City Bank of Cleveland.

MC CULLOCH OIL**

Financial houses with whom director is affiliated: Bache & Co.

Financial houses among largest corporate equity holders: Cede & Co., Merrill Lynch, Mutual Life Ins. Co.

Financial houses among largest corporate debt holders: Bank of America, Chase Manhattan, City Nat'l Bank & Trust (Kansas City), First Nat'l Bank in Dallas, Mellon Bank & Trust Co. (Pittsburgh), Merrill Lynch, Savings Bank & Trust Co., State Str. Bank & Trust (Boston).

MOBIL OIL

Financial houses with whom director is affiliated: American Sec. & Trust Co. (D.C.), Bankers Trust Co., Brooklyn Savings Bank, Chemical N.Y. Corp., Federal Ins. Co., First Nat'l City Corp., Schroder Trust Co., Vigilant Inc. Co.

Financial houses among largest corporate equity holders: Not Reported.

Financial houses among largest corporate debt holders: Not Reported.

MONSANTO

Financial houses with whom director is affiliated: Bank of America, N.Y., Boatmen's Nat'l Bank of St. Louis, Charter Nat'l Life Ins. Co., Equitable Life Assur. Soc., First Nat'l Bank (St. Louis), First Nat'l City Bank, Great American Ins. Co., Liberty Mutual Fire Ins., Liberty Mutual Life Ins., Mercantile Bancorp Inc. (St. Louis), Merchants Nat'l Bank, (Cedar Rapids, Ia.), Metropolitan Life Ins., N.Y. Life Ins. Co., St. Louis County Nat'l Bank, St. Louis Union Trust Co.

Financial houses among largest corporate equity holders: Bankers Trust Co., Brown Bros. Harriman, Chase Manhattan, Merrill Lynch, Nat'l Bank of Detroit.

Financial houses among largest corporate debt holders: Chase Manhattan, Commerzbank, A.G., Metropolitan Life Ins., N.Y. Life Ins., Northwestern Mutual Life Ins.

MURPHY OIL

Financial houses with whom director is affiliated: Allied Bank Int'l, First Nat'l Holding Co., First Nat'l Bank of El Dorado, First Tennessee National Corporation, Louisiana & Southern Life Ins. Co.

Financial houses among largest corporate equity holders: Bankers Trust Co., Cede & Co., Ft. Worth Nat'l Bank, First Trust Co. of St. Paul, Merrill Lynch, Morgan Guaranty Trust, United Mo. Bank (Kansas City).

Financial houses among largest corporate debt holders: Equitable Life Assur., First Nat'l Bank of Chicago, Mercantile Bank of Canada, Mitsubishi Bank Ltd., Nat'l Westminster Bank Ltd., Royal Bank of Canada, Union Bank of Switzerland.

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* Nominee for: Manufacturer's Hanover Trust Company; Marine Midland Bank (Western); First National Bank and Trust Company of Tulsa; National Bank of Commerce (San Antonio).

*Only partial public response.

**Only partial response.

OCCIDENTAL PETROLEUM CORP.

Financial houses with whom director is affiliated: Cleveland Trust Co., Florida Nat'l Bank of Jacksonville, Home Life Equity Fund, National Liberty Corp.

Financial houses among largest corporate equity holders: Cede & Company*, Chase Manhattan, Merrill Lynch.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Chase Manhattan, Conn. Gen'l Life Ins., Equitable Life Assur. Soc., First Nat'l City Bank, John Hancock Mutual, Mutual Life Ins. Co., N.Y. Life Ins. Co., Teachers Inst. & Annuity.

PANHANDLE **

EASTERN PIPE LINE

Financial houses with whom petroleum company director is affiliated; Commerce Bancshares, Eur-American Banking Corp., Morgan Guaranty Trust.

Financial houses among largest corporate equity holders: Bankers Trust Co., Cede & Co., Chase Manhattan, Chemical Bank, Fidelity-Philadelphia Trust Co., First City Nat'l Bank, Irving Trust Co., Manufacturers Hanover, Mellon Nat'l Bank & Trust Co. (Pittsburgh), Morgan Guaranty Trust, Nat'l Shawmut Bank of Boston, Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., First City Nat'l Bank, Life Ins. Co. of Va., Metropolitan Life Ins. Co., N.Y. Life Ins. Co., Savings Bank Trust Co. (N.Y.), U.S. Trust Co.

PENNZOIL CO.

Financial houses with whom director is affiliated: Brit. Assur. Trust Ltd., C. A. Casualty Ins. Co., Commonwealth Assur. Co., Federal Capital Corp., First Bancorp (Tulsa), First Nat'l Bank (Midland), Mellon Nat'l Bank & Trust (Pittsburgh), Valley Forge Insurance Co.

Financial houses among largest corporate equity holders: Brown Bros. Harriman, E. F. Hutton & Co., First Nat'l City Bank, First Nat'l Bank of Shreveport (trustee), State Str. Bank & Trust (Boston).

Financial houses among largest corporate debt holders: Chemical Bank, First Nat'l Bank of Chicago, Lincoln Nat'l Life Ins., Mass Mutual Life Ins. Co., Merrill Lynch, Mutual Benefit Life Ins., New England Merchants Nat'l Bank, Savings Bank Trust, State Str. Bank & Trust.

PHILLIPS PETROLEUM

Financial houses with whom director is affiliated: American Reinsurance Co., First Bancshares Inc. (Bartlesville), First Nat'l Bank in Bartlesville, First Nat'l Bank & Trust Co. of Tulsa, First Nat'l City Bank & Citicorp, Franklin N.Y. Corp, Nat'l Bank of Tulsa, Teachers Inst. Annuity Assoc., Union Nat'l Bank (Bartlesville, OK), Zions Utah Bancorp.

Financial houses among largest corporate equity holders: Bankers Trust Co., Chase Manhattan, First Nat'l Bank, Bartlesville, Fidelity Bank (Phila. Pa.), Merrill Lynch, U.S. Trust Co. of N.Y.

Financial houses among largest corporate debt holders: Chase Manhattan, Cont. Illinois Nat'l Bank, First Nat'l City Bank, Metropolitan Life Ins., N.Y. Life Ins. Co., Prudential Ins. Co.

ROCK ISLAND REFINERY

Financial houses with whom director is affiliated: American Fletcher Nat'l Bank & Trust Co.

Financial houses among largest corporate or more shares of common stock.

** Partial response only.

equity holders: First Nat'l Bank in Wichita, Mercantile Trust Co.

STANDARD OIL (IND.)

Financial houses with whom director is affiliated: American Nat'l Bank & Trust Co. (Chicago), Bank & Trust Co. of Arlington, Heights, Ill., Chase Manhattan, Chemical N.Y. Corp., Chicago Bank of Commerce, Continental Ill. Corp., First Nat'l Bank & Trust Co. of Tulsa, Harris Trust & Savings Bank (Chicago), Nat'l Blvd. Bank of Chicago, Union Cent. Life Ins., The Wilmette Bank (Ill.).

Financial houses among largest corporate equity holders: Cede & Co., Chase Manhattan, First Nat'l Bank of Chicago, Prudential Ins. Co.

Financial houses among largest corporate debt holders: Chemical Bank, Metropolitan Life Ins., Mitsubishi Bank Ltd., S. Nationale de Credit a l'Indus. Bank, The Sumito Bank, Ltd., U.S. Trust Co. of N.Y.

STANDARD OIL (OHIO) *

Financial houses with whom director is affiliated; Central Bancshares Corp. (Cleveland), Cleveland Trust Co., Lincoln National Corp., National City Bank of Cleveland.

Financial houses among largest corporate equity holders:Bankers Trust, British Petr. (Oversea) N.Y., Chase Manhattan, Nat'l City Bank, Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Chase Manhattan, Chemical Bank, First Nat'l Bank-Chicago, First Nat'l City Bank, Morgan Guaranty Trust, U.S. Trust Co. of N.Y.

SHELL OIL CO.**

Financial houses with whom director is affiliated: Bank of California NA, Bank of the Southwest, Capital National Bank, (Austin, Tx.), Charter N.Y. Corp., Chase Manhattan, Chemical Bank, Conn. Mutual Life Ins. Co., Dean Witter & Co. Inc., Lehman Brothers, Ranger Ins. Co., Seaboard Surety Co.

Financial houses among largest corporate equity holders: Manufacturers Hanover Trust Co.

Financial houses among largest corporate debt holders: Bankers Trust Co., First Nat'l City Bank, Irving Trust Co., N.Y. Life Ins. Co., U.S. Trust Co.

SOUTHLAND OIL CO.

Financial houses with whom director is affiliated: First Nat'l Bank of Jackson (Miss.), Lamar Life Ins. Co.

Financial houses among largest corporate equity holders: Lamar Life Ins.

Financial houses among largest corporate debt holders: Chemical Bank, First Nat'l Bank-Memphis, Whitney National Bank.

STANDARD OIL (CA) ***

Financial houses with whom director is affiliated: Banca D'America e d'Italia, Bank of America NT & SA, Bank of California, Crocker Citizen's Nat'l Bank, Crocker Nat'l Corp., Equitable Life Ins., Fireman's Fund Amer'n. Ins., Fireman Fund Ins. Co., First Nat'l City Bank, Seattle First Nat'l Bank, United CA. Bank.

Financial houses among largest corporate equity holders: Crocker Nat'l Corp.

Financial houses among largest corporate debt holders: Bank of Int'l. Settlements (Switzerland), Caisse Gen. d Epargne et. de Retraite (Brussels), Mediobanca Sp. A., Soc. Nationale de Credit L'Industrie (Brussels), U.S. Trust Co. of N.Y.

SUN OIL CO.

Financial houses with whom director is affiliated: Bay State Corp., Fidelity Union Life Ins., First Nat'l Bank & Trust Co. of Tulsa, Girard Bank (Pa.), Glenmede Trust Co. (Pa.), Mutual Life Ins. Co., Northeastern Bank of Pa.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: Chase Manhattan, Fidelity Union Trust Co., Metropolitan Life Ins. Co., U.S. Trust Co. of N.Y.

TENNECO INC.

Financial houses with whom director is affiliated: American Gen'l Life Ins., Employers Ins.—Wisconsin, Houston Nat'l Bank, Harris, Upham & Co., First Wisconsin Mortgage Trust, N.W., Bancorp., TX Commerce Bank.

Financial houses among largest corporate equity holders: Cede & Co., Houston Nat'l Bank, Merrill Lynch, Stone & Webtser.

Financial houses among largest corporate debt holders: Aetna Life Ins., Bankers Trust Co., Conn. Gen'l Life Ins. Co., Equitable Life Assur., John Hancock, First Nat'l City Bank, Metropolitan Life Ins., Prudential Life Ins., Teachers Ins. & Annuity.

TESORO PETROLEUM

Financial houses with whom director is affiliated: E. F. Hutton & Co., Inc.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: The First Jersey Nat'l Bank, First Nat'l Bank, Ft. Lauderdale, First Nat'l Bank of Topeka, Harris Trust & Savings Bank, E. F. Hutton & Co., Janney Montgomery Scott, Inc., Merrill Lynch.

TEXACO

Financial houses with whom director is affiliated: Bessemer Securities Corp., Brown, Harriman & Int'l Banks, Ltd., Continental Ill. Corp., Equitable Life. Assur. Soc., Financial Gen'l Bancshares, First Nat'l Bank of Washington, Gen'l Reins Corp., Mutual Life Ins., of N.Y., Nat'l Blvd. Bank of Chicago, Nat'l City Corp., Sun Life Assur. of Canada, State Bank of St. Charles, Ill., United Services Life Ins. Co.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: Not reported.

TEXAS CITY REFINING

(Partial response only.)

Financial houses among largest corporate debt holders: American Nat'l Bank of Mobile, First Nat'l Bank of Memphis, Mutual Life Ins. Co.

TEXAS OIL & GAS CO.

Financial houses with whom director is affiliated: Spencer Trask & Co., Inc.

Financial houses among largest corporate equity holders: Bankers Trust Co., Bank of N.Y., Cede & Co., Chemical Bank, Ford Foundation, First Nat'l Bank (Denver), Manufacturers Hanover, Morgan Guaranty Trust, Phicar & Co. (Newark, N.J.), Wall St. Trust Co., U.S. Fidelity & Guaranty Trust Co.

Financial houses among largest corporate debt holders: American Nat'l Ins. Co., Bank of Delaware, Cleveland Trust Co., Jefferson Std. Life Ins., First Nat'l City Bank, N.J. Nat'l Bank, U.S. Trust Co. of N.Y.

TOTAL-LEONARD (SUBSIDIARY OF TOTAL PETROLEUM LTD.)

Financial houses with whom director is affiliated: Bank of Alma, Mich., Isabella Co. State Bank.

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*Cede & Company holds common stock for a number of companies, including Bache & Co., E. F. Hutton, Merrill Lynch and Reynolds Securities, Inc. who each have 800,000

* British Petr. (Oversea) N.Y. is largest holder of equity shares.

** Shell Petr. N.V. which owns 69.6% of Shell Oil, is in turn owned 60% by Royal Dutch Petr. Co. and 40% by the "Shell" Transport and Trading Co., Ltd. Shell Petr. N.V. has pledged 43.2% of Shell Oil common stock to Morgan Guaranty Trust under a trust indenture of Shell Funding Corp.

*** Partial response only.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Conn. Mutual Life Ins., Fr. Amer'n Bkg. Corp., Lincoln Nat'l Life Ins., Mich. Nat'l Bank.

UNION OIL CO. OF CALIFORNIA

Financial houses with whom director is affiliated: Bank of America, Benefit Trust Ins. Co., Canadian Imperial Bank of Comm., Korea Exch. Bank of CA., Pacific Mutual Life Ins., Palatine Nat'l Bank, Suburban Nat'l Bank of Woodfield, Union Bancorp, Inc., Western Bancorp.

Financial houses among largest corporate equity holders: Bank of N.Y., Cede & Co., First Nat'l City Bank, Merrill Lynch, Prudential Ins., Sec. Pacific Nat'l Bank.

Financial houses among largest corporate debt holders: Chase Manhattan, John Hancock, Metropolitan Life Ins., N.Y. Life Ins. Co., U.S. Trust Co.

Mr. ABOUREZK. Wilson comments that:

> It is not necessarily the case that any single one of the thousands of joint venture arrangements which constitute so much of the petroleum industry in itself undermines workable competition between the joint venture partners. Nor would it be correct to conclude merely from their existence that joint venture interties are necessarily collusive arrangements consciously aimed at restraining competitive conduct. Rather it is the totality of all of the individual partnerships which constitutes the petroleum industry's unique form of structural integration. Regardless of the specific motives which may justify any individual combination, because of the extensive and widespread nature of mutual intercorporate interests it cannot be presumed that the competitive result will be the same as if the proprietary and commercial interests of each firm were independent of and competitively opposed to the self interest of the other market participants. Whether or not one believes that certain combinations constitute collusive restraints of trade, when the entire mosaic is viewed in context, the extent to which these interlocks dominate the industry's structure is undeniable.

Additional specific and convincing evidence of major oil company domination and control of the petroleum industry was recently revealed by the California Legislature's Joint Committee on Public Domain. Testifying on January 21, 1975, before the Senate Antitrust and Monopoly Subcommittee, former chairman of the joint committee and newly elected controller of the State of California, Kenneth Cory, summarized the conclusions of his committee's investigation into the structure and behavior of the petrolum industry in his State:

> The Committee found that seven major companies—Texaco, Inc.; Exxon Corporation; Union Oil Company of California; Mobil Oil Corporation; Shell Oil Company; Standard Oil Company of California; and Atlantic Richfield Company—acted like divisions of a single California crude oil company. Their intercompany cooperation does not rest on any single agreement, but upon a whole network of overlapping smaller agreements for joint production and joint operation of individually owned private carrier pipelines. The effect of all these agreements and joint operations gives to this group the power to control California crude oil supply and prices, to exclude other independent producers or refiners from equal opportunity to compete in crude oil markets, and, in sum, to regulate the operation of the entire California segment of the oil economy.

Thus, given the kind of tight control exercised by a few major oil companies over both the petroleum and natural gas industries, it is not surprising when suddenly consumers are told there are shortages in supplies and that the solution is higher prices. This kind of situation can only result when a few companies, acting together, can constrain supplies in order to squeeze additional dollars from consumers.

The major oil companies' oligopoly, or shared monopoly, control of oil and natural gas is not something new. The companies have been consolidating their power over these resources for many, many years. But, what is relatively new, however, is the fact that these same companies have begun to assume control over other competitive energy sources—coal, uranium, shale oil, geothermal steam, solar energy technology, et cetera.

This emerging control over alternative competitive energy sources is seen by many economists as a dangerous development. Prof. Willard Mueller, professor of economics at Michigan State University and former Director of the Bureau of Economics at the Federal Trade Commission, testified in February 1974 before the Senate Interior Committee's Special Subcommittee on Integrated Oil Operations that:

> Most ominous in the long run is the control acquired by the major oil companies over competing energy sources. Not content with their dominance over petroleum, these firms have embarked on an apparently systematic effort to gain a foothold in substitute fuels by buying up coal and uranium companies, and by leasing government oil shale lands.

In 1971, the House Subcommittee on Special Small Business Problems issued an extremely important report on "Concentration By Competing Raw Fuel Industries in the Energy Market and its Impact on Small Business." The committee found that:

> The major oil companies account for approximately 84 percent of U.S. refining capacity; about 72 percent of the natural gas production and reserve ownership; 30 percent of the domestic coal reserves and over 20 percent of the domestic coal production capacity; over 50 percent of the uranium reserves and 25 percent of uranium milling capacity. Further, the major oil companies are acquiring oil shale and tar sands as well as water rights in many areas of the country.

The committee concluded, somewhat ominously,

> If such a trend toward concentration by the oil companies in acquiring competing fuel resources is not reversed, this subcommittee believes that a very dangerous monopolistic fuel supply situation could eventuate.

The major problem that occurs when oil companies gain control of competing energy resources is that buyers are faced with a single supplier. Electric utilities, for example, must purchase oil, coal, and nuclear fuel—all of which are being produced by subsidiaries or affiliates of major oil companies. The power to control supply is the power to determine price. Without interfuel competition, utilities and therefore consumers are at the mercy of a handful of giant corporations.

The House subcommittee recognized this very fact,

> The growing concentration in the fuel market may result in the dwindling of available fuel supplies, the maintenance of artificially high price levels and the eventual reduction in the number of competitors through merger, acquisition or bankruptcy.
>
> Price competition and product improvement facilitated by the entry of new fuel suppliers into the same market will likely be foreclosed. Where substitutability among available fuels once provided the fuel purchaser with some element of price control through product selectivity, a highly concentrated market structure forecloses the possibility of its occurrence. Such is the subcommittee's deep concern with oil companies, as suppliers of raw fuels, acquiring substantial coal and uranium reserves and production capacities.

A recent House Banking and Currency report—"Oil Imports and Energy Security: An Analysis of the Current Situation and Future Prospects," September 1974—also summarized the threat to interfuel competition posed by oil company entry into competitive fuel markets:

> Whatever the extent of competition among firms within the petroleum industry, the competitive behavior of the industry is determined in part by the extent of competition between petroleum products and its substitutes. A high degree of substitutability, on the one extreme, would constrain the pricing and profit behavior of crude oil producers toward that resembling a competitive industry. A complete lack of suitable alternatives, on the other hand, would permit the industry as a whole to generate excess profits.

In its analysis of potential competition in the different sectors of our economy, the committee found that:

> There is not likely to be any effective competition with petroleum for transportation in the foreseeable future.

In the area of residential and commercial uses petroleum represents 45 percent with natural gas and electricity making up the rest. The committee concluded that:

> The scarcity of natural gas over the past three years has virtually stopped its expansion into the residual and commercial market; petroleum's role is most likely to grow.

Thus, with respect to providing the energy to fuel the transportation and residential and commercial sectors of the economy, major oil companies through their control over oil and natural gas can expect little competition.

The House committee further noted that:

> The greatest source of potential competition with crude oil in the years to come will depend on the successful development of synthetic oil and gas from coal, oil shale and tar sands.

Thus, argues the committee:

> The potential for competition from other fuels provides a logical explanation for the widespread diversification by the major petroleum companies into alternative energy sources.

Like the House Small Business Committee before it, the House Banking and Currency Committee warned in its conclusion that:

These trends in the transformation of petroleum firms into energy firms imply that competition among alternative fuels will become meaningless if the alternatives are controlled by the same firms.

COAL

The movement of major oil companies into coal began in 1963 with Gulf Oil's acquisition of the Pittsburgh and Midway Coal Mining Co. Other major acquisitions and mergers included the following:

Continental Oil—Consolidation Coal (1966).
Occidental Pet.—Island Creek (1968).
Sohio—Old Ben (1968).
Ashland-H. L. Hunt—Arch Mineral (1968).

In addition to acquiring existing coal companies, major oil companies have acquired substantial undeveloped coal reserves. The following table lists oil companies and their estimated reserve holdings:

Information compiled by the United Mine Workers.

	Total (billions of tons)	Low sulphur (percent)
Continental Oil	8.1	35
Exxon	7.0	?
Occidental	3.3	28
Gulf	2.6	8
Kerr-McGee	1.5	60
Sohio	.8	Minimal

Another estimate is supplied by the May 1974 Keystone News Bulletin:

[*Billions of Tons*]

Continental	10.8
Exxon	2.6
Occidental	4.43
Gulf	2.6
Atlantic Richfield	2.2
Kerr-McGee	1.5

And according to a 1974 report published by the Council on Economic Priorities:

> Over 15 billion tons of recoverable public coal and five billion tons of Indian coal are under lease. That is 35 times the amount of coal produced by the United States in 1973. Rights to this coal are contained in 463 public land leases granted by the Department of Interior in North Dakota, Montana, Wyoming, Colorado, Utah, New Mexico and Arizona covering over 680,000 acres, or more than 1,000 square miles. Interior has approved an additional 11 Indian leases covering 259,000 acres, more than 400 square miles.
>
> There is a great concentration of lease holdings among corporations. The top 15 of 14 leaseholders control 70% of all the land under lease. Five oil companies—Continental, Shell, Sun Oil, Gulf, and Arco—are among the top 15.

According to the CEP report, a great deal of speculation is occurring on Federal and Indian coal leases where only 52 or 11 percent of the 475 leases are now producing. Five of the 15 largest leaseholders, including Shell and Sun Oil, have never produced a ton of coal from their leases. An obvious conclusion is simply that among others, major oil companies are in the process of tying up large amounts of coal for future use, either as a fuel for electric utilities or to be converted into synthetic natural gas or synthetic crude oil.

A study completed in 1971 entitled "Coal: The Captive Giant" by Laurence D. Beck and Stuart L. Rawlings found that:

> Oil or "energy" companies now own 28% of the national coal production, an increase of 21% over the past five years.

The authors went on to point out:

> Three of the largest four coal producers are now "energy" companies, and seven of the largest fifteen are "energy" companies. Eleven of the top twelve coal producers have oil activities, and five have uranium activities. What's more, most of these companies are openly referring to themselves as "energy" companies.

One of the most important conclusions reached by the authors of this study follows:

> Where companies own shares in most or all of the fuels, a price rise in any of the fuels makes it possible to raise the prices of all the fuels whenever they are in competition at substantial overall gain to the companies so situated.

It is interesting to note what has happened to the price of coal following the entry of oil companies into the coal industry. In a 1971 study done for the American Public Power Association, it was found that:

> Coal prices were remarkably stable during the 1960-65 period when coal production increased 23% and coal consumption by electric utilities rose by 40%. Coal prices began edging up after the mid-sixties, however, and continued to rise at an accelerated pace in the latter part of the decade. By 1969, for instance, the prices for steam coal (the type of coal used by electric utilities) had advanced 22% above the 1960 level, but coal production rose 35% and electric utility consumption grew 77% during this same period.
>
> Coal prices then had a phenomenal rise during 1970, the explanation for which appears to be completely unrelated to the trends in total coal production or coal consumption by electric utilities in that year. The prices charged for steam coal averaged 36% higher in 1970 than in 1969, but there was a steady increase throughout most of the year and by December 1970 these prices were 60% above the 1969 level. This very sharp increase occurred despite the fact that total coal production was 5% higher in 1970 than in 1969, which was a larger rate of growth than the average annual increase of 4% that occurred during the 1960-69 period. Moreover, coal production during the peak month of 1970 (October) was more than 17% above the average monthly production in 1969 . . . Thus, the big increase in coal prices cannot be explained on the basis of a reduction or slackening of coal output.

The most recent movements of coal prices indicate a strong relationship to the price of oil. According to statistics of the Federal Power Commission the August 1974 price of $16.74 per ton put coal's average price 89.4 percent ahead of the same month last year. It is unlikely that this large a price increase can be accounted for by real cost increases in production. A more likely explanation is that oil companies, able to charge higher prices for oil, decided to raise coal prices as well.

It is important to recognize that when examining the coal producing industry that a number of coal producers are captive producers who do not sell coal in the commercial markets. Such a producer, for example, is United States Steel. Therefore, when discussing oil company control of the coal industry, one must discount the participation of captive coal producers.

Thus, if captive coal producers are removed from the list of large producers, major oil companies loom much more importantly. In addition, several of the larger coal producers act as coal marketers for coal produced by other companies. Consolidation Coal Co., the subsidiary of Continental Oil, for example, marketed 6 percent more coal than it produced in 1965. The same is true for Island Creek, a subsidiary of Occidental Petroleum.

Because the major oil companies have entered the coal industry in a significant and substantial way, competition between fuels such as coal and residual fuel oil is threatened. In 1971 the House Small Business Subcommittee concluded that:

> Increased concentration in the energy market could reduce competitive raw fuel alternatives available to electric utilities which could result in higher electric utility bills to small busnesses and consumers.

OIL SHALE

But coal is not the only fuel that oil companies have been buying up in the last few years. Oil shale, a type of rock containing petroleum, exists in the United States in tremendous quantities—over a trillion barrels by some estimates. For years the major oil companies through the Department of Interior have controlled the development of this abundant resource. According to a book written in 1970, "The Elusive Bonanza" by Chris Welles—

> Though this deposit has never been commercially exploited to any meaningful extent, the evidence is overwhelming that production of shale oil would not only be profitable but a good deal more profitable than exploration for and production of new domestic reserves of crude oil.
>
> The federal government, which as owner of over 80 percent of the Colorado shale has broad powers to determine its use, has docilely acquiesced to the oil industry's point of view.

In another book, former Senator Paul Douglas described how for years the Interior Department failed to investigate and prosecute possible false claims on numerous acres of oil shale land by private speculators, many of whom were fronting for the major oil companies. One such speculator was a man named Merle Zweifel. According to Senator Douglas:

> Some believe that certain oil companies are behind Zweifel and are using his claims to prevent any oil shale development until it is convenient for them to engage in it. The loss of Middle Eastern or Venezuelan oil would, for example, accelerate such a development, as would the growing exhaustion of the domestic fields and further technical progress in the methods of extracting oil from shale.

Recently, the Department of Interior began to lease large blocks of public land containing oil shale in Colorado, Utah and Wyoming. It was no coincidence that the winning bids came from major oil companies; 5,120 acres of Colorado shale land was leased to Gulf and Standard of Indiana for $210,305,000. Another 5,120-acre tract was leased to Atlantic Richfield, Ashland Oil, Shell, and the Oil Shale Corp. for $117,780,000. A lease in Utah was captured for $75,596,800 by Phillips Petroleum and Sun Oil. A fourth lease, also in Utah, was won by Sohio, Sun, and Phillips for $45,100,000.

The oil companies' interest in the commercial development of shale oil is being stimulated by this administration in a variety of ways. President Ford announced in his state of the Union speech the creation of a national synthetic fuels commercialization program which would entail Federal incentives—possibly including price guarantees, purchase agreements, capital subsidies, leasing programs, and so forth. This program would provide incentives in addition to those that already exist under current leasing provisions. According to a recent study by the Center for Science in the Public Interest:

> The leases are very favorable to the oil companies in the following ways:
>
> 1. Companies pay a low rent of 50c an acre;
>
> 2. The fourth and fifth bonus payments are to be credited against plant costs and other expenditures;
>
> 3. Other subsidies are dependent on production goals;
>
> 4. Extraordinary expenditures which are not defined are to be credited against royalties;
>
> 5. Limits are placed on the amount the companies are required to spend on revegetation;
>
> 6. Inadequate bonds are to be posted for reclamation purposes;
>
> 7. Changes in the leases are left up to the mining supervisor who is authorized to check on mining methods, disposal of wastes, possible damage to the environment and revegetation programs;
>
> 8. No environmental agencies have the right or the responsibility to review or veto any of the mining or reclamation techniques;
>
> 9. Changes in reclamation or revegetation techniques may not be made without the consent of the lessee.

The mining of shale oil poses a number of serious environmental problems including waste disposal, water and air pollution, and revegetation. With the oil companies controlling both the resource and technology as well as rights to water, national energy policy is being determined by these same companies. It is doubtful that the national interest is being served by permitting major oil companies to develop oil shale resources in ways that benefit their own stockholders. The problems of insuring competition and environmental safeguards are threatened by allowing major oil companies to engage in oil shale development. Coal and shale are valuable national energy resources and should be developed in the most beneficial manner both in terms of a free competitive marketplace and environmental protection. The following charts indicate the extent of oil company involvement in the emerging oil shale industry, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—CONSOLIDATED HOLDINGS, MAJOR OIL COMPANIES

	Oil shale ownership [1]						Ranking oil companies	
	Colorado		Utah		Total			
	Net acres	Tracts [2]	Net acres	Tracts [2]	Net acres	Tracts [2]	By assets [3]	By sales [4]
Standard Oil of California	40,950	4	0	0	40,950	4	5	12
Union Oil	29,630	3	0	0	29,630	3	14	50
Texaco	19,170	3	8,300	1	27,470	4	2	9
Getty (Tidewater)	24,300	1	0	0	24,300	1	16	91
Atlantic Richfield	19,730	13	2,570	1	22,300	13	7	22
Mobil	19,280	2	0	0	19,280	2	4	6
Sohio (Standard, Ohio)	9,620	12	8,970	5	18,590	17	17	86
Exxon	10,550	29	0	0	10,550	29	1	2
Continental Oil	10,240	1	0	0	10,240	1	11	23
Cities Service	9,000	1	0	0	9,000	1	15	60
Gulf	3,800	0	4,500	1	8,300	1	3	11
Superior Oil Co	7,260	1	0	0	7,260	1		
Shell	6,180	13	0	0	6,180	13	8	16
Pan Am (Standard, Indiana)	2,790	1	0	0	2,790	1	6	15
Tenneco Inc	1,180	1	0	0	1,180	1	9	32
Marathon Oil Co	760	1			760	1	18	109
Total	214,440		24,340		238,780			

[1] Approximation.

[2] Number of noncontiguous tracts.

[3] Rank by 1971 assets in petroleum industry.

[4] Rank by 1971 sales among 500 largest industrials.

Note: Data includes all of the lands currently held by major oil companies. Other lands have been patented and are mostly in individual ownership.

Source: Department of Interior.

TABLE II.—WATER RIGHT APPLICATIONS FOR COLORADO OIL SHALE AREA [1]

Colorado filing No.	Applicant and project name	Date of appropriation	Quantity of water claimed		Status [2]
			CFS	AFY	
18062	Union Oil Co., Union Oil Pumping Pipeline.	Feb. 14, 1949	118.5	85,770	CD
18957	Cities Service Oil Co., Cities Service Pipeline.	Aug. 2, 1951	100.0	72,380	CD
18191	Chevron Oil Co., Dragert Pumping Pipeline.	Nov. 16, 1951	94.0	68,040	CD
19625	Getty Oil Co., Pacific Western Pumping Pipeline.	Nov. 19, 1951	56.0	40,530	CD
18720	Chevron Oil Co., Eaton Pumping Pipeline.	Nov. 21, 1951	100.0	72,380	CD
19645	Chevron Oil Co., Pacific Oil Co. Pipeline.	June 9, 1953	57.25	41,440	CD
19646	Colony Development Operation [3] Pacific Oil Co. Pipeline.	do	28.63	20,720	CD
20281	Colony Development Operation, E. Middle Fork Pipeline.	Oct. 19, 1954	20.0	14,476	CD
20280	Colony Development Operation, Dow Middle Fork Pipeline.	Oct. 20, 1954	10.0	7,238	CD
21304A	Colony Development Operation, Dow Pumping Plant & Pipeline.	Jan. 24, 1955	1,178.0	128,840	CD
21245	Atlantic Richfield Co., Sinclair Pumping Pipeline.	Nov. 29, 1956	33.0	23,885	CD
22265	Mobil Oil Corp., Piceance Pipeline	June 10, 1961	50.0	36,190	CD
22421	Humble Oil & Refining Co., White River Pumping Pipeline.	Dec. 15, 1963	100.0	72,380	F
22545	Humble Oil & Refining Co., White River/14-mile Creek Pipeline.	Sept. 12, 1964	200.0	144,760	CD
22662	Sohio Petroleum Co., Clear Creek Feeder Pipeline.	Feb. 8, 1965	50.0	36,190	CD
22662	Sohio Petroleum Co., Conn Creek Feeder Pipeline.	do	50.0	36,190	CD
23011	White River Resources Inc., White River/Piceance Creek Pipeline.	Aug. 5, 1966	100.0	72,380	F
23382	Industrial Resources Inc., Wolf Ridge Resv. & Feeder Pipeline.	Nov. 19, 1966	100.0	72,380	F
23060	The Oil Shale Corp., Story/Gulch Parachute Creek Pipeline.	Feb. 28, 1967	55.0	39,809	F
23448	Superior Oil Co., Superior Pipeline	May 14, 1968	24.0	17,370	F

[1] All data obtained from water filings made with Colorado State Engineer. Virtually all of these direct flow applications are accompanied by separate appropriately sized storage reservoir applications.

[2] CD=Conditional Decree has been awarded by Colorado State Court. F=Filed only—no conditional decree yet awarded.

[3] Partners in Colony are Atlantic Richfield Co., The Oil Shale Corporation, Sohio Petroleum Co. and Cleveland Cliffs Mining Co.

Source: Department of Interior.

TABLE III.—UTAH WATER RIGHT APPLICATIONS[1]

Application No.	Applicant	Quantity requested CFS	Quantity requested AFY	State use for water	Status
36,730	Sohio Petroleum Co	15.0	10,857	Oil shale	Pending.
37,111	Western Oil Shale Corp	15.0	10,857	do	Do.
37,139	F. H. Larson	30.0	21,714	do	Do.
37,270	Atlantic Richfield Co	25.0	18,095	Powerplant and oil shale	Do.
37,271	do	15.0	10,857	do	Do.

[1] All data obtained from water rights applications filed with Utah State Engineer.

Source: Department of Interior.

Mr. ABOUREZK. The major oil companies are not satisfied with dominating the development and production of oil, natural gas, coal, and oil shale. They have also moved into the nuclear power industry. Given the projected amount of nuclear-generated electricity in the year 2000, the level of concentration in the nuclear power industry will have a significant impact on competition and concentration in energy as a whole.

As in the coal industry, the major oil companies entered the uranium/nuclear industry through merger and acquisition rather than internal expansion. An analysis of this movement was made by Walter S. Measday for the Senate Antitrust and Monopoly Subcommittee on February 17, 1970:

> Kerr-McGee began uranium mining with the acquisition of Navaho Mining Co. in 1952, on the basis of which it was able to get an AEC ore processing contract. Subsequently it acquired Pacific Uranium Mines (1960), Gunnison Mining and Lakeview Mining (both 1961). It moved into nuclear fuel production, with its acquisition of the Nuclear Fuels Department of Spencer Chemical in 1962, a year before the latter company was acquired by Gulf Oil.
>
> Gulf itself made what has perhaps been the largest acquisition to date when it purchased General Atomic (division of General Dynamics) in 1967, with both fuel core and reactor production capability. Atlantic Richfield entered the nuclear field business in 1967 with its merger of Nuclear Materials and Equipment Company, one of the most promising independents in the industry. Getty Oil made a similar move when it acquired Nuclear Fuels Services (one-third in 1968, and the remaining two-thirds interest from W. R. Grace in 1969); in addition to nuclear fuel capability, this company operates the only commercial plant for the recovery and reprocessing of spent fuel.

One can raise the question that if oil companies were really sincerely interested in competing in the nuclear industry, they would have set up their own subsidiaries without resorting to the strategem of buying out potential competitors. By having bought out these potential competitors, they were successful in not only entering another energy industry, but more than guaranteed that it would follow the structure of the monopoly-dominated petroleum and natural gas industries.

The House Small Business Subcommittee determined in 1971 that—

> The likelihood of a shortage of fuel supplies may be advanced by oil companies gaining control of competing energy resources such as uranium. Oil company participation in the nuclear energy field has been increasing in the past few years. In 1967, Atlantic Richfield acquired Nuclear Materials and Gulf Oil acquired General Atomics division of General Dynamics. In 1968 Getty Oil acquired Nuclear Fuel Services. Of the major oil companies in the uranium business—Standard Oil of New Jersey, Atlantic Richfield, Continental, Gulf, Getty, Standard Oil of Ohio, Kerr-McGee and Sun Oil—each have exploration of reserve holdings; six have mining and milling capacity; two have UF-6 conversion; five have fuel preparation or fabrication; four have fuel reprocessing; and one owns a reactor.

The subcommittee revealed that—

> In 1970, 17 oil companies accounted for approximately 55 percent of the drilling and controlled about 48 percent of the known low cost uranium reserves, with approximately 28 percent of the uranium ore processing capacity.

The subcommittee concluded that—

> The increasing acquisition of uranium reserves and production capacity by oil companies may tend to lessen future interfuel competition in the energy market . . . (and that) the growing trend toward concentration by oil companies in the uranium industry should be reversed in order to insure the availability of low cost uranium resources.

According to a staff report to the Federal Trade Commission:

> (Concentration Levels and Trends in the Energy Sector of the U.S. Economy) seven companies controlled 70% of low-cost uranium reserves in the United States in 1971. Of these seven companies, four were major oil companies—Exxon, Gulf, Getty and Kerr-McGee. Furthermore, in 1972 four companies—Kerr-McGee, Exxon, Continental Oil and Getty Oil controlled 35.7% of uranium milling capacity. In 1970 two oil companies, Kerr-McGee and Getty controlled 27.7% of the uranium ore mined by uranium milling companies. The same two companies controlled 25% of U308 (uranium oxide) production. Gulf Oil through its General Atomics subsidiary manufactures nuclear steam supply systems or nuclear reactor systems and also fabricates fuel. The Federal Trade Commission's staff study documented the degree and extent of vertical integration in the uranium and nuclear power supply industries: Continental Oil is in mining and milling; Exxon, in mining and milling; Getty, in mining, milling, conversion and fuel fabrication; Kerr-McGee, in mining, milling, conversion, and fuel fabrication; Gulf, in mining, milling, fuel fabrication, nuclear steam supply systems, and fuel reprocessing; Atlantic Richfield, in fuel fabrication and fuel reprocessing; Exxon, fuel fabrication.

I ask unanimous consent that a table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

VERTICAL INTEGRATION IN THE URANIUM AND NUCLEAR POWER SUPPLY INDUSTRIES, 1971

Major activity, company	Mining	Milling	Conversion U_3O_8/UF6	Fuel fabrication UF$_6$/UO$_2$	Fuel fabrication UO$_2$ pellets	Fuel fabrication Fuel cores	Zirconium tubing or sponge	Nuclear steam supply system producers	Turbine-generators	Fuel reprocessing Uranium	Fuel reprocessing Plutonium
Mining and milling:											
American Metal Climax, Inc	×	×					×				
American Nuclear Corp	×	×									
Anaconda Co	×	×									
Atlas Corp	×	×									
Continental Oil Co	×	×									
Cotter Corp	×	×									
Dawn Mining Co	×	×									
Exxon Corp	×	×									
Federal Resources Corp	×	×									
Petrotomics Co. (Getty)	×	×		F	×	×	×			×	
Kerr-MGee Corp	×	×		×	×	×	×				
Rio Algom Corp	×	×									
Susquehanna-Western, Inc	×	×									
Union Carbide Corp	×	×									
United Nuclear Corp.[2]	×	×		×	×	×	×				
Utah International, Inc	×	×									
Western Nuclear, Inc	×	×									
U_3O_8 to UF$_6$ Conversion:											
Allied Chemical Corp.[3]			×							F	

Footnotes at end of table.

VERTICAL INTEGRATION IN THE URANIUM AND NUCLEAR POWER SUPPLY INDUSTRIES, 1971—Continued

Major activity, company	Mining	Milling	Conversion U_3O_8/UF6	Fuel fabrication			Zirconium tubing or sponge	Nuclear steam supply system producers	Turbine-generators	Fuel reprocessing	
				UF_6/UO_2	UO_2 pellets	Fuel cores				Uranium	Plutonium
Fuel Fabrication:											
Atlantic Richfield Co. (Numec) [4]				X	X	X				F	
Atomics International					F	X					
Jersey Nuclear (Exxon)				F	F	F					
Nuclear Chemicals and Metals				F							
Tennessee Nuclear Specialities				F							
Zirconium Tubing or Sponge:											
Wah-Chang							X				
Wolverine Tube							X				
Sandvick Specialty							X				
Nuclear Steam Supply System Producers:											
Babcock & Wilcox			F	F	F	X		X		X	
Combustion Engineering	X			F	X	X		X			
General Electric	X		F	X	X	X	X		X	X	X
Gulf Atomic General [5]	X			F	G	F		X		F	
Westinghouse	X			X	X	X	X	X	X		

X—Existing capability.
F—Future capability (planned or under construction).

[1] Getty moved into refining, fabrication and reprocessing through the acquisition of Nuclear Fuel Services Corporation (Getty 89 percent; Skelly 11 percent).

[2] United Nuclear, in a joint venture with Gulf Oil Corp. (Gulf General Atomic). (43 percent United Nuclear, 57 percent Gulf), engages in fabrication and reprocess in a similar arrangement with Sandvick Specialty Metals. It is engaged in Zirconium Tube Production.

[3] Allied Chemical and Gulf in a joint venture are engaged in reprocessing.

[4] Atlantic Richfield (NUMEC) has since dropped out of the nuclear industry.

[5] See footnotes 2 and 3 above.

Sources: U.S. Atomic Energy Commission, "The Nuclear Industry" (Washington, D.C.: U.S. Government Printing Office, various years) and Arthur D. Little Inc., "Competition in the Nuclear Power Supply Industry, Report" to: The Atomic Energy Commission and the Department of Justice (Washington, D.C.: U.S. Government Printing Office, December, 1968).

Mr. ABOUREZK. More recent evidence from the 1973 annual reports of the major oil companies indicates even more penetration into the nuclear power industry:

Exxon: Exxon Nuclear Company received additional contracts for fuel fabrication and uranium. Its backlog of orders totaled $900 million at year-end, a reflection of the company's acceptance by U.S. and foreign electric utilities as a dependable fuel supplier within four years of its establishment. To accommodate increasing business, Exxon Nuclear's fabrication plant at Richland, Washington, and Exxon USA's uranium mine and mill at Highland, Wyoming, were scheduled for expansion after completing their first full year of operations. In view of the large potential foreseen for the nuclear fuel industry, Exxon affiliates accelerated their exploration for uranium supplies in the United States and elsewhere. Exxon Nuclear obtained options to buy land in Loudon County, Tennessee, as a possible location for a nuclear fuel recovery and recycling center.

Exxon Nuclear made progress toward achieving the ability to participate in the uranium enrichment sector of the nuclear fuel cycle.

Gulf: A new partnership was formed with the Royal Dutch/Shell Group of Companies to own and operate two 50–50 partnership companies: General Atomic Company and General Atomic International.

General Atomic Co. and General Atomic International will manufacture and market High Temperature Gas-cooled Reactor (HTGR) systems for central station electric power plants, and will develop and market other advanced nuclear products and services.

Allied-Gulf Nuclear Services, a partnership of General Atomic and Allied Chemical Nuclear Products, Inc., is building the country's largest commercial light water reactor fuel reprocessing facility near Barnwell, S.C.

Exploration and development activities continued at an accelerated pace. In the U.S., Gulf Mineral Resources Co. made significant additions to the reserves held in New Mexico through discovery and acquisitions. This makes Gulf *one of the largest uranium reserve holders in the U.S.* (Emphasis added).

In Canada, Gulf Minerals Canada Limited is on schedule with a mine and mill development program at Rabbit Lake, Saskatchewan. When it comes on stream in 1975, this property will be one of the important uranium producers in the world.

Conoco: During 1973 Conoco continued to explore actively for uranium and selected metallics. The uranium reserve position was strengthened, and mining improvements were made at the joint-venture uranium mine and mill in South Texas.

Kerr-McGee: Kerr-McGee's uranium exploration program expanded in 1973, is being further increased in 1974.

At Ambrosia Lake, near Grants, New Mexico, Kerr-McGee owns and operates the largest uranium mining and milling complex in the United States. The company operates eight underground mines in the Ambrosia Lake district and the new Section 19 mine, now under construction, is scheduled to be in production by 1975.

Sales of uranium concentrates (U_3O_8) from the company's combined New Mexico and Wyoming uranium operations amounted to 5,952,052 pounds in 1973.

In testimony before the Senate Interior Committee former Atomic Energy Commission Chairman, Dr. Dixy Lee Ray stated:

> In 1972, 15 oil companies were engaged in exploratory drilling for uranium. Seventy-two other companies also explored in that year.
>
> The oil companies performed about 53% of the 15.4 million feet of drilling for uranium in the year, although they constituted only 17 per cent of the companies actively exploring.
>
> As a result of these efforts, oil companies currently control about 50% of U.S. uranium ore reserves minable at a cutoff cost of $8 per pound of U_3O_8. Of the 10 companies with the largest uranium reserves, 4 are oil companies.
>
> Two mills were built by oil companies in the last few years to process uranium ore into uranium concentrates. Oil companies control 4 of the 16 mills now operating. The four mills constitute 43 percent of currently operating U.S. uranium milling capacity.

From the foregoing information, it is readily apparent that major oil companies have formidable interests in the uranium and nuclear industries. These interests combined with interests in coal and oil shale give oil companies a unique position in our economy, a position from which they will be able to influence and manipulate the entire energy market. The report of the Ford Foundation's energy policy project concluded:

> The economic effect of the spread of the petroleum companies into coal, uranium, and so forth, may not be significant at this stage, but the political effect, by reducing conflicts within the industry, promises to be greater. The clashes over policy between the coal industry and atomic energy, between natural gas and electricity, and the like, are now muted. The industry trade associations tend to sing the same tune. The opportunity is there for the energy industry to exercise considerable pressure on the political process.

GEOTHERMAL ENERGY

On December 17, 1973, the Joint Economic Committee reported that—

> Geothermal energy, which is essentially heat from the earth's core, recoverable either as steam or hot water, promises to be important in the future. Estimates range from the ability to generate the total U.S. electrical supply for hundreds of years and recent developments at Los Alamos may make it possible to supply U.S. needs for thousands of years." The Joint Committee also noted that "Production of electricity from geothermal sources involves none of the perils of nuclear energy.

Finally, the committee concluded:

> Estimated costs of geothermal plans and operating costs vary, but all the estimates indicate that they are less than those from nuclear power, and coal, although slightly higher than from hydro power. Production of electricity from geothermal energy is, therefore, *the lowest cost of any known method of producing electricity* (Emphasis added).

Therefore, it is hardly surprising that major oil companies have also entered the geothermal steam market.

The Los Angeles Times reported on November 11, 1974, that—

> The major American oil companies are rapidly coming to dominate the nation's geothermal resources . . .

The report revealed that—

> Of 40 tracts of public land, totaling more than 1 million acres, offered for geothermal exploration and development by the Bureau of Land Management between January and September of 1974, 27 drew one or more competitive bids—and 23 were won by major oil companies.

While the Federal law regulating the leasing of geothermal lands prohibits any firm from holding leases on more than 20,400 acres of land in any one State, individual States, like California, have no such limitations. Reported the Los Angeles Times:

> And there are no restrictions on how much land a firm may lease from private owners;

Gulf's Maxwell said that his company has acquired no federal leaseholds, but still expects by the end of the year to have geothermal lease rights to between 2½ to 3 million acres across the Western United States—all obtained from private landowners.

On January 22, 1974, the Department of the Interior for the first time put up for bid leases for geothermal resources on Federal lands. The top bid of $4.5 million was offered by Shell Oil Co. for 3,874 acres in the Geysers, one of the Nation's richest geothermal areas, 75 miles north of San Francisco.

At present the Geysers field is the only one operating commercially. This powerplant is a joint venture operated by the Union Oil Co. and provides steam to generate electricity for San Francisco. In addition to the Federal geothermal lease captured by Shell, there have been a large number of other geothermal leases bought up by major oil companies as well as a few nonoil companies. The following list clearly indicates that major oil companies are the dominating force in the development of geothermal leases on public lands:

FEDERAL GEOTHERMAL LEASES

Unit and company	Amount	Acreage
MONO-LONG VALLEY SALE—CALIFORNIA, JAN. 22, 1974		
1. Chevron	$18, 459. 36	1, 815
2. Getty	98, 592. 00	1, 895
3. Republic Geothermal	515, 767. 00	1, 773
ROOSEVELT-HOT SPRINGS—UTAH, JULY 30, 1974		
1. Union Oil	51, 993. 00	2, 560
2. Phillips Pet	87, 523. 20	1, 640
3. Phillips Pet	9, 811. 20	1, 920
4. Phillips Pet	314, 199. 05	2, 454
5. Phillips Pet	8, 401. 10	1, 644
6. Phillips Pet	248, 391. 00	1, 940
7. Phillips Pet	41, 856. 00	1, 961
8. Phillips Pet	62, 902. 00	2, 273
9. Getty	24, 000. 00	1, 920
10. Phillips Pet	13, 081. 00	2, 560
11. Phillips Pet	12, 672. 00	2, 480
12. Phillips	2, 335. 00	40
EAST MESA—CALIFORNIA, JUNE 4, 1974		
1. No bid		
2. No bid		
3. Magma Power	4, 203. 00	1, 868
4. No bid		
5. No bid		
6. No bid		
7. No bid		
8. Magma Power	3, 235. 00	1, 437
9. Republic Geothml	432, 810. 00	2, 549
10. Republic Geothml	8, 371. 00	2, 560
11. Republic Geothml	208, 925. 00	1, 596
12. Magma Power	3, 960. 00	1, 760
13. No bid		
14. No bid		
GEYSER—CALIFORNIA, May 29, 1974		
1. Shell Oil	3, 200, 000. 00	2, 340
2. Shell Oil	1, 300, 000. 00	1, 534
3. Thermalgenics Inc	$22, 050. 00	175
4. Union Oil	48, 314. 00	101
5. Union Oil	80, 842. 00	169
6. Union Oil	12, 243. 00	2, 396
7. Natomas	2, 055, 000. 00	[1] 626
8. Signal Oil & Gas	75, 600. 00	250
9. Union Oil	220, 342. 00	(1)
10. Occidental Pet	226, 662. 00	222
11. Union Oil	22, 868. 00	45
12. Signal Oil & Gas	56, 666. 00	737
BRADY-HAZEN—NEVADA, Sept. 11, 1974		
1. Geothml Res. Int	6, 500. 00	989
2. Geothml Res. Int	6, 500. 00	640
3. No bid		
4. Magma Power	5, 993. 00	2, 561
5. No bid		
6. No bid		
7. So. Union Prod. Co	15, 108. 00	2, 402
8. Geothml Res. Int	1, 000. 00	143
BOEWAWE KGRA—NEVADA		
1. Chevron	15, 074. 00	1, 943
2. No bid		
3. No bid		
4. Chevron	505, 088. 00	2, 479
5. Getty	45, 371. 00	2, 521
6. Chevron	75, 490. 00	2, 468
7. No bid		
8. Getty	30, 231. 00	2, 419
VALE—OREGON, June 27, 1974		
1. Republic Geothml	13, 831. 00	1, 347
BRADY-HAZEN—NEVADA		
1. No bid		
2. Natomas	51, 224. 00	2, 561
3. No bid		
4. Natomas	37, 688. 00	2, 513

[1] Bid rejected.

In addition to the geothermal leases controlled by the major oil companies on Federal lands, leases on State and private lands are also falling into the avaricious hands of the major oil companies. In Nevada's Whirlwind Valley, Standard Oil of California together with American Thermal Resources is drilling an exploratory well. The Gulf Oil Co. has drilled some 13 wells and has hundreds of thousands of acres of geothermal leases in the West. And according to Senator PACKWOOD:

> Of 458 applications in my State of Oregon alone, 73 were from Sun Oil Co.; Chevron racked up 48. . . .

Finally, in New Mexico the Calvert Exploration Co., together with Sun Oil, have jointly explored for geothermal steam resources on leases held by the companies.

An indication of the oil companies' ability to use the monopoly position they enjoy in the petroleum industry and apply it directly to the emerging geothermal industry is the way they determine the price of the geothermal steam they supply to electric utilities. In a May 11, 1970, contract between Union Oil Co. and the Pacific Gas & Electric Co. states, in effect, that the price of geothermal steam is tied to the weighted average price of nuclear and fossil fuel generated electric power. Thus, as the weighted average price of nuclear and fossil fuels increases, geothermal prices will increase by a proportional amount, irrespective of the cost of producing geothermal power.

The following is the exact language of the contract:

> For all generation by units which utilize steam at pressures at the turbine of 100 pounds to 125 pounds per square inch gauge, PGandE shall pay for delivered steam at a rate per kilowatt hour of net output equal to the weighted average of (1) 2.11 mills multiplied by the product of (i) the ratio that the average annual cost to PGandE's Electric Department in cents per million British thermal units (Btu) of fossil fuels used by all its steam-electric power plants (excluding any coal-fired plants owned by PGandE and located outside California) in the preceding calendar year bears to such average cost in the year 1968, and (ii) the ratio that the lowest operating net heat rate in Btu per kilowatt hour of the most efficient fossil fueled unit on PGandE's system at the end of the preceding calendar year bears to the lowest operating net heat rate in Btu per kilowatt hour of the most efficient fossil fueled unit on said system at the end of 1968, and (2) the average net cost to PGandE in mills per net kilowatt hour of the fuel used in its nuclear power plants in the preceding calendar year. The weighted average price shall be computed to the nearest 1/100th of a mill. In no even shall payment for steam be less than 2 mills per kilowatt hour of net output. . . .

Signal Oil & Gas—which was acquired by Burmah Oil Corp. in 1974—had a similar contract with P.G. & E. beginning on March 23, 1973. The following two charts graphically demonstrate the above ratemaking formula:

RATEMAKING FORMULA

Rate—(Fossil Steam Electric Output) (2.4), (Preceding Year Average Fossil Fuel Cost), (1968 Average Fossil Fuel Cost), (Preceding Year Best Unit Heat Rate), (1968 Best Unit Heat Rate).

*(Nuclear Steam Electric Output) (Preceding Year Average Nuclear Fuel Cost)—Total Fossil and Nuclear Steam Electric Output.

Wherein the above terms are defined as follows:

(1) Rate—Rate of payment for steam in mills/KWH (excluding consideration for liquid effluent disposal.)

(2) Fossil Steam Electric Output—Total net output from PGandE's Fossil Steam Electric plants for preceding year in KWH.

(3) Nuclear Steam Electric Output—Total net output from PGandE's nuclear steam electric plants for preceding year in KWH.

(4) Total Fossil and Nuclear Steam Electric Output—The sum of (2) and (3) above, in KWH.

(5) Average Fossil Fuel Costs—The cost to PGandE of fossil fuels in cents/million BTU, excluding any coal fired plants owned by PGandE and located outside of California.

(6) Average Nuclear Fuel Costs—The cost to PGandE of nuclear fuels in mills/net KWH.

(7) Best Unit Heat Rate—The lowest operating net heat rate of the most efficient fossile fueled plant on PGandE's system at the end of the applicable year, in BTU/KWH.

Assumptions:

1976 level of generation; No gas; Oil cost $5.306*/bbl. ($5.00 in 1972, 5% annual escalation);
Nuclear cost: Humboldt, 2.27 mills; Diablo Canyon, 3.0 mills;

$$\left.\begin{array}{c}\text{1977 rate}\\\text{in mills}\\\text{per Kwh}\\\text{for}\\\text{steam}\end{array}\right\}=\frac{\left[2.11\times\left(\begin{array}{c}\text{Kilowatt-hours}\\\text{of fossil-fueled}\\\text{generation in}\\\text{1976}\end{array}\right)\times\left(\frac{\text{1976 average fossil fuel energy cost per Kwh}}{\text{1968 average fossil fuel energy cost per Kwh}}\right)\times\left(\frac{\text{1976 best heat rate}}{\text{1968 best heat rate}}\right)\right]+\left[\left(\begin{array}{c}\text{Kwh of}\\\text{nuclear}\\\text{generation}\\\text{in 1976}\end{array}\right)\times\left(\begin{array}{c}\text{1976 average}\\\text{nuclear fuel}\\\text{cost per}\\\text{Kwh}\end{array}\right)\right]}{[\text{Total 1976 Kwh of fossil-fueled and nuclear generation}]}$$

1977 rate for steam-estimated for geysers 14 CPUC application—

$$\frac{\left[2.11\times(29{,}850{,}000{,}000)\times\left(\frac{8.2472}{3.0758}\right)\times\left(\frac{8{,}272}{8{,}272}\right)\right]+[(12{,}870{,}000{,}000)\times(2.974)]}{[42{,}720{,}000{,}000]}=\frac{168{,}879{,}000{,}000+38{,}275{,}000{,}000}{42{,}720{,}000{,}000}=4.85^{*}\text{ mills/Kwh}$$

* If average cost of oil in 1976 should be $10 per barrel, then corresponding rate would be 8.35 mills/Kwh.

The Los Angeles Times also pointed out this strange discrepancy in Union Oil's contract with Pacific Gas & Electric:

> William Gallavan, the manager of PG&E's department, defended this escalator clause on the basis of geothermal steam's value relative to other fuels. "As the cost of some fuels increases," he said, referring to oil and nattural gas, "they tend to bring up the value of other types, such as geothermal."
>
> The PG&E official described as "reasonable" the millage rate presently being charged by Union and its partners. "It reflects the value of the steam as it enters our generating plants," he said. "If we had to use oil in those plants, instead of steam, to generate an equivalent amount of electricity, we would have to pay that much more."
>
> But precisely because those nine plants at the Geysers use steam, not oil, and because there is no other competitive demand for that steam, the question still remains: Why does the utility allow the price of one fuel source to be pegged to that of another? Why should the price of apples be determined by the price of oranges?

Member of California's Public Utility Commission which is supposed to regulate utility rates admit that they really do not know why the price of steam ought to be pegged to the price of oil. One of the CPUC's commissioners told the Los Angeles Times:

> "It doesn't really answer the question," he said, "of what actual production costs are or how much profit margin (for the producers) has been factored in. We haven't conducted any studies of what actual geothermal costs are.
>
> "But when you come right down to it, we don't really know the (production) cost of a barrel of oil either. We have to operate under the assumption that these costs are determined in a competitive market."

It has already been pointed out by State Public Lands Commissioners Kenneth Cory that competition does not exist in the petroleum industry in California. Thus, since oil prices are not determined in a competitive market, it is apparent that geothermal prices are not determined in a competitive market either.

Clearly, the major oil companies have no intention of permitting a competitive geothermal industry to develop to oppose their domination of energy development. Perhaps Senator PACKWOOD stated it best on April 29, 1974, when he introduced S. 3392, a bill prohibiting major oil-companies from owning geothermal resources, in the last session of Congress. Senator PACKWOOD argued that—

> If we are to avoid the sorry state of energy oligopoly, it is imperative that the oil companies not be allowed to shape the destiny of yet another energy source—geothermal power. It is against this country's best interests to allow oil companies to control every segment and every phase of energy production.

SOLAR ENERGY

There is one other major area of energy production that has attracted the attention of major oil companies and that is the conversion of solar energy into usable electric power. At least four of the Nation's largest oil companies have initiated programs to develop some form of technology for generating solar electric power.

Exxon, for example, has purchased the Solar Power Corp. of Braintree, Mass. Between 1970 and 1974 Exxon spent $3.2 million on solar energy research, particularly in the development of higher efficiency and lower cost photovoltaic devices. Mobil spent $30 million in 1974 to purchase Tyco Labs, a small independent company which had major contracts with the National Science Foundation to develop a certain photovoltaic technology. Thus, Mobil too, has directed its solar energy research to manufacturing lower cost photovoltaic cells. The Shell Oil Co. bought out a company called Solar Energy Systems and is committed to the manufacture of a low-cost cadmium sulfide solar energy cell. Finally, Gulf is developing solar energy technology through its Gulf General Atomics subsidiary.

One of the oft-repeated justifications made by the major oil companies for their involvement in alternative energy sources is their belief that since large capital requirements are necessary to develop these resources, they would be the logical entities to enter these emerging industries. Mr. Randall Meyer, president of Exxon U.S.A., testified before the Senate Interior Committee that—

> There is a pressing national need to accelerate the development of all domestic energy sources; the petroleum companies with their managerial, technical, and financial resources can and should play a vital role in this development.

At the same hearing, Mr. Charles E. Spahr, chairman of the board of the Standard Oil Co. of Ohio stated:

> We endorse President Nixon's plea for Project Independence. The development of a strong viable domestic industry is vital to our nation. In reaching this goal, active intercompany, competition, not interfuel competition, is needed. We feel that there are significant economic efficiencies inherent in the expansion of Sohio into the coal and nuclear industries, and we intend to do our part in the accomplishment of the President's objective.

Mr. President, I have no doubt that from the standpoint of the major oil companies and their stockholders, especially major stockholders like the Chase Manhattan Bank, the First National City Bank, Morgan Guaranty Trust, and the Chemical Bank of New York, entering the coal, uranium, geothermal steam, oil shale, and solar energy industries will be enormously profitable. But this assessment is made from the narrow viewpoint of corporations whose singular goal is profit-maximization and not the development of U.S. energy resources for the benefit of the public. These companies are not in business to benefit the public. They are in business to benefit themselves.

Therefore, Mr. President, given a full understanding of the past history and the present monopolistic structure of the petroleum industry in this country, to accept Mr. Spahr's recommendation that what is needed is "active intercompany competition, not interfuel competition" is saying simply that America's other energy resources must be monopolized by the present monopolists in the petroleum industry. We must not allow this to happen.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interfuel Competition Act of 1975".

SEC. 2. That the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12ff), is amended by inserting after section 7 the following new section:

"SEC. 7A. (a) It shall be unlawful for any person engaged in the production and refining of petroleum or natural gas, or both—

"(1) to acquire any interest in the coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business after the enactment of this section, or

"(2) to own or control any coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business after the expiration of three years after the enactment of this section.

"(b) Each person who has any interest in, owns or controls any coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business shall, within one hundred and twenty days after the enactment of this section, file with the Attorney General such reports concerning each such business as the Attorney General may by regulation require and it shall be the duty of the Attorney General to immediately examine such reports.

"(c) It shall be the duty of the Attorney General to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates subsection (a) or (b) of this section. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

"(d) Any person knowingly violating the provisions of subsection (a) of this section shall be fined not more than $100,000 or imprisoned for not more than ten years, or both. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part.

"(e) For purposes of this section—

"(1) 'person' means any individual, corporation, including any affiliate of such corporation, partnership, association, joint venture, consortium, or any entity organized for a common business purpose; wherever situated, domiciled or doing business, who directly or through any other person subject to their control do business in any part of the United States, its territories and possessions, or the District of Columbia;

"(2) 'coal business' means any interest in, ownership of, or control over coal reserves, or any interest in, ownership of, or control over exploration for, mining of, production of, sale of, gasification of or liquefaction of coal.

"(3) 'oil shale business' means any interest in, ownership of, or control over oil shale reserves, or any interest in, ownership of, or control over exploration for, mining of, production of, sale of, gasification of or liquefaction of oil shale.

"(4) 'uranium business' means any interest in, ownership of, or control over uranium reserves, or any interest in, ownership of or control over exploration for, mining of, milling of, conversion of, enrichment of, fabrication of, reprocessing of, production of or sale of uranium and uranium or plutonium fuel;

"(5) 'nuclear reactor business' means any interest in, ownership of, or control over the production and sale of nuclear reactors;

"(6) 'geothermal steam business' means any interest in, ownership of, or control over geothermal steam reserves, or any interest in, ownership of, or control over exploration for, mining of, production of, or sale of geothermal steam;

"(7) 'solar energy business' means any interest in, ownership of, or control over collection, production, or sale of solar energy;

"(8) 'acquisition' includes acquisition of control;

"(9) 'control' includes actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements; and

"(10) An affiliate of a corporation is any other corporation which (directly or indirectly) controls, is controlled by, or is under common control with such corporation.".

By Mr. ABOUREZK (for himself, Mr. McGovern, Mr. Young, and Mr. McGee):

S. 490. A bill to amend section 111(a) of title 38, United States Code, relating to the payment of travel expenses for persons traveling to and from Veterans' Administration facilities. Referred to the Committee on Veterans' Affairs.

Mr. ABOUREZK. Mr. President, I am reintroducing the veterans travel bill again today which will amend section III of title 38 of the United States Code relating to the payment of certain expenses for person traveling to and from Veterans' Administration facilities.

Almost 1 year ago, when a bipartisan group of 20 Senators joined with me in calling for a more equitable travel reimbursement rate for veterans, I stated that the time for such action was long overdue. Since 1968 when the latest veterans travel and per diem rate was updated, the cost of living had risen by over 30 percent. The cost of driving an automobile had skyrocketed to more than 15 cents a mile and the energy crisis was only beginning to affect us.

No one has to be reminded of how the awesome statistics have changed since then. Since that time, the cost of living has shot up another 12.2 percent. The price of gasoline has gone up over 50 percent. And the cost of owning and operating an automobile has recently been estimated at nearly 20 cents a mile. These are the overwhelming figures which people on fixed incomes face as a daily matter of course.

Just last Sunday, I happened to notice a column in Parade magazine regarding the cost of driving an automobile. The figures were almost astounding. Without objection, I would like to insert that article in the Record at this time.

There being no objection, the article was ordered to be printed in the Record, as follows:

Car Operation Costs

How much does it cost you to run your car each year?

According to the Hertz car leasing division which computed the cost of operating an average American car during the first six months of 1974, the answer is approximately $2400.

This includes gasoline, oil, repairs, license, insurance, interest, and depreciation of a late-model, mid-size car kept for three years. Such a car, driven 10,000 miles a year, costs 24 cents per mile to operate.

The cost of driving a full-size model is 29 cents per mile for 10,000 miles, or $2900 a year, and the cost for operating sub-compacts such as the Ford Pinto or the American Motors' Gremlin is 19 cents a mile for 10,000 miles or $1900 a year.

If the government decides to place an additional 20 cents tax on a gallon of gas, or the price of gasoline again shoots up—it's a whole new ball game and all these figures are invalid.

Until then—owning and operating a car is not cheap—according to the car leasing outfits.

Mr. ABOUREZK. Mr. President, it was for good reason, then, that the Congress saw fit to increase the per diem and mileage reimbursement rates for Government employees. It also provided a strong argument for amending the Government employees travel bill to include veterans traveling to VA facilities for treatment. Last year the Congress overwhelmingly supported this action because the vast majority of Members recognized the grave problems which our veterans, especially our disabled veterans, are having in getting to VA hospitals for medical treatment.

Although in many large cities, many veterans are fortunate enough to be able to travel across town to obtain their benefits, the situation changes drastically when we consider the vast distances which veterans must travel in most of the Midwestern and Western States. In South Dakota, for example, the only veterans treatment centers are at either end of the State. The distance between the two centers is over 350 miles and the distance to the centers from other parts of the State exceed even that. Needless to say, the distances a veteran must travel in other, larger States is even farther.

The opponents of the bill have argued that the cost of providing more equitable treatment to veterans who must travel to VA facilities for treatment could reach as much as $25 million. I am not convinced that this figure is accurate and I have begun research of my own into the additional cost involved. But using this argument misses the point. The point is that in spite of the prohibitive cost of driving an automobile, especially for veterans living on fixed incomes, no new, updated reimbursement plan has been set forth for the last 7 inflationary years.

Mr. President, I am convinced that there is no real, justifiable argument against the implementation of this legislation. On the basis of cost, or equality, or need, the answer always comes up the same—our veterans need some assistance in getting to VA hospitals.

The most equitable way to provide that assistance is to recognize that preserving a veteran's health is at least as important as traveling between two points within the Government bureaucracy.

Mr. President, without objection I would like to insert the text of this bill in the Record at this time.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111(a) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: "In no event shall the amount paid under this section for expenses of travel or mileage allowance be less than the amount paid therefor under section 5702 or 5704, as appropriate, of title 5 in the case of employees of the United States traveling on official business.".

By Mr. CRANSTON (for himself, Mr. Tunney, Mr. Cannon, Mr. Gravel, Mr. Humphrey, Mr. Inouye, Mr. McGee, Mr. Pell, Mr. Stevenson, and Mr. Williams):

S.J. Res. 20. A joint resolution to authorize the establishment of the Tule Elk National Wildlife Refuge and the establishment of a Federal-State management program for the conservation, protection, and enhancement of tule elk and other species, and for other purposes. Referred to the Committee on Commerce.

TULE ELK NATIONAL WILDLIFE REFUGE

Mr. CRANSTON. I introduce, for appropriate reference, a Senate joint resolution to create the Tule Elk National Wildlife Refuge. I am pleased to be joined by Senators Tunney, Cannon, Gravel, Humphrey, Inouye, McGee, Pell, Stevenson, and Williams, in sponsoring this resolution.

LEGISLATIVE HISTORY

In 1969 I introduced a bill to authorize a feasibility study of the desirability of establishing a national wildlife refuge for California's small and unique population of tule elk. Although several companion bills were introduced in the House, and hearings were held in both House and Senate, no further legislative action occurred on these measures in the 91st Congress.

In the 92d Congress and again in the 93d I introduced a joint resolution to establish the Tule Elk National Wildlife Refuge. Companion measures were introduced in the House, and under the leadership of the distinguished chairman of the House Subcommittee on Fisheries and Wildlife Conservation, Congressman John Dingell. House hearings were held and a revised bill text was developed during subcommittee consideration. However, no further legislative action occurred in the 93d Congress

Public and congressional comments on the previous measures have proved most valuable. Congressman Dingell's hard work on the measure has been especially helpful. The bill I introduce today, which is almost identical to the bill being introduced in the House by Congressman Dingell and others, is the product of these combined efforts.

This joint resolution recognizes California State law calling for a statewide tule elk population of not less than 2,000 animals, with the carrying capacity of the Owens Valley refuge not to exceed 490 elk; it directs the Secretary to establish a Tule Elk National Wildlife Refuge; it directs the Secretary to enter into cooperative management agreements with other governmental agencies and private entities, mutually agreeable to the parties involved, to further the purposes of the act; and it requires the Secretary to relocate an appropirate number of tule elk to other locations, such as the Point Reyes National Seashore and San Luis National Wildlife Refuge.

The Secretary is also authorized by the resolution to enter into a cooperative wildlife management agreement with the State of California so long as such agreement is compatible with the purposes of the resolution.

Finally, the Secretary of Agriculture is required to manage the Inyo National Forest in compliance with the purposes of this resolution, which may specifically involve decreasing the number of grazing permits issued by the U.S. Forest Service.

The land acquisition authority contained in the previous tule elk refuge measures has been eliminated. I believe this action effectively answers the fears of some that the Federal Government might seize valuable rangeland. Such a move is not possible under the bill I introduce today.

Mr. President, when I introduced Senate Joint Resolution 64 in 1971 the official count of tule elk in the Owens Valley was 291. In 1972 it dropped to 280. In the succeeding years it has climed slowly to a 1974 estimated herd level of 375.

These 375 tule elk in the Owens Valley are the only free-roaming, unfenced survivors—unhybridized—of a species which formerly was common to the Sacramento and San Joaquin Valleys of California. The tule elk has waged a persistent and remarkable struggle for survival during the past century, having, in 1885, been reduced to some 28 animals. In fact, the harassment of the tule elk was so intense that the elk survives today in an area where they are not indigenous. They were introduced into the Owens Valley, which is east of the Sierra Nevada Mountains, only 42 years ago. The elk has not survived unfenced and free-roaming in California's central valleys where it is endemic.

The reasons for saving the tule elk range from scientific to ethical to pragmatic. Perhaps the best way I can summarize my feeling about the urgency of insuring a future for this little elk is that in an age where man's defilement of the biosphere has reached a state where there is serious question about whether environmental degradation is still reversible, at such a time every variety of life form must be considered a precious resource to be protected and nurtured. We can view them as genetic reservoirs, so to speak, which at some time in the future we may discover to be essential to the continuation of life on Earth. This is especially true since ecologists are only beginning to understand the full function and importance of diversity among life forms in the defenses and survival of the ecosystems which perpetuate the biosphere. In a manner not yet understood, the preservation of large native mammals may prove to be an essential key to man's environmental struggle for survival.

Mr. President, I ask unanimous consent that the text of the joint resolution to establish the Tule Elk National Wildlife Refuge be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 20

Whereas, the tule elk once roamed the grasslands of central California in large numbers but has had to wage a persistent struggle for survival during the past century, as evidenced by the fact that the population was reduced to twenty-eight animals at one time; and

Whereas, the tule elk, which is considered to be a rare, but not an endangered, species by the Department of the Interior, presently exists in a herd of approximately three hundred and seventy-five head in the Owens Valley area of California where such animals were introduced four decades ago, but large-scale grazing of cattle in that area has resulted in a reduced amount of forage available for the tule elk; and

Whereas, the State of California has recognized the principle of conservation that any species of less than two thousand in number is a vanishing one that is highly subject to extinction, and has, therefore, established, by statute, a policy to restore the tule elk to the species level of at least two thousand statewide; and

Whereas, there are endangered and threatened species of fish and wildlife in the Owens Valley area, such as the California bighorn sheep, peregrine falcon, prairie falcon, Owens River pupfish, Owens Tui chub, and two species of cutthroat trout; and

Whereas, the protection and maintenance of tule elk and the endangered and threatened species in the Owens Valley area in a free and wild state will be of educational, scientific, and esthetic value to the people of the United States and their struggle to survive epitomizes the worldwide threat to fish and game whose environments are shrinking and are being depleted as a result of civilization's incursions: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this joint resolution the term "Owens River watershed area" means that area of land in Inyo County, California, which is south of Laws but not south of the northernmost point of Owens Lake and which is bounded on both the east and west by the Inyo National Forest.

SEC. 2. (a) There is hereby established the Tule Elk National Wildlife Refuge (hereafter referred to in this joint resolution as the "refuge") which shall be managed and maintained in an ecologically and environmentally sound manner in accordance with the laws and regulations relating to the national wildlife refuge system.

(b) The refuge shall consist of all lands (including withdrawn lands) within the Owens River watershed area which on January 1, 1975, were under the jurisdiction of the Secretary of the Interior (hereinafter referred to in this joint resolution as the "Secretary").

SEC. 3. The Secretary shall undertake to enter into, with any State, local government agency, individual, or corporation or other legal entity owning lands or interests therein within the Owens River watershed area, management agreements under which the Secretary obtains authority, subject to such terms, conditions, and arrangements, as may be mutually agreeable to the Secretary and such State, agency, individual, corporation, or entity, including authority to obtain wildlife easements, to implement within any of such lands substantially the same wildlife management practices which he would implement therein if such land were within the refuge.

SEC. 4. (a) The Secretary shall build, manage, and sustain a herd of tule elk within the State of California which at no time numbers less than two thousand; except the number of tule elk in the Owens River watershed area shall at no time exceed four hundred and ninety or such greater number as may be determined (in accordance with game management principles) by the Secretary, with the concurrence of the appropriate official of the State of California, to be the holding capacity of such area.

(b) To achieve the purposes of subsection (a), the Secretary shall to the extent necessary limit the issuance of grazing and other land use rights within the refuge; and shall relocate an appropriate number of tule elk to any of the following lands:

(1) Other land within the State of California under the jurisdiction of the Department of the Interior, including but not limited to Point Reyes National Seashore and San Luis National Wildlife Refuge.

(2) Land within the State of California under the jurisdiction of any other Federal agency, but the relocation and management of such elk shall be subject to such arrangement as may be mutually agreeable to the Secretary and the chief executive officer of such agency.

(3) Land under the jurisdiction of the State of California, but the relocation and management of such elk shall be subject to such cooperative agreement as may be mutually agreeable to the Secretary and the appropriate official of the State.

SEC. 5. The Secretary and the appropriate official of the State of California may enter into, and from time to time modify, a cooperative agreement consistent with the purposes of this joint resolution with respect to the management of fish and wildlife within the refuge and such agreement may provide that—

(1) all or part of the laws and regulations of the State of California relating to the taking of fish and wildlife shall apply within the refuge; and

(2) no person may take any fish or wildlife within the refuge unless he holds a valid fishing or hunting license, as the case may be, issued by the State of California.

For purposes of this section, the term "refuge" includes any lands with respect to which the Secretary has entered into a management agreement pursuant to section 3.

SEC. 6. The Secretary of Agriculture, in cooperation with the Secretary, shall, to the extent practicable, limit grazing and other public uses in the areas of the Inyo National Forest which adjoin the refuge in a manner appropriate to achieve the purposes of this joint resolution.

SEC. 7. The provisions of this joint resolution do not apply to any Indian tribal land, or interest therein, which are located within the Owens River watershed area.

SEC. 8. (a) There are hereby authorized to be appropriated, to remain available until expended, such sums as may be necessary to carry out the purposes of this joint resolution.

(b) For the purposes of section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9), the tule elk shall be deemed to be a species of wildlife that is threatened with extinction and the Tule Elk National Wildlife Refuge, a national area authorized for the preservation of such species.

By Mr. HOLLINGS:

S.J. Res. 21. A joint resolution to authorize and request the President to issue

annually a proclamation designating February of each year as "National History Month." Referred to the Committee on the Judiciary.

Mr. HOLLINGS. Mr. President, today I am introducing a resolution authorizing and requesting the President annually to issue a proclamation designating February as "National History Month."

A country which cannot remember the errors of the past is condemned to repeat them, so the scribes tell us. Just as importantly, a country which does not do everything possible to perpetuate the glories of its past, its traditions and values and hopes and dreams, risks forfeiture of its greatness. In recent years there was an alarming tendency, especially among some of our young people, to push the study of the past aside and to focus on the "relevance" of the present. Now, however, there is a refreshing breeze carrying with it the realization that change for a better tomorrow relies heavily on an understanding of the past.

Fact and parcel of this new realization is the coming of the Bicentennial which has created renewed awareness of the national past. Communities across the land are enthusiastically developing projects to commemorate the 200th anniversary of our country's birth.

By setting aside 1 month a year for special emphasis on the heritage of America, we can help perpetuate this developing enthusiasm. We can extend the Bicentennial energies into each succeeding year. And we can give special weight to historical projects in our schools with a designated history month each year.

Mr. President, as we face the many serious challenges which abound wherever we look, I believe it is fitting indeed that we mobilize the heritage of our land for the difficult days ahead. A sense of history can provide direction and meaning to a people, and help them through the adversities they face. We will do the Nation a service by proclaiming History Month, and I hope my colleagues will agree with me and join in support of this resolution.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 28

At the request of Mr. Moss, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 28, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax, or in the alternative a deduction, for energy conserving residential expenditures.

S. 32

At the request of Mr. Kennedy, the Senator from Montana (Mr. Metcalf) was added as a cosponsor of the bill (S. 32) to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes.

S. 214

Mr. FONG. Mr. President, I ask unanimous consent that my distinguished colleague the Senator from New York (Mr. Buckley) be added as a cosponsor of my bill, S. 214, for the modernization and general revision of the patent laws, title 35 of the United States Code.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. I particularly welcome Senator Buckley's cosponsorship because he has special knowledge and background in the patent field. In the preceding Congress, he introduced his own bill, S. 2930, which sought to improve existing law.

In S. 214, I endeavored to retain what has been proven meritorious in present law and to build upon that law with features taken from his bill and several other measures considered last year by the Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights. I offered S. 214 this year as a vehicle that possibly could break the legislative impasse of the past 8 years on patent law revision.

S. 320

At the request of Mr. Talmadge, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of S. 320, the Emergency Natural Gas Act of 1975.

S. 323

At the request of Mr. Moss, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 323, a bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes.

S. 411

At the request of Mr. Goldwater, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 411, a bill to provide tax relief for condominium owners, homeowners' associations, and cooperative housing corporations.

S. 445

At the request of Mr. Hugh Scott, the Senator from New Jersey (Mr. Case) and the Senator from Wyoming (Mr. McGee) were added as cosponsors of S. 445, a bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or a reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs.

S.J. RES. 12

At the request of Mr. Kennedy, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of the joint resolution (S.J. Res. 12) to defer oil import fees on oil price increases.

S. CON. RES. 2

At the request of Mr. Church, the Senator from Louisiana (Mr. Johnston), the Senator from California (Mr. Tunney), the Senator from Florida (Mr. Chiles), and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of Senate Concurrent Resolution 2, a concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living increases be enacted.

SENATE RESOLUTION 41—ORIGINAL RESOLUTION REPORTED CONTINUING THE AUTHORIZATION FOR TEMPORARY ASSISTANCE FOR THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

S. Res. 41

Resolved, That the Committee on Finance is authorized, from March 1, 1975, through February 29, 1976, to employ two additional professional staff members and two adidtional clerical assistants, to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of section 105(e) of the Legislative Branch Appropriation Act, 1958, as amended.

SENATE RESOLUTION 42—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

S. Res. 42

Resolved, That the Committee on Finance is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $30,000 in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946, and in Senate Resolution 148, Ninety-third Congress, agreed to August 2, 1973.

SENATE RESOLUTION 43—SUBMISSION OF A RESOLUTION DESIGNATING NATIONAL CHILD ABUSE AWARENESS WEEK

(Referred to the Committee on the Judiciary.)

Mr. MONDALE (for himself and Mr. Stafford) submitted the following resolution:

S. Res. 43

Whereas each year some 60,000 children in the United States are reported to have been abused, some to the point of permanent injury and death; and

Whereas experts believe that child abuse in our country is more prevalent than is revealed by current statistics; and

Whereas child abuse is a national problem found in all types of families and communities; and

Whereas, although every State in the Union has a law requiring the reporting of child abuse or suspected child abuse, child abuse still is often undetected and untreated; and

Whereas the "National Conference on Child Abuse" sponsored by the Parents Anonymous organization, the Memorial Hospital Medical Center of Los Angeles, Calif. and the Center for Health Education of the University of California, Irvine, will take place February 13 through 15; and

Whereas awareness of the problem of child abuse is the first critical step in the identification, prevention, and treatment of child abuse: Now, therefore, be it

Resolved, That it is the sense of the Senate that in order to help the Congress and the Nation to gain a better understanding of what must be done to insure the safety and well-being of our children, the period February 9 through February 15, 1975, be designated as "National Child Abuse Awareness Week."

Mr. MONDALE. Mr. President, I am introducing today a Senate resolution proclaiming the week of February 9 to 15 as "Child Abuse Awareness Week." The dates have been selected to coincide with the "National Conference on Child Abuse" which will take place in California February 13 through 15. The conference is sponsored by Parents Anonymous, the Memorial Hospital Medical Center of Long Beach, Calif., and the Center for Health Education of the University of California, Irvine.

Parents Anonymous, which has been instrumental in bringing the problem of child abuse to national attention, offers help to families in times of crisis. Among its members are parents who have in the past abused their children. These parents and the professionals who work with them have been most effective in helping other parents to overcome the problems and tensions which can lead to child abuse.

My Subcommittee on Children and Youth devoted nearly a year to hearings and investigation of this tragic problem. About a year ago, the President signed the Child Abuse Prevention and Treatment Act, which I introduced in the Senate.

In the course of our hearings we learned that an estimated 60,000 children are reported to have been abused each year, and that existing services were inadequate to prevent, identify and treat the families involved.

Now that the law has been signed and funding provided by Congress, I am confident that we are on our way to making significant progress in this area. I continue to believe, however, that Government action is not enough. Creating greater public awareness of the problem of child abuse is the best way of assuring that effective action is taken. For this reason I am pleased to offer this resolution designating the second week in February as "Child Abuse Awareness Week."

SENATE RESOLUTION 44—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON PUBLIC WORKS

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH, from the Committee on Public Works, reported the following resolution:

S. Res. 44

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Public Works, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion, (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $875,000, of which amount not to exceed $12,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE CONCURRENT RESOLUTION 7—SUBMISSION OF A CONCURRENT RESOLUTION CONCERNING THE IMPOSITION OF ECONOMIC CONTROLS

(Referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. BEALL submitted a concurrent resolution expressing the sense of the Congress that business concerns which lower prices shall not be penalized if certain economic controls are imposed.

(The remarks of Mr. Beall on the submission of the above concurrent resolution are printed earlier in the Record.)

AMENDMENTS SUBMITTED FOR PRINTING

S. 172—MILEAGE EXPENSES OF FEDERAL EMPLOYEES

AMENDMENT NO. 2

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. ABOUREZK submitted an amendment intended to be proposed by him to the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business.

Mr. ABOUREZK. Mr. President, the Senate Government Operations Committee has just reported out of committee, S. 172, the bill relating to per diem and mileage expenses of Government employees traveling on official business. With the unprecedented price of fuel and with the ever spiraling rate of inflation, it is gratifying to know that swift congressional action on this legislation is underway.

Although I wholeheartedly support this legislation, there is one, serious discrepancy in the present law which I feel needs to be corrected, and could be corrected by this bill. Present law provides for a per diem allowance of $25 in most cases and an 11-cent-per-mile allowance for most Government employees. Yet, the reimbursement rates for veterans traveling on official business to veterans' facilities for treatment or for other officials business is significantly less. Current reimbursement rates were set back in 1968 at $12 a day or 6 cents per mlie.

Last year I pointed out this descrepancy and I was gratified that a provision which established more equitable treatment of veterans in this regard was considered in the Congress and adopted. Unfortunately, with the President's veto of the bill last year, the per diem legislation had to be reintroduced. The House has included the veterans provision in this year's bill and I feel cautiously confident that the Senate will again be sympathetic to the provision.

Opponents of the veterans' travel provision have pointed out that the distance traveled by veterans to VA facilities is less than 50 miles. It is obvious that such statements are made without consideration for those thousands of veterans who have to cross the vast territory in the States of South Dakota, Montana, Alaska and others west of the Mississippi. For in these States, our veterans, many of whom are disabled, are forced to travel hundreds of miles to get to the VA facility nearest them. In a large percentage of these cases, thes veterans are required to leave home the day before to meet an early morning appointment, thereby requiring them to seek lodging overnight.

There seems to be no justifiable reason why there must be two significantly different figures for two U.S. citizens traveling on official business. Veterans should have the same privileges under law that are granted to others traveling in a Government-related capacity. I believe that the Congress and the American people recognize this and will support this provision when the opportunity presents itself in the near future.

It is significant to note that the American Legion and the Veterans of Foreign Wars have continued to push hard for equitable veterans travel rates and have passed resolutions calling for more realistic allowances. I certainly concur with these resolutions and urge my colleagues to consider the advice of these knowledgeable organizations on this matter.

SUBCOMMITTEE ON LONG-TERM CARE ANNOUNCES NEW YORK HEARINGS

Mr. MOSS. Mr. President, I would like to announce a second day of hearings this year by my Subcommittee on Long-Term Care, U.S. Senate Special Committee on Aging, to be held in New York City on Tuesday, February 4, 1975, at the New York County Lawyers Association Building, 14 Vesey Street, beginning at 10 a.m.

This will be the 24th hearing in the sequence "Trends in Long-Term Care" which began in July 1969. As the result of these hearings the subcommittee has prepared a 12-volume report on nursing home problems. Our introductory report, "Nursing Home Care in the United States: Failure in Public Policy" was published in November; our first supporting paper dealing with nursing home abuses was released in December, and second supporting paper dealing with nursing home drugs was issued in January. Subsequent reports will follow monthly for the next 9 months.

The New York hearings grow out of investigations conducted by the New York Times, and Mr. John Hess in particular, and the office of the welfare inspector general and the temporary commission on living costs and the environment, chaired by Assemblyman Andrew Stein of Manhattan.

Preliminary inquiries by the staff of my subcommittee indicated almost immediately that important Federal issues are involved. One of the issues upon which we hope to focus is the effect of New York's cost-plus medicaid reimbursement formula on the quality of care. Another relates to the effectiveness of Federal statutes requiring the disclosure of nursing home ownership and the possibility of kickbacks from suppliers to nursing homes.

In the course of our investigation the staff repeatedly turned up important leads which could not be followed because of lack of information. This is particularly true with respect to issues related to nursing home profits. There has been great reluctance, in fact, outright refusal by operators in New York and other States to share their books and financial statements with the subcommittee. At the same time such operators have consistently argued for higher medicaid rates.

It is in this climate of resistance and lack of information that we have elected to invoke the subcommittee's subpena powers with respect to some 45 providers. The disclosures by the Times, the welfare inspector general of New York and the Stein commission only serve to confirm the necessity of this measure.

In addition to the above issues, the subcommittee will examine the role of political influence and other impediments which contribute to keeping substandard homes open. It is my hope that the findings from this hearing can be incorporated into our ninth supporting paper to be published in August dealing with financial incentives in favor of poor care, nursing home reimbursement formulas, and profits.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Philip H. Modlin, of Virginia, to be a Member of the Board of Parole for the term expiring September 30, 1977, vice William T. Woodard, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, February 5, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

BROADCAST COVERAGE OF SENATE CHAMBER PROCEEDINGS

Mr. FANNIN. Mr. President, the Senator from Ohio (Mr. Taft) had planned to speak before the Senate today with respect to Senate Resolution 39, which has been introduced by the junior Senator from Montana (Mr. Metcalf). Since Senator Taft is necessarily absent, I ask unanimous consent that his statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Taft

I was pleased to join Senator Metcalf yesterday in introducing Senate Resolution 39 to provide, on an experimental basis, radio and television broadcast coverage of Senate Chamber proceedings and other internal innovations in the electronic transmittal of Senate debate.

This resolution, which is identical to Senate Resolution 447 that I introduced with Senator Metcalf during the latter stages of the 93d Congress, is a cumulation of more than two years of study by Members and staff of the Joint Committee and is a product of the statutory mandate of the 1970 Legislative Reorganization Act requiring the Joint Committee to conduct a continuing review of the institutional-operational aspects of the Congress and explore options for reform. An excellent compilation of the data and proposals considered, and conclusions agreed to in this area can be found in the Joint Committee's Interim Report on Congress and Mass Communications—93-1275—and I commend it to the attention of Members and staff who desire further information regarding this resolution. I would also call to the attention of Senators the introductory statements which Senator Metcalf and I made on December 10, 1974, appearing at pages 38825–38828 of the Congressional Record, when this resolution was initially introduced.

As noted by Senator Metcalf, Senators Hugh Scott, Mansfield, Robert Byrd, Brock, Baker, Mathias, Percy, Schweiker, Packwood, Javits, Beall, Roth, Garn, Stafford, Humphrey, Chiles, Stone, Muskie, Stevenson, Biden, Montoya, Gravel, Clark, Leahy, McGovern, Moss, Symington, Eagleton, Ribicoff, Mondale and Williams have joined to date to co-sponsor the resolution. Hopefully, with such strong support, the Senate will act expeditiously in approving this proposal.

HOW TO MAKE THE UNITED STATES/GERMAN/FRENCH ROLAND II MISSILE SYSTEM A SUCCESSFUL COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAM

Mr. McINTYRE. Mr. President, as my colleagues are aware, and as the record clearly shows, I have been working hard at making cooperative research and development with our European allies a reality. I will not now dwell upon the obvious advantages of cost savings, time savings, standardization and optimized logistic support, since these are self evident and have been explained before. However, I have just sent a letter to the Secretary of Defense to impress upon him my concern that the plans for adopting the German/French developed Roland II Short Range Air Defense System to meet U.S. Army requirements with initial operational use in 64 months is just too long.

The letter suggests various measures which can be taken to shorten this time and possibly reduce program cost.

The contents of the letter have potential application to any future cooperative program and therefore should be of general interest. I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., *January 28, 1975.*

Hon. James R. Schlesinger,
Secretary of Defense, Department of Defense, Washington, D.C.

Dear Mr. Secretary: The selection of Roland II to meet U.S. Army Shorad requirements marks a major milestone in cooperative research and development with our allies. This is a breakthrough which should open the way for greater cooperation and should result in substantial savings by the avoidance of unnecessary duplication, by standardization of equipment and missiles, and by simplified logistic support. I am concerned, however, that the program will not be managed and executed in a manner which will capitalize on this cooperative approach.

I understand that the Army estimates it will take 64 months for initial operational deployment of Roland II. This is 5 years and 4 months, a period much too long to be accepted as reasonable.

The committee staff has held recent meetings with representatives of Hughes and Boeing, the U.S. contractor team, and with the Army. While the contractors and the Army shared the concern about the lengthy development period, they were unable to suggest means of making significant reductions and still meet program requirements.

I am advised that the major reasons for the 64 month program are that the U.S. has certain requirements which differ significantly from the German design (e.g. a wheeled vehicle instead of a tracked vehicle), and plans to conduct a test program on the U.S. configuration prior to any production release.

Without getting into the specific design differences, I would suggest the following possible steps which may be taken to significantly reduce the development and test program, enhance commonality and standardization, and result in earlier equipment availability at lower cost.

1. Establish a joint program office permanently staffed with U.S., German and French government personnel, paralleled by a joint contractor team, to do the following:

a. Conduct a complete detailed requirements and design review of the U.S. and FRG/French programs to optimize commonality.

b. Where any differences remain, address the possibility of adopting either the U.S. or FRG/French design wherever the relaxation of requirements is not substantial and does not compromise *major* performance characteristics.

c. Refer all remaining differences to higher levels of responsibility for resolution.

d. Alternatively consider U.S. adoption of the complete FRG/French design (Chinese copy) initially, with only necessary improvements to be incorporated in an evolutionary manner as the system is deployed and operational experience dictates.

e. Examine German test data and plans and maximize the extent to which these may be used to avoid duplicative U.S. testing.

f. Explore the practicability of joint or cooperative U.S./FRG testing.

g. Explore the practicability of testing unique U.S. equipment installed on German systems during FRG testing.

h. Hold to an absolute minimum the extent to which German drawings and specifications must be translated into English and maximize the use of computer software (as has been done with the Hawk missile system) for this purpose.

2. Adopt a standard Roland II missile design with the Germans so that it may become the NATO standard in reality.

3. Following the establishment of a joint program office, invest it with continuing configuration management responsibility for the common system or common elements as has been done successfully for the Hawk weapon system.

The Raytheon Corporation has pioneered in establishing and maintaining a highly successful joint project office in France for the Hawk weapon system. This is a model which should be considered for adoption with any necessary modification coincident with the initiation of any future cooperative developments. Raytheon's advice and assistance could make a significant contribution to Roland II.

These suggestions are by no means all inclusive, and should be supplemented with any other ideas to make this a successful program. For example, the possibility of curtailing the standard full length test program, which has been generally adopted by DOD, should be closely examined.

I must strongly emphasize the importance that I attach to the Roland II development as the lead weapon system in cooperative efforts with our allies. The ability of the United States to demonstrate the efficient and timely adaptation of a European development to meet U.S. needs is being tested. The inception of the Roland II program is the most critical time to join with our European partners in making our program and theirs as much alike as possible, and to create an effective joint program management organization. Any delay will make this more difficult or even impossible to accomplish. I urge that this problem be given the highest priority possible.

I would appreciate your views on these suggestions and a statement of what specific measures will be taken to insure development of Roland II in the shortest practicable time and at the lowest possible cost. This information should be provided by March 1, 1975, so that it will be considered during the forthcoming review of the Fiscal Year 1976 budget.

Continued Congressional support of cooperative research and development with our allies will depend in large measure upon the success of the Roland II program.

Sincerely,

THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development.

Mr. McINTYRE. I will follow this matter closely and address the full implications of the reply during the Research and Development Subcommittee review of the program proposed for the next fiscal year.

EXTENSION OF 1970 REVENUE SHARING ACT

Mr. HARRY F. BYRD, JR. Mr. President, in recent months a number of organizations have begun promoting the extension of the 1970 Revenue Sharing Act, though the act already authorizes payments through 1976 to 39,000 localities.

I recently came across an editorial on revenue sharing which appeared in the December 26, 1974, edition of the Columbus, Ohio, Evening Dispatch. The editorial outlines accurately the situation in which we find ourselves today.

The Dispatch editors rightly warn against "a fresh binge of deficit spending." They point out that as Congress reviews any new revenue-sharing legislation it must "give serious consideration to the slackening inflow of Federal taxes and just how it can justify sharing funds it does not have."

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REVIEW IS INEVITABLE ON REVENUE SHARING

Regardless of how well-written and popular a government program may be, it should be subjected to periodic review. Revenue sharing is no exception.

This federal program, which thus far has returned $30.2 billion of taxpayer contributions to 38,000 local government units throughout the land, will be given a second look by the new U.S. Congress which convenes in January.

The legislation, known as the State and Local Fiscal Assistance Act, will expire in 1976 and its extension, even though a necessity, will involve congressional hearings and probable revisions.

While the proper committees will be delving into revenue sharing others will be pondering an issue which will have a direct bearing on federal assistance to local level governmental agencies.

If, as Treasury Secretary William Simon has said, there may be a need for a federal tax cut to combat the current recession, that will mean less income flowing into Washington.

With less income, the federal government will have less to share unless, of course, it ignores that fiscal reality and goes off on a fresh binge of deficit spending.

In that case, Congress will be continuing on its old course of being a major contributor to the fires of inflation which has been a major contributor to the recession—an endless and vicious circle.

Recession can be expected to reduce federal government income in another way. As consumer confidence in the nation's economic management continues to wane, buyers hold back on purchases which include built-in excise taxes, another major source of income for the U.S. treasury.

Congressional probers into the revenue sharing program cannot help but agree the program has been of great financial benefit on the local level.

Since its inception, at least 14 states have been able to reduce taxes. Tax Foundation Inc., a private research body, estimates revenue sharing amounted to $500 million in 1973 and another $350 million in 1974.

In areas where local taxes were not reduced, budgets were kept in balance and borrowing avoided.

In some instances, what is known as the "substitution effect" has clouded revenue sharing usage procedures.

In the classic case of the city of Chicago, virtually all of its $76.7 million share has been earmarked for the police department. The amount the Chicago City Council would normally budget for police services has been allocated elsewhere.

Now Chicago's share of federal revenue has been ordered impounded by a federal court order on grounds the city has engaged in discriminatory hiring practices.

Originally, it was understood there were virtually no strings attached to a local level government's use of its share of federal funds.

When Congress makes its necessary review of the commendable revenue sharing program, it must consider specific legislated guidelines on fund usage.

In addition, the legislators must give serious consideration to the slackening inflow of federal taxes and just how it can justify sharing funds it does not have.

By the same token, local governments have an obligation to review their federal fund usage and to determine alternatives should the very economics of revenue sharing force a reduction in the size of checks they had been expecting.

MRS. LUCE STRIKES A POSITIVE, HAPPY NOTE

Mr. GOLDWATER. Mr. President, I am happy to report today that during one of the gloomiest holiday periods I have ever experienced, at least one strong voice was raised in our Nation for a happy New Year. The voice was that of our former House colleague, the famous writer, Mrs. Clare Boothe Luce.

In an article written from Honolulu for the Gannett News Service, Mrs. Luce reminded her fellow countrymen that if they wipe "the rosy mists of sentimentality" off their spectacles they would see that we are the happiest generation of Americans that ever existed.

Mrs. Luce began way back in 1776 to trace the attitude of her countrymen and noted that in that year there were only 3,800,000 people living in America and most of them were "still poor and largely illiterate." She believes the citizens today should take note of the fact that our country now stretches from sea to shining sea, and is the strongest, freest nation with the highest living standard ever known.

Mrs. Luce pointed out that since 1776, American "childhood" has been prolonged by about 12 years and that all American children are looked upon as "kids" until their formal education is complete. Mrs. Luce emphasized that nearly everything in America has changed for the better since the days of the Revolutionary War. But she added:

> One thing has never changed in America. It has always been a land of promise to immigrants. And the promise has always been kept.

Mr. President, it is sign of our times that an article which strikes a positive, happy note is so unusual that it deserves more than average attention. Consequently I ask unanimous consent that Mrs. Luce's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT'S A HAPPY NEW YEAR

(By Clare Boothe Luce)

People are funny. Even when times are good, they generally insist that "things were much better when we were young." But when times, like now, are just a little worse than they were last year, they become downright weepy about the wonderful days of "long ago" that are now "gone forever." If we are willing to wipe the rosy mist of sentimentality off our retrospectacles and look back on things as they really were in America, we will see that we are the happiest generation of Americans who ever existed.

In 1776, the first New Year of American independence, there were about 3,800,000 people living in our land. The majority of the people living in the 13 original colonies were descendants of settlers who had landed from the Old World on the shores of the New World with little but hope in their hearts. They were still poor and largely illiterate. The guerrilla war that their "ragged Continentals" fought for freedom from their mother-country, England, was won, in the end, by the skin of their teeth.

Even after the 13 colonies came together to write the Constitution, and form the United States of America, many of its first generation of citizens doubted that their weak new nation could long maintain its sovereignty in a world that was dominated by the strong, rapacious and greedy European colonial powers.

Today, the U.S., which stretches from 'sea to shining sea' across a vast continent, is the strongest and freest of the nations. And in its 50 states, its 230 million citizens are enjoying the highest living standards any people have ever known. What Americans consider a "poverty-level" income is the median income of the citizens of the second-strongest nation, Soviet Russia.

Happy New Year to America! You certainly made it!

Happy New Year to the American man!

In the early century of our Republic, the life expectancy of an American male was 38 years. And however a man earned his living, he worked from sun-up to sun-down. Until well into the 19th century, the "working man" put in a 14–16 hour day, and a six-day week. He had few holidays, and was lucky if he got a two-week's vacation a year with pay.

Until the 20th century, the laboring man received no pensions, bonuses or "fringe benefits." If he lost his job, he got no unemployment compensation. If he couldn't find another job there was no "Welfare" for him or his family to go on. There was no Medicare. He received no Social Security checks at 63 or 65. However, this didn't matter much since, worn out with work, he seldom made it to that age.

Today, male life expectancy is 67, and still rising. The wage-earner enjoys all these benefits, and many more that his Revolutionary ancestors and pioneer forebears would have considered a Utopian dream. No working man has, in all history, bettered his conditions quite so much, and so fast.

Happy New Year to the American woman!

In 1776, an American woman was not even a second-class citizen. She had no legal identity of her own. Until she married, she belonged to her father, or, if he died, to her oldest and closest male relative. When she married, which she generally did at about 15 or 16, she became the chattel property of her husband.

If she worked outside the home, he was legally entitled to her wages. He was also legally entitled to beat her, if she disobeyed his wishes. If she ran away from a brutal or drunken husband, he could set the law on her, and force her to return. At best, she was his well-treated servant, at worst, his much-abused slave.

Except in marriage, she had no economic security. In marriage, willing or unwilling, she became a "baby-machine". One or two of every three children she bore died at birth. Only one or two out of three of the small survivors made it to the age of 12. Until well into the 19th century, she was fortunate to get more than a "little red school house" grammar school education. Between work in the house, the garden, and the yard, and bearing and burying many babies, she died, worn out, at 38 or 40.

Today, the American woman has the vote, and is a full-fledged citizen. While marriage is still her preferred career, her anatomy is no longer her destiny. Medical technology has now given her control of her reproductive organs. She seldom has more than 2 or 3 children. She is no longer hopelessly husband-home-and-child bound.

Her life expectancy, which was 40 in the 18th century, and about 50 in the 19th century, is now 75. (For those who wish to take an even longer view of the history of woman, in the first Christian New Year, Anno Domini 1, her life expectancy was 18.)

She receives all the same social benefits as a man. As consumer, wage-earner, and active participant in politics, she is recognized as a political and economic force. Almost all institutions of higher learning are open to her. She has entered all the professions, including the military and the ministry. If she is not yet man's equal in the eyes of the law, or in social status, she is, nevertheless, getting there just about as fast as she, herself, cares to go.

Happy New Year—you really have come a long way, baby!

Happy New Year to the American child!

In the first century of the Republic, childhood was a short, rough deal. Few parents risked spoiling their children by sparing the rod. By the age of 10, girls worked in the home, along with their mothers, and boys worked by the side of their fathers in the field, or shop, or factory.

Boys became soldiers and sailors at 16, and boys even younger than that fought in the Revolutionary and Civil War armies. For more than a century and a half, only the sons of the fortunate few who had "made their pile" got to college. Horatio Alger, the legendary hero of the early part of this century, set out to make his fortune, without a dime in his pocket, at 14. Boys were expected to earn their own livings by the time they were 17 or 18.

Since 1776, American "childhood" has been prolonged by about 12 years. All American children are looked on as "kids" until their formal education is completed.

More and more, this is accepted as the age when they graduate from college, in their 20's. They go at their parents' expense, or on tuition loans, and grants. This fall, 10,137,065 students enrolled on the nation's 3,000 university and college campuses—5.5 percent more than last year. The general expectation is that almost all American "kids" will be going to college in another decade.

Youths can no longer be conscripted into the services. (It will require new legislation to send them to war.) Also, although they have no legal responsibilities as adults until they are 21, they can now vote at 18. The "kid vote" is now being assiduously courted by the politicians.

During their extraordinarily prolonged "childhood", the "kids" enjoy more fun, games, sports, entertainment and freedom from work, care and responsibility than any other group in American society. (They are forbidden by law to enter the labor force until they are 18.)

The astounding amount of money that they are given by their parents to spend on themselves has made them a powerful "consumer" group. Their desires and appetites are consulted and catered to by business, the advertising media, and especially the entertainment industry. Young TV and movie stars, and rock artists, become multi-millionaires in their teens.

Happy New Year, kids!

Happy New Year to black Americans!

In 1776, all blacks were beasts of labor, bound in chains. Their lot was unspeakably cruel. Their freedom was bitterly bought with the blood of four million Civil War soldiers. Their progress towards equality has been slow, but steady. Thanks to the Civil Rights laws of the '60s, they are now spurting ahead.

Today, black Americans are moving rapidly into the great American middle class. They are entering college in increasing numbers, are represented in all the professions, and are acquiring both political and economic power. No politician ignores their vote.

While they are still on the bottom of the American economic and social pyramid, they are incomparably the best-off members of their race on earth. The black American's median wages are higher than those of white American women in the labor force. His life expectancy is 60. The average income of his black brothers in Africa is a few hundred dollars a year, and his life expectancy is 30.

Happy New Year, black America!

Happy New Year to all American ethnics, especially to the Jews!

One thing has never changed in America. It has always been a land of promise to immigrants. And the promise has always been kept. Naturally, those who came first and in the greatest numbers, went up the American ladder first and fastest.

But while all ethnic groups have steadily mounted the ladder of success, none have mounted it so fast as American Jewish immigrants. Late-comers to America's shores, who are today only six per cent of the population, their rise has been spectacular. No other first or second generation immigrant ethnic group enjoys more prestige, or exerts more influence in academia, law, medicine, the sciences, arts, the media, and politics. Today three of the most powerful Cabinet officers—the Secretary of State, Secretary of Defense and Secretary of the Treasury are Jewish-Americans.

And if Hawaii, the 50th State, is any indicator, Oriental Americans are also making it fast. Hawaii has a Chinese-American Senator, a Japanese-American Senator, and two Japanese-American Congressmen in Washington. It has also a Japanese-American Governor, Lieutenant Governor, University President, and the rest of its State life reflects the success of its Oriental Americans.

So Happy New Year, everybody. These are the good old days now!

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, our Bicentennial is approaching quickly. For almost 200 years, we have remained committed to the ideals of the Founding Fathers and our Constitution. It is 26 years since the International Convention on the Prevention and Punishment of the Crime of Genocide was approved by the United Nations. I must remind my esteemed colleagues that the Genocide Convention was ratified unanimously and that the United States was a leader in its passage. Then, as in our revolutionary days and in our present days, we were at the forefront of efforts to safeguard the quality of human life.

The Genocide Convention is an international extension of our Declaration of Independence and our Constitution. It is an attempt to guarantee the preservation of man's inalienable rights of "life, liberty, and the pursuit of happiness," without regard to nationality, race, ethnic, or religious background. Our advice and consent of the Genocide Convention will reaffirm these principles on which our country was founded, in recognition that truly "all men are created equal." Daniel Webster once said:

> Every unpunished murder takes away something from the security of every man's life.

We must help to insure man's security by ratifying this convention.

Since the convention first was sent to the Senate, it has languished unnecessarily. Every President since Mr. Truman has urged ratification. Seventy-six other nations already have embraced this treaty. Our delay was wrong in 1950. It is wrong today. I urge the Senate to recommit itself to protecting mankind. I urge the Senate to approve the Genocide Convention.

THE 57TH ANNIVERSARY OF UKRAINE PROCLAMATION OF INDEPENDENCE

Mr. BUCKLEY. Mr. President, January 22 was the 57th anniversary of the Proclamation of Independence of the Ukraine and the 56th anniversary of their act of union, in which all Ukrainian lands were united into one sovereign state of the Ukrainian people. It is fitting that we annually honor this day as a testament to the bravery of the Ukrainian people who have for so long been subject to the tyranny and oppression of Soviet Russia.

The Ukrainian experience has been a difficult one. Throughout the many years of oppression, the Ukrainians have retained a fierce national pride. Much as they would like to, the Soviets have been unable to crush the spirit of these brave individuals.

The names of Valentyn Moroz and Leonid Plyusch are well known in the Ukrainian American community. These two, along with hundreds of other individuals, have suffered harassment and imprisonment by Soviet authorities. It has been reported that Mr. Moroz, who began a hunger strike some months ago, has been placed in a prison hospital, though details cannot be confirmed. During a recent visit to the Soviet Union, I voiced my concern and the concern of all Americans about the condition of Mr. Moroz and numerous other individuals who find themselves innocent victims of political and religious persecution by the Soviet tyranny. It is my hope that the Soviet Government will recognize the seriousness of our concern and act accordingly.

It is time to honor the Ukrainians and the work done by the Ukrainian Congress Committee of America. I hope and pray that some day these brave men and women will be able to know the freedom we in the United States take so much for granted.

DEFERRAL OF HUD PLANNING FUNDS

Mr. CRANSTON. Mr. President, I am pleased to be a cosponsor of Senate Resolution 23, disapproving the deferral of $50 million in HUD 701 comprehensive planning funds. Approval of this resolution, submitted by Senator HUMPHREY, will restore to the budget 50 percent of the 701 funds appropriated for fiscal year 1975.

Officials from a number of regional and local planning agencies in California have written to me concerning the deferral of these funds. They cite the vital need for the full appropriation of $100 million in comprehensive planning funds. They urge my support for a resolution disapproving the 701 deferral. Mr. Chairman, HUD 701 funds are the only Federal moneys available for comprehensive planning—tying together various local programs in a meaningful fashion. I would like to share with you some of the ways in which these funds are being spent in California.

The Fresno Council of Governments has used 701 planning funds for the implementation of the process known as A-95 review. This review, mandated by Federal legislation, gives local government the opportunity to know what Federal programs other small governments in the region are applying for. This process helps to avoid duplication of facilities and operates as a useful information clearinghouse. With the use of 701 funds, the Fresno COG provides valuable technical assistance to its member governments in areas such as proposal writing, legislative information, and insight into meeting various Federal requirements. Small local governments do not have staff available for this type of activity. A central regional clearinghouse represents the best way that many small governments can draw upon needed expertise.

The Southern California Association of Governments, SCAG, represents 10.5 million people in six counties. Frequently, an organization such as SCAG is funded by a single-purpose agency to perform one specific function—waste management, transportation planning, open space planning, et cetera. However, only 701 funds allow a planning agency flexibility to tie these programs together for a comprehensive growth plan. With the use of these funds, SCAG has been able to make a 20-year projection on population growth in southern California. This information is vital to the establishment of a basic growth policy which can take into account the sum total of southern California's needs and resources.

SCAG and other California area planning agencies have instituted a minorities planning program with 701 funds. Minority graduate students receive financial aid and gain 20 hours of work experience per week in planning agencies. The SCAG program alone has seen 30 minority graduate students receive their degrees and go on to full-time public employment.

The Tahoe Regional Planning Agency has been mandated by Federal law to establish sound policies that will protect the Lake Tahoe environment. HUD 701 grants to this bi-state agency have varied from $50,000 to $75,000 per year over the last 4 years. These funds have been used solely for meeting the mandates of Federal law. Without continued 701 funding, needed planning studies for the protection of Lake Tahoe will be seriously delayed.

The city of San Francisco has used comprehensive planning funds to develop its highly regarded urban design plan. This plan led to the development of height limitations and other regulations which will insure that the city remains an attractive place to live. Housing and recreation plans for Chinatown and a general increase in long-range planning capacity are just two of the varied functions for which the city uses 701 moneys.

Indian tribal groups and multitribal groups are also eligible recipients of comprehensive planning funds. Too often Indian groups are neglected when various program funds are allocated. Yet without a tax base, Indian reservations are more dependent on Federal program funds than any other local or regional group.

The Inter-Tribal Council of Sacramento represents a number of California Indian tribes. Comprehensive planning funds should enable groups such as the Inter-Tribal Council to maintain liaison with local governments on behalf of the various tribes and keep abreast of local and regional activities which affect nearby reservations. However, at the present time, ITC does not possess enough funds to perform this function adequately. HUD 701 funds are on hand for use in assembling and disseminating information on housing programs. Yet, there is a desperate need to assemble information on social and economic development programs also. Expertise is needed to determine the best use of limited resources and make application for programs that can fill certain needs. If HUD 701 funds are slashed by 50 percent, there will be no hope of meeting the planning needs of groups such as these.

Mr. Chairman, one of the arguments used in defense of the 701 deferral is that similar funds are available through HUD's new community development program. I submit that this is not the case. It is my feeling that the actual implementation of community development programs will absorb all of the funds currently available. Recipients of community development funds have a backlog of needs due to curtailment of so many other HUD programs. It will be impossible to provide adequate funds for an ongoing planning effort with so many demands being made on limited community development moneys.

Comprehensive planning provisions of the Housing and Community Development Act of 1974 were specifically written to assist localities to develop a management capacity and an evaluation capacity—in addition to planning. Adequate assistance for these types of functions is long overdue.

Comprehensive long-range planning is our only hope for solving the difficult problems which confront us in the areas of energy, housing, air and water quality, land use, transportation, and so forth. Solutions to these problems are obviously interrelated. We must not hamper the efforts of local and regional areas to respond in a comprehensive manner.

A SUMMARY OF HEARINGS ON A PROPOSAL TO CREATE A NATIONAL CENTER FOR PRODUCTIVITY AND WORK QUALITY

Mr. PERCY. Mr. President, on December 16 and 17, 1974, the Senate Committee on Government Operations held hearings on S. 4130 and S. 4212, two bills introduced in the 93d Congress by Senator NUNN and myself, respectively. These bills sought to revitalize and reinvigorate the national effort toward increased productivity growth and an improved quality of working life. We were privileged to receive the testimony of a very distinguished and knowledgeable group of witnesses representing labor, management, and government. The comments we heard were varied and constructive, but one point was resoundingly clear: the distressing lag in American productivity growth is contributing significantly to our current economic difficulties. I feel strongly that a renewed pledge by the Federal Government to support increased productivity and an improved quality of working life for all Americans must be an integral part of our comprehensive economic program. I am confident that our recent hearings can serve as a springboard in the 94th Congress for positive congressional action in the field of productivity and work quality.

Mr. President, I ask unanimous consent that a list of witnesses and a summary of their testimony at the hearings on S. 4212 and S. 4130, prepared by Glenn W. Reed of the Committee on Government Operations' minority staff, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

(Hearings on S. 4130 and S. 4212, 94th Congress, December 16 and 17, 1974)

LIST OF WITNESSES

R. Heath Larry, Vice Chairman, United States Steel Corporation.

Stephen S. Gardner, Deputy Secretary of the Treasury.

Lee Loevinger, Hogan and Hartson.

Dr. John T. Dunlop, Chairman, National Commission on Productivity and Work Quality accompanied by George Kuper, Acting Executive Director, National Commission on Productivity and Work Quality.

Georgia Regional Panel: Rudy L. Yobs, Assistant Director, Engineering Experiment Station, Georgia Institute of Technology; J. L. Birchfield, Director, Productivity Program, Engineering Experiment Station, Georgia Institute of Technology; Alex Sessoms, Union Timber Company; H. E. Ruarck, Georgia Forest Research Council; Barry Torrence, Carpet and Rug Institute.

Peter Dicicco, Vice President, International Union of Electrical, Radio and Machine Workers.

John M. Stewart, Director, McKinsey and Company.

Frederick Dent, Secretary of Commerce.

Bruce Thrasher, Assistant to the President, United Steelworkers of America.

Basil Whiting, Program Officer, The Ford Foundation, accompanied by Ted Mills, Director, National Quality of Work Center.

Jack Jericho, Executive Director, American Institute of Industrial Engineers.

Dr. Harvey A. Averch, Deputy Assistant Director, Analysis and Planning, National Science Foundation.

Thomas G Kleppe, Administrator, Small Business Administration.

Dr. James Miller, Associate Dean, School of Business Administration, Georgia State University.

Elmer Staats, Comptroller General of the United States.

Dwight Ink, Deputy Administrator, General Services Administration.

Bernard Rosen, Executive Director, U.S. Civil Service Commission.

SELECTED EXCERPTS FROM TESTIMONY ON S. 4212

From hearings held on December 16 and 17 by the Senate Government Operations Committee:

R. Heath Larry, Vice Chairman, United States Steel Corporation—

A. Pointed out that United States is in "dire need of improved means of capital formation."

B. Suggested that it "might be a great thing if the National Productivity Center, which might be established pursuant to these bills, might be the one which undertook to issue the proposed economic impact statements."

C. Problems and virtues of existing National Commission on Productivity—

1. Commission is poorly funded.

2. Commission has "had successes in an area which most lends itself to government activity."

3. Commission has done "quite a job in assembling a library of knowledge of methods and means by which municipalities, counties, states, and Federal departments can improve their productivity."

Stephen S. Gardner, Deputy Secretary of the Treasury—

A. Performance of NCP during the past three years was restricted by funding and organizational limitations and "chronic uncertainties about its future."

B. "The proposal for establishing a national productivity center, for setting up a program of capital grants and technical assistance delivered through existing educational and research institutions, and for identifying a positive national policy for stimulating productivity can all contribute to the national economic goals."

C. Treasury Department sees "nothing inconsistent with the above ideas and the existing plans of the National Productivity Commission."

D. The Treasury Department believes that the recently rejuvenated National Commission on Productivity can serve as a catalyst in coordinating labor, management, and governmental efforts to stimulate productivity.

E. Any productivity effort should stress aid to private sector activities "because most of the actual work must be done by labor and management groups."

F. Treasury supports the call for removing the legislative and regulatory barriers which artificially restrict the efficient functioning of the economy. This can be accomplished by supporting the President's request that a National Commission on Regulatory Reform be created.

Lee Loevinger, Hogan and Hartson—

A. Suggested that the term "efficiency" be coupled with increased productivity as declared Federal policy objectives by Congress.

B. Suggested that all courts of the Federal government give due consideration to the policies set forth in S. 4112 "in all cases to which such policies are relevant, and in reviewing any agency action shall give due consideration to agency compliance with the policies, procedures, and provisions of this Act."

C. Senator Nunn pointed out the two major criticisms of his proposed productivity impact statement—excess paperwork and problem of accurately and definitively measuring productivity. Mr. Loevinger replied that productivity impact is easier to measure than environmental impact. Furthermore, the "multiplication of paperwork argument is a specious one for this reason: agencies cannot take such actions without issuing a statement of the reasons that impel them to take such actions." Continuing, "It is simply a matter of requiring agencies to broaden their vision beyond the immediate objective that each one of them is serving." Finally, the issuing of economic impact statements would require the public to look at the already existing conflict between the environment and the economy.

John T. Dunlop, National Commission on Productivity and Work Quality—

A. Dr. Dunlop, under questioning by Senator Nunn, stated that the Commission is authorized and funded to employ 20 people on its staff but at present is only employing 16. Dr. Dunlop commented that 2 of these people are outside of Washington, one in Chicago and one in Dallas. Dr. Dunlop commented that the Commission could be much more effective if it could get from Congress some authorization which goes beyond one year. Responding to Senator Nunn's suggestion that a "productivity extension service" be created to carry technological and human resource utilization techniques to small businesses in the states, Dr. Dunlop stated that although he thought it might very well be a good idea, "somebody has got to try it out for size."

B. Under questioning by Senator Percy, Dr. Dunlop defended the apparent lag in creating a labor-management cooperation policy by stating that "the problem of getting a Commission appointed takes a great deal of time." He went on by stating that the steel industry had already begun to make inroads in this area. Senator Percy replied that he was disappointed by the Commission's lack of initiatives in other industries.

C. Regarding labor-management committees, Dr. Dunlop said that "there are only a limited number of places in the country at any one time where one can successfully introduce this." Senator Percy replied that he himself had not found this negative attitude in the labor sector—"I find the ground fertile now."

D. In reply to a question from Senator Percy concerning what the Commission has done, George Kuper, Acting Executive Director of the Commission, replied that they had a book on the history of labor-management committees about to go to press. Furthermore, the Commission is examining the "eight or ten examples of labor-management committees that are now existing in state, local, and Federal government settings with the idea that the description of their existence will stimulate others to examine the feasibility of applying the idea."

E. Senator Percy asked if the reinvigorated Commission would be able to accomplish anything in the areas that the old commission "seemingly failed." He said that a new Commission with 24 Commissioners "seems a little topheavy." Dr. Dunlop replied that he was quite happy with the new Commissioners, which were chosen from several sectors of the economy. The Commission has also sought "to try to provide a more vigorous program by arranging for an executive committee headed by Mr. Abel and Mr. Burnham of Westinghouse." "We hope to get our staffing up to 20," Dr. Dunlop commented. He has held off doing so because "I thought it only in fairness to the Commission who want to get their ideas of what they specifically wanted to do before one filled all the slots."

F. Summing his arguments, Senator Percy commented that "we do not worry about pride of authorship. We can call it anything. But we must do something different to get over this resistance point we have had to date."

Rudy L. Yobs, Assistant Director, Engineering Experiment Station, Georgia Institue of Technology—

A. Describing his engineering extension program at Georgia Tech, Mr. Yobs pointed out that "our program addresses itself primarily to the technology-related aspects of productivity."

B. J. L. Birchfield, Director of the Productivity Program at the Engineering Experiment Station, commented that there is "a need at the Federal level for coordination of activities under programs such as ours with other state programs and with similar private sector programs. This coordinating role could be handled very well by the National Productivity Center proposed within both S. 4130 and S. 4212."

C. Mr. Yobs: "We feel that the thrust of the Center should follow the direction that has already been established by the National Commission on Productivity and Work Quality. Since the National Commission has the ability to function in both the private and public sectors, we would suggest that this unit be given the responsibility for carrying out the requirements of the Center and that this group be given the necessary resources to accomplish the goals of the proposed National Productivity Center."

D. Under questioning, Mr. Yobs saw two needs at the Federal level in terms of a productivity effort: "One is the need for a very clear-cut national policy direction for productivity. The other is an organization which in our view would be small, which would provide a coherent direction for all of the state productivity centers or regional activities so that each state has enough latitude to work on its individual problems but can interface and synchronize with those in other states."

E. Alex Sessoms of the Union Timber Company: "A nationwide system of county agents for businessmen would, in my opinion, be the greatest single achievement that this or any other Congress has achieved in the field of economic legislation."

Peter Dicicco, Vice President, International Union of Electrical, Radio and Machine Workers—

A. The assumption that improvements in the quality of work life should lead to greater productivity and improved economic effectiveness is not necessarily valid. Mr. Dicicco "would suggest that the benefits of quality of work life programs should not be solely contingent upon improved productivity. There is a great deal that should be done for the distinct purpose of improving the quality of work life simply because there is a need for that in itself."

B. "It would be a serious misjudgment to expect the cooperation of workers in the shop or their unions in a project of improving productivity if improving their work place and their roles in the shop did not take an equal status. If improving the working lives of over 90 million workers in the United States cannot be established and become a defined objective of the United States Congress, then that concept should be removed in total from the legislation rather than introduced in a way that would suggest nothing less than a dependent status."

C. In reviewing S. 4212, Mr. Dicicco felt that amendments to change the term "work quality" to "quality of working life" would "simply not be sufficient."

D. The proposed Center should not be administered by or delegated to any specific governmental department, and the efforts of the Center should be directed to promoting self-involvement, without any strings attached. This might appease "the ongoing concern of most unions over government involvement and leverage in labor-management relations, an extremely sensitive area."

John M. Stewart, Director, McKinsey & Company—

A. The Center should encourage planning, among industries, among companies and between companies and unions, to minimize the effect of job loss of workers. "This is the single biggest obstacle to productivity improvement."

B. Manpower planning should be focused and concentrated toward forecasting industry needs by skill or geographic location. Labor unions are forced to fight productivity improvements in order to provide time for their members to adjust to dislocations.

C. Proposed Center should encourage recognition of individuals who improve productivity and ensure that productivity improvement is well regarded by elected and appointed officials.

D. A productivity Center should be located outside of any government department, as an independent executive agency.

Frederick Dent, Secretary of Commerce—

A. Strengthening the functions and programs of the existing National Commission on Productivity, rather than establishing an additional agency, appears appropriate.

B. State and local activities to stimulate productivity growth should be encouraged; however, the costs of such programs should be shared essentially by sponsors and participants on the basis of realistic appraisals of expected utility.

C. Increased effort should be directed at the collection and dissemination of information on specific and outstanding accomplishments in both the public and private sectors.

D. The concerns reflected in S. 4212 over "structural economic imbalances" which act to inhibit the growth of productivity in both the private and public sectors, are most appropriate at this time. However, the responsibility cited in Section 103(2) relating to structural imbalances constitutes an exceptionally broad mandate in a complex and controversial area. The scope of this responsibility should be revised so as to not duplicate responsibilities contained in the Administration's proposed bill to establish a National Commission on Regulatory Reform.

E. The wording at the beginning of Section 103—"to consolidate in one government unit the responsibility . . ."—should be revised so that it does not inadvertently detract from the basic principle that productivity improvement is an inherent responsibility of managers at all levels of government.

F. Section 206(9), specifying the function of the Center ". . . to initiate, develop, and implement a national, regional, and local technical assistance, referral and extension service . . .", seems too broad. This provision should be modified, limiting this function to one of supporting only selected demonstration efforts.

G. The wording of Section 207 should also be revised to delete blanket support for almost any agency or organization boosting productivity and the exemption of Center grants and contracts from the provision of Federal procurement statutes and regulations. "These special authorities do not appear justified by the nature of the proposed Center's responsibilities."

H. Unless the authorization levels reflected in Section 304 are intended to support all special productivity activities of the Federal government, they appear excessive for the type of role envisioned for the Center.

I. "A major thrust of this effort should be in the government sector."

Bruce Thrasher, United Steelworkers of America—

A. While the United Steelworkers fully support the effort to establish a Federal productivity policy, "we do have serious concerns as to what agency or department of government will be responsible for implementing such policy."

B. The Steelworkers feel that a Federal policy on productivity should be implemented through the now-existing National Commission on Productivity and Work Quality. What the nation needs is a pledge of full support for the National Commission on Productivity from the executive branch and the Congress in the form of a long-term authorization with adequate funding and staffing.

C. "It is our position that a proposal to establish a new government agency with all of the recycled phrases, concepts, and cliches does nothing more than delay our nation's efforts to come to grips with this vexing problem." Instead of a new agency, "a well-financed, well-staffed National Commission on Productivity and Work Quality can be an important asset to the American worker, the American consumer, and American business."

Basil Whiting, Jr., the Ford Foundation—

A. Mr. Whiting recommended that the Federal government mount a program in the area of improving both work productivity and the quality of working life in tandem. Reducing the personnel problem associated with the introduction of new technology is one reason why it is necessary to devote attention to the human side of productivity.

B. There is a problem with the use of the words "work quality" in the existing Commission—"it comes across to many people as having to do with the quality of the product."

C. It cannot be guaranteed that improvements in the quality of working life will always lead to improvements in productivity, "though what evidence we have suggests that this is often the case."

D. "We do not need additional psychological and sociological studies of worker motivation, job satisfaction, and the like. We do need to know how to improve the human side of productivity and to improve the quality of working life—this can best be learned through an action-oriented approach involving closely evaluated experimentation with joint labor-management efforts to redesign jobs and organizations."

E. The productivity program deserves independent and fairly long-term status within the Executive Branch. "It should not be located in either the Commerce or Labor Departments which are regarded as beholden to the interests of their named constituencies."

F. Separate status as a "Center," "Commission," or "Institute" "seems approprate."

G. A Federal Productivity Center should not undertake direct operations itself, especially with respect to the technical assistance and action-research or experimentation aspects of its program. "These are matters of intimate concern to labor and management. Our system of government agents, who may too frequently be perceived as playing a political role, are simply inappropriate to perform these functions."

H. The Center should function through grants to universities, and other non-profit institutions with competence, to provide technical assistance or to stimulate, advise, and evaluate this sort of labor-management experimentation.

I. There is virtually "nothing in the area of learning lessons of how to organize jobs more effectively. We are behind in this area."

J. Under questioning by Senator Percy, Mr. Whiting felt that the attitude of labor would be hostile to a program with "Federal agents running around the country trying to stimulate labor-management committees".

K. Mr. Whiting, in written testimony, recommended that the National Commission on Productivity and Work Quality should be retained but moved to independent status within the Executive Branch. It should then be renamed the National Commission "or Center or Institute" on Productivity and the Quality of Working Life. When pressed by Senator Percy on the need to make the name-change, Whiting commented that the term "quality of work" is ambivalent. It tends to connote "the quality of the product that is produced." Senator Percy agreed that if "quality of working life" is more labor-oriented in connotation, than to make the name change "is well-worth it then, because that is what we really had in mind."

L. Senator Percy commented that he felt there was an "antagonism" toward creating more commissions. "I would like to search for another name because 'commission' sounds too much like a regulatory agency." Mr. Whiting agreed, and recommended the term "Center", as opposed to Institute since "Institute" connotes research to many people.

M. Ted Mills, Director of the National Quality of Work Center, who appeared with Mr. Whiting, commented that "when our program was housed in the National Commission on Productivity, it was a great deal harder to gain willing management and labor participants. The fact that we, so to speak, wore a red, white and blue hat gained for us a lot of suspicion and occasionally downright hostility." Senator Percy agreed that "we are after grants to keep management and control of the programs to a great extent in the hands of those for whom the programs are designed."

Jack Jericho, Executive Director, American Institute of Industrial Engineers—

A. The AIIE supports the establishment of a Federal productivity policy and a National Productivity Center. No action-oriented group exists to systematically find the problems and the barriers causing the declining rate of productivity growth.

B. There is no clearinghouse or central group which can adequately evaluate the problems to determine the priority for research technology improvement in specific areas.

C. There is no central information and technical center to gather, evaluate and publish material which can effectively provide technological improvements which are directly related to productivity. This is particularly true for small businesses.

D. With regards to S. 4212, Mr. Jericho recommended that consideration be given to including professional societies and trade associations in carrying out the mandates of the legislation.

E. Mr. Jericho recommended that the Board of Directors be extended to include the Attorney-General, representatives from the Federal Trade Commission, the Interstate Commerce Commission, the Federal Power Commission, the Federal Energy Office, and the Environmental Protection Agency.

F. Mr. Jericho also recommended that three members of the Board be selected from the professional and technical engineering societies.

G. Serious consideration should be given to establishing the Center as quasi-government business rather than as an agency.

Dr. Harvey A. Averch, National Science Foundation—

A. Concerning productivity impact statements, "experience with environmental impact statements suggests that there are conceptual, analytical, and measurement problems in assessing or evaluating the impact of diverse programs on a general objective such as productivity or productivity growth. Dr. Averch suggested that R&D funds be channeled to research in this area; if experiments suggest that productivity impact statements are feasible and cost-effective, then legislation could be drafted and implemented on the basis of validated information.

B. An independent agency in the Executive Branch would be preferred to one housed in the Commerce Department.

C. S. 4212 does not provide necessary or sufficient criteria for distinguishing the Center's programs from those of other agencies.

D. The National Science Foundation believes that the specific design of the activities proposed in S. 4212 may not be "cost-effective."

Thomas G. Kleppe, Small Business Administration—

A. SBA would support those provisions of S. 4212 that require "a review of all Federal agencies of current statutory authority, administrative regulations, policy and procedures to ensure these are consistent with the purposes, policies, and goals of this Act."

B. It is with respect to small business that governmental productivity programs are most needed. SBA suggests that private, and especially small R&D firms be made eligible for grants.

Elmer B. Staats, Comptroller General of the United States—

A. Since 1970 the General Accounting Office has been a partner with the Office of Management and Budget, the Civil Service Commission, the Bureau of Labor Statistics, and more recently, the General Services Administration in fostering efforts to measure and enhance productivity in Federal activities. The present National Commission on Productivity and Work Quality has been very supportive, but a still stronger national organization would be of value in advancing these efforts.

B. "We believe the stress given to improved state and local programs by the bills you are considering is very appropriate. This is particularly true of S. 4130 with its concept of productivity centers at the state level."

C. The history of the National Commission on Productivity and Work Quality "has been one of constant struggle to maintain its identity and even minimal financial support for its efforts." Mr. Staats pointed out that the authorization of $2.5 million to the Commission by Congress "signifies a very minimal effort that can be pursued by this Commission."

D. The National Productivity Center should be an independent agency replacing the existing Productivity Commission and with direct and authoritative access to the Director of OMB, the Council of Economic Advisors, "and to the heads of principal departments and agencies concerned. These agencies include Commerce, Labor, Treasury, HUD, HEW, NSF, Defense, NASA, AEC, Civil Service, GSA, and GAO."

E. "We favor a small, but fully empowered Board of Directors, appointed by the President, confirmed by the Senate. Its membership as envisioned in S. 4212 should be representative of private sector management, public sector management, and labor."

F. The charter of mission of the Center should be broadly stated. "We are particularly impressed with the definitions and mission goals presented in S. 4212 which stress the importance of equal emphasis on programs and projects designed to improve the utilization of technology on the one hand and those designed to achieve improvements in the utilization of human resources and work quality on the other hand."

G. Any new legislation "should be free of regulatory detail, such as the requirement for productivity impact statements. We believe such matters should be left for later determination rather than be part of the statute itself."

H. The Center "should have a life expectancy and adequate funding for at least five years so that it can be held accountable for bringing to fruition long lead time efforts which are frequently the nature of productivity research and application."

I. The principal need which is not specifically addressed in either bill is development of a corps of personnel with leadership in analytical skills, who would be motivated to work on projects to improve performance in productivity, particularly in the public sector.

J. Mr. Staats pointed out that an important issue "is the extent to which and when the Center should be divorced from Federal management and primary reliance on Federal funding." Mr. Staats suggested that the National Productivity Center could "underwrite the establishment of both national and state level Centers which would become self-supporting. Such authority is envisioned for the states in S. 4130. Of course, regional and perhaps metropolitan centers should not be precluded in appropriate situations."

Dwight Ink, Deputy Administrator, General Services Administration

A. "The work quality which is recognized by S. 4212 is exceedingly important. It is not just a useful relationship. It is essential."

B. "We believe the Committee is moving generally in the right direction, particularly with respect to S. 4212. We believe it is desirable to establish an independent agency, similar to that envisioned in S. 4212, either by revamping the existing Commission or a totally new organization. I think that one can arrive at almost the same point through either route."

A $420 MILLION LOSS

Mr. MOSS. Mr. President, a cost benefit analysis of an operational Earth resources satellite system now known as LandSat has been conducted for NASA by ECON, Inc. The results of this study were published in the January 27 edition of Defense/Space Daily. This study shows that a delay in launching the third LandSat Earth resources technology satellite after 1977 could cost the Nation up to $420 million in benefits.

I ask unanimous consent that the Defense/Space Daily article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Study Finds ERS Benefits Would Far Outstrip Costs

DELAY IN LANDSAT-3 COULD COST NATION $420 MILLION

The benefits derived from an operational Earth Resources Satellite (ERS) program over the next two decades would far outstrip its costs, according to an economic evaluation of the program conducted for NASA by ECON Inc.

At the same time, the company found that a delay in launching the third LandSat Earth Resources Technology Satellite after 1977 could cost the nation up to $420 million in benefits.

Based on data from Goddard Space Flight Center, the company estimated that it would cost from $368 million to $853 million to develop, build and operate an Earth Resources Satellite system over the 1977–1993 time period.

At the same time, based on its own independent evaluation of ERS benefits, including case studies in agricultural, water management, and land management areas, the company estimated that benefits from ERS in the 1985–1993 time period alone could total approximately $3.9 to $6.7 billion.

Adding potential benefits not covered in in-depth case studies, it said ERS benefits over the 1985–1993 time period could total between $9.3 billion and $17.8 billion.

"The measured benefits that can be reasonably expected to flow in the 1980's, year-by-year, from an ERS system," it concluded, "are about $450 million." For the 14-year period 1980 through 1993, this would amount to $6.3 billion in benefits.

ERS SYSTEM COST

Cost of an ERS system over the 1977–1993 time period was subdivided as follows for a one, two and three-satellite system (9, 18 and 27 satellites, respectively, each satellite with a two-year life):

[In millions of dollars]

Cost area	1-satellite	2-satellites	3-satellites
Investment	258	494	645
Operation	84	117	150
Civil service	26	40	58
Total	368	621	[1] 853

[1] ECON notes that actual costs would probably be lower due to "sensible system changes to more efficiently obtain the increased technical capability."

ERS SYSTEM BENEFITS

Annual benefits from the ERS system by 1985 are estimated below based on in-depth case studies and on in-depth case studies plus extrapolations.

[In millions of dollars

Benefit area	Studied benefits	Extrapolated benefits
Agriculture	252.5-554.5	726.3-1,511.7
Forestry/rangeland	62.2	92.2
Inland water	57.2	107.3-178.3
Land use	53.5	53.5
Natural resources	1.6-3.9	34.6-80.9
Atmosphere	1.5-10.5	7.1-39.1
Oceans	1.8-4.3	6.8-17.0
Total	430-746	[1] 1,027.8-1,972.7

[1] Does not include potential "substantial benefits" in "industry" area.

THE LOSS FROM LANDSAT PROGRAM DELAY

The present value of benefits foregone in the event of a one-year gap in ERS service occurring in 1977 (following two-year operation of LandSat-2) is estimated to be "$220 million" based on a 10 percent rate of discount, ECON said. A two-year delay would mean the loss of $420 million in benefits. [At a 15 percent discount rate, the benefits foregone would be $147 million and $274 million, respectively.]

The company noted that its report "bases its conclusions on the conservative viewpoint that the measurable benefits are due only to activities requiring technical capabilities presently demonstrated by ERTS [LandSat], and not performed by other existing civilian satellite systems.

"These results alone provide economic justification for an ERS system with capabilities similar to ERTS [LandSat], or better if the cost is not too high. The fact that system alternatives are available merely serves to reinforce this conclusion . . ."

OMB TAKES IMPORTANT STEP TOWARD IMPLEMENTATION OF THE FEDERAL PRIVACY ACT

Mr. PERCY. Mr. President, among the number of truly significant domestic affairs bills to be enacted by the 93d Congress, the Federal Privacy Act of 1974 stands apart as the first comprehensive measure designed to safeguard jeopardized rights of personal privacy. This legislation is certain to stimulate a heightened respect for the right of privacy in every sector of our society.

I am particularly pleased to learn that the Office of Management and Budget has moved without delay to take the first step toward implementation of the Federal Privacy Act. OMB has requested that the heads of all executive branch agencies undertake in-house studies which must be conducted prior to the drafting of implementing agency regulations. Specifically, OMB has requested that all Federal agencies immediately begin to pursue the following tasks:

First. Identify systems of records which they maintain which will be subject to the act. A listing of systems identified through earlier requests by OMB will be circulated shortly. Agencies will be requested to update that list and provide that information to OMB.

Second. Determine the extent to which procedures already exist which meet the requirements of the statute for access, accounting, et cetera.

Third. Consider the applicability, if any, of the exemptions provisions of the bill.

Fourth. Begin to define the routine uses of each system of records.

Unless agency officials act now to determine the nature and extent to which their agencies' personal information systems are covered by the Federal Privacy Act, they will find themselves in the difficult position of having to approve proposed implementing regulations which may be inadequate.

Mr. President, the cosponsors of the Federal Privacy Act and I recognize the necessity of prompt action by the agencies to take the first steps toward implementation of the act. We strongly urge the agencies to cooperate fully with OMB in this regard and we are prepared to lend our continued support to that effort.

ONE TIME ECONOMIC STIMULUS NOT ENOUGH—TO REDUCE UNEMPLOYMENT SIGNIFICANTLY WILL REQUIRE A PROLONGED AND SUBSTANTIAL STIMULUS

Mr. PROXMIRE. Mr. President, there is an article in today's Wall Street Journal by James P. Gannon which is of great importance and which should cause both the President and Congress to think very hard about the path to reduced unemployment and economic recovery.

Mr. Gannon points out a number of very startling and truthful facts.

UNEMPLOYMENT GOES UP FASTER THAN IT COMES DOWN

First, unemployment goes up very much faster that it comes down. It took from 1961 to 1965, even with expansive economic policies, to reduce unemployment from the 6.7 level to 4.5 percent.

We have seen unemployment rise from 5.4 percent in August of 1974 to 7.1 percent in December, and all predictions are that it will go up to a level between 8 and 9 percent in the near future.

BIG STIMULUS NEEDED FOR SMALL UNEMPLOYMENT REDUCTION

Second, under what is known as Okun's law, because it was first formulated by Arthur Okun, the former Chairman of the President's Council of Economic Advisers, it takes a very strong economic stimulus to reduce unemployment by even small amounts. Okun's estimate is that for every additional 1 percent in the growth rate, unemployment is reduced by one-third of a point per year. Therefore, to reduce unemployment by 1 percent, economic growth would have to increase by 3 points. The normal growth rate is about 4 percent a year. Therefore, the economy would have to grow at a 7 percent annual rate merely to reduce unemployment by 1 percent per year.

TWOFOLD PROBLEM

The problem here is twofold. While a growth rate of 7 or 8 percent is not unknown for short periods of time during a recovery period, it has seldom been sustained for a long period of time. Therefore, the outlook for reducing unemployment is not good, not only because it takes such a big stimulus to get a marginal reduction but also because such a big stimulus is difficult to sustain. Furthermore, a growth rate of 7 or 8 percent extended over a very long period of time certainly creates the danger of a new round of inflation. While that danger is not immediate and is not great during the early and intermediate stages of recovery, it would be difficult to sustain a 7 or 8 percent growth rate for the period needed without at some point running into the danger of a new inflation.

NEED PROLONGED AND SUBSTANTIAL STIMULUS

But the single most important point to be made is that at this time—now—we will need a much more substantial and a much more prolonged economic stimulus than the President's program envisions. A one-time tax stimulus—even if it is not offset by the President's energy policies—is just not enough to do the job.

Mr. Gannon's article is one of the most thoughtful I have seen and it raises very profound issues for the President, the Congress, and the American people in fashioning an economic policy which will bring us back to full employment soon.

I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A HIGH JOBLESS RATE IS LIKELY TO PERSIST FOR LONG TIME TO COME

(By James P. Gannon)

WASHINGTON.—The steep climb in unemployment, which still has months to run, will take years to reverse.

Economists in and out of government agree that the swift upswing in joblessness caused by the current recession isn't likely to be followed by a similarly rapid decline. The nation's unemployment rate has zoomed from a seasonally adjusted 5.4% of the work force last August to a 13-year high of 7.1% in December, and it appears to be headed for 8% or so by March. Then the jobless rate is likely to stick around 8% for nearly all of 1975, most economists figure.

But working the unemployment rate back down to a more normal 4% to 5% is likely to be a long, hard process. The Joint Economic Committee of Congress, stating that high unemployment "seems destined to dominate the remainder of this decade," forecasts that even above-average economic growth rates wouldn't reduce joblessness below 5% until 1980. While Ford administration economists think that's too pessimistic, they concede it will be two to three years before the unemployment problem can be reduced to normal dimensions.

EMPLOYMENT VS. INFLATION

Why? For one thing, the path back down to tolerable jobless rates will start from the highest point since the end of the Great Depression; unemployment hasn't exceeded 8% since 1940. More important, the sort of boom that would rapidly restore "full employment" is unlikely—and, many economists contend, also undesirable, because it would threaten a worse-than-ever outbreak of inflation. Anyway, the economic pinch imposed by energy costs and shortages may slow job growth for several years.

"The economy has already slipped so far," observes economist Charles L. Schultze of the Brookings Institution in Washington, "that even with vigorous action it will be a long time before recovery can produce reasonable prosperity." Mr. Schultze, a former White House budget director, calculates that even if good luck and effective government economic policies combine to produce a steady economic growth rate of 7% a year (about 4% is the long-term average), it would take until mid-1978 to reduce unemployment to 6%.

That grim outlook has profound economic, political and social implications. It means tough job hunting for college seniors, housewives, teen-agers and other new entrants to the labor force. It means billions of dollars of added strain on federal and state budgets for unemployment benefits. It threatens potential social unrest among the groups hardest hit by unemployment, such as black teen-agers, whose jobless rate already is 38% (versus 16% for white teen-agers).

The burden of unemployment is spread unevenly among various groups of workers, but it is worsening now for all groups. While teen-agers have the highest jobless rates, more than 80% of the increase in unemployment since August has been among adults. Of the nearly 1.7 million persons added to the jobless rolls since August, almost 700,000 were adult men and 650,000 adult women.

The recession is hitting especially hard at blue-collar workers, whose jobless rate reached 9.4% in December, compared with 4.1% for white-collar employees. The unemployment rate among married men still is only 3.7%, but that's up from 2.2% a year ago. And unemployment among female heads of families is 8.5%. While these figures do not necessarily imply as great a degree of hardship as suffered in some past recessions, given the liberalization nowadays of unemployment benefits and other such "cushions," they signify a growing economic, social and political problem.

A PRESIDENTIAL LIABILITY

For Gerald Ford, the prospect of a long bout of high unemployment represents a peril that could end a presidency. Mr. Ford already has been warned by his economic aides that bad-looking unemployment rates are sure to continue in election year 1976. Even if the recession should end later this year, it's doubtful that the politically potent jobless rate would drop below 6.5% or so during 1976, his economists concede.

"We haven't had a presidential election since the Great Depression with an unemployment rate as high as it is going to be in 1976," contends one Washington economist. Whether that alone would be enough to defeat Mr. Ford—or else convince him not to run—is problematical, but it would be a gigantic liability.

Some White House officials argue that in political terms, it's not the absolute level of the jobless rate that's important but whether the rate is moving up or down. They figure that if Mr. Ford can point to a declining rate next year, he will survive. Fear of job loss is greater, one White House economist says, "if the rate is moving up from 4% to 6% than it would be if it's moving down from 7% to 5%."

The President himself is taking an optimistic view of the economic and political outlook. In a televised interview last week, he admitted that he would face "pretty tough odds" against reelection if double-digit inflation and 7% unemployment gripped the economy in 1976. But, Mr. Ford said, he looks for a more rapid economic rebound than the "pessimists" do. "So I am not anticipating that in 1976 we are going to have that high unemployment," he added.

Some administration economists aren't so optimistic. As the election year begins, one official predicts, the unemployment rate probably will be around 8%, a prospect that would horrify the White House. The President's new economic plan, featuring one-time tax cuts in 1975, probably won't provide enough thrust in 1976 to push the jobless rate below 7% by election day, he figures. Thus he expects Mr. Ford either to propose even more stimulative economic measures late this year or early in 1976, or willingly accept economy-boosting measures passed by the Congress.

Whatever its ultimate political impact, worsening unemployment will take a huge toll in economic loss and human hardships. December's 7.1% unemployment rate translates into 6.5 million jobless persons, the largest number out of work since the Great Depression (when unemployment reached 25% of a much smaller work force).

Because the recession is expected to bring further layoffs during the next few months, the jobless rate may spurt quickly to a post-Depression peak, government economists believe. Talking in "round numbers," one analyst figures the rate may rise "a half point in January and a half point in February"; it would thus climb above 8% in the first quarter rather than in the third quarter, as officials predicted earlier. "We have a more sudden and steeper rise" than had been expected this analyst says.

At some point later this year, unemployment probably will peak out in the 8% to 9% zone, most economists believe. But they see little if any decline before 1976. One reason is that even if there's a second-half upturn in the economy—which is by no means assured—it will be a modest, slow-starting one, administration economists concede. The other reason is that the jobless rate is a sticky statistic; it normally doesn't start dropping until some months after a recovery begins.

"Employment tends to lag production," Assistant Commerce Secretary James Pate explains. "Employers won't hire back people until they are convinced there really is a recovery in progress" and their own production should be increased, he says. Mr. Pate figures that even if a mild economic upturn starts in the third quarter of 1975, as the administration predicts, it probably would be well into the fourth quarter before the unemployment rate started turning down.

Then there's the long road back to "normal" unemployment levels. Those predictions that the process could take much of the rest of this decade aren't sheer guesswork or crystal-ball gazing. They're based on the record of the past.

CONSULTING THE PAST

"It takes a hell of a lot of economic stimulus to reduce unemployment," comments Nat Goldfinger, chief economist for the AFL–CIO. "The experience of the 1960s demonstrates that."

Mr. Goldfinger notes that the unemployment rate averaged 6.7% in 1961, the first year of President Kennedy's administration. "It took four years of substantial effort, including a massive tax cut (in 1964) and the startup of the Vietnam war to get the unemployment rate down to 4.5% by 1965," the labor economist says. "And now we're starting from a higher level, so we'd need several years of rapid economic growth" to reach 4% unemployment again, he contends.

Economists use a formula known as "Okun's Law" to calculate the likely trend of future unemployment rates. The formula, devised by former White House economist Arthur Okun, is complicated, but it boils down to the following rule of thumb, somewhat oversimplified: Just to keep unemployment steady and absorb the normal growth in the labor force, the "real" gross national products (total output of goods and services, adjusted for inflation) must grow at a 4% annual rate; for every percentage point of growth above or below 4%, the jobless rate is reduced or raised by one-third of a point. Thus, a 7% annual growth rate in real GNP would chop the jobless rate by one percentage point a year.

Using that rule of thumb, which has proved accurate in the past, economists can project how fast unemployment will rise or decline, given various economic growth rates. That's how Mr. Schultze of the Brookings Institution gets his forecast that it would take three years of 7% real growth to lower the jobless rate by three points—from 8% in mid-1975 to 5% in mid-1978.

MECHANISTIC CALCULATIONS?

The Joint Economic Committee, in a recent report, used similar calculations to arrive at its grim outlook on unemployment. The Democratic-dominated panel recommended policies to produce an 8% annual economic growth rate in 1976 and 1977. "Even so," its report said, "unemployment may average about 7% in 1976 and slightly above 6% in 1977. Growth rates of 5% to 6% would be needed in 1978 and 1979 even to bring the unemployment rate under 5% by 1980."

Some economists reject these calculations as too mechanistic, though admitting it will take two to three years to undo the present spurt in unemployment.

"I don't have a great deal of faith" in projections based on Okun's Law, comments Mr. Pate of the Commerce Department. "The key to this unemployment rate is labor-force growth, which is hard to forecast," he says. Mr. Pate suspects that the work force may start growing more slowly in the next few years; that would make possible a more rapid decline in the jobless rate.

The Labor Department's projections don't indicate any significant slowdown in the growth of the work force in the years immediately ahead, though some slowdown is expected after 1980. The labor force, the projections say, will continue growing at an annual rate of 1.7% during the rest of the 1970s, about the same as in the 1960s. These projections assume continuation of recent trends, including a slightly declining relative participation of men in the labor force and a rising participation rate for women. If those assumptions are wrong, Mr. Pate could be right, and the jobless rate would fall faster than the calculations under Okun's Law suggest.

Herbert Stein, chief White House economist under President Nixon, says that he's "skeptical" of projections such as the Joint Economic Committee's. He recalls a one-year period, from the spring of 1958 to spring of 1959, when the jobless rate dropped about two points as the economy recovered from a recession. But a drop of 1% a year is more common in a recovery, he notes, adding: "It may be wise policy to get back down (to 5% or so) rather slowly," in order to avoid overheating the economy into an inflationary outburst.

That's the sort of thinking that dominates in the Ford administration right now. One senior presidential adviser, asked how soon the unemployment rate might recede to 5%, responds: "It is most unlikely to occur within the next two years." Even if it were possible, he adds, "I'm not sure it would be desirable" to reduce joblessness any faster. "Trying to force-draft our way down probably would create a too-high inflation rate, which means we wouldn't be able to hold unemployment down more than temporarily," the official contends.

This official's comments suggest that, unless 1976 political pressures force another policy switch, the administration prefers a slow, steady erosion of the jobless rate. And that is a process of years.

ARMCO'S RESPONSE ON RESERVE MINING CASE

Mr. PERCY. Mr. President, in previous reports to the Senate I have often expressed my support of the Federal Government and the States of Wisconsin, Minnesota, and Michigan in the celebrated Reserve Mining case. The case involves alleged pollution of Lake Superior by taconite tailings and an alleged health hazard caused by asbestos fibers in the air and water.

In fairness to the company, I would now like to present a response offered by the chairman of Armco Steel Corp. which is a part owner of Reserve Mining Co. I ask that Chairman Verity's letter and the first 25 pages of Reserve's brief to the Eighth Circuit Court of Appeals be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARMCO STEEL CORP.,
Middletown, Ohio, December 30, 1974.
Hon. CHARLES PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I was disappointed and upset to read your inaccurate and one-sided comments in the Senate on November 26, concerning the Reserve Mining case. I believe you should know both sides of such an important issue before you make statements and insert material in the Congressional Record, many of which are simply not true.

Dr. Arnold L. Brown, Chairman of the Department of Pathology and Anatomy, Mayo Clinic and the Federal District Court's expert witness, as well as the three judges of the Eighth U.S. Circuit Court of Appeals do not agree with you on the question of a possible health hazard at Reserve Mining. Dr. Brown said:

"On the basis of the evidence that I have seen, heard, read, I would be unable to predict on scientific grounds that there will be an increased incidence of cancer in the population of Duluth by virtue of their exposure to abestiform fibers in their water or that might be present in the air."

The health issue is not the real issue in the Reserve Mining case. We could not, and would not operate a facility if it posed a valid threat to public health. The health issue was a last-minute effort by the Environmental Protection Agency to close the Reserve Mining plant and "win" what they see as a landmark pollution case.

Since last August the Court of Appeals has been pressing both sides in this long, bitter controversy to work toward the best, long-range solution to the pollution question; a solution that would accommodate the best interests of the overall environment, the economy of the area, and the 10,000 or more people who depend on Reserve Mining for their livelihood. We have been trying to get the State of Minnesota to accept a plan that would dispose of the taconite tailings on land and solve the pollution problems, and at the same time allow the plant to continue to operate.

We don't believe cutting off 10 million tons of iron ore is any solution at all in an economy that is fighting inflation, unemployment and shortages of basic materials.

We would like an opportunity to tell you the facts in this case. In the interest of fairness, you might also extend your remarks in the Congressional Record to include the first 25 pages of the enclosed court record, which gives medical and scientific evidence to show there is no health hazard at Reserve Mining.

When might we come to your office to tell you more about this important case?

Sincerely,

BILL VERITY.

BRIEF TO THE EIGHTH CIRCUIT COURT OF APPEALS

STATEMENT OF THE ISSUES

I. In respect to Reserve's discharges and the alleged health hazard involved therein, did the District Court accept the bare risk of the unknown as proof that the unknown exists?

II. Where the District Court has prevented the defendant from presenting evidence relative to the claimed pollution, can a finding of pollution be sustained?

III. Where a state, pursuant to the Federal Water Pollution Control Act, adopts a federal-state regulation and is engaged in proper proceedings to enforce that regulation, may a federal court (1) displace the ongoing state enforcement proceedings, or (2) undertake to relitigate those matters previously determined in the state proceedings?

IV. May the United States or Minnesota invoke the jurisdiction of the federal court in respect to claims based upon the so-called "federal common law" of nuisance, and do the other plaintiffs possess the right to assert nuisance claims?

V. Did the District Court err when it permitted a Rule 15(b) amendment to the complaints where the amendment related to issues which were not tried by the consent of the parties?

VI. May the findings that Reserve's air emissions violate Minnesota regulations or constitute a common law nuisance stand where they are unsupported by the evidence and are contrary to the applicable law?

VII. Is the District Court's determination that Reserve is guilty of miscellaneous statutory violations supported by the law or the evidence?

VIII. Is defendant entitled to relief on counterclaims asserted against the United States and Minnesota?

IX. Is the granting of injunctive relief warranted when, as required by law, the equities in favor of and opposed to the closing of Reserve are weighed?

STATEMENT OF THE CASE

This action was commenced by the United States against Reserve Mining Company on February 17, 1972. The United States alleged that the District Court had jurisdiction pursuant to the Federal Water Pollution Control Act (FWPCA), 33 U.S.C. § 1160, and the Refuse Act, 33 U.S.C. § 407 [1] (Appellant Reserve's Appendix, Vol. 1, pp. 1–2, hereinafter cited as "A. 1: 1–2"). The United States charged that Reserve's discharge of taconite tailings into Lake Superior violated Minnesota water quality standards, WPC 15(a)(4), (c)(2), and (c)(6) [2] and thus was subject to abatement pursuant to 33 U.S.C. § 1160(g)(2) (A. 1: 6–11). The United States also charged that Reserve's water discharge constituted interstate pollution and thus was subject to abatement pursuant to 33 U.S.C. § 1160(g)(1) (A): 11–12). Finally, the United States claimed that Reserve's discharge was a nuisance under the federal common law (A. 1: 15).

Reserve, in addition to denying that it was guilty of pollution, raised various affirmative defenses, including (a) lack of jurisdiction, (b) the existence of valid and subsisting federal and state permits authorizing its discharge, (c) on-going state proceedings in which it had been established that Reserve was not guilty of pollution and that WPC 15 was inapplicable to Reserve, and (d) failure of the United States to exhaust the administrative procedures specified in 33 U.S.C. § 1160 (A. 1: 17–42).

The County of Lake, Minnesota; the Villages of Silver Bay, Beaver Bay and Babbit, Minnesota; and various other Minnesota entities, including the Duluth Area Chamber of Commerce, intervened as defendants on Reserve's behalf (A. 1: 54–101).

The United States' complaint was amended to include claims that Reserve's discharge into the air and water constituted a public health hazard (E.g., A. 1: 102–109).

The States of Minnesota, Wisconsin and Michigan also became plaintiffs. Minnesota, alleged violation of the FWPCA; Minn. Stat. c. 115 and c. 116; WPC 15, 25, 26, 27, and 28; and APC 5, 6, and 17 (A. 1: 175–76; 191; 192–93). Michigan alleged violations of the FWPCA, various Michigan statutes and WPC 15 (A. 1: 337–349), and "public nuisance" in respect to water (A. 2: 31) Wisconsin alleged federal common and Wisconsin common law nuisance in respect to water (A. 2: 39–44). Various private entities such as the Minnesota Environmental Law Institute, Inc., intervened as plaintiffs making basically the same claims (A. 2: 82–98; 128–147; 153–58; 174–79).

By appropriate responsive pleadings, Reserve placed the foregoing allegations in issues (A. 1: 228–78; 299–327; A. 2: 1–27; 44–67; 97–127; 148–52; 159–64).

The trial commenced on August 1, 1973. In September 1973, a motion for a temporary injunction, based upon the alleged health hazard, was made. From that time on, the testimony was almost entirely limited to evidence concerning the health issue. Plaintiffs provisionally rested on September 25, 1973 (T. 4,997–5,011).

On January 2, 1974, the District Court ordered that Armco and Republic Steel Corporation be joined as defendants. On January 23, 1974, the United States Court of Appeals vacated the joinder order and ruled that the joinder could not be reconsidered until the testimony concerning health and liability was completed. On March 29, 1974, weeks prior to the completion of the testimony concerning health and liability, the District Court summarily ordered the rejoinder (T. 17,517–41; 17,598–600). By appropriate responsive pleadings, Armco and Republic placed the allegations against them in issue (A. 1: 151–58; 182–88; 215–18; 280–88; 328–33; A. 2: 33–38; 75–81; 165–73; 186–94).

The testimony of various expert witnesses appointed by the Court was completed on April 13, 1974 (T. 18,707). On April 20, 1974, Judge Lord issued his injunction order halting Reserve Mining Company's operations (A. 2: 195–207). The "trial" continued into May, 1974, and was not formally terminated until October 18, 1974 (A. 3: 1–22).

The injunction order was supplemented by judicial Memoranda filed on May 11 and on August 3, 1974 (A. 2: 208–320; 321–65). Judge Lord in his April 20th order and in his May 11th Memorandum made it clear that his grant of injunctive relief was predicated solely upon his belief that a public health hazard existed (A. 2: 196–97; 210).

The defendants and the United States appealed from the April 20th injunction order (A. 2: 366–71).

On June 4, 1974, the Court of Appeals provisionally extended a stay of the injunction and ordered Reserve to prepare a plan for the on-land disposition of its tailings. *Reserve Mining Co.* v. *United States*, 498 F. 2d 1073 (8th Cir. 1974). In compliance with this order, Reserve prepared a comprehensive plan which was completed and ready for filing on June 29th, the due date specified by this Court in its June 4th order. However, notwithstanding said order, Judge Lord ordered the plan not to be filed with this Court at that time and further ordered the taking of testimony throughout July.[3] n August 3, 1974, Judge Lord issued an opinion rejecting Reserve's proposed plan (A. 2: 321–65).

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[1] The text of the pertinent parts of the federal and state statutes referred to herein is contained in the Supplement to his brief.

[2] The text of the Minnesota water (WPC) and air (APC) pollution control regulations referred to herein is contained in the Supplement to this brief.

Also, in its June 4th order, the Court of Appeals directed the District Court to determine the remaining, undecided issues before it; and, on August 16th, this Court remanded the case to the District Court, ordering it to make that determination. On October 18, 1974, the District Court issued a Memorandum determining some of the issues and reserving the issues of fines, penalties and sanctions for post-appeal resolution by the District Court (A. 3: 1–23). Defendants appealed from the judgment entered on October 18, 1974 (A. 3: 25).

In the interests of brevity, appellant Reserve Mining Company adopts the argument contained in the brief of appellants Armco and Republic Steel Corporations filed herein.

(Reserve's petition for review was filed in appeal no. 73–1293 on April 13, 1975 to preserve its right to judicial review under § 509 of the FWPCA. In view of the fact that Reserve has proposed an on-land deposition system and in view of the absence of any claim of waiver, the appeal may remain in pending status until the main case has been concluded.)

ARGUMENT

Introduction

In its order of April 20, 1974 and its Memorandum of May 11, 1974, the District Court made it clear that the sole basis for the injunction closing Reserve's operations was the Court's belief that Reserve's discharge constituted a public health hazard (A. 2: 197–98; 210). Thus, while the Court made conclusions of law in respect to other claims, those conclusions do not provide bases for the injunction which is before this Court for review.

The defendants will demonstrate that the Court's conclusions of law cannot be sustained because:

(a) There is no evidence supporting the District Court's finding that Reserve's discharge (air or water) constitutes a health hazard; (b) under the facts and the law, no basis exists for a finding of pollution; (c) pursuant to the FWPCA, ongoing state proceedings to enforce WPC 15, a federal-state regulation, may not be displaced by federal court action. Furthermore, the decisions of the Minnesota courts relative to WPC 15 and its application to Reserve are res judicata; (d) no basis for a finding of common law nuisance exists; (e) the various air regulations are inapplicable to Reserve; (f) Reserve is not guilty of violating the Refuse Act and miscellaneous state statutes; (g) Reserve's counterclaims are meritorious; and, (h) injunctive relief closing Reserve is unwarranted.

I. IN RESPECT TO RESERVE'S DISCHARGES AND THE ALLEGED HEALTH HAZARD INVOLVED THEREIN, THE DISTRICT COURT ACCEPTED THE BARE RISK OF THE UNKNOWN AS PROOF THAT THE UNKNOWN EXISTS

A. Medical expert testimony

While scores of witnesses testified concerning the alleged health question with the result that the record contains thousands of pages of complex scientific evidence, the reams of testimony cannot conceal the fact that relatively simple issues are presented by this appeal. Basically, Judge Lord found (1) that Reserves' air emissions and water discharges contain amphibole fibers which are identical or similar to amosite asbestos and (2) that, therefore, the emissions and discharges substantially endanger the health of those who breathe Silver Bay air or drink Lake Superior water (A. 2:196–97). It is Reserve's position that these findings are simply not supported by the evidence; they are contrary to the direct evidence which was submitted to the Court.

1. Asbestos and Cancer

The parties each presented a number of medical and scientific expert witnesses and the Court itself appointed a group of independent, impartial experts who were given the important task of carrying out essential studies and of analyzing and evaluating the testimony and the pertinent medical and scientific literature.

Dr. Arnold L. Brown, the Court's chief impartial witness, who is Chairman of the Department of Pathology and Anatomy of the Mayo Clinic, was given the task of studying the literature and of reviewing all of the expert medical testimony at the trial. To this end, he compiled a bibliography of 418 writings and he either heard or read the testimony of all of the other expert witnesses (T. 18,129; 18,130; 18477; Reserve Exhibit 510). He based his testimony upon his personal knowledge and experience and upon his bibliography (T. 18,129).

The District Court described Dr. Brown as the person who presumably knows more about the subject than anybody in the world (T. 18,472). The Court conducted the direct examination of Dr. Brown pursuant to a questionnaire prepared by Dr. Brown and the Court's law clerks (T. 18,136).

In the words of the District Court:

"The plant may close, depending on a guy standing right over there [indicating Dr. Brown], and how his testimony comes out. . . ." (Court conference on April 10, 1974, p. 1).

According to Dr. Brown, there are many known human carcinogens in our environment including coal tar, benzidine, tobacco, vinyl chloride, X-rays, and sunshine (T. 18,-671–72). He stated that whether or not asbestos or asbestiform particles have significant biological effects has been the subject of a great deal of consideration in the scientific community (T. 18,466). The knowledge that the scientific community (T. 18,466). The knowledge that the scientific community has concerning the biological effects of asbestos is generally incomplete. Dr. Brown said:

"It seems to me, Your Honor, that the precise scientific answers to many of the questions that are being raised in this court in this case, that those answers will not be available to us for some time." (T. 18,399).

In Dr. Brown's opinion, exposure to asbestos can cause several kinds of cancer including lung cancer, mesothelioma, and gastrointestinal cancer (T. 18,137; 18,139). He agreed that the only studies that appear to implicate asbestos in the development of malignancies in persons not heavily occupationally exposed, such as a worker in an asbestos factory, are those involving diffuse mesothelioma, an uncommon, rare tumor which is an extremely difficult tumor to diagnose (T. 18,137–38; 18,264; 18,588).

As to gastrointestinal tract cancer, Dr. Brown believed that:

"* * * the evidence is probably good enough for me to draw the conclusion that it is likely that one could expect an increased incidence of cancer of the gastrointestinal tract in *occupationally exposed people.*" (T. 18, 149; emphasis supplied).

Virtually all of the data available and relied upon by Dr. Brown was concerned with the *inhalation* of asbestos fibers by occupationally exposed persons. In respect to *ingestion*, Dr. Brown stated that while it is conceivable that the ingestion of asbestos can cause gastrointestinal cancer, he does not know the amount of asbestos which may be ingested below which the likelihood of cancer becomes so remote as to be ignored (T. 18,150). He explained that in respect to any substance which is known to be cancer-causing, there is a threshold level (i.e., a level of inhalation, ingestion, etc., below which there is no real danger); that there is no reason to believe that the same is not true of asbestos; and that he hasn't "the foggiest idea * * * as to what that level might be, either in air or water" in respect to asbestors (T. 18,151; 18,831; 18,466). Because there is no direct data supporting the speculation that the ingestion—as distinguished from inhalation—of asbestos fibers can cause cancer, there is no information available to provide a basis for a surmise as to a possible ingestion threshold limit. Of course, if ingested asbestos is not carcinogenic, there can be no threshold limit in respect to ingestion.

Plaintiff's chief witness, Dr. Irving Selikoff, admitted that he knew of no evidence that fibers ingested with drinking water would occasion a health hazard (T. 4,988). Dr. William E. Smith, Director, Health Research Institute, Fairleigh-Dickenson University, who has spent 35 years researching the causes of cancer, opined that there is no evidence that the ingestion of asbestos fibers causes cancer (T. 9,126). Dr. John M. G. Davis, Head of Pathology Branch, Institute of Occupational Medicine, Edinburgh, Scotland, and Dr. Paul Gross, Professor of Pathology Branch, Institute of Occupational Medicine, Edinburgh, Scotland, and Dr. Paul Gross, Professor of Pathology, University of North Carolina, who have conducted extensive experiments in this field, testified that their work revealed no tumors resulting from ingestion of large doses of asbestos fibers (T. 9,552; 9,575–76; 16,313–15).

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[3] Faced with the dilemma of two conflicting Court orders, the defendants, by letter, sought the guidance of this Court as to their proper course of conduct. This inquiry resulted in the following occurrence in District Court:

"The Court. Have you heard from the Court (Eighth Circuit Court of Appeals) on your latest mini-appeal?

* * * * *

"The Court. What is that proceeding, Mr. Fride, that sent you to the Court of Appeals? Was that mandamus or what was it?

"Mr. Fride. We weren't at the Court of Appeals at all, Your Honor. I simple wrote a letter to the Court of Appeals, which a copy, of course, went to Your Honor and to all counsel, indicating that, as Mr. Hyde indicated last June 25, we were in somewhat of a quandary being faced with an order dated June 4 from the Court of Appeals saying to file Reserve's plan by June 29, and Your Honor's direction at the same time that raised some question about it, and I simply wrote a letter to them, Your Honor, and raised the question so we would not be in violation of any order of any court. And there was no formal appearance, there was no personal appearance, it was simply a letter that went down.

"The Court. Were you here the day when I told you I would take the responsibility of seeing that the Court of Appeals' order was obeyed? Were you in court that day?

"Mr. Fride. I was here, Your Honor, on the 25th of June, yes, sir.

"The Court. I read your letter. Your letter was a gross misrepresentation of what took place in this court and what the spirit was of what we were doing.

"Now, you are free to do that, Mr. Fride, during the pendancy of that case. You are free to do anything you want to which involved what may be contumacious conduct. I will do nothing to you during the pendancy of this action. You go ahead.

"Mr. Fride. Could I just make one comment in that connection, Your Honor.

"The Court. Yes, sir.

"Mr. Fridé. That in company with that letter was a complete transcript of the entire proceedings on the 25th, and certainly reference was made to it, so there was certainly no intent nor, I believe, no activity that reflected anything different than what the record said." (T. 113–115, Proceedings on July 2, 1974).

Plaintiffs' evidence revealed that between 93% and 99.3% of the alleged amphibole fibers discovered in Duluth water are less than 5 microns in length and that the average length is only 0.8 micron (Plaintiff's Exhibit 156; T. 3,129; 3,949, 4,021).[4]

It is Dr. Brown's personal opinion that the studies made so far do not permit a conclusion that short fibers are any less cancer-causing than long fibers (T. 18,143). To him, the data absolving short fibers of being disease-causing was not entirely convincing, although he conceded that a great many highly competent scientists disagree with him (T. 18,495). His bibliography contained scientific articles by Drs. Klosterkotter, Timbrell, Skidmore, Webster, Hilscher, Pott, Friedrich, Smith, Gross, Wagner, Stanton, Maroudas, Wright, Kuschner, and Davis; and he conceded that all those scientists reported that short fibers did not produce any significant biological effects and that long fibers (ten microns or more in length) did produce significant biological effects including asbestosis, fibrosis, and neoplasms (T. 18,638–39). His only reason for questioning the opinions of these experts is their failure to describe in their reports the methods which they used to measure the size of the fibers which they examined (T. 18,598–99).

Under the Occupational Safety and Health Act (OSHA), 29 U.S.C. § 651, et seq., the standard set by the National Institute for Occupational Safety and Health (NIOSH) for occupational exposure to asbestos refers only to fibers in excess of 5.0 microns in length (T. 4,501–2). NIOSH's Review Committee stated that "control of worker exposure to the limits stated [i.e., fibers longer than 5.0 microns] will prevent asbestosis and more adequately guard against asbestos-induced neoplasms [tumors]" (T. 4,502). The British counterpart of NIOSH also adopted the same (5 micron length) conclusion (T. 4,510). The OSHA and British determinations that the occupational exposure to asbestos fibers less than 5 microns in length is not significant were supported by the testimony of the following witnesses who are among the world's leading experts on the health effects of asbestos: Dr. George W. Wright, a chest specialist who has examined and treated large numbers of asbestos workers (T. 9,860–63; 9,895–96); Dr. William E. Smith (T. 9,085–89; 9,134–34A); Dr. Paul Gross (T. 8,681–85); Dr. John M. G. Davis (T. 9,541–45); and Dr. Marvin Kuschner, Dean of Medical School, University of New York, a pathologist (T. 16,993; 16,996–97).[5]

Dr. Brown tended to believe that the diameter (two or less microns) of any fiber is a more important factor than length (T. 18,144). In his view, the thing about asbestos fibers which can cause cancer is the size and shape of the fibers (T. 18,156). Thus, it makes no difference to him what the chemistry of a fiber may be (T. 18,156). It follows, according to Dr. Brown, that there is no difference between one kind of fiber and another in relation to their ability to cause cancer (T. 18,156).

In Dr. Brown's testimony it was revealed that the Commitee of Toxicology of the U.S. Government (made up of representatives from the National Institute of Health, National Cancer Institute, National Institute for Experimental Health Sciences, and the Food and Drug Administration) has appointed a commitee on asbestos to determine whether or not the ingestion of asbestos can actually cause cancer. The type of asbestos given top priority for testing is chrysotile because of its common presence in beverages, water, foods, and drugs. The next type of asbestos in order of priorities is crocidolite (T. 18,537–42). Dr. Brown's interrogation concerning this commitee was cut short by Judge Lord on the basis that it "adds nothing" (T. 18–542). The Court also interjected that, "as far as the Court is concerned, it would be fruitless" to pursue with Dr. Brown the question of the carcinogenicity of chrysotile, crocidolite, etc. (T. 18,539). However, Dr. Brown was later permitted to express his opinion that both amphibole and non-amphibole fibers may cause cancer (T. 18,682). He stated there was insufficient information to opine as to whether diatomaceous fibers can or cannot cause cancer (T. 18,685). (The significance of the classification of fibers as amphibole, non-amphibole, and diatomaceous will be discussed later.)

2. Testimony Concerning the Alleged Hazard

Turning from his general discussion of fibers, Dr. Brown stated that there is no evidence of an excess of cancer in Duluth, Silver Bay, or other North Shore communities (T. 18,571). He stated:

"Scientifically and medically I see no evidence for an increased incidence of cancer in those communities that could be attributed to the presence of asbestos fibers in aid or water." (T. 18,571–7).

Dr. Brown said that he has no evidence that the fibers of the cummingtonite-grunerite series, "which the Court has found to exist in Lake Superior," has caused disease up to the present time (T. 18,367). And, based on the totality of the information that has been available to him and his education, experience, and training, it is his view that there is no evidence, one way or the other, that amphibole fibers in Lake Superior are associated with producing any past or present disease (T. 18,663–64).

Dr. Brown concurred with the statement in a March, 1974, letter from Dr. Russell W. Peterson, Chairman of the Executive Office of the President's Council on Environmental Quality: "There is inadequate information as to the significance of either the quantity or size of asbestos-like fibers [in Duluth water] to enable us to assess the health risk of ingestion of water containing these fibers" (T. 18,662–63).

Dr. Brown testified that:

"On the basis of the evidence that I have seen, heard, read I would be unable to predict on scientific grounds that there will be an increased incidence of cancer in the population of Duluth by virtue of their exposure to asbestiform fibers in their water or that might be present in the air." (T. 18,584–85).

Thus, he was unable to predict from the available information that there will be an adverse effect which will occur in the citizens of Duluth or Silver Bay based on the presence of fibers in their environment (T. 18,665).

He added that, as a medical person, he "believed" that asbestos fibers might cause cancer and thus concluded that asbestos fibers should not be present in drinking water (T. 18,377). He also believed that if a human carcinogen is in the air of a community "and if it can be lowered I would say, as a physician, that, yes, it should be lowered. And if it could be taken out of the air completely, I would be even more happy" (T. 18,385). The basis for his reasoning is that people who are *heavily occupationally exposed* to asbestos, such as asbestos factory workers, show a higher than average amount of lung cancer, especially when they also smoke cigarettes (T. 18,379). As a physician, he is concerned about any known carcinogen and hopes that affirmative evidence will be forthcoming someday to support a scientific prediction one way or the other (T. 18,585). Generally, Dr. Brown agreed with Dr. Selikoff's statement to the effect that, so far, we have no way of knowing whether the asbestos fibers are a threat to health in Duluth. Dr. Brown added that because, in his opinion, they are carcinogenic and "we are dealing with uncertain knowledge about a human carcinogen," that is the basis for his concern (T. 18,581). His feelings are based on the presence of fibers as distinguished from the number or size of such fibers (T. 18,664).

He explained the basis of his "medical" as distinguished from "scientific" testimony:

"I have no expectations that our environment will ever be entirely free of asbestos. But until we know what safe limits are, as a physician who would rather see well people than sick people, I have some sort of compulsion to protect ourselves against known agents that produce cancer until we know what safe limits are. That is my entire base." (T. 18,668).

But he admitted that the informational base about this problem is not established well enough for him to do anything but "speculate" (T. 18,692).

Early in the trial, it was deemed important that a study of tissues of deceased Duluthians be made to determine whether or not fibers were present in such tissues. An elaborate Court protocol designed by Dr. Brown and approved by the parties' experts was established to carry out this study. Dr. Selikoff informed the Court that if appreciable quantities of fibers are not found in the tissues, then "there is no danger, at least up to this point, to the population" (T. 4,881–83; 4,909–10).

These extensive tissue studies *failed to disclose any amphibole fibers* which could have come from Reserve during the subjects' lifetimes. The subjects were selected by the Court witnesses as representative and included only tissues from persons inhaling Duluth air and ingesting Duluth water in excess of 15 years (T. 17,776).

Comparable coded tissue specimens from the same subjects were also supplied by the Court witnesses to Dr. Zussman for Reserve and Dr. Selikoff for plaintiffs. Dr. Zussman confirmed the Court study in reporting zero amphibole fibers (T. 18,200), while Dr. Selikoff did not report at all (T. 18,550–51).

When questioned about the absence of any significant number of fibers in the tissues of deceased Duluthians, Dr. Brown stated that, in his view, while the failure to find fibers does not completely exonerate fibers as a hazard, "it does tell me that it is not an emergency situation" (T. 18,338). He stated that, in view of the tissue study, we are not dealing with a time element which is as pressing as it would have been had there been fibers found in the tissues.

Another pertinent study involved the examination of 1,463 chest X-rays and records of employees of Reserve who had worked there more than 15 years including a group of 225 who had worked there more than 20 years. The significance of the X-rays is illustrated by the fact that Dr. Selikoff, in his study of asbestos-exposed American insulation workers, reported that 41.1% of the men exposed from 10 to 19 years had abnormal chest X-rays (T. 9,705). The Reserve employees' X-rays were examined by Dr. Russell Morgan, Dean of the Medical School, Johns Hopkins University, who is a radiologist. Dr.

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[4] One inch=25,400 microns; one micron=.0000394 inch.

[5] Dr. Wright referred to two studies of workers occupationally exposed to asbestos by Drs. McDonald and Enterline, respectively, to demonstrate that the concentrations of amphibole fibers reported in Duluth water samples were substantially below the levels tolerated by such occupationally-exposed work forces without any demonstrable, significant increase of gastrointestinal cancer (Reserve Exhibit 295).

Morgan found the X-rays to be the same as would be found in a normal, nonoccupationally exposed population (T. 10,663–64). Dr. Leonard J. Bristol, a radiologist, who is Director of the Department of Silicosis Control, Trudeau Institute, New York, opined that, based upon the X-rays and a survey of long-term employees, there was no significant hazard at Silver Bay with respect to asbestosis or pneumoconiosis (T. 9,699). Dr. Donald D. Haase, Sr., stated that he could not find a single case of asbestosis in Reserve's employee group (T. 10,268; 10,339). Dr. Brown testified that the fact that the X-rays showed no diffuse lung changes, etc., which might be related to dust, indicated that the exposure which the employees had must have been at a level which would not, to date, produce disease (T. 18,571; 18,653).[6] This testimony was confirmed by the fact that the information from the Minnesota Department of Vital Statistics revealed that the incidence of lung and gastrointestinal cancer deaths in Silver Bay is well below the incidence of those deaths in Minnesota generally (T. 10,350–54; Reserve Exhibit 302).

One of the more puzzling rulings which Judge Lord made in respect to Dr. Brown's testimony was his adamant refusal to let Dr. Brown testify as to whether or not many municipal water supplies throughout the country contain substantially greater numbers of fibers than Duluth (T. 18,527–30). Such testimony might well have proved how comparatively pure Duluth water is.

The Court stated that the basis for sustaining the objection to the comparison of other water supplies was that no epidemiological studies were tied to those fiber sources to indicate the significance of any such exposure (T. 18,530, et seq.). However, studies by plaintiff's witnesses, Dr. Thomas Mason (T. 17,089, et seq.) and Dr. Arnold Lindall (T. 17,145, et seq.) indicate no epidemiological significance to the alleged fibers in the Duluth water supply.

The Court also sustained the Government's objection to a question as to whether or not Dr. Brown agreed with the following statement in his bibliography:

"It seems likely that asbestos occurs, naturally in much drinking water in the United States. Environmental exposure to it is increased by filtration of certain beverages and pharmaceuticals through asbestos filters. Used extensively in construction for its fireproofing qualities, asbestos contaminates the air in most office buildings and stores, and examination of lung sections of people living and working in New York City has shown some fibers in the lungs of every person examined. Similar results could probably be found in any other urban area in the nation." (T. 18,613).

However, Dr. Brown was permitted to testify that a meeting of the National Cancer Advisory Board (Presidential appointees) which he chaired on March 18, 1974, he advised the Board that asbestos fibers have been found in air, beer, wine, and gingerale in larger concentrations than in the water at Duluth, and that the drinking water of one of the largest cities in the country contains a thousand times more fibers than Duluth (T. 18,527-38)

Dr. Brown agreed with the conclusion of the National Academy of Sciences that most human lungs harbor thousands or millions of fibers and that some of these are asbestos (T. 18,432). He also agreed with the statement of the International Agency for Research on Cancer that asbestos fibers are present in the lungs of most urban adults and that the total number of fibers may be large but there is no evidence, at present, that this lung burden is the cause of excess morbidity or mortality in the general population (T. 18,516–17). He stated that there is no evidence that exposure of the general public to past levels of asbestos dust in the ambient air or in beverages, drinking water, food, or pharmaceutical preparations has increased the risk of cancer (T. 18,523). He said that there are asbesots fibers "in the air of just about every city that I know of" (T. 18,675).[7]

The Court's witness, Dr. William F. Taylor of the Medical Research Section, Mayo Clinic, testified that the levels of fibers in the air at Silver Bay amounted to only .0627 fiber per cubic centimeter of air (T. 18,083). The great majority of the fibers were less than 5 microns long (T. 18,086). The Silver Bay level is far below the level of 5.0 fibers (greater than 5 microns in length) per milliliter[8] of air approved by the Secretary of Labor as the permissible occupational asbestos exposure standard pursuant to the Occupational Safety and Health Act (OSHA) (T. 18,084).[9] Based on extensive studies by himself and others, Dr. Hans Weill, Professor of Medicine, Tulane Medical School, calculated that the no-effect (threshold) level was 5 fibers per millimeter over a working lifetime of 40 years (T. 9,251–93). Drs. Gross and Wright both expressed the opinion that the level of mineral fibers in the air at Silver Bay does not pose a public health problem (T. 16,295-316; 8, 715–22; 10,043–54).

Thus the effect of the injunction was to impose an air emission standard on Reserve far higher than is imposed on any comparable industry and far higher than is recognized as necessary by those experts knowledgeable in this field.

Significantly, the scientific data revealed that the only increase in risk of asbestos-related disease was to those employees in actual asbestos plants who were heavily exposed years ago before modern dust collecting equipment was utilized.

"Q. * * * Dr. Brown, if I understand your view now, based on the totality of the information that has been available to you and your education, experience, and training, in your view there is no *direct evidence* nor *any other evidence believed credible* that amphibole fiibers in Lake Superior are associated with or a causative agent in producing any past or present human disease?

"A. Yes, there is no evidence one way or another." (T. 18,663–64; emphasis supplied).

In their briefs in opposition to the notion for a stay and in support of their petition for rehearing, various plaintiffs have attempted to de-emphasize Dr. Brown's testimony by reference to the testimony of partisan witnesses called by plaintiffs: Drs. Irving Selikoff, Harold Stewart and John Rankin. For example, plaintiffs have pointed to the testimony of Dr. Selikoff where he expressed his belief that a health hazard exists (e.g., T. 4,858–72, 4,874–77). Included in his testimony are statements like—"I think we ought to have a sign at the entrance to sections of town [Silver Bay] 'Please Close Your Windows Before Driving Through'" (T. 4,868). Following an understandable furor in the media (see T. 4,942), Dr. Selikoff recanted and stated that the remark was facetious—that he really didn't mean it (T. 4,885). Dr. Selikoff conceded that his beliefs were based on his studies of asbestos workers exposed to the grossest conditions (T. 4,960). He admitted:

"I have no evidence that general community asbestos air pollution, not only in Duluth, but in other communities, is associated with any hazard. I have no evidence for this at this time." (T. 4,943).

* * * * *

"Q. You don't have evidence that fibers, if they were ingested with the drinking water of Duluth would, in fact, occasion a public health hazard?"

"A. No, I think I described my position on that at the outset." (T. 4,988).

His view today is that "we do not know whether current levels of general environmental asbestos contamination of either air or water are *or will be* associated with risk, since no appropriate studies have been completed" and "we will not know whether *or not* these particular circumstances will cause cancer until another 25 to 35, maybe 40 years have passed" (T. 4,952; 4,858; emphasis supplied). Thus, Dr. Selikoff's testimony, although often expressed in a hair-raising manner, ultimately reached the same conclusion as that of Dr. Brown.

So also was the testimony of Drs. Rankin and Stewart. Dr. Rankin subscribed to the philosophy that anything which is suspect as a carcinogen must be deemed hazardous until proven safe (T. 7,246–47). However, he too, acknowledged that there is no data that asbestos in water is a health hazard (T. 7,230; 7,246; 7,313); that he has no knowledge that any discharge of Reserve, either in air or water, is carcinogenic (T. 7,319); and that he does not have sufficient information to permit him to say that there is or is not a significant health hazard to the residents of Duluth (T. 7,320–21). He defined a hazard as something which "may possibly occur" (T. 7,329). He concurred in the above-quoted testimony of Dr. Selikoff (T. 7,335–39).

Dr. Stewart, who described himself as a garden variety pathologist who was not an expert relative to asbestos (T. 3,660–61), expressed his philosophy that any carcinogen should be eliminated from the environment, if possible, because of the possibility that it will cause cancer (T. 3,637–39). He also acknowledged that he had no evidence permitting him to disagree with the conclusion that the data relative to the ingestion of asbestos revealed no demonstrable risk (T. 3,660).

The philosophy of these witnesses may be expressed as follows: A health hazard exists if it may possibly exist. They cannot say whether or not a health hazard does or will ever exist in Duluth or Silver Bay. Thus, they share a common medical concern but are in substantial agreement that the available data will not support a conclusion that the discharges are in fact hazardous or potentially hazardous.

In summary, the medical testimony reveals that:

(a) There is evidence that *inhalation* of large amounts of asbestos dust over a long period (i.e., heavy occupational exposure) may cause various diseases including cancer.

(b) There is no evidence that Reserve's air discharges at Silver Bay may be equated to such heavy occupational exposure and thus there is no evidence of a present or future likelihood of disease.

(c) There is no evidence that *ingestion* of asbestos in any amount has ever caused disease in anyone. Thus, there is no evidence that Reserve's discharge into Lake Superior (whether or not such discharge contains any asbestos) constitutes a present or future likelihood of disease.

(d) There is no evidence that amphibole fibers in the concentrations and dimensions allegedly found in Lake Superior water entail a risk of asbestosis, cancer, and other adverse health consequences.

(e) There is unrefuted evidence that no one has ever gotten sick from breathing Silver Bay air or drinking Lake Superior water in the 20-odd years of Reserve's operation. Indeed, none of the medical experts who testified can prophesy that anyone will ever become sick.

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[6] Pursuant to Court order, the X-rays were made available to Dr. Selikoff, but he did not look at them.

[7] A rather fascinating speech by Dr. Selikoff before a Senate committee about the environmental omnipresence of asbesots is quoted at T. 4,976, et seq.

[8] 1 cubic centimeter=1 milliliter.

[9] Effective July 1, 1975, the OSHA standard will be 2.0 fibers (greater than 5 microns in length) per milliliter of air.

3. Basis of Judge Lord's Medical Findings

In a word—using Dr. Brown's terminology—the alleged health hazard is a matter of pure *speculation*. Reserve's discharge has not been linked to some present or future likelihood of disease. Thus, when Judge Lord found as a fact that a health hazard existed, he accepted the bare risk of the unknown as proof that the unknown exists. In doing so, he went beyond the evidence and substituted his personal policy judgment in place of the evidence before him as the basis for his determination.

While it is proper for a legislature to formulate legislative policy judgments subject to appropriate constitutional limitations, and while it is proper for a legislature to delegate some legislative functions to administrative bodies subject to appropriate safeguards including judicial review, it does not follow that the judiciary is or may be vested with such legislative power. The significant difference between the policy judgment function of the legislature and its administrative delegates and the decision of cases and controversies function of the courts is exemplified in *Industrial Union Department, AFL–CIO v. Hodgson,* 499 F. 2d 467 (D.C. Cir. 1974). In *Hodgson,* the Court had to undertake the difficult task of judicially reviewing the OSHA 5-fibers-per-milliliter asbestos air standard promulgated by the Secretary of Labor. In doing so, the Court emphasized the legislative nature of the Secretary's action and the lack of concrete evidence relative to if-and-when asbestos is a health hazard—

"For example, in this case the evidence indicated that reliable data is not currently available with respect to the precisely predictable health effects of various levels of exposure to asbestos dust; nevertheless, the Secretary was obligated to establish some specific level as the maximum permissible exposure. After considering all the conflicting evidence, the Secretary explained his decision to adopt, over strong employer objection, a relatively low limit in terms of the severe health consequences which could result from over-exposure. Inasmuch as the protection of the health of employees is the overriding concern of OSHA, this choice is doubtless sound, *but it rests in the final analysis on an essentially legislative policy judgment, rather than a factual determination, concerning the relative risks of underprotection as compared to overprotection.*" 499 F. 2d 474–75 (emphasis supplied).

The *Hodgson* case is significant in that it reveals the extent to which Judge Lord's injunction order represents a legislative policy judgment rather than a decision, based upon proved facts, in an injunction case.

Judge Lord, himself, has occasionaly stated that he viewed the proceeding as a "judicial inquiry" as to which there are "no parameters" (T. 12,280; 14,179; 19,536). Indeed, he once went so far as to compare his activities to "an administrative procedure like they do in Great Britain where they investigate a problem and try to solve it" (T. 4,871). And in his Memorandum of August 3, 1974, he stated his view that to the extent that his "action is to be considered to be legislative and not a judicial decision", he believed that he acted properly pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1160 and Minn Stat. § 116.04 (A. 2:363).

Neither of these statutes purport to delegate legislative powers to any court.[10] No law permits, much less authorizes, a federal judge to transmute a civil action into some sort of inquiry or inquest at which he is free (no parameters) to issue decrees based on his own policy judgments regardless of the facts or the law. It follows that it is not the province of the District Court to transmute a speculation into a fact as a basis for imposing injunctive relief.

B. Other Scientific Testimony

In addition to their failure to present any probative evidence from a medical standpoint in support of their public health allegations, plaintiffs were also unable to present any substantial evidence in support of various nonmedical allegations upon which their public health claims are based. The following factors illustrate the failure of plaintiffs to establish the underlying assumptions upon which their public health allegations were based:

1. The evidence firmly refutes the finding that Reserve's tailings are "similar to" or "identical to" amosite asbestos.

2. Undisputed evidence establishes that the vast majority of the fibers found in the Duluth water supply could not possibly have any relationship to Reserve's discharge.

The absence of any substantial evidence to support the allegations with respect to the areas mentioned above militates strongly against the granting of injunctive relief.

Essentially all of the findings of Judge Lord relating to public health depend upon the assumptions that Reserve's tailings are "similar to" or "identical to" amosite asbestos and that significant quantities of the tailings are transported to Duluth (A. 2: 196–97). Aside from the lack of evidence to support these assumptions, however, it is important to recognize that plaintiffs do not dispute the fact that the vast majority of the fibers found in the Duluth water supply have no relationship whatsoever to Reserve's discharge.

SCIENTISTS SUPPORT ERTS—"LANDSAT"

Mr. MOSS. Mr. President, the American Association for the Advancement of Science is one of the oldest, largest, and most prestigious scientific organizations in the United States. It was founded in 1848 and today has more than 120,000 members. This year's president of the AAAS is the distinguished anthropologist Dr. Margaret Mead.

Mr. President, in an unusual, if not unprecedented, action, the board of directors of the AAAS has issued a statement strongly urging the continuation of the ERTS—now called Landsat—program.

Let me just read a small portion of the letter that I have received from Dr. Mead:

> . . . [W]e believe there are compelling reasons to pursue this experimental effort to develop the demand for a follow-on operational program.
>
> We believe that earth resource information obtainable from ERTS will provide substantial benefits to society. The ERTS experimental program could lay the foundation for an information tool and utilization system of unparalleled value to the entire world.

Mr. President, I ask unanimous consent that Dr. Mead's letter and the statement by the board of directors of the AAAS be printed in the RECORD.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION FOR THE
ADVANCEMENT OF SCIENCE,
Washington, D.C., January 23, 1975.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: I am writing to bring to your attention the statement of the AAAS Board of Directors regarding the desirability of continuing the Earth Resources Technology Satellite (ERTS) Program. We are concerned that the forthcoming President's budget will not include appropriations for this program. Although we appreciate that limited financial resources require priority allocations, we believe there are compelling reasons to pursue this experimental effort to develop the demand for a follow-on operational program.

We believe that earth resource information obtainable from ERTS will provide substantial benefits to society. The ERTS experimental program could lay the foundation for an information tool and utilization system of unparalleled value to the entire world. Although these benefits must be weighed against the satellite costs and evaluated comparatively with alternative possible methods of providing similar information, we believe that the experimental program must run continuously for ten or more years to determine its utility, and to provide a basis for a future operational system funded appropriately by private and public sources. Only after an adequate duration of testing and experimental usage can the benefits from earth-resources satellite data be quantified and evaluated adequately for a national and international resource to become a reality.

The attached statement develops the major points which lead us to our conclusion. These points include the observations that four years is less than the statistically significant period required to draw wholly supportable conclusions about the nature of some important changing natural or man-induced phenomena, and the preset time is much too early in the experimental ERTS Program to permit a meaningful cost-effectiveness assessment, because the analysis, technology, and utilization of the satellite system's capabilities are still in their infancies. We recommend that greater attention be directed toward innovations and technological advances in all aspects of the ERTS Program. More attention should be directed toward enhanced resolution technologies, increased spectral ranges, and better data processing, and most especially to using the information in earth resource decisions, management, and policy.

We are sending this same material to certain other people including OMB Director Ash, Dr. James Fletcher, NASA Administrator, and Representative Olin E. Teague, Chairman of the House Science and Technology Committee.

If you wish more information about our view of this matter, my colleagues and I would be most happy to provide it. I have asked Dr. Richard Schribner, a staff member of our Association, to be a contact point for your office. His telephone number is 467–4475.

Sincerely,

MARGARET MEAD,
President, AAAS.

STATEMENT ON THE EARTH RESOURCES TECHNOLOGY SATELLITE PROGRAM BY THE BOARD OF DIRECTORS OF THE AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

The Board of Directors of the American Association for the Advancement of Science (AAAS) is concerned that the experimental Earth Resources Technology Satellite (ERTS) Program will be terminated without adequate data for a full and fair evaluation of the potential benefits of earth resources information available through the satellite system. The Board appreciates that limited financial resources require priority allocations, but believes that there are compelling reasons to pursue this experimental effort.

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[10] It is basic American constitutional law that a legislature may not impose legislative functions on the judiciary. *United Steel Workers of America v. United States,* 361 U.S. 39, 43–44, 80 S. Ct. 1, 4 L. ed. 2d 12 (1959).

The information gained already from the first satellite demonstrates that the utility of ERTS is great in the short term, but the Program should not be judged solely from this perspective. The Program is developing into a new and useful tool of continuing value for scientific endeavors. Because ERTS observations are made all over the world at the same local time, the same instruments, involving the same wavelengths, and processed by the same facilities, the results of this unique coverage are providing many scientific disciplines with a storehouse of valuable information, especially those disciplines that require reliable worldwide comparisons in the distribution of terrestrial phenomena. Furthermore, the scientific user group is very much an international community, a fact which underscores not only the non-parochial character of the investigations, but also the value of the ERTS Program within the larger context of international relations.

A promising but exotic technology such as ERTS requires a number of years of experimentation and refinement to define the range of opportunities, stimulate utilization mechanisms, and perfect the technology. A particularly critical aspect lies in the processing, handling, and distribution of the ERTS data. As the information obtained continues to be applied for the immediate or future benefits of mankind, and as more people become aware, the demand for ERTS photographic-like imagery, for ERTS-supporting ground and aircraft observations, and for future remote-sensing missions will become clearer. Thus, an eventual operational program can be formulated, including the design of the collecting and processing equipment, and, most importantly, the specification of the appropriate balance between public and private funding. Given those results, then, the "demand pull" will be able to balance and, indeed, drive the "technology push" of the remote sensing system.

More specifically, the ERTS Program provides terrestrial information for large, but ecologically coherent, land masses. For example, in dealing with water pollution and eutrophication which affects many of our freshwater lakes, the relevant ecosystem unit is the entire catchment basin. However, granting agencies and neighboring states or nations find difficulty in looking beyond their own political boundaries toward the formulation and support of functional ecological, earth resource, or demographic studies of large units of the earth. ERTS is a prime tool for focusing the attention needed to remedy this situation, providing that observations and data analysis of many phenomena, inadequately understood, can be performed over a statistically significant period. This period is often substantially longer than four years if supportable conclusions are to be drawn about the nature of certain changing natural or man-induced phenomena. For example, a ten- or twelve-year time span is characteristic of dry-wet fluctuations in climate, of fallowing cycles in swiddening systems in tropical and semitropical zones, and of the corresponding animal/insect population oscillations.

For shorter time cycles, the repetitive, contiguous coverage provided by ERTS gives good sequential information for agricultural purposes and seasonal change evaluation. However, understanding world climate changes and global food production requires regular, standardized data which can be analyzed for the relationship between climatic patterns and crop yields over a period much longer than just a few years.

Obtaining the information needed will require experimentation with several satellites involving a systematic attempt to develop more effective technologies, and a coherent program of data analysis and utilization to reach a demand driven, operational point. In short, approximately a decade or more of data collection and utilization will be required to evaluate the ERTS Program adequately.

ERTS 1 (recently renamed LANDSAT 1) was launched in July 1972 and has been delivering spectral images of the earth's surface. The satellite's productive lifetime has already exceeded that anticipated for it. LANDSAT 2, launched January 22, 1975, is expected to provide earth resources data into 1976. Approximately two years are required to prepare a satellite for launch. LANDSAT C (to be named LANDSAT 3 if and when it becomes operational) is in the early planning stages. We are concerned that funds allocated for this third satellite may be eliminated from the federal budget.

Arguments put forward for eliminating such funds include: cost-effectiveness assessments which conclude that more conventional resources collection methods are better, and the view that successive satellites do not constitute the significant technological advances required to justify the label "experimental" and to adequately "push" data analysis and utilization systems.

In our view, the present time is much too early in the experimental ERTS Program to permit a meaningful cost-effective assessment, because the analysis, technology, and utilization of ERTS capabilities are still in their infancies. In fact, some evidence suggests that ERTS may be very significantly better than the more conventional methods, for example whenever information is required on very large land masses, and that therefore the cost-benefit situation would be decidedly in the satellite system's favor. However, more experience with the system is required before a clear-cut case can be made in either direction. Furthermore, continuity in data output from ERTS will be essential of there is to be an adequate period in which to evaluate this new technology.

Further innovations and technological advances in the ERTS Program are required. More attention should be directed toward enhanced resolution technologies, increased spectral ranges, and better data processing. Of special importance is the need for using the information in earth resource decisions, management, and policy.

Certainly LANDSAT C should be a significant technological advance over B. Through such advances and enhanced utilization, this information tool will be brought to the point where government and private users can make the most of its potentials.

We believe that earth resource information obtainable from ERTS will provide substantial benefits to society. The ERTS experimental program could lay the foundation for an information tool and utilization system of unparalleled value to the entire world. Although these benefits must be weighed against the satellite costs and evaluated comparatively with alternative possible methods of providing similar information, we believe that the experimental program must run continuously for ten or more years to determine its utility, and to provide a basis for a future operational system funded appropriately by private and public sources. Only after an adequate duration of testing and experimental usage can the benefits from earth-resources satellite data be quantified and evaluated adequately for a national and international resource to become a reality.

Therefore, the AAAS Board of Directors recommends (1) continuing the ERTS Program for approximately a decade, and at least through LANDSAT C, to better accomplish the needed experimentation and refinement, to provide adequate data for a full evaluation of the Program, and to encourage further public and private interest needed to achieve a demand driven operational program; (2) additional attention be given within the Program to collecting and analyzing data on natural and man-induced phenomena which have statistically significant periods longer than just a few years; and (3) greater attention be directed toward innovations and technological advances in all aspects of the ERTS Program.

PETRODOLLARS

Mr. ABOUREZK. Mr. President, for all the months since the Arab oil embargo we have been bombarded with calamitous headlines announcing the demise of the Western World because of OPEC's decision to quadruple the price of oil. The hysteria has grown to such proportions that responsible leaders of this Government talked in no uncertain terms of the possibility of going to war over oil.

In today's Washington Post, Hobart Rowen reports that a high Treasury official "forecast that revenues being accumulated by the oil cartel countries may total only $200 billion to $250 billion by 1980, or well under half of the $650 billion estimated last year by the World Bank." The chief reason for this dramatic reassessment is the fact that the oil exporting countries are not sitting on their money, but have been spending their "petrodollars" on physical goods and services produced in the United States and other advanced industrialized nations. This new assessment reaffirms my belief that only negotiations between consuming and producing countries will bring about the international understanding necessary for just and fair trade policies.

Mr. President, I ask unanimous consent that the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL CARTEL'S DOLLAR SURPLUS ESTIMATE CUT

(By Hobart Rowen)

A high Treasury official yesterday forecast that revenues being accumulated by the oil cartel countries may total only $200 billion to $250 billion by 1980, or well under half of the $650 billion estimated last year by the World Bank.

Thomas Willett, deputy assistant under secretary of the Treasury for research, said that this total, while still large and painful does not present an inherently unmanageable problem.

Willett stressed that the calculation was a personal projection. But in an interview, he said that it represents current appraisals within the Treasury and elsewhere in the government.

A key reason Willett's estimate is sharply lower than the World Bank's is evidence that imports of physical goods and services by the cartel countries are already significantly higher than once believed possible and are likely to expand further.

This means that instead of piling up as money balances, a substantial part of the cartel's earnings will be exchanged for what are called "real resources" produced by the industrial world.

The appropriate response by the Western World, Willett said, "is the development of monetary and fiscal policies that will promote investment" in the kinds of products that can be exported to the cartel.

Willett's remarks were made to an international audience of financial experts at the second day of a conference here sponsored by the Center for Strategic and International Studies.

There was a consensus at the conference that the world had come through the crisis posed by the five-fold increase in petroleum prices in better shape than had been anticipated, with the exception that no one had found an answer to the mounting deficits of the less developed countries.

Willett's numbers tally with a growing consensus in banking and academic circles that the problem of petro-dollar surpluses—while still serious—may have been exaggerated in the last year.

For example, a new analysis by the Morgan Guaranty Trust Co. of New York said that the accumulation of surplus reserves by the Organization of Petroleum Exporting Countries may hit a peak of about $250 billion as early as 1977.

"The financing of the oil deficit, therefore," the bank said, "appears to be a serious problem for only a few more years."

Ed Fried of the Brookings Institution, who made similar calculations for a recent study called "Energy and U.S. Foreign policy," said in a telephone interview that he puts the 1980 surplus as low as $150 billion to $160 billion.

As an example of the relative optimism prevailing at yesterday's session, Brookings Institution senior fellow C. Ford Bergsten commented that there now "is virtually no possibility of an international financial crisis."

J. J. Polak, research director of the International Monetary Fund, said there is no need for the oil-consuming nations "to tighten their belts. The important thing is that they accept a share of the capital inflow" from the cartel.

Willett argued that even the more pessimistic World Bank figure projecting a cartel surplus of $650 billion by 1980 would not have been an unprecedented cash transfer, as a percentage, compared with many episodes in past history.

Like Morgan Guaranty's and Fried's estimates, Willett's calculations are based on constant 1974 dollars, whereas the World Bank figure was based on so-called current dollars, which include an inflation factor. Adjusting the World Bank figure to constant dollars, Willett said, would bring it down to $400 billion.

(Economists say that using the higher, current-dollar figure for the cartel surpluses creates a distortion, because everything else would be inflated, as well.)

Willett then made a further reduction of the World Bank estimate to take into account higher OPEC imports, reduced oil sales, and a refinement of the original bank calculation of the interest buildup.

The Morgan Guaranty survey showed that OPEC imports are already in a sharply rising trend, having increased by 70 to 75 per cent in 1974 to about $20 billion.

The economists at Morgan Guaranty say they think that the OPEC nations' imports may rise so fast that they may actually be running a trade deficit before the end of the decade. Willett disagrees only on the timing, believing the deficit will come later.

One element in Willett's analysis is the expectation that, as the rest of the world develops alternative sources of energy, OPEC oil production in the early 1980s may fall to about half of the capacity the cartel will have by that time.

He said he thinks that the cutbacks in production (as a percentage of capacity) would fall hardest on Saudi Arabia and Kuwait, the least populous of the major producers. A larger share of the cartel's oil exports, then, would accrue to the populous countries, such as Iran, Venezuela and Libya, which would be able to absorb a greater volume of physical goods and services.

No one at the sessions suggested that a more optimistic view of the longer-run problem diminishes the need for emergency financing by the International Monetary Fund and other international agencies of a large part of the 1975 oil deficit, which still is expected to run $50 to $60 billion.

LIMIT ON POLITICAL USE OF PUBLIC LAW 480

Mr. CLARK. Mr. President, there have been very encouraging reports lately that the Ford administration soon will announce a $500 million increase in this country's food assistance program. If that happens, it will mean more food for people that now are literally starving to death in countries like Bangladesh, and it will represent a reaffirmation of our commitment to help lead the fight against world hunger. All of this will be particularly gratifying to those members of Congress who argued for an increase in the U.S. food commitment at the World Food Conference in Rome last year.

That Conference and the administration's decision not to announce an increase in food aid then were followed quickly by legislation in the Congress. On November 24, the Senate approved an amendment that assigned the highest priority under the food assistance program to the nations that need it the most to combat starvation. Then, December 4, the Senate amended the Foreign Assistance Act of 1974 to limit the amount of food assistance that could be used for political purposes. As approved by Congress, the limit was set at 30 percent of concessional sales, and that limit was signed into law by the President. The message was simple: Food assistance should be an expression of compassion, not political leverage, and seven out of every 10 bushels of food assistance should go to those 32 countries designated by the United Nations as most seriously affected by the food shortage.

Despite that simple message, there seems to be some confusion within the administration over the intent of Congress and the impact of the limitation on political food assistance. As an article in the January 28 New York Times indicates, the administration apparently feels that the limit applies to the entire Public Law 480 program—title I concessional sales and title II humanitarian aid. The confusion is unwarranted. The administration's interpretation of the law is mistaken.

Laws are often ambiguous—sometimes intentionally, sometimes unavoidably. But this law is not one of them. Fortunately, the amendment which established the limit was discussed thoroughly by Senators HATFIELD and HUMPHREY during the debate on the foreign assistance conference report December 17. One need only read that colloquy to understand the purpose of the amendment and the effect of the law. The 30-percent ceiling applies only to title I concessional sales. It makes no sense to suggest that in trying to limit the political uses of food assistance the Congress actually would increase its political use by providing that 30 percent of "humanitarian" food aid could be used for political purposes.

Mr. President, the apparent confusion on the part of the administration dampens what otherwise would be the best of news. The apparent confusion has resulted in a Catch-22. The $500 million increase in food assistance will mean more food for Bangladesh and Sri Lanka, but a substantial portion of it will go to countries like South Korea and Chile in the form of political assistance, assistance that could be better used elsewhere and may end up being sold for cash instead of being given to the hungry.

I am very disappointed that the administration seems intent on this course of action. The law is clear. And so is the intent of Congress. In the months ahead, Congress may well decrease even further the amount of food assistance used for political purposes. At a time when so many people are going hungry, humanitarian aid is far more important than political aid.

This legislation, this issue of food assistance, represents an opportunity for Congress and the administration to work together. In a recent speech in Los Angeles, Secretary of State Kissinger called for "mutual trust" between Congress and the administration, and this issue is an excellent place to begin.

Mr. President, I ask unanimous consent that the New York Times article I mentioned and the December 17 colloquy between Senator HATFIELD and Senator HUMPHREY be printed in full in the RECORD.

There being no objection, the article and colloquy were ordered to be printed in the RECORD, as follows:

UNITED STATES TO ANNOUNCE RISE IN FOOD AID

(By Leslie H. Gelb)

WASHINGTON, January 27.—The Ford Administration plans to announce this week a $500-million increase in the food aid program, to $1.4-billion, as it continues to negotiate with legislators over how much of the total should be allocated for political rather than humanitarian purposes, according to Administration officials and Congressional aides.

Secretary of State Kissinger has pledged to give more than $500-million in food aid to such nations as South Vietnam, South Korea and Chile, according to State Department memorandums, even though these are not officially classified as among the most needy countries.

An amendment to the foreign aid bill that was signed into law by President Ford on December 30, however, restricts nonhumanitarian, or political, food aid to 30 per cent of the Public Law 480 program. At issue are the questions of which nations should be included in the 30 per cent category and of what figure the 30 per cent should be figured on.

Administration and Congressional sources said today that the Administration had abandoned earlier efforts to gain Congressional assent to treating food aid for South Vietnam as humanitarian rather than political.

CHANGE FOR SAIGON OPPOSED

The effect of such a change would have been to make more aid available for South Vietnam, but also to free the entire 30 per cent in the restricted category for the other non-neediest nations to which Mr. Kissinger has pledged help.

Senator Hubert H. Humphrey, Democrat of Minnesota, the author of the 30 per cent amendment to the foreign aid bill, said today that "Vietnam will not be classified as a most seriously affected nation," and would thus remain in the political category.

Food aid under Public Law 480 is divided into a large concessional sales program and a smaller grant aid program.

Mr. Kissinger is reportedly arguing that the Humphrey amendment applies to the entire Public Law 480 and not just to the concessional sales part.

Administration officials said that, in the new $1.4-billion program to be announced, about $1.15-billion would be longterm, low-interest sales and about $250-million would be provided in grants through voluntary agencies.

By the Administration's interpretation of the amendment, $420-million, or 30 per cent of $1.4-billion, would be available for political aid.

But Senator Mark O. Hatfield, Republican of Oregon, another framer of the amendment, contends that the political aid figure would be $345-million, or 30 per cent of $1.15-billion.

BASIC CONFLICT SEEN

The significance of the issue goes beyond the $75-million difference. According to Mr. Hatfield, the Administration's interpretation would be a violation of the spirit and letter of the law since, he asserts, the floor debates on the amendment clearly defined the 30 per cent in terms of the sales program alone.

The Administration is contending that the language in the amendment that refers to "concessional food aid" means all noncommercial food sales or grants.

Administration officials said that key members of the House Foreign Affairs Committee had agreed to this interpretation. Sources on the committee, however, insist that the committee has not taken any position. Senator Humphrey, according to an aide, has not made up his mind either.

Mr. Humphrey and Mr. Hatfield originated the amendment, their speeches in the Senate make clear, in reaction to the Administration's using 70 per cent of the concessional sales program last year for South Vietnam and Cambodia. The Administration increased food aid allotments to these nations after Congress had reduced their economic aid allotments.

The Administration does not need Congressional approval in the current fiscal year for the $500-million increase in the over-all food aid program. It merely borrows the additional funds from the Commodity Credit Corporation and seeks reimbursement in the next fiscal year.

Mr. Hatfield. Mr. President, I would like to direct an inquiry to the manager of the bill, the distinguished Senator from Minnesota (Mr. Humphrey) regarding section 49 of the Senate bill, and its disposition by the conference. I note that the conference has agreed to set a limit of 30 percent on concessional food assistance to nations not on the U.N. list of 32 countries "most seriously affected" by the current global economic crisis. As the Senator knows I have had a very deep concern about the continued diversion of concessional sales under title I of Public Law 480 to nations who are not in deep need of food, but who are receiving such aid for purely political purposes. It is unconscionable to me that at this time, when the needy nations of the world face a grain deficit of 7.5 million tons in the next 6 months, that we should continue to divert large portions of our food aid to nations for purely political purposes. Now, my question to the Senator is to what does this 30-percent limitation figure apply?

Mr. Humphrey. The 30-percent figure applies only to concessional sales.

It applies, therefore, only to title I of the Public Law 480 program. Title II, which is purely grants, is not included in figuring this limitation.

Mr. Hatfield. I am pleased to hear that. Does this mean, then, that the administration is limited in this current fiscal year to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected"?

Mr. Humphrey. That is exactly correct. In determining the 30-percent figure, we had clearly in mind 30 percent of the title I budget under Public Law 480. We did not include title II within the limitation since the title II program of grants, given through voluntary agencies primarily, is clearly humanitarian. We were not interested, therefore, in limiting its allocation because of its evident humanitarian nature. That is why the limitation applies only to title I.

Mr. Hatfield. That is as I had hoped, and how I understood the actions of the conference committee. However, I have wanted them to be interpreted explicitly so as to prevent any misunderstanding. In that regard, let me point out to the Senator that the language agreed to by the conference in this matter reads "30 percent of concessional food aid." In this instance, then, "concessional food aid" refers to title I, and title I only of Public Law 480. It does not include, for the purposes of interpreting this law, the Public Law 480 title II program.

Mr. Humphrey. The Senator is absolutely correct. This limitation applies only to the concessional sales and loans operating under title I of Public Law 480. That is what the language means, and there should be absolutely no ambiguity in anybody's mind about it.

Mr. Hatfield. I understand that the administration has under its consideration a total of Public Law 480 program of about $1.2 billion for this fiscal year. Of that amount, about $350 million would be available for grants under title II, and about $850 million would be available under concessional loans under title I. Now, if that particular budget, which we are using here as an example, were adopted, then, as I understand what the Senator has said as to the conference committee language, there would be a 30 percent limitation on the $850 million title I program, for nations not on the U.N. list. Therefore, under this budget and limiting formula, only $255 million would be available for nations not on the U.N. list under title I. Is that correct? Was that the intent of the conference committee?

Mr. Humphrey. Again, the Senator is totally correct in his understanding of the action taken by the conference committee. And I should like to commend the Senator for his diligent and detailed interest in this very critical subject.

Mr. Hatfield. I want to thank the Senator very deeply, and commend him for his outstanding leadership in this entire issue. As the original author of the amendment, which has been accepted by the conference with the one change we have noted, the Senator has shown a continued and steadfast desire to limit the use of our food aid for political purposes during this time of great human need.

I would point out, further, that this limitation will allow the administration to fulfill its political commitments of food aid to the Middle East and elsewhere. But it will establish a meaningful limit on the political use of such aid. It will prevent major portions of food aid going to nations such as Korea, Indonesia, and Chile, whose people do not face the threat of starvation in the way that those in Bangladesh, India, Sri Lanka, and elsewhere do. By limiting the food aid which can flow to nations for political purposes, we can increase the levels of food aid given to save the lives of millions in the next 6 months. I have calculated that $100 million worth of food aid, if given to nations facing unmet grain deficits before the next harvest, can support 3 million people through the next 6 months. So that is the true significance of the action which we have taken here.

The Senator knows that in the past I have not voted for the foreign aid bill because of my objections to particularly the military aid portions of it. But in light of the action taken by the conference committee on this critical issue, I shall vote for passage of the conference committee report.

Mr. HATFIELD. Mr. President, last year's politicizing and prostitution of the food for peace program, when nearly half the available commodities were sent to support the war economies of Indochina rather than to avert famine in other areas of the world, prompted the Senate to impose a limitation on political uses of food aid in the Foreign Assistance Act of 1974 (P.L. 93-559).

Section 55(a)(5) of that act provides that—

> Not more than 30 percent of concessional food aid should be allocated to countries other than those most seriously affected by current food shortages, unless the President demonstrates to the appropriate committees of the Congress that the use of such food assistance is solely for humanitarian purposes.

On December 17, the author of that section, Senator Humphrey, and I had a colloquy during debate on the Foreign Assistance Act conference report which further clarifies the expressed intent of the limitation. The following day, December 18, Representative Brown of California and Representative Symington of Missouri again made it quite clear for the record in the House debate on the conference report, that the limitation specifically restricts the administration to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected" by the current food shortages.

Despite all this legislative history and the abundantly clear language of the law itself, however, the administration is attempting to circumvent the limitation of section 55(a)(5) and increase political food aid.

The Congress has expressed its will, and written a law. The task of the executive branch is to enforce that law, not to circumvent or ignore it.

To remind my colleagues and the administration of the legislative history of section 55(a)(5) of Public Law 93-559, I ask unanimous consent the colloquy between Senator Humphrey and myself on December 17, 1974, concerning this matter be printed in the Record at this point, along with the remarks of Representative Brown of California and Representative Symington of Missouri from the Record of December 18, 1974. I also ask that a letter of December 23, 1974, to AID Administrator Dan Parker from Senator Humphrey and myself and my letter of January 23 to Secretary of State Kissinger be printed in the Record at this point. These materials should leave no doubt as to the intent of Congress concerning the limitation of political food aid.

There being no objection, the material was ordered to be printed in the Record, as follows:

Colloquy Between Senator Hatfield and Senator Humphrey

Mr. Hatfield. Mr. President, I would like to direct an inquiry to the manager of the bill, the distinguished Senator from Minnesota (Mr. Humphrey) regarding section 49 of the Senate bill, and its disposition by the conference. I note that the conference has agreed to set a limit of 30 percent on concessional food assistance to nations not on the U.N. list of 32 countries "most seriously affected" by the current global economic crisis. As the Senator knows, I have had a very deep concern about the continued diversion of concessional sales under title I of Public Law 480 to nations who are not in deep need of food, but who are receiving such aid for purely political purposes. It is unconscionable to me that at this time, when the needy nations of the world face a grain deficit of 7.5 million tons in the next 6 months, that we should continue to divert large portions of our food aid to nations for purely political purposes. Now, my question to the Senator is to what does this 30-percent limitation figure apply?

Mr. Humphrey. The 30-percent figure applies only to concessional sales.

It applies, therefore, only to title I of the Public Law 480 program. Title II, which is purely grants, is not included in figuring this limitation.

Mr. Hatfield. I am pleased to hear that. Does this mean, then, that the administration is limited in this current fiscal year to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected"?

Mr. Humphrey. That is exactly correct. In determining the 30-percent figure, we had clearly in mind 30 percent of the title I budget under Public Law 480. We did not include title II within the limitation since the title II program of grants, given through voluntary agencies primarily, is clearly humanitarian. We were not interested, therefore, in limiting its allocation because of its evident humanitarian nature. That is why the limitation applies only to title I.

Mr. Hatfield. That is as I had hoped, and how I understood the actions of the conference committee. However, I have wanted them to be interpreted explicitly so as to prevent any misunderstanding. In that regard, let me point out to the Senator that the language agreed to by the conference in this matter reads "30 percent of concessional food aid." In this instance, then, "concessional food aid" refers to title I, and title I only of Public Law 480. It does not include, for the purposes of interpreting this law, the Public Law 480 title II program.

Mr. Humphrey. The Senator is absolutely ly correct. This limitation applies only to the concessional sales and loans operating under title I of Public Law 480. That is what the language means, and there should be absolutely no ambiguity in anybody's mind about it.

Mr. Hatfield. I understand that the administration has under its consideration a total of Public Law 480 program of about $1.2 billion for this fiscal year. Of that amount, about $350 million would be available for grants under title II, and about $850 million would be available under concessional loans under title I. Now, if that particular budget, which we are using here as a example, were adopted, then, as I understand what the Senator has said as to the conference committee language, there would be a 30 percent limitation on the $850 million title I program, for nations not on the U.N. list. Therefor, under this budget and limiting formula, only $255 million would be available for nations not on the U.N. list under title I. Is that correct? Was that the intent of the conference committee?

Mr. Humphrey. Again, the Senator is totally correct in his understanding of the action taken by the conference committee. And I should like to commend the Senator for his diligent and detailed interest in this very critical subject.

Mr. Hatfield. I want to thank the Senator very deeply, and commend him for his outstanding leadership in this entire issue. As the original author of the amendment, which has been accepted by the conference with the one change we have noted, the Senator has shown a continued and steadfast desire to limit the use of our food aid for political purposes during this time of great human need.

I would point out, further, that this limitation will allow the administration to fulfill its political commitments of food aid to the Middle East and elsewhere. But it will establish a meaningful limit on the political use of such aid. It will prevent major portions of food aid going to nations such as Korea, Indonesia, and Chile, whose people do not face the threat of starvation in the way that those in Bangladesh, India, Sri Lanka, and elsewhere do. By limiting the food aid which can flow to nations for political purposes, we can increase the levels of food aid given to save the lives of millions in the next 6 months. I have calculated that $100 million worth of food aid, if given to nations facing unmet grain deficits before the next harvest, can support 3 million people through the next 6 months. So that is the true significance of the action which we have taken here.

The Senator knows that in the past I have not voted for the foreign aid bill because of my objections to particularly the military aid portions of it. But in light of the action taken by the conference committee on this critical issue, I shall vote for passage of the conference committee report.

Mr. Brown of California. Mr. Speaker, will the gentleman yield?

Mr. Morgan. I yield to the gentleman from California.

Mr. Brown of California. Mr. Speaker, the distinguished chairman of the committee mentioned the colloquy with the gentleman from Missouri (Mr. Symington) with regard to "Food for Peace," which occurred on the floor of the House when the bill was before us, and there is a similar colloquy between Senators Hatfield and Humphrey as reflected in yesterday's Record on page S21794 with regard to the percentage of the title I Food for Peace which will be allocated to the countries which are not on the U.N. list of 32 countries "most seriously affected" by the current world food crisis.

I wish to ask the distinguished chairman of the committee if he is in agreement with the interpretation contained in the remarks of Senator Hatfield with regard to the provisions in the conference report.

Mr. Morgan. Mr. Speaker, as the gentleman remembers, the House bill had no similar provision dealing with food aid.

Mr. Brown of California. That is right.

Mr. Morgan. Our committee of conference, however, adopted the Senate language favoring more food for those who need more help. We believe the language in the conference report moves in that direction. It puts emphasis on food assistance to the poorest countries.

The interpretation worked out by Senators Humphrey and Hatfield is somewhat confusing to me, but I believe the language in the report is pretty clear. If the gentleman will follow the language in the report, I think he will find it spells out the details of what the conferees agreed upon.

Mr. Brown of California. If the gentleman will yield further, may I inquire as to whether or not the specific percentage limitation which is referred to appears in the conference report. In other words, does the language state that not more than 30 percent of title I concessional food assistance is authorized for those countries which are not among the "most seriously affected" according to the U.N.?

Mr. Morgan. Yes, Mr. Speaker, it refers to the list of countries that are included in the U.N. definition of the poorest countries. Thirty percent of our concessional food aid is to go to such countries.

Mr. Brown of California. Mr. Speaker, I thank the chairman of the committee for his explanation, and his assurance that the language in the conference report refers to title I congressional food aid and does not include the Public Law 480, title II grant program.

Remarks by Representative James W. Symington

Mr. Symington. Mr. Speaker, I take this opportunity to refer again to the food-for-peace provisions of the bill. The record is now explicit with respect to what is meant by concessional food aid, in section 55(a)(5).

It is clear from the colloquy that occurred in the other body, and here, that what is meant by that subsection is that not more than 30 percent of title I concessional food sales may be allocated to countries other than those most seriously affected by food shortages.

The word concessional is a term of art. It only refers to title I sales for foreign currency. It means sales on concessional terms. It is not used redundantly in this or any other section. It is not used with respect to title II, the title which deals with grant programs.

It is quite important that we nail this down for the record. We are not talking about 30 percent of the total of food aid under title II plus concessional aid under title I, but only of title I concessional food aid. For the coming fiscal year, this would be restricted to the amount of $255 million. I am glad both bodies have accepted this interpretation.

Washington, D.C., *December 23, 1974.*

Hon. Daniel Parker,
Administrator, Agency for International Development, Department of State, Washington, D.C.

Dear Dan: May we offer our warm thanks for your assistance during the consideration of the Foreign Assistance Act. Your patience and cooperation throughout our work on this legislation was most appreciated by all of those involved.

It is our understanding that some question has been raised concerning the interpretation of Section 55 of the Foreign Assistance Authorization Bill as reported by our Conference Committee and passed by the Congress. Section 55(a)(5) provides that "not more than 30 percent of concessional food aid should be allocated to countries other than those most seriously affected by current food shortages, unless the President demonstrates to the appropriate committees of the Congress that the use of such food assistance is solely for humanitarian food purposes."

It is the clear intent of the author, Conference Committee, and the Congress, as duly demonstrated in various colloquies on the issue, that the 30 percent limitation apply solely to Title I of PL 480. While the denotation of the word "concessional" might be interpreted to apply to both concessional sales and grants the connotation of the word as applied to our food assistance programs is that referring to sales and loans only. In offering this provision, the author's intent was that the 30 percent limitation apply to Title I of PL 480 only and using Title I program funds as a base upon which the 30 percent limitation is applied.

Since this was a Senate provision, drafted by Senator Humphrey and clarified specifically in our colloquy, it should be clear that there is no room for any other interpretation. As the Senate was the initiator of this amendment, and as it was our position which was accepted in the Conference, there is no possibility for doubt over its meaning.

Our interest in including this restriction is not to encumber the program with permanent programing mandates nor to discourage political uses of food assistance with modesty in time when international supply conditions permit. Rather, our concern is that a sense of balance between political and humanitarian objectives be restored in our Food for Peace programs. Frankly, unless such a balance is attained the future of the program may be jeopardized as confidence in the humanitarian aspect of the program is lost.

We are most anxious to work with you in the spirit of cooperation which has characterized the passage of the Foreign Aid Bill and, therefore, want you to be totally clear about the intent and effect of this aspect of legislation which the Congress has passed.

Sincerely,

HUBERT H. HUMPHREY,
MARK O. HATFIELD.

U.S. SENATE,
Washington, D.C., January 23, 1975.

Hon. HENRY KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am greatly disturbed by a *New York Times* article of January 21 which reports that you are advocating that the projected $101 million in food aid to South Vietnam be considered as "humanitarian" rather than "political," and thus exempt from the 30% limitation of Title I concessional food aid for nations other than those most seriously affected by the current food shortages.

The Congressional position on this matter has been made absolutely explicit. Section 55(a)(5) specifically states that "during the fiscal year ending June 30, 1975, not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes." The President has made no such demonstration for these Committees to consider and approve.

I would also refer you to the colloquy between Senator Humphrey and myself on December 17, 1974, pertaining to the limitation language of the conference report (page S21794 of the Congressional Record). In that colloquy, it is made clear repeatedly that no more than 30 percent of concessional food aid under Title I of P.L. 480 shall be given to nations not on the United Nations "most seriously affected" list.

South Vietnam is not on that list, and it is not on that list for good reason. The United Nations Emergency Operation, together with the International Bank for Reconstruction and Development, the International Monetary Fund, the Food and Agriculture Organization of the United Nations, and the United Nations Conference on Trade and Development carefully considered the economic situation in South Vietnam, and determined that its condition was not such that it should be placed on the "most seriously affected" list. The absence of South Vietnam from that list is in no way attributable to its not being a member of the United Nations.

The South Vietnamese rice crop in calendar year 1973 amounted to 6.7 million tons. For the year just ended, the harvest is projected at 7.0 million tons, a 300,000 ton increase. That increase is greater than the amount of rice the United States shipped to South Vietnam in each of the past two years. Therefore, the projected $101 million of food aid to South Vietnam cannot be justified on humanitarian grounds. Rather, it is obvious that this is political aid intended to provide budgetary support for the Thieu government.

Given these facts, I am shocked that you would attempt to have South Vietnam considered as one of those countries most seriously affected by the world food shortage and therefore exempt from the limitation in P.L. 93–559 on political food aid. And I am keenly disappointed that you, after stating your support for the highest possible level of food aid to the world's hungry, would now compromise that commitment and attempt to evade an explicit Congressional directive as is reported in the press.

Finally, in light of your proclaimed concern for meeting the humanitarian needs of those who face starvation especially in the next five months, I am keenly depressed to see you give the first priority in our food aid program to meeting political rather than humanitarian needs. That is neither in accord with the wishes of the Congress nor the sentiments of the American people. If you are serious about a new attitude of cooperation with the Congress in our nation's foreign affairs, and especially in such a vital subject as our food aid, then I would respectfully urge you to reassess your present priorities.

I hope you would recognize that you cannot meet all the political commitments of food aid which you would prefer under the constraints of law which the Congress has imposed and still remain within acceptable budget and commodity availability limits. The solution, pragmatically, is to fulfill what political commitments you can within 30% of the Title I program by increasing the total program to whatever possible extent, and thereby also making possible substantial increases in food aid to those nations presently facing the deepest humanitarian needs. It is deeply discouraging to me to realize that any increases in humanitarian assistance will come only because of commensurate increases thereby made possible in political allocations. But this is the reality, because of the obvious priorities of your policy. It would be my hope that you would devote your energies to using our food aid for saving some of those who are starving, rather than to continue attempts to circumvent the intent of law in order to maximize the amount of food to be used for political purposes.

The entire Congressional effort to place a limit on the Food for Peace funds used for political purposes has come about because of the utter prostitution of this program that culminated during last fiscal year, when nearly 70% of all Title I P.L. 480 went to Indochina. Congressional sentiment expressed clearly in law will now prevent such misuse of our Food for Peace program in the future. I certainly trust that you will be fully responsive to the law in this regard, and my colleagues and I are prepared to cooperate with you in fulfilling the law's intent and obligations.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

Mr. KENNEDY. Mr. President, reports in recent days suggest that the administration has finally reached a decision regarding the amount of food exports the United States will ship abroad under the food for peace program. I join many of my colleagues in welcoming this decision, especially since it means that the food for peace program will apparently be supplemented by an additional $500 million in this fiscal year. In view of the continuing decline of Public Law 480 exports in recent years, this commitment to help feed hungry nations means a new lease on life for famine-stricken regions experiencing severe malnutrition and hunger.

This decision will hopefully buy precious time for nations desperately trying to catch up on lost agricultural production—production decimated by drought and war, and the indifference of nature to the needs of a growing world population. This good news not only should receive the support of the Congress and the American people, but it should also be welcomed by the other food exporting nations which have joined the international efforts to rescue millions of people on the brink of starvation.

There is little doubt that America's food commitment abroad can have an important impact upon the peace and progress of developing nations today in food shortage areas. That is why the Subcommittee on Refugees and the Subcommittee on Health, both of which I serve as chairman, have repeatedly expressed their deep concern regarding the priorities and allocations in the food for peace program.

Since the passage of Public Law 480 more than 20 years ago, Congress has repeatedly stressed the importance of humanitarian purposes in the priorities and allocations of food for peace. In recent years, however, the basic humanitarian purposes of Public Law 480 have been distorted and neglected in favor of security objectives.

Public Law 480 food has been flowing into nations which cannot possibly warrant such assistance, when others have been left high and dry without food. In too many cases, food for peace has become food for cash—and even food for war. In Indochina, funds generated by Public Law 480 have been used for military rather than humanitarian purposes. Despite the assumption of the American people and the intent of Congress that the program should reflect the genuine humanitarian concern of the American people, our Government has distorted this objective and tilted the program toward defense purposes—to the neglect of starving millions around the globe.

The time is past due to renew the basic humanitarian purpose of Public Law 480. In order to accomplish this objective, I joined with other Senators in sponsoring an amendment to the Foreign Assistance Act which placed a $350 million ceiling on political food exports under Public Law 480. It was our intention to tie food for peace exports to an international humanitarian barometer, in this case, the most seriously affected—MSA—list of nations earmarked for special humanitarian economic concern by the United Nations.

In conference, the ceiling of $350 million was substituted in favor of a 30-percent ceiling limitation. Today, there seems to be some controversy as to whether or not this 30-percent ceiling applies to title I of the food for peace program or to title II as well. Additionally, there has been some suggestion that the administration is intent upon including South Vietnam under the MSA list of nations.

Mr. President, as an author of the

amendment, I would like to comment on these important issues of concern to Congress.

First, the amendment applies to title I only.

Second, the New York Times has reported that this 30-percent ceiling has become a significant focus of attention in our Government's efforts to increase our aid to South Vietnam. Distortion of the 30-percent ceiling not only would have an unwanted impact upon the humanitarian dimension of the Public Law 480 program, but once again raises the specter of a resumption of alternative means to fuel the war in South Vietnam.

Let me state for the record that South Vietnam does not appear on the MSA list. And as long as South Vietnam remains off this list, I strongly feel that the 30-percent ceiling applies to any assistance to South Vietnam under title I of the Public Law 480 program.

There are 32 nations on this list of most seriously affected states, and the clear intent of the amendment expressly stated that nations which do not appear on this list should not receive assistance beyond the 30-percent ceiling. Any effort to circumvent this legislative intent goes against both the word and spirit of the amendment. And the amendment should also apply to the proposed increase of $500 million.

I am hopeful, Mr. President, that the amendment sponsored by Senators HUMPHREY, CLARK, HATFIELD, and myself will be fully adhered to. Our amendment was introduced in answer to the very critical issue of the continuing mismanagement by the executive branch of congressional intent for Public Law 480. And in a spirit of cooperation, I am confident that our Government will fully evaluate the clear intention of Congress and the wishes of the American people in executing the fiscal year 1975, Public Law 480, program.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, the time for morning business has expired.

REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 281, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 281) to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes.

The ACTING PRESIDENT pro tempore. The time for debate is limited to 4 hours to be equally divided and controlled by the Senator from Indiana and the Senator from Alabama or their designees, and the time used on any amendment, debatable motion or appeal shall come out of the time on the bill.

The Senate resumed the consideration of the bill.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

I would like at this time, if I might, to propound some questions to the distinguished Senator from Connecticut (Mr. WEICKER) who, I believe, is the floor manager of the bill, if I might do that.

Mr. WEICKER. Might I just ask for a few minutes of respite here as I get my forces in order?

Mr. ALLEN. Very well.

Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, today we are continuing our consideration of S. 281, the administration's request for emergency interim financial assistance to assure the continuation of essential rail services in the region.

Yesterday these provisions were debated at length on the floor of the Senate. Unfortunately, because of delays by the Government Printing Office and getting the report on this legislation to the floor of the Senate, we were unable to conclude action on this vital measure. Nevertheless, the debate was instructive, and I believe that the Members present yesterday gained a good understanding of the necessity of early action on this bill in order to avoid a major catastrophe in our economy.

At this juncture I point out that the questioning led by the distinguished Senator from Alabama was terribly important not only in the result of education, but also very clearly in having it understood that whatever we are going to do here, it is not just going to be the doling out of cash with no safeguards, with no questions asked.

This might have been the way of the American railroads—or too many of them, not all of them, but too many of them—in the past but it is not going to be the way of the Senate of the United States.

I commend the distinguished Senator from Alabama for that questioning process which will continue here today and which I think is good.

As both the distinguished Senator from Indiana and I pointed out, it is with no great joy that we stand before our colleagues and make this request, but we do so with our eyes on the future, a future that hopefully will have a viable, decent, well-run, nontax-draining rail system in this country.

As Senator HARTKE explained yesterday, the tremendous increases and inflation and costs for the carriers, in conjunction with a sharp decrease in revenues have brought about a cash crisis which is rapidly coming to a head. Because Senator HARTKE fully explained the events leading to the current crisis during yesterdays debate, I will not take up the time of the Senate with repeating his remarks here.

I should point out two important facts that should be in the minds of all the Members of this body as they consider this legislation today. First, if this legislation is not enacted the railroads—especially the Penn Central—will be unable to meet their payroll February 25. This means they will begin refusing all further freight shipments on February 14 in preparation for complete shutdown of the railroad. These facts have been thoroughly investigated by the Department of Transportation and the Senate Commerce Committee, and I am convinced that in fact there will be a substantial shutdown of the essential rail service in the Midwest and Northeast unless further interim assistance is forthcoming immediately.

The second major point that everyone should realize relates to the consequences of a shutdown. A shutdown would plunge the entire Nation into a major depression far beyond the recession we are currently experiencing.

I might add some of these comments were written out by the very fine members of Senator HARTKE's staff. I am not at all sure that we are not in the middle of a depression rather than a recession right now.

Essential delivery of food and coal to utilities in the major cities could not occur. I do not think it is necessary for me to elaborate on the consequences of a lack of heat, power, and food in an area which contains 42 percent of the population of the entire United States. For the 17 States in this region, a shutdown would have extremely adverse consequences. An import point that should be remembered, however, is that the effects of a shutdown are by no means limited to the Northeast and Midwest; the effects would be truly nationwide. The railroads of the United States form an interdependent network, and a shutdown of the substantial portion of the network affects the entire Nation as a whole. A shutdown of the Penn Central alone would decrease the rate of economic activity in the entire Nation 4 percent within 2 weeks. Every State in the Union is dependent on the operations of this portion of our rail transportation system. The railroads in the northeast and midwest receive over 300 cars a day from the State of Alabama, over 360 cars a day from the State of Georgia, over 520 cars a day from the State of Minnesota, and over 640 cars day from the State of California. The effects of a shutdown are by no means limited to the goods shipped from the rest of the country into the Northeast and Midwest; the State of Louisiana receives over 200 cars a day from the Northeast, the State of Washington receives over 197 cars a day, the State of Texas receives 679 cars a day, the State of Tennessee receives over 562 cars a day, the State of North Carolina receives over 567 cars a day, and the State of California receives over 810 cars per day. A widespread rail transportation shutdown in the Northeast and Midwest would most certainly precipitate economic chaos of major proportions in every State of the Union.

Mr. President, I would like to make

one final point before I suggest that we should proceed with debate and later to vote on this measure. As Senator HARTKE indicated yesterday, the members of the Senate Commerce Committee are not enthusiastic supporters of this legislation. The simple fact of the matter is it is absolutely essential for the economy of this Nation. If any Member of the Senate would prefer that we withdraw from consideration, we would be amenable to doing that and allowing some alternative proposals to be put forward. A 20 to 30 percent increase in unemployment within the first 3 weeks of a shutdown may well help focus the attention of those who would oppose this measure on why it is so badly needed. The Senate Commerce Committee has carefully evaluated all the alternatives, and we would not be asking the Senate to approve this measure if we did not feel that it is absolutely essential for the health of the Nation.

Mr. President, I would also comment in this regard that in the past I think the impression was held that the Penn Central Railroad is principally a vehicle used to go to and from work by some wealthy commuters in Westchester County and Fairfield County, Connecticut. The fact is that a long time back the Metropolitan Transportation Authority in New York and the Connecticut Transportation Authority in Connecticut began contracting for those type of services. So this has nothing to do with what we are coming to the Senate with here today.

What we are talking about principally are those operations that can be put in a noncommuter class. What we argue for now, and I would say now is probably the toughest time, is this: We have behind us the wreckage of a nonrail system, a wreckage created by a combination of bad management on the part of private enterprise, a wreckage created by overdependence on the highway trust fund and the utilization of 95 percent of our Federal transportation dollars in highways rather than in rails—a wreckage. Members of this body know, the distinguished Senators from Alabama, from Florida, Iowa, myself, regardless of our views on this particular legislation, that upon us sits the obligation to create a balanced and a decent transportation system in this country. We are in that transition period when we do not have the new tools fully in hand and we still have to deal with the old tools. I will stand beside any Senator who sits there and shudders as he sees taxpayer money being utilized to sweep the stage clean. That, in effect, has to be done before anything new can be created. That is what makes this request and the request preceding it, and probably some additional ones coming ahead, so difficult. But I know the commitment of the Senator from Indiana. I know the commitment of this Senator and the Commerce Committee in making sure that we correct the wrongs or the omissions. This initiative started right here in this body.

I recall well in the last 4 years, with no help from the White House, with no help from the House of Representatives, it was the Senate of the United States, both in the Commerce Committee and also the Public Works Committee, with the distinguished Senator from West Virginia, and many others who involved themselves, which brought into focus the very desperate shape of transportation in the United States.

This is the world's greatest economic free power and we have the worst rail system in the entire world. It was the Senate of the United States, not the executive branch or our good friends across the way, which insisted that we change these time-honored policies and that we bring balance into our transportation system.

So this is the commitment not only of this particular Senator, but of most of the men in this Chamber.

To put things in perspective, I just want to throw this out: In 1973 all levels of government in the United States spent a total of $28.2 billion in public funds on transportation—$28.2 billion; 86 percent was spent on highways; 10 percent was spent on air transportation; 3.7 percent was spent on waterways. Less than one-quarter of 1 percent was spent on rail transportation.

I propose that we have exactly what we paid for in this country when it comes to rails—nothing. Indeed, it is embarrassing to stand here after so many years and have to make these types of requests. But, as I have indicated, they are made not to continue the past, but to sweep the past off the stage and to launch a new era in transportation.

If there is time, because I am suffering somewhat from a cold, and since I anticipate questions from the Senator from Alabama, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I send to the desk certain technical amendments.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes technical amendments.

The amendments are as follows:

On page 6, line 4, strike "Section 1. This" and insert in lieu thereof "That this".

On page 6, line 11, strike "211(e)" and insert in lieu thereof "211(e)(1)".

On page 6, line 25, after the word "date" insert the word "such".

One page 7, line 19, after the word "date" insert the word "such".

On page 7, line 24, after the word "date" insert the word "such".

On page 8, line 2, strike "facilities or equipment" and insert in lieu thereof "rail properties".

On page 8, line 18, strike "conditions" and insert in lieu thereof "condition".

On page 9, line 2, strike "agreements" and insert in lieu thereof "agreement".

On page 10, line 18, strike "Subsection (b) of section 207" and insert in lieu thereof "Section 207(b)".

On page 12, line 4, after the word "supplement" insert "to the preliminary system plan".

On page 12, line 7, strike "the" and insert in lieu thereof "such".

On page 12, line 10, strike "Paragraph (2) of subsection (d) of section 205" and insert in lieu thereof "Section 205(d)(2)".

On page 10 delete lines 23 through 25, and on page 11 delete lines 1 through 3 and insert in lieu thereof the following:

"(2) Whenever it has been finally determined pursuant to the procedures of paragraph 1 of this subsection, that the reorganization of a railroad subject to reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205) shall not be proceeded with pursuant to this Act, the court having jurisdiction over such railroad may, upon a peti-".

Mr. WEICKER. Mr. President, I move the adoption of the amendments.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. ALLEN. Mr. President, I do not anticipate that there will be a very large vote against this bill; but at the same time, I felt that it needed some discussion, some exposure to the light, some debate in the Senate so that the public might be advised of the direction in which we are proceeding with respect to these bankrupt railroads.

Last evening, when the bill was laid before the Senate, it seemed that there was likelihood that it would pass on a voice vote. Then a request was made for a rollcall vote, in order that Senators who felt so inclined could protest the enactment of the proposed legislation.

First, it was proposed by the leadership that debate be limited to 20 minutes, 10 minutes on each side. That seemed inadequate to the Senator from Alabama, though at the same time he does not wish to have what might be called extended debate. It is too important to call it up and pass it by voice vote, without debate or with 20 minutes of debate and discussion. After all, involved in this bill, as shown of page 1 of the report, is the not unimportant sum of $275 million. That is just the tip of the iceberg, Mr. President.

I commend the distinguished Senator from Connecticut (Mr. WEICKER) and the distinguished Senator from Indiana (Mr. HARTKE) for the public service they are rendering in managing the bill on the floor of the Senate after it has been reported by the Committee on Commerce.

I appreciate, also, the candor of the distinguished Senator from Connecticut in pointing out the direction in which we are proceeding with the passage of this measure. Certainly, he is not overjoyed at the prospect of passing the measure.

Last evening, as the distinguished Senator from Connecticut has said, the report from the committee was not available to the Senate. All that was available was a bill of some 12 pages, but no explanation of what the committee had done, what was in the bill, what the background of the bill was, and what the purpose was. It was not until today that this report became available.

Mr. President, yesterday, on the floor of the Senate, I asked the distinguished Senator from Indiana (Mr. HARTKE), by way of identification of the bill when it was called up, if this was a further bailout of the Penn Central; and the distinguished Senator from Indiana did not shrink from that characterization by the Senator from Alabama. He said yes, that it was, and is, a further bailout of the Penn Central.

I may be mistaken—and I am sure that I will be corrected if do misstate the matter—but I note from the bill that it was introduced on January 21, 1975, and reported on January 27, 1975. I have not seen—though I could be mistaken—any notice in the newspapers of hearings held on this important subject; not a word. I would be interested in seeing a copy of those hearings. But I doubt if lengthy hearings were held on this subject. Certainly, after the bill was introduced on January 21, there generally would be some notice of a committee hearing. It just does not look like any full-scale hearing was held. Possibly one was. I am not saying that one was not. We will find out later, as we question the distinguished Senator from Connecticut. In a hurried scanning of the committee report, I do not see that a hearing was held.

Mr. President, when this Regional Rail Reorganization Act of 1973 was passed, I recall the explanation made by the distinguished Senator from Indiana that some 18 or 19 railroads were involved. It is suggested in the report—and I am sure this is correct—that eight class 1 railroads are involved; and I believe that two of them first said they could make it alone, and I note that one of them now says it cannot make it alone.

So it would seem that 6 or 7 class 1 railroads are involved, and I assume that the number 18 or 19 had to do with subsidiary lines held by these major roads.

Mr. President, I think we are rapidly moving away from the term "free enterprise" as supplied to many railroads. I might say that there are some strange practices in running railroads. I assume that railroads are operated for the purpose of making money; making money for the stockholders, making money for the bondholders, providing employment for many people, and performing a service for people who get the benefit of the services of railroads. One would think that in a rich territory, as the committee report points out is being served by these railroads in bankruptcy, a railroad could make a profit in these rich areas. The distinguished Senator from Indiana, last night, in making his opening statement—and apparently, his opening statement is contained as the committee report here; they seem to be identical, certainly, up to a point—pointed out that the railroads involved carry as freight 34.7 percent of the automobiles, 34.6 percent of the metals, 30.5 percent of waste and scrap, 19.6 percent of metallic ore. It would seem that, getting that much business, these railroads could operate at a profit if they are being properly managed.

Let us look at another statistic as contained in the report. I read from page 2 of the report, starting with the fourth line from the bottom:

> The eight railroads serve an area in which 42 percent of this country's people live and in which 50 percent of this country's industrial goods are produced.

So, Mr. President, if these railroads serve 50 percent of the country's industry and 42 percent of the country's inhabitants, why in the world can they not make a go of it? This Government subsidy is not going to cause them to make a go of this enterprise. If they cannot go it alone, if they cannot make money, in this rich territory, how in the world are they going to stay afloat except through the massive injections of taxpayers' money? That is the only way they will stay afloat if we are going to keep this subsidy program going. In just a moment, I am going to comment on this just being the tip of the iceberg, this $285 million.

Mr. President, I do not have any statistics on the success of other railroads. I gather that the Southern Pacific, the Union Pacific, and the Northern Pacific are doing all right. The Atchison Topeka and the Sante Fe seems to make it. The Atlantic Coast Line combined with Seaboard—Atlantic Seaboard, I think it is called now—seems to make money. Southern Railway, I believe, had its very best year in 1974. Louisville and Nashville, the old reliable, so-called, seems to stay alive. Yet they serve sparsely settled areas of the country. All of these railroads—and there must be dozens of them that seem to be making money—serve the sparsely settled areas of the country. They have less industry to serve, fewer inhabitants to serve, but greater distances to go.

So, Mr. President, we are taking on a load here for the American taxpayer that is going to go on and on. The distinguished Senator from Connecticut warned of that. He said that this is not all; there is more on down the road—on down the railroad, one might say.

I notice that one of these roads, the Erie-Lackawanna—I assume that is the surviving company of the old Erie. I may be mistaken on that, but I rather imagine that is correct. That is the road that was plundered back in the days of Jay Gould and Jim Fisk, where they just set up a printing press and turned out stock certificates just as fast as they could and robbed the railroad blind.

I should say that some of the modern day robber barons have handled the affairs of some of these railroads more delicately than did Jay Gould and Jim Fisk. But, Mr. President, we have a sorry record of mismanagement before us.

Every one of these railroads—some 18 or 19 in number, if we take all the subsidiaries, or 7 or 8 in number, if we go by the present method of calculating—every one of these roads was in receivership, had gone broke. To take these railroads and put them over in a Government-subsidized operation is the next thing to nationalization. The only difference is that the Government does not own the railroads; it just pays the way. That is the only difference between the present system on these roads and nationalization. The very same conditions that caused the bankruptcy of these railroads were carried over into the new operation and they froze in the very same conditions that existed and had caused the bankruptcy.

Well, one might say, what is the alternative? Quit supporting, quit subsidizing these railroads with taxpayers' money. Railroads can be operated in this rich area. They can be operated at a profit. And why not? With 50 percent of the manufacturing and 42 percent of the people, why could they not make money?

I predict that if these railroads were allowed or required to go ahead into the reorganization process, rid them of this tremendous debt, one or two or three strong, viable companies would result.

I notice in the newspapers from time to time that a number of profitable roads—I think Norfolk & Western, possibly, which is a profitable road, the Southern, and other railroads—are trying to purchase some of the rail lines and franchises, I guess one would say, from the Penn Central and some of these other roads.

Mr. President, I believe that some of the strong companies, or some of the well-operated companies, I would say, could carry on on a profitable basis through free private enterprise, and could render this service in this rich, populous area.

How much is it going to cost us ultimately? Well, I do not know, but I think one of the best informed Members of the Senate, in addition to the distinguished Senator from Connecticut (Mr. WEICKER), is the distinguished Senator from Indiana (Mr. HARTKE). He has not tried and the Senator from Connecticut has not tried to cover up the sorry picture that is presented here. They lay the facts out on the table, and I appreciate that.

What does Senator HARTKE say is the ultimate cost? And who is going to pay for it, if it is not the taxpayers?

Senator HARTKE, on page 1499 in yesterday's RECORD, stated

> It is estimated it will take $5 billion to put the rails and plant back in shape.

That is his estimate. Now, going on over on page 1500 of yesterday's RECORD, Senator HARTKE says:

> It is estimated, as I said a moment ago, it will take about $4.5 to $5 billion to put this railroad back in shape.

That is not going to come out of profits, because it has not been having any profits.

> I really think it is going to take more money from the Government beyond the loan guarantees and beyond the bonds. I cannot tell you how much more at this moment. No one knows.

Mr. President, we are going out on an uncharted sea here when we continue with this subsidization program.

They say they cannot pay their bills; they cannot meet their payroll. Well, Mr. President, I hate to suggest it, but there are many millions of people who are not receiving any paychecks these days. They would have a lot of company if temporarily the railroads went under.

It would not be long, Mr. President, before private companies would take over this burden, which would not be a burden to them, because they seem to know how to operate a railroad. Why these said-to-be bankrupt railroads in the Northeast and Midwest have not been able ot operate at a profit is something the Senator from Alabama cannot understand. I would like to inquire, in a moment, of the distinguished Senator from Connecticut, what the chances are of the Government, the taxpayers, ever getting any of their money back, and how much of it is to be on a grant basis. At this time, I would like to have a short colloquy with the distinguished Senator from Connecticut in this area.

Mr. WEICKER. Mr. President, I would be delighted to have a colloquy with the distinguished Senator from Alabama. Let me say that if he would like to retire with me to the cloakroom, and we can call the president of the Southern Railroad, which is one of the best run railroads in the entire world, and ask him whether or not he would like to have this property, and we will not even claim a finder's fee, I venture to say he will not even respond to the call. He will not even pick up the receiver. I am afraid that is the point of view he has as toward the Penn Central. I wish I could concur that, indeed, this is a property desired by other railroads, but it just simply is not.

Mr. ALLEN. Let me ask the distinguished Senator this: Is it not possible that other railroads would take over the roadbed and the equipment and the station facilities, if they did not have to take over this mountainous debt? In going through reorganization, could not these railroads be shorn of this tremendous debt, and would not the facilities then be available at a price that could be afforded? Is it not the tremendous debt that needs to be wrung out of these railroads that is hindering the taking over of some of the roads by well-operated companies?

Mr. WEICKER. I would have to respond in this way: First off, I think some of it they would like to take over. They would like to take over the best parts of these railroads, as indeed the management of these railroads, prior to their going into bankruptcy, of course, took the best off for themselves and their stockholders, leaving the worst behind. So really what they would have to choose from are the leavings, after the other ripoff artists had already done their job on the railroads, leaving them in that sorry state to begin with.

The difficulty here is that you and I look upon this from a legislative point of view, but we have to remember that there are trustees in reorganization here who have to meet certain legal obligations, and we cannot just snap our fingers and say "The debt is gone." It is not gone; it is there; and really what they are having to deal with is the debt and whatever creditors happen to be out there, in sharing what is left of these railroads.

So, yes, I think there are certain funds that will be gathered by the trustees from selling off the more fortunate portions of the Penn Central, but then what remains will be even less desirable, probably; that is one of the difficulties.

That is why we informed these corporations to, in effect, take over that which no one else wants, and yet which is absolutely essential in the way of services.

I would like to point out also that actually even the healthiest railroads in this country are barely making it. The overall return on investment in the railroads in this country is about 3 to 4 percent. None of the railroads can afford the investment needed, even the Southern and the Southern Pacific cannot afford to commit themselves to needed improvements like electrification of mainline routes. Electrification is coming in all over the world except in the United States, leading to less fuel consumption, less costly operations, cleaner air, and greater efficiency, but none of the railroads are in a position to make such improvements. The Southern, the Southern Pacific, the L. & N.—all of those railroads we can speak of as healthy, but insofar as a private enterprise is concerned, we are comparing them to other roads that have gone under, rather than to other private enterprises in this country. By that standard they are probably in very bad shape also, and I worry about the time when even these will go under also.

One other point I could not help but think of when the distinguished Senator from Alabama was speaking was that insofar as the consolidation of the railroads is concerned, I remember when the answer to all the problems was going to be the merger of the mammoth Pennsylvania Railroad with the mammoth New York Central Railroad, and this was to be the best of all worlds.

Well, that turned out not to be the case, but just to have compounded the problem.

So I am concerned. I just do not think private enterprise has the capacity to pick up the entire ball of wax here. I do say yes, there will be those little bits and pieces which could improve their own operations, and they should go to private operations if that would provide less of a burden on the taxpayer.

I am not going to indicate to anybody that the U.S. Government is not going to be in the rail business. It is, just like it is in the highway business.

Mr. ALLEN. Well, the Senator has talked about the merger of the New York Central and the Pennsylvania as not having lived up to its expectations.

I would like to ask him if he thinks that the merger of 18 and 19 bankrupt railroads is going to live up to the expectations of the sponsors of this legislation, and I am not going to include the Senator from Connecticut as being one of the sponsors of this legislation because he hardly qualifies as that. He is just on the periphery of this legislation.

Mr. WEICKER. No, in the sense is the merger of this group of railroads going to achieve a healthy economic status within the free enterprise system, and the answer is candidly, no; no, it is not.

Mr. ALLEN. Are we going the right route?

Mr. WEICKER. I do not think the Senator from Indiana or the Senator from Connecticut has pretended this is anything other than what it is, which is that the U.S. Government is going to get into the business of creating rail systems and having to support them. Hopefully, we will not have to do it on a total basis such as in the case of highways. Hopefully the healthy railroads will be able to stay that way.

We do not want to get into it any more than we have to, but do we have to? The answer is yes. In regard to the $5 billion the distinguished Senator from Indiana mentioned as being the total cost—I think maybe he is low on that; we spent in the Northeast alone last year $4.5 billion on highways. That I think puts it into focus. Yes, $5 billion is a lot of money to anybody, but do we have to, does Government, in order to create a complete and a satisfactory transportation system, have to involve itself in rails as indeed it has involved itself in highways? And the answer is yes.

Mr. ALLEN. Well, I recall when this legislation was up back in 1973, the organizational merger or consolidation of these bankrupt railroads, there was a moratorium in there saying they would not abandon any of these lines, these competing and duplicating lines, for a period of 18 months, indicating they were trying to maintain the status quo that had brought them to bankruptcy, which did not seem to be very good legislation.

Mr. WEICKER. I agree.

Mr. ALLEN. The Senator from Alabama voted against that.

Mr. WEICKER. I agree with the distinguished Senator from Alabama. Does the Senator know I sat out here on the floor of the Senate on various requests—I remember there was specifically the Amtrak request—and the requests were to cover the operating deficits of Amtrak. In one of my proudest moments on the Senate floor I managed to get additional funding for Amtrak, which additional funding could not be devoted to operating deficits but could only be devoted to research and development and capital improvement so we could get out of this operating deficits. The Senate of the United States passed it and a letter came down from the Appropriations Committee, opposing it, from the Secretary of Transportation and the President of Amtrak at that time. I said, "How in heaven's name will we ever get out of this vicious circle if we are going to run the same trains over the same tracks in the same way? We are going to end up with the same deficits except now it is in the public lap rather than in the private sector."

It seems to me the only way we can possibly get out of this bind is make some sort of investment on the capital side and research and development and that way we can break the cycle, so it becomes not more of a drain and push out the operating deficits.

I could not agree more. I have no desire to stand here and ask for these operating deficit subsidies. The system plan will be coming before the Senate by the end of July of this year, the final system plan. But the ultimate plan is to create a private for-profit type of operation.

Now, I think I understand Government and what is required in the way, or what is required of Government in the way of services to ever hope that anything is going to be run for profit. Our constituents would be yelling loudest if it was too much for profit, but that is the objective, not to live with the situation that we now have.

I wonder if I might just for a minute, because I think it is important, reflect on the origins of this legislation, and to give the Senator from Alabama a minute to rest his voice, read a few paragraphs from the original act as to what it was that we all intended to do at the outset.

In the background of the original Rail Services Act of 1973 the following statements were made:

> The Penn Central's collapse stemmed from the complex interaction of a number of factors, including questionable management policy * * *

Questionable, I mean I do not hesitate to say on the floor of the Senate and even off the floor of the U.S. Senate that is a plain old ripoff on the part of too many.

As the Senator says, Jay Gould and Jim Fisk—that was sensational. The modern-day types are a little more delicate and a little more subtle, but what they do is as bad if not worse.

> The misdeeds of individuals, Federal regulatory policies and practices, an inadequately developed national transportation policy, the national economy, deteriorating business conditions in the Northeastern part of the United States, the inability of the private sector to respond to these changes, and successful competition from other modes of transportation.
>
> In the last several decades, railroads operating in the Northeast and Midwest found themselves in an environment where the national economy was changing, reducing the importance of the principal commodities carried by railroads and therefore, the role of the railroads in the transportation system.

I unfortunately know full well what has happened here in the sense of so much of our employment because the distinguished Senator from Alabama knowns, because he represents the Southern States, they have been the beneficiaries of what has been the misfortune of many of the New England States where much industry has moved geographically into the Southern portion of the United States.

> The percentage of the gross national product represented by agriculture, mining, and nondurable goods—heavy users of rail freight transportation—declined during the 1960's; a trend toward locating factories closer to consumer markets reduced the demand for transportation services; the 1960–61 and 1968–70 recession had a pronounced impact; in the late 1940's and early 1950's railroads virtually abandoned hauling goods in less than carload lots; and the railroads' share of total intercity freight traffic declined from 44 per cent in 1960 to 41 per cent in 1969 and the rail share of freight revenues fell from 28 per cent in 1960 to 22 per cent in 1969.

You get a very graphic demonstration of what occurred, insofar as our transportation policies relating to the highway rather than the highway and rail or rail, in the State of Connecticut, starting at the New York line, along the coast, the Connecticut throughway multilane expressway runs absolutely parallel to the tracks of the old New York, New Haven and Hartford Railroad. Well, there is that highway sitting there, built by the taxpayers, totally a Government operation, and there sits the railroad which for a long time was in private enterprise hands. Obviously, the competitive situation has changed a great deal.

I am now returning to reading the report.

> These factors operated with the greatest negative force in the Northeast and Midwest: 65 per cent of American manufacturing took place in this area in 1950, but in 1969 only 54 per cent of the manufacturing occurred here; the region produced 71 per cent of the coal mined in the Nation in 1957 but only 62 per cent of the amount produced in 1970. By 1970 nearly 3 times as much coal was used to generate power at the mine location than was transported by rail; the railroads failed to compete successfully with trucks for the increasingly important manufactured goods traffic; and the interterritorial divisions between railroads operating in various regions remained static. Heavy debt burdens and a lack of cash, in some cases combined with questionable payments of dividends, resulted in deferred maintenance and reliance on leasing to obtain the necessary equipment. Investments of assets outside the traditional area of railroad operation was also a factor leading to cash drain, although a relatively small factor in terms of cash drain on the railroads when compared to others, such as dividend policies.

I can remember when these railroads were shoveling out dividends nowhere near covered by earnings.

> As cash shortages continued and worsened, more maintenance and capital improvements were deferred, which led to higher operating costs, more slow orders, higher accident rates, less reliability, and a further loss of revenue.

Here, we get into a very dangerous area. I read the testimony, I think, of the assistant secretary who presented the administration's plan, which is what we have before us today, and it means that the trustees had some plan which would or could, if implemented, provide safety.

The problem now is that we are reaching a critical point insofar as safety is concerned. We can compensate for the inadequacy of track and roadbed by cutting down on the speed of the train, but then all of a sudden we are almost at the point where the trains are going backward.

So we no longer can take care of the safety problems or those inadequacies in such a fashion.

I am almost through on this:

> As cash shortages continued and worsened, more maintenance and capital improvements were deferred, which led to higher operating costs, more slow orders, higher accident rates, less reliability, and a further loss of revenue.
>
> In the case of the Penn Central, the merger of the Pennsylvania and New York Central railroads contributed significantly to the cash drain. Generally declining economic condition was responded to poorly, if at all, by management. The Penn Central followed a policy of disguising the reality of its situation through "earnings maximization," a technique that overlooks the realities of income or cash flow and attempts "to pretend that earnings [are] larger than they really were by inflating them." In 1968 (after merger) the Penn Central lost $2.8 million but paid stockholders $55.4 million in dividends; in 1969 the railroad lost $82.8 million but paid dividends of $43.4 million. Investments in real estate ventures, such as Great Southwest Corporation, helped Penn Central to distort earnings by reporting the paper profits generated in these transactions. Management did not establish any overriding corporate goals and there was no organized effort to achieve goals—"the separate units of the corporation in some cases had mutually exclusive objectives." But the "blame" for the demise rests not only with management. It must be shared by the other American railroads for taking no action prior to collapse to counter the deterioration of the railroads in the Northeast and Midwest region; by the Congress for for failing to face up to these deficiencies; by the Executive Branch for failing to spotlight problems or propose remedies; and by the ICC.

Now, that was the complete picture as to why we went into the Rail Services Act of 1973. It is a grim picture. All I am saying is that I care, at least, to say that we are capable not to have future generations point at us as not being in the forefront of a solution to this particular problem, not that any of us on this floor in any way condone this grim type of history.

Mr. ALLEN. I thank the distinguished Senator.

I am advised by the Chair that this colloquy has been coming out of my time and I wonder if we might ask——

Mr. WEICKER. This should be divided equally, or charged to the Senator from Connecticut, I was talking here.

Mr. ALLEN. The whole colloquy, I suggest, be charged equally. I ask unanimous consent on that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I would like to ask the distinguished Senator, in this area served by these bankrupt roads, it is said by the report to contain 50 percent of the industry and 42 percent of the population of the country, if there are and railroads serving that area that are alive and in the black?

Mr. WEICKER. Well, counsel informs me, and I do not consider this in that area, but technically, apparently, it does, the Chesapeake and Ohio, the C. & O. operates profitably.

But I think maybe in the Senator's mind of the Northeast, and we do not normally associate with those which are in the Middle Atlantic and southern area, and the Norfolk and Western I do not think we would associate——

Mr. ALLEN. Well, these same factors, that is, the economic conditions applied to these two railroads the Senator has mentioned, the Chesapeake and Ohio and the Norfolk and Western—let us see, is the Baltimore and Ohio in that?

Mr. WEICKER. Part of the C. & O.

Mr. ALLEN. Part of the C. & O.

Mr. WEICKER. Yes.

Mr. ALLEN. Did not the same economic factors exist with respect to these healthy railroads that existed with respect to the bankrupt roads?

Mr. WEICKER. Well, I think, sure. The ICC, that would be something common to all of the railroads. The inattention of Congress, that would be common to all the railroads. The negative effect of the highway trust fund, that would be common to all the railroads.

But, then, I suggest there are specific things that clearly differentiate the railroads. Management would be one. I would doubt the Norfolk & Western and the C. & O., traditionally well-managed railroads, I doubt they would go ahead and sustain those kinds of losses and then order those kinds of dividends paid their stockholders.

So, there would be a clear difference between the railroads.

Also, the shift of business that I mentioned from the original committee report, that very definitely shifted more into the territory served by the C. & O. and by the Norfolk & Western, so that there are some of these matters, yes, common to all, but I think very significant ones that accelerated the plight of Penn Central.

And as I have warned my good friend and distinguished colleague from Alabama, I issue a little word of warning here, if things continue the way they are going, 10 years from now we can be standing here making the same pitch on behalf of these railroads, the C. & O., the Southern, and so forth.

Mr. ALLEN. Another railroad that has survived down south in the State of Florida, I believe, is the Florida East Coast Railroad. The employees of that railroad are on strike. I do not know if they have settled it now or not, but they were on strike for a decade or more, yet with that tremendous burden on the railroad they managed to stay afloat and to make money.

It is a matter of great concern to the Senator from Alabama why these roads in the rich area that they serve cannot make a go of it. It is just a mystery to the Senator from Alabama, and I am just wondering to what extent this condition has been explored by the appropriate committees in the Senate.

As a starter, I might ask the distinguished Senator from Connecticut how many days of hearings were held with respect to S. 281, which involves $285 million and which is setting this country on the course of spending, as estimated by the distinguished Senator from Indiana (Mr. HARTKE) and as upped by the distinguished Senator from Connecticut, which would cost this country some $5 billion. How many hearings were held?

Mr. WEICKER. The hearings on this specific addenda, and that is the best way to describe it, to the original bill were one day of hearings held on the 22d of January, a copy of which I certainly can make available to the distinguished Senator from Alabama.

The matter also was discussed at length at an executive session of the Commerce Committee, which I attended.

But to answer the distinguished Senator's question, one day of hearings and several hours of discussion within the Commerce Committee itself in executive session.

Mr. ALLEN. Well, from what group were the witnesses drawn, may I inquire?

Mr. WEICKER. Those making statements at the hearing, and this does not include those that have made written representations to the committee, were: The Honorable John Barnum, Deputy Secretary of Transportation; Mr. Hall, Acting Administrator of the Federal Railroad Administration; Mr. Eyster, General Counsel of the Department of Transportation; Robert W. Blanchette, trustee, Penn Central Transportation Co., accompanied by: John McArthur, trustee; Jervis Langdon, Jr., president and chief officer; Paul R. Duke, general counsel; and Charles Howsky, Esq., Covington & Burling, Washington, D.C.; and Ernest Varalli, assistant vice president of Penn Central Transportation Co.

Ralph S. Tyler, Jr. and Thomas F. Patton, trustees, Erie Lackawanna Co.; accompanied by: Gregory W. Maxwell, president, Erie Lackawanna Co.; John L. Altieri, counsel; and Harry Silleck, counsel.

Mr. ALLEN. That is a large number of names. If all those were able to testify in a day's time, it would seem they were not questioned in depth.

Mr. WEICKER. Either that or they were not Senators and did not talk so much.

I think, in fairness, what we have to do is place that hearing in context with all the other hearings that were held on this matter. Again I repeat, because I know the distinguished Senator from Alabama is going to be here, and rightfully and properly so, when another request comes forward I imagine it will probably be a day or so. This is part of a continuing story.

Mr. ALLEN. That is what disturbs the Senator from Alabama.

Mr. WEICKER. And it disturbs the Senator from Connecticut. I have assured, as indeed has the distinguished Senator from Indiana, this was unlikely when we first got into this, and there was no entity at the end of the line which eventually was going to stop the type of business we are engaged in here. Fine. Then I can understand that type of criticism. But I think it is also fair to say we have tried to construct the shape of the future in a way directly opposite to what it is that we are hearing about today. I would agree that for $250 million, one day of hearings would hardly be adequate. But as part of an overall set of hearings and discussions, I think that is the framework which has to be considered.

Mr. ALLEN. I would like to ask the distinguished Senator——

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. MAGNUSON. We should look at this as a whole. When we talk about hearings, I do not know of anything that has taken up more time in the Commerce Committee, with all the things we have to do, than this Penn Central matter.

I believe we have heard from everybody we can think of—railroads, consumer groups, trustees, judges. I bet this has taken more time—double or triple the time—in the past 2 years than any bill we have had in the Senate Commerce Committee. We expected they were going to come back here. We did expect that. But we were hoping that maybe they would not come back for so much. It is part of a whole package. I know people say, "What are you throwing more money down a rathole for?" But we are not doing that. We do have a plan. The plan is under law. It has started to take effect. What we are doing is trying to keep them moving until, hopefully, this plan will start to work.

Is that about the story?

Mr. WEICKER. The distinguished Senator from Washington has summarized it well.

Mr. MAGNUSON. The chairman of the committee, from the State of Washington, would like nothing better than to forget about the Northeast railroad problem.

Mr. ALLEN. I am sure that is true.

Mr. MAGNUSON. I have other problems. But this is the thing we have to do, and this is the only thing we could come up with now. I hope we can get a vote on it one way or another. It has to go to the House.

I do not want to see these people out of work, but they claim they are going to be out of work.

I must say to the Senator from Alabama I have heard that story every once in a while, too, and somehow it went on and on. But I believe we have reached the point now where this is the only way we can keep it moving.

Mr. WEICKER. I believe the distinguished Senator is very correct. One thing which has been pointed out in the colloquy between the distinguished Senator from Alabama and myself might well be worth looking at. That is that maybe it is that we should find out whether there is anything that should be done now relative to the healthy railroads so that we do not end up with them 10 years from now also. This is also something that we should consider. We should find out what do they predict as to their future; what is the trend of their profits? Many of the healthy ones even now are deferring maintenance. What is going to happen down the road? It seems to me I would rather spend a little bit of money, a little bit of assistance, in some way, to keep them in the hands of private enterprise and out of the responsibility of the taxpayers. As I have indicated here, as healthy as some of these are, I bet none of them would guarantee that they are going to be in that condition 10 years from now. It is a lot cheaper to look at them now than 10 years from now.

Mr. ALLEN. I thank the distinguished Senator. I imagine these so-called healthy roads would much prefer the long arm of the Federal Government not to reach out and draw them into this combine. I believe they would rather go it alone.

There is an area I would like to pursue a little bit. In these reorganization proceedings, I believe some of the bondholders were given stock in this new company. Could the Senator give us some idea of how much bonded indebtedness of these railroads was converted over to what we might call equity capital; that is, stock? What was the fate of the bondholders?

Mr. WEICKER. Since entering into reorganization in 1970, all of this has been frozen by order of the court. None has been converted into an equity position. It was frozen.

Mr. ALLEN. What is contemplated as being the ultimate fate of the bondholders? Is the Government going to pay them off? I was under the impression there had been some conversion of bonded debt over into equity capital in some areas.

Mr. WEICKER. Of course, this is the responsibility of the trustee. That is exactly what he is there for. I do not know what they are going to end up with. But I do know this, which I think is of concern to the Senator from Alabama: Nothing that we do here today is going to be included in that which reverts to these bondholders. In other words, this eventual entity which will come into existence, Conrail, will be priced prior to this money going into it. This is not money, in other words, which will accrue to the present bondholders.

Mr. ALLEN. One instance of lack of good business judgment, which came to light when we passed this bill in 1973, was that provision was made with the employees that if any of them lost their job as a result of this so-called merger, if they had worked for any of the railroads for as long as 5 years, they would carry on at their regular compensation, full compensation, until they became 65 years of age. That would have enabled a young man 20 years of ago going to work for a railroad to work 5 years and then, losing his job as a result of the merger, to carry on at his salary from age 25 to age 65. He would be on more or less of a pension for 40 years' time.

It was also provided, as the Senator from Alabama recalls, that if those in his class received wage increases, that this man, on retirement would receive the same wage increase, that he would get up to the same level. If he exerted a little initiative and went out and got a job somewhere else during this time, as I understand from what the Senator from Indiana said last night, it would relieve the roads or the Federal Treasury of only half of this compensation. That protected employees up to $30,000. So if a man was working for $30,000 and he lost his job as a result of the merger, he would get $30,000 from the railroads until he became 65; and if he got out and secured a $30,000 job he would still get half. Only $15,000 would be charged against what he was drawing. Nonbusinesslike agreements such as that have resulted in the plight of these railroads.

I feel that we are freezing in bad management. We are freezing in the very conditions that brought these companies to bankruptcy. The new company that is going to be operating—I do not know whether one would call it a Government operation or what, but it is a quasi-public body, certainly—would not operate the railroad any better than the former management, in the view of the Senator from Alabama.

I believe that we should stop these subsidizations right now. I feel that the further bailout of these bankrupt railroads, these railroads that have not been able to make it—the further subsidization by the taxpayers—should be stopped. I plan to vote against the bill.

I might say to the distinguished Senator from Washington that a time has been set for voting, so there will be a vote no later than 4:30.

Mr. MAGNUSON. Mr. President, I want to clear up for the record the story I have listened to about a 20-year-old man being paid until he is 65.

Mr. ALLEN. Twenty-five. He would have to work for 5 years.

Mr. MAGNUSON. Let me finish.

In the first place, the bill requires that furloughed employees must be rehired. As to a 20-year-old, I doubt, with thousands of employees on the railroad, that a 20-year-old could get a job any place, it is so tight. It would be the rarest of the rarest occasions. But suppose he could. Because of attrition, he would be back at work in 6 years at the most; and if he does not accept the job, he is no longer entitled to any payment. That is the law. That was worked out.

So the possibility of this extreme example of a 20-year-old going down and getting a job on the railroad and then saying, "I got laid off, and until I am 65, I can sit there," is impossible. If that were to happen, I would eat this bill.

Mr. ALLEN. The Senator is talking about what might happen or what would happen.

Mr. MAGNUSON. That is Alice in Wonderland.

Mr. ALLEN. Does the Senator concede that that is correct?

Mr. MAGNUSON. He has to be rehired.

Mr. ALLEN. I understand all that. Suppose he was not. Would not the compensation continue?

Mr. MAGNUSON. No. He has to be rehired. His compensation would not continue.

Mr. ALLEN. But there is no guarantee that he would be rehired.

Mr. MAGNUSON. The minute a person retires—I do not know what he would be—if he should happen to be in there when a person retires, they have to ask him to take this job; and if he does not take it, he is out.

Mr. ALLEN. I understand all that. That is not at variance with what the Senator from Alabama said.

Mr. MAGNUSON. The Senator from Alabama is talking about an extreme. It would not happen at all.

Mr. ALLEN. It could happen.

Mr. MAGNUSON. A lot of things could happen.

Mr. WEICKER. Mr. President, this is what was known, when we attended law school, as the fertile octogenarian type of theory. [Laughter].

I yield to the distinguished Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. WILLIAMS). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment on page 10, beginning with line 10—

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, beginning with line 10 strike out section 6 of the committee amendment and substitute in lieu thereof the following language:

Section 6: Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by inserting immediately after the third sentence the following: "This limitation upon compensation shall not apply, however, in the event the Board determines with respect to one position that a higher level of compensation is necessary and is consistent with the general level of compensation paid officers of railroads in positions of comparable responsibilities, but in no event shall such compensation exceed $90,000 per annum."

Mr. JOHNSTON. Mr. President, under section 6 of the bill, the lid is taken off executive compensation in Amtrak, in the Rail Passenger Service Act. This means that we would probably revert to the former practice applicable in 1970, when Amtrak was created, of an executive compensation in the $100,000 range.

In 1972, this act was amended to put a cap on executive compensation of $60,000, executive level 1, the same level that Cabinet members now receive.

In December of 1974, the Senate passed—the House did not concur in it, for whatever reason—essentially this section, which allows the chief executive officer of Amtrak to receive a salary of $85,000. That is for a particular purpose, and that is to get a top, qualified executive, one who I understand is now available, who will come for $85,000, for a short period of time, and attempt to bail out and to infuse some vitality into the management of Amtrak.

The amendment adopted in December of this year, I think, is sufficient to take care of this problem—that is, to allow the hiring of that one official, that one executive. We have upped it from $85,000 to $90,000 in this amendment and made it clear that it applies to only one executive.

The reason for this amendment is not that I fear that this executive officer would not be worth his salt, at whatever we are going to pay him, but because of the general need of the Senate and Congress as a whole to address itself to what I see is an all-important question of compensation for Government employees.

Amtrak is not the only Government agency which has a problem of executive compensation. We have the FDIC which limits its executives to $38,000, the TVA to $40,000, Eximbank to $40,000, U.S. Railway Association to $60,000, Overseas Private Investment Corporation to $40,000, U.S. Postal Service to $60,000.

It is a crazy quilt of authorities and of limitations, one that shows no clear thread, one that does not show the considered judgment of Congress on the question of executive compensation.

What I am attempting to do by this amendment is to put a temporary bandaid on this problem, relieve the pressure for Amtrak, by allowing them to hire this one executive at $90,000, to take care of this management problem, but to defer the larger question of executive compensation through the rest of Amtrak and through the rest of these Government agencies—and, indeed, all Government employees—to a full hearing and a full consideration of Congress. I think this kind of consideration is long overdue.

It should not be the policy of Congress, by this kind of amendment, not considered by Congress, to allow Amtrak officials to receive salaries in excess of $100,000, and all through the executive ranks, while holding Eximbank employees to $40,000, holding the employees of these other Government agencies, such as the FDIC, down to the $40,000 range—$40,000 and below.

If I had my way, Mr. President, if we really put in the amendment which I think ought to be put in, I would hold the Amtrak executives to the same level applicable throughout Government—not, again, because I do not think they deserve it, but because we need to consider it in a larger context. We need to consider executive compensation, not just for Amtrak, but for every governmental agency to which the problem of executive compensation addresses itself. We are long overdue in that kind of consideration.

I hope that this temporary bandaid will be accepted to allow the pressure to be taken off, to get this one official and, hopefully, to give some kind of impetus to a more full consideration, a more complete consideration, by Congress of executive compensation in the Government as a whole.

Mr. WEICKER. I thank the distinguished Senator from Louisiana. I have conferred on this matter with the distinguished chairman of the committee. I do wish to point out, however, in order to clarify the words of his amendment, aside from those he has just spoken, that this does not set the salary at $90,000. It says that the salary shall not exceed $90,000.

Mr. JOHNSTON. That is correct.

Mr. HUMPHREY. Mr. President, what is that about a salary at $90,000?

Mr. WEICKER. This relates to the amendment specifically introduced by the distinguished Senator from Louisiana, which reads, relative to Amtrak—

> This limitation upon compensation shall not apply, however, in the event the Board determines with respect to one position that a higher level of compensation is necessary and is consistent with the general level of compensation paid officers of railroads in positions of comparable responsibilities; but in no event shall such compensation exceed $90,000 per annum.

Mr. HUMPHREY. I do not want to take much time on that amendment. Let me say that this just focuses attention on disparities in compensation. Here is the Secretary of Transportation, who I think does a whole lot more than the manager of the broken-down Penn Central Railroad, that has one capacity, to be bankrupt and to come in here year after year to ask for more money for a big bailout. We are going to give them up to $90,000 to come back another year. Yet, we have judges on our courts who are leaving the courts because they cannot afford to stay on the court unless they have an outside income.

It seems to me that the time is at hand for the American public to understand that there are people, even in Government service—and I am not speaking now of Senators; we have our own problems—there are people in Government service today who are taking on a big responsibility. The Secretary of Transportation will get much less than the head of a railroad—one railroad. He is going to get much less than someone running a bus company. We justify this in the name of what we call getting competent people for industry. Well, I think if we need competent people, we need them in Government, as well.

Mr. JOHNSTON. If the Senator will yield, I could not agree more. What this amendment is doing is putting a cap on it at $90,000, because without this amendment, there would be no cap at all and it could go over $100,000.

Mr. HUMPHREY. I think the Senator's amendment has a salutary effect. I only rise to point out what I consider to be an incongruity here and a paradoxical situation. Here we have a railroad that comes into this Congress and says, "Look, we have failed. We are losing money faster than you can print it," even though they have the most populous part of the United States.

If they cannot make money on the eastern seaboard, how would they expect to make money in the Middle West? We have railroads out that way that do make some money. They run quite well. I do not know what their compensation is, and I am not complaining about it being too much, because at least they are making some money and they are a profitable enterprise. But Penn Central has a record of coming to the Congress of the United States for assistance time after time, and each time it comes asking for just a little bit more. Then we say that they have to get not more than $90,000, which I want to say is much better than just leaving the gate wide open. But I do think people should know that in the instance of railroading, whether it is Penn Central or Amtrak or whatever it may be, it is only a part of the total picture.

We have here the Amtrak situation and they, too, are losing money. It seems to me that what we should be paying somebody for is to make some money.

I think the whole railroad system of this country needs renovation. I think we need to take a big look at it rather than a piecemeal look at it.

I appreciate that we need railroad services; in fact, we need them more than any other thing right now in terms of our transportation system. And I know that we need Amtrak. In fact, I would like to get Amtrak to go from Minneapolis to Duluth, Minn. But if people are not on the eastern seaboard, they do not want to talk to them about where the train ought to go.

This is a fact. They get the attention here. We have lousy railroad services by Amtrak in the Midwest. We need better service than we are getting.

So what do we have? We have Penn Central come in on the one hand. They come in to ask for bailouts. Amtrak comes in and it has a deficit—this is Amtrak. And we are going to say that the man in charge of passenger service on Amtrak—is that the chief executive officer?

Mr. JOHNSTON. Originally it was chief executive, but I have changed that to one employee because of the difficulty of his designation. But he will be the chief executive officer.

Mr. HUMPHREY. How many are included that can only get $90,000 a year?

Mr. JOHNSTON. Only one man.

Mr. HUMPHREY. How much money did Amtrak lose last year? Can somebody tell me?

Mr. JOHNSTON. I think——

Mr. MAGNUSON. Amtrak lost about $150 million last year. By the way, I am for the line to Duluth.

Mr. HUMPHREY. I thank the chairman.

Mr. MAGNUSON. We have to figure out whether we are going to lose more money by putting a line to Duluth.

Mr. HUMPHREY. We do not think so.

Mr. MAGNUSON. I know that the people of Twin Cities-Duluth do not think so. I have a couple out in my State. But they have to start out with these lines that pay; otherwise, we are going to have to subsidize, they like the mail service.

Now, talking about salaries, we are trying to get Penn Central and Amtrak back on the track, to coin a term. We figure that we have to get people who know a little bit about this business. We think a good executive in that position could save $10 or $15 million. Penn Central is in trouble because, as one of the main reasons, of bad management.

Mr. HUMPHREY. Correct.

Mr. MAGNUSON. So we are trying to get somebody.

Now, I am not too concerned with whether it is $80,000 or $90,000, because when it gets above $60,000, the Government is taking half of it back anyway, are they not?

Mr. HUMPHREY. About. But they have very good methods when they are in business. When they are in business, they can charge off an awful lot of stuff for what they call business expense.

Mr. MAGNUSON. Well, they cannot do that. Our friend, the president of Burlington Northern, I guess, makes $170,000.

Mr. HUMPHREY. And runs a good railroad.

Mr. MAGNUSON. All right. We are trying to get a good railroad here.

Mr. HUMPHREY. I would like to give him a flat salary of about $60,000 and then give him a bonus on all he makes above it. We do that in merchandising. I know, for example, we frequently give a manager of a store a certain amount and if he makes money above it, we give him a little spiff, as we call it, a little extra.

Mr. MAGNUSON. Now, I do not know what would happen if we had that. If I had nothing else to do, I would take a job for expenses, and I would make myself $10 million a year.

Mr. HUMPHREY. Senator, I was going to get to that. The expense account is just a delight.

Mr. MAGNUSON. The big reason a railroad president takes one of these jobs, or any business, is the stock options. There are no stock options involved here.

We are trying to get somebody who is competent to run it and we are moving slowly. But I think a good executive—let us say on Amtrak—could knock that amount down by himself.

Mr. HUMPHREY. What is the present salary in this instance, may I ask?

Mr. MAGNUSON. It is $60,000 now.

Mr. HUMPHREY. Well, my point in rising was——

Mr. MAGNUSON. Plus deferred compensation. I do not think this makes much difference. We are talking in hundreds of millions of dollars here and whether the fellow gets $40,000 or $60,000 or $90,000 seems less significant if he can cut those huge losses; if we give him $100,000, he is getting $50,000, actually.

Mr. HUMPHREY. The reason I brought this up is that I think the time has come where we are going to have to take a look not only at the salary of Amtrak for good management, but I could not help but think, as the Senator spoke of not more than $90,000 for the salary of Mr. Amtrak, that we have the Secretary of Transportation over here, and we need a good man in that position, who gets considerably less. I am not saying he earns more, but he gets considerably less. And we have other officers of Government who handle these things, who have more responsibilities.

My only point in rising was that when I heard that figure, $90,000, knowing how much money the railroads lose, I could not resist getting up and asking, "Now, wait a minute, is there not some system whereby we could work out more equity in the pay scales?" We have the Secretary of Transportation over here; what does he get, as a Cabinet officer?

Mr. JOHNSTON. $60,000.

Mr. HUMPHREY. $60,000; and here we have the Director of Amtrak getting $90,000.

Mr. MAGNUSON. Well, the Senator from Minnesota knows that the reason these people take these jobs down here is that they like the power and glory of being Secretary.

Mr. HUMPHREY. Well, it is certainly a misconception, I can tell them that.

Mr. MAGNUSON. On Amtrak, he is not going to have any of that. I can tell you, he will have nothing but grubbing, and it means nothing to him. The Senator and I have seen people who took Cabinet offices and secretaryships and things like that for less than one-fifth of what they had made.

Mr. HUMPHREY. Or less.

Mr. MAGNUSON. In fact, there are a few Senators who could make more money on the outside, but they do not want to give up that title of Senator. That means a lot.

Mr. JOHNSTON. Mr. President, if the Senator will yield——

Mr. MAGNUSON. This guy has to be a grubber and a worker. He has to get down on the tracks. I would not be surprised to see him with one of those railroad ties, carrying it out there.

Mr. HUMPHREY. I must say that after the Senator from Washington has explained to me what kind of man they are going to get, I feel reassured. I thank the Senator very much for yielding; I think there was a point to be made on what we call comparability of compensation.

Mr. JOHNSTON. If the Senator will yield, I appreciate his contribution. I hope this will help us in some small way on the dialog on executive compensation. Many of the people of my State feel that you get what you pay for in government, and they are thinking particularly about the small senatorial salaries as they make that statement.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, certain questions have arisen concerning the technical amendment adopted yesterday where the words "railroad facilities and equipment" were deleted and the words "rail properties" were inserted. The question appears to be whether this use of the word "rail properties" has the same meaning as the term is defined in section 102(10) of the original Regional Rail Reorganization Act. It is intended that the meaning is the same.

A second question concerns the scope of the amended section 215 of the act. Apparently in the complex financing structure of railroads there are a number of instances in which railroad properties such as yards, terminals and lines of railroads are under lease to railroads in reorganization. In some instances the trustees of the railroad in reorganization have options of limited duration to purchase the property under lease. The trustees may not presently have resources to enable them to exercise these options even where it would be in the interest of the railroads to do so. Therefore, the question arises whether this amendment would permit the Secretary, with USRA approval to make payments for the purpose of enabling trustees of railroads in reorganization to exercise options to purchase profitably leased rail properties, with, if appropriate, the underlying fee interest. Section 215 is clearly broad enough to allow the Secretary, with USRA approval, to approve such payments.

Mr. SCHWEIKER. Mr. President, I would like to urge my colleagues to support the amendments to the Regional Rail Reorganization Act, which are being considered today, to assure the continuation of rail services essential to the economic viability of not only the Northeast, but of many other regions in the Nation as well.

This bill would authorize $275 million in additional funds under sections 213 and 215 of the Regional Reorganization Act. A large part of these funds will be used for Penn Central; a railroad hard-hit not only by rising fuel costs, but also by the reduction of freight being hauled because of the recession and the coal strike. The Regional Rail Reorganization Act of 1973, designed to restructure the bankrupt railroads of the Northeast and Midwest into an efficient rail system, failed to take into account the emergency situation which has arisen in our economy, and the funds being considered today will serve to prevent the termination of service until the Consolidated Rail Corporation can take over the reorganized system, as provided for in the Regional Rail Reorganization Act of 1973. During this period of critical economic problems, a complete shut-down of the Penn Central would mean increased plant closings and industrial cut-backs leading to skyrocketing unemployment figures.

Railroads are clearly an essential factor in a region's ability to compete in economic development. If we take away a suitable railroad system from an area, we are, in effect, deciding that the area will not be permitted to compete and survive economically. The implications of such a decision could be devastating. It is vital that these funds be approved to avert economic collapse not only in Pennsylvania but throughout the country.

Mr. BUCKLEY. Mr. President, once more it is necessary to provide additional funds to prevent major railroads in the Northeast and Midwest from ceasing operations. It cannot be denied that bad management has contributed heavily to the present state of affairs. Yet to point out the obvious shortcomings of railroad management is not the same as relieving the Government of its major share of the responsibility for the railroads' troubles. Government intervention created the atmosphere in which managerial incompetence could flourish.

The backbone of our free enterprise system is competition. Such competition between and within modes of transportation is desirable and should be encouraged. But the Interstate Commerce Commission's interference, resistance to rate increases, and resistance to innovation completely thwarted the railroads' attempts to compete. The Federal Government poured billions into fostering overwhelming competition for the railroads through subsidization of the national highway system and the airway system and supporting the inland waterways with $250 million annually. The railroads not only could not compete, but were in effect limited to freight and passengers that other transportation systems did not find expeditious to carry.

There is, Mr. President, irony in the fact that it has become very popular in recent months to view rail transportation as the most efficient and economical transportation available in terms of cost and energy. Most environmentalists assess railroads as the only logical means of satisfying transportation needs while achieving air quality goals.

Those concerned with national security look to railroads as the only transportation capable of coping with massive freight movements in times of national crises. The energy crisis has alerted the public to the majestic powers of the locomotive in comparison to the fuel-consuming diesel tractor trucks. Increased dependence on our abundant coal resources for energy needs has handicapped the need for a healthy system of rail transportation. It is, as I said, ironic, that at the very time it has become clear that rail transportation is crucial to the survival of this Nation, there is a threat that a major portion of the rail service in the Northest might collapse. This crisis, like so many others, is not due to Government neglect, because the Northeast railroads could have survived neglect, but to incentive-stifling Government involvement over a period of years.

Through the sixties the U.S. Post Office systematically diverted mail away from passenger trains to the airways and other means. The result of such a policy was that by 1968 the Penn Central's annual revenues were reduced by $32 million. Penn Central attempted to absorb 1,000 mailhandlers rather than spend the required $14 million to pay them off but the U.S. Government did not accept any responsibility for hardship it imposed by its actions. It was not the first or last time the Federal Government would refuse to face squarely the accumulating labor problem of the railroads. The Penn Central was further saddled with millions of dollars worth of useless mail-handling equipment. To add to the dilemma, the Interstate Commerce Commission refused to approve any reduction in the scheduled passenger trains which became unprofitable without the sustaining mail revenues.

Under the guise of protecting the public interest, the ICC studied the feasibility of the Penn Central merger for 5 years, finally giving approval contingent on the inclusion of the bankrupt New York, New Haven, and Hartford in the plan. The New Haven had lost $22 million the previous year even though taxes and credits were suspended under bankruptcy laws. Another $22 million expenditure was forced on the Penn Central because the New Haven's equipment was badly in need of repair. This ultimatum from the ICC not only drastically weakened the possibility of the Penn Central merger producing a viable railroad but was the main contributing factor to the bankruptcy of the Lehigh & Hudson River Railroad, a well-managed class II railroad that was not encumbered with any mortgages or bonded indebtedness.

The inclusion of the New Haven in the merger made it economically expedient for the Penn Central to divert freight traffic to the New Haven Railroad through the congested terminals of New York City and away from the Lehigh & Hudson's efficient and inexpensive bypass to the metropolitan area.

ICC has delayed decisions on rate increases for at least a year and often longer. The railroads were accustomed to governmental obstruction when seeking increases, but when innovation offered opportunities to reduce rates or increase efficiency, the ICC was even slower to agree. The Southern Railway developed a taller freight car designed to carry larger amounts of grain more cheaply. Final approval from FCC was withheld for 4 years. This bureaucratic sluggishness has made it virtually impossible for railroads to cope with working costs and competition.

Thus, there is overwhelming evidence that makes it clear that Government bureaucracy and intervention sapped the strength of the railroads with the very tools which were enacted to protect the public interest. The potential calamity we are attempting to avoid with the legislation now under consideration can be traced ultimately to unwarranted Government interference.

Solutions are forthcoming. The Regional Rail Reorganization Act of 1973 is in the process of coming to grips with the root causes which sent eight railroads into bankruptcy. The U.S. Railway Association will be presenting their recommendations for a final system plan on February 26. Additional proposals are under consideration that will permit Conrail to operate at a profit and finally take its place as a free, privately owned member of the business community. Mr. President, I am dedicated to the premise that the railroad business, like any other business, must be free to function like a business.

The evidence is clear, however, that by February 24, the Penn Central will be forced to cease its operations. The final blows to the acute deterioration of Penn Central's cash balance were the sharp decline in the economy and the coal strike in the fall of 1974. The Penn Central will be unable to meet a $14 million payroll which falls due February 25, 27, and 28. By that time, all grant moneys under section 213 of the Rail Reorganization Act of 1973 will have been exhausted. For the same reasons, Erie Lackawanna has abandoned its efforts to reorganize outside of the Rail Reorganization Act.

It staggers the imagination to contemplate the chaos that would result should the Penn Central and the Erie Lackawanna cease operations. The predicament facing thousands of farmers and commercial and industrial firms in New York that are dependent on shipments by rail is equally great. The "domino effect" would jeopardize many firms and farmers throughout the Nation as well as leave many profitable railroads stranded. Stoppage of shipments of coal to powerplants would cause whole communities to be without electricity. Food supplies for all the major cities in New York would be jeopardized. The money required to cope with health and safety emergencies would far exceed the moneys being requested today.

The problem would not be limited to the States serviced by these rail lines. Southern and western States would be unable to efficiently and economically move their goods to the profitable markets of the Northeast. There are not enough motor and water vehicles in existence to fill the void.

If the Penn Central and the Erie Lackawanna are to have a chance to survive, they must be assured of an adequate source of capital. Unless confidence is restored in the financial viability of these railroads, private investments in all railroads will be totally discouraged.

Mr. President, I urge that my colleagues approve these amendments so that the opportunity to establish for profit railroads in the Midwest and Northeast is not lost.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have a statement by the Senator from Delaware (Mr. BIDEN) printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BIDEN

HELP FOR THE RAILROADS IN THE NORTHEAST

I support the proposed amendments to S. 281, recommended by the Committee on Commerce.

The trustees of both the Penn Central Transportation Company and the Erie Lackawanna Railroad have indicated that they would be compelled to terminate operations if additional Federal assistance is not provided by the last week in February.

The Penn Central which serves the State of Delaware has informed me that it will be unable to meet its $14 million payroll which falls due on February 25, 27 and 28, since by that time the funds provided by section 213 of the Rail Reorganization Act of 1973 will be completely expended.

During the week of February 10–14, shippers will be notified that future freight deliveries will not be accepted. No later than February 22–24 all Penn Central operations, both freight and passenger, will terminate. This would mean that 20,000 miles of Penn Central line would be shut down.

I am most disturbed by the use of the term "bail out" by both opponents and proponents of this bill. We're not bailing out the Penn Central or anyone else. We're considering legislation to prevent economic catastrophe from falling upon the regions served by these railroads and the country as a whole.

Indeed, we are considering legislation to preserve us from the imaginary horrible, an economic nightmare that none of us could conjure on our most restless nights.

The State of Delaware and other affected States will have the present recession transcended into a major depression without rail service.

At a time when Congress and the administration are proposing public employment programs and tax rebates and other measures to put people back to work, I find it incredible that anyone questions whether or not this Government should provide the funds to keep these railroads from shutting down and thereby preempting any chance that we may have to restore economic order.

Mr. ALLEN. Mr. President, unless someone else wishes to speak against the bill, I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 281) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER (Mr. HELMS). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH) and the Senator from Indiana (Mr. HARTKE) are absent on official business.

I also announce that the Senator from

Vermont (Mr. Leahy), the Senator from Arkansas (Mr. Bumpers), and the Senator from Delaware (Mr. Biden) are absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. Hartke) and the Senator from Delaware (Mr. Biden) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Kansas (Mr. Dole), the Senator from Kansas (Mr. Pearson), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I also announce that the Senator from Idaho (Mr. McClure) and the Senator from Vermont (Mr. Stafford) are absent on official business.

The result was announced—yeas 59, nays 27, as follows:

[Rollcall Vote No. 5 Leg.]

YEAS—59

Abourezk
Baker
Beall
Bentsen
Buckley
Case
Clark
Cranston
Culver
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
Metcalf
Mondale
Moss
Muskie
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stevens
Stevenson
Symington
Tower
Tunney
Weicker
Williams
Young

NAYS—27

Allen
Bartlett
Bellmon
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Curtis
Fannin
Garn
Goldwater
Hansen
Helms
Laxalt
Mansfield
Morgan
Nunn
Packwood
Proxmire
Scott, William L.
Stennis
Stone
Talmadge
Thurmond

NOT VOTING—13

Bayh
Biden
Brooke
Bumpers
Dole
Hartke
Leahy
McClure
McIntyre
Montoya
Pearson
Stafford
Taft

So the bill (S. 281) was passed as follows:

S. 281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Rail Reorganization Act Amendments of 1975".

Sec. 2. (a) Section 211(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(a)) is amended by deleting the phrase "for purposes of assisting in the implementation of the final system plan;" and inserting in its place "for purposes of achieving the goals of this Act;".

(b) Section 211(e)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721 (e)(1)) is amended by deleting the phrase "carry out the final system plan" and inserting in its place "achieve the goals of this Act".

(c) Section 211(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721 (f)) is amended by deleting the phrase "goals of the final system plan" and inserting in its place "goals of this Act".

Sec. 3. (a) Section 213(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 723(a)) is amended by adding the following at the end thereof: "Where the Secretary and the trustees agree that funds provided pursuant to this section are to be used (together with funds provided pursuant to section 215 of this Act, if any) to perform program maintenance on designated rail properties until the date such rail properties are conveyed under this Act or to improve such designated properties, such agreement shall contain the conditions set forth in section 215(b) of this Act.".

(b) Section 213(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 723 (b)) is amended by striking out "$85,000,000" and inserting in lieu thereof "$210,000,000".

Sec. 4. Section 215 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 725) is amended to read as follows:

"INTERIM AGREEMENTS

"Sec. 25. (a) Purposes.—Prior to the date upon which rail properties are conveyed to the Corporation under this Act, the Secretary, with the approval of the Association, is authorized to enter into agreements with the trustees of the railroads in reorganization in the region (or railroads leased, operated, or controlled by railroads in reorganization)—

"(1) to perform the program maintenance on designated rail properties of such railroads until the date such rail properties are conveyed under this Act;

"(2) to improve rail properties of such railroads; and

"(3) to acquire rail properties for lease or loan to any such railroads until the date such rail properties are conveyed under this Act, and subsequently for conveyance pursuant to the final system plan, or to acquire interests in such rail properties owned by or leased to any such railroads or in purchase money obligations therefor.

"(b) Conditions.—Agreements pursuant to subsection (a) of this section shall contain such reasonable terms and conditions as the Secretary may prescribe. In addition, agreements under paragraphs (1) and (2) of subsection (a) of this section shall provide that—

"(1) the Corporation shall not be required under title III of this Act to compensate a railroad in reorganization for any portion of the value of the properties subject to the agreement and designated under the final system plan for transfer to the Corporation which is attributable to the maintenance or improvement performed pursuant to the agreement. The Association and the special court shall, in determining value pursuant to section 303 of this Act, take into account the physical condition as of the effective date of the agreement; and

"(2) in the event that property subject to the agreement is sold, leased, or transferred to an entity other than the Corporation, the trustees or railroad shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer which reflects value attributable to the maintenance and improvement provided pursuant to the agreement.

"(c) Obligations.—Notwithstanding section 210(b) of this title, the Association shall issue obligations under section 210(a) of this title in an amount sufficient to finance such agreements and shall require the Corporation to assume any such obligations. The aggregate amount of obligations issued under this section and outstanding at any one time shall not exceed $300,000,000. The Association, with the approval of the Secretary, shall designate in the final system plan that portion of such obligations issued or to be issued which shall be refinanced and the terms thereof, and that portion from which the Corporation shall be released of its obligations.

"(d) Conveyance.—The Secretary may convey to the Corporation, with or without receipt of consideration, any property or interests acquired by, transferred to, or otherwise held by the Secretary pursuant to this section or section 213 of this Act.".

"Sec. 5. Section 303(c)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(c)(1)) is amended by deleting the last word of paragraph (A); by deleting the period at the end of paragraph (B) and inserting "; and" in its place; and by inserting after paragraph (B) the following new paragraph:

"(C) what portion of the proceeds received by a railroad in reorganization from an entity other than the Corporation for the sale, lease, or transfer of property subject to an agreement under section 213 or section 215(a) (1) or (2) of this Act reflects value attributable to the maintenance or improvement provided pursuant to the agreement.".

Sec. 6. Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by inserting immediately after the third sentence the following: "This limitation upon compensation shall not apply, however, in the event the Board determines with respect to one position that a higher level of compensation is necessary and is consistent with the general level of compensation paid officers of railroads in positions of comparable responsibilities, but in no event shall such compensation exceed $90,000 per annum.".

Sec. 7. (a) Section 207(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 717(b)) is amended (1) by inserting "(1)" immediately before the first sentence thereof, and (2) by adding at the end thereof the following new paragraph:

"(2) Whenever it has been finally determined pursuant to the procedures of paragraph 1 of this subsection, that the reorganization of a railroad subject to reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205) shall not be proceeded with pursuant to this Act, the court having jurisdiction over such railroad may, upon a petition which is filed within 10 days after the date of enactment of this subsection by the trustees of such railroad, reconsider such order. Such reorganization court shall (i) affirm its previous order or (ii) issue an order that the reorganization of such railroad be proceeded with pursuant to this Act unless it finds that this Act does not provide a process which would be fair and equitable. The provisions of paragraph (1) of this subsection are applicable in such reconsideration, except that (A) such reorganization court shall make its decision within 30 days after such petition is filed, and (B) any decision by the special court on appeal from such a decision shall be rendered within 30 days after such reorganization court decision is made. There shall be no review of the decision of the special court. The Association shall take any steps it finds necessary, consistent with time limitations and other provisions of this Act, to effectuate the conequences of such a revised order, including the preparation and submission of any necessary or appropriate supplements to the preliminary system plan.".

(b) Section 207(a)(2) is amended to read:

"(3) The Office is authorized to hold public hearings on the preliminary system plan and to make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of the preliminary system plan, not later than 60 days after the date of release of such plan. The Office is authorized to hold public hearings on any supplement to the preliminary system plan and to make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of such supplement, not later than 30 days after the date of release of such supplement.".

Sec. 8. Section 205(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715(d)(2)) is amended to read as follows:

"(2) employ and utilize the services of attorneys and such other personnel as may be required in order to properly protect the interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the reorganization process as provided by this Act.”.

Mr. WEICKER. Mr. President——

Mr. ALLEN. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alabama.

PROHIBITION AGAINST IMPOSITION OF TARIFFS ON OIL

Mr. ALLEN. Mr. President, there now being no unfinished business, I move that the Senate proceed to the consideration of Senate Joint Resolution No. 12.

Mr. MONDALE. Mr. President——

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A joint resolution to prohibit for a period of 60 days the imposition of tariffs, fees and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of the Congress of any such action within 30 days.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

Mr. MONDALE. Mr. President——

The PRESIDING OFFICER. The question is on the request. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. The motion to proceed with the consideration of Senate Joint Resolution 12.

Mr. HELMS. I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONDALE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 4

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Robert Barnett, of my staff, be given the privilege of the floor while Senate Resolution 4 remains on the calendar, including during votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I welcome the opportunity to move ahead on the proposal which has been introduced by myself and the distinguished Senator from Washington (Mr. JACKSON), Senate Resolution 12. This resolution represents the sentiment of more than half the Members of the Senate, both Democrat and Republican, North and South, East and West.

I must say that I, for one, am prepared to move toward an early consideration of this matter and would be prepared to vote momentarily. I do recognize, even so, that this is a motion to proceed to this consideration, with the yeas and nays ordered on it. It was not a motion that was made by the leadership, the majority leader or, to my understanding, with the knowledge of the minority leader.

Although Senator JACKSON and I had assurances from the majority leader that we would get early consideration of this measure, we recognize that, given the parliamentary situation, those who have called it up are interested in perhaps moving the burden of discussion away from rule XXII and into a more prolonged discussion by those who support the President's position and oppose our resolution.

Obviously, I do not want to be part of a tactic such as this, as one who believes fervently and passionately about the appropriateness of deciding its own rules and deciding them by a majority vote. I do not want to be part of a parliamentary tactic which would prohibit us from reaching an early resolution of that matter.

I want to indicate that I, for one, am prepared to see a vote on this matter at the earliest possible time. I would feel bound, however, to notify the chairman of the Committee on Finance, who has indicated reservations about this particular approach. In fairness to his position, and with the recognition that if this resolution were actually assigned to a committee, it would have been assigned to the Committee on Finance, I feel that he should be notified and permitted any comments that he would make on this resolution prior to a vote.

I feel that the statements that were introduced at the time of our debate last week and the statements of the distinguished Senator from Washington and myself at the time the resolution was introduced, just a week ago, spell out fully and completely and convincingly the reasons and justifications for proceeding in this particular manner. I would be glad to review for the membership those particular reasons in whatever detail the membership should desire.

I would hope and I would wish that my distinguished colleague in this matter would agree that we are prepared to have an early resolution of this measure; that we welcome the opportunity to debate and discuss this matter; that it really is the first issue before our country.

We who have cosponsored this resolution are desirous of working with the President in developing an energy policy. But because of its devastating impact on the economy, we feel that artificially imposed higher oil prices, achieved through fees, decontrol and excess taxes is an inappropriate and unwise step. I think that one who questions it need only look at the statements by the White House over the last 36 hours, when they increased their estimate by $95, from $250 to $345 as to what this program is going to add to the fuel costs or the average American family.

I am sure that the Senator from Washington and I are prepared to get into debate on this measure. We are absolutely delighted to have a chance to talk about it. And we are ready to vote on it. Obviously, we want to insure, through our contacts with the chairman of the Committee on Finance, and I should think, in fairness to the Senator from Minnesota and the Senator from Kansas, that any debate and discussion on this measure will not be at the expense of the Senate coming to a swift resolution of the disposition of another important matter, that is rule XXII.

Mr. JACKSON. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JACKSON. Mr. President, I wish to concur in the remarks of the able Senator from Massachusetts. I feel very strongly that we should dispose of rule XXII. I had no knowledge that a motion was going to be made at this time to bring up Senate Resolution 12. We are anxious to dispose of that matter without delay, but certainly, for those who are interested in getting action on Senate Resolution 12, the simple way is to get an immediate vote on a motion to take up and act with dispatch on this crisis of the Nation. We are in a crisis.

Mr. President, with over half of the Members of the U.S. Senate as cosponsors of this resolution, it seems to me that the Senate should recognize that the people of this country are going to look at this body and wonder whether they are really concerned about the economy of America if we fail to act in an expeditious manner.

Are we going to have filibusters in the midst of economic crisis? I say we had better act in a responsible and timely way. The people of this country can properly demand, in my judgment, that Members of the U.S. Senate act with dispatch and permit, on this issue, Senate Resolution 12, an immediate vote, at least, to take up purely a procedural matter.

What we are confronted with is obviously a move to delay because we are dealing only with procedure. This is not a substantive motion. If it is made in good faith, then let us vote.

I ask unanimous consent, on this a matter that normally is handled by simple voice vote, that we have a vote at 4 o'clock on the motion to take up.

Mr. CURTIS. Mr. President, reserving the right to object, and I shall object, I wish to ask my distinguished friend, why are the proponents of the Senate joint resolution opposed to a committee hearing on this measure?

Mr. JACKSON. We are not opposed to a committee hearing. This is an interim emergency measure in order to deal with the situation as it exists, one in which the President of the United States, despite the fact that more than a majority of the Senate have asked that this matter be deferred for 90 days, has gone ahead and issued the proclamation to add a $1 tariff to the cost of oil coming into this country. This has nothing to do with national defense, and I think there is a good lawsuit pending on this issue. This particular resolution would stay an added cost, together with the decontrol proposed on old oil for April 1, of $32 billion that will be added to the cost for the consumers of this country. Old oil, which is 60 percent of the production of oil of the United States, will jump from $5.25 to $14.40.

Now, the theory that the administration advances is that we have to increase the tax on imported oil to deter consumption of oil coming in. Well, Mr. President, the trouble with the tax is that it inflates the whole economy, it does not just deal with the cost of gasoline at the pump. That alone would rise by 12 cents or 15 cents a gallon. But this tax is all-pervasive. It will hit right across the board.

Airline fares will go up at least 20 percent and what it does to the utility industry of America is to bring them to the brink of bankruptcy.

I say that this is an emergency.

Mr. BARTLETT. Will the Senator yield?

Mr. JACKSON. This is an emergency and all we ask is an opportunity to vote, with a majority of the Senate on record, to move on this resolution, Mr. President. It is clear that in the midst of crisis, we have a filibuster.

I know how the people are going to react. They are going to say, "We will have no more of that." If the Senators want to draw the line——

Mr. CURTIS. Will the Senator yield?

Mr. KENNEDY. Mr. President.

Mr. JACKSON. The Senator from Massachusetts has the floor.

Mr. CURTIS. Will the Senator yield?

Mr. KENNEDY. No; I should like to make a response as well to the Senator's question.

We intend to offer an additional unanimous-consent request to see if we are unable to get an agreed time to vote this afternoon, whether we cannot get an agreed time either tomorrow or in the early part of next week. It would seem extremely unfortunate if a person who was to call up a measure for consideration would object to any consideration of that. I want to indicate that, prior to yielding the floor, I shall make such a unanimous-consent request.

I say to my good friend from Nebraska on the question of having a hearing, it is interesting to listen to him talk about a hearing when the President refused to have a hearing on imposing new import fees or on listing "old" oil prices. Instead, he imposed a measure that is going to cost the American taxpayer about $50 billion, by Presidential proclamation.

Why did he not follow the procedures? Why was he not willing to permit the Congress to examine these particular measures? He was willing to have a hearing on the conservation measures. He was willing to go to Congress on these measures—most of which we passed last year but were vetoed—measures that are not going to come out of the pockets of the American consumers. But he refused to give us a single opportunity to consider his proposal. He announced it on January 14; he signed a proclamation on January 23, and the first dollar goes into effect on February 1.

We have how many working days? Three working days left prior to the time that the first dollar of the import fee takes effect. We were only organized into committees of a new Congress and Senate of the United States, a matter of hours before he signed his declaration to put this into effect.

Mr. CURTIS. Will the Senator yield for a further question?

Mr. KENNEDY. No, I will not yield.

We listen to these admonitions about following the procedures of the Senate, yet there are those who refuse to let the Senate operate and function and work its will and try to decide whether there may be alternative ways of meeting our national crisis. Let me say there are cosponsors of this measure who believe, as my colleague from Massachusetts (Mr. BROOKE) does, that we should have an additional 20 cents a gallon tax; or the Senator from Connecticut, another Republican (Mr. WEICKER), who things we should go into a gas rationing proposal, as does the majority leader; and I, who think we should go to a mandatory allocation program. None of these is going to have a hearing. This has shown what I consider to be a fundamental disdain for the workings and the functionings of the legislative process by the President.

I am delighted it is being challenged by the Governors of many of the States, not only New England but other parts of the country. I have read the legal memoranda that have been prepared by attorneys general and I think there is the strongest possible case that can be made.

Even in the face of this, we are being denied the opportunity to give the Senate of the United States an opportunity to express its will. The House of Representatives is not in that bind. They are moving ahead on this resolution.

I am convinced, as the Senator from Washington is, that every dilatory tactic will be explored here, every parliamentary means will be used to deny us the opportunity to permit the Senate a reasonable opportunity to study this particular measure and to examine the various statistics of the administration, which have changed dramatically in the period of the last 36 hours.

Mr. BARTLETT. Will the Senator yield?

Mr. KENNEDY. I yield now for a question.

Mr. BARTLETT. I should like to ask the Senator from Massachusetts to answer this question: The Senator from Washington mentioned the crisis of energy and the Senator from Massachusetts has been addressing that question. What is there in the resolution that the Senator is sponsoring that provides a solution to the shortage of domestic energy?

Mr. KENNEDY. Well, first of all, it provides a bar against the President moving ahead and creating what I consider to be economic chaos in this country. It will be so far New England and for other regions as well. And I wonder why not a period of 90 days, when we are talking about a program that will go into effect, effectively, in 4 or 5 years—that is what it will take by the time we implement the various conservation measures. What we are trying to do is convince the Middle East countries and the Arab countries that we mean business about conservation and the elimination of wastage. Why is it so bad, then, to say that we need an additional 90 days to examine the President's program because it threatens the vitality of our economy?

I feel that the greatest danger we are facing is the danger of recession. It is in my part of the country. So I think we should have an additional 90-day period to find out what the economic impact is going to be.

We have heard the President talk about rationing versus increased prices, but he dismissed the whole question of mandatory allocation. Mandatory allocation worked pretty well for New England last year.

What we do not hear about is the economic impact. If the Senator from Oklahoma had sat in on the Joint Economic hearings, and heard the reactions of economists—Democrats and Republicans—who have served over the last 10 years in both Democratic and Republican administrations, he would know that what we are talking about is taking $50 billion out of the taxpayers' pockets and putting this country in very serious danger of an economic stalemate.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. KENNEDY. I yield to the Senator from Minnesota.

Mr. MONDALE. I thank the Senator from Massachusetts. I strongly support Senate Joint Resolution 12. It is crucial for the upper Midwest. All of our crude oil is imported in the upper Midwest. It comes from Canada. The President proposes to tack a $3 a barrel tax on oil coming from Canada, on the grounds that its introduction into the United States poses a risk to the Nation's security.

Mr. President, I have checked carefully, and Prime Minister Trudeau has no plans to invade the United States. I think we can safely continue talking about importing a few million barrels from Canada and non-OPEC countries without fundamentally threatening the United States.

If the President's tariff is imposed, next year alone, the cost of fuel to the citizens of Minnesota, one State, will go up $100 million.

I am convinced that the Senator from Masachusetts is correct. The opponents of Senate Joint Resolution 12 are going to do everything they can—they are going to use every parliamentary procedure they have—to block this Senate and this Congress from implementing the clear will of the American people; namely, to stop this $3 tariff before it takes us into a deeper recession.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MONDALE. I want to make one further point. I think it is quite clear that calling up Senate Joint Resolution 12 this afternoon is directly related to our efforts to change rule XXII. It shows the importance of Senate Resolution 4 which seeks to prevent a small group of Senators from having the authority to paralyze the American Government, to paralyze us as we seek to deal with the energy crisis, to paralyze us when we seek to represent the American people on such issues as tax reform.

Unless we can change rule XXII by adopting Senate Resolution 4 so this Congress can work its will, I predict we will run up against a filibuster every time we try to do something that the major oil companies do not like. Every time we try to change the tax laws to help reduce the burden on the average American, I think we are going to be confronted with a filibuster, which will be supported by this administration.

The PRESIDING OFFICER (Mr. Garn). There is a unanimous-consent request pending. Is there objection?

Mr. CURTIS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President——

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I shall yield in a moment. I just want to make a couple of brief comments, Mr. President.

We have listened to the President talk about the energy problem. One of the statistics or figures that he points out is the fact that we have not had an increase in production in terms of old oil or an increase in production of new oil, and, therefore, we can see the handwriting on the wall, so to speak, that we are increasingly dependent upon the overseas operations and because of the danger that this presents, we have to take these critical steps.

The thing we do not know is the reason why the major oil companies have not gone out and produced more, and the reason why we do not know is because we cannot get that information. It seems to me that the case ought to be made, and made authoritatively, that there is not a possibility here at home of producing crude oil at a lower cost than what we are getting it for outside. By raising "old" oil prices all we do for the near future is raise the profits of the oil companies. When the administration pushed and succeeded in decontrolling new oil prices, they said we would get higher domestic production. Profits have increased but production has decreased.

I am hopeful, Mr. President, that we can get an agreement on a vote on our resolution. I have asked my staff to notify the distinguished Senator from Louisiana (Mr. Long), who I think ought to be notified about this proposition, so that we can give fair notice on it. I would like, at least until I hear from Senator Long, to be able to maintain my right to the floor with the Senator from Washington, so that we can make that proposition when Senator Long is present, although I do not doubt that it will be objected to in any event.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JACKSON. Mr. President, just to follow up on the remarks of the able Senator from Minnesota, when the Canadian Government put a tax on their oil to bring up their overall price to the world price, which is the cartel price, we heard a terrible outcry on the part of the administration. They protested to the Canadian Government, and the Canadian Government very properly replied by saying, "All we are charging you is what you are permitting your oil producers in the United States to get for new oil." So they put on a substantial tax that represented the difference between that which was charged within the provinces and the world price, a tax in excess of $5 per barrel.

It looks a little bit ridiculous, in that kind of a situation, to come in now, after having protested the tax on the oil coming in from Canada, and slap on a $3 tax on top of that.

Let me say to my colleagues, in response to the question of the Senator from Oklahoma about what are we doing about production, that just about a year ago, Mr. President, a year ago this time, we had the omnibus energy bill before us, which was vetoed by President Nixon. Now President Ford is coming in here asking for most of that legislation on an emergency basis.

We appreciate the fact that we have a new administration, but we said at the time, "If you permit the price of new oil to go to the world cartel price level here in the United States, it will not produce any more oil, for the simple reason that the problem facing the country is a shortage of oil rigs, tubular steel, and everything that goes with it."

Now what has happened since a year ago this very time? Oil production has been going down steadily. Yet we heard from the other side of the aisle that the way to start up production is to deregulate.

We deregulated 40 percent of the oil, the so-called new oil, and we have had a continuing decline in the production of new oil.

The real answer is for the Government of the United States, through a national energy production board which we are putting together in legislation, to go out and identify the areas where there is promise of new oil and do the necessary drilling.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. JACKSON. We have tremendous reserves of oil on the Outer Continental Shelf and Alaska, Mr. President. I am fed up with the attitude on the part of the administration of saying Congress is not doing anything, when this administration vetoed the far-reaching legislation that we passed last year.

Mr. BARTLETT. Will the Senator yield?

Mr. JACKSON. Just let me finish my statement. I am speaking at the courtesy of the Senator from Massachusetts, and I want to complete my statement.

But the strategy, Mr. President, is very, very simple. It is very simple indeed. Downtown they are going to say, "Congress is not doing anything," and up here there is a strategy to stop action on the part of Congress. In this specific instance, we have a resolution that will do something to avert a further crisis, both in terms of inflation and recession, with over half of the Senate sponsoring that legislation, and they do not want to bring it to a vote.

Now, they are not going to fool the American people for long on that kind of strategy, and I predict it is going to happen on other energy bills that will be coming out of the committees—they are going to do everything they can to use the filibuster device, delay and dilatory tactics to prevent action on the part of the Congress.

The very idea that I have a motion to bring up this resolution, which is going to unlimited debate, proves the nonsense of their position, and very clearly they do not want forceful action in the area of energy.

Mr. KENNEDY. Does the Senator see any reason why they should prohibit us from moving to consider this resolution on the merits if they are serious about moving rapidly on a final energy program acceptable to the White House, the Congress, and the American people?

Mr. JACKSON. If they are serious about this, why can we not have—we have over half of the Senate on this resolution—unanimous consent to a time certain to vote on this particular measure?

Mr. KENNEDY. On this particular measure, and that would certainly reserve——

Mr. JACKSON. Why not go ahead?

Mr. KENNEDY. Then I would ask, and I would indicate that before we would vote on the particular measure itself, we will certainly give an opportunity and notice to the chairman of the Finance Committee. But just——

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Just on the procedural question of being able to move to the merits, or we get a consideration on the merits, I want to make a unanimous consent request, that we vote on proceeding to the merits no later than half-past 4.

Mr. CURTIS. Well, Mr. President, reserving the right to object, this measure was attempted to be introduced on

January 21, completed on January 23, and immediately, not after they suffered any delay, immediately actions were taken to bypass the Committee on Finance. If they had been anxious to get this enacted, they could have gone to the Committee on Finance, asked for an early hearing, it could have been back. The Ways and Means Committee has already acted. They followed the committee system over there.

Now, the proposal that just because you have some cosponsors there should be no committee hearings is a ridiculous legislative procedure. Many bills are introduced that have more than 51 cosponsors, but it is never contended that the multitude of cosponsors relieved the Senate of the responsibility of proceeding orderly and having a committee hearing.

Mr. President, I object.

The **PRESIDING OFFICER.** Objection is heard.

Mr. **KENNEDY.** Then I would make a unanimous consent request that we vote tomorrow no later than 4 o'clock.

Mr. **CURTIS.** I object.

The **PRESIDING OFFICER.** Objection is heard.

Mr. **KENNEDY.** How about next Monday?

Mr. **CURTIS.** I object.

The **PRESIDING OFFICER.** The Senator did not state a unanimous-consent request.

Mr. **KENNEDY.** That we vote no later than 4 o'clock.

The **PRESIDING OFFICER.** Is that a unanimous consent?

Mr. **CURTIS.** I object. I think there should be a committee hearing.

The **PRESIDING OFFICER.** The Senator from Massachusetts has the floor.

Mr. **KENNEDY.** Mr. President, I feel that we ought to have clear notice as to where objection is coming from on this particular measure, to even permitting us the opportunity to talk on the merits. We are being denied the opportunity to do so, and it ought to be very clear where this is coming from. Quite clearly it is coming from the White House and from the administration, and there should be no confusion in the minds of the American people on this.

Mr. **BARTLETT.** Mr. President, will the Senator yield?

Mr. **KENNEDY.** So I think that really ought to be understood, particularly in light of a stated claim by the President that he—and I have listened to it at the time when he gave his first state of the Union message about cooperation and about Pennsylvania Avenue being a two-way street, and I listened before in his last economic measure about wanting to work with Congress.

There are 53 Members, not only Senator JACKSON and myself, there are 51 other Members who are saying, "Mr. President, let us have this time, let us have this time. Let us give consideration to the various figures and statistics which are put in at one level one day and changed the next. Let us determine what it is going to cost the American family. Let us examine that, Mr. President. Let us find out whether this does work an undue and unreasonable hardship on different parts of our country."

We need to thoroughly understand the full economic impact of the administration's high price proposals. How convincing are we going to be to the Middle East Arab countries that we are serious about the problems of conservation if our proposals would produce economic chaos in this country. What kind of cooperation is this going to mean in terms of our allies in Japan and in Western Europe when they see a further economic slide in this Nation?

These are matters that ought to be considered. It is not just the Members of the Senate who are saying this. All you have to do is look at those who have testified in the Ways and Means Committee. Read the record there, Mr. President; read the record before the Joint Economic Committee; read the record before the Interior Committee, and you will see that this is an effort——

Mr. **BARTLETT.** Mr. President, will the Senator yield?

Mr. **KENNEDY.** An effort by not only Members of your own party but Democrats as well who want to work with you in terms of the reduction of the tax system of this Nation to provide some relief for middle- and low-income people. We are prepared to support the other energy conservation measures, including requiring an additional 40-percent mileage per gallon from Detroit, tax credits for home and building insulation, and many of the other conservation measures outlined in the President's proposal. We are prepared to work and support those measures, many of which were in bills vetoed a year ago. But we are just——

Mr. **BARTLETT.** Mr. President, will the Senator yield?

Mr. **KENNEDY.** Will the Senator respect and not interrupt me and then I will yield? Just give us an opportunity to be heard. That is all we are asking.

We are not only refused that hearing but we are refused the opportunity to even permit the Members of the Senate to exercise their will on this resolution, and there should not be any doubt as to where this opposition is coming from.

I yield and then I am to yield the floor.

Mr. **BARTLETT.** Mr. President, I appreciate the Senator yielding to me because I want to give him this opportunity to speak on the energy problems. I think they are very important not only to the Northeast but to the 50 States, and certainly the 48 States wanting to have more energy and for the entire 50.

But I would like to ask the questions: Does the Senator consider the shortage a part of the economic crisis that he referred to? I feel that the shortage plays a great, important role there and I would like to know whether he considers the shortage of energy a problem to the high-priced imports that are plaguing the Northeast and the entire country. The Senator from Washington mentioned the interference by the veto and the sustaining of that veto by Congress, by the Senate, of the omnibus bill that he offered, and that bill, as the Senator will recall, provided a price rollback. I would like to ask the distinguished Senator from Massachusetts, or the Senator from Washington, just how that would lead to more energy being produced in this country.

I think we want to have more discussion and hear more from the Senator from Massachusetts as to how to solve the energy shortage but, I would like to know whether the Senator thinks the energy shortage important or is just a dampening of demand important.

Mr. **KENNEDY.** Of course, I consider——

Mr. **BARTLETT.** I appreciate very much his answers because I would like to hear him and hear the Senator from Washington.

Mr. **KENNEDY.** Well, Mr. President, I will make a response and then yield to the Senator from Washington.

The burden falls on those who are suggesting that by having higher prices we are going to have more production. We have seen that does not work, and all you have to do is look through the figures prepared by the Ways and Means Committee. We can go through that.

I direct the attention of the Senator from Oklahoma to the hearing record which, in appendix F, publishes the year and quantity and the production. What this says is just increasing the price does not increase production. What we are going to be asked here to do on February 1 is increase the price some more with any assurance of additional production.

The President is asking us to tack $3 more per barrel on there without knowing that it will yield a single barrel of new production. Nor will raising the already overstated price of old oil achieve any significant increase in production.

Let me just say this and then I will yield to the Senator from Washington and I will be here for whatever debate or discussion the Senator from Oklahoma would welcome.

Mr. **BARTLETT.** Will the Senator answer one quick question along the lines he was saying?

Mr. **KENNEDY.** Yes.

Mr. **BARTLETT.** Does the Senator mean that then he believes by reducing the amount of money available to the oil companies or to reducing the prices that this will bring on more?

Mr. **KENNEDY.** No, but I think we could have a rollback of old prices and not affect that production. I happen to believe that it is unconscionable to consider raising the old oil price. And I think there are economic justifications for limiting new oil prices to far less then the current $11 per barrel.

When we have major oil companies buying up a circus and Montgomery Ward with what should have been the money being invested in finding further production, I wonder how the Senator from Oklahoma can stand there and wonder whether the oil companies are getting sufficient revenues for capital expansion and investment.

My own feeling is that what we need to eliminate waste, is to have a solid conservation program, one that does not threaten to deepen the recession and cause even higher inflation. I think it makes eminently sound sense to restore the mandatory allocation program which we saw last year linking to a progressively declining quota on imports of gasoline and crude oil. It did not work terribly well in January and February, but we had six people from FEA who were overseeing the whole part of New England at that time. But by March and early April it did work and we had approximately 90 percent allocation.

If we had 90 percent allocation in terms of gasoline today, it would save 670,000 barrels a day.

Now, I think, quite frankly, that is going to be more than the actual amount saved under the President's program, but we do not know because we do not have any hearings on the President's program. Short-run mandatory allocation is not going to mean any additional cost for the consumer, either in Massachusetts or Oklahoma or around the country. With the President's program we will slide even deeper into recession. I do not know how it is in the State of the Senator from Oklahoma but we have the highest unemployment in 38 years in Massachusetts—the highest in 38 years—and it is going up every single day.

Mr. BARTLETT. Will the Senator yield?

Mr. KENNEDY. And that is what I think we have to be most sensitive to.

I would like to yield the floor and let the Senator from Washington gain it in his own right and then I will be glad to enter into this with the Senator.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, let me just state very simply that the argument that we heard a year ago was that if we took the controls off petroleum prices, we would get all the oil the Nation would need. It might take a little while, but we would get it.

Now, Mr. President, at the time when we debated the rollback on prices, the point was made over and over again that the problem was not price. Oil could go to $20 or $30 a barrel and we would not get more oil in the United States. The constraint was not capital but drilling equipment, labor, pipe, and other essential material.

We had in S. 2589 the authority to allocate equipment, drilling rigs, tubular steel, and so on, and that authority was vetoed.

Mr. President, since the price of oil has been deregulated, new oil that is, domestic production has gone down steadily and it continues to do so.

As a matter of fact, the major companies have been sending drilling equipment abroad and we found that up to 75 percent of the drilling equipment was in the hands of eight companies.

The idea of talking about taking controls off the price of oil to increase production is nonsense.

We can have a rollback on the price of oil and still have adequate incentive to the industry.

Mr. PASTORE. Will the Senator yield?

Mr. JACKSON. To provide for the kind of production of which this Nation is capable, I believe, of producing with the vast reserves that are untapped and untouched, more is needed than the adjustment of prices.

Yes, I yield to the Senator.

Mr. PASTORE. The one thing that always amazed me is this constant argument that somehow we deregulate gas, or we decontrol domestic crude, or that we keep on the oil depletion allowance; that for some reason there is going to be some incentive on the part of the oil industry to explore and find more oil.

Only last night, I picked up the newspaper and Shell Oil Co. made 99 percent more profit this year over last year, and the Lord only knows how much more they made last year. And then another company made 65 percent more profit.

Now, I would like to know in this day and age of inflation when so many people are unemployed, when the price of oil keeps going up and up and up—and let me give you an example, the price of 1 gallon of home heating oil in 1965, less than 10 years ago, cost 16 cents. That same price went up to 19.9 cents in 1972. It went up 4 cents per gallon.

In 1973, they raised the price 11 times. Eleven times they raised the price, and it went up from 19.9 cents to 39.9 cents. Forty cents for a gallon of heating oil.

The President of the United States comes along with an excise tax that is going to be imposed on February 1—that is only next week—and then he is going to raise it again on March 1, then he is going to raise it again on April 1, and by the time he gets through that same 40 cents is going to go up to 50 cents.

What do they want to do to the consumers of the country? And here they are making money hand over fist.

They are not giving it back to the consumer. All they are doing is socking it on, socking it on, socking it on, and by the time they get through the American public is going to freeze to death.

And here we are, we are here today, all over again, all over again we are here today to talk about helping the oil industry.

What a disgrace. I say, "Shame on the oil industry of this country." They never seem to be satisfied.

They own the oil, they own the coal, they own the uranium, and by the time they get through, I am telling everyone, they are going to own the country.

We will just come over here every year, fuss around, fuss around, fuss around, talk about what we are going to do to the American people.

The American consumer is being crucified. I am getting a little bit fed up with all this talk about the poor oil companies. Decontrol it so that these fellows will go find more, decontrol your natural gas because it is going to run out, and where have they been up to now?

All they have been doing is filling up their pockets, and it is a disgrace. It is about time someone stands up for the American consumer, and I want to thank my dear friend from Washington.

Mr. JACKSON. Mr. President, the Senator from Rhode Island, as always, has given us a clear, logical, lucid explanation of the absurdity of the proposed $3 tax or tariff on imports.

I have been trying to figure out the rationale of the President's approach on this tariff.

If it is an endeavor to cut down consumption of oil from abroad, it is not going to achieve that purpose because, very clearly, people will have to pay the price that is being levied.

Earlier he said he was opposed to a tax on gasoline, but this $3 tariff will put a 12-cents-per-gallon tax on it, increase it in price by 12 cents or some such figure. It will increase. Heating oil will increase.

But when he tries to deal with the specific usage of oil, what he is doing is taxing the whole economy, every aspect of it. He is inflating the cost of doing business in every area of the American economic system. This just does not make any sense.

May I just make one other observation? There is a strategy and a tactic to try to frustrate the Congress in acting so that the appearance is that we are not acting. May the record show that after the President vetoed, and we lost, I think, by eight votes on an override a year ago, we acted in a responsible way to try to put some of the parts back together. We introduced another bill, S. 3267, which was on the calendar since April of last year. But every time we would make a move they would bring up an amendment to deregulate natural gas, to get into a filibuster. In that bill, S. 3267, we had most of the things that the President is now asking for. We tried to work out an agreement on that issue in December, Mr. President. We were told that there could be no agreement on the question of an amendment to deregulate natural gas.

Everything seems to hinge around deregulating the price of oil and deregulating the price of natural gas as a means of solving this problem.

I say that the course of action that is being followed here, in the judgment of responsible investment analysts, academic economists, and the business economists, is to inflate the economy, to make the recession worse, and to make the inflation worse. I hope that we can have some cooperation. I hope that we will not be in a situation where we are going to have filibusters when a clear majority want to have a vote. I would hope that we could get an agreement on a purely procedural matter to vote on this motion to take up, and that we take it up routinely. I ask unanimous consent that we vote on the motion today at 5 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. I object.

Mr. JACKSON. The country is seeing what kind of procedure is being followed when there is an effort to try to do something in behalf of the people.

Mr. FANNIN. Mr. President, objection has been stated.

Mr. BARTLETT. Will the Senator yield?

Mr. JACKSON. I yield.

Mr. BARTLETT. I appreciate the distinguished Senator yielding. I know he has been studying the problems in the natural gas area for some time as chairman of the special study authorized by Senate Resolution 45. I know he is particularly concerned about the curtailments and the problems of natural gas that are now affecting employment in the East, particularly, and other parts of the country. I just wonder if he would be kind enough to express what he considers the solution to the natural gas problem. He discussed deregulation, and apparently does not like deregulation. I would ask the chairman what he believes is the solution to the shortage of natural gas.

Mr. JACKSON. I am not going to get off into the many different areas of the energy problem. I think very clearly we must continue to regulate the price of natural gas. I think adjustments in price are warranted in many areas. I do not think it makes much sense to be bringing in liquefied natural gas—LNG—from abroad, which we are doing now, I believe, from Algiers. I do not know what it is running.

Mr. BARTLETT. Is that not a pretty high price?

Mr. JACKSON. It is over $2 per 1,000 cubic feet. I think some of these things have to be adjusted. I have never argued against that. But what I am trying to say here is that we ought to face these issues with an opportunity for the Senate to work its will. I do not think it is fair to the American people in the midst of a crisis, Mr. President, not to have a chance to vote when a clear majority have expressed in their cosponsorship of this resolution that they want to vote. We cannot even get a vote to take up the resolution. Who are we kidding?

If this is not dilatory tactics, if this is not an effort to try to frustrate the majority, I do not know what it is.

If this goes on—and it can go on day after day, and the Senators involved will have the spotlight—I know what the response will be in this country as they see the prices going up, with the $1 per barrel being added and the decontrol coming in April. The American people will respond in a way in which I think some legislators who do not now understand will subsequently understand.

Mr. President, I yield the floor.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROHIBITION AGAINST IMPOSITION OF TARIFFS ON OIL

The Senate continued with the consideration of the motion to proceed to consider the joint resolution (S.J. Res. 12) to prohibit for a period of 60 days the imposition of tariffs, fees and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of, the Congress of any such action within 30 days.

Mr. FANNIN. Mr. President, we have heard a great deal this afternoon regarding what is wrong with the President's program. All of the statements that are made must be considered in light of just what is involved. When we are talking about Senate Joint Resolution 12, we are not talking about just a 60-day or 90-day delay before the President's program goes into effect. We are talking about killing the President's program. That is the effect of Senate Joint Resolution 12. I do not see that we should not be factual and not be straightforward with just what is involved.

The effort is being made that, because we have not done anything, we are worried about whether we are going to do anything in the future. If we will take Senate Resolution 45 and consider it as passed back in the spring of 1971, here is what it was going to accomplish: It was a fuels and energy study. Out of that study were supposed to come recommendations to solve this problem. That was 4 years ago. What has been done? Nothing. Nothing has been done. That was a meeting on November 20, 1973, and we were supposed to come to some decisions. But we did not come to any decisions. Nothing was done.

The distinguished chairman of our committee, the Interior and Insular Affairs Committee, says what the President is doing is wrong. We have not been doing anything right or wrong.

What has happened in the meantime? From 1972 to 1973 we had imports of $14 billion in 1972, and that went up to $19 billion in 1973. At that time, crude oil was $2.4 billion and in 1973 crude oil was $4.2 billion, quite an increase.

But, Mr. President, what we are talking about is what is happening because of our lack of action, the inability of the Congress to do something about this problem, not the President. We are talking about the inability brought about in 1973. I repeat, we had $19 billion of imports and crude oil was $4.2 billion; refined petroleum products of $4.3 billion; and chemicals, $3 billion.

Mr. CURTIS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. FANNIN. I yield.

Mr. CURTIS. Mr. President, I ask unanimous consent that Senate Joint Resolution 12 be removed from the calendar and referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection?

Mr. JACKSON. Mr. President, will the Senator restate the unanimous-consent request?

Mr. CURTIS. I am anxious to get this matter considered under orderly procedures. My request was that Senate Joint Resolution 12 be removed from the calendar and referred to the Committee on Finance.

Mr. JACKSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JACKSON. The matter is on the Senate Calendar, and it is pending. We have an opportunity now—there is a motion pending—to take it up, and I think we should have a chance to vote on it.

Mr. CURTIS. Mr. President, the House has gone through the regular channels of committee hearings and has acted promptly from the very day that this was conceived.

There has been a steady effort to bypass the Committee on Finance, which has responsibility here. I am at a loss to know why an objection is made to a request that would expedite this measure.

I thank the Senator for yielding.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. FANNIN. I would like to finish. Does the distinguished chairman of the committee want to have the floor or want to pose a question?

Mr. JACKSON. Mr. President, I simply want to say that this is an emergency matter. We are asking for an opportunity to vote on a resolution to stay this whole proposal, which is 60 percent of the production of oil in the United States, which will jump the price from $5.25 to $14.40 a barrel, for 90 days, so that we could make a thorough legislative review.

That is the sole purpose. That is the nature of the emergency. That is why we want to get a vote on that emergency issue now.

Mr. FANNIN. Will the Senator from Washington, the chairman of the Committee on Interior and Insular Affairs, be willing to listen to what the Senator from Arizona has to say in regard to what is involved? I will just take a short time.

What we are talking about, and what the President is trying to do, is to assist the economy of this country, to bring greater value to the dollar, to assist in the monetary system of the world.

I was referring to the imbalance of payments we have and the imbalance of trade we have. What are we going to do, I ask the distinguished Senator, if we continue building, as we have now, with imports in 1973 of $19 billion and imports of $42 billion in 1974, of which $15.3 billion is crude oil, $8.80 billion refined petroleum, and we have chemicals?

I just want the Senator to realize that the President is disturbed about this. We have not acted; we have refused to act over 4 years. We have had 4 years to do something about it, since we passed Senate Resolution 45.

Mr. JACKSON. Let me ask the Senator this question: What is the net takeout or put in, into the economy, under the President's program, when you balance the tax cuts, with the tariff of $3 a barrel, the excise tax of $2 a barrel on domestic oil, the decontrol of domestic oil and natural gas prices and then add on excise tax to the decontrolled price of natural gas?

Mr. FANNIN. If the Senate acts, that is up to the Senate.

Mr. JACKSON. This is the President's program. I will answer the question. Mr. Seidman, who is the President's economic adviser, has stated that the total added cost will be $55 billion; and when you allow for tax reductions, there will be a net takeout—in other words, the economy will be worse off, the average individual will be worse off—by some $20 billion to $25 billion. That is the President's own economic adviser.

Mr. FANNIN. I disagree with the figures.

Mr. JACKSON. Mr. Seidman is his economic adviser.

Mr. FANNIN. The Senator knows that the President has asked for the cooperation of Congress; and all these matters that he is discussing here are to be decided upon by Congress, other than the actions the President has taken.

I am very proud that the President was willing to take action and to get us started. Evidently, it needed a self-starter. We were not doing anything ourselves, so he had to kick us along.

Mr. JACKSON. Congress has acted and has for months sought to work with the administration. We have not been able to get an energy proposal out of him until just now. I wrote to the President in September, suggesting a bipartisan energy program.

I point out to the Senator that here we have a situation in which the President says he wants to cooperate. Well, we are ready to cooperate. We want to act on these matters.

Mr. FANNIN. That is all the President has asked for. He wants to be sure that we do it.

Mr. JACKSON. We are trying to act on the basis of a majority of the U.S. Senate, and what kind of cooperation are we getting?

Mr. FANNIN. He is not going to cooperate in killing everything he is going to do, and certainly I would not advise him to cooperate in trying to kill the very program he wants to have Congress work its will upon.

Mr. JACKSON. Is the Senator aware that about 80 percent of the legislative proposals in one area alone that the President has asked for was vetoed by his predecessor?

Mr. FANNIN. I will say this: The Senator is aware that we have not done anything, and we must have a program.

Mr. JACKSON. What we have done has been vetoed.

Mr. FANNIN. The President vetoed a bill that would be disastrous to the economy of this Nation. I am proud that he did.

Mr. JACKSON. When is the President going to send up these bills?

Mr. FANNIN. Very shortly. The President is working now to coordinate his efforts with those of the Members of Congress. He is working daily on this matter, as the Senator knows.

Mr. JACKSON. We are being accused here. The Senator is saying that Congress is not acting. Where are the bills?

Mr. FANNIN. In 4 years, we have not acted. What makes the Senator think we are going to act in the next 60 days?

This $1 goes into effect, but so far as the New England States are concerned, nothing goes into effect. The Senator from Massachusetts was talking about it going into effect.

Mr. JACKSON. The Senator says that we have not acted. In case after case, we asked for the administration's views. Take strategic reserves. The Senator knows that for 2 years we tried to get the position of the administration, and they would not give us a position.

Is the Senator aware—let me finish this, and I will not say any more—that the administration did not even ask for a budget request to develop Elk Hills and Naval Petroleum Reserve No. 4? We twice had to add it onto the budget in Congress.

Mr. FANNIN. The Senator has that understanding. May I ask our distinguished chairman—and certainly he is very well versed in Senate Resolution 45—when are we going to have a recommendation from Senate Resolution 45? When is that going to be done?

Mr. JACKSON. We have acted under Senate Resolution 45. What the Senator is complaining about is that we have not voted to deregulate natural gas.

Mr. FANNIN. We have not had recommendations from Senate Resolution 45. The Senator knows that. I think the Senator will discuss that further.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. I thank the Senator. I do not want to shut off anybody.

Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The motion to proceed to consideration of Senate Joint Resolution 12.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and at 4:08 p.m. the Senate adjourned until tomorrow, Thursday, January 30, 1975, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 29, 1975:

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning K. William Jeffers, to be captain, and ending John R. Fuechsel, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 1975.

IN THE COAST GUARD

Coast Guard nominations beginning Stanley J. Spurgeon, to be lieutenant commander, and ending Franklin H. Doughten, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 1975.

Coast Guard nominations beginning Bruce W. Kreger, to be lieutenant (jg.), and ending Terence M. Bills, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 1975.

EXTENSIONS OF REMARKS

OCEANS IN CRISIS—I

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COHEN. Mr. Speaker, for thousands of years the people inhabiting this Earth have depended on the oceans for protein. From 1950 to 1970, the amount of fish harvested from our seas increased steadily each year. In an effort to reap the seemingly inexhaustible supply of fish from the oceans, many nations built large fleets of fishing vessels, equipped with the most sophisticated gear that scientists and engineers could develop.

Their efforts were successful in the short term: Huge quantities of fish were caught and people around the globe increased their consumption of this protein-rich commodity. According to Lester R. Brown, a food supply expert, the average level of consumption for fish is now approximately 40 pounds per person annually—well above the world beef output.

Despite our dependence on the oceans however, we continually ignore the fact that we are rapidly destroying them with excessive pollution and over-exploitation.

Thor Heyerdahl, on his voyage on the Ra II, traveled through huge ocean areas containing sludge and garbage—the human and industrial refuse which is a less-heralded product of our modern cultures. (Yves) Jacques Cousteau, the renowned ocean explorer, foreseeing the eventual effects which the polluted sea will have on our planet, is now in the process of organizing a society whose chief purpose will be to draw attention to the seriousness and extent of ocean pollution. Indeed, Mr. Cousteau has pledged "the years remaining him" to the cause of alerting people to the eventual death of our oceans if we do not change our ways.

Mr. Speaker, the oceans are now in crisis. Not only must we take immediate action to stop the sullying of our oceans with human and industrial wastes, but we also must make every effort to preserve the fisheries resources which keep our oceans alive, and to protect millions of people from malnutrition and starvation.

Last year, Lester Brown succinctly described the current fisheries situation:

> Between 1950 and 1970 the world fish catch increased steadily and reached a new record virtually every year, rising from 21 million tons to 70 million tons. During this period, it increased by the average of nearly five per cent yearly, thus greatly out-stripping population growth and greatly boosting per capita supplies of marine protein. In 1970 the trend was abruptly and unexpectedly reversed. Since then it has fallen for three consecutive years, clouding the prospects for continuing expansion of the catch. Many of the marine biologists feel that the global catch of table-grade species may be approaching the maximum sustainable limits.

As members of an elected body anxious to serve the best interests of the people we represent, and cognizant of the protein needs of all the world's peoples, we must be concerned with the decimation of our fisheries resources. At the same time that we seek to accelerate and improve our methods of preventing ocean pollution, it is imperative that we conserve the fish we have left, by bringing the quantity of the total world catch down to the level of self-regeneration.

I have already noted that the global average consumption level of fish is approximately 40 pounds per person per year. My colleagues will, I think, be interested to know that the American average consumption rate is only 13 pounds per year. This rate can be compared to the Soviet Union's per capita rate of 23 pounds and Japan's per capita rate of 71 pounds.

Given these statistics, it should come as no surprise to us that Japan and the Soviet Union are two of the most active major nations engaged in the overharvesting of fish on the Georges Bank, a large portion of which lies within 200 miles of the U.S. shores. Despite international conservation efforts, these nations continue to plunder this area. The results have been staggering: In 1972, the catch of haddock was only one-seventh of what it had been 6 years earlier. The catches of cod and herring have similarly decreased.

Last week, I cosponsored with Congressman STUDDS and 23 others of my colleagues legislation which would extend, on an interim basis, the fisheries jurisdiction of the United States. As you know, this legislation was passed by the Senate during the closing days of the last Congress, but never reached the House floor. Today, I urge my colleagues to consider the current state of our oceans and the fate of those peoples who depend on the oceans for food. Serious conservation can begin in the waters off our coasts as soon as the 200-mile limit measure is passed. I urge the support of my colleagues for this most important bill.

MORE DOMESTIC OIL BY INCENTIVES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COLLINS of Texas. Mr. Speaker, America needs more domestic oil reserves. We must free ourselves from dependence on Arab imports. Felix R. McKnight wrote a sound editorial on this oil incentive. Here is the key part of the McKnight editorial in the January 19 issue of the Dallas Times Herald:

> DON'T KILL INCENTIVE
>
> One more time—the new, liberal-oriented Congress should lay aside its surface feelings about the American petroleum industry and act wisely in molding new tax policy for the oil folk.
>
> It seems a foregone conclusion around Washington that the maligned oil depletion allowance, an incentive device used to encourage the search for new oil reserves, is dead and only awaiting formal burial.
>
> Resuscitation is unlikely, but Congress should give one more honest, unprejudiced look at the consequences before taking a step that could come back to haunt everybody a few years hence.
>
> The energy shortage in this country, horribly handled for the past few years, is real and worsening.
>
> President Ford's jolting actions should be proof of that.
>
> But if it becomes impossible because of an impulsive congressional act designed to hit at "the big boys," it may well be too late.
>
> No special favors should be asked for the oil people. But neither should they be penalized in the heat of political action.
>
> Most of the oil discovered in this nation—about 85 per cent of it—comes from the knowledge and persistency of small and independent operators—not the major companies.
>
> There are multiple risks involved and all drillings do not result in producing wells and instant millionaires who light cigars with $10 bills. Or smug guys who beat the tax rap through the depletion allowance.
>
> If the depletion allowance, which has been working since the early days of the tax system, isn't the right answer, the Congress should come up with another risk incentive plan.
>
> It doesn't make sense to ask a man to risk his capital so that we can ride around on his produced gasoline and stay warm by his gas—and not protect his failures in some manner.
>
> If we insist upon taking away all reasonable and fair incentive at the very time the Arab oil producing nations are holding our feet to a fire that is about to burn us into chaos and economic ruin, we have all lost our senses.
>
> The last session of Congress came dangerously close to not only sweeping out the depletion allowance, but to making it retroactive back a full year. That would have created unbelievable chaos for those who had budgeted a full year's business operation based on existing tax structures.
>
> But it overlooked and ignored the risks and facts involved in the oil business—and the small independent with the guts and know-how to keep looking for oil so urgently needed.
>
> The only question remaining is how prudently it will act in substituting a law that will permit accelerated exploration and not leave the entire nation as a dry hole.
>
> Kill a man's desire, or incentive, and you've killed the man. It could happen to the oil industry if narrow vindictiveness is substituted for prudence.

MIA AWARENESS AND MILITARY AID

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ADDABBO. Mr. Speaker, the second anniversary of the Paris Peace Accord cannot be celebrated without raising the most serious questions about our foreign policy in Southeast Asia. The return of our troops and prisoners of war 2 years ago was a long-awaited moment in history following years of military escalation and frustration in that troubled area, but the fighting continues without U.S. troops and we have failed to produce information about 1,300 missing in action.

It is a basic obligation of our Government to make every diplomatic effort to obtain the information about our missing in action. The President's proclamation of MIA Awareness Day was an important step in raising the national conscience on this problem and now we must motivate other nations to help us obtain the accounting of those missing in action which basic international law demands.

The situation in Southeast Asia becomes more dangerous and closer to home as we prepare to debate the President's request for $520 million in supplemental military funds for South Vietnam. The request comes at a time of economic crisis at home thereby raising fiscal as well as moral and military issues which must be answered by Congress. As a member of the House Appropriations Committee and as a Member who sponsored the amendments to end our military troop presence in Vietnam, I am surprised and very concerned by the President's request for this substantial—over 50 percent—increase in funds for South Vietnam.

The congressional intent in passing legislation requiring an end to our troop participation in Vietnam contained an assumption that there would be a gradual reduction in our entire military presence in Indochina. The President's request would, if granted, take us in the opposite direction.

The Vietnam war divided this Nation as few issues in our history. As we try to bind those wounds and unite our people in the face of an economic-energy crisis, it seems pointless and dangerous to stir up the Vietnam controversy by proposing such a significant increase in military aid.

The President has repeatedly asked Members of Congress to hold the line on spending. I cannot in good conscience agree that increased military aid to South Vietnam deserves the high priority assigned to it by the President. The congressional debate on this question will be most important and I urge my colleagues to scrutinize this request and reject any increase in military aid to Southeast Asia.

A DOSE OF NATIONALISM

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GAYDOS. Mr. Speaker, the Ford administration's economics program has fared badly, as we all have seen, at the hands of media and institutional analysts across the country who have united in pointing out the inconsistencies such as the proposal for tax rebates while, at the same time, again boosting the price of fuel.

But none, in my observation, has pummeled the program harder than Mary O'Hara, a Pittsburgh Press columnist. She calls it a "cruel joke" and then offers some economic advice of her own which I believe warrants serious consideration here in Washington.

I quote her:

> What these chaps (the President and his advisers) need is a strong dose of nationalism. They should stop giving it away, all over the world, and concentrate on creating jobs here, building our roads and developing our industries instead of Russia's, improving the

way of life for thousands here who are devastated by inflation and unemployment. . . .

She adds:

> We have, and still are pouring billions of dollars into South Vietnam and this has not stopped war. We beef up other economies, pour money into countries that have nothing but contempt for us, use food to play political chess. There's nothing easier to spend than other people's money.

Miss O'Hara concludes with a statement in which I join:

> We better get back on course and take cognizance of our priorities.

Some of us, Mr. Speaker, have been trying to sound this alarm over the years. We have been ignored. The foreign giveaways have continued in every way possible, many times devious, to obscure the truth about them from the American public. Now, as Miss O'Hara writes, we are up against the consequences which were inevitable. Our Nation's prosperity has been sacrificed to the benefit of others and these now show us little, if any, appreciation. Needless to point out, we are being bled financially, for example, by the very Persian Gulf oil states and others upon which we once showered our foreign aid billions and, in some cases, still are doing so.

When are we going to come to our senses? Miss O'Hara asks that. When are we going to stop the giveaways and concentrate on our own needs? The time, I insist, is here and no economics program, whether devised by the White House or by the Democratic majority of Congress, will have a chance of succeeding unless it contains a good dose of the nationalism which Miss O'Hara prescribes.

NESTOR MANUEL LARA-OTOYA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mrs. SCHROEDER. Mr. Speaker, I am today reintroducing a private bill for the relief of Nestor Manuel Lara-Otoya, a man who lives in my district, Denver, Colo.

Mr. Nestor Manuel Lara-Otoya is the father of four children—all in their late teens or twenties, three of whom are in the United States, one of whom is missing. Mr. Lara-Otoya's wife is deceased. Now in his fifties, Mr. Lara-Otoya has no one of consequence to him in his native Peru. He is not, nor will he be, a public charge. He is supported by his family which has emigrated to the United States.

Mr. Lara-Otoya has been in the United States 4 years. He might have obtained lawful status by now had he spoken English or had someone to speak for him. None of Mr. Lara-Otoya's children can afford him lawful status in the United States by virtue of their own until 1976. If sent back to Peru, Mr. Lara-Otoya would have to go alone and wait alone.

I believe that the personal and economic costs of his departure and later return would be an unnecessary and unfair burden on him and his family. His departure would unnecessarily disrupt a unified family life. By Peruvian custom and tradition Mr. Lara-Otoya is the head and central figure of family life. His family relies on him for good judgment, encouragement, counsel, and decision regarding all family matters of importance. He is of critical importance as a stabilizing influence on a family that has emigrated to this country. The role this man plays in his family, and the closeness of this family's life, cannot be overstated. Mr. Lara-Otoya's family is one struggling to stay together. It is unnecessary that the physical ties binding Mr. Lara-Otoya and his children be severed.

Mr. Speaker, the bill I am today reintroducing passed the Senate in the waning moments of the 93d Congress—too late for House consideration. I urge that the House take early action on the measure so that Mr. Lara-Otoya's future in this country will not continue in the jeopardy in which it is now.

TRIBUTE TO ROBERT GEORGINE—AN EXEMPLARY MAN OF LABOR

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BIAGGI. Mr. Speaker, recently in Washington some 2,000 prominent labor leaders and public officials gathered to pay tribute to Robert A. Georgine, president of the Building and Construction Trades Department, AFL–CIO. Those who attended were honoring a true giant of modern American labor, a man who has dedicated almost half his life to improving the quality of life for the American worker.

Bob Georgine was born on July 18, 1932 and attended high school and college in the Chicago, Ill., area. It was also in Chicago where Bob began his distinguished career in labor which has now spanned more than 20 years. It was apparent to those who worked with Bob in the early days in Lathers Local 74 that he was destined to become a leader in the labor movement. After serving a 2-year stint in the U.S. Army, Bob Georgine began to achieve the excellence which many expected.

In less than 10 years Bob Georgine rose through the ranks of Lather Local 74 achieving the position of international representative in 1964 and finally in 1970 he was elected general president.

From this point, Bob's career has been nothing less than spectacular. In May of 1971 he was elected as the secretary-treasurer of the building and construction trades department and after serving in this capacity for only 3 years he was elected president and has served with distinction for the past 7 months.

Those who attended the dinner agreed it was a fitting testimonial to this dedicated man of labor. Tributes flowed throughout the evening from the president through the hierarchy of organized American labor. It was apparent to many that Bob Georgine is now truly one of the giants of the modern labor movement.

Knowing Bob for me has been a unique privilege and distinction and I extend to him my warmest congratulations for what he has accomplished thus far. He has a limitless future in the labor movement. The strength of our Nation is due a great deal to the millions of working men and women. These millions rely on their leaders to represent their interests. The members of the Building and Construction Trades Union are fortunate to have a man of the caliber of Robert Georgine working for them. I know they join with me in extending him best wishes for continued success.

WILLIAM B. WIDNALL

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HELSTOSKI. Mr. Speaker, many distinguished Members of Congress retired at the end of the last session, and today I would like to take a few minutes to pay tribute to William B. Widnall, who was honored last night at a special testimonial dinner. As you know, Bill Widnall represented New Jersey's Seventh Congressional District with dedication and distinction for nearly 25 years.

In view of the fact that I have the privilege of representing New Jersey's Ninth Congressional District, which is adjacent to the seventh, I was fortunate enough to have had the opportunity to work closely with Bill in helping the people of our community with their problems, and in implementing legislation beneficial to the citizens of our county and State.

During his tenure in the House, Bill Widnall provided the people of his district with outstanding service. While he and I sometimes disagreed philosophically, I nevertheless have a deep respect for him, and sincerely admire the way in which he performed his congressional duties.

Throughout his years of services in the House, Bill Widnall made many important contributions in the areas of banking and housing. As ranking minority member of the House Banking and Currency Committee, he played a major role in some of the most important bills to come before the House during the last decade.

Mr. Speaker, at this time, I would like to take this opportunity to extend my best wishes to Bill on the occasion of his retirement, and to thank him for the many fine contributions he made to the people of Bergen County. I am confident that the citizens of our community will continue to benefit from his leadership and experience.

AMERICA, AMERICA—MAKE IT ONE AGAIN

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BAFALIS. Mr. Speaker, all too often we in the Congress hear complaints that we are falling down on our job of restoring and protecting our Nation's economy. While there might be some rationale for blaming elected officials for some of the problems, it is truly a national problem, caused by each and every one of us.

For that reason, I would like to share with my colleagues a column which appeared recently in the Fort Myers News-Press, written aptly by that newspaper's business editor, Richard Dennis. I think there is much here which deserves to be said all across the Nation.

Our problems cannot be solved solely by us here in Congress, or even by us working closely with President Ford. It must be a national effort and that is what Mr. Dennis is appealing for. And I commend him for his efforts. May they be realized.

The article follows:

America, America—Make It One Again

(By Richard P. Dennis)

Remember the girl in Ohio who held up the poster during the Nixon campaign trek there that urged him to, "bring us together again"?

Well it didn't work out too well over the next few years and we, as a nation, are probably farther apart today than at any time since the civil war.

But the little gal's plea is still a good one and perhaps the only really dependable answer to the raft of troubles our country faces now.

It seems that so many of the basic values we once held sacred have diminished almost to a dim memory. At the outset of World War II for example, this nation became bound together with a patriotic adhesiveness that took us from an ill prepared target to a world force to be reckoned with.

Even in the Korean conflict, as it was to become known, when we vocally objected to our involvement, as a nation, we backed the effort. Our guys fought and died, supposedly to protect the freedoms and rights that we held so dear.

Then came the involvement in Southeast Asia and we began to balk. As that skirmish stretched on out, until it became the longest war in our history, we became practically rebellious about the whole vague principle behind the war.

Now, in a so-called peace time economy, we are in a genuine financial struggle, a bona fide recession, and so far, not much is being accomplished to cure the whole thing.

Not only are our economics in dire straits but look at the civil unrest around the United States. Busing conflicts in Boston, policemen monitoring religious services in Gary, a church getting a liquor license, labor fighting management, management fighting labor.

Last winter we proved once again that we wanted to pull together and that we can, and will, where a national emergency dictates that we must.

During the so called energy crisis we throttled back voluntarily from a screaming 70 miles per hour to a much safer and conserving 55. It wasn't the law enforcement control that made us do that, it was American awareness that we were in trouble and that we, collectively, could ease the problem.

Then, after our efforts, as the prices of fuel soared, we came to believe that the whole thing was a gigantic ruse on the part of the petroleum industry to jack their profits with controlled supply. We have heard hundreds of reports that the storage tanks in the country were actually spilling over with oil and gas and that we had been had . . . real good.

I think most of us believe that to be true although no one has yet authoritatively said so. But even a glance at the financial statements of the big oil companies will tend to confirm the suspicions.

Now we face possible profiteering in other mainstay industries such as lumber, sugar and meats. Our beef ranchers are paying 333 per cent more for some grains today than they were a year ago and we're told that our supposedly credible Secretary of State is encouraging still further grain sales to those, who only months ago, were our most formidable adversaries.

As we sit back and helplessly watch the nation's unemployment climb to six and one half per cent and hear forecasts of a possible 13 per cent, we also read and hear of the unbelievable waste in government.

We learn that money on deposit in banks and in other financial institutions is at the highest level in our history. More money than ever before and yet interest rates and terms make it totally foolish to borrow except in the most hopeless of circumstances.

We learn that there are millions of dollars resting in the coffers of the State of Florida alone that are being bottlenecked by the bureaucrats that could be actively employed in job producing, recession breaking, construction activity.

To top it all off we have been forced to see a president plummet from power because of lies, deceit, ambition, suppression, and cover-up. Naturally we've becomt suspicious about government in general.

In our own state we have cabinet members under indictment, judges unseated, bankers perjuring themselves and politicians under indictment running for office, and winning.

In Fort Myers proper there have been recent reports of political maneuverings in zoning actions and questionable methods being employed by local government officials in annexations and other land and development transactions.

We watch our construction, real estate sales, and tourism sales volumes slide to a dreary low while, at the same time, we see building permits issued for millions of dollars in new construction for the future.

Paradox.

Paradox.

Paradox.

So what can we do about it? To whom do we turn in this time when the traditional and trusted barometers seem meaningless? What can we do after we evidence the conclusions of the so-called economic experts who met with our president and came away offering little if anything.

Do we wait for still another war to correct the economy? That's been our solution in the past but it is very doubtful that it will ever be again. World War III would be short, devastating and economically meaningless. Our now ability to level the planet in a few days precludes the notion that full scale, wartime production, can turn the economy around.

Do we wait for some magic formula from Capitol Hill . . . some panacea for all the money ills . . . some mystical wand that will wave us all back into prosperity?

Do we wait until the recession becomes a total depression? Another 1929? The experts say that can't happen again but the gloom merchants say that if we are apathetic enough about everything it sure can, and will, happen again.

Or. Do we gather together once again, take a hemispheric deep breath, put the national shoulder to the wheel, remember our heritage, our freedoms, our 200-year fight to gain and protect and preserve what we hold to be sacred, and, together, pull out of this apathetic quagmire.

Should we look back to Jack Kennedy on the podium at his inauguration and take to heart his suggestion that we try and do for our country instead of expecting it to do for us.

Or perhaps we should go the route of the woman in Chicago and manipulate ourselves into $100,000 in welfare payments and let our fellow man pay the bill.

Thank God Americans aren't like that. The great, great majority of us aren't, anyway

Could Southwest Florida start an example?

Who among us is willing to put a lot more effort into our work to produce a more realistic profit for our employer?

What banker is willing to pull down his certificate of deposit rate and, in turn his interest rates on loans to get some money flowing?

What commissioner is willing to take a hard stand on excessive spending and admit that just because the county has a $23 million budget doesn't mean that it all must be spent?

What politician is willing to put his office on the line to ensure the populace that only those programs that are needed and wanted by the majority will pass his or her approval?

What major retailer is willing to take a hard look at his profit and pricing structures to be very certain that the mark-up today is just as fair as it has been in the past. On every item.

What journalist is willing to take what might be called a nostalgic, idealistic stand for unity, sharing, and positively aiding and abetting his neighbor and fellow man.

I can answer for the last one.

Maybe it's time to recognize that Mother, the Flag, apple pie, and our home land aren't such corny, unsophisticated and passe' subjects as some would have us believe.

Gerald Ford and his Congress, be it Republican or Democrat, aren't going to change this country back to a viable, alive, economically sound entity.

We are, you and I.

SENSELESS DESTRUCTION

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mrs. MEYNER. Mr. Speaker, I have been deeply concerned by recent reports of senseless destruction of valuable historical and prehistorical artifacts by the Army Corps of Engineers in Warren and Sussex Counties of New Jersey.

I am particularly disturbed because the Corps' actions appear to defy Federal regulations. In the Federal Register of February 19, 1974, volume 39, No. 34, part II, page 6480, the Department of the Interior declared that "historic properties which are either, first, eligible for nomination to the National Register of Historic Places, or second, nominated but not yet listed are entitled to protection under Executive order 11593." The Federal Register of May 8, 1974, volume 39, No. 89, part I, page 16176 declared that the "Old Mine Road Historic District" was entitled to protection under these provisions. Therefore, the area of Old Mine Road should be treated as a bona fide historical site and left completely unmolested by the Corps.

I have urged the Department of Environmental Protection of the State of New Jersey to take action on the nomination of the Old Mine Road area to the Federal Register of historical sites. I have urged them to use their influence to see that historical and archaeological value are given proper weight in the environmental impact and project studies to which they contribute.

I have also communicated my concern to the Army Corps of Engineers and urged them to abide by Federal regulations.

At the same time, however, I realize how many times before the Corps has resisted or circumvented the desires of other Federal agencies and the will of the people. I hope that we will soon see the day when the spirit of democratic accountability that we have seen recently in Congress will spread to Federal agencies like the Army Corps of Engineers.

Natural beauty, historical locations, and valuable archaeological sites are becoming increasingly scarce commodities in America. As our Bicentennial approaches, I believe that it is imperative that we make every effort to preserve the irreplaceable historical and prehistorical artifacts that constitute our legacy as Americans and friends of the Earth we habitate.

HEALTH HAZARDS: AN INTERNATIONAL PROBLEM

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, hazards to workers' health and safety respect no national boundary lines. And efforts to protect the lives and limbs of workers should likewise show no regard for man-made borders.

Two recent Russian studies pointing out the high incidence of cancer among Soviet workers exposed to chloroprene have been recently brought to the attention of the National Institute for Occupational Safety and Health, NIOSH, and American firms. Douglas Watson, in the January 25, 1975, issue of the Washington Post, reports that American scientists will soon visit the Soviet Union to personally observe the Russian experience.

I urge NIOSH to move quickly and decisively to safeguard the lives of American workers exposed to this toxic substance on the job.

I am including the article on chloroprene and its link to cancer and commend it to my colleagues' attention:

[From the Washington Post, Jan. 25, 1975]

CHLOROPRENE LINKED TO CANCER

(By Douglas Watson)

Several American scientists soon will visit the Soviet Union to learn more about two Russian studies that report higher lung and skin cancer rates among people exposed to chloroprene, a colorless liquid chemical used in the production of synthetic rubber.

Officials of the National Institute for Occupation Safety and Health (NIOSH) and E. I. du Pont de Nemours and Co., which operates three chloroprene plants in this country, say they are very concerned about the possible implications of the Soviet studies for an estimated 2,500 Americans who work with chloroprene.

Du Pont in recent weeks has tightened procedures to limit plant exposure to chloroprene which it produces in large quantities for chemical processes and marketing under the trade name of Neoprene. It also has alerted its customers to the possibility of "escaping chloroprene."

Neoprene is used in making hoses, cable sheaths, adhesives, fabrics and other goods where the chemical's high resistance to weathering and oil is valued.

Du Pont executives said the chemical corporation also has notified its chloroprene workers about the Russian medical studies and plans soon to send three company representatives to Soviet Armenia, where there is a chloroprene plant and where the Russian studies were done.

According to NIOSH, one Russian study of 19,979 people between 1956 and 1970 found that the incidence of lung cancer was at least 2½ times greater for chloroprene workers than those in many other jobs.

The second Russian study looked at 24,989 people over the same 15-year period and found that the incidence of skin cancer was at least 4½ times greater for chloroprene workers than for those not exposed to the chemical.

The study also found that those working with choroprene derivatives had a skin cancer rate that was higher than average but still little more than half that of persons who had worked for long periods in chloroprene production.

Federal and Du Pont officials emphasized that they know of no deaths or higher cancer rates among American chloroprene workers. But they acknowledge that long-term mortality studies to detect any pattern of chloroprene-caused disease in this country have not been done.

Dr. Joseph Wagoner, NIOSH's director of field studies and clinical investigation, said his agency is "deeply concerned" that chloroprene-caused cancers may have gone undetected in this country and has begun investigating the health of chloroprene workers.

Du Pont produces chloroprene at plants in Louisville, Ky., Laplace, La., and Houston. Another Du Pont chloroprene plant—in Montague, Mich.—closed in 1972.

NIOSH said that in recent years up to 385 million pounds of chloroprene have been manufactured annually, with production involving an estimated 2,500 workers now and an unknown number of former chloroprene workers.

"It takes maybe 10, 15 or 20 years for these things (diseases) to show up" in individuals, said Dr. John A. Zapp, director of Du Pont's Haskell Laboratory in Delaware, which in December first reported its concern to NIOSH, the research agency for the Occupational Safety and Health Administration (OSHA).

Du Pont began taking a closer look at chloroprene last year after workers at another plant were found to have died of angiosarcome, a rare liver cancer, as a result of industrial exposure to vinyl chloride, a gas used in manufacturing vinyls and plastics.

Chlorophene is a member of the vinyl chloride chemical family, Wagoner said.

Zapp said that Du Pont began studying the medical literature on chloroprene and came across the Russian studies this fall. Zapp said Du Pont's concern "is more theoretical than anything else" because its own statistics indicate no unusual incidence of cancer among the company's chloroprene workers.

NIOSH's report says, "Humans exposed to chlorophene have been reported to develop dermatitis, conjunctivitis, corneal necrosis, anemia, temporary loss of hair, nervousness and irritability."

Lyle Cressey, manager of Du Pont's Louisville plant where 500 people work with chloroprene, said, however, the only effect of the chemical noticed there is that a few workers have developed skin rashes.

Chloroprene is listed at 412th on NIOSH's priority list for developing toxic substance standards. Asked why there haven't been any American studies of chloroprene's effects, a NIOSH official said, "There are just so many chemicals to look at that it's been impossible to cover the whole territory."

PITTSBURGH DISTRICT LOSES COL. NORMAN G. DELBRIDGE, JR.

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GAYDOS. Mr. Speaker, next month the Pittsburgh District Office, U.S. Army Corps of Engineers, will lose an officer who has been almost totally involved in the water problems of western Pennsylvania since his arrival there in June 1972.

Col. Norman G. Delbridge, Jr., came to Pittsburgh in the midst of tropical storm Agnes, which caused extreme flooding in the area resulting in millions of dollars in damages. For the first 6 months of his tour, Colonel Delbridge devoted his time almost exclusively to flood recovery operations. His efforts and interest on behalf of the people of the area earned him the Service Merit Medal, the last in a series of military honors accorded him during his career.

While assigned to Pittsburgh as District Engineer, Colonel Delbridge was responsible for water resources development, including flood protection, navigation, and recreation for 27,000 square miles, encompassing parts of five States. He was instrumental in the expansion of recreational activities throughout western Pennsylvania and worked closely with sportsmen and conservation groups.

Under his direction, several major construction programs were started or planned, including: Girty's Run Flood Protection project in Allegheny County, scheduled for initiation in July of this year; the Saw Mill Run Flood Protection project, the on-going $35 million Chartiers Creek Flood Protection project; the new $87 million Hannibal Locks and Dam at New Martinsville, W. Va., scheduled for completion this year; the Warrendale Bulk Mail Handling Postal Facility; the $4 million DuBoise Flood Protection project, and the proposed Stonewall Jackson Dam at Weston, W. Va.

A former enlisted man who subsequently graduated from West Point Military Academy, Colonel Delbridge holds a master's degree in civil engineering from Iowa State College and is a registered professional engineer. He has had articles published by the National Academy of Science and the Army War College Commentary.

His military assignments have been varied. In Europe, Colonel Delbridge supervised airfield construction during the historical Berlin Airlift; in Turkey he was chief of construction with the Mediterranean Division and in Vietnam he commanded the Fourth Engineer Battalion, Fourth Infantry Division. He also has served in Korea and Japan. Immediately prior to his assignment in Pittsburgh, Colonel Delbridge served with the Office of the Chief of Research and Development, Department of the Army, in Washington.

During his career, Colonel Delbridge has accumulated an impressive list of honors. He holds the Legion of Merit with Oak Leaf Cluster, the Bronze Star with Oak Leaf Cluster, the Army Commendation Medal with three clusters, the Air Medal with two clusters and the Vietnamese Cross of Gallantry with Palm.

Mr. Speaker, Colonel Delbridge has served his country and the people of the Pittsburgh area extremely well. He has proven himself to be a credit to the military service and the members of his command. I wish him well in his new assignment. I know he will fulfill it to the best of his ability. He always has.

ACTION, NOT TALK, NEEDED ON ENERGY PROBLEMS

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. PETTIS. Mr. Speaker, in a few days the House will take up consideration of legislation from the Committee on Ways and Means dealing with the President's imposition of fees on oil imports. This bill deserves the most serious study by Members of this body because the consequences of it are serious for our Nation and the world.

I would like to bring to everyone's attention an editorial which appeared in yesterday's Wall Street Journal. The points in the editorial are well taken and should be considered by all of us.

The editorial follows:

[From the Wall Street Journal, Jan. 28, 1975]

CAPITOL HILL AND OTHER CAPITALS

French Foreign Minister Jean Sauvagnargues recently has been refusing invitations to criticize U.S. foreign policy; with French ministers that's somewhat equivalent to Billy Graham refusing to discuss sin.

Some might interpret this as a sign of improvement in U.S. foreign relations, and, in a sense, it is. But we suspect that it also reflects a widespread fear in many foreign capitals that U.S. leadership in world economic and energy problems can't withstand challenges from abroad. It is already too badly weakened by the wrangling in Washington between the administration and Congress.

That fear is justified and the Europeans and Japanese are further justified if they feel they are more vulnerable than the U.S. to the dangers presented by the U.S. disarray. But the U.S. is vulnerable too and it is time for Congress to offer some better evidence that it can help the President and his Secretary of State form coherent and trustworthy foreign policies.

The latest evidence was entirely to the contrary. It was offered over the last few days by the newly expanded, newly led and newly liberalized House Ways and Means Committee, which reported out a bill designed to sabotage the President's attempt to show toughness towards Arab oil producers. The bill, which would revoke a $1-a-barrel oil import tariff due to take effect Saturday and scheduled to rise ot $3 by April 1, may not make it through Congress. But then again, it may, perhaps just before the much heralded spring confrontation between oil consumers and producers.

The oil tariff is central to foreign policy at the moment as it attempts to demonstrate to the world that the U.S. cannot be made hostage to Arab threats of an oil embargo in any future Arab-Israeli hostilities. A tariff is not the only policy to accomplish this end; some alternatives, particularly stockpiling, may indeed be preferable. But at the moment Mr. Ford's tariff is the only policy we have; Congress certainly is far from ready with any alternative. So for it, to undercut Mr. Ford, would only enhance the impression that already gives the producing nations such leverage in bargaining; the impression that the U.S. is a feckless nation incapable of following any policy at all.

Now, none of this is to say that Congress should have no role in making foreign policy. But it does say that Democrats, who are for all practical purposes leaderless in Congress, would do well to approach foreign policy with great caution until they can demonstrate that they have a coherent and acceptable concept of their own. We see little evidence of that in the latest move by the Ways and Means Committee or in anything else put forth from the various power centers of the Democrats in Congress.

What we do see is a parochial attitude towards the programs the President is putting forward, as if the central issue of the oil tariff was a nickel at the gas pump rather than international war and peace. That perception is obviously not shared in Paris, London or Rome, where the central question is whether the United States still can lead the Western world or whether its leadership has floundered on its own domestic disunity.

If the impression persists that the U.S. can no longer lead, it is not hard to envision the kinds of decisions other states will make in coming months. The Europeans and Japan will continue to make their private deals with the oil producers, freezing themselves into long-term disadvantageous economic relationships. The nominally friendly oil producers, Saudi Arabia and Iran for example, will look for their political security elsewhere, in enormous arms build-ups and alliances with Arab states that are disposed to enmity towards the West. Smaller states will look for security where they can find it, Russia or China, perhaps.

Mr. Ford and Mr. Kissinger are trying to put together a Western alliance to confront the OPEC nations this spring. The OPEC nations are trying to shore up their own alliance in the face of glutted international markets for oil. For the U.S. alliance to work, there has to be some perception among potential allies that U.S. foreign policy cannot be torpedoed unexpectedly by the whim of some obscure Congressman with influence in the Democratic Caucus.

There is a mood of fear and expectancy as other capitals try to assess whether U.S. policy is reliable. But on Capitol Hill, there seems to be only a minimal perception of what hangs in the balance.

NATIONAL HEALTH SERVICE CORPS BILL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. CARTER. Mr. Speaker, I am introducing today urgent legislation to extend and amend the National Health Service Corps Act.

The National Health Service Corps is really a very small Federal program but is one that has had, and I trust will continue to have, great impact. It is a simple idea and, as is true of most simple ideas, it works. The program has two parts, one is to establish scholarships for students enrolled in health professional schools, who then fulfill an obligation to become members of the NHSC for a period equivalent to the number of years of their scholarship, and the second to place physicians and dentists in communities where there are either no providers of health services or in areas with a critical shortage of health care professionals. Data reveals that the arrival of a physician in such an area markedly improves that community's health status and very definitely enriches that community's quality of life.

Over the last year, this program has systematically and aggressively recruited and found placements for health care personnel in areas of need. Over 400 NHSC assignees are now serving people in critical shortage areas who otherwise would be unable to obtain medical attention. Another 200 are slated to go into the field this summer.

These data reveal the great success that Corps recruiters have had, especially when one considers the numerous options open to physicians, and the additional fact that they usually make firm plans and commitments a year or more in advance.

I have been able to determine, Mr. Speaker, that the recruiting effort has been markedly improved. This improvement is attributed to the careful matching program of the NHSC which attempts to place the right physician with the right community. Recent data reveals that this effort has been successful since many physicians who have served their 2-year term have decided to remain in the community in which they had been matched. The increase in the retention rates is a sign that the program is achieving its principal objective; to wit, to place qualified physicians where they are needed most. Many areas are quite capable of supporting a medical or dental practice.

The problem in the past has been to recruit physicians where there has been no prior medical or dental practice. These problems are now being overcome by the NHSC.

The Subcommittee on Public Health spent many hours during the last Congress considering ways to address the great problem of medical manpower and specialty maldistribution. Those who participated in these deliberations recognized that the corps was an outstanding approach to a difficult problem.

Surely there will be more involved measures taken with respect to medical school support scholarships but there is general agreement that the corps represents a significant step in the right direction. Yet, the corps is now at a critical juncture. Its statutory base is through a continuing resolution which expires on February 28. If we wait to take action we may very well get bogged down, as we did in the last Congress, with the health manpower and complex maldistribution problems that I mentioned earlier.

Ordinarily, this would not pose a serious problem; but the corps' budget for last year was based on its first 2 years of operation, when it was a fledgling organization.

Now the corps has come of age. It has recruited physicians on the basis of an anticipated increase in funding. The corps has done its part—doctors have been recruited and matched with previously selected medically underserved communities. Now it is time for Congress to act.

I have been informed by several physicians who have been selected already that, owing to the lack of legislation and adequate appropriations, their desire to serve might be frustrated. To jeopardize needlessly the likelihood of these physicians going to work in our medically underserved areas is a shame in itself. But there is another, urgent consideration and that is the possibility of jeopardizing the cooperation of local communities with the Federal Government.

Communities are not just assigned a corps worker arbitrarily. When a physician or other health professional is recruited and begins to serve, this is only the culmination of literally months, and sometimes years, of hard work at the local level.

In a partnership with the NHSC, communities seek out or form a nonprofit corporation to set up, assist, and oversee the management of the medical practice in which the corps worker will serve. The local community and NHSC work together arrange for the necessary linkages with hospitals, ambulance services, pharmacies, medical and dental schools, and all the other needed support facilities. They work together to set up the business aspects of the practice and arrange for hiring support personnel and for keeping the records and accounts systems. They work together to ease the way of the corps assignee into the community by arranging for housing, a job for a spouse, if necessary, and so forth.

Once the corps assignee actually begins serving in the community, the local organization charges reasonable fees for the services provided. These receipts are divided, under a prearranged formula, between the local organization and the Federal Government, with all profits at the local level plowed back into the practice by upgrading the facilities or services.

I have taken this time to detail this relationship in order to demonstrate the tremendous amount of preparation and consideration that underlies each assignment of an NHSC worker.

This is one program where the Federal Government recovers at least some of the costs of helping communities and individuals. But more importantly, it is a program which not only promotes a needed medical service, it fosters a relationship of equality and cooperation between the Federal Government and local organizations and individuals.

If we fail to fulfill our part of this relationship by failing to enact this legislation, we would not only seriously impair health care, we would provide yet another example of an unfulfilled promise to our communities. To do so would only lend further credence to the frequent distrust and cynicism directed not only toward the Federal Government as a whole, but toward Congress.

In my own State of Kentucky we have 43 counties that have been classified as having critical medical manpower shortages. We anticipate 13 NHSC assignees. More are desperately needed. To cut back this program now that the communities and doctors have been identified, in my judgment, would be tragic for the communities of my State, and for those in many other States as well. Up to 200 doctors and other professionals who already have been recruited may have to be turned away unless we can provide immediate relief in the form of this legislation. We must not hesitate to do our part to preserve and improve the health conditions of those living in the medically underserved areas of our districts. The size of appropriations that is necessary to fulfill the compassionate objectives of the NHSC program is really insignificant when compared with the immensity of other HEW programs.

Mr. Speaker, this is an important, timely, and vitally necessary proposal. The National Health Service Corps already has proven to be an integral piece of an overall rural health and geographical redistribution strategy. It has a great potential for further improvement of our Nation's health system, and prompt passage of the measure I am introducing will prevent the thwarting of that potential.

U.S. PERSIAN GULF POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HAMILTON. Mr. Speaker, on January 28, 1975, I delivered some remarks to a conference for corporation executives on "Outlook 1975: The Middle East and Energy" held at the Johns Hopkins University School of Advanced International Studies here in Washington.

My remarks concentrated on U.S. policy toward the Persian Gulf. This region has acquired new importance in recent months because of the energy crisis and has become the focus of considerable debate. Our policies there continue to need careful consideration and continual reevaluation by Congress and the executive branch. My remarks follow:

U.S. PERSIAN GULF POLICY

Ladies and Gentlemen, my remarks will focus on United States policy toward the Persian Gulf. When everything is said and done about energy policy today and tomorrow, it is clear that for the next few years no energy-related foreign policy issue is likely to be more important to the Western world than the success or failure of our policy in the Persian Gulf, where nearly three-quarters of the world's proven oil reserves lie.

We can, indeed must, reduce energy demand, increase alternate energy supplies; prepare for emergencies, and work toward self-sufficiency. But we also have to find successful ways of dealing with the Persian Gulf states if the Western world is to survive and continue as we know it.

U.S. INTERESTS

The United States interests in the Persian Gulf are several:

We want peace and stability throughout the region.

We want, for us, our allies and our friends, secure access to oil at reasonable prices.

We want to help foster internal development and regional cooperation in the entire Persian Gulf and Arabian Peninsula region. The 50 million people in the Gulf region have a legacy more of conflict than cooperation.

We want to help keep the region relatively free of extensive Soviet influence. It is obviously not in our interest for the Soviet Union to be able to determine how and on what basis we obtain access to Middle East Oil.

We want to assure that the rapidly increasing financial resources of the Persian Gulf states are used in ways which do not destabilize our economy or the international monetary system.

We want to expand United States export of goods, services and technology to the states of the Persian Gulf, and

We want to create a degree on interdependence and mutual respect which will help solidify all other relationships for the future.

From these interests flow—or at least should flow—a policy comprised of economic, political and military components, carefully orchestrated to achieve development, stability and security.

POLICY COMPONENTS

Let me point out several prominent aspects of present policy:

1. We are relying essentially on Iran and Saudi Arabia to maintain security in the Gulf Region. We are selling billions of dollars of arms to these two states, principally Iran. Last year, sales to Iran and Saudi Arabia accounted for nearly sixty percent of total worldwide U.S. arms sales of over $7 billion.

2. We are trying to prevent the Arab-Israeli conflict from becoming a source of confrontation between Arab oil exporters and ourselves. Whether we like it or not—and we do not—the Arab-Israeli conflict is a central political issue for all Arab states in the Gulf. Although our interests in the Persian Gulf were once immune from the Arab-

Israeli conflict, the impact of that conflict now pervades all aspects of our dealings in the entire Middle East region, if not the world. We can no longer divorce the Gulf region from the conflict, but we do seek to diffuse the conflict itself. In view of this conflict, the U.S. standing in the Arab world—with a few notable exceptions—remains remarkably good.

3. We seek a special relationship with Saudi Arabia. We have had a long standing and close relationship with Saudi Arabia and its leadership. Over the last three decades we have built a series of political, economic and military relationships with Saudi Arabia that have been the backbone of our policies in the entire Arabian Peninsula.

Saudi Arabia remains a friend today and the closeness and warmth of our ties with Saudi Arabia are barometers of our relations with all the other smaller states in the Gulf area.

4. We occasionally use the threat of military force to try to achieve changes in OPEC policies which we consider detrimental to the Western alliance. Those who are suddenly excited about Secretary of State Kissinger's reference in his recent Business Week interview to the possible use of force in the Middle East if the West faced economic strangulation, should be reminded that President Ford last fall and Secretary of Defense Schlesinger afterward introduced the same threat into the Persian Gulf policy mosaic.

5. We want to increase political, economic and technological interdependence between the United States and producing states in the Gulf. Such interdependence has been a foreign policy goal in the Gulf for several years. However, it is becoming increasingly clear that economic and technological cooperation must flow from a basis of political consensus and economic understanding on oil.

Such a political compatibility exists today on many issues and we are aided by the traditionally good ties we have had with most Gulf states.

U.S. FOREIGN OIL POLICY OBJECTIVES

The objective of U.S. foreign oil policy is to assure adequate and reliable supplies of oil at reasonable cost and without serious damage to U.S. relation with other nations.

We do not want to be vulnerable to any cutoff of Middle East oil, nor do we want to depend on Arab oil too much.

We want to maintain international economic order.

Oil fluctuations and the massive transfer of funds from oil importing to oil exporting nations can aggravate economic difficulties and pose a danger to the international monetary system.

We want to help insure that the less developed countries, which have been dealt harsh blows by the increased oil prices, are able to obtain adequate fuel requirements. We do not want oil to become a source of disruptive and dangerous controversy, and we want all oil consuming nations to obtain the oil they need.

To promote these energy objectives, we have concentrated on four policies:

1. We seek to achieve solutions to our energy problems through cooperation, first, among oil consuming countries and only then with producing countries. Although our continuing efforts to achieve consumer solidarity are being interpreted by some producers as seeking only confrontation, our stated policy indicates we want a dialogue on energy matters with both producers and consumers.

We want cooperation in meeting oil supply emergencies; in relieving the energy problem of developing nations, in diversifying energy supplies and conserving energy, and in stabilizing oil prices and supply levels.

Secretary Kissinger continues to advance the theory that only on the basis of consumer coordination on energy policy can the objective conditions be created by which the price of oil will come down. One year after Kissinger started dealing with energy policy, we are still waiting for prices to come down, but there is some evidence that consuming countries are cooperating on aspects of energy policy. The emergency oil sharing agreement and new financing arrangements are encouraging evidence of progress in cooperation.

In the absence of any dialogue with producers, however, it will appear to many producers that we are preparing for confrontation. Right now it is not easy to measure what mix of cooperation and confrontation our government seeks.

2. We seek to demonstrate an ability and determination to reach self-sufficiency. The purpose of domestic programs of conservation and the development of alternative energy supplies is to persuade Persian Gulf producers that the years of their control over our energy market may be numbered and that their oil policies should be moderated.

Self-sufficiency does not, and should not, mean that we will not import any oil. Rather, it means we should seek to maintain a degree of self-sufficiency that permits the United States to adjust to oil supply interruptions without serious hardships.

3. We rely primarily on international oil companies to negotiate with producing states on issues of supply and price. The United States Government continues to operate on the assumption that it is best to keep the government removed from oil negotiations, despite the troubles oil companies have had in countering demands by producing state governments.

Since 1970 U.S. oil companies operating overseas have faced severe challenges.

Strong companies which once might have been able to maintain both our national interests and their corporate interests are becoming service organizations, as producing states move toward nationalizations and majority ownership of oil installations and operations.

Producing states are asserting all the prerogatives of ownership: they are establishing output levels, price, marketing and distribution procedures. They hike taxes and set prices at will. The main contributions of U.S. oil companies today is the $3 billion addition to our balance of payments annually.

The options available in this predicament are threefold:

A direct bargaining role for the U.S. Government on oil price and supply issues;

Continuing to rely predominantly on oil companies to provide oil at reasonable prices;

A more active role by the Government on the periphery of negotiations but no direct role at the negotiating table.

In recent months, there are indications that the Government is willing to play a more active role. Gulf Oil, for example, could not agree last summer to pay Kuwait what it wants for participation oil without a strong, public rebuke by our Government.

During the oil embargo last year, there was some talk about what role the United States Government might play in future negotiations. That talk, however, appears to have subsided. An uncompleted study for FEA on this topic may add something to this debate but a concerted inter-agency study of the need and implications of a Government role in oil negotiations remain a policy question of the immediate future.

4. We have been trying to persuade Persian Gulf producers that it is in their interest to lower prices. We have concentrated in this effort on Saudi Arabia rather than confront the Shah of Iran. We have begged, cajoled, appealed to the producers' own economic self-interest. Some American officials have even threatened the use of force. But—and this is the significant point—we have failed to bring oil prices down.

Today even our strategy on prices is less clear. In a November 25, 1974 speech at Yale University, Assistant Secretary of State for Economic Affairs Thomas Enders mentioned a need to hold OPEC's potential market down by cutting consumption, but guarantee, at the same time, that new production—stimulated in non-cartel countries by higher prices—is guaranteed a market. Enders was suggesting a high price, high domestic production strategy. A continued real oil price of $11 a barrel is meant, in this possible scheme, to have the effect of creating stable investment expectations. In this view any downward break in world oil prices could be devastating for heavy American and other Western investment in the development of alternative energy sources.

Secretary of State Kissinger, in a November speech in Chicago, and in a recent Business Week interview, seems also to be putting less emphasis on lowering oil prices as an immediate objective. In that interview he suggested that oil prices will not come down in the short run, but only after a concerted consumer strategy is developed.

Today our oil strategy seems to stress conservation, development of alternative sources of energy and consumer collaboration more, and lower oil prices less.

But the question remains: is this strategy part of a recognition that we have failed in a key effort to lower prices, or is it part of a reassessment of the objectives of our energy policy, and a realization that higher prices might have benefits for Project Independence and other aspects of our national energy program.

OVERALL ASSESSMENT

I have listed several policies we are currently trying to implement to protect our interests and strengthen our ties throughout the Persian Gulf region.

Obviously no one could have predicted or anticipated the events of the last few years and the dislocations caused by actions taken by leaders in the Persian Gulf. The five-fold increases in oil prices, the impact of oil cutoffs and embargoes and the political effects of the October 1973 Middle East war have put the Persian Gulf and our policies there on center stage.

Some of the policies have simply not worked; others have been mismanaged here or misinterpreted there. But policies can be changed and revised. We have so many natural advantages pulling for us in the Persian Gulf that it would be a serious mistake if present policy deficiencies were allowed slowly to dissipate our current favored position.

Our problems in the Gulf are manageable and our energy policy problems in that part of the world are solvable. We and the states of the Gulf have mutual advantages in good relations. We have shared interests in the supply of oil, price stability, Western security and a stable international financial market. Conciliation and cooperation—not confrontation—or the threat of it—should mark our approach to the Persian Gulf States.

We have many advantages. One is that two of the three most important states in the region, Saudi Arabia and Iran, are very close to us. Only Iraq among the larger Gulf states today has poor relations with Washington.

Other advantages include:

The British heritage throughout the region,

The widespread respect for our military and technological capabilities,

Our valuable and growing market for oil, and the attractiveness of our economy for their investments,

The closeness of the ruling gulf families, often from education here, to the American way of life.

In dealing with the Persian Gulf we have a head start, even over some of our closest allies. We should continue to build on the desire of many Arab leaders for a closer relationship with the United States.

We also have some disadvantages, including the differences on oil prices, on our concepts of the role of OPEC and, of course, our strong support of Israel.

Despite these disadvantages, we have many opportunities in the Gulf. Rather than avoid the differences we should make them central in our day-to-day relations and speak frankly about them. Rather than continually trying to divorce the Persian Gulf from the Arab-Israeli conflict, which cannot be done, we should press on for a peace settlement.

For years we have tried to follow a two-track policy in the Middle East. On one track, we pursued policies toward the Arab-Israeli conflict and tried to create opportunities for promoting peace. On a separate track, we approached the states of the Persian Gulf and the issue of obtaining adequate supplies of oil at reasonable prices. It was a policy objective to insure that these two tracks never became interrelated or conflicted.

Recently, it has been impossible to separate the two policies. Today, the Arab-Israeli conflict is a major factor in our Persian Gulf policy. The course of the Arab-Israeli dispute will probably determine whether the U.S. has access to oil. But this does not mean that we have to choose between the security of Israel and access to oil. Moderate Arab leaders are not pushing us to any such choices, partly because it would risk damaging the world economy on which all of us depend.

Our policy goal should be to develop the kinds of policies toward the Persian Gulf which help promote peace and stability in the whole area, and which are not solely dependent on rapid and steady progress towards an Arab-Israel conflict settlement. There will be many stops and starts and detours on the road towards a Middle East settlement, and while we cannot insulate Persian Gulf policy from other developments in the region, we can devise policies that can survive the frequent fluctuations in Arab-Israeli negotiations that inevitably will occur. The wisdom of doing everything possible to achieve a settlement of the Arab-Israeli dispute is obvious. It is less obvious what steps short of settlement we can take to reduce the risk of an oil embargo or supply restrictions.

POLICY CHANGES

To strengthen our Persian Gulf policy, I offer several suggestions:

1. Our policy should place greater emphasis on economic, commercial and technological factors and less on the military factor. We should avoid any military role in the small states of the Gulf, and we should consider reducing our substantial military presence in Iran and Saudi Arabia which now numbers close to 1,500 men. We should also probably consider withdrawing MIDEASTFOR, that curious three-ship fleet, which is currently stationed on the island of Bahrain.

I am disturbed when we simply announce—with no public debate or even knowledge that a decision is imminent—that we will significantly depart from post policy and begin selling sophisticated weapons to Oman and seek base rights on island of Masirah.

2. A fundamental redefinition of the role of our government in future negotiations between oil companies and producing countries is needed. The U.S. Government should be involved because the issues have a bearing on our national interest. The oil companies may no longer be able to protect effectively our national interest and those of our allies in Europe and Japan. Trade in oil can no longer be left solely to a handful of oil companies and exporting countries. The interests of too many Americans are too closely linked to the results of those negotiations for them to be unrepresented at that bargaining table.

3. Systematic attention must be given to the connection between our oil interest in the Middle East and our military relationship with Saudi Arabia and Iran. If access to their oil at reasonable prices is in our national interest, and if our military technology is in their national interest, then there is much ground for mutual cooperation. Put another way, if we are to be concerned about their security and sell them arms and technology, then they must be concerned about our security and sell us oil at tolerable prices.

4. We should not make threats of the use of force against certain oil producing states. I would prefer to see a more concerted effort by consuming states, especially the United States, to achieve a dialogue with producing states, both bilaterally and multilaterally.

Our many shared interests can best be advanced through careful, systematic bilateral and multilateral discussions. Such an atmosphere of cooperation will do more good than confrontation. We must be prepared to act unilaterally should cooperative efforts fail, but the emphasis should be on cooperation and conciliation, not confrontation. It is only in direct meeting with producers that we will be able to put effectively all our relationships on the table and devise a mutually satisfactory basis for future cooperation in all areas.

5. U.S. policy toward Iran has contributed in a major way to Iranian military dominance in the region, which is not necessarily in our interest or in the interest of regional cooperation among all our friends. We should continually evaluate the degree of support we give Iran and the unproved and undebated premise of our policy that Iran acts in our interest. The Shah acts in Iran's own interests and those interests are not necessarily compatible with ours.

6. We should encourage regional cooperation, especially in the security fields, between our two strongest friends in the area, Iran and Saudi Arabia. At the same time we should also try to broaden the small areas of mutual interest we have with Iraq in the hope of eventually re-establishing relations, and in the hope that Iraq can be a responsible and moderate force in the Gulf region. Cooperation among all Gulf states is in our interest.

7. Special attention to United States-Saudi Arabian relations is necessary in the next several months. In the summer of 1973, the big question was whether King Faisal was bluffing when he said an embargo was possible if there was no progress toward a Middle East peace. Whatever reservations we may have about his internal policies and personal views, he is an old friend and over a long period of time he has meant what he said and said what he meant.

Last year, we urgently instructed the Saudi Arabian Ambassador to tell his government that we wanted to create a new special relationship and to establish special joint commissions with Saudi Arabia to help effect closer ties. We launched this report three days before Secretary Kissinger's February 1974 Washington Energy Conference was viewed by the Arabs as a step toward confrontation, and we followed up this proposal with the creation of joint commissions with just about every other country in the Near East and South Asia region.

We have done relatively little in the last year or two to demonstrate effectively to the Saudi leadership that we sincerely intend to reinforce and preserve our special ties. Our bilateral relationship, which has been in the past almost exclusive, may be facing growing pains. Each state may be re-evaluating past relationships. If we still believe there is a need and desire for maintaining our former closeness, we will need to give substantial substance to the joint commissions and work toward a franker and better dialogue and understanding with Saudi leaders on policy issues. In our dealings with the Saudi elite, we must explain better why we aid Israel and why we sell vast quantities of arms to Iran. We cannot pretend these issues do not exist in Jiddah, as we may have done in the past.

8. We need to devise a comprehensive, systematic approach to the handling and investment of excess oil revenues from the Gulf States. We must promote the exports of American goods and services and decide which investments we welcome and which investments by them we do not welcome.

The entire recycling problem needs thought and attention. We must be thinking of ways to encourage petrodollar investments overseas without exposing the United States or our financial institutions to unacceptable risks and yet satisfying the financial security of the Gulf states and their fears of default, devaluation and inflation. The solution must involve the oil producers, as well as the consumers.

I have been impressed that Japan is able to sell as much or more, non-military goods and services to Saudi Arabia, for instance, than we are, and several other states are increasing their exports at a faster rate than we are. For example, France's exports to the major OPEC states increased in the first nine months of 1974 to nearly 8 billion francs from close to 1 billion for the equivalent period of 1973.

The United States cannot boast of such dramatic improvements. Moreover, Britain is beating the United States commercially in the lower Persian Gulf.

The seeming reluctance on the part of some Gulf states to "buy American," to the degree they have in the past, may be because the Gulf states do not like U.S. energy policy or U.S. Middle East policy, or because they want to diversify their business, or because U.S. businesses, with the exception of defense-related industries, are not conveniently nor easily galvanized into action in new and distant foreign regions.

Whatever the source of the problem, the United States is unlikely to increase significantly its exports to the Persian Gulf in non-military areas without changes in policy.

9. We urgently need to rethink our arms sales policies in the region. I worry about the potential implications of an escalating arms race there. Over the last 8 fiscal years 42 percent of the $20.8 billion in arms we have sold overseas went to the Persian Gulf, principally Iran and Saudi Arabia. Kuwait and Oman must now be added to the listed receiving sophisticated arms.

I also worry about the implications of:

Transfers of arms and repeated actions across borders.

Iranian involvement in Oman.

Pakistani pilots in the United Arab Emirates.

Foreign military involvement in the Yemen Arab Republic.

Jordanian officers throughout the lower Gulf, and

Iranian transfers of equipment to Pakistan, Jordan and elsewhere. The more arms in the region, the more they are likely to cross borders.

It is not alone the volume of arms that disturbs me, but the compactness of the region, the looseness of borders, and the long list of potential, tribal, political, ethnic and religious disputes that could erupt at any time, as they often have in the past.

I was once told that over the last three years, three of the most important United States Government policy statements on the Persian Gulf were three annual presentations by Assistant Secretaries of States before the House Foreign Affairs subcommittee on the near East. The Subcommittee is not flattered by such accounts. Rather, I find it symptomatic of the lack of systematic policy attention to the region and the absence of any clear and coherent policy.

Our task is to work for a fundamental change in our relations with the Persian Gulf states. It should be an open, mature relationship; characterized by systematic, regular government-to-government discussions, and where our shared interests are emphasized and our purpose is cooperation, not confrontation.

Hopefully, our Arabs friends will come to see the U.S.—less as a staunch and faithful friend of Israel—and more as an increasingly important trading partner, a good place to invest excess oil monies, and a source of advanced technology.

AN ADDRESS BY CONGRESSMAN WILLIAM S. COHEN ON THE NATION'S ECONOMIC AND ENERGY PROBLEMS

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. EMERY. Mr. Speaker, last Saturday evening, in an address to the Caribou, Maine, Rotary Club, my distinguished colleague, Congressman WILLIAM S. COHEN, delivered an important and timely address on our Nation's economic and energy problems. I believe that Congressman COHEN's remarks represent a constructive contribution to our ongoing economic and energy dialog, and I am pleased to call to the attention of my colleagues Mr. COHEN's speech:

ADDRESSING OUR ECONOMIC-ENERGY PROBLEMS

(By WILLIAM S. COHEN)

In an address delivered in San Francisco in 1954, the late Walter Lipmann, one of the most astute political thinkers of modern times, observed:

"We are living in an age of disorder and upheaval. Though the United States has grown powerful and rich, we know in our hearts that we have become, at the same time, insecure and anxious. Our people enjoy an abundance of material things, such as no large community of men has ever known. But our people are not happy about their position or confident about their future. For we are not sure whether our responsibilities are not greater than our power and our wisdom."

The relevance of Lipmann's observation has not diminished with time. A pervasive sense of despair, helplessness and uncertainty permeates American society. So great is our distress that we are now calling into question the basic tenets upon which our society was founded and has prospered. We now question the ability of our traditional political, economic and social institutions to effectively address the problems plaguing the United States. And, perhaps most significantly, a growing body of Americans now question whether the much-discussed and sought "American dream" will, in the final analysis, either elude us or turn out to be a cruel hoax.

It is not difficult to understand why the American people are disillusioned, confused, and unhappy over the present state of affairs. In the span of a decade, they have endured a disastrous experience in southeast Asia, a political system nearly torn asunder by gross personal abuses and excesses, and now an economy mired in a deepening recession. The strength and resiliency of the American people has always amazed me, but never more so than at the present.

We can take solace in the fact that, to a great extent, the horrors of Vietnam and Watergate are behind us. But solutions to our economic and energy problems remain largely undefined and unaddressed. I would like to use this occasion to offer a broad outline of the actions that I feel should be taken to redress our immediate economic and energy problems.

I have decided tonight to eliminate, as much as possible, the chronicle of statistics and time-worn cliches usually associated with an economic speech. I have done so largely because I believe that each of us is well-indoctrinated in this regard. Moreover, I feel that an endless recitation of grim economic indicators dulls the senses, and only adds to our numbing frustration.

I have felt for some time that one of the most formidable obstacles that must be surmounted if we are to effectively deal with our economic and energy problems is the Government's penchant for painless trade-offs, panaceas and undiluted optimism. How many times were the American people told that the energy crisis was over? How many denials were issued claiming that the economy was not headed for a recession? How many times were we told that the economy was merely "waffing sideways," whatever that means.

In pointing an accusatory finger at both the Congress and the executive branch, it is not my intention to minimize the complexity of these problems. As *Business Week* magazine recently observed, classical economics simply have no advice to give to the economic policy maker who finds himself fighting inflation and recession at the same time. Clearly, we find ourselves in an unprecedented and unenviable position. A colleague of mine put it well when he stated that:

"The American economy can be compared to a cancer victim who also suffers from heart disease. Each must be diagnosed and treated as a separate illness. But, at the same time, the attending physician must be careful not to prescribe remedies which, while curing one ailment, unduly aggravates the other."

Perhaps the most significant aspect of President Ford's state of the Union address was the clear acceptance of the fact that the time is at hand for making the hard economic and energy choices. And while certain parts of his program offer promise and will have my support, I do have serious reservations over some of his recommendations. Certainly the complexity of our economic and energy problems lends itself to honest differences of opinion on what should be done. The crux of the shared challenge confronting President Ford and the Congress is to reconcile their differences promptly, and get on with the task at hand, unencumbered by petty squabbling.

Our present economic difficulties stem from a myriad of causes, and no single policy will turn the economy around. A number of actions such as assisting the depressed housing industry, reform of the Federal regulatory structure, comprehensive tax reform, and vigorous enforcement of our anti-trust laws must supplement and reinforce the proposals outlined in President Ford's state of the Union address.

Time does not permit me to examine these issues at length or to discuss with you the foreign policy implications of our economic and energy problems. In most cases, a separate speech would be required if the issue is to be covered thoroughly. Instead, I will focus on the major elements of Mr. Ford's State of the Union address.

President Ford has given us essentially a three-part program. He has proposed a series of tax cuts and rebates to restore purchasing power to the low- and middle-income consumer. He has asked for a moratorium on new spending programs in an effort to rein in deficits in the Federal budget. And he has called for increased import taxes to raise the price of oil and thereby discourage consumption of that precious commodity.

I welcome the President's tax cut proposals, although I do harbor serious doubts as to whether the proposed cut is large enough. As several prominent economists have pointed out, the average rebate will be less than $200—a sum that will not match what the average family has lost to inflation in the past six months and will lose to inflation in the coming months. For the vast majority of families in Maine, there is simply no flexibility in their budgets for so-called "discretionary spending." They can barely make ends meet in attempting to provide for their basic needs such as food, fuel and housing. Unless the cut is large enough and directed primarily at low- and moderate-income families and individuals, it will clearly fail to achieve its intended purpose. It seems to me that we ought to be thinking in terms of a $20 to $25 billion cut which, as Walter Heller (former chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson) has pointed out, will still only represent approximately one and a half percent of the projected gross national product for 1975.

The proposed increase in the investment tax credit from 7% to 12% is also welcome, although again, serious doubts exist with respect to the usefulness of making the increase only a one-year change. In any event, an increase in the investment credit is necessary to encourage businesses to expand their productive and employment capacities and should give an immediate boost to employment in the durable goods industry. Plant expansion and modernization are major factors in increasing worker productivity, and to do this, industry needs the extra capital that such a credit would provide for financing capital improvements. Most importantly, increases in the tax credit and worker productivity would make it easier for industry to absorb increased wage demands without passing them along to the consumer in the form of higher prices.

I share the President's desire to reduce all unnecessary Government spending, although I doubt that an absolute moratorium on new spending programs is practicable and feasible. New programs may be needed to merely assist individuals to survive the hardships of a deepening recession. And, with regard to proposed curbs on social security cost of living increases and increases in food stamp costs, I believe that social equity demands that government not attempt to "economize" at the expense of those least able to absorb added financial burdening.

I think that it is highly unfortunate that the President has chosen to weaken the effect of his proposed tax cuts by ordering a stiff tariff on imported oil—a tax that would have a devastating effect on the economy of Maine and New England. A $3 per barrel tax on oil imports will increase home heating oil costs by $75 million per year and residual oil costs by $442 million per year for New England. Our electric and home heating bills would soar to levels higher than in any other section of the country, and unemployment levels and plant shutdowns would increase further in the region.

As the New England Council pointed out in a telegram to the President, the major problem with an import or oil tax is that heating and residual oils are already being conserved at high levels in New England and elsewhere. An increased tax on these oil products would do little to lower consumption but would mean higher prices to consumers or further closing of industrial plants.

It should be pointed out that heating oil conservation levels are approaching 20 per cent in New England, with national consumption 5.4 percent below 1973 levels. Residual oil use also is down in the northeast, and down 7.5 per cent nationally. The conservation figures for gasoline are much less impressive, down approximately 2.5 percent.

I am quite prepared to support tough policies that encourage energy conservation, but only if they are fair and even in their impact. A stiff tax on imported oil fails on both counts, and I will vigorously work with my colleagues from New England to block this regressive and inequitable approach to energy conservation.

As Hobart Rowan observed in a recent article in the Washington Post, "A new tax on crude oil is comparable to the now abandoned medical practice of attaching leeches to a bleeding patient." It would not only fail to increase energy prices to a level sufficient to measurably cut demand, but it will work its way through the economy increasing the cost of such basic commodities as heat, food, clothing, electricity, drugs, and needed manufactured products. The proposed tariff on imported oil is clearly inflationary, it will act as a drag on the industries we should be trying to stimulate, and it will drain away much of the new purchasing power that a tax cut is designed to provide.

In seeking ways to reduce our reliance on imported oil, the emphasis must be placed on gasoline, not home heating and industrial oils. And while I strongly support the President's goal of reducing oil imports by one million barrels-a-day by the end of 1975, I favor strengthening the existing mandatory allocation program and the use of import quotas to achieve this end. This approach would guarantee a fair share of petroleum and oil products to all states, and would be more equitable than imposing a stiff import tax. Under the mandatory allocation program, the states would have the primary responsibility to allocate oil and gasoline among various contending uses, including transportation, home heating, industry and recreation.

I would like to add that I was particularly pleased that the President recommended legislation to assist homeowners in making energy-saving improvements on their residences. The legislation that the President recommends closely parallels two measures that I originally introduced in the 93d Congress and reintroduced only a few days ago. One measure would provide homeowners and small businessmen with a 25% tax credit on the first $1,500 of the cost of installing energy saving devices such as insulation, thermal pane windows and heat pumps. The other measure would establish a low interest loan program in the Department of Housing and Urban Development for larger energy saving expenditures. Both bills have the same goal: assisting the consumer to reduce residential energy consumption and expenditures by reducing waste.

Obviously, the most important action that we must take if we are to return our economy to a sound footing is to formulate a comprehensive, future-oriented energy policy. Each of us is now acutely aware of the critical link between energy, the economy and national security.

This task will not be easy. As the Wall Street Journal put it in a recent editorial:

"Policy makers have no good choice. Any choice will impose costs of one sort or another and costs that come at a most unfortunate time. Energy policy consists of minimizing the inevitable costs, reducing the dislocations, choosing the least bad alternative."

The Congress has, of course, already begun the task of fleshing out a national energy policy. We have greatly expanded funding for all federally related energy activities, created a new institutional structure to consolidate Federal energy efforts, approved legislation furthering research and development in both nuclear and non-nuclear energy sources, cleared the way for production of our Alaskan oil reserves, and put in place programs to deal with the short term ramifications of the energy crisis.

To be sure, much more remains to be done on both the conservation and supply fronts.

While energy conservation is certainly not an end in itself, this country can and must significantly reduce its energy growth rate. Perhaps the most alarming and shameful fact to emerge from our national energy dialog is that as a society, we waste at least one third of the total energy that we consume. Coincidentally, this figure approximates our degree of dependence on foreign oil imports—imports that have quadrupled in price in the past year or so, greatly exacerbating our inflationary and recessionary problems.

The principal finding of the two year study of national energy issues by the Energy Policy project sponsored by the Ford Foundation was that neither jobs, nor growth rates in income, nor household comforts will measurably suffer if the nation's energy growth rate is halved through more efficient use of energy. Paring the fat from our bloated and unbalanced energy budget is not the latest Federal fad. It is, as a former energy administrator observed, "a major national imperative."

The possibilities for achieving a significant reduction in energy consumption are almost endless, with the greatest opportunities lying in increasing the efficiency of the automobile and the heating and cooling of buildings. Fortunately, government and private industry have now begun to focus on the area of residential energy saving improvements. Unfortunately, the same degree of attention and urgency has not been given to the automobile. In a very real sense, we have literally driven ourselves to the brink of energy and economic disaster.

It need not, and in fact cannot be allowed to continue. A University of California study estimates that reducing the average automobile to 2,000 pounds and eliminating other inefficiencies could almost double the average gasoline mileage. According to research engineers at Arthur D. Little, Inc., passenger car fuel economy can be improved up to 43%, mostly through existing technology, despite stringent federal safety, emission and noise standards. Detroit is simply going to have to build smaller, more efficient cars, and the American public is going to have to simply adjust to less power, less comfort and less status. And if it takes a steep horsepower tax to encourage this adjustment, then I am prepared to enthusiastically support it.

Our search to pare the fat from our energy budget need not stop with the automobile or the home. Significant energy savings are possible in industry through more efficient production processes and greater use of recycled materials. Additionally, utility rate structures should be redesignated to reward individual efforts to reduce energy conservation in the household. If an individual insists on having a house full of energy consuming gadgets, I see no reason why his electrical bill should not reflect his extravagances. Why should the rest of us subsidize his excesses?

On the supply front, the United States is still an energy rich nation. The critical issue around choosing the supply options with the least environmental costs. The development of our remaining oil and gas reserves, greater production and use of our vast coal and oil shale resources, and more nuclear power plants all entail certain environmental risks. While we obviously must accept a degree of environmental degradation or leave these resources untapped, it is imperative that every step be taken to minimize the damage.

One of the illusions that has surfaced with the onset of the energy crisis concerns the relationship between our supply deficiency and the efforts to clean up the environment. Many have contended that concern for environmental values is incompatible with the development and use of our energy resources. The simple truth is that our efforts to clean up our fouled air and water can in no way be categorized as a primary cause of the energy crisis. It has aggravated the situation, but it has not caused it.

Environmentalists have warned for years that the gluttonous use of our energy resources would exact a stern price on our society if consumption were not moderated. We have now come to realize the foresight and wisdom of these predictions.

It seems to me that the crux of the energy challenge confronting us revolves around not only recognizing, but reconciling the multiple concerns of environmental quality, economic development and national security. A wholesale retreat from our commitment to clear air, clean water, and intelligent land use might improve our energy posture in the short run, but it would clearly have tragic results for our children and grandchildren. Current generations simply have no right to keep using up the options of future generations.

In looking down the road, our emphasis should be on developing alternative sources of energy such as solar, wind, geothermal, hydroelectric and tidal power. Wood also has significant potential as both a direct source of energy or as a chemical feedstock. And, the Federal Government must actively encourage and support the development of coal gasification and liquefaction processes, as well as see to it that the problems attendant to the use of nuclear energy are dealt with promptly and conclusively. In the final analysis, the cheapest and safest supply option available to us in the short term is simply energy conservation.

When one objectively examines the origins of America's energy problem, it is manifestly clear that in large part, it is a self induced ailment—one that has been nurtured by decades of improvident policies, tunnel vision, neglect, waste, and sheer indecision.

For far too long, we have operated under the illusion that our mineral resources were infinite.

For far too long, we have embraced the notion that it is every man's inalienable right to consume as much as he wants for as long as he wants.

For far too long, we have fought against the limits of nature, rather than learning to live comfortably within them.

And for far too long, we have failed to understand that "progress" and "growth" do not necessarily and automatically equate to an improvement in the quality of life.

As Anthony Lewis put it in a recent article in the *New York Times*:

"In a thousand ways, the Industrialized World now faces basic decisions about its future course of development. And the crucial choice is not between existence and beauty. It is between two views of existence: the short term and the long term.

Each of us would do well to weigh Lewis' comments carefully.

PRESIDENT FORD'S OIL TARIFF

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DRINAN. Mr. Speaker, it has come to my attention that the Federal Energy Administration has just raised its estimate for what the President's total energy package will cost the American public. After its most recent calculations, the FEA is now projecting that this energy program could cost the average American family as much as $345 in increased fuel bills. This figure raises by $95 a year the previous estimate of $250 per year for a family of four.

I am just amazed, Mr. Speaker, that the President could continue to announce his support for this potentially disastrous energy program. A recessionary economy and an upward spiraling inflation rate make the further imposition of new energy price increases on the American consumer almost ludicrous. Not only will these increased costs severely tax the average family, but they will virtually cancel out any remedial effect which the proposed tax cut will have on our economy.

The New England region will of course receive the major brunt of the President's energy proposals, especially where they relate to oil. In this regard, I would like to call to the attention of my colleagues a fine summary of the economic difficulties which the oil tariff would create for my State of Massachusetts. This summary was ably prepared by the Associated Industries of Massachusetts.

The summary follows:

FORD OIL TARIFF UNFAIR TO MASSACHUSETTS

SUMMARY

In an effort to mount a national energy conservation program, the President plans to impose a $3 per barrel tariff on imported oil—the first of three monthly $1 increments to go into effect February 1. He has asked Congress to offset this action by imposing a tax on domestic oil, plus decontrolling the price of natural gas. The problem is not one of supply, assuming there won't be another embargo. There is plenty of oil if you pay the price, which, for imports, has quadrupled since the fall of 1973. The thrust of the President's program, as announced in his State of the Union Message, is to reduce the flow of American dollars abroad. This is an important national goal, but the approach is wrong.

AIM believes the tariff would spell economic disaster for Massachusetts and, indeed, all New England:

1. *We depend more on oil than other regions.* New England Fuel Institute states that 86 percent of the six-state region's total energy needs are supplied by oil. Nationally, the figure is 45 percent. On that basis alone, we would get hit twice as hard. However, we not only use more, we import more. Some 90 percent of all our residual oil for electric power and industrial heating and processing is imported, along with 25 percent of our home heating oil.

2. *We have done a better job* than the rest of the nation in conserving oil. Massachusetts industry already has cut consumption an average of 20 percent. Some companies have reached a 35 percent conservation level. Homeowners have done nearly as well. Nationally, fuel oil conservation has been less than 6 percent. The kind of conservation we have achieved, obviously, is a one-shot deal. You can only cut consumption so much and still stay in business. So, the plan won't achieve its goal, only make us pay an inflationary surcharge on already inflated prices.

3. *Other sections of the country will not share* or make the same sacrifices. Regions served by massive, often government-financed, hydroelectric systems, i.e., TVA, Columbia River, or those relying on coal or natural gas will make no comparable sacrifice. New England should not be asked to underwrite national policy to this extent.

4. *The tariff idea seems doomed to fail* from the outset. Most informed observers agree that the problem is gasoline, not oil, and that it is here that there has not been adequate conservation. As distasteful as it may be, politically and to us as individuals, such observers believe that a substantial tax increase on gasoline (25 cents or more per gallon) is the only way to discourage consumption short of the even more distasteful notion of rationing. To be equitable, such a plan would have to incoroprate some system of prompt rebates to essential users—such as salesmen and commuting workers with no access to public transportation—and to low-income motorists: If the country must act to conserve fuel, beyond the voluntary measures being taken, a gasoline tax at least would treat every region of the country fairly . . . would zero-in on a fuel where added savings are possible and more likely . . . and, overall, would be less inflationary.

5. *The President has authority to impose the tariff* by executive order (a claim which may be challenged in the courts) but since an "equalizing" domestic tax will require Congressional approval, the time-lag certain to develop between these two actions would make the impact on importing regions even more severe and the economic imbalance even more outrageous. The energy-cost differential for New England is already great. This could make it near fatal.

6. *A new rash of plant shutdowns and layoffs* could result from the President's apparent assumption that New England industry can either pass along such higher costs to the consumer or absorb them. Massachusetts already has the second highest unemployment rate in the nation. Its industry already faces energy-related competitive problems.

7. *Finally—the whole damned thing is needlessly inflationary!* It won't create a single new job and, according to a leading economist, the tariff (coupled with domestic excises and price increases) could send a $100 billion "ripple" through our entire economy.

ADDITIONALLY

The President promises steps to insure that no region of the country will suffer unduly. We have no indication of how he would do this, in view of the singular dependence of this area on oil imports. His statements have been somewhat ambiguous about the scope of the tariff—at times speaking of crude oil and at others speaking of both crude and petroleum products. We assume he means all. Either would be bad . . . it is a question of degree. There have been hints that this plan was hatched in the office of the Secretary of State—a grand strategy, if you will, for dealing with the OPEC cartel, evidence to show our allies we mean business, etc. That may help some of us comprehend an otherwise incredible proposal, but it won't help us pay the higher fuel and electric bills. It won't put people to work, stop double-digit inflation, or even—most suspect—cut down imports appreciably. For New England industry and consumers, however, it would totally nullify the benefits of any subsequent tax cut. And in that regard, we should be very skeptical of talk that these added costs will be somehow "returned" to hard-hit regions.

Most Americans applaud the broad goals of the President's economic and energy programs. All of us can admire his personal courage and candor. AIM would commend his recognition of the real seriousness of the energy crisis . . . his determination to do something about it. He has asked everyone to "sacrifice a little" for this goal. But we must reply that Massachusetts already has made sacrifices not shared nationally—and at a considerable cost.

DO WE REALLY NEED GAS RATIONING NOW?

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. PETTIS. Mr. Speaker, of late there has been considerable discussion about instituting a system of gasoline rationing. Though I do not always agree with the Washington Post, recently it carried an editorial that points out the real problems with the gas rationing idea. I am inserting the editorial for those who might have missed it:

[From the Washington Post, Jan. 26, 1975]

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

SALUTE TO THE "SAVE A LIVING THING" PROJECT

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. STEELMAN. Mr. Speaker, I wish to commend the tremendously successful campaign, "Save a Living Thing," initiated by the Southland Corp. of Dallas, Tex.

In September of 1974, Southland, along with the National Wildlife Federation, undertook the significant project of saving our national symbol, the American bald eagle, from extinction. Their goal was to raise $200,000 to acquire a tract of land along the Missouri River to be used as a refuge for this endangered species of bird.

Because of their sincere interest in conservation and wildlife habitat, 4 months later the Southland Corp., and the National Wildlife Federation have presented to the American people the South Dakota bald eagle sanctuary.

Further information concerning this worthwhile project is included in the statement released by the Department of Interior.

LAND DONATION TO BECOME NATIONAL AMERICAN BALD EAGLE SANCTUARY

Control over more than 1,000 acres of land in South Dakota and Nebraska that will serve as a sanctuary for the American bald eagle was turned over to Interior's Under Secretary, John C. Whitaker, tonight (December 19) in a ceremony at the National Wildlife Federation headquarters in Washington, D.C.

The land was donated jointly by the National Wildlife Federation and the 7-Eleven Food Stores Division of the Southland Corporation of Dallas, Texas, as the climax of a special fund raising campaign.

Under Secretary Whitaker, in accepting the deed, announced that the land will be used to establish a new national wildlife refuge to be administered by the U.S. Fish and Wildlife Service, and that the refuge will be named for the late Senator Karl E. Mundt of South Dakota who strongly supported the Endangered Species Act of 1966.

The Under Secretary also presented Thomas L. Kimball, Executive Vice President of the National Wildlife Federation, with a letter of appreciation from President Ford. The President wrote:

"This generous gift is an outstanding demonstration of cooperative volunteer action by all those involved. It is entirely fitting that the bald eagle, our national symbol, should be the immediate beneficiary of your gift, especially in view of its current survival problems.

"On behalf of the American people, I thank all of you who have worked to make this donation. I hope that your action will serve as a model for others to follow."

Secretary of the Interior Rogers C. B. Morton in his statement said: "I am pleased to know that once again private industry and conservation-minded citizens, acting through the National Wildlife Federation, have together made a lasting contribution to the Nation. It is fitting that this sanctuary, which serves as a winter home for nearly 15 percent of the bald eagles found in the lower 48 States, be named after the late Senator Karl E. Mundt of South Dakota. Senator Mundt's keen awareness of the need to protect our dwindling wildlife populations helped inspire a historic piece of legislation in the first Endangered Species Act, and his work in that area will long be remembered."

The conveyance includes title to 818 acres purchased through the National Wildlife Federation, plus a conservation easement of about 300 acres. About 19 acres of the refuge area is in Nebraska; all of the remaining acreage is in South Dakota. The refuge's Missouri River bottomland, with its tall cottonwood trees, is a winter sanctuary for as many as 300 bald eagles each year. Other local wildlife includes white-tailed deer, bobwhite quail, wild turkey, fox, coyote, opossum, raccoon, and sometimes a bobcat.

Athough it is not officially an "endangered species," the northern bald eagle population has been greatly reduced in recent years. Pesticide pollution and habitat destruction have plagued eagles, primarily in the lower 48 States, and estimates now show about 1,000 nesting pairs. "It is hoped that by providing such a sanctuary as the Karl E. Mundt NWR—a protected resting area for the eagles—that their population will no longer decline at such a rapid pace," said Lynn A. Greenwalt, Director of the Fish and Wildlife Service.

INTOLERABLE

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BAFALIS. Mr. Speaker, my mail reflects, I am sure, pretty much what the mail to all Members shows—a great concern for the economy of our Nation. As evidence of that concern, I would like to share with my colleagues a letter to the editor of the Naples, Fla., Daily News by the president of a group known as Citizen Inflation Fighters, Inc. There is a great deal of food for thought in this letter and I commend it to my colleagues as the thinking of many of our constituents:

INTOLERABLE

EDITOR, Naples Daily News:

A prolonged high level of unemployment is intolerable. The problem must be solved. But the manner in which it is solved will determine, largely, whether we restore a sound economy—free of the inflationary force of deficit spending—or whether we create more inflation in solving unemployment.

If government continues to spend beyond its income we shall have more inflation as a result. Budgets must be balanced at every level of government. The question is how to solve unemployment without more and greater deficit spending. The only solution is to give productive public works projects top priority and balance the budget by reducing or eliminating, as far as necessary, expenditures of lower priority. We simply must "bite the budget bullet!"

These public works projects to provide job opportunities for the otherwise unemployed should be contracted to private industry on a competitive basis. Quality and high productive efficiency should be prime objectives, stimulated by performance incentives for both employes and the company.

Simultaneously with the availability of such work opportunities, welfare should be dispensed only to those who are physically unable to work. All others should be expected to earn their livelihood, which is both just and economically sound.

Let us not forget that Inflation Is the Cause of Our Recession and the resulting unemployment. Both inflation and recession can and must be stopped by this and other basic corrective actions.

ROBERT F. WEINIG.

NAPLES.

CUBAN APOSTLES OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. PEPPER. Mr. Speaker, today is the 122th anniversary of the birth of the great Cuban patriot, poet, and apostle of freedom, Jose Marti.

Born on January 28, 1853, Jose Marti in 1898 turned the course of Caribbean history by proclaiming the ideological basis of a free Cuba. His inspiration led to Cuba's independence from Spain and his inspiring words still right out the call of freedom for a Cuba newly enslaved to communism.

In commemorating the birth of Jose Marti, I wish to introduce once again my joint resolution commending the Cuban "Declaration of Freedom," adopted January 23, 1966, by 15,000 Cubans in exile at a meeting in Key West, Fla. This resolution appropriately was drafted at the San Carlos Club from which Marti proclaimed his words of freedom.

The enlightened ideas for which Marti gave his life have been, and continue to be, summarily rejected by the Castro regime. There has been no real change in the repressive character of that brutal Communist regime, no change in the fostering of subversive activities in the hemisphere, and no change in the military alliance with the Soviet Union which has brought Soviet power into the Caribbean with bases and troops on the island of Cuba.

What Marti said of Cuba in 1898 is equally true today:

Melodies are heard; choruses resound, but it is clear that this is not the symphony of peace.

There can be no true peace in Cuba or security for our hemisphere until the spirit of Marti and of the Key West "Declaration of Freedom" are once again the guiding light of liberty for the Cuban people.

I include the text of my resolution, House Joint Resolution 152, in the RECORD at this point:

H.J. RES. 234

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the lentgh of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That the score of traitors who have committed treason against our fatherhood, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism in Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban liberty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.

SST BILL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. WOLFF. Mr. Speaker, I rise today to express a mixture of wonder and concern over plans announced by Great Britain and France to seek a series of 50 experimental flights of their Concorde supersonic transport airplane into and out of John F. Kennedy Airport near New York City, perhaps as early as May of this year.

I am concerned because despite all of the medical and psychological knowledge we have gained in recent years in our investigations into the adverse effects of noise pollution, we must still spend time evaluating requests on an aircraft which even its most optimistic backers admit will make at least as much noise—and probably a good deal more—than the presently unacceptable levels of standard jet passenger aircraft.

While most present aircraft can be modified by retrofitting to help our nearly shattered eardrums, Mr. Speaker, I would point out that no one claims that the SST can be retrofitted, or its noise modified in any way.

Towns, counties, cities, and States across the Nation are today protected by antinoise laws, thanks to the lead provided by Congress in passing the Noise Control Act of 1972.

Unfortunately, the area of aircraft noise is still a nebulous one for many localities to attempt to regulate, for they obviously have difficulty apprehending noisy aircraft which do not have the courtesy to land within their jurisdictions.

Consequently, we in the Congress must once again step into the area of nationwide regulation, and I today offer legislation which would prohibit any commercial flights by any SST into or over the United States pending certain findings by the Administrator of the Environmental Protection Agency, and the Secretary of Transportation.

Specifically, Mr. Speaker, we must be assured beyond any doubt that the SST will have no detrimental physical or psychological effects on our citizens on the ground, and that the SST will truly have no adverse environmental effects.

My legislation would require the Secretary of Transportation to report in writing and to the affirmative to Congress before any SST flight into the United States would be possible.

I note that within the past week or so a DOT report has allayed fears that the SST might disrupt the ozone layer of our atmosphere, which is crucial to protecting all of the earth's peoples from skin cancer and excessively high temperatures. This is some comfort, at least, should other nations build and maintain fleets of SST's.

However, Mr. Speaker, a full environmental impact report—one which will include the physical and psychological concerns covered in my bill—is presently being studied by the Secretary of Transportation's experts for final recommendations to the Federal Aviation Administration.

This report, which is not expected to be released for at least a month must receive detailed scrutiny before any consideration of possible SST flights into this country should be given even a preliminary hearing.

To discuss the noise pollution problem in a little more depth for a moment, Mr. Speaker, I would suggest that it really makes no difference if the final reports say the SST by itself is medically and psychologically acceptable.

The fact is that we in America today already have too much noise for our own good. We cannot judge such things as aircraft, or motorbikes, or power saws, or jackhammers, or trucks—or even rock concerts—simply by themselves.

It all adds up, Mr. Speaker, and in this country today it all adds up to too much noise. Some cynic might say there is already too much noise here in the Nation's Capital, but I can assure the House that we will have heard nothing compared with the cries of outrage which will descend upon our ears if and when entire neighborhoods trapped under the Kennedy Airport holding patterns are subjected to the thunder of an SST circling overhead.

For despite all the hoopla about supersonic speeds and miraculous travel times, an SST would be just another airplane when it gets near Kennedy, and, just like any other airplane, it will have to wait its turn to land.

It is precisely such concerns as these which have reportedly promoted authorities from Tokyo, to Sydney, Australia—and even Africa—to discourage plans for flights by the SST.

Needless to say, plans to fly the Pacific routes means that before long we will be hearing from our friends in the Los Angeles area on this topic.

At the beginning of my remarks, Mr. Speaker, I said that I veiewed with some wonder the request by Great Britain and France that their Concorde SST be allowed to land at Kennedy Airport.

To this wonder I should also add sympathy for our friends and allies who have been stuck with one of the great white elephants of all time, and are hoping that we will somehow help them bail themselves out.

When the Concorde was first proposed for purchase by the world's airlines, a major American carrier investigated and discovered to its horror that to merely break even, it would have to charge 150 percent of its present first-class rates to Europe, and that each flight would have to be at least 60 percent filled.

To compound the uneconomic aspects of the present proposition, the Concorde will hold considerably less than half of the 400 passengers now being carried by the giant subsonic jet transports of today.

And, should any of us really need to get to Paris 2 hours ahead of everyone else, we would have to endure up to 1 hour acceleration before reaching altitudes suitable for supersonic speeds—all the while strapped into our seats at a 45-degree angle.

Mr. Speaker, while I served on the Aeronautics and Space Committee as a freshman, and you well know my affinity for aircraft, I can assure you that I share with most of the SST's potential customers a reluctance to emulate an astronaut.

Far more serious, of course, is the fuel which would be burned up by these uncomfortable and uneconomic aircraft. As presently designed, the Concorde would use nearly twice as much fuel per hour as a conventional subsonic jet. Since it can carry only half the passenger load, I can see no excuse for the United States involving herself in any way—even if simply by the tacit encouragement represented by allowing a series of test flights—of such a conspicuously wasteful consumption of fuel.

What today's rising fuel prices will do to the estimated costs—and hence the ticket prices—of SST operations is anyone's guess.

Mr. Speaker, a few years ago many of us in these Halls listened with great attention to the debate over America's own SST. We decided at that time that such an aircraft was environmentally and economically unwarranted, and I have received no evidence since then to prompt me to change my mind.

While some might say that it is the business of the British or the French what they wish to build, I must counter that when our friends propose to build and fly a machine which threatens to shatter the peace and even the health of millions of our own citizens—not to mention the world—then we must take strong action.

Mr. Speaker, the time to close the door on the SST once and for all is now upon us, and I urge adoption of my bill. I am confident that when all the reports are in, you will agree with me that the Concorde, or any other supersonic transport, is simply not in the best interests of any one involved.

CONFERENCE ON EDUCATION IN NUTRITION

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. CARTER. Mr. Speaker, I offer for the consideration of my colleagues an article by Orrea F. Pye which appeared in the Journal of Nutrition Education for October 1974.

Health education will certainly be among the many basic issues to confront Congress within the next 2 years. I believe the author, acting chairman of the nutrition program at Teachers College, Columbia University, cites a number of concepts and recommendations which should receive consideration in any future governmental program in the area of nutrition. The article consists of a report of the activities of the Conference on Education and Nutrition commemorating the 65th anniversary of the founding of the nutrition program at Teachers College.

The article follows:

CONFERENCE ON EDUCATION IN NUTRITION AT COLUMBIA

(By Orrea F. Pye)

A "Conference on Education and Nutrition—Looking Forward from the Past," was held in February 1974 at Teachers College, Columbia University, to commemorate the 65th anniversary of the founding of the Nutrition Program there.

The two-day program began with a historical perspective as speakers presented an overview of the nutrition heritage at Columbia's Teachers College. Dr. Orrea F. Pye, Acting Chairman of the Nutrition Program, introduced the historical sessions by telling about the Nutrition Program in general. Three distinguished professors-emeriti of Columbia University gave reminiscences of earlier teachers and/or colleagues, all famous pioneers in the field of nutrition. Those speakers and the subjects of their reminiscences were: Dr. Clara Mae Taylor—Mary Swartz Rose, 1874–1941; Dr. Charles Glen King—Henry Clapp Sherman, 1875–1955; and Dr. W. Henry Sebrell, Jr.—Robert R. Williams, 1895–1965.

The keynote address, "The Changing Focus in Nutrition," given by Dr. Grace Goldsmith, formerly Dean of the School of Public Health and Tropical Medicine, Tulane University, included a skillful summary review of the history of nutrition.

Dr. Bertlyn Bosley, a former research associate of Mary Swartz Rose at Teachers College, moderated a panel discussion of how to make nutrition education effective. Other speakers included Drs. Richard Wolf and Elizabeth Hagen, specialists in educational evaluation at Teachers College.

The first day of the conference closed with Dr. Myron Winick, Director of Columbia's Institute of Human Nutrition, speaking on "Nutrition and Mental Development."

Dr. William Darby, President of The Nutrition Foundation, Inc., a cosponsor of the conference, introduced the second day's topic, "Directions in Education in Nutrition, 1974 and Beyond." Drs. A. Harry Passow and Gary Griffin, specialists in curriculum development at Teachers College, discussed today's educational challenges and responsibilities in general and strategies for educational development and change.

A panel discussion of "Communication—An Essential Factor in Nutrition Education," moderated by Dr. Kristen McNutt, Research Associate, The Nutrition Foundation, Inc., served as a springboard to the group discussions by participants which concluded the conference.

The Concepts (see below) were developed by the organizers of the conference and the Recommendations stemmed from presentations and discussions at the Conference. Both are a part of the Proceedings which have been published.

CONCEPTS

The term "nutrition education" has different meanings for different people depending upon their knowledge of the science of nutrition, their particular knowledge and skills in the area of education, and their educational objectives. In turn, these are influenced by the environment in which the art and skill are employed. It can be said truly that there is at present no universally accepted definition of nutrition education.

Therefore, the organizers of the conference deemed it advisable to present certain concepts relative to nutrition education which would serve as focal points for discussion recognizing that the broad and varied background and experience of the participants would influence their reactions. It is believed that the following concepts are fundamental to the development of sound policies affecting the future nutritional health of all people in the United States and throughout the world.

1. There is a difference between the word "education" and the word "information." The dissemination of information does not necessarily result in the education of the recipient of the information.

2. "Nutrition education" is the development of an understanding capable of producing intelligent decisions and actions. Education is not merely the acquisition of a fund of technical knowledge. Education in nutrition is the meaningful interpretation of that knowledge.

3. An "educator in nutrition" is one prepared by training, aptitude, and experience to assume responsibility for planning, directing, and/or the conduct of educational programs designed to increase the knowledge and understanding in nutrition of those involved in such programs.

4. An "educator in nutrition" must have a strong foundation in the science of nutrition, natural sciences, behavioral sciences, and education.

5. A sound educational program in nutrition is based on clearly defined and recognizable needs and the resources available to meet those needs.

6. Every segment of the population should receive basic education in sound nutrition practices.

7. Programs in nutrition education should take into consideration the age, background of knowledge, interest, and experience of those to be educated; the stage of development of the social and economic environment; and the probable acceptance of those nutrition practices to be established which are consistent with available food resources.

8. The "status" value of foods promoted by educational programs should be in relation to their nutritional contribution to biological needs.

9. The extent to which any food and nutrition policy will be implemented will depend on the manner in which the educational programs are planned and carried out.

10. The effectiveness of any program of education in nutrition designed to meet defined needs can be measured by the extent to which the teaching is applied and the degree to which the desired practices are established.

RECOMMENDATIONS

Recommendations emanating from conference speakers and discussants are presented below.

1. Education in nutrition is the right of every human being.

2. The formulation of a national policy in relation to nutrition education is needed. It should stress coordination of all available resources. One means of implementing such a policy would be through area councils in different regions.

3. Universal nutrition literacy should be a priority of a national policy related to nutrition education. The aim of national nutrition literacy should be to enable citizens to utilize knowledge of food and nutrition necessary to promotion and maintenance of health adjusting to the realities of changing food situations. Curricula should be developed within schools, beginning in the elementary grades, as a means of developing sound nutritional behavior in later life. The principle of conservation should be emphasized in all nutrition education efforts because population pressures and shortages in food supply will necessitate sharing of resources.

4. Special university centers or institutes for education in nutrition should be established where dialogue and collaboration between related and essential disciplines are practical. Such university centers could take responsibility for preparation of broadly based interdisciplinary specialists in nutrition education and in the continuing education of "nutrition educators" of various kinds. These centers could help to coordinate, integrate, and unify efforts in nutrition education. They could conduct the research in methodology of nutrition education which is so urgently needed. Innovative approaches adaptable to the needs and characteristics of different learner groups could be initiated. Well-designed, experimental approaches could be tested and evaluated on a continuing basis.

5. There should be an increased number of specialists prepared in education in nutrition to meet growing demands from educational institutions, organizations, service agencies, and industry. These specialists should have a broad vision of population growth and needs and the possible ways of meeting these needs, based upon scientific nutrition concepts and knowledge of human behavior. Their educational understandings, techniques, and approaches, along with evaluative skills, should provide them with the tools required to achieve clearly defined objectives.

6. Those persons responsible for preparing specialists in nutrition education must keep in mind that different aptitudes and background experiences will influence the type of training required. Different kinds of teachers are needed and must be prepared at different levels to reach the various age and population groups.

7. Teachers College should appoint a task force following this conference to determine possible ways of implementing conclusions and recommendations of the Conference.

SWAMP STOMPER

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GINN. Mr. Speaker, while recently visting in the Okefenokee Swamp which is partially located within the First District of Georgia, I had the privilege of meeting Steve Davis, a 15-year-old swamp stomper. I was very impressed with his love of the swamp and knowledge of the area. I was pleased to discover that an article about Steve had recently been published in the Atlanta Journal and Constitution and I wish to take this opportunity to share the article with my colleagues:

[From the Atlanta Journal and Constitution magazine, Dec. 1, 1974]

YOUNG STEVE DAVIS IS A SWAMP STOMPER

(By Robert Coram)

Ralph Davis, one of the last old-time swamp stompers living on the edge of the Okefenokee Swamp, was being bothered by a pesky bear a few years ago. The bear kept nosing around the barn at night and Davis knew it was only a matter of time before the bear began killing hogs and cows.

So, in the direct manner of the swamper, Ralph Davis decided to do something. He took his young son Steve and a few dogs, and went hunting for said bear with the intent of doing serious bodily harm to him.

Davis was in the middle of a pine stand about 100 yards away from his son when the bear got up in front of him. One shot from his 12-gauge shotgun hit the bear in the shoulder and angered him in no small degree. The bear wheeled with the shock, saw young Steve Davis and charged. Undergrowth prevented the elder Davis from shooting again.

Steve raised his 20-gauge shotgun—not even a decent bird gun and little more than a popgun to an enraged 350-pound bear—and fired. The first two shots dropped the bear but each time he bounced back angrier than ever. Still charging.

Steve Davis never flinched. He stood there with the little ole 20-gauge steady as could be and fired the third and final shot in his gun. It caught the bear squarely in the throat from 20 feet away and dropped him, this time for good.

Ralph Davis, who has a rather respectable girth, parted the palmetto bushes a few minutes later, took in the situation—his only child leaning on his gun with the bear a few steps away—let loose a long slow breath of relief, and in the understated way swampers talk, said, "Well, son, looks like you got your first bear."

"Guess we'll have bear steaks tonight," Steve replied calmly. He was 10 years old at the time.

Years later, when telling of the incident under the proud prodding of his father, Steve showed no inclination to embellish events. He tells it calmly.

When asked what was going through his head after the second shot and the bear was still charging, he matter-of-factly said, "Well, I knew it was my last shot. So I had to make it count."

Today, a ripe old high school sophomore at Charlton County High School in Folkston, Ga., Steve Davis still is demonstrating those qualities of grace under pressure, love of the outdoors, and a straightforward way of looking at and solving problems that long have characterized the people of the Okefenokee.

Steve Davis is, in a very real sense, a state treasure. There should be some way to bronze this kid like a pair of prized baby shoes so people years from now will see the caliber of people this state can produce.

He is a child of the Okefenokee. He doesn't even remember the first time he went into the swamp, it was at such an early age. "There is no other person Steve's age who knows as much as he does about the swamp," said John Eadie, refuge manager of the Okefenokee National Wildlife Refuge.

Steve's knowledge extends beyond being able to find his way through the innermost reaches of the swamp; beyond the ability to name trees, animals and birds along the way; beyond being able to go into the swamp anytime he chose and come out with a mess of trophy-sized fish. He has, most of all, that ineffable love for the swamp, the feeling for what the swamp is all about, that distinguishes the true swamper from those who think they know the swamp.

"Some people come to the swamp to look. But Steve lives there. He cares for the swamp. That in itself is unique," John Eadie said.

During the summer and on weekends throughout the year, Steve is a guide at the Suwannee Canal Recreation Area near Folkston. "Steve is the youngest guide we ever hired. But none are so qualified as he. He is a dependable young man," Eadie said.

He got the job by riding with friends who were guides and learning the spiel they give tourists. Nobody had to teach him the swamp. He taught them. Steve has been to places in the swamp no federal man ever has seen. He can lose any one of the federal men in an hours.

Refuge Manager John Eadie knows the swamp as well as any other federal man. He is an ardent fisherman who turned green everytime he saw Steve poling out of the swamp with warmouth perch weighing upwards of 1½ pounds. Like everybody else, Eadie could catch warmouth weighing maybe a pound—not bad for a warmouth. But here comes Steve Davis, just as regular as the sun coming up, with warmouth half again as big as anything he could find.

Now, the location of a "hole" where the fish hang out is a secret as closely guarded around Folkston as is the combination to the vault at Ft. Knox. But Eadie prevailed on Steve to show him the hole where the big warmouth lived.

Eadie came out of the swamp with a string of 1½-pound warmouth as long as your arm and a grin almost that long. Everybody at the landing wanted to know where he'd been fishing. "Funny thing," he said, "Steve put a sack over my head soon as we got in the swamp and I don't remember where we went."

Many tourists, especially from the North, go into the Okefenokee in fear and trembling. They have seen the host of bad movies about the swamp and expect a place where alligators attack boats, where snakes drop out of trees on people passing below, where quicksand will snarf up the unwary, where poisonous plants abound—a place, in short, of terror and evil.

"There's nothing in there that will bother you," Steve says. "Bears won't bother you if you don't bother them. Stay in the boat and gators won't bother you."

Then there's the hyped tourist coming back north after a few days in Disney World. He has a few dollars left and wants to get in a little of the wilderness bit before returning to Pittsburgh or wherever. So he stops at the Suwannee Canal Recreation Area and sees, lolling on the bank, a couple of 10-foot alligators. Signs all around read, "Don't Feed the Alligators." But the tourist thinks that's for show.

"Hey, fellow. That a real alligator or do you wind him up?" asks the Disney-sedated visitor.

Steve assures him it is real.

"Then why doesn't it move around a little?"

"Because he's sunning," Steve says.

"Aw, you're putting me on. Go over there and poke at him. Make him move," says the tourist.

"No sir, I can't do that. I don't want to poke an alligator. And if we leave him there, other visitors can see him," Steve says.

But, sure as grits is groceries, as soon as Steve and the other guides look the other way, the tourist heads for the gator. He walks up. Stops. Walks closer. Leans over. Then suddenly the gator raises his head, opens that mouth full of pearly whites and emits a loud warning hiss. And the tourist sets a new record for the 100-yard dash as he comes around the boat basin.

Steve gives the tourists more than their money's worth. He knows things about the swamp that make his tour special. Things such as the gator nest a couple of miles down the canal where three cypress trees grow together. He and the other guides didn't tell the federal people about the nest because they would send down a bunch of bright-eyed academic types digging and poking around. But the guides share it with the tourists. Steve drives his aluminum boat near the nest, points out how the gator built it, and picks out the tiny, just-hatched, lizard-like baby gators. The tourists lean over the side of the boat taking in all that wilderness stuff, just dying to get back home and tell people about this absolutely exotic place down in Georgia. Then out comes Mama Gator, hissing like a steam engine. And the tourists all leap to the other side of the boat, forgetting the people back home and just wondering if they will get out alive.

The sight of 10 tourists on tiptoe on the same side of the boat makes one appreciate the wisdom of the concessionaire in buying beamy flat-bottomed boats.

Steve is considered a good guy but something of a strange duck by many of the students at Charlton County High School. They're always going out to dances, riding around, cutting up—just having a good time doing all the things high school students do. But that Steve Davis spends all his time being a guide or else out in the swamp with his dad fishing. They get hungry, they go deer hunting.

Steve is one of those kids who could be the model for what parents hope and pray their sons will become. He doesn't smoke or drink. He doesn't know what marijuana smells like. He says "sir" or "ma'am to anybody three days older than he, does his chores around the house and never, but never, gives his parents any trouble.

Recently, with the help of his aunt, Elmina Crews, he bought a pickup truck. The ashtray was broken and he refused to repair it. "But what if you have a little girl in there who wants to smoke, son?" asked his mother, Mrs. Betty Davis.

"If she smokes, she won't get in my truck," Steve said. He refuses to allow his friends or even his parents to smoke or drink beer in his pickup truck.

If Steve Davis ever leaves Folkston, the swamp will be the poorer. He is the last of a virtually extinct breed—those men who are proud to be called swamp stompers. The love and knowledge he has regarding the swamp are unequaled. And now, with the government controlling almost the entire swamp, it is impossible for anyone ever again to duplicate what Steve has done by growing up in the swamp as the child of a swamper.

"There's nobody left like Steve," Eadie said.

His family lives on the very edge of the swamp. The dark waters of the Okefenokee begin a few yards from their back door. It is land the government long has wanted. And someday they will get it. Ralph Davis knows it. The government knows it. After all, the government has gotten everything else down there it wanted. It's just a matter of time until Ralph Davis, the last of the holdouts, is forced to sell. But the feds will know they didn't just walk in and take it. Ralph Davis is cut from cloth the looms no longer spin. His father was born and lived in the swamp. He has lived off the swamp all his life. In fact, he survived the depression because of the swamp's bounty.

Steve is part of that heritage. A heritage that spreads a chasm between swampers and "the government people." But old idols tumble and old ways die. Even now "the government people" want Steve to go off to college and become a federal ranger.

The irony of the last of the swamp stompers becoming a federal man is not lost on Steve. In fact, he likes the idea of becoming a ranger if he could be assigned to the Okefenokee. But the idea of being sent to some other part of the country doesn't do much for him. It's not lack of ambition. It is instead a firm sense of place. "My daddy and my granddaddy grew up and lived here. It's what I know. It's what I love. I want to stay here in the swamp," he said.

TRIP REPORT

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SHUSTER. Mr. Speaker, pursuant to my assignment to represent the House Public Works Committee at the International Highway Safety meetings, I departed from Dulles Airport at 9 p.m. on Wednesday, January 22, 1975, and arrived in London at 9 a.m. the following morning.

Upon arrival I was met by the State Department, and after checking into my hotel, proceeded to a road safety press conference and luncheon with the London press corps. At 3 p.m., I visited the House of Commons and met with the All Party Road Safety Committee of that body. At 5 p.m. I met with representatives of the Ministry on Environment and was briefed on the water pollution program which achieved great success in cleaning up the Thames River.

At 7 p.m. I delivered the International Road Safety Cup on behalf of Congressman William Harsha of Ohio to the House of Lords along with suitable remarks for the occasion. After dinner in the House of Lords, hosted by the Lord Champion, the cup was presented to M.

Gerondeau, French Minister of Road Safety for his notable contributions to the cause of highway safety.

On Friday, January 24, I traveled to the British Transport and Road Research Laboratory where I toured their facilities and was briefed on their many research programs and latest developments. I have secured several safety studies which I shall turn over to our U.S. Department of Transportation for their evaluation and use.

Friday evening I met with Superintendent Walker of Scotland Yard and received a briefing and tour of their central traffic control center. Saturday, January 25, I departed from London at 8:30 a.m., arriving back at Dulles airport at 3 p.m. Washington time. The State Department provided me with a standard travel allowance of 93 pounds 84 pence for the trip. I expended 89 pounds 14 pence and have returned 4 pounds 70 pence in unexpended funds to the State Department.

Although hurried, I believe the trip was worthwhile both in terms of representing our Government at the formal highway safety proceedings in the House of the Lords as well as through the exchange of information with the British Transport and Road Safety Laboratory, Scotland Yard, and the Environmental Ministry.

The Right Honorable Fred Mulley, M.P., Minister of Transport and Chairman of the British Labor Party asked that I extend his best wishes to you, Chairman Jones and Congressman Harsha. I personally thank the three of you for providing me with the opportunity to represent our country at these meetings.

MALPRACTICE INSURANCE SKYROCKETING

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SYMMS. Mr. Speaker, the skyrocketing cost of malpractice insurance for physicians is of concern to both the medical community and to consumers of medical care to whom the costs are passed on.

In New York, it was recently announced that the costs for coverage of high-risk specialists would zoom from $14,000 per year to $42,000 annually. A court injunction was necessary to halt such a drastic increase.

In Maryland, doctors and State officials are struggling to find workable arrangements for malpractice coverage since the largest insurer of doctors in the State announced that it would no longer provide coverage. Not only are doctors hurt by this and similar actions in other States—but the people who stand to lose the most are those in need of good quality medical care.

During the last Congress, only two items of legislation were introduced which addressed this problem. Hopefully, the 94th Congress will take the time to study the situation and act to alleviate it. For the readership of the Record, I am submitting the following article which appeared in U.S. News and World Report:

Lawsuits: A Growing Nightmare for Doctors and Patients

Malpractice suits against doctors and hospitals are multiplying so rapidly and growing so costly that they are significantly altering the practice of medicine in the U.S.

Rising medical costs are already attributed in some measure to the surge in malpractice suits. From all evidence, even higher bills are in the offing.

In the past five years, malpractice claims have more than doubled in frequency. Size of claims is skyrocketing. A $100,000 suit is not unusual. In California last year there were about 30 awards of more than $300,000 each—and half of those were for more than 1 million dollars.

One consequence: The cost of malpractice insurance for doctors and hospitals has risen astronomically—by almost tenfold in many places since 1969.

Such insurance is even becoming unobtainable at any price in more and more places. In Texas, New York, Maryland, North Carolina and Michigan, for example, many insurance firms are going out of the malpractice business or limiting coverage to "low risk" groups.

Alarm is widespread—at top Government levels and throughout the medical profession—over a situation that is creating a nightmare for doctors and patients alike. Besides cost problems, the spread of malpractice suits poses other dangers—

Doctors increasingly are reluctant to try any procedure which, while it might provide a cure, could be risky. This may stultify medical progress, scientists warn.

More and more doctors say they are practicing "defensive medicine"—keeping patients in hospitals longer, insisting on more lab tests. This development may drive up medical bills far faster than the rise in malpractice insurance premiums.

The doctor shortage may increase. Many physicians, particularly aging ones, are talking of quitting practice rather than risk suits that could hurt them financially and ruin hard-won reputations. Others are refusing to take on new patients.

Caspar Weinberger, Secretary of Health, Education, and Welfare, voices Government concern in these words:

"The increasing difficulty physicians have in obtaining malpractice insurance—at any price—has reached crisis proportions in the United States. . . . The loss of insurance coverage for physicians would have an immediate impact on the public's access to quality health care. It would most certainly drive up the cost of medical care even further and it would increase the number of tests and procedures ordered by physicians solely to protect themselves."

All told, Secretary Weinberger estimates that "high malpractice insurance premiums and the defensive medicine that results cost the public between 3 billion and 7 billion dollars a year."

THE DOCTORS' DILEMMA

Across the country, physicians and surgeons agree with Dr. Russell B. Roth, former head of the American Medical Association, who says of the increased malpractice premiums: "There's only one place a doctor can get this kind of money, and it's from his patients."

Dr. Roth suggests the premiums run from $1.50 to $2 for each office visit.

In Florida, where malpractice premiums are high, Dr. Pedro J. Greer, an internist who heads the Dade County Medical Association in Miami, asserts:

"If the increase is 5 to 10 per cent of the doctor's gross income in premiums—that is probably the cost increase that should go to the patient."

Dr. Irwin J. Cohen, of the New York County Medical Society, feels it would be "unrealistic" to expect doctors not to pass on their premium costs.

Dr. Kenneth Lehman, of Topeka, Ind., is solving the malpractice dilemma by quitting. After 27 years of practice, he says:

"I am getting out because I do not want to be in the untenable situation where a jury rules on my medical competency. A malpractice decision should be made by individuals who know medicine, and there should be some limits as to what damages belong with a certain kind of case."

POUNDS OF PREVENTION

Can malpractice suits be avoided? Dr. Cohen believes that many suits result from bad communication between doctor and patient. As he sums it up:

"If a patient feels you have his best interest at heart and that you are genuinely concerned, that you'll do everything possible to treat the complications that have occurred, and you answer all his questions—then he'll be more likely to face a bad result with his physician rather than against him in court."

Still, many doctors prefer not to take high risks. According to Dr. William R. Cast, chairman of the committee on malpractice of the Indiana State Medical Association:

"Physicians are practicing defensive medicine in case they have to justify themselves to a jury. They hospitalize patients who could be home. They keep patients in hospitals longer than is necessary. They order tests and X rays that are not needed, and they order second tests and X rays when the first ones have already shown adequate results.

UP, UP GOES THE COST OF MALPRACTICE INSURANCE

Annual premiums for malpractice insurance, coverage of $100,000 per claim and up to $300,000 per year for all claims—

	5 years ago	Now
Portland, Oreg.:		
General practitioner, no surgery	$181	$484
Thoracic surgeon	684	2,420
Neurosurgeon	847	3,023
Houston:		
General practitioner, minor surgery	216	1,895
Ophthalmologist	371	4,063
Orthopedic surgeon	711	6,772
Minneapolis-St. Paul:		
General practitioner, minor surgery	89	611
Cardiac surgeon	198	1,756
Anesthesiologist	231	2,196
Atlanta:		
General practitioner, major surgery	185	1,080
Ear-nose-throat doctor	206	1,348
Gynecologist	206	1,530
Boston:		
General practitioner, no surgery	119	469
Proctologist	357	1,760
Plastic surgeon	622	3,060

Source: St. Paul Fire & Mutual Insurance Co.

"These costs are a thousand times greater for patients than what is added to their bills because of premium increases for malpractice insurance."

A San Francisco internist says he might merely bandage a friend's son who was hurt in a football game.

"But if he were a stranger, I'd have him get every kind of X ray, might hospitalize him for observation. In questionable cases I'd call in a consultant. It's the only way a doctor could have a reasonable chance to defend himself against charges of inadequate treatment and negligence."

As the chief surgeon of a large New York City hospital sees it:

"It's sad to state that a careful, clinical evaluation is no longer acceptable today. You have to reinforce it with a lot of lab tests and X rays. And these cost money—a lot of money."

In Savannah, Ga., Dr. William H. Lippitt, past president of the Georgia chapter of the American College of Surgeons, comments:

"I have had a number of doctors tell me they look on every patient as a potential suit, and that's so sad."

PROBLEM FOR HOSPITALS

Until about five years ago, hospitals by law were usually exempt from malpractice suits. That has been changing, and today most hospitals carry malpractice liability insurance and pass a portion of the cost along to patients.

In addition, hospital staffs are under orders to be generous with lab tests and X rays—to protect the hospital from suits based on negligence.

Some good side effects are reported. An internist in Marin County, California, echoes the feelings of some doctors about the specter of lawsuits:

"It's probably helpful in that it forces doctors to be more careful, and many doctors need to be more careful."

The American Hospital Association has issued a "Patient's Bill of Rights," which spells out the duty of doctors to be completely frank and explicit in outlining to a patient all possible risks. Next to negligence, the most common basis for a malpractice suit is lack of "informed consent" on the patient's part to treatment that might be risky.

WHO GETS SUED FOR MALPRACTICE?

Of all malpractice suits—

	Percent
Surgery	
Orthopedic	19.0
Gastrointestinal	11.5
Gynecological	10.3
Obstetrical	5.1
Cardiovascular	1.8
Other surgery	9.5
Total	57.2
Medical treatment	
Psychiatric	1.5
Cardiovascular	1.4
Other medical	17.6
Total	20.5
Radiology	
Diagnostic	5.2
Other radiology	0.9
Total	6.1
Pathology	
Anatomic	1.1
Other pathology	0.5
Total	1.6
All other treatment	
Emergency	5.8
Vaccinations	1.2
Other treatment	7.6
Total	14.6

Source: U.S. Dept. of Health, Education, and Welfare.

"Hospitals and doctors are far more efficient and careful now because fear of lawsuits has forced them to avoid negligence," says Denver attorney Jim R. Carrigan, who handles a lot of malpractice litigation.

Some doctors blame lawyers for part of their problems. A San Francisco physician comments:

"The people who bring malpractice suits are either broke and need money or hate their doctor. In either case, they find a sympathetic helper in some lawyer anxious for a big fee."

In Atlanta, neurosurgeon Dr. William W. Moore, Jr., fears medical malpractice "is becoming a source of legal practice that's maybe looked on as a new-found oil fiield."

SOLUTIONS AHEAD?

Federal authorities and some States are now considering actions aimed at a solution of the malpractice problem. California's legislature, for example, has come up with these recommendations:

Empower hospitals to require doctors to carry adequate malpractice insurance—so that those with bad practice records can be screened out.

Develop screening procedures to eliminate "nuisance suits."

Appoint ombudsmen to investigate claims and make informal adjustments.

At the federal level, there are plans to consider Government-backed malpractice insurance and to set guidelines for new laws on malpractice.

But time is short, warns Dr. Jordan S. Brown of New York University Medical Center. He says:

"The malpractice situation is in the process of destroying medicine. The people who are ultimately going to lose are the patients themselves."

ROBERT A. UIHLEIN, JR.—CIVIL LEADER

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. REUSS. Mr. Speaker, the Wall Street Journal recently ran an excellent article about one of Milwaukee's outstanding citizens, Robert A. Uihlein, Jr., president of the Joseph Schlitz Brewing Co. I am pleased to share with my colleagues this article by Harlan S. Byrne, entitled "Uihlein Puts the Gusto Into Schlitz's Operations." The article, from the Milwaukee Journal, follows:

UIHLEIN PUTS THE GUSTO INTO SCHLITZ'S OPERATIONS

(By Harlan S. Byrne)

Robert A. Uihlein, Jr. could easily take the part of one of those gusto types in the Schlitz beer commercials.

He's tall, well built and ruddy faced, and away from his job as president of Jos. Schlitz Brewing Co., he spends a lot of time at active sports.

He plays polo on summer weekends, goes skiing in winter, plays tennis year round, and now and then takes off for big game hunting in Africa or Alaska. Uihlein even has been known to top off one of his sporting endeavors with a glass of Schlitz—just like the rugged guys do in the commercials.

His many relatives, though, are more apt to toast him for the winning points he has scored on their behalf at Schlitz. Uihlein came riding to the rescue of the company 13 years ago when he was named president. He halted a long slide in sales of "the beer that made Milwaukee famous" and turned the company into a top money making brewer as well as a blue chip investment. His efforts helped make the Uihleins one of the wealthiest families in the U.S.

FOURTH TO HEAD FIRM

To simply class the Uihleins among the super rich, however, is to obscure a significant difference. The Uihleins have continued to run the family enterprise for a much longer period of time than most wealthy families do.

Uihlein, 58, is the fourth Uihlein to head the company, which goes back 125 years. Few companies the size of Schlitz, with close to $1 billion in sales annually, are controlled and run by one family.

The latest tally showed 460 Uihleins (including spouses) owning nearly 80% of Schlitz stock—22.7 million shares having a current market value of close to $350 million and yielding $15.4 million a year in dividends.

While few Uihleins are still employed at the company, the family has 14 of the 17 seats on the board. Most are descendants of four Uihlein brothers who inherited the company from an uncle, Joseph Schlitz.

NOT USUAL CASE

While many large companies stem from a single family, the control often is broken by the time the second or third generation comes along. Families lock up fortunes by selling their companies, or by reducing their ownership, and giving up management.

Motives often go beyond an understandable preference for the life of the idle rich. Not infrequently, a founder may have no offspring to take over his company. Tax laws encourage funneling of large blocks of stock into foundations.

Sometimes, succeeding generations simply have no interest in the business. Or they get to squabbling among themselves and want out.

The long term reign of the Uihleins at Schlitz perhaps isn't so surprising considering that dynasties seem to go with beer companies. Many breweries were set up in this country by German families and are still run by them—the Strohs, the Coors and the Busches, to name a few others. Uihlein thinks his heritage indeed influenced him.

"My father was a strong willed Germanic type who insisted at an early age that I go with Schlitz, so I always assumed I would," he recalls.

A longtime friend of the Uihleins also suggests the work ethic has been strong in the family. It's a fact that most of the Uihleins occupy themselves at one job or another. Some of them have made second fortunes in their own manufacturing businesses, or as bankers, brokers, ranchers and oilmen.

NINETEEN YEARS OF PREPARING

While Uihlein's success at Schlitz has cast him as the family leader, there was nothing foreordained about his role. He labored at various assignments for 19 years before he got his big chance as president.

After graduating from Harvard and the University of Wisconsin Law School, he joined Schlitz in the sales department in 1942. It seemed a propitious time, as Schlitz then was the leading brewer.

During an interview in his high ceilinged office next door to the Milwaukee brewery, Uihlein remembers it was far from a happy time for him.

"Those early years were an ordeal for me. I was on the road the first 18 months visiting wholesalers and wasn't home more than a few days at a time," he says. His early training also included sweating out a year in a brewers' school in New York, which certified him as a brewmaster, the beermakers' equivalent of a Ph.D.

In time, he began to chafe at the antiquated and autocratic ways of Schlitz management. It had become a two man company, headed as president by his uncle, Erwin E. Uihlein, and a general manager, Sol Abrams, who worked for Schlitz for 70 years until he was 87 years old.

STALE FOR DECADE

When Uihlein asked a question or made a suggestion, it all too often took weeks to get a response from his uncle or Abrams that should have taken no more than a day, he says. Initiative among subordinates was all but stifled, and management methods generally were archaic.

Flaws could be overlooked as long as the company was on top. After hitting a production peak of 6.4 million barrels in 1952, the company went stale for a decade.

In 1953, a 76 day strike cost the company more than one million barrels of production. But even before then, a more serious threat was developing. The bulk of beer purchases was switching from bars and restaurants to stores, and drinkers were becoming more price conscious.

Long before Schlitz got around to it, many brewers brought out lower priced beers. Anheuser-Busch Co. brought out Busch Bavarian as a successful complement to Budweiser, and it took over first place in the industry from Schlitz in 1957. By then, Bob Uihlein was a vice president and an unhappy man.

He isn't eager to recount that period, but his wife, Lorraine, who is a more effervescent type, remembers well. "There were nights when he would come home discouraged and talk about quitting, though I'm sure he didn't mean it," she recalls.

OLD MILWAUKEE REVIVED

In 1959, over Abrams' objections, Erwin Uihlein finally was prodded into reviving Old Milwaukee, a brand that Schlitz once had, as a popular priced beer. But the debut was handled ineptly, and Schlitz sales and profits kept slipping. By late 1961, after much wrangling, the board decided that Bob Uihlein should replace his uncle as president and chief executive. Abrams retired.

Uihlein had some firm ideas about what needed to be done at Schlitz, and he indicated to directors that he wouldn't tolerate too much family interference. To his dismay, he ran into a family problem at the first board meeting after he became president. A cousin, David V. Uihlein, who had earlier acquired a small brewery, wanted to sell it to Schlitz.

"I let the others know in no uncertain terms that I didn't want that tea kettle rammed down my throat the first day on the job," he recollects. "We didn't buy it but I had to spend an entire Saturday afternoon at my house convincing David that his brewery would never make it." (Which it didn't.)

Uihlein has had other differences with directors from time to time, but he generally has had his way with the board because most of his ideas have clicked.

RECOVERY STARTS

Within a year, he had Schlitz on the way to recovery. In 1962, his first full year, Schlitz sales rose 19% to a new high of $255 million, and profits jumped 41% to $9.8 million.

One of his first moves was to replace the J. Walter Thompson ad agency with Leo Burnett Co. Burnett came up with catchy new slogans—"real gusto in a great light beer"; "when you're out of Schlitz you're out of beer"; "you only go around once in life." He also reorganized and expanded the marketing department, began building up the wholesaler network and ordered a new campaign to spur sales of Old Milwaukee.

He decided that Schlitz would be first in the industry with pull-tab aluminum cans. The company brought out still another brand, Schlitz Malt Liquor, which scored in the youth market because of its higher alcoholic content. He launched Schlitz into a major expansion of capacity and began diversifying into wine, animal feeds and duck farming.

OFFICERS GROW

Another big concern at first was Schlitz's thin management. So he raised capable people within Schlitz to the status and pay that he felt was overdue, and he recruited many outsiders. When he became president, he was one of six officers; today, Schlitz has nearly 30.

He likes to think that his biggest contribution was giving subordinates a chance to make mistakes—something that subordinates didn't dare do before. He made some mistakes of his own in choosing executives, having to fire several vice presidents who didn't live up to his original appraisal of them.

Mistakes haven't done much to mar the recent record of Schlitz, however. From 6% of the beer market in 1961, Schlitz today has more than 15% (which is still less than Anheuser-Busch, which has 24%). On some counts, Schlitz has topped Anheuser-Busch in recent years: Schlitz sales and profits have grown at a faster rate, and Schlitz is expanding faster and moving more rapidly into profitable self-manufacture of cans.

Uihlein questions whether Schlitz will regain the sales lead, but he figures it is less important than profits continuing to climb. He's confident of continued sharp earnings growth in the next few years despite a leveling off of profits in 1974; Schlitz, along with other brewers, had to absorb sharp increases in grain and other raw materials costs.

For 1974, Schlitz will do well to equal 1973's record net of $55 million, or $1.90 a share.

STOCK DOWN

Schlitz stock, after several years of sharply ascending prices, in keeping with earnings growth, also has plunged in recent months below $20 a share from a 1974 high of $57 and the peak of $68 in 1973.

At that peak, the Uihleins' Schlitz holdings had a market value of $1.56 billion. Even at today's depressed prices, Schlitz stock is selling at about three times (adjusted for two splits) the original public offering price in 1961. Uihlein did a lot to spur interest in Schlitz stock in recent years by personally dealing with security analysts—as many as 80 a year.

In looking ahead, it's questionable how long the Uihleins will continue to manage Schlitz, although the family probably will hold on to a majority of the stock and thus retain the final say in important moves for many years.

Two of Uihlein's relatives are still officers—Fred W. Uihlein, a cousin, and Robert B. Trainer, a brother-in-law. Both joined the company before Uihlein became president, and they are considered competent in their jobs as vice presidents, but doubtful candidates to succeed Uihlein.

RESUMES PRESIDENCY

Schlitz directors apparently were preparing for an outsider to take over by promoting 44 year old Roy C. Satchell to president in February, 1973, with Uihlein continuing as chairman and chief executive. But barely six weeks later, Uihlein had to resume the presidency when Satchell resigned.

Satchell insisted at the time that he had no differences with the Uihleins but decided that he didn't really want the job—an explanation that doesn't fully satisfy people at Schlitz.

The Uihleins may have paved the way for another president last September when Eugene B. Peters, 45, was promoted to executive vice president and general manager from senior vice president for finance. The promotion elevated Peters to the No. 2 spot at the company.

Whether Peters will become president or chief executive is far from a certainty. Uihlein also has nurtured the hope that some day one of his sons, Robert III, who is 24, and James, 22, would get interested in the business and ultimately work to the top. But so far Robert and James are leaning toward ranching.

"It's a different generation and a far different company than when I joined Schlitz, so I'm not going to tell them what to do," he says.

IMAGE ENHANCED

Whatever is ahead, the Uihleins can feel comfortable that Schlitz, which is still the core of their fortunes, is a far stronger company than when Uihlein stepped up to the helm. Thanks to him, the family also enjoys perhaps the best image it ever has had in Milwaukee.

It wasn't so long ago that the Uihleins were held in much lower esteem. For one thing, brewers had gotten a generally bad name prior to Prohibition. Also the Uihleins until recent years had the reputation, deserved or not, for being stingy in their philanthrophy. And the long strike at Schlitz in 1953 proved to be a bitter one that soured the company's community relations.

With a canny public relation man, Ben Barkin, providing some guidance from outside the company, the rise of Uihlein to the top of Schlitz was soon followed by one good civic work after another. Among them were free symphony concerts, recitals, jazz festivals and art festivals.

In New York, the company has been acclaimed for sponsoring free concerts of the Philharmonic Orchestra in Central Park the past 10 years and for part sponsorship of the Newport Jazz Festival. Today, the company is considered one of the leading corporate patrons of the arts.

SPONSORED PARADES

Perhaps the company's biggest public relations coup was the Fourth of July parade that it began sponsoring in Milwaukee in 1963. (The 1974 parade was canceled because of the energy crisis, and Schlitz later ended its backing of the parade program because of "economic uncertainties"). It was the biggest parade of its kind in this country, usually drawing a half million spectators, and it cost Schlitz several hundred thousand dollars a year.

After Schlitz announced the cancellation of the 1974 parade, the company was peppered by protests. "The general tone of the letters was, 'How dare you cancel our parade.'" Uihlein says.

In Milwaukee, the Uihleins are pervasive in many other ways. Among their more recent gifts was $1 million for Uihlein Hall, a wing of the city's Performing Arts Center. Some of the Uihleins have taken an interest in environmental movements, including the recent gift of a large tract of land near Milwaukee for a wildlife refuge.

Schlitz also is on an ecology kick, albeit partly in self-interest. At several of its breweries, the company has taken steps to protect waterways against pollution by plant wastes. And Schlitz is supporting national efforts to improve municipal solid waste systems, partly as a way of fighting antilitter moves in some states to ban throwaway bottles and cans.

FAMILY ORIENTED

In their private lives, the Uihleins seem strongly family oriented. Much of the partying they do is within the many family circles. Several of the Uihleins live within a short hike from each other in the suburb of River Hills north of Milwaukee.

Uihlein shares many of his own sporting interests with his wife and two sons. Lorraine is a regular tennis and hunting partner, and she's an avid fan of polo, which he calls his one extravagance. He sponsors and finances not one polo team but two—the Milwaukee Polo Club and Good Hope Farms Club. Bob Uihlein is captain of the Milwaukee Club team, and he and his sons account for three of the four starting players.

He provides most of the ponies for the two teams, and to have a suitable place to play, he built his own polo field and a grandstand that seats several thousand people. The field is considered one of the best, and the Milwaukee teams are among the best in the nation. Lorraine attends most of the games and occasionally referees some of the practice games.

"I die on Sunday afternoons watching a husband and two sons playing out there," Lorraine says. She hasn't forgotten one Sunday three years ago when her husband was thrown from his pony and suffered a broken collarbone.

STARTED IN 1849

The sporting life of the Uihleins today may seem a far cry from the early days of the family in Milwaukee. The brewery where the family saga began was started in a restaurant in 1849 by August Krug, a German immigrant.

A year later, his father, Georg, decided to come from Germany for a visit. Georg also had a daughter named Katherine who was married to a Wertheim (Germany) innkeeper named Benedikt Uihlein. At the last minute, Georg decided to bring along a young son of the Uihleins, also named August.

On the way, their ship was wrecked, and after hours of clinging to a wooden box they were rescued and went on to Milwaukee. August Uihlein went to work for his uncle, August Krug in the brewery, and his brothers followed him in years to come.

After August Krug died, his widow married the brewery's bookkeeper, Joseph Schlitz, who took charge of the brewery and named it after himself. August Krug and Joseph Schlitz had no children.

SCHLITZ LOST

By 1875, the company had become a thriving brewery, partly thanks to the great Chicago fire in 1871 that wiped out some breweries. By then, August Uihlein and a brother, Henry Uihlein, were officers.

Also, it was in 1875 that Joseph Schlitz decided to return home and visit some relatives. Again a shipwreck was to play a big role in Uihlein family fortunes; Joseph Schlitz died in a wreck off the coast of England. The Uihlein brothers inherited the company, and there is no record of any other Schlitz having owned stock or worked for the company.

That's why some Milwaukeeans look upon the Uihleins as the famliy that made Schlitz famous.

SYLVIA PORTER CITES FOOD STAMP CUTBACK AS "MADNESS"

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, the January 25 edition of the Washington Star-News contained an article by Sylvia Porter which classified the administration's proposal to increase the cost of food stamps as "madness."

Miss Porter's succinct analysis of this shortsighted and heartless proposal deserves the attention of my congressional colleagues.

As I have noted in previous statements on this issue, this proposal represents an unconscionable assault upon those Americans least able to cope with the cruel ravages of inflation, recession, and unemployment. This Congress has a special obligation to the poor and the elderly of this Nation in these troubled times. We must not abdicate our responsibilities to the less fortunate. Compassion must temper the administration's zeal for budget cuts, and a sense of social responsibility should guide the hand of policymakers.

There is no finer enterprise in which a civilized nation can engage than in caring for its aged, infirm, and poor. I hope this is an enterprise to which this Congress shall devote itself in the months ahead. Our first step must be to prevent the administration's cruel food stamp proposals from coming into effect on March 1. I hope all my colleagues will join in this worthy effort.

Miss Porter's article follows:

FOOD STAMP CUTBACK VIEWED AS MADNESS

(By Sylvia Porter)

We are in deep danger of being caught between budget deficits soaring out of control and drowning our economy in red ink and administration moves to cut the budget in ways utterly repugnant to our fundamental commitment to help those who can't help themselves. The dilemma is excruciating.

As just one illustration, consider the Department of Agriculture's explosive proposal for drastic price boosts in food stamps beginning March 1 and the response by leaders of both parties in Congress that the action is "incredible" and must be reversed.

The administration's justification is clear: Budget expenses must be held down, food stamps are a major drain and the proposed new regulation—requiring all food stamp recipients to pay a flat 30 percent of their net income toward their food-stamp allotment, the maximum permissible under the 1964 Food Stamp Act—would result in net "savings" to the government of $650 million a year.

On the surface, the boost does not appear to matter much to the middle-income family, and USDA officials have publicly stated, in fact, that 25 percent of food stamp recipients would not be affected at all by the increases.

But other facts on what the increases would do to whom uncover a quite different appallingly cold-blooded tale.

The raises would affect fully 95 percent of those now on the program—or nearly 14 million Americans out of the 14.7 million now receiving food stamps.

Hardest hit would be one-and two-person households (20 percent, or nearly 3 million food stamp recipients, live in such households and more than half of these are elderly).

For most single persons, the boost in cost of food stamps would be between 35 and 100 percent from the amounts they are now paying. For some, the increase would be 800 percent. The boost would force an estimated 10 percent of those now getting food stamps—nearly 1.5 million—to drop out of the program altogether.

As an example of who would surely drop out, a person living alone, with a new income of $154 a month—who now pays $33 for $46 worth of stamps—would have to pay $45 for just $46 worth. Thus, every one-person household with a monthly income of $154 or more would be dropped from the program.

As another example, an elderly, blind or disabled person who is now getting a monthly income of $146 through the Supplemental Security Income (SSI) program, and who now pays $30 a month for $46 of stamps, would have to pay $43 as of March 1 for $46 of stamps.

Thus, this person's food stamp bonus would be reduced to a mere $3, and the financial incentive would be reduced almost certainly to zero—considering all the red tape a person must untangle to apply, reapply and actually get the stamps.

For an elderly individual with an income as little as $108 a month, the cost of $46 of stamps would rise from $18 to $32, leaving just $76 to cover all other items.

Still another hidden effect of the new food stamp price increases would involve an estimated 5 percent of today's recipients who would not be able to find the cash to pay for a full month's food stamp allotment—and would be forced to buy only part of a month's supply of stamps.

One tiny group who would not be affected would be those who now pay nothing for stamps—only about 4 percent of those in the program. Another miniscule group not affected would be those households now paying precisely 30 percent of the food stamp values.

For instance, an eight-person household, with a monthly income of exactly $250 now pays 30 percent of the cost of food stamps—but such families account for less than 1 percent of all those receiving food stamps.

Should the proposal be permitted to become effective, it would represent one of the biggest cutbacks in public assistance benefits in our history. Even persons living below the poverty line (currently an income of $194 a month) would have no incentive to try to get food stamps.

As one Agriculture official said, after his department's announcement, "This is madness."

To ask the poor to take on so heavy and lopsided a burden of curtailing our federal budget—while stories of embarrassing extravagance in virtually every area of spending multiply by the hour?

Yes, this is madness.

SOVEREIGN IMMUNITY

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GUDE. Mr. Speaker, one of the important legal problems facing the Congress is the question of sovereign immunity. One of my constituents, Thomas B. Cooke, of Rockville, Md., has done considerable research into this question, and I would like to bring to my colleagues' attention Mr. Cooke's speech delivered during a seminar on international judicial cooperation at the Georgetown Law Center last November.

The speech follows:

JUDICIAL DEFERENCE TO THE STATE DEPARTMENT ON ISSUES OF SOVEREIGN IMMUNITY—REFORM ON THE WAY?

(By Thomas Barry Cooke)

I would like to ask at the outset that you keep in mind the case of *Renchard* v. *Humphrey*[1] wherein the District Court decided to leave open the question of whether it would uphold a claim of sovereign immunity on behalf of the Government of Brazil. By the end

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Footnotes at end of article.

of this overview, I will review the facts of that case and offer to you what I believe would be a proper result as regards the determination of that issue.

Please consider the following facts: In July 1966, a shipowner entered into a charter party contract with the Government of India. The shipowner brought suit to obtain damages for the improper and unreasonable detention of his vessels, preventing discharge of the cargo and thereby causing substantial loss of time and money. Paragraph 34 of the contract provided that "any and all differences and disputes arising under this charter party are to be determined by the United States Courts for the Southern District of New York. . . ."

Now, despite the fact that the contract language appeared to constitute a waiver of immunity, the Government of India requested that our State Department recognize her actions as sovereign and grant the Government the protection that immunity can offer. The State Department consented to the request and forwarded an advisory letter to the Attorney General. Although the Court of Appeals for the Second Circuit expressed sympathy for the plaintiff, it declined to consider a challenge to immunity and held that ". . . once the State Department has ruled in a matter of this nature, the judiciary will not interfere." [2]

I offer to you for consideration that the result arrived at by the Second Circuit in the *Isbrandtsen Tankers* case is improper but nonetheless consistent with how other courts have dealt with the issue. The decision points out the inadequacies of the American system and clearly indicates that Americans who elect to conduct business with foreign powers or their agencies may find themselves unable to properly litigate their civil affairs before American tribunals.

The Second Circuit is not alone in its refusal to consider the merits of a claim of sovereign immunity. In 1974, the First Circuit accepted the Second Circuit's approach without comment [3] and the Fifth Circuit has likewise denied an American plaintiff the opportunity to litigate the issue of a claim advanced on behalf of Cuba by the Czechoslovak Ambassador.[4] The Fifth Circuit did however consider the merits of the plaintiff's contention that the Administrative Procedure Act [5] provided for judicial review of "final agency review for which there is no other adequate remedy in a court." [6]

The Fifth Circuit's refusal to recognize the validity of the APA argument rested in large measure on what it viewed as a need for secrecy as regards State Department decisions.[7] The decision constituted a further victory for those who would argue that it is a legitimate role of secrecy in foreign relations which, more than any other factor, distinguishes executive decisions directly concerning foreign policy from other agency action.

Now that I believe we have an appreciation of where the issue rests, our attention should be directed at how the dilemma was created. At the end of this presentation, I will spend a few minutes looking at modern day developments which aim at drastically affecting the system as it exists today. Included within this area will be the statutory reform measures reintroduced during the 93d Congress.[5]

Historically, the rule of immunity from suit may be traced to a time when most states were ruled by a personal sovereign who, in a very real sense, personified the State. For more than 160 years, American courts have consistently applied the doctrine of sovereign immunity when requested to do so by the executive branch. From Marshall's classic statement of the "absolute" theory in the *Schooner Exchange* [9] case to the cases which come before the District Courts today, the doctrine has remained largely unchanged. But, no longer will our system recognize an absolute barrier to attacking government action. Today, the courts and State Department alike are left to create a line between so-called public acts (jure imperii) which merit immunity and private-commercial acts (jure gestionis) which fall outside the grant of immunity category.

I offer to you that the impedus for this "restrictive" approach was first developed by Judge Julian Mack in *the Pesaro*.[10] Mack's conclusion was that since "the Pesaro was employed as an ordinary merchant vessel for commercial purposes at a time when no emergency existed or was declared, she should not be immune from arrest in admiralty . . ." [11] Judge Mack's opinion was as unique an approach as it was short lived.

The reach of the *Schooner Exchange* doctrine was further extended by the Supreme Court in *Berizzi Bros. & Co.* v. *S.S. Pesaro* [12] to situations involving merchant ships owned and operated by a foreign government. The Court in reversing Judge Mack observed that Marshall's failure to include merchant ships within the scope of his "absolute" theory was of no significance since in 1812 merchant ships were operated only by private persons.[13] The decision of the Court in *Berizzi* takes on added significance today in view of the Court's refusal to follow the opinion advanced by the State Department that immunity would not exist where the sovereign's act was one related to commerce.

During 1938–1945, Chief Justice Stone delivered his famous "trilogy" of opinions which in a very real sense created the procedural dilemma the American system contains today.[14] It was within the *Navemar* decision that the Supreme Court gave guidance as to the manner in which the State Department could act to bind the courts. Justice Stone reasoned that "if the claim is recognized and allowed by the executive branch of the government, it is then the duty of the courts to release the vessel upon appropriate suggestion. . . ." [15] This guidance was further developed by the Court in *Ex Parte Peru* where the Court was provided with a State Department "suggestion." Passing over the merits of a possible constitutional challenge to such practice, the Court reasoned that the judicial branch should not act to embarrass the executive arm in conducting foreign affairs.[16]

In 1952, the State Department acted to put to rest the conflicting theories concerning the nature of its approach when confronted with claims of sovereign immunity. In a widely published letter (Tate Letter) from the Acting Legal Adviser Jack B. Tate, the Department announced that it would generally adhere to the "restrictive" theory of sovereign immunity.[17] The pronouncement circumvented the *Berizzi* decision. In the only Supreme Court decision dealing with sovereign immunity since the issuance of the Tate Letter, the Court used language indicating at least acquiescence in the adoption of the "restrictive" theory.[18]

State Department procedures for deciding issues of sovereign immunity can be described as "informal." The procedures provide for acceptance of memoranda from both parties and, at the request of either party, an informal hearing is held. Representatives of both parties may attend the hearing to present their views to a panel of members of the Office of the Legal Adviser. No transcript is made of the proceedings and the Department's practice does not provide for an appeal. Generally, the Department does not explicate the reasons behind its decisions.[19]

Up until this point we have reviewed situations in which the State Department issued a directive. What if the Department refuses to find sovereign immunity or remains silent? In *Victory Transport*,[20] the Second Circuit was confronted with a situation in which the State Department offered no guidance as to whether sovereign immunity could be validly claimed by a branch of the Spanish Ministry of Commerce. Commenting on the fact that neither the State Department, courts nor commentators had offered a satisfactory test, Judge Joseph Smith developed five categories in which he felt that it would be appropriate to allow immunity for a sovereign's acts.[21] The categories included:

1. internal administrative acts;
2. legislative acts;
3. acts concerning the armed forces;
4. acts concerning diplomatic activity; and
5. public loans.

Applying the facts in *Victory* to this new standard, the Court's analysis centered on the fact that the act of purchasing wheat is a commercial or private activity and therefore not deserving of immunity status.[22]

For the present time, the *Victory* test must be limited to situations in which the State Department either fails to act or denies the claim of immunity. This limitation becomes apparent when considering the same Circuit's holding in the *Isbrandtsen Tankers* case.[23] Acknowledging the existence of *Victory*, the Court reasoned that were it bound to apply the standard, the action of the Government of India in purchasing grain might be viewed as a purely commercial decision.[24] However obvious such a result might appear, Judge Smith was left to conclude that where the State Department has given a formal recommendation, the courts need not reach this question and would continue to pay homage to State Department "suggestions." [25]

Measures introduced in the 93d Congress define in part the circumstances in which foreign states are to be considered immune from the jurisdiction of U.S. courts.[26] It is anticipated that similar proposals will be introduced during the 94th session. If enacted into law, the bills would incorporate and codify the "restrictive" theory of immunity by amending Title 28 of the U.S. Code. The central principle of the draft bills is to make the question of a foreign state's entitlement to immunity an issue justicable by the courts, without State Department participation. If enaced into law, such reform proposals would likely produce legal outcomes far different from what has occurred to date.

Reviewing the facts in the *Isbrandtsen Tankers* [27] case it would appear that the act of purchasing grain is a private act and under a "nature of the transaction" test immunity would not be available. In *Renchard* v. *Humphreys and Harding Inc.*,[28] the American plaintiff brought suit to recover damages for the destruction of his house alleged to have occurred during the construction of the Brazilian Chancery in Washington, D.C. Applying the standards stated in the draft bills, the analysis would center on the application of the "nature of the transaction" test to the construction of a building. The "nature" of the action or conduct being the construction of the Chancery, the action is clearly private or commercial and immunity would not be available.

In the United States, the State Department has failed to live up to the basic policy considerations which were formulated in the Tate Letter. The results obtained in the *Isbrandtsen Tankers* [29] case cannot be justified under the "restrictive" theory but on the contrary they are indicative of the rejected "absolute" immunity approach. Our law has advanced to a state of confusion. In the process, the relationship between the Executive Branch and the Judiciary has become strained.[30] A congressional enactment is needed to delineate the precise scope of the doctrine before American tribunals. Such an achievement will serve to restore

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Footnotes at end of article.

the courts to their proper role as arbitrators of legal disputes.

FOOTNOTES

[1] 59 F.R.D. 530 (1973).

[2] Isbrandtsen Tankers v. President of India, 446 F. 2d 1198, 1201 (2d Cir. 1971).

[3] Southeastern Leasing Corp. v. Stern, 493 F. 2d 1223 (1st Cir. 1974).

[4] Spacil v. Crowe, 489 F. 2d 614 (5th Cir. 1974).

[5] 5 U.S.C. Sections 551–559, 701–706.

[6] *Id.* Section 704.

[7] *See* note 4 *supra* at 618.

[8] H.R. 3493 and S. 566, 93d Cong. 1st Sess. (1973). An earlier draft of these bills is discussed in 63 Proc. Am. Soc'y Int'l L. 182–199 (1969).

[9] Schooner Exchange v. McFaddon, 11 U.S. (7 Cranch) 116 (1812).

[10] 277 F. 473 (S.D.N.Y. 1921).

[11] *Id.* at 482.

[12] 271 U.S. 562, 46 S.Ct. 611, 70 L.Ed 1088 (1926).

[13] *Id.* at 573.

[14] Compania Espanola De Navegacion v. The Navemar, 303 U.S. 68, 58 S.Ct. 432 (1938); Ex Parte Peru, 318 U.S. 578, 63 S.Ct. 530, 89 L.Ed 729 (1945); Republic of Mexico v. Hoffman, 324 U.S. 30, 65 S.Ct. 530, 89 L.Ed 729 (1945).

[15] 303 U.S. 68, 74.

[16] 318 U.S. 578, 588.

[17] 26 Dep't State Bull. 984, 985 (May 19, 1952); *See* Bishop, *New United States Policy Limiting Sovereign Immunity*, 47 Am.J. Int'l L. 93 (1953).

[18] National City Bank v. Rep. of China, 348 U.S. 356 (1955).

[19] *See, Hearing on H.R. 3493 Before the Subcomm. on Claims and Governmental Relations of the House Comm. on the Judiciary,* 93d Cong., 1st Sess. 14, 27 (1973).

[20] Victory Transport Inc. v. Comisaria General de Abasticimientos y Transportes, 336 F. 2d 354 (2d Cir. 1964), *cert. denied,* 381 U.S. 934, 85 S.Ct. 1763, 14 L. Ed 2d 698 (1965),

[21] *Id.* at 360.

[22] *Id.* at 361.

[23] *See* note 2 *supra.*

[24] *Id.* at 1200.

[25] *Id.* at 1201.

[26] H.R. 3493 and S. 566. *See* comment, *The Impact of S. 566 on the Law of Sovereign Immunity,* 6 Law&Pol. Int'l Bus. 179 (1974).

[27] *See* note 2 *supra.*

[28] *See* note 1 *supra.*

[29] *See* note 2 *supra.*

[30] Lowenfeld, *Claims Against Foreign States—A Proposal for Reform of United States Law,* 44 N.Y.U.L. Rev. 901, 902 (1969).

GILMAN CONSTITUENTS WRITE ABOUT THE "SPIRIT OF '76"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GILMAN. Mr. Speaker, in the aftermath of our Nation's recent crises, too many of our citizens have fallen victim to a national malaise, a widespread feeling of pessimism about our Nation's future.

It has become fashionable these days to speak of America's problems as being insoluble, and America's future bleak.

It was against this background that I solicited entries for my annual high school essay contest. This contest helped me select a deserving high school senior from my congressional district to work as a volunteer in my district offices. This year, the subject chosen for the essays was the "Spirit of '76."

The winning essay was submitted by Finley Harckham, of the class of 1975, Clarkstown Senior High School North in New City, N.Y. Contest judge Amy Bull Crist, retired school superintendent who reviewed all the essays, also chose two runners-up, David Berg of the Newburgh Free Academy, and Gregory Kimiecik of the S. S. Seward Institute, of Florida, N.Y.

Mr. Speaker, these essays reveal not a prevailing attitude of pessimism, but a deep pride and enthusiasm for America and for her future. Since I believe they deserve to be widely read, I would like to offer the following winning essays at this time for review by my colleagues. At another time, I will present the essays which were awarded honorable mention in our competition.

"SPIRIT OF '76"

(By Finley Harckham)

We live in an age when the American people are disillusioned by their government and burdened by a faltering economy. It is a time of domestic and international problems. Our Nation's Bicentennial can serve to reinstate a sense of national pride, unity, and faith in government, which is essential if America is to resolve her major problems.

Looking back to 1776, we seen an epoch of political disunity and economic strife, out of which grew a great nation. A nation forged out of the strength, courage, and wisdom of a determined people. It is these qualities exhibited by our forefathers that comprise the "Spirit of '76." This spirit has been passed on from one generation of Americans to the next as part of our cultural heritage. The magnitude of recent problems has tended to sublimate this spirit in the American people. The Bicentennial can help revive the "Spirit of '76." With this spirit to guide us, the American people will realize that there is no problem confronting our nation that is insurmountable.

Our forefathers created a government that has provided its people with a free and secure life. This government has withstood war, economic disaster, and corruption for nearly 200 years. As we look closely at our government from its beginning to the present, we should be filled with a sense of security and pride in our system.

I believe that the observance of our Nation's Bicentennial comes at a time when we need to reaffirm our national heritage. Revitalized in us, the "Spirit of '76" will guide us in our quest for a better America.

"SPIRIT OF 76"

(By David Berg)

Have you ever really thought of what the "Spirit of 76" means? To me, it is deep intense feeling of pride that every American should feel for our United States. As our bicentennial approaches we are preparing to celebrate our 200 year independence from Britain. But really our history goes back more than 200 years. Everything that happened in the past is history. We should not only celebrate our 200 year Independence, but everything we have accomplished in that 200 year span. The big date is July 4, 1976, but for how many of us would that day be just another holiday from work. What happens the day after? Is everything we have to be proud of just set aside for another 100 years for our tricentennial? General George Washington would draw up the entire Army, in double ranks on the parade grounds to celebrate the 4th. The festivities would begin with a salute to the states by 13 cannons followed by the soldiers firing "feude joye" 3 separate times. I will live long enough for the one bi-centennial and I hope to contribute to it as much as I can. I am also very proud to live in New Windsor, New York at the time of the bicentennial because it was here at Temple Hill that Washington made his famous reply to the "Newburgh Letters" quelling a mutiny between his officers and men thus preserving all the rights we fought for.

I am proud to be an American and I hope that our country will continue to grow in the "Spirit of 76" under the guidance of the "Spirit of the Lord."

"SPIRIT OF '76"

(By Gregory Kimiecik)

During the past few years, many people in America have developed a cynical attitude and have criticized the United States of America as a country economically and morally declining as never before. Surely Watergate and our present economic woes are setbacks to Americans everywhere. Now is the time, however, for Americans to stand firm on our democratic ideals as set forth in the Constitution.

Through the foresight of such men as James Madison, George Washington, Alexander Hamilton, and Benjamin Franklin, America has been provided with a living document to help guide us through our crises. Our Constitution provides us with a well-balanced separation of powers, unique in the world, yet applicable to our present times.

Certainly Watergate showed that no man is above the fundamental law of the Constitution. Both the legislative and the judicial branches carried out their functions of checking on the Chief Executive. The most obvious, but least publicized lesson we learned from this unfortunate incident, in fact, was that the National Constitution is alive and well, fulfilling its functions as set forth by our forefathers.

Our elected representatives are the living soul of the Constitution. In our Congressman we, the people, have a direct outlet for our problems and frustrations. Pity the man who says, "Our Government is doing nothing!" We, the people are government!

Participation is the key to a healthy and responsive government. As long as we cherish and use our privilege to vote, we shall overcome any problem and justify the faith of our forefathers.

CHANGES NEEDED IN PRESIDENT FORD'S ENERGY PROGRAM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GRADISON. Mr. Speaker, I think it is important at this time to understand the President's recent state of the Union message and look ahead to the direction we wish our country to take in the next few years.

At the outset, I would like to say that the President's program for energy is the first comprehensive, long-range plan that has been formulated to deal with our future energy needs. I agree that many of his points should be implemented immediately. Specifically, let me mention eight points:

First. Development of the Elk Hills, Calif., Naval Reserve.

Second. Conversion of as many powerplants to coal as possible.

Third. Development of the Outer Continental Shelf and Alaskan Oil Field No. 4.

Fourth. Accelerate nuclear leasing and site development.

Fifth. Reform of utility regulations.

Sixth. Extension of investment tax credits for 2 years to plants not using natural gas or oil.

Seventh. Storage program to accumulate oil reserves.

These proposals will allow us to increase our domestic production of energy and to move toward real independence.

However, I believe that President Ford's proposed excise taxes on domestic oil and natural gas should be postponed for at least 6 months because they would result in an increase in the cost-of-living by at least 2 percent which means to the average family an increase of $250/year in energy costs and virtually negates the positive effects of the tax rebate.

Let me explain this further. I firmly believe that the economy should be our first priority at this time—to spur production and to assist the working men and women of this country who have felt the effects of the recession the hardest. The increase in investment tax credit is a positive step in promoting production.

The tax rebate must be joined to a policy of holding down Federal spending on new programs or a new surge of inflation will surely result.

Therefore, the Congress should move ahead quickly to implement the tax rebate—the quicker the better—to get the money back to the people and also act on specific points I mentioned in the energy program which would not increase the cost of living. It is vitally important that the tax rebate be signed into law before the recess scheduled on February 6. It would be inexcusable for Congress to recess until this is accomplished. With Congress scheduling a 11-day February recess, it seems that everyone knows there is a crisis but the Congress. After a suitable period of time, I am suggesting 6 months, a reassessment is in order to reexamine the economic situation before taking steps which would raise the cost of gasoline sharply.

We owe it to the working people of this country who first had to fight the inflation of rising prices and are now suffering from cutbacks in employment, to make sure their jobs are secure and prices are reasonably stable. I plan to fight for those parts of the President's program which will help them regain their standard of living.

THE BIG BUGABOO IN HIGHER FUEL COSTS

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. NICHOLS. Mr. Speaker, less than 2 weeks ago, President Ford presented to the Congress and the American people his plan to boost the economy and encourage all Americans to conserve energy. I have commended the President on his efforts but I do not believe the means will produce the results which we desire.

While reading the Cleburne News, one of Alabama's finest weekly newspapers, I noticed the excellent editorial which expresses the views of this Alabama editor. Mr. Browny Stephens, who just 2 months past became the new owner-editor of the News, is to be commended on his views and I would like them entered into the RECORD of this Congress so that all Members may share his remarks:

THE BIG BUGABOO IN HIGHER FUEL COSTS

(By Browny Stephens)

The newest round of economic measures put forth by the President's roundtable of experts make it appear that the people putting these ideas out might fall somewhat shy of being able to manage their own family budgets.

The big debate in Washington has seemed to be whether we should inflate the depression or depress the inflation. The measures proposed by President Ford last week seem to me to be aimed at doing neither of the above, or else both at the same time. They appear more probably to result in inflating the inflation further and depressing the depression even lower, if that's possible.

And after the things that have happened in this country in the past two or three years, anything is undoubtedly possible. Except, perhaps, sanity.

To give President Ford his due, he did originally push for one idea that seemed sound at the time, but the politicians screamed that one to death. His idea of a surcharge tax on higher incomes last fall to help cool off inflation and come closer to balancing the federal budget apparently made too much sense for most politicians to swallow.

Screams from some of them about such a surcharge hurting the middle class wage earners were pretty phony in my book. I had thought I was in the middle class yet this surcharge plan would have made me pay only about $2 a year more in taxes. And a family earning $20,000 a year would pay only about $12. The burden would have been where it ought to have been on those making more than $20,000.

And after the things that have happened in this country in the past two or three years, anything is undoubtedly possible. Except, perhaps, sanity.

The idea expressed by administration sources said the income tax refund, ranging from about $100 for lots of folks up to a high of $1,000 would make it possible for folks to go out and buy things like automobiles.

But the other measure would make it so expensive for average folks to drive a car that they wouldn't need a new one, except to park in the driveway.

The idea of cutting back fuel consumption so we won't have to depend on Arab oil is an admirable one worthy of support. But is this any way to do it? If you make fuel more expensive, the wealthy folks won't be bothered at all. They will just go on using as much fuel as they want, while the middle income folks, especially, will be in an even worse financial pinch. These are the folks who drive their cars from the suburbs and rural areas to work in the city, and take their families on budget vacations in automobiles. Their tax refund would quickly be eaten up by higher fuel prices.

The really unreasonable aspect of pushing up fuel prices again would be its effect on all prices. During the oil crisis last year, it became clear to all of us that when fuel costs go up, so does the cost of everything else.

An increase in fuel costs would raise the price of practically everything we buy, because everything is shipped by truck or rail, and diesel fuel is one of the major expenses in this shipping. The cost of things like electricity would go up, too, because of fuel being used in generating plants. And those which use coal would have to pay more for the shipment of that coal.

The stimulant to further inflation that would result from another fuel cost price rise would strike hard at all middle and lower income folks, especially, and generate another round of price increases that would leave persons on fixed incomes, social security and retirement funds in an even more pitiful state. The price increases would generate another round of demands for pay hikes by the unions. It's a never ending cycle that we don't need any more of.

If a cutback in fuel is necessary, anything would be preferrable to higher fuel prices—even rationing. Let the government put the burden of cutting back on fuel on the backs of those who are wasting it by driving vehicles that get only 10 miles a gallon. Put an excise tax on horsepower, or better yet, accelerate the goal of having all our automobiles get at least 20 miles a gallon. If our automobiles on the highway today averaged that much, experts tell us we wouldn't have any need to import Arab oil.

CONDOMINIUM AND TENANTS PROTECTION BILL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ROSENTHAL. Mr. Speaker, condominium sales and conversions are among the most pressing consumer problems facing the Nation today. In an effort to remedy these ills, I am today introducing, along with 31 House colleagues, the National Condominium and Tenants Rights Act.

This legislation establishes mandatory Federal guidelines for the protection of condominium purchasers and for tenants displaced by condominium conversions and it prohibits discrimination in mortgage loans based on age, sex, or marital status. The bill covers condominiums financed by any lending institution which is insured or aided in any way by the Federal Government. A newly created Assistant Secretary of Housing and Urban Development for Condominiums would administer provisions of the act.

While there is an irreversible condominium boom—HUD estimates that within 20 years, half the population will be living in condominiums—fewer than 10 States have meaningful laws protecting purchasers and not more than one or two States have laws protecting those displaced by conversions. The trend toward condominium construction and conversion may be the leading cause of the rapid decline in the availability of decent rental housing.

Loss of buyers' deposits, fraud, and sharp practices are rampant in the condominium sales area. But, it is in the area of condominium conversions and the dislocation of renters, many of them elderly and poor, where the greatest and most personally tragic abuses take place.

The psychological stress caused by a forced move is enormous, and the financial burden is staggering. Relocation expenses can wipe out the savings of a low- or moderate-income family.

That is why the Federal Government must take speedy action to protect condominium purchasers and those tenants who might be forced out by a conversion. A HUD study of condominium problems, required by my amendment to the Housing Act last year, should bolster the case for remedial legislation.

The list of cosponsors and a brief summary of the bill's major provisions follow:

Cosponsors

Bella S. Abzug, Democrat of New York.
Joseph P. Addabbo, Democrat of New York.
Herman Badillo, Democrat of New York.
John Conyers, Jr., Democrat of Michigan.
Charles C. Diggs, Jr., Democrat of Michigan.
Christopher J. Dodd, Democrat of Connecticut.
James J. Florio, Democrat of New Jersey.
Harold E. Ford, Democrat of Tennessee.
Mark W. Hannaford, Democrat of California.
Michael Harrington, Democrat of Massachusetts.
Ken Hechler, Democrat of West Virginia.
Henry Helstoski, Democrat of New Jersey.
Elizabeth Holtzman, Democrat of New York.
Ralph H. Metcalfe, Democrat of Illinois.
Helen S. Meyner, Democrat of New Jersey.
Norman Y. Mineta, Democrat of California.
Parren J. Mitchell, Democrat of Maryland.
John M. Murphy, Democrat of New York.
Robert N. C. Nix, Democrat of Pennsylvania.
Charles B. Rangel, Democrat of New York.
Thomas M. Rees, Democrat of California.
Frederick W. Richmond, Democrat of New York.
Peter W. Rodino, Jr., Democrat of New Jersey.
Stephen J. Solarz, Democrat of New York.
Gladys Noon Spellman, Democrat of Maryland.
Fortney H. (Pete) Stark, Democrat of California.
Gerry E. Studds, Democrat of Massachusetts.
Henry A. Waxman, Democrat of California.
Gus Yatron, Democrat of Pennsylvania.
Leo C. Zeferetti, Democrat of New York.

Summary of National Condominium and Tenants Rights Act

ADMINISTRATION OF ACT

By newly created Assistant Secretary for Condominium Housing in DHUD.

REQUIREMENTS FOR CONDOMINIUM SALE

No condominium housing loan shall be made to any condominium developer unless HUD has approved a written property report and that report has been submitted to the prospective purchaser 21 days prior to purchase, containing:

1. The name, address, ownership position and extent of holdings of each person having a financial interest in the project, each professional firm involved in the construction, conversion, rehabilitation, sale, or financing of the project.
2. A complete legal description of the condominium project.
3. A statement of the extent of a purchaser's legal ownership of a unit, the common areas, recreational facilities, etc.
4. A listing of facilities whose use is subject to separate fees or other conditions imposed by developer.
5. A statement of the total operating and maintenance costs of the entire project and the purchaser's unit for the preceding two years.
6. An independent engineering report showing condition of building.
7. Appropriate warranty protections.
8. Safeguards against loss of deposits.
9. Such other information as the Secretary may require.

TENANT PROTECTION FOR CONDOMINIUM CONVERSIONS

No condominium housing loan shall be made unless and until existing tenants have been granted first priority to purchase a unit, 50% of the tenants have agreed to purchase a unit prior to the conversion, and tenants are given a minimum of 120 days from notification to decide whether to purchase a unit and an additional 150 days to remain as renters.

DISCRIMINATION IN MORTGAGE LOANS PROHIBITED

No creditor shall discriminate against any person desiring to purchase condominium units on the basis of age, sex, marital status, religion, race or national origin.

PENALTIES

Any developer or creditor violating these provisions shall be fined not more than $15,000 for each violation, and any director, officer, or employee who willfully violates the provisions shall be fined not more than $5,000 or imprisoned not more than 6 months, or both, for each violation.

GRANTS TO STATE AND LOCAL GOVERNMENTS

The Secretary is authorized to make grants to State and local governments and agencies for the purpose of encouraging equal or superior State and local condominium standards.

AUTHORIZATION

There are authorized to be appropriated such sums as may be necessary to enable the Secretary to carry out this Act.

VIETNAM REMEMBERED

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. KASTENMEIER. Mr. Speaker, on this second anniversary of the signing of the Paris Peace Accords, we must look back on the last 2 years with considerable dismay.

Two years ago we were told that "peace with honor" had been brought to Vietnam. Yet, we know now that there is no peace in Vietnam and, without that peace, the honor heralded 2 years ago must be considered nothing but more rhetoric.

There is no honor in the fact that the fighting continues and we are still engaged in this war by proxy. Our assistance is the only thing propping up the Thieu regime. Our guns and dollars permit the death and destruction that still reigns in Vietnam. And, now, the President tells us that he will request additional military aid for South Vietnam—more money to continue the war.

Thousands of people are gathered in Washington this week to urge this government to encourage the negotiations provided for in the Paris Peace Accords. They know that we have lived a lie for 2 years. It has been easy to shove Vietnam to the back burner because American lives are not being lost. But, any life is sacred and Vietnamese are still dying on a large scale. As long as this country is willing to support the war, it will continue and people will continue to die.

Mr. Speaker, Garry Wills, in a column which appeared in the Washington Star-News last Friday, January 24, has told the story of our Vietnam tragedy better than most. I commend his column to all those who share my desire that we cease our hypocritic policy with regard to Vietnam and finally seek that negotiated settlement which will end this war:

Some Remember the War

(By Garry Wills)

One of my own most vivid memories is of a March of Death conducted just over five years ago, in the fall of 1969. In a drizzling rain, all through the night, thousands of young people filed slowly from the Lincoln Memorial on to the Capitol, pausing only at the White House to shout a name: the name of an American soldier who had died in Vietnam.

It was a dramatic moment, and Nixon's White House responded in character, cutting the lights that outlined the whited sepulchre of our war; instead, turning search lights out toward the marchers, to blind them when they looked through the mansion's iron fence.

These demonstrations were called a fad at the time; and for some that may have been true. Or they were called a simple reaction to the draft—and that criticism is uncomfortably near the truth.

But for some it was no fad. Day and night, without headlines, they have continued to work for peace. To an unresponding country they have preached the message of the first war protestors back in the early teach-in days: That silent murders are being committed in our name on a huge scale, while we go about our business and ignore what our guns and dollars do. Right now our planes are flying in 500 tons of ammunition every day in Cambodia.

Protesting the war is not glamorous work, not now. It is hard, unrewarded. One is ignored. Or, if one does something to catch people's attention, one is imprisoned.

As if in pledge of their sincerity, many of those who keep up this cry of alarm in the night are expressly motivated by religion—Quakers, mainly, and Catholics. They are not following a fashionable mood but pointing at something as blatant as blood: blood.

This month, groups have been entering the White House tours every day to read in accusation the Paris Peace Accords, which we have violated. Secretary of Defense James Schlesinger openly says it is all right, now, for us to violate the accords. Back in 1969, war veterans decorated for heroism filed by the White House and threw their medals over the iron fence, protesting the mockery of it all. Will Secretary Kissinger stroll by now and toss his Nobel Peace Prize over the fence as we prosecute that war?

Those who read the accords in the White House are ignored as long as they can be; then, at closing time, they are arrested—a score or so, so far. And this weekend they are calling their friends into town for a new March of the Dead—this time, for the Vietnamese dead, not Americans; so perhaps no one will care. But I hope they do.

Those who have been reading and praying in the White House will be there, no matter what. They are the heroes of the Vietnam war—the only ones who care to remember that war, because they alone can be lastingly proud of what they did about it. They mean to keep joining the White House tours until the end of the month, when they plan a prayer march to match the President's annual prayer breakfast, to be held on the 30th.

The rallying point for the weekend protest in favor of Vietnamese life will be the New York Avenue Presbyterian Church here. Vietnamese ex-prisoners will attend, and the Sunday night candlelight march for all the dead of that tortured country will go from the church to the White House. It is rude of these people to remind us what we have done and what we are still doing. We do not want to know. That shows how little moral confidence we can muster under their accusation.

A CONGRESSMAN'S RESOLUTION FOR 1975

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SYMMS. Mr. Speaker, with the arrival of a new year and a new Congress, it would be appropriate for Members of the House of Representatives—both new and returning—to set forth some personal resolutions for the first session of the 94th Congress which will guide their actions as national legislators. These resolves should be based on what each of us perceives as the most pressing problems facing our districts and the Nation today and the most effective ways in which Congress can, in our opinions, alleviate or lessen them. Moreover, they should also be based on an honest appraisal of how Congress cannot solve these ills and the ways in which Congress in the past has fostered these problems or obstructed the Nation's ability to deal with them through unwise legislative intervention.

Undoubtedly an overwhelming consensus of my colleagues believe that the Nation's No. 1 problem is inflation and a rapidly declining economy. One need not earn a Ph. D. in economics to appreciate the effects of our two-digit inflation nor work on the New York Stock Exchange to perceive the downward trend of our national economy. In a larger sense, though, the question we must ask is whether or not our basic lifestyle and the standard of living to which we as Americans are accustomed can be preserved. Will the next 5 or 10 years be a period of continued technological and material advancement for the American people or will it be marked by a steady regression of the quality of life in this Nation?

Mr. Speaker, these are questions which lay heavy on my mind as a U.S. Congressman. I see a nation rich in natural resources, overflowing in human talents, and steeped in the traditions of personal freedom, individual achievement, and hard work. Yet here is a nation where the tide of unemployment is throwing thousands more out of work each month, where business establishments are folding at an alarming rate, where inflation continues to undercut our living standards and where energy shortages threaten our entire way of life. Meanwhile, the only solutions which Congress has been able to offer are more inflationary spending and more stifling regulations to discourage productivity and personal initiative. More money and more coercion have become the pat solutions to every problem.

As a result, Mr. Speaker, Congress has been creating most of the economic problems which it is endeavoring to solve. That is the real problem our country faces in the coming year. And so, I am setting forth the following resolutions for 1975 in an effort to do my part in reversing our current recessional trend:

First. I will oppose any attempt to reinstate wage and price controls on the American people, knowing full well that controls do nothing to solve inflation and only compound inflation's ravaging effects by hampering productivity and creating shortages and black markets.

Second. I will do all that is in my capacity to attack the real cause of inflation—Federal deficit spending—by working to cut back Government expenditures to a budget balancing level and by attempting to bring about the passage of a constitutional amendment requiring a balanced budget and gradual elimination of the national debt.

Third. I will work toward the repeal of all counterproductive Federal regulations and controls and will steadfastly oppose the establishment of any new regulatory structures which restrict competition, hamper production and encourage people not to work.

Mr. Speaker, perhaps with a little soul searching and a short course in free market economics, a majority of my colleagues might adopt similar resolutions for this next session of Congress. Were that to happen, such terms as "double-digit inflation," "energy crisis," and "recession" would quickly slip from common usage in the American vernacular.

GILMAN: MIA FAMILIES ARE STILL WAITING FOR ACTION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GILMAN. Mr. Speaker, today I am introducing a resolution expressing the sense of Congress that a Presidential task force be established to investigate all information and means of obtaining a full and thorough accounting for our missing servicemen in Southeast Asia.

It is distressing and deeply saddens me that this legislation is necessary, just as it angers and disturbs me that those of us who have not forgotten our missing men must rise again and again in this Chamber, and in the forums of public opinion, to cajole, to chastise, and to plead this cause with those who apparently have forgotten.

This past weekend, Washington was host to a large delegation of family members of missing servicemen, who held a vigil at the White House and visited with many of us here on the Hill. Their demonstration and meeting was scheduled for the second anniversary of the signing of the Paris Peace Accord—that much-heralded agreement that was intended to end the war in Vietnam and to bring all of our boys home once and for all.

The Paris agreement was the result of long, painstaking negotiations and based upon the assumption that all the parties were bargaining in good faith and would abide by the agreement once it was signed.

Regrettably this has not been the case. Mr. Speaker, our Nation should candidly submit the facts to the entire world, letting the light shine intensely on those who are abiding by this agreement—and those who are not.

Article 8, section B of the Paris peace agreement states that—

> The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action.

Has this been the case? I submit that the facts are a far cry from the agreement. Permit me to remind my colleagues that the last American death in Vietnam from hostile causes was an unarmed, clearly identified leader of a search team, Captain Reese, who was gunned down in cold blood while conducting a peaceful and previously announced search of a crash site.

Our Nation knows the location of more than 1,000 crash sites and some grave locations. We also know the locations of capture sites and other locations where men were seen alive.

We also have the word and photographs of the North Vietnamese themselves, depicting several of our men alive in captivity, in the propagandistic boasts made at the time of their capture.

The photographs of these captured men were released to the world media, they were paraded in public, and their captivity was made widely known. Yet they were not returned with the rest of our prisoners and no further information has been made known about them. Did they die in prison? Did they escape? Do they remain in prison? Only one party has the answers to these questions, Mr. Speaker.

The North Vietnamese apparently believe they can use the MIA issue to wring from us further political concessions. This is the saddest of delusions.

Our great Nation will not be blackmailed. We did not knuckle under to Communist blackmail to abandon the free Government of South Vietnam, and through our perseverance we brought our prisoners of war back home safe, unharmed, and proud. We resisted the efforts of the Arab oil blackmailers to abandon our commitments to the survival of the State of Israel. We do not formulate national policy according to the will of other nations.

Mr. Speaker, there are still missing journalists, missionaries, and 1,100 missing servicemen unaccounted for—brave young men who answered their country's call, fulfilling an unpleasant, costly responsibility for all of us—and for the way of life they loved and cherished. We cannot and must not let them down.

The legislation I am introducing today seeks the creation of a high-level panel to look into the issue of the MIA's, to gather all existing information, to become a clearinghouse for the facts, and to investigate all possible avenues by which we can compel the Communists to live up to their word of honor.

It is a sad thing, Mr. Speaker, that we must appeal again and again to the world and to the North Vietnamese in particular to honor a commitment they made freely and without coercion—a humanitarian obligation to society.

We must act decisively and promptly to give them a clear and indisputable message that we are not going to forget the MIA's—that we are not going to be dissuaded from our efforts to account for our brave men. We can do no less for those who gave so much.

I am inserting the resolution in the RECORD at this point:

RESOLUTION

Resolved by the House of Representatives concurring:

Whereas, January 27, 1975 marks the second anniversary of the signing of the Paris Agreement, and

Whereas, the Communist bloc countries in Southeast Asia are not abiding by Articles 8a and 8b of the Paris Agreements or the Laotian protocol in accounting for our MIA's and

Whereas, there is a lack of effective action being taken or proposed to achieve a full accounting of MIA's.

Therefore, be it resolved that it is the sense of the United States House of Representatives that the President establish a Presidential Task Force on MIA's to study the cases of MIA's and their families, to propose courses of action to achieve a full accounting, and to make recommendations concerning Federal policies relating to MIA's.

ENERGY AND THE ECONOMY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SARASIN. Mr. Speaker, few people can refute the severity of our economic condition or the problem created by our dependence upon foreign petroleum sources. Few would deny the need to take definitive steps to resolve these problems. However, agreement on the solutions is not quite so universal and there is a disturbing tendency to avoid the tough and politically unpopular decisions necessary. Too many of our leaders are "playing to the gallery" with self-serving rhetoric while avoiding the hard choices on meaningful programs.

Inflation has seriously eroded the purchasing power of the American public, a recession is eliminating jobs and threatening business and industry and our dependence on high priced and unreliable foreign oil adds to both problems and presents a potential threat to our national security in the bargain.

Never has our Nation been threatened with such a complex and interrelated set of problems, and anyone who says there is an easy or painless solution is either naive or not very honest.

Yet when President Ford offered a program which comprehensively attacked the whole spectrum of problems, admittedly at some cost and inconvenience, there was a rush to disavow the program, delay any action and lessen the chances for a real solution. Instead of the reaction we should have seen, an eagerness to get to work on improving the program or provide meaningful substitutes, we have seen an abdication of leadership responsibility in favor of political safety.

More than a year has passed since the Arab oil boycott and Congress still has no comprehensive energy plan and shows no signs of being able to arrive at one: yet they reject the only comprehensive plan available out of hand, not even taking the time to fully explore and comprehend what is in the plan. More inaccurate and misleading statements have been uttered and written about the administration program than about any subject in my memory.

Any energy program which we undertake must accomplish several objectives. First, it must reduce our consumption of foreign oil imports. Second, it must generate revenues and incentives for the development of domestic energy sources of all kinds. Third, it should equalize the energy burden geographically, so the Northeast and New England in particular are not at an energy disadvantage. Fourth, it should disrupt our normal commerce and industry as little as possible so as not to worsen our economic state. And last, but certainly not least, it should be as fair and socially responsible to all levels of society as it is possible to make it.

This is certainly a difficult mix to achieve, but all energy proposals must be examined in relation to these objectives.

The proposal to simply reduce imports by the desired goal of 1 million barrels per day would meet the first goal, but provides little economic incentive and no additional revenue for domestic development. It would initially fall most harshly on New England, just as the Arab oil boycott did, and would have a seriously depressing effect on business, industry, and jobs.

The gasoline tax of anywhere from 10 to 40 cents per gallon which has been proposed also has serious shortcomings. It undoubtedly would reduce the use of gasoline to some extent, but the financial burden would fall most heavily on the middle class. It provides no incentive in itself for conservation in other promising areas and provides no equalization of total energy burden across the country and little encouragement for energy source development.

Gasoline rationing, the currently most popular alternative, has major disadvantages which if not recognized now will become all too evident shortly after any such program was enacted. Rationing does have a superficial fairness, but that fairness would quickly evaporate in a morass of exceptions, bureaucratic snarls, black-market operations, and economic disruption. It provides little or no incentive for solving the root energy problem, provides no revenues, no geographical equalization of burden and would be extremely costly to administer and police.

The administration's comprehensive energy and economic program, while far from perfect and still incomplete in its details, is the only plan before us which recognizes all three requirements and attempts to deal with them. It provides a total framework, structured to achieve a long-term solution to the root causes of our energy problems in tandem with an attack on our economic ills.

It also very clearly provides both immediate and long-term benefits for the Northeast, the traditional energy stepchild of the United States. It is indeed curious that some leaders most critical of the administration program apparently did not bother to look at it closely enough to even be aware of this "New England break," in the President's initial state of the Union message, and hailed it as a "step forward" 2 weeks after it was proposed as part of the original program.

Reduced to its simplest terms, the President proposes to reduce petroleum consumption by raising the price through a combination of taxation and allowing the domestic crude oil price to rise to equal foreign oil. The money raised by the Government through the tax program will be used for income tax reductions and Federal grants for low-income persons to compensate them for higher prices. The additional revenue to the oil companies from the higher prices will be put back into development of additional domestic sources. Imposition of stiff excess and windfall profits taxes would pressure the firms to actually use this money for that purpose or to lose it. Other economic measures in the program would equalize the cost of energy across the country, including presently subsidized sources like natural gas, which have contributed to putting New England at an energy disadvantage.

Undeniably, energy prices would increase under this program. There is no way we can break the Arab oil dependency tie without some cost to us. We are going to have to pay for our self-sufficiency. But if we do it now with a comprehensive and well thought-out program, we can do it at the least cost to New England and avert long term disaster.

Actually, New England will be faced with a smaller increase in energy costs than much of the country, as revealed in the chart below. It must be kept in mind that New England winters will always impose an energy burden not carried by the South and Pacific coast areas.

Estimated increase per household annually

States:	
Mountain	$191
West/North Central	187
West South Central	185
New England	180
East North Central	174
Middle Atlantic	170
South Atlantic	154
Pacific	151
East/South Central	142

Additionally, Federal Energy Administrator Frank Zarb has given us assurances that the added petroleum cost will be added more heavily to the cost of gasoline than heating oil or other necessities, a step which not only makes the overall plan more desirable, but is helpful to New England, which uses less gasoline per capita than most of the Nation.

A properly pegged tax rebate and tax rate reduction can more than compensate for these added costs. There is valid debate about the exact figures involved, and in supporting the administration's general program, I do not necessarily accept the figures provided. It is the mechanism, not the numbers, that is important at this point. I am very pleased with the general approach in the program of giving a break to the broad middle class, the working wage earner who is usually called upon to bear the greatest burden of any government program.

Essentially, what we have here is a conflict between a tough, but workable, program and no program at all. The program does take into accounnt the unique problems of New England and offers both short term and permanent advantages. It has problems, but it provides a basic framework upon which we can build a flexible and effective remedy to what I consider an urgent problem.

At this particular time, it is politically highly unpopular to support the plan. I have already come under fire for my position. But I have spent many hours studying this proposal, studying the suggested alternatives and considering the effects of further delay. I have concluded that the program is sound and offers the best approach for the country, for the Northeast and for my constituents. Therefore, I urge that Congress get to work on improving and polishing this plan, rather than playing politics in the face of impending disaster.

APPRECIATION OF WALTER LIPPMANN AS MAINE RESIDENT

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COHEN. Mr. Speaker, Walter Lippmann spent a good part of his life as a summer and fall resident in my congressional district. At the time of his recent death, the Ellsworth American, published by J. Russell Wiggins, one of our most distinguished Maine editors and formerly editor of the Washington Post, asked Frederick Sontag, of Seal Harbor, a public affairs and research consultant, to research and write a report on Mr. Lippmann's relations to Maine, Hancock County, Mount Desert Island, and Seal Harbor. Mr. Lippmann wrote many of his columns, magazine articles, and books amidst the beauty of Maine and he recorded part of his famous CBS–TV interviews while walking on our beautiful Maine beaches.

Mr. Sontag's appreciation was originally prepared 2 years ago for the Maine Public Broadcasting Network. It was updated last year and aired recently in abbreviated form.

Because Walter Lippmann's books will be used for many years to come and his articles will continue to be quoted, I thought it would be useful to share with the Members of Congress and the readers of the CONGRESSIONAL RECORD the rather unique analysis of Mr. Lippmann's relations with Maine as published in the December 29, 1974, issue of the Ellsworth American and aired over the statewide facilities of the Maine Public Broadcasting Network.

The full text of the Lippmann appreciation follows:

AN APPRECIATION: NEIGHBOR RELATES SOME VIEWS OF WALTER LIPPMANN

(By Frederick H. Sontag)

(EDITOR'S NOTE.—The writer had a long interview with Walter Lippmann, his Seal Harbor neighbor, while co-authoring with John S. Saloma III their book Parties: The Real Opportunity for Effective Citizen Politics, published in 1972. The interview was embargoed until after Mr. Lippmann's death. Its publication schedule is "open", as it describes Lippmann's view of Mr. Nixon and some of the points made later which became part of Watergate. Mr. Sontag went through his notes for impressions of the well-known journalist, especially as they apply to Hancock County, MDI, and Seal Harbor. Parts of this article will be broadcast over the Maine Public Broadcasting Network.)

Walter Lippmann, a longtime summer and fall resident of MDI, died at 7:25 a.m., Saturday, December 14, in his New York City hotel apartment at the age of 85. He had been in failing health since a heart attack some time ago. In recent years his body was usually weak but his brain was active and alert for part of the day, while at other times he seemed far away. Until close to his death, Mr. Lippmann kept himself informed on major events in the world around him.

Some years ago CBS Television did a remarkable series of interviews with Walter Lippmann by then CBS correspondent Howard K. Smith, which were filmed on MDI and showed Lippmann walking along the shore at his MDI home.

Walter Lippmann's death came just a few days before the expected confirmation as Vice President of his longtime friend and Seal Harbor neighbor, Nelson Rockefeller. Lippmann had told me years ago that "Governor Rockefeller would be ideally equipped to be President." Looking out toward Rockefeller's Seal Harbor home, Lippmann said that he felt "the country would have been entirely different if Rockefeller had been elected, if only he had been able to be nominated," a failure that continued to fascinate Lippmann and one that he continued to ask about. "Why don't the Republicans realize he would win, and would govern well?"

No comment on the Lippmann death could be obtained from former President Nixon at San Clemente, but his spokesmen make little effort, as in the case of Congressman Wilbur Mills' recent misfortune, to hide their feelings that little love had been lost between the principals involved.

Mr. Lippmann's death also came at a time when the role of Jewish people was a subject of considerable national discussion, based on a speech given by Joint Chief of Staff General George S. Brown, who had stated that "the press was under considerable Jewish influence." The examples given by others were the New York Times and the Washington Post media empires, as well as prominent writers like Walter Lippmann and David Broder. As Lippmann said some years ago, "People attack the press when they have troubles and need someone to blame." In contrast to previous Presidents who had tangled with Lippmann, President Ford issued a warm statement of praise for the veteran journalist and author at his passing.

The Lippmann passing, a bright Maine woman said, "came just days after Winston Churchill's 100th birthday anniversary. They just don't come that big any more."

Mr. Lippman used a cane while walking around MDI during his last years and he was hard of hearing. He visited Maine quietly during his last summer and was honored on his 85th birthday. Those birthday parties were something to behold as famous journalists and government leaders flew into Bangor and Bar Harbor airports to honor their old friend, or visited him in New York where he lived after leaving Washington for good.

Although his funeral was private, a memorial service at Washington's Episcopal National Cathedral is presently scheduled for January.

The Lippmanns lived for many years "on the other side of the Island." They purchased a house in Seal Harbor in recent years and sold it only a couple of years ago because of their failing health and disappointments in their plans to make it their permanent home. (They stayed at Northeast Harbor when they could not use their own house in Seal Harbor.)

The wordly wise author had his problems with Maine people at times. He wanted his house winterized, with year-round water and sewer facilities. It was not until after he bought it that he learned that large rocks would preclude winterization. "He never asked us, so we din't tell him. After all, he's supposed to know about everything," a tough Downeasterner said after Lippmann expressed indignation at this unpleasant surprise.

Lippmann said that he found Maine people "under deep morale stress. They want to be paid in cash, never by check, so that there is no record of the payments. It all reminds me of France and some parts of Europe," he commented. "The influence of the summer people here has not been a totally good one and there are deep resentments and rip-offs and a 'take them for all you can get attitude,' " he said.

The short summer tourist season made no sense to him and he joined a Seal Harbor woman in saying he couldn't understand "how anyone could manage to pay taxes for 12 months a year plus constant upkeep with only one or two months' summer tourist earnings." He said he wished he were younger so that he could explore more fully the deep underlying tensions between year-round people and summer people. "I love Maine and Mount Desert Island," he declared. "This hurts us all."

During their stays at Seal Harbor, Mr. Lippmann or his late wife Helen, who died last February, would come to the post office with a wicker basket to pick up their mail. This always included The Washington Post, his anchor paper. He got only the early mail edition and looked with interest and some envy at our late city final. He enjoyed his newspapers, opening them with gusto in his car. Those were the days of overnight mail delivery, long past since the arrival of the new U.S. Postal Service management.

Mr. Lippmann did not like heights and preferred to walk on solid soil and rocks. This was vividly illustrated when he visited the modern new house of Dr. and Mrs. Ernest Klema on Cooksey Drive in Seal Harbor. He stood against the sturdy granite chimney and said he would prefer not to climb the outside ladders (as his lively wife enjoyed doing) to the upper "decks", or go out on the lower deck overlooking the swirling sea below. His hosts, Dean Klema and wife Virginia joined their children Cathy and Donald in offering him a stiff drink and nuts, which he promptly said he enjoyed much more.

He felt Maine public utilities were often puzzling. He said it was his experience that he could get whatever he really needed during the long telephone strike, for example, when a management representative reconnected three lines at Seal Harbor—the Lippmanns', a Rockefeller's, and a Congressional line for this author.

His favorite walk nearby was around Long Pond at Seal Harbor. He used to have his red car parked there and would sometimes just sit and look at the sunsets or at the fog rolling in. In his younger days he walked on the flat carriage roads around the quiet body of water. A few months before her death his wife had walked alone around that same pond. Always considered the healthier of the two, it was a shock when Mrs. Lippmann passed away before her aged husband. The red car was a familiar sight to the "locals" and he said that "people did not ever bother me by asking for my autograph or otherwise disturbing my walks and my thoughts. They really do respect our privacy here." he added gratefully.

Before his serious illness, he worked with Ronald Steel of England in Seal Harbor on his papers and a possible biography. Previous authors had claimed that they had had their problems with handling the Lippmann papers. James Reston said in the *New York Times* that Richard Rovere of the *New Yorker* found Lippmann chose conveniently to forget some of his previously taken stands. A Prospect Harbor lobster expert and successful businessman said some years ago, before his own death, that Mr. Lippmann had been impressed early with Germany's Adolf Hitler and the Nazi movement and that Maine people who saw spies land on Hancock County beaches did not forget that. Mr. Lippmann listened carefully to this comment when it was related to him and quickly changed the subject. The Prospect Harbor historical expert had had his information correct, however.

Walter Lippmann wondered who the leaders of the future would be. He also pondered the lack of a real successor to himself as a top national columnist. His questions about Joseph Kraft and others who had been billed as possible "mantle holders" indicated his curiosity as to who was read and respected.

Lippmann singled out the Jordan Pond House and its tea and popovers as examples of "what really makes most of us enjoy Seal Harbor and each others' company here." After discussing Jordan Pond House and how it had survived "the barbaric takeover of Bar Harbor," he looked out over the ocean and wondered "who will look out on all of this after me—maybe Admiral Morison?" How right he was on that.

Until recent years the Lippmanns walked much faster than most people much younger than they. I recall during my own days at the Seaside Inn at Seal Harbor meeting them at various locations around the Island and watching them pass many other walkers. Helen Lippmann, who devoted her life to her husband, was a dramatic example of what "modern women's libbers are *NOT* today." Mr. Lippmann did not seem to approve of Maine's women libbers.

He agreed that his "appeal" for many younger people was that he "got around the world more" and "could see things and people for myself." "Too many famous people depend on others for their view and impressions," he stated, "and that is why they don't understand Europe, for example." He made the point that he used his Maine visits for many purposes—work, recreation, reading, rest, and thinking."

For many years he was interested in the activities of the famous people on Mount Desert Island and in Hancock County. "I found my talks with them in relaxed and quiet circumstances most helpful," he used to say. "It's better than in New York or Washington. I think I know who is bright on MDI and who really counts, not just the title or the name," he said with a chuckle. "It makes me curious to see what has changed with them," he commented.

When a French man o'war came into Northeast Harbor to honor Admiral Morison some years ago, Mr. Lippmann asked what the reactions of the Maine people to the visit was. When he was told that the local maidens had taken off fast with the French sailors for the three hours of recreation, he commented that "MDI people for centuries have been related to the French in heart, you know."

Affairs of state would be the subject of his columns but his questions on MDI were often about who was building a new house, or changing one, who had arrived and who was soon to leave so he could see them beforehand. His neighbors were more on his mind than his often shy exterior revealed. He knew when the Sunday New York Times was supposed to arrive at Christy's in Seal Harbor and when it was late, and like some other VIPs, he wanted to know why it was late and when it would arrive.

Long before the current serious inflation and depression, Walter Lippmann commented on Europe and America in the 1920s and '30s and wondered whether the American people, especially those who had never known these conditions, could or would take it. His questions about local economic conditions, one felt, were really intended as a check compared to the big national reports he was getting. He felt that severe economic conditions could widen the split between summer and winter people all the more. He openly wondered what it would do to law enforcement and whether Maine could cope with this better than Washington or New York, and seemed to believe Maine could.

He knew more about Hancock County and MDI's beauty and people than most suspected. With his wife at the wheel, he was driven all around MDI and there were few other places he had not seen during his lifetime. He had "mentally charted the Island," as he once put it. Climbing a mountain on MDI one day long ago. Helen admonished her husband, "Look, Walter. Don't think." He took her advice and fully relished the beauties of the area ever afterward. His appreciation of the place was so deep that he planned to live out the remainder of his life on Mount Desert Island, as did his wife.

MDI's influence on Walter Lippmann ran deep and was a part of his being. His influence on his friends and neighbors here, like a promising young native whom he had wanted to put through medical school but who subsequently decided on another career, will be cherished for many years to come.

INCREASE THE CORPORATE SURTAX EXEMPTION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ARCHER. Mr. Speaker, I have again introduced a bill which would increase the corporate surtax exemption immediately to $50,000 for 1975 and gradually to $100,000 over the next 5 years.

There are over 1.7 million active corporations in the United States today. More than 80 percent of these companies are small businesses which operate on gross receipts of less than $500,000 annually. Over 90 percent of them have assets valued at less than $2 million.

Amidst the many problems of inflation and recession in the mid-1970's, small businesses continue to provide excellent economic opportunities for the young, the adventurous and the innovative among our citizens. The risks and challenges of owning and operating a small company are great, particularly in these troubled economic times. Yet, a healthy small business sector is an essential ingredient in our economic system, and we should do nothing to inhibit or impede its continued good health.

Of necessity, most new businesses begin as small companies. Often, their greatest need is to raise and expand their working capital both to finance their day-to-day operations and the necessary modernization and expansion and to survive. Unfortunately, economic conditions during the last decade, and particularly the last several months, have had a devastating impact on the ability of small companies to raise needed capital. Even in the best of times, they must rely almost exclusively on internally generated earnings and on bank loans. In recent months, interest rates have soared to levels which virtually prohibit small businesses from borrowing. This interest rate instability leaves only retained earnings as a dependable capital source.

Federal tax policy obviously plays a key role in determining how substantial any company's retained earnings will be. The President's Task Force on Improving the Prospects of Small Business reported:

> The inhibiting effect of high income tax rates on small business has long been recognized. New and growing small businesses often cannot meet their initial and early costs and, at the same time, pay out a high proportion of earnings in income taxes. A high income tax depletes the internal funds for additional investment on which the small business must mainly rely. Measures that permit increased retention of earnings, on the other hand, help to finance growth, ease the climate of borrowing, and foster the establishment and healthy expansion of small concerns.

The principal form of tax relief for small businesses is the corporate surtax exemption. The existing corporate tax is composed of a 22 percent normal tax on all taxable income and an additional 26 percent surtax on all taxable income in excess of $25,000. The current level of this exemption was established in 1950 with the thought that any corporation which had taxable income in excess of $25,000 was sufficiently well off to bear the full 48 percent tax rate. While the tax rates themselves have varied somewhat since 1950, the surtax exemption level has not.

While a $25,000 exemption may have provided adequate tax relief in 1950, the effect of inflation over the last 25 years on the surtax exemption has been devastating. It is no longer reasonable to assume that a company with a taxable income in excess of $25,000 is necessarily a healthy and wealthy corporation which can pay the high tax rate without concern. In fact, the sudden jump from the 22-percent tax rate to a 48-percent tax rate on each additional dollar of taxable income above $25,000 is a very sobering experience for the small businessman who has seen his profits bloated by inflation. The inadequacy of the exemption has been further aggravated by repeal of the availability of multiple surtax exemptions for affiliated corporations. Where once a group of small businessmen owning two or three corporations engaged in different businesses were allowed the use of an equal number of exemptions, the Tax Reform Act of 1969 has phased out this benefit. Now, affiliated groups are allowed only one $25,000 exemption regardless of the diversities of their businesses or the absence of a tax avoidance motive.

As economic conditions and Federal tax policy continue to work to the disadvantage of small companies, we must take action to overcome two decades of Federal neglect of their tax problems. The current calls for tax reductions for individuals and a higher investment tax credit should be expanded to include relief for hard-pressed small businesses. We cannot afford to allow the small business sector to wither under the weight of tax burdens which deplete its internal capital resources.

The most appropriate form of relief for small businesses—and one which is many years overdue—is an immediate increase in the surtax exemption level. Such an increase would have a number of effects.

First, it would not require any exhaustive study by congressional staffs, complicated technical drafting, or time-consuming implementation.

Second, it would not require new regulations or rulings for its interpretations.

Third, it would not become as controversial or as litigation prone as a new form of tax credit or a new set of deductions or an overhaul of the corporate tax provisions for the purpose of providing small business relief.

Fourth, it would provide simple, efficient, and equitable tax relief to small businesses.

This bill would increase the surtax exemption to $50,000 for taxable years starting after December 31, 1974, and scale it up to $100,000 over a 5-year period. This would have a very minimal effect on the fiscal 1975 budget and only an approximate $1 billion impact during its first full year of implementation, with no allowance for the feedback effect from higher employment and better utilization of resources in the small business sector.

The Committee on Ways and Means reviewed my bill during the tax reform sessions in the 93d Congress. I hope it can be included in the tax reform bill to be developed in 1975 after the committee completes work on an emergency tax bill. There can be no more important reform than providing relief for the Nation's small businesses.

THE RATIONING PSYCHOLOGY AND CONGRESSIONAL LEADERSHIP

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. MICHEL. Mr. Speaker, there are so many logical and sensible arguments against a program of national gasoline rationing that it is difficult to summarize the whole case in any single speech or article.

I was struck, however, by the cogency of the arguments used in a recent editorial in the Wall Street Journal, and I include that editorial to be printed in the RECORD at the conclusion of my remarks.

A very short companion editorial appeared with the one I have already mentioned. In this piece, the editors chide this Congress for its inaction on energy matters. The criticism is deserved, I think, and so I include that short editorial, too, to be printed at this point in the RECORD:

[From the Wall Street Journal, Jan. 23, 1975]

THE RATIONING PSYCHOLOGY

Just as we feared, Congressmen are beginning to join the gasoline rationing bandwagon, despite—or maybe because of—President Ford's assurance that he would most likely veto any such plan. First it was Senator Jackson. Yesterday Senators Mansfield and Weicker signed up.

So it seems to become necessary to discuss gasoline rationing as if it were a proposal the nation should take seriously. It is a depressing chore. Perhaps we can make matters easier by putting aside for the moment the fact that keeping prices low does not encourage domestic production, in itself a fact important enough to sink any idea that rationing is a long-run path to energy self-sufficiency. Rather, we will set aside problems of supply, and look only at the problems of consumption.

As we understand the argument for gasoline rationing, it's based on the notion that energy conservation and a further income transfer from the rich to the poor can both be accomplished by the same measure. Or at the very least, there can be energy conservation without it imposing any burden on low-income motorists, which is almost the same thing. The burdens of conservation would be born only by the rich, people who need extra gasoline to drive to their polo match, for example.

Now, in any rationing schemes the ration tickets must be either transferable or non-transferable. Either everyone is stuck with his allotment, which President Ford estimates at nine gallons a week, or those who most need gasoline are allowed to buy coupons from those who need it less. How the price of rationed gasoline plus ration coupons would compare with the price of unrationed gasoline is an interesting economic problem; but the mere thought of the problem warns against the assumption that rationing will truly keep prices down and reduce the drains on the economy.

So let us lay aside not only the problem of supply effects but also the problem of the price of coupons. What about rationing as a method of income transfer? Well, it ignores a salient feature of American society.

To wit, the poor or relatively poor often are much more car-centered than the wealthy. Some Tennessee mountaineers drive 50 miles a day to and from jobs but many Wall Street bankers use public transportation. In most cities and towns around the country many of the gas-guzzling hot rods will be owned by auto mechanics, truck drivers and factory workers; many Volkswagens will be owned by college graduates who prefer to spend their money on a $70,000 house.

To create "equity" in this maze, or to parcel out the coupons if they were non-transferable, the rationers would need to decree that ration stamps would not be passed out in equal portions to every licensed driver but would be apportioned according to necessity—as in World War II, when there were A stamps for frivolous drivers, B stamps, C stamps and T stamps for trucks, etc. To make these determinations, they would set up rationing boards in all the nation's county seats. So instead of the nation cutting its fuel costs in an economic sense, it would raise them through the necessity to hire a vast bureaucracy of rationers. The real income transfer would be from motorists to a new army of bureaucrats.

There is another problem as well. The history of efforts to control consumption through enforcement is a depressing one. You need think only of prohibition, or marijuana or even heroin. And at the moment, there is no shortage of gasoline at current prices, the shortage would have to be created by blockading the borders. And of course, even in World War II, when rationing was supported by a national desire to help the war effort, those T stamps eventually became very plentiful on the black market.

Congress is apparently willing to lay aside all of these problems, permanently rather than merely for the sake of argument. Or perhaps instead some members are exercising their machismo, behind the safety of President Ford's promise to veto the measure and save Congress from bearing any responsibility for its results. For if the voters ever do experience rationing for a while they are going to like it even less than the President does, and two years isn't too long a time to remember who first brought it up.

CONGRESSIONAL LEADERSHIP

If President Ford's energy proposals accomplish nothing else, they have at least united Senators Henry Jackson and Edward Kennedy. President Ford currently has authority to go ahead with one part of his energy program, the tax on imported oil. But the two Senators have agreed to sponsor legislation that would delay the tax by 90 days.

It's not that the Democrats are ready with a substitute for the Ford program. Indeed, over in the House, the Democratic leaders recently outlined seven approaches to the energy problem, but were unable to agree on which to take. A 90-day delay is needed, the announcement by Senators Jackson and Kennedy explained, to give Congress a chance to "develop fair and equitable alternatives."

It is now 461 days since Saudi Arabia embargoed oil shipments to the United States. Congress hasn't figured out what to do about it, but if it can delay things for another 90 days, maybe it will think of something.

CALL FOR A NATIONAL REFERENDUM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BROOMFIELD. Mr. Speaker, South Korean President Park Chung

Hee's call last week for a national referendum on his leadership should be a source of encouragement to every responsible American concerned with preserving our national security and furthering democratic rule in the world.

His action demonstrates the Republic of Korea's determination to give its people a voice in their government despite the constant threat from a militant, totalitarian government on its northern border.

While no Member of Congress wants to involve himself in the internal problems of another nation, the fact is that our fate has been linked closely with South Korea's since the Korean war in the 1950's.

Our own national security and world stability continue to be affected by the governments which rule the Korean peninsula.

In a world where our influence seems to be shrinking and one-time allies have been neutralized or have become our active adversaries, South Korea has remained a cooperative partner. That fact was demonstrated tangibly in Vietnam where South Korea came to our aid with more than 50,000 combat troops—the largest contribution of any nation other than the United States and South Vietnam itself. South Korea has remained a willing ally despite mounting criticism of her internal policies.

President Park has responded by providing his critics with a democratic means of expressing their misgivings and has promised to abide by the will of the electorate.

Whatever the outcome of the referendum, a program has been set in motion for the continuation of an orderly and stable government in South Korea—one in which the Korean people will have a representative voice.

We in this country can only hope that this process will be allowed to go forward smoothly and with moderation practiced on both sides so that the democratic traditions on which the referendum is based may be fully realized.

Mr. Speaker, I commend to my colleagues the following text of President Park's speech announcing his decision to the Korean people last week:

PRESIDENT PARK PROPOSES REFERENDUM ON YUSHIN CONSTITUTION

(The following is a translation of the text of a special statement issued at 10 a.m., on January 22, 1975 (Korean Standard Time), by President Park Chung Hee on the proposed national referendum:)

Today I want to ask you who are the sovereign people for the further exercise of your wise judgment on an important resolution.

Our people of the Republic of Korea confirmed the present constitution, embodying the nation's ardent aspiration for stability and prosperity as well as pursuit of peaceful unification of the fatherland in an exercise of the people's sovereignty displayed in the national referendum of November 21, 1972, thereby setting forth in this land a new constitutional order designed to facilitate great revitalizing reforms in all sectors of national policy.

Generally speaking, a constitution is the basic law of a country, the existence of which is based upon the sovereign decision of the people, and the value of which is found in its fostering of a nation's public interests. A constitution is the tangible manifestation of a national will to pursue the historical mission and ideals of the time and the society.

The existing constitution and the Yushin (revitalizing reforms) system based thereupon embody the following:

A government system aimed at coping effectively with turbulent situations at home and abroad, and organizing and accelerating buildup of national strength by eliminating all wastes and inefficiency, as well as a constitutional order facilitating the development of the kind of stable democracy best suited to our historical reality; and

Also an aspiration for national renewal designed to lay the foundations for peaceful unification of the fatherland by forestalling any invasion attempt by the north Korean Communists, such as the Korean War; and by bringing about lasting peace on the Korean peninsula.

In the past two years, we have reaped remarkable achievements in the buildup of national strength, while maintaining this constitutional order.

However, as I explained several times at the turn of the year, we now face grave difficulties no less serious than those of last year.

The worldwide economic recession prompted by the oil crisis is worsening as time passes, and the resource shortage coupled therewith is creating new tensions between countries producing and consuming these resources.

As for international politics, the possibility of the outbreak of local wars has been increasing, despite the efforts for detente among world powers.

Under these circumstances, the North Korean Communists are frantically attempting to obliterate our freedom and even our existence.

They have constantly sought an opportunity to communize the entire Korean peninsula; they have unilaterally suspended the South-North Dialogue, born of the aspirations of the 50 million people, trampling down the South-North Joint communique of July 4, 1972, and have been denouncing or rejecting all the just, practicable and realistic suggestions we have proposed.

We find ourselves in a position from which we must safeguard the lives and freedom of the people and seek peaceful unification of the divided fatherland in the face of incessant threats of communization by these bellicose and dogmatic ultra-leftist adventurers; and we must, at the same time, pursue stability of the people's lives as well as development of the national economy in the midst of the worldwide economic recession.

If there is a way to ensure our freedom and existence as well as our peace and prosperity with our own hands in such a difficult situation, it would be simple for each of our people to be faithful to his occupational role, to work hard with sweat, and explore the great potential of our nation; and to integrate and sublimate that potential into national solidarity.

Due to the present universal economic recession and resource scarcity, many countries are being menaced by threats of unemployment and starvation. Even some advanced nations are undergoing great confusion, economic, political and social, unable to overcome such difficulties effectively.

But it is entirely the result of the hard work we mustered in concerted endeavors between the government and people, under the orderly and efficient governmental system created by the October Revitalization, that we have been able to cope with threats from Communist North Korea while maintaining the basis of stability for the people's lives even at this perilous juncture.

We have never heard of a single case in the history of the world in which national difficulties were surmounted by means of self-indulgence and factionalism, without any self-restraint or concerted efforts on the part of the people.

Today, some articulate people in western society talk of a so-called "crisis of western democracy," realizing that there are many insufficiencies in the contemporary political order of western countries hampering the effective solution to complex contemporary crisis. They emphasize that the only way to surmount grave obstacles lies in restraint and unity on the part of the people, as well as in leaders' effecting action.

Even in this context, we cannot help but reaffirm the historical necessity and virtual inevitability of the Yushin system.

If we are to pursue the path toward peaceful unification of the fatherland, forcing Communist north Korea to abandon its schemes for achieving unification under communism; if we are to regain national conscience, and pursue the South-North Dialogue with sincerity, it will be possible only if we ourselves, first of all, rally firmly behind the cause of the Yushin system, building up national strength without the slightest gap or waste, thereby pressing our supremacy of power over our adversaries.

The stability of the people's lives and development of the national economy, too, can be realized only when we maintain stability in all sectors, including politics, economy, society and culture, with emphasis on public interest and order upholding efficiency and practicality with the government and people cooperating in the buildup of national strength by concerted efforts.

If we clamor for freedom and democracy only with words, and neglect the ensuring of national strength which constitutes their basis, encourage self-indulgence instead of freedom, and confusion instead of democracy, the north Korean Communists, far from agreeing to dialogue, will only intensify their various schemes and provocations for communization of the whole country, taking advantage of our disunity and confusion.

The basis of stability for the people's lives would thus be destroyed, and development of stable democracy can hardly be expected.

Therefore, the existing constitution and the Yushin system based thereupon are the only path for our state and nation to survive these difficulties.

Nonetheless, there are some persons, a segment of our society, trying to paralyze the function of constitutional rule in disregard of the constitutional process, agitating for repeal of the Yushin system and the present constitution. These people undermine national unity by splitting national opinion, creating social confusion by making even the issue of the security of the nation a pawn of politics. They issue irresponsible utterances, such as, "There can be no threat of aggression from the north", despite their witnessing the atrocity on last August 15, and the discovery of an invasion tunnel in the demilitarized zone.

If these utterances and this conduct were left unchecked, it would lead to destruction of national unity, dispersion and weakening of national strength, and undermining of the basis for stability of the people's lives, as well as the crushing of economic development and entanglement of social order.

Our internal splits and confusion would result in assisting the so-called "People's Democratic Revolution" of the north Korean Communists, and would incur a grave situation, endangering the security of the state itself by granting an opportunity for armed aggression to Communist North Korea.

In view of these circumstances, it is my conviction that the existing construction can by no means be repealed until the north Korean Communists abandon their violent revolutionary policy aimed at communizing the whole Korean peninsula, and threats from the north are removed completely.

I rather firmly believe that this constitution should be safeguarded continuously and the revitalizing system should be further developed. This is the basis of national administration on which I, in my capacity of President, preside, prepare and execute major national policies.

Therefore, I am resolved to ask you the sovereign people directly by conducting a national referendum, pursuant to the decision of the Cabinet and in accordance with the provisions of Article 49 of the constitution, whether or not you approve this important state policy, that the existing constitution should continue to be safeguarded.

I have renewed my determination to carry out with even greater sincerity the responsibility of the president for defending the state and promoting the interests of the state and the well-being of the people by a coalition of national opinion and reaffirming the historic appropriateness and national suitability of the Yushin system in that manner.

Therefore, you the people, who are the national sovereign should decide in the proposed national referendum whether you wish to continue to maintain the present constitution for the sake of our security, freedom, peace and prosperity, and develop further the Yushin system based thereon, or whether you would return again to the old system of confusion and retrogression.

The October Revitalization was a reform intended to eradicate that confusion and license that irresponsibility and inefficiency, which had been rampant in the name of freedom and democracy and to accelerate the strengthening of national power, thereby developing a genuine democracy compatible with our historical realities.

It is for this reason that our people established the government by due democratic procedures, with the current constitution as its basic law, and are enjoying their due share of freedom, doing their best in their respective roles and occupations.

There is no other "freedom" or "democracy" which should be recovered at the cost of social stability.

Some are mistaken enough to consider that criminal acts such as undermining social order or overthrowing the state and government conducive to restoring democracy and freedom, but this misconception can never be condoned.

Nevertheless, some persons who are slandering the constitution seek to delude the people into believing that constitutional revision would solve all economic and security problems, making the nation better off overnight, they chant such attractive slogans as "restoration of democracy" or "freedom," but they are bent on disturbing the society and instigating destruction of constitutional order.

However, all our countrymen are well aware of the enormity of the wrongs that have been done to our nation and society by such abusive behavior, weakening national power, encouraging waste, disorder and inefficiency.

Some have repeatedly gone to the extreme of opposing everything the government does just for the sake of opposition, without bothering to reflect upon whether it is right or wrong.

They termed diplomatic normalization with Japan a "sellout," they accused the dispatch of our troops to Vietnam as "blood politicking"; they criticized the activation of the homeland reserve forces as a political maneuver.

In the legislative chamber, they often stormed the rostrum and engaged in violent obstruction simply because their minority opinion was not adopted.

Every election has been marred by extreme waste of national wealth, confusion, and even demoralization of the people in the flurry of excessive politicking accompanied by disorder and corruption.

Fellow Countrymen.

I have described the "freedom" and "democracy" which opponents of the current constitution like to be restored.

We can never say there are genuine freedom or genuine democracy.

They are freedom and democracy in name only, for they are license, confusion and irresponsibility indeed.

Freedom and democracy are not a possession or a special skill possessed exclusively by those people opposing the present constitution now.

They rather represent universal standards of behavior which are enjoyed by each and every citizen now, and which will be further cultivated.

Under democracy, minority opinion is respected, but the decision is taken by majority rule; competition takes place in good faith, and the outcome is readily accepted; individual freedom and rights are enjoyed, but within limits that would not harm the freedom and safety of the citizens, particularly the freedom of the entire people and the security of the nation.

Therefore, it would be a gross mistake impeding the development of the nation and the people, and thus a blot on the history of our nation for us to relapse now into the same old license, confusion, irresponsibility and inefficiency.

In such a political climate it would be impossible for anyone who might assume the helm of the ship of state to put his patriotic statecraft into practice with confidence.

In view of the internal and external realities this nation is facing, I would like to reiterate my conviction that the present constitution should be protected, and major policies should be formulated and executed with the aim of developing the Yushin system based on the constitution for the purposes of:

Resolutely countering the threat of war and military provocations from Communist north Korea;

Preserving the life, property and freedom of the people by firmly establishing peace on the Korean peninsula;

Promoting national interests by flexibly adapting to fast-changing international situations;

Assuring the people secure living through the cultivation of national power despite the world economic recession; and

Laying a solid groundwork for the peaceful unification of the fatherland.

In my judgement, this is the way to discharge the responsibilities of the President with sincerity.

Therefore, I would consider the proposed referendum an occasion for not only voicing approval or rejection of the constitution, but also a vote of confidence in the president.

Personally, I have dedicated myself wholly to the historic mission of reviving the nation.

If you, my fellow countrymen, do not recognize the historical relevance of the Yushin systems and desire to abolish the existing constitution, I would take it to be a note of nonconfidence in me and would step down from the presidency immediately.

If you, my fellow countrymen, agree to my major policies designed to continue defending the current constitution, I pledge anew to devote myself to the cause of the nation and people in the strength of your confidence and support.

The forthcoming national referendum will prove an important crossroads that will steer the course of the nation in one of two ways.

It is my hope that you, in full realization of the difficulties confronting us, will make an earnest, wise and patriotic decision.

VOTING IS THE REAL BICENTENNIAL CELEBRATION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HYDE. Mr. Speaker, in the December 30 issue of the Chicago Tribune, Mr. Joseph T. Meek, founder of the Illinois Retail Merchants Association, suggested in a guest column that this Nation, in connection with its Bicentennial activities, launch a "strong, nonpartisan, nationwide effort" to attain a minimum of 100 million registered voters by July 4, 1976, and to insure that at least three-fourths of those registered actually cast ballots in the 1976 general election.

Mr. Speaker, I agree with Mr. Meek that active voter participation would be a most fitting observance of our Bicentennial. Public participation in the governmental process has enabled our form of government to survive for 200 years. Only through continued and vigorous public participation can we expect it to last another 200 years.

This Nation has more than 140 million persons of voting age. Certainly more than 100 million should be registered voters. Yet, in the last Presidential election less than 78 million votes were cast; and in the election last November a woefully small number of persons exercised their right, and responsibility, to vote. I am convinced that dishonest government is encouraged by honest men and women creating a political vacuum through their failure to participate in governmental processes.

Mr. Meek's goal is worthy of attention and I include his article to be printed in the RECORD at this point:

VOTING IS THE REAL BICENTENNIAL CELEBRATION

(By Joseph T. Meek)

The Bicentennial observance in 1976 must, to carry any significance and have any effect on a new and mistrusting generation, recreate in the citizens a deep sense of responsibility for and participation in the governing of their country.

We hope a strong, nonpartisan, nationwide effort will be made to have 100 million registered voters by the Fourth of July, 1976—a pointed way to the peak of patriotism, earned participation.

By November, 1976, we would like to see three-fourths of those voters at the polls to insure at least, that the majority has spoken.

Already a vigorous but small group of senior citizens is supporting a "Bicentennial Committee of 100 Million Americans," working hard toward this goal. These worried patriots deserve the united strength of the nation.

Dr. Mark Krug of the University of Chicago and others, including this writer, have been working with high school and college students and their teachers to develop conscientious, dedicated citizens. Modern America is seemingly as unacquainted with the meaningfulness of its vote as is the citizen who, for the first time, becomes old enough to vote.

To the new generation, Dr. Krug wrote: "Americans will love America the more, not less, when they gain an insight into the fact that generations past have built America soundly and well. These past generations have left for new generations the task of improving and refining our way of life and the government which permits it to develop as free citizens want it and not as dictators desire it . . .

"The young in particular, must be deeply imbued with and committed to the American creed. . . ."

Part of the lesson we must learn from the coming Bicentennial is that we must intelligently defend the advantages of our way of life, our system of government.

The Bicentennial ought not only entertain but inform millions of Americans that political competence is essential to the protection and advancement of what every profession the new voter selects or the adult tries to follow.

Most of us, in school and out, have been taught only the advantages of governmental processes, but have never been taught the essential steps of selection, nomination, and election, which is the "Fancy Dan" stuff gone to work—politics!

Many men and women in government are cynical, frustrated, and disillusioned. Those conditions have been brought about not by the processes but tragically marked by the apathy, carelessness, and criticism of those who take our nation for granted.

We have told students to never become cynical about politics, that, in a real sense, it is the only game in town.

Politics is the life blood of a democracy, of a republic. It is the fuel that propels the engine of a free society. To profess love for the democratic form of government but ridicule and disclaim its politics is to pretend to honor a product while despising the process that creates it.

It is exactly in this area of history book hypocrisy that the young generation finds the "double-talk" which it has come to despise and shun.

The extent to which the political life of our country becomes corrupted is the result—almost entirely—of the tendency of sincere, decent, and unselfish people to wash their hands of their responsibilities and abdicate the field to the special interests, the selfish, and the cynical.

The 1976 Bicentennial will be the greatest of costly failures in our history if it glosses over what we are trying to celebrate, what we must do to have an even more glorious celebration in 2076.

Without a representative vote in 1976 our Bicentennial may well be a wake in advance of our death as a competitive two-party system. Our songs may well be dirges for a citizenry which failed to believe in and support its own existence.

LEGISLATION TO CURB EXCESSIVE FDA REGULATION

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ARMSTRONG. Mr. Speaker, today I am reintroducing legislation to restrict the further assumption of regulatory authority by the Food and Drug Administration. This bill is identical to H.R. 643, introduced by my friend and former colleague, Craig Hosmer, in the 93d Congress.

The FDA feels present regulations do not protect the public and that megadose vitamin therapy may be harmful unless supervised by a physician. The FDA has recommended that large doses of vitamins be available only by prescription—although the scientific evidence to support such a course of regulation is mixed—at best.

This bill will prevent any regulation of vitamins and food supplements unless the FDA can prove the dosage will be harmful.

Since 1962, the FDA has been trying to force vitamins and other food supplements into stiff, prescription-like regulations. In the face of congressional action, those early attempts at regulation were withdrawn. Then the FDA began a more studied and deliberate campaign, culminating in a proposed series of regulations published in mid-1973. In August 1974, a U.S. Second Court of Appeals prohibited the FDA from immediate implementation of its regulations. But the proposed FDA standards will still go into effect in June 1975 unless Congress acts.

We have seen a tendency toward greater and greater regulation, toward greater and greater power, in the Federal Government. So the FDA's actions come as no surprise.

Regulation for the sake of regulation is wrong, however, and that is just what the FDA's actions smack of. At a time when noted scientists disagree over the questions of vitamin dosages, at a time when there have been few, if any, documented cases of health hazards due to vitamin overdoses, at a time when a medium-sized carrot contains more vitamin A than the amount the FDA would like to have dispensed by prescription only, I can see little or no justification in allowing the Food and Drug Administration to assume greater and greater authority.

The greatest dangers we face today are not from unregulated business or industry, but from unregulated government. While business must abide by the law, it is even more important that Government be held in check.

CEREMONIES MARK OPENING OF NEW SOUTH POLE STATION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. TEAGUE. Mr. Speaker, on January 9, 1975 a new facility at the South Pole, called the Amundsen-Scott South Pole Station, was formally dedicated. The construction of this new U.S. facility took 4 years and replaces a station built 19 years ago.

Dr. Guyford Stever, Director of the National Science Foundation, led a party of 24 officials to the South Pole for the dedication ceremonies. My distinguished colleague from Texas, the Honorable J. J. PICKLE, also attended the dedication. Dr. Norman Hackerman, Chairman of the National Science Board and president of Rice University addressed the group and I submit his remarks to you, my fellow members of Congress and the general public. I would also like to submit the press release from the National Science Foundation, that describes this most important scientific facility.

Dr. Hackerman's remarks and the release follow:

REMARKS BY DR. NORMAN HACKERMAN

I appreciate the opportunity of being present, with the other Members of the National Science Board and our friends and colleagues, at the dedication of the new South Pole Station.

There is a feeling of special achievement on seeing this modern research facility at the bottom of the world. With only a short exposure to the temperature today, I can appreciate the efforts that must have gone into moving the cargo, assembling the materials, and building this Station.

In recognition of the efforts and dollars invested and the continuing needs of mankind, the next step is to ensure that future planning, funding, and the talents of our best scientists are directed toward taking maximum advantage of this investment. By this, I mean scientists from many nations, those people whose understanding and insight can use these facilities to best advantage to learn more about the world in which we live and the forces that affect it. It seems particularly appropriate that a station located at the southern axis of the world, where the meridians radiate northward and touch all lands, all oceans, and all peoples, should be international in character and scope.

It is impressive also to be here on the Antarctic Continent in the middle of an ice age, on top of a two-mile-thick ice sheet, surrounded by thousands of square miles of ice in all directions. Sophisticated electronics and geodetic satellites passing overhead tell us our exact geographic position on this mass of ice. Measurements over the past two years reveal that the ice on which we stand is moving northward in the general direction of Rio de Janeiro at the rate of nine to ten meters per year. In addition, this new Station undergoes a phenomenon known as "pole wobble" in which the axis of the earth moves erratically over an area about the size of a baseball field. It has been suggested that this wobble represents the shift of material within the earth and that further research might provide the means of forecasting earthquakes. As yet, we neither know the explanation of this phenomenon nor understand many other things about this area. But this we do know: here is a facility which makes it possible for men and women to exercise their ingenuity and talents to make observations and carry out experiments to learn more about the world, environmental interactions, and the history of this Continent. We have every expectation that research in glaciology, meteorology, biology, and geophysics carried on here will better prepare mankind to meet the problems of the future.

I close with the expectation that this South Pole Station and the research carried on here will serve as a catalyst to extend further the spirit of international cooperation among all nations and to improve the quality of life everywhere.

CEREMONIES MARK OPENING OF NEW SOUTH POLE STATION

A large aluminum dome near a long, horizontal half-cylinder of corrugated steel rises from a flat, white, featureless snow plain that extends for hundreds of miles in every direction—all north.

It's the United States' new Amundsen-Scott South Pole Station, activated January 9 following four years of construction under often extremely difficult conditions. The new station, which this coming Antarctic winter will be home for 18 scientists and support personnel, replaces a station built in 1956 and now being crushed under 40 feet of ice and snow.

The new buildings, already showing a dusting of white from drifting snow, are built "upstream" from the south geographic pole, one end of the axis about which the Earth rotates. Because the station is built on slowly moving ice, more than 9,999 feet thick, the flow of the ice will carry the station over the location of the pole in several years.

Studies conducted by scientists at Pole Station include: several projects aimed at obtaining information related to worldwide pollution, weather and climatological studies, upper atmosphere research, investigation of immunologic changes that take place in people in isolation, and monitoring of earthquake events as part of a worldwide network and for use in geophysical studies of the earth.

In ceremonies marking the formal opening of the station, Dr. H. Guyford Stever, Director of the National Science Foundation, read a letter from President Ford in which the President said, "The dedication of the new Amundsen-Scott South Pole Station is a rededication by the United States to the ideals of the Antarctic Treaty. By making the results of our South Pole research freely available, we reiterate our commitment to the objectives of the Treaty. By making our South Pole facility accessible to scientists of all nations, we reaffirm our devotion to the ideals of cooperation that are characteristic of Antarctica and that have extensively benefited mankind."

Dr. Stever gave special recognition to Mrs. Ruth Siple, widow of antarctic explorer Dr. Paul Siple, who was at the South Pole for the dedication. Dr. Siple, widely known for his antarctic studies, was the first scientific leader at Pole Station in 1956–57. Dr. Stever also paid tribute to the Navy's VXE-6 Squadron for its part in flying construction materials to the station, and to the Seabees of Naval Mobile Construction Battalion 71 for "their efforts and accomplishments under what may be the world's worst construction conditions."

The station construction was completed by Holmes and Narver, Inc., (H&N) Anaheim, California.

The new station was funded by the National Science Foundation and the U.S. Navy as part of the United States Antarctic Research Program. NSF funds, manages and coordinates the United States program in Antarctica. Under contract to NSF, H&N will maintain and operate Pole Station with a civilian crew.

Though Pole Station personnel who work outside are not normally subjected to very high winds, they do work in just about the world's coldest temperatures with a yearly average of 46 degrees below zero. Summertime temperatures never top zero degrees and wintertime temperatures have been measured as low as minus 122 degrees. The lowest temperature ever recorded on earth, minus 127 degrees, was measured at Vostok, a Soviet antarctic station.

The large geodesic dome at South Pole station is 164 feet in diameter and 52 feet high. Within its protective cover are three two-story buildings that form the center of activity of the station. The three are: scientific spaces and living quarters; communications, library, and store; and combination dining hall and club facility, post office, photographic laboratory, and meeting space. Austral summer capacity of the station will be about 35 persons.

Other South Pole Station facilities are housed under sections of the 46-foot diameter corrugated steel arch that extends, with its connecting links, more than 800 feet. These include garage, shop, and recreation area; power plant and electrical shop; medical and biomedical facilities which also serve as dispensary and as a research laboratory; and fuel storage area. A 52-foot tower near the geodesic dome will be used for auroral studies.

DENNIS BANKS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BYRON. Mr. Speaker, the recent tragedy of a bus passenger here in Washington being killed while attempting to aid the bus driver represents a tale of heroism and, on a broader scale, a lesson for all of us.

Dennis Banks was shot while attempting to assist a bus driver in collecting a fare. His action in this situation showed that not all citizens are indifferent to the rule of law and a society based on mutual respect for the law.

I would like to share with my colleagues Lance Gay's article from the Washington Star-News on this tragedy and the great outpouring of appreciation from the District of Columbia Metrobus drivers:

DENNIS BANKS

(By Lance Gay)

After reading of the slaying of Dennis Banks, the 22-year-old passenger on a Metrobus who was shot after he tried to help a bus driver collect a fare, Walter F. Jones, another driver, said he felt impelled to do something in return.

"He was one person out of thousands—he did something," said Jones, a 46-year-old Metrobus driver. "We've got to get together and do something about this."

So last night, Jones traveled from depot to depot throughout the Metrobus system, putting up signs urging fellow bus drivers to turn out tonight in uniform at the Jarvis Funeral Home for Banks' wake.

"Most people on a bus these days just don't want to get involved—you can't blame them—but here's a man who tried to do something and he was killed for it, and we have to show our appreciation for that in some way, somehow," Jones said.

Banks was shot to death Friday night after he went to the aid of a woman Metrobus driver who was trying to get a group of about six unruly youths to pay their fares. Police said the youths got on the bus at 7th and U Streets NW and refused to put money in the cash box. The driver stopped the bus near the intersection, and demanded that they pay their fares before the bus proceeded.

Banks and other passengers told the youths to pay their fares so the bus could get underway and a fight broke out that spilled out of the bus and onto the street, where Banks was fatally wounded.

Several callers who read about the incident in the Star-News, called the newspaper last night offering help to the family. One unidentified young woman urged stepped-up efforts to get handguns off the streets.

"How many fine young people like Mr. Banks must die before the politicians do something," she said, asking what she could do to stop similar incidents from happening in the future. "I feel so helpless," she said.

Jones, who said he has been beaten up and robbed during the 10 years he had been driving a bus in the Washington area, said he felt the same helplessness.

"As a driver, you sit there and you ignore things like people not paying fares. You decide to leave things alone," he said. "I've had people refuse to put anything in the box and I've had people put toilet paper and ticket stubs in and there's nothing you can do.

"You know that the passengers won't back you up if you protest. Most people on a bus just don't want to get involved. But then there's someone like this—he did something and the bus drivers have to get together to do something for him."

George Davis, president of the Amalgamated Transit Union, Local 689, said the shooting incident was brought up at a regular meeting of the bus drivers' union last night. Union leaders voted to send flowers to the funeral home and also promised to send a delegation of drivers to the 7:30 p.m. wake.

"We felt that we have to recognize, in some manner, that the drivers appreciate people's help and a man's effort like in this unfortunate situation," Davis said.

PROTECTING THE CIVIL AND CONSTITUTIONAL RIGHTS OF PROFESSIONAL ATHLETES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SEIBERLING. Mr. Speaker, 13 other Members are joining me today in introducing H.R. 2355 to protect the civil and constitutional rights of professional athletes. This legislation would prohibit a web of invidious practices which team owners and league officials in various sports have instituted to prevent athletes from contracting freely for their skills and services.

At the center of this web is the notorious reserve system, which reserves to a player's team the rights to his services until the team trades him or gives him an unconditional release. Owners are able to keep athletes from negotiating with other teams by group enforcement of league antitampering rules and of the well-known reserve clause, which owners insist be included without modification or exception in every player's contract. Leagues prohibit participation by players who have not signed a standard player contract which binds the player to league rules written by the owners.

Owners also engage in concerted group boycotts when they blacklist or refuse to deal with players who want to switch teams or otherwise challenge the owners' established order. In addition, many sports have a ransom rule or Rozelle rule whereby a team must be adequately compensated by a second team whenever an athlete plays out his option with the first team and signs with the second. This type of regulation deters free negotiation and penalizes any team which dares to acquire the property of another team.

In the 1972 case involving Curt Flood, the Supreme Court recognized the serious antitrust implications of baseball's reserve system, but the Court held that only Congress could overturn the antitrust exemption which the courts had created for baseball but for no other professional sport. This past December, in the private lawsuit brought by Joe Kapp, a Federal district court held that professional football's reserve system, along with other practices enforced by team owners and league officials, constitute illegal restraints of trade in violation of the Nation's antitrust laws. H.R. 2355 would prohibit these practices in baseball, football, and other professional team sports.

Below are portions of the Kapp decision, necessarily excerpted because of space limitations:

PORTIONS OF THE "KAPP DECISION"

Kapp v. *National Football League,* — F. Supp. — (No. C-72-537) (N.D. Cal. Dec. 20, 1974) (Sweigert, J.).

Plaintiff Joe Kapp brings this suit against the defendants National Football League (NFL), its Commissioner Pete Rozelle and its 26 member professional football clubs and other related defendants, alleging antitrust conspiracy and monopoly among defendants, whereunder defendants in July, 1971, caused his discharge by the New England Patriots with which he claims to have had an October 6, 1970 contract to play for the 1970, 1971 and 1972 seasons for a stated compensation of $600,000, alleging, further, that defendants, in effect, drove plaintiff out of professional football in the United States . . .

While Kapp was with the University of California and a prospective professional player, the Washington Redskins "drafted" him pursuant to a so-called "selection" or "draft" rule, embodied in the NFL Constitution and By-Laws, Section 14.3(A) and 14.5, providing that at a Selection Meeting of the NFL Clubs, held annually in January or February, each club participating therein can select prospective players of its own choice; the selecting club will have the exclusive right to negotiate for the services of each player selected by it and placed on its Reserve List—even if the selecting club's offer to the prospective player might be unacceptable and even if the selecting club makes no offer at all, no other league club may negotiate with him without the consent of the selecting club.

The NFL Constitution and By-Laws, Section 9.2 also contains a so-called "tampering" rule which provides that if a member club shall tamper, negotiate with or make an offer to a player on the active, reserve or selection list of another club, then the offending club, in addition to being subject to all other penalties provided in the NFL Constitution and By-Laws, shall lose its selection chance in the next succeeding selection meeting, in the same round in which the affected player was originally chosen and, if such offense was intentional the Commissioner shall have power to fine the offending club and may award the offended club 50% of the amount of the fine imposed by the Commissioner.

When the Wasington Redskins made no satisfactory offer to Kapp, he went to the Canadian Football League and played there for seven years (1959-1966) during which period the Redskins kept him on their reserve list until April, 1966 and thus barred other NFL Clubs from negotiating with him . . .

In January, 1971, the Patriots, acting pursuant to the NFL Constitution and By-Laws and at the direction of the Commissioner, sent Kapp a form of Standard Player Contract but Kapp refused to sign it. This Standard Player Contract is required by the NFL Constitution and By-Laws, Sections 15.1 and 15.4, to the effect that all contracts between the clubs and players shall be in the form adopted by the member clubs of the league, each club to have the right to modify such standard contract but subject to the right of the Commissioner to disapprove any such modification which is in violation of the Constitution and By-Laws or if either contracting party is guilty of conduct detrimental to the league or to professional football.

The Standard Player Contract (Pars. 4, 6 and 11), so required, provides that the player becomes bound by the Constitution, By-Laws, Rules and Regulations of the league and of his club, including future amendments thereto and to the discipline of the club—subject only to the right to a hearing by the Commissioner whose decisions shall be final and unappealable.

The Standard Player Contract, Par. 10 also contains the so-called "option" rule which gives the employing club a unilateral option to renew the contract for a further term of one year at a reduced rate of compensation, i.e., 90% of the amount paid by the player in the previous year—the purpose of this rule being, according to plaintiff, to coerce the player to sign a new contract on the owner's terms under peril of having to serve another year at the reduced compensation . . .

PLAINTIFF'S CONTENTIONS

Plaintiff contends that the foregoing rules contained in the NFL Constitution and By-Laws, i.e., the so-called "Draft" rule, the so-called "Tampering" rule, the so-called "Option" Rule, the so-called "Rozelle" or "Ransom" Rule, the "Standard Player Contract" Rule, and the rules vesting the power to make final interpretations and decisions in the Commissioner constitute a combination among defendants to refuse to deal with players except under the above stated conditions—in effect a boycott or blacklist—and as such a per se violation of the Sherman Act.

Plaintiffs further contend that, apart from the per se rule, the combination is illegal even under the "rule of reason" because the restraint obviously goes far beyond what would be reasonably necessary to achieve the business goals involved . . .

THE ANTITRUST ISSUE—CONCLUSIONS

[W]e are of the opinion that for reasons to be hereinafter set forth it is not necessary to rest our decision in this pending case on an application of the per se rule . . .

In our pending case and in similar cases the only alleged anti-competitive practice is joint club enforcement, through the league, of player-employee contracts whereunder the player agrees to accept and the clubs agree among themselves to enforce certain restrictions on the player's right to freely pursue his trade with other club-employers and the clubs yield to that extent their free choice to employ.

There is a well-settled rule of contract law that employer-employee contracts, restricting an employee's right to freely pursue his trade, may be illegal as against public policy *if, but only if,* the restraint is *unreasonable,* taking into consideration the nature of the business, the duration of the restraint, the area in which it operates, the situation of the parties and all circumstances bearing on whether the restriction in such only as to afford fair protection to the interests of the employer without imposing such an undue hardship on the employee as to interfere with the *public interest.*

We have in mind, of course, that when two or more club employers agree through league rules that individual player-employees, who violate such individual club-employee contracts will be in effect boycotted by *all* member club-employers, the situation goes beyond mere employer-employee contracting and falls within the antitrust law *per se* prohibition of *combinations* not to deal—even though the reasonableness test would have been applicable to the individual player contract . . .

[W]e conclude that in this particular field of sports league activities the purposes of the antitrust laws can be just as well served (if not better served) by the basic antitrust reasonableness test as by the absolute *per se* test sometimes applied by the courts in other fields.

In applying the reasonableness test we have in mind that the issue of reasonableness is ordinarily in such genuine dispute that a case cannot be resolved on a motion for summary judgment and must go to full trial of that issue.

However, in the present case, league enforcement of most of the challenged rules is so patently unreasonable that there is no genuine issue for trial.

The "Ransom" or "Rozelle" rule, provides in effect that a player, even after he has played out his contract under the option rule and has thereby become a free agent, is still restrained from pursuing his business to the extent that all league members with whom he might otherwise negotiate for new employment are prohibited from employing him unless upon consent of his former employer or, absent such consent, subject to the power of the NFL Commissioner to name and award one or more players to the former employer from the active reserve or selection list of the acquiring club—as the NFL Commissioner in his sole discretion deems fair and reasonable.

A conceivable effect of this rule would be to perpetually restrain a player from pursuing his occupation among the clubs of a league that holds a virtual monopoly of professional football employment in the United States.

We conclude that such a rule imposing restraint virtually unlimited in time and extent, goes far beyond any possible need for fair protection of the interests of the club-employers or the purposes of the NFL and that it imposes upon the player-employees such undue hardship as to be an unreasonable restraint and such a rule is not susceptible of different inferences concerning its reasonableness; it is unreasonable under any legal test and there is no genuine issue about it to require or justify trial.

Similarly, the draft rule is also patently unreasonable insofar as it permits virtually perpetual boycott of a draft prospect even when the drafting club refuses or fails within a reasonable time to reach a contract with the player.

Similarly, the so-called "one-man rule," vesting final decision in the NFL Commissioner, is also patently unreasonable (particularly where considered in the light of principles of *impartial* arbitration embodied in the Federal Arbitration Act, 9 U.S.C. § 1-14, and underlying the decision of the Supreme Court in *Commonwealth Corp* v. *Casualty Co.,* 494 U.S. 145 (1968)), insofar as that unilateral kind of arbitration is used to interpret or enforce other NFL rules involving restrictions on the rights of players or clubs to free employment choice.

Similarly, the tampering rule and the Standard Player Contract rule are also patently unreasonable insofar as they are used to enforce other NFL rules in that area.

The Option Rule, which appears only in the Standard Contract (Par. 10), gives the club an option for one additional year of service at 90% of the contract salary unless otherwise agreed. Since NFL rules leave the matters of duration and salary to free negotiation between players and clubs, this lone prescribed option provision cannot be said to so extend the original term and salary as to render it patently unreasonable; its legality cannot, therefore, be determined on summary judgment.

However, it is not necessary to hold that NFL league enforcement is illegal as to *all* restrictive employment or tenure rules; it is sufficient if we can determine on summary judgment the illegality of league enforcement of one or more such rules to the detriment of plaintiff.

It remains, therefore, only to determine whether NFL enforcement of the rules which we have held to be patently unreasonable and illegal can be deemed to have been the cause or at least one of the causes of injury to plaintiff.

We have in mind that the record here shows that the immediate cause of plaintiff's discharge by the New England Patriots was his refusal to comply with demands that he sign the Standard Player Contract.

However, as already explained, signing of the Standard Player Contract (including its paragraphs 4, 5 and 6) would bind a player to the whole NFL Constitution and By-Laws which, in turn, include the rules herein held to be illegal.

As already indicated, we are mindful that it may be held on review that application of the *per se* test renders NFL enforcement illegal as to *all* restrictive employment or tenure rules—regardless of reasonableness for sports league purposes. If so, such holding could be made on the present record without trial or further proceedings.

HOW TO AVOID ANTITRUST

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HEINZ. Mr. Speaker, last year the President signed into law a bill to increase the criminal penalties for violations of the antitrust laws. Violations of those laws could always cause serious injury to the public by limiting competition and raising prices and now there are serious penalties for those who disregard the antitrust laws. I supported the increased criminal penalties and I expressed my hope that they would deter violations and never need to be imposed. It is not enough to just hope, however. I am concerned that some businessmen may not be able to afford expensive legal counsel and may violate the antitrust laws without even knowing they have done anything illegal.

Although I am sure the prosecutors and the courts will use some common sense and not deal with the unwitting violator in the same way as they would with the violator who knows the law, I think it is our duty in Congress to help explain the law to businessmen so that they do not inadvertently violate it. For this reason I am inserting in the Congressional Record an article from the January 27, 1975 issue of Business Week which tells what counsel for major corporations are now telling their clients about the antitrust laws.

This article should provide some help for businessmen. I am also asking the Justice Department to prepare a booklet to explain the antitrust laws to the small businessman, in addition to completing the consumer explanation promised by the Attorney General last year.

How To Avoid Antitrust

As the federal government gets tougher on corporations and corporate executives caught up in antitrust cases, more and more companies are mounting elaborate campaigns to teach their employees precisely what the Sherman and Clayton Acts outlaw—and to get across the message that the management suite really wants those laws obeyed.

What corporate lawyers and top managers fear is having their company dragged into an antitrust suit by the actions of a subordinate. The costs of violating the law can run high. The Justice Dept. now routinely seeks jail terms in price-fixing cases, and just last month Congress made such convictions felonies rather than misdemeanors. Fines, moreover, can now run to $1-million per violation.

"We rattle the jail door a bit," admits one corporate counsel in describing how he wins support at the top for new anti-antitrust programs. The danger to managers is real enough. Executives of International Paper Co. and Diamond International Corp., for example, were recently handed jail terms in a paper-label price-fixing case in California, although the sentences were suspended in return for their lecturing on antitrust to business and civic groups. Criminal penalties were also imposed in antitrust cases last year against individual executives of H. K. Porter Co., an Illinois beer distributor, against several Arizona bakers, and against such corporations as Du Pont, Ciba-Geigy, American Cyanamid, and Armco Steel.

A BIG ISSUE

"Antitrust compliance is just about the most important responsibility that a corporate law department has to discharge," says George A. Birrell, general counsel of Mobil Oil Corp. And Du Pont lawyer Charles Welch says that he sees signs of "a new antitrust emphasis."

TRW, Inc., last year issued a 22-page antitrust guide, its first, and company lawyers began delivering lectures on the subject specifically tailored to the company's various operations. And one big West Coast manufacturer will hold antitrust seminars this year for the first time in each of its 20 divisions. The seminars will follow up a 20-page summary of do's and don'ts of antitrust distributed four months ago to 500 employees. "I wanted to make sure that anybody who has any decision role whatsoever understood the basics of antitrust policy," explains the company's corporate counsel. "Even an engineer who might approve a vendor needs to know the pitfalls." Every recipient was required to sign a letter saying that he had read and understood the policy.

"If you don't comply with this policy, you will be fired," says the house lawyer. "Thats all there is to it."

Some companies are going beyond booklets in an attempt to bring home to employees the subtleties of the anti-trust laws. International Business Machines Corp. and 3M Co. have each made films about antitrust. Hercules, Inc., brought in Columbia Law School Professor Milton Handler, a crowd-drawing speaker at bar meetings, to explain how words can mean one thing to a layman but something else to antitrusters. One New York-headquartered basic goods manufacturer has even worked out a programmed instruction course that asks salesmen questions about antitrust and tells them why wrong answers are wrong. And the Pratt & Whitney Aircraft division of United Aircraft Corp. recently brought 350 field service representatives to its headquarters for a series of lectures on antitrust given by both staff lawyers and experts from the big New York City firm of Shearman & Stirling.

GIVING ANSWERS

It is common in many companies for staff lawyers to show up at virtually every sales meeting, both to make formal antitrust presentations and to handle questions privately at the bar or on the golf links. One company learned that many of its salesmen were finding mysterious little slips of paper in their pockets after industry meetings, telling what a competitor was charging a particular customer for a particular item. The advice from the lawyers: If you want to use the information to underbid, go right ahead, but be sure you did nothing to solicit it.

At Celanese Corp., which is currently updating the bulletins that spell out its antitrust rules, general counsel Robert A. Longman says he fields many questions about whether a distributor can be dropped because he pushes a product outside his assigned geographic area. The answer: No, if that is the only reason you want to shed him, but yes if his efforts outside his territory mean he is not meeting sales goals in the market for which he is primarily responsible. Forbidding him to sell in certain areas is an antitrust violation.

Salesmen are the employees most likely to slip inadvertently into antitrust hot water, but company education programs are being expanded to cover personnel in almost every aspect of corporate life. An Eaton Corp. booklet, for instance, warns all corporate insiders that "disparagement of a competitor's product" could be taken as evidence of a plan to monopolize.

Purchasing agents come in for special antitrust scrutiny. They can break the law by demanding a lower price than competitors are offered, by obtaining a scarce commodity through threats of not selling an equally short item to the vendor, or by buying a company's entire output.

JUST ENOUGH

Companies do not aim to make their people experts in antitrust laws. As Exxon Corp. associate general counsel Kenneth Roberts puts it, "The primary purpose of the indoctrination is to get enough awareness of the antitrust laws so the employees will know when to go and get legal advice."

Company lawyers gauge the success of the education programs at least in part by the quantity and quality of the questions that come in. "There isn't a day that passes without us getting some calls and questions," says Luther C. McKinney, Quaker Oats Co. vice-president. "And they're good calls, about questionable areas and new trends and how these will impact on their decisions." A recent hot topic, relating to illegal rebates, he says, concerned whether a company like Quaker Oats that uses a price including delivery cost should discount that price for customers picking up the product themselves.

It is not just a case of waiting for questions, of course. "When we find problems in a contract, we go over it together," McKinney explains. "At that point we accomplish part of our educational program as well as prevent a specific violation." Last month, a Celanese lawyer who handles the fibers division read a trade press news story about overcapacity in the industry and fired off a memo to executives reminding them that it would be clearly illegal to attempt to cure the overcapacity problem by getting all producers to agree to limit production.

SUPERCAREFUL

Many companies try to spotlight the areas of obvious violation—practices that cannot in any way be justified by circumstances. General Mills, Inc., launched a campaign involving manuals and seminars when the lawyers began worrying that the company's defense of acquisitions and marketing policies under attack by the Federal Trade Commission might be interpreted by some employees as condoning other practices that clearly were violations.

"We didn't want our employees to get the idea that because of uncertainties in some areas of antitrust there was uncertainty in all areas," explains Vice-President John F. Finn. "We want to give them the conviction that in some areas, like price-fixing, there isn't any doubt that it is illegal."

Many of the corporate programs are intended not only to instruct but also to scare and cajole employees into strict adherence to the law, even when the pressure is on. "The natural tendency of two people who get together is to set prices," the top lawyer for one manufacturer says. "One of the greatest pressures on an employee is to be a nice guy. You've just got to keep the chastity belt on."

Many companies warn employees to leave fast if industry meetings turn to discussions of pricing. "If prices ever do come up, get out of the room," Hercules general counsel Charles S. Maddock advises executives.

Some companies go even further, telling the employees to deliberately create an incident or disturbance, like knocking over a chair or a glass of water so that everyone there is aware he is leaving the room. "We simply say never be in a position where you can't honestly testify that you have never discussed prices with competitors," says Maddock.

Often chief executives step in to reinforce the policy. "At staff meetings," says Finn of General Mills, "our chief executive reiterates the theme that needs constant pounding—that price-fixing is a poor excuse for lack of management imagination and that anyone doing it will be booted out."

BOARD INTEREST

Surveillance of the compliance program is sometimes carried out at an even higher level. Celanese's Longman must report to an audit committee of the board of directors before its April meeting each year on how many of the company's 5,000 or so key employees have signed certificates stating they have read and understand the antitrust policy. In 1974 all the key employees complied.

And at Exxon, the policy statement itself comes from the board, with an unequivocal clause stating that the policy cannot be overridden by supervisors or managers. The legal department gives the board a direct report on the compliance effort.

PPG Industries, Inc., is one company that can point to solid results from its extensive program of documenting every price change. The program was started after PPG, like other flat glass producers, settled an antitrust case with a 1948 consent decree. PPG went into court in 1973 with the detailed compliance program and was able to get the consent decree loosened.

"But for our compliance program," says a PPG executive, "it would have been most unlikely we would ever have gotten the modifications."

TEN DON'TS OF ANTITRUST

Warnings that companies most frequently issue to employees to keep them in compliance with antitrust laws:

1. Don't discuss with customers the price your company will charge others.

2. Don't attend meetings with competitors (including trade association gatherings) at which pricing is discussed. If you find yourself in such a session, walk out.

3. Don't give favored treatment to your own subsidiaries and affiliates.

4. Don't enter into agreements or gentlemen's understandings on discounts, terms or conditions of sale, profits or profit margins, shares of the market, bids or the intent to bid, rejection or termination of customers, sales territories or markets.

5. Don't use one product as bait for selling another.

6. Don't require a customer to buy a product only from you.

7. Don't forget to consider state antitrust laws as well as the federal statutes.

8. Don't disparage a competitor's product unless you have specific proof that your statements are true. This is an unfair method of competition.

9. Don't make either sales or purchases conditional on the other party making reciprocal purchases from or sales to your company.

10. Don't hesitate to consult with a company lawyer if you have any doubt about the legality of a practice. Antitrust laws are wide-ranging, complex, and subject to changing interpretations.

PUBLIC SERVICE EMPLOYMENT FUNDS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, I have today received notification from the Department of Labor of the final allocation of $787.5 million in public service employment funds to State and local governments who are prime sponsors under title I of the Comprehensive Employment and Training Act.

Allocation of these funds is an important and sorely needed step in putting many of the unemployed into jobs—taking people out of the lines of the unemployed and giving them work and pay checks.

However, this is only one step. More action is urgently needed. Unemployment rates are climbing at alarming rates. There are predictions that the national rate may climb to 8 percent or higher within the next few months.

Hardest hit are the Nation's highly industrialized centers with soaring unemployment figures, long lines of the jobless waiting for compensation and thousands of others vying for far too few public service employment slots.

Statistics are only one side of the story—the impersonal facts. Beneath these numbers is the real tragedy facing millions of Americans trying to cope—and in all too many cases being unable to cope—without their accustomed income.

Promises, I stress, are not pay checks. Hollow rhetoric will not put dollars into the pocketbooks of the unemployed. I intend to move quickly with new legislation to create more public service jobs and provide more Federal moneys to assist States and localities in their efforts to provide work for America's unemployed.

The list of allocations for New Jersey, New York, Connecticut, Maine, Massachusetts, Rhode Island, Vermont, and New Hampshire with the covering announcement from the Labor Department follows. Reports on the other States will follow in the next few days.

CETA Title VI Final Allocation

Attached is the final allocation of $787.5 million in public service employment funds to state and local governments who are prime sponsors under title I of the Comprehensive Employment and Training Act. These funds are the part required by the statute to be allocated to prime sponsors out of an $875 million appropriation passed by the Congress last December.

This allocation updates an interim distribution made in early January which provided start-up funding of $250 million and planning estimates for the balance to all prime sponsors. The start-up funding was designed to provide all sponsors with resources for immediate hiring. The planning estimates were intended to provide guidance to the prime sponsors in the development of their complete public service employment programs under title VI, and did not represent a commitment by the Department to provide funding at the level specified. The final allocation is based on unemployment data for the period from September to November, 1974. The earlier allocation contained data only through October. You may note that the final allocation differs from the planning estimate, and that, in a few cases, the difference is significant. This change is the normal and expected result of the impact of November unemployment data, and of the redefinition of areas of substantial unemployment required by the Congress and used in one part of the allocation formula affecting 25% of the funds.

The balance of the appropriation ($87.5 million) will be used by the Secretary to provide funding to areas which experience significant increases in unemployment subsequent to November and which have demonstrated the capability to utilize the funds effectively and quickly. The allocation of these funds will be made when data become available for the later periods.

Final title VI allocation

Region I	$66, 570, 141
Connecticut	14, 182, 592
Bridgeport Consrt	2, 534, 980
Bridgeport	1, 325, 768
City of Milford	403, 455
Fairfield Cty	271, 617
Hartford Consrt	2, 396, 157
Hartford	1, 356, 528
City of East Hartf	88, 671
City of West Hartf	84, 130
New Haven Consrt	1, 917, 796
New Haven	1, 084, 943
West Haven Cty	293, 202
Stamford Consrt	566, 642
Stamford	410, 338
Greenwich Cty	156, 304
Waterbury Cty	892, 783
Balance of Conn	5, 874, 234
Bristol Cty	405, 522
Danbury Cty	137, 297
Meriden Cty	422, 723
New Britain Cty	543, 897
Norwalk Cty	361, 712
Maine	3, 867, 261
Balance of Maine	3, 867, 261
Portland Cty	277, 535
Massachusetts	40, 440, 855
Boston	5, 464, 379
Emhrda Consrt	2, 246. 040
Cambridge	857, 732
Arlington	234, 652
Somerville	773, 241
New Bedford Constr	1, 719, 750
New Bedford	1, 000, 620
Springfield Constr	2, 924, 095
Springfield	1, 192, 417
Chicopee Cty	413, 908
Holyoke Cty	411, 106
Worcester Constr	1, 340, 611
Worcester	1, 076, 187
Lowell Constr	2, 067, 805
Lowell	1, 045, 882
Balance of Mass	24, 678, 175
Brookline	258, 470
Brockton Cty	765, 531
Fall River	679, 604
Framingham	228, 389
Lawrence Cty	536, 483
Lynn	716, 934
Malden	360, 500
Medford	342, 581
Newton	410, 590
Pittsfield Cty	445, 905
Quincy	598, 651
Waltham	322, 694
Weymouth	234, 712
New Hampshire	1, 427, 606
Granite State Constr	1, 427, 606
Rockingham	205, 745

Strafford Cnty	$223, 310
Hillsborough Cty	113, 411
Manchester Cty	141, 726
Nashua Cty	77, 531
Cheshire Cnty	82, 800
Grafton Cnty	161, 272
Merrimack Cnty	109, 145
Bal New Hamp	312, 667
Rhode Island	5, 240, 179
Providence	1, 331, 621
Balance of R.I	3, 908, 558
Cranston Cty	238, 103
Warwick Cty	433, 189
Pawtucket	550, 522
Vermont	1, 411, 648
Balance of Vermont	1, 411, 648
Region II	145, 716, 176
New Jersey	36, 618, 848
Atlantic County	1, 421, 470
Hudson County	2, 805, 136
Bayonne Cty	248, 965
Union Cty	647, 448
Jersey City	1, 570, 588
Monmouth County	2, 352, 572
Middletown Twp	150, 346
Essex County	1, 697, 673
Bloomfield	190, 244
East Orange Cty	429, 418
Irvington	274, 513
Newark City	3, 629, 925
Morris County	554, 403
Parsippany-Troy Hi	69, 527
Union County	913, 577
Union Township	99, 105
Elizabeth City	617, 673
Middlesex County	3, 294, 055
Edison Township	297, 385
Woodbridge Township	530, 942
Bergen County	2, 375, 439
Passaic County	1, 778, 521
Clifton City	329, 936
Passaic City	656, 093
Paterson City	1, 560, 113
Mercer County	330, 723
Hamilton Township	134, 161
Trenton City	823, 332
Cumberland County	1, 206, 847
Burlington County	1, 898, 140
Camden County	1, 733, 887
Cherry Hill Township	157, 750
Camden City	1, 185, 624
Gloucester County	1, 109, 699
Ocean County	1, 593, 182
Somerset County	234, 750
Balance of New Jersey	1, 931, 519
Cape May County	784, 505
Hunterdon County	237, 332
Salem County	250, 397
Sussex County	363, 639
Warren County	296, 407
New York	81, 498, 107
Albany Csrt	482, 541
Balance of Albany	129, 293
Colonie Town	71, 158
Albany City	282, 089
Rensselaer Cnty	240, 796
Troy City	110, 900
Saratoga County	296, 414
Schenectady Cnty	318, 228
Schenectady Cty	218, 943
Erie Csrt	2, 449, 440
Bal of Erie Cnty	1, 649, 806
Amherst Town	191, 132
Cheektowaga	327, 429
Tonowanda	281, 073
Buffalo City	3, 940, 051
Niagara County	1, 749, 917
Niagara Falls City	822, 585
Broome County	399, 019
Binghamton Cty	244, 411
Union Town	72, 011
Chemung County	393, 752
New York City	45, 385, 948
Rockland County	642, 507
Clarkstown Town	97, 077
Orange Town	78, 208
Ramapo Town	210, 537
Westchester Constr	1, 256, 166
Greenburgh Town	112, 608
Mount Vernon Cty	286, 074
New Rochelle Cty	145, 262
White Plains Cty	$70, 806
Putnam Cnty	84, 832
Yonkers City	597, 031
Nassau County Csrt	2, 491, 566
Town of Hempstead	1, 284, 043
North Hempstead	334, 035
Oyster Bay	462, 626
Suffolk Cnty Csrt	3, 869, 187
Twn of Babylon	508, 901
Twn of Brookhaven	840, 394
Twn of Huntington	232, 467
Twn of Islip	531, 034
Twn of Smithtown	134, 211
Dutchess County	280, 341
Monroe/Rochester	904, 922
Balance of Monroe	205, 971
Greece Town	53, 343
Irondequoit Town	52, 289
Rochester City	593, 319
Oswego Cnty	620, 161
Onondaga County	333, 734
Syracuse City	500, 988
Oneida County	894, 001
Rome Cty	181, 251
Utica Cty	440, 887
Chautauqua Csrt	545, 663
Chautauqua Cnty	242, 586
Cattaraugus Cnty	222, 012
Orange County	834, 761
St. Lawrence	375, 257
Ulster County	544, 037
Bal of New York	11, 151, 680
Cayuga Cnty	314, 118
Clinton Cnty	415, 557
Columbia Cnty	182, 510
Fulton Cnty	313, 921
Genessee Cnty	187, 742
Herkimer Cnty	225, 626
Jefferson Cnty	451, 517
Livingston County	121, 502
Madison Cnty	262, 630
Montgomery Cnty	345, 384
Ontario Cnty	198, 631
Oswego Cnty	185, 529
Steuben Cnty	337, 548
Sullivan Cnty	415, 560
Tompkins Cnty	165, 923
Washington Cnty	202, 791
Wayne Cnty	235, 261

"SHINE ON"

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, over the past few years, many of us in Congress have been actively involved in promoting the development of alternative energy sources, and in my judgment, we made real progress in the 93d Congress, particularly in the field of solar energy.

While last year's energy "crunch" was a major factor in spurring energy research and development efforts, there is no doubt in my mind that without the editorial support of the media, these efforts would not have gained the widespread public acceptance and support they did.

With this in mind, I am submitting the text of a recent editorial supporting our efforts to promote the development of solar energy, which was delivered by Alfred Racco, vice president and general manager of KGO Radio in San Francisco, Calif.

The editorial follows:

"SHINE ON"

Florida might argue with this, but we Californians like to think of our state as the "sun state". We do, regrettably, have zones within our borders that are smog-ridden. But, in the main, we do live under the sun.

Therefore it's most appropriate that a Northern California Congressman, Don Clausen by name, is launching legislation in Washington to put solar energy to work as never before.

Clausen wants to see a national program to harness the sun's energy for conversion to electricity.

Whatever we may hope, KGO is convinced that California, along with the rest of the country, does face a long-term and critical energy crunch. And solar resources are smog-free and potentially unlimited.

So, as citizens blessed with more than our share of the sun's radiance, we Californians should send to Congressman Don Clausen a flood of supportive mail, to the House Office Building, Washington, D.C. to advance his worthy project.

If any state can benefit from the savings of solar energy, certainly that state is California.

WALTER HEBER WHEELER, JR.—MR. STAMFORD

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. McKINNEY. Mr. Speaker, late last year a gentleman the Stamford Advocate appropriately characterized as "Mr. Stamford" passed from this life.

In Walter Heber Wheeler, Jr., the Stamford community was blessed with having one of those extraordinary people of whom we see too few in a generation. A humanitarian, a businessman, a yachtsman, a social activist, a pioneer; he was all of these and more, but above all, he was a friend to his fellow man.

In effect, Mr. Speaker, Walt Wheeler was a family man but his perception of that term is what set him apart from others, for while his beloved wife and children were at the center of his life, by his deeds he considered all of whom came in contact with him to be part of his family as well.

I think, Mr. Speaker, to more clearly identify Walt Wheeler for my colleagues, I should say the words "Pitney Bowes." He started with Pitney Bowes in 1919 as a sales representative and at the time of his death, he was honorary chairman and director emeritus after having served as president, chairman of the board, and chief executive officer, but those are mere titles for in truth, he was the firm's heart and soul for many, many years.

At the time of Mr. Wheeler's death, the current Pitney Bowes chairman of the board and president, Fred T. Allen, commented:

> We can never forget Walter Wheeler at Pitney Bowes, for what we are is inseparable from what he was. Beyond his energy, acumen and leadership, he brought to his company and to everything he did the force of his conviction that mankind's obligation is, first and foremost, to mankind. No decision he made as head of Pitney Bowes was outside that context; no project of his public life was pursued in any other spirit. He was our friend, and he lives on in what we have learned from him.

And I would add, Mr. Speaker, that one could learn a great deal from him for he was so willing to give. His professional charity associations are legion but that is not the total measure of this man for as his personal secretary, Ruth Meyer, recalled:

> He took a personal interest in people's lives. When an ice storm cut off my heat, he brought me a heater and installed it himself . . . He was always there when you needed him.

Paul Brady, a Pitney Bowes employee, added:

> I remember the Christmas my family had just moved and he came to our door in his raccoon coat with a Christmas wreath for us . . . A lot of things I taught my children I picked up from him. I never loved a man more.

In a recent edition of "PB News," Edith Daniell wrote a remembrance of Walt Wheeler. It speaks well of this great man and I include it in the RECORD at this point:

IN REMEMBRANCE: WALTER HEBER WHEELER, JR.

(By Edith Daniell)

> The 55-year association of Walter Wheeler and Pitney Bowes ended with his death on December 11 at age 77. He had planned well, and the management of the company he built and loved had shifted to others some time ago. The transition was complete, and the separation peaceful.
>
> He had begun, in the '20s, with a fight for the life of a new idea and a fledgling company, and had led the company to worldwide prominence on the strength of his own faith and dynamism. He had lived to know that his company was strong enough to solve its own problems and, independent of him, move on to new levels of growth and promise.
>
> The Wheeler story had a happy ending. But he had not quite prepared us for a Pitney Bowes without his presence somewhere down the hall.
>
> He was the symbol of a unique corporate character, forged out of his own convictions and energy in the early years of hardship and uncertainty. He believed:
>
> That there is more to a business and a life than making a profit;
>
> That integrity and courage are better than expediency and second-best;
>
> That business policies must serve the rights and needs of people;
>
> That corporate good citizenship is not incompatible with good business management, and that when it seems to be, there is something wrong with the management.
>
> He was a civic leader, a philanthropist, an outspoken proponent of ideas of social justice that critics called "radical" and friends said were "ahead of their time." In the field of employee relations he was a true pioneer, earning national attention with:
>
> An equal opportunity program that antedated fair employment legislation in Connecticut;
>
> The establishment of profit sharing, stock purchase, and non-contributory retirement plans that were among the first offered industrial employees;
>
> The creation of employee-management communication pipelines (the CPR, jobholders' meetings) that are still rare in industry.
>
> He encouraged managers and other employees to work for and give to their communities as individuals. He believed that people should have faith in themselves and each other, and that the satisfaction and meaning of life lie in struggle and accomplishment. In the later years of his life, he repeatedly expressed his conviction that there was an inborn spiritual force in every person, and that mankind should not be cynical but instead take heart and fulfill its own divine potential.
>
> He lived his ideals, working with sometimes incredible intensity for a staggering number of national and local organizations serving public needs or seeking solutions to socioeconomic problems. He was proud of his recognized success as a fundraiser, and as recently as 1969 served as national president of the United Community Funds and Councils of America.
>
> He could not, perhaps, have been a successful politician. He would not compromise or "settle" when he believed he was right. He was never self-serving, and might have died richer if he had been.
>
> Aside from his family, his great love was sailing, and this, too, he shared. Over the years, hundreds of PBers at every level of the organization were guests aboard the Wheeler racing yachts, the *Cotton Blossoms/* through *IV*, or followed his exploits in the Bermuda races.
>
> He was not an easy man to know. A dominant figure in any group, he was paradoxically shy with individuals, and people were often awed by his size and powerful presence. But to those who grew close to him, he was a warm friend whose kindness and concern had no limits. He loved trees and gardens, and kept a vigilant eye on the well-landscaped PB properties. He loved the celebrations and sentiment of Christmas, and for years supervised the selection and trimming of the PB holiday trees. He loved the comfort of a wood fire, and the beautiful working fireplaces he installed at headquarters 15 years ago were his pride and joy.
>
> He was a complex man with extraordinary qualities of leadership; a great man who may have been greater than we deserved. But if few could give all that he gave, he nevertheless called forth from most of us more than we could have given without him. We have profited greatly from his vision and humanity, and it is hard to believe he is gone.

Mr. Speaker, further, I also include the Stamford Advocate editorial, "Mr. Stamford," in the RECORD:

MR. STAMFORD

> Walter H. Wheeler Jr. was a man who had the sort of qualities people hope their children will have as they get older. He also was a businessman who brought credit to his profession.
>
> His success story—he built Pitney Bowes into Stamford's largest industry—outweighs anything likely to be written about other corporate giants who were that but nothing more. Walter Wheeler was so much more than just a man good at his job.
>
> True, he was an outstanding businessman. But unlike others, he was not uncomfortable with such phrases as "corporate morality." In fact, he helped coin them.
>
> It was he who brought Pitney Bowes, his company for 55 years, into the limelight by putting into effect a social welfare program years before the enactment of legislation guaranteeing fair employment practices.
>
> Walter Wheeler cared for his community, too. An expert fundraiser, he gathered about $8 million for Stamford Hospital, not to mention other worthy projects.
>
> Stamford was home to Walter Wheeler and he loved this City dearly. But perhaps his greatest love, and one that he always seemed to have too little time to indulge in, was competitive sailing. We think of him fondly, sailing in his Cotton Blossom IV, seeking to add another trophy to his collection.
>
> For half a century, Walter Wheeler has deserved the title of Mr. Stamford.

Lastly, Mr. Speaker, I would ask that you share with me the thoughts of some of his friends:

> Walter Wheeler was a big man with an outsize frame and a zest for living to match it. He had brains, energy, ideas, enthusiasm, drive, courage, integrity, high ideals and, above all, compassion for his fellow man and a great heart. . . . His concept of life was one of total immersion in everything he did, from the building of Pitney Bowes to the raising of funds to help make the Stamford Hospital one of the finest community hospitals in the nation. . . . In this total immersion process, he sometimes knocked a few heads together and bent a few noses, but he got the job done. The fact that not everyone loved him as we do never deterred him if he felt his course was correct and the goal worthwhile.—John O. Nicklis, PB director and former chairman.
>
> I believe this man has done more for working people than anyone in management in the country. Other companies are just beginning to catch up with his idea. He always thought about how things would affect other people. . . . On the boat trips, he would sit down and talk to every one of us as if we were company officers. He listened, and everything was out in the open.—Jack Betts, Main Council CPR co-chairman, Stamford.
>
> He was fantastic . . . the most astute businessman I ever met; the complete salesman. After all, he sold the metered mail system to Washington. . . . He was all man, and righter than anybody else.—Gus Creter, New York (Uptown) branch manager.
>
> I remember when he said, years ago, that people who give their lives to a company as employees have a stake in the business just like shareholders. It was the first time I had ever heard anything like that. . . . You begin to look at your people in a different light.—Harry Holmes, Atlanta branch manager.
>
> He put his whole heart into whatever he did. He realized he had some advantages others didn't have, and felt it was his obligation to put those advantages to work helping people. . . . He took a personal interest in people's lives. When an ice storm cut off my heat, he brought me a heater and installed it himself. . . . He was always there when you needed him.—Ruth Meyer, Assistant to the retired directors and Walter Wheeler's secretary for 30 years.
>
> As skipper of the Cotton Blossom, he was demanding but fair. Whatever he expected of the crew, he would do more himself. . . . I remember the Christmas my family had just moved, and he came to our door in his raccoon coat with a Christmas wreath for us. . . . A lot of things I taught my children I picked up from him, I never loved a man more.—Paul Brady, Steward aboard the Cotton Blossom; now PB dining room staff.
>
> Once he took on a responsibility, nothing kept him from it. When a leg injury hospitalized him in the middle of a fund-raising drive for Stamford Hospital, he ran the campaign from his bed and went to the final report dinner in an ambulance. He told me he had learned in the first world war that courage didn't mean you weren't scared . . . and that when you take on leadership, courage is part of the responsibility. He inspired me more than any man I have ever known.—Jim Turrentine, Vice President-employee relations.

THE FUTURE HOMEMAKERS OF AMERICA—A 30TH ANNIVERSARY

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. NATCHER. Mr. Speaker, some years ago I was made an honorary member of the Future Homemakers of America.

I considered it then, as I do now, one of the nicest honors ever given me. So it is as a member in good standing that I speak to you today of the Future Homemakers; it is with an unabashed pride that I acclaim an organization which has done so much to prepare our Nation's young people for the demanding role of adulthood; and it is, I hope, with a becoming modesty that I tell you of the program's success.

FHA membership now stands at an impressive one-half million. The success of any organization, however, cannot be measured by numbers alone. It is better judged by the type of person its program attracts. The Future Homemakers are our young women and men who determined early that theirs should be a full life and a useful one.

There is of course no typical Future Homemaker. Members come from divergent backgrounds—the farm, the town, the urban area. They bring with them varied concerns. Each is an individual. There is among the members, however, a common interest in home economics and the jobs and careers related to this profession. Young people are drawn to the FHA program because it provides not only the opportunity but the encouragement to explore such areas as personal growth, family life, vocational preparation, and community involvement.

Though closely correlated with the home economics program in our secondary school the FHA program is not limited to purely educational goals; it is not confined to the classroom setting. It reaches beyond classroom instruction into the home and the community.

The Future Homemakers of America has had since its founding one prime objective—to help youth become successful adults. Recognizing that conditions and circumstances do change, leaders and cooperative groups welcome suggestions that would accomplish this goal. They are receptive to new approaches, new methods, and new ideas.

FHA members themselves decide upon their projects and activities. One result is that there are now two types of chapters. FHA chapters focus their attention on homemaking, family life and consumer education. This focus is combined with job and career exploration. HERO chapters, on the other hand, place major emphasis on job and career preparation. Members of both FHA and HERO chapters are taught to understand and effectively handle the multiple duties required of today's adult.

In chapters throughout our 50 States, the Future Homemakers of America are making plans to celebrate a rather special anniversary—their 30th. These young people are as concerned with the present as they are the future. They know that their country needs their strength and vitality now. They know that their efforts to improve the quality of our national life is appreciated. They know that by giving their best today, their own and America's future is assured.

Mr. Speaker, I am honored to be a part of the Future Homemakers of America and on this anniversary occasion I offer all my good wishes and my greatest respect.

MAINE EYES WOOD ALCOHOL AS FUEL

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COHEN. Mr. Speaker, yesterday, the Washington Post reported on the innovative efforts of the Maine Office of Energy Resources to utilize 5 million acres of diseased timberland to produce wood alcohol, or methanol. As the article points out, methanol can be used as both a source of fuel for automobiles and for heating buildings.

In view of our critical need to develop alternative sources of energy, thus reducing our heavy reliance on imported oil, I am pleased to call to the attention of my colleagues this most interesting article.

[From the Washington Post, Jan. 27, 1975]

MAINE EYES WOOD ALCOHOL AS FUEL

(By William Claiborne)

AUGUSTA, MAINE.—Borrowing a fuel conservation device last used extensively by the Germans and Japanese during World War II, Maine energy officials are turning to wood alcohol as a future substitute fuel for automobiles, home furnaces and industrial power.

The source of the wood alcohol, or methanol, would be 5 million acres of diseased timberland in the northeast part of the state if a proposal sent to the state legislature last week is adopted.

Leaders of Maine's Senate and House said in interviews here that they leaned favorably toward including research funds for the methanol project in a spruce budworm disease control bill, provided there is some federal and private support.

Robert A. G. Monks, the millionaire director of the state's Office of Energy Resources, said he feels he has commitments from two Maine timberland firms to take part in the project, and that he will approach the Federal Energy Administration about supporting a pilot methanol plant.

A $10 million pilot plant can be built in 18 months, at which time wood alcohol would be used in state-owned vehicles and for heating state buildings, Monks said.

Later, Monks said, methanol produced at a cost of 14 cents a gallon would be marketed commercially for use by Maine's 1 million residents who, according to studies, spend 20 per cent of their income on gasoline and home heating fuel.

A 15 per cent blend of methanol with gasoline can be used in unmodified automobiles, and the result is increased octane, more mileage and lower emissions, according to studies by the energy laboratory of the Massachusets Institute of Technology.

Similar studies are under way at the Scripps Institute of Oceanography in San Diego, and six automobiles owned by the University of Santa Clara have been running on methanol and gasoline for several months with reported improved efficiency.

Thomas B. Reed, of MIT's energy laboratory said he has driven 22,000 miles in his 1969 Toyota and 13,000 miles in a Ford subcompact using a 10 per cent methanol blend.

When more than 30 per cent methanol is used, the two fuels tend to separate, studies have shown. Pure methanol can be used with fuel system modifications.

Oil industry officials have claimed in the past that methanol is inefficient and corrosive to automobile engines, a contention denied by Monks, who points out that oil firms have an interest in maintaining use of petroleum.

Maine's proponents of methanol point out that in 1935 11 European countries consumed 180 million gallons of wood alcohol in 4 million vehicles, and that the Axis nations turned to it later in order to divert petroleum for use as aviation fuel in the war effort.

In Maine it is an act of desperation that stems from a compendium of unhappy circumstances—the geography of the state, its uncommon dependency on foreign petroleum, and recent national economic policy decisions.

Other factors that weigh heavily in Maine's concern over gasoline and heating fuel include the weather, a near absence of natural gas availability, domination of the automobile for want of mass transportation systems and an increasingly depressing economic outlook.

"You can't find a state with more dependency on oil than us," said Monks, 40, a lawyer and former oil distribution company president who was one of the applicants to build a refinery at the ill-fated Atlantic World Port in Machiasport five years ago.

Monks, a Republican who made an unsuccessful primary challenge against Sen. Margaret Chase Smith three years ago and hasn't talked much about a political career since, took the job as Maine's energy boss last summer. He set his salary at $1 a year so he could hire as his technical expert Dr. Charles Berg, former chief engineer of the Federal Power Commission and a nationally recognized energy consultant.

"If we don't find an alternative fuel, we face the relentless prospect of being utterly without the capacity of helping ourselves—here the necessity of life in the coldest damn place imaginable is controlled by foreigners," Monks said in an interview.

"If we don't do something, we face two choices: don't take the fuel, or pay the price anybody wants to set," he said, noting that 86 per cent of Maine's energy resources is imported.

Buying foreign oil is nothing new to Maine, but what is different now is the cost to a state already skating on thin ice economically: between 1945 and 1972, a barrel of crude actually dropped from $1.80 to $1.69; now it is up to $10.50 a barrel, and with the tariff imposed by President Ford it will go to $13.50.

"The $3 tariff is almost twice as much as we were paying for oil two years ago. Maybe some other parts of the country can absorb that, but New England can't, and Maine certainly can't," Monks said.

The average weekly wage in Maine is $103 a week.

In its desperation, the state has considered other—more exotic—energy ideas, including chicken manure ingestors that create methane gas and the use of seaweed to develop methane.

As a measure of their concern, Maine officials even listened half seriously to proposals for windmills and odd perpetual-motion machines.

"We'll consider anything, because the prospects are so bleak. People may think we're smoking dope down here when we talk about some alternatives to petroleum, but we're serious," Monks said.

Monks and his small staff are particularly serious about methanol.

"One thing we have in Maine is trees," said Monks.

Ideally suited, he said, are the 5 million acres inflicted with the spruce budworm, a disease which, if not treated by annual spraying, leaves the trees useless for pulp manufacturing. The state spends $6 million a year on spraying.

Under the energy proposal, a public firm called the Maine Woods Fuel Corp. would establish methanol plants throughout the state. Chipping machinery would be set up in the forest, and the chips trucked out to the methanol plants for biological digestion into methanol. A large methanol plant can produce 2,000 tons a day.

Monks estimated that methanol, if used in a 15 per cent proportion nationally, would save a billion barrels of crude oil a day.

ONE FRIEND OF THE PRESIDENT

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GINN. Mr. Speaker, a constituent of mine, Mr. George N. duMas, played a very active role in support of former President Nixon during last year's tragic events. An excellent article about Mr. duMas' efforts appeared recently in the Sunday magazine of the Atlanta Journal-Constitution and at the request of Mr. duMas and the organization he headed, I ask that it be included in the RECORD at this point.

ONE FRIEND OF THE PRESIDENT

(By Keith Coulbourn)

If President Richard M. Nixon survives his critics, he'll have George N. duMas of Savannah to thank.

Mr. duMas (pronounced DUE-mas) is leading a national write-in campaign for the beleaguered President.

It's a grass-roots revival, Mr. duMas says, made up not of organizations, not of big names, bigwigs nor celebrities particularly, but just plain people, ten million people, Mr. duMas says, who're fed up with the overblown charges against President Nixon and all the biased reporting.

In support of his cause, Mr. duMas has been on national television. A crew from CBS arrived in Savannah in two big Cadillacs and a huge van, talked to him a long time and then, apparently satisfied about his sincerity, trained three big cameras on him and got him sitting on a bench, walking through one of Savannah's lovely city parks and explaining his position. It ran six minutes, which is practically a "special." And more is planned, Mr. duMas said.

But if there's any hanky-panky, the CBS people told him, that would be the end of it. Bernard Goldberg of CBS told him that money was bound to be coming in through the mail and that a special bank account should be set up for it. This Mr. duMas has done under the name The President's Friends.

"Bernard Goldberg told me, 'I'm plugging for you'," said Mr. duMas. "'I'm making you a No. 1 national figure. We got word to do it. We don't know who's behind it, but we're doing it on you. But I can tear it down just as quick as we build it up if we find anything crooked'."

Tear down George duMas? It's only an expression, of course, a figure of speech, but still it makes Mr. duMas smile. Bernard Goldberg was saying only that Mr. duMas was being made into a national figure and that he could be unmade the same way. But it's still a little funny because nothing probably could tear down Mr. duMas. He's impressed by big bankrolls, Cadillacs and the first-class treatment, sure. It's great. But when you've been tempered in the fires of cancer as Mr. duMas has, when you've lived so close to blinking out, you can't help but smile at the figurative use of such language.

And surely what added just a crinkle of merriment to Mr. duMas' smile was the irony of it. Mr. duMas happens to be an undercover agent—indeed a spy—in an organization engaged in the investigation of alleged dishonesty in CBS news reporting. He's helping gather evidence to try to show that CBS is—or was during 1972—flagrantly biased in its newscasts and documentaries.

How much did Bernard Goldberg know about this? Perhaps nothing. Neither he nor Mr. duMas mentioned it. "Oh, I wanted to say something," Mr. duMas said. "Bernie was such a great guy, and really I wanted to tell him. But I looked over at my wife and she shook her head no, reminding me that I was still an undercover agent for those people and that I'd better keep it that way. So I didn't say anything about it."

Mr. duMas and his wife, Dorothy, live in a rooming house off one of Savannah's downtown parks. Mr. duMas in fact can open one of the windows of the room, lean out slightly and see the back of Gen. Oglethorpe's statue, that and the pigeons and the old folks hobbling around. But who cares about statues, pigeons and old folks when one can study the duMas room?

It's a good-sized room with a high ceiling and a fireplace, a room on the second floor of what once must have been a large, comfortable town house. Today, rented out room by room and despite the considerable effort to make it seem part of a glamorous yesteryear, it's depressing. It's not just the gloom and shadows or the dull-spirited wallpaper and the dreary bathroom down the hall, it's the feel of life running out in the grubbiest of ways.

The only really lively thing about the duMas room was the wonderful mess. It looked as if a zephyr had just gone whirling through. Papers were everywhere. On the floor, on the bed and spread out on the mantelpiece, on the dresser and chairs, all kinds of papers: letters, photoprints, newspaper ads and clippings and manila envelopes chock-full of other papers. No books, though. Whoever made this mess had gone quite beyond the conventional struggle for approval and respectability.

Normally rooms like this are respectably grubby. Nobody can change that part of it. Gradually over the year they slip through one degree of dinginess to the next, and usually, as if to compensate, everything is meticulously maintained.

Not so the duMas room. It was of course dominated by the double bed standing proudly catercornered there by the window, soft-springy and puffed up, jiggling tensely at the slightest touch, the bed now nearly covered with letters, several rows of them lined up from headboard to foot. Hundreds of them. From everywhere. And each of them a cry of rejoicing for the opportunity to express their support for President Nixon.

"Here, look at this," said Mr. duMas, grabbing up a handful of them and showing them off. "Where's this one from?"

Without his glasses, apparently he couldn't read the address.

"Cincinnati, Ohio."

"Wow," he said. "What about this one?"

"Ridgeway, Va."

"And this one? Is it Alabama?"

"Bradenton, Fla."

"And where's this one from? Alabama?"

"Dothan, Ala."

"Chee!" he said. "See what I mean? They're from all over the place."

And it's true, including several letters from the President himself. Mr. duMas has never met or talked personally to President Nixon, but they've written back and forth several times, one of President Nixon's letters beginning chattily enough:

"While it's not possible for me to reply personally to all who have been so thoughtful . . ." and so on. Another of President Nixon's letters had the phrase "staunch support" and later, after Mr. duMas' campaign began to pick up steam, ". . . you have stepped forward vigorously in my behalf. . . ."

A small gas space heater burned fiercely in front of the old fireplace, and atop a shelf off to one side of the room blared a portable TV set, the picture showing a bright young woman jabbering away like a magpie. Facing the TV set was a wicker rocking chair, and to one side of it was a small stand or an end table. It was covered with little objects and trinkets, a clutter of bottles and tubes, cold capsules, a glass jar of coffee and a loaf of bread.

If Mr. duMas were an ordinary man, you might look at his way of life and conclude that he was a bit down on his luck. But Mr. duMas is not an ordinary man. He'd enjoyed an ordinary and very successful life until Nov. 5, 1954, but then, when he was 37, his whole life changed. He had cancer.

He and his two brothers were orphans. Reared with all the conventional drives toward success at any cost, his brothers acquired doctorate degrees and achieved distinction in academic fields; George made money.

He's a promoter basically and smart as a whip His organization, The President's Friends, is patterned after a similar group that grew out of the grass roots to defend J. Edgar Hoover and the FBI. That one was called Friends of the FBI, which collected tons of money and finally last November issued a 350-page report that cost $75,000 to refute charges against Hoover. Mr. duMas, who seeks an opportunity and leaps in with both feet, says you don't need a doctorate for this sort of thing. If you've got good brains, you'll do okay with or without a doctorate.

Especially Mr. duMas. He's one of those all-out people; all heart, his friends say, with a tremendous insight.

"In show business we call it the grick sense," he said. Or it sounded like "grick."

"Did you say 'grick' or 'Greek'?" he asked.

"Greet!" he said, louder this time but less distinct if possible than before.

"I'm sorry, but your mouth is faster than my ears. Did you say . . ."

"Crete!" he seemed to say.

"Crate? How do you spell it?"

"Spell it? I don't know how you spell it," he said. "It's like this: I could stand right there at the carnival and see 10 people come in and I'd know the third one coming in was the mark, you know? He's the one with $100 in his poke. Put him on the side, I'd say, and maybe we can get it. So we'd put him on the side and keep talking to get the tater bag, you know, and—*grit!* It's a sense of direction with a person." He was slapping his hands together now like a carnival barker. "That's show business: the grit sense."

Grit sense! Of course. Shrewd native intelligence, an insight into people and knowing what makes them tick. That's what Mr. duMas has.

"Now I ain't s'posed to tell you this," he said, grinning and slipping into a countryfied role, "but that's show business and I been in it all my life."

He made much of his money during World War II and the Korean War. Mr. duMas was 4-F, and when all the cream of the nation's manhood was shipped overseas, as he describes it, he made money hand over fist. He organized Hollywood Studios of Washington, D.C., for instance. When hardly anyone could get film, Mr. duMas outfitted 18 girls with special cameras to walk down the street taking pictures of people. They snapped the pictures, then handed the subject a card that said:

"Your picture has just been taken by a professional Hollywood studio cameraman. See yourself with the art of Hollywood and the action of life."

Then it had an address for you to send your money in to.

It was almost irresistible in those days, and

Mr. duMas made so much money he could hardly count it. He enjoyed it, too. He drove Cadillacs and lived in a big house. The money came in by the tubful, he says. And during the Korean War, he and his crew of girls would walk on an Army base and within two hours they'd walk out with $10,000. "I know you won't believe this," he said, "but we had people lined up for us—60,000 troops lined up in one day. We took so many pictures, the cameras broke down. The GIs were just throwing the money to us.

" 'A dollar?' they'd say. We'd give 'em six pictures for a dollar. 'Here,' they'd say, and toss us the money. 'Take it. I know I'm not coming back. I know I'm gonna get killed over there, so take it. But be sure my mama gets the picture.'

"Oh, it was heartbreaking," Mr. duMas said. "Heartbreaking."

And very profitable, of course. He got big rolls of film, 1,000 shots each, for $3, he says, and soon, like many of the "world's greats" that he's corresponded with, he was quite rich. "I could walk into a nightclub at Virginia Beach and all over," he said, "and they'd say, 'Here comes the Greek! Here comes the Greek!' And then they'd show me to my table, a table they kept only for me."

Ah, what a life until the cancer. He'd been having a couple of bothersome little problems for a while, he said. He saw things double for a while and couldn't keep track of conversations. "I thought I had water on the brain or something," he said.

He went to the doctor and got the word: cancer in the third stage.

Mr. duMas was sitting on the bed amid the hundreds of letters. He shook his head, recalling that fateful day. "Cancer," he said. "But it couldn't happen to me. Never happen. Not to George N. duMas. You could get it. But me? No. Never. When the doctor told me that, I felt like I'd been hit with a shotgun blast."

Everything changed, of course. His whole life went out the window. He got rid of the Cadillacs and everything else that used to mean something to him. They couldn't help him now, he says. Doctors said they would operate on him but they had little hope. The priests came. "All the money in the world can't save you now," they told him. "Only a miracle in God can save you."

The doctors operated on Mr. duMas and five other cancer patients that day; only Mr. duMas survived. But it was to be a brief survival, for two weeks later he was given up for dead. The priest was called, a young man fresh out of Harvard, who performed the last rites as his first official act in Richmond.

But Mr. duMas of course lived on, and a couple of months later when he visited the young priest to talk about it, Mr. duMas told him what he'd been thinking, that life was not just for the collection of money and Cadillacs, it's for service to one's fellow man. Mr. duMas says he broke down then and started crying. He said through his sobs, "Let's get down here and pray for me. Don't let me get cancer again, father. I'm shook up."

"I know you are, George," the young priest said. Then he told Mr. duMas something that shaped his life from then on, that God had "something definite" for him to do.

"What is it?" Mr. duMas asked.

"I don't know what it is," the priest said, "but God has something big for you in life. You were as good as dead, no question about it, and you were saved because you have a mission to perform."

"Well, how will I know how he wants me to serve him?" Mr. duMas asked.

"He'll give you a sign," the young priest said. "You'll know. In the meantime, every good cause that comes down the pike, you do it because, my friend, you are living on borrowed time."

Everybody lives on borrowed time, of course, but the man who virtually returns from the dead knows it. Wordly values are nothing anymore. Mr. duMas returned to his earliest values and has seemingly discovered the full meaning of certain old-fashioned words. The word "persistence" is one of them.

"That means not giving up," he said. "Back in Richmond, they call me the walking dead man. I was dead. But persistence paid off. Not giving up. Try and try again. The determination to win. How did I get to be the No. 2 man in the Loyal Order of Moose? Me No. 2 when there are so many college professors and educated men? Persistence! Persistence is the most dynamic ingredient of success.

"But you've got to believe in your cause," he said. "You've got to *believe*. You've *got* to believe."

Mr. duMas believes that he is the man who will save the President. "I feel in my heart," he said, "that I'm the man who's going to save the President of the United States. I will be the man to save him. I know I'm the man to save him. I know it. I've had dreams about it for a long time. What kind of dreams? Just dreams that I will save him. I'm the man to save Nixon."

That might sound odd to some of Mr. duMas' old friends because he was a Democrat until the last election. He was a Kennedy man, supporting Kennedy against Nixon when they squared off so many hundreds of years ago. Mr. duMas was also a liberal.

"But after I saw the '60's, I said, 'Wait a minute! Wait a minute! Spittin' on the flag?' That's what they were doing, you know. 'But I can't go that far.' Then they said, 'Damn the American soldier!' And they told the American soldier to turn against his own country. And I said, 'Wait a minute! Something's wrong here!'

"Then I saw them take control of that party, the McGovern people did, and there was nothing we could do. We'd fire and fall back, fire and fall back, fire and fall back, but then they had it. When they came into power and slammed the door in my face and the face of the ex-governor of Virginia, then I decided to vote for Nixon.

"They slammed the door right in our face," Mr. duMas said. "They called us the Old Guard and threw us out. They didn't know that we're the ones who built up the damn party.

"In the '60s," he said, "it made us sick the way they carried on. Who was made sick? Seventy percent of the American people. They're the ones who supported Nixon. And mainly the Democrats. Listen! The Republicans did not put Nixon in. It was we Democrats who put him in. We put him in for patriotism. We would have voted for any man as long as he respected the flag, but the guys who surrounded McGovern—" He shook his head at the thought, as if to say "a fate so narrowly averted." "If McGovern had got elected, they'd have eaten him up."

Then Mr. duMas laughed and added: "And the very thing happened to poor Nixon, didn't it? Yeah!

"So I'm neither Democrat nor Republican," Mr. duMas said. "I think it's too late in the game for that. I think it's time for all of us to call ourselves Americans. These labels confuse the issue, I think it's time for patriotism. If the constitution and the Bill of Rights are our birth certificates, then sure as hell we patriots are the insurance policy that guarantees that liberty.

"But what happened to that truth during the 10 years from 1960? All I saw," he said, "was negative, negative, negative. Programs (on television) where nothing was balanced with a little positive. It's not right to show only one side of it, but for 10 years all I saw was 'burn up the damn flag, burn up the damn flag, burn up the damn flag.' I wasn't brought up in that environment. I was brought up to respect the flag. Anybody hurt the flag, it brings tears to my eyes. I love the flag. And I'll be frank with you: I'll get down on the floor now and kiss the flag. I love the flag."

And so do thousands of others, apparently. Those who respond to the small newspaper ads and Mr. duMas' television special seem to fall into an ever-widening group. Not just the blindest of right-wingers, the jingoists who say Nixon, right or wrong, as if he had a divine right and were above the law. Some are of that type, of course, probably the same number who make up the fanatical left.

More and more, though, as the nation's great propaganda machine grinds out less and less of substance, the right wing is being joined by those of the middle group, the letters seem to say, the so-called "silent majority," that sleeping giant of a middle America that normally has much better things to do than to bother with the folderol of politics. Not now, though. It's been stirring lately. Grumbling. Beginning to move. Under the incessant moralistic barrage of television newscasters, so full of ominous innuendoes and omniscient forecasts, more and more average people, it seems, have begun to wonder when they're going to put up or shut up. It's unfair, they say, to preach that way night after night as if it were news.

It's also unsportsmanlike, they say, kicking a man when he's down.

And stupid. Haven't they heard about the boy who cried wolf?

That's what the letters to Mr. duMas say. That and this: "Thank God for someone with your courage to lead us."

"You're terrific! Yes, I support Nixon, although, of course, he made terrible bloopers."

"We are so happy to learn about you and your work."

"Learning through TV of your splendid work for Mr. Nixon, I am enclosing $15 to help you personally."

For some time now Mr. duMas has been a spy or undercover agent for a couple of conservative organizations that have been taking aim at television news—especially that of CBS. He collects evidence of bias and sends it to John F. Fisher, president of the American Security Council and Institute for American Strategy of Boston, Va., part of a study covering CBS' news and documentaries for 1972.

A research team of 11 professors and research scholars from around the country is expected to spend more than 6,000 hours analyzing the programs, according to John Fisher. After six months' study, they see one of the patterns, he says: On questions of national defense, three-fourths of the material shows views favoring that the U.S. do less; 20 percent say that it's "about right" and only 4 percent favor doing more.

When the study is finished, John Fisher says he expects to file suit with the Federal Communications Commission under the "fairness doctrine," requiring more "balance" on CBS.

Mr. duMas was asked if he thought his own promotion to a No. 1 national figure was part of CBS' attempt to balance the news.

"I don't know," he said with a big smile. "It sort of makes you wonder, though, doesn't it?"

PART-TIME CAREER OPPORTUNITY ACT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mrs. BURKE of California. Mr. Speaker, today I am reintroducing legislation which will provide significant increase in the number of employment opportunities by executive agencies of the U.S. Government for persons unable to work standard working hours—such as women with young children, students, the handicapped, and retired persons.

The Part-time Career Opportunity Act will upgrade the efficiency of current Federal employees who might wish part-time employment while pursuing other career objectives, attract talented women with family responsibilities who for some other reason cannot work a 40-hour week and others similarly situated.

Part-time workers make up an increasing proportion of the Nations work force. The Federal Government lags far behind private industry in reorganizing the valuable contribution which part-time employees can make in fulfilling manpower requirements.

The text of this legislation follows for your consideration:

H.R. 2305

A bill to provide increased employment opportunity by executive agencies of the United States Government for persons unable to work standard working hours, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Part-Time Career Opportunity Act".

SEC. 2. (a) Title 5, United States Code, is amended by inserting between chapters 31 and 33 the following new chapter:

"Chapter 32—PART-TIME CAREER EMPLOYMENT

"Sec.
"3201. Definitions.
"3202. Policy.
"3203. Part-time career employment percentage minimums; waiver.
"3204. Implementation.
"3205. Limitations.
"3206. Personnel ceilings.
'3207. Nonapplicability.

"§ 3201. Definitions

"For the purpose of this chapter—

"(1) 'agency' means an executive agency other than the Federal Bureau of Investigation and any agency referred to in section 5102(a)(1)(i)-(viii) of this title;

"(2) 'part-time career employment' means part-time employment of at least sixteen hours but not more than thirty hours a week, including, as for example, four hours each workday, five hours each workday, a different number of hours each workday, or two, three, or four days a week, job-sharing arrangements, or such other arrangements as the Civil Service Commission establishes as consistent with the policy prescribed by section 3202 of this title, but does not include an employee who is employed on a temporary or intermittent basis; and

"(3) 'grade' means any grade referred to in chapter 51 (other than grades GS-16, GS-17, and GS-18).

"§ 3202. Policy

"It is the policy of the Government of the United States that at least a certain percentage of all positions in each grade in each agency shall be available on a part-time career employment basis to individuals who are unable, or do not desire, to work on a full-time basis.

"§ 3203. Part-time career employment percentage minimums; waiver

"(a) Not later than one year after the date of enactment of this chapter, at least 2 per centum of all positions in each grade of each agency shall be available to individuals on a part-time career employment basis. Not later than two years after the date of enactment of this chapter, 4 per centum of such positions shall be available on such a basis. Not later than three years after the enactment of this chapter, 6 per centum of such positions shall be available on such a basis. Not later than four years after the date of enactment of this chapter, 8 per centum of such positions shall be available on such a basis. Not later than five years after the date of enactment of this chapter, and thereafter, 10 per centum of such positions shall be available on such a basis.

"(b) Upon the request of an agency, the Civil Service Commission may waive or reduce the percentage minimum applicable to any year referred to in subsection (a) for positions in a grade of an agency for a period of not to exceed one year if—

"(1) the Commission finds that compliance with the percentage minimum for those positions in that grade for that period by such agency would be substantially disruptive of the ability of the agency to perform its mission. The Commission may find compliance substantially disruptive of the ability of the agency to perform its mission when compliance would cause the agency's efficiency to be severely impaired and/or when the agency is undergoing a substantial reduction in force, a freeze on new hiring or other major personnel action which so adversely affects the status of agency employees as to make it impossible to comply with the percentage minimums without seriously jeopardizing the employment or employment rights or benefits of agency employees; and

"(2) notice of the request for a waiver or reduction and the reasons and justification for that request have been published in the Federal Register and interested parties have been afforded not less than sixty days to submit comments to the Commission.

"(c) A decision of the Commission to waive or reduce any such percentage minimum shall include the reasons and justification therefor. Copies of each such decision shall be available to the public during normal business hours at each location at which the Commission has offices. Upon request, a copy of a decision shall be furnished without charge.

"(d) Notwithstanding any other provision of law, any such decision of the Commission is a final agency action within the meaning of chapter 7 of this title.

"§ 3204. Implementation

"(a) Each agency shall adopt and maintain procedures, continuously conduct activities and projects, and undertake such other efforts as may be appropriate, to carry out sections 3202 and 3203(a) of this title. The Civil Service Commission shall promptly formulate and implement, and thereafter supervise, a program to assist agencies in carrying out those sections. Not later than six months after the date of enactment of this chapter, the Commission shall report to Congress on actions taken to formulate and implement a program to assist agencies in carrying out those sections.

"(b) Not later than January 20, April 20, July 20, and October 20 of each year, each agency shall report to the Commission with respect to the three calendar months preceding the month in which that particular report is due, on the procedures, activities, projects, and other efforts undertaken to carry out sections 3202 and 3203(a) of this title. Each report shall contain documentation concerning the extent to which the percentage minimums of section 3203(a) of this title have been met and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

"(c) The Commission shall report annually to the Congress on the procedures, activities, projects, and other efforts undertaken to carry out sections 3202 and 3203(a) of this title. Each annual report shall contain documentation concerning the extent to which the percentage minimums of section 3203(a) of this title have been met and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

"(d) The Commission shall conduct research and experimentation projects and any other activities designed to promote, in public employment, the advancement of opportunities for individuals who are unable, or who do not desire, to work on a full-time basis.

"§ 3205. Limitations

"(a) An agency shall not abolish a full-time position in a grade subject to this chapter, and occupied by employee, in order to establish two or more positions to be made available to individuals on a flexible hours employment basis.

"(b) Nothing in this chapter shall impair the employment or employment rights or benefits of any employee.

"(c) No agency shall enter into any contract or other agreement with any person as a result of the enactment of this chapter, except with respect to any agreement to furnish advice and assistance to that agency to meet the percentage minimums of section 3203(a) of this title.

"(d) No person employed as an expert or consultant under section 3109 of this title, and no person who is employed by any employer other than an agency, may be counted for the purpose of determining whether that agency has met the percentage minimums of section 3203(a) of this title.

"(e) Not to exceed 10 per centum of the full-time positions of an agency may be converted to positions to be made available to individuals on a part-time career employment basis.

"§ 3206. Personnel ceilings

"In counting the number of employees an agency employs for purposes of any personnel ceiling, an employee employed on a part-time career employment basis shall be counted as a fraction which is determined by dividing forty hours into the average number of hours that employee works each week.

"§ 3207. Nonapplicability

"If, on the date of enactment of this chapter, a collective-bargaining agreement is in effect with respect to positions occupied by employees which establishes the number of hours of employment in a week, then this chapter shall not apply to those positions.".

(b) Subpart B of the table of chapters of part III of title 5, United States Code, is amended by inserting between items 31 and 33 the following:

"32. Part-Time Career Employment__ 3301".

SEC. 3. (a) Section 3302 of title 5, United States Code, is amended—

(1) by inserting the subsection designation "(a)" at the beginning of the text thereof; and

(2) by adding at the end thereof the following:

"(b) The rules prescribed in accordance with subsection (a) shall also provide that any employee employed on a part-time career employment basis shall not compete, as the result of being so employed, with any employee in the competitive service employed on a full-time basis."

(b)(1) Section 8332 of such title is amended by adding at the end thereof the following:

"(1) Notwithstanding any other provision of law, an employee occupying a position on a part-time career employment basis shall be allowed credit of one month for each one hundred and seventy-three hours of work performed for which deductions are made under this subchapter or deposits may be made.".

(2) The amendment made by paragraph (1) of this section shall apply to an employee referred to in such amendment commencing on the first day of the first pay period of that employee which begins on or after the date of enactment of this Act.

(c) Section 8347(g) of title 5, United States Code, is amended by adding at the end thereof the following: "However, the Commission may not exclude any employee who occupies a position on a part-time career employment basis (as defined in section 3201(2) of this title).".

(d) Section 8716(b) of such title 5 is amended—

(1) by striking out of the second sentence "or part-time";

(2) by striking out "or" at the end of clause (1);

(3) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "or"; and

(4) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a part-time career employment basis (as defined in section 3201(2) of this title).".

(e) Section 8913(b) of such title 5 is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a part-time career employment basis (as defined in section 3201(2) of this title).

"§ 3208. Employee organization representation

"If an employee organization has been accorded exclusive recognition with respect to a unit within an agency, then the employee shall be entitled to represent all employees within that unit employed on a part-time career employment basis.".

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the amendments made by this Act.

SENATE—*Thursday, January 30, 1975*

The Senate met at 11 a.m. and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who has taught us that "they that wait upon the Lord shall renew their strength," renew us with Thy grace and wisdom. On this day when the leaders of the Nation pause to pray together, teach us to pray every day—to pray at work as at worship—to pray in this Chamber as we pray in Thy house—to pray alone and with others—to pray at all times and in all places—to live in the spirit of prayer and ever to be in accord with Thy will. O God, be with this Nation and its leaders.

We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 30, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, January 29, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, of not to exceed 45 minutes, with statements therein limited to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, after the distinguished Republican leader speaks, under the order, or yields back the time, and if no other Senator wishes to speak, it will be my intention to move to recess for 30 minutes.

Mr. HUGH SCOTT. Mr. President, I am not sure that anything I say will contribute to the preservation of the Union. Out of sympathy for our general condition and out of mercy for the people, I yield back my time.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

RESCISSIONS AND DEFERRALS OF APPROPRIATIONS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate a message from the President of the United States proposing 35 new rescissions and 14 new deferrals which, with the accompanying papers, was ordered to be held at the desk. The message is as follows:

To the Congress of the United States:

I herewith report on additional rescissions and deferrals for fiscal year 1975, as required by the Congressional Budget and Impoundment Control Act of 1974.

Thirty-five new rescissions and 14 new deferrals are proposed in the amounts of $1,097 million and $769 million, respectively. In addition, five revised rescission reports reduce by $178 million the amounts proposed for rescission in earlier reports, and 12 revised deferral reports increase the amounts reported as deferred in earlier reports by $111 million.

In the main, the rescissions and deferrals transmitted herein seek to reduce the increased Federal spending that would otherwise result from four recently-enacted 1975 appropriation bills—Labor-Health, Education, and Welfare; Agriculture-Environmental and Consumer Protection; the First Supplemental; and the Urgent Supplemental. The 93rd Congress, in the conference report on the Labor-HEW bill, indicated its willingness ". . . to give full consideration to such rescissions and deferrals . . ." as might be required to keep 1975 spending within the total estimate for the bill.

If the Congress does not agree to the rescissions and deferrals accompanying this message, the 1975 deficit will grow by $357 million and the 1976 deficit by $675 million. I ask the 94th Congress to give full consideration to the question of whether increased Federal spending—with its associated inflationary effects and implied longer-term commitments—is warranted for these programs at this time.

GERALD R. FORD.

THE WHITE HOUSE, *January 30, 1975.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF from the Committee on Government Operations:

S. Res. 49. An original resolution authorizing additional expenditures by the Committee on Government Operations for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MUSKIE, from the Committee on the Budget:

S. Res. 50. An original resolution authorizing additional expenditures by the Committee on the Budget for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. LONG, from the Committee on Finance:

S. Res. 51. An original resolution authorizing additional expenditures by the Committee on Finance for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Betty Southard Murphy, of Virginia, to be a member of the National Labor Relations Board.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS:

S. 491. A bill to amend the Rail Passenger Service Act of 1970 in order to expand rail passenger service. Referred to the Committee on Commerce.

S. 492. A bill entitled the Neighborhood Conservation Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JAVITS (for himself and Mr. Buckley):

S. 493. A bill to add an additional judgeship in the Western District of New York. Referred to the Committee on the Judiciary.

By Mr. JAVITS:

S. 494. A bill to amend the Immigration and Nationality Act to provide for the immigration of children of individuals suffering from Hansen's disease. Referred to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself, Mr. Percy, Mr. Metcalf, Mr. Inouye, Mr. Montoya, Mr. Weicker, and Mr. Mondale):

S. 495. A bill to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes. Referred to the Committee on Government Operations.

By Mr. BENTSEN:

S. 496. A bill to amend the Social Security Act so as to provide, for a 1-year period, hospital insurance coverage under Medicare for unemployed workers and their families. Referred to the Committee on Finance.

By Mr. BUCKLEY (for himself, Mr. Brooke, Mr. Dole, Mr. Humphrey, and Mr. Domenici):

S. 497. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act. Referred to the Committee on Finance.

By Mr. EAGLETON:

S. 498. A bill to amend title XVI of the Social Security Act to permit individuals who are residents in certain public institutions to receive supplementary security income benefits. Referred to the Committee on Finance.

By Mr. TUNNEY:

S. 499. A bill to amend the Motor Vehicle Information and Cost Savings Act. Referred to the Committee on Commerce.

By Mr. NELSON:

S. 500. A bill to increase the fees and reduce the financial hardships for those individuals who serve on grand or petit juries in district courts, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. WILLIAM L. SCOTT:

S. 501. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses. Referred to the Committee on Commerce.

S. 502. A bill to amend title 13, United States Code, to provide certain limitations with respect to the types and number of questions which may be asked in connection with the decennial censuses of population, unemployment, and housing, and for other purposes. Referred to the Committee on Post Office and Civil Service.

S. 503. A bill to transfer to the Attorney General jurisdiction over the District of Columbia penal facilities at Lorton, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. HELMS

S. 504. A bill to protect consumers, preserve jobs, and provide emergency relief for natural gas shortages, and for other purposes. Referred to the Committee on Commerce.

By Mr. CHURCH:

S. 505. A bill entitled the United States Petroleum Import Act. Referred to the Committee on Finance.

S. 506. A bill to amend the Water Resources Planning Act to extend the authority for financial assistance to the States for water resources planning. Referred to the Committee on Interior and Insular Affairs.

By Mr. HASKELL (for himself, Mr. Jackson, and Mr. Metcalf):

S. 507. A bill to provide for the management, protection, and development of the national resource lands, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 508. A bill for the relief of Abram Aguirre-Gonzalez. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself, Mr. Domenici, and Mr. Montoya):

S. 509. A bill to revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service not entitled to Indian preference, provide greater opportunity for advancement and employment of Indians, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. KENNEDY (for himself, Mr. Javits, Mr. Williams, Mr. Abourezk, Mr. Beall, Mr. Cranston, Mr. Hathaway, Mr. Randolph, and Mr. Schweiker):

S. 510. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices. Referred to the Committee on Commerce.

By Mr. PEARSON (for himself and Mr. Inouye):

S. 511. A bill to authorize the Secretary of Commerce to engage in certain small business export expansion activities, and for other purposes. Referred to the Committee on Commerce.

By Mr. JAVITS:

S.J. Res. 22. A joint resolution authorizing the President to proclaim the first Sunday of June of each year as "American Youth Day". Referred to the Committee on the Judiciary.

By Mr. HARRY F. BYRD, JR. (for himself, Mr. William L. Scott, Mr. Gravel, Mr. Helms, Mr. Humphrey, Mr. Nunn, Mr. Thurmond, Mr. Tower, and Mr. Mathias):

S.J. Res. 23. A joint resolution to restore posthumously full rights of citizenship to General R. E. Lee. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS:

S. 491. A bill to amend the Rail Passenger Service Act of 1970 in order to expand rail passenger service. Referred to the Committee on Commerce.

AMTRAK SERVICE BETWEEN MAJOR CITIES AND VACATION RESORTS

Mr. JAVITS. Mr. President, I reintroduce today amendments that will help to speed the long overdue process of restoring our Nation's rail passenger system to the place it deserves in our overall national transportation program. Although the initial commitment to a federally supported National Railroad Passenger Corporation was made over 4 years ago, and substantial progress has been made both in terms of better service and improved planning, it is imperative that this commitment be increased and amplified if we are to meet the goals of a truly balanced transportation system and obtain the benefits of a rail system that serves the Nation's needs.

For most Americans, travel by rail is not an available or feasible alternative to the airplane and the private automobile. Yet by the standards of energy efficiency, environmental improvement, and land use, rail service provides not only a better alternative, but also a crucial and overlooked component of the solution to our environmental and energy dilemmas.

Moreover, our citizens have shown us that where convenient rail passenger service exists, the demand for its use has skyrocketed. Even before the onslaught of the energy crisis, which highlights the immediacy of the need for an expanded rail passenger system, the public finally began to return to the railroads as a means of transportation.

Amtrak's president, Roger Lewis, stated in his report to the Congress of 1973, that—

> Travel demand that had been anticipated by 1977 as a result of normal growth is with us now.

But even with this unprecedented increase in demand, Amtrak has neither the legislative commitment or direction which it so vitally needs to make rail service available to a greater number of people.

Currently only 1 percent of all intercity travel is via railroad. This compares to 87 percent by private automobile, 10 percent by air, and 2 percent by bus. If we are to seriously attack the inefficiencies in energy utilization in the country—of which the transportation sector is the most blatant example—dramatic shifts in these percentages are essential and must be begun without further delay. Yet existing law requires only one new train to be instituted each year. This rate of expansion must be increased and better directed by the Congress.

The Rail Passenger Service Act Amendments that I introduce today primarily address two related aspects of Amtrak service. They could pave the way for an efficient and realistic transportation alternative for millions that presently have no rail passenger service at all and for millions more who, because of the inadequacy of the rail passenger system, cannot use Amtrak service for their major transportation event each year—their vacation travel.

It is startling that our national rail passenger system, as it is presently constituted, does not serve such cities as Tulsa, Okla., and Jersey City, N.J., with populations greater than ½ million, or the States of Maine and South Dakota. These and the many other omissions in the system must be corrected.

My first amendment would pave the way for these services to be instituted, with the conditions appropriate to insuring that only truly necessary service will be commenced, and with the added benefit of saving the Federal taxpayer money when these services are primarily for the benefit of a single State.

It contains a major change in the Federal commitment to rail passenger service where States or local transportation agencies want and need such service, but cannot afford to institute it without substantial Federal assistance.

Present law requires the State or locality to pay two-thirds of the avoidable and capital costs. In no other mode of interstate transportation is the Federal share so low. For all major road construction under the highway trust fund the Federal share varies from 70 to 90 percent. Federal airport development assistance varies from 50 to 80 percent of the costs involved. The newly enacted mass transit assistance act provides 50 to 80 percent Federal share. My amendment would change the Federal share of shared rail passenger service assistance to 66⅔ percent. If this sharing provision is to have any utility whatsoever, and provide the impetus to expanding our national rail passenger system, the Federal share must be on this level.

The amendment would also authorize specific funds for this assistance. Currently, any Federal assistance under this section would have to come out of Amtrak's general appropriation, thereby potentially impairing service on other routes. This is obviously self-defeating. And it is for this reason that Amtrak has been so reluctant to institute any shared service. If a State or locality commits one-third of the needed funding, the Federal Government should stand ready to provide the balance for so necessary a service.

The new Federal-State relationship would apply only to service instituted after the enactment of this legislation, and to service pursuant to contracts renegotiated after enactment.

Moreover, the proposed $10 million authorization which, by Amtrak's estimates, would cover the two-thirds Federal share for all planned and probable service, is not meant to deny the use of general appropriation for section 403 service if Amtrak deems that appropriate, or if the authorized amount is not fully appropriated.

But Amtrak would not be required, although it would be authorized, to pay for section 403 service above and beyond the $10 million level for fiscal year 1975. This is the amount that Amtrak presently considers necessary to fund renewed contracts and institution of probable new service. The $10 million fiscal year 1975 limitation is necessary to prevent substantial division of Amtrak's general appropriation if many States and localities request new service. If, in fact, this occurs I would expect that the 1976 Amtrak authorization would carefully consider the need to expand the specific funding level for section 403 service.

I would add that I fully expect, if this amendment is enacted, many States and localities to rethink their role in the rail passenger service field, and to propose significant and worthy routes that would provide rail service to many areas that presently have none.

Mr. President, I ask unanimous consent to print, at this point in the RECORD, a table prepared by Amtrak of the costs of service under section 403 and the additional funding that would be required by the amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State: route	Fiscal year 1975		Cost to Amtrak		
	Operating loss	Capital cost	Existing law	Senate committee amendment	Overall relation to ½ costs
Existing service:					
Illinois:					
Chicago-Quincy	$345,000		$115,000	$115,000	$230,000
Chicago-Springfield	277,000		92,300	92,300	184,600
Chicago-Dubuque	450,000	$50,000	167,000	167,000	334,000
Chicago-Champaign	288,000		96,000	96,000	192,000
Massachusetts: Boston-Springfield	200,000		67,000	67,000	134,000
Pennsylvania: Philadelphia-Harrisburg	90,000		30,000	30,000	60,000
Definitely planned:					
New York:					
New York Central-Montreal	1,900,000	4,500,000	633,000	2,133,000	4,266,000
Buffalo-Detroit	800,000	2,000,000	267,000	933,000	1,866,000
Illinois: Chicago-Decatur	450,000	500,000	150,000	317,000	634,000
Michigan: Chicago-Port Huron	1,162,000	1,200,000	387,000	787,000	1,574,000
Probable:					
Minnesota: Minneapolis-Duluth	512,000	675,000	171,000	396,000	792,000
Total			2,175,300	5,133,300	10,266,600

Mr. JAVITS. Mr. President, the second section of this amendment is directed to a more specific problem: the critical need to provide rail service to vacationers. This section would begin to put vacation travelers back on the railroads, which is a service as much needed by the travelers themselves as by our tourist and recreation industry.

Last winter saw the severe effects of the gasoline shortage on the tourist industry. Hearings were held in the Senate on the energy-related problems of that industry. However, we also witnessed the tremendous savings in precious gasoline that can be effected by cutting back vacation travel by automobile.

If these savings are to continue on any scale—savings that are critical to our energy independence—vacationers must be provided with a reasonable alternative mode of transportation to recreation areas, such as national parks and shore and mountain resort regions. That alternative is clearly the passenger train.

I shall propose a modest start toward that goal. First, the Secretary of Transportation shall study the need for such service, and identify the routes where potential for use is greatest.

The amendment is limited to medium distance recreation service, although I know there is also a need for long distance service. But, it is generally held that rail passenger service demand is greatest for points 100 to 300 miles apart. People traveling shorter distances more often opt for the automobile, while longer distances bring out the time advantages of air travel.

A few examples of service that could be provided pursuant to this section are New York City to the Catskill Mountains resort area; Los Angeles to Las Vegas; and Boston to the New Hampshire and Vermont resort regions. The list could be endless. Rights of way and trackage—now lying idle with respect to passenger service—exist on many such routes so the costs would be limited to facility improvement and equipment acquisition.

The amendment requires only one recreation route to be instituted annually, and would not require this to begin until 1976. While I would prefer to see Amtrak move faster, I recognize the reality of the passenger equipment shortage and the lead time necessary to obtain new equipment, and I do not wish to see cars diverted from the basic system, where they are critically needed.

This proposal is modest but provides a needed start toward the institution of substantial rail passenger service for vacation travelers.

The final section calls for a study, by

the Department of Transportation, on the need for rail passenger service from center cities to metropolitan airports. Such service may or may not be properly performed by Amtrak. But a close look should be taken at the need for and costs of this type of service, and the role, if any, that the Federal Government should play.

This study can adequately be undertaken by existing Urban Mass Transit Administration personnel, in coordination with the Federal Aviation Administration and the Department of Transportation staff.

Mr. President, it is time we began to alter the transportation priorities that have led to our overdependence on the private automobile. Last year, of the $28.2 billion in public fundings for transportation, only one-fourth of 1 percent went to rail transportation. This compares with 86 percent for highways and 10 percent for air transportation. This past year has shown us that the rail passenger system is not dead, it is merely dormant. It is time we gave it some vitality. Although I do not view this as a cornerstone of national energy policy, measures such as these are necessary as adjuncts of a comprehensive and coordinated energy strategy if it is to succeed. Legislative initiative such as this is required if rail passenger service is to become a realistic alternative mode of transportation to the private automobile for the majority of Americans.

By Mr. JAVITS:

S. 492. A bill entitled the Neighborhood Conservation Act. Referred to the Committee on Banking, Housing, and Urban Affairs.

NEIGHBORHOOD CONSERVATION ACT

Mr. JAVITS. Mr. President, I introduce for appropriate reference legislation to encourage the preservation of existing housing, to stimulate the conservation and upgrading of existing low- and moderate-income housing; and to generate private capital for housing repairs, maintenance, and rehabilitation.

In New York City approximately 180,000 units were abandoned between 1965 and 1970. In addition the existing housing shortages for low- and moderate-income families remain quite severe throughout New York State and the Nation. Heretofore, national housing efforts have focused mainly on the production of new housing while neglecting the existing housing stock. In New York City much energy and large resources have been poured into new housing for depressed communities, while housing in transitional or bordering neighborhoods have been deteriorating at an alarming rate. Transitional neighborhoods such as Washington Heights in Manhattan, Crown Heights, East Flatbush, and Bushwick in Brooklyn and Tremont in the Bronx can be the depressed communities of tomorrow. Therefore, at this time we need new initiatives to preserve and upgrade our existing housing while continuing production efforts.

Under the section 236 program, which involves a deep interest subsidy down to 1 percent, HUD has been unwilling as yet to permit the program to be used for large scale moderate rehabilitation. Also, because section 236 rehabilitation subsidies compete with subsidies for new housing, HUD has placed a limit on the 236 funds to be used for rehabilitation. Finally, under section 236, rehabilitation must be extensive with no provisions made for moderate rehabilitation. Thus, the existing programs are not adequate to cope with the crucial problem of abandonment and decay of housing in transitional neighborhoods. This situation has not radically changed with the newly created section 8 program.

The legislation I am introducing today provides for a three-pronged attack on the problem of conserving existing low- and moderate-income housing stock and generating private capital for repairs, maintenance, and rehabilitation.

First, the legislation provides for areas to be designated as "neighborhood conservation areas" by local governmental entities, which areas would then be eligible for grants by HUD to be used for repairs of streets, sidewalks, playgrounds, and schoolyards; improvements of private property to eliminate dangers to health and safety and other similar neighborhood-oriented activities and improvements calculated to aid in achieving the objectives of the legislation.

In order to receive grants, localities would have to submit a 5-year plan and demonstrate at the end of each year that significant progress was being made. It is hoped that this program along with the other parts of the bill will help localities make a coordinated attack on abandonment and decay of existing housing.

Second, the legislation would provide for a new mortgage insurance program covering residential property located in neighborhood conservation areas. All properties covered would be multifamily rental properties, or cooperative or condominium properties which are basically sound or capable of being placed in standard conditions without substantial rehabilitation.

In the case of a mortgagor who is an owner-occupier of a building containing two to seven units, or of a cooperative or condominium covering more than seven units, the mortgage could cover 97 percent of the value of the property. The mortgage could be upped to 100 percent of value for nonprofit organizations and would be for 90 percent of value in the case of limited dividend entities. However, only owners who lived on the premises would be allowed to secure mortgages under this legislation on property of less than seven units. This will serve to eliminate many of the abuses we have seen in existing insurance programs covering small dwelling units.

The mortgage program will allow for refinancing or sale of the property provided that repair and improvements are made to such property. HUD will have to take such steps as it deems necessary to insure that repairs and improvements have been or will be made.

Third, the legislation provides that rentals on properties which receive mortgage insurance shall not be increased for a period of at least 1 year from the date of final endorsement of the insurance or thereafter unless the increase can be justified on the basis of increased operating expenses. For the purpose of maintaining or reducing rentals the Secretary of HUD is authorized to make interest reduction payments on behalf of the owners of the properties—but for the benefit of the tenants which will reduce interest rates down to a minimum of 4 percent per annum. This "shallow subsidy" should enable rents to remain steady or perhaps decrease depending on the individual owner's mortgage terms.

Finally, the Secretary of HUD is authorized to take such steps as accelerated processing of applications under the program; implementing the Government National Mortgage Association's authority to purchase mortgages under this legislation and to coordinate with other Government departments to insure that manpower training funds and funds for small businesses and minority businesses are made available to neighborhood conservations areas.

Authorizations for neighborhood conservation area grants are $100 million for fiscal 1975, $150 million for fiscal 1976, and $200 million for fiscal 1977 and for mortgage interest reduction payments, $50 million for fiscal 1975, $100 million for fiscal 1976, and $150 million for fiscal 1977.

I believe that this legislation will provide the coordinated attack that is necessary to preserve many of the "transitional areas" in New York State and other States of the Nation. It is imperative that this new program be enacted as quickly as possible.

Mr. President, I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 492

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Neighborhood Conservation Act".

PURPOSE

Sec. 2. The purpose of this Act is to encourage the preservation of older neighborhoods which are threatened with blight and housing abandonment and to stimulate the broad-scale conservation and upgrading of existing low- and moderate-income housing by establishing a program of neighborhood conservation grants and a new program of mortgage insurance designed to generate private capital for housing repairs, maintenance, and rehabilitation.

GRANTS OF NEIGHBORHOOD CONSERVATION AREAS

Sec. 3. For the purpose of this Act, the term "neighborhood conservation area" means any area in which (1) the predominant residential area is housing for low- and middle-income families, and (2) such housing, though basically sound, is threatened with decay and abandonment or is in need of repair, maintenance, rehabilitation, or refinancing.

PROGRAM AUTHORITY

Sec. 4. (a) The Secretary of Housing and Urban Development (hereafter referred to as the "Secretary") is authorized to make, and to contract to make, grants under this section to cities, municipalities, counties, and other general purpose units of local government to assist them in carrying out designated neighborhood conservation area programs designed to improve basic community facilities and services and bring about such other changes as may be necessary or appropriate to eliminate the threat of housing abandonment or decay in such areas and to restore and maintain such areas as suitable and stable living environments.

(b) Grants under this section may cover a period of not to exceed five years and may provide 100 per centum of the cost of any of the following types of activities within the neighborhood conservation area:

(1) The repair of streets, sidewalks, playgrounds, schoolyards, paths, street lights, traffic signs and signals, publicly owned utilities, or public buildings which have an impact on the quality of life in the neighborhood.

(2) The improvement of private properties to eliminate dangers to the public health and safety.

(3) The demolition of structures determined to be structurally unsound or unfit for occupancy.

(4) The establishment of temporary or permanent public playgrounds or parks within the area to serve residents of the neighborhood.

(5) Other similar neighborhood-oriented activities and improvements calculated to aid significantly in achieving the objectives of this section.

(6) Assistance to qualified neighborhood-based nonprofit organizations in carrying out development activities under other provisions of this Act or in carrying out management training, maintenance, or tenant education programs.

(c) To be eligible for assistance under this section, a locality acting through its chief executive authority, shall designate a specific area and prepare and submit to the Secretary a plan specifying—

(1) the improvements in basic community facilities and services to be made in such area over the five-year period in which such improvements will be made;

(2) the programs to be introduced to improve the quality of housing in the area; and

(3) the public and private resources which will be marshaled to carry out such improvements and programs.

(d) Grants under this section shall be made, or shall continue to be in effect, with respect to any neighborhood conservation area if the Secretary finds that—

(1) the five-year plan submitted by the locality involved is workable and will provide an effective means of carrying out the purposes of this Act in such areas;

(2) the locality has the necessary resources to carry out in a timely fashion all of the improvements and programs set forth in the plan;

(3) the locality continues to make significant progress toward achieving its objectives it established for itself in the plan during the term of the grant; and

(4) the locality satisfies such other conditions and requirements as the Secretary may prescribe to insure that the purpose of this Act will be achieved.

(e) There are authorized to be appropriated for grants under this section not to exceed $100,000,000 for the fiscal year ending June 30, 1975, not to exceed $150,000,000 for the fiscal year ending June 30, 1976, and not to exceed $220,000,000 for the fiscal year ending June 30, 1977. Any amount so appropriated shall remain available until expended, and any amount authorized for any fiscal year under this subsection which is not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1977.

(f) The Secretary is authorized to designate an area which meets the requirements of this section as a neighborhood conservation area notwithstanding the unavailability of funds for grants under this section. Upon such designation, the Secretary may furnish other assistance (including assistance under any mortgage insurance or related housing maintenance program) to such area.

FEDERAL MORTGAGE INSURANCE TO FACILITATE SALE OR REFINANCING OF HOUSING IN NEIGHBORHOOD CONSERVATION AREAS

SEC. 5. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"MORTGAGE INSURANCE IN NEIGHBORHOOD CONSERVATION AREAS

"SEC. 244. (a) The purpose of this section is to help preserve and upgrade the quality of housing in designated neighborhood conservation areas by facilitating the rehabilitation refinancing of such housing or its transfer to tenant- or neighborhood-based corporate ownership.

"(b) The Secretary is authorized to insure any mortgage in accordance with the provisions of this section and to make commitments for such insurance prior to the date of the execution of the mortgage or disbursement thereon upon such terms and conditions as he may prescribe.

"(c) In order to carry out the purpose of this section, the Secretary is authorized to insure any mortgage which covers residential property located in a neighborhood conservation area approved for assistance under section 4 of the Neighborhood Conservation Act or any area designated as a neighborhood conservation area under section 4(e) of such Act, subject to the following conditions:

"(1) The mortgage shall cover a multifamily rental property, or a cooperative or condominium property which is basically sound or capable of being placed in standard condition without substantial rehabilitation and which contains—

"(A) more than one but less than seven dwelling units if the mortgagor is an individual or entity described in paragraph (2) of this subsection; or

"(B) seven or more dwelling units if the mortgagor is an organization described in paragraph (3) of this subsection.

"(2) The mortgage covering property referred to in paragraph (1)(A) of this subsection shall be executed by—

"(A) an individual who owns the property and occupies the property and is refinancing outstanding indebtedness related to the property, or who is purchasing the property and will occupy one or more of the units in the property after its purchase;

"(B) a cooperative or condominium organization which consists of a majority of the residential units on the property; or

"(C) a private nonprofit organization which is based in the neighborhood in which the property is located and which is approved by the Secretary.

"(3) The mortgage on a property referred to in paragraph (1)(B) of this subsection shall be executed by—

"(A) a cooperative or condominium organized which consists of or includes a majority of the occupants of the property;

"(B) a private nonprofit organization or association approved by the Secretary; or

"(C) a limited dividend ownership entity (as defined by the Secretary) including, but not limited to, corporations, general or limited partnerships, trusts, associations, and single proprietorships.

"(4) In the case of a mortgage involving a mortgagor referred to in paragraphs (2)(A), (2)(B), and (3)(A) the mortgage shall include a principal obligation, including such initial services charges, discounts, appraisal, inspection, and other fees, as the Secretary shall approve in an amount not to exceed the sum of 97 per centum of the Secretary's estimate of the value of the property before any repairs or improvements deemed necessary by the Secretary to help restore or maintain the area in which the property is situated as a stable and suitable living environment, except that in no case involving refinancing shall such principal amount exceed such estimated costs of repairs and improvements and the amount (as determined by the Secretary) required to refinance existing indebtedness secured on the property.

"(5) In the case of a mortgage involving a mortgagor referred to in paragraph (2)(C) or (3)(B), the mortgage shall include a principal obligation, including such initial services charges, discounts, appraisal, inspection, and other fees, as the Secretary shall approve in an amount not to exceed the sum of 100 per centum of the Secretary's estimate of the value of the property before any repairs or improvements deemed necessary by the Secretary to help restore or maintain the area in which the property is situated as a stable and suitable living environment, except that in no case involving refinancing shall such principal amount exceed such estimated cost of repairs and improvements and the amount (as determined by the Secretary) required to refinance existing indebtedness secured in the property.

"(6) In the case of a mortgage involving a mortgagor referred to in paragraph (3)(C), the mortgage shall include a principal obligation, including such initial services charges, discounts, appraisal, inspection, and other fees, as the Secretary shall approve in an amount not to exceed the sum of 90 per centum of the Secretary's estimate of the value of the property before any repairs or improvements deemed necessary by the Secretary to help restore or maintain the area in which the property is situated as a stable and suitable living environment, except that in no case involving refinancing shall such principal amount exceed such estimated cost of repairs and improvements and the amount (as determined by the Secretary) required to refinance existing indebtedness secured on the property.

"(7) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term (not exceeding forty years) as the Secretary shall prescribe, except that in the case of a property referred to in paragraph (1)(A) such term shall not exceed twenty years;

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) on the amount of the principal obligation outstanding at any time at not to exceed such per cent per annum as the Secretary finds necessary to meet the mortgage market.

"(8) The Secretary shall not insure any mortgage under this section unless he has received satisfactory and enforceable assurances from the mortgagor that the refinancing or sale of the property (and any improvements thereto) will not result, directly or indirectly, in any increase in the rentals or other charges for dwelling units in the property for a period of at least one year from the date of final endorsement for mortgage insurance, or in any increases in such rentals thereafter in excess of such increases as the Secretary finds justified and approves on the basis of increased operating expenses. In addition, the Secretary may place such further restrictions on the mortgagor as to sales, charges, capital structure, rate of return, and methods of operation as, in the opinion of the Secretary, will best effectuate the purpose of this section.

"(d)(1) For the purpose of maintaining or reducing rentals or other charges for properties insured under this section, the Secretary is authorized to make, and to contract to make periodic interest reduction payments on behalf of the owners of the properties but for the benefit of the residents, which shall be accomplished through payments to mortgagees holding mortgages meeting the special requirements of this subsection.

"(2) Interest reduction payments with respect to a property shall only be made during such time as the property is operated as a rental housing and is subject to a mortgage which meets the requirements of, and is insured under, this section.

"(3) The interest reduction payments to a mortgagee by the Secretary on behalf of a property shall be in an amount not exceeding the difference between the monthly payment for principal, interest, and mortgage insurance premium which the property owner as a mortgagor is obligated to pay under the mortgage and the monthly payment for principal and interest such property owner would be obligated to pay if the mortgage were to bear interest at the rate of 4 per centum per annum.

"(4) The Secretary may include in the payment to the mortgagee such amounts, in addition to the amount computed under this subsection as he deems appropriate to reimburse the mortgagee for its expenses in handling the mortgage.

"(5) As a condition for receiving the benefits of interest reduction payments, the owner shall operate the project in accordance with such requirements with respect to tenant eligibility and rents as the Secretary may prescribe.

"(e) The Secretary may consent to the release of a part or parts of the mortgaged property from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) Prior to insuring any mortgage under this section, the Secretary shall obtain satisfactory and enforceable assurances from the mortgagor that all repairs and improvements necessary to place the underlying property in standard condition have been or will be made and that such property will be continuously maintained in standard condition.

"(g) The Secretary shall cooperate with the Secretary of Labor and the Secretary of Health, Education, and Welfare, to insure that, to the greatest extent feasible, funds appropriated under the Manpower Development and Training Act of 1962, as amended, shall be made available on a priority basis for training and employment support use in connection with improvements financed by mortgages insured under this section. The Secretary shall cooperate with the Director of the Educational Development Agency, and the Administrator of the Small Business Administration, to insure maximum utilization of minority and small business contractors in connection with improvements financed by mortgages insured under this section.

"(h) In administering the program established by this section, the Secretary shall use his best efforts to enlist the support and actual cooperation of State and local governments in establishing State or local mortgage lending funds, in providing adequate municipal services in low- and moderate-income areas, particularly in areas threatened by building abandonment, and in insuring, to the maximum extent feasible, the administration of laws and ordnances relating to existing housing stock, including building codes, housing codes, health and safety codes, zoning laws, and property tax laws, in such manner as will encourage maximum utilization of this program in accordance with the purposes herein expressed.

"(i) The Secretary shall develop and maintain full information and statistics regarding the utilization of and experiences incurred under this program, which shall include, but not be limited to, information and statistics concerning—

"(1) financial market conditions, including the interest rates, payback periods, and other terms and conditions affecting housing eligible to be financed hereunder;

"(2) the character, extent, and actual costs of repairs, renovations, and moderate housing rehabilitation undertaken hereunder;

"(3) factors affecting and statistics showing the extent of actual and potential utilization of this program;

"(4) factors affecting the processing time of applications submitted hereunder and statistics showing processing times actually experienced;

"(5) mortgage arrearages and defaults on mortgage loans insured hereunder;

"(6) abuses of the program, actual or potential, and remedial or punitive actions taken in connection therewith; and

"(7) the costs of administering this mortgage-insurance program, provided by this section.

The Secretary shall submit each year to the Congress and to the President an annual report summarizing such information. Such report shall include his analysis of the effectiveness and scope of the program and his recommendations for its improvement and greater utilization.

"(j) If the Secretary determines that the unavailability of property insurance coverage is hindering the widespread utilization of this program, he shall take all practicable steps to insure that the protections and benefits of the Urban Property Protection and Reinsurance Act of 1968 are utilized to provide adequate property insurance coverage for mortgagors and mortgagees under this program.

"(k) If the Secretary determines that widespread utilization of this program is hindered by the charging of points or discounts by mortgagees, he shall take steps to implement the Government National Mortgage Association's authority under section 305(j) of this Act to purchase and make commitments to purchase mortgages insured under this section, at a price equal to the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items, and to sell such mortgages at any time at a price within the range of market prices for the particular class of mortgages involved at the time of sale as determined by the Association.

"(l) If the Secretary determines that widespread utilization of this program is hindered by delays in processing and approval of projects, he shall establish procedures to insure, to the maximum extent feasible, the expeditious processing and approval of applications for insurance hereunder, including, where necessary and appropriate, the use of procedures and practices similar to those under title I (home improvement loans).

"(m) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make interest reduction payments under contracts entered into by the Secretary under this section. The aggregate amount of outstanding contracts to make such payments shall not exceed amounts approved in appropriation Acts and payments pursuant to such contracts shall not exceed $50,000,000 per annum prior to July 1, 1975, which maximum dollar amount shall be increased by $100,000,000 on July 1, 1976, by $150,000,000 on July 1, 1977."

By Mr. JAVITS:

S. 494. A bill to amend the Immigration and Nationality Act to provide for the immigration of children of individuals suffering from Hansen's disease. Referred to the Committee on the Judiciary.

OPERATION OUTREACH

Mr. JAVITS. Mr. President, a sad situation in the Republic of Korea has been brought to the attention of a group of New Yorkers who have taken steps to provide new opportunities for a group of children. Specifically, they are the children of persons who are suffering from Hansen's disease—although they do not have the disease themselves—and as such are required to live in "leprosy villages" in Korea. While the Public Health Service assures us that these children do not themselves suffer from Hansen's disease, all opportunity for a normal life for the children is cut off as soon as their parent's affliction becomes known.

New Yorkers associated with Operation Outreach, working with the American-Korean Foundation and International Social Service have arranged for some of the children to be adopted by American families, and the Korean parents have given their consent to the adoptions, knowing that life in this country will provide a better life for their children. But, there is a roadblock in the form of the immigration laws of the United States which prohibit the entry of these children into this country for adoption by American citizens if the parents of the children are themselves living. My bill seeks to remove the impediment in this one particular case.

Mr. President, I ask unanimous consent that material explaining this program be printed at this point in the RECORD, and I send the bill to the desk for appropriate reference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUTREACH: STATEMENT OF PURPOSE

INTRODUCTION

It has been said that "prejudice is the child of ignorance." The truth of that statement has been demonstrated for centuries in the case of leprosy, a mildly contagious and easily arrested disease which nevertheless sentences its victims and their children to the severest kind of human suffering, degradation and discrimination. The prejudice against those who have leprosy has survived since Biblical times, and the fear of leprosy persists even though modern medical science now understands and can arrest and control the disease. (So strong is this prejudice that the dictionary defines the word leper as: "a person shunned for moral and social reasons.")

Today we know that a germ—and not a cure or a demon—causes leprosy. (The leprosy bacteria was first described by Dr. Gerhard A. Hansen in 1874 and leprosy is medically known as Hansen's Disease.) Leprosy is a disease which attacks the nerves and eventually robs its victims of the important warning signal of pain. In its late stages leprosy can sometimes so deaden sensation that people who have the disease wear down their fingers and toes through use. Leprosy can also produce severe deformities and cause such complications as blindness. These affects have given rise to the myth that leprosy eats away tissues and causes toes and fingers to "drop off." The truth is that all of the major complications of leprosy are preventable, and the disease can be arrested through prompt treatment.

Leprosy is one of the world's least contagious diseases—much less virulent than tuberculosis for instance. Nurses and doctors who work with leprosy patients rarely contract the disease. In fact, in the 75 years of its existence, not a single staff member of the United States Public Health Service Hospital in Carville, Louisiana, which handles leprosy patients, has contracted leprosy. Research has shown that only five percent of the world's population is susceptible to leprosy bacillus and even that five percent will only contract the disease after prolonged and close contact with an infected person. No evidence has ever been found that the disease is inherited.

But the stigma that is attached to leprosy causes many of its victims to hide their affliction until it is too late since treatment in many countries—including the Republic of Korea—means isolation for them and for their families in squalid leprosoria or resettlement villages. Those with leprosy and those whose parents have leprosy are considered second class citizens and are cut off forever from equal opportunities in all areas of their lives: employment, education and even marriage. Segregation in resettlement villages makes prolonged contact with leprosy patients unavoidable for uninfected family members forced to live there, and a number of them may contract the disease needlessly because of being coerced into this isolation.

It can truly be said that the fear and loathing which society maintains towards those with leprosy is more dangerous and damaging and disfiguring than the leprosy bacillus itself.

The program described in the following pages aims at doing something about the intolerable conditions in which people with leprosy and their families are forced to live.

OUTREACH, a program of The American-Korean Foundation, seeks to bring children of leprosy patients to the United States for adoption. Every one of these children will be screened in Korea and will be medically followed here in the United States to assure that there is not the slightest chance that they have leprosy. By removing them from a society which discriminates against them, the individual child will benefit. In addition, the health and well-being of these children and their accomplishments in an atmosphere free of prejudice will demonstrate that the stigma against leprosy can be erased.

This is a radical, efficient and humane solution to a centuries-old problem which is causing thousands of children to suffer and denies them the realization of their full potential.

BACKGROUND

Leprosy affects in excess of 15 million of the world's people. While it is not limited to any race or geographic distribution, the greatest number of cases occur in the tropical or semi-tropical climates of Africa, Southeast Asia, South America, and the Indian continent.

In the United States the incidence is limited to approximately 3,000 cases, the majority, of which receive outpatient treatment. Leprosy is not native to the United States, and health officials say there is no documentation of a second generation of the disease in this country.

We do not know how many Koreans have leprosy which they are hiding, but some 90 resettlement villages house 35,000 known leprosy and ex-leprosy patients and thousands who are socially branded because a relative was found to have the disease.

Children of leprosy victims are able to leave the village at maturity, so long as they are free of the disease. However, the name of the leprosy village is permanently imprinted on their papers so that potential employers and the police will be able to identify them. They are forced to take the most menial of jobs and are prevented from attending Korean schools. The stigma of leprosy often extends even to marriage and restricts the possibilities of choosing a mate.

THE NEED

The Korean Ministry of Health and Social Affairs places the number of uninfected children living in leprosy villages at about 7,000. Unless a way is found to erode the leprosy barrier and free these healthy children from these villages, they will grow up bearing the stigma of leprosy and will live out their lives as second class citizens. The fear and prejudice in Korea has created a climate in which they not only have virtually no hope for a normal life.

We are gratified that so many Americans have volunteered to open their homes to a child who desperately needs help. Already more than 100 families on the Eastern Seaboard have made commitments to OUTREACH and hundreds more have inquired about the program.

The Republic of Korea's Ministry of Health and Social Affairs has demonstrated its complete cooperation by cutting the bureaucratic red tap to shorten the time required to get passports and exit visas for inter-country adoption. The Korean government's rule against single parent adoption will not apply nor will the annual quota on adoptable children.

As has been stated, the adoptive children will be examined in Korea and they will undergo semi-annual medical checkups in the United States for a period of five years in a cooperative project with the Sloan-Kettering Institute to assure their continuing good health. The United States Center for Disease Control has also enthusiastically approved the program.

The medical field will significantly benefit from the unique opportunity of studying these youngsters over a long period of time, will undoubtedly far exceed the OUTREACH program. Dr. Howard A. Rusk, Chairman Emeritus of The American-Korean Foundation, stated, "The medical and social dividends of this project, many of which we did not know about at this time, will undoubtedly far exceed the principle involved."

It is hoped that during the next two years, approximately 2,000 adoptable children in the 1–14 age group will be placed with adoptive familes. Medical processing has already begun in Korea and medical follow-up will begin in the fall of 1974 in the United States. The case studies of the first group of children are currently being processed by Traveler's Aid International Social Service of America (TAISSA) on both sides of the Pacific.

The importance of this project has been acknowledged by governments, private agencies and many dedicated individuals, all of whom are diligently working together to assure its success for the sake of the children involved and of leprosy victims in general.

LEADERSHIP

For over 20 years The American-Korean Foundation, a non-profit, non-political, nonsectarian agency, has had an abiding interest in rebuilding South Korea. The organization was founded in 1953 after two missions headed by Dr. Howard A. Rusk went to Korea to establish a United States-Korean people-to-people self-help program at the urging of President Eisenhower. Since then, The American-Korean Foundation, with the help of millions of generous Americans, has responded to the needs of the valiant Korean people with a massive outpouring of support that has amounted to $40 million in donations and gifts in kind during two decades.

OUTREACH has become a program of The American-Korean Foundation because they were the logical people to turn to for help when OUTREACH's founder, Bernice Gottlieb, decided she could no longer manage the operation of her project alone. Mrs. Gottlieb became interested in Korea when she adopted a Korean orphan in 1969. Two years later when she learned from a Korean Roman Catholic priest about the plight of the children of Korean leprosy patients, she determined to do something for these children. She spent months checking the laws, learning about the disease and visiting (at her own expense) the Korean resettlement leprosy villages. Out of her concern and her knowledge OUTREACH was born.

She received official approval for her plan from the government of the Republic of Korea and went to Carville, Louisiana, to take the missionary training course in leprosy. As the only person in her group who was neither doctor, nurse nor clergyman, she was as unique as the program she was proposing.

For some time Mrs. Gottlieb gave all her spare time to running the OUTREACH program, traveling frequently to Korea and sometimes working seven days a week to get the program going. During this time she enlisted the help and support of many distinguished experts and leaders in the field of leprosy and medicine in general. Finally, she decided she could no longer manage the work alone, and so she came to The American-Korean Foundation for assistance. Mrs. Gottlieb will continue to run the OUTREACH program under The American-Korean Foundation's auspices. She will serve as Volunteer Director for Children's Services.

For its part, The American-Korean Foundation will utilize its expertise and experience in Korea to facilitate the processing of the children. It will assist in making travel arrangements for the children, it will help administratively in the adoption procedure working with TAISSA and all other agencies who become involved in the project. The American-Korean Foundation will also solicit funds for OUTREACH as it does for its many other Korean projects.

By Mr. RIBICOFF (for himself, Mr. Percy, Mr. Metcalf, Mr. Inouye, Mr. Montoya, Mr. Weicker, and Mr. Mondale):

S. 495. A bill to establish certain Federal agencies, effect certain reorganizations of the Federal Government, and to implement certain reforms in the operation of the Federal Government recommended by the Senate Select Committee on Presidential Campaign Activities, and for other purposes. Referred to the Committee on Government Operations.

WATERGATE REORGANIZATION AND REFORM ACT OF 1975

Mr. RIBICOFF. Mr. President, on behalf of Senators Percy, Metcalf, Inouye, Montoya, Weicker, Mondale, and myself, I introduce the Watergate Reorganization and Reform Act of 1975. This bill, which I am reintroducing today, was originally introduced as S. 4227 by Senator Ervin and most of the present cosponsors at the close of the 93d Congress.

Mr. President, for most of the past 2 years our attention has been focused on Watergate. Hardly a day passed without the evening news carrying some new development. The rush of Watergate events drowned out almost everything else.

Fortumately, that period is now behind us. With the completion of the Watergate trial, the Nation can now devote its full attention to other areas of critical importance—energy, economy, employment.

But the fact that the Watergate period is over does not mean that the need for reform is past. Unless remedial legislation is enacted—and enacted soon—there is nothing to assure that the events of Watergate will not repeat themselves. Permanent reform is essential to prevent a recurrence.

The Senate Select Committee on Presidential Campaign Activities—the Watergate committee—emphasized this.

It was the Watergate committee—under the outstanding leadership of Senator Ervin—that uncovered and unraveled most of the Watergate abuses. The Nation owed an enormous debt of gratitude to the committee, and particularly to Senator Ervin, for bringing these abuses to public attention.

The culmination of the Ervin committee's work was a massive report detailing all of its major findings. This report will undoubtedly rank as a major historical document.

At the conclusion of their report, the Ervin committee recommended enactment of a series of reforms to prevent further abuses of executive power. These recommendations, with the exception of the specific campaign reform provisions which were enacted last year in the Federal Election Campaign Act Amendments, are all encompassed in the bill we are introducing today.

Title I of the Watergate Reorganization and Reform Act of 1975 creates two important, new Government offices. Section 101 establishes a permanent office of the Public Attorney. The office would be independent of the Justice Department and the entire executive branch. The Public Attorney would be nominated for a 5-year term by three retired court of appeals judges designated by the Chief Justice of the United States. The appointment would be subject to Senate confirmation. The office of the Public Attorney would have jurisdiction to investigate and prosecute: First, allegations of corruption in the executive branch; second, cases referred by the Attorney General because of actual or potential conflicts of interest; third, criminal cases referred by the Federal Elections Commission; and fourth, allegations of violations of Federal election laws.

In addition to enhancing criminal law enforcement within the executive branch and in Federal elections, the mere existence of a vital office of the Public Attorney would deter the kind of wrongful acts that occurred in the Watergate scandal. Because of this deterrent effect, it is preferable to create this office now, rather than waiting until some future crisis when political emotions may be at flood tide. Jurisdictional disputes between the Public Attorney and the Attorney General should not be frequent or severe. On the contrary, the office of Public Attorney could be legitimately helpful to the Justice Department, particularly where a proper exercise of discretion not to prosecute by the Public Attorney might otherwise give rise to public suspension of a coverup by the Attorney General. Because the Public Attorney would be chosen in the first instance by the judiciary—a common pattern in some States including my own home State of Connecticut—and because the Public Attorney must agree in writing not to hold elective or appointive Federal office for 5 years following his term of service, the office of Public Attorney would greatly encourage equal enforcement of the laws without regard to political influence.

Section 102 of the bill incorporates Senator MONDALE's proposal—S. 2569 in the 93d Congress—to establish a Congressional Legal Service under the direction of a Congressional Legal Counsel. The Counsel would be appointed by the Speaker of the House and the President pro tempore of the Senate from among recommendations of the majority and minority leaders in both Houses. Either House of Congress, any congressional committee, 3 Senators or 12 House Members can ask the Congressional Legal Counsel to render advisory legal opinions as to whether a President's actions are within the bounds of his authority.

The same subdivisions of Congress or number of Members of Congress may instruct the Congressional Legal Counsel: First, to advise private parties bringing suit against the executive branch; second, to intervene or appear as amicus curiae on behalf of private parties; and, third, to represent Congress or any of its agents in any action to which they are a party or in which their official action is in issue. Finally, either House, and congressional committee, 6 Senators or 24 House Members can cause the Congressional Legal Counsel to bring civil actions against officers of the executive branch to enforce an advisory opinion of the Congressional Legal Service.

The creation of its own litigation arm would allow Congress to protect its interests in court. By guarding against the executive usurpation of legislative functions through such devices as executive privilege and the impoundment of duly appropriated funds, the Congressional Legal Service would help preserve the separation of powers between the executive and legislative branches.

Title II of the Watergate Reorganization and Reform Act creates new rules of behavior for executive branch officers and personnel. Section 201 would require the President and the Vice President to file each year a public statement of: First, all income and property taxes paid; second, the amount and source of each item of income exceeding $100; third, each asset or liability in excess of $1,000; fourth, any transaction in securities, commodities, or real property in excess of $1,000; and, fifth, any expenditure made by another individual for the benefit of the President, Vice President, or their spouses.

Section 202, in its primary provision, prohibits any Government official whose appointment required confirmation by the Senate, or who is on the payroll of the Executive Office of the President, from participating in the solicitation or receipt of campaign contributions during his or her period of service and for 1 year thereafter. Such a statute would disallow the transfer of administration officials to a campaign situation where they could solicit funds in a potentially coercive manner from persons over whom they had previously exercised governmental and regulatory powers.

Coverage of the Hatch Act is extended to the Department of Justice, including the Attorney General, in section 203. Obviously, this provision is designed to further the separation of law enforcement from partisan politics.

Section 204 prohibits employees of any agency in the Executive Office of the President from engaging in any investigative or intelligence-gathering activities. Such secret investigative activities have posed a serious threat in the recent past to fundamental individual rights.

Title 18, United States Code, section 595 presently makes it illegal to use the awarding of Federal grants and loans to affect Federal elections. Section 205 expands this coverage to include the use of any other Federal payments or contracts for such a purpose, and upgrades the crime to a felony.

Sections 206 and 207 limit access by White House officials to Internal Revenue Service records. All requests for information coming from anyone in the Executive Office of the President, including the President, must be reported yearly by the Secretary of the Treasury to the appropriate congressional oversight committees. Income tax returns would not be open to the President or the officers of his Executive Office as a matter or course. Upon a written request, the Secretary of the Treasury may, in his discretion, disclose only the name of a person and the general nature of an investigation if he determines that further disclosure would prejudice the rights of a person to impartial administration of the tax laws. These new rules should discourage the use of the IRS for political purposes.

Title III of the Watergate Reorganization and Reform Act deals with congressional activities. Section 301 gives the District Court for the District of Columbia jurisdiction to enforce congressional subpenas, and authorizes Congress to bring such suits. Section 302 eliminates as a defense to perjury that it occurred when a quorum of a committee was not present, and makes title 18 United States Code, section 1623 (prohibiting false declarations) applicable to testimony before Congress. Senate committee hearings are required to be open to the public under section 303, except that they may be closed due to considerations affecting national security, the reputation of a witness, confidentiality protected by law, or the requirements for a productive investigation.

Title IV addresses Federal election campaign activities. Section 401 increases the maximum tax credit for political contributions to $25—or $50 on a joint resturn—and abolishes tax deductions for such contributions. The penalty for illegal contributions by corporations and labor organizations is increased in section 402. Section 403 prohibits unlawful use of nonpublic campaign documents, and imposes a $5,000 fine or 5 years jail sentence for violations. Section 404 creates several new criminal provisions including: First, a prohibition against the use of campaign funds to finance violations of the Federal election laws; second, a prohibition against political contributions by any person receiving a Federal grant, loan, or subsidy in excess of $5,000; third, a prohibition against any person seeking or encouraging another person to seek employment in a campaign for the purpose of interfering with or spying on it; fourth, a prohibition against making false statements about my candidate for

Federal office; and, fifth, the establishment of a separate offense for the commission of a felony to interfere with or affect the outcome of a Federal election. Finally, section 405 of title IV makes it a crime to defraud a Government department or agency.

Mr. President, I hope the Senate will seize the opportunity to act quickly on this legislation while Watergate is still fresh in our minds. For my part, as chairman of the Government Operations Committee, I pledge to move as soon as we can to hold hearings and act on this measure.

Mr. President, I ask unanimous consent that the full text of the Watergate Reorganization and Reform Act of 1975 be printed in the RECORD immediately following the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Watergate Reorganization and Reform Act of 1975".

TITLE I—ESTABLISHMENT OF GOVERNMENT OFFICES

OFFICE OF PUBLIC ATTORNEY

SEC. 101. (a) Title 28, United States Code, is amended by adding after chapter 37 the following new chapter:

"CHAPTER 38.—PUBLIC ATTORNEY

"Sec.
"581. Establishment of Office of Public Attorney.
"582. Jurisdiction.
"583. Powers.
"584. Notification to Attorney General of initiation of prosecution.
"585. Administrative provisions.

"§ 581. Establishment of Office of Public Attorney

"(a)(1) There is established as an independent establishment of the Government the Office of the Public Attorney (hereinafter referred to as the 'Office'). The Office shall be under the direction and supervision of the Public Attorney who shall be appointed in accordance with the provisions of paragraph (2).

"(2) The Chief Justice of the United States shall designate three retired courts of appeals judges to select and appoint the Public Attorney. The three retired courts of appeals judges so designated shall appoint, by and with the advice and consent of the Senate, the Public Attorney.

"(b) The Public Attorney shall serve for a term of five years and may be reappointed for one additional term. Any vacancy in the Office shall be filled in the same manner as the original appointment.

"(c) A retired judge designated by the Chief Justice to select and appoint the Public Attorney shall not, by reason of such service, receive any payment from the United States for such service. No retired judge who so participates in the selection and appointment of the Public Attorney shall participate in any trial or appellate proceedings in which the Public Attorney or any employee of the Office is a party.

"(d) No individual may serve as Public Attorney unless such individual has agreed in writing not to occupy or assume or discharge the duties of any office under the United States, vacancies in which are filled by popular election, or to accept any other employment in the Government, for a period of five years after the date on which such individual's services as Public Attorney are terminated.

"§ 582. Jurisdiction

"(a) The Public Attorney shall investigate and prosecute (1) allegations of corruption in the administration of the laws by the executive branch of the Government; (2) cases referred by the Attorney General because of actual or potential conflicts of interest; (3) criminal cases referred to him by the Federal Election Commission; and (4) allegations of violations of Federal laws relating to campaigns and elections for elective office.

"(b) The Public Attorney shall notify the Attorney General of the initiation or termination of an investigation or proceeding with respect to any matter within his jurisdiction under subsection (a) of this section. After the receipt of any such notification and while any investigation or proceedings to which any such notification relates is pending, the Attorney General shall, and shall cause other divisions of the Department of Justice to, refrain from conducting any investigation or prosecution with respect to the subject matter of such notification or any related or overlapping matter, and to refrain from taking any related action with respect thereto, except to the extent that the Public Attorney has given prior written approval thereof.

"(c) If at any time the Attorney General believes or has reason to believe that any investigation conducted under his supervision or is likely to involve any matter that would constitute a conflict of interest or that would otherwise fall within the jurisdiction of the Public Attorney under subsection (a) of this section, he shall promptly notify the Public Attorney thereof and of the reasons for such belief. Upon receipt of any such notification, the Public Attorney may in his discretion—

"(1) assume sole responsibility for any further conduct of such investigation;

"(2) participate with the Attorney General in any further conduct of such investigation; or

"(3) defer to the ongoing investigation under the supervision of the Attorney General in which case the Attorney General shall keep the Public Attorney fully informed as to the further progress of any such investigation.

"§ 583. Powers

"The Public Attorney shall, with respect to any matter within his jurisdiction under section 582 of this title, have full power and authority, consistent with the Constitution of the United States—

"(1) to conduct such investigation thereof as he deems appropriate;

"(2) to obtain and review such documentary, testimonial, or other evidence or information as he deems material thereto as may be available from any source, and, if in the possession of an agency of the United States (as defined in section 6001(1) of title 18), without regard to the provisions of section 552(b) (with the exception of paragraph (6) thereof) of title 5;

"(3) to issue appropriate instructions to the Federal Bureau of Investigation and other domestic investigative agencies of the United States (which instructions shall be treated by the heads of such agencies as if received from the Attorney General) for the collection and delivery solely to the office of the Public Attorney of information or evidence relating to such investigation, and for the safeguarding of the integrity and confidentiality of all files, records, documents, physical evidence, and other materials obtained or prepared by the Public Attorney;

"(4) to receive appropriate national security clearances;

"(5) to issue subpenas to such persons as he may deem necessary to obtain and review and initiate or defend appropriate proceedings in any court of the United States of competent jurisdiction relating to compliance with any such subpena;

"(6) to conduct proceedings before grand juries;

"(7) to make application to any court of the United States of competent jurisdiction in a manner consistent with part V of title 18 for a grant of immunity to any witness;

"(8) to frame, sign, and file criminal indictments and informations, and prosecute criminal proceedings in the name of the United States, which proceedings shall, except as otherwise provided for in this chapter, comply with the requirements of law governing the conduct of such proceedings;

"(9) to conduct such civil proceedings as he may deem appropriate to enforce any provision or obtain any remedy for violation of any law he is charged with enforcing; and

"(10) notwithstanding any other provision of law, to exercise all other powers as to the conduct of criminal investigations, prosecutions (including prosecutions for prejury committed in the course of any investigation or judicial or legislative hearing with respect to any matter within his jurisdiction), civil proceedings, and appeals, within his jurisdiction, that would otherwise be vested exclusively in the Attorney General and the United States attorney under the provisions of chapters 31 and 35 of this title and any regulation promulgated pursuant to either such chapter, and act as attorney for the Government in such investigations, prosecutions, proceedings, and appeals.

"§ 584. Notification to Attorney General of initiation of prosecution

"(a) The Public Attorney may sign and file any indictment returned by a grand jury convened at his request or under his direction and may sign and file any criminal information, with respect to any matter within his jurisdiction under section 582 of this title, except that in each such instance the Pulbic Attorney shall give the Attorney General five days' prior written notice thereof.

"(b) If the Attorney General of the United States disapproves the filing of any indictment or information, or any subsequent action or position taken by the Public Attorney in the course of any judicial proceeding pursuant thereto, the Attorney General shall be entitled to appear and present his views amicus curiae to any court before which any such proceeding is pending.

"§ 585. Administrative provisions

"(a) The Public Attorney may appoint, fix the compensation, and assign the duties of such personnel as may be necessary to carry out his duties and functions under this chapter. The Public Attorney may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5.

"(b) The Public Attorney may from time to time make such provisions as he considers appropriate authorizing the performance by any other officer or employee of the Office of any function of the Public Attorney.

"(c) The Public Attorney is authorized—

"(1) to adopt, amend, and repeal such rules and regulations as may be necessary to carry out his duties and functions under this chapter; and

"(2) to utilize, with their consent, the services, equipment, personnel, and facilities of any department or agency of the United States on a reimbursable basis.

"(d) The Public Attorney may, in his discretion, appoint special assistants to discharge his responsibilities with respect to a particular matter or matters within his jurisdiction.

"(e) Upon request made by the Public

Attorney each Federal department and agency is authorized and directed to make its services, equipment, personnel, facilities, information (including suggestions, estimates, and statistics) available to the greatest practicable extent consistent with the laws, to the Public Attorney in the performance of his duties and functions.".

(b) Section 202 of title 18, United States Code, is amended by redesignating subsection (b) as subsection (c), and adding after subsection (a) the following new subsection:

"(b) As used in sections 205, 207, 208, and 209 of this title the term 'officer or employee' includes the Public Attorney and members of his staff; and as used in section 201 of this title the term 'public official' includes the Public Attorney and professional members of his staff.".

(c)(1) Section 1905 of title 18, United States Code, is amended—

(A) by inserting "(a)" immediately before "Whoever"; and

(B) by adding at the end thereof the following new subsection:

"(b)(1) It shall be unlawful for any officer or employee of the United States or of any department or agency thereof, or the member of any grand jury convened at the request or under the direction of the Public Attorney who, in the course or under color of his duties as such officer, employee, or member has had any direct contact with an employee or officer lawfully participating in an investigation being conducted by the Public Attorney pursuant to chapter 39 of title 28 by virtue of which such person has come into the possession of any evidence or information obtained by or in the possession of the Public Attorney or the product of an investigation conducted by the Public Attorney pursuant to such chapter, to disclose, or to cause the disclosure, or in any manner to further the disclosure, of such evidence, information, or product to any person other than an officer or employee of the Office of the Public Attorney or the Department of Justice, or of a court in which a grand jury convened at the request or under the direction of the Public Attorney is proceeding, or (to the extent otherwise provided for by law) to a person who is likely to or has become the subject of an investigation by the Public Attorney, except that the Public Attorney may make such public disclosure as is permitted by law of such information as he deems necessary, appropriate, or required by law in connection with a proceeding instituted by him.

"(2) Whoever violates any provision of paragraph (1) of this subsection shall be subject to a civil penalty of not less than $1,000 or more than $25,000 and, if the violation is willful, shall be fined not more than $50,000 or imprisoned for one year, or both.

"(3) Nothing in this subsection shall be construed to prohibit the Public Attorney from taking any action he is authorized to take under chapter 39 of title 28, or to preclude any defendant in a criminal case from obtaining any information concerning grand jury proceedings or in the possession of a prosecuting official of the United States to which he would otherwise by law be entitled.".

(2)(A) The caption of section 1905 of such title is amended to read as follows:

"§ 1905. Disclosure of confidential information generally and with respect to investigations or proceedings conducted by the Public Attorney"

(B) The analysis of chapter 93 of such title is amended by inserting immediately before the period at the end of item 1905 the following: "and with respect to investigations or proceedings conducted by the Public Attorney".

(d) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"(22) Public Attorney.".

(e) The Administrator of General Services shall provide the Office of the Public Attorney with such offices and support facilities as may be necessary, and such additional offices and support facilities as may from time to time be required to carry out the provisions of this Act, except that such offices and facilities shall be physically separate from the office of the Department of Justice or of any division thereof.

CONGRESSIONAL LEGAL SERVICE

SEC. 102. (a) For purposes of this section—

(1) "Member of Congress" means a Senator, Representative, Delegate, or Resident Commissioner;

(2) "Member of the House of Representatives" includes a Representative, Delegate, or Resident Commissioner;

(3) "State" includes any territory or possession of the United States; and

(4) "deferral of budget authority" shall have the same meaning as provided in the Congressional Budget and Impoundment Control Act of 1974 (88 Stat. 297).

(b)(1) There is established within the Congress a Congressional Legal Service, which shall be under the direction and control of the Congressional Legal Counsel. The Congressional Legal Counsel shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate from among recommendations submitted by the majority and minority leaders of the House of Representatives and the Senate. Such appointment shall be made without regard to political affiliation and solely on the basis of his fitness to perform the duties of his office. The Congressional Legal Counsel shall receive basic pay at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) The Congressional Legal Counsel may appoint and fix the compensation of such Assistant Legal Counsels and other personnel as may be necessary to carry on the work of his office. All such appointments shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of their offices.

(3) The Congressional Legal Counsel shall promulgate for his office such rules and regulations as may be necessary to carry out the duties imposed upon him by this Act. He may delegate authority for the performance of any such duty to an officer or employee of the Congressional Legal Service. No person serving as an officer or employee of such office may engage in any other business, vocation, or employment while so serving.

(4) The Congressional Legal Counsel shall cause a seal of office to be made for his office, of such design as the Speaker of the House of Representatives and the President pro tempore of the Senate shall approve, and judicial notice shall be taken thereof.

(c)(1) It shall be the duty of the Congressional Legal Counsel—

(A) to render, upon request of either House of Congress, a joint committee of Congress, any committee of either House of Congress, at least three Senators, or twelve Members of the House of Representatives, legal opinions upon questions arising under the Constitution and laws of the United States, including but not limited to, whether—

(i) a request for information or inspection of a record or other matter under section 552 of title 5, United States Code, was properly denied by an agency of the United States Government;

(ii) a nomination, or an agreement with a foreign country or regional or international organization, should have been submitted to the Senate for its advice and consent;

(iii) an activity has been undertaken or continued, or not undertaken or continued, by the executive branch of the United States Government in violation of the law or the Constitution or without any required authorization of law;

(iv) executive privilege exists, and, if so, whether it has been properly asserted; and

(v) deferrals of budget authority have been made in accordance with law;

(B) upon the request of either House of Congress, a joint committee of Congress, any committee of either House of Congress, at least three Senators, or at least twelve Members of the House of Representatives—

(i) to advise and to consult and cooperate with parties bringing civil actions against officers and employees of the executive branch of the United States Government or any agency or department thereof, with respect to their execution of the laws, and the Constitution of the United States; and

(ii) to intervene or appear as amicus curiae on behalf of persons making such request in any action pending in any court of the United States or of a State or political subdivision thereof, in which there is placed in issue the constitutionality or interpretation of any law of the United States, or the validity of any official proceeding of, or official action taken by, either House of Congress, a joint committee of Congress, any committee of either House of Congress, or a Member of Congress, or any officer, employee, office, or agency of the Congress;

(C) to represent, upon request, either House of Congress, a joint committee of Congress, any committee of either House of Congress, a Member of Congress, or any officer, employee, office, or agency of the Congress in any legal action pending in any court of the United States or of a State or political subdivision thereof to which such House, joint committee, committee member, officer, employee, office, or agency is a party and in which there is placed in issue the validity of any official proceeding of, or official action taken by, such House, joint committee, committee member, officer, employee, office, or agency; and

(D) if an opinion has been rendered in accordance with subparagraph (A) of this paragraph, and upon request of either House of Congress, a joint Committee of Congress, any committee of either House of Congress, at least six Senators, or at least twenty-four Members of the House of Representatives, to bring civil actions, without regard to the sum or value of the matter in controversy, in a court of the United States to require an officer or employee of the executive branch of the United States Government, or any agency or department thereof, to act in accordance with the Constitution and laws of the United States as interpreted in such opinion.

(2) Upon receipt of written notice from the Congressional Legal Counsel to the effect that he has undertaken, pursuant to paragraph (1)(C) of this subsection, to perform any such specified representational service with respect to any designated action or proceeding pending or to be instituted, the Attorney General shall be relieved of responsibility and shall have no authority to perform such service in such action or proceeding except at the request or with the approval of the Congressional Legal Counsel.

(d)(1) Permission to intervene or to file a brief amicus curiae under subsection (c)(1)(B)(ii) of this section shall be of right, without regard to the requirements for standing as set forth in any statutes, rules, or other requirement of standing, and may be denied by a court only upon an express finding that such intervention or filing is untimely and would significantly delay the pending action.

(2) Where an actual case or controversy exists, persons making requests under subsection (c)(1)(D) of this section shall have the right to obtain judicial review of the conduct in question without regard to the requirements for standing as set forth in any statutes, rules, or other requirement of standing.

(3) For the purpose of all proceedings incident to the trial and review of any action described by paragraph (1)(C) of subsection (c) with respect to which the Congressional Legal Counsel has undertaken to provide representational service, and has so notified the Attorney General, the Congressional Legal Counsel shall have all powers conferred by law upon the Attorney General, any subordinate of the Attorney General, or any United States attorney.

(4) The Congressional Legal Counsel, or any attorney of his office designated by him for that purpose, shall be entitled for the purpose of performing duties imposed upon him pursuant to this section to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this subsection shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

(e) All legal opinions rendered by the Congressional Legal Counsel under subsection (c)(1)(A) of this section shall be published and made available for public inspection under such rules and regulations as the Congressional Legal Counsel shall promulgate.

(f)(1) Section 3210 of title 39, United States Code, is amended—

(A) by inserting immediately after "respective terms of office" the following: "the Congressional Legal Counsel,"; and

(B) by inserting immediately before "or Legislative Counsel" the following: "Congressional Legal Counsel,"

(2) Section 3216(a) of such title is amended by inserting immediately before "and Legislative Counsel" the following: "Congressional Legal Counsel,".

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of section 101 of this title.

(b) There are authorized to be appropriated to the Office of the Congressional Legal Counsel such sums as may be necessary for the performance of the duties of the Congressional Legal Counsel under section 102 of this title. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Congressional Legal Counsel.

TITLE II—GOVERNMENT PERSONNEL

FINANCIAL DISCLOSURE REQUIREMENTS FOR PRESIDENT AND VICE PRESIDENT

SEC. 201. (a) An individual who holds the Office of President or Vice President at any time during the year shall file a report with the Comptroller General, not later than May 15 of the following year, containing a full and complete statement of—

(1) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, and for purposes of this paragraph "tax" means any Federal, State, or local income tax and any Federal, State, or local property tax;

(2) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from his spouse or any member of his immediate family) received by him or by him and his spouse jointly during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(3) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of $1,000, and the amount of each liability owed by him or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(4) any transaction in securities of any business entity by him or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $1,000 during such year;

(5) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $1,000;

(6) any purchase or sale, other than the purchase or sale of his personal residence, of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000; and

(7) any expenditure made by another individual for the personal benefit of him or his spouse.

(b) Reports required by this section shall be in such form and detail as the Comptroller General may prescribe.

(c) All reports under this section shall be maintained by the Comptroller General as public records, which, under such reasonable rules as he shall prescribe, shall be available for inspection by members of the public.

(d) As used in this section—

(1) The term "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954.

(2) The term "security" means security as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77b).

(3) The term "commodity" means commodity as defined in section 2 of the Commodity Exchange Act (7 U.S.C. 2).

(4) The term "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity.

(5) The term "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouses of such persons.

(e) The first report required under this section shall be filed thirty days after the date of enactment of this Act if such date occurs after May 15 of any calendar year.

PROHIBITING CAMPAIGN SOLICITATIONS BY APPOINTEES CONFIRMED BY THE SENATE AND EXECUTIVE OFFICE PERSONNEL

SEC. 202. (a) Section 7323 of title 5, United States Code, is amended to read as follows:

"§ 7323. Political contributions; prohibition

"(a) An employee in an executive agency (except an employee to whom subsection (b) of this section applies) may not request or receive from, or give to, an employee, a Member of Congress, or an officer of a uniformed service a thing of value for political purposes.

"(b) An employee in an executive agency who is appointed by the President, by and with the advice and consent of the Senate, or is paid from the appropriation for the Executive Office of the President may not request or receive from anyone a thing of value for political purposes at any time while he is such an employee and for a one-year period occurring immediately after each time he is no longer so employed.

"(c) An employee who violates this section shall be removed from the service.".

(b) Section 602 of title 18, United States Code, is amended—

(1) by inserting the subsection designation "(a)" immediately before "Whoever"; and

(2) by inserting at the end thereof the following:

"(b) Any officer or employee of the United States who requests or receives from anyone a thing of value for political purposes in violation of section 7323(b) of title 5 shall be fined not more than $5,000 or imprisoned not more than three years or both.".

APPLICATION OF HATCH ACT TO DEPARTMENT OF JUSTICE

SEC. 203. Section 7324(d) of title 5, United States Code, is amended—

(1) by inserting in clause (2), immediately after "Executive department", the following: "(other than the Department of Justice)"; and

(2) by inserting in clause (3), immediately after "an employee", the following: "who is (A) not an employee of the Department of Justice, and (B)".

INTELLIGENCE ACTIVITIES BY PERSONNEL OF THE EXECUTIVE OFFICE OF THE PRESIDENT

SEC. 204. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following:

"§ 112. Investigative and intelligence functions

"Any individual who is employed by or detailed to any agency of the Executive Office of the President, including the White House Office, who is compensated from appropriated funds, shall not, directly or indirectly, engage in any investigative or intelligence gathering activity concerning national or domestic security unless specifically authorized to do so by statute.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"112. Investigative and intelligence functions.".

INTERFERENCE WITH ELECTIONS BY GOVERNMENT EMPLOYEES

SEC. 205. (a) Section 595 of title 18, United States Code is amended—

(1) by striking out "loans or grants" in the first paragraph and inserting in lieu thereof the following: "loans, grants, subsidies, or any other payments, including payments made under a contract,"; and

(2) by striking out "$1,000" and "one year" in the first paragraph and inserting in lieu thereof "$25,000" and "five years", respectively.

(b) Section 600 of such title is amended by striking out "$1,000" and "one year" and inserting in lieu thereof "$25,000" and "five years", respectively.

DISCLOSURE OF REQUEST FOR TAX AUDIT

SEC. 206. (a) Subchapter A of chapter 78 of the Internal Revenue Code of 1954 (relating to examination and inspection) is amended by redesignating section 7609 as 7610, and by inserting after 7608 the following new section:

"§ 7609. Disclosure of certain requests for investigations

"(a) General rules.

"As soon as is practical after the beginning of each calendar year, the Secretary or his delegate shall make a report to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Internal Revenue Taxation which describes each request, direct or indirect, received by the Secretary or his delegate during the preceding calendar year from an officer, including the President, or employee of the Executive Office of the President, including the White House Officer, for information or an investigation with respect to the liability for tax of any taxpayer. Such report shall include—

"(1) the name and office of each officer or employee who makes such a request,

"(2) the name of the taxpayer who is the subject of each request, and

"(3) a description of any action which the Secretary or his delegate took with respect to such taxpayer as a result of such request.

"(b) Requests from Executive Office of the President.

"All such requests made by the President or an officer or employee of the Executive Office of the President, including the White House Office, shall be in writing and shall be maintained on file by the Secretary.

"(c) Limitation of information disclosure.

"Pursuant to such requests, the Secretary shall disclose only the name of a person or group and the general nature of an investigation if he determines that further disclosure will prejudice the rights of the person or group or the effective and impartial administration of this title."

(b) The table of sections for such subchapter A is amended by striking out the item relating to section 7609 and inserting in lieu thereof the following:

"Sec. 7609. Disclosure of certain requests for investigation.

"Sec. 7610. Cross references.".

ACCESS TO TAX RETURNS

Sec. 207. Section 6103(a) of the Internal Revenue Code of 1954 (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended by—

(1) striking out "upon order of the President and" and "approved by the President" in paragraph (1),

(2) striking out "the President" in paragraph (2) and inserting in lieu thereof "the Secretary or his delegate", and

(3) adding at the end thereof the following new paragraph:

"(4) Except as provided in section 7609 (relating to disclosure of certain requests for investigations), returns referred to in paragraphs (1) and (2) shall not be open to inspection or examination by the President, the Vice President, or any officer or employee of the Executive Office of the President.".

TITLE III—CONGRESSIONAL ACTIVITIES

JURISDICTION TO HEAR CERTAIN CIVIL ACTIONS BROUGHT BY THE CONGRESS

Sec. 301. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Congressional actions

"(a) The District Court for the District of Columbia shall have original jurisdiction, without regard to the sum or value of the matter in controversy, over any civil action brought by either House of Congress, any committee of such House, or any joint committee of Congress, to enforce or secure a declaration concerning the validity of any subpena or order issued by such House or committee, or by any subcommittee of such committee, to any officer, including the President and Vice President, or any employee of the executive branch of the United States Government to secure the production of information, documents, or other materials.

"(b) Either House of Congress, any committee of such House authorized by such House to bring suit, or any joint committee of Congress authorized by Congress to bring suit, in addition to any other available remedies, may commence and prosecute a civil action under subsection (a) in its own name or in the name of the United States in the District Court for the District of Columbia to enforce or secure a declaration concerning the validity of any subpena or order issued by such House or committee, or by any subcommittee of such committee, against any officer, including the President and Vice President, or any employee of the executive branch of the United States Government to secure the production of information, documents, or other materials.

"(c) Any House or committee commencing or prosecuting an action pursuant to this section may be represented in such action by such attorneys as it may designate.".

(b) The analysis of such chapter 83 is amended by adding at the end thereof the following new item:

"1364. Congressional actions.".

PERJURY BEFORE CONGRESSIONAL COMMITTEES

Sec. 302. (a) Section 1621 of title 18, United States Code, is amended by adding at the end thereof the following new sentence: "It is not a defense to an action brought under this section that the statement or declaration was made at a time when a quorum of the tribunal, where such tribunal is both Houses or either House of Congress, any committee or subcommittee of either House of Congress, or any joint committee, or subcommittee thereof, of Congress was not present if the oath was properly administered and taken.".

(b)(1) Section 1623 of title 18, United States Code is amended—

(A) once in subsection (a), twice in subsection (c), and once in subsection (d) by inserting immediately after "ancillary to" the following: "the Congress or to"; and

(B) by adding at the end thereof the following new subsection:

"(f) As used in this section, 'proceeding before or ancillary to the Congress' includes a proceeding before both Houses or either House of Congress, any committee or subcommittee of either House of Congress, or any joint committee, or subcommittee thereof, of Congress.".

(2) The caption of such section is amended by inserting "Congress or a," immediately after "before".

(3) The analysis of chapter 79 of such title is amended by inserting "Congress or a," immediately after "before" in item 1623.

TESTIMONY BEFORE SENATE COMMITTEES

Sec. 303. Section 133A(b) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 190a–1(b)), is amended to read as follows:

"(b) Each hearing conducted by each standing, select, or special committee of the Senate (except the Committee on Appropriations) shall be open to the public except (1) when the committee determines that the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulation, or (2) when the committee determines that the requirements of efficient and productive investigation require that the meeting be closed and that the investigation would be materially harmed if a regimen of confidentiality were not imposed. Whenever any such hearing is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee may adopt."

TITLE IV—FEDERAL ELECTION CAMPAIGN ACTIVITIES, CONTRIBUTIONS, AND CRIMINAL SANCTIONS

FEDERAL TAX INCENTIVES FOR CAMPAIGN CONTRIBUTIONS

Sec. 401. (a)(1) Section 41(a) of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by striking out "one-half" and inserting in lieu thereof "the sum".

(2) Section 41(b)(1) of such Code (relating to maximum credit) is amended to read as follows:

Maximum credit.—The credit allowed by subsection (a) for a taxable year is limited to $25 ($50 in the case of a joint return under section 6013).".

(3)(A) Section 218 of such Code (relating to deduction for contributions to candidates for public office) is repealed.

(B) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 218 and inserting in lieu thereof the following:

"Sec. 218. Repealed.".

(b) The amendments made by this section apply to contributions made after December 31, 1974.

PENALTY FOR ILLEGAL CAMPAIGN CONTRIBUTIONS

Sec. 402. The second paragraph of section 610 of title 18, United States Code, is amended by striking out all after the first semicolon and inserting in lieu thereof the following: "and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution or expenditure by the corporation or labor organization as the case may be, and any person who accepts or receives any contribution, in violation of this section, shall be fined not more than $50,000 or imprisoned not more than two years, or both.".

UNLAWFUL USE OF CAMPAIGN MATERIALS

Sec. 403. (a) Section 612 of title 18, United States Code, is amended—

(1) by inserting "(a)" immediately before the text of such section; and

(2) by adding at the end thereof the following new subsection:

"(b) Whoever embezzles, steals, or by fraud or deception obtains from any individual who has publicly declared his intent to seek nomination for election, or election, to any Federal office in an election or has caused or permitted his intention to do so to be publicly declared, any campaign materials, documents, or papers which are not available for public dissemination and which belong to, or are in the custody of, any such person shall be fined not more than $5,000, or imprisoned not more than five years, or both.".

(b)(1) The caption of such section is amended by adding at the end thereof the following: "and theft of campaign materials".

(2) The analysis of chapter 29 of such title is amended by inserting immediately before the period in the item relating to section 612 a semicolon and the following: "unlawful use of campaign materials.".

CRIMINAL SANCTIONS GENERALLY

Sec. 404. (a) Chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"§ 618. Use of funds to finance violation of provisions of Federal election laws

"No person may make any expenditure, payment of money, or transfer of other property to compensate another person for violating any provision of this chapter or of any other law of the United States relating to elections, or to compensate any other person for engaging in any activity which the individual making the expenditure, payment, or transfer knows, or has reason to know, will probably result in a violation of any such provision. Violation of the provisions of this section is punishable by a fine of not to exceed $25,000, imprisonment for not to exceed five years, or both.

"§ 619. Contributions by certain other recipients of Federal funds

"(a) No person who receives one or more grants, loans, or subsidy payments in excess of $5,000, singly or in the aggregate, in any calendar year from funds appropriated by the Congress may make a contribution during that year to any other person for any political purpose. No person may solicit a contribution from any person to whom the preceding sentence applies during any calendar year during which he is prohibited, on account of the application of such sentence, from making a contribution.

"(b) For purposes of this section, each officer or director of a corporation which receives such grants, loans, or other subsidy payments is considered to have received the entire amount of grants, loans, or other subsidy payments received by the corporation during the calendar year.

"(c) Violation of the provisions of this section is punishable by a fine of not more than $5,000, imprisonment for not more than five years, or both.

"§ 620. Fraudulent infiltration of Federal election campaigns for espionage and sabotage purposes

"Whoever—

"(1) obtains employment, voluntary or paid, in a campaign of any person who has publicly declared his intent to seek nomination for election, or election, to Federal office in any election by false pretenses, misrepresentation, or any other fraudulent means for the purpose of interfering with, spying on, or obstructing any campaign activity of such person; or

"(2) causes any person to obtain employment, voluntary or paid, in any such campaign for such purpose;

shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"§ 621. Misrepresentation of a candidate for elective office

"Whoever willfully makes any false, fictitious, or fraudulent statements or representations that such person represents any person who has publicly declared his intention to seek nomination for election, or election, to Federal office in any election or has caused or permitted his intention to do so to be publicly declared, for the purpose of interfering with any such election, shall be fined not more than $5,000, or imprisoned for not more than five years, or both.

"§ 622. Crimes affecting elections

"(a) It constitutes a separate offense and a violation of this section for a person to commit a violation of any provision of State law or of any provision of this title, other than any other provision of this chapter if the violation—

"(1) was committed for the purpose of interfering with, or affecting the outcome of, an election, and

"(2) is punishable by imprisonment for more than one year.

"(b) Violation of the provisions of subsection (a) is punishable by a fine not to exceed $25,000, imprisonment for not more than five years, or both.".

(b)(1) Section 591 of title 18, United States Code, as amended by section 404(b)(1) of this Act is amended by striking out "and 613" and inserting in lieu thereof "612, 613, 614, 615, 616, 617, 618, 619, 620, 621, and 622".

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new items:

"618. Use of funds to finance violation of provisions of Federal election laws.
"619. Contributions by certain other recipients of Federal funds.
"620. Fraudulent infiltration of Federal election campaigns for espionage and sabotage purposes.
"621. Misrepresentation of a candidate for elective office.
"622. Crimes affecting elections.".

OBSTRUCTION OF GOVERNMENT FUNCTIONS

SEC. 405. (a) Chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1028. Obstruction of Government functions generally

"Whoever intentionally obstructs, impairs, or perverts a Government function by defrauding the Government of the United States, or any department or agency thereof, in any manner, shall be fined not more than $10,000 or imprisoned not more than five years, or both.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"1028. Obstruction of Government functions generally.".

By Mr. BENTSEN:

S. 496. A bill to amend the Social Security Act so as to provide, for a 1-year period, hospital insurance coverage under medicare for unemployed workers and their families. Referred to the Committee on Finance.

MEDICARE COVERAGE FOR THE UNEMPLOYED

Mr. BENTSEN. Mr. President, during the calendar year from December 1973 to December 1974 total joblessness in this country increased by over 2.1 million individuals.

The jobless rate now stands at 7.1 percent as opposed to 4.8 percent only a year ago; that represents one of the steepest climbs in unemployment since the Second World War.

The rapid escalations in unemployment have created some severe economic dislocations in our economy: unemployment compensation applicants have swelled dramatically, more working class individuals are turning to food stamps, and the social services in our society are being compelled to serve a broader range of people.

Congress has taken some significant steps to address the problems of the 6.5 million men and women out of work. We have passed major public works employment legislation, and we have extended unemployment compensation benefits.

There is, however, one major gap in our efforts to protect the unemployed, and that is in the area of medical coverage. According to Library of Congress estimates, it is probable that more than 1.74 million workers have lost their hospitalization coverage since December 1973, and this figure does not, of course, include the workers whose coverage had lapsed prior to that time.

For the unemployed man or woman who confronts the possibilities of a debilitating illness while uncovered by medical insurance, the anxieties are considerable. Hospital costs have tripled in the last 10 years. A day in the hospital cost, on the average, $33 in 1960, but in 1970 it cost $115. The costs of health care have escalated at twice the rate of the rise in the cost of living. Many of the newly unemployed are ineligible for medicaid, and, if they are, they find that the coverage fluctuates widely from State to State. Therefore, they find checks that may range from $90 to $125 per week, and unable to afford the high costs of purchasing health insurance policies for themselves or their families.

If they or members of their families require hospitalization, they find frequently that group hospitalization and surgical plans cease their coverage at the end of the calendar month in which termination of employment occurs. In fact, then, they are open to the possibilities of enormous debt and to the reality that hospitals may refuse to admit them without health insurance coverage.

I have long been on record arguing that we need a comprehensive national health insurance program, which would address these critical problems in a uniform way. I believe that we must be particularly concerned with the plight of the 25 to 30 million Americans who have no health insurance coverage whatsoever, many of whom are on welfare and ineligible for unemployment compensation.

The hard fact, is however, that we may not have a major health insurance bill before us for some time. To meet the urgent problems of the unemployed, we are going to require an emergency, stopgap health insurance program.

Today, I am introducing such a measure. It attempts to treat in an equitable way the millions of unemployed workers and their dependents who require protection against the burdens of hospital costs.

It is in no way a substitute for national health insurance; the high priority for that program still exists. It is, rather, an attempt to meet an emergency situation in the fairest possible way.

Briefly, the bill provides that an individual, if entitled to weekly benefits under a Federal or State unemployment compensation plan, would be entitled to be enrolled in the medicare, part A, program, which is directed to hospital costs. A dependent spouse or a dependent child or children would also be entitled to the basic medicare coverage, and in addition to that, they could receive a maternal and child health benefit package which would be devised by the Secretray of HEW.

All of the deductibles and co-payments under medicare would apply to these newly covered individuals.

To avoid unnecessary costs, benefits under the proposal would not be paid to the extent that any prepayment plan or insurance policy is still in effect, following termination of the individual's employment.

General revenue funds would be appropriated to the Federal Hospital Insurance Trust Fund in order to place in the fund the amount necessary to leave it in the same position it would have been in if the proposal had not been in effect.

Because the bill is designed as an emergency measure, it will be effective only for the 12-month period after the law is enacted.

Mr. President, it is obvious that any program developed for an emergency will result in some inequities. We recognized that when we passed the emergency public employment measure. But if we wait for comprehensive long-term health insurance bill, we may well end by helping neither the very poor nor the unemployed over the near term, and the problem is a near-term problem.

I have considered other proposals before advancing this one in its present form. Although I remain open-minded on the final structure of this program, I believe that using medicare has several advantages. In the first place, it is an in-place system, which would not require an additional layer of bureaucracy. It has a standardized benefit package, which means that all who take advantage of it will fare equally. Finally, it covers the most essential hospital services: Operating and recovery room costs, lab tests, radiology services, medical supplies, and a wide range of rehabilitation services.

If we find that the final cost estimates from HEW can be revised downward, we stand ready to amend the final benefit package.

We have received a preliminary estimate that the coverage under part A would require some $2.1 billion in general revenues, but these estimates are currently being refined. I recognize that this is a substantial sum, but I believe that the need for the legislation is so compelling that we are justified in offering this kind of protection to the millions of unemployed now facing an uncertain economic future compounded by the fears that catastrophic illness will eat up whatever savings they now have.

I intend to continue to press for comprehensive health insurance, but we cannot allow this program to await the outcome of the debate on that issue, which promises to be long and protracted.

I commend to my colleagues this legislation and invite their cosponsorship.

At this point, I ask unanimous consent to insert the text of the measure in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 226 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j) (1) Notwithstanding the foregoing provisions of this section or any provision of title XVIII—

"(A) every individual who—

"(i) is unemployed,

"(ii) is not, and upon filing any appropriate application would not be, entitled under any other provision of law to hospital insurance benefits under part A of title XVIII, and

"(iii) is not dependent spouse (as defined in regulations of the Secretary), and

"(B) every individual who is the dependent spouse or dependent child (as defined in regulations of the Secretary) of an individual described in clause (A),

shall be entitled to hospital insurance benefits under part A of title XVIII for each calendar month for which the conditions prescribed in clause (A) or clause (B), as the case may be.

"(2) An individual shall be deemed to be unemployed for a calendar month only if, for the first week which ends in such month, such individual has established, under a State or Federal unemployment compensation law, entitlement to weekly benefits under such law. For purposes of the preceding sentence, an individual shall not be regarded as having failed to establish entitlement to a weekly benefit under such law for any week if a benefit for such week is not payable to him solely because he was unable to work because of illness or disease if such individual received a weekly benefit under such law for the week preceding the first week that he was unable to work because of illness or disease.

"(3) (A) The provisions of title XVIII relating to deductibles and copayments shall be applicable to individuals deemed to be entitled to hospital insurance under this subsection.

"(B) The Secretary shall by regulation waive, with respect to individuals covered under the hospital insurance program established by part A of title XVIII by this subsection, any condition or limitation contained therein if, and to the extent that, he determines that the application of such condition or limitation would work a peculiar hardship or inequity on such individuals or would deny such idividuals needed maternal and child health services.

"(C) Notwithstanding any provision of title XVIII, amounts otherwise payable under such title for any item or service provided to an individual entitled to benefits thereunder by reason of the preceding provisions of this subsection shall not be payable if, and to the extent that, any prepayment plan or insurance policy covering such individual is legally obligated to make payment for such item or service.

"(4) There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

"(A) payments made or to be made during such fiscal year from such Trust Fund with respect to individuals covered for hospital insurance under the preceding provisions of this subsection,

"(B) the additional administrative expenses resulting or expected to result therefrom, and

"(C) any loss in interest to such Trust Fund resulting from the payment of such amounts,

in order to place such Trust Fund in the same position at the end of such fiscal year in which it would have been if the preceding provisions of this subsection had not been enacted."

(b) The amendment made by subsection (a) shall be effective only for the 12-month period beginning on the first day of the month following the month in which this Act is enacted.

By Mr. BUCKLEY (for himself, Mr. Brooke, Mr. Dole, Mr. Humphrey, and Mr. Domenici):

S. 497. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act. Referred to the Committee on Finance.

SPECIAL COST-OF-LIVING INDEX FOR THE AGED RECEIVING SOCIAL SECURITY PAYMENTS

Mr. BUCKLEY. Mr. President, today I am reintroducing a bill to require the creation of a cost-of-living index for the aged. There is no doubt that the elderly have certain special consumer needs and interests not generally shared by the public at large. Such items as medical care, medicine, personal services, heating oil, and housing are examples of goods or services of which the elderly often have a greater and continuing need. The costs of some of these special items have risen significantly faster and higher even in recent years than the general price index, which itself has shot upward as a result of rampant inflation. A good example of this problem is the cost of health care, which rose 50 percent more than the overall Consumer Price Index between 1965 and 1970. For instance, between 1965 and 1970, the daily hospital service charge cost nearly 70 percent. On the average the cost of hospital care is the highest single item—nearly 50 percent on the annual health bill of an elderly person.

That the need for, and cost of, health care impacts much more heavily on the elderly is demonstrated by the fact that, in fiscal year 1969, the average health bill for a person 65 or older was six times that for a youth, and 2½ times that for a person aged 19 to 64.

The elderly also spend more on food. The most recent survey of consumer expenditures, 1960–61, found that a couple over 65 spent 25 percent of their income on food, while a couple between the ages of 35 and 44 spent only 22 percent on food. In addition, the cost of food rose by 43 percent from 1965 to 1970, while the Consumer Price Index rose by only 31 percent during the same period.

Household costs is another area that impacts heavily on the elderly. Such costs comprised about 37 percent of the BLS budget constructed to reflect an adequate standard of living for a retired couple with a moderate income in 1972 compared to 31 percent for a young family of four persons.

Housing costs have also risen sharply in recent years. In many communities, for example, property taxes have doubled and even tripled within the past 10 years. Housing costs rose nearly 40 percent more than the Consumer Price Index from 1965 to 1970.

A more thorough documentation of the special cost-of-living problems of the elderly can be found in the extensive hearings held during the past several years by the Senate Special Committee on Aging, entitled "Economics of Aging: Toward a Full Share in Abundance."

This bill, which is identical to an amendment I offered, and which was accepted, to H.R. 3153, the Social Security Amendments Act of 1973, would provide for two things:

First, it would require the Secretary of Labor to develop a Consumer Price Index for the aged which would more accurately reflect the actual cost experience of the aged than does the existing Consumer Price Index which reflects norms for the entire population.

Second, it would require that the Consumer Price Index for the aged be employed to adjust the benefits received by social security recipients to reflect changes in the index on a quarterly basis. The bill would provide that in no case shall benefits received under the provisions of this legislation be less than those received under existing provisions of law.

Mr. President, I believe that the enactment of this legislation would insure that future cost-of-living increases under the Social Security Act are more attuned to, and accurately reflect, the actual needs and special expenses of the aged.

Mr. President, I ask unanimous consent that a paper discussing the need for this legislation, which was done by economist Gladys Ellenbogen, be inserted into the Record at the end of my remarks.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

Social Security Retirement Benefits and the Consumer Price Index

(By Gladys Ellenbogen, Ph. D.)

Aware of the continuing and accelerating rise in the cost of living, Congress in mid-1973 voted to increase social security benefits by the same percentage that the Consumer Price Index had risen between June 1972 and June 1973.[1] The increase, which takes effect with the July 1974 payment, is 5.9 percent.[2]

In 1972 Congress had mandated an automatic escalator provision for social security benefits. The increase was to start in January 1975 and the trigger for the benefit increase was a rise of 3 percent in the Consumer Price Index during any calendar quarter of the year.[3] With the persistent rise in prices the 1972 law was changed in two ways: the starting date has been moved up to July 1974 and the initial percentage increase is to be equal to the price level rise between June 1972 and June 1973. This rise, noted above, was 5.9 percent.[4]

For the first time in our nation's history the dollar amount of a government payment to a large segment of the public will be increased automatically as prices rise. Certainly Congress was well-intentioned in providing for automatic retirement benefit increases. However, since the Consumer Price Index is the only price index prepared by the federal government that conceivably could be used for this purpose, there was no available alternative for an inflation adjustment. However, the Consumer Price Index is an inappropriate adjustment factor for social security retirement beneficiaries. Where a price index is to affect the income and living standard of a well defined demographic group such as retired persons a specialized index should be prepared.

Occupationally and geographically the Consumer Price Index is inapplicable to the retired worker because it is designed to show changes in the cost of goods and services bought by the "urban wage earner and clerical worker." For calculation of the Consumer Price Index the Bureau of Labor Statistics of the U.S. Department of Labor each month collects the prices of about 400 separate goods and services which represent the totality of items purchased by the consumer. The consumer in this context is the urban wage earner and clerical worker.

Slightly over two million of the 20 million persons 65 and over are on payrolls. Even if we assume—and this is surely an invalid assumption—that all of the two million can be geographically classified as living in urban areas and occupationally classified as wage earners and clerical workers, there still remain 18 million persons over 65 who do not come within the definition of the "consumer" for purposes of the Consumer Price Index.

To these 18 million, who are neither wage earners nor clerical workers, there must be added the one and a half million retired workers between the ages of 62 and 64, who are receiving social security retirement benefits, albeit at an actuarially reduced level. In addition, there is the spouse, typically a wife, age 62 to 64, who is receiving benefits based on her husband's work record. Or, instead of the wife of a retired worker, there may be a widow receiving benefits based on the monthly amount due to the deceased primary beneficiary. The total number of these survivors and dependents, age 62 to 64, is currently 840,000.[5]

Most of these persons are not on payrolls. They, therefore, cannot be categorized as wage earners or clerical workers simply because they do not work.

And yet it is the change in prices of the 400 items on the shopping list of the urban wage and clerical worker which will change the income of the social security recipients who are neither wage earners nor clerical workers. To arrive at the shopping list of 400 items a Consumer Expenditure Survey is made at intervals of approximately ten years. About 17,000 families are interviewed to derive the list of goods and services purchased and it is from these lists that the 400 representative items are chosen for monthly pricing. The last completed Consumer Expenditure Survey—a new one is currently underway—was taken in 1960–1961 and some families headed by a retired person were interviewed. However, the Consumer Price Index is *not based* on their expenditures.

Therefore, we are faced with an unanswerable question: do social security retirement beneficiaries have patterns of expenditures identical to the expenditure patterns of wage earners and clerical workers? We do not know. For without a broad sample of retired persons and direct inquiry concerning their expenditures the question cannot be answered.[6] However, we can draw certain inferences from studying the "market basket" of goods and services comprising the Consumer Price Index.

The market basket of 400 items is grouped into eight broad categories and 11 limited categories. For example, food is a broad category which is subdivided into "food at home" and "food away from home." Housing, a large category, is comprised of narrower groupings such as rent, home ownership, fuel and utilities, household furnishings and operation.

The eight major categories are: Food; Housing; Apparel and upkeep; Transportation; Medical care; Personal care; Reading and recreation; and, Other goods and services.

The relative importance of a grouping or component of the Consumer Price Index is based on the Consumer Expenditure Survey which asks questions on the list of items purchased, the frequency of their purchase and the total dollar amount spent. Expenditures on each group are then computed as a percentage of 100; the relative importance of a component of the CPI is the expenditure for that component as a percentage of all items. The expenditure distribution for major components of the Consumer Price Index are as follows:

	Percent
All items	*100.000
Food	22.492
Housing	33.859
Apparel and upkeep	10.370
Transportation	13.134
Medical care	6.447
Personal care	2.573
Reading and recreation	5.656
Other goods and services	5.093

* Rounded to 100 percent from a total of 99.624 percent.

So that of each $100 the consumer spends for items in these categories approximately $22.50 is for food, $33.86 for housing, $13.13 for transportation and so forth.

To apply the Consumer Price Index to social security retirement beneficiaries it must be assumed the older person's expenditures for each component are in the same proportion as for the wage earner and clerical worker. This assumption is important because the expenditure components do not experience the same rate of price rise. For example, assume there are only two groups of expenditures: food and apparel. In the 12 month period beginning May 1972 food prices rose 12.8 percent and apparel 3.4 percent. If, however, food is a larger percentage of the expenditures of older persons than it is for persons on payrolls, and apparel is a smaller percentage for older persons, then the cost of living for older persons rose more than it did for wage earners and clerical workers.

Some tentative conclusions can be drawn from the analysis of the groups for which prices are calculated each month. Food at home rose 14.5 percent while food away from home rose only 6.5 percent. It would appear that retired persons are unlikely to eat away from home as frequently as working people because they do not have to have restaurant lunches as do most jobholders. And, too, eating "out" is usually more costly than eating at home. Further, there appears to be evidence, based on limited surveys, that older persons spend a larger percentage of their income on food and particularly food at home, than do other groups. The 1960–61 Consumer Expenditure Survey showed that retirees spend 2.5 percent more of their income for food than do wage and clerical workers. The Bureau of Labor Statistics in preparing its standard budgets for retired couples assumes 27.7 percent of all expenditures are accounted for by food. Standard budget figures, although not based on surveys, do include the cost of items considered appropriate for a specific living standard. The 27.7 percent figure is included in the distribution of costs for a moderate living standard.[7]

Close to 70 percent of older persons own their own homes. Consequently, property tax rises as well as increases in insurance costs and home maintenance charges affect the elderly with greater impact than age groups in which home ownership is not as prevalent. Although housing costs as a whole rose only 3.4 percent between Spring 1972 and Spring 1973, property taxes rose 5.8 percent. The Consumer Price Index figures for home ownership include home purchase costs and mortgage rates. These expenses are unlikely to be of as great significance to older persons as to younger. So that there needs to be a separate group of housing items relevant to the costs incurred by retired persons.

With respect to medical care, it would seem that older persons spend a larger percentage of their income on this component than do the other age groups. Evidence for this may be found in recently published figures of the Social Security Administration which show that persons over age 65 spent $276 in 1972 for out-of-pocket medical expenses, while persons under age 65 had out-of-pocket medical expenses of only $102.[8]

Since the income of persons 65 and over is lower than that of persons under 65 the $276 must be a larger percentage of older persons income than the $102 out-of-pocket of younger persons. It should be noted here, too, that the Consumer Price Index does not include the price of health insurance premiums. However, almost all social security beneficiaries and dependents or survivors 65 or over now pay $6.30 each month for their Medicare Part B premium. The amount of this Medicare premium has been increasing steadily over the years and raises medical costs for the elderly. For a married couple it is now $151.20 annually.

In addition to the difference in relative importance of the groups of items for retired persons as contrasted with the wage earner and clerical worker to whom the Consumer Price Index applies, there is the strategic issue of the specific items themselves. For example, included under apparel are such purchases as boys' sneakers, girls' plastic pocketbooks, boys' dungarees, and under "miscellaneous apparel" there is the item diapers. These are unlikely to be purchases made by the elderly. Household furnishings include the item cribs; for the group of items under the heading "housekeeping services" the Consumer Price Index includes babysitter services and preschool child licensed day care services. Reading and recreation items cover, among other goods, basketballs, bicycles and tricycles.

The medical care component prices the

Footnotes at end of article.

cost of obstetrical care, and pediatric care but not the cost of medical care for myocardial infarction (heart attack) or cerebral hemorrhage or cholecystectomy (gall bladder) or fractured neck of femur (broken hip).

Based on the limited 1960–61 Consumer Expenditure Survey of older persons, medical care costs accounted for slightly over 10 percent of their expenditures; at that time the medical care component for wage and clerical workers was only 6.2 percent of total expenditures. With medical costs rising rapidly the social security beneficiaries are adversely affected by application of the Consumer Price Index as the inflation adjustment-factor to their income.

Another factor limiting the applicability of the Consumer Price Index to retired persons concerns the place of purchase. Younger persons have a wider range of options with respect to the type of retailer they patronize: the neighborhood store, the discount house, the downtown shopping area, the suburban mall, the highway shopping center, are examples which may be cited. Older persons, frequently lacking private transportation and faced with inadequate public transportation, may pay higher prices because of their inability to "shop around" or take advantage of sales. However, in pricing the 400 items, the "shoppers" working for the Bureau of Labor Statistics collect prices from the same type of establishments in which persons interviewed for the Consumer Expenditure Survey shop. This may lead to older persons paying higher prices than the wage earner and clerical worker covered by the Consumer Price Index.

FOOTNOTES

[1] P.L. 93–66, July 9, 1973.

[2] U.S. Department of Labor release 73–318, *The Consumer Price Index-June 1973,* Table 1, July 20, 1973.

[3] P.L. 92–336, July 1, 1972.

[4] The 5.9 percent increase will be the first cost-of-living adjustment. Three percent will be the adjustment figure used thereafter.

[5] *Monthly Benefit Statistics,* Office of Research and Statistics, Social Security Administration, U.S. Department of Health, Education, and Welfare, September 24, 1973, Table 2. (unpaged.)

[6] See Appendix for viewpoints of three government agencies.

[7] In speaking for social security benefit escalation on June 20, 1973, Senator Abraham Ribicoff used the figure of 27 percent as the percent of income the elderly spend for food. (*Congressional Record,* vol. 119, pt. 16, p. 20441.

[8] B. Cooper and N. Worthington, "Age Differences in Medical Care Spending, Fiscal Year 1972", *Social Security Bulletin,* May 1973, p. 3.

By Mr. EAGLETON:

S. 498. A bill to amend title XVI of the Social Security Act to permit individuals who are residents in certain public institutions to receive supplementary security income benefits. Referred to the Committee on Finance.

PROHIBITION ON SSI PAYMENTS TO PUBLIC NURSING HOME RESIDENTS SHOULD BE REMOVED

Mr. EAGLETON. Mr. President, I am reintroducing my bill to amend title XVI of the Social Security Act to remove the prohibition against supplemental security income payments to persons in public nursing and domiciliary facilities. This bill was first introduced on October 9, 1974, as S. 4104.

Section 1611(e) of the Social Security Act now makes ineligible for SSI payments all persons in public institutions with one exception; persons in public nursing homes whose care is covered by medicaid may receive a reduced SSI payment of $25 per month for their personal expenses. The same provision for a reduced benefit applies to persons receiving medicaid-covered care in private nursing facilities.

Those residents of public nursing or domiciliary facilities who are receiving personal care or residential care, as distinguished from nursing care, are ineligible for SSI payments although persons receiving the same type of care in private facilities are eligible.

My bill would eliminate this discriminatory treatment of persons in public nursing and domiciliary facilities.

To put this matter in some perspective, the prohibition against public assistance payments to persons in public institutions dates back to the original Social Security Act of 1935 which prohibited old age assistance to persons in public institutions for essentially two reasons.

First, it was the hope of those who authored that legislation that cash assistance to the elderly poor would enable them to live independently in their own homes and avoid the indignity of spending their last days in public almshouses or county poorfarms.

Second, care provided in such public institutions was, at that time, clearly recognized to be the responsibility of State or local governments. Therefore, it was determined that Federal old age assistance funds should not be used to relieve local governments of that responsibility.

Those two very legitimate reasons for banning public assistance payments to persons in public institutions in 1935 no longer exist today. Although enactment of the Social Security Act did have the effect of closing down public poorhouses and temporarily reducing institutionalization of the elderly, in the long run cash assistance has not eliminated the need for institutional care. In fact, that need has increased over the years and a private nursing home industry has grown up to fill the need. Today, when counties, cities, or other units of local government provide nursing or domiciliary facilities for their elderly citizens they assume that function voluntarily and not as an inescapable responsibility.

In 1950 the Congress recognized these changed circumstances when it amended the Social Security Act to exempt from the prohibition persons in public "medical" institutions, including nursing and convalescent homes.

The SSI law, enacted in 1972, while conforming to the general thrust of the 1950 amendment, narrowed the eligibility of those in public medical institutions by confining it to persons receiving medicaid-covered nursing care. As a result, many elderly persons in public nursing homes in Missouri who were previously eligible for old age assistance are now being determined to be ineligible for SSI payments.

In Missouri, we have what I understand may be a rather unique brand of public nursing home. In 1963, in response to the need for more and better nursing facilities in outstate Missouri, the legislature enacted a law providing for the creation of public nursing home districts for the purpose of establishing and operating nursing facilities. Today there are 22 nursing homes established by these public districts. Another eight districts have been organized but have not yet purchased or constructed nursing facilities. Tax moneys raised by the nursing home district are used primarily for debt service and not for the operation of the home or to subsidize the care of individual residents.

In addition to the 22 distinct nursing homes, there are a number of county nursing homes in Missouri which are to one degree or another under the jurisdiction of county governments.

In recent months, the Social Security Administration has undertaken a process of identifying these nursing homes as "public institutions" and terminating SSI payments to their residents. It has been estimated that as many as 500 people may eventually lose their SSI payments.

The obvious result will be a hardship to these elderly people and their families and serious curtailment of the ability of public nursing facilities to accept elderly persons who do not have the financial resources to pay for the cost of their care.

My bill has been drafted so as to preclude the possibility that it could in any way encourage the provision of substandard care.

First, section 1616(e) of the Social Security Act now provides that the Federal Government will not share, by means of SSI payments, in the cost of skilled nursing care or intermediate care when that care is provided in a facility that does not meet medicaid standards. My bill does not circumvent that provision; rather it incorporates it in order to make clear that it will be applicable to public as well as to private facilities. This, of course, does not mean that nursing home care cannot be provided in nonmedicaid facilities; it simply means that financial assistance for such care must come from non-Federal funds.

Second, my bill requires that those public facilities caring for SSI recipients must meet applicable State licensing standards or such higher standards with respect to safety and sanitation as may be required by the Secretary of Health, Education, and Welfare. Thus, SSI funds will not be channeled into public facilities which constitute a hazard to the health and safety of their residents.

Mr. President, my bill recognizes the fact that public nursing and domiciliary facilities may provide care for elderly persons as good as—or even better than—they would receive in private facilities. Its purpose is to guarantee that persons in nursing and domiciliary facilities, whether public or private, are treated equally under the SSI law.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 498

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That (a) section 1611(e)(1) of the Social Security Act is amended—

(1) in subparagraph (A) thereof, by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)", and

(2) by adding at the end thereof the following new subparagraph:

"(C) The provisions of subparagraph (A) shall not be applicable to any individual who is a resident of an institution which is a skilled nursing facility, nursing home, intermediate care facility, or residential facility which is not principally a hospital, sanatorium, rehabilitation center, correctional institution, or school or training facility; except that the provisions of this subparagraph (C) shall not be applicable to any individual—

"(i) for any month with respect to which the provisions of subparagraph (B) are applicable to such individual,

"(ii) for any month throughout which such individual receives from such institution care which constitutes any medical or other type of remedial care for which payment could be made under a State plan approved under title XIX in an institution certified under such title, or

"(iii) during any period for which such institution fails to meet applicable requirements of State law with respect to licensing of institutions or applicable standards established by State law for the licensing of institutions, or, if the Secretary finds that such requirements or standards are inadequate, fails to meet such standards relating to safety and sanitation as the Secretary shall by regulations establish.".

(b) The amendments made by subsection (a) shall become effective on the first day of the month following the month in which this Act is enacted.

By Mr. TUNNEY:

S. 499. A bill to amend the Motor Vehicle Information and Cost Savings Act. Referred to the Committee on Commerce.

AUTOMOTIVE TRANSPORT RESEARCH AND DEVELOPMENT ACT OF 1975

Mr. TUNNEY. Mr. President, this Nation is faced with an ever deepening energy crisis. The United States, with only 6 percent of the world's population, is responsible for more than 30 percent of the world's consumption of energy resources each year. The Arab oil embargo dramatically demonstrated that this profligate energy consumption has led to a severe U.S. dependence on foreign sources of energy. We must not forget that oil can be shut off again at any time, making us continually vulnerable to oil blackmail.

The wealth of this Nation is being bled in order to pay for the monopoly price of oil imposed by the cartel. At the core of this crisis is the fact that we have been utilizing our energy resources in a grossly inefficient manner. This inefficient use of energy has been a driving force behind the dual scourges—recession and inflation—simultaneously afflicting this Nation.

It must be clear to everyone by now that our gas-guzzling automobiles are a primary cause of this energy waste. The automobile is the single largest user of petroleum in this country. It accounts for almost 40 percent of the oil consumed annually. In 1970, this amounted to 100 billion gallons of gasoline per year.

Furthermore, the automobile is one of the major causes of air pollution in this country. The National Academy of Sciences has estimated that air pollution damage costs this Nation about $10 billion a year and adversely affects the health of countless Americans.

In extensive hearings I held last year, witness after witness stated that the goals of the Clean Air Act could be met and vast energy savings were possible, if we were willing to make a national commitment to developing a clean, quiet, energy efficient and nonpolluting automobile. These witnesses, however, emphasized that these goals would not be met if we continued to merely tinker with minor modifications in the present internal combustion engine or failed to commit enough of our fiscal resources for a concentrated program of research and development.

Unfortunately, President Ford in his state of the Union message, failed to commit this Nation to an all-out effort to improve the energy efficiency of our automobiles. His proposals instead would prove a windfall for the automobile industry at the expense of the American consumer. They fail to assure the American public significant improvement in the energy efficiency of our cars or adequate improvement in air pollution.

President Ford's program is ill-conceived and shortsighted. It threatens to torpedo rapid development of energy efficiently and nonpolluting automobiles.

In effect, the President has struck a bargain with the automobile industry. He offers the industry a 5-year freeze on Clean Air Act standards, requiring it to meet only "interim" standards.

It has been conservatively estimated that this "freeze" will save the big four auto makers hundreds of millions of dollars. These savings, of course, are on top of the liberalized investment tax credit and the lower corporate income tax rate the industry also will be receiving during this period under the Ford program. Clearly, this program is a bonanza for the automobile companies, and a sham and an insult to the American public.

The President says the automobile industry has promised to increase by 1981, through a voluntary program, average gasoline mileage by 40-percent over 1974 levels. Close analysis shows that this figure is misleading. We all know that the average 1974 car was scandalously inefficient. So the 40 percent average improvements are weighted against an extremely low base. Many cars already on the road are vastly more efficient than the Ford program would require. Thus the Ford program does not push the auto industry to make breakthroughs but to merely make minor modifications in the configuration of the present automobile.

That is the easy and profitable way for Detroit, but it could spell disaster for consumers.

The industry claims to have accomplished a 13-percent energy efficiency improvement in 1974 cars through the use of catalytic converters.

But the Environmental Protection Agency scientists continue to be concerned that the catalytic converter may create sulfuric acid mist, which in the words of an internal EPA memo might produce cancer or cardio-respiratory diseases.

Just this week EPA released a draft paper which indicates that:

> With continued heavy reliance on catalysts by the auto industry, the public health risk from increased sulfate emissions could outweigh the benefits of added hydrocarbon and carbon monoxide control as early as the 1978 model year nationally, and probably sooner in California.

EPA noted that removal of sulfur from gasoline might ease this problem. But the energy loss and refinery costs are likely to be substantial.

Another disturbing aspect of the Ford approach is the fact that the President accepted "commitments" from the automobile companies that are illusory at best. These so-called commitments, contained in letters to Secretary Morton of the Interior Department, are vague and imprecise. They fail to detail what the automobile companies will do to meet the goal of developing energy efficient cars.

It seems to me that at the very least these companies should be required to spell out in detail how much they are prepared to spend to meet mandated clean air standards and energy conservations goals. The automobile companies should not be able to divert their savings due to the Clean Air Act freeze to advertising and investment in automation that only will go to put more people out of work.

If past history is any guide, the automobile companies are going to make every effort to maintain large cars. They continue to be unwilling to carry out the extensive research necessary to develop efficient alternatives to present automobile systems.

In the 1974 Consumer Guide Car Preview it was pointed out that—

> Big cars are where the money is made. Estimates indicate that an auto manufacturer makes a profit from $200 to $250 on each big car sold. As the size of the car, and its sales price, gets smaller, the profits shrink too. Small cars . . . bring in an income of $100 to $150 per unit. With this spread in profitability, it is no wonder that the auto companies continue to boost their big cars in the face of the small car revolution.

The automobile companies, with billions of dollars invested in the present internal combustion engine and the big car configuration, will continue to be reluctant to change their approach unless they are pushed much harder than the President is willing to push.

The President has given us no justification for his claim that the Clean Air Act freeze will promote greater automobile energy efficiency.

Information we received at our hearings strongly suggests that severe cutbacks in the Clean Air Act standards are not necessary to meet the President's energy efficiency goals. A RAND study claims that as much as a 50 percent energy efficiency improvement in automobiles is possible with no change in Clean Air Act standards.

The Department of Transportation and the Environmental Protection Agency, in a joint study, found that the objective of a 40 percent gain in automobile efficiency in the next 5 years could be met with only minor modification of the NO_x standard. This study did not find any need for the drastic cutback now proposed to be mandated by the President. Therefore the President is selling out clean air and the American public despite the fact that the administration's own experts have emphatically said these clean air cutbacks are not necessary.

The President's claim that these actions are necessary for economic reasons is also spurious. A New York Times editorial points out the fallacy of this argument:

> The President's plan for Detroit cannot make any short-range difference in any case, since lay-offs in the industry today will not be affected by easing emissions reductions two years from now. And if it is the long-range picture that is to be considered, then whatever increased costs are involved in emission controls must be measured against what automobile pollution now costs the nation—an amount the National Academy of Sciences suggests may reach $10 billion a year.

And the costs are more than fiscal. It has been estimated that 15,000 Americans die each year from air pollution related causes.

In short, the President has offered a bankrupt policy that will neither give us significant energy savings nor solve our pollution problems.

Therefore, along with Senator Magnuson and Senator Hart, I am introducing the Automotive Research and Development Act of 1975. Instead of a vague arrangement by which the auto companies promise voluntary efforts, this program is precise, direct, and focused on meeting Clean Air Act standards and maximum energy conservation requirements.

This legislation assures that neither clean air nor energy conservation goals are sacrificed. Furthermore, in this period of economic dislocation, it requires that a critical mass of funding will be directed toward energy conservation research. The legislation also will enable the Government for the first time to develop sufficient independent data to serve as a benchmark in order to assess the true potential of automotive research and development, rather than merely relying on "paper studies" and the self-serving claims of the auto industry.

To carry out this program, the legislation mandates an immediate and intensive national research and development program to produce, within 4 years, a prototype motor vehicle that is clean, quiet, energy-efficient, safe and suited to our existing pattern of life.

The legislation would mobilize and consolidate national scientific resources in a down-to-earth Apollo-type program for moving people along our highways instead of through space. Of course, the effort would be far less costly than the billions we spent for space, but it would create the same sense of national priority and commitment as the Apollo program.

A concerted effort backed up by a program which authorizes grants of up to $140 million and Federal loan guarantees of up to $200 million for the development of a clean, energy-efficient car engine could do more for the United States than Detroit has done for the last 50 years.

It is time that this Government make a maximum effort to make the car as efficient as possible. If we fail in this area it jeopardizes our whole energy conservation effort and continues the threat of energy shortages or energy blackmail from the Arab led cartel.

Mr. President, I ask unanimous consent that this legislation be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—RESEARCH AND DEVELOPMENT

"SHORT TITLE

"Sec. 501. This title may be cited as the 'Automotive Transport Research and Development Act of 1975'.

"FINDING AND PURPOSE

Sec. 502. (a) Findings.—The Congress finds that—

"(1) Existing automobiles are inadequate to meet all of the long-term goals of this Nation with respect to providing safety, to protecting the environment, and to conserving energy.

"(2) With additional research and development, several advanced alternatives to existing automobiles have the potential to be mass produced at a reasonable cost with significantly less environmental degradation and fuel consumption than existing automobiles while remaining compatible with other requirements of Federal law.

"(3) Insufficient resources are being devoted to research and development of advanced automobiles and automobile components both by the Federal Government and the private sector.

"(4) An expanded research and development effort into advanced automobiles and automobile components by the Federal Government is needed to increase such efforts by the private sector and encourage automobile manufacturers to seriously consider such advanced automobiles and automobile components as alternatives to existing automobiles and automobile components.

"(5) Because of the urgency of the energy, safety, and environmental problems, such advanced automobiles and components should be developed, tested, and prepared for manufacture within four years from the date of enactment of this title.

"(b) Purposes.—Therefore, it is the purpose of this title: (1) to make grants for, and support through loan guarantees, research and development leading to production prototypes of an advanced automobile or automobiles within four years from the date of enactment of this title and to secure the certification after testing of those prototypes which are likely to meet the Nation's long-term goals with respect to fuel economy, environmental protection, and other objectives; and (2) to interpret and carry out this title to preserve, enhance and facilitate competition in research, development, and production of existing and alternative automobiles and automobile components.

"DEFINITIONS

"Sec. 503. As used in this title—

"(1) 'Advanced automobile' means a personal use transportation vehicle propelled by fuel, which is energy-efficient, safe, damage-resistant, and environmentally sound and which—

"(A) presents, consistent with environmental requirements, the least total amount of energy consumption with respect to the amount of fuel consumed, the type of fuel consumed, or the production, use and disposal of such automobile, and represents a substantial improvement over existing automobiles with respect to such factors;

"(B) can be mass produced at the lowest possible cost consistent with the requirements of this title;

"(C) operates safely and with sufficient performance with respect to acceleration, cold weather starting, cruising speed, and other performance factors;

"(D) to the extent practicable, is capable of intermodal adaptability; and

"(E) at a minimum, can be produced, distributed, operated, and disposed of in compliance with any requirement of Federal law, including, but not limited to, requirements with respect to fuel economy, exhaust emissions, noise control, safety, and damage resistance.

"(2) 'Damage resistance' refers to the susceptibility to physical damage of an automobile when involved in an accident.

"(3) 'Developer' means any person engaged in whole or in part in research or other efforts directed toward the development of production prototypes of an advanced automobile or automobiles.

"(4) 'Fuel' means any energy source capable of propelling an automobile.

"(5) 'Fuel economy' refers to the average number of miles (kilometers) traveled by an automobile per unit of fuel consumed.

"(6) 'Intermodal adaptability' refers to any characteristic of an automobile which enables it to be operated or carried, or which facilitates such operation or carriage, by or on an alternate mode or other system of transportation.

"(7) 'Low-Emission Vehicle Certification Board' means the Low-Emission Vehicle Certification Board established pursuant to section 212 of the Clean Air Act (42 U.S.C. 1857f–6e).

"(8) 'Production prototype' means an automobile which is in its final stage of development and is capable of being placed into production for sale at retail in quantities exceeding ten thousand automobiles per year.

"(9) 'Reliability' refers to the ease of diagnosis and repair of an automobile and its systems and parts which fail during use or are damaged in an accident and the average time and distance that proper operation can be expected without repair or replacement.

"(10) 'Safety' refers to the performance of an automobile or automobile equipment in such a manner that the public is protected against unreasonable risk of accident and against unreasonable risk of death or bodily injury in case of accident.

"(11) 'Secretary' means the Secretary of Transportation.

"(12) 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.

"DUTIES OF THE SECRETARY

"Sec. 504. The Secretary is authorized and directed to insure the development of one or more production prototypes of an advanced automobile within four years after the date of enactment of this title. The Secretary and the Administrator of the Environmental Protection Agency shall to the fullest extent practicable coordinate motor vehicle research programs and the Administrator is directed to give careful consideration to any request, on a reimbursable basis or otherwise, for such assistance as the Secretary deems necessary to promote such development. In furtherance of the purposes of this title and to promote such development by private interests, the Secretary is further authorized and directed to—

"(a) make grants for research and development efforts likely to lead or contribute to the development of an advanced automobile or automobiles, in accordance with the provisions of section 506 of this title;

"(b) make loan guarantees for research and development efforts which show promise of leading or contributing to the development of an advanced automobile or automobiles, in accordance with the provisions of section 507 of this title;

"(c) conduct and accelerate research and development programs within the Department of Transportation for the purpose of contributing to the research and development of a production prototype of an advanced automobile or automobiles;

"(d) test or direct the testing of production prototypes and secure certification as advanced automobiles those which meet the applicable requirements, in accordance with section 508 of this title;

"(e) collect, analyze, and disseminate to developers information, data, and materials relevant to the development of an advanced automobile or automobiles;

"(f) prepare and submit studies as required under section 511 of this title; and

"(g) receive and evaluate any reasonable new technology, a description of which is submitted to him in writing, which could lead to the development of an advanced automobile.

"POWERS OF THE SECRETARY

"Sec. 505. In addition to the powers specifically enumerated in any provision of this title, the Secretary is authorized to—

"(a) appoint such attorneys, employees, agents, consultants, and other personnel as he deems necessary, define the duties of such personnel, determine the amount of compensation and other benefits for the services of such personnel and pay them accordingly;

"(b) procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for qualified experts;

"(c) obtain the assistance of any department, agency, or instrumentality of the executive branch of the Federal Government upon written request, on a reimbursable basis or otherwise, identifying the assistance he deems necessary to carry out his duties under this title, including, but not limited to, transfer of personnel with their consent and without prejudice to their position and rating;

"(d) enter into, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of his duties under this title, with any government agency or any person; and

"(e) purchase, lease, or otherwise acquire, improve, use, or deal in and with any property; sell, mortgage, lease, exchange, or otherwise dispose of any property or other assets; accept gifts or donations of any property or services in aid of any purpose of this title.

"GRANTS

"Sec. 506. (a) General.—(1) The Secretary shall provide funds by grant or contract to initiate, continue, supplement, and maintain research and development programs or activities which, in his judgment, appear likely to lead to the development, in production prototype form, of an advanced automobile or automobiles.

"(2) The Secretary is authorized to make such grants, and contracts with any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

"(b) Consultation.—The Secretary, in the exercise of his duties and responsibilities under this section, shall consult with the Administrator of the Environmental Protection Agency and shall establish procedures for periodic consultation with representatives of science, industry, and such other groups as may have special expertise in the areas of automobile research, development, and technology. The Secretary may establish an advisory panel or panels to review and make recommendations to him on applications for funding under this section.

"(c) Procedure.—Each grant under this section shall be made in accordance with such rules and regulations as the Secretary shall prescribe in accordance with the provisions of this section and of section 502 of this title. Each application for funding shall be made in writing in such form and with such content and other submissions as the Secretary shall require.

"LOAN GUARANTEES

"Sec. 507. (a) General.—(1) The Secretary is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, to guarantee and to make commitments to guarantee the payment of interest on, and the principal balance of, an obligation to initiate, continue, supplement, and maintain research and development programs or activities which, in his judgment, appear likely to lead to the development, in production prototype form, of an advanced automobile or automobiles. Each application for such a loan guarantee shall be made in writing to the Secretary in such form and with such content and other submissions as the Secretary shall prescribe to reasonably protect the interests of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate. Each guarantee and commitment to guarantee shall inure to the benefit of the holder of the obligation to which such guarantee or commitment applies. The Secretary is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Secretary that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

"(2) The Secretary is authorized to so guarantee and to make such commitments to any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

"(b) Exception.—No obligation shall be guaranteed by the Secretary under subsection (a) of this section unless he finds that no other reasonable means of financing or refinancing is reasonably available to the applicant.

"(c) Charges.—(1) The Secretary shall charge and collect such amounts as he may deem reasonable for the investigation of applications for a guarantee, for the appraisal of properties offered as security for a guarantee, or for the issuance of commitments.

"(2) The Secretary shall set a premium charge of not more than 1 per centum per annum for a loan or other obligation guaranteed under this section.

"(d) Validity.—No guarantee or commitment to guarantee an obligation entered into by the Secretary shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Secretary. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Secretary entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

"(e) Default and Recovery.—(1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Secretary under this section and such default has continued for sixty days, the holder of such obligation or his agents have the right to demand payment by the Secretary of such unpaid amount. Within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Secretary as to which the obligor has defaulted, unless the Secretary finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

"(2) If the Secretary makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

"(3) If there is a defualt under any guarantee or commitment to guarantee an obligation, the Secretary shall notify the Attorney General who shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

"(f) Authorization for Appropriations.—There are hereby authorized to be appropriated to the Secretary not to exceed $200,000,000 to pay the interest on, and the principal balance of, any obligation guaranteed by the Secretary as to which the obligor has defaulted: *Provided*, That the outstanding indebtedness guaranteed under this section shall not exceed $200,000,000.

"TESTING AND CERTIFICATION

"Sec. 508. (a) Administrator.—The Administrator of the Environmental Protection Agency shall test, or cause to be tested in a facility subject to his supervision, each production prototype of an automobile developed in whole or in part with Federal financial assistance under this Act, or referred to him for such purpose by the Secretary to determine whether such production prototype complies with any exhaust emission standards or any other requirements promulgated or reasonably expected to be promulgated under any provision of the Clean Air Act, as amended (42 U.S.C. 1857 et seq.), the Noise Control Act of 1972 (42 U.S.C. 4901), or any other provision of Federal law administered by him. The Administrator shall submit all test data and the results of such tests to the Low-Emission Vehicle Certification Board.

"(b) Secretary.—The Secretary shall test, or cause to be tested in an independent facility subject to his supervision, all new production prototypes of automobiles which he or a developer may submit to the Low-Emission Vehicle Certification Board for certification under subsection (c) of this section. Such tests shall be conducted, according to testing procedures to be developed by the Secretary to determine whether each such automobile complies with any standards promulgated as of the date of such testing or reasonably expected to be promulgated prior to sale at retail of such automobile under any provision of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381), the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.), the Automobile Information Disclosure Act (15 U.S.C. 1232), and any other statute enacted by Congress and applicable to automobiles. The Secretary shall also refer any such automobile to the Administrator of the Environmental Protection Agency for testing pursuant to the provisions of subsection (a) of this section. All new automobiles may be submitted to the Secretary for testing under this subsection, including vehicles developed without any Federal financial assistance under this title. The Secretary shall submit all test data and the results of all tests conducted by him or subject to his supervision to the Low-Emission Vehicle Certification Board together with his conclusions and reasons therefor as to whether the automobile tested merits certification as an advanced automobile. The Secretary, or the Administrator of the Environmental Protection Agency, if appropriate, shall conduct, or cause to be conducted, any additional tests which are requested by the Low-Emission Vehicle Certification Board and shall furnish to such Board any other information which it requests or which he deems necessary or appropriate.

"(c) Board.—The Low-Emission Vehicle Certification Board, shall, upon application by a developer or by the Secretary and the receipt of test data and test results submitted pursuant to subsections (a) and (b) of this section, issue or deny certification as an advanced automobile. Each determination as to certification shall be made in accordance with such rules and regulations as such Board shall prescribe in accordance with this title. Each application for certification shall be made to the Board in writing in such form and with such content and other submissions as the Board shall require.

"PROPRIETARY INFORMATION AND PATENTS

"Sec. 509. (a) Availability.—(1) All research and development contracted for, sponsored, or cosponsored by the Secretary pursuant to this title, shall require, as a condition of Federal participation, that all information—whether patented or unpatented in the form of trade secrets, knowhow, proprietary information, or otherwise—resulting in whole or part from federally assisted research shall be made available at the earliest possible date to the general public, including but not limited to nongovernmental United States interests capable of bringing about further development, utilization, and commercial applications of such results.

"(2) The Secretary, in administering patents pursuant to this title, shall make a determination, in a proceeding conducted in accordance with the provisions of section 553 of title 5, United States Code, as to whether patent licenses shall be granted on a royalty-free basis or upon a basis of charges designed to recover part or all of the costs of the Federal research. The Secretary shall make government patent rights and technological and scientific know-how available on nonexclusive and nondiscriminatory terms to qualified applicants.

"(3) (A) Whenever a participant in an advanced automobile development project holds background patents, trade secrets, know-how, or proprietary information which will be employed in the proposed development project, the Secretary shall enter into an agreement which will provide equitable protection to the rights of the public and the participant: *Provided*, That any such agreement shall provide that when the advanced automobile development project reaches the stage of possible commercial application, any of the participant's previously developed background patents, trade secrets, know-how, or proprietary information reasonably necessary to possible commercial production of an advanced automobile developed under this title will be made available to any qualified applicant on reasonable and nondiscriminatory license terms or in other forms which shall take into account that the commercial viability of the advanced automobile was achieved with the assistance of public funds.

"(B) As employed herein, the term 'background patent' means a United States patent owned or pending by a contractor, grantee, participant, or other party conducting research or development work, or both, pursuant to this title for or under the sponsorship or cosponsorship of the Secretary which would be infringed by the practice of any new technology developed under the research or development work, or both, contracted for, sponsored, or cosponsored pursuant to this title.

"(b) Protection of Rights.—Whenever the Secretary determines that—

"(1) (A) in the implementation of the requirements of this title under any United States patent, which is not otherwise reasonably available, is reasonably necessary to the development of an advanced automobile pursuant to this title, and

"(B) there are no reasonably equivalent methods to accomplish such purpose, and

"(2) the unavailability of such right may result in a substantial lessening of competition or tendency to create a monopoly in any line of commerce in any section of the country,

the Secretary shall so certify to a district court of the United States, which shall review the Secretary's determination. If the district court upholds such determination, the court shall issue an order requiring the person who owns such patent, or rights thereunder, to license it on such reasonable and nondiscriminatory terms and conditions as the court, after hearing, may determine. Such certification may be made to the district court for the district court in which the person owning the patent resides, does business, or is found.

"(c) Competition and Small Business.—The Secretary shall, in determining license terms, duly consider and give weight to the effects of such terms on competition and small business.

"RECORDS, AUDIT, AND EXAMINATION

"Sec. 510. (a) Records.—Each recipient of financial assistance or guarantees under this title, whether in the form of grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) Audit and Examination.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements referred to in such subsection.

"REPORTS

"Sec. 511. On or before August 1 of each year, the Secretary shall submit to Congress an annual report of activities under this title. Such report shall include an account of the state of automobile research and development in the United States, including the number of grants made, and number of loans or other obligations guaranteed, and the progress made in developing production prototypes of advanced automobiles within four years after the date of enactment of this title; and suggestions for improvements in automobile research and development, including recommendations for legislation.

"GOVERNMENT PROCUREMENT

"Sec. 512. The Administrator of General Services shall consult with the Low-Emission Vehicle Certification Board perodically to determine the earliest date at which production prototypes of an advanced automobile will be available. When the Low-Emission Vehicle Certification Board determines that an advanced automobile may soon be available, it shall propose a system of guidelines recommending to any Federal agency using and procuring automobiles the procurement of such automobiles. After a production prototype has been certified by such Board as an advanced automobile, the Board is authorized and directed to prescribe such regulations as are necessary requiring all Federal agencies to procure and to use such advanced automobile to the maximum extent feasible.

"AUTHORIZATION FOR APPROPRIATION

"Sec. 513. (a) Auuthorization.—There is hereby authorized to be appropriated to carry out the purposes of this title other than section 507 of this title not to exceed $30,000,000 for the fiscal year ending June 30, 1975, not to exceed $50,000,000 for the fiscal year ending June 30, 1976, and not to exceed $60,000,000 for the fiscal year ending September 30, 1977.

"(b) (1) Ratio Not Reduced.—Funds expended for each such fiscal year for the purposes of this title and funds expended for such fiscal year for all energy research, development, and demonstration activities shall be in the same ratio as the funds appropriated for such fiscal year pursuant to this title bear to funds appropriated for such fiscal year for all energy research, development, and demonstration activities of the Federal Government.

"(2) For the purposes of this subsection, the term 'energy research, development, and demonstration activities of the Federal Government' includes, but is not limited to—

"(A) the planning, management, and coordination of the energy research, development, and demonstration activities of the Federal Government;

"(B) research, development, and demonstration of coal as an energy source including coal gasification, coal liquefaction, and improved mining techniques;

"(C) research, development, and demonstration of oil shale as an energy source;

"(D) research development, and demonstration of unconventional energy sources including solar energy, geothermal energy, magnetohydrodynamics, fuel cells, low-head hydroelectric power, the use of agricultural products for energy, tidal power, ocean current and thermal gradient power, wind power, electric energy storage methods, solvent refined coal, utilization of waste products for fuels, and direct conversion methods; and

"(E) research, development, and demonstration of new methods of converting fossil fuels into electrical energy.

"RELATIONSHIP TO ANTITRUST LAWS

"Sec. 514. (a) Disclaimer.—Nothing herein shall be deemed to convey to any individual, corporation, or other business organization immunity from civil or criminal liability or to create defenses to actions under the antitrust laws.

"(b) Antitrust Laws Defined.—As used in this section, the term 'antitrust laws' includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended; the Act of June 19, 1936 (ch. 592, 49 Stat. 1526), as amended."

Mr. HART. Mr. President, it is my pleasure to join my distinguished colleagues on the Committee on Commerce, Senator MAGNUSON and Senator TUNNEY, in cosponsoring the Automotive Transport Research and Development Act of 1975. The bill is virtually identical to a provision contained in the National Fuels and Energy Conservation Act of 1973. Unfortunately, that omnibus energy conservation measure did not receive final approval by the Congress, although it did pass the Senate.

There is little doubt that an aggressive research, development, and demonstration program of new automobile technology must be high on our list of national priorities. The oil embargo of a year ago and the necessity of meeting safety, fuel efficiency, and other environmental goals simultaneously speak strongly for an aggressive program.

Hearings before the Committee on Commerce last year amply demonstrated that a great deal stands to be gained from such a program. Not only are new improvements to internal combustion engines possible, for example, through further work on the stratified charge engines, but some of the more exotic alternatives show great promise. For example, Stirling cycle and Rankine cycle engines have the possibility of giving us full compliance with emission standards while offering up to 50 percent improvements in fuel economy from the engine alone. The diesel engine, long a workhorse for hauling heavy loads, likewise offers great promise in passenger car applications. Problems of weight, noise, and performance associated with the diesel need more research.

Data collected by the committee in 1973 on hearings on the Automotive Transport Research and Development Act indicate that the percentage of research and development funds spent on alternate power sources by Ford and Chrysler decreased substantially after 1970. Data was not received from GM. Whereas Ford spent 25 percent of its research dollars on alternate power sources during the period 1967–1969, that figure was reduced to 17 percent during the period 1970–1973. For Chrysler, 17.7 percent of its R. & D. funds were spent on alternate power sources during the period 1967–1969, and only 2.3 percent during the period 1970–1972.

Without making a judgment on the propriety of the auto emission standards contained in the 1970 Clean Air Act, it is apparent that the requirements of that act have caused the automobile makers to devote proportionately less research and development funding to alternative power sources than to internal combustion engines.

It is apparent that the slack is not adequately being taken up. Existing programs within the Environmental Protection Agency, which will now be transferred to the Energy Research and Development Administration, have not received the type of support within the administration necessary to adequately carry on the program. While the President's fiscal year 1976 budget has yet to be submitted, apparently the $7.2 million budgeted for fiscal year 1975 will again be asked for. At the same time, the Commerce Committee hearing record indicates that closer to $100 million per year is necessary. Without the direction and funding provided for in this bill, there is little hope that the support for existing programs will increase.

Clearly, continued improvement in the automobile is far too important to let slide because the automakers, for whatever reason, are not devoting sufficient funds to research and development and that existing programs within the Federal Government are not making up the difference. If we are not to be satisfied with programs like the President's voluntary agreement with the automakers to achieve a 40-percent improvement in fuel economy by model 1981—and there is considerable evidence that we should not—a high level of research and development effort must be initiated.

It is indeed ironic that when substantial improvements in the energy efficiency, safety, and emissions control of the automobile are a high national priority, our capability of developing such an automobile is being severely curtailed. In my view, additional funding must be found and the legislation proposed is an extremely valuable and appropriate response.

By Mr. NELSON:

S. 500. A bill to increase the fees and reduce the financial hardships for those individuals who serve on grand or petit juries in district courts, and for other purposes. Referred to the Committee on the Judiciary.

REMOVING THE DISCRIMINATION IN FEDERAL JUROR FEES

Mr. NELSON. Mr. President, many decades ago, Oliver Wendell Holmes observed that—

> The life of the law has not been logic; it has been experience.

That observation is of particular relevance to consideration of laws governing payment of fees and expenses for those citizens who serve on Federal juries. For experience strongly suggests that there is a fundamental inequity in those laws: for some citizens the minimal juror's fee is their only income while others continue to draw their normal wage or salary.

The financial burdens of jury service—like most of society's problems—weigh most heavily upon those in the lower-income levels. Many of these people simply cannot afford to accept any reduction in their daily income. The result is that many people—especially those in the lower-income levels—cannot perform this duty and privilege of citizens. This, in turn, means that juries often do not reflect a true cross section of the community.

The time has come to end the de facto discrimination of our Federal jury fee system. I am, therefore, introducing a bill to correct this inequity. The bill contains two principal provisions. First, it gears the juror's daily fee to his earning power. Jurors would be paid $25 for each day of service unless the juror's average daily income is greater than that at the time he is selected for jury service. In the latter case, the juror would receive a daily fee which equals his daily earned income. But in no event could the juror's fee exceed $100 per day. Nor could the fee be collected if the juror were paid his or her normal salary or wage. Second, the legislation would raise the level of reimbursement for expenses which a juror incurs. This travel and living provision would simply recognize that the current allotment of 10 cents per mile and $16 for overnight lodging is inadequate to cover actual outlays. The bill would require the Administrator of the U.S. courts to establish a schedule of travel and subsistence allotments based on the amounts provided to other court personnel. This procedure, which has been recommended to Congress by the judicial conference of the United States, would insure that subsistence levels can be increased periodically to account for inflation without the necessity of new legislation.

I introduced comparable legislation in the 93d Congress. The Senate Judiciary Committee held hearings on it and then reported out a bill which increased the juror's daily fee by only $5 and also included the judicial conference's recommendations on travel and subsistence allotments. The bill passed the Senate but did not pass the House.

It is my hope that the Senate will again consider remedial legislation to remove the financial obstacles of jury service.

It is not difficult to understand the need for this legislation. Those who serve on Federal grand and petit juries normally receive $20 a day for their public service. The law provides that the court overseeing the jury's work may raise the fee to $25 after the jury has been sitting for more than 30 days on one case. But that meager sum represents the absolute maximum which any individual can receive for service on a Federal grand jury or petit jury.

For some people—especially those who are retired, unemployed, or living on subsistence wages—a daily fee of $20 or $25 may not cause additional financial hardship. But for many individuals, the $20 represents not only their only income while they sit on a jury; it also represents a substantial decrease in their average daily income. The results are predictable. For these individuals and their families, jury service requires personal financial sacrifices. These financial sacrifices can be quite considerable if the jury service extends for several weeks or months.

The experience of the Watergate grand juries provides a dramatic illustration of the problem. The first grand jury was empaneled in early June 1972 and sat for almost 22 months. During its first 17 months of deliberations, the jurors were paid only $20 for each day they sat. In November 1973, the court authorized an increase in the juror's fee to $25 a day. Some tried to maintain their regular employment by working after normal business hours. For others, this daily fee was their only source of income for each day of sitting. In some of these latter cases, the daily fee meant a substantial decrease in the daily income the juror was earning before he began jury service.

For these individuals, the economic strain was difficult and in some cases unbearable. Two jurors were forced to leave their regular jobs. Another juror in the second Watergate grand jury—which was empaneled in early 1973—was forced to resign from the grand jury, because his regular business "was going down the drain."

The terms of the Watergate grand juries were, of course, exceptionally long. But the experiences of the individual jurors, and the financial sacrifices many were asked to accept, are not exceptional. The most recent statistics suggest that a Federal grand juror may serve a term averaging as much as 27 days. "The Jury System in the Federal Courts," 205 (1973). A Federal petit juror may serve a term probably averaging about 30 days. Pabst, "Jury Fees, Terms of Service, and Expenses in State and Local Courts," 4 (1974). To appreciate the significant costs of jury service, consider an individual who earns $40 a day, or $10,400 a year. Grand jury service could cost him as much as $600. In other words, it is quite possible that jury service could cost an individual almost 10 percent of his total annual income.

Many, of course, never incur that financial sacrifice when called for jury duty. The reasons are simple. In some cases, as where the individual works for the Federal Government or a large corporation the employer continues to pay the individual when he sits as a juror. It is noteworthy that 9 of the 23 individuals who sat on the first Watergate grand jury were Government employees. Accordingly, while their fellow jurors received $20 a day, these nine were receiving their normal daily salary or wage from their employer. In other words, the present jury fee system tolerates a discrimination whereby some jurors are aksed to make greater financial sacrifices than other jurors.

The discriminatory effect of the current system was aptly summarized by Vladimir Pregelj, the foreman of the first Watergate grand jury, who wrote a letter to me endorsing the proposed legislation. Speaking from his personal experience, Mr. Pregelj stated that—

> In equity and fairness a situation, such as the one prevailing under the present statute, which places a much higher financial burden on some jurors than on others (in terms of daily earnings lost because of jury duty) is intolerably discriminatory. It is certainly considerably more discriminatory than the one that would result from the payment of jurors' fees commensurate with their regular daily earnings. In fact, [your bill's] concept of jurors' compensation is presently already in effect as far as Government employees are concerned (and possibly some private employees as well) who receive their regular salaries instead of the statutory jurors' fees.

Given the financial hardships often associated with jury duty, it is not surprising that many citizens avoid that duty by pleading economic hardship. This point was underscored in a letter to me from Jon Van Dyke, a professor of law at the Hastings College of Law and Research Director of the Twentieth Century Fund's project on the demography of American juries. In his letter, Professor Van Dyke states:

> If a worker is not given his or her salary during jury service, and if that worker asks to be excused, he or she is almost always freed from jury service by the jury commissioner or judge involved. Judge George Hart, the chief judge of the District of Columbia District Court, told me, for instance, that he would excuse anyone who requested an excuse, feeling that a person who had economic problems would not make a good juror.

This reaction was echoed by a California jury commissioner who told Professor Van Dyke:

> Far too many citizens in lower income brackets who are summoned from the voters list, find it an economic impossibility to serve. Young adults starting in the working world and other adults in low income situations, who are not compensated by their employer while serving on jury duty, cannot afford to give up their salary or commission to serve. This becomes even more critical when they have the responsibility for the support of others. Unfortunately this exclusion hits rather heavily at the minority groups, especially Black and Mexican-American citizens, due to their economic situation.

Based on these observations and studies of half of the Federal district courts, Professor Van Dyke was led to conclude that—

> People in the lower economic groups are not able financially to afford jury service, because they are not given their normal salary during jury service and because the $20 they receive from the federal courts is inadequate to meet their financial requirements.

This conclusion may also apply to middle- and upper-income individuals whose employers do not pay them when they sit on juries. This point was suggested by CBS news commentator Daniel Schorr, who wrote an article based on his recent jury experience in the District of Columbia. According to Mr. Schorr, the District of Columbia juries reflect a—

> Leniency in excusing busy professionals, leaving juries weighted with the marginally employed, who welcome the $20 daily fee, the retired, and others out of the mainstream. Jury service has tended to become an activity for those whose regular activities are not valued by society.

In responding to the deficiencies of juror fees, it should be remembered that those fees are not a wage or salary to compensate an individual for his service. Rather, those fees are a gratuity granted by the Government to help defray the costs of jury service. As a justice of the Supreme Court of Michigan commented with regard to a State system:

> There is a fee paid for service of a juror, but this is not to be considered as a wage. It is merely a gratuity covering the expense that a juror may be put to in answering the call.

Jochen v. *County of Saginaw*, 110 N.W. 2d 780, 784 (1961) (Carr, J., concurring opinion). See also 110 N.W. 2d at 788 (Kavanaugh, J., dissenting).

Legislative history over the past few decades suggests that this is the same purpose for which Congress first provided and then increased fees for those who serve on Federal juries. In the 1968 debate on proposed increases in jury fees, for example, Representative Machen stated that the fees were being increased not to provide adequate compensation for services rendered but to insure that jury service might be "less burdensome and exemptions because of economic hardship might be reduced to a minimum."—114 CONGRESSIONAL RECORD 3999 (1968).

The proposed legislation is an attempt to remedy the deficiencies and inherent discrimination of the present jury fee system. It recognizes that different people incur different losses from jury service. And it recognizes that, under the present system, some jurors are paid their normal salary or wage while others are not.

The formula incorporated within the bill is not necessarily perfect. In some cases, an individual's earning power is not stable. Salesmen and seasonal workers are prime examples. For these individuals, it is possible that the bill's formula will not always provide the income which the individual would have earned on those days in which jury service is required. But even for these individuals, the bill will be a significant improvement over the existing jury fee system; their economic losses will almost certainly be less than if they were paid a flat fee of $20 or even $25 a day.

As a result, the bill should virtually eliminate the economic hardship of jury service. In so doing, it will increase the chances that all citizens will have a realistic opportunity to serve on Federal juries and that such juries will adequately represent a cross section of the community. This legislation thus offers a broad remedy to much of the deficiencies in the Federal jury fee system.

The importance of this legislation should not be underestimated. Juries are the glory and genius of our judicial system. They insure that the citizen's perceptions and sense of fairness—not an arbitrary or technical reading of the law—will govern the facts in civil and criminal law suits. Juries help guarantee that an individual's legal rights are not subject to abuse by a prejudiced judge or an oppressive prosecutor. Any measure to improve the viability and integrity of those juries therefore deserves support from everyone in Congress and the Nation.

Mr. President, I ask unanimous consent to have the text of the proposed legislation printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Jury Fee Act of 1975".

SEC. 2. Section 1871 of title 28 of the United States Code is amended in its entirety to read as follows: "§ 1871. Fees.

"(a) GENERAL AUTHORITY.—Grand and

petit jurors in district courts appearing pursuant to chapter 121 of this title shall be paid the fees and allowances as provided by this section. The United States marshall shall pay the requisite fees and allowances on the certificate of the clerk of the court, provided that, as specified in subsections (b), (c), and (e) of this section, proper certification has been made by the court or the judge.

"(b) Attendance Fee; Certification of Additional Fees for Extended Service.—Grand and petit jurors in district courts shall receive the following fees:

"For actual attendance at the place of trial or hearing and for the time necessarily occupied in going to and from such place at the beginning and end of such service or at any time during the period of such service, $25 per day, or, if greater, the juror's average daily salary, wage, or other earned income received during the twenty week days immediately preceding the beginning of such juror's service, except that any juror receiving not more than $25 per day who is required to attend more than thirty days of hearings on the same grand or petit jury may be paid, for each day after the thirtieth day of such hearings, in the discretion and upon the certification of the trial judge, or, in cases involving grand juries, the chief judge of the district court for the district in which the grand jury is sitting, an additional fee of $5 per day. The additional fee may be paid retroactively by way of reimbursements. In any case in which a juror is paid a daily fee based on his average daily salary, such fee shall be reduced if, and to the extent that, the juror is paid by his employer or otherwise earned on each such day. Notwithstanding the preceding provisions of this section, no grand or petit juror shall be paid any amount in excess of $100 per day for service on a grand or petit jury.

"(c) Travel Allowances; Toll Charges; Parking Fees; Travel in Areas Other Than the Contiguous States of the United States.—A travel allowance equal to the maximum rate per mile that the Director of the Administrative Office of the United States Courts prescribes pursuant to section 604 (a)(7) of title 28, United States Code, for payment to supporting court personnel in travel status for using privately owned automobiles shall be paid to each juror regardless of mode of transportation. The prescribed rate shall be paid for the distance necessarily traveled to and from a juror's residence by the shortest practicable route in going to and returning from the place of service at the beginning and at the end of the term of service.

"The Director shall promulgate rules regulating interim travel allowances of jurors. Distances traveled to and from court should coincide with the shortest practicable routes.

"Toll charges for toll roads, bridges, tunnels, and ferries shall be paid in full to the juror incurring these charges. In the discretion of the court, reasonable parking fees may be paid to jurors incurring such charges upon presentation of a valid parking receipt. Parking charges shall not be included within any tabulation of mileage costs.

"Any juror who travels to district court pursuant to a summons in an area outside of the contiguous forty-eight States of the United States shall be paid the travel expenses provided under this section or actual reasonable transportation expenses subject to the discretion of the district judge as circumstances indicate, exercising due regard to all available alternative modes of transportation and the shortest practicable routes from home to court.

"(d) Subsistence Allowances; Subsistence in Areas Outside Contiguous United States.—A fixed subsistence allowance covering meals and lodging shall be established from time to time by the Director of the Administrative Office of the United States Courts pursuant to section 604(a)(7) of title 28, United States Code, except that such allowance shall not exceed the maximum allowance for supporting court personnel in travel status, and such claims shall not require itemization.

"Subsistence shall be allowed for the time spent in traveling to and from the place of attendance if an overnight stay is necessitated.

"A subsistence allowance for jurors serving in district courts outside the contiguous forty-eight States of the United States shall be allowed at a rate not exceeding the maximum allowance which is paid to court personnel in travel status in those areas where the Director of the Administrative Office of the United States Courts has prescribed an increased per diem or allowance pursuant to section 604(a)(7) of title 28, United States Code.

"(e) Sequestered Jurors.—Whenever in any situation a jury is ordered to be kept together and not to separate, the actual cost of subsistence during such period shall be paid by the United States marshal upon the order of the court in lieu of subsistence allowances payable under subsection (d). Such allowance for the jurors ordered to be kept separate or sequestered shall include meals and lodging and other necessities for their convenience and comfort.

"(f) Regulations.—The Director of the Administrative Office of the United States Courts shall promulgate such regulations as may be necessary to carry out his authority under this section."

Sec. 3. The amendments made by section 2 of this Act shall apply in the case of any grand or petit jury serving on or after the thirtieth day following the date of enactment of this Act.

By Mr. WILLIAM L. SCOTT:

S. 501. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses. Referred to the Committee on Commerce.

S. 502. A bill to amend title 13, United States Code, to provide certain limitations with respect to the types and number of questions which may be asked in connection with the decennial censuses of population, unemployment, and housing, and for other purposes. Referred to the Committee on Post Office and Civil Service.

S. 503. A bill to transfer to the Attorney General jurisdiction over the District of Columbia penal facilities at Lorton, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. WILLIAM L. SCOTT. Mr. President, I have three bills to send to the desk, ask they be printed and referred to the appropriate committees.

As you know, at the present time broadcasters are forced to operate their businesses with no assurance that their licenses will be renewed in the future, regardless of the fact that their broadcast operations have served the public interest. A broadcaster, who has invested his capital and who has made his best effort to follow FCC regulations and has in fact succeeded in that effort faces the threat that renewal of his license will be denied and awarded to a competing applicant who has made no capital investment and who may well be untested in the communications field. I believe that my proposed bill would resolve this troublesome issue and restore to broadcasters the assurance that performance in the public interest and compliance with the law would warrant license renewal regardless of competition.

The second bill would amend title 13, United States Code, to provide limitations as to the types and number of questions that may be asked in connection with the decennial census. I introduced a similar measure during the last Congress and at this time when the right to privacy is under increasing attack from a variety of sources, including the Government, this proposal would provide Congress with a significant opportunity to move in defense of this important right.

The third bill would transfer to the Attorney General jurisdiction over the District of Columbia penal facilities at Lorton, Va. This proposal is not new to Congress. In fact, it was passed by the House of Representatives as a part of the District of Columbia crime and court reform bill during the 91st Congress; however, it was dropped in conference. As you know, Mr. President, this prison complex is located in Fairfax County, but the State of Virginia has no jurisdiction or control over it. It has been a worrisome problem for many years. The Virginia General Assembly passed a joint resolution memorializing the Congress to undertake corrective action at the prison complex to assure proper administration and security. The Board of Supervisors of Fairfax County have also asked that the Lorton facility be transferred to the Justice Department or closed down within the next 5 years. GAO recently investigated the operation of Lorton and found many examples of mismanagement and very little corrective action be taken by the penal administration to identify or remedy serious security deficiencies. Some action must be taken on this matter. I hope the committee to which the bill is referred will hold hearings and either formally report any bill or find a substitute manner to eliminate this festering sore in Virginia.

By Mr. HELMS:

S. 504. A bill to protect consumers, preserve jobs, and provide emergency relief for natural gas shortages, and for other purposes. Referred to the Committee on Commerce.

NATURAL GAS EMERGENCY PURCHASE ACT OF 1975

Mr. HELMS. Mr. President, the Congress of the United States has before it many proposals to try to solve the energy supply problems in the United States. There are many views, many of them conflicting, about what is to be done. This is particularly so with regard to increasing the supply of natural gas to the consuming States, where no supply is available within the State or offshore.

But even if we resolve these conflicting views immediately, there will be a time lag before new wells can be drilled and brought into production.

Meanwhile, as everyone knows, we are faced with an emergency situation in which natural gas pipeline transmission companies are going deeper and deeper into curtailment. Some pipelines are curtailed more than others because their supplies are going down faster; some of the local distribution companies which buy their gas from the transmission companies are being curtailed more than others, because of the end use to which the gas they sell is ultimately put. Instead of curtailing all users on a pro rata basis, the Federal Power Commission requires curtailment according to a set of priorities based on the end use and the availability of other forms of energy.

Today North Carolina, which is served principally by the Transcontinental Pipeline Corp., of Transco, is suffering a curtailment of 42.95 percent. This creates an energy shortage which goes far beyond anything that alternate fuels or energetic conservation programs can correct. And since North Carolina's industrial base has been created in the past 20 years around Transco's pipeline, it means that very shortly plants will be shut down, processing will stop, fertilizer will no longer be made. People who depend on North Carolina products in other States will also shut down. More important, payrolls will stop, and it will be a very cold, cold in many North Carolina households, unless something is done immediately.

Of course, North Carolina is not the only State that is sharply affected by curtailment. On the Transco pipeline alone, the following curtailments are in effect, in addition to North Carolina's 42.95 percent:

Alabama, 54.70 percent; Georgia, 32.85 percent; South Carolina, 48.19 percent; New York, 21.49 percent; Virginia, 31.68 percent; Maryland, 31.74 percent; Delaware, 31.85 percent; New Jersey, 25.90 percent; and Pennsylvania, 26.84 percent

Some of these States are served by additional pipelines, but in most cases those pipelines are also in curtailment.

The seriousness of the situation and the need for such emergency action is clear. A report of the Bureau of Natural Gas of the FPC on November 15, 1974, projected that natural gas supply deficiencies for major interstate natural gas pipeline companies would be 107 percent greater this winter than last winter. Regarding firm—as opposed to interruptible—curtailments, the anticipated supply deficiencies for September 1974 through August 1975 exceed the actual curtailments for the preceding year by 73.15 percent with 19 pipelines reporting actual firm curtailments. Regarding the curtailment of interruptible sales, the anticipated supply deficiencies for September 1974 through August 1975 will result in an anticipated curtailment of over 58 percent of interruptible loads during that time period.

We cannot wait until Congress debates a long range solution, and until new supplies are brought in. Even if Congress acts tomorrow, it will be 2 to 3 years before we can get relief.

Fortunately, there is a way to get emergency gas, if Congress will immediately pass the emergency legislation which I am about to propose. It is not a long-term solution. The authority is limited to 1 year, although naturally Congress may decide to extend it if the emergency is still existing. But it will bring new supplies of natural gas into the interstate pipelines almost immediately.

North Carolina will have a chance to get immediate help. But every other State on pipelines that have a curtailment in high priority end uses of natural gas will have an equal chance. It is the only way to avoid more plant closings, people out of work, payrolls ending, and critical material shortages across the country.

The principle of my bill is very simple. Despite the nationwide shortages, there are short-term supplies of natural gas available in some of the producing States. This gas is not available in the interstate market because Federal regulations have kept the price of interstate gas artificially low. The intrastate gas has an unregulated price but this price has stabilized at approximately the price for the equivalent price per Btu for oil. Some of this gas is new gas which is excess to present intrastate commitments or is waiting for pipelines to be built or for some other reason is available. But the producers are not willing to sell this gas in the interstate market because the interstate price is artificially depressed by Federal regulation, and because the Federal regulations also prohibit them from withdrawing such gas from the interstate market once it has been committed.

There is, however, a solution. That solution is to permit the available intrastate gas to be sold in the interstate market for limited short term periods at the normal intrastate rates. Naturally, the amount of gas made available on an emergency basis could not fill all the high priority needs that are presently in curtailment. But the availability of this gas could mean the difference between acute distress and a manageable situation.

There is no doubt that this proposal will work. The method has been tested already. It was put into operation last winter by FPC regulation. It provided more than 172 million cubic feet of natural gas last year. But recent court decisions have cast a cloud over the FPC's authority to continue such emergency sales. My legislation would clearly provide that authority to the FPC to allow such sales for a period of 180 days, renewable for one more period only of 180 days.

It was because of a proper realization of the serious need for an increased availability of natural gas in the interstate market that the Federal Power Commission issued order No. 491 on September 14, 1973. It issued this order pursuant to section 7(c) of the Natural Gas Act (15 U.S.C. § 717f(c)) which provides in pertinent part as follows:

> (The Commission) may by regulation exempt from the requirements of this section temporary acts or operations from which the issuance of a certificate will not be required in the public interest.

However, despite this action by the FPC responding to the public interest in the availability of natural gas in the interstate market, the matter has been embroiled in court litigation testing the authority of the FPC to take such action. On October 3, 1973, the U.S. Court of Appeals for the District of Columbia Circuit stayed order No. 491 pending final action by the Commission after receipt of the public comments on a subsequent FPC order regarding the rate at which emergency volumes of such gas would be committed to interstate pipelines.

On November 2, 1973, the FPC issued a third order in this series which reaffirmed the extension of the emergency purchase period to 180 days. The court stay was thus vacated. Again, on December 10, 1973, the U.S. Court of Appeals for the District of Columbia Circuit granted a stay of the FPC order, which stay was subsequently vacated by the Supreme Court of the United States on December 20, 1973. At present, the litigation goes on, the future is uncertain, curtailments persist, and serious hardships are apparent.

The FPC's present position is that while they favor the 180-day period for emergency sales, "in view of the uncertainty over the legality of our past procedures which has been generated by the appeal of order Nos. 491, et sequitor, and extension from 60 to 180 days for emergency sales at this juncture would be questionable value in the elicitation of these needed additional supplies of gas."

Fortunately, Congress has the authority to remedy this particular situation. It can obviate the need for further litigation over this question, and in so doing, it can put an end to this unfortunate circumstance where one segment of the Government is preventing another from providing emergency assistance where it is so greatly needed. It can do so by passing the bill that I am introducing today, the "Natural Gas Emergency Purchase Act of 1975."

Briefly, this bill provides clarity where ambiguity has previously existed. It amends section 7(c) of the Natural Gas Act (15 U.S.C. § 717f(c)) to provide that the Federal Power Commission shall, by regulation, exempt from the provisions of the Natural Gas Act the sale of such gas to an interstate natural gas pipeline company which is curtailing deliveries pursuant to a curtailment plan on file with the Commission, and which does not have sufficient supply of natural gas to meet the firm requirements of the ultimate consumers on such pipeline system. Of course, boiler fuel consumers would not be included in this group, because they can find alternative fuels. Such exemption could not exceed 180 days, but the FPC, for good cause shown, could extend the original period for an additional 180 days. Finally, the bill provides that interstate natural gas pipeline companies that purchase such exempted natural gas shall not be denied the right to recover all or any part of the purchase price paid for such gas. In other words, the pipeline companies would be allowed to pass through any increased costs that may result from the purchase of exempted gas.

Now, one immediately raises the question of where the burden of any such increased costs will ultimately fall. I am advised that once interstate natural gas enters the State where it is to be consumed, the retail price is regulated by the various State utilities commissions. It would be up to the utilities commission in each State to determine the rate such gas shall be sold for in the retail market. Since home users of natural gas are currently receiving an adequate supply because they enjoy the highest priority level, it would seem that the increased costs should not be assigned to them, but rather it should be assigned to the industrial users who benefit from the increased availability of natural gas. However, as stated, this is a matter for the various State utilities commissions to determine.

Finally, if this bill becomes law, how much natural gas will actually be made available on the interstate market? Because of the fluctuations in production levels, it is impossible to respond with great certainty. However, we can examine past experience and draw some conclusions. FPC Order Nos. 491, et sequentes, were very successful in bringing supplies of natural gas to the interstate market that would not otherwise have been available during the 1973–74 winter season. Under these orders, there were over 500 sales made and over 172 million Mcf committed to the interstate market between September 1973 and September 1974. This includes approximately 25 million Mcf of sales made by intrastate pipelines to interstate pipelines. This was under the 180-day provision.

By comparison, in the period between September 1972 and September 1973, the 60-day emergency sales period only accounted for 89 million Mcf of gas. Thus, the extension from the 60 to 180 days for emergency sales accounted for over 80 million Mcf of additional sales. Such additional volumes of gas on the interstate market would be of tremendous aid in eliminating at least a portion of the existing supply deficiencies and the resulting economic problems related to such deficiency.

For Congress to clearly define the authority for the Federal Power Commission to allow such emergency sales for a full period of 180 days, with the authority to extend such period for a like term, would be a very substantial measure in protecting the environment from the abusive effects of alternative fuels, and it would greatly alleviate fears of unemployment and economic hardship.

Mr. President, I have supplied a copy of this bill to two of my distinguished colleagues in the House of Representatives, Mr. JAMES T. BROYHILL and Mr. JAMES G. MARTIN. It is my understanding that they will introduce my bill in the House of Representatives today. They and other members of the North Carolina delegation in that body have been diligently seeking relief for the crisis that now exists in my State, and in other States. I commend them for their interest and I thank them for their cooperation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD in full at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Emergency Purchase Act of 1975".

SEC. 2. That section 7(c) of the Natural Gas Act is amended by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) Within 15 days following the enactment of this paragraph, the Commission shall, by regulation, exempt from the provisions of this Act the sale of natural gas not committed to interstate commerce to an interstate natural gas pipeline company which is curtailing deliveries pursuant to a curtailment plan on file with the Commission, and which does not have sufficient supply of natural gas to meet the firm requirements of the ultimate consumers on such pipeline system exclusive of boiler fuel. No exemption granted under this paragraph shall exceed one hundred and eighty days in duration, but any such exemption may, for good cause shown, be extended for an additional one hundred and eighty days. Interstate natural gas pipeline companies which purchase such gas under this exemption, or any extension thereof, pursuant to Commission regulations, shall not be denied by the Commission the right to recover all or any part of the purchase price paid for such gas.".

By Mr. CHURCH:

S. 505. A bill entitled the United States Petroleum Import Act. Referred to the Committee on Finance.

AN ALTERNATIVE TO THE FORD ADMINISTRATION ENERGY PROGRAM

Mr. CHURCH. Mr. President, I am today introducing a bill to establish a U.S. Petroleum Import Administration to control imported oil, gradually reduce imports from the OPEC cartel, allocate available supplies, including mandatory rationing, if necessary, and conserve energy by imposing an excise tax on automobiles related to fuel efficiency, together with an increase in the amount of the Highway Trust Fund that may be used for mass transit purposes. This program is an alternative to President Ford's proposed energy program.

WHAT IS WRONG WITH THE FORD PROGRAM

What is wrong with the Ford energy program is that it is worse than no program at all. It is confused as to its objectives and harmful to the American economy, all without any clear compensating benefits.

In the course of the past year, the cartel of oil producing exporting countries—OPEC—has increased the price of crude oil by 500 percent, increasing costs to the consuming nations by $80 billion. U.S. costs alone in 1974 were $14 billion higher for imported oil than for a similar quantity the year before. In November 1974, Secretary of the Treasury Simon stated:

> The costs imposed on the world economy by exorbitant oil prices are both severe and extensive. They make our battle against inflation more difficult and the inflation more virulent. . . . I can think of no single change that would more improve the outlook for the world economy than a substantial decrease in the price of oil.

In the same month, Secretary of State Kissinger warned:

> Nor can consumers finance their oil bill by going into debt to the producer without making their domestic structure hostage to the decisons of others. Already, producers have the power to cause major financial upheavals simply by shifting investment funds from one country to another or even from one institution to another. The political implications are ominous and unpredictable. Those who wield financial power would sooner or later seek to dictate the political terms of new relationships.

The Chairman of the Federal Reserve Board, Arthur Burns, also in November, further noted that:

> Preoccupation with "recycling" techniques has had the unfortunate effect of diverting attention from the fundamental need to bring down the price of oil.

Thus, the chief administration spokesmen, Secretaries Kissinger and Simon, and the prestigious Chairman of the Federal Reserve Board, in the course of a single month all emphasized that the primary objective of U.S. oil policy must be to bring down the OPEC-mandated price of international oil.

OPEC now has shut in its capacity by 8 MBD. The cutbacks have largely been absorbed by the countries with relatively small populations. Saudi Arabia is presently producing 8.5 MBD. Along with Kuwait, it now appears that any significant additional cutback would have to be absorbed by Saudi Arabia, Kuwait, and the smaller Persian Gulf sheikdoms. Historically, however, Saudi Arabia has never been willing to produce less oil than its rival, Iran, which is now producing at roughly the level of 6 MBD. It is conceivable, then, that a reasonable target would be to reduce OPEC imports—by a minimum of at least 4 or 5 MBD worldwide. Conceivably, this would bring about the situation that the OPEC cartel has never successfully managed—prorationing production cutbacks among states with diverse population characteristics and political ambitions. Put in this kind of strategic framework, such a conservation target would be understandable and I believe supported by the Congress and the American people.

But we have heard no such rationale or strategy from the administration. Rather, we are asked to accept sacrifice in the form of heavy new tariff and excise taxes on petroleum in the hope of reducing oil consumption, but without any clear strategic objective in mind. Moreover, the means chosen will not accomplish even the President's stated objective of achieving a 2-million-barrel-per-day reduction in oil consumption.

The anticipated 10 or 12 cents per gallon price increase of gasoline which would result from implementation of the President's program would barely make a dent in current consumption of gasoline. According to a study of the Joint Economic Committee, even a 30-cents-per-gallon price increase would result in only a 500,000-barrel-per-day cutback in consumption. Commonsense suggests that most consumers have already begun to remove the most obvious and least painful forms of energy waste from their daily lives. Consequently, those who can will pay the higher prices because at this point they need the oil. People must heat their homes; they must drive to work in areas where mass transit is inadequate or unavailable. They will not be dissuaded from doing these things by a 12-cents-per-gallon increase in the cost of fuel.

Additionally, there is no reason to believe that higher domestic prices would stimulate greater domestic production. All newly discovered domestic oil is presently sold at the uncontrolled world price of about $11 per barrel. In addition, for every barrel of "new" oil which is produced, one barrel of "old" oil which is price controlled at $5.25 per barrel may be sold at the uncontrolled price. Thus, the real marginal price of every barrel of new domestic oil is almost $17 per barrel. Further increases in the domestic price are, therefore, hardly necessary to spur new oil discoveries.

The President's program would have catastrophic consequences for the American economy. According to the administration's own spokesmen, the Ford energy program would have severe contractionary effects on the economy, since it would remove $45 to $50 billion from the stream of consumer purchasing power in higher fuel costs. No one has yet shown how any amount even close to this staggering figure will be returned to the American people through the tax cuts the President recommends.

At the same time, the inflationary effects of the Ford program are clear. Specifically, the American family would pay an estimated minimum of $345 more a year in direct energy costs, at least 10 cents a gallon more for gasoline, 10 cents a gallon more for heating oil and up to 30 percent for electricity. And there would be further price increases resulting from higher transportation and manufacturing costs for industry, almost impossible to calculate. Dr. Otto Eckstein, a former member of the Council of Economic Advisors, estimates that the President's plan in its first year would drive the cost of living up by almost 4 percent.

The economic folly of this policy is clearly spelled out in the Project Independence report issued by the Ford administration in November 1974. That Report thus states, "at $11/bbl, economic growth is projected to recover slowly from its present low rate . . . despite the stimulating effect of high oil prices on investment in energy production, the dampening effect on investments in other sectors would be so great that growth would be inhibited relative to the $7 per barrel case." (p. 319)

Not only does the Ford administration embrace the OPEC policy of $11 per barrel of oil, it goes one step further and hijacks the price from $11 to $14 per barrel, thus saddling this country with a high cost base energy price of aproximately $14 per barrel.

In other words, in order to deal with the catastrophic effects of the OPEC mandated price increase so eloquently described by the administration spokesmen in November 1974, President Ford, in January 1975, proposes to impose an equally catastrophic additional oil price rise upon the American economy. In effect, he has given OPEC the perfect argument to raise oil prices still further.

AN ALTERNATIVE PROGRAM

I agree with Secretary of State Kissinger, Arthur Burns and Secretary of the Treasury Simon that the policy of the U.S. Government ought to be directed towards bringing about a substantial lowering of the $11-per-barrel OPEC price of imported oil. As an initial goal, we ought to aim for a price in the range of $7 per barrel, the price at which the FEA Project Independence study states the impact on growth would be expected to be positive and real and a price at which studies have shown alternative energy sources are economic. Moreover, $4 reduction in the OPEC mandated price would lead to a $40 billion decrease in the worldwide transfer of resources to the OPEC cartel.

U.S. PETROLEUM IMPORT ADMINISTRATION

The key to achieving this objective is effective U.S. Government control over import policy, not the indirect and ineffective mechanism proposed by the administration. In order to achieve this control, I am submitting today a bill to create a U.S. Petroleum Import Administration. This agency would have the exclusive right to import crude oil and products into the United States. It would thus set the level of imports in accordance with congressionally mandated guidelines. Those guidelines would initially set a target of reducing oil imports from the present level of about 7 million barrels per day to 4.5 million over the next 3 years, the same time period in which the President hopes that consumption cutbacks will result in a reduction of 2 million barrels per day. Instead of hoping, the creation and operation of such a Federal purchasing agency would provide the U.S. Government, for the first time, with an effective instrumentality to achieve the objective.

The agency could operate in basically three ways or a combination of them: it could seek to maximize bargaining leverage with individual oil producing governments by offering access to a major market to new entrants in return for lower prices. Rather than direct bargaining with individual governments, it could offer access to this market on a sealed-bid basis, rewarding the lowest bidder. Finally, it could sell tickets to potential importers on a sealed-bid basis and then allow the ticketholder to negotiate directly with oil producers for imports—the so-called Adelman plan. In effect, such an agency would have a clear mandate to achieve the cheapest level of imports possible and maximum flexibility to achieve this objective.

This agency would thus free us from the existing arrangements among multinational oil corporations and oil producing foreign governments in which the companies secure preferred access to the crude and, in return, guarantee outlets for that crude, rather than shopping for the cheapest crude.

The agency would then allocate on a geographically equitable basis the crude oil it purchases.

In this way, we would be attacking the problem at the critical point—import policy—rather than coming at it backwards through the indirect effect on imports that may result from a Rube Goldberg set of tax increases.

The legislation I am introducing also contains the following elements:

A staged reduction in imports. The legislation provides that between 1975 and 1977, the United States import 2.5 Mbbl/d less than the present 7 Mbbl/d import level. In other words, by January 1, 1978, the United States should be importing no more than 4.4 Mbbl/d. As the FEA Project Independence study states:

> Unlike the reduction in demand brought about by embargoes, there is no necessary relation between the institution of an energy conservation policy and real economic growth.

This phased stepdown in imports will allow a transition phase for the economy to adjust to the reduced level of petroleum.

If the OPEC imports cannot be replaced by increased domestic production. alternative energy sources, or non-OPEC imports at reasonable prices, then the reduced supply will have to be allocated on an equitable basis and it is likely that we shall have to adopt a system of rationing. Authority already exists for geographical allocation of existing supplies. My bill would add: (a) standby rationing authority and (b) mandatory rationing once the Federal Energy Administrator certifies that total oil availability—domestic and foreign sources—is not more than 16 Mbbl/d. The legislation would permit the establishment of a so-called "white" rationing system in which coupons could be freely traded or sold but is different from the system described in the Federal Energy Administration Fact Sheet of January 24, 1975, in that it recognizes that gasoline usage differs in accordance with the different characteristics of geographical regions of the country. The legislation thus requires the President to designate regions as a. the President to designate regions as (a) urban, (b) suburban, and (c) rural. Rural and suburban areas would be entitled to larger allocations of gasoline to reflect the long distances and lesser availability of mass transit facilities.

On the other hand, the legislation contains provisions which impose an excise tax on automobiles related to fuel economy usage. It also amends the highway trust fund legislation to provide $1 billion more than is presently authorized under existing legislation to be applied to subsidized financing of buses by municipalities, railroad capital stock and improvement of roadbed. These provisions thus constitute a significant incentive to a necessary shift in the American life style away from excessive and unrealistic dependence upon the gas guzzling large automobiles. At the same time, it provides a needed stimulus to employment and capital investment in previously neglected areas of the American economy.

This bill thus represents a fundamental departure from the administration's approach: It directly attacks the problem at its most critical point—reducing the level of OPEC imports. It also directly addresses the conservation side of the problem by authorizing: First, an equitable system of gasoline rationing which recognizes the differing geographic characteristics of the country; second, begins the necessary shift in American consumption patterns by imposing an excise tax where it belongs, on the big fuel inefficient automobiles; and third, gives a boost to mass transit facilities by increasing by $1 billion the amount of the highway trust fund that may be used for that purpose. In so doing, it creates jobs and capital investment where they will do the most good.

This, then, is a program which identifies the problem that needs to be attacked, and then attacks it directly in a clear and understandable way.

By Mr. CHURCH:

S. 506. A bill to amend the Water Resources Planning Act to extend the authority for financial assistance to the States for water resources planning. Referred to the Committee on Interior and Insular Affairs.

Mr. CHURCH. Mr. President, I send to the desk for appropriate reference a bill to amend the Water Resources Planning Act of 1965 to remove the termination date for the existing program of Federal assistance to the States to finance water resources planning.

In my estimation, the Water Resources Planning Act was a landmark in Federal water resources policy. Since enactment of this legislation our ability to meet the increasing demands upon the Nation's limited water resources has greatly improved.

Perhaps the most significant aspect of the act is the emphasis upon State participation in the planning and management of water resources. This participation is accomplished through provisions calling for coordinated planning and financial assistance to the States. These assistance funds, which are matched by the States, have helped to support State water resource agencies and programs to meet greater and more varied demands.

The authority contained in title III of the act for annual planning grants to the States is limited to 10 fiscal years following the date of enactment. The authority for such appropriations, therefore, will expire with the fiscal year 1976 budget. It is timely for the Congress to consider the future of the program. The State agencies and the programs which are partially funded from title III are essential to proper water resource planning and development; their future must be assured. It is only proper that those States most directly involved should have assurances that Federal funds will continue to be available.

I am introducing this measure today as a basis for the Subcommittee on Energy Research and Water Resources of the Senate Interior Committee to obtain the views of the executive agencies on this matter and to begin consideration of the future of the planning grant program.

By Mr. HASKELL (for himself, Mr. Jackson, and Mr. Metcalf):

S. 507. A bill to provide for the management, protection, and development of the national resource lands, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

NATIONAL RESOURCE LANDS MANAGEMENT ACT

Mr. HASKELL. Mr. President, I introduce, for myself, Mr. Jackson, and Mr. Metcalf, the National Resource Lands Management Act. This bill, often referred to as the "BLM Organic Act," would provide the first comprehensive statement of congressional goals, policies, and authority for the use and management of 451 million acres of federally owned lands administered by the Secretary of the Interior through the Bureau of Land Management.

Throughout most of our Nation's history the national resource lands have been called the "public domain." The public domain is the "landed estate" of the American people. Originally including practically all the land with the boundaries of the first 48 States except Texas and the 13 Colonies, it has always constituted the largest system of Federal lands.

Wallace Stegner, the noted man of letters and historian, has admirably summarized the public domain's early history:

> As a fact, the public domain dates from October 30, 1779, when Congress requested the states to relinquish in favor of the federal government all claims to the unsettled country between the Appalachians and the Mississippi. As a problem, it dates from the Act of Congress of May 18, 1796, which authorized the appointment of a surveyor-general and the survey of the Northwest Territory. As the responsibility of a special branch of government, it was created with the General Land Office in April, 1812, eight and a half years after Jefferson's Louisiana Purchase has superimposed mystery upon wilderness, and added unmeasured millions of acres, unrealized opportunities, and unpredictable headaches to the national inheritance.

For over a century and a half this vast land mass was woefully neglected. The General Land Office, under the Treasury Department until creation of the Department of the Interior in 1849, defined its primary responsibilities to be the surveying and conveying of the land. Over 1 billion acres were transferred out of Federal ownership by means of grants to States and railroads, sales to private owners, homestead acts, and various other disposal methods. The land which remained lacked any consistent management with the inevitable result that vast acreages suffered extensive damage from overgrazing of livestock and wasteful settlement and farming practices—and, even today much of that damaged land has yet to benefit from natural or man-aided restorative processes.

It was only with the passage of the Taylor Grazing Act in 1934, which established the Grazing Service to manage grazing districts authorized under the act and which provided land classification authority, that the general policy of Federal land disposal and the failure to accept land management responsibilities was abandoned. Acceptance of a policy of retention and management of the Federal lands was further manifested in 1946 in the creation of the Bureau of Land Management as the successor to both the General Land Office and the Grazing Service.

Despite this long overdue acceptance of retention and long-term management philosophies for the public domain, to some extent we are still neglecting this vast national resource. This neglect can be overcome only by the passage of the National Resource Lands Management Act.

To best express the need for this legislation, I would like to speak from personal experience. Shortly after taking my first oath of office as a Senator in January of 1973, I had the double good fortune of being assigned to the Senate Interior Committee—a committee with extensive authority in both the environmental and energy areas—and being designated as chairman of the Subcommittee on Public Lands, now the Subcommittee on the Environment and Land Resources—the subcommittee with jurisdiction over, among other things, the national resource lands.

It did not take me long, once I had assumed the subcommittee chairmanship, to realize the importance of the national resource lands. These lands constitute one-fifth of our entire land base and two-thirds of all Federal lands. They contribute significant resources—in the form of water, timber, minerals, fuels, and livestock—to our economy and large sums of money to the Federal, State, and local treasuries. Finally, they possess an almost endless array of scenic and recreational resources the potential of which has not yet been fully realized.

However, with a sense of dismay, I must report that it took me longer to fully realize the importance of the legislation I introduce today. When it was introduced by the chairman of the Interior Committee and referred to the Environment and Land Resources Subcommittee in 1973, I initially regarded it as nothing more than a general housekeeping measure—and like most Americans I am always prepared to put off the housekeeping until another day.

The importance of the legislation first became apparent to me when I realized that the Bureau of Land Management is the only major Federal land agency without a modern statutory mandate. Over the years, the Congress has established a comprehensive statutory base of goals, objectives, and management authority for the newer and smaller land systems: the national park, forest, and wildlife refuge systems. Yet no similar legislative foundation exists for the national resource lands. The existence of the Forest Service's Organic Act of 1897 and Multiple Use-Sustained Yield Act of 1960 and the Park Service's Organic Act of 1916 not only makes the lack of a BLM Organic Act more conspicuous in its absence, but also provides convincing evidence of the embarrassing failure of Congress to complete the legislative task of providing a comprehensive statutory base for the management of all our public lands.

The only management tools available to the BLM remain some 3,000 public land laws which have accumulated over the last 170 years. A goodly proportion of these laws were written in the last century at a time when the disposal policy prevailed. Not unexpectedly, therefore, these laws are often conflicting, sometimes truly contradictory, and certainly incomplete and inadequate.

Mr. President, through hearings on the legislation last Congress and in numerous conversations I have had with other Senators, Interior Department officials, and citizens of my home State of Colorado, I have learned that the lack of land management authority available to the Secretary of the Interior as a result of his dependence upon this uncertain set of laws is indeed frightening.

In the vacuum created by the absence of this authority, the unnecessary waste and destruction of our country's most valuable resource—its land—is almost awesome in its dimensions. Vast areas are eroding from vehicular overuse and misuse priceless petroglyphs and other archeological treasures are dug up or literally blasted off of rock walls and carted off for sale in stores in Los Angeles, Salt Lake City, and other Western communities; BLM facilities are defaced, burned, or dynamited; significant, private land-locked tracts of national resource lands are serving as private preserves for a few select people in the absence of any means to obtain public access; destruction of the land and its facilities by users occurs without any requirement that those users restore them or post a security sufficient to insure their restoration.

Mr. President, these and other examples of the degradation of our public domain land due to the fact that the BLM lacks an adequate statutory base to protect them make our continuing failure to enact the necessary legislation an embarrassment and, worse, a dereliction of duty. Certainly, there is no more fundamental responsibility of a public official than to husband public assets—be they land or money. Unless we promptly enact this legislation we will have failed that principal responsibility.

Mr. President, I am particularly grateful that the distinguished chairman of the Interior Committee joins me in introducing this bill. He introduced the first National Resource Lands Management Act on February 4, 1970, the year the report of the Public Land Law Review Commission was submitted. Senator JACKSON has since been the principal proponent of this legislation. He has three times from the Interior Committee and passed twice by the Senate. Under his effective leadership, each successive version of the legislation has become stronger and enjoyed wider support. The chairman deserves plaudits for his longstanding dedication to the enactment of this measure.

Mr. President, I cannot stress enough the urgent need for this long overdue legislation. I pledge to my colleagues early action upon this measure by the Subcommittee on the Environment and Land Resources. I expect, as well, prompt response by the full Interior Committee which reported the measure by unanimous vote, and by the Senate which passed it by a 71-to-1 vote, last Congress. I urge the House to join this Congress in giving the measure the full consideration it merits.

I ask unanimous consent that the measure be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "National Resource Lands Management Act".

(b) TABLE OF CONTENTS.—

Sec. 2. Definitions.
Sec. 3. Declaration of policy.
Sec. 4. Rules and regulations.
Sec. 5. Public participation.
Sec. 6. Advisory boards and committees.
Sec. 7. Annual Report.
Sec. 8. Director.
Sec. 9. Appropriations.

TITLE I—GENERAL MANAGEMENT AUTHORITY

Sec. 101. Management.
Sec. 102. Inventory.
Sec. 103. Land use plans.
Sec. 104. Recordation of mining claims.

TABLE OF CONTENTS—Continued

TITLE II—CONVEYANCE AND ACQUISITION AUTHORITIES

Sec. 201. Authority to sell.
Sec. 202. Disposal criteria.
Sec. 203. Sales at fair market values.
Sec. 204. Size of tracts.
Sec. 205. Competitive bidding procedures.
Sec. 206. Right to refuse or reject offer of purchase.
Sec. 207. Reservation of mineral interests.
Sec. 208. Conveyance of reserved mineral interests.
Sec. 208. Terms of patent.
Sec. 209. Terms of patent.
Sec. 210. Conforming conveyances to State and local planning.
Sec. 211. Authority to issue and correct documents of conveyance.
Sec. 212. Recordable disclaimers of interest in land.
Sec. 213. Acquisition of land.

TITLE III—MANAGEMENT IMPLEMENTING AUTHORITY

Sec. 301. Studies, cooperative agreements, and contributions.
Sec. 302. Service charges, reimbursement payments, and excess payments.
Sec. 303. Working capital fund.
Sec. 304. Deposits and forfeitures.
Sec. 305. Contracts for cadastral survey operations and resource protection.
Sec. 306. Unauthorized use.
Sec. 307. Enforcement authority.
Sec. 308. Cooperation with State and local law enforcement agencies.
Sec. 309. California desert area.
Sec. 310. Oil shale revenues.

TITLE IV—AUTHORITY TO GRANT RIGHTS-OF-WAY

Sec. 401. Authorization to grant rights-of-way.
Sec. 402. Right-of-way corridors.
Sec. 403. General provisions.
Sec. 404. Terms and conditions.
Sec. 405. Suspension or termination of right-of-way.
Sec. 406. Rights-of-way for Federal agencies.
Sec. 407. Conveyance of lands.
Sec. 408. Existing rights-of-way.
Sec. 409. State standards.
Sec. 410. Effect on other laws.

TITLE V—CONSTRUCTION OF LAW, PRESERVATION OF VALID EXISTING RIGHTS AND REPEAL OF LAWS

Sec. 501. Construction of law.
Sec. 502. Valid existing rights.
Sec. 503. Repeal of laws relating to disposal of national resource lands.
Sec. 504. Repeal of laws relating to administration of national resource lands.
Sec. 505. Repeal of laws relating to rights-of-way.

SEC. 2. DEFINITIONS.—As used in this Act:

(a) "The Secretary" means the Secretary of the Interior.

(b) "National resource lands" means all lands and interests in lands (including the renewable and nonrenewable resources thereof) now or hereafter administered by the Secretary through the Bureau of Land Management, except the Outer Continental Shelf.

(c) "Multiple use" means the management of the national resource lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; the use of some land for less than all of the resources; a combination of balanced and diverse resource uses that takes into account the long-term needs of future generations for renewable and non-renewable resources, including recreation and scenic values; and harmonious and coordinated management of the various resources without permanent impairment of the productivity of the land and the quality of the environment, with consideration being given to the relative values of the resources and not necessarily to the combination of uses that will give the greatest economic return or the greatest unit output.

(d) "Sustained yield" means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources of land without permanent impairment of the quality and productivity of the land or its environmental values.

(e) "Areas of critical environmental concern" means areas within the national resource lands where special management attention is required when such areas are devloped or used to protect, or where no development is required to prevent irreparable damage to, important historic, cultural, or scenic values, or natural systems or processes, or life and safety as a result of natural hazards.

(f) "Right-of-way" means an easement, lease, permit, or license to occupy, use, or traverse national resource lands granted for the purposes listed in title IV of this Act.

(g) "Holder" means any State or local governmental entity or agency, individual, partnership, corporation, association, or other business entity receiving or using a right-of-way under title IV of this Act.

SEC. 3. DECLARATION OF POLICY. (a) Congress hereby declares that—

(1) the national resource lands are a vital national asset containing a wide variety of natural resource values;

(2) sound, long-term management of the national resource lands is vital to the maintenance of a livable environment and essential to the well-being of the American people;

(3) the national interest will be best realized if the national resource lands and their resources are periodically and systematically inventoried and their present and future use is projected through a land use planning process coordinated with other Federal and State planning efforts; and

(4) except where disposal of particular tracts is made in accordance with title II, the national interest will be best served by retaining the national resource lands in Federal ownership.

(b) Congress hereby directs that the Secretary shall manage the national resource lands under principles of multiple use and sustained yield in a manner which will, using all practicable means and measures: (i) assure the environmental quality of such lands for present and future generations; (ii) include, but not necessarily be limited to, such uses as provision of food and habitat for wildlife, fish and domestic animals, minerals and materials production, supplying the products of trees and plants, human occupancy and use, and various forms of outdoor recreation; (iii) include scientific, scenic, historical, archeological, natural ecological, air and atmospheric, water resource, and other public values; (iv) include certain areas in their natural condition; (v) balance various demands on such lands consistant with national goals; (vi) assure payment of fair market value by users of such lands; and (vii) provide maximum opportunity for the public to participate in decisionmaking concerning such lands.

SEC. 4. RULES AND REGULATIONS.—The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act. The promulgation of such rules and regulations shall be governed by the Administrative Procedure Act (60 Stat. 237), as amended. Prior to the promulgation of such rules and regulations, the national resource lands shall be administered under existing rules and regulations concerning such lands.

SEC. 5. PUBLIC PARTICIPATION.—In exercising his authorities under this Act, the Secretary, by regulation, shall establish procedures, including public hearings where appropriate, to give the Federal, State, and local governments and the public adequate notice and an opportunity to comment upon the formulation of standards and criteria for the preparation and execution of plans and programs concerning, and in the management of, the national resources lands.

SEC. 6. ADVISORY BOARDS AND COMMITTEES.—In providing for public participation in planning and programing for the national resource lands, the Secretary, pursuant to the Federal Advisory Committee Act (86 Stat. 770) and other applicable law, may establish and consult such advisory boards and committees as he deems necessary to secure full information and advice on the execution of his responsibilities. The membership of such boards and committees shall be representative of a cross section of groups interested in the management of the national resource lands and the various types of use and enjoyment of such lands.

SEC. 7. ANNUAL REPORT.—The Secretary shall prepare an annual report which he shall make available to the public and submit to Congress no later than 120 days after the close of each fiscal year. The report shall describe, in appropriate detail, activities relating or pursuant to this Act for the fiscal year just ended, any problems which may have arisen concerning such activities, and other pertinent information which will assist the accomplishment of the provisions and purposes of this Act. The report shall contain a detailed list and description of all transfers of national resource lands out of Federal ownership for the fiscal year just ended. It shall include such tables, graphs, and illustrations as will adequately reflect the fiscal year's activities, historical trends, and future projections relating to the national resource lands.

SEC. 8. DIRECTOR.—Appointments made on or after the date of the enactment of this Act to the position of the Director of the Bureau of Land Management, within the Department of the Interior, shall be made by the President, by and with the advice and consent of the Senate. The Director shall have a broad background and experience in public land and natural resource mnagement.

SEC. 9. APPROPRIATIONS.—There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes and provisions of this Act.

TITLE I—GENERAL MANAGEMENT AUTHORITY

SEC. 101. MANAGEMENT.—The Secretary shall manage the national resource lands in accordance with the policies and procedures of this Act and with any land use plans which he has prepared, pursuant to section 103 of this Act, except to the extent that other applicable law provides otherwise. Such management shall include:

(1) regulating, through permits, licenses, leases, or such other instruments as the Secretary deems appropriate, the use, occupancy, or development of the national resource lands not provided for by other laws: *Provided, however,* That no provision of this Act shall be construed as authorizing the Secretary to require any Federal permit to hunt or fish on the national resource lands;

(2) requiring appropriate land reclamation as a condition of use, and requiring performance bonds or other security guaranteeing such recalamation in a timley manner from any person permitted to engage in an extractive or other activity likely to entail significant disturbance to or alteration of the national resource lands;

(3) inserting in permits, licenses, leases, or other authorizations to use, occupy, or develop the national resource lands, provisions authorizing revocation or suspension, after notice and hearing, of such permits, licenses, leases, or other authorizations, upon final administrative finding of a violation of any regulations issued by the Secretary under any Act applicable to the national resource lands or upon final administrative finding of a violation on such lands of any applicable State or Federal air or water quality standard or implementation plan: *Provided,* That the Secretary may order an immediate temporary suspension prior to a hearing or final administrative finding if he determines that such a suspension is necessary to protect public health or safety or the environment: *Provided further,* That, where other applicable law contains specific provisions for suspension, revocation, or cancellation of a permit, license, or other authorization to use, occupy, or develop the national resource lands, the specific provisions of such law shall prevail; and

(4) the prompt development of regulations for the protection of areas of critical environmental concern.

SEC. 102. INVENTORY.—(a) The Secretary shall prepare and maintain on a continuing basis an inventory of all national resource lands, and their resource and other values (including outdoor recreation and scenic values) giving priority to areas of critical environmental concern. Areas containing wilderness characteristisc as described in section 2(c) of the Act of September 3, 1964 (78 Stat. 890), shall be identified within five years of enactment of this Act. The inventory shall be kept current so as to reflect changes in conditions and in identifications of resource and other values. The preparation and maintenance of such inventory or the identification of such areas shall not, of itself, change or prevent change in the management or use and national resource lands.

(b) The Secretary, where he determines it to be appropriate, may provide (i) means of public identification of national resource lands, including signs and maps, and (ii) State and local governments with data from the inventory for the purpose of planning and regulating the uses of non-Federal lands in the proximity of national resource lands.

SEC. 103. LAND USE PLANS.—(a) The Secretary, shall, with public participation, develop, maintain, and, when appropriate, revise land use plans for the national resource lands consistent with the terms and conditions of this Act and coordinated so far as he finds feasible and proper, or as may be required by the enactment of a national land use policy or other law, with the land use plans, including the statewide outdoor recreation plans developed under the Act of September 3, 1964 (78 Stat. 897), of State and local governments and other Federal agencies.

(b) In the development and maintenance of land use plans, the Secretary shall:

(1) use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic, and social sciences;

(2) give priority to the designation and protection of areas of critical environmental concern;

(3) rely, to the extent it is available, on the inventory of the national resource lands, their resources, and other values;

(4) consider present and potential uses of the lands;

(5) consider the relative scarcity of the values involved and the availability of alternative means (including recycling) and sites for realization of those values;

(6) weigh long-term public benefits; and

(7) consider the requirements of applicable pollution control laws including State or Federal air or water quality standards, noise standards, and implementation plans.

(c) Any classification of national resource lands in effect on the date of enactment of this Act is subject to review in the land use planning process and such lands are subject to inclusion in land use plans pursuant to this section.

(d) Wherever any proposed change in the classification of, or permitted uses on, any national resource lands would affect authorization for use of such lands, persons holding leases, licenses, or permits concerning the use to be affected shall be given written notice by the Secretary of such proposed change at least sixty days before it is put into effect.

(e) Areas identified pursuant to section 102 as having wilderness characteristics shall be reviewed within fifteen years of enactment of this Act pursuant to the procedures set forth in subsections 3 (c) and (d) of the Act of September 3, 1964 (78 Stat. 892–893): *Provided, however,* That such review shall not, of itself, either change or prevent change in the management or use of the national resource lands.

SEC. 104. RECORDATION OF MINING CLAIMS.—(a) Each mining claim under the Mining Law of 1872, as amended (Revised Statutes 2318–2352), shall be recorded by the claimant with the Secretary within two years after the date of enactment of this Act or within thirty days of location of the claim, whichever is later. Any claim not so recorded shall be conclusively presumed to be abandoned and shall be void.

(b) Any claim recorded pursuant to subsection (a) for which the claimant has not made application for a patent within five years after the date of enactment of this Act or the date of location of a claim, whichever is later, shall be conclusively presumed to be abandoned and shall be void.

(c) Such recordation or application shall not render valid any claim which was not valid on the date of enactment of this Act, or which becomes invalid thereafter.

TITLE II—CONVEYANCE AND ACQUISITION AUTHORITIES

SEC. 201. AUTHORITY TO SELL.—Except as otherwise provided by law, and subject to the requirements of action 3 of this Act, the Secretary is authorized to sell national resource lands. The national resource lands may be sold if the Secretary, in accordance with the guidelines he has established for sale of national resource lands and after preparation pursuant to section 103 of this Act of a land use plan which includes any tract of such lands identified for sale, determines that the sale of such tract will not cause needless degradation of the environment and meets the disposal criteria of section 202 of this Act.

SEC. 202. DISPOSAL CRITERIA.—(a) A tract of national resource lands may be transferred out of Federal ownership under this Act only where, as a result of land use planning required under section 103, the Secretary determines that—

(1) such tract of national resource lands, because of its location and other characteristics, is difficult to manage as part of the national resource lands and is not suitable for management by another Federal agency; or

(2) such tract of national resource lands was acquired for a specific purpose and the tract is no longer required for that or any other Federal purpose; or

(3) disposal of such tract of national resource lands will serve objectives which can-

not be achieved prudently or feasibly on land other than such tract and which outweigh all public objectives and values which would be served by maintaining such tract in Federal ownership.

(b) Where the Secretary determines that land to be disposed of under clause (3) of subsection (a) is of agricultural value and is desert in character, such land shall be disposed of either under the sale authority of section 201 or in accordance with existing law.

Sec. 203. Sales at Fair Market Value.—Sales of national resource lands under this Act shall be at not less than the appraised fair market value as determined by the Secretary.

Sec. 204. Size of Tracts.—The Secretary shall determine and establish the size of tracts of national resource lands to be sold on the basis of the land use capabilities and development requirements of the lands; and, where any such tract is sold for agricultural use, its size shall be no larger than necessary to support a family-sized farm.

Sec. 205. Competitive Bidding Procedures.—Except as to sales under section 208 hereof, sales of national resource lands under this Act shall be conducted under competitive bidding procedures to be established by the Secretary. However, where the Secretary determines it necessary and proper (i) to assure equitable distribution among purchasers of national resource lands, or (ii) to recognize equitable considerations or public policies, including but not limited to a preference to users, he is authorized to sell national resource lands with modified competitive bidding or without competitive bidding.

Sec. 206. Right To Refuse or Reject Offer of Purchase.—Until the Secretary has accepted an offer to purchase, he may refuse to accept any offer or may withdraw any land or interest in land from sale under this Act when he determines that consummation of the sale would not be consistent with this Act or other applicable law. The Secretary shall accept or reject, in writing, any offer to purchase made through competitive bid at his invitation no later than thirty days after the submission of such offer.

Sec. 207. Reservation of Mineral Interests.—All conveyances of title issued by the Secretary under this Act, except conveyances under the exchange authority provided in section 213, shall reserve to the United States all minerals in the lands, together with the right to prospect for, mine, and remove the minerals under applicable law and such regulations as the Secretary may prescribe: *Provided*, That, where prospecting, mining, or removing minerals reserved to the United States would interfere with or preclude the appropriate use or development of such land, the Secretary may (1) enter into covenants which provide that such activities shall not be pursued for a specified period or (2) convey the minerals in the conveyance of title in accordance with the provisions of section 208(a)(1) and (2) and (c) of this Act.

Sec. 208. Conveyance of Reserved Mineral Interests.—(a) The Secretary may convey mineral interests owned by the United States where the surface is in non-Federal ownership, regardless of which Federal agency may have administered the surface, if he finds (1) that there are no mineral values in the land, or (2) that the reservation of the mineral rights in the United States is interfering with or precluding appropriate nonmineral development of the land and that such development is a more beneficial use of the land than mineral development.

(b) Conveyance of mineral interests pursuant to this section shall be made only to the record owner of the surface, upon payment of administrative costs and the fair market value of the interests being conveyed.

(c) The patent for any mineral interests conveyed pursuant to this section shall provide that, in the event that mineral development activities are initiated within twenty years of the issuance of such patent, the mineral interests of the owner or owners of the parcel of land on which such activities are initiated, together with the right to prospect for, mine, and remove the minerals under applicable law and such regulations as the Secretary may prescribe, shall revert to the United States.

(d) Before considering an application for conveyance of mineral interests pursuant to this section—

(1) the Secretary shall require the deposit of a sum of money which he deems sufficient to cover administrative costs including, but not limited to, costs of conducting an exploratory program to determine the character of the mineral deposits in the land, evaluating the data obtained under the exploratory program to determine the fair market value of the mineral interests to be conveyed, and preparing and issuing the documents of conveyance: *Provided*, That, if the administrative costs exceed the deposit, the applicant shall pay the outstanding amount; and, if the deposit exceeds the administrative costs, the applicant shall be given a credit for or refund of the excess; or

(2) the applicant shall have conducted, and submitted to the Secretary the results of, such an exploratory program, in accordance with standards promulgated by the Secretary.

(e) Moneys paid to the Secretary for administrative costs pursuant to subsection (d) of this section shall be paid to the agency which rendered the service and deposited to the appropriation then current.

Sec. 209. Terms of Patent.—The Secretary shall insert in any patent or other document of conveyance he issues under this Act such terms, covenants, conditions, and reservations as he deems necessary to insure proper land use and protection of the public interest.

Sec. 210. Conforming Conveyances to State and Local Planning.—The Secretary shall not make conveyances of national resources lands under this Act which would be in conflict with State and local land use plans, programs, zoning, and regulations. At least ninety days prior to offering for sale or otherwise conveying national resource lands under this Act, the Secretary shall notify the Governor of the State within which such lands are located and the head of the governing body of any political subdivision of the State having zoning or other land use regulatory jurisdiction in the geographical area within which such lands are located, in order to afford the appropriate body the opportunity to zone or otherwise regulate, or change or amend existing zoning or other regulations concerning, the use of such lands prior to such conveyance.

Sec. 211. Authority To Issue and Correct Documents of Conveyance.—Consistent with his authority to dispose of national resource lands, the Secretary is authorized to issue deeds, patents, and other indicia of title, and to correct such documents where necessary. In addition, the Secretary is authorized to make corrections on any documents of conveyance which have heretofore been issued on lands which would, at the time of their conveyance, have met the description of national resource lands.

Sec. 212. Recordable Disclaimers of Interest in Land.—(a) After consulting with any affected Federal agency, the Secretary is authorized to issue a document of disclaimer of interest or interests in any lands in any form suitable for recordation, where the disclaimer will help remove a cloud on the title of such lands and where he determines (1) a record interest of the United States in lands has terminated by operation of law; or (2) the lands lying between the meander line shown on a plat of survey approved by the Bureau of Land Management or its predecessors and the actual shoreline of a body of water are not lands of the United States; or (3) accreted, relicted, or avulsed lands are not lands of the United States.

(b) No document of disclaimer shall be issued pursuant to this title unless the applicant therefor has filed with the Secretary an application in writing and notice of such application setting forth the grounds supporting such application has been published in the Federal Register at least ninety days preceding the issuance of such disclaimer and until the applicant therefor has paid to the Secretary the administrative costs of issuing the disclaimer as determined by the Secretary. All receipts shall be credited to the appropriation from which expended.

(c) Issuance of a document of disclaimer by the Secretary pursuant to the provisions of this section and regulations promulgated hereunder shall have the same effect as quitclaim deed from the United States.

Sec. 213. Acquisition of Land.—(a) The Secretary is authorized to acquire, by purchase, exchange, or donation, lands or interests therein where necessary for proper management of the national resource lands. *Provided*, That land or interests in land may be acquired pursuant to this title by eminent domain only if necessary in order to secure access to national resource lands: *Provided further*, That any such national resource lands acquired by eminent domain shall be confined to as narrow a corridor as is necessary to serve such purpose.

(b) Acquisitions pursuant to this Act shall be consistent with applicable land use plans prepared by the Secretary under section 103 of this Act.

(c) In exercising the exchange authority granted by subsection (a) of this section, the Secretary may accept title to any non-Federal land or interests therein and in exchange therefor he may convey to the grantor of such land or interests any national resource lands or interests therein which, under section 202 of this Act, he finds proper for transfer out of Federal ownership and which are located in the same State as the non-Federal land to be acquired. The values of the lands so exchanged either shall be equal, or if they are not equal, shall be equalized by the payment of money to the grantor or to the Secretary as the circumstances require.

(d) Lands acquired by exchange under this section or section 301(c) which are within the boundaries of the national forest system may be transferred to the Secretary of Agriculture for administration as part of, and in accordance with laws, rules, and regulations applicable to, the national forest system. Such transfer shall not result in the reduction in the percentage of in-lieu payments receivable by State and local governments. Lands acquired by exchange under this section or section 301(c) which are within the boundaries of national park, wildlife refuge, wild and scenic rivers, trails, or any other system established by Act of Congress may be transferred to the appropriate agency head for administration as part of, and in accordance with the laws, rules, and regulations applicable to, such system.

(e) Lands and interests in lands acquired pursuant to this section or section 301(c) shall, upon acceptance of title, become national resource lands, and, for the administration of public land laws not repealed by this Act, shall become public lands. If such acquired lands or interests in lands are located within the exterior boundaries of a grazing district established pursuant to section 1 of the Taylor Grazing Act (48 Stat. 1269), as amended, they shall become a part of that district.

TITLE III—MANAGEMENT IMPLEMENTING AUTHORITY

Sec. 301. Studies, Cooperative Agreements, and Contributions.—(a) The Secretary may conduct investigations, studies, and experiments, on his own initiative or in cooperation with others, involving the management, protection, development, acquisition, and conveying of the national resource lands.

(b) The Secretary may enter into contracts or cooperative agreements involving the management, protection, development, acquisition, and conveying of the national resource lands.

(c) The Secretary may accept contributions or donations of money, services, and property, real, personal, or mixed, for the management, protection, development, acquisition, and conveying of the national resource lands, including the acquisition of rights-of-way for such purposes. He may accept contributions for cadastral surveying performed on federally controlled or intermingled lands. Moneys received hereunder shall be credited to a separate account in the Treasury and are hereby appropriated and made available until expended, as the Secretary may direct, for payment of expenses incident to the function toward the administration of which the contributions were made and for refunds to depositors of amounts contributed by them in specific instances where contributions are in excess of their share of the cost.

SEC. 302. SERVICE CHARGES, REIMBURSEMENT PAYMENTS, AND EXCESS PAYMENTS.—(a) Notwithstanding any other provision of law, the Secretary may establish filing fees, service fees and charges, and commissions with respect to applications and other documents relating to national resource lands and may change and abolish such fees, charges, and commissions.

(b) The Secretary is authorized to require a deposit of any payments intended to reimburse the United States for extraordinary costs with respect to applications and other documents relating to national resource lands. The moneys received for extraordinary costs under this subsection shall be deposited with the Treasury in a special account and are hereby appropriated and made available until expended. As used in this subsection, "extraordinary costs" include but are not limited to the costs of special studies; environmental impact statements; monitoring construction, operation, maintenance, and termination of any authorized facility; or other special activities.

(c) In any case where it shall appear to the satisfaction of the Secretary that any person has made a payment under any statute relating to the sale, lease, use, or other disposition of the national resource lands which is not required or is in excess of the amount required by applicable law and the regulations issued by the Secretary, the Secretary, upon application or otherwise, may cause a refund to be made from applicable funds.

SEC. 303. WORKING CAPITAL FUND.—(a) There is hereby established a working capital fund for the management of national resource lands. This fund shall be available without fiscal year limitation for expenses necessary for furnishing, in accordance with the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and regulations promulgated thereunder, supplies and equipment services in support of Bureau of Land Management programs, including but not limited to, the purchase or construction of storage facilities, equipment yards, and related improvements and the purchase, lease, or rent of motor vehicles, aircraft, heavy equipment, and fire control and other resource management equipment within the limitations set forth in appropriations made to the Bureau of Land Management.

(b) The initial capital of the fund shall consist of appropriations made for that purpose together with the fair and reasonable value at the fund's inception of the inventories, equipment, receivables, and other assets, less the liabilities, transferred to the fund. The Secretary is authorized to make such subsequent transfers to the fund as he deems appropriate in connection with the functions to be carried on through the fund.

(c) The fund shall be credited with payments from appropriations and funds of the Bureau of Land Management, other agencies of the Department of the Interior, other Federal agencies, and other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities, supplies, equipment, and services (including depreciation and accrued annual leave). Such payments may be made in advance in connection with firm orders, or by way of reimbursement.

(d) There is hereby authorized to be appropriated not to exceed $3,000,000 as initial capital of the working capital fund.

SEC. 304. DEPOSITS AND FORFEITURES.—(a) Any moneys received by the United States as a result of the forfeiture of a bond or other security by a resource developer or purchaser or permittee who does not fulfill the requirements of his contract or permit or does not comply with the regulations of the Secretary, or as a result of a compromise or settlement of any claim whether sounding in tort or in contract involving present or potential damage to national resource lands shall be credited to a separate account in the Treasury and are hereby appropriated and made available, until expended as the Secretary may direct, to cover the cost to the United States of any improvement, protection, or rehabilitation work on the national resource lands which has been rendered necessary by the action which has led to the forfeiture, compromise, or settlement.

(b) The Secretary may require a user or users of roads, trails, lands, or facilities under the jurisdiction of the Bureau of Land Management to maintain such roads, trails, lands, or facilities in a satisfactory condition commensurate with the particular use requirements and the use made by each, the extent of such maintenance to be shared by the users in proportion to such use or, if such maintenance cannot be so provided, to deposit sufficient money to enable the Secretary to provide such maintenance. Such deposits shall be credited to a separate account in the Treasury and are hereby appropriated and made available until expended, as the Secretary may direct, to cover the cost to the United States of the maintenance of any road, trail, lands, or facility under the jurisdiction of the Bureau of Land Management: *Provided*, That nothing in this subsection shall be construed to require the user or users to provide maintenance or deposits to repair any damages attributable to general public use rather than the specific use or uses of such user or users.

(c) Any moneys collected under this Act in connection with lands administered under the Act of August 28, 1937 (50 Stat. 874), as amended, shall be expended for the benefit of such land only.

(d) If any portion of a deposit or amount forfeited under this Act is found by the Secretary to be in excess of the cost of doing the work authorized under this Act, the amount in excess shall be transferred to miscellaneous receipts.

SEC. 305. CONTRACTS FOR CADASTRAL SURVEY OPERATIONS AND RESOURCE PROTECTION.—(a) The Secretary is authorized to enter into contracts for the use of aircraft, and for supplies and services, prior to the passage of an appropriation therefor, for airborne cadastral survey and resource potection opeations of the Bureau of Land Management. He may renew such contracts annually, not more than twice, without additional competition. Such contracts shall obligate funds for the fiscal years in which the costs are incurred.

(b) Each such contract shall provide that the obligation of the United States for the ensuing fiscal years is contingent upon the passage of an applicable appropriation, and that no payment shall be made under the contract for the ensuing fiscal years until such appropriation becomes available for expenditure.

SEC. 306. UNAUTHORIZED USE.—The use, occupancy, or development of any portion of the national resource lands contrary to any regulation of the Secretary or other responsible authority, or contrary to any order issued pursuant to any such regulation, is unlawful and prohibited.

SEC. 307. ENFORCEMENT AUTHORITY.—(a) Any violation of regulations which the Secretary issues with respect to the management, protection, development, acquisition, and conveying of the national resource lands and property located thereon and which the Secretary identifies as being subject to this section shall be punishable by a fine of not more than $1,000 or imprisonment for not more than twelve months, or both. Any person charged with a violation of such regulation may be tried and sentenced by any United States magistrate designated for that purpose by the court by which he was appointed, in the same manner and subject to the same conditions and limitations as provided for in section 3401 of title 18 of the United States Code.

(b) At the request of the Secretary, the Attorney General may institute a civil action in any United States district court for an injunction or other appropriate order to prevent any person from using the national resource lands in violation of laws or regulations relating to lands or resources managed by the Secretary.

(c) For the specific purpose of enforcing any law or regulation relating to lands or resources managed by the Secretary, the Secretary may designate any employee to (i) carry firearms; (ii) execute and serve any warrant or other process issued by a court or officer of competent jurisdiction; (iii) make arrests without warrant or process for a misdemeanor he has reasonable grounds to believe is being committed in his presence or view, or for a felony if he has reasonable grounds to believe that the person to be arrested has committed or is committing such felony; (iv) search without warrant or process any person, place, or conveyance as provided by law; and (v) seize without warrant or process any evidentiary item as provided by law.

SEC. 308. COOPERATION WITH STATE AND LOCAL LAW ENFORCEMENT AGENCIES.—In connection with administration and regulation of the use and occupancy of the national resource lands, the Secretary is authorized to cooperate with the regulatory and law enforcement officials of any State or political subdivision thereof. Such cooperation may include reimbursement to a State or its subdivision for expenditures incurred by it in connection with activities which assist in the administration and regulation of use and occupancy of national resource lands.

SEC. 309. CALIFORNIA DESERT AREA.—(a) The Congress finds that—

(1) the California desert contains historical, scenic, archeological, environmental, biological, cultural, scientific, and educational resources that are unique and irreplaceable;

(2) the desert environment is a total ecosystem that is extremely fragile, easily scarred, and slowly healed;

(3) the desert environment and its resources, including certain rare and endangered species of wildlife, plants, and fishes, and numerous archeological and historic sites, are seriously threatened by air pollution, inadequate Federal management authority, and pressures of increased use, particularly recreational use;

(4) because of the proximity of the California desert to the rapidly growing population centers of southern California, these threats are certain to intensify;

(5) the Secretary has initiated a comprehensive planning process and established an interim management program for the California desert; and

(6) to insure further study of the relationship of man and the desert environment and preserve the unique and irreplaceable resources of the California desert, the public must be provided more opportunity to participate in such planning and management, and additional management authority must be provided to the Secretary to enable effective implementation of such planning and management.

(b) It is the purpose of this section to provide for the immediate and future protection and management of the California desert within the framework of a program of multiple use and the maintenance of environmental quality.

(c) (1) For the purpose of this section, the "California desert area" is the area generally depicted on a map entitled "California Desert Area—Proposed", dated April 1974, and on file in the Office of the Director of the Bureau of Land Management.

(2) As soon as practicable after this Act takes effect, the Secretary shall file a map and a legal description of the California desert area with the Committees on Interior and Insular Affairs of the United States Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made by the Secretary. To the extent practicable, the Secretary shall make such legal description and map available to the public promptly upon request.

(d) The Secretary, in accordance with section 103, shall prepare and implement a comprehensive, long-range plan for the management, use, and protection of the national resources lands within the California desert area. Such plan shall be completed and implementation thereof initiated on or before June 30, 1979.

(e) During the period beginning on the date of enactment of this Act and ending on the effective date of implementation of the comprehensive, long-range plan, the Secretary shall execute an interim program to manage and protect the national resource lands, and their resources now in danger of destruction, in the California desert area, to provide for the public use of such lands in an orderly and reasonable manner such as through the development of campgrounds and visitor centers, and to provide for a uniformed desert ranger force.

(f) (1) The Secretary, within sixty days of enactment of this Act, shall establish a California Desert Area Advisory Committee (hereinafter referred to as "advisory committee") in accordance with the provisions of section 6 of this Act.

(2) It shall be the function of the advisory committee to advise the Secretary with respect to the preparation and implementation of the comprehensive, long-range plan required under subsection (d) of this section.

(g) The Secretaries of Agriculture and Defense shall manage lands within their respective jurisdictions located in or adjacent to the California desert area, in accordance with the laws relating to such lands and wherever practicable in a manner consonant with the purpose of this section. The Secretaries of the Interior, Agriculture, and Defense are authorized and encouraged to consult among themselves and take cooperative actions to carry out this subsection.

(h) The Secretary shall report to the Congress no later than two years after the enactment of this Act, and annually thereafter in the report required in section 7 of this Act, on the progress in, and any problems concerning, the implementation of this section, together with any recommendations, which he may deem necessary, to remedy such problems.

(i) There is authorized to be appropriated for fiscal years 1976 through 1980 not to exceed $40,000,000 to effect the purpose of this section, such amount to remain available until expended.

Sec. 310. Oil Shale Revenues.—Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": *And provided further,* That all moneys paid to any State on or after January 1, 1974, from sales, bonuses, royalties, and rentals of public lands for the purpose of development of or research concerning oil shale deposits may be used by such State and its subdivisions for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services, as the legislature of the State may direct, giving priority to those subdivisions of the State socially or economically impacted by the development or research activities.

TITLE IV—AUTHORITY TO GRANT RIGHTS-OF-WAY

Sec. 401. Authorization To Grant Rights-of-Way.—(a) The Secretary is authorized to grant, issue, or renew rights-of-way over, upon, or through the national resource lands for—

(1) Reservoirs, canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other facilities and systems for the impoundment storage, transportation, or distribution of water;

(2) Pipelines and other systems for the transportation or distribution of liquids and gases, other than oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom, or water and for storage and terminal facilities in connection therewith;

(3) Pipelines, slurry and emulsion systems, and conveyor belts for transportation and distribution of solid materials, and facilities for the storage of such materials in connection therewith;

(4) Systems for generation, transmission, and distribution of electric energy, except that the applicant shall also comply with all applicable requirements of the Federal Power Commission under the Act of June 10, 1920, as amended (16 U.S.C. 796, 797);

(5) Systems for transmission or reception of radio. television, telegraph, and other electronic signals, and other means of communication;

(6) Roads, trails, highways, railroads, canals, tramways, airways, livestock driveways, or other means of transportation; and

(7) Such other necessary transportation or other systems or facilities which are in the public interest and which require rights-of-way over, upon, or through the national resource lands.

(b) (1) The Secretary shall require, prior to granting, issuing, or renewing a right-of-way, that the applicant submit and disclose any or all plans, contracts, agreements, or other information or material reasonably related to the use, or intended use, of the right-of-way which he deems necessary to a determination, in accordance with the provisions of this title, as to whether a right-of-way shall be granted, issued, or renewed and the terms and conditions which should be included in such right-of-way.

(2) If the applicant is a partnership, corporation, association, or other business entity, the Secretary, prior to granting a right-of-way pursuant to this title, shall require the applicant to disclose the identity of the participants in the entity. Such disclosure shall include, where applicable: (1) the name and address of each partner; (2) the name and address of each shareholder owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote; and (3) the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

(c) Nothing in this title shall be deemed to limit in any way the authority of the Secretary to make grants, issue leases, licenses, or permits, or enter into contracts under other provisions of law, for purposes ancillary or complementary to the construction, operation, maintenance, or termination of any facility authorized under this title.

Sec. 402. Right-of-Way Corridors.—(a) After the Secretary has submitted the report required by section 28(s) of the Mineral Leasing Act of 1920, as amended by the Act of November 16, 1973 (87 Stat. 576), he shall, consistent with applicable land use plans, designate transportation and utility corridors on national resource lands and, to the extent practical and appropriate, require that rights-of-way be confined to them. In designating such corridors and in determining whether to require that rights-of-way be confined to them, the Secretary shall take into consideration National and State land use policies, environmental quality, economic efficiency, national security, safety, and good engineering and technological practices. The Secretary shall issue regulations containing the criteria and procedures he will use in designating such corridors. Any existing transportation and utility corridors may be designated as transportation and utility corridors pursuant to this subsection without further review.

(b) In order to minimize adverse environmental impacts and the proliferation of separate rights-of-way across national resource lands, the use of rights-of-way in common shall be required to the extent practical, and each right-of-way or permit shall reserve to the Secretary the right to grant additional rights-of-way or permits for compatible uses on or adjacent to rights-of-way granted pursuant to this title.

Sec. 403. General Provisions.—(a) The Secretary shall specify the boundaries of each right-of-way as precisely as is practicable. Each right-of-way shall be limited to the ground which the Secretary determines: (1) will be occupied by facilities which constitute the project for which the right-of-way is given, (2) to be necessary for the operation or maintenance of the project, and (3) to be necessary to protect the environment or public safety. The Secretary may authorize the temporary use of such additional lands as he determines to be reasonably necessary for the construction, operation, maintenance, or termination of the project or a portion thereof, or for access thereto.

(b) The Secretary shall determine the duration of each right-of-way or other authorization to be granted, issued, or renewed pursuant to this title. In determining the duration the Secretary shall, among other things, take into consideration the cost of the facility and its useful life.

(c) Rights-of-way granted, issued, or renewed pursuant to this title shall be given under such regulations or stipulations, in accord with the provision of this title or any other law, and subject to such terms and conditions as the Secretary may prescribe regarding extent, duration, survey, location, construction, maintenance, and termination.

(d) The Secretary, prior to granting a right-of-way pursuant to this title for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation of such right-of-way which shall comply with stipulations or with regulations issued by the Secretary. The Secretary shall issue regulations or impose stipulations which shall include, but shall not be limited to: (1)

requirements to insure that activities on the right-of-way will not violate applicable air and water quality standards or applicable transmission, powerplant, and related facility siting standards established by or pursuant to law; (2) requirements designed to contol or prevent (A) damage to the environment (including damage to fish and wildlife habitat), (B) damage to public or private property, and (C) hazards to public health and safety; and (3) requirements to protect the interests of individuals living in the general area traversed by the right-of-way who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be regularly revised. Such regulations shall be applicable to every right-of-way granted pursuant to this title, and may be applicable to rights-of-way to be renewed pursuant to this title.

(e) Mineral and vegetative materials, including timber, within or without a right-of-way may be used or disposed of in connection with construction or other purposes only if authorization to remove or use such materials has been obtained pursuant to applicable laws.

(f) No right-of-way shall be issued for less than the fair market value thereof as determined by the Secretary. The Secretary may, by regulation or prior to promulgation of such regulations, as a condition of a right-of-way to reimburse the United States for all reasonable administrative and other costs incurred in processing an application for such right-of-way and in inspection and monitoring of construction, operation, and termination of the facility pursuant to such right-of-way: *Provided, however,* That rights-of-way may be granted, issued, or renewed to State or local governments or agencies or instrumentalities thereof, or to nonprofit associations or nonprofit corporations which are not themselves controlled or owned by profitmaking corporations or business enterprises, for such lesser charge as the Secretary finds equitable and in the public interest.

(g) The Secretary shall promulgate regulations specifying the extent to which holders of rights-of-way under this title shall be liable to the United States for damage or injury incurred by the United States in connection with the rights-of-way. The regulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liabilities, damages, or claims arising in connection with the rights-of-way.

(h) Where he deems it appropriate, the Secretary may require a holder of a right-of-way to furnish a bond, or other security, satisfactory to the Secretary to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or by any rule or regulation of the Secretary.

(i) The Secretary shall grant, issue, or renew a right-of-way under this title only when he is satisfied that the applicant has the technical and financial capability to construct the project for which the right-of-way is requested, and in accord with the requirements of this title.

Sec. 404. Terms and Conditions.—Each right-of-way shall contain such terms and conditions as the Secretary deems necessary to (1) carry out the purposes of this Act and rules and regulations hereunder; (2) protect the environment; (3) protect Federal property and monetary interests; (4) manage efficiently national resource lands which are subject to the right-of-way or adjacent thereto and protect the other lawful users of the national resource lands adjacent to or traversed by said right-of-way; (5) protect lives and property; (6) protect the interests of individuals living in the general area traversed by the right-of-way who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes; and (7) protect the public interest in the national resource lands.

Sec. 405. Suspension or Termination of Right-of-Way.—Abandonment of the right-of-way or noncompliance with any provision of this title, condition of the right-of-way, or applicable rule or regulation of the Secretary may be grounds for suspension or termination of the right-of-way if, after due notice to the holder of the right-of-way and an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the Secretary determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provides that it terminates on the occurrence of a fixed or agreed-upon condition, event, or time. If the Secretary determines that an immediate temporary suspension of activities within a right-of-way for violation of its terms and conditions is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding. Prior to commencing any proceeding to suspend or terminate a right-of-way the Secretary shall give written notice to the holder of the ground or grounds for such action and shall give the holder a reasonable time to resume use of the right-of-way or to comply with this title, condition, rule, or regulation as the case may be. Deliberate failure of the holder of the right-of-way to use the right-of-way for the purpose for which it was granted, issued, or renewed for any continuous five-year period shall constitute a rebuttable presumption of abandonment of the right-of-way: *Provided, however,* That where the failure of the holder to use the right-of-way for the purpose for which it was granted, issued, or renewed for any continuous five-year period is due to circumstances not within the holder's control the Secretary is not required to commence proceedings to suspend or terminate the right-of-way.

Sec. 406. Rights-of-Way for Federal Agencies.—(a) The Secretary may reserve for the use of any department or agency of the United States a right-of-way over, upon, or through national resource lands, subject to such terms and conditions as he may impose. The provisions of this title shall be applicable to any such right-of-way.

(b) Where a right-of-way has been provided for the use of any department or agency of the United States, the Secretary shall take no action to terminate, or otherwise limit, that use without the consent of the head of that other department or agency.

Sec. 407. Conveyance of Lands.—If under applicable law the Secretary decides to transfer out of Federal ownership, by patent, deed, or otherwise, any national resource lands covered in whole or in part by a right-of-way, including a right-of-way granted under the Act of November 16, 1973 (87 Stat. 576), the lands may be conveyed subject to the right-of-way; however, if the Secretary determines that retention of Federal control over the right-of-way is necessary to assure that the purposes of this title will be carried out, the terms and conditions of the right-of-way complied with, or the national resource lands protected, he shall (1) reserve to the United States that portion of the lands which lies within the boundaries of the right-of-way, or (2) convey the lands, including that portion within the boundaries of the right-of-way, subject to the right-of-way and reserving to the United States the right to enforce all or any of the terms and conditions of the right-of-way, including the right to renew it or extend it upon its termination and to collect rents.

Sec. 408. Existing Rights-of-Way.—Nothing in this title shall have the effect of terminating any rights-of-way or rights-of-use heretofore issued, granted, or permitted by the Secretary. However, with the consent of the holder thereof, the Secretary may cancel such a right-of-way and in its stead issue a right-of-way pursuant to the provisions of this title.

Sec. 409. State Standards.—The Secretary shall take into consideration and, to the extent practical, comply with State standards for right-of-way construction, operation, and maintenance if those standards are more stringent than Federal standards and if the national resource lands are adjacent to lands to which such State standards apply.

Sec. 410. Effect on Other Laws.—(a) After the date of enactment of this Act, no right-of-way for the purposes listed in this title shall be granted, issued, or renewed over, upon, or through national resource lands except under and subject to the provisions, limitations, and conditions of this title: *Provided,* That any application for a right-of-way filed under any other law prior to the date of enactment of this Act may, at the applicant's option, be considered as an application under this title or the Act under which the application was filed. The Secretary may require the applicant to submit any additional information he deems necessary to comply with the requirements of this title.

(b) Nothing in this title shall be construed to preclude the use of national resources lands for highway purposes pursuant to sections 107 and 317 of title 23, United States Code.

TITLE V—CONSTRUCTION OF LAW, PRESERVATION OF VALID EXISTING RIGHTS, AND REPEAL OF LAWS

Sec. 501. Construction of Law.—(a) Except as provided in section 410, the authority conferred upon the Secretary by this Act is in addition to all other authority vested in him by law, and nothing in this Act shall be deemed to repeal any such other authority by implication.

(b) Nothing in this Act shall be construed as limiting or restricting the power and authority of the United States or—

(1) as affecting in any way any law governing appropriations or use of, or Federal fight to, water or national resource lands;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, interests, or rights in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repealing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto;

(5) as modifying the terms of any interstate compact;

(6) as a limitation upon any State criminal statute or upon the police power of the respective States, or as derogating the authority of a local police officer in the performance of his duties, or as depriving any State or political subdivision thereof of any right it may have to exercise civil and criminal jurisdiction on the national resource lands;

(7) as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish in the national resource lands; or

(8) as amending, limiting, or infringing the existing laws providing grants of land to the States.

Sec. 502. Valid Existing Rights.—All actions by the Secretary under this Act shall be subject to valid existing rights.

Sec. 503. Repeal of Laws Relating to Disposal of National Resource Lands.—(a) The following statutes or parts of statutes are repealed:

Act of	Chapter	Section	Statute at Large	43 U.S. Code
1. Homesteads:				
Revised Statute 2289				161, 171.
Mar. 3, 1891	561	5	26: 1097	161, 162.
Revised Statute 2290				162.
Revised Statute 2295				163.
Revised Statute 2291				164.
June 6, 1912	153		37: 123	164, 169, 218.
May 14, 1880	89		21: 141	166, 185, 202, 223.
June 6, 1900	821		31: 683	166, 223.
Aug. 9, 1912	280		37: 267	
Apr. 6, 1914	51		38: 312	167.
Mar. 1, 1921	90		41: 1193	
Oct. 17, 1914	325		38: 740	168.
Revised Statute 2297				169.
Mar. 3, 1881	153		21: 511	
Oct. 22, 1914	335		38: 766	170.
Revised Statute 2292				171.
June 8, 1880	136		21: 166	172.
Revised Statute 2301				173.
Mar. 3, 1891	561	6	26: 1098	
June 3, 1896	312	2	29: 197	
Revised Statute 2288				174.
Mar. 3, 1891	561	3	26: 1097	
Mar. 3, 1905	1424		33: 991	
Revised Statute 2296				175.
Apr. 28, 1922	155		42: 502	
May 17, 1900	479	1	31: 179	179.
Jan. 26, 1901	180		31: 740	180.
Sept. 5, 1914	294		38: 712	182.
Revised Statute 2300				183.
Aug. 31, 1918	166	8	40: 957	
Sept. 13, 1918	173		40: 960	
Revised Statute 2302				184, 201.
July 26, 1892	251		27: 270	185.
Feb. 14, 1920	76		41: 434	186.
Jan. 21, 1922	32		42: 358	
Dec. 28, 1922	19		42: 1067	
June 12, 1930	471		46: 580	
Feb. 25, 1925	326		43: 981	187.
June 21, 1934	690		48: 1185	187a.
May 22, 1902	821	2	32: 203	187b.
June 5, 1900	716		31: 270	188, 217.
Mar. 3, 1875	131	15	18: 420	189.
July 4, 1884	180	Only last paragraph of sec. 1.	23: 96	190.
Mar. 1, 1933	160	1	47: 1418	190a.

The following words only: "*Provided*, That no further allotments of lands to Indians on the public domain shall be made in San Juan County, Utah, nor shall further Indian homesteads be made in said county under the Act of July 4, 1884 (23 Stat. 96: U.S.C. title 43, sec. 190)."

Act of	Chapter	Section	Statute at Large	43 U.S. Code
Revised Statutes 2310, 2311				191.
June 13, 1902	1080		32: 384	203.
Mar. 3, 1879	191		20: 472	204.
July 1, 1879	60		21: 46	205.
May 6, 1886	88		24: 22	206.
Aug. 21, 1916	361		39: 518	207.
June 3, 1924	240		43: 357	208.
Revised Statute 2298				211.
Aug. 30, 1890	837		26: 391	212.

The following words only: "No person who shall after the passage of this act, enter upon any of the public lands with a view to occupation, entry or settlement under any of the land laws shall be permitted to acquire title to more than three hundred and twenty acres in the aggregate, under all of said laws, but this limitation shall not operate to curtail the right of any person who has heretofore made entry or settlement on the public lands, or whose occupation, entry or settlement, is validated by this act."

Act of	Chapter	Section	Statute at Large	43 U.S. Code
Mar. 3, 1891	561	17	26: 1101	

The following words only: "and that the provision of 'An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-one, and for other purposes,' which reads as follows, viz: 'No person who shall after the passage of this act enter upon any of the public lands with a view to occupation, entry or settlement under any of the land laws shall be permitted to acquire title to more than three hundred and twenty acres in the aggregate under all said laws,' shall be construed to include in the maximum amount of lands the title to which is permitted to be acquired by one person only agricultural lands and not to include lands entered or sought to be entered under mineral land laws."

Act of	Chapter	Section	Statute at Large	43 U.S. Code
1. Homesteads—Continued				
Apr. 28, 1904	1776		33: 527	213.
Aug. 3, 1950	521		64: 398	
Mar. 2, 1889	381	6	25: 854	214.
Feb. 20, 1917	98		39: 925	215.
Mar. 4, 1921	162	1	41: 1433	216.
Feb. 19, 1909	160		35: 639	218.
June 13, 1912	166		37: 132	
Mar. 3, 1915	84		38: 953	
Mar. 3, 1915	91		38: 957	
Mar. 4, 1915	150	2	38: 1163	
July 3, 1916	220		39: 344	
Feb. 11, 1913	39		37: 666	218, 219.
June 17, 1910	298		36: 531	219.
Mar. 3, 1915	91		38: 957	
Sept. 5, 1916	440		39: 724	
Aug. 10, 1917	52	10	40: 275	
Mar. 4, 1915	150	1	38: 1162	220.
Mar. 4, 1923	245	1	42: 1445	222.
Apr. 28, 1904	1801		33: 547	224.
Mar. 2, 1907	2527		34: 1224	
May 29, 1908	220	7	35: 466	
Aug. 24, 1912	371		37: 499	
Aug. 22, 1914	270		38: 704	231.
Feb. 25, 1919	21		40: 1153	
July 3, 1916	214		39: 341	232.
Sept. 29, 1919	64		41: 288	233.
Apr. 6, 1922	122		42: 491	233, 272, 273.
Mar. 2, 1889	381	3	25: 854	234.
Dec. 29, 1894	14		28: 599	
July 1, 1879	63	1	21: 48	235.
Dec. 20, 1917	6		40 430	236.
July 24, 1919	26	Next to last paragraph only.	41: 271	237.
Mar. 2, 1932	69		47: 59	237a.
May 21, 1934	320		48: 787	237b.
May 22, 1935	185		49: 286	237c.
Aug. 19, 1935	560		49: 659	237d.
Mar. 31, 1938	57		52: 149	
Apr. 20, 1936	239		49: 1235	237e.
July 30, 1956	778	1, 2, 4	70: 715	237 f. g, h.
Mar. 1, 1921	102		41: 1202	238.
Apr. 7, 1922	125		42: 492	
Revised Statute 2308				239.
June 16, 1898	458		30: 473	240.
Aug. 29, 1916	420		39: 671	
Apr. 7, 1930	108		46: 144	243.
Mar. 3, 1933	198		47: 1424	243a.
Mar. 3, 1879	192		20: 472	251.
Mar. 2, 1889	381	7	25: 855	252.
June 3, 1878	152		20: 91	253.
Revised Statute 2294				254.
May 26, 1890	355		26: 121	
Mar. 11, 1902	182		32: 63	
Mar. 4, 1904	394		33: 59	
Feb. 23, 1923	105		42: 1281	
Revised Statute 2293				255.
Oct. 6, 1917	86		40: 391	
Mar. 4, 1913	149	Only last paragraph of section headed "Public Land Service."	37: 925	256.
May 13, 1932	178		47: 153	256a.
June 16, 1933	99		48: 274	
July 26, 1935	419		49: 504	
June 16, 1937	361		50: 303	
Aug. 27, 1935	770		49: 909	256b.
Sept. 30, 1890	J. Res. 59		26: 684	261.
June 16, 1880	244		21: 287	263.
Apr. 18, 1904	25		33: 589	
Revised Statute 2304				271.

Act of	Chapter	Section	Statute at Large	43 U.S. Code
1. Homesteads—Continued				
Mar. 1, 1901	674		31: 847	271, 272.
Revised Statute 2305				272.
Feb. 25, 1919	37		40: 1161	272a.
Dec. 28, 1922	19		42: 1067	
Revised Statute 2306				274.
Mar. 3, 1893	208		27: 593	275.
The following words only: "*And provided further:* That where soldier's additional homestead entries have been made or initiated upon certificate of the Commissioner of the General Land Office of the right to make such entry, and there is no adverse claimant, and such certificate is found erroneous or invalid for any cause, the purchaser thereunder, on making proof of such purchase, may perfect his title by payment of the Government price for the land; but no person shall be permitted to acquire more than one hundred and sixty acres of public land through the location of any such certificate."				
Aug. 18, 1894	301	Only last paragraph of Section headed "Surveying the Public Lands."	28: 397	276.
Revised Statute 2309				277.
Revised Statute 2307				278.
Sept. 21, 1922	357		42: 990	
Sept. 27, 1944	421		58: 747	279–283.
June 25, 1946	474		60: 308	279.
May 31, 1947	88		61: 123	279, 280, 282.
June 18, 1954	306		68: 253	279, 282.
June 3, 1948	399		62: 305	283, 284.
Dec. 29, 1916	9	1–8	39: 862	291–298.
Feb. 28, 1931	328		46: 1454	291.
June 9, 1933	53		48: 119	291.
June 6, 1924	274		46: 469	292.
Oct. 25, 1918	195		40: 1016	293.
Sept. 29, 1919	63		41: 287	294, 295.
Mar. 4, 1923	245	2	42: 1445	302.
Aug. 21, 1916	361		39: 518	1075.
Aug. 28, 1937	876	3	50: 875	1181c.
2. Desert Land Entries:				
Mar. 3, 1877	107	2, 3	19:377	322–323, 325, 327–329.
Mar. 3, 1891	561	2	26:1096	
Except the words: ". . . all acts and parts of acts in conflict with this act are hereby repealed."				
Jan. 6, 1921	12		41:1086	
Mar. 28, 1908	112		35:52	324, 326, 333.
Feb. 27, 1917	134		39:946	330.
Mar. 1, 1921	102		41:1202	331.
Dec. 15, 1921	3		42:348	
Aug. 7, 1917	48		40:250	332.
Apr. 30, 1912	101		37:106	334.
Feb. 25, 1925	329		43:982	336.
July 30, 1956	778		70:715	336a–d.
Mar. 4, 1915	147	5	38:1161	335, 337, 338.
Mar. 21, 1918	26		40:458	
Mar. 4, 1929	687		45:1548	339.
Feb. 14, 1934	9		48:349	
3. Sale and Disposal Laws:				
Mar. 3, 1891	561	9	26: 1099	671.
Revised Statute 2354				673.
Revised Statute 2355				674.
May 18, 1898	344	2	30: 418	675.
Revised Statute 2365				676.
Revised Statute 2357				678.
June 15, 1880	227	3, 4	21: 238	679, 680.
Mar. 2, 1889	381	4	25: 854	681.
Mar. 1, 1907	2286		34: 1052	682.
June 1, 1938	317		52: 609	682a–e.
July 14, 1945	298		59: 467	
June 8, 1954	270		68: 239	
Revised Statute 2361				688.
Revised Statute 2362				689.
Revised Statute 2363				690.
Revised Statute 2368				691.
Revised Statute 2366				692.
3. Sale and Disposal Laws—Continued				
Revised Statute 2369				693.
Revised Statute 2370				694.
Revised Statute 2371				695.
Revised Statute 2374				696.
Revised Statute 2372				697.
Feb. 24, 1909	181		35: 645	
May 21, 1926	353	The two provisos only.	44: 591	
Revised Statute 2375				698.
Revised Statute 2376				699.
Mar. 2, 1889	381	1	25: 854	700.
4. Townsite Reservation and Sale:				
Revised Statute 2380				711.
Revised Statute 2381				712.
Revised Statute 2382				713.
Aug. 24, 1954	904		68: 792	
Revised Statute 2383				714.
Revised Statute 2384				715.
Revised Statute 2386				717.
Revised Statute 2387				718.
Revised Statute 2388				719.
Revised Statute 2389				720.
Revised Statute 2391				721.
Revised Statute 2392				722.
Revised Statute 2393				723.
Revised Statute 2394				724.
Mar. 3, 1877	113	1, 3, 4	19: 392	725–727.
Mar. 3, 1891	561	16	26: 1101	728.
July 9, 1914	138		38: 454	730.
Feb. 9, 1903	531		32: 820	731.
5. Drainage Under State Laws:				
May 20, 1908	181	1–7	35: 171	1021–1027.
May 1, 1958	P.L. 85-387		72: 99	1029–1034.
Jan. 17, 1920	47		41: 392	1041–1048.
6. Abandoned Military Reservation:				
July 5, 1884	214	5	23: 104	1074.
Aug. 21, 1916	361		39: 518	1075.
Mar. 3, 1893	208		27: 593	1076.
The following words only: "*Provided*, That the President is hereby authorized by proclamation to withhold from sale and grant for public use to the municipal corporation in which the same is situated all or any portion of any abandoned military reservation not exceeding twenty acres in one place."				
Aug. 23, 1894	314		28: 491	1077, 1078.
Feb. 11, 1903	543		32: 822	1079.
Feb. 15, 1895	92		28: 664	1080, 1077.
Apr. 23, 1904	1496		33: 306	1081.
7. Public Lands; Oklahoma:				
May 2, 1890	182	Last paragraph of sec. 18 and secs. 20, 21, 22, 24, 27.	26:90	1091–1094, 1096, 1097.
Mar. 3, 1891	543	16	26: 1026	1098.
Aug. 7, 1946	772	1, 2	60: 872	1100–1101.
Aug. 3, 1955	498	1–8	69: 445	1102–1102g.
May 14, 1890	207		26: 109	1111–1117.
Sept. 1, 1893	J. Res. 4		28: 11	1118.
May 11, 1896	168	1, 2	29: 116	1119.
Jan. 18, 1897	62	1–3, 5, 7	29: 490	1131–1134.
June 23, 1897	8		30: 105	
Mar. 1, 1899	328		30: 966	
8. Sales of Isolated Tracts:				
Revised Statute 2455				1171.
Feb. 26, 1895	133		28: 687	
June 27, 1906	3554		34: 517	
Mar. 28, 1912	67		37: 77	
Mar. 9, 1928	164		45: 253	
June 28, 1934	865	14	48: 1274	
July 30, 1947	383		61: 630	
Apr. 24, 1928	428		45: 457	1171a.
May 23, 1930	313		46: 377	1171b.
Feb. 4, 1919	13		40: 1055	1172.
May 10, 1920	178		41: 595	1173.
Aug. 11, 1921	62		42: 159	1175.

Act of	Chapter	Section	Statute at Large	43 U.S. Code
8. Sales of Isolated Tracts—Continued				
May 19, 1926	337		44: 566	1176.
Feb. 14, 1931	170		46: 1105	1177.
9. Alaska Special Laws:				
Mar. 3, 1891	561	11	26: 1099	732.
May 25, 1926	379		44: 629	733-736.
May 29, 1963	P.L. 88-34		77: 52	
July 24, 1947	305		61: 414	738.
May 14, 1898	299	1	30: 409	270.
Mar. 3, 1903	1002		32: 1028	
Apr. 29, 1950	137	1	64: 94	
Aug. 3, 1955	496		69: 444	270, 687a-2.
Apr. 29, 1950	137	2-5	64: 95	270, 270-5,
July 11, 1956	571	2	70: 529	270-6, 270-7, 687a-1.
July 8, 1916	228		39: 352	270-8, 270-9,
June 28, 1918	110		40: 632	270-10, 270-14.
July 11, 1956	571	1	70: 528	
Mar. 8, 1922	96	1	42: 415	270-11.
9. Alaska Special Laws:—Continued				
Aug. 23, 1958	P.L. 85-725	1, 4	72: 730	
Aug. 17, 1961	P.L. 87-147		75: 384	270-13.
Oct. 3, 1962	P.L. 87-742		76: 740	
Apr. 13, 1926	121		44: 243	270-15,
Apr. 29, 1950	134	3	64: 93	270-16, 270-17.
May 14, 1898	299	10	30: 413	270-4, 687a to 687a-5.
Mar. 3, 1927	323		44: 1364	
May 26, 1934	357		48: 809	
Aug. 23, 1958	P.L. 85-725	3	72: 730	
Mar. 3, 1891	561	13	26: 1100	687a-6.
Aug. 30, 1949	521		63: 679	687b to 687b-4.
July 19, 1963	P.L. 88-66		77: 80	687b-5.
10. Pittman Underground Water Act:				
Sept. 22, 1922	400		42: 1012	356.

(b) Section 7 of the Taylor Grazing Act, 48 Stat. 1272, ch. 865, as amended by section 2 of the Act of June 26, 1936, 49 Stat. 1976, ch. 842, title I, 43 U.S.C. 315f, is further amended to read as follows:

"The Secretary of the Interior is authorized, in his discretion to examine and classify any lands withdrawn or reserved by Executive order of November 26, 1934 (numbered 6910), and amendments thereto, and Executive order of February 5, 1935 (numbered 6964), or within a grazing district, which are more valuable or suitable for any other use than for the use provided for under this Act, or proper for acquisition in satisfaction of any outstanding lieu, exchange or land grant, and to open such lands to disposal in accordance with such classification under applicable public land laws. Such lands shall not be subject to disposition until after the same have been classified and opened to disposal.".

(c) Section 2 of the Act of March 8, 1922, 42 Stat. 416, ch. 96, as amended by section 2 of the Act of August 23, 1958, 72 Stat. 730, Public Law 85-725, 43 U.S.C. 270-12, is further amended to read:

"The coal, oil, or gas deposits reserved to the United States in accordance with the Act of March 8, 1922 (42 Stat. 415, ch. 96, as added to by the Act of August 17, 1961, 75 Stat. 384, Public Law 87-147, and amended by the Act of October 3, 1962, 76 Stat. 740, Public Law 87-742), shall be subject to disposal by the United States in accordance with the provisions of the laws applicable to coal, oil, or gas deposits or coal, oil, or gas lands in Alaska in force at the time of such disposal. Any person qualified to acquire coal, oil, or gas deposits, or the right to mine or remove the coal or to drill for and remove the oil or gas under the laws of the United States shall have the right at all times to enter upon the lands patented under the Act of March 8, 1922, as amended, and in accordance with the provisions hereof, for the purpose of prospecting for coal, oil, or gas therein, upon the approval by the Secretary of the Interior of a bond or undertaking to be filed with him as security for the payment of all damages to the crops and improvements on such lands by reason of such prospecting. Any person who has acquired from the United States the coal, oil, or gas deposits in any such land, or the right to mine, drill for, or remove the same, may reenter and occupy so much of the surface thereof incident to the mining and removal of the coal, oil, or gas therefrom, and mine and remove the coal or drill for and remove oil and gas upon payment of the damages caused thereby to the owner thereof, or upon giving a good and sufficient bond or undertaking in an action instituted in any competent court to ascertain and fix said damages: *Provided*, That the owner under such limited patent shall have the right to mine the coal for use on the land for domestic purposes at any time prior to the disposal by the United States of the coal deposits: *Provided further*, That nothing in this Act shall be construed as authorizing the exploration upon or entry of any coal deposits withdrawn from such exploration and purchase.".

(e) Section 3 of the Act of August 30, 1949, 63 Stat. 679, ch. 521, 43 U.S.C. 678b-2, is amended to read:

"Notwithstanding the provisions of any Act of Congress to the contrary, any person who prospects for, mines, or removes any minerals from any land disposed of under the Act of August 30, 1949 (63 Stat. 679, ch. 521), shall be liable for any damage that may be caused to the value of the land and tangible improvements thereon by such prospecting for, mining, or removal of minerals. Nothing in this section shall be construed to impair any vested right in existence on August 30, 1949.".

(f) Notwithstanding any other provision of this Act, all laws of the United States in effect on the date immediately preceding the effective date of this Act relating to homesteading in the United States shall, on and after such effective date, continue to be applicable to lands within the State of Alaska classified by the Secretary as suitable for homestead entry in the same manner and same extent as if this Act had not been enacted until June 30, 1984.

SEC. 504. REPEAL OF LAWS RELATING TO ADMINISTRATION OF NATIONAL RESOURCE LANDS.—The following statutes or parts of statutes are repealed:

Act of	Chapter	Section	Statute at Large	43 U.S. Code
1. Mar. 2, 1895	174		28: 744	176.
2. June 28, 1934	865	8	48: 1272	315g.
June 26, 1936	842	3	49: 1976, title 1.	
June 19, 1948	548	1	62: 533	
July 9, 1962	P.L. 87-524		76: 140	315g-1.
3. Aug. 24, 1937	744		50: 748	315p.
4. Mar. 3, 1909	271	2d proviso only.	35: 845	772.
June 25, 1910	J. Res. 40		36: 884	
5. June 21, 1934	689		48: 1185	871a.
6. Revised Statute	2447			1151.
Revised Statute	2448			1152.
7. June 6, 1874	223		18: 62	1153, 1154.
8. Jan. 28, 1879	30		20: 274	1155.
9. May 30, 1894	87		28: 84	1156.
10. Revised Statute	2450			1161.
Feb. 27, 1877	69	1	19: 244	
The following words only: "Section twenty-four hundred and fifty is amended by striking out in the fourth line the words 'Secretary of the Treasury' and inserting the words 'Secretary of the Interior' ".				
Revised Statute	2451			1162.
February 27, 1877	69	1	19: 244	
The following words only: "Section twenty-four hundred and fifty-one is amended by striking out, in the first and second lines, the words 'Secretary of the Treasury' and inserting the words 'Secretary of the Interior' ".				
Revised Statute	2456			1163.
Sept. 20. 1922	350		42: 857	
The words: ". . . and sections 2450, 2451, and 2456 be amended to read as follows:" and all words following in the Act.				
Revised Statute	2457			1164.
11. Mar. 3, 1891	561	7	26: 1098	1165.
12. Revised Statute	2471			1191.
Revised Statute	2472			1192.
Revised Statute	2473			1193.
13. July 14, 1960	P.L. 86-649	101-202(a), 203-204(a), 301-303.	74: 506	1361, 1362, 1363-1383.
14. Sept. 26, 1970	P.L. 91-429		84: 885	1362a.
15. July 31, 1939	401	1, 2	53: 1144	

SEC. 505. REPEAL OF LAWS RELATING TO RIGHTS-OF-WAY.—(a) The following statutes or parts of statutes are repealed insofar as they apply to national resource lands:

Act of	Chapter	Section	Statute at Large	43 U.S. Code
Revised Statutes 2339				661.
The following words only: "and the right-of-way for the construction of ditches and canals for the purpose herein specified is acknowledged and confirmed; but whenever any person, in the construction of any ditch or canal, injures or damages the possession of any settler on the public domain, the party committing such injury or damage shall be liable to the party injured for such injury or damage."				
Revised Statutes 2340				661.
The following words only: ", or rights to ditches and reservoirs used in connection with such water rights,".				
Feb. 26, 1897	335		29: 599	664.
Mar. 3, 1899	427	1	30: 1233	665, 958 (16 U.S.C. 525).
The following words only; "that in the form provided by existing law the Secretary of the Interior may file and approve surveys and plats of any right-of-way for a wagon road, railroad, or other highway over and across any forest reservation or reservoir site when in his judgment the public interests will not be injuriously affected thereby."				
Mar. 3, 1875	152		18: 482	934-939.
May 14, 1898	299	2-9	30: 409	942-1 to 942-9.
Feb. 27, 1901	614		31: 815	943.
June 26, 1906	3548		34: 481	944.
Mar. 3, 1891	561	18-21	26: 1101	946-949.
Mar. 4, 1917	184	1	39: 1197	
May 28, 1926	409		44: 668	
Mar. 1, 1921	93		41: 1194	950.
Jan. 13, 1897	11		29: 484	952-955.
Mar. 3, 1923	219		42: 1437	
Jan. 21, 1895	37		28; 635	951, 956, 957.
May 14, 1896	179		29: 120	
May 11, 1898	292		30: 404	
Mar. 4, 1917	184	2	39: 1197	
Feb. 15, 1901	372		31: 790	959 (16 U.S.C. 79, 522).
Mar. 4, 1911	238		36: 1253	961 (16 U.S.C. 5, 420, 523).
Only the last two paragraphs under the subheading "Improvement of the National Forests" under the heading "Forest Service".				
May 27, 1952	338		66: 95	
May 21, 1896	212		29: 127	962-965.
Apr. 12, 1910	155		36: 296	966-970.

(b) Notwithstanding the provisions of subsection (a) of this section, the following statute is repealed in its entirety:

Act of	Chapter	Section	Statute at Large	U.S. Code
Revised Statute 2477				43 U.S.C. 932.

Mr. JACKSON. Mr. President, I am pleased to join with the distinguished senior Senator from Colorado in introducing the National Resource Lands Management Act.

The Federal Government has long overlooked the national resources lands. This valuable resource comprises 20 percent of our entire land base and 60 percent of all Federal property. The neglect of this, our largest single block of federally owned lands must come to an immediate halt. Unfortunately, Mr. President, the Congress must share the blame for the lack of proper attention to these lands. Over the years we have legislated rather extensively concerning other Federal land systems, such as the national forests, parks, wildlife refuges, and wilderness systems; but, in my judgment, we have failed to provide adequate statutory protection for the greatest public land resource—the national resource lands.

The public lands of the United States have always provided the arena in which we Americans have struggled to fulfill our dreams. Even today dreams of wealth, adventure, and escape are still being acted out on these farflung lands. These lands and the dreams—fulfilled and unfulfilled—which they foster are a part of our national destiny. They belong to all Americans.

What we do with the public lands of the United States tells a great deal about what we are—what we care for—and what is to become of us as a nation.

Until recently, the lands under the jurisdiction of the Bureau of Land Management have been, for the most part, neglected lands. They were the leftovers from which we carved lands for homesteading, parks, forests, or other uses considered more important. They have not even been dignified with a name other than "public domain." Other Federal lands have been given titles which befit their importance—such as national parks, national forests, and national seashores. Therefore, the very first section of this bill would give these lands the name of "national resource lands." Hopefully, this symbolic gesture of respect will complement the numerous, necessary authorities which this legislation would provide for the management of these lands.

Until the 20th century and the establishment of the national park, forest, and other Federal land systems, nearly all the Federal lands were in the category of what this act designates as national resource lands. Although the establishment of the various Federal land systems presaged the end of the era of wholesale disposal of Federal lands, it was only with the Taylor Grazing Act of 1934 that the general policy of disposal of national resource lands was altered.

The Bureau of Land Management, the agency charged with the task of administering the national resource lands, is the successor agency to the General Land Office which was established by the act of April 25, 1812, as a bureau of the Treasury Department. The Office was transferred to the Department of the Interior when that Department was created in 1849. Passage of the Taylor Grazing Act led to the establishment of the Grazing Service to manage grazing districts authorized under the act. In 1946, the General Land Office and the Grazing Service were combined to form the Bureau of Land Management.

Although many areas within the national resource lands tend to be less desirable from a recreational or scenic point of view than the lands already selected for inclusion in the national systems, our country's expanding and more mobile population has placed increasing demands for public use on these lands. In addition, our Nation's economy requires the fuels, minerals, timber, and forage resources on and under the national resource lands. In order to meet these demands, the Bureau of Land Management has fully adopted the retention philosophy and is managing those lands so as to provide for a wide variety of uses.

However, the Bureau's efforts have been impeded by its dependence on a vast number of outmoded public land laws which were enacted in earlier periods in American history when disposal and largely uncontrolled development of the public domain were the dominant themes. The agencies which have jurisdiction over the other national systems possess modern statutory mandates which reflect changing philosophies toward management of the Federal lands. The Organic Act of the Forest Service, first passed in 1897, and amended thereafter, remains a "modern" mandate, particularly when supplemented by the Multiple Use Sustained Yield Act of 1960. The Park Service's Organic Act of 1916 has been renewed through amendments and through individual acts creating national parks. Our pride in these laws must necessarily be tempered by the recognition of our failure to provide a complementary statutory base for the Bureau of Land Management and its national resource lands.

The lack of a modern management mandate for the Bureau and its dependence on some 3,000 public land laws, many of which are clearly antiquated, were among the reasons for congressional recognition of a need to review and reassess the entire body of law governing Federal lands. This review was begun when, on September 19, 1964, Congress created the Public Land Law Review Commission.

After 5 years of extensive investigations, the Commission completed its review and submitted its final report, entitled "One-Third of the Nation's Land," to the President and the Congress on June 20, 1970. The report contains 137 numbered, and several hundred unnumbered, recommendations designed to improve the Federal Government's custodianship of the Federal lands. The legislation we introduce today is in accordance with over 100 of these recommendations.

Principal among these recommendations is the Commission's view that—

> The policy of large-scale disposal of public lands reflected by the majority of statutes in force today (should) be revised and that future disposal should be only those lands that will achieve maximum benefit for the general public in non-Federal ownership, while retaining in Federal ownership those values must be preserved so that they may be used and enjoyed by all Americans.

The legislation we introduce today specifically adopts this goal in stating as policy that the national interest will be best served by retaining the national resource lands in Federal ownership" and that management of these lands will be "under principles of multiple use and sustained yield in a manner which will—assure the environmental quality of such lands for present and future generations."

In addition, the Commission emphasized a need to develop "a clear set of goals for the management and use of public lands * * * particularly * * *—for—lands administered by the Bureau of Land Management." The Commission's report stated specifically that—

> A congressional statement of policy goals and objectives for the management and use of public lands is needed to give focus and direction to the planning process.

The bill also answers this call of the Commission by providing a clear statement of goals and objectives by which these lands must be managed.

The National Resource Lands Management Act also directs the Secretary of the Interior to prepare and maintain an inventory of the national resource lands and their resources. Congressional recognition of the importance of such authority for proper management of the national resource lands has been long standing, as demonstrated by the passage of the 1964 Classification and Multiple Use Act. That act contained temporary authority providing the Bureau of Land Management with criteria to conduct a systematic effort to classify lands. However, this authority expired on December 23, 1970, and unless we enact the legislation, the Bureau of Land Management will continue to lack the necessary authority to properly manage the national resource lands.

Perhaps the most criitcal finding of the Commission is the appalling absence of the enforcement authority so necessary for any land management agency. The National Resource Lands Management Act would provide the BLM with authority similar to that already possessed by the Park Service and the Forest Service.

Mr. President, we must act expeditiously on this measure. It has been 11 years since the creation of the Public Land Law Review Commission, 5 years since the submission of its report and the expiration of the Classification and Multiple-Use Act, and 5 years since I first introduced a National Resource Lands Management Act. This bill's predecessors have been reported three times by the Senate Interior Committee and passed twice by the Senate. It would not be in the public interest to delay further.

This bill is a fine example of a bipartisan effort. This bill is virtually identical to S. 424, my bill which was reported unanimously by the Interior Committee and was passed by a 71-to-1 vote in the Senate last year. It contains many of the provisions of S. 1041, the President's proposal of last Congress. In fact, it enjoyed the full support of the administration.

Mr. President, I will do my best to insure continued bipartisan support for this measure and I pledge to this body that it will receive the prompt attention of the Interior Committee.

By Mr. **STEVENS** (for himself, Mr. DOMENICI, and Mr. MONTOYA):

S. 509. A bill to revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service not entitled to Indian preference, provide greater opportunity for advancement and employment of Indians, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. **STEVENS**. Mr. President, the 1934 Wheeler-Howard Act, which reformed the administration of Indian Affairs from top to bottom, provided, among other things, not only for preferential hiring of Indian people into the Bureau of Indian Affairs, but also for preference for subsequent promotion within that organization. For reasons that are not entirely clear—possibly because at the time the act was passed, Indian people generally lacked the education and experience to move beyond the unskilled jobs for which they were initially hired—the Interior Department did not enforce the provisions of the legislation dealing with Indian promotion rights. With the passage of time, these important Indian rights faded into almost total disunity.

During the same period, many talented and highly motivated persons, not eligible for Indian preference, have been recruited into the Bureau of Indian Affairs and the Indian Health Service which was split off from BIA in 1954. These persons, not told differently, quite rightly assumed they would be able to develop their full career potential within each of these two principal organizations serving the needs of Indian people.

Times do, however, change. No longer are Indians satisfied with dead-end jobs such as bus drivers, road laborers, or kitchen help which for so long was the case. In their restlessness to locate better employment for themselves while at the same time gaining increasing control over their powerful agencies so long the virtual monopoly of non-Indians, Indian spokesmen have discovered Indian rights to promotional preference and claimed these as a clear Indian right under the law.

Opponents, dismayed by the implications of this section of the Wheeler-Howard Act, contested the matter in the courts where it constantly has been upheld in favor of the Indians ultimately by the Supreme Court in an 8-to-0 decision given on June 17, 1974.

Many non-Indians, who find that their BIA and IHS careers have reached a dead end, are able to take advantage of promotional opportunities outside BIA or IHS and continue their careers with a minimum of interruption. For others it is not so easy. Many BIA and IHS positions have no equivalents in other Federal agencies. This tends to be particularly true of those employees with the longest tenure occupying the higher grades who have developed unique specialties. Consider, for example, the instance of the person who has worked his way up the career ladder to where he has become the head of a large specialized boarding school serving Navajo Indians.

Or the IHS engineer who has been promoted to a higher than average engineering position by virtue of his talent in organizing Indian communities to develop their own domestic water supply. Neither example can be promoted to positions to which qualified Indians apply and neither can look forward to furthering their careers elsewhere except in the most exceptional or fortuitous circumstances. Each can remain in his or her current position, frustrated and possibly undisturbed, until eligible to retire.

In the meantime, ambitious, highly motivated and qualified Indian people must wait in frustration for non-Indians to vacate these sorts of key jobs. Not a happy situation for either group nor one which creates a harmonious atmosphere in which to carry forth the national objective of increasing Indian self-determination through greater Indian control over these two important agencies.

To resolve this conflict, I am introducing this piece of legislation. It will achieve equity for the non-Indian employee by allowing him to retire earlier than normally would be the case. It will release those jobs which qualified Indians are anxious to fill.

During House consideration of the Indian Self-Determination and Education Act in the last Congress, a similar measure was considered as an amendment to that bill. While the amendment was accepted by the subcommittee, the full committee deleted the amendment from the reported bill. The House report states that—

> The Committee did so not because of the lack of merit for remedial action in this area, but because it felt more information and deliberation on the problem were necessary.

The bill I am introducing in the 94th Congress contains several substantive changes from S. 4070. First, it would provide increased retirement benefits only to those non-Indians who had 10 years of Federal service as of the Supreme Court decision last June and who were not then eligible for retirement under current civil service regulations. This bill would also reduce the retirement benefits from 2½ to 2 percent after 20 years of service. Thus, there would be little incentive for non-Indians to remain in the Bureau or Indian Health Service after the 20-year period. I feel that this bill will assist those long-term Federal employees who now find their careers at a virtual standstill, because of the Indian preference decision. At the same time, it will further the cause of Indian self-determination by encouraging non-Indians to retire earlier thus freeing more middle- and higher-level positions for qualified Indian applicants.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8336 of title 5, United States Code, is amended by redesignating subsection (h) as subsection (i) and inserting the following new subsection:

"(h) An employee is entitled to an annuity if he (1) is separated from the service after completing 20 years of service before December 31, 1985, (2) was employed in the Bureau of Indian Affairs or the Indian Health Service continuously from June 17, 1974, to the date of his separation, (3) is not otherwise entitled to full retirement benefits, and (4) is not an Indian entitled to a preference under section 12 of the Act of June 18, 1934 (48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions.".

SEC. 2. Section 8339 of title 5, United States Code, is amended—

(1) by inserting in subsection (f), immediately after "subsections (a)-(e)", the following: "and (o)";

(2) by inserting in subsection (i), immediately after "subsections (a)-(h)", the following: "and (o)";

(3) by inserting in subsections (j) and (k)(1), immediately after "subsections (a)-(i)" each time it appears, the following: "and (o)";

(4) by inserting in subsection (l) immediately after "subsections (a)-(k)", the following: "and (o)";

(5) by inserting in subsection (n), immediately after "subsections (a)-(e)", the following: "and (o)"; and

(6) by adding at the end thereof the following: "(o) The annuity of an employee retiring under section 8336(h) of this title is:

"(A) 2½ percent of his average pay multiplied by so much of his total service as does not exceed 20 years; plus

"(B) 2 percent of his average pay multiplied by so much of his total service as exceeds 20 years.".

SEC. 3 (a) Section 8341 of title 5, United States Code, is amended—

(1) by inserting in subsection (b)(1), immediately after "section 8339(a)-(i)", the following: "and (o)"; and

(2) by striking out of subsection (d) "section 8339 (a)-(f) and (i)" and inserting in lieu thereof the following: "section 8339 (a)-(f), (i), and (o)".

(b) Section 8344(a)(A) of such title is amended by striking out "and (i)" and inserting in lieu thereof "(i), and (o)".

SEC. 4. The amendments made by this Act only apply to employees separated from the service on and after June 17, 1974.

Mr. **MONTOYA**. Mr. President, Senator STEVENS has performed a real service to the non-Indian employees of the BIA and IHS through his introduction of S. 4070 last year, and I am pleased to join him and my friend and partner from New Mexico, Senator DOMENICI, in reintroducing the legislation this year. Hopefully the measure will clear both Houses early in the session.

The Mancari decision, which is the catalyst in reactivating the Indian-preference policy first enunciated by the Congress in the Wheeler-Howard Act of 1934, is entirely proper, I believe. Carrying out its provisions will give real meaning to the concept of Indian self-determination which has been observed more in rhetoric than in reality up to this point.

Surely, however, sympathetic consideration must be given to those non-Indian employees of the BIA and the IHS who entered their line of work in the expectation that they would be devoting their lives to assisting the Indian peoples. Through the years, they have rendered valuable service. Many times, especially in the case of the IHS, this service has been rendered in spite of serious obstacles such as inadequate funding, inadequate supplies, and long hours.

These employees rightfully have the thanks of the Congress and the Indian peoples. But I think they deserve more than to be thanked and shown the way to the door.

It is Government policy which proclaimed Indian-preference in Wheeler-Howard some 41 years ago. It is Government practice which invited non-Indians into Indian service since then. Now it is a Government decision which is forcing these employees out of work or freezing them out of promotions. I think it is, therefore, entirely appropriate that the bill we introduce be passed.

By Mr. KENNEDY (for himself, Mr. JAVITS, Mr. WILLIAMS, Mr. ABOUREZK, Mr. BEALL, Mr. CRANSTON, Mr. HATHAWAY, Mr. RANDOLPH, and Mr. SCHWEIKER):

S. 510. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices. Referred to the Committee on Commerce.

MEDICAL DEVICE AMENDMENTS OF 1975

Mr. KENNEDY. Mr. President, I am pleased to introduce on behalf of myself and Senators JAVITS, WILLIAMS, RANDOLPH, CRANSTON, HATHAWAY, SCHWEIKER, BEALL, and ABOUREZK the Medical Device Amendments of 1975. The United States is generally recognized throughout the world as having the highest standards of safety and efficacy for prescription drugs. These standards have been made possible by Congress decision to grant the Food and Drug Administration the authority to require that all new drugs be proven safe and effective before they are allowed onto the marketplace. Because of these standards there have been no tragic thalidomide catastrophes in this country. It is a record of safety which the American people deserve and can be proud of.

Unfortunately, the American people remain at risk today from medical device products that have been allowed on the market without demonstrating comparable standards of safety and effectiveness. Congress shares a heavy responsibility for this. We have not given the Food and Drug Administration the necessary authority to require that medical devices be proven safe and effective before they reach the American consumer. Our failure to enact this legislation can be measured in terms of severe illness, injuries, and even the deaths of victims of hazardous devices.

Last year, after extensive hearings by the Health Subcommittee, legislation was developed and passed the Senate without dissent. Unfortunately, it died in the House of Representatives.

Just 2 days ago the Health Subcommittee held a hearing illustrating the continuing tragic consequences resulting from the absence of medical device legislation. The hearing focused on the Dalkon shield, an IUD which was used by 2 million American women and hundreds of thousands of women overseas before the very significant health hazards of the device became known. All witnesses before the committee testified that many of the deaths and much of the illness attributed to this device could have been prevented if medical device legislation had been in effect when the Dalkon shield was developed.

The purpose of this legislation is to protect the health and safety of the American people. It involves the regulation of lifesaving medical equipment such as heart valves, heart pacemakers, heart-lung machines, respirators, IUD's and comparable equipment. It is understandable that in 1938, when the Food and Drug Act was first passed that no regulatory authority was given for medical devices because at that time the device industry was small and did not play a central role in American medicine. In 1975 the absence of device legislation is not understandable and it is not defensible.

Back in 1969 the Secretary of Health, Education, and Welfare formed a task force to study the need for medical device legislation. It reported that in the period between 1961 and 1971 alone there were 27,000 untoward effects from medical devices in this country. These included over 731 deaths—512 from heart valves, 89 from pacemakers, and 10 from IUD's. These numbers have grown since that time. The Dalkon shield alone is responsible for 13 deaths.

Mr. President, the administration, the device industry, consumers—all are on record supporting medical device legislation. The measure I am introducing today with my colleagues is identical to the measure which passed the Senate last February 1. I regret very much that action could not be completed by the House of Representatives last year. It is urgent that we in the Senate reenact this medical device legislation as soon as possible. It has broad bipartisan support. It has no opposition. The country desperately needs it. I know the Senate will act on it promptly.

I ask that the text of the legislation be printed in the RECORD and that pertinent extracts from the committee report issued last January 29, 1974, be printed in the RECORD.

Mr. JAVITS. Mr. President, I am joining today in introducing with Senator KENNEDY the Medical Devices Amendments of 1975. This bill is identical to the bill (S. 2368), passed by the Senate last year—unfortunately the House was unable to complete its deliberations—and in great measure incorporates the provisions of the Medical Devices Safety Act (S. 1446), which I introduced almost 2 years ago. The measure has the support of the administration, industry representatives, and consumer groups. The bill is cosponsored by Senators WILLIAMS, SCHWEIKER, BEALL, RANDOLPH, CRANSTON, HATHAWAY, and ABOUREZK.

The bill seeks to provide critically important new protection for consumers with respect to the quality of medical devices. These medical devices range from artificial organs, cardiac pacemakers, intrauterine devices, and oxygen-delivery equipment to tongue depressors and hospital heating pads. In many instances a medical device replaces a human organ or is implanted within the human body, or is life-sustaining, and it is essential that we assure the American people of their safety and efficacy.

Safe medical devices, like safe drugs, are a part of that elusive, quality system of health care which we have long sought to provide. Like drugs, medical devices can interact with the body in physical and chemical ways over long periods of time. Some medical devices emit radiation and energy. I believe it is essential that we require appropriate premarket testing of these devices and provide the very highest quality standards to insure that the public is adequately protected and that patients and health professionals alike can have greater confidence in the device's performance.

In the 93d Congress, the Subcommittee of Health of the Committee on Labor and Public Welfare, of which I am ranking minority member, heard the testimony of 20 expert witnesses—the administration, industry, consumers, and interested organizations—and all agreed upon the need for immediate congressional action. We must respond to the problem of, for example, artificial heart valves, which have had to be recalled due to the possibility of breakage and where the device's failure was life-threatening; or where orthopedic devices have rusted; or where pacemakers have been found to speed up and slow down in random fashion—all to the detriment of the patient's health. New medical devices cannot be permitted to continue to arrive at the marketplace without adequate scientific review, and the need for this legislation becomes urgent as our new advanced technology brings new devices into the health marketplace. Modern scientific instrumentation must insure also that untested scientific and medical devices are not foisted upon the public.

The exciting innovations in medical technology of recent years are inspiring and are an important contribution in improving the health of Americans. But I believe that it is now time also for the miracles of scientific technology to be rapidly translated into improved, quality health care for all Americans.

This bill provides for both the establishment of standards and for premarket testing and scientific review. Without these provisions, the consumer must continue to purchase medical devices at his peril.

This bill does not inflict arbitrary or inflexible standards upon the industry, standards which might lag behind rapid, scientific advances. Rather, it authorizes either standard setting or premarket testing—or neither, or both—depending upon the hazards of the device and the degree to which its safety remains unknown. The key is premarket review, which requires that all life-supporting devices, all those which are to be implanted within the human body, and all others which present unusual or ill-defined risks, be tested and scientifically evaluated before they are introduced into commerce.

Mr. President, this is no time to wait. Just 2 days ago, the Health Subcommittee heard testimony which cast doubt and suspicion upon the safety of the Dalkon shield, an intrauterine device worn by millions of American women and by women throughout the world. It appears to have special dangers, including the risk of septic abortion and infection. We must now question whether the Dalkon shield is safe for human use—but our investigation comes too late. We must test these products before we market them, and we must pass along our information about safety, reliability, and efficacy to physicians and patients. It is only by regulating the quality of medical devices, and by informing the public of our findings, that we protect the right of patients and health professionals to make personal decisions regarding their purchase and use.

Mr. President, this bill is an effort to protect the interest, welfare, and safety of the American people through an efficient regulatory process. There has been no additional authority since 1938 to improve public protection against unsafe or unreliable medical devices. I strongly urge my colleagues to support this bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO ACT

SECTION 1. (a) This Act may be cited as the "Medical Device Amendments of 1975."

(b) Unless otherwise specified, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the section or other provision amended or repealed is a section of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

TITLE I—PRELIMINARY CLASSIFICATION OF MEDICAL DEVICES

SEC. 101. Chapter V of the Federal Food, Drug, and Cosmetic Act is amended by adding the following:

"PRELIMINARY CLASSIFICATION OF DEVICES

"SEC. 511. (a) Within sixty days after funds are first appropriated for the implementation of this section, the Secretary shall appoint and organize separate classification panels of experts, qualified by scientific training and experience, to review and classify devices intended for human use into appropriate categories based on the safety and effectiveness of such devices. Each panel shall review all devices intended for human use within its respective scientific field for purposes of appropriate classification and shall submit within one year of its appointment a report of its findings and conclusions to the Secretary. To the maximum extent practical the panel or panels shall provide an opportunity for any interested person to submit data and views on the classification of a device (or type or class of device). The Secretary may utilize any such panels which may have been formed for the purpose of such classification prior to enactment of this section and such panels may utilize information and findings developed prior to enactment of this section in making such reports. Such panels shall also serve as scientific review panels under section 514.

"(b) (1) Panel members shall be qualified by training and experience to evaluate the safety and effectiveness of devices in the category or class of devices to be referred to such a panel and to the extent feasible shall possess skill in the use of or experience in the development, manufacture, perfection, or utilization of such devices. In addition to such experts, each panel shall include as nonvoting members a representative of consumer interests and a representative of industry interests. Panel members may be nominated by appropriate scientific, trade, and consumer organizations.

(2) The panels shall be organized according to the various fields of clinical medicine and the fundamental sciences which utilize medical devices, and shall consist of members with diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, or other related professions. The Secretary shall designate one of the members of each panel to serve as chairman thereof. Panel members shall, while attending meetings or conferences of the panel or otherwise engaged on its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently. The Secretary shall furnish each panel with adequate clerical and other necessary assistance, and shall prescribe by regulation the procedures to be followed by each panel.

"(c) Panels appointed pursuant to subsection (a) shall submit (in the final report of the panel or such interim reports as may be appropriate) recommendations for the classification of devices for purposes of and in accordance with sections 513 and 514 into one of the three following classes and shall, to the extent practicable, assign priorities within such classes:

"(1) Those devices (A) for which insufficient information exists to—

"(i) assure effectiveness, or

"(ii) assure that exposure to such devices will not cause unreasonable risk of illness or injury, and

"(B) for which standards or other means may not be appropriate to reduce or eliminate such risk of illness or injury and which therefore should be subject to premarket scientific review pursuant to section 514. Such review, either initial or continuing, shall be required if the panels determine that such device purports or is represented to be for a use which is life sustaining or life supporting.

"(2) Those devices for which in order to assure effectiveness or to reduce or eliminate unreasonable risk of illness or injury it is appropriate to establish reasonable performance standards pursuant to section 513 relating to safety and effectiveness and for which other means may not be appropriate to reduce or eliminate such risk of illness or injury.

"(3) Those devices which are safe and effective when used in conjunction with instructions for usage and warnings of limitation, which are adequate for the persons by whom the device is represented or intended for use, which present a minimum risk, and which should be exempt from requirements for scientific review or performance standards.

"(d) As soon as possible after filing of the report required for compliance with subsection (a), the Secretary shall publish such report in the Federal Register and provide interested persons an opportunity to comment thereon. After reviewing such comments the Secretary shall by regulation provide for preliminary classification of such devices. The Secretary may establish priorities for implementing the action warranted by such classification under sections 513 and 514 and may defer such action for any device until an appropriate time, consistent with expeditious implementation of these provisions.

"(e) The Secretary, with the advice of the appropriate panel and after making a specific finding and publishing such finding in the Federal Register and providing interested persons an opportunity for comment thereon may by regulation change the preliminary classification of a device or group of devices from one category to another.

"(f) The preliminary classification of a device shall constitute public notice that, as expeditiously as is feasible, the Secretary will issue a final classification in the form of a determination of a need for a performance standard pursuant to section 513 or a determination of the need for scientific review pursuant to section 514. The preliminary classification shall not relieve the Secretary of any obligation to provide notice as required by sections 513 and 514. Any interested person will have an opportunity, pending such final classification, to undertake studies and other work appropriate to develop a performance standard or to demonstrate the safety and effectiveness of a device.

"(g) After the promulgation of regulations under subsection (d) of this section and commensurate with the effective date of section 501(f), a manufacturer of a medical device which has not been classified in accordance with this section shall file an application for the classification of the device and must receive from the Secretary notification of the classification of such device. The Secretary shall act on the application within sixty days unless the Secretary and the manufacturer agree to an additional period of time. The Secretary shall classify the devices in accordance with the criteria and procedures listed in sections 511, 513, and 514 including the requirement for consultation with the appropriate panel or panels. The appeal provisions of sections 513 and 514 shall apply."

TITLE II—AUTHORITY TO ESTABLISH PERFORMANCE STANDARDS

SEC. 201. Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C., ch. 9, subch. VI) is amended by adding at the end thereof the following new section:

"PERFORMANCE STANDARDS FOR MEDICAL DEVICES

"Authority To Set Standards

"SEC. 513. (a) (1) Whenever in the judgment of the Secretary such action is appropriate to assure effectiveness or to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device (including the need for uniformity and compatibility with systems or environments in which it is intended to be used) and for which other means may not be appropriate to reduce or eliminate such risk of illness or injury he shall by order issued in accordance with subsection (c) of this section promulgate for any device, or type or class of device, for which a performance standard has been determined to be appropriate pursuant to section 511(d), a performance standard relating to safety and effectiveness (including effectiveness over time), and including where necessary: the composition, the construction, the compatibility with power systems and connections, and the properties, and including where appropriate the uniform identification of such device. Such performance standard shall where appropriate include provisions for the testing of the device and the measurement of its characteristics (including individual lot testing by or at the direction of the Secretary where necessary to assure the accuracy and reliability of results when it is determined that no other more practicable means to assure accuracy and reliability are available to the Secretary) and shall where appropriate require the use and prescribe the form and content of instructions or warnings necessary for the proper installation, maintenance, operation, and use of the device.

"(2) A performance standard may require that the device or any component thereof be marked, tagged, or accompanied by clear and adequate warnings or instructions reasonably necessary for the protection of health or safety.

"(3) The Secretary shall provide for a periodic evaluation of the adequacy of all performance standards promulgated under this section in order to reflect changes in the state of the art of the development of devices and in applicable medical, scientific, and other technological data.

"(4) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined with regard to such intended use

"Consultation With Other Federal Agencies and Interested Groups; Use of Other Federal Agencies

"(b) (1) Prior to (A) initiating a proceeding under subsection (c) to promulgate a performance standard under this section, (B) initiating the development of a proposed perfomance standard under subsection (f) of this section, or (C) the taking of any action under subsection (g) of this section, the Secretary shall to the maximum practicable extent consult with, and give appropriate weight to relevant standards published by, other Federal agencies concerned with standard setting and other nationally or internationally recognized standard-setting agencies or organizations. In considering proposals for the development of performance standards, the Secretary shall to the maximum extent practicable invite appropriate participation, through joint or other conferences, workshops, or other means, by informed persons representative of scientific, professional, industry, and consumer organizations which in his judgment can make a significant contribution to such development.

"(2) In carrying out his duties under this section, the Secretary shall utilize to the maximum practicable extent the personnel, facilities, and other technical support available in other Federal agencies.

"Initiation of Proceeding for Performance Standards—Development by Interested Parties

"(c) (1) A proceeding to promulgate a performance standard under this section shall be initiated by the Secretary by publication of notice in the Federal Register. Such notice shall advise of the opportunity for comment on the need to initiate such proceeding and shall include—

"(A) a description or other designation of the device (or type or class of device) to which the proceeding relates;

"(B) the nature of the risk or risks intended to be controlled;

"(C) a summary of the data on which the Secretary has found a need for initiation of the proceeding;

"(D) identification of any existing performance standard (if known to the Secretary) which may be relevant to the proceeding; and

"(E) an invitation to any person, including any Federal agency, which has developed or is willing to develop a proposed performance standard to submit to the Secretary, within sixty days after the date of such notice (i) such a performance standard; or (ii) an offer to develop a proposed performance standard in accordance with procedures prescribed by regulations of the Secretary. Such invitation shall specify a period of time, during which the performance standard is to be developed, which shall be a period ending one hundred and eighty days after the publication of the notice, unless the Secretary for good cause finds (and includes such finding in a notice published in the Federal Register) that a different period is appropriate.

"(2) Prior to his issuance of an order to promulgate a performance standard, the Secretary shall consider—

"(A) the degree of risk of illness or injury associated with those aspects of the devices subject to the order;

"(B) the approximate number of devices, or types or classes thereof subject to the order;

"(C) the benefit to the public from the devices subject to the order, and the probable effect of the order upon the utility, cost, or availability of the devices to meet that need;

"(D) means of achieving the objective of the order with a minimal disruption or dislocation of competition and of reasonable manufacturing and other commercial practices consistent with the public health and safety; and

"(E) data and comments submitted pursuant to subsection (c) relevant to such order.

"(3) Before taking action pursuant to subsections (d), (e), and (f) concerning the use of an existing performance standard or the designation of a person or governmental body to formulate a proposed performance standard, or simultaneous with such action, the Secretary shall publish a notice in the Federal Register containing his findings pursuant to paragraph (2) on the need to establish a standard. Such findings shall be made only after consideration of the report, comments, and regulation provided for in section 511(d) and the comments received under the notice described in subsection (a) (1), and may be appealed to the courts pursuant to subsection (g) (5) within thirty days after publication in the Federal Register.

"Use of Existing Performance Standards

"(d) If the Secretary (1) finds that there exists a standard which has been published by any Federal agency or other qualified agency, organization, or institution, (2) has made reference to such standard (unless it is a standard submitted under subsection (c) (1) (E)) in his notice pursuant to subsection (c) (1) (D), and (3) determines that such performance standard may be substantially acceptable to him as a device standard, then he may, in lieu of accepting an offer under this section, publish such performance standard as a proposed device performance standard in accordance with subsection (g).

"Acceptance of Offers To Develop Performance Standards

"(e) (1) Except as otherwise provided by subsection (d), the Secretary may accept one or more offers to develop a proposed performance standard pursuant to the invitation prescribed by subsection (c) (1) (E) if he determines that (A) the offeror is technically competent to undertake and complete the development of an appropriate performance standard within the period specified in the invitation under subsection (c) (1) (E) and (B) the offeror has the capacity to comply with procedures prescribed by regulations of the Secretary under paragraph (4) of this subsection. Where more than one offer is received and the Secretary determines that the requirements of subparagraphs (A) and (B) have been met, the Secretary shall, wherever practicable, give priority to offerors who have no proprietary interest in the device for which the standard is to be developed. The Secretary shall require, by regulation, that in making an offer, each offeror and appropriate individual directors, officers, consultants, and employees of each offeror company, disclose the following information:

"(i) all current industrial or commercial affiliations;

"(ii) sources of research support other than the offeror;

"(iii) companies in which offerors have financial interests;

"(iv) such additional information as the Secretary deems pertinent to reveal potential conflicts of interest with regard to the offer.

The information received by the Secretary from an offeror whose offer has been accepted shall be made public by the Secretary at the time that an offer is accepted.

"(2) The Secretary shall publish in the Federal Register the name and address of each person whose offer is accepted, and summary of the terms of such offer as accepted.

"(3) When an offer is accepted under this subsection the Secretary may agree to contribute to the offeror's cost in developing a proposed performance standard, if the Secretary determines that such contribution is likely to result in a more satisfactory performance standard than would be developed without such contribution, and that the offeror is financially responsible. Regulations of the Secretary, shall set forth the items of cost in which he may participate, except that such items may not include construction (except minor remodeling), or the acquisition of land or buildings.

"(4) The Secretary shall prescribe regulations governing the development of proposed performance standards under this subsection and subsection (f). Such regulations shall include requirements—

"(A) that performance standards recommended for promulgation be supported by test data or such other documents or materials as the Secretary may reasonably require to be developed, and be suitable for promulgation under subsection (g);

"(B) that performance standards recommended for promulgation contain such test methods as may be appropriate for measurement of compliance with such performance standards;

"(C) for notice and opportunity by interested persons, including representatives of consumers or consumer organizations, to participate in the development of such performance standards;

"(D) for the maintenance of such records as the Secretary prescribes in such regulations to disclose the course of the development of performance standards recommended for promulgation, the comments and other information submitted by any person in connection with such development, including comments and information with respect to the need for such recommended performance standards, and such other matters as may be relevant to the evaluation of such recommended performance standards; and

"(E) that the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, have access for the purpose of audit and examination to any books, documents, papers, and records, relevant to the expenditure of any contribution of the Secretary, under paragraph (3).

"Develpment of Performance Standards by the Secretary

"(f) If the Secretary has published a notice as provided by subsection (c), and—

"(1) no person accepts the invitation prescribed by subsection (c) (1) (E);

"(2) the Secretary has accepted neither an existing performance standard pursuant to subsection (d) nor an offer to develop a proposed performance standard pursuant to subsection (e); or

"(3) the Secretary has accepted an offer pursuant to subsection (e) but determines that the offeror is unwilling or unable to continue the development of the performance standard which was the subject of the offer or the performance standard which has been developed is not satisfactory;

then the Secretary shall proceed to develop a proposed performance standard pursuant to procedures prescribed by subsection (g).

"Procedure for Promulgation, Amendment, or Revocation of Performance Standards

"(g) (1) (A) Within one year after expiration of the period provided for persons to submit a proposed performance standard or offer to develop a proposed performance standard (which time may be extended by the Secretary by a notice published in the Federal Register stating the good cause therefor) and after review of any proposal submitted under subsection (e), the Secretary shall publish in the Federal Register either a proposal to promulgate a performance standard applicable to the device (or type or class of device) subject to the proceeding, or a notice that the proceeding is terminated. The proposal to promulgate a performance standard shall set forth the performance standard, the manner in which interested persons may examine data and other information on which the performance standard is based, and the period within which interested persons may present their comments on the standard (including the need therefor) orally or in writing. Such period for comment shall be at least sixty days, but not to exceed ninety days which time may be extended by the Secretary by a notice published in the Federal Register stating the cause therefor.

"(B) Within ninety days after the expiration of the period for comments pursuant to paragraph (A), the Secretary shall, by order published in the Federal Register, act upon the proposed performance standard or terminate the proceeding. The order shall set forth the performance standard, if any, the reasons for the Secretary's action, and the date or dates upon which the performance standard, or portions thereof, will become effective. Such date or dates shall be established so as to minimize, consistent with the public health and safety, economic loss to, and disruption or dislocation of, domestic and international trade. If any performance standard set forth in the order is substantially different from that set forth in the proposal an additional period of thirty days shall be permitted for comment on such performance standard.

"(C) The Secretary may include in the order promulgating a performance standard such findings in addition to those made pursuant to subsection (c) (3) as he may determine to be necessary to support the judgment required by subsection (a) (1).

"(2) The Secretary may revoke any performance standard, in whole or in part, upon the ground that there no longer exists a need therefor or that such performance standard (or part thereof) is no longer in the public interest. Such revocation shall be published as a proposal in the Federal Register and shall set forth such performance standard or portion thereof to be revoked, a summary of the reasons for his determination that there may no longer be a need therefor or that such standard (or any part thereof) may no longer be in the public interest, the manner in which interested persons may examine data and other information relevant to the Secretary's determination, and the period within which any interested person may present his views, orally or in writing, with respect to such revocation. As soon as practicable thereafter, the Secretary shall by order act upon such proposal and shall publish such order in the Federal Register. The order shall include the reasons for the Secretary's action and the date or dates upon which such revocation shall become effective.

"(3) The Secretary may propose an amendment of a performance standard on his own initiative or on the petition of any interested person by publishing such proposal in the Federal Register. Such proposal shall be subject to paragraphs (4) and (5) of this subsection and subsection (h).

"(4) To the extent not inconsistent with this section, the provisions of section 553 of title 5 of the United States Code, shall govern proceedings under this section to promulgate, amend, or revoke a performance standard.

"(5) (A) In a case of actual controversy as to the validity of any order promulgating, amending, or revoking a performance standard or findings that a standard is needed or a regulation banning a device, any person who will be adversely affected by such order if placed in effect may at any time prior to the thirtieth day after such order is issued file a petition with the United States Court of Appeals for the District of Columbia or for the circuit wherein such person resides or has his principal place of business, for a judicial review of such order. A copy of the petition shall be transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based his order, as provided in section 2112 of title 28, United States Code.

"(B) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary the court may order such additional evidence (and evidence in rebuttal thereof) to be presented to the Secretary. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence, so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

"(C) Upon the filing of the petition referred to in subparagraph (A) of this paragraph, the court shall have jurisdiction to affirm the order, or to set it aside in whole or in part, temporarily or permanently. If the order of the Secretary refuses to issue, amend, or repeal a regulation and such order is not in accordance with law the court shall by its judgment order the Secretary to take action with respect to such regulation, in accordance with law. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(D) The judgment of the court affirming or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended.

"(E) Any action instituted under this subsection shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office.

"(F) A certified copy of the transcript of the record of the proceedings before the Secretary shall be furnished by the Secretary to any interested party at his request, and payment of the costs thereof, and shall be admissible in any criminal libel for condemnation, exclusion of imports, or other proceeding arising under or in respect of this Act, notwithstanding proceedings with respect to the order have been previously instituted or become final under this subsection.

"(6) The Secretary may by regulations prohibit a manufacturer of a device from stockpiling any device to which a performance standard applies, so as to prevent such manufacturer from circumventing the purpose of such performance standard. For purposes of this paragraph, the term 'stockpiling' means manufacturing or importing a device between the date of promulgation of such performance standard and its effective date at a rate which is significantly greater (as determined under the regulations under this paragraph) than the rate at which such device was produced or imported during a base period (prescribed in the regulations under this paragraph) ending before the date of promulgation of the performance standard.

"Referral to Independent Advisory Committee

"(h) (1) The Secretary may refer a proposal under subsection (g) to an advisory committee of experts for a report and recommendation with respect to any matter involved in such proposal which requires the exercise of scientific judgment. Such referral shall be prior to or after publication under such subsection, and shall be so referred upon a request, within the time for comment specified in the proposal, of any interested person (unless the Secretary finds the request to be without good cause). For the purpose of any such referral, the Secretary shall appoint an advisory committee (which may be a standing advisory scientific review panel established under section 514(b)) and shall refer to it, together with all the data before him, the matter so involved for study, and for a report and recommendation. The advisory committee shall, after independent study of the data furnished to it by the Secretary and other data before it, certify to the Secretary a report and recommendations, together with all underlying data and a statement of the reasons or basis for the recommendations. A copy of such report shall be promptly supplied by the Secretary to any person who has filed a petition, or who has requested such referral to the advisory committee. After giving consideration to all data then before him, including such report, recommendations, underlying data, and statement, and to any prior order issued by him in connection with such matter, the Secretary shall by order conform or modify any prior order, or, if no such prior order has been issued, shall by order act upon the proposal. Any interested person shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person, in connection with the matter referred to it.

"(2) The Secretary shall appoint as members of any such advisory committee persons qualified in the subject matter to be referred to the committee and of appropriately diversified professional background. Members of an advisory committee who are not in the regular full-time employ of the United States, while attending conferences or meetings of their committee or othewise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary but not at rates exceeding the daily equivalent for grade GS-18 of the General Schedule for each day so engaged, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Secretary shall furnish the committee with clerical and other assistance, and shall by regulation prescribe the procedures to be followed by the committee.

"Testing or Manufacture of Devices To Assure Compliance With Standards

"(i) (1) Every manufacturer of a device subject to a standard under this section shall assure the Secretary, at such times and in such form and manner as the Secretary shall by regulation prescribe, that testing methods prescribed by the performance standard show the device to comply therewith, or that the device has been manufactured under a program of quality control which is in accord with current good manufacturing practice (as may be determined by regulations of the Secretary) designed to assure such compliance.

"(2) To assure that devices conform to performance standards under this section, the Secretary shall review and evaluate on a continuing basis testing and other quality control programs carried out by manufacturers of devices subject to such performance standards.

"Exemption

"(j) This section shall not apply to any device (1) intended solely (A) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (B) to affect the structure or any function of the body of such animals; or (2) subject to section 514 except for those characteristics of the device made subject to provisions of existing performance standards by an application approved pursuant to that section; or (3) any device of a particular manufacturer which the Secretary finds pursuant to regulations issued after an opportunity for a hearing may notwithstanding any standard promulgated under this section be marketed pursuant to an approval under section 514.

"Temporary Permits

"(k) The Secretary shall issue regulations permitting the interstate shipment of devices varying from an applicable performance standard for the purpose of investigation or other testing prior to amendment of the standard. Such regulations may include reasonable conditions related to the safety and effectiveness of the devices.

"Custom Devices

"(l) This section shall not apply to any custom device to the extent that it is ordered by a physician (or other specially qualified persons, authorized by regulations promulgated by the Secretary, after an opportunity for a hearing) to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable performance standard except those specifically ordered by a physician or such other authorized person to be changed. This subsection shall only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k). Custom devices shall not be used as a course of conduct and shall not be generally available in finished form for purchase or for dispensing upon prescription, and whether in finished form or otherwise, shall not be made available through commercial channels by the maker or processor thereof.

"Banned Device

"(m)(1) Whenever the Secretary finds after consultation with the appropriate panel or panels established under section 514(b) and after affording all interested persons an opportunity for an informal hearing, that—

"(A) a device presents an unreasonable risk of illness or injury or deception; and

"(B) no feasible performance standard or approved application under section 514 would adequately protect the public from the unreasonable risk of illness or injury or deception associated with such device,

he may propose and, in accordance with subsection (g), promulgate a regulation declaring such product a banned device.

"(2) The Secretary may declare a proposed regulation banning a device to be effective on an interim basis after publication in the Federal Register, pending completion of the procedures established in subsection (g)(3), if he determines, after affording all interested persons an opportunity for an informal hearing, that such banning will expeditiously reduce or eliminate a hazard to the public health or safety, fraud, or gross deception associated with such device.

"Expedited Amendment

"(n) The Secretary may declare a proposed amendment of a performance standard to be effective on an interim basis after publication in the Federal Register, pending completion of the procedures established in subsection (g)(3), if he determines, after affording all interested persons an opportunity for an informal hearing, that such amendment will permit rapid implementation of desirable changes or will expeditiously reduce or eliminate a hazard to the public health or safety without prohibiting devices permitted by the existing performance standard and that to do so is in the public interest."

CONFORMING AMENDMENTS

SEC. 202. (a) Section 501 of such Act (21 U.S.C. 351) is amended by adding at the end thereof the following new paragraph:

"(e)(1) If it is, or purports to be or is represented as, a device with respect to which, or with respect to any component, part, or accessory of which there has been promulgated a performance standard under section 513, unless such device, or such component, part, or accessory, is in all respects in conformity with such performance standard; or

"(2) if it is a banned device."

(b) Section 502 of such Act (21 U.S.C. 352) is amended by adding at the end thereof the following new paragraph:

"(q) If it is a device subject to a performance standard promulgated under section 513, unless (1) its labeling bears such instructions and warnings as may be prescribed in such performance standard; and (2) it complies with the requirements of section 513(i)(1)."

TITLE III—SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

SEC. 301. (a) Section 501 of such Act, as amended by section 202(a) of this Act, is further amended by adding at the end thereof the following new paragraph:

"(f) If (1) it is a device, and (2) such device, or any component, part, or accessory thereof, is deemed unsafe or ineffective within the meaning of section 514 with respect to its use or intended use."

(b) Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

"When Scientific Review Is Required

"SEC. 514. (a)(1) The Secretary may declare that a device (or type or class of device) for which scientific review has been determined to be appropriate pursuant to section 511(d) shall be subject to scientific review under this section with respect to any particular use or intended use thereof if, after consultation with the appropriate panel or panels specified in subsection (b), he finds that (A) such review is appropriate to assure effectiveness or is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device and (B) other means available to the Secretary may not be appropriate to reduce or eliminate such risk of illness or injury. (2) The Secretary may declare that a device (or type or class of device) shall be subject to scientific review under this section with respect to any particular use or intended use thereof if he (A) determines that scientific review for any device is appropriate to protect the public health and safety and (B) finds that other means available to the Secretary may not be appropriate to reduce or eliminate such risk of illness or injury. To the maximum extent practicable the panel or panels shall provide an opportunity for any interested person to submit data and views on the appropriateness of applying scientific review to a device (or type or class of device) or any particular use of a device. The declaration shall be by regulation (which may be rescinded by the Secretary) which shall set forth and be based upon the report, comments, and regulations provided for in section 511(d), the findings prescribed in this subsection, and findings as described in section 513(c)(2). The promulgation of such regulation may be appealed to the courts pursuant to the provisions of section 513 (g)(5) within thirty days after publication in the Federal Register. A device (or type or class of device) declared to be subject to scientific review shall be deemed unsafe or ineffective for the purpose of the application of section 501(f) unless either—

"(i) there is in effect an approval of an application with respect to such device under this section,

"(ii) such device is exempted by or pursuant to subsections (k), (l), or (m) of this section, or

"(iii) such device is intended solely (I) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (II) to affect the structure or any function of the body of such animals.

"Standing Advisory Scientific Review Panels

"(b) For the purpose of reviewing applications filed under subsection (c), and of reviewing plans and protocols submitted under subsection (k)(4), and of reviewing product development protocol under subsection (m) (2) the Secretary shall utilize the standing advisory panels established under section 511. The selection, payment, and administration of these panels shall be governed by section 511.

"Application for Scientific Review

"(c)(1) Scientific review of a device (or type or class of device) which has been declared subject to such review in accordance with subsection (a) may be obtained by submitting to the Secretary an application for his determination of the safety and effectiveness of the device. The application shall contain (A) full reports of all information, published or known to or which should reasonably be known to the applicant, concerning investigations which have been made to show whether or not such device is safe and effective for use; (B) a full statement of the composition, properties, and construction, and of the principle or principles of operation, of such device; (C) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and, when relevant, packing and installation of such device; (D) an identifying reference to any performance standard, applicable to such device, or component of such device, which is in effect pursuant to section 513, and either adequate information to show that such device fully meets such performance standard or adequate information to justify any deviation from such standard; (E) such samples of such device and of the articles used as components thereof as the Secretary may require; (F) specimens of the labeling proposed to be used for such device; and (G) such other information, relevant to the subject matter of the application, as the Secretary, upon advice of the appropriate panel or panels established pursuant to subsection (b), may require.

"(2) Upon receipt of an application meeting the requirements set forth in paragraph (1), the Secretary shall refer such application to the appropriate panel or panels (established pursuant to subsection (b)) for study and for submission (within such period, if any, as he may establish) of a report and recommendations, together with all underlying data and the reasons or basis for the recommendations. The provisions of section

706(d)(2) shall apply with respect to the material so submitted.

"Consideration of an Initial Action on Application

"(d) As promptly as possible, but in no event later than one hundred and twenty days after the receipts of an application under subsection (c), unless an additional period is agreed upon by the Secretary and the applicant, the Secretary, after considering the report and recommendations referred to in paragraph (2) of such subsection, shall—

"(1) approve the application if he finds that none of the grounds for denying approval specified in subsection (e) applies,

"(2) advise the applicant that the application is not in approvable form; and inform the applicant, insofar as the Secretary determines to be practicable, of the measures required to place such application in approvable form (which measures may include further research by the applicant in accordance with one or more protocols, prescribed by the Secretary); or

"(3) deny approval of the application if he finds (and sets forth the basis of such findings as part of or accompanying such denial) that one or more grounds for denial specified in subsection (e) applies.

"Bases for Approval or Disapproval; Opportunity for Review

"(e)(1) If, upon the basis of the information submitted to the Secretary as part of the application and any other information before him with respect to such device the Secretary finds, after opportunity to the applicant for the review prescribed by paragraph (4), that—

"(A) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof;

"(B) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing and installation of such device do not conform to the requirements of section 501(g);

"(C) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof;

"(D) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular; or

"(E) such device is not shown to conform in all applicable respects to a currently effective performance standard promulgated under section 513;

he shall issue an order denying approval of the applications and stating the findings upon which the order is based. In determining if a device is shown to be safe for purposes of this paragraph, the Secretary shall weigh any benefit to the public health probably resulting from the use of the device against any hazard to the public health probably resulting from such use.

"(2) As used in this subsection and subsection (f), the term 'adequate scientific evidence' means evidence consisting of sufficient well-controlled investigations, including clinical investigations where appropriate, by experts qualified by scientific training and experience to evaluate the effectiveness of the device involved, on the basis of which it could fairly and responsibly be concluded by such experts that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof, unless the Secretary determines that other valid scientific evidence is sufficient to establish the effectives of the device.

"(3) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined in the light of such intended use.

"(4)(A) An applicant whose application has been denied approval may, by petition filed on or before the thirtieth day after the date upon which he receives notice of such denial, obtain review thereof in accordance with subsection (i). The Secretary shall consider and give appropriate weight to the report and recommendations received from the advisory committee conducting such review under such subsection.

"(B) In lieu of the review provided by subparagraph (A), such applicant may petition to obtain a hearing in accordance with section 554 of title 5 of the United States Code.

"Withdrawal of Approval

"(f)(1) The Secretary may, upon obtaining where appropriate, advice on scientific matters from a panel or panels established pursuant to subsection (b), and after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application with respect to a device under this section if the Secretary finds—

"(A)(i) that clinical or other experience, tests, or other scientific data show that such device is unsafe for use under the conditions of use for which the application was approved; or (ii) on the basis of evidence of clinical experience, not included in or accompanying such application and not available to the Secretary until after the application was approved, or of tests by new methods or by methods not reasonably applicable when the application was approved, evaluated together with the evidence available to the Secretary when the application was approved, that such device is not shown to be safe for use under the conditions of use on the basis of which the application was approved;

"(B) on the basis of new information before him with respect to such device, evaluated together with the evidence available to him when the application was approved, that there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof;

"(C) that the application filed pursuant to subsection (c) contains or was accompanied by an untrue statement of a material fact;

"(D) that the applicant has failed to establish a system for maintaining records, or has repeatedly or deliberately failed to maintain records or to make reports, required by an applicable regulation or order under subsection (a) of section 516, or that the applicant has refused to permit access to, or copying or verification of such records as required by paragraph (2) of such subsection;

"(E) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the methods used in, or the facilities and controls used for, the manufacture, processing, packing, or installation of such device do not conform to the requirements of section 501(g) and were not brought into conformity with such requirements within a reasonable time after receipt of written notice from the Secretary; or

"(F) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the labeling of such device, based on a fair evaluation of all material facts is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary; or

"(G) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that such device is not shown to conform in all respects to an applicable performance standard promulgated pursuant to section 513.

"(2) If the Secretary (or in his absence the officer acting as Secretary) finds that an imminent health or safety hazard is involved, he may by order suspend the approval of such application immediately and give the applicant prompt notice of his action and afford the applicant an opportunity for an expedited hearing under this subsection. Such authority to suspend the approval of an application may not be delegated.

"(3) Any order under this subsection shall state the findings upon which it is based.

"Authority To Revoke Adverse Orders

"(g) Whenever the Secretary finds that the facts so require, he shall revoke an order under subsection (e) or (f) denying, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

"Service of Secretary's Orders

"(h) Orders of the Secretary under this section shall be served (1) in person by an officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant at his last known address in the records of the Secretary.

"Referral to Independent Advisory Committee

"(i)(1) A person who has filed an application under subsection (c) may petition the Secretary, in accordance with subparagraph (A) of subsection (e)(4), to refer such application, or the Secretary's action thereon, to an advisory committee of experts for a report and recommendations with respect to any question therein involved which requires the exercise of scientific judgment. Upon such petition, or if the Secretary on his own initiative deems such a referral necessary, the Secretary shall appoint an advisory committee and shall refer to it, together with all the data before him, the question so involved for study thereof and a report and recommendations thereon. The committee shall, after independent study of the data furnished to it by the Secretary and other data before it, certify to the Secretary a report and recommendations, together with all underlying data and a statement of the reasons or basis for the recommendations. A copy of the foregoing shall be promptly supplied by the Secretary to any person who has filed a petition, or who has requested such referral to the advisory committee. After giving consideration to all data then before him, including such report, recommendations, underlying data, and statement, and to any prior order issued by him in connection with such matter, the Secretary shall by order conform or modify any prior order or, if no such prior order has been issued, shall by order act upon the application. The applicant, as well as representatives of the Secretary, shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person in connection with the question referred to it.

"(2) Section 513(h)(2) shall apply to the appointment, compensation, staffing, and procedure of any such advisory committee.

"Judicial Review

"(j) The application may, by appeal taken in accordance with section 505(h), obtain judicial review of a final order of the Secretary denying or withdrawing approval of an application filed under subsection (c) of this section or a final order under subsection (m) revoking an exemption in effect under that subsection. Judicial review of such final order shall not be denied upon the ground that the petitioner has failed to avail himself of the review or hearing provided by subsection (e)(4) or the hearing provided by subsection (m).

"Exemption for Investigational Use

"(k) (1) It is the purpose of this subsection to encourage, to the maximum extent consistent with the protection of the public health and safety and with professional ethics, the discovery and development of useful devices and to that end to maintain optimum freedom for individual scientific investigators in their pursuit of that objective. All information required under this section to be submitted to the Secretary or to an institutional review committee shall be concise and no more burdensome than is necessary to permit adequate review.

"(2) Subject to the succeeding paragraphs of this subsection, there shall be exempt from the requirement of approval of an application under the foregoing provisions of this section any device which is intended solely for investigational use (in an appropriate scientific environment) by an expert or experts qualified by scientific training and experience to investigate the safety and effectiveness of such device.

"(3) The Secretary shall promulgate regulations after an opportunity for a hearing, relating to the application of the exemption referred to in paragraph (2) to any device which is intended for use in the clinical testing thereof upon humans, in developing data required to support an application under subsection (c).

"(4) Such regulations may provide for conditioning the exemption, in the case of a device intended for such clinical use, upon—

"(A) the submission, by the manufacturer of the device or the sponsor of the investigation, of an outline of the plan of initial clinical testing—

"(i) to a local institutional review committee which has been established to supervise clinical testing in the facility where the initial clinical testing is to be conducted, the composition and procedures of which comply with regulations of the Secretary, for review as being adequate to justify the commencement of such testing, or

"(ii) if no such committee exists or if the Secretary finds that the process of review by such committee is inadequate or that protection of health and safety so requires (whether or not the plan has been approved by such committee), to the Secretary for review by the appropriate panel or panels established pursuant to subsection (b) as being adequate to justify the commencement of such testing;

"(B) prompt notification to the Secretary by such manufacturer or sponsor (under such circumstances and in such manner as the Secretary prescribes) of approval of any plan pursuant to clause (A) (i);

"(C) the submission, by the manufacturer of the device or the sponsor of the investigation, of an adequate protocol for clinical testing to be conducted by separate groups of investigators under essentially the same protocol, together with a report of prior investigations of the device (including, where appropriate, tests on animals) adequate to justify the proposed testing, either (i) to a local institutional review committee for review in accordance with the provisions of clauses (A) (i) and (B), or (ii) to the Secretary for review in accordance with the provisions of clause (A) (ii) if such testing involves facilities in which no such committee exists, or facilities served by more than one local institutional review committee if such committees are unable to agree on the adequacy of the submission;

"(D) the obtaining, by the manufacturer, of the device or the sponsor of the investigation, if the device is to be distributed to investigators for testing, of a signed agreement from each of such investigators that humans upon whom the device is to be used will be under such investigator's personal supervision or under the supervision of investigators responsible to him;

"(E) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer of the device or the sponsor of the investigation, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of the device, as the Secretary finds will enable him to evaluate the safety and effectiveness of the device in the event of the filing of an application pursuant to subsection (c); and

"(F) such other conditions relating to the protection of the public health and safety as the Secretary may determine to be necessary.

Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of devices. The Secretary shall within thirty days of the receipt of a notification or submission pursuant to this paragraph, determine whether the proposed investigation conforms to the requirements of this section. An investigation shall not begin until the sponsor receives notice from the Secretary that the proposed investigation conforms with the requirements of this section. The Secretary may not delay the beginning of an investigation pursuant to this paragraph unless he finds that the investigation does not conform to the requirements of this section and he has notified the sponsor of such findings. The Secretary may exempt investigations from part or all the requirements of this subsection when he determines that to do so is in the public interest.

"(5) Such regulations shall assure that the rights and welfare of the subjects involved are adequately protected, that the risks to an individual are outweighed by the potential benefits to him or by the importance of the knowledge to be gained and that informed consent is to be attained by methods that are adequate. Such informed consent shall be obtained in all but exceptional cases.

"(A) For the purposes of this section only, the term 'informed consent' shall mean the consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without the intervention of any element of force, fraud, deceit, duress, or other form of constraint or coercion. Such consent shall be evidenced by an agreement signed by such person, or his legal representative. The information to be given to the subject in such written agreement shall include the following basic elements:

"(1) a fair explanation of the procedures to be followed, including an identification of any which are experimental;

"(2) a description of any attendant discomforts and risks reasonably to be expected;

"(3) a fair explanation of the likely results should the experimental procedure fail;

"(4) a description of any benefits reasonably to be expected;

"(5) a disclosure of any appropriate alternative procedures that might be advantageous for the subject;

"(6) an offer to answer any inquiries concerning the procedures; and

"(7) an instruction that the subject is free to either decline entrance into a project or to withdraw his consent and to discontinue participation in the project or activity at any time without prejudicing his future care.

In addition, the agreement entered into by such person or his legal representative, shall include no exculpatory language through which the subject is made to waive, or to appear to waive, any of his legal rights, or to release the institution or its agents from liability for negligence. Any organization which initiates, directs, or engages in programs of research, development, or demonstration which require informed consent shall keep a permanent record of such consent and the information provided the subject and develop appropriate documentation and reporting procedures as an essential administrative function.

"(B) The term 'exceptional cases' as used in paragraph (5) shall be strictly construed; shall permit the waiver only of those elements of consent listed in subparagraph (A) as may be justified by the circumstances of each case; and shall require the written concurrence in the acting physician's decision by at least two other licensed physicians not involved in the research project, unless in a life threatening situation, it is not feasible to obtain such concurrence.

"(6) Whenever the Secretary determines that a device is being or has been shipped or delivered for shipment in interstate commerce for investigational testing upon humans, and that such device is subject to the preceding subsections of this section and fails to meet the conditions for exemption therefrom for investigational use, he shall notify the sponsor of his determination and the reasons therefor, and the exemption will not thereafter apply with respect to such investigational use until such failure is corrected.

"(7) In determining whether this subsection is applicable to any device and, if so, whether there has been compliance with the conditions of exemption, or upon application for reconsideration of any such determination, the Secretary shall, if so requested by the sponsor of the investigation, or may on his own initiative, obtain the advice of an appropriate expert or experts who are not otherwise, except as consultants, engaged in the carrying out of this Act.

"Custom Devices

"(1) This section shall not apply to any custom device to the extent that it is ordered by a physician (or other specially qualified persons authorized by regulations promulgated by the Secretary after an opportunity for a hearing) to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable performance standard except those specifically ordered by a physician or such other authorized person to be changed. This subsection shall apply only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k). Custom devices shall not be used as a course of conduct and shall not be generally available in finished form for purchase or for dispensing upon prescription, and, whether in finished form or otherwise, shall not be made available through commercial channels by the maker or processor thereof.

"Product Development Protocol

"(m) (1) Any device (or type or class of device), manufactured or distributed by a particular person, which has been made subject to this section by a regulation promulgated by the Secretary, may be exempted by the Secretary from the requirement of approval of an application under the foregoing provisions of this section if—

"(A) the nature of the device (or type or class of device) is such that it is likely that it will be subject to frequent modification or rapid obsolesence or will not be produced in substantial volume; and

"(B) it is intended solely for use by or under the direction or supervision of a practitioner licensed by law to use or to prescribe the use thereof; and

"(C) it is, or will be, investigated in accordance with an approved product development protocol established pursuant to paragraph (2) of this subsection, or it is subject to an effective notice of completion of the requirements of such protocol.

"(2) Any person may submit a petition to the Secretary to establish a product development protocol with respect to a particular device (or type or class of device) meeting the requirements set forth in subparagraphs (A) and (B) of paragraph (1) of this subsection. Such petition shall include supporting data and a proposed protocol. The Secretary shall, within thirty days, refer any such petition to the appropriate panel of experts appointed pursuant to subsection (b) of this section. Such panel may, within sixty days, or such other time as may be agreed upon by the panel and the petitioner, approve with or without modification the proposal protocol. The protocol, if approved, shall provide—

"(A) the investigational and testing procedures required prior to the commencement of clinical trials of such device and subsequent significant modifications thereto;

"(B) a requirement that an institutional review committee similar to that described in clause (i) of subparagraph (A) of paragraph (4) of subsection (k) of this section shall make a written finding that the predicted risk-to-benefit ratio applicable to the use of the device justifies clinical trials and that one or more such committees will continually monitor and make periodic written records on all clinical trials conducted in connection with the institution in which such committee operates;

"(C) the type and quantity of clinical trials and findings therefrom required prior to the filing of a notice of completion of a product development protocol;

"(D) a requirement for complete records of the investigation to be maintained which are adequate to show compliance with the product development protocol;

"(E) a requirement that consent, as described in paragraph (5) of subsection (k) of this section, be obtained from all subjects of the investigation; and

"(F) a requirement that copies of all records which are to be maintained pursuant to this paragraph he made available to the Secretary upon request.

"(3) If the panel to which such petition has been referred does not approve the proposed protocol within sixty days (or within such other time as may be agreed upon), the Secretary may consider and approve with or without modification the proposed protocol within sixty days after the date he is notified that the panel has concluded not to approve a protocol. If neither the panel nor the Secretary approves a proposed protocol, the Secretary shall issue a final order denying the petition and stating the grounds therefor.

"(4) At any time after a product development protocol for a particular device (or type or class of device) has been approved pursuant to this section, the petitioner may submit a notice of completion stating that the requirements of the protocol have been fulfilled and that, to the best of his knowledge, there is no reason bearing on safety, effectiveness, or other public health considerations why the device should not be marketed. Such notice shall contain all the data and information from which the petitioner made this determination. The Secretary shall approve or disapprove the notice of completion within ninety days after receipt of such notice.

"(5) The Secretary may, after providing the petitioner an opportunity for an informal hearing, at any time prior to approving a notice of completion, issue a final order to revoke a product development protocol or disapprove a notice of completion if he finds that—

"(A) the petitioner has failed substantially to comply with the requirements of the protocol; or

"(B) the results of the clinical trials conducted differ so substantially from the results required in the protocol that further trials cannot be justified; or

"(C) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

"(D) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

A final order issued under this paragraph shall be in writing and shall contain the reasons to support the conclusions thereof.

"(6) The Secretary (or in his absence the officer acting as Secretary) may at any time, by an order in writing stating the findings on which it is based, immediately revoke an exemption from the requirement of approval of an application under the foregoing provisions of this section, if he finds that there is an imminent hazard to the public health or safety caused by the existence of the exemption. In taking such action the Secretary shall give prompt notice to the person following the protocol or having filed the notice of completion, and afford such person an opportunity for an expedited hearing under this paragraph.

"(7) At any time after a notice of completion has been approved, the Secretary may issue an order revoking an exemption of the device (or type or class of device) from the requirement of approval of an application under the foregoing provisions of this section if he finds that any of the grounds listed in subparagraphs (A) through (F) of paragraph (1) of subsection (f) of this section apply. The provisions of paragraphs (1) and (3) of subsection (f) and subsections (g) through (j) of this section shall apply.

"(8) Whenever the Secretary finds that the facts so justify, he may reconsider an order under this subsection revoking the exemption granted by this subsection and reinstate the exemption.

"Transitional Provisions

"(n)(1) If, on the day immediately prior to the date upon which a device is declared to be subject to scientific review under this section, the device was in use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or for the purpose of affecting the structure or any function of the body of man, section 501(f) shall become effective with respect to such preexisting use or uses of such device on the closing date (as defined in paragraph (2) of this subsection) or, if sooner, with respect to any person who has filed an application, on the effective date of an order of the Secretary approving or denying approval of such application with respect to such use of the device under this section.

"(2) For the purposes of this subsection, the term 'closing date' means, with respect to a device, the first day of the thirty-first calendar month which begins after the month in which the device is declared to be subject to scientific review under this section, except that, if in the opinion of the Secretary it would not involve any undue risk to the public health, he may on application or on his own initiative postpone such closing date with respect to any particular use or uses of a device until such later date (but not beyond the close of the sixtieth month after the month of such declaration) as he determines is necessary to permit completion, in good faith and as soon as practicable, of the scientific investigations necessary to establish the safety and effectiveness of such use or uses. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement."

PROHIBITED ACTS

SEC. 302. (a) Paragraph (e) of section 301 of such Act is amended (1) by striking out "or" before "512 (j), (l), or (m)" and (2) by inserting ", 514(k), or 516(a)" after "512 (j), (l), or (m)".

(b) Paragraph (l) of such section 301 is amended (1) by inserting "or device" after the word "drug" each time it appears therein, and (2) by striking out "505," and inserting in lieu thereof "505 or 514, as the case may be,".

TITLE IV—NOTIFICATION OF DEFECTIVE DEVICES; REPAIR OR REPLACEMENT

SEC. 401. Chapter V of such Act, as amended by sections 201 and 301(b) of this Act, is further amended by adding at the end thereof the following new section:

"NOTIFICATION OF DEFECTS IN, AND REPAIR OR REPLACEMENT OF, DEVICES

"SEC. 515. (a)(1) Every person who acquires information which reasonably supports the conclusion that device intended for human use, which has been produced, assembled, distributed, or imported by him (A) contains a defect which could create a substantial risk to the public health or safety, or (B) on or after the effective date of an applicable performance standard promulgated pursuant to section 513 fails to comply with such standard, shall immediately notify the Secretary of such defect or failure to comply if such device has left the control of the manufacturer. No information or statements exclusively derived from the notification required by this subsection (except for information contained in records required to be maintained under any provision of this Act) shall be used as evidence in any proceeding brought against a natural person pursuant to section 303 of this Act with respect to a violation of law occurring prior to or concurrently with the notification.

"(2) The notifications required by paragraph (1) of this subsection shall contain a clear description of such defect or failure to comply, an evaluation of the hazard related thereto, and a statement of the measures to be taken to correct such defect or failure or to effect protection against the hazard created by the defect or failure.

"(3) For purposes of this section, the term 'defect' means a deficiency in design, materials, or workmanship, and does not include any deficiency resulting from use of improper accessories or from improper installation, maintenance, repair, or use of the device or any deficiency resulting from normal use of the device after the lifetime represented by the manufacturer has expired.

"(b)(1) If the Secretary determines that a device intended for human use distributed in commerce presents a substantial hazard to the public health or safety and that notification is required in order adequately to protect the public from such hazard, he shall immediately make certain that adequate notification is provided in an appropriate form, by the persons and means best suited under the circumstances involved, to all persons (including manufacturers, distributors, retailers, health professionals, and users) who should properly receive such notification in order to reduce or eliminate the effects of such hazard.

"(2) Where the Secretary determines that users shall not be notified under paragraph (1), he shall provide those health professionals who receive notification an opportunity to comment on the advisability of notifying the general public of the hazard. Within thirty days after such notification the Secretary shall notify the general public of the hazard, if after reviewing such comments, he determines that such notification will not endanger the public health.

"(c) If the Secretary determines (after affording interested parties, including consumers and consumer organizations, an opportunity for a hearing in accordance with subsection (e)) that a device intended for human use distributed in commerce, presents a substantial hazard to the public health or safety and that action under this subsection is in the public interest, it may order the manufacturer or any distributor or retailer of such device to take whichever of the following actions the person to whom the order is directed elects to the extent that the consent of the purchaser and, where appropriate, his physician, is obtained:

"(1) bring such device into conformity with the requirements of the applicable performance standard or repair the defect in such device;

"(2) replace such device with a like or equivalent device which complies with the applicable performance standard or which does not contain the defect; or

"(3) refund the purchase price of such device (less a reasonable allowance for use, if such device has been in the possession of a user for one year or more (A) at the time of public notice under subsection (c), or (B) at the time the user receives actual notice of the defect or noncompliance, whichever first occurs.

An order under this subsection may also require the person to whom it applies to submit a plan, satisfactory to the Secretary for taking action under whichever of the preceding paragraphs of this subsection such person has elected to act. The Secretary shall specify in the order the persons to whom refunds must be made if the person to whom the order is directed elects to take the action described in paragraph (3). If an order under this subsection is directed to more than one person, the Secretary shall specify which person has the election under this subsection.

"(d)(1) No charge shall be made to any person (other than a manufacturer, distributor, or retailer) who avails himself of any remedy provided under an order issued under subsection (c), and the person subject to the order shall reimburse each person (other than a manufacturer, distributor, or retailer) who is entitled to such a remedy for any reasonable and foreseeable expenses incurred by such person in availing himself of such remedy.

"(2) An order issued under subsection (b) or (c) with respect to a device may require any person who is a manufacturer, distributor, or retailer of the device to reimburse any other person who is a manufacturer, distributor, or retailer of such device for such other person's expenses in connection with carrying out the order, if the Secretary determines such reimbursement to be in the public interest.

"(3) An order under subsection (c) may be issued only after an opportunity for an informal hearing. If the Secretary determines that any person who wishes to participate in such hearing is a part of a class of participants who share an identity of interest, the Secretary may limit such person's participation in such hearing to participation through a single representative designated by such class (or by the Secretary if such class fails to designate such a representative).

"(e) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law."

PROHIBITED ACTS

SEC. 402. Section 301 of such Act, as amended by section 302 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(q)(1) The failure or refusal to furnish any notification or other material or information as required by section 515 or 516; or (2) the failure or refusal to comply with any requirement prescribed under authority of section 515(c)."

CONFORMING AMENDMENT

SEC. 403. Section 502(j) of such Act is amended by inserting "or manner" after "dosage."

TITLE V—REQUIREMENT OF GOOD MANUFACTURING PRACTICE

SEC. 501. Section 501 of the Federal Food, Drug, and Cosmetic Act, as amended by sections 202 and 301 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(g) If it is a device and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, holding, or installation do not conform to, or are not operated or administered in conformity with, current good manufacturing practice, as determined by regulations of the Secretary promulgated after consultation with all interested persons and after an opportunity for a hearing, to assure that such device is safe and effective."

TITLE VI—RECORDS AND REPORTS; INSPECTION AND REGISTRATION OF ESTABLISHMENTS; OFFICIAL NAMES

SEC. 601. Chapter V of the Federal Food, Drug, and Cosmetic Act is further amended by adding at the end thereof the following new section:

"RECORDS AND REPORTS ON DEVICES

"SEC. 516. (a)(1) Every person engaged in manufacturing, processing, distributing, or selling a device that is subject to a performance standard promulgated under section 513, or with respect to which there is in effect an approval under section 514 of an application filed under subsection (c) thereof, shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such device, and bearing on the safety or effectiveness of such device, or on whether such device may be adulterated or misbranded, as the Secretary may by general regulation, or by special regulation or order applicable to such device, require. In prescribing such regulations or issuing such orders the Secretary shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, wherever he deems it appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

"(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

"(b) Subsection (a) shall not apply to—

"(1) practitioners licensed by law to prescribe or administer drugs and devices and who manufacture or process devices solely for use in the course of their professional practice;

"(2) persons who manufacture or process devices solely for use in research or teaching and not for sale; and

"(3) such other classes of persons as the Secretary may by or pursuant to regulation exempt from the application of this subsection upon a finding that such application is not necessary to accomplish the purposes of this section.

"(c) Every person engaged in manufacturing a device subject to this Act shall provide to the Secretary upon his request such technical data and other data or information with respect to such device as may be reasonably required to carry out this Act."

INSPECTION RELATING TO DEVICES

SEC. 602. (a) The second sentence of subsection (a) of section 704 of such Act is amended by inserting "or prescription devices" after "prescription drugs" both times it appears.

(b) The third sentence of such subsection is amended (1) by striking out "for prescription drugs", (2) by striking out "and antibiotic drugs" and inserting in lieu thereof ", antibiotic drugs, and devices", (3) by striking out "or section 507 (d) or (g)" and inserting in lieu thereof ", section 507 (d) or (g), section 514(k), or section 516", and (4) by inserting "or devices" after "other drugs", inserting "or of a device subject to section 514" after "new drug", and inserting "or section 516" after "section 505(j)".

(c)(1) Paragraph (1) of the sixth sentence of such subsection is amended by inserting "or devices" after "drugs" each time such term occurs.

(2) Paragraph (2) of that sentence is amended by inserting ", or prescribe or use devices, as the case may be," after "administer drugs"; and by inserting ", or manufacture or process devices," after "process drugs".

(3) Paragraph (3) of that sentence is amended by inserting ", or manufacture or process devices," after "process drugs".

REGISTRATION OF DEVICE MANUFACTURERS; OFFICIAL NAMES OF DEVICES

SEC. 603. (a) Section 510 of such Act is amended as follows:

(1) The section heading is amended by inserting "AND DEVICES" after "DRUGS".

(2) Subsection (a)(1) of such section is amended by inserting "or device package" after "drug package"; by inserting "or device" after "the drug"; and by inserting "or user" after "consumer".

(3) Subsection (b) and (c) of such section are amended by inserting "or a device or devices" after the word "drugs" every time such term occurs.

(4) Subsection (d) is amended to read as follows:

"(d)(1) Every person duly registered in accordance with the foregoing subsections of this section shall immediately register with the Secretary any additional establishment which he owns or operates in any State and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs, or of a device or devices.

"(2) Every person who is registered with the Secretary pursuant to the first sentence of subsection (b) or (c) or paragraph (1) of this subsection shall, if any device is thereafter manufactured, prepared, propagated, compounded, or processed in any establishment with respect to which he is so registered, immediately file a supplement to such registration with the Secretary indicating such fact."

(5) Subsection (g) is amended by inserting "or devices" after "drugs" each time such term occurs in paragraphs (1), (2), and (3) of such subsection.

(6) The first sentence of subsection (i) is amended by inserting ", or a device or devices," after "drug or drugs"; and the second sentence of such subsection is amended by inserting "shall require such establishment to provide the information required by subsection (j) in the case of a device or devices and" immediately before "shall include", and by inserting "or devices" after "drugs".

(7) Subsection (j) is amended—

(A) in paragraph (1), preceding subparagraph (A), by striking out "a list of all drugs (by established name" and inserting in lieu thereof "a list of all drugs and a list of all devices (in each case by established name"; and by striking out "drugs filed" and inserting "drugs or devices filed" in lieu thereof;

(B) in subparagraph (A) of paragraph

(1), by striking out "such list" and inserting "the applicable list" in lieu thereof; by inserting "or a device contained in the applicable list with respect to which a performance standard has been promulgated under section 513 or which is subject to section 514," after "512,"; and by inserting "or device" after "such drug" each time it appears;

(C) in subparagraph (B) of paragraph (1), before clause (i), by striking out "drug contained in such list" and inserting "drug or device contained in an applicable list" in lieu thereof;

(D) in clause (i) of paragraph (1)(B), by amending such clause to read as follows—

"(i) which drug is subject to section 503 (b)(1), or which device, is a prescription device a copy of all labeling for such drug or device, a representative sampling of advertisements for such drug or device, and, upon request made by the Secretary for good cause, a copy of all advertisements for a particular drug product or device, or";

(E) in clause (ii) of paragraph (1)(B), by amending such clause to read as follows:

"(ii) which drug is not subject to section 503(b)(1), or which device is not a prescription device, the label and package insert for such drug or device and a representative sampling of any other labeling for such drug or device;"

(F) in subparagraph (C) of paragraph (1), by striking out "such list" and inserting "an applicable list" in lieu thereof;

(G) in subparagraph (D) of paragraph (1), by striking out "the list" and inserting "a list" in lieu thereof; by inserting "or the particular device contained in such list is not subject to a performance standard promulgated under section 513, or is not a prescription device" after "512,"; and by inserting "or device" after "particular drug product";

(H) in paragraph (2), by inserting "or device" after "drug" each time it appears and, in subparagraph (C), by inserting "each" before "by established name".

(b) Subsection (o) of section 502 of such Act is amended by striking out "is a drug and".

(c) The second sentence of section 801(a) of such Act is amended by inserting "or devices" after "drugs" both times such words appear.

Official Names

(d)(1) Subparagraph (1) of section 502 (e) of such Act is amended by striking out "subparagraph (2)" and inserting in lieu thereof "subparagraph (3)".

(2) Subparagraph (2) of section 502(e) of such Act is redesignated as subparagraph (3) and is amended by striking out "this paragraph (e)" and inserting in lieu thereof "subparagraph (1)".

(3) Paragraph (e) is further amended by inserting a new subparagraph (2) as follows:

"(2) If it is a device, unless its label bears, to the exclusion of any other nonproprietary name, the established name (as defined in subparagraph (4)) of the device, if such there be, prominently printed in type at least half as large as that used thereon for any proprietary name or designation for such device: *Provided*, That to the extent compliance with the requirements of this subparagraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary."

(4) Such paragraph is further amended by adding at the end thereof a new subparagraph as follows:

"(4) As used in subparagraph (2), the term 'established name', with respect to a device, means (A) the applicable official name designated pursuant to section 508, or (B) if there is no such name and such device is an article recognized in an official compendium then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name of such device, if any."

(e) Section 508 of such Act is amended (1) in subsections (a) and (e) by adding "or device" after "drug" each time it appears; (2) in subsection (b) by adding after "all supplements thereto," the following: "and at such times as he may deem necessary shall cause a review to be made of the official names by which devices are identified in any official compendium, and all supplements thereto"; (3) in subsection (c)(2) by adding "or device" after "single drug", and by adding "or to two or more devices which are substantially similar in design and purpose" after "purity,"; (4) in subsection (c)(3) by adding "or device" after "useful drug", and after "drug or drugs each time it appears; and (5) in subsection (d) by adding "or devices" after "drugs".

(f) Section 301 of the Drug Amendments of 1962 (76 Stat. 793) is amended by inserting "and devices" after "drugs" each time such word appears, except that "or devices" is inserted after "which drugs" and after "intrastate commerce in such drugs".

TITLE VII—GENERAL PROVISIONS

ADVISORY COUNCIL ON DEVICES, ETC.

Sec. 701. Chapter VII of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new section:

"ADVISORY COUNCIL ON DEVICES, AND OTHER ADVISORY COMMITTEES

"Sec. 708. (a) For the purpose of advising the Secretary with respect to matters of policy in carrying out the provisions of this Act relating to devices, there is established in the Department an Advisory Council on Devices appointed by the Secretary without regard to the civil service and classification laws. The persons so appointed shall be manufacturers and other persons with special knowledge of the problems involved in the regulation of various kinds of devices under this Act, members of the professions using such devices, scientists expert in the investigational use of devices, engineers expert in the development of devices, and members of the general public representing consumers of devices.

"(b) The Secretary may also from time to time appoint, without regard to the civil service or classification laws, in addition to the advisory councils and committees otherwise authorized under this Act, such other advisory committees or councils as he deems desirable.

"(c) Members of an advisory council or committee appointed pursuant to subsection (a) or (b) who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the council or committee or otherwise engaged in its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS-18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently."

RESEARCH AND STUDIES

Sec. 702. Chapter VII of such Act, as amended by section 701 of this Act, is further amended by adding at the end thereof the following new section:

"RESEARCH AND STUDIES RELATING TO DEVICES

"Sec. 709. (a) The Secretary is authorized, directly or through contracts with public or private agencies, institutions, and organizations and with individuals, to plan, conduct, coordinate, and support—

"(1) research and investigation into the safety and effectiveness of devices, and into the causes and prevention of injuries or other health impairments associated with exposure to or use of devices;

"(2) studies relating to the development and improvement of device performance standards, and device testing methods and procedures; and

"(3) education and training with respect to the proper installation, maintenance, operation, and use of devices.

"(b) In carrying out the purposes of subsection (a), the Secretary, in addition to or in aid of the foregoing—

"(1) shall, to the maximum practicable extent, cooperate with and invite the participation of other Federal or State departments and agencies having related interests, and interested professional or industrial organizations;

"(2) shall collect and make available, through publications and by other appropriate means, the results of, and other information concerning, research and other activities undertaken pursuant to subsection (a); and

"(3) may procure (by negotiation or otherwise) devices for research and testing purposes, and sell or otherwise dispose of such products."

PUBLICITY

Sec. 703. Section 705 of such *Act* is amended by adding at the end thereof the following new subsection:

"(c) To assist in carrying out the provisions of this Act, the Secretary may cause to be disseminated information regarding standards, testing facilities, and testing methods promulgated, established, or approved under this Act and other information relating to the nature and extent of hazards subject to this Act. Subject to the provisions of section 301(j), the Secretary may also cause to be published reports summarizing clinical data relevant to marketed products approved under this Act."

Sec. 704. Chapter IX of such Act is amended by adding at the end thereof the following new subsection:

"EFFECT ON STATE REQUIREMENTS

"Sec. 903. (a) Whenever a performance standard pursuant to section 513 or scientific review pursuant to section 514 under this Act is in effect, no State or political subdivision of a State shall have any authority either to establish or to continue in effect any provision of a standard or regulation which prescribes any requirements as to the performance, composition, contents, design, finish, construction, packaging, or labeling of such product which are designed to deal with the same device unless such requirements are identical to the Federal requirements.

"(b) Nothing in this section shall be construed to prevent the Federal Government or the government of any State or political subdivision thereof from establishing a safety requirement applicable to a device for its own use if such requirement imposes a higher standard of performance than that required to comply with the otherwise applicable Federal requirements.

"(c) Upon application of a State or political subdivision thereof, the Secretary may by rule, after notice and opportunity for oral presentation of views, exempt from the provisions of subsection (a) (under such conditions as he may impose) a proposed safety requirement described in such application, where the proposed requirement—

"(1) imposes a higher level of performance than the Federal standard,

"(2) is required by compelling local conditions, and

"(3) does not unduly burden interstate commerce."

Sec. 705. Section 301(j) of such Act is amended by inserting "511" before "512", by inserting "513, 514, 515, 516" after "512", and by adding at the end thereof the following new sentence: "The Secretary may provide any information which contains or relates to a trade secret or other matter referred to in this section or in section 1905 of title 18, United States Code, to a contractor in furtherance of the provisions of this Act, and such contractor shall take such security precautions as are prescribed in regulations promulgated by the Secretary and shall be subject to the provisions and penalties established in this Act and in section 1905 of title 18, United States Code."

SEC. 706. Section 201 of such Act is amended by striking subsection (h) and inserting in lieu thereof the following new subsection:

"(h) The term 'device' (except when used in paragraph (n) of this section and in sections 301(i), 403(f), 502(c), and 602(c)) means instruments, apparatus, implements, machines, contrivances, implants, in vitro reagents, and other similar or related articles, including their components, parts, and accessories (1) recognized in the official National Formulary, the official United States Pharmacopeia or any supplement to them; or (2) intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease in man or other animals; or (3) intended to affect the structure or any function of the body of man or other animals; and (4) which do not achieve any of their principal intended purposes through chemical action within or on the body of man or other animals and which are not dependent upon being metabolized for the achievement of any of their principal intended purposes."

SEC. 707. Section 502 of such Act is amended by adding at the end thereof the following new paragraphs:

"(r) In the case of any device that is a prescription device, if its advertising is false or misleading in any particular.

"(s) In the case of any prescription device distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof includes in all advertisements, and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to that device a true statement of (1) the established name as defined in section 502(e), printed prominently and in type at least half as large as that used for any trade or brand name thereof, (2) a full description of the components of such device or the formula showing quantitatively each ingredient of such device to the extent required in regulations which shall be issued by the Secretary after an opportunity for a hearing, and (3) such other information in brief summary relating to side effects, contraindications, and effectiveness as shall be required in regulations which shall be issued by the Secretary after an opportunity for a hearing: *Provided*, That (A) except in extraordinary circumstances, no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement, and (B) no advertisement of a prescription device, published after the effective date of regulations issued under this paragraph applicable to advertisements of prescription devices, shall, with respect to the matters specified in this paragraph or covered by such regulations, be subject to the provisions of section 12 through 17 of the Federal Trade Commission Act, as amended (15 U.S.C. 52–57). This paragraph shall not be applicable to any printed matter which the Secretary determines to be labeling as defined in section 201(m) of this Act."

SEC. 708. (a) Section 201 of such Act is amended by adding at the end thereof the following:

"(y) The term 'prescription device' means any device which the Secretary shall designate by regulation as being restricted to sale or distribution only upon the written or oral authorization of a practitioner licensed by law to administer or use such device and under such other conditions as the Secretary may by regulation prescribe. The Secretary may designate as a prescription device, pursuant to the preceding sentence, only a device which:

"(1) because of its potentiality for harmful effect, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer or use such device; or

"(2) is limited by an approved application under section 514 to use under the professional supervision of a practitioner licensed by law to administer or use such device."

SEC. 709. Section 304(a)(2) of such Act is amended to delete "and" before "(C)," to replace the period with a comma, and to add the following at the end thereof: "and (D) any adulterated or misbranded device."

EXPORTATION OF DEVICES

SEC. 710. The last sentence of section 801(d) of such Act is amended by inserting before the period at the end thereof: ", or to authorize the exportation of any device which does not comply with section 513 or 514 of this Act. The Secretary may permit exportation of any article if he determines that such exportation is in the interest of public health and safety, and has the approval, of the country to which it is intended for export."

EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

SEC. 711. (a) Except as provided in subsections (b) and (c) of this section, the foregoing provisions of this Act shall take effect on the date of the enactment of this Act.

(b) Paragraph (f) of section 501 of the Federal Food, Drug, and Cosmetic Act, as added to such section by section 301(a) of this Act, shall, with respect to any particular use of a device, take effect (1) on the first day of the thirteenth calendar month following the month in which this Act is enacted, or (2) if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use of the device under section 514 of such Act as added by section 301(b) of this Act.

(c) Any person who, on the day immediately preceding the date of enactment of this Act, owned or operated any establishment in any State (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act) engaged in the manufacture or processing of a device or devices, shall, if he first registers with respect to devices, or supplements his registration with respect thereto, in accordance with subsection (b) of section 510 of that Act (as amended by section 603 of this Act) prior to the first day of the seventh calendar month following the month in which this Act is enacted, be deemed to have complied with that subsection for the calendar year 1975. Such registration, if made within such period and effected in 1976, shall also be deemed to be in compliance with such subsection for that calendar year.

The Committee on Labor and Public Welfare, to which was referred the bill (S. 2368) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment strikes out all after the enacting clause and inserts a substitute text which appears in italic type in the reported bill.

I. History of Regulation of Medical Devices and Need for Legislation

Federal authority to regulate medical devices was first provided in the Federal Food, Drug, and Cosmetic Act of 1938. There had been no provisions in the Food and Drugs Act of 1906 to regulate device safety and claims made for devices. During the 1930's reformers pressed for enactment of legislation to enable the Food and Drug Administration (FDA) to undertake the same kind of effort against unsafe or quack devices as the 1906 Act had allowed against impure or fraudulent drugs.

The 1938 Act defined "device" and provided the same basic authority over devices as applied to drugs, with the important exception of preclearance authority which was only provided for new drugs. From legislative history it is clear the term "device" was intended to include both quack machines and legitimate articles such as surgical instruments, trusses, prosthetic devices, ultraviolet lights, contraceptives, and orthopedic shoes. No additional authority has been provided since 1938 to improve public protection against unsafe or unreliable devices.

At the time the 1938 Act became law, many of the legitimate devices were relatively simple items which applied basic scientific concepts so that experts using them could recognize whether the device was functioning. The major concern with these devices was assuring truthful labeling. In the early years, FDA's activity concerned grossly hazardous products such as lead nipple shields which exposed nursing infants to danger of lead poisoning. FDA also attacked nasal vaporizors and stem pessaries used in contraception or for producing abortion which had the potential for causing puncture or infection. FDA efforts against thermometers which failed to record properly stimulated the development of standards for these products which greatly improved their reliability. Similarly, FDA actions against prophylactics (condoms) forced industry measures to reduce the incidence of defects in these products.

Immediately after enactment of the 1938 Act, FDA made numerous seizures of misbranded devices. During World War II, however, regulatory activity in this area dropped off because war needs resulted in scarcity of metals and other materials used to make nonessential devices. When metals and other materials were again available after the war, numerous devices again appeared, many of which were in violation of the Act.

Many of FDA's legal actions involved fraudulent devices. Since ancient times, mankind has used various kinds of gadgetry to cure or ward off serious ailments. Charms and talismans have been used throughout recorded history by people who have attributed magical qualities to them. Inventive individuals have sought to apply the latest scientific discoveries to the alleviation of health conditions. For example, after Benjamin Franklin's discovery of the electrical force present in lightning, numerous individuals sought to use electrical energy to treat human ailments. At the time of the American Revolution, a gadget known as the Perkins Tractor became quite popular. This device was claimed to be capable of drawing disease out of the body by its electrical current. Although the construction and fantastic claims made for many quack devices over the years often seem quite amusing, use of these devices can have serious health consequences. Whether sold to a consumer or a health professional, a device which does not perform as promised may pose a risk to health as well as an economic detriment to the purchaser. Reliance on unwarranted claims made for a device, recommending use in serious disease conditions, may induce the purchaser to forego seeking timely and appropriate medical treatment. Fraudulent devices were a major concern of Congress in 1938 when it gave FDA authority to regulate devices.

A quack device which was the subject of

FDA action in the late 1940's was the Spectochrome, of one Dinshah P. Ghadiali, which consisted of a 1,000-watt lamp, in a cabinet supplied with colored glass slides to fit an aperture through which the light bathed the patient. By becoming a member of Ghadiali's "Institute" for a fee of $90 a person could obtain the lamp plus voluminous literature which sought to cloak the scheme in oriental mysticism and sanctity. Claims were made for its value in treating such diseases as diabetes, cancer, tuberculosis and syphilis, and several thousand lamps were distributed. The first action against the lamp was a single seizure. After a trial which lasted thirty days, the jury rendered a verdict for the Government, and the court enjoined distribution of the lamp. Ghadiali, nevertheless, continued to ship it. Multpile seizures followed which did not stop him. Criminal prosecution was then filed against Ghadiali and his corporation. After a trial, in which the Government presented an array of physicians and relatives of victims who had used the device and died from the diseases it was represented to cure. After a verdict of guilty, the court imposed against Ghadiali and his corporation fines totaling $20,000 and a three-year prison sentence against Ghadiali, but imprisonment was suspended on the condition that the business be stopped.

The Spetochrome case is related in detail, since it indicates the vast amount of effort the Government must expend in stopping the marketing of bogus devices.

Another type of device which was the subject of FDA action was the "Zerret Applicator," popularly called the "Plastic Dumbell," which consisted of two plastic water tumblers filled partially with water, sealed with paraffin, joined at their mouths by scotch tape, and set into paraffin in the handle of plastic baby rattles. It was claimed to introduce in the human body the energy given off by "expanded hydrogen atoms" or "Z rays" alleged to be present in the liquid sealed in the tumblers. The user was to hold the article in his hands keeping the feet flatly on the floor without crossing the legs, or while reclining. This it was claimed, caused the atoms of the body to expand and bring health through the hands. This article costing $50, was offered to correct obesity and abnormal thinness due to glandular malfunctioning, correct diarrhea and constipation, reverse the aging process, rejuvenate the user, and cure "any disease known to mankind."

The "Vrilium Tube" was a small pencil-shaped tube containing a glass vial of a white granular substance (barium chloride) worth one two-thousandths of a cent, but this tiny gadget, also called the "Magic Spike," was sold for $300 to gullible sick people. They were told that it had radioactive powers that would cure disease when it was worn on the body, and these trusting purchasers were using it for cancer, diabetes, leukemia, ulcers, and other serious diseases.

One popular area for quack devices has been diagnostic products. During the 1950's, the biggest source of such devices was the Electronic Medical Foundation of San Francisco. On March 16, 1954, an injunction barred shipment in interstate commerce of "Blood Specimen Carriers" for use in the Foundation's diagnostic machine, the "Radioscope." There were estimated to be about 5,000 of the devices throughout the country. The diagnostic service was based upon the theory that any ailment can be diagnosed by measuring emanations from a dried blood spot on sterile paper. Practitioners who mailed in the blood spots taken from their patients received, for a fee, a diagnosis blank filled in with the diseases which the patient was supposed to have, their location in the body, and the recommended "dial settings" for treatment with the Foundation's devices. The blood-spotted paper was put into a slot of the electrical device called the "Radioscope" while the operator stroked with a wand the abdomen of a person holding metal plates connected to the device. If a wand "stuck" to a particular location, that was supposed to be a manifestation of an "electronic reaction," and the operator determined from this the identity, kind, location, and significance of any disease present. Investigation disclosed that this diagnostic service was incapable of distinguishing the blood of animals or birds from that of man, or that of the living from the dead. Even a spot of coal-tar dye was reported as indicating systematic toxemia. The Foundation's literature listed hundreds of disease conditions which could be treated by their machines once the diagnoses had been made by means of the "Radioscope." Other devices for which diagnostic as well as therapeutic claims were made were the "Drown Radio Therapeutic Instrument," the "Magnetic Affinitizer," and the "Neuromicrometer." These devices involved their own bizarre intricacies of operation.

A considerable number of devices for applying electricity to the body were subject to regulatory action. This included: (1) devices which produced galvanic (direct) current of low voltage by means of dry cells or batteries ("Electreat," "Acme Electric Machine"), (2) devices which used alternating current with a transformer to reduce the voltage ("Sinuothermic," "Elector-Way"), (3) devices in which alternating current was added to galvanic in order to obtain a rippled or pulsating galvanic current ("Facial and Body Genie," "Vitalitone," "Elector-Pulse"). Other devices sought to use radioactivity, ultrasonic energy, or infrared, or ultraviolet light to diagnose or treat disease.

Some fraudulent devices have been sold to practitioners rather than consumers. One such device as the Micro-Dynameter, a string galvanometer for measuring minute electrical currents which was claimed to be capable of allowing diagnosis of particular diseases based on each disease's electrical potential. Nearly 1,200 units of the product were destroyed during one 12-month period after FDA obtained an injunction against continued shipment of the device in 1963.

FDA began focusing more attention on hazards from legitimate medical devices around 1960. The post-war era was characterized by many new medical discoveries and saw the development of a vast array of new and complicated medical equipment. Inventions included heart pacemakers, kidney dialysis units, and artificial blood vessels and heart valves.

Although many lives have been saved or improved by the new discoveries, the potential for harm to consumers has been heightened by the critical medical conditions in which sophisticated modern devices are used and by the complicated technology involved in their manufacture and use. In the search to expand medical knowledge, new experimental approaches have sometimes been tried without adequate premarket clinical or animal testing, quality control in materials selected, or obtaining patient consent.

The present law's inadequacy has became a matter of acute concern because of the rapid technological change in the medical device field. The sophistication of modern medical devices makes careful testing necessary to determine if a device operates safely and as claimed. In early regulatory actions FDA was able to carry its burden of proof that a device is unsafe or misbranded through expert testimony; more recently FDA has had to undertake testing of devices suspected of violating the law. Many devices are so intricate that skilled health professionals are unable to ascertain whether they are defective. Increasing numbers of patients have been exposed to increasingly complex devices which pose serious risk if inadequately tested or improperly designed or used.

S. 2368 recognizes the benefits that medical research and experimentation to develop devices offers to mankind. It recognizes, too, the need for regulation to assure that the public is protected and that health professionals can have more confidence in the performance of devices.

The need for device legislation is demonstrated by the history of several cases against unsafe devices undertaken by FDA during the past few years. Hundreds of thousands of consumers bought a device called Relaxicisor during the 1950's and 1960's. This device was represented as an aid in reducing weight and operated by sending shocks through the muscles. Testing revealed the device could aggravate muscular, gastrointestinal, and other disorders. It took FDA five years to complete court proceedings necessary to eliminate Relaxicisors from the market. FDA expended some half-million dollars in this effort.

FDA's experience eliminating the Diapulse device from the market is another case demonstrating the unwieldy procedures and lack of preventive provisions of present law. Diapulse was a heat-generating device which was marketed to medical practitioners for some 121 therapuetic claims. The firm lacked scientifically valid data to substantiate the efficacy of the device in any of the conditions for which it was promoted. The first seizure of a Diapulse device occurred in December 1965. As a result of lengthy court proceedings against the device and company appeals it was not until 1972 that injunction against the manufacturer was obtained. During fiscal year 1973, FDA seized over 350 Diapulse devices.

In the late 1960's two important court decisions indicated that certain products which are in the legal grey area between drugs and devices may be considered drugs and hence subject to premarket clearance. In *Amp, Inc.* v. *Gardner*, 389 F. 2d 825 (2 Cir. 1968), the Court of Appeals for the Second Circuit held that a nylon suture was a new drug and not a device. Shortly thereafter the Supreme Court held that an antibiotic sensitivity disc was a drug in *United States* v. *An Article of Drug . . . Bacto-Unidisk*, 395 U.S. 954 (1968). As a result of these decisions FDA classified as drugs soft contact lenses, a pregnancy kit, and intrauterine contraceptive devices which contain drugs or trace metals. FDA has administratively developed a distinction between drug and device, which favors classifying a product as a drug if its intended action is chemical, or based on highly complex technology potential hazards of which may be reduced through new drug controls. FDA has tried to avoid lengthy court battles that could tie up the rest of its efforts.

The need for more comprehensive authority to regulate medical devices has been recognized by Presidents Kennedy, Johnson, and Nixon. In 1969, Dr. Theodore Cooper, Director of the National Heart and Lung Institute, headed a panel to review the need for additional medical device legislation. That panel reported its results in 1970. The Cooper committee searched the scientific literature for accounts of injuries from medical devices. Some 10,000 injuries were recorded, of which 731 resulted in death. For example, 512 deaths and 300 injuries were attributed to heart valves; 89 deaths and 186 injuries to heart pacemakers; 10 deaths and 8,000 injuries to intrautérine devices. After hearing the views of the medical community, the industry and consumer representatives, the Cooper Committee agreed with past proposals calling for device legislation to provide for standard-setting for certain devices and premarket clearance for others. A third category would be exempt from standards or preclearance. The Cooper committee also recommended that a balance be struck between the need for continuing research and the need for improved patient protection through a system of independent peer review for experimental devices.

II. HEARINGS

The Committee held two days of hearings on medical device legislation and received testimony from twenty witnesses representing the Administration, industry groups, consumer groups, and professional groups. All witnesses agreed that there was a general need for medical device legislation although each had specific recommendations for changes in the Chairman of the Health Subcommittee, Senator Kennedy's bill, S. 1446, the Administration's bill introduced by Senator Javits; and S. 1337, introduced by Senator Nelson.

Congressman L. H. Fountain, Chairman of the House Intergovernmental Relations Subcommittee testified that "medical device legislation is sorely needed." In his testimony, he reviewed the findings of 5 days of hearings before his Subcommittee concerned with issues regarding the safety and effectiveness of particular medical devices; intrauterine contraceptive devices.

The Administration was represented by Assistant Secretary for Health Charles C. Edwards, who was accompanied by Dr. Alexander M. Schmidt, Commissioner of the Food and Drug Administration. Dr. Edwards stated "we support this legislation and urge its prompt enactment." His testimony recounted the experience FDA has had in trying to regulate medical devices in the absence of specific device legislation. Dr. Edwards' testimony also reviewed the findings of the "Cooper Committee," established by the Department of Health, Education, and Welfare in 1969 to review the need for medical device legislation. After a thorough search of the scientific literature for injuries associated with medical devices, the "Cooper Committee" reported that there were 10,000 serious injuries of which 731 resulted in death. The "Cooper Committee" also endorsed the need for medical device legislation. Dr. Edwards testified that "the increasing sophistication of medical devices has outpaced the Department's ability to protect the public from those that are faulty. One reason for this is that current law imposes no duty upon medical device manufacturers to establish a safety or efficacy of their products prior to marketing." Dr. Edwards went on to testify that the Department did not "have authority to prescribe standards of safety to which devices must conform."

Dr. Sidney Wolfe testified on behalf of the Health Research Group of Washington, D.C. Dr. Wolfe's testimony described the hazards associated with the use of life-supporting medical devices which had been developed without any regulatory oversight. He expressed the view that the premarket clearance section of the legislation was the key to appropriate safeguarding of the public health, and questioned whether standard setting would provide an adequate guarantee of safety or efficacy.

Dr. Russel J. Thompson, M.D., of the Silas B. Hayes Army Hospital at Fort Ord testified about his experience with the intrauterine device. He felt that the history of the development of IUDs illustrated the need for device regulation and testified:

"* * * under current standards of nonregulation in the United States, I could take a paperclip and fashion it into an IUD. I could begin inserting it into women without even informing them that it is an experimental and never-tested IUD, and I would not even have to inform the FDA of my newly invented IUD."

The testimony of Joel J. Noble, the Director of the Emergency Care Research Institute in Philadelphia also endorsed the need for medical device legislation. He testified about the results of his research which showed that:

"* * * the problems associated with most medical devices which may lead to adverse affects, including injury or death, are, in order of decreasing incidence: (1) operator error resulting from inadequate training, (2) deficiencies in repair maintenance inspection and control of devices within health care facilities, (3) fundamental design deficiencies, (4) deficiencies in manufacturing quality control."

Foster Whitlock, Vice Chairman, Board of Directors, Johnson and Johnson and the Chairman-Elect of the Board of Directors of the Pharmaceutical Manufacturers Association, spoke on behalf of an industry panel which consisted of Kenneth Marshall of the Health Industries Association; James D. Weirman of the Medical Surgical Manufacturers Association; Thomas E. Holleran of the National Electrical Manufacturers Association; Rodney R. Munsey of the Pharmaceutical Manufacturers Association; and Adrian L. Ringuette of the Scientific Apparatus Makers Association. Mr. Whitlock, on behalf of the panel, testified:

"Let me start by saying that in our opinion, S. 2368 is in most respects responsive to the needs of the public. We are in basic accord with its major provisions."

Mr. Whitlock and each of the panel members presented a series of specific recommendations for changes in S. 2368, each of which was considered by the Committee during its Executive Committee consideration of the measure, and many of which were incorporated into the Committee-reported bill.

Dr. Ralph B. Wolfe testified on behalf of the Planned Parenthood Federation of America. He responded to the concerns raised by Russell Thompson about the safety and effectiveness of IUDs and recounted the experience of his organization using the IUD. With regard to the specific legislation, Dr. Wolfe testified overall that:

"* * * The proposed legislation is comprehensive and meritorious. It should satisfy the long overdue need for strict regulation in an increasingly important area related to the public's well-being."

Dr. George Meyers representing the American Dental Association testified to the effect that the House of Delegates of the ADA had not yet formally reviewed the legislation, but that he personally endorsed it and that it was appropriate for the dental industry to be included in its jurisdiction. Mr. James Murray represented the American Dental Trade Association. In his testimony, he agreed that there was a need for medical devices legislation but argued that dental devices should be exempted from the provisions of the legislation. He pointed out that most dental devices do not have great potential for harm and are not life threatening, and that the market for dental products is very small. He testified:

"* * * To subject dental devices to the costly premarket clearance provision of the proposed legislation would seriously impair the improvement of existing dental devices and the development of new ones."

Carl Parker represented the Dental Manufacturers of America. His testimony also opposed the inclusion of the dental industry under the jurisdiction of this legislation.

Dr. Arthur Beall, Professor of Surgery at the Baylor College of Medicine represented the American College of Chest Physicians, the American College of Cardiology and the Society of Thorasic Surgery. Dr. Beall testified, "at the outset Mr. Chairman, let me say that S. 2368 is fundamentally a sound and helpful piece of legislation." Dr. Beall's testimony presented specific suggestions for improvement in the legislation all of which were considered by the Committee during its Executive session consideration of the measure and many of the suggestions were incorporated into the Committee-reported bill.

Dr. Gerald Ranier, a practicing thorasic and cardiovascular surgeon and Associate Clinical Professor of Surgery on Voluntary Faculty of the University of Colorado Medical School, testified on behalf of the Association for the Advancement of Medical Instrumentation. In his testimony, he stated that "AAMI supports, in principle, this legislation." His testimony also offered several specific suggestions for improvements, which were reviewed by the Committee during its Executive session in consideration of the bill.

The final witness was Dr. Richard E. Palmer, member of the Board of Trustees of the American Medical Association. He testified on behalf of the AMA that:

"We support the principles and many of the provisions contained in your bill, S. 2368, which are similar to a House counterpart bill, but we would like to offer in our supplementary statements suggestions for modifications with respect to the bill for the consideration of the Committee.

He also testified that:

"We believe that the general approach taken in the legislation should be supported. We think it is advisable that devices should be defined, identified and classified. Similarly, it is beneficial that provision should be made for maximum use not only of the expertise within the FDA, but also significant expertise which is to be found in the medical, scientific, and manufacturing communities. We are pleased that the legislation provides for the use of expert consultation on recommendations in the classification and evaluation of evidence upon which determination for safety effectiveness and proper classification are based.

III. COMMITTEE VIEWS ON THE MEDICAL DEVICES BILL

Committee views—Section 511

The Committee recognizes the great diversity among the various medical devices and their varying potentials for harm as well as their potential benefit to improved health. Therefore the Committee recommends that all medical devices be classified into one of three categories based upon the degree of risk to the public health and safety represented by each individual device or class of devices. The Committee believes that those devices for which insufficient information exists to assure effectiveness or to assure that exposure to such devices will not cause unreasonable risk of illness or injury, and for which standards or other means may not be appropriate to reduce or eliminate such risk of illness or injury, should be subject to the most rigorous kind of premarket scientific review. The Committee believes that in respect to other devices, if the nation's experts, who will be well represented on the classification panels, determine that it is appropriate to establish reasonable performance standards relating to safety and effectiveness in order to protect the public health and safety, then the devices may be placed in the standard-setting category. Finally, the Committee believes that if the panels conclude that still other devices are safe and effective when used in conjunction with instructions for usage and warnings of limitation, then neither the premarket clearance nor standard-setting mechanism should be necessary to protect the public health and safety.

It is the Committee's intent that the widest range of national expertise in the medical devices area should be utilized in the establishment of classification panels. The Committee recognizes that experts from the industry could significantly contribute to the work of such panels because of their knowledge of industry practices and available technology. The Committee was concerned, however, about potential conflict of interest if industry representatives were to have ultimate decision-making responsibilities in an area that could vitally affect their own interest and perhaps their employment. The Committee therefore has provided that industry members may serve on the panels, but has specified that they be *non-voting* members.

The Committee was equally concerned that representatives of consumer interests be able to participate on the panels. The Committee has therefore designated a non-voting consumer panel member for each of the panels.

The Committee is aware that the Food and Drug Administration has already begun a preliminary classification of medical devices. In this regard, there have been considerable questions with regard to the appropriate weight that should be given to classifications already made by the panels now in existence under present law. These panels have not fully utilized or adhered to the criteria for classifications as embodied in this bill. Therefore the Committee does not believe that prior classifications should be accepted as such, but that a review of the work of these existing panels should be carried out. On the other hand, the Committee believes that the work of these panels has been most valuable and should wherever applicable, be utilized. Therefore, the Committee has authorized the Secretary to utilize the existing panels, and the information and findings developed by such panels, wherever review determines that to be the appropriate procedure.

The Committee recognizes the importance of the classification process. The report of the panel is considered to be a preliminary classification. This is to avoid a conflict which could arise if a device was classified by a panel under one classification and yet later failed to meet the statutory prerequisites for being so classified or met the statutory prerequisites for a different classification. The Committee wishes to make it clear that the classification report is to be used as guidance by the Secretary in pursuing the procedures set out in other sections for permanently subjecting devices to particular regulatory procedures. This preliminary report is intended to serve as notice to manufacturers and others of the intent to proceed in a certain direction and thereby provide industry with an opportunity to begin developing any data or information which may be needed later to support continued marketing of a device. Because of the preliminary nature of the classification there is no need to provide full administrative safeguards for this process, which thereby facilitates and expedites the chore of classifying thousands of devices. The Committee has provided for full administrative safeguards once classification is final and a course of action has been embarked upon.

The Committee believes that a manufacturer who thinks he has developed a significantly new or modified medical device should have the opportunity to petition for a classification of that new device. Until such time as that new product is classified the manufacturer may not market the product. The purpose of this provision is not intended to be strictly comparable to the new drug provisions in the Food, Drug and Cosmetic Act. This section is simply intended to provide a mechanism whereby devices which are new or which significantly differ from those devices previously classified, can be brought to the attention of the Secretary for the purpose of classification prior to marketing.

Section 513

This section authorizes the Secretary to establish standards for medical devices. The Committee purposely added the word "performance" before the word "standards" in this section. It is not the intention of the Committee to simply authorize the establishment of standards for the purpose of mechanically standardizing medical devices. The Committee believes that standards must relate to the safety or effectiveness (including reliability over time) of the device or other "performance" characteristics. The Committee intends that performance standards shall also go to questions of indicated uses, proper labeling, instructions for use, warnings and uniformity of manufacture when those are in the interest of safety or proper and effective use.

The Committee recognizes that the state of the art in the medical devices field is rapidly changing and continually improving and has therefore provided that the Secretary shall undertake a periodic evaluation of the adequacy of all performance standards to be sure that they reflect changes in technology or medical science.

The Committee believes that maximum use should be made of standards that have already been developed by other Federal agencies and other nationally recognized standard-setting agencies or organizations. The Committee believes that the Secretary should review existing standards and should determine their applicability to meeting the requirements of this section.

The Committee has provided for procedural safeguards in the standard-setting process. There is time to comment upon the published notice of the need to develop a standard. If after reviewing those comments the Secretary publishes findings which are not responsive to the comments, a mechanism is provided for an appeal of the Secretary's findings to the Court of Appeals and eventually to the Supreme Court. There is further review once a standard has been developed and the Secretary has issued a proposal to promulgate a standard. At that point interested parties may comment upon the proposal or can request referral of the proposal to an independent scientific advisory committee for review. There is further recourse in terms of appealing the order establishing the standard to the Court of Appeals and, if necessary, to the Supreme Court. The Committee believes that the availability of these safeguards will protect and balance the rights of the different interests involved in the regulation of medical devices.

The Committee believes that the development of standards requires the application of sophisticated knowledge. It is recognized that a considerable amount of expertise in this area exists outside the Government. The Committee wanted to use this expertise and yet at the same time guard against a potential conflict of interest which might result if a standard were developed by a party having a proprietary interest in the nature of that standard. Therefore, the Committee-reported bill provides that when more than one offer to develop a standard is received, and where each offer is technically competent, the Secretary shall give priority to offerors who have no proprietary interest in the device for which the standard is to be developed. The commitee believes that, when nongovernmental groups (offerors) offer to develop standards for the Secretary's consideration, members of such groups should be required to disclose certain information in order to minimize the potential for conflict of interest that might arise. Such information, as required by regulation, shall be made publicly available at such time as an offer is accepted by the Secretary, in order to aid in the assessment of a proposed standard. The language in the bill is derived from the guidelines used by the National Academy of Sciences in requiring disclosure by committee members "On Potential Sources of Bias." The Committee intends that the Secretary shall be guided by these guidelines, and by the Conflict of Interest provisions of Public Law 87-849 (18 U.S.C. 202(a), in drafting regulations under this section.)

The Committee has authorized the Secretary, under this Section, to impose individual lot-testing where it is necessary and where no more practical means to achieve consistency or reliability are available. The Committee's intent is not to thwart the use of this procedure, but rather to insure that it will not be required as a regular part of each and every standard. To the extent that safety, effectiveness and reliability can reasonably be achieved without imposing individual lot-testing, the Committee intends that the procedure not be used.

The Committee was impressed by testimony at the hearings to the effect that the skill of the user of the medical device has a direct and significant bearing on the safety and effectivness of that device. Therefore the Committee intends that the evaluation of the safety and efficacy of a device be done in relation to the skill of the person who is to utilize it. The Committee intends that if a device is safe only in the hands of eminently qualified specialists, that that device will be restricted to use by those specialists.

The Committee believes it necessary to specifically prohibit manufacturers from stockpiling devices from the date of promulgation of a performance standard and the effective date of such a standard. This is analogous to provisions of the Consumer Product Safety Act and is intended to prohibit manufacturers or distributors from building abnormal inventories of products which would not meet an appropriate standard.

The Committee wishes to make it clear that standards and premarket approval mechanisms are not mutually exclusive. A component of a device which is subject to premarket clearance may also be required to conform to an applicable standard. The basic intent of the legislation is to assure safe and effective devices and the Secretary is authorized to use all of the authorities contained in this Act in any combination deemed necessary to protect the public health and safety.

The Committee has specifically exempted all veterinary devices from the purview of this legislation.

The Committee is aware of the special relationship that each health practitioner has with his patients. It is also aware of the need to develop special customized devices to meet the particular needs of a given patient. It is also aware of the need for individual research on medical devices. Therefore the Committee exempts custom devices from the standard setting requirements and from premarket scientific review. This exemption shall apply only for devices ordered by physicians and the other health professionals designated by regulation, according to their own specifications. Those medical devices which are ordered for individual patients, to qualify for this exemption, may not be used as a course of conduct and may not be generally available through commercial channels to the professions. It is the intent of these provisions to allow physicians to order custom-made products but not to permit manufacturers to circumvent standards-setting and scientific review requirements by commercially exploiting these products. The phrase "devices not being used as course of conduct" does not prohibit a physician from ordering a custom instrument and using it in his practice on several patients. This exemption has been a cause of serious concern for the Committee, although it recognizes the need to exempt such devices so that innovation is not stifled and so that custom fitting or sizing would not be prohibited. It is not the intent of this exemption to allow for the development of customized "quack" devices or devices known to be unsafe or ineffective.

The Committee has approached the problem of "quack" or worthless devices in an additional way, by authorizing the ban of certain devices which present a risk of illness, inquiry, disability or deception and for which feasible standards could not be established and premarket scientific review would not be adequate. This section is aimed primarily at quack, worthless or totally unproven devices, but the Committee envisions that there will be other instances in which the banning of devices would be the appropriate regulatory action to be pursued. The Committee has also included a provision to authorize the seizure of devices which are distributed wholly in intrastate commerce. This provision will be applicable to all devices and will assist enforcement by doing away with the cumbersome and time consuming task of establishing interstate shipment. This provision will be particularly useful against quack devices.

The Committee recognizes the rapidly changing nature of the devices field and therefore feels that provisions must be made to amend standards on the basis of improved technology or news scientific evidence. Such amendments should be made in an expedited fashion so that appropriate changes can be rapidly implemented. The purpose of this authority is to permit new or improved devices to be marketed without delay so that the public may have such beneficial devices available to them as soon as possible.

Section 514

This section provides for the premarket scientific review of medical devices. The Committee spent a great deal of time deciding upon the criteria to be used in determining whether or not a particular device should be subject to premarket scientific review. The Administration's bill would have restricted such review to devices used in "life threatening situations" among other preconditions for such review. The Committee believes that this approach would be too restrictive because many devices could cause serious illness or injury which are not necessarily used in life threatening situations. The Committee believes that the potential for harm inherent in a certain device may not be determined solely on the basis of its intended use. Therefore the Committee has provided that the Secretary may declare a device subject to premarket clearance if, after consultation with appropriate panels, such review is found appropriate to insure safety and effectiveness or to reduce or eliminate unreasonable risk of illness or injury. The Committee intends that devices which are considered to be "life supporting or life sustaining" shall be subject to premarket scientific review. In addition, the Committee believes that the Secretary should have the authority to declare a device subject to scientific review whenever the Secretary feels that such a classification would be appropriate to protect the public health and safety. This authority would enable the Secretary to require premarket review even if the classification panels had not recommended such review. Additionally, the Committee has provided that premarket scientific review should be imposed only when there is no more practical means available to reduce or eliminate such risk of illness or injury. However, the Committee wishes to make clear that this latter criteria should not be viewed in the absolute. It is not intended to impose upon the Secretary that he establish beyond any doubt that there is no other means available to accomplish the goals of safety and effectiveness. Rather, he must reasonably find that other readily available means do not offer the same assurance of success or probability of success as premarket review does.

In the course of its deliberations the Committee was guided by the decisions that have been made by the classification panel on the review of cardiovascular devices already in existence. In particular the minutes of the panel meeting on October 9, 1973 said:

"The panel also reviewed the classification results for all of the cardiovascular devices. It was pointed out that since the scientific review or premarket clearance process may be the only method available to the panel by which it may request and analyze data pertinent to a device's safety and efficacy, that several different types of devices may show up in this proposed regulatory category. Obviously those devices which are life supporting, life sustaining or potentially hazardous to health, and which at the same time are in a stage of rapid development need premarket clearance in order to insure their safety and efficacy. Other devices which are also potentially hazardous to health or life supporting or life sustaining may also be placed in the scientific review category even though their widespread clinical use may generally be considered safe and effective. It is not expected that this latter group of devices would require the same type of review as the first group of devices mentioned. However, under proposed legislation, placing them in scientific review would give the Secretary and the advisory panel the opportunity to request and analyze the safety and efficacy data when this appears necessary in order to protect the public health.

"Pacemakers and artificial heart valves are examples of life supporting devices which are in a stage of development which is rapidly changing and which would require scientific review. Monitoring devices used in an intensive care unit and a number of devices used to diagnose cardiac function are examples of the latter group of scientific review devices discussed in the paragraph above."

The Committee understands that the decision to require premarket clearance is one of the most crucial decisions to be made under this Act. It has therefore constructed appropriate appeal mechanisms into the legislation. Once a regulation has been published declaring that a device shall be subject to scientific review, a mechanism is provided whereby that decision may be appealed to the Court of Appeals and eventually the Supreme Court.

The Committee believes that the scientific review process must be one that is characterized by the highest standards of scientific excellence. In order to avoid a proliferation of scientific panels under this Section, the Committee has decided that the panels used for classification shall, to the extent possible, be utilized during the process of premarket scientific review. These panels will be subject to the Federal Advisory Committee Act.

The Committee has built further appeals mechanisms into the scientific review process. Once an application for scientific review has been submitted and reviewed under this Section, the applicant may appeal a negative decision by requesting that his application be referred to an independent advisory committee (in lieu of a hearing). If the independent advisory committee concurs in the decision to deny the applicant's proposal or if the Secretary does not concur in the committee's recommendation to permit marketing, the applicant may seek review by the Court of Appeals and eventually appeal to the Supreme Court.

The Committee recognizes the necessity to encourage scientific investigation in the medical devices field and has attempted to provide optimum freedom for individual scientific investigators in their pursuit of that objective. The Committee has therefore provided an exemption to qualified scientific investigators from the requirements of this Section during the time of the investigational use of devices in order that they may collect sufficient data to establish that the device should be on the market. The Secretary may, by regulation, (after an opportunity for an informal hearing), establish procedures governing this exemption in addition to those set out in the legislation. The Committee has provided in the reported bill that the Secretary shall have thirty days after the receipt of a submission under this Section to determine whether or not the investigation is appropriate. The Secretary may not delay the beginning of an investigation beyond thirty days unless he finds that the investigation does not or will not conform to this Section or to the regulations issued thereunder and has notified the sponsor of such findings. The Committee has also specifically defined the meaning of informed consent which must be obtained in all but exceptional cases from any individual being used in investigations under ths Secton.

The Committee was impressed by the argument presented by the devices industry of the need to establish a mechanism for the approval of devices subject to rapid obsolescence or frequent modification. Therefore, the Committe has established in the reported bill the product development protocol mechanism for such devices. The decision on whether or not this provision should be used in a particular case rests solely with the Secretary and in his discretion. The Committee wishes to make it clear that only an informal hearing shall be provided for a revocation of a product development protocol before the Secretary has approved a notice of completion. However, once a notice of completion is approved, the applicant shall have the same administrative rights as the holder of an approval under scientific review.

Section 515

The Committee has been guided in the development of this Section by the provisions of the Federal Hazardous Substances Act and the Consumer Product Safety Act. The Committee believes that producers, assemblers, distributors and importers of devices should immediately notify the Secretary of any defect which could create a substantial risk to the public health or safety or fails to comply with the established standards. The Committee wants to make it clear that information or statements exclusively derived from the notification required by this Section cannot be used as evidence in any proceeding brought against a natural person pursuant to section 303 of the Federal Food, Drug and Cosmetic Act with respect to a violation of law occurring prior to or concurrently with a notification. The Committee feels that the Secretary should have considerable discretion in determining whether or not users of devices must be notified of defects in any given case. The Committee believes, however, that notice of defective devices should go to the general public unless the Secretary determines that such notification would endanger the public health or is unwarranted because of the insignificant nature of the deviation from the standard.

Section 501

The Committee has amended Section 501 of the Federal Food, Drug and Cosmetic Act to authorize the Secretary to issue substantive current good manufacturing practice regulations which will be applicable to medical devices and establishments manufacturing, processing or handling medical devices. The Committee believes that both industry and consumers will have a vital interest in these regulations and that each should have a full opportunity to participate in the development of such regulations.

Section 502

The Committee believes that the Secretary of Health, Education, and Welfare should have authority to regulate prescription medical device advertising. Therefore, the Committee has provided that the Federal Trade Commission Act (15 U.S.C. 52–57) will not be applicable to the advertising of prescription medical devices. The Committee believes that the Secretary of HEW in administering this new law will develop significantly more expertise in the area of medical devices than the Federal Trade Commission and that therefore the regulation of prescription device advertising is more properly vested in the agency most knowledgeable about the area and the one that is truly charged with matters affecting public health and thus assuring the safety and efficacy of medical devices.

Section 709

The Committee recognizes that the medical device field is a rapidly expanding industry. The Committee feels that the Secretary should be authorized to provide for (either directly or through contracts) new research and investigation into the safety and effectiveness of devices and the causes and prevention of injuries or other health impairments associated with exposure to or use of such devices. In addition, research should be carried out to lead to the development and improvement of device performance standards. The Committee recognizes that a device is only as good as the expert who uses it and therefore authorizes the Secretary to conduct programs for the education and training of individuals with respect to proper installation and use of devices.

Section 201

The Committee recognizes that there is confusion at the present time about whether certain articles are to be treated as devices or drugs under the Food, Drug and Cosmetic Act. Therefore, the Committee reported bill has carefully defined "device" so as to specifically include implants, in vitro diagnostic products and other similar or related articles. In vitro diagnostic products include those products which are not ingested and which are used to assist in the diagnosis of disease or other conditions of the body.

Section 801

The Committee reported bill has amended Section 801 of the Food, Drug and Cosmetic Act, which relates to the exportation of devices. The Committee does not believe that substandard or unsafe or ineffective devices should be permitted to be exported to foreign nations and has thus provided in its bill that the Secretary may deny export of any devices which do not fully conform to the provisions of this Act. The Committee has, however, found that in many instances, articles subject to the Federal Food, Drug and Cosmetic Act which may not meet domestic standards for one reason or another might properly and significantly benefit foreign nations. The Committee has therefore provided in this section of the bill that such articles may be exported to foreign countries which the Secretary finds that the noncompliance is not of such a nature as to expose the populations of foreign nations to undue risks of the public health and provided that the foreign nation specifically approves of such an export.

General

The Committee wishes to take specific note of the testimony of a number of witnesses, both within and without the industry who expressed concern about the impact of this legislation on the small manufacturer of medical devices. The concern stemmed from the importance of the small innovative manufacturer in the invention and development of new medical devices and the inability of these firms, because of limited financial resources, to sustain the high level of administrative costs demanded of a highly regulated industry. The Committee believes that these concerns are legitimate, as long as they are concerns for the preservation of small business consistent with the public's need for safe and effective medical devices. The Committee is confident that the administration of this new law will also take into account the need to preserve the small manufacture's role in the device industry.

IV. Tabulation of Votes Cast in Committee

Pursuant to section 133(b) of the Legislative Reorganization Act of 1949, as amended, the following is a tabulation of votes in Committee:

There were no rollcall votes cast in the Committee.

1. A Kennedy amendment making technical and conforming changes carried unanimously by voice vote.
2. A Dominick amendment excluding veterinary devices from the jurisdiction of the legislation carried unanimously by voice vote.
3. Several Nelsen amendments with regard to premarket clearance and standard setting were adopted unanimously by voice vote.
4. The motion to favorably report the bill carried unanimously by voice vote.

V. Cost Estimates Pursuant to Section 252 of the Legislative Reorganization Act of 1970

In accordance with Section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510, 91st Congress) the Committee estimates that the cost which would be incurred in carrying out this bill is as follows:

No new funds are authorized by this legislation. The administration estimated that supplemental funds in the amount of $14 million would be requested in order to carry out the provisions of this act.

VI. Section-by-Section Analysis of S. 2368

Section 1. Short title "Medical Device Amendments of 1973."

TITLE I—PRELIMINARY CLASSIFICATION OF MEDICAL DEVICES

Section 101. Amends chapter V of the Federal Food, Drug, and Cosmetic Act to add a new section 511 as follows:

Section 511. (a) Requires Secretary, within 60 days following first appropriation of funds for this purpose, to appoint panels of scientific experts to review and classify devices into appropriate categories based on safety and effectiveness. Panels are required to submit their findings to the Secretary within one year of their appointment. To the maximum extent practical, panels are to provide opportunities for any interested persons to present their views on device classifications. Authorizes use of any existing expert panels formed prior to enactment of this Act for purposes of classification. Classification panels shall also serve as scientific review panels referred to in a later section of the bill.

(b) (1) Members are to be skilled in use of or experienced in development, manufacture, perfection or utilization of devices. In addition to such experts, panels shall include as nonvoting members, representatives of consumer and industry interests. Panel members may be nominated by appropriate scientific, trade, and consumer organizations.

(2) Members are to have adequately diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences or relating professions. The Secretary shall designate one member of each panel as Chairman. Sets methods of compensation for members.

(c) Panels are required to submit recommendations for the classification of devices into one of the three following categories, and to the extent practicable, assign priorities within such classes:

(1) Devices subject to premarket scientific review—Those devices for which insufficient information exists to (A) assure effectiveness or assume that the device will not cause unreasonable risk of illness or injury and (B) standards or other means may not be appropriate to eliminate such risk. Premarket scientific review shall be required for any such device if the panels determine the device is life sustaining or life supporting.

(2) Devices subject to standards—those devices for which standards are appropriate to eliminate unreasonable risk and for which other means may not be appropriate.

(3) Exempt devices—Those devices which are safe and effective when used in accord with directions (which are adequate for intended users) and which present minimum risk.

(d) Requires Secretary to publish report on device classification scheme in the Federal Register and to allow for comment by interested persons. After reviewing comments, Secretary is required to provide by regulation for preliminary classification of devices. Allows Secretary to establish priorities for implementing regulatory action warranted by such classification and to defer such action until an appropriate time consistent with expeditious implementation of the provisions.

(e) Permits Secretary to reclassify devices upon a specific finding and with advice of the appropriate panel.

Such findings shall be published in the *Federal Register* and interested persons shall have an opportunity to comment thereon.

TITLE II—AUTHORITY TO ESTABLISH PERFORMANCE STANDARDS

Sec. 513. (a)(1) Authorizes Secretary to issue a performance standard (including uniformity and compatibility with systems or environments) for any device for which a standard has been deemed appropriate, whenever such action is appropriate to reduce or eliminate unreasonable risk of illness or injury and when other means of reducing such risks may not be appropriate.

Standard is to relate to safety, effectiveness over time, including where appropriate, reference to any one or more of the following: Composition, construction, properties, uniform identification, or performance of such device.

Standard may also include: Provision for testing and measurement of characteristics, including where necessary, individual lot testing by or at direction of the Secretary.

Secretary may require the use of and prescribe the form and content of instructions or warnings for proper installation, maintenance, operation and use of device.

(2) A performance standard may require device (or components) to be marked, tagged or accompanied by adequate warning and instruction for protection of health or safety.

(3) Secretary shall provide for periodic review of standards to be sure they keep pace with changes in the state of the art.

(4) When devices are intended for use by surgeons or other specially qualified persons, their safety and effectiveness shall be determined in the context of such intended use.

(b)(1) Prior to and during development of proposals for performance standards, Secretary would be required to consult with and consider relevant standards published by other Federal agencies of nationally or internationally recognized standard-setting agencies or organizations. Secretary may invite participation through conferences or other means of informed persons representative of scientific, professional, industry, or consumer organizations.

(2) In carrying out his duties under this section, the Secretary to the maximum practicable extent shall utilize the personnel, facilities and technical support available in other Federal agencies.

(c)(1) Requires Secretary to publish in the *Federal Register* a notice that proceedings are being initiated to promulgate a device performance standard. The notification shall contain:

(A) Description of device, or type or class of device, to which proceeding to promulgate a standard relates.

(B) Nature of risk to be controlled.

(C) Summary of data on which need for initiation of proceeding is based.

(D) Identification of any existing standard which may be relevant.

(E) Invitation to any person or Federal

agency to submit a proposed standard within 60 days of notice or to offer to develop a proposed standard in accordance with prescribed procedures.

(2) Prior to an order to promulgate a performance standard the Secretary shall consider:

(A) The degree of risk of harm associated with the device.

(B) Approximate number of devices subject to the order.

(C) The device's benefit to public and probable effect standard will have on utility, cost or availability of the device.

(D) Means of achieving objectives with minimum market disruption.

(E) Data and comments submitted.

(3) Findings required by paragraph (2) above shall be published in *Federal Register*. Such findings shall be made only after review of the report of the appropriate panel and the preliminary classification of the device. The findings may be appealed to the Courts within 30 days after their publication.

(d) In lieu of accepting an offer to develop a standard, Secretary could publish as a proposed device standard an existing standard published by any Federal agency or other qualified agency if reference to such standard was made in the initial notice in *Federal Register* and if such standard were substantially acceptable.

(e) (1) Except as otherwise provided, directs Secretary to accept one or more offers to develop a proposed performance standard. In accepting such offers, Secretary would determine whether offeror is technically competent to undertake and complete development of standard within the period of time specified in the invitation and whether offeror has capacity to comply with prescribed regulations governing development of proposed standards. Where more than one offer is received the Secretary, wherever possible, will give priority to offerors with no proprietary interest in the device to be subject to the standard. The Secretary shall by regulation require that each offeror (and appropriate officials of an offeror company) disclose:

(A) All current industrial or commercial affiliations.

(B) Sources of research support.

(C) Companies in which offeror has a financial interest.

(2) The Secretary shall publish the name and address of offeror(s) accepted and terms of offer as accepted.

(3) Secretary could agree to contribute to offeror's cost in developing a standard if Secretary determines such contribution would likely result in a more satisfactory standard and that offeror is financially responsible. Regulations would set forth acceptable items of cost, except that such items could not include construction (except minor remodeling) or acquisition of land or building.

(4) Directs Secretary to prescribe regulations governing development of proposed standards, so as to require that:

(A) Recommended standards be supported by test data or other documents as Secretary may require;

(B) Recommended standards contain testing methods appropriate for measurement of compliance with standard;

(C) Interested persons be afforded an opportunity to participate in development of standard;

(D) Records be maintained to disclose the course of the development of the standard;

(E) Secretary and Comptroller General shall have access to offeror's records, documents, etc. for purposes of audit regarding any contribution.

(f) If no person accepted invitation to develop a proposed standard, or the Secretary did not accept a proposed standard, or the Secretary accepted an offer but found that offeror was unwilling or unable to continue development of standard, Secretary could then develop a proposed standard according to procedures and regulations governing such development.

(g) (1) (A) Within one year after period for submitting a proposed performance standard or offer to develop standard (which time may be extended for cause), the Secretary shall either publish a proposal to promulgate a standard or terminate the procedure. A proposal to promulgate a standard shall set forth the standard and the manner in which persons may examine the background data and the manner in which they may present comments thereon (orally or in writing). The period for comment shall be at least 60 days but not more than 90 days (except for cause).

(B) Within 90 days after such period for comment expires the Secretary shall publish an order establishing a performance standard or terminate the proceeding. The order shall include the Secretary's reasoning for the standard and the date(s) it will be effective. Effective dates shall, consistent with public health protection, be established so as to minimize market disruption. If the standard in the order is substantially different from the proposal, 30 days for comment shall be permitted.

(C) The Secretary may, in such order, include findings in addition to those required.

(2) Secretary may revoke a standard by notice in the *Federal Register* stating his reasons for determining that the performance standard (or portion thereof) may no longer be in the public interest, the manner in which persons may examine underlying data and how they may present their views (orally or in writing). As soon as practical thereafter the Secretary shall act on such proposed revocation, publish his reasons therefor, and set the effective date(s).

(3) Secretary may on his own or on petition amend a performance standard which shall be published in the *Federal Register* and subject to 5 U.S.C. 553, judicial appeal and referral to an advisory committee.

(4) 5 U.S.C. 553 (regarding administrative procedure) shall, consistent with this section, apply to all proceedings to promulgate, amend or revoke a performance standard.

(5) (A) In the case of controversy concerning an order to promulgate, amend, revoke or ban, adversely affected person may (within 30 days) petition an appropriate United States Court of Appeals. A copy of the petition shall be transmitted to the Secretary by the Court, whereupon the Secretary shall file with the Court the record upon which the order is based.

(B) Petitioner may apply for leave to adduce additional evidence which shall be granted upon a satisfactory showing of the need and appropriateness of additional evidence. The Secretary, based on such additional evidence, may modify or set aside his original order.

(C) The Court shall have jurisdiction to affirm or set aside (in whole or in part) the order, temporarily or permanently. If the order of the Secretary refuses to issue, amend or repeal a regulation and such order is not in accordance with law the Court may order the Secretary to take action in accordance with law. The findings of the Secretary, if supported by substantial evidence, shall be conclusive.

(D) Appeal to the Supreme Court.

(E) Such action shall survive notwithstanding changes of vacancies in the Office of the Secretary.

(F) A certified copy of the record of proceedings before the Secretary shall be furnished at cost to interested persons and shall be admissible in any criminal libel for condemnation (except imports) or other proceeding arising under this Act notwithstanding proceedings with respect to the order which may have been previously instituted or become final under this section.

(6) The Secretary may by regulation prohibit the stockpiling of nonconforming devices between date of promulgating the order and the effective date.

(h) (1) Authorizes Secretary to appoint independent advisory committees to which could be referred any matters involved in a proposed device standard which requires the exercise of scientific judgment, prior to or after its publication in the *Federal Register*. Secretary could refer such proposals on his own initiative, and would be directed to refer such proposals when requested by any interested persons showing good cause.

For the purpose of such referral the Secretary shall establish an advisory committee (which may be a standing advisory scientific review panel) and shall refer to it, together with all underlying data, the matter in question for a report and recommendation. After independent study, the committee shall certify a report and recommendations to the Secretary together with all its underlying data and reasons for its recommendations. After considering all data before him including the Committee's report, the Secretary shall by order affirm or modify or act on the order in question.

(2) Secretary shall appoint qualified persons as members of the advisory committee. Such persons shall be of appropriate diversified professional background. Members (other than regular Government employees) may receive compensation (not to exceed GS-18 rate) and travel and per diem allowances.

(i) (1) Manufacturers of devices subject to standards would have to assure the Secretary that such devices comply with any testing methods prescribed in the standard or that device has been manufactured in accordance with current good manufacturing practice designed to assure such compliance.

(2) To assure that devices are in conformance with standards, Secretary is directed to review and evaluate on a continuing basis the testing and quality control programs carried out by manufacturers of devices subject to standards.

(j) Exempts from compliance with otherwise applicable standard any device: Intended solely for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals or to affect structure or function of animals; declared subject to scientific review, except for those characteristics of a device made subject to an existing standard under an application approved through scientific review, or a particular device which the Secretary finds pursuant to regulations (issued after opportunity for a hearing) may notwithstanding an applicable standard be marketed pursuant to premarket scientific review approval.

(k) Directs Secretary to issue regulations permitting interstate shipment of devices varying from an applicable standard for the purpose of testing or investigation, prior to amendment of the standard.

(l) Exempts custom made devices ordered by a physician (or other specially qualified person as authorized by regulations of the Secretary) for individual patients.

(m) (1) After consultant with the appropriate panel and after affording interested persons an opportunity for an informal hearing Secretary may, by regulation, ban a device if he finds the device presents an unreasonable risk of harm or deception and that performance standards or premarket approval would not adequately protect the public.

(2) Secretary may declare a proposed regulation banning a device on an interim basis pending administration and judicial appeals if (after opportunity for informed hearing) he finds such banning will expedi-

tiously reduce risk of harm to public or gross deception.

(n) Secretary may amend performance standard on an interim basis, pending completion of standard setting procedure, if he determines (after opportunity for informal hearing) that amendment is needed to permit rapid implementation of desirable changes or expeditiously reduce risk of harm but thereby shall not prohibit devices conforming to existing standards.

SEC. 202. (a) A device is adulterated unless it conforms to an applicable standard or if it is a banned device.

(b) A device is misbranded unless its labeling bears warning, etc. required by standard or if it fails to comply with the quality testing or measurement required under section 513(i).

TITLE III—SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

SEC. 301. (a) A device is adulterated if it is unsafe under section 513 (scientific review).

(b) Amends Chapter V of Federal, Food, Drug, and Cosmetic Act by adding a new section 514 as follows:

SEC. 514. (a) Secretary may declare a device, for which scientific review has been deemed appropriate according to the device classification scheme, subject to such review, if after consulting with appropriate scientific review panels he finds that: Scientific review is appropriate to ensure safety and effectiveness or is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device or if he determines that scientific review is appropriate to protect public health and other means may not be appropriate to reduce the risk of harm. To the maximum extent practicable, the Secretary shall provide interested persons an opportunity to submit data and views on the matter. The declaration shall be by regulation and shall set forth and be based on the report, recommendations and comments developed as part of the classification scheme. Promulgation of a regulation declaring a device subject to scientific review may be appealed to appropriate Court of Appeals. A device declared subject to scientific review shall be deemed unsafe unless—

1. An approval is in effect,
2. It is exempt, or
3. It is intended solely for veterinary use.

(b) Secretary shall utilize the standing advisory panels for review applications, plans and protocols under this section.

(c) (1) Scientific review of a device declared subject to such review may be obtained by submitting to the Secretary an application containing the following:

(A) Reports of all information concerning investigations to determine safety, reliability, or effectiveness of devices which are known or reasonably should be known to the applicant.

(B) Statement of composition, properties, construction, and principles of operation of device.

(C) Description of methods used in, and facilities and controls used for, manufacture, processing, and when relevant, packing and installation of device.

(D) Identification of any standard applicable to such device, or its component, and adequate information either to show device meets such standard or to justify any deviation.

(E) Samples of device and its components.

(F) Specimens of proposed labeling.

(G) Any other relevant information as Secretary upon advice of the appropriate panel may require.

(2) Directs the Secretary to refer application, upon receipt, to appropriate panel(s) for report and recommendations within such period as he may establish.

(d) No later than 120 days after receipt of application, unless additional period agreed upon by Secretary and applicant. Secretary is required, after considering panel's recommendations, either to approve application, advise applicant that application is not in appropriate form and inform applicant of measures required to receive approval, or deny approval if device fails to meet criteria set forth below.

(e) (1) Secretary shall deny application, if on basis of information submitted or other information before him and after opportunity for review by an advisory committee he finds:

(A) Device is not shown to be safe for use under conditions prescribed, recommended, or suggested in proposed labeling;

(B) The method used in, and facilities and controls used for, manufacture, processing, packing, and installation do not conform to current good manufacturing practices;

(C) There is a lack of adequate scientific evidence to show device will have effect it purports or is represented to have under conditions on the label;

(D) The labeling itself is false or misleading.

(E) The device is not shown to conform with an applicable standard.

In making such determination Secretary shall weigh the benefit to the public from the use of the device against any hazard to the public health which would probably result from its use.

(2) "Adequate scientific evidence" is defined as evidence consisting of sufficient well-controlled investigations, including clinical investigations where appropriate, by qualified scientific experts, on the basis of which it could fairly and responsibly be concluded that device will have effect it purports or is represented to have under conditions prescribed in its proposed labeling. However, Secretary may determine that other valid scientific evidence is sufficient to establish effectiveness of device.

(3) The safety and effectiveness of devices intended for use by physicians, surgeons or other specially qualified persons shall be determined in light of such intended use.

(4) (A) Applicant may, within 30 days of denial of application, obtain review by an independent scientific advisory committee and Secretary shall give its report appropriate weight in reviewing the application.

(B) In lieu of review by independent advisory committee, applicant may receive review pursuant to 5 U.S.C. 554 (relating to administrative procedures).

(f) (1) Secretary may, after obtaining advice from a panel(s) if appropriate, and after giving due notice and opportunity for hearing to the applicant, withdraw approval if he finds:

(A) (i) Clinical or other experience or tests show device to be no longer safe, for use under conditions previously approved;

(ii) Evidence of clinical experience, not contained in original application or not available until after application was approved, or tests by new methods or methods not reasonably applicable at time application was approved show device to be no longer safe;

(B) New information, evaluated together with evidence on which application was originally approved, shows lack of adequate scientific evidence that device will have effect it purports;

(C) Original application contains untrue statement of material fact;

(D) Applicant fails to establish system for maintaining required records, or has repeatedly or deliberately failed to maintain such records or make required reports, or has refused to permit access to such records;

(E) New information, together with evidence in original application, show methods used in, or facilities or controls used for, not in conformance with good manufacturing practice, and were not brought into conformance within reasonable time after formal notification;

(F) New information shows labeling is false or misleading and not corrected within a reasonable time; or

(G) New information shows device to be in non-compliance with an applicable standard.

(2) Secretary may immediately suspend approval if he finds an imminent health or safety hazard is involved. Applicant is to be notified promptly and given opportunity for expedited hearing. This authority may not be delegated.

(3) An order under this section shall state the findings upon which it is based.

(g) Whenever Secretary finds that facts so require, he shall revoke any previous orders denying, withdrawing or suspending approval of application and shall approve or reinstate such approval of an application.

(h) Order of the Secretary may be served by a designee or by registered or certified mail to applicant's last known address in Secretary's records.

(i) (1) An applicant may petition Secretary to obtain review of application of Secretary's action by an independent advisory committee of experts. Secretary may also refer an application to such a committee on his own initiative. Committee shall after independent study certify a report and recommendations to Secretary (a copy of which shall be sent to applicant or petitioner). Applicant and representatives of the Department would have the right to consult with the committee. Secretary is to consider findings of the independent committee and thereupon may conform or modify any prior order.

(2) Provision for establishing independent advisory committee in standards section (Sec. 513(h) shall apply here.

(3) Paragraph (3) of Sec. 513(h) shall apply in case of referral to advisory committee under this section.

(j) Judicial review to Court of Appeals is provided with respect to final orders denying or withdrawing approval.

(k) (1) Declaration that purpose of this subsection is to encourage discovery and development of useful devices and maintain optimum freedom for individual scientific investigators, consistent with protection of public health and safety and with professional ethics. Information required to be submitted shall be concise and no more burdensome than necessary.

(2) Devices intended solely for investigational use (in an appropriate scientific environment) by qualified experts are exempt from scientific review.

(3) Secretary shall promulgate regulations (after opportunity for a hearing) relating to the application of such exemption to any device intended for clinical testing in humans in developing data to support an application.

(4) Such regulations may condition such exemption upon:

(A) Submission of outline of plan of initial clinical testing to either a local institutional review committee established to supervise clinical testing in the facility where initial testing is to occur, or to the Secretary for review by appropriate standing scientific review panel.

(B) Prompt notification to Secretary of approval of plan by review panel.

(C) Submission to either a local institutional review committee or the Secretary of an adequate protocol for clinical testing to be conducted by separate groups of investigators under essentially same protocol, together with report of prior investigations of device, including tests on animals, adequate to justify the proposed testing.

(D) Obtaining of signed agreements from investigators that humans upon whim device to be used will be under their personal supervision.

(E) Establishment and maintenance of records, and making of such reports obtained from investigational use of device, as Secretary finds will enable him to evaluate safety and effectiveness of device.

(F) Other conditions relating to protection of public health and safety as Secretary may deem necessary.

Nothing in this subsection shall be construed to require investigators to submit directly to the Secretary reports on investigations. Secretary shall determine if investigation conforms to this section within 30 days of a submission or notification under this section, and the investigation shall not begin until sponsor receives notice from Secretary that investigation conforms to this section *provided* Secretary may delay beginning of investigation unless he so finds and notifies sponsor of such finding(s). Secretary may exempt investigation from all or part of this subsection in the public interest.

(5) Regulations must assure that—

Rights and welfare of subjects are adequately protected;

Risks are outweighed by potential benefits or importance of knowledge to be obtained; and

Informed consent of participants is to be obtained by adequate methods in all but exceptional cases.

(A) The term "informed consent" means consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without intervention of any element of force, fraud, deceit, duress, etc. Such consent shall be evidenced by an agreement signed by such person or his legal representative. Such agreement shall include:

(1) Explanation of procedures, including any of an experimental nature;

(2) Description of any discomforts and risks which can be reasonably expected;

(3) Fair explanation of likely results if experiment fails;

(4) Description of reasonably expected benefits;

(5) Disclosure of alternative procedures potentially advantageous for the subject;

(6) Offer to answer any inquiries concerning procedures; and

(7) Instruction to subject regarding his freedom to discontinue participation at any time.

Constant agreement must contain no language through which subject waives any legal rights or releases the institution or its agents from liability for negligence. Requires that permanent record be kept of such consent.

(B) "Exceptional cases" to be construed strictly, permits waiver of only those elements of consent in subparagraph (A), 1–7, as justified by circumstances, and requires written concurrence by two physicians not involved in the research unless there is a life-threatening situation and such concurrence is not feasible.

(6) Whenever Secretary finds device being investigated on humans which fails to meet conditions for exemption he shall notify such sponsor of his determination, and reason therefor and the exemption shall not apply until failure to comply is corrected.

(7) In determining applicability of this subsection to any device and/or its compliance therewith, Secretary may obtain advice of experts not employed in carrying out this Act (except as consultants).

(l) Exempts custom devices ordered by physician (or other specially qualified persons as determined in regulations) for individual patients.

(m)(1) A device intended for use by a practitioner which is subject to frequent modifications, rapid obsolescence or which will not be produced in substantial volume may be exempted from scientific review if it is to be developed in accord with a product development protocol.

(2) Any person may petition Secretary to establish a product development protocol for such a device. Secretary may, within 30 days, refer petition to an expert panel, which may, within 60 days or such other times as agreed upon by panel and petitioner, approve an appropriate protocol. If approved, protocol must stipulate:

(A) Investigational procedures required prior to clinical trials on device;

(B) That institutional review committee make written finding of risk-to-benefit ratio and continually monitor and report on clinical trials;

(C) Type and quantity of clinical trials required prior to filing notice of completion of protocol;

(D) Maintenance of records to show compliance with protocol;

(E) Informed consent from all human subjects; and

(F) That copies of all required records be available to Secretary upon his request.

(3) If panel does not approve a protocol within 60 days, Secretary may consider and approve protocol (with or without modification) within next 60 days. If neither panel nor Secretary approves a protocol, a final order will be issued denying petition and stating reasons.

(4) After approval of protocol, petitioner may submit notice of completion of the requirements of protocol, indicating that to the best of his knowledge, no reasons exist relating to safety, effectiveness, or other public health considerations why device should not be marketed. The Secretary shall approve or disapprove such notice within 90 days.

(5) Secretary may at any time prior to approving a product development protocol and after providing petitioner with opportunity for informal hearing, revoke a protocol or object to notice of completion, if he finds in writing:

(A) Petitioner failed to comply with protocol requirements; or

(B) Results of clinical trials differ so substantially from results required in protocol that further trials are unjustifiable; or

(C) Device is not safe for use under conditions prescribed in labeling; or

(D) A lack of adequate scientific evidence showing device to have effect it purports to have on label.

(6) Allows Secretary to immediately revoke an exemption pertaining to a device subject to a product development protocol, if an imminent hazard to public health or safety is caused by existence of such exemption.

(7) Secretary may also revoke an exemption, after a notice of completion of protocol requirements has become effective, if he finds that any grounds listed in subsection referring to withdrawal of approval of application under scientific review apply.

(8) Secretary may reconsider an order revoking an exemption under this section and reinstate such exemption.

(n)(1) Devices in use the day before such device is declared subject to scientific review, will be considered adulterated (unless approved) on the closing date or, if sooner, with respect to an applicant the date his application is approved.

(2) Defines "closing date" shall be 30 months after date device is declared subject to scientific review, except Secretary may extend period to sixty months but may terminate such extension if progress reports etc., and not supplied.

Sec. 302. (a) Makes it a prohibited act to fail to establish, maintain, or make a report under the investigation device section or the section requiring records and reports.

(b) Prohibits any representation that a device has been approved under section 514.

TITLE IV—NOTIFICATION OF DEFECTIVE DEVICES; REPAIR OR REPLACEMENT

Sec. 401. Amends Federal Food, Drug, and Cosmetic Act by adding new section 515 as follows:

Sec. 515. (a) (1) Every person acquiring information which reasonably supports the conclusion that a device produced, assembled, distributed, or imported by him to contain a defect which could create a substantial risk to the public health or safety, or to be in noncompliance with an applicable standard would be required to notify the Secretary of such defect or failure if device has left control of the manufacturer. Information received under this section (except for required records) shall not be used in prosecuting natural persons under the Federal Food, Drug, and Cosmetic Act.

(2) Notification shall contain a clear description of the defect evaluation of the hazards and measures being taken to correct defect and protection against the hazard.

(3) The term "defect" as it relates to a device means a deficiency in design, materials, or workmanship, and does *not include* any deficiency resulting from use of improper accessories, improper installation, maintenance, repair, or use of device, or deficiency resulting from normal use of device after expiration of lifetime represented by manufacturer.

(b) (1) If Secretary determines device presents substantial hazard, he may make certain adequate notification is made by most appropriate persons and means to all persons including manufacturers, distributors, health professionals, and users.

(2) If Secretary determines users need not be notified he will notify health professionals who may comment on advisability of notifying general public. Thirty days thereafter he will notify public if he determines notification will not endanger public health.

(3) If the Secretary determines after opportunity for a hearing that device presents substantial hazard he may order manufacturer or distributor or retailer to take following action at his election to extent purchasers (and), if appropriate his physician) consent is obtained. Those actions are (1) bring device into compliance (2) replace device, and (3) refund purchase price (less depreciation if over one year old) Secretary may require submission of plan for carrying out this requirement.

(d) (1) No charge will be made of persons availing themselves of this remedy and they shall be paid for expenses necessary to do so.

(2) The Secretary may require manufacturer, distributor, or retailer to reimburse another manufacturer, distributor, or retailer if in the public interest.

(3) An order requiring repair, replacement or refund may only be made after opportunity for an informal hearing. If interested person wishing to participate in hearing is one of a class that is represented, the Secretary may limit his participation to such representative.

(e) Remedies under this shall be in addition to and not in substitution for any other legal remedies.

Sec. 402. Failure to furnish notification or information under sections 515 or 516 or failure to comply with an order under section 515 are made prohibited acts.

Sec. 403. Conforming technical amendment.

TITLE V—REQUIREMENT OF GOOD MANUFACTURING PRACTICE

Sec. 501. Amends section 501 of Federal Food, Drug, and Cosmetic Act to provide that a device is adulterated if it is manufactured, processed, or installed in accord with current good manufacturing practice as determined by the Secretary's regulations issued under section 701(a) of the Federal Food, Drug, and Cosmetic Act.

TITLE VI—RECORDS AND REPORTS INSPECTION AND REGISTRATION OF ESTABLISHMENTS; OFFICIAL NAMES

Sec. 601. Amends Chapter V of the Federal Food, Drug, and Cosmetic Act by adding a new section 516 as follows:

Sec. 516. (a) (1) Requires persons manufacturing, processing, repacking, labeling, or distributing a device subject to a standard which is subject to an approved application for scientific review, to maintain records and make reports to the Secretary on clinical experience and other data relating to safety or effectiveness of such device, or possibility of adulteration or misbranding, etc. Regulations under this section are to have due regard for professional medical ethics and interests of patients.

(2) Persons required to maintain such records must allow employees of Secretary to have access to any copy and verify such records.

(b) Exempts from the requirement of records the following:

(1) Licensed practitioners who manufacture or process devices solely for use in their professional practice.

(2) Persons manufacturing or processing devices solely for use in research or teaching and not for sale.

(3) Other classes of persons as Secretary may exempt.

(c) Every person engaged in manufacturing devices shall on request furnish to the Secretary pertinent technical data.

SEC. 602. Provides that authorized inspection of establishments processing or holding prescription devices may extend to all things therein, including records, files, papers, processes, controls, facilities, etc. but not to financial, sales or pricing data or personnel (except for qualifications of technical and professional personnel). Such inspection is not authorized with respect to pharmacies, medical practitioners, researchers, and other persons exempted by Secretary.

SEC. 603. Each device establishment is required to register annually with the Secretary and submit a list of all devices processed therein (which list may be updated) and submit cerain labeling and advertising for such listed devices.

Requires device label to bear (in type at least half the size of type used for brand name) the established name of the device (unless exempted). Defines "established name" to mean name designated by Secretary, name of device as it appears in an official compendium or its common or usual name.

Provides that device establishments engaged solely in intrastate commerce are subject to registration as well as those engaged in interstate commerce.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Amends chapter VII of the Federal Food, Drug, and Cosmetic Act by adding new section 708 as follows:

SEC. 708. (a) Establishes Advisory Council on Devices to advise Secretary on policy matters relating to carrying out provisions of the Act. Members appointed by the Secretary are to be manufacturers, scientists, engineers, and members of the professions using such devices, as well as consumers and other persons knowledgeable about problems involved in device regulation.

(b) Secretary may, without regard to civil service and classification laws, appoint other advisory committees and council as he deems desirable.

(c) Sets methods of compensation of Council members.

SEC. 702. Amends chapter VII of the Federal Food, Drug, and Cosmetic Act to add a new section 709 as follows:

SEC. 709. (a) Authorizes Secretary to conduct, either directly or through contracts with public or private agencies, organizations or individuals, research, studies, and education and training in areas related to device safety, development of standards, testing methods, etc.

(b) Directs Secretary to cooperate with and invite participation by other Federal or State agencies and interest professional or industrial organizations; to collect and publish results of research and other activities. Authorizes Secretary to obtain devices for research and testing purposes.

SEC. 703. Amends section 505 of the Federal Food, Drug, and Cosmetic Act permit Secretary to disseminate information regarding device standards, testing facilities and methods, other information on nature and extent of device hazards.

SEC. 704. Amends chapter IX of the Federal Food, Drug, and Cosmetic Act; add new section 903 as follows:

SEC. 903. (a) Prohibits States from establishing or maintaining standards or regulations for any device which is specifically subject to an official Federal standard or scientific review; unless State requirements are identical to the Federal requirements.

(b) Specifically allows Federal, State, and local governments to establish safety requirements applicable to a device for their own use, if such requirements impose a higher performance standard than otherwise required by applicable Federal law.

(c) Allows Secretary to exempt a State proposed safety requirement from preceding provision if proposed requirement:

Imposes higher performance level than Federal standard;

Is required by compelling local conditions; *and*

Does not unduly burden interstate commerce.

SEC. 705. Amends section 301(j) of the Federal Food, Drug, and Cosmetic Act to provide that information on methods or processes which are trade secret received in submission under the Act shall not be disclosed outside the Department except that trade secret information may be given to contractors under appropriate security provisions for a use in furtherance of the purposes of the Act.

SEC. 706. Amends section 201 of the Federal Food, Drug, and Cosmetic Act to define "device" as follows:

The term "device" means instruments, apparatus, implements, machines, contrivances, implants, in vitro reagents, or similar articles, including their components, parts, and accessories which are:

(a) Recognized in the official U.S. Pharmacopeia or National Formulary, or any supplement to them; or

(b) Intended for use in diagnosis, treatment, or prevent of disease in man or other animals; or

(c) Intended to affect structure or any function of the body of man or other animals; and

(d) Which do not achieve any of their principal purposes through chemical action within or on the body of man or other animals and which are not dependent upon being metabolized for achievement of their principal purposes.

SEC. 707. Provides that a prescription device is misbranded if its advertising is false or misleading or unless the advertising contains the established name, full description of its components or qualitative formula; and a brief summary of side effects, contraindications, and effectiveness (as provided in Secretary's regulations). Prior approval of advertising shall not be required except in extraordinary circumstances. Prescription device advertisements shall not be subject to sections 12–17 of the Federal Trade Commission Act.

SEC. 708. Defines the term "prescription device" to mean any device so designated by the Secretary as being restricted to sale or distribution only upon written or oral authorization of licensed practitioner. A device shall not be designated as prescription unless because of its potential harm it is not safe for use except under supervision of licensed practitioner or unless it is limited to prescription sale pursuant to approval of an application for scientific review.

SEC. 709. Amends section 304 of the Federal Food, Drug, and Cosmetic Act to permit the seizure of adulterated or misbranded devices found in any State.

SEC. 710. Amends section 801 of the Federal Food, Drug, and Cosmetic Act to prohibit the exportation of noncomplying devices. The Secretary may permit export of articles not in compliance with the Federal Food, Drug, and Cosmetic Act if he determines that such export is in the interest of public health and has the approval of the country to which it is to be exported.

SEC. 711. (a) Except as provided in subsection (b) the Act will take effect on its enactment.

(b) Provision that device is adultered without approval becomes effective in one year or on date of approval of application with respect to certain uses of the device.

(c) Person owning device establishment prior to the enactment date shall have seven months to register such establishment. If such initial registration takes place in 1975 such establishment will be deemed registered for that year.

VII. CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by titles I through III of the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter printed in italic):

FEDERAL FOOD, DRUG, AND COSMETIC ACT

* * * * *

CHAPTER II—DEFINITIONS

SEC. 201. * * *

[(h) The term "device" (except when used in paragraph (n) of this section and in sections 301(i), 403(f), 502(c), and 602(c) means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended (1) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or (2) to affect the structure or any function of the body of man or other animals)]

(h) The term "device" (except when used in paragraph (n) of this section and in sections 301(i), 403(f), 502(c), and 602(c)) means instruments, apparatus, implements, machines, contrivances, implants, in vitro reagents, and other similar or related articles, including their components, parts, and and accessories (1) recognized in the official National Formulary, the official United States pharmacopeia or any supplement to them; or (2) intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease in man or other animals; or (3) intended to affect the structure or any function of the body of man or other animals; and (4) which do not achieve any of their principal intended purposes through chemical action within or on the body of man or other animals and which are not dependent upon being metabolized for the achievement of any of their principal intended purposes.

* * * * *

(y) The term "prescription device" means any device which the Secretary shall designate by regulation as being restricted to sale or distribution only upon the written or oral authorization of a practitioner licensed by law to administer or use such device and under such other conditions as the Secretary may by regulation prescribe. The Secretary may designate as a prescription device, pursuant to the preceding sentence, only a device which:

(1) because of its potentiality for harmful effect, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer or use such device; or

(2) is limited by an approval application under section 514 to use under the profes-

sional supervision of a practitioner licensed by law to administer or use such device.

CHAPTER III—PROHIBITED ACTS AND PENALTIES

PROHIBITED ACTS

SEC. 301. * * *

(e) The refusal to permit access to or copying of any record as required by section 703; or the failure to establish or maintain any record, or make any report, required under section 505 (i) or (j), 507 (d) or (g) [or] 512(j), (l), or (m), *514(k)*, or *516(a)* or the refusal to permit access to or verification or copying of any such required record.

* * * * *

(j) The using by any person to his own advantage, or revealing, other than to the Secretary or officers or employees of the Department, or to the courts when relevant in any judicial proceeding under this Act, any information acquired under authority of section 404, 409, 505, 506, 507, *511*, 512, *513, 514, 515, 516*, 704, or 706 concerning any method or process which as a trade secret is entitled to protection. *The Secretary may provide any information which contains or relates to a trade secret or other matter referred to in this section or in section 1905 of title 18, United States Code, to a contractor in furtherance of the provisions of this Act, and such contractor shall take such security precautions as are prescribed in regulations promulgated by the Secretary and shall be subject to the provisions and penalties established in this Act and in section 1905 of title 18, United States Code.*

* * * * *

(L) The using, on the labeling of any drug *or device* or in any advertising relating to such drug *or device*, of any representation or suggestion that approval of an application with respect to such drug *or device* is in effect under section *505 or 514, as the case may be*, [505] or that such drug *or device* complies with provisions of such section.

* * * * *

(q) (1) The failure or refusal to furnish any notification or other material or information as required by section 515 or 516; or (2) the failure or refusal to comply with any requirement prescribed under authority of section 515(c).

* * * * *

SEIZURE

SEC. 304. (a) (1)

* * * * *

(2) The following shall be liable to be proceeded against at any time on libel of information and condemned in any district court of the United States or United States court of a Territory within the jurisdiction of which they are found: (A) Any drug that is a counterfeit drug, (B) Any container of a counterfeit drug, [and] (C) Any punch, die, plate, stone, labeling, container, or other thing used or designed for use in making a counterfeit drug or drugs [.], *and (D) Any adulterated or misbranded device.*

* * * * *

CHAPTER V—DRUGS AND DEVICES

ADULTERATED DRUGS AND DEVICES

SEC. 501. A drug or device shall be deemed to be adulterated—

(a) * * *

* * * * *

(e) (1) If it is, or purports to be, or is represented as, a device with respect to which, or with respect to any component, part, or accessory of which there has been promulgated a performance standard under section 513, unless such device, or such component, part, or accessory, is in all respects in conformity with such performance standard; or

(2) if it is a banned device.

(f) If (1) it is a device, and (2) such devices, or any component, part, or accessory thereof, is deemed unsafe or ineffective within the meaning of section 514 with respect to its use or intended use.

(g) If it is a device and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, holding, or installation do not conform to, or are not operated or administered in conformity with, current good manufacturing practice, as determined by regulations of the Secretary promulgated under section 701(a) after consultation with all interested persons and after an opportunity for a hearing, to assure that such device is safe and effective.

MISBRANDED DRUGS AND DEVICES

SEC. 502. A drug or device shall be deemed to be misbranded—

(a) * * *

* * * * *

(e) (1) If it is a drug, unless (A) its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), (i) the established name (as defined in subparagraph *(3)*) [(2)] of the drug, if such there be, and (ii) in case it is fabricated from two or more ingredients, the established name and quantity of each active ingredient, including the quantity, kind, and proportion of any alcohol, and also including whether active or not, the established name and quantity or proportion of any bromides, ether, chloroform, acetanilide, acetophenetidin, amidopyrine, antipyrine, atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis glucosides, mercury, ouabain, strophanthin, strychnine, thyroid, or any derivative or preparation of any such substances, contained therein: *Provided*, That the requirement for stating the quantity of the active ingredients, other than the quantity of those specifically named in this paragraph, shall apply only to prescription drugs; and (B) for any prescription drug the established name of such drug or ingredient, as the case may be, on such label (and on any labeling on which a name for such drug or ingredient is used) is printed prominently and in type at least half as large as that used thereon for any proprietary name or designation for such drug or ingredient: and *Provided*, That to the extent that compliance with the requirements of clause (A) (ii) or clause (B) of this subparagraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary.

(2) If it is a device, unless its label bears, to the exclusion of any other nonproprietary name, the established name (as defined in subparagraph (4)) of the device, if such there be, prominently printed in type at least half as large as that used thereon for any proprietary name or designation for such device: Provided, That to the extent compliance with the requirements of this subparagraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary.

(3) [(2)] As used in [this paragraph (e)] *subparagraph (1)*, the term "established name", with respect to a drug or ingredient thereof, means (A) the applicable official name designated pursuant to section 508, or (B) if there is no such name and such drug, or such ingredient, is an article recognized in an official compendium, then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name, if any, of such drug or of such ingredient: *Provided further*, That where clause (B) of this subparagraph applies to an article recognized in the United States Pharmacopeia and in the Homeopathic Pharmacopeia under different official titles, the official title used in the United States Pharmacopeia shall apply unless it is labeled and offered for sale as a homeopathic drug, in which case the official title used in the Homeopathic Pharmacopeia shall apply.

(4) As used in subparagraph (2), the term "established name", with respect to a device, means (A) the applicable official name designated pursuant to section 508, or (B) if there is no such name and such device is an article recognized in an official compendium then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name of such device, if any.

* * * * *

(j) If it is dangerous to health when used in the dosage, or manner or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

* * * * *

(o) If it [is a drug and] was manufactured, prepared, propagated, compounded, or processed in an establishment in any State not duly registered under section 510.

* * * * *

(q) If it is a device subject to a performance standard promulgated under section 513, unless (1) its labeling bears such instructions and warnings as may be prescribed in such performance standard; and (2) it complies with the requirements of section 513(i) (1).

(r) In the case of any device that is a prescription device, if its advertising is false or misleading in any particular.

(s) In the case of any prescription device distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof includes in all advertisements, and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to that device a true statement of (1) the established name as defined in section 502(e), printed prominently and in type at least half as large as that used for any trade or brand name thereof, (2) a full description of the components of such device or the formula showing quantitatively each ingredient of such device to the extent required in regulations which shall be issued by the Secretary after an opportunity for a hearing, and (3) such other information in brief summary relating to side effects, contraindications, and effectiveness as shall be required in regulations which shall be issued by the Secretary after an opportunity for a hearing: Provided, That (A) except in extraordinary circumstances, no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement, and (B) no advertisement of a prescription device, published after the effective date of regulations issued under this paragraph applicable to advertisements of prescription devices, shall, with respect to the matters specified in this paragraph or covered by such regulations, be subject to the provisions of sections 12 through 17 of the Federal Trade Commission Act, as amended (15 U.S.C. 52–57). This paragraph shall not be applicable to any printed matter which the Secretary determines to be labeling as defined in section 201(m) of this Act.

AUTHORITY TO DESIGNATE OFFICIAL NAMES

SEC. 508. (a) The Secretary may designate an official name for any drug *or device* if he determines that such action is necessary or desirable in the interest of usefulness and simplicity. Any official name designated under this section for any *drug or device* shall be the only official name of that drug *or device* used in any official compendium published after such name has been prescribed or for any other purpose of this Act. In no event, however, shall the Secretary establish an official name so as to infringe a valid trademark.

(b) Within a reasonable time after the effective date of this section, and at such other times as he may deem necessary, the Secretary shall cause a review to be made of the official names by which drugs are identified in the official United States Pharmacopeia, the official Homeopathic Pharmacopeia of the United States, and the official National Formulary, and all supplements thereto, *and at such times as he may deem necessary shall cause a review to be made of the official names by which devices are identified in any official compendium, and all supplements thereto, to* determine whether revision of any of those names is necessary or desirable in the interest of usefulness and simplicity.

(c) Whenever he determines after any such review that (1) any such official name is unduly complex or is not useful for any other reason, (2) two or more official names have been applied to a single drug *or device*, or to two or more drugs which are identical in chemical structure and pharmacological action and which are substantially identical in strength, quality, and purity, or *two or more devices which are substantially similar in design and purpose* or (3) no official name has been applied to a medically useful drug *or device*, he shall transmit in writing to the compiler of each official compendium in which that drug or drugs *or device* are identified and recognized his request for the recommendation of a single official name for such drug or drugs *or device* which will have usefulness and simplicity. Whenever such a single official name has not been recommended within one hundred and eighty days after such request, or the Secretary determines that any name so recommended is not useful for any reason, he shall designate a single official name for such drug or drugs *or device*. Whenever he determines that the name so recommended is useful, he shall designate that name as the official name of such drug or drugs *or device*. Such designation shall be made as a regulation upon public notice and in accordance with the procedure set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003).

(d) After each such review, and at such times as the Secretary may determine to be necessary or desirable, the Secretary shall cause to be compiled, published, and publicly distributed a list which shall list all revised official names of drugs *or devises* designated under this section and shall contain such descriptive and explanatory matter as the Secretary may determine to be required for the effective use of those names.

(e) Upon a request in writing by any compiler of an official compendium that the Secretary exercise the authority granted to him under section 508(a), he shall upon public notice and in accordance with the procedure set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003) designate the official name of the drug *or device* for which the request is made.

* * * * *

REGISTRATION OF PRODUCERS OF DRUGS AND DEVICES[1]

SEC. 510. (a) As used in this section—

(1) the term "manufacture, preparation, propagation, compounding, or processing" shall include repackaging or otherwise changing the container, wrapper, or labeling of any drug package *or device package* in furtherance of the distribution of the drug *or device* from the original place of manufacture to the person who makes final delivery or sale to the ultimate consumer *or user*; and

(2) the term "name" shall include in the case of a partnership the name of each partner and, in the case of a corporation, the name of each corporate officer and director, and the State of incorporation.

(b) On or before December 31 of each year every person who owns or operates any establishment in any State engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs *or a device or devices* shall register with the Secretary his name, places of business, and all such establishments.

(c) Every person upon first engaging in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs *or a device or devices* in any establishment which he owns or operates in any State shall immediately register with the Secretary his name, place of business, and such establishment.

[(d) Every person duly registered in accordance with the foregoing subsections of this section shall immediately register with the Secretary any additional establishment which he owns or operates in any State and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs.]

(d)(1) Every person duly registered in accordance with the foregoing subsections of this section shall immediately register with the Secretary any additional establishment which he owns or operates in any State and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs, or of a device or devices.

(2) Every person who is registered with the Secretary pursuant to the first sentence of subsection (b) *or* (c) *or paragraph (1) of this subsection shall, if any device is thereafter manufactured, prepared, propagated, compounded, or processed in any establishment with respect to which he is so registered, immediately file a supplement to such registration with the Secretary indicating such fact.*

* * * * *

(g) The foregoing subsections of this section shall not apply to—

(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs *or devices*, upon prescriptions of practitioners licensed to administer such drugs *or devices* to patients under the care of such practitioners in the course of their professional practice, and which do not manufacture, prepare, propagate, compound, or process drugs *or devices* for sale other than in the regular course of their business of dispensing or selling drugs *or devices* at retail;

(2) practitioners licensed by law to prescribe or administer drugs *or devices* and who manufacture, prepare, propagate, compound, or process drugs *or devices* solely for use in the course of their professional practice;

(3) persons who manufacture, prepare, propagate, compound, or process drugs or devices solely for use in research, teaching, or chemical analysis and not for sale;

(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that registration by such classes of persons in accordance with this section is not necessary for the protection of the public health.

(h) Every establishment in any State registered with the Secretary pursuant to this section shall be subject to inspection pursuant to section 704 and shall be so inspected by one or more officers or employees duly designated by the Secretary at least once in the 2-year period beginning with the date of registration of such establishment pursuant to this section and at least once in every successive 2-year period thereafter.

(i) Any establishment within any foreign country engaged in the manufacture, preparation, propagation, compounding or processing of a drug or drugs or a device or devices shall be permitted to register under this section pursuant to regulations promulgated by the Secretary. Such regulations shall require such establishment to provide the information required by subsection (j) in the case of a device or devices and shall include provisions for registration of any such establishment upon condition that adequate and effective means are available, by agreement with the government of such foreign country or otherwise, to enable the Secretary to determine from time to time whether drugs *or devices* manufactured, prepared, propagated, compounded, or processed in such establishment, if imported or offered for import into the United States, shall be refused admission on any of the grounds set forth in section 801(a) of this Act.

(j)(1) Every person who registers with the Secretary under subsection (b), (c), or (d) shall, at the time of registration under any such subsection, file with the Secretary [a list of all drugs (by established name] *a list of all drugs and a list of all devices (in each case by established name* (as defined in section 502(e)) and by any proprietary name) which are being manufactured, prepared, propagated, compounded, or processed by him for commercial distribution and which he has not included in any list of drugs *or devices* filed by him with the Secretary under this paragraph or paragraph (2) before such time of registration. Such list shall be prepared in such form and manner as the Secretary may prescribe and shall be accompanied by—

(A) in the case of a drug contained in [such] *the applicable list* [list] and subject to section 505, 506, 507, or 512, *or a device contained in the applicable list with respect to which a performance standard has been promulgated under section 513 or which is subject to section 514* a reference to the authority for the marketing of such drug *or device* and a copy of all labeling for such drug *or device;*

(B) in the case of any other drug *or device* contained in [such list—] *an applicable list—*

[(i) which is subject to section 503(b)(1), a copy of all labeling for such drug, a representative sampling of advertisements for such drug, and, upon request made by the Secretary for good cause, a copy of all advertisements for such drug, product, or

(i) which drug is subject to section 503(b) (1), or which device, is a prescription device *a copy of all labeling for such drug or device, a representative sampling of advertisements for such drug or device, and, upon request made by the Secretary for good cause, a copy of all advertisements for a particular drug product or device, or;*

[(ii) which is not subject to section 503 (b)(1), the label and package insert for such drug and a representative sampling of any other labeling for such drug:]

(ii) which drug is not subject to section 503(b)(1), or which device is not a prescription device, the label and package insert for such drug or device and a representative sampling of any other labeling for such drug or device;

(C) in the case of any drug contained in [such list] *an applicable list* which is described in subparagraph (B), a quantitative listing of its active ingredient or ingredients, except that with respect to a particular drug product the Secretary may require the submission of a quantitative listing of all ingredients if he finds that such submission is necessary to carry out the purposes of this Act; and

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[1] The Congress hereby finds and declares that in order to make regulation of interstate commerce in drugs *and devices* effective, it is necessary to provide for registration and inspection of all establishments in which drugs *or devices* are manufactured, prepared, propagated, compounded, or processed; that the products of all such establishments are likely to enter the channels of interstate commerce and directly affect such commerce; and that the regulation of interstate commerce in drugs *and devices* without provision for registration and inspection of establishments that may be engaged only in intrastate commerce in such drugs *or devices* would discriminate against and depress interstate commerce in such drugs *and devices*, and adversely burden, obstruct, and affect such interstate commerce.

(D) if the registrant filing [the] *a* list has determined that a particular drug product contained in such list is not subject to section 505, 506, 507, or 512, *or the particular device contained in such a list is not subject to a performance standard promulgated under section 513, or is not a prescription device* a brief statement of the basis upon which the registrant made such determination if the Secretary requests such a statement with respect to that particular drug product [.] *or device.*

(2) Each person who registers with the Secretary under this subsection shall report to the Secretary once during the month of June of each year and once during the month of December of each year the following information:

(A) A list of each drug *or device* introduced by the registrant for commercial distribution which has not been included in any list previously filed by him with the Secretary under this subparagraph and paragraph (1) of this subsection. A list under this subparagraph shall list a drug *or device* by its established name (as defined in section 502(e)) and by any proprietary name it may have and shall be accompanied by the other information required by paragraph (1).

(B) If since the date the registrant last made a report under this paragraph (or if he has not made a report under this paragraph, since the effective date of this subsection) he has discontinued the manufacture, preparation, propagation, compounding, or processing for commercial distribution of a drug *or device* included in a list filed by him under subparagraph (A) or paragraph (1) notice of such discontinuance, the date of such discontinuance, and the identity (by established name (as defined in section 502 (e)) and by any proprietary name) of such drug *or device.*

(C) If since the date the registrant reported pursuant to subparagraph (B) a notice of discontinuance he has resumed the manufacture, preparation, propagation, compounding, or processing for commercial distribution of the drug *or device* with respect to which such notice of discontinuance was reported; notice of such resumption, the date of such resumption, the identity of such drug *or device* (*each* by established name (as defined in section 502(e)) and by any proprietary name), and the other information required by paragraph (1), unless the registrant has previously reported such resumption to the Secretary pursuant to this subparagraph.

(D) Any material change in any information previously submitted pursuant to this paragraph or paragraph (1).

(3) The Secretary may also require each registrant under this section to submit a list of each drug product which (A) the registrant is manufacturing, preparing, propagating, compounding, or processing for commercial distribution, and (B) contains a particular ingredient. The Secretary may not require the submission of such a list unless he has made a finding that the submission of such a list is necessary to carry out the purposes of this Act.

Preliminary classification of devices

Sec. 511. (a) Within sixty days after funds are first appropriated for the implementation of this section, the Secretary shall appoint and organize separate classification panels of experts, qualified by scientific training and experience, to review and classify devices intended for human use into appropirate categories based on the safety and effectiveness of such devices. Each panel shall review all devices intended for human use within its respective scientific field for purposes of appropriate classification and shall submit within one year of its appointment a report of its findings and conclusions to the Secretary. To the maximum extent practical the panel or panels shall provide an opportunity for any interested person to submit data and views on the classification of a device (or type or class of device). The Secretary may utilize any such panels which may have been formed for the purpose of such classification prior to enactment of this section and such panels may utilize information and findings developed prior to enactment of this section in making such reports. Such panels shall also serve as scientific review panels under section 514.

(b) (1) Panel members shall be qualified by training and experience to evaluate the safety and effectiveness of devices in the category or class of devices to be referred to such a panel and to the extent feasible shall possess skill in the use of or experience in the development, manufacture, perfection, or utilization of such devices. In addition to such experts, each panel shall include as nonvoting members a representative of consumer interests and a representative of industry interests. Panel members may be nominated by appropriate scientific, trade, and consumer organizations.

(2) The panels shall be organized according to the various fields of clinical medicine and the fundamental sciences which utilize medical devices, and shall consist of members with diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, or other related professions. The Secretary shall designate one of the members of each panel to serve as chairman thereof. Panel members shall, while attending meetings or conferences of the panel or otherwise engaged on its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently. The Secretary shall furnish each panel with adequate clerical and other necessary assistance, and shall prescribe by regulation the procedures to be followed by each panel.

(c) Panels appointed pursuant to subsection (a) shall submit (in the final report of the panel or such interim reports as may be appropriate) recommendations for the classification of devices for purposes of and in accordance with sections 513 and 514 into one of the three following classes and shall, to the extent practicable, assign priorities within such classes:

(1) Those devices (A) for which insufficient information exists to—

(i) assure effectiveness, or

(ii) assure that exposure to such devices will not cause unreasonable risk of illness or injury, and

(B) for which standards or other means may not be appropriate to reduce or eliminate such risk of illness or injury and which therefore should be subject to premarket scientific review pursuant to section 514. Such review, either initial or continuing, shall be required if the panels determine that such device purports or is represented to be for a use which is life sustaining or life supporting.

(2) Those devices for which in order to assure effectiveness or to reduce or eliminate unreasonable risk of illness or injury it is appropriate to establish reasonable performance standards pursuant to section 513 relating to safety and effectiveness and for which other means may not be appropriate to reduce or eliminate such risk of illness or injury.

(3) Those devices which are safe and effective when used in conjunction with instructions for usage and warnings of limitation, which are adequate for the persons by whom the device is represented or intended for use, which present a minimum risk, and which should be exempt from requirements for scientific review or performance standards.

(d) As soon as possible after filing of the report required for compliance with subsection (a), the Secretary shall publish such report in the Federal Register and provide interested persons an opportunity to comment thereon. After reviewing such comments the Secretary shall by regulation provide for preliminary classification of such devices. The Secretary may establish priorities for implementing the action warranted by such classification under sections 513 and 514 and may defer such action for any device until an appropriate time, consistent with expenditious implementation of these provisions.

(e) The Secretary, with the advice of the appropriate panel and after making a specific finding and publishing such finding in the Federal Register and providing interested persons an opportunity for comment thereon may by regulation change the preliminary classification of a device or group of devices from one category to another.

(f) The preliminary classification of a device shall constitute public notice that, as expeditiously as is feasible, the Secretary will issue a final classification in the form of a determination of a need for a performance standard pursuant to section 513 or a determination of the need for scientific review pursuant to section 514. The preliminary classification shall not relieve the Secretary of any obligation to provide notice as required by sections 513 and 514. Any interested person will have an opportunity, pending such final classification, to undertake studies and other work appropriate to develop a performance standard or to demonstrate the safety and effectiveness of a device.

(g) After the promulgation of regulations under subsection (d) of this section and commensurate with the effective date of section 501(f) a manufacturer of a medical device which has not been classified in accordance with this section shall file an application for the classification of the device and must receive from the Secretary notification of the classification of such device. The Secretary shall act on the application within sixty days unless the Secretary and the manufacturer agree to an additional period of time. The Secretary shall classify the devices in accordance with the criteria and procedures listed in 511, 513, and 514 including the requirement for consultation with the appropriate panel or panels. The appeal provisions of sections 513 and 514 shall apply.

* * * * *

PERFORMANCE STANDARDS FOR MEDICAL DEVICES

Authority To Set Standards

SEC. 513. (a)(1) Whenever in the judgment of the Secretary such action is appropriate to assure effectiveness or to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device (including the need for uniformity and compatibility with systems or environments in which it is intended to be used) and for which other means may not be appropriate to reduce or eliminate such risk of illness or injury he shall by order issued in accordance with subsection (c) of this section promulgate for any device, or type or class of device, for which a performance standard has been determined to be appropriate pursuant to section 511(d), a performance standard relating to safety and effectiveness (including effectiveness over time), and including where necessary: the composition, the construction, the compatibility with power systems and connections, and the properties, and including where appropriate the uniform identification of such device. Such performance standard shall where appropriate include provisions for the testing of the device and the measurement of its characteristics (including individual lot testing by or at the direction of the Secretary where necessary to assure the accuracy and reliability of results when it is determined that no other more practicable means to assure accuracy and reliability are available to the Secretary) and shall where appropriate require the use and prescribe the form and content of instructions or warnings necessary for the proper installation, maintenance, operation, and use of the device.

(2) A performance standard may require that the device or any component thereof be marked, tagged, or accompanied by clear and adequate warnings or instructions reasonably necessary for the protection of health or safety.

(3) The Secretary shall provide for a periodic evaluation of the adequacy of all performance standards promulgated under this section in order to reflect changes in the state of the art of the development of devices and in applicable medical, scientific, and other technological data.

(4) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined with regard to such intended use.

Consultation with Other Federal Agencies and Interested Groups; Use of Other Federal Agencies

(b)(1) Prior to (A) initiating a proceeding under subsection (c) to promulgate a performance standard under this section, (B) initiating the development of a proposed performance standard under subsection (f) of this section, or (C) the taking of any action under subsection (g) of this section, the Secretary shall to the maximum practicable extent consult with, and give appropriate weight to relevant standards published by, other Federal agencies concerned with standard setting and other nationally or internationally recognized standard-setting agencies or organizations. In considering proposals for the development of performance standards, the Secretary shall to the maximum extent practicable invite appropriate participation, through joint or other conferences, workshops, or other means, by informed persons representative of scientific, professional, industry, and consumer organizations which in his judgment can make a significant contribution to such development.

(2) In carrying out his duties under this section, the Secretary shall utilize to the maximum practicable extent the personnel, facilities, and other technical support available in other Federal agencies.

Initiation of Proceeding for Performance Standards—Development by Interested Parties

(c)(1) A proceeding to promulgate a performance standard under this section shall be initiated by the Secretary by publication of notice in the Federal Register. Such notice shall advise of the opportunity for comment on the need to initiate such proceeding and shall include—

(A) a description or other designation of the device (or type or class of device) to which the proceeding relates;

(B) the nature of the risk or risks intended to be controlled;

(C) a summary of the data on which the Secretary has found a need for initiation of the proceeding;

(D) identification of any existing performance standard (if known to the Secretary) which may be relevant to the proceeding; and

(E) an invitation to any person, including any Federal agency, which has developed or is willing to develop a proposed performance standard to submit to the Secretary, within sixty days after the date of such notice (i) such a performance standard; or (ii) an offer to develop a proposed performance standard in accordance with procedures prescribed by regulations of the Secretary. Such invitation shall specify a period of time, during which the performance standard is to be developed, which shall be a period ending one hundred and eighty days after the publication of the notice, unless the Secretary for good cause finds (and includes such finding in a notice published in the Federal Register) that a different period is appropriate.

(2) Prior to his issuance of an order to promulgate a performance standard, the Secretary shall consider—

(A) the degree of risk of illness or injury associated with those aspects of the devices subject to the order;

(B) the approximate number of devices, or types or classes thereof, subject to the order;

(C) the benefit to the public from the devices subject to the order, and the probable effect of the order upon the utility, cost or availability of the devices to meet that need;

(D) means of achieving the objective of the order with a minimal disruption or dislocation of competition and of reasonable manufacturing and other commercial practices consistent with the public health and safety; and

(E) data and comments submitted pursuant to subsection (c) relevant to such order.

(3) Before taking action pursuant to subsections (d), (e), and (f) concerning the use of an existing performance standard or the designation of a person or governmental body to formulate a proposed performance standard, or simultaneous with such action, the Secretary shall publish a notice in the Federal Register containing his findings pursuant to paragraph (2) on the need to establish a standard. Such findings shall be made only after consideration of the report, comments, and regulation provided for in section 511(d) and the comments received under the notice described in subsection (a)(1), and may be appealed to the courts pursuant to subsection (g)(5) within thirty days after publication in the Federal Register.

Use of Existing Performance Standards

(d) If the Secretary (1) finds that there exists a standard which has been published by any Federal agency or other qualified agency, organization, or institution, (2) has made reference to such standard (unless it is a standard submitted under subsection (c)(1)(E)) in his notice pursuant to subsection (c)(1)(D), and (3) determines that such performance standard may be substantially acceptable to him as a device standard, then he may, in lieu of accepting an offer under this section, publish such performance standard as a proposed device performance standard in accordance with subsection (g).

Acceptance of Offers To Develop Performance Standards

(e)(1) Except as otherwise provided by subsection (d), the Secretary may accept one or more offers to develop a proposed performance standard pursuant to the invitation prescribed by subsection (c)(1)(E) if he determines that (A) the offeror is technically competent to undertake and complete the development of an appropriate performance standard within the period specified in the invitation under subsection (c)(1)(E) and (B) the offeror has the capacity to comply with procedures prescribed by regulations of the Secretary under paragraph (4) of this subsection. Where more than one offer is received and the Secretary determines that the requirements of subparagraphs (A) and (B) have been met, the Secretary shall, wherever practicable, give priority to offerors who have no proprietary interest in the device for which the standard is to be developed. The Secretary shall require, by regulation, that in making an offer, each offeror and appropriate individual directors, officers, consultants, and employees of each offeror company, disclose the following information:

(i) all current industrial or commercial affiliations;

(ii) sources of research support other than the offeror;

(iii) companies in which offerors have financial interests;

(iv) such additional information as the Secretary deems pertinent to reveal potential conflicts of interest with regard to the offer.

The information received by the Secretary from an offeror whose offer has been accepted shall be made public by the Secretary at the time that an offer is accepted.

(2) The Secretary shall publish in the Federal Register the name and address of each person whose offer is accepted, and summary of the terms of such offer as accepted.

(3) When an offer is accepted under this subsection the Secretary may agree to contribute to the offeror's cost in developing a proposed performance standard, if the Secretary determines that such contribution is likely to result in a more satisfactory performance standard than would be developed without such contribution, and that the offeror is financially responsible. Regulations of the Secretary shall set forth the items of cost in which he may participate, except that such items may not include construction (except minor remodeling), or the acquisition of land or buildings.

(4) The Secretary shall prescribe regulations governing the development of proposed performance standards under this subsection and subsection (f). Such regulation shall include requirements—

(A) that performance standards recommended for promulgation be supported by test data or such other documents or materials as the Secretary may reasonably require to be developed, and be suitable for promulgation under subsection (g);

(B) that performance standards recommended for promulgation contain such test methods as may be appropriate for measurement of compliance with such performance standards;

(C) for notice and opportunity by interested persons, including representatives of consumers or consumer organizations, to participate in the development of such performance standards;

(D) for the maintenance of such records as the Secretary prescribes in such regulations to disclose the course of the development of performance standards recommended for promulgation, the comments and other information submitted by any person in connection with such development, including comments and information with respect to the need for such recommended performance standards, and such other matters as may be relevant to the evaluation of such recommended performance standards; and

(E) that the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, have access for the purpose of audit and examination to any books, documents, papers, and records, relevant to the expenditure of any contribution of the Secretary, under paragraph (3).

Development of Performance Standards by the Secretary

(f) If the Secretary has published a notice as provided by subsection (c), and—

(1) no person accepts the invitation prescribed by subsection (c)(1)(E);

(2) the Secretary has accepted neither an existing performance standard pursuant to subsection (d) nor an offer to develop a proposed performance standard pursuant to subsection (e); or

(3) the Secretary has accepted an offer pursuant to subsection (e) but determines that the offeror is unwilling or unable to continue the development of the performance standard which was the subject of the offer or the performance standard which has been developed is not satisfactory;

then the Secretary shall proceed to develop a proposed performance standard pursuant to procedures prescribed by subsection (g).

Procedure for Promulgation, Amendment, or Revocation of Performance Standards

(g)(1)(A) Within one year after expiration of the period provided for persons to submit a proposed performance standard or offer to develop a proposed performance standard (which time may be extended by the Secretary by a notice published in the Federal Register stating the good cause therefor) and after review of any proposal submitted under subsection (e), the Secretary shall publish in the Federal Register either a proposal to promulgate a performance standard applicable to the device (or type or class of device) subject to the proceeding, or a notice that the proceeding is terminated. The proposal to promulgate a performance standard shall set forth the performance standard, the manner in which interested persons may examine data and other information on which the performance standard is based, and the period within which interested persons may present their comments on the standard (including the need therefor) orally or in writing. Such period for comment shall be at least sixty days, but not to exceed ninety days which time may be extended by the Secretary by a notice published in the Federal Register stating the cause therefor.

(B) Within ninety days after the expiration of the period for comments pursuant to paragraph (A), the Secretary shall, by order published in the Federal Register, act upon the proposed performance standard or terminate the proceeding. The order shall set forth the performance standard, if any, the reasons for the Secretary's action, and the date or dates upon which the performance standard, or portions thereof, will become effective. Such date or dates shall be established so as to minimize, consistent with the public health and safety, economic loss to, and disruption or dislocation of, domestic and international trade. If any performance standard set forth in the order is substantially different from that set forth in the proposal an additional period of thirty days shall be permitted for comment on such performance standard.

(C) The Secretary may include in the order promulgating a performance standard such findings in addition to those made pursuant to subsection (c)(3) as he may determine to be necessary to support the judgment required by subsection (a)(1).

(2) The Secretary may revoke any performance standard, in whole or in part, upon the ground that there no longer exists a need therefor or that such performance standard (or part thereof) is no longer in the public interest. Such revocation shall be published as a proposal in the Federal Register and shall set forth such performance standard or portion thereof to be revoked, a summary of the reasons for his determination that there may no longer be a need therefor or that such standard (or any part thereof) may no longer be in the public interest, the manner in which interested persons may examine data and other information relevant to the Secretary's determination, and the period within which any interested person may present his views, orally or in writing, with respect to such revocation. As soon as practicable thereafter, the Secretary shall by order act upon such proposal and shall publish such order in the Federal Register. The order shall include the reasons for the Secretary's action and the date or dates upon which such revocation shall become effective.

(3) The Secretary may propose an amendment of a performance standard on his own initiative or on the petition of any interested person by publishing such proposal in the Federal Register. Such proposal shall be subject to paragraphs (4) and (5) of this subsection and subsection (h).

(4) To the extent not inconsistent with this section, the provisions of section 553 of title 5 of the United States Code, shall govern proceedings under this section to promulgate, amend, or revoke a performance standard.

(5)(A) In a case of actual controversy as to the validity of any order promulgating, amending, or revoking a performance standard or findings that a standard is needed or a regulation banning a device, any person who will be adversely affected by such order if placed in effect may at any time prior to the thirtieth day after such order is issued file a petition with the United States Court of Appeals for the District of Columbia or for the circuit wherein such person resides or has his principal place of business, for a judicial review of such order. A copy of the petition shall be transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based his order, as provided in section 2112 of title 28, United States Code.

(B) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary the court may order such additional evidence (and evidence in rebuttal thereof) to be presented to the Secretary The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence, so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

(C) Upon the filing of the petition referred to in subparagraph (A) of this paragraph, the court shall have jurisdiction to affirm the order, or to set it aside in whole or in part, temporarily, or permanently. If the order of the Secretary refuses to issue, amend, or repeal a regulation and such order is not in accordance with law the court shall by its judgment order the Secretary to take action with respect to such regulation, in accordance with law. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

(D) The judgment of the court affirming or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended.

(E) Any action instituted under this subsection shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office.

(F) A certified copy of the transcript of the record of the proceedings before the Secretary shall be furnished by the Secretary to any interested party at his request, and payment of the costs thereof and shall be admissible in any criminal libel for condemnation, exclusion of imports, or other proceeding arising under or in respect of this Act, notwithstanding proceedings with respect to the order have been previously instituted or become final under this subsection.

(6) The Secretary may by regulations prohibit a manufacturer of a device from stockpiling any device to which a performance standard applies, so as to prevent such manufacturer from circumventing the purpose of such performance standard. For purposes of this paragraph, the term 'stockpiling' means manufacturing or importing a device between the date of promulgation of such performance standard and its effective date at a rate which is significantly greater (as determined under the regulations under this paragraph) than the rate at which such device was produced or imported during a base period (prescribed in the regulations under this paragraph) ending before the date of promulgation of the performance standard.

Referral to Independent Advisory Committee

(h)(1) The Secretary may refer a proposal under subsection (g) to an advisory committee of experts for a report and recommendation with respect to any matter involved in such proposal which requires the exercise of scientific judgment. Such referral shall be prior to or after publication under such subsection, and shall be so referred upon a request, within the time for comment specified in the proposal, of any interested person (unless the Secretary finds the request to be without good cause). For the purpose of any such referral, the Secretary shall appoint an advisory committee (which may be a standing advisory scientific review panel established under section 514(b)) and shall refer to it, together with all the data before him, the matter so involved for study, and for a report and recommendation. The advisory committee shall, after independent study of the data furnished to it by the Secretary and other data before it, certify to the Secretary a report and recommendations, together with all underlying data and a statement of the reasons or basis for the recommendations. A copy of such report shall be promptly supplied by the Secretary to any person who has filed a petition, or who has requested such referral to the advisory committee. After giving consideration to all data then before him, including such report, recommendations, underlying data, and statement, and to any prior order issued by him in connection with such matter, the Secretary shall by order conform or modify any prior order, or, if no such prior order has been issued, shall by order act upon the proposal. Any interested person shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person, in connection with the matter referred to it.

(2) The Secretary shall appoint as members of any such advisory committee persons qualified in the subject matter to be referred to the committee and of appropriately diversified professional background. Members of an advisory committee who are not in the regular full-time employ of the United States, while attending conferences or meetings of their committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary but not at rates exceeding the daily equivalent for grade GS-18 of the General Schedule for each day so engaged, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Secretary shall furnish the committee with clerical and other assistance, and shall by regulation prescribe the procedures to be followed by the committee.

Testing or Manufacture of Devices To Assure Compliance With Standards

(i)(1) Every manufacturer of a device subject to a standard under this section shall assure the Secretary, at such times and in such form and manner as the Secretary shall by regulation prescribe, that testing methods prescribed by the performance standard show the device to comply therewith, or that the device has been manufactured under a program of quality control which is in accord with current good manufacturing practice (as may be determined by regulations of the Secretary) designed to assure such compliance.

(2) To assure that devices conform to performance standards under this section, the Secretary shall review and evaluate on a continuing basis testing and other quality control programs carried out by manufacturers of devices subject to such performance standards.

Exemption

(j) This section shall not apply to any device (1) intended solely (A) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (B) to affect the structure or any function of the body of such animals; or (2) subject to section 514 except for those characteristics of the device made subject to provisions of existing performance standards by an application approved pursuant to that section; or (3) any device of a particular manufacturer which the Secretary finds pursuant to regulations issued after an opportunity for a hearing may notwithstanding any standard promulgated under this section be marketed pursuant to an approval under section 514.

Temporary Permits

(k) The Secretary shall issue regulations permitting the interstate shipment of devices varying from an applicable performance standard for the purpose of investigation or other testing prior to amendment of the standard. Such regulations may include reasonable conditions related to the safety and effectiveness of the devices.

Custom Devices

(l) This section shall not apply to any custom device to the extent that it is ordered by a physician (or other specially qualified persons, authorized by regulations promulgated by the Secretary, after an opportunity for a hearing) to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable performance standard except those specifically order by a physician or such other authorized person to be changed. This subsection shall apply only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k). Custom devices shall not be used as a course of conduct and shall not be generally available in finished form for purchase or for dispensing upon prescription, and whether in finished form or otherwise, shall not be made available through commercial channels by the maker or processor thereof.

Banned Device

(m)(1) Whenever the Secretary finds after consultation with the appropriate panel or panels established under section 514(b) and after affording all interested persons an opportunity for an informal hearing, that—

(A) a device presents an unreasonable risk of illness or injury or deception; and

(B) no feasible performance standard or approved application under section 514 would adequately protect the public from the unreasonable risk of illness or injury or deception associated with such device,

he may propose and, in accordance with subsection (g), promulgate a regulation declaring such product a banned device.

(2) The Secretary may declare a proposed regulation banning a device to be effective on an interim basis after publication in the Federal Register, pending completion of the procedures established in subsection (g)(3), if he determines, after affording all interested persons an opportunity for an informal hearing, that such banning will expeditiously reduce or eliminate a hazard to the public health or safety, fraud, or gross deception associated with such device.

Expedited Amendment

(n) The Secretary may declare a proposed amendment of a performance standard to be effective on an interim basis after publication in the Federal Register, pending completion of the procedures established in subsection (g)(3), if he determines, after affording all interested persons an opportunity for an informal hearing, that such amendment will permit rapid implementation of desirable changes or will expeditiously reduce or eliminate a hazard to the public health or safety without prohibiting devices permitted by the existing performance standard and that to do so is in the public interest.

SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

When Scientific Review Is Required

SEC. 514. (a)(1) The Secretary may declare that a device (or type or class of device) for which scientific review has been determined to be appropriate pursuant to section 511(d) shall be subject to scientific review under this section with respect to any particular use or intended use thereof it, after consultation with the appropriate panel or panels specified in subsection (b), he finds that (A) such review is appropriate to assure effectiveness or is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device and (B) other means available to the Secretary may not be appropriate to reduce or eliminate such risk of illness or injury. (2) The Secretary may declare that a device (or type or class of device) shall be subject to scientific review under this section with respect to any particular use or intended use thereof if he (A) determines that scientific review for any device is appropriate to protect the public health and safety and (B) finds that other means available to the Secretary may not be appropriate to reduce or eliminate such risk of illness or injury. To the maximum extent practicable the panel or panels shall provide an opportunity for any interested person to submit data and views on the appropriateness of applying scientific review to a device (or type or class of device) or any particular use of a device. The declaration shall be by regulation (which may be rescinded by the Secretary) which shall not set forth and be based upon the report, comments, and regulations provided for in section 511(d), the findings prescribed in this subsection, and findings as described in section 513(c)(2). The promulgation of such regulation may be appealed to the courts pursuant to the provisions of section 513(g)(5) within thirty days after publication in the Federal Register. A device (or type or class of device) declared to be subject to scientific review shall be deemed unsafe or ineffective for the purpose of the application of section 501(f) unless either—

(i) there is in effect an approval of an application with respect to such device under this section,

(ii) such device is exempted by or pursuant to subsections (k), (l), or (m) of this section, or

(iii) such device is intended solely (I) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (II) to affect the structure or any function of the body of such animals.

Standing Advisory Scientific Review Panels

(b) For the purpose of reviewing applications filed under subsection (c), and of reviewing plans and protocols submitted under subsection (k)(4), and of reviewing product development protocol under subsection (m)(2) the Secretary shall utilize the standing advisory panels established under section 511. The selection, payment, and administration of these panels shall be governed by section 511.

Application for Scientific Review

(c)(1) Scientific review of a device (or type or class of device) which has been declared subject to such review in accordance with subsection (a) may be obtained by submitting to the Secretary an application for his determination of the safety and effectiveness of the device. The application shall contain (A) full reports of all information, published or known to or which should reasonably be known to the applicant, concerning investigations which have been made to show whether or not such device is safe and effective for use; (B) a full statement of the composition, properties, and construction, and of the principle or principles of operation, of such device; (C) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and, when relevant, packing and installation of such device; (D) an identifying reference to any performance standard, applicable to such device, or component of such device, which is in effect pursuant to section 513, and either adequate information to show that such device fully meets such performance standard or adequate information to justify any deviation from such standard; (E) such samples of such device and of the articles used as components thereof as the Secretary may require; (F) specimens of the labeling proposed to be used for such device; and (G) such other information, relevant to the subject matter of the application, as the Secretary, upon advice of the appropriate panel or panels established pursuant to subsection (b), may require.

(2) Upon receipt of an application meeting the requirements set forth in paragraph (1), the Secretary shall refer such application to the appropriate panel or panels (established pursuant to subsection (b)) for study and for submission (within such period, if any, as he may establish) of a report and recommendations, together with all underlying data and the reasons or basis for the recommendations. The provisions of section 706(d)(2) shall apply with respect to the material so submitted.

Consideration of an Initial Action on Application

(d) As promptly as possible, but in no event later than one hundred and twenty days after the receipt of an application under subsection (c), unless an additional period is agreed upon by the Secretary and the applicant, the Secretary, after considering the report and recommendations referred to in paragraph (2) of such subsection, shall—

(1) approve the application if he finds that none of the grounds for denying approval specified in subsection (e) applies,

(2) advise the applicant that the application is not in approvable form; and inform the applicant, insofar as the Secretary determines to be practicable, of the measures required to place such application in approvable form (which measures may include further research by the applicant in accordance with one or more protocols, prescribed by the Secretary); or

(3) deny approval of the application if he finds (and sets forth the basis of such findings as part of or accompanying such denial) that one or more grounds for denial specified in subsection (e) applies.

Basis for Approval or Disapproval; Opportunity for Review

(e)(1) If, upon the basis of the information submitted to the Secretary as part of the application and any other information before him with respect to such device the Secretary finds, after opportunity to the applicant for the review prescribed by paragraph (4), that—

(A) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof;

(B) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing and installation of such device do not conform to the requirements of section 501(g);

(C) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof;

(D) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular; or

(E) such device is not shown to conform in all applicable respects to a currently effective performance standard promulgated under section 513;

he shall issue an order denying approval of the application and stating the findings upon which the order is based. In determining if a device is shown to be safe for purposes of this paragraph, the Secretary shall weigh any benefit to the public health probably resulting from the use of the device against any hazard to the public health probably resulting from such use.

(2) As used in this subsection and subsection (f), the term 'adequate scientific evidence' means evidence consisting of sufficient well-controlled investigations, including clinical investigations where appropriate, by experts qualified by scientific training and experience to evaluate the effectiveness of the device involved, on the basis of which it could fairly and responsibly be concluded by such experts that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof, unless the Secretary determines that other valid scientific evidence is sufficient to establish the effectiveness of the device.

(3) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined in the light of such intended use.

(4)(A) An applicant whose application has been denied approval may, by petition filed on or before the thirtieth day after the date upon which he receives notice of such denial, obtain review thereof in accordance with subsection (i). The Secretary shall consider and give appropriate weight to the report and recommendations received from the advisory committee conducting such review under such subsection.

(B) In lieu of the review provided by subparagraph (A), such applicant may petition to obtain a hearing in accordance with section 554 of title 5 of the United States Code.

Withdrawal of Approval

(f)(1) The Secretary may, upon obtaining where appropriate, advice on scientific matters from a panel or panels established pursuant to subsection (b), and after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application with respect to a device under this section if the Secretary finds—

(A)(i) that clinical or other experience, tests, or other scientific data show that such device is unsafe for use under the conditions of use for which the application was approved; or (ii) on the basis of evidence of clinical experience, not included in or accompanying such application and not available to the Secretary until after the application was approved, or of tests by new methods or by methods not reasonably applicable when the application was approved, evaluated together with the evidence available to the Secretary when the application was approved, that such device is not shown to be safe for use under the conditions of use on the basis of which the application was approved;

(B) on the basis of new information before him with respect to such device, evaluated together with the evidence available to him when the application was approved, that there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof;

(C) that the application filed pursuant to subsection (c) contains or was accompanied by an untrue statement of a material fact;

(D) that the applicant has failed to establish a system for maintaining records, or has repeatedly or deliberately failed to maintain records or to make reports, required by an applicable regulation or order under subsection (a) of section 516, or that the applicant has refused to permit access to, or copying or verification of such records as required by paragraph (2) of such subsection;

(E) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the methods used in, or the facilities and controls used for, the manufacture, processing, packing, or installation of such device do not conform to the requirements of section 501(g) and were not brought into conformity with such requirements within a reasonable time after receipt of written notice from the Secretary; or

(F) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the labeling of such device, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary; or

(G) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that such device is not shown to conform in all respects to an applicable performance standard promulgated pursuant to section 513.

(2) If the Secretary (or in his absence the officer acting as Secretary) finds that an imminent health or safety hazard is involved, he may by order suspend the approval of such application immediately and give the applicant prompt notice of his action and afford the applicant an opportunity for an expedited hearing under this subsection. Such authority to suspend the approval of an application may not be delegated.

(3) Any order under this subsection shall state the findings upon which it is based.

Authority To Revoke Adverse Orders

(g) Whenever the Secretary finds that the facts so require, he shall revoke an order under subsection (e) or (f) denying, withdrawing or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

Service of Secretary's Orders

(h) Orders of the Secretary under this section shall be served (1) in person by any officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant of his last known address in the records of the Secretary.

Referral to Independent Advisory Committee

(i)(1) A person who has filed an application under subsection (c) may petition the Secretary, in accordance with subparagraph (A) of subsection (e)(4), to refer such application, or the Secretary's action thereon, to an advisory committee of experts for a report and recommendations with respect to any question therein involved which requires the exercise of scientific judgment. Upon such petition, or if the Secretary on his own initiative deems such a referral necessary, the Secretary shall appoint an advisory committee and shall refer to it, together with all the data before him, the question so involved for study thereof and a report and recommendations thereon. The committee shall, after independent study of the data furnished to it by the Secretary and other data before it, certify to the Secretary a report and recommendations, together with all underlying data and a statement of the reasons or basis for the recommendations. A copy of the foregoing shall be promptly supplied by the Secretary to any person who has filed a petition, or who has requested such referral to the advisory committee. After giving consideration to all data then before him, including such report, recommendations, underlying data, and statement, and to any prior order issued by him in connection with such matter, the Secretary shall by order conform or modify any prior order or, if no such prior order has been issued, shall by order act upon the application. The applicant, as well as representatives of the Secretary, shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person in connection with the question referred to it.

(2) Section 513(h)(2) shall apply to the appointment, compensation, staffing, and procedure of any such advisory committee.

Judicial Review

(j) The applicant may, by appeal taken in accordance with section 505(h), obtain judicial review of a final order of the Secretary denying or withdrawing approval of an application filed under subsection (c) of this section or a final order under subsection (m) revoking an exemption in effect under that subsection. Judicial review of such final order shall not be denied upon the ground that the petitioner has failed to avail himself of the review or hearing provided by subsection (e)(4) or the hearing provided by subsection (m).

Exemption for Investigational Use

(k)(1) It is the purpose of this subsection to encourage, to the maximum extent consistent with the protection of the public health and safety and with professional ethics, the discovery and development of useful devices and to that end to maintain optimum freedom for individual scientific investigators in their pursuit of that objective. All information required under this section to be submitted to the Secretary or to an institutional review committee shall be concise and no more burdensome than is necessary to permit adequate review.

(2) Subject to the succeeding paragraphs of this subsection, there shall be exempt from the requirement of approval of an application under the foregoing provisions of this section any device which is intended solely for investigational use (in an appropriate scientific environment) by an expert or experts qualified by scientific training and experience to investigate the safety and effectiveness of such device.

(3) The Secretary shall promulgate regulations after an opportunity for a hearing, relating to the application of the exemption referred to in paragraph (2) to any device which is intended for use in the clinical testing thereof upon humans, in developing data required to support an application under subsection (c).

(4) Such regulations may provide for conditioning the exemption, in the case of a device intended for such clinical use, upon—

(A) the submission, by the manufacturer of the device or the sponsor of the investigation, of an outline of the plan of initial clinical testing—

(i) to a local institutional review committee which has been established to supervise clinical testing in the facility where the initial clinical testing is to be conducted, the composition and procedures of which comply with regulations of the Secretary, for review as being adequate to justify the commencement of such testing, or

(ii) if no such committee exists or if the Secretary finds that the process of review by such committee is inadequate or that protection of health and safety so requires (whether or not the plan has been approved by such committee), to the Secretary for review by the appropriate panel or panels established pursuant to subsection (b) as being adequate to justify the commencement of such testing;

(B) prompt notification to the Secretary by such manufacturer or sponsor (under such circumstances and in such manner as the Secretary prescribes) of approval of any plan pursuant to clause (A)(i);

(C) the submission, by the manufacturer of the device or the sponsor of the investigation, of an adequate protocol for clinical testing to be conducted by separate groups of investigators under essentially the same protocol, together with a report of prior investigations of the device (including, where appropriate, tests on animals) adequate to justify the proposed testing, either (i) to a local institutional review committee for review in accordance with the provisions of clauses (A)(i) and (B), or (ii) to the Secretary for review in accordance with the provisions of clause (A)(ii) if such testing involves facilities in which no such committee exists, or facilities served by more than one local institutional review committee if such committees are unable to agree on the adequacy of the submission;

(D) the obtaining, by the manufacturer of the device or the sponsor of the investigation, if the device is to be distributed to investigators for testing, of a signed agreement from each of such investigators that humans upon whom the device is to be used will be under such investigator's personal supervision or under the supervision of investigators responsible to him;

(E) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer of the device or the sponsor of the investigation, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of the device, as the Secretary finds will enable him to evaluate the safety and effectiveness of the device in the event of the filing of an application pursuant to subsection (c); and

(F) such other conditions relating to the protection of the public health and safety as the Secretary may determine to be necessary.

Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of devices. The Secretary shall within thirty days of the receipt of a notification or submission pursuant to this paragraph, determine whether the proposed investigation conforms to the requirements of this section. An investigation shall not begin until the sponsor receives notice from the Secretary that the proposed investigation conforms with the requirements of this section. The Secretary may not delay the beginning of an investigation pursuant to this paragraph unless he finds that the investigation does not conform to the requirements of this section and he has notified the sponsor of such findings. The Secretary may exempt investigations from part or all the requirements of this subsection when he determines that to do so is in the public interest.

(5) Such regulations shall assure that the rights and welfare of the subjects involved are adequately protected, that the risks to an individual are outweighed by the potential benefits to him or by the importance of the knowledge to be gained and that informed consent is to be attained by methods that are adequate. Such informed consent shall be obtained in all but exceptional cases.

(A) For the purposes of this section, only the term "informed consent" shall mean the consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without the intervention of any element of force, fraud, deceit, duress, or other form of constraint or coercion. Such consent shall be evidenced by an agreement signed by such person, or his legal representative. The information to be given to the subject in such written agreement shall include the following basic elements:

(1) a fair explanation of the procedures to be followed, including an identification of any which are experimental;

(2) a description of any attendant discomforts and risks reasonably to be expected;

(3) a fair explanation of the likely results should the experimental procedure fail;

(4) a description of any benefits reasonably to be expected;

(5) a disclosure of any appropriate alternative procedures that might be advantageous for the subject;

(6) an offer to answer any inquires concerning the procedures; and

(7) an instruction that the subject is free to either decline entrance into a project or to withdraw his consent and to discontinue participation in the project or activity at any time without prejudicing his future care.

In addition, the agreement entered into by such person or his legal representative, shall include no exculpatory language through which the subject is made to waive, or to appear to waive, any of his legal rights, or to release the institution or its agents from liability for negligence. Any organization which initiates, directs, or engages in programs of research, development, or demonstration which require informed consent shall keep a permanent record of such consent and the information provided the subject and develop appropriate documentation and reporting procedures as an essential administrative function.

(B) The term "exceptional cases" as used in paragraph (5) shall be strictly construed; shall permit the waiver only of those elements of consent listed in subparagraph (A) as may be justified by the circumstances of each case; and shall require the written concurrence in the acting physician's decision by at least two other licensed physicians not involved in the research project, unless in a life threatening situation, it is not feasible to obtain such concurrence.

(6) Whenever the Secretary determines that a device is being or has been shipped or delivered for shipment in interstate commerce for investigational testing upon humans, and that such device is subject to the preceding subsections of this section and fails to meet the conditions for exemption therefrom for investigational use, he shall notify the sponsor of his determination and the reasons therefor, and the exemption will not thereafter apply with respect to such investigational use until such failure is corrected.

(7) In determining whether this subsection is applicable to any device and, if so, whether there has been compliance with the conditions of exemption, or upon application for reconsideration of any such determination, the Secretary shall, if so requested by the sponsor of the investigation, or may on his own initiative, obtain the advice of an appropriate expert or experts who are not otherwise, except as consultants, engaged in the carrying out of this Act.

Custom Devices

(1) This section shall not apply to any custom device to the extent that it is ordered by a physician (or other specially qualified persons authorized by regulations promulgated by the Secretary after an opportunity for a hearing) to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable performance standard except those specifically ordered by a physician or such other authorized person to be changed. This subsection shall apply only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k). Custom devices shall not be used as a course of conduct and shall not be generally available in finished form for purchase or for dispensing upon prescription, and, whether in finished form or otherwise, shall not be made available through commercial channels by the maker or processor thereof:

Product Development Protocol

(m)(1) Any device (or type or class of device), manufactured or distributed by a particular person, which has been made subject to this section by a regulation promulgated by the Secretary, may be exempted by the Secretary from the requirement of approval of an application under the foregoing provisions of this section if—

(A) the nature of the device (or type or class of device) is such that it is likely that it will be subject to frequent modification or rapid obsolescence or will not be produced in substantial volume; and

(B) it is intended solely for use by or under the direction or supervision of a practitioner licensed by law to use or to prescribe the use thereof; and

(C) it is, or will be, investigated in accordance with an approved product development protocol established pursuant to paragraph (2) of this subsection, or it is subject to an effective notice of completion of the requirements of such protocol.

(2) Any person may submit a petition to the Secretary to establish a product development protocol with respect to a particular device (or type or class of device) meeting the requirements set forth in subparagraphs (A) and (B) of paragraph (1) of this subsection. Such petition shall include supporting data and a proposed protocol. The Secretary shall, within thirty days, refer any such petition to the appropriate panel of experts appointed pursuant to subsection (b) of this section. Such panel may, within sixty days, or such other time as may be agreed upon by the panel and the petitioner, approve with or without modification the proposed protocol. The protocol, if approved, shall provide—

(A) the investigational and testing procedures required prior to the commencement of clinical trials of such device and subsequent significant modifications thereto;

(B) a requirement that an institutional review committee similar to that described in clause (i) of subparagraph (A) of paragraph (4) of subsection (k) of this section shall make a written finding that the predicted risk-to-benefit ratio applicable to the use of the device justifies clinical trials and that one or more such committees will continually monitor and make periodic written records on all clinical trials conducted in connection with the institution in which such committee operates;

(C) the type and quantity of clinical trials and findings therefrom required prior to the filing of a notice of completion of a product development protocol;

(D) a requirement for complete records of the investigation to be maintained which are adequate to show compliance with the product development protocol;

(E) a requirement that consent, as described in paragraph (5) of subsection (k) of this section, be obtained from all subjects of the investigation; and

(F) a requirement that copies of all records which are to be maintained pursuant to this paragraph be made available to the Secretary upon request.

(3) If the panel to which such petition has been referred does not approve the proposed protocol within sixty days (or within such other time as may be agreed upon), the Secretary may consider and approve with or without modification the proposed protocol within sixty days after the date he is notified that the panel has concluded not to approve a protocol. If neither the panel nor the Secretary approves a proposed protocol, the Secretary shall issue a final order denying the petition and stating the grounds therefor.

(4) At any time after a product development protocol for a particular device (or type or class of device) has been approved pursuant to this section, the petitioner may submit a notice of completion stating that the requirements of the protocol have been fulfilled and that, to the best of his knowledge, there is no reason bearing on safety, effectiveness, or other public health considerations why the device should not be marketed. Such notice shall contain all the data and information from which the petitioner made this determination. The Secretary shall approve or disapprove the notice of completion within ninety days after receipt of such notice.

(5) The Secretary may, after providing the petitioner an opportunity for an informal hearing, at any time prior to approving a notice of completion, issue a final order to revoke a product development protocol or disapprove a notice of completion if he finds that—

(A) the petitioner has failed substantially to comply with the requirements of the protocol; or

(B) the results of the clinical trials conducted differ so substantially from the results required in the protocol that further trials cannot be justified; or

(C) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

(D) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

A final order issued under this paragraph shall be in writing and shall contain the reasons to support the conclusions thereof.

(6) The Secretary (or in his absence the officer acting as Secretary) may at any time, by an order in writing stating the findings on which it is based, immediately revoke an exemption from the requirement of approval of an application under the foregoing provisions of this section, if he finds that there is an imminent hazard to the public health or safety caused by the existence of the exemption. In taking such action the Secretary shall give prompt notice to the person following the protocol or having filed the notice of completion, and afford such person an opportunity for an expedited hearing under this paragraph.

(7) At any time after a notice of completion has been approved, the Secretary may issue an order revoking an exemption of the device (or type or class of device) from the requirement of approval of an application under the foregoing provisions of this section if he finds that any of the grounds listed in subparagraphs (A) through (F) of paragraph (1) of subsection (f) of this section apply. The provisions of paragraphs (1) and (3) of subsection (f) and subsections (g) through (j) of this section shall apply.

(8) Whenever the Secretary finds that the facts so justify, he may reconsider an order under this subsection revoking the exemption granted by this subsection and reinstate the exemption.

Transitional Provisions

(n) (1) If, on the day immediately prior to the date upon which a device is declared to be subject to scientific review under this section, the device was in use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or for the purpose of affecting the structure or any function of the body of man, section 501(f) shall become effective with respect to such preexisting use or uses of such device on the closing date (as defined in paragraph (2) of this subsection) or, if sooner, with respect to any person who has filed an application, on the effective date of an order of the Secretary approving or denying approval of such application with respect to such use of the device under this section.

(2) For the purposes of this subsection, the term "closing date" means, with respect to a device, the first day of the thirty-first calendar month which begins after the month in which the device is declared to be subject to scientific review under this section, except that, if in the opinion of the Secretary it would not involve any undue risk of the public health, he may on application or on his own initiative postpone such closing date with respect to any particular use or uses of a device until such later date (but not beyond the close of the sixtieth month after the month of such declaration) as he determines is necessary to permit completion, in good faith and as soon as practicable, of the scientific investigations necessary to establish the safety and effectiveness of such use or uses. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement.

Notification of Defects in, and Repair or Replacement of, Devices

SEC. 515. (a) (1) Every person who acquires information which reasonably supports the conclusion that a device intended for human use, which has been produced, assembled, distributed, or imported by him (A) contains a defect which could create a substantial risk to the public health or safety, or (B) on or after the effective date of an applicable performance standard promulgated pursuant to section 513 fails to comply with such standard, shall immediately notify the Secretary of such defect or failure to comply if such device has left the control of the manufacturer. No information or statements exclusively derived from the notification required by this subsection (except for information contained in records required to be maintained under any provision of this Act) shall be used as evidence in any proceeding brought against a natural person pursuant to section 303 of this Act with respect to a violation of law occurring prior to or concurrently with the notification.

(2) The notifications required by paragraph (1) of this subsection shall contain a clear description of such defect or failure to comply, and evaluation of the hazard related thereto, and a statement of the measures to be taken to correct such defect or failure or to effect protection against the hazard created by the defect or failure.

(3) For purposes of this section, the term "defect" means a deficiency in design, materials, or workmanship, and does not include any deficiency resulting from use of improper accessories or from improper installation, maintenance, repair, or use of the device or any deficiency resulting from normal use of the device after the lifetime represented by the manufacturer has expired.

(b) (1) If the Secretary determines that a device intended for human use distributed in commerce presents a substantial hazard to the public health or safety and that notification is required in order adequately to protect the public from such hazard, he shall immediately make certain that adequate notification is provided in an appropriate form, by the persons and means best suited under the circumstances involved to all persons (including manufacturers, distributors, retailers, health professionals, and users) who would properly receive such notification in order to reduce or eliminate the effects of such hazard.

(2) Where the Secretary determines that users shall not be notified under paragraph (1), he shall provide those health professionals who receive notification an opportunity to comment on the advisability of notifying the general public of the hazard. Within 30 days after such notification the Secretary shall notify the general public of the hazard, if after reviewing such comments, he determines that such notification will not endanger the public health.

(c) If the Secretary determines (after affording interested parties, including consumers and consumer organizations, an opportunity for a hearing in accordance with subsection (e)) that a device intended for human use distributed in commerce presents a substantial hazard to the public health or safety and that action under this subsection is in the public interest, it may order the manufacturer or any distributor or retailer of such device to take whichever of the following actions the person to whom the order is directed elects to the extent that the consent of the purchaser and, where appropriate, his physician, is obtained:

(1) bring such device into conformity with the requirements of the applicable performance standard or repair the defect in such device;

(2) replace such device with a like or equivalent device which complies with the applicable performance standard or which does not contain the defect; or

(3) refund the purchase price of such device (less a reasonable allowance for use, if such device has been in the possession of a user for one year or more (A) at the time of public notice under subsection (c), or (B) at the time the user receives actual notice of the defect or noncompliance, whichever first occurs.

An order under this subection may also require the person to whom it applies to submit a plan, satisfactory to the Secretary for taking action under whichever of the preceding paragraphs of this subsection such person has elected to act. The Secretary shall specify in the order the persons to whom refunds must be made if the person to whom the order is directed elects to take the action described in paragraph (3). If an order under this subsection is directed to more than one person, the Secretary shall specify which person has the election under this subsection.

(d) (1) No charge shall be made to any person (other than a manufacturer, distributor, or retailer) who avails himself of any remedy provided under an order issued under subsection (c), and the person subject to the order shall reimburse each person (other than a manufacturer, distributor, or retailer) who is entitled to such a remedy for any reasonable and foreseeable expenses incurred by such person in availing himself of such remedy.

(2) An order issued under subsection (b) or (c) with respect to a device may require any person who is a manufacturer, distributor, or retailer of the device to reimburse any other person who is a manufacturer, distributor, or retailer of such device for such other person's expenses in connection with carrying out the order, if the Secretary determines such reimbursement to be in the public interest.

(3) An order under subsection (c) may be issued only after an opportunity for an informal hearing. If the Secretary determines that any person who wishes to participate

in such hearing is a part of a class of participants who share an identity of interest, the Secretary may limit such person's participation in such hearing to participation through a single representative designated by such class (or by the Secretary if such class fails to designate such a representative).

(e) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law.

Records and Reports on Devices

SEC. 516. (a) (1) Every person engaged in manufacturing, processing, or distributing or selling a device that is subject to a performance standard promulgated under section 513, or with respect to which there is in effect an approval under section 514 of an application filed under subsection (c) thereof, shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such device, and bearing on the safety or effectiveness of such device, or on whether such device may be adulterated or misbranded, as the Secretary may by general regulation, or by special regulation or order applicable to such device, require. In prescribing such regulations or issuing such orders the Secretary shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, wherever he deems it appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

(b) Subsection (a) shall not apply to—

(1) practitioners licensed by law to prescribe or administer drugs and devices and who manufacture or process devices solely for use in the course of their professional practice;

(2) persons who manufacture or process devices solely for use in research or teaching and not for sale; and

(3) such other classes of persons as the Secretary may by or pursuant to regulation exempt from the application of this subsection upon a finding that such application is not necessary to accomplish the purposes of this subsection.

(c) Every person engaged in manufacturing a device subject to this Act shall provide to the Secretary upon his request such technical data and other data or information with respect to such device as may be reasonably required to carry out this Act.

Chapter VII—General Administrative Provisions

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FACTORY INSPECTION

SEC. 704. (a) For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owners, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or after such introduction, or to enter any vehicle, being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. In the case of any factory, warehouse, establishment, or consulting laboratory in which prescription drugs *or prescription devices* are manufactured, processed, packed, or held, inspection shall extend to all things therein (including records, files, papers, processes, controls, and facilities) bearing on whether prescription drugs *or prescription devices* which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold, or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place, or otherwise bearing on violation of this Act. No inspection authorized [for prescription drugs] by the preceding sentence shall extend to (A) financial data, (B) sales data other than shipment data, (C) pricing data, (D) personnel data (other than data as to qualifications of technical and professional personnel performing functions subject to this Act, and (E) research data (other than data, relating to new drugs, *antibiotic drugs, and devices,* [and antibiotic drugs,] subject to reporting and inspection under regulations lawfully issued pursuant to section 505 (i) or (j), *section 507 (d) or (g), section 514 (k), or section 516* [or section 507 (d) or (g)] of this Act, and data, relating to other drugs *or devices,* which in the case of a new drug *or of a device subject to section 514* would be subject to reporting or inspection under lawful regulations issued pursuant to section 505(j) *or section 516* of this Act). A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness. The provisions of the second sentence of this subsection shall not apply to—

(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs *or devices,* upon prescriptions of practitioners licensed to administer such drugs *or devices* to patients under the care of such practitioners in the course of their professional practice, and which do not, either through a subsidiary or otherwise, manufacture, prepare, propagate, compound, or process drugs *or devices* for sale other than in the regular course of their business of dispensing or selling drugs *or devices* at retail;

(2) practitioners licensed by law to prescribe or administer drugs *or prescribe or use devices, as the case may be,* and who manufacture, prepare, propagate, compound, or process drugs or *manufacture or process devices* solely for use in the course of their professional practice;

(3) persons who manufacture, prepare, propagate, compound, or process drugs *or manufacture or process devices* solely for use in research, teaching, or chemical analysis and not for sale;

(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that inspection as applied to such classes of persons in accordance with this section is not necessary for the protection of the public health.

(b) Upon completion of any such inspection of a factory, warehouse, consulting laboratory, or other establishment, and prior to leaving the premises, the officer or employee making the inspection shall give to the owner, operator, or agent in charge a report in writing setting forth any conditions or practices observed by him which, in his judgment, indicate that any food, drug, device, or cosmetic in such establishment (1) consists in whole or in part of any filthy, putrid, or decomposed substance, or (2) has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health. A copy of such report shall be sent promptly to the Secretary.

(c) If the officer or employee making any such inspection of a factory, warehouse, or other establishment has obtained any sample in the course of the inspection, upon completion of the inspection and prior to leaving the premises he shall give to the owner, operator, or agent in charge a receipt describing the samples obtained.

(d) Whenever in the course of any such inspection of a factory or other establishment where food is manufactured, processed, or packed, the officer or employee making the inspection obtains a sample of any such food, and an analysis is made of such sample for the purpose of ascertaining whether such food consists in whole or in part of any filthy, putrid, or decomposed substance, or is otherwise unfit for food, a copy of the results of such analysis shall be furnished promptly to the owner, operator, or agent in charge.

PUBLICITY

SEC. 705. (a) * * *

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(c) To assist in carrying out the provisions of this Act, the Secretary may cause to be disseminated information regarding standards, testing facilities, and testing methods promulgated, established, or approved under this Act and other information relating to the nature and extent of hazards subject to this Act. Subject to the provisions of section 301(j), the Secretary may also cause to be published reports summarizing clinical data relevant to marketed products approved under this Act.

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ADVISORY COUNCIL ON DEVICES, AND OTHER ADVISORY COMMITTEES

SEC. 708. (a) For the purpose of advising the Secretary with respect to matters of policy in carrying out the provisions of this Act relating to devices, there is established in the Department an Advisory Council on Devices appointed by the Secretary without regard to the civil service and classification laws. The persons so appointed shall be manufacturers and other persons with special knowledge of the problems involved in the regulation of various kinds of devices under this Act, members of the professions using such devices, scientists expert in the investigational use of devices, engineers expert in the development of devices, and members of the general public representing consumers of devices.

(b) The Secretary may also from time to time appoint, without regard to the civil service or classification laws, in addition to the advisory councils and committees otherwise authorized under this Act, such other advisory committees or councils as he deems desirable.

(c) Members of an advisory council or committee appointed pursuant to subsection (a) or (b) who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the council or committee or otherwise engaged on its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently.

RESEARCH AND STUDIES RELATING TO DEVICES

SEC. 709. (a) The Secretary is authorized, directly or through contracts with public or private agencies, institutions, and organizations and with individuals, to plan, conduct, coordinate, and support—

(1) research and investigation into the safety and effectiveness of devices, and into the causes and prevention of injuries or other health impairments associated with exposure to or use of devices;

(2) studies relating to the development and improvement of device performance standards, and device testing methods and procedures; and

(3) education and training with respect to the proper installation, maintenance, operation, and use of devices.

(b) In carrying out the purposes of subsection (a), the Secretary, in addition to or in aid of the foregoing—

(1) shall, to the maximum practicable extent, cooperate with and invite the participation of other Federal or State departments and agencies having related interests, and interested professional or industrial organizations;

(2) shall collect and make available, through publications and by other appropriate means, the results of, and other information concerning, research and other activities undertaken pursuant to subsection (a); and

(3) may procure (by negotiation or otherwise) devices for research and testing purposes, and sell or otherwise dispose of such products.

Chapter VIII—Imports and Exports

Sec. 801. (a) The Secretary of the Treasury shall deliver to the Secretary of Health, Education, and Welfare, upon his request, samples of food, drugs, devices, and cosmetics which are being imported or offered for import into the United States, giving notice thereof to the owner or consignee, who may appear before the Secretary of Health, Education, and Welfare and have the right to introduce testimony. The Secretary of Health, Education, and Welfare shall furnish to the Secretary of the Treasury a list of establishments registered pursuant to subsection (i) of section 510 and shall request that if any drugs *or devices* manufactured, prepared, propagated, compounded, or processed in an establishment not so registered are imported or offered for import into the United States, samples of such drugs *or devices* be delivered to the Secretary of Health, Education, and Welfare with notice of such delivery to the owner or consignee, who may appear before the Secretary of Health, Education, and Welfare and have the right to introduce testimony. If it appears from the examination of such samples or otherwise that (1) such article has been manufactured, processed, or packed under insanitary conditions, or (2) such article is forbidden or restricted in sale in the country in which it was produced for from which it was exported, or (3) such article is adulterated, misbranded, or in violation of section 505, then such article shall be refused admission, except as provided in subsection (b) of this section. The Secretary of the Treasury shall cause the destruction of any such article refused admission unless such article is exported under regulations prescribed by the Secretary of the Treasury, within ninety days of the date of notice of such refusal or within such additional time as may be permitted pursuant to such regulations. Clause (2) of the third sentence of this paragraph shall not be construed to prohibit the admission of narcotic drugs the importation of which is permitted under the Controlled Substances Import and Export Act.

(b) Pending decision as to the admission of an article being imported or offered for import, the Secretary of the Treasury may authorize delivery of such article to the owner or cosignee upon the execution by him of a good and sufficient bond providing for the payment of such liquidated damages in the event of default as may be required pursuant to regulations of the Secretary of the Treasury. If it appears to the Secretary of Health, Education, and Welfare that an article included within the provisions of clause (3) of subsection (a) of this section can, by relabeling or other action, be brought into compliance with the Act or rendered other than a food, drug, device, or cosmetic, final determination as to admission of such article may be deferred and, upon filing of timely written application by the owner or consignee and the execution by him of a bond as provided in the preceding provisions of this subsection, the Secretary may, in accordance with regulations, authorize the applicant to perform such relabeling or other action specified in such authorization (including destruction or export of rejected articles or portions thereof, as may be specified in the Secretary's authorization). All such relabeling or other action pursuant to such authorization shall in accordance with regulations be under the supervision of an officer or employee of the Department of Health, Education, and Welfare designated by the Secretary, or an officer or employee of the Department of the Treasury designated by the Secretary of the Treasury.

(c) All expenses (including travel, per diem or subsistence, and salaries of officers or employees of the United States) in connection with the destruction provided for in subsection (a) of this section and the supervision of the relabeling or other action authorized under the provisions of subsection (b) of this section, the amount of such expenses to be determined in accordance with regulations, and all expenses in connection with the storage, cartage, or labor with respect to any article refused admisson under subsection (a) of this section, shall be paid by the owner or consignee and, in default of such payment, shall constitute a lien against any future importations made by such owner or consignee.

(d) A food, drug, device, or cosmetic intended for export shall not be deemed to be adulterated or misbranded under this Act if it (1) accords to the specifications of the foreign purchaser, (2) is not in conflict with the laws of the country to which it is intended for export, and (3) is labeled on the outside of the shipping package to show that it is intended for export. But if such article is sold or offered for sale in domestic commerce, this subsection shall not exempt it from any of the provisions of this Act. Nothing in this subsection shall authorize the exportation of any new animal drug, or an animal feed bearing or containing a new animal drug, which is unsafe within the meaning of section 512 of this Act.], *or to authorize the exportation of any device whch does not comply with section 513 or 514 of this Act. The Secretary may permit exportation of any article if he determines that such exploration is in the interest of public health and safety, and has the approval, of the country to which it is intended for export.*

Chapter IX—Miscellaneous

* * * * *

EFFECT ON STATE REQUIREMENTS

Sec. 903. (a) Whenever a performance standard pursuant to section 513 or scientific review pursuant to section 514 under this Act is in effect, no State or political subdivision of a State shall have any authority either to establish or to continue in effect any provision of a standard or regulation which prescribes any requirements as to the performance, composition, contents, design, finish, construction, packaging, or labeling of such product which are designed to deal with the same device unless such requirements are identical to the requirements of the Federal requirements.

(b) Nothing in this section shall be construed to prevent the Federal Government or the government of any State or political subdivision thereof from establishing a safety requirement applicable to a device for its own use if such requirement imposes a higher standard of performance than that required to comply with the otherwise applicable Federal requirements.

(c) Upon application of a State or political subdivision thereof, the Secretary may by rule, after notice and opportunity for oral presentation of views, exempt from the provisions of subsection (a) (under such conditions as he may impose) a proposed safety requirement described in such application, where the proposed requirement—

(1) imposes a higher level of performance than the Federal standard,

(2) is required by compelling local conditions, and

(3) does not unduly burden interstate commerce.

By Mr. PEARSON (for himself and Mr. Inouye):

S. 511. A bill to authorize the Secretary of Commerce to engage in certain small business export expansion activities, and for other purposes. Referred to the Committee on Commerce.

SMALL BUSINESS EXPORT DEVELOPMENT ACT OF 1975

Mr. PEARSON. Mr. President, I introduce for appropriate reference, on behalf of myself and the distinguished Senator from Hawaii (Mr. Inouye), a bill to authorize the Secretary of Commerce to engage in certain small business export expansion activities. I ask unanimous consent that the text of this bill, along with a section-by-section summary of its provisions, be printed in the Record immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, the Secretary of Commerce reported on January 28 that the United States last year recorded its second-worst trade deficit in history. Imports exceeded exports by $3.07 billion during calendar year 1974. The record deficit was 1972, when our trade imbalance was $6.44 billion. These deficit conditions are recent in origin: the U.S. trade balance was favorable every year in this century until 1970. They do not reflect, moreover, a chronic inability of American business to compete abroad under current conditions. Had it not been for the three-fold increase in the price of imported petroleum products, the U.S. balance of trade during 1974 would have been in surplus some $14 billion.

Specifically, Mr. President, American manufacturers are competitive abroad. American labor is competitive because of high productivity. The United States consistently exports more manufactured products than it imports, although by a small margin.

In the 93d Congress 1st session, I introduced a bill to stimulate an expansion of export sales by small businesses. This legislation, S. 1007, 93d Congress, 1st session, represented a first-draft effort to establish an agency within the Federal Government mandated to assist, through technical advice and modest financial assistance, those small businesses which have export potential.

Under the leadership of the distinguished Senator from Hawaii (Mr. Inouye), our Committee on Commerce conducted extensive hearings. The concept contained in S. 1007 was refined and improved. As part of an omnibus export expansion bill, the Senate approved specific export assistance to small business, to be administered by an agency within the Department of Commerce. This Senate-passed bill, S. 1486, did not receive favorable action in the House of Representatives before adjournment sine die.

Mr. President, we offer today a bill which follows closely the provisions of S. 1486 relating to export assistance to small businesses. With the contributions of the Senator from Hawaii (Mr. Inouye), who chairs the Subcommittee on Foreign Commerce and Tourism of the Commerce Committee, this measure now represents, in my judgment, a workable approach to meaningful assistance to small business with export potential.

Qualifying small businesses, under the bill, could form U.S. export associations. These associations would be corporations in the private sector, formed solely for the purposes of joint marketing efforts abroad.

The associations would be financed by member-firms posting escrow accounts, and the financing of associations could be supplemented by grants and loans from the newly established Federal Export Office within the Department of Commerce. No export association could receive more than one grant and one loan. No firm could belong to more than two export associations qualifying for assistance under the bill.

Mr. President, only about 4 percent of all American firms export goods or services. The remaining 96 percent of U.S. firms, large and small, compete with each other, but never abroad for new markets. This legislation would provide an opportunity for small businesses, as defined in the bill, to join together in sharing the cost of developing new markets for their products overseas.

The cost of the program will depend upon the number of companies which form associations and the financial commitment made by the companies themselves. The individual grants under the bill to export associations cannot exceed $75,000. The loans to associations cannot exceed the escrow account in dollar amount. No loan or grant would be made unless the director of the new Federal Export Office determined that there was a reasonable prospect for increased export sales.

Mr. President, I urge the Senate to approve this legislation, once again, in this Congress. I believe that this initiative will improve our balance of trade and balance of payments. It should stimulate job development in the American labor market. Its cost is controlled by being keyed to the commitment of American small businesses themselves, to participate in developing new overseas markets for American products. I urge that this bill be considered by our Committee on Commerce as soon as possible.

S. 511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Export Development Act of 1975".

DEFINITIONS

Sec. 2. As used in this Act—

(1) "Agency of the Federal Government" means any department, agency, bureau, commission, or other office in the executive branch of the Federal Government; any independent agency or establishment of the United States, including a corporate primarily acting as an instrumentality of the United States; and any regional, State, or local agency which is empowered by Congress to issue standards, orders, permits, or other administrative regulations which may become effective without the necessity for approval by any other agency of the Federal Government.

(2) "Association" means a United States export association organized pursuant to section 6 of this Act.

(3) "Director" means the Director of the Office.

(4) "Export activity" means any activity which may, directly or indirectly, result in the sale of any American goods, products, or services in a foreign nation. The term includes, but is not limited to, advertising, marketing, publicity, and sales activity in any foreign nation; participation in trade exhibitions; product use familiarization; supplying samples, models, and technical data preparing bids on projects in foreign nations; operating market development and sales offices, showrooms, warehouses, repair or service centers in foreign nations; transportation services; and trade or documentation procedures.

(5) "Export group" means any combination of two or more persons organized and operating solely for the purpose of carrying on export trade.

(6) "Foreign commerce" means selling or providing goods, commodities, products, data, transportation, insurance, tourism, or other services, including export activity services, outside the United States.

(7) "Office" means the Federal Export Office established pursuant to section 3 of this Act.

(8) "Secretary" means the Secretary of Commerce.

(9) "Small business" means a corporation, partnership, joint venture, proprietorship, or other business entity which is independently owned and operated.

(10) "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

(11) "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, America Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

UNITED STATES FEDERAL EXPORT OFFICE

Sec. 3. (a) Establishment.—There is hereby established in the Department of Commerce an office to be known as the Federal Export Office.

(b) Director.—The Office shall be administered and supervised by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate now and hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

(c) Deputy Director.—The Director shall appoint a Deputy Director, who shall serve as Acting Director during any period of absence or incapacity of the Director and who shall carry out any duties delegated or assigned to him by the Director. The Deputy Director shall receive compensation at a rate now and hereafter prescribed for offices and positions at level of GS-18 on the General Schedule (5 U.S.C. 5332).

(d) Intermittent Services.—The Director may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the Office, but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services for the Office, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(e) Assistance and Cooperation.—The Office, subject to the provisions of existing law, may secure from any agency of the Federal government such information as it may deem necessary to carry out the purposes of this Act.

Upon request of the Director, each such agency is authorized to furnish such information to the Office on a reimbursable basis or otherwise. The provisions of section 1905 of title 18, United States Code, shall apply to the Office, its officers and employees, with respect to information obtained under this subsection or in any other manner. The Office shall not release, without written permission of each person to whom it relates, any information described in section 552(b) of title 5, United States Code.

(f) Reorganization.—The Secretary is authorized, after investigation, to transfer the whole or a part of the functions of any agency of the Federal Government subject to his jurisdiction to the Office, upon the preparation of a reorganization plan for the making of the reorganizations as to which he has made findings and which he includes in the plan and the submission of such plan to Congress together with a declaration that such reorganization is necessary or appropriate to further the purposes of this Act: *Provided*, That such reorganization plan shall not become effective if either House of Congress within sixty days after the date of transmittal passes a resolution stating in substance that such House does not favor the reorganization plan.

DUTIES OF OFFICE

Sec. 4. (a) General.—The Office shall, in coordination with other agencies of the Federal Government—

(1) foster the development of United States export associations composed of businesses which have not actively engaged in substantial export activities or which, in the opinion of the Director, may have potential for further export activities;

(2) survey and identify small businesses which possess undeveloped export potential and which are interested in joining with other small businesses in United States export associations;

(3) obtain operating and other business information from such small businesses, from export management concerns, export groups, and from any other person engaged in exporting in order to provide assistance and advice to such small businesses, export groups, or persons engaged in exporting, with respect to the identification of products which have export potential, the combination of products for efficient exportation, and the development of export markets;

(4) provide technical assistance, advice, and financial support through grants and loans in accordance with the provisions of section 7 of this Act:

(5) provide institutional leadership to bring together small businesses who are interested in undertaking export activities through the formation of associations and provide assistance in the formation of such associations;

(6) encourage the use of export management companies and export management personnel by associations wherever appropriate; and engaged in exporting in order to provide assistance and advice to such small businesses, export groups, or

(7) establish and conduct programs for the development of technical, professional, and managerial skill necessary to the establishment and operation of associations and necessary to successful operations by persons engaged in export activities, and for the development of liaison between the Office, United States export associations, and international financial, investment, and marketing institutions.

(b) Annual Report.—The Director shall, not later than ninety days after the end of each fiscal year, make a report in writing to the Congress and the President on the activities of the Office during the preceding fiscal year. The report shall include, but need not be limited to, the following:

(1) the number of associations operating under this Act during the fiscal year;

(2) the number of companies which are members of associations;

(3) the amount and purpose of grants and loans provided;

(4) an evaluation of the success in increasing exports of firms which have formed associations; and

(5) any recommendations, including recommendations for legislation, which may be necessary or desirable to improve export performance.

POWERS OF THE OFFICE

Sec. 5. The Office is authorized—

(a) to adopt a seal, which, shall be judicially recognized;

(b) to issue such rules and regulations as it deems necessary and appropriate to carry out the provisions of this Act;

(c) to the extent necessary or appropriate to further the policy of this Act, to acquire and maintain property (real, personal, or mixed, tangible, or intangible, or any interest therein) by purchase, lease, condemnation, or in any other lawful manner; to sell, lease, or otherwise dispose of such property in any manner; and to construct, operate, lease, and maintain buildings, facilities, or other improvements on such property;

(d) to accept gifts or services in any form;

(e) to collect, analyze, and publish data and information related to exports and export promotion; to maintain such information offices and answering services as the Director determines necessary to give prompt, accurate, and meaningful responses to questions from potential exporters; and to maintain a continuous market survey of the most profitable export opportunities for American goods, products, and services. To the extent possible, the Office shall utilize programs, data, and information already available in other agencies of the Federal Government. The Office shall provide liaison at an appropriate organizational level to insure coordination of its activities with such other agencies.

(f) to enter into contracts or other arrangements or modifications thereof, with any person, any agency of the Federal government, and any State government or political subdvision thereof;

(g) to make advance or other payments which the Director deems necessary or appropriate to further the policy of this Act;

(h) to take such other action as may be necessary to carry out the provisions of this Act.

UNITED STATES EXPORT ASSOCIATIONS

Sec. 6. (a) Eligible Businesses.—Upon application in writing by a small business, the Office shall certify such business as eligible to participate in a United States export association if—

(1) its average annual sales during the five calendar years preceding the year in which such application is made were less than $30,000,000;

(2) not more than 5 per centum of its average annual sales during such period consisted of sales to foreign markets, not including Canada and Mexico, except insofar as the Director determines that such small business has the potential for substantially increased export activities;

(3) it is not already a member of more than one United States export association; and

(4) the Director determines that membership in an association would probably increase the export sales of such business.

(b) Formation.—Three or more businesses, which have been certified as eligible businesses under this section may combine for the limited purpose of forming a United States export association subject to the provisions of this title. Such an association shall be a corporation operating as a cooperative marketing entity exclusively to—

(1) engage in export activities; and

(2) provide members of such associations with appropriate international trade assistance and export activity services, including but not limited to—

(A) identification of foreign markets for the goods, products, and services sold by such members;

(B) promotion of goods, products, and services sold by such members in foreign markets; and

(C) assistance to such members in the technical aspects of exporting, such as obtaining necessary licenses, financing, and guarantees.

(c) Qualification.—A United States export association formed in accordance with the requirements of subsections (a) and (b) of this section may qualify for assistance from the Office if—

(1) the association is composed of at least three businesses, each of which has been certified as an eligible business under this section;

(2) the association files an application for qualification with the Office. Such application shall be presented in such manner and shall contain such information as the Director may require. Each application shall provide that—

(A) any assistance received pursuant to this Act shall be used exclusively for the purposes authorized under this Act;

(B) the association and each of its members agree to observe any rules and regulations promulgated under this Act;

(3) each business which is a member of the association has paid not less than $1,000 into a common escrow account; and

(4) the association has appointed a chief executive officer who demonstrates to the satisfaction of the Director that he is qualified to direct the export activities of the association, or the association has retained an export management firm which demonstrates to the satisfaction of the Director that it is qualified to carry out such export activities.

(d) Liability.—A United States export association formed and qualified under this section shall be liable to the United States for repayment of the full principal, interest, and any penalty due on any loan received from the Office. If such association breaches such obligation, in whole or in part, each of the businesses which is a member of such association shall be directly liable, jointly and severally with the other members, for repayment of the loan, including any unpaid principal, interest, and penalty amounts. Termination of membership in such an association on the part of any business shall not operate to terminate the liability of such business for association debts as of the date of withdrawal.

(e) Antitrust Laws Unimpaired.—Nothing in this Act shall be construed to modify or repeal any provision of any of the antitrust laws of the United States, including any laws prohibiting restraints of trade, unfair trade practices, or impairment of competition.

OFFICE ASSISTANCE TO ASSOCIATIONS

Sec. 7. (a) Technical Assistance Grants.—The Office is authorized to make a technical assistance grant to any United States export association which is formed and qualified under section 6 of this Act. The amount of such grant shall be not less than the amount of money in the common escrow account maintained by such association but not more than $75,000. Technical assistance grant funds may be used by such association for a period of not more than two years after the date of application for such grant to—

(1) secure expert advice and assistance in developing the operating agreements necessary to further export activities by members of such associations;

(2) finance management seminars and teaching programs for members of such associations with respect to operating export information, including export market analysis, export marketing, channels of export distribution, and identification of promising market areas for products;

(3) develop common catalogs and other marketing aids for such associations and its members; and

(4) develop such other operating export information as is determined by the Office to be appropriate.

(b) Loans.—The Office is authorized to make a loan to any United States export association which is formed and qualified under section 6 of this Act. The amount of such loan shall be not in excess of the amount paid in by the members of such association to provide funds for the employment of management and other personnel and to provide working capital for the development of international representation of goods, products, and services sold by such members. The interest rate of such loan shall be not less than the average annual interest rate on all interest-bearing obligations of the United States having maturities of twenty years or more and forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan, adjusted to the nearest one-eighth of 1 per centum.

(c) Limit.—No United States export association (including any successor association or any association composed of substantially the same members) shall receive from the Office more than one technical assistance grant and one loan.

(d) Records.—(1) Each recipient of Federal assistance under this section shall keep such records as the Office shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Director, in the administration of this section, shall minimize recordkeeping and documentation in a manner consistent with sound commercial and administrative practice and shall design rules and regulations, and requirements for reporting conduct of programs, recordkeeping, furnishing and compilation of data, inspection of documents, application requirements, and other such matters in such a manner as to reduce the cost of reporting, recordkeeping, and export documentation required.

(e) Audit and Examination.—The Director and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (d) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Director or the Comptroller General may be related to or pertinent to the assistance referred to in section 7 of this Act.

CONFORMING AMENDMENT

SEC. 8. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(134) Director, Federal Export Office."

AUTHORIZATION FOR APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated to the Secretary for the purposes of carrying out the provisions of this Act $35,000,000 for each of the fiscal years ending in 1976, 1977, and 1978. Such sums are to remain available until expended.

SECTION-BY-SECTION SUMMARY: SMALL BUSINESS EXPORT DEVELOPMENT ACT OF 1975

Sec. 2. Definitions.

Sec. 3. Establishes a Federal Export Office as part of the Department of Commerce to be headed by a Director, appointed by the President by and with the advice and consent of the Senate. The Secretary is authorized to transfer to the Office and other related unit or function under his jurisdiction upon the preparation of a reorganization plan. Either House of Congress may veto any such reorganization plan within 60 days after its transmittal to the Congress.

Sec. 4. Lists the duties of the Office. The duties include promoting the development of "export associations" composed of relatively small businesses which have not engaged substantially in export sales operations or which, in the opinion of the Director, may have potential for further exports.

Sec. 5. Enumerates the powers of the Office, including the powers to issue rules and regulations, acquire and maintain property, collect and publish data related to export promotion, enter into contracts and adopt a seal.

Sec. 6. Establishes the criteria for membership in "export associations." Independently owned and operated small businesses may become members upon application if (1) their average annual sales during the previous five years were less than $30 million; (2) not more than 5 per cent of their sales were made to foreign countries excluding Canada and Mexico, except that this limitation may be waived if the Director determines that the business has good prospects for further sales; (3) they are not already members of more than one association; and (4) the Director determines that membership in an association would probably result in increased export sales.

The section provides that three or more eligible businesses may combine for the limited purpose of forming a United States export association, which shall be a corporation formed and organized to operate as a cooperative marketing entity exclusively to enter foreign markets and engage in export sales of American goods, products and services and to provide association members with trade assistance and export services.

An export association organized under this section may qualify for Federal assistance if the association is composed of three or more eligible member firms, the association files an application for qualification, each business member pays at least $1,000 into an escrow account, and the association appoints a qualified chief executive officer or export management firm to direct its export activities.

A United States export association shall be liable for repayment of any loan from the Office, and each individual member shall be directly liable, jointly and severally, for repayment of a loan.

Sec. 7. Provides for technical assistance grants to the associations formed under the Act in an amount not less than the escrow fund nor more than $75,000. The funds may be used for a variety of marketing functions outlined in the section.

The Office further is authorized to make loans to eligible export associations not to exceed the amount of the escrow account. Each U.S. export association will be eligible for one grant and one loan from the Office.

Audit and examination, and record keeping requirements for export associations, are provided for under this section.

Sec. 8. Conforming amendment.

Sec. 9. There are authorized to be appropriated to the Secretary of Commerce to carry out the purposes of the Act $35,000,000 for each of the fiscal years ending in 1976, 1977 and 1978. Such sums are to remain available until expended.

By Mr. HARRY F. BYRD, JR. (for himself, Mr. WILLIAM L. SCOTT, Mr. GRAVEL, Mr. HELMS, Mr. HUMPHREY, Mr. NUNN, Mr. THURMOND, Mr. TOWER, and Mr. MATHIAS):

S.J. Res. 23. A joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee. Referred to the Committee on the Judiciary.

ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, early in the 92d Congress, I introduced legislation to restore posthumously the full rights of citizenship of Gen. Robert E. Lee.

That legislation was prompted by the discovery in the National Archives in 1970 of the bona fide amnesty oath signed by General Lee. The resolution, unfortunately, was not acted upon before the 92d Congress adjourned, nor was it considered by the Senate during the 93d Congress.

Today, nearly 4 years after its original introduction, I am reintroducing this measure.

Again, I can say, as a Virginian, I take this step with much pride and, this year, with much hope that final and favorable action will be taken on what General Lee himself requested. And I would again call to the attention of the Senate that this belated action is not sectional in nature, but rather is a step that should have been taken by the Nation as a whole long ago.

I could, of course, speak at great length on the subject of General Lee's ability as a military commander and his deeds in the service of Virginia and the South. I would rather emphasize to the Senate the sterling character of General Lee, which has stood as an unequaled example of gentlemanly demeanor, both in victory and adversity.

Historians have long recognized the beneficial effects of General Lee's conduct subsequent to the War Between the States.

Instead of harboring bitterness in his heart, General Lee, both by word and deed, put his full effort into healing the wounds of that tragic conflict. His actions represented the noblest attributes of our national character and were in full accord with the fervent desire for peaceful reunion so eloquently expressed by President Lincoln.

I regard President Lincoln and General Lee as two of our greatest Americans. Their character, their leadership, their courage, and their ability will stand as a monument for all time.

Only 2 months after the surrender of the Army of Northern Virginia at Appomattox Court House, General Lee on June 13, 1865, applied to President Johnson for amnesty and restoration of his rights as a citizen, pursuant to the President's Amnesty Proclamation of May 29, 1865.

In furtherance of the conciliatory spirit and fairness he displayed to General Lee and his soldiers at Appomattox Court House, Gen. Ulysses S. Grant graciously forwarded the request to the President on June 20, 1865. Always have I been impressed with the magnanimity of General Grant. The endorsement of General Lee's application for amnesty and pardon follows:

> Respectfully forwarded through the Secretary of War to the President, with the earnest recommendation that this application of General R. E. Lee for amnesty and pardon may be granted him. The oath of allegiance required by recent order of the President to accompany applications does not accompany this for this reason, as I am informed by General Ord, that the order requiring it has not reached Richmond when this was forwarded.

Unknown to General Lee on June 13, when he requested amnesty and restoration of citizenship, was the requirement that an oath of allegiance accompany such a request.

The next several months in General Lee's life were busy ones; during this period, he moved to Lexington, Va., and became president of what was then Washington College, the institution which is now Washington and Lee University.

On October 2, 1865, General Lee, as an example to the people of the South, laid aside his role as a military leader and became a leader of young men. On that day he was inaugurated president of Washington College and dedicated the remaining years of his life to preparing young men to be servants of the reunited States of the Union.

On that same day, General Lee, apparently having become aware of the requirement of an amnesty oath, appeared in Lexington before Charles A. Davidson, a notary public for the County Rockbridge, Va., to whom he gave the following oath:

> I, Robert E. Lee, of Lexington, Virginia, do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God.—Signed, R. E. Lee.

I believe we can safely assume that had this oath reached the hands of the President, that General Lee's citizenship would have been restored in full. But it was lost for quite some period of time, and was discovered only a few years ago.

In the 1970 winter issue of Prologue, the journal of the National Archives, Mr. Elmer O. Parker wrote an excellent article describing the discovery of General Lee's oath among the State Department records of the National Archives. Apparently the oath was submitted separately and was never joined to General Lee's request of June 13, 1865.

I recite these facts again to the Senate in order to show that General Lee fulfilled every requirement for the restoration of his citizenship.

Since reintroducing this legislation on February 21, 1974, in the 93d Congress, I have been most fortunate to have supplied to me by Elmer Oris Parker additional pieces in the puzzle of Lee's application for amnesty and pardon, shrouded for over a century by time, with a sprinkling of human intervention. Mr. Parker spins a fascinating tale of mischance and intrigue, bound together with his meticulous research, as he notes:

> After discovering General Lee's amnesty oath in the National Archives, I undertook to find his original application for pardon and if it could be located to write a follow-up article for *Prologue*.
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> * * * * *
>
> General Lee was particularly anxious to have President Johnson act on his application for amnesty so that he, as administrator, could close out the estate of his father-in-law, George Washington Parke Custis, and dispose of "Arlington" to the advantage of the Custises and Lees. General Lee complained of his predicament to Johnson on July 7, 1866,: "If it was not for the interest of others which is involved, I should have no anxiety in the matter but I should not like them to suffer on my account."
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> It was not until twelve years after Lee's death that the Supreme Court gave title to the family. The President never took any action on Lee's application for an individual pardon and the General remained unpardoned until Johnson proclaimed universal amnesty on December 25, 1868.
>
> This, however, did not relieve Lee of the disability provided in the third section of the 14th Amendment, ratified July 26, 1868. This section denied Lee, and others similarly situated, the full rights of citizenship until the disability was removed by Congress.
>
> Had General Lee still been alive on June 6, 1898, when the Act was approved to remove the disability imposed by the third section of the 14th Amendment (30 Stat. 432), his citizenship I believe would have been restored but the Act had no posthumous application. Therefore, contrary to the arguments of the opponents, the question is not moot. Further, who can doubt the correctness of Doctor Douglas Southall Freeman's statement that Lee "can stand the scrutiny of all critics without losing any nobility of his character."
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>
> War Department records (Record Group 94, file R&P 620737/562822, record cards) indicated that a Philadelphia publisher, Charles H. Walsh, in October, 1899, offered to sell General Lee's original letter, with General Grant's indorsement, to the War Department for $100, but the Department declined the offer.
>
> . . . (I)t was claimed that the letter was presented by Secretary of State Seward to a General Daniel Sullivan, in whose family it remained until Walsh obtained it from the General's grandson.
>
> The search was long and led me up blind alleys until it was found in the custody of the Illinois State Historical Library . . .
>
> . . . General Lee's letter to President Johnson in his well-known chirography, together with his covering letter to General Grant, and General Grant's indorsement . . . bear the official file designation, L 29 AUS 1865", which according to War Department records in the National Archives was assigned them when they were received at Grant's Headquarters of the Army on June 16, 1865.
>
> Before having an opportunity to write this story I retired. Since then I have often been queried about the existence of the original of General Lee's application for amnesty and I have declined to discuss it, feeling that a better purpose could be served by furnishing what information I have on the subject to the Senator who might profitably use it to secure passage of his resolution.
>
> Hence, I am forwarding it to you.

As is known to many, on February 15, 1869, the outstanding treason indictments against General Lee, his sons, and 14 other general officers of the Confederacy, were dismissed by the United States.

Thus, the only bar to the citizenship of General Lee is the third section of the 14th amendment to the Constitution, which provides that no person who has previously taken an oath as an officer of the United States and is subsequently engaged in rebellion against the same, can hold office. The amendment provides that Congress, by a two-thirds vote of each House, can remove such a disability.

Mr. President, since I originally introduced this legislation in the 92d Congress, the alternative of present-day Executive pardon has been suggested as a means for more expeditious handling of this matter.

I am advised that the necessity for congressional action—by the legislative process established under the third section of the 14th amendment to the Constitution—has been indicated by both the White House, through the office of the Counsel to the President, and by the Department of Justice, through the Office of the Deputy Attorney General.

Mr. President, I feel that Congress should act now to restore the full rights of citizenship to one of the greatest Americans of all time.

This month, January 19, marks the 168th anniversary of the birth of Robert E. Lee. Certainly no finer tribute to his memory and his greatness could be paid than to set the record straight, and in the manner which had his very oath of approval.

I am asking that General Lee be granted what he in writing sought.

Mr. MATHIAS. Will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I yield to the able Senator from Maryland.

Mr. MATHIAS. I am impressed by the remarks made by the distinguished Senator from Virginia and I wonder if the Senator would allow me the privilege of cosponsoring the resolution with him?

Mr. HARRY F. BYRD, JR. The Senator from Virginia would be very willing to have the senior Senator from Maryland as a cosponsor and will add his name at this point.

Mr. President, following my remarks, I ask unanimous consent that the joint resolution which I am introducing for myself and for Mr. William L. Scott, Mr. Gravel, Mr. Helms, Mr. Humphrey, Mr. Nunn, Mr. Thurmond, Mr. Tower, and Mr. Mathias, be published in full in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I also ask unanimous consent that a copy of General Lee's letter of June 13, 1865, to President Johnson; his letter of the same date to General Grant; General Grant's endorsement of June 16, 1865; General Grant's letter to General Lee of June 20, 1865; a copy of the oath itself; a copy of the article by Mr. Parker; and a copy of the War Department's record cards be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Richmond, Va., *June 13, 1865.*

His Excellency Andrew Johnson

Dear Sir: Being excluded from the provisions of the amnesty and pardon in the proclamation of the 29th ult., I hereby apply for the benefits and full restoration of all rights and privileges extended to those enclosed in its terms. I graduated at the Military Academy at West Point in June 1829; resigned from the United States Army, April, 1861; was a general in the Confederate Army, and included in the surrender of the Army of Northern Virginia, April 9, 1865. I have the honor to be, very respectfully.

Your obedient servant,

R. E. Lee.

Richmond, *June 13, 1865.*

Lieut. Gen. U.S. Grant,
Commanding Armies of the United States:

General: Upon reading the President's proclamation of the 29th ultimo, I came to Richmond to ascertain what was proper or required of me to do, when I learned that with others I was to be indicted for treason by the grand jury at Norfolk. I had supposed that the officers and men of the Army of Northern Virginia were, by the terms of their surrender, protected by the United States Government from molestation so long as they conformed to its conditions. I am ready to meet any charges that may be preferred against me. I do not wish to avoid trial, but if I am correct as to the protection granted by my parole, and am not to be prosecuted, I desire to comply with the provisions of the President's proclamation, and therefore inclose the required application, which I request in that event may be acted on.

I am, with great respect, your obedient servant,

R. E. Lee.

[Indorsement]

Headquarters Armies
of the United States,
June 16, 1865.

In my opinion the officers and men paroled at Appomatox Court House, and since, upon the same terms given to Lee, cannot be tried for treason so long as they observe the terms of their parole. This is my understanding. Good faith, as well as true policy, dictates that we should observe the conditions of that convention. Bad faith on the part of the Government, or a construction of that convention subjecting officers to trial for treason, would produce a feeling of insecurity in the minds of all the paroled officers and men. If so disposed they might even regard such an infraction of terms by the Government as an entire release from all obligations on their part. I will state further that the terms granted by me met with the hearty approval of the President at the time, and of the country generally. The action of Judge Underwood, in Norfolk, has already had an injurious effect, and I would ask that he be ordered to quash all indictments found against paroled prisoners of war, and to desist from further prosecution of them.

U. S. Grant,
Lieutenant-General.

Headquarters Armies
of the United States,
Washington, June 20, 1865.

General R. E. Lee,
Richmond, Va.:

Your communications of date of the 13th instant, stating the steps you had taken after reading the President's proclamation of the 29th ultimo, with a view of complying with its provisions when you learned that, with others, you were to be indicted for treason by the grand jury at Norfolk; that you had supposed the officers and men of the Army of Northern Virginia were by the terms of their surrender protected by the United States Government from molestation so long as they conformed to its conditions; that you were ready to meet any charges that might be preferred against you, and did not wish to avoid trial, but that if you were correct as to the protection granted by your parole, and were not to be prosecuted, you desired to avail yourself of the President's amnesty proclamation, and enclosing an application therefor, with the request that in that event it be acted on, has been received and forwarded to the Secretary of War, with the following opinion endorsed thereon by me:

"In my opinion that officers and men paroled at Appomattox Court-House, and since, upon the same terms given to Lee, cannot be tried for treason so long as they observe the terms of their parole. This is my understanding. Good faith, as well as true policy dictates that we should observe the conditions of that convention. Bad faith on the part of the Government, or a contraction of that convention subjecting the officers to trial for treason, would produce a feeling of insecurity in the minds of all the paroled officers and men. If so disposed they might even regard such an infraction of terms by the Government as an entire release from all obligations on their part. I will state further that the terms granted by me met with the hearty approval of the President at the time, and of the country generally. The action of Judge Underwood, in Norfolk, has already had an injurious effect, and I would ask that he be ordered to quash all indicts found against paroled prisoners of war, and to desist from the further prosecution of them."

This opinion, I am informed, is substantially the same as that entertained by the Government. I have forwarded your application for amnesty and pardon to the President, with the following endorsement thereto:

"Respectfully forwarded through the Secretary of War to the President, with the earnest recommendation that this application of General R. E. Lee for amnesty and pardon may be granted him. The oath of allegiance required by recent order of the President to accompany applications does not accompany this for the reason, as I am informed by General Ord, the order requiring it had not reached Richmond when this was forwarded.

U. S. Grant,
Lieutenant-General."

Office of Notary Public,
Rockbridge County, Va., October 2, 1865.

AMNESTY OATH

I, Robert E. Lee of Lexington, Virginia, do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God.

R. E. Lee.

Sworn to and subscribed before me, this 2nd day of October 1865.

Chas. A. Davidson,
Notary Public.

Why Was Lee Not Pardoned?

(By Elmer Orls Parker)

Achivists have recently discovered Robert E. Lee's oath of amnesty among State Department records in the National Archives. To those historians of the Civil War and Reconstruction who believe that Lee did not satisfy the requirements for amnesty this may come as a surprise.

Facing an indictment for treason, Lee read in Richmond newspapers President Andrew Johnson's proclamation of May 29, 1865, "to induce all persons to return to their loyalty." Lee immediately informed Gen. Ulysses S. Grant that he wanted to comply with the provisions of the proclamation and enclosed "the required application." It was not in order for it was not accompanied by an oath of allegiance to the United States. Such an oath was required by an order of the President. Lee's action was premature.

General Grant attempted to justify the absence of the oath. He explained to the President that Gene. E. O. C. Ord, commanding the Department of Virginia at Richmond, informed him that the order requiring it had not reached the city when Lee's application was forwarded. Grant, therefore, earnestly recommended that amnesty and pardon be granted the old warrior.

Meanwhile, Lee had been elected president of Washington College and had proceeded on "Traveller" by easy paces to Lexington where he was inaugurated on October 2. This was an important day in his life. Not only did he take up the life of a useful citizen, he also subscribed to the amnesty oath, thereby complying fully with the provisions of Johnson's proclamation. Thus, Lee had every reason to expect he would be pardoned and restored to full citizenship.

But this never happened. Secretary of State William H. Seward gave Lee's application to a friend as a souvenir and his oath was evidently pigeonholed. Although attempts have been made in recent years to have Congress restore Lee's citizenship posthumously, all have come to naught. As far as was known Lee, after laying down his arms at Appomattox, had not sworn "to support, protect and defend the Constitution of the United States." But the discovery of his oath of amnesty proves that he had indeed done so. Furthermore, he had also sworn to "faithfully support all laws and proclamations made during the rebellion with reference to the emancipation of slaves." Lee's oath was duly executed, signed, and notarized, and for a century it has remained buried in a file in the nation's archives.

[530058, 620737, Record and Pension Office, Oct. 26, 1899, 562822]

Subject: Letter of Gen. R. E. Lee endorsed by Gen. U. S. Grant.

From: Charles H. Walsh, 1037 Walnut Street, Phila., Pa.

Date of Communication: Oct. 6, 1899.

Purport of Communication: Offers orig. letter from Gen R. E. Lee; endorsed by Gen. U. S. Grant requesting to be considered in Gen. Order of pardon and amnesty for sale at $100. This letter was presented to Maj. Genl. Daniel Sullivan by Sec. Seward and has always remained in the possession of the family until obtained by writer from grandson—Letter addressed to Supt. of Naval War Records & referred to State Dept. & then to the War Dept.

M. Kirkley.

Is this a matter for your consideration.

/s/ (Illegible).

By reference to Vol. XLVI, Part III, pp. 1275, 1276 and 1287, of the published War Records, it will be seen that we have a record of the transactions, amply sufficient, it is believed, for all historical purposes. The last paragraph of Grant's letter to Lee, on page 1287, supplies all essential information on the subject. Lee's application for amnesty and pardon did not require action of the War Department. The paper properly belonged to the State Department, to which it probably was referred by the President after its receipt by him from General Grant.

Respectfully,
Oct. 26/99.

J.W.K."

Seen by Genl. Ainsworth who directs that the writer be informed that this Department has no money to purchase records of any kind.

/s/ (Illegible).

Ret. No. 562,822. by a copy of the Indorsement recorded below. No. of Inclosures to accompany paper:—

R.C.E., Correspondent.
(Illegible initials), Examiner.
Done Oct. 26, 1899, by HLC.

Indorsement

Respectfully returned to Mr. Charles H. Walsh, Publisher, No. 1037 Walnut St., Philadelphia, Pa., with the information that this Dept. has no fund at its disposal with which to purchase records of any kind.

By authority, etc.,
Chief, etc.,

(ERR).

Mr. HARRY F. BYRD, JR. I have recently seen a copy of the editorial, entitled "Citizenship for General Lee", which was published in the Richmond News Leader on January 20, 1975. Ross Mackenzie, editor of the editorial page, again recounts the details of the efforts to restore full rights of citizenship to Gen. Robert E. Lee and has called on the bicentennial Congress to take action on this matter. I ask unanimous consent that Mr. Mackenzie's editorial be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Citizenship for General Lee

Yesterday marked the 168th anniversary of the birth of Robert Edward Lee at Stratford in Westmoreland County; he died more than 104 years ago, on October 12, 1870. Yet when he died, he had not been restored to the full citizenship to which he was indisputably entitled. Numerous efforts to restore his citizenship posthumously have failed. The latest effort was a joint resolution introduced in the last session of Congress by Senator Harry F. Byrd, Jr. The resolution was sent to the Senate Judiciary Committee, where it languished and—ultimately—died. Senator Byrd currently is exploring with members of the Committee how best to proceed this year.

The evidence supporting restoration of full citizenship to General Lee—some of that evidence discovered only in the past several years—is unequivocal. The essential evidence is this:

On April 9, 1865, General Lee surrendered the Army of Northern Virginia to General Ulysses Grant at Appomattox Court House. The War Between the States was over. On May 29 of that year, President Andrew Johnson signed a proclamation granting amnesty to practically everyone who had taken up arms against the North. On June 13, 1865, General Lee wrote to President Johnson from Richmond: "Sir: Being excluded from the provisions of the amnesty and pardon contained in the proclamation of the 29th ult., I hereby apply for the benefits and full restoration of all rights and privileges extended to those included in its terms." General Lee sent his letter to General Grant, who forwarded it to President Johnson with—in General Grant's words—"the earnest recommendation that this application . . . be granted him."

Apparently both General Lee and General Grant were unaware on June 13 that an oath renewing one's allegiance to the United States must accompany such a request. At any rate, and perhaps for that reason, President Johnson never took any action on General Lee's request. Because of the apparent absence of an oath, for a century every attempt to restore full citizenship to General Lee went nowhere. Then about five years ago a researcher digging through records in the National Archives discovered a notarized oath of renewed allegiance signed by General Lee on October 2, 1865. In the oath [see below] General Lee said:

"I, Robert E. Lee, of Lexington, Virginia, do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the Unted States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God."

It is obvious that between June 13 and October 2, General Lee learned of the need for an oath. No one could ask for a more straightforward statement of allegiance to the United States. Yet the fate of the oath after General Lee signed it is unknown—except that somehow it found its way into the National Archives, there to reside for 100 years.

On February 15, 1869, the government dismissed several treason indictments against General Lee, his sons, and 14 other general officers of the Confederacy. Thereby, the government removed the only remaining bar to the full restoration of General Lee's citizenship. According to several legal opinions, however, only Congress—by a two-thirds vote of each house—can restore full citizenship to him.

In the words of Senator Byrd, General Lee "has stood as an unequaled example of gentlemanly demeanor, both in victory and adversity, [and he has fulfilled] every requirement for the restoration of his citizenship." Last February 7, in a resolution adopted by acclamation, the Virginia General Assembly said that "the legal disabilities placed upon General Lee as a result of his service as General of the Army of Northern Virginia should be removed, and [he] should be posthumously restored to the full rights of citizenship, effective June 13, 1865, by the Congress of the United States."

General Lee died a man without a country. As he said soon after the war, "I believe it to be the duty of every man to unite in the restoration of the country and the re-establishment of peace and harmony," so it is the duty of Congress to restore the full measure of his rights to him, albeit posthumously. We urge Senator Byrd not to relent in this matter. And we urge this bicentennial Congress to follow the Senator's lead.

GENERAL LEE'S OATH

I, Robert E. Lee, of Lexington, Virginia, do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect and defend the Constitution of the United States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God.—Signed, R. E. Lee.

S.J. RES. 23

Whereas this entire Nation has long recognized the outstanding virtues of courage, patriotism, and selfless devotion to duty of General R. E. Lee, and has recognized the contribution of General Lee in healing the wounds of the War between the States, and

Whereas, in order to further the goal of reunion of this country, General Lee, on June 13, 1865, applied to the President for amnesty and pardon and restoration of his rights as a citizen, and

Whereas this request was favorably endorsed by General Ulysses S. Grant on June 16, 1865, and

Whereas, General Lee's full citizenship was not restored to him subsequent to his request of June 13, 1865, for the reason that no accompanying oath of allegiance was submitted, and

Whereas, on October 12, 1870, General Lee died, still denied the right to hold any office and other rights of citizenship, and

Whereas a recent discovery has revealed that General Lee did in fact on October 2, 1865, swear allegiance to the Constitution of the United States and to the Union, and

Whereas it appears that General Lee thus fulfilled all of the legal as well as moral requirements incumbent upon him for restoration of his citizenship: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3 of amendment 14 of the United States Constitution, the legal disabilities placed upon General Lee as a result of his service as General of the Army of Northern Virginia are removed, and that General R. E. Lee is posthumously restored to the full rights of citizenship, effective June 13, 1865.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2

At the request of Mr. PROXMIRE, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 2, a bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the First Amendment to radio and television broadcasting stations.

S. 5

At the request of Mr. CHILES, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 5, the Federal Government-in-the-Sunshine Act.

S. 131

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 131, a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act and for other purposes.

S. 350

At the request of Mr. CURTIS, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of S. 350, a bill to authorize the Secretary of the Interior to cancel certain obligations, and to construct, operate and maintain certain works in connection with the Marage Flats Irrigation project, and for other purposes.

S. 445

At the request of Mr. HUGH SCOTT, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 445, a bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss or a reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs.

SENATE JOINT RESOLUTION 12

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of Senate Journal Resolution 12, to delay the imposition of oil import fees and higher oil prices.

SENATE RESOLUTION 9

At the request of Mr. CHILES, the Senator from Kansas (Mr. DOLE), the Senator from California (Mr. TUNNEY), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Resolution 9, to amend the Senate Rules.

SENATE RESOLUTION 45—SUBMISSION OF A RESOLUTION RELATIVE TO THE REFERRAL OF MESSAGES CONCERNING THE BUDGET

(Referred to the Committee on Rules and Administration.)

Mr. McCLELLAN (for himself, Mr. MUSKIE, Mr. YOUNG, and Mr. BELLMON) submitted the following resolution:

S. RES. 45

Resolved,

1. That messages received pursuant to title X of the Congressional Budget and Impoundment Control Act be referred concurrently to the Appropriations Committee, to the Budget Committee, and to any other appropriate authorizing committee.

2. That bills and resolutions introduced with respect to such messages shall be referred to the Appropriations Committee, the Budget Committee, and pending implementation of section 401 of the Congressional Budget Impoundment Control Act and subject to section 401(d), to any other committee exercising jurisdiction over contract and borrowing authority programs as defined by section 401(c) (2) (A) and (B). The Budget Committee and such other committees shall report their views, if any, to the Appropriations Committee within 20 days following referral of such messages, bills, or resolutions. The Budget Committee's consideration shall extend only to macroeconomic implications, impact on priorities and aggregate spending levels, and the legality of the President's use of the deferral and rescission mechanism under title X. The Appropriations and authorizing committtees shall exercise their normal responsibilities over programs and priorities.

3. If any Committee to which a bill or resolution has been referred recommends its passage, the Appropriations Committee shall report that bill or resolution together with its views and reports of the Budget and any appropriate authorizing committees to the Senate within:

A. the time remaining under the Act in the case of rescissions, or

B. within 20 days in the case of deferrals.

4. The 20 day period referred to herein means 20 calendar days; and for the purposes of computing the 20 days, recesses or adjournments of the Senate for more than 3 days to a day certain shall not be counted; and for recesses and adjournments of more than 30 calendar days, continuous duration or the sine die adjournment of a session, the 20 day period shall begin anew on the day following the reconvening of the Senate.

SENATE RESOLUTION 46—SUBMISSION OF A RESOLUTION CONCERNING THE REFERRAL OF PROPOSED LEGISLATION AND OTHER MATTERS TO STANDING COMMITTEES

(Referred to the Committee on Rules and Administration.)

Mr. MANSFIELD submitted the following resolution:

S. Res. 46

Resolved, That Rule XXVI of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. (a) Whenever proposed legislation or any other matter which is to be referred to a standing committee broadly crosses or significantly involves the jurisdictions of one or more such committees, such proposed legislation or other matter shall be referred in accordance with the requirements of section 137 of the Legislative Reorganization Act of 1946, as amended, unless a motion is made to refer the proposed legislation or other matter under this paragraph.

"(b) Upon motion, when proposed legislation has been read a second time or when any other matter has been laid before the Senate, it may be referred to more than one standing committee. Such motion may direct joint or sequential referral with appropriate instructions as to further referrals, time allowed for consideration by a committee, and discharge of a committee from further consideration. The report filed by committees to which proposed legislation or other matter has been jointly referred shall be a joint report of such committees unless otherwise ordered by the Senate. A motion directing sequential referral of proposed legislation or other matter to more than one such committee shall provide that, upon the reporting of such proposed legislation or other matter by any such committee, it shall then be referred to the other such committee or committees which have not then reported it.

"(c) Notwithstanding any other rule, during the consideration of any proposed legislation or other matter which has been referred to more than one committee pursuant to a motion under this paragraph and which has been reported by such committees, an amendment proposed to an amendment proposed by any of such committees shall be in order."

SENATE RESOLUTION 47—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

(Referred to the Committee on Rules and Administration.)

Mr. NELSON (for himself and Mr. Javits) submitted the following resolution:

S. Res. 47

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committees of the Senate.

Sec. 2. For purposes of this resolution, the committee, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, (4) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, and (5) to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as any such standing committee may provide that assistance under section 202(j) of such Act.

Sec. 3. The expenses of the committee under this resolution shall not exceed $263,000, of which amount (1) not to exceed $10,000 may be expended for the procurement of the services of individual consultants, or organizations thereof, and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee.

Sec. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

Sec. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 48—SUBMISSION OF A RESOLUTION URGING CONTINUING EFFORTS IN BEHALF OF AMERICANS MISSING IN ACTION IN SOUTHEAST ASIA

(Referred to the Committee on Foreign Relations.)

Mr. SPARKMAN submitted the following resolution:

S. Res 48

Whereas, January 27, 1975 will mark the second anniversary of the signing of the Agreement on Ending the War and Restoring Peace in Vietnam signed in Paris on January 27, 1973; and

Whereas, the Laotian cease-fire protocols are now entering their second year; and

Whereas, both sides under the Vietnam agreement charged the other with violations of its provisions; and

Whereas, several important aspects of the Lao protocols have not been implemented; and

Whereas, in Cambodia there is not even the prospect of a cease-fire agreement; and

Whereas, the foregoing conditions have forestalled the implementation of Article 8 (b) of the Paris Agreement relating to the missing in action and resulted in the failure of any performance on the obligations contained in the Lao protocol which provide for an accounting for Americans missing in action:

Now, therefore,

Be it resolved that it is the sense of the Senate that the United States Government should ask all parties signatory to the Paris Agreement and to the Lao protocols to abide by their provisions.

Sec. 2. The President and the Secretary of State should continue to take the necessary steps, including such new negotiations as may be deemed necessary to obtain an honorable determination of the fate of all U.S. servicemen and civilians missing in Southeast Asia.

Sec. 3. The Secretary of the Senate is directed to transmit this resolution to the President who is requested to report to the Senate in 90 days on steps taken to implement the resolution.

OUR MIA'S: 2 YEARS AFTER THE PARIS AGREEMENT

Mr. SPARKMAN. Mr. President, 2 years ago with a sense of relief and expectation we celebrated the signing of the "Agreement on Ending the War and Restoring Peace in Vietnam." We believed that the long Indochina conflict was at last over. Our troops were already being withdrawn and we knew that our prisoners of war would soon be coming home.

Unfortunately, as we now know, many issues were left unresolved when we turned away from Indochina. Among the most distressing of these is the unresolved fate of our Americans missing in action.

The Paris agreement included many complicated reciprocal undertakings, many of which, absent any enforcement mechanism, were dependent upon the faith and good will of the vietnamese parties. Of particular interest to our MIA families was the undertaking on the part of the Vietnamese parties to provide information concerning those missing in action. It did not occur to us at the time that there would be any question of Hanoi's compliance with this aspect of the agreement.

Today, 2 years after the signing of the agreement, the families of our missing Americans have yet to receive any information concerning their loved ones. Worst of all, there seems to be so little that can be done about this situation.

A few weeks ago I received a letter from Mr. E. C. Mills, the executive director of the National League of Families of American Prisoners and Missing in Southeast Asia. In that letter Mr. Mills urged that I introduce a resolution on behalf of the MIA families. After consultation with my colleagues and those familiar with this problem I have drawn up the resolution which I am introducing today. I believe that it incorporates the principal features of the resolution suggested by the League of Families.

We know that this problem cannot be solved by passing another resolution. Such action, though, would signify our dedication to the proposition that our brave MIA families deserve an accounting for their loved ones.

We in the Congress and officials in the executive branch should continue as we have in the past to search for ways in which to obtain more information. If, as the League of Families has suggested, it is necessary for us to reopen our discussions with the North Vietnamese in order to facilitate this search, careful consideration should be given to that course of action.

I urge my colleagues to give careful consideration to this resolution and to the problem which it addresses.

SENATE RESOLUTION 49—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

(Referred to the Committee on Rules and Administration.)

Mr. RIBICOFF, from the Committee on Government Operations, reported the following resolution:

S. RES. 49

Resolved, That, in holding hearings,, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursement basis the services of personnel of any such department or agency.

SEC. 2. The Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, to expend not to exceed $2,406,362 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

SEC. 3. Not to exceed $239,200 shall be available for a study or investigation of—

(1) Budget and accounting measures, other than appropriations;

(2) Reorganizations in the executive branch of the Government;

(3) Reports of the Comptroller General of the United States and recommendations deemed necessary or desirable in connection with such reports;

(4) The operation of Government activities at all levels with a view to determining its economy and efficiency;

(5) The effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(6) The intergovernmental relationships between the United States and the States, municipalities, and international organizations, of which amount not to exceed $20,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 4. (a) Not to exceed $1,113,000 shall be available for a study or investigation of—

(1) The efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided,* That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

(2) The extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) Syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawfulness business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) All other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) Riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commisison of crimes in connection therewith, the immediate and longstanding causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquillity within the United States;

(6) The efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) The efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

(b) Nothing contained in this section shall affect or impair the exercise by any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1975, through February 29, 1976, is authorized, in its, his, or their discretion, (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to hold hearings, (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate, (4) to administer oaths, and (5) take testimony, either orally or by sworn statement.

SEC. 5. Not to exceed $388,544 shall be available for a study or investigation of intergovernmental relationships between the United States and the States and municipalities, including the fiscal interrelationship between the Federal Government and State and local governments and the manner in which Federal assistance is disbursed to State and local governments, and including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959, as amended by Public Law 89-733, approved by the President on November 2, 1966; of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

SEC. 6. Not to exceed $258,618 shall be available for a study or investigation of the efficiency and economy of operations of the Federal Government with respect to—

(1) Policies, procedures and activities affecting—

(A) the accounting, financial reporting and auditing of government obligations and expenditures;

(B) the oversight of Federal agency and program performance and effectiveness;

(C) the development and effectiveness of fiscal, budgetary and program information systems and controls; and

(D) the development and improvement of management capability and efficiency;

(2) Policies, procedures and activities affecting—

(A) preparation and submission of Federal regulatory agency budgets to Congress; and

(B) data collection and dissemination by Federal regulatory agencies; and

(3) Review and evaluation of procedures and legislation with respect to federal advisory committees, federal resports, questionnaires, interrogatories;

of which amount not to exceed $15,000 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 7. Not to exceed $292,000 shall be available for a study or investigation of the efficiency and economy of operations of all branches of the government with respect to—

(1) Federal spending practices, particularly Federal procurement, and the laws, regulations and procedures governing Federal contracts, grants, transfer payments, and other spending arrangements; the Office of Federal Procurement Policy and other executive branch organizations responsible for Federal spending practices;

(2) The efficiency and economy of Federal spending practices, as applied and used to meet agency statutory charters and program objectives; and

(3) All measures relating to the open public conduct of the meetings of all branches of the government;

of which amount not to exceed $10,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

SEC. 8. Not to exceed $115,000 shall be available for a study or investigation of the economy, efficiency, and productivity of the operations of the Federal Government with respect to—

(1) Development of—

(A) methods and procedures to effectively oversee the operations of the Executive branch; and

(B) methods by which Federal programs may be effectively reviewed and analyzed;

(2) Budget measures, other than appropriations, or matters within the jurisdiction of the Committee on the Budget as provided in the Congressional Budget and Impoundment Control Act of 1974, including—

(A) the formulation and submission to Congress of budget recommendations by the President; and

(B) the review and authorization of budget requirements by the Congress; and

(C) the execution and control of authorized budget obligations and expenditures;

(3) The utilization and disposal of Federal property and administrative services, including the management of Federal records and archives; and

(4) The evaluation of efforts to reduce the volume of Federal paperwork;

of which amount not to exceed $2,500 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 9. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 29, 1976.

SEC. 10. Expenses of the committee under this resolution, which shall not exceed in the aggregate $2,406,362 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 50—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

(Referred to the Committee on Rules and Administration.)

Mr. MUSKIE, from the Committee on the Budget, reported the following resolution:

S. RES. 50

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,892,000, of which amount not to exceed $133,500 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 51—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

S. RES. 51

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, and (2) to employ personnel.

SEC. 2. The expenses of the committee under this resolution shall not exceed $990,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

NOTICE OF HEARINGS ON SMALL BUSINESS TAX NEEDS

Mr. NELSON. Mr. President, notice is hereby given of public hearings on the tax needs of small business under the twin impact of recession and inflation. The sessions are to be held on February 4 in room 1114 DSOB and on February 5 in room 224 RSOB at 9:30 a.m. each day.

The combination of inflation and recession we have witnessed over the past year has produced one of the most serious economic crises since the Great Depression. For 1974, the Consumer Price Index has increased 12.2 percent, while the Wholesale Price Index, which directly reflects the price small business firms must pay for their raw materials and merchandise, has increased 20.9 percent in the last 12 months. At the same time, a year-long recession has resulted in reduced national output and unemployment of over 7 percent.

There is wide agreement that a package of tax reductions is urgently needed to pull the country out of a recession, without further aggravating inflation.

What should be the participation of small business in this tax package? The small business community numbers 97 percent of the Nation's 12 million enterprises. It accounts for more than one-half of all employment and about one-third of the gross national product. It also provides invaluable leadership in local communities across the Nation, maintaining economic bases which contribute to balance between rural areas, smaller towns and larger cities.

The administration's tax proposals, in my view, do not do justice to small business. The two items in this tax package addressed to business are the investment credit and reduction of corporate tax rates.

Our research discloses that, as to the investment tax credit, the 351 largest corporations received more than one-half of all of the credits in 1968—the last full year for which information is available. Similarly, as to reductions in the corporate tax rate, the statistics from the Internal Revenue Service seem to show that small businesses earning less than $25,000—the level at which the corporate surtax is imposed—would receive only 6.4 percent of the benefits.

It can certainly be argued that one of the approaches to improving the economy is to confer the lion's share of the new advantages on a very few great corporations which already have lower effective tax rates than smaller companies. Evidently this is the position the administration has initially taken. But there are other approaches.

To me it seems far more equitable, and potentially more effective, to distribute the benefits of the 1975 tax legislation so that smaller business receives at least a proportionate share.

To that end, I will shortly introduce the comprehensive small business tax simplification and reform bill which has provisions aimed at all types of businesses and all phases of the business life cycle. Also, Representative Al Ullman, the distinguished chairman of the House Ways and Means Committee, has just proposed a tax package which gives additional recognition to small business.

We need to examine all of these proposals. If we are interested in creating jobs, we should explore whether those employing more than half the work force are in a position to increase employment more rapidly, and perhaps more permanently.

If capital investment is our primary goal, those considering tax proposals should probably be sensitive to the fact that large firms have access to the stock market, the bond market and many money markets which are closed to small firms because of their size. It seems to me that the increase in first-year depreciation approved by the Ways and Means Committee in August 1974 may be even better suited to today's circumstances. Moreover, such a provision would apply to the 10 million noncorporate businesses in the country as well as the 2 million corporations.

In my view, we should be doubly careful about piling additional tax advantages on top of disproportionate tax and capital-raising advantages already enjoyed by large corporations. This might have the effect of driving more small firms out of business, thus eliminating competition which in turn tends to again raise prices.

To inquire into these and related questions, the Select Committee on Small Business has scheduled 2 days of hearings in early February. We expect to hear from small business persons, private economists, and tax experts, as well as governmental agencies. We are requesting that the witnesses address themselves to the following matters:

First. Furnishing statistical evidence of the impact of recession and inflation on small business;

Second. Analyzing the administration's tax proposal for dealing with these problems, particularly as they affect small business; and

Third. Offering specific alternatives—with economic backup—to support how such proposals would benefit the economy, as well as small business by way of inclusion in the "quickie" tax package, as well as the longer term small business tax simplification and reform bill.

A report on this inquiry will be available for the Committee on Finance before the conclusion of their deliberations incident to reporting a bill. Time is short, but the timetable has been imposed upon us by the economic difficulties in which the Nation finds itself. We realize the burden imposed on the small business community is heavy because the facts and figures we are seeking are not gathered and packaged by any Government agency, but must be gathered laboriously by small business associations at their own substantial time and expense.

Nevertheless, I feel that every effort must be made. There is a consensus that we must have action now in the tax field.

Our hearings will be an opportunity for small business to "make its case" for equitable tax treatment in 1975. We hope they will give small business a voice in the drafting of tax legislation which will take shape in February, rather than being treated as an afterthought as has been the case for many years.

NOTICE OF SEMINARS BY THE BUDGET COMMITTEE

Mr. MUSKIE. Mr. President, as chairman of the Senate Budget Committee, I would like to announce a series of seminars which the Budget Committee will hold next week. The President's budget will be announced on Monday, February 3, and so these seminars are designed to address the economic considerations affecting this budget, the priorities reflected in the budget, and the various revenue proposals contained in the 1976 budget.

The program for the seminars is as follows:

Monday, February 3—"Economic considerations and the budget;" 9 a.m., room 3302 DSOB.

Tuesday, February 4—"Priorities in the 1976 budget;" 9 a.m., room 3302 DSOB.

Wednesday, February 5—"Congressional and administrative revenue proposals"; 9 a.m., room 3302 DSOB.

Participating in these seminars will be economists and budget experts as well as staff experts from the Budget Committee.

These seminars will be working sessions of the committee in preparing for the drafting of the first concurrent resolution and the accompanying report.

ADDITIONAL STATEMENTS

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, next year we will be celebrating the Bicentennial anniversary of America's independence. The emphasis will rightly be placed on our continuing dedication to freedom and human rights, as embodied in the Declaration of Independence. It is an anniversary and an event of which every American can rightly be proud.

But there is another anniversary that occurred last month which escaped public attention and for which there was no fanfare. It was the 26th anniversary of the proclamation of the Universal Declaration on Human Rights. This is an event for which Americans can also be extremely proud. The United States in those early days of the United Nations was one of the prime movers in placing that body foursquare behind the promotion of human rights. In fact, the United States was the prime drafter of the first human rights convention ever adopted by the U.N.—the Genocide Convention.

In the intervening years, however, American enthusiasm for the promotion of human rights waned as geopolitical considerations caught the eye of our policymakers. Indeed, the treaty our delegates championed—the Genocide Convention—has languished before the Senate for a full quarter century without a vote on its merits.

Mr. President, there has been a great deal of speculation about the new spirit of the 94th Congress. Prompt ratification of this treaty would provide concrete proof of that new spirit and serve as a belated observance of the anniversary of Universal Declaration on Human Rights.

VIRGINIA—AND THE SEA

Mr. HARRY F. BYRD, JR. Mr. President, Vice Adm. M. G. Bayne, U.S. Navy, spoke before the Virginia Historical Society in Richmond on January 20, 1975.

Admiral Bayne is commandant of the National War College.

Admiral Bayne's address "Virginia—And the Sea" is a thoughtful, interesting, and stimulating one.

I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Virginia—And the Sea

What a privilege it is for a naval officer to speak with this distinguished audience about the sea: and what a pleasure for a native of this great commonwealth to talk of the Virginian Sea—where it all began. Captain John Smith named the Atlantic Ocean coastal area from Cape Cod to Cape Hatteras The Virginia Sea, and so inscribed his famous map of Virginia. He was describing the boundaries of the original Virginia Charter issued by King James I jointly to the London and Plymouth companies on April 10, 1606.

This charter announced "our license to make habitation, plantation, and to deduce a colony of sundry of our people into that part of America commonly called Virginia, situate, lying and being all along the sea coasts, between 34° northerly latitude from the equinoctial line, and 45° of the same latitude, and in the mainland between the same 34° and 45°; and the islands thereunto adjacent or within 100 miles of the coast thereof.".

The charter thus, defined Virginia as all the land, coastal areas, islands and waters from what is now South Carolina to Maine extending 100 miles to seaward. Captain John Smith's Virginian Sea was aptly named.

Quite recently, the Virginia Sea has again been identified and updated by an interesting bathymetric chart produced by the Virginia Institute of Marine Science at Glouster Point, Virginia. Part one of that chart issued last year and called the Virginia Sea covers the coastal areas from Cape Henlopen; Delaware to Cape Hatteras; and as we approach our Bicentennial year—carries us back to those days when Western man was beginning an adventure destined to have the most momentous consequences for all mankind.

In the years which followed that first charter, the Virginia Sea became the crossroads for the greatest expansion of commerce and trade the world has ever known.

Through the waters of this sea hopeful people struggled westward with their meagre possessions and their dreams—often only their dreams. Many lost those possessions, and many gave their lives in the pursuit of their dreams; but the dreams were enough to sustain most of them, and their achievement, in time, provided the world with the finest flowering of Western civilization yet known.

Their courageous vision and its direct relation to positive action was clearly seen in the 17th and 18th centuries; but at times today that vision may seem clouded. It is about that vision, and its fundamental truth that I would speak this evening.

The adventure through the Virginia Sea, which ultimately established in a new world, immense wealth and new frontiers of law, government, religion, commerce, education, society, technology and—especially of personal freedom—that adventure was successful because of the clear understanding of one unchanging natural law. Our world is 70% water—seas—oceans—which can be the highways between islands of populated land. The people who live on these islands most successfully are those who understand best how to use the water areas between them.

The eventual success of the London Company's establishment in Jamestown was achieved only after repeated efforts during the 17th century had failed; it was attempted in clear recognition that through the Virginia Sea lay the path of least risk to a new world. The Spanish held sway to the south of latitude 34°; the French to the north of latitude 45°. The English defeat of the Spanish armada in 1588 removed most of the Spanish warships from the Atlantic Ocean highways, and freed the movement of English ships to cross the Atlantic and enter the Virginia Sea. A residual of Spanish naval power remained, and constituted a threat as English ships moved west into the new world. Close by were the traditional routes of the Spanish treasure fleets; any ship sighted had to be feared as a potential enemy: Here pirate trade flourished; here storms and treacherous, unchartered areas were a way of life. But here in the Virginia Sea lay the roadway to new wealth, fertile new lands, new raw materials to feed the industrial revolution in England; and above all—a chance for all who survived the trip to start a new life and adventure unmarred by royal or feudal whims.

The southern end of the Virginia Sea was the gateway to this new world. In the developing days of this Nation the rivers of the James, the York, the Rappahanock, the Potomac led into the fertile coastal plain, and nurtured and spread the unique seed first planted in 1607 at Jamestown. Shipping reached these rivers, through Cape Henry and Cape Charles by proceeding into the Chesapeake Bay (an Algonquin Indian name meaning Great Shellfish Bay). The bay and the rivers formed a natural protective system, and fostered rapid development of special kinds of seaborne commerce which brought the benefits of wealth and prestige to Virginia planters. It was an environment in which energetic and intelligent men could prosper.

The lure of the new life brought all types across the Virginian Sea—and Virginia accommodated them all—aristocrats, religious zealots, criminals; defeated royalists driven from England by Cromwell, as well as those "roundheads" who fled when Charles II came to the English throne—borne on the highway of the sea they came, and subsequently sent back the riches of the new world; creating a revolution in trade—seaborne trade—with Europe and with the Far East—opening up the natural wealth of this continent and beyond. By 1830 growing world trade turned on the hub of a wheel which revolved about the U.S. Atlantic seaboard and British ports; the spokes of the wheel reaching all portions of the globe. The equation was balanced, and it was a maritime one—its elements—the Virginian Sea; colonial energy—initially British protection at sea—later U.S. protection at sea, equalled: world maritime trade. The formula spelled success.

Trade was interrupted by the Civil War, which in large part was decided by Union control of the Virginian Sea and the Atlantic and Gulf coasts; but this was only an interlude in the steady development of trade from this hemisphere.

When the last vestige of Spanish power was removed from the Caribbean in 1898, the United States held sway. The Panama Canal was built and another maritime dimension was added to world trade.

What I shall say this evening will accentuate the historical truth—hammered home by our past—that the sea rewards those who understand it and who use it well. They achieve a degree of freedom and progress not available to others.

Perhaps that statement before this audience, smacks of Admiral Mahan updated—and in a way it does—for Alfred Thayer Mahan wrote that success in peace and war is dependent on control of the seas—certainly he would agree that our security today, in an increasingly interdependent world is, even more dependent on free access to this three-quarters of our planet's surface.

George Washington understood it. He began his own Navy in 1775 by converting several small schooners into warships which harassed British shipping. They were called "Washington's Fleet." But they were not enough, and without the French fleet under Admiral De Grasse off the Virginia Capes in 1781, General Cornwallis would not have surrendered at Yorktown. Washington in writing De Grasse said:

"Your excellency will have observed that whatever efforts are made by the land armies, the Navy must have the casting vote in the present contest."

Lord Montgomery, Britain's most famous Army general in World War II said in his History of Warfare:

"The lesson is this: in all history the nation which has had control of the seas has, in the end, prevailed."

It is tempting to go on, quoting great men, basking in the reflected light of exciting times past; it is tempting and it is fun; but today we are not apt to hear too well these distant echoes from the past.

We are a comfortable nation, a successful nation—the most successful the world has ever known. The vast majority of our people have never known want; true, some have, and for them we feel a compassion which drives us to help them improve their lot. Generally, we take our good life for granted, not questioning too deeply how we obtained it—it was always there—not worrying too much about signs which indicate that the cup may be running over—if we spill a little—somehow, someone else will fill it up for us—not relating carefully to the future, the immutable laws of supply and demand—because today in spite of temporary reverses, we believe things will turn out all right. They always have before!

There is nothing surprising about this American attitude. We are human beings and as such are competitive. We strive for improvement of our way of life—and are sometimes delayed in seeing how actions of others, perhaps thousands of miles away, may be setting the stage to change that life—we see it when it happens to us—not before.

The basic truths have not changed. The expense, the risk, the determined hard work undertaken by those souls who set out under London charter to enter the Virginian sea in 1606, are just as applicable today as they were then—perhaps camouflaged a bit—perhaps dangerously camouflaged by our comfort and our success; but they are there still, and if we violate them, our way of life will change adversely—if we respect them—our path ahead is unlimited.

Today the United States is an island, connected with other world islands by water highways—highways along which commerce freely flows. These highways are paths—not barriers—they become barriers only if we make them so. In prior times we heard that the two best allies of this country were the Atlantic and Pacific oceans. This was the isolationist belief heard between the two world wars. Perhaps in the early days of the Virginian sea that notion had merit—the separation in time and technology made it true. Now these oceans are connecting links and we cannot hide behind an outdated theory which claims that they protect us. The other islands are now too close, close in time and close in the technology required to span their widths easily.

Here it is that our contemporary American vision sometimes tends to blur. It becomes blurred when we, the largest international trader in the world, allow the percentage of our overseas trade carried in U.S. flag ships to drop from 57.6% in 1947 to 5% in 1970.

By comparison, in 1970, the Soviets carried 56% of their trade in ships flying the Soviet flag, Japan 47%, Norway 43%, France 38%, Spain 37%, United Kingdom 35%, West Germany 29%, Italy 23%.

In October of 1970, in recognition of this deterioration, the U.S. Maritime Act of 1970 was signed into law. It provides for a ten-year shipbuilding program to update the American merchant fleet. This program is designed to begin the road back to a capability envisioned in the Merchant Marine Act of 1936. This Act states that it is necessary for our national defense and for the development of our foreign and domestic commerce, that the United States shall have a merchant marine capable of carrying all its domestic waterborne commerce; a substantial portion of its foreign trade; and capable of serving as a naval and military auxiliary in time of war or national emergency.

Certainly 5% cannot qualify as substantial.

Today we import all or part of 69 oi the 72 essential commodities which sustain the industrial heart of our land. The vast majority of these products arrive at our ports in ships which do not fly the American flag. There are those who feel that this degree of reliance on foreign shipping is not against our national interests; that U.S. privately owned ships flying other flags, primarily Liberian or Panamanian, are just as subject to call as are ships owned and operated under United States laws. The statistics are interesting.

In 1971 the foreign flag fleet owned by U.S. citizens numbered 480 ships with a deadweight tonnage of 28 million tons.

In 1973 the United States flag fleet numbered 573 ships of only 13 million deadweight tons.

I do not intend to sit in judgment here, simply to present facts as they are emerging in our complicated, competitive, commercial world. Perhaps symbolic of our times is the launching just ten days ago, into the Patapsco River of the largest ship ever built in this country. She is the supertanker Massachusetts, a 265,000 ton tanker built by Bethlehem Steel for Boston VLCC Tankers, Inc.

Although she will enter the Virginian sea to begin her life of world trade, she is not likely to carry out that trade in U.S. waters for some time. Her size, and the absence of U.S. ports deep enough to accommodate her will cause her to be leased for operation among foreign oil ports of call.

On January 4th of this year President Ford signed a bill granting permission to build deep water moorings for such ships, beyond the three-mile line, off the coasts of Delaware, Maryland and Virginia.

In Virginia maritime trade is growing rapidly. Last October Admiral E. P. Holmes, the executive director of Virginia's Port Authority, informed the 26th annual conference on world trade that the port of Virginia had exceeded shipping forecasts; running almost four years ahead of projections, and would reach five million tons of general cargo and, over 300,000 containerized units per year by 1980, a 40% increase over present levels.

He attributed the rapid growth to the favorable geography of Hampton Roads and an abundance of good loading and transportation facilities. He referred to Hampton Roads as the Gateway to the Midwest. It is the pull of the Virginian sea all over again.

This attraction of the Virginian sea works in other ways. The establishment of the International Trade and Development Department in Virginia in 1969 has, to some extent, made more visible this attraction. At present about 460 million dollars of foreign capital has been invested in the commonwealth. Sixty-one foreign firms ranging from automotive assembly to the manufacture of synthetic fibers use the pathways of the Virginia sea. Is it unrealistic to assume that the massive availability of investment capital to the oil producing nations will result in significant increases of capital flow to this unique trading location?

The Merchant Marine is only one factor in this maritime equation. To be viable, to move freely about the oceans, that trade must be secure. It must not be challenged, it must not move under conditions which become unpredictable enough to cause insurance and wage rates to soar beyond the points of profitability.

The Virginian Sea was and is an attractive pathway because the British, and now the United States Navy insure freedom of movement to and from it.

We have no viable option in this country but to continue to maintain a Navy that is second to none. There seems nothing at all illogical about the notion that the nation which conducts the world's largest maritime trade requires the world's largest navy. It is an expense and a responsibility which must be borne—or, if we fail to do so, at a future time we will not conduct the world's largest volume of maritime trade. England is the latest example of this maritime truism.

Always, I am at great difficulty in following the arguments of those who suggest that a reduction in strength leads to greater probability for stability. Can anyone really believe that the Cuban quarantine, the Dominican Republic affair or the uneasiness at Lebanon some years ago would have resulted in a more stable world order had not the United States naval capability been superior to others.

In no case were naval weapons used, and that superior power was precisely the reason weapons were not needed. A society is at its closest proximity to conflict when it is perceived to possess valuables desired by another society, and is further perceived unable or unwilling to protect those valuables. It is not strength which gives rise to danger—it is exactly the opposite—weakness—as history has demonstrated time and again.

One cannot discuss this matter in the abstract for long without someone raising the question of the Soviet maritime build-up. Is it bad? Does it threaten us?

My answer to this invariably is, no, there is nothing had about it at all, and it does not threaten us, unless the Soviets perceive that we are unwilling or unable to continue to insure the free and full use of the world's maritime highways. Mankind has not changed since 1945—his weapons have—his numbers have—his use of the resources of his planet has—all have multiplied many times—but until mankind changes his basically competitive nature—he is most safe being strong not weak.

Last month in San Francisco, the Secretary of the Navy, J. William Middendorf, speaking before the San Francisco Rotary Club, said:

"It is the trend of expanding Soviet naval capabilities that I personally view as one of the most significant strategic developments since the atomic bomb."

This is an important statement for our Nation to hear, particularly Virginians who understand that a second-best maritime capability is not posted on the success board.

Since 1962 the Soviet navy has outbuilt the U.S. Navy in every category except aircraft carriers. If we list the numbers of major combatants today the comparison shows—

	Soviets	*United States*
Aircraft carriers	2	14
Cruisers	30	6
Destroyers	80	90
Escorts	109	66
Submarines	325	115

Next year the total number of ships in the United States Navy will be under 500, the lowest since before 1938.

It is difficult and dangerous to attempt comparisons of this nature. Someone is certain to say—you didn't list this or that, or one of these equals two of those. I do this not to ask you to add up sides and fight a hypothetical naval engagement. I do it only to indicate trends, and to provide data which will allow you to answer for yourself the inevitable question—how does he perceive me? Am I too strong to tempt, or am I too weak to care? It is a personal question—you cannot check the bidding to some mystical group of "brass," a euphemism meaning many things in today's vernacular. They preach the gospel in which they believe, just as surely as does your minister in your own church on Sunday morning. You either believe him or you do not: and your life and actions are governed accordingly.

Perhaps there is an illustrative symbol here also. On December 14th the Eighth American naval ship to bear the name *Virginia* left the building ways at Newport News Shipbuilding and Drydock Company and floated to her new home in the James River.

She is a nuclear powered naval cruiser to be armed with modern anti-submarine and anti-air weapons.

The newspaper accounts of the launching gave more space to the seven earlier *USS Virginias* than to this new ship. They recounted that a former *USS Virginia* had been originally named the *Merrimack* until she entered history and ushered in the era of iron clad warships.

But while making much of the poignant history of the earlier *USS Virginias*, they took little note that the eighth was the first ship of this type launched in our country in ten years.

Today we cannot confine our view of the sea to maritime trade and naval protection. The sea offers so much more. In April of last year our Senate began a national ocean policy study. They did so in recognition, that aside from the highways of the sea, the world's oceans contain enough food, energy and mineral resources to provide for the needs of mankind for undetermined periods into the future. The requirements for technology to reap these benefits, and to develop agreements among nations for use of the sea areas are becoming increasingly compelling.

Surprisingly perhaps, our country has no national ocean policy to bring together the related programs involving the Merchant Marine, the Navy, ocean research, fishing, and exploration of the seabeds—all programs having far reaching significance for our national security.

The Soviets do have such a policy. They coordinate carefully the activities of their Navy, their Merchant Marine, their fishing fleets and their oceanographic research ships—all under a policy to advance their national interests.

Admiral Gorshkov, the head of the Soviet Navy, says it well in explaining that objective. These are his words—

"It is evident that every time ruling circles in Russia failed to properly emphasize development of the fleet and its maintenance at a level necessitated by modern-day demands, the country either lost battles in wars or its peacetime policy failed to achieve designated objectives.

"However, the ruling circles of Tsarist Russia—despite repeated grave lessons demonstrating the absolute need of the state for sea power—still did not understand the importance of a Navy in the achievement of political objectives."

One other factor in this maritime equation must be mentioned.

The expanding resource needs of industrial societies place increased pressures on the 70% of the earth's surface covered by water, and industrial activities threaten the ecological balance of the oceans through pollution. Few issues so clearly exemplify the interacting character of global society as the problem of achieving a cooperative regime for the use of the seas. A Law of the Sea Conference in 1958 produced international agreements on certain aspects of this problem. Fresh United Nations efforts in the last five years have aimed at a comprehensive multilateral convention covering all the principal issues: the width of the territorial sea, the navigation of international straits, a coastal resource zone, an international regime for the exploitation of the seabeds beyond the national jurisdiction, control of marine pollution, and the establishment of a basis for scientific research.

At Caracas, Venezuela this past summer, 148 nations met to discuss these issues. It was the largest international conference ever held. The consensus appeared to be moving towards a twelve-mile territorial sea, a 200-mile coastal resource zone, and an international regime for the deep seabeds, but attainment of a comprehensive agreement still requires, most importantly, acceptance of free navigation of international straits. The hope is that agreement can be reached at a further session in Geneva scheduled for this March, with the possibility of a signing conference in Caracas in the summer. International agreement on these most important issues will be a huge step toward a rational approach for use of the planet's resources. Disagreement raises the possibility of unilateral national actions.

Being the wealthiest Nation on Earth; conducting the largest amount of world trade; using the largest amount of the Earth's resources; creating the highest standard of living; producing the greatest product in goods and services—nearly twice as much as the next nation in line; producing more food than any other nation and producing it much more efficiently; with all of this as our 200-year heritage—we necessarily inherit the awesome responsibility to keep the world's sea routes open and free.

Just as did those who set out for the Virginian Sea in 1606, we face risks. These risks may not come from weather and pirates; but they can come from being misunderstood.

The world is at a critical moment in history. Its people sense that there is a finiteness to the planet. They are beginning to be aware that population increases are using up planet resources at an exponential rate and producing waste at rates feared, but not yet clearly understood as to their effect on the Earth's environment. People throughout the world are becoming much more aware of each other. Those who have; sense a greater concern for those in need; not always because they are innately altruistic, but because those in need are becoming more aware of the great disparity between their lot and the luxury of others—and they are making themselves heard.

The haves and the have nots; the developed countries; the developing or undeveloped countries; the East, the West—divide them into whatever categories you choose: (Each of today's philosophers seems to have a favorite way to slice the world pie)—all have this sense of impending change. It can come in orderly fashion, by logical, negotiated, rational understanding. It can also come by choosing up sides and issuing ultimatums.

Our country generally is acknowledged as the leader of most of the world's nations because of those superlatives I used a moment ago. As that leader we have a primary responsibility to insure that the rational road is the road travelled. So far, we seem to have done rather well—despite the hand wringing and the dire predictions of some.

If we are to continue, one of the most responsible and least costly actions we must take, is to provide insurance for those who cannot provide it for themselves, that the maritime pathways of this increasingly interdependent globe remain free for all to use. We can do this only by a strong, professional merchant marine to carry the trade, a strong, professional navy to insure its safe arrival, a progressive national program to seek new benefits from the interior, and from the seabeds of the world's oceans; all within a body of international law to legitimize the free use of these oceans for all.

The Virginian sea is alive and well. It means much more now than it did 200 years ago. As we Virginians travel through this great State—we sometimes have the feeling from the gift shops, the bumper stickers, the information booth posters, that Virginia is for lovers—but deep down the heritage of John Smith, Washington, Jefferson, Madison, Harrison, Lee, and others whom this audience can so readily name—that heritage leads me to the notion that Virginia is—and always has been for leaders.

PORTUGAL

Mr. KENNEDY. Mr. President, during recent days, we have been receiving disturbing reports from Portugal, about the progress of its democratic experiment:

Last weekend, the convention in Oporto of the Center Democratic Social Party—CDS—was disrupted by protestors, leading to the convention's cancellation.

Recently, legislation was approved that would effectively strengthen the dominance of the Portuguese Communist Party in the trade union movement.

There are recurring reports of efforts to postpone or cancel elections for a constitutent assembly, long promised by the armed forces movement for this March.

And there are growing rumors of further violence and a possible coup d'etat by opponents of the government in Lisbon.

Mr. President, many of us in this Chamber welcomed the overthrow of the Caetano regime in Lisbon last April 25, ending 48 years of repressive rule, and beginning an end to 500 years of Portuguese colonialism in Africa. Last November, I visited Portugal, and met with many of its leaders. While there, I expressed by own support for the future of Portuguese democracy and, upon returning to the United States, introduced legislation to provide aid for Portugal and the five African states gaining their independence; $25 million was authorized; $10 million has so far been appropriated in the continuing resolution.

This effort I believe is a firm demonstration of concern by the Congress of the United States for what was begun last April in Portugal. It reflects our concern that the Portuguese people will have a chance to build their own democratic, pluralistic institutions, and that Portugal will take its rightful place as an economically strong and politically viable country in Western Europe—and the world.

It is my earnest hope that the experiment will go forward; and that it will have every chance to succeed.

It would be tragic if the old tyranny of repressive rule is simply replaced by a new tyranny, a new repression, a new denial of basic political rights.

Mr. President, despite events of the past few weeks, I remain hopeful that the people of Portugal will be able to work out their destiny, within a democratic framework:

That individual liberties, free speech, and a free press will be respected;

That there will be freedom of association, and support for pluralism in the development of political institutions and parties;

That the elections for a constituent assembly will be held as scheduled, and provide the first elected basis for developing the new Portuguese political democracy; and

That a new birth of freedom will sustain the Portuguese people in these difficult times.

DEVELOPMENTAL DISABILITIES SERVICES AND FACILITIES CONSTRUCTION ACT

Mr. JAVITS. Mr. President, on Tuesday, my distinguished colleague, Senator JENNINGS RANDOLPH of West Virginia, chairman of the Subcommittee on the Handicapped, introduced S. 462. Title II of this measure is based upon the bill of rights for the mentally retarded which I originally introduced in the 92d Congress.

The shocking conditions at Willowbrook in New York, and many other institutions for the mentally retarded throughout the Nation which inspired this "bill of rights" have not ended. However, the debate on the issues since the 92d Congress has revealed that a comprehensive planning approach will go further to improve the situation of all developmental disabled persons than legislation directed solely at mental institutions. S. 462 is such an approach. As an integral part of this package, title II will establish minimum standards for residential and community facilities and agencies for the protection of the rights of those individuals needing services, while at the same time, encouraging deinstitutionalization and normalization.

This measure was introduced as S. 3378 in April 1974, and passed by the Senate on October 1, 1974. The press of the legislative calendar thereafter rendered the House unable to meet in conference with us on this measure. I am hopeful that S. 462 can speedily be brought before the Senate and passed so that a conference with the House can examine and work out any remaining differences before the continuing resolution under which the program is now funded, expires.

Title II is presently organized as follows.

Part A sets forth general provisions for residential and community facilities and agencies serving mentally retarded and other developmentally disabled individuals.

Section 201: A definition section containing the necessary definition of terms used in title II. The term "developmental disabilities" is again defined here, and is consistent with the definition in title I. Also there is a definition of "informed consent" which parallels that in the Human Experimentation Act.

Section 202: Establishes a national advisory council for residential and community facilities to review and recommend changes to the standards for facilities serving the mentally retarded and other individuals with developmental disabilities. Effective 90 days after enactment, the Secretary of HEW shall appoint the council which shall consist of 15 members. Such council shall be made up of members from appropriate public agencies providing services to individuals with developmental disabilities, professional and voluntary organizations representing people with developmental disabilities, and at least one-third of the council shall be consumers or the parents or guardians of individuals who are receiving services from publicly operated or publicly assisted residential and community facilities and agencies.

It is the duty and function of the council to advise the Secretary with respect to regulations promulgated under this title and on the standards set forth in parts C and D to study and evaluate the standards of parts C and D of this act and their effectiveness, conduct sight visits or studies and recommend changes in the standards, and to assist the Secretary in developing specific performance criteria for use in the alternative standards procedure of part B of this title.

The Secretary shall appoint members to the council within 30 days of the effective date of establishing the council and shall fill all subsequent vacancies within 30 days of their occurrence.

The council is authorized such sums as may be necessary for staffing and performance of duties in this section.

Section 203: Assessing compliance with standards. This section sets forth the mechanism by which a State must provide assurance to the Secretary that those facilities, both residential and community, must provide assurance for compliance with either the standards set forth in parts C and D of title II, and the establishment of a compliance plan, or that the residential or community facility or agency is meeting the requirements of part B of this title.

This section makes the Secretary responsible for insuring compliance with title II.

Any State desiring to receive assistance under this title shall submit a State plan setting forth the schedule for compliance of standards established in parts C and D of title II assuring reasonable State financial participation, demonstrating the need for continuing residential services, specifying how the State intends to evaluate and assess the compliance of residential and community facilities with the standards set forth in parts C and D of the title, provide for reviewing of this State plan by the State planning council, set forth a schedule of cost and demonstration procedures to assure that the primary emphasis on programs, relating to the mentally retarded and other developmentally disabled individuals will be to place these individuals in the least restrictive program and living environment commensurate with their capability.

Section 204: Authorizes such sums as may be necessary to help existing residential and community facilities and agencies to comply with the standards set forth in this title. The section also establishes a Federal share of 75 percent of the necessary cost determined by the Secretary.

Section 205: Maintenance of Effort. This section sets forth provisions for the maintenance of effort by States in relations to all Federal programs which have a bearing on those individuals in residential and community facilities and agencies to insure that the financial effort on the part of the State shall not be lessened with any increase in Federal aid. This language was developed in conjunction with the Office of Management and Budget and requires reports to the Congress of noncompliance with this section.

Section 206: Withholding of grants. This section provides that 5 years after the date of enactment of this title, no residential or community facility or agency for individuals with developmental disabilities shall be eligible to receive payments either directly or indirectly under any Federal law unless the facility meets the standards presented in parts C and D of this title or has demonstrated to the Secretary for a reasonable period of time that it has implemented requirements of part B of this title.

It provides in the case of withholding of grants to these facilities that the individual on whose behalf the grant or payments are being made shall not lose his entitlement and that the Federal Government shall hold these funds in trust for that individual.

Section 207: Evaluation and performance criteria. The section directs the Secretary of HEW to create an evaluation system of the performance criteria that is consumer oriented. Such system shall be developed in consultation with the national council, and transmitted to the Congress within 18 months of enactment of this title. $1,000,000 is authorized for this purpose in both fiscal year 1975 and fiscal year 1976.

Part B: Alternative criteria for compliance in lieu of standards for residential and community facilities and agencies, provided in parts C and D of this title.

Section 210: The purpose of this section is to provide for an alternative means for residential and community facilities to comply with standards set forth in parts C and D of the title by the use of specified procedural criteria set forth in this part, by compliance with certain minimum standards set forth in this part, and by additional compliance with specific performance criteria developed by the national council and the Secretary and deemed necessary for the protection of the rights of individuals receiving services in residential and community facilities and agencies.

Section 211: Individualized written habilitation plan. The Secretary shall insure that an individualized written habilitation program is developed for every individual who is in or served by a residential facility, community facility, or agency for which standards have been established under this act.

Every plan shall be developed jointly by representatives of the facility or agency responsible for the developmentally disabled individual or his representative. Such plans shall be reviewed periodically but at least annually.

Such plans shall include the statement of long-term habilitation goals for the individual, intermediate habilitation objectives, statement of specific service to be provided, dates for initiation and anticipated duration, objective criteria, and evaluation procedures. The plan is intended to assure the greatest latitude of choice for the individual and shall be written in language that is as understandable to all concerned as possible.

Under subsection F the Secretary is required to specify detailed performance criteria to further evaluate the progress attained by individuals through the use of such habilitation plans.

Section 212: Program coordination. Every person served by an agency shall have a program coordinator who is responsible for implementing the person's individual written habilitation plan. It shall be the function of the coordinator to attend to the total spectrum of the person's needs and be the focal point of responsibility for the provision of service to that person. The person—where practicable—or his family shall participate in the selection of this coordinator.

Section 213: Protective and personal advocacy. Under this section the Secretary shall insure that provisions are made for the establishing of a system of protection and personal advisory service within each State to monitor programs and services to protect the human and legal rights of every developmentally disabled individual served by a residential or community facility or agency.

Such programs shall be independent of the agency providing direct service. The newly established agency shall set such an independent compliance mechanism which has authority to review all complaints regarding infringement of rights or denial of benefits. Decisions of the independent compliance board shall be subject to appropriate judicial review.

Section 214: Record requirements. This section requires facilities using procedure of part B to keep records that the Secretary may deem appropriate to evaluate the effectiveness and compliance with this part and that such facilities shall review those individuals refused for service and the reasons for their refusal at least semiannually and that the information shall be reported to the Secretary and the State.

Section 215: Minimum standards for use with alternative procedures. This section sets forth provisions which shall be required when a residential or community facility or agency selects to use part B in lieu of the standards set forth in C and D.

These minimum standards comprise basic necessities for the individual to develop without violation of his human or civil rights. These minimum standards set forth certain physical requirements for the facilities opting to use part B procedures and provides certain minimum protections of the human rights of the individual.

Part C. Provides detailed minimum standards for residential facilities as developed by the major accrediting councils and associations in the field of care for the developmentally disabled. These are minimum standards guided by the principal of normalization of persons with developmental disabilities, which insure that persons receiving services from residential facilities are protected from violation of their human and civil rights.

Part D: Provides detailed minimum standards for community facilities and agencies serving persons with developmental disabilities. These are minimum standards, developed part C standards, are consistent with part C and likewise are guided by the principle of normalization of persons with developmental disabilities while insuring that the human and civil rights of these persons are not violated when they receive services from community facilities and agencies.

Mr. President, hundreds of hours of painstaking labor have been spent by many persons in the development of title II. I would particularly like to commend Mike Francis of Senator STAFFORD's staff, Lisa Walker, Judy Heumann and Nik Edes of Senator WILLIAMS' staff, Pat Forsythe, Ann Hocutt, and Bob Humphreys of Senator RANDOLPH's staff, and Jon Steinberg of Senator CRANSTON's staff, for their ideas, effort, enthusiasm, skill, and persistence in readying this measure for passage by the Senate and for conference with the House.

This "bill of rights" represents a reaffirmation of the basic human and civil rights of all citizens. It offers the direction to provide a valid and realistic framework for improving the overall situation of this country's mentally retarded and other developmentally disabled individuals.

Progress toward recognition of the basic human and civil rights of the mentally retarded and other developmentally disabled persons has been slow. The Federal Government has largely abrogated its responsibility in this regard and recently the greatest initiatives have come from our courts. For example, a 1972 decision of a U.S. district court in the case of Wyatt against Stickney set forth constitutionally required minimum standards for the care and treatment of mentally retarded patients. Before the Supreme Court at this time, is O'Connor against Donaldson in which the U.S. Court of Appeals of the Fifth Circuit held that a mental patient in a public institution has a constitutional right to treatment.

Congress must reaffirm its belief in equal rights for all citizens—including the mentally retarded. Congress must provide the leadership to change the tragic warehousing of human beings that has been the product of blind Federal support of facilities providing inhumane care and treatment of the mentally retarded. S. 462 represents this new direction, and begins this reaffirmation.

FINANCE COMMITTEE RULES

Mr. LONG. Mr. President, the Legislative Reorganization Act requires each standing committee of the Senate to adopt rules and publish them in the CONGRESSIONAL RECORD at the beginning of each Congress. I ask unanimous consent that the Finance Committee rules adopted by the committee in executive session on January 28, be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

COMMITTEE ON FINANCE

I. RULES OF PROCEDURE

Rule 1. *Regular Meeting Days.*—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—(a) Except as provided by section 133(a) of the Legislative Reorganization Act of 1946 as amended by section 102(a) of the Legislative Reorganization Act of 1970 (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. To the greatest extent possible, members will be notified of committee meetings at least 24 hours in advance.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) ten members shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by section 133(d) of the Legislative Reorganization Act of 1946 as amended by section 106(a) of the Legislative Reorganization Act of 1970 (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote an any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the Chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the Committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to section 133(b) of the Legislative Reorganization Act of 1946 as amended by section 104(a) of the Legislative Reorganization Act of 1970 (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by section 133A of the Legislative Reorganization Act of 1946 as amended by section 112(a) of the Legislative Reorganization Act of 1970 (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946 as added by section 111(a) of the Legislative Reorganization Act of 1970 (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobtrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time.

UNIVERSITY OF TEXAS AT SAN ANTONIO: A BICULTURAL, BILINGUAL UNIVERSITY

Mr. TOWER. Mr. President, we in this country have a serious responsibility to insure that all of our human resources are developed to their fullest potential. In light of this fact, I have long been particularly sensitive to the educational and cultural problems which have confronted the Spanish-speaking people within my own State of Texas.

I would like, then, to congratulate the University of Texas at San Antonio on a unique new program that has been initiated there. UTSA is about to become the most bilingual and bicultural university in the country, and I am extremely proud of this school's fine efforts. The U.S. Information Agency has distributed information on UTSA's new educational program to all U.S. Information Service Posts throughout Latin America, and I ask unanimous consent that a copy of this material be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

UTSA: A Bicultural, Bilingual U.S. University

An experiment in bicultural education at the university level is underway at the University of Texas at San Antonio (UTSA).

Undergraduate classes are set to begin in the fall of 1975 and graduate programs began last year. The campus is located on a 600-acre tract north of San Antonio, Texas in an area with a large concentration of Mexican Americans.

UTSA's president, Dr. Peter T. Flawn has disclosed plans for the development of the new university as a bicultural and bilingual learning center. Dr. Flawn himself fluent in Spanish, has worked in Mexico as a geologist and teacher.

It is already apparent that the university will place major emphasis on bilingual and bicultural education. Fourteen of the university's top administrators and faculty members have backgrounds in bicultural education and are both fluent in Spanish and English. The faculty, which ultimately will number 450 to 500, will continue to be chosen on the basis of their bilingual qualifications.

The university has had a boost in providing this kind of first class education from the Health Science Center of the University of Texas located only a few miles from the UTSA campus. As Dr. Flawn pointed out: "Cooperation with the Health Science Center will give us a big step forward in many programs. Together we will be able to build a fine pre-medical program, as well as strong programs in the allied health area, life sciences and behavorial sciences."

This idea was reiterated by Dr. Armand Guarino, chairman of the biochemistry department and dean of the graduate school of biomedical sciences at the Center who observed: "When students and faculty in different fields collaborate, they all benefit professionally."

UTSA's emphasis on bicultural programs has resulted in an arts program that will include not only the study of Latin American and Spanish art, but also the art of the U.S. Southwest. Dr. Jacinto Quirarte, dean of the College of Fine and Applied Arts, believes this to be the first time such a program has been established as an integral part of the broad spectrum of art study.

Dr. Quirarte plans to invite Latin American specialists in a variety of fields—historians, artists and craftsmen—as visiting lecturers. The first distinguished visiting professor, Miguel Celorio, a Mexican architect and art historian, taught in the graduate school this summer.

A major factor contributing to the importance of the bilingual program at UTSA was the passage by the Texas State Legislature of a law requiring bilingual teaching from the first through the seventh grades in areas where a large portion of the students speak little English. The Spanish-speaking student must be taught in both English and Spanish during the elementary school grades.

As Dr. Flawn explains, this does not mean that Spanish-speaking pupils are taught apart from those speaking only English. Rather, English and Spanish-speaking students are taught side by side, learning each other's language. In this way, many more students will be bilingual when they graduate from high school who heretofore would have learned only one language. In this way, a quality education will be available to every child.

The growth of bilingual teaching in the elementary grades will create a new demand for bilingual teachers, and UTSA is prepared to supply this need for trained bilingual teachers through their newly-organized teacher training program. Teachers will be fully qualified in both English and Spanish.

In addition to the arts and teacher training programs, UTSA will offer special classes in Inter-American business, environmental management and many others. The goal of a first-class bilingual education appears to be well within reach of the students and faculty of the University of Texas at San Antonio.

EAST-WEST TRADE AND FREEDOM OF EMIGRATION

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the Record a statement which I made on Sunday, January 26, in response to Secretary Kissinger's announcement of January 14 that the Soviet Union had decided not to bring into force the 1972 Trade Agreement.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Secretary Kissinger's Announcement of January 14

(Statement by Senator Henry M. Jackson)

On January 14, Secretary of State Kissinger informed us that the Soviet Union has decided not to bring into force the 1972 Trade Agreement granting Moscow most-favored-nation treatment by the United States subject to implementing legislation. The Secretary's announcement, which came as a complete surprise to me and to my Congressional colleagues, has given rise to confusion, speculation, and misunderstanding. The time has come to set the record straight.

At the outset, I wish to make my own position clear: to me, genuine détente requires freer movement of people and ideas, and not just of machinery or wheat. I continue to believe that the economic power of the United States should be pressed into the service of human rights, and I continue to believe that the courageous men and women fighting for their freedom in the Soviet Union are worthy of our support. I will not abandon their cause, whether under pressure from the cold-hearted in Moscow, or the faint-hearted in Washington.

TRADE WITH THE SOVIET UNION

I continue to support expanded trade with the Soviet Union, despite its rejection of the 1972 agreement; and ordinary commercial trade—profitable to both sides, and requiring no government subsidies—may well continue to grow. But the fact is that to the Soviets the 1972 Trade Agreement was designed to bring not so much our trade, as our aid—in the form of a huge infusion of American capital at subsidized interest rates. On this we have the authority of Dr. Kissinger in his January 13 Business Week interview:

"The Soviet Union was much more interested in credits than it was in trade because, for the next four or five years, it will have very little to give in reciprocal trade."

The Trade Agreement of 1972 was not, in economic terms, the sort of "mutually beneficial trade relations with the Soviet Union" Secretary Kissinger espoused in his January 14 statement; rather the stream of benefits in that agreement flowed one way only—east to Moscow. Well aware of this, Congress insisted that the imbalance of benefits be redressed—not in economic terms (for there is no real prospect of that), and not in geopolitical terms (where Soviet accommodation has proved wholly elusive), but in terms of movement toward the implementation of Article XIII of the Universal Declaration of Human Rights which provides for free emigration. Despite the Administration's timidity, the judgment of Congress prevailed. By overwhelming margins in both Houses, credits and most-favored-nation treatment were linked to elementary human rights.

INTERNATIONAL LAW AND INTERNAL AFFAIRS

By acceding to the "International Convention on the Elimination of All Forms of Racial Discrimination" in 1969, the Soviet Union acknowledged that emigration policy goes beyond the limits implied by the term "internal affairs." Soviet ratification of this convention ended once and for all the pretense that Soviet emigration policy is an improper subject for action by the international community. The 1969 convention specifies that: ". . . Parties undertake to . . . guarantee the right of everyone, without distinction as to race, colour, or national or ethnic origin . . . to leave any country, including his own, and to return to his country." The Jackson amendment, far from being an intrusion into anyone's internal affairs, is one small step along the road to an international community based on law. Had the international community acted in this spirit at other times and places, much of the brutality and suffering that have marked the first three quarters of the twentieth century might have been avoided.

A SHORT HISTORY OF THE JACKSON AMENDMENT

On October 4, 1972, prior to the signing of the 1972 U.S.-Soviet Trade Agreement, more than 70 Senators joined me in introducing what became known as the Jackson-Vanik amendment. In December 1973 the House of Representatives passed this amendment by a vote of 319–80. At that time there were 77 Senators cosponsoring the Jackson amendment in the Senate. Its passage was certain. Nevertheless, in the interest of reconciling the Soviet desire for unconditional American trade concessions and the Congressional view that these concessions should be accompanied by Soviet action in the area of human rights, I, along with Senators Ribicoff and Javits, entered into negotiations with Secretary Kissinger aimed at producing a fair compromise. These negotiations, carried on over a period of nine months, led to agreement on the texts of two letters—one from Secretary Kissinger to me and one from me to Secretary Kissinger. The unique form of these letters, in which Dr. Kissinger conveyed to the Congress assurances that he had received from various Soviet leaders, was developed to accommodate the Soviet Union's refusal to become a party to a government-to-government agreement relating to what they still contended was an internal matter.

THE OCTOBER 18 COMPROMISE

The negotiations that resulted in the exchange of letters of October 18, 1974 were conducted over an extended period with the utmost care. At his press conference on January 14 Secretary Kissinger explained why the negotiations were so protracted:

"The reason the negotiations with the Senators took so long was our concern to make sure that we would communicate nothing that we could not back up. The Soviet Union gave us certain descriptions of their domestic practices, which we attempted to communicate as accurately as we could . . . they [the Soviets] have never disavowed the assurances or the statements in my letter [to Senator Jackson]."

The compromise of October 18 was in essence this: the Administration would convey assurances to the Congress that the rate of emigration from the Soviet Union would increase and that punitive action against individuals seeking to emigrate would cease. In exchange, I agreed to introduce an amendment to the trade bill that would enable the President to waive the credit and MFN restrictions of the Jackson amendment for 18 months with subsequent one-year waivers subject to Congressional approval.

The compromise of October 18 had been negotiated with Secretary Kissinger and approved by President Ford. It was an encouraging example of constructive cooperation between the Congress and the Administration that effectively bridged our philosophical differences on the substantive question of tying trade concessions to human rights. To implement the October 18 compromise the three Senators drafted, along with Administration and Finance Committee representatives, the agreed upon waiver authority. The Senate approved it by a vote of 88–0, and it was adopted by the full Congress with the trade bill on December 20.

Having negotiated the October 18 compromise in good faith, we thus delivered on our half of the bargain: we had authorized the President to extend MFN to the Soviet Union and to permit the Soviet to participate in U.S. government credit programs. The Russians, for their part, were expected to live up to the assurances that Secretary Kissinger had been authorized to convey to the Congress.

THE ASSURANCES ON EMIGRATION

The October 18 compromise thus revolved around the assurances conveyed to Congress. As a result, the Soviet renunciation of the Trade Agreement cannot be understood unless the substance of those assurances, and the attitude of the participants toward the compromise to which they led, is clear. On these issues Secretary Kissinger's testimony before the Senate Finance Committee on December 3 is especially instructive. Asked about the nature of the assurances in his October 18 letter, Secretary Kissinger went beyond what had already been made public:

"I have had many conferences on this subject with Ambassador Dobrynin and conferences with Foreign Minister Gromyko . . . In addition, when President Ford took office he had some conferences in which the statements that I have made here were reconfirmed by the same individuals. Finally, General Secretary Brezhnev has made analogous statements to President Nixon, to myself and recently to President Ford. This is the structure of the assurances that we have."

Senator Hartke. "Are the assurances then made from Mr. Brezhnev, Mr. Gromyko, and Mr. Dobrynin?"

Secretary Kissinger. "That is correct."

At the same hearing, urging support for the new proposed waiver amendment, Secretary Kissinger stated:

"I believe a satisfactory compromise was achieved on an unprecedented and extraordinarily sensitive set of issues . . . I believe it is now essential to let the provisions and understandings of the compromise proceed in practice."

Clearly, an arrangement such as the October 18 compromise could only be negotiated on the basis of good faith on the part of all the participants, and continuing good faith was a prerequisite for its successful implementation. Secretary Kissinger and President Ford understood this well. As the Secretary put it on December 3:

"This understanding which is reflected in these letters can operate only on the basis of good faith by all the parties concerned and good will among the Senators and ourselves. . . . This is a specific assurance which has been extended on a number of occasions, the violation of which would certainly be one that the Administration would take very seriously. The President, on a number of occasions, has told the three Senators that with respect to what is contained in our letter he believes that he can stand behind it."

As late as December 18, 1974, when the trade bill was under consideration in a House-Senate conference committee and after the Soviet news agency TASS released the text of a secret October 26 letter from Foreign Minister Gromyko to Secretary Kissinger, the State Department formally commented that Mr. Gromyko's letter "does not in our view change the understandings referred to in the Secretary's letter to Senator Jackson of October 18."

GOOD FAITH AND THE SOVIET UNION

I have quoted at length from remarks of the Secretary of State because I am astonished that, in all that has been said about the recent Soviet action, there has been so little recognition of the simple fact that the Soviet Union has unilaterally abrogated a good-faith compromise on which the ink was hardly dry.

Reading the commentaries of the Soviet press one would have thought that there had never been a compromise on October 18, a lapse of memory that recalls George Orwell's famous characterization of the Soviet Union as a country in which "yesterday's weather can be changed by decree." It was a bizarre case of blaming the lender for the borrower's failure to pay his debts. Rather than saying plainly that the Soviets had reneged, the Administration sought to blame the Congress—and then to exploit the Soviet action to inhibit the Congress from playing its Constitutional role in establishing tariffs and regulating credits.

Some commentators have suggested that the October 18 compromise might have worked if it had been kept secret. Not only is this contradicted by the repeated public reaffirmations by the Administration of the October 18 compromise *after* it had been announced but, more important, it implies that the Congress would have been willing to modify the Jackson amendment on the strength of intimations that there had been a "secret deal" that would justify such action. I could not ask my 534 Congressional colleagues to enact authority for the President to waive the House-passed Jackson-Vanik amendment without a full disclosure of the compromise that justified doing so, nor could Congress have fulfilled its statutory obligation to review the implementation of the compromise after 18 months if it had remained secret. The fact is the Administration fully understood that the compromise could not be a "secret deal."

EMIGRATION, CREDITS AND THE FUTURE

The $300 million ceiling on loans to the Soviet Union can, under existing law, be increased with Congressional approval. In my judgment, the Congress should not abdicate its responsibility to oversee the disposition of U.S. credits, particularly to the country whose policies require us to spend billions of dollars for defense. Congress cannot forfeit the public's confidence by giving the Administration a multi-billion dollar blank check to subsidize the Soviet economy. On this matter, I would like to commend to my colleagues the excellent statement by Senator Adlai Stevenson on January 21.

In supporting the Jackson-Vanik amendment the Congress has upheld the traditional American commitment to individual liberty. In negotiating the compromise of October 18 and incorporating its provisions with the original Jackson-Vanik language into the Trade Act, the Congress acted both in the hope that our good faith would be rewarded by good faith on the Soviet side, and with the prudence of providing legislative safeguards which deny the affected economic benefits to the Soviet Union in the event of bad faith.

Our determination on these matters is all the more justified by President Ford's January 21 statement that the Administration intends to "work with the Congress to eliminate any of the problems in the trade bill that might have precipitated the action by the Soviet Union." This unfortunate reaction suggests that we should reward an egregious Soviet breach of good faith with increased largesse and a weakening of our insistence that they move toward freer emigration.

I do not believe that the Congress will respond to the disappointing Soviet move by abandoning its commitment to help bring about the freer movement of people and ideas between East and West, and I expect the President and the Secretary of State to stand by their own commitments embodied in the October 18 compromise.

AMENDMENT OF COUNCIL ON WAGE AND PRICE STABILITY ACT—S. 409

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a copy of S. 409; a bill to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes, which I introduced on Tuesday on behalf of myself and Senator **Stevenson** be printed in full in today's Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Council on Wage and Price Stability Act Amendments of 1975".

Sec. 2. The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by striking out the period and inserting in lieu thereof the following: "by and with the advice and consent of the Senate."

Sec. 3. Section 2 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers and other documents relating to wages, prices, costs, profits, and productivity by product line, or by such other categories as the Council may prescribe to carry out the purposes of this Act, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council.

"(h) Notwithstanding the provisions of section 4, any information obtained by the Council under subsection (g) shall be made available to the public unless the Council determines that public disclosure of such information would impose an undue competitive disadvantage on the person submitting such information, except that the Council may not make such a determination with respect to any information which could not be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a single product or service."

Sec. 4. Section 3(b) of the Council on Wage and Price Stability Act is amended by striking out "Nothing" and inserting in lieu thereof "Except as provided in sections 3A and 8, nothing".

Sec. 5. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(c) (1) The Council may require any person having gross sales or revenues in excess of $250,000,000 during its most recent full fiscal year to submit a prenotification to the Council with respect to any price increase of any product or service of such person not more than 30 days prior to the effective date of such increase.

"(2) The Council may require any person who is an employer to submit a prenotification with respect to any wage increase affecting more than 5,000 employees not more than 30 days prior to the effecitve date of such increase. In any case in which a wage increase affecting more than 5,000 employees is agreed upon pursuant to the collective bargaining process, the Council may require any such prenotification to be submitted jointly by the employer and the employees' representative not more than 5 days after the agreement with respect to that increase has become effective or has been reached, whichever is later.

"(3) The Council may, by regulation, prescribe the form and content of any prenotifications required under this subsection, and it may require such prenotifications to be submitted by any person, without regard to sales, revenues, or number of employees, whenever it finds that a wage or price increase implemented by such person might significantly increase inflation."

Sec. 6. The Council on Wage and Price Stability Act is amended by inserting after section 3 the following new sections:

"Sec. 3A. The Council is authorized, by order, regulation, or otherwise, to delay for one period of not to exceed 60 days any proposed price or wage increase, in whole or part, which the Council determines would or could significantly increase inflation.

"Sec. 3B. Whenever it appears to the Council that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any requirement imposed under this Act, the Council may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such act or practice, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue a mandatory injunction commanding such person to comply with such requirement."

Sec. 3A. The Council on Wage and Price

Sec. 7. Section 5 of the Council on Wage and Price Stability Act is amended—

(1) by striking out ", and through him" and inserting in lieu thereof "and"; and

(2) by adding at the end thereof the following new sentence: "In each such report, the Council shall include a brief description of the activities the Council proposes to undertake during the succeeding six months."

Sec. 8. Section 6 of the Council on Wage and Price Stability Act is amended by striking out "$1,000,000 for the fiscal year ending June 30, 1975" and inserting in lieu thereof "$4,000,000 for each fiscal year ending prior to October 1, 1977".

Sec. 9. Section 2(d) of the Council on Wage and Price Stability Act is amended by striking out all after "United States Code" the first place it appears therein and inserting in lieu thereof a comma and the following: "except that the Director may, with the approval of the Chairman, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed 8 individuals at the rates provided for Grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council."

SEC. 10. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "August 15, 1975" and inserting in lieu thereof "September 30, 1977".

Sec. 11. The Council on Wage and Price Stability Act is amended by adding the following new section at the end thereof:

"Sec. 8. (a) Within fifteen days of the enactment of this section, the Council shall issue an order establishing a controlled price ceiling to govern the first sale of "old" domestic crude oil as classified pursuant to law at those price levels in existence on January 1, 1975.

"(b) Within fifteen days of the enactment of this section, the Council shall issue an order establishing a maximum controlled price ceiling to govern the first sale of "new" domestic crude oil as classified pursuant to law. Such ceiling shall not exceed 70 per centum of the actual average world market price for crude oil purchased for export from major oil-producing countries during the two-week period of January 1 through January 14, 1975, as determined by the Secretary of State: *Provided*, That such ceiling shall in no case exceed the current average world market price for crude oil.

"(c) The Council shall continuously review the operation of such orders to determine—

"(1) the extent to which such order has tended to reduce, or to provide an incentive for reductions in, the world oil price levels established by cartels;

"(2) any measurable impact which such order and any other price regulation has had or may have on the Nation's domestic supply of crude oil and the domestic demand for petroleum products refined or produced from such crude oil;

"(3) the extent to which such order has reduced the rate of inflation in the United States, increased the real income of consumers, and restored economic stability; and

"(4) any effect which such order has had or may have on the profit margins of major oil companies and on investment by such companies in exploration for and production of oil and gas and in research and development leading to new energy sources.

"Sixty days after the promulgation of orders under paragraphs (a) and (b) of this section, and at intervals of sixty days thereafter, the Council shall report the results of such order to the Congress.

"(d) The orders under paragraphs (a) and (b) of this section shall provide that any reduction in the price of crude oil (or any classification thereof), of residual fuel oil, or of a refined petroleum product (including propane) resulting from the provisions of this section be passed through on a dollar-for-dollar basis to any subsequent purchaser, reseller, or final consumer in the United States. Such passthrough of price reductions shall, to the extent practicable and consistent with the objectives of this section, be allocated among products refined from such crude oil on a proportional basis, taking into consideration historical price relations among such products."

PEACE IN INDOCHINA

Mr. KENNEDY. Mr. President, we are witnessing once again the administration's annual drama of political rhetoric, of threats and scare tactics, about Vietnam and Indochina. Once again we are hearing the same old arguments and the same old controversies over the same old war.

The clear implication of the administration's current statements over Indochina's policy, is that Congress holds the fate of Vietnam and Cambodia in its hands. And that unless Congress responds favorably to the administration's request for some $525 million in additional military aid for South Vietnam and Cambodia, the governments in Saigon and Phnom Penh will not survive.

The administration's arguments not only renews a needless controversy of recrimination over who is to blame for the failure of national policy in Indochina, but their arguments also mislead the American people.

Congress and the American people do not hold the fate of Saigon and Phnom Penh in their hands. The fate of Saigon lies in the implementation of the Paris Agreements for Vietnam, and the political framework established by these agreements for the Vietnamese to sort out their own future, short of war. And the fate of Phnom Penh lies in the diplomatic alternatives to war, and the attempt to negotiate a cease-fire agreement in Cambodia, which the administration promised the American people nearly 2 years ago.

We are told that we have a "moral commitment" in Indochina.

But we have no moral commitment to any army in Indochina. We have no moral commitment to this or that government—to this or that official or political faction. Our only true remaining moral obligations are with the people of the area—with the millions of orphans and refugees and other war victims who cry for help.

The American people are tired of hearing about new military options and the need for more guns and bombs for more war. Congress and the American people want to hear what our diplomats are doing to bring peace. We want to know what the President is doing to accomplish the political goals of the cease-fire agreements, and securing a truce in Vietnam.

The lingering and bloody conflict in Indochina deserves more of our diplomacy, and not more of our ammunition.

And in the absence of any new or meaningful diplomatic initiatives by the administration to reduce the level of conflict in Indochina and to help implement the Paris Agreements, the Congress must act to chart some new directions, and to change the level and character of America's involvement in Indochina. This means, in part, a denial of the President's request for additional military assistance to Saigon and Phnom Penh.

THIRTY-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 30 minutes.

The motion was agreed to; and at 11:03 a.m. the Senate recessed for 30 minutes.

The Senate reassembled at 11:33 a.m., when called to order by Acting President pro tempore (Mr. FORD).

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, in accordance with title 46, section 1126(c) of the United States Code, appoints the Senator from Kentucky (Mr. FORD) to the Board of Visitors to the U.S. Merchant Marine Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce (Mr. MAGNUSON) his appointments of the Senator from Louisiana (Mr. LONG) and the Senator from Maryland (Mr. BEALL) as members of the same Board of Visitors.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a continuation of the period for the transaction of routine morning business with statements limited to 5 minutes.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 12 O'CLOCK NOON

Mr. NELSON. Mr. President, I move that the Senate stand in recess until the hour of 12 o'clock noon.

Mr. ALLEN. Reserving the right to object, and I shall not object, would the Senator be willing to include in his request that at that time there be a period of 15 minutes for further morning business, not more than 15 minutes?

The ACTING PRESIDENT pro tempore. The Chair might advise the Senator, we have closed the morning hour out, it would still be in order, 45 minutes for the Senator from Alabama.

The motion was agreed to, and the Senate, at 11:35 a.m., recessed until 12 o'clock noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MORGAN).

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, how much time remains under the period for the transaction of routine morning business?

The PRESIDING OFFICER. Forty-two minutes remain for the dispatch of morning business.

Mr. ROBERT C. BYRD. Did not the time for the recess come out of that period?

The PRESIDING OFFICER. The time for the recess did not.

Mr. ROBERT C. BYRD. Is this the ordinary procedure, that time for a recess does not come out of the period for morning business?

The PRESIDING OFFICER. It is the ordinary procedure.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR ADJOURNMENT UNTIL MONDAY, FEBRUARY 3, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the

Senate completes its business today, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: I am told that in my motion a moment ago, I referred to a recess over until Monday. Am I correct? I did not intend that.

The PRESIDING OFFICER. The Chair did not understand that the Senator referred to a recess.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, in order to give committees some opportunity to operate during the afternoon, and in order to give various other conferences some time which will not be interrupted, I will shortly move to adjourn over to Monday at noon.

I welcome the remarks or questions of any Senator at this point.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. ALLEN. Mr. President, Senate Resolution 4 was submitted on January 14, 1975, having to do with a proposed amendment to rule XXII. It was submitted with the statement that a different rule existed, or exists, at the beginning of a new Congress, in regard to what majority would be required to amend the Senate rules or, more properly, to invoke cloture.

It seems to the Senator from Alabama that we have already passed the beginning of the new Congress; yet, no effort has been made to force a vote with respect to the resolution. The Senator from Alabama is going to insist, if this goes much longer, that we pass the beginning of the session. This resolution hangs like the sword of Damocles over the Senate, and this matter should be resolved.

Inasmuch as the leadership controls the flow of legislation and has not been reluctant on many occasions to seek to force votes on resolutions or bills that it wants up for consideration——

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. ALLEN. Let me finish my remarks, please, and then I will yield.

Mr. ROBERT C. BYRD. Mr. President, I have the floor, have I not?

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ALLEN. I have no authority to yield, then.

The Senator from Alabama is wondering what, if any, plans the leadership has for seeking a vote on efforts to stop the discussion that from time to time takes place with respect to this amendment, or the Senator from Alabama would like to know whether the resolution has in fact been abandoned; because he sees less than a handful of Senators in the Chamber who would possibly support this resolution.

The Senator from Alabama is wondering, first, whether the resolution has been abandoned and, second, what plans the leadership has for removing this resolution from consideration by the Senate or for forcing a vote. He does not feel that it is conducive to the proper consideration of legislation, that it is fair to Senators who oppose this legislation, to require that they be on the floor all the time to speak against the resolution if it is called up.

With all respect and all deference, the Senator from Alabama would like to know of the leadership what the leadership plans with respect to this resolution.

Mr. ROBERT C. BYRD. Mr. President, that is a fair question and an appropriate question.

On yesterday, I talked with the Senator from Minnesota (Mr. Mondale). As the Senator from Alabama knows, and as all Senators know, I have not participated in this discussion with respect to the change of Senate rule XXII.

Mr. ALLEN. Yes, I know that.

Mr. ROBERT C. BYRD. I may or may not participate in that. I cannot say that I know, myself, at this point. But I did feel it my duty, and under the direction of the distinguished majority leader, to approach Mr. Mondale, who is, along with Mr. Pearson, active in the attempt to bring about a change in Senate rule XXII, that portion of it which deals with so-called unlimited debate.

I approached Mr. Mondale on yesterday and he indicated that he would talk with me this morning, after having consulted with Mr. Pearson.

This morning he talked with me and said he had not yet had an opportunity to talk with Mr. Pearson, but that he would during the day today, and get back to me.

What I am saying is that the leadership is attempting to work with both sides in this matter and find out from Mr. Mondale and Mr. Pearson what their plans are so that we will then know how to proceed.

Mr. ALLEN. The Senator from Alabama understands that some of the supporters of this resolution are over in Yugoslavia now. The Senator from Alabama inquires if we are going to wait for those Senators to return from Yugoslavia or whether we are going to go ahead and act in this matter?

Mr. ROBERT C. BYRD. I am sorry that I cannot answer the Senator's question beyond what I have already said.

Mr. ALLEN. The Senator thinks it might be well, then, for the Senator from Alabama to be here on the floor ad infinitum, during sessions of the Senate. Is that correct?

Mr. ROBERT C. BYRD. Mr. President, based on past experience and my observations of the work, and it is very effective work, of the distinguished, and I mean very distinguished, Senator from Alabama (Mr. Allen), I do not think that there will be any question but that, an act of God intervening to the contrary, the Senator from Alabama will be here.

Mr. ALLEN. I thank the distinguished assistant majority leader. What this all boils down to is when do we expect this issue to come to a head?

Mr. MATHIAS. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, I have the floor and I shall yield shortly.

The distinguished Senator from Alabama is a very tenacious Senator and he is addressing this question to a similarly tenacious Senator who does not have any answer beyond what he has already stated. If I had anything further, I would willingly impart it.

Mr. ALLEN. The leadership from time to time files a cloture motion. Does the leadership have any intention of filing a cloture motion with respect to this matter?

Mr. ROBERT C. BYRD. It has no such intention at the moment.

Mr. ALLEN. I thank the Senator.

Mr. MATHIAS. Mr. President, I thank the distinguished majority whip for yielding to me, and I am sorry to have interrupted his colloquy with the distinguished Senator from Alabama. I only attempted to do so with the thought that I was very pleased with the feeling expressed by the Senator from Alabama that we should resolve this issue. As he pointed out very accurately, we have been considering this change of rules for over 2 weeks. The Senate has very pressing matters to attend to: The problems of the economy, the problems of an energy policy, the crisis in the Mideast, the crisis in Vietnam. All of these questions are hanging on the decision on the change in the rules.

I am equally impatient to have this question resolved, and the Senator from Alabama, I think, could very materially help us in resolving them by bringing this to a decision of the majority of the Senate now. There is no reason that a majority of the Senate could not resolve this, and if the Senator would remove his objection to the majority of the Senate making this decision, I think it could be resolved very quickly in line with the views that he has already expressed here this morning. Those of us who have been pressing this fight, those of us who have committed ourselves to it, are just as anxious as he is, perhaps even a little more so, to let the majority of the Senate make this decision and do it just as promptly as possible.

Mr. ROBERT C. BYRD. Mr. President, I think the record will demonstrate that there is a great desire on the part of all Senators to press ahead with the Senate's business and to dispose of this matter quickly. However, I am constrained to think that the matter will not be disposed of today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 1 hour, with statements limited therein to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ON SENATE RESPONSE TO PRESIDENT'S PROPOSALS ON ECONOMY AND ENERGY

Mr. HOLLINGS. Mr. President, I rise to the point being made generally that we in Congress have not responded to the President of the United States, that we have submitted proposals and a program on the economy and energy, but we have not responded with a total plan or comprehensive alternative. I think that the people should understand certain factors, and the media ought to be more aware of the situation as it exists here in the Senate.

It is the President, of course, who is charged with giving the state of the Union message, and we were waiting anxiously this month to hear it and then study it as closely as we could; and then, in light of the economic circumstances, the inflation-recession crisis that we find ourselves in—hopefully to be able to go along with it to solve the economic and energy problems which confront the Nation.

Since the President delivered that message 2 weeks ago, we find ourselves being charged with lethargy, unresponsiveness, and carelessness.

First, let me say this: Within 48 hours after the President delivered his message, there was a proposal made of a total plan, a comprehensive alternative. I submit this plan now.

I ask unanimous consent that my proposal be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

A TOTAL PLAN—A COMPREHENSIVE ALTERNATIVE

1. Under the Constitution, await House action for rebate and/or tax reduction.

2. Reject, reject, reject excise tax.

3. We can and will make an all-out effort against inflation and recession at once but the foreign import problem should be put on the back burner until about June so recovery signs can gain a firmer footing. Delay disturbing economic recovery until June. Then take a look-see, and commence energy solutions of import quotas, mandatory allocation and, as a last resort, gas rationing.

4. Immediately launch energy development and conservation program.

I. ENERGY ACTIONS

A. Adopt Kennedy-Jackson Resolution to prevent administrative imposition of increased fuel taxes.

B. Disapprove President Ford's disastrous high cost approach of $2 per barrel excise tax on imported oil, 37¢ per Mcf natural gas and decontrol of new gas and old oil. The real costs are as follows:

OIL

	Billion
Average oil price would increase from $9.50 to $15.50 because of deregulation, tariff, and excise tax @ 17 million barrels a day	$37.2

NATURAL GAS

a. Excise tax of 37¢ per 1,000 cubic feet	8.5
b. New gas deregulation in interstate market 1.3 Tcf x $1.80 Mcf	2.3
	10.8

COAL

Increase in price due to $3 barrel oil price tax increase: (530 million tons consumer @ 24 million Btu/Ton x 49¢/1,000 Btu's	6.2
Total	54.2

Consider for example:

1. The OPEC oil prices would be ratified by the United States, undercutting our bargaining position. Every time OPEC raises the prices, the domestic fuel will go up automatically.

2. The $54 billion added fuel bill increases the cost of all manufactured products and places all U.S. exports at a competitive disadvantage.

3. The inequities of the fuel tax are enormous. There is no way for example, that a rebate of only part of the added fuel tax can possibly be returned to the poor blue collar worker who drives 30 miles a day to work.

4. Major elements of society like the railroads and airlines which use large quantities of energy and are already in financial difficulty may be driven into bankruptcy.

5. Institutions like universities that pay no taxes and cannot quickly increase revenue will suffer from deteriorating service.

6. The inflation in energy prices will cause a 2% to 3% increase in the Consumer Price Index, which in turn will trigger escalation clauses in union contracts, as well as Federal wages, Social Security and retirement programs, and elsewhere in the economy.

7. It would add $54 billion a year to the nation's fuel bill while returning only $30 billion to the economy. This would have a most depressing effect on the economy as a whole, while the oil companies will be further enriched to the tune of many billions of dollars.

8. The $16 billion rebate to American families to stop recession averages $250 per family. The family share of the added fuel bill of $54 billion averages $1000 cost per family, leaving the American family in a worsened position by $750. It is like a contest that was held once for a slogan for a new insurance company. The winning slogan, "The Estate Life will surely pay if the small print on the back don't take it away."

C. This plan intends to give a rebate and allow the natural forces of the economy to correct slumpflation and allow a more solid footing to be gained on economic solutions by July 1 before launching an outright onslaught against the importation of Arab oil. In other words, give more emphasis to the solution to inflation-recession before giving the full emphasis to the energy problem. This does not mean delay in the institution of certain conservation measures and administrative revisions. Accordingly, at the time the excise tax is voted down, the Congress should vote

1. Institute Energy Production Board to increase development by 2 million barrels by January, 1979 as follows:

a. Oversee increased development, coordinate materials needs, direct construction of needed equipment such as rigs, freight cars, etc.

b. Immediate development of Gulf leases and heavy oil in California and Alabama, 600,000 barrels.

c. Alaska Pipeline, 200,000 barrels.

d. Secondary and Tertiary Recovery, 400,000 barrels.

e. Utility conversion to coal, 300,000 barrels.

f. Increased auto fuel economy, improved public transportation and other conservation measures, 500,000 barrels.

g. Better production efficiency in East Texas and Yates fields, 100,000 barrels.

Total increase by 1978, 2.1 million barrels.

h. Increase domestic oil from Federal lands through:

(1) Immediate government exploratory drilling of frontier OCS areas, $.4 billion.

(2) Immediate government development of Naval Petroleum Reserve 4, $.1 billion.

(3) Retain Elk Hills Reserve for emergency.

2. Introduce immediately legislation to:

a. Assist electric power industry to convert to coal and expand nuclear capacity including:

(1) 3 year 12% investment tax credit and loan guarantees for conversion and expansion;

(2) Related aid, such as loan guarantees, for increased freight cars & coal slurry pipelines to transport increased coal; and

(3) Prompt passage of strip mining bill.

b. Expedite siting and construction of refineries, power plants and other energy facilities and to encourage local and regional planning for these facilities; aid for state planning.

c. Automobile Fuel Economy:

(1) Mandate a fuel economy of 50% to 70% or 21 to 23.8 miles per gallon by 1980;

(2) Impose a mileage excise tax of $1000 for the 10 miles per gallon car, decreasing down to zero tax on the 20 miles per gallon car; and allow a tax credit on domestically produced cars with over 20 miles per gallon fuel economy, beginning at $100 and increasing as mileage improves; and

(3) Allocate revenues of $340 million over a 3 year period of Federal research program to supplement private research into alternate engine designs, paid for by excise tax revenues.

d. New Natural Gas provisions to increase supply:

(1) Require statutory formula for natural gas rather than total deregulation—FPC to make a finding of a national area rate not to exceed 75 cents within 4 months that will reflect incentive cost. This will be a fixed rate with no appeal and it would be adjusted only by the annual GNP deflater. Companies provided sanctity of contract. End argument once and for all on deregulation;

(2) Ban new sales of natural gas under boilers to produce electricity and phase out the present use initially over a 5 year period. One-half of the present 3.3 trillion cubic feet so used would be diverted to domestic and commercial feedstock uses;

(3) Allocate findings of new natural gas on all Federal lands to interstate market. These new leases also will require immediate development; and

(4) Under proper standards, give FPC authority to allocate gas from surplus pipelines to shortage pipelines.

e. Additional Conservation Measures:

(1) Adopt mandatory thermal efficiency standards for new buildings;

(2) Set 15% industrial conservation goal by 1980;

(3) Set 20% appliance efficiency goal by 1980; and

(4) Allow housing insulation tax credits and loans.

3. On June 1 reappraise economic situation with a view to imposing a mandatory allocation and import quota and also standby rationing authority.

4. If the allocation system after a reasonable test fails, impose gas rationing for 3 years to be replaced by January, 1979 with an increase in supplies brought about by Energy Production Board programs cited above.

a. Rationing Features:

(1) Negotiable Coupon;

(2) Basic entitlement of 9.5 gallons weekly per licensed driver;

(3) Commercial entitlement based on base year use;

(4) State set-aside program for hardship, health, etc.;

(5) Local appeals through Selective Service Boards; and

(6) Distribution through Post Office—4 month allotment—go on basis of birth date.

II. ANTIRECESSION ACTION

A. Approve $16 billion 1974 tax rebate: either President's or House's version or combination thereof.

B. Pay for $16 billion rebate plus cost of gas rationing program by tax reform and government spending changes as follows:

Revenues	1975–76 *Billion*	1976–77 *Billion*
Elimination of Oil Depletion Allowance	$2.8	$3.2
Change Oil Royalty Tax Credit to Deduction	2.0	2.0
Repeal of Intangible Drilling Costs	1.0	1.0
Repeal of Export Subsidies (DISC)	1.0	1.0
4¢ Increase in Gas Tax	4.0	4.0
Increase Minimum Income Tax	1.0	1.0
Total		12.2
Cuts in spending		
Cut of 100,000 Troops in Europe	2.0	2.0
2% Cut in Federal Pay Costs	.5	
10% Cut of Federal Fixed Costs	3.0	
Total	17.3	14.2

III. BUDGET ACTION

A. Disapprove President's 1975 Tax Cut.

B. Get America Moving in housing, mass transit, and increased energy supplies, all paid for by 1976 revenues of $14.2 billion from tax reform proposal outlined in IB, as follows:

	Billion
1. Housing Program to get construction industry moving, including: Federal payment of differential on 7% interest loans for low and moderate housing and government as lender of last resort to prevent foreclosures on unemployed homeowners	$7.0
2. Mass Transit—double present effort	2.0
3. Energy–Exploratory drilling, investment tax credit, etc	.5
Total	9.5

C. Other Budget Actions:

1. Approve freeze on new programs except housing, energy, transit.

2. Approve entire Social Security increase based on CPI and reject Food Stamp cost increases.

3. Hold the line on Federal salaries by disapproving CPI increase and approve 5% limit on other CPI benefit increases.

4. Act on recision and deferral proposals as follows:

a. Disapprove food stamp cost increase and education program reductions—$.7 billion;

b. Retain $2 billion in water and sewer construction funds to aid impact of new housing starts; and

c. Approve remainder of recission and deferral proposals.

5. Hold the line on deficit Federal spending to get government out of money market—goal of FY 74 budget of $272 billion adjusted for inflation.

Mr. HOLLINGS. Mr. President, let me say at the outset that this is not the Democratic proposal, or the Policy Committee proposal. It is my personal plan, released to the press last week. I point out also that we continue working under the ad hoc committee of the distinguished Senator from Rhode Island, Mr. PASTORE, in hopes of developing a comprehensive plan which will enlist the widest possible support. Let me emphasize that the leadership of Congress has been working on developing a consensus and a comprehensive alternative.

It is quite obvious that Congress and the country were somewhat taken aback by the President's proposals. The reason that we were taken aback is that we had instituted last fall the summit conferences on the economy. These conferences were first suggested on the floor of the Senate, by our distinguished leader, Senator MANSFIELD, and President Ford had what we thought were very comprehensive and far-reaching conferences with all sectors of the economy.

The record also shows that last fall, rather than coming out with a dynamic program for recovery, we were given more of a Madison Avenue approach with a WIN button. Certain it was that we were not going to raise taxes at that particular time, and the rest of it was just mere rhetorical suggestions. But the factors that the President considered in emphasizing and presenting that program were reiterated by him throughout November and on into December.

For example, the President stated, on the 11th of December, to the Business Council:

> This administration, I can assure you, is pledged to protect the consumer buying power or consumer purchasing power as an essential element of sustaining and strengthening the free enterprise system. If there are any among you who want me to take a 180 degree turn from inflation-fighting to recessionary pump-priming, they will be disappointed.

Mr. President, in almost less than a month, President Ford made that 180 degree turn. Nor did he show anything that had occurred within that month as factors that would warrant the extremeness of his position taken on January 12.

He bolstered the position when his Secretary of the Treasury, his No. 1 economic spokesman, stated to the Joint Economic Committee:

> It is the price of oil itself, not financial repercussions, which is the real source of trouble in the world economy.

Who could have expected that on the 12th of January the President would come on national TV, having reiterated this about the price of oil, and raise it? In fact, in the interim, a Business Week interview with the President's chief adviser, the Secretary of State, appeared, and it related to invasion or actual war which the Secretary said would be warranted by a strangulation of the economy. That statement was not controverted; it was modulated somewhat with the added emphasis about the strangulation of the world economy, but the substance was the same. And that was the period, of course, when the President was saying himself that he was not going to be raising any prices. Here his Secretary of the Treasury was saying under no circumstances could prices be raised, because that was the chief reason for the disruption in the world economy. Here was the Secretary of State almost declaring war. And then, in action, on December 30, the President vetoed the cargo preference bill.

The President stated, in his veto message:

> This bill would have the most serious consequences. It would have an adverse impact on the United States economy and on our foreign relations. It would create serious inflationary pressures by increasing the cost of oil and raising the prices of all products and services which depend on oil.

Do you know what the raise was? Twelve cents a barrel. So here was the President, in all solemnity, overriding an overwhelming majority of the Senate and the House of Representatives in their endeavor to try to contribute to our national security with a carriage capacity for crude oil, in trying to contribute to safety, with all the oil pollution accidents, spillage, and other evils, by bringing at least 30 percent of that carriage under American flags, with American bottoms and American crews. And while the President said later in his message that he is certainly supportive of our maritime industry and our merchant marine, he certainly implied that 12 cents a barrel would wreck the economy, it would contribute to the inflationary pressures on not only oil, but every product.

Then 12 days later, he was racing the Speaker of the House, the distinguished CARL ALBERT, to go on TV to raise it $3 a barrel. The serious inflationary pressures the President worried about with a 12-cent increase disappeared in all the ballyhoo advocating a $3 increase.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. HOLLINGS. I am delighted to yield to my distinguished colleague from Minnesota.

Mr. MONDALE. As I understand it, he President's authority for imposing the $3 tax on foreign oil can be justified on the ground that he has found it necessary in the interests of this Nation's security to do so. Absent that finding and the facts and the justification for that finding, the President does not have the authority, on his own, to do what he is proposing to do.

If that is true, one wonders, and perhaps the Senator from South Carolina could help me understand it, what national security he finds being risked by the importation of Canadian oil. Was the Senator aware of any plans by the Government of Canada to invade the United States?

Mr. HOLLINGS. No, I say in response to the question of the Senator from Minnesota, and his question is indicative of where the majority of our imports, which amount to approximately 35 percent of our consumption, come from. Only 6 percent comes from the threatened areas where there is an altercation in the Middle East. Only 6 percent comes from that particular area. The remainder of the percentage comes totally from Canada, Venezuela, Nigeria, Indonesia, and around the world, where there is no threat whatever; and in fact, as to the amount, I quote what the President said in December, last month:

> In 1974, at this point, the use of gasoline has been less than the anticipated growth. In other words, we are using less now than the experts forecast we would use when we were laying out the charts as to the antici-

> pated demand. The net result is that we have more gasoline in storage today than we had a year ago at this time.

So he was talking a month ago, in addition to the price, about the abundance.

Mr. MONDALE. The reason I asked that question is that we have just found that at a minimum, just my State alone, Minnesota, will pay $100 million more next year for Canadian oil than we are paying this year if the entire $3 per barrel fee is imposed; and the reason the President says we must pay that $100 million is that to take more Canadian oil threatens our national security.

Does the Senator from South Carolina know on what basis Canadian oil undermines America's capacity to defend itself?

Mr. HOLLINGS. I do not. I just do not have the answer to that at all.

I think, of course, in fairness to the President's position, he is trying to emphasize, in a way, the dollar outflow. This is the emphasis being given now by Democrats, in a studied way. If the principal threat is inflation-recession—and we believe it—and a secondary threat is the energy crisis, let us not, in an inconsiderate and panic-stricken fashion, run first to the energy crisis by clamping on high excise taxes, by running up the price of everything manufactured in Minnesota and by causing and exacerbating the unemployment picture involved in inflation-recession. Such a policy would only exacerbate the principal threat, which is inflation-recession. On the contrary, let us work deliberately on the inflation and on the recession, and then, if we can, let the ordinary forces of the economy take root and get a better footing by June, let us say. The banks are lowering interest rates, the savings and loans do say they have greater deposits, and the prices of automobiles, rather than being raised, as they were 3 months ago, are now being rebated, so we are seeing what appears to be a softening.

We do not want to disrupt economic improvement with the inflationary sweep of an excise tax. We were coming down from 12 percent to what was projected last month as an 8-percent rate of inflation by December 31, 1975. Let us not turn that completely around.

Can you imagine a $54 billion added fuel bill? Let us not, by coming along with $54 billion added to the fuel bill, turn completely around to an 18-percent inflation rate by December 1975.

The PRESIDING OFFICER. The Senator from South Carolina's time has expired.

Mr. HOLLINGS. Mr. President, let me ask the distinguished floor leader——

Mr. ROBERT C. BYRD. The Senator would get, Senator MONDALE can get, time.

Mr. MONDALE. I would like to carry on this colloquy.

Mr. HOLLINGS. I can get the time from my distinguished friends from Maryland and Alabama. They will not mind.

Mr. MONDALE. As I understand the study by the Library of Congress, the President's program will add 3 percent to the Nation's inflation and the cost of doing business. They predict a 12-percent inflation rate would continue through this year rather than dropping, say, to 8 percent as the economists predict. That is the cost of doing business for American businesses.

Does that not fundamentally and adversely affect our ability to sell competitively in world trade and because of that perhaps contribute substantially to deterioration of the American balance of trade, which is what they claim is the reason for their order?

Mr. HOLLINGS. We are in world competition. We are in the era of the multinational corporations. Factories that have located in my State have done so because we are competitive, not necessarily on labor costs, but we have in America cheap energy.

Now, the one advantage we have in that balance of trade, internationally, has been the cheap energy cost. Now comes the President, telling the Arab sheiks that we are sorry, they are right, we were wrong all last year when we were threatening war and pleading for lower prices. Now we throw away that bargaining card with our negotiations in the Mideast and adopt an adverse balance of trade situation, crushing the jobs and crushing that export market from the United States.

Mr. MONDALE. I am glad to hear the Senator say that.

We called the Department of Commerce, which has a big computer over there which they use to predict what happens with various policy alternatives so they can find out on a quantitative basis what the result of a policy will be before it is implemented, and we said, "Would you please run the President's plan through your computer and tell us what its effect would be on the competitive posture of American business in international trade?"

They said, "Let us think about it," and they called back an hour later and said, "We cannot do it."

We said, "Why?"

They said, "That would be political."

Does the Senator agree that is a political question?

[Laughter.]

Mr. HOLLINGS. That is a political rejoinder they have given to the Senator from Minnesota. This "plan" must have been hastily drawn.

We are having amendments. While we are accused of not being comprehensive, of not giving a total, of nitpicking, we just happen to be going to the arithmetic of the matter. Let us talk about the rebate the President proposes. What it is under the $16 billion rebate program is $250 for an average family.

But, may I say to the Senator from Minnesota, if the energy bill goes up $54 billion, and there are 200 million Americans in 50 million families of 4, when you have given them, on the one hand, the $250 rebate, you have taken from each of those families $1,000 in energy costs. Paul McCracken says corporations do not pay taxes, they pass it on to the consumers, so you have taken away $1,000 with a net loss of $750. And yet the President again says "I am not going to wait," in the morning Post:

> I want you to approve my excise tax or give me an alternative.

We are going to vote down that excise tax and, in essence, rebate every American family $1,000 when we kill it, if we can.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes, sir.

Mr. MONDALE. The President says he is going to take his plan to the American people, and I hope he does, because it goes something like this: Take a family with $10,000 a year, family of four, I guess that is about the average income in the average-sized family. Under his proposal, the cost of living will go up about $340 to $350 a year. In other words, it will cost them that much more this year to live, because of the President's proposed increases in the cost of energy plus the ripple effect.

But he is going to send them relief, and they are going to get a hundred dollars worth of relief. They are going to get $50 in April, and they are going to get another $50 in September.

Is it the impression of the Senator from South Carolina that the American people will think that is a good bargain?

Mr. HOLLINGS. Well, not at all. To emphasize what we just stated, and the Senator has so perceptively put his finger on what the real target is, we had a little contest with an insurance company down in Columbia, S.C., years back when they were trying to get a slogan, and one of the winning slogans that was recommended was the "The Capital Life will surely pay, if the small print on the back don't take it away." That is exactly what the President has come around with. He has got all his writers and TV screens and the weekend newsboys talking about the President's homework, homework, homework. But the news crews have not done their homework. If they will look at this thing closely, they will see it just in that light, riding up the price of fertilizer and thereby the cost of food, upping the cost of transportation and thereby the cost of food and the other vital necessities, putting the airlines and railroads almost into a position of bankruptcy. How are they going to pay for these added fuel costs.

Mr. MONDALE. I thank the Senator.

Mr. HOLLINGS. Would the Senator yield just a minute and let me——

Mr. MONDALE. I yield my time to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the point is that we are not going about this in a haphazard way. We resolved as Democrats the matter of automobile fuel economy this morning, which will be in today's news. That is part of the deliberate approach, and when I say deliberate, it will take us 2 or 3 weeks to work it on through, because there will have to be a general consensus. But while that is occurring let me emphasize that under the Constitution the House should handle these economic factors. It would be good for us to have hearings about rebates and/or tax reductions. I have already submitted my complete program on both scores. But it is wiser to let them have the hearings and let the picture develop there and we follow along with whatever modifications we feel necessary. We might even adopt the President's rebate program rather than canceling taxes. But the fact is when we vote down an excise tax, it does not mean we stand still on the matter of energy. We ask for an Energy Production Board to be instituted immediately in order to oversee the immediate development of Petroleum Reserve No. 4, stepped up leases in the Gulf, and hard oil in Alabama and California.

We ask that Congress get moving with respect to automobile fuel economy, and Senator Jackson's Energy and Fuels Policy Study Committee commences its hearings at 10 o'clock in the morning to develop these programs. And we are asking that in natural gas we get a statutory formula. In all these measures, you can see that what we are doing here is not running around in confusion, but trying in an orderly way to develop an energy and development conservation program here in January–February, and trying to put first things first; namely, inflation-recession. It should be on that front burner, and we must look at it deliberately, not jumping into radical action.

The program of the President, and I say this not with political rancor, because I have great admiration for President Ford and I have just returned from a prayer breakfast with him and we pray for his success—but there is no other way to characterize his program in energy than radical, reckless, and ruinous. We cannot go on that excise tax route.

On the contrary, what we are trying to do is let that stay back until June and let the natural forces of the economy take place. We think we are seeing some recovery and we hope that we can accelerate it with the economic rebate and perhaps action in taxes. Then, in June we can have a better look and try, with the various conservation measures that we hope to impose during the spring, to see what kind of import quota would be necessary and then to supplement or replace the amounts lost from an import quota to come forward with an allocation program and then after a trial period during this year to, let us say November or December, if the allocation program cannot work, then go in that instance to rationing. I am prepared, I voted for rationing last year. We should have done it when the Arab oil embargo went in, but I think what we should emphasize at this point is that our program is comprehensive, it is total, and it is considered, and we are working at it.

Mr. President, the risks of too hasty and reckless a response should be appreciated by everyone. In last Sundays "Outlook" section of the Washington Post, Mr. Richard Whalen, one of our country's most perceptive national observers, addressed himself to the current plight of the economy and to the dangers of overly hasty response. Mr. Whalen speaks authoritatively on the nature and potentials of the economy, and his article should spark lively discussion. So that it may have the widest possible audience. I ask unanimous consent that the article be printed in the Congressional Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

MAKING BAD TIMES WORSE

(By Richard J. Whalen)

After one of the more abrupt self-reversals in modern White House history, President Ford is now marching virtually in step with the Democratic opposition on economic policy. He has embraced the conventional wisdom—that steep recession, not inflation, is the enemy—and he proposes to fight it by amassing at least $80 billion in budget deficits over the next 18 months.

To a non-economist, the new consensus policy would be more reassuring if there were not such a strong whiff of panic about it. Scarcely three months ago, many of the same distinguished economists who are now urging massive fiscal stimulus were purring professional agreement on the need for a taut fiscal ship until double-digit inflation was whipped. From their vantage point atop the economic "summit" last fall, most failed completely to foresee the sharpness of this winter's downturn. The worrisome question arises: What are these experts failing to foresee now?

To be sure, some are full of a belated but amply justified humility about the shortcomings of their inexact science. Amid the rubble of their econometric models, they confess the same perplexity and fright as ordinary men. For example, Arthur M. Okun, the former chairman of the Council of Economic Advisers, last month told the Senate Budget Committee: "In the past few months, the nation's economy has been deteriorating at a rapid rate that, to me, in all candor, is frightening. It simply has no parallel in my professional career."

The decline has indeed been swift—real GNP plummeted at an annual rate of 9.1 per cent in the closing months of last year—but it is by no means unprecedented or even especially mysterious, despite Okun's statement. Like most of us, he is fortunate enough to have spent most of his adult life enjoying an extraordinary period of sustained prosperity, marked by relatively mild recessions. Since the mid-1960s, however, the boom has shown more and more evidence of inflationary excess. And now, as has happened before, inflation is yielding to deflation through the corrective forces of the marketplace.

CHILDREN OF THE BOOM

But we children of the boom are terrified to see it ending. We demand it continue, for we are accustomed to having our way in a world we have dominated for a quarter-century. We are haunted by the Depression our fathers suffered and by the nightmare of another cumulative deflationary spiral, which, should it materialize, would mean a far steeper fall because of the immensely greater height of our national prosperity. We refuse to see that the real question before us now is not how to escape the inevitable pain of deflation, but how to avoid making bad times cruelly worse.

In testimony last month before the same Senate committee, economist Otto Eckstein expressed this grand refusal that has now become a consensus. "The time is at hand to reverse our economic policies," he declared. Whether the fight against inflation is won or lost, the risk of recession degenerating into near-depression has now reached the point where common prudence requires stimulus."

In other words, whether or not we cure the disease, we need a pain-killer for the patient. That would indeed be the prudent thing to do if the patient were not already suffering an overdose of this particular pain-killer. The patient is sick in the first place because of rapid inflation, and another massive dose may not simply deaden the pain but put him under once and for all.

One needn't be an economic expert to know that inflation is at the heart of our recessionary affliction. Economists may cling to the belief that inflation and recession are opposites, but it is evident to ordinary citizens that it was inflation which reduced their ability to buy, inflation which pushed the poor deeper into poverty and those on modest fixed incomes closer to becoming poor, inflation which triggered companies' sales slumps and layoffs, inflation which brought on our general economic decline. They may differ on what to blame for inflation—oil, bad crop weather, "administered" prices and wages, Vietnam, generally excessive expectations, all of the above—but its ultimate recessionary impact is clear.

And yet, knowing all this, we are now asked to abandon the fight against inflation, a fight we never really started. Rather, the resistance has consisted almost exclusively of Federal Reserve Chairman Arthur Burns' stubborn unwillingness to ratify double-digit inflation by pumping up the money supply accordingly. Practically everyone else in government, like the French troops on the Maginot Line during the lull before the storm, scarcely knew there was a war on, unless they accidentally stuck themselves with their WIN buttons. Budget Director Roy Ash, who learned his economizing while at Litton Industries building very expensive ships for the Navy, defied anyone to make meaningful cuts in a $300 billion-plus, mostly "uncontrollable" federal budget.

DISTORTED PICTURES

The explanation for our irrational tolerance of rapid inflation presumably can be found in a blind fear of deflation that has distorted our perception of the world around us. Since the enactment of the Employment Act of 1946, intended to cushion a postwar depression that never materializd, only one statistic has been guaranteed to prompt economists and politicians to break into a cold sweat—a sharply climbing unemployment rate. As it happens, this is also the economic statistic that the news media feel most comfortable with. A "soaring jobless rate" tells its own story.

Or does it? As the overall unemployment rate rose about 7 per cent last month, making headlines, causing the cold sweats and forging an anti-recession consensus, the "hardship unemployment rate"—those out of work 15 weeks or longer—rose to 1.4 percent. The unemployment rate for heads of households was 4.5 percent and for married men 3.7 percent. Most of these people were receiving unemployment benefits and, in the case of auto workers, supplemental benefits that raised total income close to their take-home pay while working. We were properly depressed to read of "the greatest number of people unemployed since the Thirties"—and probably did not remind ourselves that the civilian labor force meanwhile has grown two-thirds larger. Unemployment was high among teen-agers (18.3 percent) and blacks and houswives, but they, too, had beneath them the economic safety nets created by a compassionate and rich society.

This is surely not to make light of the jolting experience of losing a job, of the distaste for being on the dole, of the boredom, the uncertainty and the anxiety about the future of the family. But in terms of social hardship, present unemployment bears no resemblance to that of the 1930s or even the 1950s.

Nonetheless, witness Eckstein struck the deepest fear nerve when he warned the senators that unemployment might persist above 8 percent and wondered "what such an experience would do to the American people's attitudes toward our economic system or toward each other." What ever it might do to the economic system or to social stability, the senators knew what that kind of raw unemployment statistic could do to any officeholder who didn't try to "do something." And, according to the post-Keynesian orthodoxy, the something to do was to cut taxes, spend freely and rapidly expand the money supply.

OUR NATION OF DEBTORS

If the unemployment problem, while always distressing, is not as calamitous as it seems to most, the inflation peril is not only as bad as it appears but potentially much worse.

During the past generation, for the most part, we have lived extremely well, at least in the envious eyes of the rest of the world. But what has been the secret of our splendid prosperity? How have we paid for it?

In a word: debt. Debt so unimaginably large in the private and public sectors alike—some $2.5 trillion, according to the latest count—that the idea of ever paying off any substantial part of it is unthinkable. McGraw-Hill's economists recently totaled up the categories: $1 trillion in corporate debt, $600 billion in mortgage debt, $500 billion in U.S. government debt, $200 billion in state and local government debt, and $200 billion in consumer debt. Merely to pay the interest due this year, they calculated, would take a sum more than one-third the GNP of the next biggest capitalist economy, Japan.

As might be expected, our nation of debtors has a vested interest in cheap, plentiful money—that is to say, in a devalued currency—because this eases the burden of repayment. The dollar that was worth 100 cents in 1939, and 48 cents in 1959, is currently worth less than 25 cents; if it continues to weaken at this rate, it will self-destruct sometime in the early 1980s. Is the progressive crippling of the dollar through inflation a legitimate source of worry to anyone other than gold cranks and right-wing hucksters of apocalypse? Does it have any real bearing on our ability to manage the U.S. economy and mitigate the effects of recession? The answer to both questions is yes.

After a generation of global expansion, the United States discovered in Vietnam that it is not exempt from the constraints which apply to other nations. When limits are overstepped, penalties follow. What is true in foreign policy is equally true, but much less clearly understood, in international financial and monetary affairs. Foreigners holding dollars are, in effect, our creditors. The penalty for reckless over-expansion of the U.S. dollar overseas has been the collapse of the world monetary system created in 1944, two dollar devaluations since 1971, and an entirely new exposure of the American economy to foreign demands and pressures.

In a world of floating paper currency, which have no officially guaranteed rate of exchange in the money markets, the international purchasing power of the dollar may fall even faster than its value at home. This has the effect of making imports more costly, thus further boosting domestic inflation. It also makes U.S. food and raw materials cheaper for foreigners—like the canny Russian grain traders—and consequently scarcer and more expensive for Americans.

This is no argument for building "protective"—actually, imprisoning—walls around the U.S. economy. It's much too late for that anyway. But it does mean that those managing the U.S. economy in Washington are bound to anticipate and respect the moves of their counterparts in Bonn, Tokyo, and other key centers within the new integrated world economy. If the United States opts for more inflation, penalties will surely follow.

PRINTING MORE MONEY

But the money markets might as well be on the dark side of the moon so far as the ordinary American is concerned. He is worried about the beast he encounters at the supermarket, which devours his purchasing power through spiraling prices. Yet the price effect of inflation is actually the tail of the beast, the final consequence of an inflationary chain of cause and effect.

Inflation begins with the creation of money, either by running the printing press or by expanding the lendable reserves of the banking system, at a rate faster than the economy produces goods, performs services, and creates real capital in the form of savings. Thus government, which has a monopoly on creating money and expanding credit, is where the inflationary scapegoat's horns belong. The rest of the beast consists of almost infinitely complex results and consequences.

For example, the insurance company executive, looking toward the turn of the 21st Century and beyond and calculating what the billions of dollars under his management will then be worth, gives the order: Stop writing mortgage loans. As the pool of long-term capital for housing loans shrinks, interest rates rise—and accelerating inflation causes other lenders to drop out and the pool to shrink further. As a result, millions of Americans who thought one-family houses in suburbia were part of their birthright find themselves living in "mobile homes," priced out of the market as a consequence of a remote lender's prudent fiduciary decision.

Or consider the businessman contemplating expansion. High inflation has laid his company's stock low. Why? Market analysts know his "real" profits are shrinking and they mark down the price-earnings ratio accordingly. As inflation drives up interest rates, investors desert the stock market for higher yields elsewhere, especially from government debt issues. With the stock price battered down to below the book value of the company's assets, issuing new stock to raise capital amounts to giving away part of the company.

Money set aside by the businessman to replace obsolete equipment (depreciation) and boost productivity cannot keep pace with rising costs.

The businessman must calculate the continued rising costs of labor and equipment in arriving at a potential future rate of profit. If inflation-driven wages are rising much faster than the company's output, profits will be inadequate to justify expansion, unless he looks overseas. (Unions are right to be worried about "runaway" plants and lost jobs, but some soul-searching is in order on runaway wage increases, too.)

And so, in the end, our businessman has no choice but to go to his banker and add to his company's debt. This is the path droves of American businessmen have followed in recent years as pyramid of corporate debts have risen to a dizzying height. It now amounts to 15 times after-tax profits, more than twice the 1955 figure. Even more worrisome, many businessmen have borrowed short-term (the only way the banker would lend) to finance long-term projects, and this has greatly increased their vulnerablity to recession and reduced cash flows.

And then, with bankruptcy looming, he turns to Washington—which helped get him and his company's stockholders and workers in trouble in the first place.

MAKING MATTERS WORSE

Keynesian economic orthodoxy no longer makes sense because it has lost touch with reality. The presumed "stabilizer" of government has grown so large and demanding during the past two generations that it has become in practice the chief destabilizing force in the economy. The non-productive government sector of the economy (federal, state and local) has grown in recent years three to four times faster than the productive private sector. The burden of government has grown proportionately, both directly (in ever-increasing taxes) and indirectly (through competition for capital and a host of bureaucratic interventions and regulations that raise costs, waste resources and reduce profits). Consider this government contribution to productivity: Individuals and corporations spend an estimated 130 million man-hours a year filling out government forms, excluding tax returns.

When overgrown, wasteful and demanding government achieves a certain "critical mass," its nature seems to change. It becomes incapable of translating good intentions into deeds. Often it is so muscle-bound it cannot move at all. It becomes its own—and the public's—worst enemy. Because it must spend, tax and borrow prodigiously, for no purpose beyond maintaining its own momentum, it drains much more money from the private sector than it intends and far more than it can restore without accelerating inflation. As individuals and businesses are forced to cut back their spending and the economy slows, gargantuan government lumbers to the rescue, but only makes matters worse.

If this seems too abstract a critique, consider last week's announcement that the Treasury will be compelled to raise $28 billion in the money markets during the next six months to cover its huge deficit, which will push aside other would-be borrowers, keep the housing industry depressed and hamper the economy's recovery. If that is not King Kong government, what is it? The Australian economist Colin Clark once reckoned that a government's nature was transmuted when the public sector claimed one-third of a nation's income. Total spending in the U.S. government sector now equals 40 per cent of national income, or by an estimated $500 billion this year.

DUBIOUS JUSTIFICATION

The dubious justification for the anticipated $80 billion-plus cumulative budget deficit through June 1976—a torrent of red ink unprecedented in peacetime—is the sheer size of the $1.4 trillion U.S. economy. A specious comparison is made between the expected $32 billion to $35 billion deficit and the $314 billion budget for the current fiscal year. Perhaps the most ludicrous comparison matches the deficit against the total population, a contemporary version of the New Deal line about owing it to ourselves.

The relevant comparison is between the size of the federal deficit and the size of the pool of real capital—that is, savings—available to finance it—in addition to financing all of the other public and private credit needs of the country. Not only government's direct claims on the nation's capital are growing at an alarming rate. The indirect claims of the mushrooming "off-budget" federally sponsored agencies, such as the Export-Import Bank, and the Federal National Mortgage Association, are also soaring. A decade ago, federal agency debt was just $16 billion. Now it is $90 billion. Finally, there are the skyrocketing credit demands of state and local governments and government-sponsored authorities. Caught in the squeeze between rising expenditures and falling revenues, municipal governments borrowed a record $27 billion in short-term debt in 1974, much of which wil soon have to be converted into long-term debt.

Last year, all levels of government absorbed fully 60 per cent of the funds raised in the nation's long-term capital markets. In 1975, according to Treasury Secretary William Simon, who is properly "horrified" at the prospect, the government sector's credit demand will take as much as 80 per cent of available long-term capital. Plainly, that is much too much if the nation is to regain prosperity.

Thus once again the Federal Reserve and Chairman Burns are alone on the anti-inflation front and plainly on the spot. Burns, a life-long student of business cycles and a pragmatic conservative, is immune to the panic rampant among the politicians and orthodox Keynesian economists. He is not afraid of deflation—quite the contrary—but he will do what he reasonably can to cushion the effects of the decline.

Specifically, in recent months this has involved almost daily behind-the-scenes bolstering of shaky giant corporations such as W. T. Grant, which the nervous banks agreed to refinance with the Fed's backing. To discourage congressionally dictated (and politically motivated) credit allocation, the Federal Reserve in the months ahead probably will err on the side of ease—and pray for the best. But it cannot go nearly as far as the politicians will demand without creating the potential for a renewed and more virulent inflationary spiral—on the order of 20 per cent—in 1976–'77.

THROUGH THE WRINGER?

Are we then obliged to go all the way through the wringer? Having come this far—much farther, in fact, than is generally realized—we should not flinch at the rest of a process that holds the promise of restoring non-inflationary prosperity. Because of the lags between various sectors of the economy, some of them—for example, housing—appear headed for recovery within the next several months if panic-stricken government does not batter them with a new wave of inflation.

Ultimately, the consumer is the prime mover in the American economy, and the key to recovery will be the restoration of his ability to buy, which means his disposable income must rise and prices fall to close the consumption gap. This is now occurring, in response to market forces.

The consumer truly went on strike last fall. In the third quarter of 1974, personal consumption expenditures rose $32.2 billion. But in the final quarter, consumer outlays fell $4.5 billion, the first such drop in 14 years and the sharpest since 1951. Auto sales sank 30 per cent, and the manufacturers soon were looking at an inventory of some 1.6 million unsold new cars. Their response has been "the battle of the rebates," a form of disguised price-cutting.

Like the auto-makers, many other industrial manufacturers also cling to "official" list prices while making sales at lower prices under various discount schemes. The reason is obvious: Business fears another government price "freeze" and a new round of economic controls. The maintenance of artificial list prices provides a measure of protection for profit margins squeezed by cost-push inflation.

Thus the memory and prospect of government intervention interferes with the mechanisms of the marketplace. As a result, the arrival of a healthy deflation, the surest means of ending the buyers' strike, is still not widely appreciated. Fortunately, the timidity of the "concentrated" and politically vulnerable industries will be more than compensated by the aggressiveness of smaller businesses closer to the wary consumer and hard-pressed for cash. As retailers seek to move costly excess inventories off their shelves, well-advertised price-cutting will become commonplace.

Deflationary signals will flow backward from the point of final sale through the chain of supply, compelling an adjustment of production. Within the first six months of 1975, large-scale inventory liquidation will occur. The effect will be to bring wholesale and retail prices closer to levels that can be supported by the consumer's disposable income.

THE WIZARD OF OZ

Orthodox economists behave as though falling prices were somehow un-American. They would rather attempt to pump up consumer demand to support inflated prices. But the consumer is smarter than his government. Since last summer he has sharply increased his rate of personal savings, a prudent and rational reaction to persistent inflation, higher taxes, increasing layoffs and pervasive uncertainty. If he is presented with an income tax windfall, the chances are excellent that he will sock the money away rather than spend it, thus temporarily defeating the policy of stimulus. But the consumer who pays off debts and rebuilds savings will be in a position to spend freely on the bargains that deflation will create.

But will he still have a job then? His chances are immeasurably better if he and his neighbors can afford to buy each other's products and services. If he temporarily loses his job, we are all much better off supporting his household's cash flow and helping him find another job than we are pouring inflationary demand into the entire economy, which will set off the price-wage spiral again.

Businesses caught in the slump ought to qualify for temporary support as well, provided they are not merely seeking a bail-out for mismanagement. Here, we urgently need from the Congress a creative burst of institutional innovation, perhaps not a revived Reconstruction Finance Corporation, the New Deal's answer to deflation, but a more limited and sophisticated means of guaranteeing the bank loans of sound, asset-rich companies temporarily short of cash. Flexible business tax cuts would obviously be helpful if an equitable formula can be devised. To the inevitable objections to such a "pro-business" measure, there can be only one reply: are workers better off keeping their jobs with government-aided companies or going on the dole?

Sometime next summer, the buyers' strike should be visibly over—and so will be the liquidation phase of the business cycle. Then, the process should rapidly reverse itself as businessmen attempt to replenish inventories by placing new orders, causing factories to recall laid-off workers and hire new ones. All this can happen, following the classic pattern of recovery, provided Washington does not launch a new inflation.

The curtain has been torn away and we have seen the Wizard of Oz. The orthodox economists and their political allies do not have the secret of perpetual, recession-proof prosperity, as we assumed and they pretended over the past generation. But we still have something better—a market economy to correct excesses and restore prosperity.

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 4

Mr. MONDALE. Mr. President, yesterday I asked unanimous consent that Mr. Robert Barnett be given floor privileges during the period that Senate Resolution 4 is pending on the calendar.

I modify my request to ask that he be given floor privileges at such times as Senate Resolution 4 is actually pending and during the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Minnesota.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I understand that Senator MUSKIE and Senator McCLELLAN are on their way to the floor to introduce a resolution jointly, after which, unless other Senators have business, the Senate will go over until Monday.

I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CANCELLATION OF THE LINCOLN DAY RECESS

Mr. WILLIAM L. SCOTT. Mr. President, I am including in the RECORD today a copy of my regular newsletter report to constituents and within that newsletter is a paragraph about visits to the western district of Virginia.

Our State, even though it is just across the river, is more than 450 miles long and I do not get an opportunity to visit in the western part of the State as much as I would like to.

I have sent out over 500 letters to local and State officials in the area advising them that I would be at a certain place on a certain day during the Lincoln Day recess, and I am going to keep that commitment.

I made the commitment relying upon the information by the joint leadership that we would have 1 week of recess and I would urge that the leadership not have any important legislation during this week.

It seems reasonable to me that the leadership plan—I think it is essential that the leadership schedule our program, and we look to them for that purpose, but having made the commitment to the Senators, and this is not a partisan position but it applies to all 100 Members of this body, having told us that we would have the recess for that week, I feel there is an obligation, absent some emergency situation, for us to be able to rely upon the statement of the leadership.

The rescheduling now having been made, I do urge that there be no important matter taken up. But should an emergency arise, each Senator should be advised so that he could get back to the Senate.

Mr. President, I ask unanimous consent that my newsletter be printed in full at this point in the RECORD.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

YOUR SENATOR BILL SCOTT REPORTS

FAR EAST VISIT

Shortly after Christmas while Congress was not in session, Senator Strom Thurmond and I visited nine countries in Southeast Asia on behalf of the Armed Services Committee. We had conferences in each country with our American Ambassadors, with American military advisers, and foreign military leaders, as well as the president of seven of the nations, and a number of other political leaders. The countries visited were Japan, Korea, Taiwan, Vietnam, Cambodia, Singapore, Indonesia, Thailand and the Philippines. The United States appears to be very highly regarded in all of these nations, and the people appear to be grateful for the military and economic support we have given them over the years. We explained that even though our country is rich and powerful, we do not have inexhaustible resources and suggested that they and their neighbors should endeavor, to the extent their resources will permit, look after their own interests.

The government on Taiwan, known as the Republic of China, is fearful that our government may, at some time in the future, recognize Red China and comply with its desire for a severance of relationship with Taiwan. I conveyed this concern to President Ford and expressed the hope that he might have an opportunity to visit Taiwan or to send a high official of the Executive Branch to visit so that he would more fully understand their concern about our relationship to Mainland China.

In Vietnam we found that the North is completely disregarding the truce agreement and, in fact, has stepped up its operations, sending several hundred thousand troops into the South together with additional military equipment of all kinds. Most of the war material apparently is Russian-made, although Red China is also supplying material to North Vietnam. South Vietnam appears to be making a major effort to defend itself but is handicapped by the lack of a sufficient amount of ammunition and military equipment. President Thieu, our Ambassador and others indicated that additional equipment is essential if South Vietnam is to repel the invaders or to prove to them that further aggressive action will not be successful. I have great sympathy for this nation where the citizens have an annual individual income of approximately $150 but am fearful that our aid would have to continue for an indefinite period of years and at a very high rate to enable South Vietnam to become self-sufficient and to repel the invaders.

The situation is even worse in Cambodia, where the invaders are attacking the capital city of Phnom Penh and the Lon Nol government controls only 20% of the territory containing 80% of the people. Refugees continue to stream into Phnom Penh, and it is very difficult to find sufficient food to feed them. The communist aggression appears inconsistent with the spirit of détente which we hear so much about and at a meeting with President Ford I suggested we advise Russia and Red China that we could not help them develop their oil resources, truck factories, computer technology and do other things they desire when they were giving tacit approval to such aggression and furnishing large quantities of military supplies to the aggressors.

In Thailand, we are told that even though all territory was controlled by the Thai government, there were roughly 8,000 guerrillas in the mountains who would terrorize rural communities, then retreat into the hills and disperse when government troops appeared, only to form again when they left.

In Indonesia where the communists were successfully overcome some years ago, they continue to be active on some of the more remote islands. Even in the Philippines, martial law was declared several years ago as a protection against communist activities. President Marcos indicated that his action in imposing martial law was overwhelmingly approved by the people of the country in a plebiscite but he was going to put the matter before the people once more.

President Ford is expected to send the Administration's budget to the Congress very shortly, and it is anticipated that the military portion of it will be in the neighborhood of $100 billion. While we obtained considerable insight into the needs of the various countries and of the activities of our own government during this trip, my inclination is to continue to support a strong national defense for our own country but be reluctant in supporting military or economic aid to others unless it is coupled with similiar support from other nations within the free world. In my opinion, the communist menace is real but our country cannot continue to be the policeman for the entire world or practice détente without action indicating a corresponding desire for peace and friendship by the communist world.

NEW ATTORNEY

The President's nominee for Attorney General, Edward H. Levi, came by the office for a courtesy call because his nomination is subject to approval by the Judiciary Committee. We reviewed his background and qualifications in some detail, and also took the opportunity to discuss the conditions at Lorton penal institutions. He promised to become familiar with the Lorton situation to determine whether he could take any corrective action regarding this District of Columbia facility located in Fairfax County and a major concern to people living in the general area. I have introduced legislation to transfer jurisdiction of the penal institutions from the District of Columbia to the Federal Bureau of Prisons within the Department of Justice, but there may be other reasonable solutions.

PRESIDENTIAL VISIT

During discussion with President on fact-finding mission, suggestions were made regarding the proposal to extend the Voting Rights Act, and approval was urged for Interstate 66.

CONSTITUENT MEETINGS

Our State is rather long, it being more than 450 miles between the eastern and western tip. Therefore, it is difficult to visit as frequently as I would like in the western part of Virginia. However, during the Lincoln Day recess, I do plan on being with State and local officials of that area during the morning hours and with any constituent who has a matter to discuss during the afternoon hours.

The first meeting will be at the Martha Washington Inn at Abingdon on Tuesday, February 11. State and local officials have been invited to meet with me between the hours of 9:30 a.m. and 12:30 p.m., and other constituents between 1:30 p.m. and 5:00 p.m. The same format will prevail February 12 at the Holiday Inn in Wytheville; at the Hotel Roanoke on the 13th, and at the Holiday Inn in Danville on the 14th of February. Perhaps you can stop by during the time I am in your area and share a concern or opinion.

My regular visit to the Richmond office will be on Friday, February 7. The office is located in Room 8000 of the Federal Building, 400 North 8th Street, and you are welcome at any time during the day. However, if you desire a definite appointment, please call the office manager in Richmond at (804) 649-0049.

MAILING LIST

We want to send our newsletter to anyone in Virginia who would like to receive it. In the event you are not presently on the list and would like to receive the newsletter on a regular basis please forward your name and address to Senator William L. Scott, 3109 Dirksen Senate Office Building, Washington, D.C. 20510, and we will place your name on the list to receive future copies.

Please advise us of any mistake in your listing, any change of address, or duplicate copies so that our mailing can be corrected.

QUESTIONNAIRE RESULTS

You may be interested in the results of the opinion poll included as a part of our last newsletter. It appears that Virginians want a strong national defense but are very much opposed to additional foreign military or economic aid. They also have strong opposition to our helping communist nations develop their industrial capacity; want the government to encourage the development of existing and new sources of energy; desire wiser use of existing energy; but are opposed to rationing or nationalization. It is also interesting to note the opposition to government financed medical care for everyone. Of course, I will attempt to become fully informed on all legislation under consideration in the Congress before making a definite commitment or voting. However, having the benefit of your views is very helpful.

	Percentage		
	More	Less	Same
1. National defense	33.7	20.6	45.6
2. Space exploration	10.5	60.0	29.3
3. Energy research and development	82.3	5.0	12.5
4. Veterans benefits	17.5	23.4	59.0
5. Foreign economic aid	2.9	86.4	10.6
6. Foreign military aid	1.8	88.2	9.3
7. Social and welfare programs	9.8	69.9	20.1

Which of the following would you prefer in our relations with communist nations?

	Percent
1. Concentrate on domestic matters and leave the communists alone	35.4
2. Maintain a strong national defense and make no effort to obtain treaties with communist nations	40.6
3. Endeavor to limit military forces by agreement with the communists	40.9
4. Expand our trade with communist nations	39.3
5. Exchange space technology and conduct joint explorations	30.4
6. Help communists nations develop their industrial capacity in such fields as energy resources, modern factories, and computer technology	8.6
7. Help communist nations develop capacity to feed themselves	32.5
8. Endeavor to develop more friendly relations with communist nations	46.3

Which of the following energy policies do you consider best?

1. Unregulated private enterprise	29.2
2. Government assistance and encouragement of development of existing and new sources of energy	69.4
3. Relaxation of anti-pollution standards to encourage development of additional energy	46.9
4. Wiser use of existing energy	74.2
5. Rationing of energy	18.3
6. Nationalization of coal mines, oil wells, and other sources of energy	10.3

Which of the following approaches to health care would you prefer?

1. Present voluntary health protection under private insurance plans	57.4
2. Encourage the training of additional people to become physicians and nurses	64.7
3. Provide government financed catastrophic illness protection	37.0
4. Tax credit plans for medical care with government subsidies to low income people	26.3
5. Government financed medical care for everyone	14.6

ECONOMY AND ENERGY

The Congress has several controversial issues of considerable importance before it, one relating to the economy and another to energy. On the economy, the President is advocating a 12% refund on 1974 taxes and a reduction in taxes for 1975. Under his proposals there would be a deficit this fiscal year of approximately $30 billion and a deficit next year of approximately $45 billion, or a total of $75 billion during the two-year period.

This proposal is prefaced on no new spending programs, but with the makeup of the present Congress it is very probable that new programs will be enacted, adding further to the deficit. Of course the tax cutting proposal is made to stimulate the economy so that we will get out of the present recession. However, with an existing national debt of approximately $500 billion at this time, necessitating the government going into the money market and taking 60 to 70 percent of the available investment capital, only a little over 30% remains for the private sector to finance new or to expand existing enterprises or individual need for credit for homes or consumer goods. This situation would be aggravated considerably by the tax cutting proposal, and the individual refund would be dissipated quickly by the rise in the cost of living.

Car sales apparently are increasing because of the rebate being offered by the various companies and the stock market is improving primarily because of the cut in interest rates. Part of the package advocated by the President provides for a 12% investment tax credit for one year and a 3-year tax credit for utilities to expedite the conversion of power plants from oil or natural gas to coal and other energy sources. While the investment tax credit should tend to stimulate the economy and result in a greater use of our most abundant source of energy, coal, it would seem that a general reduction in taxes should await a reduction in government expenditures. Otherwise we may be faced with uncontrollable inflation.

The energy problem and the economy to some extent are tied together. In recent years, Americans have used more energy for air conditioning, new appliances and more automobiles and to some extent have turned from coal to the cleaner burning oil and natural gas. The Clean Air Act and other laws to improve the environment have had a regressive effect on the production and utilization of energy. These factors have been aggravated by the Arab embargo and by the increase in the price of oil by the oil producing nations. It is easy to agree with the program for self-sufficiency of domestic sources of energy but there is disagreement within the Congress as to how this should be achieved. The President has suggested an import tax on foreign oils to stimulate efforts to expand existing domestic energy sources and encourage new ones. It is a very complex problem to which the best minds in the country should be devoted and the conference in Washington some months ago did provide a variety of suggestions. Undoubtedly we need amendments to the Clean Air Act to permit wider use of coal; encouragement of greater production of natural gas, either by deregulating the price or other methods; use of shale oil in the West and offshore drilling along our coastlines; expansion of the domestic use of nuclear energy and every reasonable means to obtain more energy. I agree with the President's statement that reasonable revisions should be made in our environmental laws, weighing the needs of the country for additional energy against the common desire for clean, healthy air. The national interest also requires that we make wise use of our existing supplies of energy until the domestic situation is improved so that we will not be dependent on international sources.

SOMETHING TO PONDER

With modern medicine doing so well at increasing life expectancy, we'd better be careful about adding to the national debt—we might have to pay it off ourselves instead of passing it on.

Mr. ROBERT C. BYRD. Mr. President, I fully appreciate the problems that confront Senators when a change of scheduling occurs such as that to which the distinguished Senator has referred. However, I do not think that I could, in good conscience, say that the leadership will or should make a commitment not to bring important legislation to the floor during the week, which is ordinarily referred to as the Lincoln Day holiday. I have been around here a little while. I know that Senators have to get back to their constituents. I also realize that many of us utilize so-called recesses to conduct committee hearings here in Washington and sometimes field hearings in various areas of the country. The leadership felt that in view of the fact that the President had presented a program—we may disagree with parts of it but at least he has come forth with a program, which we did not foresee when we discussed the schedule late last year—and in view of the additional fact that there is a debt limit measure which has been requested by the administration—and we did not foresee this late last year when we discussed a recess schedule—and furthermore in view of the fact that there are major problems confronting the people of the country, the leadership felt that the Senate ought not proceed with those 5 days off during week after next.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. ROBERT C. BYRD. If I may finish my statement, I will then be delighted to yield.

I am attempting to state for the record, in response to a very pertinent question, what the leadership's position is.

The people of the country expect us to try to attend to these problems and we are endeavoring to do that.

Field committee hearings are important, and committee hearings in Washington are important. It is my intention, for example, to conduct hearings on an appropriation bill during the scheduled recess. About the only time I ever have in which to conduct a hearing on a matter is either on a Saturday, or late in the evenings after the Senate adjourns, or during periods of recess. However, now that the New Hampshire election dispute has been referred to the Senate Committee on Rules, I have good reason to believe that I will not be able to even conduct my appropriations hearings during the week after next. So I have empathy with what the distinguished Senator is saying. The leadership feels very badly about having stated that there would be a recess and then having to make a change.

We felt that in the good interests of the people, in the good interest of the Nation, and in the good interests of the Senate, the Senate ought not be out the week after next. The debt limit measure will come over next week. I do not know what day it will reach the Senate, but it very well could be that the Senate would feel it necessary to proceed with some debate on that measure the following week, if it cannot complete its business on that measure next week, which, hopefuly would be the case.

What I am trying to say is that I would not want the Senator to be disillusioned a second time by thinking, as he apparently hopes, that there will not be important legislation scheduled during that particular week. I am in no position to say what will be scheduled because I do not now know what the situation will be at that time.

I hope the Senator will understand that the leadership has in mind the problems of all Senators, and especially the problems that have been created by this decision. I hope he will believe that the leadership, as always, will attempt as best it can to accommodate the conveniences of all Senators.

I felt that I had to state that for the record on behalf of the leadership.

I am glad to yield.

Mr. WILLIAM L. SCOTT. Mr. President, I do not mean to be unduly critical of the joint leadership. But as the distinguished Senator from West Virginia will recall we did receive a letter, somewhat of an appeal to each Senator, saying that the leadership was trying to be liberal in its scheduling, that it was giving us advance notice so that we could make plans, and appealing to us to be here in the Senate for the conduct of business at other times throughout the year, subject to this scheduling that was announced. Then, the very first time we had a recess scheduled, according to this information, a change was made. It is going to be difficult in the future if we cannot depend, absent an emergency situation, on what we are told by the joint leadership. It is going to be very difficult for the Senators on both sides of the aisle to schedule their programs.

Again, I know the Senator has said that he cannot make a commitment, but I would urge, on my behalf and on behalf of all of the other Senators, that there be no important business transacted during this week because many of us have made commitments. I am sure I am not alone.

Mr. ROBERT C. BYRD. Mr. President, if I may say further on behalf of the leadership, I cannot make that commitment. I fully understand the Senator's problem. I do not think that we ought to bring the Senate in if we are just going to go through the motions of pretending to do some work. I do not know, as I have stated, what business will confront the Senate. I cannot see down the road that far ahead. But if the Senator will just try to understand the problems of the leadership and accept what I have stated as an understanding of the problems of the Senator on the part of the leadership, we will certainly take into consideration the situation of Senators. But we gain nothing if we say we are going to come in that week just to do nothing.

Mr. WILLIAM L. SCOTT. I appreciate the cooperation of the Senator.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. ALLEN. I might say that I understand and appreciate the position of the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT), and sympathize with him in his predicament. No one enjoys returning to his home State more than does the Senator from Alabama. When this recess was scheduled, the Senator from Alabama made commitments for nine speaking engagements in the State of Alabama, including three mass meetings of farmers in Alabama who are being crowded to the wall as a result of economic conditions.

I must say that I agree with the leadership in this area. I feel that we should be in session for the conduct of the Nation's business.

I might say further that all commitments that I made for visits and appearances to Alabama are conditioned on the state of the Senate schedule. For that reason, I was able to cancel these engagements without any hard feelings.

I do understand also the leadership problem and its desire and its recognition of the need for the Senate to be in session during these critical times.

I must commend the leadership on its decision.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Alabama.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask that when the quorum is terminated, the Chair recognize the Senator from Arkansas.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 45—SUBMISSION OF A RESOLUTION RELATIVE TO THE REFERRAL OF MESSAGES CONCERNING THE BUDGET

Mr. McCLELLAN. Mr. President, on behalf of myself, Senator Muskie, Senator Young, and Senator Bellmon, I send to the desk a resolution for appropriate reference.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

ORDER GOVERNING REFERRAL OF MATTERS DEALING WITH RESCISSIONS AND DEFERRALS

Mr. McCLELLAN. Mr. President, I ask unanimous consent that all matters now being held at the desk dealing with the rescissions and deferrals be referred jointly to the Committee on Appropriations, the Committee on the Budget, and any other committee which may have legislative jurisdiction over programs dealt with in the matters so referred.

I also ask unanimous consent that future matters dealing with these subjects be dealt with in the manner, including the time sequences, specified in Senate Resolution 45, which I have submitted this day, which has been referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I wish to make this explanation: For a period of time, deferral and rescission messages have been held at the desk and not referred to any committee because of a question of appropriate jurisdiction. This matter has been worked out to the satisfaction of the Democrats in caucus, where the issue was discussed and where, afterward, Senator Muskie, as chairman of the Budget Committee, and I, as chairman of the Appropriations Committee, worked out a solution, as reflected by the resolution which has been submitted. This resolution, this disposition of the matter, has the unanimous approval of the Democratic Caucus.

The purpose of this resolution is to seek a Senate rule to establish this agreement as a Senate rule. In my judgment, this is an adequate, a proper, and an equitable solution that shows due deference to all committees of the Senate having any interest in the subject matter, and is one which will permit, if this rule is adopted, expeditious and efficient and effective handling of these deferral and rescission problems.

I hope, therefore, that the Committee on Rules and Administration will expedite the processing of this resolution and report it to the Senate at as early a date as it conveniently can.

I yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, first, I express my concurrence in the description by Senator McClellan of the agreement which was worked out today. I think it is fair and equitable and illuminates, in perhaps a useful way, the relationship between the Budget Committee and the other committees of the Senate, in a way that I hope will dispel any suspicion that we are going to be engaged in a running controversy over jurisdiction.

Second, I express my appreciation to Senator McClellan for his understanding and graciousness in working out this agreement. I join him in commending it to our Republican colleagues.

I appreciate the fact that Senator Young and Senator Bellmon have joined us in cosponsoring a resolution which they have not had as much opportunity to study as we have had. But that opportunity will be available as the resolution goes to the Committee on Rules and Administration.

I urge Senators to consider it, as I do, as an equitable solution of the problem.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. I thank the Senator.

Mr. President, I have not had an opportunity to bring this matter to the attention of the Republican Caucus. This resolution deals only with matters that are now at the desk.

Mr. McCLELLAN. Yes. By unanimous consent, it deals with the matters at the desk now.

Mr. YOUNG. I am sure there will be no objection on the part of the Republicans. The Republican Caucus can, if it wishes, deal with the resolution which is being referred to the Committee on Rules and Administration.

Mr. McCLELLAN. Yes. The resolution is under all processes of regulations and rules of the Senate, and so forth. It takes that course. The resolution is subject to amendment by the Committee on Rules and Administration, and it is subject to amendment on the floor when that committee reports it.

I believe that when Senators have had an opportunity to study it, they will agree that, basically and fundamentally, it is in the interest of orderly procedure in the Senate, in the handling of these messages and resolutions thereon.

Mr. YOUNG. I commend the distinguished Senator from Arkansas, the chairman of our Appropriations Committee, and the distinguished Senator from Maine, the chairman of the Budget Committee, for resolving a very knotty and difficult problem.

Mr. McCLELLAN. I thank the Senator.

Mr. President, I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. I thank the distinguished chairman of the Committee on Appropriations for yielding.

Mr. President, this matter was discussed informally by the minority members of the Committee on the Budget and Senator Muskie yesterday. While we did not at that time have all the details, general approval was expressed of the thrust of the resolution.

Speaking for the minority on the Budget Committee, I believe I can say that we feel that the solution which has been worked out by the distinguished chairman of the Appropriations Committee and the distinguished chairman of the Budget Committee is in keeping with the intent of the Senate when the Budget Committee was established and when the procedure for rescissions and deferrals was set up here.

I believe, as Senator Muskie has said, that this helps to clarify the purpose and the intent of the Senate when the Budget Committee was established, and makes clear that the Budget Committee has a very definite mission to perform, one which we feel will help us devote our efforts to better handle the way our priorities are established and our resources are utilized.

I also join in commending the chairman of the Budget Committee and the chairman of the Appropriations Committee for the way this matter has been resolved. I believe that the minority, when we have had a chance to discuss it in caucus, will join Senator Young and myself in sponsoring this resolution.

Mr. McCLELLAN. I thank the distinguished Senator.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I join Senators in commending the distinguished Senator from Arkansas (Mr. McClellan) and the distinguished Senator from Maine (Mr. Muskie) in having resolved this very difficult and complex question.

I also express appreciation to Mr. Young and Mr. Bellmon for their cooperation today and for the contribution they have made in enabling the matters that are at the desk to be referred.

MEMBERSHIP OF SELECT COMMITTEE

Mr. ROBERT C. BYRD. Mr. President, the leadership on both sides of the aisle have selected the members—and they have been approved by the Senate—of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities. It is my understanding that Mr. CHURCH has been selected to be the chairman of that committee and that Mr. TOWER has been selected to be the vice chairman of that committee. I make that statement for the record.

ORDER FOR RECOGNITION OF MR. BEALL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are reconciled on Monday next under the standing order, Mr. BEALL be recognized for not to exceed 15 minutes; and that there then be a period for the transaction of routine morning business of not to exceed 45 minutes, the statements therein to be limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will next convene on Monday at 12 noon. After the two leaders, or their designees have been recognized, under the standing order, Mr. BEALL will be recognized for 15 minutes, after which there will be a period for the transaction of routine business for not to exceed 25 minutes with statements therein limited to 5 minutes each.

As to votes on Monday, there is always the possibility, of course. I can say nothing definite beyond this point.

ADJOURNMENT UNTIL MONDAY, FEBRUARY 3, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 noon on Monday next.

The motion was agreed to; and at 1:12 p.m., the Senate adjourned until Monday, February 3, 1975, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES—*Thursday, January 30, 1975*

The House met at 12 o'clock noon.

Rev. Palmer Joe Whitt, minister of the First Baptist Church, Aliceville, Ala., offered the following prayer:

Almighty God, Maker and Sustainer of all that is, who hast created us Thy children and dost set us straight when our ways have gone crooked, we offer Thee our gratitude and praise. We bless Thee for the privilege of being a part of this great Nation, and pray that Thou wilt keep us alert in spirit and loyal to the principles upon which she was founded. We pray for those that guide our Nation with their momentous decisions. Preserve them from faithless impatience, from pride, sloth, and cheapness, and from doing any shoddy or unworthy work. Grant them the diligence to master the facts, candor to face the issues of the day, insight to penetrate the accompanying mysteries, and the courage to welcome new truth yet to be made known. For we pray through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow one of its clerks, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 281. An act to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes; and

S. Con. Res. 6. Concurrent resolution to express pride in the strength and achievements of the Boy Scouts of America as this important youth movement marks its 65th anniversary.

The message also announced that the following-named Members were elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. CANNON of Nevada, Mr. ALLEN of Alabama, and Mr. SCOTT of Pennsylvania.

Joint Committee of Congress on the Library: Mr. CANNON of Nevada, Mr. PELL of Rhode Island, Mr. WILLIAMS of New Jersey, Mr. HATFIELD of Oregon, and Mr. GRIFFIN of Michigan.

The message also announced that the Vice President, pursuant to Public Law 89-81, appointed Mr. LAXALT as a member, on the part of the Senate, of the Joint Commission on the Coinage.

The message also announced that the Vice President, pursuant to Public Law 79-304, appointed Mr. FANNIN to the Joint Economic Committee in lieu of Mr. SCHWEIKER, resigned.

The message also announced that the Vice President, pursuant to Public Law 91-510, appointed Mr. DOMENICI as a member, on the part of the Senate, of the Joint Committee on Congressional Operations.

REV. PALMER JOE WHITT

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr BEVILL. Mr. Speaker, I was honored today to have Rev. Joe Whitt from Aliceville, Ala., in my congressional district, give the opening prayer on the floor of the U.S. House of Representatives.

Reverend Whitt is pastor of the First Baptist Church of Aliceville. He received his A.B. degree from Samford University and master of divinity from Southern Baptist Theological Seminary.

He has been a member of the executive board of the Alabama Baptist State Convention for the last 6 years. Reverend Whitt now serves as president of the Pickens County Ministerial Association. He was elected to the board of trustees of Samford University in 1973.

Reverend Whitt is past president of the Aliceville Rotary Club and has been active in the Bloodmobile program, American Red Cross and the Aliceville United Fund.

An energetic worker for his city, county, and State, Reverend Whitt is currently active in various civic activities.

Reverend Whitt has made significant contributions to our society. He is an outstanding religious leader and I am happy to have the privilege of welcoming him to Washington and pleased that he was able to give the opening prayer today.

HEARING POSTPONED

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, hearings concerning allegations that the FBI has exceeded its legal authority in its domestic intelligence program were scheduled to continue today by the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary. Mr. Clarence M. Kelley, Director of the FBI, and Mr. Laurence Silberman, Deputy Attorney General were to be the witnesses. I am addressing the House this afternoon to advise that this hearing has been postponed until February 20. At that time we will hear the testimony of Mr. Edward H. Levi, who is expected to be confirmed as the new Attorney General and FBI Director Kelley. Today's hearing was postponed because Mr. Silberman is leaving the Department of Justice, and we thought it appropriate to have the benefit of the new Attorney General's views.

The Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee has oversight jurisdiction over the Federal Bureau of Investigation. We have been engaged for several years in a study of criminal record collection and dissemination by the FBI. In the next few months we plan to write and present to the full Judiciary Committee a bill that will, I believe, be acceptable to both the Department of Justice and to Americans concerned with our constitutionally guaranteed rights of privacy, due process, and civil liberties.

A few months ago activities of the FBI came to light which caused great concern to the public and to the subcommittee and which may require expansion of the criminal record bill. These allegations concern the FBI's domestic intelligence work—not in the areas of espionage, treason, or sabotage, specifically authorized by Federal law—but FBI programs in which private citizens and private organizations engaged in legal political activities, have been placed under surveillance, made the subjects of dossiers, and indeed have been illegally disrupted and harassed by the FBI.

The COINTEL programs, authorized by the late Director in 1956 and canceled by him on April 28, 1971, consisted of 2,370 incidents of overt action to disrupt and damage persons and organizations viewed by the Bureau as dangerous to our national security. We held a public hearing on COINTELPRO on November 20, 1974, with Mr. Silberman, Mr. Petersen, and Director Kelley as our witnesses. Further hearings on COINTELPRO are planned.

About 2 weeks ago new allegations appeared in the press, charging the FBI with collecting and maintaining political and personal data on Members of Congress and other political figures. The hearing on February 20 will concern these new allegations.

Whether or not files are maintained on Members of Congress is only part of the issue. Except that we represent more than 200 million people and have large public responsibilities, we are entitled to no more respect or privacy than any other Americans.

The issue then is the entire practice of FBI intelligence gathering, including surveillance of private persons or organizations, recordkeeping of their speech and activities, and the dissemination of such information. At issue also is the entire subject of FBI counterintelligence activity. When are COINTELPRO activities justified, or are they ever justified? These questions must be probed to see if distinctions can be made between appropriate counterintelligence activity and that which is inappropriate, illegal, and unconstitutional.

The Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee intends to perform its oversight of the FBI thoroughly, carefully, and competently. On our success may rest the success of all legislative oversight. It is now time for the FBI and other agencies of our Government to be subject to what a constituent of mine recently referred to as a "civil rights and liberties impact statement." While this has not been done in the past, this subcommittee will see to it that it is done in the future.

This subcommittee's job will be to examine the testimony of witnesses and test legal authorities to determine whether or not these problems can be handled by Justice Department regulations or must be handled by new legislation. Any legislation, of course, must comply with the provisions of the Constitution. No law that exceeds the bounds of the Constitution can be valid. Our concern for national security cannot include the licensing of Government conduct that infringes upon the rights protected by that basic document, the cornerstone of our open society.

As my colleagues well know, insofar as the Bill of Rights is concerned, the chairman of this subcommittee is a strict constructionist. It seems to me clear that our founders meant exactly what they said when they wrote the first 10 amendments. They meant that speech and association shall be free, in good times and also in times of great domestic unrest. In fact, the Bill of Rights was written at the most perilous time in our history, when our country was surrounded by militaristic European nations. Yet the first Congress had no hesitation in enacting the Bill of Rights.

The chairman's libertarian view will not prevent the presentation of opinions by all others, including those who feel strongly that there is a real necessity for a domestic intelligence program by the FBI.

We will ask that the Justice Department and the FBI be objective in reviewing its domestic intelligence program. Is all of this file keeping and surveillance of private persons and organizations worth the giant effort, the many millions of taxpayers' dollars, the inevitable violations of constitutional rights, the chilling effect on free speech and association? Was Federal District Court Judge Griesa correct when, referring to the FBI's surveillance of the Young Socialist Alliance, a legal political organization, he stated:

> The government has come forward with nothing. You've been looking at this group for 35 years and you haven't produced one single solitary crime or incitement to violence in the U.S. by anyone in the organization.—(U.S. District Court, Southern District of N.Y. 12-13-74)

I believe it appropriate at this time to share with my colleagues the steps presently being taken by the subcommittee in its oversight activities.

At our request, the GAO is presently reviewing the FBI's investigation of domestic intelligence activities, as well as its maintenance, use, and disssemination of related information. The overall objectives of that review are to determine:

First. The nature, extent, and adequacy of the FBI's legal authority for domestic intelligence activities;

Second. The policies, procedures, and criteria used by the FBI to initiate and conduct intelligence investigations of domestic groups and individuals and to handle information gathered in such investigations;

Third. The way in which the FBI implements its policies and procedures and the methods it uses in carrying out its domestic intelligence activities;

Fourth. The way and extent to which the FBI applies its resources to the domestic intelligence area; and

Fifth. The relationship between the FBI's domestic intelligence operations and those of State, local, and other Federal agencies in the intelligence community.

We will review and hold public hearings on this GAO report when it is completed.

In addition, we have asked the GAO to assist our staff in conducting a general survey of all FBI activities to obtain a broad working knowledge of the Bureau's operations and to identify specific potential problem areas for review. This survey will serve as a basis for planning our oversight so that we can be continually provided with information on the efficiency, economy, and effectiveness of the FBI's operations.

Some of the areas to be covered in this general survey and in subsequent separate reviews by the GAO and our staff are:

First. The FBI's statistical reporting system and procedures, particularly with respect to the accuracy of crime statistics, Bureau accomplishments, and other information, and how such information is collected, used, and disseminated;

Second. Criminal investigation activities, particularly with respect to the types of cases the Bureau investigates and refers to U.S. attorneys for prosecution;

Third. The Bureau's organized crime activities;

Fourth. Identification services and recordkeeping functions; and

Fifth. Budget preparation and control process, including the way priorities are established and resources allocated.

Our work will be accomplished in a variety of ways. We will rely on the excellent services of our GAO investigators to augment our own staff. Their reports will be aired publicly when completed.

Of necessity, some of our preliminary inquiries will be made at the staff level. Some hearings may be in executive session but only when absolutely required by the circumstances. As much of our work as possible will be done in public and by way of hearings on a continuing basis.

If "past is prolog," then we need to know how things were, and are, before we can fairly determine how they ought to be. We intend, at some point in our quest, to call all 10 living former Attorneys General to discuss with them their working relationships with the Director of the FBI and the FBI itself. We are currently making plans to revisit the identification divisions and the National Crime Information Center. We also intend to visit FBI headquarters and view for ourselves the operations and uses of various records.

I do not underestimate the difficulty of our task. I appreciate the confidence the chairman of the House Committee on the Judiciary, the Honorable PETER RODINO, has shown in giving us this jurisdiction. The importance of our undertaking has been emphasized by him many times, and he has promised his full cooperation in our investigation. The cooperative attitudes of both the Department of Justice and the FBI have and will continue to contribute to our success.

It is fitting that as we approach the Bicentennial celebration of the founding of our country we once again measure our institutions and agencies of government by the yardstick of our Constitution and the Bill of Rights. As my colleagues know, that is the particular concern of the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary in its oversight of the FBI and one which we will fulfill.

LOCAL POLICE SPYING

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, here are some of the headlines December 11, 1974, "Police Infiltrate Lawyers Office"; December 13, 1974, "Representative Mitchell Says Police Infiltrated His Office, Too"; December 23, 1974, "Police Spies Compiled Files on Black Officials, Clergy"; January 20, 1975, "Police I.S.D. Targets Included Civic, Religious Groups."

You are probably asking what does all this mean. It means that the Inspectonal Services Division of the Baltimore City Police Department carried out domestic espionage against more than 125 civic and religious groups. Through infiltration of groups and an elaborate apparatus, hundreds of dossiers were compiled on citizens and groups not engaged in any criminal activity. It means that paid and unpaid police informers were used to supply the information that went into the dossiers. It means that black elected officials and black leaders were singled out as special targets of gestapo tactics. It means that copies of local police spy reports were sent to, among others, Army Intelligence and the FBI.

The grand jury of the city of Baltimore is now investigating these matters as is also the Constitutional and Public Law Committee of the Maryland General Assembly.

I have formally requested the U.S. Senate Select Committee To Study Governmental Intelligence Gathering Activities to investigate the Baltimore City Police Department. My formal request pointed out that the police commissioner of Baltimore has admitted that surveillance reports on Baltimore political figures are often forwarded to the Federal Bureau of Investigation.

In addition, I have requested the Department of Justice to act under 18 U.S.C. 241 and 242 against the Baltimore City Police Department. Section 241 makes illegal any conspiracy to "injure, oppress, threaten or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to them by the Constitution of the United States or because of his having so exercised the same." Section 242 prohibits essentially the same acts, if they are undertaken "under color of law," which clearly encompasses any such activity by a police department.

We who serve the public have a duty and a responsibility to protect the civil rights and civil liberties of those we represent. In addition, we have a duty and responsibility to educate the public as to the dreadful danger to our form of government which occurs when civil liberties are eroded or trammeled by any agency of Government. The actions I have taken against the Baltimore City Police Department serve to meet both sets of duties and responsibilities.

TO INCREASE ALLOWABLE EARNINGS UNDER RETIREMENT TEST PROVISIONS OF SOCIAL SECURITY ACT

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, I am pleased to announce that I am introducing a measure which would increase the amount of allowable earnings under the retirement test provisions of the Social Security Act from the present $2,520 to $8,000.

During the 93d Congress, I sponsored a similar measure. At that time the income limitation was $2,400, and I strongly felt that this figure was unrealistic in light of the increased cost of living. In 1973, inflation mounted to more than 10 percent. The inflation rate in 1974, was 13.7 percent, and there is no relief in sight for 1975. While an automatic cost-of-living adjustment has raised the retirement test to $2,520 for 1975, this represents an increase of only 5 percent which is hardly in line with the rate of inflation.

While inflation has adversely affected the economy as a whole, it has taken its highest toll among our Nation's elderly. The cost of food, heating fuel, shelter, utilities, medical care, and other goods and services which are essential for senior citizens has risen at an even higher pace than the rate of overall inflation. The number of elderly individuals with incomes below the poverty line has increased dramatically. But for the $2,520 income limitation, many senior citizens would gladly supplement their meager retirement incomes through part-time employment.

The inequity of the retirement test is even more evident when one considers that only earned income is counted. In other words, a retired individual could conceivably have an income of $1 million from investments, savings, royalties, and so forth, and still receive maximum social security benefits. However, a retired person who is not fortunate enough to have an "unearned income," substantial enough to supplement his social security, cannot earn over $2,520 without having his social security benefits reduced.

Furthermore, the enactment of this legislation would have a healthy effect upon the economy. While it will not solve all our economic ills, it would provide a large segment of the population, who need it the most, with a more flexible income. In turn, senior citizens would be able to purchase goods and services presently unavailable to them, which would stimulate the economy.

It is evident that an updating of the antiquated retirement test is long overdue. I call upon the House Ways and Means Committee to take up prompt consideration of the legislation which I have introduced.

TO ELEVATE NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH IN HEW

(Mr. OBEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. OBEY. Mr. Speaker, today I am introducing a bill to elevate the National Institute for Occupational Safety and Health within the bureaucratic structure of the Department of Health, Education, and Welfare. Currently, this important agency which is responsible for protecting workers from thousands of dangerous chemicals such as vinyl choride and inorganic arsenic is buried within the Center for Disease Control at the same level in the government organization structure as the Bureau for Tropical Diseases and Bureau for Small Pox Eradication. In simple terms, it has been so low on the bureaucratic totem pole that routine administrative problems have often become greater roadblocks to productive research than the problem of adequate funding.

Within the last 12 months Americans have been told that the substance used to make a major portion of the plastic in their homes, vinyl chloride, may be causing cancer of the liver, lung, brain, and spleen, deterioration of the bones of the fingers, enlargement of the liver and spleen, birth defects, and cirrhosis of the liver. They have been told that inorganic arsenic which is used in the manufacture of the dyes and pesticides used both on the farm and in the back yard is linked to a very high rate of lung cancer among workers who are exposed to it, and no one yet knows its affect on the general public. They have been told that the gases used as anesthetics in hospitals appear to be causing still births among operating personnel, that the chlorine used in some municipal water systems is combining with certain pollutants to form cancer-causing chemicals in our drinking water and only last week we learned that chloroprene, another chemical used in the manufacture of certain types of plastic, is now believed to be a possible cause of skin and liver cancer among workers involved in its manufacture.

And what has been the reaction of the Federal Government to these terrifying revelations? NIOSH, the one agency with primary responsibility to explore these chemical hazards in the workplace where their consequences usually first become apparent, has shrunk rather than expanded to respond to this problem. Today, NIOSH has only 582 employees, 12 percent below its level of January 1973, and about half the size that the former Secretary of HEW, Elliot Richardson, envisioned as appropriate for the agency.

Despite the fact that the Congress has appropriated sufficient funds to increase the size of the agency, bureaucratic restrictions have resulted in 164 of the positions provided by the Congress remaining vacant. The former Director of NIOSH, Dr. Marcus Key, described the situation like this over a year ago in the New York Times:

> NIOSH is not expanding, it is shrinking. It is getting the proverbial meat ax. Our present laboratory space isn't even adequate for any kind of research. It is substandard. We have been frozen on hirings for most of our existence, and we are losing key staff right and left because we don't have the grade point to promote them. I don't think NIOSH is a viable organization at this time.

Since that statement was made the situation at NIOSH has not changed significantly. Despite efforts by the Congress to provide the agency with the necessary resources, there has been no increase in the agency staff and no progress on providing the agency with improved research facilities.

The legislation I am introducing will put NIOSH more directly in charge of its own destiny. It will result in our ability to increase the number of dangerous chemicals we are able to examine each year and that will mean a healthier nation.

The text of the bill follows:

H.R. 2460

A bill to amend the Occupational Safety and Health Act of 1970 to make the Director of the National Institute for Occupational Safety and Health directly responsible to the Assistant Secretary for Health of the Department of Health, Education, and Welfare

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 22(b) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 671(b)) is amended—

(1) by inserting "(1)" immediately after "(b)"; and

(2) by inserting at the end thereof the following new paragraph:

"(2) The Director shall be responsible to the Assistant Secretary for Health of the Department of Health, Education, and Welfare and shall report to the Secretary of Health, Education, and Welfare through such Assistant Secretary and not to or through any other officer of the Department of Health, Education, and Welfare. The Director shall not delegate any of his functions to any other officer who is not directly responsible to him.".

CALL FOR HEARINGS ON NATURAL GAS SHORTAGE

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, on January 23, my distinguished Colleague, the Honorable THOMAS L. ASHLEY, requested Chairman STAGGERS to schedule hearings in the Commerce and Health Committee at the earliest possible opportunity to investigate a severe curtailment of natural gas supplies in Ohio.

I take this opportunity to join with Congressman ASHLEY and urge the chairman to begin hearings immediately. At this time, Mr. Speaker, we as a nation are experiencing increasing unemployment and loss in industrial output. In Ohio, we are suffering due to natural gas cutbacks while some States go along apparently unaffected. Ohio State University, with approximately 50,000 students, faces a potential shutdown if we have a prolonged cold spell in central Ohio.

These oversight hearings should be convened to ascertain if there truly exists a natural gas shortage. The committee ought to pursue what if any legislative action might be needed to eliminate the recurrences of such shortages not only in Ohio but in the other States of our Union. May I suggest that representatives of the natural gas producers and distributors, State public utilities commissioners, consumer officials, natural gas users as well as the Federal Power Commission, and other Government agencies be called to testify; thus, enabling us to get all the facts so that Congress can face its responsibility in this critical area.

HARDSHIP CAUSED BY RESCINDING HILL-BURTON HOSPITAL FUNDING

(Mr. BAUCUS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BAUCUS. Mr. Speaker, in response to many urgings by my constituents, I have sent a letter to President Ford concerning the hardships caused by his request to rescind the Hill-Burton hospital funding program. The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 28, 1975.

The PRESIDENT of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am duty-bound to respectfully draw your attention to the great hardship suffered in Montana as a result of your request for the rescission of Hill-Burton hospital funds.

Montana is a geographically vast state with a population of only 4.8 persons per square mile. Our need for rural medical services is severe. This need is compounded by great distances between population centers and weather conditions that often are extreme.

Your request for the Hill-Burton rescission has dealt a hard blow to communities such as Choteau, Montana. Last November, Choteau voters approved a $1.3 million bond issue for the construction of a new hospital. Since the old hospital is unfit for renovation to state and federal Medicare/Medicaid standards, the community was compelled to build another or face the likelihood of having no hospital at all. The proposed Teton Memorial Hospital was to be built with the aid of $508,000 supplied through Hill-Burton funding, aid that was approved and certified by areawide and state Comprehensive Health Planning Agencies. The community has purchased a site, cleared it, retained an architect, and completed a topographical survey. Though the time and money already expected are considerable, the community now faces the prospect of having labored for nothing. Your request for the rescission of Hill-Burton funds has frozen the critical $508,000 needed for completion of the project.

A similar situation, Mr. President, exists in Lewistown, Montana, a community that pledged more than $1.8 million toward the construction of a new hospital. The old facility is likewise in danger of being closed because of nonconformance to state and federal standards. The people of Lewistown and the surrounding area proceeded through the appropriate channels and were awarded a $633,450 commitment of Hill-Burton funds toward the completion of their new hospital. They, too, have hired an engineering firm and have expended much time and money in preparation and planning. At present, the Hill-Burton money is frozen and their efforts appear to have been in vain.

Not long ago, the Montana State Board of Health ordered the Granite County Memorial Hospital at Philipsburg to upgrade its facilities under risk of closure. In response not only to the order, but to the health needs of the area, the voters of Granite County approved a $457,000 general obligation bond issue for the construction of new wings for extended and in-patient care, and the revamping of the existing building. The money committed by the voters is sufficient for covering 60% of the total costs. The remaining 40% was to come from the state's 1975 allotment of Hill-Burton funds. Like the people of the Lewistown and Choteau areas, the citizens of Granite County are now facing the possibility of losing their existing facilities altogether in spite of their responsible efforts for improvement.

The people of Montana's rural communities have long recognized the need to improve their inadequate and overworked medical facilities. The Hill-Burton program offered the means of expediting a solution to a problem that cannot otherwise be solved without long and painful delay. The people responded in good faith. They demonstrated their willingness to contribute time and money on behalf of positive community action. The freezing of Hill-Burton funds has adversely affected medical services improvements in Glendive, Harlowton, Glasgow, Circle and Missoula, in addition to those already mentioned.

I would point out, Mr. President, that Montana, like the rest of the nation, is presently experiencing grave economic difficulty. Our state's wood products industry has suffered mightily as a result of a depressed building industry nationwide. Unemployment is high. A crippled beef market is depriving our state of much needed capital and economic stimulus. The projects employing Hill-Burton funds have the potential of putting a substantial number of people to work as well as injecting into local economies capital needed to aid recovery.

I know, Mr. President, that you did not intend to work this hardship on the people of Montana and those in other states with largely rural populations. I need not emphasize the need for additional services in those heavily populated urban areas where facilities are too overworked to provide even basic health care requirements. I encourage you, in view of the urgent need for Hill-Burton money, to direct the Secretary of Health, Education and Welfare to obligate the money as appropriated immediately rather than waiting for the end of the forty day period pursuant to the Impoundment Control Act of 1974.

I believe this action would dispel the profound sense of disillusionment and distrust of government felt by these who have labored long and hard in small communities for much needed improvements in medical facilities only to find that the federal government has failed to honor its commitment. I would further emphasize that the projects I have cited do not represent a mere attempt to increase the number of America's hospital beds. These proposed facilities represent an effort to address a critical problem endured by rural communities across the nation.

Thank you, Mr. President, for your time and consideration in this matter.

With best personal regards, I am,

Sincerely,

MAX BAUCUS,
Member of Congress.

AN ALTERNATIVE TO PRESIDENT FORD'S ENERGY PACKAGE

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, I am proposing legislation for consideration as an alternative to President Ford's energy package. It is based on the following legislative proposals:

First. A rationing plan to provide a basic supply of gasoline to every owner of a passenger motor vehicle with appropriate allocations to industry, business, and agriculture. This program will provide everyone with a basic supply of gasoline at current market prices;

Second. A gasoline conservation tax of 20 to 40 cents a gallon to be paid on all gasoline purchased in excess of the basic ration. The tax level would be determined by the President after appropriate hearing and notice. This flexibility will allow the President to change the tax based on the response to conservation and the progress of oil import reductions;

Third. A proposal to limit the President's power to decontrol the price of "old" oil, which currently accounts for 60 percent of our domestic production. The President would only be allowed to increase prices on this oil at a rate not exceeding $1 per barrel per year. This will permit a phasein of decontrol and cushion the inflationary impact as we adjust to new energy sources coming into production.

These proposals would reduce oil imports and stimulate both additional domestic production and needed conservation while minimizing inflationary price increases. There would be no need for the $3 per barrel tariff on imported crude oil, the $2 per barrel excise tax on domestic crude oil, and the $0.37 per thousand cubic feet excise tax on natural gas used in homes and businesses.

Mr. Speaker, I expect to elaborate on this proposal in a special order later this afternoon.

ADDITIONAL RESCISSIONS AND DEFERRALS FOR FISCAL YEAR 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-39)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith report on additional rescissions and deferrals for fiscal year 1975, as required by the Congressional Budget and Impoundment Control Act of 1974.

Thirty-five new rescissions and 14 new deferrals are proposed in the amounts of $1,097 million and $769 million, respectively. In addition, five revised rescission reports reduce by $178 million the amounts proposed for rescission in earlier reports, and 12 revised deferral reports increase the amounts reported as deferred in earlier reports by $111 million.

In the main, the rescissions and deferrals transmitted herein seek to reduce the increased Federal spending that would otherwise result from four recently-enacted 1975 appropriation bills—Labor-Health, Education, and Welfare; Agriculture-Environmental and Consumer Protection; the First Supplemental; and the Urgent Supplemental. The 93rd Congress, in the conference report on the Labor-HEW bill, indicated its willingness ". . . to give full consideration to such rescissions and deferrals . . ." as might be required to keep 1975 spending within the total estimate for the bill.

If the Congress does not agree to the rescissions and deferrals accompanying this message, the 1975 deficit will grow by $357 million and the 1976 deficit by $675 million. I ask the 94th Congress to give full consideration to the question of whether increased Federal spending—with its associated inflationary effects and implied longer-term commitments—is warranted for these programs at this time.

GERALD R. FORD.

THE WHITE HOUSE, *January 30, 1975.*

RESIGNATION AS MEMBER OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE

The SPEAKER laid before the House the following resignation as a member of the Interstate and Foreign Commerce Committee:

WASHINGTON, D.C.,
January 27, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives
Washington, D.C.

DEAR MR. SPEAKER: On January 23, 1975, I announced my intention to become a member of the Republican Party. On January 24, 1975, I officially registered as a Republican at the Oklahoma County Election Board in Oklahoma City, Oklahoma.

Please accept this letter as my resignation from the Interstate and Foreign Commerce Committee.

With every good wish, I remain,
Sincerely,

JOHN JARMAN,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER. Pursuant to the provisions of 46 United States Code 1126c, the Chair appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House: Mr. WOLFF, of New York; and Mr. WYDLER, of New York.

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. CORNELL, of Wisconsin; and Mr. QUIE, of Minnesota.

THE LATE FRANCIS EUGENE WORLEY

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Texas (Mr. YOUNG) is recognized for 60 minutes.

Mr. YOUNG of Texas. Mr. Speaker, it is my honor to yield to the distinguished Speaker of the House of Representatives, the Honorable gentleman from Oklahoma (Mr. ALBERT).

Mr. ALBERT. Mr. Speaker, I take the microphone to join my colleagues, particularly those from Texas and all colleagues who served here with Eugene Worley during his period of service in the House, in honoring the gentleman from Texas. I knew Gene Worley better than I knew most Members, because I sat close to him and worked with him for several years on the Committee on Agriculture.

Gene Worley was an outstanding worker. He was an outstanding Member of the House. He was a very fine and decent person.

He was appointed to the U.S. Court of Customs and Patent Appeals, and he made an outstanding judge. All the judges I have known who served with him have said that from the very beginning he was a very conscientious, able and constructive member of that very important court. The court has lost a great man and the country lost an outstanding American. We who served with him have lost a friend and a colleague of many years, who will always be remembered by all of us as one of the fine men who served in the House of Representatives.

I thank the gentleman from Texas (Mr. YOUNG) for yielding.

Mr. YOUNG of Texas. Mr. Speaker, I yield the balance of my time to the dean of the House of Representatives, the honorable gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Speaker, the Honorable Francis Eugene Worley of Texas passed away in December after a long and outstanding career of dedicated service to his State and country. Gene began his career in the Texas Legislature and, in 1940, was elected to the U.S. House of Representatives from Texas' 18th Congressional District. Fulfilling a campaign pledge, Gene left the Congress in December of 1941 to join the military and served with distinction as lieutenant commander in the Naval Reserve. Upon returning to civilian life, Gene Worley was reelected to the Congress where he served effectively for almost a decade.

After compiling a brilliant record as a legislator at the State and national level, Gene was appointed Chief Judge of the U.S. Court of Customs and Patent Appeals in 1959. His record as a jurist was impressive and his scholarly and able leadership enhanced the reputation and standing of the court. A senior judge of the court since 1972, Gene continued to hear cases in spite of illness that would have forced lesser men to withdraw completely from the world.

Mr. Speaker, it was a privilege to know and serve with this courageous, talented, upright, and patriotic man and I deeply mourn his passing. We need more such men of dedication to the public interest and of unquestionable honor and integrity in government today. Mrs. Patman joins me in extending profound sympathy to his wonderful family. They can take lasting pride in Gene's splendid service to the people and his lifelong reputation for unswerving adherence to the highest standards of professional responsibility. I will always be proud that Gene Worley was my friend and only hope that future occupants of this House and of the Customs Court can come close to matching his ability and devotion to the public interest.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to my colleague from Texas (Mr. Mahon).

Mr. MAHON. Mr. Speaker, throughout the service of the distinguished gentleman from Texas, Mr. Eugene Worley, I was privileged to represent the adjoining district. On last December 19, I announced to the House the passing of Mr. Worley, and I made reference to his outstanding record of achievement as a Member of Congress and as a member of the U.S. Court of Customs and Patent Appeals.

Judge Worley and his family were close friends of the Mahons through all the years. We continue to mourn his loss and continue our sympathetic concern for his lovely wife Ann and the rest of the family.

Judge Worley was one of the ablest men with whom I have ever served, and I held him in the highest of esteem. His contribution to the betterment of our great Nation was significant and he left a rich legacy of accomplishment to his fellow man. It is my great privilege to join in honoring the memory of this beloved American.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to my distinguished colleague from Texas (Mr. Gonzalez).

Mr. GONZALEZ. Mr. Speaker, I thank the distinguished dean of the House and the dean of the Texas delegation, and the man I would always consider to be the true chairman of the Committee on Banking and Currency.

Mr. Speaker, I rise on this occasion to join my voice to those expressing the regrets at the passing of a judge and former Congressman from Texas, Eugene Worley. Mr. Worley served in the House long before I came to it, and he was sitting on the bench when I came to the Congress. His name had been widely known throughout the State.

The fact that he represented a geographical portion of the State did not deter his name from transcending those district lines. He reminds me of something that former President Lyndon Johnson used to say to account for the tenure and the position of leadership that Texans proceeding to the Congress gave the Nation.

He used to say:

> Texans are asked "Why do you have so many Texans of long standing and seniority in positions of preeminence?"

The dean, who has served longer than anybody else in the House from Texas, will recall those words.

Mr. Johnson used to say that we in Texas pick them young, we pick them honest, we send them there, and we keep them there.

This was true of Mr. Worley, as has been true in the case of so many other Texans, including our distinguished dean, who have served preeminently on a national level.

Judge Worley, if he were living today, would, I think, find some humor in the recent activities reflected in the utterances of a few who have said that something would have to be done to get some of the Texans off of the positions of leaderships and chairmanships in the House. Some of them may have temporarily succeeded. But Judge Gene Worley symbolized the fact that Texas will keep sending them here young, picking them honest, and keeping them here.

I include in the Record at this point some remarks made by a colleague from the bench at the time Judge Worley was completing an anniversary:

> Mr. Vance. May it please the Court. I ask the Court's indulgence to make a few remarks today on an anniversary of significance to members of the Court and to the members of the Bar who have the privilege of appearing before it. Twenty-two years ago today, Chief Judge Worley took the oath of office as a Judge of this Court. Eight years and one month later, to the day, Judge Worley became Chief Judge of this Court. In January of this year, the Chief Judge's intention to retire upon the qualification of his successor was accepted by the President. This is thus, apparently, the last week in which Customs Appeals will be heard by the Worley Court, and it seemed appropriate that we of the Customs Bar, public and private, not let this occasion pass without spreading on the record our appreciation for the Chief Judge's years on the Bench and the contributions he has made in the field of Customs law with his many opinions in the area.
>
> During my ten years as Chief of the Customs Section, I have had the pleasure of appearing only before the Worley Court. It has been a Court, in its past and present members, of distinguished and learned jurists and wise and understanding men who have had to consider a myraid of perplexing cases in an ever changing world. The Worley Court has seen significant changes in the administration and judicial consideration of our tariff laws (and I know, peripherally, that the Court has encountered new concepts and problems in its patent and trademark jurisdiction, as well). A few years ago a long cherished dream was realized with the move to this new courthouse. While those of us who argued in the old courtroom in the Internal Revenue Building certainly have fond memories of those premises, we appreciate these more commodious accommodations. I'm sure that these new quarters are a further testimony to the initiative, leadership, and perseverance of the Chief Judge and his colleagues on the Court in both enhancing and complementing the prestige of this Court.
>
> This is not the time for a compilation or discussion of the landmark decisions in the field of Customs law on which either the Chief Judge or the Worley Court has left its stamp. Rather, it is a day that while filled with gratitude for the many years of the Chief's public service on this Court and in the Congress, we note with regret that his career has been cut far too short. We admire the battle which you have waged against illness, Your Honor. In the future, we shall miss your pithy remarks and your unfailing good humor and gracious consideration even as you urged us to get to the nub of the case, or "I think we understand your case, counsel."
>
> We congratulate the Court on this anniversary and we express to you, Judge Worley and to Mrs. Worley our wishes for many happy, peaceful, and fruitful years in which to enjoy your well-earned retirement. We are comforted in your early retirement only by the thought that release from the strain of your office may enable you to regain your strength and health.
>
> I am confident that the members of the Customs Bar, both private and public, join me in wishing long life and good health to the Chief Judge and to the members of this Court.
>
> Chief Judge Worley. I want to compliment you on the very able fashion in which you have handled your Department and yourself the last ten years.
>
> Mr. Vance. Thank you your Honor.
>
> Chief Judge Worley. I thank you for the nice things you have said. I just wish that I fully deserved them.
>
> Mr. Vance. It was a sort of extra pleasure to know that you were sitting this week.
>
> Chief Judge Worley. Thank you—with that I'll try to be more lenient in the future with you.
>
> [Mr. Joseph Schwartz, of the Association of the Customs Bar, to the lectern]
>
> Chief Judge Worley. I believe it is fair to say that Mr. Schwartz is the Dean of the customs lawyers that have appeared before us. I believe you represented your clients ably and well the last 41 years. Is that correct?
>
> Mr. Schwartz. That is correct, in this court, your Honor. However I hope your Honor does not tell my senior partner, Mr. Colburn, what you have just said to me. I think he's the real Dean of the Customs Bar.
>
> Chief Judge Worley. Well you are the First Assistant Dean.
>
> Mr. Schwartz. May it please the court. I appear here simply to note for the record that the association of the Customs Bar wholeheartedly joins in the sentiments expressed by Mr. Vance, and to add a personal note. I think the record should show that Chief Judge Worley has always been in every way courteous, considerate, and patient even though at times it was very obvious that sitting there and listening to some of the arguments was most trying. I do not mean that the other members of the Court are excluded by the rule of "expressio unius est exclusio alterius." The Court has always been courteous and patient with the members of the Bar appearing before it. I wish for you, Chief Judge Worley, many years of happiness and tranquillity in your retirement. Thank you.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. I thank the gentleman for yielding.

I want to join my colleagues today in paying tribute to the work and contributions of Judge Eugene Worley.

I knew Judge Worley as a judge of the Customs Court, who frequently came back to visit this House where he had such an illustrious career. Our affection for him was comparable only to his affection for this House.

This distinguished citizen left his firm imprint on the law as a legislator and as a judge. He was a man of dedication and compassion, a citizen we will indeed miss.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Texas (Mr. Young).

Mr. YOUNG of Texas. Mr. Speaker, I thank the gentleman for availing us the opportunity to address ourselves to this sad matter that is so near and dear to the hearts of all who had the honor and pleasure of knowing the Honorable Gene Worley. Gene Worley was a great and distinguished jurist as well as a hard-working and effective Congressman—great accomplishments each in themselves—and he was as well a loyal friend and fine gentleman. He is mourned by his magnificent and lovely family, and we join them in their sadness as only those can who have lost a dear and valued friend.

Gene was the epitome of the public official who worked tirelessly, honorably and effectively in the public interest; who constantly demonstrated that "right" or "wrong" are the same in public or private service; and that, while virtue may not go far in the marketplace, its value is true and none can take it away. In the House or on the bench, Gene Worley never wavered from his principles, and this is why he was always comfortable with his many friends and they with him.

It was he who built the modern court facilities in which he presided as chief judge for so long, but more important he built the court that functioned within. A man of great stature personally and professionally, his accomplishments in the law, both legislative and judicial, cannot begin to be chronicled in the space and time alloted here. The CONGRESSIONAL RECORD and the proceedings of the Court of Customs and Patent Appeals reflect loudly, eloquently, and frequently the attributes of this great person and will attest to all that is being said here of him as long as it is the province of man to consult precedents for the right and reason of his official decision and conduct.

On the occasion of his retirement from active service from his beloved court, things were said and written by many great men who knew him best, and I place in the record of this proceeding some of those expressions that they might attach to our condolence and be a solace to his dear family and to those of us who mourn with them his passing.

SUPREME COURT OF THE UNITED STATES,
Washington, D.C., December 24, 1971.
Chambers of the CHIEF JUSTICE

Hon. EUGENE WORLEY,
Chief Judge, U.S. Court of Customs and Patent Appeals, Washington, D.C.

DEAR GENE: I acknowledge your letter of December 23 and the enclosure confirming what you had advised earlier by telephone.

Following your telephone message, I wrote to the President pursuant to the statute and a copy of my letter is enclosed for your files.

You have, as I stated to the President, carried on a valiant battle against heavy odds. No one can question your right, if not your duty, to yourself and family, to be relieved of the heavy burdens you have carried.

I sincerely trust that with rest and relief from the day to day duties, you will improve to the point where you can perform some judicial duties.

There are ways in which you can help, even apart from regular judicial duties, and when it will not impinge on your health I hope I can call on you to advise with the Congress from time to time on legislation affecting the judiciary.

Mrs. Burger joins in best wishes to you and Mrs. Worley for the New Year ahead.

Cordially,

(S) WARREN E. BURGER.

THE WHITE HOUSE,
Washington, D.C., January 17, 1972.

Hon. EUGENE WORLEY,
Chief Judge, U.S. Court of Customs and Patent Appeals, Washington, D.C.

DEAR JUDGE WORLEY: Your intention to retire from service as Chief Judge of the United States Court of Customs and Patent Appeals under Section 372(a) of Title 28, USC has come to my attention.

In acknowledging your notification of retirement, effective upon the appointment and qualification of your successor, I want to express my gratitude—and that of all our fellow citizens—for your long and distinguished service to government and to the nation. As a member of the Federal Judiciary for twenty-one years, you have contributed in an especially effective and significant way to the sound administration of Justice. Your outstanding career as a public servant has properly won you the admiration and respect of the members of the bar and your colleagues on the bench.

As you return to private life, you may be certain that my very best wishes for every happiness and improved health go with you.

Sincerely,

(S) RICHARD NIXON.

U.S. COURT OF CUSTOMS AND PATENT APPEALS,
Washington, D.C., April 5, 1972.

At a session of said court held at Washington, D.C., on this 5th day of May, 1972.

Present: Chief Judge Eugene Worley, Associate Judges Giles S. Rich, J. Lindsay Almond, Jr., Phillip B. Baldwin and Donald E. Lane.

The court met at 10 a.m. and was opened for business in due form.

Chief Judge EUGENE WORLEY. I understand from the Clerk I am to recognize Joseph Nakamura.

Mr. JOSEPH NAKAMURA, Deputy Solicitor of the Patent Office: Chief Judge Worley, Associate Judges of the Court of Customs and Patent Appeals:

Judge Worley, none of us can know with certainty what the future has in store. I am advised that today may mark the last occasion of your appearance here as Chief Judge of this Court. With that possibility in mind, I should like to take this opportunity, both personally, and on behalf of the Commissioner of Patents, the Solicitor, Mr. Cochran, and members of his staff, to convey a few parting words of tribute to your Honor. My remarks will, of course, be confined "to the record."

Your service on the court is a lengthy and distinguished one. At the outset, I know that your Honor's tenure on this court is measured by the span from volume 37 to volume 59 of this court's reports. Measured in years, it is over one-half of the forty some years of this court's appellate jurisdiction over Patent Office decisions.

In the decisions rendered by the court in the exercise of its appellate jurisdiction in patent matters, your Honor's opinions demonstrate, above all, your profound belief in a strong patent system. As your Honor has observed "Our patent system is a delicate balance of the interests of the inventors, vis-a-vis the public interest." And, as your Honor has most recently pointed out, the court does no favor to the applicant, or to the public, if it bestows on the applicant "a license to litigate of dubious validity." That sentiment reflects the Supreme Court's pronouncement that "to await litigation is—for all practical purposes—to debilitate the patent system."

Your Honor's opinions and conduct of hearings, moreover, have reflected a keen sense of humor. I am particularly reminded of one opinion, the humor of which must surely have been appreciated by everyone, with the possible exception of certain personnel in the Department of the Army. I believe your Honor recalls the circumstances of that case, it involved a design on a gasket.

Chief Judge WORLEY. I let my sense of humor run away with me.

Mr. NAKAMURA. One further point deserves mention. That is your Honor's patience, good humor, and outstanding courtesy in dealing with the Patent Office and its lawyers. For example, when the occasion merited it, your Honor graciously expressed, in a written opinion, your appreciation for the Patent Office's response to a remand from this court.

Finally, Mr. Cochran has asked me to say that he joins me in this statement, and to convey his regret that he could not be here today because of a prior commitment of some months' standing.

In conclusion, your Honor, and on behalf of the Commissioner of Patents, Mr. Cochran, and the members of his staff who have appeared here for the Patent Office, please accept our commendation to you for the contribution you have made to the patent system, and our best wishes for your future happiness and well being.

Chief Judge WORLEY. Thank you for your gracious and courteous remarks, Mr. Nakamura. I appreciate them, and I wish I felt that I deserve all that you have said. I want to tell you, Mr. Cochran, his predecessors in office—Ed Reynolds, Clarence Moore, Joe Schimmel—and all members of the Patent Office staff who argue here, that I have never found you anything but helpful, able, diligent and conscientious. One cannot ask for anything more. Your assistance to us in the performance of the duties Congress has assigned this court truly has been invaluable. At the same time, I would be remiss if I did not add that I am sorry if I had to cut short your time occasionally when I found duplication or repetition of argument but you notice I did not interrupt you on this occasion. Again, thank you for being here today.

I understand Mr. Browne wishes to be recognized. Mr. Browne, it is always a pleasure to have you here.

RETIREMENT OF CHIEF JUDGE EUGENE WORLEY
JUNE 26, 1972.

The Court records with regret the retirement on June 26, 1972, of Chief Judge Eugene Worley and desires to express its esteem for him and its gratitude for his twenty-one years of devoted service to the Court. The following correspondence and tributes have been spread upon the minutes of the Court.

SUPREME COURT OF THE UNITED STATES,
Washington, D.C., December 22, 1971.
CHAMBERS OF THE CHIEF JUSTICE

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Honorable Eugene Worley, Chief Judge of the United States Court of Customs and Patent Appeals, has made known to me his desire to retire from regular active service on the basis that he is permanently disabled from performing the duties of his office.

Based on Chief Judge Worley's descriptions of his physical infirmities which have persisted over a long period of time, and on the basis of my own inquiries into the matter, I find that he is permanently disabled from performing the duties of his office, and hereby certify to that effect under and pursuant to the provisions of Section 372(a) of Title 28 of the United States Code. My conclusions underlying this communication are based on reports of his personal physician, which summarize the diagnoses and prognoses of examining and attending physicians * * *.

I should add a personal word from my own knowledge. I know that Chief Judge Worley has tried valiantly to overcome the handicaps of his misfortunes of health for at least three or four years. He has done this because of his devotion to his Court and his sense of duty. I am certain that at any time he wished to request a disability retirement during the past four years it would have been granted.

I am hopeful, as Judge Worley is, that with rest and further treatment and freedom from the heavy duties of his office, his health will be restored so that he can perform limited judicial services in the future.

Cordially,

(S) Warren E. Burger.

U.S. Court of Customs and
Patent Appeals,
Washington, D.C., December 23, 1971.

Chambers of Eugene Worley, Chief Justice

Hon. Warren E. Burger,
Chief Justice of the United States, Supreme Court Building, Washington, D.C.

My Dear Mr. Chief Justice: After twenty-one years on this Court, the past eleven as Chief Judge, I must advise that continuing medical problems preclude further service in that capacity and that I elect to retire under Section 372(a) Title 28 USC. Accordingly, I attach pertinent medical data together with my doctors' recommendation for immediate retirement and will appreciate the necessary certification to accompany my letter to the President.

I regret the necessity for this action but trust future circumstances will permit further judicial service in the less demanding duties of a Senior Judge. Meanwhile may I say that I have enjoyed my association with you, both personally and officially, and wish you the very best for the future.

Respectfully,

(S) Eugene Worley.

U.S. Court of Customs and
Patent Appeals,
Washington, D.C., January 12, 1972.

Chambers of Eugene Worley, Chief Judge

The President,
The White House,
Washington, D.C.

My Dear Mr. President: After twenty-one years on this Court, the past eleven as Chief Judge by designation of President Eisenhower, I must advise that continuing medical problems compel my retirement from that office, and I elect to do so under Section 372(a) Title 28 USC, effective upon the qualification of my successor. Attached is a copy of the necessary certification from the Chief Justice.

Speaking officially, I regret the necessity for this action but hope future circumstances will allow me to resume service in the less demanding role of a Senior Judge.

Speaking personally, may I add that since our House days I have followed your career with deep interest and admiration. I hope I have done my job as well as you have, and are, doing yours. Best of luck, Mr. President.

Sincerely,

(S) Eugene Worley.

Francis C. Browne, Representing the Patent and Trademark Bar of the United States Court of Customs and Patent Appeals: Thank you, your Honor. May it please the Court: Chief Judge Worley, Associate Judges of the Court, fellow members of the Bar, distinguished guests, ladies and gentlemen:

The brevity of my remarks should not be construed in any way as meaning a lessening of the sincerity and heartfelt wishes that go with them. I do not speak here in behalf of any particular association. I think and hope that my remarks will reflect the sentiments of my fellow members of the Bar on this Court.

There is a beautiful song, the title is "Yesterday, Yesterday." I'd like to talk about our yesterdays, today. We will wait until tomorrow to talk about today—as another yesterday. Although it seems like it was only yesterday that I was admitted to the Bar of this Court, it was actually twenty seven years ago come next Monday. That day happened to be V-E day—that's a yesterday that I remember for both reasons. I was still in uniform at that time. On that day the presiding judge as he was then called was Finis J. Garrett, and sitting with him were Judges Bland, Hatfield, Johnson and O'Connell, none of whom is with us today. Five years after I was admitted, there came a yesterday in the minds of those of us who are here today, and that was when President Truman appointed Your Honor, Eugene Worley, a forty-two year old Congressman from Texas "Associate Judge" of this Court, the beginning of a long and dutiful career. You were junior-most on the Court just below the late Chief Judge Noble Johnson—of course, another yesterday, we all remember was when Noble Johnson succeeded Chief Judge Garrett, as Chief Judge of this Court. Judge Jackson had retired in the meantime—if you want to call it retiring. He went on to have a still further career which I think brought credit to this Court, certainly recognition as a Constitutional Court even though Judge Jackson had to establish that through the medium of a criminal case involving the famous Benny Lurk. The Court now stands as of that yesterday as a Constitutional Court ranking along with all other Circuit Courts of Appeals and the U.S. Court of Claims. The only court which is superior to it is the Supreme Court of the United States.

I think, Chief Judge Worley, you can be proud of having been Chief Judge of such an illustrious court for the long period of time that you have served as Chief Judge. When Judge Johnson retired and you became Chief Judge, Judge Johnson exercised his prerogative of retiring in the fullest sense of the word. As I understand it, after the day of retirement he never appeared in any court anywhere, as contrasted with Judge Jackson. I miss those people who were with us in those yesterdays. Literally, yesterday I appeared before this court to argue a case, that was yesterday. Yesterday, Judge Worley was not present, but today he is here. Today we want to do honor for your years of public service and to let you know that we are all aware of the years of suffering and the hardships that you have undergone. We wish you well in your retirement. We hope sincerely that you will choose wisely how to spend your retirement—whether it be as active as Judge Jackson or as inactive as Judge Johnson. You have earned it—you are entitled to it, and we hope you will take advantage of this prerogative in whatever way you see fit. As long as we have todays, you can be sure we are always going to have yesterdays. When tomorrow comes today will be yesterday, and let's right now give thanks for all of the yesterdays that we have had, and let's pray that Chief Judge Eugene Worley will have endless years of tomorrows.

Chief Judge Worley. Thank you, Mr. Browne, I do appreciate your very thoughtful and gracious tribute.

Mr. William Mathis, *Secretary of American Patent Law Association.* May it please the Court: I appear here on behalf of the American Patent Law Association. Our association is very pleased and honored to be able to join in paying tribute to you, Judge Worley, on this occasion. We are grateful for the fine service you have rendered over the many years to this branch of law that is so important to all of us in the association. We wish you the very best in the months and years to come for your personal happiness and health. Thank you very much.

Chief Judge Worley: Thank you, Mr. Mathis. Of course I have had all of twenty two years to prepare an appropriate speech for this occasion, but nevertheless I find myself unprepared. I am reminded of a fellow in Texas who queried his doctor how he could live to be 100 years old. The doctor advised—never take a drink, never smoke, and have nothing to do with the opposite sex. The Texan asked "If I follow your advice, will I really live to be 100?" The doctor said "No, you really won't but it will sure seem like it!"

In a way it seems like I have been on this bench for 100 years. In another way, it seems like I have completed merely a few weeks. In all my years of public life, I frankly haven't found a more demanding, yet pleasant, job than this has been. As a member of Congress, it was seldom that any one vote made any particular difference. As a member of this Court, however, one vote can and frequently does make a critical difference in the resultant precedents that have been established. I have played a part in writing the opinions supporting our decisions, which I understand number over 200 since I have been on the Court. I hope those opinions will remain a strong force, and will serve as solid, helpful precedent in the determination of congressional intent in the years to come.

I want to thank my colleagues (and Mr. Justice Tom Clark, the judges from the Customs Court, Court of Claims, Court of Appeals and District Courts who so kindly consented to sit with this Court during my enforced absences) for their cooperation and for their frequent help, especially during the last two or three years when medical problems precluded my regular attendance. I had hoped to round out twenty-five years of service, a quarter of a century, on this Court. But, it wasn't in the cards—it is sort of like the fellow that President Truman once referred to, whose epitaph on a tombstone in Boot Hill stated simply "Here Lies John Brown. He Done His Damndest." Well, I done my damndest, but I just wasn't quite able to make it. I hope that the future will allow me to sit again with this Court which is my first love, or a sister tribunal in need.

I retire with mixed emotions—regret, pride, relief and satisfaction. Regret in that I was unable to round out a quarter century of service to the Court, pride in its sound progress and solid achievements over the years, relief from the everyday burdens the office has entailed, and satisfaction that under my successor's and colleague's leadership the Court will continue as a vital influence in our judicial system.

Again, I want to thank the Clerk, the Reporter, my Law Clerk, Secretary and Court Staff, who made this Court, I think, one of the best working units in the land—productive and efficient. I am proud of every one of them—I am proud of my colleagues, and I trust that my successor will be afforded the same cooperation that I have had. So, from the bottom of a grateful heart, I express my appreciation to all of you—I pay you all my deep respect.

The Honorable Paul P. Rao, Judge, *United States Customs Court.* May I congratulate the Court of Customs and Patent Appeals on the fact that it is dedicating volume 59 of its decisions to the recent Chief Judge of the court, the Honorable Eugene Worley, at this time. To my mind, the recipient of such an honor, as well as his friends and relatives, deserves the opportunity to enjoy it and to know the high esteem and respect in which his colleagues, the members of the Bar and the public hold him.

I have also shared with Judge Worley the administrative problems and responsibilities which fall to a chief judge of a National court. It has been my pleasure to know Judge Worley for many years, not only as a learned and distinguished jurist, but as a warm personal friend. Although my entrance into the field of customs jurisprudence preceded his, I have long respected his work in that branch of the law and have valued his opinions as pertinent and authoritative in the many cases coming before me for decision. In addition, it has been my privilege to serve on several occasions, at his request, as a judge of the Court of Customs and Patent Appeals in patent cases and to have benefited by his knowledge and assistance in that highly specialized field.

Judge Worley's career has included service as a legislator in his native state of Texas and as a member of Congress for five terms. He was appointed to the Court of Customs and Patent Appeals by President Harry S. Truman in 1950 and was named Chief Judge by President Dwight D. Eisenhower in 1959. His contributions as a legislator and as a judge have won for him the respect and approbation of his colleagues and all with whom he has come in contact, not only for his fairness, integrity, and ability, but for his warm human attributes.

There comes to mind, at this time, the following lines of poetry which seem particularly applicable to former Chief Judge Eugene Worley:

He lives for those who love him
  For those who know him true
For the heaven that lies above him
  And awaits his coming, too
For the cause that needs assistance
  For the wrongs that need resistance
For the future in the distance
  And the good that he can do.

My very best wishes to Judge Worley, for good health and happiness for many years to come.

S. William Cochran, *Solicitor of the Patent Office*. It is gratifying to have this opportunity to comment on the retirement of Judge Worley from active service on the Court.

On the occasion of the last session at which Judge Worley presided, Mr. Joseph Nakamura, Deputy Solicitor, spoke on behalf of the attorneys in the Office of the Solicitor of the Patent Office, and it is not possible to improve on or embellish significantly the remarks he made at that time. Particular emphasis might be lent, however, to Mr. Nakamura's statement regarding Judge Worley's demeanor toward attorneys appearing before the Court at oral argument. He was invariably forceful but temperate, direct but courteous. His sense of humor was legendary and seldom was there a session of the Court when his wit was not in evidence.

Judge Worley's opinions, not to mention his dissents, revealed, above all, a deep sense of dedication to the public good and to development of the patent law to that end. His departure from the Court is indeed an occasion for regret.

C. Marshall Dann, *President of the American Patent Law Association*. The American Patent Law Association is pleased to have this opportunity to pay tribute to Judge Eugene Worley for his long service and substantial contributions to the work of the Court of Customs and Patent Appeals. His high standards of what constitutes patentable invention and the consistency and integrity with which he adhered to these views have earned him the respect of the patent bar. He has our best wishes in his retirement.

FORMER TECHNICAL ADVISERS TO CHIEF JUDGE WORLEY

We welcome the opportunity to offer our congratulations and to pay tribute to Eugene Worley on his retirement as Chief Judge of the United States Court of Customs and Patent Appeals. It is indeed fitting that this last volume of the CCPA Reports be dedicated to him.

We, of course, were privileged to observe and participate in only a very small segment of the Judge's long and distinguished career as a public servant. We are cognizant that his intensive legislative experience in Texas and in Congress permeated his actions and his approach to the legal issues decided by the court. Foremost in his mind, as he expressed to us on many occasions and is evident from many of his opinions, was the question "What did Congress intend?" On resolving that question, he followed to the best of his ability the precept that the judicial function is to interpret law, not unnecessarily create it or judicially legislate it. In carrying out that role as he saw it, we unhesitatingly say that he was a judge's judge, and a man of uncommon common sense.

During the course of his tenure as judge, the court grew in stature from that of an administrative tribunal to that of an Article III federal court, and acquired courthouse facilities equal to its distinguished position in the federal court system. Several years ago, at the induction of the Honorable Donald E. Lane as an Associate Judge of the Court, Mr. Houston Kenyon, representing the New York Patent Law Association, voiced some cogent, perceptive remarks concerning the early history of this court and its evolution over the years which bear repeating here:

"* * * I think what the Court in those [early] days was seeking was continuity and that it eschewed change. Then came a period of change. It's easier to say that it came than when it came, but there are some criteria by which the beginnings of this change may be dated and I would like to date it from the date of commissioning of the present Chief Judge of this Court and to characterize the Court that now exists under a name that I borrow from the other end of Pennsylvania Avenue with one changed word. I will call it the Worley Court.

"Two days ago a well known but presently inactive New York lawyer, dressed in cutaway and striped pants, addressed the Supreme Court of the United States on the occasion of the commissioning of a new Chief Justice. On this unprecedented occasion Attorney Nixon said and I would like to quote: 'Change without continuity can be anarchy. Change with continuity can mean progress. Continuity without change can mean no progress.'

"It is my submission in summing up the past of this Court that The Worley Court has combined continuity with change in such manner as to achieve definite progress in the development of patent law and in the awareness of the public interest which is paramount in the patent law. For this, I cite these five instances—these five items of evidence:

"First, the opinions of this Court have come to exhibit a high order of legal craftsmanship; second, the dissents, not frequent, but not infrequent, have possessed a bite and quality which has gone far to characterize what this Court is deciding; third, the frequency with which this Court's opinions are now cited by the District and Circuit Courts is clear evidence of the leadership which this Court has acquired in the field of patent law; fourth, the willingness of judges from other courts of the United States to sit upon this bench in times of need including a retired Justice of the Supreme Court of the United States, is evidence of their acceptance of this leadership; and finally, a landmark opinion of the Supreme Court of the United States has characterized this Court as a Court in the Judicial Branch of the Government. These five items seem to me to add up to clear evidence that the continuity with change which has come about in The Worley Court has spelled progress—progress in the vindication of patent law as a fair adjustment of equities in a competitive industrial democracy, and progress in the recognition of a public interest in avoiding the creation of improper monopolies that would hinder the progress of science and the useful arts."

Those sentiments regarding the kind of institution the CCPA has become during Judge Worley's 22-plus years on the Court—particularly during his thirteen-year tenure as Chief Judge—accurately reflect our own feelings. We know that Judge Worley deeply appreciated those remarks—more so than he would publicly confess. From the vantage point of "insiders", we have known the Judge to be a believer in progress—in change with continuity. We should not let this opportunity pass without a frank recognition of the courage and dedication with which Judge Worley shouldered his judicial and administrative duties over the last eight years of his active career while laboring under the most difficult and debilitating physical circumstances. We are confident that at least one of his regrets in early retirement is not to be able to fully and continuously participate in the change and progress that no doubt is yet to come. In that regard, we cannot repress entirely a sense of remorse at the inconstancy of things. But we take a measure of solace in a passage from Sandburg's *The People Yes* reporting the response of the savant who was asked by the pharaoh to reveal to him four words that could be inscribed on his tomb and that would last forevermore. That savant's response—"This too will pass"—illustrates that nothing is immutable, and so it must be said now of what must be considered, particularly by those of us privileged to work with it, as The Worley Court.

There are so many more accolades that can be expressed that one hardly knows where to stop—but knowing the Judge's predilection and appreciation for brevity, we purposely keep the length of our congratulatory comments to a minimum. In closing, we thank you, Judge, for the guiding, pervasive role you have played in the development of this court and of the patent, trademark and customs law over the years you have graced the bench. It has been a job well done. And, in a more personal vein, we thank you too for your characteristically deep, abiding, ever human, even paternalistic interest in us and our welfare, and for providing us with inspiration, intellectual challenge, dedication, a rewarding learning experience and a sense of self esteem. Perhaps the greatest gifts that any man can possess are the ability to command the unswerving loyalty of those around him and to give to others a portion of himself. Here, Judge, you have no equal. We have enjoyed working with you. We wish you well.

From your "sons-in-law",
ROBERT W. HABEL (1960–61).
JAMES E. ALIX (1961–62).
LAWRENCE G. KASTRINER (1962–63).
STANLEY H. LIEBERSTEIN (1963–64).
GERALD H. BJORGE (1964–73).

THE WHITE HOUSE,
Washington, D.C., January 26, 1972.

Hon. EUGENE WORLEY,
Chief Judge, U.S. Court of Customs and Patent Appeals, Washington, D.C.

DEAR JUDGE: While my letter of January 17 includes the formal acknowledgement of your impending retirement, I also wanted to thank you for the kind personal comments you included in your letter of January 12. The world as well as the United States has changed a great deal since the days when we were fellow members of the sweatshirt crew, as you so aptly commented a little more than a year ago. The challenges today seem as exciting as they did in those early post-war days, however, and I greatly appreciate your encouragement. It means all the more, coming from a man who has served our country with the selflessness and distinction that have marked your outstanding career.

Sincerely,

(S) RICHARD NIXON.

Mr. CASEY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas (Mr. CASEY).

Mr. CASEY. I thank the distinguished dean of our delegation for yielding.

Mr. Speaker, I did not have the privilege of serving in the House with Gene Worley, but I had not been a Member of this body or moved to Washington many hours before I considered Gene

Worley a warm and close friend. He was that type of man. You could not be with him but a few minutes until you realized what a genuine, sincere and warm human being that he was.

Also, Mr. Speaker, what made his friendship so wonderful was that he had such a tremendous sense of humor and he was always in a very jovial mood. Even during the last years of his illness, when all of us knew that Gene Worley's life was not what he really would like for it to be, he was always cheerful, never complained, and he was always good company.

I might add to these remarks a little human note, Mr. Speaker. Gene Worley loved to get the better of his friends in the way of wagers on football games and boxing matches, and he got the better of them by giving them the option of stating their odds, as we might term it, and then giving them the choices.

Mr. Speaker, although I did not have the pleasure of serving with Gene Worley, I would daresay that I have lost more dollar bets to Gene Worley than any one of his close associates.

Gene Worley was a bright spot in my life. We used to carry on debates concerning who was the better barbecuer, and I must admit that he was one of the best. He used to debate—humorously, of course—concerning who was the better on picking football teams, and I must admit that he outpicked me.

Even though he left the House of Representatives, Gene Worley's heart was here in the House. He was a great defender of this body, although we need no defense. But to those who did not know this body, Gene Worley was one of the first to point out the work that individual Members had accomplished and the problems and duties they had.

He was very active in our Texas State Society. Gene Worley was one who headed up the Portrait Committee which resulted in that beautiful, handsome portrait of our late great Speaker, Sam Rayburn, which now hangs in the building that bears Speaker Rayburn's name.

Mr. Speaker, Gene Worley's contributions to his district are well known, but his contributions of a warm friendship to his fellow man are known only to those who had the honor and privilege of being his friend.

He, of course, was blessed with a wonderful wife, Ann, and their children are epitomized by the exemplary kind of man and the exemplary kind of woman Gene and Ann Worley have been.

Mr. Speaker, it is with a great deal of sadness that we make these remarks today, but it is also with pride that we have the honor and privilege of speaking about a truly great American and a warm friend.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, I thank the distinguished dean of the House for yielding to me.

Mr. Speaker, I did not have the privilige of serving with the Honorable Gene Worley in this House. He had resigned many years before I came here, and at that time was sitting on the bench. But, Mr. Speaker, his reputation and his record were known to me before I came to this House.

He was a great Texan; he was a great American. He contributed very significantly to the life of America and to the life of every single individual through his performance and work in this House and through his work on the bench.

It is with heavy heart that I rise today to offer my condolences to his wonderful family, his wife and children who have also made tremendous contributions through the many sacrifices that they made as the family of a public servant.

Mr. Speaker, it is with a great deal of pride that I say that Gene Worley was my friend, and that my life has been enriched because of that fact.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Speaker, I did serve with Gene Worley. In fact, at one time I lived in what was then the district that he later represented. Therefore, I know something of the feeling of the people of that area for Gene, both as an individual and as a public servant. He was held in the highest regard in every respect.

He rendered a great service to the people of this country, especially of the great Panhandle area of Texas. He set an example as a friend, a father, and a family man. He was a great citizen of our State.

His services only began with his legislative service in the House of Representatives both at Austin and in Washington. He went on to serve in the Judicial Branch for many years and was recognized by lawyers and laymen as being one of our outstanding judges.

Unfortunately, for a good, long time before his death he was almost confined to his home and was not able to render the great service that he had previously rendered, but never would he let his troubles overcome him. He continued to speak out for the things in which he believed, even after he was suffering from physical disability.

Gene Worley was the kind of man whom we all admired. He was a thoroughly human individual, but at the same time was thoroughly qualified for all of the positions which he undertook and held with so much distinction to his State.

We all hate to lose the services of the man. More than that, we hate to lose the companionship of a great friend. Like others who spoke, I feel that it is something we can all be proud of, to say that we were Gene Worley's friend.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Texas (Mr. BURLESON).

Mr. BURLESON of Texas. Mr. Speaker, with the recent death of Judge Eugene Worley, all of us who knew him over the years share a great personal loss.

It was my privilege to serve with Judge Gene Worley here in the House of Representatives for many years. We had a close association. From that association and observation I learned many things which cannot be read out of a book or learned under any formal instruction. He had one of the keenest senses of humor which I have ever known any man to possess. He was able to make that clear but important distinction between not taking himself too seriously but taking his responsibilities and dedication to public service most conscientiously. By this characteristic I think he permeated and influenced all of us who were near him and had his association here in the Congress, on the golf course or in the home.

Gene was always readily available to give the benefit of his solid judgment but never imposed an opinion on anyone. This, too, is a rare gift.

Not only was Judge Worley a man dedicated to public service for a long period of time, but he was loyal to his friends and to his family in what I always considered a perfect husband and father. These qualifications make a man with unquestioned integrity.

Our sympathies go out to his remarkable family. Judge Worley's wife Ann has also been our close friend and associate and we wish for her God's comfort.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, Gene Worley was an able legislator, as a member of the Texas Legislature, and as a congressman from the panhandle of Texas. His record is good. His service was outstanding.

But even as much as his record was good, his recognition as an interesting individual was also outstanding. Gene Worley caught your attention. He was the center of activity wherever he was. He was involved in everything. With a twinkle in his eye, he could cook up more mischief—with love—than anyone I knew with the possible exception of the late beloved Paul Kilday. He was loved by Speaker Sam Rayburn, but he could get the Speaker so worked up with some delightful prank that the Speaker would nearly burst with concern. If it had not been for his lovely wife, Ann Spivey Worley I believe there were times the Speaker would have done violence to Congressman Worley. Yet in the next instance, the Speaker would love him up in a show of deep affection.

His sense of humanness—and devilment—was unparalleled. But he was loved dearly by his colleagues and friends. At the same time we were all alerted to some possible calamity that Worley might have planned for us by Congressman Worley.

I was not privileged to serve with him and I have known his wonderful wife and his devoted and loyal brother Seibert Worley for many years. They are all good people, fine folks as we say in the Southwest.

The mention of Gene Worley brings an immediate smile, and perhaps a chuckle. He was indeed a great character. He was interesting. He was able and he will be remembered for a long, long time.

Mr. PATMAN. Mr. Speaker, at this time I am happy to yield to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I thank

my friend the distinguished gentleman from Texas (Mr. PATMAN) for yielding me this time.

Mr. Speaker, I join with my colleagues from Texas and throughout the country in paying tribute to the late Eugene Worley, a real friend, whom we shall all miss. It was my privilege to serve here with Gene for many years. He was an attractive person of intelligence and industry. I never saw him out of humor or when he could not deal with the most controversial subject in a straightforward manner as my colleagues have stated, he had a twinkle in his eye even in the midst of serious debate.

I was very close to Gene in many ways. I recall on one occasion he paid me the honor of asking me to go out to his district and speak. As I recall, I went to Amarillo. He was from the smaller town of Shamrock. They had a new clerk at the hotel, and I asked him about Mr. Worley, and the new clerk, who was not a Texan, did not know Mr. Worley. I never did let Gene forget that.

I am sure I found the only man in his district who did not know Gene Worley.

Mr. Speaker, Gene Worley leaves a fine record in the history of his country, both as a Congressman and a judge. We all shall miss him. To his family and loved ones we extend our deepest sympathy

Mr. Speaker, we all have lost a friend and an honorable statesman.

Mr. PATMAN. Mr. Speaker, I am happy at this time to yield to the distinguished gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, it was not my privilege to serve with Gene Worley in the House, but I knew him as a friend and as a generous, warmhearted human being.

If ever a man had a genius for friendship it was Gene Worley. He made friends by the thousands simply because of the kind of person he was. His consideration for others was instinctive and constant.

He had a deep-rooted knowledge of government and all its ramifications. He brought to his work as associate judge and later chief judge of the Court of Customs and Patent Appeals both understanding of the law and a sense of fairness.

Gene Worley was a fascinating conversationalist. His sense of humor made him an always delightful companion. All who knew him will miss him and will treasure memories of his friendship.

With other Members I extend my heartfelt sympathy to Ann Worley, his wife of many years, and a full one-half of a distinguished couple.

Mr. MORGAN. Mr. Speaker, all who knew him mourn the passing last December of Francis Eugene Worley, one of the Nation's finest citizens.

It was my privilege to meet Gene Worley when I first came to Congress as a freshman years ago. He was already an experienced Member of the House, and I valued his warm and wise counsel. Our friendship grew as time passed.

Gene left a distinguished career as a legislator in 1950 to become an associate judge of the U.S. Court of Customs and Patent Appeals, where again he rendered outstanding service to the country. He presided over the court as chief judge from 1959 until his retirement in 1972.

Judge Worley was much loved by his constituents and by his countless friends in the Washington area. His life enriched us all. We will miss him.

Mr. BROOKS. Mr. Speaker, Judge Francis Eugene Worley, at the time of his death last December, was a distinguished member of the judiciary. His service as chief judge of the Court of Customs and Patent Appeals was only the last in a long line of service to the country he loved so dearly.

He was a man dedicated to improving the lives of all Americans. From his early days as a member of the Texas House of Representatives, through his service in this body and later on the court, his life was given to public service. During that time, he distinguished himself in many ways but the adjective most frequently applied to him was "courageous." He refused to compromise his principles.

He fought determinedly and without quarter for those things he believed were in the best interest of the citizens of Texas and our country. Having been born in Oklahoma, he soon moved to Texas and exercised his considerable talents in the service of his adopted home State. He had established an illustrious place in our history.

I join all Texans and all Americans in expressing our condolences to his family and I know that they are justifiably proud of Judge Gene Worley, a great American.

Thank you.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of the late Eugene Worley.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A COMMUNITY BETRAYED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, Texans live in the midst of some of the world's greatest repositories of energy. Texans have never had any reason to believe that they would run short of energy. There is plenty of oil in the State, so much so that up until very recent times the problem has not been how to find enough of it, but how to keep the industry from drowning in over-production. Perhaps 40 percent of the entire Nation's natural gas supplies come from Texas. Living as we do in the midst of all this oil and gas, we have never been prepared for the shock of an energy crisis.

Yet it has happened.

A few months ago, San Antonio woke up to an enormous curtailment in natural gas supplies. The situation was nearly catastrophic. The city gets its electricity from natural-gas fired generating plants, and those plants suddenly could get little or no gas. But no such emergency had ever been contemplated, so there was only enough fuel oil—the alternate, emergency generating fuel—to last for a few days. Not much could be found immediately, and if it could be, transportation of enough fuel oil to keep the boilers going was nearly an impossible task.

But somehow the city survived the crisis. There was no blackout, but there is no question that the city of San Antonio hung on the verge of a catastrophic electrical blackout for a period of several weeks. The emergency continues even today, although San Antonio has now assembled enough oil and storage facilities to allow it to survive almost any kind of natural gas curtailment.

But the price has been high. Energy bills in San Antonio have soared, because of the cost of obtaining that oil, and building new oil facilities, and converting the generating facilities so that they can run on oil for extended periods of time. And the energy bills have also been increased because the city now pays nearly six times as much for what natural gas it can get as it did before the emergency happened, and during this emergency there has been a total breakdown of the processes of public utility regulation.

The shock of this is indescribable. Here is a community in the heart of some of the richest gas fields in the world, suddenly without gas. How did it happen?

The truth of it all has been slowly emerging.

Every thoughtful citizen has felt dark suspicions about the situation. Such emergencies do not build up overnight; they develop over a long period of time. Why was there so little warning, so little awareness?

At first, it seemed that the city had been defrauded by its gas supplier. And indeed, the facts that have emerged in the past several months show that the gas supplier was guilty of fraud and deceit.

But there is unfortunately more to it than this. Facts that I now have in my possession show that the city in fact was betrayed—betrayed by the incompetence and over-confidence of its own leadership, by the greed of the gas supplier, and by the duplicity of many of those who were engaged in the management of the city's utility, and the gas supply company, itself.

Moreover, there has been an extensive effort to hide the truth. Powerful forces have been brought into play. These forces are still at work. There have been threats; there has been intimidation; and there has been lying.

The Securities and Exchange Commission at one time suspended trading in the stock of San Antonio's gas supplier, Coastal States Gas Producing Co. The SEC obtained consent decrees against the company, intended to stop some of the more flagrant abuses that were taking place.

The Federal Power Commission has not been so active. There is evidence that the FPC has been unduly protective of Coastal States; it has attempted to stifle individuals who have tried to take strong action to rectify the stupefying inaction of the Commission; and it has ignored recommendations that Coastal States be cited for criminal misconduct.

The question right now is whether the SEC will also avoid taking criminal action against Coastal States. There is reason to believe that grounds exist for such action.

But has the mysterious power of Coastal States infected the SEC as much as it has the FPC? Only time will reveal that. But I believe that if the SEC fails to act, it will only affirm what the documents I have suggest—namely: that Coastal is not only strong enough to stymie effective State and local action against it, but also to stop any meaningful Federal action, as well.

The documents I have show without a doubt that San Antonio was deceived and betrayed from the first day that it ever started considering a gas contract with what later turned out to be Coastal States.

The documents I have show that Coastal States lied and maneuvered, and that it, with the sometimes willing and witting help of local leadership who should have known better, bound San Antonio to a tragic contract.

San Antonio may never escape the consequences of this betrayal. But if we are going to avoid repeating the past, we have to know what happened. I intend to show what happened, chapter and verse.

I intend to help San Antonio avoid tomorrow the pitfalls of the past. I will shortly begin publishing the facts that are in my possession, which have been painstakingly assembled, and which are true beyond any shadow of a doubt.

Other communities might learn something from this tragedy. I hope that my own does.

FREEDOM OF ACCESS ACT FOR THE ELDERLY AND HANDICAPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 15 minutes.

Mr. COHEN. Mr. Speaker, one of the most serious and least understood problems facing elderly and handicapped citizens today is the large number of architectural barriers that thoughtlessly stand in their way.

Today, along with Congressman BURKE of Massachusetts, I am introducing in the 94th Congress the Freedom of Access Act for the Elderly and Handicapped. The measure, which we also introduced in the 93d Congress along with 82 of our colleagues, provides tax incentives to encourage owners of buildings and transportation facilities to remove existing structural barriers from the paths of the aged and disabled.

For too long, we have tacitly ignored our duty as a compassionate nation to see that our handicapped and elderly have as productive a role in our society as possible. Handicapped people must surmount many obstacles alone. We need not compound the physical and psychological problems of these citizens with structural barriers that keep them shut away from interaction with the rest of their community. Surely, it is not unreasonable to strive for the day when our country can meet the challenge of providing equal access to services and opportunities for all its inhabitants, whatever their relative mobility.

The exact number of individuals limited by our collective thoughtlessness is unknown, but several estimates underscore the breadth of the problem. The National Center for Health Statistics reports that there are approximately 6 million Americans whose mobility is restricted as a result of physical handicaps of a chronic medical condition. Over 16 million elderly citizens, plagued by natural processes of aging, are also affected by structural barriers. The Department of Transportation estimates that at any one time more than 4.6 million people are temporarily disabled by a serious but short-term illness or injury. Together, these groups represent almost 44 million Americans whose lives and opportunities would be immeasurably enriched and expanded if needless architectural barriers were removed.

In 1971, James Hilleary of the American Institute of Architects testified before the Senate Special Committee on Aging that the provision of three basic features would make buildings available to all the handicapped. The first is an easily negotiated entrance door. It must be of sufficient width for wheelchair entry, and have a gently sloped access ramp.

The second feature of an accessible building is a provision which would allow the handicapped to reach all floors. Most multistoried structures have elevators, but these elevators must be easily approachable and have a control panel within reach of wheelchair-ridden individuals.

Finally, any building that can serve the entire population must have at least one washroom for each sex suited for use by the handicapped. One stall which is of sufficient size for maneuvering a wheelchair and which has grab bars and an elevated water closet is a real necessity.

Structural changes in buildings, however, are not necessarily enough to allow the elderly and handicapped to lead a self-sufficient life. Often the aged and disabled are also burdened with an appalling lack of adequate transportation. For a few people, specially adapted private transportation, such as automobiles with expensive hand or foot controls, can be the answer. But the blind, partially sighted, the deaf, the severely handicapped, and the poor are unable to avail themselves of these options. Thus, for the vast majority of aging and handicapped citizens, public transportation is the only alternative. Unfortunately, public transportation usually is not designed to provide accessibility to the entire public. Platform steps, curbs, turnstiles, and stairs can all be insurmountable challenges to an elderly or disabled person trying to ride a train, bus, or subway. It is no wonder that the President's Task Force on Aging reported:

> It is as important for the Nation to develop or have developed special transportation arrangements for older persons as it is for the Nation to meet their income, health, and other needs.

Mr. Hilleary and other experts agree that the changes necessary to make buildings accessible need not be extensive nor prohibitive in cost. The General Services Administration has estimated the expense of removing architectural barriers from commercial buildings and transportation facilities to be approximately 1 percent of the total construction costs. At the same time, the potential benefits of this effort are enormous. Only about one-third of our Nation's chronically handicapped between the ages of 17 and 64 are employed—half the number per capita as in the nonhandicapped population. If the architectural and transportation barriers were removed, some 200,000 handicapped citizens could return to work. Employment of this group would yield an estimated minimum of $824 million—a sum which overwhelmingly offsets the cost of this bill. These estimates ignore the additional benefits of larger tax revenues, reduced welfare rolls, and easier access for the handicapped to vocational and educational training.

As important as these statistics are, however, a cost-benefit analysis can tell only part of the story; the importance of freedom of access for the preservation of human dignity is an equally vital reason for America to act to remove architectural barriers. As Dr. Henry Betts of the Rehabilitation Institute of Chicago has remarked:

> Centuries ago, parents of deformed or handicapped babies in Sparta abandoned their infants on the hills, and the Eskimos still abandon their aged on icebergs. We're supposed to be the most progressive of societies. But by designing the vast majority of facilities and services to meet the needs of the "average" young, able-bodied American, by creating an environment with architectural barriers which limit the mobility of millions of Americans, we have taken the disabled and aged off the hills and the icebergs and imprisoned them in their homes.

Mr. Speaker, I submit that it is time to give the Nation's disabled and elderly a productive place in our society. We must now take the necessary steps to place commercial buildings and public transportation within the reach of all of America's citizens. I urge my colleagues to lend support to the Freedom of Access Act which we are introducing today to provide incentives needed to accomplish this goal. I sincerely hope that prompt and favorable action on it will be taken by the 94th Congress.

SEVENTY-ONE MEMBERS INTRODUCE FAMINE PREVENTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, I have today introduced a bill to alleviate world hunger and avert widespread famine.

The bill provides funds to U.S. land-grant universities so they, in turn, can help build land-grant type universities in food-deficit countries.

The 69 U.S. land-grant universities represent a unique resource. The education they have carried directly to farmers—through the classroom, extension and applied research—over the past century is largely responsible for the superiority of American agriculture.

In the past 20 years, using only $42 million in U.S. funds, they have helped to build nine successful new land-grant type universities overseas. Our bill authorizes a maximum of $150 million a year to enable them to expand this program swiftly and substantially.

In our view, this is an effective way for the United States to help meet the world food crisis.

The text is the product of extensive consultation over the past year with experts in land-grant education, as well as Federal officials.

I am pleased at the broad bipartisan and prestigious support this proposal has already received.

Among the 70 cosponsors on this first day of introduction are the chairmen of four of the standing committees of the House, Chairman THOMAS FOLEY of Agriculture, Chairman HAYS of House Administration, Chairman RODINO of Judiciary, Chairman PERKINS of Education and Labor. Also included are these ranking minority members: Congressman WILLIAM BROOMFIELD of Foreign Affairs, ALBERT QUIE of Education and Labor, FRANK HORTON of Government Operations, GILBERT GUDE of District of Columbia, and DELBERT LATTA of Budget Committee.

The list of cosponsors includes 15 members of the Committee on Foreign Affairs and 17 members of the Committee on Agriculture.

The breadth and enthusiasm of support gives me hope that hearings on the bill can occur in the near future.

The complete list of cosponsors follows:

LIST OF COSPONSORS

Bella S. Abzug (N.Y.)
Herman Badillo (N.Y.)
Alvin Baldus (Wis.)
Bob Bergland (Minn.)
Jonathan B. Bingham (N.Y.)
Don Bonker (Wash.)
David R. Bowen (Miss.)
Wm. S. Broomfield (Mich.)
George E. Brown, Jr. (Calif.)
John Buchanan (Ala.)
Shirley Chisholm (N.Y.)
James C. Cleveland (N.H.)
Ronald V. Dellums (Calif.)
Butler Derrick (S.C.)
Pierre S. du Pont (Del.)
Don Edwards (Calif.)
Floyd J. Fithian (Ind.)
Daniel J. Flood (Pa.)
Thomas S. Foley (Wash.)
Edwin B. Forsythe (N.J.)
Donald M. Fraser (Minn.)
Bill Frenzel (Minn.)
Gilbert Gude (Md.)
Tim L. Hall (Ill.)
Tom Harkin (Iowa)
Michael Harrington (Mass.)
Philip H. Hayes (Ind.)
Wayne L. Hays (Ohio)
Margaret M. Heckler (Mass.)
Henry Helstoski (N.J.)
Frank Horton (N.Y.)
James M. Jeffords (Vt.)
James P. Johnson, Colo.)
Barbara Jordan (Tex.)
John Krebs (Calif.)
John J. LaFalce (N.Y.)
Delbert L. Latta (Ohio)
Robert L. Leggett (Calif.)
Jerry Litton (Mo.)
Marilyn Lloyd (Tenn.)
Matthew F. McHugh (N.Y.)
Edward R. Madigan (Ill.)
Spark M. Matsunaga (Hawaii)
Ralph H. Metcalfe (Ill.)
Abner J. Mikva (Ill.)
George Miller (Calif.)
Robert N. C. Nix (Pa.)
David R. Obey (Wis.)
James G. O'Hara (Mich.)
Carl D. Perkins (Ky.)
Albert H. Quie (Minn.)
Charles B. Rangel (N.Y.)
Frederick W. Richmond (N.Y.)
Donald W. Riegle, Jr. (Mich.)
Peter W. Rodino, Jr. (N.J.)
Robert A. Roe (N.J.)
Benjamin S. Rosenthal (N.Y.)
Edward R. Roybal (Calif.)
Paul S. Sarbanes (Md.)
Keith G. Sebelius (Kans.)
John F. Seiberling (Ohio)
Paul Simon (Ill.)
Stephen J. Solarz (N.Y.)
Fortney H. Stark (Calif.)
Charles Thone (Nebr.)
James Weaver (Oreg.)
Charles Wilson (Tex.)
Larry Winn, Jr. (Kans.)
Antonio Borja Won Pat (Guam)
Gus Yatron (Pa.)

Mr. Speaker, the bill which is today being introduced is the result of an intensive effort which began last November and involved many different people.

The first draft was H.R. 17265, which I introduced on October 15, 1974 and became the basis of hearings on November 26, 1974 by the Agriculture Committee's Subcommittee on Department Operations, chaired by the gentleman from Texas Mr. DE LA GARZA.

Participating in the hearings were several officials of the land-grant universities, as well as Dr. Russell McGregor, director of governmental relations of the National Association of State Universities and Land-Grant Colleges. The university witnesses were Dr. Elmer Kiehl, dean of the college of agriculture, University of Missouri, Dr. Jackson A. Rigney, dean of international programs, North Carolina State University, and Dr. D. Woods Thomas, director of international programs in agriculture, Purdue University.

Dr. Orville Bentley, dean of the college of agriculture, University of Illinois, had planned to be a witness, but due to cancellation of an aircraft flight, was unable to attend. His statement was entered in the hearing record.

Copies of the hearing record, titled "Food Relief Programs," Serial No. 93–VVV, are available from the document room.

The legislation on which they commented was the embryo of the language introduced today. The discussion that day convinced me first of all of the inadequacy of H.R. 17265 but, more important, of the soundness of the basic idea.

Immediately after the hearing, I met with the witnesses and we agreed to embark upon a consultation process with the goal of perfecting the legislation in time for introduction soon after the opening of the 94th Congress.

Of particular assistance were Dr. McGregor of the university association, Hadley Read, author of "Partners With India," book length account of the successful establishment of nine new land-grant type universities in India and himself a veteran of that experience as a member of the University of Illinois faculty, as well as specialists of the U.S. Department of Agriculture and the Agency for International Development.

In all, more than 20 different drafts of the legislation were considered. Several of these were circulated broadly among land-grant specialists throughout the country in order to tap the suggestions and reactions of many minds.

The legislation is designed to enable the land-grant universities in this country to undertake this substantial new responsibility without impairing the valuable services they continue to render to the American people.

The funds will be available for enlargement of local teaching and training facilities, as well as for the specific projects in foreign countries. Both aspects are necessarily longterm.

The U.S. land-grant universities were not built in a day. While each has extensive resources and many already have substantial programs underway in international education, the needed expansion of local capabilities will take time.

Once a U.S. university is ready to undertake the critical and complicated task of helping build a land-grant type university in a foreign country, the negotiation of an agreement, the organization of the new institution and the commencement of instruction and extension services will also take time.

But every day's investment in the education of farmers will pay dividends. In my view, this program is so solidly based on practical experience and success that it gives great promise of eradicating famine from the Earth within our lifetime.

The prospective benefits to the American people are substantial. First of all is the satisfaction of helping to meet a growing and grave humanitarian need, reducing human misery and degradation. Second is the benefit that comes from reducing famine-bred perils in the form of disease, civil disorder and even war.

The prospective benefits to our economy are also substantial. This bill authorizes cooperation in which both parties will surely benefit. Our agriculture will undoubtedly benefit from the research projects and exchange of scientists and teachers. In a broad sense the experience will cause our U.S. land-grant universities to be enriched substantially to the advantage of the U.S. students who will attend in future years.

And of course, as developing nations build their own road to self-support in food they will then have a solid base from which to expand their economies so they can become cash customers for goods and services in world commerce, including U.S. products.

The land-grant system is a unique American invention. The Morrill Act was truly a landmark in the history of education. It set as a goal higher education of the common people—especially farmers. Through this act the United States became the first country in world history to establish an extensive program of college-level education for farmers.

Indeed, even at this date, I can name no other country which has made a similar commitment.

The land-grant system has evolved

into a combination of classroom, research and extension experience. It literally brings continuing education to farmers and farm families through an extension service. This continuing education program exists in every county of the Nation except three sparsely settled counties in Nevada.

Through it, farmers are kept up to date on modern farming methods, new seeds, soil additives, and research developments.

Under this bill the U.S. universities which have had such broad experience in the classroom and extension education of farmers—and in carrying forward with practical research—will be given the opportunity to bring the food-producing genius of this system to foreign countries which need improved production.

The bill is deliberately designed to fix responsibility for the success of these foreign enterprises on a single U.S. university. It is also designed to give maximum flexibility to the university to adjust its approach to the requirements of the foreign country.

This means that a specified land-grant university will be the prime contractor for the building of the agricultural university in a particular foreign area. However, the bill authorizes subcontracting so that the prime contractor can draw upon the resources of other universities, colleges, foundations, and agencies in the United States.

Many developing countries have the proper climatic and agronomic conditions to produce ample food for their populations. All they need is well-trained, well-motivated farmers.

Investment in agricultural education makes sense abroad, as it does here at home.

This program will not have the drama of shiploads of wheatstreaming endlessly to food-deficit countries but in time, it will build the foundation for successful and enduring self-help.

Instead of creating dependency and despondency as often occurs when handouts get to be a habit, this program will build self-sufficiency and self-respect.

My most famous constituent, President Abraham Lincoln, began the land-grant college system in 1862, with the signing of the First Morrill Act. I believe this bill is the logical extension of the system to the international level.

It is often true that programs cannot be successfully transplanted from one nation to another. But the success of international land-grant programs has already been demonstrated in India where six U.S. land-grant schools, including the University of Illinois, have helped to establish nine new agricultural schools in the past 20 years. The cost of this accomplishment has been only $42 million, including U.S.-owned local currencies.

Such programs will be swiftly and substantially expanded by this bill.

Here is the text of the bill:

H.R. 2436

A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should help increase world food production by strengthening land-grant universities in the United States to enable them to assist and cooperate in developing and improving land-grant type universities in agriculturally developing nations.

The Congress so declares because it finds:

(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by federal, state and county governments has led to agricultural progress in this country;

(2) that land-grant universities in the United States, through two decades of experience, have demonstrated their ability to cooperate with other nations in expanding indigenous food production, while continuing effective support of U.S. food production for both domestic and international markets; and

(3) that land-grant universities in the United States need a stable source of financial assistance from the federal government in order to expand, or in many cases continue, their cooperative efforts with other nations.

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "land-grant universities" means those colleges or universities in each state, territory or possession, or the District of Columbia now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act) or the Act of August 30, 1890 (known as the Second Morrill Act).

(b) The term "land-grant type university" means a school of higher education in a foreign country which:

(1) conducts classroom teaching programs in agriculture, animal sciences, and vocational and domestic arts appropriate to local needs;

(2) either conducts or cooperates in programs of extension work, through which knowledge concerning food production is made available directly to farmers and farm families;

(3) either conducts or cooperates in carrying out agricultural research; and

(4) is organized to encourage the interaction among teaching, research and extension work through adaptation of land-grant principles to the local characteristics and needs.

FINANCIAL ASSISTANCE TO LAND-GRANT UNIVERSITIES IN THE UNITED STATES

SEC. 3. (a) The President is authorized to provide financial assistance to land-grant universities under appropriate memoranda of understanding, to enable them to:

(1) Strengthen their capabilities in teaching, research and extension work relating to food production, processing, distribution and nations;

(2) Develop a proposal for an agreement with an agriculturally developing nation, or university in such nation, to carry out one or more of the programs specified in paragraph (3) of this subsection; and

(3) Enter into and carry out cooperative agreements with agriculturally developing nations or universities in such nations, for the conduct of one or more of the following programs designed to aid in the development of land-grant type universities in the cooperating nation:

(A) cooperation in developing capacity in the university in the cooperating nation for classroom teaching in agriculture, animal sciences, or vocational and domestic arts appropriate to local needs;

(B) cooperation in agricultural research to be conducted in the cooperating nation, at an international agricultural research center, or in the United States as a means of enriching the teaching process, providing knowledge and information useful to either university or nation, or promoting increased efficiency in the production, marketing, distribution, or utilization of food commodities in either nation;

(C) cooperation in the planning, initiation and development of extension services, through which information concerning agriculture and related subjects is made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstrations; and

(D) cooperation in the exchange of educators, scientists and students between the two nations for the purpose of assisting in the successful development of the university in the cooperating nation.

(b) The President shall determine which foreign nations are agriculturally developing. He shall establish and maintain a list of agriculturally developing nations which express an interest in establishing or developing land-grant type universities and shall periodically circulate this information to all land-grant universities in the United States.

(c) The President shall also solicit from land-grant universities with which he has entered into a memorandum of understanding pursuant to section 4 of this Act proposals for agreements between such universities and agriculturally developing nations or universities in such nations.

UNDERSTANDINGS AND AGREEMENTS

SEC. 4. (a) To be eligible to receive financial assistance under this Act, a land-grant university must enter into a memorandum of understanding with the President. The President shall submit each proposed memorandum of understanding to the International Land-Grant University Advisory Board for its review and evaluation before entering into such memorandum. The memorandum of understanding with regard to each land-grant university shall contain such terms and conditions as may be agreed upon but at a minimum shall contain the following:

(1) a provision that an official of the land-grant university shall be designated to be responsible for the programs carried out by such university under this Act;

(2) the terms under which the land-grant university may obligate and expend funds for the formulation and execution of proposals relating to the establishment or development, or both, of a land-grant type university in an agriculturally developing nation, including terms under which subcontracting with other United States institutions or agencies may occur; and

(3) a requirement that the land-grant university shall submit an annual report to the President, which report shall include a statement of the activities carried out by such university pursuant to the memorandum of understanding during the preceding 12 months and a projection of all such activities, if any, that it may contemplate during each of the next ten years.

(b)(1) Before entering into an agreement with an agriculturally developing nation or university in such nation, a land-grant university shall submit the proposed agreement to the President for approval. Before approving a proposed agreement the President shall submit it to the International Land-Grant University Advisory Board for review and evaluation.

(2) Each agreement between a land-grant university and an agriculturally developing nation or university in such nation shall set forth the level, character and duration of the obligations that the land-grant university and the cooperating nation or university in such nation agree to assume, and shall include provisions to insure that the university in the cooperating nation is a land-grant type university as defined in section 2(b) of this Act.

INTERNATIONAL LAND-GRANT UNIVERSITY ADVISORY BOARD

SEC. 5. (a) To assist in the administration of the programs authorized in section 3 of this Act, the President shall establish an International Land-Grant University Advisory Board to be composed of four representatives from the Federal Government, one of whom shall be designated by the Secretary of Agriculture, and four representatives from the land-grant universities in the United States. The Board shall remain in existence indefinitely.

(b) The duties of the International Land-Grant University Advisory Board shall include, but not be limited to providing for:

(1) review and evaluation of memorandum of understanding between the President and land-grant universities, and each substantial amendment thereof;

(2) review and evaluation of proposals for agreements between land-grant universities and agriculturally developing nations or universities in such nations before final approval by the President;

(3) oversight of agreements and domestic activities authorized by this Act and undertaken by land-grant universities to assure compliance with the purposes of this Act; and

(4) recommendation to the President for the apportionment of funds to the President for administrative expenses and to land-grant universities which have entered into memorandum of understanding with the President pursuant to section 4 of this Act.

(c) In making recommendations pursuant to subsection (b)(4) of this section the International Land-Grant University Advisory Board shall consider all pertinent factors, including the following:

(1) the capacity of the land-grant university in the agricultural sciences;

(2) the capacity of the land-grant university to maintain an appropriate balance of teaching, research and extension functions;

(3) the capacity, experience and commitment of the land-grant university in international agricultural efforts; and

(4) the priority of the problems to be solved in the cooperating nation.

WITHHOLDING OF FUNDS

SEC. 6. If the President determines that a land-grant university with which he has entered into a memorandum of understanding has failed to comply with the requirements of that memorandum or has failed to carry out the provisions of an agreement with an agriculturally developing nation or university in such nation, he may withhold any funds apportioned or due such land-grant university.

FUNDING

SEC. 7. (a) There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act, but not to exceed $150 million in a fiscal year. Such sums are to remain available until expended.

(b) Funds authorized under this Act shall be in addition to any allotments or grants that may be made under other authorizations.

(c) Land-grant universities may accept and expend funds from other sources, public or private, in order to carry out the purposes of this Act. All such funds, both prospective and in hand, shall be periodically disclosed to the President, as he shall by regulation determine, but no less often than in each annual report.

EXERCISE OF FUNCTIONS

SEC. 8. The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any agency or any officer to whom functions under this Act are delegated by the President may promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions to any of his subordinates.

REPUBLICAN POLICY COMMITTEE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes .

Mr. CONABLE. Mr. Speaker, the Republican Policy Committee has approved statements of energy and congressional reform which I would like to submit for the RECORD so that all may be informed of them:

JANUARY 29, 1975.

ENERGY: A TIME FOR ACTION

A comprehensive energy and economic program was proposed in the State of the Union Message two weeks ago. It is a necessarily complex answer to a complicated problem. It is preferable to many other proposed partial or simplistic alternatives and is superior to the most destructive option of all: doing nothing.

The first step to implement this program was taken when the President acted to impose an import fee on crude oil, beginning February 1. This fee will be linked to an equalization plan to spread the financial burden throughout all regions of the country.

In H.R. 1767, a step backward is being taken. This bill would do two things: First it slows down the President's energy program by prohibiting him from imposing the import fee for 90 days. Then, in an effort to prevent a veto, it includes in the same bill an increase in the temporary debt ceiling. We deplore such tactics and will work for a separation of these dissimilar proposals.

It has been 15 months since the Arab oil embargo. Action is needed now, not further delay. "Time" can no longer serve as an excuse for postponing the beginning of a concerted national energy program.

Given their past repeated failures, it is unlikely that the Democratic leadership in *any* amount of time will develop comprehensive solutions to the energy problem. Last December, the Democrats tried in Kansas City to address themselves to energy and economic problems, and again in mid-January, the House Democratic Caucus attempted to articulate a comprehensive answer.

They have not succeeded because in the current situation there are no easy, pleasant solutions. After 15 months, 90 more days will not change this basic truth. Sacrifice and readjustment are unpleasant but necessary realities. Rationing is a frequently-mentioned alternative, but if enacted would prove far less equitable or effective in meeting national goals than the President's energy package.

After over a year of energy "crisis" we can afford no more delay. The President has indicated a willingness to compromise all but the needs for balance in the final formula. Nevertheless, if the Democratic Congressional leadership insists on continuing their tactic of "confrontation politics" over this measure, then Republicans in the House should be prepared to vote to sustain a veto of this bill. Far preferable would be constructive Congressional action to consider, modify if required, and enact a comprehensive energy program.

KING CAUCUS FRUSTRATES CONGRESSIONAL REFORM

At the opening of the 94th Congress, the Democratic "King Caucus" used secret meetings, the unit vote and the gag rule to force adoption of anti-reform rules on the operation of Congress for the next two years.

Rules are important. They govern the formulation of measures and debate and decision-making on issues, influencing and often determining the substance of final action. When a legislative body has as lop-sided a two-to-one majority as we do in the 94th Congress, procedural matters define the narrow margin between tyranny of the majority and a fair, open legislative arena which allows all Representatives a chance to contribute and to be heard.

The credibility of national government has slipped to an all-time low in public esteem in the post-Watergate period. Not surprisingly, many candidates, including a majority of the newly elected Majority members, campaigned on platforms of reforming Congress, opening up the system, and increasing accountability and public access to decision-making. But their first actions upon arriving in Washington negated those very promises. Instead of reform and openness, the Democratic "King Caucus," acting secretly in closed-door meetings, used the discredited "unit rule" to bind all its members to vote down significant reforms enacted late last year.

Regrettably, the no-amendment, limited-debate procedure by which these 94th Congress rules were adopted did not allow consideration of several well-considered recommendations of the House Republican Task Force on Reform and Rules Changes. Had Republicans been permitted to contribute, we would have advocated—and still do—the following points:

1. Proxy voting should not be allowed in committees. The late-1974 Congressional reforms rightly abolished all proxy voting; "King Caucus" wrongly reinstated it. Proxies are an irresponsible procedure through which a few privileged Members can use the votes of others to dominate the legislative process. Proxies discourage participation in committee legislative sessions and encourage the substitution of back-room deals for open deliberation and thoughtful legislative craftsmanship. The rule permitting proxy voting is anti-reform and should be promptly rescinded.

2. All committee hearings, business meetings and mark-up sessions and House-Senate conferences should be automatically open to the public as a matter of course. Committees should not be permitted to vote to close hearings unless information negatively effecting important national interests, the personal affairs of an individual, or proprietary information will be discussed.

3. The Rules of the House should prohibit the Democratic Caucus from imposing on its members binding instructions on committee and Floor votes. This practice permits as few as one-third of the Democratic Members, in secret closed meetings, to dictate the outcome of major committee and Floor decisions affecting national welfare by pledging its members to substitute allegiance to Caucus for faithfulness to conscience or constituency.

4. We favor live radio and television coverage of important proceedings as recommended by the Joint Committee on Congressional Operations. Broadcasting the activities of Congress would increase accountability and better enable the public to understand Congress's role in determining national policies.

5. The Democratic leadership should improve the scheduling of debate so that bills can be considered in an orderly, timely, and informed manner, not subject to caprice, extraordinary delay or last minute covert political timing maneuvers. The Rules should be amended to require prompt consideration of bills placed on the Suspension Calendar. Likewise, Congressional recesses—such as the upcoming "Lincoln Day Recess"—should be waived if they would prevent prompt consideration of urgent economic and energy problems. Congress should work a regular five-

day week with specific periods scheduled for Congressional District contact and consultation.

Many of the Rules adopted for the 94th Congress are apparently designed to reduce any meaningful legislative participation or contribution by the 145 Republican Members who represent over 67 million American citizens. We urge the Members of "King Caucus" to keep their campaign pledges to seek Congressional reform and to open up the system. The five items listed above are only a partial list of long-needed reforms which Republicans would like to see considered and debated in full public view by the House Rules Committee and the House of Representatives.

HOME HEALTH CARE: AN ALTERNATIVE TO NURSING HOME CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, the nursing home scandal is now the subject of a number of separate investigations including that of the Subcommittee on Long-Term Care of the Senate Select Committee on the Aging, chaired by FRANK MOSS, a New York State Moreland Commission chaired by Morris Abram and a grand jury investigation headed by Special Prosecutor Joe Hynes.

The corruption, incompetence and failures of the nursing home program now being publicly exposed in the State of New York, I am convinced exist throughout the country. There is a third aspect which deserves equal if not more attention and that is alternatives to the existing nursing home program. Today I am introducing legislation which deals with that subject.

There always will be a large number of our elderly population who will need the full-time services of competently run nursing homes. However, there is a significantly large number of persons in nursing homes or who will enter nursing homes not because they need all of the full-time medical services provided therein but because the reasonable alternative of home health care is not available to them. The average yearly cost for care in a skilled proprietary nursing home facility in New York City is $14,589. Presently the Library of Congress is developing a national average estimate of the cost of providing health care at home. Preliminary estimates I have received range from $3,000 to $9,000.

I have been advised that a report prepared for the Department of Health, Education, and Welfare and for the Social Security Administration shows that there are now approximately 1,070,000 persons, elderly and disabled, in skilled and intermediate care nursing homes. It indicates that between 14 and 25 percent of those persons are being unnecessarily maintained in an institutional environment because there are no alternatives available.

My legislation is intended to cover the following areas:

Section 1 would allow unlimited home health visits, if necessary to maintain an individual outside of a hospital, nursing home, or other institutional facility, under part B of medicare's supplementary medical insurance. Under the current program, a patient is limited to 100 visits. Under the legislation, a patient would qualify for these services on the basis of specific criteria—eating, mobility, and so forth—in order to avoid abuses of claims for need. The Secretary of HEW would be required to promulgate regulations, based on the functional criteria listed in the bill, to determine patients' eligibility for the provisions of the act. In addition, the payment given cannot exceed payments which would be provided if the individual were receiving institutional care.

A medicare doctor's recommendation of need would immediately be effective, but his affirmative recommendation would be reviewed within 30 days by a three-doctor panel, which may cancel the assistance. In addition, if the panel finds that the initial doctor was malfeasant in purposely recommending that a patient required assistance when he did not, the panel has the power to strip the doctor of his right to serve medicare—or medicaid, if in violation of subsequent sections of the bill relating to medicaid—patients in the future. The doctor retains his right of judicial appeal of the decision.

Section 1 would also expand home health services under medicare by adding a full range of services—not just doctor and nurse visits, but "homemaker" services—assistance in household tasks, shopping, walking, and such other services as the Secretary of HEW deems necessary to maintain an individual outside an institution.

Section 2 would increase the home health services of part A of medicare's supplementary medical insurance, the provisions covering post-hospital care, from 100 to 200 visits, as would be accomplished in a pending Muskie-Church bill in the Senate. In addition, correlative services would be provided identical to those in section 1.

Section 3 requires States to include home health services, including the full range of medical and correlative services as defined in section 1, in order to qualify for Federal medicaid funds. The functional criteria and verification mechanism of section 1 apply here also.

Section 4 would permit State medicaid programs to cover payment of rent for elderly or disabled persons who would otherwise require nursing home care. The amount of payment will be the fraction of the total household represented by the elderly or disabled persons involved and is subject to a ceiling conforming with current standards for federally assisted housing.

Section 5 would charge each child over 18 years old of a recipient of the bill's assistance 5 percent of the child's taxable income for the period his parent receives aid. For example, if a married child with two dependent children makes $15,000 per year and takes standard deductions, he would pay $500 per year, while the Federal payment might be as high as $10,000 to $15,000.

Section 6 removes the $10,000,000 limitation in funding authorized under the 1974 HUD Act for demonstration projects for congregate housing for the elderly, the handicapped, and other groups.

Mr. Speaker, I believe that if we were to provide such services, two things would be accomplished: First, the elderly would be assisted in living longer and more productive lives in their own homes where so many want to be and the cost to the taxpayer would be considerably less.

Mr. Speaker, you will be interested in knowing that one of the points of contention among the experts is whether children of an indigent parent—and the cost of nursing home care or home health care is such as to make everyone using those services ultimately indigent—should bear some part of the cost involved. On the occasions when I have asked the question of persons working in the field, the vote has been split approximately equally pro and con. I personally believe that there should be a financial requirement, modest and limited to some figure not to exceed 5 percent of an individual's taxable income. The bill that I am introducing has such a provision and I know it will be a source of controversy. But I think there is an obligation on the part of children to support their parents and not leave it totally to the Government to do so. At the same time I would not want the children to bear a cost which would be oppressive and embitter their personal relationships. As an example, under my bill, a family of four with an income of $15,000 using the standard deduction would pay no more than $500. Finally, there will be some who will attack my bill as one which would provide maid service to everyone covered by it. What they forget is that the Government is now providing registered nurse service for those in homes far more costly than the cost of providing housekeeping services for those not able to care for themselves. Obviously there will have to be strict controls monitoring physicians who certify what services are required for their patients and my bill provides the mechanisms for such monitoring and for penalizing physicians and removing them as ineligible to treat medicare/medicaid patients in cases where they have abused the system.

In conclusion, Mr. Speaker, I would like to emphasize that the legislation I am introducing today is a draft bill for discussion purposes. I have circulated the bill for comments to 150 organizations concerned with the elderly and the disabled. Furthermore, I will be holding a meeting with representatives of many of these organizations in Washington on February 5. On January 24 I had a preliminary meeting with individuals in New York City working with the elderly.

I know that this bill will have to be amended and improved. I urge anyone with expertise in this matter to provide me with their comments. It is my intention, at a later time, to introduce a more perfected bill for cosponsorship.

MAJOR MODERNIZATION OF PANAMA CANAL: INTRODUCTION OF H.R. 198

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, over a period of years the Congress has conducted comprehensive hearings on various aspects of the interoceanic canal problem and heard many addresses thereon. These include the matter of the major modernization of the existing Panama Canal under the well-known and strongly supported Terminal Lake-Third Locks solution. This proposal was developed in the canal organization as the result of World War II experience and won the approval of President Franklin D. Roosevelt as a postwar project. To provide for such modernization, I have introduced H.R. 198, which will be quoted later in my remarks.

Because new Members of the Congress may not be informed as to crucial features of the canal subject, some of them will be summarized:

First. The major increase of capacity of the existing canal by the construction of an additional set of larger locks was originally authorized in 1939 at a cost not to exceed $277 million, primarily as a defense measure before the involvement of the United States in World War II;

Second. Construction started in 1940 but was suspended in 1942 because of more urgent war needs. A total of $76,357,405 was expended, largely on huge lock site excavations at Gatun and Miraflores a railroad and vehicular bridge across the Miraflores locks, and a roadbed for relocating the Panama Railroad near Gatun. No excavation was started at Pedro Miguel. The last, in the light of later events, was fortunate for it enabled a comprehensive study of canal operating problems as the basis for planning;

Third. The great feature in the Terminal Lake-Third Locks solution is the creation of an expansion chamber for traffic in the summit level at the southern end of Gaillard Cut;

Fourth. In brief, the plan calls for the physical removal of the bottleneck locks at Pedro Miguel, the consolidation of all Pacific Locks at Agua Dulce to correspond with the layout and capacity of the Atlantic Locks, the creation of a summit-level terminal lake at the Pacific end of the canal and raising the summit water level of Gatun Lake from its present maximum of 87 feet to its optimum height of 92 feet. One set of the proposed new Pacific Locks would be of the same size as the proposed new locks at Gatun. The optimum summit water level of 92 feet mentioned in section 2a of H.R. 198 is that recommended in the report of the Governor of the Panama Canal under Public Law 280, 79th Congress;

Fifth. A total of $95,000,000 was expended on the enlargement of Gaillard Cut from a minimum width of 300 feet to 500 feet, which was completed on August 15, 1970. When this sum is added to that spent on the previously mentioned suspended Third Locks project, the total already invested toward the canal's major modernization is more than $171,000,000;

Sixth. The total U.S. investment in the canal enterprise, incluuding the costs of acquiring the Canal Zone, the construction of the canal and its defense, from 1904 through June 30, 1974 was $6,880,370,000. This sum, if converted into 1975 dollars would be far greater; and

Seventh. Among the outstanding advantages of the Terminal Lake-Third Locks solution are that it—

Enables the maximum utilization of all work so far accomplished on the Panama Canal, including that on the suspended Third Locks project and the Gaillard Cut enlargement.

Can be constructed as "expansion and new construction" under existing treaty provisions and does not require the negotiation of a new treaty, which are paramount considerations. (CONGRESSIONAL RECORD, July 24, 1939, p. 9834).

Preserves the existing fresh water barrier of Gatun Lake, thereby protecting the Atlantic Ocean from infestation by the poisonous Pacific sea snake, the voracious crown of thorns starfish and other marine biological dangers.

Can be constructed at "relatively low cost" with every assurance of success and without the danger of disastrous slides.

Has strong support from important environmental, civic, patriotic, labor, and veterans organizations as well as independent canal and other experts.

Safeguards the economy of Panama.

Provides the best operational canal practicable of achievement at least cost, and without diplomatic involvement.

In view of the serious unemployment now rising in the United States, such project would stimulate U.S. business activities and when completed would leave a work of long lasting value not only for the United States but also for all users of the canal. It would not be a mere "make work" program.

In contrast, the strenuously propagandized proposal for a new canal of so-called sea level design, located in the Republic of Panama about 10 miles west of the existing canal, and initially estimated in the 1970 report under Public Law 88–609, as amended, to cost $2,880,000,000, would require a new treaty with Panama, involving a huge indemnity and the cost of the right of way. As both of these would have to be added to the cost of construction of the proposed sea level canal, the initial cost estimate in the 1970 report is highly unrealistic and definitely misleading.

Such a project would require an estimated 15 years to construct, open a Pandora's box of difficulties, and be less satisfactory operationally than the existing canal when modernized. Moreover, the construction of a salt water channel between the oceans is strongly opposed by important biological, environmental, and scientific groups and publications at home and abroad. Such proposal would seriously dislocate the economy of Panama with major consequences. Although it may never be constructed, the securing of an option to construct it would hinge upon the surrender by the United States of the canal's indispensable protective frame of the Canal Zone to Panama. Such surrender would place the United States in the impossible position of having grave responsibility for operating and defending the Panama Canal without requisite authority.

When the question of increased Isthmian transit facilities is evaluated from its most significant angles, the evidence is conclusive that the major modernization of the existing canal under the time-tested Terminal Lake-Third Locks plan offers the best operational, the most economical, the most logical and the most historically based solution of the canal problem ever devised.

The indicated bill follows:

H.R. 198

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama City Modernization Act".

SEC. 2. (a) The Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Agua Dulce in new lock structure to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $1,150,000,000, which is hereby authorized to be appropriated for this purpose: *Provided, however,* That the initial appropriation for the fiscal year 1976 shall not exceed $50,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Cogress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 3. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) one member from private life, experienced and skilled in private business (including engineering);

(2) two members from private life, experienced and skilled in the science of engineering;

(3) one member who is a commissioned officer of the Corps of Engineers, United States Army (retired); and

(4) one member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel of the Board shall serve at the pleasure of the Board.

SEC. 4. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 2(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stake of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons therefor.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 5. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States including the Canal Zone.

SEC. 6. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 7. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 8. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 9. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 10. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 11. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 12. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

SEC. 13. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

CONGRESSMAN ROBERT F. DRINAN, SPEAKING ON A LAWSUIT TO ENJOIN THE PRESIDENT'S OIL TARIFF, JANUARY 30, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, as many of my colleagues are aware, I am taking legal action against the President of the United States in an attempt to enjoin the imposition of the $3 per barrel oil tariff. I have stated my views on a number of occasions before this body concerning how unfair the increase in oil prices would be on the New England region, and in particular, my State of Massachusetts. With this in mind, I felt that a lawsuit must be brought to halt this unwise action.

I will argue before the courts, Mr. Speaker, that the President does not have the authority to impose such a duty, as under article I, section 8 of the Constitution, Congress is given the exclusive power to "lay and collect taxes, duties, imports and excises." While the Trade Expansion Act of 1962 has been cited by the President as legal authority for such an action, that act only allows him to "adjust the imports" of articles such as oil. This means that the President may restrict imports, but it does not permit the imposition of a tariff duty. Although the executive branch has attempted to sidestep the Constitution by calling the tariff a "license," the courts will not allow the clear intent of this constitutional provision to be subverted.

I would like to bring to my colleagues' attention the actual complaint for mandamus, injunctive, declaratory, and other relief which has been filed in this case. The suit was filed on behalf of 10 New England public utilities as well as myself in the Federal district court for the District of Columbia. The complaint is as follows:

COMPLAINT FOR MANDAMUS, INJUNCTIVE, DECLARATORY, AND OTHER RELIEF

[In the U.S. District Court for the District of Columbia, Civil Action No. 75-0130]

Algonquin Sng, Inc., 1284 Soldiers Field Road, Boston, Mass.; New England Power Co., 20 Turnpike Road, Westboro, Mass.; New Bedford Gas and Edison Light Co., 693 Purchase Street, New Bedford, Mass.; Cambridge Electric Light Co., 46 Blackstone Street, Cambridge, Mass.; Canal Electric Co., 130 Bishop Richard Allen Road, Cambridge, Mass.; Montaup Electric Co., Riverside Avenue, Somerset, Mass.; the Connecticut Light and Power Co., Selden Street, Berlin, Conn.; the Hartford Electric Light Co., 176 Cumberland Avenue, Wethersfield, Conn.; Western Massachusetts Electric Co., 174 Brush Hill Avenue, West Springfield, Mass.; Holyoke Water Power Co., One Canal Street, Holyoke, Mass.; and Robert Drinan, 140 Commonwealth Avenue, Boston, Mass., Plaintiffs, v. William E. Simon, Secretary of the Treasury, U.S. Treasury Department, 15th and Pennsylvania Avenue NW., Washington, D.C.; Frank G. Zarb, Administrator, Federal Energy Administration, 1200 Pennsylvania Avenue, NW., Washington, D.C.; and Francine Neff, Treasurer of the United States, U.S. Treasury Department, 15th and Pennsylvania Ave., NW., Washington, D.C., Defendants.

NATURE OF THE CLAIM

1. This action is to compel by mandamus the issuance of fee-free licenses authorizing the importation of petroleum or petroleum products and to enjoin the collection of fees assessed pursuant to Executive Proclamation No. 3279, as amended (Exec. Proc. 3279) and to have said Proclamation declared illegal and unenforceable to the extent that it requires payment of fees for licenses for importation of petroleum and petroleum products into the United States.

JURISDICTION

2. The jurisdiction of this Court is based on 5 U.S.C. §§ 701–706; 28 U.S.C. §§ 1331, 1332, 1337, 1361, 1651, 2201, and 2202. The amount in controversy in this case exceeds $10,000 exclusive of interest and costs.

PARTIES PLAINTIFF

3. The corporate plaintiffs are a natural gas company and certain public utilities serving the public in the northeast section of the United States, and are dependent in large measure upon imported petroleum and petroleum products for the production and distribution of electric power and synthetic gas. The names of the plaintiffs and the states under the laws which they were

organized and exist follow: Algonquin SNG, Inc. (Algonquin), Delaware; New England Power Company (New England), Massachusetts; New Bedford Gas and Edison Light Company (New Bedford, Massachusetts; Cambridge Electric Company (Cambridge), Massachusetts; Canal Electric Company (Canal), Massachusetts; and Montaup Electric Company (Montaup), Massachusetts. The Connecticut Light and Power Company (CL&P), Connecticut; The Hartford Electric Light Company (HELCO), Connecticut; Western Massachusetts Electric Company (WMEC), Massachusetts; and Holyoke Water Power Company (Holyoke), Massachusetts.

4. Plaintiff, Robert F. Drinan, S.J., is a member of Congress, representing the Fourth Congressional District of Massachusetts and maintains his residence at 140 Commonwealth Avenue, Boston, Massachusetts as well as a year-round district office in Waltham, Massachusetts. Congressman Drinan is a consumer of gas and electricity in the City of Boston, Massachusetts, his established residence, and in Waltham, Massachusetts.

PARTIES DEFENDANT

5. Defendant Zarb is the Administrator of the Federal Energy Administration, is responsible for the implementation, effectuation, and enforcement of Exec. Proc. 3279, and, with Defendants Simon and Neff, is responsible for the collection of the license fees imposed pursuant to Exec. Proc. 3279.

6. Defendant Simon is the Secretary of the Treasury and with Defendants Zarb and Neff is responsible for the collection of the license fees imposed pursuant to Exec. Proc. 3279.

7. Defendant Neff is the Treasurer of the United States and, with Defendants Zarb and Simon, is responsible for the collection of the license fees imposed pursuant to Exec. Proc. 3279.

THE FEE SYSTEM UNDER EXEC. PROC. 3279

8. Executive Proclamation No. 4210, effective May 1, 1973, amended Executive Proclamation 3279 and instituted, *inter alia*, the present license fee system replacing the Mandatory Oil Import Program (MOIP) and modifying the "method of adjusting imports of petroleum and petroleum products." As was provided in the MOIP, no petroleum or petroleum products may be imported into the United States without a license issued by the FEA (Exec. Proc. 3279, § 1(a)). The modification consisted of "shifting to a system whereby fees for licenses" concerning imports were to be charged. MOIP had been established on March 10, 1959 by Exec. Proc. 3279 under the authority of Section 2 of the Act of July 1, 1954, as amended, 72 Stat. 678 (19 U.S.C. § 1352), presently 19 U.S.C. § 1862.

9. Exec. Proc. 3279 is implemented and enforced by the Defendant FEA Administrator. See also, Federal Energy Administration Act of 1974, Public Law 93-275; Ex. Order 11790, effective June 27, 1974. The FEA Administrator is directed to issue allocations and licenses subject to fees, on imports of crude oil, unfinished oils and finished products.

10. Pursuant to the authority of Executive Proclamation 4210, issued April 18, 1973, the FEA Administrator issued regulations implementing that Executive Proclamation and prescribing procedures by which licenses were to be issued to qualified applicants. (May 1, 1973, 38 F.R. 10727).

11. By Executive Proclamation signed by the President January 23, 1975, Executive Proclamation 3279 was further amended to continue in effect the schedule of fees instituted in accordance with Exec. Proc. 4210 and, in addition, provided for a different and higher schedule of fees for the issuance of licenses for the importation of petroleum and petroleum products.

12. The Proclamation amended subparagraph (1) of paragraph (a) of section 3 to provide that licenses shall require, *inter alia*, that with respect to imports of crude oil and natural gas products, over and above the levels established in Section 2 of Exec. Proc. 3279, fees shall be $0.21 per barrel. With regard to imports of motor gasoline, unfinished oils and all other finished products (except ethane, propane, butanes and asphalt) over and above the levels of imports established in Section 2 Exec. Proc. 3279 fees shall be $0.63 per barrel.

13. Additionally, with respect to imports of crude oil, natural gas products, unfinished oils, and other finished products (except ethane, propane, butanes, and asphalt) entered into the customs territory of the United States on or after February 1, 1975 there shall be an additional fee per barrel of $1.00 rising to $2.00 on imports entered on or after March 1, 1975 and to $3.00 on imports entered on or after April 1, 1975. For certain imports refunds of a portion of the $1.00, $2.00, or $3.00 fee may be made to the importer of record, pursuant to Section 3(a) (1) (viii) of Exec. Proc. 3279.

14. Applications for allocations and licenses for imports subject to a fee must be accompanied by either a certified or cashier's check for the full amount of the fee payable to the order of the defendant Treasurer of the United States or accompanied by a bond for not less than the amount of the fee with a surety which is on the list of acceptable sureties on Federal bonds maintained by the Bureau of Government Financial Operations, Department of the Treasury. The bond must be conditioned upon payment to the order of the Treasurer of the United States, within the last day of the month following the month in which the imports were released from customs custody or entered or withdrawn from warehouse, whichever occurs first, unless another time frame is set by the Administrator. If the face value of the bond is reduced below the amount of outstanding liability or if the bond is terminated the Administrator is directed immediately to revoke all licenses issued pursuant to the bond. (Exec. Proc. 3279, § 3(b)).

15. The cash fees received by the Administrator are held by him in a suspense account and may be drawn upon by the Administrator for the payment of refundable license fees. Balances remaining and not required to be reserved are to be deposited at the end of each fiscal year in the Treasury in the Treasury of the United States administered by the defendant Secretary of the Treasury, and credited to miscellaneous receipts. (Exec. Proc. 3279, § 3(a) (1)).

IRREPARABLE DAMAGE TO PLAINTIFFS

16. Plaintiff, Algonquin, owns and operates a synthetic gas plant in Freetown, Massachusetts. This plant uses naphtha, which is a petroleum product under Exec. Proc. 3279, as feedstock in the manufacture of synthetic gas, a large portion of which feedstock is imported by Algonquin and is subject to the licensing and license fees imposed by Exec. Proc. 3279. As a result, Algonquin has paid, and would continue to pay substantial license fees as an importer of such feedstock. If Algonquin is to meet its customer's normal requirements, it will import over one million barrels of naphtha within the next three months and over two million barrels of naphtha during calendar year 1975. A fee-free license has been applied for by Algonquin and has been denied in large part.

17. The remaining corporate plaintiffs are the owners of numerous fossil fueled electric generating facilities in Massachusetts, Connecticut and other States. Said generating facilities require large amounts of residual fuel oil as an energy source, and residual fuel oil is a petroleum product under Exec. Proc. 3279. Plaintiffs have purchased, and are continuing to purchase, substantial amounts of such residual oil from importers who are subject to licensing and license fees imposed by Exec. Proc. 3279, and, in the case of New England, from those who purchase from such importers, and these license fees are, and will be, passed on to said plaintiffs in the form of higher fuel prices. A fee-free license has been applied for by New England and has been denied.

18. Plaintiffs CL&P, HELCO, WMEC and Holyoke, all subsidiaries of Northeast Utilities, a public utility holding company, in the aggregate, consumed 21.5 million barrels of imported residual fuel oil in 1974 and will consume approximately that amount in 1975.

19. Plaintiffs New England, New Bedford, Cambridge, Canal, and Montaup will purchase approximately the following quantities of residual fuel oil within the next three months and during the remainder of Calendar Year 1975:

[Barrels]

	Next 3 mo.	Calendar year 197
New England	2, 900, 000	17, 600, 000
New Bedford	163, 572	599, 764
Cambridge	241, 000	883, 664
Canal	1, 465, 300	5, 372, 780
Montaup	296, 000	1, 250, 000

20. The proposed increase in license fees will substantially increase the cost of fuel to Plaintiffs, will require that rates be increased to customers in the face of increasing public resistance in rate matters and, as to practically all Plaintiffs will create an additional lag in recovery of their costs through revenues with resulting adverse effect on working capital and the cost of capital, and will cause serious damage to relationships with customers. Algonquin will be compelled to absorb the increased costs of fuel and will be unable to pass them along except after extensive administrative proceedings before the Federal Power Commission. The increase in rates by Plaintiffs will cause severe damage and personal hardship to Plaintiffs' customers.

21. Plaintiff Drinan has been injured and shall continue to be injured by the illegal fee system implemented, effectuated, and enforced by the Administrator of the FEA and collected by the Administrator of the FEA, and the Treasurer of the United States, and the Secretary of the Treasury, pursuant to Exec. Proc. 3279, since these illegal actions have resulted and will continue to result in added costs to him as a result of increased utility rates.

22. Because of the imposition and collection of the illegal fees pursuant to Exec. Proc. 3279, the Plaintiffs have suffered and will continue to suffer immediate and irreparable injury, for which there exists no adequate remedy at law.

ILLEGAL NATURE *OF THE* LICENSING FEES

23. The license fees established by Exec. Proc. 3279 are in circumvention of the duty system. Under Article 1, Section 8, Clause 1, of the United States Constitution, the Congress has the sole power to lay and collect duties and when it exercises that power, all such duties must be uniform throughout the United States. The fees established by Exec. Proc. 3279, do not operate with geographical uniformity, inasmuch as a given importer's obligation to pay license fees may vary depending upon the section of the country into which the particular importation occurs. Exec. Proc. 3279, § (a). These fees are therefore illegal.

24. Exec. Proc. 3279, was issued allegedly pursuant to Section 232 of the Trade Expansion Act of 1962, as amended, (19 U.S.C. § 1862). Neither the Trade Expansion Act of 1962, as amended, nor any other Act of Congress, nor the Constitution itself, delegates to the President the power to establish or require the establishment of license fees such as those established by and puruant to Exec. Proc. 3279.

25. The attempt by the President to restrict importation of petroleum and petroleum products by imposing license fees thereon, absent specifically delegated authority to do so, exceeds his authority and violates Article 1, Section 8, Clause 3 of the

United States Constitution, which confers on the Congress the sole right to regulate commerce with foreign nations and among the several States.

26. The Executive Proclamation issued January 23, 1974, further amending Exec. Proc. 3279, was issued without public hearings having been held or interested parties otherwise having been afforded an opportunity to present information and advice relevant to an investigation by the Secretary of the Treasury relating to the effect of the importation of petroleum upon the national security. Section 232 of the Trade Expansion Act of 1962, as amended, requires the Secretary of the Treasury "if it is appropriate and after reasonable notice [to] hold public hearings or otherwise afford interested parties an opportunity to present information and advice relevant to such investigation." Section 127(d) (3), P.L. 93–618, January 3, 1975.

27. In light of the immense burden placed upon the economy of the northeastern section of the U.S. by the aforesaid license fees, not all of which can be foreseen by these particular Plaintiffs, it was not only appropriate but necessary that hearings be held so that the Plaintiffs, which are so vitally affected by said fees, could present their views. The imposition of such fees without hearings therefore was in contravention of both the letter and spirit of the statute and was an arbitrary and capricious act.

PRAYER FOR RELIEF

Wherefore, the Plaintiffs pray that this Court:

1. Enjoin the Defendant Administrator of the Federal Energy Administration from further implementing, effectuating and enforcing Executive Proclamation No. 3279, as amended, to the extent that it imposes and will impose fees for licenses for the importation of petroleum and petroleum products into the United States, and further enjoin Defendants Administrator of the Federal Energy Administration, Secretary of the Treasury, and the Treasurer of the United States from collecting such fees.
2. Issue a declaratory judgment declaring and adjudicating that Executive Proclamation No. 3279, as amended, is unlawful to the extent that it imposes and will impose fees for licenses for the importation of petroleum and petroleum products into the United States.
3. Order the Defendant Administrator of the Federal Energy Administration to issue import licenses without requiring the payment of fees for these licenses for the importation of petroleum and petroleum products into the United States.
4. If this Court should uphold the legality of Executive Proclamation No. 3279, as amended, enjoin the Defendants from collecting any of the licensing fees described herein until such time as hearings have been held, and findings made, as provided by statute.
5. Order speedy completion and filing of the pleadings.
6. Grant such further and additional relief to Plaintiffs as may be necessary and appropriate.

Respectfully submitted.

Connole and O'Connell: By William R. Connole, Ernest C. Baynard III, One Farragut Square South, Washington, D.C.; Rich, May & Bilodeau: By Michael F. Donlan, One State Street, Boston, Mass., Attorneys for Plaintiffs.

AN ALTERNATIVE ENERGY PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, I am proposing legislation for consideration as an alternative to President Ford's energy package. It is based on the following legislative proposals.

First. A rationing plan to provide a basic supply of gasoline to every owner of a passenger motor vehicle with appropriate allocations to industry, business, and agriculture. This program will provide everyone with a basic supply of gasoline at current market prices.

Second. A gasoline conservation tax of 20 to 40 cents a gallon to be paid on all gasoline purchased in excess of the basic ration. The tax level would be determined by the President after appropriate hearing and notice. This flexibility will allow the President to change the tax based on the response to conservation and the progress of oil import reductions.

Third. A proposal to limit the President's power to decontrol the price of "old" oil, which currently accounts for 60 percent of our domestic production. The President would only be allowed to increase prices on this oil at a rate not exceeding $1 per barrel per year. This will permit a phase-in of decontrol and cushion the inflationary impact as we adjust to new energy sources coming into production.

These proposals would reduce oil imports and stimulate both additional domestic production and needed conservation while minimizing inflationary price increases. There would be no need for the $3 per barrel tariff on imported crude oil, the $2 per barrel excise tax on domestic crude oil, and the $0.37 per thousand cubic feet excise tax on natural gas used in homes and busineses.

The tax portions of this proposal will be developed by the House Ways and Means Committee. The operation of the rationing system and the old oil price phase-out would be handled by other appropriate committees.

The conservation tax of 20 cents to 40 cents per gallon of gasoline would produce $5 to $10 billion in revenue, of which some considerable portion should be set aside for an energy research and development fund. The balance could be returned to the General Fund of the Government for use as Congress may determine.

The rationing system should be designed to provide adequate supplies for agriculture, commerce, and business. The thrust of rationing should be directed toward the extraordinary consumption of the individual automobile with a procedure or system to deal with special needs.

Presently, the average automobile consumes 1.9 gallons of gasoline per day. If this consumption could be reduced 0.7 of a gallon per car, per day, we could eliminate all crude oil imports.

The rationed gasoline would be available to all purchasers at present prices. There would be no inflationary impact on those who could comply with the conservation effort. The ration could be increased as new oil development and production comes onstream and American oil productivity is moved upward.

CONSERVATION TAX

The conservation tax would make gasoline available to those who seek to purchase supplies over and above the ration. The President would be provided flexibility to determine the exact level of the tax, between 20 and 40 cents per gallon, to maintain the tax high enough to discourage waste or excessive use and low enough to discourage black market procedures which would debase the rationing system. The President would also adjust the tax to meet desired schedules in reducing oil imports—lowering the tax as imports fall and raising the tax if imports should move to higher levels.

Up to $10 billion should be set aside each year out of the revenues of the conservation tax in an energy trust fund designed to provide funds for research and development in alternative forms and uses of energy, and to provide increased supplies and efficient utilization of existing supplies.

The establishment of an energy trust fund would be a Ways and Means decision. The procedure in utilizing the trust fund would be decided by another committee.

OIL PRICING

The development of a 5-year phase-out program of the price decontrol of old oil which constitutes 60 percent of our domestic production will save the consumer over $11 billion in the first year. With the price of old oil permitted to rise at the rate of $1 per barrel, per year, the petroleum industry should be able to generate the capital resources necessary to meet rising costs and develop expanded production.

This alternative approach provides an orderly transition to a free market in oil and avoids an almost catastrophic impact of an $80 to $100 billion jolt to the skyrocketing inflation of these times.

THE FALLACY OF PRESIDENT FORD'S PROPOSALS

The President's proposal moves in one clearcut economic direction—the decontrol of prices on old oil and the deregulation of natural gas. The President's approach is designed to create a reduction in oil imports and gas demand by permitting drastic increases in their price. In a time of crisis and shortage he endeavors to turn the problem over to the energy industry by giving it drastically higher prices and profits on the theory that a free market will produce conservation and new supplies.

However, there can be no free market in a scarce, essential commodity controlled by so few. Today, 64 percent of the crude oil reserves are controlled by eight companies. For 14 years preceding 1973, the domestic oil industry sought and obtained a controlled price by severely limiting foreign imports through the oil import quota program. In this 14-year period, the American consumer paid over $77 billion in extra oil costs in order to protect the domestic oil industry.

In his statements, President Ford charges the OPEC nations with rigging the price of oil by establishing a price cartel, and then he proposes to raise the price of old domestic American oil to the level of what he himself says is a price rigged by the OPEC cartel.

In the year following the Cost of Living Council action which increased the price of old oil to $5.25 per barrel, the consumer paid about $31 billion more for all forms of energy. The total consumer cost of oil and petroleum products rose from an estimated $56 billion in 1972 to $74 billion in 1973 and to over

$102 billion in 1974. If the President immediately prevails in his efforts to decontrol old oil, the price can be expected to escalate to $11 plus the proposed excise tax of $2 per barrel, or a total of $13 per barrel. The Import Tax will equalize the foreign oil price at the same levels. The passthrough of these prices along the energy stream will increase energy costs to the consumer by more than $100 billion. There can be no retreat of inflation in the face of this circumstance.

Thirteen dollars per barrel oil will increase the costs of everything we buy and need. The costs of freight and passenger transportation will soar. The cost of fertilizer and food will multiply. Under my alternative proposal, they would remain relatively constant.

The President's proposal will create horrendous windfall profits which his rebate plan will never offset. The average consumer costs will bear little relationship to the insignificant rebate proposal. The horrendous windfall profits are very likely to escape the tax collector. It has yet to be proven that Congress can pass a meaningful windfall tax program. As these prices anger the consumer, pressures will develop for the elimination of the excise taxes and the import taxes on which the promised rebate on tax reduction is based. The best way to deal with windfall profits is to prevent them from occurring in the first place. There is every likelihood that the Nation will be left with high petroleum prices, high windfall profits to the petroleum industry and increased Federal deficits.

The President's program guarantees continued high inflation and imposes a crushing burden on the consumers at every point along the energy stream. Those who conserve energy are penalized to the same degree as those who waste. His program imposes a special burden on homeowners who have no alternative source of energy supplies for home heating and little capital for realistic conservation measures. Under the alternative proposal, the home users of energy would not suffer these consequences.

The President has suggested that his is a better plan—but up to the present moment, I find little constituency support for what he suggests. There are certainly viable alternatives to the problem—and we should explore them.

WHAT THE JOBLESS NEED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, the last Congress passed two measures which I supported directed toward providing relief for the Nation's 6.5 million—December 1974—unemployed workers.

One of these measures, the Emergency Unemployment Compensation Act of 1974, gave an additional 13 weeks of unemployment benefits to workers who had exhausted their regular and extended unemployment compensation. For persons already covered, this means a total of 39 weeks of coverage in most States.

The second measure, the Emergency Jobs and Unemployment Assistance Act of 1974, does two things: First, it sets up an emergency public jobs program; and, second, it extends unemployment insurance coverage to workers not previously protected. These groups are municipal and State employees, domestic workers, and farmworkers. These newly covered workers will be able to draw up to 26 weeks of benefits.

However, the recession has continued to deepen and additional measures are needed to aid persons out of work. We know the state of the economy and the grim situation facing over 6½ million American workers: there are more people out of work looking for jobs today than there have been since the Bureau of Labor Statistics started the present series in 1949. The unemployment rate, 7.1 percent, is topped only by a slightly higher rate reached during the recession of 1957–58.

Unemployment has affected every worker group—the jobless rate for both heads of households and for full-time workers, the groups least likely to lose jobs, were the highest they have been since the statistics have been published. Unemployment rates for other groups are alarming: Teenagers, 18 percent; blacks, 12.8 percent; and women 7.2 percent.

Among occupational groups the unemployment rate for white-collar workers, 4.1 percent, was the highest for this group since these statistics were first recorded in 1958. The job market for manufacturing and construction workers reached 8.6 percent and 15 percent, respectively.

The bill I am introducing is an emergency measure which would be activated in geographic areas experiencing severe unemployment. This bill would impose a floor on State unemployment benefits by requiring that they be at least two-thirds of the worker's average weekly wages with a ceiling of $300 per week. It calls for the Federal Government to supply funds to fill the gap between the State benefit amount and an amount equal to two-thirds of the worker's average weekly wages. It would raise the ceiling on unemployment benefits, providing for a Federal rather than a State regulated maximum benefit level. Currently, benefit levels vary from State to State with each State settings its own standards for benefit eligibility and the level of payments.

Last year the average benefit check was $61 per week—this amount is clearly not adequate to sustain workers and their families, especially during long recessionary periods.

The administration has urged that all States raise maximum weekly benefits levels to two-thirds of the State average weekly wage. However, States accomplish this by increasing employers' payroll tax. I am advocating that the Federal Government assume, at least temporarily, the burden of this payment so that businesses will not be taxed further in this period of recession. This measure is an emergency program designed to alleviate quickly the financial problems of the unemployed and to reduce the staggering burden that increased claims for unemployment benefits have placed on State funds.

Approximately 1,000 members of District 65, Distributive Workers of America, assembled today on the Capitol steps to express their support for this legislation. They were addressed by Members of Congress from New York and New Jersey, including Senators Javits and Williams, and member of the New York House delegation, including myself. Mr. David Livingston, president of District 65, has set forth the union's position on the urgent need for congressional action in a letter to the editor of the New York Times. I am inserting in the Record at this point the text of Mr. Livingston's letter:

[From the New York Times, Jan. 29, 1975]

New York,
January 27, 1975.

To the Editor: Our system of priorities is upside down. We have an employment crisis and our leaders propose measures they claim will help everybody but the unemployed. The storm and fury is about a tax cut and energy. Little is said about the immediate needs of the people who hurt most.

Money must be put into their hands right away. The simplest way to do it is by new legislation to improve unemployment insurance. Benefits now run only .50 per cent of wages to a maximum of two-thirds of the average wage statewide. In New York State, the limit is $95 a week.

The present combination of mass unemployment and inflation makes these benefits totally inadequate. Congress should promptly provide funds to permit states to raise benefits to two-thirds of a week's wages and to lift the maximum, which penalizes those who have reached a decent wage.

And millions of Americans are not covered by unemployment insurance. There are many young people, especially in minority groups, who reached the labor market when jobs were simply unavailable. They never got into the unemployment insurance system. We believe that the system should be widened to bring everybody in and benefits extended until jobs are available for all.

Only someone who doesn't understand American workers would believe that these ideas will destroy the incentive to work. We want to work. We don't want to see our skills deteriorate. We want jobs, but until jobs are available, we want decent benefits so our kids won't go hungry.

On Wednesday, 1,000 of our unemployed will gather on the steps of the Capitol. We will put these proposals to our Government leaders and ask them to start turning the world right side up.

David Livingston,
President, District 85, Distributive Workers of America.

UNLAWFUL CAMPAIGN CONTRIBUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Danielson) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker and my colleagues, today I have introduced a bill to amend sections 610 and 611 of title 18, United States Code, the Criminal Code, to provide that every corporation, labor organization or Government contractor who makes an unlawful campaign contribution shall be fined in an amount equal to the amount of illegal contribution, in addition to any other fines or penalties that may be imposed.

Since the Watergate scandal first became known in its true dimensions, at least 18 corporations have pleaded guilty to one or more counts of violating our Federal laws against political campaign contributions by corporations or Government contractors. The glaring anomaly is this: While the unlawful contributions of those 18 corporations totaled $1,311,865, the total fines imposed total only $149,000, or only less than 12 percent of the total contributions involved. Moreover, those illegal contributions must be returned to the corporate donors by the recipients, leaving the illegal contributors with a net gain of $1,162,865.

The small fines imposed are not due to laxity on the part of the judges who imposed them. In all but two cases, the fine imposed for each count was $5,000, the maximum permitted by law.

The circumstances I have outlined demonstrate the corporations which make unlawful campaign contributions actually stand to gain by being caught. They get their contribution back, and are fined a maximum of $5,000.

For example, American Airlines pleaded guilty to making an unlawful contribution of $55,000 to the Committee To Re-Elect President Nixon. If the crime had gone undetected, American Airlines' net loss would have been $55,000, the amount of the contribution. But, instead, they were caught. As a consequence of being brought before the bar of justice, their $55,000 was returned to them, and they were fined $5,000. The net result was that American Airlines was $50,000 richer as a result of the criminal process. In addition, they probably received the favor and good will of the donees.

Mr. Speaker, there is no justification for a penal sanction which leaves the wrongdoer in a better position than where the law found him.

My bill provides that corporations and Government contractors which make unlawful campaign contributions shall, in effect, forfeit the amount of the contribution in the form of a fine, which would be in addition to any other fine imposed by law. If that had been the law during the recent spate of unlawful campaign contributions, American Airlines, for example, would have had to pay a mandatory fine of $55,000, the amount of the contribution, in addition to the maximum $5,000 fine now provided for by law, resulting in a net loss of $60,000.

We cannot seriously believe that the $5,000 fine which was imposed on the Gulf Oil Corp., with its vast assets, really hurt it in the least. It would be the equivalent of a person of ordinary means spending 15 cents on a cup of coffee.

It was recognized early in our history, when corporations first became giant financial powers, that they had no place in the political process. The first such law, prohibiting political contributions by banks and corporations was passed in 1907 in response to the same type of wrongdoing which we have observed so recently. At that time, the Congress was concerned about funds which had been donated to the Republican National Executive Committee by corporations to pay for the Presidential elections of 1900 and 1904. Of particular concern was one $48,000 contribution from the New York Life Insurance Co. channeled through J. P. Morgan & Co.

The 1907 act was later codified into the Corrupt Practices Act of 1925 and is now found in section 610 of title 18, United States Code. Unfortunately, the fine has not been increased during the 68 years that this law has been on the books.

Mr. Speaker, the great concept of our Government was articulated by Daniel Webster in 1830—

> The people's government, made for the people, made by the people, and answerable to the people.

Corporations have been held to be "persons" within the safeguards of the Constitution, but they are not "people," and that being the case, they have no business competing in the marketplace of ideas. Corporations are organized for the sole purpose of making a profit. At best, corporate actions can only reflect the ideas of their managers and directors as to how to make a profit. They already have one vote each, as well as the right to make campaign contributions individually. There can be no justification, and indeed it would be harmful to our society, to permit a small group of corporate directors and managers to magnify the impact of their personal ideas hundreds and perhaps thousands of times over, by illegally utilizing the vast corporate wealth which exists in this country—wealth which was amassed only by reason of the special privileges which are accorded to corporations by law.

Yes, corporate campaign contributions are illegal and have been so for the past 68 years. But the law cannot be a deterrent to criminal behavior by corporate management if corporations can violate the law with impunity. In the 18 instances arising out of the 1972 Presidential election, none of the offending corporations suffered a loss in excess of the amount of the contributions involved. All but one came out ahead.

The bill I am proposing would significantly increase the penalties, and the deterrent, to this sort of corporate criminality.

There follows a detailed listing of illegal campaign contributions which have come to light at this time and which were prosecuted to a successful conclusion by the Watergate Special Prosecutor.

SUMMARY OF ILLEGAL CAMPAIGN CONTRIBUTIONS BY CORPORATIONS

Defendant	18 U.S.C. violation(s)	Date of disposition	Amount of contribution	Amount of fine
American Airlines	Sec. 610	Oct. 17, 1973	$55,000	$5,000
American Shipbuilding Co.	Secs. 371 and 610.	Aug. 23, 1974	53,000	20,000
Ashland Oil Co.	Sec. 610	Dec. 3, 1974	169,365	25,000
Ashland Petroleum Gabon Inc.	Sec. 610	Nov. 13, 1973	100,000	5,000
Associated Milk Producers	Secs. 371 and 610.	Aug. 1, 1974	350,000	35,000
Braniff Airways	Sec. 610	Nov. 12, 1973	40,000	5,000
Carnation Co.	Sec. 610	Dec. 19, 1973	8,900	5,000
Diamond International Corp.	Sec. 610	Mar. 7, 1974	5,000	5,000
Greyhound Corp.	Sec. 610	Oct. 8, 1974	16,000	5,000
Goodyear Tire & Rubber Co.	Sec. 610	Oct. 17, 1974	40,000	5,000
Gulf Oil Corp.	Sec. 610	Nov. 13, 1973	125,000	5,000
L.B.C. & W. Inc.	Sec. 611	Sept. 1, 1974	10,000	5,000
Lehigh Valley Co-operative Farmers	Sec. 610	May 6, 1974	50,000	5,000
Minnesota Mining and Manufacturing Co.	Sec. 610	Oct. 17, 1973	30,000	3,000
National By-Products Inc.	Sec. 610	June 24, 1974	3,000	1,000
Northrop Corp.	Sec. 611	May 1, 1974	150,000	5,000
Phillips Petroleum Corp.	Sec. 610	Dec. 4, 1973	100,000	5,000
Time Oil Corp.	Sec. 610	Oct. 63, 1974	6,600	5,000
Total			1,311,865	149,000

Legend: 18 U.S.C. 610: Contributions by corporations or labor organizations. 18 U.S.C. 611: Contributions by U.S. Government contractors. 18 U.S.C. 371: Conspiracy to commit an offense against the United States.

KOREAN-PHILIPPINE PLEBISCITE— A HOPEFUL SIGN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 15 minutes.

Mr. LEGGETT. Mr. Speaker, I have long had a strong interest in the security and development of South Korea and the mutual interests and relations of our two countries. For some time I have been deeply concerned about the political situation in the Republic of Korea and its effect on the United States-South Korean relationship. In fact, I expressed that concern last November along with 16 other Members of Congress in a letter to President Ford, in which we asked him to use his influence with President Park during his visit to South Korea to reduce or end the political controls that President Park had felt it necessary to impose. To keep the situation in perspective, however, we should keep in mind that President Park did rescind two of the harshest of his emergency decrees last August in the wake of his wife's assassination.

I was quite interested to learn from the press last week that President Park had announced his intention to hold a national referendum on the acceptability of his rule. South Korean voters will be asked to decide whether they support or oppose the major policies of the President. He did not say when the referendum would be held, but it is expected to be in mid-February. President Park has also said that he would resign the Presidency if the vote is not favorable to him.

To me it is essential that we in the Congress look objectively at the facts and articulate our views in the hope that the Korean Government is listening outside as well as inside the country. I am frankly concerned about two aspects of the referendum. One is that it will take place under a law which prohibits political campaigning, in the form of public speeches, posters and press statements, for or against the referendum proposal. My own preference would be that the Government relax these controls in order that South Koreans could have a more open and public debate on the merits of the proposal.

My other concern involved the nature of the referendum itself. The major policy of the Park government is surely unremitting opposition to the ambitions of the North Korean regime to bring the entire peninsula under Communist rule. There would appear to be little doubt, either here or in South Korea, about the validity of that policy. The broader question, however, is whether a martial law constitution which denies its citizens civil liberties, including the right to campaign publicly on referendum issues, is needed to deal with the threat posed by the North Koreans. I am confident that South Korean voters will support by a wide margin the referendum proposal and the policy of opposing the monolithic, oppressive and threatening Kim Il Sung regime in the North. And I might say, parenthetically, that even the sternest critics of the South must admit that there is far more political freedom there than there is under Kim's National Political Security Bureau in North Korea. Nevertheless, while I believe President Park's referendum presents a vivid contrast with the North and will have some value as an expression of South Korean opinion, I also hope he will ultimately see fit to hold a referendum on whether his people want to continue the martial law constitution itself or to live under a greater measure of political freedom.

I would note, in addition, that President Park's is not the only presidential referendum coming up in East Asia in the near future. President Marcos of the Philippines has also asked his people to vote February 27 on the basic question of whether they approve of his rule under his present powers and whether they wish it to continue. President Marcos, too, has said that he would resign if the vote goes against him, and that he would dismantle his administration and establish a parliamentary government.

In sum, I believe that these two plebiscites represent attempts to move toward greater democratization in two States closely allied to the United States which have been heavily criticized for their undemocratic practices in recent years. I think we should encourage the South Koreans and Filipinos to conduct the fairest and most representative referendums that are possible under the political circumstances prevailing in each country.

At this point, I would like to include in the RECORD some recent articles in the press on developments in South Korea and the Philippines:

[From the New York Times, Jan. 23, 1975]

MARCOS PROMISES TO RESPECT VOTE—PLEDGES PARLIAMENTARY RULE IF HE LOSES PLEBISCITE

MANILA, January 22.—President Ferdinand E. Marcos said today that he would return the country to parliamentary government immediately if the Filipino people should vote "no" in the national plebiscite next month on his martial-law regime.

Mr. Marcos said, in an interview: "If they answer 'no,' we will immediately dismantle the present administration and move into a parliamentary form of government."

The referendum scheduled for Feb. 27 will be the third president Marcos has called since he proclaimed martial law in the Philippines on Sept. 21, 1972, dissolving Congress, closing most of the country's newspapers and ruling by decree.

The main referendum questions are whether the people approved of Mr. Marcos's rule under his present powers and whether it should continue.

Former Senator Lorenzo M. Tanada, 76 years old, told 100 people in a meeting at the Cosmopolitan Church here today that Mr. Marcos had no authority to conduct such a referendum. He called for a national boycott of the voting.

Mr. Tanada called also for an end of submissive attitudes, demanded a lifting of martial law and the return of basic freedoms and said he would not "collaborate on the forging of our chains."

LEADERSHIP CALLED KEY ISSUE

President Marcos said in the interview that the fundamental reason he had called the referendum was to ask people whether they had confidence in his leadership.

He spoke at length about the world economic crisis and major issues on which the Philippines must make decisions this year, such as recognition of China and the renegotiation of treaties with the United States. He cited these as additional reasons for holding the referendum.

Asked whether he did not feel it necessary to reconvene the Philippine Congress on an interim basis so that important foreign policy decisions could be ratified, Mr. Marco said: "I had hoped that I could." But, he said, the world economic crisis intervened.

The President did not outline the mechanism by which he would return to parliamentary government in the event of a "no" decision, saying rather that secret public opinion polls had indicated a strong endorsement of his policies in foreign affairs.

It was the first time Mr. Marcos had disclosed publicly that he had had such polls conducted. He described them as "quiet and secret" and said they indicated that public opinion was in favor of his going ahead.

On charges that Filipinos might be afraid to vote 'no,' Mr. Marco said: "I have issued an order that there shall be no one held for any statement against me that has any relation to the issues of the referendum."

[From the Washington Post, Jan. 22, 1975]

PARK ANNOUNCES NATIONAL VOTE TO GET POPULAR BACKING OF RULE

(By Don Oberdorfer)

SEOUL, January 22.—President Park Chung Hee announced today a national referendum within a few weeks to validate his rule in the face of growing opposition. He said he would resign from office if the vote goes against him.

Like a previous referendum which backed his rule a few months after his seizure of unchecked power, the forthcoming balloting evidently will be held under tightly controlled conditions. A little noticed law adopted by Cabinet decree nearly two years ago prohibits any expression of opinion by public, press or politicians about referendum issues, and bars political party members from acting as ballot box observers.

Opposition reaction was immediately negative, on grounds that the vote will be neither free nor fair under present conditions. The major opposition New Democratic Party scheduled a meeting to take an official stand. The splinter Democratic Unification Party denounced the plan, even before the official announcement, as a "sinister scheme" to extend Park's power.

The Korean Christian Student Federation, most of whose national officers are imprisoned for opposing Park's rule, demanded that political prisoners be released before a national vote, and called for revisions in the referendum rules.

Park announced no date for the vote in today's statements, broadcast live over all television networks. Press speculation centered on mid-February. A formal scheduling of the vote, which would bring into effect the restrictions on public comment, must come at least a week before the balloting.

Park won an overwhelming 91 per cent of the votes in the November 1972 referendum just a month after his overthrow of the old constitution and seizure of total power under martial law. All opposition was banned, but the government conducted an extensive enlightenment campaign favoring approval.

In todays 20-minute statement from the executive mansion, Park declared that the last two years have brought remarkable progress to South Korea despite severe trials at home and unremitting hostility by the Communist North. He said his martial law constitution should not be jettisoned so long as the threat from the North continues.

The nation would sink into chaos if his opponents should be successful in overthrowing his rule, he asserted. Nonetheless, he said he considers the balloting a confidence vote by the people and will resign if it goes against him.

The plan to hold a new national vote on his system of unlimited rule called "yushin" or "revitalizing reform" by the 57-year-old ex-general marks a new tactic in Park's effort to deal with his domestic opposition. While it appears unlikely to placate those who deeply oppose him, a referendum might shore up his mandate with the general public and the outside world—if the rules and procedures are seen as fair. If the vote is seen as grossly unfair or rigged, however, it may well create a new wave of disaffection and dissent.

Open opposition to Park's "yushin" rule erupted in student demonstrations in late 1973. Decrees banning dissidence followed, and more than 200 people were imprisoned under these "emergency measures" last year by closed courts-martial. The imprisonment of anti-government church leaders, including a Roman Catholic bishop and Protestant ministers, brought Korean Christians and foreign missionaries into the ranks of outspoken opponents to Park.

Park lifted the decrees in August, in the national uproar following the assassination attempt on his life—and the killing of his wife—by a Korean resident of Japan. Most of those imprisoned on antistate charges remain in jail, however.

The lifting of the emergency decrees permitted a greater degree of political expression, and opponents were quick to use it to propound their views. Late last year some 71 prominent intellectual, church and civic leaders founded a National Council for the Restoration of Democracy and called for repeal of the martial-law constitution and, in effect, termination of Park's rule.

In recent weeks Park's secret police and other state organs have been conducting a campaign to undercut the opposition. The Korean Central Intelligence Agency pressured commercial advertisers to withdraw support from Dong-a Ilbo, the countrys largest and most independent daily newspaper. While financially hurt by the move, the paper has stiffened its criticism of the government since the advertising boycott.

Police agents have also been arresting, interrogating and harrassing leading figures in the anti-Park Civic Council. Former Korea Bar Association chairman Lee Byong Rin, a prominent defense attorney for political prisoners, was arrested last week on adultery charges under highly unusual circumstances. Mrs. Kim Chong Rye, president of the Korea League of Women Voters, was arrested by secret police and is now serving a 10-day summary court sentence on misdemeanor charges.

Kim Chul, former president of the United Socialist Party, has gone into hiding for fear of arrest. Ham Suk Hun and Kim Jae Ho, both noted resistance leaders under the Japanese and famous persons in Korea, have been called for questioning by the Korean CIA. At least five other senior members of the Council to Restore Democracy, including an opposition party legislator, a Presbyterian minister and the general secretary of the National Council of Churches, are reported under heavy surveillance by secret police.

[From the Washington Post, Jan. 23, 1975]

KOREAS TURN FROM DÉTENTE TO HOSTILITY

(By Don Oberdorfer)

Seoul.—The leaders of the two halves of the bitterly divided Korean peninsula are talking less about detente these days, and more about military conflict.

U.S. sources here say there is no fundamental change in military alignment in North and South Korea, and no indication of any imminent conflict of serious proportions. Certainly there is no hint that the major sponsors of the two Koreas—the United States, China and the Soviet Union—are interested in a new round of hostilities. Nevertheless, it is a notable fact that the tone and substance of rhetoric on both sides of the demilitarized zone have turned colder in recent days.

President Park Chung Hee of South Korea has been emphasizing the danger of war in recent public declarations, appealing for national unity and arguing that domestic opposition and "Western-style democracy" are unsuitable for this country today.

In his annual New Year's press conference Jan. 14, Park maintained that a North Korean airbase and other new military facilities "intended for use against the South" have recently been constructed. Aircraft operating from nearby Northern bases can reach Seoul within two or three minutes, and newly augmented North Korean artillery across the Imjin River is within easy range of the South Korean capital, he maintained.

"Amphibious equipment and gear for surprise attacks have been moved close to the banks of the Imjin River, and the Communists are now waiting to seize the chance to put this equipment to use," Park declared. He said there is "ample possibility" the North may launch a military invasion during 1975, the 30th anniversary of the Soviet occupation of North Korea. Between then and 1948, when the current North Korean government was installed, the 38th Parallel separating the two Koreas was treated by the Soviets as virtually an international boundary.

The North Korean Workers' Party organ, Rodong Sinmun, called Park's talk of a military threat a "whole string of balderdash" and claimed that South Korea has "ceaselessly perpetrated military provocations" along the DMZ and in nearby waters.

On Jan. 16, Pyongyang's Korean Central News Agency published the text of a speech by North Korean President Kim I. Sung early this month containing more references to military preparations than at any time in the recent past.

According to the agency's text, Kim declared that "The enemy is steadily intensifying his aggressive maneuvers against the northern half of the republic and watching for a chance of invasion. There is no knowing when a war may break out again in our country owing to the aggressive moves of the U.S. imperialists and their lackeys. We, therefore, must make thorough-going war preparations to beat back [any] surprice attack of the enemy."

In the speech, at a Pyongyang meeting of a national agricultural congress, Kim appealed to the farmers to boost grain production to 8 million tons this year to create a 1 million-ton reserve to "be able to fight any enemy and win." He called for thorough preparations to carry on agricultural production even under wartime conditions.

The mood of detente in the Korean peninsula has declined steadily since the two sides agreed to direct talks in a July 4, 1972, joint communique that surprised the world. Both political-level and Red Cross humanitarian talks have bogged down in recent months, and have been downgraded to exchanges by second-level figures. Last week, after a 2½-year hiatus, North Korea resumed propaganda attacks against Seoul through loudspeakers strung along the DMZ.

President Park made us of the detente to impose a new constitution under martial law in late 1972, arguing that it was necessary for peaceful competition with the North. As detente evaporated, he reverted to an earlier pattern of citing "threats from the North" as justification for internal political crackdowns.

Some U.S. experts believe that President Kim has more internal opposition in the North than meets the eye. In this view the "threat from the South" and the promise of victorious unification are useful to him, as their mirror image is to his counterpart in the South.

The need to keep Northern military hopes alive might explain the celebrated tunnel from the North into the southern part of the Demilitarized Zone, announced with a flourish in Seoul just before the November visit of President Ford. The four-foot-high, three-foot wide tunnel—and about a dozen others believed to exist elsewhere under the DMZ—are considered by U.S. authorities to be of dubious military value. In one view, their greatest value is as a display of determination for military activists in the North.

Informed sources say the U.S. military command—and presumably their South Korean allies—had been aware since November 1973 that tunnels were being dug somewhere under the DMZ. The North Koreans are said to have done much of the digging with small explosive charges easily picked up by sensitive electronic gear. One senior U.S. general reportedly vowed to wait with a bludgeon for North Koreans emerging from any tunnels—to bop each man on the head as he came out.

[From the New York Times, Jan. 23, 1975]

CHARTER VOTE DUE FOR SOUTH KOREA—PARK SAYS HE WILL RESIGN IF RESULT IS NEGATIVE

Seoul, South Korea, January 22.—President Park Chung Hee announced today that he would soon hold a national referendum to determine if the Constitution should be retained or abolished. If it is rejected, he said, he will promptly resign.

In a 20-minute speech delivered from his official mansion, the 58-year-old President said the voters should choose chaos or stability, national security or threats of military attack from the North. With a similar theme in 1969 he won a referendum paving the way for his third presidential term.

His announcement did not say when the voting would take place. Under the law it should be held within 60 days after a 20-day public notice period, which began today. It will be the fourth national referendum since 1961, when the retired general assumed civilian power.

The present basic law was confirmed in a referendum in 1972. Although approved by 91 per cent of the vote, it came under heavy fire as soon as emergency decrees forbidding criticism of it were lifted last summer.

On the ground that it gives Mr. Park a lifetime presidency plus vast emergency powers, including the right to convene military courts, the opposition, students and liberal Christians have demanded its abolition and Mr. Park's retirement. About 160 people are in jail for having criticized the charter and the Government.

Answering his critics, Mr. Park said: "It is my conviction that the Constitution should not be amended until Communist threats have vanished. There is no precedent, either in the West or in the East, in which a country was able to overcome its trials without self-restraint and the unity of its people."

The opposition has charged that Mr. Park is using supposed threats from the North to stifle civil rights and prolong dictatorship.

"This is another coup d'etat," said Kim Young Sam, president of the New Democratic party, the largest opposition group.

Kim Dae Jung, President Park's rival in the 1971 election, feared that the voting would not be sufficiently fair to reflect opinion truly. If the voting ends in justifying the Government, he warned, a series of what he termed fearful repressions will follow.

Much criticism of the projected vote centers on the laws controlling it, which stipulate a prison term of up to five years for anyone speaking or writing against its proposals.

EMERGENCY HOUSING HEARINGS

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BARRETT. Mr. Speaker, on Thursday, February 6, the Subcommittee on Housing and Community Development of the Committee on Banking, Currency, and Housing will begin hearings on a number of emergency housing proposals to deal with the depression that the housing industry finds itself in today. We expect to continue these hearings immediately after the Lincoln recess and immediately markup a bill and have it ready for the full committee by early March.

The administration has not to date offered any proposals which seek to stimulate the demand for housing, spur new construction, or offer assistance to homeowners who find themselves, through no fault of their own, unemployed and unable to meet their mortgage payments.

The Subcommittee on Housing and Community Development already has a number of proposals pending before it, including the bill H.R. 29, the Emergency Middle Income Housing Act of 1975, introduced by the distinguished chairman of the Committee on Banking, Currency, and Housing, the gentleman from Wisconsin (Mr. Reuss), and H.R. 34, the Emergency Homeowners' Relief Act, introduced by the gentleman from Ohio (Mr. Ashley).

We will hear testimony on Chairman Reuss' bill and Mr. Ashley's bill, as well as any proposals that interest groups might have to assist the housing industry.

Anyone interested in testifying should contact the staff of the Subcommittee on Housing and Community Development, room 2129, Rayburn House Office Building, phone number 225-7054.

PEOPLE ARE A NECESSARY INGREDIENT WHEN CONSIDERING ECONOMIES AND EFFICIENCY

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARRETT. Mr. Speaker, yesterday I inserted a series of articles into the RECORD which recently appeared in the Philadelphia Daily News dealing with the proposed transfer of functions from Frankford Arsenal in Philadelphia to the Rock Island Arsenal in Illinois. These articles, written by Mr. Levins told of some of the outstanding accomplishments at the Frankford Arsenal over its long history. They also relate the problems which would be faced by the many people who would be affected by this transfer of function.

The last of those articles appeared in Tuesday's issue of the Daily News and is also worthy of reading by the Members of this body. While the Military Establishment may be concerned with efficiency of operation and economies, it seems apparent, to me at least, that the military are too little concerned with the effect that the contemplated move will have upon people who are a most necessary ingredient when considering economies and efficiency.

I insert this article at this point in the RECORD:

[From the Philadelphia Daily News, Jan. 28, 1975]

ROCK ISLAND "TAKES A LOT OF GETTING USED TO"

(By Hoag Levins)

ROCK ISLAND, ILL.—"If you like hog-wallowing and corn-shucking, this is a real fine place to be," said Howard G. Stevenson with a sour grin and a wave of his hand toward the window.

Outside, past a cluster of other Army buildings, the ice-clogged Mississippi River runs past this narrow island arsenal on both sides.

Beyond the river lies the rural, midwestern community where Stevenson has lived with his family since 1973, when the Army Munitions Command moved from the Picatinny, N.J., Arsenal.

Army officials have announced that when Philadelphia's Frankford Arsenal closes in 1977 or before, they intend to offer similar Rock Island transfers to hundreds of Philadelphia workers.

"It's very provincial here and it takes a lot of getting used to," he said. Stevenson, 56, and his family plan to move back to the East Coast when he retires.

"It's not a total wasteland. The local schools are nice for the children, but you don't find the degree of variety of entertainment or shopping facilities that you find back East. There is an altogether different pulse to life here," said Stevenson, assistant information officer.

To get a better feel for that pulse, a visiting Philadelphian took an early-evening walking tour of downtown Rock Island. Along the few blocks that comprise the main shopping district, the storefronts were locked and darkened by nightfall.

At 2d ave. and E. 17th st.—the town's main intersection—8:30 P.M. arrived and found neither traffic nor people in sight. The only sounds were the clicks made by the corner "Don't Walk" signs which flashed down the deserted, snow-dusted streets.

"We got a quiet place here," said a lone passerby when asked where everybody was.

"Quiet" seems to sum up the overall atmosphere of this community hugging the east bank of the Mississippi, which cuts a border between Illinois and Iowa.

What transferred Frankford Arsenal workers will find in this part of the country is a way of life vastly different from what they know in metropolitan Philadelphia.

Whether that difference is good or bad depends on one's point of view.

Said Warren Hobson, director of the Rock Island Chamber of Commerce:

"There are two ways to look at it. One of them would be dull, I suppose, but the other would be peaceful. You can get to know your neighbors in a town like this. You can get a chance to relax."

As he talked, Hobson stopped his afternoon tour along 2d ave. and proudly pointed out the newest—and tallest—building in town. The office complex pushed upward nine stories toward the overcast sky about to blanket the region in snow again.

During the winter, Rock Island averages about 30 inches of snow. In January, the U.S. Weather Service reports the average daily high here is 31.6 degrees.

"Hell, this is a warm spell now," said a taxi driver who enjoyed chiding shivering out-of-towners. Laughing, he noted that it was 10 A.M. and the temperature already was up to 18 degrees.

"Around the river with the winds and all, we get chill factors in the minus 10 and 20 pretty regularly," he said.

"The River," always called that by local residents, is the area's most prominent geographical feature. In all directions from Rock Island spread the vast flatlands that are the famed farming "Bread Basket" of America.

Rock Island City is one of 10 villages loosely merged to form an overall community of about 360,000 people. Called the Quad Cities area, each of the 10 communities continues to maintain its separate small-town identity.

"Religious activity is a big part of life around here," said one Rock Islander of the area's 251 churches reflecting 28 faiths. There are, for example, 27 Roman Catholic churches, 43 Baptist, 2 Four Square Gospel churches and 2 synagogues.

Religious belief is reflected in the schools as well. Of the Quad Cities' 127 elementary, and junior and senior high schools, 21 are parochial or private. The largest four-year college in the area is a Lutheran liberal arts school, Augustana, with 2,200 students, in Rock Island.

An important consideration to anyone moving into the area is the quality of health care. In the Quad Cities area there are 131 dentists, 63 physicians, 40 surgeons, 158 specialists, and eight general hospitals with 2,000 beds, in addition to the Army's fully equipped hospital at the arsenal.

Social life also is important, and the church plays an important role. "You have people here who don't have a lot of other social things to get involved in," said a resident, "so they gravitate toward their churches. We've always got pot luck dinners or something going."

The river is the region's recreation center. Marinas line its banks. In the summer, boaters anchor at sandbars in the middle of the river to picnic, drink, fish. However, they don't often eat the fish they catch, or swim much in the water—it's dirty.

Longtime Rock Island residents are sensitive about their stereotypes as "just farmers."

"We're not that much in the backwoods here," said Police Chief Charles Myers. "We have a few topless bars around here. We don't bother them."

"What we don't have is the hustle and bustle of the big city. You don't have a lot of the frustrations of traffic jams. A parking ticket costs you $1 in town—unless you block up a snow route. Then we hit you for $5. It's peaceful here and if you want the big city, well you can jump in the car and run over to Chicago or St. Louis."

Chicago, the nearest major metropolitan area, is 180 miles away. St. Louis is 200.

In downtown Rock Island, there are two movie houses. This week, the Capri Theater is featuring the X-rated "Turkish Delight." The Fort theater shows only XXX-rated films.

There are five major museums around Rock Island. They include the Browning Museum within the Rock Island Arsenal, spotlighting famous guns of the world and the display in the administration building of the John Deere Co. which makes tractors. The Deere display is a review of the history of agriculture.

Said Marshall Hood, a 24-year-old news reporter who recently moved here from Drake University in Iowa's capital of Des Moines:

"It's like a culture shock when you get here. You have people who are mostly factory workers or farmers here. In the summer, they go out on the river, or watch football on TV, or they drink in the neighborhood taps which are big here. That's it."

The two major employers are strongly farm- and factory oriented. One is the Rock Island Arsenal, which employs about 8,000. The other is the farm-equipment industries which employ almost everybody else.

Within a few miles of the arsenal are the factories of Deere, International Harvester, J. I. Case Co., and the Caterpillar Tractor Co. The combined output of these industries makes this region the world's leading producer of heavy farm machinery.

"That has its advantages and disadvantages," explained Lynn Ash, executive editor of Rock Island's Argus newspaper. "Right now we have one of the lowest unemployment rates in the country . . . it's up around 3.6 percent. But all our eggs are in that one basket. If the bottom ever falls out of the farm equipment industry, this area will be destroyed overnight. There's nothing else here."

POSTAL REORGANIZATION ACT AMENDMENTS OF 1975

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HANLEY. Mr. Speaker, today I introduced a bill entitled "Postal Reorganization Act Amendments of 1975." The bill is similar to H.R. 15511 which I introduced last year on which extensive hearings were held by the Postal Service Subcommittee during the final months of the 93d Congress. However, I have made several changes and additions to the bill.

The major thrust of the new legislation is, as it was in H.R. 15511, to provide for authorization of up to 20 percent of the Postal Service's operating budget as an appropriation for the public service aspects of the Postal Service's functions. This appropriation would be in lieu of the current public service appropriation of 10 percent of the 1971 operating budget. This latter appropriation is scheduled to be gradually reduced until it reaches 5 percent in 1984, a virtually insignificant figure. The authorization for an increased public service appropriation would not affect the current permanent authorization for revenue foregone appropriations.

Most of the testimony during our hearings last year supported the concept of increased appropriations, but we received less than universal endorsement of the annual authorization feature of H.R. 15511. The principal fear on the part of the Postal Service and several major mail users is that annual authorizations would leave the Postal Service revenue needs in sufficient doubt so as to inject unacceptable uncertainty into the ratemaking process. Alternatives suggested include permanent authorization, authorizations for periods of more than 1 year, and permanent authorization for specific public service oriented functions such as delivery service.

I am, at this point, skeptical about any further permanent authorization for Postal Service appropriations. The Postal Reorganization Act of 1970 gave the Postal Service virtually unlimited authority to spend the revenue generated through the sale of stamps, reimbursements for penalty and franked mail, and fees for special services. It also gave permanent authorizations for funds appropriated by Congress. These provisions in effect removed Congress from any meaningful control over Postal Service expenditures.

One purpose of this segment of the legislation, other than the obvious one of providing an additional infusion of capital into the Postal Service to help keep both service and rates at a reasonable level, was to give Congress—through its Post Office and Civil Service Committee—greater leverage when dealing with the difficult questions of postal finance. To permanently authorize additional appropriations would not achieve this goal—even if such authorizations were tied to specific expenditures.

I, therefore, remain committed to a periodic authorization for the purposes of this legislation. However, I agree that annual authorizations could unnecessarily hinder planning and projections, particularly in connection with requests for postal rate adjustments. Therefore, I have included in this bill a provision for biennial authorization of public service appropriations.

As for the necessity for an increased appropriation, I remain convinced that the unique public service provided by the Postal Service benefits all citizens, whether or not they use the mail. Therefore, I think that part of the costs of the Postal Service should be paid out of the General Treasury. As I said last year upon introduction of H.R. 15511:

> While alternate means of communication have partially replaced the social and economic functions of the mail, the Postal Service is still the most extensive communication network in the country today.
>
> Throughout the history of our Nation, both the general public and the business community have come to rely on the mail as the means of communication that is most accessible physically and financially, and one that provides efficient service at reasonable costs. Our commerce and industry, our intellectual life and most of our social life would obviously be adversely affected without the mail.
>
> It is unwise to assume that we can continue to believe in the "breakeven" concept that we mandated in the Postal Reorganization Act of 1970. If we continue to follow a hard line on the breakeven concept, postage rates will continue to skyrocket and "noneconomic" but important postal services could become a thing of the past.
>
> Spiraling postal rates have indicated to us that we cannot have efficient postal service at reasonable cost to the user unless we provide funds to the Postal Service to defray its public service costs. I am, therefore, proposing that as reimbursement to the Postal Service for costs incurred by it in providing a maximum degree of effective and consistent postal service nationwide, we provide the means for substantial continuing subsidies. This authorization for each fiscal year would be for an amount up to 20 percent of the total operating expenses of the Postal Service for the immediately preceding fiscal year.

During our hearings and the hearings held by the Investigations Subcommittee of the Post Office and Civil Service Committee, serious questions were raised about the structure and responsiveness of the Postal Service Board of Governors. The feeling is that the Board is too narrowly based and does not fully understand the public service function of the Postal Service.

I feel that we need to reconstitute the Board to encourage broader representation and to reflect the responsibility of Congress to provide adequate mail service. Therefore, I have included in this bill a provision which would abolish the Board as presently constituted and replace it with a Board of nine members, three each appointed by the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate. As with other sections of the bill, I offer this as a proposal for discussion, a proposal which can be subject to change. I hope that, as a minimum, this provision will encourage a meaningful discussion of the role of the Board of Governors.

Another area addressed in this bill is the operations and procedures of the Postal Rate Commission. During the past 2 years, much concern has been expressed about the Commission including the length and complexity of its proceedings, the quality of the Commissioners and staff members, and the cost of full participation by mail users in the ratemaking process. A fundamental, and often unstated, question is whether or not the complicated hearing procedures required by sections 556 and 557 of title 5, United States Code, are really necessary for the setting of postal rates.

After some study of the matter, including informal review of the procedures of other regulatory commissions, I have come to the conclusion that if we are to follow the requirements of sections 556 and 557, long and costly hearings are inevitable. My first approach, included in H.R. 15511, was to grant the Rate Commission complete independence from the Postal Service and make the decisions of the Commission final, thus eliminating the limited review and modification powers of the Board of Governors. At least if long and costly hearings had to be endured, participants could be assured that the results of their work could not be overturned by the Board of Governors, regardless of how remote that possibility might be.

This proposal was viewed with a great deal of skepticism by many witnesses and Members. The skepticism, I believe, stemmed primarily from some questions about the quality of the Commission's work, the qualification of the Commissioners, and the depth of the Commission's knowledge about the operations of the Postal Service.

I have not yet totally abandoned this approach. However, the new legislation contains new language which would keep the Board of Governors' limited powers to accept, reject, or modify a Rate Commission decision. However, the bill removes the requirement that adjudicatory-type hearings be held on rate and classification matters. Instead, the Commission will be required to hold public legislative-type hearings where all parties will be given an opportunity to testify, but where the more complicated facets of adjudicatory hearings such as cross examination and rebuttal would not be required. The Commission would retain the option of holding some proceedings under sections 556 and 557 if circumstances warranted.

The new bill also includes new provisions which give the Rate Commission clearer authority to investigate and study the Postal Service, and which give the Commission the power to represent itself in court cases. Retained are the provisions in H.R. 15511 which required Senate confirmation of Postal Rate Commissioners, provide for the election of a Vice Chairman and an independent budget for the Commission.

In regard to temporary rates, this bill, as did H.R. 15511, double the time required before the Postal Service can institute temporary rates and provides that temporary rates cannot exceed 10 percent of the permanent rate in effect. The bill would also give new authority to the Postal Rate Commission to issue recommended decisions on fees charged by the Postal Service for special services.

Other provisions of the bill include:

Amendments to the Private Express Statutes: These amendments are designed to place into law traditional exclusions from the statutes governing the Postal Service monopoly. The amendments are designed neither to expand nor restrict the current monopoly, but to assure that significant changes in the application of the statutes would be made by changing the law rather than regulations.

H.R. 15511 provided that any change in regulations under the Private Express Statutes be preceded by full adjudicatory hearings under the Administrative Procedures Act. In retrospect, such a procedure seems unduly complicated and, according to a report from the Administrative Conference of the United States undesirable for the type of policy question involved in these particular regulations.

Therefore, in this bill I have instead provided for the same type of less formal hearing process which has been suggested for the Postal Rate Commission.

Application of the Administrative Procedures Act to the Postal Service.

Addition of "the educational, cultural, scientific, and informational value" of mail to the list of criteria for the setting of postal rates.

A requirement that the Postal Service make payments to local governments in lieu of real estate taxes for property bought but unused by the Postal Service for more than a year. On occasion, the Postal Service, which as a Federal agency does not pay local taxes, will buy a piece of property in a city but not use it for a considerable period of time. Thus, a city is losing significant tax revenues while at the same time not enjoying the benefits of a postal facility. This provision is designed to protect a locality from unreasonable loss of revenue as well as to encourage the Postal Service either to use or dispose of unneeded real estate in a reasonable length of time.

Require that when the Postal Service cancels a star route contract for reasons other than failure to fulfill the terms of the contract it will pay an indemnity equal to one quarter the annualized rate of the contract. Current practice is to pay one-twelfth the annualized rate, which star route contractors claim is virtually confiscatory.

Provide star route contractors an avenue of appeal within the Postal Service. Representatives of star route contractors testified that current contracts severely limit the jurisdiction of the Board of Contract Appeals, particularly with respect to applications for cost adjustments.

Require that the Postal Service give a 45-day notice in the Federal Register of intent to file a rate or classification request.

Give the Postal Rate Commission unquestioned right to conduct inquiries into the operations of the Postal Service.

Give jurisdiction to the Postal Rate Commission over fees charged by the Postal Service for special services such as special delivery, express mail, registered and certified mail.

The Subcommittee on Postal Service will hold hearings on this bill soon after the February recess. I invite the comments and suggestions of my colleagues.

PRESIDENT'S PROPOSED CUTS IN SPENDING FOR HEALTH AND EDUCATION MUST BE REJECTED BY THE CONGRESS

(Mr. DRINAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DRINAN. Mr. Speaker, 1 week ago, on January 23, 1975, I addressed the House on the administration's impoundment of medical research funds in violation of the Budget and Impoundment Control Act of 1974. I chronicled in my statement—page H279—the facts of the case including the enactment of the Labor-HEW appropriation on December 7, 1974, the requirement under the Antideficiency Act that such funds be apportioned by January 6, 1975, and the report to Congress by the Comptroller General on January 10, 1975, stating that such apportionments were not taking place as required.

On January 27, 1975, I wrote to Mr. Leland May, Acting Director of the Division of Financial Management of the National Institutes of Health and to Mr. William M. Nichols, Acting General Counsel of OMB, to express my deep concern over this situation and seek a justification for the administration's illegal action. Copies of these letters follow:

WASHINGTON, D.C.,
January 27, 1975.

Mr. LELAND MAY,
Acting Director, Division of Financial Management, National Institutes of Health, Bethesda, Md.

DEAR MR. MAY: I attach herewith a statement which I made in the Congressional Record on January 23, 1975.

You will note that I have mentioned the conversation which we had on the telephone with respect to the OMB giving orders to the NIH to delete $351,000,000 from the budget of NIH.

Needless to say, I expect to follow up this matter very closely.

I have talked with lawyers at OMB concerning their position that they have the right to diminish spending by the amount of the proposed rescission even before apparently the proposed rescission has been sent to the Congress.

It is my understanding that when the proposed rescissions in the amount of $351,000,000 are sent to Congress, you will already have reduced the level of spending at NIH to a point where the $351,000,000 is not allocated at all.

I would appreciate any further information which you might have on this matter.

I would also be in your debt if you would send to me any and all information about this matter in the weeks to come.

As I think I indicated to you on the telephone, the medical research community in the greater Boston area is very important to the scientific world. I represent a significant number of these people who live in my congressional district.

With every best wish, I am,

Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

WASHINGTON, D.C.,
January 27, 1975.

Mr. WILLIAM M. NICHOLS,
Acting General Counsel, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. NICHOLS: I attach herewith a statement which I made concerning the proposed rescission in the amount of $351,000,000 in the budget of the National Institutes of Health.

I represent a large number of individuals who are engaged in basic medical research in the universities and hospitals in Boston. As a result, I have a direct personal and congressional involvement in this matter.

It may be that you would want to point out any differences of fact or interpretation as you see the important issues treated in the attached statement.

I expect in the immediate future to send a letter to all the Members of the House of Representatives asking them to join me in deploring the incredible proposed slash of $351,000,000 from medical research.

Even if, however, the House refuses to accede to these rescissions, enormous damage will nonetheless be done by the position taken by OMB that it has the right to impound $351,000,000 before and during the period of forty-five days in which the Congress may act on this matter. Actually, the forty-five days amount to fifty-seven calendar days. As a result, OMB, as I understand the facts, will have ordered the impoundment of $351,000,000 of authorized and appropriated money for medical research for at least one hundred days.

Your comments would be most welcome.

Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

I also wrote on January 27 to Chairman GEORGE H. MAHON, of the House Committee on Appropriations, to bring this matter to his attention and urge prompt action by the committee on any forthcoming rescissions in this area. Chairman MAHON graciously responded to my letter on January 28 and promised to pay close attention to proposed rescissions from the budget of NIH. Copies of my exchange of correspondence with Chairman MAHON are as follows:

WASHINGTON, D.C.,
January 27, 1975.

Congressman GEORGE MAHON,
Chairman, Appropriations Committee,
House of Representatives,
Washington, D.C.

DEAR CHAIRMAN MAHON: I attach herewith a copy of a statement which I made in the Congressional Record on January 23, 1975 with regard to the proposed rescissions amounting to $351,000,000 as proposed by the OMB.

I attach also a copy of my statement to the General Counsel of OMB.

I have been very closely in touch with officials at the NIH as well as the OMB.

I would appreciate as a personal kindness your close attention to this matter. The issues involved in the proposed rescissions are of supreme importance to me since I represent a large group of individuals in greater Boston who are involved in major medical research in the prestigious hospitals and universities of Boston. They are deeply disturbed at the proposed slash of $351,000,000 in basic medical research.

It is my understanding from NIH and OMB that the proposed rescissions will be sent to the Committee on Appropriations around February 1st.

May I ask that when the rescissions and the required message from the President come to you that a copy be delivered to my office at once.

I will want to make this document available to the Dean of the Harvard Medical School and to the highest officials of the Massachusetts General Hospital.

I will appreciate your personal attention to this matter since, to repeat, it is of supreme importance to me to be able to do everything to prevent the rescission of the $351,000,000 in medical research grants.

One last point: if the Appropriations Committee expects to take no action on the proposed rescissions of $351,000,000, is it possible under the Impoundment Act of 1974 for the Committee to make known its intention long before the full forty-five days have expired? If similar action could be obtained from the relevant Committee of the Senate, appropriate action could be taken to compel the NIH to return to that level of funding which has been mandated by the Congress and signed by the President.

I send to you my gratitude for the attention which I know you will pay to the above request.

Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

WASHINGTON, D.C.
January 28, 1975.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR BOB: I have your letter of January 27 concerning the proposed rescissions of funds from the National Institute of Health. I appreciate your writing me about this and the careful and thorough way you have explored these problems.

As soon as we receive copies of the proposed rescissions, I will make sure that you get one. I will also give this my close personal attention.

There are some difficulties and unresolved problems in regard to these rescissions and to the Impoundment Control Act of 1974; however, we are certainly going to try to resolve these problems in such a way as to insure that the mandates of the Congress are carried out.

Sincerely,

GEORGE H. MAHON,
Chairman.

Today, after 24 days of illegal impoundment of funds for medical research and other vital domestic programs, the President finally conformed to the statutory requirements of the Impoundment Control Act by submitting a special message to Congress proposing 40 rescissions and 26 deferrals of existing budgetary authority. The President has asked for drastic cuts in numerous programs which serve to educate our citizens and safeguard the public health. The President's proposals strike directly against our most vital priority—the health and welfare of the American people. Some of the most incredible of the funding slashes proposed by the President today are as follows:

1. A reduction of $102.5 million in federal grants to states for the education of the handicapped during the next two years. This constitutes 50% of all such aid and denies funding to an additional 2,200 projects serving 200,000 new students.

2. A cut of $350 million in the various programs of the National Institutes of Health. This includes a slash of $123 million in the programs of the National Cancer Institute to find a cure to that tragic disease. If funds intended for new programs which are being channelled to pay for recent federal pay increases are taken into account, the total reduction in funding for NIH proposed by President Ford amounts to $385 million or 19% of the total NIH budget for fiscal 1975.

3. A reduction of $29.7 million in federal grants to states for maternal and child health. Under this proposal, 38 states would receive less for these vital programs than they did in 1974.

4. A cut of $107.8 million for programs of the Alcohol, Drug Abuse, and Mental Health Administration incuding more than 20% of the funds earmarked for mental health programs and more than 30% of the funds appropriated for alcoholism research and treatment programs.

5. A reduction of $28.3 million in funding for the Health Resources Administration including the elimination of 1,000 National Health Service Scholarships and loans to 4,800 nursing students.

6. The elimination of all funding [$284.7 million] for new medical facilities construction in 1975 and 1976.

7. A cut of $35.9 million in programs for elementary and secondary education along with a cut of $58.3 million in higher education programs.

8. A reduction of $39.7 million in funding for Occupational, Vocational, and Adult Education programs including the elimination of $4.2 million for adult education programs which would support an additional estimated 340,000 persons.

9. A cut of $42.4 million in the Office of Human Development's programs for the Elderly including 25% of the entire nutrition budget which could provide an additional 40,000 to 50,000 meals daily.

10. The elimination of all funding [$12 million] for the Community Service Employment for Older Americans programs which would provide useful, part-time jobs for 2,970 elderly Americans.

As I mentioned earlier, the above list represents only a portion of shocking and unbelievable proposals submitted to the Congress by the President today. At a time when national unemployment is greater than 7 percent, the President proposes to cut back on social services and throw those individuals involved in these necessary programs out of work. If approved by the Congress, these rescissions would strike particularly hard at the State of Massachusetts and my Fourth Congressional District which contain many of the Nation's top health research facilities and a large number of health researchers.

I strongly urge my colleagues on the Appropriations Committee to consider the President's proposals as expeditiously as possible so that Congress can act to restore these vital domestic programs to the level of funding mandated in the Labor-HEW appropriations bill passed overwhelmingly by both Houses of Congress on November 26, 1974, and signed into law by President Ford last December 7. Unfortunately under the Impoundment Control Act enacted in 1974, the administration appears to be able to impound funds affected by the rescissions proposed today for a minimum of 45 days. The 26 proposed deferrals become effective immediately and will remain in effect until either House of Congress passes a resolution of disapproval. Moreover, as demonstrated by the events of the past few weeks, the administration seems capable of ignoring the provisions of the Impoundment Control Act by impounding appropriated funds in the mere expectation that a rescission or deferral proposal is forthcoming. This, in effect, extends the length of time that the administration can impound without regard to congressional action from 45 days to an indeterminate period.

It is apparent from its first few months of operation that the Impoundment Control Act has failed to meet the crucial objective it was designed to fulfill. Under this "landmark legislation," all impoundments by the Executive were presumably made subject to the will of Congress. We have learned, however, that by utilizing all of the "grace periods" recognized by the bill, by evading the provisions of the bill to obtain additional time, and by juggling the terms "deferral" and "rescission" so as to hold Congress at bay for as long as possible, the Executive is able to impound vast amounts of appropriated funds for months and months at a time, without regard to the wishes of a majority of the Congress.

I believe that an extensive reexamination of the Impoundment Control Act is necessary in light of the experiences of the past few months. Procedures must be restructured so that Congress knows of a proposed impoundment and is able to reject it before the flow of funds to Federal, State, and local agencies is shut off. Sanctions must be included in the act so that the Office of Management and Budget is no longer capable of flaunting its provisions and impounding on its own. Members of Congress must be better informed of all actions and proposed actions taken with regard to impoundment so that they can exert pressure on the executive and legislative branches to act in the interests of their constituents. These and other reforms of this act should be among the top priorities of the 94th Congress.

It is not, however, necessary to await a thorough study of the Impoundment Control Act before acting to remedy its most glaring deficiencies. Most important, in my mind, is the power of the Executive under the present act to withhold funds from obligation pending the consideration of a proposed rescission by the Congress. Although experts differ somewhat in interpreting the Impoundment Control Act, they nearly all agree that the Executive can impound with impunity "for 45 days of continuous session of the Congress after the date on which the President's—rescission—message is received by the Congress." If Congress recesses for more than 3 days during the 45-day period, the impoundment can go on for a longer time. Even if Congress rejects a proposed rescission bill during the 45-day period, the obligation of funds is not required until the end of the 45-day period. This directly contradicts the intent of Congress to permit impoundments through rescission only if Congress acts affirmatively to approve such a proposal.

Today I have introduced legislation to amend the Impoundment Control Act to require the obligation of funds affected by a proposed rescission unless and until Congress completes action on a rescission bill. If this amendment were incorporated into the act today, the programs mentioned in the President's rescission messages would continue to be funded at the level of the appropriations bill which is now law. Moneys would be withheld only after Congress had explicitly approved such withholdings by majority vote. Instead, under the act as it currently stands, spending for these programs will be reduced to the levels proposed by the President for at least an additional 45 days. While I am confident that a majority of the House will not approve the President's requests for sharp reductions in spending for health and education, fiscal 1975 may be over before funds to be obligated during the fiscal year are finally released. I urge prompt consideration of my proposed amendment to the Impoundment Control Act and hope that my colleagues will join with me in this continuing struggle to restore constitutional control of the budgetary process to Congress. I insert in the RECORD the text of this legislation for the consideration of my colleagues:

H.R. 2434

A bill to amend the Impoundment Control Act of 1974 to provide that no rescission of budget authority proposed by the President shall take effect unless and until the Congress has passed a bill incorporting such rescission

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1012(a) of the Impoundment Control Act of 1974 is amended by striking out "the President shall transmit" in the matter preceding paragraph (1) and inserting in lieu thereof "the President (before actually effecting such rescission or reservation) shall transmit".

(b) Section 1012 of such Act is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) Rescission Ineffective Prior to Congressional Action.—No rescission of budget authority proposed in such special message shall become effective unless and until the Congress has completed action on a rescission bill rescinding all or part of the amount proposed to be rescinded; and any part of the budget authority involved which is not specifically rescinded by such bill shall (notwithstanding such action) continue to be available for obligation."

(c) Section 1012(c) of such Act (as redesignated by subsection (b) of this section) is amended—

(1) by inserting "Reserved Budget Authority" after "Make" in the heading;

(2) by striking out "proposed to be rescinded or" each place it appears; and

(3) by striking out "the prescribed 45-day period" and inserting in lieu thereof "the first period of 45 calendar days of continuous session of the Congress after the date on which the message is received by the Congress".

SEC. 2. (a) Section 1011(3) of the Impoundment Control Act of 1974 is amended by striking out all that follows "by the President under section 1012" and inserting in lieu thereof a semicolon.

(b) Section 1011(5) of such Act is amended—

(1) by striking out "the 45-day period referred to in paragraph (3) of this section and in section 1012" each place it appears and inserting in lieu thereof "the 45-day period referred to in section 1012(c); and

(2) by inserting "with respect to a reservation of budget authority" after "during any Congress".

(c) Section 1016 of such Act is amended by inserting ", 1012(c)," after "1012(b)".

SEC. 3. The amendments made by this Act shall apply with respect to special messages transmitted by the President under section 1012 of the Impoundment Control Act of 1974 on and after the date of the enactment of this Act.

DISASTER, FOOD, AND DEVELOPMENT ASSISTANCE BILL

(Mr. ZABLOCKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, I am introducing today, together with cosponsors, Congressmen FRASER, FASCELL, BUCHANAN, HAMILTON, BINGHAM, WINN, and WHALEN, a bill to authorize assistance for famine and disaster relief and reconstruction, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes. The bill is being introduced for purposes of discussion, and not as a finished product. I wish to make clear, therefore, that neither I nor any of the cosponsors are committed to the specific language of the bill as introduced nor to the dollar amounts authorized therein.

CREATION OF A SELECT COMMITTEE ON ENERGY

(Mr. RHODES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RHODES. Mr. Speaker, I have today introduced a resolution to create a Select Committee on Energy. I am pleased that the ranking members from the Committees on Interior, Interstate and Foreign Commerce, Government Operations and Science and Technology, as well as other members of the leadership and colleagues, have joined with me in cosponsoring this legislation.

It is imperative that Congress squarely face the energy problem and deal with the many and varied components of this complex issue as a whole. In order to do this I believe that we need a select committee made up of Members familiar with the different aspects of energy-related legislation. It simply will not suffice for Congress to carve up comprehensive energy legislation into small packages for consideration by separate committees of the House.

We must look at the overall aspects of the energy problem and consider the impact of various proposals on a broad scale. To do this we need a Select Committee on Energy.

I am hopeful that the Rules Committee will see fit to give this proposal prompt and favorable consideration. I also urge the Democratic leadership to support this positive step toward coping with our energy problem by permitting the House to deal effectively with energy legislation in a comprehensive manner.

INTRODUCTION OF A TAX CUT TO STIMULATE THE ECONOMY

(Mr. HARRIS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HARRIS. Mr. Speaker, I have introduced today a bill creating an immediate tax cut to stimulate the economy in the amount of $22.7 billion, combined with a quick elimination of three blatant tax preferences presently enjoyed by the big oil companies and costing the Government $5 billion per year. Thus, the revenue reduction is limited to $17.7 billion. This stimulation to the economy is necessary to bring us out of the recession and put Americans back to work. I feel this figure is in line with the recommendations of both the President and the Democratic leadership. At the same time the method is a step toward better tax equity for low- and middle-income taxpayers.

Under my bill, over 80 percent of the benefits would accrue to those earning less than $20,000 per year. In addition to having a stimulative impact on the economy, this tax cut would compensate for the 22-percent rise in consumer prices since 1972. The tax reductions would be retroactive to January 1, 1975. The impact of lower withholding taxes would be felt immediately. Refunds under the workers' credit section would begin in July.

Mr. Speaker, this bill contains no provision for an increase in the investment tax credit for corporations. Current tax policies provide sufficient incentives if consumers are given the ability to buy through increased purchasing power. Obviously the solution to our recession is also dependent on the Federal Reserve correcting its ill-advised tight-money policies.

This bill is designed to meet an urgent need and to achieve quick enactment. Broader issues concerning national energy policy and tax reform must be dealt with in subsequent legislation.

Later in this Congress, we will consider an excess profits tax on the oil companies who are responsible for a large part of our increased cost of living. We will also want to strengthen the minimum tax on millionaires so that they pay their fair share of taxes.

This bill will eliminate immediately three unwarranted loopholes currently enjoyed by the oil corporations—the percentage depletion allowance, the foreign tax credit, and the option to deduct intangible drilling costs. My reason for hitting these obvious windfall tax preferences now is that I want to send them a message—in the board rooms and in the Cabinet Room. This Congress and this Congressman know that the average working family does not mind making sacrifices for the good of the country. But the big oil companies are going to have to make some sacrifices, too.

Mr. Speaker, the following is a section-by-section analysis of the Emergency Tax Adjustment Act of 1975.

INCREASES IN PERCENTAGE STANDARD DEDUCTION

The standard deduction is raised from the present 15 percent of adjusted gross income—with a maximum of $2,000—to 17 percent of adjusted gross income—with a maximum of $2,500. This will result in a reduction in taxes of $1.2 billion and would benefit middle- and lower-income Americans.

INCREASE IN LOW-INCOME ALLOWANCE AND PERSONAL EXEMPTION

The per capita income tax exemptions are raised from $750 to $900. The minimum standard deduction—known as the low-income allowance—is raised from $1,300 to $1,800. These two provisions would cut taxes by $6.3 and $1.5 billion, respectively.

TAX CREDIT FOR LOW- AND MIDDLE-INCOME WORKERS

A refundable tax credit is established for workers equal to 2 percent of the amount of wages up to a maximum of $14,000. This will help to balance the regressiveness of the payroll tax and provide a temporary tax cut of $13.7 billion during 1975.

OPTION TO TREAT INTANGIBLE DRILLING AND DEVELOPMENT COSTS AS DEDUCTIBLE EXPENSES

So-called "intangible" drilling costs are the fuel costs, labor costs, equipment rentals and repairs which frequently account for 75 percent of the expense of bringing in a new oil or gas well abroad. Under current law, these charges are immediately deducted.

Under the Emergency Tax Adjustment Act, this massive subsidy to the oil industry is terminated.

FOREIGN TAX CREDIT

Under this provision, the foreign tax credit will be eliminated for oil and gas corporations. The royalties and per-barrel charges imposed by OPEC will no longer be "credited" against U.S. income tax liabilities. These costs will be treated as business deductions—the normal cost of doing business—and will increase Federal revenue by nearly $2 billion.

PERCENTAGE DEPLETION ALLOWANCE

This section repeals the percentage depletion allowance on both foreign and domestic oil and gas wells. This allowance has concentrated huge economic power in the hands of a few integrated international oil companies. By closing this loophole, we will add at least $2.9 billion to the Federal Treasury.

The depletion allowance is currently geared to production, not discovery of new wells. But it is the worldwide increase in the price of petroleum products—not special tax preferences to oil companies—which will provide the incentive to produce. Repeal of this and the other preferences will not significantly reduce the incentive to develop new energy.

IMPACT OF THE EMERGENCY TAX ADJUSTMENT ACT OF 1975 ON FAMILY TAX LIABILITY

Adjusted gross income	Present tax payment	Payment under the Harris bill	Percent reduction	Dollar reduction
$5,000	$98	0	100	$98
$10,000	905	$534	40	371
$15,000	1,820	1,226	28	524
$20,000	3,010	2,453	18	557
$25,000	4,380	3,790	13	590
$30,000	6,020	5,346	11	674

Note: These figures based on a family of 4 using standard deductions, filing a joint return, with 1 worker.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Collins of Illinois (at the request of Mr. Morgan), for Thursday, January 30, 1975, on account of travel on official business for the Committee on Foreign Affairs.

Mr. Diggs (at the request of Mr. Morgan), for Thursday, January 30, 1975, on account of travel on official business for the Committee on Foreign Affairs.

Mr. Chappell (at the request of Mr. O'Neill), for January 27 through February 3, 1975, on account of serious illness of mother.

Mr. Randall, for Monday, February 3, and Tuesday, February 4, 1975, on account of official business, to speak at Missouri State prayer breakfast, Jefferson City, Mo.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 1 hour, today, and to include extraneous matter.

(The following Members (at the request of Mrs. Fenwick) to revise and extend their remarks and include extraneous material:)

Mr. Cohen, for 15 minutes, today.
Mr. Findley, for 10 minutes, today.
Mr. Conable, for 5 minutes, today.

(The following Members (at the request of Mr. Baucus) to revise and extend their remarks and include extraneous material:)

Mr. Koch, for 10 minutes, today.
Mr. Flood, for 10 minutes, today.
Mr. Drinan, for 15 minutes, today.
Mr. Vanik, for 15 minutes, today.
Ms. Abzug, for 5 minutes, today.
Mr. Bingham, for 5 minutes, today.
Mr. Danielson, for 10 minutes, today.
Mr. Leggett, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Baucus) and to include extraneous matter:)

Mr. Roe in two instances.
Mr. Pepper.
Mr. Hamilton.
Mr. Patterson of California in five instances.
Mr. Ambro in five instances.
Mr. Anderson of California in three instances.
Mr. McFall.
Mr. Gonzalez in three instances.
Mr. Traxler.
Mr. Fraser in two instances.
Mr. Stark in three instances.
Mr. Dodd.
Mr. Rosenthal.
Mr. Koch in three instances.
Mr. Vanik.
Mr. Addabbo.
Mr. Brinkley.
Mr. Won Pat.
Mr. Dominick V. Daniels.
Mr. Roybal.
Mr. Badillo.
Mr. Evins of Tennessee.
Mr. Obey in three instances.
Mr. Mitchell of Maryland.

(The following Members (at the request of Mrs. Fenwick) and to include extraneous material:)

Mr. Vander Jagt.
Mr. Kelly in two instances.
Mr. Kemp in two instances.
Mr. Rhodes.
Mr. McCollister in four instances.
Mr. Spence.
Mr. Broyhill.
Mr. Rousselot.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 281. An act to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 6. Concurrent resolution to express pride in the strength and achievements of the Boy Scouts of America as this important youth movement marks its 65th anniversary; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p.m.), the House adjourned until tomorrow, Friday, January 31, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

212. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various projects proposed to be undertaken for the Air National Guard, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

213. A letter from the vice president and general manager, Chesapeake and Potomac Telephone Co., transmitting a statement of the receipts and expenditures of the company for calendar year 1974, pursuant to 33 Stat. 375; to the Committee on the District of Columbia.

214. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Ingersoll-Rand Research, Inc., Princeton, N.J., for a research project entitled "Technical Proposal for a Novel Remote Controlled High Productivity Coal Mining System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

215. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the University of Minnesota, Minneapolis, Minn., for a research project entitled "Hybrid Computer System for Optimization of Extraction Procedures in Tabular Coal Deposits," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

216. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report of Department of Defense procurement from small and other business firms for July–November 1974, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 1767. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; with amendment (Rept. No. 94–1). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG (for herself, Mr. Addabbo, Mr. Brodhead, Mr. Carr, Mr. Conyers, Mr. Danielson, Mr. Edwards of California, Mr. Flood, Mr. Harrington, Mr. Hawkins, Ms. Holtzman, Mr. Leggett, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Pattison of New York, Mr. Pepper, Mr. Rangel, Mr. Rosenthal, Mr. Simon, Mr. Solarz, Mr. Stokes, Mr. Waxman, and Mr. Young of Georgia):

H.R. 2412. A bill to amend the Food Stamp Act of 1964, to insure that the charge to a household for its coupon allotment shall not exceed the level established as of January 1, 1975; to provide that this charge shall in no event exceed 25 percent of the household's income; to guarantee food stamps to recipients of supplemental security income; and for other purposes; to the Committee on Agriculture.

By Mr. ADDABBO:

H.R. 2413. A bill to amend title 38 of the United States Code to make the parents of any person who died in the active military, naval, or air service and whose remains are buried in certain national cemeteries eligible for burial in such national cemeteries; to the Committee on Veterans' Affairs.

By Mr. ASHBROOK:

H.R. 2414. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

By Mr. BERGLAND (for himself, Mr. Fraser, Mr. Koch, Mr. Peyser, Mr. Weaver, Mr. Beard of Rhode Island, Mr. Eilberg, Mr. Hawkins, Mr. Jenrette, Mr. McHugh, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of New York, Mr. Pepper, and Mr. Sisk):

H.R. 2415. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. BINGHAM:

H.R. 2416. A bill to amend section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source), to provide $20 billion in immediate tax relief by reducing the amount of tax withheld, and for other purposes; to the Committee on Ways and Means.

By Mr. BOWEN:

H.R. 2417. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and for other purposes; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 2418. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Massachusetts:

H.R. 2419. A bill to amend title 38 of the United States Code in order to entitle veterans with service-connected disabilities rated as total to domestic and overseas travel on military aircraft on a space-available basis; to the Committee on Veterans' Affairs.

By Mr. BURKE of Massachusetts (for himself, Mr. Beard of Rhode Island, Mr. Bingham, Mr. Blanchard, Mr. Brown of California, Mrs. Burke of California, Mrs. Collins of Illinois, Mr. Corman, Mr. Dominick V. Daniels, Mr. Early, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Fraser, Mr. Harkin, Mr. Leggett, Mr. McCormack, Mr. McKinney, Mr. Ottinger, Mr. Patten, Mr. Rose, Mr. Simon, Mr. Stokes, Mr. Tsongas, and Mr. Vanik):

H.R. 2420. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. COCHRAN:

H.R. 2421. A bill to increase an authorization of appropriations in order to complete the Mission 66 bypass road at Vicksburg, Miss.; to the Committee on Interior and Insular Affairs.

By Mr COHEN (for himself, Mr. Burke of Massachusetts, Ms. Abzug, Mr. Addabbo, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Badillo, Mr. Baldus, Mr. Beard of Rhode Island, Mr. Bell, Mr. Bevill, Mr. Brown of California, Mr. Carney, Mr. Cleveland, Mr. Conte, Mr. Conyers, Mr. Coughlin, Mr. Davis, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Fascell, Mr. Flood, Mr. Ford of Tennessee, and Mr. Fraser):

H.R. 2422. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the elderly and handicapped; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. Burke of Massachusetts, Mr. Gilman, Mr. Gude, Mr. Guyer, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Heinz, Mr. Hinshaw, Mr. Lagomarsino, Mr. McCloskey, Mr. Michel, Mr. Miller of California, Mr. Moorhead of California, Mr. Obey, Mr. Ottinger, Mr. Peyser, Mr. Preyer, Mr. Pritchard, Mr. Richmond, Mr. Rodino, Mr. Roe, and Mr. Rosenthal):

H.R. 2423. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the elderly and handicapped; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. Burke of Massachusetts, Mr. Ryan, Mr. Sarasin, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Steelman, Mr. Studds, Mr. Taylor of North Carolina, Mr. Thone, Mr. Treen, Mr. Walsh, Mr. Waxman, Mr. Charles H. Wilson of California, Mr. Charles Wilson of Texas, Mr. Wirth, Mr. Yatron, Mr. Young of Florida, and Mr. Fish):

H.R. 2424. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the elderly and handicapped; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.R. 2425. A bill to provide that the pay of certain Federal executive and legislative officers for a calendar year shall be reduced or increased, depending upon whether there was Federal budgetary deficit or surplus in the preceding fiscal year; to the Committee on Post Office and Civil Service.

By Mr. DOMINICK V. DANIELS:

H.R. 2426. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Esch, Mr. Peyser, Mr. Aspin, Mr. Bergland, Mr. Brademas, Mr. Carr, Mr. Cohen, Mr. Fraser, Mr. Horton, Mr. Koch, Mr. McHugh, Mr. Matsunaga, Mr. Mezvinski, Mr. Moakley, Mr. Pattison of New York, Mr. Pepper, Mr. Rinaldo, Mr. Risenhoover, Mr. Roe, Mr. Studds, Mr. Wolff, Mr. Yatron, Mr. Zeferetti, and Mr. Downey):

H.R. 2427. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. DANIELSON:

H.R. 2428. A bill to amend title 18, United States Code, to provide that corporations, labor organizations, and certain Government contractors which make unlawful political contributions shall be fined in an amount equal to the amount of such contributions; to the Committee on House Administration.

By Mr. DEVINE:

H.R. 2429. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on Foreign Affairs.

By Mr. DICKINSON:

H.R. 2430. A bill to amend the Food Stamp Act of 1964 to permit households to use food stamps to purchase seeds, plants and fertilizer from retail stores engaged primarily in the sale of seed and feed; to the Committee on Agriculture.

By Mr. DICKINSON (for himself, Mr. Bowen, Mr. Cleveland, Mr. Eshleman, Mr. Fascell, Mr. Flood, Mr. Flowers, Mr. Ford of Tennessee, Mr. Ginn, Mr. Hammerschmidt, Mr. Helstoski, Mr. Jeffords, Mr. Johnson of California, Mr. Jones of North Carolina, Mr. Lehman, Mr. Mollohan, Mr. Pepper, Mr. Pickle, Mr. Rhodes, Mr. Rodino, Mr. Roe, Mr. Ryan, Mr. Winn, Mr. Young of Alaska, and Mr. Zeferetti):

H.R. 2431. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. DODD:

H.R. 2432. A bill to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 2433. A bill to substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse firearms by restricting the availability of such firearms for law enforcement; military purposes; and for certain approved purposes including sporting and recreational uses; to the Committee on the Judiciary.

H.R. 2434. A bill to amend the Impoundment Control Act of 1974 to provide that no rescission of budget authority proposed by the President shall take effect unless and until the Congress has passed a bill incorporating such rescission; to the Committee on Rules.

By Mr. DUNCAN of Tennessee:

H.R. 2435. A bill to amend title 5, United States Code, to provide for the restoration of survivor compensation to any widow or widower who has remarried if such remarriage is later dissolved by death, annulment, or divorce; to the Committee on Post Office and Civil Service.

By Mr. FINDLEY (for himself, Mr. Zablocki, Mr. Hays of Ohio, Mr. Broomfield, Mr. Nix, Mr. du Pont, Mr. Rosenthal, Mr. Winn, Mr. Bingham, Mr. Fraser, Mr. Yatron, Mr. Buchanan, Mr. Harrington, Mr. Charles Wilson of Texas, Mr. Riegle, Mr. Solarz, Mr. Bonker, Mr. Perkins, Mr. Rodino, Mr. Quie, Mr. Matsunaga, Mr. Horton, Mr. Latta, Mr. Helstoski, and Mr. Flood):

H.R. 2436. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on Foreign Affairs.

By Mr. FINDLEY (for himself, Mr. Foley, Mr. Sebelius, Mr. Bergland, Mr. Thone, Mr. Bowen, Mr. Johnson of Colorado, Mr. Litton, Mr. Madigan, Mr. Richmond, Mrs. Heckler of Massachusetts, Mr. Weaver, Mr. Jeffords, Mr. Baldus, Mr. Krebs, Mr. Harkin, Mr. McHugh, Mr. Fithian, Mr. Badillo, Mrs. Chisholm, Mr. Forsythe, Mr. Frenzel, Mr. Gude, Mr. Simon, and Mr. O'Hara):

H.R. 2437. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on Foreign Affairs.

By Mr. FINDLEY (for himself, Mr. Brown of California, Mr. Derrick, Mr. Carr, Mr. Cleveland, Mr. Dellums, Mr. Edwards of California, Mr. Hall, Mr. Hayes of Indiana, Miss Jordan, Mr. LaFalce, Mr. Leggett, Mr. Metcalfe, Mr. Miller of California, Mr. Obey, Mr. Rangel of New York, Mr. Roe, Mr. Roybal, Mr. Sarbanes, Mr. Seiberling, Mr. Stark, Mr. Won Pat, Ms. Abzug, and Mrs. Lloyd of Tennessee):

H.R. 2438. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on Foreign Affairs.

By Mr. FORSYTHE:

H.R. 2439. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committee on Education and Labor.

H.R. 2440. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

H.R. 2441. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplifications, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. Biester, Mr. Buchanan, Mr. Diggs, Mr. Moffett, Mr. Howe, Mr. Vander Veen, Mr. Carr, Mr. Whalen, and Mr. Bedell):

H.R. 2442. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on Foreign Affairs.

By Mr. FUQUA:

H.R. 2443. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

H.R. 2444. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HANLEY:

H.R. 2445. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H.R. 2446. A bill to amend the Internal Revenue Code of 1954 to reduce individual income taxes and to remove certain tax preferences available to oil and gas producers; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Treen, Mr. Frey, and Mr. Erlenborn):

H.R. 2447. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

By Mr. HINSHAW:

H.R. 2448. A bill to reestablish the fiscal integrity of the Government of the United States and its monetary policy, through the establishment of controls with respect to the levels of its revenues and budget outlays, the issuance of money, and the preparation of the budget, and for other purposes; jointly to the Committees on Ways and Means, and Banking, Currency and Housing.

By Ms. HOLTZMAN (for herself, Mr. Foley, Mr. Richmond, Mr. Bingham, Mr. Blanchard, Mr. Bonker, Mr. de Lugo, Mr. Duncan of Oregon, Mr. Eilberg, Mr. Fisher, Mr. Flood, Mr. Gilman, Mr. Heinz, Ms. Jordan, Mr. Maguire, Mr. Ottinger, Mr. Ryan, and Mr. Scheuer):

H.R. 2449. A bill to prohibit increases in the amount required to be paid by households for food stamp allotments; to the Committee on Agriculture.

By Mr. HOWARD:

H.R. 2450. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

H.R. 2451. A bill to prohibit the importation into the United States of commercially produced domestic dog and cat animal products; and to prohibit dog and cat animal products moving in interstate commerce; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LONG of Maryland (for himself, Mr. Rose, Mr. Badillo, and Mr. Charles H. Wilson of California):

H.R. 2452. A bill to prohibit the transfer of atomic technology to foreign powers without the express approval of the Congress; to the Joint Committee on Atomic Energy.

By Mr. LONG of Maryland (for himself and Mr. Leggett):

H.R. 2453. A bill to amend title 18 of the United States Code to require the consent of all persons whose communications are intercepted under certain provisions relating to certain types of eavesdropping; to the Committee on the Judiciary.

By Mr. LOTT:

H.R. 2454. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. McFALL:

H.R. 2455. A bill to amend chapter 79 of title 10, United States Code, to make more feasible the personal appearance of a petitioner before a board authorized to correct discharges and dismissals from the Armed Forces by establishing regional boards of review, and to amend chapter 49 of such title to prohibit the inclusion of certain information on discharge certificates, and for other purposes; to the Committee on Armed Services.

H.R. 2456. A bill to amend title 38, United States Code, to extend the maximum entitlement to educational assistance for eligible veterans and eligible dependents from 36 to 45 months; to the Committee on Veterans' Affairs.

By Mr. MELCHER (for himself, Mr. Baucus, Mr. Bedell, Mr. Brown of California, Mr. Harkin, Mr. Hightower, Mr. Jeffords, Mr. Jenrette, Mr. Jones of North Carolina, and Mr. Thone):

H.R. 2457. A bill to amend the Internal Revenue Code of 1954 to allow farmers to defer certain payments received for losses to crops caused by natural disasters until the taxable year in which the income from the crops would have been reported; to the Committee on Ways and Means.

By Mr. MEZVINSKY:

H.R. 2458. A bill to provide that the Secretary of Agriculture shall offer encouragement, advice, expertise, and other assistance for the purpose of establishing and maintaining farmers' markets designed to lower the cost of food for consumers and increase the income of small farmers; to the Committee on Agriculture.

By Mr. MOLLOHAN (for himself, Mr. Bevill, Mr. Cochran, Mr. Davis, Mr. Dent, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mr. Fuqua, Mr. Johnson of Pennsylvania, Mr. Kemp, Mr. Melcher, Mr. Mitchell of New York, Mr. Perkins, Mr. Treen, Mr. Charles Wilson of Texas, Mr. Won Pat, and Mr. Yatron):

H.R. 2459. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. OBEY:

H.R. 2460. A bill to amend the Occupational Safety and Health Act of 1970 to make the Director of the National Institute for Occupational Safety and Health directly responsible to the Assistant Secretary for Health of the Department of Health, Education and Welfare; to the Committee on Education and Labor.

By Mr. PATMAN:

H.R. 2461. A bill to establish a temporary program whereby the Secretary of Agriculture shall provide feed grain for beef cattle at a reduced rate if the parity price of feeder and slaughter calves falls below a specified level; to the Committee on Agriculture.

H.R. 2462. A bill to establish a temporary program whereby the Secretary of Agriculture shall provide feed grain for dairy cattle at a reduced rate if the parity price of milk falls below a specified level; to the Committee on Agriculture.

By Mr. PATTEN:

H.R. 2463. A bill to amend the Natural Gas Act to require that notice of an application for a certificate of convenience and necessity be published in the newspaper; to the Committee on Interstate and Foreign Commerce.

By Mr. PICKLE:

H.R. 2464. A bill to amend the Food Stamp Act of 1964 to prohibit, after January 1, 1975, an increase in the percentage of a household's net income required to be paid for a monthly allotment of food stamps unless the Congress establishes the increase; to the Committee on Agriculture.

By Mr. QUIE:

H.R. 2465. A bill to provide for the regulation of the process by which the people of the United States nominate candidates for President and Vice President; to the Committee on House Administration.

H.R. 2466. A bill to provide a civil penalty for persons owning any vehicles which are on Federal recreational properties without having any litter bags; to the Committee on Interior and Insular Affairs.

By Mr. RHODES:

H.R. 2467. A bill to amend the Federal Property and Administrative Services Act of 1949, to allow certain child-care institutions to be eligible for donations of surplus property from the Administrator of General Services; to the Committee on Government Operations.

H.R. 2468. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2469. A bill to establish a national cemetery in the State of Arizona; to the Committee on Veterans' Affairs.

By Mr. RHODES (for himself and Mr. Steiger of Arizona):

H.R. 2470. A bill to amend chapter 53 of title 18 of the United States Code to provide the same penalties for certain crimes against Indians as are provided for those crimes when the victim is a non-Indian; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself and Mr. Whalen):

H.R. 2471. A bill to amend the Employment Act of 1946 with respect to stability of the general price level; to the Committee on Government Operations.

By Mr. ROE (for himself, Mr. Anderson of California, Mr. Ashley, Mr. Badillo, Mr. Brown of California, Mr. Carney, Mr. Cotter, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Guyer, Mr. Harrington, Mr. Helstoski, Mr . Hyde, Mr. McFall, Mr. Melcher, Mr. Roncalio, Mr. Sisk, Mr. Solarz, Mr. Steiger of Arizona, Mr. Studds, Mr. Thompson, Mr. Traxler, Mr. Vigorito, and Mr. Won Pat):

H.R. 2472. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. Fascell, and Mr. Sikes):

H.R. 2473. A bill to protect juvenile and egg-bearing spiny rock lobsters; to the Committee on Merchant Marine and Fisheries.

By Mr. SCHNEEBELI (for himself and Mr. Corman):

H.R. 2474. A bill to amend the Internal Revenue Code of 1954 to provide refunds in the case of certain uses of tread rubber, and for other purposes; to the Committee on Ways and Means.

By Mr. SISK (for himself, Mr. Krebs and Mr. McFall):

H.R. 2475. A bill to provide price support for milk at not less than 80 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. STOKES:

H.R. 2476. A bill to establish a program providing financial assistance to low- and moderate-income households with regard to utility costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

By Mr. STUCKEY:

H.R. 2477. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ:

H.R. 2478. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. TALCOTT:

H.R. 2479. A bill to amend title I of Public Law 874, 81st Congress, to provide financial assistance to local educational agencies for the education of children of migrant agricultural employees; to the Committee on Education and Labor.

H.R. 2480. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. THORNTON:

H.R. 2481. A bill to amend the Food Stamp Act of 1964 to provide that the elderly shall not be charged more for food stamp allotments than was charged under regulations in effect on January 1, 1975; to the Committee on Agriculture.

By Mr. VANIK (for himslef, Mr. Baucus, Mr. Bingham, Mr. Blanchard, Mr. Carr, Mr. Gilman, Mr. Moakley, Mr. Patten, Mr. Rees, and Mr. Rinaldo):

H.R. 2482. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit or an income tax deduction for certain expenditures of a taxpayer relating to the thermal design of the residence of such taxpayer; to the Committee on Ways and Means.

By Mr. WON PAT (for himself, Mr. de Lugo, and Mr. Benitez):

H.R. 2483. A bill to extend to certain uninsured residents of the United States in Guam, Puerto Rico, and the Virgin Islands the social security benefits normally provided to individuals who have attained age 72 and who fulfill other special conditions; to the Committee on Ways and Means.

By Mr. YATES:

H.R. 2484. A bill to provide that the fiscal year of the United States shall coincide with the calendar year; to the Committee on Government Operations.

H.R. 2485. A bill to incorporate Recovery, Inc., to the Committee on the Judiciary.

H.R. 2486. A bill to encourage increased use of public transit systems by amending the Internal Revenue Code of 1954 to allow a credit against individual income taxes for funds expended by a taxpayer for payment of public transit fares from his or her residence to his or her place of employment and from his or her place of employment to his or her residence; to the Committee on Ways and Means.

H.R. 2487. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 2488. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

H.R. 2489. A bill to amend the Social Security Act, as amended, to eliminate certain limitations on the use of Federal funds for social service programs; to the Committee on Ways and Means.

H.R. 2490. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. ZABLOCKI:

H.R. 2491. A bill to amend the Internal Revenue Code of 1954 to allow a refundable credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. ZABLOCKI (for himself, Mr. Bingham, Mr. Buchanan, Mr. Fascell, Mr. Fraser, Mr. Hamilton, Mr. Whalen, and Mr. Winn):

H.R. 2492. A bill to authorize assistance for famine and disaster relief and reconstruction, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CLANCY:

H.J. Res. 170. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of life; to the Committee on the Judiciary.

By Mr. GONZALEZ (for himself, Mr. Bell, Mr. Bevill, Mr. Dan Daniel, Mr. Duncan of Tennessee, Mr. Eshleman, Mr. Helstoski, Mr. Johnson of Colorado, Mr. Kazen, Mr. Lent, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Nix, Mr. Patman, Mr. Pickle, Mr. Runnels, Mr. Stratton, and Mr. Charles Wilson of Texas):

H.J. Res. 171. Joint resolution to designate February 9 to 15, 1975, as National Vocational Education and National Vocational Industrial Clubs of America (VICA) Week; to the Committee on Post Office and Civil Service.

By Mr. ROYBAL:

H.J. Res. 172. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI:

H.J. Res. 173. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ADDABBO:

H. Con. Res. 82. Concurrent resolution against social security ceiling; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Hechler of West Virginia, Mr. Traxler, Mr. Fish, Mr. de Lugo, Mr. Fraser, Mr. Simon, Mr. Seiberling, Mr. Conyers, Mr. Corman, Mr. Brown of California, Mr. Charles H. Wilson of California, Mr. Beard of Rhode Island, Mrs. Lloyd of Tennessee, Mr. Rodino, Mr. Stark, Mr. Dent, Mr. Roe, Mr. Carney, Mr. Eilberg, Mr. Hawkins, Mrs. Mink, Mr. Badillo, Mr. Pepper, and Mr. Ryan):

H. Con. Res. 83. Concurrent resolution that an imposition of a ceiling on social security cost-of-living benefit increases not be enacted; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Flood, Mr. Danielson, Mr. Conte, Mr. Ford of Tennessee, Mr. Edwards of California, Mr. Gilman, Mrs. Burke of California, Mr. Ottinger, Mr. Maguire, Mr. Solarz, Mr. Rangel, Mr. Bingham, Mr. Tsongas, Mr. Brodhead, Mrs. Spellman, Mr. Dodd, Mr. Hannaford, Mr. John L. Burton, Mr. Waxman, and Mr. Van Deerlin):

H. Con. Res. 84. Concurrent resolution that an imposition of a ceiling on social security cost-of-living benefit increases not be enacted; to the Committee on Ways and Means.

By Mr. McFALL (for himself, Mr. REUSS, Mr. BRADEMAS, Mrs. BURKE of California, Mr. CARR, Mr. DOWNEY, Mr. HARKIN, Mr. LEVITAS, and Mrs. SCHROEDER):

H. Con. Res. 85. Concurrent resolution to express the sense of the Congress that the President should not impose any tariff or other import restriction on petroleum or petroleum products before April 1, 1975; to the Committee on Ways and Means.

By Mr. SCHNEEBELI (for himself and Mr. FLOOD):

H. Con. Res. 86. Concurrent resolution requesting release of two Ukrainian intellectuals; to the Committee on Foreign Affairs.

By Mr. DRINAN:

H. Res. 119. Resolution disapproving the deferral of budget authority represented by the failure of the President to apportion certain funds to the Departments of Labor and Health, Education, and Welfare; to the Committee on Appropriations.

By Mr. LONG of Maryland (for himself, Mr. HOLLAND, Mr. DINGELL, Mr. JENRETTE, Mr. GIBBONS, Mr. YATRON, Mr. THONE, Mr. HENDERSON, Ms. HOLTZMAN, Mr. REES, Mr. FLORIO, Mr. MOORHEAD of California, Mr. NIX, Mr. AUCOIN, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. CLEVELAND, and Mrs. HECKLER of Massachusetts):

H. Res. 120. Resolution to amend rule X of the Rules of the House of Representatives to establish a permanent Select Committee on Energy; to the Committee on Rules.

By Mr. RHODES:

H. Res. 121. Resolution to establish a select committee of the House to conduct an investigation and study with respect to intelligence activities carried out by or on behalf of the Federal Government; to the Committee on Rules.

H. Res. 122. Resolution to establish a select committee of the House of Representatives to investigate actions necessary to locate Americans reported missing in action while serving as members of the Armed Forces in Southeast Asia during the Vietnam conflict; to the Committee on Rules.

By Mr. RHODES (for himself, Mr. MICHEL, Mr. DEVINE, Mr. MOSHER, Mr. SKUBITZ, Mr. HORTON, Mr. BROYHILL, Mr. STEIGER of Arizona, and Mr. MILLER of Ohio):

H. Res. 123. Resolution to create a Select Committee on Energy; to the Committee on Rules.

By Mr. ULLMAN (for himself and Mr. SCHNEEBELI):

H. Res. 124. Resolution providing funds for the expenses of the Committee on Ways and Means; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 2493. A bill for the relief of North Central Education Television, Inc., to the Committee on the Judiciary.

By Mr. ASPIN:

H.R. 2494. A bill to provide for the conveyance to the Boy Scouts of certain real property in the Chequamegon National Forest in Wisconsin; to the Committee on Agriculture.

By Mr. BURKE of Massachusetts:

H.R. 2495. A bill for the relief of Miss Malgorzata Kuzniarek Czapowski; to the Committee on the Judiciary.

By Mr. COCHRAN:

H.R. 2496. A bill for the relief of Weathersby Bodbold Carter, Jr., and Richard T. Harriss III; to the Committee on Interior and Insular Affairs.

By Mr. McFALL:

H.R. 2497. A bill to validate the conveyance of certain land in the State of California by the Southern Pacific Transportation Co.; to the Committee on Interior and Insular Affairs.

By Mr. PATTEN:

H.R. 2498. A bill for the relief of William J. Erwin; to the Committee on the Judiciary.

H.R. 2499. A bill for the relief of Michael Mazarakis; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 2500. A bill for the relief of Pedro Escobedo-Celaya; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2501. A bill for the relief of Cmdr. Andrew F. Jensen, U.S. Navy; to the Committee on the Judiciary.

H.R. 2502. A bill for the relief of Peter Olav Mesikepp; to the Committee on the Judiciary.

H.R. 2503. A bill for the relief of Dimitrios Panoutsopoulos, Angeliki Panoutsopoulos, and Georgios Panoutsopoulos; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

IS MILITARY JUSTICE JUSTICE?

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ASPIN. Mr. Speaker, it has been said by many that military justice is frequently not justice at all. In particular, the treatment of officers convicted by courtmartial is considerably better than what is served up to enlisted personnel.

An illustration of this point was recently brought to my attention by retired Chief Master Sergeant of the Air Force Donald L. Harlow, now the director of legislation for the Air Force Sergeants Association. Sergeant Harlow's remarks, which appeared in the association's "Lobby Ledger," follows:

EQUAL JUSTICE FOR ALL

The first paragraph of the Department of Defense "Human Goals" reads as follows:

"Our nation was founded on the principle that the individual has infinite dignity and worth. The Department of Defense, which exists to keep the nation secure and at peace, must always be guided by this principle. In all that we do, we must show respect for the serviceman and civilian employee as a person, recognizing his individual needs, aspirations and capabilities."

One of the most salient points contained in this creed is extracted as follows:

"To make military and civilian service in the Department of Defense a model of equal opportunity for all, regardless of race or creed or national origin . . ."

We believe that equal opportunity most certainly applies to equal consideration and the metering out of military justice under the Uniform Code.

For the past four years, AFSA delegates in attendance at the annual convention have mandated legislation be passed, eliminating the disparity in the application of military justice, as presently contained in Title 10, US Code 858a., Article 58a.

The inequity of punishment, under the Uniform Code of Military Justice (UCMJ), was significantly amplified in the General Court-Martial of Colonel Kehrli. The facts in this case reveal that, while serving as commander of an Air Force unit, operating in a combat zone, Colonel Kehrli not only smoked marijuana cigarettes but also encouraged young enlisted men, under his command, to participate in his unlawful smoking habits. By his conduct, he not only condoned but also blatantly encouraged disobedience of the law concerning the utilization of marijuana.

For such offenses, Colonel Kehrli was sentenced to confinement, at hard labor, for three years and fined $15,000.

There is no automatic reduction provision for officers; thus, after serving the period of confinement, during which time the Colonel retained his rank and received full pay benefits, he was allowed to retire with the rank of colonel, receiving the same pay and benefits, similar to any other colonel retiree.

Had this been an enlisted man or woman, let's say in the grade of chief master sergeant (CMSgt.), convicted of the same offenses, the application of Article 58a. would have prevailed and the individual reduced to the grade of airman basic.

Most assuredly, Article 58a. is patently discriminatory and certainly in violation of the Department of Defense "Human Goals."

Recent GAO and DoD Corrections Council studies have revealed differences between services in the application of Article 58a., and Mr. James P. Goode, Deputy Assistant Secretary for Manpower and Reserve Affairs (Personnel Policy), has directed the Judge Advocate (JA) and personnel to study the differences and come up with recommendations. We are grateful for Mr. Goode's interest and efforts.

In retrospect, we would ask that the differences in application of Article 58a. between the services not be the only consideration. It is more in keeping with our resolution and with the "Human Goals" of the Department of Defense, that the article be revised to the extent that ALL "people", regardless of rank or position of responsibility, be treated the same when it concerns military justice.

It is our position that the higher the grade, rank and degree of responsibility, the greater the punishment should be, based upon the degree of violation of the law(s). Certainly, ignorance of the law is no excuse for violation. On the other hand, those, charged with the responsibility of leadership and in positions to make decisions affecting many people, should receive less compassion when flaunting the basic laws of the land or the principles upon which our military is structured.

To date, AFSA is the only organization publicly exhibiting concern for the inequities contained in the Uniform Code of Military Justice, and we will continue to lead the fight to seek equal justice for all.

VIRGINIA AND THE VOTING RIGHTS ACT OF 1965

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 30, 1975

Mr. HARRY F. BYRD, JR. Mr. President, the Richmond News Leader editorial of January 28, 1975, speaks for itself, and I think, for the people of Virginia.

I ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VIRGINIA ON THE RACK

So the punishment will go on.

Yesterday the Supreme Court refused to permit Virginia to extract itself from the Voting Rights Act of 1965. Through Attorney General Andrew Miller, Virginia had sought exclusion from the act for good and honest and persuasive reasons:

In the words of Justice William Rehnquist, dissenting from yesterday's decision, "the Court agreed that Virginia had made a *prima facie* case for entitlement to relief. . . ."

In the words of Mr. Miller's brief, during the years immediately prior to passage of the act, the literacy test "had no appreciable effect on voter registration."

Virginia has not used the literacy test since Congress approved the Voting Rights Act.

Virginia has a higher percentage of blacks registered and blacks voting than certain non-Southern states not covered by the provisions of the act.

The U.S. Civil Rights Commission has acknowledged that as far back as 1961, Virginia did not discriminate in its voting practices.

On September 18, the Federal District Court for the District of Columbia, although refusing to grant Virginia relief from the act, commended Virginia for seeking to ensure voting equality.

Yet, the three-judges on the lower court, like the majority on the Supreme Court, ruled that Virginia must continue under the Voting Rights Act in order to purge Virginia of the "effects" of segregationist policies in the past. Which is to say that in matters of voting, as in matters of education, the prevailing argument remains: Virginia must be unrelentingly flogged for conducting itself on the basis of laws repeatedly sustained by the courts, until the courts and the Congress threw those laws out the window.

This is madness. Sheer, utter, unaccountable madness. And if the Justice Department and the Civil Rights Commission have their way in Congress, which they probably will, our fine federal legislators will vote this year to extend the Voting Rights Act for another five or ten years. Virginia and other Southern states covered by the act are to put in still more years of penance.

Mr. Justice Rehnquist, and Chief Justice Warren Burger and Justice Lewis Powell who concurred in his dissent yesterday, deserve high praise for recognizing an indefensible double standard when they see one. Mr. Miller deserves high praise for his efforts in Virginia's behalf. But alas, his efforts have been for naught. Virginia must hang on the rack yet longer.

SOCIAL SECURITY COST-OF-LIVING INCREASE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 28, 1975

Mr. PEPPER. Mr. Speaker, I am submitting a House concurrent resolution to disapprove 5-percent ceiling on social security cost-of-living increases, which was proposed in President Ford's state of the Union message on January 13.

The proposal to reduce the July social security cost-of-living adjustment—which is now projected at 8.7 percent—is based on the President's caution that the complexities in our economic system require the Federal Government to show all Americans it practices what it preaches about sacrifice and self-restraint. I concur with the President's caution that we must examine the Federal budget, but I urge that Federal fiscal policy must never result in increasing the poverty that minority groups—especially the elderly—endure because of social, legal, or economic pressure.

Social security provides more than half of the income for nearly all elderly couples and for two-thirds of those older people who live alone. In spite of congressional efforts to improve social security benefits, the average monthly benefit for a widow of a worker is $177; for a retired worker, $181, for a couple, $310. By trying social security benefit raises to increases in the cost of living, Congress, with the administration's strong backing in 1973, took a worthwhile step to upgrade benefits.

Now, just 1 year since the cost-of-living amendment was signed on January 3, 1974, President Ford asks us to step back insofar as the 30 million social security beneficiaries are concerned. Under the projected 8.7-percent cost-of-living increase, the average monthly benefit for retired would rise from $310 to $337. But under the administration's 5 percent ceiling this would amount to $325, or about $12 less per month.

Retired workers would be similarly affected. The average benefits would increase from $186 to $202 a month under present projections. Under the administration's cutback, their monthly payments would be $195 or $7 less each month under the administrations proposal. Aged widows would receive, on the average, about $7 less per month.

Since the Great Depression in the 1930's, legislation providing for social security benefits, income safeguards, and unemployment cushions has been enacted and these benefits have been built into our economy and must be preserved especially in times of economic stress. The social security program was designed to be self-financing, but economic and social changes in our society which have enriched so many Americans but which also have perpetuated the poverty of others, now require consideration of legislation which I have sponsored to fund some social security benefits out of general revenues. The Social Security Advisory Council recently has proposed financing medicare benefits out of general revenues to relieve the regressive impact of the social security tax on both workers and employers.

Mr. Speaker, this social security cost-of-living increase will cost $2.6 billion. I urge we compare the cost of this increase with the President's defense budget which I understand may provide for a recordbreaking $103 billion—or nearly $18 billion above this year's estimated outlays. Let us consider tighter spending controls but at the same time, recognize the impact of this proposed control on the health and welfare of our Nation's citizens who are too old or too handicapped to demonstrate any more sacrifice and self-restraint than inflation already has imposed upon them. Such a recognition can lead us only to the conclusion that this proposal is indefensible.

MONEY TO BURN

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. SPENCE. Mr. Speaker, periodically there appears in the press or elsewhere, lists containing examples of exotic and seemingly wasteful Federal spending. Having used these same items in the course of countless speeches to dramatize the need for reduced Government spending, I have an especially strong familiarity with the projects included in these lists.

The value of listing these projects is that they direct the attention of Congress, and of the American people, to a serious shortcoming of government; that is, its tendency to waste their money. As President Coolidge said:

> Nothing is easier than spending public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody.

My hope is that the periodic reprinting of these particular Government programs will arouse enough citizens to the extent that they will contact Congress to complain. Then, perhaps more of my colleagues would be willing to risk the ire of special interests by saying "no" to frivolous Government programs. As one who has opposed well over $100 billion worth of Government spending, often to the displeasure of potential beneficiaries, I would certainly welcome such a development.

In the near future, I intend to reintroduce my resolution calling for a constitutional amendment which would guarantee a balanced Federal budget each year. The State of South Carolina has successfully operated under such a provision for many years, and I see no reason why the Federal Government cannot do likewise. It is possible that "outrageous expenditure lists" will also encourage prompt consideration of my resolution.

For the reasons stated, I am asking that a list of questionable projects funded by the Federal Government be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks. This one was compiled by one of South Carolina's most popular columnists, Mr. Bill McDonald, whose article appears in the State newspaper on January 24, 1975.

Of course, as my colleagues will recognize, we were never asked to approve or disapprove any of the individual projects in the list which follows. We are presented with an overall budget from a Government agency, and we are asked to vote either for or against the appropriation. There are no line item requests for $37,314 for a potato chip machine in Morocco, for example; nor are we asked for an $85,000 grant to learn about the cultural, economic, and social impact of rural road construction in Poland.

Obviously, a thorough congressional reexamination of the appropriations process, coupled with a critical look at the overall programs which spawn these questionable projects, is called for. Also, Congress must do a better job of auditing the agencies of Government, and keeping track of the money they receive from the American taxpayer. To this end, I have asked the General Accounting Office to make a full investigation of the items in question, and make appropriate recommendations to Congress.

I am convinced that these efforts would result in substantial savings, which could even be sufficient to balance the budget. Certainly, the taxpayer would be saved many times the cost of the projects mentioned in the following article by Mr. McDonald:

MONEY TO BURN

(By Bill McDonald)

I am not an orator, but if I were in Washington at this troubled hour, I would stand up in Congress and say something like, "Okay, fellows, we're feeling the pinch back home—now you wear the shoes."

I would slam the gavel. I would raise my voice. I would do a repeat of the Mr. Smith-goes-to-Washington act.

Why? (Why indeed!) A glance at the spending habit of Uncle Sam—as gleaned from the Congressional Record—should tell you. Your tax burden is greater, Mr. Citizen, because of—

$375,000 spent by the Pentagon to study the frisbee.

$121,000 to find out why people say "ain't."

$70,000 to study the smell of the perspiration given off by Australian aborigines.

$28,361 for odor-measuring machine for above project.

$17,000 for a dry-cleaning plant to spruce up the djellabas of the Bedouins.

$37,314 for a potato chip machine for the Moroccans.

$117,250 wages for Board of Tea Tasters.

$68,000 paid to Queen of England for not planting cotton on her plantation in Mississippi.

$14,000 to Ford Motor Co. for not planting wheat.

$2 million to Yugoslavia's Marshal Tito for purchase of a yacht.

$31,650 for Speaker of the House Carl Albert's new carpet; $21,000 for his new draperies; $44,000 for his chandeliers; $65,000 for other furnishings.

$80,000 for a zero gravity toilet for the space program.

$23,000 for environmental testing of the same.

$6,000 to study Polish bisexual frogs.

$85,000 to learn about the "cultural, economic and social impact of rural road construction in Poland."

$20,000 to study the blood groups of Polish Zlotnika pigs.

$5,000 to learn about Yugoslavian intertidal hermit crabs.

$5,000 to tabulate the difference between native American and Indian whistling ducks.

$20,000 to investigate the German cockroach.

$71,000 to compile the history of comic books.

$5,000 for the analysis of violin varnish.

$15,000 to find out how fishing boat crewmen cause conflicts in Yugoslavian peasant towns.

$5,500 paid to the genius who wrote the poem "lighght". (That is not the title of the poem, it is the whole poem.) The whole thing comes to seven letters worth $714.28 each.

$19,300 to Health, Education, and Welfare Department to find out why children fall off tricycles.

$2,458 to train 18 Good Humor peddlers.

(Just clip and mail to your favorite Congressman.)

RAYMOND CLARK HONORED

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. STARK. Mr. Speaker, I am honored to have the opportunity to bring to my colleagues' attention Officer Raymond Clark of the Oakland, Calif., Police Department. On January 29, Ray Clark's friends, family and associates will gather to pay tribute to his long participation and fruitful work in the Oakland Black Officers Association.

Raymond Clark's work in the Oakland Black Officers Association marks him as one of this organization's most valuable members. He drafted and articulated the current, OBOA, organizational outline, wrote the current by-laws and article of incorporation for them, as well as delivered the by-laws to Sacramento to become chartered. In addition, Ray Clark has written a thoughtful history of OBOA.

Ray Clark has participated in many attempts to bridge the gap between the community and the police department. These range from attendance at numerous community meetings to discuss the problem all the way to television and radio appearances. Clark coordinated the first police sponsored picnic for the community poor people now held in Oakland. His participation resulted in a proposal for a "community relations program" within the police department which has been submitted to the chief of police.

Raymond Clark has displayed great concern for black activism through his spirited involvement in the NAACP. He is a board member of that organization and established the first liaisonship with the NAACP Lifetime Membership Club. Additionally, Ray Clark was invaluable in bringing to light the inadequate training and racial discrimination unfortunately present in too many of our police departments.

Officer Clark has proven himself a champion in the causes of sound policing and nondiscrimination. Those listed are only a few of his many activities and successes, and they serve admirably to underline the fact that Ray Clark has been and continues to be a unique asset to the Oakland Black Officer's Association of the city of Oakland. I am sure you join me in adding praise and respect to that of those who will gather to honor Officer Raymond Clark on January 29, 1975.

LEE HAMILTON'S WASHINGTON REPORT ENTITLED, "BUREAUCRACY AND CONGRESSIONAL OVERSIGHT"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

BUREAUCRACY AND CONGRESSIONAL OVERSIGHT

It has been 20 years since the United States Congress took a hard look at the internal revenue code. It has been just as long since it reviewed in detail the Social Security system.

These two examples illustrate the single greatest weakness in the Congressional system: the failure of the Congress to exercise adequately its oversight functions. The fact is that the Congress simply does not give serious thought to how a federal program, once enacted, or a federal agency, once established, ought to be monitored.

Frequently I encounter constituents who, sensing the growing power of the executive branch of government, complain about the evils of government bureaucracy. They point out the many kinds of bureaucratic regulations dealing with taxes, health, safety, working conditions, welfare, and virtually every facet of modern life. They see the bureaucracy as a demanding giant, growing in power, unchecked, even uncontrollable, and interfering with the way they want to do things.

No one imagines that the task of checking the federal bureaucracy will be easy. There are 12 departments and about 55 independent agencies, administering hundreds of programs. The bureaucracy numbers about 3 million people, administers a budget of over $300 billion and enforces laws that fill volumes. No one would expect such a vast complex to run as efficiently as the corner grocery store, but even making allowances, there is still too much inertia, unresponsiveness, mismanagement, and corruption of power.

Major attention must be given by the Congress to strengthening its oversight of the federal bureaucracy with particular emphasis on performance review and evaluation. Without such review the power of the Congress will continue to diminish.

Few functions of the Congress under our Constitutional system are more important than keeping an eye on the executive. Laws must be carried out by the executive responsibly and in accordance with the intent of the Congress. As every President acknowledges, he simply cannot fully control the bureaucracy. Through the appropriations process, the enactment of legislation, committee investigations, advice and consent on appointments and treaties, informal discussion, and its review of the executive budget, the Congress seeks to improve and support the Executive branch of government. The Congress is in close contact with the people and it shares their interests. If the Congress does not bring the bureaucracy to account, it is not doing its job.

By exercise of its oversight function the Congress signals bureaucrats how the law is to be administered. Since most laws do not settle all policy issues and leave broad discretionary authority to the administrator, the Congress should aid the administrator in understanding the intent of the law.

There is some good news to report. Under recently enacted House reforms, the Government Operations Committee will check with all Congressional committees at the beginning of each session to determine what oversight inquiries they plan to make. Sixty days after the Congress begins, the Government Operations Committee is to make a public report of the oversight agenda. The importance of this reform is that it is a clear assignment of responsibility for oversight. Another reform requires that each Committee set up a subcommittee with oversight responsibility.

Still other steps need to be taken. Reductions in the size of the bureaucracy can be helpful in some instances. So can a requirement that the bureaucracy do its business in public. Regulatory agencies such as the FPC, the ICC, and the FCC, must be scrutinized more carefully, breaking up their pattern of protecting the very industries they were created to regulate. Close relationships of key Congressmen, usually committee and subcommittee chairmen and ranking members, with particular executive departments or agencies need to be broken up. Making the Congress less dependent upon the executive for its information will enable the Congress to form its own judgments, produce new ideas and specific recommendations. Congress can also reduce the power of bureaucracy by using general revenue sharing and block grants, rather than categorical grants. And Congress can revise the civil service system to allow top level managers the flexibility and the authority to manage. Most important of all, of course, is the vigorous use of Congressional hearings to ask tough questions and to publicize the performance of the bureaucracy, and the use of the federal budget to demand compliance with Congressional intent.

If an effective job of Congressional oversight is done, Congressmen will have less difficulty explaining to constituents why needed and obvious improvements are not made in Medicare, Medicaid, the tax code, and welfare programs, and why, when action is taken, it is often only patchwork, and not a comprehensive review of the whole program.

Reform is in the air for the Congress. One standard to judge the effectiveness of these reforms will be whether they produce systematic procedures in the Congress to determine if laws are administered and implemented as the Congress intended. The goal is a bureaucracy that acts vigorously in the public interest, open for all to see, and responsive to Congressional and public scrutiny.

VOLUNTARY SCHOOL PRAYER LEGISLATION INTRODUCED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ASHBROOK. Mr. Speaker, in 1962 the U.S. Supreme Court ruled that it was unconstitutional for a State to allow public schoolchildren to recite a nondenominational prayer. Although more than a decade has passed since this outrageous decision, the Congress has failed to enact corrective legislation.

In the past I have tried to reverse the Court's action by introducing a constitutional amendment. My amendment provides in part that the Constitution shall not be interpreted to prohibit the offering, reading from, or listening to prayers or biblical scriptures, if participation therein is on a voluntary basis, in any governmental or public school institution.

The prayer amendment has received a simple majority vote. Unfortunately, however, it has never received the two-thirds vote of Congress that is required for amendments to the Constitution.

To avoid this road block I have introduced legislation that will restore voluntary prayer in public schools without a constitutional amendment. My bill would withdraw appellate jurisdiction from the U.S. Supreme Court in the area of voluntary school prayer. This would mean that each State could set its own standards regarding school prayer. The Supreme Court could not intervene and override a State's decision.

The action I am proposing is both constitutional and effective. The Constitution grants Congress the right to restrict the Supreme Court in those areas where the Court does not have original jurisdiction. For passage, such legislation would be treated as any other piece of legislation and would require a simple majority vote of Congress to be enacted. The two-thirds vote roadblock will be avoided.

I urge the 94th Congress to move immediately toward restoring voluntary school prayer. Our Nation has already waited long enough for Congress to act.

GILMAN PAYS TRIBUTE TO OFFICER SCALA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. GILMAN. Mr. Speaker, in the past week, my congressional district has suffered a tragic loss in the murder of John Scala, an officer of the New York Police Department and a long-time resident of the village of Blauvelt, N.Y.

Officer Scala had served 20 distinguished years on the New York City Police Force, and was preparing for his retirement. Having enjoyed a retirement party in his honor only 2 weeks ago, he was on terminal leave, working as a security guard at St. Luke's Hospital in New York City, when he was shot to death.

Officer Scala chose as his life's work one of the most difficult, challenging professions in our society: that of the police officer. He was the embodiment of the law, the foundation of our social structure. He admirably fulfilled the responsibilities of his difficult, thankless job, and when it was nearly over—when he was on the verge of his well-earned retirement—it claimed his life.

The entire community shares the grief of Mrs. Scala and her children. But from John Scala's life we can also take renewed inspiration and dedication to the cause of law and order for which he gave so much.

We owe an immense debt to our police officers, a debt we can never fully repay. Perhaps the best way in which we can repay this debt is to create a society we all seek—a society in which the goals and principles of our valiant police officers are everyday reality, and in which all men and women will respect our laws, living together in harmony and peace.

We can also fulfill our obligation to the families of these brave men who daily risk their lives in the preservation of peace and public safety. I will shortly be reintroducing a measure I was proud to cosponsor last session, providing for a Federal payment of $50,000 to the survivors of a policeman or a fire officer who is killed in the line of duty. This bill will immeasurably help to meet the financial needs of the survivors, who are so often faced with burdensome financial problems in their time of bereavement.

This is the only one small way in which we, as a Nation, can say to our police officers that we are proud of them, and grateful for the job they do so well.

TRIBUTE TO RICHARD ROWIN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ANDERSON of California. Mr. Speaker, on February 13, the many friends and associates of Dick Rowin will honor him with a dinner-dance to be held at the Yugoslav Hall in San Pedro, Calif.

Born in Oregon, Dick's family moved to San Pedro when he was still a child. He attended the local public schools, including Narbonne High School.

Meanwhile, on October 1, 1942, Dick registered as a longshoreman, and was an active member of the International Longshoremen and Warehousemen's Union, Local 13, in San Pedro.

After service in the Armed Forces during World War II, Dick returned to San Pedro and the docks. Then, in recognition of his work on behalf of his fellow union members, he was elected welfare officer, vice president of local 13 in April 1956. Over those years, Dick gave his every effort and his enormous talents representing insured members of the local before Federal and State industrial commissioners and the Social Security Administration. In addition, Dick Rowin served as a trustee of the union pension and welfare benefit fund. Ill health forced his recent retirement from his active and beneficial role with the union.

Dick is also a loving husband and father. He and his wife, Rose, are the proud parents of six children: Vivian, Kathleen, Sandra, Victoria, Richard, and Walter.

Mr. Speaker, it gives me great pleasure to join with Dick Rowin's many friends and admirers in paying tribute to this man and his life-long service on behalf of his fellowmen which he has performed.

THE COAST GUARD SCUTTLES ITS OWN REFORMS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. OBEY. Mr. Speaker, back in 1972, Rogers Morton pledged in testimony before the Joint Economic Committee that "newly constructed American-flag vessels carrying oil from Port Valdez to U.S. ports will be required to have segregated ballast systems, incorporating a double bottom."

But National Observer writer-columnist Jamest M. Perry has found that would not be the case at all. Writes Perry:

> We've been had . . . again. The controversial Alaskan pipeline was approved by Congress partly because Secretary Morton promised the Alaska ships would have these important safeguards. They won't.

I think Perry's column of analysis and opinion from the February 1 issue of the National Observer is frank, informative and disturbing. The column follows:

Coast Guard Scuttles Its Own Reforms

(By James M. Perry)

The most spectacular boat ride I've ever taken was aboard a ferry running between Victoria, on Vancouver Island, in British Columbia, and Port Angeles, on the Olympic peninsula, in the state of Washington. The sea gulls glide with the boat, at the same speed, so you think you can reach out and touch them. And straight ahead, looking like a giant mural, is the peninsula itself, the jagged peaks of Mt. Olympus and Mt. Angeles reaching into the clouds.

It's a solid old ferry, and it's been plying these cold, windy waters for years. Soon, though, new ships will be using Juan de Fuca, big, 100,000-ton tankers abrim with crude oil from Valdez, in Alaska. They'll come up the narrow strait, plowing through heavy rip tides and weathering high winds, turn to port, and head for docking facilities near Bellingham.

When you think of that, you can't help but think what would happen to this indescribably beautiful part of the world if one of these giant ships went aground, or collided with another ship, or lost power and began to drift. These ships carry just as much oil as the Torrey Canyon, which ran aground off the English coast and created the worst oil spill in history.

The Torrey Canyon flew a Liberian flag and her captain was a tubercular Italian who hadn't been on land for 366 days. The ships that will carry the oil from Alaska to the state of Washington (and to southern California) will carry the American flag, because the law requires that all tankers in the domestic trade (plying between one American port and another) must be American.

Thus, it would seem, this country should be able to maintain some meaningful control over its own ships operating in its own waters, especially the big new tankers that are being built for the Alaska trade.

NEW REGULATIONS

In fact, Congress specifically instructed the Coast Guard to come up with new regulations for domestic tankers. At the time, observers were hopeful that progress would be made, because it was the Coast Guard that pioneered the idea of segregated ballast and double bottoms for all tankers, domestic and foreign.

A little background.

In 1969 and 1970, according to Joseph D. Porricelli and Virgil F. Keith, who know more about these things than almost anyone else, the average annual amount of oil pollution of the ocean from all sources was 4,897,000 metric tons, of which 2,307,000 metric tons came from ships and barges. Tankers, one way or another, spilled 1,450,000 metric tons, of which 967,000 metric tons came from "routine tanker operations and the ballasting and cleaning of cargo oil tanks."

It works this way. After a tanker unloads its oil, it takes on seawater as ballast, to make sure, among other things, that the propeller gets down into the water. For years, the usual procedure was to put the seawater ballast in the same tanks that had carried the oil.

"CLINGAGE" PROBLEMS

Before it takes on more oil, the tanker empties out the seawater ballast. But the seawater mixes with oil that clings to the walls and the bottom of the tanks. Sometimes, this "clingage" amounts to 2 per cent of the oil carried by the tanker. Figure it out: On a ship carrying 200,000 tons of oil, that's 4,000 tons, a hell of a lot of oil. Most big tankers, these days, have an improved system called LOT, for "load on top," in which the oil residue and the ballast are pumped into a holding tank and the mixture is allowed to settle. The water is then drawn off from the bottom and dumped into the ocean. The oil remaining in the holding tank is combined with the next oil cargo. LOT is an improvement, but it's not a solution, because it's only about 80 per cent effective.

The solution is a segregated-ballast system, in which certain tanks always carry oil, certain other tanks always carry ballast, and the twain shall never meet. Ships with double bottoms can use the space between the outer shell and the inner shell for segregated ballast. The double bottom serves another purpose: It can often prevent big oil spills when the ship runs aground. Coast Guard Commander James C. Card analyzed 30 tanker accidents in American waters between 1969 and 1973 in which pollution occurred. If those 30 ships had been fitted with double bottoms (and none were), 27 of them would not have polluted. A total oil spill of 11,000 tons would have been prevented in close-to-shore American waters.

Collisions and rammings (a collision is when you hit another ship, a ramming is when you run into a bridge or something) are major pollution sources too, and double bottoms would help with them. Double *hulls* and double bottoms would be even better.

There are other problems. These big tankers don't maneuver very well. They have one boiler, one shaft, one propeller, and when they're moving along at top speed (about 16 knots for most of them) it takes three miles and 20 minutes to bring them to a stop. You can maneuver better, in harbor and at sea, in a ship equipped with lateral thrusters and a controllable-pitch propeller, both long in service on many tankers. This equipment, Eldon V. C. Greenberg of the Center for Law and Social Policy notes, has "particular benefits" for our tankers operating in our coastal and harbor waterways. A controllable-pitch propeller, for example, can provide a 25 per cent reduction in straight-line stopping distance. This capability, Greenberg says, dryly, "might also prove useful on tankers loaded with Alaskan oil navigating the treacherous Straits of Juan de Fuca."

Well, so much for the background. These are just some of the problems the Congress wanted the Coast Guard to deal with in its new regulations. Now we come to the point of inquiring what these regulations will provide. Remember, first, that it was the Coast Guard that pioneered in demanding many of these reforms, including double bottoms (a call that fell on deaf ears at the international maritime convention in London in 1973).

The Coast Guard gave advance notice of its new regulations on June 28, 1974, just two days before it was required to issue its *final* regulations. To the consternation of environmentalists, the new regulations said nothing about a segregated ballast—double bottom standard; said nothing, either, about thrusters and controllable-pitch propellers. In fact, the Coast Guard broke no new ground; it merely went along with the regulations approved by the Liberians and the Greeks and all the rest at London and made those international regulations applicable to our domestic trade in our own ships.

The point of giving advance notice is to give people and organizations affected by the proposed regulations time to challenge them or to suggest changes in them. The Coast Guard got a heavy response, most of it negative. The White House's Council on Environmental Quality said it was "keenly disappointed." The governor of Alaska "strongly urged" the Coast Guard to reconsider. The governor of the state of Washington objected, and Rogers Morton, the Secretary of the Interior, said the failure to require double bottoms was a "serious error which may adversely affect the environment of Alaska, Canada, the northwestern United States and, indirectly, the entire world for decades to come."

It was the same Rogers Morton who solemnly pledged, in testimony before the Joint Economic Committee on June 22, 1972, that "newly constructed American-flag vessels carrying oil from Port Valdez to United States ports will be required to have segregated ballast systems, incorporating a double bottom. . . ."

The Coast Guard has considered all these replies—and it's going to hold firm. Rear Adm. W. M. Benkert, chief of the Office of Merchant Marine Safety, told me last week that the final rules will be issued in a month's time and that "they will not require segregated ballast and double bottoms in new tankers." Nor, he said, will the new rules require thrusters or controllable-pitch propellers, although the preamble will say the Coast Guard is looking into them.

"We collected new data," the admiral said, "and we changed our mind. We don't think groundings are as serious a problem as we once thought, and we determined that the economics of double bottoms militate against them. They cost a hell of a lot more money."

What the Coast Guard will require is that tankers of 70,000 tons or more laid down or ordered prior to the end of 1974 be built with segregated ballast systems (along with or without, double bottoms). That won't do much for the tankers now being built, because they meet the deadline easily. Beyond that, there's a "grandfather clause" that excuses older tankers from the new regulations.

The American-flag fleet of oil tankers is one of the oldest in the world, and all but a handful are way under 70,000 tons. There's no cut-off date for these old rust buckets (though that, too, is under "consideration" by the Coast Guard) so they'll continue to ply our waterways, spilling and dumping oil every hour, every day, for years and years.

We've been had . . . again. The controversial Alaskan pipeline was approved by Congress partly because Secretary Morton promised the Alaska ships would have these important safeguards. They won't.

Even some of the oil companies have been had. Acting in good faith and in full expectation that the new regulations would require double bottoms, they willingly paid the premium in ordering up 20 new double-bottom tankers.

Thus it is that our tankers operating in our waters under our laws will be no better and no safer (by law, anyway) than an old World War II tanker that might be flying a Liberian flag of convenience and might, right now, be working its way up the coast of Malaysia with a crew of Lascars.

"Sure," says Admiral Benkert, "we've taken a lot of political pressure on this, both pro and con. Everybody has a right to make a pitch. It's our job to appraise the pitches and come up with the right answers."

This time, though, the Coast Guard wasn't ready.

ECONOMIC CRISIS

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. BRINKLEY. Mr. Speaker, more and more of my mail in the past several weeks has been dedicated to the worsening state of the American economy. People are truly becoming concerned that the present crisis is more than temporary, and will lead to a very definite change in the American standard of living.

At the same time, it has become crystal clear to me that a great portion of the blame must be laid to deficit Federal spending, and that we must begin now to reverse this dangerous trend.

Mr. Speaker, I insert at this point of the RECORD a statement which I drafted to be used at the opening of my monthly news conference in my district. I urge all my colleagues to read it carefully and consider the points I raise.

The statement follows:

COMMENTS BY CONGRESSMAN JACK BRINKLEY AT OPENING OF NEWS CONFERENCE IN COLUMBUS, GA., JANUARY 31, 1975

It has become increasingly apparent these last weeks and months that the American public is growing weary of bold statements and stern warnings from those in public office, too seldom followed up with action. Whether you or I or anyone cares to admit it or not, the nation is in dire trouble, and the basis of this trouble is economic in nature. I am convinced now more than ever before that the crisis we now are in is more than simply another period of recession, such as those we frequently hear references to in the 1950s and 60s.

I submit, in fact, that this crisis is the true crossroads in America's great life. The path we take from here on will determine whether, in the future, we again head up or begin a downward slide from which we cannot and will not fully recover.

It is easy to blame the economic crisis entirely on the petroleum problem, or on wage demands, or on wasteful spending by American consumers, but I have to say that such thinking, in which all of us have engaged from time to time, is ludicrous, especially when one looks at the very poor example that the government itself has set. A review of the spending habits of the past two decades clearly shows that the federal government has been as wasteful as, indeed more wasteful than, any consumer could possibly be.

The Congress—under the Great Society and new federalism to a very substantial extent—has simply overspent to the point where we must now make some hard decisions. Either we continue to live beyond our means, to overspend, and cause federal dificits to soar to unprecedented peacetime levels; or we cut back now, as difficult as such a move may be and as much as it might cause hardship. It has been far too easy, up to now, for the Congress to vote, vote, vote on every spending proposal that comes along—simply because such proposals are politically popular or guarantee that we satisfy everybody.

But do you realize that if the federal government stays in its current routine of *wealth distribution* and *transfer payments*, by the turn of the century, we will not only be well along the road to socialism, but will be socialist, for all practical purposes? It is conservatively projected that if current levels of transfer payments—taking from the productive to give to the nonproductive—continue, the majority of this nation's *gross national product* will be oriented toward government programs, rather than toward the private enterprise sector. This is indeed a sorry commentary on a great and thriving nation which for so long has prided itself in its productivity, its free enterprise system and its willingness to *aid* personal gain and fortune, but not to *provide it outright!*

Well, I, as one member of the Congress, have now grown tired of seeing the federal government attempt to be the caretaker of everyone, seldom asking for personal sacrifice by anyone, and seeming to hold out a promise of *Utopia* which can be gained simply by appropriating more money—money that long since has stopped coming from a solvent federal treasury, but a federal treasury sinking deeper and deeper into debt and despair. This senseless system of running a country must come to an end, however unpleasant the thought might at first seem.

It upsets me beyond description to see government bureaucrats in Washington riding all over town in their shiny black chauffered cars—some 800 of them in Washington alone—and languishing in their plush offices, with little realization of what their irresponsible and foolish decisions often do to this country. It disconcerts me equally to see waste, inefficiency, and often pure greed, perpetuated among numerous government agencies afraid of asking the Congress for too little money, and therefore grabbing for all they can get—and usually spending it freely just so that they can ask for twice as much the following year.

But what pains me above all, and this is a responsible observation based on more than eight years in the Congress, is to see the drastic change in attitude which the American public has undergone—largely through no fault of its own, but because of the atmosphere permeating out of Washington—an attitude that federal *spending* is bad until it comes to their special program or subsidy. Believe me, hundreds of isolated areas of this type add up to hundreds of millions of dollars in a very short time.

Therefore, I have come to the conclusion that I cannot be a party to this on-going spending madness. I cannot support a growing system of promising everything—budget control, fiscal responsibility, economic order—but delivering little or nothing because it just seems to work out that way.

Reluctantly, I have decided and am determined that, except in very compelling circumstances, I will vote AGAINST every new spending proposal that comes before the House of Representatives.

Additionally, I have inserted this statement into the Congressional Record for all to see, and to urge my colleagues in the House to adopt a similar position. I recognize, of course, that there are those right here in the 3rd District who will initially agree with my approach, but then will take issue with me when a favorite program of theirs comes along 6, 12 or 18 months from now. I regret that I might have to vote in a manner unacceptable or dissatisfying to them, but I will always do so with one sole thought in mind—*this country must return to fiscal sanity.*

We cannot blame other factors for the economic crisis until we first sweep around our own government bureaucracies—and that is precisely what I intend to start doing.

STANISLAUS COUNTY UNDERSHERIFF HARRY L. OLIVER RETIRES FROM 46 YEARS OF DEDICATED SERVICE

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. McFALL. Mr. Speaker, after nearly 50 years of dedicated and distinguished service to the public as a law enforcement officer, Stanislaus County, Calif., Undersheriff Harry L. Oliver is retiring.

Undersheriff Oliver's retirement comes at a time when the Stanislaus County sheriff's office has sustained the retirement of another dedicated individual, former Sheriff Dan Kelsay, who retired in December after 23 years as sheriff.

On February 15, the Stanislaus County Sheriff's Employees' Foundation will honor Undersheriff Oliver with a retirement dinner in Turlock, Calif., a city in which he once held the post of chief of police.

Those who will gather that evening will be there to express appreciation, respect, and friendship for a man who has been a leader in his field and a dedicated, service-minded member of his community.

Undersheriff Oliver began his law enforcement career in 1929 in Solano County.

In 1941 he became a lieutenant in the Vallejo Police Department. It was following this service that in 1949 he became chief of police of Turlock, a post he held until 1954.

At that time, Sheriff Kelsay called upon him to join the Stanislaus County Sheriff's Department. Sheriff Kelsay recognized that the times required police officers to gain intensified professional training, and Undersheriff Oliver became the backbone of what is now the Modesto Regional Criminal Justice Training Center. When he took this post, he was serving as coordinator of the Central Valley Peace Officers' Training School for pre-employment, as well as being involved in the in-service training program at Modesto Junior College.

Though Undersheriff Oliver is retiring, he leaves a positive legacy in the men and women who are continuing to serve in various aspects of law enforcement, not only in Stanislaus County, but throughout the State of California.

Undersheriff Oliver's other professional contributions and community efforts are legion.

He serves on the advisory committee for the Modesto Regional Criminal Justice Training Center. He is a member and past director of the Stanislaus County Peace Officers' Association.

Undersheriff Oliver graduated from the 39th session of the Federal Bureau of Investigation's National Academy and holds a life membership in the California Peace Officers' Association. He is a member of the California State Sheriffs' Association, and a past president of the Solano County Peace Officers' Association.

In Turlock, Undersheriff Oliver is a member of the Masonic Lodge, and has served as president of the Shrine Club. He is a member of the Scottish Rite Lodge of Stockton and a past secretary-treasurer of the Central Valley Scottish Rite Club.

He also has served as chairman of the Turlock Red Cross Fund Drive.

Undersheriff Oliver devotes considerable energies as a member of the Stanislaus County Emergency Medical Care Committee.

He is a founding member of the board of the Turlock-based Medic-Alert Foundation and also serves on the foundation's executive committee. During his retirement, Undersheriff Oliver will be devoting more time to the lifesaving Medic-Alert Foundation.

For me, it has been a distinct personal honor to know Harry Oliver and count him as a friend.

All who have been privileged to know and work with Harry Oliver, know that he and his charming wife, Edith, will look forward to new opportunities to enjoy the new vistas that life will offer and do things that a busy schedule has not permitted in the past.

Although I will not be present for Harry's retirement dinner, I would want to take this opportunity to offer best wishes and say thank you, Harry for many years of work and contributions made in the best tradition of service to the public and community.

TERRITORIAL SOCIAL SECURITY AMENDMENT

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. WON PAT. Mr. Speaker, on behalf of the thousands of elderly persons on Guam, the Virgin Islands, and Puerto Rico who have reached the age of 72, yet are ineligible to collect social security benefits, I am today introducing a measure which I have previously introduced in the 93d Congress as H.R. 9263 to provide our senior citizens with the benefits they deserve and need.

The bill would amend section 228(e) of the Social Security Act to include territorial Americans within the scope of this section of Federal law. As you know, section 228(e) was originally passed some years ago to permit elderly Americans who have reached the dignified age of 72 and have not contributed sufficiently to the social security fund to be eligible for benefits. Due to an oversight in the law, however, your fellow Americans in the territories were not included in section 228(e), thus denying these citizens even the scantest pension to help them through their twilight years.

I need not go into the various horror stories, oft-repeated here, which detail the incredible hardship our senior citizens endure because of inadequate finances. It is no secret that large numbers of these people failed to generate sufficient earning power to carry them through their retirement years. And, in these times of skyrocketing living costs, how our financially dependent elderly can be expected to make ends meet is beyond me.

Of course, age is a great leveler of persons and the elderly in the American territories are just as troubled by insufficient funds as are those here on the mainland. While I do not contend that my amendment would make anyone in the U.S. territories rich, it would provide them with some small pension—enough, hopefully, to help carry them through their great difficulties.

TRIBUTE TO HUGO F. SCHUNHOFF

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. STARK. Mr. Speaker, it is an honor for me to pay tribute to one of the most outstanding citizens of California's Ninth Congressional District, Mr. Hugo F. Schunhoff. This man has dedicated many selfless years to the field of deaf education, and as a result, deserves the respect of all. On February 21, 1975, a retirement dinner will be held by friends and colleagues of Mr. Schunhoff's to salute his many achievements. Although I regret I cannot be with him on this memorable occasion, I would like to express a special thanks to Mr. Schunhoff for his exceptional efforts to promote individual counseling and guidance for the deaf and hard of hearing.

For the past 15 years, the California School for the Deaf in Berkeley has been fortunate to have Mr. Schunhoff as their superintendent. In this capacity, Mr. Schunhoff has worked diligently, constantly directing his energies toward providing better educational opportunities for the deaf. It is worth mentioning, that the caliber of this particular school is high; one of its prominent features being the emphasis placed upon curricular improvement through the utilization of new methods of instruction. Again, many of this school's educational innovations can be attributed to Mr. Schunhoff, and I am sure that upon his retirement, he will be sorely missed.

Prior to his present position as superintendent, Mr. Schunhoff, due to his seemingly unlimited energy, accumulated a personal history of accomplishments which deserve recognition. The list is long: President of the Conference of Executives of American Schools for the Deaf, 1963–66; member of the Council for Exceptional Children; State president of the West Virginia Federation of Council for Exceptional Children, 1958–59; member of the Convention of Instructors of American Schools for the Deaf and a life member of the National Education Association; member on the Advisory Committee for the Program of Training Teachers of the Deaf, U.S. Office of Education, Public Law 87–276, 1964–65; member of the Secretary's National Advisory Board on Establishment of the National Technical Institute for the Deaf, Department of Health, Education, and Welfare, 1965–66; panelist, White House Conference on Education, 1965; and a member of the Advisory Committee on Handicapped Children, U.S. Office of Education, 1967–69.

Again I would like to extend my congratulations to Mr. Schunhoff, and wish him the best of luck in all his future endeavors.

ON THE DECRIMINALIZATION OF MARIHUANA

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. KOCH. Mr. Speaker, I am circulating amongst our colleagues a bill, H.R. 561, for cosponsorship. If enacted, the legislation would decriminalize the personal possession and the use of marihuana. The bill was first introduced by Senator Javits in the Senate and myself in the House on April 20, 1972. It would remove all penalties for the possession of marihuana for personal use in a private home; it would also allow not-for-profit transfer of marihuana and the possession of reasonable amounts of marihuana in public when such possession is incident to private use. Marihuana smoking in public would continue to be a crime.

I know how controversial this matter is, not because of a disagreement in the approach, but rather because legislators think that their constituents will not approve of it. I have met very few people who when made aware of the contents of the bill and its approach—decriminalization, not legalization—who do not agree with it. Yet, it has been extremely difficult to obtain congressional support for the bill.

On the other hand, in the State legislatures there have been forward movements in this area. Recently, the State of Oregon enacted legislation which made use or promotion of 1 ounce or less of marihuana a misdemeanor carrying with it a $100 or less fine.

I am pleased to report that our former colleague, Hugh Carey, now Governor of the State of New York, said this week that he is considering recommending the removal of criminal penalties for possession of small amounts of marihuana and replacing them with "a system of fines or mandatory attendance at health clinics."

On January 27, 1973, the New York State Bar Association officially adopted the position that "the criminal prohibition of marihuana . . . undermines respect for all law . . ."

In June of last year, the Illinois State Bar Association passed a resolution calling for the legalization of marihuana possession. On February 14, 1974, the Massachusetts Bar Association endorsed elimination of the crime of international possession.

Mr. Speaker, let me provide the House with some statistics bearing on the need for this legislation. The FBI Uniform Crime Report for 1973 states that 66.9 percent of all drug arrests last year involved marihuana. Marihuana arrests in 1973 increased 43 percent over the prior year. The State of California led the country with 95,110 marihuana arrests made in that State.

Mr. Speaker, according to the statistics now available, at least 26 million Americans, or 16 percent of the adult population, have tried marihuana at least once. Thirteen million Americans smoke marihuana on a regular basis. If in one fell swoop we were to place just the 13 million regular users in jail for 1 year, the cost to the American public at more than $6,000 per prisoner per year, would be over $79 billion. Does anyone suggest that this is practicable? Yet equal application of the law would demand such action.

I invite my colleagues to consider cosponsorship of this measure as a reasonable alternative to current law. The bill follows:

H.R. 561

A bill to amend certain provisions of the Controlled Substances Act relating to marihuana.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Controlled Substances Act is amended by inserting immediately after section 404 thereof, the following new section:

"SEC. 404A. (a) Notwithstanding the provisions of section 308, 401(a)(1), 404, or any other provision of this title or any other Federal law, it shall not be unlawful for any person—

"(1)(A) to possess, within a private dwelling or other residence, marihuana for his own use, or for the use of others, within any such residence or dwelling, if such marihuana is not possessed with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law; or

"(B) to possess, in a public area, marihuana in a reasonable amount, if the possession of such marihuana is incident to a private use within the purview of subparagraph (A) of this paragraph, and is not with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law; or

"(2) to distribute, transfer, or sell, in public or private, any marihuana, lawfully possessed, to any person for a private use within the purview of subparagraph (A) of the first paragraph of this subsection, if such distribution, transfer, or sale is not made for profit.

"(b) Notwithstanding the provisions of section 511 or any other provision of this title or any other Federal law, marihuana in the lawful possession of any person shall not be considered contraband and shall not be subject to seizure or forfeiture by the United States.

"(c) In the prosecution of any person charged with an offense in violation of any Federal law, the fact that such person was suffering from marihuana intoxication at the time of the commission of that offense shall not be a defense to that charge or any element thereof.

"(d) For purposes of subparagraph (B) of paragraph (1) of subsection (a) of this section, the possession of marihuana in an amount not to exceed three ounces shall be deemed to be a reasonable amount, if such possession is incident to a private use within the purview of subparagraph (A) of paragraph (1) of subsection (a) of this section, and is not with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law.".

IN MEMORIAM TO THE RIGHT REVEREND MONSIGNOR EDWARD J. SCULLY BELOVED PASTOR OF THE IMMACULATE HEART OF MARY R. C. CHURCH WAYNE, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ROE. Mr. Speaker, on Tuesday, January 7, 1975, the congregation of the Roman Catholic Church of the Immaculate Heart of Mary in my hometown of Wayne, the residents of my Eighth Congressional District and the State of New Jersey mourned the pasing of one of our Nation's most distinguished members of the clergy, outstanding character-builder of our young people, highly esteemed benefactor to all of our people, long time personal friend and neighbor; the Beloved Right Reverend Monsignor Edward J. Scully.

His 45 years in the priesthood spanned a dedicated lifetime of goodwill and brotherhood in unselfish devotion to mankind that has truly enriched the spiritual, educational, recreational and cultural endowments of our community, State, and Nation. I know that you and our colleagues here in the Congress will want to join with me in extending our sincere condolences to the remaining members of his immediate family: His sister, Mrs. Patricia J. O'Brien of Newark, N.J.; and his three brothers, John of Morristown, N.J.; Maurice of Avon, N.J.; and Thomas, a member of the Christian Brothers at Annandale, Md.

We have indeed lost a great friend and adviser whose inner greatness in his respect for God and man has earned him the eternal gratitude of all of us. As most poignantly expressed by the Honorable Gerard Porter, esteemed trustee of the Immaculate Heart of Mary Church:

> He will be here with us, forever, right at the shrine (the Blessed Mary shrine on the church property where the Monsignor has been interred to be lastingly cherished as sacred). Being a humble man was not his routine, but he was a simple man; a simple, basic follower of the Catholic religion. There are no gray area in the Catholic church as far as Monsignor Scully was concerned.

Monsignor Scully was born November 18, 1903, in Newark and was ordained in the Sacrament of Holy Orders on June 8, 1930 at St. Patrick's Pro-Cathedral, Newark, N.J. He was a graduate of St. Peter's Preparatory School, Jersey City; Seton Hall College; and the Immaculate Conception Seminary, Darlington where he completed his studies for the priesthood.

The richness of his wisdom and the quality of his leadership have been an inspiration to all of us. Throughout his lifetime of unselfish service to the public good, he has built for the people a solid foundation of trust and integrity that strengthen the character; a concrete place to participate for spiritual, recreational and educational pursuits; the warmth of friendship that binds people together in common endeavor and purpose; and a fond memory of the greatness of a man who placed others above self in the pursuit of happiness and contentment in service to God and his fellowman.

His early assignments as a priest included St. Anne's Church, Jersey City and St. Bernard's Church, Plainfield, N.J. In 1930 as a young curate at St. Michael's Church, Newark he organized one of the first Catholic Boy Scout Troops before transferring in 1935 to assist the pastor at St. Vincent's Church, Madison, N.J. He established a young ladies' Sodality of the Blessed Virgin, the Nocturnal Adoration Society, and another boy scout troop at St. Vincent's. His achievements during this period were widely acclaimed and in the establishment of the Catholic Diocese of Paterson in 1938 he was appointed the first director of the Propagation of the Faith.

My hometown of Wayne was next blessed by the good works of Monsignor Scully. In 1945 he was appointed as the first resident priest of our community as pastor of Holy Cross Church where his parish in the Mountainview section of Wayne had been a Franciscan Mission for 19 years.

Under his unswerving direction, devotion, sincerity of purpose, and diligence to meet the great needs of our people, he moved ahead with foresight and perseverance in acquiring land sites and building the necessary edifices to conduct religious services and educational programs for the people of our region. The first parochial school in our community was opened under the direction of Monsignor Scully in 1950. Monsignor Scully coordinated and under his responsibility and diocesan jurisdiction acquired for the church the land site for the DePaul Regional High School on Alps Road and the site of Our Lady of the Valley Church in the Preakness section of Wayne—all of which are striking memorials of his exemplary accomplishments. The construction of his final pastorate, the Immaculate Heart of Mary, was completed in June 1959 and dedicated by Bishop James A. McNulty on November 29, 1959.

Monsignor Scully was designated Papal Chamberlain with the accompanying title of monsignor by Pope Pius XII in 1954 and domestic prelate by Pope Paul VI in 1964. He was the first director of religious vocations in the diocese and the first chaplain of the Serra Club comprised of leading citizens in our business and professional community dedicated to fostering vocations to the priesthood. He was chaplain of the Butler district of the Diocesan Council of Catholic Women for 25 years; a member of the Priests Senate; vicar of Wayne and Little Falls, N.J.; and served on the diocesan board of consultors for the past 10 years.

The monsignor's outstanding contributions to the civic and cultural endeavors of our community are warmly expressed in the formal resolution unanimously adopted by the governing body of the township of Wayne on January 15, 1975, which reads as follows:

RESOLUTION

Whereas, residents of Wayne Township mourn the passing of Right Reverend Monsignor Edward J. Scully of Immaculate Heart of Mary, Roman Catholic Church, Ratzer Road, Wayne, New Jersey, on Tuesday, January 7, 1975; and

Whereas, Monsignor Scully became Pastor of Holy Cross Roman Catholic Church of Wayne in the year 1945; and

Whereas, this gave him the unique honor of being the first resident Catholic priest in the Township of Wayne; and

Whereas, Monsignor Scully in 1953 organized the Nocturnal Adoration Society of Wayne which is still in existence and active in the Township; and

Whereas, in the year 1955 Monsignor Scully, built and was named Pastor of the new Parish, Immaculate Heart of Mary in Packanack Lake; and

Whereas, this truly outstanding priest not only purchased the land for Immaculate Heart of Mary Parish but also purchased the necessary land for Our Lady of the Valley Parish in Preakness and De Paul Regional High School on Alps Road; and

Whereas, Monsignor Edward J. Scully, the Dean and Vicar of all Wayne Catholicism was a man whose entire life was an act of dedication to his God, his Country, and to his Community; and

Whereas, this dedicated servant of God faithfully served his flock for 45 years; and

Whereas, men of all faiths and political beliefs had long sought and eagerly utilized his advice, counsel, and guidance; and

Whereas, this fine man of the cloth has left an everlasting mark etched in the minds and hearts of all Wayne residents,

Therefore, be it resolved that Mayor Newton E. Miller, Council President Charles Kabbash and Members of the Council, James J. Duggan, Harry Rudiger, Joseph Vadala, James Mingo, Walter Jasinski, David Waks, Thomas Elm and Estelle Perry mourn the passing of Right Reverend Monsignor Edward J. Scully, and

Be it further resolved that this Resolution be spread upon the minutes of the January 15, 1975 Public Meeting of the Wayne Governing Body and copies be forwarded to members of Monsignor Scully's family and to the Council of the Immaculate Heart of Mary Roman Catholic Church.

The spontaneous response at the celebration of mass attended by his many, many friends of all religious beliefs who gathered in homage to pay the last respects of a grateful people to the monsignor was indeed awe inspiring. With your permission I would like to insert at this point in our CONGRESSIONAL RECORD a most descriptive news story that appeared in the Herald News, by News Staff Writer Joan Wiessman who has captured the deep reverence and solemnity of the Monsignor's last rites in her writings as follows:

MONSIGNOR SCULLY ENSHRINED

(By Joan Wiessmann)

WAYNE.—A dedicated priest has been laid to rest in the shrine of the Blessed Mary in front of the church he founded.

"Our brother Edward has fallen asleep," said Bishop Lawrence Casey of the Paterson Diocese, chief celebrant during the resurrection mass held Saturday morning for Msgr. Edward J. Scully at the Immaculate Heart of Mary Church, 580 Ratzer Road.

The Rev. Msgr. Walter J. Jarvais, a classmate and intimate friend of Wayne's first resident priest, called Msgr. Scully's lifetime, "The priestly success story."

"He will be here with us forever, right at the shrine," said Gerard Porter, a parishioner and close friend of the stately, 71-year-old priest.

In spite of dismal weather, the church sanctuary and the all-purpose room adjacent to it, were filled. Cars, unable to find room in the large parking lot, were parked in a one-half mile radius of the church grounds. The 14-acre site, high on a hill overlooking Packanack Lake, was chosen by Msgr. Scully.

Quiet tears spilled on the cheeks of parishioners, relatives and nuns during the solemn procession of about 80 priests of the Paterson Diocese who paid their last respects to the man who spent 30 of his 44 years in the priesthood administering pastoral services at the Holy Cross Church of the Immaculate Heart of Mary Church in Wayne.

Rep. Robert A. Roe, D–8, a native of Wayne and a parishioner at Holy Cross, arrived to pay tribute to the priest he had known 30 years. Roe's brother, James, followed the pallbearers.

Bishop Casey said of Msgr. Scully, "He was always a churchman, thinking of the welfare of the church and the people of his parish. Sometimes he might hold contrary views to his parishioners', but they always knew where he stood." Bishop Casey and he, too, was a classmate of Msgr. Scully and they were both ordained in 1939, although in different diocese.

"Msgr. Scully loved the church, it was the center of his whole life and activity . . . Disloyalty to a legitimate authority was an unknown quantity in his life . . . His faith was adamant, yet it was the simple faith of a child of God," said Msgr. Jarvais. "He was a priest, a good priest. How fitting it is that he will be enshrined near the Heart of Mary."

Porter said, "Being a humble man was not his routine, but he was a simple man; a simple, basic follower of the Catholic religion. There was no gray area in the Catholic church as far as Monsignor Scully was concerned."

While he is not of the same religious faith, Mayor Newton Miller was among Msgr. Scully's close friends and allies. Miller served as a pallbearer.

Paul Forbes, another pallbearer who enjoyed a close relationship with the Wayne priest, is donating a bronze plaque for the crypt at the shrine. The other pallbearers included Alfred and John Baley, John McLeiland, John Hannigan, Richard Joyce and Gerald McKenna, a church trustee.

Wayne Postmaster Frank McNally, Township Clerk John Phelan, Councilmen James Duggan, Walter Jasinski and James Mingo were some of the other dignitaries among the mourners.

There are carillons in the shrine, donated to the church by the late Theodore Pojanowski and Mrs. Pojanowski, which ring three times a day. Msgr. Scully's parishioners will be reminded of their first priest at 9 o'clock each evening when the carillons ring for the dead. The shrine, imported from Italy by Msgr. Scully, was made of Carara marble to the priest's specifications.

The Rev. Msgr. Jarvais said, "He sought God in his undiminished devotion to his priesthood. We are consoled in the realization that God has been good to him."

During his eulogy, Porter said that Msgr. Scully was "proud" that Bishop Casey took time out from his busy schedule to visit him at St. Joseph's Hospital in Paterson where he was hospitalized four times in recent months, finally succumbing to pneumonia and complications on Jan. 7.

Porter also said that Wayne's "Dean of Priests" was extremely pleased that the Rev. John Morris had been appointed by Bishop Casey to serve as copastor with Msgr. Scully, and praised the Rev. Michael Quinn, curate, for his long-time, able assistance. The Wayne church is in good hands. The Rev. Morris and Father Quinn will carry on Msgr. Scully's responsibilities.

"Msgr. Scully will always hold a unique place in your hearts as founder of this parish. All during his lifetime he had a tender devotion to Mary. May she watch over the parish he loved so much," Bishop Casey told the parishioners.

Mr. Speaker, it is indeed my privilege and honor to bring Monsignor Scully's purposeful endeavors and achievements to the attention of you and your colleagues here in the Congress and seek this national recognition of all of his good works. In reflecting on the principles of freedom enmeshed in the founding and the history of America, as we choose to have our Nation ever flourish, his lifetime of distinguished service is of national and international significance to all.

In the reflections of St. Timothy:

> I have fought the good fight,
> I have finished the race,
> I have kept the faith.

Monsignor Scully has gone to his resting place and is now under the eternal care of God whom he served so well with reverence and devotion in accomplishments that have truly inured to the benefit of all of God's people. May he rest in peace.

STATEMENT REINTRODUCING NURSE TRAINING ACT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. DODD. Mr. Speaker, I am today introducing the Nurse Training Act which was passed by both the House and Senate last year and vetoed by President Ford after the 93d Congress had adjourned.

There is a deplorable shortage of physicians and health care facilities in various areas throughout the United States. In my district of Connecticut, alone, there are only eight hospitals providing 1,449 beds to care for the medical needs of 555,800. The doctor shortage is equally astonishing. For example, in New London, Conn., there is approximately one doctor per 840 persons. The doctor shortage in eastern Connecticut is one of the worst in the entire Northeastern region. In fact, 9 out of the 60 towns in my district in Connecticut have neither a doctor nor a dentist.

This legislation, by increasing the number of nurses and nurse practitioners, would alleviate much of the work currently performed by greatly overworked physicians, and consequently improve primary medical care substantially.

Of equal importance when considering the benefits of this bill is that it would encourage Vietnam veterans with previous health care experience to enroll in nursing schools or, if they are not qualified, to enter a school that would help them meet the entrance requirements. This legislation represents a positive step toward utilizing a too often neglected human resource pool for the benefit of our society as a whole.

Mr. Speaker, this legislation would do much to meet the health requirements of the American people, and I urge prompt House action on it.

INCREASING FOOD PRODUCTION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. **ASHBROOK**. Mr. Speaker, within the Halls of Congress are being heard numerous proposals for Government controls—controls on wages and prices, on credit allocation, on energy distribution, to mention only a few. The reasons presented for needing such controls usually include the items to be controlled cost too much or are in short supply.

Before putting more governmental regulations on areas of our lives, it is important to give some thought to an article Earl McMunn, editor of the Ohio Farmer, has written in that same publication. In part, Mr. McMunn writes:

> Production is the only cure for shortages. This is true, whether the shortage is in food, fertilizer or oil. We can't have more by producing less.

This is particularly true in agriculture. American agricultural production has enabled our country to have abundant food supplies. Farmers in this country should be encouraged to increase production.

The text of Mr. McMunn's interesting article, "There's No Substitute for Production," follows:

LET'S REASON TOGETHER: THERE'S NO SUBSTITUTE FOR PRODUCTION

(By Earl W. McMunn)

Production is the only cure for shortages. This is true, whether the shortage is in food, fertilizer or oil. We can't have more by producing less.

We have more when we are guided by principles which encourage production. We have less when we follow practices which discourage production. These are simple truths and not difficult to understand. But, when it comes to public decisions, they are often most difficult to put into practice.

Almost everyone seems to be concerned about food supplies. Last month's United Nation's World Food Conference in Rome was focused on the need for food. It is estimated that malnutrition affects at least 400 million people. And, that global demand for food is increasing faster than supplies.

Rising demand is the reason prices are higher in the world's grain markets. The price signal carries the message to consumers and they are unhappy with what they hear. But, instead of interpreting the message and taking rational action, some decision-makers would like to kill the messenger because the message he carries is an unpleasant one.

This is what happens when you adopt price controls. Higher prices signal the need for increased production. Control prices by governmental edict and the message never gets through. It's much like an athlete who uses a pain killer on an injured knee so he can get back into the game and ends up with a life-long crippling injury.

The consumer calls the tune, and there is no better system when it is expressed through action in the market place. But, in recent years the idea has grown that consumers are helpless individuals who must be protected against all manner of threats, including the folly of their own foolishness. This thinking has led to all kinds of waste and disruption within the production system.

Too many people fail to understand that food production is a complex business. That is takes a mixture of technology, land, labor, capital and commercial inputs. Cripple any of these and food production is hampered. Costs are increased. The people who need the food are the real victims.

While some people strive to increase food production, others are working to make it more difficult. Some do this out of ignorance. Others are seeking political advantage. Still others are dedicated to the destruction of our economic system.

Much of the attack is aimed at producers of commercial farm inputs. Pesticides, feed additives and even fertilizer are under attack because of alleged threats to human health. Many charges are based upon the flimsiest of evidence, or even no evidence at all. It is sufficient to claim that a product "may" constitute a "possible" health hazard.

We all know that pesticides, animal health products, feed additives and other commercial inputs have added to the food supply and made farming more efficient. This is a major reason American farm production is now the envy of the world. And, why we live in abundance while other nations must get along at the very brink of starvation. For many, starvation is more than a threat. It is an every-day occurrence.

Everyone is in favor of reasonable safeguards for all food products. Some "protectors of public safety" have pushed their demands to unreasonable extremes. We are already seeing some of the result in the form of less production and higher prices. The Animal Health Institute, for instance, estimates that a fifth of the research spending in the animal health industry is now devoted to defending products previously accepted by regulators. These attacks undermine our ability to increase food production. When they are successful they cut present production.

Philip G. Connell, Jr. talked about this during a recent meeting of the Environmental Management Association in Chicago. Connell is president of the agricultural division of American Cyanamid Company. Among others, he discussed questions about the use of antibiotics in feeding meat animals and poultry where cancer is not involved and risks are no more than speculative, not documented.

Connell said:

"These products, which have been used for more than 20 years, serve three purposes. They permit improved growth with less feed. They prevent bacterial disease under the intensive production practices which have increased our meat supply so drastically. And, of course, they are also used to treat disease in animals, just as in humans.

"Although there is no documentation that it has ever happened, some people fear that the use of antibiotics in these disease-prevention programs might create a population of anti-biotic resistant bacteria; that this resistance might be transferred to bacteria in man, and that, therefore man might incur a disease which could not be treated with the same antibiotic.

"Nearly 25 years of practical experience and a substantial body of scientific literature tell us this fear is only speculative, yet producers of antibiotics are being required to conduct studies to prove that this speculative hazard does not exist. A quarter of a century of experience with farm animals and hundreds of scientific papers are not enough to keep a product on the market.

"Without taking into account any increase in animal deaths, the U.S. Department of Agriculture recently estimated that feeding the same number of cattle, calves and hogs without antibiotics would raise the consumer's meat bill a total of 2.1 billion dollars per year, and yield 7½pounds less meat per customer.

"They further estimate that each percent increase in animal mortality would add another $261 million per year to our grocery bill. This does not take into account increased costs for animals that may fall ill and go off feed, then recover to be sent to market a lot later than they should have been.

"To summarize, the U.S. Department of Agriculture estimates that a ban on antibiotics would increase retail prices of beef by 9.78 cents per pound, plus another 1.8 cents per pound at retail, for each one percent increase in mortality. Pork prices would rise 18.8 cents per pound at retail, plus another two cents for each one percent in mortality."

The point most often overlooked is that consumers, not producers, are the real losers when aids to efficient farming are banned. One recent study of the USDA even shows that farmers would actually increase their net returns if all antibiotics were banned. This is based upon the judgment that increasing retail pork prices more than 18 cents a pound and beef prices nearly 10 cents would not discourage consumption. That assumption may be in error.

In any event, we know that world food reserves are at a low level. Meeting present demand and rebuilding stockpiles to reasonable levels will take some time. Our agricultural abundance is a result of a combination of technical advances. We learned how to improve varieties, use commercial fertilizers, control weeds and insects with chemicals, improve feeding efficiency with additives and health products. Each new product improved efficiency and reduced food cost.

But, this story of progress is not well understood by most people outside the agricultural community. They have been sold on the idea that commercial inputs are dangerous and a threat to the survival of the human race.

The real threat to survival is the threat of starvation. The magic of America's agricultural science and technology has created a food production system unmatched on the face of the world. This same productive scientific complex offers the only hope for starving peoples wherever they are living.

While the world looks to science for new food production, the scientists find themselves defending the technology which has worked so well. These attacks are justified because of alleged concern for the health of people. This is a hollow excuse. Zealots who are truly concerned about health hazards should turn their attention to threats which are massive and well documented by responsible health authorities. What about smoking, cancer and heart disease for starters?

HUMAN RIGHTS IN THE ISRAELI OCCUPIED TERRITORIES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. FRASER. Mr. Speaker, last April 4, Dr. Israel Shahak, an Israeli professor of chemistry at the Hebrew University in Jerusalem, gave testimony before the Subcommittee on International Organizations and Movements which I chair. The hearing was one of a series examining international violations of human rights, and Dr. Shahak's testimony addressed itself to Israeli actions in the territories occupied since June 1967. Dr. Shahak is chairman of the Israeli League for Human and Civil Rights.

It is not surprising that Dr. Shahak has been criticized in Israel for having been publicly critical of Israel during his foreign travels, which included the appearance before the House Subcommittee on International Organizations and Movements. The loyal critic is not warmly welcomed by a nation fighting for its survival.

So, Mr. Speaker, while we may deplore the vehemence of the attacks against Dr. Shahak we should not be surprised by them. But we can also be encouraged that other Israeli voices have been raised in defense of Dr. Shahak's right to speak out.

I insert Dr. Michael Rabin's impressive comments on "Free Speech in the University" defending Dr. Shahak's right to free speech at the conclusion of these remarks. Rabin is the rector of Jerusalem's Hebrew University. Dr. Rabin's views, here translated from the Hebrew language Israeli newspaper Haaretz speak well of Hebrew University and by implication Israel. Dr. Rabin in effect paraphrases the admirable sentiment expressed by Voltaire when Voltaire said that,

> I disapprove of what you say, but I will defend to the death your right to say it.

It is this sort of defense that is necessary if freedom is to survive and prosper.

FREE SPEECH IN THE UNIVERSITY

(By Michael Rabin)

Amnon Rubinstein's article (*Haaretz*, October 10) commented on the stand of Hebrew University towards Dr. Israel Shahak, who is a professor of organic chemistry on the faculty, and who appeared ten days ago in Amsterdam as a speaker-participant in a "Solidarity for Palestine Week" forum.

Our explanation of academic freedom is broader than that suggested by Amnon Rubinstein in his article. According to Rubinstein, only the universities decide who will teach and who will learn in them. Something important is missing in this definition: Teachers and scholars in the university have the right to decide for themselves what their lectures will contain and what kind of research they will do. Following the decision that a professor will teach a certain subject, the professor is responsible for the subject. The dean or the chairman will not dictate to the professor this or that theory or point of view to present in the lecture.

CITIZENS' RIGHTS

In his article, moreover, Amnon Rubinstein touches upon the freedom of speech of faculty members outside the university. Here, academic freedom is not a consideration, but the right does exist for every citizen to present ideas on political and other subjects. Employers should not limit this right; a factory worker or health department doctor, for example, should not be limited by the employer in presenting political ideas outside the place of work. From this perspective the university should not impose limitations. A person should be allowed to express ideas not acceptable to others, to be a radical, to oppose those ideas accepted by a majority of the people. The condition that should prevail is that the person presenting such views does not appear as the spokesman for an institution, does not use the institution as a stage for his or her appearance, and does not occupy a position indicating that he or she is speaking for the institution.

The university, even more than other institutions, should be a place in which people possessing differing and opposing political ideas and ideologies may work together in peace. The university should be a place in which a person is not limited because of his or her political ideas and beliefs, even if they are radical and so upsetting as to be almost unbearable.

UNIVERSITY REGULATIONS

The university regulations pertaining to the faculty point out the responsibility of the professor in the areas of teaching and research. The regulations apply to the professor's behavior in performing duties to the university, to colleagues, and to students. All of this is connected to the professor's activity as a member of the faculty, i.e. as a teacher and scholar. The regulations do not contain stipulations concerning a faculty member's behavior concerning things not connected to the university. University regulations do not allow the universary to change or discipline faculty members along the lines advocated by Amnon Rubinstein in his article.

If we find that Shahak, in his speeches or in any of his actions, did anything against the laws of the State, we can request that those who have the right to look into such matters do so. Such persons could then accuse Shahak, take him to court, or do some of the things requested by Amnon Rubinstein in his article, such as confiscate Shahak's passport. The university can do nothing about these things.

Shahak's promotion to professor was examined and discussed in the regular manner in the university. If we had not acted accordingly towards Shahak, we would have given punishment without trial. The members of the promotions committee worked on the subject of promotion and made their decision after much study and consideration.

Based upon reliable evidence, our examination showed that Shahak did not unduly use sabbatical or research money in 1972. This finding is the opposite of what Amnon Rubinstein wrote in his article about Shahak's travel and appearances. Shahak did not even take money indirectly from sabbatical or research funds. We know that Shahak was most careful not to mix politics with his teaching of chemistry. He did not use his classes as a political stage. The students, by the way, have the freedom not to take Shahak's courses. Rubinstein seems to put himself in the position of being the students' lawyer, but the students do not need him. In a 1973 rating of faculty members by students Shahak was selected as one of the best teachers in the university.

DANGER TO FREEDOM

If we correctly understand the call in the Amnon Rubinstein article to limit the freedom of speech of faculty members, we should consider this dangerous for the meaning of individual freedom in a democratic state. The Rubinstein point of view, as applied to a university faculty, could influence students with political positions to reject certain instructors. We can connect this with certain memories of Establishments and of periods of time when freedom of speech was throttled inside and outside the universities. The State of Israel and the Israeli people are so sure of themselves that they do not need to accept anti-democratic ideas.

What I have written here concerns only the issue of freedom of speech in university and in our society. What I have written should not be considered a defense of what Israel Shahak says or does politically. Within the faculty and among the people generally, different views exist of Shahak's position and activities.

THE COST OF FOOD STAMPS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Ms. ABZUG. Mr. Speaker, I am reintroducing today, with 25 cosponsors, a bill to prevent the administration's planned increase in the cost of food stamps from going into effect March 1. If the regulations promulgated by the Department of Agriculture at the behest of the President are allowed to go into effect, most recipients of food stamps will be required to pay 30 percent of their household income for their allotment of stamps. My bill, which is substantially identical to a measure introduced by Senator McGOVERN in the other body, would, among other provisions, freeze the cost of food stamps at the level effective January 1, 1975, and reduce the maximum percentage of income which a household could be charged from 30 percent to 25 percent.

The Committee on Agriculture today conducted hearings on the administration's planned price increases for food stamps. I am inserting in the RECORD at this point the text of the testimony which I submitted to the committee:

TESTIMONY OF REP. BELLA S. ABZUG

Mr. Chairman, I want to thank you for the opportunity to testify this morning concerning the Ford Administration's plan to raise the cost of food stamps for the poor, elderly, blind, and disabled. Even in better times, the Administration's plans would defy reason, but in the current economic situation such a proposal both boggles the mind and affronts the sense of decency of the American people. I am therefore pleased to see the Committee acting so promptly to hold hearings on this matter, so that the Congress may inform the Administration in unequivocal terms that we will not allow these groups to be shouldered with an even greater share of the burden of our economic crisis than they already bear.

In my home state of New York, there are approximately 800,000 participants in the food stamp program. The Department of Agriculture's "Food Profiles" indicate that about 95 per cent of these recipients will be charged substantially more under the new regulations. The average increase in the price of food stamps for low-income New Yorkers will be $100 per household annually. It will take its severest toll on those in one and two person households, most of whom are elderly and already suffering from the soaring costs of housing, health care, and other necessities. According to estimates by the Community Nutrition Institute, most single low-income persons in the food stamp program would face increases of 35 to 100 per cent in the cost of their food stamps, and for some, the increase would be as much as 800 per cent.

In New York, most households participating in the food stamp program are now paying between 20 and 28 per cent of their income for food stamps. With the regulations raising the cost to 30 per cent of household income, the poor of New York would be burdened with an additional $40 million dollars in food costs to those who are least able to cope with the current inflation.

Moreover, many persons now receiving food stamps will be effectively eliminated from the program. The modification in the regulations to require a minimum benefit of $1 is a sham and a disgrace. What it means is that single persons with monthly incomes of $154 to $194, although not technically eliminated from food stamp eligibility, will be required to pay $45 for $46 in food stamps. It is audacious for the Department of Agriculture to suggest that this $1 is in any sense a benefit, particularly in view of the difficulties involved in obtaining food stamps because of the many administrative failures of the program.

Apart from these specific examples of the devastating effect of the Administration's plans on our nation's poorest citizens, it is evident that the Administration has lost sight altogether of the objectives of the Food Stamp Program. The Food Stamp legislation was enacted in recognition that there is poverty and starvation in our country, that there are children suffering from malnutrition, and that there are elderly people whose diets barely sustain them from day to day. The purpose of the food stamp program is to give food to the hungry. The purpose of the food stamp program is to give food to the hungry. The Administration is attempting to take it away. This is unconscionable.

We are in a severe recession, poor families are suffering greatest from our rampant inflation, the number of unemployed grows daily. We should be expanding the food stamp program, not restricting it. Even now the program is not reaching many people who need the benefits it was intended to provide. But instead of mitigating the problems of our poor and low-income citizens, the Administration is seeking to exacerbate them.

Over 4300 comments were submitted in response to these regulations, in almost unanimous oposition to the proposed price increases. But the Administration has ignored our comment, and while asking us to give General Thieu $300 million to prop up his dictatorship in South Vietnam, is proposing to take $325 million from the poor and the elderly in a four month period. This cannot be tolerated.

The response to the Administration's proposal from my constituents has been one of shock and outrage. Both here in Washington and in my New York district offices, I have received innumerable letters, telephone calls and visits from citizens expressing disbelief and anger that, at a time when food prices are continuing to escalate, when there are also greatly increased costs for such essentials as housing, clothing, and medical care, when the unemployment problem is growing increasingly severe, the Administration would seek to oppress even further those least able to bear the burdens of recession and inflation.

The poor and the elderly are asking what justification there can be for making it more difficult for them to provide themselves and their families with adequate nutrition. I think the answer is clear that there is no justification. If we examine what little action the Administration has proposed to deal with the current economic crisis, we can see that not only is there no coherent policy, but there is also absolute insensitivity to the effects of the economic situation on our poorest citizens. At the same time the Administration is asking the poor and the elderly to pay more for food stamps, the President is proposing a tax rebate for our more fortunate citizens. The President's proposed tax on oil imports will send home heating bills skyrocketing and increase prices of numerous other commodities, including fertilizers and agricultural products. The Administration proposes that the poor, who can least sustain such an economic crunch, will have several hundred dollars a year taken away from them. Yet others will have those same amounts returned to them, in the form of tax rebates, to bolster our recessionary economy. Where is the rationale or equity in these proposals?

One of the bills before the Committee to meet this problem is H.R. 181, a bill substantially identical to a bill introduced in the other body by Senator McGovern which would freeze the costs of food stamps at the levels effective January 1, 1975, and which would reduce the maximum percentage of income which a household could be charged from 30 per cent to 25 per cent. I have reintroduced H.R. 181 with 25 co-sponsors.

I commend you for the speed with which you have responded to the crisis the Administration has caused for our poor and elderly, and urge your swift action to defeat the Administration's plans along the lines of the legislation which I and others have introduced.

DICK HERMAN

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. McCOLLISTER. Mr. Speaker, national politics has indeed lost an active leader, friend, and supporter.

Last week, Nebraska's Republican national committeeman, Richard L. Herman resigned. He resigned because of expanded business activities and responsibilities—finding that there was little time for anything else.

It should be noted that Dick Herman was one of the real bright spots in a time of dark, stormy Republican days. His service to the party and the Nation were interwoven.

Personal commitment to the ideals of the two-party system earned him the respect of national leaders from both parties.

Dick's tireless efforts on behalf of the GOP were an inspiration to all who worked with him. He especially had an impact on the young people because of his high standards and fast pace. As vice chairman of the Arrangements Committee of the Republican National Convention in 1972 he was responsible for one of the most open and best organized political conventions in history.

Mr. Speaker, I would like to take this opportunity to publicly express my sincere appreciation and thanks to Dick Herman. His dedication, service and calm and reasoned approach to national problems have made him one of the most admired and effective party leaders of our time.

CHILE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. BADILLO. Mr. Speaker, there is a tendency for many of us to concentrate our attention on foreign affairs only in times of crisis. At the present time, Vietnam and the Middle East dominate the front page headlines and focus public concern on those events and problems. Under the circumstances, the conduct of our Nation's foreign policy in other areas of the world is often overlooked.

The case of Chile is an excellent example. A year ago, the tragic events taking place in that country and the role of the United States were of great concern. Since that time, the situation in Chile has largely been ignored by the State Department and the general public. It is regretable that our Nation's policy toward Chile remains one of dispassionate unconcern for the Chilean people.

Fortunately, a number of journalists have sought to keep the question of United States policy toward Chile in the public view and in its proper perspective. I am pleased to insert in the RECORD a recent article by Mr. Anthony Lewis in the New York Times. This is one of a series of articles on Chile by Mr. Lewis in which he describes the continued suffering of the Chilean people and the consequences of our Government's policy of indifference.

[From the New York Times, Jan. 27, 1975]

"WILL IT MAKE ME FAT?"

(By Anthony Lewis)

Dr. Gustavo Molina of Chile has been a leading figure in public health in Latin America for years; a book of his is a standard text. He was not in politics in Chile. But as an interne he had roomed with Dr. Salvador Allende, and he was a lifelong friend. At Allende's request he came out of retirement in 1970 to administer a region in Chile's long-established national health service.

Dr. Molina is a grandfatherly man whose voice remains gentle, his manner detached as he describes what he experienced after the military coup in Chile. "I'm 64, I'm a survivor," he says. "I don't care about me personally. I said that to the military men."

On Jan. 8, 1974, "three gentlemen from the Air Force," as he puts it, seized him without notice in Santiago. They threw him on the floor of a station wagon with two other doctors, Giorgio Solimano and Reynaldo Martinez. They were taken to a prison camp called Tejas Verde and kept together in a small room.

On Jan. 14 the three doctors were taken to another place, with hoods over their heads, for questioning. An officer told Dr. Molina that he was suspected of "permitting paramilitary instruction in your building." Dr. Molina realized that he was talking about concerts and social and other meetings in the health center's cafeteria. As he tried to explain, he heard another prisoner screaming in pain.

Dr. Molina was not tortured—he attributes that to his age. His two roommates were. They were strapped under gymnastic "horses," beaten and given electric shocks.

"Their lower limbs were paralyzed," Dr. Molina said. He added in a calm professional tone: "It must be a very low current, because the paralysis lasted only four or five days. I nursed them."

Dr. Solimano's torturer, when he finished, drank a glass of mineral water. "Giorgio," he asked the doctor, "will it make me fat?"

The three doctors had tried to prepare themselves to behave "with dignity." So Dr. Solimano, a nutritionist, gave a careful reply on the effects of mineral water.

"If you ever find me outside, Giorgio," the torturer asked, "what will you do to me?" Dr. Solimano said he would do nothing—he was a doctor, he helped people. The torturer responded: "Don't you see? This is a profession, just like yours."

Why have people behaved so savagely in Chile since the coup? The question puzzles Dr. Molina. It used to be such an orderly country, so law-abiding. And the change is not confined to the military.

"The present Director of Health was my student in 1951," Dr. Molina said—"my favorite student for years. He was a member of the Socialist party then. Now he has become a wild beast, asking the Army to execute certain doctors.

"Why? Why in Germany? I think the same type of ferocity developed in France after the Revolution. It's like a cancer. Suppose tomorrow the left came to power in Chile. Would we be able to stop torture?"

Another important question is whether outside pressure helps the victims of torture and arbitrary arrest. Dr. Molina is convinced that it does, especially when it comes from the United States. He says that various expressions of U.S. concern were crucially helpful to him, notably a committee sent to Chile by Senator Edward Kennedy. He believes that Dr. Solimano was saved by the personal intervention of an American nutritionist, Dr. Nevin Scrimshaw of M.I.T.

No formal charges were ever made against Dr. Molina or the others. After months of confinement he and Drs. Solimano and Martinez were released. He found asylum in the Swedish, then the Colombian Embassy and got out to Colombia. He was interviewed during a visit to the United States, where he spent years of professional life and has many friends. He got his Public Health Degree at Johns Hopkins.

The Chilean junta makes a practice of denouncing as a criminal and conspirator anyone who reports the use of torture. It may be well, therefore, to say that I sought an estimate of Dr. Molina from a man who was in the cabinet of Allende's anti-Communist predecessor in Chile, Eduardo Frei. His estimate was: "a professional, a moderate man, a serious man, a respected physician, not involved in politics."

The junta maintains that it has issued orders against the use of torture. Everett G. Martin of The Wall Street Journal, in a thoughtful recent article from Santiago, wrote: "An honest investigation of its own jails by the junta could end torture quickly if its intentions were genuine."

Dr. Molina does not want to get involved in political attacks on the junta. Indeed, he was reluctant to talk about his own experience—except that he thought doing so might help some doctors who are still in prison in Chile. One is Professor Hugo Behm, an internationally-known demographer. Another is Dr. Natacha Carrion, whose husband was tortured and killed and who delivered her own baby in prison. Dr. Molina hopes that Americans who helped him will care about them as well.

VIVIEN KELLEMS, FOE OF TAX SYSTEM, DIES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. DODD. Mr. Speaker, Vivien Kellems, one of the most independent and courageous people I have ever had the privilege to know, passed away on Saturday. This country has lost a great advocate of personal equality and freedom.

Vivien Kellems gained nationwide fame for her battles with tax officials over regulations she considered to be discriminatory. She was active and involved in her Nation's affairs whether as businesswoman, candidate for political office, or citizen. She fought her battles for change with great flamboyance. I particularly remember that election day in 1965 when Vivien Kellems entered a voting booth with her knitting and some candy bars, not to emerge for 9 hours in a protest against the use of party levers in voting machines.

I am a deep admirer of Vivien Kellems and of what she represented. I am glad she chose to live in my district since it gave me the opportunity to personally meet this wonderful woman.

Mr. Speaker, in tribute to Vivien Kellems, I wish to place into the Record an article from the New York Times of January 27 which describes the life of this great citizen.

The article follows:

Vivien Kellems, Foe of Tax System, Dies

Los Angeles, January 25.—Vivien Kellems, who battled the Federal tax system as discriminatory against single people, died early Saturday in a hospital here. She was 78 years old.

Miss Kellems, who lived in East Haddam, Conn., and spent some winters here, entered St. John's Hospital about 10 days ago, suffering from pneumonia, her personal secretary said. The cause of her death was not known immediately.

FIERY, EFFECTIVE ORATOR

In a contemplative moment during one of her widely publicized struggles with Federal tax authorities, Vivien Kellems mentioned that both her parents had been evangelistic ministers.

"I suppose," she mused, "in my case shouting about all that stinking, rotten business going on in Washington simply takes the place of shouting at the Devil."

A fiery and effective orator, the diminutive industrialist rarely made a speech without throwing in a quotation from the Bible to show which side of the argument—over the withholding tax, politics or whatever—the Lord was clearly on.

Many were the public figures, among them President ("High Tax Harry") Truman, who were singed by her fire and brimstone.

Vivien Kellems, the only girl in a family of seven children, was born June 7, 1986, in Des Moines, Iowa. The family moved to Eugene, Ore., when she was an infant. She attended public school there and later went on to the University of Oregon, where she majored in economics and earned her B.A. in 1918.

After graduation, she worked briefly as a booking agent for the West Coast Chautauqua circuit and the Florida circuit. She returned to the University of Oregon and earned a master's degree in economics in 1920.

Throughout her life, Miss Kellems repeatedly refused to discuss reports that during this period she had been married briefly and divorced.

"We don't talk about this matter, even in the family—never mention it at all," she said briskly. "Officially, I'm a spinster."

She had been engaged, though, to a young naval doctor shortly after her college graduation. He was killed when his ship was torpedoed in the Atlantic in 1918.

WENT ON LECTURE CIRCUIT

After getting her M.A., Miss Kellems entered Columbia University with the intention of earning a Ph.D., but left before completing the requirements and became a theatrical publicist. One of her first assignments was promoting Channing Pollock's "The Fool," a major success.

Later, she went on the lecture circuit, where her fees were supplemented by bonuses from producers whose plays she mentioned.

Miss Kellems's career in industry began in 1928. Her brother Edgar had invented an improved model of a woven grip used to pull cables through conduits. The grip was based on the principle of the familiar Chinese finger trap, a cylindrical mesh device that holds the victim's finger more firmly the harder he tried to pull it free.

With her brother's patent Miss Kellems obtained orders from several electrical companies in New York. On the strength of these orders, she borrowed $1,000 from a bank. Venturing another $1,000 of her own, she set up shop in a $50-a-month loft on Varick Street.

By the end of the year, the firm had a gross income of $40,000, and she paid her brother $4,000 in royalties. In the next decade, the company moved to two other Manhattan buildings, and in 1942 she moved the operation to a plant in the Saugatuck section of Westport, Conn.

Business grew when the country entered World War II. Kellems cable grips, already used extensively in the New York subway system and in the construction of the George Washington Bridge, were in great demand by naval shipyards.

In 1942, Miss Kellems embarked on the first of her numerous unsuccessful campaigns for public office, seeking the Republican nomination to represent her district in Congress. She lost in the state convention to Clare Boothe Luce, but not before the two outspoken women had exchanged bitter personal attacks that covered everything from the question of their bona fide residence to their relative sex appeal.

But it was her vendetta with tax officials that brought her nationwide fame. In December, 1943, she announced that she would not pay her Federal income tax for the last quarter of that year. As one consequence of that decision, she said, "They are still putting cold compresses on my accountant's head."

Miss Kellems contended that the Government should have permitted her to put aside a postwar reserve fund out of taxes. In any case, she argued, the graduated tax was unconstitutional, since the Constitution provides that "all duties, imposts and excises shall be uniform throughout the United States."

Henry Morgenthau Jr., then Secretary of the Treasury, responded with a statement that refusal to pay taxes in wartime "smacks of disloyalty." Without her customary flamboyance, Miss Kellems quietly brought her tax payments up to date before the next March 15.

She tangled with the Internal Revenue

Service again in 1948, after announcing that she would no longer withhold Federal income taxes from her employes' pay checks. She noted that employers were forced to act as Government tax collectors without drawing pay as Treasury agents.

She vowed not to withhold her employes' taxes until she was appointed to the job, and added: ". . . and I want a badge, too."

Miss Kellems got her employes to pay their income taxes by money order, so that they could see how much of their earnings went to Washington. Despite these payments, the Treasury appropriated $6,133 in fines from her bank account. This amount was later returned to her after a jury decided she had not acted "wilfully."

Early in 1944, Westport officials charged that Miss Kellems had set up her plant in a residential area in violation of the local zoning ordinance. But because the company was engaged in war work, no immediate action was taken.

Finally, after prolonged hearings and appeals, an injunction was granted in 1948. Miss Kellems paid a fine and moved her factory 100 miles up Long Island Sound to Stonington.

In 1950, Miss Kellems took another plunge into politics, seeking the Republican nomination for the United States Senate. Again she failed to win the support of the party organization.

SOUGHT NOMINATION

In 1954, she announced that she would run for Governor, but got nowhere. She sought the Republican nomination for the Senate again in 1956, again lost the party endorsement, launched an independent campaign but was thrown off the ballot because of "fraudulent signatures" on her nominating petitions.

She tried unsuccessfully for the Senate nomination in 1962, pledging to fight to reduce the taxes on the small businessman.

Miss Kellems drew national attention in 1965 when she staged a nine-hour sit-down in a polling booth. Her protest was against the use of party levers on voting machines, a system that made ticket-splitting illegal.

Miss Kellems had sold her company in 1962, declaring that the day of the small family-held corporation is gone. Sounding her familiar theme, she asserted:

"The Federal Government get 52 per cent of your profit in income taxes. Then you have to pay 16 other taxes out of the 48 per cent that left. A small family-owned business has nothing left to finance expansion."

In 1971 Miss Kellems, announced that she had refused again to pay Federal income taxes, on the ground that the tax laws discriminated against single persons.

In a letter to the then Treasury Secretary, John B. Connally, she billed the Government for $76,323.40, which she said represented the "illegal taxes" the Government had taken from her over a 20-year period, plus 6 per cent interest.

She told the House Ways and Means Committee in March 1973, "the 16th Amendment does not tax people—it taxes income."

"Income should be taxed without regard to the morals or marital status of the taxpayer," she told Representative James Burke.

"Don't give up your courage Vivien," Mr. Burke told her "You stand up there and fight.

GRATITUDE FOR COUNTLESS HOURS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. RHODES. Mr. Speaker, I would like to take this opportunity to pay tribute to a long-time worker and leader in the Republican Party—Mr. Richard L. Herman—who has recently resigned as Nebraska's Republican national committeeman.

For nearly 20 years, Dick Herman has been active in Nebraska Republican politics. He has seen the party through the sunny times, and stormy days. He has been deeply committed to strengthening the two-party system. He toiled in the vineyards of local politics, up through the ranks. As vice chairman of the Arrangements Committee at the Republican National Convention in 1972 he helped put together a well-run, open convention. He has been active in party fund-raising efforts, and of immense assistance to Republican candidates up and down the line in Nebraska.

Too often, dedicated men and women, who perform the basic jobs of making our political parties work, go unsung. I would like to express, for myself, on behalf of the many appreciative Republican Party people in Nebraska, and for the Republican National Committee, our gratitude for the countless hours of work Dick Herman has donated to the party—and to the national interest over the past two decades.

GOVERNMENT BY THE PEOPLE OR GOVERNMENT BY THE UNIONS?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ASHBROOK. Mr. Speaker, the AFL–CIO is giving top priority to passage of Federal legislation extending collective bargaining privileges to the public sector. If Congress were to approve this legislation, it would be a disaster for our Nation.

The fundamental issue is one of control. Will local governments and public institutions be controlled by the people through their elected representatives? Or will they be controlled by unions and a small group of union bosses?

Under our present framework, officials elected by the general public bear responsibility for decisions in public service and government departments. The people control their public institutions through these elected representatives. By the power of the vote, the people control the direction of their Government and their tax burden.

Public employee unions, however, would act as a private government. Key government functions such as schools, fire departments, and sanitation departments would be in the hands of private organizations unaccountable to the public. Through the collective bargaining mechanism, unions could exert a substantial influence on government and budgetary policy. Rather than the people, a clique of union bosses would control the direction of Government and the tax burden.

If the AFL-CIO succeeds in its efforts to enact public sector union legislation, there will be a fundamental change in our form of government. The people will no longer control their own local governments and public institutions. The choice is simple. Are we to have government by the people or government by the unions?

STATEMENT IN SUPPORT OF THE BILINGUAL COURTS ACT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ROYBAL. Mr. Speaker, I have introduced a bill, H.R. 2255 which would provide for more effective bilingual proceedings in Federal district courts of the United States, and for other purposes. Mr. Edwards of California and Mr. Badillo are cosponsoring this important legislation.

This bill represents a well conceived legislative response to the difficulties experienced by many Americans who, because of language, are effectively excluded or severely handicapped in receiving equal justice through our formal legal system. These individuals, whether seeking redress of wrongs inflicted upon them or defending themselves in civil or criminal actions, are in many cases compelled to participate in legal proceedings where the language used is totally alien to them. Such a situation poses an intolerable affront to the basic notions of justice and fair play implicit in our ideal of "a nation of laws" and renders meaningless our constitutional guarantees.

It is obvious that the right to effective representation of one's interest in a court of law requires at the very minimum that a person be able to understand the language of the courtroom proceedings. The Bilingual Courts Act promises realistically to remedy the disadvantage frequently faced by our Nation's language minorities in working with the Federal court system. By making available simultaneous translation and recording of courtroom proceedings in both criminal and civil cases, Congress will have taken an important step in insuring full equality and due process before the Federal courts.

Recent census data indicates that a great number of Americans will benefit from this enlightened legislation. Of the more than 5 million Mexican-Americans living in the Southwest, many are bilingual and have only a limited ability to communicate in English. The same is true for the more than 2 million Puerto Ricans living in the United States, mostly concentrated in Northeastern States. Further, in the past decade or so more than 600,000 Cubans have emigrated to our shores, more than 40 percent of whom reside in Florida. Although the Spanish-speaking minorities account for the majority of non-English speaking persons in this country, other minorities are concentrated in various regions: Asian-Americans in California, native Americans on reservations throughout the Continental United States and Alaska, the French speaking in Maine and Louisiana, and a variety of different nationalities in Hawaii. In short, existing evidence makes clear that hundreds of thousands of Americans are critically in need of bilingual courtroom facilities to assure equitable treatment under the law.

It is imperative that our National Government take immediate and constructive action to insure that justice is not denied these individuals in the Federal courts because of linguistic or cultural differences. To ignore this obligation would represent a callous retreat from this Nation's commitment to equality before the law for all our people. It would inevitably fuel cynicism and distrust in these minorities for our traditional legal institutions. Cynicism, fear, and distrust are the invariable by-products of a legal system which champions the rights of some while neglecting those of others. Passage of the Bilingual Courts Act would demonstrate to these groups that their Government is positively concerned with their rights and welfare and committed to ending the causes of many injustices they now suffer.

Apart from simple commonsense notions of justice and fair play, legislation mandating simultaneous translation of bilingual proceedings finds compelling support in basic individual safeguards of the Constitution. The sixth amendment guarantees that—

> In all prosecutions the accused shall enjoy the right to . . . be confronted with the witnesses against them; . . . and to have the assistance of counsel for his defense.

The fundamental rights of confrontation and counsel in criminal matters becomes little more than a cruel hoax and empty gesture to a defendant unable to comprehend the charges of his accusers or consult with counsel relative to his defense. In effect, the accused is related to a position of mindless presence in proceedings which will ultimately determine whether he is to remain a free member of society. Or as so aptly stated by the Alabama State court in *Terry* v. *State*, 21 Ala. App. 100 (1925):

> Mere confrontation of the witnesses would be useless, bordering upon the farcical, if only the accused could not hear or understand their testimony.

Only through the aid of simultaneous translation may such persons adequately communicate with the court and exercise the right to cross examine witnesses, to test their credibility, their memory, and the accuracy of their testimony against the defendant.

Similarly, the fifth amendment to the Constitution supports the application of the Bilingual Courts Act to both civil and criminal proceedings. The fifth amendment provides that—

> No person shall . . . be deprived of life, liberty, or property without due process of law.

It cannot seriously be doubted that any legal proceeding, whether civil or criminal, which places a person or his property in jeopardy without insuring understanding participation in the trial process is so devoid of basic and fundamental fairness as to be contrary to the due process clause. And civil cases, no less than criminal proceedings, threaten a person with a loss of important personal and property rights and may lead to drastic personal consequences.

Thus, the fifth amendment requires the same concern for the right of parties to both civil and criminal actions, and, in the case of the non-English speaking, must provide adequate interpretive facilities.

It may be regretted that current judicial authority fails to clearly establish a right to simultaneous translation in all Federal court proceedings. The Supreme Court has not ruled directly on the issue and lower court rulings are indecisive at best. This must not, however, deter Congress from legislating in an area where action is greatly needed.

Here, as in other issues of urgent national concern, Congress together with the courts, has the responsibility to protect individual liberties and insure that the civil rights of substantial numbers of Americans are no longer prejudiced in our courts. Although some steps have been taken to provide for interpreters in actions before Federal and State courts, these provisions generally make the appointment of an interpreter discretionary with the trial judge. (See, rule 28(b) of the Federal Rules of Criminal Procedure; 18 U.S.C. 3006 A (e); rule 43(f) of the Federal Rules of Civil Procedure.)

The U.S. Civil Rights Commission, in its 1970 report, found that the "makeshift" bilingual facilities prevailing in the courts of the Southwest were wholly inadequate to meet existing needs. In the five States surveyed by the Commission's report, for instance, only three full-time Spanish-speaking interpreters were found to be employed in the Texas courts and the other in California district courts. And even where professional interpreters were employed, they were generally criticized as being inadequately trained in legal matters for work as courtroom interpreters. Moreover, current legislation fails to establish uniform procedures for governing how bilingual facilities are to be utilized or for assuring that they are available in all cases where actually needed.

The Bilingual Courts Act proposed by H.R. 2255 represents dramatic advance over earlier congressional attempts to provide bilingual courtroom facilities and remedies many deficiencies found in existing legislation. The act clearly spells out the responsibilities of the Federal courts and standardizes procedures to insure that competent interpreters will be available upon request in cases involving non-English-speaking witnesses. First, the act provides that whenever a judge upon a motion of a party determines either that a party of the proceeding does speak and understand English with a reasonable facility or that a witness may not speak or understand English, the proceeding is to be conducted in a court equipped for the simultaneous language translation of the proceeding by an interpreter and the recording of the testimony presented to the court.

Second, the act would require the equipping of at least one courtroom in each district with facilities appropriate for recording and simultaneous translation of proceeding to and from English by electronic and other means. Third, procedures would be established under the act for determining adequate qualifications and certifications of interpreters and other necessary personnel. Finally, the term "judge" is defined to include U.S. magistrates and referees in bankruptcy so that the protections of the bill will also extend to proceedings over which these men now preside. Finally, procedures would be established under the act for determining adequate qualifications and certification of interpreters and other necessary personnel.

I am hopeful that Congress will act to meet these objectives and reaffirm its commitment to end the inequalities of our present court system in favor of the one which guarantees equal justice under law.

TWENTY-FOURTH CENTURY CLUB

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ROUSSELOT. Mr. Speaker, it is extremely important to each Member of Congress that he be able to maintain a continuous exchange of information with his constituents. I am sure that you and our fellow colleagues are well aware that one of the most efficient ways to accomplish this is through newsletters and periodic questionnaires. It is essential that constituents be kept will informed of legislative activities and that the views and votes of their Representative be made known. Newsletters must be printed at the Member's personal expense inasmuch as there is no congressional allowance to cover these costs. I make this as a point and not as a suggestion that there should be such a congressional allowance.

The constituents in my congressional district, formerly California's 24th and now the 26th District, have been willing to support the cost of my constituent-information mailings through contributions to a trust fund maintained for this sole purpose. This account has been operating as the "Twenty-Fourth Century Club," and is established as a trust with a treasurer and an assistant treasurer acting as trustees. None of these funds are disbursed to me directly and no disbursements are made to cover any of my personal expenses. All funds are applied only to provide public information to benefit all the constituents in my congressional district. This fund does not have a political purpose, and contributions which are solicited and received are kept in an account separate from any campaign activity.

Mr. Speaker, the contributors to this trust are not a limited or exclusive group—many of the contributions to support this information program are under $10. The purposes of my newsletter program are public information. I want to declare the existence of this fund and state that the books for this account and a list of all contributors and/or participants will be fully disclosed upon request. I want this information to be made public and I am placing it in the CONGRESSIONAL RECORD for that purpose at this time. The following is a letter sent by the chairman of the Twenty-Fourth Century Club to the entire membership with a complete statement of receipts and expenditures. The information follows:

TWENTY-FOURTH CENTURY CLUB,
Arcadia, Calif., January 27, 1975.

TO THE MEMBERS TWENTY-FOURTH CENTURY CLUB:

This organization was founded in 1973 for the purpose of funding Congressman Rousselot's Voter Information Program, of which his Washington Report is the principal increment. This will be the final report under the name of the Twenty-Fourth Century Club, since Congressman Rousselot now represents the newly created 26th Congressional District of California.

The Twenty-Fourth Century Club has operated as a public trust for the benefit of all the voters in the old 24th Congressional District of California. Mr. Joseph M. Crosby, Treasurer, and Mr. Clark J. E. Hunt, Assistant Treasurer, have been the principal trustees of Club funds. Mr. Crosby is president of California Liquid Fertilizer Company and Mr. Hunt is a California certified public accountant (retired).

Enclosed you will find a financial report for the calendar year 1974, showing receipts and disbursements as well as the funds on hand at the beginning and end of the year. As can be seen from the statement of receipts, "membership dues" have been the backbone of this program.

We are grateful to all contributors who have participated in the two-year operation of the Twenty-Fourth Century Club. In 1975 this "Trust" is being renamed the "Voter Information Program—26th District," which more clearly denotes its objectives.

Very truly yours,
DONALD E. BUTLER,
Chairman.

TWENTY-FOURTH CENTURY CLUB

FISCAL REPORT—1974

Cash on hand—Dec. 31, 1973	$8,253.68
Receipts:	
Memberships (60 @ $100 each)	6,000.00
Miscellaneous contributions	2,711.20
Interest received	160.53
Subtotal	8,871.73
Total	17,125.41
Disbursements:	
Preparation and printing of Washington Report	14,042.61
Preparation and printing of membership appeals	292.62
Miscellaneous printing	182.98
News media subscriptions	239.00
Press clipping service	246.04
Professional services and research assistants	954.39
Miscellaneous supplies and expense	428.12
	16,385.76
Cash on hand—Dec. 31, 1974	739.65

Cash on hand, December 31st

Wells Fargo—account 0616-010492	$453.20
Lincoln Savings & Loan Association Account 10-142455	286.45
Total	739.65

We certify that the above information is complete and correct for the calendar year 1974.

JOSEPH M. CROSBY,
Treasurer.
CLARK J. E. HUNT,
Assistant Treasurer.

FALLING FARM PRICES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. TRAXLER. Mr. Speaker, farmers in Michigan's Eighth District and throughout the Nation are facing a squeeze caused by falling farm prices and rising costs, resulting in a cutback of production that can only damage consumers, the farmers themselves, and our attempts to expand export sales to ease the balance of payments crunch.

Beets, beans, dairy products, corn, wheat, and soybeans have all demonstrated highly unstable price fluctuations in the past year. Coupled with ever-rising production costs, these fluctuations cause a boom or bust pattern that threatens the well-being of our entire agricultural community.

The erratic and unstable behavior of farm prices has been caused to a large extent by recent government mismanagement of agricultural policies, which for many years were highly successful in bringing stability to agricultural markets. These tried and tested policies have in recent years been systematically dismantled and rendered useless by Secretary of Agriculture Butz, who seems to be more dedicated to the profits of large agribusiness corporations and export companies than to the interests of the family farmer and consumer. Mr. Speaker, the lead editorial in today's Washington Post says it all—it describes the problems facing American agriculture and offers what seems to be the only solution possible: a return to a level of Federal price supports high enough to insure continued farm production in a stable price structure.

The editorial also lays the blame for our agricultural problems on "a long succession of serious and obvious blunders" made by the Department of Agriculture. What it does not say is who in the Department is most responsible for these blunders, and that is Agriculture Secretary Earl Butz. Mr. Speaker, I include the editorial from today's Washington Post to be placed in the RECORD at this point:

FALLING FARM PRICES

Farm prices have now been falling for three months, tightening the dilemma of American agricultral policy. When farm prices go up consumers are hurt, and inflation at the supermarket triggers cost-of-living increases throughout the whole economy. When prices go down, farmers are hurt and begin to cut back the production on which the government is counting for export sales.

You may have gained the impression that food prices, around 1972, began behaving very differently from the way they had before in the memory of most of us. There is a reason for it. A combination of bad luck and bad policy has wrecked the system that used to stabilize American farm prices. Agricultural markets are inherently unstable, and without governmental intervention they swing wildly up and down disrupting the whole economy. Until the middle of 1972 the Department of Agriculture carried tremendous stocks of basic foodstuffs and feed grains, which it could sell off if prices began to rise unusually high. If prices began to sink unusually low, the Department gave support payments to the farmers and bought grain for the reserves. The memorable Russian wheat sale of the summer of 1972 removed at one whack most of the nation's wheat reserves. But that huge sale turned out to be only the beginning of the great surge of foreign demand for American food. It was the effect of rising wealth and rising standards of living abroad, amplified by the devaluation of the dollar.

In this country all farm prices, unrestrained by the presence of the traditional reserves, shot up. But if there was now no limit on the upward swing of the cycle, it was also true that the farmer no longer had any protection on the downward swing. The old structure of loans and payments was still legally in effect but, with the erosion inflicted by inflation, the support levels were no longer enough to cover the basic costs of production. American agriculture is again threatened by precisely the classic roller-coaster pattern of boom and bust that the whole intricate and expensive array of farm price supports were worked out in the 1930s to prevent. Farmers liked the new free-wheeling market as long as it wheels higher, but when it turns around—as it did last fall—they see their danger very clearly.

Since October the price of corn, the largest American crop, is down by almost one-fourth. Soybeans and soy meal are down more than a third. What's going on here? Take the example of wheat, which cost $1.50 a bushel until the Russians started buying it in July 1972. By this time last year, the same bushel cost nearly $6. But then, as the year went on, the price sank. The winter wheat harvest starts in late spring, and it looked like a very big harvest. By last May, the price had fallen to $3.50. With last summer's bad weather and heavy exports, supplies tightened up again and by October the price was over $5.

But instead of continuing to rise steeply until late winter, as it did last year, the price of wheat suddenly began to sink in November. It's now down to about $4. The reasons begin with consumer resistance to high prices at the grocery store, and individual shoppers' decisions to cut back on expensive meat. Most of the grain raised in this country goes, not to people, but to animals being raised for the butchers. Since late summer the meat producers have cut back sharply on the number of animals, particularly beef cattle, that they are raising for market. That, in turn, has diminished domestic demand for grain. The consumers' rebellion that started nearly two years ago has now been painfully reinforced by the recession. Cutting back on meat is, for many families, no longer a matter of choice.

Exports, meanwhile, are down a bit because the administration is at last paying attention to their effects and has been leaning on foreign buyers to take it easy. When the Soviet government tried to buy more than three million tons of grain last September, the White House intervened and suspended the sale. Subsequently it persuaded the Soviets to take a smaller amount, a little over two million tons. There appears to have been pressure, less public and formal, on other overseas buyers. Now, with the rapid decline in prices of recent months, the administration currently gives indications of changing direction enough to keep exports at last year's level.

But some of the grain producers are, predictably, pushing for unlimited exports. Last year the administration belatedly instituted a requirement for prior government approval of any significant export sale. Several of the producers' lobbies are angrily demanding an end to this procedure, on grounds that it discourages foreign shipments. But producers should have learned by now that increasing the instability of the market is no answer to their troubles. The Agriculture Department made the latest in a long succession of serious and obvious blunders yesterday when it caved in to the grain lobbies and doubled the size of shipments that can be exported without prior federal approval.

Producers and consumers together now have the strongest kind of interest in a compromise. It would mean a level of federal price supports high enough to ensure farmers of profitable operation at the very high volumes that the nation needs. It means rebuilding national stocks of grain, not only as insurance against an emergency but to dampen further inflationary increases in prices. The intolerable fluctuations were not predictable, but in retrospect the reasons are entirely comprehensible. Higher price supports would be expensive—but not nearly as expensive as the present waves of inflation at the grocery store and of panic on the farms.

JIM GROVER—A MAN FOR THESE TIMES

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. VANDER JAGT. Mr. Speaker, the Babylon Beacon of Babylon, N.Y., on January 16, 1975, editorially commented on the distinguished public service of our former House colleague from the Second Congressional District of New York, James R. "Jim" Grover, Jr.

The editorial refers to Jim's military career during World War II, his service in the New York State Assembly, and his six terms in the U.S. House of Representatives. The commentary in the Beacon appropriately alludes to his "outstanding service" and expresses the expectation that "he will again be called on to assume a role in public service."

Few things could more appropriately be in the public interest than Jim Grover's prompt return to a high, important decisionmaking post in Government service. The truth of the matter is that he should never have been allowed not to continue in the U.S. Congress. If he were a Member of the 94th Congress today he would be the ranking Republican on the Merchant Marine and Fisheries Committee and the second ranking Republican on the always important Public Works and Transportation Committee, which has become even more powerful with its assumption of legislative jurisdiction over transportation matters. His absence from the Congress constitutes a loss his constituents and his country can ill-afford.

In his tenure in the Congress, Jim Grover consistently proved himself to be a patriot of total integrity, dedicated endeavor, perceptive foresight courageous principle, and constructive compassion. He believed in his country and its freedom; he worked for the betterment and dignity of his fellow man; he stood fearlessly for equal justice and opportunity. He was a man of charity and civility. He advocated responsible citizenship, and exemplified that which he advocated. And these traits of character that he so abundantly demonstrated in public life assuredly are the hallmark of Jim Grover in private life.

Mr. Speaker, Jim Grover is a friend, a colleague, and a statesman too valuable to remain unenlisted in challenge of Government service in these critical times. While I am confident his grandchildren are delighted to have their grandfather conveniently available for romps, games, and stories, I can only say to them, "I am sorry, but America needs your grandfather in public service so as to make your country a better place—a greater nation—in which you and your wonderful generation can live and prosper."

Mr. Speaker, I will include the Babylon Beacon editorial concerning the career to date of Jim Grover at this point in the RECORD as a part of my remarks.

[From the Babylon (N.Y.) Beacon, Jan. 16, 1975]

HE SERVED US WELL

As he takes his leave of his Congressional seat this week, James R. Grover closes out a life-time of service to his country.

He has represented the 2nd Congressional District for 12 years in Congress. Before that, he served for six years in the New York State Assembly.

During World War II has was a Captain in the U.S. Air Force in the China Theatre, and spent four years in the Service.

"Jim" has also always been active in community affairs, having been a member of the Babylon School Board, American Legion Post No. 94, and numerous other civic and charitable organizations.

Born and raised in Babylon, educated in Babylon Schools, he is a graduate of Hofstra University and of Columbia Law School.

To those of us privileged to know him personally, he was always a gentleman, always cared about the people in his district, and always approached every position with dedication and energy.

Babylon Village can indeed be proud of such a man, and of the outstanding service he has rendered to his community and to his country.

Although he has been under consideration for several federal posts, his plans right now include practicing law at his local law office, spending lots of time with his lovely wife and family, and pursuing his hobbies of golf and sailing.

He certainly has earned the right to spend more of his time at home, but his experience and talents are much too valuable not to be utilized. We're sure that he will again be called on to assume a role in public service, and knowing "Jim" and his regard for his country, he will probably say "yes."

PHILIP LAMBERT

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. MITCHELL of New York. Mr. Speaker, it is my privilege today to extend my personal thanks and appreciation to an individual whose work in the field of conservation has greatly contributed to the education and preservation of our wildlife and natural resources.

Mr. Philip Lambert is well known to many in central New York where he serves as director of environmental health for the Utica field office of the New York State Department of Health. A civil engineer, Mr. Lambert is an active community leader whose efforts are geared toward the education and development of our natural resources. He is the secretary for the Oneida County Chapter of the Izaak Walton League of America and is a member of the American Public Health Association and the American Society of Civil Engineers.

Having just completed a federally funded seminar designed to encourage and invite citizen participation in the enforcement of the Federal Water Pollution Control Act, Mr. Lambert is now working to establish an environmental day camp for children.

His devotion, skill, and determination are well known to his friends and colleagues. His interest in and concern for the preservation of our environment is indeed refreshing.

A warm and competent professional, Mr. Lambert deserves our respect and gratitude.

GRATEFUL FOR AWARD

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. AMBRO. Mr. Speaker, I would like to express my gratitude for receiving an important award from the Suffolk County Historical Society—an award for which I am humbly appreciative. The citation was recently awarded to me at the Annual Luncheon of the Society in Southold, Long Island, and recalls my participation with various historical societies in projects and programs largely involved with the upcoming Bicentennial.

I make these remarks today, Mr. Speaker, not to advance the notion that I am so deserving of this award that it could not have passed to another official on Long Island, but to convey my appreciation for the work done by the members of the Suffolk County Historical Society in reminding all of our citizens about the important traditions we must keep forever fresh in the minds and hearts of all Long Islanders.

Our roots go back beyond the Colonial Days and the Revolution, long past the whaling days of the 19th century and the farm society of our forebears who produced in Huntington the genius of a Walt Whitman, to a modern day when the technological developments of this century brought homeowners to enjoy the bounties of the ocean and the Sound, and the amenities of a pleasant suburban life. All this long and colorful history has become a focal point of the Suffolk County Historical Society as it prepares to review with honor the traditions of our people.

From our old meeting houses to our modern schools, let us remember who we were, what we are, and where we are going, and prepare for the future by remembering the past.

THE CENTRAL INTELLIGENCE AGENCY

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ARMSTRONG. Mr. Speaker, recent accusations of improper activities by Government agencies remind us all of the dangers of Big Brother Government.

The need to sharply define and limit the role of Government to prevent its unwarranted intrusion into our lives and surveillance over our activities is a matter of utmost concern to all of us. Indeed, a fear of unlimited Government has been expressed by thoughtful persons over and over again since before the founding of our Nation to the present time.

I recently read a commentary on this subject by my friend Dr. Byron Johnson of the University of Colorado. I hope every Member will take a moment to read what he has to say about our Nation's intelligence agencies. Even those who disagree with his conclusions will find Dr. Johnson's comments thought-provoking and worthwhile.

THE CENTRAL INTELLIGENCE AGENCY

(Commentary by Byron Johnson)

The growing controversy over the role and behaviour of the Central Intelligence Agency deserves a careful review of its several elements.

Obviously each of the military services has an intelligent unit, as does the State Department. The CIA was created to provide the National Security Council with an independent office "to correlate and evaluate intelligence related to the national security, and provide for the appropriate dissemination of such intelligence within the Government" U.S. Code, Title 50, Section 403(d) (3).

Both as Congressman and member of the State Department's Agency for International Development for six years, I had many occasions to appreciate the utility of that function—for each agency's own intelligence unit is unlikely to re-examine the policy positions already taken by the agency. A Central Agency can draw from many sources, and can be more independent.

Unhappily, the U.S. Code also permits the CIA "to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiency accomplished centrally."(d) (4)

This has permitted and, in time, encouraged the CIA to go into competition with the several military and civilian agency intelligence units. One must learn the hard way that the same agency cannot serve both as evaluator and competitor.

This was the first major error, permitting the CIA to be more than what its name and original purpose called for. My own evaluation of some of its personnel overseas is not inconsistent with the Gordon Liddy-type so vividly seen on TV recently. Passionate convictions about one's own competence, coupled with armoral standards, to which are added unaccountable use of virtually unlimited funds have all provided the witches brew which has corrupted almost everything it touches, like a King Midas, and now is destroying the CIA itself.

The CIA should have remained simply a coordinator, evaluator, and disseminator of intelligence as was the original intent.

The second major error was permitting CIA to be used in direct operations overseas. The Bay of Pigs was the visible public disaster that should have warned us, but the error has been visibly repeated elsewhere, in other forms as in Chile or Laos. These tragedies make clear that unchecked and supposedly secret power is inappropriate for any State, but especially inappropriate for a democracy dedicated to freedom and that freedom must include the freedom of any people to make their own mistakes.

But the most recent disclosures of domestic surveillance by the CIA must be labelled criminal behaviour, for 403(d)(3) provides explicitly "Provided, That the Agency shall have no police, subpena, law-enforcement powers, or internal security functions,"—the U.S. Code could not be clearer. The next section (e) provides than "upon written request of the Director of the CIA to the Director of the FBI that the FBI shall make available to the CIA such information for correlation, evaluation, and dissemination as may be essential to the national security." There is No excuse for CIA duplication of the legitimate functions of the FBI.

The President and the Congress must trim the CIA back to basic function to correlate, evaluate, and disseminate intelligence. Otherwise, it increases the risk of the U.S. of becoming a police state.

A police state, once it takes power, so readily intimidates citizens that we must take umbrage at the first sign of a threat to our freedom. We dare not wait until the threat reaches any one of us personally. By that time it will be too late.

Official treachery will always claim it was needed to cope with some minority found objectionable by the authorities. But the majesty of our legal system, derives from a determination almost 200 years ago to assure us and our posterity of the right to assemble peaceably, to petition for the redress of grievances, and the right to freedom of speech and press—even though the use of that freedom would occasionally outrage some of those in authority.

A government that derives its just powers from the consent of the governed has absolutely no right to tell the sovereign citizen what he can be allowed to think, say, or write.

As we approach the bi-centennial, it is time for each sovereign citizen to be re-dedicated to the first principles of the American Revolution, and not continue to permit our tax dollars to be used to subvert not only other countries, but our own, through permitting the CIA, or any other part of our government, to abuse our liberties as a free people.

LONG-TERM IMPACT OF ARMS SALES NEEDS TO BE EXAMINED

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. BINGHAM. Mr. Speaker, today the Washington Post carries a thoughtful report by Michael Getler which describes the tactical basis on which arms sales to Persian Gulf nations currently are being handled.

As Mr. Getler indicates, decisions regarding arms sales in this potential powder keg have been made without the national security studies of the possible consequences of the sales which usually precede decisions of such importance. The hard questions about the relationship of arms sales to regional stability, oil prices and supplies, and the economic crunch we are experiencing have yet to be addressed. Mr. Speaker, I urge my colleagues in the Congress and decision-makers in the administration to examine closely the issues which Mr. Getler has raised in his analysis, which is reproduced below:

LONG-TERM IMPACT OF ARMS SALES TO PERSIAN GULF QUESTIONED

(By Michael Getler)

Booming U.S. arms sales to the Persian Gulf—a $4 billion-a-year business presided over discreetly by Secretary of State Henry A. Kissinger—are a key part of a strategy aimed at winning influence now with the oil barons of the region.

What has been sacrificed by this quest for quick influence, however, is top-level White House attention to the longer-term impact of shipping so many weapons into one of the world's most volatile areas.

"The whole thing could simply explode on us," said Ben Lee H. Hamilton (D-Ind.), chairman of the House Foreign Affairs subcommittee on the Near East and South Asia.

"We already have a couple of wars going on there, and there is a long history of hostilities and instabilities—tribal, ethnic and religious—in that part of the works," he said in an interview last week.

Saudi Arabia, he warns, is becoming suspicious and nervous over the vast U.S. military sales to neighboring Iran, though both countries are supposed to be "our friends." Small Iranian forces and arms are being used in fighting a rebellion in Oman and U.S. artillery sold to Iran is being used in Iraq where the Kurds' war against Baghdad continues.

The influx of U.S. arms to Iran is widely perceived as providing a convenient excuse for the Russians to greatly expand their arms and influence in Iraq, a situation that former Defense Secretary Melvin R. Laird has also questioned.

U.S. government officials acknowledge that neither the Nixon nor Ford administration has carried out a major, National Security Council study of where the Persian Gulf arms race might lead 10 years from now, as is usually done with crucial issues.

Instead, the decisions to sell arms to the oil giants of Iran and Saudi Arabia—and more recently to the tiny but wealthy and strategically located states of Kuwait and Oman—are viewed by aides around Kissinger as basically tactical, immediate foreign policy tools used by the secretary to bolster the U.S. hand.

Kissinger himself may well be the reason that no major study by the National Security Council staff he heads has been ordered. "He probably prefers the flexibility that comes with these tactical decisions," explains one aide, "rather than heeling to a hard policy that could come out of a study."

The Pentagon has substantial say in who gets what weapons. But it is Kissinger who is the central figure in approving all important sales.

Kissinger's pivotal role was attested to by Defense Secretary James R. Schlesinger in a Sept. 25 press conference. "I should make meticulously clear that the Department of Defense does not have its own policies with regard to the sale of arms," he said. In general, he explained, military assistance "rests under the purview of the Secretary of State. We are the administrators of such programs."

Kissinger is not the instigator of specific arms deals. But in the wake of the global oil-economic crisis that has focused sharp attention on the oil wealth and military weakness of the Persian Gulf, a convenient merger of arms, oil and related interests has taken place.

Gulf nations have shown big appetites for the most modern weapon available. Price is not an object. The United States has often shown a willingness to respond. This in turn signals U.S. military advisers or corporate salesmen overseas that they may whet Gulf appetities even more. When the proposals reach Washington, Kissinger is the key decision maker.

Economically, it is argued that the sales help the U.S. balance of payments and recoup some of the dollars spent on higher oil prices. It keeps more people working in defense plants here and to some extent lowers the Pentagon's cost on some weapons by increasing production.

It is meant to strengthen the Shah of Iran, in particular, as the strongest and most stable pro-Western power in the region.

It is also meant to strengthen Saudi Arabia's King Faisal as the other major pro-Western leader and perhaps provide the United States with some influence in getting these two oil giants to help solve the Arab-Israeli dispute short of war.

Perhaps, White House aides argue, U.S. arms aid will soften Faisal's call for the Israelis to give up Jerusalem, for example.

Influence through arms may also assure, some say, that oil is not cutoff again or at least that prices won't rise again, though Kissinger suffered a jolt when the shah—a big U.S. arms buyer since 1972—led the charge to raise prices last year.

Even those, like Hamilton, who have serious doubts about the long-range wisdom of U.S. policy are not certain that the current approach is all wrong or that there is any better alternative at the moment than selling the oil exporters all the weapons they want.

But until the "urgent need to rethink our arms policy in that region" is begun, Hamilton suggests, there can be no certain answers to the question of whether there is a better approach.

Last month, Rep. Clarence D. Long (D-Md.), a House Appropriations Committee member, wrote to President Ford complaining that the crucial decision in mid-1972 by former President Nixon to expand arms sales to Iran greatly had been made "without national security studies of the possible consequences."

Long also complained that he twice in 1974 attempted to get details from Kissinger on "our policy commitments to Iran" and got "evasive and incomplete answers."

Even some State Department officials, who support Kissinger's approach, concede that it is hard to be sure—without a detailed study—that a vastly different approach wouldn't work.

If the United States withheld its arms and technology from Iran and Saudi Arabia, could it cause them to lower oil prices and ease the global economic crunch?

The conventional answer is that the other oil exporters in the cartel wouldn't allow it and all would rush into the eager arms of French, British and even Soviet weapons salesmen.

Yet, Iran and Saudi Arabia wield vast power within the oil cartel. American weapons and the support that goes with them are generally viewed here as superior to other nations'. While Faisal bankrolls the Egyptians to new French arms, he buys U.S. planes and ships for himself.

More importantly, the United States is vital to these nations when it comes to balancing the Soviet presence in their region.

"The question has come up," said one State Department official, "as to why the U.S. should submit to near blackmail on oil costs. I can't give you an official answer because the question hasn't been systematically addressed. Personally, I don't believe we could force a price drop, but I'm not sure I could prove it."

In the meantime, the impact of the arms sales grows in this country and in the Gulf, and there is an uneasiness, among some members of Congress and some senior planners in and out of government that the entire oil situation is uncharted and potentially very dangerous.

In this country, dozens of American firms are now producing military hardware for the Gulf, raising questions about whether, in a recession, the White House would cut back the arms flow even if it felt it should.

In fiscal 1974, the United States sold a record $8.3 billion worth of arms overseas, more than double the previous year. More than half—some $4.3 billion worth—went to the Persian Gulf: $3.7 billion to Iran, almost $600 million to the Saudis and $81 million to Kuwait.

Purchases by Iran will probably level off this year, though at a multi-billion-dollar annua level. But Saudi sales will jump, possibly to $2 billion, according to rough estimates which include money to pay for 94 American military advisers to train the Saudi National Guard.

Sales to Kuwait will escalate to about $500 million, and small, initial sales to Oman—including new TOW anti-tank missies—will be made.

Almost weekly, there are new links in the U.S. chain to the Persian Gulf.

At Bethpage, N.Y., some 2,000 workers from the Grumman Corp.—manufacturers of the U.S. Navy's new F–14 fighter—are preparing to leave for Iran to help the Iranians learn to use the 80 F–14s they have ordered. They will join more than 15,000 Americans already in Iran, more than 800 of whom are military personnel or civilians associated with arms.

Somewhere in the United States, a Navy patrol plane detachment will probably soon get orders allowing them to land for refueling on the tiny island of Masirah, off the coast of Oman. There, they will keep track of Soviet warships that might move toward the narrow openings to the Red Sea and Persian Gulf.

Kissinger is known to want U.S. reconnaissance "eyes" over these entryways to the world's oil taps, and that is behind the recent request to the British for landing rights on the island.

"My chief criticism," said Hamilton about all this, "is that our policy is focused disproportionately on the military aspects of our relations, which are important but which shouldn't be all-encompassing. I don't argue that we should cut them off completely . . . but we've taken the path of least resistance, contributing in a major way to an Iranian military build-up and making them dominant in the region.

"I'm not sure that's in our national interest," he said "or in the interests of regional cooperation."

In return for those arms, however, Iran has acted as a protector in the region, and as a surrogate for U.S. interests to an extent greater than is generally realized, according to experienced State Department officials.

Aside from the battles in Oman and Iraq, Iran is functioning as sort of a U.S. weapons warehouse. The Iranian shipped dozens of American-built F-5 fighters to Saigon in 1972 to help the United States beat the Vietnam cease-fire re-supply deadline. More recently they shipped other F-5s to Jordan, and some officials expect eventually they may be refurbishing tanks for the Pakistanis.

It is now evident, specialists say, that the shah not only wants weapons but also the technology and production line skills that could build up his industry and make him independent of the United States perhaps a decade from now.

Negotiations to allow co-production of military equipment in Iran—perhaps starting with helicopters—are already under way. The United States hopes to go slowly, but the shah, with his oil and price leverage, may force a faster pace.

What happens years from now if the United States is not independent of Persian Gulf oil needs and the shah is independent of the United States is an unanswered question.

Meanwhile, hundreds of arms salesmen from America, France, Britain and Russia continue to line up outside every defense ministry in the Persian Gulf.

It doesn't take much to persuade the shah of Iran to buy new equipment. The shah reads the U.S. trade magazine Aviation Week as carefully as he reads oil production reports and is well-informed on defense issues.

But the sheer number of U.S. military advisers and industry salesmen now in the area does worry Hamilton and others, mostly because the occasional military attache who is eager to impress the local U.S. embassy or perhaps to line up a retirement job in an aircraft company may further stimulate the easily whetted appetite for weapons among the sheiks.

The actual overseas sales proceed in many ways. For the most part, foreign countries prefer to buy from the U.S. government, to keep the United States in the act as a middleman and perhaps get better prices because the government can buy in quantity with other orders.

Orders from the Persian Gulf, in particular, are about 90 per cent government-to government sales, with the remainder direct contracts with American companies.

But no matter how the sale is proposed, if it involves arms or weapons technology by company, the U.S. government gets a look at the deal and must give its approval.

Finally, among those concerned over the arms sales question, there is the sense of unreality.

Large amounts of weapons are being sold to countries that have sharply raised oil prices, in part to acquire those arms. They are the same countries that are generally identified whether correctly or not, as the cause of the world's economic upheaval. And they have even been mildly threatened that U.S. force will be used against them.

HOW TO RATION GASOLINE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. BROYHILL. Mr. Speaker, there has been a great deal of talk in the Halls of Congress about the need to establish a program to ration gasoline. We have heard that a rationing program is the fairest way to equalize the distribution of short gasoline supplies and that it would be more popularly accepted than an increase in the price of gasoline.

I think the most realistic analysis of the problems involved in rationing gasoline is contained in an editorial in the Washington Post which appeared on Sunday, January 26, 1975. I commend it to my colleagues for their study and consideration, and insert it in the RECORD at this point:

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

SENIORITY SYSTEM IS DYING IN THE CONGRESS

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. SARBANES. Mr. Speaker, the proper functioning of our Federal Government depends upon our ability to achieve and maintain the vital balance defined in our Constitution in the relationship among the three coordinate branches, and particularly at this time in the relationship between the executive and the legislative. It is essential, therefore, that the Congress be fully prepared to carry out its constitutional role; that the Congress adopt principles of organization and procedure that will enable it to perform most effectively its proper legislative function.

Mr. Speaker, an editorial in the Kansas City Star recently placed the changes which have been inaugurated in the 94th Congress in this perspective. In so doing, the Star paid tribute to a Member of this House who has in the course of his distinguished career contributed notably to efforts to strengthen the ways in which the Congress conducts the Nation's business. The editorial follows:

[From the Kansas City Star, Jan. 18, 1975]

SENIORITY SYSTEM IS DYING IN THE CONGRESS

Whatever the outcome of efforts to depose venerable committee chairmen in the House of Representatives, there can be little doubt that the revolution has arrived. It really doesn't matter whether any or all of the chieftains now under attack survive. Things are not going to be the same.

The Democratic Steering Committee submitted its own nominees for four important chairmanships. The Democratic Caucus rejected two of them.

These are not really contradictory actions. The steering committee served notice that mere seniority would not be the determining factor under which it would operate. The Democratic Caucus demonstrated that it would not meekly follow the dictates of the steering committee. Thus the committee chairmen, whoever they may be, now know that they hold their jobs on the basis of performance, not longevity or influence with various leaders. The steering committee and the caucus, itself, will determine who the leaders are and who shall lead committees. It will be up in the air from one session to the next.

Some committee chairmen are senile. They hardly know what is happening and the committee is run by a trusted bureaucrat. The chairman often sleeps through hearings. Others are so erratic—a polite word—that they have been known to throw chairs at witnesses in private sessions. Some have terribly abused staff members, firing them wholesale in a fit of rage. Still others represent the narrow constituency of an industry, union or other special interests, not excluding the special interests in government. They come to identify themselves so closely with the area of government they are responsible for that they represent the area, not the people who elect them.

Under the old seniority system individuals reached the high point of arbitrary power on a committee simply through election from a safe district. Thus Wilbur Mills, through his constituency in Arkansas, was once the second most powerful man in Washington after the President. Through chairmanship of the Ways and Means Committee he controlled Democratic appointments to all other House committees, not to mention foreign trade, medical care and almost anything else be chose to involve with the Ways and Means Committee.

The seniority system has had another bad effect. How often have you, as a voter, been told, in effect, by an incumbent:

"Regardless of the merits of my opponent, you should vote for me because I am going to be a big man on the Agriculture Committee, or the Armed Services Committee, and that way I can help the district (or the state)."

That is a poor excuse to elect anyone. For the fact is that committees and their chairmen nearly always deal with the national interest, not the sometimes narrow interest of a state or district. To plead seniority and thereby committee power, is to extort votes on the basis of offering extraordinary privilege to the voters.

Experience, of course, is something else, and that ought to be part of the potential of any committee chairman. But not experience—or seniority—without ability or a sense of the common national good. Seniority is no recommendation for power, especially if it is based on the mere ability to be elected for decade after decade from a safe district.

Much of the change that now is shaking Washington became possible through years of patient advance work on the part of Rep. Richard Bolling (D-Mo.) who has been returned for many terms from Kansas City not on the grounds of servile representation but because the district recognized his national leadership. The suddenness of change comes from Watergate and the weariness of the electorate of the old way of a system that had gone wrong. But it was a cumulation of years of rot. Watergate merely broke the dam that had been jammed with many decades of abuse, poor representation and unresponsive legislation.

USE OF FOOD STAMPS BY NATION'S JOBLESS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, the January 29 edition of the New York Times contained an article that cited the growing use of food stamps by the Nation's unemployed.

Figures released by the Department of Agriculture indicate a 26-percent increase in food stamp recipients from June to December 1974. There are now 17.1 million Americans participating in this food assistance program. For the first time, most food stamp recipients are coming from the work force—those who earn low salaries or who have recently lost their jobs and are collecting unemployment insurance.

Mr. Speaker, these Americans need and deserve the food purchase assistance this program provides. In light of this compelling and growing need, it seems incongruous for the administration to be proposing food stamp price increases that will affect 95 percent of the recipients.

The House Committee on Agriculture has today initiated action on legislation to prohibit the administration's food stamp price increase proposals from going into effect on March 1. I commend the committee, under the able leadership of my colleague, Mr. FOLEY, for the initiatives it has taken on behalf of the 17 million food stamp recipients of this Nation, and I urge my colleagues to join in this vital effort.

Mr. Speaker, the article from the New York Times follows:

USE OF FOOD STAMP SOARS AS JOBLESS TURN TO THEM

(By Nancy Hicks)

WASHINGTON, January 28.—More unemployed American workers are turning to the food stamp program, so that 17.1 million people—8 per cent of the American population—are purchasing their groceries with these coupons, Department of Agriculture figures are reported to show.

The new figures, scheduled for release later this week, show that $7.50 of every $100 spent on food in this country in December was paid for by food stamps, according to sources who have seen the figures.

They also show that for the first time, most food stamp recipients are coming from the work force—those who earn low salaries or who have recently lost their jobs and are collecting unemployment insurance. Traditionally, at least 60 per cent of food stamp recipients were recipients of welfare benefits, and two of every three recipients obtained multiple benefits from various categorical aid programs, such as subsidized or public housing, Medicare or Social Security.

The December figure of 17.1 million people using food stamps was an increase of 26 per cent from the 13.5 million total of last June. In December, 1973, the total was 13 million. At last June's total, the program would cost $2.9-billion a year. At the new levels, the cost would be $4 billion a year.

The increase may not reflect the full extent of the demand for food stamps, according to Robert M. Greenstein of the Washington-based Community Nutrition Institute. Mr. Greenstein said that some communities take as long as three months to process applications and certify eligibility.

ACCURACY OF FIGURES

Royal Shipp, administrator of the food stamp program, would not confirm or deny the accuracy of the figures. "Those numbers," he said, "must be some unofficial kind of data." But they were confirmed by persons who work closely with the program and persons in Congress.

The office of Representative Thomas S. Foley, Democrat of Washington, said that its own data showed that at least 16.5 million and probably 17 million persons were enrolled in the food stamp program as of December. The total enrollment one month earlier was 15.9 million, the Foley office said.

Mr. Foley is chairman of the Agriculture Committee's livestock and grain subcommittee and would manage any legislation involving food stamp changes.

The increased enrollment comes at a time when the Administration has announced its intention of raising the purchase price of food stamps from a sliding scale, averaging 23 per cent of the participating family's net income, to a flat rate of 30 per cent a family a month.

The increase is expected to hit hardest the one-person and two-person households and the aged. At least 10 per cent of the current participants will drop out if the increases go through, Mr. Greenstein estimates.

A person with a net monthly income of $169 for instance, can now purchase $46 worth of food stamps for $33, according to the Food Research Center of New York, which filed suit last week against the increase.

The mandatory 30 per cent purchase price, scheduled to take effect March 1, would affect about 95 per cent of the recipients. The increase would raise the cost of the stamps in some cases to more than their value.

Eligibility for the stamps is determined by a formula that includes income, family size and source of income. The increase in unemployed persons using the stamps has resulted from the increase in the unemployed, not from any change in requirements under the stamp program.

The proposed increase in costs has become a target of lawsuits and Congressional criticism. Bills have been introduced in both the House and the Senate to prevent the price increase. These bills are being supported by Republicans and Democrats, liberals and conservatives.

H. John Heinz 3d, Republican of Pennsylvania, made a statement in Congress last week that summarizes much of this sentiment. He said:

"Although I am not convinced that the food stamp approach is any substitute for a reform of our inequitable and discouraging welfare system, it is the best answer we have at the moment to assure some Americans money to buy food.

"As one measure of the sign of the time, food stamp participation has grown from over 13.5 million in June to 15.1 million in October.

"The program is costly, but attempts to pare it down will only worsen conditions for many people who now live at the edge of despondency.

"Surely the Administration can find some other way to save $650-million from a budget of over $300-billion than to take it out of the pockets of the poor and aged."

The house has scheduled hearings on the pending legislation for Feb. 4, with proposed action on legislation set for the week of Feb. 17.

But Mr. Greenstein of the Community Nutrition Institute thinks that if action is delayed until that time, it may be taken too late to stave off the effects of the proposed increase.

Mr. Greenstein said he had checked with several states, and some said they would have to send out notices of the increase by the second week in February.

If people are notified of an increase, they may stop participating, even if the increase is rescinded by Congressional action, he said.

ASSEMBLY TO SAVE THE PEACE AGREEMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Ms. ABZUG. Mr. Speaker, last Sunday I had the privilege of addressing the Assembly to Save the Peace Agreement. Although media coverage was scanty, it should be noted that some 3,000 people from all over the country gathered here for 3 days to protest the continuation of American involvement in Indochina.

I insert into the RECORD an excerpt from my remarks to the Assembly:

ASSEMBLY TO SAVE THE PEACE AGREEMENT

(By BELLA S. ABZUG)

I have been asked to talk about the role that the Congress will play in continuing or terminating U.S. involvement in Southeast Asia. Let me say at the outset that the role of Congress depends on you—and therefore I am tremendously encouraged to see the crowd that this Assembly has drawn. Public pressure—not Richard Nixon—got American troops out of Vietnam. Public pressure—not Gerald Ford—will get our troops out of Thailand, and our "advisers" out of South Vietnam, Cambodia and Laos, our planes out of Asian skies and our ships out of bombing range.

As you know, the present situation in Indochina is very grim. I get the feeling that we're right back where we started, some 14 years ago, with our military might poised and threatening, and the Administration coming to Congress for more money. According to reports in the New York Times, the Washington Post and elsewhere, U.S. supply planes are making ten runs a day delivering arms and ammunition to Phnom Penh to aid the Lon Nol government. One US crewman in a civilian airliner carrying government reinforcements was wounded. What if he had been killed? Why are US crewmen flying Cambodian planes anyway? Why are US planes carrying American bombs, ammunition and military equipment from Thailand to Cambodia?

Meanwhile, we have also resumed reconnaissance flights over North Vietnam—though the State Department denies that these flights are used to direct South Vietnamese air force strikes. If not that, what are they doing? Why have we resumed the flights that we specifically renounced in June 1973?

The State Department also denies that the seven warships led by the nuclear aircraft carrier Enterprise were en route to Vietnam, on January 7; or the carrier Midway on January 14. Public pressure caused Secretary Kissinger to change this plan. But these ships are still within bombing range, and Secretary of Defense Schlesinger has stated, on January 14, that "Congress . . . might well authorize the use of American force."

This is how it all began, over a decade ago. If the North Vietnamese were to shoot down a plane, and American lives were lost, the administration might well assign armed escorts to such flights, and then order "protective" strikes on anti-aircraft positions. The next step could be emergency troop landings or bombing. And we would be fighting in Indochina all over again.

The actions already taken by Secretary

Schlesinger are in direct violation of a Congressional prohibition attached to six bills, which states in essence that ". . . no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of US military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia, unless specifically authorized hereafter by the Congress." They are also in violation of the Paris Peace Agreement.

Secretary Schlesinger now claims that we have the right to violate the agreement, since the North Vietnamese have violated it. Do two wrongs now make a right? I do not understand this logic.

It is now officially acknowledged that both sides have violated the Agreement almost from the moment it was signed. The Foreign Assistance Act of 1974 (P.L. 93-559, Sec. 34a) states: "The Congress finds that the ceasefire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

"The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace."

The section ends with recommendations that the President and Secretary of State initiate negotiations with the Soviet Union and the People's Republic of China to de-escalate military assistance to Vietnam and Cambodia, and to urge Cambodians to reach a political settlement through the United Nations. It urges compliance with the Paris Agreement, and reconvening of the Paris conference.

Yet this same Congress at the same time authorized $700 million in aid to South Vietnam, and $377 million for Cambodia. This does not bring about peace but only continues the war.

Many of us in Congress are doing our best to illustrate this. I for one, with the support of many of my colleagues, am introducing a Resolution of Inquiry, which requires the Secretary of Defense to tell the Congress within ten days the facts about the airlift to Cambodia, the ship movements, and the reconnaissance flights. We will make these facts public so that people can express their opinion. Every poll in recent years has shown that the American people are vigorously opposed to getting involved again in Asian wars—yet the Administration pushes on toward the brink.

I have also introduced into the 94th Congress H.R. 168, the only bill thus far which calls for total termination of funding or military involvement of any kind in Indochina.

It's hard to say how far this new Congress may want to go. For the 93rd Congress, it was a tremendous step to legislate an end to direct involvement and to cut funding in half. The turning point for the 93rd came, I believe, when, on July 1, 1973, we won the vote to cut off funds for the bombing of Cambodia. Until that time, despite all the bills introduced (and I for one introduced an end-the-war bill on my first day in Congress) the Members were reluctant to act. But Nixon's sudden ferocious bombing of Cambodia caused revulsion that led to revolt. By the fall of 1973, the Congress attached to several appropriation bills the provision to cut off any further funds for U.S. military involvement, and refused to authorize military aid in the amounts requested. But the prospect is more hopeful now.

The 94th Congress, as you know, is younger and bolder—and heavily Democratic. It has already challenged the old guard and won some impressive victories.

Many of the new Members won election because of their opposition to the Vietnam war; their constituents expect them to be vocal about continued funding or renewed involvement in that war. Many of the older Members have had an honest change of heart—due in large part to the tremendous educational job done by all the organizations represented at this assembly.

Other factors helping to change minds and hearts include media coverage of the war and its aftermath—the disgrace of veterans unable to find work or get decent benefits. President Ford's clemency program helped, unwittingly. As a colossal flop, it forced Members to rethink their positions, not only on the need for universal amnesty but on the morality of the war itself. And, of course, Watergate helped. When the President and his top aides lied about corruption, is there any reason to think they didn't lie about the war? Members of Congress, like everyone else, had to ask themselves some uncomfortable questions.

The leadership in both houses has now expressed unwillingness to go along with the administration's request for another $300 million for military aid to South Vietnam. I have urged the Democratic Caucus to take a firm stand against any renewed involvement or any additional money for Indochina. My feeling is that the House will uphold this position.

But I very much fear that the administration will try to interpret the War Powers Act as permitting armed intervention. When Mr. Ford says that he will go through all "constitutional and legal" processes before using force in Indochina, he is well aware that all he has to do is to "consult with Congress"—meaning the leadership—in advance of sending troops or bombs, and to "make a full report to Congress within 48 hours after committing armed forces abroad." If Congress has not declared war or specifically authorized the commitment within 60 days, the President must withdraw all troops, or extend the period for 30 days if he can certify that that is necessary.

Congress has one recourse: it can adopt a veto-proof concurrent resolution to end such action, at any stage. I can assure you that I will introduce such a resolution if it becomes necessary. One important thing to remember is that three of the Congressional prohibitions against financing the involvement of US military forces were passed after the War Powers Act. In other words, Congress made clear its intent NOT to permit new intervention in Indochina, despite the loopholes in the War Powers Act.

Some Members sincerely believe that the United States would be "abandoning an ally" if we stop supporting President Thieu. Well, it is now reported that the US government itself is about ready to scuttle Thieu in favor of someone less intransigent. If this happens, however, the government of South Vietnam will still be made-in-the-USA. And this, again, violates the Paris agreement.

Peace can come only when the people of Vietnam are allowed to determine their own destinies. But another line of argument says that Saigon would then "fall to the Communists"—even though the Third Force in Vietnam consists largely of neutral or anti-communist Buddhists, Catholics, intellectuals, students. We must remember that this is a civil war that has gone on for many years—and it is not our war. The Vietnamese must be allowed to make their own choices. We were wrong to intervene, we are wrong in fueling the war, and we would be wrong beyond belief if we tried again to impose a Western solution. The Paris Agreement recognized the fact that two governments exist in South Vietnam and that they must work out an accommodation without foreign intervention.

But China and the Soviet Union are helping North Vietnam, we hear—when in fact, aid to North Vietnam has been cut by about one-third, while US aid to South Vietnam has actually increased. Senator Kennedy has indicated that US aid of all kinds to South Vietnam (which is distributed through some 17 different bills) has amounted to some $8 billion since the signing of the Paris Agreement. That is enough to create about 500,000 public service jobs for unemployed Americans.

My constituents now are asking a very logical question: Why are we pouring all this money into Southeast Asia when our own economy is sagging and millions of Americans are out of work? What is the "vital interest" of Americans in supporting a dictator half a world away? Mr. Ford says it's partly to "raise the morale" of the South Vietnamese. I wonder if he has noticed the morale of American citizens, lately?

Members must hear this ovehwhelming demand from their constituents, before we can bring this war to a close. Even though we have a new Congress with a new mood and a new backbone, we have to know that you're out there supporting us. More power to you!

NO MORE MILITARY AID FOR INDOCHINA

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ROSENTHAL. Mr. Speaker, I am deeply disturbed by the administration's dangerous drift toward an accelerated reinvolvement in Southeast Asia. President Ford's request for $522 million in additional military aid to Cambodia and South Vietnam, as well as reconnaissance flights over North Vietnam and reports of U.S. military and paramilitary activities in Southeast Asia all give evidence to this dangerous policy.

I am unalterably opposed to any additional military aid to that part of the world. It would only prolong the killing and destruction while contributing nothing toward peace. We must insist that the June 30, 1973, congressional prohibition against the expenditure of U.S. funds for any "combat activities by U.S. military forces in or over or from the shore of North Vietnam, South Vietnam, Laos, or Cambodia" is strictly observed.

I have joined in a lawsuit against the President and the Secretaries of State and Defense seeking a preliminary injunction against U.S. military activities in Cambodia. I have written to Secretary of State Kissinger opposing any acceleration of our involvement in Vietnam and have introduced a resolution of inquiry directing the Secretary of Defense to furnish specific information on U.S. military involvement in Southeast Asia, as well as a resolution which would put Members on record as opposing all acts of U.S. intervention in that part of the world.

Any other course would be lunacy.

IN MEMORIAM TO DR. FORREST S. CHILTON II, FOUNDER OF THE CHILTON MEMORIAL HOSPITAL, POMPTON PLAINS, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. ROE. Mr. Speaker, on January 13, 1975, a leading citizen, distinguished humanitarian, and great American, Dr. Forrest S. Chilton II, went to his eternal rest. A lasting monument to his lifetime of good works and quality of leadership in the humanitarian field of medicine has been preserved in concrete for the benefit of future generations in the foundation of the Chilton Memorial Hospital in Pompton Plains, N.J., which his leadership built to memorialize his son, Forrest S. Chilton III, whom he lost in World War II and the sons, brothers, and fathers of other families who gave up their lives for our country in the same battle of nations.

It is, indeed, my privilege and honor to seek this congressional memoriam to him and ask, Mr. Speaker, that you and our colleagues here in the House join with me in extending our most sincere condolences to his family: His wife, the former Betty Reik; two sons, Clive and Thomas; and daughter, Mrs. Elwood "Suzanne" Harper of Pequannock, N.J.; two sisters, Mrs. Donna Manrodt and Mrs. Elfreda Lohr of Lincoln Park, N.J.; 15 grandchildren, and two great-grandchildren.

Dr. Chilton can truly be lauded and held in the highest esteem for his personal commitment, hard work, and unselfish dedication in his quest to aid mankind as a physician of many letters and humanitarian of endless energy and unending devotion. His being called to his eternal rest at the young age of 72 years culminated a lifetime scroll of good works and devotion to the needs of people with many outstanding achievements that will forever serve as an inspiration to all of us in his life's purpose and fulfillment.

He was born in Hermon, N.Y., spent his boyhood in Brooklyn, N.Y., and was a practicing physician in Pompton Plains, N.J., for 45 years prior to his retirement in 1971. He was a resident of Lehigh Acres, Fla., at the time of his passing.

Dr. Chilton was a student at New York University, a graduate of the Long Island College of Medicine and served his internship at the Bridgeport Hospital, Conn. The strength of his character and aspiration to be an integral part of the medical profession is evidenced by the fact that his education was acquired while he worked and supported his family.

His eldest son, Forrest III, had enlisted in the Army in World War II and was a pilot in the Normandy invasion when his plane was struck down. He bailed out over the English Channel but his body was never found. Forrest III was married and left an infant son, Forrest IV, who is now a captain in the U.S. Army stationed in Illinois. Dr. Chilton had also enlisted in our armed services and was stationed at the Brooklyn Naval Hospital at the time his son was killed in action off the shores of France.

In 1947 Dr. Chilton donated the original 8-acre tract of land at Newark-Pompton Turnpike, Pompton Plains, for the construction of the Chilton Memorial Hospital in memory of his son and other young men who were killed in World War II. With other leading citizens in the area he organized a board of trustees and commenced a fundraising campaign to build the hospital. The first section of the hospital opened in 1954 at a cost of a half million dollars. The health care facilities at the hospital have continued to expand and improve to the present most comprehensive medical center under the able direction of Dr. Chilton who was president of the first medical staff and most active throughout the years in the day-by-day operations of the hospital. He and his wife who he met while she was supervisor of obstetrics at Paterson General Hospital served on the Board of Trustees. Five hundred people attended a testimonial dinner in 1963 honoring his 30th year as a physician.

Dr. Chilton was a member of the First Reformed Church of Pompton Plains, Silentia Lodge 156 F. & A.M. of Butler, Araba Temple of Fort Myers, Fla., the Passaic County Medical Association, and the American Medical Association.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me now in silent prayer to the memory of a great man of our Nation whose unselfish devotion and dedication as a healer of the sick, benefactor, humanitarian, and American citizen have truly enriched our community, State, and Nation. May his wife and family soon find abiding comfort in the faith that God has given them and in the knowledge that Dr. Chilton is now under His eternal care. May he rest in peace.

A TRIBUTE TO RABBI MENACHEM MENDEL SCHNEERSON, THE SEVENTH LUBAVITCHER REBBE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 23, 1975

Mr. SOLARZ. Mr. Speaker, I would like to join with my colleague, the gentlelady from Brooklyn, in honoring Rabbi Menachem Mendel Schneerson on the occasion of the 25th anniversary of his ascension to the leadership of Chabad-Lubavitch movement.

Rabbi Schneerson, the Lubavitch Rebbe, is one of the most prominent leaders of world Jewry. He is the chief rabbi for tens of thousands of Lubavitcher Chassidism and a spiritual influence on countless other Jews around the world. A renowned scholar his ideas and pronouncements have had a great impact on Jewish thinking.

Rabbi Schneerson has been the Lubavitcher Rebbe during trying times for Jews. The Holocanst and its aftermath drove many Jews from their old surroundings. It could have also driven many more from their faith and identity. Thanks, in large part, to the Lubavitcher Rebbe that did not happen. Through his wisdom, dedication and faith, he has helped keep the Torah alive and spread its message to new generations of Jews.

There are very few men who have ever done as much for their community as Rabbi Schneerson has done for his.

KEATING HONORED BY NCAA

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. McCOLLISTER. Mr. Speaker, the self-development borne of participation in organized amateur athletes has made millions of Americans healthier of mind and body and better citizens. One outstanding example among many is that of our former colleague Bill Keating who was honored recently as one of five recipients of the National Collegiate Athletic Association's coveted Silver Anniversary Award, presented to scholar-athletes who perform with distinction in their civic activities during the 25 years following their college graduations.

All of us who have known, worked with, and learned to respect Bill Keating share in the justifiable pride he must feel in earning this great honor.

Another distinguished former Member of this House, President Gerald R. Ford, was also singled out for his contributions and awarded the NCAA's Theodore Roosevelt Award.

I include, at this point in the RECORD, an article from the Cincinnati Enquirer on the awards luncheon at which Bill Keating responded on behalf of those receiving the Silver Anniversary Award:

[From the Cincinnati Enquirer, Jan. 8, 1975]

KEATING, FORD HONORED BY NCAA

WASHINGTON.—William J. Keating, president and chief executive officer of The Cincinnati Enquirer, was one of five distinguished former student athletes Tuesday to receive the National Collegiate Athletic Association's (NCAA) "silver anniversary" award.

"Participation in sports has been the most influential factor in my life," Keating told the luncheon audience that included President Ford, who was presented the NCAA's "Theodore Roosevelt Award."

"The identity and recognition provided an opportunity that one with my background could not have otherwise received," Keating said.

Master of ceremonies Art Linkletter traced Keating's career as a star swimmer at University of Cincinnati, which nominated him for the award, through his years as assistant state attorney general, judge, Cincinnati city councilman and member of congress before assuming his post with The Enquirer.

"He is distinguished in every aspect of civic life," Linkletter said.

Silver anniversary awards went to men who wound up their college sports careers 25 years ago. Selection was based on athletic achievement, other collegiate activities and career achievement, according to the NCAA.

The NCAA also saluted "today's top five" athletes—John R. Bairounos, football, Pennsylvania State University; Patrick C. Haden, football, University of Southern California; Randy L. Hall, football, University of Alabama; Jarett T. Hubbard, wrestling, University of Michigan; and Tony G. Waldrop, track, University of North Carolina.

Other silver anniversary award winners were Robert S. Folsom, Southern Methodist University, investment businessman; Billy M. Jones, Vanderbilt University, now president of Memphis State University; Ralph E. O'Brien, Butler University, insurance sales; and Philip J. Ryan, Naval Academy, commander in the Navy. All but O'Brien, who starred in basketball at Butler University, were football players.

Keating, giving the response for the silver anniversary five, quipped that while President Ford may have been best known as a football star at University of Michigan, "He didn't become President until after he took up swimming." His reference was to Mr. Ford's habit until he became President of taking a daily swim in the pool at his Alexandria, Va., home.

Linkletter, a onetime San Diego State University basketball star, recalled Keating lettered four years in swimming at UC, and won top honors in the Central Collegiate Swimming Association. "He did the nation's second fastest time in the 100-yard breast stroke . . . He was Indiana-Ohio breast stroke champion," he added, noting Keating also lettered one year at Purdue University and was twice president of his UC Law School class.

"Unquestionably, one reflects upon the impact athletics has upon his life," Keating said. "The discipline—the competition—the honesty of effort—the camaraderie—the lasting friendships—all that comes from participation in sports that prepares an individual for his career and develops the ability to work with and for people from all walks of life."

He added that "the sense of accomplishment from winning and the humbleness from defeat broadens each individual's experience and prepares him for the success and the adversity to be encountered in a business or professional career."

Accompanying him were his wife, Mrs. Nancy Keating, and son, Mike, a Denison University student. The Keatings have three other children at UC.

In receiving the Theodore Roosevelt Award, Mr. Ford said he and athletic directors "have a great deal in common. We both get a lot more criticism for the losses than we get credit for the wins," he said. "We both buy aspirin by the sixpack—and we both have a certain lack of permanence in our jobs."

Mr. Ford recalled that "it was once said that many of Britain's battles were won on the playing fields of Eton. We could also say that amateur athletics has developed much of the muscle that has built and defended this country . . . this is a time for greatness in our nation—and a time for enthusiasm."

Such stars of the coaching world as Alabama's Bear Bryant and Ohio State University's Woody Hayes—both of whose football teams just lost bowl games—were in the audience.

BLOCKING THE 701 PLANNING FUND DEFERRAL

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. **FRASER**. Mr. Speaker, earlier this week, Gerald Christenson, director of Minnesota State Planning Agency, appeared before the HUD Appropriations Subcommittee in the House to urge support for legislation overturning the President's proposed deferral of $50 million in 701 planning assistance funds.

Mr. Christenson, who serves as the president of the Council of State Planning Agencies, explained why he felt the 701 program is significant. Christenson told the subcommittee:

> We live in a world of fragmentation, fragmented decisions and fragmented programs. Existing federal grant-in-aid programs often contribute to this fragmentation. Yet we recognize the interrelationships of decisions and programs. The 701 Planning Assistance Program has allowed local elected officials to engage in an interrelated or comprehensive planning process.

Christenson urged the subcommittee to overturn the proposed funding deferral which, he said,

> In the long run, will result in less efficient, more expensive government.

I would like to take this opportunity to insert Gerald Christenson's statement in the RECORD.

REMARKS OF GERALD W. CHRISTENSON

Mr. Chairman, and members of the Sub-Committee, I am Gerald Christenson, Director of the Minnesota State Planning Agency and President of the Council of State Planning Agencies. I appear here today on behalf of the National Governors' Conference to urge your prompt action to overturn the President's proposed deferral of $50 million of Planing Assistance funds, (the HUD 701 program) for Fiscal Year 1975.

These funds are used to support a comprehensive planning process, by states, metropolitan agencies, regional or areawide planning organizations, large cities and local governments. These monies have provided to elected officials—governors, mayors, and county commissioners—professional staff to assess needs, develop policies, and design programs in a comprehensive manner. The drastic reduction proposed by the President represents a serious loss in planning assistance funds to these elected officials and will hamper their ability to manage.

I would like to be more specific, so I hope you won't mind if I use Minnesota as a frequent example. But please bear in mind that much of what I say applies to other states and areas as well. In Minnesota, these planning assistance funds support the activities and staff of the State Planning Agency, the Metropolitan Council in the Minneapolis-St. Paul area, the major cities of Minneapolis, St. Paul and Duluth, the metropolitan planning agencies in Duluth-Superior, Rochester, St. Cloud, and Fargo-Moorhead, and regional development commissions in each of the 12 regions in Minnesota. In all, 21 organizations in Minnesota are affected by the availability of HUD 701 Planning Assistance funds. Every level of government, every citizen, benefits from the value of this program. Every citizen in Minnesota would be affected by the proposed deferral.

Let me identify for you a few of the reasons why your action on this deferral is so important. I am sure that I speak for other State Planning Directors and for Governors.

We live in a world of fragmentation; fragmented decisions and fragmented programs. Existing federal grant-in-aid programs often contribute to this fragmentation. Yet we recognize the interrelationships of decisions and programs. The 701 Planning Assistance Program has allowed local elected officials to engage in an interrelated or comprehensive planning process. Let me give you an example. There is a consensus in our state that rational development in rural Minnesota would provide better job opportunities for our young people and improve economic conditions. But such development in rural Minnesota will depend on a wide variety of interrelated factors. Private market conditions, the availability of transportation, housing, health care, vocational-technical and college institutions, and policies relating to taxes, school financing, environmental protection and economic development. In Minnesota the responsibility for carefully planning for rural development, somehow integrating these diverse policies, rests with the Governor, the Legislature and regional development commissions. Planning assistance funds have allowed us to make a significant beginning in planning such development on a sound basis.

We are in a period in which public confidence in government has been sorely shaken. We are entering a period, in which more than ever before, governments and public officials must renew that public confidence. They can do that best by demonstrating that they are willing and have the knowledge and the skills to deal effectively with complex problems. If state and local governments are to respond effectively to the problems of a deteriorating economy, high unemployment, energy shortages, housing, environmental protection and human services integration, then their planning efforts must be strengthened and increased, not weakened or eliminated.

Minnesota has made progress in establishing area-wide or regional planning. Regional development commissions have now been formed in each region of our state. These regional development commissions represent the beginning of a successful effort by local governments to work together to plan those services which they, as local governments, could not provide themselves. The 701 Planning Assistance funds have provided the initial financial support. To remove that financial support at this critical stage in the development of these regional development commissions, would be a serious setback.

Last year the Congress passed an important piece of legislation, the Housing and Community Development Act. That Act requires local governments to prepare a community development plan. The problem of housing is a most serious one in Minnesota. Over the next ten years, it is expected that 240,000 additional families will enter the housing market in our state. During this period, in order to meet the demands created by new families and to replace substandard units, Minnesota must double the number of new housing units produced during the best years the Minnesota housing industry has ever had.

Community development and housing are difficult issues for states and local governments. They require careful planning and sound decisions. 701 Planning Assistance means to examine the complexities of housing and community development. To remove that support at this time, when housing is so critical a problem, could seriously impair the abilities of state and local governments to move ahead in meeting these needs.

Federal grants-in-aid have become a major factor in the financing of state and local government services. In Minnesota, for fiscal year 1974, the state received $864 million from 90 major programs and an almost limitless number of specific grants. Bureau of the Budget Circular A–95 provides, to State Planning Agencies and to regional and local planning agencies, the option of reviewing and commenting on these applications to insure coordination and consistency with state objectives and priorities.

This is an important function, not only for state and local governments, but for federal agencies as well. It helps to insure that federal grants-in-aid applications are properly prepared, are not duplicating one another, that accurate information is used, and that they represent the concerns and objectives of the state or local government.

Yet there is no financial support for this program, except from the HUD 701 Planning Assistance funds. Many governors and mayors use this responsibility to review applications for federal grant-in-aid to enable them to manage this diverse fragmented system of federal grants. Planning assistance funds makes that possible for them. Our federal system and the success of the federal grant-in-aid program will suffer if elected officials are forced to forego this function due to lack of funds.

Many states and some local governments now understand the importance of land use planning and have begun the process of conducting a land use planning process. In many instances this has taken place with HUD planning funds. Certainly in Minnesota this is the case. Although Minnesota has now enacted legislation to deal with land use and has appropriated monies for specific land use planning activities, the State Planning Agency, the Metropolitan Council in Minneapolis-St. Paul, and the 12 Regional Development Commissions in Minnesota are all counting on the availability of HUD 701 planning monies to allow them to continue their comprehensive land use activities.

Finally, monies made available from this planning program to the State Planning Agency have enabled us to acquire a competent staff to provide technical assistance to local and regional governments, to help them establish an effective planning program, to help them manage, and to provide them with information, such as population estimates and forecasts. If the President's deferral is allowed to stand, we would no longer be in a position to provide a satisfactory level of technical assistance as we have in the past.

I, along with other planning officials throughout the nation, have strongly urged a strengthening of the HUD 701 Planning Assistance program. We have also urged that the financial support to state, regional and local planning agencies be so appropriated and allocated as to provide some assured continuity of support. It was our understanding, with the passage of the Housing and Community Development Act of 1974, that the Congress had expressed itself; that the Congress had seen the need for supporting such planning programs at authorization levels of $130 million for F.Y. 1975 and $150 million for F.Y. 1976. Positive action by this committee would be evidence that the Congress had not changed its mind on the need for this valuable program.

I do not believe that this deferral is a true savings of funds. I believe it will result in less effective government. I hope that this sub-committee and the Congress will defeat actions which, in the long run, will result in less efficient, more expensive government.

HOUSE OF REPRESENTATIVES—*Friday, January 31, 1975*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. McFall.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

Washington, D.C.,
January 31, 1975.

I hereby designate the Honorable John J. McFall to act as Speaker pro tempore today.

Carl Albert,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He went about doing good . . . for God was with him.—Acts 10: 38.

O God, our Father, in a world moving through the darkness of doubt and despair, we pause before Thee to make sure the light within us is burning brightly. May our faith in Thee make us strong, hold us steady, and keep us serene as we face the responsibilities of these days. Give us to know that Thou art always with us every moment of every day.

Bless Thou the people of our beloved Republic. Amid all differences may they be one in spirit, one in purpose, and one in good will as together they and we seek solutions to the problems that confront us. Keep us living and laboring and loving for the good of all.

In the spirit of Him who went about doing good we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. McFall). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

APPOINTMENT AS MEMBERS OF JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS

The SPEAKER pro tempore. Pursuant to the provisions of section 401(b), title 4, Public Law 91–510, the Chair desires to announce that the Speaker has appointed as members of the Joint Committee on Congressional Operations the following Members on the part of the House: The gentleman from Texas (Mr. Brooks), the gentleman from Connecticut (Mr. Giaimo), the gentleman from Michigan (Mr. O'Hara), the gentleman from New Hampshire (Mr. Cleveland), and the gentleman from Ohio (Mr. Ashbrook).

APPOINTMENT AS MEMBERS OF NATIONAL STUDY COMMISSION UNDER THE FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS OF 1972

The SPEAKER pro tempore. Pursuant to the provisions of section 2, Public Law 92–500, the Chair desires to announce that the Speaker has appointed as members of the National Study Commission under the Federal Water Pollution Control Act Amendments of 1972 the following Members on the part of the House: The gentleman from Alabama (Mr. Jones), the gentleman from Texas (Mr. Wright), the gentleman from California (Mr. Johnson), the gentleman from Ohio (Mr. Harsha), and the gentleman from New Hampshire (Mr. Cleveland).

APPOINTMENT AS OFFICIAL ADVISERS TO UNITED STATES DELEGATIONS RELATING TO TRADE AGREEMENTS

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the provisions of section 161(a), title I, Public Law 93–618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee, to be accredited by the President, as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to trade agreements during the 1st session of the 94th Congress: The gentleman from Georgia (Mr. Landrum), the gentleman from Pennsylvania (Mr. Green), the gentleman from Florida (Mr. Gibbons), the gentleman from New York (Mr. Conable), and the gentleman from California (Mr. Pettis).

REPORT ON OMNIBUS ENERGY BILL—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following communication from the President of the United States; which was read, the summary, without objection, ordered to be printed in the Record:

The White House,
Washington, January 30, 1975.

The Honorable the Speaker,
U.S. House of Representatives,
Washington, D.C. 20515

Dear Mr. Speaker: In my state of the Union address earlier this month, I outlined the dimensions of our interrelated economic and energy problems and proposed comprehensive and far-reaching measures for their solution.

The measures I described included both Executive and Congressional actions. Because further delay is intolerable, I have already taken administrative action to deal with our energy problems, including issuance of a proclamation to impose increased fees on imported oil. The Secretary of the Treasury has already presented my detailed energy tax proposals to the House Ways and Means Committee.

I am enclosing a proposed omnibus energy bill—the Energy Independence Act of 1975—which, along with the tax proposals already presented, will provide the combined authorities that are necessary if we are to deal seriously and effectively with the Nation's pressing energy problems.

We have delayed too long in taking decisive actions to reduce our dependence on foreign energy sources and to eliminate our vulnerability to energy disruptions such as we experienced last winter—or worse.

In the near term, enactment of the proposed legislation along with certain Administrative actions would reduce oil imports by one million barrels per day by the end of this year, and two million barrels per day by the end of 1977. Over the mid-term (1975–1985), enactment of the proposed legislation will insure that domestic supplies of energy are substantially increased, that the growth in energy demand is reduced substantially and that we develop effective protection from future energy embargoes or energy emergencies. In the long term, my proposals will allow our Nation to once again supply a significant share of the energy needs of the free world.

The legislative program I have proposed will:

(1) encourage early development of our oil, natural gas and coal resources;

(2) help speed the siting and construction of nuclear and other energy facilities;

(3) reduce energy consumption by mandating thermal standards for new homes and commercial buildings and assisting persons with low incomes in winterizing their homes;

(4) encourage investments in the development of new domestic energy resources;

(5) establish a strategic petroleum reserve to guard against future import disruptions; and

(6) authorize certain standby authorities to cope with potential embargoes or energy emergencies.

A more detailed summary of my legislative proposals is enclosed.

My tax proposals already presented by the Secretary of the Treasury would:

(1) place an excise tax of $2 per barrel on all domestic crude oil and an import fee of $2 on all imported crude oil and petroleum products to help reduce the demand for oil, promote domestic refining and encourage the development of new sources of energy;

(2) impose a tax on all domestic crude oil in order to capture windfall profits;

(3) place an excise tax on natural gas equivalent to the $2 tax on oil to reduce natural gas demand;

(4) provide additional tax credits for public utilities to provide equal tax treatment with other industries and promote the construction of needed electric generating facilities;

(5) provide tax credits for home owners who install additional insulation to reduce energy consumption;

(6) return to the economy the revenue from energy conservation taxes to offset higher energy costs, particularly for low and middle income citizens, and to help restore jobs and production.

The 13 titles of this bill, coupled with appropriate tax measures, are essential to the eventual attainment of our common goal of energy independence. Prompt action on all these measures is essential.

I cannot stress too much the sense of urgency I feel about these proposals and the need for their swift consideration by the Congress as a basis for the earliest possible enactment into law. Without these measures, we face a future of shortages and dependency which the Nation cannot tolerate and the American people will not accept.

Sincerely,

GERALD R. FORD.

Summary of Proposed Legislation To Increase Energy Supply and Availability

Title I of the Energy Independence Act of 1975 would authorize the production of petroleum from the Naval Petroleum Reserves to top off Defense Department storage tanks, with the remainder sold at auction or exchanged for refined petroleum products used by the military or used to fill a National Strategic Petroleum Reserve. Revenues generated from the sale of oil produced from the Naval Petroleum Reserves would be used to finance the further exploration, development and production of the Reserves, including NPR #4 in Alaska, as well as to create the National Strategic Petroleum Reserve. At least 20%, or such other amount as determined by the President, of the oil eventually produced from NPR #4 would be earmarked for military needs and for the National Strategic Petroleum Reserve and the remainder made available to the domestic economy. Although the oil reserves contained in NPR #4 are largely unexplored and significant production is not expected before 1982, it is anticipated that NPR #4 will provide a minimum of 2 million barrels of oil per day by 1985. Title I would also grant the Department of the Navy authority to acquire, construct, fill and maintain a military strategic petroleum reserve of 300 million barrels as part of the National Strategic Petroleum Reserve.

Title II would authorize the establishment of a civilian national strategic petroleum reserve of up to 1 billion barrels of petroleum. Once created, this strategic reserve, together with the exercise of certain standby authorities provided for in Title XIII, will minimize disruption from future embargoes or other energy emergencies. This Title would authorize the Federal government to acquire, construct and maintain petroleum storage facilities, to purchase petroleum or require industrial set-asides for a strategic reserve, and to utilize petroleum from the reserve to offset disruptions in foreign imports. Most of the funds required to finance this program, as well as a large amount of the oil to be stored would come from the production of NPR #1 in Elk Hills, California. Within one year of enactment, a report would be prepared and submitted to the Congress detailing actions taken and proposed plans for developing a strategic petroleum reserve system.

Title III is designed to reverse the declining natural gas supply trend as quickly as possible and to insure increased supplies of natural gas at reasonable prices to the consumer. Under the proposal, wellhead price controls over new natural gas sold in interstate commerce would be removed. This action will enable interstate pipelines to compete for new onshore gas and encourage drilling for gas onshore and in offshore areas. In order to discourage further conversions to natural gas and to encourage greater natural gas conservation, the President is also proposing an excise tax of 37¢ per thousand cubic feet on natural gas which is equivalent to the proposed $2 tax on oil.

Titles IV and V contain amendments to the Clean Air Act and the Energy Supply and Environmental Coordination Act of 1974 (ESECA). The amendments are needed to pursue a vigorous program, consistent with appropriate environmental safeguards, to make greater use of domestic coal, and thus to reduce the need for natural gas and imported oil. The proposed amendments would serve to reduce the need for oil imports by 100,000 barrels per day in 1975 and 300,000 barrels by 1977.

The amendments to ESECA would expand and extend the Federal Energy Administration's authority to issue and enforce orders prohibiting powerplants and other major installations from burning petroleum products and natural gas. One of the amendments to the Clean Air Act would eliminate the regional requirement which prohibits major fuel burning sources from burning coal where the violation of health-related standards is caused by other sources. Another amendment would permit certain isolated plants to use intermittent control systems on an interim basis where they do not pose a threat to public health. In addition, the amendments seek a better balance between automobile fuel economy and air quality by stabilizing auto emission requirements for five years at the level of California's 1975 standards for hydrocarbons and carbon monoxide emissions, and holding at national 1975 standards for oxides of nitrogen.

Title VI would delete the "significant deterioration" requirement from the Clean Air Act. There may be more appropriate ways to deal with the issues associated with significant deterioration than through the Clean Air Act, and Congress should undertake a prompt and comprehensive review of this issue.

Title VII is designed to restore the financial health of public utilities. It would eliminate undue regulatory lags involved in approving proposed rate changes, assure that rates adequately reflect the full cost of generating and transmitting electricity, and remove prohibitions that now prevent lower prices from being charged to consumers during off peak hours. Though many states have already adopted similar programs, enactment of Title VII will establish certain standard regulatory procedures across the Nation, resulting in more equitable treatment of utilities.

Treasury Secretary Simon has presented to the House Ways and Means Committee proposals for tax changes including increased investment tax credits for public utilities. Presently only a 4% tax credit is available to utilities while a 7% tax credit is available to other industries. The proposed legislation would raise the tax credits to a level of 12% for one year with the 12% rate being retained for two additional years for all electric generating facilities not fired by oil or gas. Utilities would also be allowed to increase from 50% to 75% the portion of their 1975 tax liabilities that can be offset by the investment tax credit. The percentage would phase back down to 50% by 1980. Corporate tax deductions would also be allowed for preferred stock dividends issued by utilities and other industries. These legislative proposals would reduce the cost of capital for needed utility expansions and stimulate equity rather than debt financing.

Title VIII is designed to expedite the development of energy facilities. The Federal Energy Administration would be required to develop a National Energy Site and Facility Report with appropriate Federal, State, industry and public input. Information in this report would be utilized by the Federal government, the States and industry in developing and implementing plans to insure that needed energy facilities are sited, approved and constructed on a timely basis. At the Federal level, FEA would be responsible for coordinating and expediting the processing of applications to construct energy facilities.

States would be required to develop management programs to expedite the process by which energy facility applications are reviewed and approved at the State level, to insure that adequate consideration is given to national and regional energy requirements in the State's siting and approval processes, and to provide that decisions of State regulatory authorities on energy facility applications are not overruled by actions of local governments. FEA would provide grants and technical assistance to the States in developing their programs. If a State does not develop an acceptable management program, FEA would promulgate an appropriate management program for it. The Federal government would not be authorized to override any State decision on a particular site of facility application.

Title IX would provide needed authority to prevent foreign oil producing countries from undercutting U.S. efforts to develop domestic petroleum energy resources or achieve energy independence. The Federal Energy Administration would monitor the effect of oil price fluctuations on the economic viability of conventional petroleum development and production projects. Upon the finding that this viability is being threatened, tariffs, quotas, or variable import fees would be imposed.

Two other measures are being developed that will affect domestic energy supplies. One proposal would assure more rapid siting and licensing of nuclear facilities while retaining sufficient safeguards to protect the environment and public health and safety. The other proposal, to regulate surface mining, would provide the appropriate balance between the urgent need to increase coal production and the need to protect the environment.

DEMAND RESTRAINT MEASURES

Each of the demand restraint measures contained in Titles X–XII is an essential element in achieving our overall goal of reducing oil imports and lowering the demand for coal, natural gas and electricity. These proposals will serve to reduce wasteful energy use, create jobs, and lessen economic hardships, while not impeding economic output.

Title X would establish mandatory thermal (heating and cooling) efficiency standards for all new homes and commercial buildings. It is anticipated that this program will save the equivalent of 500,000 barrels of oil per day in 1985. The Secretary of Housing and Urban Development in consultation with engineering, architectural, consumer, labor and industry representatives would be responsible for developing thermal efficiency standards. Standards for residential dwellings would be promulgated and implemented within one year, and performance standards for commercial and other residential buildings developed and implemented as soon thereafter as practicable. State and local governments would assume primary responsibility for enforcing standards through local building codes.

Title XI would establish, within the Federal Energy Administration, a grant program for States to assist low income persons, particularly the elderly, in winterizing their homes. Title XI is modeled after a successful pilot project that was conducted in the State of Maine during 1974. Annual appropriations of $55 million would be authorized to fund the three year grant program, and enable States to purchase winterization materials for dwellings of low-income persons.

Title XII would authorize the President to require energy efficiency labels on all new major appliances and motor vehicles. This title would insure that consumers are fully apprised of the efficiency of various appliances and motor vehicles and would encourage the manufacture and greater utilization of more efficient products.

EMERGENCY PREPAREDNESS PROGRAMS

In addition to taking measures to increase domestic supplies, reduce demand and create a strategic reserve system, we must be in a position to take immediate and decisive actions to counteract any future energy emergency.

Title XIII would provide the President with certain standby authorities to deal with future embargoes or other energy emergencies and to carry out the International Energy Program agreement, including provisions for international oil sharing, mutual energy conservation programs, and international cooperation on various energy initiatives. This title would include authority to allocate and control the price of petroleum and petroleum products, promulgate and enforce mandatory energy conservation programs, ration petroleum products, order increases in domestic oil production, and allocate critical materials needed for the maintenance, construction and operation of critical energy facilities. All or a portion of these authorities would be invoked upon a determination that emergency conditions exist.

EXTENDING MEDICAL BENEFITS AND HOSPITAL CARE TO SURVIVING MEMBERS OF GUAM COMBAT-PATROL

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, today I have introduced a bill which asks that medical benefits and hospital care under section 109, title 38, United States Code, be extended to the few surviving members of the Guam Combat Patrol. This measure is similar to that which I introduced in the 93d Congress and represents a continuation of my longstanding efforts to provide these brave warriors with the recognition and benefits they so richly deserve.

The Guam Combat Patrol consisted of Guamanian civilians who were pressed into duty immediately after the U.S. Marines recaptured Guam in the closing days of World War II. Sparsely armed, and with little training or experience, these valiant men fought as a mopup unit to clean the island of the unrelenting remnants of the Japanese Army which had occupied Guam for 3 years previously.

Time and again, these men braved dangers of the times to help rid our island of the enemy. In doing so, they won at least 30 Bronze Medals and 2 Silver Stars for their efforts. Unfortunately that is all the recognition the Department of Defense has ever seen fit to provide.

Today, there are only approximately 40 members of the Combat Patrol surviving. In the past, I have introduced legislation offering these men a wider range of veterans benefit—all to no avail. The Department of Defense has blocked every attempt to provide the few remaining members of the Combat Patrol with the benefits they earned.

I will not accept defeat on their behalf any more than they did 30 years ago. I believe that these men have a right to at least the same level of benefits which were provided for civilian members of the Philippine resistance effort during World War II.

Accordingly, I have again submitted for congressional approval this measure. Although it does not afford Combat Patrol members all of the benefits I believe they should have, it does provide access to at least the benefits they require most—medical and hospital care. Some of these men are in their twilight years and the least that this country should do is to provide them with a haven against medical expenses which so many of our elderly incur. Last year, Congress passed a bill—H.R. 13377—which authorized medical and hospital care for members of nations who were allied with the United States in World War I and World War II.

Can we do less for our own citizens? I hope not, and urge my colleagues in this Congress to give this measure their earnest consideration.

Thank you.

INTRODUCTION OF INDIAN HEALTH CARE IMPROVEMENT ACT

(Mr. MEEDS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MEEDS. Mr. Speaker, today I am introducing the Indian Health Care Improvement Act. The purpose of this legislation is to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs.

It is no secret that the health of American Indians ranks at the bottom of American society. The statistics relate a deplorable situation. The incidence of tuberculosis for Indians and Alaska Natives is 6.4 times higher than the rate for all citizens of the United States; the rate for diabetes is at least 3 times that of all races of the United States; and while respiratory and gall bladder illness statistics are not reported in the general population, Indian Health Service officials state emphatically that the rates for these diseases among Indians and Alaska Natives are significantly higher than that of the general population. Otitis media, an infection of the middle ear which affects most commonly children under the age of 2 years, continues to be a leading cause of disability in Indians and Alaska Natives, and although surgical treatment is possible which can generally prevent the long-term and serious disabilities of deafness and learning deficiencies, only a fraction of this essential surgery is now being provided. The infant mortality rate among Indians is almost 1.1 times the national average, while the Indian birth rate continues at a rate twice that of other Americans; and while every other American can expect to live to the age of at least 70.8 years, the Indian and Alaska Natives can expect to live only to age 65.1.

To eradicate much of the disease and suffering among the Indian and Alaska Native populations in this country, the Federal Government since 1955 has designated the Indian Health Service to carry out the responsibility. The Indian Health Service is a division of the Public Health Service in the Health Services Administration of the Department of Health, Education, and Welfare. The Indian Health Service has grown rapidly since 1955. From a budget of $24.5 million and a staff of 3,574 in 1955, it has grown to a staff of 8,108 and an annual budget of approximately $226 million. The Service has done an admirable job with what it has had to work with and with the enormous task it faced.

The efforts of this agency have caused much progress in the fight against disease, as since 1955, the infant death rate has declined 65 percent; the death rate from gastritis and related diseases has declined 84 percent; the tuberculosis death rate is down 86 percent; the influenza and pneumonia death rate has decreased 57 percent; and the death rate from certain diseases of early infancy has declined 81 percent. However, as the current statistics indicate, there is much more to be done. The Indian Health Service cannot perform the job that we assigned it alone; we must help by providing the direction and financial resources to overcome the inadequacies in the existing Federal Indian health care program.

The Indian Health Service is hindered in the task of alleviating the incidence of disease among Native Americans by outdated and inadequate health facilities. Of the existing facilities, some 38 hospitals, 66 health centers, and 240 other health stations are at least 20 years old. Many of them are old one-story, wooden buildings with inadequate electricity, ventilation, insulation, and fire protection systems, and of such insufficient size as to jeopardize the health and safety of their occupants.

According to the Joint Committee on Accreditation of Hospitals—JCAH—only 21 of the 51 existing IHS hospitals meet JCAH standards of accreditation—either because of insufficient staffing or poor physical plants—that two-thirds of the hospitals are obsolete, and that 22 need complete replacement.

To meet the needs of approximately 489,000 Indians, IHS and contract facilities provide some 3,700 hospital beds. This is 1 bed per 132 persons as compared to the national average of 1 hospital bed per 125 persons, indicating a shortage of more than 200 beds under existing standards of service and demand. The greater incidence of disease among Indians renders this deficiency all the more acute. Per capita expenditures for Indian health care purposes are 25 percent below per capita expenditures for health care in the average American community. This is further compounded by the fact that many of our national health programs, designed to assist the general population, are difficult or impossible to apply to Indians. Medicare, medicaid, and social security programs afford little relief because, given the unique social situation of most Indians, very few know they are eligible for medicare or have worked long enough for social security eligibility.

The manpower shortage among physicians and related health personnel is probably the most pressing and serious problem facing the Indian Health Service. At present, there are 492 physicians in the IHS, which represents a ratio of 1 physician for every 994 Indians as opposed to a national average of slightly under 600 persons per physician. The shortage is complicated by the highly dispersed and remote locations of many Indian tribes, vast distances between settled areas on reservations, and the lack of adequate roads and emergency transportation and communication systems.

The shortage of personnel is likely to become even more acute in the coming years due to the expiration of the Doctor Draft Act authority. An absence of adequate housing facilities and the remoteness and cultural isolation of IHS assignments add to the problem of recruiting professional staff.

Admissions to IHS and contract hospitals have more than doubled since 1955. For 1973, the total admissions were 102,350 as compared to 50,143 in 1955. The outpatient visits increased almost 5 times in the same time period from 455,000 in 1955 to 2,329,160 in 1973. This increase in utilization of Indian health services, together with inadequate facilities and the shortage of medical personnel in the Indian Health Service, has created a very serious backlog of unmet health needs. For example, there are backlogged 13,107 surgical cases of otitis media, 2,900 patients in need of surgery for disease or other abnormal conditions of the gall bladder or bile duct, and approximately 2,300 surgical cases of eye cataracts.

Many of the diseases which afflict the Indian and Alaska Native populations are environmentally related. Gastroenteritis ranked second among the leading reported diseases for Indians in 1972. The incidence rate for amebiosis dysentery was 2.2 times, for bacillary dysentery was 49.6 times, and for infection hepatitis was 10.7 times greater than the rate for the general population in 1972. In 1973, approximately 20 percent of the Indian patients discharged from IHS and contract hospitals received treatment for infectious diseases—respiratory, other infectious and parasitic, and skin diseases—and their residuals. Most of these diseases are associated with lack of running water, unsanitary conditions, and an overcrowded home environment.

Contributing to these health problems is the widespread scarcity of safe water and the lack of adequate facilities for the disposal of human and other household wastes. Thousands of Indians on many reservations still haul water over distances of a quarter of a mile or more, the only available sources of which often are contaminated streams, irrigation ditches, stock ponds, and unprotected wells and springs. The inadequate waste disposal facilities result in the spread of micro-organisms responsible for diarrhea and dysentery, insect and rodent infestations in Indian homes and communities, and contamination of food and domestic water supplies. This relationship between unsatisfactory environmental conditions and the low health status was dramatically stated in a report to the Congress in March of 1974 by the General Accounting Office. GAO found that those Indians living in housing rated unsatisfactory because of environmental conditions made demands on the Indian Health Service primary health care system for treatment of environmentally related diseases at a rate almost 4 times as high as those living in housing with satisfactory environmental conditions.

The GAO report found that a survey of 9,450 households at six IHS service units revealed that 54 percent of Indian families had no water supply source in their homes, 9 percent had inadequate food storage facilities, 65 percent did not have flush toilets, 48 percent lacked satisfactory liquid waste disposal facilities, and 26 percent of them lived in homes which had evidence of heavy fly infestation. In addition, the study contained the finding that 63 percent of a random sampling of homes were using water which was not protected from contamination or which was judged by environmental health personnel to be contaminated, and about 20 percent were consuming unsafe water as measured by the criteria for bacterial content used by State public health agencies.

The problems discussed above relate primarily to those Indians who live on or near reservations and are members of federally recognized tribes. However, a substantial segment of the Indian population—a total of approximately 400,000 Indians—resides away from the reservation, in large urban centers or in rural communities. A different set of health service problems afflicts these Indians, and yet the result is a health status for them quite similar to that of the reservation Indians.

The Indian Health Care Improvement Act attempts to alleviate the above-mentioned problems. Title I provides for a health professions scholarship program, a health professions preparatory scholarship program, and for continuing education allowances to assure an adequate health manpower base. Title II provides funds and positions to eliminate health services backlogs. Title III provides for construction and renovation of service facilities and construction of safe water and sanitary waste disposal facilities. Title IV provides for greater Indian participation in the medicare and medicaid programs. Title V provides for access to health services for Indians not residing on or near Federal Indian reservations.

Mr. Speaker, the following colleagues join me in introducing this legislation:

LIST OF COSPONSORS

1. Theodore M. Risenhoover.
2. Harold T. Johnson.
3. John Melcher.
4. Jaime Benitez.
5. Don Edwards.
6. Mendel Davis.
7. Charles Wilson.
8. Don Fraser.
9. Edward Roybal.
10. George Brown.
11. Peter Rodino.
12. Michael Harrington.
13. James Weaver.
14. John W. Jenrette, Jr.
15. George Miller.
16. Robert J. Cornell.
17 James O'Hara.
18. Don Young.
19. Elizabeth Holtzman.
20. Robert A. Roe.
21. Mike McCormack.
22. Richard Bolling.
23. Richard Ottinger.
24. Louis Stokes.
25. Herman Badillo.
26. Claude Pepper.
27. Leo Ryan.
28. George Danielson.
29. Shirley Chisholm.
30. William Ford.

31. Richard White.
32. Ralph Metcalfe.
33. Stephen Solarz.
34. Paul S. Sarbanes.
35. Bella Abzug.
36. Sidney Yates.
37. Robert Duncan.
38. Marvin Esch.

BICENTENNIAL SEED BILL

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURKE of Massachusetts. Mr. Speaker, this is kind of a wet, dark, dreary day. I thought this would be an opportune time to bring up the bill that I filed and ask some of the Members of the House to look into this legislation and cosponsor it with me. It is going to be called the bicentennial seed bill.

As the Members know, when the Department of Agriculture was first set up, its purpose and intention were to distribute seeds throughout the entire country; and they did that. It resulted in gardens, small and large gardens, with small farm development throughout the whole country. After all these farms were developed, this Nation grew in the production of food, they suddenly developed the closed shop idea. Those farmers said, "Now is the time to shut off the supply of seeds to the American people."

As the Members know, seeds can be distributed throughout this country, and it would not cost us $6 million a year under the bill that I filed. The bill only calls for 3 years' duration, and in those 3 years the results of this distribution of the seeds would result in the production of over $1 billion worth of food.

It is amazing that some people do not read the papers or do not listen to the news media and do not listen in to the hunger that now prevails throughout the world. It is amazing that some people do not realize that the prices of vegetables in this country today are almost as high as meat prices were five years ago. The average housewife today, trying to put a palatable meal on the table, nutritious food—and my friend, Mr BAUMAN, of Maryland, here has just expressed his boredom at this. He does not understand now that there are shortages in this country in food, and it is predicted that within 10 years there are going to be dire shortages of food in this country.

My bill will cost $6 million a year and in 3 years produce over $1 billion in food.

Think it over. Let us start doing some of the things our forefathers did by supporting the bicentennial seed bill.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE A REPORT, ALONG WITH SUPPLEMENTAL, MINORITY, AND/OR SEPARATE VIEWS ON H.R. 1589, AMENDING THE FOOD STAMP ACT OF 1964

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight, January 31, 1975, to file a report on the bill H.R. 1589, as amended, to amend the Food Stamp Act of 1964, along with any supplemental, minority, and/or separate views.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether or not it is the intention of the Committee on Agriculture to bring this bill to the floor for full debate and amendments, or is there some plan to bring the bill up under a procedure that would cut off debate and amendments.

Mr. BERGLAND. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Speaker, we have been consulting with the ranking minority member of the committee, the gentleman from Virginia (Mr. WAMPLER), in order to determine whether or not there might be some way in which this matter could be considered on the suspension calendar on Tuesday of next week. However, no agreement has been reached that I am aware of at this point.

Mr. BAUMAN. Mr. Speaker, I will ask the gentleman this: This would preclude any amendments, and it would limit debate to 20 minutes on each side?

Mr. BERGLAND. Mr. Speaker, if the gentleman will yield further, the gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I just wish to point this out to the gentleman:

We have been here for 2 weeks and we have done absolutely nothing. It has been 4 weeks since the constitutional date when we should have come back. We have heard from the majority about all the Nation's problems being solved within 90-days.

Apparently the gentleman is telling this House now that this bill, which ought to be amended extensively, must come up under suspension of the rules. I see no time problem involved, and I think the gentleman's committee should request a rule so that the House may work its will on this matter instead of just jamming it through.

Mr. BERGLAND. Mr. Speaker, if the gentleman will yield further, due to circumstances about which the gentleman is well informed, the Committee on Agriculture did not complete its organization until Wednesday of this week, and on Thursday we convened to consider this matter. This is a bill which is very important to 17 million American consumers, and the earliest date we would act on it was yesterday. So we are asking the House to take this matter up as quickly as practicable under the circumstances. Tuesday is apparently the earliest date it could be considered, and if that will not work, consideration of the bill would have to be postponed until a later date.

Mr. BAUMAN. Mr. Speaker, the gentleman has referred to the "reform movement" which affected the Committee on Agriculture, and other committees as well, and this reform is supposed to allow the will of the people to be worked. However, the suspension procedure does not seem to be a symptom of any kind of reform.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEGISLATIVE PROGRAM FOR THE WEEK OF FEBRUARY 3, 1975

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of asking the majority leader or some Member on the other side if he will give us the program for next week.

Mr. BRADEMAS. Mr. Speaker, if the acting minority leader will yield, I will be happy to respond to his request.

There is no further legislative business scheduled for today, and upon announcement of the program for next week I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for next week is as follows:

On Monday, we will call the Consent Calendar, and there are no bills. Under suspension of the rules, there are no bills scheduled.

On Tuesday we will call the Private Calendar, and there are no bills.

Under suspension of the rules, there is one bill listed: H.R. 1589, to prohibit food stamp increases.

On Wednesday and the balance of the week, we will consider the following legislation:

H.R. 1767, prohibiting imposition of traiffs, fees, and quotas on oil imports, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, if the acting majority leader will respond further, I wish to ask a question.

Mr. BRADEMAS. Of course.

Mr. MICHEL. Mr. Speaker, would the gentleman anticipate any problem at all with the rule on H.R. 1767?

Mr. BRADEMAS. Mr. Speaker, if the gentleman will yield, I will answer briefly: No.

Mr. MICHEL. Mr. Speaker, is it still the intention of the leadership that we conclude our business on Thursday at some hour, at which time we would begin the Lincoln's Birthday recess?

Mr. BRADEMAS. The gentleman is correct.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

ADJOURNMENT TO MONDAY, FEBRUARY 3, 1975

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HON. H. JOHN HEINZ III SENDS QUESTIONNAIRE ON STATE OF THE UNION MESSAGE

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Pennsylvania (Mr. Heinz) is recognized for 5 minutes.

Mr. HEINZ. Mr. Speaker, any set of solutions to the Nation's economic and energy problems—whether those presented by President Ford in his state of the Union message, or alternate proposals advanced by the Congress—almost certainly will result in great personal sacrifice for families everywhere.

These are especially uncertain times. The families in the 18th District of Pennsylvania, which I represent, are as concerned as anyone about the impact that these serious problems will have on their lives and on the Nation as a whole. Because I value the opinions of my constituents, I am mailing the following questionnaire to each household in my district:

State of the Union Questionnaire

February 1, 1975.

Dear Friend: In his State of the Union Message, President Ford outlined the very difficult economic and energy problems we face. His program includes a tax cut, but also requires substantial sacrifice. It calls for big increases in the cost of gasoline, oil, and all petroleum products. It advocates a loosening of pollution standards and a temporary halt to certain Federal programs.

Supporters of the plan say it is the best possible considering the extent of our problems. Critics claim it will fuel the inflationary spiral, take more away than it returns, or fail to conserve energy.

There are difficult decisions to be made, and they must be made quickly. Frankly, I have serious reservations about many parts of the plan and I want to know how you feel. Your interest in keeping me advised helps me provide the kind of representation you want.

Congressman John Heinz Asks Your Opinion on the Nation's Important Issues

[All questions provide for "His" and "Her answers]

1. The President's Plan. In general, how do you feel about President Ford's State of the Union Message and his economic and energy proposals?

Strongly approve ——.

Mostly approve ——.

Mostly disapprove ——.

Strongly disapprove ——.

2. Energy and Pollution. President Ford proposed that we turn to alternate sources of energy to help relieve the energy crisis. These alternatives include requiring electric utilities now burning oil and natural gas to convert to coal, a less clean fuel, and modifying or deferring industrial and automotive pollution standards for five years. Should we suspend or reduce health-related pollution standards as proposed?

Yes ——.

No ——.

3. Oil Conservation. (a) The President's goal is to cut oil imports by 2,000,000 barrels a day by 1977, to reduce our dependence on Arab oil. Obviously, considerable sacrifices will have to be made to do this. In principle, do you support this goal?

Yes——.

No——.

(b) The President's own plan is likely to result in increased costs and taxes on all gasoline, oil, and petroleum products, but it avoids rationing, the main alternative. What conservation plan do you prefer?

Prefer President Ford's plan——.

Prefer rationing——.

Prefer a much higher tax on gasoline only——.

Prefer combination of rationing and taxes——.

4. Oil Prices. To stimulate domestic production and to reduce demand and imports, President Ford plans to decontrol the price of domestic oil on April 1. A windfall profits tax will be part of this plan, but the cost of gasoline, heating oil, electricity, and other items is sure to go up. Do you favor or oppose this plan?

Favor——.

Oppose——.

5. Tax Rebate. President Ford's plan calls for a 1975 tax cut of $16 billion. Three-quarters of this is earmarked for individuals, giving most people a cash refund of 12 percent of their 1974 tax bill, up to $1,000 each. The balance would be use for increasing the investment tax credit. How would you divide the $16 billion tax cut? (Can check more than one)

I agree with President Ford's division of the rebate——.

I would give less to low and middle-income persons——.

I would give more to low and middle-income persons——.

I would give more to business and less to individuals——.

I would give less to business and more to individuals——.

6. Spending the Energy Tax. The President's proposals include using $27 billion from the additional taxes on energy as indicated below. How would you like to see it divided up? Indicate more (+), less (−), or the same amount (=) on these programs, using the appropriate symbol.

$16.5 billion to reduce the individual income tax——.

$2 billion to local and state governments——.

$2 billion to pay $80 each to adults who pay no tax——.

$6 billion to reduce the corporate tax rate to 43%——.

$500 million to allow a tax credit up to $150 for home insulation equipment——.

Other (please specify) ——. ——.

7. Spending Priorities. To keep down Federal spending, President Ford wants to delay new spending programs and hold the line on present programs, except for energy and defense, for one year. Should the Federal Government spend more (+), less(—), or the same amount (=) on these programs:

Defense ——.

Housing and Construction ——.

Public Service Jobs ——.

Health, incl. Nat'l. Insurance ——.

Farm subsidies ——.

Environment/Conservation ——.

Education ——.

Foreign aid ——.

Welfare ——.

Mass transit ——.

8. Cost of Living Limits. Also to hold down Federal spending, President Ford wants to limit to 5 percent any cost-of-living increases in such programs as Social Security payments, Civil Service and military retirement pay, food stamps, and Civil Service salaries.

(a) Assuming that inflation continues at or near the double-digit percentage rate, how do you feel about setting a 5 percent limit on:

Social Security. For ——. Oppose ——.

Civil Service/Military Retirement pay. For ——. Oppose ——.

Food Stamps. For ——. Oppose ——.

Civil Service Salaries. For ——. Oppose ——.

(b) Would you favor a 5 percent limit on increases in each of the above programs *and* on your own salary if it would help fight inflation?

Favor ——.

Oppose ——.

9. Serving You. As your Congressman, how can I do a better job for you? ——.

BILL TO PROHIBIT GOVERNMENT FROM REQUIRING EDUCATIONAL RECORDS AS PREREQUISITE TO RECEIPT OF FEDERAL FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. Holt) is recognized for 5 minutes.

Mrs. HOLT. Mr. Speaker, because of my continuing concern with the unreasonable demands by Federal officials for reports and access to school records, I have introduced H.R. 2213, a measure which would establish an orderly, legal process for the investigation of civil rights complaints.

Because of the widespread interest in this legislation, and because I intend to reintroduce this measure with cosponsors in the near future, I am taking this means of reporting the full text of my amendment to the Equal Educational Opportunity Act of 1974.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part B of the Equal Educational Opportunities Act of 1974 (Public Law 93–380; 88 Stat. 519) is amended by adding at the end thereof the following new section:

"LIMITATION ON FEDERAL DEPARTMENTS, AGENCIES, OFFICERS, AND EMPLOYEES

"Sec. 260. (a) Except as provided by subsection (b) of this section, no department, agency, officer, employee, or agent of the United States shall, as a prerequisite or condition to the receipt of Federal funds, require any school, school system, or educational institution to produce or provide access to any information or records which concern race, religion, sex, or national origin and which relate to—

"(1) public enrollments in or assignments to any school, school system, educational institution, or program or activity thereof;

"(2) the employment or assignment of professional or other personnel; or

"(3) disciplinary actions or procedures.

"(b)(1) Any department, agency, officer, employee or agent of the United States may (to the extent authorized by law) seek access to information or the production of records of any school, school system, or educational institution concerning any matter set forth in subsection (a) by obtaining prior, voluntary, written consent of the appropriate governing authority of such school, school system, or educational institution, or by submitting to an appropriate court of the United States having proper jurisdiction a petition accompanied by affidavits by or on behalf of students or parents of students attending such school, school system, or educational institution, or by employees thereof, alleging unlawful discrimination by the school, school system, or educational institution on the basis of race, religion, sex, or national origin, together with such other evidence as the court may require.

"(2) Reasonable notice and an opportunity for a hearing shall be afforded to the appropriate governing authority of such school, school system, or educational institution, and upon a finding by the court that there is probable cause to believe that such unlawful discrimination may have occurred, the court may order access to such information or the production of such records of the school, school system, or educational institution as the court deems necessary."

SEC. 2. The amendment made by the first section of this Act shall take effect upon the date of the enactment of this Act.

DRINAN INTRODUCES LEGISLATION TO COMBAT CIGARETTE-RELATED DISEASES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, on January 31, 1975, I introduced legislation to expand medical research into the prevention, treatment, and cure of cigarette-related heart and lung diseases. After years of inaction, Congress has finally come to recognize the urgent necessity of finding a cure to cancer. The enactment of the National Cancer Act Amendments of 1974 sharply increased the authorized funding of the National Cancer Institute. The HEW appropriations bill, signed into law on December 7, 1974, earmarked $691 million for the National Cancer Institute in fiscal year 1975.

Unfortunately, Congress has not extended this tangible commitment to other diseases which incapacitate and kill thousands of Americans annually. More Americans die from coronary heart disease each year than from any other cause. Yet our expenditures on research in the area of heart disease remain less than half the amount we devote to cancer research. Chronic bronchopulmonary diseases including bronchitis and emphysema are among the fastest growing killers in the United States. Yet we spent less money researching a cure for these diseases in fiscal year 1974 than the cost of building a single B–1 bomber.

The National Heart and Lung Institute, operating under the auspices of the National Institutes of Health—NIH—has proven its effectiveness in researching the prevention, treatment, and cure of heart, lung, and blood diseases. Yet the Heart and Lung Institute needs increased funding in order to complete its monumental task. The money appropriated to the Heart and Lung Institute, expressed in constant dollars, actually declined between 1974 and 1975, with a continued decline projected if the President's budget request in this area is adopted by the Congress. It is simply irresponsible to cut back these vital research programs while the incidence of heart and lung disease in the United States continues to grow.

Coronary heart disease, chronic bronchitis, and emphysema are among the diseases linked to cigarette smoking by the Public Health Service and the Surgeon General of the United States. Declared a 1973 Public Health Service publication:

> Recently enacted epidemiological studies from several countries continue to confirm that cigarette smoking is one of the major factors contributing to the development of coronary heart disease.

The death rate from coronary heart disease among smokers is twice the rate among nonsmokers. Coronary heart disease accounts for a greater number of excess deaths among smokers than any other cause, including lung cancer.

The causal relationship between smoking and disease is even more apparent in the case of chronic bronchopulmonary diseases—chronic bronchitis and emphysema. The Public Health Services 1974 publication, "The Health Consequencies of Smoking" called cigarette smoking "the primary cause of chronic bronchitis and emphysema." The death rate from these diseases is four to seven times as great among smokers as among nonsmokers. For the bulk of the population, cigarette smoking is far more important in causing bronchopulmonary diseases than atmospheric pollution.

If we are ever going to conquer these cigarette-related diseases, it is fitting that America's cigarette smokers should lead the crusade to find a cure. I am, therefore, proposing that the Federal excise tax on cigarettes be increased by 1 cent per pack with the proceeds from the tax hike going to the medical research programs of the Heart and Lung Institute. On the basis of the 29.4 billion packs of cigarettes consumed in the United States in 1973, this minute tax increase would generate approximately $294 million in revenue each year. By applying these funds to the programs of the Heart and Lung Institute, we will hasten the day when the threat posed by coronary heart disease, bronchitis, emphysema, and other heart and lung-related diseases to smokers and nonsmokers alike will be greatly reduced. Certainly a penny per pack is a small price to pay to safeguard our public health.

Prompt consideration of this and similar legislation by the House is particularly necessary in light of the President's proposal to rescind more than $350 million in funds appropriated by law to the National Institutes of Health in fiscal year 1975. The President proposes to reduce the presently inadequate budget of the National Heart and Lung Institute by more than 10 percent. If Congress approves these rescissions and fails to expand vital health research programs, we will be taking a large step backwards in our efforts to conquer serious disease.

LEGISLATION TO ENCOURAGE JOBS AND RELIEVE UNEMPLOYMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachuetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, today, I and my colleagues in Massachusetts and Rhode Island are filing legislation which has as its prime objective, encouragement of economic and job development and relief of unnecessary unemployment.

All the Massachusetts and Rhode Island Congressmen sponsored this legislation at the end of the second session of the 93d Congress. It is even more necessary today as we feel spiraling unemployment and increasing Federal closures across the country. Just a couple of months ago, the Secretary of Defense announced 111 actions which affect military installations either in terms of cutbacks or closures. And these are only some of the recent Federal facility-related actions which have an adverse effect on our individual State and local economies.

Among other States, Massachusetts and Rhode Island have been severely hit by defense cutbacks in the past few years. As military facilities have been phased out and their work forces cut back in part or in entirety, the reuse of these facilities is a major economic issue for the local community and the State involved.

Particularly at this time, when unemployment is high and economic development is in need of incentive, use of surplus property which could be effective in promoting such development and act as a supplier of jobs, should be encouraged.

The updated legislation we are filling today will authorize the disposition of Federal surplus property to States and their subdivisions at a reduced price—less than fair market value—for the additional purpose of economic development reuse. Existing Federal statutory authority is not adequate to allow such a transfer to take place. At present, if a community opts for a redevelopment plan focusing on community services, the surplus property may be obtained for substantially less than fair market value. If the property is redesignated for use as an economic resource, however, the community must pay the full fair market value—often a price well beyond the financial means of the community. Due to this stringent monetary arrangement, economic development reuse plans are often delayed or scuttled. The legislation we are filing will, moreover, provide that in no event shall the discounted price be less than 25 percent of fair market value.

This legislation will facilitate the economic adjustment of a State or local government to the severe economic burden imposed on it by the closure of a Federal facility, military or otherwise. The legislation will also focus the operating responsibility for this legislation on the Secretary of Commerce, so that Federal and local efforts can be better facilitated and coordinated. Since the Economic Development Administration—EDA—is already involved in the redevelopment of base closures in the early stages, it is logical that EDA/Commerce should have central responsibility for disposing of surplus Federal property for economic development reuse purposes.

This legislation has meaning for States across the country which have felt the tight economic squeeze caused by the closedown of a Federal facility. Illinois, Florida, Alabama, Alaska, New York, California, Ohio, Pennsylvania, and Texas are just a few of the States which would benefit by this legislation. In addition, this legislation provides redress for those communities which have suffered hardship under the present law. Mineral Wells, Tex., and Watertown, Mass., are two notable examples of communities which could apply to the Federal Government for a refund of all or any part of the purchase price under the new section 6 of the proposed legislation, should it be enacted and signed into law.

This legislation will go a long way toward aiding an affected community over the extended period of marked economic instability which marks the closing of a Federal installation. It will also pave the way for boosting the economy of that area and providing employment. We will circulate this legislation for further cosponsorship next week and look forward to early hearings and action in Congress.

INTERNATIONAL PROPOSALS IN NUCLEAR ENERGY

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, elsewhere in today's RECORD I have announced my intention to conduct hearings next Thursday on proposals related to international cooperation in nuclear energy. I am concerned that the race to install nuclear-electric stations in foreign industrial nations may involve the United States in avoidable long-term uranium fuel shortages.

Already, our Government has made commitments to supply enriched uranium-235 fuel sufficient to operate 250 1,000,000-kilowatt nuclear powerplants overseas.

What this means in essence is that our foreign friends and competitors will be able to save annually in the years ahead 2,500,000,000 barrels of oil—worth about $31 billion at today's market—or 875,000,000 tons of coal.

While in the past, these foreign commitments have made possible healthy export business for American firms and workers, recent actions have resulted in vital help to foreign nuclear plant builders and foreign workers.

To further aggravate the situation, recent awards have gone to Iran and Mexico, oil producing nations who are depressing all American firms and workers, and householders as well, by limiting oil imports and raising prices we must pay to them.

Under existing law, the Government can and does enter long-term—10 years—contracts to have the American Government in its limited enrichment plants transform semiprocessed uranium ore into usable nuclear fuel. The uranium is supplied by the foreign customer.

It is all well and good to develop U.S. export trade, but we should have serious reservations about encouraging foreigners who would use the technologies we perfected and the fuel we manufacture to take away American jobs. The argument in essence is simplicity itself, which is why I understand it.

More important is the fact that a tight uranium fuel supply situation will have adverse effects on further development of nuclear plants within the United States to generate electricity required by American industry and homes.

The necessity of insuring our own needs can become a matter of survival itself to more than half our population, who are now under age 30, during their and their children's lifetimes.

For these reasons, I am proposing three subjects for action by the Congress:

First. Acceleration of the ongoing Clinch River liquid metal fast breeder reactor program. The fundamental purpose of this new reactor is to establish technology that will extend our uranium reserves for thousands of years.

Second. Expansion of enrichment plant facilities under effective auspices, public, private or cooperative, so as to assure adequate supplies of conventional nuclear fuels as they are needed. On this I shall soon reintroduce legislation creating a USEC—U.S. Enrichment Corporation, a Comsat-styled corporation to assure enriching capacity.

Third. Requirement of approval of an employment impact statement by the White House and the Congress as a condition to all future exportation of enriched uranium fuel and/or enrichment service performed in Government plants.

Action on these matters will avoid errors as have occurred in the rapid exhausting of petroleum and gas resources and in the development of our coal resources.

PROPOSALS RELATED TO INTERNATIONAL COOPERATION IN NUCLEAR ENERGY

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, the Atomic Energy Commission has now been divided into the new Energy Research and Development Administration and the Nuclear Regulatory Commission. A few days before the reorganization was effected, the AEC submitted to the Congress for review three proposals in the field of international cooperation in peaceful uses of nuclear energy, pursuant to last year's amendments to sections 54 and 123 of the Atomic Energy Act.

On January 8, the Commission submitted proposed increases in the amounts of special nuclear material that may be distributed to Euratom and the International Atomic Energy Agency—IAEA. The Commission proposed to increase the ceiling for nuclear material for Euratom by an amount sufficient to fuel power reactors with an installed capacity of 20,000 megawatts of electrical energy. This represents the Commission's projection of the enrichment services that Euratom members will order from the United States through that agency over the next 2 years. The Euratom community has already requested enrichment services equivalent to 42,820 megawatts, which is in excess of the present ceiling of 35,000 megawatts.

The Commission proposed to increase the uranium-235 ceiling for IAEA by the amount sufficient to fuel reactors with an installed electric capacity of 2,015 megawatts. This increase would be for the fueling of three power reactors to be sold to Mexico and Yugoslavia by U.S. manufacturers through IAEA. The present IAEA ceiling for U-235 is 5,000 kg., sufficient only for a number of small research reactors.

On January 14, the Commission submitted to Congress a proposed amendment providing for a 2-year extension of the existing agreement for cooperation between the United States and Israel. That agreement would otherwise expire on April 11 of this year. The agreement would continue to be limited to research applications, and would, of course, continue to be subject to IAEA safeguards. Included in the Commission's submittal was an exchange of diplomatic notes between the United States and Israel placing on the record the longtime mutual understanding that no material either subject to the agreement or produced by material subject to the agreement may be used for any nuclear explosive device or for the development of any such device.

Last year's amendments to the Atomic Energy Act require that the Joint Committee on Atomic Energy report to the Congress on each of these proposals within 30 days, not counting periods when Congress is not in session for more than 3 days. Each proposed ceiling increase and the proposed amendment may, by law, go into effect 60 days after its submittal to Congress unless Congress passes during that time a concurrent resolution disapproving the proposed action.

I intend to conduct a hearing on these proposals before the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy prior to the Lincoln's Birthday recess. A formal announcement of the time and place will be made later.

In the meantime, I would like to place in the RECORD copies of the Commission letters submitting these proposals:

ATOMIC ENERGY COMMISSION,
Washington, D.C., January 8, 1975.

Hon. CARL B. ALBERT,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Pursuant to the provisions of Section 54.a. of the Atomic Energy Act of 1954, as amended, there are hereby submitted proposed additional amounts of special nuclear material and periods of time during which such amounts may be distributed to the International Atomic Energy Agency:

"Pursuant to and during the period of an Agreement for Cooperation between the United States and the International Atomic Energy Agency, there may be distributed an amount of contained uranium 235 in addition to that authorized by Section 54.a. of the Atomic Energy Act of 1954, as amended, which does not exceed that necessary to support the fuel cycle of power reactors located in member states of the Agency having a total installed capacity of 2,015 megawatts of electric energy."

The proposed additional amount of contained uranium 235 would be used in the fuel cycle of two reactors in Mexico and one in Yugoslavia which are being purchased from U.S. vendors. Long-term, fixed-commitment enrichment services contracts for fueling these three reactors have been entered into between the Atomic Energy Commission and the authorized entities in these two countries, subject to obtaining the requisite increase in the ceiling quantity of enriched uranium which may be transferred pursuant to the U.S./IAEA Agreement for Cooperation. The forecasting of possible subsequent requests for fueling power reactors under such agreement is unusually difficult since the IAEA has no long-range power program comparable to that of an individual nation or the European Community; thus, the proposed increase does not include prospective requests for the supply of power reactor fuel.

Sincerely,

DIXY LEE RAY,
Chairman.

ATOMIC ENERGY COMMISSION,
Washington, D.C., January 8, 1975.
Hon. CARL B. ALBERT,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Pursuant to the provisions of Section 54.a. of the Atomic Energy Act of 1954, as amended, there are hereby submitted proposed additional amounts of special nuclear material and periods of time during which such amounts may be distributed to the European Atomic Energy Community (Euratom):

"Pursuant to and during the period of an Agreement for Cooperation between the United States and Euratom, there may be distributed an amount of contained uranium 235, in addition to that authorized by Section 5. of the Euratom Cooperation Act of 1958, as amended, which does not exceed that necessary to support the fuel cycle of power reactors located within the Community having a total installed capacity of 20,000 megawatts of electric energy."

Under AEC's long-term enrichment services contracting policy, foreign and domestic customers desiring initial deliveries of enriched uranium between July 1, 1978 and June 30, 1982 were expected to execute such contracts between January 1 and June 30, 1974. As explained in my testimony of August 6, 1974 before the Joint Committee on Atomic Energy, it did not prove possible to offer firm contracts to all applicants during this period since this would have necessitated commitments to provide enrichment services which were in excess of AEC's existing capacity. However, we were able to conclude firm contracts with all domestic customers, while those foreign applicants with whom AEC could not conclude firm contracts without exceeding existing capacity were offered contracts which are conditional upon a generic finding by June 30, 1975, permitting plutonium recycle in the U.S.

AEC presently is authorized to distribute to the European Community for power reactor fueling such amounts of contained uranium 235 as are necessary to support the fuel cycle of reactors having a total installed capacity of 35,000 megawatts. Those reactors in the Community for which Euratom has requested initial enrichment services from the AEC before July 1, 1982, have a total installed capacity of some 42,820 megawatts.

Thus, enrichment contracts for seven of these reactors, with an aggregate capacity of 7,820 megawatts, contain a proviso under which the contract will terminate without penalty to AEC unless the authorized ceiling is increased as necesasry to permit distribution of enriched uranium pursuant to the contract. Since all domestic power reactor projects are covered by firm contracts through the comparable time period, whereas these seven community contracts represent AEC commitments which are contingent on U.S. generic approval of plutonium recycle, bringing the proposed ceiling increase into force does not jeopardize U.S. supplies of enriched uranium for domestic use.

The Euratom Supply Agency has advised AEC that the Community intends to continue obtaining a portion of its enrichment services for which initial deliveries are required after June 30, 1982 from U.S. sources, either Government or private. Based on the Community's planned increase in nuclear power during the corresponding two-year initial delivery period between July 1, 1982 and June 30, 1984 and the percentage of Community enrichment needs which have been obtained from the AEC in the past, it appears that a further ceiling increase for this purpose in the order of 10,000 megawatts is reasonable. This latter increase does not, of course, commit the U.S. to supply the enrichment services involved, but would permit the distribution of the related enriched uranium to Euratom if the prospective Community customers are succesful in contracting with a U.S. supplier. When this amount is added to the aforementioned 7,820 megawatts, an overall ceiling increase for Euratom of 17,820 megawatts is indicated. In view of the uncertainties involved in such estimates, we believe it is desirable to round this figure up to 20,000 megawatts.

Sincerely,

DIXY LEE RAY,
Chairman.

ATOMIC ENERGY COMMISSION,
Washington, D.C., January 14, 1975.
Hon. CARL B. ALBERT,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Pursuant to subsection 123d of the Atomic Energy Act of 1954, as amended, copies of the following are submitted with this letter:

a. a proposed amendment to the 1955 "Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy", including a diplomatic note from the United States to Israel and a reply by Israel, which notes are an integral part of the amendment;

b. a letter from the Atomic Energy Commission to the President recommending approval of the amendment, including the United States note; and

c. a memorandum from the President containing his determination that the performance of the amendment, including the notes, will promote and will not constitute an unreasonable risk to the common defense and security and authorizing execution of the amendment, including the United States note.

The purpose of the amendment is to extend the Agreement for Cooperation for two years, until April 11, 1977. The agreement was initially concluded in 1955 and is scheduled to expire on April 11, 1975. It pertains to cooperation in research applications of atomic energy, for example, use of radioisotopes in biomedical and agricultural research and use of a research reactor (nominally five megawatts thermal) in nuclear physics and chemistry experiments, which reactor was obtained from the United States and for which the U.S. has supplied fuel material. Material and equipment supplied to Israel by the United States pursuant to the Agreement for Cooperation are subject to the safeguards of the International Atomic Energy Agency.

The purpose of the diplomatic notes is to place on the record the long-held, mutual understanding of the parties that no material, including equipment and devices, subject to the Agreement for Cooperation and no material produced though the use of such material, including equipment and devices, may be used for any nuclear explosive device, or for research on or development of any such device, regardless of how the device itself is intended to be used.

The amendment, including the notes, would enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force.

Sincerely,

DIXY LEE RAY,
Chairman.

Enclosures:

1. Amendment to Agreement for Cooperation Between the United States and Israel including diplomatic notes (3).
2. Letter from the Commission to the President (3).
3. Memorandum from the President to the Commission (3).

THE WHITE HOUSE,
Washington, January 6, 1975.
MEMORANDUM FOR THE CHAIRMAN, ATOMIC ENERGY COMMISSION

Subject: Proposed Amendment to the United States-Israel Agreement for Cooperation.

The proposed amendment of the "Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy," including the diplomatic note, which were contained in the Atomic Energy Commission letter of December 17, 1974, has been reviewed.

Pursuant to the provisions of subsection 123b of the Atomic Energy Acting of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

a. Approve the proposed amendment, including the note, and determine that their performance will promote and will not constitute an unreasonable risk to the common defense and security of the United States of America; and

b. Authorize the execution of the proposed amendment including the note, on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Atomic Energy Commission.

GERALD R. FORD.

ATOMIC ENERGY COMMISSION,
Washington, D.C., December 17, 1974.
THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Enclosed is a proposed amendment to the 1955 "Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy", together with a proposed diplomatic note which the United States will present at the signing of the amendment. Also enclosed for information is a proposed diplomatic note which Israel plans to give in reply to the aforementioned U.S. note. The notes will be an integral part of the Agreement for Cooperation.

The amendment, including the U.S. note, have been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended. With the Department's support, and pursuant to subsection 123b of the Atomic Energy Act, the Commission recommends that you approve the amendment, including the U.S. note, determine that their performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize their execution.

The purpose of the amendment is to extend the Agreement for Cooperation for two years, until April 11, 1977. The agreement was initially concluded in 1955 and is now scheduled to expire on April 11, 1975. It pertains to cooperation in the research applications of atomic energy. Material and equipment supplied by the United States pursuant to the Agreement for Cooperation are subject to the safeguards of the International Atomic Energy Agency.

The purpose of the diplomatic notes is to place on the record the long-held, mutual understanding of the parties that no material, including equipment and devices, subject to the Agreement for Cooperation and no material produced through the use of such material, including equipment and devices, may be used for any nuclear explosive device, or for research on or development of any such device, regardless of how the device itself is intended to be used.

Following your approval, determination and authorization, the proposed amendment, including the notes, will be formally executed by appropriate authorites of the United States and Israel. In compliance with subsection 123d of the Atomic Energy Act, the amendment, including the notes, will be submitted to the Congress.

Respectfully yours,

Dixy Lee Ray,
Chairman.

Enclosures:

1. Amendment to 1955 U.S./Israeli Agreement.
2. Proposed U.S. note.
3. Proposed Israeli Reply.

Amendment to Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy

The Government of the United States of America and the Government of Israel,

Desiring to amend the Agreement for Cooperation between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy, signed at Washington on July 12, 1955 (hereinafter referred to as the "Agreement for Cooperation"), as amended by the Agreements signed at Washington on August 20, 1959, June 11, 1960, June 22, 1962, August 19, 1964, April 2, 1965, and August 23, 1966,

Agree as follows:

ARTICLE I

Article VIII of the Agreement for Cooperation, as amended, is amended by deleting the date "April 11, 1957" and substituting in lieu thereof the date "April 11, 1977".

ARTICLE II

This Amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation as amended.

In Witness Whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington, in duplicate, this thirteenth day of January, 1975.

For the Government of the United States of America:

Alfred L. Atherton, Jr.,
Assistant Secretary of State for Near Eastern and South Asian Affairs.

Dixy Lee Ray,
Chairman, U.S. Atomic Energy Commission.

For the Government of Israel:

Mordechai Shaleo,
Minister of Embassy.

Certified to be a true copy:

Frances E. Jackson.

The Secretary of State presents his compliments to His Excellency the Ambassador of Israel and has the honor to refer to the proposed Amendment to the Agreement for Cooperation signed today between the Government of the United States and the Government of Israel concerning civil uses of atomic energy.

In the course of discussions between respective representatives of the two Governments leading to this Amendment, it was agreed that it would be in the mutual interest to place on record the long-held understanding that no material, including equipment and devices, subject to the Agreement for Cooperation and no material produced through the use of such material, including equipment and devices, may be used for any nuclear explosive device, or for research on or development of any such device, regardless of how the device itself is intended to be used.

Upon receipt of His Excellency's note confirming that the Government of Israel shares this understanding, the exchange of notes shall constitute the formal record of the mutual understanding in this regard and shall be an integral part of the Agreement for Cooperation.

Department of State, *Washington, January 13, 1975.*

Embassy of Israel,
Washington, D.C., January 13, 1975.

The Ambassador of Israel presents his compliments to the Honorable the Secretary of State and has the honor to refer to the Secretary's Note dated today, regarding the proposed Amendment to the Agreement for Cooperation between the Government of Israel and the Government of the United States concerning civil uses of atomic energy signed today, in which the Secretary of State set forth for the record the following understanding between the Government of Israel and the Government of the United States:

"In the course of discussions between respective representatives of the two Governments leading to this Amendment, it was agreed that it would be in the mutual interest to place on record the long-held understanding that no material, including equipment and devices, subject to the Agreement for Cooperation and no material produced through the use of such material, including equipment and devices, may be used for any nuclear explosive device, or for research on or development of any such device, regardless of how the device itself is intended to be used.

"Upon receipt of His Excellency's Note confirming that the Government of Israel shares this understanding, the exchange of Notes shall constitute the formal record of the mutual understanding in this regard and shall be an integral part of the Agreement for Cooperation."

The Ambassador of Israel has the further honor to inform the Honorable the Secretary of State that, the Government of Israel confirms that it shares this understanding and that the Secretary's Note and this reply shall constitute the formal record of this mutual understanding and shall be an integral part of the Agreement for Cooperation.

The Ambassador of Israel takes this opportunity to renew to the Honorable the Secretary of State the assurances of his highest consideration.

UNITED STATES AND VENEZUELA: PROSPECTS FOR CONTINUED COOPERATION

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, at a time when United States-Latin American relations appear to have reached a new low point as a result of what I believe to be a misunderstanding over the intent of an amendment to the Trade Act, it is significant to note that on Wednesday a major United States-Venezuelan conference ended on a very positive note.

The 3-day conference, an informal gathering of high-ranking business, academic, and government leaders, was sponsored by the Fletcher School of Law and Diplomacy of Tufts University, the North American Association of Venezuela, and the Venezuelan-American Chamber of Commerce and Industry. The sole objective of the conference was to provide a forum for a frank exchange of views on the full range of issues, short and long term, of mutual interest to our two countries. I had hoped to participate in the conference but was unable to do so because of official responsibilities here in Congress. From all reports, however, the conference was an outstanding success and served to both greatly strengthen the bonds of friendship that have for so long united us and to clarify those issues which have in recent months led to a certain amount of friction between us. While difficult and complex differences remain, it is my hope that the spirit of the conference will help facilitate a new era of cooperation with Venezuela.

The discussions at the conference were off the record, but it was agreed by those attending to release a communique reflecting the impressions of the conferees on the mood and accomplishments of the meeting. I believe that the many friends of Venezuela and of Latin America in the Congress will find this statement of great interest:

The United States and Venezuela View the Future

(U.S. Venezuelan Symposium, January 26–29, 1975)

January 29, 1975.

Approximately one hundred leading citizens of the republics of the United States and Venezuela, representing not their governments but the grave concerns common to their peoples, have just concluded three days of meetings sponsored by The Fletcher School of Law and Diplomacy, Tufts University; the North American Association of Venezuela; and the Venezuelan-American Chamber of Commerce and Industry, at the Endicott House Conference Center of the Massachusetts Institute of Technology. The symposium greatly benefitted from the active participation of Dr. Ramon Escovar Salom, who has just been appointed Foreign Minister of Venezuela. Also it had the advantage of the constructive contributions to the discussion of Senator Edward F. Kennedy and the Secretary of the Interior, Rogers C. B. Morton, and other high government officials.

In informal executive sessions the participants—

Affirmed their confidence in the validity and efficacy of representative democracy and the republican form of government.

Recognized that the democracies of the world confront new and grave challenges, but can and will cope effectively with the problems of drastic redistribution of wealth among nations, the pressure of population upon resources, and the restructuring of the international trade and monetary systems.

Asserted that interdependence—with mutual respect for national sovereignty—is basic to the preservation of true independence, the strengthening of bonds between their two countries, and to good relations between them and the rest of the world.

Praised the initiative of Venezuela in consecrating a substantial share of the increased proceeds from the national patrimony of natural resources to the advancement of economic and social development, not only in Venezuela but in the hemisphere. They noted particularly Venezuela's contributions to international financial organizations. The conference outlined Venezuela's audacious program of the development of its human resources, including the program known as El Gran Mariscal de Ayacucho scholarship, which will, in the next few years, provide advanced educational opportunity to thousands of young Venezuelans.

Particularly welcomed the assurance by Secretary Morton and others that the United States Government would welcome Venezuelan participation in its plans for development and application of energy technology. They asked some of their number to pursue the possibility as a matter of priority with the appropriate agencies.

Agreed with the proposals of Secretary Morton for the development of a consistent and effective policy to conserve petroleum resources and to promote a new "energy ethic." Recognized Venezuela's need to free its economy from dependence on oil as its primary source of income, and its willingness to continue as a principal source of United States petroleum supply needs.

Considered that the international monetary system could handle the strains of recycling "petrodollars."

Noted that Venezuela expected to absorb much of these revenues in the medium and long term in its national economy and to promote effective investment abroad, while participating in international financial cooperation. Considered that neither inflation nor recession should be attributed initially to the new oil prices, but recognized particularly the delicate position of the developing countries.

Deplored those provisions of the Trade Act of 1974 which appeared to discriminate against certain Latin American nations which have maintained uninterrupted flow of petroleum supplies to North America. Venezuelan spokesmen gave assurances that "their petroleum would never be used as a political weapon" and that Venezuela proposes to pursue "a course of cooperation, not confrontation."

Hoped for early action on the part of the United States Government, looking toward the removal of the barrier to good relations posed by restrictions contained in the Trade Law.

Found that the dialogue between Venezuela and the United States at this symposium had increased mutual understanding and that the governmental, academic, and private institutions of both countries should explore urgently the means to broaden contacts at several levels.

Finally, the members of the conference expressed their deep appreciation to the Governments of the Republic of Venezuela and the United States for their encouragement of this unofficial dialogue and for the initial impulse given by the President of Venezuela, Carlos Andres Perez.

INTRODUCTION OF LEGISLATION TO INCREASE SERVICEMEN'S WIDOWS' PENSIONS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, today I have introduced legislation, H.R. 2521, to increase the annuities payable under the retired servicemen's family protection plan and to continue paying such annuities to widows and widowers who remarry at age 60 or thereafter.

This legislation is designed to correct an inequity brought about by the recent adoption of legislation to provide a new survivor's benefit plan for the spouses of service members. This act included a cost-of-living escalator for pension. Thus service members who are recent retirees have had an opportunity to provide for dependent spouses through a survivor's annuity plan whose benefits would be adjusted automatically to reflect increases in the cost of living.

Unfortunately, past retirees did not have the opportunity to choose such coverage and their surviving spouses must now attempt to make ends meet on monthly checks issued at a fixed level. There is no cost-of-living provision.

I recognize that the old plan was self-financed, while the new one is about 60 percent self-financed. At the same time, the tremendous inflation of the past few years has cut deeply into the standard of living of annuitants under the old plan. I believe we should come to their assistance by providing them with cost of living increases as well.

The legislation I have introduced would accomplish this objective. In addition, it also equalizes provisions of the old plan with respect to retention of benefits on remarriage, as compared with the new plan. The new plan permits survivors to retain their benefits if they remarry past the age of 60. Those receiving annuities under the old plan, however, cannot do this. Instead, each year they must answer probing questions by the Government as to their marital status to prove they are still entitled to their annuity. Civil service annuitants may remarry past the age of 60 with no loss of income, and I feel those covered under the old military survivors plan should do so as well. My bill also provides this equity.

I hope my bill receives speedy consideration by Congress.

INTRODUCTION OF BILL TO RESTORE INSURANCE BENEFITS TO FILIPINO WIDOWS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, during World War II many citizens of the Philippines fought on the U.S. side in hostilities on their islands. Members of the Philippine Scouts and other guerrilla forces, as members of the Philippines Commonwealth Army, served as members of the U.S. Army and were duly recognized as veterans. As such, they became eligible for veterans benefits.

Under the National Service Life Insurance Act of 1940 as amended, gratuitous national service life insurance was payable to a widow or widower of the insured while unremarried. The proceeds were paid to beneficiary in monthly installments. Under the law, payment of gratuitous insurance benefits to a widow is terminated when she remarries. In addition, the Veterans' Administration will not consider a widow as unremarried "when her conduct in the community where she lives is such as to provide a reasonable basis for the inference that she has remarried." In such cases the Chief Attorney of the Veterans' Administration in the jurisdiction in which the beneficiary resides will be requested to give an opinion as to whether her conduct warrants an inference of remarriage. I believe this determination involves an inquiry into her personal behavior, such as through interviews with neighbors. If payments are withdrawn from the widow, and there are no surviving children or dependent parents, the remaining insurance payments are canceled.

In operation, the existing law has served to deny insurance benefits to a number of Filipino widows. The situation was not helped by the adoption of Public Law 91–376, effective January 1, 1971, which removed the bar to Veterans' Administration death pension benefits, dependency and indemnification compensation benefits, death compensation benefits, educational assistance, and loan guaranty benefits for remarried widows if the remarriage is terminated by death or has been dissolved by a court with basic authority to render divorce decrees. This law also removed the bar for these benefits in the case of a widow whose conduct was such as to produce a Veterans' Administration inference that she was not unremarried.

But the provisions of Public Law 91–376 only specify that benefits other than insurance shall not be denied, because of relationships frowned on by the Veterans' Administration. Therefore, a change in the law is required in order to restore the eligibility of certain widows for gratuitous insurance. That is the purpose of legislation I have introduced today.

Under my bill, the exception for insurance benefits would be removed from Public Law 91–376. Thus, widows, including any widow of a member of the Philippine Scouts or other Filipino guerrilla forces, who have been denied payment of gratuitous insurance benefits by reason of remarriage or conduct presumptive of remarriage, would have their insurance benefits restored on dissolution of the remarriage or through elimination of the conduct barrier.

I hope that this measure receives favorable action at an early date.

THE NEW AMERICANS EDUCATION AND EMPLOYMENT ASSISTANCE ACT

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I am introducing a bill, H.R. 2522, which seeks to provide Federal assistance to States and cities with significant numbers of newly arrived immigrants. Since the Federal Government sets immigration law and policies, I believe that it should acknowledge the markedly uneven pattern of immigrant settlement and the resulting strains upon certain "gateway" cities and States. Gateway localities presently bear a disproportionate share of the burden without any special governmental assistance being provided.

Immigrants have great difficulty in being readily assimilated into our way of doing things. We must, therefore, provide programs specifically designed to ease this process and to enable them to become more quickly and easily a part of our society. We are nearly all products of the courage and daring of first-generation immigrants. Yet that same generation which sacrificed so much to come to the United States has been least rewarded. Once in America these immigrants' initiative was often crushed by poor language skills, cultural insecurity, and untapped talent and unfulfilled potential.

Every human being has a worth which is unique and special. When we invite a new immigrant to come to live in America, let us not merely celebrate it by our own self-righteousness, but truly make it possible for this person to become one of us. It cannot be a good policy to waste a human life, because he or she is unlike us in speech, dress, manner, and cultural background. So, for the good of our Nation as well as for the good of the individual immigrant, we need an innovative, flexible, and dynamic followthrough to our immigration policies. We need to ease the trauma of transition from one society to another; we need to maximize human potential.

Assistance in language, communication skills, cultural orientation, and on-the-job training opportunities for these new arrivals are investments in our own future. Immigrants are all highly motivated or they surely would not have come. I am sponsoring this bill as a means of sustaining and fulfilling our national purpose as expressed in the inscription on our Statue of Liberty.

My bill would provide Federal financial assistance to gateway cities and States with large numbers of foreign-born immigrants for establishing or providing through contracting agencies, programs and activities in the area of counseling, education, orientation, job training, and other similar programs. Funds, to be calculated on the basis of $1,000 per newly arrived immigrant per year, will be channeled directly to States and cities.

The entitlement of each State for each fiscal year will be the number of dollars resulting from multiplying the number of immigrants who arrived in that State during the immediately preceding calendar year by $1,000. Entitlement for each gateway city will be subtracted from the State's entitlement and will be the number of dollars resulting from multiplying the number of immigrants who arrived in that city in the immediately preceding calendar year by $1,000. For example if 3,000 immigrants arrived in Hawaii in the past calendar year the total amount of funds expected to be channeled to the State will be $3 million. If 2,000 of that number settle in Honolulu, the city and county of Honolulu would receive $2 million of the State's $3 million. Presuming that there are no additional gateway cities in that State, the State of Hawaii would receive the remaining $1 million. If sufficient funds are not appropriated, the amount of grants to each State—and correspondingly, to each gateway city—will be reduced pro rata.

The Secretary of Health, Education, and Welfare is also authorized to carry out a discretionary grant program. Additionally, travel funds of up to $250 per immigrant and to each member of his family may be authorized if the immigrant can provide certification from an employer in another State that the latter will hire that immigrant, and he is in need of these funds in order to accept this job.

The House Subcommittee on Equal Opportunities of the House Education and Labor Committee held a day of hearings on my bill, H.R. 9895, in the 93d Congress on November 19, 1974, which is similar to one I have introduced today.

I hope that the Congress as well as the administration will support my bill.

SOLUTION TO OUR ENERGY PROBLEMS

(Mr. MELCHER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MELCHER. Mr. Speaker, solution to our energy problems will partially come from the prudent development of resources from our public lands. As chairman of the House Subcommittee on Public Lands, I want to take this opportunity to inform the House that I shall schedule prompt hearings on three significant matters.

On Tuesday morning, February 4, the subcommittee will hold a hearing to determine whether or not we are getting maximum gas production from wells on public domain lands, including the Outer Continental Shelf. It has been brought to the attention of the subcommittee that there is a possibility that certain Federal oil and gas leases capable of producing substantial quantities of natural gas may not be in production. It is imperative at this time of serious energy shortages that we get a maximum production from all wells capable of producing, and particularly those on the public domain.

On Thursday, February 6, hearing will be held on legislation that would permit the Secretary of the Interior to propose plans for rapid development of petroleum reserves on public lands, including the Elk Hills Naval Petroleum Reserve in California and consideration of proposals for exploration on Alaska's public lands for oil and gas but not on lands that have been designated as part of the national park system, the national wildlife system, the wild and scenic rivers system, and the national wilderness preservation system.

In addition, plans are underway for the subcommittee to conduct prompt oversight hearings on the construction of the Alaskan pipeline to determine if the construction period can be shortened one construction season to permit the Alaskan oil to flow more quickly to the rescue of the American economy. While we have been told informally that the pipeline construction is on schedule, the purpose of the oversight hearing will be to determine if construction can be speeded up and the time frame for completion shortened without damaging the environment.

I am in hopes that the subcommittee's actions will contribute significantly to help solve some of our current energy problems.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MADIGAN (at the request of Mr. RHODES), for 1 week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. FENWICK) to revise and extend their remarks and include extraneous material:)

Mr. HEINZ, for 5 minutes, today.

Mrs. HOLT, for 5 minutes, today.

Mr. BAUMAN, for 10 minutes, today.

(The following Members (at the request of Mr. HEFNER) and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. O'NEILL, for 5 minutes, today,

Mr. FORD of Tennessee, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FASCELL, and to include extraneous matter.

(The following Members (at the request of Mrs. FENWICK), and to include extraneous material:)

Mr. KELLY.

Mr. ARCHER in two instances.

Mr. ASHBROOK.

Mr. CARTER in two instances.

Mr. MOSHER.

Mr. PRITCHARD.

Mr. MICHEL.

(The following Members (at the request of Mr. HEFNER), and to include extraneous matter:)

Mr. TEAGUE in five instances.

Mr. ASHLEY.

Mr. BURKE of California in 10 instances.

Mr. STUCKEY.

Mr. FLOOD in four instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BOLLING.

Mr. MCFALL.

Mr. GAYDOS.

Mr. FRASER.

Mr. EILBERG in 10 instances.

Mr. EVINS of Tennessee.

Mr. BRECKINRIDGE in two instances.

Mr. VANIK in two instances.

Mr. ZABLOCKI in two instances.

Mrs. CHISHOLM.

Mr. CONYERS in two instances.

Mr. MURPHY of New York.

ADJOURNMENT

Mr. HEFNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 20 minutes p.m.),

under its previous order, the House adjourned until Monday, February 3, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

217. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Older Americans Act of 1965 to extend authorizations of appropriations for 2 years, and for other purposes; to the Committee on Education and Labor.

218. A letter from the Comptroller, Defense Security Assistance Agency, transmitting a quarterly report on foreign military sales direct credits and guaranty agreements, pursuant to section 36(a) (3) and (4) of the Foreign Military Sales Act, as amended [22 U.S.C. 2776(a)]; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee on Agriculture. H.R. 1589. A bill to amend the Food Stamp Act of 1964; with amendment (Rept. No. 94-2). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself, Ms. Abzug, Mr. Addabbo, Mr. Ambro, Mr. Annunzio, Mr. Badillo, Mr. Biaggi, Mrs. Boggs, Mr. Bowen, Mr. Brademas, Mr. Brodhead, Mr. Brown of California, Mr. Carney, Mr. Carr, Mr. Carter, Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Diggs, Mr. Drinan, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Eilberg, and Mr. Fauntroy):

H.R. 2504. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. ASHLEY (for himself, Mr. Flood, Mr. Ford of Tennessee, Mr. Fraser, Mr. Fulton, Mr. Fuqua, Mr. Gaydos, Mr. Gonzalez, Mr. Hays of Ohio, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Miss Holtzman, Mr. Jenrette, Mr. Jones of North Carolina, Miss Jordan, Mr. Karth, Mr. LaFalce, Mr. Lehman, Mr. Levitas, Mr. Maguire, Mr. Mathis, Mr. Metcalfe, Mr. Mezvinsky, and Mr. Mineta):

H.R. 2505. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. ASHLEY (for himself, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of California, Mr. Moorhead of Pennsylvania, Mr. Murphy of New York, Mr. Neal, Mr. Nedzi, Mr. Nichols, Mr. Nix, Mr. O'Hara, Mr. Patman, Mr. Rees, Mr. Riegle, Mr. Risenhoover, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. St Germain, Mr. Seiberling, Mr. Simon, Mr. Sisk, Mr. Solarz, and Mrs. Spellman):

H.R. 2506. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. ASHLEY (for himself, Mr. Stark, Mr. Stephens, Mr. Stokes, Mr. Stratton, Mr. Studds, Mrs. Sullivan, Mr. Thompson, Mr. Traxler, Mr. Vander Veen, Mr. Vigorito, Mr. Charles H. Wilson of California, and Mr. Wright):

H.R. 2507. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. BERGLAND (for himself, Mr. Abdnor, Ms. Abzug, Mr. Addabbo, Mr. Anderson of California, Mr. Aspin, Mr. Bedell, Mr. Biaggi, Mr. Blouin, Mrs. Boggs, Mr. Boland, Mr. Brademas, Mr. Brodhead, Mr. Brown of California, Mr. John L. Burton, Mr. Carr, Mr. Clay, Mr. Conyers, Mr. Cornell, Mr. Cotter, Mr. Mikva, Mr. McHugh, Mr. Jenrette, and Mr. Sisk):

H.R. 2508. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. BEVILL:

H.R. 2509. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

By Mr. BUCHANAN:

H.R. 2510. A bill to amend title 39, United States Code, to strengthen the regulatory authority of the Postal Rate Commission with respect to the operation of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CORMAN (for himself, Mr. Vanik, Mr. Fascell, and Mr. Beard of Rhode Island):

H.R. 2511. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. Blanchard, Mr. Downey, Mr. Jenrette, Mr. Mikva, Mr. Rees, and Mrs. Schroeder):

H.R. 2512. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on Foreign Affairs.

By Mr. GREEN (for himself, Mr. Corman, Mr. Gibbons, and Mr. Mikva):

H.R. 2513. A bill to repeal the percentage depletion allowance for oil and gas; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Gilman, and Mr. Schulze):

H.R. 2514. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

By Mr. HICKS:

H.R. 2515. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically disabled because of such disability; to the Committee on Education and Labor.

By Mr. LEHMAN:

H.R. 2516. A bill to amend title 5, United States Code, to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MICHEL:

H.R. 2517. A bill to provide for centralized regulation and control of margarine or oleomargarine under the Federal Food, Drug, and Cosmetic Act; to the Committee on Agriculture.

By Mr. MICHEL (for himself, Mr. Abdnor, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Archer, Mr. Bafalis, Mr. Boland, Mr. Broomfield, Mr. Broyhill, Mr. Burgener, Mr. Clancy, Mr. Del Clawson, Mr. Cleveland, Mr. Collins of Texas, Mr. Cohen, Mr. Conable, Mr. Conte, Mr. Devine, Mr. Duncan of Tennessee, Mr. Erlenborn, Mr. Eshleman, Mr. Evans of Colorado, Mr. Fish, Mr. Forsythe, and Mr. Hechler of West Virginia):

H.R. 2518. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mr. MICHEL (for himself, Mr. Hinshaw, Mr. Latta, Mr. Lent, Mr. Litton, Mr. Long of Maryland, Mr. McCloskey, Mr. McDade, Mr. McKay, Mr. McKinney, Mr. Martin, Mr. Moorhead of California, Mr. Nedzi, Mr. Obey, and Mr. Pettis):

H.R. 2519. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mr. MICHEL (for himself, Mr. Pritchard, Mr. Quie, Mr. Railsback, Mr. Robinson, Mr. Satterfield, Mr. Shriver, Mr. J. William Stanton, Mr. Steiger of Arizona, Mr. Talcott, Mr. Thone, Mr. Yatron, and Mr. Young of Florida):

H.R. 2520. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mrs. MINK:

H.R. 2521. A bill to amend title 10 of the United States Code to apply cost-of-living increases to annuities payable under the retired serviceman's family protection plan and to continue payment of annuities under such plan to widows or widowers who remarry at age 60 or thereafter; to the Committee on Armed Services.

H.R. 2522. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons; to the Committee on Education and Labor.

H.R. 2523. A bill to amend section 1681 (b) of title 38, United States Code, to provide for payment of the educational assistance allowance in certain cases where a veteran transfers from one approved educational institution to another educational institution; to the Committee on Veterans' Affairs.

H.R. 2524. A bill to restore the eligibility of certain widows for gratuitous insurance issued pursuant to section 602(d) of the National Service Life Insurance Act of 1940; to the Committee on Veterans' Affairs.

By Mr. MEEDS (for himself, Mr. Risenhoover, Mr. Johnson of California, Mr. Melcher, Mr. Benitez, Mr. Edwards of California, Mr. Davis, Mr. Charles H. Wilson of California, Mr. Fraser, Mr. Roybal, Mr. Brown of California, Mr. Rodino, Mr. Harrington, Mr. Weaver, Mr. Jenrette, Mr. Miller of California, Mr. Cornell, Mr. O'Hara, Mr. Young of Alaska, Ms. Holtzman, Mr. Roe, Mr. McCormack, Mr. Bolling, Mr. Ottinger, and Mr. Stokes):

H.R. 2525. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MEEDS (for himself, Mr. Badillo, Mr. Pepper, Mr. Ryan, Mr. Danielson, Ms. Chisholm, Mr. Ford of Michigan, Mr. White, Mr. Metcalfe, Mr. Solarz, Mr. Duncan of Oregon, Mr. Sarbanes, Ms. Abzug, Mr. Yates, and Mr. Esch):

H.R. 2526. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of California:

H.R. 2527. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 2528. A bill to amend the Internal Revenue Code of 1954 to permit individuals an itemized deduction for losses incurred in the sale or exchange of certain principal residences; to the Committee on Ways and Means.

H.R. 2529. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

H.R. 2530. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

By Mr. NEDZI (for himself, Mr. Alexander, Mr. Bevill, Mr. Breaux, Mr. Burke of Massachusetts, Mr. Carney, Mr. Carter, Mr. Cochran, Mr. Conyers, Mr. Corman, Mr. Cornell, Mr. Dingell, Mr. Fuqua, Mr. Hayes of Indiana, Mr. Heinz, Mr. Krueger, Mr. Mann, Mr. Meeds, Mr. Price, Mr. Seiberling, Mr. Talcott, Mr. Taylor of North Carolina, Mr. Vander Jagt, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H.R. 2531. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. O'NEILL (for himself, Mr. St Germain, Mr. Beard of Rhode Island, Mr. Conte, Mr. Boland, Mr. Drinan, Mr. Early, Mr. Tsongas, Mr. Harrington, Mr. Macdonald of Massachusetts, Mr. Moakley, Mr. Burke of Massachusetts, Mrs. Heckler of Massachusetts, and Mr. Studds):

H.R. 2532. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. QUIE:

H.R. 2533. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of certain expenditures for food and lodging primarily for medical care; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 2534. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2535. A bill to amend the administrative procedure provisions of title 5 of the United States Code to make the rulemaking provisions applicable to matters relating to public property, loans, grants, benefits, and contracts; to provide for payment of expenses incurred in connection with proceedings before agencies; to provide for waiver of sovereign immunity; to provide for the enforcement of standards in grant programs; and for other purposes; to the Committee on the Judiciary.

H.R. 2536. A bill to prohibit the shipment in interstate commerce of dogs and other animals intended to be used to fight dogs or other animals for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 2537. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

H.R. 2538. A bill to amend title 38 of the United States Code to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2539. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the first $500 of interest or dividends on savings deposits or withdrawable accounts in savings and loan associations, banks, credit unions, and other thrift institutions; to the Committee on Ways and Means.

H.R. 2540. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year from $2,520 per year to $6,000 per year without deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 2541. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. RONCALIO:

H.R. 2542. A bill to provide for the equalization of the retired pay of members of the uniformed services of equal grade and years of service; to the Committee on Armed Services.

H.R. 2543. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. SANTINI:

H.R. 2544. A bill to authorize the Secretary of the Interior to make certain Federal lands available to State and local governments for park and recreation purposes; to the Committee on Interior and Insular Affairs.

H.R. 2545. A bill to provide for the establishment of a national cemetery in the State of Nevada; to the Committee on Veterans' Affairs.

H.R. 2546. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada; to the Committee on Veterans' Affairs.

By Mr. SYMINGTON:

H.R. 2547. A bill to provide for continuing earth resources satellite experimentation; to the Committee on Science and Technology.

By Mr. VAN DEERLIN:

H.R. 2548. A bill to amend the Securities Exchange Act of 1934, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER (for himself, Mr. Wolff, Mr. Won Pat, Mr. Yates, Mr. Yatron, Mr. Duncan of Oregon, Mrs. Chisholm, Ms. Schroeder, Mr. Long of Louisiana, Mr. Richmond, Mr. Krebs, and Mr. D'Amours):

H.R. 2549. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. WHALEN:

H.R. 2550. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas:

H.R. 2551. A bill to amend the definition of "rural area" in the Consolidated Farm and Rural Development Act and title V of the Housing Act of 1949 in order to permit towns of 25,000 or less inhabitants to be considered rural areas for purposes of those acts; to the Committee on Agriculture.

H.R. 2552. A bill to provide for the induction of individuals, during the period beginning July 1, 1975, and ending June 30, 1977, for training and service in the Armed Forces; to the Committee on Armed Services.

By Mr. CHARLES WILSON of Texas (for himself, Mr. Eckhardt, Mr. Foley, and Mr. Udall):

H.R. 2553. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CHARLES WILSON of Texas (for himself, and Mr. Eckhardt):

H.R. 2554. A bill to amend the act establishing the Big Thicket National Preserve to provide for the acquisition of property; to the Committee on Interior and Insular Affairs.

H.R. 2555. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972 in order to facilitate the enforcement of the ocean dumping laws by requiring that dye or other effective visual marking be used to identify where wastes are dumped; to the Committee on Merchant Marine and Fisheries.

By Mr. CHARLES H. WILSON of California:

H.R. 2556. A bill to amend title 13, United States Code, to assure confidentiality of information furnished in response to questionnaires, inquiries, and other requests of the Bureau of the Census, to provide for a mid-decade sample survey of population, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2557. A bill to amend title 39, United States Code, to provide for the mailing of letter mail to Senators and Representatives in Congress at no cost to the sender, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2558. A bill to amend title 39, United States Code, to revise the organizational structure of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2559. A bill to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WON PAT:

H.R. 2560. A bill to amend title 38 of the United States Code in order to provide hospital and medical care to persons who served in the Local Security Patrol Force of Guam during World War II; to the Committee on Veterans' Affairs.

By Mr. RONCALIO:

H.J. Res. 174. Joint resolution to authorize the President to issue annually a proclamation designating March of each year as Youth Art Month; to the Committee on Post Office and Civil Service.

By Mr. RODINO:

H. Con. Res. 87. Concurrent resolution pertaining to the methods used on animals in research; to the Committee on Science and Technology.

By Mr. ROYBAL:

H. Con. Res. 88. Concurrent resolution expressing the disapproval of the Congress, pursuant to section 36(b) of the Foreign Military Sales Act, concerning a U.S. Army offer to sell certain defense articles and services to Turkey; to the Committee on Foreign Affairs.

By Mr. NEDZI:

H. Res. 125. Resolution to establish a Select Committee on Intelligence; to the Committee on Rules.

By Mr. RODINO (for himself and Mr. EILBERG):

H. Res. 126. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on Foreign Affairs.

By Mrs. SULLIVAN (for herself, Mr. FLOOD, Mr. ADDABBO, Mr. BIAGGI, Mr. BUTLER, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. DICKINSON, Mr. DOWNING, Mr. FLOWERS, Mrs. HOLT, Mr. ICHORD, Mr. LOTT, Mr. MADIGAN, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MOORHEAD of California, Mr. MOTTL, Mr. MCCOLLISTER, Mr. MCDONALD of Georgia, Mr. NICHOLS, Mr. ROUSSELOT, Mr. RUNNELS, Mr. WHITE, and Mr. YATRON):

H. Res. 127. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mrs. SULLIVAN (for herself, Mr. FLOOD, Mr. BAUMAN, Mr. BENNETT, Mr. BEVILL, Mr. BOWEN, Mr. BURKE of Florida, Mr. CARTER, Mr. COCHRAN, Mr. D'AMOURS. Mr. DAVIS, Mr. DE LA GARZA, Mr. DENT, Mr. FISH, Mr. GINN, Mr. GOLDWATER, Mr. HINSHAW, Mr. JONES of North Carolina, Mr. LUJAN, Mr. PETTIS, Mr. RISENHOOVER, Mr. SEBELIUS, Mr. STEIGER of Arizona, Mr. TREEN, and Mr. WAGGONNER):

H. Res. 128. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MICHEL:

H.R. 2561. A bill to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. ROGERS (by request):

H.R. 2562. A bill for the relief of Charles P. Bailey; to the Committee on the Judiciary.

H.R. 2563. A bill for the relief of Shoji Oue Snyder; to the Committee on the Judiciary.

By Mr. CHARLES WILSON of Texas:

H.R. 2564. A bill for the relief of Franklin R. Helt; to the Committee on the Judiciary.

H.R. 2565. A bill for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

17. The SPEAKER presented a petition of the board of directors, National Society of Professional Engineers, Washington, D.C., relative to truck weight limitations, which was referred to the Committee on Public Works and Transportation.

EXTENSIONS OF REMARKS

A DOMINANT CONGRESS?

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. BOLLING. Mr. Speaker, the following article raises some interesting questions about the direction of the 94th Congress which I call to the attention of my colleagues. It was written by Paul Duke, senior correspondent for the National Public Affairs Center for Television and appeared in the Washington Post on January 30, 1975:

A DOMINANT CONGRESS?

(By Paul Duke)

The 94th Congress has begun its work in a mood of near euphoria. Many senators and representatives seem convinced a new day of glory is dawning for Capitol Hill after years of reposing in the shade of executive domination. There is even bold talk of congressional government, something the country has not experienced since the latter decades of the 19th century when residents were weak and the federal system's aggressive spirit belonged to the legislative branch.

Most of this *elan* is attributable to what happened in the 93rd Congress. In rebelling against a gathering tyranny of presidential authority, the legislators finally served notice that they would no longer play doormat to an ever-expanding executive. By driving Richard Nixon from office, they proved they could rise to their constitutional responsibilities and in the process make Congress a co-equal branch again.

The establishment of new budget procedures and other institutional reforms suggests the legislators are serious about maintaining the new balance between the branches and making Congress work more efficiently and responsibly.

The take-charge attitude has accelerated with the overthrow of three aging House committee barons. Now, with the machinery modernized, an emboldened Democratic majority is primed to test the updated model. The Democrats believe the new session provides a particularly golden opportunity for Congress to extend its influence because of declining confidence in President Ford. "We have a White House weakened by Watergate, occupied by a President who is not elected, who campaigned hard for his party at the polls and was overwhelmingly repudiated," says House Deputy Democratic Whip John Brademas.

Such bravado might be dismissed as the customary political posturing were it not for the changing make-up of Congress. Almost one-half of the 435 House members have been elected since 1970; 37 of the senators are serving their first terms. Not only do the younger, more activist newcomers reject the old business-as-usual methods, but they also increasingly link their own fortunes to the efforts at rebuilding the reputation of Congress.

Hence, the militancy of the new Democratic congressmen elected in November is hardly surprising. They won on promises to perform, not to follow tradition and go along to get along. "We were elected not necessarily because of our own positive qualities," says Indiana's Rep. Phillip Sharp, "but because of a great disturbance over leadership in this country, not only with the executive and the Republican Party, but Congress, too."

The freshmen House Democrats already are having a profound impact. It was their votes that paved the way for the toppling of the committee autocrats and strengthening majority rule. It was their pressure which, in part, induced party leaders to draft a broad economic recovery program for immediate consideration.

It thus seems certain the 94th will be another Congress of action. It is less certain, however, that it will be a Congress of distinction that will fully capitalize on the breakthrough achievements of the historic 93rd.

For one thing, there is no assurance that the Democrats will be able to unite on a comprehensive program for the economy and other needs. Nor is there any assurance that the institutional machinery will work more smoothly. The fresh breezes of participatory democracy now blowing through the House have barely touched the Senate where filibusters could doom some legislative initiatives. One of the less noteworthy features of the 1973–74 sessions was the filibuster's comeback, necessitating more than two dozen cloture votes (compared with three in 1963–64).

Even the reforms that have been adopted may not work as intended and may in fact create unexpected divisions that will lead to new paralysis. The insurgency movement in the House may give rank-and-file Democrats more say-so in policy making, but history teaches that large majorities frequently become unruly and uncontrollable. Nor is it certain that Congress can forego its penchant for pork-barrel politics to make the new budget regulating procedures work.

Despite the upcoming investigations of the CIA and FBI, there is considerable doubt, too, that the legislators have learned one of the principal lessons of Watergate—that

Congress was largely to blame for the abuses of these agencies because of its failure to supervise their activities.

The legislators have rarely taken their oversight responsibility seriously, with the incestuous relationships between some watchdog committees and the agencies they are supposed to watch all to often providing bureaucrats with cover-up protection for wrongdoing. As Connecticut's Senator Lowell Weicker warns: "If we don't make some corrections this year they will never be made and we enhance the prospect of another Watergate."

All of this leads to a more fundamental question. Is Congress really capable of filling the void and exercising national leadership?

Even some of the reformers have doubts because of the conflicting regional interests and the tendency to avoid unpopular choices. Furthermore, the executive branch inherently has great power because it is the manager of the fedral establishment and hence is better equipped to make most decisions. For all of its tidying up, Congress and its divisions still are doddering along on an operating budget of $731 million, two-tenths of one per cent of the overall $307 billion federal budget. The new budget committees, for example, will have only one-half the personnel of the White House Office of Management and Budget.

Apart from these more practical factors, the truth is the American people long have regarded their President as chief protector and policymaker. This is why most historians reject any suggestion that Congress assume a dominant role, believing the country must still be run by the White House and not Capitol Hill.

"A swing of the pendulum toward congressional power might lead to weak Presidents and this would be terribly dangerous," contends James MacGregor Burns. "The pressure on government in the next decade or two is going to be so enormous that only strong, stable executive power can deal with it. It will be pressure not to distribute good things but to make us sacrifice. It's very hard if you're a congressman to go to your people and make such demands. It's really only the President who, as the moral leader, can ask for the kind of sacrifice from Americans that Churchill asked from Englishmen."

For all the Capitol Hill dreams of a renaissance, it seems unlikely the pendulum will swing far enough to put the legislators in the driver's seat.

The more basic issue is whether the legislators now have the will to preserve the balance which they have so dutifully restored. Or, whether they wil lapse back into their old buck-passing ways, making it possible for the winds of tyranny to return another day.

LOS ANGELES UNIFIED SCHOOL DISTRICT HONORS DR. GEORGIANA HARDY

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mrs. BURKE of California. Mr. Speaker, at a recent Girls' Week luncheon that hosted better than 1,000 girls, administrators, board members, and community representatives in the Los Angeles Unified School District, Dr. Georgiana Hardy was honored. Dr. Hardy has served the unified school district as a board member for 20 years. She has provided the kind of leadership sorely needed by the district during some very critical periods. She is knowledgeable, work-oriented, thorough in her presentations, committed to quality education for all children, and works from the base of conviction rather than expediency.

The following remarks concerning Dr. Hardy's illustrious record were made by Dr. Josie G. Bain, administrator in charge of Girls' Week, at the salute and tribute luncheon:

> The Girls' Week committee chose as its theme "Freedom to Become," so appropriate for a person of your caliber who utilized fully every possible opportunity in becoming the quality leader of our day. Some of your attributes that we feel are well worth addressing are the following:
>
> *Courage*—Tremendous courage as demonstrated by your willingness and ability to speak on the unpopular topics that arose at Board Meetings.
>
> *Freedom for Each*—You are a great believer in freedom for all. But, you strongly feel that it is a personal theory that carries with its responsibility. You've indicated that you felt freedom is an open door, but that one must walk through it. Likewise, you have demonstrated that freedom could be likened to a ladder, but one must climb it. In other words, you have demonstrated that what we really want we have the freedom to work to obtain.
>
> Certainly, the girls here today must know that. "Freedom to Become" in no way implies freedom to be handed a position, but rather freedom to develop all of your talents in order to qualify for a given position.
>
> *Listener*—You've been a great listener. You have never been too busy to hear all sides of any issue. You've listened creatively, often coming up with new solutions to old and difficult problems. You've listened with your heart as you have demonstrated on a continuous basis your willingness to walk in the shoes of others (troubled children and troubled parents). You have listened with empathy; you have listened for growth, for you have believed that young people, old people, or just people can grow if given the proper climate and the freedom to do so. And, certainly, you have listened with depth, for you have never been lulled into making a decision on the immediacy, but you have always sought to discover whether such a recommendation would have merit in the tomorrows.
>
> *Preparation*—You have prepared yourself and remained a student. Perhaps, no Board Member in the past 20 years has proven to be more knowledgeable of programs and procedures and the general operation of our District than has Dr. Georgiana Hardy. You have always done your homework well and have therefore been able to base your decisions on facts rather than on emotions.
>
> And so, tempered by the loss of a wonderful husband at a time when there was so much to live for, but blessed by the joy of being a mother with wonderful children of your own, you have learned from them something of the needs of other youngsters. Indeed, you have maintained a spiritual and moral poise that has been most exemplary. Your cosmopolitan approach, that of making constant contact with people of all racial and ethnic backgrounds, along with the other attributes I have mentioned do indeed permit you to leave with us a How To format which will stay our present Board Members well in the years to come and be an inspiration to all of us.
>
> Certainly, Dr. Hardy, you saw your life as George Bernard Shaw said: "Life is not a brief candle to me. It is a sort of splendid torch which I have got hold of for a moment, and I want to make it burn as brightly as possible before handing it on to future generations."
>
> Georgiana Hardy, you have indeed permitted your candle to burn brightly and you leave to all of us and especially to the young people here today a rich legacy. For these and other reasons, we wish today to give tangible evidence of our affection and esteem.

LOWER SPEED SAVES LIVES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. GAYDOS. Mr. Speaker, the Pennsylvania Turnpike, the Nation's pioneer superhighway, now adds the weight of its recent experience to the proposition that, in setting a reduced speed limit, we have accomplished a purpose even more beneficial than the conservation of gasoline. The lower limit has cut the traffic death toll.

In a new report, the turnpike commission says the first full year of the 55-mile-per-hour ceiling resulted in the best safety record in the road's 34-year history. Twenty-seven fatal accidents, killing 30 persons, occurred in 1974. This compares to 46 lives lost on the turnpike in 1973.

The 1974 rate of 1.1 fatalities for each 100 million miles traveled, the standard used nationally in measuring safety, was the best ever. A turnpike spokesman told Pittsburgh Post-Gazette staffwriter, David Leherr:

> We are convinced the lowering of speed limits from 65 to 55 miles an hour as a result of the energy crisis, was a major factor in reducing the number of fatalities.

This is good news for it shows that, after many years of hand wringing over a rising highway death toll, we have found an effective corrective in the simple process of dropping the speed limit to a safer range. It also proves the need for keeping the lower limit, no matter what might become the energy situation in the future, and seeing that it is enforced.

TV station KDKA in Pittsburgh has been making the point editorially in recent days that the 55-mile limit, regardless of its proved worth, is being increasingly violated and that it is impossible for police to keep abreast of the growing infractions. Any law-abiding motorist can attest to this from his own experience of having speeders road past him. But the fact remains that millions are still driving at this rate and under where very few, if any, did before, and that the slower speed not only has saved gasoline, as was the purpose, but reduced the slaughter.

I am confident that the results, such as reported for the Pennsylvania Turnpike, will, in time, convince most Americans of the advisability of the 55-mile limit and the humane, as well as gasoline saving, need for obeying it. What greater accomplishment could we hope for than a lessening of the carnage which had been increasing without letup year after year all across our road system?

TVA GOES PUBLIC—BOARD OPENS MEETINGS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the Board of Directors of the Tennessee Valley Authority opened its meetings to the public and the press last week—and there was general agreement that the new policy of openness was a success.

The Tennessean of Nashville in an article last Sunday by its distinguished senior reporter, Nat Caldwell, quoted members of the board and citizens as indicating that the interchange of comment with citizens was helpful, productive, and created new and better understanding.

This new policy by TVA is to be continued in the public interest.

Because of the interest of my colleagues and the American people in this most important matter, I place the article from the Tennessean in the RECORD herewith:

THE TVA GOES PUBLIC

(By Nat Caldwell)

The TVA governing board, after what some have said was 40 years in the wilderness of closed meetings, opened up to the public on a recent Thursday.

And a sampling of those in attendance at the historic three and a half hour session, split by time out for lunch, appeared to be pleased with the results. That sampling included all three members of the Tennessee Valley Authority board, only one of whom had been willing to support the public meeting idea as long as a month ago.

Reasons given for their approving reactions to the change varied only slightly from those of other bureaucrats who have switched to the open meeting policy in recent months.

TVA Board Chairman Aubrey J. Wagner said that he thought "the open meeting was useful and well worth doing."

"I was pleased with the attendance and with the wide variety of interests and viewpoints represented. And I hope the people who attended have gained a helpful view of TVA's objectives and how it operates."

Board Member Don McBride was more explicit: "Best part of it was not the board meeting per se, but the questions and answers and even the statements and speeches made in lieu of questions. It seems like the best way to find out what people really think, lots better than letters . . ."

And Board Member William Jenkins, the Republican freshman member, who, more than six months ago, spoke out for public sessions, said:

"I was very favorably impressed with this open board meeting. It gave us an opportunity to hear some viewpoints we had not heard first hand before and to correct misconceptions about some of the work of this agency. I was the first to argue for open meetings because I thought they would do TVA some good."

And, since actions usually speak louder than words, the board obviously does approve of its initial experience with open sessions as both sounding board and listening post. The word is that, in continuing discussions ever since the first open meeting, they have decided to continue the practice and to hold regular meetings every three weeks instead of once a month.

Indeed, in a period like the present, when TVA faces the prospect of raising its rates at least another 50 per cent the new means for communicating with the public is not to be sneezed at.

Mrs. Mary Higginbotham, Cleveland, Tenn., head for the first consumers group organized in the valley to fight rate increases, congratulated the board on the wisdom it showed in opening up.

"We'll know longer ahead, when the next hard lick is going to hit us," she said. "Then maybe we can get enough people to join in and protest or do something to persuade the board to postpone the rate rise or, at least, to reduce it."

The public nature of the board meeting had produced the seemingly solid speculation from McBride that, if coal prices do not drop substantially in the near future, another round of rate increases amounting to at least 50 per cent looms ahead. A speculation like this one certainly would never have emerged from the minutes of a board meeting under the old policy.

Now members of the Tennessee Valley congressional delegation can't say when the next rate increase hits, "The board should have told us."

Clyde Caldwell of the Oak Ridge Boiler Makers union, who, like several others, used the after lunch question and answer period to make a speech very strongly supportive of TVA and its nuclear power expansion policy, said:

"I couldn't have had the chance to speak up for TVA and have anybody hear me, unless the press had been sitting there . . ."

Caldwell was one of a 100 union labor representatives in attendance at TVA's first open board meeting, composing of a far larger contingent of the initial audience of about 250 than did the duke's mixture of environmentalists who did most of the talking in the question and answer period.

What brought the union leaders out was the possibility that the board might have chosen to go along with President Ford's guideline of 5.5 per cent maximum raises for federal employees. The board didn't. Instead, it asked for special White House permission to raise TVA's 15,000 hourly wage workers by 9.3 per cent. It also ruled with TVA's personnel experts that only a 12.5 per cent wage increase would have been inflationary considering comparable wage scales in the region. No White House go-ahead has been forthcoming.

The rise in coal prices on new contracts approved at the open meeting, not wage increases, not interest rate increases, was the subject matter that led to McBride's gloomy speculation. In a very few years, if the trend continued, he suggested, the average price of all TVA's coal would ascend to the level of $25 per ton TVA had agreed to pay that day. This contrasted with an average price of $11 per ton of coal that prevailed for the month of December, 1974.

Operation of 50 per cent increase in cost of living cancellation clauses in most of TVA's long term coal contracts would, McBride had added, speed arrival of the day of average $25 per ton prices. He pointed out that several large volume contracts would either have to be lost or renegotiated this year. And, this, he concluded, would mean rate increases would have to offset $560 million in new annual coal costs in the not very distant future.

Outside of its own paid staff, which appeared dependably supportive, the board members found that even the large crowd of 250 present did not produce a single voice urging it to buy Peabody Coal Company or embrace any one of several other courses of action defended by individual board members. But Caldwell, the union leader, was strong for building the breeder reactor, for conventional nuclear power, and believed that TVA still holds vitality as keeper of a national power rate yardstick.

Why not open TVA board meetings years earlier?

Wagner offered an answer:

"Nobody tried to make much of an issue about this thing until about a year ago."

With approval of the open meeting general, who, if anybody, might have gotten the short end of the stick. Obviously, one must search deeper than this writer had the time to.

One more piece of light may be shed by the recollection of Jennings Perry, a former editorial writer and reporter for this newspaper, who covered TVA board meetings in the early days. Perry said:

"I do not recall that all of the meetings were open to the public. But I do recall that many were, because the row between Dr. A. E. Morgan, the first chairman, and Dave Lilienthal caused each to seek a full public light on the conduct of the other.

"For that reason the custom of closed meetings came later, probably in 1938, after President Roosevelt fired Dr. Morgan."

ALL THE NEWS THAT IS FIT TO TINT—NO. 4

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. ASHBROOK. Mr. Speaker, the New York Times whose motto should be "All the news that is fit to tint" has done it again. In the issue of Sunday, January 19, 1975 a headline reads "Soviet Patience Ends, and the Trade Pact Dies." But the award for news distortion in this instance should not go to the New York Times alone. The Washington Post in an analysis by Marilyn Berger of the Soviet breaking of the trade pact brought forth images of the U.S. Congress—through the recently passed trade bill—irritating the Soviet Union.

There seems to be many Americans whose reaction to the Soviet rejection of the 1972 trade pact was to say that it was the United States fault. That the United States was the irritant, that the United States was not compromising enough with the Soviet Union.

First, we should remember the nature of the Soviet regime—the Soviet regime that Solzhenitsyn and many other brave men have discussed. The Soviet Union is the regime of concentration camps with men and women slowly being worked and starved to death in the frigid regions of Siberia. The Soviet Union is the regime of repression of Christians, Jews, and Moslems.

The Soviet Union is the regime of hatred, of person against person, of class against class, of nation against nation. The Soviet Union is the regime of the suppression of Hungary, Czechoslovakia, the Ukraine, Estonia, Latvia, Lithuania, and numerous other nations and peoples.

Second, the "irritants" that have been provided by the United States include a wheat deal at concessionary rates that increased the cost of bread in this country and Export-Import Bank credits that were below the prevailing market rate. The Soviet Union has been able to buy high technology items from the United States—items that have military uses.

The Soviet Union knows what it wants in trade with the United States—advanced technology and credits. The United States seems to have little definite idea of what it seeks.

When Members of Congress attempt to fulfill their rightful role as representatives of the American people in helping to determine broad foreign policy questions, members of the executive branch are quick to label it "interference." The Congress does have a role in the determination of foreign and trade policy. Day-to-day administration by its very nature must be left to the executive branch, but there is a difference between the setting of policy and day-to-day administration. That difference should not be confused.

EMERGENCY FUNDS NEEDED FOR FLORIDA HIGHWAY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. FASCELL. Mr. Speaker, during the last Congress we enacted the Federal Aid Highway Act of 1974, which included a provision authorizing the expenditure of $109.2 million as an emergency measure to repair and replace the bridges of the Overseas Highway in Monroe County, Fla.

These funds, which will be matched by the State of Florida, are literally a lifesaving shot in the arm to the safety and economic health of the citizens of Monroe County.

The Monroe County Board of Commissioners has passed a resolution expressing its thanks to Senator LAWTON CHILES, President Ford, and me for our roles in securing passage of this legislation and has requested that the resolution be brought to the attention of our colleagues in the CONGRESSIONAL RECORD.

I am pleased to comply with this request and to extend the thanks expressed in the resolution to our colleagues who supported this legislation and made its passage possible. The resolution follows:

RESOLUTION No. 8—1975

Whereas, the Congress of the United States in its last session included in the Federal Highway Bill $109 million dollars for the replacement of bridges on the Overseas Highway (U.S. Highway No. 1) in Monroe County, Florida, and

Whereas, the present condition of said bridges has caused an economic hardship on the trucking industry in said County due to weight limitations having to be placed upon said bridges and the replacement of said bridges will greatly aid the economy of said County, and

Whereas, the Board of County Commissioners of Monroe County, Florida, desires to thank the Congressional delegation representing Monroe County, Florida, and the President of the United States for signing said bill, now, therefore,

Be it resolved by the Board of County Commissioners of Monroe County, Florida, that said Board by this resolution expresses its thanks and the thanks of all the citizens of Monroe County, Florida, to the Honorable Dante Fascell, Representative of the 15th Congressional District, to the Honorable Lawton Chiles, U.S. Senator, and the President of the United States, Gerald R. Ford, and requests them to enter this resolution into the Congressional Record.

Be it further resolved by said Board that certified copies of this resolution be forwarded to the above named officials.

Dated January 14, 1975.

A REALISTIC LOOK AT PROFITS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. ARCHER. Mr. Speaker, a view of our present economic system should make us aware of the important role profits play in the Untied States today. It is important that we take a realistic look at the profit picture. An excellent article appeared in the January 20, 1975, edition of the Wall Street Journal reviewing current trends in business and finance. Two very interesting conclusions should be noted. First, corporate profits as a share of the national income have fallen steeply during the 1970's. Second, corporations pay almost twice as much of their profit to tax collectors as to stockholders. The lesson should be clear for all of us. If we discourage business from making a profit through a lack of incentives or excessive taxation, the penalty will fall on our entire population especially the wage earner whose salary and benefits comes from those profits. I would like to enter this article in the RECORD:

REVIEW OF CURRENT TRENDS IN BUSINESS AND FINANCE

Business profits, it has been said, have been mighty high recently for a country in a recession. Some have called them "obscene." Some have used more lusty adjectives. So, while the current recession debate rages (How long? How deep?), it may be well to look at the profit picture in historical perspective. And to note a trend that has gone almost unnoticed. After holding fairly steady for two decades, corporate profits as a share of national income have fallen steeply in the 1970s.

It is no small matter. It harbors a threat to your pocketbook and mine. The vast majority of us get our paychecks, our fringe benefits, our vacations, much of our insurance, both life and medical, and a lot of pension money from business employers—all of whom must live or die on profits. Americans who work on ther own today are only a minute minority. Some 95% of us are on payrolls.

By far the biggest chunk of national income is compensation of employees. Corporate profit is a very small one. But the important thing is that, in the recent past, it has grown sharply smaller. Here, over a quarter of a century, are the official percentage shares of national income received as (1) compensation of employees and (2) corporate profits (with inventory valuation adjustment). Since there are other sources of income, the two figures do not add up to 100%. The 1974 figures are for the third quarter, the latest.

SHARES OF NATIONAL INCOME

[In percent]

Year	Employee compensation	Corporation profits
1950	64.1	15.6
1952	67.0	13.8
1954	68.6	12.5
1956	69.3	13.1
1958	70.1	11.1
1960	71.0	12.0
1962	70.7	12.2
1964	70.6	12.8
1966	70.2	13.3
1968	72.4	11.8
1970	75.4	8.6
1972	74.8	9.7
1974	75.1	9.2

Note the abrupt shift beginning with 1970. Employe compensation jumped above 75% for the first time. And profits fell below 10% for the first time.

Well, some may say, what's bad about this? Maybe the employes should get it all. After all, profits are just dividends for the wealthy, aren't they? Aren't profits and dividends the same thing? The two are fuzzily equated in many minds. But the answer is, of course, that they are not the same—not by a country mile.

The first bite that comes out of profits is the tax bite. And a massive bite it is. The table below traces over a decade the yearly tax liability (billions of dollars) of all corporations, and also their dividend payments, as recorded by the Department of Commerce. The 1974 figures are annual rates in the third quarter, the latest.

CORPORATE TAXES AND DIVIDENDS

Year	Taxes	Dividends
1965	$31.3	$19.8
1966	34.3	20.8
1967	33.2	21.4
1968	39.9	23.6
1969	40.1	24.3
1970	34.8	24.7
1971	37.5	25.0
1972	41.5	27.3
1973	49.8	29.6
1974	62.7	33.2

Over the years above, dividend payments have risen 67%. But corporate taxes have jumped 100%. The bottom line above shows corporations now paying almost twice as much of their profit to tax collectors as to stockholders. Dividends account for only about 3% of total personal income in the United States.

But even taxes and dividends don't tell the whole story of what has to come out of profits. To keep up with growing population and try to keep efficient, employers have to build new factories and buy new machines. The cost of such things has soared mightily. And where does the money come from? Primarily, it has to come from profits retained in the company to meet these bills. These necessarily retained profits that stockholders never see is now almost double dividend payments.

And then there are the wages and salaries—which have to be paid before profits are even counted up. It is taken for granted these days that wages and salaries must be raised every year. This would seem to be based upon the assumption that employer welfare also goes up every year. But this isn't so. Corporate profits go down as well as up and many periods see them fall steeply.

Here are examples. Commerce Department figures are annual rates of after-tax corporate profits in billions of dollars.

CORPORATE PROFIT TUMBLES

Period	Quarterly hi	Quarterly lo	Down (percent)
1948 to 1949	$23.4	$17.7	24
1951 to 1953	25.2	16.6	34
1956 to 1958	27.7	19.8	28
1959 to 1961	30.8	24.4	21
1966 to 1970	50.7	36.7	28

After reaching an annual rate just above $50 billion in the third quarter of 1966, after-tax corporate profits did not get back above the $50 billion level until the first quarter of 1972—almost six years later. The average weekly wage of nonfarm workers in private industry rose 38% between 1966 and 1972.

Somewhere along the line, people may start to realize that soaking "big business" is really just soaking the sources of their own paychecks and reasonably priced products. They may see that at some point, if some workers get super-high pay, many others may have no jobs at all. And they may perceive that if business costs (taxes, wages) get shoved too high, the prices of things producers make may automatically get pushed beyond the ability of people to pay them.

The golden-egg goose, if choked too much, may some day stop laying those eggs.

TRIBUTE TO AL ATCHISON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. ANDERSON of California. Mr. Speaker, it is with great pride that I take this opportunity to pay tribute to one of my most civic-minded and active constitutents, Al Atchison. On February 13, he will be honored by the San Pedro Lions Club as the 1975 community Man of the Year.

Known fondly as Mr. San Pedro—a title bestowed on him in 1971 by the Los Angeles County Board of Supervisors—Al was chosen by the Lions for the outstanding service he has given to the community, and his genuine concern and commitment to making San Pedro a better place in which to live and work.

Al Atchison was nominated for the award by the San Pedro-Wilmington Board of Realtors, an organization he has been actively involved in since joining his family's real estate business a quarter of a century ago. Although he has reached an age at which most persons are content to sit back, relax, and enjoy retirement, Al still spends long hours every day at his real estate office.

Interspersed throughout his busy day are activities connected with the numerous civic, social, professional, and philanthropic organizations to which he belongs, including: the San Pedro Rotary Club, the San Pedro Board of Realtors, Point Fermin Masonic Lodge No. 558, San Pedro High School Boosters Club, Al Malaikah Shrine Temple, American Legion Post No. 65, San Pedro Chamber of Commerce and Community Development, BPOE Lodge No. 966, Businessmen and Police Boosters Club, and the Los Angeles Harbor Shrine Club.

And working by his side and supporting his efforts through these years has been his lovely wife, Gladys.

Al Atchison's roots in San Pedro go back to the early 1900's, and he has many stories to tell about the development of this colorful harbor community. But, not only has Al watched San Pedro grow, he has also been in the forefront of every effort to make San Pedro a truly great community.

OPPOSITION TO FOOD STAMP PRICE INCREASES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. EILBERG. Mr. Speaker, unless Congress acts immediately the new regulations requiring recipients to pay out 30 percent of their income for food stamps will go into effect on March 1, 1975. Nationwide, these proposed increases will weigh heavily on the elderly, poor, and fixed-income beneficiaries at a time of inflation and recession when such additional cost can little be afforded.

I am confident each Member of this House is aware of the additional burden this increase will place upon their less fortunate constituents. At this time I would like to insert in the RECORD portions of a letter sent to me by the Honorable Milton J. Shapp, Governor of the Commonwealth of Pennsylvania:

New regulations requiring recipients to pay out 30 percent of their income for food stamps will go into effect on March 1, unless the Congress acts to block this action of the Ford Administration.

The proposed change comes at the worst time.

Continuing inflation has already driven the price of an adequate diet beyond the reach of those in greatest need. With the deepening recession millions of Americans, through no fault of their own, are being deprived of their livelihoods and must look to programs such as food stamps to assure three meals daily for their families.

The U.S. Department of Agriculture has reported that the average family participating in its food stamp program pays 23 percent of its net income for the stamps. The Administration has called for an increase of one-third in costs to these families for the same number of stamps. This would place an intolerable increase in living costs upon those who can least afford it.

Nationwide, more than 95 percent of those in the program would be required to pay more for food stamps. USDA has calculated the average increase at $14 monthly or $168 annually.

Figures compiled by the Community Nutrition Institute show that the poorest would be the hardest hit. Individuals with a net income of from $154 to $194 monthly now are eligible for food stamp aid of from $10 to $13 monthly. These individuals would be entirely eliminated from the program, since their cash outlay for stamps would be greater than the value of stamps received.

Elderly couples, especially SSI recipients, would be harshly affected. A couple with $239 net income would have its food stamp benefits cut from $22 to $12.30 monthly.

USDA figures show that we in Pennsylvania had 744,869 food stamp recipients as of last September. These recipients—and the economy of our State—will lose a total of $31,285,508 if no one is forced out of the program because of the proposed regulations. The same figure reveals that the loss will amount to $43,487,028 if 10 percent of food stamp recipients are forced to forego benefits because of the impact of the regulations.

The President's proposal would result in an immediate nationwide loss of $325 million in food stamp benefits. If 10 percent of recipients are forced to forego benefits, the loss could mount to more than $950 million by next year.

The Nation and its poor cannot in this day of inflation and economic stagnation afford such losses. This is an ill-advised attempt to shift the burden of fighting inflation upon those who simply cannot afford to carry a heavier load. The net result will be still worse inflation for the poor, more problems for the Nation's already hard-pressed farm families, and worse recession for America.

As Governor, I urge you to do everything possible to make certain that Congress by law prevents the proposed new food stamp regulations from taking effect.

Sincerely,

MILTON J. SHAPP,
Governor.

OTA'S FIRST YEAR—A GOOD START

HON. CHARLES A. MOSHER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. MOSHER. Mr. Speaker, it is very important that Members of Congress have a much better awareness and understanding of the Office of Technology Assessment—OTA.

This unique, new arm of the Congress was created strictly at our own congressional initiative, is responsible directly and solely to the Congress, and is designed specifically to provide very much needed services to standing committees of both the House and Senate.

All too few are the Members of either House who, as yet, recognize the potential value of OTA's services.

Therefore, Mr. Speaker, I especially appreciate your permission to insert in the CONGRESSIONAL RECORD my personal report to you on OTA's record of progress during its first year of effort.

I believe it very important that I call to the urgent attention of all Members of the House this opportunity to know more of OTA's progress, the good start we have made, but also to know some of the difficulties we will continue to meet as we persist in this effort to provide the Congress with more adequate and accurate information.

My report to you, Mr. Speaker, is as follows:

CONGRESS OF THE UNITED STATES,
OFFICE OF TECHNOLOGY ASSESSMENT,
Washington, D.C., January 27, 1975.
Hon. CARL ALBERT,
The Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Having served as Vice Chairman of the new Technology Assessment Board for the 93rd Congress, I think it appropriate to offer several personal observations which I believe should be reported to you and to the House, concerning our experience with OTA thus far. It is my intent, with your permission, to send copies of this letter to the Committee Chairmen and Ranking Minority Members of both Houses, Members of the Technology Assessment Board, and its Advisory Council and others whom I believe will find this useful or of particular interest.

It has been a unique privilege for a Minority member to serve as Vice Chairman of the new Board, the policymaking body which oversees the activities of the Office of Technology Assessment, created by the Congress in 1972.

Under the law, the Chairmanship of the Board alternates between the House and Senate. During the last Congress the Chairman of the Board was Senator Edward Kennedy of Massachusetts, and at this point I think it is timely to point out that the Board operated in a thoroughly bipartisan manner, and very effectively. I congratulated Senator Kennedy for the skill with which he got the Board off to a good start, and for his complete cooperation with the Minority members on the Board.

It is my expectation and hope that in this 94th Congress, with the Chairmanship of the Board shifting to the House for the first time, the Board Chairman will be our good friend and respected colleague from Texas, "Tiger" Teague. This past year we established a precedent that the OTA Board Chairman shall be of the Majority party, and the Vice Chairman shall be of the Minority. It is expected the Senate members will name Senator Case of New Jersey Vice Chairman for this Congress.

The Office of Technology Assessment is still in its infancy and it must, necessarily, crawl before it walks or runs. For all practical purposes, it has been in business really for only about eight months.

What is OTA's record? What are its strengths and constructive progress, what weaknesses or mistakes . . . what opportunities or obstacles can we anticipate immediately ahead, or in the longer term?

Viewed in the perspective of the confusions and difficult growing pains characteristic of every new government unit, I believe OTA's record to date deserves high marks. I believe it has earned confident, continuing support by the Congress, with full reason to expect from it increasingly useful, constructive results of great practical value. Those of us who are close to it are confident that the OTA is a productive investment that will pay excellent dividends.

But we also invite objective evaluation, and especially constructive criticism, from all interested observers.

What really is the Office of Technology Assessment? Exactly what kinds of dividends are expected from it?

It is a new arm of the Congress, created by the Congress, responsible only to it; it is unique, unprecedented, though somewhat analagous to the General Accounting Office and the Library of Congress in that they also are of, by and for the Congress, even though not a part of Congress per se . . . they all perform an intimate service for the Legislative Branch.

The principal purpose of OTA is to respond to the increasingly urgent needs of the Senate and House Committees for adequate, accurate, evaluated information; it is expected to provide expert and objective data and useful information concerning problems, questions and opportunities in areas of science and technology. Today, in almost every policy decision required of the Congress there are baffling technological questions. Many Members of both Houses have long felt an urgent need for a much more adequate source of expert and independent information, independent of the Executive Branch and responsive only to the Congress. We definitely need a more accurate, confident understanding of the consequences of technological proposals and opportunities before we decide, not only the probable immediate consequences, but perhaps more importantly, the broader secondary and tertiary consequences. Thus we may better define and understand our options and the alternatives.

It was to meet such basic needs that OTA finally was created by statute in October, 1972, after gaining through a gestation period of more than six years. But it was November, 1973, before this new Office was funded and former Congressman Emilio Q. Daddario became its Director. It had little really usable Office had received 43 requests for assesscant staffing until April of that year. Hence, only eight busy months have passed since the Office became operational.

RECORD TO DATE

By the time the Board held its final meeting of the 93rd Congress, in December, the office space until March, 1974, and no significments of varying kinds; six had been funded or had received beginning funding; funds had been earmarked for an additional six; and still another half dozen were in the organizational stage; one had been completed.

Merely to suggest their great diversity, note that our first assessments bring attempted address a wide range of subjects, from drug bioequivalence to problems of coastal oil drilling, to solar energy, auto emissions, food production systems, automated mass transportation problems . . . and what next?

From the time of its first meeting in April of 1973, to the present the OTA Board itself has "shaken down" considerably. It is, nevertheless, still in the process of determining its internal procedures and its methodology for setting priorities.

In my opinion, the Board has done remarkably well in maintaining its politically bipartisan approach without serious conflicts. I suppose no better example of this exists than the fact mentioned above, that it now appears the Board will follow in the 94th Congress the precedent we established this year of having its Chairman from the Majority party and its Vice Chairman from the Minority party.

Similarly, the Technology Assessment Advisory Council, after some understandable early uncertainty as to its mission, now has begun to carve out a useful and much needed supportive role in cooperation with the Board.

In addition, each of OTA's assessment programs includes a special Consulting Advisory Committee of expert private citizens in the field to be covered. We are grateful to those who have provided such assistance to OTA so far. They have worked hand-in-hand with the OTA staff and have made invaluable contributions.

LIMITATIONS

(1) *Budgets*—OTA's beginning budgets are relatively small; $2 million for fiscal year '74; $4.6 million for fiscal '75; $6.5 million is being requested for '76. This limitation, of course, works both ways and as yet it should not be considered a handicap. It does keep OTA from moving too fast, from being easily "pressured;" it forces us to be carefully selective. On the other hand, and in order to provide some perspective to our budget, let me point out that before OTA came into being, the government spent $20 million or so on a largely incomplete and meaningless assessment of the SST before abandoning it. Also the Project Independence energy assessment cost over $10 million for a six month period, more than 20 times the amount OTA has available for energy assessments on a half year basis. Similarly, the assessment for an Alaska Pipeline ran somewhere between $10 to $16 million, depending on whose figures are used. These figures are useful in suggesting to Members the real modesty of the OTA program.

(2) *Space*—While many people felt it desirable for OTA to have, or at least predicted it would have a staff of 90 or more by this time, the actual staff today is about half that size. Undoubtedly, it still should grow, but I insist slowly and very selectively, only on the basis of fully justified need.

OTA is for the moment effectively locked in because of space limitations. When additional staff help is needed in the months ahead, we must recognize the importance, especially for this sort of organization, to avoid having the working staff physically scattered. Yet there simply seems nowhere to go at the present time! This is a handicap and could become a serious one.

OTA is presently located in a few rooms on the top floor of the old Immigration Building on D Street, a somewhat discouraging, inefficient, inconvenient working environment. In my view it is very important that we succeed now in reserving for OTA appropriate space in the new Madison Building now going up near the Library.

(3) *Staff Role*—The role and technique of the OTA's staff, I suggest, need further definition and study. As planned from the beginning, our assessments are done mainly out-of-house; and while the present system of bringing in specialists to serve as principal investigators for the duration of any particular assessment seems to be working well, there is nonetheless continuing need for high quality assistance from the OTA staff. This means that internal staff functions are demanding; flexibility, versatility, managerial skills, and a variety of professional experience are required; and also an understanding of legislative politics, procedures and policies is very desirable.

PROBLEMS THAT NEED ATTENTION

(1) Appropriate relationships must be achieved for effective liaison and assistance with both the Congressional Research Service and the General Accounting Office. A good start appears to have been made here in the time thus far available, but it is clear that maximum utility of these agencies as they interrelate with OTA has yet to be realized.

(2) Another very important working relationship is that between OTA and the National Science Foundation, especially as to the utilization of the latter in the techniques and methodologies of technology assessment. The organic act creating OTA provided specifically for this sort of reciprocity with NSF. It may be that before long OTA will wish to create a permanent division devoted exclusively to promotion of assessment techniques which are as yet uncertain, unproved.

(3) We must also be aware that OTA has a statutory responsibility under P.L. 93–344 to assist the new Congressional Budget Office in review and analysis of the Federal R&D budget.

And OTA must work closely with Executive agencies to assemble relative and available facts. It is my impression at this point that this liaison has been very constructive thus far.

(4) I think it imperative that the relationships between the Technology Assessment Board and the Advisory Council be mutually helpful and effective, including a better understanding between them regarding procedures, assignments and authority. Again, a good deal has been accomplished but much remains to be done. This is particularly important in view of the rotation of terms of Advisory Council members, and inevitable changes in the Board, which require awareness and effort to maintain continuity in healthy relations between the two groups.

(5) I suggest that we House Members on the OTA Board have not, as yet, participated as fully and effectively in the Board's decisions as we should. In the OTA's first year the Senate definitely was the dominate partner.

I am not suggesting that OTA Board members should ever think of themselves primarily as spokesmen for the House or Senate respectively. Quite the opposite! I believe every member of the Board should attempt to avoid all parochialism, should be concerned primarily for the best interests of the Congressional process and the national interest as a whole. But I do emphasize the need for a healthy balance between Senate and House Members, working together, in the OTA Board's operations, initiatives and decisions, a balance that so far is lacking.

I hope and expect that we House Members will correct our deficiencies under the leadership of Chairman Teague.

(6) I also suggest that the Board, in its sense of priorities in approval of assessments, tends too easily to ignore the smaller assessment requests and concentrates largely on those which are directed toward the bigger, more compelling issues of the moment. This is understandable, but I believe some of the less conspicuous, less "fascinating" requests are of considerable importance and usefulness to the Congress, and perhaps a certain percentage of OTA funds in the future should be earmarked for such smaller purposes.

Necessarily, we must be very selective in our Board approvals; and I believe it essential that we constantly emphasize above all else our basic, all important mission, to serve the needs of the Committees of Congress.

DANGERS

It is not difficult to conjure up a variety of pitfalls lying in OTA's path. I am especially concerned about three.

(1) A possibility that the OTA may choke itself by succumbing to pressures to accept tasks that are at present too vast, complex and difficult, or inappropriate. Examples of the former might include efforts to assess the nation's general socio-technological growth patterns and alternate policies which might be used to control them, or assessments of the impacts of nuclear weapons or other major military systems. Examples of the latter might include such problems as land-leasing policies arising from environmental difficulties, or assessment of the general or special impacts of taxation.

(2) The matter of adequate liaison between OTA and Congressional committees and their staffs. If we look at the assessment requests made thus far of OTA, it is clear that a large proportion have come through Board members themselves or their own Committee Chairmen colleagues. Hopefully this will continue. Yet it is important that there be an increased percentage of requests that originate through sources not so directly connected with the Board, especially requests which genuinely originate in the Congressional committees.

There is no ducking the fact that, while recognition of the OTA has been increasing, a very large part of the Congress still knows very little about it, or cares. This seems to be true especially at the Committee staff level. Ordinary tact and prudence dictate that this situation, to whatever extent it exists, be corrected. Staff awareness and understanding is vital. I believe they have been improving significantly as assessments have picked up, a trend which must continue.

(3) Most important, the Board-Director-Council functions and relationships. As I have indicated, it takes time to develop relationships in an organization such as OTA, particularly to develop and understand the appropriate roles among the statutory elements of OTA: the Board, the Director, and the Advisory Council.

An effective enterprise can have only one Board of Directors; in OTA, this function vested exclusively in its Congressional Board. The Director of OTA is the chief executive officer of this enterprise. He can be effective in marshaling resources and executing the broad policies and decisions of the Board, only if he has sufficient authority and discretion. OTA's Director must not be subjected to multiple lines of direction; he must be responsible solely to the Congressional Board. Members of the Board, particularly its Chairman and Vice Chairman, should insure that, having laid down broad policies, authority remains in the Director to execute these policies.

The Advisory Council performs a very necessary, valuable function for OTA, providing expert advice, guidance and constructive criticism. As I have said, this kind of relationship is developing and will improve as OTA matures. I also believe the Advisory Council is the key to providing a forum for public participation in technology assessment. I hope it will be possible for the Council to incorporate the participation of public interest and other groups into its activities. This will take a great deal of work on the Council's part, but it is a vitally important task.

THE OUTLOOK

Yes, Mr. Speaker, in our new OTA there are these several important and difficult problems. But I am optimistic, and with good reasons. I interpet the total situation as consisting of many more pluses than minuses. And if there is one thing which I believe merits special emphasis it is this: in the Office of Technology Assessment, the Legislative branch has a new tool of great potential. But those of us who are in Congress must keep in mind that we are all just learning to use it. This is going to require trial and error practice on the part of OTA, and patient support from Congress and the public. It is also going to require some faith on the part of each of us.

Given a reasonable effort in these matters, there is no doubt in my mind that OTA will become what its progenitors envisioned for it.

Respectfully submitted,

Charles A. Mosher,
Representative to Congress.

CITY OF OCOEE, FLA., CELEBRATES 50 YEARS OF EXISTENCE MAY 13, 1975

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. KELLY. Mr. Speaker, I am pleased to include in the Record copy of the proclamation sent to me by Mayor Scott Vandergrift of Ocoee, Fla., which is in my congressional district. Ocoee will officially become 50 years old May 13, 1975, and Mayor Vandergrift feels that this recognition should coincide with the celebration of our Nation's birthday this year. The proclamation follows.:

Two Hundred and Fiftieth Year Proclamation

Whereas the United States of America is celebrating its bicentennial beginning in 1975, and

Whereas the City of Ocoee will officially become fifty years old May 13, 1975, and

Whereas Ocoee is the "center of good living" in a country that guarantees the freedom to remain so, and

Whereas Ocoee represents in every way the grassroots kind of pride in God, community, and country, and

Whereas the founding fathers of our country and community were akin in resourcefulness and farsightedness to create a nation and city that can and shall withstand, and

Whereas with a special sense of humble gratitude, reverence, and honor, then therefore

Be it proclaimed that the City of Ocoee shall officially recognize its half centennial of existence throughout the year of our Lord nineteen hundred seventy five.

Be it further proclaimed that this recognition coincide with the celebration of our nation's birthday.

Be it further proclaimed that individuals, civic organizations, and business leaders strive to achieve significant advances in the improvement of community living in our nation and our city during the two hundredth year and the fiftieth year celebrations.

As testified in open commission meeting this 7th day of January 1975.

S. Scott Vandergrift,
Mayor.

"DUM-DUM" BULLETS

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mrs. BURKE of California. Mr. Speaker, hollow-point ammunition, or so-called dum-dum bullets that expand and flatten out upon impact have been internationally outlawed for use in warfare since 1899. In that year the Hague Conference adopted an agreement to abstain from using such bullets. This prohibition was reconfirmed at the 1949 Geneva Convention.

Upon contact these bullets cause an enormous ripping and tearing effect upon human flesh. The damage to the victim is considerable and in many instances results in death.

The use of such bullets is inconsistent with the basic principles underlying a civilized society. Many claim that the use of such bullets is necessary to the self-defense of law officers. But, as our law enforcement agents continue to increase their usage of such bullets, can the criminal element be far behind?

In these times we need to deescalate our level of violence, not expand it. I believe that the prohibition of hollow-point bullets is an important step in that direction.

The text of this legislation follows for the consideration of the House:

H.R. 2381

A bill to prohibit the importation, manufacture, possession, sale, and any other transfer of hollow point (dum-dum) bullets in the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hollow Point Bullet Control Act of 1975".

Sec. 2. As used in this Act, the term—

(1) "hollow point bullet" means any bullet with a hard envelope which does not entirely cover the case or a bullet pierced lengthwise with incisions, which is designed to expand rapidly after firing upon contact;

(2) "Secretary" means the Secretary of the Treasury; and

(3) "State" means any of the several States, the District of Columbia, or any commonwealth, possession, or territory of the United States.

Sec. 3. It shall be unlawful after thirty days after the date of enactment of this Act for any person (including the Armed Forces of the United States and any police or other law enforcement agency) to import into the United States any hollow point bullet, or to manufacture, possess, sell, or transfer in any manner in any State any such bullet.

SEC. 4. (a) The Secretary shall, by regulation, establish whatever rules he deems necessary for the purposes of this Act.

(b) The Secretary may receive hollow point bullets from any person within the period of thirty days after the date of enactment of this Act. The Secretary shall destroy any bullet so received, and any other bullet he obtains pursuant to the administration of this Act.

SEC. 5. Whoever imports, manufactures, possesses, sells, or transfers any hollow point bullet in violation of this Act shall be fined not more than $5,000 or imprisoned not more than five years, or both, for each such importation, manufacture, possession, sale, or transfer.

NIDA TO REVIEW NYC DRUG PROGRAMS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. KOCH. Mr. Speaker, on December 13, 1974, I placed a statement in the RECORD with correspondence which I had with Dr. Robert L. DuPont, Director, National Institute on Drug Abuse. I call attention to the House that I had made a request of Dr. DuPont that NIDA evaluate the efficiency of the various subsidized drug treatment programs in New York City. That request came as the result of a dispute now underway in New York City between directors of the drug treatment programs and the city agency responsible for program oversight, the addiction services administration. The addiction services administration has criticized the programs' operation and in some instances threatened to cut off funding; in turn, the programs' directors have charged that the criticisms are unfair, inaccurate, and the result of an incompetent city administrator. I do not have the expertise to evaluate the countercriticism, and this is why by letter of November 1, 1974, I requested that Dr. DuPont's office conduct a thorough evaluation of the drug treatment programs and the city administering agency.

Dr. DuPont's response of December 10 as I understand it was to the effect that NIDA had "neither the legislative mandate nor sufficient staff to investigate and determine the accuracy of the allegations."

I am pleased to report that I have received a letter dated January 28 which I am appending which clears up my "mistaken impression."

Dr. DuPont's letter reports that his agency has been meeting with both Commissioner Anthony Cagliostro, of DACC, and Commissioner Jerome Hornblass, of ASA, and that they have scheduled a program review of the federally funded service delivery impacting New York City. Beginning March 10, 1975, the review team will start with DACC in Albany, N.Y., to examine the performance of the prime contractor. On or about March 24, 1975, the team will begin to examine ASA and its performance both as a recipient of funds for services and as a subcontractor conduit to supply funds to locally based agencies.

I am delighted with Dr. DuPont's suggestion that I meet with him to thoroughly review the matter and to be briefed "on the full scope of our efforts to assure the effective and responsible management of Federal funds disbursed through NIDA."

I will, of course, keep the House informed on this matter since millions of dollars in Federal moneys are being expended on drug treatment facilities and the question of whether they are being spent wisely.

The letter follows:

JANUARY 28, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Please accept our apologies for the delay in replying to your letter of December 16, 1974 expressing concern for the accountability and management of Federal services funds in New York City. I would like to correct a mistaken impression my reply of December 10 may have given. A review of your attachment of allegations in your original inquiry was focused on activities which did not involve Federal funds. The National Institute on Drug Abuse (NIDA) takes full responsibility for evaluating the effective management and service impact of the Federal funds it administers and the programs supported by those funds.

It is also our intention that NIDA function in its leadership capacity to assist states, counties, cities, and local non-profit organizations in adequately evaluating and managing the programs and funds each administers which are not provided by the Federal Government. To promote this activity in New York City we are continuing our series of meetings with the Drug Abuse Control Commission (DACC) and the Addiction Services Agency (ASA) and representatives of the private agencies to pursue mutually acceptable efforts. Our next meeting is scheduled in New York City on February 7, 1975.

All Federally funded projects are required to conform to the Federal funding criteria unless written exceptions are granted. (See Attachment A.) There are standard reporting requirements and a quarterly routine review of service performance. (See Attachment B) Additionally, site visits, technical assistance and training meetings are provided to assist in achieving effective program and fiscal management. (See Attachment C.)

Additionally, most services presently supported in New York City by Federal funds are administered directly by the National Institute on Drug Abuse and an individual grantee, or are part of the New York State umbrella contract where the Drug Abuse Control Commission (DACC) subcontracts through the Addiction Services Agency (ASA).

After meeting with both Commissioner Anthony Cagliostro of DACC and Commissioner Jerome Hornblass of ASA it appears to us that the major difficulties and allegations involve the management of non-Federal funds. This was verified insofar as Odyssey House is concerned by Dr. Judith Densen-Gerber in a meeting of January 9, 1975.

This opinion does not abrogate our responsibility to monitor, evaluate and administer the Federal funds in New York City. With the agreement of all parties involved we have scheduled a program review of the Federally funded service delivery impacting on New York City. Beginning March 10, 1975 the review team will start with DACC in Albany, New York to examine the performance of the prime contractor. On or about March 24, 1975 the team will begin to examine ASA and its performance both as a recipient of funds for services and as a subcontractor conduit to supply funds to locally based agencies.

A specific purpose of the review is to validate that Federal funds are being properly managed and expended by examining the management efficiency of the programs. The review will also validate that the delivery of treatment and rehabilitation services rendered are commensurate with the funds provided for such services.

Although this review of Federal funding within both DACC and ASA account for relatively modest proportion of their total agency budgets, both agencies see the process as an opportunity to examine and evaluate various management and performance practices which apply beyond direct Federal funding.

I would like to suggest that, because of the complexity and length of the process we are beginning, a meeting be arranged with you and members of your staff to thoroughly review this matter and brief you on the full scope of our efforts to assure the effective and responsible management of Federal funds disbursed through NIDA. I, or my Deputy, Mr. Karst J. Besteman, can be reached by phoning 443-6480.

We share your concern with the need for effective management of Federal resources and appreciate your interest in our program. If you have further questions please do not hesitate to contact me directly.

Sincerely,

ROBERT L. DUPONT, M.D.,
Director.

IMMEDIATE NEED FOR LEGISLATION TO COMBAT THE NORTHEAST RAIL CRISIS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. EILBERG. Mr. Speaker, in order to head off the Penn Central rail closedown, a House Subcommittee on Transportation and Aeronautics will bring hearings on legislation passed by the Senate on January 29.

The Penn Central is of great economic importance to the Northeast as well as to the Nation. Pennsylvania's Governor, Milton J. Shapp, said:

> Suspension of operation, particularly at this time, would be catastrophic and in all probability would plunge the nation deeper into economic recession while cutting off vital supplies of fuel, food, and manufactured goods to the Nation's most densely populated area.

Governor Shapp expressed his views on the need for this legislation in a statement given before the Senate Subcommittee on Surface Transportation on January 24.

I would urge that the committee and the House of Representatives give careful attention to Governor Shapp's testimony. In the past, Governor Shapp has repeatedly demonstrated a comprehensive knowledge and understanding of the specific problems confronting the northeast railroads.

Particular attention should be given to the Governor's views that the immediate needs of the railroads in question be carefully examined on a case-by-case, month-by-month basis.

Governor Shapp and I believe that if we are to finally resolve the pressing and long-standing question of Federal assistance for the Northeast's money-starved railroads, the House of Representatives should give careful scrutiny to these railroad needs on an interim, case-by-case basis.

At this time, Mr. Speaker, I would like to insert in the RECORD Governor Shapp's Senate statement on the northeast railroad crisis confronting us:

This legislation was introduced on January 21, 1975, by Senator Vance Hartke for himself and Senator James B. Pearson, by request, and was scheduled for hearing the following day by the Subcommittee on Surface Transportation of the U.S. Senate Committee on Commerce.

S. 281 would amend certain provisions of Regional Rail Reorganization Act of 1973, enacted January 2, 1974 (P.L. 93-246). The need advanced by the Ford Administration for emergency consideration is the threat advanced by the trustees of Penn Central Transportation Company to embargo shipments beginning in mid-February, and to shutdown railroad operations at the end of that month. Penn Central testified that it faces wage payments of over $14 million on February 25-27-28, 1975, and that it will not have the money to pay its employees on those dates.

Section 213 of the Act presently authorizes $85 million to be appropriated for emergency grants to railroads, pending implementation of the final system plan under the Act, for the continued provision of essential transportation services. It is proposed to increase this sum by $100 million, to the level of $185 million.

Section 215 of the Act authorizes the issuance of $150 million in obligations for the acquisition, maintenance, or improvement of railroad facilities and equipment necessary to improve property that will be in the final system plan. It is proposed to increase this sum by $150 million, to the level of $300 million.

There remains about $4.4 million in funds uncommitted under section 213, and some $146.6 million under section 215. However, the balance of the section 215 obligations have recently been earmarked by the United States Railway Association (U.S.R.A.) for specific projects.

The preliminary system plan is to be released by U.S.R.A. on February 26, 1975, and the final system plan on June 26, 1975.

Penn Central is vital to the economy of the Northeast and to the nation. Suspension of operation, particularly at this time, would be catastrophic and in all probability would plunge the nation deeper into economic recession while cutting off vital supplies of fuel, food and manufactured goods to the nation's most densely populated area.

Nevertheless, the Congress and the American public should not be pressured into approving such huge sums as Penn Central now seeks without careful scrutiny. The $250 million sought by the Administration is presented as needed to keep the Penn Central and other Northeast railroads in operation through the current calendar year. During this period, the needs of the railroads may change. More money may be requested.

Meanwhile, U.S.R.A. must meet its February 26 and June 26 deadlines. It is still too early to determine whether the U.S.R.A. plan will be accepted, rejected, returned for modification, or whether entirely new legislation will be needed. Present indication is that the latter course will be required.

Penn Central states that it requires $14 million to meet its payroll through February. It is my suggestion, therefore, that these funds and subsequent funds for the current fiscal year be made by the Congress as needs are discerned. Everyone, in the meantime, should have sufficient time to review railroad needs during the period for which the $250 million is now requested.

I opposed enactment of Regional Rail Reorganization Act of 1973. See: Hearings on S. 1031, S. 2188 and H.R. 9142, *Northeastern and Midwestern Railroad Transportation Crisis*, before Surface Transportation Subcommittee of the Committee on Commerce, U.S. Senate, 93d Cong., 1st Sess., Ser. No. 93-8, at pp. 161-204 and 832-44 (1973). At the same time I started, and I again urge that—

"Interim funds should be made available to the distressed railroads to guarantee the operations during the period of time necessary to complete the study."

I would only emphasize that present services must be continued during the planning process and beyond.

The Administration's request follows the 7-2 decision of the U.S. Supreme Court, rendered on December 16, 1974, which opens the U.S. Treasury to deficiency judgments as high as $10-$12 billion, for "taking" of railroad properties under the Act. A group of U.S. Congressmen, headed by Mr. Brock Adams, filed an amicus curiae brief to the Court, opposing such a construction of the Act. The Commonwealth of Pennsylvania, in its separate amicus curiae brief, had urged that the Act be invalidated and returned to the Congress.

S. 281 goes far beyond the provision of funds until completion of the preliminary plan of February 26, or the final system plan on June 26. The purpose of the legislation is to enable funding through the first quarter of 1976.

It may very well be that the entire concept of the Regional Rail Reorganization Act will require revision after release of the preliminary system plan next month, or the final system plan in June. It would seem unwise to legislate certain funds at this time when the preliminary system plan is forthcoming in the very near future.

Moreover, evaluation of needs is being hampered by U.S.R.A. itself. Personnel from the Commonwealth of Pennsylvania, and from other States, are being denied access to important studies and reports which have been compiled by U.S.R.A. at public expense, and which are critical to an evaluation of the railroad reorganization process and to the necessity for funding. In response to our written request from our Department of Justice, we were advised by press release on January 21 that these important sources of information would be available only *after* release of the preliminary system plan on February 26. A copy of the U.S.R.A. press statement, which is wholly unsatisfactory to us, is attached.

Accordingly, I urge that funds be provided, but only such funds as to continue essential operations at this time during the planning process. Any funds for maintenance or acquisition should clearly make certain that payment is not made twice for the same facilities.

ERIE-LACKAWANNA

The trustees of the Erie Lackawanna Railway Company (E-L) request that they be given federal financial assistance in the amount of approximately $10 million to guarantee operations through the first half of 1975, and that this assistance be given in the form of permitting E-L's reorganization court to reverse its previous determination to reorganize outside of the Act.

We do not oppose such assistance to E-L as may be required. We vigorously oppose, at least until the plans required from U.S.R.A. can be evaluated, any inclusion of E-L as a "railroad in reorganization" so as to qualify E-L for compulsory conveyance of its properties to Consolidated Rail Corporation or to other railroads. In short, E-L should not be legislated into the Act at this time, other than for purposes of financial assistance.

Commonwealth of Pennsylvania supported the decision of the Erie-Lackawanna and Boston & Maine reorganization courts, rendered outside of the Act.* Inclusion of E-L and B&M in Conrail would diminish competitive rail service in Pennsylvania and would also be harmful to a major railroad, Delaware & Hudson, which is not in reorganization. For these and other reasons, Pennsylvania participated in the E-L and B&M "120-day" court cases. These court decisions, in my opinion, should not be upset by Congress at this time. Particularly would it be inappropriate so soon before the preliminary system plan is made known.

However, it is my suggestion that the Congress consider amendment to the Act at this time which would permit assistance to E-L without changing its present court-determined status of May 2, 1974. This would seem possible by amendments to sections 211, 213 or 215, and without disturbance with section 207.

I do not believe that the U.S. Supreme Court's construction of the Act in December, 1974, or the present downturn in the economy, should provide justification for any additional raid on the Treasury.

NURSE PRACTIONERING PROGRAM

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. PRITCHARD. Mr. Speaker, I would like to take this opportunity to apprise my colleagues of the outstanding nurse practitioner program operating in Washington State.

A 14-week course, funded by the Washington/Alaska regional medical program, prepares registered nurses to take on additional responsibilities in communities lacking physician coverage.

In small doctorless towns, the presence of these nurse practitioners can literally mean the difference between life and death. For an inside view of the nurse practitioner program, Mr. Speaker, I insert a Seattle Times' article, entitled "Nurse Practitioners: Doctorless Regions To Get Help," appear in the RECORD at this point:

NURSE PRACTITIONERS: DOCTORLESS REGIONS TO GET HELP

Seventeen new nurse practitioners are heading for the hills—and also the beaches, plains and downtown clinics.

The hand-picked registered nurses have just completed a 14-week course funded by Washington/Alaska Regional Medical Program to prepare them to take on additional responsibilities in communities lacking adequate physician coverage.

A particularly warm welcome awaits William L. Johnson who will go to Pe Ell, Lewis County, to staff a long-empty clinic which the residents of Pe Ell built in 1959 to serve the 800 people of their town and nearby Frances. A physician came and stayed briefly. For a while doctors from Chehalis took turns seeing patients in the neat little building, but that proved impractical. Recently the building has housed a beauty parlor.

Johnson, a nursing graduate of Walla Walla College and one of the state's first male nurse practitioner, will move his family from

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**In re Boston & Maine Corporation*, 378 F. Supp. 68 (D. Mass. 1974). The Erie-Lackawanna's court decision is not yet reported.

White Salmon in late January. Officially he will be on the staff of a Chehalis Clinic, but he and a nurse-receptionist will provide the only on-the-scene health care in the lumber-and-farming community of Pe Ell, nearly 30 miles away.

This is the second nurse clinic which W/ARMP has helped to open in a "doctorless" town. A three-year-old facility in Darrington is staffed by two nurses.

The other man in the group, Jay Henselen, will move from Lakewood to Vashon Island to be one of two nurse practitioners on the staff of the clinic which W-ARMP helped establish there. Vashon's physician coverage is inadequate to care for the island population, particularly in summer.

The neighboring towns of Elma and McCleary had been shopping for a pair of nurse practitioners to augment the three physicians who have been serving their 12,000 residents. Evy McElmeel and Jo Ann Yost met while attending the W/ARMP course, became friends and were delighted when the communities ranked them "first choice" among candidates for the assignment.

They will take turns working in the emergency room of the McCleary hospital and in an Elma physician's office. Although she had not been officially certified, Evy had been working as a nurse practitioner in Alaska. Jo Ann has been in Seattle's Veterans Administration Hospital.

Betty Westfall's assignment takes courage of a kind. She will be joining Everett's new Counterpoint Clinic soon to open to serve patients for a minimum cost or in exchange for services. Counterpoint has no funds for Betty's salary. She signed up "on faith" that donations will appear.

Janet Allan of King Cove, Alaska, will head north again to Sitka to serve in a physician's office and make regular visits to nearby doctorless Pelican. Betty McHugh will work in the Alaska Clinic in Anchorage.

Several of the new practitioners will be returning to their former assignments prepared to take on additional responsibilities.

Sue Goedde of Chelan drives the Central Washington Migrant Health Project van across a three-county area giving health examinations and care. Cindy Freeman makes home visists to patients of the Wenatchee Home Health Services.

Back in her home clinic at Brewster, Kay Hanson will be Okanogan County's first nurse practitoner. Andrea Burke is returning to the Yakima Indian Health Center in Toppenish, the first Native American Indian to complete the W/ARMP course.

Nurse practioners find varied opportunities in metropolitan locations too. Terri Ballard will join Seattle Home Health Services, a private agency contracting to serve Medicare patients in their homes. Joanne Bush will use her new skills in her old job at Harborview Medical Center's walk-in clinic and Mary Wessels will continue at Group Health Hospital's emergency room.

Still awaiting final assignments are three of the new practioners—Hill De Borst, Sandi Siemion and Rita Tamerius, all of Seattle.

More than 50 nurses applied for admission to the W/ARMP class which was the first of its kind offered since this state's Nurse Practice Act was revised to permit nurse practitioners to diagonse ills and administer medicines.

The curriculum, supervised by Louise Shores of the University of Washington School of Nursing faculty included classroom instruction on diagnosis and management, plus assignments that took the candidates on hospital rounds with physicians, and on working assignments in hospital emergency rooms and in both general and specialized clinics.

THE JOB CORPS AT 10 YEARS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mrs. CHISHOLM. Mr. Speaker, although the Job Corps has been around for 10 years, one rarely hears anything about it, either supportive or critical. Legislative authority for the program was transferred from the Economic Opportunity Act to the Comprehensive Employment and Training Act of 1973 (Public Law 93–203) and is on the books through fiscal year 1977.

It is heartening to see that the editorial board of the Washington Post recognizes the merits of Job Corps, and the wide range of positive effects it has had on the lives of young people with multiple problems. My congratulations to Job Corps on its 10th anniversary. May you have another decade of success. The editorial follows:

THE JOB CORPS AT 10 YEARS

(*". . . an example of a current poverty program that should be eliminated is the Job Corps. This is one program that has been a failure. It sounds good, but it costs $10,000 a year to train a man for a job that may not even exist. That's the government way of doing it."*—RICHARD M. NIXON, April 1968.)

In reaching its 10th anniversary this month, the Job Corps deserves congratulations on several counts. The most basic of these is for its mere survival. From the beginning, it was among the most sharply attacked of the poverty programs. Its purpose was to train young men and women—16 to 21—in skills that would qualify them for jobs. But it was immediately clear that much more than this was involved. The early Job Corps centers, in the description of OEO's first director, Sargent Shriver, were "filled with kids this country has literally dumped." Eighty per cent had not seen a doctor or dentist in 10 years, 24 per cent had eye trouble, more than 60 per cent came from broken homes, the average schooling was nine years but reading proficiency was on the fifth grade level, and a third of the enrollees had behavioral problems. The Job Corps was much more than an employment program; it was dealing in human renewal.

The program's critics, offended that tax money was being spent on dropouts, toughs and supposedly hopeless cases, seized on isolated incidents—a fist fight between two recruits became "racial turmoil"—to discredit Job Corps. Few were more determined to do it in than Richard Nixon. The comment above was one of many about Job Corps in his 1968 campaign, but he had his facts wrong: the costs were much lower, the jobs did exist, and corporations and unions were partners with the government. For all his misguided determination, Richard Nixon never killed the program. The idea behind it was too sound—as many allies in the Senate and House understood—and the need among the young unemployed was too great.

Today, the program has become an accepted part of the Ford administration's manpower efforts. Sixty-one centers are operating for 14,000 men and 5,000 women. In 10 years, nearly half a million trainees have been enrolled; the cost per enrollee in FY 1974 was $3,098. Unfortunately, evidence suggests that the Job Corps is still under some of the pressures it has endured all along. Funding in the last fiscal year was $176 million, down from $185 million in 1973 and $212 million in 1972. According to one Labor Department official, at one time there were 94 Civilian Conservation Centers but today the number is 27.

Some money is being saved by these cuts and closings, but assuredly it is the kind of short-term savings that eventually means little when compared with the losses: what the nation must pay to meet the needs of those on welfare, in prison and on the unemployment lines. With none of the skills or help they would receive in Job Corps, many youngsters may be destined for one or another of those fates. President Ford has hailed the Job Corps for having "sustained a remarkable record of success." If that's the case, what is needed now is a new commitment to develop the program. The need for Job Corps today is considerably greater than when it began.

CONYERS DENOUNCES PROPOSED INCREASE IN COST OF FOOD STAMPS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. CONYERS. Mr. Speaker, it is imperative that the Congress act immediately to prohibit President Ford's arbitrary administrative decision to increase the cost of food stamps. At issue is the basic principle that the combined burden of inflation and unemployment must not be made to rest on those who can least afford to bear it.

Unless the Congress acts, on March 1, all recipients will be compelled to pay fully 30 percent of their monthly income for food stamps. While double-digit inflation continues to rage, almost 95 percent of all food stamp recipients will find it even more difficult to survive if President Ford's new regulations are allowed to take effect. For many families—almost 1.5 million according to one estimate—the proposed price increases will make it just as expensive to buy food with food stamps as with cash.

According to the most recent estimates of the Department of Agriculture, more than 240,000 people are receiving food stamps in Wayne County alone. Of these recipients, 90 percent are dependent on public assistance programs and, therefore, are the hardest hit by rising prices. More than 70 percent of the Wayne County recipients are black, among whom the unemployment rate is approximately 25 percent and increasing daily.

In Detroit, as in every other part of the country, food stamps often mean the difference between starvation and survival. It would be unconscionable to deprive those who already endure a permanent depression in order to save what amounts to less than 1 percent of the money spent for military purposes last year. If President Ford's purpose is to cut Federal spending, he should turn his attention to the Pentagon rather than the poor.

The poor should be the last to be penalized for inflation. They do not spend extravagantly on luxuries; they spend whatever they can scrape together for necessities. They do not demand wage increases; they are unemployed and only ask for an opportunity to support themselves. They have no cushion of savings or unemployment compensation or special union funds. Yet the President would have them bear the cost even though they bear none of the blame.

Instead of increasing the cost of food stamps, the Congress should prevent the increase from taking effect and then move to make food stamps necessary for as few people as possible by establishing a program of full employment which would enable every American family to support themselves and their children.

REMEMBER OUR MIA'S

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. ARCHER. Mr. Speaker, I have joined in cosponsoring legislation to prevent the U.S. Defense Department from changing the status of any member of the uniformed services listed as missing in action in Southeast Asia to presumptive finding of death classification until all the provisions of the Paris Peace Accord of January 27, 1973, have been complied with by the Communists.

The Paris Peace Accord signaled the withdrawal of American troops from South Vietnam. It was sincerely hoped that the agreements reached would bring peace to this war-ravaged land. This hope has not been fulfilled. The North Vietnamese have violated two major sections of the Paris Peace Accord.

First, the North Vietnamese Communists have continued their aggression against the South Vietnamese people. The Communists have infiltrated thousands of troops into the south, increased weapons to their troops, and stepped up their attacks against the South Vietnamese, military and civilian. The U.S. Embassy in Saigon has released captured Communist documents urging Communist forces to expand their control in South Vietnam and to recover zones occupied and pacified by the Saigon Government.

Second, the North Vietnamese have refused to cooperate with the United States in securing information on American servicemen listed as missing in action. The North Vietnamese have violated both the spirit and the letter of the agreement by this refusal of cooperation.

It is essential that the United States increase its pressure on the North Vietnamese to urge them to uphold the humanitarian considerations of the agreement they signed 2 years ago pledging cooperation in accounting for our missing soldiers.

Although 2 years have passed since the signing of the peace accord, there are over 1,000 American servicemen still listed as missing in action. We must not abandon these men by merely changing their status from missing in action to presumptive finding of death, without any evidence of or information to justify this action. We as a nation owe it to these brave men and their families to take all measures necessary to determine their fate.

It greatly pleased me that the President signed a proclamation designating January 27 as National MIA Awareness Day. We must not forget nor abandon our MIA's.

THE TRAGIC IMPACT OF TV

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. BENNETT. Mr. Speaker, I wish to bring to a wide public attention the excellent editorial of January 23 from the pen of Edward H. Sims. It was printed in the Sarasota Herald-Tribune. While Mr. Sims acknowledges the importance of television and the opportunities it has, he condemns the recent downward trend in quality observable to us all. The editorial reads as follows:

COMMERCIAL POWER: THE TRAGIC IMPACT OF TV

(By Edward H. Sims)

The passing years confirm the worst about America's commercial television; its effect on the people of America has been tragic. With all its potential for good (in the educational and non-commercial and other fields) television's main effect on the nation has been costly indeed.

One might question whether that statement is overly pessimistic and what facts and figures it's based on, because few understand the implications and dangers in near-domination of the entertainment medium in the homes of America by three big-business groups primarily centered in New York City.

But the facts are clear for all who seek them. The worst part is that the three networks have become so powerful today neither the government nor the people seem capable of breaking their near-monopoly power.

That the pap they feed to the American people in the form of daily shows and programs is close to moronic is self-evident. Because their advertisers must reach the lowest imbecile on the scale, practically everything is pitched to his level.

More unfortunate is the fact that the principles of living—the accepted values, manners, etc., of the average and traditional American—are not represented by the three networks' programs. The image and way of life they teach is, instead, that of New York City, of producers who often know little of the American way of life outside New York, Hollywood, etc.

What has been happening for two decades, as a result of the turning over of all our prime television channels to commercial interests, therefore, is this:

Programs are designed around constant commercials. To sell. And they are aimed so low that not only is there no benefit or uplifting of the peoples' moral and educational standards, they have degraded them, especially in the fields of manners, violence and crime.

The fare beamed into millions of American homes daily is certain to have a major effect on the impressionable, uninformed and young. Commercial television in this country has implanted the mannerisms, manners, ways of life (drinking, smoking, screaming, crime, etc.) of metropolitan New York, and of producers not representative of the American people in a whole generation of America.

This has tremendous social, psychological and other implications. Producers of the current fare offered by the networks are not seeking to uplift educational standards, mores, morals, etc., in their entertainment production. Rather, they seek to sell by utilizing crime, shock, degeneracy, sensation, immorality, etc., to attract the largest possible audience for sponsors.

That is nothing new in the advertising business, but what is new is that in America the advertisement dollar totally maintains television; the people pay nothing as in the case of newspapers and as they do in most of the other democracies of the world—where a non-commercial station is dedicated to public service and benefiting the people.

Of course, it isn't necessary that Americans pay anything for television, such as a license fee, or annual tax, etc. The country could easily afford to operate one of the thirteen primary channels in the public interest and welfare in a non-political manner. It should have done so from the beginning.

And educational and public service television should have been allotted at least half the primary channels in the beginning. Three, four, or five commercial channels would be a gracious plenty in any area of the nation.

How long will it take Congress, buttressed by an informed public opinion to move to correct the weak condition of helpful television and reduce the influence (or provide meaningful regulation) to commercial television?

The power of the television networks, including their ability to influence elections and members of Congress, is not an easy first barrier to overcome in this effort.

SIGNING OF GENEVA PROTOCOL, BIOLOGICAL CONVENTION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. ZABLOCKI. Mr. Speaker, it was a great personal honor for me to witness on Wednesday, January 22, President Ford's signing of the 1925 Geneva Protocol and the 1972 Biological Convention.

These two documents represent an important step forward in eliminating horrible and inhumane weapons of war. President Ford is therefore to be commended for his leadership in achieving this development. His role in breaking a long-standing deadlock over the issue merits high praise and appreciation.

Yet, as the New York Times editorial of January 24 noted, the two agreements have an added significance in signaling the need for additional controls on other equally horrible weapons of war. Indeed, a thorough review is needed of all weapons that cause unnecessary suffering and are indiscriminate in their effects. Building upon the positive momentum of the Geneva Protocol and the Biological Convention, ways will hopefully be found soon to bring about new additional agreements. To that end I pledge my continued efforts.

Because it sets this issue into clear perspective I am inserting the Times editorial in the RECORD at this point and recommend it to the reading of my colleagues.

Glimmer of Sanity

After half a century a President of the United States has signed the 1925 treaty prohibiting poisonous gases in battle, thereby joining the major nations of the world in one small but symbolic step against the lasting cruelties of bizarre weapons. A second convention, renouncing biological warfare, has also been approved and will be formally ratified by Great Britain, the Soviet Union and the United States.

In the age of intercontinental nuclear weapons with multiple warheads, no corner of the earth is immune from conflagration. Yet it is still important to limit or ban other debilitating forms of warfare that are, ironically, called "conventional." It is difficult for participants or innocent civilians to choose their weapons on the small battlefields that erupt around the world. Nations must do so.

Various Geneva conventions require updating further to restrict belligerents. Last spring a conference called by the Swiss Government and the International Committee of the Red Cross heard recommendations to prohibit or restrain particularly horrible weapons: incendiary weapons such as napalm and phosphorous, high-explosive antipersonnel mines and modern fragmentation bombs. Last summer the United States and the Soviet Union issued a joint statement calling for measures against environmental modification—"rain-making" that can flood ricefields as well as roadways.

A thorough review is needed of all war weapons that cause unnecessary suffering and are indiscriminate in their effects, particularly upon civilian populations. Codification and agreements are required to reaffirm and develop international humanitarian laws. The two agreements approved by President Ford, after long efforts by the Senate Foreign Relations Committee, are significant signals of the need for other controls on weaponry and warfare.

REINSTATE CIVIL SERVICE RETIREMENT SURVIVOR ANNUITIES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. LEHMAN. Mr. Speaker, today I am introducing legislation which would reinstate civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966.

The need for this legislation diminishes every day—as death claims those few individuals who would benefit from the enactment of this legislation. Thus, we must act before it is too late to help the still surviving widows and widowers. Mr. Speaker, several week ago, Mrs. Alice M. Miles visited my office to urge my support for this legislation. Her followup letter, which I include for the benefit of my colleagues, better explains the necessity for this legislation.

The text of the bill and the letter from Mrs. Miles follow:

H.R. —

A bill to amend title 5, United States Code, to restore the survivor annuities of certain remarried spouses whose remarriages have terminated, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8341(g) of title 5, United States Code, is amended by striking out "after July 18, 1966" and inserting in lieu thereof "before, on, or after July 18, 1966".

SEC. 2. In the case of a surviving widow or widower—

(1) whose survivor annuity payable from the civil service retirement and disability fund was terminated because of the remarriage of the widow or widower before July 18, 1966; and

(2) whose remarriage is dissolved by death, divorce, or annulment before, on, or after such date;

the survivor annuity shall be restored to such widow or widower commencing on (A) the date of the dissolution of such remarriage; or (B) the date of enactment of this section; whichever date is later, if

(i) the surviving widow or widower elects to receive such survivor annuity in lieu of a survivor benefit to which the widow or widower may be entitled, under subchapter III of chapter 83 of title 5, United States Code, or another retirement system for Government employees, by reason of the remarriage; and

(ii) any lump sum paid on termination of the survivor annuity is repaid to the civil service retirement and disability fund.

ELKHORN, WIS., *January 23, 1975.*

DEAR MR. LEHMAN: I'm very grateful for the time you gave me and the interest you showed in the strange small exclusion of a bunch of old women from the liberalizations of survivor pensions provisions. It is such an egregious cruelty it can only have been accidental. PL 89-504 (1966) was liberalized in this respect by PL 91-93 (1969), but excluded all survivors whose remarriages took place before enactment of PL 89-504. In this respect, Civil Service pensions are unique, since all the other Federal Pension systems, such as Social Security, extended the liberalization to everyone whose second marriage had terminated.

The two bills which died in House Committee last session were HR 5672 and HR 9139. Either would have let us onto the back of the wagon for the ride, instead of leaving us by the side of the road when the younger ones pulled ahead.

In a letter, November 15, 1974, Thomas Linsley told Senator Nelson that the Civil Service Commission estimated 3,500 persons, involving $7 or $8 million, would be affected by letting us aboard. The number and expense declines each year because of deaths, and the group will in the end self-destruct. The miniscule number of persons, microscopic amount of money, and lack of interest in survivors will all work against passage of a bill to correct this situation. I guess that is why we'll have to trust that some people with compassion will help. Like you all, maybe?

Faithfully,

ALICE M. MILES.

HON. EUGENE WORLEY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1975

Mr. TEAGUE. Mr. Speaker, I rise to join my colleagues in paying tribute to a statesman, an American, a jurist, and a just plain down-to-earth individual, the Honorable Gene Worley.

Judge Worley was already a Member of this body when I joined it in August of 1946. He was most helpful to me as was his custom and I shall never forget him. The Texas delegation rejoiced in his appointment to the bench by President Harry Truman in 1950 and Judge Worley served with distinction in the capacity of judge on the U.S. Court of Customs and Patent Appeals until his death. He was a man of an era gone by but brought his wisdom and knowledge to every office in which he was privileged to serve. He was a good friend of mine, as was his entire family and I, for one, shall miss him much.

FORMER CONGRESSMAN ORIE S. WARE—A LIFETIME OF SERVICE

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. BRECKINRIDGE. Mr. Speaker, it is my unhappy duty to report to the Congress that former Congressman Orie S. Ware of Covington, Ky., died at the age of 92 on December 16, 1974. He had given a lifetime of service, not only to the Commonwealth of Kentucky, but also to mankind and to our Nation and the principles under which we live.

In an interview but a short while back he was quoted as saying:

> I have lived a great period—electricity, the auto, airplane, radio, television, space exploration, inventive genius and industrial development.
>
> On the other hand, the simple general rules of 2000 years ago—integrity and honesty, love and charity—remain the real fundamentals of good living and a good life.

Orie Ware's long and exemplary life gave credit to his ideals. He was born in Peace Grove in Pendleton County, Ky., on May 11 in 1882. He attended the public schools of Covington, Ky., was graduated from the University of Cincinnati Law School and was admitted to the Kentucky bar in 1903. His life has spanned almost one-half of that Bicentennial which we celebrate next year.

As the dean of the Kentucky bar, active in the practice until his death, in daily attendance at his office and in counseling with the junior members of his firm, including his son, Senator Jas. Ware, he nonetheless found time to devote a significant part of his life to public service. He was Covington's postmaster at the time of Woodrow Wilson; Congressman under Calvin Coolidge, and Kenton circuit judge under President Eisenhower.

Orie Ware left behind him a legacy of precept, friendship, integrity, and devotion to duty which will long be remembered; he was a man dedicated to his people, who left behind a devoted family and friends.

Mr. Speaker, at this time I insert an article about Orie Ware which appeared in the December 17 edition of the Kentucky Post:

Orie S. Ware Dies at 92

(By Jim Blair)

Orie Ware is dead.

At the age of 92, the well-known Covington lawyer and judge, died quietly at his home at 2523 Elliott St., Ft. Mitchell, at 2:30 p.m. Monday.

Ware, the oldest practicing attorney in Kentucky and the Commonwealth's senior 33d degree Mason, had been in good health up to the time of his death, though he had suffered a heart attack in 1954.

Orie Solomon Ware, the fourth generation of his damily to live in northern Kentucky, was born May 11, 1882, in a log cabin at Peach Grove in Pendleton County.

His father, Solomon Grizzel Ware, ran a country store which, his son was later to recall, "sold everything from pins to caskets."

Ware admired his father tremendously and it was his boyhood ambition to follow in his footsteps as ringmaster of the Campbell County Fair at Alexandria.

"Standing there in the ring," he told Kentucky Post Staff Writer John Murphy three years ago, "cracking the whip and letting the horses in to be judged, my Dad was the biggest man in the world."

"Life was primitive when I was a youngster," Ware told Murphy. "We kept milk in the well. Police on the beats lit the street lamps. There were no paved roads."

But boyhood dreams soon gave way to mature ambitions, and Ware decided on a career in law.

Ware went to Ohio for his legal training, graduating in 1903 from Cincinnati Law School. He was the last surviving member of his class of 1917.

He immediately was admitted to the bar and returned to Covington to establish his practice.

On Sept. 19, 1906, he married Louise Culbertson in the old Madison Ave. Presbyterian Church. The couple lived together until Mrs. Ware's death in December 1972.

Orie Ware quickly made a name for himself—both politically and personally.

A life-long Democrat, he was named Covington Postmaster by President Wilson in 1914 and held the position until 1921. He was a member of the House of Representatives 1927–1929; a U.S. commissioner in Covington 1942–1947 and Kenton circuit judge 1957–1958.

Ware was known for his impartiality and fairness—the value of which sometimes was lost on criminals who appeared before him.

Kentucky Post Staff Wirter Burl Russel recalls the case of a man scheduled to appear before Judge Ware.

"In a pretrial interview the man told his sorry little tale and the reporter concluded by saying, 'Well, you know Orie Ware is a fair judge.'"

"Hell yes! I know he is a fair man," the accused snorted.

"But that's not what I need. I want a judge who will believe my story."

Ware also was known for his prodigious memory. "He had the most remarkable power of recall of any man I've ever known," Ware's son and law partner James Ware said.

"He knew everyone's birthday and he would go up and down the street and tell everyone how old they were," the younger Ware said. "A lot of people will rest easy now."

Former Kentucky Post Staff Writer Howard Raver remembers the time he and Orie Ware were having lunch at Ramey's Cafeteria, Covington. Ware recited the name and tenure of every Covington mayor since 1920.

Ware, an active Mason, was a past grand master of Kentucky and was a member of Covington Lodge No. 109, the Scottish Rite and the Olika Shrine.

In recent years he had become something of a local sage and oracle and on several occasions reminisced about his life and what it had meant to him.

"I have lived in a great period—electricity, the auto, airplane, radio, television, space exploration, inventive genius and industrial development," he said in a 1971 interview.

"On the other hand," he went on, "the simple general rules of 2000 years ago . . . integrity and honesty, love and charity . . . remain the real fundamentals of good living and a good life."

Orie Ware was one of the most active members of Covington's First Baptist Church. He worshipped in the church for over half a century and was a member of the trustees and board of deacons for nearly 45 years.

"Back in the 20's there was an $80 million campaign put on by the Southern Baptist Convention," Jim Ware remembers. "Dad spoke at every Baptist church in Kenton and Campbell Counties."

Other survivors: daughter, Mrs. Louise Wile, Lexington; sister, Mrs. Norbert Gainey, Columbus, O.

Grandchildren, Patricia Ware Rothwell, Lexington, Cathryn Terwort, Park Hills, Ann Ware, Ft. Mitchell, Louise Wile, Lexington, Joe Wile Jr., Lexington, Edith Louise Helm, Sarah Helm, both Louisville, and Mary McBrayer, Covington.

Great-grandchildren, John C. and Ann Rothwell, both Lexington, William Ware Terwort, Park Hills, Cathryn, Virginia, and Elizabeth Wile, all Lexington, Joe Helm Jr., Lucy, and John Blakey Helm all Louisville, and Sarah Randolph and John Lawton McBrayer, both Covington.

Services: 1 p.m. Thursday, First Baptist Church, Covington. Visitation: 4 to 9 p.m. Wednesday, Swindler, Latonia. Burial: Highland Cemetery.

The family suggests memorials to charity of choice.

NATIONAL SECURITIES MARKET BOARD

HON. W. S. (BILL) STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. STUCKEY. Mr. Speaker, the securities industry in this country is in the midst of change. Some of these changes will take the form of refining certain "housekeeping" procedures. Most of these are spelled out in H.R. 10, the recently introduced Securities Reform Act of 1975, which is identical to the omnibus securities bill reported almost unanimously by the Interstate and Foreign Commerce Committee late in the 93d Congress.

Other changes which the securities industry and markets will be experiencing in the very near future will result in significant structural changes. Some of these will be brought about by the unfixing of Commission rates, by virtue of the Securities and Exchange Commission's adoption of rule 19b–3 last week, and by the establishment of a national securities market system for securities trading as provided for in title VI of H.R. 10. The bill directs the SEC to establish such a system which is to include, as a minimum, a transactional reporting system, a composite quotation system, and a scheme of regulation to provide for fair competition between competitors in the system.

The development and implementation of these three aspects of the national securities market system is no easy undertaking. How this is accomplished will impact directly on the viability of the securities industry, the corporations raising capital through the equities markets, and the public investors who directly or indirectly commit their funds to the growth of America's publicly owned companies. Given the nature of this undertaking, whose outcome is uncertain from the outset, and given the tremendous impact which the national securities market system will have on the markets, the securities industry, and public investors, an impact those of us who are committed to this undertaking wish to be favorable, I introduced a bill last Congress which would create a self-regulatory body—The National Securities Market Board—that would contribute to the development of the system as well as be responsible for the system's operation and regulation. I am reintroducing that bill today.

One of the major advantages of the Board is that it would introduce a greater degree of flexibility into the system's operational and regulatory framework. Subject to SEC and congressional oversight, the Board would be in a position to react quickly and in the public interest to day-to-day management and regulatory problems while also being in a position to evaluate the system and anticipate problems without waiting on Congress for enabling legislation. There is much talk about the evolution of the national securities market system, but no one really knows what this evolution will entail. By delegating to the Board authority over key elements of the system, both industry and the public would be assured of maximum involvement in guiding the system's evolution.

A second advantage is the clear delineation of regulatory responsibility for the national securities market system. The Board would not add another regulatory layer; rather it would prevent the occurrence of either overlapping regulatory responsibilities or a void of self-regulatory authority. My bill would accomplish this by providing that the securities exchanges and the National Association of Securities Dealers would continue to perform those self-regulatory functions not performed by the Board. The Board's authority would be limited to the national securities market system: the criteria for determining the eligibility of securities to be traded within the system, and the criteria governing and regulating a transactional reporting system and a composite quotation system.

Before briefly summarizing the bill's provisions, it should be pointed out that I am introducing this proposal in bill form in order to facilitate the solicitation of comment and review. I plan to offer offer this bill as an amendment to title VI of H.R. 10, if that is the vehicle chosen by the subcommittee for markup.

In reviewing and commenting on this proposal, I would encourage interested parties to focus on: First, the need for a self-regulatory body for the national securities market system—an industry board with public representation—and second, the areas of the system over which the self-regulatory body should be granted jurisdiction in order to insure that the system operates smoothly, in the public interest, and with an eye toward future needs. After these major substantive points are addressed, then I think it would be helpful to comment on other provisions such as how many Board members there should be, how they should be elected, who they should represent, et cetera.

We are fast approaching the implementation of key elements of the national securities market system. I would hope that if there is no consensus over other matters, there would at least be consensus on the need to stop haggling over who would have veto power and who should receive special privileges in the system.

I would also hope that this proposal coupled with agreements hammered out last Congress on important provisions of H.R. 10 would be recognized as positive steps in the direction of designing the new system before it designs itself in an ad hoc fashion to the possible detriment of the industry, listed corporations, public investors, and the Nation's capital markets.

EXPLANATION

The bill adds a new section, section 15B, to the Securities Exchange Act of 1934. Subsections (a) and (b) of the new section attempt to indicate the nature of a national securities market system and to specify what may be some of its components. Subsection (a) contains certain findings concerning the country's capital markets and the need to develop a national securities market system, including a national self-regulatory body to govern and operate the system subject to SEC oversight and regulation.

Subsection (b) directs the SEC to take all steps as may be authorized by the new section to establish such a system, and the subsection states that such a system shall include, at a minimum, a transactional reporting system, a composite quotation system, and until such time as the self-regulatory body is effectively established, rules to establish criteria for securities to be qualified for trading in the system.

Subsection (c) provides that the SEC must appoint a National Market Board at least 3 years after the enactment of the Securities Acts Amendments of 1974—H.R. 5050. The SEC may defer appointment of the Board for periods up to 2 years, but such periods must not exceed a total of 4 additional years from the 3-year time period. In deferring the appointment of the Board, the SEC must give Congress prior notice and state its reasons therefor.

Subsection (d) states that the SEC must appoint 15 members to the Board who will be reasonably representative of registered exchanges and national securities associations; likely classes of participants in the system—securities information processors, marketmakers, specialists, and brokers and dealers—investors; the public; and other persons as the Commission may deem appropriate.

Subsection (e) gives the appointed Board 1 year within which time to file with the SEC a proposed constitution and rules which must provide for, among other things, fair and equitable procedures for the election of successors to members of the Board reasonably representative of the persons identified in subsection (d).

Subsection (f) provides that the SEC must approve or require modifications of the proposed constitution and rules 120 days after the filing, or within such longer period of time as the SEC determines necessary, after providing interested parties with an opportunity for oral or written comments.

Subsection (g) delineates the Board's area of jurisdiction. The Board's rules shall: First, establish criteria for determining the eligibility of securities to be traded within the system; and, second, establish criteria governing and regulating a consolidated transactional reporting system and a composite quotation system.

Subsection (h) gives the SEC responsibility for promulgating rules to assure the fair and equitable treatment of all participants in the system and to coordinate functions among the various markets comprising the system.

Subsection (i) prohibits any securities exchange or securities association from maintaining or enforcing any rule or any action that would be inconsistent with the rules promulgated pursuant to subsections (g) and (h).

Subsection (j) provides that the SEC will have the same authority with respect to the Board, its constitution, and its rules and amendments thereto as the SEC has with respect to registered securities exchanges and securities associations on the day after enactment of the Securities Acts Amendments of 1974.

Finally, subsection (k) gives the Board authority to assess participants in the system reasonable fees to finance the cost of the Board's operations and to contract with suppliers and operators of equipment needed to perform the appropriate functions of the system.

MOBILE HEALTH UNIT ACT OF 1975

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mrs. BURKE of California. Mr. Speaker, comprehensive health services are unavailable in many urban and rural areas due to the lack of facilities, equipment, and health care professionals. In response to this need, I am today introducing legislation to provide Federal assistance for the purchase and equipping of mobile health units. Under the provisions of the bill, grants would be made available to qualified public and private nonprofit agencies, organization, and institutions to assist them in meeting the cost of purchasing the mobile health units to provide needed health services to individuals residing in medically underserved areas.

The text of the bill follows:

H.R. 2304

A bill to amend title VI of the Public Health Service Act to provide for adequate outpatient care in medically underserved areas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mobile Health Unit Act of 1975".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2. Title VI of the Public Health Service Act (42 U.S.C 201) is amended by adding at the end thereof the following new part:

"PART E—PURCHASE OF MOBILE HEALTH UNITS FOR MEDICALLY UNDERSERVED AREAS

"STATEMENT OF PURPOSE

"SEC. 651. It is the purpose of this part to assist in the provision of adequate health care through special project grants for the purchase of mobile health units to provide needed health services to individuals residing in medically underserved areas.

"DEFINITIONS

"SEC. 652. For the purposes of this part, the term—

'('1) 'mobile health unit' means a van, trailer, truck, bus, or other similar vehicle properly equipped to provide needed health services (including dental care) in a designated medically underserved area; and

"(2) 'medically underserved area' means an urban or rural area or population group designated by the Secretary as an area or population group with a shortage of personal health services. Such a designation may be made by the Secretary only after consideration of comments, if any, of (A) each State comprehensive health planning agency designated pursuant to section 314 (a) of this Act covering in whole or in part such area, or (B) each areawide comprehensive health planning agency designated pursuant to section 314(b) of this Act, covering in whole or in part such area.

"GRANTS FOR THE PURCHASE OF MOBILE HEALTH UNITS

"SEC. 653. (a) The Secretary shall make grants to qualified public and private nonprofit agencies, organizations, and institutions to assist them in meeting the cost of purchasing mobile health units. In no case shall a grant under this section be equal to more than 75 per centum of the cost of such mobile health units.

"(b) There are authorized to be appropriated to carry out the purposes of this section $10,000,000 for the fiscal year ending June 30, 1976; $15,000,000 for the fiscal year ending June 30, 1977; and $20,000,000 for the fiscal year ending June 30, 1978.

"(c) Funds appropriated by law to carry out the purposes of this section shall be obligated and expended in the manner provided for by law for their intended purposes; and no part of any such funds shall be impounded after the date of enactment of this part, whether by withholding or delaying their obligation or expenditure, by terminating projects, programs, or activities for which they were appropriated, or by taking any other kind of executive action which effectively precludes their obligation or expenditure.

"APPLICATION REQUIREMENT

"SEC. 654. (a) For each project grant made under this section an application shall be submitted to the Secretary for approval in such form and containing such information as he may require. Such application shall set forth as a minimum—

"(1) a detailed description of the services to be provided;

"(2) a detailed description of the manner in which such services will be provided;

"(3) the source of the 25 per centum of the cost of the mobile health units to be provided by the applicant;

"(4) assurances that the personnel needed to properly staff such mobile health units shall be available;

"(5) a guarantee that such mobile units as are acquired in whole or in part with assistance under this part shall not be disposed of in any manner other than prescribed by the Secretary in regulations.

"(b) The Secretary shall not make a grant under this part until he has considered the comments, if any, of the planning agencies established under sections 314(a) or 314(b) covering in whole or in part the area to be served by the applicant.

"PAYMENTS

"SEC. 655. Grants under this part shall be paid in advance or by way of reimbursement in such installments and on such conditions as in the judgment of the Secretary will best carry out the purposes of this part."

INDIAN FARMERS FERTILIZER COOPERATIVE AND THE COOPERATIVE LEAGUE OF THE U.S.A.

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. FRASER. Mr. Speaker, world food shortages concern all of us. And there is no simple solution in sight. But as the following materials illustrate, many dedicated people are trying to do something.

The role of the Cooperative League of the U.S.A. in helping to make possible the construction of the Indian Farmers Fertilizer Cooperative—IFFCO—plant dedicated November 8, 1974, is worth noting. President Stanley Dreyer's November 27, 1974, report to the cooperative league board members and IFFCO Board Chairman Jashvant Mehta's welcoming speech at the dedication of the facility are worth recording in our RECORD. Both show that cooperation is the key ingredient if we are to progress and to solve the urgent problems facing the world.

The report follows:

THE COOPERATIVE LEAGUE
OF THE U.S.A.,
November 27, 1974.

To: Cooperative League Board Members.
Re: Cooperative Contributions to Food Production.

As this letter is written, we are approaching Thanksgiving. Shelby Southard has just returned after representing us at the World Food Conference, and the hard facts of the world food shortages are very much on our minds. At the same time, it is likely that most of us will be having more to eat than we should as we sit down to the Thanksgiving table.

The Cooperative League and other U.S. cooperatives have one impressive joint accomplishment for which they can be grateful this holiday season—the inauguration of the Indian Farmers Fertilizer Cooperative (IFFCO) plant on November 8, officially dedicated by Prime Minister Indira Gandhi.

We have had an office in India for 20 years, as you know, funded in part by the Cooperative League Fund, the Government of India, and more recently assisted by funds from AID. Recognition of our support and warm gratitude for our efforts were extended during the dedication ceremonies for the IFFCO plant by Mr. Mehta, the IFFCO board chairman, and others, including the Minister of State for Civil Supplies and Industry, and the chief executive officer of IFFCO, Mr. Pothen.

You can take humble pride in this event and the appreciation expressed to the Cooperative League for our efforts. Now Indian cooperators will be producing over 800,000 tons of fertilizer per year in their own complex. You can imagine what this $120,000,000 project will mean to the Indian people in an era of shortages. We probably could have made no greater contribution than this to help Indian farmers develop the capacity to help themselves in improving the standard of living of the Indian people.

To me, this inauguration symbolizes one of the Cooperative League's finest hours and demonstrates what cooperation among cooperatives can accomplish. I want you to share the significance of this event and am thus enclosing a copy of Mr. Mehta's remarks during the dedication ceremony, with special references to the Cooperative League and U.S. cooperative marked.

Representing U.S. cooperatives on the platform in these ceremonies were Roy Wiebe, past chairman of Cooperative Fertilizers International; Don Thomas, CFI president, and Rex Wingard, Cooperative League representative in India.

It is my plan to visit the IFFCO plants and our India office in late February on my way to the International Cooperative Alliance executive committee meeings in Tokyo. I will convey your greetings along with those of our organization at that time.

Sincerely,

STANLEY DREYER.

WELCOME SPEECH BY THE IFFCO CHAIRMAN, JASHVANT MEHTA, NOVEMBER 8, 1974

It is my privilege to welcome all of you to this pleasant function. In your distinguished presence the Prime Minister [Mrs. Gandhi] will today dedicate to the farmers of the nation IFFCO's fertiilzer plant located at Kalol. We have today built what Pandit Jawaharlal Nehru called 'a Temple of Technology". I will like to mention certain unique features of this enterprise. Firstly, this is the largest cooperative venture in the country. Secondly, this is the result of coming together of cooperative organizations of two largest democracies in the world, namely, India and U.S. . . . Thirdly, this is perhaps the only large industry owned by the consumers in this country. To those of us who have been associated with the project, this is a day of consumation and pride.

U.S. Cooperatives have established a very strong position in fertilizer manufacture and distribution in that country. The Cooperative League of the U.S.A. made available to us this U.S. experience and offered cooperation between the cooperative movements of U.S.A. and that of India which had already many faceted achievements. The Government of India, the National Cooperative Development Corporation and the National Cooperative Union of India were actively involved in promoting and organizing IFFCO. At the same time Cooperative Fertilizers International was organized in USA by the American Cooperatives to channel their effort at international cooperative assistance. There has been fruitful cooperation between the concerned organizations with the result that the project has been completed successfully. The Plant has been located at Kalol to avail of the natural gas which is the best feedstock for production of Ammonia.

The total complex of IFFCO consists of an Ammonia Plant of 910 tons per day, a Urea Plant of 1200 tons per day at Kalol and an KPK Plant of 1200 tons per day at the Kandla Port. The total capital cost was estimated at Rs.92 crores, out of which Rs.64 crores relate to the plants at Kalol. We have been fortunate to complete the projects very nearly within the estimates. The share capital has been contributed by the Cooperatives and the Government of India. The loan capital has been raised from the Government of India, the Government of USA and Indian financing institutions. The balance foreign exchange requirements were met by credit assistance from the Governments of U.K. and the Netherlands. Thus, this is a venture not only between Cooperatives and the Government of this country but Governments of three foreign countries have also helped. I would particularly emphasize the fact that the Cooperatives of India have contributed over Rs.10 crores as share capital for this project. This is the biggest endeavour by the cooperatives in any single venture in the country. The funds have been raised from about 25,000 cooperative societies ranging from village societies, intermediate societies and state cooperative federations in ten States of the country.

The project has been completed almost within the original time schedule. This is due to unstinted work put in by my colleagues, Managing Director and his team of officers, officers *of CFI*, contractors, both Indian and foreign, and large number of workers. This epitomizes triumph of Indian technology and shows what a proper team work can achieve.

The cooperatives in the country have a large net-work for distribution of fertilizers even in remote areas. The system already distrbiutes more than 50% of the fertilizer consumed in the country. The relative share of the cooperatives in the distribution is bound to increase in the coming years. It was therefore considered necessary that the cooperatives should have their own manufacturing units, thereby assuring them of uninterrupted supplies. IFFCO is the first venture in this direction and the Fifth Five Year Plan envisages expansion of fertilizer production in the Cooperative Sector. As far as IFFCO is concerned, another fertilizer project at Phulpur has been sanctioned. These plants are jointly owned by the Government of India and the Cooperatives, who are the consumers. It has been decided that all the products of these plants, shall be distributed only through the cooperative system. Thus the consumers have been provided the opportunity of ownership as well as management of the manufacturing units. This is an experiment in the right direction . . .

. . . We have amidst us *Mr. Wiebe, the former Chairman of CFI* and representatives of the U.S. Embassy and U.K. High Commission in India. Since their countries are associated with this project, it must be a matter of gratification to them, as it is a pleasure for us, that they are able to witness the function. There are many distinguished guests from abroad and India who have responded to our invitation and are present here to grace the occasion. To all of them I extend most warm welcome.

ON THE STATEMENT OF SENATOR HENRY M. JACKSON ON THE TRADE REFORM ACT OF 1974

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. VANIK. Mr. Speaker, I wish to insert in the RECORD for consideration of this body and the public a comprehensive statement by Senator HENRY M. JACKSON on the events surrounding the announcement by Secretary of State Henry Kissinger that the Soviet Union has decided not to bring into force the 1972 Trade Agreement.

I commend this vital statement to all of my colleagues in this body who have steadfastly stood by their support of the freedom of emigration amendment which became a part of the Trade Reform Act of 1974. I join my distinguished colleague, Senator JACKSON, in my continuing support of the Trade Reform Act and hope that détente can and will be expanded with the Soviet Union through a more rational interpretation of the legislative actions we have taken, in accord with the administration, to allow most favored nations status to be granted to the Soviet Union. We also agree that the problems surrounding limitation of credits to the Soviet Union comprise a principal reason for the

Soviets' decision not to implement their 1972 agreements with our Government. Under present economic circumstances, America is no longer a cornucopia of credit.

It is also our fervent hope that the Soviet Union will not retreat from their stated commitments to allow people seeking to emigrate the right to do so free of harassment, loss of employment or other forms of deterrence. As great powers, we cannot afford the sight of restrictions on the basic right of emigration for reunion of families and other reasons. We are watching and hoping that compassion in emigration policy will increase, despite this temporary setback in trade affairs. There is little reason for the Soviet Union to suspend what its leadership has said many times is in keeping with its own policies. Senator JACKSON's important statement is as follows :

STATEMENT BY SENATOR HENRY M. JACKSON ON SECRETARY KISSINGER'S ANNOUNCEMENT OF JANUARY 14

On January 14, Secretary of State Kissinger informed us that the Soviet Union has decided not to bring into force the 1972 Trade Agreement granting Moscow most-favored-nation treatment by the United States subject to implementing legislation. The Secretary's announcement, which came as a complete surprise to me and to my Congressional colleagues, has given rise to confusion, speculation, and misunderstanding. The time has come to set the record straight.

At the outset, I wish to make my own position clear: to me, genuine detente requires freer movement of people and ideas, and not just of machinery or wheat. I continue to believe that the economic power of the United States should be pressed into the service of human rights, and I continue to believe that the courageous men and women fighting for their freedom in the Soviet Union are worthy of our support. I will not abandon their cause, whether under pressure from the cold-hearted in Moscow, or the faint-hearted in Washington.

TRADE WITH THE SOVIET UNION

I continue to support expanded trade with the Soviet Union, despite its rejection of the 1972 agreement; and ordinary commercial trade—profitable to both sides, and requiring no government subsidies—may well continue to grow. But the fact is that to the Soviets the 1972 Trade Agreement was designed to bring not so much our trade, as our aid—in the form of a huge infusion of American capital at subsidized interest rates. On this we have the authority of Dr. Kissinger in his January 13 Business Week interview:

"The Soviet Union was much more interested in credits than it was in trade because, for the next four or five years, it will have very little to give in reciprocal trade."

The Trade Agreement of 1972 was not, in economic terms, the sort of "mutually beneficial trade relations with the Soviet Union" Secretary Kissinger espoused in his January 14 statement; rather the stream of benefits in that agreement flowed one way only—east to Moscow. Well aware of this, Congress insisted that the imbalance of benefits be redressed—not in economic terms (for there is no real prospect of that), and not in geopolitical terms (where Soviet accommodation has proved wholly elusive), but in terms of movement toward the implementation of Article XIII of the Universal Declaration of Human Rights which provides for free emigration. Despite the Administration's timidity, the judgment of Congress prevailed. By overwhelming margins in both Houses, credits and most-favored-nation treatment were linked to elementary human rights.

INTERNATIONAL LAW AND INTERNAL AFFAIRS

By acceding to the "International Convention on **the Elimination of All Forms of** Racial Discrimination" in 1969, the Soviet Union acknowledged that emigration policy goes beyond the limits implied by the term "internal affairs." Soviet ratification of this convention ended once and for all the pretense that Soviet emigration policy is an improper subject for action by the international community. The 1969 convention specifies that: ". . . Parties undertake to . . . guarantee the right of everyone, without distinction as to race, colour, or national or ethnic origin . . . to leave any country, including his own, and to return to his country." The Jackson amendment, far from being an intrusion into anyone's internal affairs, is one small step along the road to an international community based on law. Had the international community acted in this spirit at other times and places, much of the brutality and suffering that have marked the first three quarters of the twentieth century might have been avoided.

A SHORT HISTORY OF THE JACKSON AMENDMENT

On October 4, 1972, prior to the signing of the 1972 U.S.-Soviet Trade Agreement, more than 70 Senators joined me in introducing what became known as the Jackson-Vanik amendment. In December 1973 the House of Representatives passed this amendment by a vote of 319–80. At that time there were 77 Senators cosponsoring the Jackson amendment in the Senate. Its passage was certain. Nevertheless, in the interest of reconciling the Soviet desire for unconditional American trade concessions and the Congressional view that these concessions should be accompanied by Soviet action in the area of human rights, I, along with Senators Ribicoff and Javits, entered into negotiations with Secretary Kissinger aimed at producing a fair compromise. These negotiations, carried on over a period of nine months, led to agreement on the texts of two letters—one from Secretary Kissinger to me and one from me to Secretary Kissinger. The unique form of these letters, in which Dr. Kissinger conveyed to the Congress assurances that he had received from various Soviet leaders, was developed to accommodate the Soviet Union's refusal to become a party to a government-to-government agreement relating to what they still contended was an internal matter.

THE OCTOBER 18 COMPROMISE

The negotiations that resulted in the exchange of letters of October 18, 1974, were conducted over an extended period with the utmost care. At his press conference on January 14, Secretary Kissinger explained why the negotiations were so protracted:

"The reason the negotiations with the Senators took so long was our concern to make sure that we would communicate nothing that we could not back up. The Soviet Union gave us certain descriptions of their domestic practices, which we attempted to communicate as accurately as we could . . . they [the Soviets] have never disavowed the assurances or the statements in my letter [to Senator Jackson]."

The compromise of October 18 was in essence this: the Administration would convey assurances to the Congress that the rate of emigration from the Soviet Union would increase and that punitive action against individuals seeking to emigrate would cease. In exchange, I agreed to introduce an amendment to the trade bill that would enable the President to waive the credit and MFN restrictions of the Jackson amendment for 18 months with subsequent one-year waivers subject to Congressional approval.

The compromise of October 18 had been negotiated with Secretary Kissinger and approved by President Ford. It was an encouraging example of constructive cooperation between the Congress and the Administration that effectively bridged our philosophical differences on the substantive question of tying trade concessions to human rights. To implement the October 18 compromise the three Senators drafted, along with Administration and Finance Committee representatives, the agreed upon waiver authority. The Senate approved it by a vote of 88–0, and it was adopted by the full Congress with the trade bill on December 20.

Having negotiated the October 18 compromise in good faith, we thus delivered on our half of the bargain: we had authorized the President to extend MFN to the Soviet Union and to permit the Soviets to participate in U.S. government credit programs. The Russians, for their part, were expected to live up to the assurances that Secretary Kissinger had been authorized to convey to the Congress.

THE ASSURANCES ON EMIGRATION

The October 18 compromise thus revolved around the assurances conveyed to Congress. As a result, the Soviet renunciation of the Trade Agreement cannot be understood unless the substance of those assurances, and the attitude of the participants toward the compromise to which they led, is clear. On these issues Secretary Kissinger's testimony before the Senate Finance Committee on December 3 is especially instructive. Asked about the nature of the assurances in his October 18 letter, Secretary Kissinger went beyond what had already been made public:

"I have had many conferences on this subject with Ambassador Dobrynin and conferences with Foreign Minister Gromyko . . . In addition, when President Ford took office he had some conferences in which the statements that I have made here were reconfirmed by the same individuals. Finally, General Secretary Brezhnev has made analogous statements to President Nixon, to myself and recently to President Ford. This is the structure of the assurances that we have."

Senator HARTKE. "Are the assurances then made from Mr. Brezhnev, Mr. Gromyko, and Mr. Dobrynin?"

Secretary KISSINGER. "That is correct."

At the same hearing, urging support for the new proposed waiver amendment, Secretary Kissinger stated:

"I believe a satisfactory compromise was achieved on an unprecedented and extraordinarily sensitive set of issues . . . I believe it is now essential to let the provisions and understandings of the compromise proceed in practice."

Clearly, an arrangement such as the October 18 compromise could only be negotiated on the basis of good faith on the part of all the participants, and continuing good faith was a prerequisite for its successful implementation. Secretary Kissinger and President Ford understood this well. As the Secretary put it on December 3:

"This understanding which is reflected in these letters can operate only on the basis of good faith by all the parties concerned and good will among the Senators and ourselves . . . This is a specific assurance which has been extended on a number of occasions, the violation of which would certainly be one that the Administration would take very seriously. The President, on a number of occasions, has told the three Senators that with respect to what is contained in our letter he believes that he can stand behind it."

As late as December 18, 1974, when the trade bill was under consideration in a House-Senate conference committee and after the Soviet news agency TASS released the text of a secret October 26 letter from Foreign Minister Gromyko to Secretary Kissinger, the State Department formally commented that Mr. Gromyko's letter "does not in our view change the understandings referred to in the Secretary's letter to Senator Jackson of October 18."

GOOD FAITH AND THE SOVIET UNION

I have quoted at length from remarks of the Secretary of State because I am astonished that, in all that has been said about the recent Soviet action, there has been so little recognition of the simple fact that the Soviet Union has unilaterally abrogated a good-faith compromise on which the ink was hardly dry.

Reading the commentaries of the Soviet press one would have thought that there had never been a compromise on October 18, a lapse of memory that recalls George Orwell's famous characterization of the Soviet Union as a country in which "yesterday's weather can be changed by decree." It was a bizarre case of blaming the lender for the borrower's failure to pay his debts. Rather than saying plainly that the Soviets had reneged, the Administration sought to blame the Congress—and then to exploit the Soviet action to inhibit the Congress from playing its Constitutional role in establishing tariffs and regulating credits.

Some commentators have suggested that the October 18 compromise might have worked if it had been kept secret. Not only is this contradicted by the repeated public reaffirmations by the Administration of the October 18 compromise after it had been announced but, more important, it implies that the Congress would have been willing to modify the Jackson amendment on the strength of intimations that there had been a "secret deal" that would justify such action. I could not ask my 534 Congressional colleagues to enact authority for the President to waive the House-passed Jackson-Vanik amendment without a full disclosure of the compromise that justified doing so, nor could Congress have fulfilled its statutory obligation to review the implementation of the compromise after 18 months if it had remained secret. The fact is the Administration fully understood that the compromise could not be a "secret deal."

EMIGRATION, CREDITS, AND THE FUTURE

The $300 million ceiling on loans to the Soviet Union can, under existing law, be increased with Congressional approval. In my judgment, the Congress should not abdicate its responsibility to oversee the disposition of U.S. credits, particularly to the country whose policies require us to spend billions of dollars for defense. Congress cannot forfeit the public's confidence by giving the Administration a multi-billion dollar blank check to subsidize the Soviet economy. On this matter, I would like to commend to my colleagues the excellent statement by Senator Adlai Stevenson on January 21.

In supporting the Jackson-Vanik amendment the Congress has upheld the traditional American commitment to individual liberty. In negotiating the compromise of October 18 and incorporating its provisions with the original Jackson-Vanik language into the Trade Act, the Congress acted both in the hope that our good faith would be rewarded by good faith on the Soviet side, and with the prudence of providing legislative safeguards which deny the affected economic benefits to the Soviet Union in the event of bad faith.

Our determination on these matters is all the more justified by President Ford's January 21 statement that the Administration intends to "work with the Congress to eliminate any of the problems in the trade bill that might have precipitated the action by the Soviet Union." This unfortunate reaction suggests that we should reward an egregious Soviet breach of good faith with increased largesse and a weakening of our insistence that they move toward freer emigration.

I do not believe that the Congress will respond to the disappointing Soviet move by abandoning its commitment to help bring about the freer movement of people and ideas between East and West, and I expect the President and the Secretary of State to stand by their own commitments embodied in the October 18 compromise.

BARNEE BREESKIN

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. FLOOD. Mr. Speaker, many years ago a wise man said "give me the making of the songs of a nation and I care not who makes its laws." Although this statement was made more than 200 years ago, the truth of it was brought home here recently, when Senator Hubert H. Humphrey, Democrat of Minnesota, spoke at the dinner given by James W. Ballard, vice president of the Shoreham American Hotel in Washington, D.C. for Barnee Breeskin, writer of the well-known song, "Hail to the Redskins."

The dining room was filled with people from all walks of life, but mainly lawmakers, Members of Congress from both houses and both sides of the aisles. I was privileged to be there with my wife and to be seated with the honored guest, Barnee Breeskin. It was a gala and nostalgic evening, and it proved to a great extent the gentleman's observations about writing songs and writing laws.

In addition to Senator and Mrs. Humphrey, other Members present were: House Majority Leader Thomas O'Neill, House Minority Leader John Rhodes, Representative Corinne (Lindy) Boggs, Senator Carl Curtis, Margaret Truman Daniel, and her husband; Argentine Ambassador Orfila, Redskin Coach George Allen, and many others of similar official and unofficial standing.

The tributes expressed that evening to Mr. Breeskin were best summed up by Hon. Donald S. Dawson, executive vice president of the P. T. Barnum Tent of Circus Saints and Sinners, and Senator Humphrey. Excerpts from their remarks follows:

Remarks of Donald S. Dawson

I am very happy to be in this distinguished company, as the representative of Circus Saints & Sinners, where Barnee is Ringmaster of the Big Top, paying tribute to him, not only because I am a card-carrying saint and sinner;

But also as one who came to Washington a long time ago—April 27, 1933 to be exact—and danced in the Blue Room to Barnee's music every Saturday night and every New Years' Eve.

What a great part of the good life of Washington, Barnee has been through the years—and more importantly, what a great part he is going to play in the future good life of Washington, for I have found him to be a man of unlimited capacity for doing good—unselfishly.

Circus Saints and Sinners is a charitable organization, which also believes in having a good time in the atmosphere of the circus, while it is doing good for others. This is our thing.

As our President, Barnee is a real force in our life—a real force in the life of Washington.

When we picked him, we knew he was a sinner—a good sinner—you have to be good to stay at the top around Washington as long as he has.

We took a chance on his being a saint—because we couldn't find anyone else who would qualify.

Cracking the whip and blowing the whistle in the center ring, he has brought fun and good fellowship to us in programs with a list of stellar attractions that cannot be excelled.

I have found he knows more wonderful people who love him and are willing to do anything for him—who else could come up with Bill Simon, Henry Kissinger, Art Buchwald, the Chairman of both national political parties on the same bill—Tip O'Neill, John Rhodes and on, and on as fall guys,—to be roasted alive in public—and like it.

With an all-star cast of Louse biographers—Barry Goldwater, Charlie Wakker, Mark Russell, Liz Carpenter, who also love Barnee.

All for the benefit of charity to make life better for thousands of others—to give happiness, to give health, and to give hope.

Yes, Barnee not only has his pitchfork as a sinner—and uses it well, but he has won his wings as a saint, and has an ironclad contract for the run of the show.

Remarks by Senator Hubert H. Humphrey

Some people have been generous enough to suggest that I am not often at a loss for words. Others have suggested that such a loss might have certain beneficial effects.

Be that as it may, to do justice to the long and richly varied career of Barnee Breeskin is to tax the powers of a Cicero.

To do so is to return to a simpler and more gracious time—the age of the great theaters and the great hotels.

We live in an era in which rock groups with names like Big Fat and the Pork Barrel are national idols for six months before they disappear into oblivion. But Barnee conducted the orchestra in the Blue Room for 25 years.

By any standard, this is a superlative record, and a testament to Barnee's excellent music and warm personal appeal. But there were other testaments to that charm, too.

Perhaps the most notable occurred one night in 1943, when a promising young opera singer named Dolores DiMinni came to sing in the Blue Room. She struck a melodious chord in the heart of the conductor, and she and Barnee were married two years later.

Mr. Justice Frank Murphy wrote them, regretting that Supreme Court Justices could not perform weddings, since they had only appellate jurisdiction. "In your case," Justice Murphy said, "I am sure you will not need any court of appeal this side of heaven." That sentiment proved prophetic, and is still true thirty years later.

During their years together, Barnee and Dolores had two sons, both of whom are here tonight.

David, the oldest, is assistant manager of Ferguson's piano store in Wheaton, Maryland, and an accomplished pianist in his own right. Steven's talents run more to the area of high finance. He's a claims adjuster for All-State Insurance.

But before either David or Steven were born, Barnee had given birth to a far different sort of progeny when he wrote "Hail to the Redskins" in 1938, the year the team moved here from Boston. In fact, history has it that Barnee and Dolores had to adjust their marriage plans in order to attend a Redskins game.

They were married on Saturday, October 7th. But Barnee had to lead the band at the Redskins game the next day—thus creating the first football widow in American history.

This second love affair would last for fourteen years, during which Barnee served as the official entertainment director for Redskins owner George Preston Marshall until 1954.

Meantime, Barnee's career at the Shoreham continued, and he played the favorite songs of Presidents and Congressmen—or what passed for their favorite songs. Harry Truman, for example, did not particularly like the "Missouri Waltz," but he was stuck with it. Then—Senator Lyndon Johnson, however, enjoyed basking in "The Eyes of Texas Are Upon You." And whether Texas was watching or not, the Shoreham was.

It was watching so carefully, in fact, that in 1951 a group of Senators and other gentlemen of the night decided to give Barnee a party on his twenty-first anniversary at the hotel. He was presented with two pictures of Presidents: an autographed portrait of Harry Truman, and the engraved portrait of Grover Cleveland—on a $1,000 bill.

So widespread and respected was Barnee's reputation, that the entire party, including guest list, was reported in the Congressional Record.

In late April 1957, Barnee received an unprecedented honor.

No President had ever asked a local musician to entertain at the White House. But when President and Mrs. Eisenhower held a state dinner to honor Speaker of the House Sam Rayburn, Barnee was asked to play.

Not only was this unprecedented, it was amazingly bi-partisan. It was common knowledge that Barnee used to play piano duets with President Truman, and had performed for all of Mr. Truman's birthday parties.

But Ike invited him anyway, and the evening was a great success, even for Mr. Sam, whose ear for music was not perhaps as keen as it might have been. The Speaker of the House grudgingly conceded that he had enjoyed the performance because, as he said, Barnee gave no encores."

OIL IMPORT TAX

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. MURPHY of New York. Mr. Speaker, regarding the vote soon to be taken on the resolution concerning President Ford's oil import tax, I would insert at this point in the RECORD, statements that offer positive alternatives to the negative and unfair taxation approach of the administration.

Because of his world renown, I ask for and received the counsel of Hans Bethe, professor of theoretical physics and a member of the Laboratory of Nuclear Studies at Cornell University, N.Y., concerning our energy crisis.

Dr. Bethe stressed three goals of "greatest urgency." These goals are: First, doubling coal production in 10 years; second, cutting the redtape slowing nuclear-electric stations; and third, underwriting crash programs for synthetic gas from coal, and oil from shale.

Dr. Bethe waves no magic wands, but he leaves no doubt that such efforts will be rewarding in a few years and that conservation is a necessary interim must.

I am most persuaded by the views of this famous scientist whose efforts on behalf of mankind have earned the Nobel Prize in physics, 1967, the AEC's Enrico Fermi Award, 1961, the Max Planck Medal, 1953, and the Presidential Medal of Merit, 1946.

Because of my own abhorrence of punative taxation and rationing, I am especially grateful for Dr. Bethe's positive prescription for increasing energy resources the American way. I include pertinent parts of Dr. Bethe's communication of January 2, 1975:

CORNELL UNIVERSITY,
Ithaca, N.Y., January 2, 1975.

Hon. JOHN M. MURPHY,
House Office Building,
Washington, D.C.

MY DEAR MR. MURPHY: Thank you very much for your letter dated December 19. Indeed, Congress has a great opportunity here, and much work has to be done.

As far as legislation is concerned, I see the greatest urgency in three areas:

1. Increased coal production. We must at least double coal production in the next 10 years, even if we anticipate only a very modest increase in energy consumption. To accomplish this, strip mining is unavoidable, and most of it must be done in the Western states. If underground mining were to be used, we could not possibly find and train enough miners to accomplish the job.

It is therefore necessary to devise a law which (a) permits and, in fact, encourages strip mining in the Western states and (b) has provisions to restore the strip-mined land to agriculture, pastureland, etc. It is essential that the coal mining companies be forced to pay for the rehabilitation, and that the money for this be put in escrow while the mining goes on. It does not seem necessary to me to restore the original contours of the land, except if this is essential for proper drainage.

It is essential that procedures for leasing Federal coal lands be streamlined, and that such leasing start immediately.

2. On nuclear energy, procedures for siting energy facilities, in the nuclear case mostly power plants, must be streamlined. One of the worst features of the present procedure is that every new power plant involves protracted hearings with intervenors. As you probably know, Ralph Nader has founded a group called "National Intervenors" who are devoted to blocking each nuclear power plant individually. Would it be possible to pass a law that objections against a given type of reactor can be raised only once, at a general, nationwide procedure? If a reactor of this type is then to be placed in a given site, objections can only be raised on the grounds of specific features of the site, such as close proximity to a major population center, or exceptional scenic beauty. Objections to the reactor as such would be out of order.

A second important piece of legislation would be the extension of the Price-Anderson Act, if possible with some improvements. As you know, the probability of a nuclear accident is very small, as shown in detail in the AEC Report WASH-1400 by Professor Rasmussen and collaborators. According to this report, once we have 100 operating nuclear plants, there is a chance that once in 2000 years an accident occurs which causes material damage in excess of one billion dollars. (The danger to life, on the other hand, is very small; the same type of accident is estimated to cause about 10 fatalities.) A damage potential of a billion dollars or more presents difficulties for the private insurance industry, even if the probability is very small. Therefore, the Price-Anderson bill provides Federal insurance against nuclear accidents, but it is scheduled to expire very soon. Perhaps the Federal government could insure against damage above 1 billion dollars if such ever occurs in a nuclear accident. Lesser damage would be covered by private insurers. The risk for the government would be small; with a chance of 1 in 2000 years, the annual risk would be only 500,000 dollars.

Most important, though not calling for specific legislation, is to resist attempts to curtail the further use and development of nuclear power. In a time of energy emergency we simply cannot afford such curtailment.

3. Synthetic gas and oil. The Federal government should underwrite crash programs on demonstration plants for synthetic gas from coal, and oil from shale. The technology for such plants is in hand, so that this is not a problem of research and development. But major investment is required to get demonstration plants built. In the case of gas from coal, the only action that may be necessary is to induce the Federal Power Commission to promise to accept synthetic gas into pipelines at the usual condition of "fair return on the investment". If such fair return could be guaranteed, I understand there are several industrial combines which would be willing to put up synthetic gas plants.

Many thanks for your interest.

Yours sincerely,

HANS A. BETHE.

I should also ask consideration of recommendations by a top panel of scientists, including 11 blessed by the Nobel Prize, who recently came out strongly for peaceful nuclear energy to save oil and money and lives.

What they concluded should be meaningful to most Americans:

On any scale the benefits of a clean, inexpensive, and inexhaustible domestic fuel far outweigh the possible risks.

We can see no reasonable alternative to an increased use of nuclear power to satisfy our energy needs.

It is fair to say that the bad news travels fast and that outrage, violence and innuendo make for better show business than the reasoned arguments of competent authorities.

For whatever reason, the pronuclear scientists did not receive much coverage over the airwaves or in the printed press.

For that reason, and because Congress should not be denied their side, I include the scientists' statement with my remarks:

SCIENTISTS' STATEMENT ON ENERGY POLICY

WASHINGTON, D.C., January 16.—We, as scientists and citizens of the United States, believe that the Republic is in the most serious situation since World War II. Today's energy crisis is not a matter of just a few years but of decades. It is the new and predominant fact of life in industrialized societies.

The high price of oil which we must now import in order to keep Americans at their jobs threatens our economic structure—indeed, that of the Western World. Energy is the lifeblood of all modern societies and they are currently held hostage by a price structure that they are powerless to influence.

In the next three to five years conservation is essentially the only energy option. We can and we must use energy and existing sources more intelligently. But there must also be long range realistic plans and we deplore the fact that they are developing so slowly. We also deplore the fact that the public is given unrealistic assurances that there are easy solutions. There are many interesting proposals for alternative energy sources which deserve vigorous research effort, but none of them is likely to contribute significantly to our energy supply in this century.

Conservation, while urgently necessary and highly desirable, also has its price. One man's conservation may be another man's loss of job. Conservation, the first time around, can trim off fat, but the second time will cut deeply.

When we search for domestic energy sources to substitute for imported oil, we must look at the whole picture. If we look at each possible energy source separately, we can easily find fault with each of them, and rule out each one. Clearly, this would mean the end of our civilization as we know it.

Our domestic oil reserves are running down and the deficit can only partially be replaced by the new sources in Alaska; we must, in addition, permit off-shore exploration. Natural gas is in a similar critical condition; in the last seven years new discoveries have run far below our level of gas consumption. Only with strong measures could we hope to reverse this trend.

We shall have to make much greater use of solid fuels. Here coal and uranium are the most important options. This represents a profound change in the character of the American fuel economy. The nation has truly great reserves of these solid fuels in the earth. Our economically recoverable coal reserves are estimated to be 250 billion tons and exceed the energy of the world's total oil reserves. Our known uranium ores potentially equal the energy of 6,000 billion tons of coal; lower grade ore promises even more abundance.

The U.S. choice is not coal *or* uranium; we need both. Coal is irreplaceable as the basis of new synthetic fuels to replace oil and natural gas.

However, we see the primary use of solid fuels, especially of uranium, as a source of electricity. Uranium power, the culmination of basic discoveries in physics, is an engineered reality generating electricity today. Nuclear power has its critics, but we believe they lack perspective as to the feasibility of non-nuclear power sources and the gravity of the fuel crisis.

All energy release involve risks and nuclear power is certainly no exception. The safety of civilian nuclear power has been under public surveillance without parallel in the history of technology. As in any new technology there is a learning period. Contrary to the scare publicity given to some mistakes that have occurred, no appreciable amount of radioactive material has escaped from any commercial U.S. power reactor. We have confidence that technical ingenuity and care in operation can continue to improve the safety in all phases of the nuclear power program, including the difficult areas of transportation and nuclear waste disposal. The separation of the Atomic Energy Commission into the Energy Research and Development Administration and the Nuclear Regulatory Commission provides added reassurance for realistic management of potential risks and benefits. On any scale the benefits of a clean, inexpensive, and inexhaustible domestic fuel far outweigh the possible risks.

We can see no reasonable alternative to an increased use of nuclear power to satisfy our energy needs.

Many of us have worked for a long time on energy problems and therefore we feel the responsibility to speak out. The energy famine that threatens will require many sacrifices on the part of the American people, but these will be reduced if we marshall the huge scientific and technical resources of our country to improve the use of known energy sources.

Signed by:

Hans Bethe[1]—Organizing Chairman; Cornell University Laboratory of Nuclear Studies.

Luis Alvarez[1]—Lawrence Radiation Laboratory, Berkeley, Calif.

Peter Auer—Laboratory of Plasma Studies, Cornell University.

William O. Baker—President, Bell Telephone Laboratories.

John Bardeen[1]—Department of Physics, University of Illinois.

Robert F. Bacher—Department of Physics, California Institute of Technology.

Felix Bloch[1]—Department of Physics, Stanford University.

Norris E. Bradbury—Former Director, Los Alamos Scientific Laboratory.

Harold Brown—President, California Institute of Technology.

Footnotes at end of article.

Richard H. Chamberlain—Chairman, Department of Radiology, University of Pennsylvania.

Cyril L. Comar—Chairman, Department of Physical Biology, Cornell University.

Arthur Kantrowitz—AVCO-Everett Research Laboratory.

Ralph E. Lapp—Energy Consultant, Alexandria, Va.

Joshua Lederberg[3]—Department of Genetics, Stanford University.

Willard F. Libby[2]—Department of Chemistry, University of California, Los Angeles.

Franklin A. Long—Center for Science, Technology and Society, Cornell University.

Edwin M. McMillan[2]—Director, Lawrence Radiation Laboratory, Berkeley, Calif.

Kenneth S. Pitzer—Dept. of Chemistry, University of Calif., Berkeley, Calif.

Edward M. Purcell[1]—Dept. of Physics, Harvard University.

I. I. Rabi[1]—Professor of Physics, Emeritus, Columbia University.

Norman Rasmussen—Dept. of Nuclear Engineering, Mass. Institute of Technology.

Roger Revelle—Director, Harvard Center for Population Studies.

Glenn T. Seaborg[2]—Associate Director, Lawrence Berkeley Laboratories.

Fredrick Seitz—President, Rockefeller University.

Edward Teller—Lawrence Livermore Laboratory, Livermore, Calif.

James A. Van Allen—Chairman, Dept. of Physics, University of Iowa.

Warren Weaver—Mathematician, New Milford, Conn.

Alvin Weinberg—Former Director, Oak Ridge National Laboratory.

Victor F. Weisskopf—Department of Physics, Mass. Institute of Technology.

Edward Wenk, Jr.—Director, Program in Social Management Tech., U. of Washington.

Eugene Wigner[1]—Professor of Theoretical Physics, Princeton University.

Richard Wilson—Department of Physics, Harvard University.

TAX REFORM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. LEHMAN. Mr. Speaker, a tax cut this year would provide some relief for our troubled economy and could help ease the pressures so many of our citizens are now experiencing. The danger, however, lies in the fact that in our rush to enact a basically one-shot tax cut, as proposed by the President, we may well achieve only limited and short term success. Our tax system mandates the necessary legislation to overhaul and correct existing inequities in the entire system.

Mr. Speaker, people are more willing to pay their share of the tax burden if it is evenly applied. Equality of the tax load does not exist under our present tax structure. As a result of shelters and other legal loopholes, some pay relatively little tax in proportion to their income. Large corporations can not claim a major share of the tax bite. Thirty years ago, corporations paid nearly $4.8 billion to the Federal Government. Individual income taxes amounted to over $8 billion in Government revenues. The IRS Commissioner's report for fiscal year 1973 gives this breakdown of Federal tax collected.

Of the $237 billion collected—corporations paid $39 billion, while individual and employment taxes accounted for $177 billion. Personal income taxes were nearly 75 percent of the total Federal revenues collected in fiscal year 1973. Corporations paid little more than 15 percent of the entire taxload. The multinational oil companies, whose tax base is significantly diminished because of the existence of the oil depletion allowance and the foreign tax credit writeoff greatly contribute to this disproportionate taxload.

I believe it is now time for Congress to expand and embrace a more comprehensive and far-reaching tax reform package—a substantive but fair revision of our present taxing laws that will include such provisions as:

First, a review and possibly a readjustment of the social security tax laws. The current application of these laws hits low- and middle-income families the hardest;

Second, the provision of tax credits for home; condominium improvements, especially those which promote energy conservation such as solar energy equipment and insulation;

Third, the provision of tax allowances for child care services for working parents, A nonworking adult does not generate a single tax dollar for the Government; and

Fourth, retirement and income credit updating for Federal and public employees who do not have social security exemptions.

Mr. Speaker, taxes are never easy. No matter what, taxes will have to be paid by someone. Our aim must be to make our tax burden more fair and just.

EMERGENCY HOMEOWNERS' RELIEF ACT SPONSORED BY 85 MEMBERS

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mr. ASHLEY. Mr. Speaker, on January 14 I introduced H.R. 34, the Emergency Homeowners' Relief Act, designed to establish a temporary program of Federal assistance with mortgage payments for homeowners faced with foreclosure because they have lost their jobs or a significant part of their income during the current economic slump. This legislation is among the emergency housing proposals in the Democratic action program, and I am pleased to reintroduce it today with 84 of my colleagues as cosponsors.

As unemployment continues to climb, the number of seriously delinquent housing loans is at a near record rate and rising, and it is estimated that as many as half a million families could be facing the loss of their homes by mid-year without some form of relief.

We have created an emergency public

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[1] Nobel Prize in Physics.

[2] Nobel Prize in Chemistry.

[3] Nobel Prize in Physiology and Medicine.

service jobs program and approved extended unemployment benefits to help those Americans most seriously hit by loss of income as the economy declines. The largest financial obligation borne by many of these individuals is their monthly mortgage payment, a bill which increasing numbers of homeowners are finding it difficult to pay without a full-time job. The legislation I am sponsoring is designed to protect these people's hard-earned equity until the economy recovers and the jobless return to work.

The Emergency Homeowners' Relief Act authorizes and directs the Secretary of Housing and Urban Development to defray mortgage payments for such distressed homeowners until they are able to reassume their own obligations. These are to be regarded as repayable loans, and the Secretary will be responsible for determining which homeowners are threatened with foreclosure and have reasonable prospects of eventually reimbursing the Government for all financial assistance received. The Secretary is empowered to establish a revolving fund for purposes of carrying out this act, and he is also given responsibility to set terms of repayment of the loans. The maximum duration for relief payments for one family is 2 years.

Mr. Speaker, I believe that it is incumbent upon the Federal Government to create this kind of temporary program to ease the threat to the principal financial investment of many thousands of American families. With unemployment rising, industrial production declining, and most other economic indicators depressed at this time, the country can ill afford a sharp upswing in mortgage foreclosures.

The Emergency Homeowners' Relief Act is a necessary and timely response to the threat of dislocation and tragedy for unknown numbers of American households in the months ahead. For those individuals who have already fallen behind with their monthly mortgage payments, help may come too late if we do not act now. I intend to press for early action on this measure, and I am gratified to have the support of so many of my colleagues in this endeavor.

Members joining me in sponsoring this legislation are Ms. Abzug, Mr. Addabbo, Mr. Ambro, Mr. Annunzio, Mr. Badillo, Mr. Biaggi, Mrs. Boggs, Mr. Bowen, Mr. Brademas, Mr. Brodhead, Mr. Brown of California, Mr. Carney, Mr. Carr, Mr. Carter, Mrs. Chisholm, Mr. Clay, Mrs. Collins, Mr. Conyers, Mr. Diggs, Mr. Drinan, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Eilberg, Mr. Fauntroy, Mr. Flood, Mr. Ford of Tennessee, Mr. Fraser, Mr. Fulton, Mr. Fuqua, Mr. Gaydos, Mr. Gonzalez, Mr. Hays of Ohio, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Ms. Holtzman, Mr. Jenrette, Mr. Jones of North Carolina, Mrs. Jordan, Mr. Karth, Mr. LaFalce, Mr. Lehman, Mr. Levitas, Mr. Maguire, Mr. Mathis, Mr. Metcalfe, Mr. Mezvinsky, Mr. Mineta, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of California, Mr. Moorhead of Pennsylvania, Mr. Murphy of New York, Mr. Neal, Mr. Nedzi, Mr. Nichols, Mr. Nix, Mr. O'Hara, Mr. Patman, Mr. Rees, Mr. Riegle, Mr. Risenhoover, Mr. Rosenthal, Mr. Roybal, Mr. Ryan, Mr. St Germain, Mr. Seiberling, Mr. Simon, Mr. Sisk, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stephens, Mr. Stokes, Mr. Stratton, Mr. Studds, Mrs. Sullivan, Mr. Thompson, Mr. Traxler, Mr. Vander Veen, Mr. Vigorito, Mr. Wilson of California, and Mr. Wright.

RAPE PREVENTION AND CONTROL ACT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 31, 1975

Mrs. BURKE of California. Mr. Speaker, rape is one of this Nation's fastest growing and least understood crimes. According to the 1973 Uniform Crime Report released by the FBI in August 1974 over 51,000 women were the victims of rape. This represents a 9 percent increase over 1972. The skyrocketing incidence of reported rapes, the inadequacy of current rape laws, the indignities often experienced by rape victims, and the low rate of rape convictions all point to the need for a national rape prevention effort.

In the 93d Congress I introduced legislation to establish the National Center for the Prevention and Control of Rape. This special center, to be located within the National Institute of Mental Health, would be responsible for financing and conducting research and demonstration programs into the causes, consequences, prevention, treatment, and control of rape. It would focus national attention on the growing threat of rape in the life of every American woman. Moreover, the National Center, in conjunction with the Justice Department, would study the rape laws themselves as well as the procedures surrounding the enforcement of those laws with the goals of determining the reasons for the low rate of rape conviction and drafting a model rape law.

The provisions of the Rape Prevention and Control Act were included as title VIII of the Health Revenue Sharing and Health Services Act, which passed both the House and the Senate in late 1974. The bill was, however, pocket vetoed by President Ford while Congress was adjourned.

I am reintroducing this legislation today with the hope that Congress will again take positive action and enact this bill into law this session. This legislation will help our Nation move toward a more responsible, more human system for dealing with rape victims and a more effective law for dealing with the perpetrators of this crime. It would help us move toward adequately protecting women's rights to physical security, to peace of mind, and to move about as freely as men.

The text of the Rape Prevention and Control Act follows:

H.R. 2303

A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rape Prevention and Control Act".

NATIONAL CENTER FOR CONTROL AND PREVENTION OF RAPE

Sec. 2. Section 11 of the National Mental Health Act (63 Stat. 421) is amended by inserting the subsection designation "(a)" immediately before the first sentence and by adding at the end thereof the following new subsections:

"(b) (1) The Secretary of Health, Education, and Welfare (hereinafter referred to as the 'Secretary') shall establish within the National Institute of Mental Health a center to be known as the National Center for the Control and Prevention of Rape (hereinafter referred to as the 'Center').

"(2) The Secretary, acting through the Center, shall conduct a continuing study and investigation of—

"(A) the effectiveness of existing Federal, State, and local laws dealing with rape;

"(B) the relationship, if any, between traditional legal and social attitudes toward sexual roles, the act of rape, and the formulation of laws dealing with rape;

"(C) the treatment of the victims of rape by law enforcement agencies, hospitals, or other medical institutions, prosecutors, and the courts;

"(D) the causes of rape, identifying to the degree possible—

"(i) social conditions which encourage sexual attacks;

"(ii) motivations of offenders, and

"(iii) the impact of the offense on the victim and the families of the victim;

"(E) sexual assaults in correctional institutions;

"(C) the treatment of the victims of rape as compared to the reported cases and the reasons therefor; and

"(G) the effectiveness of existing private, and local and State government, education and counseling programs designed to prevent and control rape.

"(c) It shall be the duty of the Center to—

"(1) compile, analyze, and publish and annually submit, through the Secretary, to Congress a summary of the continuing study conducted under subsection (b) and the research and demonstration projects conducted under section 3 with recommendations where appropriate;

"(2) develop and maintain an information clearinghouse with regard to—

"(A) the prevention and control of rape;

"(B) the treatment and counseling of the victims of rape and their families; and

"(C) the rehabilitation of offenders;

"(3) compile and publish training materials for personnel who are engaged or intend to engage in programs designed to prevent and control rape.

"(d) For the purposes of carrying out the provisions of subsections (b) and (c) of this section there are authorized to be appropriated such sums as may be necessary.

"(e) Funds available to any department or agency of the Government for research and development for the prevention and control of rape shall be available for transfer with the approval of the head of the department or agency involved, in whole or in part, to the Center for such use as is consistent for the purposes for which such funds were provided, and funds so transferred shall be expendable by the Center for the purposes for which the transfer was made.

"(f) For the purpose of this section and section 281 of the Community Mental Health Centers Act 'rape' shall include forcible, statutory, and attempted rape, homosexual assaults, and other criminal sexual assaults.".

RESEARCH AND DEMONSTRATION PROJECTS

SEC. 3. The Community Mental Health Centers Act (42 U.S.C. 2681) is amended by adding at the end thereof the following new part:

"PART G—RAPE PREVENTION

"SEC. 281. (a) The Secretary, through the National Center for the Control and Prevention of Rape, shall make grants to community mental health centers, nonprofit private organizations, and public agencies (determined by the Secretary to be qualified), for the purpose of conducting research and demonstration projects concerning the control and prevention of rape.

"(b) Projects funded under subsection (a) shall include but not be limited to—

"(1) alternative methods of planning, developing, implementing, and evaluating programs used in the prevention and control of rape, the treatment and counseling of victims of rape and their families, and the rehabilitation of offenders;

"(2) application of methods developed under paragraph (1).

"(c) There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary.

"ADVISORY COMMITTEE

"SEC. 282. (a) The Secretary shall establish an advisory committee to advise, consult with, and make recommendations to him on matters relating to rape prevention and control.

"(b) The provisions relating to the composition, terms of office, and reappointment of members of the advisory councils under section 432(a) of the Public Health Service Act shall be applicable to the committee established under this section, except that the Secretary may include on such committee such additional ex officio members as he deems necessary."

SENATE—*Monday, February 3, 1975*

The Senate met at 12 o'clock meridian and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord of all life, God of our creation and redemption, grant unto us a full measure of Thy grace as we undertake the tasks of a new week. Undergird each of us who labor in the Halls of Government that we may be men and women "for others," ever mindful of Him who worked with saw and hammer, who taught and healed, who took the towel and wiped His disciples' feet, forever showing us the way of humility and service. In tasks great and small may we live in the spirit of His example certain that whoever "is greatest among you shall be your servant." So serving may we lift the life of the Nation and do all things to Thy glory.

We pray in the Redeemer's name. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, January 30, 1975, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VII, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. ROBERT C. BYRD. Mr. President, Mr. MANSFIELD will be officially absent today. Therefore, I ask unanimous consent, in accordance with rule V of the Standing Rules of the Senate, that the distinguished majority leader be granted a leave of absence during the session today.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 noon tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

(Subsequently this order was modified to adjourn until 12 noon on Wednesday.)

PRIVILEGE OF THE FLOOR

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from California, out of the time allotted to the majority leader or his designee.

Mr. CRANSTON. I thank the Senator.

Mr. President, I ask unanimous consent that Robert Barnett, of Senator MONDALE's staff, and Roy Greenaway and Murray Flander, of my staff, may have the privilege of the floor during today's session of the Senate.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object——

Mr. CRANSTON. I am asking this permission for any time during which anything might occur with respect to rule XXII, which I interpret as meaning any time the Senate is in session—any time that measure is before the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time under the order.

The VICE PRESIDENT. Does the acting minority leader seek recognition?

Mr. DOMENICI. I do not, at this time, Mr. President.

The VICE PRESIDENT. Pursuant to the previous order, the Senator from Maryland is recognized for not to exceed 15 minutes.

FORCED BUSING OF SCHOOLCHILDREN

Mr. BEALL. Mr. President, last year Congress on a number of occasions debated the busing issue, and undoubtedly this issue will again be before the Congress this year.

Unfortunately, the debates on the issue thus far have produced a considerable amount of heat, but very little light.

The ugly headlines coming from Boston almost daily remind us of the strong opposition that our citizens have to forced busing used to achieve racial balances and demonstrate the disruption that such busing can have on educational systems and local communities. Violence, rock throwing, school closings, and the image of students passing through metal detectors before being admitted to their class are chilling images and sobering events.

While Boston represents an extreme reaction, and all of us certainly condemn the violence that has occurred there, strong opposition, without the violence or violence to that extent, has been, in general, the rule across this country. It is high time that we stop, ask, and find out, "Is busing worth the price we are paying?" For example, the Boston busing, in my judgment, makes no sense from an educational standpoint.

Based on an article I recall from the Washington Post, it would appear that what is occurring in Boston is that students from blue-collar white neighborhoods are being bused to blue-collar black communities and vice versa. There is no educational basis to expect an increase in educational achievements in either the minority or majority students. And, although I have not seen actual studies on the matter, it is my feeling that the busing of children from approximately the same socioeconomic groups is what has, in general, been the case throughout the country. This is because of housing patterns and the understandable desire on the part of those involved to minimize the amount of busing.

But, educationally, this is not what the "Coleman Report" suggested might bring about an improved education for minority students. Dr. Coleman was reported in an April 9, 1972, New York Times article as feeling that his research results were being misused to support school desegregation orders. I ask unanimous consent that this article may be printed in the RECORD following my remarks.

The VICE PRESIDENT. Without objection it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, it has been two decades since the Supreme Court issued its decision in Brown against Board of Education. This landmark decision overturned the "separate but equal" doctrine and thus ended the dual education system which permitted black children to be bused past their neighborhood schools and forced to attend segregated schools.

I believe this decision was, and is still supported by the vast majority of our citizens. On the other hand, most of the public believes that it is equally wrong to bus their children past their neighborhood schools to another school in order to achieve racial balances. The public believes in the local schools, and indeed, the 93d Congress in the Education Amendments of 1974 included provisions to promote the community school concept. Yet, busing orders undermine the neighborhood and community school concepts by requiring students to attend schools outside of their communities.

Mr. President, polls have repeatedly and consistently demonstrated public opposition to forced busing. The black community is almost evenly divided on the busing issue. For example, the latest Gallup Poll taken for the November 1974 issue of "Phi Delta Kappan," found that 76 percent of the Nation's voters opposed busing and only 18 percent favored.

Similarly, a poll taken on the merit scholars, these are the Nation's outstanding high school juniors, indicated that these students share the adult community's opposition to busing. In response to the question: "Do you favor busing of children to achieve integrated school system?", 68 percent said no; 26 percent replied in the affirmative. It is interesting to note that in response to the question: "Would you move into an integrated neighborhood?", 90 percent replied in the affirmative and only 7 percent responded in the negative.

Again, a Gallup Poll as reported in the September 9, 1973 New York Times indicated that although the majority of our citizens favor school integration, very few believe that busing is the best way to achieve that goal. Only 5 percent of our citizens, 9 percent of the blacks, and 4 percent of the whites, see busing as the best alternative to achieve such integration. I ask unanimous consent that these polls be printed at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BEALL. Mr. President, Mr. William Raspberry, Washington Post columnist, in his column of January 6, 1975, discussed black parents' reaction to busing saying:

> Talk to black parents in Boston and wherever busing suits have been brought, and they will tell you that their concern is not so much racial integration but, better education for their children—a fair allocation of the school system's resources and services.

Also, as reported in the Outlook section of the Washington Post of May 12, 1974, "Key Assumptions of Desegregation (are) Under Challenge," Mr. William Chapman, a member of the national staff of the Washington Post, and the author of the article, observed with respect to the Brown decision:

> It was based on the sociologists' theory that seeing himself segregated, the black child also saw himself as inadequate. From that flowed the conviction that his self-esteem and aspiration about life would improve when seated beside whites in the classroom.

Chapman further commented:

> Insofar as that is measurable—and many schools contend it is not—the reverse seems to be true. Almost every experiment has shown that the self-esteem of the black child in an integrated school is lower than that of one in a segregated one.

Mr. William Raspberry in his May 1974 Washington Post column makes the same argument:

> But the intractable big-city educational problem is how to educate the children of the slums. And whatever else happens to these children when they are bussed "en masse" to middle-class white schools, ego enhancement is not a part of it. More likely, they will have their self-doubts confirmed.

Mr. Morris Rosenberg of the National Institute of Mental Health, is quoted in the Chapman article as feeling that the racial concept of self-esteem has been misrepresented saying,

> Basically, black kids don't have low self-esteem—this surprises a lot of people, it destroys a lot of perceptions.

Mr. President, I ask unanimous consent that this Washington Post article be printed following my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 3.)

Mr. BEALL. Mr. President, the overwhelming public opposition as reflected in the polls, when added to the evidence showing little, if any educational gains, may indicate that the public, as is often the case, is ahead of the policymakers on this controversial issue.

While some contend that the opposition to busing stems from racial prejudice, I do not accept that view. While undoubtedly some who oppose busing harbor racial prejudices, I believe that this is not the case for the vast majority of the American people. To illustrate this point, I was told of a recent situation that occurred in Montgomery County, Md., when public hearings were held regarding a proposal that would bus students from the upper part of the county, which is experiencing considerable growth, to the lower part of the county, where as a result of decreases in enrollment, classroom space may be available, rather than construct new schools in the upper part of the county. The busing, in this instance, had nothing to do with attempts to achieve a racial balance but dealt with an effort by school administrators to redistribute students to obtain a better utilization of school facilities. Testimony from citizens was overwhelmingly opposed to busing students to the lower part of the county and in favor of neighborhood schools near their residential communities. An article which appeared in the Public Opinion Quarterly entitled, "Politics of School Busing" found that the motivations behind the opposition to busing are other than racial. The article concludes:

> School busing is not just another in the long series of racial issues that have moved across the political stages in recent years; in spite of objective fact and elite misperception, most people simply do not react to it in that way. The widespread opposition to busing and the success of politicians opposed to it are not evidence of a white backlash, nor do they portend a reversal of the historic trend toward racial equality . . .
>
> Teaching black and white children in the same school is not the key issue. Opposition to school integration is not closely correlated with opposition to busing. And a large majority support school integration but do not think that busing is the best means to attain it. I suspect that the crucial issue for whites is the kind of schools into which their children might be bused.

Public frustration, Mr. President, is high as a result of this issue. Most people oppose forced busing and yet they are unable to secure policy changes. This adds to the disenchantment of the public with their governmental process. Even the proponents of busing seem to recognize that it is not a very satisfactory solution, but believe there is no alternative. One can also understand the feeling of parents of minority students, particularly those in some inner-city schools, who naturally want the best possible education for their children, but know that in many instances they are not receiving a quality education now.

Mr. President, last month the House passed an amendment to the supplemental appropriations bill which the administration said, in effect, would repeal the Civil Rights Act. This amendment was offered in response to HEW action in Anne Arundel County, Md. While I also oppose the HEW actions in Anne Arundel County, and commend Congresswoman HOLT for raising the issue, I felt that the amendment went too far and I could not support it. The amendment was rejected by the Senate.

Mr. President, the majority of our citizens support civil rights and are proud of the progress our Nation has made to remove discrimination from our society. It should, however, be of concern particularly to the proponents of civil rights that the Congress was on the brink of adopting an amendment as broad as the one just mentioned. The House of Representatives adopted the amendment last year; next year, both Houses may adopt it. It is clear that this issue will not go away as long as the public finds busing to achieve racial balances completely unacceptable, unworkable, and educationally unsound. Nevertheless, the overwhelming majority of our citizens want to do what is right and are desperately desirous of finding a reasonable answer to this dilemma.

Mr. President, recently a 1-day meeting was held on the decision of the Supreme Court in the Detroit case. Mr. James Nobrit, associate counsel of the NAACP, was quoted as saying that:

> This case was a clear "signal" that desegregation cases of large metropolitan areas will not be successful.

In addition, Dr. Thomas Petigrew of Harvard was quoted as saying that:

> Metropolitan desegregation at current rates would require 400 to 500 years to end "residential apartheid" in the nation.

Thus, Mr. President, while we yearly engage in our busing debates the students in our innercity areas are likely to remain in these schools and it behooves us to make certain that these are the best schools possible. Now it is true that within some of our large metropolitan areas, statistics indicate that more and more minority students are attending majority white schools, but this seemingly hopeful development appears to be offset by the growing numbers and percentage of minority children within large cities resulting from greater population growth in the minority community and the migration of white children to surrounding suburbs. In some cities with large minority populations, the result of busing may be the opposite of what is intended, namely a decline in the overall stability of the schools and the tax base of the communities. Because of the importance of this issue and the manner in which it has inflamed and divided our Nation, as it is doing at this very moment in Boston, today I have written to the President and urged him to name a National Commission of Busing and Quality Education.

Such a commission should be composed of our most distinguished citizens with a mandate to examine these issues and to find alternatives which might unite this Nation in a concerted effort to remove educational deficiencies and improve the education of all of our children, particularly those in substandard schools. The Commission should report its findings and recommendations to the President, the Congress, and the country at the earliest possible time. I have suggested to the President that the agenda of such a commission might include the following:

First. A study of the legal, educational, and sociological basis for requiring busing to achieve racial balance;

Second. A study and evaluation of the impact of forced busing, and busing achieved on a voluntary basis, on minority and majority students in terms of their educational gains and losses; their aspirations, self-esteem, and attitudes with respect to race relations; their participation in extracurricular activities; discipline and related problems; and a study of the socioeconomic characteristics of students who were involved;

Third. A study of the impact of busing orders on the community, including changes in racial attitudes within the community; the effect on community stability and its tax base; and the effect on the community school concept;

Fourth. The budget impact on the school system;

Fifth. An examination of the innercity schools, and steps that should be taken to improve the quality of education in such schools; and

Sixth. An examination and evaluation of existing and new alternatives to busing and projects to provide quality education.

In December of last year, the Committee on Labor and Public Welfare, on which I serve, held hearings on legislation, S. 503, the Neighborhood School Act. This proposal, as I understand it, grew out of the experiences in Sarasota County, Fla.

To comply with desegration orders, it was proposed that an elementary school in a predominantly black neighborhood should be closed. As a result, the minority community, not wanting to close their community school, boycotted the school system. The solution of the local citizens was to make the school in the minority community a "prize school" and allow other students to attend this school on a voluntary basis. The result is that approximately one-half of the students at the school are volunteers and a majority of the student body are white. I cite this only to show that there are alternatives that may work without forced busing.

Mr. President, I am under no illusion with respect to the difficulties that will be encountered by a commission undertaking this great responsibility. There are no magical solutions. The issues involved are emotional, complex, and controversial. I am convinced, however, that the majority of our citizens who support equal rights and who desire quality and effective education for all of our children are searching for a way out of the present dilemma. I am also equally certain that the vast majority of our citizens are adamant in opposition to the forced busing that is often taking place. I am hopeful that the commission might find what the overwhelming number of our citizens are desperately desirous of; namely, a fair and sound program or programs around which they can rally and enable the Nation to get on with the important business of providing quality education for all of our children, with particular attention to students in substandard schools.

As I indicated, no perfect solution is likely; however, I believe that a national commission may point us in a new direction, or at the very least elevate the debate and discussions on the issue, that will lead us out of the present impasse or dilemma and away from the educationally bankrupt policy as is evident in Boston.

Mr. William Raspberry's column in the May 24, 1974, Washington Post, which carried the heading, "Busing: Is It Worth the Ride?", concludes:

> In the absence of any persuasive evidence that racial balancing is worth the effort in terms of increased educational or social opportunity for the children, or even any evidence that it helps children get along together better, it seems to me that the time, effort and money spent on busing could be better used for other things. Like better schools, for instance.

Mr. President, as a member of the Education Subcommittee, I have been concerned that during consideration of education legislation, the debate often centers solely on the busing issue. It shows what busing has done to the country and indeed what busing has done to the Congress. The Commission's report may result in refocusing the Senate and the Nation's attention and discussion on quality education and equal opportunity for all, which after all is the real goal of our Nation and its people.

I yield back the remainder of my time.

EXHIBIT 1

COLEMAN, HEAD OF EQUAL EDUCATION STUDY, SAYS JUDGES MISUSE HIS REPORT

(By Andrew H. Malcolm)

CHICAGO, April 8.—Dr. James S. Coleman, who headed the investigative team that produced the widely quoted Coleman Report on equal educational opportunity, says that judges are misusing his research to support their school desegregation orders.

"I think judges have looked at that study and used the results more strongly than the results warrant," said Dr. Coleman, a professor of racial relations at Johns Hopkins University.

He made his statements in an interview published in the latest issue of The Educational Researcher, the publication of the American Educational Research Association, which held its annual convention here this week.

A principal finding of the Coleman Report, which was commissioned by Congress and published in 1966, was that racial integration improved the education of blacks when it put a minority of poorer children in a school with a majority of youngsters, whose educational backgrounds were stronger. The study did not find educational gains when a majority of poorer children were placed with more-advantaged students.

Thus, according to the study, certain kinds of integration would improve education, but not necessarily all kinds.

Dr. Coleman said in the interview it was not "appropriate" to say solely on achievement grounds that school segregation does not provide equal educational opportunity.

"There is not sufficient evidence," he said, "to show that the kind of benefits to lower-class children that arise from a socio-economically heterogeneous or racially heterogeneous school can't also be provided by other means.

"I don't think a judge can say there is prima facie evidence of inequality in educational opportunity on achievement grounds if there is school segregation," he continued.

The study "has had impacts I never would have predicted," Dr. Coleman said, primarily in the courts, where issues such as school segregation have prompted judges to seek evidence, such as the Coleman Report, on which to base a ruling about equal educational opportunity.

At the same time, he said, the report had been "under-utilized" by legislatures and school boards although it was "appropriate" in "encouraging the kind of student body mix which can provide achievement benefits."

Dr. Coleman did not reply to numerous telephone requests for elaboration of his published comments.

In the published interview, Dr. Coleman noted that his report had not been started by a grant from the Office of Education's Bureau of Research, the originator of much educational research, had been undertaken "in implementation of a legislation from the Congress."

"That fact in itself created the presumption of policy relevance and automatically created audiences among policymaking bodies, from the Presidency to local school boards," he said.

Dr. Coleman has recently been working in the development of educational gains that simulate certain social situations. He said that such gains were often more helpful teaching tools than the traditional classroom activities.

"I feel the usual structure of activity in the classroom is not appropriate to learning," he said. "The classroom structure assumes that people learn through a different sequence: being exposed to information, assimilating that information, and then finally using it.

"Most learning, however, proceeds from a different sequence: persons learn through experiencing some kind of activity through action itself, and then inferring or generalizing from the experience."

EXHIBIT 2

BUSING TO ACHIEVE RACIAL INTEGRATION

This highly controversial issue has been debated for a number of years. Sentiment opposed to busing has remained surprisingly constant. For example, a survey on this issue conducted in 1971 by the Gallup Poll showed 76% of the nation's eligible voters opposed to busing and 18% in favor, with 6% having no opinion.

In other surveys it has been discovered that the public favors integration, but opposes busing of school children as a means to this end.

The question:

Do you favor busing of school children for the purposes of racial integration or should busing for this purpose be prohibited through a constitutional amendment?

[In percent]

	National totals	No children in schools	Public school parents	Parochial school parents
Favor	18	19	17	22
Prohibit	72	70	75	66
Don't know/no answer	10	11	8	12
Total	100	100	100	100

MERIT SCHOLAR POLL

Do you favor the busing of children to achieve integrated school systems?

[In percent]

	Yes	No	Undecided
1. Total	26	68	6
2. Sex:			
Male	26	67	7
Female	25	70	5
3. Race:			
Caucasian	24	70	6
Negro	39	49	12
Other	71	29	
4. Religion:			
Protestant	21	73	6
Catholic	25	70	5
Jewish	39	49	12
Other	37	53	10
5. Region:			
Northeast	29	64	7
Midwest	22	71	7
West	32	66	2
Southwest	30	64	6
South	25	70	5
6. Type of school:			
Public	25	69	6
Private	32	60	8
Parochial	27	69	4
7. Type of community:			
Urban	29	65	6
Suburban	29	64	7
Rural/Smalltown	20	75	5

GALLUP FINDS FEW FAVOR BUSING TO INTEGRATE

A majority of Americans continue to favor public school integration, but few people—black or white—think that busing is the best way to achieve that goal. The Gallup Poll reported yesterday:

Five percent of the people in a recent survey by the organization—9 percent of the blacks and 4 percent of the whites—chose busing children from one district to another rather than several other alternatives.

The largest percentage of the 1,513 adults interviewed, 27 percent, thought the best way to integrate public schools was to change school boundaries to allow more persons from different economic and racial groups to attend the same schools.

Twenty-two percent felt that more housing for low-income people in middle-income neighborhoods should be built as the best way to achieve school integration. Of the blacks interviewed, 32 per cent chose this method.

The poll indicated that 18 percent of the nation opposed public school integration. Nineteen percent of the whites and 9 percent of the blacks in the poll were in this category. Of those interviewed, 22 per cent would choose other ways than the three listed to gain integration, and 17 per cent had no opinion.

Another part of the survey indicated that much of the opposition to busing was not based on racial animosity. Other reasons for the opposition, according to survey findings, are the belief that busing is an infringement of personal liberties, worry about busing children to schools in different neighborhoods and concern that busing will increase local school taxes.

The Gallup survey was based on interviews in more than 300 scientifically selected localities across the nation during the period Aug. 3–6.

The basic question asked was:

"Which, if any, of these ways do you think would be best to achieve integration in public schools in terms of different economic and racial groups?"

The results by percentages were as follows:

	National	Whites	Blacks
A. Create more housing for low-income people in middle-income neighborhoods	22	21	32
B. Change school boundaries to allow more persons from different economic and racial groups to attend the same schools	27	27	27
C. Bus schoolchildren from one school district to another	5	4	9
D. Do something other than A, B, or C to integrate the schools	22	23	15
E. I oppose the integration of schools	18	19	9
No opinion	17	16	26

Note: Tables add to more than 100 percent since some persons gave more than one response.

EXHIBIT 3

KEY ASSUMPTIONS OF DESEGREGATION UNDER CHALLENGE

(By William Chapman)

Ever since the day when it became the law of the land, school desegregation has suffered from bad predictions by the experts.

The Southern politician said it would never happen, but if it did the heavens would fall. No child born that day in May, 1954, would live long enough to see blacks and whites going to school together in Mississippi, said Gov. J. P. Coleman.

On the other side, blacks saw the millennium at hand that day when *Brown v. Board of Education* was decided and the old doctrine of separate but equal was discarded. The walls of centuries were falling and the rest was just mopping up. In only a matter of years, segregation would disappear from American life, said Thurgood Marshall, who, as an attorney for the NAACP, had won the big day in court.

The bad guesses continued. There would be no resistance in his state, said Virginia's superintendent of schools a few months before Sen. Harry F. Byrd Sr. announced his policy of "massive resistance." The country was now ready for a great package of civil rights legislation. Sen. Hubert H. Humphrey declared that day, 10 years before the Civil Rights Act of 1964.

Now, on the 20th anniversary of that historic decision, the most fundamental practical question of all is under challenge. Now there is doubt about the key assumption that the achievements and the well-being of black children would improve with integration.

Legal segregation retarded the educational and mental development of Negro children, the Supreme Court had said, and from that flowed the assumption that desegregation would change the pattern. Now that is questioned—not merely by the resisters but by many black and white liberals.

CHANGED ATTITUDES

David K. Cohen of the Harvard School of Education summed up the revisionist trend in a paper last year for the Urban League: "Until late in the 1960s, there was little confusion among liberals about school segregation. Despite much controversy, and some reluctance to press ahead, there was never any doubt that racial desegregation in schools and housing was a structural prerequisite for the full social integration of black Americans. Now all that is changing. The debate is no longer over the pace of desegregation but whether it would occur at all."

The biggest irony is that attitudes have changed during the precise period when the "pace of desegregation" quickened dramatically. Until the late 1960s, when the effects of the 1964 act began to be felt, the pace had been slow in the South. In 1968, some 68 per cent of the black pupils in 11 Southern states attended all-black schools. But by 1972, that had dropped to only 9 per cent. The greatest wave of desegregation occurred in a period of mounting doubt about its worth.

The statistics, however, didn't affect the change in attitudes. It was underscored recently by Ruby Martin, former director of the Equal Educational Opportunity Office in the Department of Health, Education, and Welfare and long an ardent proponent of integration. Integrating schools, she told a conference at Notre Dame, is no longer a top priority.

"I, for one, am going to leave the process of desegregation to others," she said. "Just to integrate will simply compound the problems we have and polarize the community more. I am still for Brown, but in terms of priorities it is now No. 10, not No. 1."

The old attitudes have been bent by the weight of evidence emerging from many professional studies of the classroom effects of integration. The old equation went something like this: "Black gets unequal education because their schools are unequal. Given equal access to tools of education with whites they will perform like whites. They will learn to read and write more quickly. They will shed old feelings of inferiority and low aspirations." Each element of the equation is seriously undermined by the studies of the late 1960s.

THE COLEMAN REPORT

It was the Coleman Report on Equality of Educational Opportunity in 1966 that started the landslide shift in academic attitudes toward the conventional assumptions (James S. Coleman, then professor of social relations at Johns Hopkins University, was chairman of the group which prepared the report under auspices of HEW).

First of all, it showed that for all of the charges of discriminatory treatment, the schools blacks went to in 1965 were about as good as the ones whites attended. There wasn't much difference when it came to counting science labs and library books or in measuring pupil-teacher ratios. So a decade after *Brown*, it seemed, the schools may have been largely separate but they were also approximately equal.

"Despite popular impressions to the contrary," wrote Christopher Jencks of Harvard, after reviewing Coleman's evidence, "the physical facilities, the formal curriculum, and most of the measurable characteristics of teachers in black and white schools were quite similar."

Equally damaging, it seemed that it didn't make much difference in strictly educational terms whether the facilities and teachers were equal or not. Good or bad, they seemed to have only a modest effect on the achievement of pupils. The pupil-teacher ratio—long considered a key determinant of "good" or "bad" education—was found to have no relation whatsoever to student achievement. Nor did the amount of money spent on each student by local school boards. Per-pupil expenditures were found to account for not even 1 per cent of the variance in student performance on standardized tests.

And, finally, Coleman and other researchers down to the present day have found that school integration, in itself, had very little effect on the academic achievements of either blacks or whites. The racial composition of the classroom seemed virtually a neutral factor. Achievement scores went up very slightly for blacks who moved into white schools, but it was a modest change. The scores of whites didn't decline (as some Southerners had warned), but the notion that desegregation per se would immediately advance the black child was demolished.

THEORY UNDERMINED

Still another group of studies undermined an assumption that was closest to the heart of the 1954 decision. The Court had said: "To separate them (black children) from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone." It was based on the sociologists' theory that seeing himself segregated, the black child also saw himself as inadequate. From that flowed the conviction that his self-esteem and aspiration about life would improve when seated beside whites in the classroom.

Insofar as that is measurable—and many scholars contend it is not—the reverse seems to be true. Almost every experiment has shown that the self-esteem of the black child in an integrated school is lower than that of the one in a segregated one.

Confronted with attitudinal tests, a black child in a segregated school is more apt to agree with this statement: "On the whole, I'm satisfied with myself." Or he is more likely than the integrated-school child to agree that, "On the whole, I am a person of worth." Morris Rosenberg of the National Institute of Mental Health, who has administered many such tests, believes that the whole racial concept of self-esteem has been misrepresented. "Basically, black kids don't have low self-esteem—this surprises a lot of people, it destroys a lot of perceptions," Rosenberg says.

But placed in an integrated school where he experiences prejudice and ridicule, the black child is likely to experience a loss of self-esteem. Rosenberg considers it a normal reaction, very similar to what happens when Jewish children reared in a Jewish neighborhood go to a public school where the majority is gentile.

Nonetheless, the findings, when added to those depicting no gains in achievement scores, have discouraged many about the effects of integration. Most social scientists would agree that there isn't enough information on which to judge the long-term effects; but what is known now doesn't support the optimism born 20 years ago.

A QUESTION OF PHRASING

Swimming against this tide are a number of researchers who see it differently. There are conditions they observe, when desegregation "works" in the pragmatic sense of increasing learning abilities. They deplore the tendency of many colleagues to throw up their hands and say integration isn't worth the effort.

"The problem is that the question is always phrased wrong—'Does integration work?' " says Thomas Pettigrew, the Harvard sociologist who has testified to the value of integration in many court cases. "That's a political question.

"The important question is what are the conditions that maximize the good points and minimize the bad ones. You don't ask if the United States government works. You ask under what conditions do certain government programs work."

One condition is integration that places lower-class black children in schools with middle- and upper-middle-class whites (and middle-class blacks). Integration up in status is one of the most powerful tools in raising the learning abilities of Negro children. Jencks found this in the Coleman data. "The one school characteristic that showed a consistent relationship to test performance was the one school characteristic to which most poor black children had been denied access, classmates from affluent homes."

The explanation seems to be that children learn more from their classmates than from their teachers. They learn, by emulation, about study habits and competitiveness from white children who have been in a stronger academic atmosphere since kindergarten. It rubs off and the verbal and arithmetic scores start to rise.

It also becomes an argument for the most controversial and difficult form of integration, which requires busing across metropolitan district lines. Integration with lower-class whites in the central city, the experts argue, doesn't do much good for achievement scores; it's busing into the middle-suburbs that counts. (The effect cuts across racial lines and is so strong that a few school districts have considered a kind of economic integration—busing poor white students into the affluent white suburbs.)

SCHOOLS COMPARED

For the first time, there is also some solid evidence that integration can be made to work—in the most pragmatic sense—by changing the techniques and atmosphere of the desegregated school. It has long been claimed that the academic achievements of blacks were retarded by the hostile, uninviting atmosphere in the newly desegrated school. It seems obvious—but no one had proved it.

A recent study financed by the Department of Health, Education, and Welfare of the 5th and 10th grades in 600 Southern schools is the first large-scale attempt to show what happens when school officials make a deliberate effort to improve the environment for blacks. It compared schools which received federal emergency aid with those that didn't. The emergency aid amounted to very little money per school, but it did cause the introduction of race-relations courses and encouraged teachers to change their attitudes toward black children.

For much of the sample, it didn't make much difference. But for one group—10th grade black boys—it made a lot. Overall, that group normally scores very low on achievement tests in white schools—much lower than black girls for example. And those 10th graders in schools which had not received emergency aid stayed low while the experiment was under way. But those in the emergency-aided schools showed gains equivalent to approximately a half a school year—an unusually large achievement for blacks in a white school.

And finally, there is a smattering of surveys starting to show that integration helps the young black catch onto the first rungs of the upward-mobility ladder which leads up to college and better jobs.

In one major survey, Robert Crain of Johns Hopkins University questioned 1,600 35-year-old black men, some of whom had gone to largely integrated schools. He found two results:

Those who had gone to integrated schools were more apt to finish high school and more apt to go on to college than those who had attended segregated schools.

They also were apt to find better jobs that paid higher salaries.

The explanation by Crain is that the schools gave the blacks the connections and know-how to find their way into college and good jobs regardless of test scores and falling self-esteem. "They had white friends who put them on to jobs which is how you get jobs anyway," say Crain.

The greatest achievement of school integration, then, may be just that. Integration may not raise test scores much and it doesn't seem to help the young black think better of himself. But in the end it may do something more valuable.

I seems to give that little boost toward life's more coveted things. It puts him in what Pettigrew of Harvard calls the "influence network," that indefinable and untestable system that whites have had going for them for years.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair, pursuant to Public Law 91–452, appoints the Senator from Maryland (Mr. BEALL) to the Commission on the Review of the National Policy Toward Gambling.

The Chair, pursuant to the provisions of Senate Resolution 281, 90th Congress, as amended and supplemented, appoints the Senator from Oregon (Mr. HATFIELD) to the Select Committee on Nutrition and Human Needs.

ROUTINE MORNING BUSINESS

The VICE PRESIDENT. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 45 minutes, with statements therein limited to 5 minutes each.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains out of the period designated as routine morning business?

The VICE PRESIDENT. Thirty-seven minutes, to be exact. Now 36 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that during the remainder of the period for the transaction of routine morning business there be a limitation on statements of 10 minutes each rather than 5.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF RULE XXII OF THE STANDING RULES OF THE SENATE

Mr. ALLEN. Mr. President, I appreciate the President of the Senate, Mr. ROCKEFELLER, retaining the chair in order that I might discuss on the floor some of the rules regarding amendment of the Senate rules.

The Senator from Alabama has stated here on the floor that he will not have any private conversations with the President of the Senate regarding the amendment of the Senate rules. Any statements that he makes or any arguments that he might make with respect to amendment of the Senate rules will be made here on the floor of the Senate.

Mr. President, this resolution, Senate Resolution 4, has been pending here in the Senate since January 14, and the Senator from Alabama is wondering when an effort will be made to bring this point to a conclusion by seeking to cut off debate on the resolution.

The Senator from Alabama recognizes, and I believe the proponents of the resolution recognize, that under the Senate rules it will take a two-thirds vote to cut off debate in the Senate, and they have been looking for ways and methods of ending the debate short of filing a cloture motion, because the precedents are too strong against the argument that cloture can be invoked with less than a two-thirds majority.

So it is the understanding of the Senator from Alabama that resort is going to be had to what I would call the Humphrey-McGovern axis method of seeking to amend the Senate rules and, Mr. President, the reason for my discussion of the rules at this time, or the method of amending the Senate rules, is that in 1967 when the Humphrey-McGovern axis sought to operate in this area, after a motion was made to proceed to the consideration of the resolution, at that time Senate Resolution 6, Senator MCGOVERN moved that the question be put after 2 hours debate and a point of order was made against Senator MCGOVERN's motion by the distinguished Senator from Illinois, Mr. Dirksen, and a motion was made to table that point of order, which motion, of course, is not debatable.

The situation is exactly the same as will be presented to the Chair when the proponents of the resolution deem it wise to bring the matter up. That would be during a discussion of the motion to proceed to the consideration of Senate Resolution 4.

Now, Mr. President, even if that motion to take the point of order carried we would still have the resolution itself to consider.

Back in 1967 while such a motion to proceed was pending, the distinguished Senator from South Dakota (Mr. MCGOVERN) put in a motion that there be 2 hours of debate on the motion to proceed to the consideration of that resolution, and that at that time the question would be put by the presiding officer.

Well, obviously, Mr. President, that was nothing more nor less than a unanimous-consent request, and I have read from the motion that was made at that time. The distinguished Vice President at that time, Mr. HUMPHREY, was in the Chair, which caused the Senator from Alabama to refer to the Humphrey-McGovern axis method of amending the rules by proceeding through the back door. So the motion was made at that time; and a similar motion, it is the understanding of the Senator from Alabama, will be made under the Mondale-Cranston-Pearson axis seeking to shut off debate. The 1967 motion by Mr. MCGOVERN provided:

> There shall be two hours of debate upon the motion to proceed to the consideration of Senate Resolution 6 divided between Mr. Mansfield and Mr. McGovern.

So, Mr. President, that was merely a unanimous-consent request, that is all it was, and a point of order was made by the distinguished Senator from Illinois, Mr. Dirksen; not that it was just a unanimous-consent request—that will probably be made for the first time when this matter comes up—but that it violated rule XXII, which provides the exclusive method other than by unanimous consent for bringing debate to a close.

So, Mr. President, the point of order was made, and before a ruling by the Chair on the point of order, the McGovern-Humphrey axis moved to table that point of order, which is permissible under the rules, but it took the decision away from the Presiding Officer.

Now why was that done? Because an appeal from a ruling by the Presiding Officer would be debatable. So the point of order was made, a motion to table the point of order was made, and the motion to table failed. Therefore, the point of order was sustained, that this motion was contrary to the Senate rules.

Mr. President, an effort will be made. But the point the Senator from Alabama wants to make is, in the first place, it is no more than a request for unanimous consent, and it would be within the prerogative of the Chair to so rule without a point of order being made.

So, Mr. President, if the Senate wants to run roughshod over the Chair, it can put in such a motion, make a point of order, and then move to table, and there would be no opportunity for debate, and the Senate would have to decide if this sort of tactic is permissible.

The point the Senator from Alabama wants to make is that even if this device, this—I will not say—evasion of the Senate rules is attempted, and a majority of the Senate says that the motion can be offered, it still leaves, Mr. President, the matter subject to debate here in the U.S. Senate, and I call the Chair's attention to Senate procedure, page 400, subsection 4, and these are listings of the debatable matters:

> A motion to proceed to the consideration of a bill or resolution on the calendar after 2 o'clock.

That would be after the morning hour is over; and that motion is debatable. Also a motion to make a bill a special order, subsection 21, offered after 2 o'clock, is debatable, and subsection 22, a motion to suspend the rules. And if this is not a request for unanimous consent, certainly it is a motion to suspend rule XXII.

So, Mr. President, even if this evasion of the Senate rules is attempted, and if it does succeed, the matter would still be before the Senate for debate, which would have to be cut off under rule XXII.

Now, Mr. President, if two-thirds of the Members of the Senate want to change the rules, as is provided in the rules, under rule XXXIII, the rules of the Senate stay in force from one Congress to the other unless amended as provided by the rules. That means that you cannot cut off debate without a two-thirds vote.

If two-thirds of the Members of the Senate want to change the rules, as provided in the rules, then the rules can be changed. But I feel that any Senator who would go this other route is simply disregarding the rules of the U.S. Senate.

I do hope that the Chair will keep these matters in mind: First, that such a motion would require unanimous consent because it does set a special order for the consideration of something on the Calendar. That cannot be done except by unanimous consent. Also, such a motion would suspend the Senate rules.

I call the Chair's attention to the fact that under Senate procedure, page 803, the Standing Rules of the Senate may be amended by a majority vote, provided they get to a vote and invoke cloture, but a two-thirds vote of all present, a quorum being present, is required for their suspension.

Well, Mr. President, if the time ever comes that this motion is voted on by the Senate, I hope that the Chair will bear in mind that the rules of the Senate say that to suspend the Senate rules a two-thirds majority is required.

The VICE PRESIDENT. The 10 minutes of the Senator has expired.

Mr. ALLEN. I ask for 1 additional minute.

The VICE PRESIDENT. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what is the request?

The VICE PRESIDENT. That the Senator have 1 additional minute.

Mr. ROBERT C. BYRD. Mr. President, if the Chair will recognize me, I will yield to the Senator whatever time he desires.

Mr. ALLEN. One minute is all I require.

Mr. ROBERT C. BYRD. As much as 5 minutes, if the Senator wants it.

Mr. ALLEN. I thank the distinguished Senator.

The reason the Senator from Alabama is making the statement at this time is that if this McGovern-Humphrey axis method is employed, as the Senator from Alabama is advised it will be, and a point of order is made, a motion to table that point of order is taking the ruling away from the Vice President and would not be debatable.

So the Senator from Alabama does not plan to debate at this time, but if such a motion is allowed to be received by a majority vote of the Senate, it would still leave the motion to proceed before the Senate, and that would be debatable, and debate on it could be cut off only by following the Senate rules.

That certainly should not be an onerous requirement, that the Senate follow the Senate rules in amending the Senate rules. So I offer those suggestions in view of the fact that the Senator from Alabama does not intend to discuss the matter off the Senate floor with the Presiding Officer of the Senate because he has too much respect for him.

I yield the floor at this time.

QUORUM CALL

The **VICE PRESIDENT**. Is there further morning business?

Mr. **GRIFFIN**. Mr. President, I suggest the absence of a quorum.

The **VICE PRESIDENT**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **MONDALE**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **VICE PRESIDENT**. Without objection, it is so ordered.

NATIONAL CHILD ABUSE AWARENESS WEEK

Mr. **MONDALE**. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Resolution 43, a resolution designating a National Child Abuse Awareness Week, and that the Senate proceed to its consideration.

The **VICE PRESIDENT**. Will the Senator please send the resolution to the desk? The resolution will be stated by title.

Mr. **MONDALE**. Mr. President, I ask unanimous consent that its reading be suspended.

The **VICE PRESIDENT**. Is there objection?

Mr. **GRIFFIN**. Mr. President, reserving the right to object, and I do not know that I shall object, I would like to establish that this resolution designating a week as National Child Abuse Awareness Week has been approved and cleared by the ranking minority member of the Judiciary Committee (Mr. HRUSKA).

Mr. **MONDALE**. Yes; I talked personally with Mr. HRUSKA and he has no objection. It has been cleared by the Judiciary Committee leadership. I do not think there is any controversy involved, and I am seeking prompt action because it is next week.

Mr. **ROBERT C. BYRD**. Mr. President, the Senator knows that I support his resolution, but I do not think we ought to get into the practice of calling up resolutions for immediate consideration and then dispense with the reading of the resolution.

This is a very short one and I would ask that the clerk read it.

The **VICE PRESIDENT**. The resolution will be stated by title. The legislative clerk read as follows:

> S. Res. 43, a resolution designating the period February 9 through February 15, 1975, as "National Child Abuse Awareness Week."

The **VICE PRESIDENT**. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. **MONDALE**. Mr. President, the dates, February 9 through February 15, have been selected to coincide with the National Conference on Child Abuse which will take place in California February 13 through 15. The conference is sponsored by Parents Anonymous, the Memorial Hospital Medical Center of Long Beach, Calif., and the Center for Health Education of the University of California, Irvine.

I am very pleased that these organizations and institutions have chosen to focus on the need for public awareness of child abuse. In the hearings of my Subcommittee on Children and Youth during 1973, we learned that without public recognition of the problem we can never hope to prevent or treat it successfully. The law passed as a result of our hearings, the Child Abuse Prevention and Treatment Act, will provide much needed assistance to families affected by child abuse. But, it cannot alone possibly do the job of helping the some 60,000 children who we believe are abused in this country each year. The only thing that will truly help all of these children is public awareness and willingness to address the problem.

I ask that the resolution be agreed to by the Senate.

The **VICE PRESIDENT**. The question is on agreeing to the resolution.

The resolution (S. Res. 43) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

> Whereas each year some sixty thousand children in the United States are reported to have been abused, some to the point of permanent injury and death; and
>
> Whereas experts believe that child abuse in our country is more prevalent than is revealed by current statistics; and
>
> Whereas child abuse is a national problem found in all types of families and communities; and
>
> Whereas although every State in the Union has a law requiring the reporting of child abuse or suspected child abuse, child abuse still is often undetected and untreated; and
>
> Whereas the National Conference on Child Abuse sponsored by the parents anonymous organization, the Memorial Hospital Medical Center of Long Beach, California, and the Center for Health Education of the University of California, Irvine, California, will take place February 13 through February 15; and
>
> Whereas awareness of the problem of child abuse is the first critical step in the identification, prevention and treatment of child abuse: Now, therefore, be it
>
> *Resolved*, That it is the sense of the Senate that in order to help the Congress and the Nation to gain a better understanding of what must be done to insure the safety and well-being of our children, the period February 9 through February 15, 1975, be designated as "National Child Abuse Awareness Week".

QUORUM CALL

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **VICE PRESIDENT**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **LONG**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. GARY W. HART). Without objection, it is so ordered.

CORRECTING A WRONG IMPRESSION

Mr. **LONG**. Mr. President, a recent story by one of this Nation's most able reporters correctly reported what I had to say to that reporter. Unfortunately, I believe that the reporter had an impression before the interview, which was not dispelled in the course of the interview, which drew him to a conclusion different from mine. I believe that I should state my position for the record so that it would be clearly understood.

The person who writes the story usually is not the same who writes the headline. Moreover, often the headline writer, trying to make a certain number of words fit within a certain number of spaces, composes a headline that might be somewhat at variance even with the reporter's intention.

I believe the story said something to the effect that the Senator from Louisiana was piqued by Democratic idiocy.

Mr. President, I believe I should make it clear that I am not angry or even irritated with anybody, nor do I feel that I have been shunned in any respect. Just as every other Senator has had the opportunity, I have had the opportunity to make my views amply available to all of my Democratic colleagues during numerous Democratic Caucuses, and during a number of meetings held by the Democratic leadership with the committee chairmen. If I complained of anything, it would be that I have had too much opportunity to make my views available.

Second, I know there is no way humanly possible to avoid the contradictions and apparent confusion that occurs when a large number of legislators throw a multitude of ideas into a legislative kettle. That is the only democratic way that a legislative body can function.

I only hope that the public will not look upon any "Democratic program" as what it is likely to be after it has been subjected to the careful study and analysis that is expected in a committee hearing, as well as the analysis of Members in public in deliberations by the House and Senate.

Fortunately, the Executive can speak with a single voice, and the executive branch reflects one point of view. The legislative branch has many voices, and there are as many voices as there are Members. Sometimes, it has that many points of view.

For these reasons, I hope the public will be tolerant of us Democrats in the Senate as we try to move toward consensus which cannot possibly express the unanimous nor even the final conclusion of the Democrats in this body or in the House.

Third, I have not called upon Democrats, or anybody else, to unite behind committee chairmen. I welcome any suggestion or contribution by any Senator or any group of Senators, or any other group, seriously studying this Nation's problems and trying to provide answers. What I would propose is merely that we proceed in an orderly fashion to consider what everybody, from the President down, has to suggest, taking first things first, and try to come up with the best answers which our collective wisdom can suggest.

This approach would necessarily require that the proper committees conduct hearings seeking the views of everyone who has something of significance to offer, and that the committees proceed to agree on those things that made good sense as well as reject those things that are not in the Nation's interest. If we fail to do exactly that in the committees, then I hope that the House and the Senate, acting as a whole, will correct any mistakes that the committees might make.

Above all, I pray that no decision will be made by confusing "who is right" with "what is right." There is no limit to the good we can do for our Nation if we avoid fighting and quarreling over who is to get the credit for it.

Unless all of us, Democrats and Republicans, join hands to put the Nation's interest first, then we shall surely not be claiming credit but trying to escape the blame for the result.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The time designated for routine morning business has ended.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the period for the transaction of routine morning business of not to exceed 20 minutes, with statements therein limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 4

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no action be taken prior to Thursday, February 20, 1975, in respect to Senate Resolution 4, a resolution amending rule XXII of the Standing Rules of the Senate, with respect to the limitation of debate, provided that all the rights of all Senators may be fully protected and reserved.

Before the Chair puts the request, may I say that it is anticipated—and I cannot include this in the request—that on the 20th of February, some action will be taken on Senate Resolution 4.

Mr. ALLEN. Mr. President, reserving the right to object—and I shall not object—the distinguished assistant majority leader was kind enough to include me in the negotiations arriving at this result. It would be understood, of course, that if there were any change of this unanimous-consent request, the various Senators on both sides of the question would be consulted.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. The Senator made his request with reference to Senate Resolution 4. Might it be broadened to include any other method of seeking to amend rule XXII?

Mr. ROBERT C. BYRD. That would be my understanding of it, and I would include that in the request.

Mr. MONDALE. Mr. President, reserving the right to object—and I shall not object—as I understand this unanimous-consent request, there will be no action on proposed rule changes—that is, on rule XXII, Senate Resolution 4—until February 20, 1975.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. MONDALE. And, from February 20 on, all the rights which any Senator has under the rules will obtain in the pursuit of rules changes.

Mr. ROBERT C. BYRD. The rights any Senator possessed today would remain available at that time.

Mr. MONDALE. And, should any Senator wish to change this understanding, I assume that both sides would be notified.

Mr. ROBERT C. BYRD. They would. I gave that assurance, and it would be by unanimous consent.

Mr. MONDALE. I have checked with my chief cosponsor, the Senator from Kansas (Mr. PEARSON). He is fully agreeable to this understanding. I think the Senate should be informed that one of the reasons for setting that date is that we have a rather substantial delegation of Senators on official business at the NATO conference, and it is difficult to bring this matter up prior to February 20.

Mr. ALLEN. Reserving the right to object further, with regard to this group of Senators who are now in Yugoslavia, is the fact that the Senator anticipates a heavy majority vote from those Senators the reason he wants to wait until the 20th to consider that matter?

Mr. MONDALE. It is my opinion that we will get a heavy majority of all reasonable Senators.

Mr. ALLEN. There are some Senators who are not very reasonable, though.

Mr. MONDALE. I have never found that to be true.

Mr. ALLEN. I thank the Senator.

Mr. CRANSTON. Mr. President, reserving the right to object, and I shall not object, I assume that this understanding would mean that those Senators on either side could depend on the joint leadership to protect those on either side under this agreement.

Mr. ROBERT C. BYRD. The Senator is correct, and the joint leadership will make every effort to do that.

Mr. GRIFFIN. Reserving the right to object, and I shall not object either, I wish to join in providing the assurances that are indicated as far as the joint leadership is concerned. I also thank the Senator from Minnesota for reciting that he had consulted with the Senator from Kansas (Mr. PEARSON), who is very much interested in this matter, and for the information in the RECORD that he has agreed also under this unanimous-consent agreement.

I have no objection.

Mr. ROBERT C. BYRD. Mr. President, let me retract my statement. I cannot give assurance that the joint leadership will do anything. I made that statement feeling that that would be the position of the joint leadership, and I am glad that the distinguished assistant Republican leader has made the statement that he just made.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CASE AGAINST REDUCING OIL IMPORTS BY A MILLION BARRELS A DAY IN 1975

Mr. BENTSEN. Mr. President, since the state of the Union message and the presentation of the President's economic proposals, we have been listening to a debate between the Congress and the administration. It has been a debate centered upon how we can most equitably—with the least economic dislocation—reduce petroleum imports by a million barrels a day in 1975. The President has advocated a complicated plan of taxes and rebates which would add $30 to $50 billion to the price of energy and insure another year of inflation in excess of 10 percent as his means of reducing imports by a million barrels a day. Some Members of Congress have proposed mandatory rationing as a better means of reducing imports by a million barrels a day in 1975. Others are calling for the use of allocations of gasoline to wholesale distributors as a means of reducing imports by a million barrels a day in 1975.

Mr. President, what has been missing in this debate is whether the costs to our economy of a 1-year reduction in imports of a million barrels a day do not exceed any benefits which are likely to be derived from that reduction. An economic policy must not only be tough, it must make sense. In the last 2 weeks I have listened to the witnesses who have appeared before the Joint Economic Committee, as well as the testimony of the Secretary of the Treasury before my Financial Markets Subcommittee. Over the weekend I attended the Ditchley Conference on International Oil Payments in London. And, Mr. President, I have concluded that it does not make economic sense for this Nation to force an abrupt reduction of a million barrels a day in petroleum imports in 1975—whether by price increases, taxes, rationing, or allocations.

I have concluded that our first priority must be to stop the downward slide of our economy which is entering into worse recessions since the 1930's.

Any forced 1-year reduction in imports of a million barrels a day is going to also reduce our ability to turn this economy around.

Chase Econometric Associates of the Chase Manhattan Bank estimate the President's energy proposals will not only add almost 3 percent to the inflation rate but will cost this country $10 billion in lost economic output in 1976 and increase the number of Americans on the unemployment rolls in 1976 by almost half a million. And apparently the economic results are not much different if that 1 million barrels per day reduction is achieved through gasoline rationing.

Mr. President, there are men and women all across this country losing their jobs. They have families to feed and to clothe and to provide health care for and they have the pride to want to do it for themselves.

They have bills to pay and they have home mortgages that have to be met. Let us not get this country's immediate problems confused with its long-term problems. This energy crisis has been coming for many years, and it is going to take years to solve.

Mr. President, I do not know of anyone who challenges our need for lessening our reliance on foreign oil. I was warning against the dangers of our growing imports 5 years ago when not very many people were listening. Now everyone wants to reduce that reliance. It is draining our wealth, disrupting our domestic and international financial markets, and is posing a constant threat to our national security. The question is not should we reduce imports—the question is how much, how fast, by what means, and at what cost.

We should begin today in 1975 by both increasing energy production and reducing energy consumption. But the mandatory conservation measures we adopt should be phased in in such a manner as to allow the most rapid economic recovery possible without setting off another round of inflation. If we act otherwise the benefits of conservation will never cover the immense costs to the American people.

Let me detail the costs and the benefits of an immediate 1 million barrels a day reduction as I see them—whether the reduction is by the President's program or by rationing.

Possible reduction in world oil prices. Any reduction in demand for a commodity does put downward pressure on its price. If the United States reduces its imports by 1 million barrels a day, and if the other industrialized nations increase their conservation efforts as well, the OPEC countries will either have to lower the price or cut back production. But, Mr. President, world demand for petroleum has already fallen by 5 percent from actual consumption in 1973 and by 9 percent from what the previous growth trend was. Early last year there was an excess of 3 million barrels a day on the world market, but OPEC chose to reduce its production rather than its prices. According to Treasury Department estimates, OPEC has already been able to absorb as much as 8 million barrels per day in excess capacity without cutting prices. A further reduction by another million barrels a day would represent 3 percent of OPEC's present daily production. The likelihood of such a reduction in consumption producing a reduction in price would appear very remote. The OPEC cartel is a unique one. It has great monetary strength and cannot be expected to react as coffee or banana cartels.

By attempting to reduce imports by raising the landed price of imports after the tariff to $14 a barrel we would run the serious risk of actually bringing on further production cutback and a price increase.

Another reason given for an immediate reduction in imports is to ease the strain on our domestic and international financial markets. An immediate reduction of a million barrels a day will reduce the OPEC funds we have to recycle by about $3.6 billion a year. That is hardly a significant figure compared to the $100 billion in revenues they received last year. It leaves us with $96 billion to worry about.

Mr. President, I returned last night from the Ditchley Conference on the international problems posed by oil payments. I believe that it is safe to say the dire forecasts of last year were exaggerated. There are strains and difficulties to be resolved but the problem is manageable, as Secretary Simon testified before my Financial Markets Subcommittee last Thursday morning before we left for London.

Due to OPEC country imports rising much more rapidly than anyone had forecast—by 75 percent—they are not expected to increase their surplus reserves by anything like the amounts being discussed last year. The Morgan Guaranty economists have now estimated the currency surplus should peak in 1978 and decline after that. The financing of the oil deficit appears to be serious problem only for a few years.

This is not to say the issue of the real transfer of our wealth to the OPEC countries is not one which should and must be met.

The strongest case to be made for an immediate reduction of a million barrels a day is that it cuts our import bill from $25 billion to $21 billion. But that is not a very strong case if it aggravates and prolongs the present recession. When our economy is growing at 5 percent a year, we are generating $70 billion in new wealth. Right now with our economic output declining, those payments—whether they are $25 billion or $21 billion—are coming out of our present standard of living.

If the estimates that a 1-million barrel a day reduction will reduce this Nation's economic output by over $10 billion are correct then a reduction in those payments of less than $4 billion looks like a pretty bad trade. Particularly when you consider the 2- to 2½-percent inflation which goes with the reduction.

And, Mr. President, that brings us to the cost of an immediate million-barrel-a-day reduction in imports during 1975. The costs of the reduction appear to very similar whether the President's plan is used or some rationing scheme with a "white markets" for those who must purchase more than the 36 gallons a month which the average driver would receive.

The inflation estimates on the President's plan range from their own estimate of 2 to the 3½ percent estimate of the National Bureau of Economic Research. The Administration estimates the cost of rationing with a white market price of $1.75 a gallon to be about 2½ percent in additional inflation. Either is too great a cost to pay in an economy in which the only good news is a reduced rate of inflation.

Private economists estimate the cost in lost economic output of the President's plan at over $10 billion. The administration estimates the cost of rationing at $13 billion in lost output. Either method is too costly for an economy that was going down hill in the last quarter at the fastest rate of any quarter since figures started being kept in 1947.

According to private economists the cost in unemployment of an immediate reduction of 1 million barrels a day in oil imports under the President's plan is almost half a million jobs. Under rationing it would be several hundred thousand. Either is too costly in a country which has seen unemployment rise from 5.4 to 7.1 percent during the last 4 months of last year and in which almost everyone expects it to exceed 8 percent without any help from misguided energy policies.

Mr. President, let us talk for a moment about jobs and investment and economic growth.

What a major reduction in energy consumption means is a basic shift in the way we use our resources in how we live, in how we work, how we produce—what most of us call our standard of living.

For over a decade the price of energy has declined relative to other items. We have designed our automobiles, our homes, our factories, with little concern for energy because it was cheap and because it was abundant. Now it is neither. But just as we did not get where we are overnight, we cannot get where we need to be overnight.

What the President's program calls for—and any program seeking an immediate reduction in energy conservations calls for—is economic dislocation and the movement of people and capital out of energy-intensive industry and activities into less energy-intensive industries and activities. This would be a difficult shift and would have to be taken with care during good economic times—

but in the midst of the worst recession since the 1930's? It is one thing for bureaucrats in Washington with secure jobs, to talk about shifts in resource utilization—and quite another thing to be an unemployed aircraft mechanic looking for a job along with 6½ million other people.

It is one thing for policymakers at the Federal Energy Administration to talk about the need to induce the shift to coal-fired boilers by a $3 tariff on oil and a 37 cents per 1,000 cubic feet tax on natural gas and another for a small industrialized user, who is neither able to finance that conversion to coal or obtain adequate transportation to get coal to his plant.

It is one thing for the Secretary of the Treasury to decry the difficulty of private industry to finance its borrowing needs in the capital markets and another for the President's program to require an additional 3- to 4-percent expansion in the money supply just to cover the higher transaction demand for money that would accompany the higher cost of energy his program would produce—at a time when an aggressive monetary expansion is badly needed just to bring interest rates down and support the recovery. And I fail to see how insuring another year of double-digit inflation through artificial increases in the price of energy will bring long-term interest rates down.

Mr. President, Dr. George Perry of the Brookings Institution, in his testimony before the Joint Economic Committee, suggested that if the choice were between a 1-million-barrel-a-day reduction in imports in 1975 and nothing, the country would be better off with nothing.

I do not believe we have to choose between an abrupt reduction and nothing.

I believe we can use the allocation system in place to reduce gasoline consumption by reducing the amount of gasoline refiners are allowed to produce by an amount less than a million barrels a day. A smaller reduction can be spread among consumers under the existing system without long gasoline lines or rationing. An enforcement of the 55-mile-an-hour speed limit and the end to gasoline wars will take care of this reduction in consumption.

For the long run we must enact now tax incentives for efficient automobiles and penalties for an inefficient one. We should adopt the tax credits for home insulation the President has recommended. We should also set efficiency standards for new construction and equipment, and we should not rule out higher taxes on certain types of energy consumption. But let us not let the complexity of working out long-term energy solutions delay a tax cut which is needed to fight recession now.

And, Mr. President, whatever program is worked out between the President and the Congress for reducing energy consumption—whether directly or through higher prices—should be phased in over the next 3 years as our economy recovers from the present recession.

The 1 million barrel a day figure came from Secretary Kissinger's effort to achieve a unified energy posture among the energy consumer nations.

But it is not in their interest nor ours to slow the pace of our economic recovery because of a number arrived at without adequate consideration of its consequence.

We have a very sick economy which we are trying to nurse out of recession. It has already been through an enormous shock. Let us not adopt policies which take over where the Arabs left off.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The time for transaction of morning business has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the period for the transaction of routine morning business, with statements therein limited to what, 15 minutes, 20 minutes each?

Mr. HUMPHREY. Fifteen minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And that the period be extended for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT'S FISCAL 1976 BUDGET PROPOSAL

Mr. HUMPHREY. Mr. President, I want to take a moment to comment on the President's budget. The President's fiscal 1976 budget proposal, as I have looked at it and I have been able to see or understand what little has been released about it, is completely unacceptable, and it must be dramatically and drastically altered by Congress.

The task which the administration outlines for the U.S. economy in the fiscal year 1976 budget is truly alarming. It will mean higher unemployment, continued double-digit inflation, and deeper recession. The economic policies proposed by the President accept unemployment rates in excess of 7.5 percent for the next 3 years, and at least 6 million Americans out of work each year for the rest of this decade. Mr. President, this is unbelievable. To think that we are willing to waste that amount of human resources and to waste that amount of potential production of goods and services is almost beyond belief. Surely there ought to be some assurance to this country that we can do better than has been projected in this budget.

Despite the largest proposed deficit in the peacetime history of the United States, a deficit that, in fact, will exceed all previous deficits, the President's budget will not put America back to work or bring about an economic recovery. This is readily admitted in the budget message itself.

We must recognize that the economic mismanagement of the last two administrations is responsible for the current recession and the deficit of at least $52 billion that it will produce.

I might add, Mr. President, I think the projected deficit will be far greater than that which has been stated. I predict that by the time we get around to the third quarter of fiscal 1976 that deficit figure will be substantially larger.

When we add up the cost to our people of the tragedy that we now call Watergate, we must include the current economic crisis and the personal hardships that go with it.

Watergate was more than just the corruption of our political process. Watergate was the neglect, and may I say the malignant neglect, not the benign neglect, of our economy.

The inconsistent policies, the overreliance on high interest rates and tight money, and the almost continuous changes in the top economic and energy policy positions of the government, have all contributed directly, and may I say tragically, to the current economic nightmare.

If our economy was operating at anywhere near its full potential, we would have been able to finance all of the necessary Government programs and had a budget surplus, as well.

In fact, Mr. President, if we had a so-called full employment budget which predicates the employment level at 4 percent of unemployment, we would be having a huge budget surplus for fiscal 1976 and we would have had a big budget surplus for fiscal 1975.

The entire emphasis, therefore, of the fiscal 1976 budget should be and must be on restoring economic growth.

We need to increase revenues and balance the budget, but do it by putting people back into productive work, not by slashing programs that create jobs and help people survive recession.

Any proposal to restore the health of our economy by cutting back on food stamps, for example, and on social security to our elderly in the midst of the worst recession since the 1930's, is, to me, unacceptable, unfair, and I submit will not be approved by this Congress.

For the life of me, I cannot understand how the President of the United States and his administration can call upon this Congress to limit social security increases to 5 percent in the face of a 12- to 14-percent increase in the cost of living.

Might I add, for the elderly and poor—and frequently the elderly are poor—that the cost of living has gone up much more for them than 12 percent, and for us to sit back here and listen to a message that says we will limit their increases to

5 percent, to me, is intolerable and I want to serve notice now that as one Senator I shall do all I possibly can to see that that kind of misguided policy does not become public policy.

Nor will we stand by, Mr. President, and passively accept the President's proposals to slash our critically important child nutrition and school lunch programs.

I hope that the Senate will review this budget very carefully, and I know we will. But let me say right now, I have looked at that part of this designated child nutrition and other programs, and this budget will destroy the school lunch program. The only school lunches to be provided will be for the poorest of the poor. The middle-income American families will have no assistance in their school lunch program.

We have spent 40 years, almost, better than 35 years, building the school lunch program, and it needs to be expanded, at least to be maintained, rather than to be curtailed and finally done away with.

So again I must serve notice that on a program of such value as school lunches we are just not going to permit that program to be crippled or to be lessened in its impact or to be destroyed.

This budget, instead of reducing unemployment, allows it to rise. Instead of stimulating economic growth, it permits further declines. Instead of controlling inflation, it accepts its continuation.

Mr. President, I will be back to the Senate as chairman of the Joint Economic Committee to give a further detailed analysis of this budget.

Of course, our Budget Control Committee will study the budget with meticulous care. Indeed, the Appropriations Committees of the Senate and the House will, likewise, make analysis and study of this budget. But just looking at it in its most obvious outlines, it is a budget which does not address itself to either recession or inflation. It is a budget which tells the Nation it must be prepared to accept 7½ percent unemployment for the next 3 years. It is a budget which does nothing to really increase the gross national product, and yet that budget ought to be the instrument by which we revise our priorities in this country.

It ought to be the instrument—it is the only one we have—and it ought to be the instrument that gives us some sense of direction. Well, it does, I suppose, give us direction: retreat. But that is not the kind of direction that this country needs.

So, Mr. President, I hope that every Member of the Senate will take a very careful look at what has been given to us as the prescription for our ills.

May I add that instead of giving us any relief from our economic ills, it will add to the pain and the suffering, not to the revitalization of our economy and the improvement of our standard of living.

Mr. President, I take a very dim view of what we have had presented to us. I regret to have to say this, because this is the time when we all need to pull together. But we cannot pull together if somebody is going to start to pull the Nation's economy backward rather than forward. We do not need any slip and slide, and we surely do not need any retreat. We need at least some determined, steady progress. I am not asking for a massive movement forward. I am asking, however, for some steady progress toward relieving the rate of unemployment and toward improving the growth of our economy.

Mr. President, I have no further statement.

CHANGE OF REFERENCE

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from New Jersey (Mr. WILLIAMS). I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of S. 318, prohibiting the use of HEW funds for abortion, and that it be referred to the Committee on Finance. I am told that the matter has been cleared with the distinguished chairman of the Finance Committee (Mr. LONG).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I also ask unanimous consent that the Committee on Commerce be discharged from the further consideration of S. 510, the Medical Device Amendments of 1975, and that the bill be referred to the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Vice President laid before the Senate a message from the President of the United States submitting the nomination of Peter H. Dominick, of Colorado, to be Ambassador Extraordinary and Plenipotentiary of the United States to Switzerland, which was referred to the Committee on Foreign Relations.

REPORT ON THE ADMINISTRATION OF THE NATIONAL COOLEY'S ANEMIA CONTROL ACT—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate a message from the President of the United States transmitting the annual report on the administration of the National Cooley's Anemia Control Act, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to send to the Congress the Second Annual Report on the Administration of the National Cooley's Anemia Control Act in accordance with the requirements of section 1115 of the Public Service Act, as amended.

GERALD R. FORD.

THE WHITE HOUSE, *February 3, 1975.*

THE BUDGET OF THE U.S. GOVERNMENT FOR THE FISCAL YEAR 1976 (H. DOC. 94-21)

The VICE PRESIDENT laid before the Senate a message from the President of the United States transmitting the budget for the fiscal year 1976, which, with the accompanying budget, was referred jointly by unanimous consent to the Committee on Appropriations and the Committee on the Budget. The message is as follows:

To the Congress of the United States:

The year 1976 will mark the bicentennial of this country. With this budget we shall begin our third century as a Nation.

In our first two centuries we have developed from 13 struggling colonies to a powerful leader among nations. Our population has increased from 3 million to more than 213 million. From a simple agricultural society we have grown into a complex industrialized one.

Our Government—and its budget—have grown with the Nation, as the increasing complexity of modern society has placed greater responsibilities upon it. Yet our society has remained free and democratic, true to the principles of our Founding Fathers.

As we approach our third century as a Nation, we face serious economic difficulties of recession and inflation. I have a deep faith, however, in the fundamental strength of our Nation, our people, our economy, and our institutions of government. I am confident that we can overcome today's challenges as we have overcome others in the past—and go on to greater achievements.

My budget recommendations are designed to meet longer-term national needs as well as immediate, short-run objectives. It is vital that they do so. Because of the size and momentum of the budget, today's decisions will have far-reaching and long-lasting effects.

The recommendations set forth in this budget are an integral part of the broader series of proposals outlined in my State of the Union address. These proposals provide for:

—fiscal policy actions to increase purchasing power and stimulate economic revival, including tax reductions and greatly increased aid to the unemployed;

THE BUDGET AT A GLANCE

[In billions of dollars]

Item	1974 actual	1975 estimate	1976 estimate	Transition quarter
Receipts	264.9	278.8	297.5	84.4
Outlays	268.4	313.4	349.4	94.3
Deficit (−)	−3.5	−34.7	−51.9	−9.8

—a major new energy program that will hold down energy use, accelerate development of domestic energy resources, and promote energy research and development;

—an increase in outlays for defense in order to maintain preparedness and preserve force levels in the face of rising costs;

—a one-year moratorium on new Federal spending programs other than energy programs; and

—a temporary 5% ceiling on increases in pay for Federal employees, and on those benefit payments to individuals that are tied to changes in consumer prices.

These policies call for decisive action to restore economic growth and energy self-reliance. My proposals include a one-time $16 billion tax cut—$12 billion for individual taxpayers and $4 billion for businesses—to stimulate economic recovery.

Total Federal outlays are estimated to increase 11% between 1975 and 1976. It is essential that we keep a tight rein on spending, to prevent it from rising still further and making tax reduction imprudent. I believe that tax relief, not more Government spending, is the key to turning the economy around to renewed growth.

I regret that my budget and tax proposals will mean bigger deficits temporarily, for I have always opposed deficits. We must recognize, however, that if economic recovery does not begin soon, the Treasury will lose anticipated receipts and incur even larger deficits in the future.

My energy program calls for an increased fee on imported oil, and an excise tax on domestically produced petroleum and natural gas. The proposals also call for decontrol of oil prices—coupled with a windfall profits tax—and deregulation of prices on new natural gas. These measures will discourage excessive energy use and reduce our dependence on imported oil. The $30 billion in receipts these measures will produce will be refunded to the American people—refunded in a way that helps correct the distortions in our tax system created by inflation. Special provisions will ensure that low-income Americans and State and local governments are compensated equitably. All of these compensatory measures will be in addition to the $16 billion in tax relief I have proposed.

My budget recommendations provide for total outlays of $349.4 billion in 1976, an increase of $35.9 billion over 1975, and anticipate receipts of $297.5 billion, an increase of $18.8 billion over 1975.

The Congressional Budget and Impoundment Control Act of 1974 provides for major reforms in the budget process. As part of these reforms, it changes the fiscal year for the Federal budget from the present July-through-June basis to an October-through-September basis, beginning with the 1977 fiscal year. This requires that there be a separate transition quarter, extending from July through September of 1976, after fiscal year 1976 ends and before fiscal year 1977 begins. Estimates for the transition quarter are included in this budget. In general, they anticipate continuing the 1976 program levels unchanged for the additional three months. Because outlays and receipts vary seasonally—that is, they do not occur at uniform rates during the year—the estimates for this quarter (and particularly the deficit) are not representative of a full year's experience.

THE BUDGET AND THE ECONOMY

If the Congress acts decisively on the new policies I have announced in my State of the Union address, and if we exercise reasonable patience and restraint, we can go far toward solving the broad range of economic problems our Nation now faces.

It must be clearly understood that these problems are serious and that strong remedies are fully justified. The economy is now in a recession. Unemployment is far too high and productivity has declined. At the same time, inflation, a serious and growing problem for nearly a decade, continues to distort our economy in major ways. Underlying these problems is the fact that we are far from self-sufficient in energy production, and even with the measures I have proposed, regaining the capacity for self-sufficiency will take years to achieve. Imported fuel supplies have been interrupted once and remain vulnerable, and oil prices have been increased fourfold.

The increased unemployment and continued price increases from which we now suffer are problems we share with much of the rest of the world. The roots of these problems are complex. The steep rise in the price of imported oil, for example, while directly increasing prices, has also acted like a tax increase by reducing the real income of American consumers and transferring that income to oil exporting countries. Lower real incomes, combined with consumer resistance to rising prices, has reduced the demand for goods in the American marketplace. Such factors, superimposed on the inevitable slowdown in economic growth following the boom of 1972–73, underlie the recession we are now in.

The weakening of consumer demand and investment, in turn, is beginning to exert a dampening effect on price and wage increases. Thus, inflationary pressures are already beginning to recede and are likely to continue to do so. The one-time increase in fuel costs needed to constrain excessive energy usage will not reverse this basic trend.

Aiding economic recovery.—In view of this situation, I have proposed a $16 billion rebate of personal and corporation income taxes that will help reduce unemployment without rekindling inflation. This tax cut will contribute to deficits, adding $6 billion in 1975 and $10 billion in 1976.

Aside from the effects of the proposed tax reduction, the deficits anticipated for 1975 and 1976 are in large part the result of those aspects of the budget and the tax system that respond automatically to changes in the economy. When an economic slowdown occurs, Federal tax collections slow down more than incomes and profits do, and unemployment benefit payments rise sharply. These factors tend to cushion the economic downturn and help sustain individual and corporate incomes.

These stabilizing influences are substantial. If the economy were to be as fully employed in 1976 as it was in 1974, we would have $40 billion in additional tax receipts, assuming no change in tax rates. Aid to the unemployed, including the special measures I proposed and the Congress enacted last December, will be $12.7 billion larger in 1976 than in 1974, providing income support for 14.7 million beneficiaries and their families. In 1975, receipts would be $30 billion higher and aid to the unemployed is up $9 billion over 1974. These factors alone more than account for the deficits expected in both 1975 and 1976.

THE BUDGET TOTALS

[In billions of dollars]

Description	1973 actual	1974 actual	1975 estimate	1976 estimate	Transition quarter estimate
Budget receipts		264.9	278.8	297.5	84.4
Budget outlays		268.4	313.4	349.4	94.3
Deficit (−)		−3.5	−34.7	−51.9	−9.8
Budget authority		313.9	395.1	385.8	88.2
Outstanding debt, end of fiscal period:					
Gross Federal debt	468.4	486.2	538.5	605.9	616.8
Debt held by the public	343.0	346.1	389.6	453.1	465.5

Description	1973 actual	1974 actual	1975 estimate	1976 estimate	Transition quarter estimate
Outstanding Federal and federally assisted credit, end of fiscal period:					
Direct loans—on budget	44.2	46.1	46.2	49.6	NA
Direct loans—off budget	13.2	15.4	30.8	39.8	NA
Guaranteed and insured loans [1]	146.9	153.2	154.0	161.7	NA
Government-sponsored enterprise loans [2]	54.8	71.1	86.0	94.7	NA

[1] Excludes loans held by Government accounts and special credit agencies.

[2] See table E–10 in special analysis E, Federal credit programs, published in a separate volume.

The Government must act decisively to help restore economic health, and act compassionately to aid those most seriously affected by unemployment. It does not make economic sense to insist on cutting a dollar out of the budget for each dollar of tax receipts lost just because of decreases in incomes and profits resulting from the economic downturn. Nor does it make sense arbitrarily to offset each dollar of increased aid to the unemployed by a reduction elsewhere in the budget.

Last October, I proposed a National Employment Assistance Act, which provided for liberalized unemployment benefits and coverage and for more public employment. Congress has since enacted, and I have signed into law, two employment assistance acts derived from my proposals. One of these measures, the Emergency Jobs and Unemployment Assistance Act, provides unemployment benefits to workers not covered by the regular unemployment insurance system and provides increased job opportunities in the public sector. The other measure, the Emergency Unemployment Compensation Act, extends the length of time that workers covered by the regular unemployment insurance system are eligible for benefits. My budget recommendations include outlays of $17.5 billion in 1976 for income support for the unemployed, both under these two acts and under the regular unemployment compensation programs. Another $1.3 billion will be spent for increased public sector jobs.

Budget reductions.—While recommending temporary measures to help the economy and to provide greater assistance to the unemployed, I have sought, on an item-by-item basis, to eliminate nonessential spending and avoid commitment to excessive growth of Federal spending in the long run. I am proposing no new spending initiatives in this budget other than those for energy. I am also proposing that the allowable increase in Federal pay and in benefit payments to individuals that currently are linked by law to increases in consumer price levels be limited to 5 percent through June 30 of next year. To be equitable, this ceiling should apply to all these programs. This limit will save $6 billion in 1976 and permit us to concentrate maximum resources on direct efforts to speed economic recovery, including tax reduction.

In addition, I have previously asked the Congress to agree to a series of measures that would reduce outlays. In some cases the Congress has done so; in others it has overturned my proposals. Those economy measures to which Congress has not objected are reflected in my budget recommendations. These measures will provide $8 billion in savings in 1976. Further program reductions recommended in this budget will save another $3 billion. Unless the Congress concurs with the proposals now before it, including those advanced in this budget, outlays—and thus the deficit—will be about $17 billion greater in 1976 than the figure estimated in this budget. It is therefore essential that the tax cuts I am proposing be considered in conjunction with these savings proposals.

My proposal to place a temporary limit on civil service and military pay increases recognizes that the Federal Government must set an example for the rest of the economy, and that Federal employees generally enjoy considerably greater job security than the average worker under current economic conditions. I believe that most Federal employees will understand that some restraint on their pay increases is appropriate now to help provide benefits and increased job opportunities for those who are unemployed.

I urge the Congress to accept this recommendation. I especially urge the private sector—labor and management alike—to follow this example and minimize price and wage increases.

I have proposed a similar temporary limit on the automatic increases in benefit programs linked to changes in consumer prices. These programs include Social Security, Railroad Retirement, Federal employee retirement and disability systems, military retired pay, Supplemental Security Income, and the food stamp and child nutrition programs. My proposal is made in the context of the very large increases that have occurred in these programs in recent years—increases well in excess of the rate of inflation. For example, between 1970 and 1975, average payments per Social Security beneficiary have increased 22% in constant prices—that is, *after* adjusting for the 38% rise in consumer prices. Both benefit increases and growth in the number of beneficiaries have contributed to an increase in outlays for these programs from $39 billion in 1970 to an estimated $91 billion in 1975.

With thousands of workers being laid off while considerable inflationary momentum persists, I believe that modest restraint on Federal pay raises and on the growth of Federal benefit programs is an equitable way to keep the budget from perpetuating inflation.

BUDGET TRENDS AND PRIORITIES

The Federal budget both reflects our national priorities and helps to move the Nation toward their realization. Recent years have seen a significant shift in the composition of the Federal budget. The proportion of the budget devoted to defense has declined substantially since 1964, with a corresponding increase in the nondefense proportion of the budget. This shift has been particularly rapid since 1969, due in part to the end of American combat involvement in Vietnam.

Defense outlays remained virtually level in current dollar terms from 1969 to 1974, absorbing substantial cost increases—including the pay raises necessary to establish equitable wage levels for our servicemen and women and to make possible the transition to an all-volunteer armed force. Defense programs have undergone large reductions in real terms—reductions of about 40% since 1969 in manpower and materiel. In consequence, defense outlays have been a decreasing share of our gross national product, falling from 8.9% in 1969 to 5.9% in 1976.

At the same time, Federal nondefense spending has increased substantially in both current and constant dollar terms, growing from 11.6% of the gross national product in 1969 to an estimated 16.0% in this budget. In the process, the form that Federal spending takes has shifted dramatically away from support for direct Federal operations and toward direct benefits to individuals and grants to State and local governments. About a third of the latter also help to finance payments to individuals. Both legislated increases and built-in program growth have contributed to the doubling of outlays for domestic assistance in the past five years. The sharp drop in defense manpower and procurement has helped make this possible without tax increases or larger deficits.

It is no longer realistically possible to offset increasing costs of defense programs by further reducing military programs and strength. Therefore, this budget proposes an increase in defense outlays in current dollars that will maintain defense preparedness and preserve manpower levels in the face of rising costs. These proposals are the minimum prudent levels of defense spending consistent with providing armed forces which, in conjunction with those of our allies, will be adequate to maintain the military balance. Keeping that balance is essential to our national security and to the maintenance of peace.

In 1969, defense outlays were nearly one-fifth more than combined outlays for aid to individuals under human resource programs and for aid to State and local governments. Despite the increase in current-dollar defense outlays, this budget—only seven years later—proposes spending twice as much money for aid to individuals and State and local governments as for defense.

Outlays for assistance to individuals and to State and local governments will rise from $140 billion in 1974 to $178 billion in 1975, and $190 billion in 1976. These increases include the costs of the emergency unemployment assistance measures enacted last December, together with increased outlays under the regular unemployment insurance system. Outlays for other benefit programs, including Social Security, Supplemental Security Income, Medicare, and Medicaid, will also increase substantially.

The budget carries forward a philosophy that stresses an appropriate separation of public and private sector responsibilities. Within the sphere of public sector responsibilities, it calls for Federal emphasis on meeting national problems and encourages State and local responsibility and initiative in meeting local and statewide needs. Broader Federal aid to States and localities and a reduction in the Federal restrictions imposed as requirements for this aid are key elements of this philosophy. In 1974, Federal aid support 21% of total State and local government receipts, more than twice the percentage of two decades earlier. My budget recommends Federal grants-in-aid of $56 billion in 1976.

ENERGY

The fourfold increase in oil prices dictated by oil-exporting countries has been a major factor in the sharp inflationary surge of the past year and a half. It endangers the health of world trade and is creating significant financial and economic disruption throughout the world. Among other things, the resulting high fertilizer prices are hampering efforts to increase world agricultural production, thereby aggravating the world food problem.

Fuel conservation.—I continue to believe that fuel conservation and a reduction of world oil prices are in the long-term interest of both consumer and producer countries. Accordingly, I have proposed a series of stringent fuel conservation measures, including taxes on petroleum and natural gas offset by income tax reductions, payments to low-income individuals, and increased aid to State and local governments. On balance, this program will preserve consumer and business purchasing power while strongly discouraging petroleum consumption. Amendments to the Clean Air Act and other measures I have proposed will contribute to substantial improvement in automobile gasoline mileage and allow greater use of domestic coal for electric power generation, thus further reducing our need for imported oil.

At the same time, my Administration is pursuing diplomatic efforts to alleviate financial and supply problems in the industrialized world.

Development of domestic energy sources.—Fuel conservation measures and stronger diplomatic efforts are only part of the solution to the energy problem. Vigorous efforts to speed development of our vast domestic energy resources—particularly oil, gas, coal, and nuclear—are also essential. As part of these efforts, my Administration has worked out a comprehensive plan for leasing the offshore oil and gas resources of our Outer Continental Shelf. Studies are underway to insure that development and production will be accomplished safely and in an environmentally acceptable manner. We also seek responsible use of our extensive Naval Petroleum Reserves in California and Alaska and are taking steps to increase our use of our vast domestic coal reserves. These measures, including workable and precise legislation regulating strip mining, seek a proper balance between energy needs and environmental considerations. I will propose legislation to assist certain utilities facing serious financial difficulties and to encourage utilities to use fuels other than oil and natural gas. Increased domestic supplies, including establishment of a strategic petroleum storage system, coupled with fuel conservation, will help reduce our dependence upon petroleum imports and our vulnerability to interruption of foreign supplies.

In addition, the Federal Government has further expanded its research and development program to provide the new and improved technologies necessary for increasing the use of our domestic energy resources. Outlays for energy research and development will be $1.7 billion in 1976, an increase of 36% over 1975 and 102% over 1974. My budget recommendations continue our vigorous nuclear research and development program and further accelerate nonnuclear energy research and development—particularly in coal and solar energy. To provide a better organizational framework for this effort, last October I signed into law an act creating the Energy Research and Development Administration, which brings together within a single agency the Government's various research and development programs relating to fossil fuels, nuclear energy, and other energy technologies such as geothermal and solar. An independent Nuclear Regulatory Commission has also been established to improve the regulatory process associated with nuclear plant licensing, safety, and nuclear materials safeguards, and to separate this function from nuclear power development activities.

Agriculture.—Besides fuel costs, the cost of food has been the other special problem in the inflationary surge of the past two years. A worldwide decline in agricultural production due in part to adverse weather conditions has created shortages that have been critical in some areas and have sent world food prices soaring.

In response to these shortages, we have stimulated U.S. production by eliminating Government-imposed crop restrictions originally designed to prevent surpluses. Our increased production will help to curb inflation and will aid in relieving severe food shortages abroad. To the extent that we can produce beyond our domestic needs, we will be able to increase our agricultural exports and share our increased supplies with hungry peoples overseas.

NATIONAL SECURITY AND FOREIGN RELATIONS

The ultimate goal of American foreign policy is to ensure the freedom, security, and well-being of the United States as part of a peaceful and prosperous international community. Our diplomacy, backed by a strong national defense, strives to strengthen this international community through the peaceful resolution of international disputes, through arms control, and by fostering cooperation and mutual restraint. We seek a healthy world economy through expanded trade, cooperative solutions to energy problems, and increased world agricultural production to meet mankind's need for food. In today's interdependent world, each of these objectives serves our own national interest even as it helps others.

National security.—The Vladivostok understanding, which I reached with Secretary-General Brezhnev of the Soviet Union, represents a major step on the long and arduous road to the control and eventual reduction of nuclear arms. For the first time, we have reached an understanding on specific and equal limitations on strategic nuclear weapons. Once we have concluded an agreement based on these understandings, we will be prepared to take the next step—to seek further reductions, as we have already done in the case of antiballistic missile launchers.

The progress we have already made along the road to eventual strategic arms reductions has been possible only because we have remained strong. If we are to make further progress, we must act to preserve our strategic strength. My defense proposals provide for necessary force improvements and for the development of strategic alternatives necessary to maintain, within the limits of the Vladivostok agreement, a credible strategic deterrent.

More attention must now be given to maintaining an adequate balance in general purpose forces. In this area we share the burden of defense with our allies. The United States has entered into negotiations between members of NATO and of the Warsaw Pact on mutual and balanced force reductions. If those negotiations are successful, some U.S. forces stationed in Europe could safely be withdrawn. For the time being, however, the United States and its allies must maintain present manpower levels and continue to strengthen conventional combat capabilities.

In an effort to increase efficiency and achieve greater combat capability with existing manpower levels, the Army has undertaken to provide 16 active combat divisions by June of 1976 with approximately the same total number of Army personnel as was authorized for 13 divisions in June of 1974. This 16-division combat force will require additional equipment, which is provided for in my budget recommendations.

Because the welfare and survival of the United States and its allies depend upon the flow of ocean-going trade and supplies, strong naval forces are required. In recent years, the number of Navy ships has decreased, primarily as a result of the retirement of many aging ships built during World War II. The savings from this action have been used to strengthen the combat capabilities of the remaining force. This budget provides for a vigorous program of new ship construction and modernization necessary to maintain the naval balance in the future.

Foreign relations.—In addition to maintaining a strong defense capability, the United States strives, through its diplomacy, to develop and maintain peaceful relationships among nations. Foreign assistance is both an expression of our humanitarian concern and a flexible instrument of diplomacy. Our assistance in Indochina is making an essential contribution to the security and reconstruction of the countries in that region. Additional military assistance is now necessary to enable the South Vietnamese and Cambodian Governments to defend themselves against increasing military pressure. Our assistance in the Middle East is an integral part of our diplomatic effort to continue progress toward a peaceful solution to the area's problems. An increasing portion of our economic aid program is devoted to helping developing countries improve their agricultural productivity.

Higher oil prices, widespread food shortages, inflation, and spreading recession have severely strained the fabric of international cooperation. The United States has undertaken several major diplomatic initiatives designed to help restore international economic stability. Our diplomatic efforts were instrumental in the establishment of the International Energy Agency and its program, which provides for emergency oil sharing, conservation efforts, and development of alternative energy sources. More recently, the United States proposed a $25 billion special financing facility to assist industrialized countries in dealing with balance of payments difficulties. This new facility will supplement expanded operations of the International Monetary Fund. At the World Food Conference, in Rome, the United States proposed a number of measures to deal with the world food problem, including creation of an international system of grain reserves.

In addition, the Trade Act passed by the Congress last December will make possible a strengthening of international trade relations by enabling the United States to work with other nations toward reducing tariff and nontariff barriers to trade and improving access to supplies.

The strengthening of international trade and financial cooperation is essential if we and other nations are to cope successfully with current economic stresses. It is a prerequisite for renewed economic progress at home and abroad.

DOMESTIC ASSISTANCE

The enormous growth in recent decades of Federal programs for assistance to individuals and families, and to State and local governments, has placed heavy demands on the budget. This growth expressed the desire of a compassionate society to provide well for its retired workers, veterans, and less fortunate members without sacrificing our proud and productive tradition of individual initiative and self-reliance. In the process, we have built a stronger partnership among the various levels of government: Federal, State, and local.

AID TO INDIVIDUALS AND TO STATE AND LOCAL GOVERNMENTS

[Dollar amounts in billions]

Item	1968	1970	1972	1974	1976	Percent increase, 1968 to 1976
Payments to individuals [1]	$40	$51	$70	$94	$135	241
Grants-in-aid [1]	19	24	36	46	56	199
For payments to individuals	(6)	(8)	(15)	(16)	(18)	(201)
Other	(13)	(15)	(21)	(30)	(37)	(198)
Total	58	75	106	140	190	227
Memorandum: All other outlays	(121)	(122)	(126)	(128)	(159)	(32)

[1] Excludes military retired pay and grants classified in the national defense function.

Human resources programs.—The rapid growth of human resources programs in recent years has brought about many improvements in the well-being of the American people. Benefits under Social Security, Medicare, Medicaid, Supplemental Security Income, food stamps and veterans programs have increased substantially. In just seven years, cash benefits under social security programs will have risen from $26 billion in 1969 to $70 billion in 1976. They now reach 28 million beneficiaries. By 1976, six social security benefit increases will have occurred since 1969. Automatic cost-of-living adjustments to benefits are now provided by law. Allowing for the temporary 5% ceiling I have proposed on benefit increases between now and July 1976, the increases from 1970 through 1976 in the average recipient's social security benefits, taken together, will total 77%. This far exceeds the increases in the cost of living (51%) estimated for this period.

The Supplemental Security Income program began operation a year ago, replacing the various State public assistance programs for the aged, the blind, and the disabled with a more uniform and equitable national system. This broad reform has provided higher benefits for these disadvantaged groups. In addition, Federal assumption of responsibility for these programs has provided significant fiscal relief to State and local governments. This budget provides for substantial increases in administrative personnel necessary to improve services to beneficiaries both of this program, and of social security.

Outlays for the food stamp program have increased from $248 million in 1969 to an estimated $3.6 billion in 1976. I have undertaken reforms to simplify the administration of this program and reduce costs, while providing for more equitable treatment of beneficiaries.

Over the years, the income security of our labor force has been enhanced by liberalization of benefits and coverage under our unemployment insurance system, while increased employment opportunities have been created in areas of high unemployment. Programs derived from the special unemployment assistance measures I proposed last October have been enacted into law as the Emergency Jobs and Unemployment Assistance Act and the Emergency Unemployment Compensation Act. With these new acts, total unemployment assistance, including employment programs, will expand 207%, from $6.1 billion in 1974 to $18.8 billion in 1976.

Our present welfare system is inefficient and inequitable. It is wasteful not only of tax dollars but, more importantly, of human potential. Left unchanged, over the long run the situation will almost surely continue to deteriorate. I urge the Congress to work with my Administration to develop reforms that make the system simple, fair, and compassionate. This approach need not cost more, but rather can use our welfare dollars more effectively.

America needs to improve the way it pays for medical care. We should begin plans for a comprehensive national health insurance system. However, in view of the economic developments and the measures I have proposed to combat recession and inflation, I cannot now propose costly new programs. Once our current economic problems are behind us, the development of an adequate national medical insurance system should have high national priority. I urge the Congress to work with my Administration in order to devise a system that we will be able to afford.

The major existing Federal programs for financing medical care, Medicare and Medicaid, are now 10 years old. Medicare outlays of $15 billion in 1976 will help to meet the medical costs of an estimated 13.3 million aged and disabled Americans, 29% more people than were aided in 1971. Medicaid outlays of $7.2 billion will help to pay medical care for 26 million low-income Americans in 1976—a 40% increase in beneficiaries since 1971. Federal health programs also provide health care and insurance for Federal employees, veterans, and other groups. In total, existing Federal health programs now pay about 27% of the Nation's total health bill.

General Revenue Sharing.—General Revenue Sharing has become an integral and important part of the Federal grants-in-aid system. This program has been highly successful, providing fiscal assistance that can be applied flexibly to meet the needs of States and localities according to their priorities. It has distributed assistance more equitably than before, reaching many local governments that had not received Federal aid in the past.

Current authority for general revenue sharing will expire at the end of calendar year 1976. Because I believe in the soundness of this program, I shall propose legislation extending general revenue sharing through fiscal year 1982. Prompt action by the Congress on the proposed extension will permit State and local governments to plan their future budgets more effectively and avoid the waste and inefficiencies that prolonged budgetary uncertainties would create. In addition, the energy tax equalization payments to State and local governments will be distributed according to the formula used for general revenue sharing.

Transportation.—My budget recommendations anticipate legislation that I shall propose to extend the Highway Trust Fund through 1980 for the Interstate Highway System only, and increase its funding. My proposal will focus trust fund assistance on completion of key segments of the Interstate Highway System needed to link the national system together. They will also combine a number of narrow categorical grant programs to eliminate red tape and allow localities greater flexibility in meeting their transportation problems. In 1978, States will be permitted, under this proposal, to assume over $1 billion of Federal motor fuel tax receipts for local needs.

In order to improve the safety and efficiency of the Nation's aviation system, and to increase its responsiveness to current needs, I will propose legislation to restructure Federal airport and airway development programs. My proposal will broaden the range of aviation activities that may be financed from the Airport and Airway Trust Fund, eliminate unnecessary Federal involvement in airport investment decisions, and allocate user fees more equitably among aviation system users.

BUDGET REFORM

As demands on the budget have grown, the need for better congressional procedures for considering the budget has become increasingly clear. In the past the Congress had acted upon the budget in a piecemeal fashion, with far too little attention to the total. The Congressional Budget and Impoundment Control Act, passed last summer, mandates changes in the Federal budget and major reforms in congressional procedures for dealing with it. Under the new procedures, the Congress will have a larger and better-defined role in developing sound budget and fiscal policies. Congressional organization and procedures will focus greater attention on the budget totals early in the legislative process.

Major provisions of the act require greater attention to the future-year costs of legislative proposals and ongoing programs, and establish a budget committee in each Chamber and a Congressional Budget Office to aid Congress in its consideration of budget recommendations. The shift of the fiscal year to an October-to-September basis will give the Congress more time to complete action on the budget before the fiscal year begins.

The act also provides for a closer working relationship between the Congress and the executive branch in controlling outlays. I look forward to a new era of fruitful cooperation between the legislative and executive branches on budgetary matters, a cooperation that will enhance fiscal responsibility, make the budget a more useful instrument of national policy, and promote a more careful allocation of limited resources.

During the past six years, the budget has become increasingly forward-looking, focusing attention on the future effects of budget proposals. The new act builds upon this initiative with the requirement that the budget present more extensive five-year projections of outlays and receipts. These projections indicate the large natural increase in receipts resulting from rising incomes and profits as the economy recovers. These increased receipts, coupled with *prudent fiscal restraint*, will make it possible to avoid deficits that would be inflationary when the economy returns to high employment.

The Government strongly affects the economy in many ways not fully reflected in the budget. These influences include tax expenditures such as those that encourage homeownership and business investment; and the operations of Federal or Government-sponsored enterprises, particularly in the credit field, that are excluded from the budget. The new act recognizes the importance of these factors by requiring that they be given greater consideration in connection with the budget.

CONCLUSION

As we approach our national bicentennial, difficult challenges lie before us. The recommendations in this budget address the Nation's problems in a direct, constructive, and responsible fashion. They are designed to move the Nation toward economic health and stability. They meet human needs. They provide for the strong defense essential to our national security and to our continuing efforts to maintain world peace.

Looking beyond the bicentennial, toward the year 2000, the practical limits to the growth of the Federal Government's role in our society become increasingly clear. The tremendous growth of our domestic assistance programs in recent years has, on the whole, been commendable. Much of the burden of aiding the elderly and the needy has been shifted from private individuals and institutions to society as a whole, as the Federal Government's income transfer programs have expanded their coverage.

These programs cannot, however, continue to expand at the rates they have experienced over the past two decades. Spending by all levels of government now makes up a third of our national output. Were the growth of domestic assistance programs to continue for the next two decades at the same rates as in the past 20 years, total government spending would grow to more than half of our national output. We cannot permit this to occur. Taxation of individuals and businesses to pay for such expansion would simply become insupportably heavy. This is not a matter of conservative or liberal ideology. It is hard fact, easily demonstrated by simple extrapolation. We must begin to limit the rate of growth of our budgetary commitments in the domestic assistance area to sustainable levels.

The growth of these domestic assistance programs has taken place in a largely unplanned, piecemeal fashion. This has resulted in too many overlapping programs, lack of coordination, and inequities. Some of the less needy now receive a disproportionate share of Federal benefits, while some who are more needy receive less. We must redouble the efforts of the past five years to rationalize and streamline these programs. This means working toward a stable and integrated system of programs that reflects the conscience of a compassionate society but avoids a growing preponderance of the public sector over the private. It also means decentralizing Government operations and developing a closer partnership among the Federal Government, State and local governments, and the individual private citizen.

The Congress will approach this budget in a new way, with new legislative machinery and procedures. I pledge to work in a spirit of cooperation with the Congress to make this effort a success. The tasks before us provide difficult tests: to meet immediate economic problems; to relate our limited Federal resources more clearly to current national priorities; and to develop long-term strategies for meeting Federal responsibilities as we begin our third century. I am confident of success.

GERALD R. FORD.

FEBRUARY 3, 1975.

MESSAGES FROM THE HOUSE

At 12:03, a message from the House of Representatives by Mr. Berry, one of its reading clerks announced that the Speaker has appointed Mr. Price, Mr. Young of Texas, Mr. Roncalio, Mr. McCormack, Mr. Moss, Mr. Anderson of Illinois, Mr. Lujan, Mr. Horton, and Mr. Hinshaw as members of the Joint Committee on Atomic Energy, on the part of the House.

The message also announced that the Speaker has appointed Mr. Cornell and Mr. Quie as members of the Board of Directors of Gallaudet College, on the part of the House.

The message further announced that the Speaker has appointed Mr. Wolff and Mr. Wydler as members of the Board of Visitors to the U.S. Merchant Marine Academy, on the part of the House.

The message also announced that the Speaker has appointed Mr. Jones of Alabama, Mr. Wright, Mr. Johnson of California, Mr. Harsha, and Mr. Cleveland as members of the National Study Commission under the Federal Water Pollution Control Act of 1972, on the part of the House.

The message further announced that the Speaker has appointed Mr. Brooks, Mr. Giaimo, Mr. O'Hara, Mr. Cleveland, and Mr. Ashbrook as members of the Joint Committee on Congressional Operations, on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Use of Defense Appropriation Act Funds

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, that no use was made of funds appropriated in the Defense Appropriation Act, 1974, during the period January 1–June 30, 1974, to make payments under contracts for any program, project, or activity in a foreign country except where, after consultation with a designee of the Secretary of the Treasury, it was determined that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law was not feasible for the reason that the Treasury Department was not holding excess foreign currencies in the county involved; to the Committee on Appropriations.

Apportionment of Appropriations to the Department of Health, Education and Welfare for Saint Elizabeths Hospital and Departmental Management

A letter from the Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriations to the Department of Health, Education, and Welfare for "Saint Elizabeths Hospital" and "Departmental management" have been apportioned on a basis which indicates a necessity for supplemental estimates of appropriations for the fiscal year 1975; to the Committee on Appropriations.

Report on the Progress of the Army ROTC Flight Instruction Program

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of progress of the Army Reserve Officers' Training Corps Flight Instruction Program, 1 January through 31 December 1974 (with an accompanying report); to the Committee on Armed Services.

Construction Projects Proposed To Be Undertaken for the Army National Guard and the Air National Guard

Two letters from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, construction projects proposed to be undertaken for the Army National Guard and the Air National Guard (with accompanying papers); to the Committee on Armed Services.

Report of Department of Defense Procurement From Small and Other Business Firms

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, the report of Department of Defense procurement from small and other business firms for July–November 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Statistics of Interstate Natural Gas Pipeline Companies, 1973—Federal Power Commission

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a copy of the publication "Statistics of Interstate Natural Gas Pipeline Companies, 1973" (with an accompanying document); to the Committee on Commerce.

Balance Sheet of the Potomac Electric Power Co., December 31, 1974

A letter from the Senior Vice President for Finance, Potomac Electric Power Co., transmitting, pursuant to law, a copy of a balance sheet of Potomac Electric Power Co., as of December 31, 1974 (with accompanying papers); to the Committee on the District of Columbia.

Balance Sheet of Chesapeake & Potomac Telephone Co., 1974

A letter from the Vice President and General Manager, C&P Telephone Co., transmitting, pursuant to law, a statement of receipts and expenditures of the Chesapeake & Potomac Telephone Co. for the year 1974 (with accompanying papers); to the Committee on the District of Columbia.

Proposed Additional Military Assistance to Cambodia

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to provide additional military assistance to Cambodia, together with a section-by-section analysis (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on U.S. policies and programs in Bolivia (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the implementation of the Fair Packaging and Labeling Act and related food labeling laws and the improvements needed by the Food and Drug Administration, Department of Health, Education, and Welfare; the National Bureau of Standards, Department of Commerce; and the Agricultural Marketing Services, the Animal and Plant Health Inspection Service, and the Economic Research Service, Department of Agriculture, to provide the consumer with more usable information for making the value comparisons contemplated by the Congress and for determining which brands are best suited to their specific needs or preferences (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report for the calendar year 1974 concerning positions in the U.S. General Accounting Office in grades GS–16, 17, and 18, and their incumbents (with an accompanying report); to the Committee on Post Office and Civil Service.

Proposed Contract for a Research Project Entitled "Technical Proposal for a Novel Remote Controlled High Productivity Coal Mining System"

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Ingersoll-Rand Research, Inc., Princeton, N.J., for a research project entitled "Technical Proposal for a Novel Remote Controlled High Productivity Coal Mining System" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Contract for a Research Project Entitled "Hybrid Computer System for Optimization of Extraction Procedures in Tabular Coal Deposits"

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with the University of Minnesota, Minneapolis, Minn., for a research project entitled "Hybrid Computer System for Optimization of Extraction Procedures in Tabular Coal Deposits" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Annual Report of the U.S. Atomic Energy Commission, 1974

A letter from the Chairman, U.S. Atomic Energy Commission, transmitting, pursuant to law, the annual report for 1974 of the U.S. Atomic Energy Commission (with an accompanying report); to the Joint Committee on Atomic Energy.

Withdrawal of Suspension of Deportation Order

A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, requesting withdrawal and return of suspension of deportation in the case of David Robles-Osuna; to the Committee on the Judiciary.

Proposed Older Americans Act Amendments of 1975

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Older Americans Act of 1965 to extend authorizations of appropriations for 2 years, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Smithsonian Institution

A letter from the Secretary, Smithsonian Institution, transmitting, pursuant to law, the annual report of the Smithsonian Institution for the fiscal year 1974 (with an accompanying report); to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE (for Mr. Hartke) from the Committee on Veterans' Affairs:

S. Res. 53. An original resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary:

Edward Hirsch Levi, of Illinois, to be Attorney General; and

Lutrelle F. Parker, of Virginia, to be Deputy Commissioner of Patents and Trademarks.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HASKELL:

S. 512. A bill to reform the Federal income, estate, and gift tax laws. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. Mondale, and Mr. McGee):

S. 513. A bill to provide for adjustments in established price and loan levels for certain agricultural commodities, to improve stabilization of farm prices and incomes and to provide for improved management of certain agricultural commodities during times of shortage and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 514. A bill for the relief of Mr. and Mrs. Leodegario V. Soriano, Junior. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 515. A bill to amend the Rail Passenger Service Act of 1970 in order to require that before the National Railroad Passenger Corporation changes any schedule of, or increases any rate, fare, or charge for, rail passenger service, the Corporation shall hold a public hearing and making a finding that such change or increase is reasonable and in the public interest. Referred to the Committee on Commerce.

By Mr. GRAVEL:

S. 516. A bill for the relief of Carlos C. Montanes. Referred to the Committee on the Judiciary.

By Mr. WILLIAM L. SCOTT:

S. 517. A bill to clarify the jurisdiction of certain Federal courts with respect to public schools and to confer such jurisdiction upon certain other courts. Referred to the Committee on the Judiciary.

S. 518. A bill to provide for the establishment of a national cemetery adjacent to the Manassas National Battlefield Park, Va. Referred to the Committee on Veterans' Affairs.

S. 519. A bill to provide for the establishment of a national cemetery within the Manassas National Battlefield Park, Va. Referred to the Committee on Veterans' Affairs.

By Mr. JACKSON (for himself, Mr. Haskell, and Mr. Fannin):

S. 520. A bill to designate certain lands as wilderness. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself, Mr. Randolph, Mr. Metcalf, and Mr. Johnston):

S. 521. A bill to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes. Referred to the Committee on Interior and Insular Affairs:

By Mr. JACKSON (for himself, Mr. Fannin, Mr. Abourezk, Mr. Bartlett, Mr. Burdick, Mr. Cannon, Mr. Church, Mr. Domenici, Mr. Goldwater, Mr. Gravel, Mr. Haskell, Mr. Hatfield, Mr. Humphrey, Mr. Kennedy, Mr. Magnuson, Mr. Mansfield, Mr. McGovern, Mr. McGee, Mr. Metcalf, Mr. Montoya, Mr. Moss, Mr. Nelson, and Mr. Stevens):

S. 522. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER:

S. 523. A bill to provide that U.S. Flag Day shall be a legal public holiday. Referred to the Committee on the Judiciary.

S. 524. A bill to amend the Community Mental Health Centers Act to provide for the extension and revision thereof. Referred to the Committee on Labor and Public Welfare.

By Mr. RIBICOFF (for himself, Mr. Clark, Mr. McIntyre, Mr. Bayh, Mr. Philip A. Hart, Mr. Hathaway, Mr. Williams, Mr. McGee, Mr. McGovern, Mr. Humphrey, Mr. Stevenson, Mr. Jackson, Mr. Culver, Mr. Stone, Mr. Tunney, Mr. Hartke, Mr. Leahy, Mr. Chiles, Mr. Mansfield, Mr. Robert C. Byrd, Mr. Kennedy, Mr. Montoya, Mr. Pell, Mr. Moss, Mr. Abourezk, Mr. Muskie, Mr. Magnuson, Mr. Burdick, Mr. Pastore, Mr. Cranston, Mr. Schweiker, Mr. Eagleton, Mr. Gravel, Mr. Mondale, Mr. Randolph, Mr. Cannon, Mr. Bentsen, Mr. Inouye, Mr. Gary Hart, Mr. Haskell, and Mr. Bumpers):

S. 525. A bill to amend the Social Security Act to freeze medicare deductibles. Referred to the Committee on Finance.

By Mr. INOUYE:

S. 526. A bill for the relief of Captain John H. Beaumont, U.S. Air Force Reserve. Referred to the Committee on the Judiciary.

S. 527. A bill for the relief of Chief Boatswain's Mate Benjamin Henry Blakeman, U.S. Navy. Referred to the Committee on the Judiciary.

S. 528. A bill for the relief of Helen O. McKinney. Referred to the Committee on the Judiciary.

S. 529. A bill for the relief of Sylvia Dix. Referred to the Committee on the Judiciary.

S. 530. A bill for the relief of Mr. and Mrs. Tetsuo Abe. Referred to the Committee on the Judiciary.

S. 531. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a non-service-connected disability to any war veteran who has a service-connected disability of 80 percent or more. Referred to the Committee on Veterans Affairs.

By Mr. HASKELL (for himself, Mr. Gary W. Hart, Mr. McGee, and Mr. Hansen):

S. 532. A bill to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers. Referred to the Committee on Agriculture and Forestry.

By Mr. EASTLAND:

S. 533. A bill for the relief of Jiri Emanuel Huebner. Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 534. A bill to provide an income tax credit for certain expenses incurred in furnishing or obtaining a higher education (including postsecondary trade and vocational schools). Referred to the Committee on Finance.

By Mr. THURMOND:

S. 535. A bill for the relief of Chakrapani Sethumadhavan. Referred to the Committee on the Judiciary.

By Mr. BURDICK (for himself, Mr. Abourezk, and Mr. McGovern):

S. 536. A bill to provide that certain lands shall be held in trust for the Standing Rock Sioux Tribe in North Dakota and South Dakota. Referred to the Committee on Interior and Insular Affairs.

By Mr. BURDICK:

S. 537. A bill to improve judicial machinery by amending the requirement for a three-judge court in certain cases and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BURDICK (by request):

S. 538. A bill to improve judicial machinery by amending subsection (g) of section 1407, chapter 87, of title 28 of the United States Code, to exempt actions brought by the Securities and Exchange Commission under the Federal securities laws from the operation of that section, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BURDICK (for himself and Mr. Schweiker):

S. 539. A bill to amend the Jury Selection and Service Act of 1968, as amended (28 U.S.C. 1861 et seq.), by revising the section on Fees, section 1871, and by adding a new section 1875, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BURDICK:

S. 540. A bill to provide for the return to the former owners of certain formal tribal lands acquired in connection with the Garrison Dam and Reservoir project. Referred to the Committee on Interior and Insular Affairs.

S. 541. A bill to authorize the establishment of the Fort Buford unit of the Fort Union Trading Post National Historic Site in the State of North Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOMENICI:

S. 542. A bill to amend the Federal Water Pollution Control Act. Referred to the Committee on Public Works.

By Mr. CLARK (for himself and Mr. Culver):

S. 543. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes. Referred to the Committee on Commerce.

By Mr. CLARK (for himself, Mr. Hartke, Mr. Humphrey, Mr. Ribicoff, Mr. Inouye, Mr. Kennedy, and Mr. McGovern):

S. 544. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to health education and health problems. Referred to the Committee on Labor and Public Welfare.

By Mr. McGOVERN (for himself, Mr. Arourezk, and Mr. Curtis):

S. 545. A bill to amend the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HATHAWAY:

S. 546. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs. Referred to the Committee on Finance.

By Mr. PROXMIRE:

S. 547. A bill to amend section 19 of the Federal Reserve Act and section 18 of the Federal Deposit Insurance Act to provide for the payment of interest on deposits of public funds by the United States, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PROXMIRE (for himself, Mr. Schweiker, Mr. Abourezk, Mr. Allen, Mr. Chiles, Mr. Church, Mr. Cranston, Mr. Domenici, Mr. Eastland, Mr. Fannin, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hartke, Mr. Inouye, Mr. Johnston, Mr. Leahy, Mr. Mansfield, Mr. McClellan, Mr. McClure, Mr. McGee, Mr. Moss, Mr. Nunn, Mr. Packwood, Mr. Pell, Mr. Randolph, Mr. Hugh Scott, Mr. William L. Scott, Mr. Sparkman, Mr. Stafford, Mr. Stevenson, and Mr. Thurmond):

S. 548. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. McGOVERN:

S. 549. A bill to provide additional incentives for farmers to produce wheat, feed grains, and cotton; to provide for the purchase of animals and animal food products for use in food relief programs; to provide for the establishment and maintenance of a reserve inventory of wheat, feed grains, cotton, and soybeans; to amend and improve the Food Stamp program; and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. ABOUREZK:

S. 550. A bill for the relief of Dhanesh Deally, his wife Edalin, and their two children Andrew and Angela. Referred to the Committee on the Judiciary.

By Mr. WILLIAM L. SCOTT:

S.J. Res. 24. A joint resolution proposing an amendment to the Constitution of the United States relating to the participation in nondenominational prayers in any building which is supported in whole or in part through the expenditure of public funds. Referred to the Committee on the Judiciary.

By Mr. JACKSON (for himself, Mr. Johnston, and Mr. Mathias):

S.J. Res. 25. A joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week." Referred to the Committee on the Judiciary.

By Mr. PASTORE (for himself, Mr. Haskell, and Mr. Pell):

S.J. Res. 26. A joint resolution proposing modification of the twenty-fifth amendment of the Constitution of the United

States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HASKELL:

S. 512. A bill to reform the Federal income, estate, and gift tax laws. Referred to the Committee on Finance.

TAX REFORM ACT OF 1975

Mr. HASKELL. Mr. President, I am today introducing a bill to reform the Federal income, estate and gift taxes, and to provide for a significant degree of tax relief for all taxpayers. This bill would raise over $20 billion in new revenues through tax reforms—and return that $20 billion to the American people through tax reductions. I regard the two—reform and relief—as inseparable. The premise which underlies this bill is that for far too long, middle- and lower-income Americans have been bearing a tax burden disproportionate to their ability to pay. They have been caused to do so, because of a plethora of special interest subsidies woven throughout the thousands of pages of our tax laws, subsidies which are unjustified.

In the course of preparing this proposal, I have had the benefit of advice and comments from economists, tax law practitioners, representatives of labor unions, consumer groups, and businessmen. I might say that I have discovered a lack of consensus as to precisely how best to reform the tax laws—some would go further than others in repealing business tax incentives, for example, while others seek to tax capital gains in full. Similarly, there is no agreement as to the most appropriate or effective form of tax relief.

In short, I am not representing this bill as the end-all and be-all of tax reform. Indeed, a number of the proposals which I make in this bill are in need of refinement and further rethinking.

Further thought, debate, and discussion, however, is precisely my goal. I do not intend this bill as a solution to our immediate problem of providing much needed tax relief to the American people. Rather, it is my hope that once we have taken such short-term measures to arrest the recessionary slide of the economy, we will then proceed to deal with broader questions of economic policy and justice in an effort to determine how we got where we are and how we might avoid this situation in the future. One of the areas I hope to see debated and discussed in the not-too-distant future is the role of our Federal income tax system in the shaping of our economic policy.

I am convinced, Mr. President, that we have for too long ignored the role our tax system plays in our economic planning. I believe we have, over the past two decades, treated our tax system as though it were a panacea for the ills of virtually every segment of our industrial, agricultural, and natural resource economies; and, we have done so without ever carefully considering the aggregate effect various forms of business subsidies in the tax laws have on the progressiveness and fairness of the system as a whole.

The basic premise underlying the bill I am introducing today is that the tax laws should be used to raise revenues in a progressive and evenhanded manner; that business incentives in the tax laws should be repealed until such time as the recipients of these tax preferences demonstrate to the Congress an overwhelming imperative to use the tax laws rather than the authorization and appropriation process for such incentives and subsidies; and, finally, that the revenues raised through the repeal of these provisions should be returned to the taxpaying public through tax relief mechanisms.

In my view, business incentives and subsidies where needed should be directly authorized and appropriated and thus be subject to annual review and justification. They should not be given by the backdoor through the tax laws.

Mr. President, there exists across the Nation a striking lack of confidence in the fairness of our tax system. That is the certain result of a system which is even-handed in its theory, but unfair in its application. We represent to the American people a progressive tax system; but the people know of loopholes which allow many wealthy Americans to escape taxation entirely while the multinational oil giants, among others, pay nominal amounts of taxes on grossly inflated profits.

Our primary task in the next several months should be to restore the faith of the American people in their Government, their economy, and their prospects for tomorrow. Reforming the Federal tax system is, in my opinion, an elemental part of this task.

I offer this bill as a starting point of discussion and debate. I sincerely hope that, in this light, my colleagues on both sides of the aisle will join me in support of the Tax Reform Act of 1975. I am certain that if a proposal such as this one receives substantial support in the Senate, we can and will end this session of the Congress with a comprehensive and meaningful tax reform measure.

I ask unanimous consent, Mr. President, that an outline, revenue estimates, and a detailed explanation be printed at this point in the RECORD, and that the bill be printed in the RECORD following the explanation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION OUTLINE AND REVENUE ESTIMATES FOR THE TAX REFORM ACT OF 1975

(By Senator FLOYD K. HASKELL)

Sec. 101. Repealed would be:

(NOTE.—All repeals are effective December 31, 1975, except the investment tax credit, the effective date for which is December 31, 1976.)

Revenue in millions

The seven percent investment tax credit	$4,900(a)
The work incentive program expenses tax credit	5(a)
The present exclusion from taxable income of $100 of dividend income	340(a)
The five-year amortization provision covering expenditures for the rehabilitation of low-income housing	65(a)
The Asset Depreciation Range System (rapid depreciation)	1,500(a)
The five-year amortization provision covering expenses for polluion control facilities	$40(a)
The provision for deducting, rather than capitalizing, research and development expenses incurred in a trade or business	1,500(a)
The five-year amortization provision for railroad rolling stock	10(a)
The five-year amortization provision for on-the-job training and child care facility expenses	10(b)
Capital gain treatment for certain coal, iron ore, and timber income	265(a)
Provisions allowing the exclusion of income earned abroad by U.S. citizens and income earned in U.S. possessions by U.S. corporations with branches in those possessions	70(a)
Allowance of a special (34%) rate of tax, rather than the usual 48% for corporations designated as "Western Hemisphere Trade Corporations"	100(a)
Special tax treatment accorded to Domestic International Sales Corporations (DISC), i.e., exporters	920(a)
Special provisions allowing losses on small business stock to be treated as ordinary rather than capital losses	n/a
Maximum 50% rate of tax on earned income	196(d)
Tax deferrals presently allowed shipping companies	40(a)
The alternative tax, which limits the taxation on the first $50,000 of capital gains for taxpayers in tax brackets of 50% or greater	105(d)
The provision allowing intangible drilling costs on successful wells to be deducted, rather than capitalized	800(a)
Sec. 102:	
Requires that the Secretary of the Treasury, within one year of enactment, report to the Congress as to the existence of any income tax exclusions, deductions, credits or deferrals which exist outside of the Internal Revenue Code and the reasons keeping those provisions outside the code	0
Sec. 103:	
Provides that the corporate surtax exemption—property designed only to provide tax relief to small businesses—is to be raised to $50,000 but, at the same time would be phased out as the corporation's taxable income exceeds $100,000 and would disappear entirely at a taxable income level of $225,000	n/a
Sec. 104:	
Provides that deductions properly allowable are to be allocated between taxable and excluded income on a proportionate basis	n/a
Sec. 105:	
Provides that non-federal government bonds may be issued as obligations the interest on which is subject to federal income taxation and that, if so issued, the federal government shall pay 40% of the interest yield on the bonds	0 net effect on federal revenues (d)

Revenue in millions—Continued

Sec. 106: Limits the availability of the present investment interest deduction to income produced by the asset in excess of the deductions allowable under other provisions of the code (such as property taxes)	n/a
Sec. 107: Limits the availability of the home mortgage interest deduction to the taxpayer's principal place of residence	n/a
Sec. 108: Provides that only the straight line method of depreciation, and no method of accelerated depreciation, may be used by any taxpayer in computing depreciation deductions on property acquired after December 31, 1974	n/a
Sec. 109: Provides that, with certain exceptions, farm losses shall be deductible only to the extent that they do not exceed the taxpayer's gross income as derived from the business of farming plus $15,000 of any non-farm income. Amounts disallowed as deductions may be carried over to later years	$120(a)
Sec. 110: Requires that, in order to qualify a business merger or consolidation as a non-taxable reorganization, the shareholders of acquired corporation must not, as a result of the consolidation or merger, own less than 25 percent of the voting power of the stock of the surviving corporation	n/a
Sec. 111: Limits bad debt reserves of financial institutions to amounts based upon actual bad debt experience of the txapayer	360(a)
Sec. 112: Prohibits the taking of percentage depletion deductions if the aggregate of such deductions taken in the past exceeds the adjusted cost basis of the properties in question	2,960(a)
Sec. 113: Taxes capital gains at death	n/a
Sec. 114: Eliminates the present provision which allows so-called "less developed country" corporations not to "gross-up" realized dividends from its foreign subsidiaries for purposes of the foreign tax credit calculation	80(a)
Prohibits corporations from taking a foreign tax credit on amounts paid to a foreign country with respect to the extraction, production or refining of oil or gas to the extent that those amounts represent the payment of a royalty payment and not a true income tax. Additionally subsection (b) of this section repeals the present "overall limitation" on the foreign tax credit which now allows, in effect, corporations to reduce the tax liability resulting from income in one country by virtue of taxes paid to a different country	n/a
Eliminates the present code provisions which allow deferral of taxation on certain income of controlled foreign subsidiary corporation	375(a)
Sec: 117: Redefines the concepts of capital gain and loss with respect to property that has been held for investment by a taxpayer, e.g., idle land or stocks which yield no dividends (not property used in a trade or business). The redefinition is designed to prevent shifting ordinary income to capital gain income. Taxpayers can make conscious choices to invest in capital assets which do or do not produce ordinary income over the period during which the asset is held. Thus, to a certain extent, taxpayers, when they realize capital gains, have done so by voluntarily foregoing some ordinary income. This section defines capital gain as the difference between the sale price of the asset and the sum of the cost basis of the asset plus the difference between a 5 percent compounded annual return on the cost basis and any ordinary income attributable to the asset received by the taxpayer over the holding period. A parallel change in the definition of capital loss is provided. Finally, both the alternative and the minimum taxes are repealed, and capital gains taxes are to be imposed upon the appreciation of capital assets which are transferred in any testamentary disposition	$105(d)

(a) holding period revision only:

Sec. 201:

Integrates the estate and gift taxes so that inter vivos transfers are treated just as are transfers at death; one exemption of $25,000 is provided and the exemption may be used with respect to either type of transfer. This section also increases and makes more level the rate of progression of the rates.

Sec. 202: Raises the limitation on the marital deduction under the estate tax from one-half the value of the gross estate to one-half the value of the gross estate plus $100,000	*2,500(c)

Sec. 203:

Imposes a special tax on "generation skipping transfers" which presently allow the very wealthy to transfer property to distant heirs for the purpose of having the family's wealth taxed only once in several generations. The special tax shall approximate the tax that would have been imposed had this device not been used and family wealth been transferred to the skipped generation—(above)

Sec. 301 et seq: Tax Relief:

Provides for (a) an optional $220 personal tax credit in lieu of the present $750 personal exemption, (b) a reduction of all tax rates by 2%, and (c) an increase in the standard deduction to 17% up to a maximum of $2,500.

Sources:

(a) "Federal Subsidy Programs," Subcommittee on Priorities and Economy in Government of the Joint Economic Committee (October 18, 1974); also, Tax Analysts and Advocates, "Fiscal 1975 Tax Expenditure Budget" (January 21, 1974).

(b) "Estimates of Federal Tax Expenditures," House Committee on Ways and Means (June 1, 1973).

(c) Statement of Senator Edmund Muskie, Congressional Record, 5-1056 (January 23, 1973).

(d) Treasury Department Estimates, November 1974.

*Includes Sec. 201, 202, and 203.

THE TAX REFORM ACT OF 1975

EXPLANATION

(By Senator FLOYD K. HASKELL)

It has finally become apparent that our economic problems are unlike any which we have experienced to date. Uncertainty seems to have marked our efforts to comprehend the nature of "stagflation". Indecision was unfortunately the chief characteristic of an economic "program" aimed yesterday at curbing the inflation which squeezes our citizenry, and today at reversing a recessionary nosedive.

I am now convinced that this uncertainty and indecision have been left behind us: while there unquestionably exists a sharp division among many in government as to the details of our future course, we at least seem to have agreement that bold, programmatic action must be taken immediately. Recognition of the extent of the problem and a determination to overcome it are the dramatic first steps for which America has been waiting far too long.

We are today, I think, at the threshold of a new economic frontier. We are prepared to question critically many of the fundamental assumptions of traditional economics. The age of abundance—of cheap oil and raw materials—is quite clearly over. Perhaps more important is our recognition that many of the traditional tools of economic planning are inapplicable to today's problems. We have a rare opportunity to look closely at broad economic policies which have for three decades been taken for granted by Presidents and Congress alike, policies which now seem far less effective than we once thought.

Our federal tax structure—its uses and abuses—is one of those areas which needs to be reexamined. We shall, in the next several months, be taking steps to provide prompt tax relief to the American people. But, we must go beyond providing short term fiscal answers to our economic dilemma: we must, in the 94th Congress, look closely at broader questions of federal income tax policy as an integral part of the "new economics" which is evolving in our society today. Prompt economic action need not be hindered by our determination to look to the long-run needs of our economy, to the broader questions of economic justice in America, and to the role of our federal tax system in according a new measure of fairness in our political economy.

TAX POLICY AND TAX EQUITY

Our federal tax laws have been used as ingredients of national economic policy in two different ways. The first involves the role of tax revenues and government spending in our fiscal policy. From time to time, adjustments are made in either how much the federal government spends or how much it takes in by taxing incomes in order to reduce unemployment or to check rising inflation. Depending upon the precise needs of the economy, we may adopt an overall budget surplus, deficit or balance.

I have no disagreement with this use of the tax system. Indeed, tax relief and revenue reductions are an immediate national imperative. Just as we purport to tax on the basis of need, so too, when we raise or lower taxes for fiscal policy purposes we can do so on the basis of people's ability to pay taxes or their need for retaining greater amounts of income. Fiscal policy, in short, is conducive to decision-making which takes into account the most fundamental premise of our tax laws—progressiveness.

It is the second manner in which we use the tax system which frequently is contrary to our commitment to adhere rigidly to the principle of progressiveness: I refer to this second use as the creation of "business incentives" in the tax law.

Progressiveness in our tax system means that the burden of financing organized society falls on the citizenry on the basis of each individual's ability to pay. We call this vertical tax equity. A corollary of the progressiveness premise is the concept of horizontal tax equity: those taxpayers with equal amounts of income should pay the same taxes. Unfortunately, both vertical and horizonal tax equity have been significantly undermined in the last twenty years by our over-reliance on the tax laws to create federal subsidies for particular segments of the economy.

BUSINESS INCENTIVES IN THE TAX LAWS

The federal income tax laws provide incentives to engage in various sorts of economic activity—such as raising cattle, drilling for oil and exporting abroad—through mechanisms which, to a greater or lesser extent, lower one's taxes. The mechanism might be a tax deduction (lowering the amount of taxable income), a tax credit (allowing the taxpayer to take a given amount off his tax bill), deferral of taxation (a "timing" device which, in effect, provides the taxpayer an interest free loan from the American people), or a special tax rate.

The basic reality of tax subsidies or incentives, or "tax expenditures" as former Treasury Department official Stanley Surrey calls them is that they reduce federal revenues. Accordingly, other taxpayers must take up the revenue slack by paying more than their equitable share of taxes. This interaction of responsibilities among taxpayers is key: we must ask ourselves in evaluating tax incentives whether the equities balance. Are we robbing taxpayer Peter to let taxpayer Paul off the fiscal hook?

At the outset, I want to make clear that using the tax system to induce certain kinds of economic behavior is not in and of itself improper, particularly if the subsidy is not destructive of the progressiveness of the tax system, or if there is an overwhelming need for and no feasible alternative to using the tax laws for this purpose. The real problem is that this economic tool is too readily resorted to today. And, in so turning to the tax laws to provide subsidies, we fail to take into account the aggregate effect of these incentive devices on the overall fairness or progressiveness of the tax structure. Very simply, we have overextended the tax laws in an effort to provide a ready solution to every short-run crisis which affects a given industry or market. A labyrinth of technical complexities codified in thousands of pages of statutes has, in the aggregate, so diluted the progressiveness of the tax system that we today are a nation of disbelievers in the concept of tax fairness. This dramatic and disturbing loss of public confidence in our system of taxation should compel those of us responsible to the electorate to redress the inequities which today exist in that system.

It is apparent that, in a great many instances, the tax system is an inappropriate device through which to subsidize our immediate economic objectives. Frequently, tax subsidies outlive their policy justification. And, in some cases, direct forms of subsidy can be utilized by the government.

Subsidization through the tax system of even a concededly legitimate objective serves to greatly distort the progressiveness of the tax rates and afford some (in most cases the very wealthy or the very largest corporations) an opportunity to minimize or completely avoid taxation. This distortion in the progressiveness of the tax code underlies the sharp and growing lack of public confidence in the entire tax system.

Tax expenditures undermine progressivity in part because a great many of them benefit taxpayers according to their income and hence offer the greatest windfall to the wealthiest taxpayers.

TABLE 1

Adjusted gross income class	Average marginal rate of tax [1] (in percent)	Effective rate of amended adjusted gross income [2] (in percent)
0 to $5,000	16.0	7.4
$5,000 to $10,000	18.4	9.4
$10,000 to $20,000	21.5	12.2
$20,000 to $50,000	32.8	18.0
$50,000 to $100,000	51.1	27.3
$100,000 to $500,000	57.3	32.0
$500,000 to 1 million	58.2	30.7
$1 million plus	58.2	28.4

[1] Average rate applicable to top dollar of income taxable at normal and surtax rates.

[2] Statutory adjusted gross income increased by items of excluded income.

The extensive use of tax deductions rather than credits is one source of erosion of the progressiveness of the tax structure. The real value of the tax benefit is often inversely related to the need for governmental assistance. For example, the standard $750 personal exemption deduction is worth $105 to a family of four with $5,000 a year in income, but is worth $525 to a similar family with $100,000 income. The reason is that a deduction does nothing more than allow the taxpayer to withhold from the government the amount which would otherwise be paid in taxes on the amount of the deduction. Thus, 70 percent of $750 is $525 while 14 percent of the same $750 is only $105; deductions are of greater value to the wealthy than they are to middle or low income taxpayers.

Tax subsidization also is often inefficient because it rewards activity which would have occurred without government assistance. While this might also be the case with a direct appropriation system, it is far easier to discern and rectify the problem when a direct grant approach is utilized. Moreover, it is frequently difficult to determine the ultimate beneficiary of a tax expenditure. The tax subsidization system allows middlemen, in the form of syndicates which organize tax shelter operations, for example, to rake off significant amounts of the tax subsidies that were in reality designed to benefit the ultimate economic endeavor. Even assuming that government financial assistance is needed for the underlying activity, Congress could more efficiently provide that help by eliminating that expensive middleman operation, except in those instances where the government's objective might be the dual one of providing a subsidy and involving certain middlemen in that activity.

When the federal government determines to directly subsidize an economic endeavor, it ordinarily appropriates Treasury funds for that purpose. The legislative process requires that the desirability of continuing that subsidization be established each year before further funds are appropriated. In contrast, once a subsidization program is written into the tax code, it is rarely reviewed. Even if the tax subsidy comes under Congressional scrutiny, though, and it is determined to be unwise or unwarranted, the Congress must take affirmative action to eliminate it.

The nominal corporate tax rate of 48 percent is also distorted by the presence of business incentives in the tax laws. The Treasury Tax Reform Studies prepared during consideration of the Tax Reform Act of 1969 revealed an overall effective corporate tax rate of 37.5 percent. Indeed, the percentage of total federal income tax receipts derived from corporations has declined from 33.6 percent in 1944 to 14.6 percent today. The following table, prepared by Tax Analysts and Advocates, demonstrates the wide range of effective tax rates on America's largest corporations in 1973.

TABLE 2.—CORPORATE FEDERAL TAX BURDEN ON MAJOR COMPANIES IN SELECTED INDUSTRIES

[United States tax rate on world-wide income]

Industry	Number of companies	Average rate on all companies	High company	Low company
Fortune magazine:				
Largest	15	15.7	40.2	0.9
Nonoil	9	22.0	40.2	2.8
Oil	6	6.3	19.8	.9
Chemical companies	12	24.4	36.8	15.0
Commercial banks	12	3.6	18.2	(19.3)
Conglomerates	10	24.5	43.5	4.6
Drug companies	12	22.1	32.5	7.3
Electronic firms	11	33.7	49.1	6.5
Food processors	10	28.4	39.0	12.3
Metals and mining	10	17.3	33.6	(2.1)
Oil (excluding those in top 15)	10	11.5	25.0	.6
Retailers	11	29.4	41.2	.5
Steel companies	13	32.7	42.5	13.2
Timber firms	10	32.2	43.4	24.4
Trucks and equipment	10	31.8	44.3	22.9

The base figure for the computations summarized in the table is net earnings before federal income taxes. This base figure is derived by reducing the net earnings before income taxes, as shown on a firm's income statement, by the provision for state income taxes. This is done because state income taxes are merely another deduction for purposes of federal income taxes. The base figure which results from this subtraction is a more accurate standard for comparison with the federal statutory rate of 48%.

In sum, the system of providing incentives through the tax structure works to benefit the wealthy more than the non-wealthy, serves to undermine public confidence in the tax system as a whole, provides benefits in an inefficient manner, builds layer upon layer of unreviewed government expenditures and precludes, in a practical sense, any meaningful reduction of tax rates for all taxpayers. Taking steps to reverse a generation of tax incentive policy will result in a less complex, more equitable and popular tax structure, and, equally as important, will help to cut much of the fat out of the tax "budget" and, hence, afford us the opportunity of providing substantial tax relief and both horizontal and vertical tax equity for all taxpayers.

We must adhere to the proposition that vertical and horizontal tax equity are the fundamental premises of the tax system; and that only when an overwhelming need and no alternative approach to use the tax system to encourage business activities has been adequately demonstrated to the Congress should such a use outweigh our commitment to a progressive and even-handed system of raising federal revenues. We must look closely at the nearly 70 billion dollars of lost revenues which in effect subsidize thousands of American businesses and determine to cut the fat out of this "invisible federal budget" wherever it is possible to do so. The burden of proof must be on the potential recipient of the tax preference. This means it should take reenactment to continue a preference just as it takes an affirmative act to appropriate other revenue "expenditures." It should not require an affirmative act to *stop* spending the taxpayers' money through the tax laws, as at present. Accordingly, virtually all such business incentives are repealed by this bill effective December 31, 1975:

The seven percent investment tax credit (repealed as of December 31, 1976).

The work incentive program expenses tax credit.

The present exclusion from taxable income of $100 of dividend income.

The five-year amortization provision covering expenditures for the rehabilitation of low income housing.

The Asset Depreciation Range System (rapid depreciation).

The five-year amortization provision covering expenses for pollution control facilities.

The provision of deducting, rather than capitalizing, research and development expenses incurred in a trade or business.

he five-year amortization provision for railroad rolling stock.

The five-year amortization provision for on the job training and child care facility expenses.

Capital gain treatment for certain coal, iron ore and timber income.

Provisions allowing the exclusion of income earned abroad by U.S. citizens and income earned in U.S. possessions by U.S. corporations with branches in those possessions.

Allowance of a special (34%) rate of tax, rather than the usual 48%, for corporations designated as "Western Hemisphere Trade Corporations."

Special tax treatment accorded to Domestic International Sales Corporation (DISC), i.e. exporters'.

Special provisions allowing losses on small business stock to be treated as ordinary, rather than capital losses.

Maximum 50% rate of tax on earned income.

Tax deferrals presently allowed shipping companies.

The present deductibility of intangible drilling costs, with respect to commercially productive wells, which would be otherwise capitalized under normal accounting procedures.

Only the straight line method of depreciation, and no method of accelerated depreciation, may be used by any taxpayer in computing depreciation deductions on property acquired after December 31, 1974.

Prohibits the taking of percentage depletion deductions if the aggregate of such deductions taken in the past exceeds the adjusted cost basis of the properties in question.

Eliminates the present provision which allows so-called "less developed country" corporations not to "gross up" realized dividends from its foreign subsidiaries for purposes of the foreign tax credit calculation.

Eliminates the present code provisions which allow deferral of taxation on certain income of controlled foreign subsidiary corporations.

THE INVESTMENT TAX CREDIT

The proposed repeal of the investment tax credit warrants special discussion in light of the fact that many today suggest that the credit be raised to 10 or even 12 percent.

The short term use of the investment tax credit during the present recession may not be objectionable: what is needed, however, is a termination date on this provision of the Code and the Tax Reform Act would accomplish that purpose by eliminating the credit as of the end of 1976.

At present, the credit may eliminate tax liability up to $25,000 plus 50 percent of the amount of taxes due above that amount. The purpose of this subsidy device is to encourage modernization and expansion of machinery and equipment. There is great doubt, however, that the credit works in such a way as to induce a taxpayer to pruchase new equipment which would not have been a profitable investment in the absence of the credit. A number of economists believe, like Robert Eisner of Northwestern University, that new investment is based upon business forecasts of demand and profitability and will be made regardless of the presence of the credit.

If the credit is effective it is so primarily with respect to the *timing* of new investment: the existence of a tax break may well convince a business taxpayer to modernize or expand this year rather than next. But, if timing is the key to the effectiveness of the investment tax credit, as I believe it is, then there must be a point in time when the credit will be denied to the prospective investor. Only by including a termination date can we hope to speed up the investment needed to help bring the nation out of our recession.

A number of other reasons exist for repealing the investment tax credit. The credit is directed at a narrow group of taxpayers—businesses which require heavy investment in equipment and machinery rather than those which are labor intensive, or which invest primarily in buildings or plant.

Thus, according to the National Committee for Tax Justce, "a typical aerospace company used the credit to reduce its 48 percent nominal tax by five percent during 1973 while the value of the credit to a typical beverage company was 1.6 percent." And, the Committee also points out that "Intangible personal property is also excluded so investments in research and development, considered by many economists to be decisive contributors to economic growth are likewise not favored."

Of course, since the credit operates to reduce tax liability, in order to take advantage of the credit one must have a tax liability to be reduced: the credit, then, is ineffective with respect to new businesses or those experiencing losses. And, these may well need the incentive more than other businesses.

Finally, we must recognize that by encouraging the investment of capital in one direction, we necessarily direct it away from others. By attracting capital to equipment and machinery, we attract it away from other industries such as housing.

CAPITAL GAINS

Perhaps the best known and most debated variance from the exercise of the Congressional power to "lay and collect taxes on incomes, from whatever source derived" (Sixteenth Amendment to the Constitution) is the treatment accorded capital gains. At present, only one-half of the income gains on capital assets held for six months before their sale are included in the taxable income of individuals. The so-called "alternative tax" limits the tax rate applicable to the first $50,000 of captial gains to 25 percent. The maximum tax on gains in excess of $50,000 is 35 percent. Corporations do not exclude their long-term capital gains, but pay at a maximum rate of 30 percent, rather than the usual 48 percent corporate tax rate. Finally, if an individual does not sell or exchange a capital asset during his lifetime and disposes of it a testamentary manner, no tax is ever paid on the gain which accrued to the value of the asset during the taxpayer's lifetime.

The "tax incentive" theory is only one of several justifications advanced in support of preferential tax rates to which capital gains are subjected. For example, some argue that capital gains taxes are a tax on capital itself, an improper objective of the income tax system under the Sixteenth Amendment. Others contend that capital gains which have been realized after a holding period represent, in part, an inflation factor. Closely related to this argument is the "bunching" theory, i.e., one should not be taxed at a higher rate of taxation than one would be taxed had the gain been realized in annual increments.

Those who challenge the preferential treatment of capital gains, however, also have persuasive arguments. For example, they say the six-month holding period required to qualify for long-term capital gains characterization and the limitation on taxation imposed by the Alternative Tax go further toward special tax treatment than any of the arguments discussed above justify. Thus, for example, neither the "inflation factor" nor "bunching of income" theories support the use of a six-month holding period for long-term capital gains in light of the annualization concept so fundamental to the income tax. Moreover, for the first eight years following the enactment of the income tax in 1913, capital gains were taxed in full just like any other income. And, because these gains are realized mostly by the wealthy, the special treatment of capital gains distorts the progressiveness of the tax structure. The National Committee for Tax Justice points out that "in 1972, the average tax return in the $10,000 to $15,000 range showed $22 in tax savings due to the capital gains provisions. Returns in the $50,000 to $100,000 range showed savings of $2,200; and finally, the $100,000 and over group reflected an average savings of over $39,000. Two-thirds of the total capital gain revenue loss went to one percent of our taxpayers." And, there is no clear relationship between the 50 percent exclusion of long-term capital gains and rates of inflation.

Finally, inflation also affects other forms of income which are not accorded special tax treatment.

The major objection to the present capital gains provisions is the opportunity they present to turn ordinary income into capital gains income. Elimination of many of the "tax shelter" devices will serve greatly to alleviate this problem; still, however, the very definition of a capital gain will continue to allow substantial tax avoidance. Thus, when the wealthy hold non-productive land at the edge of a metropolitan area, or acquire non-dividend-paying stocks, all for the purpose of later sale at a capital gain and not for the purpose of periodically deriving ordinary income from the asset, the original investment will in many cases allow otherwise taxable ordinary income to be turned into capital gains. Where a true capital gain is involved, later sale should be incidental to the holding of the asset.

The Tax Reform Act of 1975 recognizes the need to revise the tax treatment of capital gains. The Act takes three major steps in the direction of reform. The first has been suggested before: the holding period for long-term capital gains is extended to 12 months to conform with the annualization concept upon which the income tax system is premised. Secondly, capital gains on assets worth over $60,000 are to be taxable upon the death of the taxpayer. The third change is designed to resolve the problem of the conversion of ordinary income to capital gain income. Since taxpayers can consciously choose to invest in assets which generate ordinary income (government bonds, for example), it is reasonable to hold them responsible for the decision not to do so when they invest in assets which are not productive of ordinary income. The Act, then, redefines capital gain with respect to assets held for investment as the difference between the sale price of the asset and the sum of the cost basis of the asset plus the difference between a compounded annual return of 5 percent on the cost basis and any ordinary income attributable to the asset which has been reported by the taxpayer during the holding period.

To illustrate: Taxpayer A holds stock in the XYZ Corporation which he purchased for $1,000. After holding the stock for 2 years but receiving no dividends, A sells it for $1,500. Under present law, the capital gain is $500. Under the Act, however, the proper computation is as follows:

Amount Realized—(Cost Basis + (5% Annual Return — Ordinary Income Previously Received)) = Capital Gain.

$1,500 — ($1,000 + (102.50 - 0)) = capital gain.

$1,500 — ($102.50 = $397.50) = capital gain; $102.50 = ordinary income.

Again: Taxpayer B's stock in the PQR Corporation, which he has purchased and sold for the same prices as was A's stock and also held for two years, declared dividends of $50. Under the Act, B is taxed as follows:

$1,500 — ($1,000.00 + (102.50 — 50)) = capital gain.

$102.50 — $50 = ordinary income.

$447.50 = capital gain.

$52.50 = ordinary income.

SMALL BUSINESS—THE CORPORATE SURTAX EXEMPTION

The individual income tax is a progressive one: it is, in other words, premised on the concept of "ability to pay." By contrast, the "ability to pay" concept is not generally applicable to the croporation income tax. All corporate income over $25,000 is presently taxed at a rate of 48 percent.

The single exception to this flat tax rate is the so-called "corporate surtax exemption"—which limits the tax on the first $25,000 of corporate income to 22%. The exemption was designed to lessen the corporate tax burden on small businesses.

The difficulty, however, is that the exemption is not available exclusively to the small businessman: it is available both to General Motors and to the corner grocer. The Act adjusts the corporate surtax exemption to remedy this over-inclusiveness and, in addition, raises the exemption to more accurately reflect present economic realities.

The Act raises the corporate surtax exemption to $50,000, but provides that it will be phased out as the corporation's taxable income exceeds $100,000 and would disappear entirely at a taxable income level of $225,000. Thus, the corporation with a *taxable* (not gross) income level of $50,000 would pay a 22% tax. One with taxable income of $100,000 will pay 22% of the first $50,000 and 48% on the second $50,000; while a corporation with $225,000 or more in taxable income must pay 48% on the entire amount.

TAX EXEMPT INTEREST ON STATE AND MUNICIPAL BONDS

Interest income is generally taxable. This includes the interest on savings, loans and obligations of the Federal Government. It does not, however, include the interest on state and municipal bonds. Indeed, at present, such income not only is exempt from taxation, but does not even have to be reported by the taxpayer.

The exemption is designed to encourage investment in these bonds and thereby help local government raise badly needed revenues. The exemption of the interest results in substantially lower interest rates on these bonds than on comparable federal and corporate bonds since taxpayers are willing to forego a higher return on which they would have to pay taxes. It has been estimated, however, that the saving in interest expense to state and local government amounts to only about 70 percent of the total revenue loss to the federal government caused by the non-taxation of this income. The remaining 30 percent of the federal revenue loss goes, not to assist local government, but to the individuals who can afford to invest in tax exempt bonds. Moreover, there is no limit on the exemption: thus, one taxpayer's annual $5 million income from municipal bonds was, until her death, entirely tax-free. In 1972, this provision cost the federal treasury $2.9 billion.

Some have properly questioned the constitutional authority of the federal government to tax state and municipal bond interest income. This concern, combined with a genuine need to assist local government in its revenue raising efforts, leads to seeking an alternative to outright taxation of state and municipal bond income.

Under this Act, states and municipal governments would be given the option of issuing taxable bonds. Should they choose to do so, they would receive a federal subsidy of 40 percent of the interest rate cost of the bonds. This direct form of subsidy from federal to state governments is expected to encourage local governments to issue taxable bonds since they would receive 100% rather than just 70% of the federal revenue loss. The result would be a continuation of revenue-raising assistance to local government and the elimination of the windfall tax benefit presently afforded to wealthy investors.

HOME MORTGAGE INTEREST

The deductibility of home mortgage interest payments is a familiar and longstanding income tax code provision. This deduction is one that is available to a great many taxpayers. It is one designed, not simply to provide housing industry investment incentives, but, in addition, to enable individual taxpayers to purchase their own homes. And, the deduction is not significantly destructive of the progressiveness of the tax structure.

The deduction is far from perfect, however. It is discriminatory in favor of home-owners and against those who rent and, in this sense, cannot be justified as an "ability to pay" recognition of a basic human need. More important, the very use of a deduction, rather than a tax credit, means that the federal government (and, hence taxpayers as a class) subsidizes a far greater portion of the housing costs of the wealthy than of the middle or low income taxpayers. Thus, 70% of the mortgage interest expense of an individual in the highest tax bracket is paid by the government; in contrast, only 14% of that cost is subsidized for the benefit of those in the lowest bracket.

These problems are real and warrant the careful consideration of the Congress. As a first step toward reform of this area of the tax law, the Act restricts the use of this deduction to the homeowner's principal residence: the luxury of owning two or even three homes is not a human need properly subsidized by the federal tax system.

INCOME FROM FOREIGN SOURCES

The growth of the economic power of multinational corporations in recent years has been noted by many commentators. In the decade of the sixties, according to the National Committee for Tax Justice, the book value of foreign investment by United States industry increased from about $32 billion to nearly $86 billion. The 60 largest U.S. corporations derived over 40 percent of their incomes from overseas investment in 1970. Taxable income on foreign earnings of all U.S. corporations was $11 billion in that year, but only $640 million—or 6 percent—was paid in U.S. taxes.

Addressing the question of foreign source income is particularly appropriate in view of the recent passage of the Trade Reform Act—the principal purpose of which was the reduction and elimination of tariff and non-tariff obstacles to international trade. In a word, the goal of the Trade Bill is neutrality in the policies of various governments with respect to international trade. Our task is incomplete until we also achieve income tax neutrality to redress the present imbalance between tax incentives to invest abroad or at home.

Unquestionably, there exists a distinct bias in our tax laws toward overseas investment, through such provisions as the deferral of income earned abroad by controlled foreign subsidiaries, lower tax rates for "Western Hemisphere Trade Corporations," special treatment of "less developed country corporations" and others. What we must realize is that these tax incentives will result, if they are retained while international trade agreements are made to reduce tariff and non-tariff increase in our exports. Very simply, we would then be encouraging overseas production by part of U.S. corporations which could well result in a worsening of our balance of trade position.

(*a*) *Foreign tax credits*

At the present time, income taxes paid to foreign governments may be credited against income taxes otherwise due the Federal Government. The rationale for allowing such credits is quite simple and, in the main, entirely appropriate; the objective of the credit is to prevent double taxation on multi-national corporations since, to impose such double taxation, would put international corporations at an extreme disadvantage with respect to foreign companies.

However, the foreign tax credit has provided special and, in my judgment, unintended benefits to the multi-national oil industry by allowing the crediting of royalty payments made in the form of income taxes.

For example, in the foreign oil-producing countries, mineral rights are frequently held by the government rather than by private individuals. Accordingly, royalty payments are made to the government by multinational oil corporations. But simply because payment is made to a foreign government does not mean that it constitutes an income tax; indeed, quite often the contrary is true.

Royalty payments made in most businesses are ordinary deductible business expenses. But, when a multinational oil corporation pays its royalties to foreign governments in the form of income taxes, the Internal Revenue Service allows the payment to be credited against taxes due the federal government. Congress, however, has never specifically legislated such treatment of these royalty payments.

An income tax credit, as everyone knows, is far more valuable in reducing one's tax liability to the federal government on a dollar for dollar basis, whereas a deduction only reduces corporate tax liability by 48 cents on the dollar since the corporate rate is 48 percent.

The windfall that results from the fictional treatment of royalty payments made to foreign governments as an income tax is in large part responsible for the appallingly low effective rate of taxation on multinational oil companies. Furthermore, the credit constitutes a continuing incentive to these corporations to produce abroad rather than here in the United States.

The Tax Reform Act prohibits corporations from taking a tax credit (although such payments will qualify as business deductions) for any payment to a foreign government, in connection with the extraction of oil or gas, which is in reality a royalty payment. True income taxes will still be creditable against federal tax liability. There exists a need to study this problem further to determine whether similar revisions are required with respect to non-mineral business endeavors.

The Amendment directs the Secretary of Treasury to apply certain standards in the determination of what part, if any, of a payment to a foreign government is royalty. In countries which tax other activities, a simple comparison of the taxes applied to those activities will aid in this determination. In those few countries where only oil production is subject to taxation, the Internal Revenue Service may place royalty values on foreign wells just as it now places values on closely held stock and unique assets in a decendent's estate. If the subject or measure of a tax is based on any per-volume measurement, it cannot be regarded as taxes on income and must be treated as royalty payments.

The Act will also repeal the so-called "overall limitation" on the foreign tax credit.

The "overall limitation" is, in reality, no meaningful limitation at all. Under this provision, the taxpayer aggregates all of his foreign income and taxes. The tax credit for all of the foreign tax imposed is limited to the U.S. tax on the total amount of foreign source income. The overall limitation, then, allows a corporation to, in essence, use tax payments to country 'A' to offset taxes due the United States on income earned in country 'B'. This so-called limitation stretches the "double taxation" rationale of the foreign tax credit beyond any reasonable bounds.

If the overall limitation were repealed, as this Act would do, the taxpayer would henceforth be subjected to the "per country" limitation. Under this limitation, the taxpayer must segregate its income or losses from each country: the credit allowed for foreign tax payments, then, may not exceed the U.S. tax imposed on that income. This revision of the U.S. tax treatment of foreign taxes would limit the double-taxation rationale to its proper scope.

(*b*) *DISC*

Under the DISC provisions of the Internal Revenue Code, specially organized export corporations are permitted to deter indefinitely the tax on one-half of their income. The purpose of DISC ostensibly is to provide an extra stimulus to the business of exporting. The plain fact of the matter, however, is that there is no evidence whatsoever that DISC has indeed been effective in promoting exports. What we do know beyond any question is that DISC has, over the last several years, represented an extraordinary drain on the Federal Treasury.

Recently, our distinguished colleague from Maine (Mr. Muskie) pointed out that DISC's are frequently nothing more than paper corporations established by other large corporations solely in order to take advantage of the favorable tax treatment provided by the Internal Revenue Code. In 1972, 22 percent of the income received by all DISC's was earned by 8 corporations with gross receipts of over $100 milion. Over 80% of the approximately 2,200 DISC's in existence at that time were owned by corporations with assets of over $100 million.

When DISC was originally enacted, in 1971, the nation was facing a very serious balance of payments deficit. But, in 1973, the U.S. enjoyed a $700 million trade surplus and had a record breaking $70 billion in exports. There is no evidence, however, that this trade turnaround is a product of DISC.

Indeed, according to the International Economic Report of the President, the turnaround in the U.S. trade balance was caused primarily by increased world-wide demand for our agricultural and manufactured exports and by the 15% devaluation of the dollar over the past two years. The General Accounting Office has reported that DISC "is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition." Finally, a report recently prepared by the U.S. Department of the Treasury reached no firm conclusion as to whether the existence of these tax breaks led to greater exports than would have been the case in their absence. Indeed, the report noted that 1972 was the first year of devaluation of the dollar and that "other powerful influences were brought to bear on the U.S. trade position," apart from the tax changes brought about by the passage of the DISC provisions.

What we do know for certain has been accomplished by the passage of DISC is that the Federal Treasury has been depleted to a far greater extent than was originally anticipated when DISC was proposed. The Treasury Department had estimated that the revenue loss for 1972 would be approximately $100 million; instead the Treasury loss for that year turned out to be 2½ times that amount, or $250 million. The revenue loss for 1973 was approximately $500 million and, it is estimated, the loss will reach nearly $800 million for 1974, and over $900 million for 1975.

Under this Act, the DISC provisions of the Internal Revenue Code would be repealed.

(*c*) *Income from controlled foreign subsidiaries*

At present, the tax laws do not require U.S. corporations to pay taxes on income earned by controlled foreign subsidiaries until those earnings have been distributed to the domestic parent corporation. If the income is kept outside of the U.S., the corporation may reinvest it abroad and indefinitely defer U.S. taxation. As a result, the federal lost $375 million in tax revenues in 1972.

(*d*) *Other provisions relating to foreign source income*

The Tax Reform Act would also repeal (1) the special 34 percent tax rate available to "Western Hemisphere Trade Corporations, (2) the less developed country corporation" provisions which allow corporations operating in certain countries to calculate their tax liability on the basis of net income exclusive of foreign income taxes, (3) special tax deferrals presently allowed shipping companies, and (4) the exclusion from taxable income of earnings by individuals living abroad and those of corporations operating in U.S. possessions.

BAD DEBT RESERVES

Under present law, commercial banks and other lending institutions are allowed deductions for "bad debt reserves." The deduction is calculated as a flat percentage of the banks' eligible outstanding loans and is not related to the banks' actual bad debt experience. This flat percentage calculation is an annual revenue loss of approximately $400 million.

The Act requires that, henceforth, deductions for bad debt reserves be calculated on the basis of the taxpayer-banks' actual bad debt experience.

CORPORATE REORGANIZATIONS

Under present law, no gain or loss is recognized (taxed) if a corporation, as a party to a reorganization, exchanges its stock or assets, under a qualified reorganization plan, solely for the stock of the acquiring corporation. This non-recognition extends to corporation and taxpayer alike.

On the other hand, if the transaction results in the receipt of cash, it is a taxable event. This distinction, in theory, is that the exchange for stock involves no substantial change in what the acquired corporation or its stockholders originally owned, while a cash sale does involve such a change. This is the so-called "continuity of interest" fiction—and, in most instances, it is truly a fiction.

In a great many cases the seller does not in fact have the interest he had originally since the acquired entity will often receive only a miniscule portion of the acquiring company's (often a conglomerate) stock. This feature of the tax code encourages corporate concentration of economic power since (a) the transaction allows the acquiring company to issue its stock at no cost, and (b) the seller receives the equivalent of cash without having to pay a tax.

The Act permits the transaction to be tax-free only if the seller ends up with a substantial proportion of the outstanding shares of the acquiring company—at least 25%. The same provision requires taxation of the stockholders whenever the corporation is taxed.

TAX SHELTER FARM LOSSES

"Farming" losses represent one of the primary tax shelter devices utilized by wealthy non-farmers. In essence, these farm losses are used to minimize the taxation of non-farm income. According to one recent estimate, farm losses on the part of non-farmers cost the Federal Treasury and the American people nearly $1 billion a year.

The tax shelter of farming investment works as follows. First, certain kinds of tax deductions which in other businesses must be allocated among the years during which the asset is held may, in farming ventures, be taken immediately. Development-expense deductions fall into this category. In other businesses, these expense-deductions are spread out over the income-producing life of the asset. Indeed, even some bona fide farmers fail to get this specialized treatment. For example, the development expenses of citrus and almond trees must be deducted over their "useful life", while the owners of pistachio, kiwi and other fruit trees are allowed an immediate deduction. The "losses" are a result of the fact that during the development stages—e.g., cultivating the land or feeding the cattle—expenses are incurred but no income is yet produced by the asset.

The second step of the tax shelter hinges upon the ability of the taxpayer to deduct these expenses and losses from his other, non-farm, income. Put simply, every dollar of farm expense allows the very wealthiest of taxpayers to "shelter" 70 cents of his non-farm income from the tax collector.

Finally, unlike other businessmen, the non-farm farmer is allowed to deviate from normal tax accounting procedures by treating their expenses on a cash basis. Simply put, this allows the taxpayer to deduct expenses incurred in year 1 for items that will not be used until year 2.

Under the Tax Reform Act, a non-farm farmer (defined as a person with non-farm income of more than $20,000) may deduct farm expenses only against farm income plus $15,000 of non-farm income unless he computes his farm losses on the basis of accounting methods which require the capitalization of development expenses (thereby reducing the amount of current deductions).

INVESTMENT INTEREST DEDUCTIONS

Like farming "losses", the deductions allowed for investment interest often serve to offset income unrelated to the investment in the earliest years of the life of the asset. This is true simply because the asset is not yet generating sufficient ordinary income to be offset by this and other (e.g., property taxes) allowable deductions.

Under this Act, these deductions would henceforth be limited to an amount equal to the excess of the income produced by the asset over all other allowable deductions. Unused deductions could be carried over to later years.

ALLOCATION OF DEDUCTIONS

Under present law, and to a lesser extent under the Tax Reform Act, certain forms of income are not taxed. Such is the case, for example, with respect to a portion of capital gains, certain municipal bond interest income and appreciation on property of which a charitable gift is made.

When a taxpayer excludes income, though, he does so before calculating his income by taking various deductions (such as his itemized personal deductions, including deductions for consumer interest, state and local taxes, charitable contributions, and medical expenses or casualty losses). Not infrequently, the result of this process is the reduction of taxable income to zero. An illustrative case is related by one commentator:

An individual had a total income of $1,284,718 of which $1,210,426 was in capital gains, the remaining $74,292 from wages, dividends, and interest. He excluded one-half of his capital gains, which he is allowed to do under present law, thereby reducing his adjusted gross income to $679,405 (after allowing for the $100 dividend exclusion). From this income he subtracted all his personal deductions, which amounted to $676,419 and which included $587,693 for interest on funds borrowed presumably for the purpose of purchasing the securities on which the capital gains were earned. As a result, after allowing $1,200 of personal exemptions his taxable income was reduced $1,786 and he paid a tax of $274. His overall tax rate, therefore, was about two-hundredths of one percent.

The Johnson, and later Nixon, Treasury Departments both recommended an "allocation of deductions" provisions to deal with this escape from taxation. The Treasury Department stated in 1969:

"Deductions which reduce taxable income are justified only to the extent that they are properly assignable to that income. When an individual receives income in forms that are excluded from taxation (e.g., tax exempt interest, excluded one-half of capital gains, percentage depletion, appreciation on charitable gifts of appreciated property)—it is not consistent or proper to permit him to subtract all of his eligible deduction items from that part of his income which is subject to tax and ignore the excluded part."

Under the Tax Reform Act, an individual's itemized deductions will be allocated between his taxable income and his excluded income. Only the part which is allocable to taxable income will then be allowed as a deduction. This provision, however, does not apply unless the taxpayer has in excess of $5,000 of excluded income. When originally made, the Treasury estimated that this proposal would apply to 700,000 taxpayers, nearly all of whom have adjusted gross incomes in excess of $50,000.

ESTATE AND GIFT TAXES

The estate and gift taxes are among the most neglected areas of the federal tax laws. What little debate takes place regarding tax reform consistently ignores this body of law, at least in part because the revenue involved pales in comparison to that spent under the individual and corporate income tax system.

In 1973, Senator Edmund Muskie introduced S. 1439, which included a comprehensive reform and restructuring of the federal estate and gift taxes. The substance of this part of S. 1439 is difficult to improve upon and hence, is adopted by this Act.

There are four principal changes in this Act: (1) the integration of the estate and gift taxes; (2) a special tax imposed upon "generation skipping" transfers; (3) an increase in the marital deduction, and; (4) a revision of the exemption and tax rates in the combined estate and gift tax.

Under present law, estates and gifts are taxed separately, with the gift tax rate being set at 75% of the estate tax rate. This separate treatment creates substantive tax advantages for the very wealthy by making more attractive inter vivos transfers of one's wealth. The Act establishes a unified estate and gift tax with one rate schedule and a single exemption of $25,000.

"Generation-skipping" is what happens when one gives property to (or puts such property in trust for) distant heirs—grandchildren and beyond—so that the family wealth is taxed only once in several generations. The result is a significant method of tax avoidance and a distortion in the progressiveness of the estate tax itself. Under the Act, a special tax—approximating the tax which would have been paid by the skipped generation—is imposed upon such generation-skipping transfers.

The present marital deduction is limited to one-half of a decedent's adjusted gross-estate. This deduction often is not sufficient for the surviving spouse when the estate is small or of moderate size. Hence, the Act allows a marital deduction of one-half of the estate plus $100,000.

The present estate tax rates start at 3% (for taxable estates of $5,000 or less) and rise to 77% (for taxable estates of more than $10 million). The rates do not provide a particularly level rate of progression. Under the Act, they are restructured as follows: a unified exemption of $25,000 is provided (in addition to the liberalized marital deduction discussed above) and the rates are ranged from 20 to 80%, with the latter level being applied to taxable estates in excess of $5 million.

TAX RELIEF

The reforms which make up Titles One and Two of the Tax Reform Act will result in at least $20 billion in new federal revenues. Of primary imoprtance is the goal of relieving the public—particularly middle and low income wage earners—of their present tax burden to the extent possible. Such relief is vital at a time when the public is trapped by the concurrent reality of escalating prices and the threat of rising unemployment.

The approach taken by the tax reform act is threefold: (1) it provides an optional $220 tax credit which may be taken in lieu of the present $750 personal exemption (this will provide relief to over 90 percent of all taxpayers); (2) it provides a 17 percent standard deduction up to $2,500 (rather than the present 15 percent up to a ceiling of $2,000); and, (3) it reduces all tax rates by 2 percent.

The tax relief provided in Title Three will cost a total of $22.1 billion—and will be entirely (or nearly so) offset by the revenues raised in Titles One and Two. The following table illustrates the distributional effect of the relief provided by the Tax Reform Act:

Table Three

Comparison of Individual Income Tax Liabilities under Present Law and a Proposal to Raise the Standard Deduction and Provide an Optional $220 Per Capita Tax Credit and a 2 Percentage-Point Cut in Rates, 1975:

[Revenue amounts in billions]

Adjusted gross income classes, thousands of dollars	Amount of tax		Tax reduction		Percentage reduction in tax
	Present law	Revision	Amount	Percent distribution	
Under 5	$1.7	$0.7	$1.0	4.5	58.8
5 to 10	12.0	7.7	4.3	19.5	35.8
10 to 15	21.1	15.8	5.3	24.1	25.1
15 to 20	23.9	19.4	4.5	20.5	18.8
20 to 25	20.8	18.2	2.6	11.8	12.5
25 to 50	34.1	31.2	2.9	13.2	8.5
50 and over	29.9	28.5	1.5	6.8	5.0
Total	143.6	121.5	22.0	100.0	15.3

Source: Computed from the Brookings 1970 tax file projected to 1975. Research was supported by a grant from the RANN program of the National Science Foundation. Figures are rounded and will not necessarily add to totals.

S. 512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Reform Act of 1975".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

(c) CONFORMING AMENDMENTS.—The Secretary of the Treasury or his delegate shall, as soon as is practical but not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout the Code the changes in the substantive provisions of law made by this Act.

(d) Effective Date.—Except as otherwise specifically provided, the amendments made by this Act apply to taxable years beginning after December 31, 1975.

TITLE I—INCOME TAX AMENDMENTS

SEC. 101. REPEALS.

(a) INTERNAL REVENUE CODE.—The following provisions in chapter 1 (relating to normal taxes and surtaxes) are repealed:

(1) Section 38 (relating to investment in certain depreciable property).

(2) Section 40 (relating to expenses of work incentive programs).

(3) Subpart B of part IV of subchapter A (relating to rules for computing credit for investment in certain depreciable property).

(4) Subpart C of part IV of subchapter A (relating to rules for computing credit for expenses of work incentive programs).

(5) Section 1201 (relating to Alternative Tax).

(6) Part VI of subchapter A of chapter 1 (relating to minimum tax for tax preferences).

(7) Section 116 (relating to partial exclusion from gross income of dividends received by individuals).

(8) Section 167(k) (relating to depreciation of expenditures to rehabilitate low-income rental housing).

(9) Section 167(m) (relating to class lives).

(10) Section 169 (relating to amortization of pollution control facilities).

(11) Section 174 (relating to research and experimental expenditures).

(12) Section 184 (relating to amortization of certain railroad rolling stock).

(13) Section 188 (relating to amortization of certain expenditures for on-the-job training and child care facilities).

(14) Section 272 (relating to disposal of coal or domestic iron ore).

(15) Section 402(a)(2) (relating to taxability of beneficiary of employees' trust).

(16) Section 616(a)(2) (relating to intangible drilling expenses).

(17) Section 616 (relating to developmental expenditures).

(18) Section 617 (relating to deduction and recapture of certain mining exploration expenditures).

(19) Section 631 (relating to gain or loss in the case of timber, coal, or domestic iron ore).

(20) Section 643(a)(7) (relating to definitions applicable to trusts and estates).

(21) Section 911 (relating to earned income from sources within the United States).

(22) Subpart C of part III of subchapter N (relating to Western Hemisphere trade corporations.)

(23) Section 931 (relating to income from sources within a possession of the United States).

(24) Part IV of subchapter N of chapter 1 (relating to domestic international sales corporations).

(25) Section 1231(b)(2) (relating to timber, coal, or domestic iron ore).

(26) Section 1244 (relating to losses on small business stock).

(27) Section 1348 (relating to fifty-percent maximum rate on earned income).

(b) OTHER STATUTES.—Section 607(h) of the Merchant Marine Act, 1936 (relating to capital construction fund) is repealed.

(c) The amendment made by subsection (a)(1) of this section (relating to the repeal of section 39 of chapter 1) applies to taxable years beginning after December 31, 1976.

SEC. 102. TAX RELATED PROVISIONS OF LAW OUTSIDE THE INTERNAL REVENUE CODE.

Within one year after the date of enactment of this Act, the Secretary or his delegate shall make a report to Congress in which he describes each provision of law, other than provisions of the Internal Revenue Code of 1954, which provides a credit against any tax imposed by such Code, an exclusion from gross income for purposes of such Code, a deduction from gross income for purposes of such Code, or a deferral of the time for payment of any tax imposed by such Code by any means. Such report shall include any reasons for keeping each such provision outside the Internal Revenue Code of 1954 and the Secretary's views on including such provision in such Code.

SEC. 103. INCREASE OF CORPORATE SURTAX EXEMPTION.

(a) IN GENERAL.—Section 11(d) (relating to surtax exemption) is amended to read as follows:

"(d) SURTAX EXEMPTION.—For purposes of this subtitle, the surtax exemption for any taxable year is $50,000 reduced by an amount which bears the same ratio to $50,000 as the amount of the taxpayer's taxable income for that year in excess of $100,000 bears to $125,000, except that, with respect to a corporation to which section 1561 or 1564 (relating to surtax exemptions in case of certain controlled corporations) applies for the taxable year, the surtax exemption for the taxable year is the amount determined under such section."

(b) CONFORMING AMENDMENT.—Section 1561 (relating to surtax exemptions in case of certain controlled corporations) is amended to read as follows:

"SEC. 1561. SURTAX EXEMPTIONS IN CASE OF CERTAIN CONTROLLED CORPORATIONS.

"(a) GENERAL RULE.—If a corporation is a component member of a controlled group of corporations on a December 31, then for purposes of this subtitle the surtax exemption of such corporation for the taxable year which includes such December 31 shall be an amount equal to—

"(1) the surtax exemption under section 11(d), calculated on the basis of the total amount of taxable income for such group of corporations for such taxable year, divided by the number of corporations which are component members of such group on such December 31, or

"(2) if all such component members consent (at such time and in such manner as the Secretary or his delegate shall by regulations prescribe) to an apportionment plan, such portion of the surtax exemption under section 11(d), calculated on the basis of the total amount of taxable income of such group of corporations for such taxable year, as is apportioned to such member in accordance with such plan.

The sum of the amounts apportioned under paragraph (2) among the component members of any controlled group shall not exceed the amount of the surtax exemption under section 11(d), calculated on the basis of the total amount of taxable income of such group of corporations for such taxable year.

"(b) CERTAIN SHORT TAXABLE YEARS.—If a corporation—

"(1) has a short taxable year which does not include a December 31, and

"(2) is a component member of a controlled group of corporations with respect to such taxable year,

then for the purposes of this subtitle the surtax exemption of such corporation for such taxable year shall be an amount equal to the amount of the surtax exemption under section 11(d), calculated on the basis of the total amount of taxable income of such group of corporations for such taxable year, divided by the number of corporations which are component members of such group on the last day of such taxable year. For purposes of the preceding sentence, section 1563(b) shall be applied as if such last day were substituted for December 31."

SEC. 104. ALLOCATION OF DEDUCTIONS.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280. ALLOCATION OF DEDUCTIONS.

"(a) GENERAL RULE.—If a taxpayer has tax preferences exceeding $5,000 and allocable deductions for a taxable year, the total amount of such deductions otherwise allowable under this chapter shall be disallowed to the extent of an amount equal to such total amount multiplied by the section 280 fraction.

"(b) SECTION 280 FRACTION.—The section 280 fraction is the fraction the numerator of which is the sum of tax preferences and the denominator of which is the sum of tax preferences plus taxable income (determined without regard to this section).

"(c) DEFINITIONS.—For purposes of this section—

"(1) ALLOCABLE DEDUCTIONS.—The term 'allocable deductions' means the amounts allowable as deductions for the taxable year by application of the following provisions:

"(A) section 163 (relating to interest),

"(B) section 164 (relating to taxes),

"(C) section 165 (relating to losses), but only with respect to a loss described in section 165(c)(3) (relating to casualty losses),

"(D) section 170 (relating to charitable contributions),

"(E) section 172 (relating to net operating loss deduction), but only to the extent that the amount allowable (without regard to this section) as a deduction is attributable to a loss described in section 165(c)(3),

"(F) section 213 (relating to medical, dental, etc., expenses),

"(G) section 216 (relating to deduction of certain amounts by cooperative housing corporation tenant-stockholders),

"(H) section 263(c) (relating to deduction for intangible drilling and development costs in the case of oil and gas wells), with respect to each property (as defined in section 614), but only to the extent that the total amount allowable as a deduction by such section exceeds the total amount which would have been allowable as a deduction for drilling and development costs in the case of oil and gas wells if no deduction were allowed under section 263(c), and

"(I) section 1202 (relating to deduction for capital gains).

"(2) TAX PREFERENCES.—

"(A) IN GENERAL.—The term 'tax preferences' means—

"(i) Charitable contribution of appreciated property.—The amount of the deduction (determined without regard to section 277) for charitable contributions under section 170 or 642(c) allowable for the taxable year which is attributable to appreciation in the value of property not included in gross income (determined without regard to this section).

"(ii) Interest on certain governmental obligations.—The excess (if any) of interest on obligations which is excludable from gross income for the taxable year under section 103 over the sum of—

"(I) the amount of the proper adjustment to basis required to be made for the taxable year under section 1016(a)(5) or (6), and

"(II) the amount of deductions allocable to such interest which is disallowed by application of section 265(a)(1) (relating to expenses relating to tax-exempt income).

"(iii) Capital gains deduction.—The amount allowable as a deduction for long-term capital gains under section 1202.

"(3) NONRESIDENT ALIENS.—In the case of a nonresident alien, the items of tax preference shall include only those items of income which are effectively connected with the conduct of a trade or business within the United States and those items of deductions which are allowable as deductions in determining taxable income which is effectively connected with the conduct of a trade or business within the United States.

"(d) AMOUNT DISALLOWED FROM EACH ALLOCABLE EXPENSE.—For purposes of this chapter, the amount of deductions disallowed by this section shall be disallowed proportionately from each allocable deduction."

(b) CLERICAL AMENDMENT.—The table of sections for such part IX is amended by adding at the end thereof the following new term:

"Sec. 280. Allocation of deductions"

SEC. 105. INTEREST ON CERTAIN GOVERNMENTAL OBLIGATIONS.

(a) ELECTION TO ISSUE TAXABLE BONDS.—Section 103 (relating to interest on certain governmental obligations) is amended by redesignating subsection (e) as subsection (f), and by inserting after subsection (d) the following new subsection:

"(e) ELECTION TO ISSUE TAXABLE BONDS.—

"(1) SUBSECTION (a)(1) NOT TO APPLY.—The issuer of obligations described in subsection (a)(1) may elect to issue obligations to which subsection (a)(1) does not apply.

"(2) ELECTION.—The election described in paragraph (1) shall be made (at such time, in such manner, and subject to such conditions as the Secretary or his delegate by regulation prescribes) with respect to each issue of obligations to which it is to apply. An election with respect to any issue once made shall be irrevocable."

(b) PERMANENT AUTHORIZATION.—There are authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section. Such authorization shall be deemed permanent.

(c) PAYMENT OF FIXED PERCENTAGE OF INTEREST YIELD.

(1) IN GENERAL.—The Secretary of the Treasury or his delegate shall pay 40 percent of the interest yield on each issue of obligations to which an election under section 103(e) of the Internal Revenue Code of 1954 applies. Such payments shall apply with respect to all issues of obligations made during such calendar quarter to which elections under such section 103(e) apply.

(2) INTEREST YIELD.—For purposes of this section, the interest yield on any issue of obligations shall be determined immediately after such obligations are issued.

(3) TIME OF PAYMENT.—Payment of any interest required pursuant to paragraph (1) shall be made by the Secretary of the Treasury or his delegate not later than the time at which the interest payment on the obligation is required to be made by the issuer.

(d) DUAL COUPON OBLIGATIONS.—At the request of the issuer, the liability of the United States under this section to pay interest to the holders of an issue of obligations shall be made through assumption by the United States of the obligation to pay a separate set of interest coupons issued with the obligations.

(e) SECTION TO APPLY ONLY TO SECTION 103(e) OBLIGATIONS.—This section shall apply only to obligations which, but for an election under section 103(e) of the Internal Revenue Code of 1954, would be obligations to which section 103(a)(1) of such Code applies.

SEC. 106. REPEAL OF DEDUCTION OF INVESTMENT INTEREST.

Section 163(d) (relating to interest is amended to read as follows:

"(d) INVESTMENT INTEREST.—

"(1) IN GENERAL.—In the case of a taxpayer other than a corporation, no amount of investment interest paid or accrued during the taxable year in excess of the amount which is equal to the amount of gross income (if any) attributable to the investment with respect to which such interest is paid reduced by the total amount of deductions, other than the deduction allowed under this section, attributable to such investment.

"(2) REGULATIONS.—The Secretary or his

delegate shall prescribe regulations to carry out the provisions of paragraph (1).

"(3) Definition.—For the purposes of this section, the term 'investment interest' means interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment.

Sec. 107. Limitation on Deduction of Mortgage Interest.

Section 163 (relating to interest) is amended by—

(1) redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e) Limitations on Interest on Residential Property Mortgages.—

"(1) Principal residence limitation.—In the case of an individual, no deduction for a taxable year shall be allowed under subsection (a) for interest paid or accrued with respect to a mortgage on residential property in which the taxpayer lives during such year unless such property is the principal residence of the taxpayer during such year.

"(2) Definition.—For purposes of this subsection, the term 'individual' includes an individual and his spouse.".

Sec. 108. Real Property.

(a) Depreciation.—Section 167(j) (relating to special rules for section 1250 property) is amended to read as follows:

"(j) Special Rule For Section 1245 and Section 1250 Property.—

"(1) General rule.—In the case of section 1245 property (as defined in section 1245(a)(3)) and in the case of section 1250 property (as defined in section 1250(c)), subsection (b) shall not apply and the term 'reasonable allowance' as used in subsection (a) means an allowance, computed in accordance with regulations prescribed by the Secretary or his delegate under the straight line method.

"(2) Change in method of depreciation.—Any change in the computation of the allowance for depreciation required by reason of the application of paragraph (1) shall not be considered a change in method of accounting.

"(3) Limitation based on taxpayer's equity.—In the case of section 1250 property, the deduction for depreciation for the taxable year with respect to such property shall not be allowed to the extent it would reduce the adjusted basis of the property at the end of the year below an amount equal to any mortgage indebtedness at the end of the year on the property minus the adjusted basis of the land allocable to such property.

"(4) Carryover of unused depreciation.—If the amount of depreciation determined with respect to the property to which this subsection applies for any taxable year exceeds the limitation provided by paragraph (3) for that year (hereinafter referred to as the 'unused deduction year'), such excess shall be a depreciation deduction carryover to succeeding taxable years. The amount of the unused deduction shall first be carried over to the taxable year next following the unused deduction year, and then carried over to each succeeding taxable year to the extent that, because of the limitation contained in paragraph (3), such unused deduction may not be used for a prior taxable year to which it might have been carried. The amount of the unused deduction which may be added under this paragraph to any taxable year succeeding the unused deduction year shall not exceed the amount by which the maximum amount allowable under the limitation provided by paragraph (3) exceeds the sum of—

"(A) the deduction allowable under subsection (a) and this subsection for section 1250 property, and

"(B) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and attributable to taxable years preceding the unused deduction year."

(b) Recapture.—(1) Section 1250 (relating to gain from dispositions of certain depreciable realty) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) Ordinary Income.—Except as otherwise provided in this section, if section 1250 property is disposed of after the date of the enactment of the Tax Reform Act of 1975, the amount by which the lower of—

"(1) the recomputed basis of the property, or

"(2)(A) in the case of a sale, exchange, or involuntary conversion, the amount realized, or

"(B) in the case of any other disposition, the fair market value of such property,

exceeds the adjusted basis of such property shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231. Such gain shall be recognized notwithstanding any other provision of this subtitle.

"(b) Recomputed Basis.—For purposes of this section, the term 'recomputed basis' with respect to any property means its adjusted basis recomputed by adding thereto all adjustments, attributable to periods after December 31, 1963, reflected in such adjusted basis on account of deductions (whether in respect of the same or other property) allowed or allowable to the taxpayer or to any other person for depreciation or amortization (other than amortization under section 168, 169, 185, or 188).

For purposes of the preceding sentence, if the taxpayer can establish by adequate records or other sufficient evidence that the amount allowed as a deduction for any period was less than the amount allowable, the amount taken into account for such period shall be the amount allowed."

(2) Section 1250(d) (relating to exceptions and limitations) is amended—

(A) by striking out paragraph (4) (E),

(B) by striking out paragraph (6) (B),

(C) by striking out paragraph (8) (D), and

(D) by striking out paragraph (8) (E).

(3) Section 1250 is further amended by striking out subsection (e) (relating to holding period), subsection (f) (relating to treatment of separate elements), and subsection (g) (relating to special rules for low-income housing).

(c) Effective Date.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to property acquired by the taxpayer after December 31, 1974, or the construction, reconstruction, or erection of which is begun after such date.

(2) The amendments made by this section shall not apply to property described in paragraph (1) if such property was acquired, constructed, reconstructed, or erected after December 31, 1974, pursuant to a binding contract into which the taxpayper has entered before December 31, 1974.

Sec. 109. Tax Shelter Farm Losses.

(a) In General.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding after section 280 (as added by section 104 of this Act) the following new section:

"Sec. 281. Limitation on Deductions Attributable to Farming.

"(a) General Rule.—In the case of taxpayer engaged in the business of farming, the deductions attributable to such business which, but for this section, would be allowable under this chapter for the taxable year shall not exceed the sum of—

"(1) the gross income derived from the business of farming for such taxable year, and

"(2) in the case of an individual, the higher of—

"(A) if such individual has gross income derived from sources other than the business of farming for the taxable year in excess of $20,000, $15,000, or

"(B) the amount of the special deductions (as defined in subsection (e)(1)) for the taxable year, or

"(3) in the case of any other taxpayer, the amount of the special deductions for the taxable year.

For purposes of this subsection, the term individual does not include a trust.

"(b) Married Individuals and Members of Controlled Groups.

"(b) Married Individuals.—In the case of a husband and wife who file a separate return, the $15,000 amount specified in subsection (a) shall be $7,500. The preceding sentence shall not apply if the spouse of the taxpayer does not have any income or deductions attributable to the business of farming for the taxable year.

"(2) Members of controlled groups.—In the case of a controlled group of corporations (as defined in section 1563(a)) the $15,000 amount specified in subsection (a) shall be divided equally among the component members of such group unless all component members consent (at such time and in such manner as the Secretary or his delegate prescribes by regulations) to an apportionment plan providing for an unequal allocation of such amounts.

"(C) Exception for Taxpayers Using Accounting Methods.

"(1) In general.—Subsection (a) shall not apply to a taxpayer who elects to compute taxable income from farming (A) by using inventories, and (B) by charging to capital account all expenditures paid or incurred which are properly chargeable to captial account (including such expenditures which the taxpayer may, under this chapter or regulations prescribed thereunder, otherwise treat or elect to treat as expenditures which are not chargeable to capital account).

"(2) Time, manner, and effect of election.—An election under paragraph (1) for any taxable year shall be filed within the time prescribed by law (including extensions thereof) for filing the return for such taxable year, and shall be made and filed in such manner as the Secretary or his delegate shall prescribe by regulations. Such election shall be binding on the taxpayer for such taxable year and for all subsequent taxable years and may not be revoked except with the consent of the Secretary or his delegate.

"(3) Change of method of accounting, etc.—If, in order to comply with the election made under paragraph (1) a taxpayer changes his method of accounting in computing taxable income from the business of farming, such change shall be treated as having been made with the consent of the Secretary or his delegate and for purposes of section 481 (a)(2) shall be treated as a change not initiated by the taxpayer.

"(d) Carryover of Farm Operating Losses.—The amount not allowed as deductions by reason of subsection (a) for any taxable year shall be treated as a deduction attributable to the business of farming for each succeeding taxable year (to the extent not allowed as a deduction under this subsection for any prior taxable year), except that the amount so treated shall be allowable as a deduction for any such succeeding taxable year only in an amount not to exceed the amount by which—

"(1) the gross income derived from the business of farming for such succeeding taxable year exceeds.

"(2) the deductions allowable by this chapter computed without regard to this subsection) for such succeeding taxable year which are attributable to the business of farming.

"(e) Definitions and Special Rules.—For purposes of this section—

"(1) Special deductions.—The term 'special deductions' means the deductions allowable under this chapter which are attributable to the business of farming and which are attributable to—

"(A) taxes,

"(B) interest,

"(C) losses arising from fire, storm, or other casualty, or from abandonment or theft,

"(D) losses and expenses directly attributable to drought, and

"(E) recognized losses from sales, exchanges, and involuntary conversions.

"(2) Income and deductions.—The determination of whether any item of income is derived from the business of farming and whether any deduction is attributable to the business of farming shall be made under regulations prescribed by the Secretary or his delegate, but gains or losses which for the taxable year are treated under section 1231 (a) (after the application of section 1245) as gains and losses from sales or exchanges of capital assets held for more than 6 months shall not be taken into account.

"(3) Business of farming.—

"(A) Horseracing.—In the case of a taxpayer engaged in the raising of horses, the business of farming includes the racing of horses.

"(B) Several Businesses of Farming.—If a taxpayer is engaged in more than one business of farming, all such businesses shall be treated as one business.

"(C) Related Integrated Businesses.—If a taxpayer is engaged in the business of farming and is also engaged in one or more businesses which are directly related to his business of farming and are conducted on an integrated basis with his business of farming, the taxpayer may elect to treat all such businesses as a single business of farming. An election under this paragraph shall be made in such manner, at such time, and subject to such conditions as the Secretary or his delegate may prescribe by regulations.

"(4) Partnerships.—A business of farming carried on by a partnership shall be treated as carried on by the members of such partnership in proportion to their interest in such partnership."

(b) Termination.—Section 1251(b)(2) (relating to additions to excess deductions account) is amended by adding at the end thereof the following new subparagraph:

"(E) Termination.—Subparagraph (A) shall not apply to any taxable year beginning after the date of the enactment of the Tax Reform Act of 1974."

Sec. 110. Certain Transactions Disqualified as Reorganizations.

(a) In General.—Section 368(a)(2) (relating to special rules in connection with definition of reorganization) is amended by adding at the end thereof the following new subparagraph:

"(F) Twenty Five-Percent Rule for Paragraphs (1)(A), (B), and (C).—A transaction described in paragraph (1)(A) shall be disqualified as a reorganization if the shareholders of any corporation entering into the merger or consolidation own, immediately after and as a result of the transaction, less than 25 percent of the total combined voting power of all classes of stock entitled to vote of the surviving corporation in the merger or consolidation or of the controlling corporation described in subparagraph (D) or (E) of this paragraph. A transaction described in paragraph (1) (B) or (C) shall be disqualified as a reorganization if the shareholders of the corporation whose stock or assets are acquired own, immediately after and as a result of the transaction, less than 25 percent of the combined voting power of all classes of stock entitled to vote of the acquiring corporation or of the corporation in control of the acquiring corporation."

(b) Effective Date.—The amendment made by this section shall be applicable to transactions after the date of the enactment of this Act.

Sec. 111. Repeal of Special Treatment of Bad Debt Reserves of Financial Institutions.

(a) Banks.—Section 585 (relating to reserves for losses on loans of banks) is amended by adding at the end thereof the following new subsection:

"(c) No Special Additions for Years After 1974.—Subsections (a) and (b) shall not apply to taxable years beginning after December 31, 1974, and the reasonable addition to the reserve for bad debts for any taxable year beginning after such date shall be computed under section 166 (c) on the basis of the actual experience of the taxpayer."

(b) Savings Institutions.—Section 593 (b) (relating to addition to reserves for losses on loans) is amended by adding at the end thereof the following new paragraph:

"(6) No special additions for years after 1974.—This subsection (other than this paragraph) shall not apply to taxable years beginning after December 31, 1974, and the reasonable addition to the reserve for bad debts for any taxable year beginning after such date shall be computed under section 166(c) on the basis of the actual experience of the taxpayer."

Sec. 112. Limitation on Percentage Depletion to Cost.

The last sentence of section 613(e) (relating to percentage depletion) is amended to read as follows: "In no case shall the allowance for depletion under section 611 for any taxable year be less than it would be if computed without reference to this section, except that in no case shall the aggregate allowances for depletion under section 611 for all taxable years computed with reference to this section be more than the adjusted basis of the property determined without regard to the deductions allowed by section 611."

Sec. 113. Tax on Capital Gains at Death.

(a) In General.—Part II of subchapter J of chapter 1 (relating to income in respect of decedents) is amended by adding at the end thereof the following new section:

"Sec. 693. Tax on Gains at Death.

"(a) In General.—In the case of the death of a taxpayer, there shall be taken into account in computing taxable income for the taxable period in which falls the date of his death, the gains and losses which would have been realized and taken into account in computing taxable income (of the decedent or some other person) if all the property (other than property described in subsection (b)) required to be included in determining the value of the decedent's gross estate under chapter 11 had been sold immediately before his death at the estate tax fair market value. This subsection shall not apply unless the aggregate amount of such fair market value exceeds $60,000.

"(b) Excluded Property.—Subsection (a) shall not apply to—

"(1) policies of life insurance on the life of the decedent;

"(2) items of gross income in respect of a decedent described in section 691; or

"(3) any other property includable in the gross estate of the decedent under chapter 11 for which basis is not provided for in section 1014(a).

"(c) Rules for Application of Subsection (a).—For purposes of subsection (a).:

"(1) The estate tax fair market value of property is the fair market value of the property at the date of the decedent's death, or, in the case of an election under section 2032, its value at the applicable valuation date prescribed by that section.

"(2) In the case of property acquired by the decedent before January 1, 1960, if the adjusted basis of such property on such date is less than its fair market value as of January 1, 1960, then the basis for determining gain under subsection (a) with respect to such property shall be fair market value.

"(3) If the aggregate adjusted basis (after application of paragraph (2)) of all property subject to the provisions of subsection (a) is less than $60,000, and the gains under subsection (a) (without the application of this paragraph) exceed the losses, then the aggregate adjusted basis of such property shall be increased to $60,000.

"(4) Losses shall be taken into account for purposes of subsection (a) without regard to the provisions of section 1091.

"(d) Treatment of Gains and Losses.—Gains taken into account under subsection (a) shall be treated as long-term capital gains and losses taken into account under subsection (a) shall be treated as long-term capital losses. If the losses taken into account under subsection (a) exceed the sum of—

"(1) the gains taken into account under subsection (a) plus

"(2) the net capital gain for the taxable year computed without regard to subsection (a),

the excess shall be a long-term capital loss carryback to each of the three preceding taxable years. The entire amount of the excess shall be carried back to the first preceding taxable year, and the portion which cannot be deducted in that year shall be carried back to the second preceding taxable year, and any amount remaining unused as a deduction in that year shall be carried back to the third preceding taxable year. The long-term capital loss carryback shall be allowed as a deduction only against capital gains, but shall not be allowed against such gains to the extent it increases or produces a net operating loss (as defined in sec. 172(c)) for the taxable year to which it is carried.

"(e) Time for Filing Return.—If subsection (a) is applicable to the taxable year, the time for filing the return for such year shall be the date nine months after the date of the date of the decedent's death if such date is later than the time prescribed in section 6072 for filing such return.

"(f) Liability With Respect to Property Transferred Before Death.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be entitled, unless the decedent directs otherwise in his will, to recover from the transferee of such property the amount of income tax imposed with respect to such gain."

(b) Basis.—(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting the word "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(c) Effective Date.—The amendments made by this section shall be applicable only with respect to decedents dying after the date of the enactment of this Act.

Sec. 114. Termination of Preferential Treatment of Dividends of Less Developed Country Corporations.

Section 902 (relating to credit for corporate stockholder in foreign corporations) is amended as follows—

(I) Subsection (a) is amended to read as follows:

"(a) Treatment of Taxes Paid by Foreign Corporation.—For purposes of this subpart, a domestic corporation which owns at least 10 percent of the voting stock of a foreign corporation from which it receives dividends in any taxable year shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such foreign corporation to any foreign country or to any possession of the United States on or with respect to accumulated profits, which the amount of such dividends (determined without regard to section 78) bears to the amount of such accumulated profits in excess of such income, war profits, and excess profits taxes (other than those deemed paid)."

(2) Subsections (b) (1) and (2) are amended to read as follows:

"(1) If the foreign corporation described in subsection (a) (hereinafter in this subsection referred to as the 'first foreign corporation') owns 10 percent or more of the voting stock of a second foreign corporation from which it receives dividends in any taxable year, it shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such second foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such second foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes.

"(2) If such first foreign corporation owns 10 percent or more of the voting stock of a second foreign corporation which, in turn, owns 10 percent or more of the voting stock of a third foreign corporation from which the second foreign corporation receives dividends in any taxable year, the second foreign corporation shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid by such third foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such third foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes."

(3) Subsection (c) (1) is amended to read as follows:

"(1) Accumulated profits defined.—For purposes of this section, the term 'accumulated profits' means, with respect to any foreign corporation, the amount of its gains, profits, or income computed without reduction by the amount of the income, war profits, and excess profits taxes imposed on or with respect to such profits or income by any foreign country or any possession of the United States. The Secretary or his delegate shall have full power to determine from the accumulated profits of what year or years such dividends were paid, treating dividends paid in the first 60 days of any year as having been paid from the accumulated profits of the preceding year or years (unless to his satisfaction shown otherwise), and in other respects treating dividends as having been paid from the most recently accumulated gains, profits or earnings.

(4) Subsection (d) is repealed.

(5) Subsection (e) is redesignated as subsection (d).

Sec. 115. Foreign Tax Credit.

(a) Royalties.—

(1) In General.—Section 903 of the Internal Revenue Code of 1954 (relating to definition of creditable taxes) is amended to read as follows:

"(a) In General.—For purposes of this subpart and sections 164 (a) and 275 (a), the term 'income, war profits, and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) Royalties.—

"(1) In General.—For purposes of this subpart and sections 164 (a) and 275 (a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) Determination by Secretary or his Delegate.—The Secretary or his delegate shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) Basic Rules.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, or account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment."

(2) Carryovers.—Section 904(f) (4) of such Code (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) Carryovers to Years Beginning After December 31, 1973.

"(i) Whenever pre-1974 taxes are, under the provisions of subsection (d), deemed to be post-1973 taxes, the pre-1974 taxes shall be redetermined in accordance with the provisions of section 903 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1974 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1974 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1974, and the term 'post-1973 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1973."

(b) Repeal of Overall Limitation.—

(1) In general.—Section 904 of the Internal Revenue Code of 1954 (relating to limitation on credit) is amended—

(A) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) Limitation.—The amount of credit in respect of tax paid or accrued to any foreign country or possession of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources within such country or possession (but not in excess of the taxpayer's entire taxable income) bears to his entire taxable income for the same taxable year.";

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as (b) and by striking out "applicable" in that subsection;

(D) by redesignating subsection (d) as (c) and by striking out "applicable" each time it appears in that subsection;

(E) by striking out subsection (c);

(F) by redesignating subsection (f) as (d) and by striking out "(c), (d), and (c)" in paragraph (1) of that subsection and inserting in lieu thereof the following: "(b) and (c)";

(G) by striking out subsection (d) (3) (as redesignated under paragraph (6));

(H) by designating subsection (d) (4) (as redesignated under paragraph (6)) as (d) (3) and by striking out "(d)" each time it appears in that subsection and inserting in lieu thereof "(c)";

(I) by redesignating subsection (d) (5) (as redesignated under paragraph (6)) as (d) (4) and by striking "(1)" after "(a)"; and

(J) by striking out subsection (g) and inserting in lieu thereof the following:

"(e) Cross Reference.—For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a period taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(b).".

(2) Technical amendments.—

(A) Section 901 of the Internal Revenue Code of 1954 (relating to taxes of foreign countries and of possessions of the United States) is amended—

(i) by striking out "applicable" the first time it appears in subsection (a); and

(ii) by striking out "applicable" the first time it appears in subsection (b).

(B) Section 960 of such Code (relating to special rules for foreign tax credits) is amended by striking out "applicable" each time it appears in subsection (b);

(C) Section 1503 of such Code (relating to computation and payment of tax) is amended—

(i) by striking out "(a) General Rule.—"; and

(ii) by striking out subsection (b).

Sec. 116. Taxation of Undistributed Profits of Foreign Corporations.

(a) Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by adding at the end thereof the following new subpart:

"Subpart I.— Undistributed Profits of
Controlled Foreign Corporations

"Sec. 985. Amounts Included in Gross Income of United States Shareholders

"(a) Amounts Included.

"(1) In general.—If a foreign corporation is a controlled foreign corporation (as defined in section 957) for an uninterrupted period of 30 days or more during any taxable year, every person who is a United States shareholder (as defined in section 951(b)) of such corporation who owns (within the meaning of section 958) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in his gross income, for his taxable year in which or with which such taxable year of the corporation ends, his pro rate share of the corporation's earnings and profits for such year.

"(2) Pro rata share of earning and profits.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 958) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraphs (A) (ii) during which such shareholder did not own (within the meaning of section 958) such stock bears to the entire year.

"(b) Earnings and Profits.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning after December 31, 1974,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) Coordination With Election of a Foreign Investment Company to Distribute Income.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) Coordination With Foreign Personnel Holding Company Provisions.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"(e) Adjustments and Foreign Tax Credits.—Under regulations prescribed by the Secretary or his delegate—

"(1) Adjustments to the basis of stock on account or earnings and profits taxed under subsection (a) shall be made in the manner provided in section 961 (relating to increases and reductions in basis on account of the income tax treatment of subpart F income);

"(2) Elimination of double taxation of previously taxed earnings and profits when distributed shall be made in the manner provided in section 959 (relating to exclusion from gross income of previously taxed subpart F income); and

"(3) Corporations shall be deemed to have paid income, war profits, and excess profits taxes paid (or deemed paid) by foreign corporations to a foreign country or possession of the United States in accordance with the special rules set forth in section 960."

(b) Termination of Subpart F.—Section 951 (relating to taxation of Subpart F income) is amended by adding at the end thereof the following new subsection.

"(e) Taxable Years Ending After December 31, 1974.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii) of such subsection) with respect to a taxable year of a controlled foreign corporation ending after December 31, 1974."

(c) Treatment of Gain.—Section 1248(d)(1) (relating to treatment of gain on sale of stock in certain foreign corporations) is amended by striking out "under section 951" each time it appears and inserting in lieu thereof "under section 951 or 985", and by striking out "under section 959" and inserting in lieu thereof "under section 959 or 985(c)(2)".

Sec. 117. Capital Gains.

(a) Holding Period.—

(1) Twelve months.—Section 1222 (1), (2), (3), and (4) (relating to other terms relating to capital gains and losses) is amended by striking out "6 months" each place it appears therein and inserting in lieu thereof "12 months".

(2) Conforming amendments.—The following sections are each amended by striking out "6 months" each place it appears and inserting in lieu thereof "12 months": 166(d)(1)(B), 341(a), 342(a), 402(a)(2), 403(a)(2), 582(c)(2), 584(c)(1), 642(c)(3) and (4), 702(a) (1) and (2), 852(b)(3)(B), 852(b)(4)(B), 857(b)(3)(B), 1231(a), 1232(a)(2) (A) and (B), 1233(b), (d) and (e)(4)(A)(i), 1234(c)(1), 1235(a), 1240, 1247(i), and 1248(b).

(b) Definition of Capital Gain.—

(1) Definition.—Section 1222 is amended by adding at the end thereof the following new paragraph:

"(12) Capital gain.—With respect to a capital asset held by the taxpayer for investment, the term 'capital gain' means the excess of the amount realized from the sale or other disposition of such capital asset over the sum of—

"(A) the cost basis of such asset provided in section 1012, plus

"(B) the excess of—

"(i) an amount equal the amount which a 5 percent annual return on such cost basis compounded annually during the holding period would yield, over

"(ii) an amount equal to the amount of income attributable to such capital asset, if any, realized by the taxpayer during the holding period other than gain realized from the sale or other disposition of such asset.

"(13) Capital loss.—With respect to a capital asset held by the taxpayer for investment, the term "capital loss' means the excess of the sum of—

"(A) the cost basis of such capital asset provided in section 1012, plus

"(B) the excess of—

"(i) an amount equal to the amount which a 5 percent annual return on such cost basis compounded annually during the holding period would yield, over

"(ii) an amount equal to the amount of income attributable to such capital asset, if any, realized by the taxpayer during the holding period over the amount realized from the sale or other disposition of such asset."

(3) Conforming amendments.—Section 1222 is amended by—

(A) striking out the terms "capital gain" and "gain" each place they appear therein and inserting in lieu thereof "capital gain", and

(B) striking out the terms "capital loss" and "loss" each place they appear therein and inserting in lieu thereof "capital loss".

TITLE II—ESTATE AND GIFT TAX AMENDMENTS

Sec. 201. Integration of Estate and Gift Taxes.

(a) Estate Tax.—Section 2001 (relating to rate of estate tax) is amended to read as follows:

"Sec. 2001. Imposition of Tax.

"(a) General Rule.—A tax computed in accordance with the following table is hereby imposed on the transfer of the taxable estate (determined as provided in section 2051) of every decedent, citizen or resident of the United States:

'If the taxable estate is:	The tax is:
Not over $15,000	20% of the taxable estate.
Over $15,000 but not over $30,000	$3,000, plus 24% of excess over $15,000.
Over $30,000 but not over $50,000	$6,600, plus 27% of excess over $50,000.
Over $50,000 but not over $75,000	$12,000, plus 30% of excess over $50,000.
Over $75,000 but not over $120,000	$19,500, plus 33% of excess over $75,000.
Over $120,000 but not over $175,000	$34,350, plus 37% of excess over $120,000.
Over $175,000 but not over $250,000	$54,700, plus 40% of excess over $175,000.
Over $250,000 but not over $350,000	$84,700, plus 44% of excess over $250,000.
Over $350,000 but not over $475,000	$128,700, plus 47% of excess over $350,000.
Over $475,000 but not over $625,000	$187,450, plus 50% of excess over $475,000.
Over $625,000 but not over $800,000	$262,450, plus 53% of excess over $625,000.
Over $800,000 but not over $1,000,000	$355,200, plus 57% of excess over $800,000.
Over $1,000,000 but not over $1,250,000	$469,200, plus 60% of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$619,200, plus 63% of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$776,700, plus 66% of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$1,106,700, plus 69% of excess over $2,000,000.
Over $2,500,000 but not over $3,500,000	$1,451,700, plus 72% of excess over $2,500,000.
Over $3,500,000 but not over $5,000,000	$2,171,700, plus 76% of excess over $3,500.000.
Over $5,000,000	$3,311,700, plus 80% of excess over $5,000,000.

"(b) Estates of Decendents Who Made Taxable Gifts After Tax Reform Act of 1973.—

"(1) In General.—In the case of the estate of a decedent, citizen, or resident of the United States who made taxable gifts (within the meaning of section 2503) during a calendar quarter beginning after the date of the enactment of the Tax Reform Act of 1973, there is hereby imposed on the transfer of the taxable estate of such decedent a tax equal to the excess of—

"(A) a tax computed in accordance with the rate schedule set forth in subsection (a) on the amount of the taxable estate (determined as provided in section 2501) increased by the amount of the adjusted inter vivos gifts (determined as provided in paragraph (2)), over

"(B) a tax computed in accordance with such rate schedule on the amount of such adjusted inter vivos gifts as if the taxable estate were equal to such amount.

"(2) Adjusted inter vivos gifts.—For purposes of paragraph (1), the term 'adjusted inter vivos gifts' means the sum of (A) the amount of taxable gifts (within the meaning of section 2503) made by the decedent on or after the first day of the first calendar quarter beginning after the date of the enactment of the Tax Reform Act of 1973, and (B) the amount of gift taxes imposed by chapter 12 and paid by the decedent on such taxable gifts, minus the amount (if any) in respect of any gift included in such taxable gifts which is required to be included in the value of the gross estate of the decedent in computing his taxable estate."

(b) Estate Tax Exemption.—Section 2052 (relating to exemption in computing taxable estate) is amended by striking out "exemption of $60,000" and inserting in lieu thereof "exemption of $25,000, less the aggregate of the amounts claimed and allowed as specific exemption to the decedent under section 2521 (relating to specific exemption in computing taxable gifts)".

(c) Gift Tax.—The rate schedule contained in section 2502(a) (relating to rate of gift tax) is amended to read as follows:

"Rate Schedule

"If the taxable gift is:	The tax is:
Not over $15,000	20% of the taxable gifts.
Over $15,000 but not over $30,000	$3,000, plus 24% of excess over $15,000.
Over $30,000 but not over $50,000	$6,000, plus 27% of excess over $30,000.
Over $50,000 but not over $75,000	$12,000, plus 30% of excess over $50,000.
Over $75,000 but not over $120,000	$19,500, plus 33% of excess over $75,000.
Over $120,000 but not over $175,000	$34,500, plus 37% of excess over $120,000.
Over $175,000 but not over $250,000	$54,000, plus 40% of excess over $175,000.
Over $250,000 but not over $350,000	$84,700, plus 44% of excess over $250,000.
Over $350,000 but not over $475,000	$128,700, plus 47% of excess over $350,000.
Over $475,000 but not over $625,000	$187,450, plus 50% of excess over $475,000.
Over $625,000 but not over 800,000	$262,450, plus 53% of excess over $625,000.
Over $800,000 but not over $1,000,000	$355,200, plus 57% of excess over $800,000.
Over $1,000,000 but not over $1,250,000	$469,200, plus 60% of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$619,200, plus 63% of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$776,700, plus 66% of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$1,106,700, plus 69% of excess over $2,000,000.
Over $2,500,000 but not over $3,500,000	$1,451,700, plus 72% of excess over $2,500,000.
Over $3,500,000 but not over $5,000,000	$2,171,700, plus 76% of excess over $3,500,000.
Over $5,000,000	$3,311,700, plus 80% of excess over $5,000,000."

(d) Gift Tax Exemption.—Section 2521 (relating to specific exemption in computing taxable gifts) is amended by striking out "$30,000" and inserting in lieu thereof "$25,000."

(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply with respect to decedents dying after the date of the enactment of this Act. The amendments made by subsections (c) and (d) shall apply with respect to gifts made on or after the first day of the first calendar quarter which commences after the date of the enactment of this Act.

Sec. 202. Increase in Estate Tax Material Deduction.

(a) In General.—Section 2056(c) (relating to limitation of aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to decedents dying after the date of enactment of this Act.

Sec. 203. Generation-Skipping Transfers.

(a) In General.—Subchapter A of chapter 11 (relating to estates of citizens or residents) is amended by inserting after part IV the following new part:

"Part V—Generation-Skipping Transfers

"Sec. 2060. Imposition of tax.
"Sec. 2061. Transfers in trust.
"Sec. 2062. Election by skipped generation.
"Sec. 2063. Generation-skipping defined.

"Sec. 2060. Imposition of Tax.

(a) In General.—A tax is hereby imposed on the transfer of that portion of the taxable estate (determined under section 2051) of every decedent to which this subchapter applies which consists of a generation-skipping transfer (as defined in section 2063).

"(b) Rate of Tax.—The rate of the tax imposed by subsection (a) shall be 60 percent of the highest rate of tax imposed on the taxable estate under section 2001.

"(c) Parents of Transferee Deceased.—If a transferee has no living parents at the date of the decedent's death, the rate of the tax imposed by subsection (a) with respect to transfers to such person shall be the lower of—

"(1) the highest rate of tax imposed under section 2001 on the estate of the last surviving parent, or

"(2) the rate determined under subsection (b) of this section.

This subsection shall apply only if distributions to such parent would not be a generation-skipping transfer.

"Sec. 2061. Transfers in Trust.

"(a) In General.—If an election is not made under section 2063(b) and as of the beginning of any calendar year there are no survivors among the persons described in subsection (b), then a tax shall be imposed on the trust at the rate determined under section 2060 (b) or (c), whichever is applicable. The tax under this section may be imposed on more than one occasion, and in applying section 2060(c) the date the tax is imposed shall be substituted for the date of the decedent's death.

"(b) Persons Referred To.—The persons referred to in subsection (a) are the settlor, his children, and any beneficiaries of the trust to whom a distribution would not be a generation-skipping transfer. Once a tax is imposed under this section the persons referred to in subsection (a) are beneficiaries of the trust described in paragraph (2) or (3) of section 2063(c), whichever is applicable.

"Sec. 2062. Election by Skipped-Generation.

"(a) In General.—The tax imposed by section 2060 or 2061 shall not be imposed to the extent that a distribution to a parent of the transferee would not be a generation-skipping transfer and such parent elects to have any property treated as transferred to him and retransferred to the actual transferee. In applying this part, a person making such election shall be treated as the transferor of the property.

"(b) Time for Election.—An election under subsection (a) shall be made on a transfer tax return for the period in which the decendent's death has occurred and must be made on or before the due date for filing the estate tax return under section 6075 (including extensions).

"(c) Trusts.—In the case of a transfer in trust, an election under subsection (a) may, under regulations prescribed by the Secretary or his delegate, be made at any time before the due date of the tax under section 2060 or section 2061. Such election is effective only to the extent the trust property is distributed or is vested in the electing person and his descendants.

"Sec. 2063. Generation-Skipping Defined.

"(a) In General.—A generation-skipping transfer is a distribution to a person other than—

"(1) a child of the transferor,

"(2) a brother or sister of the transferor (by whole or half blood),

"(3) a child of an individual described in paragraph (2),

"(4) an ancestor of the transferor,

"(5) a spouse of any of the persons described in paragraph (1), (2), (3), or (4) or of the transferor,

"(6) a person who is older than the transferor or is less than 25 years younger than the transferor, or

"(7) an organization which is exempt from taxation by reason of section 501.

"(b) Transfers in Trust.—A transfer in trust is not a generation-skipping transfer unless the decedent by will directs that it be so treated.

"(c) Distributions by Trusts.—

"(1) In general.—Distributions from a trust made after the death of the grantor which would be generation-skipping transfers if made directly by the grantor of the trust shall be considered generation-skipping transfers. The rate of tax shall be determined under section 2060, except that, in applying section 2060(c), the date of the trust distribution shall be substituted for the date of the decedent's death. The tax shall be withheld from the distribution by the trustee.

"(2) Trust subject to tax.—If the trust has been subject to tax under section 2061, then distributions to the following persons shall not be considered generation-skipping transfers:

"(A) grandchildren of the transferor,

"(B) grandchildren of the transferor's brother or sister (of the whole or half blood),

"(C) a spouse of any of the persons described in subparagraphs (A) or (B), and

"(D) a person who is less than 50 years younger than the transferor.

"(3) Multiple tax on trust.—Under regulations prescribed by the Secretary or his delegate, rules similar to those prescribed by paragraph (2) shall apply in determining the extent of generation-skipping transfers in the event a trust is subject to tax under section 2061 on more than one occasion."

(b) Valuation of Gifts.—Section 2512 (relating to valuation of gifts) is amended by inserting after subsection (b) the following new subsections:

"(c) In the case of a generation-skipping transfer (as defined in section 2063(a)) the amount of the gift shall be considered to be 160 percent of the value determined under subsection (a). A transfer in trust shall not be considered a generation-skipping transfer unless the donor so elects on his return. Distributions from a trust during the lifetime of the donor which are generation-skipping transfers under section 2063(c) shall be considered a transfer by the donor in an amount equal to 60 percent of the value of the trust distribution.

"(d) Subsection (c) shall not apply if—

"(1) a transfer to a parent of the transferee would not be a generation-skipping transfer and such parent elects on or before the due date of the donor's return to have the property treated as transferred to him and retransferred to the actual transferee, or

"(2) the transferee has no living parent at the time of the gift and the donor elects to treat the transfer as a transfer to the last surviving parent. In such case a tax at the highest rate of tax imposed under section 2001 on the estate of such parent shall be payable by the donor and deducted from the amount of the gift. This paragraph shall apply only if a gift to such parent would not be a generation-skipping distribution."

(c) Effective Date.—The amendment made by subsection (b) shall apply with respect to decedents dying after the date of the enactment of this Act. The amendment made by subsection (b) shall apply with respect to transfers after such date.

TITLE III—TAX RELIEF AMENDMENTS

Sec. 301. Reduction in Marginal Tax Rate.

Effective for taxable years beginning after December 31, 1974, each percentage figure appearing in the tables in section 1 (relating to tax imposed) shall be reduced by 2.

Sec. 302. Optional Credit Against Tax for Personal Exemptions.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 43 and by inserting after section 41 the following new section:

"Sec. 42. Personal Exemptions.

"(a) General Rule.—At the election of the taxpayer, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to $220 multiplied by the number of exemptions to which the taxpayer is entitled under section 151. Such credit shall not exceed the tax imposed by this chapter for the taxable year.

"(b) Election.—An election under subsection (a) for a taxable year may be made at any time before the expiration of the period for filing a claim for a refund or credit of an overpayment of tax for such taxable year and shall be made in such form and manner as the Secretary or his delegate prescribes by regulation.

"(c) Denial of Deduction.—If a taxpayer elects the credit provided by subsection (a) for a taxable year, no deduction shall be allowed under section 151 for any exemption to which he is entitled under such section."

(b) Conforming Amendments.—

(1) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal Exemptions.
"Sec. 43. Overpayments of tax."

(2) Section 37(a) of such Code (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof a comma and "and section 42 (relating to personal exemptions)".

(3) Section 41(b)(2) of such Code (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof a comma and "and section 42 (relating to personal exemptions)".

(4) Section 46(a)(3)(B) of such Code (relating to the investment credit) is amended—

(A) by striking out "and" at the end of subparagraph (B),

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a comma and "and", and

(C) by inserting after subparagraph (C) the following new subparagraph:

"(D) Section 42 (relating to personal exemptions)."

(5) Section 50A(a)(3) of such Code (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a comma and "and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) Section 42 (relating to personal exemptions)."

Sec. 303. Increase in Percentage Standard Deduction.

Section 141(b) (relating to percentage standard deduction) is amended by striking out the item relating to 1972 and thereafter and the table which appears at the end of such subsection and inserting in lieu thereof the following new items:

"1972	15	2,000
"1975 and thereafter	17	2,500"

By Mr. HUMPHREY (for himself, Mr. Mondale, and Mr. McGee):

S. 513. A bill to provide for adjustments in established price and loan levels for certain agricultural commodities, to improve stabilization of farm prices and incomes and to provide for improved management of certain agricultural commodities during times of shortages and for other purposes. Referred to the Committee on Agriculture and Forestry.

NATIONAL FOOD AND AGRICULTURAL STABILIZATION ACT OF 1975

Mr. HUMPHREY. Mr. President, I send to the desk a bill on behalf of myself and my senior colleague, Senator Mondale, and the Senator from Wyoming (Mr. McGee), known as the National Food and Agricultural Stabilization Act of 1975.

Mr. President, I would note for my colleagues and for the public in general, while everyone is aware of the economic importance of the $77 billion automobile industry, agriculture, which accounts for over $400 billion in our economy is being neglected. While we are deeply concerned about what is happening in the automobile industry—a $77 billion industry—I doubt that very many Members of Congress, or many members of the media and of the public in general, know that agriculture is a $400-billion industry.

It is when things go wrong in American agriculture that things go wrong in the Nation.

It used to be said some years ago that depressions were farm led and farm fed. I still think that is basically true.

As the percentage of gross national product in agriculture has dropped, unemployment has been rising. As farmers' costs have gone up and their profits have been liquidated, the country is beginning to experience the most severe recession that it has known since the Great Depression.

Mr. President, our farmers and our urban consumers have paid a high price because we have ignored the need for a balanced national food policy.

A great deal has happened in the last 2 years to upset the traditional patterns of plentiful food and fiber supplies at relatively modest prices.

We need to learn from that experience and take steps to restore some balance and stability in our food and agricultural system. We have discovered in the last 2 years that food production, processing, and distribution is a very delicate and fine-tuned process.

One cannot increase the costs or the demand for key inputs such as petroleum, fertilizer, and machinery without affecting the whole process.

We also have learned that increased food prices at the supermarket do not necessarily lead to higher prices for the farm producers. In fact, just the opposite has taken place.

And, of course, we also discovered the close relationship between various segments of the agricultural economy. Higher prices for feed grains, while beneficial to producers, placed a higher production cost on the livestock growers.

The agricultural economy has been beset by rapid increases in production costs and a shortage of inputs such as fertilizers, machinery, spare parts, and pesticides. The energy crisis has been particularly hard on our farmers.

Urban consumers have been upset by increased food costs of 15 percent during the last year. And beef, dairy, hog, and poultry farmers—the largest users of grains—have been reeling from higher production costs, particularly feed prices.

Because of expanded demand on the world market, grain prices have not only escalated but our supplies on hand have gone down as well.

In this situation some lucky farmers have been able to make a profit, but many are also facing ruin. We should not be deceived by the Secretary of Agriculture into thinking that our farmers are all making profits and spending half of the year in Bermuda.

Many of our farmers would concede that they had a good year in 1973, but that changed in 1974. A loss of lifetime savings and foreclosure is the prospect for increasing numbers of beef and dairy producers.

Many grain farmers suffered severe crop losses in 1974 because of the wet spring, a prolonged summer drought, and early frosts. Although crop prices have been generally high, bad weather reduced the crop volume for many farmers, or the moisture content sharply reduced the selling price.

Our livestock producers have not only had to pay much higher prices for feeds, but their animal prices have been so erratic as to defy any serious effort to plan for the future. The number of beef cattle in feedlots has dropped sharply in response to continuing low cattle prices and expensive feed costs. The weight per head of marketed cattle has dropped as greater numbers of lighter grass-fed cattle have been marketed. Feed grain usage is expected to be down by 20 percent in 1975.

Dairy production costs went up by about 30 percent in 1974 while prices to the farmer from the sale of milk went down from $7.94 in December 1973 to $6.57 in December 1974. The overwhelming disaster of this situation, and the bill I sponsored to raise dairy supports to 85 percent of parity, finally led the administration to respond with at least a partial solution by restoring the support level back to 80 percent of parity.

This step is hardly doing more than throwing a raft to a sinking man, and it merely meets the legal minimum of today's existing law. A University of Wisconsin study indicates that it costs a farmer at least $8.61 to produce 100 pounds of milk, and most farmers are losing from $1.50 to $2 per 100 pounds of milk produced.

The size of our pig crop for this spring and fall combined will be the lowest in over 40 years. Poultry supplies in 1975 are likely to be 10 percent below 1974 levels.

Our livestock, dairy, hog, and poultry producers have been suffering heavy losses, in part because of the increased costs of feed grains. However, our grain prices historically have been very low, and these producers deserve a fair return. This problem points up the need for a balanced food and agricultural program which relates the needs of the different farm groups and the end users.

Everyone is aware of the economic importance of the $77 billion automobile industry. However, agriculture—which accounts for over $400 billion in our economy—is often neglected in terms of its importance to the economy.

Our grain producers have become frightened in the last few weeks as their prices have shown signs of softness. The President has repeatedly called for expanded production, since coming to office, as a means of combating inflation.

To many of our farmers these calls have the ominous ring of overproduction, glut, and low prices.

It is very clear that our present agricultural policies are not adequate to give a farmer the encouragement to produce to capacity and assure him that expanded production will bring reward and not ruin.

It is not generally known outside of agricultural circles that our farmers have been facing extremely wide fluctuations in the prices they receive for their produce. Livestock prices have ranged from 20 cents or lower to as high as 60 cents per pound in the last 2 years. In the last month wheat prices have fluctuated by over a dollar a bushel, and corn prices also have changed by nearly that same amount.

Meanwhile, farm production costs have gone up by almost 20 percent in the last year. However, many individual items have gone up in price by far more than this with fertilizers nearly tripling, fuels almost doubling, twine quadrupling, and many articles of machinery increasing from 50 to 75 percent.

Farmers are clearly not able to replace old machinery now, and the cancellation of orders has been a factor in slowing national industrial production.

Our farmers are justly irate that the prices they receive fluctuate sharply while their production costs only go up. The President's recent proposal to raise the levy on oil imports would, if implemented, send another inflation shock wave through our agricultural economy.

We need to learn from the lessons of the past year. While we certainly want and the world needs a good crop year in 1975, it should be clear to all that we do not have an agricultural program in place to deal with a bountiful harvest.

The USDA now concedes that prices for wheat, corn, and soybeans would have dropped very sharply had their optimistic crop estimates for 1974 been fulfilled.

At this point, it is almost academic to even hazard a guess as to what our 1975 production levels will be. By spring, we will have a better idea of the actual crop acreages planted.

We are aware that the Soviet snows have been light to date, and this could mean heavy winter killing frosts in the next month. Our own weather between now and harvest time will, of course, be of critical importance.

What we have to be concerned about is the impact of a 2.2 or 2.4 billion bushel wheat crop or a 6.5 billion bushel corn crop. Our farmers are clearly concerned over these prospects with today's ridiculously low target and loan price support levels.

The Department should now provide us with their estimates of approximate price levels that might be expected for our basic crops at various production levels. It is clear that our livestock and poultry producers are already using less grain for feeding, which would accentuate the problem of disposal in case of bumper crops.

It is quite clear to our farmers that they cannot go back to the old crop prices of 2 years ago, which would not meet today's costs of production.

In the past year, prices paid to farmers went down by 4 percent while production costs were going up by nearly 20 percent. And the parity level declined from 94 to 73 percent from January to December of 1974.

A NATIONAL POLICY ON FOOD AND AGRICULTURE

What we need is a policy which encourages our farmers to produce plentiful supplies of food and fiber for our consumers and other nations. But our farmers need some assurances that the Government will not allow them to be driven out of production by roller coaster prices.

Briefly stated, we need a national food and agricultural policy which is based upon an appropriate "sharing of risks" between Government and farm producers.

Many farmers and farm groups are convinced that the answer lies in raising the support prices to one level or another. I would like to gather more information on this subject during our hearings, and consequently I have not inserted target prices or loan support figures in my bill. I agree that we need to substantially increase existing income and loan support floor levels for the basic crops grown by our farmers, but we also must be careful to avoid acquiring excessive supplies in the hands of the Government. We must also be sensitive to the relationships between whatever loan support levels we establish and our ability to compete in world markets.

We also need a program which will allow the Government the authority and flexibility to acquire excess production in periods of surplus production. These stocks could be released—only under carefully prescribed rules—in periods of short supply. With our increasing reliance on the world markets, we need this device to give our farmers some protection against rapid changes in demand. Our agricultural productive system is a valuable national asset, and we should be willing to treat our farmers accordingly. We have used our agricultural production in furthering détente, and our policies should reflect this level of importance.

We also need a policy which recognizes the importance of the export market and establishes clear trade principles. Many farmers were angry at the uncertainty caused by the administration's changes in export rules this past year, as they were with changes in the European Common Market's import license fees on U.S. feed grains, which was encouraged by Secretary Butz.

What we need, and my bill attempts to achieve, is a balanced food and agricultural program which provides adequate income protection for farmers; stabilizes farm commodity supplies and prices; develops strategic food reserves; and supports an expanding export market.

The administration finally admitted this past fall that, in a world of state-trading corporations, it is somewhat less than realistic to talk about the free market.

We clearly need a high level of exports, but we must be alert and have the machinery in being to prevent our food and fiber stocks from being used or manipulated against us.

I believe that a sound program can be developed to benefit both grain and livestock farmers and American taxpayers and consumers.

I have this year added some additional elements dealing with dairy price supports and Public Law 480. These elements round out my agricultural legislative package, which is designed to meet some important areas of need.

I urge farmers and consumers to review this bill and make suggestions to improve it. I welcome their support and constructive help.

Mr. President, I ask unanimous consent that the text of my bill to establish a national food and agricultural stabilization program be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "National Food and Agricultural Stabilization Act of 1975."

WHEAT

Sec. 2. (a) The proviso contained in the first sentence of section 107(a) of the Agricultural Act of 1949 as added by paragraph (8)(A) of the Agriculture and Consumer Protection Act of 1973 is amended to read as follows: *Provided,* That in no event shall such level be less than an amount equal to 66⅔ per centum of the established price per bushel for wheat.".

(b) Section 107(c) of the Agricultural Act of 1949 as added by paragraph (8)(D) of the Agriculture and consumer Protection Act of 1973 is amended by striking out that portion beginning with clause (2) and ending with the colon preceding the proviso, and inserting in lieu thereof the following:

"(2) the loan level determined under subsection (a) for such crop is less than the established price of $—— per bushel in the case of the 1975 crop; $—— per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop;

the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop; and the established price for the 1977 crop adjusted to reflect any change during the calendar year 1977 in such index in the case of the 1978 crop, times in each case (ii) the allotment for the farm for such crop, times (iii) the protected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield:".

FEED GRAINS

SEC. 3. (a) Section 105(a)(1) of the Agricultural Act of 1949 as amended by paragraph (18)(A) of the Agriculture and Consumer Protection Act of 1973 (amending section 501(a) of the Agricultural Act of 1970) is amended by striking out "not less than $1.10 per bushel nor in excess of 90 per centum of the parity price therefor" and inserting in lieu thereof the following: "not less than an amount equal to 66⅔ per centum of the established price per bushel for corn".

(b) The second sentence of section 105(b) of the Agricultural Act of 1949 as amended by paragraph (18)(B) of the Agriculture and Consumer Protection Act of 1973 (amending section 501(a) of the Agricultural Act of 1970) is amended by striking out that portion beginning with clause (2) and ending with the colon preceding the proviso, and inserting in lieu thereof the following:

"(2) the loan level is less than the established price of $— per bushel in the case of the 1975 crop; $— per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop: the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop; and the established price for the 1977 crop adjusted to reflect any change during the calendar year 1977 in such index in the case of the 1978 crop:".

UPLAND COTTON

SEC. 4. Section 103(e)(2) of the Agricultural Act of 1949 as amended by paragraph (20)(C) of the Agriculture and Consumer Protection Act of 1973 (amending section 602 of the Agricultural Act of 1970) is amended by striking out that portion beginning with clause (2) and ending with the colon preceding the proviso, and inserting in lieu thereof the following:

"(2) the loan level determined under paragraph (1) of such crop

is less than the established price of — cents per pound in the case of the 1975 crop; — cents per pound adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates in the case of the 1976 crop; the established price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop; and the established price for the 1977 crop adjusted to reflect any change during the calendar year 1977 in such index in the case of the 1977 crop:".

SEC. 5. The Agricultural Act of 1970 is amended by adding at the end thereof a new title as follows:

"TITLE XI—PRODUCER AND CONSUMER MARKETING RESERVES

"MINIMUM SALE PRICES OF CERTAIN COMMODITIES SOLD FROM STOCKS OF THE COMMODITY CREDIT CORPORATION

"SEC. 1101. (a) Effective only with respect to the 1975 through 1978 crops of wheat, feed grains, cotton, and soybeans, the third sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by striking out the third proviso (relating to the minimum price at which certain grains in the stocks of the Commodity Credit Corporation may be sold) and inserting in lieu thereof the following: '*And provided further*, That except for dispositions to friendly countries under the Agricultural Trade Development and Assistance Act of 1954, is amended, the Commodity Credit Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, or cotton, respectively, at less than 150 per centum of the established price applicable by law to the current crop of any such commodity, or any of its stocks of soybeans at less than 150 per centum of the current national average loan rate for such commodity, adjusted (in the case of all such commodities) for such current market differentials reflecting grade, location, and other value factors as the Secretary determines appropriate, if the Secretary determines that the sale of such commodity will (1) cause the total estimated carryover of such commodity at the end of the current marketing year for such commodity to fall below six hundred million bushels in the cast of wheat, forty million tons (collectively) in the case of corn, grain sorghum, barley, and oats, five million bales in the case of cotton, or one hundred and fifty million bushels in the case of soybeans, or (2) reduce the stocks of the Commodity Credit Corporation below two hundred million bushels in the case of wheat, fifteen million tons (collectively) in the case of corn, grain sorghum, barley, and oats, one million five hundred thousand bales in the case of cotton, or fifty million bushels in the case of soybeans; and in no event may the Corporation sell any of its stocks of any such commodity in any marketing year at less than the established price applicable by law to the current crop of any such commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, whenever the total estimated carryover of such commodity in such marketing year is in excess of the amount specified for such commodity in clause (1) above.'.

"Recall Period for Loans on Certain Commodities

"(b) Notwithstanding any other provision of law, price-support loans on wheat, feed grains, cotton, or soybeans stored under seal on the farm or in private commercial facilities (including farmer cooperative facilities) may not be called by the Secretary prior to the expiration of three years from the date on which such loans were made unless the Secretary determines that the projected carryover of the commodity concerned will fall below the amount specified for such commodity in clause (1) of the third proviso of the third sentence of section 407 of the Agricultural Act of 1949, as amended by subsection (a) of this section, and then only to the extent that the call of such loans is necessary to provide an adequate and orderly supply of the commodity concerned to meet domestic needs, or the needs of friendly countries under the Agricultural Trade Development and Assistance Act of 1954, as amended. Loans called by the Secretary under authority of this section prior to their maturity dates shall be called on the basis of their respective maturity dates, the oldest loans being called first.

"Loan Rate for Certain Commodities

"(c) Notwithstanding the provisions of section 107(a) of the Agricultural Act of 1949, as added by paragraph (8)(A) of the Agriculture and Consumer Protection Act of 1973, the provisions of section 105(a)(1) of the Agricultural Act of 1949, as amended by paragraph (18)(A) of the Agriculture and Consumer Protection Act of 1973 (amending section 501(a) of the Agriculture Act of 1970), or the provisions of any other law, whenever, for any marketing year, the Secretary estimates that the carryover stocks of wheat will be less than six hundred million bushels, the carryover stocks of feed grains will be less than forty million tons, the carryover stocks of cotton will be less than five million bales, or the carryover stocks of soybeans will be less than one hundred and fifty million bushels, the Secretary is authorized and directed to make available loans (1) to producers participating in the wheat, feed grain, or upland cotton program, as the case may be, at not less than 90 per centum of the established price for such commodity for the crop year concerned (1975 through 1978), and (2) to producers of soybeans on a comparable basis.

"Export License Required for Critical Commodity; Validated Export Licensing System

"(d)(1) Effective only with respect to the 1975 through 1978 crops of wheat, feed grains, cotton, and soybeans, whenever the Secretary of Agriculture finds that the combined domestic requirements and export sales of any such commodity threaten to reduce the carryover of such commodity at the close of the marketing year for such commodity below the level specified for such commodity in clause (1) of the third proviso of the third sentence of section 407 of the Agricultural Act of 1949, as amended by subsection (a) of this section, he shall designate such commodity as a 'critical' commodity for the current marketing year, and thereafter, during such marketing year, no person may export any such commodity from the United States without an export license issued by the Secretary of Agriculture authorizing the export of such commodity by such person.

"(2) The Secretary of Agriculture is directed to maintain a weekly projection of foreign sales and domestic requirements in relation to available supplies for each designated critical commodity. Except for sales and other dispositions made to friendly countries under the Agricultural Trade Development and Assistance Act of 1954, as amended, at any time that the projected carryover stocks for any commodity in any marketing year fall below the level specified for such commodity in clause (1) of the third proviso of the third sentence of the Agricultural Act of 1949, as amended, the Commodity Credit Corporation may not, so long as the stocks of such 'critical' commodity remain below such level, sell any of its stocks of such commodity for export for less than 120 per centum of the weekly average cash price of the commodity in Chicago, Kansas City, and Minneapolis markets in the immediately preceding week, except that in the case of cotton, the minimum price at which such commodity may be sold shall be 120 per centum of the weekly average cash price in the designated spot markets reported by the United States Department of Agriculture in the immediately preceding week. None of the stocks of any commodity designated as a critical commodity under this section may be sold by the Commodity Credit Corporation to any buyer for domestic utilization unless such buyer agrees, in such manner as the Secretary of Agriculture may prescribe, that any stocks of such commodity sold to him will not be exported.

"(3) Whenever the projected carryover stocks of wheat, feed grains, cotton, or soybeans fall below the level specified for such commodity in clause (1) of the third proviso of the third sentence of the Agricultural Act of 1949, as amended—

"(A) the Secretary of Agriculture is authorized to initiate a 100 per centum validated export licensing system with respect to such commodity if the President determines the initiation of such system with respect to such commodity is necessary to protect the United States against a future shortage thereof or is necessary to protect the economy of the United States. The Secretary is also authorized to initiate, either in conjunction with or independent of a 100 per centum validated export licensing system, any reporting system he deems appropriate with respect to any such commodity; and

"(B) no quantity of such commodity may be exported to any foreign country in an amount that would result in total export sales to such country (from the United States) in the preceding marketing year, unless the Secretary of Agriculture specifically approves the export of such quantity to such country.

As used in this paragraph, the term '100 per centum validated export licensing system' means a licensing system under which (i) the Secretary of Agriculture authorizes the exportation of a quantity of wheat, feed grains, cotton, or soybeans only when the application for a license to export any such commodity is accompanied by a certified copy of a contract for the export from the United States of a quantity of such commodity equal to the quantity of such commodity for which the export license is requested, and (ii) licenses are issued, unless otherwise provided by the Secretary of Agriculture, to cover exports anticipated for the current month or the current and immediately succeeding month.

"(4) The Secretary of Agriculture is authorized, to the maximum extent practicable, to administer the provisions of this paragraph through the services and personnel of the Department of Commerce, and the Secretary of Commerce shall cooperate with the Secretary of Agriculture in the administration of this subsection and may perform, on a reimbursable basis, such services as the Secretary of Agriculture may request.

"Rules and Regulations

"(e) The Secretary is authorized to issue such rules and regulations as he deems necessary to provide for the effective administration of this section.

"Quantities of Commodity in Disaster Reserve Included in Computation of Carryover

"(f) In determining the quantity of carryover of any commodity at the beginning of or during any crop-marketing year and the quantity of any commodity owned by the Commodity Credit Corporation, there shall be included any quantity of such commodity contained in the disaster reserve inventory maintained under the provisions of section 813 of this Act.

"Continuation of Loan Programs

"(g) The Secretary of Agriculture is directed to restore loan programs for soybeans, dry edible beans, flaxseed, gum naval stores and honey. In addition, no loan programs can be terminated by the Secretary of Agriculture without prior Congressional approval.

"Definition

"(h) As used in this section, the term 'feed grains' means corn, grain sorghum, barley, and oats.

"Authorization for Appropriations

"(i) There is hereby authorized to be appropriated such sum as may be necessary to carry out the provisions of this section."

"Public Law 480

SEC. 6. Nothing in this Act shall be construed to restrict the authority of the President under the Agricultural Trade Development and Assistance Act of 1954 except with respect to prices at which commodities may be sold under title I of such Act.

SEC. 7. The last sentence of section 401 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the period at the end of such sentence and inserting in lieu thereof a comma and the following: "unless the President determines that such disposition is necessary to national interest of the United States or to carry out the humanitarian objectives of this Act.".

SEC. 8. Section 408 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(a) By inserting "(a)" after the section designation.

(b) By adding the following new subsection:

"(b) In addition to the report required by subsection (a) of this section, the President shall make the following reports each year to the Senate Committees on Agriculture and Forestry, Foreign Relations, Appropriations, and Budget, and the House of Representatives Committees on Agriculture, Foreign Affairs, Appropriations, and Budget.

"(1) A report submitted not later than March 15 each year on the projected food aid programmed for the next fiscal year. The report shall specify commodity levels and costs by country and by commodity, and grant and concessional sales programs shall be treated separately.

"(2) During each fiscal year, quarterly reports submitted not later than 30 days after the end of each quarter showing the food aid actually provided during such quarter by country, commodity, commodity amounts, and costs. The quarterly report shall include an explanation of any revision of 20 per centum or more in the levels or costs of commodities programmed for any country.

MILK PRICE SUPPORTS

SEC. 9. Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446), as amended, is amended by adding at the end thereof a new subsection as follows:

"(d) Notwithstanding the foregoing provisions of this section, effective for the period beginning with the date of enactment of this subsection and ending on March 31, 1978, the support price of milk shall be established at not less than 90 per centum of the parity price therefor on the date of enactment, and the support price for milk shall be adjusted

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By Mr. WILLIAMS:

S. 515. A bill to amend the Rail Passenger Service Act of 1970 in order to require that before the National Railroad Passenger Corporation changes any schedule of, or increases any rate, fare, or charge for, rail passenger service, the Corporation shall hold a public hearing and making a finding that such change or increase is reasonable and in the public interest. Referred to the Committee on Commerce.

THE NATIONAL RAILROAD PASSENGER CORPORATION AMENDMENTS OF 1975

Mr. WILLIAMS. Mr. President, the public need for modern rail passenger service has been a top priority matter during the last few years, yet the service provided by Amtrak continues to have severe shortcomings. In far too many cases, trains are unreasonably crowded, they run on extremely slow schedules, equipment failures are routine occurrences, information and reservation service is very poor, financial losses are unreasonably high when compared with public benefits, and great gaps remain in the structure of Amtrak routes.

In addition, I continue to receive numerous complaints from New Jersey commuters regarding rail stops that are eliminated by Amtrak, causing great inconvenience to commuters. Further, because Amtrak is not required to hold public hearings on route changes, commuters react quite angrily to belated explanations offered by Amtrak's management. Commuters feel they should have a right to voice their opinions when such decisions by Amtrak are contemplated.

Today I am reintroducing a bill, which I introduced in the last Congress, to require that before the National Railroad Passenger Corporation changes schedules or increases rates for rail passenger service it must hold a public hearing and make a finding that the change or increase is reasonable and in the public interest. I believe this is a minimal requirement which Amtrak could have instituted, but has not.

When Congress approved the Rail Passenger Service Act which created Amtrak, we clearly emphasized that it is the public convenience and necessity which require the continuation and improvement of intercity rail passenger service. In order to promote maximum flexibility and to respond to marketing changes as rapidly as possible, Amtrak was exempted from certain provisions of the Interstate Commerce Act pertaining to regulation of rates, fares, and charges. In addition, Amtrak is not subject to any State or other law relating to routes, rates, and service for rail transportation.

Since July 1, 1973, Amtrak has had the authority to determine that certain trains are not required by public convenience or necessity and will impair the ability of the Corporation to provide adequately for other services. The Corporation may then discontinue this service. Although Amtrak must post notification of changes in service at least 30 days prior to any change, there is no channel for public input other than correspondence.

Therefore, it seems clear to me that at the very least we must provide for some public input by requiring a public hearing before Amtrak decided to increase its rates or change its schedule. This public should at least be assured that the changes are reasonable and in its best interest. Surely, this was the intention of Congress when we created Amtrak.

The Senate Commerce Committee was explicit when it approved guidelines for notifying all localities, organizations, and persons whose interests would be affected by discontinuance of service, so they would be afforded adequate notice. The committee believed that this provision was most essential in protecting the public interest. If, within the 30-day notification period, State, regional, or local agencies request continuation of the service, it would be continued.

Certainly, Congress recognized that the public, whose support of Amtrak is absolutely vital to the Corporation's very existence, must have time to prepare and present its entire case on any occasion when scheduled service is proposed to be discontinued. The same reasoning should hold for proposed schedule changes and increases in rates, fares, and charges.

In view of the great resources available to the railroads for attorneys, experts, the purchasing of transcripts, and the printing of briefs, the provisions in the act regarding public notification are a minimal burden on the Corporation. They are reasonable and clearly consistent with protecting the best interests of the public.

Therefore, I am reintroducing this bill, which would require that such a public hearing be held and that the Corporation make a finding that such a change or increase is both reasonable and in the public interest. The public should be heard before this determination. Amtrak should not be permitted to raise its rates at its own discretion without the public being able to comment on whether such an increase is necessary and in its best interest. These hearings would be held in the areas where such service is affected and at least 30 days after notice of any change is posted in each station, depot, or other facility served.

Mr. President, I ask unanimous consent that this legislation be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Rail Passenger Service Act of 1970 is amended by inserting at the end thereof the following:

"Sec. 406. Public Hearing Prior to Schedule Change or Fare Increase.

"The Corporation shall not change any schedule of, or increase any rate, fare, or charge for, rail passenger service until after at least one public hearing with respect to such increase, and finding that such change or increase is reasonable and in the public interest. Any such hearing shall be held (1) in the area where such service is provided, and (2) at least thirty days after notice thereof is posted in each station, depot, or other facility served."

By Mr. WILLIAM L. SCOTT:

S.J. Res. 24. A joint resolution proposing an amendment to the Constitution of the United States relating to the participation in nondenominational prayers in any building which is supported in whole or in part through the expenditure of public funds. Referred to the Committee on the Judiciary.

S. 517. A bill to clarify the jurisdiction of certain Federal courts with respect to public schools and to confer such jurisdiction upon certain other courts. Referred to the Committee on the Judiciary.

S. 518. A bill to provide for the establishment of a national cemetery adjacent to the Manassas National Battlefield Park, Va. Referred to the Committee on Veterans' Affairs.

S. 519. A bill to provide for the establishment of a national cemetery within the Manassas National Battlefield Park, Va. Referred to the Committee on Veterans' Affairs.

Mr. WILLIAM L. SCOTT. Mr. President, I have four measures to send to the desk, and ask that they be printed and referred to the appropriate committees.

The first is a joint resolution which would amend the Constitution of the United States to provide for nondenominational prayers in any building which is supported in whole or in part by public funds. I believe that the vast majority of the American people favor the restoration of prayers in our public schools, a right made uncertain by a decision of the U.S. Supreme Court over 12 years ago. During these troubled times this country should turn to the basic principles upon which this country was founded.

The second is a bill which would transfer jurisdiction of all issues and controversies involving public schools from the Federal to the State courts. Under this bill consideration of such matters would first be in the courts of general jurisdiction of a State with the right of appeal to the highest court of the State and upon writ of certiorari to the Supreme Court of the United States, thereby retaining Federal supremacy. As you know, the Constitution gives the Congress authority to constitute and fix the jurisdiction of all Federal courts inferior to the Supreme Court. The purpose of the amendment is to assure that issues involving the public schools be heard by judges attuned to the problems and needs of the community which as a general rule would mean a local court in the same county or area in which the school is located would make the initial decision. This seems preferable to having initial decisions involving our public schools decided by a Federal court which may be miles removed from the location of an individual school and locality where the issue arose.

The third and fourth measures are bills which provide for the establishment of a national cemetery within or adjacent to the Manassas Battlefield Park. Certainly we are aware of the acute shortage of cemetery space around the country, and the Veterans' Administration, pursuant to legislation passed by the Congress, indicates a need for a new cemetery near Arlington Cemetery to serve an estimated 600,000 veterans. Hearings on these proposals were held before our Veterans' Affairs Committee in the House, and the need for an additional cemetery in the northern Virginia area has been amply demonstrated. Because of its historic significance and beauty, the Manassas Battlefield would make an appropriate site for such a veterans cemetery.

By Mr. JACKSON (for himself, Mr. Randolph, Mr. Metcalf, and Mr. Johnston):

S. 521. A bill to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

ENERGY SUPPLY ACT OF 1975

Mr. JACKSON. Mr. President, I am introducing today for myself, Senator Metcalf, Senator Randolph, and Senator Johnston the "Energy Supply Act of 1975" (S. 521). With minor technical changes, it is identical to S. 3221 which passed the Senate on September 18, 1974, by a vote of 64–23.

During the next decade, development of conventional oil and gas from the U.S. Outer Continental Shelf may well, first, provide the largest single source of increased domestic energy, second, supply this energy at a lower average cost to the U.S. economy than any alternative and, third, supply it with substantially less harm to the environment than almost any other source.

Despite the intense and justified concern of many people over the potential oil and gas development on the OCS, both in the ocean and its resources and onshore, there is an increasing feeling that, if done properly, OCS development may well be more acceptable environmentally than other potential domestic energy resources such as massive strip mining for coal and oil shale.

Because the OCS represents such a large and promising area for oil and gas exploration, the Congress must update the Outer Continental Shelf Lands Act of 1953, which has never been amended, to provide adequate authority and guidelines for the kind of development activity that probably will take place in the next few years. The law must be revised before any large-scale expansion of OCS leasing, particularly in "frontier areas."

Outer Continental Shelf oil and gas is owned by all the people of the United States, and the Federal Government has a responsibility to assure that it is developed in a manner which benefits all the people. At the same time, I believe the Federal Government must recognize the special impacts of Outer Continental Shelf development on those citizens living in the coastal zone.

The need for better working relationships between the Federal Government and the coastal States and for Federal assistance to coastal States impacted by Federal decisions to develop the Outer Continental Shelf are two of the major reasons why I introduced the Energy Supply Act of 1974 (S. 3221) last March and why I am seeking early enactment of S. 521.

The bill would provide a Federal fund for grants-in-aid to impacted coastal States and mandate a significant role in Outer Continental Shelf planning and decisionmaking by coastal States.

The Energy Supply Act would provide modern policy guidelines to facilitate rapid and responsible—as opposed to quick and dirty—development of the oil and gas resources of the Outer Continental Shelf.

There are two basic thrusts to the bill. First, it reasserts Congress' special constitutional responsibility to "make all needful rules and regulations respecting the territory or other property belonging to the United States." The 1953 Outer Continental Shelf Lands Act is essentially a carte blanche delegation of authority to the Secretary of the Interior. The increased importance of OCS resources, the increased consideration of environmental impacts and emphasis on comprehensive planning, and the growing recognition of the impacts of OCS development on coastal States require Congress to put some "flesh on the bones" in the form of standards and criteria for the Secretary to follow in the exercise of his authority.

Second, the bill gives the Secretary new authority needed to manage the programs anticipated in the last third of the 20th century.

During the past few months I have received a number of suggestions for revision of the bill which have considerable merit. They cover such topics as, first, improved coordination of Federal OCS programs with the States; second, increasing the role of the States in the decisionmaking process; third, methods of separating OCS oil and gas exploration activities from development and production; and fourth, alternative resource allocation systems.

NOTICE OF HEARINGS

In order to get as many suggestions as possible, I have had the Interior Committee staff prepare a working paper which has been distributed to a wide variety of individuals and groups interested in OCS oil and gas development. In addition, I have written to the Governors of every coastal State asking them to make comments and suggestions. Within the next few weeks, I intend to introduce amendments to S. 521 which can be considered at committee hearings tentatively scheduled for March 17 and 18 and April 8 and 9.

These hearings will be on all the bills pending before the Interior Committee dealing with Outer Continental Shelf matters. In addition to S. 521, these include, at the present time, S. 81, introduced by Senator Mathias, S. 130, introduced by Senator Stevens, S. 426, introduced by Senator Hollings, and S. 470, introduced by Senator Williams.

Persons wishing more information about these hearings should contact Mike Harvey of the Interior Committee staff (224-1076). The hearings will begin at 10 a.m. in room 3110 Dirksen Senate Office Building on each day.

Mr. President, I ask unanimous consent that a summary of S. 521 be printed in the Record at the close of my remarks.

There being no objection, the summary was ordered to be printed in the Record, as follows:

BRIEF SUMMARY OF MAJOR PROVISIONS OF ENERGY SUPPLY ACT OF 1975

1. Policy. Declares that the OCS is a vital national resource reserve held by the Federal government for all the people, which should be made available for orderly development, subject to environmental safeguards, when necessary to meet national needs. Expressly recognizes need for assistance to coastal states to protect coastal zone from adverse effects of OCS development.

2. Advance Planning. Establishes a 10 year leasing plan and program designed to bring about rapid but responsible development of OCS oil and gas reserves. Requires coordination with coastal zone management programs.

This program would indicate the size, timing, and location of leasing activity which the Secretary believes would meet national energy needs over the next 10 years. The leasing program must be consistent with the following principles:

(1) management of the Outer Continental Shelf in a manner which considers all its resource values and the potential impact of oil and gas development on other resource values and the marine environment;

(2) timing and location of leasing so as to distribute exploration, development and production of oil and gas among various areas of the Outer Continental Shelf considering:

(A) existing information concerning their geographical, geological and ecological characteristics;

(B) their location with respect to, and relative needs of, regional energy markets;

(C) their location with respect to other uses of the sea and seabed including **but** not limited to fishing areas, access to ports by vessels, and existing or proposed sea lanes;

(D) interest by potential oil and gas producers in exploration and development as indicated by tract nominations and other representations;

(E) an equitable sharing of developmental benefits and environmental risks among various regions of the United States;

(3) timing and location of leasing so that to the maximum extent practicable areas with less environmental hazard are leased first; and

(4) receipt of fair market value for public resources.

3. Public Participation. Provides for effective and orderly participation by State and local government and the public in planning and decision making for the OCS energy resources plan and program.

4. Protection of Adjacent States. Assures that concerns of adjacent coastal state about proposed leasing will be reviewed at highest levels of Federal government by establishing a National Coastal Resources Appeals Board chaired by the Vice President.

5. Grant-in-Aid Assistance to Coastal States. Establishes a $200 million fund from OCS revenues which is available annually for grants to coastal states to deal with any adverse impacts that may be associated with oil and gas development on adjacent OCS areas. Grants will be coordinated with on-going coastal zone management programs.

6. Information. Requires lease and permit holders to disclose essential information concerning OCS resources, but protects proprietary rights and competitive position. Also requires Department of Interior to gather and develop detailed information concerning the energy resources of the OCS and any potential environmental problems.

7. Liability for Oil Spills. Imposes unlimited absolute liability for cleanup of all oil spills in connection with OCS development. Imposes $100 million absolute liability for any damages (including fisheries resources and recreation). Establishes a $100 million liability fund to insure injured parties are recompensed. Requires evidence of financial responsibility of all lessees.

8. Promotion of Competition. Revises bidding system to encourage entry of new competitors, especially small independent operators. Also deals with sale of royalty oil and requires a report with specific recommendations to improve competition, maximum production and insure fair return to the public from development of OCS resources.

9. Mandatory Performance Requirements. Mandates performance and production under leases and prohibits unnecessary and unwarranted delay in development of energy resources.

10. Increased Public Health, Safety and Environmental Protection. Requires performance standards and inspections for all OCS equipment. Mandates use of best available technology where failure or malfunction would have substantial impact on public health, safety, or the environment.

11. Citizen Suits. Citizen suits are expressly authorized. Provisions are included to assure that oil and gas development is not halted by frivolous suits.

12. Research and Development. To improve OCS technology, the Secretary is directed to carry out research and development programs where such research is not being done adequately by others.

13. Environmental Studies by Government. Environmental baseline and monitoring studies are required before oil and gas drilling can begin on any OCS area not previously leased. These studies will involve all appropriate government agencies, particularly the National Oceanic and Atmospheric Administration.

14. Stringent Civil and Criminal Penalties. Increases criminal penalties for certain willful violations of the Act. Imposes civil liability for violations which continue after notice and opportunity to correct violations.

15. Interagency Coordination of All Facets of OCS Oil and Gas Development. Contains numerous provisions designed to promote Federal interagency coordination, particularly among the Departments of Interior, Commerce, and Transportation. Also directs coordination with State and local government agencies.

Background of Energy Supply Act of 1975

S. — is based on the Energy Supply Act of 1974 (S. 3221) which was passed by the Senate on September 18, 1974.

S. 3221 was introduced by Senators Jackson and Metcalf on March 22, 1974. Hearings were held on the bill by the Interior Committee on May 6, 7, 8 and 10. In addition the Committee participated in the hearings conducted by the National Ocean Policy Study on the economic, environmental, and social impacts of development of the oil and gas resources of the Outer Continental Shelf. These took place on April 23, 24, 25, and May 2 and 22. A major focus of these hearings was the Council on Environmental Quality's study entitled, "OCS Oil and Gas—An Environmental Assessment", released April 18.

The Committee has, since the initiation of the National Fuels and Energy Policy Study, conducted several hearings dealing with OCS matters. These have been printed as Outer Continental Shelf Policy Issues (92-27, parts I-III); Federal Leasing and Disposal Issues (92-32); and Trends in Oil and Gas Exploration (92-33, parts I and II). The Committee has also had the benefit of the publications of The National Ocean Policy Study relating to OCS development. These are: Outer Continental Shelf Oil and Gas Development and the Coastal Zone (November, 1974); North Sea Oil and Gas: Impact of Development on the Coastal Zone (October, 1974); and Outer Continental Shelf Oil and Gas Leasing Off Southern California: Analysis of Issues (November, 1974).

By Mr. JACKSON (for himself, Mr. Fannin, Mr. Abourezk, Mr. Bartlett, Mr. Burdick, Mr. Cannon, Mr. Church, Mr. Domenici, Mr. Goldwater, Mr. Gravel, Mr. Haskell, Mr. Hatfield, Mr. Humphrey, Mr. Kennedy, Mr. Magnuson, Mr. Mansfield, Mr. McGovern, Mr. McGee, Mr. Metcalf, Mr. Montoya Mr. Moss, Mr. Nelson, and Mr. Stevens):

S. 522. A bill to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

INDIAN HEALTH CARE IMPROVEMENT ACT

Mr. JACKSON. Mr. President, I am introducing for appropriate reference, legislation which addresses one of the most critical and deplorable situations in the Nation: the health status of, and the provision of basic health services to, the American Indian people. To meet this purpose, the Indian Health Care Improvement Act would provide the direction and financial resources to overcome the inadequacies in the existing Federal Indian health care program and invite the greatest possible participation of

Indians and Alaska Natives in the direction and management of that program.

The measure I introduce today is identical to S. 2938, which was approved by the Senate on November 25, 1974, and referred to the House of Representatives for consideration. Unfortunately, the House failed to act on S. 2938 and the bill died at the end of the 93d Congress.

The Indian Health Care Improvement Act evolved from one of the finest bipartisan efforts I have had occasion to witness in my 30 years as a Member of Congress. From the time of the initial drafting to Senate approval last year, the measure moved through the legislative process in a bipartisan atmosphere. The bill enjoys the unanimous support of the Indian people as well as that of national professional health organizations. It has been modified substantially from its original version and contains many of the recommendations offered by the Indian people and professional health experts. A thorough hearing record exists for the proposed measure and every authorization for appropriations is substantiated in the committee report filed with the Senate when the bill was reported last year.

During the 93d Congress several substantive Indian measures were approved and signed into law which provide the impetus, incentive, and legal mandate to the Indian people to play a more prominent role in shaping the future and destiny of their own reservations and communities. For example, the Indian Financing Act (S. 1341, Public Law 93–262) provides Indian organizations and individuals with capital in the form of loans and grants for the purpose of assisting in the establishment and operation of Indian enterprises; and the Indian Self-Determination and Education Assistance Act (S. 1017, Public Law 93–638) implements the policy of Indian self-determination by authorizing the Bureau of Indian Affairs of the Department of the Interior and the Indian Health Service of the Department of Health, Education, and Welfare, to enter into contracts with Indian tribes to provide for a greater measure of tribal control over those agencies' programs. In addition, the act strengthens several educational programs to improve the quantity and quality of education for Indian children enrolled in public school districts.

The Indian Health Care Improvement Act assumes added importance when considered within the context of Indian self-determination. As a matter of fact, this major health bill is an added dimension to the concept of self-determination. For example, by institutionalizing the policy of self-determination, Indian tribes can exercise the option of whether they want to assume control of all or portions of the health care programs currently administered by the Indian Health Service. But as our hearing record and report on S. 2938 in the last Congress so dramatically illustrates the Federal health care delivery system as it now stands is completely incapable of meeting the overriding health needs of the Indian people. It would be folly and grossly unfair to expect Indian tribes and their organizations to assume control of these deficient health care systems. Moreover, the Indian leaders could rightfully point to these circumstances as another hollow promise from the Federal Government that would guarantee their failure in exercising a self-determination effort. We in the Congress have the added responsibility to improve the existing Federal health care programs to insure that newly established Indian self-determination policies contained in Public Law 93–638 will have meaning and substance for the Indian people now and in the years to come.

One of the fundamental rights of any citizen in this Nation is the right to enjoy good physical and mental health. To have that, one must have reasonable access to quality health care. For many citizens this right has become a commonplace reality. But for too many Indian people this right is only a glimmer on the distant horizon—evidenced by their poor health status. Without a proper health status, the Indian people will be unable to realize the many economic, educational and social programs already available to them or which this Congress will provide them.

It was not an humanitarian feeling that provoked our Nation's first efforts to provide medical care to Indians. Rather, it was a gesture to protect the military from the spread of smallpox. Military physicians assigned to frontier forts and reservations served Indian people for this purpose. In 1849 the Bureau of Indian Affairs was transferred from the War Department to the newly established Department of the Interior. This organizational change resulted in civilian direction over Indian affairs and policies, including the health program. However, progress in improving the health status of Indians under the Bureau proved to be painfully slow. It was not until 1911 that Congress approved specific appropriations for the health program serving Indian people. In the early 1920's medical and other health personnel from the U.S. Public Health Service were detailed to the health program in the Bureau to augment and strengthen that activity. However, none of these efforts proved sufficient to narrow the ever-widening gap between the health needs of Indians and a program designed to cope with such needs.

Finally, in an effort to consolidate and expand the diverse and disjointed programs of Indian health care and to accommodate Indian health needs which had grown to crisis proportions, Congress in 1955 transferred all authority for Indian health from the Department of the Interior to the Public Health Service. At the present time the responsibility for providing health and medical services to Indian people is vested in the Indian Health Service, a special branch of the Public Health Service within the Department of Health, Education, and Welfare.

Approximately 827,000 Indians in the United States representing some 260 tribes and 215 Alaska Native villages, or more than a half million Native Americans depend almost exclusively upon the Indian Health Service for medical and hospital care. The Indian Health Service program is carried out through a system of 88 strategically located service units utilizing a facilities network of 51 hospitals, each with an ambulatory department, 86 large health centers, and several hundred field clinics. The total manpower of these services constitute 7,700 professional and staff personnel including 497 physicians and 200 dentists in the Commissioned Officers Corps of the Public Health Service. Contracts with some 300 private and community hospitals and 500 physicians provide additional personnel and facilities.

Although the Indian Health Service has begun at long last to achieve a limited progress in improving the health status of Indian people, health statistics reveal that in spite of this progress the vast majority of Indians live in an environment characterized by inadequate and understaffed health facilities, improper or nonexistent waste and water systems, and continuing dangers of deadly or disabling diseases. These circumstances have produced a situation in which the health of Indians ranges far below that of other Americans. Health concerns which most of our communities have forgotten as long as 25 years ago continue to plague Indian communities. For every Indian health need treated by existing services, another need will go unmet, only to arise at a later date, inhibit the lives and pursuits of Native citizens and strangling their development as free, self-determined people.

Illustrative of this situation are the following facts: the incident of tuberculosis for Indians and Alaska Natives is 6.4 times higher than the rate for all citizens of the United States; the Indian and Alaska Natives rate for diabetes is almost twice that of all races of the United States; and while respiratory and gall bladder illnesses are not reported in the general population, Indian Health Service officials state emphatically that the rates for these diseases among Indians and Alaska Natives are significantly higher than the general population. Otitis media, an infection of the inner ear, affecting most commonly children under the age of 2 years, continues to be a leading cause of disability in American Indians and Alaska Natives.

Although surgical treatment is possible which can generally prevent the long-term and serious disabilities of deafness and learning deficiencies, only a fraction of this essential surgery is now being provided. The infant mortality rate among Indians is almost 1½ times the national average while the Indian birth rate soars at a ratio twice that of other Americans. The frequency with which these events occur and the prevalence of disease in Indian communities cannot help but have a significant impact on the social and cultural fiber of Indian societies, contributing to their general disintegration and attendant problems of mental illness, alcoholism, accidents, homicide and suicide. For example, suicide within Indian communities is approximately twice as high as in the total U.S. population. The real life facts of Indian health in this Nation add up to the simple yet deplorable conclusion that while every other American can expect to live to the age of at least 70.4 years, the Indian and Alaska Native can expect to live only to age 64.9.

All efforts to alter these conditions are met with an initial and fundamental impediment of outdated or inadequate health facilities. Of existing facilities, some 38 hospitals, 66 health centers and 240 other health stations are at least 20 years old.

Many of them are old one-story Army-style buildings with inadequate electricity, ventilation, insulation, and fire protection systems, and of such insufficient size to jeopardize the health and safety of their occupants. To meet the needs of some 530,000 Indians, Service and contract facilities provide some 3,700 hospital beds. Compared with a national average of 1 hospital bed per 125 persons Indian facilities provide 1 bed per 132 persons, a shortage of more than 200 beds under existing standards of service and demand. A special committee of the American Hospital Association has investigated the condition of Indian health services. It is their conclusion that only 21 of the 51 existing Indian Health Service hospitals meet their standards of accreditation—either because of insufficient staffing or poor physical plants—that two-thirds of the hospitals are obsolete, and that 22 need complete replacement.

In order to overcome the gross deficiencies in the quantity and quality of existing facilities, more money must be allocated. Per capita expenditures for Indian health purposes are 30 to 40 percent below expenditures for the average American community. The greater incidence of disease among Indians renders this deficiency all the more acute. It is further compounded by the fact that many of our more modern national health programs, designed to assist the general population, are difficult or impossible to apply to Indians. Medicare, medicaid, and social security programs afford little relief because, given their unique social situation, few Indians either know they are eligible for medicare or have worked long enough for social security eligibility.

At the center of this tragic set of circumstances is probably the most pressing and serious problem facing Indian Health Service, the manpower shortage among physicians and related health personnel. At present there are 450 physicians in the Indian Health Service. Simply translated this represents a ratio of 1 physician for 1,080 Indians as against a national average of slightly over 600 persons per physician. These shortages are complicated by the highly dispersed and remote nature of Indian tribes, vast distances between settled areas on reservations, and the lack of adequate roads and minimum emergency transportation systems.

Unfortunately, the Indian people cannot look to their own tribal members for relief in this vital manpower shortage category. There are only 50 known physicians of Indian descent engaged in the practice of medicine today, and all but 2 or 3 are serving non-Indian patients. My proposed legislation holds promise for opening new opportunities for young Indian men and women to enter medicine and other health professions for service to their own people.

I find particularly disturbing the projection that severe manpower shortages are likely to become even more acute in the coming years due in large part to the decline in recruitment for the Public Health Service Commissioned Officers Corps. In past years the main source of the Service's physicians enlisting in the Public Health Service has greatly declined. An absence of adequate housing facilities and the remoteness and cultural isolation of assignments have added to the problem of recruiting professional manpower. Leading medical officials have given truly dire warnings that any further decline in manpower could have critical implications for the health of Indians.

By and large the problems I have described for you are with respect to those Indians who live on or near reservations and are members of federally recognized tribes or Indians. However, a substantial segment of the Indian population—300,000 to 400,000—resides away from the reservation, mostly in large urban centers.

My bill contains a provision aimed specifically at assisting urban Indians to develop health leadership among their own members and to establish direct health care services for urban members, exclusive of hospital in-patient care. As originally drafted the Indian Health Care Improvement Act authorized only referral services for urban Indians, but based upon the testimony of urban Indians at hearings on the bill in the last Congress the provision has been expanded to its present form.

While current Indian policy prohibits the extension of the special Indian Health Service hospital and medical care program to the urban centers, I am convinced that my proposal in this area of concern will do much to alleviate a serious health situation among the Indian people concentrated in a number of major cities throughout the United States. I want to underscore the fact that the funds designated for these programs will in no way reduce the level of funding I have proposed to meet the serious health and medical needs for thousands of Indian people residing on federally recognized reservations and in Indian communities. I want both the members of federally recognized tribes and the urban Indians to understand that my bill in no way sets up a "tug of war" over limited financial resources and services but rather the measure addresses itself to the needs of both groups.

The Indian Health Care Improvement Act contains six interrelated titles which, if enacted into law, would authorize a sustained and coordinated Federal health effort addressed to the excessive backlog of disease entities affecting Indian people in both reservation and urban settings; to the physical shortcoming and staffing deficiencies in Indian Health Service facilities; to the water and sewage facilities needs of Indian people; and to several legal constraints which prevent reservation and urban Indians from exercising optimum utilization of certain national health resources on the same basis as all other citizens.

A summary of the several titles of the proposed measure follows:

Title I is designed to augment the inadequate number of health professionals serving the Indian community.

Section 102. Health professions recruitment program for Indians. Authorizes special efforts to recruit promising young Indians showing a potential for training in the health professions.

Section 103. Health professions preparatory programs for Indians. Authorizes scholarship grants to Indians who are enrolled in training programs to prepare themselves to enter professional training programs.

Section 104. Health professions scholarship program. Authorizes scholarship grants to students enrolled in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions. These grants are to be awarded to any qualified individuals but with Indians identified as priority recipients. In return for the scholarships the recipients must agree to provide their professional services to Indians, either through the Indian Health Service or private practice.

Section 105. Indian health service extern programs. Authorizes the employment during any nonacademic period of grantees designated in section 104 by IHS as well as other health professionals taking training.

Section 106. Education and training programs in environmental health, health education, and nutrition. Authorizes grants to individuals, nonprofit entities, appropriate public or private agencies, educational institutions or Indian tribes or tribal organizations to implement educational or training programs on behalf of Indians in the following areas: environmental health, health education and training.

Section 107. Continuing education allowances. Authorizes health professionals employed by the IHS to take leave of their duty stations for professional consultation and refresher training courses.

Title II provides added appropriations over a 5-fiscal-year period to alleviate the tremendous backlog in basic patient care, field health care and dental care. Funds are also provided for the establishment of mental health and alcoholism control programs. In addition, funds are provided for basic maintenance and repair of existing hospitals and related facilities. Also provided are such additional health personnel and administrators necessary to implement this massive effort to reduce the patient backlog.

Title III, section 301, attacks the problems of inadequate or outdated Service hospitals, health centers and health stations by authorizing $561 million over 5 years for construction of new facilities. This title, if enacted, would constitue a major effort at eliminating some of the more archaic health installations and at the same time providing some new facilities in geographic areas where they are critically needed. The Secretary of

Health, Education, and Welfare is also authorized to equip and staff these facilities at levels commensurate with their operation at optimum levels of effectiveness.

Section 302 authorizes $378 million over a 5-year period to supply vitally needed safe water and sanitary waste disposal facilities in both existing and new Indian homes and communities. It requires the Secretary of Health, Education, and Welfare, together with the Secretaries of Interior and Housing and Urban Development, to come forth within 3 months with a plan to provide essential water and sanitation facilities in accordance with the 5-year expenditure schedule.

Title IV is designed to give Indians greater access to and benefits from the social welfare programs presently available to all Americans. To accomplish this the bill will provide for direct medicare and medicaid payments to Indian health hospitals instead of to the general Treasury.

Title V encourages the establishment of primary health programs in urban areas to make health services more accessible to the urban Indian population. This provision is justified on the basis of the few urban Indian organizations who have conducted Indian Health Service demonstration projects for the past several years. This bill gives recognition to the modest success of these organizations in the urban Indian community. To encourage additional efforts the Secretary of Health, Education, and Welfare is authorized to enter into contracts with urban Indian organizations to provide them with financial assistance. These contracts are conditioned on the urban Indian organizations' identifying the available health resources within the urban centers in which they are situated in determining the Indian population which are or could be recipients of health services and assisting urban Indians in utilizing these available resources.

Mr. President, the sponsors of the Indian Health Care Improvement Act are clearly cognizant of the massive infusion of Federal funds that must be pumped into the Indian Health Service program in order to make that Service responsive to the needs of Indian people and to give meaning to the newly approved policy of Indian self-determination. The activities and programs authorized by the proposed act would be sustained by incremental increases over a 5-fiscal-year period to the current IHS budget base. The incremental approach is chosen in lieu of a crash program because the latter with its too sudden infusion of funds would inevitably prove to be uneconomical and unmanageable. It is anticipated that incremental increases in financial resources would serve to eliminate the documented excessive backlogs in health care requirements and would establish a firm foundation upon which a continuous program capable of meeting the total health needs of the Indian and Alaska Native people could be maintained after the end of the 5-fiscal-year period. The following table sets forth the proposed authorizations for the several titles and provisions of the bill over a 5-fiscal-year period.

Sections	Programs	1st fiscal year	2d fiscal year	3d fiscal year	4th fiscal year	5th fiscal year	Total by program
	TITLE I—MANPOWER						
102	Health professions recruitment program for Indians	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$25,000,000
103	Health professions preparatory scholarship programs for Indians	2,000,000	4,000,000	6,000,000	6,000,000	6,000,000	24,000,000
104	Health professions scholarship program	8,000,000	16,000,000	22,000,000	30,000,000	34,000,000	110,000,000
105	Indian health service extern programs	3,250,000	3,250,000	3,250,000	2,600,000	3,000,000	15,350,000
106	Educational and training programs in environmental health, health education and nutrition	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
107	Continuing education allowances	350,000	350,000	375,000	390,000	410,000	1,875,000
	Total by fiscal year for manpower programs	19,600,000	29,600,000	37,625,000	44,990,000	49,410,000	181,225,000
	TITLE II—SERVICES						
201(c)(1)	Parent care (direct and indirect)	11,000,000	28,000,000	42,000,000	51,000,000	58,000,000	190,000,00
201(c)(2)	Field health, excluding dental care	10,000,000	17,500,000	21,500,000	25,500,000	28,500,000	103,000,000
201(c)(3)	Dental care (direct and indirect)	900,000	1,600,000	2,300,000	2,900,000	3,500,000	11,200,000
201(c)(4)	Mental health:						
	(A) Community services	1,100,000	1,850,000	2,600,000	3,350,000	4,400,000	13,000,000
	(B) Inpatient facilities	400,000	700,000	1,000,000	1,300,000	1,600,000	5,000,000
	(C) Model dormitory services	625,000	1,250,000	1,875,000	2,500,000	2,500,000	8,750,000
	(D) Therapeutic and residential treatment centers	200,000	350,000	500,000	650,000	800,000	2,500,000
	(E) Training of traditional Indian practitioners	75,000	150,000	200,000	250,000	300,000	975,000
201(c)(5)	Treatment and control of alcoholism	8,000,000	11,000,000	14,000,000	17,000,000	20,000,000	70,000,000
201(c)(6)	Health care personnel in primary and secondary BIA schools	1,000,000	2,200,000	3,400,000	4,600,000	5,800,000	17,000,000
201(c)(7)	Maintenance and repair (direct and indirect)	6,000,000	10,000,000	14,000,000	18,000,000	21,000,000	69,000,000
	Total by fiscal year for services	39,300,000	74,600,000	103,375,000	127,050,000	146,100,000	490,425,000
	TITLE III—FACILITIES						
301(a)(1)	Hospitals	51,000,000	110,500,000	86,000,000	81,500,000	115,000,000	444,000,000
301(a)(2)	Health centers and health stations	4,000,000	6,000,000	6,000,000	10,000,000	7,000,000	33,000,000
301(a)(3)	Staff housing	14,500,000	26,000,000	11,500,000	20,000,000	4,500,000	76,500,000
301(a)(4)	Primary and secondary BIA school health facilities	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
302	Safe water and sanitary waste disposal facilities	78,000,000	75,000,000	75,000,000	75,000,000	75,000,000	378,000,000
	Total by fiscal year for facilities	149,000,000	219,000,000	180,000,000	188,000,000	203,000,000	939,000,000
	TITLE V—URBAN INDIANS						
505	Health services for urban Indians	5,000,000	10,000,000	15,000,000			30,000,000
	TITLE VI—MISCELLANEOUS						
601(b)	Mental health study	150,000					150,000
	Grand total	213,050,000	333,200,000	336,600,000	360,040,000	398,510,000	1,640,800,000

While the estimated grand total expenditures of $1.6 billion may appear excessively high to the casual observer, I must emphasize to my colleagues that through this legislation we are endeavoring to overcome a century or more of neglect of the health status of the entire Native American population of this Nation. When the proposed expenditure—$1.6 billion—is measured against the human misery and suffering experienced by the Indian people, against the unfulfilled hopes and aspirations of scores of Indians cut short by unnecessary illnesses and deaths, and against the many Indians tortured by the devastating effects of social disintegration including mental health and alcoholism, these dollar figures fade into a shadow of insignificance.

Mr. President, I stand on the principle that every Indian man, woman, and child in this Nation has the God given right to enjoy sound physical and mental health. The members of this great body can help Indian people to achieve that right. In fact we owe them that right due to the Indians' unique historic and legal relationship with the Federal Government which has its basis in the Constitution itself. But to do so we must be prepared to provide them with appropriate tools—financial resources, facilities, manpower training and flexible authorities—to develop a health delivery system capable of achieving this highly desirable goal.

Mr. President, that concludes my formal remarks. I ask that the bill be printed in the RECORD along with several tables which demonstrate all too clearly the deplorable health conditions presently existing among Indians.

There being no objection, the bill and tables were ordered to be printed in the RECORD, as follows:

S. 522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Health Care Improvement Act."

TABLE OF CONTENTS

Sec. 1. Short title.
Sec. 2. Findings.
Sec. 3. Declaration of policy.
Sec. 4. Definitions.

TITLE I—INDIAN HEALTH MANPOWER

Sec. 101. Purpose.
Sec. 102. Health professions recruitment program for Indians.
Sec. 103. Health professions preparatory scholarship program for Indians.
Sec. 104. Health professions scholarship program.
Sec. 105. Indian Health Service extern programs.
Sec. 106. Educational and training programs in environmental health, health education, and nutrition.
Sec. 107. Continuing education allowances.

TITLE II—HEALTH SERVICES

Sec. 201. Health services.

TITLE III—HEALTH FACILITIES

Sec. 301. Construction and renovation of Service facilities.
Sec. 302. Construction of safe water and sanitary waste disposal facilities.
Sec. 303. Preference to Indians and Indian firms.

TITLE IV—ACCESS TO HEALTH SERVICES

Sec. 401. Services provided to medicare eligible Indians.
Sec. 402. Services provided to medicaid eligible Indians.
Sec. 403. Report.

TITLE V—HEALTH SERVICES FOR URBAN INDIANS

Sec. 501. Purpose.
Sec. 502 Contracts with urban Indian organizations.
Sec. 503. Contract eligibility.
Sec. 504. Other contract requirements.
Sec. 505. Reports and records.
Sec. 506. Authorizations.
Sec. 507. Review of program.

TITLE VI—MISCELLANEOUS

Sec. 601. Reports.
Sec. 602. Regulations.
Sec. 603. Leases with Indian tribes.
Sec. 604. Availability of funds.

FINDINGS

SEC. 2. The Congress finds that—

(a) Federal Indian health services to maintain and improve the health of the Indians are consonant with and required by the Federal Government's historical and unique legal relationship with, and resulting responsibility to, the American Indian people.

(b) A major national goal of the United States is to provide the quality and quantity of health services which will permit the health status of Indians to be raised to the highest possible level and to encourage the maximum participation of Indians in the planning and management of those services.

(c) Federal health services to Indians have resulted in a reduction in the prevalence and incidence of preventable illness among, and unnecessary and premature deaths of, Indians.

(d) Despite such services, the unmet health needs of the American Indian people are severe and the health status of the Indians is far below that of the general population of the United States. For example, for Indians compared to all Americans in 1971, the tuberculosis death rate was over four and one-half times greater, the influenza and pneumonia death rate over one and one-half times greater, and the infant death rate approximately 20 per centum greater.

(e) All other Federal services and programs in fulfillment of the Federal responsibility to Indians are jeopardized by the low health status of the American Indian people.

(f) Further improvement in Indian health is imperiled by—

(1) inadequate, outdated, inefficient, and undermanned facilities. For example, only twenty-one of fifty-one Indian Health Service hospitals are accredited by the Joint Commission on Accreditation of Hospitals; only twelve meet national fire and safety codes; and fifty-seven areas with Indian populations have have been identified as requiring either new or replacement health centers and stations, or clinics remodeled for improved or additional service;

(2) shortage of personnel. For example, about two-thirds of the Service hospitals, four-fifths of the Service hospital outpatient clinics, and one-half of the Service health clinics meet only 80 per centum of staffing standards for their respective services;

(3) insufficient services in such areas as laboratory, hospital inpatient and outpatient, eye care and mental health services, and services available through contracts with private physicians, clinics, and agencies. For example, about 82 per centum of the surgical operations needed for otitis media have not been performed, over 57 per centum of required dental services remain to be provided, and about 98 per centum of hearing aid requirements are unmet;

(4) related support factors. For example, over seven hundred housing units are needed for staff at remote Service facilities;

(5) lack of access of Indians to health services due to remote residences, undeveloped or underdeveloped communication and transportation systems, and difficult, sometimes severe, climatic conditions; and

(6) lack of safe water and sanitary waste disposal services. For example, over forty thousand existing, and sixty-two thousand planned replacement and renovated, Indian housing units need new or upgraded water and sanitation facilities.

(g) The Indian people's growth of confidence in Federal Indian health services is revealed by their increasingly heavy use of such services. Progress toward the goal of better Indian health is dependent on this continued growth of confidence. Both such progress and such confidence are dependent on improved Federal Indian health services.

DECLARATION OF POLICY

SEC. 3. The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligation to the American Indian people, to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian health services with all resources necessary to effect that policy.

DEFINITIONS

SEC. 4. For purposes of this Act—

(a) "Secretary", unless otherwise designated, means the Secretary of Health, Education, and Welfare.

(b) "Service" means the Indian Health Service.

(c) "Indians" or "Indian", unless otherwise designated, means any person who is a member of an Indian tribe, as defined in subsection (d) hereof, except that, for the purpose of sections 102, 103, 104(b)(1)(i), and 201(c)(5), such terms shall mean any individual who (1), irrespective of whether he or she lives on or near a reservation, is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the State in which they reside, or who is a descendant, in the first or second degree, of any such member, or (2) is an Eskimo or Aleut or other Alaska Native, or (3) is considered by the Secretary of the Interior to be an Indian for any purpose, or (4) is determined to be an Indian under regulations promulgated by the Secretary.

(d) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(e) "Tribal organization" means the elected governing body of any Indian tribe or any legally established organization of Indians which is controlled by one or more such bodies or by a board of directors elected or selected by one or more such bodies (or elected by the Indian population to be served by such organization and which includes the maximum participation of Indians in all phases of its activities.

(f) "Urban Indian" means any individual who resides in an urban center, as defined in subsection (g) hereof, and who meets one or more of the four criteria in subsection (c)(1) through (4) of this section.

(g) "Urban center" means any community which has a sufficient urban Indian population with unmet health needs to warrant assistance under title V, as determined by the Secretary.

(h) "Urban Indian organization" means a nonprofit corporate body situated in an urban center, composed of urban Indians, and providing the maximum participation of all interested Indian groups and individuals, which body is capable of legally cooperating with other entities, Federal, State, and local, for the purpose of performing the activities described in section 503(a).

TITLE I—INDIAN HEALTH MANPOWER

PURPOSE

SEC. 101. The purpose of this title is to augment the inadequate number of health professionals serving Indians and remove the multiple barriers to the entrance of health professionals into the Service and private practice among Indians.

HEALTH PROFESSIONS RECRUITMENT PROGRAM FOR INDIANS

SEC. 102. (a) The Secretary, acting through the Service, shall make grants to public or nonprofit private health or educational entites or Indian tribes or tribal organizations to assist such entities in meeting the costs of—

(1) identifying Indians with a potential for education or training in the health professions and encouraging and assisting them (A) to enroll in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions; or (B), if they are not qualified to enroll in any such school, to undertake such postsecondary education or training as may be required to qualify them for enrollment;

(2) publicizing existing sources of financial aid available to Indians enrolled in any school referred to in clause (1)(A) of this subsection or who are undertaking training necessary to qualify them to enroll in any such school; or

(3) establishing other programs which the Secretary determines will enhance and facilitate the enrollment of Indians, and the subsequent pursuit and completion by them of courses of study, in any school referred to in clause (1)(A) of this subsection.

(b)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(2) The amount of any grant under this section shall be determined by the Secretary. Payments pursuant to grants under this sec-

tion may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

(c) For the purpose of making payments pursuant to grants under this section, there are authorized to be appropriated $5,000,000 for each of the five fiscal years after enactment of this Act.

HEALTH PROFESSIONS PREPARATORY SCHOLARSHIP PROGRAM FOR INDIANS

SEC. 103. (a) The Secretary, acting through the Service, shall make scholarship grants to Indians who—

(1) have successfully completed their high school education or high school equivalency; and

(2) have demonstrated the capability to successfully complete courses of study in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions.

(b) Each scholarship grant made under this section shall be for a period not to exceed two academic years, which years shall be the final two years of the preprofessional education of any grantee.

(c) Scholarship grants made under this section may cover costs of tuition, books, transportation, board, and other necessary related expenses.

(d) There are authorized to be appropriated for the purpose of this section: $2,000,000 for the first fiscal year after enactment of this Act; $4,000,000 for the second fiscal year; and $6,000,000 for each of the three succeeding fiscal years.

HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 104. (a) The Secretary, acting through the Service, shall make scholarship grants to individuals (i) who are enrolled in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions (including schools certified by the Secretary as capable of training individuals in Indian traditional medicine), and (ii) who agree to provide their professional services to Indians after the completion of their professional training.

(b)(1) The Secretary, acting through the Service, (i) shall accord priority for scholarship grants under this section to applicants who are Indians, and (ii) may determine distribution of scholarship grants on the basis of the relative needs of Indians for additional service in specific health professions.

(2) Each scholarship grant under this section shall (i) fully cover the costs of tuition, and (ii), when taken together with the financial resources of the grantee, fully cover the costs of books, transportation, board, and other necessary related expenses: *Provided*, That the amount of grant funds available annually to each grantee under clause (ii) shall not exceed $8,000, except where the scholarship grant is extended to cover the period between academic years pursuant to paragraph (3) of this subsection.

(3) Scholarship grants under this section shall be made with respect to academic years, except that any such grant may be extended and increased for the period between academic years if the grantee is engaged in clinical or other practical experience related to his or her course of study and if further grant assistance during such period is required by the grantee because of his or her financial need.

(c)(1) As a condition for any scholarship grants under this section, each grantee shall be obliged to provide professional service to Indians for a period of years equal to the number of years during which he or she received such grants.

(2) For the purpose of clause (1) of this subsection, "professional service to Indians" shall mean employment in the Service or private practice where, in the judgment of the Secretary in accordance with guidelines promulgated by him, such practice is situated in a physician or other health professional shortage area and addresses the health care needs of a substantial number of Indians. Periods of internship or residency, except residency served in a facility of the Service, shall not constitute fulfillment of this service obligation.

(3)(A) A service obligation of any individual pursuant to this section shall be canceled upon the death of such individual.

(B) The Secretary shall by regulation provide for the waiver or suspension of a service obligation of any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

(d) Individuals receiving scholarship grants under this section shall not be counted against any employment ceiling affecting the Service or the Department of Health, Education, and Welfare.

(e) There are authorized to be appropriated for the purpose of this section: $8,000,000 for the first fiscal year after enactment of this Act; $16,000,000 for the second fiscal year; $22,000,000 for the third fiscal year; $30,000,000 for the fourth fiscal year; $34,000,000 for the fifth fiscal year; and, for each succeeding fiscal year, such sums as may be necessary to continue to make scholarship grants under this section to individuals who have received such grants prior to the end of the fifth fiscal year and who are eligible for such grants during each such succeeding fiscal year.

INDIAN HEALTH SERVICE EXTERN PROGRAMS

SEC. 105 (a) Any individual who receives a scholarship grant pursuant to section 104 shall be entitled to employment in the Service during any nonacademic period of the year. Periods of employment pursuant to this subsection shall not be counted in determining the fulfillment of the service obligation incurred as a condition of the scholarship grant.

(b) Any individual enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions (including schools certified by the Secretary as capable of training individuals in Indian traditional medicine) may be employed by the Service during any nonacademic period of the year. Any such employment shall not exceed one hundred and twenty days during any calendar year.

(c) Any employment pursuant to this section shall be made without regard to any competitive personnel system or agency personnel limitation and to a position which will enable the individual so employed to receive practical experience in the health profession in which he or she is engaged in study. Any individual so employed shall receive payment for his or her services comparable to the salary he or she would receive if he or she were employed in the competitive system. Any individual so employed shall not be counted against any employment ceiling affecting the Service or the Department of Health, Education, and Welfare.

(d) There are authorized to be appropriated for the purpose of this section: $3,250,000 for the first fiscal year after enactment of this Act; $3,250,000 for the second fiscal year; $3,250,000 for the third fiscal year; $2,600,000 for the fourth fiscal year; and $3,000,000 for the fifth fiscal year.

EDUCATIONAL AND TRAINING PROGRAMS IN ENVIRONMENTAL HEALTH, HEALTH EDUCATION, AND NUTRITION

SEC. 106. (a) The Secretary, acting through the Service, shall make grants to individuals, nonprofit entities, appropriate public or private agencies, educational institutions, or Indian tribes and tribal organizations to enable the recipients of such grants to establish and carry out programs to train individuals so as to enable them to provide their services to Indians in the following areas:

(1) environmental health, including proper waste disposal, reduced pesticide inhalation, proper sanitation, and vector control;

(2) health education, including advising and training Indians with respect to personal hygiene, the essentials of first aid, the care of critically ill in the home and entitlements of Indians to, and the availability of, health care services and assistance; providing adequate health information to schools; and establishing health courses in high schools encouraging entry by Indians into health-related professions; and

(3) nutrition, including advising and training Indians with respect to child nutrition, availability of nutrition programs (such as hot school lunch programs), nutrition in prenatal care, and nutrition education for the total population, particularly for those found to have, or to be susceptible to, diabetes, hypertension, and heart disease.

(b) Grants pursuant to this section shall be made in such manner and in such amounts and subject to such conditions as the Secretary shall by regulation prescribe.

(c) There are authorized to be appropriated to carry out the provisions of this section $1,000,000 for each of the five fiscal years after enactment of this Act.

CONTINUING EDUCATION ALLOWANCES

SEC. 107. (a) In order to encourage physicians and other health professionals to join the Service and to provide their services in the rural and remote areas where a significant portion of Indians reside, the Secretary, acting through the Service, may provide allowances to health professionals employed in the Service to enable them for a period of time each year prescribed by regulation of the Secretary to take leave of their duty stations for professional consultation and refresher training courses.

(b) There are authorized to be appropriated for the purpose of this section: $350,000 for the first fiscal year after enactment of this Act; $350,000 for the second fiscal year; $375,000 for the third fiscal year; $390,000 for the fourth fiscal year; and $410,000 for the fifth fiscal year.

TITLE II—HEALTH SERVICES

SEC. 201. (a) For the purpose of eliminating backlogs in Indian health care services and to supply known, unmet medical, surgical, dental, and other Indian health needs, the Secretary is authorized to expend funds, through the Service, over a five-fiscal-year period in accordance with the schedule provided in subsection (c). Funds appropriated pursuant to this section each fiscal year shall not be used to offset or limit the appropriations required by the Service to continue to serve the health needs of Indians during and subsequent to such five-fiscal-year period, but shall be in addition to the funds authorized for the previous fiscal year and to the annual appropriations required to continue the programs of the Service.

(b) The Secretary, acting through the Service, is authorized to employ persons to implement the provisions of this section during the five-fiscal-year period in accordance with the schedule provided in subsection (c). Such positions authorized each fiscal year pursuant to this section shall not be considered as offsetting or limiting the personnel required by the Service to serve the health needs of Indians during and subsequent to such five-fiscal-year period but shall be in addition to the positions authorized in the previous fiscal year and to the annual personnel levels required to continue the programs of the Service.

(c) The following amounts and positions are authorized, in accordance with the provisions of subsections (a) and (b), for the specific purposes noted:

(1) Patient care (direct and indirect): for the first fiscal year after enactment of this Act, $11,000,000 and two hundred and forty positions; for the second fiscal year, $17,000,000 and five hundred and forty positions; for the third fiscal year, $14,000,000 and four hundred and ten positions; for the fourth fiscal year, $9,000,000 and five hundred positions; and for the fifth fiscal year, $7,000,000 and four hundred and ninety positions.

(2) Field health, excluding dental care (direct and indirect): for the first fiscal year after enactment of this Act, $10,000,000 and two hundred and fifty positions; for the second fiscal year, $7,500,000 and one hundred and eighty-five positions; for the third fiscal year, $4,000,000 and one hundred and sixty positions; for the fourth fiscal year, $4,000,000 and one hundred and sixty positions; and for the fifth fiscal year, $3,000,000 and one hundred positions.

(3) Dental care (direct and indirect): for the first fiscal year after enactment of this Act, $900,000 and sixty positions; for the second fiscal year, $700,000 and seventy-five positions; for the third fiscal year, $700,000 and seventy-five positions; for the fourth fiscal year, $600,000 and seventy-five positions; and for the fifth fiscal year, $600,000 and sixty positions.

(4) Mental health: (A) Community mental health services: for the fiscal year after enactment of this Act, $1,100,000 and fifty positions; for the second fiscal year, $750,000 and thirty positions; for the third fiscal year, $750,000 and thirty positions; for the fourth fiscal year, $750,000 and thirty positions; and for the fifth fiscal year, $750,000 and thirty positions;

(B) Inpatient mental health services: for the first fiscal year after enactment of this Act, $400,000 and thirty positions; for the second fiscal year, $300,000 and twenty-two positions; for the third fiscal year, $300,000 and twenty-three positions; for the fourth fiscal year, $300,000 and twenty-three positions; and for the fifth fiscal year, $300,000 and twenty-two positions;

(C) Model dormitory mental health services: for the first fiscal year after enactment of this Act, $625,000 and fifty positions; for the second fiscal year, $625,000 and fifty positions; for the third fiscal year, $625,000 and fifty positions; and for the fourth fiscal year, $625,000 and fifty positions;

(D) Therapeutic and residential treatment centers: for the fiscal year after enactment of this Act, $200,000 and twelve positions; for the second fiscal year, $150,000 and nine positions; for the third fiscal year, $150,000 and ten positions; for the fourth fiscal year, $150,000 and nine positions; and for the fifth fiscal year, $150,000 and ten positions; and

(E) Training of traditional Indian practitioners in mental health: for the first fiscal year after enactment of this Act, $75,000; for the second fiscal year, $75,000; for the third fiscal year, $50,000; for the fourth fiscal year, $50,000; and for the fifth fiscal year, $50,000.

(5) Treatment and control of alcoholism: for the first fiscal year after enactment of this Act, $8,000,000; for the second fiscal year, $3,000,000; for the third fiscal year, $3,000,000; for the fourth fiscal year, $3,000,000; and for the fifth fiscal year, $3,000,000.

(6) Provision of health care personnel in primary and secondary Bureau of Indian Affairs schools: for the first fiscal year after enactment of this Act, $1,000,000; for the second fiscal year, $1,200,000; for the third fiscal year, $1,200,000; for the fourth fiscal year, $1,200,000; and for the fifth fiscal year, $1,200,000.

(7) Maintenance and repair (direct and indirect): for the first fiscal year after enactment of this Act, $6,000,000 and thirty positions; for the second fiscal year, $4,000,000 and thirty positions; for the third fiscal year, $4,000,000 and thirty positions; for the fourth fiscal year, $4,000,000 and thirty positions; and for the fifth fiscal year, $3,000,000 and thirty positions.

(d) The Secretary, acting through the Service, shall expend directly or by contract not less than 1 per centum of the funds appropriated under the authorizations in each of the clauses (1) through (5) of subsection (c) for research in each of the areas of Indian health care for which such funds are authorized to be appropriated.

TITLE III—HEALTH FACILITIES

CONSTRUCTION AND RENOVATION OF SERVICE FACILITIES

SEC. 301. (a) For the purpose of eliminating inadequate, outdated, and otherwise unsatisfactory Service hospitals, health centers, health stations, and other Service facilities, the Secretary, acting through the Service, is authorized to expend $561,000,000 over a five-fiscal-year period in accordance with the following schedule:

(1) Hospitals: for the first fiscal year after enactment of this Act, $51,000,000; for the second fiscal year, $110,500,000; for the third fiscal year, $86,000,000; for the fourth fiscal year, $81,500,000; and for the fifth fiscal year, $115,000,000.

(2) Health centers and health stations: for the first fiscal year after enactment of this Act, $4,000,000; for the second fiscal year, $6,000,000; for the third fiscal year, $6,000,000; for the fourth fiscal year, $10,000,000; and for the fifth fiscal year, $7,000,000.

(3) Staff housing: for the first fiscal year after enactment of the Act, $14,500,000; for the second fiscal year, $26,000,000; for the third fiscal year, $11,500,000; for the fourth fiscal year, $20,000,000; and for the fifth fiscal year, $4,500,000.

(4) Health facilities for primary and secondary Bureau of Indian Affairs schools: $1,500,000 for each of the five fiscal years after enactment of this Act.

(b) The Secretary, acting through the Service, is authorized to equip and staff such Services facilities at levels commensurate with their operation at optimum levels of effectiveness.

(c) Prior to the expenditure of, or the making of any firm commitment to expend, any funds authorized in subsection (a), the Secretary, acting through the Service, shall—

(1) consult with any Indian tribe to be significantly affected by any such expenditure for the purpose of determining and, wherever practicable, honoring tribal preferences concerning the size, location, type, and other characteristics of any facility on which such expenditure is to be made; and

(2) be assured that, wherever practicable, such facility, no later than five years after its construction or renovation, shall meet the standards of the Joint Commission on Accreditation of Hospitals.

CONSTRUCTION OF SAFE WATER AND SANITARY WASTE DISPOSAL FACILITIES

SEC. 302. (a) For the purpose of reducing health hazards, the Secretary is authorized to expend, pursuant to the Act of July 31, 1959 (73 Stat. 267), $378,000,000 within a five-fiscal-year period following the enactment of this Act, in accordance with the schedule provided in subsection (b), to supply unmet needs for safe water and sanitary waste disposal facilities in existing and new Indian homes and communities.

(b) To effect the purpose of subsection (a), there are authorized to be appropriated: $78,000,000 for the first fiscal year after enactment of this Act; $75,000,000 for the second fiscal year; $75,000,000 for the third fiscal year; $75,000,000 for the fourth fiscal year; and $75,000,000 for the fifth fiscal year.

(c) The Secretary is authorized and directed to develop a plan, together with the Secretaries of the Interior and of Housing and Urban Development and upon consultation with Indian tribes, to assure that the schedule provided for in subsection (b) will be met. Such plan shall be submitted to the Congress no later than ninety days from the date of enactment of this Act.

PREFERENCE TO INDIANS AND INDIANS FIRMS

SEC. 303. (a) The Secretary, acting through the Service, may utilize the negotiating authority of the Act of June 25, 1910 (36 Stat. 861), to give preference to any Indian or any enterprise, partnership, corporation, or other type of business organization owned and controlled by an Indian or Indians (hereinafter referred to as an "Indian firm") in the construction and renovation of Service facilities pursuant to section 301 and in the construction of safe water and sanitary waste disposal facilities pursuant to section 302. Such preference may be accorded by the Secretary unless he finds, pursuant to rules and regulations promulgated by him, that the project or function to be contracted for will not be satisfactory or such project or function cannot be properly completed or maintained under the proposed contract. The Secretary, in arriving at his finding, shall consider whether the Indian or Indian firm will be deficient with respect to (1) ownership and control by Indians, (2) equipment, (3) bookkeeping and accounting procedures, (4) substantive knowledge of the project or function to be contracted for, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) For the purpose of implementing the provisions of this title, the Secretary shall assure that the rates of pay for personnel engaged in the construction or renovation of facilities constructed or renovated in whole or in part by funds made available pursuant to this title are not less than the prevailing local wage rates for similar work as determined in accordance with the Act of March 3, 1921 (46 Stat. 1491), as amended.

TITLE IV—ACCESS TO HEALTH SERVICES

SERVICES PROVIDED TO MEDICARE ELIGIBLE INDIANS

SEC. 401. (a) Notwithstanding any other provision of law, for the purpose of title XVIII of the Social Security Act, as amended, a Service facility (including a hospital or skilled nursing facility), whether operated by the Service or by any Indian tribe or tribal organization, shall hereby be deemed to be a facility eligible for reimbursement under said title XVIII: *Provided*, That the requirements of subsection (b) are met.

(b) Prior to the provision of any care or service for which reimbursement may be made, the Secretary shall certify that the facility meets the standards applicable to other hospitals and skilled nursing facilities eligible for reimbursement under title XVIII of the Social Security Act, as amended, or, in the case of any facility existing at the time of enactment of this Act, that the Service has provided an acceptable written plan for bringing the facility into full compliance with such standards within two years from the date of acceptance of the plan by the Secretary. The Service facilities shall not be required to be licensed by any State or locality in which they are located: *Provided, however*, That the Secretary shall include in his certifications appropriate assurances that such facilities meet standards equivalent to licensure requirements.

(c) Any payments received for services provided to beneficiaries hereunder shall not be considered in determining appropriations for health care and services to Indians.

(d) Nothing herein authorizes the Secretary to provide services to an Indian beneficiary with coverage under title XVIII of the Social Security Act, as amended, in preference to an Indian beneficiary without such coverage.

SERVICES PROVIDED TO MEDICAID ELIGIBLE INDIANS

SEC. 402. (a) Notwithstanding any other provision of law, for the purpose of title XIX of the Social Security Act, as amended, a Service facility (including a hospital, skilled nursing facility, or intermediate care facility), whether operated by the Service or by an Indian tribe or tribal organization, shall hereby be deemed to be a facility eligible for reimbursement under said title XIX: *Provided*, That the requirements of subsection (c) are met.

(b) The Secretary is authorized to enter into agreements with the appropriate State agency for the purpose of reimbursing such agency for health care and services provided in Service facilities to Indians who are beneficiaries under title XIX of the Social Security Act, as amended.

(c) Prior to the provision of any care or service for which reimbursement may be made, the Secretary shall certify that the facility meets the standards applicable to other hospitals, skilled nursing facilities, and intermediate care facilities eligible for reimbursement under title XIX of the Social Security Act, as amended, or, in the case of any facility existing at the time of enactment of this Act, that the Service has provided an acceptable written plan for bringing the facility into full compliance with such standards within two years from the date of acceptance of the plan by the Secretary. The Service facilities shall not be required to be licensed by any State or locality in which they are located: *Provided, however*, That the Secretary shall include in his certifications appropriate assurances that such facilities meet standards equivalent to licensure requirements.

(d) Any payments received for services provided recipients hereunder shall not be considered in determining appropriations for the provision of health care and services to Indians.

(e) Notwithstanding any other provision of law, with respect to amounts expended during any quarter as medical assistance under title XIX of the Social Security Act, as amended, for services which are included in the State plan and are received through a Service facility, whether operated by the Service or by an Indian tribe or tribal organization, to individuals who are (i) eligible under the plan of the State under said title XIX and (ii) eligible for comprehensive health services under the Service program, the Federal medical assistance percentage under said title XIX shall be increased to 100 per centum.

(f) Nothing in this section shall authorize the Secretary to provide services to an Indian beneficiary with coverage under title XIX of the Social Security Act, as amended, in preference to an Indian beneficiary without such coverage.

REPORT

SEC. 403. The Secretary shall include in his annual report required by subsection (a) of section 601 a report on the amount and use of funds made available to the Service pursuant to this title as a result of reimbursements through titles XVIII and XIX of the Social Security Act, as amended.

TITLE V—HEALTH SERVICES FOR URBAN INDIANS

PURPOSE

SEC. 501. The purpose of this title is to encourage the establishment of programs in urban areas to make health services more accessible to the urban Indian population.

CONTRACTS WITH URBAN INDIAN ORGANIZATIONS

SEC. 502. The Secretary, acting through the Service, shall enter into contracts with urban Indian organizations to assist such organizations to establish and administer, in the urban centers in which such organizations are situated, programs which meet the requirements set forth in sections 503 and 504.

CONTRACT ELIGIBILITY

SEC. 503. (a) The Secretary, acting through the Service, shall place such conditions as he deems necessary in any contract which he makes with any urban Indian organization pursuant to this title. Such conditions shall include, but are not limited to, requirements that the organization successfully undertake the following activities:

(1) determine the population of urban Indians which are or could be recipients of health referral or care services;

(2) identify all public and private health service resources within the urban center in which the organization is situated which are or may be available to urban Indians;

(3) assist such resources in providing service to such urban Indians;

(4) assist such urban Indians in becoming familiar with and utilizing such resources;

(5) provide basic health education to such urban Indians;

(6) establish and implement manpower training programs to accomplish the referral and education tasks set forth in clauses (3) through (5) of this subsection;

(7) identify gaps between unmet health needs of urban Indians and the resources available to meet such needs;

(8) make recommendations to the Secretary and Federal, State, local, and other resource agencies on methods of improving health service programs to meet the needs of urban Indians; and

(9) where necessary, provide or contract for health care services to urban Indians.

(b) The Secretary, acting through the Service, shall by regulation prescribe the criteria for selecting urban Indian organizations with which to contract pursuant to this title. Such criteria shall, among other factors, take into consideration:

(1) the extent of the unmet health care needs of urban Indians in the urban center in question;

(2) the size of the urban Indian population which is to receive assistance;

(3) the relative accessibility which such population has to health care services in such urban center;

(4) the extent, if any, to which the project would duplicate any previous or current public or private health services project funded by another source in such urban center;

(5) the appropriateness and likely effectiveness of a project assisted pursuant to this title in such urban center;

(6) the existence of an urban Indian organization capable of performing the activities set forth in subsection (b) and of entering into a contract with the Secretary pursuant to this title; and

(7) the extent of existing or likely future participation in such activities by appropriate health and health-related Federal, State, local, and other resource agencies.

OTHER CONTRACT REQUIREMENTS

SEC. 504. (a) Contracts with urban Indian organizations pursuant to this title shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and need not conform to the provisions of the Act of August 24, 1935 (48 Stat. 793), as amended.

(b) Payments under any contracts pursuant to this title may be made in advance or by way of reimbursement and in such installments and on such conditions as the Secretary deems necessary to carry out the purposes of this title.

(c) Notwithstanding any provision of law to the contrary, the Secretary may, at the request or consent of an urban Indian organization, revise or amend any contract made by him with such organization pursuant to this title as necessary to carry out the purposes of this title: *Provided, however*, That, whenever an urban Indian organization requests retrocession of the Secretary for any contract entered into pursuant to this title, such retrocession shall become effective upon a date specified by the Secretary not more than one hundred and twenty days from the date of the request by the organization or at such later date as may be mutually agreed to by the Secretary and the organization.

(d) Contracts with urban Indian organizations adopted pursuant to this title shall include provisions to assure the fair and uniform provision to urban Indians of services and assistance under such contracts by such organizations.

REPORTS AND RECORDS

SEC. 505. For each fiscal year during which an urban Indian organization receives or expends funds pursuant to a contract under this title, such organization shall submit to a contract under this title, such organization shall submit to the Secretary a report including information gathered pursuant to section 503(a) (7) and (8), information on activities conducted by the organization pursuant to the contract, an accounting of the amounts and purposes for which Federal funds were expended, and such other information as the Secretary may request. The reports and records of the urban Indian organization with respect to such contract or grant shall be subject to audit by the Secretary and the Comptroller General of the United States.

AUTHORIZATIONS

SEC. 506. There are authorized to be appropriated for the purpose of this title: $5,000,000 for the first fiscal year after enactment of this Act; $10,000,000 for the second fiscal year; and $15,000,000 for the third fiscal year.

REVIEW OF PROGRAM

SEC. 507. Within six months after the end of the second fiscal year after enactment of this Act, the Secretary, acting through the Service and with the assistance of the urban Indian organizations which have entered into contracts pursuant to this title, shall review the program established under this title and submit to the Congress his assessment thereof and recommendations for any further legislative efforts he deems necessary to meet the purpose of this title.

TITLE VI—MISCELLANEOUS

REPORTS

SEC. 601. (a) The Secretary shall report annually to the President and the Congress on progress made in effecting the purposes of this Act. Within three months after the end of the fourth fiscal year after enactment of this Act, the Secretary shall review the programs established or assisted pursuant to this Act and shall submit to the Congress his assessment thereof and recommendations of additional programs or additional assistance necessary to, at a minimum, provide health services to Indians, and insure a health status for Indians, which are at a parity with the health services available to, and the health status of, the general population.

(b) There is hereby authorized to be appropriated to the Secretary $150,000 to support a one-year study by the National Indian Health Board of mental health problems, including alcoholism and related problems, among Indians. The study, together with any recommendations the Board may have for legislative or administrative actions to remedy such problems, shall be submitted to the Congress by the Secretary no later than thirty days after the study's completion.

REGULATIONS

SEC. 602. (a) (1) Within three months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national and regional Indian organizations to consider and formulate appropriate rules and regulations to implement the provisions of this Act.

(2) Within four months from the date of enactment of this Act, the Secretary shall publish proposed rules and regulations in the Federal Register for the purpose of receiving comments from interested parties.

(3) Within six months from the date of enactment of this Act, the Secretary shall promulgate rules and regulations to implement the provisions of this Act.

(b) The Secretary is authorized to revise and amend any rules or regulations promulgated pursuant to this Act: *Provided*, That, prior to any revision or amendment to such rules or regulations, the Secretary shall, to the extent practicable, consult with appropriate national or regional Indian organizations and shall publish any proposed revision or amendment in the Federal Register not less than sixty days prior to the effective date of such revision or amendment in order to provide adequate notice to, and receive comments from, other interested parties.

LEASES WITH INDIAN TRIBES

SEC. 603. Notwithstanding any other provision of law, the Secretary is authorized, in carrying out the purposes of this Act, to enter into leases with Indian tribes for periods not in excess of twenty years.

AVAILABILITY OF FUNDS

SEC. 604. The funds appropriated pursuant to this Act shall remain available until expended.

Program accomplishments

Health improvements, CY 1955–1972, and percent decrease:

Death rates:	
Infants	67
Under 28 days	58
28 days–11 months	72
Maternal	54
Influenza and pneumonia	58
Certain diseases of early infancy	66
Tuberculosis, all forms	85
Gastritis, etc	81
Congenital malformations	52
Incidence rates:	
New active tuberculosis cases	61
Trachoma	64

Increased use of services, FY 1955–1973, and percent increase:

Hospital admissions	104
Woman provided family planning services	79
Outpatient visits	412
Dental services	379

Mr. FANNIN. Mr. President, it is a pleasure for me to join with the distinguished chairman of the Interior and Insular Affairs Committee in retintroducing the Indian Health Care Improvement Act. This legislation was approved unanimously by the Senate on November 25 but because its approval came late in the last Congress the House did not have enough time to act. The health problems, however, which daily confront our Indian citizens still remain, making this legislation just as necessary and just as important.

This legislation, which is virtually similar to the legislation approved by the Senate in November, is designed to resolve in a reasonable and rational way, the major health needs of the American Indian. But more importantly, this legislation represents a major commitment to eliminate the current deficiencies in Indian health care services and to strengthen the role of the Indian Health Service in achieving that goal.

Mr. President, my views on this legislation as I outlined them in November have not changed, but they do bear repeating.

This legislation is significant because its central objective is to redraw the legislative authority of the Indian Health Service so that it might better meet the contemporary health needs of Indian people. It has become increasingly clear that the existing authority of the Indian Health Service is no longer capable of meeting the ever pressing health problems of its clients and clearly needs new tools, resources, and innovative programs to meet those needs. That is the basic purpose of this bill.

But more importantly, this legislation was designed to be responsive as well. For far too long the Indian Health Service and the Indian people themselves have experienced Government policies which resulted in inadequate funds, inadequate manpower, and inadequate facilities. In the place of a comprehensive plan to meet the health needs of Indian people, Government policies have had the effect of a bandaid. Budgets for the Indian Health Service were often designed to meet the minimum needs of patient care and field health services. And in particular, construction funds for the Indian Health Service have been totally inadequate to meet the glaring need for better facilities. With only a few construction projects authorized each year, some of which were the result of congressional intervention, the Indian Health Service has had to face continued deterioration in most of its facilities and had to do what it could to keep them going for yet another year, despite the knowledge that most of these facilities were out of date, beyond repair, and unsafe.

It is no wonder then that the Indian Health Service has been reduced to running a program which would be best described as a gamble, and at worst, a disaster. This legislation is, in essence, a comprehensive plan designed to meet the total health needs of Indian people in a way that is neither haphazard nor uncoordinated. Perhaps this element of this bill is its most redeeming feature. Only through a long range plan can we hope to meet the health needs of Indians with assurance of success not only for the Indian Health Service but to those many Indians who have suffered with the inadequacies of Indian health care programs.

To be more specific, this bill seeks to accomplish the following objectives:

To assure an adequate health manpower base to provide proper health services to Indians and a sufficient cadre of trained Indian professionals and other health workers to permit Indian communities to have a maximum voice in shaping those services;

To assure the elimination of the enormous backlog among Indians of unmet health needs and essential patient care;

To construct modern, efficient hospitals and other health care facilities serving Indians where none exist and renovate the existing facilities, most of which are in a state of general deterioration;

To overcome the adverse effects of unsafe water supplies and unsanitary waste disposal systems in Indian communities and homes;

To enable Indian people to exercise their citizenship rights to a broader range of national health resources; and

To assist urban Indians both to gain access to those community health resources available to them as citizens and to provide primary health care services where those resources are inadequate or inaccessible.

Mr. President, these objectives represent both the basic outline of this legislation and the comprehensive plan that the Indian Health Service needs to meet the total health needs of the Indian people. In the case of each objective, the committee has clearly documented its need, and the provisions in the bill are designed to realize that objective.

Mr. President, it is not my intention to review, in detail, the entire provisions of this bill. Rather, it is my objective to highlight three provisions of significant importance to the Indian Health Service and the basis for them.

INDIAN HEALTH MANPOWER

First, the degree of success of any health care delivery system is often measured by the extent to which its manpower—doctors, dentists, nurses, and other health personnel—meets the needs of the population it serves. Effective health personnel are a primary factor in the provision of quality health care; where manpower is in short supply or underutilized the health care system is placed in serious jeopardy. These statements are particularly applicable to the Indian Health Service. At a time when Indians are expressing increasing confidence in the Indian Health Service by making greater use of its services, its capacity to fully meet this demand is being crippled by a manpower shortage of serious dimensions.

A combination of events has produced a manpower shortage of severe, if not crisis, proportions for the Indian Health Service.

First, the Indian Health Service has experienced a sharp increase in demand for its services. The result has been that the existing manpower is inadequate to effectively serve the increased number of Indian patients.

Second, the end of the military draft has eliminated a stable supply of manpower.

Finally, Federal programs and policies designed to provide medical manpower to rural areas have proved largely ineffective.

These factors have combined to jeopardize the capacity of the Indian Health Service to deliver quality health care to Indians. An analysis of existing programs and policies as to their potential for resolving this problem convinced me and the committee that a new approach was necessary to solve the total manpower needs of the IHS service. In this context, title I of the bill contains provisions which would achieve the following objectives:

First, that an Indian oriented health manpower program be established.

Second, that the health manpower program be designed to support the broad objective of eliminating health manpower shortages in all health care areas affecting the Indian Health Service.

Third, that the various elements of the health manpower program be interrelated and be subject to effective coordination and management.

Fourth, that the administration of an Indian oriented health manpower program be assigned to the Indian Health Service.

Fifth, that a scholarship program be designed to specifically increase the supply of health professionals for the Indian Health Service.

Sixth, that the scholarship program provide sufficient financial support to attract highly qualified participants, especially Indians, and to fully meet their educational needs.

Title I contains six separate but interrelated programs designed specifically to meet the health manpower needs of the Indian Health Service and to produce more Indian health professionals. The committee assigned the administration of this comprehensive "package" of programs to the Indian Health Service because it believes that the IHS, as an established agency with the specific mission to provide health care to Indians, possesses the necessary administrative machinery and the relevant expertise to effectively manage those programs. More importantly, however, the committee expects that under this administrative assignment the Indian Health Service will quickly realize that it is in their own "self-interest" to assure the successful implementation of these programs. Failure to do so will surely plunge the Indian Health Service into a prolonged and likely dangerous manpower shortage.

This linkage of agency self-interest and manpower programs represents a significant change in the present approach to administering Federal health manpower programs. Instead of continuing to follow the pattern of unrelated manpower programs, most of which are administered by colleges and universities on behalf of individual students, title I definitely establishes in the Indian Health Service a manpower program to directly service the interests of that agency. No longer will the Indian Health Service have to wait for assistance, often in vain, from other program sources but will be able to control events so as to realize its manpower objectives on a rational basis.

Of equal importance, this legislation seeks to meet the objective of Indian self-determination by developing a health manpower program which emphasizes the recruitment and training of Indians so that we can increase the number of Indian health personnel caring for their own people. It is my personal hope that by the end of the decade we will witness a substantial growth in the number of Indian doctors, administrators, nurses, and other allied health personnel serving Indian people.

Mr. President, the health manpower shortage in the Indian Health Service is a critical problem, but current policies are clearly unresponsive and the problem can no longer be ignored for at the heart of the Indian Health Service is its medical personnel. Without adequate personnel increased support for patient care and other health care programs of the IHS, services would be irrelevant. Title I represents a major step toward solving the manpower needs of the Indian Health Service, but in a larger sense it represents an effort to establish a permanent source for supplying the necessary health personnel to serve the needs of Indian people. In summary, title I is one of the most important elements of this legislation.

PATIENT CARE SERVICES

Mr. President, another element of major importance to the Indian Health Service in the bill are the provisions of title II dealing with patient care services. It is the primary mission of the Indian Health Service to deliver quality health care services to Indian people, yet, the Indian Health Service must confront not only the health problems of Indians but the reality that present resources are inadequate to treat those that are ill and the conditions that produce disease and illness. Since the organization of the Indian Health Service in 1955, a number of serious health problems have been resolved. According to Dr. Emory Johnson, the Director of the Indian Health Service:

> The decline in deaths from tuberculosis, diseases of infancy, influenza, pneumonia, and gastro-intestinal illnesses has been dramatic. Strides also have been made in correcting environmental deficiencies such as inadequate housing and water disposal facilities, that gives rise to a high incidence of disease and premature deaths.

But Dr. Johnson also notes that:

> Although the gap has narrowed between the Indian and Alaska Native state of health and that of the rest of the nation it is still far below national standards. Infant death rates are 1.4 times higher than the U.S. all races rate, gastroenteric death rate is 4 times higher, and the incidence of tuberculosis is 8 times as high.

In addition, the rates of certain diseases afflicting Indian people particularly, have risen dramatically over the years. For example, otitis media, a disease of the ear, increased 74 percent between 1965 and 1971, strep throat and scarlet fever, 218 percent, and influenza by 243 percent. In addition, the incidence of venereal disease has increased dramatically from 1962 to 1971, the syphilis incidence rate rose by 117 percent, the gonorrhea rate by 79 percent. Finally, the rate of alcoholism among Indian people has produced a health problem of immense proportions.

Mr. President, these statistics reveal some of the dimensions to the problem. But what is more significant is the poverty and the environment which characterize Indian life on a day to day basis. It is these conditions which the Indian Health Service must also confront, in addition to the immediate problems of treating illness. In short, the Indian Health Service has an immense responsibility to not only manage the health needs of Indian people but to assist in the elimination of some of the conditions that cause illness itself.

Let me assure the Senate that the Indian Health Service has made great progress over the past 20 years, but it is also clear that the Indian Health Service now needs additional resources if it is to be sustained in its effort to meet the ever increasing demand for comprehensive health care services. Title II of the bill represents a major program to meet the current needs of the Indian Health Service. In brief it is a program designed to expand the treatment of acute as well as chronic diseases, to eliminate the incredible backlog in surgical cases and dental care, to confront the deficiencies in mental health care, to provide funds to maintain and repair IHS facilities, and, of equal importance, to promote community health field services. Title II anticipates that over a 5-year period the Indian Health Service will be able to realize the objective of a long range health care strategy designed to strengthen the capacity of the Indian Health Service, and to assure delivery of quality health services for Indian people.

INDIAN HEALTH AND SANITATION FACILITIES

Mr. President, the third element of major importance to the Indian Health Service is the commitment contained in title III to provide the funds necessary to replace or refurbish deficient IHS facilities. In addition, title III contains funds to expand the work of the Indian Health Service in the field of sanitation. In both instances, the need is clearly evident.

Mr. President, there is an obvious and significant relationship between the standard of care and the quality of the facilities through which health care is provided. Inadequate, outmoded, or unsafe hospitals or other health facilities inhibit the potential for quality health care. Moreover, recruitment and retention of highly competent personnel at all levels is frustrated, if not made impossible where facilities are inadequate to provide even the most basic of health services. In this connection, if we fail to appreciate the relationship between recruitment and quality facilities we will have surely misunderstood the problem.

The Indian Health Service provides health services to Indian people through a network of 51 hospitals, 83 health centers, and over 300 health stations and clinics. But by anyone's measure, most of these facilities, especially the hospitals, are either outmoded, unsafe, or inadequate. The Joint Commission on Accreditation of Hospitals, for example, reported that of the 51 IHS hospitals, only 22 percent are accredited. Yet, at the present rate of response, the Indian Health Service could not expect to meet most of these deficiencies for many years. What is needed therefore is a plan which will rationally allocate scarce Federal resources so that these deficiencies can be met within a reasonable period of time.

Title III provides sufficient funds to meet IHS needs over a 5-year period according to a priority plan. In my opinion, this is a significant step to manage Federal funds, while solving an important problem which is fundamental to the capacity of the Indian Health Service to provide quality health care.

In addition, title III provides funds to accelerate the work of the Indian Health Service in the field of sanitation. The need for essential safe water and sanitary waste disposal facilities is clear in the face of the relationship between the incidence of disease caused by the contamination in poor water and unsanitary waste disposal. Public Law 86-121 authorizes the Indian Health Service to construct sanitary waste disposal facilities and develop clear water supply systems. Progress has been significant, but here again the need is greater than the available resources. Title III will provide over a 5-year period substantial assistance to supply unmet needs for safe water and sanitary waste disposal facilities in Indian homes and communities. This one provision will, in my view, promote a lasting preventive health care program which is so essential in relieving Indian people of the very conditions which so affect their daily health.

CONCLUSION

Mr. President, the Indian Health Service is the chief instrument through which a whole range of health care services are provided to the Indian people. Yet, the evidence clearly demonstrates that the time has come to strengthen that instrument. This bill was designed primarily to serve the needs of the Indian Health Service by providing increased manpower, by expanding its capacity to deal with illness and disease, and by committing resources to acquiring better facilities. The provisions of the bill dealing with manpower, services, and facilities are all interrelated, each depending on the other to assure a total response to the health needs of Indian people. Without a total commitment of funds to one or the other of these provisions the capacity of the Indian Health Service to mount a sustained effort would be jeopardized.

Mr. President, the purpose then of this bill is to give the Indian Health Service the financial and human resources to assure the success of a total comprehensive effort to promote better health and better health care among Indian people. In the belief that this effort is a worthy one I commend this legislation to the Senate and urge its passage.

Mr. President, the "case" for this bill is clear and convincing and circumstances have not changed the need for this legislation. Yet, the projected deficits of the Federal Government have raised a substantial question in my mind as to whether or not we can afford this bill in view of its $1.6 billion cost. In addition, the President's request for a moratorium on the enactment of new programs in this fiscal year suggested the potential for little progress at best and a veto at worst.

I remain committed, however, to moving this bill forward, but in view of the reality of the budget and the President's requested moratorium I think it important that we modify the bill in such a way so as to blunt the impact of this legislation on the Federal budget. I am convinced that there exists approaches which will accomplish this objective without unduly affecting the capacity of the Indian Health Service to meet the ever increasing demands for better services and programs. It is essential that we do so and I am sure that in the spirit of cooperation that marked the development of this bill in the 93d Congress we will find the way.

Mr. President, this legislation is a major step in the development of policies and programs which will result in progress for our Indian citizens and I am proud to be associated with this effort.

By Mr. SCHWEIKER:

S. 523. A bill to provide that United States Flag Day shall be a legal public holiday. Referred to the Committee on the Judiciary.

Mr. SCHWEIKER. Mr. President, I introduce a bill to provide that United States Flag Day shall be a legal public holiday.

It is noteworthy that, although the United States is one of the world's youngest nations, the U.S. flag is one of the oldest national emblems. It predates the present Union Jack of Great Britain and the French and Italian flags. Back in 1775, the Continental Congress named a committee composed of Benjamin Franklin, Thomas Lynch, and Benjamin Harrison to develop a design for a new national emblem. As a result, on June 14, 1777, the Continental Congress, sitting in Philadelphia, resolved:

> That the flag of the United States shall be of thirteen stripes of alternate red and white, with a union of thirteen stars of white in a blue field, representing the new constellation.

There is a tradition that the first flag was made by Mrs. John Ross, familiarly known as Betsy Ross, of 239 Arch Street, Philadelphia, at the request of Gen. George Washington. As a matter of fact, the Ross home is now a national shrine and may be visited by citizens interested in seeing where the Stars and Stripes originally came into being.

It is reported that George Washington described the makeup of the new flag as follows:

> We take the stars from heaven, the red from our mother country, separating it by white stripes, thus showing that we have separated from her, and the white stripes shall go down to posterity, representing liberty.

According to one story, General Washington himself had a hand in designing the flag. A star with six points had originally been suggested. General Washington, it is said, did not like this—perhaps because the British flag contained six-pointed stars—and he folded a piece of paper and cut across it with scissors, making a five-pointed star.

Throughout the years after the Revolution, the observance of the anniversary of the original adoption of the flag grew slowly throughout the country. In 1893, the mayor of Philadelphia, after receiving a resolution of the Society of Colonial Dames of Pennsylvania, ordered the display of the flag on the public buildings in the city. A direct descendant of Benjamin Franklin, Mrs. Elizabeth Duane Gillespie, president of the Colonial Dames at the time, offered the resolution which proposed that the day be known thereafter as Flag Day and that the flag be displayed by all citizens on their residences and on all business places as well as on public buildings.

The anniversary, however, has never been designated as a legal holiday. It is customary to hold the celebration in the Betsy Ross House in Philadelphia and the Patriotic Order of the Sons of America place a wreath on the grave of Betsy Ross in Mount Moriah Cemetery in Philadelphia. Generally the Daughters of the American Revolution observe the day with ceremonies, as do the Sons of the American Revolution.

Mr. President, it is my feeling that it would be well for us to pause each year to commemorate the anniversary of our national flag. I propose that June 14 be designated as "United States Flag Day" to indicate very clearly that it is the flag of the United States of America which we are honoring. The establishment of U.S. Flag Day as a national holiday would give us the opportunity to reflect on the ideals of the Founding Fathers which have enabled this country to become the great and strong nation that it is.

By Mr. SCHWEIKER:

S. 524. A bill to amend the Community Mental Health Centers Act to provide for the extension and revision thereof. Referred to the Committee on Labor and Public Welfare.

COMMUNITY MENTAL HEALTH CENTERS AMENDMENTS OF 1975

Mr. SCHWEIKER. Mr. President, today I am introducing the Community Mental Health Centers Amendments of 1975. I have cosponsored and will support S. 66, introduced on January 15, 1975, and ordered reported by the Senate Committee on Labor and Public Welfare, which includes an extension of the community mental health centers legislation. My reason for introducing a separate bill for community mental health centers relates to the importance of enactment of this legislation before June 30, 1975. If for any reason, the omnibus S. 66 should fail to be enacted into law, it will be important that other centers legislation, such as this bill, be ready for movement through the Congress.

Mr. President, my bill revises the Community Mental Health Centers Act to consolidate all the existing grant authorities into programs of grants for planning and development, startup costs including costs of construction and renovation, and initial operating costs. All centers are required to move toward comprehensive services which include the five essential services under the current program as well as specialized services to children, the elderly, alcoholics and drug dependent persons. In addition, centers which have come to the end of their 8-year program support may be provided up to 5 additional years of financial distress grants for the difference between costs and payments from non-Federal sources. A special grant program for consultation and education is established.

Community mental health centers encourage community care with a minimum of institutional confinement, which means that to the extent possible, the patient is responsible for the fulfillment of his own treatment plan while continuing as a self-reliant, tax-paying member of the community. Community mental health centers that have been in operation 3 years or longer have clearly demonstrated that their impact reduces the State mental hospital populations. The center system places major attention on the development of a preventive approach with better and more efficient utilization of limited professional manpower.

The Congress is clearly on record as supporting the development of community mental health centers for all of the 1,500 catchment areas in the country. When the 1,500 centers are operational, center services will be available to everyone throughout the Nation. Currently, approximately 600 centers have been federally funded.

Mr. President, it is very important to the 1 person in 10 who will, at some time, need mental health care that we make every effort to assure that the legislation be extended so that everyone in need will have access to good mental health services in his own community. I urge all Members of this body to support enactment of the Community Mental Health Centers Amendments of 1975.

By Mr. RIBICOFF (for himself, Mr. Clark, Mr. McIntyre, Mr. Bayh, Mr. Philip A. Hart, Mr. Hathaway, Mr. Williams, Mr. McGee, Mr. McGovern, Mr. Humphrey, Mr. Stevenson, Mr. Jackson, Mr. Culver, Mr. Stone, Mr. Tunney, Mr. Hartke, Mr. Leahy, Mr. Chiles, Mr. Mansfield, Mr. Robert C. Byrd, Mr. Kennedy, Mr. Montoya, Mr. Pell, Mr. Moss, Mr. Abourezk, Mr. Muskie, Mr. Magnuson, Mr. Burdick, Mr. Pastore, Mr. Cranston, Mr. Schweiker, Mr. Eagleton, Mr. Gravel, Mr. Mondale, Mr. Randolph, Mr. Cannon, Mr. Bentsen, Mr. Inouye, Mr. Gary Hart, Mr. Haskell, and Mr. Bumpers):

S. 525. A bill to amend the Social Security Act to freeze medicare deductibles. Referred to the Committee on Finance.

FREEZING MEDICARE DEDUCTIBLES AND COPAYMENTS

Mr. RIBICOFF. Mr. President, today I am reintroducing with Senator Clark and 35 other Senators a bill to freeze the 1974 levels the medicare deductibles and copayments which patients have to pay. Under present medicare law these payments automatically go up annually as the average daily cost of hospital care increases. These payments went up in January of 1975. It is unconscionable to force older Americans to bear the brunt of inflation.

Last year we introduced legislation to freeze the deductibles at 1974 levels. Unfortunately, no action was taken on our bill. This year I hope we can take quick action in conjunction with the House to pass this bill. I am pleased that Congressman James Corman, of California, a senior Democrat on the Ways and Means Health Subcommittee, has introduced this bill in the House.

There is no doubt that the cost of hospitalization has increased since medicare was enacted in 1965. But we cannot keep putting heavier cost burdens squarely on the shoulders of the poor, sick, elderly members of our population whose incomes are frozen.

The sad fact is that the 23 million medicare beneficiaries are paying more of their own money out of pocket for medical expenses than they were before medicare was enacted. Since medicare was enacted, premium and coinsurance rates have shot up 110 percent. It is time to put a stop to this cost burden which hits hardest at those who can least afford it.

The average out-of-pocket payment for Americans aged 65 and over has grown from $234 in 1966 to $311 in 1973, the latest year for which complete statistics are available.

In Connecticut alone, over 290,000 Americans enrolled in medicare would have more for hospital care.

If this bill is not enacted, medicare patients will have to pay the first $92 of these hospital bills rather than the first $84.

Because of the increase in the hospital deductible, present law also requires other cost increases. Thus, when a medicare beneficiary has a hospital stay of more than 60 days he will be forced to pay $23 a day for the 61st through the 90th day, up from the present $21 per day. If he has a post-hospital stay of over 20 days in an extended care facility, he will be forced to pay $11.50 per day instead of the present $10.50.

And if a medicare beneficiary ever needs more than 90 days of hospital care, his "lifetime reserve" of 60 days will cost him $46 a day instead of the present $42 per day.

Under our proposal the deductibles would be kept at their present level. That means the 1st day of hospital care will cost $84 instead of $92. The deductible for the 61st to the 90th day will cost $21 instead of $23. The deductible for extended care after 20 days will cost $10.50 instead of $11.50. And the deductible for the medicare lifetime reserve will cost $42 instead of $46.

It is time once and for all to put an end to these additional cost burdens on older Americans who cannot afford to shoulder them.

Our proposal will provide long overdue relief to millions of older Americans.

I ask unanimous consent that the certain tables I have had prepared be printed at this point in the Record.

There being no objection, the tables were ordered to be printed in the Record, as follows:

MEDICARE DEDUCTIBLES AND COPAYMENTS

	Levels as of 1974	Ribicoff-Clark
1st day hospital deductible	$92.00	$84.00
61st to 90th day hospital deductible	23.00	21.00
Extended care after 20 days	11.50	10.50
Lifetime reserve days	46.00	42.00

INCREASES IN DEDUCTIBLES SINCE MEDICARE ENACTED

For benefit period beginning in—	In-patient deductible	61st to 90th day	Lifetime reserve days
1966	$40	10	20
1969	44	11	22
1970	52	13	26
1971	60	15	30
1972	68	17	34
1973	72	18	36
1974	84	21	42

MEDICARE COSTS AND THE ELDERLY

Mr. CLARK. Mr. President, today I am introducing legislation with Senator Ribicoff and 35 of our colleagues to roll back the cost of medicare deductibles and copayments to 1974 levels.

On January 1, the cost of entering a hospital, staying in a hospital longer than 60 days, or staying in a nursing home longer than 20 days all automatically increased by almost 10 percent. We are offering this legislation because older Americans should not have to bear the burden of inflation, especially when it affects their health. On January 1, the deductible—the amount a hospital patient must pay before medicare takes over—increased from $84 to $92. The coinsurance charges—the portion of costs that patients must pay for hospital stays longer than 60 days and for nursing home care after 20 days—increased by 10 percent.

The increase means that medicare beneficiaries have to pay $23 a day instead of the 1974 level of $21 a day for the 61st through the 90th day in the hospital, and $46 a day instead of the 1974 level of $42 a day for the 91st through the 150th day in the hospital.

For a post-hospital stay in a nursing home of more than 20 days, the coinsurance increased from $10.50 a day to $11.50 per day. This legislation would negate the 1975 increases. The following table illustrates the impact of the Ribicoff-Clark medicare proposal:

MEDICARE DEDUCTIBLES AND COINSURANCE

	Present levels for 1975	Proposed levels under Ribicoff-Clark proposal
1st day hospital deductible	$92.00	$84.00
61st to 90th day hospital copayment	23.00	21.00
91st to 150th day hospital copayment	46.00	42.00
Nursing home copayment after 20 days	11.50	10.50

Almost 1 out of every 4 aged and disabled medicare beneficiaries will be hospitalized this year, a total of over 5½ million people. And it is certain that the increased cost of health care will fall the hardest on the aged and infirm. This seems especially unfair because they have been pressed the hardest by the dual pressures of inflation and recession. In Iowa alone, over 390,000 people could be affected by the increased costs in medicare.

Many older people have been forced to eliminate items which are essential to even a minimum standard of living. Because of the economic crisis, they are paying a disproportionate share of their incomes for essentials like food, fuel, utilities and health care right now, and under the President's recent economic proposals, older people would have to spend an even greater amount of their income for these items. By rolling back the cost of medicare to 1974 levels, we can help avoid some of the additional cost burdens which face older Americans in 1975.

That is why it is vitally important that Congress act favorably and expeditiously on this important measure.

The deductibles and coinsurance costs under medicare have risen tremendously over the past 7 years. At the end of 1968, for example, the hospital deductible was $40. Today it is $92. This represents an increase of over 125 percent.

This legislation will cost approximately $70 million for 1975. Now, that is a lot of money, but when it comes to the health and well-being of older citizens; it is money well spent. Older Americans have suffered too much already—rolling back the cost of medicare deductibles and copayments would be a great help to them.

Mr. STONE. Mr. President, today I am joining Senator Ribicoff and Senator Clark, the principal sponsors, in introducing a bill to freeze at present levels the deductibles which medicare patients must pay. Under the present Social Security Act, these payments increase annually as the average daily cost of hospital care increases.

These increases have caused great hardship for many of our senior citizens. Since 1966, when the medicare program was enacted, the inpatient deductible has risen from $40 to $84 in 1974. Unless the bill introduced today is enacted into law, the deductible will rise this year to $92. Especially at a time when the costs of food, clothing, and shelter continue to go up, it is unconscionable to add this additional financial burden on the shoulders of our senior citizens.

My State of Florida has well over a million senior citizens. Many of them live on fixed incomes and have been especially hurt by the galloping inflation which our country is experiencing. These citizens, who have worked hard and contributed so much to the development of our society, deserve better. At the very least, the Congress should make sure that they are not penalized in receiving medical care for increased medical costs over which they have no control.

Because of these reasons, Mr. President, I urge the Congress to adopt this legislation.

By Mr. HASKELL (for himself, Mr. Gary W. Hart, Mr. McGee, and Mr. Hansen):

S. 532. A bill to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers. Referred to the Committee on Agriculture and Forestry.

Mr. HASKELL. Mr. President, today I am reintroducing a bill I sponsored in the last Congress on behalf of wool growers in Colorado and other States. During 1969–70 they consigned their wool to a marketing agency in Denver and received from that company promissory notes on which wool incentive payments were made. They then had their 1972 payments withheld by the Department of Agriculture because the Department found the earlier payments had been improperly determined under existing regulations. This decision has caused considerable hardship for those affected producers who acted in good faith in consigning their wool to a marketing agency they considered to be financially responsible. My bill would give the Secretary of Agriculture the necessary authority to retroactively amend existing regulations governing the computation of wool price support payments and to provide for a reconsideration of these cases.

The administration supports the bill and it passed the Senate unanimously last year. Unfortunately, the House of Representatives did not have a chance to act on it before the 93d Congress adjourned. I hope the 94th Congress will enact it swiftly so that the affected growers can have the opportunity to have their cases reviewed and to receive whatever compensation they may be entitled to.

By Mr. THURMOND:

S. 534. A bill to provide an income tax credit for certain expenses incurred in furnishing or obtaining a higher education (including postsecondary trade and vocational schools); referred to the Committee on Finance.

Mr. THURMOND. Mr. President, in the 93d Congress I introduced legislation which would provide a tax credit against individual income for certain expenses incurred at an institution of higher learning. I introduced a similar bill in the 91st Congress.

The Senate has recognized the growing problem of financial hardship of providing higher education and passed legislation of this type several times. Unfortunately, the House of Representatives has consistently refused to accept the Senate's solution to this problem, arguing that the loss of tax revenues justified the rejection of these proposals.

Today I am again introducing a bill which is intended to help families in the low- and middle-income groups provide advanced or vocational education for their children.

Inflation increases the tax burden of our citizens under our progressive tax structure, and relief for the skyrocketing expenses of higher education is badly needed. During our current economic situation, we should provide this assistance in order to see that higher education is not denied to qualified individuals due to financial considerations. Educating our citizens is essential in order to keep America great.

Mr. President, this bill would allow parents a maximum credit of $350 per dependent attending a college, postsecondary trade or vocational school. The credit would be computed on the basis of 100 percent of the first $200 of qualifying expenditures including tuition, fees, books, supplies, and equipment, and 50 percent of the next $300. No additional credit will be available for expenses that exceed $500.

My bill defines an institution of higher education to include a recognized business or trade school, technical institution or other technical or vocational school providing postsecondary vocational or technical education.

Because my proposal is aimed at helping the low- to middle-income groups, the available credit begins to gradually phase out as the family's income exceeds $18,000 a year.

Mr. President, I am convinced that my formula is a reasonable one. It allows the maximum credit for the first $200 of expenses, but no credit for expenses exceeding $500; and also provides for a termination of the credit when the family income reaches $36,000. This bill will have the dual effect of minimizing the tax revenue loss and encouraging children of families in the low- to middle-income groups to obtain advanced or specialized education.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be printed in the Congressional Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Expenses of Higher Education

"(a) General Rule.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount, determined under subsection (b), of the expenses of higher education paid by him during the taxable year to one or more institutions of higher education in providing an education above the twelfth grade for himself or for any other individual.

"(b) Limitations.—

"(1) Amounts per individual.—The credit under subsection (a) for expenses of higher education of any individual paid during the taxable year shall be an amount equal to the sum of—

"(A) 100 percent of so much of such expenses as does not exceed $200, and

"(B) 50 percent of so much of such expenses as exceeds $200 but does not exceed $500.

"(2) Proration of credit where more than one taxpayer pays expenses.—If expenses of higher education of an individual are paid by more than one taxpayer during the taxable year, the credit allowable to each such taxpayer under subsection (a) shall be the same portion of the credit determined under paragraph (1) which the amount of expenses of higher education of such individual paid by the taxpayer during the taxable year is of the total amount of expenses of higher education of such individual paid by all taxpayers during the taxable year.

"(3) Reduction of credit.—The credit under subsection (a) for expenses of higher education of any individual paid during the taxable year, as determined under paragraphs (1) and (2) of this subsection, shall be reduced by an amount equal to 2 percent of the amount by which the adjusted gross income of the taxpayer for the taxable year exceeds $18,000.

"(c) Definitions.—For the purposes of this section—

"(1) Expenses of higher education.—The term 'expenses of higher education' means—

"(A) tuition and fees required for the enrollment or attendance of a student at a level above the twelfth grade at an institution of higher education and

"(B) fees, books, supplies, and equipment required for courses of instruction above the twelfth grade at an institution of higher education.

Such term does not include any amount paid, directly or indirectly, for meals, lodging, or similar personal, living, or family expenses. In the event an amount paid for tuition or fees includes an amount for meals, lodging, or similar expenses which is not separately stated, the portion of such amount which is attributable to meals, lodging, or similar expenses shall be determined under regulations prescribed by the Secretary or his delegate.

(2) Institution of higher education.—The term institution of higher education means—

"(A) an educational institution (as defined in section 151(e)(4))—

"(i) which regularly offers education at a level above the twelfth grade; and

"(ii) contributions to or for the use of which constitute charitable contributions within the meaning of section 170(c); or

"(B) a business or trade school, or technical institution or other technical or vocational school in any State, which (i) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; and (ii) is accredited by a nationally recognized accrediting agency or association listed by the United States Commissioner of Education; and (iii) has been in existence for 2 years or has been specially accredited by the Commissioner as an institution meeting the other requirements of this subparagraph.

"(3) State.—The term 'State' includes, in addition to the several States of the Union, the Commonweatlh of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Island.

"(1) Adjustment for certain scholarships and veterans' benefits.—The amounts otherwise taken into account under subsection (a) as expenses of higher education of any individual during any period shall be reduced (before the application of subsection (b)) by any amounts received by such individual during such period as—

"(A) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includable in gross income, and

"(B) education and training allowance under chapter 33 of title 38 of the United States Code or educational assistance allowance under chapter 35 of such title.

"(2) Noncredit and recreational, etc., courses.—Amounts paid for expenses of higher education of any individual shall be taken into account under subsection (a)—

"(A) in the case of an individual who is a candidate for a baccalaureate or higher degree, only to the extent such expenses are attributable to courses of instruction for which credit is allowed toward a baccalaureate or higher degree, and

"(B) in the case of an individual who is not a candidate for a baccalaureate or higher degree, only to the extent such expenses are attributable to courses of instruction necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective.

"(3) Application with other credits.—The credit allowed by subsection—(a) to the taxpayer shall not exceed the amount of the tax imposed on the taxpayer for the taxable year by this chapter, reduced by the sum of the credits allowable under this subpart (other than under this section and section 31).

"(e) Disallowance of Expenses as Deduction.—No deduction shall be allowed under section 162 (relating to trade or business expenses) for any expense of higher education which (after the application of subsection (b)) is taken into account in determining the amount of any credit allowed under subsection (a). The preceding sentence shall not apply to the expenses of higher education of any taxpayer who, under regulations prescribed by the Secretary or his delegate, elects not to apply the provisions of this section with respect to such expenses for the taxable year.

"(f) Regulations.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 49. Expenses of higher education.
"Sec. 43. Overpayments of tax."

(c) The amendments made by this Act shall apply to taxable years beginning after December 31, 1974.

By Mr. BURDICK:

S. 537. A bill to improve judicial machinery by amending the requirement for a three-judge court in certain cases and for other purposes. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, I am introducing today S. 537, a bill to amend the requirement for a three-judge court in certain cases. This bill would eliminate the use of special three-judge courts in cases seeking to enjoin the enforcement of State or Federal laws on the grounds of unconstitutionality. However, a three-judge court would be retained when specifically required by act of Congress or in any case involving congressional reapportionment or reapportionment of any statewide legislative body. In lieu of a trial before three-judges with an absolute right to appeal to the U.S. Supreme Court, the case would be tried by the U.S. district court, reviewed by a court of appeals, and Supreme Court review would be by certiorari rather than by appeal.

S. 537 is identical to the bill (S. 271) which passed the Senate on June 14, 1973. However, the other body did not act on this measure prior to adjournment of the last Congress. Enactment of this legislation will improve our judicial system by conserving judicial resources and by providing for a thorough consideration of the case by a court of appeals.

By Mr. BURDICK (by request):

S. 538. A bill to improve judicial machinery by amending subsection (g) of section 1407, chapter 87, of title 28 of the United States Code, to exempt actions brought by the Securities and Exchange Commission under the Federal securities laws from the operation of that section, and for other purposes. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, I am reintroducing, at the request of the Securities and Exchange Commission, a bill to amend section 1407 of title 28 of the United States Code. This bill is identical to S. 2904, 93d Congress, 2d session, which was passed by the Senate and sent to the House on October 4, 1974, but which was not considered by the House before it adjourned.

Section 1407 of title 28, which was enacted by Congress in 1968, created a procedure for consolidated trial proceedings for cases in which two or more common questions of fact are pending in different judicial districts. The purpose of the bill I am introducing would be to exempt actions brought by the Commission under Federal securities laws from the operation of section 1407. The Securities and Exchange Commission is of the considered opinion that enactment of this bill is very essential to permit it to provide adequate protection of the public interest and the interest of investors in securities through expeditious enforcement of the Federal securities laws which it administers.

On two occasions recently, the Judicial Panel on Multidistrict Litigation, acting under section 1407, ordered SEC injunctive suits consolidated for pretrial purposes with private damage suits which arose out of the same set of facts. The effect of these consolidated orders has been to delay significantly the Commission's action in seeking prompt injunctive relief to prevent violations of Federal securities laws.

In one case, involving National Student Marketing, Inc., a complaint was filed in February of 1972 by the SEC in the District Court of the District of Columbia. Meanwhile, other private actions involving National Student Marketing were filed in the southern district of New York, the southern district of Ohio, and the northern district of Texas. In April, motions for consolidation were filed with the Judicial Panel on Multidistrict Litigation. Oral argument on consolidation was held in June, but no order was rendered by the Judicial Panel until December 1972. The effect of this action was to delay for nearly a year the enforcement action of the Commission.

The need for placing civil injunctive actions instituted by the U.S. Government on a different footing from private civil litigation was recognized by the Congress when it enacted Public Law 90-296, which added section 1407 to title 28 of the United States Code and which provides for consolidation of civil actions involving multidistrict litigation. In paragraph (g) of section 1407, it excluded actions in which the United States is the complainant. The Senate committee report stated with respect to this exclusion:

> This limitation was requested by the Department of Justice and concurred in by the Coordinating Committee and the Judicial Conference of the United States, on the basis that consolidation might induce private plaintiffs to file actions merely to ride along on the Government's cases. Government suits would then almost certainly be delayed, often to the disadvantage of those injured competitors who would predicate damage actions on the outcome of the Governments suit. . . .

Mr. President, I believe there is a strong case for providing that injunctive actions brought by the Securities and

Exchange Commission should be exempt from pretrial consolidation requirements under section 1407 and placed on the same footing as actions brought by the Department of Justice to enforce antitrust laws in order to insure effective protection to the investing public.

I ask unanimous consent that the text of the bill be included in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 1407, chapter 87, of title 28 of the United States Code, is amended to read as follows:

"(g) Nothing in this section shall apply to—

"(1) any action in which the United States is a complainant arising under the antitrust laws. 'Antitrust laws' as used herein include those acts referred to in the Act of October 15, 1914, as amended (38 Stat. 730; 15 U.S.C. 12), and also include the Act of June 19, 1936 (49 Stat. 1526; 15 U.S.C. 13, 13a, and 13b) and the Act of September 26, 1914, as added March 21, 1938 (52 Stat. 116, 117; 15 U.S.C. 56); but shall not include section 4A of the Act of October 15, 1914, as added July 7, 1955 (69 Stat. 282; 15 U.S.C. 15a);

"(2) any action brought by the United States Securities and Exchange Commission, including any action brought under the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79 et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), or the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.)."

By Mr. BURDICK (for himself and Mr. Schweiker):

S. 539. A bill to amend the Jury Selection and Service Act of 1968, as amended (28 U.S.C. 1861 et. seq.), by revising the section on fees, section 1871, and by adding a new section 1875, and for other purposes. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, on behalf of myself and Senator Schweiker, I am introducing today a bill which will increase jury fees and protect a citizen from the loss of his employment while he dutifully serves as a juror in our Federal courts. In the 93d Congress the Judiciary Committee favorably reported an amended bill, S. 3265, to increase jury fees, and Senator Schweiker introduced S. 3776, a bill to protect jurors' employment. On October 2, 1974, the Senate passed the Judiciary Committee's recommended version of S. 3265, as amended to include the objectives of Senator Schweiker's bill. That amended bill was not considered by the House before adjournment. The bill which Senator Schweiker and I introduce today is substantially identical to the amended version of S. 3265 approved by the Senate on October 2, 1974. The need for a reasonable increase in jury fees, which have remained unchanged since 1968, is pressing, and the practice of employers firing employees simply because they wish to meet their civic duty as jurors is one which should have been made illegal long before now. On behalf of Senator Schweiker and myself, I now submit this bill so that the Committee on the Judiciary may consider it at the earliest possible date.

By Mr. DOMENICI:

S. 542. A bill to amend the Federal Water Pollution Control Act. Referred to the Committee on Public Works.

Mr. DOMENICI. Mr. President, I continue to be vitally concerned about the level and the effective use of research, development, and demonstration activities being conducted under the jurisdiction of the Federal Water Pollution Control Act. I cite as reason for my concern these startling figures: Since 1970 we will have spent $34.1 million on research demonstrations compared with $12 billion for construction grants. The total research and development budget, including in-house, is less than one-half of 1 percent of the total being spent for construction grants. You will note this difference is quite large.

At the heart of this problem is the fact that when research is completed, there has consistently been a failure to utilize this research as part of viable full-scale demonstration projects. This lack of followthrough has been primarily because of the high cost which has been associated with both facility construction and evaluation.

Mr. President, I am convinced that funds must be made available to provide coordination between comprehensive demonstrations and the construction grant program. The bill I am introducing today should facilitate that transition and provide the basis for the legislative process in that regard.

In order to accelerate this program this bill would provide 100-percent funding of the cost of demonstration projects. This should generate a positive incentive for many communities to use demonstration grants as part of their ongoing construction grant program and have the added benefit of increasing the inventory of proven technology.

I feel that the Environmental Protection Agency should investigate the feasibility of establishing a special office to deal with this program. If this system is to be workable, it should be institutionalized. There should also be an understanding that a community should not be penalized if they participate in research and demonstration programs and then do not meet the established standards. If this should happen, a community should be provided a reasonable amount of time and assistance to correct the situation.

All these are matters which will be covered in deliberations of the Committee on Public Works, beginning as early as February 4.

Mr. President. I request unanimous consent that the text of my bill be printed in its entirety at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Federal Water Pollution Control Act (86 Stat. 816; 33 U.S.C. 1251 *et seq.*) is amended—

(a) By inserting at the end of subsection (a) the following:

"The Administrator is authorized to set aside an amount not to exceed 2 per centum of the sums to be allotted in any fiscal year under section 205 of the Act for the purpose of funding on a national priority basis, development and demonstration projects to support the objectives of this subsection. Grants for treatment works under this subsection shall not reduce the allotment of any State in which such treatment works are situated. States, municipalities, interstate and intermunicipal agencies receiving grants for treatment works under this subsection shall comply with all apropriate conditions, limitations and requirements under title II of this Act."

(b) By inserting the word "and" following paragraph (1) of subsection (f), repealing paragraph (2), renumbering paragraph (3) as paragraph (2), and inserting at the end thereof the following:

"The Federal grant for any project shall be for 100 per centum of the cost thereof as determined by the Administrator."

By Mr. CLARK (for himself and Mr. Culver):

S. 543. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes. Referred to the Committee on Commerce.

Mr. CLARK. Mr. President, today, I am introducing for myself and my colleague from Iowa, Senator Culver, a bill to authorize the Secretary of Transportation to release restrictions on the use of certain excess property originally given to the city of Algona, Iowa, for airport purposes.

Similar legislation was introduced in the 92d Congress and in the 93d Congress. It passed the Senate on September 27, 1973, but it was never voted on in the House of Representatives. I hope that both Houses of Congress can handle it as expeditiously as possible this year.

The purpose of this legislation is to make it possible for Algona to develop an industrial park on unused land which had been intended originally for airport use.

Pursuant to section 16 of the Federal Airport Act, the land on which the airport is located was conveyed to Algona by the Federal Government on March 20, 1947. All conveyances made under that act contain a reversionary clause which provides that if the land is not developed or ceases to be used for airport purposes, it automatically reverts to the Federal Government.

This bill would authorize the Secretary of Transportation to release Algona from the reversionary clause so that the city can use the additional land. The bill makes the transfer subject to the provisions of section 4 of the act of October 1, 1949 (50 App. U.S.C. 1622c), which requires a determination that the land is no longer needed either for the purpose for which it was originally intended or to protect or advance civil aviation. It also provides that the Secretary may impose the conditions he deems necessary to insure that proceeds arising from non-airport use of the land will be used for development and maintenance of the airport.

Similar legislation was approved by Congress in connection with airport property in Clarinda, Iowa, in 1966—Public Law 89–649, approved October 13, 1966.

Mr. President, I firmly believe that the Federal Government should take steps to preserve the small cities and towns of this country. Desirable industrial development is essential if these rural communities are to continue to exist. I hope the Senate will again act quickly and favorably on this legislation which will make that development possible for one small city in Iowa.

By Mr. CLARK (for himself, Mr. HARTKE, Mr. HUMPHREY, Mr. RIBICOFF, Mr. INOUYE, Mr. KENNEDY, and Mr. McGOVERN):

S. 544. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to health education and health problems. Referred to the Committee on Labor and Public Welfare.

COMPREHENSIVE SCHOOL HEALTH EDUCATION ACT

Mr. CLARK. Mr. President, today I am introducing the Comprehensive School Health Education Act. I am pleased to note that six Senators have joined to cosponsor the measure—Mr. HARTKE, Mr. HUMPHREY, Mr. INOUYE, Mr. KENNEDY, Mr. McGOVERN, and Mr. RIBICOFF.

Several years ago, the President's Committee on Health Education criticized the absence of a comprehensive program of health education and preventive health habits in this country. The committee's report noted that of the $75 billion Americans annually spend on health care, about 93 percent goes for the treatment of illness, 5 percent for research, nearly 2 percent for prevention, and just one-half of 1 percent for health education. It stressed that both the quantity and quality of elementary school health education are seriously deficient—a conclusion which means that children receive precious little in the way of helpful information in their first 10 years of life about forming lifelong habits of proper health care.

This void is particularly dangerous in this modern television age. It has been estimated that on the average a child sees about 25,000 television commercials each year; 20 to 40 percent of these commercials involve edible products, and their central theme is often foods with a high sugar content. That is one reason sugar—once just a seasoning—has been transformed into a major ingredient of the American diet. As Peggy Charren, president of Action for Children's Television testified before the Senate Committee on Nutrition in March 1973:

> Many of you on this Committee are clearly cognizant of the harmful effects of the sugar-rich diet, which prevails in this country. There can be no doubt that this diet is a habitual form of behavior, that is learned during childhood, and that it is unlearned only with extreme difficulty ... In spite of this ... the list of products sold to children over television is dominated by the four most carcinogenic groups of foods: caramel, chocolate, cookies, and pastry.

It is not surprising then, that almost every child in this country suffers from tooth decay. Obesity, protein, and vitamin deficiencies, and increased susceptibility to heart disease also are related to sugar-rich diets. Either because of a lack of knowledge, a lack of time, or a lack of money, the majority of parents are unable to offset the harmful habits developed from the thousands of commercials that bombard children. And for the same reasons, the educational system has failed to counteract these habits.

Mr. President, the record of the Federal Government in response to this problem is abysmal. It is time to close this gap immediately to take a positive step toward improving the quality of life in this country. And the first step should begin with the health of our children. That is why I am introducing the Comprehensive School Health Education Act today.

The bill would establish a 3-year program to encourage the development of sound health habits in children. The act would cover the areas of dental health, family life and human development, human ecology, mental health, nutrition, physical fitness, safety and accident prevention, smoking and health, drug abuse, and venereal disease. The goal of better health education would be accomplished by providing three kinds of grants: For teacher training, pilot and demonstration projects, and comprehensive school programs for health education.

Under the first type of grant, the Commissioner of Education would distribute direct grants to State education agencies and higher education facilities to develop and conduct training programs for elementary and secondary education teachers. The bill authorizes $37.5 million for 3 years for this purpose, and the funds would be allocated by the Commissioner to achieve a reasonable and equitable geographic distribution.

A second section of the bill provides for direct grants from the Commissioner to State and local education agencies for pilot and demonstration projects. These grants would be available for the development and evaluation of curricula on health education and health problems, the dissemination of successful curricula, and preservice and inservice training programs—institutes, workshops, and seminars for teachers, counselors, and other educational personnel. The bill calls for a total of $52.5 million over a 3-year period to initiate these pilot and demonstration projects.

The third provision establishes grants for State and local educational agencies for the development of comprehensive programs in elementary and secondary schools in health education and health problems. The bill authorizes $50 million for this purpose; 40 percent of this is to be distributed equally to the States with the remaining 60 percent to be allocated on the basis of school population.

Mr. President, this bill is a companion measure to one being introduced in the House today by Congressman LLOYD MEEDS, a member of the House Education and Labor Committee, and more than 50 House cosponsors. I have been advised that hearings have been scheduled in the House on March 12 and 13.

Representatives of the National PTA, health and education specialists, and other experts were instrumental in drafting the provisions of this bill. This legislation is a comprehensive measure which is long overdue, and I urge the Senate to take prompt and affirmative action on it. I ask unanimous consent to have the text of the bill reprinted in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive School Health Education Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) health education in the schools has the potential for enhancing the quality of life, raising the level of health for the student's lifetime by significantly reducing those health problems susceptible to educational intervention, and favorably influencing the learning process;

(2) the provision of a comprehensive program with respect to health education and health problems for the children and youth of the Nation should be given high priority; and

(3) most children and youth of the Nation now do not have an opportunity to participate in comprehensive health education programs, since health education in many schools either is nonexistent or is provided on a fragmented and inadequate basis.

(b) It is the purpose of this Act to encourage the provision of comprehensive programs in elementary and secondary schools with respect to health education and health problems by establishing a system of grants for teacher training, pilot and demonstration projects, and the development of comprehensive health education programs.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "Commissioner" means the Commissioner of Education;

(2) the term "health education and health problems" includes dental health, disease control, environmental health, family life and human development, human ecology, mental health, nutrition, physical health, safety and accident prevention, smoking and health, substance abuse, consumer health, and venereal disease; and

(3) except as provided by section 6(b), the term "State" means the several States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

TEACHER TRAINING

SEC. 4. (a) The Commissioner may make grants to State educational agencies and institutions of higher education for teacher training with respect to the provision of comprehensive health education programs in schools. Such grants may be used by such agencies and institutions to develop and conduct training programs for elementary and secondary teachers with respect to teaching methods and techniques, information, and current issues relating to health and health problems.

(b) The Commissioner shall distribute grants under this section in a manner which insures the most effective and equitable distribution of such grants and which seeks to achieve a reasonable geographical distribution. The Commissioner shall, not later than thirty days before he distributes grants under this section, transmit a report to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives. Such report shall contain a detailed statement of criteria which the Commissioner proposes to use in distributing grants under this section.

(c) There is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1976, $12,500,000 for the fiscal year ending September 30, 1977, and $15,000,000 for the fiscal year ending September 30, 1978, to carry out this section.

PILOT AND DEMONSTRATION PROJECTS

SEC. 5. (a) The Commissioner may make grants to State and local educational agencies, institutions of higher education, and other public or private nonprofit education or research agencies, institutions, or organizations to support pilot demonstration projects in elementary and secondary schools with respect to health education and health problems.

(b) Grants under this section shall be available for the following pilot and demonstration projects—

(1) projects for the development of curriculums on health education and health problems, including the evaluation of exemplary existing materials and the preparation of new and improved curricular materials for use in elementary and secondary education programs;

(2) projects for demonstration, testing, and evaluation of the effectiveness of such curriculums (whether such curriculums are developed with assistance under this Act or otherwise);

(3) in the case of applicants who have conducted projects under paragraph (2), projects for the dissemination of curricular materials and other information with respect to health and health problems to public and private elementary and secondary education programs; and

(4) projects for preservice and inservice training programs with respect to health education and health problems (including courses of study, institutes, seminars, workshops, and conferences), for teachers and other educational personnel.

(c) Grants under this section shall be available for evaluations of—

(1) the effectiveness of curriculums tested in use in elementary and secondary education programs involved in projects under subsection (b) (2); and

(2) the training programs developed under subsection (b) (4), including examination of the intended and actual impact of such programs, identification of the strengths and weaknesses of such programs, and evaluation of materials used in such programs.

(d) There is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1976, $17,500,000 for the fiscal year ending September 30, 1977, and $20,000,000 for the fiscal year ending September 30, 1978, to carry out this section.

COMPREHENSIVE HEALTH EDUCATION PROGRAMS

SEC. 6. (a) The Commissioner may make grants to State educational agencies for the development of comprehensive programs in elementary and secondary schools with respect to health education and health problems. Such grants shall be available to State educational agencies for the development of such programs and for assistance to local educational agencies in the implementation of such programs.

(b) From the sums appropriated for carrying out this section for each fiscal year, the Commissioner shall reserve such amount, but not in excess of 3 per centum of such sums, as he may determine and shall apportion such amount among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this section. The Commissioner shall apportion the remainder of such funds as follows:

(1) He shall apportion 40 per centum of such remainder among the States in equal amounts; and

(2) He shall apportion to each State an amount which bears the same ratio to 60 per centum of such remainder as the number of public school children in the State bears to the number of public school children in all the States, as determined by the Commissioner on the basis of the most recent satisfactory data available to him.

For purposes of this subsection, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(c) The amount apportioned to any State under subsection (b) for any fiscal year which the Commissioner determines will not be utilized for such year shall be available for reapportionment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the amounts originally apportioned among those States under subsection (b) for such year, except that the proportionate amount for any of the other States shall be reduced to the extent it exceeds the sum the Commissioner estimates the local educational agencies of such State need and will be able to use for such year. The total of such reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced.

(d) (1) Any State educational agency receiving a grant under this section shall, to the extent consistent with the number of children in the State involved who are enrolled in private elementary and secondary schools, make provision for including special educational services and arrangements (including dual enrollment, educational radio and television, and mobile educational service and equipment) in which such children may participate.

(2) If the Commissioner determines that a State educational agency is unable or unwilling to comply with paragraph (1), he may make special arrangements with other public or nonprofit private agencies to carry out paragraph (1). For such purpose the Commissioner may set aside on an equitable basis and use all or part of the maximum total of grants available to the State involved.

(e) There is authorized to be appropriated $50,000,000 for the fiscal year ending September 30, 1978, to carry out this section.

GRANT REQUIREMENTS

SEC. 7. (a) Grants under this Act may be made only upon application at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary, and only if such application—

(1) provides that the activities and services for which assistance under this Act is sought will be administered by or under the supervision of the applicant;

(2) provides for carrying out one or more projects or programs eligible for assistance under this Act and provides for such methods of administration as are necessary for the proper and efficient operation of such projects or programs;

(3) sets forth policies and procedures which assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant to carry out the purpose of this Act, and in no case supplant such funds; and

(4) provides for making such reports, in such form and containing such information, as the Commissioner may reasonably require, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to insure the correctness and verification of such reports.

(b) (1) Applications from local educational agencies for financial assistance under this Act may be approved by the Commissioner only if the State educational agency has been notified of the application and been given the opportunity to offer recommendations.

(2) Amendments of applications shall, except as the Commissioner may otherwise provide by rule, be subject to approval in the manner provided by paragraph (1).

TECHNICAL ASSISTANCE

SEC. 8. The Commissioner shall, when requested, render technical assistance to local educational agencies, public and private nonprofit organizations, and institutions of higher education in the development and implementation of education programs with respect to health and health problems. Such technical assistance may, among other activities, include making available to such agencies or institutions information regarding effective methods of carrying out such programs, disseminating to such agencies or institutions information obtained through programs established by this Act, and making available to such agencies or institutions personnel of the Department of Health, Education, and Welfare, or other persons qualified to advise and assist in carrying out such programs.

PAYMENTS

SEC. 9. Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

ADMINISTRATION

SEC. 10. In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or private nonprofit agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon.

By Mr. McGOVERN (for himself, Mr. ABOUREZK and Mr. CURTIS):

S. 545. A bill to amend the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill which will aid innocent victims of the Wounded Knee occupation in 1973 as well as of related incidents.

Two years ago, the community of Wounded Knee on the Pine Ridge Reservation of the Oglala Sioux in South Dakota was occupied by a group of Indians who wished to publicize various wrongs. The result was the total destruction of the community as well as serious damage to neighboring ranch buildings, livestock, and personal property. The damage was not confined to non-Indians. Many of those who suffered losses were themselves members of the Oglala Sioux Tribe. Nor was destruction limited to Wounded Knee. In related disturbances it was also found in the Black Hills and in localities in Nebraska.

In May 1973, Senator Abourezk and Senator Curtis joined with me in introducing legislation which would make possible reimbursement to all those who innocently lost property during the occupation, and in those related instances.

On September 19 of last year, we introduced amended legislation which also set up the administrative processes for reimbursement. We want to reintroduce that legislation today.

Those who bore losses were in a serious financial condition back in May of 1973. Almost 2 years later, their condition is critical. Many are in extreme distress with their livelihoods gone, their possessions destroyed and their homes still not replaced. They need and deserve our attention now.

I remain convinced that the Federal Government has a moral obligation to help the innocent victims of Wounded Knee to restore their homes, farms, and businesses. At this late date I do not want to debate the wisdom of the Department of Justice in refraining from earlier, decisive action to end the occupation. But it is clear that a great deal of damage would have been avoided had they moved more promptly. And it is also clear that much of the damage people are still suffering came as a direct result of Government decisions. I contend that gives the Federal Government a clear responsibility to compensate.

Therefore, I propose today a new bill which would amend the Small Business Act. It would set up machinery to administer the appropriate relief.

I hope, Mr. President, that we can act promptly on this bill. The proposals are modest. Preliminary reports indicate the cost would not exceed $5 million. Yet this small investment would enable the innocent victims of Wounded Knee to return to normal, self-supporting lives after these many months of hardship.

I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 545

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Business Act is amended by adding at the end thereof the following new section:

"Sec. 21. (a) The Congress finds that—

"(1) many innocent persons suffered injuries and losses as a result of the disturbances at Wounded Knee, South Dakota, in 1973, and other related disturbances;

"(2) many such injuries and losses occurred as a result of the forbearance of the Department of Justice in dealing with the disturbances; and

"(3) the Government of the United States has an obligation to compensate innocent persons for injuries and losses for which they would not otherwise receive compensation.

"(b) As used in this section—

"(1) 'Commission' means the Wounded Knee Compensation Commission established under subsection (c) of this section;

"(2) 'innocent person' means any person or entity as to whom the Commission has reasonable grounds to believe (A) was not willfully engaged in such disturbances when that person or entity suffered the loss or injury as the result of such disturbances or related disturbances, and (B) was not responsible for such loss or injury;

"(3) 'uninsured loss or injury' means any damage to property, personal or real (including livestock, loss of earnings, or damage to business), or any personal injury which would not have occurred but for such disturbances and for which compensation would not otherwise be received; and

"(4) 'related disturbance" means any disturbance or event occurring during the period January 1, 1973, to and including May 9, 1973, within the States of Nebraska and South Dakota in which any nonresident of Wounded Knee occupying Wounded Knee during all or part of such period was involved.

"(c) (1) There is established a temporary commission to be known as the Wounded Knee Compensation Commission.

"(2) (A) The Commission shall—

"(i) receive and accept claims filed with it within one year after the date of enactment of this section by any person seeking compensation for injuries and losses which arose out of, or were caused by, the disturbances at Wounded Knee, South Dakota, or any related disturbance;

"(ii) determine whether a person filing such a claim is an innocent person and therefore is entitled to such compensation;

"(iii) determine the amount of such compensation to which any such innocent person is entitled; and

"(iv) make an award to any such innocent person in a sum equal to 100 per centum of the amount of such compensation.

"(B) (i) Any final decision of the Commission pursuant to subparagraph (A) of this paragraph may be appealed to the Court of Claims.

"(ii) The Court of Claims shall have jurisdiction to review by appeal any final decision of the Commission with respect to a claim filed under this section.

"(d) (1) The Commission shall submit to the Congress such interim reports as it deems advisable, including a report, not later than six months after the date of enactment of this section, relating to the amount and extent of damage resulting from such disturbance and all related disturbances.

"(2) Not later than eighteen months after the date of enactment of this section, the Commission shall submit to the Congress and the President a final report, together with such recommendations, as it deems advisable.

"(3) The Commission shall cease to exist sixty days after the submission of its final report.

"(e) (1) The Commission shall be composed of five members appointed by the President.

"(2) Three members shall constitute a quorum, but a lesser number may conduct hearings. The chairman shall be selected by a majority of the members of the Commission.

"(3) Members of the Commission shall, while serving on the business of the Commission, be entitled to receive compensation at a rate fixed by the Director of the Office of Management and Budget but not in excess of $125 per day, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

"(4) (A) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this section, hold hearings, administer oaths for the purpose of taking evidence in any such hearings, take a testimony, and receive documents and other matter. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before a Commission, or any subcommittee thereof.

"(B) Each department, agency, and instrumentality of the executive branch of the United States Government shall furnish to the Commission, upon request made by the chairman, such information as the Commission deems necessary to carry out its functions under this section.

"(C) The Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates, shall have the power—

"(i) to appoint and fix the compensation of such personnel as it deems necessary;

"(ii) to procure the services of experts and consultants in accordance with section 3109 of such title; and

"(iii) to adopt such rules and regulations as it deems necessary to carry out this section.

"(f) Any right of action of any person compensated under subsection (c) of this section, arising out of the disturbance at Wounded Knee, South Dakota, or any related disturbance, shall, at the time payment of the compensation required under such subsection is made, be assigned by that person to the United States Government and such right of action shall inure to the Government.

"(g) The Commission shall certify to the Treasurer of the United States, and the Treasurer of the United States shall pay, all awards made pursuant to subsection (c) of this section."

Sec. 2. There are hereby authorized to be appropriated such funds as are necessary to carry out the amendment made by this Act.

By Mr. HATHAWAY:

S. 546. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs. Referred to the Committee on Finance.

Mr. HATHAWAY. Mr. President, I have stated it before, and I will state it again. I am not in favor of a large tax cut at this time if it is not accompanied by a reform of our tax code to provide funds sufficient to pay for it. We cannot afford to take any action that will jeopardize our present progress in our efforts to curb inflation.

The pressures to enact a tax cut, however, seem to be building to the point of overwhelming those of us opposed to it. It is for this reason that I am today introducing this bill to reform the social security payroll tax. In the last Congress, I introduced the same bill with the intent that it should be part of a general tax reform effort. That is again my preference this year, but if there is to be enacted an immediate tax cut, then this is the form it should take.

One of the most inequitable aspects of the American tax structure is the payroll tax that finances the social security fund. This is a tax which falls on only those whose income is derived from labor; it does not touch those whose income is derived from capital. It falls the hardest on those whose incomes are the lowest, because it does not touch any income above $13,200. And it has increased, over the last few years, to the point of being unbearable for large numbers of our working citizens. On more than 50 percent of the more than 80 million individual tax returns filed this year, the social security tax will be larger than the Federal income tax. It is, I think, unconscionable to place so heavy a burden squarely on the shoulders of those who should last be asked to bear it.

The bill which I am introducing today would make the following major adjustments in the social security payroll tax.

First. It would add the U.S. Government as a third contributing partner to the social security fund. This would create a three-way split of the payroll tax burden among employers, employees, and the Federal Government's general revenues. The shift to general revenues as a source of financing for the fund would not, of course, remove all the inequities; the Internal Revenue Code is hardly a paragon of egalitarianism. But it would be an improvement. It would give the largest share of tax relief to those who most need it, the working people who now finance the fund, and it would enable us to consolidate our tax reform efforts and to concentrate them on the Internal Revenue Code itself. In this way we could extend the reach of any efforts toward reform that, hopefully, soon will be made.

Second. The second thing this bill would do is to raise the tax base from the first $13,200 to the first $25,000 of income. This would include more of the wealthier wage earners income in the tax base and would distribute the tax burden more equitably.

Third. The thing the bill would do is to lower the payroll tax rate itself, which now stands at its highest level in history, and is very shortly scheduled to go higher.

I ask unanimous consent that the text of this bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

REDUCTIONS IN SOCIAL SECURITY TAXES

SECTION 1. (a)(1) Section 1401(a) of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income for purposes of old-age, survivors, and disability insurance) is amended—

(A) by inserting "and before January 1; 1976" after "1972," in paragraph (4);

(b) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(c) by adding at the end thereof the following new paragraphs:

"(5) in the case of any taxable year beginning after December 31, 1975, and before January 1, 1986, the tax shall be equal to 4.5 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1985, and before January 1, 1999, the tax shall be equal to 4.75 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 13, 1998, and before January 1, 2011, the tax shall be equal to 5.25 percent of the amount of the self-employment income for such taxable year; and

"(8) in the case of any taxable year begining after December 31, 2010, the tax shall be equal to 6.3 percent of the amount of the self-employment income for such taxable year."

(2) Section 3101(a) of such Code (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) with respect to wages received during the calendar years 1974 and 1975, the rate shall be 4.95 percent;

"(6) with respect to wages received during the calendar years 1976 through 1985, the rates shall be 3.0 percent;

"(7) with respect to wages received during the calendar years 1986 through 1998, the rate shall be 3.15 percent;

"(8) with respect to wages received during the calendar years 1999 through 2010, the rate shall be 3.5 percent; and

"(9) with respect to wages received after December 31, 2010, the rate shall be 4.2 percent.".

(3) Section 3111(a) of such Code, (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) with respect to wages paid during the calendar years 1974 and 1975, the rate shall be 4.95 percent;

"(6) with respect to wages paid during the calendar years 1976 through 1985, the rate shall be 3.0 percent;

"(7) with respect wages paid during the calendar years 1986 through 1998, the rate shall be 3.15 percent;

"(8) with respect to wages paid during the calendar years 1999 through 2010, the rate shall be 3.5 percent; and

"(9) with respect to wages paid after December 31, 2010, the rate shall be 4.2 percent."

(b)(1) Section 1401(b) of such Code (relating to rate of tax on self-employment income for purposes of hospital insurance) is amended by striking out "1.10 percent", "1.35 percent", and "1.50 percent" in paragraphs (4), (5), and (6) and inserting in lieu thereof "1.0 percent", "1.2 percent"; and "1.35 percent", respectively.

(2) Section 3101(b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended by striking out "1.10 percent", "1.35 percent", and "1.50 percent" in paragraphs (4), (5), and (6) and inserting in lieu thereof "1.0 percent" "1.2 percent," and "1.35 percent", respectively.

(3) Section 3111(b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended by striking "1.10 percent", "1.35 percent", and "1.50 percent" in paragraphs (4), (5), and (6) and inserting in lieu thereof "1.0 percent," "1.2 percent", and "1.35 percent", respectively.

(c) The amendments made by this section shall apply in the case of taxes imposed with respect to self-employment income for taxable years begining after December 31, 1975, and with respect to wages paid or received during calendar years after 1975.

FEDERAL PARTICIPATION IN COST OF OASDI PROGRAM

SEC. 2. (a) In order to provide that one-third of the costs of the old-age, survivors, and disability insurance program under title II of the Social Security Act shall hereafter be borne by the Federal Government (with the remainder of such costs being financed from taxes imposed (as at present) on employees, and the self-employed but at substantially reduced rates as provided by the first section of this Act)—

(1) section 201(a) of the Social Security Act is amended by striking out "100 per centum" in the matter preceding paragraph (1) and inserting in lieu thereof "150 per centum"; and

(2) section 201(b) of such Act is amended by striking out "100 per centum" in the matter preceding paragraph (1) and inserting in lieu thereof "150 per centum".

(b) The amendments made by subsection (a) shall apply in the case of taxes imposed with respect to self-employment income for taxable years beginning after December 31, 1975, and wages paid or received during calendar years after 1975.

INCREASE OF EARNINGS COUNTED FOR BENEFIT AND TAX PURPOSES

SEC. 3. (a)(1) Section 209(a) of the Social Security Act is amended by redesignating paragraph (9) "as paragraph (11), by striking out "1974" in such paragraph and inserting in lieu thereof "1976", and by inserting after paragraph (8) the following new paragraphs:

"(9) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to $14,100 with respect to employment has been paid to an individual during any calendar year after 1974 and prior to 1976, is paid to such individual during such calendar year;

"(10) That part of remuneration which, after remuneration (other than remuneration refered to in the succeeding subsections of this section) equal to $25,000 with respect to employment has been paid to an individual during any calendar year after 1975 and prior to 1977, is paid to such individual during such calendar year;"

(2) Section 211(b)(1) of such Act is amended by redesignating subparagraph (I) as subparagraph (K), by striking out "1974" in such subparagraph and inserting in lieu thereof "1976", and by inserting after subparagraph (H) the following new subparagraphs:

"(I) For any taxable year beginning after 1974 and prior to 1976, (i) $14,100, minus (ii) the amount of the wages paid to such individual during the taxable year; and

"(J) For any taxable year beginning after 1975 and prior to 1977, (i) $25,000, minus (ii) the amount of the wages paid to such individual during the taxable year; and".

(3)(A) Section 213(a)(2)(ii) of such Act is amended by striking out "before 1975" and inserting in lieu thereof "before 1975, or $14,100 in the case of a calendar year after 1974 and before 1976, or $25,000 in the case of a calendar year after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(B) Section 213(a)(2)(iii) of such Act is amended by striking out "before 1975" and inserting in lieu thereof "before 1975, or $14,100 in the case of a taxable year beginning after 1974 and before 1976, or $25,000 in the case of a taxable year beginning after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(4) Section 215(e)(1) of such Act is amended by striking out "before 1975" and inserting in lieu thereof "before 1975, the excess over $14,100 in the case of any calendar year after 1974 and before 1976, the excess over $25,000 in the case of any calendar year after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(b)(1) Section 1402(b)(1) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by redesignating subparagraph (I) as subparagraph (K), by striking out "1974" in such subparagraph and inserting in lieu thereof "1976", and by inserting after subparagraph (H) the following new subparagraphs:

"(I) for any taxable year beginning after 1974 and before 1976, (i) $14,100, minus (ii) the amount of the wages paid to such individual during the taxable year; and

"(J) for any taxable year beginning after 1975 and before 1977, (i) $25,000, minus (ii) the amount of the wages paid to such individual during the taxable year; and".

(2) (A) Effective with respect to remuneration paid after 1974, section 3121(a)(1) of such Code (relating to definition of wages) is amended by striking out the dollar figure each place it appears therein and inserting in lieu thereof "$14,100".

(B) Effective with respect to remuneration paid after 1975, section 3121(a)(1) of such Code is amended by striking out "$14,100" each place it appears therein and inserting in lieu thereof "$25,000".

(3) (A) Effective with respect to remuneration paid after 1974, the second sentence of section 3122 of such Code (relating to Federal service) is amended by striking out the dollar figure and inserting in lieu thereof "$14,100".

(B) Effective with respect to remuneration paid after 1975, the second sentence of section 3122 of such Code is amended by striking out "$14,100" and inserting in lieu thereof "$25,000".

(4) (A) Effective with respect to remuneration paid after 1974, the second sentence of section 3125 of such Code (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) is amended by striking out the dollar figure each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$14,100".

(B) Effective with respect to remuneration paid after 1975, section 3125 of such Code is amended by striking out "$14,100" each place it appears in subsections (a), (b), and (c) and inserting in lieu thereof "$25,000".

(5) Section 6413(c)(1) of such Code (relating to special refunds of employment taxes) is amended—

(A) by striking out "or (H) during any calendar year after 1974" and inserting in lieu thereof the following: "or (H) during any calendar year after the calendar year 1974 and prior to the calendar year 1976, the wages received by him during such year exceed $14,100, or (I) during any calendar year after the calendar year 1975 and prior to the calendar year 1977, the wages received by him during such year exceed $25,000, or (J) during any calendar year after 1976"; and

(B) by striking out "before 1975" and inserting in lieu thereof the following: "before 1975, or which exceeds the tax with respect to the first $14,100 of such wages received in such calendar year after 1974 and before 1976, or which exceeds the tax with respect to the first $25,000 of such wages received in such calendar year after 1975 and before 1977", and by striking out "1974" where it subsequently appears and inserting in lieu thereof "1976".

(6) Section 6413(c)(2)(A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by inserting after "calendar year 1974," the following: "$14,100 for the calendar year 1975, $25,000 for the calendar year 1976", and by striking out "after 1974" and inserting in lieu thereof "after 1976".

(7) (A) Effective with respect to taxable years beginning after 1974, section 6654(d)(2)(B)(ii) of such Code (relating to failure by individual to pay estimated income tax) is amended by striking out the dollar figure and inserting in lieu thereof "$14,100".

(B) Effective with respect to taxable years beginning after 1975, section 6654(d)(2)(B)(ii) of such Code is amended by striking out "$14,100" and inserting in lieu thereof "$25,000".

(c) Section 230(c) of the Social Security Act is amended—

(1) by striking out "1973" and inserting in lieu thereof "1975"; and

(2) by striking out the dollar figure and inserting in lieu thereof "$25,000".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of Public Law 92–336 are each amended—

(1) by striking out "1974" and inserting in lieu thereof "1976"; and

(2) by striking out the dollar figure and inserting in lieu thereof "$25,000".

(e) Section 3(i) of Public Law 93–233 is amended by striking out the first comma and inserting in lieu thereof "and", and by striking out "and section 230(c) of the Social Security Act,"

(f) Except as otherwise indicated, the amendments made by this section, except subsections (a)(4) and (e), shall apply with respect to remuneration paid after, and taxable years beginning after, 1974, and as though they had been enacted on January 1, 1975. The amendments made by subsection (a)(4) shall apply with respect to calendar years after 1974. The amendments made by subsection (e) shall be effective as of December 31, 1973.

(g) The Secretary of Health, Education, and Welfare shall prescribe and publish in the Federal Register such modifications and extensions of the table contained in section 215(a) of the Social Security Act (which shall be determined in the same manner as the revisions in such table provided for under section 215(i)(2)(D) of such Act, and shall be in lieu of any previously made modifications and extensions of such table) as may be necessary to reflect the amendments made by this section; and such modified and extended table shall be deemed to be the table appearing in such section 215(a).

By Mr. PROXMIRE:

S. 547. A bill to amend section 19 of the Federal Reserve Act and section 18 of the Federal Deposit Insurance Act to provide for the payment of interest on deposits of public funds by the United States, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, I am introducing today a bill to require banks to pay interest on Federal deposits which they now hold interest-free.

The U.S. Treasury is currently losing about $400 million a year in potential earnings by maintaining cash balances in noninterest-paying bank accounts, known as tax and loan accounts. Banks receive tax payments from companies and proceeds from sales of Government securities, and in turn they deposit these funds in the tax and loan accounts. The Treasury then draws the money out as needed to cover the Government's expenses. Over 80 percent of all Federal revenues flow through these tax and loan accounts.

Mr. President, the Federal Government loses money on these accounts, and the higher interest rates go, the more money is lost. At recent record-high rates, the loss in potential earnings is phenomenal. For the first 9 months of 1974, the average daily balance in the accounts nationwide was $3.9 billion, while short-term interest rates were running at an average of 10.9 percent. This amounts to well over $1 million a day in lost interest. In the last couple of months, the Treasury has made a point of withdrawing the funds in its accounts more quickly, thus bringing down the average balance.

Under the present system, tax and loan accounts are a blank check which the Treasury hands the banks to cash in at the taxpayers' expense. And the irony is that most of the money in these accounts comes straight out of the pocket of the average taxpayer—in the form of individual income tax withholding from employee paychecks.

Banks make big profits on tax and loan accounts, and the biggest banks with the largest accounts make the biggest profits. Out of a total of 13,011 Federal depository institutions, a mere 2 percent takes in almost half of all tax and loan account deposits—47 percent for the first 9 months of 1974. Each of these 274 class C banks handles over $80 million a year in interest-free Federal money.

Big companies also cash in on the system. Because tax deposits are so lucrative, banks offer favors to companies with large payrolls in return for getting their tax-withholding funds. The company gets a large line of credit with the bank, or other valuable services.

While the big winners are the banks and the companies, the big losers are the Federal Government and, above all, the American taxpayer, who is already hard hit by inflation and high interest rates.

The Treasury Department has long claimed that banks were entitled to the interest earnings on tax and loan accounts as fair compensation for administering these accounts. The General Accounting Office, on the other hand, has always asserted that the Federal Government was not adequately compensated for the use of its tax money.

Now even Treasury has admitted that banks make millions of dollars on Government deposits. In its "Report on a Study of Tax and Loan Accounts," issued in July 1974, Treasury estimated the excess earnings value of these accounts at about $300 million, using a rather conservative interest rate figure of 5.5 percent.

The report concluded that:

> In recent years, in reflection of higher market interest rates, the implicit cost of the accounts to the Treasury (or to put it another way, the earning value of the banks and their taxpaying customers) has risen to a multiple of the value of the related services provided the Treasury.

Mr. President, it is time to put an end to this giveaway of Government money. Under the legislation I am proposing today, banks would be required to pay interest on the average daily balance of deposits in tax and loan accounts at a rate not less than 1 percent below the Federal funds rate. This interest is to be calculated and paid monthly, using the effective Federal funds rate for that month as reported by the Federal Reserve Bank of New York.

The Federal funds rate is the interest rate at which banks lend to each other on an overnight basis to make up for shortfalls in reserves. Since funds deposited in tax and loan accounts are withdrawn within a few days, they are available for lending only on a very short-term basis, and thus this appears to be the most appropriate interest rate to use. Over 50 percent of the banks polled in the Treasury study stated that the value of their tax and loan accounts was at least equal to the Federal funds rate.

The bill gives the Treasury some flexibility by allowing the interest rate to be set at up to 1 percent below the Federal funds rate. This is to allow for the fact that banks have to retain a small fraction of their Federal deposits as reserves.

I am not trying to do away with tax and loan accounts. The Treasury study makes a strong case for maintaining them, both as an efficient means of tax collection and as a way of stabilizing the money market and the level of bank reserves by smoothing out the impact of Government financial operations.

Nor am I trying to penalize banks by requiring them to provide services to the Federal Government at a loss to themselves. The Treasury has ample authority under existing law to compensate banks as necessary for actual services rendered. In its report, Treasury designates two types of services as compensable: the handling of the tax and loan account itself, and the issuance and redemption of U.S. savings bonds. Banks are in fact already paid for redeeming savings bonds.

The present system is inequitable and illogical, not only from the standpoint of the Government and the taxpayer, but also from the standpoint of the banks themselves. There is no logical relationship between the average daily balance in a particular Federal deposit account and the cost of maintaining that account; cost is more a function of number of transactions than of total dollar volume.

Similarly, there is no logical relationship between the amount of interest a bank can earn on its tax and loan account and the value of the services it renders to the Federal Government. The Treasury report gives several paired comparisons of banks holding virtually identical average daily balances in their Treasury accounts while providing services of widely differing value to the Government. Since the earnings value of the account is the same in each case, while the bank's administrative costs are greater the more services it provides, this means that the bank giving fewer services makes more money off its Federal deposits than does the bank which gives the Treasury more for its money. For example, two banks with the same balance of $5 million were shown to have expenses of about $109,000 and $16,000, respectively, in providing services to the Government. The estimated rate of return on that same balance was 2.34 percent for the first banks and 4.44 percent for the second—almost twice as high a return for seven times less in value of services. This points up the absurdity of the present system, which encourages banks to maximize profits at the taxpayers' expense.

The Treasury has been making efforts in recent months to cut losses from tax and loan accounts by withdrawing deposit funds more quickly and thus maintaining lower average balances. This, however, is just a stopgap measure; it does not address the fundamental problem. We need to make the point that this is the Government's money, not the banks'.

My bill will return to the Federal Government the earnings value of its tax and loan accounts, by requiring banks to pay interest on the average balances in those accounts at the Federal funds rate. Specifically, it provides that no bank may accept or hold Federal deposits unless it enters into an agreement with the Treasury to pay interest on these deposits on a monthly basis. Some flexibility is allowed by permitting the rate to be set at up to 1 percent below the Federal funds rate, since Treasury at the present time has no system for compensating banks for the actual cost of administering tax and loan accounts. I understand that Treasury has this matter under consideration.

To sum up, the legislation I am introducing today would do the following:

First, require banks to pay interest on Federal deposits at a rate not less than 1 percent below the Federal funds rate;

Second, require that such interest be paid at the end of each month on the average daily balance in the Treasury tax and loan account for that month;

Third, exempt Federal deposits from statutory prohibitions against payment of interest on demand deposits; and

Fourth, cover all banks which are members of the Federal Reserve System or whose deposits or accounts are insured by the Federal Deposit Insurance Corporation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point:

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. The last sentence of section 19 (i) of the Federal Reserve Act is amended to read as follows: "The provisions of this subsection do not apply to any deposit of public funds of the United States or of any agency, instrumentality, or officer thereof on behalf of the United States.".

Sec. 2. Section 18(g) of the Federal Deposit Insurance Act is amended by adding at the end thereof the following new sentence: "The provisions of the first sentence of this subsection do not apply to any deposit of public funds of the United States or of any agency, instrumentality, or officer thereof on behalf of the United States."

Sec. 3. (a) After the expiration of 90 days following the date of enactment of this Act, a member or insured banks may not accept or continue to hold any deposit of public funds of the United States or of any agency, instrumentality, or officer of the United States on behalf of the United States except pursuant to an agreement, entered into between the United States or such agency, instrumentality, or officer and that bank, providing for the payment of interest on such deposit funds at a rate not less than 1 percentage point below the Federal Funds rate. Such interest shall be calculated monthly by applying the effective Federal funds rate for that month as reported by the Federal Reserve Bank of New York to the average daily balance of such deposit funds for that month, and shall then be credited to the account of the United States.

(b) The appropriate Federal banking agency is authorized and directed to issue a cease and desist order and to pursue other appropriate remedies pursuant to its authority under section 8 of the Federal Deposit Insurance Act with respect to any member or insured bank found to be in violation of subsection (a).

(c) As used in subsection (a), the term "member or insured bank" means any bank which is a member bank of the Federal Reserve System or the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation.

By Mr. PROXMIRE (for himself, Mr. Schweiker, Mr. Abourezk, Mr. Allen, Mr. Chiles, Mr. Church, Mr. Cranston, Mr. Domenici, Mr. Eastland, Mr. Fannin, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hartke, Mr. Inouye, Mr. Johnston, Mr. Leahy, Mr. Mansfield, Mr. McClellan, Mr. McClure, Mr. McGee, Mr. Moss, Mr. Nunn, Mr. Packwood, Mr. Pell, Mr. Randolph, Mr. Hugh Scott, Mr. William L. Scott, Mr. Sparkman, Mr. Stafford, Mr. Stevenson, and Mr. Thurmond):

S. 548. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes. Referred to the Committee on Labor and Public Welfare.

VITAMIN BILL—FOOD SUPPLEMENT AMENDMENT OF 1975

Mr. PROXMIRE. Mr. President, on behalf of myself and Mr. Schweiker, Mr. Abourezk, Mr. Allen, Mr. Chiles, Mr. Church, Mr. Cranston, Mr. Domenici, Mr. Eastland, Mr. Fannin, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hartke, Mr. Inouye, Mr. Johnston, Mr. Leahy, Mr. Mansfield, Mr. McClellan, Mr. McClure, Mr. McGee, Mr. Moss, Mr. Nunn, Mr. Packwood, Mr. Pell, Mr. Randolph, Mr. Hugh Scott, Mr. William L. Scott, Mr. Sparkman, Mr. Stafford, Mr. Stevenson, and Mr. Thurmond, I introduce a bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements and for other purposes.

The purpose of the Proxmire-Schweiker bill is to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs. The bill is similar to the measure which passed the Senate by an 81 to 10 vote on September 24, 1974 but which died as part of the Health Manpower Act when that bill died in conference the last day of the Congress.

The Senator from Pennsylvania and I have issued the following joint statement which I shall now read upon introduction of our new vitamin bill.

FDA WOULD REGULATE VITAMINS AS DRUGS

The Food and Drug Administration is proposing that vitamins sold in amounts greater than 150 percent of the so-called U.S. Recommended Daily Allowance—RDA—be regulated as drugs.

But vitamins are not drugs. They are foods. For years they have been regulated as foods. The fundamental thing the Proxmire-Schweiker bill does is to tell the FDA that vitamins are foods and should continue to be regulated as foods.

The Proxmire-Schweiker bill does not diminish in any way the existing protection to the consumer against toxic, adulterated, or mislabelled vitamins and foods. Under the present law, the FDA has ample authority to regulate any of the few vitamins which are toxic or which might be mislabelled.

Furthermore, the bill specifically states that it does not reduce in any way the existing authority the FDA has over cyclamates, carcinogenic substances, or food additives.

Under the FDA's proposed regulations, relatively small amounts of very common vitamins would have to be sold either as over the counter—OTC—or prescription drugs. Vitamin C is a good example of what could happen. The new recommended daily allowance for vitamin C is 45 milligrams. But vitamin C is routinely sold in 100, 250, or 500 milligram tablets. Since it is nontoxic and harmless there is no reason why that should not continue.

If the FDA has its way, any Vitamin C tablet sold in excess of 150 percent of the RDA, or 67.5 milligrams, would be regulated as a drug and would be required to go through the long, torturous, and expensive FDA drug proceedings. That is both ridiculous and irresponsible.

The Proxmire-Schweiker bill is clear. Provided a vitamin or mineral is safe and not mislabelled the consumer should have the same freedom of choice to buy it just as he may buy thousands of other foods and beverages.

Since the FDA first proposed their regulations in June of 1966 a Damoclean sword has been hanging over the heads of the vitamin consumer, the small health food stores, and the vitamin producers in the form of these unnecessary and arbitrary requirements. Without our bill, they could finally go into effect next July.

We believe that with the wide support there is in both the Senate and the House for the basic principle in the Proxmire-Schweiker bill, either it or an acceptable compromise to achieve the same purpose can be passed this year.

Mr. President, I ask unanimous consent that the language of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Food Supplement Amendment of 1975."

SEC. 2. Subsection (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 (f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)" as clauses "(A)", "(B)", and "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses for supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use."

SEC. 3. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–348) is amended by adding at the end thereof the following new section:

"SEC. 410 (a) In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional component of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.

"(b) Nothing in this section shall be construed to limit the Secretary's exercise of authority concerning food additives pursuant to subsection 409 (a) of the Act, or to prescribe the steps to be taken to establish their safety, pursuant to subsections 409 (b) and 409 (c), including compliance of food additives with the anti-carcinogenic provisions of said subsection 409 (c)."

Mr. PROXMIRE. Mr. President, in the past the Food and Drug Administration has charged that the language of our bill would radically change the FDA rules, regulations, and procedures. But the language in our bill comes in large part from the Food, Drug, and Cosmetic Act and the FDA regulations themselves. To show this clearly I ask unanimous consent that the language from chapter I, section 1.11 of the Special Dietary Uses section of the Code of Federal Regulations, Title 21, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

§ 1.11 Special dietary uses.

(a) The term "special dietary uses", as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

(1) Uses for supplying particular dietary needs which exist by reason of a physical, physiological, pathological or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

(2) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

(3) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use.

(b) No provision of any regulation under section 403 (j) of the act shall be construed as exempting any food from any other provision of the act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of Chapter V of the act.

[20 F.R. 9529, Dec. 20, 1955]

Mr. PROXMIRE. One will note that the language here is identical to that in our bill. What we have done is to put into the law the regulations under which the FDA has regulated vitamins as foods for many, many years.

I ask unanimous consent that the provisions of section 402(a)(1) of chapter IV—Food—of the Federal Food, Drug, and Cosmetic Act, as amended, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAPTER IV—FOOD

* * * * *

ADULTERATED FOOD

SEC. 402 [342]. A food shall be deemed to be adulterated—

(a)(1) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such food shall not be considered adulterated under this clause if the quantity of such substance in such food does not ordinarily render it injurious to health; or

Mr. PROXMIRE. One will note that the phrase, "* * * if the quantity of such substance in such food does not ordinarily render it injurious to health," the latter part of which is a key phrase in our bill, comes directly from the law itself.

Finally, Mr. President, I ask unanimous consent that excerpts from the statement I made in the debate on September 24, 1974, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SEPTEMBER 24, 1974 STATEMENT OF SENATOR WILLIAM PROXMIRE

This is an amendment to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs.

WHAT THE AMENDMENT DOES

The Food and Drug Administration, for several years now, has been attempting to regulate safe vitamins and minerals—which are foods—as dangerous drugs. They have tried to do this through FDA regulations and orders rather than through legislation.

What this amendment does—and all it does—is to stop that action. It restores the status quo. It says to the FDA that they shall continue to regulate vitamins and minerals as foods.

FDA ATTEMPTS TO DISTORT MEANING

Time and again throughout the debate over this amendment, the FDA has attempted to distort its meaning by claiming that it would limit their jurisdiction and shift the burden of proof for safety to the FDA rather than the vitamin manufacturer or retailer.

Nothing could be further from the truth. The key language in the amendment is taken either directly from part 1.11, 21 Code of Federal Regulations, which have been in effect since 1955—or for two decades—or taken directly from the law itself—namely, from section 402(a)(1), which states that the FDA cannot limit the potency, number, combination, amount, et cetera, of a vitamin or mineral "if the amount recommended does not ordinarily render it injurious to health." That is our phrase, and it is already in the law. The amendment restores that phrase and would supersede the FDA's intended regulations.

BUSINESSES AT STAKE

Why is this amendment so urgent? The health food industry—not the big drug manufacturers, but the health food industry and the small health food stores—the Mom and Pop health food stores found all over this country, are in grave danger of being put out of business.

The FDA's regulations say that when they go into effect, any vitamin sold in quantities in excess of 150 percent of the so-called U.S. recommended daily allowance—U.S. RDA—will become a drug and be regulated as a drug. Those regulations were to have gone into effect next January. Now they have been postponed by court order until next July 1. But then they can go into effect.

The health food stores have this Damoclean sword hanging over their heads. It has been there since 1966, when the FDA first put out its regulations. It is time we settled this matter and settled it for good.

We are proposing this amendment on this bill to save those businesses. We are also doing it to save the consumer from being ripped off, because if vitamins cannot be bought in amounts greater than 150 percent of the U.S. RDA, the consumer will have to pay through the nose for quantities of vitamins he now uses routinely.

The time has come to deal with this matter and to deal with it decisively. What this amendment does, therefore, is to restore the matter as it was before the FDA came forward with its regulations. It tells the FDA that instead of acting by executive fiat or through regulations, if they are going to make drastic changes affecting the livelihood of millions of people, then do it through legislation and not by administrative regulation.

U.S. RDA'S ARE AN ARBITRARY, SUBJECTIVE, AND CAPRICIOUS STANDARD

One of the reasons for this is that the RDA's are questionable standards. The FDA's U.S. RDA's, which are based on the Food and Nutrition Board's so-called recommended daily dietary allowance, are an arbitrary, subjective, and capricious standard.

First, they are, more often than not, too low. And the reason for that is so that the orthodox food industry can put on the side of its breakfast food containers that the breakfast food contains a very high proportion of the recommended daily allowances. The lower the RDA's, the better the nutritional value of the breakfast food industry, and other food industry products look.

Second, the Food and Nutrition Board's RDA's, upon which the FDA's U.S. RDA's are based, have had major changes in values almost every time they are issued. For example, the 1968 RDA's had 55 changes in values over the 1964 RDA's, which varied from 20 to 700 percent.

Take vitamin E, for example. In 1964 there was no RDA. In 1968, the RDA for pregnant women was 30 international units. In 1974, the RDA for vitamin E for pregnant women was 15 RDA's.

If the FDA's regulations had been in effect for each of these years, this would have been the situation.

In 1964, since vitamin E was not even on the list, it could have been purchased in unlimited quantities.

In 1968, with an RDA of 30 international units, one could have purchased vitamin E in 45 international unit capsules.

But in 1974, vitamin E in excess of 22.5 international units would become a drug and would be regulated either as an over-the-counter-drug or put on prescription.

Even the experts differ on the RDA's. I ask unanimous consent to have printed in the Record a table indicating the difference between the RDA's recommended in 1970 by Dr. W. H. Sebrell, Jr., the chairman of the committee which established the 1968 RDA's, and the 1974 RDA's.

There being no objection, the table was ordered to be printed in the Record, as follows:

	Dr. Sebrell	1973–74 RDA's	Percent Sebrell above RDA's
Pregnant women:			
Vitamin A (IU)	8,000	5,000.0	160
Vitamin E (IU)	30	15.0	200
Vitamin B_{12} (Mcg.)	8	4.0	200
Child under 4: Vitamin B_{12} (Mcg.)	4	1.5	333

Mr. Proxmire. What that table indicates is that the experts differ and differ very much on the proper amounts that should be proposed as recommended daily dietary allowances. If these amounts were simply advisory, there would be no complaint. But the FDA has taken those amounts and put them into regulations. And what that means is that if some manufacturer or some health food store makes vitamins or sells them in greater quantities, they are subject to the "criminal law." That is too harsh a penalty to hand out when the basis for the regulations is so controversial.

The Second Circuit Court of Appeals, which delayed the date when the regulations will now go into effect, stated:

"Our examination of the record (of the FDA vitamin hearings) has turned up not a single instance in which the scientific processes by which the RDA figures were developed were subject to searching examination."

Other experts differ as well. Among them are Dr. Paul Gyorgy, the discoverer of vitamin B–6, who recommended in 1971 that the RDA for vitamin B–6 should be set at 25 milligrams a day, or 12.5 times the 2 milligram level the Food and Nutrition Board established for 23–50 year old females.

Dr. Linus Pauling recommended daily levels of vitamin C which are over 100 times the 45 milligrams recommended by the Food and Nutrition Board.

The RDA's, about which there is so much controversy even among the scientific community, is no standard on which to base the criminal law.

AMENDMENT DOES NOT TOUCH EXISTING FDA POWER TO REGULATE TOXIC, UNSAFE, OR MISLABELED FOODS

This amendment does not change the vast power the FDA has to regulate foods. All it states is that the FDA shall regulate vitamins as foods and not as drugs.

If a vitamin or mineral is toxic, the FDA has adcquate authority to regulate it. They have done so in the case of vitamins A and D and vitamin K.

If a vitamin or mineral is mislabeled, there is more than adequate authority to deal with it under existing law. In fact, many people believe that the FDA has already gone too far, as, for example, when they banned the sale of a book on the favorable effects of vinegar and honey when it was displayed and sold in a store which sold vinegar and honey. Since vinegar and honey are also proposed in the Old Testament as nutritious foods, there are many who believe that if the FDA had gotten its way on that one—and fortunately they did not—then Macy's or Gimbel's would be barred from selling vinegar and honey if they also sold the Old Testament in their stores.

Finally, there are a great many food substances which are highly toxic—far more than vitamins—but which are regulated as foods—because they are foods—and not drugs.

If the FDA is to retain any logic in its point of view, it should regulate sugar, salt, coffee, tea, and even water as dangerous drugs, because they are toxic if used in large or excessive quantities.

CONCLUSION

The amendment does nothing more than restore the status quo. Its language is that of the law and of the regulations which have been in effect for two decades.

It does not take away from the FDA any power over toxic foods or mislabeled foods or foods made in unsafe surroundings.

But it does tell the FDA that they are not to place the business of thousands of small health food stores in jeopardy through executive fiat and administrative regulations.

And the amendment would do that now because these small businesses and millions of consumers have had the FDA regulations hanging over their heads for years and will shortly experience the final coup de grace if the FDA has its way.

Mr. President, the argument has been made that the vitamin amendment is an "irresponsible" amendment because it diminishes the FDA's power over food additives, not just vitamins. There is no way under our amendment the FDA could not regulate cyclamates.

This is an outright misrepresentation of our amendment.

First, our amendment provides—as the present existing laws provides—chapter IV, food, section 402(a) (1)—the FDA with every existing authority to regulate adulterated foods. The language comes directly from the "adulterated food" section of the law.

Second, our amendment does not limit or take away any power the FDA now has over "food additives" such as cyclamates, the reason being that a food additive by definition is "a chemical ingredient not generally recognized as safe."

Third, a "special dietary food"—on the other hand—which our amendment affects—is a product generally regarded as safe.

What the FDA wants to do—and which we object to and which our amendment would prevent—is for them to treat safe vitamins and minerals, which by definition are special dietary foods, as "unsafe food additives."

Vitamins are special dietary foods. Vitamins are not food additives. The entire fight is whether or not the FDA is going to treat vitamins—which are foods—in the same way they treat unsafe chemical additives or drugs, like cyclamates.

But our amendment does not prevent the FDA, in any way, from acting under the existing food laws to regulate vitamins if they are toxic, if they are misbranded, or if they are made in unsafe or unclean surroundings. They have that authority now. We reinforce it by saying that vitamins shall be regulated under that authority. And our amendment does not prevent—in any way—the FDA from acting against "food additives"—which are by definition "unsafe chemical." We do not touch that authority. We do not limit that authority.

HISTORY OF FDA ENFORCEMENT

The FDA also argues that they need the new drug regulations in order to get needed enforcement powers for abuses. They say it is too difficult to bring cases one by one and hence need blanket authority. Here is the answer to that.

Under our amendment—as under the existing food laws—the FDA has every needed authority to regulate "toxic" or unsafe foods. Under the present laws—which our amendment merely restores—the FDA has regulated vitamins A and D, and K because of their apparent toxicity. This authority remains under our amendment. We do not touch it.

There is no evidence that there has been any more fraud or misrepresentation in the food supplement industry than in any other industry or business. The FDA's own figures bear this out. There has been only a "mild" incidence of violations of the FDA regulations in this area and the FDA has had no difficulty in controlling them. Here are the facts:

First, the nature of the cases: 90 percent of the regulatory actions begin with seizures under section 502(a)—which has to do with misbranding because of false or misleading labeling.

In 28 years the total number of cases was 1,028, or 36 a year.

Of these 649—or 23 a year—involved supplements of vitamins or minerals.

Of these 649—70 involved products containing iodine or sea water preparations, 41 involved weight reducing aids, and 283 concerned miscellaneous health foods.

Second, the disposal of the cases indicates the existing authority is adequate.

Of the 1,028 cases, 883 were civil seizure cases of which 99 percent were disposed of either by default—638—or consent decree—234.

That took no great enforcement effort nor does it show that the laws are inadequate as the FDA claims.

One hundred twenty-two were criminal cases—of which 85 percent were disposed of by guilty pleas—102.

In the last 28 years the FDA has had to try only about 20 cases. Of these, 15 went for the Government and 5 for the defendants.

The FDA's legal branch has not been overworked and needs no new authority.

Finally, the Food, Drug, and Cosmetic Act is an unusual criminal statute because the courts have regularly held that the FDA does not have the usual burden of proving that the perpetrators of alleged felonies intended to misbrand the food, or even knew that it was misbranded.

Thus, the FDA now has great authority under the food laws.

Our amendment does not diminish that authority. What it does is to continue to allow the FDA to act under the food laws but prevents them from acting under the "drug" laws by calling vitamins—which are foods—dangerous drugs.

All the factual information I have cited was presented to U.S. Court of Appeals for the Second Circuit.

DOES NOT SAY ONE WORD ABOUT SO-CALLED MEDICAL CURES

The opponents of the amendment charge that the amendment authorizes the sale of vitamins for unproven medical cures.

There is not one line in the bill doing any such thing.

If the vitamin is toxic, it can be regulated under the amendment.

If the vitamin is mislabeled—it can be seized under our amendment and the present law.

If it is made in unclean surroundings, the FDA can act as well.

The amendment does not authorize the sale of vitamins for any purpose such as an unproven medical cure.

If that is illegal now, then it is equally illegal under our amendment.

The Proxmire amendment does not "retreat" to 1938 and put the burden of proof on the Government. Under the food laws the burden of proof is now on the Government with respect to foods.

And there is a very good reason for that.

The FDA exercises criminal statutes.

The Food, Drug, and Cosmetic Act is unique in that the criminal act requires no intent. People can be sent to jail for what are essentially innocent actions.

When a Government agency exercises criminal laws—and very stringent criminal laws—the burden of proof should be on the Government. People should be innocent until proven guilty.

That fact has not prevented the FDA from acting against any toxic, unsafe or mislabeled vitamin or mineral in the past.

They have put vitamins A and D in large quantities on prescriptions and under this amendment that would and could continue.

They have seized mislabeled and misbranded foods. That authority continues.

All the amendment does is to prevent the FDA from treating safe vitamins as drugs, which is what they are determined to do if not stopped either by legislation or by the courts.

VITAMINS AS OTC AND PRESCRIPTION DRUGS

The FDA charge that the proponents of the amendment falsely state that the FDA would put vitamin pills on prescription. Rather than treating them as over-the-counter drugs.

Here is the answer:

First. It is true that what the FDA would do, mainly, is to treat vitamins as over-the-counter drugs—OTC—if they exceed 150 percent of the so-called U.S. recommended daily allowance.

Second. However, if treated as an over-the-counter drug, the manufacturer or retailer must prove to the FDA that vitamins are not only safe—which is no problem and already provided under the food laws—but that they are "efficacious."

Third. But the FDA already said that such vitamins as vitamin C and vitamin B-6, and other vitamins are not needed in quantities more than 150 percent of the RDA and are not effective or useful in such amounts.

In fact in its vitamin regulations—which the courts have stopped temporarily—the FDA stated that a food shall be misbranded if its labeling represents, suggests, or implies six items including item 1 which states:

"(1) That the food because of the presence or absence of certain dietary properties, is adequate or effective in the prevention, cure, mitigation, or treatment of any disease or symptom."

It is now illegal to claim that. Yet to become an over-the-counter drug, a manufacturer would now have to make such a specific, illegal claim for the vitamin.

That is impossible.

What it means is that the FDA Over-the-Counter Committee, if it follows the proposed FDA regulations, would have to reject such a claim for "effectiveness" out of hand.

Fourth. In those circumstances, the vitamin could then only be sold under prescription in amounts greater than 150 percent of the RDA's.

That is why there is very great chance vitamins in amounts greater than 150 percent of the RDA's will have to be gotten under prescription. That is a genuine possibility. It is no idle threat.

Mr. SCHWEIKER. Mr. President, I am pleased to join my distinguished colleagues, Senator PROXMIRE, and Senators ABOUREZK, ALLEN, CHILES, CRANSTON, DOMENICI, EASTLAND, FANNIN, GOLDWATER, HANSEN, HARTKE, INOUYE, JOHNSTON, LEAHY, MANSFIELD, McCLELLAN, McCLURE, McGEE, PACKWOOD, PELL, RANDOLPH, HUGH SCOTT, SPARKMAN, STAFFORD, STEVENSON, and THURMOND in introducing this bill to prevent the Food and Drug Administration from carrying out its determination to classify safe vitamin and mineral supplements as drugs and regulate them under the drug provisions of the law rather than as foods or food supplements.

As ranking Republican on the Senate Health Subcommittee and as a member of the Select Committee on Nutrition and Human Needs, I have been closely involved with the study and improvement of our Nation's health care system. I have introduced legislation to provide funding for teaching applied nutritional education in medical schools and dental schools. Furthermore, I sponsored a bill to require mandatory nutritional labeling of all food commodities months prior to FDA's initial issuance of voluntary nutritional labeling regulations.

Testimony before my committees has centered a great deal on the lack of sound nutritional knowledge in the medical profession. Regardless of this inability of many doctors to provide us with consistent and sound nutritional advice, the FDA wants to make all vitamins, whose potencies exceed 150 percent of the questionable RDA, over-the-counter drugs.

For example, vitamin C tablets in excess of 67.5 milligrams would be considered an over-the-counter drug. Thus, this relatively weak dose of vitamin C would be subjected to the lengthy and expensive procedure required by the Food and Drug Administration for approval of all OTC products.

The FDA argues they are acting in the best interests of the general public. Is limiting the availability of a nontoxic, safe vitamin C tablet in the public interest? Is forcing up the cost of this tablet in the public interest? I say no, and again I am strongly supporting a bill to prevent the FDA from taking this restrictive action.

Mr. President, it is no secret there exist merchants who are trying to sell unsuspecting consumers vitamin products which they do not need. Likewise, there are merchants trying to sell consumers options for their automobiles which they do not need. But is the Government trying to restrict the sale of automobile options, even though they may decrease gasoline mileage and not be in the best interest of our country?

With the exception of vitamins A and D, I am not aware of any conclusive medical evidence which would indicate that vitamin and mineral consumption will damage one's health. I have personally met with FDA Commissioner Schmidt to discuss the proposed vitamin and mineral restrictions. I am convinced the public has the right to purchase such vitamins and minerals as they choose, unless they are shown to endanger a person's health. I agree in principle with the FDA's action with vitamins A and D.

But I do not agree that the FDA should have the authority to place, on some future date, additional vitamins and mineral supplements, at a particular potency, on a prescription only basis. This will greatly increase their price and limit their availability.

Mr. President, S. 2801, last year's version of this bill, passed the Senate as an amendment to the Health Manpower Act by an 81–10 margin. Subsequently, the Conference Committee did not complete its work on the bill, and it died with the adjournment of the 93d Congress.

This year's bill is, for the most part, identical to S. 2801. Although controversial, I feel its basic philosophy is acceptable to most Members of both Chambers. With this in mind, I am optimistic an acceptable compromise can be obtained prior to the end of this year.

By Mr. McGOVERN:

S. 549. A bill to provide additional incentives for farmers to produce wheat, feed grains, and cotton; to provide for the purchase of animals and animal food products for use in food relief programs; to provide for the establishment and maintenance of a reserve inventory of wheat, feed grains, cotton, and soybeans; to amend and improve the food stamp program; and for other purposes. Referred to the Committee on Agriculture and Forestry.

FOOD AND AGRICULTURE: A PROGRAM FOR STABILITY AND ABUNDANCE

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill to amend our farm programs in an effort to restore a greater measure of stability to a situation which, over the past couple of years, has become unnecessarily chaotic.

There are four parts to this bill:

First, it would increase our minimum price supports on basic commodities—wheat, feed grains, and cotton—and dairy products to a level which provides the incentives necessary for the abundant production which we need.

Second, it would create a food and fiber reserve, insulated from the commercial market and stored on the farm, which could help assure that the benefits of abundant harvests can be made available in times of poor harvests while serving to remove surplus supplies from the market in times of excessive production.

Third, it would provide for the purchase of a significant quantity of livestock and meat products, both to relieve the price-depressing effect on producers of an oversupply of meat animals, and to make available badly needed high-protein meat for needy people both here and abroad.

And fourth, it would make major improvements in the food stamp program, providing a permanent ceiling on the costs to needy recipients for participation in this most worthwhile program. This title is identical to provisions of S. 13, which I introduced on January 15.

Mr. President, it is clear by now that no one has been served by the wild fluctuations in market prices which the events of the last 2 years have created.

In a particularly accurate analysis, an editorial in The Washington Post said last Thursday:

> American agriculture is again threatened by precisely the classic roller-coaster pattern of boom and bust that the whole intricate and expensive array of farm price supports were worked out in the 1930's to prevent.

The way out of the present uncertainty is not, of necessity, a wild-spending, inflationary scheme. The way out lies in providing a minimum income to producers which will cover their increased production costs and provide them a profit incentive for greater production.

The minimum levels which I propose today will I believe, accomplish that end.

For wheat, I propose a minimum price in the program of $3.79 per bushel, compared with the outdated price of $2.05 in the bill we passed nearly 2 years ago.

For feed grains, I propose a minimum price of $2.51 per bushel of corn, compared with $1.38 in today's program.

For cotton, I propose a minimum price of 68 cents per pound, compared with the present 38 cents.

In each of these cases, and in the case of the dairy price support section of this bill, the support level is based on 90 percent of the parity price as of the beginning of this year.

These prices would be in effect for the 1975 crop. Prices would be established again for the 1976 crop to take into account any increases in production costs from this year to next—a cost-of-production adjustment very much like the cost-of-living adjustment features which many working men and women have today in their labor contracts.

My bill also proposes to bring the loan rates for the basic commodities in line with new realities—$3.16 per bushel for wheat—compared with the present $1.37, $2.09 per bushel for corn—compared with $1.10, and 90 percent of the average world price for cotton.

Mr. President, the financial beating which livestock producers have taken during the past year is well known to Members of this body The assistance which my bill proposes is the formula in legislation which I had introduced last year.

It would provide that the Department of Agriculture, during the first year following enactment of this bill, purchase not less than $1 billion nor more than $2 billion in livestock and meat products for use in domestic and foreign food assistance programs.

In addition to providing a major stimulus to the livestock markets, it would provide a major source of high-protein food available to many people, both here and abroad, who have been hard-hit by the worldwide economic slump.

The foregoing provisions, Mr. President, are necessary to deal with the immediate problems of a chaotic agricultural economy.

My third proposal, for a food and fiber reserve, is designed to help prevent a recurrence of the present situation.

In brief, it would create a mechanism which would eventually maintain a reserve of basic food and fiber commodities in the amount of: 500 million bushels of wheat; 40 million tons of food grains—corn, grain sorghum, oats, and barley; 4 million bales of cotton; and 200 million bushels of soybeans.

It is clear to everyone that our present food and fiber supply situation will not permit the immediate acquisition of reserves of this size. However, I believe it is imperative that we establish a mechanism now to permit the activation of a reserve stock-building procedure at such a time as our supply once again permits it.

Under the provisions of my bill, the Secretary of Agriculture would begin to acquire stocks, at the prevailing market prices, whenever the estimated carryover at the end of any marketing year is in excess of the desired reserve levels.

In other words, I provide here for a reserve which is about double the amount specified—in the case of wheat, it would require that an estimated 500 million bushels of wheat be available in normal commercial channels before USDA started buying for the reserve.

The Government would be required, insofar as possible, to store at least two-thirds of the reserve on forms—with appropriate storage payments to farmers for the use of facilities which they have built over the years.

At such time as supplies in normal commercial channels were reduced to the point that prices would start moving back up to full parity, but not until full parity is realized, the stocks in the reserve would become available for sale.

The use of full parity for a release price has a number of advantages. It is high enough to protect farmers from price-breaking through the "dumping" of Government-owned stocks which many of them fear, with some historic justification. It is high enough to avoid premature release and exhaustion of reserves during a developing scarcity situation and before supplies become too tight. And it is low enough to assure consumers and users of the commodities a fair price and stable supply.

Based on data at the beginning of this year, full parity release prices would be $4.21 per bushel for wheat, $2.79 for corn, 76 cents per pound for cotton, and $6.31 for soybeans.

Mr. President, I submit that this is a fair and prudent approach toward solving our food and agricultural problems. It is my hope that the Committee on Agriculture and Forestry, which begins hearings on our farm program today, and the Congress as a whole, gives this approach a fair consideration.

I ask unanimous consent that the editorial from Thursday's Washington Post, which describes the situation so well, and the text of my bill be included at this point in the Record.

There being no objection, the editorial and bill were ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 30, 1975]

Falling Farm Prices

Farm prices have now been falling for three months, tightening the dilemma of American agricultural policy. When farm prices go up consumers are hurt, and inflation at the supermarket triggers cost-of-living increases throughout the whole economy. When prices go down, farmers are hurt and begin to cut back the production on which the government is counting for export sales.

You may have gained the impression that food prices, around 1972, began behaving very differently from the way they had before in the memory of most of us. There is a reason for it. A combination of bad luck and bad policy has wrecked the system that used to stabilize American farm prices. Agricultural markets are inherently unstable, and without government intervention they swing wildly up and down disrupting the whole economy. Until the middle of 1972 the Department of Agriculture carried tremendous stocks of basic foodstuffs and feed grains, which it could sell off if prices began to rise unusually high. If prices began to sink unusually low, the Department gave support payments to the farmers and bought grain for the reserves. The memorable Russian wheat sale of the summer of 1972 removed at one whack most of the nation's wheat reserves. But that huge sale turned out to be only the beginning of the great surge of foreign demand for American food. It was the effect of rising wealth and rising standards of living abroad, amplified by the devaluation of the dollar.

In this country all farm prices, unrestrained by the presence of the traditional reserves, shot up. But if there was now no limit on the upward swing of the cycle, it was also true that the farmer no longer had any protection on the downward swing. The old structure of loans and payments was still legally in effect but, with the erosion inflicted by inflation, the support levels were no longer enough to cover the basic costs of production. American agriculture is again threatened by precisely the classic roller-coaster pattern of boom and bust that the whole intricate and expensive array of farm price supports were worked out in the 1930s to prevent. Farmers liked the new free-wheeling market as long as it wheels higher, but when it turns around—as it did last fall—they see their danger very clearly.

Since October the price of corn, the largest American crop, is down by almost one-fourth. Soybeans and soy meal are down more than a third. What's going on here? Take the example of wheat, which cost $1.50 a bushel until the Russians started buying it in July 1972. By this time last year, the same bushel cost nearly $6. But then, as the year went on, the price sank. The winter wheat harvest starts in late spring, and it looked like a very big harvest. By last May, the price had fallen to $3.50. With last summer's bad weather and heavy exports, supplies tightened up again and by October the price was over $5.

But instead of continuing to rise steeply until late winter, as it did last year, the price of wheat suddenly began to sink in November. It's now down to about $4. The reasons begin with consumer resistance to high prices at the grocery store, and individual shoppers' decisions to cut back on expensive meat. Most of the grain raised in this country goes, not to people, but to animals being raised for the butchers. Since last summer the meat producers have cut back sharply on the number of animals, particularly beef cattle, that they are raising for market. That, in turn, has diminished domestic demand for grain. The consumers' rebellion that started nearly two years ago has now been painfully reinforced by the recession. Cutting back on meat is, for many families, no longer a matter of choice.

Exports, meanwhile, are down a bit because the administration is at last paying attention to their effects and has been leaning on foreign buyers to take it easy. When the Soviet government tried to buy more than three million tons of grain last September, the White House intervened and suspended the sale. Subsequently it persuaded the Soviets to take a smaller amount, a little over two million tons. There appears to have been pressure, less public and formal, on other overseas buyers. Now, with the rapid decline in prices of recent months, the administration currently gives indications of changing direction enough to keep exports at last year's level.

But some of the grain producers are, predictably, pushing for unlimited exports. Last year the administration belatedly instituted a requirement for prior government approval of any significant export sale. Several of the producers' lobbies are angrily demanding an end to this procedure, on grounds that it discourages foreign shipments. But producers should have learned by now that increasing the instability of the market is no answer to their troubles. The Agriculture Department made the latest in a long succession of serious and obvious blunders yesterday when it caved in to the grain lobbies and doubled the size of shipments that can be exported without prior federal approval.

Producers and consumers together now have the strongest kind of interest in a compromise. It would mean a level of federal price supports high enough to ensure farmers of profitable operation at the very high volumes that the nation needs. It means rebuilding national stocks of grain, not only as insurance against an emergency but to dampen further inflationary increases in prices. The intolerable fluctuations were not predictable, but in retrospect the reasons are entirely comprehensible. Higher price supports would be expensive—but not nearly as expensive as the present waves of inflation at the grocery store and of panic on the farms.

S. 549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1975".

TITLE I—LOAN RATE AND PRICE SUPPORT

Sec. 101. (a) The proviso contained in the first sentence of section 107(a) of the Agricural Act of 1949, as amended by paragraph (8) (A) of the Agriculture and Consumer Protection Act of 1973, is amended to read as follows: "*Provided,* That in no event shall such level be less than $3.16 per bushel in the case of the 1975 crop of wheat."

(b) Section 107(c) of the Agricultural Act of 1949, as amended by paragraph (8) (D) of the Agriculture and Consumer Protection Act of 1973, is amended by striking out that portion beginning with subclause (2) and ending with the word "case" immediately preceding clause (ii) and inserting in lieu thereof the following:

"(2) the loan level determined under subsection (a) for such crop

is less than the minimum price of $2.05 per bushel in the case of the 1974 crop, is less than the minimum price of $3.79 per bushel in the case of the 1975 crop, and is less than the minimum price of $3.79 per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items (exclusive of feed and feeder cattle), interest, taxes, and wage rates in the case of the 1976 crop, and the minimum price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop, times in each case".

(c) Such section 107(c) is further amended by striking out "established price" in clause (iii) of the first sentence and in the second and third sentences, and inserting in lieu thereof "minimum price".

Sec. 102. (a) Section 105(b) (1) of the Agricultural Act of 1949, as amended by paragraph (18) (A) of the Agriculture and Consumer Protection Act of 1973, is amended by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "*Provided,* That in no event shall such level be less than $2.09 per bushel in the case of the 1975 crop of corn.".

(b) (1) The second sentence of section 105 (b) (1) of the Agricultural Act of 1949, as amended by the Agriculture and Consumer Protection Act of 1973, is amended by striking out that portion beginning with clause (2) and ending with the colon preceding the proviso, and inserting in lieu thereof the following:

"(2) the loan level determined under subsection (a) for such crop

is less than the minimum price of $1.38 per bushel in the case of the 1974 crop, less than the minimum price of $2.51 per bushel in the case of the 1975 crop, and less than the minimum price of $2.51 per bushel adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items (exclusive of feed and feeder cattle), interest, taxes, and wage rates in the case of the 1976 crop, and the minimum price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop:".

(2) Such section 105(b) (1) is further amended by striking out "established price" in the proviso in the second sentence and in the fourth and fifth sentences, and inserting in lieu thereof "minimum price".

Sec. 103. (a) Section 103(e) (2) of the Agricultural Act of 1949, as amended by paragraph (20) of the Agriculture and Consumer Protection Act of 1973, is amended by striking out that portion beginning with clause (2) and ending with the colon preceding the proviso, and inserting in lieu thereof the following:

"(2) the loan level determined under paragraph (1) for such crop

is less than the minimum price of 38 cents per pound in the case of the 1974 crop, is less than the minimum price of 68 cents per pound in the case of the 1975 crop, and is less than 68 cents per pound adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items (exclusive of feed and feeder cattle), interest, taxes, and wage rates in the case of the 1976 crop, and the minimum price for the 1976 crop adjusted to reflect any change during the calendar year 1976 in such index in the case of the 1977 crop:".

(b) Such section 103(e) (2) is further amended by striking out "established price" in the proviso in the first sentence and in the second and third sentences, and inserting in lieu thereof "minimum price".

Sec. 104. Any reference in any Act or in any regulation referring to "established price" as used in section 107(c), 105(b) (1), or 103 (e) (2) of the Agricultural Adjustment Act, as amended by the Agriculture and Consumer Protection Act of 1973 and as in effect prior to the date of enactment of this Act, shall be deemed to refer to "minimum price".

Sec. 105. Section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended by adding at the end thereof a new subsection as follows:

"(d) Notwithstanding the foregoing provisions of this section, effective on April 1, 1975, and ending on March 31, 1977, the support price of milk shall be established at not less than 90 per centum of the parity price therefor on April 1, 1975, or on the date of enactment of this subsection, whichever is later, and the support price shall be reestablished thereafter by the Secretary at the beginning of each quarter beginning with the third quarter of the calendar year 1975, at not less than 90 per centum of the parity price thereto for production items (exclusive of food and feeder cattle), interest, taxes, and wage rates.".

TITLE II—PURCHASE OF ANIMAL AND ANIMAL FOOD PRODUCTS

Sec. 201. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed to expend, during the year 1975 beginning on the date of enactment of this Act, in addition to amounts otherwise authorized for such purposes, not less than $1,000,000,000 or more than $2,000,000,000 for (1) the purchase of cows, calves, hogs, sheep, and other food animals and animal food products, and for the processing and packaging of meat from such animals, or (2) the purchase of meat products, including dairy products, already appropriately processed and packaged.

(b) The Secretary of Agriculture is authorized to use the food products acquired under subsection (a) of this section in direct food distribution programs carried out by the Secretary and for the relief of starvation and serious malnutrition in the United States and in foreign countries.

(c) In addition to other authorities

granted by law, the Secretary is hereby authorized to donate food animals, purchased under this Section, to replenish foundation herds in countries which he determines to be in need.

(d) All containers in which meat and other products are distributed to persons outside the United States shall be clearly labeled, in the language of the recipients, as follows: "The contents are donated by the people of the United States".

(e) The Secretary of Agriculture is authorized to carry out the provisions of this section through the Commodity Credit Corporation.

TITLE III—AGRICULTURAL COMMODITY RESERVE

Sec. 301. (a) The Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") is authorized and directed to establish and maintain a reserve of inventories of wheat, feed grains, cotton, and soybeans as provided in this title. As used in this title, the term "food grains" means corn, grain sorghum, oats, and barley.

(b) The reserve inventories required to be maintained under this title shall include not more than the following quantities:

(1) 500 million bushels of wheat;
(2) 40 million tons of feed grains;
(3) 4 million bales of cotton; and
(4) 200 million bushels of soybeans.

Sec. 302. The Secretary shall begin purchasing any commodity required for the reserve inventory at any time the estimated carryover for such commodity for the marketing year concerned is in excess of the quantity prescribed for such commodity in section 301(b). The maximum quantities authorized for the reserve inventory shall be purchased as soon as practicable without disrupting the orderly channels of trade.

Sec. 303. Not less than two-thirds of the reserve inventory shall be stored in on-farm facilities, to the extent that facilities are available for such purpose.

Sec. 304. (a) Except as otherwise provided in this Act and except when a state of emergency has been proclaimed by the President or by concurrent resolution of the Congress declaring that such reserve inventories should not be sold, the Secretary may offer such commodity in the reserve for sale at the current parity price for such commodity, adjusted to reflect the customary location and grade differential, or at such greater price as may be obtained through normal market channels. Notwithstanding the foregoing, sales during any marketing year shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production and imports.

(b) The Secretary is also hereby authorized to dispose of commodities in such reserve as follows:

(1) For use in relieving distress (A) in any State, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Pacific Trust Territory, declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities, and (B) in connection with any major disaster determined by the President to warrant major disaster assistance by the Federal Government under the Disaster Relief Act of 1974 (P.L. 93-288).

(2) For use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251-2297).

(3) For sale in assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats and their offspring, under section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), and to provide feed for livestock in any emergency area under the Act of September 21, 1959, as amended (7 U.S.C. 1427, note).

(c) The Secretary may buy and sell at an equivalent price, allowing for the customary location and grade price differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve. Such purchases to offset sales shall be made within three market days.

Sec. 305. The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this title.

Sec. 306. The Secretary shall promulgate such rules and regulations as may be necessary to provide for the effective administration of this title.

Sec. 307. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE IV—FOOD STAMP AMENDMENTS

Sec. 401. Section 7(b) of the Food Stamp Act of 1964, as amended, is amended by deleting: "but in no event more than 30 per centum of the household's income" and inserting in lieu thereof the following: "but in no event more than the lesser of (1) the per centum charged a household with the same income January 1, 1975, or (2) 25 per centum of the household's income".

Sec. 402. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the following: "related individuals (including legally adopted children and legally assigned foster children) or nonrelated individuals over age 60" and insert in lieu thereof the word: "individuals".

Sec. 403. Section 5(b) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources, including both liquid and nonliquid assets, to be used as criteria of eligibility. The Secretary may also establish temporary emergency standards of eligibility for the duration of the duration of the emergency without regard to income and other financial resources, for households that are victims of a mechanical disaster which disrupts the distribution of coupons, and for households that are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households: *Provided*, That the Secretary shall in the case of Puerto Rico, Guam, and the Virgin Islands, establish special standards of eligibility and coupon allotment schedules which reflect the average per capita income and cost of obtaining a nutritionally adequate diet in Puerto Rico and the respective territories, except that in no event shall the standards of eligibility or coupon allotment schedules so used exceed those in the fifty States".

Sec. 404. Section 10 of the Food Stamp Act of 1964, as amended, is amended as follows:

Subsection (e) is amended by inserting in clause (7), after the word "law", the following: ", and at the option of the State agency,".

Sec. 405. The Food Stamp Act of 1964, as amended, is amended by (a) deleting in section 3(e) the following: "No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household or an elderly person for any purpose of this Act for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92-603, as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture.".

(b) Adding a new subsection 5(e) as follows:

"(e) Effective July 1, 1975, households in which all members receive supplemental security income benefits under title XVI of the Social Security Act, or households in which all members are included in a federally aided public assistance or general assistance grant shall be certified for participation in the food stamp program under this Act. Certification of all other households shall be based on the uniform national standards established pursuant to subsection (b).".

Sec. 406. Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first two sentences and inserting in lieu thereof the following: "Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members or persons who are housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision, or by a private nonprofit organization which (1) is not receiving federally donated foods from the United States Department of Agriculture for use in the preparation of such meals; (2) is operated in a manner consistent with the purposes of this Act; and (3) is recognized as a tax-exempt organization by the Internal Revenue Service. Meals served pursuant to this subsection shall be deemed 'food' for the purposes of this Act.".

By Mr. JACKSON (for himself, Mr. Johnston, and Mr. Mathias):

S.J. Res. 25. A joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week." Referred to the Committee on the Judiciary.

Mr. JACKSON. Mr. President, I am introducing for appropriate reference a joint resolution to designate the week of May 12 as National Historic Preservation Week.

The selection of the week of May 12 is designed to coincide with the national awards presentation of the National Trust for Historic Preservation.

In both 1973 and 1974, I introduced similar legislation, and the results have been most gratifying. The National Trust's sponsorship of Historic Preservation Week has been, by all accounts, a major success. Hundreds of preservation-related activities were sponsored throughout the week in 1973 and 1974 by scores of member organizations—from as near as Washington, D.C., to as far as Guam.

I am pleased that the distinguished Senator from Maryland (Mr. Mathias) has again joined with me in introducing this resolution. His support has contributed greatly in aiding prompt Senate passage of the resolution in both 1973 and 1974.

I am also most happy that the distinguished Senator from Louisiana (Mr. Johnston), the chairman of the Parks and Recreation Subcommittee, has joined in the introduction of this measure.

Mr. President, our Nation's Bicentennial is upon us. Two hundred years of our history as a nation still surround us despite the ever-increasing pressures to sweep them away in the name of progress. The preservation of the towns and villages, the buildings, and places across the land which have shaped our lives and which are the tangible evidence of our past as a people is a fitting and appropiate element of the Bicentennial.

I ask unanimous consent that a list of the activities conducted during Historic Preservation Week in 1974 be included in the Record at this point.

There being no objection, the list was ordered to be printed in the Record, as follows:

National Historic Preservation Week: How It Was Celebrated in 1974

ALABAMA

The Mobile Historic Development Commission conducted tours of historic districts, dedicated sculpture placed in them and held a band concert in Oakleigh Garden Historical District. The commission also sponsored a 30-minute public service TV panel discussion by three locally prominent preservationists.

The Marengo County Historical Society in Demopolis held a Children's Art Contest.

ARKANSAS

The Quapaw Quarter Association of Little Rock sponsored a weekend tour of urban homes and sponsored its first annual Crafts Fair.

ARIZONA

The Tucson Historical Committee and the Arizona Historical Society unveiled historic site plaques and dedicated the Velasco House as a National Register site. Students of architecture at the University of Arizona lectured on historic preservation and early Tucson architecture to elementary high school students.

CALIFORNIA

A proclamation was made by the mayor of Sacramento. The San Fernando Valley Historical Society displayed pictures and artifacts from the San Fernando Mission and held a tea and open house.

The Folsom Historical Society produced a supplement and a feature article for the local newspaper.

COLORADO

The state university organized a display of books and photos dealing with local historic restoration.

GUAM

"Territorial Historic Preservation Week" was established by Resolution 246 adopted by the legislature.

ILLINOIS

The Commission on Chicago Historical and Architectural Landmarks published its first newsletter, "Landmark News," and presented a photo display of Chicago landmarks.

A press conference was held for John J. Costonis, author of *Space Adrift: Saving Urban Landmarks through the Chicago Plan,* at Glessner House.

INDIANA

"A Series of Community Seminars" were presented by the Southhold Preservation of South Bend, which also presented awards for outstanding achievement to local preservationists and held an Architectural Treasure Hunt.

IOWA

The Iowa Society for Preservation of Historic Landmarks hosted its annual spring tour.

Gov. Robert Ray issued a proclamation declaring National Historic Preservation Week in Iowa.

MARYLAND

The Preservation Society of Allegany County organized window displays in local businesses and the library, held a dinner with a keynote speaker, presented the first annual "Hazel" awards to outstanding local preservationists and placed plaques at local historic places.

KENTUCKY

The Kentucky Humanities Council sponsored "The Role of Government and the Humanities in Historic Preservation" workshop.

MISSOURI

Elementary school children took bus tours to local Civil War sites.

A half-hour historical museum film was presented on a Columbia TV station.

NEW JERSEY

Jersey City held a tour of historic sites. The Cap May Historical Society hosted a walking tour and a seminar on preservation in Cape May.

NEW YORK

The Rye Historical Society hosted a Bike Hike to landmarks in Rye.

The Southeast Museum in Brewster hosted a day-long history walk for students, held a colonial spinning demonstration and provided rubber stamps promoting Preservation Week for use on outgoing mail.

NORTH CAROLINA

Tryon Palace Restoration in New Bern presented a film festival and secured extensive media coverage of Preservation Week.

PENNSYLVANIA

York County Historical Society presented films on the region during the 1930s and 40s, gave a slide lecture on the restoration of two local landmarks, assisted with the Olde York Street Fair and held an art and antique show in conunction with the Hanover Area Historical Society.

TENNESSEE

Memphis held a downtown tour of 19th-century churches. "A Day on the Farm" was sponsored by the Sam Davis Memorial Association.

TEXAS

The San Antonio Conservation Society gave tours of local historic sites.

The San Antonio Ballet Company performed at the Texas State Historical Theatre.

VIRGINIA

A Fullering Frolic and Spring Planter's Reception were held at Belle Grove Plantation.

The Historic Fredericksburg Foundation, Inc., sponsored the Market Square Fair.

A Roanoke Historical Society representative appeared on a local talk show to explain the National Register.

WISCONSIN

A two-day workshop on taxation and preservation was presented at the University of Wisconsin in Milwaukee, cosponsored by the Wisconsin American Revolution Bicentennial Commission, the State Historical Society the University of Wisconsin, the Milwaukee Landmarks Commission and the Committee for Restoration of the Downer Buildings.

The Milwaukee Lankmarks Commission published a calendar of all local Historic Preservation Week events and a brochure listing officially designated city landmarks.

New and feature segments were produced on Milwaukee TV and four preservation segments appeared on Madison TV.

National Historic Preservation Week: How it Was Celebrated in 1974

PROCLAMATIONS AND RESOLUTIONS

Proclamations declared by Governors of Wisconsin (Patrick J. Lucey); Missouri (Christopher Bond); Arizona (Jack Williams); Tennessee (Winfield Dunn); Iowa (Robert D. Ray);

Proclamation by Secretary of Transportation Claude S. Brinegar.

"Territorial Historic Preservation Week" established in Guam.

Resolution passed by Florida State Legislature.

Proclamations by Mayors of: Sheboygan, Wis. (Richard Suscha); Jefferson City, Mo. (John G. Christy); Sacramento, Calif. (Joe O'Neill); Indianapolis, Ind.; Tucson, Ariz. (Lewis C. Murphy); Portland, Ore. (Neil Goldschmidt); Poolesville, Md.; Tahlequa, Okla.; San Antonio, Tex. (Charles L. Becker); Rye, N.Y.; San Diego, Calif. (Pete Wilson); Dallas, Tex. (Wes Wise); New Bern, N.C. (Charles Kimbrell); Chicago, Ill. (Richard Daley); Wilmington, N.C. (Herbert Brand); New Orleans, La. (Moon Landrieu); Mobile, Ala.

Resolutions passed by: the City of Cleveland, Ohio; the Selectman of Southborough, Mass.; Putnam County and Town of Southeast, in New York; the 13 municipalities in Mercer County, N.J.

Group Resolutions passed by Lynchburg, Va. (united resolution by all historical organizations there); by the Warenton, Va. Improvement League; by the County Commissioners of Leonardtown, Md.

SPECIAL DISPLAYS AND EXHIBITS

Jersey City Historical Society and Citizens Committee.

Milwaukee Landmarks Commission.

Jefferson Co. (Mo.) Historical Society/Jefferson City Council/Jefferson County Historical Museum.

Film Festival at the Historic Landmarks Foundation of Indiana, held in Indianapolis.

San Fernando Valley Historical Society: pictures and artifacts from San Fernando Mission.

Dar-Sar-Car Chapter House, Inc., Memphis, Tenn.: film on preservation.

Star Spangled Banner Flag House, Baltimore, Md.

Southborough, Mass.: slide show of historic houses and areas.

San Diego Historical Society presented "Designer's Showcase-Past to Present."

Heritage Society and Historical Preservation League of Dallas (Texas)

Commission on Chicago Historical and Architectural Landmarks presented photographic exhibit of Chicago landmarks

Marengo County (Ala.) Historical Society presented two Williamsburg films to more than 600 school children

Southeast Museum presented photo display of town's landmarks (N.Y.)

Colorado State University: display of photos, books dealing with local historic restoration

Preservation Society of Allegany Co., Md.: widow displays in local businesses and library

York County (Pa.) Historical Society: films on York County in 1930's and 40's, also Williamsburg, Va.

Mobile Historical Development Commission (Ala.): display of photos and drawings of demolished buildings

Historic Ithaca (New York): "Architectural Preservation in Tompkins Co."

Mendocino Historical Research (Calif.): exhibits and interviews, film

TOURS

Jersey City tour of historic sites

Milwaukee, Wisc.: walking tour of Walker's Point

Walking tours of downtown Janesville, Wis. and Evansville, Wis.

St. Louis, Mo.: bus tours for elementary school children to Civil War sites

St. Louis historic site group ticket for month of May

San Antonio tour

Sundown Stroll at Woodlawn, Va.

Fullering Frolic and Spring Planters' Reception at Belle Grove, Va.

Sea Chanty Sing at Decatur House, Washington

Memphis, Tenn.: downtown tour of nineteenth century Memphis churches

Foundation for Historic Christ Church, Irvington, Va.: board members' tour of historic home, Ware Church, Abingdon Church

Tappantown, Tappan, N.Y.: walking tour of historic area

Southborough Historical Society, Mass.: walking tour

Iowa Society for Preservation of Historic Landmarks: annual spring tour

Rye Historical Society (N.Y.): Bike Hike to landmarks in Rye

San Diego Historical Society: driving and walking tours of historical areas and sites

Historical Preservation League of Dallas (Tex.): annual tour of homes

City of Cape May (N.J.): two walking tours

Quapaw Quarter Association, Little Rock, Ark.: weekend tour of homes in downtown area.

Landmarks Association of St. Louis (Mo.): Historic Preservation Pilgrimage/74.

Southeast Museum, Brewster, N.Y.: daylong History Walk for school children.

Vicksburg Foundation (Miss.): tour of historic homes.

The Historical Society of York County (Pa.): walking tour of downtown area; tour of Bonham House.

San Antonio Conservation Society (Tex.): tours of the Alamo, Jose Antonio Navarro House, Mission Trail guided tour, Yturri-Edmunds Home and Mill, Steves Homestead.

Utah Heritage Foundation: historic house tour.

Milwaukee Landmarks Commission: walking tour guide for the Mt. Sinai neighborhood provided.

Mobile Historic Development Commission (Ala): two tours of historic districts.

Franklin Co. Heritage, Inc. (Pa.)

Historic Ithaca (N.Y.): walking tour and speaker on Rose Hill; also tour of Dewitt Park, Hike for Heritage (fund-raising walk around the city).

Bay Landmark Foundation (Miss.): annual Historic House Tour.

Association for the Preservation of Tennessee Antiquities: tour of Chattanooga Valley.

WORKSHOPS AND SEMINARS

Taxation and Preservation: two days at the Univ. of Wisconsin (Milwaukee), sponsored by Wisconsin American Revolution Bicentennial Commission, State Historical Society, Univ. of Wisconsin, Committee for Restoration of Downer Bldgs., Dept. of History (U. of W. extension), Milwaukee Landmarks Commission.

The Role of Government and the Humanities in Historic Preservation; Shakertown, Ky. Kentucky Humanities Council.

Release of Study: "Armory Park 74ff: A Study of the Armory Park Historic Residential Area of Tucson", College of Architecture, U. of Arizona.

Preservation Workshop, Fells Point and Federal Hill Fund, Inc., Baltimore, Md.

"An Evening's Discussion About Heritage" presented by Michigan City Historical Society, Inc.; also hosted one section of "A Series of Community Seminars" presented by Southold Preservation of South Bend, Ind.

Annual Meeting of Rye Historical Society, New York.

LECTURES, DINNERS, AWARDS CEREMONIES

Preservation Alliance, Louisville, Ky.: lecture by Margot Gayle, Chairman of Friends of Cast Iron Architecture.

Historical Society of York County (Pa.): slide lecture on restoration of two local landmarks.

Utah Heritage Foundation: three lectures on preservation.

Preservation Society of Allegany Co., Md.: dinner with speaker, presentation of first annual "Hazel" awards to outstanding local preservationists; also presented plaques to local historic places.

Dallas Co. Heritage Society, Inc.: luncheon and talk by James Biddle.

Cape May Historical Society hosted social and discussion of preservation in Cape May, N.J.

Preservation Alliance presented Falls City Heritage Awards for special achievement.

Southold Restorations (Ind.): Recognition Day: awards for outstanding achievement.

Landmarks Association of St. Louis: awards dinner.

Historic Wilmington Foundation, Inc.: cocktail party in celebration of Preservation Week.

Vieux Carre Commission (La.): awards program.

Bay Landmarks Foundation and Historical Society: (Miss.) entertained the Governor's wife and her party at a Landmark Foundation house.

Nashville, Tenn.: Metropolitan Nashville Historic Commission awards luncheon.

Prince Georges Co., Md., awards dinner for preservationists.

Chattanooga Chapter of Assoc. for the Preservation of Tenn. Antiquities: luncheon, lecture, slide presentation, awards presented.

DEDICATIONS

Milwaukee: Dedication of Klauber Hall, restored period style meeting room of the Old Synagogue (1863), second oldest in the nation. Meeting room saved from demolition and moved to James Madison Park.

Sheboygan, Wisc.: 4 buildings designated as Landmarks by Sheboygan Co. Landmarks Commission.

Cole County, Mo.: Historic Sites Presentations, recogniiton to local activists in historic preservation.

Sacramento, Cal.: Celebration of 10th Anniversary of completion of Sutter St. Gas Light Mall.

Tucson, Ariz.: Unveiling of historic sites plaques; honoring of alumni and teachers of the Safford School in the Armory Park Historical Residential Area; dedication of old Spanish street signs in the old Spanish historic district; dedication of the Velasco House a National Register site.

Dedication of Mt. Gap School, Leesburg, Va.

Opening of the Pearl S. Buck Birthplace Museum, Hillsboro, W. Va.

Cherokee National Historical Society, Tahlequah, Okla.: dedication of historic building as National Historical Landmark Site on National Park Service Register.

Preservation Alliance, Louisville, Ky., opened Preservation Bookstore with talk by Carl Humelsine of National Trust.

Southeast Museum of Brewster, N.Y., awarded plaque to largest tree in Putnam Co., in commemoration of award by N.Y. Dept. of Environmental Conservation.

Downtown Restoration Society, Inc., of Cleveland, Ohio helped with the recognition of Dunham Tavern as landmark.

Mobile Historical Development Commission, Mobile, Ala.: dedication of sculpture in historic district.

OPEN HOUSE

San Fernando Historical Society: tea and open house for public.

Historic Delaware County: open house benefit of Thomas Leiper House, Wallingsford, Pa.

Preservation Alliance, Ky., had open house of new office space in renovated 19th century cast iron and limestone warehouse.

Historical Society of York Co., Pa.: museum exhibit opened to the general public.

FESTIVALS

Market Square Fair, Fredericksburg, Va.: children's plays, Mt. Vernon Guard, etc.

Birthday Ball held by Rye Historical Society, N.Y.

Film Festival at Tryon Palace, New Bern, N.C.

Quapaw Quarter Association and Arkansas Territorial Restoration sponsored first Annual Crafts Fair.

Southold Restorations, Ind.: Architectural Treasure Hunt

May-Day, Play-Day at Bluff Hall, also Children's Art Contest sponsored by Marengo County Historical Society, Demopolis, Ala.

Colonial Spinning demonstration at Southeast Church in Brewster, N.Y.

Historical Society of York Co. cooperated with Olde York Street Fair; art and antique show in conjunction with the Hanover Area Historical Society

Production by San Antonio Ballet Co. at the Texas State Historical Theatre

Mobile Historical Development Commission: band concert in Oakleigh Garden Historical District

Mendocino Historical Research: rented hall for music and dancing

"Day on the Farm" sponsored by Sam Davis Memorial Assoc., Tenn.

PUBLICATIONS

Michigan City Historical Society: published reprint of *History of Michigan City* by Rollo B. Oglesbee

Milwaukee Landmarks Commission: published calendar of all local Historic Preservation Week events and a brochure listing officially designated city landmarks

Commission on Chicago Historical and Architectural Landmarks published first newsletter "Landmark News"

POST OFFICE

Foundation for Historic Christ Church donated special die hub to Post Office announcing National Historic Preservation Week (Va.)

Southeast Museum, N.Y., made available rubber stamps for use on outgoing mail

PRESERVATION

Mercer County Cultural and Heritage Commission saved Princesville Inn, Lawrence Township, N.J.

TV, RADIO, PRESS

Milwaukee: news and feature segment produced on TARGET show, WHA-TV, four preservation segments on preservation on Madison, Wis. television.

Missouri: three public service announcements sponsored by local banks, newspaper article on preservation.

Missouri: three public service announcements series on radio stations, two interviews, one series of TV public service ads, ½-hour historical museum film on Columbia, Mo. TV station.

Folsom Historical Society (Sacramento, Calif.) produced as supplement for local paper, plus a feature article.

Lynchburg, Va.: two ½-hour shows for TV, two newspaper articles, several radio public service announcements broadcasted.

Indianapolis, Ind.: ½-hour taped TV show aired.

Chicago, Ill.: Press conference at Glessner House for John Costonis.

Prince Georges Co., Md.: editorial on preservation appeared in newspaper.

Dallas Texas: press conference with James Biddle covered by newspapers and area TV stations.

Demopolis, Ala.: ads from Preservation Week Kit used by Marengo Co. Historical Society; editorial also appeared in one paper.

Michigan: press coverage of possible preservation activities available to citizens, promoted by ZEAL.

Roanoke, Va.: Roanoke Historical Society sent representative to appear on local talk show and explain the National Register.

Allegany Co., Md.: spot announcement on radio, newspaper articles.

Historic Wilmington Foundation, N.C. released announcement to two TV and four radio stations.

Mobile, Ala.: radio, TV and newspaper coverage and publicity of all events, also thirty minute Public Service panel discussion by three well-known local preservation people on TV station.

Cherokee Historical Society, Tahlequah, Okla. used some of kit material as base for publicity.

San Fernando, Calif.: news release stressing Preservation Week put out by San Fernando Valley Historical Society.

San Diego Historical Society: sent out press releases.

New Bern, N.C.: Tryon Palace Restoration issued press releases, fillers and spot announcements to area radio and TV stations, newspapers.

Quapaw Quarter, Arkansas Territorial Restoration and Villa Marre: press coverage of tour and Crafts Fair.

Chicago, Ill.: Commission requested major TV and radio stations to publicize National Historic Preservation Week.

Historical Society of York Co. issued press releases.

Dept. of Cultural Resources, N.C. State Government issued press releases.

Sam Davis Memorial Association, Tenn. had TV and radio coverage of "Day on the Farm", also extensive write-ups in local newspapers.

Newport, R.I.: public service announcements on Rhode Island radio and TV.

Hattiesburg, Miss.: Bay Landmark Foundation had television and press coverage of activities.

By Mr. PASTORE (for himself, Mr. Haskell and Mr. Pell):

S.J. Res. 26. A joint resolution proposing modification of the 25th amendment of the Constitution of the United States. Referred to the Committee on the Judiciary.

Mr. PASTORE. Mr. President, I introduce a joint resolution proposing an amendment to the Constitution of the United States providing for a special election for the office of President and Vice President when an individual who has been appointed Vice President under the 25th amendment succeeds to the Presidency. I am joined as cosponsors by Senators Haskell and Pell.

Some have argued that since the 25th amendment has worked so well in filling these vacancies, we should leave well enough alone. "Do not tamper with it; it works," they say. But simply to say it works is insufficient justification to retain it in its present form for future occurrences. This is the weakest of justifications and I believe it ignores for the sake of expediency the erosion of a democratic principle.

That basic principle is embodied in article II, sec. 1, of the Constitution which declares that the President and Vice President "be elected." We now have, at best, an undemocratic method of choosing our Presidents and Vice Presidents, and it is clearly contrary to the intent of the men who framed the Constitution and to our first two centuries of experience as a constitutional democracy.

My proposal is not aimed at the present occupants. It is based on principle and not on personalities. It will not in any way affect Mr. Ford or Mr. Rockefeller. The amendment is intended to correct an oversight or flaw, if you will, which I believe was inadvertently overlooked when the 25th amendment was being considered and debated.

Therefore, I believe that in the future should we again be confronted with the rare event of having an appointed President and Vice President beyond a year period before a general election, a special election should be called and the people should decide. If they vote to retain the present occupants, all well and good. If not, at least they should be given the right to say so.

Mr. President, I ask unanimous consent to have printed in the Record the joint resolution and a legal and historical memorandum prepared by my staff and the staff of the Library of Congress, which sets forth the arguments in support of this proposed amendment to our Constitution.

There being no objection, the material was ordered to be printed in the Record, as follows:

S.J. Res. 26

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"ARTICLE—

"Section 1. If an individual takes the office of Vice President under section 2 of the XXVth article of amendment and subsequently becomes President under section 1 of that article at a time when more than twelve months remain in the term of the President, then—

"(a) there shall be a special election for the offices of President and Vice President.

"(b) section 2 of the XXVth article of amendment shall not apply to the vacancy in the office of the Vice President caused by such individual becoming President.

"(c) such individual shall serve as President only until a President elected in such special election takes the oath of office of President.

"(d) the Speaker of the House of Representatives, shall in addition to his duties as Speaker, act as Vice President, and perform the duties of that office, with one exception that the President pro tempore of the Senate shall serve as President of the Senate with voting privileges, until a Vice President elected in such special election takes the oath of office, and

"(e) in the event the Senate shall be equally divided, the Secretary of State may cast a vote to break the tie.

"Sec. 2. The provisions of this Constitution relating to the appointment of electors for President and Vice President shall apply in the case of special elections required by section 1(a). The Congress shall by law prescribe the date for such elections and such other matters relating to such elections as may be necessary to effectuate the purpose of this article.

"Sec. 3. The individuals elected as President and Vice President in a special election required by section 1(a) shall become President and Vice President upon taking their respective oaths of office. Nothing contained in this article shall affect the terms of the President and Vice President as prescribed by section 1 of the XXth article of amendment."

POPULAR ELECTIONS AND THE TWENTY-FIFTH AMENDMENT: AN HISTORICAL AND LEGAL ANALYSIS

I. INTRODUCTION TO THE PROBLEM

An examination of our election machinery and the portions of the United States Constitution dealing with the office of the President and Vice President reveals a serious condition which is diametrically opposed to the American concept of popular elections.

Under the Constitution, as it stands today, it is possible that the Office of the President and the Office of the Vice President be occupied by appointment rather than by electoral process. Conceivably this situation could continue for almost four years before a national election was held.

By operation of the Twenty-Fifth Amendment to the Constitution, if the office of the Vice President becomes vacant, the President shall appoint a new Vice President.

During the term, if the office of President becomes vacant the "appointed" Vice President will become the President.

Again, by operation of the Twenty-Fifth Amendment, this new President appoints a Vice President. We then have both offices filled by appointed individuals rather than by elected individuals. How many times this process could recur in the span of the original four-year term is left to conjecture.

The possibility of these events actually coming to pass was either overlooked by the framers of the Twenty-Fifth Amendment or considered too remote to warrant a separate clause in that Amendment. Perhaps the problem was not considered serious at that time. Times change.

As Richard P. Longaker, Professor of Political Science and Chairman of the Department, University of California, Los Angeles, concluded in his article "Presidential Continuity: The Twenty-Fifth Amendment":

"When the twenty-fifth amendment is first applied, flaws now hidden will no doubt appear. Some of the inevitable imperfections are already evident, though their seriousness will depend on factors extrinsic to the wording of the amendment." (See, "Selected Materials on the Twenty-Fifth Amendment, October 1973, Committee on the Judiciary, Pg. 211, at 236).

Professor Longaker was indeed prophetic in his remarks in February of 1966. Today we are facing the appearance of one of these flaws, no longer hidden, but patently obvious. While the idea of repealing the Twenty-Fifth Amendment need not be considered, some consideration must be given to an amendment which will improve the Twenty-Fifth Amendment. President Harry S. Truman, as indicated in the House documents of the last session of the 79th Congress (June 19, 1945 p. 6272), seemed genuinely concerned that it was undemocratic for a Vice President who had succeeded to the Presidency to be able to appoint his successor. He said in a letter to the Senate:

". . . it now lies within my power to nominate the person who would be my immediate successor in the event of his own death or inability to act.

"I do not believe that in a democracy this power should rest with the Chief Executive.

"Insofar as possible, the office of the President should be filled by an elective officer. There is no officer in our system of government, besides the President and Vice President, who has been elected by all the voters of the country."

How much more undemocratic would it be for the appointed successor to appoint his successor? This situation should not be tolerated in our democratic system.

At this juncture, the concept of electing the President, should be analyzed from historical and legal viewpoints to remove any question as to the intent of the framers of the Constitution and the courts.

II. HISTORICAL BACKGROUND

From the creation of the presidency to the present, that office has been one that has been dominantly characterized as elected as opposed to appointed. The Constitutional Convention in 1787 had as one of its main objectives the development of the office of the President. One of the first provisions discussed at that Convention was the manner of electing the chief executive of the States. The first proposal was made by James Wilson, a lawyer, a chief architect of the Supreme Court and one of Washington's initial appointments as Associate Justice. Wilson's proposal was that the President be named by direct "election by the people".

The proceedings of the Convention were secret, but according to James Madison's *Journal*, at least six delegates, including Madison himself and four other lawyers, endorsed Wilson's suggestion. No less than eight other methods of electing the President—among them the electoral college system—were proposed. Some of them were first adopted and then reconsidered and rejected. Not until the final weeks of the Convention was the electoral college method adopted. Thus, it was quite clear from the beginning of our constitutional form of government that the office of the presidency was to be an elected one and not an appointed one.

Moreover, at the Convention of 1787, Edmund Randolph submitted a plan of a national government in which he proposed "a national executive to be chosen by the national legislature for the term of — years . . . and to be ineligible a second time." Charles Pinckney, at the same time, proposed "that the executive power be vested in a President of the United States of America, which shall be his style; and his title shall be 'His Excellency.' He shall be elected for — years, and shall be reeligible." The first decision of the Convention was that the term of the Executive should be seven years. James Wilson proposed that there should be "certain districts in each State which should appoint electors to elect outside of their own body." In these three propositions were the essential elements of nearly all the features of the plan ultimately adopted. Again such propositions make it quite clear that the Convention's concept of the President was one that called for his election rather than appointment.

It should be noted that the Convention first adopted a resolution that the Executive should be chosen by Congress; it also adopted a resolution that the executive power should be vested in one person. Elbridge Gerry proposed that the Executive should be elected by the governors of the several States; this plan was defeated. Alexander Hamilton presented a draft of a constitution to the Convention according to which the choice of a single executive officer, a President, was to be made by electors chosen by the people similar to the way they are now actually chosen; and in case there was no choice by a majority of such electors, then an election from among the three candidates was to be made by a body of second electors two for each State, to be chosen by the first electors at the time of voting for a President who were to meet in one place and to be presided over by the Chief Justice.

The whole focus of the Convention of 1787 was in terms of electing the Chief Executive and not appointing him. It was not until the final weeks of the Convention that the electoral college method of electing the President was adopted. It was not an ideal way or even the best way of choosing a President; rather it was a compromise device. The Convention refused to give the election of the President to the people; it also rejected amendments to give each State one vote for President; and it defeated a proposition to give a casting vote to the President of the Senate.

Alexander Hamilton in the *Federalist* No. 68 (March 12, 1788) asserted the following in emphasizing the need for having the President elected:

"The mode of appointment of the chief magistrate of the United States is almost the only part of the system, of any consequence, which has escaped without severe censure, or which has received the slightest mark of approbation from its opponents. The most plausible of these, who has appeared in print, has even deigned to admit, that the election of the president is pretty well guarded. I venture somewhat further; and hesitate not to affirm, that if the manner of it be not perfect, it is at least excellent. It unites in an eminent degree all the advantages; the union of which was to be desired.

"It was desirable, that the sense of the people should operate in the choice of the person to whom so important a trust was to be confided. This end will be answered by committing the right of making it, not to any pre-established body, but to men, chosen by the people for the special purpose, and at the particular conjuncture.

* * * * *

"All these advantages will be happily combined in the plan devised by the convention; which is, that the people of each state shall choose a number of persons as electors, equal to the number of senators and representatives of such state in the national government, who shall assemble within the state and vote for some fit person as president. Their votes, thus given, are to be transmitted to the seat of the national government, and the person who may happen to have a majority of the whole number of votes will be the president. But as a majority of the votes might not always happen to center on one man and as it might be unsafe to permit less than a majority to be conclusive, it is provided, that in such a contingency, the House of Representatives shall select out of the candidates, who shall have the five highest number of votes, the man who in their opinion may be best qualified for the office."

III. LEGAL BACKGROUND

Article II, Section I of the Constitution explicitly states that the President and Vice President of the United States "be elected". The immediate source of Article II was the New York Constitution in which the governor was elected by the people and thus independent of the legislature. His term was three years and he was indefinitely eligible. However, the ultimate plan that was adopted by the Convention was not one that was based on the New York way of electing its governor. The adoption of the electoral college plan came late in the Convention which had previously adopted on four other occasions provisions for the election of the Executive by the Congress and had twice defeated proposals for the election by the people directly.

The electoral college, however, probably did not work as any member of the Convention could have foreseen because the development of political parties and nomination of presidential candidates through them and the designation of electors by the parties soon reduced the concept of the elector as an independent force to the vanishing point in practice if not in theory. But the college remains despite numerous efforts to adopt another method.

Article II, Section I, Clause 2 of the Constitution provides:

"Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress; but no Senator or Representative or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector."

Although Clause 2 seemingly vests complete discretion in the States, certain older cases recognized a federal interest in protecting the integrity of the process. The Supreme Court has upheld the power of Congress to protect the right of all citizens who are entitled to vote to lend aid and support in any legal manner to the election of any qualified person as a presidential elector, *Ex Parte Yarbrough,* 110 U.S. 651 (1884). The *Yarbrough* Court found that it is the duty of the Government to see that citizens may exercise the right to vote freely and to protect them from violence while so doing and that the votes by which its members of Congress and its President are elected shall be the free votes of the electors, *Id.,* 662. That Court also found that the right to vote is based upon the Constitution and not upon State law and that Congress has the power to pass laws for the pure, free, and safe exercise of this right, *Id.,* 663–664. Its power to protect the choice of electors from fraud or corruption was sustained in *Burroughs and Cannon* v. *United States,* 290 U.S. 534 (1934).

More recently, substantial curbs on state discretion in regulating the selection of electors have been instituted by both the Supreme Court and Congress. In *Williams* v. *Rhodes,* 393 U.S. 23 (1968), the Court struck down a complex state scheme which effectively limited access to the ballot to the electors of the two major political parties. In the Court's view, the system violated the equal protection clause of the Fourteenth Amendment because it favored some and disfavored others and burdened both the right of individuals to associate together to advance political beliefs and the right of qualified voters to cast ballots for electors of their choice. The Court denied that the language of Article II, Section I, Clause 2 immunized such state practices from judicial scrutiny, and the Court rejected the notion that Article II, Section I of the Constitution gives the States the power to impose burdens on the right to vote where such burdens are expressly prohibited in other constitutional provisions.

In *Oregon* v. *Mitchell,* 400 U.S. 112 (1970), the Court upheld the power of Congress to reduce the voting age in presidential elections and to set a thirty-day residency period as a qualification for voting in presidential elections; the rationale was that the Fourteenth Amendment limits state discretion in prescribing the manner of selecting electors and that Congress in enforcing the Fourteenth Amendment may override state practices which violate that Amendment and substitute standards of its own.

IV. SUMMARY AND ANALYSIS OF THE PROPOSED AMENDMENT

It seems quite clear, both from a historical analysis and a legal analysis, that the concept of the presidency was embodied with the understanding that the office was to be an elected one as opposed to being an appointed one. Moreover, the right to vote for the President has been upheld and safeguarded as the above cases have indicated. Congress has the power to protect that right to vote for the highest office of the land as well as the power to protect the election of the President and the Vice President from corruption, *Burroughs and Cannon* v. *United States, supra.*

It is now time for reflection to see if we have not strayed somewhat from our basic goal of rule by the people. If we have we must take the necessary steps to return to our primal goals.

When the Twenty-Fifth Amendment was being considered, arguments were made as to whether or not we needed to have a Vice President appointed, should a vacancy in that office occur. Some felt that the Succession Act of 1947 was adequate assurance of continuity of leadership. However, at least two-thirds of the Senate, two-thirds of the House, and three-quarters of the States decided that we should always have a Vice President. It is believed that this office is the best grooming one can have in case he be called on to succeed to the Presidency.

All this precaution is admirable and, indeed, prudent. The one vital ingredient missing is the choice of the people. The established machinery is admirable, but it should apply only to provide a suitable interim president—one who would serve only until the people choose a new President and Vice President by election.

In addition, a limit must be placed on the term of a president who neither faced an election nor received the mandate of the people. He should not be permitted to appoint his own successor. These choices must be returned to the people at the earliest practical time. No alternative can suffice if we are to remain a democracy.

The American people are willing to forego immediate choice in return for the assurance of capable leadership in a time of crisis accompanying a vacancy in the presidency.

However, it is doubtful that the American people want to give up this choice covering an indeterminable number of possible presidents for possibly four years.

To restore this choice to the American people the Pastore amendment would provide for a special election for president and vice president when an individual who has been appointed Vice President by operation of the Twenty-Fifth Amendment succeeds to the office of the President.

A section by section analysis of the Pastore Amendment follows:

"Section 1. If an individual takes the office of Vice President under section 2 of the XXVth article of amendment and subsequently becomes President under section 1 of that article at a time when more than twelve months remain in the term of the President, then—

"(a) there shall be a special election for the offices of President and Vice President,

"(b) section 2 of the XXVth article of amendment shall not apply to the vacancy in the office of the Vice President caused by such individual's becoming President,

"(c) such individual shall serve as President only until a President elected in such special election takes oath of office of President,

"(d) the Speaker of the House of Representatives, shall in addition to his duties as Speaker, act as Vice President, and perform the duties of that office, with the one exception that the President pro tempore of the Senate shall serve as President of the Senate with voting privileges, until a Vice President elected in such special election takes the oath of office, and

"(e) in the event the Senate shall be equally divided, the Secretary of State may cast a vote to break the tie."

This section is designed to create a special election for the offices of President and Vice President when an appointed Vice President pursuant to section of Article 25 succeeds to the presidency pursuant to section 1 of that Amendment.

More than twelve months must remain in the term of the former president in order for the election process to be implemented. This was done to provide enough time for proper choice of candidates by all parties wishing to announce a candidate. Any time less than twelve months was not considered to constitute an abrogation of the electorate's constitutional right to choose the president by election.

The special election process was provided in order to avoid any possible unconstitutionality of a special election granted on an interpretation of the necessary and proper clause of Article 1.

Section 2 of the XXVth article of amendment shall not apply to the vacancy in the vice presidency because that vacancy will automatically be filled by an acting Vice President in the person of the Speaker of the House of Representatives. This avoids the necessity for repealing any portion of the Twenty-Fifth Amendment.

The Speaker of the House of Representatives would assume all duties of the Vice President but would not give up his duties as Speaker in order that there be as little change as possible in the status quo during the transition period after a vacancy. This is also in keeping with the spirit of the current laws of succession. The one exception to the Speaker assuming all of the vice president's duties is that the President pro tempore of the Senate became the President of the Senate assuming this natural function. This was done in order that the leadership of both legislative bodies remain separate.

The President pro tempore would retain his voting privileges in order that no state be deprived of its two votes. In the event of a tie in the Senate, the Secretary of State may cast the tie-breaking vote. This was done because the Secretary of State is the next in line of succession in the Executive Branch behind the Vice President who would normally have that right under the Constitution.

The appointed vice president who succeeded to the presidency would serve as president and not as "acting president." His term would end when the newly elected president (after the special election) took his oath of office. The Speaker and the President pro tempore would return to their normal functions when the Vice President elect took his oath of office.

"Section 2. The provisions of this Constitution relating to the appointment of electors for President and Vice President shall apply in the case of special elections required by section 1(a). The Congress shall by law prescribe the date for such elections and such other matters relating to such elections as may be necessary to effectuate the purposes of this article."

This section is designed to afford the special election the same treatment as a regular election and to utilize the existing system for elections. The only substantial change would be the date for such elections.

Under the Pastore Amendment, Congress is given the flexibility to establish the date of election as circumstances dictate.

"Section 3. The individuals elected as President and Vice President in a special election required by Section 1(a) shall become President and Vice President upon taking their respective oaths of office. Nothing contained in this article shall affect the terms of the President and Vice President as prescribed by section 1 of the XXVth article of amendment."

The intent of this article is to insure that the individuals elected in a special election would serve only the remainder of the established term. This also precludes the necessity of repeal of the 20th Amendment.

The Pastore Amendment strives to work within the framework established by the Constitution from its inception to the present day. It begins and ends with the proposition that the people should elect their President and Vice President and to preserve this right this constitutional amendment is required."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 6

At the request of Mr. Williams, the Senator from Florida (Mr. Chiles) and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of the bill (S. 6) to provide assistance to States for improved educational services for handicapped children.

S. 15

At the request of Mr. Dole, the Senator from North Dakota (Mr. Young), the Senator from Nebraska (Mr. Curtis), the Senator from Utah (Mr. Garn), the Senator from New Mexico (Mr. Domenici), the Senator from Arkansas (Mr. McClellan), the Senator from Nevada (Mr. Laxalt), the Senator from Oklahoma (Mr. Bartlett), the Senator from North Carolina (Mr. Helms), and the Senator from Wisconsin (Mr. Proxmire) were added as cosponsors of the bill (S. 15) to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare inflationary impact statements in connection with legislation reported by Senate and House committees.

S. 18

At the request of Mr. Dole, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of the bill (S. 18) to amend the act of August 31, 1922, to prevent the introduction and spread of diseases and parasites harmful to honeybees, and for other purposes.

S. 106

At the request of Mr. Inouye, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the bill (S. 106) to provide credit against income tax for employer who employs older persons in his trade or business.

S. 107

At the request of Mr. Inouye, the Senator from Massachusetts (Mr. Brooke) was added as a cosponsor of the bill (S. 107) to allow an additional income exemption for a taxpayer or his spouse who is deaf or deaf-blind.

S. 108

At the request of Mr. Inouye, the Senator from Texas (Mr. Tower) was added as a cosponsor of the bill (S. 108) to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer.

S. 109

At the request of Mr. Inouye, the Senator from Maryland (Mr. Beall), the Senator from New York (Mr. Javits), the Senator from Minnesota (Mr. Mondale), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of the bill (S. 109) to amend chapter 13 of title 38, United States Code, to require the Armed Forces to continue to provide certain special educational services to handicapped dependents.

S. 120

At the request of Mr. Inouye, the Senator from South Dakota (Mr. Abourezk), the Senator from New Mexico (Mr. Montoya), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of the bill (S. 120) which would allow reduced postal rates for congressional mail.

S. 122

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of the bill (S. 122) which would allow free mailing of income tax returns.

S. 123

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of the bill (S. 123) to amend title XVIII of the Social Security Act to provide for coverage of certain clinical psychologists services under supplementary medical insurance benefits program established by part B of such title.

S. 124

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of the bill S. 124) the Alien Community Health Act.

S. 232

At the request of Mr. Burdick, the Senator from Tennessee (Mr. Brock), the Senator from Maine (Mr. Hathaway), and the Senator from Texas (Mr. Tower) were added as cosponsors of the bill (S. 232) to amend the Internal Revenue Code of 1954 to provide that the tax on the amounts paid for communication services shall not apply to the amount of the State and local taxes paid for such services.

S. 276

At his own request, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor to the bill (S. 276) to repeal the Davis-Bacon Act and related provisions of law.

S. 306

At the request of Mr. Gravel, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of the bill (S. 306) to terminate the airlines mutual aid agreement.

S. 358

At the request of Mr. Thurmond, the Senator from Utah (Mr. Garn) was added as a cosponsor of the bill (S. 358) to amend the Food Stamp Act of 1964 in order to prohibit the distribution of food stamps to any household where the head of the household is engaged in a labor strike.

S. 361

At the request of Mr. Thurmond, the Senator from New Mexico (Mr. Domenici) and the Senator from Georgia (Mr. Nunn) were added as cosponsors of the bill (S. 361) to amend title II of the Social Security Act so as to remove the limitation upon the amount of income which an individual may earn while receiving benefits thereunder.

S. 461

At the request of Mr. Williams, the Senator from California (Mr. Cranston) was added as a cosponsor of the bill (S. 461) to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse.

SENATE JOINT RESOLUTION 5

At the request of Mr. Fong, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the joint resolution (S.J. Res. 5) to establish a National Commission on Social Security.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. Dole, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of the concurrent resolution (S. Con. Res. 5) to urge the President to establish a Council on the Missing in Action.

SENATE RESOLUTION 53—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. TALMADGE (for Mr. Hartke), from the Committee on Veterans' Affairs, reported the following resolution:

S. Res. 53

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $304,000 of which amount not to exceed $60,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 54—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

(Referred to the Committee on Rules and Administration.)

Mr. McGOVERN (for himself, Mr. Talmadge, Mr. Philip A. Hart, Mr. Mondale, Mr. Kennedy, Mr. Nelson, Mr. Cranston, Mr. Humphrey, Mr. Percy, Mr. Dole, Mr. Bellmon, Mr. Schweiker, and Mr. Taft) submitted the following resolution:

S. Res. 54

Resolved, That the Select Committee on Nutrition and Human Needs, established by S. Res. 281, Ninetieth Congress, agreed to on July 30, 1968, as amended and supplemented, is hereby extended through February 29, 1976.

Sec. 2. (a) In studying matters pertaining to the lack of food, medical assistance, and other related necessities of life and health, the Select Committee on Nutrition and Human Needs is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to subpena witnesses and documents, (4) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, (5) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, (6) to interview employees of the Federal, State, and local governments and other individuals, and (7) to take depositions and other testimony.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

Sec. 3. The expenses of the committee under this resolution shall not exceed $485,000 of which amount not to exceed $25,000 shall be available for the procurement of the services of individual consultants, or organizations thereof.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 55—SUBMISSION OF A RESOLUTION TO ESTABLISH LEGISLATIVE REVIEW SUBCOMMITTEES

(Referred to the Committee on Rules and Administration.)

SENATE LEGISLATIVE REVIEW SUBCOMMITTEES—A VITAL REFORM

Mr. HUMPHREY. Mr. President, with the pressure on Congress to cope with new problems by enacting new legislation, the time devoted by Congress to analyzing the effects of legislation on the statute books and the way it is being carried out by the Federal agencies involved, has been inadequate.

We devote endless hours to the tasks of considering and debating and passing new laws and programs. But our duty does not end when we pass a law or launch a new program. Our duty is to evaluate, recommend, and terminate: To evaluate the laws and programs we pass to make sure they are performing as we intended; to recommend means of correcting deficiencies and shortcomings in their administration and operation; and to terminate those we find have outlived their usefulness.

We can fulfill this duty and obligation by establishing a systematic means of overseeing the administration of laws and the operation of programs.

For this purpose, Mr. President, the legislation I introduce today calls for the establishment of a legislative review subcommittee within each standing committee of the Senate, except Appropriations, to conduct oversight functions on a continuing basis.

This legislation is similar to a resolution that I introduced during the 93d Congress. It provides for three possible means of fulfilling the legislative review and evaluation responsibilities of the Senate:

First, a subcommittee of the committee that holds jurisdiction over a program would review and evaluate it within 3 years, with the assistance of the legislative review subcommittee established under this resolution;

Second, if evaluation has not taken place within 3 years, the legislative review subcommittee would have a year to conduct the program review; and

Third, if neither subcommittee performed the program review within 4 years, the Senate would ask the Comptroller General to review the program and submit a report to the appropriate standing committee within 1 year.

Mr. President, the new rule would assure that every program we enact and every law we pass would be subject to review and evaluation once every 3 years at best, and at a minimum every 5 years.

There have been occasional exceptions, but all too often we have fallen into the habit of "pass it and forget it" lawmaking.

The necessity for intensive congressional review of executive branch administration of the laws will become sharply clear over the coming months.

Legislation will be before Congress to extend and revise a number of major laws—the Voting Rights, Higher Education, Vocational Education, Foreign Assistance, Older Americans, and Emergency Public Service Employment Acts will expire this year, along with four environmental protection laws and programs to prevent and treat lead-based paint poisoning. Several other programs—such as health services and manpower—are currently forced to operate under a continuing resolution, pending formal reauthorization by Congress.

Decisions must be made on a Federal debt ceiling level, the method of future financing of the Highway Trust Fund, and possible revisions in Federal revenue sharing.

Questions raised recently on the implementation of the supplemental security income program, to assist the aged, blind, and disabled poor, and the campaign finance reform law, reflect another area of congressional responsibility to evaluate whether the actual administration of recently enacted legislation is in accord with congressional intent.

Finally, Congress must consider major revisions in other laws in response to critical changes in the national situation—tax reform, and the substantial revision of agriculture programs, are only two examples of this further area of congressional oversight responsibility.

Congress cannot legislate on all these matters in a vacuum. It must have a clear and comprehensive understanding of the strengths and weaknesses of the current laws, whether those laws have been carried out as intended by Congress, and the points at which the administration of the laws has been effective or a failure.

To obtain and evaluate this information, to get the answers we require, and to clearly fix responsibility, the Senate urgently needs a specific reference point for the evaluation of the laws it has passed. I believe the most direct route toward achieving this objective is to require under the Senate rules that committees establish legislative review subcommittees, and that they carry out a legislative evaluation process within fixed deadlines.

I urge that the resolution I am introducing today be acted upon at the earliest possible convenience. Mr. President, I ask unanimous consent that the text of this resolution be included in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 55

Whereas there is imposed upon the standing committee of the Senate the duty to conduct analysis, appraisal, and evaluation of the programs, policies, and procedures of the United States Government, in carrying out the laws enacted by Congress; and

Whereas that duty has been fulfilled unevenly and sporadically and there are many programs that have been too long neglected as the object of congressional oversight proceedings in the Senate: Now, therefore, be it

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE XLV

"LEGISLATIVE REVIEW SUBCOMMITTEE

"1. Each standing committee shall establish a subcommittee on legislative review. The purpose and duty of such subcommittees shall be to assist the Senate in—

"(a) its analysis, appraisal, and evaluation of the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee of each such subcommittee, and in particular, in its analysis, appraisal, and evaluation of any order, regulation, rule, certificate, code of fair competition, license, notice, or similar instrument, issued, prescribed, or promulgated in the administration and execution of such laws or parts of laws, and

"(b) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate.

"2. In the case of a committee having one or more subcommittees to which the committee has given responsibility for considering and making recommendations with respect to subject matters within the subject jurisdiction of the committee, the Subcommittee on Legislative Review of that committee shall assist that subcommittee in reviewing and studying the application, administration, and execution of those laws, or parts of laws, which are within such responsibility. Any such subcommittee shall make a report on the results of its review and study at least once every three years. In the event the subcommittee has not made a report within a three-year period, the Subcommittee on Legislative Review of the committee shall make such review and study, and submit a report thereon to the committee, not later than one year after the subcommittee having such responsibility was to have made such report. In the case of any subject matter not within the responsibility of any particular subcommittee of the committee, the Subcommittee on Legislative Review of that committee shall make such review and study with respect to such subject matter and submit a report thereon to the committee not less than once every third year.

"3. In any case in which the Subcommittee on Legislative Review has not submitted a report to be prepared by it under paragraph (2) of this rule within the period of time provided in that paragraph, the Comptroller General shall, within one year after the last day on which the subcommittee report was to have been submitted, make such study and report the subcommittee was to have made, and submit a report thereon to the committee.

"4. The provisions of this rule do not apply to the Committee on Appropriations of the Senate.

"5. Nothing in this rule shall be construed as precluding any Legislative Review Subcommittee of the Senate from conducting hearings and engaging in other deliberations jointly with such committees or subcommittees of the House of Representatives which the House may designate to conduct the analyses, appraisals, and reviews required under this rule."

SENATE RESOLUTION 56—SUBMISSION OF A RESOLUTION EXPRESSING DISAPPROVAL IN THE PLAN FOR DISTRIBUTION OF JUDGMENT FUNDS TO THE COWLITZ TRIBE OF INDIANS

(Referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON. Mr. President, I introduce for appropriate reference, a resolution which expresses the Senate's disapproval of the plan for the use and distribution of the Cowlitz Tribe of Indians' judgment of $1,550,000 awarded in docket numbered 218 by the Indian Claims Commission.

Pursuant to the act of October 19, 1973 (Public Law 93-134) the Secretary of the Interior is required to submit a plan to the Congress to provide for the distribution of funds appropriated in satisfaction of awards made to tribe from judgments in the Indian Claims Commission or the Court of Claims. Such plans automatically become operative at the end of 60 legislative days unless disapproved by either House of Congress during that period.

The award—$1,550,000—represents compensation for lands taken from the Cowlitz Tribe by the United States on March 20, 1863, without benefit of treaty or compensation. While the Cowlitz are not considered a federally recognized tribal group and subject to the laws and jurisdiction applicable to such groups, the descendants of the aboriginal Cowlitz Tribe have organized an entity known as "The Tribe of Cowlitz Indians of the State of Washington." This organization was recognized, however, for the purpose of prosecuting the Cowlitz claim against the United States.

Recently, officials from the Tribe of Cowlitz Indians of the State of Washington requested that I introduce a resolution disapproving the secretarial plan providing for the distribution of their judgment funds. Their communication to me clearly points to conflicting claims for the funds from at least two factions within the tribe. Moreover, these officials allege that the Secretary has failed to comply with several pertinent provisions in Public Law 93-134.

In light of these circumstances I believe the public interest can be better served by a congressional disapproval of the plan in question. Following such disapproval, the Secretary of the Interior is required to transmit legislation to Congress to provide for the distribution of the disputed funds.

In conclusion, I do not want my sponsorship of this resolution to be interpreted as favoring one faction over another in the contested claims award. I believe the legislative process will provide the Senate with the necessary information and facts to make informed judgments and decisions with respect to this issue.

The resolution is as follows:

S. RES. 56

Resolved, That the Senate hereby disapproves the plan, for the use and distribution of the Cowlitz Tribe of Indians judgment funds awarded by the Indian Claims Commission in Docket Numbered 218, submitted to the Congress by the Secretary of the Interior pursuant to the provisions of the Act entitled "An Act to provide for the use of distribution of funds appropriated in satisfaction of certain judgments of the Indian Claims Commission and the Court of Claims, and for other purposes", approved October 19, 1973 (87 Stat. 466).

SENATE CONCURRENT RESOLUTION 8—SUBMISSION OF A CONCURRENT RESOLUTION URGING A STUDY OF JURISDICTION AND RESOURCES OF SENATE COMMITTEES

(Referred to the Committee on Rules and Administration.)

Mr. HUMPHREY. Mr. President, I send to the desk a concurrent resolution expressing the sense of Congress that the Joint Committee on Congressional Operations conduct or commission a study of the jurisdiction and resources of the committees of the Senate toward reducing fragmentation of policy and program oversight, and make periodic reports to the Senate by September 1, 1976.

Mr. President, this concurrent resolution directs the Joint Committee on Congressional Operations to conduct or commission a study of Senate committee jurisdictions, functions, and staff resources, and to file a report with their recommendations by September 1, 1976.

This legislation is similar to a resolution I introduced at the outset of the 93d Congress. Subsequent events have only confirmed my belief that reform of Senate committee jurisdictions must be undertaken without further delay.

I believe that there is a great need for this study. The various jurisdictions of the Senate committees have not been examined in depth since the Legislative Reorganization Act of 1946. Times have changed. New programs have been added to governmental responsibility in response to these changes; new challenges face our governing institutions. But there has been little change in the manner in which Congress examines, reviews, and authorizes legislation.

Jurisdictions over important policy areas now are split among a host of congressional committees. Many programs which so vitally need our action now must first be scrutinized by several Senate committees. Efforts to define a national energy policy and to develop a program of national health insurance, for example, are necessarily delayed by the need to have these matters considered by several committees before a consensus can be achieved on a joint proposal for Senate action.

Functional committee jurisdiction is simply not present. The effort I am proposing today would examine the need to reorganize the committee structure of the Senate to avoid the overlap and fragmentation that now chacterizes the legislative process. It would also include a study of the effect of committee jurisdiction on Congress as a policy-initiating institution, and what must be done if Congress is to reassert a strong role in policy initiation.

The confused structure of the committee system has long been a major obstacle in the road to constructive reform. What we need, and what this bill calls for, is a genuine overhaul and evaluation of the numerous jurisdictions of issues within congressional committees as they are now organized.

Mr. President, I would hope that the Senate would give early consideration to this resolution. I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 8

Whereas, there is a demonstrated need for the United States Senate, as one House of the United States Congress, to assert its policy-making and oversight functions; and

Whereas, the committee structure of the United States Senate is so organized as to frustrate the examination, the analysis, and the oversight of governmental policy; and

Whereas, because of the fragmentation of committee jurisdiction and responsibility in the United States Senate, there has been a decrease in clarity of policy purpose and of congressional control over governmental program operations and expenditures: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Joint Committee on Congressional Operations immediately begin or commission an indepth analysis of the committee jurisdictions of the United States Senate, taking into account the need to reduce fragmentation of policy and program oversight, the necessity for alineing committee jurisdiction on the functional purposes of governmental programs, the potential application of new technologies for committees of the United States Senate, and the requirement that staff personnel and resources be effectively and efficiently allocated among committees of Congress of the United States. The Joint Committee on Congressional Operations shall make periodic reports to the United States Senate and present final recommendations to the Senate by September 1, 1976.

The expenses of the Joint Committee on Congressional Operations under this title shall be paid from the contingency fund of the Senate upon vouchers approved by the chairman of the Joint Committee on Congressional Operations.

SENATE CONCURRENT RESOLUTION 9—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE ESTABLISHMENT OF THE NAVAL AND MARITIME MUSEUM IN CHARLESTON, S.C.

(Referred to the Committee on Armed Services.)

Mr. THURMOND. Mr. President, in the summer of 1972, the General Assembly of the State of South Carolina established a committee to determine if a naval museum should be established in South Carolina. This committee made a report to the Governor and general assembly in January 1973, recommending that a museum be established in Charleston, on approximately 500 acres of land, bordering on Charleston Harbor, to be known as Patriot's Point.

This committee also recommended that a State authority be established to build the museum and to develop the remainder of Patriot's Point. The general assembly passed a bill creating the Patriot's Point Development Authority and it was signed by Gov. John West in April 1973.

In April 1974, the authority applied to the Department of the Navy for donation of the aircraft carrier U.S.S. *Yorktown*. This application was approved by the Navy and the Congress in July 1974.

On October 12, 1974, the donation contract for the *Yorktown* was signed by the attorney general of the State of South Carolina, Dan McLeod, and the chairman of the Patriot's Point Development Authority, Charles F. Hyatt. It is planned to tow the *Yorktown* from Bayonne, N.J., to Charleston, and moor her at Patriot's Point, about April 1, 1975. The *Yorktown* will be dedicated and open to visitors on October 13, 1975, the 200th birthday of the U.S. Navy.

Mr. President, the *Yorktown* will be the first of a series of decommissioned ships comprising the Naval and Maritime Museum.

The State of South Carolina is to be commended for initiating a project that will be of major State and national significance. With our Nation's Bicentennial about 1 year away, now would be a good time for Americans everywhere to revive some of that good old-fashioned patriotism. What the State of South Carolina is planning to do at Patriot's Point will help to do just this, by encouraging respect for our flag and national anthem, and by developing pride in our heritage and gratitude for our blessings.

Mr. President, on behalf of the State of South Carolina and the Patriot's Point Development Authority, it is a pleasure for Senator HOLLINGS and me to introduce a concurrent resolution to support the establishment of the Naval and Maritime Museum in Charleston, S.C.

Mr. President, this resolution was introduced and approved by the Senate Armed Services Committee and subsequently by the full Senate last December, but because of the rush to adjournment, action was not taken in the U.S. House of Representatives. Therefore, I ask unanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks and I urge immediate consideration and aproval by the Senate.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 9

Resolved by the Senate (the House of Representatives concurring), Relating to the establishment of the naval and maritime museum in Charleston, South Carolina.

Whereas the State of South Carolina has an old and historic naval and maritime heritage; and

Whereas the State of South Carolina has created the Patriot's Point Development Authority for the purpose of establishing a naval and maritime museum in the city of Charleston, South Carolina; and

Whereas the Patriot's Point Development Authority has been advised by the Department of the Navy that the Navy will donate the aircraft carrier United States ship Yorktown to the authority for use in the naval and maritime museum; and

Whereas the establishment of this special museum is a timely project in view of the increasing importance of the seas to the economy and security of the United States; and

Whereas the museum will stimulate and further the knowledge of naval and maritime history, customs and traditions, and increase the appreciation of the importance of naval air and sea power to the security and economy of the United States; and

Whereas this museum will serve to generate or increase the patriotism in the youth of this Nation, and stimulate in some of them the desire for a career in public service, and particularly the naval and maritime service; and

Whereas the naval and maritime museum can make a significant contribution toward the efforts to achieve an all-volunteer military service, through the promotion of pride and interest in the naval and maritime heritage of this country; and

Whereas this museum, in addition to preserving our naval and maritime heritage, will make a major contribution to the Nation's bicentennial anniversary in 1976: Now therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby expresses its approval and encouragement with respect to the establishment, by the State of South Carolina, of the naval and maritime museum in the city of Charleston, South Carolina, and recognizes the historical importance of such museum and the patriotic purpose it is intended to serve.

NOTICE OF HEARINGS ON THE NRC SHUTDOWN OF 23 NUCLEAR POWER PLANTS

Mr. RIBICOFF. Mr. President, Senator Pastore, chairman of the Joint Committees on Atomic Energy, and I, as chairman of the Senate Government Operations Committee, have agreed to hold a hearing on Wednesday, February 5, on the recent action by the Nuclear Regulatory Commission to shut down 23 nuclear power plants throughout the Nation to inspect for possible cracks in pipes which are part of the emergency core cooling system.

I commend Chairman Pastore for agreeing to hold these hearings on such short notice. It is yet another example of his record of responsible leadership in the area of nuclear safety and safeguards. We share a deep concern that nuclear power plants and fuel facilities should be made as safe and secure as possible and that the new Commission be organized in such a way to guarantee this.

The Nuclear Regulatory Commission was established pursuant to the Energy Reorganization Act of 1974, which was drafted by the Senate Government Operations Committee. As authors of this legislation, we want to explore how the Commission is being organized to carry out the independent regulatory responsibilities intended by the act. That is why we are participating in these hearings.

I am also interested in learning how the national shutdown of reactors impacts on my own State of Connecticut, where one of two operating reactors will be effected. How long is the shutdown likely to last? What will be the cost in terms of lost electrical generating capacity and higher utility bills?

The same questions apply to 14 other States where the 22 other shutdown reactors are located. The States are Michigan, Alabama, North Carolina, Illinois, Iowa, New York, Georgia, Wisconsin, California, Minnesota, Pennsylvania, Massachusetts, New Jersey, and Vermont.

Scheduled to testify at the hearing are William A. Anders, Chairman of the NRC, the other members of the Commission—Edward A. Mason, Marcus A. Rowden, Richard T. Kennedy, and Victor Gilinsky—and the NRC Director of Nuclear Safety Research, Herbert Kouts.

I ask unanimous consent that articles from the New York Times of January 30 and February 1, 1975 describing the shutdown and the hearing, be inserted at this point in the Record.

I also ask unanimous consent that a review of the major issues relating to the emergency core cooling system, as prepared for the Government Operations Committee by Warren H. Donnelly, senior energy specialist of the Library of Congress, be inserted at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Defect in a Reactor Leads United States To Order 23-Plant Shutdown

(By David Burnham)

Washington, January 29—The discovery of cracks in the emergency cooling system of an atomic reactor in Illinois has forced the Government to order utilities operating half of the nation's reactors to shut down within the next 20 days and search for similar possible faults in their power plants.

The order marked the second time in four months that most of the same utilities had been ordered to inspect for possible cracks.

The 23 reactors involved in today's action generate 14,283 megawatts of electricity, somewhat less than half of the 35,000 megawatts produced by the 52 reactors now licensed to operate in the United States. The total power created by all reactors equals about 7.5 per cent of the nation's electrical demands.

The order to inspect the 10-inch-diameter pipes with half-inch walls was given to the utilities by the Nuclear Regulatory Commission, the recently renamed part of the now abolished Atomic Energy Commission responsible for licensing the commercial use of atomic power.

The regulatory commission took the action after five small cracks had been found in a stainless steel pipe of the Dresden Unit-2 reactor operated by the Commonwealth Edison Company near Morris, Ill.

The operators of the 23 plants will have 20 days in which to shut down and inspect the pipes in question as well as other specific pipes in the primary and backup cooling systems.

The commission estimated that each plant would be shut down for about two weeks to make the required inspections.

The pipe that developed the five small cracks in the Dresden plant was part of the emergency core cooling system. This system is designed to flood the reactor core with an emergency supply of water should the primary cooling system fail.

Last September, the commission ordered the utilities operating 23 reactors to inspect a separate group of pipes when a four-inch diameter pipe—also at the Dresden 2 reactor—was found to have developed a leak.

OTHER CRACKS FOUND

Since the discovery of the 5-gallon-per-minute leak of radiated water in the Dresden 2 plant, subsequent inspections have discovered cracks or preliminary indications of cracks in the four-inch pipes of a total of seven other boiling water reactors.

Because experts on the commission and from the industry have been unable to determine why these cracks have occurred, a special seven-man task force has been established.

The experts are examining a number of possible explanations for the cracks including the geometry of the by-pass pipes, the materials used in the by-pass pipes, the welding procedures and the chemistry of the water passing through the pipes.

The N.R.C. said that the latest leak had not resulted in the release of any radioactivity to the environment.

Senator Abraham A. Ribicoff, Democrat of Connecticut, who was chairman of the Senate subcommittee that handled the legislation creating the commission, praised the commission "for its vigilance." "We must do everything we can to solve the energy problem, but not at the expense of the health and safety of the people of our nation," Mr. Ribicoff said.

THE MOST OMINOUS

David Comey, a nuclear critic with the Chicago-based nonprofit group, Business and Professional People for the Public Interest, said he felt that the "new cracking problem may be the most ominous event yet in the atomic reactor program."

"If more than a third of the nation's reactors have to be shut down, it indicates the reliability problem may be increasing," Mr. Comey said.

A spokesman for the commission said that it could not be immediately determined how many of the 23 reactors that must conduct the special inspections would be able to do so during the scheduled shutdown period.

Following is a list of the reactors ordered to make the inspections, the states where they are located and the utilities which operate them—

Big Rock Point unit 1, Michigan, Consumers Power Company.

Browns Ferry units 1 and 2, Alabama, TVA.

Brunswick, unit 2, North Carolina, Carolina Power & Light Company.

Cooper, Nebraska, Nebraska Public Power District.

Dresden units 1, 2 and 3, Illinois, Commonwealth Edison Company.

Duane Arnold, Iowa, Iowa Electric Light & Power Company.

Fitzpatrick, New York, Niagara Mohawk Power Corporation.

Hatch unit 1, Georgia, Georgia Power Company.

Lacrosse, Wisconsin, Wisconsin Dairyland Power Corporation.

Humbolt Bay, California, Pacific Gas & Electric Company.

Millstone unit 1, Connecticut Northeast Nuclear Energy Company.

Monticello, Minnesota, Northern States Power Company.

Nine Mile Point unit 1, New York, Niagara Mohawk Power Corporation.

Peach Bottom units 2 and 3, Pennsylvania, Philadelphia Electric Company.

Pilgrim, Unit 1, Massachusetts, Boston Edison Company.

Oyster Creek, New Jersey, Jersey Central Power & Light.

Quad Cities units 1 and 2, Illinois, Commonwealth Edison.

Vermont Yankee, Vermont, Vermont Yankee Nuclear Power Company.

SENATE HEARING SET ON REACTOR SAFETY

WASHINGTON, January 30.—Two Senate committees will hold a hearing next Wednesday on the Government's order that the emergency cooling systems of almost half the nation's reactors be closed down and inspected for cracks.

The hearings will be conducted by Senator Abraham A. Ribicoff, Democrat of Connecticut, head of the Senate Government Operations Committee, and Senator John O. Pastore, Democrat of Rhode Island, head of the Joint Atomic Energy Committee.

The chief witness is scheduled to be William A. Anders, chairman of the newly created Nuclear Regulatory Commission. Wednesday the commission ordered the utilities operating 23 boiling water reactors to make an inspection of a 10-inch-diameter pipe after five small cracks were discovered in a similar pipe in the Dresden 2 reactor near Morris, Ill.

In another development, Dr. Henry W. Kendall, a member of the Union of Concerned Scientists, a Boston-based organization that has frequently criticized reactors, said the emergency shutdown "should serve as a warning to the nation about the fragile state of nuclear plant safety against catastrophic accidents."

NOTES ON THE EMERGENCY CORE COOLING SYSTEM ISSUE

(By W. H. Donnelly)

SUMMARY

Emergency Core Cooling Systems are part of large nuclear power plants,[1] a part required by the Nuclear Regulatory Commission (formerly the Atomic Energy Commission) to help prevent the worst possible kind of accident. The Commission holds that these systems are sufficiently reliable to keep the chances of a catastrophic release of radioactive materials within limits acceptable to society. Some scientists and engineers and some public interest groups assert that these systems are not proven and are not reliable enough. While the Commission has made its requirements for emergency core cooling systems more conservative, critics believe the changes are not enough and despite an enormous rule making effort, the issue remains unsettled and controversial. Some research funded by the then AEC is intended to provide additional information on design of emergency cooling systems, but whether the level, content and direction of this effort is adequate is also an open question. The matter should be settled one way or another before commercial nuclear power goes much further.

DISCUSSION

Background

The massive release of intensely radioactive wastes from a broken open nuclear power reactor is the worst kind of accident that can be imagined for commercial nuclear powerplants. To date no such accident has happened in the United States or elsewhere in industrial countries that are beginning to use nuclear power. A recent major AEC analysis (the Rasmussen report) holds that the risk to individual members of society from such an accident is less than risks experienced from various industrial and transportation accidents that can be imagined.

An emergency core cooling system (ECCS) is supposed to prevent the core of a nuclear power plant from becoming so overheated if there is a loss of coolant to the core that the nuclear fuel melts and that in some way or another this molten fuel gets out of the reactor and escapes into the environment. Were this to happen, some of the intensely radioactive materials in the core (the fission products) could escape into the air and be carried by the wind to contaminate potentially large areas, perhaps to the extent that people living or working there would be exposed to lethal doses of radiation if they did not leave the contaminated area or find suitable shelter (Civil defense fall-out shelters would be ideal). The ECCS is supposed to inject large amounts of water to keep the nuclear fuel below the melting point until the hazard of melting is past.[2]

Should a substantial part of the radioactive materials in a nuclear power reactor escape, many people could be seriously or lethally exposed to radiation and large areas be made too dangerous for occupancy or agriculture. The severity of the effects would depend upon how much radioactive material escapes, its form, the rate of escape, and the local weather conditions.

AEC requirements for ECCS

To guard against a fuel melt-down from loss of coolant, the Commission requires licensees to include an ECCS in the design and construction of a nuclear power plant. This requirement appears in the Commission's General Design Criteria number 35 and requires inclusion of a ". . . system to provide abundant emergency core cooling. . . ."

Engineers design emergency core cooling systems by using mathematical models of the core and its hypothetical behavior if its coolant is suddenly lost for whatever reason. Most of this is done using computers. The AEC in reviewing plant design for licensing considers the computer codes and programs used to specify the models.

LOFT and the experimental basis for ECCS design

The essence of science is experimental verification of a hypothesis. The essence of engineering is validation of assumptions by practical experience. In the case of emergency core cooling, the design of these systems is based upon interpretation of very small scale experiments. There has been no full scale demonstration of a complete system cooling a large core. So ECCS designs are approved on the basis of mathematical models. The AEC for many years has been building a Loss of Flow Test Reactor (LOFT). Originally the idea was simply to subject a nuclear core to a loss of coolant accident and see what happened. Since the project began, however, the purposes have become broader and no longer emphasize a single test-to-destruction. When the project is completed (it is years behind schedule and well over original budget estimates), it should be able to test the behavior of emergency core cooling systems in conditions approaching a core meltdown. Completion of the LOFT facilities has lagged behind parallel research and development to improve the performance of nuclear power plants.

Challenges of ECCS adequacy

Considering the vital nature of an emergency core cooling system, it is not surprising that persons and organizations critical of atomic energy have raised questions about the performance of these systems. Much of the recent controversy over emergency core cooling was triggered when word got around that some small scale tests performed at the National Reactor Testing Station by the Idaho Nuclear Corporation during the period November 1970 to March 1971 indicated that assumptions for certain mathematical models might be incorrect.[3] Opponents of nuclear power, notably the Union of Concerned Scientists and Consolidated Nuclear Intervenors, said that this result was sufficient evidence to challenge the design of all emergency systems. The AEC for its part held that the semiscale results were peculiar to the experiment and were not representative of hydraulic behavior in large systems.

Nonetheless, and probably in response to intervenor pressures, the AEC in June 1971 published Interim Acceptance Criteria for Emergency Core Cooling Systems. This did not quell the controversy which continued unabated. So on January 27, 1972, the AEC began an exhaustive set of rulemaking hearings that finally ended on July 25, 1973. Six months later, on December 28, 1973, the AEC released a 140 page opinion in support of new ECCS criteria. This report also established revised ECCS design criteria, gave a schedule of implementation, and outlined the reasons for its action.

The new ECCS design criteria

The new ECCS criteria are supposed to establish a uniform set of standards by which the combined design and operating limits for an ECCS can be judged acceptable or not solely from the standpoint of calculated damage to the cladding of nuclear fuels under LOCA conditions. As for the reliability of a specific ECCS design, this remains open to questioning in individual licensing actions.

In announcing the new criteria, AEC said it had recently directed its Division of Reactor Safety Research to give priority attention to experiments to determine more exactly the temperature at which the cladding embrittlement ceases be be simply a function of oxidation. (In other words, what happens to the cladding materials at temperatures that could occur in an LOCA). As this new knowledge is acquired, the Commission will analyse it and at an "appropriate time" consider possible amendments.

In issuing the new criteria, the Commission said that it believed the implementation of the new requirements would ensure an adequate margin of performance of the ECCS should a design basis LOCA ever occur. Commening on a statement by Consolidate Nuclear Intervenors that there is an inadequate base on which to base predictions of the course of an accident, the Commission said it realized that the knowledge in regard to a number of facets of the analysis of a loss-of-coolant accident is "imprecise" and pointed to its Water Reactor Research program as a remedy. The AEC's attitude towards the need for research and development relating to loss of coolant accidents and ECCS design is indicated in the following quotation from its publication, Nuclear Safety.[4]

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[1] For light water reactors which includes most of those now in use or being built in the U.S.

[2] In a conventional furnace, when the fuel is shut off, the source of additional heat is gone and the furnace at once begins to cool off. In a nuclear power reactor however, even after the nuclear reaction has stopped, large amounts of energy continue to be released from the intensely radioactive fission products present. This radioactivity fades quickly, but for a while the energy given off would be more than enough to raise the temperature of uncooled fuel above its melting point. So the ECCS is intended to spray water into the nuclear fuel until this danger is past.

[3] The tests were performed in a very small experiment that crudely represented a small part of a reactor core. In some of these tests to experimentally verify a computer model, it was found that the cooling water did not behave as the model indicated, but rather was ejected from the part to be cooled.

[4] "New acceptance criteria for emergency core-cooling systems of light-water-cooled nuclear power reactors." Nuclear Safety, March–April 1974, p. 182.

Continuing research and development will provide a more extensive data base for such items as heat transfer coefficients, during blowdown and during spray and reflood cooling, oxidation rates for zirconium, fission product-decay heat, steam-coolant interaction, oscillatory reflood flows, fuel densification, pump modeling, and flow blockage. With the additional data it may become practical to assign a statistically meaningful measure of precision to the calculation.

Some major technical issues

The AEC staff in examining the ECCS hearings identified four major technical issues in need of attention. These were:[5]

1. The suitability of the limit on the maximum calculated temperature of the hottest portion of the cladding on the hottest individual fuel rod. Related to this issue is the need to specify a time-at-temperature criterion in addition to a maximum-temperature criterion.

2. The method of determining the extent of embrittlement and loss of strength of the cladding as a result of oxidation.

3. The need and method of taking into account changes in fuel-cladding geometery (swelling and rupture) during a LOCA.

4. The adequacy of the computer programs and codes used to predict ECCS performance. Related to this issue is the adequacy of experimental results needed to verify aspects of the analytical techniques and assumptions used to compensate for such uncertainties.

Another statement of research needs was made in August 1973 by Charles K. Leeper, president and general of the Aerojet Nuclear Company. He said:[6]

I feel that the following program areas deserve particular attention:

Emphasis on fuel-behavior experiments to find how the fuel will behave during a loss-of-coolant accident and to determine cooling limits for fuel integrity.

Development of the logic for verification of mathematical models, in order to provide statistically-based confidence in the predictions of plant performances during emergency core cooling.

Continuing experimental study of two-phase process in the downcomer, lower plenum, and break regions.

A plant-level data collection program to extend the data base used in the verification process.

Characterization of the fuel environment in terms of a weighted fuel cladding temperature-time integral, to express correctly the degree of reaction that can be anticipated between the cladding and the steam environment.

Wide dissemination of data collected in the course of the experimental program, so that all code developers can assess the performance of their codes.

Some issues for committee attention

1. What progress has the Commission made since the onset of the ECCS controversy to obtain, analyze and publish additional pertinent information?

2. What semi-scale work is now in progress (while we wait for completion of LOFT) and when are analyzed results likely to be available?

3. What system now exists to inform key technical staff of the NRC and the Atomic Safety and Licensing Boards of the results of ERDA's research relating to loss of coolant accidents and ECCS?

4. What does the NRC see its responsibility to be for research to determine the causes and cures of the kind of cracking that caused the recent shut down of many nuclear powerplants? What is ERDA's responsibility?

5. Who is responsible for developing nondestructive test methods and equipment to detect such cracking, assuming it is possible to do so?

6. Concerning the LOFT facility and program:

(a) What is the latest scheduled date for completion of LOFT?

(b) When should it become operational?

(c) When will experiments on behavior of ECCS components and design begin? What will be arranged for participation of the companies that design nuclear power reactors (General Electric, Westinghouse, Babcock & Wilcock and Combustion Engineering)?

7. What would it take to expedite both the completion of LOFT and performance of critical experiments?

8. What arrangements will be made for participation of EPA in any of the research intended to deal with loss-of-flow situations?

NOTICE OF HEARINGS ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that open public hearings have been scheduled before the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts which revise the bankruptcy laws of the United States. Hearings will be held on February 19 and 20, 1975, in room 2228, Dirksen Office Building. The hour is 10 a.m. on both days.

The Commission on Bankruptcy Laws of the United States has recommended sweeping changes in the bankruptcy law. These recommendations are reflected in the provisions of S. 235. At these hearings we will hear from members of the Bankruptcy Commission and staff, and from other experts in the bankruptcy law.

Those who wish to testify or submit a statement for inclusion in the RECORD should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Office Building.

ANNOUNCEMENT OF HEARINGS BY THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business will hold public hearings on current economic conditions in the fisheries/shrimp industries and general financial problems confronting the small business segment of our economy on February 13, 1975 in Tampa, Fla., and February 17, 1975 in Portland, Maine. The hearings will begin at 10 a.m. each day and will be held in the Federal building in each city.

The Senator from Maine (Mr. HATHAWAY) has been designated to serve as acting chairman for these hearings.

Further information on the hearings can be obtained from the offices of the committee, 424 Russell Senate Office Building, telephone 224-5175.

ADDITIONAL STATEMENTS

GALLUP POLL RESULTS ON UNITED STATES-CHINA POLICY

Mr. GOLDWATER. Mr. President, I doubt if anyone in this body would dispute the assertion that honor between nations, just as it is between individuals, is built on trust and a sincere belief that both sides intend to keep their words.

In fact, commitments between nations are so sacred in the field of foreign affairs that many times in the past countries have gone to war to uphold them.

Because I believe so strongly in this concept I should like the American people to know the results of a Gallup poll recently which dealt with U.S. policy on China.

The poll was conducted between August 14–20, 1974, and contained five questions relating to China. By special arrangement it was obtained by James C. H. Shen, Ambassador of the Republic of China, who sent it to me a few days ago.

The poll showed that an overwhelming number of Americans—72 percent—are opposed to the establishment of diplomatic relations with Communist China, if it entails a diplomatic break with Nationalist China.

And almost half of those polled felt we should honor our treaty and commitment to defend Taiwan in case of hostile attack.

Mr. President, I have no objection to our Government becoming friendly with Communist China. But I do object to making such action contingent upon sacrificing our longstanding friendship with Taiwan. I realize that Communist China is large and the Republic of China is small but I do not see that as any reason for going back on our promises in the Far East.

If, after 200 years, we begin to sacrifice honor and respect for political expediency in our dealings with other nations we are surely doomed. Our word has been our bond for many decades in the conduct of our foreign affairs. If now we begin to show that our word is worthless, who will deal with us in a spirit of trust?

Mr. President, the Gallup poll on the China situation is highly enlightening. I ask unanimous consent that it be printed along with Ambassador Shen's letter at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EMBASSY OF THE
REPUBLIC OF CHINA,
Washington, D.C., January 22, 1975.

Hon. BARRY GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: In one of its periodic surveys of American public opinion conducted August 14–20 last year, the Gallup Poll had five questions on U.S. China policy. By special arrangement, it has made available to us the results of this survey. Herewith I enclose a copy of the said results.

On the question of whether the United States should recognize the Chinese Communist regime by breaking off its diplomatic relations with the Republic of China, an overwhelming majority of the American people polled said No.

Then on the question of whether the U.S. should honor its treaty commitment to the defense of Taiwan in case of a hostile attack, almost half of those polled answered Yes.

These are two very significant points which, I hope, policymakers in this country will bear in mind in assessing the future of Sino-American relations.

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[5] Wm. B. Cottrell. "The ECCS rule-making hearing." Nuclear Safety, January–February 1974.

[6] Charles K. Leeper. "How safe are reactor emergency cooling systems?" Physics Today, August, 1973, p. 35.

With warmest personal regards,
Sincerely,
JAMES C. H. SHEN,
Ambassador of the Republic of China.

GALLUP POLL REPORTS 72 PERCENT OF AMERICANS OPPOSE U.S. RECOGNITION OF RED CHINA

An overwhelming majority of the American people, 72% to be exact, are opposed to the establishment by the United States of diplomatic relations with Communist China, if it entails a diplomatic break with Nationalist China.

According to a recent Gallup Poll, conducted on August 14–20, 1974, only one American out of ten, or a mere 11%, favors diplomatic relations with Communist China on such a condition, while 17% have no opinion. These statistics also show that the predominant majority opposing recognition embraces all age groups and every key stratum of American society.

Altogether the Gallup Poll put five questions to 1590 adults, 18 years of age or older during its nation-wide survey.

The most important question is:

(1) "Communist China seeks diplomatic relations with the United States, but it insists that the United States must break off diplomatic relations with Nationalist China. Would you favor or oppose having diplomatic relations with Communist China on this condition?"

The results, as tabulated, were as follows:

[In percent]

	Favor	Oppose	Don't know
Total	11	72	17
Age:			
18 to 34 years	13	70	17
35 to 49 years	11	76	13
50 and older	9	71	20
Occupation:			
Professional	17	76	7
Clerical	10	79	11
Manual labor	9	71	20
Nonlabor	7	69	24

(2) A related question is:

"The United States is bound by treaty to help defend Nationalist China in case of Communist attack. Do you think the United States should always honor this commitment or not?"

Almost half of those questioned, namely 48%, answered that the United States should always honor its commitment—in this case, the Sino-American Mutual Defense Treaty—to help defend Nationalist China in the event of a Chinese Communist attack. Those against honoring the Treaty commitment made up 35% while 17% expressed no opinion, as revealed in the following figures:

[In percent]

	Yes	No	No opinion
Total	48	35	17
Age:			
18 to 34 years	51	32	17
35 to 49 years	53	34	13
50 and older	42	40	18
Occupation:			
Professional	50	40	10
Clerical	49	38	13
Manual labor	48	34	18
Nonlabor	44	34	22

The three other questions asked are:

(3) "In 1971, the United Nations admitted China and at the same time expelled Nationalist China. Do you approve or disapprove of the United Nations' action in granting Communist China membership?"

The Poll shows that nationally, opinion is divided regarding the United Nations action, 45% approving and 37% disapproving, while 18% did not express an opinion.

Generally, as clarified in most of the answers, those approving the United Nations action did it only because they felt "all nations should be members of the United Nations."

Percentages of the tabulated answers are as follows:

[In percent]

	Approve	Disapprove	Don't know
Total	45	37	18
Age:			
18 to 34 years	52	33	15
35 to 45 years	45	38	17
50 and older	40	40	20
Occupation:			
Professional	65	25	10
Clerical	50	36	14
Manual labor	41	41	18
Nonlabor	33	44	23

(4) "Do you feel it was just or fair or not that Nationalist China lost its membership?"

Answers to this question appeared to support the afore-mentioned interpretation—approval of Communist China's membership was based on the belief that membership should be universal. The Poll shows that a majority of the American people expressed the positive view that it was "unfair" that Nationalist China should simultaneously have been expelled from the world organization. It is a decidedly minority opinion (only 15%) that believes the admission of Communist China to the United Nations at the expense of Nationalist China is a fair action while 58% think it is unfair, as may be noted in the following percentages:

[In percent]

	Fair	Unfair	Don't know
Total	15	58	27
Age:			
18 to 34 years	15	59	26
35 to 49 years	14	60	26
50 and older	16	56	28
Occupation:			
Professional	16	65	19
Clerical	14	66	20
Manual labor	16	57	27
Nonlabor	13	53	34

(5) "Recently, the United States has taken steps to normalize relations with Communist China, and President Nixon visited Communist China in 1972. Do you think this was fair to Nationalist China or not?"

Public reaction to the question of fairness to Nationalist China was quite evenly divided, as shown in the following figures:

	Percent
Fair	45
Unfair	36
Don't know	19

FOOD STAMPS AND THE RECESSION

Mr. HUMPHREY. Mr. President, on January 29, the New York Times featured an article by Nancy Hicks entitled, "Use of Food Stamps Soars as Jobless Turn to Them."

An unofficial December 1974 figure indicates that enrollment in the food stamp program has gone up to 17.1 million because of the increasing level of unemployment. In September 1974, the number of food stamp recipients totaled about 15 million.

The new figures also indicate that for the first time recipients coming into the program are those on low-income jobs or are individuals who have recently lost their jobs. Traditionally, food stamp recipients have been beneficiaries of welfare and other aid programs.

While it is, indeed, unfortunate that our unemployed have been forced to resort to food stamps, we should be grateful that the program exists and can be utilized to meet the present emergency.

We need to get our people back to work as soon as possible, and there is no rationale whatsoever for increasing the cost of food stamp coupons to 30 percent of net income as is planned by the administration.

The administration strategy, if the Congress does not act, will place a hardship not only on the poor, the elderly, and the disabled but now also the unemployed.

I have introduced a bill (S. 250) which would freeze the cost of food stamps at their present level until the full Senate Committee on Agriculture and Forestry has had an opportunity to review the total program. This bill also is a sensible measure in preventing the needy and unemployed from being dealt another blow.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 29, 1975]

USE OF FOOD STAMPS SOARS AS JOBLESS TURN TO THEM

(By Nancy Hicks)

WASHINGTON, January 28.—More unemployed American workers are turning to the food stamp program, so that 17.1 million people—8 per cent of the American population—are purchasing their groceries with these coupons, Department of Agriculture figures are reported to show.

The new figures, scheduled for release later this week, show that $7.50 of every $100 spent on food in this country in December was paid for by food stamps, according to sources who have seen the figures.

They also show that for the first time, most food stamp recipients are coming from the work force—those who earn low salaries or who have recently lost their jobs and are collecting unemployment insurance. Traditionally, at least 60 per cent of food stamp recipients were recipients of welfare benefits, and two of every three recipients obtained multiple benefits from various categorical aid programs, such as subsidized or public housing, medicare or social security.

The December figure of 17.1 million people using food stamps was an increase of 26 per cent from the 13.5 million total of last June. In December, 1973, the total was 13 million. At last June's total, the program would cost $2.9-million a year. At the new levels, the cost would be $4-million a year.

The increase may not reflect the full extent of the demand for food stamps, according to Robert M. Greenstein of the Washington-based Community Nutrition Institute. Mr. Greenstein said that some communities take as long as three months to process applications and certify eligibility.

ACCURACY OF FIGURES

Royal Shipp, administrator of the food stamp program, would not confirm or deny the accuracy of the figures. "Those numbers," he said, "must be some unofficial kind of data." But they were confirmed by persons who work closely with the program and persons in Congress.

The office of Representative Thomas S. Foley, Democrat of Washington, said that its own data showed that at least 16.5 million and probably 17 million persons were enrolled in the food stamp program as of December. The total enrollment one month earlier was 15.9 million, the Foley office said.

Mr. Foley is chairman of the Agriculture Committee's livestock and grain subcommittee and would manage any legislation involving food stamp changes.

The increased enrollment comes at a time when the Administration has announced its intention of raising the purchase price of food stamps from a sliding scale, averaging 23 per cent of the participating family's net income, to a flat rate of 30 per cent a family a month.

The increase is expected to hit hardest the one-person and two-person households and the aged. At least 10 per cent of the current participants will drop out if the increases go through, Mr. Greenstein estimates.

A person with a net monthly income of $169 for instance, can now purchase $46 worth of food stamps for $33, according to the Food Research Center of New York, which filed suit last week against the increase.

CRITICISM IN CONGRESS

The mandatory 30 per cent purchase price, scheduled to take effect March 1, would affect about 95 per cent of the recipients. The increase would raise the cost of the stamps in some cases to more than their value.

Eligibility for the stamps is determined by a formula that includes income, family size and source of income. The increase in unemployed persons using the stamps has resulted from the increase in the unemployed, not from any change in recruitments under the stamp program.

The proposed increase in costs has become a target of lawsuits and Congressional criticism. Bills have been introduced in both the House and the Senate to prevent the price increase. These bills are being supported by Republicans and Democrats, liberals and conservatives.

H. John Heinz, 3d, Republican of Pennsylvania, made a statement in Congress last week that summarizes much of this sentiment. He said:

"Although I am not convinced that the food stamp approach is any substitute for a reform of our inequitable and discouraging welfare system, it is the best answer we have at the moment to assure some Americans money to buy food.

"As one measure of the sign of the time, food stamp participation has grown from over 13.5 million in June to 15.1 million in October.

"The program is costly, but attempts to pare it down will only worsen conditions for many people who now live at the edge of despondency.

"Surely the Administration can find some other way to save $650-million from a budget of over $300-billion than to take it out of the pockets of the poor and aged."

The House has scheduled hearings on the present legislation for Feb. 4, with proposed action on legislation set for the week of Feb. 17.

But Mr. Greenstein of the Community Nutrition Institute thinks that if action is delayed until this time, it may be taken too late to stave off the effects of the proposed increase.

Mr. Greenstein said he had checked with several states, and some said they would have to send out notices of the increase by the second week in February.

If people are notified of an increase, they may stop participating, even if the increase is rescinded by Congressional action, he said.

RULES OF SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, I submit herewith for publication in the Congressional Record the rules of the Select Committee on Small Business as adopted on January 27, 1975. There have been no amendments or changes since that time.

I ask unanimous consent that the text of the committee rules, as adopted, be printed as required in the Record.

There being no objection, the rules were ordered to be printed in the Record, as follows:

Standing Rules of the Senate Small Business Committee

(As adopted in executive session January 27, 1975)

1. GENERAL

All applicable provisions of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee and its Subcommittees. The Rules of the Committee shall be the Rules of any Subcommittee of the Committee.

2. MEETINGS AND QUORUMS

(a) The Committee will meet at the call of the Chairman. If at least three Members of the Committee desire the Chairman to call a special meeting, they may file in the office of the Committee a written request therefor, addressed to the Chairman. Immediately therafter, the Clerk of the Committee shall notify the Chairman of such request. If, within three calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the Committee Members may file in the office of the Committee their written notice that a special Committee meeting will be held, specifying the date, hour and place thereof, and the Committee shall meet at that time and place. Immediately upon the filing of such notice, the Clerk of the Committee shall notify all Committee Members that such special meeting will be held and inform them of its date, hour and place. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

(b) In executive sessions, a quorum for the transaction of business shall consist of a majority of the Members of the Committee.

(c) In hearings, whether in public or executive session, a quorum for the taking of testimony not under oath shall be one Member of the Committee. A quorum for the taking of sworn testimony shall be two Members of the Committee, unless the witness voluntarily waives this requirement.

(d) Proxies will be permitted in voting upon the business of the Committee by Members who are unable to be present. To be valid, proxies must be signed and assign the right to vote to one of the Members who will be present. Proxies shall in no case be counted for establishing a quorum.

3. HEARINGS

(a) The Chairman of the Committee may initiate a hearing on his own authority or at the request of any Member of the Committee. Written notice of all hearings shall be given to respective Committee or Subcommittee Members. Notice shall be given as far in advance as practicable. No hearings of the Committee shall be scheduled outside of the District of Columbia except by a majority vote of the Committee.

(b) Any Member of the Committee shall be empowered to administer the oath to any witness testifying as to fact if a quorum be present as specified in Rule 2(c).

(c) Subpoenas shall be issued only when authorized by a majority vote of the Committee. When so authorized, subpoenas may be issued by the Chairman or by any other Member of the Committee designated by him. A subpoena for the attendance of a witness shall state briefly the purpose of the hearing and the matter or matters to which the witness is expected to testify. A subpoena for the production of documents, memoranda, records, etc. shall state briefly the purpose of the hearing and shall identify the papers required to be produced with as much particularity as is practicable.

(d) Any witness summoned to a public or executive hearing may be accompanied by counsel of his own choosing, who shall be permitted while the witness is testifying to advise him of his legal rights.

(e) No confidential testimony taken or confidential material presented in an executive hearing of the Committee or any report of the proceedings of such an executive hearing shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee.

THE ROCK ISLAND RAILROAD AND THE ICC

Mr. CLARK. Mr. President, the Rock Island Railroad is one of America's most fabled rail lines, but the company has been through some exceedingly difficult times over the past years.

With the exception of the railroads of the Northeast, the Rock Island is the Nation's most financially troubled rail line. To help solve its problems, the company long ago attempted to merge with the Union Pacific Railroad. The proposed merger has been before the Interstate Commerce Commission for 10 years now, and during this time, the Rock Island has continued to sink into deeper and deeper financial trouble. Its very existence has been seriously threatened.

The Rock Island case was cited in a recent report by a House Small Business Subcommittee, chaired by Representative Neal Smith, of Iowa. The committee called the case a "glaring" example of "inordinate delays" and further recommended that the ICC facilitate rail mergers as a means of preserving this Nation's rail system.

We need a sound rail system in this country—it is one of our most efficient methods of transportation. I think the problems of the Rock Island only emphasize the need to take a hard look at the Government's role in preserving the Nation's railroads.

I ask unanimous consent that an article from the January 27, 1975, Washington Post, detailing the Rock Island case be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Rock Island Rail Case Raises Questions About ICC Practices

(By William H. Jones)

The Rock Island Line once may have been the road to ride but it's no longer a mighty fine railroad.

Outside of the Northeastern states, where more than half a dozen major railroads are in bankruptcy, the Chicago, Rock Island and Pacific Railroad Co.—its formal name—is the sickest big railway in America.

If the Rock Island is plunged into bankruptcy during the next few months, after 10 consecutive years of losses ($22 million in 1974, a record), a lot of people will look to the Interstate Commerce Commission as the main culprit.

"The question is whether the government wants to see the Northeast rail crisis extended to Denver and Tucumcari, N.M.," says John W. Ingram, until recently the Federal Railroad Administrator but now president of the Chicago-based line, which also has routes to Texas and Lousiana.

Ingram is seeking quick approval of a $100 million loan from the U.S. Railway Association, a federal planning agency designed to draw up a trimmed-down, for-profit system in the Northeast. Without U.S. money, Ingram says, the Rock Island Line faces the scrap heap or sale at auction to the highest bidder.

It is highly unlikely that the strategic Rock Island will be shut down, however. All American rail lines, including the Penn Central and other troubled railroads to the east, are part of an interconnected system—and some parts of all the railroads are vital to the nation's economy.

The Rock Island, for example, serves 14 states as a major hauler of grains and other farm commodities. Its inefficiencies already contribute to a more costly transportation system that is reflected in higher prices at the supermarket.

Derailments and accidents on U.S. railroads have been increasing at a rapid rate and one of the main factors is the Rock Island's lack of maintenance. Last June, nearly 2,700 miles of Rock Island main lines and 564 miles on branch lines were operating under "slow orders"—meaning the tracks are so unsafe that trains must travel at speeds under 10 miles an hour.

Things were not always so bad on the Rock Island Line as recently as Jan. 1, 1970, the slow order total for main lines was only 750 miles, plus 360 for branches.

But way back in 1963—May 13, to be exact—it was clear to management of the Rock Island that there was no permanent future for basically a "bridge" carrier like theirs in a rail system that was bound to be consolidated. On that day, Rock Island officers agreed to a proposal of merger into the Union Pacific Railroad, and that touched off the longest case in ICC history.

For the land-and-mineral rich UP, which had to arrange for connecting bridge service for East-West traffic between Omaha (its eastern terminus) and Chicago, the nation's major rail hub, addition of the Rock Island system was a much-desired goal; as part of the merger, the UP agreed to sell Rock Island's southwest lines to the Southern Pacific, giving the SP access to Kansas City.

Although it is nearly 12 years since the merger proposal was made, it has never taken place. The ICC finally issued a ruling in the case last Nov. 8—at 3 p.m. on a Friday afternoon, a favorite time for federal agencies to make public embarrassing material, at virtually the last moment of the work week.

The ICC approved the merger but with so many conditions that a consolidation never may take place. And the agency still is holding the case open for reconsideration petitions. Subsequent appeals to the U.S. Court of Appeals and Supreme Court could drag out the proceedings for another year or two.

Members of the agency have tended to shrug off criticism about the Rock Island case. For example, a Nov. 8 press release, issued in lieu of the agency's actual order (made public in December), began: "Eleven months and 12 days after it had heard final oral arguments of various railroad attorneys, shipper organizations, and other special interest groups involved . . ."

That seemed to imply that the agency had nothing to do with the case until about a year before its decision. Chairman George M. Stafford, noting that the record contained 200,000 pages of transcript and exhibits, the work of 150 lawyers, said: "It has been suggested that due process may, in the eyes of some, seem like undue process, but that is often the price our legal system imposes in litigation of this enormous magnitude."

Commissioner Dale W. Hardin said, "Protests have to be heard, or else there would be no protection to consumers and shippers . . . We must build a record." One example of a case taking 10 years, he said, isn't such a bad record when matched wtih 6,500 significant cases decided by the ICC's 11 members every year.

"The railroads criticize us for taking so long," Hardin said, "but part of the blame is at the doorstep of the carriers . . . They battle for five months over what rates they should seek and when they file, they get angry if there's no decision in 30 days."

To be fair, the railroads and rail competitors contributed to the Rock Island delays—it's an axiom of regulatory practice in Washington that lawyers always seek delays and their appeals seldom are challenged.

In the Rock Island case, for example, the first application to the ICC was not from the planned merger partners but the Chicago & North Western—which disliked the UP plan and asked approval to bid for Rock Island stock itself. The Santa Fe then asked for the southern lines in a C&NW-Rock Island merger and the Union Pacific's formal petition wasn't filed until Sept. 10, 1964, or roughly a decade before the agency acted.

But a prehearing conference—always the first step in planning proceedings—wasn't held until March, 1966, following procedural hassles before the ICC and some proxy fights in court. Continuous hearings ran from May 1966, to February, 1968. And then more hearings were held on possible combinations, some of which became totally superfluous.

The initial examiner's decision came, after an illness disrupted the procedure, in three volumes over a 17-month period that ended on Feb. 15, 1973, with a recommendation by administrative law judge Nathan Klitenic for a total restructuring of all railroads west of the Mississippi into four lines.

Although many experts believe Klitenic's view of rail reorganization should become reality, only one commissioner, Virginia Mae Brown, backed the examiner's recommendations in last November's decision. The other ICC members said their agency had no legal authority to mandate such consolidations, dismissed results of the long and costly hearing process, and reached their own conclusions.

Like the decision to approve a merger of the New York Central and Pennsylvania railroads in the 1960s, the Rock Island case raised many questions about ICC practices, including:

Why does the agency get involved in merger cases at all? Shouldn't the ICC take some initiative to make the lawyers work at a faster rate, if there are going to be protracted hearings? In such major cases, is it worthwhile having an examiner act as an interim decision-maker when the commission as a whole is likely to act on its own anyway?

A report last month by a House Small Business subcommittee, headed by Rep. Neal Smith (D-Iowa), cited the Rock Island case as a "glaring" example of "inordinate delays . . . highly detrimental for those whose course of conduct is dependent upon action by the ICC," especially in view of the railroad's downhill ride into red ink while waiting for Washington to act.

Smith's committee recommended establishment of a national rail system to replace a "hodge-podge" of individual railroads and called on the ICC to facilitate rail mergers.

There is a growing consensus that century-old dreams of transcontinental raildoads (as well as North-South lines) are the only course if the industry is to remain in private hands. The rapid changes in economic trends are showing up inefficiencies and new consumer costs in a fragmented, over-regulated transportation system, say critics of the ICC.

And the critics' primary example is the Penn Central, which collapsed in 1970 to become America's biggest corporate bankruptcy—just two years after the Central and Pennsy merger.

The mistakes that added up to Penn Central's failure already have cost American taxpayers millions of dollars in direct costs—a $2.1 billion rail reorganization act (funding of which is proving to be inadequate)—and untold millions more in tens of thousands of accidents over the past several years, in poor service, in higher energy consumption because of freight lost to trucks, and in increased shipping costs reflected in inflated prices for products ranging from automobiles to zucchini.

Evidence made public to date suggests that the ICC isn't the villain in the Pennsy debacle, although long-term regulatory policies are a factor. Financial frauds, mismanagement and an unwillingness of Pennsylvania and New York Central executives to stop internal warfare doomed the merger.

Former ICC member Charles A. Webb, who voted in favor of the Pennsy and Central combination "with more confidence than any other merger," says the agency had more than enough information and was not deceived. "Information developed later was not available in any form at that time. . . . We didn't know the incompatability of management; we just approved a civil war."

Something had to be done at that time, he says, to save the New York, New Haven & Hartford. Without inclusion of the New Haven in a merged Central and Pennsy, he believes, both the bigger roads would have been in bankruptcy shortly in any event.

On Tuesday, the Senate Commerce Committee will consider an emergency request for $250 million of new aid to keep the Pennsy's trains running beyond Feb. 25; without some funds to meet payrolls then, say the Penn Central trustees, they'll stop taking freight shipments on Feb. 14. And the second-biggest bankrupt line, the Erie Lackawanna, says it needs money in February, too.

What happened to America's railroad industry, the pride of the nation in World War II for unfailing performance in shipping a gargantuan amount of materials and soldiers?

In the business of freight, the U.S. system still outperforms every other major railroad network in the world, most experts agree. As for passengers, the railroads just gave up when nearly all Americans began switching to cars and planes in the postwar era; the ICC never promoted passenger travel, possibly because that's the way rail owners wanted it, but in many cases the agency required trains to run long after they were proved to be hopelessly unprofitable.

With the threat of massive shutdowns for the remaining passenger trains, Congress created a skeleton system called Amtrak in 1971. Although proposed initially to be a self-sustaining business, Amtrak's deficit has been widening and there is general expectation it will remain a nationalized passenger operation.

The overall size of the U.S. rail system peaked in 1916, with 255,000 route miles, soon after the ICC's power to regulate had been strengthened significantly.

Following its founding in 1887, the ICC was proved too weak because its decisions were not compulsory and the agency had to initiate court actions on its own. Of 16 rate cases appealed to the Supreme Court between 1887 and 1905, all but one were decided in favor of the railroads; average cases lasted four years.

New acts gave to the ICC a stronger hand in supervising railroad activities: the Elkins Act of 1903, banning rebates or deviations from published rates; the Hepburn Act of 1906, extending authority to such rail-related businesses as express and sleeping car companies, pipelines and terminals; the Mann-Elkins Act of 1910, instituting the power to suspend and investigate proposed rates; and a 1913 amendment requiring reports on the values of rail properties—to be used in judging rate equity.

Since that period, mileage has declined to just over 200,000 with 73 major railroads now moving 95 per cent of all rail freight tonnage in more than 1.72 million freight cars, powered by 27,000 locomotives. Altogether, this prime rail network moves between 38 and 39 per cent of all intercity freight—by far the largest share for any single mode of transport. For some commodities the percentage is much higher: 80 per cent of all food shipments are carried on the rails, for example.

Despite the bankrupt portion of the rail system and a flagging economy late in 1974, freight volume was at an all-time high of 855 billion ton miles; employment rose from 5,000 to 525,000 and capital outlays increased 20 per cent to more than $1.6 billion.

Inflation took its toll, however, and rail profits were as thin as ever: a rate of return just over 3.25 per cent and total profits for the major carriers of about $650 million. Rail freight rates rose 18 per cent and labor costs were up only 4 per cent, but materials prices climbed 40 per cent (a freight car in October cost $25,000 vs. $18,900 a year earlier).

With an estimated $40 billion to $60 billion needed over the next decade to modernize the rundown railroad plant in large parts of America, there is no way private capital will be forthcoming for such low returns on investment. And this has raised the specter of nationalizaton—unless, say ICC critics, there are some fairly rapid changes in Washington's economic regulation.

Allen R. Ferguson, president of the Public Interest Economics Center, says it's time to go beyond the question of how national policy "performed the black magic of converting a vital national asset into an economic and financial disaster."

America, he says, has only three broad policy alternatives ahead on railroading: (1) "Keep muddling along, sporadically applying patches, while the basic situation deteriorates*" (2) move toward nationalization, "imposing on the taxpayers as a whole the costs of the inefficiencies in the existing system and assuring the present owners and creditors and their heirs of unearned income at public expense into the indefinite future"; or (3) "try to make the market system work."

Ferguson, speaking for himself and 70 prominent economists last summer, advocated elimination of ICC control over entry of new firms in the various transportation fields, permission for rate flexibility, and curtailment of rate-setting cartels that were given antitrust exemption by Congress in 1948 (over President Truman's veto). Colleagues joining Ferguson included Nobel laureates Kenneth J. Arrow and Wassily Leontief, as well as Carolyn Shaw Bell, Walter W. Heller and Hendrik S. Houthakker.

James V. Springrose, speaking for one of the largest users of rail transportation as vice president of Cargill, Inc., a major U.S. grain firm, says ICC policies and rate-setting cartels in another setting from the Justice Department which held that General Motors could not sell their cars in the St. Louis or Minneapolis areas because Ford Motor has assembly plants there and can provide the public with all the autos it needs."

The cost to the economy of ICC-followed policies on rates, competition and entry have been estimated at higher than $20 billion a year, but no one really knows what the costs are and people disagree over whether the costs are outweighed by benefits.

Railroad leaders generally support the idea of less rate regulation by the ICC—and thus more freedom to compete with truckers and barge lines for business. The nation will be better off, says Association of American Railroads president Stephen Ailes, if the huge capital needed for rebuilding the rail system "can be generated internally . . . and by funds raised in the private capital markets in the expectation of future earnings. This in turn can only be accomplished if railroad earnings improve substantially . . ."

But the possibility of nationalization here is considered real if the ongoing Northeast rail crisis isn't solved with a surviving and profitable railroad to replace the bankrupts of today. If the Northeast railroad becomes a U.S. enterprise, railroad executives and many ICC staff members believe a full government takeover is inevitable—perhaps starting with purchases of tracks.

Legislation will be reintroduced on Capitol Hill this year to authorize U.S. purchases and upgrading of all major rail lines, yards and necessary connecting facilities—which would be leased to operating companies on the same principle as truckers paying taxes to use subsidized interstate highways.

Industrialist Norton Simon, Attorney General William B. Saxbe, Maine Central president E. Spencer Miller, and Penn Central president Jervis Langdon have supported a unified railroad company to operate all U.S. trains. Langdon says the railroads should be organized like American Telephone & Telegraph Co. Simon says the firm would be publicly owned and not nationalized and would save American taxpayers "several billion" dollars each year.

Most people calling for overhaul of the rail industry and less ICC regulation don't go that far. However, an authoritative 1973 report by the U.S. Task Force on Railroad Productivity warned that "only fundamental changes in the industry will restore the railroads to health." The commission called for creation of four to seven independent continental rail systems (east-west and north-south) through end-to-end mergers, and curtailment of ICC control over rates and business entry.

In her strong dissent to the ICC majority in the Rock Island case, commissioner Virginia Mae Brown offered a similarly broad view:

"On the basis of the record made, I am convinced that these proceedings should have been used as a vehicle for achieving a vastly improved rail service through reduction in unnecessary interchanges and redundant lines . . .

"As I see the majority decision, it has let escape the opportunity to achieve the most efficient and economical system for today's traffic patterns, . . . It follows, with respect to the (other smaller Midwest) railroads that a further deterioration of their financial condition will take place."

NUCLEAR INDUSTRY INFORMATION: A SPECIAL RESPONSIBILITY

Mr. GRAVEL. Mr. President, on January 17 the New York Times published a revealing news story about the Atomic Industrial Forum, which is the association that watches out for the interests of nuclear manufacturers and utilities. The story, by David Burnham, concerned a recent memorandum to AIF's board of directors. In that memorandum, the AIF outlined its new plan for presenting the pronuclear argument to Congressmen, Federal and State officials and the press, as well as civic groups, professional organizations and labor unions. The memorandum says AIF will spend more than a million dollars in 1975 on this effort.

I now have a copy of that memorandum, and it is an eye-opening document. It shows how AIF plans to work behind the scenes to try to bypass and override the legitimate fears of many citizens with regard to nuclear energy.

Mr. President, I am the first to agree that every side should be heard in the nuclear controversy. The opinions of the AIF and the companies it represents are certainly among the very most important. But the plan that is described in this memorandum is not a program of public confrontation on the questions of nuclear power. Instead, it seems to be a plan to resort to hidden influence and outright deception in an attempt to keep taxpayer and ratepayer money flowing into the coffers of the nuclear establishment.

The plan calls for one-sided presentations by hired professional speakers. It plans to pay public relations men to be on call for "coordination of media" any place in the country where citizens are successfully seeking moratoriums. And most important, the plan seeks to bypass the scrutiny of the press by planting its own articles and even by ghost-writing articles under the names of influential persons.

Here are a few quotes from the memorandum:

> Special events should be staged....
>
> More work should ... go into direct article placement, to minimize the filtration factor of the reporters and editors.
>
> The national media, with the middleman of the reporter and editor, cannot be relied on to publish a full and balanced account of nuclear power.
>
> The time is ripe for the PAIP staff to ghost-write substantive features for well-known experts and to place these with major consumer publications.

I should point out that the AIF program also will involve direct contact with officials in Washington and the State capitals. The memorandum says:

> There is a pressing need for a Washington-based focal point for industry initiatives and responses. . . .

In this regard, Mr. Burnham of the Times makes an interesting observation. The AIF is registered as a "not-for-profit, educational corporation." This means it enjoys a variety of low costs, including reduced mailing rates. And the companies which benefit from AIF's activities derive tax advantages from the money they pay to keep AIF operating.

I wonder about the propriety of giving a tax break to companies for the money they spend on these "industry initiatives and responses." In this memorandum, the AIF admits it is involved in a "political battle" and that it is acting "on behalf of the nuclear industry."

And here is one more quote:

> This level of activity will only be productive because it will complement and be co-ordinated with all other industry efforts.

Mr. President, I believe it would be appropriate for the Internal Revenue Service to investigate the tax status of the AIF.

This memorandum shows that AIF hopes to manage news and information without acknowledging its own role as the source, as the manipulator, and of course as the beneficiary.

I should point out that the AIF has already engaged in this kind of activity. Jim Sneddon, a reporter for the Beaver County, Pa., Times found an interesting example last December. In side-by-side columns, the paper printed a news release from the AIF and a subsequent article signed by Frank T. Martin of the Copley News Service. The two articles were virtually identical, word for word. The AIF release was the original. Naturally, it extolled the virtues of nuclear power. Mr. Martin barely took the trouble to mark up the AIF release, much less check it out. He signed his name and allowed himself and his news service to be used by the nuclear establishment.

Let me say once again that AIF has every right to present its case to the public. But the presentation should be straightforward, not ghost-writing under the names of celebrities, not planting news stories over the heads of reporters and editors who may find AIF statements to be unnewsworthy or untrue.

Through the techniques outlined in this memorandum, the AIF hopes to convince the public that the real questions and real problems of nuclear power does not exist. In this way, the AIF seeks to exert an enormous anonymous influence on the citizens who must finally decide whether the risks inherent in nuclear energy are worth the gains.

The AIF may believe strongly in the future of nuclear power. But in their enthusiasm for their product—and presumably for the profits involved—the AIF and its corporate members seem to have lost perspective on the very fundamental questions that are posed by nuclear energy. It appears from this memorandum that to the AIF's members, unresolved problems like radiation hazard, plutonium security, failsafe systems, and waste management are seen not so much as possible public hazards of the worst kind, but more as impediments to their own nuclear timetable. The following quote, which links nuclear safety problems not with solutions but with industry economic objectives, shows AIF's attitude clearly:

> The long-term future of the nuclear industry is closely tied to the development of the breeder reactor. At the same time, many of the current and pressing nuclear issues are intertwined with the opposition to the breeder—safeguards, plutonium, waste management. All require more focused attention. . . .

The AIF apparently looks at these problems as public relations difficulties to be smoothed over or hidden discreetly by what the association chooses to call positive information.

The AIF and its members, who deal with the most hazardous of man's technologies, have a responsibility even greater than that of other industries to be open and honest in dealing with criticism and with the real dangers that nuclear fuels and wastes present to our Nation and the planet.

Mr. President, I ask unanimous consent that the Atomic Industrial Forum memorandum dated December 13, 1974, be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ATOMIC INDUSTRIES FORUM, INC.,
New York, N.Y., December 13, 1974.

To: Members of the AIF Executive Committee.
From: Lee Everett.

Following your recommendation at the November Executive Committee meeting, members of the Public Affairs and Information Committee and the staff have met to consider the need for a significant expansion of the AIF's public affairs activities. The Public Affairs Committee agrees that a significant escalation of effort is urgently needed, on the order of twice the current $600,000 level of voluntary support, and that the additional effort should be designed to meet the pressing new needs in Washington as a result of the increasingly organized opposition.

Attached is an outline of the recommended program, which envisions the approximate doubling of the current voluntary support of PAIP, and an anticipated project budget. In this memorandum I will summarize the principal components of the program, in order of priority:

1. *Nuclear Policy Information Service.* This is the most critically needed Public Affairs initiative. It will be a major program designed to get balanced nuclear power information to decision makers, both legislative and executive, in the Federal government and, with the assistance of AIF members, to state and local policy makers. Because of the unwillingness of the major media to present the positive side of the nuclear power story, we must begin reaching such decision makers directly. This service will have two principal components:

An extensive personal contact program, for key decision makers and their staffs, coordinated by the AIF staff, but involving AIF officers, Directors, other member representatives, and, other industry groups.

The regular dissemination of objective and credible nuclear information to policy makers in Washington, state capitals and other influential groups. This will include a new newsletter designed to emphasize the need for nuclear power and other materials, as well as a greater coordination among prominent members of the independent scientific community.

2. *Generation of Positive News Events.* There is an urgent need to initiate frequent and substantive news events, to counter the pseudopress conferences held regularly by the national critics, and to provide a newspeg for media attention. To date the limited resources of the Forum have dictated a program of responding to criticism—a largely negative posture. A campaign to go on the offensive would include:

Press conferences, using every opportunity available to get AIF officials, scientific experts and others before the national media, especially in Washington.

Media field visits, directly informing influential representatives of the national media first-hand about nuclear power and the fuel cycle.

Radio "actualities", through which developments important to the industry could reach radio stations directly.

News feature placement, to "ghostwrite" and place positive articles on behalf of distinguished experts, to place feature stories through syndicate services, and to initiate and place special stories on a near-exclusive basis for prominent publications and special interest media.

3. *Contact with Other Influential Organizations.* The broad spectrum of organizations important to nuclear power acceptance, including professional organizations, women's groups, labor unions and others, would be directly contacted and provided information on a continuing basis. They will be urged to incorporate objective nuclear information into their conferences and publications and, in their formal policies, to recognize the need for nuclear power.

4. *Field Service to Members.* This will permit the AIF to respond to specific needs—state hearings, local moratorium drives—with professional trouble-shooting capability. Manpower can be sent to trouble-spots, especially those with national significance, to work with local members in identifying other industry resources, coordinating information flow, dealing with the press and policy makers, etc.

5. *The Breeder Reactor.* The long-term future of the nuclear industry is closely tied to the development of the breeder reactor. At the same time, many of the current and pressing nuclear issues are intertwined with the opposition to the breeder—safeguards, plutonium, waste management. All require a more focused attention, particularly with respect to the breeder. This program would assure that generic, national information and media relations for the breeder are provided in the way the Forum currently deals with current-technology reactors.

6. *Speakers Bureau.* This program will include the expansion of the present AIF speakers bureau, which now consists of a list of available experts, into a full-scale national program. This would include a few professionally trained speakers, on retainer to the Forum, who would be available on short notice for particularly important appearances. It would also include efforts to place these speakers in important public forums.

I would like to underscore that this represents our best judgment of the minimum effort in each category to produce productive results. Further, this level of activity will only be productive because it will complement and be coordinated with all other industry efforts. It must not be considered a substitute for broad concerted effort throughout the industry.

The urgency of our need requires that this program be promptly initiated and promptly funded. I propose that we immediately ask all 1974–1975 PAIP supporters to double their level of support (including going back to those who have already paid) with the clear understanding that this new level will be maintained in future billings. I expect that this will require top-level personal contact with all major PAIP supporters and am prepared to lead such an effort.

PROPOSED ADDITIONS TO AIF PUBLIC AFFAIRS AND INFORMATION PROGRAM

(First page missing.)

Economic and regulatory complications. Many individual utilities are now unable to mount adequate public information programs because of their financial situation or, in a number of states, restrictions of PUCs.

II. *Proposed response of AIF:*

Because of these complications, the AIF Executive Committee has proposed that the Forum consider expanding its Public Affairs and Information activities by about a factor of two with a program designed to meet these problems. This is an outline of what the AIF Public Affairs Committee and staff believe should be the priorities of such an expanded effort.

In brief, the goal of the Forum's new activities would be to reach key publics with positive information about nuclear power. In the past, because of limitations of staff and funding, the Forum has had to devote most of its time to reacting to initiatives by the critics and the press, usually adopting a defensive posture; and it has had to limit its services to two primary audiences—its members and the national media. Facing today's problems, the Forum, on behalf of the nuclear industry, needs to be able to reach key decision-making groups directly with positive information about the need for nuclear power. The national media, with the middleman of the reporter and editor, cannot be relied on to publish a full and balanced account of nuclear power. The economic benefits of nuclear power will be the most important element of this story, with its ability to help slow the inflationary spiral which is now being encouraged by steady increases in petroleum and coal costs.

The targets for these activities will be not only the industry and the media, but such other influential groups as these (in order of priority):

1. Governmental Decision-Makers (Congress and its staff, federal executive agencies, state legislators and Public Utility Commissions)

2. Influential Organizations (emphasizing the financial community, labor unions, the education community, and major civic groups)

3. Other Interested Segments of the Public (including major business or professional associations, industry employees, etc.)

III. *Design of the expanded program:*

The Forum should continue and, in fact, intensify its two traditional roles: working with the national media and providing information and tools to its member companies. The INFO networks, personal work with the press, publications and conference programs, etc., should continue but be oriented to the new needs of a political battle that requires a more aggressive, positive posture. A reorientation and expansion of PAIP would result in a program with these principal components.

The additional resources should be used to create the following new initiatives, in order of priority:

1. A nuclear policy information service:

This is the heart of the new activities and represents the most important single need in the industry's nuclear information program. It would be a coordinated effort, both within the AIF staff and throughout its membership, to reach governmental policy makers at all levels with information about the advantages of nuclear power (as well as answers to the most timely questions). It would involve a stepped-up personal contract program, coordinated by the staff and involving Board and committee members and other AIF member representatives. Between the staff and member representatives, close contact would be established with key congressional staff and executive agency personnel in Washington and other particularly important governmental decision makers in the state capitals.

This program would also include a new nuclear policy makers mailing list (Congress, legislators, PUC members and local government officials, as appropriate). The key organizations in other categories, such as labor unions, the financial community and major associations, could also be on this list. This list would receive a monthly publication stressing the advantages of nuclear power (similar to the current Press INFO) as well as special mailings of important speeches, background papers, rebuttals to major criticisms, and special pamphlets concisely spelling out the economic and fuel supply benefits of nuclear power.

2. Media relations:

The increasingly hard line toward nuclear being taken by much of the influential media needs to be answered in kind. This would include a faster and stronger response to erroneous articles and more intensive work not only with reporters, but with their editors and editorial writers. There should also be an increase in the timely, positive material distributed to the Forum's press mailing list, not only through Press INFO, but through additional spot news stories, backgrounders and features. In addition, ways must be found to overcome the major media's reluctance to carry positive stories about nuclear power.

For one, special events should be staged, comparable to the ones effectively used by opponents—such as press conferences by leading scientists and industry representatives in Washington, petitions from prominent scientists and engineers, etc. More work should also go into direct article placement, to minimize the filtration factor of the reporters and editors. Similarly, more direct use should be made of radio and television, rather than relying on their reporters for all news judgment.

3. *Other Key Groups:*

As with the governmental policy makers, other key groups need to be reached directly, rather than relying on the news media or general osmosis. Direct contact with financial groups, the League of Women Voters, labor unions, educational groups, medical associations, etc., could impress on them the need for nuclear power and its advantages. We would especially be working to place articles in their publications, to get speakers on their programs and, as much as possible, to rally their vocal support.

4. *The Nuclear Industry:*

In addition to a general increase in positive information about nuclear power, the industry would profit from a coordinated, fast-response speakers bureau which could provide first-rate speakers on nuclear subjects on a relatively short timescale. AIF members would also gain a closer liaison relationship with all PAIP activities, such as advance copies of press releases and features to coordinate local release, and prompt copies of AIF response to critical articles. For members with particularly pressing local problems—such as a serious moratorium threat—the AIF would provide on-the-scene assistance, to help with coordination of information, media relations, or other activities. Special tools should be provided for reaching company employees and other select audiences.

IV. *Details of Proposed New Projects:*

NUCLEAR POLICY INFORMATION SERVICE

Direct contact with governmental policy makers

AIF staff, including its officers, would make and maintain contact with the key executive and legislative policy makers in Washington at both the staff and decision-making level. The staff would also coordinate similar contact, on behalf of the nuclear industry, by Board members, committee members, other representatives of AIF member firms, and independent experts on nuclear power (such as members of the speakers bureau). Initially emphasis would be on several levels of NRC, ERDA, FEA, and key Congressional committees and their staffs.

Another aspect of this service would be a State Capital information service, which would coordinate information to and from state legislative and executive bodies. State capital contacts within the industry would be organized to provide information on pending actions that would significantly affect nuclear power in various states, for the Forum to disseminate to its members. In addition, in coordination with member companies, materials and information will be routinely provided to decision makers in the state capitals.

PROPOSED ADDITIONS TO AIF PUBLIC AFFAIRS AND INFORMATION PROGRAM

Publication service

A new publication, similar to Press INFO, will be sent to Congress, executive agency heads, and, as appropriate, PUC members, state legislators and local government officials. In addition special mailings, similar to the Liaison Mailings that now go to members, will provide them with significant articles, speeches, and responses to major criticisms. Three special pamphlets, briefly spelling out the need for nuclear power, its economic advantages, and its benefits in conserving fossil fuel, will also be prepared and sent during the first year. Much of the newsletter, special mailings and publications work will be spin-offs from ongoing activities, such as the INFO newsletters.

POSITIVE NEWS EVENT GENERATION

Press conferences

One of the important ways in which AIF can step in to help fill the information gap that is being created by the demise of AEC and of much of the Congressional nuclear leadership is to stage-manage news at least as adeptly as the Nader and UCS forces do. For example, whenever AIF readies a white paper or ad hoc committee report, we should pull together the senior authors and staff for one or more press briefings. Another possibility: bring a dozen key utility executives to Capitol Hill for visits to Congressmen, then hold a press conference for them.

From time to time, PAIP has staged luncheon briefings for newsmakers and these, too, should be expanded. Allied to this effort should be an aggressive campaign to get our senior spokesmen on radio and TV panels and interview shows.

Media field visits

At least once a year, and preferably more than that, PAIP should organize and conduct a tour for top-level journalists of one or more aspects of the nuclear fuel cycle. For example, in 1975 a most valuable tour could take this select group through the entire front end of the fuel cycle, from mine to mill to enrichment, fabrication and core loading. Another tour, probably not realizable before 1976, could be geared to the LMFBR.

Press junkets are tricky, but enormously worthwhile, not so much for the spot coverage they generate but for the lasting feel for a complex story that they give a writer. Travel expenses, ideally, should be borne by the guests, but even so the logistic and amenity expense can be fierce.

Radio "actualities"

Several outside organizations offer an "actuality" service: they can record and edit for broadcast statements and comments by AIF officials and handle distribution of these beeper feeds to selected radio markets. A beeper radio system would be extremely useful for quick general response by an AIF spokesman to statements by critics; to propagate an AIF policy statement or urgent press release or simply to offer capsule features on nuclear industry milestones. Surprising as it may be, hundreds of radio stations will air taped messages coming from outside sources. Professional services can pinpoint distribution to geographical areas of greatest interest to AIF.

News feature placement

PAIP's traditional media approach is to mass-distribute news releases, backgrounders and INFO. More and more, however, we find that selected placement, on an exclusive or near-exclusive, basis has merit, and we are doing this within our limited resources. We have also experimented with outside mat services, which blanket small papers. Benefits versus cost for such a service remain in doubt.

The time is ripe for the PAIP staff to ghostwrite substantive features for well-known experts and to place these with major consumer publications. At the same time, we should aggressively seek space in these publications for unusual pro-nuclear articles.

CONTACT WITH INFLUENTIAL ORGANIZATIONS

Such influential segments of the public as the financial community, labor unions and teachers would be included in the direct contact and mailings as described in the Nuclear Policy Information Service. Visits, briefings and seminars would be coordinated by the staff, to include AIF member representatives and other experts in nuclear power. Specific goals would be to place articles in their publications, arrange speakers for their conferences and generally encourage their vocal support of nuclear power.

FIELD SERVICE TO MEMBERS

Over the years, the PAIP staff has frequently been asked to consult with members on information projects, publications, media relations, etc. These services have taken various shapes, including telephone consultation, briefings by two or three PAIP staffers for a member company executive staff and full-scale management briefings utilizing outside speakers. As pressure from critics increases, the ability of the AIF to provide such direct information and advice on a rapid-response basis, must also increase to help its members cope with local variations of the national problem.

PROPOSED ADDITIONS TO AIF PUBLIC AFFAIRS AND INFORMATION PROGRAM

More and more frequently, local events are developing industry-wide significance—moratorium efforts, state and local legislative hearings—and as often, they are orchestrated by broad-based opposition groups on a common theme. There is a need to provide professional troubleshooters who can spend a few days or a week on location advising local members of other experience, working with local media and opinion leaders, and making known what other Forum and Industry resources can be brought to bear.

THE BREEDER

An issue of special importance in the near future is the breeder reactor. Go or no-go decisions to be made on the breeder in the coming months may well have direct impact on all nuclear power, especially as critics relate the common issues of concern: plutonium, wastes, economics, safety, need for power, etc. There is currently a vacuum in handling breeder public information on a national scale, in terms of working with the national media, with key opinion makers and with the national nuclear industry. For the benefit of all the industry, the Forum should fill this vacuum by establishing a generic national breeder information program which will serve as the principal point of contact with the media, government agencies and other influential groups. A Breeder Information Project Director will be located in Washington and, calling on the other Forum staff, will coordinate generic breeder information, including such peripheral issues as safeguards and plutonium, and provide the necessary contact, publications and a national press seminar.

SPEAKERS BUREAU

There is an increasing demand for a quality fast-response cadre of speakers on nuclear power subjects who can be used for important debates, television talk shows, conferences and hearings. The Forum must expand its speakers bureau, in terms of the number of available speakers, and upgrade their effectiveness by providing them with continual timely information and critique of their performances. To turn this effort into a fully professional one, however, will require two additional commitments:

1. Training of speakers. There are now only a handful of skilled, knowledgeable speakers who can cope with debates, hostile audiences and skeptical interviewers. Many other knowledgeable professors and consultants can be trained for such roles, to the benefit of the entire nuclear industry. The Forum will select a half-dozen candidates, educate them on the issues, and train them on speaking and confrontation tactics to make them more effective as speakers.

2. Speakers on short notice. To provide greater assurance that first-rate speakers would be available for important meetings on short notice, the Forum would place three expert speakers on retainer, these speakers would be committed to providing limited service on virtually any kind of advance notice. AIF member companies with meetings important enough to warrant this service would reimburse the Forum, plus expenses of the speaker. The retainer would also call for the speaker to help the Forum in less time-consuming ways, such as reviewing manuscripts and writing letters to editors of key publications.

ANTICIPATED PAIP PROJECT BUDGET

	1974–75 budget	Projected expansion	Additional Prof. staff
Media services	$296, 275	$346, 275	0. 5
Information services	332, 325	382, 325	. 5
Conferences	44, 200	44, 200	
Publications production	108, 200	153, 200	
Nuclear policy information		125, 000	1. 0
Positive news events		87, 000	1. 0
Influential organizations		45, 000	. 5
Field services		33, 000	. 5
Breeder reactor		115, 000	1. 0
Speakers bureau		50, 000	
Total	781, 000	1, 381, 000	5. 0

Position regarding relocation of Atomic Industrial Forum, Inc., to Washington, D.C. area

The Forum has maintained for over one year a split operation between New York City and Washington, D.C. The majority of the staff, including the staff officers, have been headquartered in New York City. Currently about twenty percent of the staff are located at 1747 Pennsylvania Avenue in Washington, D.C. The latter include the entire NESP staff, the Staff Counsel, the Reactor Licensing and Safety Manager, the Washington Editor of *Nuclear Industry,* and the Washington Media Representative of the Public Affairs and Information Program.

2. The Forum's membership is seriously affected by the governmental reorganization of AEC into ERDA and NRC; the increasing role of EPA, FEA, the Energy Policy Council, and other executive branch agencies active in nuclear energy matters; and the diffusion of responsibility for nuclear energy matters among several committees of the Congress. There is a pressing need for a Washington-based focal point for industry initiatives and responses in this changing climate.

3. The Forum's membership is also being seriously affected by campaigns of misinformation regarding nuclear power, which are being launched by nuclear critics in Washington, D.C. These campaigns may best be dealt with at their source and in the same time-frame as they are developed.

4. In consequence of the above changes the Forum's members, officers and staff anticipate that their activities in Washington will necessarily increase substantially, both on programmatic and informational activities. These activities will continue to center around generating and providing factual information on nuclear energy for the public, the industry and governmental policy makers. The Forum's methods will continue to be in accord with its charter as a not-for-profit educational corporation.

5. The Forum will initiate the actions necessary to permit the relocation of the Forum's staff and headquarters to the Washington, D.C. area during 1975 in order that the work of the Forum can be conducted more effectively, the final decision to be subject to ratification by the Board of Directors.

Relocation of AIF

Questions and Answers

1. *In what ways will the Forum "expand its efforts to provide factual information on nuclear energy to governmental policy makers"?* Forum members and staff will be increasingly available to respond with needed information. New publications will be initiated which are responsive to the particular informational requirements of policy makers.

2. *Is this move by the Forum simply a reaction to Ralph Nader's anti-nuclear campaign?* It is only in part. It is largely dictated by the governmental fragmentation of nuclear energy activities.

3. *Do you believe a nuclear lobby is needed in Washington?* What is needed in Washington is an information center and a coordinating effort so that the activities of Forum members and other associations—both lobbying and non-lobbying—can be applied in a more concerted fashion to the problems of the industry. In this context, a step-up of the lobbying activities of individual members may well be appropriate as well as more productive.

4. *Will the Forum now become a lobby?* No. As a not-for-profit educational corporation the Forum is precluded from lobbying. The Forum will, however, continue and expand its efforts to provide factual information on nuclear energy to governmental policy makers.

JOINT ECONOMIC COMMITTEE HEARINGS ON PRESIDENT'S TAX-ENERGY PROPOSALS

Mr. HUMPHREY. Mr. President, I wish to draw to the attention of my colleagues the main points brought out on January 23, the opening day of the Joint Economic Committee's annual hearings on the economy. The three extremely qualified and insightful economists who appeared—Gardiner Ackley, Paul McCracken, and Charles Schultze—testified on the President's tax and energy proposals and possible alternatives. I found the session to be most informative and useful and I am certain that others will find the following ideas equally helpful, as we all attempt to come to grips with the economic and energy problems that plague our Nation.

In general, Paul McCracken supported the President's package but said that the program could be tilted even more toward middle and lower income groups. His own preference would have been for a permanent tax reduction rather than a one-shot rebate. He also recommended that the rate of monetary expansion should be sharply and promptly increased in order to accommodate an expansion in gross national product. Dr. Ackley and Dr. Schultze also advocated a vigorous monetary policy in order to finance the deficit, hold down interest rates, and expand credit.

Dr. Ackley commented extensively on the need to correct a number of popular, but mistaken, beliefs about economic policy. For example, he observed that, relative to the size of the economy, Federal spending has not increased over the past 2 decades. As a percentage of gross national product, Federal spending was 21.1 percent in 1953, and 20.4 percent in 1973. With the exception of Japan, Dr. Ackley noted, the United States is the only free market economy where Government spending as a percentage of gross national product has not risen appreciably in the last 25 years. In addition, the size of the Federal deficit has been too high only once in the last quarter century, according to Ackley. Far from being "horrified" at the present deficit, as is Secretary Simon, he thinks it is too small.

In support of these views, Dr. Schultze stated that the deficit of $44 billion expected in fiscal year 1976 is not the result of a large burst of Government spending, but instead flows directly from the recession. It is the shortfall in national output and income which turns a full employment surplus of $25 to 30 billion into such a large deficit. Schultze also pointed to the gap between actual and full employment gross national product as a measure of the recession's effects. By spring, this gap will approach $210 billion, a tremendous loss to our Nation. I find even more appalling Schultze's conclusion that, even if the economy begins recovery this summer, and real output grows steadily by 8 percent in the first year of recovery and 7 percent thereafter, it will be 1978 before we get down to 5 percent unemployment.

I have cited these facts to point out the absolute necessity of a large and quickly implemented tax cut. Ackley, in fact, called for a $25 to $30 billion tax cut to become fully effective in April. He also cited a need for net tax reduction beyond 1975. Schultze, suggesting a similar dollar amount, advocated a $12 billion rebate of 1974 taxes, with a cut off of $700, to be given in April. Permanent tax relief of $10 billion would come in the form of a 1½ percent income tax credit applied to a worker's earnings up to $14,100. This provision, I might add, is identical to the one I introduced in S. 166, the Emergency Tax Relief Act of 1975.

As Schultze pointed out, this reduction would return to workers at least a part of their payroll taxes. He also advocated an increase in the investment tax credit from 7 percent to 10 percent—which would include utilities—and a counter-cyclical revenue-sharing program which would be tied to the unemployment rate. The entire package proposed by Dr. Schultze, if enacted by April 1, would provide a $25 billion stimulus in calendar year 1975.

I was very interested in the question of whether such a large stimulus would significantly fuel the fires of inflation. The witnesses spoke with a unanimous voice: a large tax cut and accompanying large deficit under current depressed conditions would not be inflationary. Dr. Ackley did, however, make several suggestions to reduce inflationary pressures in the future. Most importantly, he proposed creation of a permanent Government agency to actively and continuously monitor price and wage behavior in critical sectors of the economy. In other words, the United States should, in his opinion, develop and maintain a genuine and active "incomes policy" as an essential ingredient of a long-run defense against inflation.

Schultze provided the most extensive and illuminating comments on the President's energy proposals. His principal point was that a reduction in imports, of the size and timing of the President's proposal, is not essential. These factors must, he believes, be carefully synchronized with our program for economic recovery.

I believe that Schultze hit it right on the button when he concluded his testimony by saying:

> We gain much from adapting our measures to the economy's capability of adjustment. We gain little, and stand to lose much, by seeking to achieve a legitimate long-run target overnight.

Mr. President, I ask unanimous consent that the statements by Dr. Ackley, Dr. McCracken and Dr. Schultze to the Joint Economic Committee on January 23 be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement by Gardner Ackley

I am pleased and honored by the invitation to testify once again before this distinguished Committee, and to express my views regarding both the difficult economic problems which this Nation faces, and the important proposals which the President has made for a sharp change in the direction of our economic policy. Although the seriousness of our economic situation is often exaggerated in the press and elsewhere, and some of the more apocalyptic projections are exceedingly far-fetched, there can be no doubt that our economic problems demand immediate attention, prompt decisions, and energetic action.

For reasons of time—as well as because I am genuinely uncertain about some aspects of a desirable long-term energy policy—I intend to confine this statement to the problems of recession and inflation, and not to deal with energy problems and policies.

I welcome and support the President's belated recognition that our overriding economic problem today is recession, and its attendant economic waste and human tragedy. Although I do not believe that his proposals are adequate to deal with the problem, at least the direction of his proposed policies is now clearly correct: the economy does need a large and prompt stimulus from fiscal policy, supported—I may add—by an expansionary monetary policy.

It is not commonly understood that Federal fiscal policy has been highly restrictive over the past year. Nominal expenditures have continued to rise—but in many cases less rapidly than prices—so that real expenditures have declined or at best risen slightly. Meanwhile, real tax burdens have increased sharply through the effects of inflation (and from the increase in the base of the payroll tax). The increase in budgetary restraint has been concealed not only by inflation, but also by the adverse impact of the recession on aggregate tax collections. In the third quarter of 1974, the Federal budget on national income and product account (which is the relevant measure of the budget for assessing its economic impact) showed a trivial deficit of $1.9 billion, with the unemployment rate at 5½%. It would have been in appreciable surplus had the unemployment rate been even 5%. By now, there is a considerably larger potential surplus in the government's accounts at reasonable and desirable levels of output. We need to convert this potential surplus into a substantial potential (and actual) deficit if we are to provide an economic stimulus sufficiently robust to counter—and then to reverse—the economy's now rather frightening rate of deterioration. In principle, this could be done either by raising expenditures or by reducing taxes, or some combination; but expenditures cannot possibly be adjusted with the needed quick and massive effectiveness. Thus, our only practicable tool is tax policy, and the President was clearly right to recommend a major tax cut. However, the specific cuts which the President has proposed are neither large enough nor effective soon enough to meet our needs: I should judge a cut of $25 to $30 billion more nearly appropriate than the $16 billion which the President proposes—and it could and should become fully effective in April, rather than half in May and half in September.

What the exact nature of the individual income tax cut should be seems to me far less important than its size and its speed. I happen to have no serious quarrel with the President's proposal for a percentage rebate of 1974 taxes, subject to some ceiling, such as $1,000 per return. To be sure, you can easily calculate that a substantial percentage of the total rebate would go to taxpayers with 1974 incomes above $25,000. But these people are paying a considerably larger percentage of total 1974 income taxes. A quick, temporary tax cut, made to deal with a recession emergency, is neither the time nor place to reach agreement on and to achieve a desired redistribution of income. Whatever tax cut of $20 to $30 billion which Congress and the President can quickly agree on, I'll buy—whether it takes the form of a uniform cash payment of $400 (or whatever the figure should be) paid on April 1 to every 1974 taxpayer, regardless of income; or whether it is 20 percent (or whatever the figure should be) of withheld 1974 income tax, paid on April 1; or whether it is a three months' moratorium (or whatever the duration should be) on withholding against 1975 income taxes, beginning on April 1. (It could also be a mortarium on or rebate of payroll taxes, with social insurance funds reimbursed from general revenues.)

We surely need to find ways to get extra income into the hands of the lowest-income recipients of all—those who paid no income tax in 1974 and will not in 1975. But this is an extremely difficult technical problem, which will not be solved between now and March 1, when emergency tax legislation should be passed. And if you can't put extra money into the hands of those people who *most* need it, you can't make a great moral principle of precisely how you should refund taxes to those sufficiently well off to be able to pay taxes.

The idea of paying a uniform "social dividend" of $*x* per capita—as a means of boosting consumer incomes and consumer spending in a recession—has been discussed during every recession for at least 35 years. It is a crime, perhaps, that (so far as I know) no one has ever seriously studied how this might be done—on the one hand, without intolerable fraud, and, on the other, without overlooking many of the most needy—in a society which rejects any form of universal registration. But these problems cannot be solved next week or next month. They may not even be fully resolved in time for the President's proposed $80-per-adult negative tax payment later this year.

But to return to the main thread, I find it indeed fortunate that both Congress and the President now appear to be agreed in principle on the need for a large, immediate tax cut. It is not unreasonable for the public to expect that they will submerge differences of detail and will make whatever compromises are necessary to assure very prompt action. This is only the first order of business, however. The need for net tax reduction will not end with year 1975, and the President's proposals limit net tax reduction to that period. However, I believe it essential that we decide first what is needed now—and act quickly on that. There will then be time for Congress to consider longer-term changes in both the level and the structure of taxation, in the light of prospects for the economy, of prospective growth of expenditures, and of the burdens imposed on different groups by whatever energy policy is eventually agreed upon.

A great many economists have favored an immediate tax cut for many months (even though we did not realize how large it would need to be—especially when so long delayed). The conversion of the President to this view is thus, to me, a most important and welcome development. Yet I find it disturbing that the President and some of his advisors appear not fully to understand why a tax cut is necessary and how it will contribute to reversing the recession and creating new jobs.

It seems to me important not merely that we *do* the right thing, but that we explain properly *why* we are doing it. Otherwise we will continue a process of public mis-education which has already contributed significantly to the tragic loss of public confidence in government's capacity to deal with the Nation's problems. Surely it is mis-education for the President to say:

"Cutting taxes, now, is essential if we are to turn the economy around. A tax cut offers the best hope of creating more jobs. Unfortunately, it will increase the size of the budget deficit. Therefore, it is more important than ever that we take steps to control the growth of Federal expenditures."

Referring to the budget he will submit for FY 1976 (provisionally estimated at around $349 billion), the President said "It is still much, much too high". And referring again to the budget, "The size of these numbers and their impilcations for our everyday life and the health of our economy are shocking".

It is a similar act of mis-education—and a direct blow to citizen and consumer confidence—for the Secretary of the Treasury to say that he is "horrified" by the huge deficit implied by the President's program, and to predict that it will squeeze private borrowers out of the market and raise interest rates. He is also reported as saying: "We have to get this crazy government spending under control". Not only are views like these damaging to confidence, they are factually and analytically wrong. They thus make it difficult for the government to develop and for the American people to understand and support economic policies which will deal adequately and effectively with our problems.

Let me remind you of a few relevant facts, first about Federal budget trends. The first fact is that, no matter how you slice it, Federal spending simply has not been increasing over the past two decades, when measured in the only meaningful way—relative to the size of the economy. Federal government purchases of goods and services were 15.6% of GNP in 1953; they fell to 10.9% by 1963; they then fell further to 8.2% in 1973. Including transfer expenditures—which do not take any output away from the private sector—along with grants and subsidies, the Federal budget went nowhere: from 21.1% of GNP in 1953, to 19.3% in 1963, to 20.4% in 1973.

The President's "still much, much too high" proposed expenditure budget of $349 billion for FY 1976 would amount to about 19½% of what I estimate to be the potential output of that period at 5% unemployment, valued in estimated prices of that period, which assume a steady and substantial reduction in the rate of inflation. Actual budget expenditures in FY 1974 were an almost identical 19½% of the potential output of that period at 5% unemployment, valued in that period's actual prices. And FY 1974 expenditures did not include the large, but temporary, unemployment-insurance and public-employment outlays which are reflected in the budget for FY 1976—and which alone would justify making that budget an appreciably larger percentage of potential GNP.

Although data are not easily available in fully comparable form, governments in the United States (Federal, State, and local) probably spend a smaller share of the Nation's GNP than is the case for any major free-market country except Japan. Moreover, again with the exception of Japan, the United States is probably the only major free-market economy in which government spending as a percentage of GNP has not risen appreciably during either the past decade or the past quarter century.

Some who complain about increasing government spending are instead really worried about government deficits; and I would agree that this is a more relevant consideration than the mere size of budgets. But the fact is that only once in the past quarter century (in 1967 and 1968) has the size of Federal deficits been other than insignificant—except when, as now, tax revenues were depressed by recession and high unemployment. And the only legitimate complaint about the size of U.S. deficits in periods of recession is that they have been too small. The deficit is too small right now. That is why we need a large tax cut. (I may add, however, that government surpluses have also sometimes been too small—in periods of boom. The substantial deficits of 1967 and 1968, in particular, of course should instead have been substantial surpluses.)

Will a $50 billion annual deficit for the next year or two be disastrous? Must it, as Secretary Simon asserted, either rob private borrowers of funds needed for investment and expansion of production, or else require an inflation of the money supply which will guarantee faster-than-ever inflation of prices in the future? I assert that neither outcome is necessary or likely.

All recent forecasts predict that the gap between actual GNP and potential GNP will grow throughout most or all of 1975, and diminish only modestly in 1976—even with a tax cut. The very minimum assignment for monetary policy in such a period, in my judgment, should be to expand the money supply about in line with the growth of potential output in then valued current prices—certainly, so long as the rate of inflation is continually and appreciably diminishing (which most forecasters expect to occur). This describes what would be an essentially neutral stance for monetary policy.

With a GNP gap of the size we anticipate (which is why we need large Federal deficits), with private investment declining (possibly even in dollar terms) and quite inadequate in amount, with residential construction still very low, and with consumers not buying very many cars or other durables, private borrowing will be exceedingly weak. Even with a neutral monetary policy, there should be no significant problem in marketing the Federal securities necessary to cover prospective deficits, and at interest rates lower than now.

Look at it in another way. Suppose there were no recession, and no Federal deficits, over the next year and a half—because private investments in plant, equipment, inventories, and housing, and consumer purchases of autos and other durables had continued strong and were trending smoothly upward at a rate such that total output would grow in parallel with growing potential output. The volume of private borrowing associated with that kind of economy would be far larger than what in fact will be the sum of private borrowing and government deficits in the period now ahead. What would be the appropriate monetary policy for the hypothetical economy just described? Certainly, it ought to permit private borrowing to be financed without strain, so long as output was moving only in parallel with potential and the rate of inflation were significantly diminishing. Monetary policy should do no less in the face of recession.

I personally would argue that Federal Reserve policy now and in the next year or two ought not merely to be neutral, but instead strongly expansionary. I favor a discretionary monetary policy, both in booms and recessions, rather than a steady mechanical expansion of some variant of M. Thus, if M_1 should expand at a 9% or 10% rate over the next year, it would not disturb me at all. However, those who predict that Federal deficits will place intolerable pressures on our money and capital markets seem to be expecting—and assenting to—a discretionary policy designed to deepen the recession and delay recovery. I cannot believe that this is what the Federal Reserve intends to do or will do (although it has done so in a number of past recessions—and apparently has been doing it again over the past six months).

So I wish that the President and members of his Administration would stop their doomsaying. If they need to be "shocked" and "horrified" about anything, let it be about the impacts of unemployment on the poor, the minorities, and the young people just entering the labor force. Let them lead a crusade not against the deficits which they are appropriately encouraging, nor against an inflation which they propose no appropriate means to combat (and which would be given an extra fillip from their proposed energy policy); let them crusade instead against recession, unemployment and economic distress, which economic policy surely can do something about. Incidentally, that crusade will do a lot more to restore public confidence in government than one directed against deficits at a time when deficits are badly needed, or against undefined "crazy government expenditures".

I have said nothing so far about inflation, which the Administration considers still our number-one long-range problem. In a sense, I agree; for I have long believed that a strong bias toward inflation is now deeply rooted in our political, social, and economic structure. Thus, even if the current recession brings, as it probably will, the by-product of a substantial reduction in inflation's rate, the danger of revival of serious inflation will remain. How can we best assure against such a revival?

First of all, we must guard against renewed mistakes of fiscal and monetary policy in an expansionary direction at times when aggregate demand is already close to potential output. And although I emphatically reject Mr. Simon's diagnosis of our present economic plight as the result of a "decade of irresponsible policies", fiscal policy was surely wrong in 1966–68 (when I had something to do with it), and the pre-election fiscal policy of 1972 was clearly over-expansionary as well. Unfortunately, it is far easier for fiscal and monetary policies which are overexpansionary at the wrong time to kick-off or accelerate an inflation, than for highly restrictive policies to stop, or even to slow down an inflation, once underway. The inertia of the inflationary process is incredibly strong in a society like ours.

This means that we must be sure that the expansionary policies which we initiate now against recession can be and, when the time comes, will be throttled back before expansion begins to put too much pressure on productive resources. We should be quite conservative, for quite a while, in judging what is a safe margin of unemployment and capacity utilization.

This view embodies what I consider to be the (small) kernel of truth in the Administration's rhetoric about the budget. Neither economic analysis nor our own foreign experience gives any support to the view that the rate of increase of government spending by itself has any important casual significance for inflation. Countries where government spending has risen rapidly (whether in absolute terms or as a percentage of GNP) have, on the average, neither better nor worse records on inflation than countries where government spending has risen slowly. The important question is how tax policy is adjusted to the growth of government spending.

Second, it seems to me that much closer attention than in the past must be paid by government to monitoring the rate of capacity expansion in basic industries; and there must be readiness to move in with special assistance and encouragement when the growth of capacity in a particular industry appears inadequate for the most plausible forecast of long-term growth of its demand.

This, again, embodies what I see as the (small) kernel of truth in the Administration's position that inflation can be inhibited by a higher rate of investment and capacity growth. Administration spokesmen invariably express this in over-all terms, which I regard as quite irrelevant to the question of inflation.

The rate of over-all investment is surely relevant for the long-term growth of potential output. But neither economic analysis nor our own nor foreign experience gives any support to the view that either the share of GNP devoted to investment, or the over-all growth rate of potential output, bears any significant relationship to inflation. Since 1950, the two major countries with the highest average rates of inflation are France and Japan. Japan has the highest investment share and highest growth rate of any major country, and those of France are among the highest. Clearly it is the balance between the growth of capacity and the growth of demand that is important; and on an over-all basis, high and rising investment generates fast expansion both of capacity and of demand.

But recent experience does make clear that capacity bottlenecks in specific basic industries can be an important cause of inflation, in a society like ours. This is where our attention needs to be addressed. I may also add that, much as I welcome the dismantling of our old agricultural policies and (more important) our attitudes toward agriculture, we still need a policy which will attempt to cushion price movements from sudden shifts, in either direction, in supply of or demand for particular major farm products.

Third, we need to stop talking about, and start enacting, the long list of structural reforms which will strengthen competition in labor, product, and service markets; which will eliminate the many governmental and private protections which directly raise or support particular costs and prices; and which will assist lagging sectors and industries to improve their productivity.

Fourth, and finally, we must accept the necessity for a permanent and prominent government agency which will actively and continuously monitor important wages and prices, equipped with specific legal powers not available to the present Council on Wage and Price Stability, which can strengthen the agency's ability to get the full facts and to influence private decisions; which permit it to require advance notice of and to delay the effectiveness of particular wage and price increases; and even emergency power, in very special situations, to invoke temporary and highly selective mandatory controls over specific wages or prices. As important as the machinery, however, is the recognition of the need for the Government at all times to have a clearly-expressed wage and price policy, formulated and negotiated through continuing consultation with leading representatives of the great economic interest groups in our society. I believe that a genuine and active "incomes policy" must be an essential ingredient of our longer-run defense against inflation. Short of that I see no justification for an incomes policy which affects only government workers and social security and food-stamp recipients.

Statement of Paul W. McCracken

Mr. Chairman, I welcome this opportunity to appear before the Joint Economic Committee. The economic program which will take shape this year, and whose basic strategy will be heavily influenced by your Committee, is as crucial for the vitality of the American economy as any in the last quarter of a century.

Economic policy in 1975 must do three interrelated things. It must provide enough stimulus to reverse the sharp deterioration of economic activity that was under way as the year opened. It must continue to make progress toward a more stable price-cost level. And it must fashion an energy policy that will reduce our reliance on insecure supplies, at the same time permitting the economy to maintain orderly, vigorous, and sustained expansion.

This is a large order. It will require some decisions that are popular, but it will also require some that will not be popular in the short run if the longer-run economic interests of the nation are to be well-served.

The dimensions of the short-run economic problem are themselves large. Most projections for the recession put the low point of the economy somewhat after mid-year, and with an unemployment rate at that time approaching 8 percent. Since the visible effects of policy changes do not usually show up in the economy for 6 to 12 months, the profile of economic developments during the first half of this year is really reflecting policies during the latter half of 1974, and this profile cannot be greatly altered by policy changes now.

What can be influenced now is the vigor and sustainability of the upturn. While the economy never moves along precisely delineated target paths, it is still essential for the managers of economic policy to have in mind the general profile of their objective for renewed economic expansion. If the unemployment rate is 8 percent at the economy's lower turning point, and Okun's law that a 3 percentage point rise in output is required to lower the unemployment rate 1 point, real output at that point will be about 8 percent below that which would be consistent with a 5 percent unemployment rate. Ours is, of course, an economy whose capacity to increase real output should also be rising at the rate of 3½–4 percent each year. If we were to set as a target a 5 percent unemployment rate after two years of recovery and expansion, real output would need to expand at 7–8 percent per year for those two years. And if prices were to rise, say, 5 percent in the first of the two years and 3 percent in the second, the target rate for the rise in GNP in current dollars would be about 12 percent in the first year of expansion and 10 percent in the second.

If this expansion in GNP is to be achieved, there must be a sharp and prompt further increase in the rate of monetary expansion. The relationship between the money supply broadly defined to include time deposits and GNP has been quite stable, and historical experience suggests that for us to achieve the projected 12 and 10 percent rises in GNP (in current dollars) during these two years of expansion an essentially parallel increase in M_2 would be needed, and it would mean a somewhat slower rise in M_1.

Moreover it is monetary policy during these early months of 1975 that is establishing the basic path for the economy toward the latter part of the year. Judgments vary about the extent to which monetary policy has the capability itself to take the initiative and produce the needed economic expansion, but there would at least be broad agreement that this rate of monetary expansion is a necessary condition. And the trend of thinking has been to assign an increasingly important role to monetary policy as a determinant of the course for the economy. The 3 percent per year path for M_1 during the last three months and the 6½ percent path for M_2 are far short of what we should be seeing now if the latter part of 1975 is to have reasonable assurance of resuming vigorous expansion.

Fiscal policy, particularly in periods such as the present when swings of economic activity break out of the normal boundaries, must also play a vigorous role. Whatever the theoretical capabilities of monetary policy, it cannot be relied upon to do the job. Moreover, to the extent that the managers of monetary policy have regard for other things than simply the rate of monetary and credit expansion—such as, for example, interest rates—a weakening of the economy may itself tend to produce the lower interest rates even with such sluggish rates of monetary expansion that the subsequent expansion is weak and delayed. And conversely during an expansion the heavy demands for credit may press so hard against supplies of funds that higher interest rate targets are achieved even with rates of monetary expansion so rapid as to contribute to further inflation.

Economic policy must, therefore, include adaptations of fiscal policy to changing economic conditions. There are the obvious and conventional effects, through some combination of tax reductions which increase take-home pay and through higher public outlays—both seemingly increasing the demand for output directly. The word "seemingly" is important because whether a net increase in the demand for output occurs does depend on whether the added Treasury borrowing to cover the deficit does or does not preempt funds that would otherwise have been used by private borrowers. If it does preempt funds from other borrowers, private demands for output are forced back to the extent that Treasury borrowing increases, and the total demand for output is not enlarged. (Housing is, of course, apt to be particularly vulnerable to this Treasury competition for funds.) If the financial community has been slow to appreciate the role of fiscal policy in the management of the economy, economists have been slow to face fully the implications of the fact that Treasury financing and private borrowing do compete for *funds in* the same *money* and capital markets. And Treasury requirements are now large enough so that their impact on financing in the private sector must be faced quite explicitly.

If something like the President's two-stage tax rebate is enacted early in this session of the Congress, the fiscal operations of government will themselves (before any allowance for adverse effects of Treasury financing on private borrowers) be exerting substantial upward pressure on the economy. The magnitude of this upward pressure cannot, of course, be measured by the size of the deficit. A deficit can be the cause of an overly strong economy (as in 1966–67) or the result of an overly weak economy (as in the early 1960's or 1970). Nor can it be measured by the size of the full employment surplus. The fiscal operations of government can be exerting a strongly expansive influence on the economy even if the full employment budget shows a large surplus.

The most unambiguous measure of the magnitude of fiscal pressures on the economy in any period—pressures which themselves (apart from other influences) would cause the economy to move upward or downward—is the rise in outlays plus the revenue decline (the rise in after-tax incomes) from any changes in tax rates. If outlays rise during the year ahead by $40–45 billion, the total fiscal thrust will be in the range of $55–60 billion after allowing also for tax reductions. While proposals have been made for both larger and smaller tax reductions, the size of the Administration's package seems to represent a reasonable balance between the need for action and the need to avoid excessive Treasury competition for funds in the financial markets.

My own preference would have been for permanent tax reduction. Evidence from the limited experience that we have had with one-shot injections of purchasing power does not permit firm conclusions, but even one-shot injections of purchasing power do seem to result in more spending. There is some evidence, for example, that the veteran's bonus payment in 1936 (of which $1.2 billion, or almost 2 percent of personal income, was cashed promptly) did have a stimulating effect on retail sales. These sales in the first quarter of that year were running 11 percent ahead of year-earlier levels, but for the second half of 1936 the year-to-year gain was 16 percent. And even if the money were simply to be "put in the bank" and saved, it would still stimulate the economy through such avenues as more housing. Even so the impact on consumer spending would be more assured if the tax reduction were a permanent increase in after-tax incomes rather than a windfall receipt of purchasing power. The tax reduction should, of course, also be concentrated in the middle and low-income range. The cap on the rebate limits the value of the tax rebate for those with large incomes, but the program could be tilted even more toward middle and lower incomes.

The primary benefit of this action for middle and lower income people is the expansion of job opportunities and income as the economy is stimulated, not the incidence of the tax package as such. The important thing, therefore, is prompt action. A prompt two-staged rebate would be far better for the economy than long delays endeavoring to develop a more nearly perfect package.

In the contemporary national environment proposals to reduce corporate profits taxes are not apt to produce strong applause from the galleries. Yet some actions there are urgently needed if the economy is to have the additional facilities which offer the new job opportunities that our growing labor force requires, and also the new investment required if expectations for continuing improvement in levels of living are to be realized. Our record of investment in recent years must be a matter of concern. The amount of nonresidential capital formation per person added to the civilian labor force in the 1970's has been running about 22 percent below that of the decade from the mid-1950's to the mid-1960's.

NONRESIDENTIAL FIXED INVESTMENT PER PERSON ADDED TO CIVILIAN LABOR FORCE (IN 1958 DOLLARS)

Period and Amount

1956–1960	$49,500
1961–1965	55,300
1966–1970	46,400
1971–1974*	41,000

Source: Basic data from the Departments of Commerce and Labor.

*Estimate based on incomplete data for 1974.

And in the 1970's more of our capital formation has been allocated to environmental and safety objectives, which however laudable do not result in added plants and higher measured productivity—increased productivity which is essential if the economy is to deliver rising real wages. With a rough allowance for the capital formation in the 1970's required for these purposes that do not expand capacity or improve measured productivity, the remaining capital formation per person added to the civilian labor force would be at least 25 percent below that of 1955–65. This is almost certainly part of the explanation for the fact that even as recently as a year ago we were seeing an economy with many evidences of pressures on capacity even though the unemployment rate was above 5 percent. Our plant capacity was too small to offer the number of job opportunities required for reasonably full employment of the work force.

Clearly the erosion of corporate profits and retained earnings during this period has played a role. This shows up even in the conventionally reported data of the national income accounts where corporate profits after taxes as a percentage of gross corporate product declined from 9.7 percent in 1965–66 to 5.1 percent by 1971 and to about 4 percent last year. When we allow for the current value of capital expiring in the process of production, in place of depreciation charges based on historical costs, we find that true retained earnings dropped from about $15 billion in the mid-1960's to a negative figure in excess of $10 billion last year. Nonfinancial corporations last year, in short, fell short of even making their dividends.

The straightforward approach would be to revise definitions and accounting procedures so that profits are measured accurately, with the tax rate applied to these profits that the political process finds appropriate. Pending this more fundamental change, in which the accounting profession needs to give more vigorous intellectual leadership, reliance on a larger investment tax credit makes sense. It is those wanting places to work and wanting rising real incomes who will be the beneficiaries. This Committee could play an urgently needed role by exploring these interrelated issues of the magnitude of needed capital formation and the more accurate measurement of corporate income.

The performance of the price level in these early weeks of 1975 has had its encouraging aspects. Prices of raw materials continue generally downward. In December the industrial wholesale price index remained unchanged apart from seasonal factors. And even the more tardy and slow-moving CPI was beginning to move upward more slowly. During the final two months of last year, for example, the CPI was rising at a 9½ percent per year rate, well below the peak rate of 15 percent in the July-October period.

Moreover, it is reasonable to expect further progress. The usual historical pattern has been for the rate of inflation to remain high pretty well through the recedence phase of a recession but to decline as the economy resumes expansion. This has been our experience in all such periods during the last quarter of a century, and it is reasonable to expect a recurrence of this pattern as the economy resumes expansion in 1975. (The popular image of the historical pattern is, of course, that a continuation of inflation during a recession is quite abnormal, but this is incorrect.)

ANNUAL RATE OF CHANGE IN CONSUMER PRICE INDEX DURING AND FOLLOWING RECESSIONS

Recessions	12 mo before peak	Peak to trough	12 mo after trough	2d 12 mo after trough
1957–58	3.3	3.5	0.2	0.3
1960–61	1.9	1.3	.9	1.2
1969–70	5.8	5.6	3.5	3.

The Joint Economic Committee should press hard for an exploration of the extent to which the vast regulatory activities of government have themselves become a major source of inflation. The Committee should keep up pressure for carrying through on its own recommendation made last year.

A strong statement from this Committee opposing wage-price controls would make for a more rapid decline in the rate of inflation during the months ahead. The threat that these controls may be reimposed is itself causing an upward bias to wage and salary adjustments, and it is also creating resistance to price adjustments that today's market forces would otherwise tend to produce.

The implications of the President's energy program extend beyond the scope of this statement, but a few comments are in order here. The first requirement for the Nation's energy program is that it must enable orderly and sustained economic expansion as it makes progress toward reducing our reliance on external energy supplies. A weak and disorganized economy is not an economy that can serve our energy policy. For one thing the resulting unemployment and generalized economic distress that would go along with these conditions would erode support for the energy program itself. Such a program would have no staying power and one would court the risk of finding ourselves a few years down the way with a weak economy and an aborted energy program. Moreover, greater self-sufficiency in energy supplies will mean having capital formation and it is only a strong and orderly economy which can hope to accommodate itself to these large requirements.

For the basic strategy of our energy program the Nation must make a choice. It can place basic reliance on the use of market forces, or it can place basic reliance on direct controls. Both logic and history suggest that a strategy which places basic reliance on market forces will accomplish more in terms of encouraging reduced usage and expanded supplies than is usually expected, and reliance on a strategy of rationing and allocation (however beguiling in prospect) always produces greater dislocations and smaller intended results than expected.

Any real solution to this problem must mean higher energy prices. However much we would like that reality to go away, it is an ineluctable fact of life. The major objection to this is fear of its effects on those with moderate incomes. While the President's energy program makes reasonable provision for moderating the effect on those with lower incomes, further adjustments could be made along those lines.

What this Great Debate really emphasizes, however, is the urgent need for an explicit, generalized, systematic income maintenance program that can give expression to society's quite legitimate concerns about income redistribution. The Congress ought to give the development of such a program urgent priority in this session. Such a system could replace the polyglot of programs we now have, restoring to beneficiaries the dignity of being income recipients rather than on the dole. Moreover, such a systematic program could then be used to handle income redistribution concerns, and we would thereby gain scope for using market forces and prices to do what clearly they do best—namely, to be the communications system of an efficient and dynamic economy. If we use the pricing system to take care of income distribution problems, we shall continue to have neither a good income distribution program, nor will we have an efficient economy—nor for that matter, an effective strategy for energy policy either.

APPENDIX I.—PERSONAL INCOME AND RETAIL SALES, 1936

[Seasonally adjusted annual rates in billions]

Month	Personal income		Retail sales	
	Total	Year increase	Total	Year-to-year increase
January	$64.0	$8.4	$34.6	$4.1
February	63.9	7.2	35.3	3.0
March	64.0	6.3	36.9	4.5
April	64.7	5.0	37.1	4.7
May	65.6	5.6	38.3	6.2
June	76.3	16.5	39.0	6.5
July	72.8	12.7	39.5	6.9
August	69.1	7.8	38.0	5.6
September	68.7	7.0	39.4	5.9
October	69.3	7.0	40.2	6.0
November	70.8	8.0	40.6	6.3
December	72.1	8.3	40.8	7.1

Source: Data from Geoffrey H. Moore, "Business Cycle Indicators," vol. II (NBER, 1961), pp. 139, 141.

Testimony of Charles L. Schultze

Mr. Chairman and Members of the Committee,

The American economy is in trouble. The recession is already deep, and almost weekly growing deeper. The President and his advisors have, in the past several months, come to recognize this fact, and have proposed a $16 billion tax rebate as a means of turning around the recession and promoting economic recovery. At the same time the President has offered a very large and exceedingly complicated program aimed at reducing oil imports, which involves extracting $30 billion from the American economy in a combination of higher prices and oil taxes and putting $30 billion back in again through income tax cuts and other devices. The President has asked the Congress to pass all of the necessary legislation before April 1.

Let me start by urging the Congress to separate the problem of economic recovery from the problem of energy conservation, and to concentrate initially on the former. If I put the current economic troubles of the country on an index of 100, I would count the problems of recession and inflation as 95 and the problem of oil conservation as 5. However important it is in the longer run to reduce oil imports, success in doing so is not a necessary condition of economic recovery. Indeed, unless the oil conservation program is very carefully worked out it can get in the way of licking the problems of inflation and recession. I think the urgency of measures to promote economic recovery is so great, that they should get immediate attention, and not be delayed by what will inevitably be a very difficult economic and political struggle over what to do about oil. My own remarks will be consequently directed principally to the problem of ending the recession. I realize, however, that the President's announced intention of unilaterally imposing a fee on imported oil does require the Congress to take some action, and I shall return to this problem at the end of my statement.

WHAT KIND AND HOW BIG A FISCAL STIMULUS?

The first set of questions facing the Congress is how big a fiscal stimulus is needed to turn the economy around; and how much of it should be temporary and how much permanent. Is the President's $16 billion one-shot tax rebate, paid in May and September, large enough and persistent enough to do the job?

On the one hand, we are faced with an economy which is already operating far below capacity and deteriorating rapidly. In the fourth quarter of 1974 the gross national product was $170 billion below what would have been produced by a fully employed economy with a 4 percent unemployment rate. Output and employment are continuing to fall and by the spring of this year the gap between actual GNP and full employment GNP will be in excess of $210 billion.

If, for conservatism's sake, we define full-employment as a situation not of 4 percent but of 5 percent unemployment, the gap this spring would still be over $170 billion. Even should economic recovery began promptly around mid-year, and if the real output of the nation rose steadily by 8 percent in the first year of recovery and 7 percent a year thereafter, it would not be until 1978 that the unemployment rate fell to 5 percent. In short, by the time any fiscal stimulus begins to take hold the economy will be operating far below its desirable potential, even conservatively defined, and will have a long way to go before approaching a decent level of output and employment. Judged by this criterion alone a very large stimulus is necessary to do the job.

At the same time several other facts need to be taken into consideration in designing a recovery package. First, once the economy is turned around, a number of forces will begin to operate in support of the fiscal stimulus. We face in the immediate future unfortunately, a period of inventory liquidation and adjustment. A large tax cut, by putting additional purchasing power in consumer hands, and thereby increasing sales of consumer goods can ease and shorten that adjustment process. And once it is complete, production and employment will be spurred as inventory investment begins to increase. A policy of reasonably easy money and further reduction in interest rates—a subject to which I shall return—can help spur a substantial recovery in housing. If we can get the economy turned around, therefore, there can be important recovery forces set in motion. Fiscal stimulus does not have to do the whole job itself.

Second, we need to worry about the longer run implications of this year's fiscal package. One of the major depressing forces now acting on the economy is the drain in purchasing power caused by last year's huge increase in oil prices. The price of oil in the U.S. went from about $4 a barrel in October 1973 to about $9.50 a barrel in late 1974. These price increases were passed on into the final prices of virtually all products made from oil. The proceeds of these increases, in turn, went chiefly abroad to the OPEC countries and into the profits of domestic oil producers. Most of them have not been respent on purchases of goods and services. While OPEC countries did increase their imports from the U.S., the increase in 1974 was only a small part of their higher revenues. And while investment in domestic oil and gas production rose, it too absorbed only a fraction of the increased profits. As a consequence, jobs lost in consumer goods industries, because of the oil-induced drain of consumer purchasing power, were not offset by new jobs in the export and investment goods industries. In 1975 the net drain of purchasing power will probably amount to $25 or $30 billion. But in succeeding years the drain, and the consequent job losses, should get smaller, as OPEC countries increasingly use their higher revenues to buy imports from us and as domestic energy investment rises. The stimulus we need now is less than the stimulus we will need in later years.

Third, in designing this year's fiscal package, it is necessary to look at the expenditure side of the budget, in 1976 and in subsequent years. The White House has released some budget numbers but we will not get the full budget until February 3. As a consequence it is difficult to be very precise in discussing budget numbers. But with the aid of the recently released budget study by the Joint Economic Committee, it is possible to make a rough stab at evaluating the overall budget.

The President has indicated that his budget proposals would yield 1976 budget expenditures of $349 billion, up from $312–$314 billion in 1975. A realistic estimate, however, would require several adjustments to these numbers. On the one side the $349 billion contains $7 billion of expenditures resulting directly from the President's energy program which are offset by higher oil taxes.[1] To construct a budget excluding the energy program one has to deduct this $7 billion. On the other hand the President has proposed a number of major cuts in federal outlays. Some of them simply repeat proposals already sent to the Congress. Others reflect the President's proposal to put a 5 percent ceiling on all expenditure programs that are automatically escalated with the cost-of-living, or with private wages (such as social security, the new supplemental security income, and federal pay raises). On the basis of past history and a reading of Congressional responses to these proposals, I think it is eminently realistic (and in my view sensible policy) to assume that the majority of these cuts will not materialize. I think it likely that the President's budget, adjusted for all of these factors would show expenditures of $354 billion. Before allowing for any tax cuts, revenues would be about $310 billion. The deficit therefore, before any economic stimulus would be in the neighborhood of $44 billion.

This large deficit is not the result of a large burst of spending but flows directly from the recession. If the unemployment rate were 4 percent rather than the 7 to 8 percent on which the budget is based, federal outlays would be at least $10 billion lower. Expenditures on unemployment compensation, food stamps, and public employment programs would be much less. Similarly, with a full employment level of output, revenues would be much higher. While it is difficult to make estimates without the budget document at hand, I would judge that the fiscal 1976 federal budget would be in surplus by perhaps $25–$30 billion, were the economy operating at full employment. The shortfall in national output and income has turned this potential budget surplus into the prospect of a $44 billion deficit.

Part of the current full employment surplus arises from the peculiarities of corporate inventory accounting, which generate large paper profits on inventories during periods of rapid inflation. Corporations are rapidly shifting their accounting procedures to eliminate these paper profits. As this occurs, and as inflation moderated, perhaps $5 to $10 billion of federal revenues will disappear. Hence a better estimate of the federal full employment surplus, on which to base long run policy, might be $20 to $25 billion.

Even after correction for corporate accounting practices, this is a very large full employment surplus. The rapid inflation of the past two years has pushed taxpayers into even higher tax brackets, even though, on the average, their real incomes are down. The average tax rate has been rising while real income has been falling. Inflation has, in effect, legislated a tax increase. While the budget is now in deficit, it has been put there by recession. The full employment surplus has risen sharply, and is helping to depress the economy.

An economy put on the path to recovery would generate large increases in *federal* revenues. This is what the full employment surplus tells us. But in designing a fiscal package to help toward recovery it would be wise, I think, not to give away so much revenue on a permanent basis as to eliminate the full employment surplus. Predictions of the future are inevitably very uncertain. New expenditures for national health insurance or for welfare reform, for example, are sure to arise. Hence, common sense would dictate a middle course. Recognizing the long-run depressing effects of a large full employment surplus, we need and can afford to have some of the fiscal stimulus take the form of a permanent tax cut. But discretion would suggest that the permanent part of the fiscal package be relatively modest, leaving a significant part of that surplus for the known and unknown contingencies of future years.

DESIGNING A FISCAL STIMULUS

The problem is to fashion a package of fiscal stimulus which takes into account several objectives and several sets of relevant facts:

1. The immediate stimulus should be large enough to arrest the current economic decline and begin a rapid economic recovery, in an economy which is already operating some $200 billion below its potential.

2. Only part of the 1976 fiscal stimulus should be permanent. Some of the forces now depressing the economy are transient in nature, and the long-run need for fiscal stimulation is less than the immediate need.

In light of these considerations I would suggest that an overall package along the following general lines would have the desired mix of temporary and long-run economic stimulation.

First, an immediate tax rebate on 1974 personal income tax liabilities of $12 billion should be enacted. This is the same size as the President has proposed, but it should be paid in one installment, as soon as possible. Splitting the rebate into two payments, one in May and one in September as the President has proposed was presumably suggested to avoid the impact on the money and capital markets of a large federal deficit concentrated in a single month. But there is no earthly reason why the Federal Reserve cannot accommodate an extra large Treasury borrowing in one particular month. The appropriate increase in the money supply for the year as a whole can be timed to coincide with the special needs of Treasury borrowing. In an economy now operating almost $200 billion below potential, and falling rapidly, it would indeed be a travesty if some fetish about monthly rates of increase in the money supply should stand in the way of the federal government doing what was needed to arrest the decline.

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[1] $2 billion extra grants to state and local governments to repay the higher oil prices; $2 billion in cash rebated to low income citizens; and $3 billion in higher federal outlays for oil.

The $12 billion rebate should, in my view, be more concentrated on lower and middle income groups than the President has suggested. A cutoff of $700 instead of $1,000 might be reasonable, with the funds thereby released used to increase the size of reduction for the lower end of the scale. Since, however, the permanent tax cut I propose below is heavily concentrated among lower and middle income groups, I think the immediate injection of a temporary stimulus can best done in terms of a simple rebate of 1974 taxes.

Second, a permanent cut of $10 billion in personal income taxes should be enacted to be reflected in withholding rates as soon as possible. Since it is a permanent tax cut, it should be one which improves the long-run structure of the tax system. While a number of possibilities suggest themselves, I would urge a tax credit of 1½ percent on the first $14,000 of earned income. In effect, this returns to workers, through the individual income tax system, a part of their social security payroll taxes. Without disturbing the social security system, it effectively reduces the burden of the regressive payroll tax and concentrates the tax relief in the bottom half of the income distribution. Arrangements could be made to provide cash rebates to workers whose income was too low to incur individual income tax liabilities. Such a tax cut would be the equivalent of adding 1½ percent to most workers' take-home pay. Without wishing to pursue the point too far, such a "pay increase" would make up some of the loss in purchasing power recently suffered by workers, and thereby help moderate pressure for large and inflationary wage increases over the next several years.

An additional component of the permanent tax cut should be an increase in the investment credit from 7 percent to 10 percent, including a provision allowing public utilities to take full advantage of the 10 percent credit. This would cost an additional $2½ to $3 billion.

A third element of the fiscal stimulus should be a counter-cyclical revenue sharing program, which provides additional funds to state and local governments during periods in which unemployment is high and local revenues are hard-hit. One cannot pick up the newspapers without reading about some state or local government which is having to raise taxes or pare current expenditures. The budget position of state and local governments has taken a sharp turn for the worst. Excluding their own social insurance funds, state and local governments had a budget surplus of $4 billion in calendar 1972, partly as a result of the enactment of revenue sharing. By the third quarter of 1974 this had swung to a deficit of almost $8 billion. Just at a time when the economy calls for maintaining employment and avoiding tax increases, state and local governments are having to do just the opposite. A $6 billion counter-cyclical revenue sharing program for calendar 1976 should help arrest this trend. The total amount to be distributed should be tied to the unemployment rate, so that with economic recovery, and a resurgence of state and local revenues, the grants would be automatically reduced, falling to zero when the unemployment rate reached 4½ percent.

If these proposals were enacted by April 1, they could put approximately $25 billion of stimulus into the economy in the current calendar year. But only $13 billion of the cuts would be permanent. The counter-cyclical revenue sharing would eventually decline and disappear as a healthy economy was reattained. The $13 billion permanent reduction would still leave a significant full employment surplus as a cushion against future contingencies.

There are several possible objections to a $25 billion stimulus during the coming year. Would it be inflationary? In most senses of the word clearly not. The rate of inflation has been receding, and barring bad luck on food prices, is likely to continue to do so in the year ahead. The economy is operating so far below capacity that additional output and spending, of magnitudes contemplated, would not threaten excessive demand or bottlenecks.

Clearly, of course, a fiscal policy which provided little stimulus, and which condemned the nation to a long period of unemployment at 8 percent or more, might succeed in wringing inflation out of the economy. And in that sense, promoting a healthy recovery may indeed make possible in 1976 and 1977 larger wage and price increases than would be likely under a draconian policy of steady recession. But the human costs of such a policy are far too high, and the risks of suffering larger recession far too great to make it an acceptable option. In 1976 and 1977 continued recovery may indeed begin to generate inflationary risks. The Congress, and this Committee in particular, might wish to give particular attention during the year ahead to devising workable means of reducing the structural inflationary factors in the economy, and to thinking about feasible means of selective wage and price intervention.

Would $25 billion of fiscal stimulus in 1975 lead to a federal deficit so large as to produce a rise in interest rates and a sharp competition for capital with private industry and housing? There is absolutely no need for this to happen. In the first place, the characteristic of a recession economy is a fall in the demand for loanable funds by private business. We are now witnessing that. There is room for substantial amounts of federal borrowing. Moreover, in the economy of 1975 there is absolutely no reason for the Federal Reserve to keep monetary conditions so tight that financing a large federal deficit need drive up interest rates. Over the past year the real supply of money in the economy, that is, the supply of money adjusted for price inflation, has fallen by about 1 percent. Increasing the stock of money by a sufficient amount to ease interest rates somewhat further, and at the same time accommodate a large federal deficit would not be inflationary, in an economy with 8 percent unemployment and very substantial excess capacity. During the year ahead, therefore, the large federal deficit that will necessarily accompany a stimulative fiscal policy need not interfere with the goal of some further reduction in interest rates.

OIL POLICY

What this nation should do in the short run and over the long run about energy policy, and specifically about reducing our vulnerability to heavy oil imports raises a host of extremely complex questions. As I indicated at the beginning of my testimony, I think the nation would be much better off if the debate about this difficult question had been postponed for three months while the more urgent task of enacting a recovery program was completed. But the President has foreclosed that option. He has presented a very major energy program to the Congress, incorporating $30 billion of energy taxes and $30 billion of rebates. Moreover he has announced his intention to take administrative action to increase the fee on oil imports by $2 over the next two months and by $3 in April if the Congress has not by that time acted on his proposals. Should he do so, and should the Congress have not yet enacted its own oil program, then starting in April the President's import fees, and the rise in new oil prices that would simultaneously take place, would raise the crude oil price sufficient to drain $10 to $11 billion of purchasing power from the economy (at annual rates). This could offset a substantial part of the proposed economic stimulus and seriously reduce the prospects for economic recovery. Hence it is impossible for the Congress to postpone action on oil.

The total energy program proposed by the President suffers I think from misplaced emphasis. It is indeed highly desirable for this nation to take strong and affirmative action to demonstrate our fixed intention to reduce dependence on vulnerable oil imports. But it is not critical that a large reduction in imports take place immediately. This economy can adjust to lower imports. The stock of high-gas-consumption automobiles on the road can be replaced with ones consuming less gas. Many commuters can shift to mass transit. Industrial process can be changed so as to consume less energy. But this cannot happen quickly. An attempt to achieve it very rapidly through large immediate price increases, will not work—but it could add to inflationary pressure and hinder recovery.

A sensible program would set long-run targets for production, consumption, imports, and stockpiles, say for 1980 and 1985. These long-run targets could be quite close to what the President has proposed, since his longer run objectives seem sensible. A series of measures could be enacted in this session of Congress designed firmly to reach those targets by the stipulated dates. For example, a series of taxes and subsidies on automobiles could be enacted. Purchases of low-gas-consumption autos would be subsidized and high-gas-consumption autos taxed. The break-even point, where subsidies end and taxes begin, would change over time so that high-gas-consumption autos are increasingly penalized. Alternatively a staged shift to low-gas-consumption autos could be accomplished by legislative mandate, although I think the tax-subsidy route is better.

Other measures, such as a gradually rising tax on gasoline could be enacted now, to take hold in pre-determined stages. In this way, both business and consumers would be put on notice that changes would occur. They would have the time to take the necessary actions to adjust their activities and living habits. At the same time the rest of the world—producers and consumers alike—would be put on notice that the United States is definitely committed, in legislation, to a strong energy program. We gain much from adapting our measures to the economy's capability of adjustments. We gain little, and stand to lose much, by seeking to achieve a legitimate long-run target overnight.

The first needed action is for the Congress to remove or at least postpone, by legislation, the President's power to impose the oil import fee administratively. This would give the Congress time to consider alternatives to the President's program.

It is entirely possible, however, that the required legislation will be vetoed and that the necessary two-thirds vote to over-ride cannot be mustered. In that case, the President's administrative actions, removing some $10 to $11 billion in purchasing power a year from consumers, must be offset by an additional tax reduction, so that the impact of the recovery program is not seriously weakened. In that case the $10 billion tax credit on earned income I suggested earlier should be raised to $20 billion, to last so long as the President's import fee remains in effect. Having done this, the Congress might then proceed to consider its own energy package.

CONCURRENT RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA.

Mr. THURMOND. Mr. President, on January 21, 1975, the General Assembly of the State of South Carolina adopted a concurrent resolution memorializing Congress and the President to change the Federal regulations governing the issuance of food stamps to permit unemployed workers whose unemployment benefit checks are delayed to receive food stamps.

The resolution notes that the growing unemployment problem is placing a heavy burden on the operation of the various offices of the States charged with issuing unemployment benefit checks. In many cases, there are long delays of many weeks before applicants begin to receive their benefits. Naturally, this time lag creates severe financial problems for many persons. What makes the situation even more desperate for many is the fact that they are also unable to be promptly served through the food stamp program.

I am very concerned about these problems and have written the Secretary of Agriculture requesting that he take immediate steps to expedite the handling of food stamp applications. It has always been my desire to see that the food stamp program operates as efficiently as possible and promptly serves the truly needy. At the same time, I deplore various abuses of the food stamp system and am cosponsoring legislation to improve its effectiveness in helping those most deserving of assistance.

Along these lines, I have introduced a bill, cosponsored by nine of my Senate colleagues, to prohibit strikers from receiving food stamps. I am cosponsoring legislation introduced by Senator Eagleton to insure that only college students with legitimate need receive food stamp benefits. Additionally, I am cosponsoring a bill introduced by Senator Domenici to modify the food stamp cost adjustments proposed by the President so that the elderly will be exempted from any higher costs during this inflationary period.

I would suggest that all of the above modifications would greatly enhance the efficiency and effectiveness of the food stamp program, and I urge that they be promptly enacted by Congress.

Mr. President, on behalf of myself and the junior Senator from South Carolina (Mr. Hollings), I ask unanimous consent that the concurrent resolution adopted by the General Assembly of the State of South Carolina and my letter to Secretary Butz regarding the problems described in the resolution, be printed in the Record.

There being no objection, the resolution and letter were ordered to be printed in the Record, as follows:

Resolution

A concurrent resolution memorializing Congress and the President to change the Federal regulations governing the issuance of food stamps to permit unemployed workers whose unemployment benefit checks are delayed to receive food stamps

Whereas, a laggard economy continually plagued by inflation and recession has swelled the ranks of the jobless to its highest level since 1961; and

Whereas, six and one half million Americans were out of work at the beginning of the new year, the largest number since 1940; and

Whereas, such burgeoning unemployment has created an inordinate burden on the operation of the various offices of the states charged with issuing unemployment benefit checks resulting in delays of many weeks before relief is afforded an applicant. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress and the President be memorialized to change the federal regulations governing the issuance of food stamps so that unemployed workers whose unemployment benefit checks are delayed four weeks or longer, as certified by the local county employment office, shall be prima facie eligible for food stamps on an emergency basis pending investigation and certification of eligibility by the county social services department.

Be it further resolved that copies of this Resolution be forwarded to the President of the United States and to the members of the United States Congress from South Carolina.

Washington, D.C.,
February 3, 1975.

Mr. Earl L. Butz,
Secretary, Department of Agriculture,
Washington, D.C.

Dear Secretary Butz: As you are well aware, the unemployment situation in this Nation is now more severe than at any time since World War II and threatens to become the worst since the depression years. The unemployment rate in my State of South Carolina is well above the national average, and in certain counties especially hard hit by textile plant closings, more than one-third of the people are out of work. I am sure you share my concern about these very serious problems.

I am especially disturbed that many of the involuntarily unemployed are suffering from unusually long delays in the processing of claims for both food stamp assistance and unemployment compensation. Numerous individuals have called or written my office, saying that lines at food stamp offices are unbearably long, caseworkers in local offices are insensitive to their problems, and that there are unreasonable time lags between the time they file for assistance and are certified eligible. With many of these food stamp applicants also having to wait for a month or longer before receiving their initial unemployment compensation, naturally they are rapidly becoming desperate.

In the past, I have done my best to correct what I consider to be abuses of the food stamp system, and I have little sympathy for those who may take advantage of this social service program. However, I believe in doing everything possible to serve those deserving of assistance as promptly as practical. I sincerely hope that we will not be so callous or rigid that we allow persons to go hungry while their degree of need is being investigated.

Accordingly, I urge you to direct all officials charged with administering the food stamp program to do everything possible to expedite service to the local people who request assistance. I am particularly concerned that this message be relayed, in the strongest possible terms, to the program officials at the local level who actually have contact with the applicants. Additionally, I request that you direct that there be reasonable flexibility in administration of the program, so that those most desperate for assistance can be promptly served.

Attached is a Resolution of the South Carolina General Assembly, memorializing Congress and the President to modify regulations governing issuance of food stamps to permit unemployed workers whose benefit checks are delayed to receive food stamps. While I understand that there may be potential problems with this approach, I hope the Food Stamp Division will give it their most careful consideration.

Please advise me if I can be of assistance in achieving the above-described objectives. I am sure the people of South Carolina join with me in thanking you for your kind cooperation.

With kindest regards and best wishes,
Very truly,
Strom Thurmond.

NOMINATION OF JAMES T. LYNN TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

Mr. RIBICOFF. Mr. President, on January 29, 1975, the Committee on Government Operations reported favorably the nomination of Mr. James T. Lynn to be the next Director of the Office of Management and Budget. The Senate will soon be considering that nomination.

This is the first time the Senate has been asked to confirm such an appointment since passage last year of the law requiring confirmation of the Director of the Office of Management and Budget.

Mr. Lynn is fully qualified to be Director of the Office of Management and Budget, and I hope the Senate will vote to confirm his nomination.

The Director of the Office of Management and Budget will always have considerable influence in the Government.

It is my hope and expectation, however, that Mr. Lynn will permit the operating agencies to play a major role in the shaping of policies affecting them.

During the committee's questioning, Mr. Lynn stated that—

> Each agency should have primary responsibility for providing the President with policy advice in that agency's area.

I fully agree. The Office of Management and Budget responsibilities to coordinate and implement policy must not interfere with an agency's ability to shape that policy, and to discuss the various policy options with Congress and the President in an open and free manner.

It is also my hope that under Mr. Lynn's direction there will be even greater cooperation between the Office of Management and Budget and the Congress.

There is no more pressing problem in Government today than eliminating duplication and waste and improving the Government's ability to act swiftly and effectively. This is a matter that must concern the Office of Management and Budget as well as Congress.

I expect the Office of Management and Budget to work closely with Congress during the next year to find practical ways to improve the operations of the Federal Government and reduce waste.

NEEDED: A NATIONAL FOOD AND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, the grain markets of the last few months have been dropping, giving serious concern to our agricultural producers. It also should cause our consumers to pause and give serious consideration to what is happening.

The Washington Post on January 30 published a very illuminating editorial regarding what has happened to our grain markets in the last 2 years. It clearly relates the issue of stocks or reserves and what happens to consumer prices when they no longer exist.

Livestock producers also have a very large stake in the price and supply of grains. It is hardly a coincidence that our livestock producers were seriously hurting in 1974 as grain brought high prices and was in short supply.

The USDA had predicted bumper crops for 1974, but bad weather proved these predictions inaccurate. Now, these same harvests could become a reality in 1975, and we need bountiful crops to build up our stocks.

However, we do not want to see our farmers ruined by a large harvest. The USDA now concedes that prices would have dropped sharply if harvests had been abundant in 1974. Our farmers deserve some protection since the Government has asked for all-out production in 1975.

It is clear to me that we need a policy which balances the needs of our producers and users. We have sacrificed stability for a boom and bust policy which does not benefit either consumer or farmer.

Our grain farmers are rightly concerned that they will be the victims of this cruel treatment in 1975 as the livestock producers were in 1974.

The Post editorial concludes on a very sound note:

> Producers and consumers together now have the strongest kind of interest in a compromise. It would mean a level of federal price supports high enough to ensure farmers of profitable operation at the very high volumes that the nation needs. It means rebuilding national stocks of grain, not only as insurance against an emergency but to dampen further inflationary increases in prices. The intolerable fluctuations were not predictable, but in retrospect the reasons are entirely comprehensible. Higher price supports would be expensive—but not nearly as expensive as the present waves of inflation at the grocery store and of panic on the farms.

Mr. President, I ask unanimous consent that this informative editorial be printed in the RECORD.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

FALLING FARM PRICES

Farm prices have now been falling for three months, tightening the dilemma of American agricultural policy. When farm prices go up consumers are hurt, and inflation at the supermarket triggers cost-of-living increases throughout the whole economy. When prices go down, farmers are hurt and begin to cut back the production on which the government is counting for export sales.

You may have gained the impression that food prices, around 1972, began behaving very differently from the way they had before in the memory of most of us. There is a reason for it. A combination of bad luck and bad policy has wrecked the system that used to stabilize American farm prices. Agricultural markets are inherently unstable, and without government intervention they swing wildly up and down disrupting the whole economy. Until the middle of 1972 the Department of Agriculture carried tremendous stocks of basic foodstuffs and feed grains, which it could sell off if prices began to rise unusually high. If prices began to sink unusually low, the Department gave support payments to the farmers and bought grain for the reserves. The memorable Russian wheat sale of the summer of 1972 removed at one whack most of the nation's wheat reserves. But that huge sale turned out to be only the beginning of the great surge of foreign demand for American food. It was the effect of rising wealth and rising standards of living abroad, amplified by the devaluation of the dollar.

In this country all farm prices, unrestrained by the presence of the traditional reserves, shot up. But if there was now no limit on the upward swing of the cycle, it was also true that the farmer no longer had any protection on the downward swing. The old structure of loans and payments was still legally in effect but, with the erosion inflicted by inflation, the support levels were no longer enough to cover the basic costs of production. American agriculture is again threatened by precisely the classic roller-coaster pattern of boom and bust that the whole intricate and expensive array of farm price supports were worked out in the 1930s to prevent. Farmers liked the new free-wheeling market as long as it wheels higher, but when it turns around—as it did last fall—they see their danger very clearly.

Since October the price of corn, the largest American crop, is down by almost one-fourth. Soybeans and soy meal are down more than a third. What's going on here? Take the example of wheat, which cost $1.50 a bushel until the Russians started buying it in July 1972. By this time last year, the same bushel cost nearly $6. But then, as the year went on, the price sank. The winter wheat harvest starts in late spring, and it looked like a very big harvest. By last May, the price had fallen to $3.50. With last summer's bad weather and heavy exports, supplies tightened up again and by October the price was over $5.

But instead of continuing to rise steeply until late winter, as it did last year, the price of wheat suddenly began to sink in November. It's now down to about $4. The reasons begin with consumer resistance to high prices at the grocery store, and individual shoppers' decisions to cut back on expensive meat. Most of the grain raised in this country goes, not to people, but to animals being raised for the butchers. Since late summer the meat producers have cut back sharply on the number of animals, particularly beef cattle, that they are raising for market. That, in turn, has diminished domestic demand for grain. The consumers' rebellion that started nearly two years ago has not been painfully reinforced by the recession. Cutting back on meat is, for many families, no longer a matter of choice.

Exports, meanwhile, are down a bit because the administration is at last paying attention to their effects and has been leaning on foreign buyers to take it easy. When the Soviet government tried to buy more than three million tons of grain last September, the White House intervened and suspended the sale. Subsequently it persuaded the Soviets to take a smaller amount, a little over two million tons. There appears to have been pressure, less public and formal, on other overseas buyers. Now, with the rapid decline in prices of recent months, the administration currently gives indications of changing direction enough to keep exports at last year's level.

But some of the grain producers are, predictably, pushing for unlimited exports. Last year the administration belatedly instituted a requirement for prior government approval of any significant export sale. Several of the producers' lobbies are angrily demanding an end to this procedure, on grounds that it discourages foreign shipments. But producers should have learned by now that increasing the instability of the market is no answer to their troubles. The Agriculture Department made the latest in a long succession of serious and obvious blunders yesterday when it caved in to the grain lobbies and doubled the size of shipments that can be exported without prior federal approval.

Producers and consumers together now have the strongest kind of interest in a compromise. It would mean a level of federal price supports high enough to ensure farmers of profitable operation at the very high volumes that the nation needs. It means rebuilding national stocks of grain, not only as insurance against an emergency but to dampen further inflationary increases in prices. The intolerable fluctuations were not predictable, but in retrospect the reasons are entirely comprehensible. Higher price supports would be expensive—but not nearly as expensive as the present waves of inflation at the grocery store and of panic on the farms.

BIG HORN CANYON

Mr. HANSEN. Mr. President, the Interior Department's fiscal year 1976 budget request for the National Park Service includes $300,000 for completion of the Big Horn Canyon National Recreation Area South District Headquarters and Visitor Center Complex, and for liquidation of the contract authority on the North-South road construction route. In the same general geographic area, the request for the Bureau of Reclamation contains $3.3 million for the Yellowtail unit for continuing construction in Montana of a grouting tunnel and remedial grouting program, with $58,000 of that figure marked for completion in Wyoming of the extraordinary maintenance contract on the East-West existing Highway 14A that crosses the canyon at the southern part of the recreation area.

The Big Horn Canyon National Recreation Area in northern Wyoming and southern Montana covers about 200 square miles. Its vast recreational potential was made possible by construction of the Yellowtail Dam. But it is not able to reach its potential, and many Americans are being denied use of this area, because the access road into the heartland of this area has not been completed. At present, a pending legal action is preventing construction of this North-South road that the National Park Service, with authority delegated by Congress, has been trying to complete for more than 5 years.

A radio-television editorial by KTWO of Casper, Wyo., outlines the nature of the problems being encountered, and warns of a possible backlash against the entire environmental movement in this country if extreme actions are allowed to limit use of America's recreational facilities to a privileged few. I ask unanimous consent that this excellent editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BIG HORN CANYON

It is time that we had something to say about the environmental movement in Wyoming. K–2 believes that we are fortunate that the vast majority of the people supporting conservation in Wyoming have not lost their self-control, sense of balance nor have they become ideological fanatics. Without question, it is a contributing factor to Wyoming enjoying one of the lowest unemployment rates in the United States, and one reason why we have not felt much effect from the recession that has gripped other parts of the country.

There are certain parallels between the organized labor movement of the first half of this century and the environmental movement of the 1960's and '70's. The labor movement sprung up as a result of management's abuse of workers, while the conservation movement resulted from industry's abuse of the environment. In both cases, the pendulum had swung so far to one side that it required a pretty radical force to counteract it.

Now that the environmental movement has the legal processes available to it as a result of popular support, it is important that the movement keep the public on its side. Unreasonable positions, or pure obstructionism could turn public opinion against it very quickly.

In our opinion, there are such obstructionists at work in an area that directly affects Wyoming.

The Big Horn Canyon National Recreation Area, made possible by the construction of the Yellowtail Dam, occupies some 200 square miles of Northern Wyoming and Southern Montana. The scenic and recreational opportunities there certainly warrant the special attention that it has been given. The Wyoming town most directly affected by the development is Lovell.

The purpose of the Congress of the United States is designating the Big Horn Canyon as a National Recreational Area, was to set it forth for the enjoyment of the general public. It is not a wilderness area nor is it a preserve in the purest sense. It is a recreational area.

For more than five years, the National Park Service has been trying to construct a hard-surfaced road traversing the park, so that the area would fulfill the function Congress intended for it. Since 1971, the Montana Wildlife Federation and the Montana Wilderness Association have been seizing upon every flimsy excuse imaginable to throw up administrative and legal impediments to the completion of the transpark road.

Meanwhile, the general public is being denied passenger car access to what is rightfully theirs, and the wildlife and wilderness types continue to enjoy it in relative solitude, without distraction from those who cannot afford four wheel drive vehicles.

The public soon will tire of this kind of selfishness and obstructionism and will pressure our lawmakers to make drastic changes in the environmental laws. At that time, the responsible people in the conservation movement will have lost a tremendous opportunity to make a significant contribution to our society and the movement will have defeated itself.

A NATIONAL ECONOMIC RECOVERY PROGRAM

Mr. JACKSON. Mr. President, our country is going through the worst economic crisis in more than 30 years.

And, this crisis is even more serious than any economic facts can describe.

The American people no longer believe that our economic policymakers know how to keep a stable economy growing. The American people are coming to fear that their economy is out of control—and that no one is capable of doing anything about it. They are suffering the disillusion of falling expectations in the face of rising costs for all goods and services.

I reject this pessimism because it is wrong, terribly wrong. The plain fact is that economic distress, and this sense of growing despair, mainly reflect a sorry record of gross economic mismanagement.

Certainly difficult international economic problems have developed since 1970, notably the shocks and dislocations of the fourfold rise in the price of oil imposed by the OPEC cartel. But our response to those severe problems was not dictated by some mysterious "higher law."

On the contrary, the particular policies that the administration picked to deal with our problems, and the manner in which these nostrums were implemented, are in major respects responsible for the depth and length of our economic crisis.

Let us look at the record.

I. HOW DID WE GET INTO THIS MESS?

In 1969, when the Republican administration took over, unemployment was down to a level of about 3.5 percent, but consumer prices were already rising at an annual rate of 5 to 6 percent.

Inflation was a threat and called for restraint in national economic policy.

The administration talked moderation, but adopted policies that hit the economy hard—and put us into a recession that lasted through the end of 1970.

What did that recession accomplish?

Unemployment rose to 6 percent by early 1971. Squeezed by tight-money policy, the stock and bond markets slumped badly, accompanied by two near-panics in the monetary system.

The housing industry and business investment stagnated for 2 years.

What about inflation?

Prices kept rising at about the same rate as before. Unemployment remained stubbornly around 6 percent. The economy sputtered through the first half of 1971.

The administration's game plan was abandoned and a new economic policy was set in place: The dollar was devalued; price controls were imposed; and a sizable package of personal and business tax cuts—chiefly benefiting the rich—was proposed and adopted.

Thus, in the second half of 1971, with a national election approaching, the administration engineered a boom. And we got that boom in 1972—aided and abetted by a monetary policy revised for the occasion to stimulate investment.

The 1969–71 period of recession and stagnation may be put down to old Republican bad habits. But the 1972 boom was no accident. The administration chose a combination of policies which would overprime the economy right before the election—despite the obvious risks involved.

What happened? A glowing economy burst into flames.

The administration's boom was much too strong. Inflationary pressures were building up in world commodity markets. By mid-1972, the Federal Reserve Board's index of capacity utilization for major materials showed that commodity industries were moving into dangerous inflationary territory. But in the political atmosphere of 1972, these warning signs were ignored and the boom was allowed to run unchecked until the election was in hand.

Against this same background, the administration arranged the infamous Russian wheat deal—without even consulting the Department of Agriculture's own Economic Research Service. Wholesale food prices soared well into the double-digit range for the last half of 1972.

After the election, the administration had two choices: to cope intelligently with the real causes of domestic and worldwide inflationary pressures; or to return simply to the heavy hand of severe monetary and fiscal restraint—to another planned recession.

And planned recession was again the choice.

I grant that the policymakers had no easy choices in 1973. Food prices, seriously aggravated by the Russian wheat deal, were in a hyperinflationary stage, and industrial raw materials were likewise under severe worldwide price pressures. This made the job of effective price control extraordinarily difficult—but it made that job all the more necessary.

As the impact of the OPEC cartel's fourfold increase in oil prices was first hitting the economy, the administration with, let it be frankly said, the cooperation of a majority in the Congress, pushed for the total dismantling of price and wage controls. Phase II had been jettisoned in favor of a Rube Goldberg contraption called phase III. That fooled no one, and soon gave way to the freeze and the final spasm of phase IV.

With price and wage controls effectively out of operation, the Federal Reserve squeezed the money supply harder than ever. By mid-1973, the same old medicine had produced the same old results—we were on our way to stagnation, recession, and depression.

But we also faced critical shortages, skyrocketing interest rates, and a powerful inflationary wave compounded by speculative inventory buying to beat inevitable price increases. The inventory boom, at bottom a matter of hedging against price increases, recreated a severe scarcity atmosphere while in fact the real economy of production and consumption was actually declining.

With recession and inflation eating away at the American consumer's purchasing power, a depressed securities market, an essentially bankrupted housing and real estate industry, and a threatened panic in the financial and credit structures, what did we get? We got more of a suffocating tight money policy that was terribly destructive, inappropriate, and irrelevant to the real problems we faced.

Planned recession or depression is always an appalling answer to the problems of inflation; it was clearly disastrous in 1973 and 1974.

Our inflation comes from shifting commodity and food price increases to the consumer, and the consequent necessity for compensating wage increases. This is a cost-push inflation.

Our economy has not been suffering from demand inflation—from too much money chasing too few goods. It is a commonplace of elementary economics that severe demand control is neither necessary nor helpful against cost-push inflation.

Even the rocketing interest rates the administration enforced could not stop oil price rises. Nor could they stop spring floods or relieve the summer drought in mid-America that caused the disappointing harvests of 1974.

But tight money and severe demand control have brought us the downward spiral toward depression, with virtually no help in fighting inflation.

It was the gross mismanagement of our economic policies, not economic events, that turned difficult problems into a grave crisis.

In fact, the team that has controlled economic policy for the past 6 years created chaos where they could have been order, and has created a cycle of its own, engraved in the wild, erratic swings that characterized its record since 1969. It was the most incompetent trapeze act in history.

To summarize:

First, we had excessive restraint in 1969–70, to "break inflation." That brought stagnation and recession. Then we had the opposite: massive stimulus to produce an economic boom for the 1972 election. Together with the Russian wheat deal, these gave us the surging inflation of 1973.

Then, with controls abandoned, we got another dose of severe restraint and planned recession to "break inflation." Now we are plunging toward depression.

No wonder that national confidence has eroded. No wonder that so many Americans feel that things are out of control.

But it is mismanagement that is to blame, not the fates.

Had our economic policies been guided by a strong, steady hand, had we avoided the pitfalls of obsolete economic dogma and erratic swings, much needless suffering could have been avoided—despite the energy crisis, food and commodity scarcities, and the monetary problems created by the drain of oil dollars to OPEC.

We are still blessed with a strong, productive, dynamic economy. With vigorous, steady leadership we can achieve a satisfactory and sustainable rate of growth. Above all, we can restore the faith of the American people in their future.

But there are a number of things that we must do—and that we must do now.

II. WHAT WE MUST DO NOW

We cannot condemn our people and economy to recession and depression. We cannot afford to see another two million Americans put out of work, and thousands of small and medium-sized businesses in bankruptcy. We cannot tolerate the sacrifice of $140 billion worth of needed goods and services—in housing, clothing, transportation, and energy—that will go unproduced this year unless we turn the depression tide now.

We can turn the depression tide, and reduce inflationary pressures, if we pursue bold policies based on a reasoned and systematic definition of our national priorities.

Hopefully, with the cooperation of the President, we can act quickly, because each day of delay and inaction allows our economy to plunge deeper, makes even stronger the medicine necessary to avoid the hardening of our economic arteries.

It also must be clear by now that our national commitment to full employment—that there be jobs for all who seek them—does not require us to sacrifice other important goals. Where conflicts appear, we can find solutions that do not sacrifice one goal in the name of the other. Certainly there is no intrinsic conflict between full employment economic growth and a clean environment. Nor do we have to default on our responsibilities to the rest of the world in order to maintain living standards at home.

The American people are clearly ready to fight depression and inflation; they will support tough programs to conserve our resources, improve our environment and meet our international responsibilities. But the programs offered must be fair and sensible and give promise of the better future that is still within our grasp.

ENERGY AND ECONOMIC POLICY

Last week I outlined a comprehensive energy program which has evolved from initiatives I advanced before the Arab embargo. That program proposes a 4-year schedule for reducing oil consumption and oil imports, utilizing:

First. A national energy conservation policy to build a lower growth rate for energy consumption into the fabric of the economy;

Second. Emergency standby legislation to cope with any future embargo;

Third. A national strategic stockpile of oil;

Fourth. Price controls on domestic oil and gas, at levels independent of OPEC;

Fifth. Revision of the Outer Continental Shelf Act to accelerate development, provide greater State participation and increase the Federal role in exploration;

Sixth. Development and production of oil reserves at Elk Hills, and rapid exploration of Naval Petroleum Reserve No. 4 in Alaska;

Seventh. A National Energy Production Board to coordinate and accelerate development of the OCS and naval petroleum reserves, and to overcome materials, equipment, and transport bottlenecks in production of oil, gas, and coal.

This energy program will slow the growth of fuel consumption and restore the growth and development of domestic energy supplies. Moreover, it will avoid the disruptive shock to our economy—and to our people—of further drastic, inflationary price increases for energy, and everything that uses energy, that are built in to the administration's current proposals.

The pursuit of energy security does not require us to forgo economic security, still less does the pursuit of energy independence compel us to commit economic suicide.

It must be noted that the $45 billion direct burden from the combination of tariff, excise tax, and price decontrol embodied in the administration proposals would aggravate both inflation and recession. The only significant beneficiaries would appear to be the oil companies, whose profits would be further swollen—while the cost of living would go up by an average of $800 a year for each American family.

The administration has announced repeatedly that it wants to return to "the free market"; that it opposes all energy price controls, rationing, and the allocation of fuels. In fact, however, the market interventions that administration has proposed—in the form of tariffs, crude oil taxes, excise taxes on natural gas, reduction in the corporate income tax, a massive across-the-board investment tax credit, and a price guarantee for energy producers—are very major and, I fear, permanent interventions which will have cruel consequences for the average American consumer.

The administration should understand that we do not now have a free market in energy. We have not had a free market for decades. Import controls, prorationing, and special tax privileges, among other things, have prevented a free market.

Today, the OPEC cartel, not the marketplace, dictates world oil prices. Under the administration's program, OPEC will dictate all domestic energy prices.

I hope we will soon see the day when market intervention in any form—tariffs, taxes, price, allocations, or rationing—will not be necessary. Meanwhile, however, we will need transitional programs to insure equity, to maintain independence in foreign policy, and to establish the preconditions for restoration of free-market pricing. The administration's program does not match the standards against which the transition must be judged.

In addition to the energy program I have proposed, I believe that Congress and the administration must together take the following immediate steps to put the American people and the American economy back to work.

We need to cut taxes, especially for people at lower income levels, in order to lift the unfair burden from those who have been hardest hit by inflation and recession and who are least able to bear it. And we need to stimulate economic recovery quickly and directly.

The clear need for an immediate and substantial tax cut is now recognized by all, even, it appears, by the economic policymakers in the Nixon-Ford administration who have always opted for benign inertia in the face of economic catastrophe and subscribe to the dogma that hardship and deprivation are good for the soul of America's working people, the poor, and the deprived.

Last week I introduced legislation for an immediate tax cut and refund policy that will provide:

First. A lump sum refund from the U.S. Treasury to all wage earners in an amount equal to 2 percent of the individual or family's 1974 adjusted gross income up to a maximum base of $13,200. This will immediately benefit American consumers in a total amount of approximately $11 billion.

Second. An ongoing tax credit or refund to each wage earner in an amount equal to 3 percent of the individual's or family's current adjusted gross income, up to the maximum base of $14,000, retroactive to January 1, 1975. This will provide approximately $18 billion in needed tax relief in 1975.

This tax cut will be distributed as a direct refund to those whose incomes are so low that they pay no income tax, or whose tax payments are less than the allowable tax credit. Other taxpayers will be granted the new tax credit through the income tax withholding system. By providing tax relief throughout the year, this program would permit families to meet their daily needs and to plan their own budgets on an ongoing basis.

This legislation will have the effect of reducing by 50 percent the heavy, regressive burden of the flat-rate social security payroll taxes, without in any way intruding on the social security system itself.

With this tax cut we will bring help to those Americans who most need help to meet their daily needs for food, clothing, and shelter—whose spending will stimulate the economy most directly. In addition, this tax rebate will effectively contribute to dampening inflation in at least three important ways.

First. By stimulating consumer demand, the volume of output in depressed industries will rise. With higher rates of production unit costs decline and reduce upward pressure on prices.

Second. This tax credit or refund will immediately increase the actual take-home pay of American workers by about $11 billion from the lump sum rebate for 1974, and by about $18 billion in 1975. Given the sense of national responsibility which most labor unions have amply displayed during the past 6 years, while inflation drained payrolls faster than new wage agreements could restore them, it is not unreasonable to expect that this increase in take-home pay will induce a degree of restraint in this year's wage bargaining. I am confident that real tax relief, clearly perceived as being fairly distributed, provides one key element in an atmosphere of trust that will encourage American labor to maintain its remarkably praiseworthy concern for the national interest.

Third. Because this kind of tax cut will effectively stimulate economic activity, reduce unemployment, increase personal and business incomes, it will bring an expansion in the national tax base instead of the contraction we otherwise face—and Government tax revenues automatically will increase.

We must recognize that we face a Federal budget deficit of huge proportion even if we do nothing. We will not be creating a budget deficit by implementing a tax cut now. Rather, we will be establishing the groundwork from which we can more quickly move from budget deficit to full-employment balance. All it takes is enough vision to see 2, 3, and 4 years ahead, instead of concentrating obsessively on the present.

I regard this tax cut as only the first step on the long road to restructuring our whole tax system in the direction of greater equity and fairness, and toward providing further significant tax relief for low-income Americans.

Finally, the cost to our Federal Treasury of this kind of tax cut can and, I predict, will be made up this year and in the years following not only by economic growth, but also by meaningful tax reform. It is my hope and belief that in both Houses and on both sides of the aisle, my colleagues in this Congress will support real tax reform—reform that is long overdue, that is essential to the restoration of public confidence in our Government and in our enterprise system.

Capital gains, percentage depletion, accelerated depreciation, estate and inheritance taxes—all aspects of our Federal tax system—will be carefully scrutinized and finally acted upon. In the months ahead, we can move with equitable deliberation on the major overhaul which our tax structure needs. But I submit that we must move immediately on the tax cut I have proposed.

The Nation's No. 1 priority is simple: stop the downward spiral and move our people from the unemployment lines to the production lines.

We know the tax cut I propose is right. We know it will increase the fairness of our whole system. We know it will help our people, our business and our Nation.

The tax cut I propose for immediate enactment will bring fair, equitable, and immediate relief to American consumers and will help stimulate the economy. But we can and must do more.

Second. Housing construction is not only a pivotal sector of our economy, and among the hardest hit by an erratic, misguided monetary policy, but it involves basic social issues of key importance in our national life.

From the current depression level of about 900,000 housing starts annually, we must move as quickly as possible to a minimum of 2.6 million new and rehabilitated homes. The combined level of new starts and rehabilitated housing will have to be maintained at at least 2.6 million per year for many years to meet our most pressing housing needs, and to provide a foundation for revitalizing our cities.

We have fallen so far behind in meeting this urgent national priority, at enormous social and economic cost to all Americans, that it will take more than easier credit conditions to achieve the replacement of substandard housing with decent accommodations and to add suitable units at rents and costs that people can afford.

From experience, we know that on-again, off-again housing programs and erratic monetary policy have kept this vital industry on a very costly and destructive roller coaster. Producers and suppliers of basic building materials have been unable to plan ahead for efficient and economically sound operations because of the volatile nature of the industry's history. The introduction of both new technology and increased capacity has been inhibited. Labor unions, even in periods of peak employment, have resisted opening their rolls to new entrants for fear of the slack—and unemployment—that could appear at almost any time. Building costs consequently have risen more sharply and output has been restricted because the industry never had the opportunity to look ahead with any real degree of certainty.

I propose, therefore, that we set an annual goal of 2 million new and rehabilitated safe, sanitary, well-designed homes for middle- and low-income Americans as the basic floor for our housing industry.

This is one key area in which a carefully administered tax incentive program — accelerated depreciation — can help attract needed private capital resources and skills. But tax incentives alone are not likely to encourage adequate middle- and low-income housing. However, with the mortgage guarantees and special interest subsidies for construction and permanent financing that spurred middle- and low-income housing in the past—under a variety of Housing and Urban Development Department programs that now should be tightened and improved—we could make a significant start.

For middle- and low-income housing, I propose a 5-year program of variable interest subsidies, beginning with $4 billion in the first year, administered so as to achieve our urgent national goals in housing.

We would, of course, continue and encourage the new experimental program involving direct housing allowances for low-income people and pursue maximum cooperation with State and local housing authorities.

I am confident that in an expanding economy and unburdened by grossly excessive interest rates, an additional one-half million housing units and more can be produced by the industry without special tax or credit subsidy. But in tandem with the Federal Reserve System, we would expect the operations of Fanny Mae, Ginny Mae, and Freddy Mac—essential to the proper functioning of the secondary mortgage market—to expand as required.

I would emphasize, however, that the incentive programs I propose, which are hardly new or revolutionary, demand the services of the best and most sensitive professional administrators. Community interests and needs, environmental impact, design criteria, financial and management policies, all must be given full and effective consideration with special effort to learn from the mistakes of the past. The benefits to our people, to our economy, and to the social fabric of the Nation clearly warrant this effort on a sustained and realistic basis. It is a task for long-distance runners, not sprinters.

Third. I shall soon also introduce legislation that will provide immediately for a selective business investment tax credit of 10 percent to encourage investment spending to help meet clear and pressing national priorities.

I am opposed to across-the-board investment tax credits. They offer unnecessary and indiscriminate windfalls to industry without adequate regard to national needs or priorities. As across-the-board benefits, they also are of questionable effectiveness in bringing forth new capital outlays that would not otherwise be made.

The administration's tax proposals provide an additional $5 or more billions increase in across-the-board investment tax credits. I submit that the program can be applied selectively, with greater effect in terms of meeting national needs and priorities. Moreover, the same $5 or more billions additional revenue loss the administration is willing to absorb, could be better used to stimulate a revival in housing construction for middle- and low-income families, and to other pressing social needs which also coincide with our goal of stimulating the economy and cutting the number of jobless Americans.

The selective investment tax credit which I shall propose will be limited to certain specific industry sectors whose growth in capacity and output we clearly want to encourage beyond what imperfect market forces would permit. By making the investment tax credit selective, those sectors we wish to encourage will have a differential advantage in the capital markets and their growth will tend to be facilitated.

For example, recent events have seriously undermined the ability of investor-owned electric utilities to attract the large amounts of new capital required to finance additions to capacity that our economy needs. Substantial cutbacks in projects already started and planned now pose a threat of near-term power shortages that can stunt our economic growth.

Also, we still face shortages and renewed bottlenecks in a number of primary processing industries which were one of the chief sources of recent inflationary pressure. Because they lacked attractiveness to the investment markets, as a result of a variety of conditions including the costs of pollution control and abatement, they were unable to expand significantly in the past 10 years. As a consequence, our economy ran out of primary processing capacity in metals, glass, chemicals, paper, lumber, and rubber, long before our resources as a whole were being fully utilized.

To eliminate potential supply bottlenecks that could impose a real limit on our economic growth, and the inflationary pressures to which they give rise, the selective investment tax credit would be extended to such of those primary processing industries whose capacity growth still lags behind our needs for the years ahead.

Certainly, too, other areas of high national priority such as waste recycling and pollution controls should be encouraged by this investment tax credit which can help facilitate their expansion.

By moving now to help remove the threats of renewed shortages in critical industrial areas, we will be effectively limiting inflationary pressures in the years ahead. By encouraging greater investment in other selected areas of high national priority we shall be moving to improve our environment and the quality of life in America.

A selective investment tax credit can be justified and supported on these important grounds.

Fourth. This selective investment tax credit also would be applied to specific new capital outlays in the automobile industry—not for the building of additional production capacity, but to facilitate the transformation of the industry so that it will better serve the public interest.

We wish to encourage the industry to retool for a shift from big, heavy gas-guzzlers to safe, smaller, durable, and more economical automobiles and to expand its involvement with improved modes of mass transit. We also want to encourage diversification of its production capabilities into new product lines that are in short supply, such as, for example, oil drilling and related equipment.

The personal income tax cut I propose, and the increased consumer spending anticipated as a result, will, of course, improve auto sales and production. But automakers will need added incentives to attract the substantial capital required for retooling and for diversifying their production capabilities.

I propose, therefore, to couple the investment tax credit for the automobile industry with a requirement that all new automobiles produced, beginning with the 1978 model year, be capable of achieving a minimum of 20 miles per gallon of gas in normal city driving.

Fifth. We must establish a Temporary National Emergency Finance Corporation to help meet the emergency capital needs of industry and business.

The Government's misguided reliance on a suffocating monetary policy to fight inflation, has brought major sectors of the economy—medium- and small-sized manufacturers, service companies, along with airlines and railroads—into deep financial trouble, face to face with the possibility of collapse and failure. The result? Pervasive dislocations, increased mass unemployment, disruption of essential services, and dangerous stress on financial institutions. In a word, depression.

These enterprises need emergency help and they need it now.

Investor-owned electric utility companies also need emergency help. Especially hard hit by the combination of quadrupled fuel prices and record-high interest costs, their earnings have been sharply reduced and their ability to attract equity investment or to borrow funds for needed capacity expansion has been severely restricted.

The Temporary National Emergency Finance Corporation, which I propose should be established immediately, would be authorized to guarantee loans, to serve as a lender of last resort, and in certain prescribed circumstances, to make equity investments. Standards would be established to insure that only those endeavors that show clear evidence of sound future prospects, and whose continuance is consistent with the national interest, would receive help.

The Temporary National Emergency Finance Corporation is not intended to, and will not become an instrument for bailing out inefficient managements, uneconomic enterprises, or activities of questionable social value. Moreover, any assistance to major U.S. corporations will, as now, be subject to specific congressional approval.

The Temporary National Emergency Finance Corporation will be authorized by statute to guarantee up to 90 percent of approved loans made in the market on terms and conditions which it considers feasible and appropriate. It also will be empowered to borrow funds in the open market against the credit of the U.S. Government, subject to annual authorizations by the Congress.

By offering emergency loan guarantees, direct loans or equity investment where indicated—essentially as was done by the old Reconstruction Finance Corporation from 1933 to 1953—the Temporary National Emergency Finance Corporation will contribute directly to the renewal of investor and lender confidence not only in the enterprises aided, but in the economy generally. Our financial institutions, private investors, and other sources of investment and loan capital will be encouraged to play their full part in the renewed growth of our economy.

Sixth. Because we must curb inflation now, along with the major tax cut and investment stimulants I propose, which will channel the depression tide into renewed and sustainable economic growth, we must adopt standby price and income controls.

There are many who say price and income controls have been discredited. They say controls create bottlenecks and distort the free marketplace and do more harm than good.

I agree—if we judge controls by that series of erratic abortive phases orchestrated by President Nixon and his advisers between August of 1971 and mid-1973.

Controls were never given a chance. They became an open invitation to big business to grab today, and wait for windfalls tomorrow. Those controls were unfair, politically influenced, and poorly administered.

I believe that the Council on Wage and Price Stability needs and should be given the muscle of standby controls now to curb price and income excesses that could appear in the transition months ahead. I believe that Presidential "jaw-boning" would thus be made more credible and the need for actual resort to controls minimized.

However, if and when the need to implement the price and/or income controls develops, or where price rollbacks are in order, the controls should be fairly, firmly and consistently applied. The Council on Wage and Price Stability also should now be given the authority to subpena price and cost data, and the authority to impose reasonable delays pending final judgment on such price and income increases which it deems inflationary and unjustified.

But standby controls are imperative for even more fundamental reasons. While I believe in the efficacy and value of free markets in determining resource allocations, and in the importance of the spirit of free enterprise in a free society, we must recognize that there are many instances in which markets are not freely competitive and where the free market principle is simply a bad joke.

We know, for example, that in important segments of American industry, free markets do not exist. In their respective areas, four corporations control 99 percent of vehicle output, 96 percent of aluminum output, 80 percent of cigarette production, 72 percent of the soap and detergent market, and so on. We have seen the proliferation of conglomerates and multinational corporations and the continued concentration of irresponsible economic power in their hands.

Virtually all economists concede that the usual consequences of such concentrations of market power include higher prices, smaller output, and more substantial marketing and advertising outlays than those generated in competitive markets. These private economic feudalities, unchecked or inadequately checked, have been a persistent structural source of inflation.

Largely as a result of these concentrations of market power, some strong unions are able to extract contract settlements substantially in excess of realized or prospective productivity gains. Their employers simply pass on to the consumers their higher labor costs plus an additional profit markup. In short, the American consumer pays higher prices because the corporate giants have and use the power to extract prices and profits higher than those that truly free markets would allow them.

Theoretically, our antitrust laws should have prevented such developments. But, in practice, the Sherman and Clayton Acts seem to have as their major function the performance of occasional ceremonial rites that may reassure the public but allow the economic giants peacefully to increase their market power at the expense of the consumer, small businessmen, and the national interest.

Our antitrust laws and the machinery for their enforcement need thorough review. What we need, and what I propose is a major new study of monopoly power and administered pricing in the American economy. We shall carefully reexamine all pertinent aspects of antitrust policy as practiced by the Department of Justice, the Federal Trade Commission, and regulatory agencies.

While that may take 5 years and a battery of computers, right now, both the Executive and the Congress have a duty to the American consumer—a duty to monitor and, when necessary, to substitute price fixing in the public interest for price fixing in pursuit of private gain. Standby price and income controls are a step to meet that responsibility.

III. IMPROVE OUR ECONOMIC INTELLIGENCE FOR THE LONG HAUL

The immediate action program I am proposing is motivated by two important principles: First, the principle that coherent attention to national economic priorities will help us move from recession-depression to a sustainable rate of economic growth—to avoid the painful, costly, and disruptive cycles of "boom" and "bust"; second, the principle that achieving greater economic equality will help us realize both greater social justice and greater economic stability.

But our national priorities, responsibilities, and commitments extend over a broader front and a longer time horizon. I would emphasize again that we do not have to sacrifice environmental goals in order to achieve and sustain economic growth. It is clearly in the Nation's long-term interest to meet the short-term costs that may be involved rather than to sacrifice one important goal in the name of the other.

Strip mining is an example. We need strip mining for greater coal production to provide energy for growth. We recognize that the cost of reclaiming and restoring strip-mined landscape will increase the cost of strip mining. But we consider that short-term cost clearly worthwhile—less costly in the long run than foregoing the needed coal or devastating our land.

Similarly, the balance-of-payments problem created by OPEC, coupled with high unemployment, makes it tempting to turn toward restrictive international trade policies. We must temporarily improve our situation at the expense of our friends and allies. But we know, from experience, that we would ultimately face the specter of competitive currency devaluations and restrictive trade policies by our trading partners—the same "beggar-thy-neighbor" approach as in the 1930's, which could succeed only in destroying a coherent world economy which took more than 20 years to create.

To allow OPEC thus to destroy the international economy of the industrial world, in the long run, would be far more costly than even the extortionate increases in oil payments with which we now are faced. Moreover, we know that appropriate monetary and fiscal policies can enable us to attain full employment and satisfactory economic growth despite balance-of-payments deficits.

Nor would it make longrun sense for us now to deny humanitarian aid to starving people in the world in an attempt to minimize our own shortrun food problems.

What chance for peace and stability in a world where starvation is a widespread and imminent threat to so many?

The long-term need, of course, is for major agricultural reform and advances in the developing countries. And to devise policies and institutions, both national and international, to manage scarcity. Because of our economic and technological advantages, we must assume a role of responsible leadership for without us these tasks cannot be accomplished.

What would we benefit from imposing embargoes or quotas on the sale of food or fertilizer abroad, despite current shortages at home, if in so doing we lose the faith and confidence of the world's hungry people—and then have to meet the costs of increasing world tension and turmoil?

Given these and other hard challenges of the years ahead, the action program I am proposing clearly is incomplete.

Moreover, in a world of dynamic change, there is greater need than ever to develop an attitude of reasoned, thoughtful flexibility, built upon the best and most complete flow of essential economic intelligence we can have.

Right now, despite our rightful pride in being a world leader in the field of communication and in our ability to solve all kinds of technical problems, we have no such coherent flow of information and no agency with the resources and power to analyze the data in a way that can help private industry, labor, and the Government make sensible choices and decisions based on their real alternatives.

I propose, therefore, that the existing Council of Economic Advisers in the Office of the President be charged with the responsibility for, and given the resources to develop and coordinate, the kind of systematic information flow and analyses that will enable it to get beneath the large aggregates into vital details, that will look beyond annual forecasts to more thorough examination of the near-term future, 3 to 5 years ahead, and to the longer-term, 10 to 20 years ahead.

Currently, because of staff and resource limitations, and the regrettable failure of succeeding administrations to comprehend its vital potential, the Council of Economic Advisers is incapable of dealing with much more than summary and very approximate information on a few short-term issues. Its usual concerns are perforce restricted to the Government budget in the aggregate, certain aspects of taxation, certain aspect of monetary policy. There is very limited in-house capacity to deal with particular problems, to get beneath the large aggregates into vital details, or to analyze and forecast for more than a year or two ahead.

There is no semblance of an "early warning system" that could help us anticipate the dangers, needs, and opportunities that lie just beyond the year's horizon.

Properly staffed and supported, an expanded Council of Economic Advisers—freed from the role of Presidential apologists—could provide a regular, systematic, detailed description of the current state of the economy. It could collect information systematically about investment, employment, technological, and other private sector decisions as well as those made by our Government and other public bodies. Simply putting together such fully coordinated, systematic information and analyzing its implications would greatly increase the efficiency of our system by encouraging and facilitating our private and public decisionmakers to use their capacity, drive, and imagination to the benefit of all. They would be in a much better position to understand and foresee their real choices and to choose the best means of implementing their priorities.

These are not theoretical or speculative benefits. In fact, the National Commission on Supplies and Shortages, established by law with complete bipartisan support in the Congress and signed by the President on September 30, 1974, signifies a widefelt need to improve the Nations' economic foresight. It is clearly a step in the right direction. But as another among many agencies of Government, whose areas of purview and interest are inextricably linked by the overall interdependence of all sectors of the economy, it cannot alone fill the information gap. Its function belongs properly in the new Council of Economic Advisers where foresight on supplies and shortages can be integrated with a complete and systematic flow of economic intelligence on which we can act.

Similarly, the things we must do in the areas of manpower training and development, mass transit, the revitalization of our cities, a new national food policy, making public service employment work, reorganization of the national rail network, rationalizing and scrapping outdated Federal regulatory processes which inhibit efficiency and increase costs and prices—all of these and more, to be intelligently pursued, require, indeed demand, the kind of data and analyses which only an expanded Council of Economic Advisers could provide.

All the separate strands of information and analysis must be brought together in a coherent exposition that will help us define our choices and priorities with better understanding of their implications—not only for the immediate present, but for the years ahead.

I consider the immediate implementation of an expanded and improved Council of Economic Advisers virtually as important to the national interest as anything that has been or will be proposed to improve our economy's performance.

I am confident that there will be a bipartisan support for such a move. I am equally confident that if the administration refuses to propose such a program, the vital functions of the program will be absorbed by appropriate congressional committees and agencies.

I believe that the action program I propose, properly implemented, will prove to be firm, fair, and consistent with our needs for fundamental economic reform. I believe that, in the perspective of the next 3 years, it will not only rescue us from economic disintegration, but curb and reduce inflationary pressures. In short, I believe that it will increase the efficiency, the productivity and the equity of our national community, at the same time that it helps us better to meet the full range of our domestic and international responsibilities and commitments.

THE SOVIET ENERGY DEAL

Mr. SCHWEIKER. Mr. President, I have here an article from yesterday's Washington Post announcing that "congressional opposition has dealt a heavy blow to a proposed Soviet-Japanese-American deal involving billions of dollars for development of a gas field in eastern Siberia."

I certainly hope we have dealt a heavy blow to this ill-advised project. When the Export-Import Bank bill was considered by the Senate late last year, the vote was 81 to 9 on my motion to insist on a provision requiring prior congressional approval before any U.S. Government commitment to a Soviet energy deal occurs. That vote clearly demonstrated the deep feeling in the Senate that any project of this magnitude, with its obvious strategic and foreign policy implications, should not be launched by some anonymous loan officer in the Eximbank, but should come to the Congress for approval. I am glad that private sector has apparently received the message implicit in that 81 to 9 Senate vote, and I hope the Eximbank officials will be equally cautious in taking any action in this area.

I might add that in December during debate on the Export-Import Bank bill, I specifically stated that there was a pending Soviet-American-Japanese energy deal, and that its final approval was contingent on Eximbank participation. At that time, Mr. President, less than 2 months ago high officials at the Eximbank expressed great ignorance about any such provision. We now know, however, that the Eximbank has been involved in planning this energy deal, and that should underscore the need for close congressional oversight of Bank operations.

I ask unanimous consent that the article be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HILL IMPERILS THREE-WAY SOVIET GAS PROJECT

(By Don Oberdorfer)

TOKYO, February 1.—U.S. congressional opposition has dealt a heavy blow to a proposed Soviet-Japanese-American deal involving billions of dollars for development of a gas field in eastern Siberia, according to informed sources here.

The congressional opposition was expressed in the recent trade bill and U.S. Export-Import bank legislation sharply limiting official loans and guarantees for development of Soviet natural resources. The subsequent Soviet abrogation of Russo-American trade agreements was a further impediment to large-scale American financing.

Japanese and U.S. sources said the Japanese government has decided not to proceed in major Siberian energy projects without the participation of the United States. While ostensibly based on the need to share the large capital outlays and obtain U.S. technology, the more important underlying reason may be Japan's desire for the political and economic protection that U.S. participation would imply. A Japanese decision to go alone into sensitive Siberian border area projects might be upsetting to China. Moreover, Tokyo fears that Moscow might someday suddenly shut off the flow of energy unless the United States is a party to the deal. Doubts about U.S. participation in the deal come at a time when another three-way project, involving $2 billion in foreign credits for Siberian oil exploitation, is in doubt for other reasons.

The proposed three-way exploration (and later development) of the Yakutsk natural gas field in eastern Siberia—which was to have been started within a few months—is the most promising of the tripartite deals to be affected by the recent developments. Japan and the Soviet Union signed a protocol here last April setting the terms for large Japanese Export-Import Bank loans for the natural gas exploration. However, this agreement was conditional on U.S. participation.

El Paso Natural Gas Co., the leading prospective American partner, has passed the word that participation is highly unlikely without a U.S. Export-Import Bank loan, according to Japanese sources. Earlier El Paso had given some hope that it might be able to raise its share of the development costs—about $100 million—from commercial banks.

El Paso Gas and Occidental Petroleum Co., along with Tokyo Gas Co. on the Japanese side, signed a general agreement with Russian officials in Paris last November to proceed with the Yakutsk gas development. However, it was reportedly understood at the time that U.S. Export-Import financing would probably be necessary for the U.S. companies' participation.

If the exploratory phase of the Yakutsk project is successful, a development phase would follow with foreign investments of more than $3 billion. In return, the Soviets would supply large amounts of natural gas over a 20-year period.

Another large-scale three-way Siberian development proposal, the Tyumen oil project, has been in limbo for several months as a result of rising cost estimates, declining estimates of the eventual petroleum export take, a Russian decision to build a new railroad to transport the oil rather than a less militarily sensitive oil pipeline, and ebbing U.S. interests.

A qualified American business source said the Tyumen project is now "about 99 per cent dead." He added, however, that he wouldn't be surprised to see it revived some day when the international situation changes.

It is not known here to what extent the Soviet Union will proceed with the ambitious Siberian gas and oil development without the help of foreign investment and technology. The Russians are currently preparing a new five-year plan, scheduled to begin in 1976, which had been expected to place important emphasis on Siberia developments.

Despite the sharply diminished prospects for Russo-Japanese-American energy deals in Siberia, three-way participation appears still possible in oil and gas exploration of the continental shelf of Sakhalin Island off the Soviet east coast.

A bilateral agreement signed here this week calls for Japanese credits of $100 million in return for assured supply of 50 per cent of energy resources which might be found. The American Gulf Oil Co. has agreed to participate in the Japanese exploration company if—as expected—Japan hires the Gulf subsidiary of Geoman to do comprehensive technical and management work.

Gulf is also expected to negotiate with the Russians for a separate exporation area of its own near the Sakhalin coast. Japan is likely to "buy in" as a partner in this arrangement if it comes to fruition.

PRESIDENT'S ECONOMIC PLAN HURTS ELDERLY

Mr. HUMPHREY. Mr. President, since President Ford introduced his economic proposals, including the oil tax and the 5-percent ceiling on social security increases, more and more voices have been heard calling out on behalf of our elderly citizens.

One of the most eloquent of these voices is that of Nick Thimmesch, writing in the Los Angeles Times of January 18. He points to the worsening plight of those on fixed incomes in a time of inflation and massive increases in the basic costs of living. One out of every 10 Americans is over the age of 65, and their very modest standard of living is eroded further every day in which we neglect their well-being.

Mr. President, I ask unanimous consent that Mr. Thimmesch's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OLDER PEOPLE LEFT OUT IN FORD'S NEW ECONOMIC PLAN

(By Nick Thimmesch)

WASHINGTON.—President Ford, with his new economic plan, sets up a Christmas tree modestly adorned with goodies, attainable if people will accept a bit of sacrifice and discipline.

A first look makes one conclude that our older people will have to sacrifice and will get few goodies. The majority of our 21 million people over 65 are long accustomed to discipline. Despite substantial efforts to make life better for our elders, their condition isn't good.

One feature of the Ford program having direct impact on older people is the limit put on cost-of-living increases to Social Security beneficiaries to 5%. This reasonable provision, on which former President Richard Nixon and Congress agreed, would have had its first effect this year in June Social Security payments. It was expected to provide a 10% cost-of-living increase, based on the price index.

Since the average Social Security payment for a retired worker in 1974 was $187.71, this meant there would be an additional $18.71 in that June check. But now it will be around $9.35. The difference means plenty to people on low, fixed incomes. Try it sometime.

As for that income-tax rebate (a goody), less than 40% of older people make enough to pay income taxes, and even those don't have to pay much. Therefore, the tax cut is a morsel for those older people getting it. Actually, the inflationary impact of such a massive tax rebate to the under-65 segment would hurt older people.

Inflation crushes the budgets of these people. A recent informal survey of 264 older people showed an average monthly income in June, 1974, of $258. Of this, $125 went for rent and utilities, both of which seemed destined to be boosted even more, due to

Mr. Ford's proposed increased levies on energy.

Moreover, food and transportation costs are also likely to be hiked when energy costs climb. Inflation hovers over old people like death.

The over 65s haven't been abandoned by the U.S. government in the past generation.

Many economists state that improved Social Security benefits are dispensed at the expense of low-income workers because of soaring taxes for Social Security. Currently, the tax rate for employer and employee is 5.85% each and for self-employed 7.9%. In 1970, the figures were 4.8% and 6.9.%

Many people retire before 65, and that explains why some 38 million Americans get regular cash payments on U.S.-sponsored retirement programs. Another 1.5 million get payments from state employee retirement systems. Altogether, the federal, state and private retirement programs dispense about $100 billion annually, a whopping figure.

Distribution and equity are real problems. Many people have paid large amounts into private retirement programs and certainly shouldn't be penalized for it. Others benefit from unusually generous programs under union contracts (some are truly exorbitant) or through the largesse of systems enacted for federal or congressional employees. But many private retirement programs are skimpy and make life threadbare.

One woman I know receives a total of about $23,000 annually from a collection of widow's compensation, retirement and Social Security programs. She and her late husband worked a lifetime.

But another woman I know, who also worked a lifetime, as did her late husband, collects a total of $2,760 annually.

The first woman lives nicely in retirement. The second lives on the edge of poverty and must take money from her children, something she doesn't like to do. The company for which she worked for more than 20 years pays her $40 a month pension. Her monthly Social Security is about $190.

Mr. Ford's proposals won't hurt the first woman at all. But they could make life even more difficult for the second.

The Administration understandably can't provide equity for all in such sweeping economic proposals. But for all the Administration talk about belt-tightening, some of the tightening might occur around older people's throats.

IMPACT OF PRESIDENT FORD'S FISCAL 1976 HEW BUDGET ON CONNECTICUT

Mr. RIBICOFF. Mr. President, President Ford's proposed fiscal 1976 HEW budget is a tragic setback for the elderly, the sick, and the poor, and a sad attempt to shift costs for basic services away from the Federal Government onto the backs of already financially hard-pressed State governments.

The Federal Government must hold down its costs and seek to eliminate unnecessary spending—but not at the expense of the neediest people in Connecticut and throughout the Nation—the elderly, the sick, and the poor. There are other areas in Government where large savings can be made and as chairman of the Senate Committee on Government Operations, I intend to search out and eliminate wasteful and unnecessary Government programs. This budget completely distorts our Nation's priorities.

The President's proposals, released today, would cut back on social security increases, impose additional cost burdens on elderly medicare patients, reduce medicaid health benefits, and social services for the poor, cut back on aid to the aged, blind, and disabled who are receiving SSI benefits, and curtail many important health research and manpower programs.

Throughout the President's budget there is an assumption made that the States will be able to assume the financial burdens which the President's budget attempts to shift to the States.

Nothing could be further from the truth. States like Connecticut simply do not have the revenues to assume the burdens which the Federal Government is dropping. The President's medicaid budget proposal alone will cost Connecticut $16 million in fiscal 1976. The net effect will necessarily be a cutback in services.

I do not think Congress should let this happen and I will do everything I can to help assure that the old, the sick and the poor do not have to bear the full brunt of this Nation's fight against inflation.

I have made an analysis of the impact on Connecticut of parts of the President's fiscal 1976 HEW budget proposals.

SOCIAL SECURITY

Under present law social security benefits are scheduled to increase by 8.7 percent in July 1975 under the automatic escalator provision. The President's budget proposes that the increase be held to 5 percent. The escalator clause was enacted in 1972 to help assure that benefits would keep pace with the cost-of-living.

I am strongly opposed to the President's proposal which would cause some 30 million older Americans to fall behind in their fight to keep up with the cost of living. Approximately 300,000 older Americans would be adversely affected in Connecticut by the Ford proposal as the following table illustrates:

Present average monthly cash benefits	Present law	Ford 5 percent increase (June 1975)	Scheduled 8.7 percent increase (June 1975)
Retired workers	$188	$198	$205
Disabled workers	206	217	224
Widows	177	186	193

SSI—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

In the SSI program the President proposed to limit benefit increases to 5 percent. They are scheduled to go up by 8.7 percent in July. SSI, enacted in 1972, was intended to set minimum benefit levels for aged, blind, and disabled persons who are indigent. The benefits at present are minimal at best. Holding down the 8.7 percent increases would further hurt these people who are already hurt the most by inflation.

In Connecticut this means that over 21,000 SSI recipients will fall behind in the inflation fight. This includes 9,000 indigent aged, 258 blind, and 11,789 disabled persons.

SSI monthly benefit ceilings	Present	Ford 5 percent increase (June 1975)	Scheduled 8.7 percent increase (June 1975)
Single person	$146	$153	$159
Couple	219	230	238

MEDICARE

The landmark medicare program, enacted in 1965, provides a limited form of health insurance to persons aged 65 and over as well as to the disabled and those with end-stage kidney disease.

As hospital costs have risen, older Americans are forced to pay more in out-of-pocket expenses for health care. In fact, because of the gaps in medicare, out-of-pocket costs to senior citizens for health care were higher last year—$311—than they were when medicare went into effect—$234.

Senior citizens have the least money of any segment of society and their health needs are heavier. It is cruel to impose additional cost burdens on these Americans.

Under medicare a patient is expected to pay for the first day of hospital care—figured at $84 last year and $92 this year. After that the next 59 days of care are free. I have already introduced legislation to freeze the first day copayment at last year's $84 level. But the President's new budget proposal would add another intolerable burden.

The budget proposal would make the patient pay in full for the first day and 10 percent for each additional day or about $10 a day. This would more than double the cost to the patient for an average stay. In the Northeast, where the average stay is 15 days, the patient would have to pay an extra $150—an impossibility for many.

When ex-President Nixon made this proposal, no Member in Congress would even introduce it. I am confident that the proposal will again be defeated and as a member of the Senate Finance Subcommitee on Health, I will do everything I can to safeguard senior citizens against additional medical cost burdens.

In Connecticut, about 300,000 older Americans would be hurt by the President's proposal.

MEDICAID

Medicaid, enacted in 1965, is a program which provides health benefits to the poor. While administered by the State, the Federal Government provides matching money—in Connecticut's case on a 50–50 basis. Connecticut taxpayers pay over $70 million for the State portion of this program each year with the Federal Government paying the other half. The program is a major financial burden on States such as Connecticut. Now the President proposes that the Federal share of the program be reduced from 50 to 40 percent.

This will cost the State of Connecticut $16 million over what it now pays—a financial impossibility in light of our State's present fiscal condition. This means that health services to the poor—most of whom are children—will have to be severely curtailed. This is nothing more than an abdication of Federal responsibility. Government at all levels face financial problems, the Federal Government cannot play a shell game and cut its losses by shifting Federal program costs to the States.

This proposal would mean a potential cutback in services to 189,000 residents of Connecticut who are poor and eligible for medicaid. The President's proposal would also cut back significantly on dental services to the medicaid population.

SOCIAL SERVICES

The social services program is intended to provide ancillary services to help people on welfare get off and stay off welfare. Most Americans on welfare want to work rather than remain on the dole. Unfortunately, too often the lack of essential services such as training and day care prevents a person from taking a job. In December 1974, Congress enacted a social services program which provides $2.5 billion in Federal money to be matched on a 75 percent Federal–25 percent State basis. The President signed the bill but now wants to cut back the Federal share to 65 percent in fiscal 1976 and to 50 percent in 1977. Like the proposed medicaid matching reduction, this proposal merely attempts to save Federal money at the expense of State budgets. Such a proposal, if enacted, would discourage States from putting up money for services for the poor.

The proposal would result in a loss of $7.5 million to Connecticut.

GENERAL HEALTH PROGRAMS

The Federal Government's involvement in health research through the National Institutes of Health has enabled American science to push back the frontiers of knowledge about the cause and cures of many diseases. And Federal funding has helped local communities support a number of new and important activities.

Now, unfortunately, HEW proposes a 20-percent cut in funding for such important programs as neighborhood health centers, maternal and child health programs, family planning, drug abuse and alcoholism, lead-based paint poisoning and rat control. In Connecticut these programs, especially the ones which provide services to residents of inner-city areas, will be hard-pressed to continue providing the services they now provide. The number of Federal dollars saved will be more than offset in the increased costs in terms of sickness, malnutrition, not to mention medicaid costs.

The budget amounts for health research are generally barely adequate to maintain present research efforts. Important medical research centers such as Yale and the University of Connecticut will not be able to expand any of their activities.

These schools will also face difficulties in expanding or even maintaining their enrollments. The budget proposed to phase out direct loan and scholarship programs in the medical field. This is a nonsensical policy, especially in light of our need for more general practitioners who can provide health services in many of the areas of Connecticut which are short of medical help.

ST. PETER'S CHURCH OF NEW YORK CITY

Mr. JAVITS. Mr. President, as part of the general flight to suburbia which characterizes our metropolitan areas, more and more churches have left the inner city and followed their congregations to more distant residential areas. The combined pressures of loss of city congregations and increased cost of operating buildings have accelerated the move. Fortunately, however, we are told that some churches have decided to stay and revamp their programs, share facilities and ministers and formulate new methods of serving urban congregations.

In a story published in the New York Daily News recently one such church is St. Peter's Lutheran, on the corner of Lexington Avenue and 54th Street in New York City led by its pastor, Dr. Ralph E. Peterson, has undertaken a brilliant initiative.

Pastor Peterson's dream was a church that ministered to all the people, not just the Sunday church-going crowd. He instituted programs that other churches had never dreamed of, programs that met the needs of the urban society. A theater-at-noon for businessmen, an international ministry for foreigners living and working in New York, a jazz ministry for the many jazz musicians and jazz buffs, an art gallery, a children's preschool, all became a reality. Slowly, the St. Peter's congregation began to revive. It grew in numbers and dropped in average age. A new foundation was being laid. At the same time, St. Peter's saw the need for a real foundation; one of cement and steel supporting a new church which would have all of the facilities needed to be a true "living room" in the heart of the city. This too, has become a reality. St. Peter's has sold its property to Citicorp, which is engaged in a major midtown redevelopment project, but has contracted to buy back the land with a new church on the same site at Lexington Avenue and 54th Street. This agreement makes St. Peter's the world's first condominium church.

For the information of my colleagues, I ask unanimous consent that the Daily News article and other pertinent articles be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Daily News, Aug. 16, 1974]

A New Ministry Rises From the Rubble

(By Kitty Hanson)

On one of the most costly pieces of Manhattan real estate in the heart of the midtown market place, stands an elegant Victorian church, its dark spires dwarfed by neighboring skyscrapers, its open doors welcoming all who pass. Inside, stone pillars rise to the shadowy recesses of arched ceilings, and through opened sections of priceless stained glass windows filter the sounds of the city.

Thirty years ago the net ranks of red-cushioned pews held hundreds of Sunday worshippers. Today, they number only a few dozen. Like so many other churches in New York City today, it is old and beautiful—and dying.

New York City is not alone. In center cities throughout the United States, the old, established religious institutions are in trouble, financially as well as spiritually. The cost of operation is going up, but membership are going down. Congregations are growing older and smaller. Neighborhoods are changing.

While the "storefront" movement is growing and the spirit is strong among black and Latin Christians in the city, in the old main line denominations, Sunday school enrollments are falling steadily, and so is the construction of new church facilities. In their efforts to survive, churches are pooling their physical resources, sharing sanctuaries and pastors, merging congregations, tearing down buildings, or going out of business altogether.

One bright spot in this gloomy picture in New York is St. Peter's Lutheran Church, 111 years old, and, since 1902, a familiar landmark at 54th St. and Lexington Ave. Only eight years ago, St. Peter's, too, was dying. In the middle '60s, what had once been a congregation of 1,000 had dwindled to 300, and the voices raised in the Sunday hymns echoed thinly in a near-empty sanctuary.

ALIVE AND WELL

Today, the church is not only alive and well, but it is on its way to making a unique impression upon a city hard to impress. Its membership is growing larger and its congregation growing younger. It is expanding its ministry and increasing its programs. And it is involved in a rare event in New York—or any other city these days—the construction of a new church building.

The stubborn refusal of this old Lutheran church to succumb to spiritual urban blight is being watched by churchmen of all faiths in a search for ways to halt their own churches' slide.

"The church—as an institution—has become deadly, but it's by no means dead," says Dr. Ralph E. Peterson, the young and dynamic clergyman who has been pastor at St. Peter's since 1966.

"These are different times for religious institutions. Traditional hours and services don't have much meaning in the city today. The church has to change. At St. Peter's, we want to avoid being limited to Sunday religion. We want to be accessible to people of the city 24 hours a day, if possible."

To make St. Peter's accessible, Dr. Peterson has instituted programs that range from religion and education to music and drama. Shortly after he arrived as pastor, he called Dr. John Garcia Gensel as associate pastor and full time minister to the jazz community. Thousands of city dwellers have found their way to the 5 p.m., Sunday vespers which are not jazz concerts, but religious services in which jazz is an integral part.

Thousands of other New Yorkers who work in midtown have responded enthusiastically to the Theater at Noon, also a religious service. And for nearly two years, the church has been reaching out to the great number of Europeans in government and diplomatic service or on business and educational assignments, for whom New York is a temporary home. The Rev. Heiner Hoffman was sent by the Evangelical Church in Germany to inaugurate this new ministry, and is the first of a number of "international" ministers St. Peter's plans to call.

St. Peter's also conducts a nursery school and an art gallery where the work of deserving young artists is shown. One result of all these activities has been to attract a growing and enthusiastic congregation as well as numbers of "friends" of the church—all of whom are served by a "pastor to the people," Associate Pastor Rev. Frank Walinsky.

Another result of the church's revival was that when real estate brokers tried to buy the church property as part of a new superblock, they found a congregation not eager to take the money and run, but determined to stay and to serve.

St. Peter's did sell, eventually, but it isn't going away. As part of the deal acquiring the church property for the new $128-million Citicorp Center, the corporation agreed to build and sell back to St. Peter's a new church on the same site. St. Peter's became the country's first condominium church.

It also solved one of the problems that is causing so many other established churches to flounder: the skyrocketing cost of maintenance and operation of old and deteriorating buildings.

"The big problem in any city church is to get on top of the financial drain of buildings and programs," says the Rev. Norman E. Dewire, executive director of the National Joint Strategy and Action Council which helps religious organizations of all faiths and denominations to work together.

"Many of the old line churches," says Dewire, "have been coasting on their endowments, running some kind of show that nobody's going to."

Meanwhile, inflation devours the church treasury, making it more and more expensive to heat and maintain the building, pay the staff and keep the lights on, just at a time when there are fewer and fewer in attendance, and less and less in the collection plate.

"I don't know of one single church in New York City that can exist on what it gets in the collection plate," says Dr. Charles A. Barton, associate executive director of the United Methodist City Society, the mission arm of the Methodist Church in New York.

Some churches have tried to make their buildings useful and used by making them available as community centers. Still others have gone in for entertainment and exotic ecclesiastical experiments in an effort to attract people. And though, nationwide, conservative groups like the Mormons and Souththern Baptists are prospering, the mainline, liberal Protestant churches continue to lose members.

Increasing numbers of these are joining forces and resources, giving up old time denominational boundary lines in the interest of survival. There are now at least 2,000 groups of churches or clusters of different denominations in the United States cooperating in ways that range from combined services and social action projects to actual merger.

In the Bronx, a Lutheran and Presbyterian church, across the street from one another, now share one pastor who serves both congregations. In Brooklyn, a Lutheran and Presbyterian church share one church building and resources as the Flatbush Protestant Parish. It was, one parishoner put it, "a case of dying separately or living together."

Other churches have sold their huge build- and programs and found homes in smaller, less-costly quarters or with other churches. The Broadway Tabernacle, which had been at Broadway and 56th Street, has physically disappeared from the street altogether, although the church continues to exist. The congregation worships at St. Paul's Roman Catholic church nearby.

DENOMINATIONAL SMUDGING

According to some churchmen, this smudging of denominational differences may be the desperation play that will eventually save the old center city churches.

"It's a very difficult thing for an established church when people have moved away," says the Rev. James Gusweller of the Episocpal Mission Society.

"Yet each church has a unique community it could serve, regardless of denomination. Christians should be able to attend a Christian church in their home neighborhood, whether it's the church of their original denomination or not. There are plenty of people ings, invested their equity in their ministry in city neighborhoods who would come in."

St. Peter's, on Lexington Ave., has learned that when the church reaches out, people do indeed "come in." And architectural plans for the new buildings which is to open in 1976 provides for a continuation of all the present outreach programs, and for expansion into new ones.

It is Pastor Peterson's dream to provide a "people space" in the city, and of primary importance to that dream is an area designated as "the living room." This will be located within the church structure, but outside the actual sanctuary, and will be open to all who wish to enter. Some will come and go. Some, it is hoped, will come—and stay.

[From the Washington Post, July 12, 1974]

LUTHERAN PASTOR TRIES TO BUILD URBAN CHURCH IN NEW YORK

(By Stephen Isaacs)

NEW YORK, July 3.—The city of New York is still in what might be called "Lindsay shock." New Yorkers—most of the ones you hear anyway—are skeptical of idealists, wary of grand schemes to save the city, leery of people who indicate ever so slightly that this gigantic melange of pile-high bricks, steel, aluminum, glass and humanity is, in the end, habitable.

So along comes a new Lindsay-sounding kind of guy, this one wearing a clerical collar, talking about how wonderful cities are, how wonderful this one can be, and in your Lindsay shock you can't quite decide whether the guy is ready for the funny farm or, by golly, right—that Manhattan really is some kind of earthy heaven.

The Rev. Ralph Edward Peterson isn't your ordinary soul-saving clergyman. He says he probably should have been a public relations man, or maybe an architect. He has more than a minor touch of business savvy. In any case, he is the son of a small-town Lutheran minister who came to the big city, fell in love with it and now is determined to make his piece of it a fun place for human beings.

"Our whole environment in the city is pretty ghastly," says the pastor, a Lutheran, his glasses slightly askew, his sandy hair askew, too, his shoes kicked off, as he lies back on the sofa of his office on East 56th Street.

"What we want to do," he says, "is to make our church into a living room, a lobby, a big lobby, for everybody. Look at this place. Even the hotels have given up lobbies. No one seems to want people anymore. It's really awful when you think about it."

Ralph Peterson is parlaying a valuable piece of real estate as leverage to pull off his big plan for midtown Manhattan to, as he says, "reclaim the city."

The real estate, as Pastor Peterson describes it was a "toy gothic church" his once-prosperous congregation, St. Peter's, had proudly built and maintained at the corner of 54th Street and Lexington Avenue in 1905.

Those were the glory days of Lutheranism in that part of New York. A lot of things have happened in the world and the city since. In this case, the big office buildings started to move in, which meant more and more of the people who used to pack St. Peter's on Sundays started moving away.

"The church, like other institutions of German origin, started to disappear," said the pastor. "A lot of the people fled to the suburbs and to other denominations not readily identified with German origins, like Presbyterians and Episcopalians . . . Culturally, they didn't wish to identify with a Lutheran institution." A couple of world wars had something to do with that.

St. Peter's attendance, 1,000 every Sunday, dwindled and by the middle 1960s the whole congregation numbered about 300. About that time, St. Peter's went hunting for a new pastor. Each one asked said no.

The Rev. Ralph Peterson at the time was executive director of the department of ministry, vocation and pastoral services of the National Council of Churches.

When St. Peter's approached him, he jumped.

"Everyone else saw a church that needed repair . . . a very costly thing to maintain," he says. "I looked at that thing and I saw it as a fantastic opportunity. I thought, 'Fantastic. Take it all down.'" And use the property as a lever to build the kind of urban church the times called for.

Pastor Peterson took over, and started to turn gothic St. Peter's into an open house for anybody who happened to drop in, adding theater at noon for businessmen, adding jazz vespers and all-night soul sessions, art shows, things like that. "At times our 'living room' kind of looked like a day room in a mental hospital," said the pastor, "but what's wrong with that?"

While on the one hand, Pastor Peterson was busy building the "living room" concept of St. Peter's and enlarging the dues-paying congregation—mostly by focusing his recruiting on those suburbanites who are fed up with stylized and conformist-pressured styles of religion "out there"—he was wheeling and dealing with his piece of property at 54th and Lex.

It happened that the block containing the church and some nearby property it owned was essential to the assembly of a block that ended up as the most expensive block ever sold in the history of Manhattan, according to New York magazine's Peter Hellman. The packager laid out $40 million for the land alone.

Among the toughest bargainers on the block was Ralph Peterson, the young pastor from Cambridge, Minn. (pop. 2,720), who managed to work $9 million out of the eventual purchaser of the block, the First National City Bank, one of the nation's largest corporations. It wasn't just the money alone. Included was a new St. Peter's on the old site, as part of Citibank's new block, with enough money left over to endow most of the pastor's plans for his urban pastorate.

The denouement of Ralph Peterson's manipulations is a new $6 million St. Peter's that will sit somewhat beside and underneath the new Citibank Tower. The new, modernistic St. Peter's will be underneath, as will an eight-story building containing shops and offices, on the other side. There will be a large open public square (New York may end up with its own St. Peter's Square) and a subway station. The architecture of the Citibank Tower is unique, to say the least. The 910-foot high Citibank Tower above it all will rest on huge, 24-foot-square stilts, like a giant, multisticked popsicle, with the 46 stories of the tower beginning 112 feet above ground level. It will be Manhattan's fifth-tallest building.

Meanwhile, down below, Pastor Peterson and his congregation, via eminent architect Hugh Stubbins, have designed a building that all of them hope will beckon folks, just any folks, to enter. The design incorporates a theater that will seat 200, a jazz rehearsal room ("I sometimes call it Lincoln Center East," he says), a huge, pewless sanctuary that is visually open to the sky and to the square outside and which is twice the size of the one in the old St. Peter's, abutted by a "living room."

The church, as Mr. Peterson defines it, was designed not particularly for Sunday worship, which he sees as passe in Manhattan: "When you talk about American churchgoing, that's another world, on the other side of the Hudson . . . Who goes to church in the city on Sunday? People leave the city for the weekend, if they can. It's a tough environment."

When completed in 1976, St. Peter's will be less place of worship than hostelry, or theater or art gallery or jazz workshop. "Our whole church is designed as a kind of center for the performing arts," says Mr. Peterson. "And we'll have incubator space for community groups, like telephones and desk space for groups that are having trouble getting started, a forum for them to get access to the media with press conferences, things like that."

Eventually, he hopes to have the new St. Peter's open 24 hours a day (he feels that musicians like, and benefit from, the night), and he is attracting parishioners from as far away as Pennsylvania.

"Some people just can't stomach suburban religion," he says. "As for me, I really am not sure just how sterile it is out there. But I know it's bad. Maybe it's the mindset. But when people come into our church, they find we'll help them ask the important questions. Everyone who comes into a church is, in a sense, asking a question.

"The heart of a city is sufficiently anonymous to that you're free to ask those questions, to examine where the real questions can be defined. That's part of the genius of the city. It's just as true for a church as it is in a bar, or for a cab driver . . . There's something about the suburbs that prevents the kind of diversity we have here."

"I used to think the church was too serious," he says. "But it's really not us. It's the architects and the institutions. They have lost the capacity to play. That's one of the missions in the heart of the city—to restore playfulness. In a sense, that's part of creation . . .

"The Christian religion is an urban religion. It was molded there. Look at Jerusalem, after all. And look at old Jerusalem now—it's everything urban planners say a city should be—intimate with walkways, yet it has beautiful open spaces, like the Dome of the Rock, and so forth. Somehow, we've lost it along the way.

"Basically, you know, cities are good places. And Jesus always talked about the city of God. It was never a lonely seascape or landscape with an incredible sort of mixture of people.

"A living room in the heart of the city is the closest thing to heaven I can think of."

[From the Sky Delta, September 1974]

THE DIVINE CONDOMINIUM

(By Gay Nagle)

There's a condominium going up on Manhattan's East Side. Right now it's nothing more than a mound of steamshovels and bulldozed holes that dig deep into the bedrock of Manhattan Island. Indeed, it's just one of many deep holes that bisect and crisscross this island and disrupt traffic in the metropolis.

The unusual thing about this development is that it's a church. The world's first condominium church. It will occupy the southeast corner of a city block that will be the world headquarters of Citicorp (First National City Bank) Center, a 46-story tower on 12-story stilts. St. Peter's will occupy 45,000 square feet of the landscaped front plaza. Of shining aluminum, dark glass, and grey granite surrounded by water sculptures and trees, the church will be topped off by a thrusting plane and a skylight to permit daylight to flood the interior sanctuary.

It's a far cry from the Gothic St. Peter's Lutheran Church that preceded it, that had stood in the very same spot at the intersection of Lexington Avenue and 54th Street since 1905, a solid foundation built by stolid German merchants who then lived in midtown but later began to move uptown. Their children fled for the suburbs. High-rise cliff dwellings replaced the brownstones of old. The new tenants did not keep the faith as had their parents and grandparents. Where once over a thousand voices had been raised in song on Sunday morns, there were barely over 300 in the early 1960s.

St. Peter's faced a crisis. How to remain a member of the community, to hold on to the congregation of old, to attract the newcomers to New York, the singles, the young marrieds, the ethnic groups, the minorities. In 1966 Dr. Ralph E. Peterson was installed as St. Peter's seventh pastor, a position he still holds. Under Dr. Peterson's leadership, the church experienced its greatest commitment to the New York community. Things like Jazz Vespers, the Theater At Noon, All Night Soul sessions, daily church services for the office workers in the neighborhood—all these things pumped new life into the church.

Now St. Peter's is preparing to enter into an even larger role. Dr. Peterson is a congenial early-40s pastor who doesn't smack of starched Roman collar, the kind of man who is turned on by just about everything and who in turn generates excitement. "Religion has a role in this city," he says. "It's tough to do this in a big city, but we must make our church an urban 'living room.' This is our role. We live in a time when many are negative about the city and its religious institutions. The role of the church is not to retreat into the catacombs but to move forward toward being more human in skyscrapers. This is exactly what we are about. The church was born in the city; we are not about to be driven out of it. The creation of this new urban center in the heart of Manhattan expresses our belief that man and his spiritual needs do have a place here."

St. Peter's has refused to be overwhelmed by mid-Manhattan. Instead, it has chosen to coexist and to change along with the city. In 1970 the church sold the air rights over its property to Citicorp for $9 million with the understanding that St. Peter's would retain ownership of the realty and would build a new church in conjunction with the bank's development. So this arrangement, in which each party owns its own portion of the development while sharing common ownership of other portions, makes the new St. Peter's a condominium.

"This is not so much the tearing down of a building as it is the creation of a new way to serve the city," Dr. Peterson says. "Our premise has always been to serve the city. The question was how best could we do it? Where we're going rather than what we're leaving behind is our operating philosophy. The architectural designs and concepts of the new church, which is radically different from the old, were unanimously accepted by the congregation." He describes the design as a "bold architectural statement of Christianity's confidence in the future of the city."

When completed in 1977 at a projected cost of $5.5 million, the new center will be the ninth home of St. Peter's congregation, a totally modern structure on six levels, two of which are below the street. The two key elements of the design are its integration into the overall concept of the Citicorp project and a flexibility to allow it to meet the present and future needs of all the people of the city.

A sanctuary on the plaza level will seat 850. A chapel seating 35 will be alongside. A sunken plaza will provide access from the subway that rumbles underneath and will contain a passageway to the main entrance. There are no steps at street level. All floors are accessible by elevator. There will also be a gradual ramp into the sanctuary so that people in wheelchairs or on crutches can participate fully in the services.

St. Peter's is deeply committed to the performing arts. The late Duke Ellington had donated his own piano for use in the church. The new structure will expand in this area, and there will be facilities such as a children's theater, dressing rooms, community workroom, library and living room, art gallery, bookstore, conference space, day-care center and choir rehearsal room.

St. Peter's wants to be a 24-hour-a-day church, and Dr. Peterson hopes to be able to keep his church open day and night. "It's always been my dream to have an open church. Being open makes you vulnerable, but when you're vulnerable, people take care of you." He has faith in the people of New York to do just that.

Is this the beginning of a trend? Will St. Peter's as the first condominium church be the start of something big across the country? Has St. Peter's found a solution to combatting the declining role of religion in American cities? Dr. Peterson thinks so. "Other city churches are watching this very closely," he says. "They're watching what we did in real estate to see if they can do it. But it only works if you first have a program. That's what we had, a viable program that was new. And we needed a new building to make it work."

Temporary home for the congregation until the bulldozers and cranes have done their work is the Central Presbyterian Church, 10 blocks north on Park Avenue. St. Peter's also maintains a visitors center at 16 East 56th Street that's open daily to all. This too is temporary and will be incorporated into the new church when it opens.

Looking beyond the intersection of 54th Street and Lexington Avenue, Dr. Peterson is hoping for the day when Lexington Avenue, at least in the midtown area, can be converted into a pedestrian mall. He views the new church center as a distinct contribution to making Lexington Avenue a more exciting place for city dwellers and workers and "a visible expression of the purposes we have adopted."

St. Peter's is a bold new experiment in city churches. It represents a faith and confidence in urban life in New York, a daring dream for the profile of New York—a city which constantly renews itself through dreams that come true.

[From Nation's Business, August 1974]

A "CONDOMINIUM CHURCH" AMID THE SKYSCRAPERS

(By Vernon Louviere)

St. Peter's Lutheran Church will not succumb to mid-Manhattan skyscraper sprawl; it will become part of it.

St. Peter's, long a fixture on the New York City scene, has been eyed by real estate developers for years because of its choice location at Lexington Ave. and 54th St. It didn't want to sell, but, like other churches, it could put a bundle of extra money to good use.

Now, St. Peter's has its cake and can eat it, too. It is on the way to becoming what is probably the world's first "condominium church."

In 1970, St. Peter's sold most of its land, along with air rights, to First National City Bank. The old church building, dating back to 1905, has now been razed and a new one is being built, under a 59-story skyscraper simultaneously under construction.

According to the architects, Hugh Stubbins and Associates, Inc., of Cambridge, Mass., "the church—basically a cube—will be carved and etched to give a sculptural impression" and will have a "strong granite form, suggesting the rock on which New York is built." This, they say, will recall Christ's words to Peter: "Thou art Peter, and upon this rock I will build my church."

Financially, the deal has been a good one for St. Peter's—the church received $9 million and will become a condominium partner with other occupants of what will be known as Citicorp Center. (First National City Bank is now the principal subsidiary of Citicorp, a holding company.)

St. Peter's has clung to Manhattan since its founding in 1861, although it has had to move seven times.

Its pastor, Dr. Ralph Peterson, says many people "are negative about the city and its religious institutions," but "Christians have always been in the heart of the city" and still "have a place" there.

He sums up: "It has been said that the role of the church is not to retreat into the catacombs, but to move forward toward being more human in skyscrapers. That is exactly what we are about."

THE GENOCIDE CONVENTION: FAILURE TO ACT A TWOFOLD THREAT TO U.S. INFLUENCE

Mr. PROXMIRE. Mr. President, the failure of the Senate to ratify the United Nations Genocide Convention Treaty continues to jeopardize U.S. world leadership in two fundamental ways.

First and most obviously, it jeopardizes U.S. leadership and influence in the field of international human rights.

As the New York Times stated after the treaty failed a cloture vote in 1974:

> This American delinquency is a national disgrace. It impedes the development of international law to which the United States has long been committed, and raises disturbing questions at home and abroad about American devotion to human justice.

Second, and just as importantly, Senate delay in ratification jeopardizes U.S. influence in other matters of international significance. Who can deny that the whole range of American international relations is adversely affected by our failure to accept international legal responsibility for the single most abhorrent violation of human rights? Any nation which refuses to join almost 80 other sovereign nations in their commitment to prevent and punish the heinous crime of genocide must of necessity suffer a loss of prestige affecting all its activities in the international arena. This inevitable loss of prestige and influence has hampered and will continue to hamper American efforts to enhance international cooperation in all areas of global concern.

I urge you to reverse this steady erosion of the U.S. world leadership role and to adopt the Genocide Convention after too many years of Senate inaction.

HOW TO SUCCEED IN CONGRESS BY REALLY TRYING

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Maurice Rosenblatt's uniquely informative primer, "How To Succeed in Congress by Really Trying," which appeared in the January 1975 Washingtonian, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ABOUREZK. Mr. President, the euphoria of change in congressional procedures and power masks much that remains the same. Maurice Rosenblatt, a man whose work has had a great deal to do with some of the best changes we have seen around here in years, writes in the January Washingtonian about what has not changed in Congress. His advice to new Congressmen is realistic and informed. It comes from a man as familiar with the Congress as anyone in Washington.

EXHIBIT 1

HOW TO SUCCEED IN CONGRESS BY REALLY TRYING

(By Maurice Rosenblatt)

(Many of the Congressmen, especially the new ones, wear an air of great importance as they cast an eye now and then at the crowds in the gallery. They remind me of the Congressman who said: "On my first day in the House I looked around at that magnificent body of men, and wondered how in the dickens I got there. But after I had been here a few months, I looked around again. Then I wondered how in the dickens those other fellows got there—Frank G. Carpenter, correspondent in Washington during the 1880s.)

The House was not always a home. In the nineteenth century it was occupied mainly by transients. Half the members were freshmen and Henry Clay and William Pennington made Speaker in their first terms. Later, in the twentieth century, the American commons evolved into a static body and by the 1960s was made up almost entirely of permanent incumbents. An involuted, introspective body with all its edges rolled inward, its members had become specialists in the mystique of Congress, a political priesthood set apart from close communion with the people.

Now, with the arrival of your class, all 92 of you, replacing members with 300 years of accrued seniority, the institution is in a state of temporary shock. But let no brash freshman think that it is about to buckle, although it may bend a little. The House is still ruled by a hierarchic system based on compromise, negotiation, back-scratching, logrolling, vote trading. The new members are not a critical mass about to drive out the Mandarins but a collection of individuals with varied and competing interests. The Old Boys know the system is self-reinforcing. They are watching you closely, trying to figure out how you will behave, whether you will be a docile apprentice or a know-it-all, an eager protegé or a loner, a tiger, a sheep, or a goat.

Your rating will go up or down, for the process of assessing and reassessing a member's worth goes on continually. It is a members' Dow Jones rating, and on it will depend your clout, your leverage, your ability to increase that insignificant four-hundred-thirty-fifth of the power of the House, your allotted grub stake.

Your concern now, and for the rest of your Congressional career, is how to maximize that stake. Already you are nervous because you realize that it could shrink and that one must strive just to stay even. You want to increase your influence because of ambition or a desire to help humanity, or you are driven to solve problems others have bungled. You are a born competitor. Probably several of these motives stir within. How should the freshman proceed?

Three ladders present themselves. They are Accommodation, Confrontation, Creation. Intuitively you will seek the ladder best suited to your political style and agility. In time, you will find that one can move from one ladder to another, though the mystique of the House discourages acrobatics.

Accommodation fits the pragmatic soul of the House. This is why it is so crowded, because it is ideal for those of limited talent and infinite patience. It is for the plodder who is satisfied to stand on the seniority escalator where the obituary page is the key to advancement. You will hear the twin articles of faith: that the first duty of a Congressman is to get reelected and the second is to rise in the body, and the safest way to do this, in the hallowed words of Sam Rayburn, "Go along to get along." Like much of the conventional wisdom of the House, the recent election tore deep holes in the survival-by-conformity thesis. The legions of the Republican orthodox were decimated while the mavericks fared much better.

But the accommodation instinct is still as strong among politicians as it is among lemmings. The rules are quite simple: Defer to all chairmen, perform lots of small services, avoid making big waves. Serve a diligent apprenticeship on a specialized committee. Announce every new post office and federal grant for your district and sponsor one bill, however unpassable, for a monument or a subsidy to a hometown industry. In the spirit of the late Senator Robert Taft, vote for authorizations and against appropriations. Lend your presence at ribbon cuttings, ethnic holidays, and remember it is considered gauche for a freshman to express opinions, particularly on the floor. Representative Clare Hoffmann, a starchy Republican, is remembered darting into the cloakroom to announce that a young Congressman who was addressing the Chamber deserved double pay: "He's serving two terms at once—his first and his last."

Accommodation could adopt for its theme song Sir Joseph Porter's solo from *HMS Pinafore:*

> "I grew so rich that I was sent
> "By a pocket borough into Parliament
> "I always voted at my party's call,
> "And I never thought of thinking for myself at all. . . .
> "I thought so little, they rewarded me,
> "By making me the ruler of the Queen's Navee!"

This formula worked so well for one member, who sat in the House for 25 years voting for every military boondoggle and never proposing much in the way of legislation, that today he is indeed the ruler of the Navy—and the Army and the Air Force. Gerald Ford now is commander-in-chief.

But Capitol Hill observers expect yours to be the class of confrontation. You ran against Congress last fall as much as you did against your individual opponents, so the assumption is that you will set out to do battle with "the system." This is remote because you are not a collection of rebels, nor is the leadership so inflexible and insensitive that they don't read the angry message from the precincts. Moreover, it takes two for confrontation.

Against the entrenched Old Guard you charged uphill, often outgunned and outspent, winning sensational photo-finish races across the country. William Widnall, 68, who would have been dean of the House Republicans, went down before Andrew Maguire, half his age; William Bray, 72, the second senior Republican, faded before David Evans, a 28-year-old teacher from Indianapolis; Joel Broyhill, a fixture on Ways and Means, was defeated by economist Joseph Fisher. These were upsets, but they were all part of the game. They do not tear the system apart.

As to the cries for "modernization" of the 'antique procedures" so that "an eighteenth-century Congress" can 'deal with twentieth-century realities," this was more than campaign rhetoric, so you will undoubtedly work for reform and change. This does not mean confrontation politics. On the contrary, the more likely danger is that now that you are elected, you will become like the story of the man who set out to conquer China and after two years became a Chinaman.

The role of the maverick, the political nonconformist, is a very special one. Only our kind of permissive parliament can absorb and even profit from the confronter. Because of her brassy voice, profane language, and love of the fiery encounter, Bella Abzug has become today's prototype of the confrontation politician. She set the tone on her arrival to the House in 1971. When the Doorkeeper asked her to remove her hat, Bella told him to perform an impossible physical act. But with Bella the manner often hides the substance. She not only jars the sensibilities of the old politicians, she hits where it hurts, right in the pork barrel. Bella was assigned to the Public Works Committee, which deals with highways and rivers and harbors bills, a Siberia for a Manhattan liberal.

Her first bombshell came when the Committee was considering a road bill filled with specific highway proposals that citizen activists had opposed. From her position at the bottom of the committee, she made the point of order that under House rules an authorization for construction of specific highway projects is prohibited. The committee had overlooked this rule, and Bella, who did her homework, was correct. Bella did not win any popularity awards, but it caused the seniors to regard her as more than a flamboyant female. Her confrontation did her a lot more good than the courtesies that come from accommodation.

Do not take Bella as the mother matrix for the type. La Guardia, Marcantonio, and Powell from New York, Maverick from Texas, and Lemke from North Dakota also had in common a personal kind of politics based on style and chemistry as much as on ideology. Bella's most immediate predecessors in the practice of confrontation were two gentlemen as civil in manners as they were zealous in championing every unwinnable cause. James Roosevelt and the late William Fitz Ryan are cited as having been the quintessential Don Quixote liberals of the House.

Roosevelt organized a small band, referred to by colleagues as "The Crazies" or "The Light Brigade." They would charge up the Hill with painful regularity gathering 15 or 20 votes. One attempt, to punish a Dixie segregationist by deleting his favorite agricultural subsidy failed so miserably that it triggered the organization of the Democratic Study Group whose founders said they wanted to legislate rather than agitate. Each biennium Roosevelt mounted a fight against the House Un-American Activities Committee, a futile effort that Ryan kept going after Roosevelt retired.

Ryan took on every lonely cause at which the servile Congressmen of the '60s scoffed. He was scorned by fellow Democrats, particularly when he became the first Congressman to speak and vote against the Vietnam war. In time, as Ryan's unwavering stand began to look less extreme, allies drifted his way. Ryan died soon after he won a bitter primary contest against, of all people. Bella Abzug, who had lost her district with reapportionment. Bella finally won the heat from Ryan's widow, closing a bizarre chapter of two confronters pitted against each other.

Roosevelt, Ryan, and their like were not crazy. A look at their districts confirms their soundness. Roosevelt's base was so secure that he could afford to take any risk. Ryan's Manhattan constituents expected him to be avant-garde. Ryan's constituents were the forerunners of the radical chic coterie that Mayor John Lindsay welded into a winning coalition of the white rich and the black poor.

Very few members of Congress can afford the luxury of being spokesmen for the liberal activists and their friends in the media. The fashionable controversies—fringe issues like acid, abortion, amnesty—have a way of flaring and disappearing, but they leave a bitter taste with those who have a bread-and-butter stake in elections. Middle Americans are offended by exotic politics, and long after the issue is no longer fashionable, the hostility remains.

Before climbing the confrontation ladder you had better assess more than your political base. There is the question of temperament. If you are a restless spirit, flamboyant, thick skinned, caught up in a great cause, it might be your role. Adam Clayton Powell, richly endowed and brutally effective, proved how closely linked are the methods of confrontation and an activist's personality. Here the sword and the arm were one.

Powell was not the only black committee chairman at the time. There was William Dawson, the absolute antithesis of confrontation, head of the Government Operations Committee. He was boss of Chicago's black community, an emissary from the Democratic Party to the old-line Negroes. A loyalist, Dawson turned to confrontation only once, and then he dethroned a Chicago mayor for slights against his people. He spent his long life blending into the system. In the House, he was a fixture, but not a factor.

Powell confronted the power structure from the top of its own ladder. As chairman of the Labor and Education Committee, he relished the irony of the system that had given him the base to move against the Dixie establishment. His tactics were intricate and sophisticated. Adversaries found themselves squeezed between the chairman of a major committee and a brass-knuckled civil rights fighter—both Powell.

Powell confronted, but he also savored the establishment, joshing with Rules Committee Chairman Howard Smith, Speaker John McCormack, JFK, and LBJ. He was a scarlet pimpernel, flicking and stabbing the leadership and then sipping his favorite scotch and milk with them. Powell the Sinner did not succumb to higher temptations on the big issues. He pursued confrontation to the point of self-destruction. In 1967 the House moved to oust him because his behavior, his mistress, and his legal battles had become a national scandal. Congressional wives nagged, as did the press, until the pack turned on him. At any point he could have avoided confrontation by tossing his colleagues some face saver, a token. But Powell's machismo could not allow it. He insisted the politicians walk the plank for him, which they would not do. The House staged a political lynching unprecedented in history.

The confrontation personality may be the subject for psychological rather than political analysis. If you go this route, you will get more attention, more press, and more heartache than your colleagues. Also, you might accomplish a great deal. Recently a veteran Congressman recalled somewhat wistfully, "There are a lot of blacks eating in restaurants and going to school and college today thanks to Adam." This was a man over whom Powell had walked roughshod.

Between the absolute survivors and the kamikazes, there are the practical realists—the creators—whom you must observe closely if you want to walk the narrow path between fatuousness and folly. It is amazing how much has been accomplished by those members who started as freshmen to maneuver from the back benches. Today they are the selfmade aristocracy of the House.

John Brademas contradicts the popular notion that a Congressman can have only one idea. He has many and he moves on them, from Greek revolution to education to streamlining Congressional administration. Brademas puts a lot of energy into public appearances, lecturing, conferring, observing the field first hand, so that he can function as a two-way ambassador, sowing awareness at the grassroots. This helps to explain his success in the roughhewn fields of Hoosier politics. The Higher Education Act, of which he was a principal author, is one of the few pieces of major legislation initiated in the Congress and not in the White House. Brademas, now finally a subcommittee chairman and assistant whip, has not sought authority within the leadership. Rather, his standing is with the House as a whole.

Phillip Burton has spent his ten Congressional years as a passionate operator, accumulating power by moving into every vacuum, of which there are many. The tempestuous Celt did not ingratiate himself by currying favor with colleagues, nor did he go the confrontation route. Instead, he studied the system and has been able to put together a combination of urban liberals and rural Congressmen, always extracting the *quid pro quo*. He has been called "not quite a radical and not really a ward heeler." He pushed himself to the top of the Democratic Study Group in his third term, a rapid rise, and then set out to enlarge DSG to embrace a majority of all House Democrats. This pattern underlay his successful drive to become chairman of the Democratic caucus—now to be followed by expanding the power of the caucus. If the strategy succeeds the caucus will become king, and Burton will reign.

Legislative initiative is still the preferred route for the creative Congressman. This requires mastering a given area. "Dig deep, young man," would be Greeley's charge. But don't trespass, for of all Congressional taboos the territorial imperative is strongest. Congressman Charles Mosher, a benign Ohio Republican, warns that "the floors of Congress are carpeted wall to wall with tender toes." You will think it almost impossible to move without violating somebody's jurisdiction.

"As a freshman, look for an area that interests you," advises Frank Thompson, the handsome representative from Trenton. Thompson pursued federal support for the arts, creating an important political base by having the federal government "pick up the tab that wealthy Republican faddists could no longer afford." Now in his mid-fifties, Thompson is the legislative Lorenzo, presiding over a vastly productive domain.

In his first year Thompson introduced an omnibus federal arts bill. "It was much too ambitious," he recalls. "It had everything in it from symphonies to subsidies. Everybody laughed, some hissed. Don't start playing third base. Stay in the outfield until you can handle a fast hard ball." But he had staked out his territory. He broke up the giant bill, passing it piecemeal over the next decade.

Success first came with a modest National Music Council. "This brought support from Manny Celler and the musicians' union. Later the architects joined, as we fought to save Decatur House, the State War and Navy edifice, and the old Patent Office. Hearings on the economic state of the performing arts brought Helen Hayes, Leopold Stokowski, Nelson Rockefeller, plus the labor guilds. The publicity splashed and Hollywood joined."

Thompson's plan was to consolidate the parts into a single self-reinforcing framework "Our biggest boost was when Barnaby Keeney brought in the humanities scholars, with all the language societies, then the landscape architects and museums. It culminated with the passage of the National Endowment for the Arts and Humanities which began with $7 million in 1966. This year it will be funded at $150 million. Once you start there is a snowball effect. With Senator Fulbright as cosponsor, the National Cultural Center was started; it is now the Kennedy Center. My current project is a bill for a National Folk Life Foundation." His eyes glow. "We have 230 cosponsors."

What did all this do for Thompson politically?

"I was the first Democrat in history to win Princeton consistently—and big," he replies.

Burton organizes, Thompson legislates. Bob Eckhardt reasons. Each makes his mark, Eckhardt's being the subtle imprint of the legislative craftsman. His stock in trade is legal scholarship—the Supreme Court relied on his brief in the historic Pentagon Papers decision. Most Texans operate in the cloak rooms, but Eckhardt's arena is on the floor. "He's one of the few who can rewrite a bill on the floor," says a senior colleague. "Bob can put his finger on the catches and flaws, because he understands legal language." Eckhardt's influence comes from this ability to interpret legislative language, which is after all, the meat of the process.

His work method might serve as a model, for he has reversed Parkinson's law. Eckhardt adjusts the time to fit the work available. He writes several articles each year, draws Gothic illustrations for his newsletter, and always seems available for easy conversation. His secret is not staff—his is under strength—but a disciplined sense of what is important. Like Senator Sam Ervin and a few others, he concentrates on doing his own work instead of being preoccupied with the sham activities that devour so much of the Congressional day.

He chuckles over his fate as a fourth-termer: "The longer I'm here, the farther I get from the bottom but I don't seem to get any nearer the top." He takes his job with tremendous seriousness. He does not take himself seriously at all.

Decision making is your basic responsibility. It is the legislator's bottom line for which you are paid $42,000 annually. In the 93rd Congress there were more than 25,000 bills and resolutions, and there are amendments—germane, non-germane, technical, perfecting, gutting. One must rely on the formal committees and the leadership, or if you are a member of one of the unofficial organizations, you will know its position. The efficient whip operation of the Democratic Study Group, for example, will alert you to its attitude if you have joined its 170-odd members. In addition, the DSG publishes a detailed weekly legislative agenda as well as a thorough analysis of major bills.

The United Democrats of Congress, which claims about 100 members, is less structured and calls itself a political not a research group. Under the leadership of B. F. Sisk, Gillis Long, and Robert Giaimo, this group generally indicates a more cautious, centrist position.

For Republicans, the official conference's weekly mimeographed floor schedule and background on legislation is similar in form and quality to DSG's. For GOP moderates, there is the House Wednesday Group, three dozen members with strong affinity for one another and often common opposition to the GOP party line on significant issues. Last year, they issued position papers calling for recognition of Cuba, release of the Watergate tapes, passage of the Bolling reorganization plan of House committee, campaign reform, and no-fault insurance.

But to make an independent judgment, the expertise and political insight of individual colleagues will be the best source of help. Learn whom to turn to for a clinical exposition of the technical aspects of a measure, who is good for the long view on an issue, who is best on tactics and strategy. The members suggested here can dissect a subject and show the interests, the angles and merits. This list is certainly not complete, and I have avoided naming chairmen. They are too busy and in most cases will refer you to that infallible source of the official wisdom, the Committee Report. If a knowledgeable member is not available, talk to a staff person. They often know best.

Brock Adams (D-Wash) will teach you tactics. He can draw a parliamentary map on how to get from A to Z, the wickets, the pitfalls, and the politics. He also is an expert on transportation.

John Anderson (R-Ill.) has an inner spiritual spark and is a good man to talk to on the moral dilemmas of Congress and the real world. As a member of the Rules Committee, he not only has knowledge about a wide range of issues, but fine perspective.

Lud Ashley (D-Ohio) knows housing and urban legislation, a thicket where no matter what you do you may be wrong. The idea is to know what you are doing.

Les Aspin (D-Wisc.) is one of a small group of Armed Services Democrats who don't march to the band. An example of how a freshman can have impact, Aspin has exposed cost overruns and Pentagon improprieties. But since he is strong critic, check him against *Robert Leggett* (D-Cal.).

Richard Bolling (D-Mo.) knows House machinery and why it creaks so. He is the keenest and most ardent mechanic of them all.

James Cleveland (R-N.H.) is one of the best to explain a water resources program. You may not agree with him, but he will tell it to you straight.

Barber Conable (R-N.Y.) on taxes and trade. He's conservative, but he can explain the fine print and the impact on your pocketbook, the economy, and the world. *Sam Gibbons* (D-Fla.) will fill in the holes. This is a big area.

Silvio Conte (R-Mass.) is a rare Appropriations surgeon with priorities. He knows how to block agriculture raids on the treasury and put more into human development.

Marvin Esch (R-Mich.) puts together bipartisan blocks to force US military and money from Southeast Asia. He can cue you on when and where to move.

Foreign policy has many facets. Touch base with three members: *Dante Fascell* (D-Fla.) knows Latin America and international trade, areas where you can get lost without a guide; *Charles Whalen* (R-Ohio) will help untangle foreign aid, making the distinction between altruism and militarism; *Clem Zablocki* (D-Wisc.) guides the crucial effort to restore Congressional authority over war powers.

Tom Foley (D-Wash.) is one of the most literate members on Agriculture, a man who understands the human condition, and also can explain subsidies and crop storage.

Don Fraser (D-Minn.) is a party reformer with a liberal slant on campaign finance matters. For a less militant approach, try *Bill Frenzel* (R-Minn.).

Robert Giaimo (D-Conn.) is an appropriations expert who will show you how to save millions in Cambodia and a subway system at home.

On constitutional law or civil rights, *Barbara Jordan* (D-Texas) will only tell you what she is sure of, but hers is the best counsel and it's free. For a sophisticated political analysis, go to *Don Edwards* (D-Cal.).

Gillis Long (D-La.) will steer you through the cross-currents and hidden shoals of Southern politics, so vital to the operation of the House.

John Moss (D-Cal.) understands how to crack the executive branch to pry out information so that Congress stays on top of the bureaucrats and the money monopolies and the robber barons.

James O'Hara (D-Mich.) for parliamentary procedure. He is adept at finding a path through the thicket of rules, and sometimes can show you how to do the impossible.

Henry Reuss (D-Wisc.) is on the Banking Committee, but functions as a legislative guardian in the areas where economic, environmental, and governmental resources overlap.

Morris Udall (D-Ariz.) knows land use and energy, and what the anguish is all about when you need coal and don't want to destroy the environment.

There are certain areas where the House has few resource people. Monopoly and antitrust is certainly one that will come to the fore in the present economic crisis. Perhaps two freshmen retreads, Abner Mikva (D-Ill.) and Andy Jacobs (D-Ind.) will be reassigned to this area where they served before being defeated in 1972.

If you want to check your compass, watch unreconstructed Dixie Democrats James Whitten of Mississippi and Joe Waggonner of Louisiana. Their sociology and yours won't jibe, particularly on matters affecting the fabric of the society and the military. But make no mistake, they have shrewd understanding of how legislation touches their interests, something which many liberals don't know. They are reliable bellwethers when the regular signals fail.

Finally, there are the lobbyists. Don't fall into the cliche, "I never talk to lobbyists." You will spend your day talking to practically nobody else, even if you never leave the floor—sometimes the best lobbyists are members themselves. The witnesses testifying at hearings are almost all lobbyists; so are the garden club ladies, the doctors, the teachers, the representatives of Common Cause, and the man from the trucking association. They can be a resource for technical data, political intelligence, and active help. Learn how to use them instead of their using you. The good ones will give you the picture fairly, the opposition's argument, as well as their side and where other members line up. If you know how to direct a sympathetic lobby, they will dig information, inform the press, and organize backing for what you want to do. If you understand how to work the lobby to create an issue, you are well on your way to being an effective member of Congress.

Friendly Advice to Freshmen

Spare your time. Put a five-minute sand glass near the phone. The gist of most conversations takes three minutes and you still have two to say hello and goodbye. Decline more cocktail parties than you accept. Remember that the bigger the function the less important and useful is your attendance.

Sample the incoming mail personally; edit all form replies and releases. Letters still are your major contact with half a million constituents.

Devote a part of each week to your own project, to pushing your chosen idea with others. If you don't make a disciplined effort you'll spend all your time in Congress catching and you'll *never get to bat.*

Avoid the pitfall of accepting the Official version. The accredited spokesman for farmers, workers, blacks, Jews, poor people, doctors, etc. rarely give you the whole story. Question the lobbyists closely until you learn who can be relied on to tell it straight in the future. Don't hesitate to pick up the WATS line to call a few rank-and-file constituents and fish out their version on an issue.

Don't be predictable on everything. Your vote is your grub stake and it shouldn't be taken for granted. If you're automatically slotted as a knee jerk liberal or a hard-nosed conservative you are discounted in advance. Make up your own mind on the big ones and they'll beat a path to your door. Above all pay attention to your gut reaction.

Work closely with your staff. They are learning, and you are entering an exciting world. They are not servants. They are part of you and they live and succeed through you. Stimulate their enthusiasm and let them know what you are up to and why. They can add real weight to your House rating.

FIRST NATIONAL CITY BANK LOAN FORM

Mr. PROXMIRE. Mr. President, as one who has never been shy about criticizing financial institutions when criticism is deserved, I am just as liberal with praise when I hear of a big bank with a progressive idea. Recently, First National City Bank of New York—the Nation's second largest—took one of those obvious, long-overdue steps that make you wonder why somebody did not do it before. The bank took its personal loan application form, and translated it from legalese into English.

For example, instead of a dense paragraph of legal boilerplate defining default, Citibank's new form says simply that the borrower is in default when he fails to pay the installments on time, or when another creditor of his sues the bank.

That about covers it.

As Citibank's president, William I. Spencer, remarked when he unveiled the new form, "Even I can understand that." In fact, Mr. Spencer added with admirable candor that he sometimes had trouble interpreting the words his bank—

and other banks—ask the lay public to comprehend.

And certainly in this period when some banks have become overextended, it is in the bank's interest as well as the consumer's to have contracts written in simple, coherent English. If more borrowers understand what they are signing, perhaps there will be more prudent borrowing, and fewer defaults. The new Citibank form also commits the bank to pay the customer's legal costs in the event the bank takes the borrower to court and the bank loses.

I should say it is refreshing—even startling—to read a financial agreement rendered in simple English. Other banks would do well to follow this lead, and it would not be a bad idea for lawyers either.

I ask unanimous consent that the new Citibank personal loan form be printed in the Record.

There being no objection, the form was ordered to be printed in the Record, as follows:

First National City Bank

CONSUMER LOAN NOTE

Date: --------, 19--.

(In this note, the words I, me, mine and my means each and all of those who signed it. The words you, your and yours means First National City Bank.)

Terms of Repayment: To repay my loan, I promise to pay you ------ Dollars. ($--). I'll pay this sum at one of your branches in ---- uninterrupted ---- installments of $-- each. Payments will be due ----, starting from the date the loan is made.

Here's the breakdown of my payments:

1. Amount of the Loan $---.
2. Property Insurance Premium $---.
3. Filing Fee for Security Interest $---.
4. Amount Financed (1+2+3) $---.
5. Finance Charge $---.
6. Total of Payments (4+5) $---.

Annual Percentage Rate --%.

Prepayment of Whole Note. Even though I needn't pay more than the fixed installments, I have the right to prepay the whole outstanding amount of this note at any time. If I do, or if this loan is refinanced—that is, replaced by a new note—you will refund the unearned finance charge, figured by the rule of 78—a commonly used formula for figuring rebates on installment loans. However, you can charge a minimum finance charge of $10.

Late Charge: If I fall more than 10 days behind in paying an installment, I promise to pay a late charge of 5% of the overdue installment, but no more than $5. However, the sum total of late charges on all installments can't be more than 2% of the total of payments or $25, whichever is less.

Security: To protect you if I default on this or any other debt to you. I give you what is known as a security interest in my * Motor Vehicle and/or ------ (see the Security Agreement I have given you for a full description of this property), * Stocks, * Bonds, * Savings Account (more fully described in the receipt you gave me today) and any account or other property of mine coming into your possession.

Insurance: I understand I must maintain property insurance on the property covered by the Security Agreement for its full insurable value, but I can buy this insurance through a person of my own choosing.

Default: I'll be in default:

1. If I don't pay an installment on time; or
2. If any other creditor tries by legal process to take any money of mine in your possession.

You can then demand immediate payment of the balance of this note, minus the part of the finance charge which hasn't been earned figured by the rule of 78. You will also have other legal rights, for instance, the right to repossess, sell and apply security to the payments under this note and any other debts I may then owe you.

Irregular Payments: You can accept late payments or partial payments, even though marked "payment in full", without losing any of your rights under this note.

Delay in Enforcement: You can delay enforcing any of your rights under this note without losing them.

Collection Costs: If I'm in default under this note and you demand full payment. I agree to pay you interest on the unpaid balance at the rate of 1% per month, after an allowance for the unearned finance charge. If you have to sue me, I also agree to pay your attorney's fees equal to 15% of the amount due, and court costs. But if I defend and the court decides I am right, I understand that you will pay my reasonable attorney's fees and the court costs.

Comakers: If I'm signing this note as a comaker, I agree to be equally responsible with the borrower. You don't have to notify me that this note hasn't been paid. You can change the terms of payment and release any security without notifying or releasing me from responsibility on this note.

Copy Received: The borrower acknowledges receipt of a completely filled-in copy of this note.

SIGNATURES, ADDRESSES

Borrower: ------------------------------
Comaker: ------------------------------
Comaker: ------------------------------
Comaker: ------------------------------

Hot Line: If something should happen and you can't pay on time, please call us immediately at (212) 559-3061.

Personal Finance Department, First National City Bank, New Consumer Loan Note.

THE DAVIS-BACON ACT

Mr. THURMOND. Mr. President, on Wednesday, January 21, the distinguished Senator from Texas, Mr. Tower, and the distinguished Senator from Arizona, Mr. Fannin, introduced a bill to repeal the Davis-Bacon Act. I heartily endorse this measure.

The Davis-Bacon Act was enacted in 1931 under Public Law 403, after a bill jointly introduced by Congressman Bacon of New York and Senator Davis of Pennsylvania was passed by Congress. The act—amended in 1935, 1940, and 1964—requires that contractors of Federal construction, alteration, or repair of public buildings or public works, where the contract is more than $2,000, pay laborers and mechanics at least the prevailing rates of pay on projects of a similar character in the area in which the work is being performed.

The original purpose of this act was simply to give local labor and local contractors a fair opportunity to participate in the Federal building program. This purpose, which is altogether fitting and proper, has been perverted because the rates set by the Department af Labor are too frequently above the levels prevailing in the area of the particular State in which the work is being performed. For example, the Labor Department's wage determination division used union rates in Washington, D.C. to set a minimum rate schedule at the Capehart housing project at the Marine Corps School in Quantico, Va. The rates set ranged from 65 cents to $1.95 an hour higher than those paid at two large private housing projects built in Quantico in the same period. These rates could hardly be called the prevailing rates in the area. In fact they were higher than the highest rates found in a Navy survey of wages in this area. Coincidentally, the highest rates found in the Navy survey were Davis-Bacon minimums which had been set for earlier federally assisted projects.

Another example of the perversion of the purpose of the acts is in western Pennsylvania, where Davis-Bacon minimum wage rates are based on the Pittsburgh construction union scale. The common labor rate for building construction in Pittsburgh is $7.55 an hour while the prevailing wage for common labor in economically depressed Appalachia is $3 per hour. As a consequence, local contractors did not bid on Federal projects. The minimum wage they would have to pay would have increased their wage scales to a point where they would have been unable to compete for nongovernmental projects. The contracts for these Federal projects went to out of town union contractors who imported their own crews, instead of using local labor. This is exactly what the Davis-Bacon Act was designed to prevent.

This also illustrates the fact that Davis-Bacon minimums do not in any way reflect the average wage in the construction industry. In early 1974, the average union scale for all construction trades was $7.79 per hour. However, actual average hourly earnings of construction workers were much lower, ranging from $5.77 per hour in heavy construction to $6.72 per hour in contract construction and $7.30 per hour in special trades. These prevailing rates, however, were not the rates used for Davis-Bacon minimums. Instead, the Davis-Bacon minimum rate has been set at the union scale more than 90 percent of the time.

The Davis-Bacon Act also negates the effect of section 221(d)(4) of the National Housing Act, which is to assist private industry in providing housing for low- and moderate-income families by using Federal subsidies to reduce interest costs in projects for these families. Of course, any project built with these subsidies must pay Davis-Bacon minimum rates. This results in the subsidy being largely consumed in higher pay for the construction workers involved. For example, a builder in Prince George's County, Md., built two privately financed apartment buildings. He received a subsidy to build a third building in the same project for moderate-income families Because of the higher Davis-Bacon rates which the builder was forced to pay, the cost to the tenants in the subsidized building was higher than the cost to the tenants in the two nonsubsidized buildings.

The Davis-Bacon Act has contributed substantially to extremely high prices in the private sector of the construction industry. Union negotiators are aware that whatever the prevailing union rates, contractors working on Federal and federally assisted projects will be forced to pay them, due to the wage determination division's presumption that union rates should be the minimum rates set. Consequently, they insist on large wage increase for union members. However, this strategy has backfired on the unions. Because of these high wage levels, the number of jobs available at union rates in private construction has declined. While the higher wages paid on Federal projects partially compensates for this decline, union members are forced to take more and more nonunion jobs at $4 or $5 an hour to compensate for the lack of union jobs available at $8 and $9 an hour.

Mr. President, the construction industry in this country is in serious shape. One reason is that construction costs are completely too high. One means of reducing these costs would be to repeal the Davis-Bacon Act as it no longer functions as its authors intended it should. I urge that this bill, S. 276, be given prompt and favorable action and I will ask unanimous consent that I be added as a cosponsor.

HUNGER IN THE THIRD WORLD

Mr. HUMPHREY. Mr. President, the administration will soon announce the level of food assistance which the United States will be providing to hungry nations this year. With each passing day, more and more faces in the third world reflect despair. For these people, the level of food aid we send can mean life or death.

In India, a world food shortage, ever-expanding population, drought, fuel shortages, inflation, industrial stagnation, and inefficient government planning have all contributed to the current desperate situation.

India's population is now approaching 600 million, and her agricultural production has not been able to keep pace with the continually growing number of mouths she has to feed. India may have to import between 12 and 20 million tons of feed grains this year just to avert massive starvation. While she has purchased around 5 million tons of commercial food at a cost of over $1 billion, she will have to depend on humanitarian food assistance from more affluent countries to make up the difference.

In Bangladesh the situation is even worse. Eighty million people live there in an area the size of Wisconsin. Sharing many of India's problems, last year's flood compounded Bangladesh's situation, and thousands of her people died of starvation.

The underdeveloped countries seem especially vulnerable to adverse weather conditions and global economic forces, and even with increased food aid and technical assistance, hunger and malnution will not disappear overnight.

Sri Lanka has set an example as to how these problems can be tackled. Prior to 1973, this country faced an economic crisis. Afflicted by drought and with rice and flour prices too high for commercial purchase, Sri Lanka had to step up agricultural production in order to survive.

Initiated and coordinated by Prime Minister Bandaranaike, Sri Lanka began an all-out "production war." Every segment of the population joined in a concerted, voluntary effort to increase agricultural production. Individual villages undertook their own irrigation projects; 140,000 more acres were cultivated, expanding the rice crop by 25 percent.

New crops, including soybeans and sorghum, were also introduced. The Government gave farmers incentives to increase their production. It increased the guaranteed price of rice by 135 percent, and price supports for soybeans, sorghum, and lentils were raised by 40 percent and more.

One result of this multifaceted project is that the current rice harvest may well be a record 80 million bushels. Sri Lanka is optimistic about her future now. Her success has set an example for other developing countries to follow.

Three recent articles from the New York Times describe current conditions in several third world countries. The first two articles by Bernard Weinraub, entitled, "Desperation Is Spreading in India and Bangladesh," January 26, and "Even Stronger Areas Wilt in India Crisis," January 30, point up the despair of millions of people in India, Bangladesh, and Pakistan. The third article, "Villagers Toiling With a Purpose," January 26, by Neville DeSilva, describes in detail the self-help cooperative project undertaken by the people of Sri Lanka.

Mr. President, I ask unanimous consent that the three articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Desperation Is Spreading in India and Bangladesh

(By Bernard Weinraub)

New Delhi.—Tota Bibi has eight children and scant food to feed them. She came to Calcutta in a panic early last year with her family.

The rains in her village, Musheedabad, had failed. The rice prices had doubled. The children were hungry. The landowners were paying wages—28 cents to 36 cents a day—that could not feed the children, aged 2 to 13.

Her husband has now disappeared into the West Bengal Countryside to find work. Three of her children beg on the Calcutta streets. The woman gets a free bowl of gruel or vegetables at the Salvation Army every noon. Living beneath a pile of tin, rags and stone near Chowringhee, in downtown Calcutta, Tota Bibi and her family have somehow managed to endure.

"I can't do much," said the barefoot woman in Bengali. "I get frightened. I cry. Look at my face. Everyone's hungry."

The plight of Tota Bibi and her family—impoverished, illiterate, underfed and desperate—was the plight of millions on the Asian subcontinent last year. Hunger racked India and famine darkened the landscape of Bangladesh. The world food shortage, the inexorable population climb, droughts and flood, the oil price increase, fertilizer scarcities, the absence of diesel fuel and electricity to run irrigation pumps, inept government economic policies, severe inflation and industrial stagnation merged to create a nasty bleak mood in India, Bangladesh and, to a lesser extent, Pakistan.

The key problem of the subcontinent was, and remains, the harrowing line between food production and rising population. Last year the line was firmly, perhaps irrevocably, crossed.

India's food production target was 115 million tons in the 1973–74 agricultural year, that ended in June. But the nation harvested only 103.6 million tons. In the current 1974–75 agricultural year, the target was 118 million tons, but experts predict that production will hover around 100 million tons. In the meantime, the population has climbed by 13 million over the last year, and is nearing 600 million people.

The 600 million need 112 million to 120 million tons of foodgrain—the figure is disputed. To meet the gap, however, India is spending more than $1-billion this year for a record 5 million tons of commercial food imports. India has also asked the United States, the Soviet Union and other nations for food help, and will get some. But the gap—which deeply embarrasses the Indian Government—remains. The population's demands are outstripping food supplies.

"Even with those food imports India will just scrape by," said one veteran agricultural specialist. "There is this endless capacity to suffer and survive. Some people are sustaining themselves on anything, even grass. But people are sustaining themselves. *It's just* incredible."

Certainly, however, a specter of doomsday over India is out of the question. The country's multiplicity, its democratic system, its vision, however blurred, remains firmly rooted. "The tragedy here is that we are potentially so rich, and people here have so much skill and talent," said an Indian economist. "Look at this population. We probably have two Einsteins and a Leonardo working in a paddy field, and they will die illiterate and hungry. That's the tragedy, and we have ourselves to blame for a hell of a lot of what's gone wrong."

If India's economy is critically troubled—per capita intake of basic necessities has declined in the last decade, and the death rate is actually rising because of deteriorating food, sanitary and living conditions—the problems virtually diminish beside those of neighboring Bangladesh.

Vulnerable and sick, Bangladesh will have swallowed nearly $3-billion of aid by the end of this year in four years of independence. But she has failed to develop a coherent bureaucracy, seems floundering in top-to-bottom corruption and has yet to even attempt to tackle her interlocking food and population problems.

Bangladesh's 80-million people live in an area the size of Wisconsin. At the present rate of growth the population will at least double in two decades. "It is impossible to think that this population level will be compatible with anything other than the merest survival on the basis of an international dole," said the World Bank.

Last year the situation in Bangladesh worsened because of floods that devastated the summer crop and left anywhere from 15,000 to 100,000 persons dead of starvation. The price of coarse rice increased 240 per cent. The mills for jute, the nation's key export, produced 40 per cent less than four years ago. And the steel, engineering, shipbuilding, paper and fertilizer industries were working at such a dismal rate last year that their combined production was only 9 per cent of the target set for the period.

Compounding the crisis in Bangladesh was international inflation: The price of key imports—grain, petroleum, fertilizer and cement—climbed 80 per cent over 1973, while those of the nation's key exports, jute and tea, rose only 10 per cent. The trade gap last year was more than $1-billion.

A fundamental reason for the economic crisis, however, was the Government's decision to place virtually all industries, abandoned by their Pakistani managers, as well as nationalized banks, insurance companies and inland water transport, in the hands of leaders of the Awami League. The Awami League, led by Sheik Mujibur Rahman, now the Prime Minister, spearheaded the 1971 independence movement for Bangladesh, formerly the eastern wing of Pakistan.

"These were a mess of village politicians, upgraded cronies who were put in charge [of business], said one foreign economist. "They sold off equipment, smuggled out stock, took bribes." All these enterprises are now losing money.

Ironically, Pakistan, the loser of the 1971 war, seems economically fortunate and without the critical food problems of her neighbors. "We will see to it that nobody dies of starvation," said Prime Minister Zulfikar Ali

Bhutto in December. "God forbid, if a single person has to face that kind of situation."

Despite an annual 25 per cent inflation—and despite a delay in irrigation benefits because of damage to the huge Tarbela Dam—Pakistan's economic prospects were buoyed by rice exports, by a record wheat crop of 7.5 to 8 million tons, by investment incentives and by the removal of export taxes on cotton yarn and cloth, a key foreign-exchange earner.

Pakistan remains, nonetheless, steeped in poverty. On a per capita basis, the economy is growing at only 2 per cent annually. The per capita income is less than $60 a year, and an estimated 20 per cent of the labor force is unemployed. The population is growing about 3 per cent a year, compared with 2 per cent for India, and some specialists say that virtually all arable land is under cultivation.

Moreover, Pakistan, like India, is jolted by import prices. Pakistan's oil bill will probably soar to $385-million in the current fiscal year, ending in June, compared with $60-million two years ago.

India's oil bill last year amounted to about $1.2-billion, more than double the previous year's figure. India's over-all imports last year rose 54 per cent over the corresponding period of the previous year, mostly because of petroleum and foodgrain costs. But the trade gap was not so great as expected because exports were running 48 per cent ahead of 1973.

Even Stronger Areas Wilt in India Crisis

(By Bernard Weinraub)

RANPUR, INDIA.—Vast stretches of land in the western state of Gujarat are barren. Drought has afflicted 13,000 of the 18,000 villages. Fodder is in short supply, and thousands of cattle have perished.

Villagers have sold trinklets and utensils and animals to buy coarse grain to make their doughy bread. At night families sit in clusters around relief projects and hungrily eat the bread with spice.

A farmer named Ochad Pola walks four miles a day to earn money on a road project. His wife is crippled. His three daughters are hungry. His land is parched.

"Nothing this year, nothing last year," said in Gujarati as he dug beside a dusty road here in the western part of the state. "The wells are dry. There's no water. What can a poor man do?"

Another farmer, Shamla Bechar, was wielding a pick. Last month he sold his two goats for $12. "My father is an old man and he needs food," Mr. Bechar said. "He does not eat enough. I make 3 rupees [42 cents] a day here. It keeps him alive."

WE PRAY FOR RAIN

"I hardly eat once a day," said Mavji Oghad, who earns 3 rupees a day on a relief project near Ranpur, which is 85 miles west of Ahmedabad, the state capital. "I have a green chili with bread at night. I have four children and a wife. We pray for rain."

Compared with other Indian states, Gujarat, with a population of 30 million, seems industrially advanced. By all accounts no one has died of starvation, as in West Bengal. There are none of the major caste tensions and hostilities of Bihar and Uttar Pradesh. In the last year, nonetheless, Gujarat has faced drought and food scarcities that one newspaper termed an unprecedented calamity.

Uneasy officials foresee India's long-range problems darkening the prospects of a relatively prosperous state with a powerful middle class and a people known to be enterprising, self-reliant and progressive.

As in the rest of the country, a central problem is the population growth rate. At 2.9 per cent a year, one of the highest in India, it is largely a result of the sizable aboriginal populace and of the impact of Mohandas K. Gandhi, a Gujarat, who was unenthusiastic about artificial birth control. The influence of Gandhi in politics, dress, literature and culture remains marked in the state.

"This population growth is a growing burden on our food resources, our development," said Nirubhai Desai, a member of the state's Planning Board. "If the population were not so high we would not face this serious crisis. The gap between the elite and the poor is growing in Gujarat. Our per capita income has risen by only one rupee in the last three years."

AIMLESS RELIEF PROJECTS

There are growing complaints in Gujarat, as in other Indian states, that the millions of dollars spent on relief projects have failed to make an impact on agricultural development and have been used haphazardly to make work and provide income to ward off starvation.

A planner said that Gujarat spent $215-million in 10 years on such projects. "Nothing has been returned out of it," he said. "There was no thought of famine relief as a step to progress. It should have gone for small irrigation works, but instead the money was spent on building approach roads and small water tanks. The projects made no sense except to give people a dole. It's tragic what we could have done and didn't do."

This year the state hoped to produce five million tons of food, which is considered the minimum to feed its people, but the severe drought, coupled with inadequate irrigation—85 per cent of the tilled land depends on rain—will probably keep the total down to 2.3 million tons. More than 300,000 farmers and their wives and children are on relief projects, earning 42 cents a day, which goes for food.

"People are hungry, so many cattle have died," said Gulab Singh Chudasame, a former district leader in nearby Dandulka. "The position is very bad. Average rainfall is 25 inches. This season we had five inches. Last year it was 16. The year before it was 8. I haven't seen such scarcities in my life."

"We have suggested so many schemes so many times but nothing happens," he continued. "Thousands of people do earth work, but there's no construction, no effort to bore beneath the ground for water. Why, I don't know. Bad planning. Political circumstances. No one takes too much interest."

With the onset of warmer weather tens of thousands of bereft farmers have migrated from their villages to work on the relief projects: digging wells, widening roads, breaking rocks, building earth walls to prevent soil from seeping away in the event of flood. The projects seem primitive, but famine has been averted.

"We earn 6 rupees a day and it feeds us," said Thamkar Sey, a farmer who was working with his wife on a project at Ranpur. "I worry about being sick. Some people are too weak because of hunger, and I don't know what will happen to them."

His four small children are in a nearby village. He has gotten $60 from a moneylender to buy food. He has also sold a cow, a goat and some kitchen knives.

"The rains should come in June," he said. "If the rains do not come this year, I will really be afraid."

Villagers Toiling With a Purpose

(By Neville De Silva)

COLOMBO, SRI LANKA.—It is Sunday morning, and the little village of Hurigama is a scene of turmoil—but it is turmoil with a purpose.

Hoe-like mammoties glint in the sun as bronzed young men chop furiously into the earth. Beside them, old men in loin cloths fill baskets with the dirt. Girls, forming a line, briskly pass the baskets along. Children scamper about. Everyone in the village seems to be present.

Slowly a ditch, already 50 yards long, is making its way between coconut trees, heading for the nearby rice paddies.

Suddenly a sharp command rings out. Somebody on the bank barks a conflicting order. The workers pause momentarily while there is a spirited discussion. Then the action resumes.

Alongside the villagers are a Government agent, his assistant and a few provincial officials. A Buddhist monk from the village temple keeps a kindly eye on the whole operation.

This is the fourth day of Sramadhana, Sri Lanka's unusual program of economic self-help. When the people of Hurigama have completed their canal, water from the nearby river, swollen by monsoon rains, will take a new course and help the farmers cultivate their fields. No longer will they have to depend on water from dwindling reservoirs, an irrigation system used for centuries.

Nearly every villager—man, woman and child—is eagerly laboring in this voluntary project. To them, the forthcoming benefits seem obvious.

A hundred miles from Hurigama, the village of Wellawaya has taken a different approach toward improved irrigation. There the ancient Debara-Ara Wewa, or reservoir, has been rebuilt, increasing its storage capacity until it can provide water for 180 acres.

Sixty farmers benefit from this project. One of them is an ex-convict who dreams of a better future for himself, his wife and their three children.

"Last season my crop was the best in this area," said Sediris Silva, the rehabiltated felon, standing on the rim of the renovated reservoir. "God willing, it'll be a good crop this season, too.

"I work hard to make this possible. Sometimes I get up in the night to weed my field. That is better than living in eternal fear of the police, hiding in the jungle like a hunted animal."

Mr. Silva is among the 142,000 people, mostly subsistence farmers, who have been eking out a miserable existence in the fertile but arid belt that occupies 3,000 square miles of Sri Lanka, formerly called Ceylon.

The Debara-Ara project is an effort shared jointly by the public and private sectors. The contribution from the private sector consists of an investment that pays no direct return. The hope of the project is to transform the meager village life of the people into a thriving agricultural community.

Throughout this island republic, thousands of farmers are working feverishly to make Sri Lanka's feeble economy self-reliant.

Agricultural activity has picked up since Prime Minister Sirima Bandaranaike declared a "production war" in September, 1973. Her Government introduced stringent measures. It slashed the rice ration given each week to persons on welfare. The sugar ration was decreased, and sugar was raised in price. Wheat flour was rationed for the first time, and its price went up.

These measures were prompted by an economic crisis. Even if the world had rice and flour to sell, Sri Lanka did not have the money to buy. The country imports about 300,0000 tons of rice and 425,000 tons of flour a year. But severe drought had stunted two rice harvests in a row, sending up the price 170 per cent in a year while the price of flour also rose about that much and the price of sugar climbed 125 per cent.

Such was the stark reality facing Sri Lanka. The country's economy depends on three export crops: tea, rubber and coconut. Their prices, however, have remained virtually static.

The ration cuts and price rises jolted Sri Lanka's 13 million people into a keen awareness of the problem. Now the task to step up farm production. The rice crop was expanded 25 per cent from the previous year's total as 140,000 more acres were brought under the plow, and the use of fertilizer rose by 30,000 tons. It is estimated that the current rice harvest will be a record 80 million bushels.

And production of tapioca and yams, widely ignored for decades, has been increased sharply. Today these foods supplement rice in many homes in Sri Lanka.

Earlier the Government had banned imports of chili (the hot pepper that is an essential ingredient of Sri Lanka curry), onions and even peas. The strategy was to grow a lot of these imported foods, saving hard currency for other imports.

New crops were introduced to provide additional sources of protein and cereal. A mere three acres of soybeans two years ago has expanded to 3,750 acres. Negotiations are being held with farmers from America's Middle West to plant 5,000 acres to supply soy processing plants.

Another new crop is sorghum. Farmers in Sri Lanka were supplied with nearly 250,000 pounds of seed.

All this effort has required tremendous cooperation from the citizens of Sri Lanka. Mrs. Bandaranaike, as Prime Minister, led the drive to mobilize everyone for the production war. She toured the country's 22 administrative districts for a dialogue with the people. She told them that Sri Lanka could no longer afford the luxury of all-out welfarism.

Every segment of the population joined in the production effort. Soldiers and sailors laid aside their arms, and students put down their books to go into the fields. Peasants and public officials worked side by side in the rice paddies. One million school children toiled in the fields.

In Colombo's plush residential quarter, vegetables began to replace exotic orchids in the gardens.

The Army opened a 550-acre farm in the south and another big one in the northwest. The Navy started a 150-acre farm near the port city of Trincomalee that will be expanded to 300 acres.

Colombo's police chief planted rice in his garden in the heart of the city and actually reaped a bushel of rice.

"You wouldn't believe how well it grew," the police chief, Stanley Senanayake, said in an interview.

Government departments with even a few spare strips of land and tea plantations with idle acres converted them into gardens.

The Government quickly realized that political guidance alone was not enough to rouse the peasants to action. Sri Lanka is predominantly Buddhist, so the Government won the approval of the sangha, or clergy, for the production war. Two thousand monks, representing all the various sects, met in Colombo to pledge support of the nation's food drive.

Persuasion was coupled with new incentives to get farmers to respond. The guaranteed price of rice was elevated 135 per cent from the previous level. Price supports for a variety of food crops, such as soybeans, sorghum and lentils, were raised 40 per cent or more. Although farmers had to sell their rice to the Government at the guaranteed price, a completely free market, based strictly on supply and demand, was allowed for other crops. This caused hardships for urban consumers but small farmers began getting unheard-of prices for their crops.

One who has benefited from the nation's drive for self-sufficiency is 24-year-old Jeyaratnam, an educated member of the Tamil minority, from the north. He had tried to find a Government job but had failed, so he turned to agriculture. It has paid off handsomely.

"Last season I made a big profit from my one acre of chili," he said. "It was hard work getting started, but now I am earning what I could never have got in a Government job."

MILITARY ASSISTANCE TO SOUTH VIETNAM AND CAMBODIA

Mr. WILLIAMS. Mr. President, on the second anniversary of the Agreement on Ending the War and Restoring Peace in Vietnam, the United States is rapidly approaching a new turning point in its Southeast Asia policy. The possibility of an increase in U.S. military assistance to South Vietnam and Cambodia has once again become an issue of serious debate.

The administration, in its budget for fiscal year 1975, requested $1.4 billion for military aid to South Vietnam. Although Congress originally authorized $1 billion for this purpose, only $700 million was appropriated. On January 28, however, President Ford asked Congress for a supplementary appropriation of $522 million in military aid for Indochina. His statement includes a request for $300 million to the Government of South Vietnam and $222 million for the Government of Cambodia in order to insure "the survival" of these regimes. In addition, the President has requested "elimination of the $377 million ceiling on overall assistance to Cambodia" in order to supply additional commodities under the food for peace program. Furthermore, it is expected that President Ford will request $1.3 billion in military aid for Saigon in next year's budget.

By the time U.S. Forces were disengaged from South Vietnam 2 years ago, the United States had lost 55,000 lives and spent $150 billion in Indochina. Since the cease-fire agreement went into effect on January 27, 1973, an additional 149,000 Vietnamese have died and another 1.4 million have been left homeless by the war. During the last quarter of 1974, an average of 344 South Vietnamese soldiers died each week.

By making this request, President Ford threatens to revive the entire dispute concerning our Indochina policy. But, the question of the legitimacy and merit of our involvement in the military affairs of South Vietnam was answered years ago. For over two decades, this country has provided the nations of Indochina with lavish support to pursue military solutions to their problems. The cost in terms of both human lives and money has been enormously tragic. The price for "peace with honor" has been extravagant.

We must demand an end to the use of American resources to continue the bloodshed and repression in Southeast Asia. The Congress, on several occasions, has expressed similar sentiments by rejecting the administration's past proposals to increase the budget for military and economic aid to the Thieu Government in South Vietnam. Since the peace agreements, the United States has acted on the premise that we are helping to rebuild a war-ravaged land. With this rationale, our Government has supplied billions in aid, which does not strengthen the peace, but which underwrites continuing war and totalitarian rule.

The justification for intensified American intervention in Indochina is as faulty now as in 1955 or 1965. The fundamental fallacy is the belief that more American involvement can bring peace. The consequences of accepting this argument are continuing tragedy, an escalation of the already bloody level of combat, and a prolongation of the entire conflict. To deepen American involvement now would serve to further the delusion that we have the ability and the responsibility to support the policies of others and impose their settlement in Vietnam. It is this fundamental error which has already cost our Nation 55,000 men. The administration's premise that an increase in funds now will eliminate the need for any funds at a later date simply will not hold up. That kind of thinking has been responsible for all of our sacrifices in Southeast Asia.

In both Cambodia and South Vietnam, we are now faced with the momentous choice of either increasing the level of American involvement or continuing the process of disengagement joined with a search for meaningful political solutions to the war. The administration, by accelerating the deliveries of munitions and weapons, would enhance the military capacities of these two governments and escalate the killing. The slow trend toward disengagement would be reversed.

The second option involves urging the Saigon and Phnom Penh authorities to actively pursue a negotiated, permanent political settlement to the conflict. This approach should be united with an active effort to provide humanitarian assistance to those who have suffered from past military policies at home and in Southeast Asia. The pressing needs of our own veterans and the civilians who have been caught in the middle of a devastating crossfire and have suffered massively still must be met. The orphaned, the maimed, and the homeless are continuing victims of the violence in Indochina.

President Ford's request for $522 million for supplementary military assistance for South Vietnam and Cambodia represents a serious threat to our national interest both in terms of our foreign and our domestic policies. Such a program of military assistance certainly should not take precedence over our pressing domestic concerns.

After all our efforts, the lingering war is our only legacy. This is a truly sad commentary on American foreign policy. We must not make the same mistake twice.

A SUMMER JOB PROGRAM

Mr. JAVITS. Mr. President, as Senators know, the maintenance of an adequate summer job program for economically disadvantaged youth each year has been of particular concern to me; in recent years, it often has been necessary to seek a supplemental appropriation for that purpose, which we have done.

I want to alert the Senate to the potentially catastrophic situation which we face this summer in terms of youth unemployment, and what as a minimum will be necessary to alleviate it.

This situation is graphically set forth in a letter dated January 29, 1975, and accompanying charts which I received last Wednesday from Alan Pritchard, executive vice president of the National League of Cities—which together with the U.S. Conference of Mayors represents most of the cities in the Nation, responding to a request I made on January 13, 1975, for a city-by-city survey of the needs for summer jobs for economically disadvantaged youth this coming summer.

These charts indicate, that this summer there will be 3,178,565 economically disadvantaged youth in the Nation eligible for summer jobs and out looking for employment.

In that connection, the letter states:

> As you are aware, rapidly rising unemployment rates and deteriorating economic conditions are having a severe impact on joblessness among youth. With projected increases in the number of disadvantaged youth and alarming numbers of lay-offs in both the private and public sectors, an unemployment rate of 50% or more may be anticipated among disadvantaged youth this summer.

Mr. President, these are extremely sobering statistics which in essence forecast unemployment among poor youth in the inner cities at depression-like levels.

Of course, we would like to address the needs of the entire target group of 3.1 million youth.

But that is not possible given factors of administrative "leadtime" and budgetary restraints, and accordingly, the key question is the number of youth which the cities can effectively place in jobs this summer.

The National League of Cities reports that the cities could effectively use an aggregate of $649,681,402 for the provision of 1,147,847 9-week slots—thus meeting the needs of about one-third of the target group; each slot would consist of 26 hours of employment per week for youth with public employers, at the applicable minimum wage of $2.10.

Last summer, approximately $380 million was made available for the creation of 709,200 9-week slots.

In New York, where the target group is projected to be 426,000 youth, New York City will need an aggregate of $45,280,000 for the creation of 80,000 slots. This compares with $24,473,511 for 45,744 slots last summer.

Mr. President, I intend, as in past years, to seek the support of the administration—and to make a presentation to the Congress for a supplemental appropriation—to meet the needs documented by the cities after taking into account what the cities themselves are reasonably able to do under the present serious economic conditions, and what may be available through private efforts.

Mr. President, so that Members can be advised of the situation in cities in their States, I ask unanimous consent that a copy of my letter of January 13, and a copy of the letter from the National League of Cities dated January 29, and accompanying charts, together with an article which appeared in the New York Times on Thursday, January 30, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 13, 1975.

DEAR MR. PRITCHARD AND MR. GUNTHER: With the very serious national unemployment situation and prospects, I am particularly concerned, as I have been in past years, with the needs of economically disadvantaged youth for jobs during the summer months, as well as transportation and recreation opportunities.

I would appreciate very much if you would survey the cities to determine on a city-by-city basis, the number of eligible youths who could benefit from such programs, the number who could be effectively placed by the cities, and the dollar amounts required, compared with last summer in each case.

I look forward to hearing from you at your earliest convenience.

With best wishes,

Sincerely,

JACOB K. JAVITS.

NATIONAL LEAGUE OF CITIES,
January 29, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Old Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: In accordance with your request and as in the past, we have surveyed the nation's cities to determine the needs for a summer youth employment program this year.

The information we have received from the 50 largest cities shows that the total number of slots these cities could effectively use this summer is 458,463. On the basis of our contacts with a sample of smaller cities, we estimate that their needs for summer jobs total 689,384. Combining these figures, the present real need for 1975 is 1,147,847 slots nationwide.

As you are aware, rapidly rising unemployment rates and deteriorating economic conditions are having a severe impact on joblessness among youth. With projected increases in the number of disadvantaged youth and alarming numbers of lay-offs in both the private and public sectors, an unemployment rate of 50% or more may be anticipated among disadvantaged youth this summer.

Congress has recognized the crisis of unemployment among adults through the Emergency Jobs and Special Unemployment Assistance Act of 1974, and it is essential that it address this separate crisis of unemployment among youth.

As summer job prospects for youth in the private sector become increasingly dim, it is clear that job creation in the public sector must be greatly expanded to fill this void. In addition, local government lay-offs are rapidly expanding and substantial efforts made by cities to hire youths during the summer months with local funds will be severely curtailed. In facing dramatically increased needs and evaporating job opportunities, your leadership is again urgently requested in securing additional funds for a summer employment program at the earliest possible date. Adequate time to plan and implement summer youth programs is critical to the operation of an effective national effort.

While it is clear from the survey that those eligible for a summer youth employment program far exceed the capacity of cities to employ these youngsters effectively, it is urgent that the Congress also address the need for additional funds for a recreation program to provide disadvantaged youngsters with some form of constructive activity during the summer months. We are currently in the process of surveying city needs for recreation programs and should have this information to you shortly.

We would appreciate your assistance again this year in assuring adequate funding for a summer jobs program.

Sincerely,

ALLEN E. PRITCHARD, Jr.,
Executive Vice President.

Enclosure.

SUMMER YOUTH EMPLOYMENT PROGRAM, 50 LARGEST CITIES, JAN. 29, 1975

City	1974 actual		1975		
	Funding[1]	Slots[2]	Number eligible	Effectively employ	Funding need[3]
Region I: Boston	$2,480,867	4,637	18,000	18,000	$10,188,000
Region II:					
Buffalo	1,275,620	2,384	40,000	10,000	5,660,000
Newark	3,442,799	6,435	25,900	11,000	6,226,000
New York	24,473,511	45,744	426,000	80,000	45,280,000
Rochester	637,558	1,191	6,000	2,000	1,132,000
Region III:					
Baltimore	4,183,526	7,819	17,600	12,000	6,792,000
Norfolk	1,535,979	2,870	11,680	3,500	1,981,000
Philadelphia	4,315,810	8,066	52,792	22,000	12,452,000
Pittsburgh	2,568,647	4,801	7,000	7,000	3,962,000
Washington, D.C	6,563,092	12,267	25,000	18,000	10,188,000
Region IV:					
Atlanta	1,489,979	2,785	10,000	5,388	3,049,608
Birmingham	1,123,440	2,099	7,700	2,774	1,570,084
Jacksonville	844,711	1,578	20,000	2,500	1,415,000
Louisville	1,210,223	2,262	15,000	4,000	2,264,000
Memphis	1,445,064	2,701	12,250	2,716	1,537,256
Miami	2,354,311	4,400	6,500	4,400	2,490,400
Nashville	738,378	1,380	4,000	2,500	1,415,000
Tampa	1,192,915	2,229	7,000	6,515	3,687,490
Region V:					
Chicago	19,209,563	35,905	85,000	50,000	28,300,000
Cincinnati	1,533,527	2,866	40,000	5,000	2,830,000
Cleveland	4,919,923	9,196	24,200	18,000	10,188,000
Columbus	899,175	1.680	2,500	2,500	1,415,000
Detroit	5,095,798	9,524	40,000	23,000	13,018,000
Indianapolis	1,056,816	1,975	12,000	4,500	2,547,000
Milwaukee	1,319,978	2,467	6,000	3,713	2,101,558
Minneapolis	1,104,440	2,064	6,000	3,500	1,981,000
Region V—Continued					
St. Paul	$431,679	806	3,200	3,200	$1,811,200
Toledo	673,997	1,259	2,000	1,400	792,400
Region VI:					
Dallas	1,017,619	1,902	45,000	4,000	2,264,000
El Paso	546,547	1,021	6,000	4,672	2,644,352
Fort Worth	459,190	858	2,500	1,600	905,600
Houston	2,126,840	3,975	12,000	4,000	2,264,000
New Orleans	1,607,513	3,004	10,000	10,000	5,660,000
Oklahoma City	557,096	1,041	3,000	2,400	1,358,400
San Antonio	2,856,730	5,339	10,000	5,500	3,113,000
Tulsa	553,663	1,034	2,000	1,300	735,800
Region VII:					
Kansas City, Mo	1,835,348	3,430	13,000	5,000	2,830,000
Omaha	1,069,481	1,999	2,500	2,000	1,132,000
St. Louis	2,810,441	5,253	9,900	7,500	4,245,000
Region VIII: Denver	1,578,466	2,950	9,250	4,000	2,264,000
Region IX:					
Honolulu	966,788	1,807	3,000	2,500	1,415,000
Long Beach	764,769	1,429	7,500	2,500	1,415,000
Los Angeles	6,902,818	12,902	75,000	30,000	16,980,000
Oakland	1,705,211	3,187	10,000	5,850	3,311,100
Phoenix	2,146,338	4,011	60,000	9,000	5,094,000
San Diego	2,017,157	3,770	25,000	6,000	3,396,000
San Francisco	2,167,803	4,051	8,000	8,000	4,528,000
San Jose	1,178,891	2,203	4,000	3,535	2,000,810
Region X:					
Portland	1,024,404	1,914	5,000	5,000	2,830,000
Seattle	4,136,643	7,732	13,000	5,000	2,830,000

[1] Department of Labor figures.
[2] Figures based on consortia (where applicable) dollar allocations averaging $535 per slot.
[3] Figures based on a cost of $566 per slot; 26 hours per week at $2.10 per hour for 9 weeks.

SAMPLING OF CITIES OTHER THAN 50 LARGEST

City	1974 actual		1975		
	Funding[1]	Slots[2]	Number eligible	Effectively employ	Funding need[3]
Region I:					
Bridgeport, Conn	$1,074,314	2,008	4,500	3,000	$1,698,000
Cambridge, Mass	616,566	1,152	1,200	1,000	566,000
Lowell, Mass	385,052	719	1,600	1,000	566,000
Worcester, Mass	348,291	651	1,700	1,200	679,200
Region II:					
Elizabeth, N.J	173,228	322	1,500	375	212,250
Albany, N.Y	401,086	749	5,000	5,000	2,630,000
Yonkers, N.Y	178,286	333	900	600	339,600
Carolina, P.R	498,180	931	6,000	4,000	2,264,000
San Juan, P.R	1,166,329	2,180	12,296	3,117	1,764,222
Region III:					
Erie, Pa	185,745	347	2,500	650	367,900
Hampton and Newport News, Va	557,863	1,042	2,000	1,300	735,800
Region IV:					
Huntsville, Ala	264,980	495	2,000	1,200	679,200
Montgomery, Ala	658,920	1,231	1,800	1,800	1,018,800
Savannah, Ga	297,401	555	2,500	1,050	594,300
Lexington, Ky	502,790	939	3,000	1,200	697,200
Jackson, Miss	551,117	1,030	3,000	1,200	679,200
Durham, N.C	449,046	839	1,800	839	474,874
Greensboro, N.C	297,574	556	1,500	1,000	566,000
Chattanooga, Tenn	548,910	1,026	2,175	1,975	1,117,850
Knoxville, Tenn	712,386	1,331	4,500	2,000	1,132,000
Region V:					
Peoria, Ill	260,742	487	2,000	650	367,900
Evansville, Ind	745,308	1,393	3,040	1,500	849,00
Fort Wayne, Ind	584,414	1,092	2,000	2,000	1,132,000
Gary, Ind	2,713,313	5,071	7,000	6,500	3,679,000
					0
Region V—Continued					
South Bend, Ind	$522,918	977	2,000	1,101	$623,166
Dearborn, Mich	36,540	68	120	120	67,920
Duluth, Minn	143,135	267	4,000	2,000	1,132,000
Akron, Ohio	772,002	1,442	2,300	1,800	1,018,800
Canton, Ohio	317,121	592	700	667	377,522
Youngstown, Ohio	1,048,872	1,960	10,000	6,000	3,396,000
Region VI:					
Little Rock, Ark	768,039	1,435	2,200	1,481	838,246
Shreveport, La	314,340	587	4,035	1,200	679,200
Albuquerque, N. Mex	475,776	889	10,500	2,500	1,415,000
Region VII:					
Cedar Rapids, Iowa	77,053	144	1,400	300	169,800
Des Moines, Iowa	471,468	881	4,500	1,200	679,200
Kansas City, Kans	391,248	731	1,600	1,142	646,372
Wichita, Kans	525,768	982	2,000	1,300	735,400
Springfield, Mo	114,589	214	300	300	169,800
Region VIII: Salt Lake City, Utah	285,128	532	2,000	700	396,200
Region IX:					
Tucson, Ariz	814,416	1,522	4,500	3,000	1,698,000
Glendale, Calif	71,155	133	2,000	200	113,200
Region X:					
Spokane, Wash	318,724	595	3,404	600	339,600
Tacoma, Wash	641,021	1,198	2,500	2,000	1,132,000
50 largest total	138,151,082	258,202	1,268,972	458,463	259,490,058
Balance of cities	241,848,918	450,998	1,909,593	689,384	390,191,344
Total	380,000,000	709,200	3,178,565	1,147,847	649,681,402

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[1] Department of Labor figures.

[2] Figures based on consortia (where applicable) dollar allocations averaging $535 per slot.

[3] Figures based on a cost of $566 per slot; 26 hours per week at $2.10 per hour for 9 weeks.

[From the New York Times, Jan. 30, 1975]

SURVEY SEES 1½ MILLION YOUTHS AS LACKING JOBS NEXT SUMMER

(By Ernest Holsendolph)

WASHINGTON, Jan. 29.—A survey of the nation's cities shows that more than three million youths will be looking for summer employment this year, and that about half of them will likely go unemployed, according to a report released today by the office of Senator Jacob K. Javits.

The report, based on a survey of cities around the nation, including the 50 largest, indicates that the cities will be able to place about 1.1 million of the youths if the cities can obtain Government assistance. The survey was made by the National League of Cities.

New York City alone reported that 426,000 youths would need summer jobs, but even if the city obtains youths funding, it will be able to utilize only 80,000 of that number, according to the study. With jobless adults competing for employment, the problem is expected to be worse than it has been in years.

Senator Javits said that the nation faced a "catastrophic situation and promised to press for a supplemental appropriation by Congress to broaden job opportunities."

MORE SEEK BENEFITS

Meanwhile, the Department of Labor reported today that 851,700 more Americans filed new claims for unemployment insurance benefits last week.

This was 118,000 fewer than the record 970,000 filed the previous week, but still nearly double the 464,300 filed in the like week last year.

The League of Cities report, prepared at the request of Senator Javits, Republican of New York, showed that in the cities surveyed 3,178,565 youths would be looking for jobs this summer, and that the cities could provide slots for 1,147,847 nine-week jobs at a cost of about $650-million.

Last week, the cities filled 709,200 nine-week slots at a cost of $380-million, according to the report.

The cost of summer public employment programs was calculated by figuring that each slot would provide 26 hours of employment a week for nine weeks, at the minimum wage of $2.10 an hour.

STATEMENT BY JAVITS

Senator Javits said:

"While the nation as a whole continues in a serious recession with unemployment at 7.1 per cent in December and 6.5 million persons unemployed, and the national rate expected to reach 8 per cent in this calendar year—unemployment among poor youth in the inner cities is predicted at depression-like levels."

He said that Government aid would be necessary to supplement municipal funds and private assistance.

A spokesman for the National Alliance of Businessmen said that that group, which wages an annual campaign to provide summer jobs with private corporations, would aim for 200,000 jobs.

The organization had the same goal last summer, but said that it reached 227,444 jobs and expected to be oversubscribed again this year.

The Labor Department reported that 4,561,300 persons received jobless benefits for the week ended Jan. 11, a drop of 49,200 from the previous week.

ORDER FOR ADJOURNMENT UNTIL WEDNESDAY, FEBRUARY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO WEDNESDAY, FEBRUARY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon on Wednesday.

The motion was agreed to; and at 1:49 p.m., the Senate adjourned until Wednesday, February 5, 1975, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 3, 1975:

DEPARTMENT OF STATE

Peter H. Dominick, of Colorado, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

IN THE NAVY

Rear Adm. Stanley S. Fine, U.S. Navy, for appointment as Director of Budget and Reports in the Department of the Navy for a term of 3 years pursuant to title 10, United States Code, section 5064.

IN THE MARINE CORPS

The following-named temporary disability retired officer for reappointment to the grade of major in the Marine Corps, subject to the qualifications therefor as provided by law:

Silvear, Thomas A.

IN THE ARMY

The following-named persons for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be major, Regular Army and lieutenant colonel, Army of the United States

Jackson, James M., xxx-xx-xxxx.

To be first lieutenant, Regular Army and captain, Army of the United States

Zaehringer, Theodore, xxx-xx-xxxx.

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be captain

Bryan, Peter K., xxx-xx-xxxx.
Butler, Craig D., xxx-xx-xxxx.
Flanigan, Richard C., xxx-xx-xxxx.
Haseman, Paul B., xxx-xx-xxxx.
Murray, Charles A., xxx-xx-xxxx.

Shekitka, Jan N., [redacted].
Sims, Benjamin A., [redacted].
Wheeler, Leigh F., [redacted].

To be first lieutenant

Arrotta, Richard B., [redacted].
Ashley, Richard W., [redacted].
Bowe, Thomas G., [redacted].
Butler, James L., [redacted].
Carter, William J., [redacted].
Fierke, Thomas G., [redacted].
Florsheim, Charles, [redacted].
Frothingham, Edward, III, [redacted].
Henderson, Stephen P., [redacted].
Judd, Kim K., [redacted].
Masengale, Roy L., [redacted].
O'Neill, Brian B., [redacted].
Schempf, Bryan H., [redacted].
Schwender, Craig S., [redacted].
Sharphorn, Daniel H., [redacted].
Thompson, Jeffrey B., [redacted].
Volzer, Harvey J., [redacted].
Waple, Mark L., [redacted].
Wingate, Thomas P., [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be major

Pawsat, David S., [redacted].

To be captain

Belden, Daniel F., [redacted].
Bradley, Barbara L., [redacted].
Chadwick, Mary L., [redacted].
Clark, David M., [redacted].
Freeland, Alan E., [redacted].
Giffin, Kenneth S., [redacted].
Gracey, Leslie L., [redacted].
Marcoot, Ralph M., [redacted].
Parr, Thomas E., [redacted].
Peters, Donald D., [redacted].
Philiben, Anne N., [redacted].
Poessiger, Peter H., [redacted].
Scheidt, Michael J., [redacted].
Shimer, Tommy W., [redacted].
Simes, Thomas A., [redacted].
Stokes, Oliver C., Jr., [redacted].
Tartler, Andrew R., [redacted].
Tyler, Carol A., [redacted].

To be first lieutenant

Burns, Jean F., [redacted].
Carroll, Brenda J., [redacted].
Elliott, David C., Jr., [redacted].
Enault, James E., [redacted].
Englehardt, Joseph P., [redacted].
Ferrell, David S., [redacted].
Fields, Joseph A., [redacted].
Frazier, Doris F., [redacted].
Freihofer Patricia, [redacted].
Fullerton, Jack S., Jr., [redacted].
Galante, Christine M., [redacted].
Gentry, Thomas M., [redacted].
Glenn, Thomas A., [redacted].
Going, James W., [redacted].
Gudger, Trina D., [redacted].
Hargett, Michael, [redacted].
Harrison, John M., [redacted].
Hashimoto, Ted W., [redacted].
Hemmer, Paul C., [redacted].
Hodges, Thomas W., [redacted].
Isaacs, Peter F., [redacted].
Jones, Alton E., [redacted].
Jones, Jerry V., [redacted].
Jones, Robert C., [redacted].
Jones, William S., Jr., [redacted].
Jung, Walter J., Jr., [redacted].
Kading, Steven E., [redacted].
Kiefer, Linda H., [redacted].
Kirkwood, Charles E., III, [redacted].
Klinger, Brent J., [redacted].
Koharik, Edward J., [redacted].
Kubiak, Richard A., [redacted].
Lagarde, Michael J., [redacted].
Lenaers, William M., [redacted].
Levsky, Stanley S., [redacted].
Liley, Charles H., [redacted].
Mazaleski, Miachel C., [redacted].
McCall, Gregory, [redacted].
McCluskey, Phyllis, J., [redacted].
McNett, John E., [redacted].
McNicholas, James E., Jr., [redacted].
Miller, Hal H., [redacted].
Miller, Kenneth H., [redacted].
Milligan, David H., [redacted].
Moye, Elizabeth L., [redacted].
Norman, Linda L., [redacted].
Nowak, Thomas S., [redacted].
O'Neill, Larry J., [redacted].
Pender, Robert C., [redacted].
Prewitt, James E., [redacted].
Raffle, John R., Jr., [redacted].
Richardson, William V., [redacted].
Riddell, Todd R., [redacted].
Rousey, James L., Jr., [redacted].
Schoolcraft, Martha E., [redacted].
Shulman, Jay D., [redacted].
Strange, Gary E., [redacted].
Watson, Harold C., Jr., [redacted].
Wells, Dawn L., [redacted].
Wheeler, James J., [redacted].
Witker, Robert E., [redacted].

To be second lieutenant

Baehr, Randall C., [redacted].
Eitel, Martin O., [redacted].
Moseley, John B., [redacted].
Shandera, Thomas J., [redacted].

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of colonel:

Angelo, Leon N.
Aspinwall, Glen S.
Austgen, Donald R.
Ayers, Thomas J.
Balogh, Howard G.
Batchelder, Sydney H., Jr.
Battistone, Carl L.
Beal, Don D.
Beauchamp, Glen T.
Belli, Roy L.
Berthoud, Kenneth H., Jr.
Blair, John H.
Boyd, Daniel Z.
Britt, William C.
Carson, William G., Jr.
Cassedy, Logan
Cheatham, Ernest C, Jr.
Christensen, Don R.
Clark, Bernard E.
Clark, Frank A.
Clark, Fred E., Jr.
Clark, James E.
Comfort, Clayton L.
Conlin, John C.
Cooke, Richard M.
Cornwall, Gerald B.
Cox, John V.
Cox, Stanley D.
Craig, Winchell M., Jr.
Corlis, Gregory A.
Daly, Daniel C.
Davidson, Darrell U.
Dean, Clyde D.
Deem, Richard G.
Dininger, Charles F., Jr.
Duncan, Billy R.
Eagan, Arthur J.
Edwards, Charles
Edwards, Raymond W.
Eleazer, William R.
Everett, Wilbur D.
Fenenga, Gerit L.
Field, Harold J., Jr.
Fitzgerald, Edward F.
Ford, Daniel J.
Friedman, Arthur D.
Gagliardo, Joseph P., Jr.
Garrett, Elmer T., Jr.
Gillum, Donald E.
Glasgow, Harold G.
Goodale, Richard W.
Gravel, Marcus J.
Gregerson, Johnny O.
Hagen, Jerome T.
Hallisey, William J., Jr.
Harp, James J.
Harvey, Donald L.
Hearn, Thomas M.
Heesch, Robert W.
Henley, Robert J.
Henry, Charles W., Jr.
Higgins, James H.
Holt, Ralph P.
Hopkins, Joseph E.
Hunter, Maurice
Hutchins, Walter P.
Hyatt, John K., Jr.
Irons, Milton E.
Johnson, Floyd J., Jr.
Johnson, Frederick S.
Johnson, Herschel L., Jr.
Johnson, Mannon A., Jr.
Jones, Joseph F.
Julian, Martin D.
Kehoe, James P.
Kelly, David A.
Kinniburgh, John A.
Knapp, Charles W.
Koppenhaver, Howard M.
Kovach, John Jr.
Kraynak, John P.
Layne, Donald Q.
Liddle, Chester A., Jr.
Lynch, Ronald J.
Maas, Bertram A.
Madden, Byron E.
Madera, Leroy A.
Manhard, Albert H., Jr.
Mann, Bennie H., Jr.
McCormick, James G.
McCreight Jack D.
McDonald, Richard C.
McMonagle, James J.
Miller, John H.
Miller, William S., Jr.
Murray, Michael P.
Needham, Michael J.
Nelson, Ronald E.
Newbill, Merrill S.
Nugent, Thomas F. E.
Orourke, James K.
Phillips, John
Pierson, Earl F., Jr.
Pitcher, Bert R., Jr.
Pitchford, Charles F.
Pullar, Walter S., Jr.
Qualls, Thomas F.
Rapp, John M.
Rappe, J. C.
Realsen, Arvid W.
Resnik, Edward D.
Rice, Wesley H.
Robison, Donald G.
Rowlands, Cledwyn P.
Ruete, Alfred W., Jr.
Sardo, Americo A.
Savoy, Ernest R.
Schneider, Donald E.
Scoppa, Joseph
Shaffer, Raymond A.
Sheahan, Robert R.
Sinclair, John E.
Smith, Craig S.
Smith, Joseph N.
Smith, Kenneth E.
Spurlock, David A.
Statzer, Merlin V.
Stephens, Ray A.
Studt, John C.
Sulik, Richard A.
Thatcher, John L.
Thompson, Robert H.
Tiernan, William H. J.
Tolnay, John J.
Truesdale, Bruce A.
Trundy, Richard T.
Twining, David S.
Vandenelzen, James R.
Vitali, Henry R.
Wagner, David H.
Walker, Dallas R.
Walker, James H.
Walling, Robert P.
Went, Joseph J.
Willcox, Clair E.
Woodring, Willard J. Jr.
Young, Earnest G.
Zimolzak, Frank

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel:

Adams, John M., Jr.
Agee, Ernest O.
Anthony, Frederick P.
Asher, Eugene S.
Ashworth, Norman S.
Bagley, Ralph R.
Banks, Fontaine, Jr.
Bean, Paul R.
Beckner, Boyd H.
Bemis, John H.
Benero, Joseph L.
Bernitsky, Anthony J.
Bjorklund, Kay D.
Bloom, Louis L.
Book, Robert M.
Booth, Lewis H.
Brown, Irl E.
Brown, John E.
Burks, William F.
Burnette, Thomas D.
Carey, Raymond A.
Castagna, Edward J. A.
Castellana, Alphonse J.
Chandler, John C., Jr.
Clifford, Kenneth J.
Clifford, Martin L.
Coffey, William F.
Currie, Thomas R.
Daly, Joseph P., III
Delucia, Ralph, Jr.
Deplitch, William
Deshazo, Thomas D.
Devine, David F.
Donald, William A.
Dorian, Roger J.
Dure, Leon S., III
Emrich, William R.
Farris, Harry W.
Flynn, James G.
Fogarty, Richard A.
Fowler, Billy J.
Fowler, James L.
Fowler, Richard M.
Frappollo, Paul S.
Fritsch, Billy D.
Funston, George D.
Geary, Coleman P.
Geiger, William J.
Gilbert, Aubrey W.
Gordon, Alexander J., III
Groeniger, William C., III
Hale, Nathan S.
Harnden, Willard J.
Harris, Frederick L.
Hendrickson, Russel J.
Jackson, Claude S.
Jones, Robert D.
Keast, James D.
Kiely, Jack K.
Killam, George R.
King, Robert E., Jr.
Kisten, Stuart D.
Knapp, Charles F.
Koch, Edward T., Jr.
Land, Henry L., Jr.
Lawler, Lawrence E.
Loughran, Anthony H.
Love, Edgar J.
Lukeman, John R.
Madory, Richard E.
Mahoney, Gerald P., Jr.
McPeak, Jack D.
Mellis, Frank J.
Mitchell, Wilfred G.
Mize, Richard L.
Moeller, Richard L.
Moellering, Theodore F.
Murphy, Charles L.
Murtha, John P., Jr.
Norton, Robert R.
O'Grady, Lawrence R., Jr.
O'Rourke, Francis J.
Patberg, Norman B., Jr.
Paul, William G.
Pearman, William R.
Perrette, Cecil L., Jr.
Pickford, Thomas M.
Plummer, William G.
Prater, Joe D.
Price, Kenneth R.
Rawlings, Richard J.
Repetski, Jerry J.
Rogers, Robert D.
Rostad, John D.
Salter, Jack
Sangalis, Constantine
Schmitz, John G.
Schneider, William E.
Schultz, Robert H.
Schwab, John J., Jr.
Scott, Stanley R.
Shelley, George L., III
Smith, Ronald L.
Spencer, Richard O.
Stamp, Lloyd V.
Steadman, Henry W.
Stewart, Hugh M.
Stoll, Charles E.
Talbert, Robert L.
Tiago, Joseph L. Jr.
Tomlin, James E.
Totten, Gerald H.
Tunney, Eugene J.
Turco, John E.
Underwood, Malcolm S., Jr.
Upschulte, Phillip P.
Veno, Frederick E.
Wagoner, Earl L.
Ward, John J.
Warfield, Clifford D.
Warrender, John W.
Weir, Kenneth W.
Wenner, Ward R.
Wires, Raymond L.
Wooten, Perry R.
Wray, Desmond C., Jr.
Wulf, Jerry C.
Wyrick, Austin N.
Yeager, William M.

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Allen, Dwight R., Jr.
Amick, Lewis E., Jr.
Angus, Thomas P.
Appezzato, Ralph J.
Arnold, Curtis G.
Arnold, Roy F.
Bacik, Vladimir H.
Baulch, Ernest F.
Beckwith, Ronald L.
Behan, Cornelius F.
Black, Robert M.
Blackington, Robert C., Jr.
Blake, James L.
Blanton, Robert D.
Brabec, Curtis R.
Bracken, James A., Jr.
Brady, Frank D.
Bridges, James W.
Brown, Edward W., III
Bullard, Donald E.
Burnette, Robert D.
Cahaskie, Charles S.
Cannon, Charles E.
Catoe, Christopher
Caton, James R.
Chapman, Harlan P.
Clasen, Darcy L.
Cockell, Robert C.
Collison, Walter N., Jr.
Conley, Charles K.
Cumpston, George W.
Curl, James R.
Curran, Christopher J., Jr.
Czerwinski, John J.
Davia, Ronald K.
Davis, Jay M., Jr.
Davis, William G.
Deegan, Gene A.
Depoali, Ruel O.
Dixon, Charles A.
Doran, Robert R.
Dye, John M.
Elliott, Gary E.
Fagerskog, Henry D.
Farber, James F.
Fiel, Mervin A.
Floyd, William C.
Foti, Joseph G.
Gardner, Benjamin W.
Gentry, James R.
Gerard, Charles G.
Giannelli, Umberto, Jr.
Gibson, Hal J.
Goforth, Robert K.
Goller, Winston O.
Gray, Robert L., Jr.
Guenther, John J.
Hagan, James T., III
Hall, Donald D.
Hallett, Robert F.
Hammack, Wililam L.
Hansston, Jack F.
Harbison, Gerald E.
Harding, William W., Jr.
Harrison, Gene B.
Haupt, Hans S.
Haven, Thomas W.
Hawthorne, Richard W.
Hayes, James E.
Healy, David Y.
Heise, Edward J.
Heiser, Karl R.
Hellriegel, John A.
Hemingway, John W.
Hetser, Charles E.
Hickethier, Robert A.
Horner, William H., Jr.
Huebner, Anthony C.
Huff, Emmett S., Jr.
Hughes, Laurice M.
Hughes, Richard D.
Hunt, Richard V.
Ingram, James D.
Irwin, William R.
Johnson, Keller F., Jr.
Johnson, Richard R.
Johnson, William A.
Jordan, Robert M.
Kauffman, Francis M.
Kelly, Leo J.
Kemp, Gerald G.
Lamascus, Zane V.
Lang, Robert F.
Lasseter, Lee T.
Lawbaugh, Emanuel S Jr.
Lecky, Timothy B.
Ledeboer, Willis D.
Legge, John B.
Leonard, William H.
Lessard, Paul F.
Lindauer, Jerry D.
Linnemann, John A.
Lono, Luther A.
Makeever, Harrison A.
Mann, Elliot F.
Manwarring, Charles L.
Marada, Joseph P.
Martin, Robert J.
Marvel, Jerry W.
Mattingly, James D.
McCrindle, Ronald B.
McGinn, James A.
McIntyre, David S.
McLaughlin, George D., Jr.
McVay, Kenneth A.
Meissner, Howard W.
Merritt, Richard O.
Miller, Harl J.
Millice, Kenneth P., Jr.
Milligan, Robert F.
Mockler, Edward M.
Moore, Royal N., Jr.
Morris, Calvin M.
Mullen, William F.
Neal, Robert G., Jr.
Nelson, Harold M.
Nichols, Jay B.
Nielsen, Daniel F. M., Jr.
Nolan, James M.
O'Donnell, John W.
Olson, Glenn A.
Ondrick, Robert M.
Osmondson, Eugene L.
Palmer, Billy J.
Payton, Luther L., Jr.
Pederson, Richard J.
Perry, Clarence R.
Perry, Raymond F.
Peterson, Roy C.
Pettigrew, William M., III
Phillips, Robert A., Jr.
Piper, Earl S., Jr.
Piracci, Antonio F.
Pitt, Albert
Plasterer, Ross S.
Powell, Ferrell F., Jr.
Psaros, George C.
Pyne, Richard S.
Randall, Jesse T.
Rebstock, Werner F.
Reynolds, Charles A.
Ridge, Paul E.
Roberson, Willie G.
Root, Geoffrey H.
Ross, David L.
Ross, James W.
Roush, Paul E.
Ruane, Joseph D.
Saeger, Herbert F.
Salas, Francisco U.
Sanders, James W.
Scheuren, William J.
Schultz, Joseph P.
Seed, Richard J., III
Shaw, Phillip E.
Short, Robert E.
Simpson, Patrick S.
Smartz, Joseph J.
Smith, Karl S.
Solan, John M.
Stiavelli, Michael R.
Stingley, Patrick R.
Stout, Doyle E.
Stremlow, George J.
Stuebe, Jon A.
Sullivan, Louis W.
Summerlin, Billy M.
Sutton, Verl D.
Sweitzer, Merrill A., Jr.
Tardy, James S.
Taylor, Madison L.
Thien, Robert L.
Thompson, Daryl W.
Thompson, Milton S.
Tiffany, Russell B.
Ulm, Richard H.
Upchurch, Richard L.
Vanhorn, George R.
Vogt, John S.
Walsh, Gerald E.
Walters, William H.
Waterbury, Mark H., III
Waters, Kenneth D.
Welty, Michael F.
Whipple, Lawrence A.
Wuerch, George P.

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel:

Arnett, James R.
Baldwin, Joseph C.
Berquin, Robert D.
Beyer, William H.
Bishop, William M.
Brazil, Robert J.
Burchfield, Gary F.
Bushar, Charles W., III
Byrnes, Joseph B.
Clark, Edward A.
Close, Richard T.
Constantine, Joseph W.
Cooper, John C., Jr.
Coryell, Myron R., Jr.
Cover, William J., III
Craige, James A.
Curran, Christopher J., Jr.
Delkeskamp, Harry R.
Downing, Glenn H.
Early, Gordon A.
Eddins, James C.
Frost, Fredric W., III
Giovanelli, Robert A.
Goodwin, William L.
Greer, Peter C.
Hamel, William S.
Hartmann, Robert T.
Hatcher, William J., Jr.
Heekman, James A.
Heimes, Kenneth A.
Hofinga, Peter H.
Hollabaugh, Jon D.
Kelly, Michael J.
Kiefner, Edwin K.
Kretsinger, John M.
Layman, Phillip B.
Lindeman, George
Loughridge, Robert E.
McGregor, Thomas C.
McLaughlin, John J., Jr.
Mehlert, Henry F., Jr.
Miloscia, Donald J.
Moore, George E.
Murray, Michael W.
Muzzy, Richard D.
Nardiello, Arthur L.
Norton, John M.
Painter, Alan S.
Patten, John R.
Peterson, Charles G.
Piper, Eric N.
Rattray, Richard L.
Ridings, William H.
Ryan, Gerald J.
Sarver, Thomas R., Jr.
Sattolo, Arthur J.
Singer, Richard W.
Steger, James L.
Stevens, George T., III
Stoeber, Jerald C.
Tewksbury, John H.
Thoreson, Richard M.
Walls, Arthur E.
Westmoreland, James H.
Wirthlin, Louis C.
Woods, Glennon D.
Wright, Donald L.
Yevak, Richard J.
Young, William D., Jr.

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

Adams, Gene A., Jr.
Adams, James S.
Ainsley, William S., III
Ambrose, Raymond H.
Angelo, Nickolas J.
Anthes, Fred W.
Baggette, John C.
Baker, Robert D.
Ballenger, Glen A.
Balthis, Joseph R.
Barrett, Thomas V.
Barton, Thomas Y., Jr.
Beaver, Dale C.
Beekman, Frederick W., III
Bendrick, Frank A.
Black, Roy D.
Blanks, Charlton H.
Bledsoe, Carl R.
Boeck, Walter G.
Borders, John F.
Bradley, Frank
Braun, Gary R.
Breen, Terry H.
Brennan, George D., II
Brown, David B.
Brown, Gene A.
Bruner, Robert T.
Bubenhofer, Frederick, Jr.
Burchette, Bernard V.
Butchko, John, Jr.
Butsko, Frank
Butler, John M., Jr.
Byrne, Peter E.
Calta, Ronald F.
Campbell, Thomas E.
Campbell, William R., Jr.
Cargile, John W.
Carlon, Kenneth C.
Carlson, Keith E.
Carr, John D.
Carter, David A.
Carter, Kenneth L.
Casey, Conwill R.
Caskey, Robert D.
Castagnetti, Gene E.
Chance, James M.
Chapman, Jack A.
Chapman, Paul W.
Chavez, Lonnie S.
Church, Jorel B.
Coleman, Bobby L.
Coleman, Roland W.
Conger, William A.
Conlon, Anthony C.
Connell, Terence P.
Connor, Charles R.
Corriher, Charles R.
Coulter, Wayne F.
Cowart, Jerry J.
Cox, Edward V.
Crane, Roy L.
Craney, Dennis W.
Cregan, John C.
Curran, James E., Jr.
Currie, Herbert L.
Damon, Dennis E.
Davidson, Douglas M.
Davidson, Jerry R.
Davis, Charles E.
Davis, Donald E.
Debona, Andrew D.
Decker, Richard A.
Deforest, Roy E.
Delaney, Richard A.
Dennison, Raymond E.
Donald, Charles A., Jr.
Donegan, Frederick J.
Douglas, Francis H.
Douglas, Noel E.
Dow, Charles W.
Downard, Ronald E.
Drummond, John F.
Duke, Leiland M., Jr.
Dullaghan, John F.
Dunlevy, Raymond R.
Dunning, Clifford R.
Durrant, Stephen C.
Dzielski, Joseph J.
Eck, Christian J., Jr.
Edwards, Bob E.
Edwards, James E., Jr.
Edwards, Roy T.
Ehlert, Norman E.
Eikenbery, Tod A.
Emerson, Russel A.
Endert, Roger F.
Edwin, Gene B.
Erwin, Harold A.
Evans, Donald L.
Evans, Donnie C.
Farmer, Paul K., Jr.
Faught, Robert J.
Fehr, Kenneth A.
Fichthorn, Donald G.
Fish, Fredric L.
Flaherty, Richard A.
Foster, Joel R.
Franklin, George E.
Franz, Howard A.
Galizio, Joseph A.
Gallagher, Dennis O.
Gardner, Dayne G.
Garnish, Bruce A.
Garten, Ronald C.
Gatchel, Theodore L.
Gibson, Jon R.
Gott, Joseph E.
Granger, James H.
Greeley, Brendan M., Jr.
Gremmels, Nelson H.
Gresham, James W.
Griffin, James P.
Griggs, William R.
Grimes, Sidney B.
Gruhler, Jean A., Jr.
Guimond, Leon A.
Guinn, Richard L.
Hainsworth, John L.
Hamilton, Francis X., Jr.
Hampton, Glen L.
Hancock, David
Hand, Donald L.
Hanson, James
Harbison, Bobby L.
Hardiman, David W.
Harding, Francis W., Jr.
Haring, Joseph A.
Hart, James A.
Hart, William R.
Hartney, Alan H.
Harvey, Ellis R., Jr.
Hearney, Richard D.
Henderson, David G.
Henderson, James C.
Hendricks, John B.
Hershey, Francis G.
Hester, Mendle R.
Hilton, Roy G.
Holder, Kenneth M.
Holifield, Claude M., Jr.
Holm, Robert W.
Hooker, Glenn E., Jr.
Howell, Jefferson D., Jr.
Howle, George P.
Hubbard, Donald E.
Huckelbery, Charles T.
Hunter, Abram J., Jr.
Hyde, Wilton H., Jr.
Innerarity, Vernon E.
James, Douglas B.
Jesse, Clyde A.
Jessee, Robert G.
Johnson, Harry N.
Johnson, Herbert C.
Johnson, Kenneth D.
Johnson, Kenneth E.
Johnson, Robert F.
Johnston, Robert B.
Jones, John D.
Jones, Robert E.
Jones, Robert L., Jr.
Jones, Thomas E.
Jordan, Kenneth D.
Joyce, Robert W.
Julian, Wayne A.
Kalbfleisch, Kay C.
Kalimanos, August J.
Keeley, Robert M.
Kennedy, Frank J.
Kerney, James L.
Kilb, Roger E.
King, Blaine D.
Kirchner, Francis J.
Kline, Joseph F.
Knowles, Grover C.
Kummeth, Eugene P.
Lancaster, James E.
Land, Carlton E.
Larriva, Rene F.
Learnard, Robert P.
Lecornu, John
Lee, Gregory W.
Legge, Glenn F.
Lemay, Granville T.
Lenzini, Martin J.
Lewis, Frederick E.
Lewis, Richard B.
Linkonis, Bertram L.
Lochner, Richard E.
Long, Melvin H.
Lowe, Darrell M.
Lucas, Albert F., Jr.
Mack, Peter M.
Mahady, Frederick J., Jr.
Manco, Edward J.
Manning, Anthony E.
Marcantel, William E.
Maresco, Richard E.
Marks, David E.
Marshall, Robert C.
Marshall, Norman
Massman, Edward G.
Mastrion, Robert J.
Max, William J.
McAdams, William R.
McAlpin, Gary T.
McCaughan, Frederick A.
McClay, Thomas C.
McCurry, Kenneth D.
McDanal, Charles E.
McDonald, Lawrence J.
McDonough, James G.
McGaha, Dayle O.
McGowan, James D., Jr.
McGraw, Bernard J.

McHugh, Jack D.
McKeown, Thomas K.
McNamara, John J.
Meadows, Charles L.
Miller, David F.
Miller, Jerry L.
Miller, Richard P.
Mills, William F.
Mitchell, Charles H., Jr.
Mitchell, Christopher R.
Mitchell, Hubert
Mitchell, Neil F.
Mitchell, Robert L.
Mitchell, Robert W., Jr.
Montague, Paul J.
Moody, Joe D.
Moore, Alfred H.
Moore, Allen R.
Morgan, Jerry L.
Moriarty, John B.
Morgan, Patrick J.
Mossey, Thomas E.
Mulherin, Byron J., Jr.
Mullen, John J., Jr.
Mulligan, August H.
Nance, Herbert T., Jr.
Nastri, Anthony D.
Needham, James S.
Neely, Ives W., Jr.
Negron, William P.
Nelke, Herbert
Nelson, Jimmie C.
Neyman, James L.
Norred, Caldwell V., III
O'Connell, John M.
Ogle, Larry R.
Ogline, Fred E.
Olive, Holland W.
O'Neill, Robert R.
Pace, Ray T.
Pacello, Francis D.
Palumbo, Fred J.
Paquette, Joseph R. R.
Parker, Gary W.
Parr, Walter O., Jr.
Peet, Alva E., Jr.
Pelott, Robert O.
Phelan, Harold J.
Phillips, Richard L.
Pilcher, Roger P.
Pilley, John C.
Pitts, Thomas E.
Plowman, Floyd C., Jr.
Pollard, Raymond L., Jr.
Posey, Herbert F.
Pospisil, David L.
Price, Donald L.
Queen, Robert A.
Rakow, William M., Jr.
Raymond, John W.
Regal, John E.
Reilly, Edmund W.
Rengel, Gregory A.
Reuschling, Richard R.
Rich, Michael E.
Rickmon, James E.
Rigby, Charles S., III
Risler, Eugene S., III
Roberson, Clifford E.
Roberts, Morris R.
Robinson, Jean O.
Roman, Joseph G.
Rose, Robert M.
Ross, Larry H.
Rothwell, Richard B.
Rountree, Neal T.
Rowe, Peter J.
Ryan, David J.
Sambito, William J.
Satcher, Don C.

Scanlon, Michael F.
Schwarz, Richard G.
Scott, Denver D.
Shaffer, Paul T.
Shapiro, Bruce L.
Sharp, Harry F., Jr.
Shaver, Carl A.
Sheehan, Robert J.
Shelton, Charles H.
Shelton, Kenneth E.
Shepherd, James A.
Shirley, Jerry C.
Sinclair, Cloyce E.
Sirotniak, John S.
Sketoe, James G.
Skierkowski, Walter H.
Skultety, Edward S.
Slack, Willard E.
Sligar, Howard B., Jr.
Smart, Raymond F.
Smith, Charles R., Jr.
Smith, Paul J., Jr.
Snyder, William F.
Soderstrom, Frank R.
Spaith, James A.
Speicher, John A.
Sperry, Burton P., III
Spivey, John W.
Stebbins, Edgar R.
Stewart, Richard L.
Stocking, Roy J., Jr.
Sucha, Joseph J., Jr.
Sullivan, Michael V.
Sullivan, Thomas C.
Tait, Glenn S.
Tanksley, Lawrence E.
Tavis, Augustus T.
Taylor, Arthur J.
Taylor, Kenneth T.
Thomas, Sidney E.
Thoreson, Bruce D.
Tiebout, Robert A.
Trumpfheller, Robert C.
Tuckwiller, Frank W.
Underwood, Joseph E.
Urban, Luke J.
Valentine, Igor R.
Vanderberg, Paul A.
Vanhorne, Charles W.
Vann, Hugh M., III
Vanorden, George M.
Vargas, Jay R.
Vazquez, Amilcar
Vermilyea, Clyde L.
Vincent, William T.
Warren, Robert T.
Warren, William R.
Wastila, George M., Jr.
Waters, Francis A.
Weare, John C.
Weede, Richard D.
Wehrung, Malcolm W.
Weingarten, Julian A.
West William H., Jr.
Westhoff, William H.
Wheeler, Carl B.
White, William H.
Whittelsey, Arnold G.
Whisler, Theodore L.
Whitfield, George A.
Wieden, Clifford, Jr.
Williams, John A.
Williams, John A.
Williams, Thomas, Jr.
Wills, Duane A.
Wilsmann, William K.
Winn, Paul C.
Winter, Donald T.
Winters, John W., Jr.
Winther, Joseph C.
Wold, Thomas H.
Yarnell, James H.
Zimmerle, Harvey L.
Zimmerman, Ralph A.

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Blunk, William D., Jr.
Leach, Duane L.

The following-named officers of the Marine Corps for temporary appointment to the grade of captain:

Goodwin, George G., III
McLean, David S.
Moyer, John J.

Mullen, Richard S.
Sukow, Jim J.
Zinger, Charles E.

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant:

Anderson, Robert G.
Archibald, Stephen V.
Bailey, David O.
Baughman, Dale T.
Beale, Frederick T., Jr.
Beck, David L.
Bell, Robert L.
Berger, Stephen E.
Biddle, Robert M., Jr.
Blankenhorn, Rex P.
Blose, Robert B., Jr.
Bowen, Thomas W.
Braddy, James C.
Brassell, James R., Jr.
Browning, Darrell A.
Buck, Everett R., Jr.
Butler, Aaron X.
Byrd, Charles T.
Campbell, James A.
Card, Thomas J., Jr.
Carney, Thomas P., Jr.
Carroll, Denis
Cartwright, James E.
Cavallaro, Richard C.
Chambers, Stephen W.
Chaney, Christopher H.
Cieszko, Martin G.
Clendenin, Johann A.
Clough, Michael F.
Coffin, Arthur H.
Cole, Raymond
Collins, James T.
Colten, Russell C.
Connolly, Bartholomew, Jr.
Conroy, George M.
Cotton, Phillip E.
Craig, Alan S.
Cross, John A.
Cruthfield, Jack C.
Cucina, Patricia E.
Davis, Philip A.
Degen, Carl W., Jr.
Devaney, Thomas A.
Dian, S. George
Dockery, Charles L.
Downing, Stephen E.
Duggan, Francis G.
Durham, Jan M.
Ennis, Michael E.
Evans, James E., Jr.
Fellman, Elliott D.
Fenlon, Paul M.
Feuerriegel, John K.
Fleming, Donald L., Jr.
Fliszar, John N.
Franke, David B.
Fogel, Dennis R.
Garvin, John R.
Gault, Howard L.
Goodman, John F.
Grant, Wyatt W., III
Green, Walter J., Jr.
Hall, Johnny J.
Hamilton, Philip T.
Harm, Gregory L.
Harrigan, Michael P.
Hernandez, Maria T.
Herstead, John W.
Hield, Roger A., Jr.
Hoffman, James C.
Holzmann, James C.
Hood, Joel P.
Howard, Michael W.
Huck, Richard A.
Huckabee, Eric G.
Hudson, Timothy P.
Hughey, Phillip W.

Hurst, Thomas G.
Inghram, Richard B.
Johnson, Robert D.
Kadyszewski, Terrence W.
Kaminski, Thomas D.
Kappel, Henry W.
Kincaid, Winfred T.
Kingham, James R.
Kippen, Roderick M.
Komen, Peter J., III
Kroeger, Paul R.
Lachapelle, Wilfred A.
Larkin, Patrick R., Jr.
Ledford, James
Leon, Paul J.
Lewis, Bonnie J.
Lewis, David A.
Linder, Donald A.
Lott, Douglas E.
Marlin, Kenneth B.
Mattis, James N.
McGee, James B.
McGuire, Bernard J.
Meeler, Patricia A.
Merrill, Bruce E.
Michaux, Randolph M.
Miller, Patricia A.
Mize, Donald T.
Montroy, Jo A.
Morga, Dennis A.
Morgan, George W.
Nasby, Robert S.
Nesslage, Roger L.
O'Boyle, Michael W.
O'Boyle, Patrick D.
O'Connell, Timothy R.
Odle, Marion L.
Ohls, Gary J.
Parish, Fred D.
Penrod, Roger E.
Pernal, Edward A., Jr.
Pittman, Lonny D.
Poole, Jerry L.
Pratt, Preston P., Jr.
Quigley, Kenneth W.
Reavis, Thomas A.
Reed, John W., Jr.
Rees, Thomas J.
Rineer, Francis D., Jr.
Rippy, Roger L.
Romagna, Russell A.
Roraff, Ralph W.
Rose, David W.
Royal, David E.
Rueger, Ronald L.
Sanchez, Juan B.
Santos, Thomas A.
Sbrocco, William H., III
Scalise, Teryl W.
Scannello, Frank J.
Schneider, Robert L.
Schultz, Mark P.
Seeley, Michael J.
Seiler, Wayne H.
Shipley, John F.
Shoaf, Peter J.
Sigler, William M., III
Silvestri, Mark S.
Simon, Glenn D.
Skadowski, Robert B.
Smith, Michael D.
Sollis, John B.
Stewart, Nelson H.
Stone, Donald S.
Strock, James N.
Sutherland, Bonni L.
Tamayo, Rudolph L., Jr.
Taxis, Gene F.
Tempone, John A.
Terry, William G.
Thayer, Jeffrey E.
Thomas, Clayton R.
Thornell, John F., III
Touney, Michael R.
Turner, David J.
Ward, Robert P.
Wemlinger, James J.
West, Richard D.
Wetherill, Gary T.
Whitehead, Robert S.

Wilk, James H.
Williams, Cromwell O., Jr.
Williamson, William J
Wilt, Edward D.
Wines, Gary F.
Wise, Larry V.
Woods, Jack G.
Worthington, Larry K
Wright, Roger J.
Young, Robert L.
Young, Stewart G.

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant:

Aldridge, Michael E.
Ancellotti, Martin B.
Anderson, Charles A.
Archbell, James B.
Armstrong, Brian S.
Bach, Robert M.
Bailey, Martin P.
Bailey, Ronald L.
Barnett, Edwin C.
Barrow, Theodore H.
Barry, Richard M.
Barton, John E.
Beauchamp, Bill R.
Birren, James M.
Bolles, Elmer S.
Bolnker, Bruce K.
Borek, Robert W., Jr.
Botkins, William F.
Bouton, Stephen F.
Bray, Philip E.
Broussard, Allen D.
Brown, Mary L.
Burgener, Michael A.
Bussiere, James A.
Carroll, Michael E.
Caufield, Gail S.
Clark, Michael J.
Collopy, William F.
Creswell, Lyn L.
Cummins, Thomas J.
Davis Andrew L.
Debernardis, Amo R.
Denison, Alan G.
Deremiah, Richard E.
Donaghue, Robert S.
Driggs, Susen A.
Dunsmore, Billy D.
Eckel, Dana A.
Efird, Thomas C.
Ehler, Thomas C.
Enos, Joseph P.
Evans, Barry D.
Farina, Daniel C.
Feldhoelter, Dennis G.
Fitzgerald, Michael J.
Foley, Timothy H.
Gardner, Emerson N., Jr.
Gevock, James R.
Grabow, Chad L.
Graham, Gerold W.
Grimes, James S., Jr.
Gunn, Max G.
Gwin, David P.
Haden, Gerald L.
Haffey, William J.
Halse, Darrell F.
Harler, James A.
Hartenstein, Neil T.
Hattaway, John D.
Helle, Ronald B.
Houston, James F.
Huff, William T., Jr.
Hunt, Robert L.

Ingram, Daniel C.
Jones, Homer
Keenan, John A.
Kosnik, Thomas J.
Krout, Wayne E.
Larson, Mark S.
Lecander, Don R.
Leggett, Lawrence E.
Loomis, Barbara J.
Loomis, Gilbert B.
Lyons, Glen G.
Manning, Michele
Martin, William F.
May, Wesley F.
McSpadden, Daniel W.
McAndrew, John D., Jr.
Montgomery, Monte G.
Moore, Bertram E., Jr.
Morris, Richard R.
Nelson, Rex E.
Nielsen, Clark C.
Norman, Dennis E.
O'Geary, Dennis P.
O'Neill, James L.
Orlando, James V., III
Palmquist, Charles J.
Patrick, Wayne A.
Patton, Roger C.
Pianitza, William J.
Pipho, John R.
Ralston, Cecil E.
Rhoads, Ronald R.
Rogers, Theron D.
Rollings, Summer J.
Ross, Christopher J.
Rothell, Richard K.
Sanford, Fay G., Jr.
Schmaus, Gordon K.
Sellers, Walter S.
Skaggs, Robert W.
Smith, Charles R., III
Smith, Guilford V., Jr.
Snyder, Carl E.
Spencer, Wayne A.
Spurgeon, Marc A.
Stalder, Keith J.
Stegmann, Dennis L.
Stephens, Frank D.
Stillings, Clayton E.
Street, John S.
Streitz, Joseph J.
Thoman, Mark C.
Thompson, Gregory E.
Thorton, John D.
Vandoren, Steven K.
Webb, Randell A.
White, Allen K.
Williams, Herlis A., Jr.
Wilson, Frances C.
Wilson, Gregory V.
Wilson, Paul T.
Wolfertz, Robert T.
Wood, Douglas L.
Wood, Franklin P.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer W-4:

Allen, Lloyd, Jr.
Aguilar, Frederick
Anderson, Kleve L.
Ballance, Samuel M., Jr.

Bates, Joseph F.
Bentley, Harry L.
Billick, Robert M.
Boedefeld, Ralf R.
Brown, Harry A., Jr.

Bruch, John N.
Burtscher, Johnnie D.
Bushey, Charles J.
Campbell, Charley M.
Carlton, Eugene E.
Carmody, Edward E.
Caylao, Alex H., Jr.
Chatelle, Louis A., Jr.
Cipolla, Henry J.
Constantine, Stephan L.
Crews, Ellis L.
Damon, Carl B.
Darnell, James M.
Darner, Trever E.
Darracott, John F.
Davis, Vaughn C.
Dierker, Henry A.
Dimaio, Edward
Dodge, Ronald L.
Drummond, Ronald F.
Dufriend, James M., Jr.
Fischer, Harold R.
Fitzpatrick, Jimmy D.
Fletcher, Fredric L.
Frost, Jack A.
Fry, William R.
Fyles, William A.
Garris, Rhyne E.
Greisen, Bruce R.
Guelich, James H., Jr.
Haines, Edward R.
Haughley, Lorell J.
Hebert, Allen J.
Hedrick, Charles T.
Heitzman, Larry G.
Heller, Frederick P.
Hemlepp, William M.
Howard, Donald L.
Hoyos, Carlos E., Jr.
Jones, George E., Jr.
Jones, Reginald L.
Jonio, Phillip E.
Kearley, Arthur M.
Keith, Ray A.
Kemick, Gerald T.
King, Ben W.
Knepp, William E.
Krantz, Everett W.
Lambert, Leon
Lanis, Howard G.
Larson, Duane D.
Loehr, Curtis J.
Long, Boyzy C.
MacPherson, Ray D.
Mason, Wayne B.
Massey, Allen W.
Mathews, Layton E.
Mathis, Don E.
Mathys, Dale A.
McAfee, Marvin K.
Mcgraw, John J.
Meyers, Richard B.
Miller, Don P., Jr.
Moore, Theodore M.
Mort, James H.
Murphy, Michael W.
Murphy, Peter B.
Oakes, Milford A.
O'Connor, George E.
O'Shields, Tommy S.
Panknin, James D.
Pettit, Kenneth E.
Pitts, Robert D.
Posthuma, Henry
Quest, Herman W.
Quill, Lewis R.
Raines, Arvel H.
Reeves, Walter A.
Rembish, Stanley J., Jr
Rhodes, Larry E.
Richmond, Arthur D.
Ring, Paul E.
Robertson, Emmett L.,
Roettger, Raymond J.
Russell, John H.
Sanford, Eugene D.
Satterfield, Marion G.
Scheller, Leroy A., Jr.
Sheridan, Thomas J.
Simmons, Warren A.
Smith, Donald J.
Snooks, Donald J.
Sojourner, Fletcher B.,
Sousa, Ronald L.
Stanford, T. J.
Stewart, James N.
Stoops, James M.
Stringer, Walter E., Jr.
Strewe, Lawrence T.
Swisher, Charles E.
Thomas, Stanley B.
Toney, Edgar A.
Tucker, Fred, Jr.
Tucker, Robert B.
Vanhoose, Donald L.
Voltz, Richard A.
Wallace, William J., Jr.
Ward, Joseph E.
Watts, Avron J.
Whitehurst, Charles B.
Wilcoxen, Edward E.
Wileman, Charles R.
Williams, Wilbur C.
Wise, Richard D.
Worley, Bascom C. S.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer W-3:

Achten, Ronald
Adams, Carmen
Aldrich, David S.
Allinger, Robert E., Jr.
Allingham, James L.
Ambrose, Constantine G.
Anderson, Joseph N.
Armstrong, Russell P.
Ash, James B.
Avey, Glenn R.
Bacon, Welles D.
Bahr, Wayne D.
Baldwin, Claude R., Jr.
Barber, Robert, Jr.
Barton, Charles H., Jr.
Bender, Ronald L.
Bennett, Charles S.
Berrios, Illuminado, Jr.
Bezoenik, Neal S.
Blake, Robert L.
Bolick, Gerald J.
Bostwick, Robert W.
Boucher, Henry C., Jr.
Bourne, Lescoe R.
Box, Frank E.
Braun, Donald B.
Brewer, Francis W., Jr.
Browning, Victor E., Jr.
Bryant, Murray W.
Burke, Bernard C.
Burnham, Thomas R.
Byrne, William G., Jr.
Campbell, Billy R.
Caroway, Donald L.
Carr, Francis J.
Casterline, Ray A.
Cauble, John D., Jr.
Caulfield, Robert J.
Chovanec, Barbara J.
Christian, Bartley W.
Chronister, Hershel G.
Clark, Owen D.
Clarke, Michael J.
Clifton, Rayburn S., Jr.
Coccovaldez, Jose T.
Collette, James E.
Cope, Garnet E.
Corcoran, Robert R.
Corderotorres, Jose N., Jr.
Corley, William B., Jr.
Corpus, Lazaro, Jr.
Cothran, James A.
Cotton, Harry S.
Cox, William H.
Craig, Hilton, Jr.
Creech, Oscar E., Jr.
Danley, Douglas J.
Davis, Kenneth V.
Dearman, Louis D.
Dobson, Jesse A.
Dodd, Howard G.
Draper, Steven J.
Driggers, Samuel E.
Edwards, Sidney B.
Embesi, Robert D.
Ethington, Riley S.
Evans, Jack H.
Fazio, Michael D.
Ferguson, Bobby L.
Ferguson, Harold D.
Ferko, Charles L.
Ferrell, Roy A.
Fincher, Nelson R.
Floyd, Joe M.
Fraizer, Ronald R.
Francis, George M.
Galvin, Donald L.
George, William C.
Gibbons, Craig D.
Goller, Robert L.
Gordon, Ellwood D.
Gucket, Edward B.
Gutierrez, Pedro
Hageman, Arnold S.
Hanson, Donald L.
Hanscom, Gerald E.
Haskins, James E.
Hatfield, Joseph B.
Henry, Harold L.
Henry, John D.
Herpy, Donald L.
Hicks, Herbert O., Jr.
Higginson, Francis A.
Higgs, William A., Jr.
Hoffman, Paul R.
Hopkins, Julius B.
Humeston, Bobby E.
Humphrey, Edward W.
Hutchinson, Holland C.
Immings, Barton E.
Jackson, Lowell B.
Johnson, Arthur L.
Jones, Ronald L.
Kamplain, Gene C.
Keith, Harold A.
Kelly, Joseph E.
Kennedy, Michael B.
King, Carl E.
King, Thomas F., Jr.
Kittilstved, Ray
Kochuba, Joseph
Kramvik, Leroy A.
Krebs, George D.
Kunkle, Raymond L.
Kuykendall, William A.
Ladnier, Ronald R.
Lafreniere, Aurel E.
Lane, Donald A.
Laws, Thomas L.
Lem, Juan M.
Lewins, Donald C.
Lewis, Babre
Long, Donald C.
Lorenz, Roger L.
Lynch, Patrick J.
Magllan, Jose
Malone, Paul L.
Marcucci, John R.
Maroney, William T., III
Martin, Harold T.
Mattox, Aove E.
Mauldin, Roger L.
Miller, Robert M.
McGill, Bryan M.
McLean, James F.
McRae, James R., Jr.
Meadors, William D., II
Miller, Daniel E.
Milton, William F., Jr.
Morris, Earl F., Jr.
Morris, Thomas W.
Muschette, James, Jr.
Myers, Louis
Newman, Ronald C.
Nickels, William G.
Nowicki, John A.
Ochoco, Sam G.
Odell, Jerry W.
Parisi, Joseph N.
Peterson, Roger B.
Peterson, Ronald J.
Pullin, Jesse P.
Quallen, Francis B.
Quinn, Paul F.
Rhoads, Virgil G.
Rice, Gordon A.
Richardson, Carl S.
Rizzo, Joseph F.
Roberts, Richard J.
Robinson, Dorsey, Jr.
Roden, Charles R.
Roman, Ramon, Jr.
Roquemore, Robert A.
Rossano, Paul A.
Ryan, James F.
Salamack, Stephan C.
Saunders, Dale F.
Sawin, Peter B.
Scanlon, Eileen R.
Schaffer, Frederick W.
Schell, John L.
Schrider, William F.
Schuette, Walter R.
Sellers, Thomas R.
Shafer, Jimmie R.
Shreve, William F., Jr.
Shanklin, Michael L.
Simpson, Edwin P., III
Simpson, Theron, Jr.
Skinner, Lloyd L.
Slaughter, Thomas L.
Slavin, Francis C., Jr.
Sloan, Robert R.
Smith, Charles L.
Southard, Alan J.
Stafford, Herbert B.
Stevens, Patrick L.
Stewart, John F.
Stoltz, Kimble H.
Strawser, Robert L.
Stricklin, Richard C.
Stutler, Robert R.
Taylor, Bobby G.
Taylor, Robert E.
Thomas, Gary G.
Thomas, James M.
Towers, Frank C.
Tracy, Terry N.
Turner, James A.
Vance, Larry F.
Vincent, Robert L.
Weadbrock, Kenneth E.
Webb, Jesse L.
Webb, Ronald E.
Wildgrube, Wayne D.
Williams, Clarence F.
Williams, Gene, R., Sr.
Williams, George T.
Williams, Leroy
Willis, Gaines L.
Wilson, Joseph C.
Windsor, Bruce M., Jr.
Woinoski, Stanley G.
Woodruff, James E., Jr.
Wynnyk, Barbara A.
Yantorn, James J.
Yoerk, Richard L.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer W-2:

Aaron, Garland G.
Alger, Duff. E.
Allen, George R.
Amoroso, Daniel L.
Bancroft, Alfred M.
Baxley, Jerry
Beard, Joseph F.
Bookhardt, Henry
Borowitz, Thomas J.
Bouffard, Roger L.
Boyd, Joseph S.
Bressette, Bernard L.
Brown, Calvin D.
Brown, Charles L.
Brown, Lemuel F.
Burroughs, Joseph B., Jr.
Carver, David A.
Cieplowski, Virgil S.
Class, George N.
Cline, Paul L.
Collier, Michael L.
Combs, Willie L.
Conner, James R.
Creech, Joseph H.
Czaikoski, Stephen H.
Czosnyka, Ronald J.
Damewood, Walter W., Jr.
Davenport, John W.
Deberry, Mickey L.
Doggett, Donald L.
Douglas, Donald D.
Eply, Stephen A.
Estrada, Sergio E.
Farley, William C.
Farmer, Robert D.
Filla, Paul T.
Flanagan, Robert W.
Flihan, Frederick J.
Gaston, Michael W.
Gaulin, George V.
Geiger, Richard L.
Giglia, Alfonso N.
Goolden, David L.
Grossnickle, Robert E.
Gutierrez, Elias
Hamm, Michael D.
Hannappel, Michael R
Harrold, Michael J.
Heelem, Peter
Helms, Tony A.
Henry, Marvin W.
Hopton, Raymond F.
Hunter, Martin L.
Hurst, Douglas M.
James, Richard E.
Jewell, James E. L.
Johnson, James I.
Johnson, Martin B.
Jones, Charles L.
Jones, Joseph M.
Jungwirth, Kenneth J.
Kalman, Helmut J.
Kaonohi, Alexander K., Jr.
Klepetka, Linda A.
Klepper, Paul Jr., II
Knight, Chester E.
Leiston, Robert J.
Linam, James A.
Livensparcer, Stuart A.
Livingston, Jerome E.
Lloyd, James R.
Lofton, Morgan J.
Lopez, Homero R.
Long, John E.
Long, Paul E., Jr.
Mackie, Merle E., Sr.
Masse, Joseph A. R.
Massey, Ronald A.
McGrath, Gary L.
McKinney, Francis W.
McMahon, Bruce A.
Miller, Edwin D.
Moore, Robert H.
Moorehead, Robert E.
Mosman, Thomas W.
Mullins, Daniel S.
Myers, Clarence E.
Neu, Melvin P.
Noel, John B.
O'Connell, Daniel J.
Patch, Bradley P.
Pineda, Ralph A.
Polanco, Geronimo, Jr.
Price, Wallace N., Jr.
Randler, Howard W.
Ricker, Ralph J.
Robinson, Lloyd A.
Rodney, Marvin C.
Rolle, Castell S., Jr.
Romero, Charles R.
Rook, Ronald P.
Rosanelli, Louis L.
Rothwell, John W., Jr.
Rowe, David T.
Rowinsky, Bob A.
Sandlin, Robert E., Jr.
Sanford, Thomas H.
Santacruz, Javier, Jr.
Scanlon, Donald L., Jr.
Shane, Fred J.
Sheppard, William H.
Sherry, Charles K., Jr.
Smith, Charlie F.
Smith, Lyle W.
Simmons, Gary G.
Sofranac, Paul
Stannard, Clinton D.
Sterling, Thomas S.
Strickland, Joseph E.
Sunn, Steven E.
Tampleton, Doyle W.
Thomas, James E.
Thomas, Wesley L.
Thompson, Charles E.
Tootle, Garvin O.
Torres, Felipe
Twilliger, Wayne G.
Tyler, Herman K., Jr.
Venegas, David
Vickers, William D.
Walker, Francis R.
Walsh, James T.
White, Gerald L.
White, Lawrence, Jr.
Whittaker, William E., Jr.
Wiggins, Donald E.
Wilson, Leonard D.
Winchester, John D.
Wing, John C.
Wolf, W. L.
Wood, David R.
Young, Billie

HOUSE OF REPRESENTATIVES—*Monday, February 3, 1975*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. O'NEILL.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
February 3, 1975.

I hereby designate the Honorable THOMAS P. O'NEILL, Jr., to act as Speaker pro tempore today.

CARL ALBERT,
Speaker of the House of Representatives.

PRAYER

Rev. John H. Traylor, Jr., pastor of the First Baptist Church, Gulfport, Miss., offered the following prayer:

Our Father, we claim Thy promise, *Call upon Me and I will answer thee and show thee great and mighty things, which thou knowest not.*

We are confused and divided because of our sins. But Thou art merciful and gracious and allwise. Forgive us, we pray. Do whatever is necessary to turn us unto Thee as a people.

We pray individually for each Representative. They are ministers of Thine to whom we owe tribute and honor.

Bless them, we pray, in every area of life. May they have grace to transform their stumbling blocks into steppingstones.

Give them wisdom to know right and the courage to do it.

In Jesus' name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

DR. JOHN TRAYLOR

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, it is my pleasure to welcome to the House today Dr. John Traylor, of Gulfport, Miss. Dr. Traylor received his bachelor of science degree from Louisiana Polytechnic Institute and subsequently received his doctorate from Baptist Theological Seminary in New Orleans. He is now pastor of the First Baptist Church in Gulfport, where he is serving in his seventh year. Dr. Traylor is one of the most outstanding religious leaders in the area.

One of the things that has impressed me about Dr. Traylor's work is his efforts to reach young people in a modern world. One of the great needs today is for the church and its leaders to relate to the times. Dr. Traylor and his church fulfill that need.

As this country begins to return to the basic principles of free enterprise, democracy, and a strong religious foundation that made it great, men like Dr. John Traylor will show the way.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. O'NEILL). Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 9]

Abzug
Adams
Ambro
Andrews, N.C.
Ashley
Badillo
Barrett
Baucus
Beard, R.I.
Bell
Biaggi
Blouin
Bolling
Brademas
Breaux
Brinkley
Burton, John
Byron
Carney
Chisholm
Cleveland
Collins, Ill.
Conte
Conyers
D'Amours
Dellums
Dent
Derwinski
Diggs
Dodd
Downey
Downing
Duncan, Oreg.
Du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Fenwick
Fithian
Flynt
Foley
Fraser
Giaimo
Gibbons
Gilman
Gradison
Harrington
Harsha
Hébert
Heckler, Mass.
Helstoski
Hightower
Hillis
Holtzman
Howe
Hubbard
Hyde
Jarman
Jenrette
Jordan
Keys
LaFalce
McClory
McCloskey
McCormack
McKay
Macdonald
Madden
Madigan
Maguire
Mann
Matsunaga
Milford
Mills
Minish
Mitchell, Md.
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Nix
Obey
O'Hara
Pattison, N.Y.
Pepper
Peyser
Pike
Railsback
Randall
Rangel
Regula
Rhodes
Riegle
Roncalio
Rosenthal
Rostenkowski
Ryan
St Germain
Sarasin
Scheuer
Shuster
Skubitz
Snyder
Solarz
Spellman
Staggers
Symington
Taylor, Mo.
Taylor, N.C.
Tsongas
Udall
Ullman
Waxman
Wydler
Young, Ga.
Zeferetti

The SPEAKER pro tempore. On this rollcall 311 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE BUDGET MESSAGE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–21)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed with illustrations:

To the Congress of the United States:

The year 1976 will mark the bicentennial of this country. With this budget we shall begin our third century as a Nation.

In our first two centuries we have developed from 13 struggling colonies to a powerful leader among nations. Our population has increased from three million to more than 213 million. From a simple agricultural society we have grown into a complex industrialized one.

Our Government—and its budget—have grown with the Nation, as the increasing complexity of modern society has placed greater responsibilities upon it. Yet our society has remained free and democratic, true to the principles of our Founding Fathers.

As we approach our third century as a Nation, we face serious economic difficulties of recession and inflation. I have a deep faith, however, in the fundamental strength of our Nation, our people, our economy, and our institutions of government. I am confident that we can overcome today's challenges as we have overcome others in the past—and go on to greater achievements.

My budget recommendations are designed to meet longer-term national needs as well as immediate, short-run objectives. It is vital that they do so. Because of the size and momentum of the budget, today's decisions will have far-reaching and long-lasting effects.

The recommendations set forth in this budget are an integral part of the broader series of proposals outlined in my State of the Union address. These proposals provide for:

—fiscal policy actions to increase purchasing power and stimulate economic revival, including tax reductions and greatly increased aid to the unemployed;

THE BUDGET AT A GLANCE

[In billions of dollars]

Item	1974 actual	1975 estimate	1976 estimate	Transition quarter
Receipts	264.9	278.8	297.5	84.4
Outlays	268.4	313.4	349.4	94.3
Deficit (−)	−3.5	−34.7	−51.9	−9.8

—a major new energy program that will hold down energy use, accelerate development of domestic energy resources, and promote energy research and development;

—an increase in outlays for defense in order to maintain preparedness and preserve force levels in the face of rising costs;

—a one-year moratorium on new Federal spending programs other than energy programs; and

—a temporary 5% ceiling on increases in pay for Federal employees, and on those benefit payments to individuals that are tied to changes in consumer prices.

These policies call for decisive action to restore economic growth and energy self-reliance. My proposals include a one-time $16 billion tax cut—$12 billion for individual taxpayers and $4 billion for businesses—to stimulate economic recovery.

Total Federal outlays are estimated to increase 11% between 1975 and 1976. It is essential that we keep a tight rein on spending, to prevent it from rising still further and making tax reduction imprudent. I believe that tax relief, not more Government spending, is the key to turning the economy around to renewed growth.

I regret that my budget and tax proposals will mean bigger deficits temporarily, for I have always opposed deficits. We must recognize, however, that if economic recovery does not begin soon, the Treasury will lose anticipated receipts and incur even larger deficits in the future.

My energy program calls for an increased fee on imported oil, and an excise tax on domestically produced petroleum and natural gas. The proposals also call for decontrol of oil prices—coupled with a windfall profits tax—and deregulation of prices on new natural gas. These measures will discourage excessive energy use and reduce our dependence on imported oil. The $30 billion in receipts these measures will produce will be refunded to the American people—refunded in a way that helps correct the distortions in our tax system created by inflation. Special provisions will ensure that low-income Americans and State and local governments are compensated equitably. All of these compensatory measures will be in addition to the $16 billion in tax relief I have proposed.

My budget recommendations provide for total outlays of $349.4 billion in 1976, an increase of $35.9 billion over 1975, and anticipate receipts of $297.5 billion, an increase of $18.8 billion over 1975.

The Congressional Budget and Impoundment Control Act of 1974 provides for major reforms in the budget process. As part of these reforms, it changes the fiscal year for the Federal budget from the present July-through-June basis to an October-through-September basis, beginning with the 1977 fiscal year. This requires that there be a separate transition quarter, extending from July through September of 1976, after fiscal year 1976 ends and before fiscal year 1977 begins. Estimates for the transition quarter are included in this budget. In general, they anticipate continuing the 1976 program levels unchanged for the additional three months. Because outlays and receipts vary seasonally—that is, they do not occur at uniform rates during the year—the estimates for this quarter (and particularly the deficit) are not representative of a full year's experience.

THE BUDGET AND THE ECONOMY

If the Congress acts decisively on the new policies I have announced in my State of the Union address, and if we exercise reasonable patience and restraint, we can go far toward solving the broad range of economic problems our Nation now faces.

It must be clearly understood that these problems are serious and that strong remedies are fully justified. The economy is now in a recession. Unemployment is far too high and productivity has declined. At the same time, inflation, a serious and growing problem for nearly a decade, continues to distort our economy in major ways. Underlying these problems is the fact that we are far from self-sufficient in energy production, and even with the measures I have proposed, regaining the capacity for self-sufficiency will take years to achieve. Imported fuel supplies have been interrupted once and remain vulnerable, and oil prices have been increased fourfold.

The increased unemployment and continued price increases from which we now suffer are problems we share with much of the rest of the world. The roots of these problems are complex. The steep rise in the price of imported oil, for example, while directly increasing prices, has also acted like a tax increase by reducing the real income of American consumers and transferring that income to oil exporting countries. Lower real incomes, combined with consumer resistance to rising prices, has reduced the demand for goods in the American marketplace. Such factors, superimposed on the inevitable slowdown in economic growth following the boom of 1972–73, underlies the recession we are now in.

The weakening of consumer demand and investment, in turn, is beginning to exert a dampening effect on price and wage increases. Thus, inflationary pressures are already beginning to recede and are likely to continue to do so. The one-time increase in fuel costs needed to constrain excessive energy usage will not reverse this basic trend.

Aiding economic recovery.—In view of this situation, I have proposed a $16 billion rebate of personal and corporation income taxes that will help reduce unemployment without rekindling inflation. This tax cut will contribute to deficits, adding $6 billion in 1975 and $10 billion in 1976.

Aside from the effects of the proposed tax reduction, the deficits anticipated for 1975 and 1976 are in large part the result of those aspects of the budget and the tax system that respond automatically to changes in the economy. When an economic slowdown occurs, Federal tax collections slow down more than incomes and profits do, and unemployment benefit payments rise sharply. These factors tend to cushion the economic downturn and help sustain individual and corporate incomes.

These stabilizing influences are substantial. If the economy were to be as fully employed in 1976 as it was in 1974, we would have $40 billion in additional tax receipts, assuming no change in tax rates. Aid to the unemployed, including the special measures I proposed and the Congress enacted last December, will be $12.7 billion larger in 1976 than in 1974, providing income support for 14.7 million beneficiaries and their families. In 1975, receipts would be $30 billion higher and aid to the unemployed is up $9 billion over 1974. These factors alone more than account for the deficits expected in both 1975 and 1976.

THE BUDGET TOTALS

[In billions of dollars]

Description	1973 actual	1974 actual	1975 estimate	1976 estimate	Transition quarter estimate
Budget receipts		264.9	278.8	297.5	84.4
Budget outlays		268.4	313.4	349.4	94.3
Deficit (−)		−3.5	−34.7	−51.9	−9.8
Budget authority		313.9	395.1	385.8	88.2
Outstanding debt, end of fiscal period:					
Gross Federal debt	468.4	486.2	538.5	605.9	616.8
Debt held by the public	343.0	346.1	389.6	453.1	465.5

Description	1973 actual	1974 actual	1975 estimate	1976 estimate	Transition quarter estimate
Outstanding Federal and federally assisted credit, end of fiscal period:					
Direct loans—on budget	44.2	46.1	46.2	49.6	NA
Direct loans—off budget	13.2	15.4	30.8	39.8	NA
Guaranteed and insured loans [1]	146.9	153.2	154.0	161.7	NA
Government-sponsored enterprise loans [2]	54.8	71.1	86.0	94.7	NA

[1] Excludes loans held by Government accounts and special credit agencies.

[2] See table E-10 in Special Analysis E. Federal Credit programs, published in a separate volume.

The Government must act decisively to help restore economic health, and act compassionately to aid those most seriously affected by unemployment. It does not make economic sense to insist on cutting a dollar out of the budget for each dollar of tax receipts lost just because of decreases in incomes and profits resulting from the economic downturn. Nor does it make sense arbitrarily to offset each dollar of increased aid to the unemployed by a reduction elsewhere in the budget.

Last October, I proposed a National Employment Assistance Act, which provided for liberalized unemployment benefits and coverage and for more public employment. Congress has since enacted, and I have signed into law, two employment assistance acts derived from my proposals. One of these measures, the Emergency Jobs and Unemployment Assistance Act, provides unemployment benefits to workers not covered by the regular unemployment insurance system and provides increased job opportunities in the public sector. The other measure, the Emergency Unemployment Compensation Act, extends the length of time that workers covered by the regular unemployment insurance system are eligible for benefits. My budget recommendations include outlays of $17.5 billion in 1976 for income support for the unemployed, both under these two acts and under the regular unemployment compensation programs. Another $1.3 billion will be spent for increased public sector jobs.

Budget reductions.—While recommending temporary measures to help the economy and to provide greater assistance to the unemployed, I have sought, on an item-by-item basis, to eliminate nonessential spending and avoid commitment to excessive growth of Federal spending in the long run. I am proposing no new spending initiatives in this budget other than those for energy. I am also proposing that the allowable increase in Federal pay and in benefit payments to individuals that currently are linked by law to increases in consumer price levels be limited to 5% through June 30 of next year. To be equitable, this ceiling should apply to all these programs. This limit will save $6 billion in 1976 and permit us to concentrate maximum resources on direct efforts to speed economic recovery, including tax reduction.

In addition, I have previously asked the Congress to agree to a series of measures that would reduce outlays. In some cases the Congress has done so; in others it has overturned my proposals. Those economy measures to which Congress has not objected are reflected in my budget recommendations. These measures will provide $8 billion in savings in 1976. Further program reductions recommended in this budget will save another $3 billion. Unless the Congress concurs with the proposals now before it, including those advanced in this budget, outlays—and thus the deficit—will be about $17 billion greater in 1976 than the figure estimated in this budget. It is therefore essential that the tax cuts I am proposing be considered in conjunction with these savings proposals.

My proposal to place a temporary limit on civil service and military pay increases recognizes that the Federal Government must set an example for the rest of the economy, and that Federal employees generally enjoy considerably greater job security than the average worker under current economic conditions. I believe that most Federal employees will understand that some restraint on their pay increases is appropriate now to help provide benefits and increased job opportunities for those who are unemployed.

I urge the Congress to accept this recommendation. I especially urge the private sector—labor and management alike—to follow this example and minimize price and wage increases.

I have proposed a similar temporary limit on the automatic increases in benefit programs linked to changes in consumer prices. These programs include Social Security, Railroad Retirement, Federal employee retirement and disability systems, military retired pay, Supplemental Security Income, and the food stamp and child nutrition programs. My proposal is made in the context of the very large increases that have occurred in these programs in recent years—increases well in excess of the rate of inflation. For example, between 1970 and 1975, average payments per Social Security beneficiary have increased 22% in constant prices—that is, *after* adjusting for the 38% rise in consumer prices. Both benefit increases and growth in the number of beneficiaries have contributed to an increase in outlays for these programs from $39 billion in 1970 to an estimated $91 billion in 1975.

With thousands of workers being laid off while considerable inflationary momentum persists, I believe that modest restraint on Federal pay raises and on the growth of Federal benefit programs is an equitable way to keep the budget from perpetuating inflation.

BUDGET TRENDS AND PRIORITIES

The Federal budget both reflects our national priorities and helps to move the Nation toward their realization. Recent years have seen a significant shift in the composition of the Federal budget. The proportion of the budget devoted to defense has declined substantially since 1964, with a corresponding increase in the nondefense proportion of the budget. This shift has been particularly rapid since 1969, due in part to the end of American combat involvement in Vietnam.

Defense outlays remained virtually level in current dollar terms from 1969 to 1974, absorbing substantial cost increases—including the pay raises necessary to establish equitable wage levels for our servicemen and women and to make possible the transition to an all-volunteer armed force. Defense programs have undergone large reductions in real terms—reductions of about 40% since 1969 in manpower and materiel. In consequence, defense outlays have been a decreasing share of our gross national product, falling from 8.9% in 1969 to 5.9% in 1976.

At the same time, Federal nondefense spending has increased substantially in both current and constant dollar terms, growing from 11.6% of the gross national product in 1969 to an estimated 16.0% in this budget. In the process, the form that Federal spending takes has shifted dramatically away from support for direct Federal operations and toward direct benefits to individuals and grants to State and local governments. About a third of the latter also help to finance payments to individuals. Both legislated increases and built-in program growth have contributed to the doubling of outlays for domestic assistance in the past five years. The sharp drop in defense manpower and procurement has helped make this possible without tax increases or larger deficits.

It is no longer realistically possible to offset increasing costs of defense programs by further reducing military programs and strength. Therefore, this budget proposes an increase in defense outlays in current dollars that will maintain defense preparedness and preserve manpower levels in the face of rising costs. These proposals are the minimum prudent levels of defense spending consistent with providing armed forces which, in conjunction with those of our allies, will be adequate to maintain the military balance. Keeping that balance is essential to our national security and to the maintenance of peace.

In 1969, defense outlays were nearly one-fifth more than combined outlays for aid to individuals under human resource programs and for aid to State and local governments. Despite the increase in current-dollar defense outlays, this budget—only seven years later—proposes spending twice as much money for aid to individuals and State and local governments as for defense.

Outlays for assistance to individuals and to State and local governments will rise from $140 billion in 1974 to $173 billion in 1975, and $190 billion in 1976. These increases include the costs of the emergency unemployment assistance measures enacted last December, together with increased outlays under the regular unemployment insurance system. Outlays for other benefit programs, including Social Security, Supplemental Security Income, Medicare, and Medicaid, will also increase substantially.

The budget carries forward a philosophy that stresses an appropriate separation of public and private sector responsibilities. Within the sphere of public sector responsibilities, it calls for Federal emphasis on meeting national problems and encourages State and local responsibility and initiative in meeting local and statewide needs. Broader Federal aid to States and localities and a reduction in the Federal restrictions imposed as requirements for this aid are key elements of this philosophy. In 1974, Federal aid supplied 21% of total State and local government receipts, more than twice the percentage of two decades earlier. My budget recommends Federal grants-in-aid of $56 billion in 1976.

ENERGY

The fourfold increase in oil prices dictated by oil-exporting countries has been a major factor in the sharp inflationary surge of the past year and a half. It endangers the health of world trade and is creating significant financial and economic disruption throughout the world. Among other things, the resulting high fertilizer prices are hampering efforts to increase world agricultural production, thereby aggravating the world food problem.

Fuel conservation.—I continue to believe that fuel conservation and a reduction of world oil prices are in the long-term interest of both consumer and producer countries. Accordingly, I have proposed a series of stringent fuel conservation measures, including taxes on petroleum and natural gas offset by income tax reductions, payments to low-income individuals, and increased aid to State and local governments. On balance, this program will preserve consumer and business purchasing power while strongly discouraging petroleum consumption. Amendments to the Clean Air Act and other measures I have proposed will contribute to substantial improvement in automobile gasoline mileage and allow greater use of domestic coal for electric power generation, thus further reducing our need for imported oil.

At the same time, my Administration is pursuing diplomatic efforts to alleviate financial and supply problems in the industrialized world.

Development of domestic energy sources.—Fuel conservation measures and stronger diplomatic efforts are only part of the solution to the energy problem. Vigorous efforts to speed development of our vast domestic energy resources—particularly oil, gas, coal, and nuclear—are also essential. As part of these efforts, my Administration has worked out a comprehensive plan for leasing the offshore oil and gas resources of our Outer Continental Shelf. Studies are underway to insure that development and production will be accomplished safely and in an environmentally acceptable manner. We also seek responsible use of our extensive Naval Petroleum Reserves in California and Alaska and are taking steps to increase our use of our vast domestic coal reserves. These measures, including workable and precise legislation regulating strip mining, seek a proper balance between energy needs and environmental considerations. I will propose legislation to assist certain utilities facing serious financial difficulties and to encourage utilities to use fuels other than oil and natural gas. Increased domestic supplies, including establishment of a strategic petroleum storage system, coupled with fuel conservation, will help reduce our dependence upon petroleum imports and our vulnerability to interruption of foreign supplies.

In addition, the Federal Government has further expanded its research and development program to provide the new and improved technologies necessary for increasing the use of our domestic energy resources. Outlays for energy research and development will be $1.7 billion in 1976, an increase of 36% over 1975 and 102% over 1974. My budget recommendations continue our vigorous nuclear research and development program and further accelerate nonnuclear energy research and development—particularly in coal and solar energy. To provide a better organizational framework for this effort, last October I signed into law an act creating the Energy Research and Development Administration, which brings together within a single agency the Government's various research and development programs relating to fossil fuels, nuclear energy, and other energy technologies such as geothermal and solar. An independent Nuclear Regulatory Commission has also been established to improve the regulatory process associated with nuclear plant licensing, safety, and nuclear materials safeguards, and to separate this function from nuclear power development activities.

Agriculture.—Besides fuel costs, the cost of food has been the other special problem in the inflationary surge of the past two years. A worldwide decline in agricultural production due in part to adverse weather conditions has created shortages that have been critical in some areas and have sent world food prices soaring.

In response to these shortages, we have stimulated U.S. production by eliminating Government-imposed crop restrictions originally designed to prevent surpluses. Our increased production will help to curb inflation and will aid in relieving severe food shortages abroad. To the extent that we can produce beyond our domestic needs, we will be able to increase our agricultural exports and share our increased supplies with hungry peoples overseas.

NATIONAL SECURITY AND FOREIGN RELATIONS

The ultimate goal of American foreign policy is to ensure the freedom, security, and well-being of the United States as part of a peaceful and prosperous international community. Our diplomacy, backed by a strong national defense, strives to strengthen this international community through the peaceful resolution of international disputes, through arms control, and by fostering cooperation and mutual restraint. We seek a healthy world economy through expanded trade, cooperative solutions to energy problems, and increased world agricultural production to meet mankind's need for food. In today's interdependent world, each of these objectives serves our own national interest even as it helps others.

National security.—The Vladivostok understanding, which I reached with General Secretary Brezhnev of the Soviet Union, represents a major step on the long and arduous road to the control and eventual reduction of nuclear arms. For the first time, we have reached an understanding on specific and equal limitations on strategic nuclear weapons. Once we have concluded an agreement based on these understandings, we will be prepared to take the next step—to seek further reductions, as we have already done in the case of antiballistic missile launchers.

The progress we have already made along the road to eventual strategic arms reductions has been possible only because we have remained strong. If we are to make further progress, we must act to preserve our strategic strength. My defense proposals provide for necessary force improvements and for the development of strategic alternatives necessary to maintain, within the limits of the Vladivostok agreement, a credible strategic deterrent.

More attention must now be given to maintaining an adequate balance in general purpose forces. In this area we share the burden of defense with our allies. The United States has entered into negotiations between members of NATO and of the Warsaw Pact on mutual and balanced force reductions. If those negotiations are successful, some U.S. forces stationed in Europe could safely be withdrawn. For the time being, however, the United States and its allies must maintain present manpower levels and continue to strengthen conventional combat capabilities.

In an effort to increase efficiency and achieve greater combat capability with existing manpower levels, the Army has undertaken to provide 16 active combat divisions by June of 1976 with approximately the same total number of Army personnel as was authorized for 13 divisions in June of 1974. This 16-division combat force will require additional equipment, which is provided for in my budget recommendations.

Because the welfare and survival of the United States and its allies depend upon the flow of ocean-going trade and supplies, strong naval forces are required. In recent years, the number of Navy ships has decreased, primarily as a result of the retirement of many aging ships built during World War II. The savings from this action have been used to strengthen the combat capabilities of the remaining force. This budget provides for a vigorous program of new ship construction and modernization necessary to maintain the naval balance in the future.

Foreign relations.—In addition to maintaining a strong defense capability, the United States strives, through its diplomacy, to develop and maintain peaceful relationships among nations. Foreign assistance is both an expression of our humanitarian concern and a flexible instrument of diplomacy. Our assistance in Indochina is making an essential contribution to the security and reconstruction of the countries in that region. Additional military assistance is now necessary to enable the South Vietnamese and Cambodian Governments to defend themselves against increasing military pressure. Our assistance in the Middle East is an integral part of our diplomatic effort to continue progress toward a peaceful solution to the area's problems. An increasing portion of our economic aid program is devoted to helping developing countries improve their agricultural productivity.

Higher oil prices, widespread food shortages, inflation, and spreading recession have severely strained the fabric of international cooperation. The United States has undertaken several major diplomatic initiatives designed to help restore international economic stability. Our diplomatic efforts were instrumental in the establishment of the International Energy Agency and its program, which provides for emergency oil sharing, conservation efforts, and developmment of alternative energy sources. More recently, the United States proposed a $25 billion special financing facility to assist industrialized countries in dealing with balance of payments difficulties. This new facility will supplement expanded operations of the International Monetary Fund. At the World Food Conference, in Rome, the United States proposed a number of measures to deal with the world food problem, including creation of an international system of grain reserves.

In addition, the Trade Act passed by the Congress last December will make possible a strengthening of international trade relations by enabling the United States to work with other nations toward reducing tariff and nontariff barriers to trade and improving access to supplies. The strengthening of international trade and financial cooperation is essential if we and other nations are to cope successfully with current economic stresses. It is a prerequisite for renewed economic progress at home and abroad.

DOMESTIC ASSISTANCE

The enormous growth in recent decades of Federal programs for assistance to individuals and families, and to State and local governments, has placed heavy demands on the budget. The growth expressed the desire of a compassionate society to provide well for its retired workers, veterans, and less fortunate members without sacrificing our proud and productive tradition of individual initiative and self-reliance. In the process, we have built a stronger partnership among the various levels of government: Federal, State, and local.

AID TO INDIVIDUALS AND TO STATE AND LOCAL GOVERNMENTS

[Dollar amounts in billions]

Item	1968	1970	1972	1974	1976	Percent increase, 1968 to 1976
Payments to individuals [1]	$40	$51	$70	$94	$135	241
Grants-in-aid [1]	19	24	36	46	56	199
For payments to individuals	(6)	(8)	(15)	(16)	(18)	(201)
Other	(13)	(15)	(21)	(30)	(37)	(198)
Total	58	75	106	140	190	227
Memorandum: All other outlays	(121)	(122)	(126)	(128)	(159)	(32)

[1] Excludes military retired pay and grants classified in the national defense function.

Human resources programs.—The rapid growth of human resources programs in recent years has brought about many improvements in the well-being of the American people. Benefits under Social Security, Medicare, Medicaid, Supplemental Security Income, food stamps and veterans programs have increased substantially. In just seven years, cash benefits under social security programs will have risen from $26 billion in 1969 to $70 billion in 1976. They now reach 28 million beneficiaries. By 1976, six social security benefit increases will have occurred since 1969. Automatic cost-of-living adjustments to benefits are now provided by law. Allowing for the temporary 5% ceiling I have proposed on benefit increases between now and July 1976, the increases from 1970 through 1976 in the average recipient's social security benefits, taken together, will total 77%. This far exceeds the increases in the cost of living (51%) estimated for this period.

The Supplemental Security Income program began operation a year ago, replacing the various State public assistance programs for the aged, the blind, and the disabled with a more uniform and equitable national system. This broad reform has provided higher benefits for these disadvantaged groups. In addition, Federal assumption of responsibility for these programs has provided significant fiscal relief to State and local governments. This budget provides for substantial increases in administrative personnel necessary to improve services to beneficiaries both of this program, and of social security.

Outlays for the food stamp program have increased from $248 million in 1969 to an estimated $3.6 billion in 1976. I have undertaken reforms to simplify the administration of this program and reduce costs, while providing for more equitable treatment of beneficiaries.

Over the years, the income security of our labor force has been enhanced by liberalization of benefits and coverage under our unemployment insurance system, while increased employment opportunities have been created in areas of high unemployment. Programs derived from the special unemployment assistance measures I proposed last October have been enacted into law as the Emergency Jobs and Unemployment Assistance Act and the Emergency Unemployment Compensation Act. With these new acts, total unemployment assistance, including employment programs, will expand 207%, from $6.1 billion in 1974 to $18.8 billion in 1976.

Our present welfare system is inefficient and inequitable. It is wasteful not only of tax dollars but, more importantly, of human potential. Left unchanged, over the long run the situation will almost surely continue to deteriorate. I urge the Congress to work with my Administration to develop reforms that make the system simple, fair, and compassionate. This approach need not cost more, but rather can use our welfare dollars more effectively.

America needs to improve the way it pays for medical care. We should begin plans for a comprehensive national health insurance system. However, in view of the economic developments and the measures I have proposed to combat recession and inflation, I cannot now propose costly new programs. Once our current economic problems are behind us, the development of an adequate national medical insurance system should have high national priority. I urge the Congress to work with my Administration in order to devise a system that we will be able to afford.

The major existing Federal programs for financing medical care, Medicare and Medicaid, are now 10 years old. Medicare outlays of $15 billion in 1976 will help to meet the medical costs of an estimated 13.3 million aged and disabled Americans, 29% more people than were aided in 1971. Medicaid outlays of $7.2 billion will help to pay medical care for 26 million low-income Americans in 1976—a 40% increase in beneficiaries since 1971. Federal health programs also provide health care and insurance for Federal employees, veterans, and other groups. In total existing Federal health programs now pay about 27% of the Nation's total health bill.

General Revenue Sharing.—General Revenue Sharing has become an integral and important part of the Federal grants-in-aid system. This program has been highly successful, providing fiscal assistance that can be applied flexibly to meet the needs of States and localities according to their priorities. It has distributed assistance more equitably than before, reaching many local governments that had not received Federal aid in the past.

Current authority for general revenue sharing will expire at the end of calendar year 1976. Because I believe in the soundness of this program, I shall propose legislation extending general revenue sharing through fiscal year 1982. Prompt action by the Congress on the proposed extension will permit State and local governments to plan their future budgets more effectively and avoid the waste and inefficiencies that prolonged budgetary uncertainties would create. In addition, the energy tax equalization payments to State and local governments will be distributed according to the formula used for general revenue sharing.

Transportation.—My budget recommendations anticipate legislation that I shall propose to extend the Highway Trust Fund through 1980 for the Interstate Highway System only, and increase its funding. My proposal will focus trust fund assistance on completion of key segments of the Interstate Highway System needed to link the national system together. They will also combine a number of narrow categorical grant programs to eliminate red tape and allow localities greater flexibility in meeting their transportation problems. In 1978, States will be permitted, under this proposal, to assume over $1 billion of Federal motor fuel tax receipts for local needs.

In order to improve the safety and efficiency of the Nation's aviation system, and to increase its responsiveness to current needs, I will propose legislation to restructure Federal airport and airway development programs. My proposal will broaden the range of aviation activities that may be financed from the Airport and Airway Trust Fund, eliminate unnecessary Federal involvement in airport investment decisions, and allocate user fees more equitably among aviation system users.

BUDGET REFORM

As demands on the budget have grown, the need for better congressional procedures for considering the budget has become increasingly clear. In the past the Congress has acted upon the budget in a piecemeal fashion, with far too little attention to the total. The Congressional Budget and Impoundment Control Act, passed last summer, mandates changes in the Federal budget and major reforms in congressional procedures for dealing with it. Under the new procedures, the Congress will have a larger and better-defined role in developing sound budget and fiscal policies. Congressional organization and procedures will focus greater attention on the budget totals early in the legislative process.

Major provisions of the act require greater attention to the future-year costs of legislative proposals and ongoing programs, and establish a budget committee in each Chamber and a Congressional Budget Office to aid Congress in its consideration of budget recommendations. The shift of the fiscal year to an October-to-September basis will give the Congress more time to complete action on the budget before the fiscal year begins.

The act also provides for a closer working relationship between the Congress and the executive branch in controlling outlays. I look forward to a new era of fruitful cooperation between the legislative and executive branches on budgetary matters, a cooperation that will enhance fiscal responsibility, make the budget a more useful instrument of national policy, and promote a more careful allocation of limited resources.

During the past six years, the budget has become increasingly forward-looking, focusing attention on the future effects of budget proposals. The new act builds upon this initiative with the requirement that the budget present more extensive five-year projections of outlays and receipts. These projections indicate the large natural increase in receipts resulting from rising incomes and profits as the economy recovers. These increased receipts, coupled with *prudent fiscal restraint,* will make it possible to avoid deficits that would be inflationary when the economy returns to high employment.

The Government strongly affects the economy in many ways not fully reflected in the budget. These influences include tax expenditures such as those that encourage homeownership and business investment; and the operations of Federal or Government-sponsored enterprises, particularly in the credit field, that are excluded from the budget. The new act recognizes the importance of these factors by requiring that they be given greater consideration in connection with the budget.

CONCLUSION

As we approach our National Bicentennial, difficult challenges lie before us. The recommendations in this budget address the Nation's problems in a direct, constructive, and responsible fashion. They are designed to move the Nation toward economic health and stability. They meet human needs. They provide for the strong defense essential to our national security and to our continuing efforts to maintain world peace.

Looking beyond the bicentennial, toward the year 2000, the practical limits to the growth of the Federal Government's role in our society become increasingly clear. The tremendous growth of our domestic assistance programs in recent years has, on the whole, been commendable. Much of the burden of aiding the elderly and the needy has been shifted from private individuals and institutions to society as a whole, as the Federal Government's income transfer programs have expanded their coverage.

These programs cannot, however, continue to expand at the rates they have experienced over the past two decades. Spending by all levels of government now makes up a third of our national output. Were the growth of domestic assistance programs to continue for the next two decades at the same rates as in the past 20 years, total government spending would grow to more than half of our national output. We cannot permit this to occur. Taxation of individuals and businesses to pay for such expansion would simply become insupportably heavy. This is not a matter of conservative or liberal ideology. It is hard fact, easily demonstrated by simple extrapolation. We must begin to limit the rate of growth of our budgetary commitments in the domestic assistance area to sustainable levels.

The growth of these domestic assistance programs has taken place in a largely unplanned, piecemeal fashion. This has resulted in too many overlapping programs, lack of coordination, and inequities. Some of the less needy now receive a disproportionate share of Federal benefits, while some who are more needy receive less. We must redouble the efforts of the past five years to rationalize and streamline these programs. This means working toward a stable and integrated system of programs that reflects the conscience of a compassionate society but avoids a growing preponderance of the public sector over the private. It also means decentralizing Government operations and developing a closer partnership among the Federal Government, State and local governments, and the individual private citizen.

The Congress will approach this budget in a new way, with new legislative machinery and procedures. I pledge to work in a spirit of cooperation with the Congress to make this effort a success. The tasks before us provide difficult tests: to meet immediate economic problems; to relate our limited Federal resources more clearly to current national priorities; and to develop long-term strategies for meeting Federal responsibilities as we begin our third century. I am confident of success.

GERALD R. FORD.

FEBRUARY 3, 1975.

COMMENTS ON THE 1976 BUDGET

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. MAHON) for one-half hour.

THE BUDGET FOR FISCAL YEAR 1976

Mr. MAHON. Mr. Speaker, the budget which the President has presented today is probably the most significant peacetime budget ever presented to Congress in the history of the Republic.

I am about to make an important expository statement about it, and I hope that these remarks will command the attention of my colleagues today as well as in the future.

In the year when I was first elected to Congress, total Federal spending was $6 billion. In my most pessimistic days in the past, I never dreamed that there would ever be presented to Congress in this century a budget of the magnitude which is before us today.

This is not said in criticism of anybody. Everybody is to blame, if there is any blame.

The budget proposes outlays of $349 billion. But in my judgment, the Government will never live within that. The spending will be much higher.

The budget proposes the astronomical sum of budget authority in the amount of $386 billion as opposed to the $349 billion in outlays. I remember just a few years ago the anguish in the White House when Lyndon Johnson was trying to present a budget below $100 billion. He succeeded that year, but ever since that time we have been presenting budgets of much greater magnitude than $100 billion.

THE BICENTENNIAL BUDGET

It is our bicentennial budget but it comes at one of the most difficult times in our proud history. Unemployment soars; inflation rages; profits, production and incomes decline; our economic growth is stifled; and above all, our confidence ebbs.

We are confronted in the Middle East with a tinderbox of violence and emotion. The industrialized nations are at the mercy of the Arab countries for the oil that has become the lifeblood of the modern world. We see the world economy being rearranged like pieces in a jigsaw puzzle and the rearrangement is not to our liking.

To chart our course through these times, we now have the President's budget. It is a breathtaking document. Its priorities and omissions will bring angry calls for alternative actions. Its proposed deficits and the increase in the debt will frighten thoughtful Americans and arouse concern in the international financial field.

IMPORTANT QUESTIONS TO ASK

This Congress will, as it must, challenge many of the assumptions and recommendations in the budget. It must ask important questions such as—

Is the budget adequate? Will it sufficiently stimulate the economy? Will it fan the fires of inflation? Should its priorities be rearranged? Will the proposed debt in this budget crush our economy?

This is an extremely provocative budget which the President has submitted. It is now up to the Congress to promptly examine it. That is what we propose to do. Our deliberations on the budget this year will enormously impact on our economic problems, much more so than in past years.

BUDGET TOTALS

The budget calls for spending in fiscal year 1975 of $313.4 billion and $349.4 billion in fiscal year 1976. This is an increase from 1974 to 1975 of $45 billion and from 1975 to 1976 of $36 billion. This will cause a unified budget deficit of $34.7 billion in 1975 and $51.9 billion in 1976, but the total additional increase in debt will be $52.8 billion in 1975 and $67.6 billion in 1976—an increase of $120.4 billion over 2 years. If that will not shock the American people to the marrow of their bones then we as a nation are insensitive to the fiscal situation which confronts us.

ECONOMIC ASSUMPTIONS

For 1975 this budget projects unemployment at 8.1 percent, inflation at 11.3 percent, and a decline in GNP of 3.3 percent. The President then projects for 1976 that most economic indicators will improve, mainly because of economic actions which he is proposing. Unemployment would remain high at 7.9 percent, but the GNP would grow by 4.8 percent and inflation would decrease to 7.8 percent.

Thoughtful people will ask if our recovery can be that swift based on the proposals contained in the President's budget.

Some will even suggest that the huge deficit and debt proposed by the President will have exactly the wrong effect and will heighten inflation, raise interest rates, and create more unemployment and further erode our confidence. If these people are right, then what weapons are left to fight the economic battles the next time around?

It is not my intention to speak in terms of gloom and doom or to offer a panacea for the problems which beset us.

What I hope to do is to point out some of the important factors of the budget that we have just received and raise questions which we in Congress must confront as we consider a course of action. I would like to add that philosophically I do not intend to abandon the principles which I have so frequently enunciated in the past—that except in times of war or deep depression, we should not initiate new programs or expand old ones unless we are willing and able to provide the funds to pay for them.

ACCUMULATION OF FEDERAL DEBT

For years now—during times of relative economic prosperity—the Federal Government has been generating budget deficits while at the same time adding more and more programs that added greater and greater deficits.

In the early 1960's Federal budget deficits started becoming an accepted way of life. It is as if we firmly resolved not to balance the budget. From 1965 through 1974—10 years—we accumulated an additional public debt of $173 billion. This was over one-half of what the entire public debt had been in 1965—a debt that had taken 189 years to build.

These 10 years showed the largest accumulation of public debt in our history except for World War II. And during the war that debt was being used to enormously enlarge the productive and industrial capacity of our society while the current debt has not done this. Many maintain that the growth of the public debt in recent years has been at the expense of our productive capacity.

CONSEQUENCES OF PUBLIC DEBT

Can anyone seriously doubt that these gigantic Federal debts have had a disastrous impact on the value of our dollar and the economy?

The Federal Government is like anyone else when it comes to spending money it does not have. It must borrow the money and eventually pay back plus interest for having used someone else's money. At any one time there is only so much money that can be borrowed. When the Federal Government borrows enormous amounts of this money, then less remains for private borrowers such as manufacturers, home builders, and prospective car buyers. All of this tends to drive up interest rates which further aggravates the overall economic situation.

Twice in recent years our Government has found it necessary to devalue the dollar with far reaching consequences. In 1972 and 1973 the dollar was adjusted downward to reflect its deteriorating value in relation to other currencies of the world. Will events in the next fiscal year add to a further erosion that will trigger another devaluation?

DANGER SIGNALS

The fiscal problems that confront us in full bloom have accumulated over decades. They are difficult to dramatize. But it is clear that there are some alarming danger signals at hand.

We have more government at all levels than we as a nation seem to be able or willing to pay for. The President's budget message points out that government constitues one-third of our national output and that if growth continues in the next two decades like it has in the past two decades, government spending would grow to one-half of our national output.

With only 6 percent of the world's population we consume more than half the world's annual consumption of raw materials. Can we continue to put such demands on our financial and national resources?

Will we be required to accept a lower standard of living than that to which we have become accustomed?

Debt as a percentage of gross national product is now suddenly projected to rise, reversing a 20-year trend. The budget proposes to remove 5 million people from the tax rolls. At a time when the life expectancy of the average American is increasing, the long-range financial soundness of the basic social security system is coming unglued. Faith in our institutions has suffered.

We need a national renaissance of faith and confidence. We must maintain hope and determination while searching for a concensus of what course to follow with respect to these very alarming problems which confront us. Unfortunately—and I underscore "unfortunately"—there is no consensus at this time.

THE FULL MAGNITUDE OF THE DEBT

Mr. Speaker, the President's budget estimates that the Federal debt will go up to $52.8 billion in 1975 and $67.6 billion in 1976. Yet the deficit in the unified budget is only $34.7 billion for 1975 and $51.9 billion for 1976. Let us examine the reasons for the difference in these figures. While these figures seem astronomical, in my judgment, they will escalate far beyond what is shown in the budget.

TRUST FUND BORROWING

The huge deficits advertised in the budget simply do not represent the extent to which the national debt will increase this year and the next. To the deficits in the unified budget, we must add borrowing from the trust funds in the amounts of $8.3 billion in 1975 and $3.1 billion in 1976. These are borrowings from such accounts as social security, highways, Federal retirement, and unemployment trust funds for the temporary financing of the general purposes of government. This adds to the national debt, and the trust funds must eventually be repaid along with interest charges. We now owe these trust funds $152 billion.

DEBT OF "OFF-BUDGET" AGENCIES

Additionally, a huge increase in borrowing to finance the so-called off-budget agencies in the whopping amounts of $13.7 billion in 1975 and $10.4 billion in 1976 must be added to deficit totals. The proliferation of the off-budget agencies is only recent. In 1971 the Export-Import Bank was excluded from the budget. Since then the postal service fund, the Rural Telephone Bank, rural electrification, the environmental financing authority fund, the Federal Financing Bank, and the U.S. Railway Association are among those activities now excluded from the budget. Last year the off-budget agencies added only $1.2 billion to the debt. This year $13.7 billion is estimated to be added in debt.

Other financing in the amounts of a minus $4 billion in 1975 and plus $2.3 billion in 1976 must also be included to arrive at the net increase in the debt and to achieve an accurate reading of the deficit situation.

So, Mr. Speaker, instead of a budget deficit of $34.7 billion in 1975, the real debt increase will be $52.8 billion. And instead of a budget deficit of $51.9 billion 1976, the debt further increases $67.6 billion.

So for the 2-year period we have the shocking debt increase of $120.4 billion.

OMINOUS CONTINGENCIES

Yet even this huge debt is very probably understated. It is not likely that the Congress will agree to many of the President's proposals for cutting programs, mainly in the human needs areas. If these programs are not cut or held back, then additional debt totaling $23 billion must be added to the budget—$5.9 billion in 1975 and $17 billion in 1976.

The details of this are the following:

If the Congress does not adopt the 5-percent lid on built-in cost-of-living increases in payments to beneficiaries and pay to Federal employees, as proposed by the President—and Congress will not likely buy the full package—the debt in 1976 will increase by $6 billion.

If Congress does not approve the reductions heretofore proposed by the President in spending made available by Congress for certain health, veterans, education, social, and other programs—and certainly Congress will disagree with a large majority of these reductions—the debt will go up by some $5.9 billion in 1975 and another $8 billion in 1976.

If Congress does not approve further reductions included in this budget for some of these same popular programs—let alone vote increases—the debt in 1976 will increase by another $3 billion.

POSSIBLE ACTION ON TAXES

Possible Congressional action on taxes may also greatly increase the debt in 1975 and 1976. If Congress adopts the more attractive features of the President's tax proposals and rejects others—and the history of recent tax legislation would tend to suggest this possibility—the debt will further skyrocket in 1976 by $19 billion and $4.3 billion in 1975.

The details are:

If Congress chooses to approve the proposals in the budget to increase investment tax credits, provide tax rebates, and reduce individual and corporate taxes and does not go along with the proposal to increase oil import fees—and this is meeting stout resistance—the debt will go up by an additional $1.3 billion in 1975 and $3.8 billion in 1976.

If Congress adopts the tax proposals I just mentioned and does not increase excise taxes on natural gas and oil—and many Members are dead set against increasing the cost of energy—the debt will go up by another $3 billion in 1975 and a staggering $15.2 billion in 1976.

These actions will also add $0.3 billion in 1975 and perhaps or much as $4 billion in 1976 that must be expended for further interest on the national debt.

Should the Congress take this course—and some think the possibilities are real—we will be confronted, not with deficits of $35 billion in 1975 and $52 billion in 1976; not with debt increases of $53 billion in 1975 and $68 billion in 1976; but we will be confronted with disastrous debt increases of $63 billion in 1975 and $107 billion in 1976. Red ink figures would total over $170 billion in the next year and a half.

This seems impossible to believe when just a few months ago the highest officials of the land were calling for a balanced budget in 1976.

GUARANTEED LOAN LIABILITIES OF THE GOVERNMENT

The total increase in the amount of the debt which must concern us over the next 18 months is not the $87 billion increase in the Unified budget but the likelihood that we will go into the capital market for as much as $150 to $170 billion just on the matters proposed in this budget. That amount, alarming as it may be, does not reflect the liability associated with loans guaranteed by the Government.

In 1976, $161.7 billion is estimated to be outstanding with the full faith and credit of this Nation committed to their repayment. In view of the economic problems we have been experiencing, can we not expect that some of these loans will be defaulted so as to further increase our debt?

WHAT THE BUDGET DOES NOT PROPOSE

I have talked about some of the ramifications of the budget and about some of its major contingencies. I believe it would be useful in a noncritical way to identify some of the things the budget does not provide.

The budget does not sustain the level of activity appropriated by Congress for health programs such as mental health, aid to schools of medicine, dentistry, nursing, and other health professions, comprehensive health formula grants, community health centers, maternal and child health, family planning, alcohol and drug abuse, and research on cancer, heart disease, and a host of other dreaded diseases. Reductions below the 1975 level for these health programs total over $1.2 billion.

The budget does not sustain the level appropriated for by Congress for such education programs as impact aid, student aid, and institutional aid under higher education, public libraries, and education for the handicapped, vocational education, and elementary and secondary education. Reductions below the 1975 level for these education programs total over $1 billion.

The 1976 budgeted level for public service jobs is at least $1 billion less than the 1975 funding level.

There is no provision for the jobs program of the Economic Development Administration authorized by Congress late last session at $500 million. In fact, the $125 million provided in the urgent supplemental bill in December is proposed for deletion in this budget.

There are no new construction starts for public works projects under the Corps of Engineers and the Bureau of Reclamation. Last year the appropriation bill provided 37 new starts and 19 were provided for fiscal 1974.

In the energy field, there are no new, big, innovative spending programs as some had expected. New starts on nuclear power plants are delayed because of the inability of private companies to fund them.

FOOD STAMPS

The budget provides no increase for the food stamp program, even though food stamp rolls are climbing to record highs. In fact the 5-percent lid on beneficiary programs proposed by the President would also apply to food stamps. Further, administrative actions are being taken to save $350 million in the program and a bill is scheduled to be considered by the House this week to overturn this action. Some estimate that an additional $1 billion may be required for the food stamp program.

HOUSING

There is no significant new stimulus for the crippled housing industry, and it is questionable whether projected new starts under the subsidized housing program can be achieved. Last year 400,000 assisted units were projected under the new subsidized housing program. The current 1975 estimate is 200,000 and that is highly optimistic. In fact with more than one-half of the fiscal year behind us, less than 10,000 subsidized units have been approved.

The budget for the community development program is $400 million under the authorized level. This year virtually the entire authorization was appropriated.

The budget does not sustain a 1975 appropriated level for law enforcement assistance grants. There is a reduction of $100 million under 1975 and about $200 million under the authorized amount.

There is no provision for the new juvenile justice program authorized last year at a level of $125 million.

No proposals are contained in the budget for a national health plan. Many will feel this is an omission that must be corrected.

I would say further, Mr. Speaker, there are other factors of which we should be cognizant. The budget does not include funds to pay for the 250 new Federal buildings projects proposed under the lease construction program by the General Services Administration. The bill for the $8 billion in projects will come due in later years just as we are paying $2.2 billion this year for the previous housing programs although there is not one new brick this year under that program.

There are uncertainties associated with the Outer Continental Shelf oil leasing program for which $9 billion in receipts—actually negative expenditures—are projected. There is controversy surrounding sales in so-called frontier areas including Alaska, the mid-Atlantic, and north Atlantic. If any of these sales are canceled or delayed, or if the sales method is altered, there could be substantial losses, perhaps up to 50 percent in the Outer Continental Shelf receipts. Such losses would have to be made up by further borrowing.

There are always questions about the validity of certain expenditure estimates. Interest on the Federal debt is traditionally understated. The interest for fiscal 1975 was understated by over $2 billion. A similar situation could easily exist this year.

Preparing the budget always involves difficult choices. What I am seeking to do today is to illustrate some of the features of the budget and to point out the enormity of the problems which confront the President and the Congress.

CUTS IN DEFENSE AND FOREIGN AID

Mr. Speaker, I have outlined some of the areas where possible congressional action may increase the budget. There is another side to this issue—the areas where Congress may decrease the President's budget.

I should note that the largest controllable increase in the budget is for defense. The President proposes increases of $8 billion in outlays and $15.5 billion in new budget authority.

As in the past there will be those who will hope to make sharp reductions in the projected budget deficit through cuts in the defense and foreign aid programs. Congress will examine these programs critically and skeptically, as we must examine all the Presdent's proposals. As in prior years, reductions can and will be made while still providing for the vital defense and security of the Nation.

IS THE BUDGET REALISTIC IN TERMS OF CONGRESSIONAL PRIORITIES

Every President must recommend what he thinks is right. But the Congress must then exercise its collective wisdom in determining finally what must be done.

As I have discussed in some detail, this budget contains many actions and omissions with which the Congress is likely to disagree.

But as the Congress proceeds it must do so in a balanced, realistic way. We cannot select only the appealing, popular measures. We must fulfill our real responsibility and pass proposals, even though they may be unpopular, that respond to all the problems before us.

With the assistance of the staff of the Committee on Appropriations, and I know of no more professional or able and accomplished staff in Washington, I have tried in these remarks to present a brief analysis of the budget situation. What we as Members of the Congress will do about the situation remains to be seen.

I hope we can reach a consensus and take the best possible steps to deal with the most serious fiscal problem of this century.

I thank my colleagues for their attention to these remarks.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Speaker, I want to commend the gentleman for his remarks today. He usually comes to the floor when the budget is presented and gives to the Members of the House a good briefing on what is in the budget.

I think it is hard to argue with the conclusions the gentleman has brought to us. I think the burden is squarely on the House and the Senate to try to find ways to make this a more realistic budget, to try to find ways to live within the budget, and it is going to take considerable restraint on the part of the Members of the House and the other body.

I certainly hope that as we look at this budget and we tear it apart and put it back together again that we will somehow use the collective wisdom that exists in this House to make it work and not to let it get out of hand.

Mr. Speaker, the Department of Defense budget for fiscal year 1976, which was submitted to the Congress today, totals $104.7 billion in obligational authority. If approved in full, this would be the largest defense budget in our history. It exceeds last year's appropriations by more than $15 billion. Of the requested increase, it is estimated that $8.2 billion reflects real program growth, while the remainder would be absorbed by inflation.

In allocating funds within the new budget, top priority was given to strengthening tactical force capabilities. This effort involves: First, the addition of three active Army divisions; second, major increases in funding for the continued development and production of attack and fighter aircraft, tanks, and ships; and third, stepped up air operations and ship alterations and maintenance. There will be a slight increase in military assistance programs with an additional $1.3 billion requested for South Vietnam. Strategic missile and bomber forces, tactical air forces, and naval ship strengths will be maintained, for the most part, at current levels. Two attack carriers will be dropped, however.

Our Subcommittee on Department of Defense appropriations, will be reviewing the largest portion of the proposed budget—the $97.2 billion that will be in the defense appropriations bill and a part of the supplemental and budget amendment package totaling $2.4 billion. As you know, the supplemental request includes $300 million for military assistance to South Vietnam. The subcommittee is presently holding hearings on the situation in Southeast Asia and will consider this request at the appropriate time.

While I am pleased to learn that military manpower costs have stabilized, I am concerned over trends in weapons costs. I discovered recently, for example, that the Army's main battle tank for the 1980's, the XM-1, will cost about $1.7 million apiece. The M-60 series tanks that we are buying today, by comparison, costs less than $500,000 each. This is not an isolated case. A review of the latest selected acquisition reports shows serious cost growth in other major weapons programs.

Faced with increasing pressure to cut the defense budget on the one hand, and rising Soviet military power on the other, military planners must find a way to buy more combat power for less money. I know this sounds like a tough job, but I think it can be done. The Air Force is developing a highly capable lightweight fighter, the F-16, which it says can be built for $4.6 million a copy, a fraction of the cost of the F-15. This represents a truly remarkable achievement. The other services are actively engaged in similar design-to-cost, competitive prototype programs. With good management these too could yield less costly and less sophisticated weapons that we could afford to buy in the numbers that would be needed in a modern warfare environment.

Mr. MAHON. Mr. Speaker, I thank the gentleman from Alabama for his contribution.

We have been fighting inflation, as we know, and also unemployment. It would seem quite remarkable if the debt does not go up in a 2-year period by $120 billion or $170 billion that we could make a successful and effective fight toward subduing inflation. It would be somewhat remarkable that we could be able to renew the confidence of the country itself at a time when the national debt in a 2-year period of time is going up in this unprecedented amount.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I have already received permission to extend my own remarks after those of the gentleman from Texas (Mr. MAHON), but I just want to say that I appreciate the gentleman bringing these statistics to us and pointing out to us our present fiscal situation.

Unless we in the Congress do something about it, it seems to me we are heading for a first-class fiscal disaster in this country.

As the gentleman has pointed out, to hold the deficit to $52 billion, this Congress must take certain actions, and if they fail to take those actions, the deficit will go up considerably more, and the debt will go up with it.

In addition to that, it is predicated on no new programs, except to stimulate energy conservation and production, so if we are going to have other new programs, it just seems to me that we had better be ready to face a $75 to $80 billion deficit next year. In my opinion, such a deficit will be almost impossible to finance on the money markets we have in the country today, in competition with others who need money, individuals, and businesses as well.

It seems to me that the ball is in our court. I might say that the appropriations committee, of which I am a member, does not have too much area in which we can operate, because so many of these things are mandated by law.

We had better decide whether or not we are going to take the road of fiscal responsibility or fiscal disaster. We are looking at rescissions and deferrals of many programs. Many of them are very sensitive programs, but unless we go along with a substantial amount of these rescissions and deferrals, this budget deficit is going to be much higher than that projected in the budget.

So, it is the responsibility that we cannot dodge. The President did not want to send this kind of budget here, but most of the spending is mandated by legislation we have passed over the past years. We passed these bills, and we just have not raised the money to pay for them. Now, the bills are coming due, so I hope we will take a sober look at the problems we are facing.

Mr. MAHON. I thank the gentleman for his remarks.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, would the chairman tell us what is the projected cost in servicing our public debt in the next budget?

Mr. MAHON. The estimate is about $36 billion. That is very probably understated.

Mr. DANIELSON. Just the cost of servicing the debt?

Mr. MAHON. That is the interest on the debt next year.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman yielding to me.

On that particular point, I think it is very well to keep in mind, in servicing the public debt, to try and do a commendable job on the strength of reason, with a 2-month debt ceiling or a 6-month debt ceiling. I think we have got to be thinking more in terms of a long period of time so that those in charge of managing this public debt can do a commendable job with a little bit more leasehold on time than what I have been hearing of giving the administration in that regard.

But, I want to commend the chairman for having taken the time here today to speak of this. I do not think he expected any great rounds of applause for the kind of exposition he has given here today, but I know that, dedicated as he is, he feels the importance of bringing it to the attention of the American people and the Congress of what our long-range problem really is.

In that connection, this budget for the first time now addresses itself to some of these long-range goals and problems we are going to be confronted with 10, 15, and 20 years from now. When we look at those direct payments to individuals we have cranked into the budget in the past 5, 6, and 7 years or more, and of the projected costs of those, we were not contemplating inflation at the rate of 10, 11, and 12 percent when we concede those formulas. We were thinking in terms of half that amount.

We ought very well to get down to the serious business of possibly adjusting some of those formulas that we are going to have to meet.

Mr. MAHON. I thank the gentleman from Illinois for his remarks.

Mr. Speaker, I think it is our duty to inform ourselves about the fiscal situation which confronts us and which has been the object of the remarks which I made here today. If we take out of the private sector in the next 2 years $120 billion or more, then the private sector, will have to look elsewhere for money for expansion and improvements and financing generally.

Therefore, it would seem that an increase in interest rates would be inevitable if this situation cannot be held down to more reasonable limits. I do not think anyone knows how to do it. It is a great problem confronting the country, and we do not have a consensus. If we had a consensus, if we were willing to agree upon and grasp a program and follow through with it, that would be wonderful, but now at this time we do not have that consensus. Until we have a better understanding, we will be more or less on a treadmill.

Mr. Speaker, I thank the Members for their attention.

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, the President's budget is today submitted to the Congress in the face of a national and international economic crisis of extraordinary proportions. Food and energy shortages, and high unemployment and inflation, together constitute a condition without parallel in our national experience.

The estimates and proposals in the President's budget would produce a deficit of $51.9 billion during the coming fiscal year, a peacetime deficit also without parallel in our national experience.

It is humbling, I must say, to stand in the well of this House, and to face the unavoidable question of whether this unprecedented budget is appropriate to these unprecedented conditions. Yet that is precisely the responsibility of this Congress. This budget is nothing more or less than a set of estimates and proposals based on existing and proposed laws. The enactment and the amendment of laws is the exclusive constitutional prerogative of the Congress. The Federal fiscal program for the 1976 fiscal year will be a direct and total function of legislative actions which we take, or decline to take.

Mr. Speaker, I would not presume at this time to evaluate in any detail the effectiveness of the program in the President's budget. I hope it will receive prompt, careful, and fair scrutiny by the Congress. I would like to discuss some special aspects of the budget which I think should be of concern to my colleagues in the House.

BUDGET TOTALS FOR FISCAL 1976

Budget authority of $385.8 billion is requested and estimated for fiscal 1976, compared to $395.1 billion in fiscal 1975. This apparent reduction is due to $44.5 billion in current contract authority for fiscal 1975, for the new lower income housing assistance program—section 8—authorized by the Housing and Community Development Act of 1974. The very large amount of budget authority for this program in fiscal 1975 exaggerates the budget authority totals for fiscal 1975.

Nondefense outlays are estimated at $255.3 billion, an increase over fiscal 1975 of $27.2 billion, or 11.9 percent. Defense outlays are programed to reach $94 billion, an increase of $8.8 billion, or 10.3 percent.

Receipts are estimated at $297.5 billion, up $18.8 billion, or 6.7 percent, over fiscal 1975.

Gross national product, in current dollars, is estimated to increase by $162 billion, or 11.3 percent, during fiscal 1976. However, most of this increase is accounted for by inflation. Gross national product in 1969 dollars is estimated to increase only $21.5 billion, or 2.1 percent, during fiscal 1976.

UNIFIED BUDGET TOTALS BY FUND GROUP

[In millions of dollars]

	1974	1975	1976	Change, 1974–75 Dollars	Change, 1974–75 Percent	Change, 1975–76 Dollars	Change, 1975–76 Percent
Federal funds:							
Budget authority	221,019	299,903	291,827	78,884	35.7	−8,076	−2.7
Obligations	205,365	270,589	296,684	65,224	31.8	26,095	9.6
Outlays	198,692	229,005	254,215	30,313	15.3	25,210	11.0
Receipts	181,219	185,966	199,278	4,747	2.6	13,312	7.2
Surplus or deficit (−)	−17,473	−43,039	−54,937	25,566	146.3	11,898	27.6
Trust funds:							
Budget authority	113,975	121,076	122,289	7,101	6.2	1,213	1.0
Obligations	93,387	116,189	126,971	22,802	24.4	10,782	9.3
Outlays	90,833	110,338	123,425	19,505	21.5	13,087	11.9
Receipts	104,846	118,681	126,510	13,835	13.2	7,829	6.6
Surplus or deficit (−)	14,013	8,343	3,085	5,670	40.5	5,258	63.0
Interfund transactions:							
Deduct to reach totals	−21,133	−25,897	−28,268				
Total unified budget:							
Budget authority	313,861	395,082	385,848	81,221	25.9	−9,234	−2.3
Obligations	277,619	360,881	395,387	83,262	30.0	34,506	9.6
Outlays	268,392	313,446	349,372	45,054	16.8	35,926	11.5
Receipts	264,932	278,750	297,520	13,818	5.2	18,770	6.7
Surplus or deficit (−)	−3,460	−34,696	−51,852	31,236	902.8	17,156	49.4

SPENDING PRIORITIES FOR FISCAL 1976

Mr. Speaker, I will not try to itemize the individual spending proposals in this budget. However, I would like to make some general comments which I think will provide some perspective in the days ahead.

The estimated 11.9 percent increase in nondefense outlays is consistent with the growth rate of about 12 percent per year in nondefense outlays during the fiscal years 1970–74. However, during fiscal 1975, nondefense outlays increased by 20 percent. Accordingly, spending levels for some programs in fiscal 1976 can be evaluated only in reference to the extraordinary growth rate in fiscal 1975. Specific examples are outlays for education, health, income security, natural resources, environment, and energy.

The share of our budget dollar which goes to nondefense programs has risen every year since fiscal 1969, and this budget continues this trend.

Nondefense spending is in turn dominated by payments to individuals, which are estimated at $152.7 billion in fiscal 1976, and will constitute 60 percent of all nondefense Federal spending, compared to 46 percent in fiscal 1968. By 1980, under current law and legislation proposed in this budget, it is estimated that payments to individuals will total $214.8 billion, or 64 percent of all Federal nondefense outlays.

The proposed increase in defense outlays is $8.8 billion, or 10.3 percent. In current dollars, which do not take account of inflation, defense spending was virtually level from fiscal 1968 through 1974. Only the last two budgets have begun to reverse this trend. In constant 1969 dollars, defense spending in fiscal 1976 will be $51 billion, compared to $83.1 billion in fiscal 1968.

In contrast, nondefense spending in constant 1969 dollars has risen $45.2 billion, or 42.4 percent, since fiscal 1968.

UNIFIED BUDGET TOTALS, DEFENSE AND NONDEFENSE

[In millions of dollars]

	1974	1975	1976	Change, 1974–75		Change, 1975–76	
				Dollars	Percent	Dollars	Percent
Defense:							
Budget authority	89,293	91,314	107,700	2,021	2.3	16,386	17.9
Obligations	82,436	94,912	105,965	12,476	15.1	11,053	11.6
Outlays	78,569	85,276	94,027	6,707	8.5	8,751	10.3
Nondefense:							
Budget authority	224,568	303,768	278,148	79,200	35.3	−25,620	−8.4
Obligations	195,183	265,969	289,422	70,786	36.3	23,453	8.8
Outlays	189,823	228,170	255,345	38,347	20.2	27,175	11.9
Total:							
Budget authority	313,861	395,082	385,848	81,221	25.9	−9,234	−2.3
Obligations	277,619	360,881	395,387	83,262	30.0	34,506	9.6
Outlays	268,392	313,446	349,372	45,054	16.8	35,926	11.5

REVENUE PRIORITIES IN FISCAL 1976

Mr. Speaker, revenues under existing law are estimated at $303.6 billion in fiscal 1976. Proposed tax changes would reduce receipts by $6.1 billion, to a total of $297.5 billion in fiscal 1976.

Since the size and the composition of the revenue program will be shaped so substantially by congressional action, I will not discuss the President's proposals in detail.

However, I strongly support several general features of his revenue program, and I urge my colleagues' support as well, whatever differences we may have with the President on details.

First, the tax reductions proposed by the President to stimulate the economy are temporary, and they are intended to have immediate effect. We should not further erode our tax base by permanent reductions unless we are willing to undertake corresponding and permanent reductions in Federal spending. Tax actions by the Congress since 1962 have reduced Federal revenues by an estimated $50 billion. In my opinion, these tax reductions, without corresponding spending cuts, have been a major cause of our present economic difficulties.

Second, taxes proposed by the President to discourage energy consumption, and finance development of alternative sources of energy, are broad based, and not aimed at particular industries or segments of the economy.

We should avoid the temptation to scapegoat the automobile industry, for example, by a tax on gasoline, which would have devastating effects on employment in that industry, and in the economy as a whole.

UNIFIED BUDGET RECEIPTS

[In millions of dollars]

	1974	1975	1976	Change, 1974–75		Change, 1975–76	
				Dollars	Percent	Dollars	Percent
Receipts:							
Individual income taxes	118,952	117,700	106,300	—1,252	—1.1	—11,400	—9.7
Corporation income taxes	38,620	38,500	47,700	—120	—.3	9,200	23.9
Social insurance taxes and contributions	76,780	86,225	91,550	9,445	12.3	5,325	6.2
Excise taxes	16,884	19,947	32,145	3,103	18.4	12,198	61.2
Estate and gift taxes, customs duties and miscel. receipts	13,738	16,378	19,825	2,640	19.2	3,447	21.0
Total receipts	264,932	278,750	297,520	13,818	5.2	18.770	6.2

CHANGES IN BUDGET RECEIPTS

[In billions of dollars]

	1974 actual	1975 estimate	1976 estimate
Receipts under tax rates and structure in effect on Jan. 1, 1973	264.6	279.5	297.0
Enacted legislative changes:			
Social security taxable earnings base increases:			
$10,800 to $13,200 effective Jan. 1, 1974	+.4	+4.8	+5.6
$13,200 to $14,100 effective Jan. 1, 1975		+.1	+1.6
$14,100 to $15,300 effective Jan. 1, 1976			+.2
Reductions in telephone excise tax	−.1	−.3	−.5
Liberalized deductions for individual contributions to pension plans		−.3	−.3
Total receipts under existing legislation	264.9	283.8	303.6
Changes due to tax proposals:			
Energy-related tax proposals:			
Excise tax and import fee on oil and excise tax on natural gas		+4.3	+19.0
Windfall profits tax			+16.3
Individual income tax reductions:			
Increase in minimum standard deduction		−.6	−8.1
Changes in rate structure		−.8	−16.3
Residential energy conservation credit			—.5
Corporation income tax rate reduction		−1.8	−6.6
Subtotal, energy related		+1.1	+3.8
Economic stimulus tax proposals:			
Temporary investment tax credit of 12 percent:			
Individual		−.2	−.6
Corporation		−1.0	−2.3
Individual income tax rebate of 12 percent on calendar year 1974 liability		−4.9	−7.3
Subtotal, economic stimulus		−6.1	−10.2
Other:			
Writeoff of silver certificates			+.2
Other			+.1
Total receipts from existing and proposed legislation	264.9	278.8	297.5

THE REAL MAGNITUDE OF THE FISCAL 1976 BUDGET DEFICIT

Mr. Speaker, the proposed deficit of $51.9 billion is interpreted as a measure of the net impact of the Federal Government on the economy. I would like to suggest to my colleagues, particularly those who have not lost sight of the problem of inflation, that the deficit may substantially understate the Federal Government's net impact.

First, the unified budget deficit of $51.9 billion does not include the activities of off-budget agencies, privately owned, but Government-sponsored enterprises, and Government-guaranteed borrowing. If these activities are included, total Federal and federally assisted borrowing from the public will total $78.9 billion in fiscal 1976.

Second, the budget deficit is calculated on the basis of outlays, which are checks issued by the Treasury. This deficit does not take into account the economic impact of substantial Federal obligations which will be incurred in fiscal 1976, but which will not result in actual outlays until fiscal 1977 and after. These obligations, which will be for the most part orders for goods and services, have a real economic impact which is not apparent in the unified budget deficit.

Some economists in fact use obligations, rather than outlays, in measuring the economic impact of the Federal budget. However, this approach does not take account of the outlays in a given fiscal year which liquidate obligations from a previous fiscal year. These outlays must be financed by Government borrowing, and therefore effect the availability of money, and interest rates.

MEANS OF FINANCING THE FEDERAL DEFICIT

[In millions of dollars]

Description	1974 actual	1975 estimate	1976 estimate
Budget surplus or deficit (—)	−3,460	−34,696	−51,852
Surplus or deficit (—) of off-budget Federal agencies[1]	−2,675	−13,931	−10,642
Total surplus or deficit (—)	−6,135	−48,627	−62,494
Means of financing other than borrowing from the public:			
Decrease or increase (—) in cash and monetary assets	2,519	3,147	−367
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc.[2]	−913	1,500	−1,500
Deposit fund balances	−19	−133	189
Seigniorage on coins	321	613	672
Increment on gold	1,219		
Total means of financing other than borrowing from the public	3,127	5,127	−1,006
Total requirements for borrowing from the public	−3,009	−43,500	−63,500
Changes in debt held by the public	3,009	43,500	63,500

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[1] The off-budget Federal agencies consist of the Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, Housing for the Elderly and Handicapped fund (as of Sept. 1, 1974), Pension Benefit Guaranty Corp., Environmental Financing Authority, Federal Financing Bank, Export-Import Bank, Postal Service, and United States Railway Association. Not all these agencies xisted during the entire period.

[2] Besides checks outstanding, including military payment certificates, accrued interest (less unamortized discount) payable on Treasury debt, and, as an offsetting change in assets, certain collections in transit.

NET BORROWING FROM THE PUBLIC BY GOVERNMENT, GOVERNMENT-SPONSORED ENTERPRISES, AND GOVERNMENT-GUARANTEED BORROWERS

[In billions of dollars]

Description	Borrowing or repayment (—)			Debt outstanding, end 1976 estimate
	1974 actual	1975 estimate	1976 estimate	
Federal borrowing from the public	3.0	43.5	63.5	453.1
Borrowing by Government-sponsored enterprises	14.9	14.2	8.1	88.7
Less increase in holdings of Federal debt	−(*)	.4	(*)	1.1
Less increase in Government-sponsored debt held by Federal agencies	.1	.2	.3	.6
Net Government-sponsored borrowing from public	14.8	13.6	7.7	87.0
Government-guaranteed borrowing	10.1	15.4	16.1	215.5
Less increase in Government-guaranteed loans held by:				
Federal agencies:				
Federal Financing Bank	.1	10.6	5.8	16.5
Government National Mortgage Association	−.3	−.1	−.4	3.0
Environmental Financing Authority		.1		
Government-sponsored enterprises:				
Student Loan Marketing Association	.1	.1	.3	.6
Federal National Mortgage Association	3.7	3.7	2.4	31.4
Federal Home Loan Mortgage Corporation	.2	.2	.3	2.4
Net Government-guaranteed borrowing from public	6.2	.8	7.7	161.7
Total Federal and federally assisted borrowing from the public	24.1	57.9	78.9	701.7

* Less than $50 million.

Third, the unified budget deficit of $51.9 billion assumes congressional approval of proposals which would reduce fiscal 1976 outlays by $17 billion. $6 billion in savings through a 5-percent limit on increases in Federal pay, and other benefit payments to individuals, which are currently linked by law to increases in the consumer price index: $8 billion in savings from proposals to reduce outlays which were submitted to Congress prior to the submission of this budget; $3 billion in outlay savings transmitted with this budget.

Fourth, the deficit of $51.9 billion assumes congressional approval of the President's revenue proposals, which in themselves would reduce fiscal 1976 revenues by $6.1 billion. If Congress succumbs to the temptation to play "can you top this," with tax cuts, the deficit will be increased.

Finally, the budget cannot of course formally allow for the propensity of Congress to exceed the President's budget estimates. During the last 5 complete fiscal years, 1970–74, congressional actions and inactions have increased Federal outlays by $11.1 billion. And this has been accomplished only by a reduction of $8.6 billion in the defense and military construction appropriation bills, combined with increased outlays of $19.7 billion from other congressional actions and inactions.

THE FISCAL 1975 DEFICIT

Mr. Speaker, the deficit in the current year, fiscal 1975, has been substantially increased from the original estimate. A year ago, the fiscal 1975 budget was presented to the Congress, calling for a deficit of $9.4 billion. Today the deficit for fiscal 1975 is estimated at $34.7 billion. Originally, real GNP—1969 dollars—was estimated at $1,114.9 billion for fiscal 1975, an increase of 2.3 percent over fiscal 1974. The current estimate for fiscal 1975 real GNP is $1,004.9 billion, a shortfall of $110 billion.

As a consequence of the shortfall in real GNP, Federal receipts have fallen $16.2 billion from the original estimate. Individual income tax receipts are off $11.3 billion, and corporate income taxes are down $9.5 billion.

Outlays are up $9 billion from the original estimate, in large part due to an increase of almost $6 billion in estimated payments from the unemployment trust fund.

THE LONGRUN DEFICIT PROBLEM

Mr. Speaker, the substantially increased deficit for fiscal 1975 is consistent with conventional economic wisdom, which as I understand it, says that in time of rising unemployment, and little or no growth in real GNP, the Government should run a deficit to stimulate the economy. In a time of low unemployment, and significant real economic growth, the Federal budget should be in balance.

This sounds reasonable enough. However, I regard Federal debt and borrowing as something more than a fiscal policy tool. Debt is real, and it constitutes a real burden. Accordingly, I have waited—in vain—for budget balance and debt reduction during times of economic prosperity. It has not happened. And for my colleagues who share my feelings, I would like to offer some observations on why it has not happened.

First, it should be clear that we have not followed the prescription of deficits in bad times, and a balanced budget in good times. During the 11 fiscal years, 1966 to 1976, 6 of those years showed significant growth in real GNP. During this period, we balanced the budget once, and ran cumulative deficits of $187.8 billion.

Second, while it is quite easy to incur a deficit to stimulate the economy, it is quite another thing to move toward budget balance when the economy recovers. The period fiscal 1970 through fiscal 1973 is a case in point. During 1970 and 1971, real GNP growth was less than 1 percent. The Federal budget moved from a $2.8-billion deficit in 1970 to a $23-billion deficit in 1971. In 1972, real GNP growth jumped to 5 percent. However, while Federal receipts turned up in 1972, substantial deficits were still incurred to the tune of $23.2 billion in 1972, and $14.3 billion in 1973, when the growth in real GNP was 6.9 percent.

The balance mechanism does not work as well as the deficit mechanism. We can swing from a $2.8 billion deficit to a $23 billion deficit in 1 year—1970–71—but it takes 3 years—1971–74—to swing back to a deficit of $3.5 billion.

At best, receipts keep pace with outlays. During the period in question, in only three years was the percentage growth in receipts significantly greater than the percentage growth in outlays.

I say to my colleagues, particularly on the other side of the aisle, that we have a problem. Persistant and chronic deficits are a common enemy. We should stop unrealistic talk about deficits to stimulate the economy, and surpluses in good times, and recognize that our fiscal machinery, particularly on the revenue side, simply does not give us that result.

Further evidence can be seen in the projections, through 1980, of receipts and outlays existing and proposed legislation. Under current law alone, outlays and receipts will not be in balance until fiscal 1978. Under existing law, and legislation proposed in this budget, budget balance is not in sight until fiscal 1979. These projections cannot of course take account of any future economic slowdown, or congressional tax cuts, and they assume the enactment of the substantial outlay reducations proposed in this budget.

THE FISCAL OUTLOOK, 1974–80

[In billions of dollars]

	1974	1975	1976	Trans. quarter	1977	1978	1979	1980
Outlays under current programs	268.4	313.0	341.7	92.3	382.4	411.4	437.5	462.0
Outlays under proposed programs [1]		.4	7.7	1.9	10.7	14.0	14.4	14.7
Total projected outlays	268.4	313.4	349.4	94.3	393.1	425.4	451.9	476.7
Receipts under current law	264.9	283.8	303.6	85.5	364.0	416.0	465.5	517.1
Effects of proposed tax changes		−5.0	−6.1	−1.1	−1.5	−10.2	−13.2	−15.4
Total projected receipts	264.9	278.8	297.5	84.4	362.5	405.8	452.3	501.7
Budget margin or deficit (−)	−3.5	−34.7	−51.9	−9.8	−30.6	−19.6	.4	25.0

[1] Includes general revenue sharing extension and energy initiatives shown in table 15 in part 9 of this budget.

Mr. Speaker, I hope I have made clear the extraordinary nature of this budget, and of the equally extraordinary responsibility of the Congress for prompt and judicious action on the President's program. We are now paying the price, in unemployment and inflation, for past indulgences and inactions. I believe that price has become unacceptable, and I hope that my colleagues in the House, and the leadership, will agree, and act accordingly.

IMPACT OF CONGRESSIONAL ACTIONS AND INACTIONS

[In millions of dollars]

Fiscal year	Defense military construction bills [1]	Other appropriation bills	Total appropriation bills	Backdoor	Mandatory	Backdoor plus mandatory	Inaction	Backdoor mandatory inaction	Net legislative actions
IMPACT ON BUDGET AUTHORITY									
1970	−5,994	+558	−5,436	+5,340	+364	+5,704	+1,470	+7,174	+1,738
1971	−2,247	−370	−2,617	+5,813	+2,539	+8,352	−4,613	+3,739	+1,122
1972	−3,118	+125	−2,993	+200	+473	+673	−[2] 5,476	−4,803	−7,796
1973	−5,559	+[3] 673	−4,886	+14,765	+864	+15,629	−[4] 4,735	+10,894	+6,007
1974	−3,822	−1,297	−5,119	+[4] 8,333	+859	+9,192	−3,689	+5,503	+384
1975 [5]	−5,271	−373	−5,644	+14,795	+1,533	+16,328	+83	+16,411	+10,766
1976									
1970 to 1975	−26,011	−684	−26,695	+49,246	+6,632	+55,878	−16,960	+38,918	+12,221
IMPACT ON OUTLAYS									
1970	−3,229	+360	−2,869	−123	+1,352	+1,475	+1,388	+2,863	−6
1971	−890	+233	−657	+50	+4,114	+4,164	−221	+3,943	+3,287
1972	−1,203	+144	−1,059	0	+3,714	+3,714	−3,333	+381	−678
1973	−1,759	[3] +133	−1,626	+3,295	+4,565	+7,860	−107	+7,753	+6,127
1974	−1,510	+96	−1,414	+15	+3,468	+3,483	+348	+3,831	+2,417
1975 [5]	−2,523	−1,196	−3,719	+63	+2,745	+2,808	+691	+3,499	−219
1976									
1970–75	−11,114	−230	+11,344	+3,546	+19,958	+23,504	−1,234	+22,270	+10,927

[1] Regular bills only. Supplemental requests for defense and military construction are included under other appropriation bills.

[2] Excludes amounts requested for fiscal 1972 for revenue sharing to avoid double counting of inaction thereon in both the 1st and 2d sessions of the 92d Congress.

[3] Amount for Labor/HEW is an estimate of amounts available under the continuing resolution.

[4] Includes $3,890,000,000 shifted from 1973 to 1974 due to timing of congressional action on budget requests.

[5] Action by the 93d Congress, through sine die adjournment.

Source: Prepared from data provided by the Joint Committee on Reduction of Federal Expenditures.

SECOND ANNUAL REPORT ON ADMINISTRATION OF NATIONAL COOLEY'S ANEMIA CONTROL ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce.

To the Congress of the United States:

I am pleased to send to the Congress the Second Annual Report on the Administration of the National Cooley's Anemia Control Act in accordance with the requirements of section 1115 of the Public Health Service Act, as amended.

GERALD R. FORD.

THE WHITE HOUSE, *February 3, 1975.*

PERSONAL EXPLANATION

Ms. HOLTZMAN. Mr. Speaker, I would like to indicate that, although I was not present in the Chamber at the time of the quorum call earlier today, I was in the caucus room in the Cannon Building being briefed by Mr. Ash. I did not hear the second bells ringing. Consequently, Mr. Speaker, I wish my statement to appear in the RECORD.

PERSONAL EXPLANATION

Mr. HUBBARD. Mr. Speaker, I would like to state for the RECORD that I was also unavoidably detained in the Cannon House Office Building at the time of the quorum call. I have been here ever since about 12:35, and I want to be counted present.

PERSONAL EXPLANATION

Mr. ADAMS. Mr. Speaker, I would also like to state for the Record that I was unavoidably detained in the Cannon House Office Building at the time of the quorum call, and the bells apparently did not function in that area.

PERSONAL EXPLANATION

Mr. McKAY. Mr. Speaker, I wish to state that the bells apparently did not function in the area of the Cannon House Office Building in which I was present, and I did not, therefore, answer the quorum call.

THE LEGENDARY GROUNDHOG, PUNXSUTAWNEY PHIL

(Mr. MURTHA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MURTHA. Mr. Speaker, I am honored to represent many outstanding individuals in Congress and many citizens in the 12th Congressional District have made significant contributions to our Nation. But I am sure that I represent no one more famous than the world-renown Punxsutawney Phil.

As you know, Punxsutawney Phil is the legendary groundhog who comes out of hibernation each February to predict when winter will come to an end.

Punxsutawney Phil has been a tradition since the early 1880's when a few Punxsutawneyites began to celebrate each year by hiking into the Pennsylvania woods for the weather prognostication of the Punxsutawney groundhog.

In 1886 the Punxsutawney Groundhog Club was begun. And in 1887 the first in a long line of traditional February mornings started to the official home of the Great Seer of Seers and the "Weather Capital of the World" to inform our citizens of the official forecast.

I was honored, Mr. Speaker, to attend the ceremony yesterday morning, February 2. I joined in the trek up to Gobbler's Knob in the early morning hours to interview "His Majesty" and record his forecast for the Members of Congress.

I was proud to accompany the president of the Punxsutawney Groundhog Club, Mr. Sam Light. Mr. Light bears the responsibility of making the formal announcement of whether Punxsutawney Phil has proclaimed 6 more weeks of winter or an early spring.

I must also mention Mr. Joe Barkley. Mr. Barkley is a past president of the Pennsylvania Federation of Sportsmen's Clubs, and as official handler of the Punxsutawney groundhog needed all that past training to coax the Seer out of his hole on a cold, wintry, Pennsylvania morning.

But I am pleased to report to the Members that Punxsutawney Phil did emerge as always. I am also pleased to report that he did not see his shadow, leading President Sam Light to proclaim officially that spring is just around the corner.

Obviously, this is good news for those of us who must suffer through the cold and snow of winter. But I am also hopeful the Federal Energy Office will take note of the promised early spring and provide Congress with the figures on the barrels of oil per day that will be saved by the early spring so we can figure that into our energy plans.

With the past record of predictions by Punxsutawney Phil I am sure the early spring and the resulting energy savings is the surest, most predictable thing now present in our energy debate.

I am glad to give you this report from the "Weather Capital of the World," and I wish you all a very happy, early spring.

FALLING FARM PRICES AND THE CONSUMER

(Mr. BERGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BERGLAND. Mr. Speaker, while some American farmers are going broke trying to produce our food, some consumers are going broke trying to buy it.

Because of this, there has been a dangerous, although false, tendency to pit the consumer against the farmer when their interests are mutual and their forces should be united.

The Washington Post, Thursday, January 30, carried an excellent editorial which examines the problem and discusses realistic solutions.

Without objection, I would like to insert that editorial at this time urging my colleagues to follow its sound advice:

Falling Farm Prices

Farm prices have now been falling for three months, tightening the dilemma of American agricultural policy. When farm prices go up consumers are hurt, and inflation at the supermarket triggers cost-of-living increases throughout the whole economy. When prices go down, farmers are hurt and begin to cut back the production on which the government is counting for export sales.

You may have gained the impression that food prices, around 1972, began behaving very differently from the way they had before in the memory of most of us. There is a reason for it. A combination of bad luck and bad policy has wrecked the system that used to stabilize American farm prices. Agricultural markets are inherently unstable, and without government intervention they swing wildly up and down disrupting the whole economy. Until the middle of 1972 the Department of Agriculture carried tremendous stocks of basic foodstuffs and feed grains, which it could sell off if prices began to rise unusually high. If prices began to sink unusually low, the Department gave support payments to the farmers and bought grain for the reserves. The memorable Russian wheat sale of the summer of 1972 removed at one whack most of the nation's wheat reserves. But that huge sale turned out to be only the beginning of the great surge of foreign demand for American food. It was the effect of rising wealth and rising standards of living abroad, amplified by the devaluation of the dollar.

In this country all farm prices, unrestrained by the presence of the traditional reserves, shot up. But if there was now no limit on the upward swing of the cycle, it was also true that the farmer no longer had any protection on the downward swing. The old structure of loans and payments was still legally in effect but, with the erosion inflicted by inflation, the support levels were no longer enough to cover the basic costs of production. American agriculture is again threatened by precisely the classic roller-coaster pattern of boom and bust that the whole intricate and expensive array of farm price supports were worked out in the 1930s to prevent. Farmers liked the new free-wheeling market as long as it wheels higher, but when it turns around—as it did last fall—they see their danger very clearly.

Since October the price of corn, the largest American crop, is down by almost one-fourth. Soybeans and soy meal are down more than a third. What's going on here? Take the example of wheat, which cost $1.50 a bushel until the Russians started buying it in July 1972. By this time last year, the same bushel cost nearly $6. But then, as the year went on, the price sank. The winter wheat harvest starts in late spring, and it looked like a very big harvest. By last May, the price had fallen to $3.50. With last summer's bad weather and heavy exports, supplies tightened up again and by October the price was over $5.

But instead of continuing to rise steeply until late winter, as it did last year, the price of wheat suddenly began to sink in November. It's now down to about $4. The reasons begin with consumer resistance to high prices at the grocery store, and individual shoppers' decisions to cut back on expensive meat. Most of the grain raised in this country goes, not to people, but to animals being raised for the butchers. Since late summer the meat producers have cut back sharply on the number of animals, particularly beef cattle, that they are raising for market. That, in turn, has diminished domestic demand for grain. The consumers' rebellion that started nearly two years ago has now been painfully reinforced by the recession. Cutting back on meat is, for many families, no longer a matter of choice.

Exports, meanwhile, are down a bit because the administration is at last paying attention to their effects and has been leaning on foreign buyers to take it easy. When the Soviet government tried to buy more than three million tons of grain last September, the White House intervened and suspended the sale. Subsequently it persuaded the Soviets to take a smaller amount, a little over two million tons. There appears to have been pressure, less public and formal, on other overseas buyers. Now, with the rapid decline in prices of recent months, the administration currently gives indications of changing direction enough to keep exports at last year's level.

But some of the grain producers are, predictably, pushing for unlimited exports. Last year the administration belatedly instituted a requirement for prior government approval of any significant export sale. Several of the producers' lobbies are angrily demanding an end to this procedure, on grounds that it discourages foreign shipments. But producers should have learned by now that increasing the instability of the market is no answer to their troubles. The Agriculture Department made the latest in a long succession of serious and obvious blunders yesterday when it caved in to the grain lobbies and doubled the size of shipments that can be exported without prior federal approval.

Producers and consumers together now have the strongest kind of interest in a compromise. It would mean a level of federal price supports high enough to ensure farmers of profitable operation at the very high volumes that the nation needs. It means rebuilding national stocks of grain, not only as insurance against an emergency but to dampen further inflationary increases in prices. The intolerable fluctuations were not predictable, but in retrospect the reasons are entirely comprehensible. Higher price supports would be expensive—but not nearly as

expensive as the present waves of inflation at the grocery store and of panic on the farms.

TRIBUTE TO REPRESENTATIVE JOHN KLUCZYNSKI

(Mr. SIMON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIMON. Mr. Speaker, I want to belatedly join my colleagues who have put in their words of praise in honor of the late Congressman John Kluczynski, who was the friend of every Member of this body. Perhaps Congressman DAN ROSTENKOWSKI summarized it best when he referred to our late colleague as "a warm human being." No one came to his committee without going away feeling that he or she had been fairly treated by John Kluczynski. I got to know him approximately 20 years ago when I served in the Illinois General Assembly, a body he had left to serve in Congress. I used to joke with him, that I wanted his white hair so I would look more like a public official. When the voters of Illinois elected me Lieutenant Governor, I asked John's brother, Justice Thomas Kluczynski, to administer my oath of office. The crowd which attended the Congressman's wake and funeral mass testified more eloquently than anything I can say about the high esteem people who knew him had for Johnny Klu. All of us have been enriched by the opportunity to know him.

H.R. 1704, CONTINUATION OF MILITARY DEPENDENT'S SPECIAL EDUCATION

(Mrs. MINK asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. MINK. Mr. Speaker, I am reintroducing H.R. 1704 in this session of Congress—it was H.R. 13551 in the 93d Congress—because I believe it requires the urgent attention of this body. Under a policy change proclaimed by the Department of Defense in 1974, CHAMPUS funds are no longer provided for children's special educational needs who have severe learning disabilities. Previously, these children were included under the civilian health and medical program of the uniformed services—CHAMPUS—which provides financial assistance for medical services obtained from civilian health care providers.

According to the Department's statement on this matter, CHAMPUS payments for special education were withdrawn because the problem is primarily one of education rather than medical treatment for which the program is intended. Yet the cutoff of funds imposed "even though a beneficiary may have an approved medical diagnosis and a recommendation or order from a medical professional that educational services should be provided for the treatment of the condition diagnosed."

This is certainly a heartless means of achieving budget cuts. In the State of Hawaii, one of the institutions most severely affected is the Armed Services Special Education and Training School—ASSETS—a private, nonprofit school for elementary-level children—dependents of active duty military personnel—who have learning disabilities and whose academic needs cannot be adequately met in public or other private schools in Hawaii.

The primary goal of ASSETS is to offer instruction, learning, and academic therapy for those dependent children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language—spoken or written. Such a disorder can manifest itself in an imperfect ability to think, listen, read, write, spell, or do mathematical calculations.

These disorders include such conditions as perceptual handicaps, brain injury, minimal brain dysfunctions, dyslexia, developmental aphasia, and other similar handicaps. Certainly these come under the category of medical conditions and special education is a form of treatment. CHAMPUS payments were provided as such for years and only by twisted logic can it be suddenly discovered now that such payments are not authorized by the law.

Because it is heavily dependent on CHAMPUS funding, Hawaii's ASSETS and the military families who will need these services in the future will suffer greatly because of this shortsighted and discriminatory change. H.R. 1704 would require the Armed Forces to continue to provide special education services to physically handicapped dependents of members serving on active duty. This will be accomplished by amending section 1079(d) of title 10, United States Code, to specify the eligibility of children in need of special education for learning disabilities.

I hope this legislation will receive early and favorable consideration by this Congress.

AMENDING THE SOCIAL SECURITY ACT

(Mr. BEDELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BEDELL. Mr. Speaker, I am today introducing a bill which addresses one of the most glaring inequities of our social security program. I am referring to that section of law that requires reductions in other Federal pensions in certain cases when social security benefits are increased.

An identical bill was introduced in the Senate just last week by Senator HUGH SCOTT of Pennsylvania. It has already generated considerable bipartisan support.

The problem is simple. Social security increases often push recipients into a higher income bracket. If an individual is receiving any other type of Federal pension when this occurs, for example, SSI, AFDC, or veterans, the social security increase will result in a decrease in that pension. Oftentimes, the end result of this adjustment process is that a person loses more than he gains by his social security increase. This was clearly not the intent of the law.

The legislation I am introducing today would correct this situation by requiring that social security be disregarded as a factor in determining allowable income for those receiving benefits from any other Federal or federally assisted program. It will thus insure that a social security increase will not result in a reduction in other Federal benefits. It will insure that the increase does in fact provide the relief it was designed to offer.

In my view, there is no justification for allowing the present situation to continue. The bill I have introduced today will involve no additional Federal expenditures. It will simply assure that social security recipients receive their full entitlement as authorized by law. Under current conditions, the Government offers the social security increase with one hand, and then takes it back with the other by decreasing other forms of Federal assistance. This makes absolutely no sense at all.

Social security recipients will be receiving a cost-of-living increase later this year. If the Congress does not act quickly on this legislation, these individuals will face another reduction in expected benefits.

I hope that Congress will forestall this possibilty by taking prompt and favorable action on this bill.

REFORMING THE FOOD STAMP PROGRAM

(Mr. WIRTH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WIRTH. Mr. Speaker, Ms. Jodie Allen, vice president and director of the Policy Studies Group, Mathematica, Inc., in her article "Reforming the Food Stamp Program" in the February 1, 1975, Washington Post, has enumerated several inequities in the food stamp program and has expressed her concern that the Congress will freeze these inequities into law.

As we consider the very necessary legislation on February 4 to prohibit the proposed increase in the cost of food stamps, let us also pay attention to the "well-intentioned 'loophole' in food stamp regulations—the 'itemized deduction.'"

I recommend to my colleagues, Jodie Allen's article which follows:

[From the Washington Post, Feb. 1, 1975]

REFORMING THE FOOD STAMP PROGRAM

(By Jodie T. Allen)

Unless some "cooling-off" period is invoked, it appears likely that congressional response to the administration's ill-conceived proposal to raise the price of food stamps for most recipients may have the effect of freezing into law some of the worst features of the current program.

Under the administration's proposal, a family would be required to pay 30 per cent of its income, the maximum level allowable under current law, to receive its full coupon allotment. The proposal is open to criticism on grounds that it would lower income limits for food stamp eligibility, reduce net benefits for people who are eligible and discourage participation by those whose benefits no longer exceeded the attendant costs in time and inconvenience. In reaction to this proposal, concerned members of Congress are threatening to rush through legislation prohibiting any changes in the current program other than the automatic cost of living increases already legislated.

What is missing in this storm of protest is recognition of the fact that the current food stamp program is far from a model of equity. The food stamp program emerged in the 1960s as the hybrid offspring of a welfare program and a farm support program. In its early years emphasis was placed on ensuring that participants increased their food purchases. Families were required to purchase stamps at a price reflecting the average proportion of income which they would have spent on food in the absence of the program. Purchase requirements thus tended to be relatively high for large and for very low income families who had, of necessity, to allocate large proportions of their total incomes for food.

Despite major improvements instituted in 1971, the current benefit schedule is hardly a model of fairness. Equity would suggest that larger families, having greater needs for other items, should—whatever their income level—pay a lower (or at least no larger proportion) of their income for food bonuses than smaller families with the same income. Under current regulations, the opposite is true. Indeed, the nominal purchase requirements for most families of four or more are already equal to the proposed 30 per cent of income, while those for individuals rarely exceed 20 per cent. In any case, the sharp variation in the purchase requirement rates both across family sizes and within family size by income class are hard to defend on any grounds. For example, why should a family of 6 pay 27 per cent of its income for food stamps on a $100 monthly income, 29 per cent at $200 and only 26 per cent at $630 of monthly income?

Equally inequitable is the provision in food stamp regulations which requires automatic food stamp eligibility for public assistance recipients. In many states, the law allows families to retain welfare and related medical and social service benefits at income levels considerably above the food stamp eligibility cut-offs for nonpublic assistance recipients. For example, a family of four on welfare, with $6,200 of income, may receive at least $280 a year in food bonuses, while a comparable non-welfare family would receive none.

But the impact of these inequities is almost eclipsed by a well-intentioned "loophole" in food stamp regulations—the "itemized deduction." Since (1) families are required to purchase their stamps, and (2) other income maintenance programs designed to protect families against loss of purchasing power as the result of illness, incapacity, disaster or unemployment are inadequate for many families, the result is that the food stamp program has been led to broaden the number of deductions which may be claimed in determining how much income is to be counted in setting purchase requirements. Current regulations allow the following types of expenditure to be deducted in computing countable income for determining such purchase requirements: income and payroll taxes, union dues and mandatory retirement payments; medical expenses if these exceed $10 a month; child care expenses; tuition and mandatory educational fees, including private school tuition; support and alimony payments; unusual expenses arising from disasters or casualty losses, even if these are ultimately reimbursable through insurance; shelter costs including utilities and mortgage payments in excess of 30 per cent of income *after* all other allowable deductions have been made.

The effect of allowing these deductions is to increase greatly the inequity of the overall distribution of food stamp benefits. Far from assisting the very "poorest of the poor," itemized deductions redound primarily to the advantage of the relatively well-off participants for the simple reason that only such families can afford to purchase very much of the deductible items. Thus, among participating families of four, those with less than $100 of monthly income claim less than $15 in deductions per month on the average, while those with over $600 of monthly income claim deductions of over $225. A similarly regressive pattern is observed in the distribution of deductions by family size at any income level. For example, single person households with $350 of income claim deductions of over $250, while families of eight with identical income but presumably far greater needs are able to claim only $40 and, as a result, must pay over $60 more for their food stamps. So extensive are claimed deductions among participants at the higher income levels that survey data indicate that the *effective* purchase requirement rate is only 14 per cent of income on the average for all participants with incomes above $600 a month and less than 5 per cent of income for small families with such income. Thus, as in the personal income tax system, deductions are worth more to the "rich" than to the poor.

These observations cast considerable doubt on the equity and efficiency of the itemized deduction as a method for promoting food stamp participation. Essentially, an itemized deduction amounts to a subsidy of certain forms of consumption since, if the expenditure were not made, the income spent on it would increase the purchase requirement. While most of the deductible expenses allowed by the food stamp program may be deemed worthy of public support, it is not clear that the task of subsidizing them should be undertaken as part of a food support program, particularly since the net effect is to channel additional income to the less needy of program recipients. In short, one such transfer program should not attempt to remedy the defects of all the others.

However bad the administration's current proposal for change, freezing the current host of inadequacies and inequities into law does not seem a very helpful response—especially since simple alternatives for reform are available.

A reform system might look like this. Each family would, as now, be entitled to purchase an allotment of food stamps the value of which would increase with family size. The cost of the stamps would be computed as a constant per cent of income in excess of a standard deduction, perhaps adjusted only for family size. The costly, inequitable and difficult-to-administer itemized deductions would be eliminated. In their place, the standard deduction would prevent food stamp costs from claiming unacceptably high proportions of income among the lowest income and large families. Together these changes would produce a distribution of benefits that is equitable. At any given income level, the purchase requirements would decline as a portion of income as family size increases; for any given family size, purchase requirements would decline as a proportion of income as income decreases.

The determination of the appropriate level for the purchase requirement rate and the standard deduction requires further analysis of the current and potential distribution of food stamp benefits. In the meantime, it would seem wise for both the administration and the Congress to hold fire in the hopes that what will emerge will be a true reform which will at once increase net benefits to the neediest families, curtail program abuses, simplify program administration, and thus complete the transformation of the food stamp program into the only truly equitable and universal income maintenance program currently operating in the U.S.

AGE DISCRIMINATION BILL INTRODUCED

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 20 minutes.

Mr. FINDLEY. Mr. Speaker, in the first two centuries of our Nation's existence, Congress outlawed discrimination based on religion, national origin, race, and sex. But one of the ugliest forms of discrimination remains—forced retirement at age 65, or younger. Eventually, most of us face this discrimination.

I think this practice is outrageous, and therefore today introduced a bill to make illegal discrimination in employment based solely on advancing years. Mandatory retirement at a fixed age weakens our society and depresses and debilitates millions of citizens each year.

As we approach the year of our Bicentennial, it would be fitting for us to reaffirm the founding principle of the equality of all Americans, regardless of age. This principle is the very cornerstone of our democracy. In fact, many of our Founding Fathers, notably, Benjamin Franklin, served this country well long after age 65. At 70, Franklin helped draft the Declaration of Independence and at 81 was chosen a member of the Constitutional Convention. Fortunately his enormous potential to help our Nation in its formative years was not cut off by arbitrary age limits.

The leaders of American industry are being pushed from their board seats and the production people whose skill and hard work have made this country an industrial giant are being dismissed from the assembly lines, not because of incompetence, not because they cannot keep up, not because they are too feeble to attend to their duties, but simply because they have reached the magical—some say doomed—age of 65.

Life does not end at 65. For many it is the prime of life. Some of the most valuable contributions to mankind have been made by those over 65.

Dr. Albert Schweitzer won the Nobel Peace Prize at 68, Frank Lloyd Wright designed New York's Guggenheim Museum at 76, Winston Churchill was reelected British Prime Minister at 77. Carl Sandburg wrote some of his most beautiful poetry in his eighties, and Grandma Moses was still painting when she was over 100.

Other individuals would like a chance to make their own contributions after age 65, but are instead pushed aside for a new generation which will itself face the same fate in a few years.

At a time when our Nation is learning to conserve its limited resources, we must stop squandering this most precious resource of all—the skill and experience of senior citizens.

LIST OF COSPONSORS

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Yvonne Brathwaite Burke (Calif.)
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NATURAL GAS CRISIS IN SAN ANTONIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, one fine day not too long ago the city of San Antonio woke up to the news that its gas supplier was desperately short of gas and could only serve a fraction of the city's needs. Since the electricity in the city of San Antonio, which is the third largest in the State of Texas, was generated completely by the use of natural gas and since the city had only a few days' supply of alternate fuels, the city faced a possible catastrophe.

This was avoided by the imposition of a stringent conservation program and by very desperate efforts to locate enough fuel oil to keep the powerplants going.

San Antonio today is still faced with a crisis. The gas it uses costs many times what its contract calls for. Its experiences have clearly shown it to be on the verge of a daily crisis, and no one has any idea how the city can meet its long-range fuel requirements, and particularly when its existent contract, such as it is, expires in 1982.

Mr. Speaker, I have, from the first, said that this emergency was no accident. It was foreseeable, and it was foreseen. San Antonio has been betrayed by those whom it placed in a position of trust, and, strangely enough, this betrayal is part of a national pattern of corruption, betrayal, and the intermixture of politics, power, and the acts of greedy self-seekers. Over the next few days I will document exactly how this happened.

The basic question, though, is: How much natural gas is there available for San Antonio? Is it possible that the city's gas supplier knew that he lacked gas to meet his commitments as contracted for? If he did, how, then, did he conceal the truth? And above all, the question I have been asking now for almost 2 years is this: What can and what should be done about it?

I started trying to answer these questions by turning to the Federal Power Commission. There I found that San Antonio's gas supplier, the Coastal States Gas Co., known as Oscar Wyatt's Co., had indeed published a great many conflicting stories about its gas supplies.

To the Power Commission, Coastal argued it was having trouble meeting certain of its commitments and wanted out of a particular contract. But at the identical same time, Coastal's board chairman was telling the Securities and Exchange Commission that his company had plenty of gas, and he was basking in the glory of being the "Glamour Boy" of the securities market of that time. One of these stories had to be false, and I said so. Either Coastal had lots of gas or it had very little.

It turns out that it had very little. The unfortunate thing is that the Securities and Exchange Commission and the Federal Power Commission did not bother to check with each other.

The General Accounting Office studied this odd lack of coordination upon my request and insistence. It took them about a year to study the matter. But finally it produced a recommendation, after a lot of prodding from me; and this recommendation was directed to these two agencies, the SEC and the FPC, advocating that some changes be made, mainly that when a gas company like Coastal was telling each of them something different, that the agencies at least try to figure out why and which story was true.

That seems simple enough. But the Federal Power Commission has stoutly resisted the idea to this very day. It has only reluctantly accepted the principle that it should try to find out the truth when a gas company is plainly lying about its gas supplies.

The Federal Power Commission is so reluctant to let gas companies know that it expects them to tell the truth that it has not asked the Justice Department for a single criminal prosecution in the past 5 years.

The case of Coastal, with respect to cause and effect, is very simple and very clear. Mr. Coastal states himself, Oscar Wyatt donated better than $50,000 to President Nixon's reelection campaign effort in 1972.

The FPC clearly reflects cause and effect and the sorry story that Watergate so clearly anchored down, that under that administration every single Federal administrative agency, high and low, was 100 percent politicized—if you contributed, you were taken care of; if you did not well, maybe you would get prosecuted.

In the Coastal case the staff attorney assigned to study the situation on the FPC level did, in fact, recommend that the company be prosecuted for a criminal violation in connection with supplying false and misleading data. But the Commission did not act on this recommendation, and it has not done so to this date. It did not say yes; it did not say no; it has said nothing to this date.

The Securities and Exchange Commission, happily, though, had certain things happen to it. The Members will recall that its politicized chairman, who got involved in Watergate, was deposed and we ended up with another. At least we had some seeping of fresh, clean air into the inner recesses of SEC. Therefore, it has been less objectionable than FPC. It has not denied responsibility. The SEC investigated Coastal and found that it was probably lying, or I will say categorically that it was lying, about matters important to people who owned or might buy Coastal securities. It got a consent decree that required the company to make fuller disclosure and to reorganize its management supposedly.

While the Federal Power Commission was busily ignoring calls for prosecution of Coastal, the Securities and Exchange Commission staff found some interesting evidence which Coastal had tried to suppress, and when that failed, they attempted to destroy it, very much and identically along the pattern of Watergate.

The very night before the SEC demanded these documents Coastal's attorneys in San Antonio stayed up all night pulling the data out of the files. Some of it they destroyed; some of it they had to turn over to the SEC; some of it they tried to hide. The SEC, to its credit, found out about the missing items and recovered those which had been mysteriously taken to the home of one of the company officers.

Some are still missing, and they are probably destroyed.

While the Federal Power Commission has not lifted an eyelash at the odd dealings of Coastal States, the Securities and Exchange Commission has acted. It not only demanded that Coastal reform its practices; it also kept investigating, and even now is considering whether or not to seek further action.

However, interesting things have been happening in the interim, as late as the tail end of last week when two of the SEC investigators on the Coastal States case were shot last Thursday night in Fort Worth, Tex. They were involved in other cases as well, and it is evident that those who did not want to see a connection with Coastal as a plausible reason, chose not to connect it. There is no hard evidence that the shootings were connected with the specific investigation at this point, yet it is very strange that these two men were attacked by three gunmen from behind as they left a restaurant that evening while they were in the course of investigating Coastal, and other matters. They were just simply shot. One is in serious condition, the other is slightly wounded.

Maybe there is no connection, but a few days before the Bexar County district attorney in my hometown of San Antonio, with whom I have a very close relationship with this and other matters, was told that he should get off the Coastal States investigation. He was told that politically he was on thin ice, and he had better drop it. It was, maybe, perhaps friendly advice. Perhaps it is a threat, but the message was unmistakable. It is enough to cause me to wonder, despite the lack of evidence, was the SEC getting too close to someone who, in some cases, has been powerful enough to even utilize some pliable and willing local district judges?

Well, these are mighty strange things that are happening.

The truth of the matter is that San Antonio's gas supplier lied about its capabilities from the very beginning. Coastal States later became involved with this supplier and took it over. It is certain that Coastal States knew about the shortages that existed, ab initio, from the beginning. It is certain that they chose to hide the truth. It is also certain that the Federal Power Commission knew something was wrong, and knows something was wrong, but it did not and has not chosen to do anything about it. The SEC also knew that something was wrong and acted vigorously up to now. It kept on digging for the truth. Now two of its investigators are wounded. Maybe there is a connection, maybe it is just plain old happenstance.

The one certainty is that the Federal Power Commission is not at all willing to do so much as chastise Coastal States, let alone act against it. The Commission defends itself with great vigor. I only wish that it spent the same energy straightening out Coastal States and protecting its customers. But the FPC is not only cozy with Coastal, it has not asked any Justice Department official for any kind of criminal action against anybody for so long that it probably does not even know how to do it now. I doubt that the FPC can even say what would be an offense bad enough to make them go after a criminal indictment, and particularly against someone who contributed a little better than $50,000. However, there is hope from the SEC that it can do something in its pursuit of truth. I hope that its two wounded investigators were not shot as a result of their actions in the course of this or any other related investigation. I also hope that the appropriate Federal agencies will press to find out whether there is any such connection.

The Federal Power Commission has not been alone in its blindness and ineptitude. Tomorrow and in succeeding days, God willing, I will describe how the city of San Antonio's Public Service Board allowed itself to be deceived and hoodwinked by its own consultant, how Coastal States knew of this, and what was done about it. The record with respect to the Federal Power Commission is presently complete. Tomorrow I will describe how the people of San Antonio were betrayed by its ineptitude and blindness. Often, and as incredible as this whole task may seem to be, all that has been asked of a whole community is that it be dealt with truthfully and honestly.

Now to go back on FPC and to recapitulate, it is strange that the FPC staff developed in the records of the Special Investigating Subcommittee of the House Committee on Interstate and Foreign Commerce—and I quote from a memo from that staff—"two rather substantial allegations of fraud against the Government." This is the wording of the subcommittee investigating staff reporting what they learned from the FPC staff who said:

> Of course, there are two at least substantial and specific cases of criminal fraud against the government, and specific recommendations made to the Justice Department for possible prosecutive action. The recommendation—

And again I am going to use words employed by the staff in its report—

> was completely ignored, and no referral was made.

In fact, the distinguished chairman of the entire committee in a letter to John Nassikas, very clearly states the case. The letter is dated January 10, 1975, and I am going to read that letter:

> DEAR MR. CHAPMAN: In the course of official inquiry being made by the Special Subcommittee on Investigations, it was determined that the Commission's staff had recommended the referral to the Department of Justice of two allegations of violations of Section 1001, Title 18, U.S.C. (Fraud Against the Government), and that this recommendation was not acted upon. It was further ascertained that for the past several years your Agency has not seen fit to refer any indications of criminal allegations to the Justice Department for prosecutive attention.
>
> In view of the foregoing, it was felt that a review of your procedures concerning criminal referencing matters is warranted. Accordingly, I have ordered such an inquiry. In this connection it will be necessary to examine pertinent documents in your Agency's possession and to interview all individuals knowledgeable concerning the procedures in question.
>
> Your cooperation in this matter will be greatly appreciated.

This letter was signed by the chairman of this very distinguished committee, one of the most distinguished, scrupulously honest Members of the House, a man for whom I have thorough-going respect and have had ever since I came to this body, but a man who has, interestingly enough, in less than a week's time, been deposed of the chairmanship of this investigating subcommittee of the House Committee on Interstate and Foreign Commerce. That also makes a very interesting discussion possible.

Will the men who will now be governing the destinies of this very special investigating committee follow through, or will they do what the FPC has done, and obviously desires to do, and that is to forget about everything, look the other way, take care of those who have been very generous and who have been on the right side of the political fence?

More than San Antonio happens to be involved. I remember 5 years ago when I took this same floor, it took 47 speeches before any attention was paid to the specific complaint, to the specific grievance, or even to an attempt to address the grievance. I have the dubious honor of being the first Member in or out of Government to disclose the corruption of the Nixon administration. Less than 60 days after the installation of that administration, it was I who revealed the pattern of practice that was to be instituted on an institutionalized basis later on in every other agency. In the case of the Small Business Administration, it went to the highest rung and clearly indicated that a pattern had set in.

In that case it led to the indictment and imprisonment of two men, including one of the specially selected, highly placed special assistants to the Administrator, hired immediately after the installation of Mr. Nixon as President in 1969.

About a year later I found myself very much alone, setting forth the sordid details of what turned out to be the Frank Sharp scandal in the State of Texas, but which involved the entire structure of the Justice Department from the Attorney General clear down to the Federal district attorney in the southern district of Texas, in Houston, Tex. It finally, after 47 speeches, led to the dismissal of the Deputy Attorney General in charge of the Criminal Division, a former Attorney General of my home State, my own State of Texas, and only after repeated allegations on this floor and after being ignored by everybody including the Attorney General of the United States.

I was the first one to point out what a sorry crook John Mitchell in fact and in word was, only to find that being ridiculed, but it did lead in a way to the national attention and led to his conviction in recent times by a Washington jury.

So what I speak of today may be pinpointing a local situation, true, but as in the case of the SBA in 1969, as in the case of Will Wilson, the Deputy Attorney General in charge of criminal matters in 1970 and 1971, I say that today this is a clear indication that the malady and the disease still remain to be rooted out from our Government and body politic, and that it is still festering, particularly in these areas of regulatory commissions such as the Federal Power Commission in general and its chairman in particular.

THE FISCAL YEAR 1976 BUDGET AND FISCAL RESTRAINT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, President Ford has sent a proposed budget up to Capitol Hill totaling $349 billion. This is almost $40 billion over the total budget for last year. If the size of this budget alone is not enough to throw a scare into all of us, then the size of the projected deficit will—an incredible $52 billion. Few Americans can even begin to comprehend these sums. To give some feel for the true size of this deficit consider the fact that from 1789 until 1919 the total budget expenditures of the United States did not equal $52 billion. Today we contemplate a deficit greater than the Federal Government outlays of those 130 years.

Mr. Speaker, faced with a deficit of this size, the administration has requested that the line be held on any new Federal spending for this year. In addition, efforts are being made to cut back on the expenditure of funds already appropriated through recissions and deferrals. Just today members of the Treasury Department appeared before one of my Appropriations Subcommittees; Treasury, Postal Service and General Government; in support of $24 million in recissions. Later today Commerce officials testified before another of my Appropriations Subcommittees; State, Justice, Commerce, and Judiciary; in favor of an additional $24 million in recissions.

Granted that this is a small sum when compared to a $52 billion deficit, but it is certainly a step in the right direction and helps to foster the correct attitude in holding down budget expenditures. It is now time to go after some of the larger sums in the budget.

We must cut back wherever possible. The increasingly paternalistic attitude of the Federal Government with built-in increases and automatic program growth has created inflationary budgets that are, we are told, largely uncontrollable. Because of this, the Nation goes deeper and deeper into debt. The Congress will soon be asked to approve an increase in the public debt ceiling to over $600 billion. The interest alone on that debt is over $34.4 billion, the third largest major budget outlay. Borrowing to meet payment on that debt and to finance extravagant Government spending makes it constantly more difficult for private investors to obtain needed capital at reasonable rates in the money markets. In short, continued deficit spending at these levels will permanently destroy this Nation's economic health.

President Ford said in his state of the Union address that the outlays for fiscal year 1976 are far too high. I agree with that assessment. Unfortunately, with the makeup of the 94th Congress it will be difficult to reduce expenditures, yet a reduction of expenditures is the answer. The decisions we make in the next few months will have a lasting impact on future expenditures and future budgets. It is now time for fiscal restraint.

MATSUNAGA BILL WOULD ELIMINATE SEX DISCRIMINATION IN SOCIAL SECURITY BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 20 minutes.

Mr. MATSUNAGA. Mr. Speaker, there is a growing movement in this country and around the world to redress the imbalance that has existed for centuries in the relative rights of women and men. This movement is long overdue, and I wholeheartedly endorse the principles of equality of opportunity under the law which are inherent in it.

At the same time, we must recognize that, in some areas, special treatment has been afforded to women because they were women, which is not justifiable. The Supreme Court has ruled, for example, that excluding women from juries simply because they were females was unfair both to women and to defendants.

In the same vein, many features of present law confer special benefits to women in certain situations. Usually the purpose of the benefit is to compensate for some special set of circumstances in which women may find themselves. We are only starting to recognize that men may also end up in those circumstances. One of the areas of the law where this is most apparent is in the workings of the social security system.

If a man covered by social security dies, his widow receives a benefit if she is 62 or has a minor child. Yet if a woman covered by social security dies, a widower in the same situation would receive nothing but a small lump sum, one-time death benefit, unless he could show that he was dependent on his wife for at least half of his support.

In an age where 30 million women are working and paying into the social security trust fund, there is no excuse for treatment like this. In my State of Hawaii, which has a higher proportion of working wives than any other State, it is particularly disturbing.

That is why I have introduced H.R. 1938, a bill which removes many of the inequities in the treatment of men and women under social security.

My bill, of course, deals with the situation I have just described; it would permit widowers to collect benefits without any need to show dependency. Even though this may not be a widely used provision, given our society's inclination to pay women less than men for similar work, its enactment would be a step toward eliminating discrimination on the basis of sex in all our laws.

In addition, my bill would make these changes in the social security law:

A divorced man would be permitted to draw a spouse's benefit at age 62 if the marriage lasted at least 20 years and the man had not remarried. A divorced woman may now claim such a benefit;

A surviving father with a child in his care would receive a parent's benefit until the child reached the age of 22. A surviving mother can now receive a benefit in these circumstances; and

Under present law a wife of a man who is drawing a benefit receives a special spouse's benefit equal to one half of the primary amount, if she has reached age 62 or has a minor child in her care. A husband may claim the same benefit only if he has reached 62. My bill would permit him to draw a spouse's benefit also if he is caring for a minor child.

Mr. Speaker, this is a bill which will correct a number of longstanding anomalies in the Social Security Act. I do not expect that any of them will be very expensive, yet the inequalities to which they are addressed are inappropriate to these times.

I urge the Ways and Means Committee to act expeditiously to approve H.R. 1938.

At this point I enclose for my colleagues and other readers of the RECORD the text of my bill:

H.R. 1938

A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELIMINATION OF SPECIAL DEPENDENCY REQUIREMENTS FOR HUSBAND'S AND WIDOWER'S BENEFITS

SECTION 1. (a)(1) Section 202(c)(1) of the Social Security Act is amended—

(A) by adding "and" at the end of subparagraph (B);

(B) by striking out subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C).

(2) Section 202(c) of such Act is further amended by striking out paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(b)(1) Section 202(f)(1) of such Act is amended—

(A) by adding "and" at the end of subparagraph (C);

(B) by striking out subparagraph (D); and

(C) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively.

(2) Section 202(f) of such Act is further amended by striking out paragraph (2), and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(3)(A) Section 202(f)(1)(B) of such Act is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(B) The subparagraph of section 202(f)(1) of such Act redesignated as subparagraph (F) by paragraph (1)(C) of this subsection is amended by striking out "paragraph (7)" and "paragraph (6)" and inserting in lieu thereof "paragraph (6)" and "paragraph (5)", respectively.

(C) Subparagraph (A) of the paragraph of section 202(f) of such Act redesignated as paragraph (2) by paragraph (2) of this subsection is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (4)".

(D) The paragraph of section 202(f) of such Act redesignated as paragraph (4) by paragraph (2) of this subsection is amended by striking out "paragraph (4)" and "paragraph (3)" and inserting in lieu thereof "paragraph (3)" and "paragraph (2)", respectively.

(E) The paragraph of section 202(f) of such Act redesignated as paragraph (6) by paragraph (2) of this subsection is amended by striking out "paragraph (1)(G)" and "paragraph (6)" and inserting in lieu thereof "paragraph (1)(F)" and "paragraph (5)", respectively.

ELIGIBILITY OF CERTAIN DIVORCED HUSBANDS AND FORMER HUSBANDS FOR HUSBAND'S AND WIDOWER'S BENEFITS

SEC. 2. (a)(1) Section 202(c)(1) of the Social Security Act is amended by inserting "and every divorced husband (as defined in section 216(d))" immediately after "husband (as defined in section 216(f))", and by inserting "or such divorced husband" immediately after "if such husband", in the matter preceding subparagraph (A).

(2) Section 202(c)(1) of such Act (as amended by the first section of this Act) is further amended by striking out "and" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D),

and by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) in the case of a divorced husband, is not married, and".

(3) Section 202(c)(1) of such Act is further amended by striking out "shall be entitled" and inserting in lieu thereof "shall (subject to subsection (s)) be entitled".

(4) Section 202(c)(1) of such Act is further amended—

(A) by inserting immediately after "they are divorced" in the matter following the colon the following: "(in the case of a husband) and either he has not attained age 62 or he has attained such age but has not been married to such individual for a period of 20 years immediately before the date the divorce became effective"; and

(B) by adding at the end thereof the following new sentence: "In the case of a divorced husband, entitlement to such benefits shall also end with the month preceding the month in which he marries a person other than such individual."

(5) Section 202(c)(2) of such Act (as redesignated by the first section of this Act) is amended by inserting after "his wife" the following: "(or, in the case of a divorced husband, his former wife)".

(6) Section 202(c) of such Act (as amended by the first section of this Act) is further amended by adding at the end thereof the following new paragraph:

"(3) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (e) or (h) of this section, or

"(B) an individual who has attained the age of 18 and is entitled to benefits under subsection (d),

such divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), not be terminated by reason of such marriage."

(b)(1) Section 202(f)(1) of such Act is amended by inserting "and every surviving divorced husband (as defined in section 216(d))" immediately after "widower (as defined in section 216(g))", and by inserting "or such surviving divorced husband" immediately after "if such widower", in the matter preceding subparagraph (A).

(2) Section 202(f)(1)(A) of such Act is amended by striking out "has not remarried" and inserting in lieu thereof "is not married".

(3) Section 202(f) of such Act is further amended by inserting "or surviving divorced husband" immediately after "widower" each place it appears in paragraphs (2)(B), (3), (5), and (6) (as redesignated by the first section of this Act).

(4) Section 202(f)(3) of such Act (as so redesignated) is amended by inserting "or surviving divorced husband's immediately after "widower's".

(c)(1) Section 216(d)(1) of such Act is amended by adding at the end thereof the following new sentence: "The term 'divorced husband' means a man divorced from an individual, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective."

(2) Section 216(d)(2) of such Act is amended by adding at the end thereof the following new sentence: "The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to such individual for a period of 20 years immediately before the date the divorce became effective."

(3) The heading of section 216(d) of such Act is amended by inserting "and Husbands" immediately after "Wives".

ELIGIBILITY FOR HUSBAND'S BENEFITS BASED ON HAVING CHILD IN CARE

SEC. 3. (a) Section 202(c)(1)(B) of the Social Security Act is amended to read as follows:

"(B) has attained age 62 or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual,".

(b) Section 202(c)(1) of such Act (as amended by section 2(a) of this Act) is further amended by inserting immediately after the first sentence the following new sentence: "In the case of a husband who has not attained age 62, entitlement to such benefits shall also end with the month preceding the first month in which no child of the insured individual is entitled to a child's insurance benefit."

BENEFITS FOR WIDOWED FATHERS WITH MINOR CHILDREN

SEC. 4. Section 202(g) of the Social Security Act is amended to read as follows:

"MOTHER'S AND FATHER'S INSURANCE BENEFITS

"(g)(1) The widow, widower, and every surviving divorced mother or father (as defined in section 216(d)) of an individual who died a fully or currently insured individual, if such widow, widower, or surviving divorced mother or father—

"(A) is not married,

"(B) is not entitled to a widow's or widower's insurance benefit,

"(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"(D) has filed application for mother's or father's insurance benefits, or was entitled to wife's or husband's insurance benefits on the basis of the wages and self-employment income of such individual for the month preceding the month in which such individual died, and

"(E) at the time of filing such application has in her or his care a child of such individual entitled to a child's insurance benefit,

shall (subject to subsection (s)) be entitled to a mother's or father's insurance benefit for each month, beginning with the first month in which she or he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, or such widow, widower, or surviving divorced mother or father becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, becomes entitled to a widow's or widower's insurance benefit, remarries, or dies. Entitlement to such benefits shall also end, in the case of a surviving divorced mother or father, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such surviving divorced mother or father is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"(2) Such mother's or father's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"(3) In the case of a widow, widower or surviving divorced mother or father who marries—

"(A) an individual entitled to benefits under this subsection or subsection (a), (b), (e), (f), or (h), or under section 223(a), or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

the entitlement of such widow, widower, or surviving divorced mother or father to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he or she ceases to be so entitled by reason of his or her death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he or she is entitled, for the month following such last month, to benefits under subsection (a) of this section."

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 5. (a)(1) Section 202(b)(3)(A) of the Social Security Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(b)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(b)(1) Section 202(e)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(2) Section 202(e)(3) of such Act is further amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

(c) Section 202(f)(1)(C) of such Act is amended by inserting after the comma at the end thereof the following: "or was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 62,".

(d) Section 202(k) of such Act is amended—

(1) by striking out "or (f)(5)" wherever it appears in paragraphs (2)(B) and (3)(B) and inserting in lieu thereof in each instance "or (f)(4)"; and

(2) by striking out "or (f)(3)" in paragraph (3)(A) and inserting in lieu thereof "or (f)(2)".

(e)(1) Section 202(p)(1) of such Act is amended by striking out "subparagraph (C) of subsection (c)(1),".

(2) Section 202(p)(1) of such Act is further amended by striking out "clause (i) or (ii) of subparagraph (D) of subsection (f)(1), or".

(f) Section 202(s) of such Act is amended—

(1) by inserting "(c)(1)," after "(b)(1)," in paragraph (1);

(2) by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4), of this section as precedes the semicolon" in paragraph (2) and inserting in lieu thereof "Subsections (b)(3), (c)(4), (e)(3), and (f)(3), and so much of subsections (d)(5), (g)(3), and (h)(4) of this section as precedes the semicolon"; and

(3) by striking out "Subsections (c)(2)(B) and (f)(2)(B) of this section, so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4)" in paragraph (3) and inserting in lieu thereof "So much of subsections (d)(5), (g)(3), and (h)(4)".

(g) Section 203(c)(2) of such Act is amended—

(1) by striking out "wife" and inserting in lieu thereof "wife or husband";

(2) by striking out "wife's" each place it appears and inserting in lieu thereof "wife's or husband's";

(3) by striking out "her care" and inserting in lieu thereof "her or his care"; and

(4) by striking out "her husband" each place it appears and inserting in lieu thereof "her or his spouse".

(h)(1) Section 203(c)(3) of such Act is amended to read as follows:

"(3) in which such individual, if a widow or widower entitled to a mother's or father's insurance benefit, did not have in her or his care a child of the deceased husband or wife entitled to a child's insurance benefit; or".

(2) Section 203(c)(4) of such Act is amended to read as follows:

"(4) in which such individual, if a surviving divorced mother or father entitled to a mother's or father's insurance benefit did not have in her or his care a child of her or his deceased former spouse who (A) is her or his son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her or his deceased former spouse."

(i) The last sentence of section 203(c) of such Act is amended by inserting "or surviving divorced husband" after "the widower".

(j) The second sentence of section 205(b) of such Act is amended by inserting "surviving divorced father," after "surviving divorced mother,", by inserting "divorced husband," after "husband," and by inserting "surviving divorced husband," after "widower,".

(k)(1) Section 216(d)(3) of such Act is amended to read as follows:

"(3) The term 'surviving divorced mother or father' means an individual divorced from a person who has died, but only if (A) such individual is the mother or father of such person's son or daughter, (B) such individual legally adopted such person's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, (C) such person legally adopted such individual's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, or (D) such individual was married to such person at the time both of them legally adopted a child under the age of 18."

(2) The heading of section 216(d) of such Act (as amended by section 2(c)(3) of this Act) is amended by inserting "Surviving Divorced Mothers and Fathers;" immediately after "Husbands;".

(l)(1) The first sentence of section 222(b)(1) of such Act is amended by striking out "or surviving divorced wife" and inserting in lieu thereof ", surviving divorced wife, or surviving divorced husband".

(2) Section 222(b)(2) of such Act is amended by inserting "or father's" after "mother's" each place it appears.

(3) Section 222(b)(3) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(m) Section 222(d)(1) of such Act is amended by inserting "and surviving divorced husbands" immediately after "for widowers".

(n) Section 223(d)(2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(o) The first sentence of section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "a widower".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after the month in which this Act is enacted.

COURTS UNFAIRLY PENALIZE CITY OF CHICAGO

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, recent action by the Federal courts are causing untold hardship on the operations of the city of Chicago.

As the situation now stands, Chicago could lose $76 million in revenue sharing funds if the police department does not comply with Federal antidiscrimination laws. While the matter of compliance is a highly debatable question, the unfortunate part is that the entire city of Chicago must suffer because of a ruling of the court.

Briefly, this is how the situation stands. A U.S. district court judge has refused to sign an injunction to countermand the court order of a Federal judge in Washington which halted the Federal revenue sharing funds for the first quarter of 1975.

Some $19 million is involved in the first quarter payment.

Without that money there is a strong possibility that the city would have to lay off large numbers of workers and freeze salaries. The city may also have to rescind all cost-of-living wage increases for city employees and abandon new social programs.

In short, the entire city of Chicago will be affected by this decision. The people of Chicago are being held hostage and it is indeed unfortunate that they are the innocent victims of the situation. The enclosed newspaper clippings quite graphically depict how severe the problem has become and hopefully a solution can be worked out so that the problem is not prolonged.

JUDGE DENIES CITY'S APPEAL FOR U.S. FUNDS

A U.S. District Court judge declined Thursday to order the payment to Chicago of $19 million in federal revenue sharing funds withheld in the police discrimination dispute.

The city immediately filed an emergency appeal with the U.S. 7th Circuit Court of Appeals here. That court also was asked to review the U.S. Treasury's administrative decision to withhold the money.

Judge Prentice H. Marshall refused to sign an injunction to countermand the Dec. 18 order of a federal judge in Washington, D.C., that halted the funds for the first quarter of 1975.

The city stands to lose $76 million in revenue sharing funds for the entire year if the Police Department does not comply with federal anti-discrimination laws. City attorneys had asked Marshall to nullify the Washington judge's order.

"No injunction of mine could set that (Washington) adjudication aside," Marshall said in his hourlong ruling from the bench.

Meanwhile, political observers were divided in their assessment of the money cutback's impact.

Spokesmen for Mayor Daley's administration stood by their warning of layoffs for city workers and salary freezes. The layoffs could begin within two weeks, the spokesmen said.

Ald. Leon M. Despres (5th), an anti-Daley liberal and mayoral candidate who was in the courtroom for Marshall's ruling, called on the city to cut "wasteful patronage," rather than essential services, from the proposed 1975 budget of $1.097 billion.

Roman C. Pucinski (41st), a pro-Daley City Council member who was a congressman when revenue sharing first was enacted, proposed another alternative.

Pucinski suggested that if the city were to see the funds in agencies other than the Police Department, the federal government would have no basis for withholding the money.

In his ruling, Marshall called "most serious" the city's failure to become a party in the Washington suit against the treasury secretary, overseer of the revenue sharing program.

Marshall said the city was seeking "a substitute for other remedies" that propose to be available. These include appealing the Washington order of U.S. District Court Judge John Lewis Smith Jr. Observers said it would be conceivable that once the city was a party to the suit in Washington, it could be transferred to Marshall for further action.

After the Marshall decision was announced, William Quinlan, acting corporation counsel, said the city still was considering intervening in the Washington action.

Richard J. Phelan, a special assistant corporation counsel, told Marshall, "I am disappointed in the lack of courage on the part of this court to remedy a serious situation" through an injunction.

Asst. U.S. Atty. Ilana D. Rovner, who opposed the injunction, said, "commend the court for its courage in showing that the law remains law."

Renault Robinson, executive director of the Afro-American Patrolmen's League, a plaintiff in both suits, said:

"It is a shame we had to take an extreme means to make the city comply with the civil rights laws of the nation.

"All the city has to do to stop this court battle over the inevitable is to get on with some positive programs to end discrimination."

Marshall ruled on Nov. 7 that the Chicago Police Department had been using discriminatory hiring and promotional tests and requirements against blacks, Latinos and women, and ordered them stopped.

Judge Smith used Marshall's ruling as the basis for his order blocking the Treasury Department from disbursing the payments scheduled in January for the city's first installment of 1975 revenue sharing funds.

The city contends it is short 850 patrolmen As one remedy, Daley has announced that 500 patrolmen will be paid straight time only while working a sixth day every week.

To ease the shortage, Marshall allowed an emergency plan to hire 600 policemen beginning in January. Both the mayor's relief and Marshall's interim plan are endangered by the cutoff of revenue sharing funds, said Clark Burrus, city controller.

Also in the courtroom for the decision Thursday was David Fogel, executive director of the Illinois Law Enforcement Commission, which is withholding about $4 million in federal funds pending the city's commitment to an affirmative-action program in hiring, promotion and internal procedures.

Should the city forfeit the nearly $80 million, Mayor Daley will be in a difficult political position, observers said.

A key Daley campaign issue is that the city's portion of the property tax has declined for three consecutive years and would do so again under the 1975 budget. An increase of 61.5 cents in the present property tax rate of $8.39 per $100 of assessed valuation would be needed to raise $80 million.

A revenue increase of some sort would be likely, observers said, because layoffs of city workers or pay cuts would be unthinkable in an election year. Many thousands of city employes are key political workers essential to a Daley victory in the Feb. 25 Democratic mayoral primary and the April 1 election.

U.S. Funds Still Frozen—City Denied $76 Million Aid

(By Robert Enstad)

Federal Judge Prentice H. Marshall of Chicago Thursday refused to restore to Chicago federal revenue-sharing funds that amount to $76 million annually.

The funds had been frozen Dec. 18 by Federal Judge John Lewis Smith Jr. in Washington because of charges of discrimination in the Chicago Police Department.

City officials have warned that the city will be forced to resort to massive cutbacks of employes, including policemen and firemen, if the funds are not restored. The city also will have to rescind all cost-of-living wage increases for city employes and abandon promised new social programs, officials said.

City attorneys, who said they will appeal Judge Marshall's ruling had asked Judge Marshall to lift the freeze.

They maintained that only Marshall could decide the revenue-sharing issue because the judge is hearing a Justice Department discrimination suit against the Police Department. Marshall disagreed.

The judge said the city should have objected to the funding cutoff before Judge Smith, which it did not do. He said the city's failure to intervene in the Washington court case is, "in my opinion, most serious."

The Washington suit to cut off the funds until the Police Department ends discrimination in its ranks was brought by Renault Robinson, executive director of the Afro-American Patrolmen's league.

After Marshall concluded his hour-long ruling on the matter. Richard J. Phelan, a special assistant corporation counsel for the city, told the judge:

"I am disappointed in the lack of courage on the part of this court to remedy a serious situation that could be remedied by an injunction."

Phelan apparently was referring to cutbacks in city services which city officials said would come if the funds are not restored.

But Mrs. Ilana Rovner, an assistant United States attorney, told Marshall his ruling had shown great courage. She said the judge showed that the law remains the law.

Ald. Leon M. Despres [5th], who was in the courtroom, called the decision wonderful, adding: "The withholding of revenue-sharing funds won't hurt the city as much as continued discrimination on the part of the Police Department."

Another courtroom observer was Edward V. Hanrahan, who is running in the Democratic primary for mayor. He said the cutoff in funds has become a campaign issue because the city, through Mayor Daley, did not protect its interests in the Washington court action.

Marshall said the Washington action was a matter apart from the discrimination suit before him. He said the city had plenty of time and opportunity to intervene in the Washington suit to fight the cutoff in revenue-sharing funds.

Marshall said this opportunity is still available to the city.

However, William Quinlan, acting corporation counsel, announced shortly after the ruling that Marshall's decision would be appealed to the United States Court of Appeals in Chicago.

Marshall did not address his ruling as to whether Judge Smith was right in cutting off the funds. He ruled only that Smith had authority to do so.

But he did say that Smith's ruling was inconsistent with another ruling by the judge on June 26.

NATIONAL FILM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Brademas) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, tomorrow, February 4, thousands of motion picture theater owners and film companies will again join in a nationwide celebration of the importance of motion pictures in America during National Film Day.

National Film Day, sponsored by the American Film Institute, will focus attention on the motion picture and its contribution to American life.

But, Mr. Speaker, National Film Day also constitutes an important ongoing source of funds to the American Film Institute, the organization devoted to preserving the Nation's film heritage and to developing new film talent.

Tomorrow, Mr. Speaker, 55 motion picture theater circuits, representing over 2,000 theaters, have agreed to donate 50 percent of their gross boxoffice receipts for the day to the American Film Institute.

Mr. Speaker, the AFI is a creation of the National Endowment for the Arts, established following a statement by the late President Lyndon B. Johnson, when he signed into law the National Foundation on the Arts and Humanities Act of 1965, in which he urged that Federal assistance to the arts be used to preserve and stimulate motion pictures in our land.

The American Film Institute supports important work in preserving early American film treasures and training new film talent.

Because the AFI must rely upon private funds to match in part the assistance it receives from the National Arts Endowment, AFI conducts a number of successful fundraising activities.

Among these are the presentation of the annual "Life Achievement Award" for lifetime contributions to film. Director John Ford received this award in 1973, with the distinguished actor James Cagney receiving it last year.

On February 9, 1975, Mr. Speaker, another distinguished film artist will be honored with the award: Orson Welles.

Evidence of the success of these and other activities, Mr. Speaker, is that during the 7 years of its existence, the American Film Institute has raised approximately $10 million in private funds to support its activities.

Mr. Speaker, the American motion picture industry is to be commended for its support of AFI. In particular, Mr. Speaker, I want to say a word about the distinguished film artists who formed a committee of stars to coordinate promotional activities to encourage the public to attend theatres during National Film Day: Warren Beatty, Henry Fonda, Charlton Heston, Jack Lemmon, Gregory Peck, Rosalind Russell, George C. Scott, Cicely Tyson, Jon Voight, and John Wayne.

Mr. Speaker, the American Film Institute needs help in furthering its goals of maintaining and enhancing the one unique American art form, the movies.

Mr. Speaker, one way in which Members of Congress can indicate their support for the American Film Institute is by attending a movie tomorrow.

RESOLUTION OF INQUIRY ON SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York, (Ms. Abzug) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, it is time that the Congress and the American people find out what is really going on in Southeast Asia. Last month, Cambodian army sources reported that U.S. supply planes are making 10 runs a day delivering arms and ammunition to Phnom Penh to aid the Lon Nol government. One U.S. crewman in a civilian airliner carrying government reinforcements was wounded.

Why are U.S. planes carrying American bombs, ammunition and military equipment from Thailand to Cambodia? Why are U.S. crewmen flying Cambodian planes? Why is the President asking for $222 million more for Cambodia, and $300 million more for South Vietnam? I thought we were supposed to be winding down those wars, not winding them up. Millions of Americans thought so too, and are expressing their dismay as the prospect of still deeper involvement.

The Air Force has also resumed reconnaisance flights over North Vietnam—though the State Department denies that these flights are used to direct South Vietnamese Air Force strikes. If not that, what are they doing? Why have we resumed the flights that we specifically renounced in June 1973?

The State Department also denies that the seven warships led by the nuclear aircraft carrier *Enterprise* were en route to Vietnam on January 7; or the carrier *Midway* on January 14. But these ships are still within bombing distance, and Secretary of Defense Schlesinger has stated, on January 14, that—

> Congress . . . might well authorize the use of American force.

This is how it all began, a decade ago. If the North Vietnamese were to shoot down a plane, and American lives were lost, the administration might well assign armed escorts to such flights, and then order "protective" strikes on antiaircraft positions. The next step could be emergency troop landings or bombing. And we would be fighting in Indochina all over again.

These recent Government actions are in direct violation of Public Law 93–155 and Public Law 93–437, which state that—

> No funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of US military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia, unless specifically authorized hereafter by the Congress.

These acts are also in violation of the Paris Peace Agreement under which the United States agreed to respect the independence, sovereignty, unity, and territorial integrity of Vietnam and the right of the South Vietnamese people to self-determination.

Secretary of Defense James Schlesinger now claims that we have the right to violate the agreement, since the North Vietnamese have violated it. Do two wrongs now make a right? I do not understand this logic.

The Congress has, in the Foreign Assistance Act of 1974, acknowledged that both sides have violated the agreement from the day it was signed. President Thieu, in fact, has never accepted the agreement and punishes anyone found with a copy of it. Saigon's violations as well as Hanoi's have been reported often in our own publications.

For example, on March 1, 1973, the Washington Post reported that the Saigon government continued to fight to regain all positions it had lost just before the cease-fire, in violation of article 3. This fight, as we now know, has never ended. On August 19, 1973, the New York Times reported that the Departments of State and Defense verified a resumption of U.S. military reconnaisance flights over North Vietnam, violating article 2. On the same day the Times reported that vast amounts of financial aid from the United States was the major impetus behind the Thieu government, violating article 9. On November 25, 1973, the New York Times reported that Thieu's U.S.-equipped air force had carried out "large-scale air attacks" against PRG villages, acting in violation of article 3. I could go on and on with this sorry story—but the point is that President Thieu has never accepted the peace agreement and we have continued to help him violate it. Therefore, we cannot now use Hanoi's violations as an excuse for escalating our help.

Secretary Schlesinger completely misreads the mood of Congress and the public if he believes that he can gain support for a second war in Indochina. If there is one thing the American people do not want, it is a replay of that dreadful, divisive war. Poll after poll shows that 70 to 80 percent of the people now feel we were wrong to get involved in the first place, and would certainly not do it again. Congress has repeatedly voted to cut military aid to Southeast Asia and many Members are working to extricate us entirely from these wrong-headed commitments to puppet governments. Secretary Schlesinger should cherish no illusions about the mood of Congress.

For the longer we continue to support these unpopular governments, with funds and with armaments, the longer the wars will go on, the more Asians will die, the more land we ruined—while the chances of peace recede and the risk of new American involved escalates.

Therefore, Mr. Speaker, I am introducing with 27 cosponsors, a resolution of inquiry which requires the Secretary of Defense to produce within 10 days facts and figures to help Congress decide the extent of the violations already occurring, and to pass stronger legislation prohibiting their continuance. I hope that my colleagues will join me in the effort to obtain these facts before we get any more deeply involved.

GARDENS FOR ALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, at this time I seek permission to insert in the RECORD several items drawing attention to the increased need for urgent favorable action on my bill to authorize the free distribution of seeds for home gardens by the Department of Agriculture (H.R. 280).

In particular, note the facts emphasized in the latest Gallup gardening survey results:

From 1971 to 1974, the number of families that grew at least some of their own vegetables increased by 8 million. The total number of families growing vegetables in 1974 was 33 million, or 46 percent of all U.S. households.

But more important than the raw facts produced by the Gallup effort are the human reasons behind this nationwide trend to "grow-your-own." Asked their most-important reasons for plowing the earth, 46 percent of new gardeners questioned said it was mainly to help their budget; 16 percent cited personal gratification, and 7 percent cited the better quality they enjoy as opposed to store-bought products.

This movement is real, and we have in my bill a means to allow all Americans the chance to grow their own. And I am pleased to say that we are joined in our efforts by Gardens for All, Inc., of Norwalk, Conn., a nonprofit organization stretching across America to help the fight against inflation by lending gardening know-how to all who request it and then some.

In concert with the Department of the Interior, Bureau of Outdoor Recreation, they are presenting several seminars across the Nation in selected cities this month to better acquaint Government officials and civic leaders with the economic and leisure values of vegetable gardening. Soon, when BOR opens funding programs for community gardens, this organization, Gardens for All, Inc., will be in the forefront of gardening Americans. We must act favorably on my seed distribution bill to guarantee that all Americans may have the opportunity to join a community effort to fight inflation that can begin right in their own back yard.

I include for Members information an article from yesterday's Washington Post, written by Tom Stevensen, that outlines the potential for home vegetable gardening. Also, I include an item from the Department of the Interior, describing its upcoming seminars in conjunction with Gardens for All, Inc., and the results of the latest Gallup poll conducted on behalf of this progressive organization.

Mr. Speaker, I must say that my anticipation of action on this bill has only been whetted by the enthusiastic reaction of Gardens for All, Inc., and the Department of the Interior. This "pulling together" of Government and consumer interests is the first step in beating inflation and recession. I hope that soon the Department of Agriculture will be able to lend its efforts to the fight through passage of H.R. 280.

NATIONWIDE COMMUNITY GARDENING SEMINARS SCHEDULED FOR FEBRUARY, MARCH 1975

(Department of the Interior News Release)

A series of community recreational gardening seminars will be held during February and March in seven key cities across the United States, James Watt, director of the Interior Department's Bureau of Outdoor Recreation, and James Baker, president of Gardens for All, Inc., announced today.

The conferences are designed to introduce government officials and civic leaders to the benefits of recreational gardening as a leisure time pursuit and an economic measure. Discussions, geared to the providers of community gardening projects, will cover: organizing a community garden; obtaining land and financial assistance plus Federal, State, and private technical assistance; and operation and maintenance criteria.

Conference arrangements are being handled by the seven regional offices of the Bureau of Outdoor Recreation (BOR). Gardens for All representatives and local gardening project sponsors will conduct the seminars.

"Recreational gardening is one of America's fastest growing leisure activities," BOR Director Watt said. "Its recreational value, combined with achievable economic advantages, ensure gardening's continued growth and popularity."

James Baker of Gardens for All, a nonprofit educational and counseling organization dedicated to promoting community gardening, said, "Thirty million more Americans would garden if they could find the place to do it. What's needed is a nationally coordinated effort to help create a network of thriving community gardens so that all who wish to garden have the opportunity to do so productively."

Community recreational gardening is the growing of not-for-sale foods and flowers by individuals on their own individual plots, but on land which they don't own themselves. Community garden sites are eligible for assistance from the Land and Water Conservation Fund administered by BOR. The Fund provides matching grants to States and, through States, to local governments for the acquisition and development of recreation areas and facilities.

The community gardening seminar schedule is: Seattle, Wash., February 10; San Francisco, Calif., February 12; Albuquerque, N. Mex., February 14; Denver, Colo., February 20; Atlanta, Ga., February 25; Philadelphia, Pa., February 28; and Ann Arbor, Mich., March 4.

GARDENS FOR ALL, INC.,
Norwalk, Conn., January 30, 1975.

Representative JAMES A. BURKE,
House of Representatives, House Office Building, Washington, D.C.

DEAR REPRESENTATIVE BURKE: It was with great interest that we watched your efforts to get Bill H.R. 9468 passed in the 93rd session of Congress.

We share your motive to help people cope with rising food prices by growing their own vegetables. For the past 3½ years we have been helping families without their own land form and garden in community gardens. Through our experience and through surveys in which we have participated, we have observed several points which might be helpful to you in your crusade.

In 1974, 46% of the families that grew vegetables for the first time did so to "save money/help their budget." Roughly ⅓ of new gardeners felt their efforts were unsuccessful.

The profile of the unsuccessful gardener is particularly disturbing. They have incomes under $7,000, grade school educations, and they tend to garden alone.

Further, the people who could most benefit from gardening—the poor, the disadvantaged, the unemployed—are least likely to do so. The reasons are many. A sense of hopeless despair. Sociological reasons. Memory of having to garden in their youth. Lack of land.

Gardens For All is a small non-profit organization and we—like you—are trying to help more people have the opportunity to grow their own food by helping them find the land on which to garden and providing them the know-how to be successful in their efforts.

We think providing the know-how and the land is equally as important as providing a tax incentive or the seeds—but if we can do our assignment well, perhaps we will be helpful to you and your efforts.

Recently the Bureau of Outdoor Recreation of the Department of the Interior recognized gardening as an authorized recreational activity. In time, federal land and matching funds will be made available for community gardens. At the request of the B.O.R., we will conduct 7 one-day seminars on "How To Organize and Operate a Successful Community Garden" for park and recreation people as well as representatives from churches, industry, service organizations, etc. who might wish to sponsor projects.

These seminars will be conducted in the seven cities where the B.O.R. has field offices. We also hope to conduct a seminar in Washington for members of other agencies who may be contacted by individual community garden projects for funding or technical assistance (O.E.O., H.E.W., U.S.D.A., etc.).

Since we have kindred interests I thought you might be interested in our activities. If we can provide you with any information on community gardening please let me know.

Cordially,

James W. Baker,
President.

[Batten, Barton, Durstine & Osborn, Inc., News Release]

Gallup Survey

Gallup Survey shows high food costs push strong grow-your-own vegetable trend; "$10 Worth of Seed, $290 Worth of Fresh Vegetables". Half of U.S. households had garden in 1974, 8 million increase since 1971.

MINORITIES, LOW INCOME GROUPS, BENEFIT LEAST

Economic pressures and inflated food costs are forcing more and more Americans to grow their own vegetables, according to a Gallup Organization survey released today.

The number of American households which grew at least some of their own vegetables increased by 8 percent, or 8 million, in three years 1971 to 1974.

Almost half of U.S. households (47 percent), or approximately 33 million, had some kind of vegetable garden in 1974.

The primary reason given for planting a vegetable garden is economic, the Gallup survey revealed. Of all new gardeners surveyed in 1974, 46 percent gave "helps budget/saves money" as the most important reason. Sixteen percent gave "for fun/joy of it" as the most important reason. In third place was "better tasting food", given by only 7 percent as the most important reason.

In spite of the marked increase in home and community vegetable gardening as a way for the consumer to cope with inflation, the Gallup study revealed that participation by non-whites and lower income groups is either static or declining.

The survey was conducted by The Gallup Organization, Princeton, N.J. on behalf of Gardens for All, Inc., Norwalk, Conn. Gardens for All is a non-profit organization to encourage community gardening as a way for consumers to help fight inflation and to help gardeners to find the land.

According to James Baker, president of Gardens for All, community gardening, sometimes called neighborhood gardening, is gardening by indiviudals on their own individual plots, but on land which they do not own themselves.

"Ten dollars worth of seed could produce $290 worth of fresh vegetables, as President Ford has pointed out," Mr. Baker said, in commenting on the survey. "Yet those groups which could benefit most from growing their own vegetables, non-whites and lower income, are the least involved."

The Gallup findings, he said, suggest that a stronger and better organized effort must be made by municipalities and inner city organizations to provide land, leadership and gardening expertise for minorities and the disadvantaged.

The Gallup study indicated a strong potential for community gardening by individuals on land other than their own.

One in ten (11 percent), or approximately 7.3 million of all households in the United States, reported maintaining a vegetable garden away from home in 1974. Among those who maintained a garden away from home, 19 percent (1.5 million) households worked at community gardens—on a plot of land not owned by a member of the family or a friend.

Four in ten (42 percent) of those who maintained a garden other than at home in 1974 had not maintained one in 1973—an increase of 72.4 percent in one year.

The number of community gardeners will double in 1975, the survey indicated, compared with 1974, provided that the land is available.

The Gallup survey showed that the proportion of young people under age 30, and those with a college education, who had vegetable gardens increased by 13 percent between 1971 and 1974.

Among white households there has been a 9 percent increase in the proportion with vegetable gardens, while virtually no change has occurred among non-white households.

Participation by families with incomes under $4,000 declined by 3 percentage points in the three year period 1971–1974.

There has been a 17 percent increase in the proportion of professional households with vegetable gardens.

The West, as compared with other regions, has experienced the greatest growth in the proportion of households with vegetable gardens.

The vegetable garden market is in a highly fluid state, the survey shows. Despite the high rate of entry by new gardeners, total participation remains fairly stable, suggesting that many gardeners disengage from gardening after an initial try.

Of respondents in the survey who reported maintaining a vegetable garden away from home a majority (58 percent) indicated that their garden was located on a neighbor's or relative's land. Two in ten (19 percent) of those who maintained a garden away from home reported the garden was located on community property—the most frequently mentioned was land rented from a private property owner (8 percent).

Next most frequently mentioned was business owned land (3 percent); local municipal land (3 percent); church owned land (2 percent); land at a school or educational center (1 percent).

The Gallup study of community gardening was based on personal interviews conducted with a national sample of 7845 men and women, 18 years of age and older, during the summer and fall of 1974.

Further information on community vegetable gardens is available through Gardens for All, Inc., P.O. Box 2302, Norwalk, Conn. 06852.

[From the Washington Post, Feb. 2, 1975]

Vegetables From the Backyard

(By Tom Stevenson)

"Will there be enough food?"

Roger Revelle, president of the American Association for the Advancement of Science, asked this question in an editorial in the June 14, 1974, issue of Science magazine.

Pointing to the world food crisis, due largely to bad weather, inflation, increasing world population and shortages of fuel and fertilizers, he asked for a greater effort by American agricultural researches to make possible a vast increase in food and fiber production throughout the world.

The personnel at many of the Agricultural Experiment Stations believe backyard vegetable gardeners will make a tremendous contribution toward food production in the United States. In 1974, due mostly to high prices and fear of food shortages, *families* that never before had grown vegetables dug up parts of lawns and flower beds to plant tomatoes, beans, squash and greens. The forecast is for an even greater upsurge in vegetable gardening in 1975.

Money can be saved by growing your own, and home-grown vegetables taste better than those that can be purchased at the market. They can be harvested at their peak and used while still fresh, when they have the highest food value. With a big garden, vegetables can be canned for later use.

Many people, of course, do not have a yard where they can do their gardening. During 1974 vacant lots and community garden plots were extensively used in many cities. The big problem was vandalism.

Three things are important for growing both vegetables and flowers: a bit of land that gets direct sunlight most of the day and is free of tree and shrub roots; soil that doesn't become water-logged during heavy rainfall and is good enough to grow grass or weeds; and a plan of what is to be planted and where.

If the garden gets sunlight only about six hours a day, tomatoes, lima beans, eggplants, squash and peppers won't do well. Although such leafy crops as lettuce, mustard greens, collards, spinach, chard and kale will tolerate some shade better than fruit and seed-bearing crops, they will do better in full sunlight.

If the soil is not much better than raw clay, it is a handicap but can be overcome. Spread about two inches of peat moss over the soil, sprinkle ground limestone (8 pounds per 100 square feet and 5–10–5 fertilizer (10 pounds per 100 square feet) over the peat and dig it in, mixing it thoroughly with the top four or five inches of soil. A rototiller is good for this job if the garden is to be fairly large. It can be rented at a garden appliance store.

There is no one plan that is right for all vegetable gardens. Make a list of what you want to grow. Sketch a map of the garden area showing the location of each vegetable, the spacing between rows and the approximate date of each planting. Instructions for planting are on the backs of seed packets.

Make the garden just large enough to be interesting and fun for the whole family. The mistake most beginners make is to try to grow too much at one time. Remember, only a hard-working gardener can come close to raising all the vegetables a family may need.

Don't plant things the family doesn't like and won't eat. It is a waste of time and effort.

Buy your seed early. A shortage is expected later on.

Send for some seed catalogs in case you cannot get what you want locally.

Among the free catalogs particularly good are those of Burpee Seeds, Warminster, Pa. 18974; Harris Seeds, Moreton Farm, Rochester, N.Y. 14624; and Park Seeds, Greenwood, S.C. 29647.

Books about gardening are available at most public libraries. Some good inexpensive handbooks that can be ordered include "Basic Gardening Illustrated" and "Vegetable Gardening" at $1.95 each, which can be ordered from Lane Magazine & Book Co., Menlo Park, Calif. 94025, and "The Home Vegetable Garden—A Guide to Success," at $1.50, which can be ordered from Brooklyn Botanic Garden, 1000 Washington Ave., Brooklyn, N.Y. 11225.

The vegetables that can be grown most efficiently in a small garden include tomatoes, beans, beets, broccoli, cabbage, carrots, leaf lettuce, onions, peas, peppers, radishes, spinach, squash, swiss chard and turnips.

These vegetables should be planted outdoors about the time of the last frost: snap beans, beets, cucumbers, carrots, New Zealand spinach and squash. Lima beans, peppers and tomatoes should be planted one or two weeks after the date of the last frost.

The tomato is by far the most popular vegetable for all gardens. It is important to use varieties known to be resistant to the Fusarium wilt disease. This disease has been particularly bad in recent years, ruining plantings just as the fruit was about to ripen.

Small plants of tomatoes and other kinds can be purchased at large garden centers. It enables you to get ripe fruit sooner than by planting the seeds outdoors.

INTRODUCTION OF COMPREHENSIVE SCHOOL HEALTH EDUCATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MEEDS) is recognized for 5 minutes.

Mr. MEEDS. Mr. Speaker, I am pleased to join with 50 colleagues in introducing today the Comprehensive School Health Education Act. This bill is identical, except for changes in authorization language to conform with the Budget Act, with H.R. 631 introduced by me on the 1st day of the 94th Congress.

Senator CLARK and I introduced this measure in February of 1974 after working with National PTA representatives, health education specialists, and others concerned with upgrading the quality and quantity of health education in our schools. Although the bill attracted nationwide interest and support, the House Education and Labor Committee was not able to give the time necessary to move the legislation along, due to prior legislative commitments. However, this year I intend to make this a personal priority and have already requested that hearings be scheduled by the General Education Subcommittee beginning in March.

The bill would set up a 3-year program of teacher training, demonstration projects to develop, disseminate and evaluate health education curriculums, and, in the final year of the bill, provide direct grants to State and local schools to start programs. The full range of health programs is included—dental health, disease control, environmental health, family life and human development, nutrition, safety and accident prevention, smoking and health, substance abuse, consumer health, and venereal disease.

The President's Committee on Health Education, in their 1971 report, found totally inadequate spending on prevention and health education. Of the $75 billion Americans spent on health care that year—the figure is substantially higher now—93 percent went for treatment of illness, 5 percent for research, 2 percent for prevention, and one-half of 1 percent for health education—in short, a crisis-oriented health program.

The committee concluded that coherent health education in schools largely does not exist in this country. Each State has a mishmash of requirements varying widely in time, topic, and relevance to current problems. In many cases, health education seems to consist largely of a little first aid training, a few antismoking lectures, dire warnings about loose living, and some nutritional advice from food company propaganda. I am sure there are some splendid programs available in isolated instances, but, overall, school health education is tragically irrelevant to the problem of what I call cultural disease—disease caused or aggravated by our way of life and controllable by informed living habits and attitudes.

What I call cultural disease includes such things as nutritional excess, drug abuse, sedentary living in polluted urban environments—problems that cannot be cured by vaccination, by refrigerating food, or by purifying the town water supply. But they are preventable and they are controllable by informed living habits and attitudes.

For example, the President's committee found that 37 percent of middle-income families were poorly nourished, too fat, or too thin. They heard testimony in Los Angeles that one of five high school students will contract VD before receiving a high school diploma. But in some schools teachers are not even allowed to mention venereal disease in class. Statistics on drug and alcohol abuse among the young and not-so-young are staggering.

Education for personal health and health citizenship among today's young people should have a high priority. The American Public Health Association, in a position paper adopted in October 1974, stated:

> The health of our school-age youth will determine to a great extent the quality of life each will have during the growing and developing years and on throughout the life cycle. Their capacity to function as health educated adults will, in turn, help each to realize the fullest potential for self, family, and the various communities of which each individual will be a part.

The school setting is the ideal place to effect change. As the American Council on Education concluded in 1942:

> The opportunities to train for better health at any educational institution are so great that failure to take advantage of them is a major form of social waste.

I submit we cannot afford the luxury of that waste. We are faced with skyrocketing costs of traditional crisis-oriented health care. A top congressional priority is to work out a national health insurance program in support of medical treatment and rehabilitation facilities. What better time to redirect our health goals toward a preventive approach to better health though education.

FORD ADMINISTRATION CONFUSED ON BUDGET PRIORITIES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, today, the administration has revealed its new budget and once again major questions are raised about the Ford administration's understanding of national priorities.

For example, Mr. Speaker, I question whether the old people—the social security recipients—should be on the front line of the budget cuts being proposed by President Ford. Surely in this immense $349 billion budget, something else could have been cut so that the social security increases could go forward.

The administration should realize that the old-age recipients, who live on very limited pensions, have borne the brunt of the ever-increasing inflation of the Nixon-Ford years and they should not be asked to sacrifice further.

There are other areas of the $17 billion budget cuts which affect the poor and the disadvantaged and I think it is unfair that these areas have been singled out in the new budget. I hope that the Congress will review this budget carefully and that it will not make hasty decisions in either cutting back existing programs or refusing to consider new programs to meet human needs.

Mr. Speaker, we all recognize that this is a whopping budget with a record deficit programed for the new fiscal year. None of us wants to see these deficits grow to unmanageable proportions and I hope the Congress will address itself to basic remedies which will make these boom and bust cycles unnecessary.

Much of our current inflation and a tremendous hunk of our unemployment problems—and hereby our Federal budgetary problems—lie at the doorstep of the Federal Reserve. These problems stem from months and years of sloppy and misguided monetary policy—roller coaster policies which have ranged from an overabundant money supply to near zero growth. The result has been chaos and the budgetary problems which are all too evident in President Ford's new document.

Mr. Speaker, these problems are not going to be solved until the Congress is willing to grab hold of the monetary policymaking and demand that the Federal Reserve System operate in accordance with national priorities and in accordance with the will of the American people. We will hear lots about fiscal policy, but the commentators and many Members of Congress will shy away from the hard discussions of monetary policy—by far the most important side of the equation.

Mr. Speaker, it is startling that $34,419,000,000 of the budget is set aside for a payment of interest. Even when the interest paid to trust funds is subtracted, the net interest outlay of the Federal Government is projected at $26,114,000,000. These interest payments have soared as interest rates have gone up and this is a problem faced by not only the Federal Government but State and local governmental entities across the Nation.

So, it is obvious that a reduction in interest rates will have a highly beneficial effect on the Federal budget—not to mention the budgets of the little people who must borrow to survive.

It is significant that about $6 billion in interest would be paid out by the Treasury to the Federal Reserve System on the portfolio of bonds being held by the Federal Open Market Committee in the New York Federal Reserve Bank. This is interest on a mushrooming portfolio which now contains in excess of $82 billion of bonds which have been paid for once. These bonds, as paid-up obligations of the Federal Government, should be canceled and subtracted from the national debt.

Of course, Mr. Speaker, these bonds and the interest payments on them are the reason that the Federal Reserve has so successfully thumbed its nose at the Congress and the American people. This interest income on paid-up bonds allows the Federal Reserve System to operate on its own without coming to Congress for appropriations and without submitting to any kind of independent audit by the General Accounting Office. Therefore, there is no congressional review of this giant agency which affects the daily lives of all Americans.

Many people who do not like to face the illogic of the Federal Reserve's operations are derisive about my efforts to call attention to this bond portfolio and what it means to the structure of our monetary system. I am willing to accept the criticism of my repeated calls for the appropriations process and the auditing procedures and the freedom-of-information requirements to apply to this agency of Government. In the end, I am convinced it is something that the Congress will have to face up to.

These problems are gaining wider recognition in the national media and I want to call attention to a recent comment on the CBS Evening News by Eric Sevareid:

> Most of the critical press is now blaming the President for not leading the economy toward stability. He is blaming the Congress. Only a few center blame on the Federal Reserve Board, which controls the money spigot and which operates in virtual independence from President and Congress, and whose deliberations are as secret from the press as those of the Supreme Court.

$82 BILLION OF BONDS PAID FOR BUT NOT CANCELED

Mr. Speaker, how can our Government ever get out of debt when we pay our debts and then do not see that the obligation is canceled? We have been pursuing that policy for a number of years through the Federal Reserve, and today we find ourselves with $82 billion-plus of U.S. Government bonds, the best in the world, that have been paid for once but the bonds have not been canceled and we are paying $6 billion a year interest on those bonds.

It is hard to believe that that would go on in a country like our own where we have people supposed to be audited, have their accounts audited, but they have not been audited. In this case, no audits have been made. The Federal Reserve objects to an audit, they resist it.

I sent the General Accounting Office to New York one time when I was chairman of the Committee on Banking and Currency to do an auditing job and they were refused the right to go into the Federal Reserve Bank and we did not get the audit done. The Federal Reserve has never been audited by the General Accounting Office, which is the Government agency to audit agencies of the Government. All other agencies of the Government have been audited, but the Federal Reserve has never been audited.

Although they have been paid for once, the taxpayers without their knowledge or consent are paying $6 billion a year interest on those $82 billion of bonds.

How can we conceive of something like that going on here in broad daylight?

This has been documented before committees, but we never see it in the newspapers. We never hear it on television or radio. There is just silence, that is all, because the Federal Reserve operates in secrecy. They do not want to tell us anything that is going on down there. They are getting by with these obligations running into hundreds of millions of dollars. Our country cannot remain solvent always and permit things like that to go on.

AUTHORIZING APPROPRIATION FOR FISCAL YEAR 1976 FOR CARRYING OUT TITLE 6, COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, 5 months ago I came before the House of Representatives to call for emergency legislation to fund public service employment jobs. At that time—September 1974—I deplored the growing specter of unemployment. The jobless rate stood at 5.4 percent; economists were forecasting an unemployment rate for 1975 of somewhere between 5.5 and 6.75 percent. I therefore urged immediate action to alleviate the plight of out-of-work Americans.

Today, even the most pessimistic of projections made in the fall of 1974 appear far too optimistic. The grim reality of the current economic situation is that over 6½ million men and women are unemployed. The jobless rate hovers at 7.1 percent and is climbing. This is no less than a national tragedy, an economic sickness that strikes at the very foundations of this society.

I am alarmed at the prospects that this great Nation may soon see over 7 million people unemployed—an 8-percent jobless rate for 1975 is a distinct possibility. This rate recalls the darkest statistics of the postwar recessions.

Alan Greenspan, Chairman of the President's Council of Economic Advisers, believes that any economic recovery will not significantly reduce the Nation's unemployment rate this year. Prof. Otto Eckstein of Harvard, president of Data Resources, Inc., is forecasting an 8.5 percent or higher rate by midyear. The AFL–CIO anticipates that unemployment will top 10 percent if no action is taken quickly to turn the economy around.

In a single week in January 1975, 970,000 new unemployment insurance claims were filed, representing the largest number of initial claims registered in any 1 week period since the inception of the unemployment compensation system in 1937.

In the 6 weeks from December 8, 1974, through January 18, 1975, over 4.6 million people filed initial claims for unemployment insurance. Of these, some are temporary layoffs, but most represent permanent job losses.

Our State unemployment insurance funds are hard-pressed as the growing ranks of jobless seek compensation. Five States are now borrowing from the Federal loan account because their benefit funds are insolvent. By the close of 1975, the number of States is expected to be at least 9, and by the end of 1976, fully 31 States may be insolvent.

In all areas of the country, throngs of people have applied for the public service employment projects sponsored by States and communities, standing in line for many hours to file applications for a comparatively few jobs. The New York Times reported that in Atlanta, for example, more than 2,000 persons were waiting before dawn on January 10 to sign up for only 225 emergency jobs.

This situation clearly demands congressional action. The attack on unemployment must proceed on many fronts: With tax cuts, more liberal monetary policy and more adequate benefits for those out of work. But, we must also proceed with a public service employment program to produce jobs for many of the unemployed. The bill I am introducing today authorizes $5 billion for public service employment programs for fiscal year 1976. This should be sufficient funding to provide about 700,000 jobs.

Thus far in fiscal year 1975, approximately $1.75 billion has been allocated to State and local governments to fund public service employment under titles II and VI of the Comprehensive Employment and Training Act. There is an additional $1.5 billion authorized under title VI which I trust will be promptly funded.

However, the authorization for title VI—the bulk of the funds available—expires on June 30, and immediate extension is necessary to assure State and local governments that the funding will not expire and that they can begin immediate planning for expansion of the number of persons to be hired.

The bill I have introduced makes no amendments in the existing law. I recognize there are some problems in the present law, but I believe there is such an overriding need to put people to work that we must pursue the remedy that can be enacted most quickly.

I have scheduled hearings on this bill before the Subcommittee on Manpower, Compensation, Safety, and Health, which I chair, beginning on February 19. I pledge that I will make every effort to bring this legislation to the House floor as quickly as possible. Immediately after committee action on this bill, I will schedule oversight hearings on the administration of the entire Comprehensive Employment and Training Act, including the public service employment program. This procedure may appear to some to be putting the cart before the horse, but these are times when we cannot afford to let the best become the enemy of the good. We cannot spend time working out all the administrative problems in the public service employment program while the unemployed are walking the streets. We must move rapidly, and I believe the only way to proceed quickly is to pass a simple authorization bill and deal with substantive amendments later.

I want to make clear, however, that my commitment to hold oversight hearings and consider amendments to the program holds completely intact.

I also want to emphasize that the $5 billion figure for fiscal year 1976 is a modest one when it is put into the proper perspective. We have authorized $2.5 billion for the last half of fiscal year 1975 in December when the unemployment rate was not as bad as it is today; $5 billion for the full fiscal year is therefore the absolute minimum that we should contemplate under current conditions.

This country has faced and weathered difficult times before. I have faith that we can and will put Americans back to work and end this scourge of joblessness that wreaks havoc with the lives and resources of workers and their families.

In the darkest days of the depression, there were people who believed that we could never restore full employment and a prosperous economy—that this hope was an illusion.

Yet, despite the naysayers, these goals were realized.

So today, in 1975, I believe that this Congress can and will act quickly to help end the long winter of joblessness and turn the dream of a full-employment economy into a reality.

NEED TO INCREASE OUTSIDE EARNINGS LIMITATION FOR SOCIAL SECURITY RETIREES

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, on January 30, I introduced legislation to amend the Social Security Act to provide for an increase in the outside earnings limit applied to social security recipients.

The correspondence I receive from elderly constituents describing the difficulties they are having in keeping pace with inflation convinces me that some adjustment in the outside earnings limitation must be made for those who are willing and able to supplement their social security retirement income with outside work.

The average monthly individual benefit for all retired workers, with or without dependents also receiving benefits, is now $186. This modest amount must now be stretched to cover 20-percent increases in wholesale prices on such basic necessities as food and fuel.

Mr. Speaker, my bill, H.R. 2426, would increase the outside earnings limitation to $3,000. Several of my colleagues have introduced legislation to repeal the earnings limitation outright. A recent Library of Congress study has estimated that such an outright repeal would cost the Government approximately $20 billion. The proposal I have introduced is the least costly of proposals offered to date; estimates indicate an approximate price to the Government of $300 million.

Mr. Speaker, the modest increase in outside earnings allowed by my bill will help social security retirees cope with rising prices. In these troubled economic times we must not penalize those elderly Americans who are willing and able to work to supplement their modest retirement incomes.

Mr. Speaker, I hope my colleagues will share my viewpoint that a modest increase in the outside earnings limitation for social security recipients is clearly needed at this time.

NO MORE AID TO INDOCHINA

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, again we have before us the issue of assistance to Indochina. We have deliberated over this many times in the past. We have heard the arguments before; we have heard the predictions before. How many times have we heard that they need just a little more money; how many times have we seen the light at the end of the tunnel snuffed out?

The United States has invested its money, its expertise and its spirit into a country whose leaders still cannot see fit to compromise with their opposition in a way that will bring peace to their country. The time is past when America can afford to assist countries in far flung parts of the world.

Time after time the administration has told us that the war is nearly won. Secretary of the Army Wilbur Brucker told us on December 8, 1955, that—

> With a little more training the Vietnamese Army will be the equal of any other army.

That was nearly 20 years ago. In 1962, U.S. aid to Vietnam had peaked and would begin to level off. Secretary Rusk said on February 24, 1964, that—

> The Viet Namese . . . themselves can handle this problem primarily with their own effort.

And July 13, 1967, General Westmoreland said that—

> We have succeeded in attaining our objectives.

And later that year, November 21, the general told us that—

> We have reached an important point when the end begins to come into view.

Finally, Dr. Kissinger himself, on October 23, 1972 told the American people that "peace is at hand." Still, there is no peace. The fighting continues. I am sure that the North Vietnamese violations of the Paris agreements can be well documented. I am just as sure that the Republic of Vietnam is also guilty of certain violations.

Mr. Speaker, my heart goes out to the families of the more than a quarter of a million South Vietnamese casualties of their struggles. However, this war in a far away land has touched every American family and that is where my first concern must lie. More than 55,000 American men never came home from that land and I do not think it is fair to them or their families to take any steps that might deepen our involvement in light of their sacrifice.

In the last 10 years the U.S. Government and the Republic of Vietnam have jointly spent well over $725 billion in defense of that country. I must ask what we have achieved for our money? The President has tried to tell us why we should send an additional $500 million to Indochina when we have the gravest needs here at home. The Government of Vietnam has spent no more than 28 percent of its gross national product on its own national defense and as little as 12 percent in recent years. They have relied heavily on U.S. assistance. When will it finally end? When will the Congress say "No more"?

This is a difficult decision; I do not take the consequences lightly but we of this Congress are asked daily to make hard decisions—we do not shrink from them—at some point in time we must stand up and say no more—I think that that time is long overdue. When I first came to Congress, we heard about Vietnam and its struggle. During my years of service here this issue has always been with us. First we sent our money and advisers, then we were called on to send our sons and we responded to the challenge. Now our sons have returned to our shores, and God willing, they will never have to leave them again. But I cannot as a Member of this legislative body support a policy that calls for the expenditure of hundreds of millions of dollars or conceivably might lead to the reintroduction of American troops into an essentially regional conflict. Mr. Speaker, the time has come. I must say no more.

ADOPTION OF THE "911" EMERGENCY NUMBER AND FUNDING FOR COSTS INCIDENTAL THERETO

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, I am today introducing two bills: One a sense-of-Congress resolution that throughout the United States we should adopt "911" as the emergency telephone number. The other is a bill providing funding for costs incidental to the actual establishing of "911" and this funding would be handled through the FCC. I am joined by a number of cosponsors on each.

Some of the Members of Congress have heard me talk about the value of the "911" emergency number many times before. Actually, I have been working on achieving nationwide adoption of this simple but valuable public safety device since 1967 when A.T. & T. said it could not be done, but then reversed this decision and in January of 1968 announced a policy of support for such a program. A.T. & T. has been joined in this effort by the independent telephone systems. Accordingly, today about 35 million people are using "911" as their emergency number, some for just police, but many for police, fire and medical emergencies. Yearly A.T. & T. publishes a list of these communities and their updated version will be out shortly so you can find out the status of the communities in your district.

I am very proud to say that Huntington, Ind., my hometown, with a population of 16,500 people, was the first city in the Bell System to adopt the "911." New York City has been an excellent example of how well "911" works so it is not a question of size that determines the feasibility of establishing this single emergency number. Chicago is looking into its adoption. Philadelphia already has "911" as do Denver, Boston, Detroit, Omaha, Washington, D.C., Baton Rouge, Birmingham, and Seattle. A number of relatively small and rural towns have also adopted "911."

What are some of the advantages of "911"? Well, there is only one number to remember instead of a multitude of public emergency numbers usually found in the phone book. The "911" number is easy to remember, easy to find in the dark or for those with poor vision; a child can—and has effectively done so—use "911" to summon assistance. Travelers and those who view an accident or a crime or fire need not resort to telephone directories and frantically search for help. So the potential savings in lives and property are incalculable.

The President's Commission on Law Enforcement and the Administration of Justice reported in 1967 that a "single number should be established" for reporting police emergencies and pointed to the importance of "response time," that time between the incidence of a crime, its report and the arrival of police on the scene. Obviously, apprehension of the criminal is made more likely and major damage to the innocent less likely the faster assistance arrives.

You might wonder why after this period of time "911" is not the nationwide number now? There are several reasons. One is that many people do not know anything about it, although I am happy to say some TV shows have referred to it in police work dramas and newspapers are giving it good coverage. Moreover, I have been in touch with the National League of Cities, the Chamber of Commerce of the United States and the U.S. Jaycees. All three are doing their best to spread the good news of the availability and the value to the public of this telephone number. In March of 1973 the Office of Telecommunication Policy issued a national policy statement which indicated that the administration recognized the benefits of "911" and wished to encourage its nationwide adoption. A handbook to be used for community planning was subsequently published and is available out of the OTP by way of the Government Printing Office. It is called "911: The Emergency Telephone Number, A Handbook for Community Planning" and is very useful.

There are problems associated with implementing "911." Mainly, they are political, jurisdictional boundary problems. Telephone service areas may exceed the limits of political jurisdictions and/or fire, police, and medical emergency service areas. But these are problems that can be solved and are being so.

The reason for the concurrent resolution I am introducing is simply to bring to the attention of the Congress and the Nation the "911" number. The reason for the other bill is to provide funding. Let me explain.

Actually, from what we can tell, the cost of simply installing and servicing "911" lines and equipment is not high. In some cases communities have even saved money by the integration in services this produces. But I have found that many communities, while they can afford simply introducing the single "911" number, they cannot afford to make often expensive communications modifications that are necessary if their often antiquated or outmoded systems are going to work effectively with "911." After all it does no good to enable the citizen to quickly call police, fire, or medical emergency facilities if their capacity to handle the call, transfer or direct it as necessary, and then send help, is inadequate. I am, therefore, recommending an initial funding of $5,000,000.

There is presently some funding available through the Emergency Medical Services Act for emergency communications and communities can use LEAA funds for "911" purposes, but in both cases those who want a single, emergency "911" number have to compete with a great many other demands for medical and police equipment.

I have in my office files stories about people who are infinitely grateful for "911." Some of these I included in the CONGRESSIONAL RECORD last year. But I received one just a few months ago that I found especially impressive. It was about an 83-year-old woman who heard an intruder at her door, quickly dialed "911" just before he broke into her front door. She just had time to give her address when he tore the phone from her hands and ripped its wires from the wall. He then tied her up, brandishing a foot-long knife. Suddenly police appeared and she credits the three-digit "911" number with saving her life. She recommends that every town have one. That is my objective. I am willing to spend a little for it if I have to. I think it is a worthwhile investment.

H.R. 1710, RETURN TRAVEL EQUITY FOR HAWAII EMPLOYEES

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD.)

(Mrs. MINK asked and was given pertroduced legislation, H.R. 1710—in the 93d Congress, H.R. 9385—to provide equity for Federal employees from Hawaii who are separated from government service in the continental United States, by authorizing their reimbursements for transportation and travel expenses back to Hawaii.

Under current law, an employee transferred to a tour of duty outside the continental United States may be returned upon completion of his tour to the place of residence indicated in the travel agreement at the time of assignment. This means that persons who are from mainland United States and sent on assignments to Hawaii, may be returned to the mainland United States on completion of their tours. There is not statutory authority, however, to return employees to Hawaii upon completion of their assignments in the continental United States.

My legislation is designed to correct this inequity by authorizing the payment of travel and transportation expenses on the return of an employee who was a past resident in Hawaii, to Hawaii on completion of an assignment in the continental United States. Similar authority would be provided for employees whose actual place of residence prior to such assignment was Alaska, the U.S. territories and possessions, Puerto Rico, or the Canal Zone.

It seems to me that if these benefits are paid to employees from some States, they should be paid to employees from all States. Otherwise employees from Hawaii are discriminated against.

In one instance, a Hawaii man was denied travel and transportation reimbursement after his separation and had to pay the expenses of sending his family of five from North Carolina to Hawaii. Instead of shipping his household goods he was forced to sell them at a loss of more than $2,000. Had he been from a mainland State and separated in Hawaii, he would have received reimbursement for these costs.

I believe our Government should do all it can to promote equity in employment practices so that persons from particular States are not denied benefits given to those from other States. Therefore, I hope this legislation will be adopted.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SOLARZ (at the request of Mr. O'NEILL), for this week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MAHON, to proceed for 30 minutes immediately following the reading of the President's budget message.

Mr. GONZALEZ, for 1 hour, today.

Mr. PATMAN, for 30 minutes, today.

(The following Members (at the request of Mr. GOODLING) to revise and extend their remarks and include extraneous material):

Mr. KEMP, for 1 hour, February 5, 1975.

Mr. FINDLEY, for 20 minutes, today.

Mr. TALCOTT, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

(The following Members (at the request of Mr. McDONALD of Georgia) to revise and extend their remarks and include extraneous material):

Mr. MATSUNAGA, for 20 minutes, today.

Mr. DRINAN, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Ms. ABZUG, for 15 minutes, today.

Mr. O'NEILL for 30 minutes, today.

Mr. LLOYD of California, for 15 minutes, on February 4, 1975.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. MEEDS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CEDERBERG, immediately following remarks of Mr. MAHON and to include extraneous material including certain tables.

The following Members (at the request of Mr. GOODLING) and to include extraneous matter:

Mr. VANDER JAGT.

Mr. YOUNG of Florida in five instances.

Mr. CRANE in three instances.

Mr. ARMSTRONG.

Mr. O'BRIEN.

Mr. FORSYTHE.

Mr. COUGHLIN.

Mr. PETTIS.

Mr. TALCOTT in two instances.

Mr. WHITEHURST.

Mr. ANDERSON of Illinois in two instances.

Mr. STEIGER of Wisconsin.

Mr. HAGEDORN.

Mr. CONTE in two instances.

Mr. DEL CLAWSON.

(The following Members (at the request of Mr. McDONALD of Georgia) and to include extraneous matter:)

Mr. JACOBS.

Mr. FRASER in two instances.

Mr. WAXMAN.

Mrs. LLOYD of Tennessee in five instances.

Mr. SISK.

Mr. ANNUNZIO in six instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. HOLLAND in five instances.

Mr. MAZZOLI in two instances.

Mr. MATSUNAGA in 10 instances.

Mr. RANGEL in 10 instances.

Ms. HOLTZMAN in 10 instances.

Mr. ST GERMAIN.

Mr. BERGLAND.

Mr. BEDELL.

Mr. MOORHEAD of Pennsylvania in two instances.

Mr. VANIK in three instances.

Mr. JONES of Tennessee in 10 instances.

Mr. GAYDOS.

Mr. RISENHOOVER.

Mr. McDONALD of Georgia in two instances.

Mr. ROGERS in five instances.

Mr. DOMINICK V. DANIELS in two instances.

Mr. PICKLE in five instances.

Mr. DOWNEY.

ADJOURNMENT

Mr. McDONALD of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 37 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 4, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

219. A letter from the President, United States Railway Association, transmitting appropriations requests for the Association for fiscal years 1975 and 1976, pursuant to section 202(g)(2) of Public Law 93-236; to the Committee on Appropriations.

220. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Fair Labor Standards Act of 1938, as amended, pursuant to section 4(d)(1) of the Act [29 U.S.C. 204(d)(1)]; to the Committee on Education and Labor.

221. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Age Discrimination in Employment Act of 1967, pursuant to section 13 of the Act [29 U.S.C. 632]; to the Committee on Education and Labor.

222. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Wells Stabler, Harry W. Shlaudeman, Arthur W. Hummel, Jr., Hosley Gates Handyside, Mark Evans Austad, and Elliot L. Richardson, and their families, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

223. A letter from the Secretary, Smithsonian Institution, transmitting the report of the National Armed Forces Museum Advisory Board on its investigation and survey of sites suitable for the display of military collections, pursuant to section 3(a) of Public Law 87-186 [20 U.S.C. 80b(a)]; to the Committee on House Administration.

224. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a report on the facts in each application for conditional entry of aliens into the United States under section 203(a)(7) of the Immigration and Nationality Act for the 6 months ended December 31, 1974, pursuant to section 203(f) of the Act [8 U.S.C. 1153(f)]; to the Committee on the Judiciary.

225. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a request for the withdrawal of the case involving the suspension of deportation of David Robles-Osuna, submitted in February 1974, pursuant to section 244(a)(2) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

226. A letter from the Director, Community Relations Service, Department of Justice, transmitting the annual report of the service for fiscal year 1974, pursuant to section 1004 of the Civil Rights Act of 1964, as amended; to the Committee on the Judiciary.

227. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, submitting a final report on the shore of Lake Huron, authorized by section 6 of the River and Harbors Act approved March 2, 1945 (H. Doc. No. 94-40); to the Committee on Public Works and Transportation, and ordered to be printed with illustrations.

228. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the Seventh Annual Report of the Commission, covering fiscal year 1974, pursuant to the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

229. A letter from the Federal Cochairman, New England Regional Commission, transmitting the Annual Report of the Commissioners for fiscal year 1974, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

230. A letter from the Federal and State Cochairmen, Upper Great Lakes Regional Commission, transmitting the Annual Report of the Commission for fiscal year 1974, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

231. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to establish a National Commission to study and report on the regulatory activities of the Federal Communications Commission, Federal Maritime Commission, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, Securities and Exchange Commission, Consumer Product Safety Commission, and the Civil Aeronautics Board; jointly, to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

RECEIVED FROM THE COMPTROLLER GENERAL

232. A letter from the Comptroller General of the United States, transmitting a report on the implementation of the Fair Packaging and Labeling Act and related food labeling laws, and improvements needed; jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

233. A letter from the Comptroller General of the United States, transmitting a report on U.S. policies and programs in Bolivia; jointly, to the Committees on Government Operations, and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 2566. A bill to enforce the first amendment and fourth amendment to the Constitution, and the constitutional right of privacy by prohibiting any civil or military officer of the United States or the militia of any State from using the Armed Forces of the United States or the militia of any State to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Ms. ABZUG (for herself and Mr. PRICE):

H.R. 2567. A bill to amend the Food Stamp Act of 1964, to insure that the charge to a household for its coupon allotment shall not exceed the level established as of January 1, 1975; to provide that this charge shall in no event exceed 25 percent of the household's income; to guarantee food stamps to recipients of supplemental security income; and for other purposes; to the Committee on Agriculture.

By Ms. ABZUG (for herself, Mr. Conyers, Mr. Edwards of California, Mr. Harrington, Ms. Holtzman, Mr. Mitchell of Maryland, Mr. Rosenthal, and Mr. Waxman):

H.R. 2568. A bill to exonerate and to provide a general and unconditional amnesty for certain persons who have violated or are alleged to have violated laws in the course of protest against the involvement of the United States in Indochina, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. Eilberg, Mr. Nix, Mr. Long of Maryland, Mr. Peyser, Mr. Roe, Mr. Badillo, Mr. Rodino, Mr. Zeferetti, Mr. Edgar, Mr. Davis, Mr. Charles H. Wilson of California, Mr. Rosenthal, Mr. Koch, Mr. Patten, Mr. Harrington, Mr. Lehman, Mr. Edwards of California, Mr. Green, Mr. Richmond, Mr. Roybal, Mr. Drinan, Mrs. Burke of California, Mr. Brodhead, and Mr. Brown of California):

H.R. 2569. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. Eilberg, Mr. Pepper, Mr. Rees, Mr. Florio, Mr. Waxman, Mr. Danielson, Mr. Mitchell of Maryland, Mrs. Lloyd of Tennessee, Mr. Morgan, Ms. Abzug, Mr. Fascell, Mr. Corman, Mr. Ottinger, Mr. Stokes, Mr. Conyers, Mr. Price, Mr. Blanchard, Mr. Yatron, Mr. Rangel, Mr. Riegle, Mr. Mikva, Mr. Horton, Mr. Flood, and Ms. Chisholm):

H.R. 2570. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. Eilberg, Mr. Vigorito, Mr. Sarbanes, Mr. Melcher, Ms. Holtzman, Mr. Gilman, Mr. Solarz, Mr. Burke of Massachusetts, Mr. Yates, and Mr. Symington):

H.R. 2571. A bill to amend the Public Health Service Act to provide for the screening and counseling of Americans with respect to Tay-Sachs disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.R. 2572. A bill to amend the Communications Act of 1934 to prohibit making unsolicited commercial telephone calls to persons who have indicated they do not wish to receive such calls; to the Committee on Interstate and Foreign Commerce.

H.R. 2573. A bill to require the U.S. Postal Service to provide postal lock boxes for certain persons who reside in rural areas; to the Committee on Post Office and Civil Service.

By Mr. BADILLO:

H.R. 2574. A bill to amend the Immigration and Nationality Act to provide penalties for certain persons who employ, or who refer for employment, aliens who are in the United States illegally, to provide that certain aliens illegally in the United States may have their status adjusted to that of permanent residents, and for other purposes; to the Committee on the Judiciary.

By Mr. BEDELL:

H.R. 2575. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes; to the Committee on Public Works and Transportation.

H.R. 2576. A bill to assure that an individual or family whose income is increased social security benefits, will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

By Mr. BERGLAND (for himself, Mr. Frazer, Mr. Meeds, Mr. Metcalfe, Mr. Miller of California, Mrs. Mink, Mr. Mollohan, Mr. Moorhead of Pennsylvania, Mr. Morgan, Mr. Moss, Mr. Nix, Mr. Nolan, Mr. Oberstar, Mr. Obey, Mr. Ottinger, Mr. Perkins, Mr. Rangel, Mr. Riegle, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Hawkins, Mr. Pepper, and Mr. Dominick V. Daniels):

H.R. 2577. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. BERGLAND (for himself, Mr. Badillo, Mr. Jones of Tennessee, Mr. Melcher, Mr. Mathis, Mr. Litton, Mr. Breckenridge, Mr. Bowen, Mr. Bonker, Mr. Wirth, and Mr. Smith of Iowa):

H.R. 2578. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. BOWEN:

H.R. 2579. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2580. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. CASEY (for himself, Mr. Brown of California, Mr. Collins of Texas, Mr. Conyers, Mr. Hays of Ohio, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hightower, Mr. Johnson of California, Mrs. Lloyd of Tennessee, Mr. Murphy of New York, Mr. Murtha, Mr. Nix, Mr. Oberstar, Mr. Roberts, Mr. Roe, Mr. Ryan, Mr. Sarbanes, Mr. Solarz, Mrs. Spellman, Mr. Spence, Mr. Traxler, Mr. Walsh, Mr. Waggonner, and Mr. Yatron):

H.R. 2581. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. COCHRAN:

H.R. 2582. A bill to amend title VII of the Civil Rights Act of 1964 (relating to equal employment opportunity) to make certain changes in the procedures established for determining violations of the provisions of title VII; to the Committee on Education and Labor.

By Mr. CONTE (for himself, Mr. Hawkins, Mr. Rinaldo, and Mrs. Schroeder):

H.R. 2583. A bill to require Congressional approval of tariffs on petroleum imports; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS:

H.R. 2584. A bill to authorize appropriations for fiscal year 1976 for carrying out title VI of the Comprehensive Employment and Training Act of 1973; to the Committee on Education and Labor.

H.R. 2585. A bill to authorize certain filling and construction in a portion of Upper New York Bay, Hudson County, N.J.; to the Committee on Public Works and Transportation.

H.R. 2586. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate in-
by reason of a general increase in **monthly**
equities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 2587. A bill to provide for the cooperation between the Environmental Protection Agency and the States with respect to the regulation of surface coal mining operations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY (for himself, Ms. Abzug, Mr. Brown of California, Mrs. Burke of California, Mr. Derwinski, Mr. Dodd, Mr. Downey, Mr. Edwards of California, Mr. English, Mr. Flood, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hawkins, Mrs. Heckler of Massachusetts, Miss Holtzman, Mr. Hyde, Mr. Jeffords, Mr. Koch, Mr. McClory, Mr. McCloskey, Mr. McCollister, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Neal, and Mr. Pepper):

H.R. 2588. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. FINDLEY (for himself, Mr. Quie, Mr. Rangel, Mr. Roe, Mr. Rousselot, Mrs. Schroeder, Mr. Steelman, Mr. Walsh, Mr. Waxman, Mr. Wirth, Mr. Won Pat):

H.R. 2589. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. GUDE:

H.R. 2590. A bill to amend the Internal Revenue Code of 1954 to exempt cooperative housing corporations, condominium management associations, and residential real estate management associations from taxation on certain types of income; to the Committee on Ways and Means.

By Mr. HASTINGS:

H.R. 2591. A bill to amend title 18 of the United States Code to make parallel the exemption from lottery prohibitions granted to newspapers and to radio and television; to the Committee on the Judiciary.

H.R. 2592. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 2593. A bill to provide joint and survivors' annuity benefits under private pension plans based upon the participant's vested benefit; jointly to the Committees on Education and Labor, and Ways and Means.

By Mr. KARTH (for himself, Mr. Helstoski, Mr. Ryan, Mr. Lehman, Mr. Carr, Mr. Runnels, Mr. Stokes, Mr. Richmond, Mr. John L. Burton, Ms. Schroeder, Mr. Green, Mr. Hicks, Mr. Bingham, Mr. Tsongas, Mr. LaFalce, Mr. Studds, Mr. Downey, Mr. Edgar, and Mr. Mitchell of Maryland):

H.R. 2594. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. KOCH:

H.R. 2595. A bill to amend the Immigration and Nationality Act to waive exclusion and deportation for the possession of marihuana, and for other purposes; to the Committee on the Judiciary.

H.R. 2596. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of the polygraph for certain purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Ryan, Mr. Seiberling, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stokes, Mr. Stratton, Mr. Studds, Mr. Symington, Mr. Tsongas, Mr. Udall, Mr. Vander Veen, Mr. Vanik, Mr. Vigorito, Mr. Charles H. Wilson of California, Ms. Jordan, and Mr. Scheuer):

H.R. 2597. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. MATHIS:

H.R. 2598. A bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition; to the Committee on Interstate and Foreign Commerce.

By Mr. MEEDS (for himself, Mr. Brademas, Mr. Won Pat, Mr. Edwards of California, Mr. Ford of Tennessee, Mrs. Spellman, Mr. Brodhead, Mrs. Chisholm, Mr. Harrington, Mr. Rodino, Mr. Stokes, Mr. Sarbanes, Mrs. Burke of California, Mr. Roybal, Mr. Bonker, Mr. Metcalfe, Mr. McCormack, Mr. Foley, Mr. Rose, Mr. Hechler of West Virginia, and Miss Holtzman):

H.R. 2599. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to health education and health problems; to the Committee on Education and Labor.

By Mr. MEEDS (for himself, Mr. Perkins, Mr. Davis, Mr. Ottinger, Mr. Nix, Mr. Brown of California, Mrs. Mink, Mr. Bolling, Mr. Benitez, Mr. Badillo, Mr. Hicks, Mr. Solarz, Mr. Ford of Michigan, Mr. Helstoski, Mr. Dellums, Mr. Fraser, Mr. Mitchell of Maryland, Mrs. Collins of Illinois, Mr. Clay, Mr. Hawkins, Mr. Pepper, Mr. Morgan, Mr. de Lugo, Mr. Waxman, and Mr. Lehman):

H.R. 2600. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to health education and health problems; to the Committee on Education and Labor.

By Mr. MEEDS (for himself, Mr. Buchanan, Mr. Thompson, Mr. Koch, Mr. Conte, Mr. Carr, Mrs. Schroeder, and Mr. Long of Louisiana):

H.R. 2601. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to health education and health problems; to the Committee on Education and Labor.

By Mr. MOAKLEY:

H.R. 2602. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOSHER (for himself, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Ashley, Mr. Bell, Mr. Brown of California, Mr. Esch, Mr. Frenzel, Mr. Heinz, Mr. O'Brien, Mr. Pritchard, Mr. Richmond, Mr. Solarz, Mr. Symington, and Mr. Whalen):

H.R. 2603. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. MOSHER (for himself, Mr. Goldwater, Mr. Conlan, Ms. Heckler of Massachusetts, Mr. Hinshaw, Mr. Horton, Mr. Lagomarsino, and Mr. Thone):

H.R. 2604. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. NOWAK:

H.R. 2605. A bill to amend the Internal Revenue Code of 1954 to encourage investments in certain economically depressed areas by providing an increased tax credit for investments in certain depreciable property used in such areas; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 2606. A bill to provide that, after January 1, 1976, Memorial Day be observed on May 30 of each year and Veterans' Day be observed on the 11th of November of each year; to the Committee on Post Office and Civil Service.

H.R. 2607. A bill to make available to veterans of the Vietnam war all benefits available to World War II and Korean conflict veterans; to the Committee on Veterans' Affairs.

H.R. 2608. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2609. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed, and restore on behalf of certain veterans educational assistance benefits which had previously terminated; to the Committee on Veterans' Affairs.

H.R. 2610. A bill to amend the Internal Revenue Code of 1954 to provide that the deductions for retirement savings shall be the lesser of 15 percent of the taxpayer's compensation or $7,500; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 2611. A bill to amend title 39, United States Code, to maintain and extend rural mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. PEYSER (for himself, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Fish, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fulton, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Hubbard, Mr. Kastenmeier, Mrs. Keys, Mr. Lehman, Mr. McDade, Mr. Matsunaga, Mr. Eilberg, Mr. Mitchell of Maryland, Mr. Beard of Rhode Island, Mr. Murphy of New York, Mr. Moakley, and Mrs. Heckler of Massachusetts):

H.R. 2612. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture.

By Mr. QUIE:

H.R. 2613. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him for special education furnished to a child or other minor dependent who is physically or mentally handicapped; to the Committee on Ways and Means.

By Mr. RISENHOOVER:

H.R. 2614. A bill to amend the older Americans Act of 1965 to provide that the Secretary of Agriculture shall buy beef and beef products for donation to nutritional programs for the elderly during fiscal years 1975 and 1976; to the Committee on Education and Labor.

By Mr. ROONEY (for himself, Mr. Skubitz, and Mr. Hungate):

H.R. 2615. A bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH (for himself, Mr. Ambro, Mr. Baldus, Mr. Bevill, Mr. Badillo, Mrs. Burke of California, Mr. Corman, Mr. Coughlin, Mr. Davis, Mr. Evans of Indiana, Mr. Gaydos, Mr. Giaimo, Mr. Hechler of West Virginia, Mr. Hinshaw, Mr. Jeffords, Ms. Keyes, Mr. Krueger, Mr. LaFalce, Mr. Madden, Mr. Mollohan, Mr. Mottl, Ms. Spellman, and Mr. Rodino):

H.R. 2616. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications facilities to make the national emergency telephone number 911 available throughout the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH (for himself, Mr. Roe, Mr. Sarbanes, Mr. Sikes, Mrs. Sullivan, and Mr. Young of Florida):

H.R. 2617. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications facilities to make the national emergency telephone number 911 available throughout the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. SHRIVER (for himself, Mr. Andrews of North Dakota, Mr. Cleveland, Mr. Conable, Mr. Goldwater, Mr. Goodling, Mrs. Heckler of Massachusetts, Mr. Jacobs, Mr. McEwen, Mr. Michel, and Mr. White):

H.R. 2618. A bill to amend the Postal Revenue and Federal salary Act of 1967 to abolish the Commission of Executive, Legislative, and Judicial Salaries, to the Committee on Post Office and Civil Service.

By Mr. SLACK:

H.R. 2619. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. STARK (for himself, Mr. Brown of California, Mr. Dellums, Mr. Bell, Mr. Vanik, Mr. Moorhead of Pennsylvania, Mr. Edwards of California, Mr. Eckhardt, Mr. Seiberling, Mr. Rees, Mr. Ryan, Mr. Badillo, Mr. Charles H. Wilson of California, Mr. Richmond, Mr. Roybal, Mr. Miller of California, Mr. Wirth, Mr. Moakley, Mr. Hawkins, Mr. Mineta, Mr. Conte, Mr. Charles Wilson of Texas, Mr. Solarz, Ms. Schroeder, and Mr. Gude):

H.R. 2620. A bill to authorize the Secretary of the Interior to study the feasibility of a national park, recreation area, or wilderness area in the Ridgelands east of the San Francisco Bay in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEIGER of Wisconsin:

H.R. 2621. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

H.R. 2622. A bill to amend the Consolidated Farm and Rural Development Act to increase the per diem, transportation, and travel expense allowance of Farmers Home Administration county committeemen; to the Committee on Agriculture.

H.R. 2623. A bill to amend the Land and Water Conservation Fund Act of 1965 to create the Disabled Eagle passport program under which disabled persons are admitted free to certain admission fee areas in national parks and national recreation areas and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2624. A bill to grant a Federal charter to the American Political Items Collectors, Incorporated; to the Committee on the Judiciary.

H.R. 2625. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on the Judiciary.

H.R. 2626. A bill to amend the act of August 13, 1946, relating to Federal participation in the cost of protecting the shores of the United States, its territories, and possessions, to include privately owned property; to the Committee on Public Works and Transportation.

H.R. 2627. A bill to reduce the duty on aspen wood for wood particle board; to the Committee on Ways and Means.

H.R. 2628. A bill to amend the Internal Revenue Code of 1954 to provide that certain losses from shoreline erosion shall be deductible for purposes of the individual income tax; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Ms. Abzug, Mr. Anderson of California, Mr. Boland, Mr. Carr, Ms. Chisholm, Mr. Conyers, Mr. Cornell, Mr. Edgar, Mr. Eilberg, Mr. Flood, Mr. Ford of Tennessee, Mr. Fraser, Mr. Frenzel, Mr. Gude, Mr. Heinz, Mr. Jacobs, Mr. Jeffords, Mr. Jenrette, Mr. Krebs, Mr. Mann, Mr. Matsunaga, Mr. Miller of California, and Mr. Mitchell of Maryland):

H.J. Res. 175. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. Pepper, Mr. Quie, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Santini, Ms. Schroeder, Mr. Seiberling, Mr. Solarz, Ms. Spellman, Mr. Stark, Mr. Steelman, Mr. Stokes, Mr. Tsongas, and Mr. Wirth):

H.J. Res. 176. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.J. Res. 177. Joint resolution authorizing the President to proclaim the month of February of each year, as American History Month; to the Committee on Post Office and Civil Service.

H.J. Res. 178. Joint resolution authorizing the President to proclaim the week of March 30 through April 5, 1975 as National Stamp Collecting Week; to the Committee on Post Office and Civil Service.

By Mr. NOLAN (for himself and Mr. Dickinson):

H.J. Res. 179. Joint resolution to designate the period February 9, 1975 through February 15, 1975 as National Peanut Butter and Milk Week; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN:

H.J. Res. 180. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing to the States the power to enact laws respecting the life of an unborn child from the time of conception; to the Committee on the Judiciary.

By Mr. ROUSH (for himself, Mr. Ambro, Mr. Baldus, Mr. Evans of Indiana, Mr. Giaimo, Mr. Jeffords, Mr. Krueger, Mr. LaFalce, Mr. Mollohan, Mr. Mottl, Ms. Spellman, and Mr. Young of Florida):

H. Con. Res. 89. Concurrent resolution that it is the sense of Congress that the United States and the various political entities thereof should adopt 911 as the nationwide, uniform, emergency telephone number; to the Committee on Interstate and Foreign Commerce.

By Ms. ABZUG (for herself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Blouin, Mr. Brown of California, Mr. Conyers, Mr. Dodd, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Hannaford, Mr. Harrington, Ms. Holtzman, Mr. Maguire, Ms. Meyner, Mr. Miller of California, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Roybal, Ms. Schroeder, and Mr. Stark):

H. Res. 129. Resolution requesting certain information regarding U.S. involvement in Indochina, from the Secretary of Defense; to the Committee on Armed Services.

By Mr. MATSUNAGA:

H. Res. 130. Resolution disapproving the deferral of budget authority relating to comprehensive planning grants (deferral numbered D75–107) which is proposed by the President in his special message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. MORGAN (for himself and Mr. Zablocki):

H. Res. 131. Resolution expressing the sense of the House of Representatives with respect to the missing-in-action in Southeast Asia and the Paris Agreement; to the Committee on Foreign Affairs.

By Mr. PRICE:

H. Res. 132. Resolution for primary expenses, 94th Congress, first session for the Committee on Armed Services; to the Committee on House Administration.

By Mr. THONE (for himself, Mr. Cleveland, Mr. Heinz, Mr. Jeffords, and Mr. Schulze):

H. Res. 133. Resolution to require approval by the House of Representatives with respect to the fixing or adjustment of certain allowances for Members of the House; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HELSTOSKI:

H.R. 2629. A bill for the relief of Salvatrice and Giovanni Galafi; to the Committee on the Judiciary.

By Mr. HELSTOSKI (by request):

H.R. 2630. A bill for the relief of Kazimierz Bielecki; to the Committee on the Judiciary.

By Mr. MOORHEAD of Pennsylvania:

H.R. 2631. A bill for the relief of Victor Henrique Carlos Gibson; to the Committee on the Judiciary.

By Mr. PATTISON of New York:

H.R. 2632. A bill for the relief of Mr. Rostislav K. Benes, his wife, Ludmila Benes, and child Hana Benes; to the Committee on the Judiciary.

SYNOPSIS OF BILLS AND RESOLUTIONS INTRODUCED

H.R. 1. January 14, 1975. Ways and Means. Establishes a Department of Health and transfers the health functions of the Department of Health, Education, and Welfare to the Department. Establishes a national system of health insurance to be financed by payroll deductions, employer contributions, and tax credits.

H.R. 2. January 14, 1975. Government Operations. Establishes a Department of Education within the executive department. Transfers to the Secretary of Education educational functions now handled by various Federal offices including the Office of Education, the Office of Economic Opportunity, the Department of Health, Education, and Welfare and the Department of Defense.

H.R. 3. January 14, 1975. Merchant Marine and Fisheries. Authorizes appropriations to the Department of Commerce for: (1) acquisition, construction, or reconstruction of ships; (2) payment of obligations incurred for ship operating-differential subsidy; (3) research and development; (4) reserve fleet; (5) training at the Merchant Marine Academy; (6) financial assistance to State Marine Schools, and (7) increases in employee salary and benefits. Revises the Merchant Marine Act to establish regional offices of the Maritime Administration.

H.R. 4. January 14, 1975. Science and Technology. Authorizes the Director of the National Science Foundation to designate five universities at which coal research laboratories will be established and operated. Authorizes the Director to make grants to assist in the establishment of such laboratories.

Establishes a graduate fellowship program for study and research related to the production, conservation, and utilization of fuels and energy.

H.R. 5. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit individuals to deduct contributions to a qualified fund, where the beneficiary is a dependent of the taxpayer, and where the distributions from the fund are to be made only to defray the cost of room, board, and tuition at an institution of higher education.

H.R. 6. January 14, 1975. Government Operations. Revises per diem and mileage allowances for Federal employees traveling on official business.

H.R. 7. January 14, 1975. Education and Labor. Amends those provisions of the Federal Coal Mine Health and Safety Act of 1969 relating to presumptions, attorney's fees, workman's compensation benefits, other employment, and appeals.

Directs the Secretary of Health, Education, and Welfare to undertake to locate individuals likely to be eligible for black lung benefits under this Act.

Establishes a Black Lung Disability Insurance Fund. Requires coal mine operators to pay premiums into the fund. Directs the Secretary of Labor to make benefit payments to eligible miners from the fund.

H.R. 8. January 14, 1975. Education and Labor. Amends those provisions of the Federal Coal Mine Health and Safety Act of 1969 relating to presumptions, attorney's fees, workman's compensation benefits, other employment, and appeals.

Directs the Secretary of Health, Education, and Welfare to undertake to locate individuals likely to be eligible for black lung benefits under this Act.

Establishes a Black Lung Disability Insurance Fund. Requires coal mine operators to pay premiums into the fund. Directs the Secretary of Labor to make benefit payments to eligible miners from the fund.

H.R. 9. January 14, 1975. Reduces multiple state taxation of interstate commerce by limiting the jurisdiction of a State to tax corporate net income or capital stock, to impose or require to be collected a sales or use tax, or to impose a gross receipts tax. Limits the maximum percentage of corporate income or capital attributable to a taxing jurisdiction. Restricts the power of a State to tax the earned income of an individual where his domicile and his income are of different States.

H.R. 10. January 14, 1975. Interstate and Foreign Commerce. Revises the regulations governing the Securities and Exchange Commission and its operation.

Sets forth regulations with respect to the securities industry's regulatory bodies and the national securities market system.

H.R. 11. January 14, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act by requiring, under certain circumstances, those who engage the services of sales representatives to provide indemnification to those sales representatives who have been terminated.

H.R. 12. January 14, 1975. Public Works and Transportation. Sets forth the conditions under which police protection is authorized for foreign diplomatic missions.

Authorizes the Secretary of the Treasury to utilize, on a reimbursable basis, the protective facilities of state and local governments.

Increases the size of the Executive Protective Service.

H.R. 13. January 14, 1975. Post Office and Civil Service. Creates the Federal Labor Relations Authority to oversee labor relations between Federal agencies and civlian Federal employees. Enumerates unfair labor practices and empowers the Authority to prevent such practices.

Directs the Authority and the Federal Mediation and Conciliation Service to provide assistance to agencies and labor organizations in resolving negotiation disputes.

H.R. 14. January 14, 1975. Banking, Currency and Housing. Require banks, savings and loan associations, and insured credit unions to disclose, upon request and in all advertising, certain information on the computation and payment of the earnings on savings deposits.

Directs the Board of Governors of the Federal Reserve System to prescrbe regulations to enforce the provisions of this Act.

H.R. 15. January 14, 1975. Judiciary; Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; 2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 16. January 14, 1975. Education and Labor. Authorizes grants to assist States in providing high quality education in elementary and secondary schools and in equalizing educational opportunity within each State. Directs that States expend a portion of their grant in providing services to children enrolled in private nonprofit elementary and secondary schools.

H.R. 17. January 14, 1975. Interior and Insular Affairs. Authorizes the establishment of the Revolution's Southernmost Battlefields National Park in Florida.

H.R. 18. January 14, 1975. Standards of Official Conduct. Requires lobbyists and other legislative agents to file with the Comptroller General: (1) a notice of representation; and (2) activity reports.

Repeals the Federal Regulation of Lobbying Act.

H.R. 19. January 14, 1975. Education and Labor. Amends the Vocational Education Act of 1963 by authorizing additional appropriations and extensions for current programs under the Act.

H.R. 20. January 14, 1975. Education and Labor. Amends the Vocational Education Act of 1963 by authorizing additional appropriations and extensions for current programs under the Act.

H.R. 21. January 14, 1975, Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the Medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government. Amends various other provisions of the Social Security Act and the Public Health Services Act.

H.R. 22. January 14, 1975. Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the Medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government. Amends various other provisions of the Social Security Act and the Public Health Service Act.

H.R. 23. January 14, 1975. Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the Medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government. Amends various other provisions of the Social Security Act and the Public Health Services Act.

H.R. 24. January 14, 1975. Interior and Insular Affairs. Establishes the Connecticut Historic Riverway in Massachusetts.

H.R. 25. January 14, 1975. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites. Authorizes the Secretary of Labor to extend unemployment assistance to individuals left jobless as a result of enforcement of surface mining requirements.

H.R. 26. January 14, 1975. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites. Authorizes the Secretary of Labor to extend unemployment assistance to individuals left jobless as a result of enforcement of surface mining requirements.

H.R. 27. January 14, 1975. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites. Authorizes the Secretary of Labor to extend unemployment assistance to individuals left jobless as a result of enforcement of surface mining requirements.

H.R. 28. January 14, 1975. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites. Authorizes the Secretary of Labor to extend unemployment assistance to individuals left jobless as a result of enforcement of surface mining requirements.

H.R. 29. January 14, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to assist middle income families in acquiring ownership of a home, condominium unit, or cooperative unit by making periodic assistance payments on behalf of such families during periods of high interest rates.

H.R. 30. January 14, 1975. Interior and Insular Affairs. Designates the Hells Canyon area in Oregon, Idaho, and Washington as a national recreation area and as wilderness. Incorporates segments of the Rapid River and the Snake River into the National Wild and Scenic Rivers System.

Deauthorizes the Asotin Dam Project.

H.R. 31. January 14, 1975. Judiciary. Revises and codifies the Federal law relating to bankruptcies. Establishes the United States Bankruptcy Administration as an independent establishment of the executive branch of the Government to carry out various provisions of this Act.

Sets forth regulations with respect to reorganization of railroads.

H.R. 32. January 14, 1975. Judiciary. Revises and codifies the Federal law relating to bankruptcies. Sets forth regulations with respect to reorganization of railroads.

H.R. 33. January 14, 1975. Ways and means. Revises the tax rates for Old-age, Survivors and Disability Insurance and hospital insurance under the Internal Revenue Code of 1954. Raises the ceiling on income taxable for Old-age, Survivors and Disability Insurance under the Social Security Act and Internal Revenue Code of 1954.

Provides that one-third of the cost of the Old-age, Survivors and Disability Insurance program be borne by the Federal Government.

H.R. 34. January 14, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 35. January 14, 1975. Science and Technology. Amends the National Environmental Policy Act of 1969 to establish a system of State and regional environmental research centers.

Creates an Environmental Research Centers Coordination Board to assist the Administrator of the Environmental Protection Agency in developing State and regional environmental research centers.

H.R. 36. January 14, 1975. Science and Technology. Establishes an Energy Conservation Research and Development Corporation to improve the efficiency of energy utilization by consumers. Creates an Energy Conservation Research and Development Fund in the U.S. Treasury for use by the Corporation.

H.R. 37. January 14, 1975. Science and Technology. Authorizes appropriations to the Secretary of Commerce to carry out the Standard Reference Data Act.

H.R. 38. January 14, 1975. Judiciary. Allows the attorney general of a State to bring a civil action under Federal antitrust laws on behalf of the citizens or any political subdivision of that State or the State itself.

H.R. 39. January 14, 1975. Judiciary. Amends the Antitrust Civil Process Act to include written interrogatories and oral testimony within the scope of a civil investigative demand issued prior to the institution of any antitrust proceedings. Prescribes procedures to be followed during such investigations.

H.R. 40. January 14, 1975. Judiciary. Prohibits the importation, manufacture, sale, purchase, transfer, receipt, possession or transportation of handguns and handgun ammunition except as authorized by the Secretary of the Treasury or by members of the Armed Forces and law enforcement officials.

H.R. 41. January 14, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 42. January 14, 1975. Interstate and Foreign Commerce. Amends the Federal Food, Drug and Cosmetic Act and the Fair Packaging and Labeling Act to require full disclosure of pertinent data on labels of foods and food products. Prohibits misleading brand names under the Federal Trade Commission Act.

H.R. 43. January 14, 1975. Post Office and Civil Service. Permits Postal Service employees to transfer to any position in the executive branch for which they are qualified.

Directs the court to receive return mail receipts as prima facie evidence of delivery.

H.R. 44. January 14, 1975. Standards of Official Conduct. Requires lobbyists and other legislative agents to file with the Comptroller General: (1) a notice of representation; and (2) activity reports.

Repeals the Federal Regulation of Lobbying Act.

H.R. 45. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to transfer the title of certain lands in the middle Rio Grande Conservancy District in the State of New Mexico to the District.

H.R. 46. January 14, 1975. Education and Labor. Establishes in the Office of the Secretary of Health, Education, and Welfare an Office of Youth Camp Safety. Requires that Federal youth camp safety standards be developed and enforced.

H.R. 47. January 14, 1975. Education and Labor. Establishes in the Office of the Secretary of Health, Education, and Welfare an Office of Youth Camp Safety. Requires that Federal youth camp safety standards be developed and enforced.

H.R. 48. January 14, 1975. Agriculture. Authorizes and directs the Secretary of Agriculture, through the Commodity Credit Corporation, to purchase animals and animal food products for use in foreign and domestic food relief programs.

H.R. 49. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas production on certain public lands in Alaska.

H.R. 50. January 14, 1975. Education and Labor. Directs various boards, commissions and councils to develop and executive programs designed to provide private and public service employment to those who seek it. Directs the President to transmit each year a full employment and production plan to Congress.

H.R. 51. January 14, 1975. Ways and Means Amends the Internal Revenue Code to exclude from gross income amounts received by a volunteer fireman for serving as a member of firefighting or rescue unit.

H.R. 52. January 14, 1975. Armed Services. Revises the characterization of military discharge certificates to provide for a "Discharge from Service." Sets forth conduct calling for such discharge.

Establishes procedures whereby any commissioned or warrant officer may be discharged for substandard performance of duty.

H.R. 53. January 14, 1975. Education and Labor. Provides Federal grants to assist public elementary and secondary schools to carry on programs designed to teach principles of ethics and citizenship.

H.R. 54. January 14, 1975. Rules. Establishes a Joint Committee on National Security in the Congress. Prescribes committee composition, functions and powers.

H.R. 55. January 14, 1975. Post Office and Civil Service. Enumerates procedures to be followed for resolving labor disputes within the United States Postal Service. Prohibits Postal employees from being reduced in rank or pay because of membership in certain organizations or presenting a grievance to Congress. Requires that certain mail be delivered during strikes.

H.R. 56. January 14, 1975. Post Office and Civil Service. Repeals that section of the Postal Reorganization Act of 1970 which allows Postal Service employees to join or refrain from joining labor organizations without fear of penalty or reprisal.

H.R. 57. January 14, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 58. January 14, 1975. Armed Services Prohibits the exclusion from duty involving combat of women members of the Army and Air Force solely on the basis of sex.

H.R. 59. January 14, 1975. Banking, Currency, and Housing. Prohibits discrimination on the basis of sex or marital status against any party to a federally-related mortgage transaction. Directs all parties to federally-related mortgage transactions to submit a report on all acts performed in connection with such transactions.

H.R. 60. January 14, 1975. Education and Labor. Establishes a Department of Education within the Executive Department. Transfers to the Secretary of Education educational functions now handled by various Federal agencies including the Department of Health, Education, and Welfare.

Establishes a Federal Interagency Committee on Education to assure effective coordination of Federal education programs.

H.R. 61. January 14, 1975. Judiciary. Imposes standards for the security, accuracy and confidentiality of criminal justice information on certain criminal justice agencies. Establishes a Commission on Criminal Justice Information to study and collect information concerning the handling of criminal justice information and the compliance of Federal agencies with the provisions of this Act.

H.R. 62. January 14, 1975. Judiciary. Imposes standards for the security, accuracy and confidentiality of criminal justice information on certain criminal justice agencies. Establishes a Criminal Justice Information Systems Board to further the purposes of this Act.

H.R. 63. January 14, 1975. Judiciary. Prohibits discrimination or segregation on the basis of sex in any place of public accommodation. Authorizes the Attorney General to institute suits to eliminate sex discrimination in public facilities. Requires the Secretary of Health, Education, and Welfare to make recommendations to equalize the treatment of the sexes under Federal laws.

H.R. 64. January 14, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to enter into contracts and make grants for the establishment and operation of voluntary Tay-Sachs disease screening, counseling, and information services.

H.R. 65. January 14, 1975. Ways and Means. Revises the Social Security Act by setting forth regulations with respect to administration of supplemental security income benefits subsequent to Federal increases in such benefits.

H.R. 66. January 14, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 67. January 14, 1975. Merchant Marine and Fisheries. Establishes the Madrona Marsh National Wildlife Refuge in California to be administered by the Secretary of the Interior.

H.R. 68. January 14, 1975. Judiciary. Requires that Federal contracts be awarded to the lowest qualified bidder.

H.R. 69. January 14, 1975. Ways and Means. Amends the Internal Revenue Code by imposing a minimum tax on individual net income.

H.R. 70. January 14, 1975. Merchant Marine and Fisheries. Establishes a Federal Zoo Accreditation Board to prescribe minimum operating standards for all zoos involved in interstate or foreign commerce. Requires each regulated zoo to apply to the Board for accreditation.

Establishes zoo assistance programs in the form of federally-funded grants and loans.

H.R. 71. January 14, 1975. Veterans' Affairs. Extends hospital and medical care to certain persons who served during World War I or World War II in foreign armed forces that were allies of the United States.

H.R. 72. January 14, 1975. Veterans' Affairs. Extends hospital and medical care to certain persons who served during World War I or World War II in foreign armed forces that were allies of the United States.

H.R. 73. January 14, 1975. Post Office and Civil Service. Increases the contributions by the Federal Government to the cost of Government employees' group life and health benefits insurance.

H.R. 74. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish a regional national park in each State not now containing a national park.

Directs the National Park Service to administer, protect, and develop each park. Authorizes the Secretary of Transportation to establish demonstration mass transportation systems in at least three park sites.

H.R. 75. January 14, 1975. Merchant Marine and Fisheries. Amends the National Environmental Policy Act to establish a National Environmental Policy Institute to assess and recommend National environmental policy.

H.R. 76. January 14, 1975. Education and Labor. Establishes a National Employment Relocation Administration in the Department of Labor. Establishes programs of Federal assistance to employees who suffer employment loss through economic dislocations, to businesses threatened with dislocation, and to affected communities.

Requires prenotification to affected employees and communities of dislocation of businesses. Provides Federal assistance for job placement and retraining of employees.

H.R. 77. January 14, 1975. Education and Labor. Makes employees of State and political subdivisions thereof subject to the National Labor Relations Act.

H.R. 78. January 14, 1975. Small Business. Increases the amount of capital allocated to the Small Business Administration lease and surety bond guarantees fund under the Small Business Investment Act of 1958. Authorizes the Small Business Administration to guarantee payments due under qualified contracts for pollution control facilities.

H.R. 79. January 14, 1975. Post Office and Civil Service. Creates the Federal Labor Relations Authority to oversee labor relations between Federal agencies and civilian Federal employees. Enumerates unfair labor practices and empowers the Authority to prevent such practices.

Directs the Authority and the Federal Mediation and Conciliation Service to provide assistance to agencies and labor organizations in resolving negotiation disputes.

H.R. 80. January 14, 1975. Merchant Marine and Fisheries. Authorizes the President, under the Fishermen's Protective Act, to direct the Secretary of the Treasury to prohibit the bringing or the importation into the United States of any or all products which are the growth, produce, or manufacture of a country engaging in harmful fishing operations.

H.R. 81. January 14, 1975. House Administration. Requires that the nomination and election of the President and Vice-President be made by direct vote of the people. Establishes a national presidential primary election.

Sets forth the conditions which must be met before political parties and candidates can participate in the national presidential primary election.

Creates a National Presidential Elections Commission to regulate the elections required by this act.

H.R. 82. January 14, 1975. House Administration. Requires in Presidential Elections that voters be afforded at least ten hours in which to vote, and that polls remain upon until eleven p.m., eastern standard time.

H.R. 83. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received for Federal acquisition of the tribal lands of the Klamath Indian Tribe.

H.R. 84. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior and the Secretary of Agriculture to study the feasibility of establishing the Desert Trail in Idaho, Oregon, Washington, Nevada, California, and Arizona as a national scenic trail.

H.R. 85. January 14, 1975. Interior and Insular Affairs. Amends the Geothermal Steam Act of 1970 by giving preferred status to public utilities with respect to bidding for lands leased by the Secretary of the Interior with any known geothermal resources potential.

H.R. 86. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire and designate certain lands in Oregon as the Oregon Trail National Historic Site.

H.R. 87. January 14, 1975. Interior and Insular Affairs. Authorizes any minor who is a descendant of the Klamath Tribe of Oregon to enroll in Bureau of Indian Affairs residential schools.

H.R. 88. January 14, 1975. Interstate and Foreign Commerce. Requires the Secretary of Transportation to establish standards for rear-mounted automobile lighting systems under the National Traffic and Motor Vehicle Safety Act of 1966.

H.R. 89. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit any duly registered individual eighteen years of age or older to produce limited quantities of wine for personal use without payment of tax.

H.R. 90. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles.

H.R. 91. January 14, 1975. Armed Services. Amends the Uniform Code of Military Justice provisions pertaining to contempt citations, sentencing and reconsideration of certain cases.

H.R. 92. January 14, 1975. Foreign Affairs. Establishes a United States Agency for World Peace within the Department of State. Directs the agency to conduct research pertaining to causes of war and the effect of United States policies and programs on the prospect for world peace.

H.R. 93. January 14, 1975. Interstate and Foreign Commerce. Establishes a health insurance benefit program under the Social Security Act by providing for Federal payment of health insurance premiums on behalf of eligible individuals.

Establishes a Health Insurance Advisory Board to develop guidelines for administering this program.

H.R. 94. January 14, 1975. Interstate and Foreign Commerce. Establishes a program of national health insurance to be administered by the National Health Insurance Board under the supervision of the Secretary of Health, Education, and Welfare.

H.R. 95. January 14, 1975. Armed Services. Revises the Uniform Code of Military Justice with respect to (1) apprehension and restraint; (2) non-judicial punishment; (3) court-martial jurisdiction ; (4) composition of courts-martial; (5) pre-trial procedure; (6) trial procedure; (7) sentences; (8) review of courts-martial; and (9) complaints of wrongs.

Grants jurisdiction to the Supreme Court to review, by writ of certiorari, cases in the Court of Military Appeals.

Establishes a special committee in the executive branch to study courts-martial, appeals and punishments.

H.R. 96. January 14, 1975. Armed Services. Authorizes the establishment of a program of higher education tuition assistance for members of the National Guard and the Selected Reserve of the Ready reserve by the Secretary of each military department.

H.R. 97. January 14, 1975. Armed Services. Provides survivor benefits to spouses of members and former members of the armed forces who die before becoming entitled to retired pay for non-regular service.

H.R. 98. January 14, 1975. Armed Services. Revises the method of computing years of service of a member of the armed forces for the purpose of computing retired pay.

H.R. 99. January 14, 1975. Armed Services. Lowers the age at which a member of former member of the armed forces becomes eligible for retired pay for non-regular service.

H.R. 100. January 14, 1975. Post Office and Civil Service. Revises the procedure for crediting service under the National Guard Technicians Act of 1968 for Federal employees' annuities.

H.R. 101. January 14, 1975. Armed Services. Entitles participants in the Ready Reserve to special pay upon completion of specified periods of service.

H.R. 102. January 14, 1975. Armed Services. Revises eligibility requirements for Armed Forces reservists' retired pay.

H.R. 103. January 14, 1975. Armed Services. Revises the computation method for armed forces retainer and retired pay for certain individuals to reflect current active duty pay rates.

H.R. 104. January 14, 1975. Armed Services. Requires termination of deductions for the Armed Services Survivor Benefit Plan from retired or retainer pay when all beneficiaries have predeceased the retired member.

H.R. 105. January 14, 1975. Armed Services. Revises provisions of the Armed Forces Survivor Benefit Plan pertaining to the eligibility of widows under the Plan.

H.R. 106. January 14, 1975. Armed Services. Redefines "dependent" for the purposes of certain armed forces benefits to include foster children.

H.R. 107. January 14, 1975. Armed Services. Revises provisions for payment by the patient for treatment under an armed forces medical care plan for spouses and children. Extends certain armed forces medical benefits to individuals who are entitled to medicare benefits under the Social Security Act.

H.R. 108. January 14, 1975. Banking, Currency and Housing. Removes the tax exempt status under the Internal Revenue Code of bank holding companies which are labor, agricultural, or horticultural organizations.

H.R. 109. January 14, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by requiring the Secretary of Labor to recognize differences between the light residential construction industry and the heavy construction industry.

H.R. 110. January 14, 1975. Standards of Official Conduct. Requires employees of the United States Government earning in excess of $18,000 per year, and candidates for election to certain Federal offices, to file certain financial information with the Comptroller General.

H.R. 111. January 14, 1975. House Administration. Amends the Federal Election Campaign Act of 1971 by requiring that political committees and candidates report all political contributions and expenditures regardless of amount.

H.R. 112. January 14, 1975. House Administration. Creates a Presidential Primaries Commission to coordinate State Presidential elections. Directs the Commission to make payments to States which incur expenses in conducting Presidential primary elections.

H.R. 113. January 14, 1975. Judiciary. Sets forth penalties for the kidnaping of a minor child by a parent.

H.R. 114. January 14, 1975. Judiciary. Permits honorably discharged veterans of the Armed Forces of the United States to render the military salute during certain ceremonies concerning the flag.

H.R. 115. January 14, 1975. Judiciary. Prohibits former Federal employees who participated in a contract formulation from being employed, for 2 years, by anyone who has a direct interest in the contract.

H.R. 116. January 14, 1975. Judiciary. Authorizes the Attorney General to develop community correctional facilities for use by Federal, State, and local governments. Establishes Federal policy groups to deal with the issues of standards for correctional personnel.

H.R. 117. January 14, 1975. Judiciary. Subjects nationals or citizens of the United States who are employed by, or are members of, the Armed Forces to the jurisdiction of the United States district courts for their crimes committed outside the United States. Provides for the apprehension, restraint, removal, and delivery of such persons.

H.R. 118. January 14, 1975. Judiciary. Specifies the time allowed for psychiatric examination of those persons charged with an offense against the United States. Directs that an accused person who is determined to be mentally incompetent shall, when possible, be committed to the custody of State or local authorities for hospitalization.

H.R. 119. January 14, 1975. Post Office and Civil Service. Redesignates the dates for observance of Memorial Day and Veterans Day.

H.R. 120. January 14, 1975. Public Works. Directs that no State shall receive less than 80 percent of the amount paid by that State into the Highway Trust Fund.

H.R. 121. January 14, 1975. Public Works and Transportation. Authorizes the Architect of the Capitol to accept gifts of money for the enhancement of the Capitol Building or Grounds.

H.R. 122. January 14, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to construct a Veterans' Administration general medical and surgical hospital in Jacksonville, Fla.

H.R. 123. January 14, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to establish a national cemetery in Duval County, Fla.

H.R. 124. January 14, 1975. Ways and Means. Amends the Trade Expansion Act of 1962 by prohibiting a duty, tax, or fee from being imposed upon the importation of any crude oil, or petroleum products to adjust the imports of such article and its derivatives so that such imports will not threaten to impair the national security.

H.R. 125. January 14, 1975. Ways and Means. Revises the eligibility requirements for old-age, survivors and disability insurance benefits under the Social Security Act.

Extends coverage under the supplementary medical insurance program (medicare) of the Social Security Act to services provided by medical technicians and registered nurses.

H.R. 126. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer to deduct as an expense during the taxable year expenditures for the purpose of making any facility owned or leased by the taxpayer for use in connection with his trade or business more usable by handicapped and elderly individuals.

H.R. 127. January 14, 1975. Agriculture. Terminates all price-support programs for tobacco. Prohibits the payment of export subsidies for the export of tobacco to any foreign country.

H.R. 128. January 14, 1975. Appropriations. Authorizes the President to reduce amounts appropriated pursuant to an appropriation act by an amount not to exceed 5 percent of the aggregate amount appropriated by such act.

H.R. 129. January 14, 1975. Armed Services. Authorizes the Administrator of General Services to release approximately 1,500,000 pounds of cadmium from the national stockpile and the supplemental stockpile.

H.R. 130. January 14, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by requiring the Secretary of Labor to recognize differences between the light residential construction industry and the heavy construction industry.

H.R. 131. January 14, 1975. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 132. January 14, 1975. House Administration. Prohibits Members of Congress who have been defeated, or have resigned or retired, from traveling outside the United States at Government expense.

H.R. 133. January 14, 1975. Interstate and Foreign Commerce. Defines the term "food supplement" as it appears in the Federal Food, Drug, and Cosmetic Act. Disallows the requirement of warning labels for and the limiting of ingredients in "food supplements" by the Secretary of Health, Education, and Welfare unless such article is intrinsically injurious to health in the recommended dosage.

H.R. 134. January 14, 1975. Interstate and Foreign Commerce. Prohibits the shipping of fur, leather, or finished products in interstate of foreign commerce which come from any State or foreign country which has not banned the manufacture, sale, or use of leghold or steel jaw traps.

H.R. 135. January 14, 1975. Judiciary. Amends the Immigration and Nationality Act with respect to employment of aliens, adjustment of alien status, and disclosure of aliens receiving Social Security benefits.

H.R. 136. January 14, 1975. Judiciary. Amends the Immigration and Nationality Act with respect to illegal entry and voluntary departure of certain aliens in the United States.

H.R. 137. January 14, 1975. Judiciary. Amends the Immigration and Nationality Act to require the Attorney General to employ additional personnel to patrol the borders of the United States. Requires the Attorney General to make a feasibility study on the use of machine-readable identification cards for aliens and electronic sensing devices for use by the border patrol force.

H.R. 138. January 14, 1975. Judiciary. Makes it a crime to travel in interstate or foreign commerce to avoid compliance with spouse or child support orders.

H.R. 139. January, 14, 1975. Judiciary. Prohibits the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering or entertainment.

H.R. 140. January 14, 1975. Foreign Affairs. Prohibits economic or military assistance to any countries which the President has determined practice a consistent pattern of violations of internationally recognized human rights.

H.R. 141. January 14, 1975. Judiciary. Revises the criteria and procedures for permissible interception of wire and oral communications by the Federal Government. Requires the Attorney General to report quarterly to designated House and Senate Committees regarding interception of wire and oral communications.

H.R. 142. January 14, 1975. Judiciary. Prohibits any civilian or military employee of the United States from using the Armed Forces to investigate civilians. Authorizes individual civil actions for money damages or injunctive relief and class actions for injunctive relief to enjoin and redress grievances as a result of such investigations.

H.R. 143. January 14, 1975. Agriculture. Amends the Agricultural Act of 1949 by requiring that the price support for milk be not less than 90 percent of its parity price.

H.R. 144. January 14, 1975. Ways and Means. Requires that expenditures by the Federal Government shall not exceed its revenues except in time of war or national emergency.

Establishes a schedule for systematic reduction of the public debt.

H.R. 145. January 14, 1975. Post Office and Civil Service. Requires the taking of a mid-decade census of population every ten years. Limits the categories of information required in the mid-decade census. Permits any State or locality to request a census recount of its population.

H.R. 146. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction for expenses paid during the taxable year for the education of a dependent attending a college or university, where such expenses exceed the exemption allowed for such dependent.

H.R. 147. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer to take a depreciation deduction for capital expenses incurred in connecting a sewage line from the residence of the taxpayer to a municipal sewage system.

H.R. 148. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction from gross income the cost of acquiring recycled solid waste materials for manufacture by the taxpayer into useful raw materials or salable products. Permits an optional amortization deduction or any solid waste recycling facility acquired by the taxpayer.

H.R. 149. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit a deduction by a taxpayer for depreciation of his principal residence property.

H.R. 150. January 14, 1975. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old-Age Survivors, and Disability Insurance benefits.

H.R. 151. January 14, 1975. Ways and Means. Excludes from taxable income as defined in the Internal Revenue Code of 1954 the first $1,000 of interest earned on savings deposits in banking institutions with investments in residential real property.

H.R. 152. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate, and to apply the same requirements for requiring a declaration of estimated income tax and for withholding income tax from wages.

H.R. 153. January 14, 1975. Ways and Means. Amends the Internal Revenue Code by entitling persons owning a homestead, having low income, and being sixty-five years of age and over to be reimbursed for property taxes accrued for the taxable year.

H.R. 154. January 14, 1975. Judiciary. Prohibits under the Civil Rights Act of 1964, discrimination on the basis of sex or marital status.

Authorizes the Secretary of Health, Educacation, and Welfare to pay up to 60 percent of the cost of commissions, boards, and advisory panels established by the States to study discrimination against women and the affirmative steps necessary to insure equality of opportunity for women.

H.R. 155. January 14, 1975. Education and Labor. Authorizes and directs the Secretary of Health, Education, and Welfare to establish various comprehensive child development programs and services. Establishes an Office of Child Development in the Department of Health, Education, and Welfare to coordinate and administer all comprehensive child development programs established by the Secretary in accordance with the provisions of this Act.

H.R. 156. January 14, 1975. Ways and Means. Amends the Social Security Act by increasing benefits to certain married couples; changing the eligibility requirements for certain Old-Age, Survivors and Disability Insurance benefits; and establishing father's insurance benefits for widowers with minor children.

H.R. 157. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to deduct from gross income reasonable expenses incurred for the care of one or more dependents. Repeals the allowance of such a deduction as an itemized deduction from adjusted gross income.

H.R. 158. January 14, 1975. Interstate and Foreign Commerce. Prohibits denial or limitation of insurance coverage solely on the basis of sex or marital status.

H.R. 159. January 14, 1975. Ways and Means. Amends the Social Security Act by revising the eligibility requirements for divorced women for wife's or widow's Old-Age, Survivors and Disability Insurance benefits.

H.R. 160. January 14, 1975. Government Operations. Prohibits any instrumentality of the United States from using any title as a prefix to a person's name which has the effect of indicating the marital status of such person.

H.R. 161. January 14, 1975. Government Operations. Grants child care centers status as educational institutions, under the Federal Property and Administrative Services Act of 1949, for the purpose of permitting donations of surplus Federal property for their use.

H.R. 162. January 14, 1975. Judiciary. Amends the Crime Control Act of 1973 by establishing a National Center for the Prevention and Control of Rape to conduct a continuing study, evaluation, and investigation of rape.

H.R. 163. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to enter into a cooperative agreement to preserve for the public the Sewall-Belmont House, located in the District of Columbia. Designates the property as the Sewall-Belmont National Historic Site.

H.R. 164. January 14, 1975. Armed Services. Includes family planning services, supplies and counseling among the medical services provided to members of the Armed Forces.

H.R. 165. January 14, 1975. Ways and Means. Amends the supplementary security income provisions of the Social Security Act by: (1) authorizing emergency and temporary grants; (2) eliminating the third-party payee requirement for certain recipients; (3) revising the method of determining income for the purposes of the program; (4) revising certain eligibility requirements; (5) authorizing cost-of-living increases in benefits; (6) entitling recipients to food stamps on a permanent basis; and (7) entitling recipients to a hearing on State actions concerning claims for social services.

H.R. 166. January 14, 1975. Judiciary. Amends the Civil Rights Act of 1964 to prohibit discrimination on the basis of affectional or sexual preference.

H.R. 167. January 14, 1975. Armed Services. Prohibits the use of Federal funds for weather modification activities as weapons of war.

H.R. 168. January 14, 1975. Foreign Affairs. Prohibits further expenditure of funds for U.S. military involvement in Indochina.

Directs the withdrawal from Indochina of all U.S. military and paramilitary personnel.

H.R. 169. January 14, 1975. Government Operations. Amends the Privacy Act of 1974 by eliminating various exemptions now contained in the act and by revising the provision dealing with an individual's right to request corrections in files pertaining to him.

H.R. 170. January 14, 1975. Interstate and Foreign Commerce. Makes it a violation of the Federal Trade Commission Act for any retailer to increase the price of a consumer commodity after the retailer has marked the price on that item.

Authorizes the Federal Trade Commission to issue a cease and desist order and to order the restitution of moneys received by a retailer in violation of this act.

H.R. 171. January 14, 1975. Judiciary. Prohibits the interception of certain communications unless all parties to be intercepted communication consent.

H.R. 172. January 14, 1975. Judiciary. Prohibits Congress or any court, grand jury or administrative body from requiring the disclosure of information or the sources of information procured by persons connected with or employed by the news media.

H.R. 173. January 14, 1975. Judiciary. Makes additional immigrant visas available for immigrants from certain foreign countries.

H.R. 174. January 14, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to initiate and carry out a special psychiatric, psychological, and counseling program for Vietnam veterans and their dependents who are experiencing psychological problems as the result of the active military service performed by the veteran.

H.R. 175. January 14, 1975. Ways and Means. Amends the Social Security Act to eliminate deductibles and co-insurance fees under Medicare. Extends Medicare supplementary medical insurance coverage to include eye and dental care, hearing aids, all prosthetic devices, drug and immunizations.

Amends the Internal Revenue Code to eliminate hospital insurance taxes.

Amends the Social Security Act to eliminate Medicare taxes and premiums.

H.R. 176. January 14, 1975. Government Operations. Establishes a Department of the Elderly. Abolishes the Administration on Aging created under the Older Americans Act. Transfers all duties of the Administration to the Secretary of the Elderly.

H.R. 177. January 14, 1975. Ways and Means. Amends the Social Security Act to prohibit the imposition of any cost sharing, enrollment fee or similar charge on any individual participating in a State medical assistance program.

H.R. 178. January 14, 1975. Ways and Means. Exclude general and cost-of-living increases in Old Age, Survivors and Disability Insurance from being considered income for the purposes of determining an individual's eligibility for public assistance, food stamps, food distribution programs, public housing or rent or mortgage subsidies.

H.R. 179. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer who has attained the age of sixty-two to take a credit against his income tax for real property taxes paid by him, or for the amount of his rent constituting such taxes.

H.R. 180. January 14, 1975. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under Old-Age, Survivors and Disability Insurance.

H.R. 181. January 14, 1975. Ways and Means. Revises eligibility requirements and the portion of income to be paid for coupons under the Food Stamp Act of 1964.

H.R. 182. January 14, 1975. Government Operations. Establishes a Cabinet Committee for Asian American Affairs to help assure that Federal and other programs are providing the assistance needed by Asian Americans. Creates an Advisory Council on Asian Americans to implement the recommendations of the Committee and to investigate such areas of possible discrimination against Asian Americans as the Committee may specify.

H.R. 183. January 14, 1975. Housing, Banking and Currency. Establishes the Federal Savings and Loan Insurance Corporation as a corporation independent of the Federal Home Loan Bank Board.

Establishes a presidentially-appointed Board of Trustees to govern the Federal Savings and Loan Insurance Corporation.

Revises various administrative procedures of the Federal Home Loan Bank Board.

H.R. 184. January 14, 1975. Education and Labor. Amends the Labor-Management Reporting and Disclosure Act of 1959 by increasing the terms of office of officers of local labor unions.

H.R. 185. January 14, 1975. House Administration. Provides that the proceedings of the national encampments of certain veterans' groups shall be printed as House documents.

H.R. 186. January 14, 1975. Interstate and Foreign Commerce. Defines the term "food supplement" as it appears in the Federal Food, Drug, and Cosmetic Act. Disallows the requirement of warning labels for, and the limiting of, ingredients in "food supplements" by the Secretary of Health, Education, and Welfare unless such article is intrinsically injurious to health in the recommended dosage.

H.R. 187. January 14, 1975. Judiciary. Makes additional immigrant visas available for immigrants from certain foreign countries.

H.R. 188. January 14, 1975. Judiciary. Authorizes the Attorney General to reimburse law enforcement officers for costs incurred by such officers in civil actions arising out of the performance of official duties on condition that the law enforcement officer prevail in such civil action.

H.R. 189. January 14, 1975. Judiciary. Establishes a Federal minimum death and dismemberment benefit to be paid to Federal, State, or local law enforcement, corrections and firefighting personnel or their surviving dependents.

H.R. 190. January 14, 1975. Judiciary. Amends the Immigration and Nationality Act with respect to regulations for issuing visas to nonimmigrant aliens.

H.R. 191. January 14, 1975. Veterans Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 192. January 14, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to recognize representatives of such organizations as he may approve in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

H.R. 193. January 14, 1975. Ways and Means. Amends the Internal Revenue code to allow an individual to deduct certain amounts paid during the taxable year to an institution of higher education in connection with the education of any child for whom he could claim an exemption.

H.R. 194. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income a certain amount received during the taxable year as an annuity, pension or other retirement benefit by an individual or married couple.

H.R. 195. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to tax unmarried individuals at the same rate as married individuals filing jointly, and to apply the same requirements for requiring a declaration of estimated income tax and for withholding income tax from wages.

H.R. 196. January 14, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from income interest earned on any deposit or withdrawable account in a savings institution.

H.R. 197. January 14, 1975. Merchant Marine and Fisheries. Establishes a fishery zone contiguous with the territorial sea of the United States having a limit of two hundred miles beyond the inner limit of the territorial sea.

H.R. 198. January 14, 1975. Merchant Marine and Fisheries. Authorizes and directs the Governor of the Canal Zone to proceed with work to change the lock and anchorage capacities of the Panama Canal.

Establishes a Presidential-appointed Panama Canal Advisory and Inspection Board to supervise all efforts of the Governor of the Canal Zone in making changes to the Panama Canal.

H.R. 199. January 14, 1975. Merchant Marine and Fisheries. Authorizes and directs the construction of two bridges across the Panama Canal, with related approaches and connecting roads.

H.R. 200. January 14, 1975. Merchant Marine and Fisheries. Establishes a contiguous fishery zone beyond the territorial sea of the United States. Extends United States jurisdiction to anadromous fish wherever they may range in the oceans except to the territorial water or fishery zone of another country.

Directs the Secretary of State to negotiate, and review, treaties to promote the purposes of this Act.

H.J. Res. 1. January 14, 1975. Extends the time within the President must submit the Budget message for fiscal 1976 and the Economic Report to Congress.

H.J. Res. 2. January 14, 1975. Judiciary. Proposes an amendment to the Constitution: (1) to prohibit compelling attendance in schools other than the one nearest a students residence, and (2) to insure equal educational opportunities for all students.

H.J. Res. 3. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to require the direct popular election of the President and Vice President and to empower the Congress to establish the nomination procedures for these offices.

H.J. Res. 4. January 14, 1975. Judiciary. Establishes the United States Court of Ethics to hear complaints of unethical conduct in Government service. Empowers governmental branches and agencies to discipline officers, members, or employees upon a determination by the Court of unethical conduct. Requires the Court of Ethics to send a copy of its findings to the Attorney General of the United States where unlawful conduct is probable.

H.R. Res. 5. January 14, 1975. Judiciary. Proposes an amendment to the Constitution limiting appropriations to the amount of revenues, except during a national emergency. Imposes a plan for the repayment of the national debt.

H.J. Res. 6. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to establish an age limit and a single six-year term for the President.

H.J. Res. 7. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to establish an age limit and a single six-year term for the President.

H.J. Res 8. January 14, 1975. Judiciary. Proposes an amendment to the Constitution allowing prayer in public buildings.

H.J. Res. 9. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to require that the appropriations of the United States shall not exceed its revenues.

H.J. Res. 10. January 14, 1975. Judiciary. Proposes an amendment to the Constitution allowing prayer in public buildings.

H.J. Res. 11. January 14, 1975. Post Office and Civil Service. Designates November 11 as "Veterans Day."

H.J. Res. 12. January 14, 1975. Judiciary. Proposes an amendment to the Constitution requiring representation of the District of Columbia in the Congress.

H.J. Res. 13. January 14, 1975. Judiciary. Requires the Watergate Special Prosecution Force to publish a public report on all information it has concerning any involvement of Richard M. Nixon in offenses against the United States.

H.J. Res. 14. January 14, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to forbid surface mining operations on public lands, and underground mining in national forests.

H.J. Res. 15. January 14, 1975. Judiciary. Proposes an amendment to the Consitution lowering the age requirements for Congressional membership.

H.J. Res. 16. January 14, 1975. Judiciary. Proposes an amendment to the Constitution requiring Federal judges to be renominated by the Senate every ten years.

H.J. Res. 17. January 14, 1975. Rules. Creates a select joint committee of Congress to investigate methods to simplify Federal income tax return forms.

H.J. Res. 18. January 14, 1975. Judiciary. Proposed an amendment to the Constitution (1) requiring that candidates of political parties for President and Vice President be nominated at a primary election by direct popular vote, and (2) altering procedures of nomination.

H.J. Res. 19. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to require that the appropriations of the United States shall not exceed its revenues.

H.J. Res. 20. January 14, 1975. Judiciary. Proposes an amendment to the Constitution permitting voluntary prayer in public places. Allows reference to a Supreme Being in public or governmental activities.

H.J. Res. 21. January 14, 1975. Post Office and Civil Service. Designates November 11 as "Veterans Day."

H.J. Res. 22. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to require that candidates for President and Vice President be nominated and elected by direct popular vote.

H.J. Res. 23. January 14, 1975. Judiciary. Proposes an amendment to the Constitution abolishing personal income, estate, and gift taxes and prohibiting the government from engaging in business in competition with its citizens.

H.J. Res. 24. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit the interpretation of the Constitution to empower any official or court of the United States to order that funds be used or withheld to promote involuntary busing of students.

H.J. Res. 25. January 14, 1975. Judiciary. Proposes an amendment to the Constitution allowing prayer in public buildings.

H.J. Res. 26. January 14, 1975. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school.

H.J. Res. 27. January 14, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning on the last Monday in September as "Youth Appreciation Week".

H.J. Res. 28. January 14, 1975. Ways and Means. Prescribes regulations governing implementation of the Social Security Act relating to the administration of social services and Federal financial participation.

H.J. Res. 29. January 14, 1975. Armed Services. Repeals the Military Selective Service Act of 1967.

H.J. Res. 30. January 14, 1975. Post Office and Civil Service. Designates August 26 as "Women's Equality Day."

H.J. Res. 31. January 14, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain public lands of the United States.

H.J. Res. 32. January 14, 1975. Merchant Marine and Fisheries. Amends the Fishermen's Protective Act of 1967 by authorizing the President to prohibit the importation of any products of countries engaging in harmful fishing operations.

Directs the Secretary of Commerce to determine whether such sanctions should now be invoked.

H.J. Res. 33. January 14, 1975. Judiciary. Proposes an amendment to the Constitution enabling naturalized citizens to be eligible for the office of President.

H.J. Res. 34. January 14, 1975. Foreign Affairs. Requires the Secretary of State to inform Congressional committees of the status of any negotiations with foreign governments regarding any debt owed to the United States Government.

Declares that no such debt shall be canceled, renegotiated, rescheduled, or settled in a manner inconsistent with the original legislative authorization as amended.

H.J. Res. 35. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to require the direct popular election of the President and Vice-President.

H.J. Res. 36. January 14, 1975. Judiciary. Proposes an amendment to the Constitution which authorizes the President or the Speaker of the House to determine a surtax rate to be applied to the income tax at times when estimates of Federal expenditures exceed estimates of Federal receipts.

H.J. Res. 37. January 14, 1975. Judiciary. Proposes an amendment to the Constitution: (1) requiring that candidates of political parties for President and Vice President be nominated at a primary election by direct popular vote, and (2) altering procedures of nomination.

H.J. Res. 38. January 14, 1975. Judiciary. Proposes an amendment to the Constitution providing for the direct popular election of the President and Vice President of the United States.

H.J. Res. 39. January 14, 1975. Judiciary. Proposes an amendment to the Constitution to vest the Congress with the power to disapprove reprieves and pardons granted by the President.

H.J. Res. 40. January 14, 1975. Foreign Affairs. Requires the Secretary of State to inform Congressional committees of the status of any negotiations with foreign governments regarding any debt owed to the United States Government.

Declares that no such debt shall be canceled, renegotiated, rescheduled, or settled in a manner inconsistent with the original legislative authorization as amended.

H.J. Res. 41. January 14, 1975. Judiciary. Proposes an amendment to the Constitution: (1) to extend the rights of due process and equal protection to persons from the moment of conception, and (2) to prohibit depriving a person of life on account of age, illness, or incapacity.

H.J. Res. 42. Jan. 14, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school.

H.J. Res. 43. Jan. 14, 1975. Judiciary. Proposes an amendment to the Constitution providing for the direct popular election of the President and Vice President of the United States.

H.J. Res. 44. Jan. 14, 1975. Judiciary. Proposes an amendment to the Constitution to require reconfirmation of Federal judges every eight years by the Senate.

H.J. Res. 45. Jan. 14, 1975. Judiciary. Restores citizenship posthumously to General Robert E. Lee.

H.J. Res. 46. Jan. 14, 1975. Judiciary. Proposes an amendment to the Constitution: (1) to prohibit any grand jury from returning presentments or indictments, and (2) to provide that a statement of charges signed by a Government attorney is required to hold any person for a crime against the United States.

H.J. Res. 47. Jan. 14, 1975. Armed Services. Authorizes increased production of petroleum from Elk Hills Naval Petroleum Reserve for sale to oil refineries.

H.J. Res. 48. Jan. 14, 1975. Education and Labor. Authorizes and requests the President to call a White House Conference on the Handicapped.

H.J. Res. 49. Jan. 14, 1975. Education and Labor. Prohibits the Bureau of Labor Statistics from revising the method of calculating the Consumer Price Index under certain circumstances until such revision is approved by the Senate or House of Representatives.

H.J. Res. 50. Jan. 14, 1975. Judiciary. Proposes an amendment to the Constitution providing for the direct popular election of the President and Vice President of the United States.

H. Con. Res. 1. January 14, 1975. Requires that the Congress assemble to receive a communication from the President.

H. Con. Res. 2. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President: (1) continue American nonrecognition of the absorption of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) should raise in the United Nations the question of forced incorporation of these nations.

H. Con. Res. 3. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that: (1) the United States delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 4. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President take the steps necessary to place the question of human rights violations in the Soviet occupied Ukraine on the agenda of the United Nations.

H. Con. Res. 5. January 14, 1975. House Administration. Directs the Joint Committee on the Library to procure a statue of Christopher Columbus and cause it to be placed in the Capitol.

H. Con. Res. 6. January 14, 1975. Interstate and Foreign Commerce. Declares it the sense of Congress that: (1) films and broadcasts should not defame, steoreotype, ridicule, demean, or degrade ethnic, racial, and religious groups, and (2) the motion picture and broadcasting industries develop standards for the portrayal of these groups, and (3) the appropriate Congressional committees shall establish such standards if these industries fail to do so.

H. Con. Res. 7. January 14, 1975. Banking, Currency and Housing. Declares it the sense of Congress that the Secretary of the Treasury direct the Commission of Public Debt to make available to veteran's organizations lists of veterans owning unclaimed United States savings bonds.

H. Con. Res. 8. January 14, 1975. Public Works and Transportation. Declares it the sense of Congress that the Administrator of the Environmental Protection Agency not establish a system of priorities with respect to reimbursement of construction costs of water pollution control facilities under the Federal Water Pollution Control Act.

H. Con. Res. 9. January 14, 1975. Foreign Affairs. Declares a 36-month moratorium on foreign aid appropriations economic development.

H. Con. Res. 10. January 14, 1975. Government Operations. Prohibits the authorization of new previously unfunded spending programs for a period of 6 months.

H. Con. Res. 11. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that: (1) the U.S. delegation to the European Security Conference should not agree to the annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and (2) it should remain the policy of the United States not to recognize such annexation.

H. Con. Res. 12. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the United States, through the Department of the Treasury, shall require the repayment of longstanding debts of a delinquent nature by foreign countries.

H. Con. Res. 13. January 14, 1975. House Administration. Directs the Joint Committee on the Library to procure a statute of Martin Luther King, Jr., and place it in the Capitol.

H. Con. Res. 14. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the United States, through the Department of the Treasury, shall require the repayment of longstanding debts of a delinquent nature by foreign countries.

H. Con. Res. 15. January 14, 1975. Post Office and Civil Service. Requests the President to proclaim July 16 through 22 as "United States Space Week."

H. Con. Res. 16. January 14, 1975. House Administration. Directs the Joint Committee on the Library to procure a statute of Martin Luther King, Jr., and place it in the Capitol.

H. Con. Res. 17. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the United States, through the Department of the Treasury, shall require the repayment of longstanding debts of a delinquent nature by foreign countries.

H. Con. Res. 18. January 14, 1975. Rules. Establishes a Joint Congressional Committee on Central Intelligence to make continuing studies of intelligence activities and problems relating to the gathering of intelligence affecting the national security and of its coordination and utilization by various departments.

H. Con. Res. 19. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President: (1) impress upon the Soviet Government the concern of the American people regarding the intimidation of those within the Soviet Union who do not adhere to the prevailing ideology, and (2) call upon the Soviet Government to permit the free expression of ideas and free emigration.

H. Con. Res. 20. January 14, 1975. Foreign Affairs. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 21. January 14, 1975. House Administration. Directs the Joint Committee on the Library to procure a statute of Martin Luther King, Jr., and place it in the Capitol.

H. Con. Res. 22. January 14, 1975. House Administration. Directs the Joint Committee on the Library to procure a statute of Christopher Columbus and cause it to be placed in the Capitol.

H. Con. Res. 23. Jannary 14, 1975. House Administration. Authorizes the printing as a House document the "Constitution de los Estados Unidos de America 1789", published by the Organization of American States.

H. Con. Res. 24. January 14, 1975. Interstate and Foreign Commerce. Declares it the sense of Congress that: (1) films and broadcasts should not defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups, (2) the motion picture and broadcasting industries develop standards for the portrayal of these groups, and (3) the appropriate Congressional committees shall establish such standards if these industries fail to do so.

H. Con. Res. 25. January 14, 1975. Veterans' Affairs. Requires immediate Congressional action regarding pending legislation on certain needs of Vietnam veterans.

H. Con. Res. 26. January 14, 1975. Ways and Means. States that it is the sense of the Congress that the Internal Revenue Service reassess the present tax deduction for business use of an automobile.

H. Con. Res. 27. January 14, 1975. House Administration. Directs the reprinting of the "Compilation of the Housing and Community Development Act of 1974".

H. Con. Res. 28. January 14, 1975. Judiciary. Calls a convention to propose amendments to the Constitution.

H. Con. Res. 29. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President take steps: (1) to urge free expression and the exercise of religion within the Soviet Union, (2) to urge an end to discrimination against religious minorities there, (3) to demand that the Soviet Government permit emigration, and (4) to raise in the United Nations the question of Soviet violation of the Declaration of Human Rights.

H. Con. Res. 30. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the Holy Crown of Saint Stephen remain in the United States at this time.

H. Con. Res. 31. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President take the steps necessary to place the question of human rights violations in the Soviet occupied Ukraine on the agenda of the United Nations.

H. Con. Res. 32. January 14, 1975. House Administration. Authorizes the printing as a House document the "Constitucion de los Estados Unidos de America 1789," published by the Organization of American States.

H. Con. Res. 33. January 14, 1975. Rules. Establishes a joint Congressional committee to conduct an investigation of the United States Postal Service.

H. Con. Res. 34. January 14, 1975. Banking, Currency and Housing. Requests the President, under the Credit Control Act, to direct the Federal Reserve Board to channel extensions of credit: (1) toward capital investment, housing, State and local governments, and small business, and (2) away from speculative enterprises and anti-competitive acquisitions.

H. Con. Res. 35. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the United States, through the Department of the Treasury, shall require the repayment of longstanding debts of a delinquent nature by foreign countries.

H. Con. Res. 36. January 14, 1975. Appropriations. Limits all appropriations for fiscal year 1976 to amounts below 1975 appropriations.

H. Con. Res. 37. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that tne President should: (1) initiate negotiations to prevent the resumption of Turkish opium production, and (2) if such negotiations are unsuccessful, terminate assistance to Turkey under the Federal Assistance Act.

H. Con. Res. 38. January 14, 1975. Ways and Means. Requests the President: (1) to end United States dependence on oil imports, and (2) to encourage research increasing oil supplies, devising new transportation systems, and exploiting other energy sources.

H. Con. Res. 39. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the United States, through the Department of the Treasury, shall require the repayment of longstanding debts of a delinquent nature by foreign countries.

H. Con. Res. 40. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the United States, through the Department of the Treasury, shall require the repayment of longstanding debts of a delinquent nature by foreign countries.

H. Con. Res. 41. January 14, 1975. Foreign Affairs. Urges the President to request the Soviet Union to release Valentyn Moroz and Leonid Plyushch from prison and allow them to emigrate.

H. Con. Res. 42. January 14, 1975. Science and Technology. Declares it the sense of Congress that the Federal Government eliminate the use of animals in research to the extent feasible.

H. Res. 1. January 14, 1975. Specifies the persons chosen to serve as clerk, Sergeant at Arms, Doorkeeper, Postmaster and Chaplain of the House of Representatives.

H. Res. 2. January 14, 1975. Informs the Senate that a quorum of the House of Representatives has assembled. Declares the election of the Speaker and the Clerk of the House of Representatives.

H. Res. 3. January 14, 1975. Authorizes the appointing of a committee to inform the President that a quorum of each House has assembled.

H. Res. 4. January 14, 1975. Instructs the Clerk to inform the President of the persons elected as the Speaker and the Clerk of the House of Representatives.

H. Res. 5. January 14, 1975. Amends the Rules of the House of Representatives altering the structure, functions and proceedings of various Committees. Prohibits employment discrimination by Members and employees of the House of Representatives.

H. Res. 6. January 14, 1975. Designates six minority employees under the Legislative Pay Act of 1929.

H. Res. 7. January 14, 1975. Stipulates the daily meeting hour of the House of Representatives.

H. Res. 8. January 14, 1975. Authorizes the Speaker, or a deputy named by him, to administer the oath of office to Wilbur D. Mills.

H. Res. 9. January 14, 1975. Defines the powers and procedures of the House of Representatives regarding documentary evidence in its control and possession which is requested by any court.

H. Res. 10. January 14, 1975. Authorizes the payment or reimbursement of staff accompanying Members-elect at organizational caucuses and conferences.

H. Res. 11. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President should (1) declare that the United States will not be the first to use nuclear weapons in any conflict, and (2) encourage other nations to issue similar declarations.

H. Res. 12. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that nuclear stockpiles of the United States and the Soviet Union be reduced as part of the Vladivostok agreement.

H. Res. 13. January 14, 1975. Foreign Affairs. Declares it the sense of Congress that the President (1) initiate active negotiations with the Soviet Union on a ban on all nuclear test explosions, (2) encourage other nations to refrain from nuclear testing, and (3) declare a moratorium on nuclear test explosions.

H. Res. 14. January 14, 1975. Post Office and Civil Service. Requests the President to declare January 22 of each year as Ukrainian Independence Day.

H. Res. 15. January 14, 1975. Rules. Establishes the Special Committee on the Captive Nations to study the captive non-Russian nations with respect to conditions in these countries and the peaceful processes by which the United States can assist them.

H. Res. 16. January 14, 1975. House Administration. Establishes a John W. McCormack, Senior, Intern Program. Authorizes each Member of the House of Representatives to hire two additional employees for such program.

H. Res. 17. January 14, 1975. Rules. Revises the Rules of the House of Representatives to prohibit roll call or quorum call by electronic device whenever the House of Representatives has entered into special orders after the close of the legislative program and business.

H. Res. 18. January 14, 1975. Rules. Amends the Rules of the House of Representatives with respect to the length of terms chairmen of standing committees may serve.

H. Res. 19. January 14, 1975. Foreign Affairs. Requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz.

H. Res. 20. January 14, 1975. House Administration. Requires that fixing or adjusting of allowances of members of the House of Representatives be approved by the House of Representatives.

H. Res. 21. January 14, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the President direct the representative to the United Nations to call upon that organization to request the United Kingdom to restore certain civil liberties in Northern Ireland.

H. Res. 22. January 14, 1975. Rules. Amends the Rules of the House of Representatives to create the Committee on the Environment. Specifies the jurisdiction of the Committee.

H. Res. 23. January 14, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 24. January 14, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 25. January 14, 1975. Rules. Amends the Rules of the House of Representatives with respect to procedures for appropriations measures.

H. Res. 26. January 14, 1975. Agriculture. Declares it the sense of the House of Representatives that investments in agricultural research and technology be made for the purpose of increasing food production.

H. Res. 27. January 14, 1975. House Administration. Authorizes the voluntary withholding of Maryland, Virginia, and District of Columbia income taxes in the case of Members of the House of Representatives and certain legislative employees who are subject to such income tax.

H. Res. 28. January 14, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the United States Government should seek agreements with other nations prohibiting weather modification as a weapon.

H. Res. 29. January 14, 1975. Rules. Establishes a House Select Committee on Foreign Intelligence to study the relationship between the Congress and the intelligence community.

H. Res. 30. January 14, 1975. House Administration. Creates a senior citizen intern program in the House of Representatives. Authorizes each Member of the House of Representatives to hire two additional employees for such program.

H. Res. 31. January 14, 1975. Rules. Creates a select committee of the House of Representatives to study the shortages of materials and natural resources affecting the United States.

H. Res. 32. January 14, 1975. Rules. Creates a select committee of the House of Representatives to study the ramifications of the United States Supreme Court decisions on abortion.

H. Res. 33. January 14, 1975. Rules. Amends the Rules of the House of Representatives by requiring that reports accompanying public bills contain estimates of the costs, to both public and private sectors, of carrying out the measure.

H. Res. 34. January 14, 1975. Rules. Amends the Rules of the House of Representatives to require that measures concerning the immigration or naturalization of any individual be accompanied by a statement that the Member introducing such measure has not received compensation therefor.

H. Res. 35. January 14, 1975. House Administration. Creates a senior citizen intern program in the House of Representatives. Authorizes each Member of the House of Representatives to hire two additional employees for such program.

H. Res. 36. January 14, 1975. Agriculture. Declares it the sense of the House of Representatives that investments in agricultural research and technology be made for the purpose of increasing food production.

H. Res. 37. January 14, 1975. Rules. Amends the Rules of the House of Representatives to establish a Select Committee on Energy to conduct studies of development, application, use, and control of all forms of energy.

H. Res. 38. January 14, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that: (1) the President assess the famine in Africa and Asia, (2) the President make recommendations to Congress regarding alleviation of this situation, and (3) that the Congress give priority to such recommendations.

H. Res. 39. January 14, 1975. Agriculture. Declares it the sense of the House of Representatives that investments in agriculture research and technology be made for the purpose of increasing food production.

H. Res. 40. January 14, 1975. Foreign Affairs. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 41. January 14, 1975. Agriculture. Declares it the sense of the House of Representatives that the Secretary of Agriculture rescind the proposed food stamp regulations.

H. Res. 42. January 14, 1975. Agriculture. Declares it the sense of the House of Representatives that the Secretary of Agriculture rescind the proposed food stamp regulations.

PETITIONS, ETC.

Under clause 1 of rule XXII,

Mr. MORGAN presented a petition of residents of the 22d District of Pennsylvania, expressing support for an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

EFFECT OF PRESIDENT'S PROGRAM ON THE ELDERLY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. ANDERSON of California. Mr. Speaker, the President's program to cut Federal spending is aimed at those who can least afford reductions in Government assistance—the elderly.

Rather than cut foreign aid, military assistance to Southeast Asia, and the $100 billion defense budget, President Ford is advocating a 5-percent ceiling on social security increases, a cut in the food stamp program, and a reduction in medicare programs—all of which would adversely affect those who are already living on meager incomes.

Mr. Speaker, the people who benefit from the social security, food stamp, and medicare programs have earned the right to live with dignity and peace of mind. They have served this Nation and built it through hard work, loyal efforts, and tax dollars, and they deserve no less than the very best that we can offer.

The members of the Torrance Adult Club in Torrance, Calif., have written to me expressing the effect of the President's cutbacks on their lives. This clear and concise letter, I am sure, reflects the views of not only this segment of our society, but also the thoughts of millions of Americans who sincerely care about the plight of the elderly in our country today.

At this point, I include in the Record the letter from the Torrance Adult Club. The president of this organization is Angeline Comorre; the vice president is Sidney Cole; and the Secretary-Treasurer is Frances Bryant.

The letter follows:

TORRANCE, CALIF.,
January 24, 1975.

Hon. GLENN ANDERSON,
House of Representatives,
Washington, D.C.

MY DEAR REPRESENTATIVE ANDERSON: On behalf of the Torrance Adult Club, Torrance, California, I wish to inform you that the entire membership, over three hundred strong, concurs with your view concerning President Ford's attempt to hold federally-controlled pension and social security increases to 5% in 1975.

In his plan to cut Federal spending by $4.56 billion, it seems that President Ford is bent on reducing the living standard of the elderly to a bare minimum. Now he wants to cut the food stamp program also, by $325 million. Does he not realize what it would do to those receiving food stamps? It would force many out of the stamp program and force them to pay the inflated prices which they can ill afford. It would reduce their already insufficient income and those least capable of coping with inflation. The food stamp cut-back is due to become effective March 1st. We hope that you and your colleagues in Congress will block it.

The elderly also are worried by the $465 million reduction in Medicare expenses by requiring the elderly to pay more. The proposed reform would raise the deductible to $67 in 1975 for physicians and other services under Part B; under Part A, the deductible would rise to $92, and a $750 limit would be placed on maximum cost-sharing. This would reflect the 11 per cent cash benefit increases in 1974. Any increases the elderly would receive in their social security benefits, would force them to use the cost-of-living increase to pay a greater share of their medical bills. Thus the government giveth, and the government taketh away.

Apparently President Ford is not aware of the problems of the elderly, and what effect inflation is having on them. It appears that he has lost all consideration and respect for the senior citizens of our country.

If President Ford were made to live on a Social Security income for six months, perhaps he would not be so quick to suggest reforms that will strip our oldsters of a dignified standard of living.

If I had written directly to President Ford, I am not sure he would have seen my message. Therefore, we are all depending on you, Mr. Anderson, to let us be heard, and to let President Ford know that his proposals are totally unacceptable to the Senior Citizens of the Torrance Adult Club, and, I venture to say, in the entire United States.

Sincerely yours,

Angeline Comorre, President; Sidney Cole, Vice President; Frances Bryant, Secretary-Treasurer; Helen M. Clarkson, Earl Elyea, Anna Lucile Anderson, Sophie R. Rogers, Mrs. Margaret Wiesner, Claude E. Anderson, Larry Ihde, Fred Bauchwitz, Lillian Middleton, Corrine Ernwein, Frank & Lil Fehring, May Roller, John M. Roller, Ralph Gillespie, Emile, Ernwein, Maxwell Snyder, Don Ragazzo, Ruth Cox, Lysle Amici, Rose Oster, M. Webb, Vivian Cypoutte, Flo Buchanan, Charlotte Rubin, Flo French, Josephine Gick, Marian C. Nichols, and Charles A. Fulton.

INFLATION: THE CRUELEST TAX OF ALL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. CRANE. Mr. Speaker, it is necessary and proper that we be concerned with the mounting recession, and with the loss of jobs by so many Americans. In order to reverse this recessionary trend, however, we must be aware of its causes and must deal with those causes. Any approach which simply gives the appearance of reversing today's negative trend but does not, in fact, deal with those causes will, within 6 months, make matters even worse.

To cut taxes without cutting spending would simply produce an increased deficit with the accompanying increase in our rate of inflation. If Government decided to finance its additional debt and to refinance the old debt through capital markets an equally negative result would occur. The sources of capital that are increasingly needed for plant expansion and modernization, for housing, and for the multiplicity of other demands of the job-creating productive sectors of the economy would be stifled.

The fact is that the cause of inflation is an artificial increase in the money supply by the Federal Reserve Board. This is done in order to finance the huge deficits which Government insists upon producing. Recession, in turn, is produced because the purchasing power of each dollar is reduced, thereby reducing demand for goods and services, and eliminating the investment capital needed for expansion. It is an illusion to think that recession can be defeated without also defeating inflation, its most basic cause.

The proposed tax cut will not in any real sense produce more money in the hands of the average American. Discussing this point, commentator David Brinkley noted that—

> Ten billion would be a cut of only about 3 per cent . . . and 30 billion, the highest figure even mentioned, would be about 10 per cent. In view of the fact a working person lost about 12 per cent of his buying power in 1974 alone, even the most they're likely to give will be little enough, only a fraction of what people have lost.

Discussing our current economic state of affairs, Loyal Meek, editor of the Phoenix Gazette, noted that—

> Inflation is rightfully identified as Public Enemy Number 1 . . . What is needed is to alert the American people to the consequences of inflation . . . Hope of economic survival depends on the American people awakening to the identity of our real Public Enemy Number 1: Our addiction to the hallucination that a society can somehow go on forever living beyond its means.

I wish to share with my colleagues the commentary by David Brinkley, which was carried on NBC Radio of January 7, 1975, and the article by Mr. Meek, which appeared in the Phoenix Gazette of January 14, 1975, and insert them into the RECORD at this time:

BRINKLEY RADIO, JAN. 7, 1975

David Brinkley, NBC News, Washington . . . with a few comments on the decision by the Washington apparatus that the recession is more dangerous than the inflation . . . and the growing agreement on a tax cut to deal with the recession. Back in a minute.

A few months ago, as the more diligent among us may remember, President Ford was asking Congress for a 5 per cent surtax . . . an increase. That has now been moved into some dusty storage place, along with the marble busts of Spiro Agnew . . . the payroll records of Gordon Liddy . . . and the speeches of Lyndon Johnson explaining why it was vital to fight a war in Viet Nam. Which is to say it's in dead storage. He asked for the surtax just before an election . . . and we've wondered ever since if he truly had any serious expectation that Congress would pass it. In any case, it is dead . . . the tide has changed . . . and the next event will be a request of Congress not for higher taxes, but lower. We're told the only remaining question is how much lower—10 billion, 20 billion or 30. For anyone with heady visions of keeping more of his own money . . . it should be pointed out that 10 billion would be a cut of only about 3 per cent . . . and 30 billion [the highest figure even mentioned] would be about 10 per cent.

In view of the fact a working person lost about 12 per cent of his buying power in 1974 alone . . . even the most they're likely to give will be little enough, only a fraction of what people have lost.

Whether or not an amount that small is enough to stimulate the economy . . . send people back to automobile showrooms to buy and reduce Detroit's unemployment, for one example . . . is at least debatable. And, if anyone believes Washington will reduce its spending by the same amount, he just hasn't been listening. So, lower tax certainly will mean bigger Washington deficits . . . and as a result of that, more inflation.

It's hard to believe, then, a short-term act like this will help much. What is needed is a longer-term reduction in the general size and cost of government, and its refusal to spend money it doesn't have. There is nothing like that in sight.

DAVID BRINKLEY,
NBC News, Washington.

[From the Phoenix Gazette, Jan. 14, 1975]

REAL PUBLIC ENEMY NO. 1: INFLATION, THE CRUELEST TAX OF ALL, RESULTS FROM MORTGAGING FUTURE

(By Loyal Meek)

Last Oct. 8, in an economic message to Congress, President Ford declared inflation to be Public Enemy No. 1.

Since then, economic conditions have taken a nose dive. Massive layoffs are driving up the unemployment rate.

Although there has been no such declaration yet, it is becoming clear that recession has replaced inflation as Public Enemy No. 1.

Demands are mounting for the federal government to "do something" to fight recession. A quick fix in the form of a personal income tax cut is in the works.

Never mind that a tax cut of several billion dollars, along with other spending measures designed to give immediate relief, will fuel the fires of inflation.

All of which serves to suggest what is America's real Public Enemy No. 1: The belief that has taken root that we can get something for nothing, that we can eat our cake and have it too, that we can vote ourselves prosperous.

Such beliefs, of course, are what is behind the inflation psychology. They express themselves in artfully disguised forms of political "compassion" but the bottom line is met inevitably by merely speeding up the money-printing presses—inflation, the cruelest tax of all. Some compassion!

In this sense, inflation is rightfully identified as Public Enemy No. 1.

From the quick switch we have seen to making the recession Public Enemy No. 1, however, it obviously is not sufficient merely to label inflation as the primary culprit.

What is needed is to alert the American people to the consequences of inflation. That's no easy task. Those who try to do this are likely to be dismissed as doomsayers.

One can cite the most graphic example of the dangers of inflation to occur during this century—Germany's experience after World War I, when it took a wheelbarrow full of money to buy a loaf of bread—but it doesn't seem to register on the American consciousness. Or if it does, it is dismissed with an "It can't happen here" attitude.

No! After more than four decades of "spend and spend" conditioning, most Americans evidently have come to believe that it is possible to go on perpetually living beyond one's means, that there is such a thing as a free lunch. The grasshopper has the right idea. Phooey on the ant.

Today, with inventories piling up, with acres upon acres of unsold autos, with production grinding to a halt, there would seem to be some possibility of disabusing Americans of the idea that our government's spending binge can go on forever.

At last, it would seem, there is a chance of restoring a sense of value, a chance for recovering from the illusion that we can somehow pass the cost of our over-indulgences on to the next generation.

Sorry, but this generation is "the next generation." During the depression of the Thirties, when F.D.R.'s New Deal was riding high, deficit spending was justified by saying that we owe it to ourselves—that the next generation would pay for it.

Now, for the most part, today's income earners are the children they were talking about before World War II.

And, while we don't prate about owing it to ourselves—meaning the next generation—that is implicit in this generation's embracing of the notion that we can go mortgaging the future.

It is, of course, impossible for the nation to stop deficit spending and to start living within its means overnight. But if it is ever to be done, a commitment to do it has to be made, a plan of action has to be set forth and a start has to be made.

This requires a measure of political courage that so far few have shown any inclination to practice. Nor should one be too harsh on politicians, for they are merely reflecting the wishes of the majority of voters.

Hope of economic survival depends on the American people awakening to the identity of the real Public Enemy No. 1: Our addiction to the hallucination that a society can somehow go on forever living beyond its means.

MORE TROUBLE LOOMING FOR SOUTH VIETNAM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. McDONALD of Georgia. Mr. Speaker, syndicated columnist and newspaper publisher M. Stanton Evans has recently written a short, yet incisive article in response to those who insist that "both sides" are equally at fault in violating the 1973 Paris peace accords. Mr.

Evans, like the Canadian representatives to the International Control Commission, in South Vietnam, finds differently. Aggression is the name of the game with the Communists and the sad fact remains that North Vietnamese invaders are still in Laos, Cambodia, and South Vietnam. Until Americans and the American Government wake up to the fact that Communist nations simply do not keep agreements unless it suits them, we will all be deluding ourselves relative to the prospects for peace in our world. Mr. Evans' editorial of January 1, 1975, as it appeared in the Springfield Mass., Union follows:

[From the Springfield (Mass.) Union, Jan. 1, 1975]

MASSIVE HANOI BUILDUP—MORE TROUBLE LOOMING FOR SOUTH VIETNAM

(By M. Stanton Evans)

By all reports, the next big global trauma will carry a familiar dateline—South Vietnam.

While our diplomatic efforts have been focused on the Middle East, ominous things have been occurring in Indochina. The "peace" agreement tacked together by Secretary of State Henry Kissinger a year ago is coming apart at the seams. Subliminal warfare continues without letup, and there are few observers who doubt that all-out fighting could resume by spring.

Most disturbing of these developments is the heavy influx of North Vietnamese forces into the south, along with other blatant violations of the peace accords. Signs are the buildup is approaching critical mass, presaging another blitzkrieg offensive like that of 1972. Simultaneous efforts to curtail American aid to Saigon could increase this danger markedly.

The gravity of the situation was recently highlighted by Rep. Ben Blackburn (R-Ga.). He notes that while the Paris peace accords supposedly froze the number of Communist forces in the south, a steady infiltration has occurred. At the time of the accords, there were 160,000 Communist troops in the south. Today there are at least 270,000, including 35 regular army units from Hanoi.

"Infiltration," indeed, is hardly the word for it. The North Vietnamese have deployed 700 Soviet tanks and built a pipeline into the south to keep these vehicles refueled. They have been busily constructing roads and airfields, have stockpiled an estimated 160,000 tons of supplies in South Vietnam and are equipped with 1,600 antiaircraft guns—along with Soviet SAM missiles, heavy artillery and other equipment.

Blackburn's warning on this score is confirmed by Maj. Gen. John Murray, recently retired defense attache in Saigon. "North Vietnamese troops have had two years to build up their supply of arms," Murray says. "Their ammunition stockpiles are up. Today, without question, Hanoi has by far the strongest, best-positioned and best-supported military machine it has ever fielded in South Vietnam."

For those who take the view that Saigon is responsible for the continued conflict, or that "both sides" are engaged in violations equally, some other data may prove helpful James Roberts of the American Conservative Union, just back from Vietnam, reports that as of late October the Communists had committed upwards of 50,000 violations of the accords, committed roughly 15,000 acts of terrorism, kidnapped almost 5,000 civilians and killed almost 4,000 more.

Most significant, the Communists have failed to honor any of the supposed safeguards in the Kissinger peace plan—refusing to let the International Control Commission investigate asserted violations. Canadian members of the inspection team resigned because of Communist non-co-operation, charging that "the Communists have created insurmountable obstacles to policing the cease-fire."

Indeed, the both-sides-are-guilty view is erroneous on the face of it. North Vietnamese troops are encamped in South Vietnam, not vice versa; it is the north that is trying to subjugate the south and southern territory that is being contested. The source and thrust of the aggression are obvious enough to anyone devoid of New Left blinders. If Congress insists on further curtailment of American aid, the aggressors may soon find their long campaign of conquest rewarded.

NO MORE AID TO INDOCHINA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. WAXMAN. Mr. Speaker, there is an enormous sense of tragedy one can feel reading between the lines of the President's message on Monday asking for more assistance—over a half-billion dollars—for the Saigon and Phnom Penh governments.

The message is tragic, Mr. Speaker, because even if we wanted to help these regimes accomplish what the President has asked us to help them do, they would be unable to. They would continue to lose the war. Thousands more would continue to be killed, maimed, and made refugees from the terror. And the blood would once again be on our hands. Vietnam has a unique and horrible quality: There are no winners, only losers. As the Secretary of State himself noted over 2 years ago, all of us who are involved in Vietnam have been tragically touched.

And we are being asked to touch it again.

The arguments for this aid are like ghosts from the past returning to haunt us. We are told again that North Vietnam is trying to impose its will on the South Vietnamese people, that our national security is threatened if we do not honor our commitments to Saigon, that our credibility around the world will be undermined if we desert our allies.

And again we hear, Mr. Speaker, that the Saigon government has demonstrated its ability and determination to defend itself—if only it had the aid. For a few dollars more, we are implored, we can save Saigon and Phnom Penh.

I thought, Mr. Speaker, we had learned from our experience in Indochina. I thought the past was over. I thought we had gone far beyond the deceptions and pretensions of the best and the brightest of a decade ago.

I was wrong. Though the actors have changed, the institutional responses are the same. The cycle of demands and commitments must be broken. And it must be broken by this great institution.

It is left to the Congress to stop our involvement in the war.

When a war is waged as long and inconclusively as the civil war in Vietnam, there are no moral absolutes one side can claim; there is only moral emptiness. No side can claim that it is correct, and no side can claim it has a monopoly on suffering and need.

Though no side can come to a reconciliation with clean hands, there must be a reconciliation. Both sides must come forward. Congress must help both sides come forward.

Congress cannot induce an end to the bloodshed and a commitment to new peace agreements by approving this request for aid. This money can only prolong the agony, feed the fires of intransigence, and cause new firestorms of destruction and murder.

It would be so easy to close our eyes, absorb the voices of the past, and vote the money: it is only money. But our eyes are open, the ghosts must be reinterred, and we must be conscious of what our money will do. We cannot promote the peace by providing the means of war. We can only induce a peace by bringing all sides to the conference table. Providing more military aid to Saigon only increases its resistance to substantive negotiations, in turn frustrating the North Vietnamese and the PRG, causing them to harden their positions and step up their activities as well. The ghosts that haunt us also haunt the Vietnamese. It is time that they finally be allowed to rest.

Therefore, Mr. Speaker, Congress must take the courageous step and not approve this aid.

We must urgently instruct the President and his Secretary of State to use the power of their offices to seek a new cease fire and reopen the dialog between North Vietnam, the Provisional Revolutionary Government, and Saigon.

The immediate task of Secretary Kissinger is not to seek more aid for Saigon, but to promote a new peace conference among the Vietnamese.

This is the only way, Mr. Speaker, the United States can begin to bring this tragedy to an end.

INDIA ATTACKS RUSSIA OVER FOOD PRICES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Socialists the world over are not supposed to be interested in profit, but only the "good of mankind." It is only supposed to be the "Capitalist bloodsuckers" who are interested in making profits. The London Daily Telegraph reports, however, in its January 25, 1975 issue that the Communist countries are gouging India, a country known to be highly favorable to socialism. The Indians should have learned from our wheat deal, but evidently they did not. The article follows for the edification of my colleagues:

[From the London Daily Telegraph, Jan. 25, 1975]

INDIA ATTACKS RUSSIA OVER FOOD PRICES

Communist countries are ignoring their socialist principles in charging inflated world prices for exports to their economic partners in the Third World, a senior Indian official said yesterday.

Mr. K. B. Lall, India's ambassador to the Common Market, told an economics seminar in New Delhi that the major socialist countries were now acting "contrary to their intentions" in trade relations with the developing world.

The complaint was evidently aimed at the Soviet Union and its East European partners. India has a treaty of friendship with Russia and a network of long-term economic agreements with the Communist bloc.

YOUNG STUDENTS ON NATIONAL PROBLEMS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. DOWNEY. Mr. Speaker, inflation, recession, and unemployment have become problems of such widespread concern that our Nation's young people—even those who are not yet a part of the labor force and are not supporting families—are deeply aware of our troubles.

Eighth grade students at West Babylon Junior High School in my district recently sent me the results of a survey of consumer attitudes they conducted at a Long Island shopping center.

I was so impressed by the understanding and concern of these young students that I would like to share their letter and survey with my colleagues at this point:

124 GREAT EAST NECK ROAD,
West Babylon, N.Y., January 7, 1975.

Hon. THOMAS DOWNEY,
House of Representatives,
Washington, D.C.

DEAR MR. DOWNEY: Recently my eighth grade class at the West Babylon Junior High School conducted a poll about people's opinions on inflation as part of our English-Social Studies course of study. We situated ourselves at the Great South Bay Shopping Center where we interviewed approximately three hundred and fifty people in two and one-half hours.

When asked whether or not they have confidence that the government will deal effectively with economic problems, fifty-nine per cent of the respondents answered, "No." In addition, thirty-two per cent of the consumers blamed government spending for inflation. As seen in the eyes of fifty-five per cent of those interviewed, inflation, as opposed to unemployment, is the problem that the government can deal with the best. The complete results and a copy of the questionnaire are enclosed in this letter.

I would very much like to know what your opinion is on these public views. I was also wondering what you, as a Congressman, feel can be done about the current economic problems.

Thank you very much for your time and cooperation.

Sincerely yours,
(Miss) CAROLYN SULLIVAN.

WEST BABYLON JUNIOR HIGH SCHOOL

INFLATION POLL

1. Who do you blame for inflation? a. government spending, 32%; b. consumer demand, 10; c. rising labor costs, 21; and d. big business profits, 38.

2. Which do you think is the biggest problem today? a. inflation, 60; and b. unemployment, 40.

3. Would you call today's situation a problem or a crisis? a. problem, 38; and b. crisis, 62.

4. Do you think that the current inflation is causing unemployment? a. yes, 91; and b. no, 9.

5. What problem can the government deal with best? a. inflation, 55; and b. unemployment, 45.

6. Do you have confidence that the government will deal effectively with economic problems? a. yes, 41; and b. no, 59.

7. Where do you feel the inflation pinch the most? a. food, 53; b. clothing, 9; c. transportation, 3; d. luxuries, 4; e. taxes, 18; and f. savings, 12.

8. How are you coping with inflation? a. saving more, 6; b. buying less, 87; and c. buying on credit, 7.

9. How has the economic situation affected your employment? a. job threatened, 29; b. must hold part-time job, 10; c. spouse must work, 7; and d. no effect, 54.

CONDEMNING THE TEACHER

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. HAGEDORN. Mr. Speaker, on January 20, there appeared an excellent editorial, in Waseca's Daily Journal entitled "Condemning the Teacher." Waseca is a thriving, progressive community in the heart of the southern Minnesota farmbelt. I believe that the thoughts expressed in this editorial are representative of many who live in America's breadbasket" and I ask unanimous consent that the editorial be printed in the RECORD.

The editorial follows:

[From the Waseca's (Minn.) Daily Journal, Jan. 20, 1975]

CONDEMNING THE TEACHER

The Soviet Union is celebrating a fine harvest of grain, one of the best it has ever had. Still, it is not enough, for the Soviet Union is now deep in a program to upgrade the diet of its people. And how is it doing that? By producing more meat, particularly beef. It's into the beef cattle and other animals that a great portion of the grain is going. At the same time, there has been no lessening of the demand for breadstuffs so long the staple of the Russian diet. So the Soviet Union is still in the market for foreign grains—including those grown in the United States.

The Japanese, too, are eating more and more pork and beef. They have been building up their own herds, with breeding stock from American farms, and importing large quantities of meat. In other highly-developed countries the pattern of increasing meat consumption is similar.

All this, ironically, comes at a time when Americans are being urged to eat less meat—even to turn vegetarian—so that America's bountiful grain harvests may be shared with the hungry in the undeveloped countries. Millions of these hungry refuse, on religious grounds, to eat the beef they already have.

No one has yet, so far as we know, accused the Russians or the Japanese or anyone but Americans, of waste and gluttony because they want more of their protein intake to come from meat. The United States has set the world an example of high dietary standards. And now the mentor is condemned for what is deemed so worthy of emulation.

NEEDED: BETTER BREAK FOR LAW ENFORCEMENT

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. COUGHLIN. Mr. Speaker, I feel compelled to call to my colleagues' attention the need to reorder our priorities in important fields of mounting concern to citizens throughout the country.

In prefacing these remarks, I note a disturbing trend within the Democratic leadership in the Congress, along with a spate of commentators and organizations, to overreact in heaping abuse upon law enforcement agencies in the present political climate.

The facts are these: American citizens are beset by a growing incidence of crime.

I am not here to demagog this issue, but rising crime is having its adverse effects on people throughout the country. The poor ghetto-dweller knows only too well about crime in our cities. Now, the suburban resident and the rural citizen are beginning to experience the terrors of accelerating crime in their communities.

With a bad crime picture being worsened by recession, I appeal to the Democratic leadership in the Congress to exercise its leadership in a responsible and perceptive manner. Let us put the actions of our law enforcement agencies in the proper perspective. In working to correct abuses which are proven, let us not irreparably damage the agencies and so demoralize their personnel so only the lawless will benefit.

Even though the Central Intelligence Agency has no role in domestic crime, I feel we ought to acknowledge publicly that the CIA is, in fact, charged with monitoring overseas contacts of Americans and domestic organizations as to foreign influence or monetary support. Foreign intervention in our affairs is every bit as reprehensibe as proven acts of CIA interference with foreign governments.

Yes, any activities not within the CIA charter that have transpired within this country must be stopped immediately. Steps must be taken to find out how and why they happened and to insure they do not happen again.

But, let us be certain we know what we are doing and not to succumb to overkill.

The Federal Bureau of Investigation is under attack for some questionable activities. It apparently has kept raw files of information on the personal habits of citizens including Congressmen who have not been subjects of criminal investigations. This is wrong. It should be stopped if it has not already been stopped.

Yet, I believe it is within the FBI's jurisdiction—and, yes, its duty—to continue to conduct security checks whenever indicated, including Members of Congress who have access to sensitive information. Surely, if we are to check out clerks who handle such sensitive information, then those who are in key positions should be subject to the same scrutiny.

Even the Drug Enforcement Administration drew newspaper headlines recently, when a salesman approached an agent and offered to sell alleged "assassination devices." While to my knowledge no purchase was made, the implication was left in readers' minds that the agency does use or contemplates using such devices.

The whole tenor of the rising criticism has been to demean and denigrate those charged with law enforcement or national security.

It is easy in the wake of Watergate excesses to understand the tendency to climb aboard the bandwagon and decry the various law enforcement and intelligence-gathering agencies in this country. But the excesses of Watergate hardly justify the excesses directed at these agencies.

Of course, we can go back to the chicken-or-egg analogy. Did Vietnam spawn the antiestablishment violence which, in turn, produced Watergate which has resulted in the present atmosphere?

This seems to me to be futile pursuit since nothing that has gone before justifise any wrongs that follow.

For instance, the award by the courts of $1.2 million to May Day demonstrators in an excess that illustrates my contention that previous abuses do not justify subsequent wrongs. Many of my colleagues were at the Capitol or on the streets and bridges of Washington when the demonstrators, whose avowed purpose was to halt Government's functionings, displayed their own brand of nonviolence.

Can anyone seriously argue that every one of those 12,000 to whom the courts has awarded damages is entitled to these monetary rewards? To eschew a more descriptive word, I will just say "nonsense."

Beyond the poisonous climate directed at law enforcement agencies, the courts are responsible for the perpetuation of a grievous wrong inflicted upon law-abiding citizens. Many of the crimes being committed daily in the Nation are the acts of repeat offenders. Law enforcement agencies know many of the offenders well. Yet the courts continue to turn recidivists loose with minimal or no supervision to continue to commit crimes, many, by the way, to come up with the money to pay lawyers and fines or bail.

Gang activity is a major symptom of lawlessness, especially in our crowded cities. Young people taking part in gangs can escalate their activities into serious crime, especially when there is no supervision or little guidance.

From my own experience, I know that I have fought each year for more probation officers and have been consistently stymied. How can a probation officer with a caseload in the hundreds provide any real guidance or supervision to a young person about to go seriously astray? The question beggars the answer. Surely, it makes sense to adopt the system used by many European countries—employ working citizens as part-time probation officers to help these young people.

We know also that much crime is narcotics-related. We must intensify our efforts to cut the drugs' trade and to develop institutions to handle narcotics-addicted criminals.

Through the whole vista of crime and attendant problems runs the theme of obstruction to the people and agencies we hold responsible for preventing crime and for catching criminals. Court decisions, unremedied by congressional or legislative action, place on law enforcement officials the burden of not making a mistake in conducting a search or receiving a statement from a suspect. While we hold our individual civil liberties dear, it makes no sense to provide an unfair advantage to the criminal at the expense of the civil liberties of law-abiding citizens.

I recognize full well that some of my proposals involve appropriations at a time when Government spending needs to be cut. But, I believe our citizens are willing to pay taxes for higher funding in critical areas such as I have detailed, if we can show we are slashing funding in nonessential areas in both our domestic and military budgets.

More importantly, from the average citizen's viewpoint, the leadership in our Federal Government should convey to the people that it understands and supports the agencies created to protect us from domestic criminals and foreign agents.

The thin blue line that stands between us and criminality needs bolstering.

The thousands of decent and dedicated individuals in uniform and plain clothes deserve more than the support of our citizens—and this I am sure they have. They merit the outright encouragement and understanding of our national leadership—specifically, our congressional leadership.

It seems to me a priority of the highest order and one which the Democratic leadership should acknowledge.

In the midst of the media stories on our law enforcement and intelligence agencies, I was taken by the salient comments of a television commentator the evening of January 27, 1975. I am pleased to insert his commentary in the CONGRESSIONAL RECORD, since Eric Sevareid can hardly be classified as wildly radical or staunchly conservative. I commend his remarks highly:

COMMENTARY BY ERIC SEVAREID ON CBS NEWS, JANUARY 27, 1975

Things change every day in this astonishing country; so one learns every day; this is why a lot of citizens look tired; the weight of new knowledge gives them a pain in the back and other places.

We have all been learning in the past few days that—murderers, as well as murder, will out; that the constitutional rights of children are expanding, though their responsibilities are not; that getting yourself arrested for a day or two can be marvelously lucrative.

Item—the New York Times reveals today that nearly eighty percent of all murder defendants in that city who then plead guilty to lesser charges are let go on probation or are sentenced to less than ten years, most of them eligible for parole in three years. Plea bargaining, of course; consequence of court congestion.

Nearly half the city's murderers aren't even caught. This bit of knowledge about New York may be added to the weighty knowledge that nationwide about one half of all crimes short of murder never result in arrest; that an even smaller percentage result in an actual trial, a smaller percentage yet in conviction, a tiny percentage in actual punishment; about two percent of all these crimes result in incarceration of any degree.

Surely this must do something to the popular notion that the rich and powerful get away with it while the poor suffer for it.

Item—the Supreme Court now rules that school kids cannot be suspended even for a few days without formal notice and formal hearing. Otherwise, it's violation of their rights. This sounds both enlightened and compassionate; it may well be, but the practical results will bear some watching. As a veteran parent covered with scar tissue we suspect that vast numbers of suspendees were suspended because they violated the rights of the other kids who couldn't study with the wild ones in the class.

Item—a Federal Court jury here has awarded about ten thousand dollars apiece to twelve hundred anti-war demonstrators temporarily incarcerated in May of 1971. These were the ones peacefully demonstrating at the Capital. First, fourth and eighth amendments violated and when government violates the Constitution it should be held to a stricter accounting than individuals who do.

What is forgotten is that those Mayday demonstrations here were not all peaceful; that thousands of those people vandalized other people's property, announced they were out to shut down the city and tried to do so, blocking roads, bridges. In other words they were violating the rights of everyone else. So illegality was met by illegality. But it's of speculative interest to wonder—if the shut down had succeeded, fire trucks unable to rescue people in burning buildings, ambulances unable to reach the sick and hurt—would those victims have been able to sue the rioters and collect a dime?

History, alas, does not disclose its alternatives.

TO OPPOSE TARIFFS ON IMPORTED AND DOMESTIC OIL

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. ST GERMAIN. Mr. Speaker, on the eve of debate scheduled to begin Wednesday on opposing the President's tariff on imported oil, I would like to state that the detrimental effects of the President's proposal upon New England cannot be overemphasized. Although the administration has proceeded to implement the tariff program, we cannot simply say to New Englanders that the case is closed. Rather, we must proceed in our efforts to reverse the President's program and devise a more equitable solution to the oil problem.

To emphasize the importance of our continued challenge to the President's plan, I would like to draw the attention of my colleagues to a resolution passed in the general assembly of the State of Rhode Island on the 17th day of January 1975, memorializing Congress to oppose the increased taxes on imported and domestic oil.

The resolution follows:

RESOLUTION MEMORIALIZING CONGRESS TO OPPOSE THE INCREASED TAXES ON IMPORTED AND DOMESTIC OIL

Whereas, The proposals by President Ford to increase the tariff on imported oil and the tax on domestic oil will greatly boost the overall cost of petroleum products; and

Whereas, Rhode Island heavily relies on imported oil for its petroleum needs, such an increase places an inequitable burden on the state and the region; and

Whereas, The President's proposal to increase the cost of petroleum will result in cost increases in all sectors of the economy; now, therefore, be it

Resolved, That the house of representatives of the state of Rhode Island and Providence Plantations hereby memorializes congress to oppose the increased taxes on imported and domestic oil; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in congress.

FIRST BLM WAY STATION IN CALIFORNIA DESERT

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. PETTIS. Mr. Speaker, you and my colleagues have long been aware of my interest in protecting the national resource lands of the California Desert. In fact, I have introduced my California Desert protection plan, H.R. 820, and have been joined by 44 of my colleagues in this body as sponsors.

While efforts continue to have legislation passed to protect the desert from destruction, I would like to report to you on recent developments on the California Desert.

The Bureau of Land Management's California Desert Study in the late 1960's focused in its first phase on the recreational use and resources of the desert. It became quite evident that new concepts were needed to meet the needs of the new types of recreational use of these lands. One of these concepts was of a system of way stations to provide information, education, and interpretation on the lands and resources of the desert.

The Bureau, in their recommendations declared there is a need for about 10 of these way stations, to be located strategically throughout the desert. Some are to be very basic facilities, while others are to be more elaborate.

The first of these has been completed, at Barstow, Calif., and is now in use. It was dedicated by the Director of the Bureau of Land Management on October 26, 1974, and I had the pleasure of touring it a few days later. I want to tell you how very favorably impressed I am with this new facility. It combines beauty and utility in its design and contains simple, understandable exhibits to convey to desert users the needs of the desert environment as well as their own safety.

Since the first study of the desert in 1968, recreation use of the area has more than doubled, from 5 million visitor use days to more than 11 million. The need for information and education on the desert, and the need for visitor services has grown at the same pace. It is this need that the way station attempts to fill.

Another important concept advanced in the job of managing the resources of the California Desert was that of the Desert Ranger Force.

The Desert Ranger Force was begun 2 years ago and its strength has grown to 27 men and women this year. The Bureau of Land Management has assigned the ranger the role of ambassador of good will. He is a resource specialist providing information and education. This concept is important. These are not policemen, trained quickly in natural resources, but trained resource people who have been provided training in management of people and enforcement. At this point, they still lack the law enforcement authority possessed by the other major land and resource management agencies such as the Forest Service, National Park Service, and Fish and Wildlife Service. I believe this authority to be vital to the performance of their mission, and have introduced legislation to provide it, but even when enforcement powers are forthcoming, there will not be a major change in the basic mission of the desert ranger.

The Barstow Way Station, like the ranger force, embodies a concept of land and resource management. Briefly stated, that concept is: that, provided information, education and assistance, those who use the desert and all the national resource lands will act responsibly. Conservation of these lands and their great resources is not simply the job of the BLM ranger or resource specialist, but of all of the people of the Nation and most particularly those who use the desert environment.

Probably the single most important function of the way station is as a communication channel between natural resource managers and the users of the national resource lands and resources. A functional, clear and simple interpretive program is required to tell people what they want to know—and need to know—about recreation in the desert.

This information must be available to the user quickly and concisely for his safe enjoyment of the desert, as well as for protection of the desert's resources. These resources have been damaged in the past by thoughtless use of the desert.

Where are public lands for camping, off-road vehicles, rockhounding or sightseeing? How do you get there? What facilities are available? What else can be expected to affect a person's enjoyment, comfort or safety on the public lands of the desert?

The way station will provide information on seasons of use, regulations, fees and management policies. Visitors will be advised of desert hazards, sources of emergency assistance, and even survival techniques. But the overriding tone, and intent, of the program will reflect the visitor's own basic interest in his public lands, his concern for these lands, and his right to use them wisely.

Conservation probably is best defined as wise use, and this is what the way stations seek to achieve. Information, communication are the means which will seek to develop wise use.

Broad programs of public information and public contact were lacking in the past because of BLM's custodial role. This role included little involvement in managing people. However, the accelerating shift to full multiple-use management of the national resource lands has changed all this. BLM needed new management tools for its new role, and one of these is the desert way station now operating at Barstow.

Times are changing fast. A few years ago, recreation management was the management of sites rather than people. The problem was believed to be the lack of sites and facilities, and the solution to be construction of more facilities.

The opening of the Barstow Way Station is an important milestone in management of resources and people in the California Desert. It meets the needs of people seeking recreation on the national resource lands and at the same time provides the management of their use to protect and insure perpetuation of the basic values which people seek from the desert.

NO RATIONING

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, rationing has become increasingly popular among those discussing possible alternatives to President Ford's proposals for curbing energy use in the United States. It often seems that proponents of rationing are failing to reflect on problems caused by rationing in the past or to consider the difficulties that will inevitably be attendant to any future program of this sort.

The Sheboygan, Wis., Press, in a January 23 editorial, made an excellent case against institution of a rationing program. The editorial made a very good point when it noted that rationing would not do anything to spur development of other sources of energy, and it suggested that Congress give attention to possible alternatives. As it said of rationing:

> There's got to be a better way.

The editorial follows:

NO RATIONING

President Ford said at his news conference Tuesday that he would veto a mandatory gasoline-rationing plan if Congress passes such legislation.

The President said rationing would be an inequitable, unworkable and superficial approach to the nation's energy problems, adding that gas rationing would provide an inflexible answer to a problem that has to be solved by some new initiatives. Rationing, he said would hamper, rather than help the fuel shortage.

The question came up because there has been much talk in the Democratic Congress in favor of gasoline rationing. In fact, gas rationing coupons were printed while Richard Nixon was still president and have been placed in storage for quick distribution should such a program be adopted.

So, rationing already is a standby program, ready for use should it be found necessary. The President's statement made it clear that he does not believe it is necessary. He prefers programs that would spur the development of other sources of energy.

Under the circumstances, it would be well for Congress to give attention to possible alternatives, rather than work on legislation that would face a certain veto.

President Ford said Wednesday night that he would sign a proclamation today for higher tariffs on imported oil beginning Feb. 1. The plan calls for a $1 per barrel boost Feb. 1, an additional $1 effective March 1 and another $1 on April 1.

The President, in contrast to congressional leaders, has presented a comprehensive economic program. It is comprehensive and therefore complex. It is not subject to instant evaluation, and none will be attempted here.

The proposed $3 tax on oil imports, it is said, will take more money from one pocket than it will replace in tax refunds and lower tax rates in another. That of course would depend on whether or not the higher petroleum prices would reduce petroleum consumption—a goal which we Americans have failed to achieve voluntarily.

We also wonder about the disruption in petroleum markets if there is a tax on imported oil which the President is allowed to impose, and no tax on domestic production which he is not. A better solution—but perhaps not the ultimate one—would be the much discussed $2 tax on both.

These are matters which must be quickly and carefully analyzed.

The only clear policy at this juncture, is that gasoline rationing with all the inevitable black market and other abuses involving favoritism for "special" needs which it would spawn is not the answer. There's got to be a better way.

RICKY UNDERWOOD SAVES MAN'S LIFE

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. O'BRIEN. Mr. Speaker, I would like to share a story with my colleagues today. It is not a story about a famous person, though he may be someday, and it is not about a national event. It is the story of a young boy from my district whose quick thinking averted a terrible tragedy, a boy who committed an act of mercy, not an act of crime that we read so much about now.

The boy is Ricky Underwood, the 11-year-old son of Mrs. Jean Underwood of Joliet, Ill. Not long ago, Ricky was visiting his older sister, Mrs. Thomas Dolosic, when he heard a man yelling for help.

Rick did not ignore the cry. He ran to investigate and found Charles Meader, a Lockport farmer, with his arm caught in a combine. It must have been a frightening sight. Mr. Meader had been trapped for 30 minutes or more and his arm was badly mangled. But Rick did not panic. He turned off the machine and attempted to free the man.

Even when his efforts failed, he remained calm and ran to summon his brother-in-law. By the time they had released the injured Man, Rick's sister had alerted local firemen who arrived with an ambulance and rushed Mr. Meader to the hospital.

By keeping a cool head, Rick saved a man's life. For that he deserves high commendation. He is an outstanding young man and I think any of us would like to think we have raised our own children to have the same sense of compassion and responsibility that he has shown. Rick's mother can be justifiably proud of her son. I, for one, am honored to be able to give him even this small portion of the praise he has earned.

The following is a brief article that appeared in the Joliet Herald-News:

Ricky Underwood, 11, points to the piece of machinery on a combine where he discovered a Lockport man whose arm was caught in the mechanism. Ricky, son of Mrs. Jean Underwood, Route 2, Farrell Rd., tried to free the man and when that failed, he ran to his sister's house nearby for help. The injured man, Charles Meader, was taken to Silver Cross Hospital with a badly mangled arm. The accident happened Sunday evening on a farm near Lockport.

CALLOUS FOOD STAMP CUTBACK PROPOSED BY ADMINISTRATION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. RANGEL. Mr. Speaker, over the past few years we have received many heartless proposals from the White House to further widen the gap between the rich and the poor in America. In both the Nixon and Ford administrations human needs have been secondary to political considerations. There was the freeze on Federal subsidies to improve urban housing. There was White House opposition to increased social security and medicare benefits for the elderly. There was the unlawful attempt to dismantle the Office of Economic Opportunity and to destroy the antipoverty program.

The most recent proposal is the Department of Agriculture's recommendation to increase the cost of food stamps. For millions of Americans, the food stamp program is the only thing between malnutrition and survival. Senior citizens, children, and the poor rely on food stamps for day-to-day existence. We know, for example, that malnutrition is a significant cause of permanent mental retardation among infants. We also know that without adequate nutrition, the human body is unable to resist disease. Despite these realities, the administration proposes boosting the cost of food stamps and thus pushing them out of reach of millions of eligible citizens.

The Congressional Black Caucus, together with other concerned Representatives and Senators, community organizations, and State and local officials, has pledged its efforts to block any increase in food stamp costs. At a time of double-digit inflation, the proposal can only be interpreted as a calculated plan to deny assistance to eligible families and individuals. Behind the rhetorical talk of budget deficits, the true motive of the proposal is to use the poor and the elderly as scapegoats in the current economic crisis.

Rather than an increase in food stamp costs, what we need is an active outreach campaign to advise eligible citizens how to participate in the food stamp program. Millions of Americans who need food stamps are not aware that they are entitled to them. Others who are aware of the program do not know how to apply.

When Congress created the food stamp program, the intent was to create a system which would guarantee the poor in all parts of this country an adequate diet for health and growth. The administration proposal is directly contradictory to congressional intent.

At this time, I wish to share with my colleagues an analysis of the administration proposal prepared by columnist and consumer advocate Sylvia Porter:

[From the New York Post, Jan. 27, 1975]

FOOD STAMP DILEMMA

(By Sylvia Porter)

We are in deep danger of being caught between budget deficits soaring out of control and drowning our economy in red ink and Administration moves to cut the budget in ways utterly repugnant to our fundamental commitment to help those who can't help themselves. The dilemma is excruciating.

As just one illustration, consider the Agriculture Dept's. explosive proposal for drastic price boosts in food stamps beginning March 1 and the response by leaders of both parties in Congress that the action is "incredible" and must be reversed.

The Administration's justification is clear: budget expenses must be held down, food stamps are a major drain and the proposed new regulation—requiring all food stamp recipients to pay a flat 30 per cent of their net income toward their food-stamp allotment, the maximum permissible under the 1964 Food Stamp Act—would result in net "savings" to the government of $650 million a year.

Also, on the surface, the boost does not appear to matter much to the middle income family, and USDA officials have publicly stated, in fact, that 25 per cent of food stamp recipients would not be affected at all by the increases.

But other facts on what the increases would do to whom uncover a quite different, appallingly cold-blooded tale.

The hikes would affect fully 95 per cent of those now on the program—or nearly 14 million Americans out of the 14,700,000 now receiving food stamps.

Hardest hit would be one and two person households (20 per cent, or nearly 3,000,000 food stamp recipients, live in such households and more than half of these are elderly). For most single persons, the boost in cost of food stamps would be between 35 and 100 per cent from the amounts they are now paying.

For some, the increase would be 800 per cent. The boost would force an estimated 10 per cent of those now getting food stamps—nearly 1,500,000—to drop out of the program altogether.

As an example of who would surely drop out, a person living alone, with a net income of $154 a month—who now pays $33 for $46 of stamps—would have to pay $45 for just $46 of stamps. Thus, every one-person household with a monthly income of $154 or more would be dropped from the program.

As another example, an elderly, blind or disabled person who is now getting a monthly income of $146 through the Supplemental Security Income (SSI) program, and who now pays $30 a month for $46 of stamps, would have to pay $43 as of March 1 for $46 of stamps. Thus, this person's food stamp bonus would be reduced to a mere $3 and the financial incentive would be reduced almost certainly to zero—considering all the red tape a person must untangle to apply, reapply and actually get the stamps.

For an elderly individual with an income as little as $108 a month, the cost of $46 of stamps would rise from $18 to $32, leaving just $76 to cover all other items.

Still another hidden effect of the new food stamp price hikes would involve an estimated 5 per cent of today's recipients who would not be able to find the cash to pay for a full month's food stamp allotment—and would be forced to buy only part of a month's supply of stamps.

One tiny group who would NOT be affected would be those who now pay nothing for stamps—or only about 4 per cent of those in the program. Another miniscule group not affected would be those households now paying precisely 30 per cent of the food stamp values. For instance, an eight-person household with a monthly income of exactly $250 now pays 30 per cent of the cost of food stamps—but such families account for less than 1 per cent of all those receiving food stamps.

Should the proposal be permitted to become effective, it would represent one of the biggest cutbacks in public assistance benefits in our history. Even persons living below the poverty line (currently an income of $194 a month) would have no incentive to try to get food stamps.

As one Agriculture official said, after his department's announcement, "This is madness."

To ask the poor to take on so heavy and lopsided a burden of curtailing our federal budget—while stories of embarrassing extravagance in virtually every area of spending multiply by the hour? Yes, this is madness!

RELEASE OF CERTAIN PROPERTY TO ALGONA, IOWA

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. BEDELL. Mr. Speaker, I am today introducing a bill which would authorize, the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes.

An identical bill was introduced in both the Senate and the House during the 93d Congress. It was passed by the Senate, but unfortunately it died in the House Interstate and Foreign Commerce Committee.

The need for this legislation has its roots in the immediate post World War II period. On March 20, 1947, the War Assets Administration transferred 221.3 acres of surplus Government property to the city of Algona for use as a public airport. At the time of the transfer, the Government was compelled by law to include a reverter clause in its agreement with the city of Algona. This provision required that any of the land not used for airport purposes automatically revert to the U.S. Government.

Now, Algona city officials, the chamber of commerce, and the Algona Industrial Development Corp. would like to use this acreage for industrial purposes. However, they are prohibited from doing this by the terms of the original agreement. The legislation I am introducing today would correct this situation by authorizing the Secretary of Transportation to grant a release from the reverter clause.

It is important to note that this bill requires that a determination be made that the land in question is no longer needed for airport use before the transfer can be actually effectuated. This provision would preclude any possibility of violation of the intent of the original agreement.

Furthermore, there is precedent for this type of legislation. In fact, in my own State, similar legislation was enacted in 1966 in connection with airport property in Clarinda, Iowa—Public Law 89-649.

And finally, the legislation will involve no Federal expenditures.

I realize that in and of itself this bill does not constitute a pressing national issue. I do, however, see it as symbolic of a much greater, longer range issue.

Enactment of this legislation will enable a rural community to use vacant land to promote economic development and job opportunities. In my view, this is a very worthwhile and necessary goal. And it addresses a problem which the Federal Government has too long neglected.

In the past half century, this country has witnessed a steady migration of its populace to the cities. This development has contributed greatly to many of the critical problems which currently plague our metropolitan areas. And it has lead the Government to devote more and more of its attention and resources to combating these very serious and complex urban problems.

But, what is often forgotten, is the fact that it has also served to rob the countryside of much of its people and its promise. As long as this trend continues, the problems of our cities will continue to mount, and rural America will remain an underutilized resource.

I feel very strongly that we must do all we can to reverse this trend. The Government must lead the way by encouraging greater participation in the growth and development of rural America. In a small yet significant way the enactment of this bill will contribute to that end.

ANNIVERSARY OF DR. ALBERT SCHWEITZER BIRTH

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. CONTE. Mr. Speaker, this year marks the 100th anniversary of the birth of a man whose name has become synonymous with humanitarianism, Dr. Albert Schweitzer. I am tremendously proud to stand here today as the representative of the congressional district that houses the Albert Schweitzer Friendship House—a marvelous place that has preserved and promotes the spirit of this great man.

The Friendship House is located in Great Barrington, Mass., and was founded in 1966 by Erica Anderson, renounced photographer and film biographer of Dr. Schweitzer.

We would all do well, as we mark this occasion to recall the work of Dr. Schweitzer and his philosophy of "Reverence for Life."

An organist, a philosopher and theologian, at the age of 30 he gave that all up to study medicine. In 1913, he received his medical degree and departed his native Austria for Lambarene, Gabon, Africa, where he founded his famous hospital.

There he labored for half a century, revered by the people he treated, those who worked with him and his millions of admirers throughout the world. There, too, he developed his philosophy of "Reverence for Life"—an all-encompassing ethic. Writing just days before his death, Dr. Schweitzer explained:

> Reverence for life affords me my fundamental principle of morality, namely, that good consists in maintaining, assisting and enhancing life, and that to destroy, to harm or to hinder life is evil. Affirmation of the world—that is, affirmation of the will-to-live which appears in phenomenal form all around me—is only possible for me—that I give myself out for other life. . .

It is this philosophy that the Friendship House is dedicated to disseminating.

The occasion of Dr. Schweitzer's 100th birthday is being celebrated in appropriate fashion throughout the world. A short time ago, a portrait of "Le Grand Docteur," as he was affectionately known, commissioned for this centennial and executed by the incomparable Norman Rockwell, was unveiled at the Friendship House. At that time, Lee Ellerbrock, who now administers Dr. Schweitzer's outpost in Lambarene, spoke. In his remarks he described the Friendship House as a "universal asset" in the community of Great Barrington. That is so true. Today, as the representative of that community, I take this opportunity to urge the renewal of interest in Dr. Schweitzer's work and words and I take the liberty of inviting my colleagues to the Berkshires to visit Friendship House, always an educational experience, but with heightened significance this year.

A COMMENTARY ON THE INTERRELATIONS BETWEEN FISCAL AND ECONOMIC AFFAIRS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. VANDER JAGT. Mr. Speaker, today the Congress will receive the President's budget message for fiscal year 1976—a period that will bring us to the threshold of the Nation's Bicentennial anniversary. That Presidential report on the financial state of our country is not to our credit. It reveals that the practices of a spendthrift Federal Government over the past 40 years have brought our Nation to a dangerous position of habitual annual deficits, virtually unmanageable debt, and soaring interest costs as our fiscal legacy to America's future.

In a recent appearance before the Committee on Ways and Means in regard to the Federal debt ceiling limitation

Treasury Secretary Simon provided a preview of the magnitudes of the receipts, outlays, deficits, and debt projected for the current fiscal year and fiscal year 1976. The Secretary also provided some perceptive insight into what can be expected if we continue the profligate course we have pursued for the past 40 years.

Mr. Speaker, Secretary Simon's testimony before the Committee on Ways and Means on January 23, 1975, requesting an increase in the statutory debt ceiling should be required reading by every American citizen. I am including in my remarks excerpts from his testimony before the committee on the debt ceiling. I do this so as to make these portions of his statement available to the Members of the House for consideration prior to the time the House will be asked to vote on H.R. 1767. The Secretary's entire statement merits consideration, but its length precluded my placing the complete document in the RECORD.

The excerpts of the statement follows:

EXCERPTS OF STATEMENT OF THE HONORABLE WILLIAM E. SIMON

I would like to discuss this subject of the Federal debt ceiling within the context of a broader discussion about the alarming growth of Government in this Country, for the sizeable increase in the Federal debt that is needed this year reflects . . . an enormous increase in the Federal spending over the years.

Throughout our history, the ideal form of government for most Americans has been that envirioned by Thomas Jefferson in his first inaugural address:

". . . a wise and frugal government which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvements, and shall not take from the mouth of labor the bread it has earned. This is the sume of good government", declared Mr. Jefferson.

Certainly the world has changed since Jefferson's day, but one has to wonder whether the changes—as drastic and complicated as they have been—justify the ominous trends toward Big Government in this country.

Consider for a moment just a few facts and figures:

It took 186 years for the Federal budget to reach the $100 billion mark, a line we crossed in 1962, but only nine more years to reach the $200 billion mark, and then only four years to break the $300 billion barrier.

In 1930, just before the New Deal, government spending accounted for just 12 percent of our gross national product. Today, government at all levels absorbs over 32 percent of our gross national product, and if present trends continue, government could account for as much as 60% of our GNP by the year 2000. I deeply believe that government of that size could rob us not only of our economic freedoms but our personal freedoms as well.

As government domination has increased, the bureaucracy has also grown so that today one out of every six working men and women in this country works directly for the government, whether at the Federal, state or local level.

Consider, too, the trend toward deficit financing by the Federal Government. Before the New Deal, Americans ran their government on a business-like basis: except in war years, the budget was in surplus four years out of every five years. In recent years, by contrast, the budget has been in almost continual deficit, so that when we close the books on fiscal year 1975, we will find that we have had only one surplus in the last 15 years.

I do not mean to imply that Government should not play a positive and constructive role within our society. To the contrary, the Government must be a strong and effective leader in helping to solve the twin crises we now face in the economic and energy fields. But the key to a successful recovery and to the long-run health of our country, I would assert, lies in the direction of more freedom from government, not less; greater personal wealth and business profits, not less; and greater investment in capital and equipment, not less—in short, in the revival of the free enterprise system which has always provided people, rich and poor alike, with greater opportunities for progress than any other system known to man.

THE NATIONAL DEBT

One clear reflection of the trend toward Big Government and our incessant desire to spend more than we are willing to pay for has been the growth of the national debt. Thirteen years ago, the total national debt stood at just a little over $300 billion. By the end of the coming fiscal year, the debt will have doubled.

For many Americans the debt ceiling and the debt itself are barometers, symbols of how well we are managing our affairs, so that an increase in the debt ceiling is never welcome news. Moreover, we should never forget that we are already paying $31 billion a year in taxes in order to pay the interest on the debt and that every increase in the size of the debt means higher costs for us and for our children.

As you know, the current limit of the Federal debt is $495 billion. That is a temporary limit which will expire on March 31; in the absence of legislation, the limit will revert on April 1 to $400 billion.

Our current estimates show that the Government will exceed the temporary limit of $495 billion on February 18—less than one month from today. Thus, there is a pressing need for immediate action on the part of the Congress.

The Administration proposes that Congress act now to raise the debt ceiling to $604 billion. Barring unforeseen developments, that new ceiling should be adequate to carry us through June 30, 1976, which would be the end of fiscal year 1976.

The new debt ceiling we are requesting today incorporates our tentative estimates for both Federal revenues and expenditures, based upon our projections for the economy over the next 18 months and upon the economic and energy proposals that the President has presented to the Congress. . . . It does not take account of new spending programs which might be enacted.

Some Members of the Committee may think that the new ceiling is too high and the deficits too big. Let me emphasize that there is no one in Washington today who feels more strongly than either the President or I that deficits of the magnitude we are now facing are horrendous. We believe that many of the economic troubles we have today are rooted in more than a decade of excesses in fiscal and monetary policy. To continue the rapid upward momentum of Government growth over an indefinite period would erode the very foundations of our economy and eventually lead us to social ruin. But we also recognize that because of the recessions, receipts are inevitably going to be lower than we would like and we believe that in order to stimulate the economy, we must temporarily—and I stress the word temporarily—cut taxes and leave more money in the private spending stream. Big Federal deficits in fiscal years 1975 and 1976 are thus a result of both the recession and the cumulative cost of the many Federal spending programs that have been enacted in recent years.

Other Members of this Committee may feel that to the contrary, Federal outlays should be increased significantly this year so that the deficits and, therefore, the debt ceiling should be much higher than we propose. The President strenuously opposes this view. If we open up the sluice gates on Federal spending during the coming year, we could seriously overheat the economy and insure that further down the road we will be riding the tiger of inflation once again—and inflation of an even more virulent and powerful nature than what we have had over the past year. That is why the President has proposed a moratorium on all new spending programs outside of the energy field and why he intends to veto bills which violate that moratorium.

THE CAPITAL INVESTMENT CHALLENGE

If time permitted today, I would very much like to discuss with you in greater detail the impact that the growth of government has had upon our free market system:

The way that excessive fiscal and monetary policies stretching back to the mid-1960s and earlier have created strong, underlying forces of inflation in our economy, forces that we must contend with for many years to come;

The way that excessive governmental regulation has discouraged new production and growth in many of our industries, particularly in the fields of agriculture and energy;

The way that the wage and price controls of the early 1970s disrupted the economy and have left us a residue of troubles that are still working their way through the system;

The way that the government's tax structure has encouraged consumption at the expense of adequate savings and investment;

The way that broad government domination of many of the industries in this nation has stifled individual initiative and spawned a new breed of business managers who seem more eager to rely upon the judgments of a GS-16 in Washington than upon their own judgments and competitive instincts. To me, there is nothing more distressing than to see businessmen trade their economic freedoms to the government in exchange for financial security. As Dr. Franklin once reminded us, "They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

Rather than dwelling further on this point, however, I ask you to consider the net result of this kind of government growth as well as other social forces which have gained favor in the United States.

The net result, I would suggest, is that we have tilted our great economic machine in the wrong direction. Instead of continually renewing and enlarging our economic foundations, we have allowed them to rust and crumble while we have enjoyed a long binge of over-spending and over-consumption. The bills are coming due today, and unless we soon reverse these trends, the bills can only grow larger in the future.

Once again, let's look at the facts. From 1960 through 1971, . . . annual capital investment in this country averaged approximately 18 percent of our gross national product—the smallest figures of any major industrialized nation in the Free World. In Japan, for instance, annual capital investment averaged over 33 percent of the GNP, while in Germany it averaged 26 percent and in France, 22 percent. Thus, the amount of its annual income that the United States was willing to put back into new plant and equipment was smaller than in most of the nations with whom we compete.

In most recent figures that are available for international comparisons—figures showing investments in 1973—indicate an even bleaker investment picture for the United States. In that year, our investment in private industry sank to 14.9 percent of our GNP, lower than any other major industrialized nation except Italy.

Higher rates of capital investment do not guarantee lower rates of inflation. Japan, for instance, has the highest rate of inflation among the countries mentioned, even though it has also had the highest level of capital investment. But there is a close correlation between the rate of capital investment and the increase in a nation's productivity.

The annual growth in productivity during the 1960s and early 1970s averaged more than 10 percent in Japan, almost 6 percent in Germany and France, and only 3.3 percent here in the United States. As you can see, the U.S. had the lowest level of capital investment among these countries and also the lowest rate of growth in productivity. I need not explain to this committee that it is growth in productivity which determines how much of an increase in living standards that the American people can achieve over time.

It seems fair to observe that the current and prospective level of capital investment in America simply will not sustain the kind of economic growth and productivity that we need for the future, for our capital investment needs are growing, not shrinking. Our conventional need for replacing plant and equipment is higher now than ever before. In addition, enormous amounts of new capital will be needed to improve our housing stock, provide new systems of urban transportation, rebuild some of our basic industries, clean up the environment, and especially to achieve self-sufficiency in energy.

Estimates of the actual amounts needed vary considerably. Estimates for the energy industry alone over the next decade range from three quarters to one trillion dollars. One estimate that I have seen for our total needs between now and 1985 in all fields is $3 trillion. That figure is difficult to comprehend, but the message is clear: America must soon turn away from the consumption ethic and return to the ethics of thrift and investment.

While the challenge of capital formation must be solved primarily in the private sector, the Federal Government has a positive responsibility to help, and there are a number of ways that I believe we can help:

First, we can and must take steps to prevent the recession from deepening to intolerable levels.

Second, we must not abandon the more long-range fight against inflation, for inflation is a bitter enemy of savings and investment and exacts a heavy toll on economic growth.

Third, we must enact legislation that will create greater incentives for capital investment, that will allow our financial institutions to operate more flexibly, and will permit our corporations to earn enough profits to pay good wages and also invest in the future.

Fourth, we must lift the heavy hand of Federal regulation from the many areas where it restricts the efficiency and growth of the free enterprise system. Competition is still the best route to an efficient and productive economic system, and that in turn remains the best means we have of fighting inflation and creating more jobs.

Finally, over the long run, we must restore a reasonable balance to the Federal budget and even seek to achieve budgetary surpluses in better years so that we can free up a maximum amount of capital for a savings and investment.

Many people are worried today that our economic system will fail. I do not foresee the immediate collapse of our system. It is too strong and resilient to fall quickly. But the signs of erosion are there. It would take years and perhaps decades to dissipate the accumulated strengths of our system—but it could happen if we don't make the fundamental decisions now that are necessary to preserve and strengthen our free enterprise system.

Thank you.

A NATIONAL ENERGY POLICY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. GOODLING. Mr. Speaker, the critical nature of our economic-energy crisis cannot be overstated. Economic problems abound—double-digit inflation, a sluggish business sector, mounting unemployment, and staggering deficit spending. While our energy situation is not totally responsible for our economic dilemma, it has certainly been a great part of the shaping of our present inflation-recession nightmare.

This country must have a national energy policy. However, in our haste to attain this goal, we should not abandon our efforts to get a handle on inflation. Sensible action is needed to develop a long-term policy which will be acceptable to the vast majority of Americans. It is important for both the Congress and the administration to realize that without the support and full cooperation of all of our citizens, any system is doomed to failure. I have confidence that we can all endure the personal hardships which are going to be inherent in our solution to this problem. But the hardships must be equally distributed throughout the population.

Despite my sincere admiration for the President's determined efforts to find a solution to the pressing energy problem, I am opposed to the increased tariffs which he has imposed because they are inflationary and the resulting hardships would not be equally distributed.

The inflationary effects of the President's tariff increase point to a 2-percent increase in the Consumer Price Index at a time when double-digit inflation is starting to subside. The tariff would cost consumers $12 billion in 1975 for higher prices of energy products, and the "ripple" effect of $30 to $50 billion would deal the country an inflationary blow that would be extremely difficult for many of our citizens to withstand.

The price increases would also penalize two groups of people unfairly. First, those people who could least afford to pay the increase—either the poor or those on a fixed income—would suffer the most. Second, people who live in the Northeast would be forced to carry a disproportionate share of the burden. I am therefore convinced that the proper course of action is the legislation which I have sponsored which calls for a 90-day delay in the imposition of any oil tariff, and would repeal the tariff which the President has already imposed.

At the same time, I cannot support a system of gasoline rationing now. Our past history has shown that gasoline rationing has not worked fairly or efficiently. Preliminary estimates indicate that it will cost more than $2 billion in Federal funds to establish a national rationing program. It would also add approximately 20,000 to 25,000 new people to the Government bureaucracy. It has been estimated that the price of gasoline would be higher under a rationing program than if the President's tariffs remain in effect. Even if the Federal budget could afford the cost of a rationing program, the inequities in the program would be intolerable. We could perhaps live with rationing for a brief period of temporary emergency, but as a way of life it is fundamentally inconsistent with our system.

Since both an oil import tariff and gasoline rationing are unacceptable, our Nation needs a middle ground energy policy that would reduce consumption with a minimal inflationary effect and without placing an undue burden on persons who live on a fixed income or are forced to use their automobiles in connection with their employment. In essence, we need an energy policy that will conserve energy, control imports through some kind of quota system, and develop alternate forms of energy for day-to-day use.

In light of our national goal to conserve energy, Congress must specifically consider legislation to provide an incentive to homeowners. At the present time the Nation is consuming more than 4 million barrels of oil per day to heat and cool residential dwellings—a figure which can be reduced as much as 20 percent by upgrading the energy efficiency of existing homes. I am happy to say that one of my first pieces of legislation was a bill which would allow a tax credit for homeowners who make energy saving improvements on their home. In this way conservation of energy can be encouraged by allowing tax credits to individuals as well as businesses.

I also believe it is important to control oil imports. It is most important that we limit the American dollars flowing from this country in search of energy. One way to do this would be to determine the amount of money we can afford to have leave the United States for energy costs and spend only that amount. For example, in 1970 the United States payed $2.7 billion for oil. Last year we paid $24 billion. We should try to reduce the amount spent in 1975 to 10 percent less than last year's figure. We would then have to allocate the purchased energy as fairly as is possible. Gradually reducing our dependence upon imports through mandatory restrictions, will not only be a less inflationary way of dealing with the problem, but it will encourage domestic production by assuring the stability of the market.

Our reliance on foreign sources of oil has, and is having a staggering impact on our economic problems. As a result, Federal support for alternative energy sources can play a very important role in meeting our Nation's needs and bringing our economy under control. If coal, nuclear power, and solar heating and cooling are developed as alternate sources of energy, I am convinced that this Nation can reach its goal of being energy independent within reasonable time. I have introduced legislation to provide tax incentives for the homeowner who installs solar heating and cooling equipment in his residence. If we encourage the use of these economical systems which are available for mass distribution, we can make headway toward our Project Independence.

In conclusion, I would like to point out that I am in basic agreement with the President on his energy program with the exception of the tariff. The administration has hit upon a long-term manageable program in many areas. We must certainly heed the warning to balance environmental goals with energy needs. The deregulation of natural gas is necessary so that both industry and consumers will not be faced with the shutoffs we are now seeing throughout the States where gas is subject to Federal Power Commission regulation.

Action is needed now and it is my hope that this Congress will work with the administration for the enactment of an energy program for the good of all Americans. Failure to quickly and demonstratively followup such a route, will have severe repercussions for Pennsylvania and the entire Nation.

MR. LLOYD T. GROOM

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. HOLLAND. Mr. Speaker, throughout the Nation's history this distinguished body has derived its strength and flexibility from the presence of the thousands of lawyers who have served here. I am sure that could these lawyers speak now as one, they would agree that our service is possible only by reason of the unselfish sacrifices made by others in the profession.

I was inspired to come here by the example of service set by many fellow lawyers in South Carolina. Among them was a young man, Lloyd T. Groom, who was my friend, my partner in law, my political supporter, my source of inspiration, my example of courage. He died at the age of 29, 2 days after my first election victory. In life he was afflicted, but continued to represent the cause of justice in our courts. He overcame his physical handicaps to become a symbol of courage in our community. In death, he remains as an inspiration to all who knew him and a challenge to all who would concern themselves with the betterment of mankind.

Our city has memorialized him by naming a park for him.

I would ask, Mr. Speaker, that our Nation honor his memory by having the following resolution, which was adopted by the Camden, S.C., city council, printed in the RECORD:

RESOLUTION

Whereas, the late Lloyd T. Groom departed this life at the early age of 29 years, after having enjoyed the practice of law in our City after his graduation from the University of South Carolina, and

Whereas, Lloyd T. Groom, despite crippling and painful illnesses, gave his fellow-citizens a living example of courage and pride and care for others, and

Whereas, Lloyd T. Groom actively assisted those persons less able to care for themselves than he could, frequently coming to their defense, without compensation, and to the defense of the indigent citizens of our community, and

Whereas, Lloyd T. Groom was active in caring for the youth, the Boy Scouts, and others of the community, and

Whereas, Lloyd T. Groom was most instrumental in securing the legal right to erect the gates leading to the section of our city known as Kirkover Hills by the recreational area and park now known as Brook Park on the corner of Five Bridges Road and Battleship Road,

Be it resolved that from henceforth on Brook Park shall now be known as the Lloyd T. Groom Memorial Park and suitable signs bearing the inscription "Groom Park" shall be erected in place of the sign now saying "Brook Park."

AMENDMENTS TO OLDER AMERICAN ACT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. RISENHOOVER. Mr. Speaker, this morning I had the privilege of addressing the Select Committee on Education of the Committee on Education and Labor, regarding the Older Americans Act. At that time, I offered a proposed amendment aimed at improving certain needs of the elderly.

My bill has two major objectives: A better diet for older Americans who receive some of their meals through title VII of the act, and better conditions for a very troubled and severly damaged section of the American farm economy.

That section is the beef industry, and I am referring specifically to the farmer and the rancher who raise cattle for the market.

I was talking about this last Friday with Bob Barr, Oklahoma's commissioner of agriculture, and I would like to quote just three sentences from that conversation.

Bob said:

> Prices received by beef producers are critically depressed and the situation deteriorates daily. The problems are excessive cattle and inflated production costs. Increased use of beef in nutrition programs for the elderly will produce positive and lasting success in correcting the ills of this vital American industry.

Hundreds of farmers and ranchers have told me the same thing—they are going broke because they are not getting enough for their cows to pay the cost of raising them.

Now, I will admit that I know a lot more about the economics of cattle raising than about nutrition problems of the elderly, but I have given myself a crash course in title VII.

I find that about 220,000 meals are being served daily, but 2 years ago, when Elliott Richardson was Secretary of HEW, he said that a minimum 5 million older Americans were eligible. That was back in January of 1973. Other estimates place the figure at 8 million.

The program was set up to aid people without enough income to buy food—there were 4,400,000 who were over 60 and below the poverty level in 1973.

Title VII was set up to also help the isolated elderly, and we know that more than one-third of the told people in the country live alone, or with people who are not related to them.

Then, there are the elderly with very little mobility—they cannot get around, and those who cannot cook their own meals anymore.

I have tried to describe the two sides of the problem—the millions of elderly people who need the assistance of title VII, and the thousands and thousands of cattle farmers who are going broke.

But I would like to add one more dimension to the problem before I discuss a solution, in the form of my amendment.

A few years ago, when beef prices started rising, Secretary Butz said beef shortages were to stay. Mr. Butz has maintained his usual consistency when it comes to farming—the exact opposite of what he predicted has come true, which is the way it usually is for that gentleman.

We now have an excess of beef, created by an increase in herd totals of about 12 million cattle in 1973 and 1974.

The countryside and the pastures are loaded with cows, and farmers are raising them on grass, instead of feed grains, because grass is cheaper.

Now the beef is out there, on the hoof.

There is apparently a tremendous amount of beef in the packers' freezers, because those friends of Mr. Butz are his friends only—they certainly are not the friends of the cattle raiser, or the consumer. All you have to do is look at the huge spread in what the farmer gets, and what the consumer pays, to know the rip-off is in the middle. But that aspect should be the subject of a special investigation of its own.

This committee is concerned with more and better nutrition for the elderly, and I would like to suggest one way that this can be accomplished.

My amendment would add a new provision to the act, requiring that the Secretary of Agriculture must use $8 million of section 32 funds to acquire beef for distribution to feeding programs under title VII.

This would be over and above the present required rate of 10 cents a meal in commodities which must be furnished.

I am glad that the 10-cent provision was adopted last year, and I know it is now being implemented through purchases of canned beef and processed American cheese.

Almost 1,500 tons of beef have been bought, at a cost of about $2.8 million.

My amendment would add another 14 cents in commodity purchases, but we are not talking about any appropriated money.

The section 32 fund comes from a retention of 30 percent of customs receipts on incoming dutiable goods, and I have been informed that there will be a carryover of about $50 million next fiscal year.

In fiscal 1976, the money would be appropriated, but if the appropriation should be denied, section 32 funds would again be used. A subsequent appropriation would replace the funds.

The committee is familiar with the section 32 purchases for the school feeding programs, and what a help that has been.

We can help another group—our elderly—and a vital segment of our economy—the cattle farmer—if we adopt my amendment, and I would like to urge you to give it your fullest consideration.

Thank you.

JACOBS REPLIES TO THE WASHINGTON MONTHLY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. JACOBS. Mr. Speaker, I insert an excerpt from January's Washington Monthly, together with my reply:

At this point, Indiana's Andrew Jacobs entered the scene. Unlike most of the Democrats who defeated Republican incumbents, Jacobs is not a congressional newcomer. He had served three terms in the House prior to his defeat in 1972, and therefore did not have to wait until the special lottery for House freshmen to get into the bidding war. Jacobs—with his constant companion, a huge Great Dane named C–5A—had long been one of Capitol Hill's more colorful characters; when his turn came to choose, he decided that he and C–5A also wanted Rep. Green's office.

Steiger was outraged when he discovered that he was being bumped by Jacobs and a dog, especially since he and Jacobs have served an equal number of years in Congress and Steiger's term has been continuous. But C. W. Bates, the House building superintendent, ruled in Jacob's favor, leaving Steiger to carry his appeal to the House Building Commission. So the congressional leadership—Speaker Carl Albert, Majority Leader Tip O'Neill, and Minority Leader John Rhodes—will have to meet to resolve the dispute between Steiger and Jacobs.

Some have asked why my K–9 reference is only to a Democratic dog, Fala. But the only way I could work in a Republican dog would be to point out that C–5, my Great Dane, was married five times and, therefore, has something of a checkered past.

My letter follows:

House of Representatives,
Washington, D.C., January 20, 1975.

Washington Monthly,
Connecticut Avenue, NW.,
Washington, D.C.

Dear Washington Monthly: In your January issue you claimed a "dispute between (Rep. William) Steiger" and me.

One cannot doubt you print the news. It was news to me.

Your article led people to think that some uncertainty, or even favoritism exists in the assignment of Congressional office space to Indiana's Eleventh District.

But that is not true.

I was elected by that 11th District to the U.S. House of Representatives in 1964 and served continuously until my gerrymandered defeat in 1972. So the three terms you report I served were really four. I was elected again in 1974.

Many Republican members of the House lost their seats in 1964. But along with Mr. Steiger, who was elected to the House for the first time, a lot of them were reelected in 1966.

Everyone agreed that interrupted service in the House was like switching committee assignments. One would go to the foot of the line on the committee to which one might be assigned.

But the question concerning all those Republicans who returned after they landslid out in '64, was what about previous continuous service in terms of seniority for office space assignments?

The answer, to the delight of the restored Republicans was cake-like clause served up by the Democratic majority, to wit:

"The term 'longest continuous service' as used in 40 USC 178, governing seniority in assignment of rooms in the House Office Buildings, is held to refer to the longest period of uninterrupted service as a Member and Member-elect of the House of Representatives (not necessarily the last period of uninterrupted service as held in Cannon's Precedents, Vol. 8, Page 981, Sec. 3651)." Cong. Record-House, March 2, 1967.

It was under this Republican oriented clause, still honored by the House Building Commission, that my district was assigned House office suite 1501 because I am a four term member who drew a lower number than four-term member Steiger.

The ruling was in effect February 27, 1967, and Mr. Steiger, who is my friend, now tells me that his dispute is not with me, but with the interpretation that was so beneficial to his own party.

One might say that there is desire to have their clause and delete it, too.

Your article included this:

"Steiger was outraged when he discovered that he was being bumped by Jacobs and a dog, especially since he and Jacobs have served an equal number of years in Congress and Steiger's term (sic) has (sic) been continuous."

There now. Not content with attacks on me, or the building authorities, or on the clause for the cause of Mr. Steiger's party, they now include my little dog, fellows. (Well, not literally little. C–5 the Great Dane grew like a government contract.)

For the record, though my predecessor occupant of 1501 did occasionally keep a large dog in her office (well, not literally large—more like a Maltese), and my friend, C–5 did stalk the halls of my former office until 1973, it is well known (since people, upon seeing me back, ask not about me, but about C–5), that C–5 has eschewed the essential unfairness of Washington politics and has chosen to remain in God's chosen state of Indiana.

I shudder to think of C–5's reaction to this gross misrepresentation of his whereabouts. To paraphrase the Lincoln Day prose of our present President, if C–5's fellow Democrat, Fala were alive today, he'd roll over in his grave.

A little checking by your reporters before publication would have revealed the inaccuracies I cite.

Sic and ye shall find out.

Officially yours,
Andy Jacobs, Jr.

KAMU–TV CELEBRATES FIFTH ANNIVERSARY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. TEAGUE. Mr. Speaker, on February 15, 1975, the educational television station at Texas A. & M. University, KAMU–TV, will celebrate its fifth anniversary. Five years ago KAMU–TV went on the air broadcasting 35 hours of programs. Today this fine facility broadcasts 58 to 60 hours of programing each week.

I want to inform you, my colleagues in Congress, and the general public about this event because it is the culmination of efforts from numerous individuals. The dedication and support required to make KAMU–TV a reality came from the board of directors and administrators of Texas A. & M. University, the communities of Bryan and College Station, Tex., and the hardworking faculty and staff of the university.

KAMU–TV was the first all color educational television station in the State of Texas. KAMU–TV has a fine production facility and produces about twice the percentage of local programs as any station in the Public Broadcasting System. They have complete color remote capability and can boast about their beautiful studio that is the second largest of any televsion station in Texas. The university made it possible for KAMU–TV to move into a beautiful new facility in 1971, then they supplied it with fine new broadcast equipment. More important than the building or the equipment is the service they provide the community. KAMU–TV with its fine staff and its support from the leadership at Texas A. & M. University has provided superb programing of tremendous benefit for its audiences.

TAXES: BREAKING THE MIDDLE-CLASS BACK

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. DEL CLAWSON. Mr. Speaker, a recent article in the Los Angeles Times calls attention to the problems of a group of Americans who feel, not without cause, that adequate attention has so far been denied by the Congress to these problems. In the thought that no group should labor under such an impression, I am taking this opportunity to insert the provocative article from the Monday, January 20 issue of the Times at this point in the Record:

[From the Los Angeles Times, Jan. 20, 1975]

Taxes: Breaking the "Middle-Class" Back

(By Ernest Conine)

If anything comes through loud and clear from the Democratic reaction to President Ford's tax-cut proposals, it is that the country needs an up-to-date definition of "middle class."

Key congressional Democrats almost broke their necks nodding in agreement with the President's basic proposition that the most urgent business before the new Congress is enactment of quick and substantial tax reductions to put more spending money into consumer pockets. But, almost to a man, they quickly added that Ford's proposals must be modified to give more help to low- and "middle-income" Americans and little or none to those in the "upper" brackets.

No sensible and compassionate person is going to argue against special consideration for the poor, or shed tears for the tax burdens of the wealthy. But surely the politicians should have some consideration for the large group in the middle that pays most of the taxes—the average family where both husband and wife work, make what should be a decent living, but have damn little to show for their efforts at the end of the month.

The problem is one of definition, or rather misdefinition, of the middle class. Where do you draw the line between those who need a tax cut and those who don't?

President Ford erred on the high side in drawing it around $50,000 a year in his proposal for 12% rebates on 1974 taxes. But his congressional critics seem intent on erring in the other direction in their definition of low and middle-income families deserving a substantive tax break; $15,000 a year is the figure most often mentioned.

That's $15,000 in family income, mind you, not $15,000 per individual wage and salary earner. By that standard, you don't have to be a $65,000-a-year airline pilot, surgeon or corporate executive to graduate from the middle class. If you are a Los Angeles policeman ($12,000 a year) whose wife is a stenographer ($8,500 a year), you are deemed too affluent by the congressional movers and shakers to deserve a proportionate share of whatever reduction in income taxes is voted.

This is ridiculous, as anybody but the alleged representatives of the people knows. An awful lot of people in this country are reasonably careful with their money and, for reasons beyond their control, still have a hard time making ends meet on family income of $20,000 to $30,000 a year.

Inflation is one factor, the progressive tax structure is another.

Everything costs more: food, clothing, medical care, transportation, the neighborhood movie.

Monthly payments on the statistically average house run about $350 a month these days, fully 67% more than the same house would have cost five years ago. Putting a son or daughter through college costs $2,000 to $5,000 a year, depending on whether you are dealing with Harvard and Stanford or a state teachers' college. And middle-class families too often don't qualify for federal aid; they have to scrimp and save to pay the bill themselves.

The wage or salary earner whose pay theoretically keeps pace with inflation finds that he still faces an erosion in living standards because state and federal income taxes go up even faster than his paycheck as he moves into a higher bracket.

To take a simple example, a husband and wife filing a joint return on a $20,000 income for 1973 would have paid $4,380 in federal taxes, assuming normal deductions. Because of inflation, they would need more than $24,000 in 1975 just to stay even in terms of pretax purchasing power. But their income tax would rise almost $1,300—meaning that, in fact, their living standard would go down 7% even as their paychecks went up 20%.

The situation is made worse by state income taxes, which work on the same principle.

There is a relatively simple cure. The tax tables can and should be adjusted periodically to take account of inflation; in that way, the proportion of our incomes going to the tax collector would rise only as the actual purchasing power of our incomes increased.

Canada has such an "indexing" system now. Bills giving Americans the same fair play were introduced last year both in Washington and Sacramento. But there is no indication that they will be enacted.

The hard fact seems to be that the interests of the long-suffering middle class will, as usual, be ignored.

Take the case of the $24,000-a-year family described above. Even Ford, who is accused of being overly generous to such "upper-income" Americans, would give the couple only a $130 break on their 1975 taxes—a small fraction of what they have lost to inflation-generated distortion in the tax system. His Democratic critics would give them less.

The theory that families with incomes exceeding $15,000 or so need not be given significant tax reductions stems not just from liberal theology gone haywire; it is also based on the assumption that people who are even vaguely affluent won't spend the extra money, thereby helping give the economy a boost, but will put it into the bank because they don't need it.

Given the squeeze being felt by middle-class families, this is a questionable notion, to say the least.

Low-income Americans have their champions in Congress, which is right and proper. But shouldn't people who count on Capitol Hill also show some concern for those millions of citizens who are going broke at a somewhat higher level?

THE CASE FOR A GASOLINE TAX

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. FRASER. Mr. Speaker, on Friday the New York Times commented on the disastrous impact of high fuel prices on the economic foundations of our colleges and universities. The energy bills of these institutions will rise nearly 300 percent in the coming academic year.

The President's plan to increase the price of all oil products will make matters worse for our struggling centers of higher education. As the Times points out:

> There could hardly be a more telling illustration of the socially destructive consequences of dealing with the energy problem through reliance on indiscriminate price increases for essential and non-essential fuel alike.

It will be difficult to head off the increase in the cost of all petroleum products initiated by the President in the absence of a program from Congress. If higher prices are to be imposed, they should be on gasoline alone, where cutbacks in use can be made with less real hardship than in other areas.

Mr. Speaker, the editorial from the New York Times follows:

[From the New York Times, Jan. 31, 1975]

Fuel Versus Education

A major eastern university whose expenditure for oil, gas and electricity during the last year before the Arab embargo had been $660,000 is currently budgeting $1.3-million for the same purposes. Despite stringent economies, resulting in a 20 per cent reduction in fuel consumption, that institution's energy bill will rise to $1.8 million—nearly 300 per cent—in the 1975–76 academic year.

This concrete example of the effect of one institution shows the devastating impact of the fuel inflation, encouraged by President Ford's misguided policy of driving up the cost of heating and lighting fuel instead of focusing in on automotive fuels. Having barely weathered the unprecedented fiscal crisis which preceded by a few years the current general recession, the nation's colleges and universities now find their economic foundations dangerously undermined by this totally unanticipated drain on their budgets.

The new deficits threaten higher education at a time when Federal funds for research and for general support are already in decline, with little hope for help from other sources. The pre-embargo inflation had already raised college tuitions to a level that threatens to block access for growing numbers of promising students. The basic annual cost of tuition and board, which in many colleges approaches $6,000 or even $7,000, clashes head-on with the very concept of expanding educational opportunities.

There could hardly be a more telling illustration of the socially destructive consequences of dealing with the energy problem through reliance on indiscriminate price increases for essential and non-essential fuel alike. Forcing higher education to decide that survival requires sacrifice of academic quality as a means of meeting the fuel bill suggests an upside-down approach to national priorities.

FEDERAL AGENCIES SPONSOR EMPLOYEE MEETINGS ON FREEDOM OF INFORMATION ACT AMENDMENTS OF 1974

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, on February 19 the 1974 Amendments to the Freedom of Information Act (5 U.S.C. 552) become effective, making a series of significant revisions in the 1966 law to tighten up loopholes and make it more difficult for the executive bureaucracy to withhold information about its activities from the American public.

In preparation for the impact of the new amendments, some agencies are sponsoring meetings for their employees who deal with the public to explain the meaning of the freedom of information amendments and how they affect the day-to-day work of Government employees. Among such agencies are the Social Security Administration and the Department of Health, Education, and Welfare. I commend their initiative and the quality of the program presented at these meetings.

If public confidence is to be restored to the workings of the Federal Government, efficient and faithful adherence to the principles of the Freedom of Information Act and the 1974 Amendments is one of the best available vehicles. It is my hope that other executive agencies will follow the lead of HEW and sponsor similar meetings for their employees to impress upon them the importance of this law—both its spirit and letter.

Mr. Speaker, at this point in the Record I include the remarks of HEW Secretary Weinberger at their FOI meeting on January 23 and my own remarks prepared for delivery on that occasion:

Remarks by the Honorable Caspar W. Weinberger

You are here today to discuss your responsibilities under the Freedom of Information Act.

But the real purpose of this meeting is open government. Open government is not just a nice-sounding phrase. Nor is it an end in itself. Open government has a purpose and that purpose is to make government responsive to the will of the people.

Democratic government won't work unless there is a two-way dialogue between a government and its people. That dialogue must be honest and open. Those of us in government have a solemn duty to tell people what we are doing, why we are doing it, and how well—or how badly—things are going.

When we do that, people can respond. The public dialogue is opened. Constructive debate can take place. Juices flow, and policies and programs that aren't working can be changed.

Lacking that two-way dialogue, democratic government fails to work at its most elemental level, and democracy itself is in danger.

Let's be candid: The most fundamental problem we face today is lack of confidence in government. Every public opinion poll tells us this.

There is no need to speculate why—we have all lived through a shattering period in our Country's history.

I for one do not despair of the capacity of the American people to heal the scars this period has left. But neither do I believe that it is a self-healing process.

Something must be done—and promptly—when people's faith in their government wanes, lest the process feed on itself. History is replete with the bones of once-great nations that lost faith in themselves.

That is why we must, above all else, restore confidence in our government. Without it, we can do nothing. With it, all things are possible.

I have made open government a priority of this Department. Eighteen months before the Amendment to the Freedom of Information Act was passed, I initiated an open government offensive at HEW:

I directed that we reply to requests for information within ten days—because information delayed is information denied;

I directed that we act on appeals within 20 days;

That we speed the release of audit reports;

That our regional offices be given the authority to act on Freedom of Information requests;

That we conduct news seminars around the country;

That reporters be given direct access to policy and program people;

And finally, that we reduce the capacity of the Department to indulge in the kind of self-serving publicity which distorts more than illumines.

And we're not through yet:

This week, I sent to the Federal Register a regulation which guarantees far greater public access to the meetings of HEW's 300 advisory committees. This is being done under provisions of the Federal Advisory Committee Act.

Subject to certain exceptions, each advisory committee meeting will be open to the public. Interested persons will be free to attend, appear before, or file statements with any advisory committee.

The proposed regulation also requires that notice of each committee meeting be published in the Federal Register at least 15 days in advance. If the meeting is to be closed to the public, the notice must state why. What is more, records and other documents of open meetings of advisory committees will be available for public inspection and copying, as well as summaries of closed meetings.

Before long, I will also send to the Federal Register another proposed regulation. It will specify that the only kind of Social Security information that can be withheld is personally identifiable data concerning income and charges of individuals involved in the program.

No law or regulation is any better than the people entrusted with carrying it out. That is why you are here today. It is important that you understand how to carry out your responsibilities under Freedom of Information.

But it is even more important that you understand why.

For what is at stake is the faith of the American people in those to whom they have entrusted their government. In the end, faith in democracy is not enough. There must also be faith in those who operate government.

REMARKS BY WILLIAM S. MOORHEAD

Thank you, Secretary Weinberger, for your kind introduction and for your invitation to participate in your meeting this morning.

I commend you and your department for arranging this program to better acquaint HEW employees with the meaning of the new 1974 amendments to the Freedom of Information Act.

It is significant, I believe, that HEW is taking the leadership in demonstrating a moral—as well as a legal—commitment in pursuing the objectives of the Freedom of Information law. When our subcommittee conducted our investigations and held hearings in 1972 on the way the 1966 act was being administered by the various Executive departments and agencies, HEW was among the handful who appeared to be really making a sincere effort to make the Freedom of Information law work well.

Much of the credit for this commitment in this department to "open government" is due to the personal commitment of the Secretary and his predecessors, all of whom have made clear in public statements their belief that our citizens have a right to know as much as possible how the business of government is being conducted. Credit is also due to the efforts of the able Assistant Secretaries for Public Affairs—Mr. Helms and his predecessor, Mr. Beatty—who have implemented and enforced internal policy regulations to make certain that Freedom of Information principles are not strangled within the bureaucracy.

Unfortunately, in this world of ours, no one is perfect—just as no law is perfect. Our hearings and subsequent bipartisan efforts in our committee made it abundantly clear that the 1966 Freedom of Information Law was being ignored by some Executive agencies, distorted by others, and violated daily by most—taking advantage of certain ambiguous language in the law. Our committee unanimously decided in late 1972 that strengthening amendments to the law were essential to plug the gaping loopholes that existed. It took another two years of work to enact bi-partisan remedial legislation—more hearings, tedious mark-up sessions, explanatory reports, House and Senate debates, conference committee deliberations — and finally the overriding of a Presidential veto last November to successfully enact the 1974 amendments to the Freedom of Information Act—now known as Public Law 93-502.

Other speakers at this meeting will be discussing in detail the content and purpose of these amendments, so I will not take the time to describe each of them. We are confident that they will go far in making the Freedom of Information Law a much more meaningful, workable, and enforceable instrument in the future to advance an important policy of public access—with as few as possible exceptions to that general disclosure rule.

Today, as never before, such a policy is essential in our representative system of government. Excessive government secrecy is the real enemy of democracy. Secrecy undermines public confidence in the machinery of our governmental institutions and the integrity of its officials and public employees. Credibility in our government is now at its lowest ebb in history, in part because of the excesses of Watergate and its tragic results. But we cannot entirely blame the present disillusionment and cynicism toward government and governmental programs by many millions of Americans on a few top officials convicted of Watergate crimes. For all too many years laws passed by Congress creating programs to benefit our citizens have often been ignored or maladministered by governmental personnel entrusted to make them work for the public good. Too often have bureaucratic mistakes, lack of effective programmatic implementation, or corruption in the administration of such programs been covered up through government secrecy devices by those responsible. No wonder the American public is fed up with our government, its elected leaders, and appointed officials.

One major thing that these 1974 amendments to the Freedom of Information Act can help to accomplish is the restoration of public confidence in government and governmental programs. The amendments will make it much more difficult to withhold information requested by the public—whether it be by a news reporter, by a public interest group, or by an individual. They impose new time demands on responses to such requests, patterned along the lines of HEW's 10- and 20-day regulations previously in existence. They will require some streamlining of your internal administrative machinery in the handling and processing of requests for records. They will impose new administrative demands on the time and effort of many of you in Freedom of Information matters. Certain sanctions are provided against Federal officers or employees who "arbitrarily or capriciously" act to withhold requested records.

These amendments are intended to make the Freedom of Information Law work better and more efficiently in the public interest. They are not written to impose any undue hardship on conscientious government employees, nor to unfairly penalize any who act in accordance with the law. I am certain that the responsible officials of the Department will provide full and complete guidelines through your Freedom of Information regulations to enable all of you to fulfill your legal responsibilities.

Our committee will continue to exercise vigorous oversight over the operation of the Freedom of Information Law and the new amendments in each Executive department and agency. With the type of positive attitude in support of the objectives of more "open government", as expressed and practiced by HEW in the past, I am sure that this department will continue to be among the leaders in making certain that the American public's "right to know" is fully advanced and preserved for many years to come.

FOOD STAMP REFORM

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. ARMSTRONG. Mr. Speaker, the House is on the verge of making a horrible mistake.

The Agriculture Committee has voted out a bill which will overrule the administration efforts to control the skyrocketing cost of the food stamp program.

I certainly understand why the committee disagrees with the administration move to require every food stamp recipient to spend a flat 30 percent of net income for food stamps. This requirement really does not make sense. It hits hardest the people who can least afford to pay increased costs, particularly the elderly.

So the Agriculture Committee is on the right track. But to simply overturn the administration's action while postponing steps to solve the basic financial problems of the program is an irresponsible approach. The food stamp program is riddled with abuses and costs are getting out of control:

The cost of food stamps has increased sixteenfold in just 6 years, from $250 million to over $4 billion annually.

Benefit costs have gone up 40 percent in the last 2 years alone.

Seventeen million persons are already getting food stamps and one report estimates as many as 60 million Americans will be receiving benefits by 1977 if the present trend continues.

With the Nation already facing astronomical deficits, our sagging economy cannot stand much more of this kind of thing if we hope to avoid a new outbreak of inflation or depression, or both.

Faced with alarming cost increases and a program tilting away from the needy and toward people who can and should support themselves, the administration was right in trying to find some way of holding down the costs. And as I understand the regulations recently adopted, the goal is to save some $650 million. This is a worthwhile goal. But I think there are many reforms that could be made in the program to save money without hurting those who can least afford it.

According to published reports, 65 percent of food stamp recipients in some college communities are students. The overwhelming majority of these are undoubtedly not who Congress had in mind in establishing this program to help the Nation's needy.

And when the sons and daughters of affluent families abuse the program, it means that the Nation's poor have to do without, or the taxpayers—the beleaguered, staggering, abused taxpayers, including a lot of low- and middle-income families who never got to college themselves—have to pay the cost. It just is not fair.

In a lot of resort areas of the Nation, the welfare rolls are clogged up with the poor-by-choice. Places like Pitkin County, Colo., are overrun with people who would rather ski all year long and live on welfare and food stamps instead of working for a living.

As far as I am concerned, they are entitled to any lifestyle they like. But I do not think the elderly or other people who are impoverished for reasons beyond their control ought to be forced to pay to maintain that lifestyle. Nor should the taxpayers.

The whole question of eligibility requirements ought to be tightened up. We ought to look seriously at eliminating food stamp benefits for people above a certain income level. At present, there is not even a maximum gross income limitation.

Mr. Speaker, I think the Agriculture Committee is making a serious error to bring a bill to the floor, overriding administration efforts to save money in the wasteful and greatly abused food stamp program without coming up with some reforms.

Now, I know that there is not much time before the Agriculture Department regulations go into effect. But we could take at least a few days to formulate a more responsible approach. Or we could pass legislation providing for a few days' delay of the regulations to give us time to work out a better approach.

But if we just veto the President's action and let this program and all of its abuses continue to mushroom, we will do the country a great disservice.

Let us clean up the food stamp program before it is too late.

ADMINISTRATION'S AVERSION TO GASOLINE TAX QUESTIONED BY NEW YORK TIMES EDITORIAL

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, this morning's New York Times contained a very thought-provoking editorial on the administration's position on gasoline taxes.

Later this week, the House will act to delay President Ford's general oil import excise tax plan. As proposed, this excise tax on all imported crude oil products can only further exacerbate the problem of inflation. While energy conservation is a worthy goal, our zeal to respond to the economic threat posed by rapidly rising prices of foreign crude oil should not result in further damage to our already beleaguered economy.

Gasoline consumption should be the main target of the administration's fuel conservation program. There are many options available to us that should be thoroughly explored. In the meantime, we should not embark upon a policy that will increase the cost of food production and distribution; the cost of manufacturing a wide range of consumer goods; and the cost of heating and lighting a home.

There have been several proposals introduced in the House designed to cut gasoline consumption, and several include provisions to apply a specific tax on gasoline purchases alone. For the benefit of my colleagues who are studying these various energy conservation alternatives, I include in the RECORD at this point in my remarks the editorial from the February 3d edition of the New York Times concerning the equity and practicality of a gasoline tax as opposed to an across-the-board application of taxes on the entire range of petroleum products.

TAXING GASOLINE

The fatal flaw in the Administration's arguments against a gasoline tax is the assumption that all uses of petroleum are equal—equally necessary or equally wasteful, equally desirable for social or economic health. Thus, President Ford insists on a tariff on all crude oil imports rather than a higher excise tax on gasoline alone.

Yet, essential though automobile transport has become in most parts of the country, many American families have already found that the gasoline to power inefficient cars, one driver at a time, over short urban and suburban distances is far easier to spare in their energy budget than, say, the fuel to provide basic 68-degree heat in the home.

On average, American motorists drove about 300 miles less per car last year as a result of the higher cost of gasoline forced by foreign oil producers' price increases. This is an indication of the elasticity in gasoline—optional consumption that falls off as the price rises.

Nor is it necessarily fairer, as the Administration contends, to spread out the costs of conserving energy across all petroleum users—which, one way or another, means everyone. It is surely fairer to let each American motorist make the decision for himself how much to drive, rather than to force every consumer to pay the higher costs passed along by utilities, industries and everyone else who uses petroleum in the production process.

The fourfold price increase that has already occurred in crude oil has forced gasoline prices up about 37 per cent, but far higher percentage increases hit other fuel prices: diesel fuel went up 49 per cent, home heating oil 66 per cent, aviation fuel 100 per cent and residual fuel oil, used in industry and electric utilities, a staggering 143 per cent.

Where is the equity, therefore, in "sparing" motorists the burdens of a sizable increase in the cost of a gallon of gasoline in order to spread out the burden among all petroleum products when these other products have already risen so much more?

Undoubtedly, adjustment to higher gasoline prices would create hardships, particularly at the start and in localities where there may now be no practical alternative to the car for employment and communication. But designing a system of rebates and allowances for essential automobile uses would be far less complicated than any attempt to compensate for the gross inflationary damage from across-the-board petroleum price increases.

. . . AND AUTOS

The social and economic judgment that underlies President Ford's abhorrence of a gasoline tax centers on an exaggerated pride of place which he assigns to the automobile industry. However, the unpalatable fact is that the directions pursued in car design and marketing over the past decade and the infrastructure of highways and community development that this trend has promoted have distorted the economic growth and social well-being of the nation.

One current example is the impact on employment and energy consumption from highway construction, so long the symbol of this country's auto-based economy. In a recent issue of Science magazine, two researchers calculated the difference between spending $5 billion on construction of new highways or investing the same amount in railroads and other mass transit facilities. The energy consumed in the construction work alone would be 62 per cent less for railroads than for highways; such a shift in priorities, moreover, would provide more than 8,000 additional jobs.

Leaders of the automobile industry recognize the need for new directions. Chrysler has begun a long-term restructuring that cuts capital overhead by one-third and projects sales in the range of 6 million cars every year instead of 8.8 million sold in 1974. General Motors has announced a four-year research program, costing $3 billion, to make its models smaller and lighter.

Such steps are but a beginning. Dr. Edward Teller, who knows something about advanced technology, believes that "except for the mental inertia in Detroit, we could have a fifty-mile-per-gallon car in perhaps as short a time as three years." Another critic of the automobile industry, Donald E. Weeden, president of the City Club of New York, has even proposed "massive government aid to Detroit to produce twenty million compact cars a year in order to get us out from under our existing inefficient fleet." A tax on horsepower or automobile weight would be a logical complement to a tax on gasoline; the goal is not to penalize motorists, but to reward efficient design and use of cars.

No energy policy that aims to protect the status quo of the automobile industry by preserving the relative cheapneses of gasoline can make more than a dent in the profligacy of this country's energy consumption.

The undoubled hardships of a gasoline tax can only be measured against the alternative hardships foreshadowed by President Ford's tariff plan; these are becoming more extensive with each new economic analysis by the government itself. For the longer term, automobile and gasoline taxes would promote the necessary trend of American life away from the extravagances of the unfettered automotive economy.

A MERCHANT HITS AT THE GOUGING

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. GAYDOS. Mr. Speaker, involved in the high food cost problem is the fact that the American housewife is being ripped off on certain prepared products.

With this in mind, I call attention to a one-man campaign being waged in my part of the country by a leading food retailer, Eugene Marraccini.

Mr. Marraccini, whose family operates supermarkets in Elizabeth and White Oak, Pa., has taken about 100 items from his shelves because, in his opinion, they are a waste of customers' money.

He told Woodene Merriman, women's editor of the McKeesport, Pa., Daily News:

> By eliminating some items we're trying to deescalate the frills and steer people toward buying the basics, to warn them to watch out for booby traps.

And the booby traps?

Mr. Marraccini has a list ranging from "fancier types" of cake mixes which are up to about $1 in price, to costly "presweetened" cereals, and on through certain types of pickles, "dinners in a box," jellies, and so forth. He says some of these items have jumped 100 percent in recent months.

Manufacturers have been hearing from Mr. Marraccini, too, on what he claims is their habit of coming up with nutritionally worthless and expensive products. Also, he has been using newspaper ads to urge the public to boycott products which we feel cost too much. He helped in this matter to turn around the sugar climb.

He informed Editor Merriman that, realizing "just one guy is not going to do any good" on a national problem, he has talked to other grocers and found they are as "frustrated about all this as I am."

I want to commend Mr. Marraccini and express the hope that we might have more merchants of his mind on the front line of the war on high prices. Perhaps others will join him. Widespread removal of overly priced products for sale could strike directly at the gouging which has become too great a factor in the inflation situation.

Modern living, as we now realize, opened the way for artful profiteers with cleverly packaged and promoted "special" products and this has added substantially to the cost burden on the unsuspecting housewife. She needs protection by concerned people in the retail business such as Mr. Marraccini. May his ranks increase.

Mr. Speaker, at this time, I would like to include an article from the McKeesport Daily News for the attention of my colleagues:

GROCER REFUSES TO SELL 100 FOOD PRODUCTS

(By Woodene Merriman)

"It's really a ripoff!"

Eugene Marraccini is talking about some of the items he sells—or rather, used to sell—in his supermarkets.

No more. The Elizabeth grocer says he "weeded out" about 100 items from his shelves, items that he feels waste customers' money.

Gone, he says, are:

Fancier types of cake mixes which were up to about $1 in price . . . some of the larger size brownie mixes, some bundt cake mixes and fancy frosting mixes.

"They've escalated about 100 per cent in price," Mr. Marraccini points out.

Some pre-sweetened cereals, especially in the larger sizes, which are selling for about $1 a box.

"With this item you get the least for your money," he says of the pre-sweetened cereals. "That is really a ripoff."

Specialty, expensive jellies in excessive varieties.

"One brand of seedless black raspberry jelly, for example, is quite enough for us to carry," he says. "It's expensive."

Some jars of pickles.

"Pickles have gone up 40 cents a quart, or 60 cents a quart for the sweet pickles," Mr. Marraccini noticed. "The jar that used to sell for 49 cents is $1.09 now."

Dinners in a box.

"Another come-on," he says. "By putting it (the dinner) together yourself, you can save 20 to 30 per cent and have more of it," he tells customers.

Supermarkets today carry from 8,000 to 10,000 items. And about 200 of these items "carry 80 per cent of the load . . . the rest belong to the fringe area. They're impulse items we can do without," he maintains.

"But customers should have freedom of choice . . . freedom to waste their money if they want to. So we've just thinned out some of these items. In presweetened cereals, for example, there is so much duplication."

Mr. Marraccini says he is angry with manufacturers who keep coming up with nutritionally worthless and expensive products. And he has written directly to the presidents of these companies to tell them so. Several have written "thoughtful" letters in return he says.

He tells customers about his anger in his newspaper ads, even urging them to boycott things like sugar that are overpriced. His actions have caught the attention of other grocers throughout Western Pennsylvania, Ohio and West Virginia, who read about him in their trade paper. If they all protested together about high priced, nutritionally poor products, he feels, it would be more effective.

"Just one guy isn't going to do any good," Mr. Marraccini says. "I've talked with a lot of other grocers, and they're as frustrated about all this as I am."

"By eliminating some items from our shelves," he goes on, "we're trying to deescalate the frills and steer people toward buying the basics, to warn them to watch out for booby traps."

In coming weeks, he suggests, watch for sales in these basics:

Cheese of all kinds, eggs, beef, poultry, macaroni products, rice and dried beans, tuna fish and canned and frozen citrus fruits.

They should all be good buys. Eggs, for example, traditionally are a "glut on the market from now until Easter. A lot of supermarkets will be featuring them at attractive prices."

Sugar should fall a bit in price, but no one will predict how much. Wholesale sugar prices dropped four times between Dec. 4 and Jan. 6 after reaching a high of $3.77 for the five pound bag bought in truckload lots. Now it's down to $2.90 and getting ready for another drop. Shelf prices are starting to show a decline.

Customer resistance is considered at least partially responsible for bringing sugar prices down. People just quit buying when the price got too high.

Now something similar might be happening in canned foods. Tomato paste, Mr. Marraccini points out, rose from $12.50 to $22 per case. Canned fruit prices shot up $4 a case, or 18 cents a can on peaches. People aren't buying, and the West Coast "is sitting on a big stock."

"Watch canned peaches. If peach prices break, other fruits will follow," Mr. Marraccini predicts.

A PORTUGUESE TRAGEDY

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. CONLAN. Mr. Speaker, columnists Rowland Evans and Robert Novak have written a most perceptive account of the current situation in Portugal and the danger it portends for the entire free world.

They correctly note that the steady erosion of U.S. foreign policy, intelligence activities, and defense posture has encouraged far left maneuvering and political upheaval in Portugal to the point where a pro-Communist takeover is now possible in Lisbon.

The fall of Portugal into the third world or Communist camp would cost more than the loss of NATO's important submarine base in the Azores. It could set up a domino reaction giving further impetus to worldwide Soviet imperialism.

Evans and Novak's well-reasoned analysis should serve as a somber warning to those not actively seeking to strengthen the Western alliance, and I commend it to all my colleagues:

[From The Washington Post, Feb. 3, 1975]

A PORTUGUESE TRAGEDY

(By Rowland Evans and Robert Novak)

A secret report flashed to the State Department of an imminent Communist coup d'etat in Portugal last week turned out to be premature, but top Ford administration officials remain convinced that a classic far-left takeover in Lisbon is possible any moment.

That has forced a painful reassessment at highest levels here of American military power in the Atlantic Ocean. The reassessors must ponder this hard reality: the drastic political upheaval in Europe's westernmost country threatens the United States with a major political setback—and a consequent Soviet gain in world politics.

One quick fallout is military. If Portugal leaves the North Atlantic alliance (NATO), a catastrophe now given 50-50 odds, the most important anti-submarine warfare base in the entire Atlantic will immediately be compromised. That base, located in Portugal's strategic Azores Islands, employs top-secret sensor devices and wide-ranging spotter aircraft to monitor movement of all Soviet shipping, particularly submarines, in the vast Atlantic approaches to Gibraltar.

The savage course of political events in Portugal following four decades of right-wing rule by the Salazar dictatorship points precisely toward such new erosion in the troubled Western alliance.

Ten days ago secret word flashed through diplomatic channels to the State Department that a brutal Communist-style coup d'etat was imminent. This was only hours after the ruling 20-man armed forces council decreed a single, centralized labor union in Portugal, insuring Communist control of the entire labor movement.

No coup developed. But events since then have strengthened fears that the far left, dominated by Communists, is determined to strangle center and center-right political parties, delay indefinitely the promised elections for a constituent assembly and strike for total power within the next several months.

That adds up to a classic political coup. When the social democratic center party met last week in a formal convention, it was mobbed, surrounded and besieged by street gangs of left-wing toughs despite a pledge by the armed forces Council of Freedom to prepare for the long-promised constituent assembly elections.

When the socialists petitioned for the right to hold a mass demonstration last Friday, the Communists scheduled their own mass demonstration the same day. What followed was a transparent Communist-inspired solution: both demonstrations were disallowed.

Even more revealing was last week's unpublished comment by Gen. Otelo Carvalho, acting commander of the continental operations command. As cabled to the State Department, Carvalho raised the gravest question yet about the elections: "The results of the spring elections will not necessarily represent the will and the best interests of a majority of the Portuguese people."

Originally promised by March 31, the earliest date for the elections now appears to be late April. But Gen. Carvalho's words undermined the basic concept of holding elections at all—and laid the groundwork for dismissing the results if they are held, indicating the far left knows it could not possibly win a fair electoral test.

In the background of the Portuguese drama are major failures of U.S. policy during the 40 years when Portugal slept under the Salazar dictatorship. Contacts by American diplomats with the underground political opposition were virtually nil. Thus, when the dictatorship was suddenly overthrown the United States found itself in the dark. Almost nothing is known even now about the inner workings of the armed forces movement or its ruling council.

Moreover, the U.S. Central Intelligence Agency has been rendered useless as a secret investigating or operating arm in Portugal. While Soviet funds are assumed to be lubricating the Portuguese far left, the United States finds itself prevented from competing in a struggle of external intervention. As a top State Department official told us: "This is the classic spot for a little clandestine help, but we wouldn't even attempt it in the political atmosphere at home."

Besides losing U.S. and NATO base rights in the Azores, a Communist-style takeover moving Portugal into the third world or eventually the Communist camp could well infect Spain across the border. Beyond that, it poses this still more menacing question:

Would Western Europe perceive a neutralist, pro-Communist Portugal as another example of America's decline? If so, the loss of base rights in the Azores would rate low among the lethal by-products of the tragic drama being played in Lisbon today.

CLAY FLAYS CHARGES: ASKS FOR FEDERAL GRAND JURY INVESTIGATION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. CLAY. Mr. Speaker, I have been accused by the St. Louis Globe Democrat, a daily smut sheet, of being involved in the illegal traffic of narcotics. This accusation is false, malicious, and based on the most incredible kind of evidence. The Globe Democrat has been aided and abetted in this attempted smear of my character by members of the Justice Department.

In a recent press conference called by me, I once again attempted to dispel the cloud hanging over my head. I am offering a copy of the story which appeared in the St. Louis Argus highlighting this matter for all my colleagues to read. The Argus article follows:

CLAY FLAYS CHARGES: ASKS FOR FEDERAL GRAND JURY INVESTIGATION

The United States Attorney General's office in Washington has indicated in a letter to Congressman William L. Clay, that Liam Coonan, head of the Organized Strike Force in St. Louis, was on creditable grounds in injecting Congressman Clay's name into a brief filed in the third trial recently of former State Representative John Conley Jr.

Coonan personally prosecuted the Conley case.

The brief contained information that an undercover agent placed Congressman Clay at a meeting with the special agent, Conley and the late Melvin Saunders in the fall of 1972.

Clay emphatically declared in his opening statement to the press at the Airport interview, Wednesday:

I have never been involved in any kind of illegal narcotic traffic, I am not now and I have never been a subject of investigation by any Federal Government agency.

And the Congressman further stated that anyone who says I am involved in narcotics, including a U.S. Attorney General, or members of the Globe Democrat staff, are damn liars.

I today have demanded that the Attorney General of the United States, impanel a federal Grand Jury to investigate the serious charges that have been made against me by a U.S. Attorney General and by those scalliwags at the St. Louis Globe Democrat, Clay averred.

Clay said, "The only way to settle this question and to get to the bottom of it, is for the U.S. Attorney General to impanel a federal grand jury to find out whether or not there is evidence indicating or implicating me in the illegal traffic of narcotics, and I say this is a serious charge and it ought not to be bantered around in the newspapers."

If a U.S. Attorney General or a U.S. Prosecutor for the Strike Force has evidence that I have been involved in the illegal distribution of narcotics he ought to go to a Grand Jury and take his evidence. If he doesn't have that evidence then he ought not to be going to newspapers attempting to malign and defame my character and integrity, Clay said.

I say that this is a lot of bull, I say there is no evidence that would substantiate any kind of a charge against me. I say that the paid informer for the Federal government did not implicate me in any narcotics transaction, and if he did, he too, is a liar and I want to make it crystal clear that the statement that the Globe Democrat is attributing to an undercover agent for the Federal Government—is a statement not from an agent of the federal government but from a convicted felon who was on the payroll to give testimony to, and about, other people involved in narcotics, Clay pointed out.

"And I am quite sure that this individual never in any way implicated me. I don't know the individual, to my knowledge I have never met him. I have never been involved in any sort of narcotic transaction."

Clay said, "Today I am demanding that the U.S. Attorney impanel a federal grand jury to get to the bottom of this."

As far as I can determine, as far as other leaders of the U.S. Congress can determine, I am not the subject of any kind of investigation from either the Justice Department, or the GAO.

I have talked personally to the Director of the Drug Administration Agency, the highest officer in that field in this country and he has personally assured me that his agency has never investigated me for any involvement in narcotics.

I think that it is a sinister kind of smear that the St. Louis Globe-Democrat is attempting to perpetrate on me, Clay continued.

And I say that if they get away with smearing me, maligning my character and my integrity, that no other leader in this town is safe to speak out on any controversial issue. . . .

"I have had a running battle with this newspaper for the past 15 years. But many other people in this community have had a running battle with this newspaper and the things that this newspaper has done in terms of destroying people's integrity in this town is really kind of terrible indictment of this community.

"What they have done is—that they intimidated the people, the voices in this community that ought to be speaking out against injustices. They have intimidated all of the leadership in this town. You don't have a voice in this town. Even in the religious community, in the business community, in the other newspapers and the media that you reporters represent, that will speak out against the derogatory, terrible kinds of character assassinations that this newspaper has traditionally involved itself in.

"But I for one take a position that to have peace in this community by getting on my knees and begging and cajoling the Publisher of the St. Louis Globe Democrat, there will be no peace in this community," Clay concluded.

The charges Clay made to the Justice Department was that Mr. Coonan a U.S. Attorney, for the Crime Task Force, acted in collusion with the Globe Democrat and particularly, the reporter, Dennis McCarthy, in an effort to smear and malign his character. "The Attorney General did not deal with the substances of my charges when he answered my letter," Clay said.

YOUTH CAMP SAFETY ACT

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, on January 14, 1975, I reintroduced the Youth Camp Safety Act in the 94th Congress. This crusade for the safety of the 10 million children who will attend camps this summer is vital. We now have more than 90 cosponsors on this bill and I am continuing my drive to obtain further support from my colleagues to enact this legislation which will provide safe and healthful conditions for children attending summer camps in addition to providing Federal grants to individual States to organize and maintain their own State plans.

I believe we are losing sight of the significance of this proposal—the importance of our children. This legislation has an estimated cost of 75 cents per child, and is supported by the Boy Scouts of America, the Girl Scouts of America, the National Park and Recreation Association, and numerous other camping organizations.

My distinguished colleague from Connecticut, Representative RONALD SARASIN, recently addressed the American Camping Association, commending their paramount efforts in the past months and encouraging their continued support for "concerted effort" to move the footdraggers and get this proposal through the Congress.

The text of Congressman SARASIN's comments follows:

SPEECH BY HON. RONALD A. SARASIN

I urge you, as members of the American Camping Association, to join me in working with my colleagues in the House and Senate to enact a youth camp safety law early in this session of Congress.

The bill failed to come up in the full Committee on Education and Labor during the last month of the 93rd Congress because of urgently needed public service employment legislation and other measures which held priority.

If the ACA begins a concerted drive right now by contacting congressmen all across the country, I feel certain that with such an indication of support, we can win the necessary votes for House passage before Spring.

Obtaining re-passage of a youth camp safety bill in subcommittee and then in full Committee is certain.

What is uncertain is the mood of the House. We face a new session beset with problems of the economy, recession, inflation and the energy crisis, and an anticipated budget deficit which may reach 80 billion dollars. Even though the $7.5 million authorized in this youth camp safety bill is relatively small, it is NEW legislation, and we may meet opposition this year on the House Floor because of this and also because the Administration opposes it.

This legislation is of paramount importance to the parents and children of this country, rich and poor alike, who expect a safe and healthful summer camp environment. This bill will help provide such reassurance.

The ACA, I believe, can take credit for certain modifications in the legislation which in fact strengthens it. Requirements that organized camping groups, such as ACA, be consulted by the Director of Youth Camp Safety in drafting the model regulations; requirements that organized camping groups be represented on State and national advisory councils; and requirements that State enforcement officials coordinate inspections so that camp owners are not harried by multiple inspections, were suggested by ACA and incorporated in the bill.

According to testimony before our subcommittee, the ACA group in New York helped to draft the stiff regulations which went into effect in this State of 1974.

But more effort is needed; there are too many States and too many camps which are unregulated.

Alan Stolz, ACA National Legislation Chairman, testified that of 8000 member camps, only 4000 were accredited by ACA, on a voluntary basis. That is, the camp invites ACA to inspect its facilities to see whether it meets ACA standards.

Stolz said that "We control less than 50 percent of the camps in the United States, and the ACA believes that all camps and all children should be protected by the best of safeguards."

He also testified that the ACA strongly supports the intent of the youth camp safety bill.

H.R. 46, the Youth Camp Safety Act, has bipartisan support. It provides that within six months after enactment, the Director must draft and promulgate model regulations which go into effect one year from date of such promulgation.

States wishing to draft their own standards, or modify old regulations, then may submit such State plans for approval to the Director of Youth Camp Safety, to be located within the Department of Health, Education and Welfare.

There is $7.5 million authorized for aiding the States in providing federal consultative services in drafting regulations, and other technical assistance to the States such as the training of inspectors and so on.

States which elect NOT to submit State plans—which must be at least as effective as the federal model regulations—will then be subject to federal inspection and enforcement.

We have written a fair and workable law, I believe. We have been sensitive to the desire of the States in wanting to enforce their own regulations. H.R. 46 gives them a vehicle, in the model regulations, for doing so, as well as the incentive of federal money to help them get started.

We do not envision a large federal force of inspectors being set in motion to interfere with State inspection and to harass the profit and nonprofit camping groups.

To the contrary, the bill reflects a strong move away from the punitive, because, firstly, consultative services are made available from HEW which will help the camps come into compliance; secondly, a camp is only penalized if, after serious violation is found and reasonable time given for correction, there is willful refusal to correct the hazardous condition.

Thirdly, the civil penalties are not mandatory and may be appealed. We have provided the mechanism for adequate hearings and, beyond that, an appeal to the courts if the camps are not satisfied with the Director's findings.

The 1974 hearings brought unanimity from the major organized camping groups—ACA, Boy Scouts, Girl Scouts, YMCA, Campfire Girls, The National Recreation and Parks Association (Representing 18,000 members), the National Safety Council and others—that the youth camp safety bill should be passed.

Only 7 States have strict laws—California, Connecticut, New York, New Jersey, Texas, Michigan and Colorado. Only 28 have any regulations at all which partly cover youth camps.

Because of the efforts of Mitch Kurman, from Westport, Conn., which began in 1965 when his young son was killed on a camping trip, legislation was introduced in Congress, first by Senator Abraham Ribicoff, and then by Chairman Dominick Daniels in 1968, but the measures failed of enactment. The last failure was in 1972 when Congress voted for an HEW "Study".

This so-called study did show that 45 States have no regulations applicable to camp personnel. And it is my belief that the good judgment of mature personnel is absolutely essential for a safe camping experience for children, which calls for rigorous screening of camp personnel.

Seventeen States have no regulations pertaining to program safety. Twenty-four States have no regulations concerning personal health, first aid and medical services; 45 States have no regulations governing transportation of the children in summer camps, and so on.

In my opinion, the best way for the States to keep the Federal Government out of enforcing model regulations is for them to get to work immediately and pass their own youth camp safety regulations.

This is what we hope to accomplish by passing H.R. 46. With federal funds and technical assistance as an incentive, it seems to me that the States without such laws should welcome enactment of the bill.

And it also seems to me that those States with strong laws, such as New York, New Jersey and Connecticut, in their own competitive self-interest should see to it that the other States are required to meet the tough standards which apply here.

That's just good business, and, more importantly, it is in the best interests of the children of this country.

THE ENERGY DISEASE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. FORSYTHE. Mr. Speaker, in recent weeks volumes have been written about the energy problem confronting our Nation. The discussion of rationing versus tariffs versus some other alternative has focused our attention too narrowly on the short-term problem. Recently Mr. Edward Teller, a well-known nuclear physicist and member of the Commission on Critical Choices for America authorized a provocative article discussing the long-term impact of the international energy shortage. While I believe the solutions he proposes gloss over too many related issues. Mr. Teller's discussion of the long-term impact of the present energy situation on the world economic and political structure is most interesting. I commend this article to my colleagues and request that it be printed in the RECORD at this time:

THE ENERGY DISEASE—DIAGNOSIS AND PRESCRIPTION FOR INTERNATIONAL AILMENT

(By Edward Teller)

SYMPTOMS

The malady that kills most Americans is heart disease. What may kill our society is energy disease, a disorder which has attacked the organ in our industrial system that provides the economic body with the necessities of life. That something is wrong, whether we call it shortage, or crisis, is self-evident. The symptoms are known, but they need to be seen in their proper perspective.

The obvious symptom is the increase in the price of oil. To replace oil by another source of energy will be a long and costly procedure. In the meantime, oil at more than $10 a barrel has given the world economy an unprecedented shock.

A few years ago no one expected that a cartel of oil producers could succeed. Most of the oil was in Arab countries, and Arabs, so it was said, could not agree with Arabs. Their agreement in the matter of depressed oil prices led to the formation of the Organization of Petroleum Exporting Countries (OPEC), which succeeded in enlarging its revenues to $100 billion in 1974.

A hundred billion dollars is approximately twice the value of the world gold reserves, but it is still only a fraction of world trade. Some of the oil-exporting countries (Iran, for instance) spend their oil revenues in the advanced democracies to buy the machines that will help them to industrialize. This kind of trade does not worry me. Huge amounts of money are spent in a more or less fair way for the purpose for which money was invented: a medium of exchange.

But of the $100 billion, $60 billion goes into the treasuries of not very stable governments in thinly populated countries, thus becoming by far the biggest accumulation of floating uncommitted capital in all history.

Some of the sheikhs who collect this money have studied at Harvard. They gave them a Western education; it did not give them the experience of handling the great power that comes with the possession of great wealth. Money minus diplomacy equals uncertainty. This uncertainty is another symptom of the energy disease.

Still another symptom is worldwide inflation. Few may claim (and none with certainty) that they understand the connection. More expensive oil obviously contributes to the increased cost of other items, but this is only one of the connections. A further reason for inflation may be shortage of capital in the industrialized countries. The capital is being siphoned off into the Persian Gulf. Scarcity of capital leads to low productivity, inflation, and unemployment. These circumstances do not cause the usual depression, in which we have unemployment coupled with deflation; what we confront may be different from the Great Depression, and it may well be worse.

Throughout the body of the world economy, the symptoms are different. In the United States they have been comparatively mild. Western Europe has suffered more; Italy and England are approaching insolvency. Japan is even more dependent on oil than are other advanced democracies. But perhaps the worst situation arises in some of the countries that have lived for decades on the verge of starvation. What can India do if it cannot buy the fertilizers whose price has been increased threefold? The most important nitrogen-containing fertilizers are produced with the help of natural gas, so their price is directly affected by a rise in the price of gas and oil.

Among the symptoms I also want to include the popularity of false cures: one is the faith in patent medicines, the other is a preference for exorcism. Patent medicines may be simple or mysterious—but always they claim unlimited efficacy. They may be as obvious as sunshine, but largescale solar electricity generation does not seem likely in this century. Neither will controlled fusion help in the near future. The more we understand of its mysteries, the more we know that the excitement of research is the most that we can expect within the next generation.

Exorcism is even more popular than the panacea. Who would not like to blame his troubles on some rich devils? The devils exist, and they are by no means innocent, but it doesn't do much good to shriek their names. Everyone has his favorite devil. For some it is the government or the utilities, for others the oil companies, the coal industry, the environmentalists, the manufacturers of automobiles, the wasteful and spoiled American public, the Arabs, or the Kremlin. There are enough mistakes, enough reasons for trouble, so that no one can feel that he is free from any responsibility. What we must do is to understand the devils, most of whom will turn out to be human. We will not begin to solve our troubles by trying to blame anyone in particular, even though there is plenty of blame to go around.

DIAGNOSIS

Medicine is not a science but an art. The economic medicine men are no better: they may indeed be worse. But for the purpose of making a diagnosis I will now join their ranks. There is a chance that common sense expressed in common language might help us toward an understanding and toward the corrective measures that must be taken.

The history of the capitalistic countries is characterized by cycles of boom and bust. These became more and more severe until the Great Depression in 1929 shook the free enterprise system to its foundations. This catastrophe led to Hitler and the second world war, which broke the "orderly" continuation of the economic cycles. After the war the Communists waited for the cycles to resume and for the next bust, which would bring down capitalism amidst its own internal contradictions. This expectation, at least for the time being, has not been fulfilled.

The second world war suspended the rules of economics. In 1945 there was one rich and powerful nation left in the world—the United States of America. In a single country or in a situation in which one powerful country makes the rules, the old pattern of boom and bust does not seem to apply. The suggestion of John Maynard Keynes for dealing with the cycles seemed to work well.

We used our remarkable advantage to rebuild Western Europe and Japan. Of course, in trying to do so, we made mistakes, which have been amply (and perhaps justly) criticized. But the fact remains that we did not use our privileged position to perpetuate our privilege. Beyond any comparison we were the richest country in the world, but we abandoned this position as a matter of deliberate policy. Partly for humanitarian reasons and partly for reasons of our own security (better to depend on independent allies rather than on puppet regimes) we permitted strong competitors to develop, and in the economic field we have actively helped them to develop. Economic policy is no longer regulated from one country. It is the result of interaction between many countries. But the developed countries—more specifically, the advanced democracies—do not cooperate any better than did the Arabs in the period preceding OPEC.

The U.S. has lost its economic preeminence and, paradoxically enough, we should be proud of that. We intervened in the Suez crisis in 1956 and thereby ruled out (for them and later) the colonialist policy of achieving economic ends by military means. Today, having restrained our competition with the Russians, we are no longer the strongest military power in the world; nor can we unilaterally enforce our foreign policy by military means.

It is by no means clear that there is true stability in the economic system developed by the Western world. It is not clear that the suggestion of Keynes for dealing with depression holds if there are many players in the economic game. Neither is it clear to me whether our economic troubles, as I claimed at the beginning, are merely symptoms of the energy disease. It is entirely possible that our system and our policies are inherently impractical.

The predictions of the Communists may yet turn out to be right. The free world may succumb to its own contradictions. In the event that we do not succumb, I am sure that the Communists are willing to do what they can to assist the process of collapse. They have encouraged OPEC, and they have every reason to do so. Not only are they apt to gain in their fight against capitalism, but they also are apt to profit by their oil exports (acting in this particular instance as monopolistic capitalists).

In the free-enterprise system, money means power, which is limited only by conventional rules. At the moment these conventional rules are producing changes which may ruin a number of advanced democracies. Millions may starve to death in the less developed countries. The free economic system may be challenged in a more terrible way than it was in the Great Depression. Then the Communists may get their first chance to take over the world; compared to the alternative of chaos, the cruel simplicity of Communism may gain almost universal appeal.

This is why the energy disease appears as a deadly menace to our way of life.

What shall we do about it?

TREATMENT

No treatment will lead to certain cure. In fact (as with heart disease), no single treatment will suffice. Of the possibilities we shall consider only the simplest: consume less energy and produce more. We should reduce wasteful consumption in the innumerable ways defined by thoughtful environmentalists. Less energy, less pollution. So far so good, and all of it relatively obvious. But in other respects the energy disease will require the postponement of some environmental objectives.

No one can argue that emitting sulfur dioxide into the atmosphere is pleasant. On the other hand, stringent regulation of sulfur emission from the stack gases has led to lesser use of coal, of which we have enough in the U.S., and greater use of oil, some of which we import, and for which we compete with our allies, whose need may be greater than our own. The consequences of strict environmental regulations have not yet been felt to their full extent. Some of the rules will take effect in July 1975. Unless they are modified, we shall need to import an additional 2 million barrels of oil a day.

What could be done, for instance, is to apply the strictest standards of sulfur emission only when the prevailing weather conditions hold the emitted sulfur in or near the city. In Los Angeles, this is the case most of the time; in New York it is true for only a few weeks a year. Such a temporary compromise would eliminate any danger to health. We can enforce stricter standards when we are able to remove sulfur from the stack gases.

If they set their minds to it, consumers can get the most energy for their money by economy in transport and efficiency in the home. Possibilities for industry are just as great or greater. There are innumerable improvements, all of which require capital expenditures, but all of which result in fuel economies. The question is one of priorities: what will need more investment—saving a barrel of oil, or finding and distributing it? The technical possibilities include the obvious ones of better insulation in houses and the reuse of waste heat, but they extend to peculiar techniques of boiling water at low pressure and low temperature, and subsequently compressing the vapor so that it attains the right temperature and pressure for a specific industrial application. Thermodynamics, the science of heat, teaches us that unlimited energy exists. What is limited is the practical way to use this energy efficiently. Depending on the field, one can save 30 percent or 50 percent, or even more than 90 percent of the fuel that is now expended.

All these tricks cost money and, more important, they take time. The only immediate relief can come from accepting the conservation ethic. The energy disease may become acute any time in the next four years, and during this critical period careful thought should be given as to how we develop the proper self-restraint.

Within a few years increased production of energy should become the next part of the cure. If we want to produce more, we should start with the developed methods of production. We have plenty of oil in the known reservoirs. How shall we induce the oil companies to produce it—with the carrot, or with the stick? My own inclination is to recommend the carrot, if only because the impatient public and ambitious politicians will demand the stick. We could get a great deal more oil from the Texas and California oil fields, from Alaska, from the Santa Barbara Channel, and from known deposits on the continental shelf near Florida. Proper caution can reduce the probability of an oil spill almost to the vanishing point. And if a spill occurs we can supply bacterial cultures to clean up the oil, oil being their peculiar and exclusive diet. We should remember that no signs of the famous Santa Barbara oil spill remain to be seen.

More and faster drilling for oil could proceed to greater depths by the use of new methods which we have just begun to understand. The best way to attack the rock is not by steel but by high-pressure water jets. Today we have a less severe shortage of oil than of oil rigs, which have been concentrated in the Persian Gulf. Abandoned oil wells can be reopened. They still contain two-thirds of the original hydrocarbons which are too viscous to be brought to the surface. But we are developing some tricks. We may, for instance, blow air down one well, light a fire, and burn some of the viscous oil. The surrounding oil will be heated, and the products of burning (carbon dioxide) will dissolve in the formation. Both the heat and the carbon dioxide will make the oil flow more easily. This procedure, called the "fire drive," is the prototype of a much more general and fruitful idea, the "*in situ* production" of fuels. In addition to technical improvements, at least one improvement in procedure should be mentioned. Public lands are being leased in such a way as to give maximum revenue to the U.S. Treasury. They should be leased with a different purpose: to give maximum incentive for the production of oil. There is another special point. The price of natural gas has been held at an artificially low level for many years, thus discouraging the search for new deposits. With the tremendous increase in oil prices, it has become necessary to allow gas prices to find—or approach—their proper level.

The most abundant fossil fuel is coal. The Western states have coal fields of great thickness and, what is of equal importance, low sulfur content. Many of these are near the surface, and surface mining exposes the miners to practically no hazards. We only have to use the phrase *strip mining* to remember that we are dealing with an emotional issue. In Wyoming and Minnesota it is usual to produce by surface mining much more than $100,000 worth of coal per acre. The expenditure of a small fraction of this money can restore the land to its original condition, or indeed improve it. Why should environmental concerns be equated with the idea of conservation? Why not improvement? Where human labor can produce great values it is just and quite practicable that this labor should leave behind it a place of beauty rather than a pile of rubble.

There is a further use for our coal resources in the West, particularly those which lie 500 feet or more under the surface. Coal seams perhaps 50 feet thick can be broken up by the use of conventional explosives. As the coal is converted into rubble it becomes accessible to oxygen pumped down in measured amounts to maintain a controlled fire underground. If we mix high-pressure steam with this fire, we produce a gas quite similar to natural gas. The dirt will be left below the surface, and the surface itself will be hardly perturbed. The *in situ* conversion of coal into gas may well provide us with a substitute for natural gas for centuries to come. Unfortunately, the process described is not yet practicable; research is needed to turn the hope into fact. Only $4 million has been assigned to this important piece of research next year, but we are talking about a treatment of the energy disease so effective that it may well turn out to be a cure (although, unhappily, not a prompt cure).

No matter how clean or convenient it is, natural gas cannot be easily employed to drive our cars. The best substitute for oil may be a solid form of oil called oil shale. In order to avoid talking about billions of barrels, I like to measure oil in "A units." An A unit is defined as the reserves that the Arabs are known to possess. The oil that may be derived from oil shale in a single region of the United States is estimated at two A units, all of it contained in the deserted Piceance Basin in the northwest corner of Colorado. Digging out this shale and retorting it (boiling the oil out of it) is entirely possible. But it is even better to handle the material while it is underground. As with coal, we break up the shale with high explosives, having excavated a room underneath the shale so that the rubble may not be to tightly packed. The earth then serves as a natural retort. The burning starts from the top and proceeds downward in a regular way. What is burned is the nonvolatile residue, and as the burning front travels downward the volatile parts are driven out and collect in the form of oil in the cool bottom of the rubble chimney.

As opposed to coal gasification, this operation has been performed in an effective way which seems to be economically feasible. It causes little disturbance on the surface and probably can be done for less than $10 per barrel. What is particularly important about oil shale is that it is widespread throughout the world. A favorable technological development could provide relief from the energy shortage for a long time.

Apart from oil and gas and their substitutes, there is one new promise rapidly becoming a reality: nuclear reactors. They are cheap; they are safe; and the nuclear fuel is practically inehaustible. The methods have been worked out in a painstaking way over the last quarter century. We have also inherited, together with excellent methods, and an unmatched record of safety, all the worries that surround the word *atom*. In this case the hurdle clearly is not in nature, not in the intractability of matter, but in the nightmares generated in the human mind. Too many people, including too many scientists, have spread the fear of the atom, and too many people have been alarmed by a situation which they have not completely understood. It will take not thousands of words, but an extensive international debate, together with a library of carefully sifted material to bring the subject back into focus.

Fear is not the only problem affecting nuclear reactors. Instead of devoting ourselves to improving present reactors, we are putting most of our efforts on a futuristic "fast breeder" that cannot have an effect before 1990. By that time the patient will be dead. A great deal of work needs to be done on present reactors. They should be made even safer; to do this, and to reassure people, they should be built 200 feet underground. To prevent an increase in the price of uranium we can modify present reactors in such a way as to use thorium as a supplementary nuclear fuel. This is a program that is simple, feasible, and capable of an enormous contribution to the energy supply. By 1985 we may have put ourselves and the world on a safe and abundant diet.

In the meantime there are smaller steps we can take. Of the energy sources that may become usable in the future (solar energy, nuclear fusion, geothermal energy, wind), a few can give help within a couple of years. The many big steps that we need will take years and years. The question is whether we shall survive that long.

PROGNOSIS

According to the rules of reason, according to the natural course of the malady, and according to whatever laws govern economics and world politics, we should not survive. Only one prescription can change this terrible prediction. The prescription is hope. (I like to define a pessimist as one who is always right but takes no pleasure in it, and an optimist as a person who imagines that the future is uncertain. To be an optimist is a duty because with the imagined uncertainty there comes the will to act.)

Even so, hope must be founded in some reality. The only reality that we can offer today is a definite plan on which to act and which will allow us to survive, if we can endure half a decade or a full decade of real hardship.

Such a plan of action must begin in the United States. We have the resources for the task, and we have the tradition of performing industrial miracles. The plan needs to be carried out with a view to its worldwide effects. We can and we must produce more than what we need ourselves. Project Independence should be replaced by Project Interdependence. By 1985 we could produce enough energy to have plenty at home and to export both coal and oil. By 1985 we should also have accomplished a great amount of exploratory research. If hope will be useful in the United States, it will turn out to be an absolute necessity in many other parts of the world; there is no better stimulus for hope than constructive action.

In trying to make a diagnosis of our serious condition I have said that the stability of the free economies in postwar years resulted from the benevolent leadership of one country, the United States. By 1985 the first great step toward curing the present energy disease may be completed, and the United States may have regained a similar measure of preeminence. But we cannot rest at that point.

We have yielded our dominant position in the world once; if we regain it, we will have to yield it a second time. But this time we cannot risk chaos. We must establish some form of world order. The growth of technology has made a small neighborhood of our globe, and without some order there will be no peace in this neighborhood; the way of life as we like to imagine it will not survive. In the long run we must work for an order based on the free consent and cooperation of every participant. In the short run we must work with the utmost urgency to recover from the energy disease. The only choice for our free world is to recover from this disease or to die.

LEGISLATIVE SUMMARY, JULY 1, 1974 TO JANUARY 1, 1975

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. MAZZOLI. Mr. Speaker, in keeping with my policy of providing periodic reports to my constituents describing my legislative activities, I am inserting the following summary, covering the last 6 months of the 93d Congress and early prospects for the 94th Congress, in the CONGRESSIONAL RECORD.

A LEGISLATIVE SUMMARY

The final months of 1974 were tense and historic. The resignation of a President, the building momentum of inflation, and the gathering stormclouds of recession will influence America in the new year of 1975—and for many years to come.

Despite these problems, the Congress, on balance, was very productive in its 93d 2-year meeting in the history of our Republic.

Legislation was approved in the fields of energy, social welfare, and economics. Perhaps eclipsing all else, the Congress passed legislation which significantly changes the way our governmental and political systems work.

The chairman and members of the

House Committee on the Judiciary performed their constitutional duties with distinction and resolved the difficult question of the impeachment of a President in a thorough and fair way.

The Judiciary Committee's actions reflected great credit on the House and on the legislative branch of Government. The work it did gave confidence to millions of Americans that their Governments functions—even under severe stress—and that their elected Representatives are capable of discharging the most profound responsibilities with diligence and effectiveness.

It will be my pleasure and privilege to serve on the House Judiciary Committee during the 94th Congress.

I left the House Education and Labor Committee—after 4 years of service—only after considerable thought and in order to deepen my experience and broaden my perspective.

In taking leave of the committee—which is chaired by my colleague from Kentucky, the Honorable CARL PERKINS—I extend thanks to Mr. PERKINS for all the help he has given me since I came to Congress and with best wishes for continued health and legislative achievement in the years ahead.

THE ECONOMY

The Nation's economy worsened in 1974. At year's end, unemployment exceeded 7 percent and inflation had soared into double digits. As the economic situation became more acute, particularly in November and December, realization of the need for immediate and decisive action began to sink in.

President Ford was one of the last to get the message. But eventually he did, and his state of the Union address of January 15 was appropriately somber. Its most memorable line: "The state of the Union is not good."

Mr. Ford's proposals to alleviate our economic and energy problems ranged from increased taxes on imported and domestic oil to reduced personal and corporate taxes; from a moratorium on Federal spending to ceilings on social security benefits and Federal pensions.

Solving the Nation's economic problems is easily the most important task for the 94th Congress. It is also the most complex task we face, requiring imaginative, comprehensive action and as little partisanship as possible.

We look to the revitalized House Committee on Ways and Means—with its expanded membership, its new subcommittees and its new chairman—for permanent proposals to make the Federal income tax system more truly equitable and thus a more effective tool in combatting the twin torments of inflation and recession.

The Ways and Means Committee is also responsible for drafting temporary tax proposals to stimulate the economy—such as income tax rebates. Such one-time measures, however, must not divert us from seeking permanent, thorough tax reform. It is long overdue.

We look to the newly established House and Senate Budget Committees for leadership in eliminating wasteful and unnecessary Federal spending.

For the first time in memory, the House has the tools to scrutinize the budget proposed by the Chief Executive, and the authority to reject it, approve it in full or in part, and make its own budgetary recommendations to the full Congress.

In short, Congress can now establish national budget priorities—provided, of course, that it has the will to do so.

The fight against our economic downturn began in earnest in the 93d Congress. I supported emergency programs to aid the housing industry and to hire the unemployed.

The new Congress will also consider proposals designed to revive the economy. Among them are plans requiring the Federal Reserve to allocate available bank credit, rationing gasoline, and reimposing wage and price controls.

ENERGY AND ENVIRONMENT

In 1974, the Congress dramatically increased Federal support—in principle and in substance—for energy research and development.

Five major bills were approved to develop new nonnuclear energy resources. I am certain that the momentum of our search for more energy will continue in the 94th Congress.

Guides are available to individuals, citizens, industry and business from the Federal Energy Administration to assist in conserving energy in home, plant and automobile.

Other energy-conservation measures possible this year include tax incentives to encourage the installation of home insulation and tax disincentives to discourage the manufacture and sale of large, heavy, energy-inefficient automobiles.

A recurrence of the severe energy shortages of 1974 cannot be discounted even though there is no current threat of an oil embargo.

Such a shortage might provoke gasoline rationing or higher gasoline taxes to reduce gasoline consumption. Since both programs contain the seeds of inequity and unfairness, my hope is that these actions can be avoided. And they can be if we are diligent in our efforts to voluntarily conserve energy.

The Congress is likely to approve changes in the tax treatment of oil companies this year. Eliminating the oil depletion allowance and cutting back on the generous tax writeoffs permitted for overseas oil company operations are anticipated. Such changes would put oil companies in the same tax boat other industries are in.

In his state of the Union message, the President proposed to increase fees on imported oil—an action Mr. Ford claims does not require congressional approval—by up to $3 per barrel. His right to take this action has been challenged in the courts and in the Congress. And the action might well be reversed.

The President also urged new taxes on domestic oil and the decontrol of domestic oil and natural gas prices.

I have serious reservations about decontrolling energy prices. Higher energy prices have been a major component of the current inflation, and allowing fuel prices to seek whatever level the market will bear will cost consumers many billions of dollars.

In addition to feeding the fires of inflation, major increases in fuel costs would set a bad example for our negotiations with the oil producing nations in which the United States seeks a lowering of world oil prices.

There is also some doubt as to whether the rewards of higher energy prices will foster greater production of petroleum and natural gas, as some argue. Some evidence exists that increased revenues from higher energy prices are often retained by the companies rather than reinvested in new exploration and development.

In the waning days of 1974, the President vetoed a strip mining control measure. Although the bill was not perfect, it was a reasonable compromise and it was achieved only after long and hard work by Members of Congress on both sides of the aisle.

The legislation would have created environmental standards for surface mining. These would have been enforced by the States, with Federal financial assistance. The bill would not have prohibited surface mining of coal—except where the land could not be restored—and it was not expected to raise significantly the cost of energy to the consumer.

I have joined many of my colleagues in the House in cosponsoring strip mining legislation in the 94th Congress. Our version is the same bill agreed upon by the House and Senate and vetoed by the President. Legislative action ending the destruction of irreplaceable land without banning the production of coal will be a major issue in 1975.

FOREIGN POLICY AND NATIONAL DEFENSE

Fiscal year 1975's defense budget once again increased over the preceding year.

Although the Congress reduced defense appropriations by about 4 percent from the amount requested by the administration, we can cut such expenditures further, in my judgment, without impairing the Nation's security. A record-level defense budget request is reportedly on the drawing board for fiscal year 1976.

Among the defense cost-cutting actions I supported in the 93d Congress was an amendment which would have reduced American troops overseas by 100,000 by the end of 1975. Unfortunately, the amendment failed to muster adequate support.

The mutual and balanced force reduction, MBFR, negotiations could achieve the same salutary results of bringing U.S. troops home from Europe, saving U.S. dollars, and improving the stability of the continent. MBFR talks should be a high priority for the administration.

President Ford's endorsement of an agreement between the United States and the Soviet Union to limit nuclear arms—the so-called Vladivostok agreement—met severe criticism here at home. The criticism was touched off when it was discovered that the ceilings on nuclear arms established under the agreement allowed higher numbers and throw weights of nuclear missiles than had been established under earlier arms reduction agreements. So, instead of limiting the nuclear arms race between these superpowers, the Vladivostok accord apparently served to expand the race.

I certainly support SALT talks and arms limitations treaties. But, the Vladivostok agreement only points out the need to examine each such agreement between the Soviet Union and the United States for harmful, though possibly unintended, loopholes.

Among the major world crises which catapulted to the foreground in 1974 were the Arab oil embargo stemming from the Mideast unrest, the world food shortage, and the Cyprus conflict between Turkey and Greece.

I do not believe that any of these grave problems can be solved by military confrontation. Solutions must develop at the bargaining table. And, in all such negotiations, the United States will play a central role if they are to be successful.

The 93d Congress recognized that the United States has a responsibility—charitable and political—to assist the less fortunate peoples of the world.

The Congress voted substantial financial aid to nations stricken by natural disaster—notably the sub-Sahara—Sahel—region of Africa. And we again extended food assistance to hungry nations. Ideally, our food-aid priority should be to first assist truly needy nations without thought of political advantage. The extent to which we can supply food assistance to those in need is controlled by how much food we can grow in the United States.

The 93d Congress took action to free certain agricultural commodities from Government policies which hobble production. This policy should be extended to rice and other products in 1975. We need to produce more food, and all quotas, price supports, and allotments should be examined closely and then abandoned unless there is compelling need to retain them.

The price of oil played a dominant role in international politics in the past 2 years. Soaring prices have brought major industrial nations to their financial knees. The torrent of dollars, francs and yen to the Arab nations has brought great riches and power to previously obscure sheikdoms and emirates. And, it has unbalanced the politics of the Mid-East and thus of the entire world.

We cannot expect this problem to resolve itself, but neither can we expect to solve it by armed confrontation.

Earnest negotiation conducted in an atmosphere of cooperation is perhaps the world's best hope for lower oil prices, while significant energy conservation may be the best hope for eventual independence from costly imported oil.

Recent military developments in Southeast Asia have generated intense concern about possible increased U.S. involvement in South Vietnam. I vigorously oppose the commitment of U.S. forces to the region. Moreover, I oppose sending additional equipment or supplies to the area.

The 93d Congress approved legislation to provide a decisionmaking role for itself in any agreement with other nations to provide nuclear equipment, fuel and technology.

And, the Congress approved major trade legislation creating broad Presidential authority to negotiate international trade agreements. Proposed amendments to limit trade with nations which restrict emigration delayed passage of the bill until the last day of the 1974 session.

A compromise amendment enabled the bill to be passed. But, it appears that the Soviet Union—the primary target—rejected even this compromise trade bill. Thus, the whole matter of enhanced trade with Russia is still in limbo.

FOR THE GOOD OF ALL

The 93d Congress completed measures to improve the Nation's system of health facilities planning and improving emergency medical systems. Although health manpower and national health insurance bills were not enacted, the chances appear good that the 94th Congress will act on these important matters. Of primary importance to national health insurance is the goal of quality medical care for all at reasonable cost.

The 93d Congress approved a landmark general education bill and increased veterans education benefits for Vietnam-era GI's.

Last year, the Congress also passed the first major piece of housing legislation since 1968, the Housing and Community Development Act, which substituted block grants for many existing categorical grant programs and created a new rental subsidy program.

With my vigorous support, the Congress approved a pension reform law which guarantees to all American workers who have contributed to a pension plan that their benefits will be available to them when their working days are over.

In large part because of the energy situation, the need for reliable, efficient mass transportation has become much more pressing.

The 93d Congress approved three important measures which extend Federal assistance to urban mass transit systems. Our own transit authority of River City, TARC, will benefit from Federal assistance both for operating and capital costs.

BETTER GOVERNMENT

The past 2 years—the life of the 93d Congress—witnessed a heightened concern on the part of American citizens about the honesty and the responsiveness of their Government.

In direct response to this concern, Congress—the elected representatives of the people—enacted important reform measures including a new campaign finance law which provides tougher enforcement and more stringent spending and contribution ceilings. I vigorously supported the measure, and I hope that it will help take the dollar sign out of American politics.

A new system for drafting the Federal budget was adopted. The system creates House and Senate Budget Committees to establish an overall Federal budget ceiling and subceilings for the various spending categories.

Amendments to the Freedom of Information Act—passed by the 93d Congress over President Ford's veto—give the average citizen greater access to Government information.

The war powers resolution was also passed by the 93d Congress over Presidential veto. The resolution requires that Congress be consulted before American military troops are deployed in combat abroad—except in emergency situations. Even in emergencies, the troops must be withdrawn within 60 days unless Congress declares war. The war powers bill should prevent our being sucked into another war like the Vietnam war.

By a vote of 287 to 128, the House confirmed NELSON ROCKEFELLER as Vice President of the United States. For the first time in our history, we have an unelected President and Vice President, offices filled in 1974 under procedures established by the 25th amendment to the Constitution. This amendment may come under review in the 94th Congress as we seek better methods of filling unexpected vacancies in the Government's highest offices.

HOUSE COMMITTEES

In the 94th Congress, in addition to my assignment on the Judiciary Committee, I will continue to serve on the House Committee on the District of Columbia.

During my 2 years on the House District Committee, we wrote, the Congress passed, and the President signed into law the "home rule" bill which returned to the people of Washington, D.C., their right to elect their own government. For over a century, local officials had been appointed by the President of the United States rather than elected by the people. I supported this long overdue extension of basic rights to the District's citizens and was proud to serve on the District of Columbia Committee during this important and historic period.

I shall serve as chairman of a subcommittee of the House District Committee in this Congress, as I did during the past Congress.

In this Congress, the Committee on the Judiciary will turn its attention to close examination of the 25th amendment covering Presidential succession, illegal immigration, amnesty, wiretapping legislation, antitrust law reform, patent and copyright law revisions, and extension of the Voting Rights Act of 1965.

The 93d Congress was a memorable, event filled, and historic Congress. The 94th bids to be cut from the same cloth.

UNIVERSITY OF HAWAII COLLEGE OF TROPICAL AGRICULTURE: CENTER FOR INCREASINGLY VITAL ROLE IN FIGHTING WORLD HUNGER

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. MATSUNAGA. Mr. Speaker, there is an old homily to this effect: Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime. At no time has it been truer than today.

We are faced today with burgeoning world population levels, coupled with price structures and acreage limits that prevent the United States from feeding the world by shipping food to countries that need it. We should increase our direct food aid, to be sure, but there are limits to the size of harvest. Increasingly we must turn our attention to providing developing countries with the technology they need to produce more of their own food.

The area most in need of technological development is that of tropical and subtropical agriculture. Coincidentally, most of the world's undernourished people live in these climatic conditions.

I have authored legislation which is now part of the Food for Peace Act, authorizing tropical and subtropical agriculture research centers in the United States, which could focus on the problems of places like Pakistan, Bangladesh, India, and parts of Central America and Africa.

There is a good indication of how well such centers already in existence at the University of Hawaii's College of Tropical Agriculture could fill this role. Although the college naturally is most attentive to the needs of the States of Hawaii, it nonetheless serves as the focal point for agricultural scientists in much of the world, who come to Hawaii to study the advanced methods and technologies being developed there.

Under its excellent dean, Dr. Peairs Wilson, the college is a prototype of precisely what Secretary of Agriculture Earl Butz has proposed: a "Food for Peace Academy." A recent article in the Honolulu Advertiser provides some details about Dr. Wilson, the college, and the problems it addresses. I include the article at this point:

[From the Honolulu Advertiser, Dec. 3, 1974]

ISLE EXPERTISE FIGHTS FOOD CRISIS

(By Sanford Zalburg)

Most of the hungry people of the world live in tropical or sub-tropical regions—India, Bangladesh, Pakistan, Africa, Central America.

No longer can they rely on the United States to bail them out. The big store bin is emptying. In 1961, world reserves of grain stood at a 95-day supply. Now there's only a 21-day supply.

"It is physically impossible for the U.S. or the other countries of the temperate zones to feed the world," said C. Peairs Wilson, dean of the University of Hawaii's College of Tropical Agriculture. "Most of the food has to be produced for them where they live—in the tropics.

"The U.S. can stock food for an emergency, but it can't take care of the day-in, day-out food demands. Those countries are going to have to do a better job of producing their own food."

Most of the scientific advancements in agriculture have been achieved in temperate zones, not in the tropics. Hawaii's tropical ag college is one of the few in the United States. The others are Florida, Texas, Louisiana, Southern California and Puerto Rico. Hawaii's soil and climate are similar to countries in the Far East.

Hawaii has made a considerable contribution to tropical agriculture. For example, our expertise in sugar and pineapple has been seized eagerly by countries all over the world.

The UH ag school teaches foreign graduate students and undergraduates. It instructs dozens of visitors from Asia.

"They come and pick our brains for a few days," Wilson said.

Mainland agriculture specialists also drop by on their way to assignments in Asia. "They say, 'I spent three days with you. I wish I could have spent three months,'" Wilson said.

The food outlook for some tropical countries, such as India, is grim. India needs 8 million to 10 million tons of food from overseas or else as many as 30 million people may starve, Time magazine said in its Nov. 11 issue.

India has had a run of bad luck. On one side of the subcontinent the monsoon failed and the other side suffered floods.

Wilson said the land is divided into small tracts, often as small as half an acre. "A patch here and a patch there," he said. With such tiny plots, farmers can't apply improved farming techniques.

Often in a food-short country, such as India, the farmer is a traditionalist, Wilson said, and is wary about using new methods. He follows the way of his father and his grandfather and dares not take the risk of deviating from established customs.

Wilson said the College of Tropical Agriculture has trained a number of Indians. He said some were people who did not qualify for the profession of their choice and went into agriculture.

"They are not in touch with the grass roots of agriculture," he said. "To try to get them to do applied research is difficult."

India also is a casualty of the oil crisis and the quadrupled price of petroleum products.

First, it takes fuel to run the irrigation pumps. Second, nitrogen-based fertilizer is a product, mostly of natural gas.

But didn't miracle rice bring a green revolution of bountiful harvests to India?

Miracle rice depends on abundant water and fertilizer. It's rice with a short stalk, the better to take advantage of fertilizer. When both water and fertilizer are in short supply, the old-type rice does better.

Most ominous of all for India, the growth of its population offsets any gains it can make in agriculture.

"The problem is how to get improved techniques in use in countries where hungry people are," Wilson said. "We haven't solved this. We make gains but they are cancelled out by the growth of population."

Did we do India a favor by shipping her millions of tons of grain from the 1950s on? (The U.S. sent 2.3 million tons this year alone).

"As a nation we tried to get rid of our surplus food," Wilson said. "I'm not sure if it was in their favor when we dumped our surplus there. They began to rely on us. Food-aid can only be a stopgap."

Newsweek magazine in its Nov. 11 issue said: "The bitter lesson of the (food) give-away program was that it was not good either for the U.S. or for the recipient nation to remain on the American food dole indefinitely."

With inflation and soaring food prices, Americans aren't eating as well as they used to. And it may be that the meat-eating habits of Americans will have to change, Wilson said.

"It's pretty clear that the demand for grain for human consumption is going to make meat production so high-priced that we are going to have to cut back in per capita consumption of meat," he said. "We are going to eat more grass-fed beef and less grain-fed."

Grass-fed beef has less fat. The flavor is milder; it's not quite as tender and juicy as grain-fed beef.

"The world produces a good deal of grass in lands that can't be used for cultivation," Wilson said. "The only use of the grass is for animals. A lot of that grass is in the tropics."

THE WEST VIRGINIA TEXTBOOK DISPUTE: THE REAL ISSUES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. CRANE. Mr. Speaker, the controvery which has rocked Charleston, W. Va., since the beginning of the fall school term concerning allegedly "blasphemous" and "un-American" textbooks is more complex than surface impressions reveal.

Some of the textbooks involved would be objectionable to the overwhelming majority of Americans. These include the book "Soul on Ice" by black radical activist Eldridge Cleaver, a book which vividly describes his raping black girls for practice so that he might be more effective in raping white girls. Another questionable text for the high schools is Freud's "Character and Anal Eroticism."

The real question, however, does not relate to the merits or demerits of individual textbooks, a question about which men and women of good will can certainly disagree. The larger question relates to the right of local communities to control their own schools. Unfortunately, recent trends have been away from local control and the West Virginia experience is an example of that trend.

The West Virginia parents have been receiving support from many unlikely sources. One is Carl Marburger, former New Jersey commissioner of education. Writing in the New York Times he notes that—

> I'm an old fashioned liberal. Prick me with a word—poverty, prejudice, pollution—and I bleed. On reading accounts of the school violence in West Virginia, all my reflexes began twitching to the issue of "censorship" and "book burning". I am re-examining my previous certainties. . . .

Dr. Marburger notes that—

> In the hollows outside Charleston, God comes simple and unvarnished. Family is family, and blood ties bind. People revere flag and country. Rightly or wrongly, the working class parents are convinced that the new textbooks would have been used to teach their children that the basic values they have learned at home are worthless. Among the issues involved are the role and function of democratic institutions, the arrogance and insularity of power, and the nature of public education.

The Authors League of America has declared that—

> No groups have the rights to dictate what particular books may not be used by the schools of their community. The selection of books is the professional responsibility of teachers and school administrators.

As an educator, it has always been my belief that the Nation's public schools were meant to be responsible to the taxpayers and that decisions concerning them were to be the responsibility of locally selected school boards. In West Virginia, local citizens have lost such control and professional educators and Government bureaucrats have assumed it. The effort to reverse that trend is the real issue involved in Charleston.

I wish to share with my colleagues the thoughtful article by Carl Marburger which appeared in the New York Times of October 24, 1974, and insert it into the RECORD at this time:

[From the New York Times, Oct. 24, 1974]

THE WEST VIGINIA TEXTBOOKS

(By Carl Marburger)

COLUMBIA, MD.—I'm an old-fashioned liberal. Prick me with a word—poverty, prejudice, pollution—and I bleed. On reading accounts of the school violence in West Virginia, all my reflexes began twitching to the issues of "censorship" and "bookburning" and "academic freedom."

Professional employes of the Kanawha County school system, which includes urban Charleston and the surrounding rural area, had selected new textbooks from a state list to comply with a state requirement that public schools use textbooks showing blacks and whites in illustrations.

Even before the school board approved the selections last June, working-class white parents had objected that the proposed books were "anti-American, anti-Christian, Communistic and filthy." Nevertheless, $440,000 worth of texts were handed out to students when the fall term began.

The objections became heated. Encouraged by Fundamentalist preachers, the offended parents declared a boycott. Pickets closed the entire 44,500-student county-city school system for a time. The coal industry has been sporadically paralyzed, and there have been shootings and damage to school buildings.

Objections have focused on religious, racial, sexual and patriotic contents of the books. After a shaky truce was reached between the school authorities and the dissident parents, students returned to classes and the school board withdrew the books pending a report from a citizens' review panel.

My long experience as a professional schoolman tells me that disputed textbooks are probably harmless at worst, whatever their effectiveness as learning materials. And it is easy to dismiss parents stomping about in their tee-shirts and workboots as ignorant, rural hardhats.

But like many other liberals on many other issues these days, I am re-examining previous certainties and thus have had some second thoughts about those textbooks, those angry parents, that school system, and what it all means.

In the hollows outside Charleston, God comes simple and unvarnished. Family is family, and blood ties bind. People love flag and country. Rightly or wrongly, the working-class parents are convinced that the new textbooks would have been used to teach their children that the basic values they have learned at home are worthless.

The beliefs of rural people are guaranteed to win disdainful shrugs at cocktail parties from Charleston to New York, and that, apparently, is all they were good for in the power structure of the Kanawha schools. In short, there was an astonishing insensitivity to local cultural values by the public-school system, from the board down to the classroom teachers.

What would happen if the Newark school board decided to issue Little Black Sambo as a third-grade reader?

Thomas Jefferson counseled leaders in a democratic society to trust in the informed wisdom of the people, and I think that's sound advice. Sometimes the people are wrong, but in the long run common sense and considerable wisdom nearly always prevail.

Despite this, our public leaders too often exhibit the attitude that "the people are children, and we know what is best for them." This is not leadership but the arrogance of power, and the entire nation has suffered its devastating results.

The committee that selects textbooks for Kanawha County schools for a long time included parents, until the committee rejected a proposed set of "learning packages" as too complex, too expensive and of uncertain educational value. At that point, the parent members were dropped, and the all-professional committee's next major decision was to select textbooks at issue.

It seems to me that if parent participation had continued in Kanawha, it is unlikely that the situation would ever have become so aggravated. To be sure, parents might have insisted on a different set of textbooks or maybe none at all, but either way their decision could not have had such damaging consequences.

As it is, the Kanawha County educational system must now deal with a new set of highly corrosive issues.

To some, the ugliness in Kanawha County may pass as just another reminder that mindlessness is alive and well in the Bible Belt. But among the issues involved in that one corner of Appalachia are the role and function of democratic institutions, the arrogance and insularity of power, and the nature and purpose of public education.

NATIONAL TAY-SACHS DISEASE SCREENING AND COUNSELING ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. ANDERSON of California. Mr. Speaker, today I am introducing a bill for myself and 57 other Representatives entitled the "National Tay-Sachs Disease Screening and Counseling Act." This bill seeks to protect the health and welfare of all citizens by establishing a national program for the diagnosis, control, and prevention of Tay-Sachs disease.

Tay-Sachs disease is a killer disease of children who are born seemingly healthy. When a child with Tay-Sachs disease should begin to learn motor skills, he cannot even raise his head or chest, and is unattentive. As the child ages, his condition worsens until he can only lie still. Death usually occurs 2 years later, at age 3.

This unfortunate and tragic condition is caused by the lack of an enzyme whose normal function would be to metabolize brain fats. When this enzyme is not present, intermediate, unmetabolizable fats accumulate in nerve cells and destroy them.

Approximately 700,000 Americans are carriers of this ailment and Tay-Sachs disease will affect 25 percent of all children born to parents who both carry the mutation. This means that 1 out of 30 Americans of Eastern European Jewish origin, who make up 90 percent of the U.S. Jewish population, are carriers of the gene lacking this vital enzyme.

Presently, there is no cure for Tay-Sachs disease, and traditionally treatment for it has been lengthy and futile. The annual cost for caring for a child suffering from the disease is approximately $55,000.

Rarely does medical research advance in a very short time from a position of virtually no knowledge about a disease to a foreseeing of its complete eradication in the offing. But this is exactly the outlook for Tay-Sachs disease.

In 1969, a major step forward occurred on the road to conquering Tay-Sachs disease. The absence of a newly discovered enzyme, hexosaminidase, usually called Hex-A, was shown to be the direct cause of Tay-Sachs disease.

This discovery is important because it is now possible to identify adult carriers. Carriers are themselves normal and healthy, but if two carriers marry, their children have a one-in-four chance of actually having Tay-Sachs disease.

Mr. Speaker, while there is little hope for children who have already inherited this disease, identifying methods now make it easy to closely watch the mother in a couple who carry the mutation.

Tay-Sachs disease is very conducive to mass screening purposes and recent developments have made it possible to harmlessly identify even embryonic cases.

For three reasons, Tay-Sachs disease is conducive to mass screening programs. First, it is peculiar to a population group. Second, carriers can be identified by a simple blood test which can spot the absence of the Hex-A enzyme. Third, by a process called amniocentesis, an affected fetus can be detected in the uterus in a harmless fashion.

Mass screening projects have already proven successful in preventing numerous cases of Tay-Sachs disease. Such programs also help insure that a couple who are both carriers can choose to have as many healthy children as they may wish.

As I have said, there is no cure yet, but there now exists the practical and proved possibility of preventing 90 percent of all Tay-Sachs cases in the United States. Thus, widespread, effective mass screening can eliminate most of the high medical costs, unnecessary deaths, and family suffering which accompany the illness. Also, transfer of knowledge gained by Tay-Sachs research to approximately 30 other related disorders would be an added benefit of this program. Among other similar diseases which doctors believe could benefit from a screening program such as this, are cystic fibrosis and sickle cell anemia, both of which are fatal to thousands of Americans each year.

From the 6 million members of the American Jewish population, about 100 "bed years" per year are taken up by Tay-Sachs patients. The total cost, which could be almost totally foregone, is $5,500,000 per year. The total cost of a Baltimore-Washington pilot screening program is approximately $100,000, which is less than the cost of treating just one Tay-Sachs child.

The major provisions of this bill are:

First. Through existing health centers, the Secretary of Health, Education, and Welfare is to initiate voluntary Tay-Sachs screening and counseling centers, as well as information dissemination programs.

Second. The amount of $3 million is authorized to develop and program and assemble the informative material.

Third. Stipulations or those eligible for grants, based on existing genetic blood disorder programs as established by law, are set up.

Fourth. All participation is voluntary.

Mr. Speaker, as I have already said, there is a good possibility of preventing 90 percent of all Tay-Sachs cases in the United States. But for this forecasting to become reality, this program must be made known to all persons involved, especially to the medical profession, and to all lay and religious Jewish organizations.

Already this bill has received substantial support from various organizations concerned with effective, preventative public health programs, including the National Tay-Sachs and Allied Diseases Association and the National Capital Tay-Sachs Foundation.

I hope that my colleagues on the Interstate and Commerce Committee will study this measure with extreme scrutiny, as it is of utmost importance to all involved, and bring forth legislation in the near future which will curb this dread disease.

GIRLS BENEFIT FROM SPORTS TRAINING, RUN INTO NEW PROBLEMS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. FRASER. Mr. Speaker, last year in the midst of the controversy over sex discrimination in school athletics, I placed several articles on women in sports in the RECORD. This year it is a pleasure to move from reporting a problem to reporting the accomplishments of one young woman.

Debbie Graim, 9, of Buffalo, N.Y., excels at running, a sport long recommended for all ages and now for both sexes. Since Debbie's greatest problem seems to be finding competition, let us hope that more young women benefit from the end of old myths that limit athletic excellence to men only and start to give Debbie a run for her money.

The article follows:

DEBBIE GRAIM'S PROBLEM: FINDING COMPETITION

(By Tom Fitzgerald)

Until the last hill Debbie Graim was in front of 48 other runners in a mile race last May in Toronto. The hill was her undoing, though, and she finished third.

It was the only Amateur Athletic Union race she has lost in the last two years. Now her four-year-old career has hit a minor obstacle. At the ripe old age of nine, she is having trouble finding tough enough competition.

Occasionally the Fairport youngster is allowed to compete against older girls, and she likes the challege. Last month she won a two-and-a-half-mile race against high school girls in the Hamburg Invitational, but from now on she will have to leave Upstate New York to find challenging competition in her own age group.

"For her age," said Jim Brown, chairman of the girls' track program of the Niagara AAU, "she is undoubtedly one of the top runners in the country.

"There is nobody her age in this part of the country, male or female, who can come close to beating her in any distance from 220 yards and up, but especially the half-mile and mile runs."

A veteran of Syracuse-Brockport-Buffalo AAU competition, Debbie set a national age group record by running the half-mile in two minutes and 52 seconds when she was seven years old.

She holds Niagara District age-group records in the 100-yard dash, 440 and 880 but will compete in races up to five miles, such as the Thanksgiving Day race in Buffalo.

Debbie, a fourth-grader at Johanna Perrin School, says she has two objectives—to be "a runner" when she grows up and to run in the Olympics.

Despite this week's snow she continued her regular training routine. She runs four times a week, 10 to 12 miles a week, and is usually joined by a runner who may someday provide some tough competition—her seven-year-old sister Kathy.

A third-grader at Brooks Hill School, Kathy has been faring well in the 7-9 age bracket this year. She has been competing for only a year but has finished second or third in several AAU races this year.

The Graim sisters inherited their competitive edge from their father, Joe Graim, a former University of Rochester cross country runner who also threw the javelin and shot for the track team.

"I don't believe in forcing them to train if they don't want to," he said. Graim and his daughters work out together. He takes them to Cobbs Hill, Rochester Institute of Technology, Fairport High School or, in bad weather, to the University of Rochester's indoor track.

The family moved from Buffalo to 39 Red Maple Drive last year but retained the girls' membership in the Buffalo Belles Track Club because there is no girls' track club in Rochester, Graim said.

"The kids in the neighborhood kidded Debbie about running," he said. "But after they watched her go around the block a few times, they weren't too interested in running against her."

In several races against boys her own age in Brockport, she had an easy time, but her father said boys do not normally compete evenly with girls until the ages of 10 or 11.

"The longer the race the better she likes it," said Graim, "She's far from a tomboy, though, and when she took a fall last week at Syracuse she was a little upset." Of course, she still won the race.

"She seems to thrive on competition. I noticed when a team of girls from Philadelphia showed up for the race she got very excited. You could see the adrenalin flow.

"She enjoys running against the other girls, but you have to bring kids along slowly. We try to have her run one race a week."

Along with a large collection of trophies and medals in Debbie's room is a picture of Mary Decker, the teenage track sensation whose footsteps Debbie would like to follow. Debbie has written to several world-class women runners and received advice on training and the need for perseverance in the low points that accompany any track career.

"She would be too young for the 1980 Olympics," her father said, "but by 1984 she should be at her peak."

A major roadblock in both of the Graim sisters' running aspirations will be the weather here, and the lack of year-round competition, Graim said.

THE NEED TO ASSIST SOUTH VIETNAM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. CRANE. Mr. Speaker, the groups which have expressed vocal opposition to the provision of additional aid to the Government of South Vietnam have overlooked the very important fact that the Government of North Vietnam is in clear violation of the Paris peace agreement and that the people of South Vietnam are being subjected to continuing aggression.

The fact is that the North Vietnamese have approximately tripled the strength of their armor in the South since the agreement. They have sent in more than 400 new armored vehicles and have strengthened their artillery by sending light artillery pieces plus over 200 heavy artillery pieces. In addition, since the agreement they have deployed 16 heavy SA–2 surface-to-air missile launches with six missiles each in the northern part of South Vietnam.

Americans seem unaware of the fact that in recent months the North Vietnamese, in clear violation of the Paris agreements, have attacked South Vietnamese cities, destroyed schools and massacred children, destroyed hospitals and entire villages. They have refused to allow the International Commission for Control and Supervision to investigate treaty violations in Communist zones. Beyond this, they have refused to pay their prescribed share of the expenses of the ICC and have broken off all negotiations with the Republic of Vietnam.

In recent days, the North Vietnamese have overrun 11 district towns which were held by the South Vietnamese at the time of the cease-fire. The latest attacks, in December 1974, indicate that Hanoi seeks once again to use force to take over South Vietnam.

The only reason the South Vietnamese became a party to the Paris agreement, which permitted the North Vietnamese to keep 180,000 troops in the South, was that President Nixon assured President Thieu that we would continue to provide Saigon with the means of their own defense. Are we now going to go back upon that commitment, refuse the ammunition and weapons needed for the defense of South Vietnam, and permit the Communists to overrun the country? To do so would mean that the thousands of Americans who died to prevent aggression from succeeding will have died in vain. To do so would be to hold all American commitments around the world open to serious question.

I urge my colleagues not to abandon the people of South Vietnam. At the very moment when many legislators are supporting a foreign aid appropriation of more than $2 billion for Israel, some of these same men and women are rejecting a much smaller appropriation for Vietnam. The logic of such a position is almost impossible to understand.

Discussing the unfortunate state of affairs in Vietnam, the West German newspaper, Hannoversche Allgemeine of January 7, 1975, notes that—

> The peace with honour to which President Nixon referred so often and so readily after the Paris cease-fire was evidently no more than wishful thinking . . . Washington has since done nothing to help bring about the Council of National Reconciliation on which Saigon, the Vietcong and the neutrals . . . were to devote thought to the country's future. As for supervision of the cease-fire agreement, that was a farce from the very start. Hostilities continue and people are still tortured and killed.

Communist aggression continues. It is unfortunate that observers in Western Europe seem able to understand this, while so many Americans do not. I wish to share the article, "Vietnam War Drags on Despite Paris Agreement," which appeared in the Hannoversche Allgemeine, with my colleagues and insert it into the RECORD at this time:

[From the Hannoversche Allgemeine, Jan. 7, 1975]

VIETNAM WAR DRAGS ON DESPITE PARIS AGREEMENT

Vietnam was tagged la guerre pourrie, the putrid war, by the French, who have long since left Indo-China with their tails between their legs, a defeated army.

Once you were in there was no way out. Progress, if such it could be called, was slow and irreversible, resembling nothing so much as putrefaction.

History repeated itself when the United States increasingly took over France's erstwhile role, up to and including the historic juncture at which America too was left with no alternative other than withdrawal.

The running sore gave way to a forgotten way that bade the headlines farewell after the Paris armistice agreement of 28 January 1973.

The world has been only too happy to forget Vietnam, preferring not to look behind the scenes as the troubles continue day after day.

The peace with honour to which President Nixon referred so often and so readily after the Paris ceasefire was evidently no more than wishful thinking, but in all probability neither the President nor Secretary of State Kissinger ever viewed the armistice agreement as more than a convenient opportunity of pulling out US forces without losing face.

This limited objective was certainly accomplished. The war was "Vietnamised," American troops were withdrawn, GI prisoners of war were released.

In return the United States tacitly agreed to North Vietnam stationing nearly the whole of its regular army, some 180,000 men, in the South.

What is more, Washington has since done nothing to help bring about the Council of National Reconciliation on which Saigon, the Vietcong and the neutrals, each with equal representation, were to devote thought to the country's future.

As for supervision of the ceasefire agreement, that was a farce from the very start. Hostilities continue and people are still tortured and killed.

Not even the most modest hopes of an end to the war have been fulfilled. To all intents and purposes the Paris Agreement is now no more than a scrap of paper—even though it was subsequently glorified by the award of the Nobel Peace Prize.

Nothing works, none of its provisions are in operation any longer, none of its commissions convene. Vietcong officers have long since boycotted the joint military commission that was to apportion and supervise the leopardskin of mutual spheres of influence in the South.

Since May 1974 Saigon too has boycotted the political talks held in Paris with the aim of paving the way for a coalition government in South Vietnam.

In all fairness it must be added that both sides directly involved, Saigon and Hanoi, have never left the slightest doubt that they would continue to pursue their respective aims with or without an agreement.

From the viewpoint of Saigon's President Thieu there can be no alternative to his own regime and a South Vietnam separate from and independent of the North.

For decades the Hanoi leadership, currently committed to Ho Chi Minh's political testament, have maintained their long-term target of Vietnamese reunification under national Communist supremacy.

No price would seem too high to pay for either side. Since January 1973 the number of people killed, injured or reported missing in South Vietnam alone has totalled 130,000.

The Vietnam problem would seem to be as far off solution as ever. The latest round of fierce fighting in the north of South Vietnam may indicate that Hanoi still fancies clinching matters on the battlefield.

This would constitute a change from the previous tactics of banking on internal contradictions within the Thieu regime in Saigon, but hopes that President Thieu might settle his own hash have evidently proved in vain.

Hanoi may, of course, be trying its hand at a twofold strategy of dealing President Thieu as much of a body blow as possible in the form of military setbacks while paving the way for a political take-over.

Waging open war on President Thieu would still be fraught with the danger of the great powers returning to the scene. America, for instance, simply could not afford to let President Thieu be defeated outright in a war.

The great powers are prepared to turn a blind eye to violations of the armistice agreement, however. Localised conflict engaged in by the small fry but officially declared to have been brought to a conclusion by the great powers is thus simply ignored.

The great powers are keen to avoid the sparks flying again in Asia. In the process they are shockingly neglecting their obligations as guarantors of the armistice agreement.

Henry Kissinger once said that the Vietnam War was now no more than a footnote in history. This assessment by America's Nobel Peace Prize-winner has been borne out, but in a far from satisfactory fashion.

HOUSE OF REPRESENTATIVES—*Tuesday, February 4, 1975*

The House met at 12 o'clock noon.

The Very Reverend Monsignor Walter Paska, Ukrainian Catholic Seminary of St. Josephat, Washington, D.C., offered the following prayer:

Almighty God, source of all authority and rights of humanity, bless our esteemed President and august Congress, sharers in the responsibility of government, that their efforts may culminate in peace and security.

As we pray for the United States, we also petition for the welfare of the Ukrainian nation whose proclamation of liberty 57 years ago commemorated the united effort of a freedom-loving Christian people to share in the blessings of democracy so abundantly evident in this country. Respect for individual liberty, opportunity for cultural development, and the freedom to acknowledge Your divine existence have always been integrally united with the aspirations of a free Ukraine.

We humbly pray for this realization, through Your omnipotence in bestowing and Your infinite charity for all humanity.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

THE REVEREND MONSIGNOR WALTER PASKA

(Mr. FLOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLOOD. Mr. Speaker, we had the prayer this morning delivered by Msgr. Walter Paska of St. Josephat's Ukrainian Catholic Seminary. He is very well known in seminary work and as a recruiter, I might say, of seminarians.

This is an area where we have many Ukrainians, and as the Members know, every year I have the honor and privilege of presiding over what is known as Ukrainian Day, recognizing Ukrainia as one of the captive nations; to recite the litany of the problems of that freedom-loving country. Therefore, it is a great privilege to have Monsignor Paska here this morning.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Speaker, I join the gentleman from Pennsylvania in this word of welcome. I would also like to point out that the Capitol at this moment is graced by the beauty of a delegation of Ukrainian ladies.

They will be visiting the offices on the Hill today on behalf of those who hunger for freedom in the Ukraine, and especially those ladies who are political prisoners.

Mr. Speaker, I am including a list of such prisoners, together with a statement concerning this in the Extensions of Remarks today.

Mr. FLOOD. Mr. Speaker, my compliments to the gentleman from Alabama.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

APPOINTMENTS TO REPUBLICAN OFFICIAL OBJECTORS COMMITTEES FOR CONSENT AND PRIVATE CALENDARS

Mr. RHODES. Mr. Speaker, I would like to announce my appointments to the Republican official objectors committees for the Consent and Private Calendars.

For the Consent Calendar, the Republican official objectors for the 94th Congress will be the gentleman from Pennsylvania, Mr. Albert Johnson, the gentleman from Florida, Mr. Frey, and the gentleman from California, Mr. Hinshaw.

For the Private Calendar, the Republican official objectors for the 94th Congress will be the gentleman from California, Mr. Rousselot, the gentleman from Ohio, Mr. Wylie, and the gentleman from Maryland, Mr. Bauman.

APPOINTMENT TO DEMOCRATIC OFFICIAL OBJECTORS COMMITTEES FOR CONSENT AND PRIVATE CALENDARS

Mr. O'NEILL. Mr. Speaker, I take this time to announce the objectors for the majority on the Private and Consent Calendars.

For the Private Calendar the objectors are the gentleman from Massachusetts, Mr. Boland, the gentleman from Ohio, Mr. James V. Stanton, and the gentleman from Minnesota, Mr. Oberstar.

For the Consent Calendar the objectors are the gentleman from Arkansas, Mr. Alexander, the gentleman from North Carolina, Mr. Rose, and the gentleman from Wyoming, Mr. Roncalio.

READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that on Monday, February 17, 1975, George Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Pursuant to the special order agreed to today, the Chair designates the gentlewoman from New Jersey, Mrs. Fenwick, to read George Washington's Farewell Address immediately following the approval of the Journal on February 17, 1975.

MORE FOOD FOR A HUNGRY WORLD

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, because of my deep concern over recent suggestions that we produce less beef in this country, I would like to request that the contents of a recent advertisement printed by the Beef Industry Council of the Meat Board be inserted in the Record at this time. This advertisement, in my opinion, answers several of the beef critics in a most able manner:

More Food for a Hungry World—or Less?

With lives at stake, decisions had better be based on fact.

There are hundreds of millions of people in the world whose food intake is near starvation level.

These people must have food.

They will not get it if we produce less beef in this country, as some suggest.

The United Nations Food and Agriculture Organization says beef is a source of high-quality, assured-quantity protein that helps provide adequate nutrition. This is as true for industrialized nations as it is for developing nations.

It is unfortunate that many people are being misled, because of faulty information, into believing less meat will mean more of something else.

It is a fact that . . .

Beef has every amino acid the body needs . . . the amount and quality of protein no single vegetable, grain or fruit can provide.

It is a fact that . . .

It takes about 3 pounds of grain to produce one pound of beef, not 8 or more, as has been reported.

It is a fact that . . .

75 percent of all feed consumed by cattle is grass, forage and by-products which are inedible by humans.

It is a fact that . . .

Most cattle are raised on land that cannot grow food for humans—nearly 900 million acres in the U.S. alone.

It is a fact that . . .

Only ruminants (animals with four stomachs) such as cattle can produce high quality protein for humans from this otherwise unusable natural resource.

What we need in this world is more food, not less. That means more beef and other animal proteins as well as more grain, vegetables and other foods. The beef industry accepts its share of this challenge to increase food production through increasing efficiency and use of available resources.

PRINTING OF RULES OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. PERKINS. Mr. Speaker, pursuant to clause 2(a) (3) of rule XI of the Rules of the House of Representatives, I submit for publication in the Congressional Record the rules of the Committee on Education and Labor which were adopted on January 29, 1975:

U.S. House of Representatives, Committee on Education and Labor, 94th Congress: Rules of the Committee on Education and Labor, January 1975.

(Printed for the use of the Committee on Education and Labor, Carl D. Perkins, Chairman.)

INTRODUCTION

The rules of the Education and Labor Committee of the U.S. House of Representatives have been promulgated and adopted in conformity with House Resolution 5 of the Ninety-fourth Congress, and are consistent with the rules adopted by the Democratic Caucus of the Members of the U.S. House of Representatives for the Ninety-fourth Congress and in other respects preserve those provisions of the rules and reforms governing the Committee for the Ninety-third Congress. House Resolution 5 of the Ninety-fourth Congress incorporates, with amendments, all applicable provisions of the Legislative Reorganization Act of 1946, the Legislative Reorganization Act of 1970 and the Congressional Budget Impoundment and Control Act of 1974.

Rule XI of the Rules of the United States House of Representatives, provides in part:

The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each committee shall adopt written rules not inconsistent with the Rules of the House and those rules shall be binding on each subcommittee of that committee. Each subcommittee of a committee is a part of that committee and is subject to the authority and direction of that committee.

In accordance with the foregoing, the Committee on Education and Labor, on January 29, 1975, adopted the following as the Rules of the Committee.

Rule 1. Regular and Special Meetings.—(*a*) Regular meetings of the committee shall be held on the second and fourth Tuesdays of each month at 9:45 a.m., while the Congress is in session. When the Chairman believes that the committee will not be considering any bill or resolution before the committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect and no committee meeting shall be held on that day.

(*b*) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(*c*) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(*d*) All legislative meetings of the committee and its subcommittees shall be open. No business meeting of the committee, other than regularly scheduled meetings, may be held without each member being given reasonable notice. Such meeting shall be called to order and presided over by the Chairman, or in the absence of the Chairman, by the ranking majority party member of the committee present.

Rule 2. Questioning of Witnesses.—Committee members may question witnesses only when they have been recognized by the Chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority party member and all other members alternating between the majority and minority party. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority party members present and shall establish the order of recognition for questioning in such a manner as not to place the members of the majority party in a disadvantageous position. The Chairman may accomplish this by recognizing two majority party members for each minority party member recognized.

RULE 3. RECORDS AND ROLLCALLS.—Written records shall be kept of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee or subcommittee for inspection by the public at reasonable times in the offices of the committee or subcommittee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member.

RULE 4. SUBCOMMITTEES.—There shall be eight standing subcommittees as follows: Subcommittee on Elementary, Secondary and Vocational Education, Subcommittee on Labor-Management Relations, Subcommittee on Labor Standards, Subcommittee on Manpower, Compensation, and Health and Safety, Subcommittee on Select Education, Subcommittee on Postsecondary Education, Subcommittee on Equal Opportunities and Subcommittee on Agricultural Labor.

The jurisdiction of such subcommittees shall include the following:

Subcommittee on Elementary, Secondary and Vocational Education.—Education through the high school level and vocational education.

Subcommittee on Labor-Management Relations.—Relationships between employers and employees and their representatives.

Subcommittee on Labor Standards.—Wages and hours of labor.

Subcommittee on Manpower, Compensation, and Health and Safety.—Safety and health of the employees and compensation for the injuries; manpower development.

Subcommittee on Select Education.—Special education programs.

Subcommittee on Postsecondary Education.—Education beyond the high school level.

Subcommittee on Equal Opportunities.—All matters dealing primarily with the Economic Opportunity Act of 1964, the Equal Employment Opportunities Act and the Juvenile Delinquency Prevention and Control Act of 1968.

Subcommittee on Agricultural Labor.—All matters dealing primarily with agricultural workers and their dependents.

The majority party members of the committee may provide for such special and select subcommittees as determined to be appropriate.

RULE 5. RATIO OF SUBCOMMITTEES. (a) On each subcommittee there shall be at least two majority party members for each minority party member, plus one majority party member. The Chairman of the committee and the ranking minority party member of the committee shall be ex officio members of each subcommittee established pursuant to Rule 4. In calculating the ratio of majority party members to minority party members, the ex officio members of the subcommittees shall be included. There shall be no more than twenty-two (22) members on each subcommittee including majority party members, minority party members and ex officio members.

RULE 6. SPECIAL ASSIGNMENT OF MEMBERS.—To facilitate the oversight and other legislative and investigative activities of the committee, the Chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington. Any member of the committee may attend public hearings of any subcommittee and shall be afforded an opportunity by the subcommittee chairman to question witnesses.

RULE 7. SUBCOMMITTEE CHAIRMANSHIP.—The majority party members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any such request shall be subject to approval by a majority of those present and voting in the majority party caucus of the committee. Members so elected shall be chairman of their respective subcommittees.

RULE 8. SUBCOMMITEE SCHEDULING.—Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Available dates for subcommittee meetings during the session shall be assigned by the Chairman to the subcommittees as nearly as practicable in rotation and in accordance with their workloads.

RULE 9. SUBCOMMITTEE RULES.—The rules of the committee shall be the rules of its subcommittees.

RULE 10. COMMITTEE STAFFS.—Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the House Committee on Education and Labor shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with the approval of the majority party members of the subcommittee within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the Chairman in consultation with and with the approval of the majority party members of the committee within the budget approved for such purposes by the committee.

RULE 11. SUPERVISION, DUTIES OF COMMITTEE STAFFS.—The staff of a subcommittee shall be under the general supervision and direction of the chairman of that subcommittee. The staff assigned to the minority shall be under the general supervision and direction of the minority party members of the committee who may delegate such authority as they determine appropriate. The staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as he determines appropriate.

Staff members shall be assigned to committee business and no other duties may be assigned to them.

RULE 12. HEARINGS PROCEDURE.—(*a*) The Chairman in the case of hearings to be conducted by the committee and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the Chairman or the subcommittee chairman which ever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(*b*) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(*c*) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority party members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

RULE 13. MEETINGS—HEARINGS—QUORUMS.—(*a*) Subcommittees are authorized to hold hearings, receive exhibits, hear witnesses, and report to the committee for final action, together with such recommendations as may be agreed upon by the subcommittee. No such meetings or hearings, however, shall be held outside of Washington or during a recess or adjournment of the House without the prior authorization of the committee Chairman or a majority of a quorum of the subcommittee; *Provided*, That where feasible and practicable, 14 days notice will be given of such meeting or hearing.

(*b*) A majority of the members of the committee shall constitute a quorum of the committee for business and a majority of the members of any subcommittee shall constitute a quorum thereof for business: *Provided*, That any two members shall constitute a quorum for the purpose of taking testimony.

(*c*) In the absence of the chairman of the committee or a subcommittee, the ranking majority party member present shall preside.

RULE 14. REPORTS OF SUBCOMMITTEES.—(*a*) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(*b*) In any event, the report, described in the proviso in paragraph (*d*) of this rule, of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(*c*) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on Education and Labor (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(*d*) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct: *Provided,* That no bill reported by a subcommittee shall be considered by the full committee unless it has been in the hands of all members at least 48 hours prior to the meeting, together with a comparison with present law and a section-by-section analysis of the proposed change.

RULE 15. PROXIES.—(*a*) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which they are to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a qorum.

(*b*) Proxies shall be in the following form:

Hon. ------------------------.
House of Representatives,
Washington, D.C.

DEAR ------------------------: Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of -------------- and any amendments or motions pertaining thereto.

------------------------,
Member of Congress.

Executed this the ------------ day of ----------------, 19--, at the time of ---------- p.m./a.m.

RULE 16. AUTHORIZATION FOR TRAVEL.—(*a*) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereto and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee.

Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(*b*) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (*a*) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule 12 of the committee.

(*c*) (1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the Chairman, or, in the case of a subcommittee, from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) The Chairman shall not approve a request involving travel outside the United States while the House is in session (except in the case of attendance at meetings and conferences or where circumstances warrant an exception).

(4) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities of the subcommittee and containing the results of these activities and other pertinent observations or information gained as a result of such travel.

(*d*) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

(*e*) Prior to the Chairman's authorization for any travel the ranking minority party member shall be given a copy of the written request therefor.

RULE 17. OVERSIGHT.—(*a*) In order to enable the Committee to carry out its responsibilities under Rule X, clause (2) of the Rules of the House of Representatives, each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(*b*) The Chairman of the committee, consistent with Rule 4, from time to time in order to fulfill the committee's responsibility under Rule X, clause (3) (c) of the Rules of the House of Representatives, shall assign matters to subcommittees for reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(c) The Chairman of the committee, consistent with Rule X, clause (2) (d) of the Rules of the House of Representatives, shall from time to time assign matters to subcommittees for reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE 18. REFERRAL OF BILLS, RESOLUTIONS, AND OTHER MATTERS.—(*a*) Each bill, resolution, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule 4 referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority party members of the committee, consideration is to be by the full committee.

(*b*) In carrying out paragraph (*a*) with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule 4, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter, pursuant to Rule 4, to a special ad hoc subcommittee appointed by the Chairman (from the members of the subcommittees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the committee thereon, or make such other provisions as may be considered appropriate.

(*c*) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

RULE 19. COMMITTEE REPORTS.—(*a*) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule XI of the Rules of the House of Representatives.[*]

(*b*) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior. No material change shall be made in the report distributed to members unless agreed to by majority vote: *Provided*, That any member or members of the committee may file, as part of the printed report, individual, minority, or dissenting views, without reference to the preceding provisions of this rule.

RULE 20. BUDGET AND EXPENSES.—The Chairman, in consultation with the majority party members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee and after consultation with the minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The chairman of each standing subcommittee, in consultation with the majority party members thereof, shall prepare a supplemental budget to include funds for each additional staff, and for such travel, investigations, etc., as may be required for the work of his subcommittee. Thereafter, the Chairman shall combine such proposals into a consolidated committee budget, and shall present the same to the committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. After said budget shall have been adopted, no change shall be made in such budget unless approved by the committee. The Chairman or the chairman of any standing subcommittee may initiate necessary travel requests as provided in Rule 16 within the limits of their portion of the consolidated budget as approved by the House, and the Chairman may execute necessary vouchers therefor.

Once monthly, the Chairman shall notify the committee, in writing, that a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the committee is available to every Member in the office of the Clerk of the Committee. Such report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed.

RULE 21.—RECOMMENDATION OF RULE FOR APPOINTMENT OF CONFEREES.—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees the Chairman shall consult with the ranking minority party member of the committee.

RULE 22.—BROADCASTING OF COMMITTEE HEARINGS.—(*a*) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(*b*) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(*c*) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any Member or bring the House, the committee, or any Member into disrepute.

(*d*) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(*e*) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(*f*) The written rules which may be adopted by a committee under paragraph (e) of this clause shall contain provisions to the following effect:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of this rule, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

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[*] The pertinent provisions of clause 2 of the provisions of the rule are reprinted on p. 22.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Paragraph (k)(2) of clause 2 of rule XI, Rules of the House of Representatives, provides that a copy of the committee rules and clause 2 of rule XI shall be made available to witnesses before the committee.

This reprint of the above-mentioned rules is furnished in accordance with that requirement.

EXCERPTS OF HOUSE PERTAINING TO COMMITTEE FUNCTIONS

RULE X. ESTABLISHMENT AND JURISDICTION OF STANDING COMMITTEES

The committees and their jurisdiction

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned to it by this clause and clauses 2, 3, and 4; and all bills, resolutions, and other matters relating to subjects within the jurisdiction of any standing committee as listed in this clause shall (in accordance with and subject to clause 5) be referred to such committees, as follows:

* * * * *

(g) Committee on Education and Labor:

(1) Measures relating to education or labor generally.

(2) Child labor.

(3) Columbia Institution for the Deaf, Dumb, and Blind; Howard University; Freedmen's Hospital.

(4) Convict labor and the entry of goods made by convicts into interstate commerce.

(5) Labor standards.

(6) Labor statistics.

(7) Mediation and arbitration of labor disputes.

(8) Regulation or prevention of importation of foreign laborers under contract.

(9) Food programs for children in schools.

(10) United States Employees' Compensation Commission.

(11) Vocational rehabilitation.

(12) Wages and hours of labor.

(13) Welfare of minors.

(14) Work incentive programs.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the special oversight function provided for in clause 3(c) with respect to domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

General oversight responsibilities

2. (a) In order to assist the House in—

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

the various standing committees shall have oversight responsibilities as provided in paragraph (b).

(b)(1) Each standing committee (other than the Committee on Appropriations and the Committee on the Budget) shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determne whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that committee. Each such committee having twenty or more members shall establish an oversight subcommittee, or require its subcommittees, if any, to conduct oversight in the area of their respective jurisdiction, to assist in carrying out its responsibilities under this subparagraph. The establishment of oversight subcommittees shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

(2) The Committee on Government Operations shall review and study, on a continuing basis, the operation of Government activities at all levels with a view to determining their economy and efficiency.

(3) The Committee on Appropriations shall conduct such studies and examinations of the organization and operation of executive departments and other executive agencies (including any agency the majority of the stock of which is owned by the Government of the United States) as it may deem necessary to assist it in the determination of matters within its jurisdiction.

(c) At the beginning of each Congress, an appropriate representative of the Committee on Government Operations shall meet with appropriate representatives of each of the other committees of the House to discuss the oversight plans of such committees and to assist in coordinating all of the oversight activities of the House during such Congress. Within 60 days after the Congress convenes, the Committee on Government Operations shall report to the House the results of such meetings and discussions, and any recommendations which it may have to assure the most effective coordination of such activities and otherwise achieve the objectives of this clause.

(d) Each standing committee of the House shall have the function of reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction, as described in clauses 1 and 3.

Special oversight functions

* * * * *

(3). (c) The Committee on Education and Labor shall have the function of reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

* * * * *

RULE XI.—RULES OF PROCEDURE FOR COMMITTEES

In general

1. (a)(1) The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

(2) Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules so far as applicable.

(b) Each committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X, and (subject to the adoption of expense resolutions as required by clause 5) to incur expenses (including travel expenses) in connection therewith.

(c) Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of a committee shall be paid from the contingent fund of the House.

(d) Each committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of that committee under this rule and Rule X during the Congress ending at noon on January 3 of such year.

Committee Rules

Adoption of Written Rules

2. (a) Each standing committee of the House shall adopt written rules governing its procedure. Such rules—

(1) shall be adopted in a meeting which is open to the public unless the committee, in open session and with a quorum present, determines by rollcall vote that all or part of the meeting on that day is to be closed to the public;

(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House; and

(3) shall in any event incorporate all of the succeeding provisions of this clause to the extent applicable.

Each committee's rules specifying its regular meeting days, and any other rules of a committee which are in addition to the provisions of this clause, shall be published in the Congressional Record not later than thirty days after the Congress convenes in each odd-numbered year. Each select or joint committee shall comply with the provisions of this paragraph unless specifically prohibited by law.

Regular Meeting Days

(b) Each standing committee of the House shall adopt regular meeting days, which shall be not less frequent than monthly, for the conduct of its business. Each such committee shall meet, for the consideration of any bill or resolution pending before the committee or for the transaction of other committee business, on all regular meeting days fixed by the committee, unless otherwise provided by written rule adopted by the committee.

Additional and Special Meetings

(c)(1) The chairman of each standing committee may call and convene, as he or she considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(2) If at least three members of any standing committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within three calendar days after the filing of the request, the chair-

man does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

Ranking Majority Member To Preside in Absence of Chairman

(d) If the chairman of any standing committee is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

Committee Records

(e) (1) Each committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

(2) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

Proxies

(f) No vote by any Member of any Committee or subcommittee with respect to any measure or matter may be cast by proxy unless such committee, by written rule adopted by the committee, permits voting by proxy and requires that the proxy authorization shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the members assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Open Meetings and Hearings

"(g) (1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a) (3) of Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by each committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(3) Each committee of the House, (except the Committee on Rules) shall make public announcement of the date, place and subject matter of any committee hearing at least one week before the commencement of the hearing. If the committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

(4) Each committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

(5) No point of order shall lie with respect to any measure reported by any committee on the ground that hearings on such measure were not conducted in accordance with the provisions of this clause; except that a point of order on that ground may be made by any member of the committee which reported the measure if, in the committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

(6) The preceding provisions of this paragraph do not apply to the committee hearings which are provided for by clause 4(a) (1) of Rule X.

Quorum for Taking Testimony

(h) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall be not less than two.

Prohibition Against Committee Meetings During Five-Minute Rule

(i) No committee of the House (except the Committee on Appropriations, the Committee on the Budget, and the Committee on Rules) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

Calling and Interrogation of Witnesses

(j) (1) Whenever any hearing is conducted by any committee upon any measure or matter, the minority party Members on the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) Each committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each Member of the committee who so desires has had an opportunity to question each witness.

Investigative Hearing Procedures

(k) (1) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

Committee Procedures for Reporting Bills and Resolutions

(l) (1) (A) It shall be the duty of the chairman of each committee (except as provided in subdivision (C)) to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(B) In any event, the report of any committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request. This subdivision does not apply to the reporting of a regular appropriation bill by the Committee on Appropriations prior to compliance with subdivision (C) and does not apply to a report of the Committee on Rules with respect to the rules, joint rules, or order of business of the House or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(C) Before reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations shall, to the extent practicable and in accordance with section 307 of the Congressional Budget Act of 1974, complete subcommittee markup and full committee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

(2)(A) No measure or recommendation shall be reported from any committee unless a majority of the committee was actually present.

(B) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(3) The report of any committee on a measure which has been approved by the committee (A) shall include the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of Rule X separately set out and clearly identified; (B) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(4) Each report of a committee on each bill or joint resolution of a public character reported by such committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(5) If, at the time of approval of any measure or matter by any committee, other than the Committee on Rules, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(A) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(B) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of subparagraph (3) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(ii) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(6) A measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business), shall not be considered in the House until the third calendar day (or the tenth calendar day in the case of a concurrent resolution on the budget), excluding Saturdays, Sundays, and legal holidays following the day on which the report of that committee upon that measure or matter has been available to the Members of the House. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

(7) If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any member of the committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if that committee has duly authorized that member to offer that motion.

Power To Sit and Act; Subpoena Power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and Rule X (including any matters referred to it under clause 5 of Rule X), any committee, or any subcommittee thereof, is authorized (subject to subparagraph (2)(A) of this paragraph)—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by such chairman, may administer oaths to any witness.

(2)(A) A subpoena may be issued by a committee or subcommittee under subparagraph (1)(B) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members of the committee, and authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(B) Compliance with any subpoena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

Use of Committee Funds for Travel

(a) Funds authorized for a committee under clause 5 are for expenses incurred in the committee's activities within the United States; however, local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States. No appropriated funds shall be expended for the purpose of defraying expenses of members of the committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to their use of such currencies:

(1) No Member or employee of the committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(2) Each Member or employee of the committee shall make to the chairman of the committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or, if such transportation is furnished by an agency of the United States Government, the cost of such transportation and the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

* * * * *

Privileged reports and amendments

4. (a) The following committee shall have leave to report at any time on the matters herein stated, namely: The Committee on Appropriations—on general appropriation bills; the Committee on the Budget—on the matters required to be reported by such committee under Titles III and IV of the Congressional Budget Act of 1974; the Committee on House Administration—on enrolled bills, contested elections, and all matters referred to it of printing for the use of the House or the two Houses, and on all matters of expenditure of the contingent fund of the House; the Committee on Rules—on rules, joint rules, and the order of business; and the Committee on Standards of Official Conduct—on resolutions recommending action by the House of Representatives with respect to an individual Member, officer, or employee of the House of Representatives.

(b) It shall always be in order to call up for consideration a report from the Committee on Rules on a rule, joint rule, or the order of business (except it shall not be called up for consideration on the same day it is presented to the House, unless so determined by a vote of not less than two-thirds of the Members voting, but this provision shall not apply during the last three days of the session), and, pending the consideration thereof, the Speaker may entertain one motion that the House adjourn; but after the result is announced the Speaker shall not entertain any other dilatory motion until the report shall have been fully disposed of. The Committee on Rules shall not report any rule or order which provides that business under clause 7 of Rule XXIV shall be set aside by a vote of less than two-thirds of the Members present; nor shall it report any rule or order which would prevent the motion to recommit from being made as provided in clause 4 of Rule XVI.

(c) The Committee on Rules shall present to the House reports concerning rules, joint rules, and order of business, within three legislative days of the time when the bill or resolution involved is ordered reported by the committee. If any such rule or order is not considered immediately, it shall be referred to the calendar and, if not called up by the Member making the report within seven legislative days thereafter, any member of the Rules Committee may call it up as a question of privilege and the Speaker shall recognize any member of the Rules Committee seeking recognition for that purpose. If the Committee on Rules makes an adverse report on any resolution pending before the committee, providing for an order of business for the consideration by the House of any public bill or joint resolution, on days when it shall be in order to call up motions to discharge committees it shall be in order for any Member of the House to call up for consideration by the House such adverse report, and it shall be in order to move the adoption by the House of such resolution adversely reported notwithstanding the adverse report of the Committee on Rules, and the Speaker shall recognize the Member seeking recognition for that purpose as a question of the highest privilege.

(d) Whenever the Committee on Rules reports a resolution repealing or amending any of the Rules of the House of Representatives or part thereof it shall include in its report or in an accompanying document—

(1) the text of any part of the Rules of the House of Representatives which is proposed to be repealed; and

(2) a comparative print of any part of the resolution making such an amendment and of any part of the Rules of the House of Representatives to be amended, showing by an appropriate typographical device the omissions and insertions proposed to be made.

Committee expenses

5. (a) Whenever any standing committee (except the Committee on Appropriations and the Committee on the Budget) is to be granted authorization for the payment, from the contingent funds of the House, of its expenses in any year, other than those expenses to be paid from appropriations provided by statute, such authorization initially shall be procured by one primary expense resolution for that committee providing funds for the payment of the expenses of the committee for that year from the contingent fund of the House. Any such primary expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of the funds to be provided to the committee under the primary expense resolution for all anticipated activities and programs of the committee; and

(2) to the extent practicable, contain such general statements regarding the estimated foreseeable expenditures for the respective anticipated activities and programs of the committee as may be appropriate to provide the House with basic estimates with respect to the expenditure generally of the funds to be provided to the committee under the primary expense resolution.

(b) After the date of adoption by the House of any such primary expense resolution for any such standing committee for any year, authorization for the payment from the contingent fund of additional expenses of such committee in that year, other than those expenses to be paid from appropriations provided by statute, may be procured by one or more additional expense resolutions for that committee, as necessary. Any such additional expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of additional funds to be provided to the committee under the additional expense resolution and the purpose or purposes for which those additional funds are to be used by the committee; and

(2) state the reason or reasons for the failure to procure the additional funds for the committee by means of the primary expense resolution.

(c) The preceding provisions of this clause do not apply to—

(1) any resolution providing for the payment from the contingent fund of the House of sums necessary to pay compensation for staff services performed for, or to pay other expenses of, any standing committee at any time from and after the beginning of any year and before the date of adoption by the House of the primary expense resolution providing funds to pay the expenses of that committee for that year; or

(2) any resolution providing in any Congress, for all of the standing committees of the House, additional office equipment, airmail and special delivery postage stamps, supplies, staff personnel, or any other specific item for the operation of the standing committees, and containing an authorization for the payment from the contingent fund of the House of the expenses of any of the foregoing items provided by that resolution, subject to and until enactment of the provisions of the resolution as permanent law.

(d) From the funds provided for the appointment of committee staff pursuant to primary and additional expense resolutions—

(1) The chairman of each standing subcommittee of a standing committee of the House is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority party member of each standing subcommittee on each standing committee of the House is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) For the purpose of this paragraph, (A) there shall be no more than six standing subcommittees of each standing committee of the House, except for the Committee on Appropriations, and (B) no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairman and ranking minority party members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under clause 6 of Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution."

Committee staffs

6. (a) (1) Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, each standing committee may appoint, by majority vote of the committee, not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the chairman and the ranking minority party member of such committee, as the committee considers advisable.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct) so request, not more than six persons may be selected, by majority vote of the minority party members, for appointment by the committee as professional staff members from among the number authorized by subparagraph (1) of this paragraph. The committee shall appoint any persons so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members may select other persons for appointment by the committee to the professional staff until such appointment is made. Each professional staff member appointed under this subparagraph shall be assigned to such committee business as the minority party members of the committee consider advisable.

(3) The professional staff members of each standing committee—

(A) shall be appointed on a permanent basis, without regard to race, creed, sex, or age, and solely on the basis of fitness to perform the duties of their respective positions;

(B) shall not engage in any work other than committee business; and

(C) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of each standing committee may be terminated by majority vote of the committee.

(5) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and to the Committee on Budget.

(b) (1) The clerical staff of each standing committee shall consist of not more than twelve clerks, to be attached to the office of the chairman, to the ranking minority party member, and to the professional staff, as the committee considers advisable. Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause the clerical staff shall be appointed by majority vote of the committee, without regard to race, creed, sex, or age. Except as provided by subparagraph (2) of this paragraph, the clerical staff shall handle committee correspondence and stenographic work both for the committee staff and for the chairman and the ranking minority party member on matters related to committee work.

(2) Subject to paragraph (f) of this clause, whenever a majority party members of a standing committee (except the Committee on Standards of Official Conduct) so request, four persons may be selected, by majority vote of the minority party members, for appointment by the committee to positions on the clerical staff from among the number of clerks authorized by subparagraph (1) of this paragraph. The committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members may select other persons for appointment by the committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenographic work for the minority party members of the committee and for any members of the professional staff appointed under subparagraph (2) of paragraph (a) of this clause on matters related to committee work.

(3) Services of the clerical staff members of each standing committee may be terminated by majority vote of the committee.

(4) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and to the Committee on Budget.

(c) Each employee on the professional staff, and each employee on the clerical staff, of each standing committee, is entitled to pay at a single per annum gross rate, to be fixed by the chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code.

(d) Subject to appropriations hereby authorized, the Committee on Appropriations and the Committee on the Budget may appoint such staff, in addition to the clerk thereof and assistants for the minority, as it determines by majority vote to be necessary, such personnel, other than minority assistants, to possess such qualifications as the committee may prescribe.

(e) No committee shall appoint to its staff any experts or other personnel detailed or assigned from any department or agency of the Government, except with the written permission of the Committee on House Administration.

(f) If a request for the appointment of a minority professional staff member under paragraph (a), or a minority clerical staff member under paragraph (b), is made when no vacancy exists to which that appointment may be made, the committee nevertheless shall appoint, under paragraph (a) or paragraph (b), as applicable, the person selected by the minority and acceptable to the committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of head of the professional staff, by whatever title designate) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party members shall designate which of those persons shall fill that vacancy.

(g) Each staff member appointed pursuant to a request by minority party members under paragraph (a) or (b) of this clause, and each staff member appointed to assist minority party members of a committee pursuant to an expense resolution described in paragraph (a) or (b) of clause 5, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibiilty to him or her of committee records.

(h) Paragraphs (a) and (b) of this clause shall not be construed to authorize the appointment of additional professional or clerical staff members of a committee pursuant to a request under either of such paragraphs by the minority party members of that committee if six or more professional staff members or four or more clerical staff members, provided for in paragraph (a)(1) or paragraph (b)(1) of this clause, as the case may be, who are satisfactory to a majority of the minority party members, are otherwise assigned to assist the minority party members.

(i) Notwithstanding paragraphs (a)(2) and (b)(2), a committee may employ nonpartisan staff, in lieu of or in addition to committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the members of the majority party and a majority of the members of the minority party.

(j) Each committee shall report to the Clerk of the House within fifteen days after December 31 and June 30 of each year the name, profession, and total salary of each person employed by such committee or any subcommittee thereof during the period covered by such report, and shall make an accounting of funds made available to and expended by such committee or subcommittee during such period; and such information when reported shall be published in the Congressional Record.

RULE XXVIII

6. OPEN CONFERENCE MEETINGS

Each conference committee meeting between the House and Senate shall be open to the public except when the managers of either the House or Senate, in open session, determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public: *Provided,* That this provision shall not become effective until a similar rule is adopted by the Senate.

CONGRESSIONAL BUDGET ACT OF 1974

REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR TAX EXPENDITURES.—Whenever a committee of either House reports a bill or resolution to its House providing new budget authority (other than continuing appropriations) or new or increased tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director of the Congressional Budget Office, detailing—

(1) in the case of a bill or resolution providing new budget authority—

(A) how the new budget authority provided in that bill or resolution compares with the new budget authority set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of budget outlays, associated with the budget authority provided in that bill or resolution, in each fiscal year in such period; and

(C) the new budget authority, and budget outlays resulting therefrom, provided by that bill or resolution for financial assistance to State and local governments; and

(2) in the case of a bill or resolution providing new or increased tax expenditures—

(A) how the new or increased tax expenditures provided in that bill or resolution will affect the levels of tax expenditures under existing law as set forth in the report accompanying the first concurrent resolution on the budget for such fiscal year, or, if a report accompanying a subsequently agreed to concurrent resolution for such year sets forth such levels, then as set forth in that report; and

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of the tax expenditures which will result from that bill or resolution in each fiscal year in such period.

No projection shall be required for a fiscal year under paragraph (1)(B) or (2)(B) if the committee determines that a projection for that fiscal year is impracticable and states in its report the reason for such impracticability.

* * * * *

ANALYSIS BY CONGRESSIONAL BUDGET OFFICE

SEC. 403. The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

(1) an estimate of the costs which would be incurred in carrying out such bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate; and

(2) a comparison of the estimate of costs described in paragraph (1) with any available estimate of costs made by such committee or by any Federal agency.

The estimate and comparison so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

PRINTING OF RULES OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. HENDERSON. Mr. Speaker, in accordance with clause 2(a) of House rule XI, I submit herewith for printing in the CONGRESSIONAL RECORD the rules of the Committee on Post Office and Civil Service which were adopted on January 28, 1975:

RULES OF THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

(Adopted at the organizational meeting, January 28, 1975.)

PART I—COMMITTEE PROCEDURES

Rule 1. Rules of the House

The Rules of the House are the rules of the committee and the subcommittees so far as applicable, except that a motion to recess from day to day is a motion to high privilege. Rules herein, insofar as they are consistent with the Rules of the House, shall apply to the committee and the subcommittees as applicable.

Rule 2. Chairman; vice chairman

The ranking majority member is designated as vice chairman of the committee. The chairman shall preside at committee meetings or, in his absence, the vice chairman or the next ranking majority member present shall preside. In the temporary absence of the chairman, the vice chairman or the member next in rank in the order named in the election of the committee, and so on, as often as the case shall happen, shall act as chairman.

Rule 3. Committee meetings

(a) A regular meeting of the committee shall be held on the first, third, and fifth Thursdays of each month. The usual time of a regular meeting shall be 9:45 a.m. A regular meeting may be canceled by the chairman with the concurrence of the ranking majority member and the ranking minority member.

(b) Additional meetings of the committee may be called by the chairman as he considers necessary.

(c) A special meeting of the committee shall be held in accordance with the provisions of House Rule XI, Clause 2(c)(2).

(d) Regular, additinal, and special meetings of the committee for the transaction of business shall be open to the public, except when the committee, by majority vote, determines otehrwise under House Rule XI, Clause 2(g)(1).

Rule 4. Record of committee action

(a) A complete record of all committee action shall be kept which shall include a record of the votes on any question on which a record vote is demanded.

(b) There shall be made available for inspection by the public, at reasonable times in the offices of the committee, a record of the votes on any question on which a record vote is demanded, a description of the amendment, motion, order, or other proposition on which a record vote is demanded, and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(c) A committee report on a bill or resolution of a public character ordered reported by a record vote shall include the number of votes cast for, and the number of votes cast against, the motion to report.

Rule 5. Quorum

(a) A majority of the total membership of the committee shall constitute a quorum for the purpose of transacting committee business, except that for the conduct of public hearings and the receiving therein of testimony and evidence, a quorum shall be not less than two members.

(b) The presence of a quorum shall be determined and announced by the chairman before the committee shall proceed to the transaction of business and shall be recorded in the records of committee action.

Rule 6. Rollcall vote

A rollcall vote on any question may be demanded by any member of the committee.

Rule 7. Proxies

A member may vote on any matter before the committee or a subcommittee by proxy. A proxy shall (1) be in writing, signed by the member authorizing the proxy, and show the date and time of day that the proxy is signed; (2) assert that the member is absent on official business or is otherwise unable to be present at the meeting; (3) designate the member who is to execute the proxy authorization; and (4) be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy for motions to recess, adjourn, or other procedural matters. A proxy may not be used unless a quorum is present, cannot be used to make a quorum, and shall be presented to the chairman at the time the proxy is voted.

Rule 8. Addressing committee

(a) Recognition by the chairman shall first be obtained by any member addressing the committee, proposing a motion, or interrogating a witness.

(b) The 5-minute rule shall apply in the markup of a bill. The 5-minute rule shall apply in the interrogation of witnesses until such time as each member of the committee who so desires has had an opportunity to question the witness.

(c) The regular order shall be observed in all committee proceedings, and all questions and statements in the interrogation of witnesses shall be germane to the legislation or other matters then being considered by the committee.

Rule 9. Reference of legislation

(a) Each bill, resolution, or other matter referred to the committee, except all matters under section 225 of Public Law 90–206, relating to pay considered by the Commission on Executive, Legislative, and Judicial Salaries which shall be held for the consideration of the full committee, and, subject to the provisions of this rule, shall be rereferred to the subcommittee having jurisdiction over its principal subject within 1 week from the date of its referral to the committee unless the chairman of the committee orders that it be held for the committee's direct consideration. If the chairman so orders, he shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in writing of their disagreement therewith.

(b) A bill, resolution, or other matter referred by the chairman to a subcommittee may be recalled by him for the committee's direct consideration or for referral to another subcommittee. If recalled, the chairman shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in writing of their disagreement with his decision.

(c) A bill, resolution, or other matter referred to a subcommittee may be recalled by a majority vote of a quorum of the committee for its direct consideration or for reference to another subcommittee.

(d) A bill, resolution, or other matter referred to the committee may be referred simultaneously by the chairman to two or more subcommittees for concurrent consideration, for consideration in sequence, or for consideration of particular parts, or the matter may be referred to a special ad hoc subcommittee appointed by the chairman from the members of the subcommittees having legislative jurisdiction.

Rule 10. Statements; depositions

Statements, depositions, letters, and such other pertinent matter in appropriate form as may be timely submitted may be accepted for inclusion in printed hearings, records, or documents, or in the permanent files of the committee, by the chairman without objection or upon motion duly adopted.

Rule 11. Hearings; witnesses

(a) Public announcement of the date, place, and subject matter of each hearing to be conducted by the committee, or by a subcommittee, shall be made at least 1 week before the commencement of a hearing, unless the chairman of the full committee determines that there is good cause to begin a hearing at an earlier date in which event such public announcement shall be made at the earliest possible date.

(b) Hearings shall be open to the public except when the committee, or subcommittee, as appropriate, by majority vote, determines otherwise under House Rule XI, Clause 2(g)(2).

(c) Except as otherwise provided in this rule, the scheduling of witnesses and the time allowed for the presentation of testimony and interrogation shall be at the sole discretion of the chairman, unless otherwise ordered by a majority vote of the committee or subcommittee, as appropriate.

(d) When any hearing is conducted upon any measure or matter, the minority party member of the committee, or subcommittee, as appropriate, upon request to the chairman by a majority of the minority party members before completion of the hearings, shall be entitled to call witnesses to testify on at least 1 day of such hearings.

(e) Each witness who is to appear before the committee, or subcommittee, as appropriate, who has had appropriate and timely notice of such appearance shall file with the committee, or subcommittee, as appropriate, at least 24 hours in advance of his appearance, at least 35 copies of the statement of his proposed testimony and limit his oral presentation at his appearance to a brief summary of his argument. The requirement of this rule may be waived, in whole or in part, by the chairman, without objection, or pursuant to a motion duly adopted.

(f) A witness may obtain a transcript of his testimony given at a public session or, if given at an executive session, when authorized by the committee or subcommittee, as appropriate.

Rule 12. Power to sit and act; subpena power; oaths

(a) The committee and each subcommittee is authorized—

(1) to sit and act at such times and places, whether the House is in session, has recessed, or has adjourned, and to hold hearings; and

(2) subject to paragraph (c), to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary.

(b) The chairman of the committee, or any member designated by the chairman, may administer oaths to witnesses.

(c) A subpena may be issued over the signature of the chairman of the full committee or any member designated by the committee only when authorized by a majority of the members of the full committee.

Rule 13. Filing reports; supplemental, minority, or additional views

(a) No measure or recommendations shall be reported from the committee unless a majority of the committee were actually present.

(b) It shall be the duty of the chairman to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(c) In the event the report of the committee on a measure which has been approved by the committee has not been filed as prescribed by paragraph (b) of this rule, such report shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for reporting of that measure.

(d) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) after he has been notified that the committee report is ready for filing in which to file such views with the clerk of the committee. Such views shall be in writing and signed by the member.

Rule 14. Legislative oversight

The committee shall review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and submit biennial reports to the House as required by House Rule VI, Clause 1(d).

Rule 15. Permanent and special staffs

(a) The committee staff shall be composed of 18 permanent professional staff members, 12 permanent clerical staff members, and such special staff members as are appointed by the committee.

(b) The chairman, after consultation with the ranking minority member in the case of minority staff employees, shall have authority to appoint and discharge permanent and special staff members of the full committee subject to the approval of the committee.

(c) The chairman shall have authority to appoint and discharge special subcommittee staff members subject to the approval of the committee, except that the chairman and the ranking minority member of each standing subcommittee shall have the option to appoint one staff member under House Rule XI, Clause 5(d).

(d) The chairman shall assign the duties and responsibilities, and have the general supervision and control of, the permanent and special staff members of the full committee assigned to the chairman. The ranking minority member shall assign the duties and responsibilities, and have the general supervision and control of, the permanent and special staff members of the full committee assigned to the ranking minority member.

(e) The chairman of a subcommittee shall assign the duties and responsibilities, and have the general supervision and control of the majority special staff members on his subcommittee.

(f) The chairman shall fix the rate of pay for each permanent and special staff member except a special staff member appointed under House Rule XI, Clause 5(d).

(g) The appointment of a special staff member may not extend beyond the expiration of the Congress during which the appointment is made.

(h) Staff members of the full committee and of the subcommittees shall not engage in any work other than committee or subcommittee business, and shall not be assigned any duties other than those pertaining to committee or subcommittee business.

(i) Except as otherwise provided by the committee, the duties and responsibilities of permanent and special staff members shall be performed, and staff personnel affairs and day-to-day operations shall be administered, under the direct supervision and control of the chief counsel, who shall be responsible for providing timely, effective, and economical staff services to the committee and its subcommittees.

Rule 16. Special funds, budget, expenses, and accounts

(a) The chairman of each standing subcommittee shall propose and present to the chairman of the committee, for each session of the Congress, a subcommittee budget of the estimated amount of special funds necessary to carry out the anticipated activities and programs of his subcommittee for that particular session of the Congress.

(b) The chairman shall review each proposed subcommittee budget and, after consultation with the ranking minority member, shall propose and present to the committee, for each session of the Congress, a committee budget of the estimated total amount of special funds to be requested under a primary expense resolution required under House Rule XI, Clause 5, for use by the committee, both the majority and the minority, for such session of the Congress for all anticipated activities and programs of the committee and of the standing subcommittees.

(c) The staff director shall establish and maintain records and accounts, consistent with sound accounting practices, of committee and subcommittee special funds and of expenses incurred and paid as obligations of such funds. He shall prepare and submit to each member of the committee, not later than 10 days after the end of each quarter of the calendar year, an itemized report of the amounts of such funds expended and on hand at the end of the quarter. Such quarterly reports shall be made a part of the permanent official records of the committee.

(d) Vouchers for payment of obligations of special funds shall be prepared by the staff director for signature by the chairman of the committee, except as otherwise authorized by the House, and shall be supported by receipts or other documentation consistent with the requirements of the Committee on House Administration. Signed vouchers shall be returned to the staff director for entry in the committee accounts and final processing.

Rule 17. Broadcasting committee hearings

A hearing conducted by the committee, upon approval by a majority vote of the committee, or a hearing conducted by a subcommittee, upon approval by a majority vote of the subcommittee, may be covered in whole, or in part, by television broadcast, radio broadcast, and still photography, in accordance with House Rule XI, Clause 3, subject to the following:

(1) live coverage is to be broadcast without commercial sponsorship;

(2) no subpenaed witness may be photographed, televised, or broadcast against his will;

(3) television coverage shall be limited to four fixed cameras not obstructing committee proceedings or other media;

(4) equipment must be installed prior to the hearing;

(5) lighting shall be at the lowest adequate level;

(6) no more than five still photographers may cover any hearing;

(7) still photographers shall not come between the witnesses and committee members or obstruct the other media during the hearing; and

(8) broadcast and photography personnel shall be orderly and unobtrusive and shall be currently accredited to the Radio, Television Correspondents', or the Press Photographers' Galleries, as appropriate.

Rule 18. Availability of subcommittee reports

A summary and explanation of each measure or matter reported by a subcommittee shall be furnished to each member of the committee at least 3 days in advance of the full committee meeting at which such measure is to be considered.

PART II—SUBCOMMITTEES: ESTABLISHMENT AND PROCEDURES

Rule 19. Rules applicable to subcommittees

The committee rules and procedures shall apply, so far as applicable and as supplemented in this part, to all subcommittees.

Rule 20. Standing and special subcommittees

There shall be six standing subcommittees of the committee. Each subcommittee shall have legislative and investigative jurisdiction as provided under rule 21. In addition to the standing subcommittees, the chairman, or the committee by a majority vote, may establish such special or ad hoc legislative subcommittees from the members of the subcommittee having jurisdiction or special or ad hoc investigative subcommittees and assign to them such jurisdiction as the chairman or the committee deems necessary.

Rule 21. Jurisdiction of subcommittees

The titles and jurisdiction of the standing subcommittees shall be as follows:

(1) Subcommittee on Manpower and Civil Service. The U.S. Civil Service Commission and the Federal civil service generally, their administration, operation, management, and application; civilian personnel requirements; manpower utilization; and labor-management relations (excluding labor-management relations in the Postal Service).

(2) Subcommittee on Postal Service. The United States Postal Service and the Postal Rate Commission, except those matters specifically within the jurisdiction of the Subcommittee on Postal Facilities, Mail, and Labor Management.

(3) Subcommittee on Postal Facilities, Mail, and Labor Management. Postal facilities; the U.S. mails; mailability of matter, including but not limited to, unsolicited merchandise, obscene matter, fraudulent and lottery matter, and injurious articles; and labor-management relations.

(4) Subcommittee on Retirement and Employee Benefits. The Federal civil service retirement, insurance, and health benefits program; pay; leave; employee rights to privacy; and allowances.

(5) Subcommittee on Employee Political Rights and Intergovernmental Programs. The political activities of employees; wage board systems; dual compensation; and the intergovernmental personnel program.

(6) Subcommittee on Census and Population. The Bureau of the Census; statistics collection, reporting, and data processing activities of the Government, generally; population and demography; and holidays and celebrations.

Rule 22. Subcommittee chairmanship

Majority members of the committee shall have the right, in order of full committee seniority, to bid for vacant subcommittee chairmanships, subject to approval by a majority of those present and voting in the majority member caucus on the committee. If the caucus rejects a subcommittee chairmanship bid, the next senior majority member may bid for the position as in the first instance.

Rule 23. Membership of subcommittees

(a) The Manpower and Civil Service Subcommittee shall have ten members, divided among the majority and minority members in the ratio of seven to three.

(b) Except as provided under paragraph (a), each subcommittee shall have eight members, divided among the majority and minority members in the ratio of six to two. In addition, the chairman of the committee and the ranking minority member shall be ex officio voting members of each subcommittee.

(c) Subcommittee positions of the majority members shall be filled in the following manner:

(1) Step 1.—Majority members who served on the committee in the preceding Congress shall be entitled to retain not more than two subcommittee assignments held on the committee in the preceding Congress. Majority members chosen as subcommittee chairmen under rule 22 shall be entitled to retain only one other subcommittee assignment held on the committee in the preceding Congress.

(2) Step 2.—Majority members who retain no subcommittee assignments in step 1 and new members shall be entitled, in order of their ranking on the full committee, to select one subcommittee position each.

(3) Step 3.—Majority members who have selected only one subcommittee assignment shall be entitled, in order of their ranking on the full committee, to select a second subcommittee assignment, to the extent that subcommittee size permits.

(4) Step 4.—Any remaining subcommittee majority vacancies shall be filled by additional rounds of selection in order of majority members' ranking on the full committee.

Rule 24. Powers and duties of subcommittees

Each subcommittee is authorized to meet, hold hearings, conduct investigations, receive evidence, and report to the committee on all matters referred to it. Subcommittee chairmen shall set meeting and hearing dates after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings whenever possible. A subcommittee may exercise none of the powers or authorities hereinbefore provided with respect to any investigation or other activity which is not in the jurisdiction of the subcommittee or which requires the expenditure of funds in excess of the subcommittee's budget as approved by the committee, except upon authorization by a majority vote of the committee.

Rule 25. Required meetings.

Each standing subcommitte, as referred to in rule 21, shall meet for the transaction of subcommittee business not less than once in each month while the Congress is in session, at a time and on a day determined by the subcommittee with due regard to the time and dates of the regular meetings of the committee and other subcommittees. All meetings of each subcommittee shall be open to the public except when the subcommittee, by a majority vote, determines otherwise.

Rule 26. Subcommittee quorum

(a) Six voting members shall constitute a quorum of the Manpower and Civil Service Subcommitte, and five voting members shall constitute a quorum for all other subcommittees for the purpose of transacting subcommittee business, except that the ex officio members of a subcommittee shall not be counted for the purpose of establishing a subcommittee quorum.

(b) For the conduct of public hearings and the receiving of testimony and evidence, a quorum of a subcommittee shall be not less than two members.

Rule 27. Notification of travel

(a) All voting members of a subcomittee shall have adequate notice prior to the date or dates fixed for subcommittee investigations or hearings at locations other than Washington, D.C.

(b) Travel of members and staff of the committee or of a subcommittee, to hearings, meetings, conferences, and investigations, must be authorized by the chairman prior to any public notice thereof or the actual travel. Before such authorization is given there shall be submitted to the chairman a statement in writing which includes the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made; and

(4) The names of members and staff seeking authorization.

(c) A report on the travel of each subcommittee or staff member shall be submitted to the chairman of the full committee as soon as possible after the trip is completed.

INFLATION PROBLEMS PLAGUE OUR FARMERS

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, we are all aware that the farmers in our Nation have been extremely hard hit by inflation. While costs have increased substantially, the prices they get for their goods in the marketplace are down, and many farmers are having trouble keeping their heads above water. It is, at best, difficult and, at worst, becoming impossible for them to feed and clothe the country.

In view of this situation, we must be doubly careful about what actions we take in solving the energy and economic crises facing us in order to avoid adding even further burdens to the load being carried by the farmers. I have called upon the administration to meet this problem headon in its economic and energy package, and I call upon the Congress to do the same. We cannot afford to put programs into effect and then wait to see if they will create undue hardships on the farmers. We must see that they are protected from bearing a greater part of the burden than other segments of our economy. It is vital to the well-being of the Nation and the world that our food and fiber industries not be destroyed.

IMPROVEMENT IN ST. CROIX SITUATION

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, on numerous occasions my colleagues in the House have asked me, "How are things going in St. Croix?" and in the last few days many have told me that they are pleased that things are getting better. They saw an NBC network news program on television last week to that effect.

I am pleased to report that things are getting much better in St. Croix. I would like to call the attention of the House to an editorial in the St. Croix Avis, an outstanding newspaper and one that has been publishing for over a century in the Virgin Islands. The editorial, which appeared on January 28, 1975, is entitled, "Thank You, Mr. Gaspar." It says as follows:

> We tip our hat in the direction of well-known newspaperman John Gaspar of the Chicago Tribune who probably knows more about St. Croix than any stateside reporter, this in view of his numerous visits to our island. In his last time here in December, we saw him take another probing look at us and then read about it in the January 12 issue of The Tribune—a sixty-inch long article which tells the world we're back on the track.
>
> Mr. Gaspar's comments undoubtedly will be responsible for an influx of vacationists from the area where The Tribune is so widely read. In his words, to epitomize the article, St. Croix has returned to the relaxed days prior to late 1972 which disappeared following a series of murders. That we have our troubles behind us is revealed in the optimistic statistics on hotel occupancy compiled by the St. Croix Hotel Association.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 10]

Andrews, N.C.
Ashley
Bevill
Bingham
Boggs
Breaux
Collins, Ill.
Conyers
Derwinski
Diggs
Eckhardt
Esch
Flynt
Fraser
Fulton
Hall
Harrington
Harsha
Hébert
Hightower
Holland
Howe
Jarman
Jones, Okla.
Kemp
Kindness
Levitas
Lujan
McClory
McCormack
McKinney
Madigan
Mathis
Mills
Moore
Morgan
Patman
Pepper
Peyser
Pike
Randall
Rostenkowski
Runnels
Scheuer
Solarz
Staggers
Stokes
Teague
Waxman

The SPEAKER. On this rollcall 384 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RESIGNATION FROM COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER laid before the House the following resignation from a committee:

WASHINGTON, D.C.,
January 31, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the House Committee on Interior and Insular Affairs effective immediately.

It has been a pleasure to serve on that committee and it is with regret that I discontinue my membership in that body.

With high regards.

Sincerely,

THOMAS S. FOLEY,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–2)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed with illustrations:

To the Congress of the United States:

The economy is in a severe recession. Unemployment is too high and will rise higher. The rate of inflation is also too high although some progress has been made in lowering it. Interest rates have fallen from the exceptional peaks reached in the summer of 1974, but they reflect the rate of inflation and remain much too high.

Moreover, even as we seek solutions to these problems, we must also seek solutions to our energy problem. We must embark upon effective programs to conserve energy and develop new sources if we are to reduce the proportion of our oil imported from unreliable sources. Failure or delay in this endeavor will mean a continued increase in this Nation's dependence on foreign sources of oil.

We therefore confront three problems: the immediate problem of recession and unemployment, the continuing problem of inflation, and the newer problem of reducing America's vulnerability to oil embargoes.

These problems are as urgent as they are important. The solutions we have proposed are the result of careful study, but they will not produce swift and immediate results. I believe that these programs and proposals will be effective. I urge the Congress to adopt them and to help me follow through with further measures that changing circumstances may make desirable. In our efforts we must recognize that the remedies we devise must be both effective and consistent with the long-term objectives that are important for the future well-being of our economy. For the sake of taking one step forward we must not adopt policies which will eventually carry us two steps backward.

As I proposed to you in my State of the Union message, the economy needs an immediate 1-year tax cut of $16 billion. This is an essential first move in any program to restore purchasing power, rebuild the confidence of consumers, and increase investment incentives for business.

Several different proposals to reduce individual taxes were considered carefully in our search for the best way to help the economy. We chose the method that would best provide immediate stimulus to the economy without permanently exacerbating our budget problem. Accordingly, I recommended a 12 percent rebate of 1974 taxes, up to a maximum of $1,000. The rebate will be paid in two large lump-sum payments totaling $12 billion, the first beginning in May and the second by September.

I have also proposed a $4-billion investment tax credit which would encourage businessmen to make new commitments and expenditures now on projects that can be put in place this year or by the end of next year.

The prompt enactment of the $16-billion tax reduction is a matter of utmost urgency if we are to bolster the natural forces of economic recovery. But in recognizing the need for a temporary tax cut, I am not unmindful of the fact that it will increase the size of the budget deficit. This is all the more reason to intensify our efforts to restrain the growth in Federal spending. I have asked Congress to institute actions which will pare $17 billion from the fiscal 1976 budget. Even so, we foresee a deficit of more than $50 billion for the fiscal year beginning July 1. Moreover, even without new expenditure initiatives, the budget deficit is likely to remain excessively large in fiscal 1977. As a consequence, I will propose no new expenditure programs except those required by the energy program.

I am also asking the Congress to join me in finding additional ways to slow the rate of increase in Federal spending. Budget outlays for new programs or for expansion of existing ones would have their economic effect long after the economic recovery gets under way. It is essential that the deficit be reduced markedly as the economy begins to return toward full employment. Control of expenditures is the only way we can halt an extraordinary increase in the portion of our incomes which Government will take in the future.

A simple calculation shows the size of the problem which we face. Transfer payments to individuals by the Federal Government have increased, after adjustment for inflation, by almost 9 percent annually during the past two decades. A continuation of this trend for the next two decades, along with only modest increases in other Federal expenditures and in those of State and local governments, would lift the expenditures by government at all levels from about one-third of the gross national product to more than one-half. Spending on this scale would require a substantial increase in the tax burden on the average American family. This could easily stifle the incentive and enterprise which is essential to continued improvements in productivity and in our standard of living.

The achievement of our independence in energy will be neither quick nor easy. No matter what programs are adopted, perseverence by the American people and a willingness to accept inconvenience will be required in order to reach this important goal. The American economy was built on the basis of low-cost energy. The design of our industrial plants and production processes reflect this central element in the American experience. Cheap energy freed the architects of our office buildings from the need to plan for energy efficiency. It made private homes cheaper because expensive insulation was not required when energy was more abundant. Cheap energy also made suburban life accessible to more citizens, and it has given the mobility of the automobile to rural and city dwellers alike.

The low cost of energy during most of the twentieth century was made possible by abundant resources of domestic oil, natural gas, and coal. This era has now come to an end. We have held the price of natural gas below the levels required to encourage investment in exploration and development of new supplies, and below the price which would have encouraged more careful use. By taking advantage of relatively inexpensive foreign supplies of oil, we improved the quality of life for Americans and saved our own oil for future use. By neglecting to prepare for the possibility of import disruptions, however, we left ourselves overly dependent upon unreliable foreign supplies.

Present circumstances and the future security of the American economy leave no choice but to adjust to a higher relative price of energy products. We have, in fact, already begun to do so, although I emphasize that there is a long way to go. Consumers have already become more conscious of energy efficiency in their purchases. The higher cost of energy has already induced industry to save energy by introducing new production techniques and by investing in energy-conserving capital equipment. These efforts must be stimulated and maintained until our consumption patterns and our industrial structure adjust to the new relationship between the costs of energy, labor, and capital.

This process of adjustment has been slowed because U.S. energy costs have not been allowed to increase at an appropriate rate. Prices of about two-thirds of our domestic crude oil are still being held at less than half the cost of imported oil, and natural gas prices are being held at even lower levels. Such artificially low prices encourage the wasteful use of energy and inhibit future production. If there is no change in our pricing policy for domestic energy and in our consumption habits, by 1985 one-half of our oil will have to be imported, much of it from unreliable sources. Since our economy depends so heavily on energy, it is imperative that we make ourselves less vulnerable to supply cutoffs and the monopolistic pricing of some foreign oil producers.

The need for reliable energy supplies for our economy is the foundation of my proposed energy program. The principal purpose is to permit and encourage our economy to adjust its consumption of energy to the new realities of the marketplace during the last part of the twentieth century. The reduction in our dependence on unreliable sources of oil will require Government action, but even in this vital area the role of Government in economic life should be limited to those functions that it can perform better than the private sector.

There are two courses open to us in resolving our energy problem: the first is administered rationing and allocation; the second is use of the price mechanism. An energy rationing program might be acceptable for a brief period, but an effective program will require us to hold down consumption for an extended period. A rationing program for a period of 5 years of more would be both intolerable and ineffective. The costs in slower decision making alone would be enormous. Rationing would mean that every new company would have to petition the Government for a license to purchase or sell fuel. It would mean that any new plant expansion or any new industrial process would require approval. It would mean similar restrictions on homebuilders, who already find it impossible in much of the Nation to obtain natural gas hookups. After 5 or 10 years such a rigid program would surely sap the vitality of the American economy by substituting bureaucratic decisions for those of the marketplace. It would be impossible to devise a fair long-term rationing system. The only practical and effective way to achieve energy independence, therefore, is by allowing prices of oil and gas to move higher—high enough to encourage consumption and encourage the exploration and development of new energy sources.

I have, therefore, recommended an excise tax on domestic crude oil and natural gas and an import fee on imported oil, as well as decontrol of the price of crude oil. These actions will raise the price of all energy-intensive products and reduce oil consumption and imports. I have requested the Congress to enact a tax on producers of domestic crude oil to prevent windfall profits as a result of price decontrol.

Other aspects of my program will provide assurances that imports will not be allowed to disrupt the domestic energy market. Amendments to the Clean Air Act to allow more use of coal without major environmental damage, and incentives to speed the development of nuclear energy and synthetic fuels will simultaneously increase domestic energy production.

Taken as a whole, the energy package will reduce the damage from any future import disruption to manageable proportions. The energy program however will entail costs. The import fee and tax combination will raise approximately $30 billion from energy consumers. However, I have also proposed a fair and equitable program of permanent tax reductions to compensate consumers for these higher costs. These will include income tax reductions of $16 billion for individuals, along with direct rebates of $2 billion to low-income citizens who pay little or no taxes, corporate tax reductions of $6 billion, a $2 billion increase in revenue sharing payments to State and local governments, and a $3 billion increase in Federal expenditures.

Although appropriate fiscal and energy policies are central to restoring the balance of our economy, they will be supplemented by initiatives in a number of other areas. I was pleased to sign into law in December unemployment compensation legislation which provides extended benefits and expanded coverage for the unemployed. The budget also provides for a significant expansion in public service employment. I also urge the Congress to remove the remaining restrictions on agricultural production and enact legislation to strengthen financial institutions and assist the financial position of corporations. I have also asked for actions to strengthen the Administration's antitrust investigative power and to permit more competition in the transportation industry.

We sometimes discover when we seek to accomplish several objectives simultaneously that the goals are not always completely compatible. Action to achieve one goal sometimes works to the detriment of another. I recognize that the $16-billion anti-recession tax cut, which adds to an already large Federal deficit, might delay achieving price stability. But a prompt tax cut is essential. My program will raise the price of energy to consumers; but when completed this necessary adjustment should not hamper our progress toward the goal of a much slower rate of increase in the general price level in the years ahead.

As we face our short-term problems, we cannot afford to ignore the future implications of our policy initiatives. Fiscal and monetary policies must support the economy during 1975. In supporting the economy, however, we must not allow victory in the battle against inflation to slip beyond our grasp. It is vital that we look beyond the unemployment problem to the need to achieve a reduction in inflation not only in 1975 but also in 1976 and beyond.

The future economic well-being of our Nation requires restoring a greater measure of price stability. This will call for more responsible policies by your Government. The stakes are high. Inflation reduces the purchasing power of our incomes, squeezes profits, and distorts our capital markets. The ability of our free economy to provide an even higher standard of living would be weakened. We must not be lulled into a belief that inflation need no longer be a major concern of economic policy now that the rate at which prices are increasing appears to be slowing.

The proposals I have made to deal with the problems of recession, inflation, and energy recognize that the American economy is more and more a part of the world economy. What we do affects the economies of other nations, and what happens abroad affects our economy. Close communication, coordination of policies, and consultations with the leaders of other nations will be essential as we deal with our economic and financial difficulties, many of which are common to all the industrial countries of the Western World.

We are already cooperating to ensure that the international monetary system withstands the pressures placed on it by higher oil prices. The passage of the Trade Reform Act of 1974 will make it possible to begin critical negotiations this year on further liberalizing the international trading system, and we will continue to work with other countries toward solutions to the special problems of food and energy.

The economic problems that have emerged during the 1970's are difficult. Some of them reflect years of misdirection. Our efforts to solve the Nation's economic difficulties must be directed toward solutions that will not give rise to even bigger problems later. The year 1975 must be the one in which we face our economic problems and start the course toward real solutions.

GERALD R. FORD.

FEBRUARY 4, 1975.

SUSPENSION OF FOOD STAMP REGULATIONS

Mr. FOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1589) to amend the Food Stamp Act of 1964, as amended.

The Clerk read as follows:

H.R. 1589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 7(b) of the Food Stamp Act of 1964 (7 U.S.C. 2016 (b)), the charge imposed on any household for a coupon allotment under such Act after the date of enactment of this Act and prior to December 30, 1975, may not exceed the charge that would have been imposed on such household for such coupon allotment under rules and regulations promulgated under such Act and in effect on January 1, 1975.

The SPEAKER. Is a second demanded?

Mr. SYMMS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Washington (Mr. FOLEY) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, H.R. 1589, the bill before the House, is before us only because of an impending action of this administration, an action which would have the effect of suddenly increasing the cost of food stamps to virtually all participants in this increasingly important Federal program. In addition, it will cause the States substantial costs and disrupt their operations of the food stamp programs.

Unless the Congress acts promptly to prevent these new regulations from going into effect the average cost of food stamps will rise on March 1 from the current 23 percent of net income to 30 percent of net income. In the committee's opinion, this increase is unwarranted and, indeed, harmful, especially to those in our society who suffer most when caught in the vise of inflation and recession—the elderly and the needy. Their incomes are the most fixed and their ability to rearrange priorities the most limited. Their problem is not one of options but of a simple and painful choice, how to do without.

As you may recall the current situation began when the Department of Agriculture, on December 6, 1974, issued a notice of proposed rulemaking in the Federal Register in which it formally announced its plan to increase food stamp purchase requirements to an average of 30 percent of net income. This proposal was promptly and widely criticized from almost all quarters of responsible and knowledgeable opinion.

The rules for implementing regulation changes require the opportunity for the public presentation of views and concern. Over 4,000 such comments were received and they were overwhelmingly critical. In addition, 56 of our colleagues and 43 Senators contacted the Secretary of Agriculture opposing these regulations.

Yet, on January 22, 1975, the Department of Agriculture promulgated its proposed regulation changes in final form and with little substantive changes. The principle point of controversy, the focus of concern—increasing the price of food stamps across the board to 30 percent of net income—remained unchanged.

Those responsible for this regulation change perhaps thought that little had changed in our society over the past 12 months to make such an increase unwise. But, a great deal has indeed changed. Inflation has raced ahead seemingly uncheckable, unemployment has increased beyond all predictions of the administration, and those forced to turn to the food stamp program because of the worsening economic situation rose to an unofficial 17.1 million at the end of this summer.

The main arguments advanced in defense of the regulation changes appear to be those of controlling the costs of Government. During emergency public hearings held by this committee on January 30, the Department of Agriculture testified that the regulation changes would save approximately $215 million by the end of this fiscal year. This sum seems to pale when compared to the $350 billion dollar budget presented by the President to the Congress only yesterday. It also pales in relation to the social and economic cost that the committee found would be the inevitable result of such savings.

As the committee learned during its hearing, the disproportionate share of bearing the burden of this increase would fall on one- and two-member households, and USDA has indicated that over half the one- and two-member households in the food stamp program are elderly persons who are enrolled in the supplemental Security Income Program—SSI—a program for the elderly, blind, and disabled, would be affected with particular severity. For example, an elderly individual with a $146 monthly net income now pays $30 for $46 in food stamps, a monthly benefit of $16. The new regulation would require such individuals to pay $43 for $46 worth of stamps or a benefit of $3.

HEW statistics indicate that two-thirds of the elderly poor who receive SSI benefits also get social security; and for persons enrolled in both programs, the story is the same. At a combined net income of $166 a month, persons currently pay $33 for $46 worth of stamps for a current benefit of $13. Under the new regulation, they would pay $45 for $46 in stamps for a benefit of only $1.

Clearly, we must assume that very few of the elderly, especially those who are disabled or blind, will go through the trouble, time, and effort which often involves travel and inevitable expense, in order to pay for benefits of $1 to $3.

These are only examples of how the proposed regulations would hurt those, whether young or old, who probably need help most in our society. I refer to families or individuals who simply do not have the means to properly feed themselves.

This committee is very mindful of the need to monitor and control the ever-increasing cost of Government. It is therefore particularly sensitive to the need to insure that the benefits of the food stamp program accrue to those who need them the most.

The proposed regulations seem to meet neither of these concerns. First, testimony indicated that the increase in cost of food stamps would dramatically decrease the level of benefits available to the elderly and the needy. In this connection, the regulations may only create the unwarranted impression that participation in the food stamp program by individuals who ordinarily have great difficulty in pulling together the cash requirements for coupon purchases was no longer worth the effort. In short, the regulations as proposed, could substantially reduce the number of participants in the program.

Second, the cost to local and State governments could be quite severe. Regulations must be revised, instructions issued, information disseminated, and households notified of their new costs, all by March 1. In addition, the recertification process of households currently participating in the program must also be continued.

Finally, these very same agencies must continue to deal with an ever-increasing caseload that is a direct result of our worsening economic situation and increasing unemployment. We have heard disturbing reports that certifying new households is taking 8 to 12 weeks in certain areas of the country, a period of time that appears unreasonably long and just may increase if we permit the added burdens and costs of these regulations to become fact.

The committee is, as I am sure many of you are, still puzzled as to why the proposed regulations were ever promulgated. It is clearly not alone in believing them to be poor economics and poor social policy. However, the Department of Agriculture has indicated that its decision is not about to be reversed; and it is therefore up to the Congress to reverse it. I urge that H.R. 1589 be approved today.

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the distinguished ranking member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I rise in support of H.R. 1589.

This bill would place an 11-month moratorium on the U.S. Department of Agriculture's announced plan to reduce food stamp benefits to those Americans who are currently participating in this program.

I think the moratorium is right for two reasons.

First, there are thousands upon thousands of food stamp beneficiaries who are already facing severe financial difficulty in these times of inflation and recession. To take away benefits they now receive would in many instances work a great hardship on some of the neediest and truly most deserving people who are covered by the program.

Second, by freezing benefits for the short run, we will have an opportunity to make some badly needed reforms in the food stamp program. At the hearings on this legislation Mr. Edward Hekman, the Administrator of the Food and Nutrition Service of USDA, set forth some of the projections that are in store for this growing program.

He pointed out that appropriations for the program are going to be in the $4 billion range for this fiscal year. He did not seem to feel that a supplemental appropriation will be needed, but I personally can see no alternative to that necessity.

I understand that for December 1974 there were some 17 million people under the food stamp program—with projections that by next June the figure could be as high as 20 million or nearly 10 percent of our total population.

The Library of Congress has estimated that in 1975 at least 35 to 40 million people will be eligible for food stamps at some time in the year. Projected figures indicate that 20 to 25 million people may participate in the program at least once a year.

Thus, an appropriation designed in the winter of 1973 to cover 14 million people just does not seem adequate now.

With this great rise in program enrollment, I believe the time has come for Congress to ask how this program is going to be financed.

The Joint Economic Committee last summer projected an annual cost of $10 billion by 1976.

Rising inflation and recession can easily balloon that figure to even higher levels.

At some point, though, there will not be enough people left to pay for the food bills of the recipients.

Continued liberalization of benefits to include more people and to provide increased subsidy to those already covered can only bankrupt everybody.

Mr. Speaker, the time has truly come for a thorough and reasoned analysis of this grant program which now accounts for nearly two-thirds of all the spending by the U.S. Department of Agriculture.

That is why I sincerely hope the administration will take this chance to submit its recommendations for program reform and that the Congress will carefully consider limiting food assistance to those who by circumstance, and not by choice, are too poor to buy food for themselves and their families.

It is with this thought that I include at this point in the RECORD a letter I recently received from Mr. William L. Lukhard, the commissioner of the Department of Welfare for the Commonwealth of Virginia, and a letter to the director of the food stamp division, Mr. P. Royall Shipp from Mr. Lukhard:

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF WELFARE,
Richmond, Va., January 31, 1975.

Hon. WILLIAM C. WAMPLER,
Cannon Office Building,
Washington, D.C.

DEAR MR. WAMPLER: It is my understanding that legislation, which will block the U.S. Department of Agriculture's decision to increase the purchase price of Food Stamps effective March 1, 1975, is scheduled for review by the House Agriculture Committee sometime during the month of February, 1975. As states are currently under a U.S. Department of Agriculture mandate to implement such increase by March 1, 1975, I urge the Committee to give this legislation their immediate attention in order that this matter can be resolved as early in February, 1975 as possible and thereby preclude states from proceeding with implementation of a change that may be contrary to the will of Congress. I am concerned that a delay may result in an intolerable administrative expense of implementing this change March 1, 1975 and then having to go through the same process to retract the change the following month.

On September 3, 1974 I wrote to you and other members of the State's Congressional delegation expressing the concern of this Department and the State Board of Welfare around the eligibility standards for Food Stamp Programs which permit strikers and college students to be eligible for this program. I concur that we should try to administer an effective and efficient Food Stamp Program and should reduce unnecessary expenditures at all levels of government. Therefore, the time may now be appropriate to consider amending the Food Stamp Act to eliminate those areas of great abuse to the program in order to effect the financial savings.

Very truly yours,
WILLIAM L. LUKHARD.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF WELFARE,
Richmond, Va., December 17, 1974.

Mr. P. ROYALL SHIPP,
Director, Food Stamp Division, Food and Nutrition Services, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SHIPP: This is in reference to the proposed amendment to Notice FSP No. 1974–1.1, as published in the Federal Register, dated Dcember 6, 1974, for comments, suggestions, or objections.

I would like to register my objection to the proposed increase in the purchase requirement, which I understand will be effective March 1, 1975. Such increase will negate the increased allotment scheduled for implementation effective January 1, 1975. Furthermore, the proposal, if implemented effective March 1, 1975, will reduce a household's benefits from the amount they received during December 1974. For example, there will be benefit reductions to four-person households as follows:

Income Range and Benefit Reduction

$30.00 to 149.99	$4
$150.00 to 359.99	6

Such benefit reductions become critical for program participants, especially in view of the continuing increase in food prices.

Thank you for the opportunity to comment on this proposed amendment.

Very truly yours.
WILLIAM L. LUKHARD.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would like to ask a question of the distinguished ranking member of the Committee on Agriculture.

We just heard a statement made by the chairman of the Committee on Agriculture that in due course there will be hearings held and there will be full exploration of the various proposals to modify the food stamp program. Many of us are very much concerned about the eligibility of strikers, the eligibility of students in college who are not really needy, and the eligibility of those who are "voluntarily poor."

Does the gentleman from Virginia really believe that, with the composition of the present Committee on Agriculture and the composition of the House of

Representatives as we know it to be politically, there is going to be any realistic chance for reform in this session or in the next session, or is this the only chance today that we will have to vote on cutting back this program?

Mr. Speaker, I want a frank answer, because I am sure a lot of us here would like to make up our minds on the basis of possible future reform of the food stamp program. I doubt that there is any possibility of such reform, but I would like to hear the gentleman's opinions on that possibility.

Mr. WAMPLER. Mr. Speaker, in response to the inquiry by the gentleman from Maryland, let me say that speaking only for the gentleman from Virginia, I will do everything I can in the committee to see that we have an opportunity to consider meaningful reform, and, of course, it will be up to the great Committee on Agriculture to work its will.

It would be my hope and my expectation that we will have an opportunity later this year to vote on meaningful reform in the areas the gentleman has just indicated. I will do everything I can, and the Members heard the distinguished chairman of the committee when he made a commitment earlier today that we will have hearings later this year.

Mr. SYMMS. Mr. Speaker, I yield 1 minute to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Speaker, I thank the gentleman for yielding this time to me. It is my purpose to pursue the inquiry already begun by my colleague, the gentleman from Maryland (Mr. BAUMAN).

May I ask the chairman of the committee to disclose to us his timetable for holding these hearings and getting a reform bill before the House.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, the committee does not have a definite timetable at this moment. It is definitely my intention to call for a full review of the food stamp program in this session of Congress.

But we have legislation which the committee will be required to take up very shortly with respect to some of the farm program amendments. In the past the concern on the food stamp program has been so broad that most of our legislative hearings have been before the full committee.

I have not yet made a full determination, I will tell the gentleman, but I have told the committee and I tell the House that this year we will undertake a very broad review of the food stamp program, regardless of whether legislation is pending.

The SPEAKER. The time of the gentleman from Colorado (Mr. ARMSTRONG) has expired.

Mr. SYMMS. Mr. Speaker, I yield an additional minute to the gentleman from Colorado (Mr ARMSTRONG).

Mr. ARMSTRONG. Mr. Speaker, I thank the gentleman for yielding further, and I thank the chairman for his assurances on the hearings.

I am disappointed, I will be frank to say, that he is not in a position to schedule the hearings at an early date. This is a matter of the utmost urgency. In fact, while I do intend to vote for the bill because I do not approve of the administration's action, it seems to me that there are some areas of reform which have already been well identified and which could have been acted on, even today, without the need for extensive hearings.

In closing, Mr. Speaker, I just want to express my heartfelt concern and to urge the chairman and other members of the committee to deal with this at the earliest possible date. It is that important.

Mr. FOLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Speaker, I rise in support of H.R. 1589.

Mr. Speaker, in New Jersey we have over 500,000 people participating in the food stamp program. That represents two out of every five that are eligible in New Jersey. We also have administrative delays ranging up to 5 weeks.

We are talking here about elderly persons on fixed incomes, about underprivileged persons, and about those who have newly become unemployed. They desperately need the kind of assistance the program has given in the past.

Under the Ford proposal, people will be reduced to the breaking point of what they can afford. For example, someone on an SSI basis will have to pay $45 for $46 of food stamps. Someone who has a $270 monthly adjusted income, an elderly couple, for example, will have to pay, instead of $64 for $84 of stamps, $81 for $84 of stamps.

We cannot ask the elderly, the unemployed, and the underprivileged to balance the budget in this critical time. We have to make it more possible, not less possible, for them to get this desperately needed assistance.

Mr. FOLEY. Mr. Speaker, I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, I want to congratulate the chairman of the committee, Mr. FOLEY, and all the members of the Committee on Agriculture for the diligent way in which they have expedited this matter to make it possible to prevent the implementation of the regulations requiring food stamp recipients to pay, effective March 1, 1975, about 30 percent of their adjusted net income for the food stamp allotment.

These low-income people most of whom cannot even meet the present inflationary costs of shelter, like rent and fuel, or proper medical attention or child care, are now being asked by the Ford administration to pay approximately one-third more for the amount of stamps that they are receiving now. Why are these people being singled out to bear the heaviest burden of meeting our economic difficulties?

I have had made in my congressional district an impact statement with respect to the President's tax and energy proposals for the people in my area.

Mr. Speaker, I insert a table here showing the impact of the President's proposals on a Boston low-income family of four:

Present adjusted gross income	$5,000
Expected gain in income	0
1974 tax rebate	12
Permanent tax cut	98
Low income payment	160
Total additions to income	270
Expected inflation at 8 percent	400
Additional home heating costs	200
Additional electricity costs	22
Possible increase in State and local taxes	35
Total reductions to income	657
Net loss for year	387
Expected real income at end of year	4,613
Percent loss in real income during year	7.7%

In this first legislative act of the new Congress, it seems hardly appropriate to impose additional and enormous hardships upon millions of low-income food stamp recipients at a time of uncertain and grave difficulties in our economy.

The chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), in response to an inquiry a moment ago, stated that he intends to conduct this year an indepth, full-scale review of the entire food stamp program. Let us support Chairman FOLEY and pass this legislation which merely delays for 1 year any administrative changes until the committee's review is completed.

Passage of this legislation is the courageous thing to do; it is an affirmative act.

Again, I congratulate the chairman of the Committee on Agriculture and the full committee for bringing this legislation to the floor so rapidly. I feel confident that we will have an overwhelming vote on this matter.

Mr. SYMMS. Mr. Speaker, I yield myself 5 minutes.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I rise in support of H.R. 1589 which will postpone changes the administration wishes to make to increase the cost of food stamps.

The food stamp program is an important source of financial and nutritional assistance for many of our poor citizens, especially our elderly poor. At a time when we are about to rebate taxes to stimulate our economy, it hardly makes sense to restrict this program. We would be giving money with one hand and taking it away with the other. Right now is not the time to cut back this program. On the other hand, the food stamp program literally screams for reform. It is a welfare program managed by the USDA which has little expertise or interest in this type of program. Its costs are uncontrolled, having risen from about $250 million in 1969 to nearly $4 billion for the next fiscal year. It is widely used by others than those for whom it has been intended, notably strikers and students.

As one who has pushed a cart through a supermarket checkout stand behind food stamp users, I am concerned with use and abuse of the program. It needs either a total overhaul, or perhaps, better it needs to be absorbed into an overall family assistance program.

Mr. SYMMS. Mr. Speaker, in 1968 the food stamp program cost $200 million. In 1972 it was somewhere in the neighborhood of $2 billion, and it is estimated that it will be $4 billion at the end of the coming fiscal year. That is a terrific growth rate. We all hear the statistics about how much it costs for each household, but when one considers the cost to the Government of the total expenditure it shows it is a tremendous growth rate, growing from $200 million to $4 billion.

One of our former Members, the gentlewoman from Michigan, Mrs. Martha Griffiths, in a report issued last year estimated that when the full impact of the outreach program, which advertises food stamps, reaches everybody who is eligible, we will be spending $10 billion by fiscal 1976 just for food stamps.

I would suggest to the Members of this body that we will probably have to rent the printing presses at the Washington Post in order to print more food stamps, because the Government printing presses will not be able to print them fast enough.

At one time the Department of Agriculture was known to be a proud Department, and was known for its agricultural and soil conservation services. These programs were designed to preserve our land for future generations so that we would be able to pass on to them a good, productive land for the future. Its aim was to increase the productivity of that land through research. Now we are spending 65 percent of the budget of the U.S. Department of Agriculture on welfare programs. I repeat 65 percent for nonproductive programs—think about it.

Mr. Speaker, I believe that it would have been perfectly in order if the so-called reform-minded Congress had allowed this bill to come before us under an open rule. If it had, then I would suggest that it would have been in order for us to amend it so the Department of Agriculture would have had its name changed to HEW–II, because it is, after all, becoming each year more and more a welfare agency. I have no quarrel with those who say this may or may not have been the best type of reform. There may have been some errors. I think it is our responsibility as Members of the Congress to amend and correct any abuses that take place in the food stamp program, and to send such a directive to the administration regarding what we would like to do.

I appreciate the fact that our chairman has assured us we will get a chance at this later in the year, although I must admit I am somewhat skeptical as to the success we may have in this so-called reform-minded Congress.

It is interesting to note that we have an opportunity now to send a directive, but we are not doing it. This is the reason I am voicing an objection to this bill. We could save $650 million by not passing this legislation today.

The President sent to this Congress a budget yesterday, that I must admit as a Republican makes me sick, with a $52 billion deficit budget proposed. If we expand this food stamp program under its present rules with a large group of poor, including college students, we would just add a few more billion dollars, and it is going to be paid for with printing-press money.

The deficit is there, and the deficit is expanding. I think the President and the Department of Agriculture should be commended for at least making an attempt to cut out some of these abuses.

The Director of the Food Stamp Administration testified before the committee that $110 million would be saved if we would deny food stamps to nonneedy students—$110 million, as nearly as they could estimate. I think we should discriminate between the voluntary poor and nonvoluntary poor. Why should any college student be getting food stamps? If is so poor he has to get food stamps, maybe he should drop out of college for a semester, go to work and earn some money, and then go back to college.

Expansive "hunger" programs have been tried throughout history and have always failed dismally. In England, for example, when the poor laws were practiced, no one wanted to work; they all wanted to be on food stamps.

This bill is inflationary. It is bad politics for us not to allow the administration to try to curb the insatiable appetite of the food stamp program. It is making the hard-working middle-class Americans pay more and more for their food. It is making the hard-working-middle-income Americans pay more taxes. Somewhere this body has to come to grips with reality, stop this Alice-in-Wonderland economies we live under, and balance the budget. I think today would be a good place to start. If we fail to do so, someday people will go to the grocery store and it will be as bare as Mother Hubbard's cupboard.

Mr. Speaker, I yield 5 minutes to the distinguished Republican whip, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, if the economic conditions that prevailed last fall were in effect today, I would be opposing this measure here today. The program is in need of reorganization, and, in fact, we are, preparing some amendments to the act ourselves. I think we ought to keep in mind, though, that these much-maligned new regulations were promulgated, last September, when conditions were quite a bit different than what they are today.

The Department of Agriculture was requested by the administration to try to hold down their request to the Bureau of the Budget in preparation of the new budget that we just received yesterday with a whopping $52 billion deficit, and so at that time I thought it was well put to the administrators in the Department to do what they could administratively to help the program function as it was originally designed to do.

Too often when we write legislation here, we do it in general terms. We are not specific. We leave that to the administrators, to the bureaucracy. If we do not like the way the administrators and the bureaucracy devise the rules, then we have the obligation in Congress to change those rules, as we have seen fit to do today. I think the gentleman from Idaho (Mr. SYMMS) has put his finger on it when he says that if we make no changes, then several years from now that once $200 million program that now has grown to $4 billion will be $8 or $10 billion.

Do we want to go that far down the road before making some adjustments? That is what the game is all about.

I say again it is a little bit inconsistent at a time when we have a recession and when we are proposing $80 payments in tax rebates to those who pay no taxes, at the very same time to revise the food stamp program to those who qualify as poor and indigent over a period of time.

So even as the President has changed his mind considerably toward the 31 points he presented to the Congress last August, I think we are legitimate in our prerogative to change our minds from what we thought was the best for the country last fall to adjust ourselves to February 1975.

I say again, Mr. Speaker, I applaud those who have at least made an effort to bring to public view and attention the direction in which this program is going, so when the Committee on Agriculture of this House gets organized and deals with this problem later on in the session, we can devote ourselves to a possible reform of the food stamp program so we will not be faced with a $10 billion expense in the future.

The food stamp program has traditionally been viewed by the Federal Government as a "food" program rather than a "welfare" program. Although started as a modest Federal program to help resolve the farm surplus problems while raising the nutritional levels of the unemployed, the food stamp program has been changed into a welfare program with the most massive caseload of all public assistance programs.

I believe that all Americans want to see the Congress provide legislation that provides food aid to those who are truly in need of help—but they do not want their tax dollars to be used to subsidize those who can pay for their own food. Loose Federal eligibility requirements and unrealistic earned income ceilings have turned the food stamp program into an income guarantee. Food stamps are available to fully employed members of the working community, to workers on strike and to nonneedy students. The food stamp caseload nationwide has grown from an average of 370,000 in 1964 to more than 14 million recipients this year, with annual Federal expenditures for the food stamp bonus value alone growing from $26 million in 1964 to over $3.7 billion this year. This does not include the cost, in taxpayer funds, for administering the food stamp program.

Expenditure problems are compounded and caused in part by a number of serious Federal administrative problems. The growing disparity between Federal AFDC and food stamp laws regulations and procedures makes the successful day-to-day operation of the food stamp program difficult and joint AFDC-food stamp program improvements virtually impossible. Laws and policies covering fiscal accountability and the shipment of food stamp coupons are totally inadequate. Food stamps are as negotiable as cash at the grocery store and Federal laxities have opened the door to administrative error and criminal activity.

In Septemebr 1974 Gov. Ronald Reagan of the State of California issued a statement which illustrates the scope of the food stamp problem. I would like to insert some of his remarks in the Record at this time:

Remarks of Gov. Ronald Reagan, September 1974

"Food stamps were first introduced in this country in 1939 as part of a continuing effort to help dispose of large national food surpluses. The U.S. Department of Agriculture was given administrative control of the program because of the emphasis, at that time, on improving the nation's farm economy and preventing agricultural prices from dropping to levels ruinous to the farmer.

"But, by 1943, World War II had reduced unemployment and increased demand for farm commodities. So, for the next 18 years, USDA food assistance programs were limited to the direct distribution of food commodities. In 1961, President Kennedy reinstated the Food Stamp program on a pilot basis and this, in turn, led to the enactment of the Federal Food Stamp Act in 1964. Again, the stated purpose was to make possible the distribution of national food surpluses through normal retail channels, to stimulate the nation's agricultural economy and raise the nutritional levels of the needy. However, this time, far greater emphasis was placed on food stamps as a kind of welfare program.

Nevertheless, the program continues to be administered, at the federal level, by the Department of Agriculture even though it has become just another form of public assistance. What this means is that now two giant bureaucracies in Washington—HEW and USDA—are running parallel welfare programs. This is a source of many of the problems which plague the overall welfare system in our nation today.

Look at what has happened since the Food Stamp Act was enacted just a decade ago.

The Food Stamp program has multiplied from 367,000 recipients nationally in 1964 to more than 13 million this year. That's a 3400 percent increase! In just 10 years! During the same period federal expenditures for food stamps have increased 8700 percent—from $26 million in 1964 to $2.3 billion this year.

The percentage increases are so staggering they can hardly even be comprehended.

Food stamp coupons are rolling off the presses at the rate of $20 million a day this year.

And, none of this even begins to take into account the cost of administering the program at the state and county levels. In California, this will amount to $100 million this year alone.

The USDA estimates that by the middle of next year, 16 million Americans—one in every 14 persons—will be using food stamps. A report prepared for use by the Subcommittee on Fiscal Policy of the Joint Economic Committee of the Congress warns that within three years, at the present rate of growth, one in every four Americans could be eligible to receive food stamps at least one month during the year.

Certainly, by almost any standard, this projection far exceeds reasonable expectations for treating "nutritional deficiencies" in this country.

In fiscal year 1974–75 the Federal Government will contribute at least $316 million in tax dollars to underwrite the Food Stamp program in California alone. This is above and beyond the $100 million cost of actually administering the program in this state.

One out of every four Californians receiving food stamps today can't even qualify for welfare under the traditional programs.

Why? Federal food stamp eligibility requirements are far more lax than welfare eligibility rules. In addition, the income exemptions a food stamp applicant can claim to qualify for stamps are far more liberal than those in the AFDC program.

And, until food stamp rules are brought into line with welfare rules, the growth of the Food Stamp program will continue to multiply out of control.

In addition, the fact that the Food Stamp and AFDC programs are supervised by different federal agencies is an administrative nightmare for those in county welfare departments who must administer both. Eligibility workers must perform two lengthy, dissimilar and often conflicting procedures to determine benefit levels under both programs. This contributes to excessively high error rates for food stamp cases. The different rules are extremely confusing and time consuming for welfare workers. By consolidating food stamp regulations with AFDC rules, the taxpayers could save as much as $31 million in California in administrative costs alone in one year.

Federal food stamp eligibility standards now allow families with incomes well over $10,000 a year to receive food stamps, even though they are not on welfare.

The Federal Government today imposes no minimum age requirement for food stamp applicants. Yet, the parents of many minors are fully capable of supporting their children and in many cases they would be more than willing to do so if they were only asked.

It was very difficult to answer the irate father's telephone call asking how his son qualified for food stamps "out in California" when the father made over $100,000 a year in his home state.

A 17-year-old California boy, still in high school, recently decided he no longer wanted to live with his parents. Now he stays with friends and receives free food stamps.

Many college students legally obtain food stamps simply because they live away from home, and because they've decided they want to go to school. I have no quarrel with their decision to get an education. It is a worthy goal. Our publicly financed institutions of higher education offer a wide range of educational opportunities in such forms as "free" or low cost tuition, student loans, grants, scholarships and inexpensive student housing, especially for young people from disadvantaged areas.

Nevertheless, a student's ability to qualify for food stamps simply because he chooses to continue his education away from home provides him with an unfair advantage over the young person who, for a myriad of reasons, may not be able or wish to do so. The fact is, students are exempted from some requirements other food stamp applicants must meet in order to qualify, even though they all have the same basic nutritional needs.

Because current food stamp rules specifically exempt students who are enrolled at least half time from the work registration and employment requirements that other food stamp recipients must meet in order to qualify, it's easy to see why a student would rather rely on free food stamps than go out and find a part time job to help support himself.

Recently, a girl studying witchcraft at a Southern California school was exempted from the food stamp work requirement because she was attending an accredited school at least half time. There is no limit placed on the type of schooling a student may be receiving, even though the subject matter may, in no way, prepare the student to become self-supporting.

Even though the Food Stamp program requires that students who use food stamps eat separately, abuses of this rule are widespread and difficult to detect. Any number of students share common living quarters, and if each student merely puts his groceries on a separate shelf, or says he does, he can legally obtain food stamps as an individual household. This, in fact, enables students in common living arrangements to multiply their food stamp resources at taxpayers' expense. In this way, a group of six students living together, for example, could obtain a total of $276 in free food stamps each month. Welfare officials are aware that this practice is common among students. But, because it is so widespread, it is almost impossible to control.

Because of the incredible laxity in federal food stamp requirements, some student groups have taken it upon themselves to publish step-by-step guides for qualifying for food stamps. One such publication provides students with "helpful hints" for taking advantage of food stamp loopholes. It suggests that those "willing to encourage in a bit of financial legerdemain" and who are living with other persons can increase their food stamp bonuses by claiming to pay a disproportionately high share of the rent and utilities. Another student publication recently explained how a student could get a "decent" social worker. The same publication said "Food stamps are a game and few county welfare workers play it to win, so give yourself the benefit of a situation even at stretching the truth just a little."

Students, traditionally, have been expected to make an honest, maximum effort to help pay those expenses associated with getting an education. However, current food stamp rules not only favor the student over other young people who must work to support themselves, but even worse, the rules have become a disincentive to work for those students who could otherwise benefit from a part-time job to help meet their expenses.

Another disconcerting aspect of the Food Stamp program relates to strikers. Strikers are allowed to qualify for food stamps for the first full month of the strike even though they may have as much as $1,500 in readily available savings. Like welfare, the availability of food stamps to strikers forces government to abandon the neutral role it should play in labor-management disputes.

In addition, a food stamp recipient may not be required to accept a job if it involves joining a union even though there may be many jobs available.

In one county, a man who is a fully qualified plumber is not working because he owes back dues to his union. Because he has refused to rejoin the union, he is receiving $150 in food stamps each month for which he must pay only $28.

Food stamp regulations, unlike AFDC rules, do not prohibit a person from transferring cash or personal property to another individual in order to become eligible for food stamps. Eligibility workers are required to certify persons even though they may have transferred property in order to qualify.

Another glaring loophole in the Food Stamp program enabled a young man to meet the federal work requirements for food stamps by declaring he was a full-time gold prospector.

County welfare officials have reason to believe that a number of individuals roam back and forth across the Oregon-California border and, in so doing, claim to "maintain" residence in both states. These individuals get food stamps in both states.

Here are some other instances of the same types of abuse.

In 1971, an astute county worker became suspicious of a man and woman who were applying for food stamps. Subsequent investigations showed that the couple had received AFDC and food stamp benefits in at least four states including eighteen California counties.

Currently under investigation is the case of a farm labor contractor who travels within four western states including California. In addition to his contractor's fees, welfare officials have reason to believe he also has been receiving unemployment insurance, AFDC and food stamp benefits in each state.

While it is both difficult and costly to track down these kinds of abuses, we believe that implementation of an Earnings Clearance System like the one we've established in California to detect welfare fraud would help greatly in uncovering instances of food stamp fraud. While it could not detect *unemployed* food stamp cheaters—since the Earnings Clearance process checks earnings claimed by applicants for assistance against earnings reported by their employers—the system could nevertheless help to track down salaried persons wrongfully obtaining food stamps.

Although the Federal Government expects the states and the counties to take strong measures to recover food stamp losses, the entire cost of doing so must be borne by state and county governments. However, any amounts which are recovered must be turned over to the Federal Government. With incentives like that it's a wonder any losses are recovered! Public Law 93-347, which was enacted by the Congress this past July, may provide authority for the Federal Government to pay 50 percent of the cost of investigations and prosecutions. However, if the Federal Government is really serious about recovering losses in the Food Stamp program, it should pay the *entire* cost.

Food stamp recipients currently use a so-called identification card to identify themselves when they pick up their food stamps. The problem is, the identification card doesn't even include a personal photo. This makes it much easier for those who have illegally obtained such a card through forgery, theft or other means, to obtain food stamps. This report recommends that all food stamps recipients present a laminated photo-identification card when obtaining food stamp coupons.

Occasionally, a county employee is caught manipulating the Food Stamp program for personal gain. In some cases, county workers have been prosecuted for setting up "dummy" cases in order to obtain food stamps for themselves. Recently, the Federal Government demanded repayment by a county of over $35,000 which allegedly was embezzled by an employee. In another case, a county worker was able to obtain more than $12,000 by forging food stamp forms and using them to purchase food stamps. Fortunately, embezzlement represents only a small portion of food stamp related crimes. Nevertheless, it helps illustrate the difficulties which accompany the Food Stamp identification process.

All of the abuses which have been cited above could be eliminated if there were a genuine commitment to reform the Food Stamp program on the part of the Congress and those federal officials who oversee the program.

There is one other major concern that every responsible citizen must now face. We all know that food prices have been rising at an alarming rate—considerably higher than the overall rate of inflation pressing upon us all. Does it make any sense at all to attempt to treat this problem, along with the nutritional needs of the country by relying increasingly on a badly administered program that has its origins—and now bases its entire reason for being—on the assumption of the necessity to distribute *food surpluses* that no longer exist and probably never will again?

To stick our heads in the sand and rely on this program as now constituted, stubbornly assuming the existence of large food surpluses, can lead only to further aggravation of the already out-of-phase agricultural economy. We must face the fact that this administrative monstrosity is possibly, and probably, a prime contributor to the inflation rampant in the general food economy.

The Food Stamp program has become a national scandal. Like many aspects of the welfare system in a number of states, it has gotten completely out of control all across the nation.

It needs far more attention than it is now receiving if the public is to understand just how serious its implications are for the future. Anyone who takes the time to look at the Food Stamp program dispassionately will realize that it needs a drastic overhaul. Two separate bureaucracies running welfare programs—one of which is food stamps—is simply one bureaucracy too many. The Congress has delegated to HEW federal responsibility for welfare. And, that is clearly where the Food Stamp program belongs.

Clearly, the food stamp program requires reform if we are going to be fair to those who have a real need for assistance in order to eat properly and to the taxpayers who have a real need to know that their dollars are in fact going to be used for such legitimate purposes. Some of the basic reforms that are required were outlined in an article by Jodie T. Allen which appeared on the editorial page of the Washington Post on February 1. Mr. Allen rather effectively outlines some of the shortcomings of the current food stamp program, and offers suggestions as to possible reforms designed to rectify these shortcomings. While I may not agree with all the specifics of his recommendations, I do agree with the basic thrust of this argument that the present program is fraught with inequities as well as loose administration, and that the solution involves tying benefits more closely with actual need and administrative reforms designed to more effectively weed out those who should not be receiving food stamps. I would like to insert in the Record this article at this point:

Reforming the Food Stamp Program

(By Jodie T. Allen)

Unless some "cooling-off" period is invoked, it appears likely that congressional response to the administration's ill-conceived proposal to raise the price of food stamps for most recipients may have the effect of freezing into law some of the worst features of the current program.

Under the administration's proposal, a family would be required to pay 30 per cent of its income, the maximum level allowable under current law, to receive its full coupon allotment. The proposal is open to criticism on grounds that it would lower income limits for food stamp eligibility, reduce net benefits for people who are eligible and discourage participation by those whose benefits no longer exceeded the attendant costs in time and inconvenience. In reaction to this proposal, concerned members of Congress are threatening to rush through legislation prohibiting any changes in the current program other than the automatic cost of living increases already legislated.

What is missing in this storm of protest is recognition of the fact that the current food stamp program is far from a model of equity. The food stamp program emerged in the 1960s as the hybrid offspring of a welfare program and a farm support program. In its early years emphasis was placed on ensuring that participants increased their food purchases. Families were required to purchase stamps at a price reflecting the average proportion of income which they would have spent on food in the absence of the program. Purchase requirements thus tended to be relatively high for large and for very low income families who had, of necessity, to allocate large proportions of their total incomes for food.

Despite major improvements instituted in 1971, the current benefit schedule is hardly a model of fairness. Equity would suggest that larger families, having greater needs for other items, should—whatever their income level—pay a lower (or at least no larger proportion) of their income for food bonuses than smaller families with the same income. Under current regulations, the opposite is true. Indeed, the nominal purchase requirements for most families of four or more are already close or equal to the proposed 30 per cent of income, while those for individuals rarely exceed 20 per cent. In any case, the sharp variation in the purchase requirement rates both across family sizes and within family size by income class are hard to defend on any grounds. For example, why should a family of 6 pay 27 per cent of its income for food stamps on a $100 monthly income, 29 per cent at $200 and only 26 per cent at $630 of monthly income?

Equally inequitable is the provision in food stamp regulations which requires automatic food stamp eligibility for public assistance recipients. In many states, the law allows families to retain welfare and related medical and social service benefits at income levels considerably above the food stamp eligibility cut-offs for nonpublic assistance recipients. For example, a family of four on welfare, with $6,200 of income, may receive at least $280 a year in food bonuses, while a comparable non-welfare family would receive none.

But the impact of these inequities is almost eclipsed by a well-intentioned "loophole" in food stamp regulations—the "itemized deduction." Since (1) families are required to purchase their stamps, and (2) other income maintenance programs designed to protect families against loss of purchasing power as the result of illness, incapacity, disaster or unemployment are inadequate for many families, the result is that the food stamp program has been led to broaden the number of deductions which may be claimed in determining how much income is to be counted in setting purchase requirements. Current regulations allow the following types of expenditure to be deducted in computing countable income for determining such purchase requirements: income and payroll taxes, union dues and mandatory retirement payments; medical expenses if these exceed $10 a month; child care expenses; tuition and mandatory educational fees, including private school tuition; support and alimony payments; unusual expenses arising from disasters or casualty losses, even if these are ultimately reimbursable through insurance; shelter costs including utilities and mortgage payments in excess of 30 per cent of income *after* all other allowable deductions have been made.

The effect of allowing these deductions is to increase greatly the inequity of the overall distribution of food stamp benefits. Far from assisting the very "poorest of the poor," itemized deductions redound primarily to the advantage of the relatively well-off participants for the simple reason that only such families can afford to purchase very much of the deductible items. Thus, among participating families of four, those with less than $100 of monthly income claim less than $15 in deductions per month on the average, while those with over $600 of monthly income claim deductions of over $225. A similarly regressive pattern is observed in the distribution of deductions by family size at any income level. For example, single person households with $350 of income claim deductions of over $250, while families of eight with identical income but presumably far greater needs are able to claim only $40 and, as a result, must pay over $60 more for their food stamps. So extensive are claimed deductions among participants at the higher income levels that survey data indicate that the *effective* purchase requirement rate is only 14 per cent of income on the average for all participants with incomes above $600 a month and less than 5 per cent of income for small families with such income. Thus, as in the personal income tax system, deductions are worth more to the "rich" than to the poor.

These observations cast considerable doubt on the equity and efficiency of the itemized deduction as a method for promoting food stamp participation. Essentially, an itemized deduction amounts to a subsidy of certain forms of consumption since, if the expenditure were not made, the income spent on it would increase the purchase requirement. While most of the deductible expenses allowed by the food stamp program may be deemed worthy of public support, it is not clear that the task of subsidizing them should be undertaken as part of a food support program, particularly since the net effect is to channel additional income to the less needy of program recipients. In short, one such transfer program should not attempt to remedy the defects of all the others.

However bad the administration's current proposal for change, freezing the current host of inadequacies and inequities into law does not seem a very helpful response—especially since simple alternatives for reform are available.

A reform system might look like this. Each family would, as now, be entitled to purchase an allotment of food stamps the value of which would increase with family size. The cost of the stamps would be computed as a constant per cent of income in excess of a standard deduction, perhaps adjusted only for family size. The costly, inequitable and difficult-to-administer itemized deductions would be eliminated. In their place, the standard deduction would prevent food stamp costs from claiming unacceptably high proportions of income among the lowest income and large families. Together these changes would produce a distribution of benefits that is equitable. At any given income level, the purchase requirements would decline as a proportion of income as family size increases; for any given family size, purchase requirements would decline as a proportion of income as income decreases.

The determination of the appropriate level for the purchase requirement rate and the standard deduction requires further analysis of the current and potential distribution of food stamp benefits. In the meantime, it would seem wise for both the administration and the Congress to hold fire in the hopes that what will emerge will be a true reform which will at once increase net benefits to the neediest families, curtail program abuses, simplify program administration, and thus complete the transformation of the food stamp program into the only truly equitable and universal income maintenance program currently operating in the U.S.

I intend to introduce legislation soon which will activate the following seven reforms:

The Federal Food Stamp Act of 1964 should be amended to:

First. Establish a food purchase limit which realistically approximates the amount low-income families should spend on food rather than the present arbitrary maximum 30-percent level;

Second. Establish food stamp benefit increase levels which account for wage and other cost-of-living increases which are based in part on food prices;

Third. Exclude strikers from food stamp program participation, unless a given striker would have been eligible for program participation if he were not on strike;

Fourth. Remove special provisions which totally exempt students from having to register for and accept any suitable employment;

Fifth. Transfer administrative responsibility for the food stamp program from the U.S. Department of Agriculture to the Department of Health, Education, and Welfare;

Sixth. Conform assistance household food stamp eligibility criteria and AFDC eligibility criteria, and institute simplified food stamp benefit computations; and

Seventh. Insure that the cost of investigations, prosecutions, collections of Federal funds and related activities will be borne entirely by the Federal Government.

There are, however, a number of administrative steps that the Department of Agriculture should seriously consider taking that are listed below:

First. Remove the prohibition against referring food stamp recipients to union-related jobs, and impose more realistic requirements for persons who are self-employed;

Second. Prohibit food stamp program participation by any person who deliberately transfers personal property for the purpose of attempting to qualify for benefits;

Third. Provide eligibility workers with precise guidelines for verifying the purported number of separate economic units sharing the same housing quarters;

Fourth. Set a reasonable minimum age limit for food stamp program applicants;

Fifth. Allow routine contact with parents of all questionably emancipated minors and students who are not fully capable of self-support;

Sixth. Require a crosscheck between financial aids and food stamp offices;

Seventh. Revise the Federal cash deposit system so that the Federal Reserve will send immediate confirmations of deposits both to the sales agent and to the State or county;

Eighth. Insure that the State and/or the counties receive copies of the "Advice of Shipment" form from USDA when coupons are shipped to and received by food stamps sales agents;

Ninth. Inform the State and/or counties each time an agent's monthly coupon order is adjusted regardless of whether the change is at the agent's request or at USDA discretion;

Tenth. Centrally compute the adjustment that should be made to each agent's monthly coupon order and appropriately notify both the agent and the State and/or counties each time there is a change in food stamp coupon allotment tables;

Eleventh. Assure that armored car deliveries are made only to persons authorized by the sales agent to sign a receipt acknowledging the shipment;

Twelfth. Provide the State or counties with the results of the USDA monthly reconciliation of central records;

Thirteenth. Reopen negotiations—and amend Federal law if necessary—in order to eliminate the unreasonable conditions under which, and only under which, the U.S. Postal Service will agree to continue as a food stamp sales agent;

Fourteenth. Allow repayments for prior month food stamp over-issuances to be made in food stamp coupons as well as cash; and

Fifteenth. Replace food stamp coupons with food stamp warrants which would bear the recipient's name, address, and case number; require a counter signature at the time of use; and be negotiable at authorized markets only when presented with the matching photo-identification card.

I am very pleased that, in fact, USDA has begun some of the above actions which they anticipate will save $110 million by enforcement of a quality control program, elimination of non-needy college students and improvements in the work registration program.

Mr. SYMMS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we have under consideration a highly significant, far-reaching proposal, postponing for 1 year the increased cost of food stamps.

The administration, in an endeavor to save $650 million, has proposed as part of the 1975 budget to increase the price of food stamps. But enactment of this proposal would impact those persons who can least afford such an increase in their cost of living—the elderly and those on fixed incomes.

The administration contends that the cost of food stamps should be assessed at 30 percent of a household's income. If this proposal is carried out it is estimated that about 15 percent of those 17 million persons now using the stamps would be forced, of economic necessity, to drop from the program. This equates to some 2.5 million people without the necessary means to purchase adequate food supplies.

At a time when inflationary pressures are so great and the economy is so bleak, it would be unconscionable to further deprive the 15 million needy who benefit from the food stamp program.

Accordingly, Mr. Speaker, I urge my colleagues to support H.R. 1589, amending the Food Stamp Act of 1964 by postponing the effective date of the proposed price increase and stipulating that present rates will be maintained through 1975.

Mr. FOLEY. Mr. Speaker, I yield 10 seconds to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I rise in support of H.R. 1589 because it is important that this Congress reiterate its commitment to assure hungry people in this country the means with which to purchase a nutritionally adequate diet. Four years ago, this body amended the Food Stamp Act in order to expand and improve the food stamp program. Perhaps the most important Food Stamp Act amendment passed at that time was the requirement that low-income households be provided the opportunity to purchase a nutritionally adequate diet. Paralleling that requirement, and equally important, was the amending of section 7(b) of the act: Instead of requiring needy households to pay the equivalent of their normal expenditure for food for their food stamp allotments, section 7(b) was amended to provide that needy households pay only the equivalent of a reasonable investment for their food stamp allotments, which will allow a household to purchase its complete nutritional needs through the assistance provided by the food stamp program. The maximum charge, of course, could not be more than 30 percent; 7(b) still contains this requirement.

Prior to the amending of section 7(b), many food stamp households did not participate in the food stamp program due to the high purchase price for stamps. The 1971 amendment, gearing the purchase price to a reasonable investment, was intended to solve that problem. The Agriculture Department has decided to ignore the legislative intent behind the 7(b) amendment and has promulgated regulations that will require most food stamp households to pay 30 percent of their net income for their food stamps, as of March 1, 1975. Such regulations thus violate the plain requirement of section 7(b).

The administration's plan to raise the cost of food stamps for the poor, elderly, blind, and disabled would defy reason even in better times, but in the current economic situation such a proposal both boggles the mind and affronts the sense of decency of the American people.

In my home State of New York, there are approximately 800,000 participants in the food stamp program. The Department of Agriculture's "Food Profiles" indicate that about 95 percent of these recipients will be charged substantially more under the new regulations. The average increase in the price of food stamps for low-income New Yorkers will be $100 per household annually. It will take its severest toll on those in one- and two-person households, most of whom are elderly and already suffering from the soaring costs of housing, health care, and other necessities. According to estimates by the Community Nutrition Institute, most single low-income persons in the food stamp program would face increases of 35 to 100 percent in the cost of their food stamps, and for some, the increase would be as much as 800 percent.

In New York, most households participating in the food stamp program are now paying between 20 and 28 percent of their income for food stamps. With the regulations raising the cost to 30 percent of household income, the poor of New York would be burdened with an additional $40 million in food costs to those who are least able to cope with the current inflation.

Moreover, many persons now receiving food stamps will be effectively eliminated from the program. The modification in the regulations to require a minimum benefit of $1 is not only unlawful; it is a sham and a disgrace. What it means is that single persons with monthly incomes of $154 to $194, although not technically eliminated from food stamp eligibility, will be required to pay $45 for $46 in food stamps. It is audacious for the Department of Agriculture to suggest that this $1 is in any sense a benefit, particularly in view of the difficulties involved in obtaining food stamps because of the many administrative failures of the program.

We are in a severe recession; poor families are suffering greatest from our rampant inflation; the number of unemployed grows daily. We should be expanding the food stamp program, not restricting it. Even now the program is not reaching many people who need the benefits it was intended to provide. But instead of mitigating the problems of our poor and low-income citizens, the administration is seeking to exacerbate them.

Over 4,300 comments were submitted in response to these regulations, in almost unanimous opposition to the proposed price increases. But the administration has ignored our comments, and while asking us to give General Thieu $300 million to prop up his dictatorship in South Vietnam, is proposing to take $325 million from the poor and the elderly in a 4-month period. This cannot be tolerated.

The response to the administration's proposal from my constituents has been one of shock and outrage. Both here in Washington and in my New York district offices, I have received innumerable letters, telephone calls, and visits from citizens expressing disbelief and anger that, at a time when food prices are continuing to escalate, when there are also greatly increased costs for such essentials as housing, clothing, and medical care, when the unemployment problem is growing increasingly severe, the administration would seek to oppress even further those least able to bear the burdens of recession and inflation.

The poor and the elderly are asking what justification there can be for making it more difficult for them to provide themselves and their families with adequate nutrition. I think the answer is clear that there is no justification. If we examine what little action the administration has proposed to deal with the current economic crisis, we can see that not only is there no coherent policy, but there is also absolute insensitivity to the effects of the economic situation on our poorest citizens. At the same time the administration is asking the poor and the elderly to pay more for food stamps, the President is proposing a tax rebate for our more unfortunate citizens. The President's proposed tax on oil imports will send home heating bills skyrocketing and increase prices of numerous other commodities, including fertilizers and agricultural products. The administration proposes that the poor, who can least sustain such an economic crunch, will have several hundred dollars a year taken away from them. Yet others will have those same amounts returned to them, in the form of tax rebates, to bolster our recessionary economy. Where is the rationale or equity in these proposals?

The purpose of H.R. 1589, the bill before us, is to prohibit the Agriculture Department from implementing these unlawful regulations. This bill will freeze food stamp purchase prices for this year at the rates that become effective on January 1, 1975, that is to say, that purchase prices cannot be any higher than those in effect on January 1. Of course, this will not prohibit the Secretary of Agriculture from raising coupon allotments and eligibility limits during this year. In fact, the Secretary is required to raise those standards on July 1 of this year to reflect the increased costs of food. However, under this bill, it is clear that food stamp purchase prices cannot be set at 30 percent of net income. The law is already clear on this point. This bill is necessary, however, to prevent Agriculture from ignoring the statutory mandate of 7(b) of the Food Stamp Act.

Mr. Speaker, I thank the chairman for yielding.

Mr. FOLEY. Mr. Speaker, I yield 10 seconds to the gentleman from New Jersey (Mr. DOMINICK V. DANIELS).

Mr. DOMINICK V. DANIELS. Mr. Speaker, the attention of the Nation will be focused today on the action taken by this House to prevent a major injustice from being committed against the poor and the elderly of this Nation who depend upon food stamps to stretch out their modest incomes.

In the name of fiscal prudence, President Ford has proposed an across-the-board increase in the price of food stamps. Commencing on March 1, all food stamp recipients would be required to pay a flat 30 percent of their net income toward their food stamp allotment —the maximum permissible under the 1964 Food Stamp Act. This proposed regulation would result in a net savings to the Government of $650 million, according to administration officials.

Public reaction to this proposal could hardly be classified as one of passive acceptance. Indeed, if the amount and tone of the correspondence I have received from my own constituents on this issue is similar to that being received by my colleagues, the public reaction could only be classified as a veritable flood of protest.

The food stamp program now benefits 17 million Americans at a cost to the Government of $4 billion a year. The number of recipients has risen by 5 million and the cost by $1.5 billion in the last year and a half.

The proposed food stamp price increases would directly affect 95 percent of recipients currently participating in the program. Hardest hit would be one- and two-person households, which comprise approximately 20 percent of total participation. More than half of these are elderly citizens.

For most single persons, the boost in the cost of food stamps would be between 35 and 100 percent from the amount they are now paying. For some, the increase would be 800 percent. It is estimated that these proposed increases will result in 10 percent of the total food stamp participants dropping out of the program altogether.

As an example, a person living alone with a net income of $154 per month who currently pays $33 for $46 worth of food stamps would have to pay $45 for $46 worth of stamps under the new proposal. Thus, every one-person household with a monthly income of $154 or more would be dropped from the program.

Two small groups who would not be affected by the proposed food stamp price increases would be those who currently pay nothing for the stamps—only about 4 percent of those in the program—and those who are currently paying the full 30 percent of food stamp values. Families paying the full amount constitute less than 1 percent of all those receiving food stamps.

Sylvia Porter, noted economic columnist and occasional spokesman for the administration's ill-fated WIN program, has herself classified the proposal as "madness." In a recent syndicated column, she noted that—

> Should the proposal be permitted to become effective, it would represent one of the biggest cutbacks in public assistance benefits in our history. Even persons living below the poverty line (currently an income of $194 a month) would have no incentive to try to get food stamps.

The New York Times also contained a recent article on the increasing use of food stamps by the unemployed. For the first time, most food stamp recipients are coming from the work force—those who earn low salaries or who have recently lost their jobs and are collecting unemployment insurance.

It is important to remember that eligibility for the stamps is determined by a formula that includes income, family size, and source of income. The increase in unemployed persons using the stamps has resulted from the increase in the unemployed, not from any change of requirements under the stamp program.

Mr. Speaker, this proposal to increase the cost of food stamps to the poor, the elderly, and the unemployed could not come at a worse time in our economic history. With inflation still raging out of control, lower income level Americans are compelled to pay rapidly increasing prices for basic necessities—food, heat, light, and clothing. At the same time, a deepening recession has resulted in 6½ million Americans being out of work. To cut back a public assistance program designed to provide basic nutritional needs for these people would be an unconscionable act. These people are already bearing too great a burden; this heartless proposal to increase the cost of their basic food needs would push many of these Americans over the edge of despair.

Mr. Speaker, can we, in good conscience, ignore the plight of these fellow Americans? Can we blithely abidicate our responsibility to the less fortunate? Can we even dare to consider spending a single additional dollar on less compelling programs? I think not.

Mr. Speaker, this 94th Congress must confront major national challenges, and the actions that we take may well shape the future economic, political, and social destiny of this Nation. Additionally, this Congress must act as the conscience of American society in these challenging times. A concern for equity and basic human compassion must accompany our efforts to restore balance to the national economy.

The action we take today will signal our intentions to the American people. This signal must underscore a sense of responsibility to those Americans who have the least capability to cope with the rapidly rising cost of living. Those of us who have more comfortable income levels can make accommodations to these new economic realities; Americans less fortunate than us will be forced to make sacrifices that you and I would not make without loud cries of protest.

Mr. Speaker, I strongly urge my colleagues to support H.R. 1589, the legislation that is before us today. It is a mechanism to buy additional time while we review the food stamp program. Let us send out a ray of hope to 17 million Americans today—a message that the 94th Congress has not forgotten them.

Mr. FOLEY. Mr. Speaker, I yield 10 seconds to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I rise in strong support of this bill, H.R. 1589, a bill which will stop the administration's order to increase the cost of food stamps. I have been sent from my district in Oregon petitions signed by over 1,700 senior citizens which protest this tax—for a tax it is—on those whose livelihoods are most diminished by the sharp rise in food prices.

For all costs have risen sharply: Heating fuel, rents, and other essentials as well as food. I have been told by elderly people in Oregon that they must choose between enough food or enough medicine or enough warmth in their homes. The administration, budget-minded when it comes to help for these people, but extravagant when it comes to military programs, will force these choices to be diminished further.

I was elected to carry the protest to this House. I am gratified that my first vote on passage of a bill is cast to prevent further reductions in the livelihood of those who have been hurt the most.

Mr. FOLEY. Mr. Speaker, I yield 10 seconds to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Speaker, I am pleased to announce my support for H.R. 1589, which amends the Food Stamp Act to forbid the Department of Agriculture to charge a poor household participating in the program more for its stamps than that household was paying on January 1, 1975; and reduces the plight of supplemental security income recipients by granting them eligibility for participation even though their state of residence has opted for the "cash-out" provision.

Mr. Chairman, words can hardly describe my indignation and shock when I learned of the administration's proposal to balance its budget by requiring the poorest of the poor to contribute a flat 30 percent of their incomes toward their food stamp allowances. The net result of this proposal is to further penalize those in our country whose existence, due to ill-advised budgetary priorities has during these last years grown steadily more intolerable.

President Ford's proposal to help reduce Government spending by requiring food stamp recipients to pay "slightly more" for their benefits is simply cruel. Cruel, because the increase, considered slight by the administration, will result in an average 30-percent increase in food budget costs without resulting in a corresponding increment in the quantity or quality of food being made available to recipients.

The food stamp program presently aids about 17 million persons throughout the Nation. In New York State there are approximately 1,200,000 persons participating. If the administration's proposal to increase contribution levels is permitted to go into effect, 95 percent of these individuals will have to increase their level of payments without receiving any added benefits, and as many as 10 percent could be entirely eliminated from participation.

The new requirements would fall with particular harshness on one- and two-person households. Twenty-five percent of all food stamp recipients live in such households, including a large percentage of the elderly. They would be subject to an increase of 35 to 100 percent in the cost of their food stamps. U.S. Department of Agriculture nutritionists estimate that as a result about half of such individuals would be forced out of the program, thereby "saving" the Government $325–$335 million.

Large families would also be penalized. For them, the monthly investment in food stamps already represents a cruel choice between food and such other necessities as shelter and clothing. By raising the percentage necessary for participation, the administration would force such families to pay more of their limited income for a nutritionally inadequate diet—or withdraw from the program. In either case, children of poverty living in such households will be barred from attaining their physical and mental potentials because of nutritional deficiencies. I find it incredible that such policies and choices are even thought of, never mind being proposed for implementation in this country.

In addition, the administration's approach lacks economic commonsense. Statistics indicate that the proposed increase in food stamp contribution payments would remove between $632 and $958 million from the Nation's economy. The loss to New York will be either $50 million—if all participants despite cost increases continue to remain in the program; or over $65 million if the expected 10 percent drop out because they find it impossible to contribute a third of their income and go through lengthy bureaucratic procedures to secure an average of $1 monthly food stamp bonus.

I am very pleased to see, Mr. Chairman, that Congress is demonstrating its sense of priorities by speedy action to derail this incredible proposal. Actually, what we are doing here today is less than enough because even if the provisions of this bill are accepted, the poor will still contribute a disproportionate amount of their income—up to 25 percent as compared to a 19-percent national average—for food. But at least they will be afforded some protection during these times of grave economic difficulties.

It is my hope that my colleagues on both sides of the aisle will overwhelmingly support this measure. I further hope that Congress, after enacting this legislation, will proceed rapidly to overhaul our domestic priorities and food programs to reflect the true needs of this Nation.

Mr. FOLEY. Mr. Speaker, I yield 10 seconds to the gentleman from New York (Mr. McHugh).

Mr. McHUGH. Mr. Speaker, I also rise in support of this legislation.

Mr. FOLEY. Mr. Speaker, I yield 10 seconds to the gentleman from New York (Mr. Richmond).

Mr. RICHMOND. Mr. Speaker, I rise to fully support the passage of this important legislation. The impact of a cutback in the food stamp program in my State would be disastrous. In New York City alone there are 800,000 food stamp recipients who are already facing severe nutritional problems and rising food prices. I cannot understand how that situation could be improved by requiring each New York household to pay an additional $100 dollars every year.

Equally important, is the fact that the Department of Agriculture's 30-percent regulation is contrary to the congressional intent of the original food stamp legislation. Section 7(b) of the existing legislation provided that the purchase price for food stamps represent a "reasonable investment" for the household with 30 percent being the outside maximum.

The Department of Agriculture has ignored the reasonable investment criteria and has established a 30-percent net income price solely to effect a reduction in Federal spending.

The original food stamp legislation passed this House, because the American people decided that we could no longer tolerate hunger in our country. I urge the passage of this legislation to reaffirm to the American people that the Congress is still committed to that goal.

Mr. FOLEY. Mr. Speaker, I yield to the gentleman from New Jersey (Mr. Florio).

Mr. FLORIO. Mr. Speaker, the legislation considered today to freeze the food stamp costs at the January 1 level is essential to prevent USDA's inflationary and inequitable food stamp cost increase proposals, and I support the Agriculture Committee bill wholeheartedly.

USDA's change in food stamp regulations would require the most vulnerable among us—the aged poor, blind, and disabled—to bear the brunt of the increase in cost.

If all 521,000 food stamp participants in New Jersey would remain in the program in spite of the USDA proposed regulations, more than $20 million in spending power would be lost and the State's economy would necessarily suffer.

If 10 percent of New Jerseyans in the program were to drop out, the total monetary loss would amount to about $32 million.

New Jersey's average monthly supplemental security income payment to the needy aged, blind, and disabled is $182. Assuming no deductions, they now pay $36 for $46 worth of food stamps. Under USDA's new regulations, New Jersey government officials have calculated that participants would be paying $54 for the same $46 worth of food stamps.

The total impact of the USDA regulations would be even greater in succeeding years, as more persons who would otherwise have applied for food stamps because of rising food costs and growing unemployment are instead deterred from the program by the higher food stamp prices being charged.

In conjunction with consideration of H.R. 1589, I today introduce a bill to provide that any proposed changes in the cost of food stamps by the Agriculture Department be presented to the Congress.

Any proposals by USDA to increase the cost of food stamps would not take effect if Congress disapproved such a proposal within a 60-calendar-day period.

Hopefully the requirement that USDA subject its proposals on food stamp cost increases to the Congress would prevent the necessity of considering such emergency legislation as we are faced with today.

Mr. FOLEY. Mr. Speaker, I yield to the gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. Mr. Speaker, I rise in support of H.R. 1589, legislation which I cosponsored to prevent the increase in the cost of food stamps proposed by the Department of Agriculture from going into effect on March 1, 1975.

The purpose of the food stamp program is to raise the nutritional level among low-income households whose limited food-purchasing power contributes to hunger and malnutrition among members of such households. The program is administered in Louisiana by the Louisiana Health and Human Resources Administration, division of family services, in accordance with Federal regulations.

The food stamp program in Louisiana is currently serving approximately 160,000 households, approximately 600,000 persons. The total value of coupons issued the first 9 months of 1974 amounted to $156,850,961. Of this amount, $110,325,732 was in bonus—free—coupons. Currently, the average free coupon value per person in Louisiana is $23.49.

The USDA has announced a change in the program to be effective March 1, 1975, that will require an extremely high percentage of persons to pay a larger amount each month for their food stamps. At present, nearly all individuals pay 15 to 20 percent of income for food stamps, and most couples pay 15 to 25 percent of income for food stamps. Under the new plan, all families would be required to pay 30 percent of income for food stamps. There is no doubt that a large number of persons will be forced to stop participating in the program.

An SSI recipient with a net income of $146 a month—the basic SSI benefit—presently pays $30 a month for $46 worth of food stamps. Effective March 1, 1975, he would be required to pay $43.80 each month for $46 worth of food stamps. Using the new policy, some persons living alone would have to pay more for their food stamps than the value of the food stamps they would receive.

Statistics regarding people in Louisiana now participating in the food stamp program reveal that a person living alone may have to pay as much as $22.20 more for his monthly stamps. The average dollar increase for one person households is $12.42.

Other persons living on low fixed income such as the disabled, the blind, and parents receiving aid to dependent children will also be severely affected.

The Federal Office of Economic Opportunity poverty guidlines establish the poverty threshold for a nonrural single person at $2,330 a year. This figure is $578 greater than the income of an individual receiving the full supplemental security income payments.

In Louisiana over 70 percent of the SSI recipients are elderly. These are people who have contributed to their families and country all their working lives. Now that they are forced to retire, are we to deny them a decent existence? The other SSI recipients are the blind and the disabled, who due to their infirmities, are unable to be gainfully employed. Yet the aged, the blind, and the disabled are those who will be the most severely affected by the threatened increase in the cost of food stamps.

In Louisiana, 142,101 recipients would be affected. Of these, 100,122 are aged, 2,136 are blind, and 39,842 are disabled. In 1974 the SSI recipient was given a 4-percent increase in payments, yet his or her food costs increased by 12 percent. Now these same individuals are being asked to increase their payments for food stamps from the present rate of approximately 23 to 30 percent. In this time of massive economic dislocation, we must not let these proposed increases take effect.

Mr. Speaker, I would like to take this

opportunity to present to this body Senate Concurrent Resolution No. 7 passed by the Louisiana State Legislature in the recent extraordinary session. It memorializes the Louisiana congressional delegation to take whatever just action is necessary to reverse the U.S. Department of Agriculture regulations increasing the purchase requirements for participating in the food stamp program:

RESOLUTION

A concurrent resolution to memorialize the members of the Louisiana congressional delegation to take whatever just action is necessary to reverse the United States Department of Agriculture regulations increasing the purchase requirements for participation in the Food Stamp Program

Whereas, it is now evident that our nation is in the throes of a severe recession in addition to the economic woes occasioned by several years of unchecked and spiraling inflation; and

Whereas, in such times of inflation, the single hardest hit group is that segment of our society dependent upon a fixed income for the necessities of life, which group systematically includes the overwhelming majority of Louisiana's poor and elderly citizens; and

Whereas, the rising cost of food on the retail market has seriously reduced the purchasing power of the food stamps upon which so many of the poor and elderly depend for their subsistence, thereby seriously endangering the good health of those citizens who are already suffering from a lack of proper nutrition; and

Whereas, the USDA regulations raising the consumer's purchase cost of these food stamps, a measure which indefensibly only serves to further aggravate this most pressing social problem; and

Whereas, increasing food costs for the poor and elderly in order to reduce governmental spending is false economy and in direct contrast to the recent approach taken by the USDA to combat the present economic situation, which approach seeks to increase the purchasing capabilities of the consumer through a proposed federal income tax reduction.

Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Louisiana Legislature does hereby memorialize the members of the Louisiana congressional delegation to take whatever just action is necessary to reverse the USDA regulations increasing the purchase requirements for participation in the Food Stamp Program.

Be it further resolved that copies of this resolution be transmitted to each member of the Louisiana delegation to the Congress of the United States, the Honorable P. Royal Shipp, Director of the Food Stamp Division of the United States Department of Agriculture, the Honorable Earl Butz, Secretary of the United States Department of Agriculture, and to the Honorable Gerald R. Ford, President of the United States of America.

Mr. FOLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Speaker, it is amazing to me that at a time when we have a projected unemployment rate of 8.1 percent and a rate of inflation expected to continue at 11 percent, we are even discussing a cut back in the food stamp program. The sad fact is that unless we can reverse this economy, we are going to have more people receiving food stamps.

There are those in this Chamber who claim that food stamps are being ripped off by middle-class college kids. Maybe they failed to notice that tuition for Georgetown Medical School now stands at $5,000 a year and that an undergraduate at Columbia University has to pay $3,180 a year. Many college students are living very close to the bone. The parents of many of these middle-class young people have joined the ranks of the unemployed in this Nation.

The other favorite target—food stamps for strikers. It should be pointed out that the vast majority of workers are not striking—they are being laid off. If we do encounter strikes this year they will be fueled by the desperation of a work force which sees inflation robbing them of a increasingly large share of their pay check.

But the fact is that discussions of alleged abuses of the food stamp program by students or strikers are peripheral, because the vast majority of food stamp recipients are either elderly or female-headed households. Over 27 percent are elderly; 70 percent of the black participants and 60 percent of the white participants are from female-headed households.

If Congress does not enact this legislation and the new flat fee of 30 percent for all participants proposed by the administration is accepted, 95 percent of all food stamp recipients will be affected.

Virtually, all of our food stamp recipients, who are among the poorest of the poor in this country, will face a cutback in the amount of food they can eat.

These people have it tough enough without any help from the Congress or Secretary Earl Butz. We all worry about food prices but there is a difference between worrying about the price of meat and not eating at all. Inflation has had a far greater impact upon the cheaper foods purchased by the poor than the diet of the middle class. For example, from December 1970 to March 1974, sirloin steak increased by 38.9 percent, but frankfurters increased by 50.9 percent, butter went up 8.9 percent, but margarine increased in price by 63 percent. Two staples of the poor persons diet rose astronomically, A 256.3 percent rise for dried beans and a 124.3-percent increase in the price of rice.

Food stamp allotments are tied to the USDA economy food plan. The statute requires that the allotment shall be revised twice yearly in order to reflect changes in the cost of living. However, the economy is so out of control that the allotments are not keeping pace with inflation. For example as of August 1974, the cost of the economy food plan was $153.40 for a four-person household with two school-age children. USDA has announced that the allotment for such households would go up from $150 to $154 per month in January 1975. Unfortunately, the cost of the economy food plan had already gone up to $155.10 per month by September 1. In October it was $156 a month and by November it had risen to $157.20 a month.

Further it should be recognized that the economy food plan itself is inadequate. According to the Community Nutrition Institute report:

> A number of medical experts and even nutritionists within the USDA have termed the economy food plan nutritionally unsound over anything but short periods of time.

USDA's last food consumption survey, conducted in 1965–66 showed that only 10 percent of the families who were spending at the level of the economy food plan were obtaining an adequate diet.

Unfortunately for a large number of citizens food stamps are not a temporary aid, but a permanent fixture in their lives. The President himself projects that unemployment will rise to 8.1 percent this year and will drop to only 7.9 percent the following year. The rate of inflation is projected to continue at 11 percent this year with a drop to 7.6 percent in 1976.

The 15 million food stamp recipients who I repeat are overwhelmingly elderly and female headed households, are not going to get off food stamps in a hurry. We are condemning those 15 million citizens to a permanently inadequate diet and we are doing it in the name of "charity."

After we have dealt with the immediate problem of the free schedule this Congress ought to deal with the other inadequacies of the food stamp program, chief among these the nutritional inadequacy of the economy food plan.

We shall also have to plan not for a cutback in the food stamp program but an expansion of it. The administration claims that the food stamp budget is growing too rapidly is not supportable; they claim an increase from $2.2 billion in fiscal year 1973 to $4 billion in fiscal year 1975. What they omitted was the fact that the 1973 figure does not include the cost of the commodity food program. The 1975 figure does. What has happened is that as our agricultural surpluses declined those countries which previously operated food commodity programs have switched to food stamps. In December 1971, 14.9 million persons participated in either the food stamp or food commodity programs. As of September 1974 there were some 15.0 million participants. The number of participants has not increased despite the fact that these 15 million recipients represent less than half the 37 to 50 million persons estimated to be eligible for the program.

Congress clearly intended that those who needed assistance should be served and in October of last year the U.S. District Court Judge Miles Lord, of Minneapolis, ruled that Secretary Butz had violated the law by failing to implement the outreach requirement for the development of a program to inform low-income families of their right to food relief. Contrary to congressional intent Butz wanted to turn the $278 million food stamp budget surplus for fiscal year 1973 over to the U.S. Treasury. The judge ordered him to spend this money on outreach programs.

We are faced with hard times and we shall have to be judicious in the allocation of our resources but to attempt to balance the budget by taking food out of peoples mouths is neither humane nor economically sound. Food stamp dollars are "high velocity" dollars that circulate widely throughout local economies and have a significant "multiplier effect." Food stamp benefits, unlike tax rebates, cannot be stuffed into a mattress or deposited in a savings account. They must be purchased each month or forfeited. They must be spent on daily necessities and usually they will be spent locally. Thus food stamp dollars move quickly from recipients to local grocers. Local credit unions and banks which issue the food stamps receive a transaction fee which adds to the multiplier effect. Those recipients who do not drop out of the program, but continue to purchase the stamps at significant increases will have just that much less cash for other necessities the local economy not only loses the food stamp benefit dollar but also the amount of money the food stamp recipient can no longer spend on other commodities and services. Loss of these dollars may result in serious damage, especially in areas of high food stamp usage which are likely to be depressed areas to begin with.

The recently unveiled tax cut does not appear to help the elderly and poor and the majority of food stamp recipients who pay little or no income tax. In fact cutting taxes and raising food stamp prices appears to result in taking from those who can least afford the loss and have been hit the hardest by inflation to give to those who at least earn enough money to pay taxes.

The administration's newly proposed food stamp regulations raise the amount of their incomes that the poorest of the poor must pay to eat. This price increase operates regressively so that those with the least must pay the same percentage as those with the most. It strikes hardest the elderly poor, women, minorities, and blue-collar workers who have the least resources to fall back on in this period of economic unrest. It hits them at the same time unemployment and inflation are also taking a very high toll from them, a toll which is proportionately greater for them than it has been for the more affluent in this society.

We may have to take some drastic measures during this next session of Congress but we must make it clear that whatever we do will be done with justice and equity and with a fair judgment as to the ability of the individuals in question to bear the burden.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I have, in the past, become extremely frustrated by what I felt was an inexcusable lack of response by the Congress to unconscionable actions taken by the executive branch against the poor, the elderly, and the disadvantaged in this country. Therefore, I was especially pleased to note the prompt and overwhelming reaction within this body to the administration's proposal to increase the cost of food stamps to 30 percent of family income.

There are very few subjects of greater concern to the average American family than the price of food. The vast turnover in congressional seats last fall demonstrated not only this country's disgust with the previous administration but also its refusal to support policies which brought the cost of adequate nutrition to unreasonable and unreachable heights. The most recent Department of Agriculture estimate of the cost of food for the "average" American family is 16 percent. This represents a decline from earlier figures of 17 percent and 18 percent. Such percentages are considered outrageous and consumers are protesting, with some success, at both the market and the polls.

I find it perversely ironic that while the majority of American society finds 16 percent an unacceptable portion of family income to have to devote to food, the administration sees fit to extract 30 percent from the poor and the elderly.

When the regulations were initially published, I, and other Members of Congress, expressed to the administration our inability to accept this action and called upon it to rescind its very ill-advised proposal. The Ford administration, despite its frequent claims of receptivity, turned a deaf ear to our protest and to the thousands of protests received from the community, both the social welfare professional community and the community at large.

Therefore, it is incumbent upon us to pass legislation which will prevent the administration from "starving out" the poor and the aged in this country. In fact, the passage of such legislation must represent just the beginning of our efforts. It is imperative that the 94th Congress demonstrate to the administration that it will not tolerate illegal requests of $522 million for the continued funding of corrupt and immoral war machines from which this country, despite the administration, managed to extricate itself. We must make it clear that we will no longer tolerate a tax system which penalizes the working class for working, while rewarding the rich for being rich. And above all, that we will not tolerate the systematic destruction of any portion of our society by placing out of its reach the essentials of food, housing, and health care.

Mr. FOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Speaker, this bill stops the administration from a tragic move against the hungry of our citizens who use food stamps; but reforms in the program must be taken up later. Here are some of the reforms that I think are needed.

First, we must make the stamps more accessible.

Second, we must assist the elderly or disabled in access to the type of nourishment and the quantity of nourishment that they need.

Third, we need to remove the stigma in the use of food stamps, because hunger and dignity, or the lack of dignity, sometimes are intertwined. We should make certain that the recipients can retain their dignity in the use of food stamps.

Fourth, we should recognize the special needs of children for high protein diets.

Fifth, we must emphasize and assist all users of food stamps of the best buys to get foods that best suit a balanced and nourishing diet.

These are some of the needs for reform that the program needs and this Congress will have an opportunity to act upon.

Mr. FOLEY. Mr. Speaker, I yield to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, the President sent up his budget yesterday which includes $104.7 billion for defense. That is $15.7 billion over the $89 billion requested for the current fiscal year.

The administration seems to have the slogan of "billions for defense, but not 1 cent for tribulation."

It is imperative that we pass this legislation today. It would be cruel and inhuman to place an added burden on the backs of the poor and disabled, and those on fixed incomes.

I have scores of letters I have received which detail the reasons why thousands and thousands of people throughout the land cannot afford this additional amount for food stamps. Here are a few examples: A lady from Walton, W. Va., wrote me:

> Mr. Hechler, I don't really know if Mr. Ford understands or if he just doesn't care about the welfare of the people. The American people have cut back on fuel, they've lowered the heat in their homes to help save. They have formed car pools, and now there's nothing to form a car pool for. There's no work for men to get to feed their families with, then he has gall enough to take the food out of their mouths.

From a lady from Friendly, W. Va.:

> If this plan passes, I don't know what I'll do. I am a widow not able to work. I get $146 a month, that is $96 VA benefits and $50 SSI check. I only pay $12 a month for $46 worth of food stamps. But out of this $146 income I get, I pay $140 on hospital, doctors' bills, drug store, rent, payments on my home, utilities, taxes, insurance and my food stamps. That's all I can afford to pay for my food stamps . . . I am a widow and I have no one to depend on. I don't know what I'll do.

From a man in Nitro, W. Va.:

> I saw in the paper where you are going to fight the food stamp raise. I sure am glad somebody is going to take up for the poor people. My total income is just $145 a month, and I have to pay rent and utilities. I draw $107 Social Security and $38 SSI, and I have to pay $18 for $46 worth of food stamps. I am 70 years old and they took all of the old people and put them where they can't get any help at all.

From a lady in Fort Gay, W. Va.:

> I heard on TV our President wants to raise the price of food stamps. Please, Sir, can't Congress and the Senate do something about it? There are so many of our senior citizens and disabled who are on small social security pensions and we can't afford to pay more. I have a social security pension of $84 a month and SSI of $82 which is $166. We are paying double on gas for heating and cooking, and my gas runs $24 per month with rent and utilities, and in paying what we now pay for food stamps, we don't have anything for clothes. Mr. Hechler, this is the truth, we can't afford the food we need as the prices are so high. We are elderly and disabled and we pray our Congressmen and Senators will do all they can to keep the prices of food stamps, for we can't afford to pay more.

From a man and his wife in Ballard, W. Va.:

> This letter may not do any good. If they raise the price of food stamps, people will have to go hungry. They can't pay any more

> when they don't have the money to pay with. As high as food is now, we can't keep enough to eat for one month. The sick and children will suffer most. They are squeezing the poor person to death now. We sure don't buy any unnecessary food.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. Hughes).

Mr. HUGHES. Mr. Speaker, I rise in support of H.R. 1589 to freeze the cost of the food stamp program to recipients at the January 1, 1975 level by prohibiting the Department of Agriculture from imposing an increase on March 1.

It is unfortunate that this legislation is necessary 1 day after the Congress has received a record peacetime budget of $349 billion and an appalling projected deficit of $51.9 billion for fiscal year 1976.

I say unfortunate only because the action of rejecting this food stamp increase, as I am sure we will, could be misconstrued.

For, yes, Mr. Speaker, we are going to have to take a long and hard look at the proposed Federal budget and, I hope, make cuts beyond what the President and his advisers have recommended. But let us not be so callous as to take out our frustrations over a record budget and deficit on the poor and the elderly, those least able to pay the bill.

Speaking as one new Member of the House, I think raising the cost of food stamps is just the kind of action that runs counter to what the American people expect this Congress to do in setting priorities for the next 2 years and beyond.

There are areas ripe for trimming. For example, we could reduce troop levels overseas which cost us in excess of $10 billion a year to maintain, we can eliminate the overseas investment tax credit which is contributing to unemployment at home, we can impose an excess profits tax on oil producers and we can cut foreign aid programs including the $522 million more in military assistance that the administration wants to pour into Southeast Asia.

What we do not need to do is make the elderly, the handicapped, the unemployed, and the poor go hungry or suffer from malnutrition as their contribution to balancing the budget.

I do concede, Mr. Speaker, that the food stamp program is in need of total reevaluation. I am pleased with the statement from the chairman of the Agriculture Committee that there will be hearings this year on the food stamp program. As the representative of a district with more senior citizens than any other area of the country except St. Petersburg, Fla., I intend to make known my suggestions at that hearing.

As the Washington Post editorialized February 1:

> The food stamp program has been a patchwork affair, with a series of convoluted deductions that help to determine a family's net income for the purpose of establishing how much it should pay for the stamps.

This has created inequities against, among others, elderly indigents who live by themselves. An excellent appraisal of what is wrong and what is needed to reform the food stamp proposal appeared in the same edition of the Post, written by Jodie T. Allen, vice president and director of the Policy Studies Group, Mathematica, Inc.

For those of my colleagues who may have missed the editorial and commentary, I insert the texts of each in full at this point in the Record:

Food Stamps: A Legislative Injunction

The House Agriculture Committee has acted speedily and wisely to prevent the Ford administration from going forward with its planned increases in the cost of food stamps to the poor. The committee vote, 33–2, orders the administration to charge no more for food stamps than it charged on Jan. 1. As sensible—and needed—as that injunctive action was, the committee should realize that its work in the area of food stamps has just begun. Elsewhere on this page today, Jodie Allen lays out in some detail the reason that this is so and offers an alternative to both the present program and the administration's proposed variation on it.

From its inception, the food stamp program has been a patchwork affair, with a series of convoluted deductions that help to determine a family's net income for the purpose of establishing how much it should pay for the stamps. While no one would argue that no such system is necessary, the problem with the present program is that it creates inequities against the weakest persons in the system, the elderly indigents who live by themselves.

Other problems cry out for careful study, including the so-called "outreach" program that the states are supposedly conducting to inform their poor residents of the existence of the program. Congress intended that the outreach program be a vigorous one, but a U.S. District Court has recently held that the program is anything but adequate. As a result, perhaps as many as half the people eligible for food stamps are not receiving that assistance.

One of the measures of the Agriculture Department's sensitivity to its constituency among the poor was demonstrated in the Agriculture Committee hearings recently. Edward J. Hekman, who administers the food stamp program, told the committee that public comment had been solicited before the administration proposed the price increases the committee later voted to prevent. Hekman said he received 4,317 responses from the public. "All of the comments were carefully analyzed in the decision-making process," Hekman assured the committee. Then he was asked how many of those 4,317 comments supported the increase in prices his department was proposing. "Fifty," the agriculture official replied.

And so it has gone at Agriculture. The department assured the Congress it could save about $100 million by eliminating the "non-needy students" who now receive the stamps. But how many students who aren't really poor are receiving food stamp assistance? The Department doesn't know. It is not sure how many of its recipients are elderly or how the drastic reduction it had proposed would have affected the elderly.

These are among the reasons we believe the whole food stamp program needs a full-scale review by the Agriculture Committee. The department plays a vital role in the fight to combat hunger in America. Yet from all indications, it doesn't know a great deal that it should know in order to administer the food stamp program properly. All that would seem to suggest that food stamps are an insignificant part of the Agriculture Department's business, a small part of a much larger enterprise too busy with other matters to keep a close eye on this program and know its workings well. Not so: since the vast reductions in the farm support program over the last several years, the food stamp program now represents two thirds of the department's budget. That is why oversight is of the utmost importance. Hunger is too serious a matter to leave to the Agriculture Department without some serious supervision.

Reforming the Food Stamp Program

(By Jodie T. Allen)

Unless some "cooling-off" period is invoked, it appears likely that congressional response to the administration's ill-conceived proposal to raise the price of food stamps for most recipients may have the effect of freezing into law some of the worst features of the current program.

Under the administration's proposal, a family would be required to pay 30 per cent of its income, the maximum level allowable under current law, to receive its full coupon allotment. The proposal is open to criticism on grounds that it would lower income limits for food stamp eligibility, reduce net benefits for people who are eligible and discourage participation by those whose benefits no longer exceeded the attendant costs in time and inconvenience. In reaction to this proposal, concerned members of Congress are threatening to rush through legislation prohibiting any changes in the current program other than the automatic cost of living increases already legislated.

What is missing in this storm of protest is recognition of the fact that the current food stamp program is far from a model of equity. The food stamp program emerged in the 1960s as the hybrid offspring of a welfare program and a farm support program. In its early years emphasis was placed on ensuring that participants increased their food purchases. Families were required to purchase stamps at a price reflecting the average proportion of income which they would have spent on food in the absence of the program. Purchase requirements thus tended to be relatively high for large and for very low income families who had, of necessity, to allocate large proportions of their total incomes for food.

Despite major improvements instituted in 1971, the current benefit schedule is hardly a model of fairness. Equity would suggest that larger families, having greater needs for other items, should—whatever their income level—pay a lower (or at least no larger proportion) of their income for food bonuses than smaller families with the same income. Under current regulations, the opposite is true. Indeed, the nominal purchase requirements for most families of four or more are already close or equal to the proposed 30 per cent of income, while those for individuals rarely exceed 20 per cent. In any case, the sharp variation in the purchase requirement rates both across family sizes and within family size by income class are hard to defend on any grounds. For example, why should a family of 6 pay 27 per cent of its income for food stamps on a $100 monthly income, 29 percent at $200 and only 26 per cent at $630 of monthly income?

Equally inequitable is the provision in food stamp regulations which requires automatic food stamp eligibility for public assistance recipients. In many states the law allows families to retain welfare and related medical and social service benefits at income levels considerably above the food stamp eligibility cut-offs for nonpublic assistance recipients. For example, a family of four on welfare, with $6,200 of income, may receive at least $280 a year in food bonuses, while a comparable non-welfare family would receive none.

But the impact of these inequities is almost eclipsed by a well-intentioned "loophole" in food stamp regulations—the "itemized deduction." Since (1) families are required to purchase their stamps, and (2) other income maintenance programs designed to protect families against loss of purchasing power as the result of illness, incapacity, disaster or unemployment are inadequate for many families, the result is that the food stamp program has been led to broaden the number of deductions which may be claimed in determining how much income is to be counted in setting purchase requirements. Current regulations allow the following types of expenditure to be deducted in computing countable income for determining such purchase requirements: income and payroll taxes, union dues and mandatory retirement payments; medical expenses if these exceed $10 a month: child care expenses; tuition and mandatory educational fees, including private school tuition; support and alimony payments; unusual expenses arising from disasters or casualty losses, even if these are ultimately reimbursable through insurance; shelter costs including utilities and mortgage payments in excess of 30 per cent of income *after* all other allowable deductions have been made.

The effect of allowing these deductions is to increase greatly the inequity of the overall distribution of food stamp benefits. Far from assisting the very "poorest of the poor," itemized deductions redound primarily to the advantage of the relatively well-off participants for the simple reason that only such families can afford to purchase very much of the deductible items. Thus, among participating families of four, those with less than $100 of monthly income claim less than $15 in deductions per month on the average, while those with over $600 of monthly income claim deductions of over $225. A similarly regressive pattern is observed in the distribution of deductions by family size at any income level. For example, single person households with $350 of income claim deductions of over $250, while families of eight with identical income but presumably far greater needs are able to claim only $40 and, as a result, must pay over $60 more for their food stamps. So extensive are claimed deductions among participants at the higher income levels that survey data indicate that the *effective* purchase requirement rate is only 14 per cent of income on the average for all participants with incomes above $60, a month and less than 5 per cent of income for small families with such income. Thus, as in the personal income tax system, deductions are worth more to the "rich" than to the poor.

These observations cast considerable doubt on the equity and efficiency of the itemized deduction as a method for promoting food stamp participation. Essentially, an itemized deduction amounts to a subsidy of certain forms of consumption since, if the expenditure were not made, the income spent on it would increase the purchase requirement. While most of the deductible expenses allowed by the food stamp program may be deemed worthy of public support, it is not clear that the task of subsidizing them should be undertaken as part of a food support program, particularly since the net effect is to channel additional income to the less needy of program recipients. In short, one such transfer program should not attempt to remedy the defects of all the others.

However, bad the administration's current proposal for change, freezing the current host of inadequacies and inequities into law does not seem a very helpful response—especially since simple alternatives for reform are available.

A reform system might look like this. Each family would, as now, be entitled to purchase an allotment of food stamps the value of which would increase with family size. The cost of the stamps would be computed as a constant per cent of income in excess of a standard deduction, perhaps adjusted only for family size. The costly, inequitable and difficult-to-administer itemized deductions would be eliminated. In their place, the standard deduction would prevent food stamp costs from claiming unacceptably high proportions of income among the lowest income and large families. Together these changes would produce a distribution of benefits that is equitable. At any given income level, the purchase requirements would decline as a proportion of income as family size increases; for any given family size, purchase requirements would decline as a proportion of income as income decreases.

The determination of the appropriate level for the purchase requirement rate and the standard deduction requires further analysis of the current and potential distribution of food stamp benefits. In the meantime, it would seem wise for both the administration and the Congress to hold fire in the hopes that what will emerge will be a true reform which will at once increase net benefits to the neediest families, curtail program abuses, simplify program administration, and thus complete the transformation of the food stamp program into the only truly equitable and universal income maintenance program currently operating in the U.S.

Mr. SYMMS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I rise in strong support of this legislation. Perhaps one phase of it that has not been brought out at this time would be worthwhile thinking about, with our present situation in the economy.

If the administration's program were to go through, in dollars, if nobody dropped out of the food program—which would be impossible because many would be eliminated—but if no one dropped out, it would cost the State of California $56 million; the State of Illinois $35 million; the State of Ohio $31 million; the State of Minnesota $7 million, just to mention a few.

This is not a program necessarily of dollars. It is a program of people, and of people we have to support and continue to help.

Secretary of Agriculture Earl Butz predicts that the cost of food will increase 15 percent in the next 6 months. With the continually escalating cost of groceries, it seems senseless to augment the cost of food stamps as proposed by the U.S. Department of Agriculture—USDA.

This action will put the heaviest burden on those least able to afford it, the elderly poor, most of whom are on fixed incomes.

The proposed food stamp guidelines would eliminate at least 10 percent of those presently enrolled in the program. Many recipients would have to pay almost as much for stamps as they are worth. For example, a person whose monthly income is $130 now pays $33 for $46 worth of food stamps. With the increase, this individual would pay $45 for the same $46 worth of food stamps.

One and a half million Americans will find it as expensive to buy the food stamps as to buy food. These Americans simply will not go through the expense of transportation and the headache of administrative redtape for a $1 benefit.

Furthermore, higher food stamp costs will remove even more money from our sagging economy. With inflation, higher energy costs and recession, food stamps have become one of the mainstays of many low-income households. In these hard times, it would be cruel to deny those who qualify for food stamps the opportunity to participate in the program.

I cannot exaggerate the need for prompt and positive congressional action to prevent the States from implementing the administration's proposal.

So, I would urge the Members very strongly, by an overwhelming majority to support this program and make it very clear to the administration that we are not going to stand for any cutbacks in this vital program.

Mrs. HECKLER of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER of Massachusetts. Mr. Speaker, as a new member of the Agriculture Committee who voted in favor of this bill, H.R. 1589, in committee, I rise to urge my colleagues to vote to suspend the rules and pass this legislation. It is vitally important that the Congress act immediately to forestall any increase in the cost of food stamps, because the Agriculture Department's proposed increase is scheduled to go into effect at the end of this month.

What concerns me most is that the largest increases in food stamp costs would occur in one and two person households, half of which are composed of elderly recipients. In my judgment, they are the last ones who should have to pay more for their stamps. A great variety of people receive the benefits from the food stamp program, but it is the elderly, trying to stretch a usually fixed income to meet the ever widening gap of the cost of living, who derive the most significant benefit from the food stamp program. I certainly do not quarrel with the Agriculture Department's efforts to reduce spending, but I feel adamantly that they have picked the worst possible place to cut back.

In this period of rapidly increasing unemployment, more and more families need help in meeting the most basic costs of living, food, and shelter. For example, in the city of Fall River, Mass., there are now 5,100 families receiving food stamps. Since last July, when unemployment first began to rise again, the local welfare office has received more than 100 new food stamp applications each week. Across the State of Massachusetts, the number of eligible persons has increased dramatically, from 20,000 to over 147,000 in just 6 months. While a portion of this increase is attributable to a change in State law permitting more people to apply, the local welfare officials I talked to have found that the statewide unemployment rate of 10 percent has greatly increased the food stamp rolls. Unemployment over the past 3 months in Massachusetts has been rising at about 1 full percentage point a month.

Aside from the immediate question of the price increase, there is a larger issue which those of us on the Agriculture Committee have noted. We were struck by the lack of close supervision which the Agriculture Department has exerted over the program. The Department's witnesses before the committee had a very difficult time explaining the basis for their estimated savings, and then admitted to an almost total lack of information on the income levels, employment status, and other relevant characteristics of food stamp recipients. The Department's weak performance suggests strongly that our committee will have to conduct a full-scale review of the program, with a view toward modifying the statute to insure that food stamps reach the people who most need them, and are denied to those who are presently taking unfair advantage of the generous income definitions.

I in particular am interested in having all supplementary security income recipients automatically eligible for food stamps, ending the States' discretion to prevent millions of the elderly from participating. In Massachusetts, for example, there are 110,000 SSI recipients who are ineligible for food stamps because Federal law allows the Massachusetts State Legislature to opt for a cash payment instead of the stamps. This cash payment is not as valuable as the stamps, and consequently these needy people are not receiving the full benefit of the available Federal assistance. In the city of Fall River, there are 5,600 such people who could be better served.

Thus today we are taking emergency action to meet an immediate problem. The full task of reviewing the food stamp program remains, and I, as a member of the committee, look forward to early committee action on all facets of food stamps. This is a needed program, but we can make it better.

Mr. SYMMS. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. I thank my colleague for yielding. Mr. Speaker, I am concerned about this legislation before us today for several reasons. In the last campaign, we heard tremendous amounts of rhetoric from the other side of the aisle that they were going to balance the budget. This bill before us contains an increase of $600 million which must eventually come out of your working peoples' pockets.

Now, we are going to have a real test: Do those Members who campaigned on a balanced budget platform really mean a balanced budget, or do they not? This bill means you are voting for a $600 million increase.

We voted 3 years ago for a nutrition program for the elderly (P.L. 92-258). There has been a charge made here today that if we do not vote for this bill we are taking something away from the elderly, which of course is not very near the truth. The administrative changes made in the food stamp program are modified increases in some individuals' participation in the programs. In other words their "food discounts" are modified.

We are now spending an additional $100 million a year for the nutrition program for the elderly. Therefore the Agriculture Department is not taking away from the elderly. There are many other Federal programs to support the elderly who are in need.

Increasing the tax that we have to put on our constituents at home to finance this $600 million increase in cost is not the right way to help the elderly. The Agriculture Department is merely trying to trim the program to a more reasonable level by taking out the college students or other groups who are misusing the program. There are many people who totally misuse this program. The administration modifications try to correct this fraud.

There have been whole books written on how to "rip off" the food stamp program. All the administration has tried to do is to ask for a reasonable phasedown for the fraud and misuse that clearly exists by lessening the food discounts. A Member from the Democratic side of the aisle, the gentlewoman from Michigan (Mrs. Griffiths) showed that clearly last year in several in-depth reports.

If the Members are sincere in saying that they want to balance the budget, they will not raise it by $600 million here today or in the future.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. Ford).

Mr. FORD of Michigan. Mr. Speaker, I rise in support of the legislation now before us which will suspend Secretary of Agriculture Butz' plan to increase the cost of food stamps to millions of Americans. Mr. Butz is proposing that every purchaser pay a flat 30 percent of his or her adjusted income, rather than the 23 percent that is now being paid for food stamps. This is a 7-percent increase which the President claims will save the Government $650 million a year. Mr. Butz' proposals may look good to the President's bookkeepers, but in humanitarian terms it is just plain wrong.

Recently, Secretary Butz was quoted as saying that he found it difficult to understand the public's obsession with rising food prices, and that food still takes a smaller percentage of the average family's take-home pay than it did 20 years ago. It is obvious that the "public" Mr. Butz is referring to is not the same public that most of us encounter when we return to our home districts.

The Agriculture Committee report clearly points out that Mr. Butz' regulations would strike most severely at one- and two-person households, and that the Department of Agriculture itself admits that over half the people in such households enrolled in the food stamp program are elderly. If this bill is not passed, most of these persons would have to pay between 30 and 100 percent more for their food stamps. Some of our poorest senior citizens would have to pay up to 8 times what they pay now.

Furthermore, it has been determined that persons who are enrolled in the supplemental security income—SSI—program, the Federal Government's basic assistance program for the aged, blind, and disabled poor, would be affected with particular severity if this legislation is not adopted.

For instance, an elderly individual with $146 a month net income—the basic Federal payment level in the supplemental security income program—now pays $30 for $46 in stamps, for a monthly subsidy of 16. The new regulations would require this person to pay $43 for $46 in stamps, cutting his subsidy to only $3.

Mr. Speaker, it has been estimated by the committee that if we do not adopt this legislation as many as one-half of all the elderly individuals and couples participating in the food stamp program will have to drop out—simply because the time and expense of applying and reapplying for food stamps would be more costly than the meager savings the program would provide.

My colleagues who support Mr. Butz's proposed regulations have inferred that the nutrition for the elderly program which is part of the Older Americans Act, is already taking care of the needs of the elderly. This is simply not true.

The nutrition for the elderly program was designed for particularly needy citizens. It provides hot meals which are served once a day at community centers in certain areas, through the meals on wheels program which distributes hot meals for elderly shut-ins.

The effectiveness of the money that has been spent on this program has been diluted by inflation, and we missed the goal of serving 250,000 meals per year by 16 percent. So the program to which Mr. Butz's supporters refer has succeeded in serving 212,000 meals nationwide, hardly a substitute for the meals for over 15 million people which the food stamp program is supposed to help provide.

Mr. Speaker, supporters of Mr. Butz cry out for a balanced budget. Because of the disasterous economic policies of the Nixon-Ford administration, I am afraid it will be a long time before we can realistically expect a balanced budget.

President Ford has just sent the Congress the most balanced peacetime budget in history—with a projected $51.9 billion deficit. If we are to begin balancing the budget, I suggest that we cut back on some of our defense spending boondoggles and our foreign aid giveaways—instead of programs designed to help Americans most in need. By passing this legislation to reject Mr. Butz's proposals we are merely enabling millions of elderly poor to continue eating.

Mr. FOLEY. Mr. Speaker, I yield myself whatever time I have remaining.

Mr. Speaker, in closing debate I would just like to emphasize again that the overwhelming majority of the Committee on Agriculture, with only two dissenting votes, 33 to 2, reported this bill to the floor.

The gentleman from California (Mr. Rousselot) has said that if we have any interest in cutting Federal spending, in balancing the budget, we should vote against this bill.

I think the President of the United States was the first one to admit that our priorities may have changed a little bit since last fall. He presented a document yesterday that does not call for a balanced budget, to say the least.

If this proposal does not carry, if we do not act today, we will have, in effect, a tax of $215 million in the remainder of this fiscal year and a $600 million tax imposed in the remainder of this calendar year, and that tax will fall on the elderly, the blind, the poor, and those least able to pay that tax.

Frankly, I think that this has been an effort brought out with strong bipartisan support from the Committee on Agriculture, and it obviously enjoys strong bipartisan support in this House. We are going to go back and examine the food stamp program later this year. If we do not pass this legislation today by a very strong vote, we will, in effect, be requiring all of the States to reprogram all of their agency programs. Even if the House should then pass this bill subsequently, the States will again have to reprogram those computers. Recipients will be disadvantaged. So this is an emergency action to prevent that wasteful, unnecessary, and costly activity on the part of the States and to avoid the unjust burden to those in the country least able to afford it.

Mr. Speaker, I hope that the vote in this House will be overwhelming on this legislation here before us today.

Mr. FINDLEY. Mr. Speaker, I rise in support of this bill, because inadequate as it is in modernizing the administration of the food stamp program, failure to act would cause hardship on certain deserving people especially those low in income but advanced in years.

However, I do regret that the bill does not deal with the need for improvement in the disciplines of the administration of the program and that the suspension of rules does not permit amendment to effect such improvement.

Before reporting the bill, the Committee on Agriculture should have broadened the scope of its action and presented its product to this body under rules which would permit the consideration of amendments.

It is noteworthy that this is the very first bill to be considered by this new House, a body that is heralded as the "reform" House of Representatives. Despite the fact that the legislative program is light, indeed, giving ample time for consideration of the bill under regular rules, it is nevertheless considered under a motion which suspends all the rules.

Mrs. SULLIVAN. Mr. Speaker, I congratulate the chairman of the Committee on Agriculture, Mr. FOLEY, for his expeditious action in bringing H.R. 1589 out of committee on an emergency basis, and I thank you, Mr. Speaker, for arranging for its prompt consideration today under suspension of the rules. This legislation suspends the increases scheduled by the Ford administration for March 1 in the cost of food stamps to lower income families eligible for the program.

Mr. Speaker, I think this is an appropriate time for some frankly political remarks. The Democratic Party is responsible for the existence of the food stamp program. And only the existence of an overwhelming two-thirds Democratic majority in the House of Representatives at this point will prevent the Ford administration from going ahead with its plan to punish the poor for inflation and recession by raising their food stamp costs.

The country should be made aware of these facts. We are starting on a new term of Congress, facing innumerable economic crises, and there will be recurring controversies between a Republican President and a Democratic Congress over how best to proceed with our national affairs in order to restore stability to our economy—to halt inflation, reverse the downturn in employment, cope with the ballooning budget deficit resulting primarily from lowered tax receipts and higher unemployment compensation and relief costs.

President Ford is mounting a Madison Avenue-style public relations campaign to convince the people that he has the right answers and we are obstructing his program; we must, therefore, be diligent in placing the facts before the people to counteract the Republican political propaganda issuing from the White House and from every executive agency.

BROUGHT ABOUT BY DEMOCRATIC PARTY

The crisis over the food stamp program resulting in the first substantive legislative matter to come before the House in this new Congress, is a good place to start in setting the political record straight and keeping it straight.

We have a food stamp program in existence today only because Democrats in the House of Representatives started the ball rolling 21 years ago to establish a food stamp program to replace the cruel and inadequate surplus food "dumping" program of President Eisenhower's Secretary of Agriculture, Ezra Taft Benson. It took 5 years to get a law enacted—over almost solid Republican opposition. And when we succeeded in enacting it in 1959, the Eisenhower administration flatly refused to put it into operation.

President John F. Kennedy did so 2 years later on a pilot basis, to try it out. And in 1964, the Johnson administration, under Secretary of Agriculture Orville L. Freeman, put its full strength behind the legislation to expand it into a national program. Every single Republican on the House Agriculture Committee fought it bitterly, and the Republicans in the House overwhelmingly voted "no." But we got it through, on a vote of 229 to 189. Only a handful of Republicans voted with us. Gerald R. Ford was not one of them. He voted no also in 1959 when we first enacted a food stamp law.

STRONGER ENFORCEMENT REQUIRED

Just think what suffering there would be among the needy in this country today, and during the past two years of incredible inflation, particularly in food costs, if the food stamp plan had not been forced into existence by the Democratic Party.

The plan has its faults, many of them. It has been administered in a slipshod and unsympathetic manner by a Department which for years, under Republican leadership, has been trying to get rid of the program. There is much too much cheating under the program. Enforcement is lax. The administration could save hundreds of millions of dollars by insisting that the States weed out ineligibles, and by insisting that the Department of Justice move vigorously and the courts effectively to mete out effective penalties against violators.

That is obviously the hard way to go about saving money on this program. The easy way is to just raise the costs to the needy elderly and poor families dependent upon the food stamp program for enough to eat. The Ford administration has chosen to take the easy way.

STILL THE "PARTY OF EBENEZER SCROOGE"

As the Member of Congress who was most responsible for the enactment of the Food Stamp Acts of 1959 and 1964, I am delighted to join the chairman of the Committee on Agriculture—an old and tried and true friend of the concept of food assistance through the food stamp program—in this move to block the Ford administration's scheduled increases in food stamp purchase requirements for participating families.

This is emergency legislation only, of course, not a long-range solution of problems in the program. I hope the committee will, indeed, now go forward as promised with its plans to review the operations of the program with a particular emphasis on forcing the removal from the rolls of those who have chiseled their way into the program in violation of the law. The States receive substantial Federal assistance in administering the program locally. Let us make sure they earn the help they receive by tightening their eligibility investigations and eliminating cheaters.

But in the meantime, this bill prevents the Ford administration from punishing the demonstrably needy by making their food stamps so costly as to discourage further participation by millions of clearly eligible people.

When we had our first test of sentiment on a food stamp bill in the House on June 20, 1957, and lost on an unrecorded teller vote 89 to 128, the gentleman from Michigan (Mr. DINGELL) remarked that only one Republican Member of the House, the late Congressman John Saylor, of Pennsylvania, from a depressed coal mining area, had had the political independence to vote with the Democrats on the issue. Mr. DINGELL characterized the Republicans that day as "the party of Ebenezer Scrooge." Apparently, the shoe still fits, 18 years later, as demonstrated by the Ford administration's proposal to raise food stamp costs to the poor beginning March 1 by hundreds of millions of dollars.

Mr. RANGEL. Mr. Speaker, President Ford's immoral request for a $650 million cut in the Federal food stamp program is an outrageously cruel blow to the 17 million elderly, poor, and unemployed recipients of food stamps.

The scenario has become all too familiar as the economic crisis has gotten worse—millions of unemployed workers and their families have had to turn to the food stamp program for assistance. Once out of work, these people are receiving unemployment compensation which as we all know in most cases this supplemental income does not meet the inflationary costs of goods and services. For the President to advocate an increase in the cost of food stamps at such a time illustrates his lack of awareness.

If the President's plan were to be approved by the Congress, it would have its greatest impact upon the elderly in our society, especially those who are supplemental security income recipients. Such a couple with $270 net monthly income would have to pay $81 for $84 in food stamps, rather than $64 for $84 as at present. A couple with $239 net income—the basic Federal SSI payment of $219 plus $20 in social security—would pay $71.70, instead of $62, for its $84 in food stamps—and would see its food stamps benefit nearly cut in half from $22 to $12.30.

Elderly people can ill afford to carry this harsh burden of having the cost of their food stamps raised, while at the same time have the value of these stamps decrease. When one looks at the effect of this increase on other groups living on fixed or limited incomes, it becomes clear that the proposal is a mistake and must be dropped. Families who rely on food stamps to feed their children will be unable to continue to feed them if this ludicrous approach to cutting back on spending is adopted.

At present our Government is appropriating $87 billion for defense purpose. I would be the first to argue that the American people must be secure in our borders from any foreign foe. However I find it quite abhorrent that we can appropriate money to build military equipment which does not work but cannot continue funding a program that puts food in people's bellies.

The food stamp program has been criticized for allegedly supporting college students whose parents could afford to feed them. While this group constitutes a very small percentage of the program's beneficiaries, the charge is a serious one. I am infuriated by such abuses. The Federal Government's cost-conscious energies should be directed toward the elimination of these abuses, rather than cutting the program's budget.

The food stamp program is just beginning to reach half of the estimated 34 to 37 million eligible people. Surely this is not the time to cut a program that Lyndon Johnson called one of our most effective weapons in the war on poverty.

While it might be easier to recognize hunger in other countries, the painful fact is that it is widespread here in America. The purpose of the food stamp program is to provide the poor and their families sufficient means to secure a nutritionally adequate diet. The Ford administration's request for an increase in the cost of food stamps is a blatant and intolerable breach of the spirit of this act. I implore you to join me in defending America's poor, elderly, and unemployed against this attack. The President must find some alternative approach for dealing with the economic ills of the Nation. Congress stands ready to help him in this endeavor. However, on this issue he is wrong and it is the responsibility of Congress to oppose him on this issue.

Mr. ADDABBO. Mr. Speaker, I rise in support of H.R. 1598 to prohibit increased food stamp prices above January 1, 1975 levels for the balance of this year. This freeze is urgently needed to prevent serious hardship to those who can least afford a sudden increased cost of living.

The food stamp program is a clear expression of the concern of Congress over the hardship on those persons unable to meet the increasing costs of daily necessities. The December 6 proposed regulations is an attempt by the executive branch to superimpose its desire to reduce the Government's commitment in this area in direct opposition to the intent of Congress. Mr. Chairman, I find this proposed course of action without justification. I was also shocked by the President's suggestion, in his state of the Union message, that the disadvantaged should pay more for the food stamps which help them purchase the basic life supporting requirements which their small earnings cannot buy for them.

Our sense of priorities over recent years has been the subject of much debate and criticism but now that we have entered a period of economic recession it seems our priorities are becoming even more distorted. Suddenly faced with an admitted economic crisis at home, with alarming rates of unemployment and continuing inflation, we hear Government leaders in the administration proposing reductions in social security increases, cutbacks in the food stamp program, and increases in military aid to Southeast Asia. I find all these proposals difficult to understand or justify to my constituents.

The food stamp program must not be abandoned or weakened at a time of recession but instead we should be considering methods for assuring it is made available to all who need the financial assistance.

That is why I urge you to act favorably on H.R. 1598.

Mr. OTTINGER. Mr. Speaker, several weeks ago the Ford administration made the shocking announcement that as part of its effort to curb Government spending, the food stamp program would be drastically reduced. Under new guidelines proposed by the Department of Agriculture, participants would be required to use 30 percent of their net income to pay for food stamps, beginning March 1, 1975.

The economics of this proposal translate into some $40 million that the poor would have to pay to help ease the Federal Government's fiscal problems. In New York State this would mean an annual average of over $100 more per household. In a large percentage of cases the savings to the poor intended in the original legislation would be practically eliminated, with many families and individuals saving only from $1 to $3 per month on their food bills through the purchase of food stamps.

I am, indeed, pleased that the Agriculture Committee has acted swiftly to counteract this proposal by reporting out an emergency measure that would prevent the administration's plan from taking effect and would bar any rise in the price of food stamps through December of this year. I am hopeful that the committee will continue to press for enactment of the bill which I have cosponsored along with more than 100 other Members calling for permanent adjustments in the program to make it more beneficial to more Americans.

Mr. Speaker, since the administration's announcement of its intention to cut the food stamp program I have received a flood of mail from constituents from all walks of life and all income levels. Not one has been in support of the proposal. This places our Secretary of Agriculture, Mr. Butz, in the unenviable position of being in a class by himself. I urge that we move immediately to adopt this emergency measure.

Mr. BIAGGI. Mr. Speaker, as a cosponsor of H.R. 1589, I am pleased to rise in its support. The need for this timely legislation seems so obvious that I hesitate to belabor its necessity.

We have an economic crisis in our society; increasing inflation has become a way of life and unemployment is climbing to dangerously high levels—over 30 percent in some sections of the country, over 8 percent in New York City. As we work to ease the crisis, to slow inflation and to halt unemployment, we must keep in touch with the daily realities of thousands of citizens who are in danger of going hungry for lack of money.

Perhaps the thought that we are the richest country on the planet, the best in this and the leader in that, has mesmerized some of our leaders in the executive branch, inuring them to these bleak realities. For whatever reason, the recent administration proposal to raise the cost of food stamps to a full 30 percent of a participating household's net monthly income bespeaks a gross insensibility to the everyday struggle of the thousands of citizens who already bear the burden of our faltering economy—the poor, the unemployed, the elderly.

Commonsense, compassion and economics all indicate the shortsightedness of this proposal, scheduled to become effective March 1. Estimates from a variety of sources suggest that, once effective, the proposed increase in the cost of the stamps would cut benefits to 97 percent of the 17 million participating households and would, in many cases, force families out of the food stamp program.

My own reading of the situation suggests that we must step up, rather than cut back, the benefits of the program and I have cosponsored legislation which would reduce the maximum allowable charge for the stamps from 30 percent to 25 percent of a participating household's net monthly income. While we debate the relative merits of this and other suggested modifications in the food stamp program, it is essential that the present benefit levels remain intact. For those families at the upper income levels now allowed under the program, this means that additional money may be injected into the economy, thus strengthening it. For those families at the bottom of the economic ladder, it means simply survival.

I urge my colleagues to support H.R. 1589. We must reassert our society's commitment to ending hunger in the face of this detrimental administration proposal.

Mr. COTTER. Mr. Speaker, President Ford's proposal to raise the price of food stamps for the poor in order to cut the budget by less than one-sixth of 1 percent makes no sense. The December 23d report of the Joint Economic Committee plainly states that—

> Price increases in recent years have caused a greater loss of purchasing power for the poor than for higher income groups.

How can we force our elderly and the poorest of our low-income families to sacrifice more in order to eat, while the President calls for $500 million more in military aid to South Vietnam?

The inflationary impact of the President's decision on the average household using food stamps would be enormous. Such a household now pays about 23 percent of its monthly income for stamps. The administration proposal would increase this to 30 percent, a rise of almost one-third in food stamp costs. This increase is staggering when added to the already spiraling cost for food, especially those basic staples which make up a poor family's diet. The Joint Economic Committee's report showed price increases up to 256 percent for some staple foods over the past 4 years.

People with incomes just below the poverty line will be forced out of the food stamp program by this proposal. Those earning from $154 to $194 per month would end up paying more for food stamps than they are worth. These, plus the many other families that would forsake the program's long paperwork to qualify for just a few dollars of aid, could lead to a dropout rate of up to 10 percent.

Heaviest impact of the decision will fall on the elderly and the poorest of the poor, frequently one and the same. The aged, blind, and disabled persons receiving benefits of more than $146 per month under the SSI program will see their food stamp aid disappear. Those families at the lowest income levels could face a food stamp cost increase of up to 200 percent. These recipients cannot cope with these rising prices by "substituting down" to lower price foods; they are already at the bottom of the economic barrel.

The human costs of President Ford's decision will grow daily as our economic condition worsens. Since September, our deepening recession has driven 2 million more people onto the food stamp program. Most of this increase has come from the work force as a result of layoffs. As food costs increase for these families, the quality of their diets will decline; they may be forced to turn to foods of more bulk but less nutrition to meet their needs. The end result for the elderly, the disabled, the poor, the unemployed will be the hard choice of either less food or fewer of the other essentials of life.

There are many areas in the Federal budget where prudent economizing can save much more than President Ford's decision will save in the food stamp program. It is hard to imagine any single program where such a saving would entail so much hardship for Americans hard pressed by the double weight of inflation and recession.

According to my information, the President's proposal would effect 4,300 households in Connecticut, or the almost 144,000 people who are enrolled in this program. Further, it will discourage over 45,000 potentially eligible households from applying. At a time when the unemployment rate is rising rapidly and President Ford projects an 8-percent unemployment rate until 1976, it is both unwise and unreasonable to cut off people from this basic economic program which is specifically designed to help them during this period of economic recession.

The saving of $450 million is not worth the hardship it will impose on the nearly 16 million food stamp recipients in our country. I strongly oppose the President's decision and I urge my colleagues to support this legislation (H.R. 1589) to prevent the implementation of his order. Such action by this Congress would be both wise and humane.

Mr. WON PAT. Mr. Speaker, Chairman THOMAS FOLEY and his fellow members of the House Agriculture Committee deserve the fullest measure of praise for their action to oppose an increase in food stamp prices as recently proposed by the U.S. Department of Agriculture.

There is no question in my mind that my constituents on Guam, who only have just started to benefit from the food stamp program, cannot afford any increase in the cost of their benefits. Food costs are already rising beyond the reach of most low-income families, even when they use the food stamp program. For the Department of Agriculture to demand that the Nation's poor also cough up more for the only program that is saving many of them from starvation is simply asking too much.

In a December 12, 1974, letter to Mr. P. Royal Shipp, Director of the Food Stamp Division, Representatives KOCH, PEYSER, BERGLAND, and I pointed out that the increase in price for the food stamps which the Department of Agriculture was requesting would affect 93 to 95 percent of all food stamp recipients.

When we consider that the price hike is simply to help balance the Department's books for all programs under their jurisdiction, I question the degree of commitment that some high-ranking Government officials have toward the people they are supposed to serve.

As many of us in the Congress have said repeatedly in recent months, forcing the poorest of our people to pay more than their fair share is not only questionable logic and practice, but is an attitude far removed from our Christian heritage.

For these reasons, I congratulate Congressman FOLEY and his colleagues for moving to strike down any effort to impose yet another burden on those who can afford it the least. I urge our colleagues in the House and the Senate to follow suit and vote in support of the bill reported out of the Agriculture Committee last Friday.

I know that the low-income families in America, and especially those in Guam will greatly appreciate our support at this time of great need.

Thank you.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 1589. I commend the distinguished chairman of the Agriculture Committee, Mr. FOLEY, for bringing this bill to the floor at this critical time. The recently announced increase of the cost of food stamps issued by the Department of Agriculture is an unfortunate example of the wrong means employed to achieve a desirable end. President Ford and Secretary Butz are correct in feeling concern for the rapid growth and scope of today's Federal budget. Their selection of the poorest, the oldest and the most infirm in our society to bear the full brunt of the necessary spending cuts is an unusual twist of the phrase, "cruel and unusual punishment."

Not only does the administration propose that the most unfortunate in the country sacrifice the most, they insist that food stamps cost the same to all recipients, regardless of any but the most basic forms of destitution. The present system of shifting payment scales now affords a great measure of flexibility in handling each and every applicant for food stamps. Recipients qualify for different rates of payment for stamps which can be adjusted downwards if circumstances change for the worse. The administration is making the mandatory 30-percent rate on an overall basis because of what it terms its concern for "fairness to all." I call it unfairness above all.

I believe that this body must act today to put back this increase in food stamp prices until the Congress has had the time for a thorough reexamination of this vital human services program. At such time as this analysis is completed, we can then consider whether prices should rise or fall or remain the same. I personally cannot imagine any other recommendation which would uphold the President's views, certainly none so radical or unfair as an across-the-board increased payment charge. We cannot forget that 17 million people depend on food stamps.

Mr. Speaker, the unemployment rate in this country has recently climbed to a position where it now exceeds the worst figures in 20 years. Workers on unemployment—with little prospect in the near future of good jobs—desperately need the food stamp benefits. SSI recipients with their fixed incomes depend on food stamps for whatever slight edge against rising inflation they can maintain. The average food stamp household knocks off as much as one-third of the price of food it is able to purchase with food stamps.

The President has said that our economic difficulties require increased costs for food stamps. He does not wish to further aggravate budget balancing. This sort of a decision, however, principally aggravates the economic difficulties of those of our citizens least able to absorb any more problems. It hits these people below the belt, in an area where they cannot reduce without malnutrition or deprivation. Surely we in the House have the expertise and the humanity to make necessary budget cuts when and where they best can be made without injury to our citizens. Everyone has favorite programs. Everyone has a set of priorities.

We must act today, however, to insure that whatever our program priorities we do not allow human priorities—those of people in need—to take second place in the Nation's priorities. I urge the passage of H.R. 1589 as proof of where this new Congress position will be on this most important issue.

Mr. LEHMAN. Mr. Speaker, our first legislative business for the 94th Congress is of vital concern to the well-being of the elderly and millions of lower income families who are dependent on food stamps.

Under the USDA's proposed rule, food stamp recipients will pay more and benefit less. As unemployment increases, more families, from necessity, will turn to food stamps in hopes of offsetting, at least partially, the high cost of food. Instead, what they will find is that the added cost when compared to their anticipated savings negates their purpose for applying for this badly needed assistance.

On three separate occasions the Congress of the United States has specifically included in the benefits of the food stamp program those persons who are on what we call supplemental security income; the blind, the disabled, the poor and the elderly.

While rent, electricity, and clothing have gone up in cost, most of the food staples purchased by the poor have gone up by over 25 percent in the last year.

Were it merely a simple problem of saving Federal dollars, I might not object to the U.S. Department of Agriculture's proposal so strenuously. However, we are talking about people—individuals who are in need of all the help they can get to help ease the burden which the current recessionary malaise has created. In the 13th Congressional District, which is comprised of portions of Broward and Dade counties in Florida, the administration's proposal would adversely affect 68,735 households which are now participating in the food stamp program.

Mr. Speaker, there are many areas in the Federal budget where spending cuts can and should be made. But these reductions must be made with some sense of logic and compassion.

Inflation will not be brought under control by knocking down the poor another notch. Nor will inflation be conquered by institutionalizing hunger in America.

A balanced budget must not be built upon misery and hunger of millions of low-income Americans.

We can save many times the estimated $650 million from this food stamp increase by cutting back some of the inflated $105 billion in military expenditures.

Mr. Speaker, during this period of high unemployment, and soaring food costs, I feel we cannot in all good conscience allow the Department of Agriculture's policy to prevail. It is unfair—and it must therefore be rescinded.

Mr. ASHLEY. Mr. Speaker, today we are being asked to vote on whether to attack inflation and huge budget deficits by placing a further burden on the most impoverished people in America.

The country's economic ills are deep and serious enough that they should be our No. 1 priority in the weeks and months ahead. But to require sacrifice from those Americans most cruelly affected by the soaring costs of food and fuel is not only no remedy at all, but an exact reversal of the approach we should be taking.

The administration's proposal to increase the cost of food stamps for nearly all of the more than 17 million individuals benefiting from the program is totally unacceptable. As a cosponsor of House Resolution 41 to rescind the President's directive, I must express my dismay and outrage over the priorities of the budget-cutters who dreamed up this assault on the poor. Making Americans go hungry is not my conception of the responsibility of Government, in good times or bad.

Mr. Speaker, I believe that the administration's rationale for this proposal is faulty and its compassion deficient. It will be a sad day in America when we cannot afford the minimal assistance provided by the food stamp program to help keep hungry Americans alive. I urge an overwhelming vote of approval for H.R. 1589 to send a message to the White House that the cure for Federal deficits is not at the bottom rung of the economic ladder.

Mr. Speaker, the food stamp program is one of the most basic and successful Government efforts to alleviate hunger in destitute American households. The average family already must pay 23 percent of its minimal income for the purchase of food stamps. The most impoverished pay nothing at all and the maximum for those eligible is 30 percent of income. The President's proposal would mandate increases of 35 to 100 percent in this basic living expense for most households. An elderly, blind, or disabled person trying to make ends meet on $146 a month in supplemental security income, for example, would have to pay $43 for $46 worth of food stamps, virtually no bonus at all, if we allow the administration's plan to go into effect. It is estimated that as many as 1.5 million Americans would have to drop out of the program completely.

Double-digit inflation has caused hardships for most Americans. But we will not reduce its impact by endorsing a proposal that strikes at the least fortunate of our citizens. As unemployment lines lengthen and real income declines throughout the country, it is no time to reduce one of the most helpful of all public assistance programs.

Mr. Speaker, the $4 billion annual cost of the food stamp program is a pittance beside the astronomical budget request of the President for $94 billion in military spending in fiscal 1976. It is perhaps not coincidental that the savings estimated from the President's revised food stamp proposal is $650 million a year, a comparable amount to that being sought by the administration for new weapons of war for Southeast Asia.

I do not relish the prospect of a $50 billion budget deficit, but reducing the capacity of the poor to stay alive is not my idea of sensible economy. The President's proposal has been called madness, and it is hard to quarrel with that characterization. If we do not block this plan now at a time when food prices are rising at an annual rate of about 12 percent, accompanied by accelerating costs of utilities, the impoverished in our society can well believe that they are about to be abandoned.

Mr. Speaker, I urge an overwhelming vote of approval for H.R. 1589 as a sign of our commitment to continue to utilize the resources of Government to help those Americans least able to help themselves. Any other course of action is unthinkable.

Mr. GUDE. Mr. Speaker, I rise in strong support of H.R. 1589 to postpone the effective date of the administration's proposed regulations to increase the purchase price of food stamps. It is imperative that we move quickly to half the Department of Agriculture's proposal which could raise the cost of stamps to an average family of four by as much as one-third, not to mention the dire impact upon the one- and two-person households—most of which are elderly persons—who may be forced to drop out of the program altogether. The need to enact H.R. 1589 is clearly illustrated by the impact on the State of Maryland alone, where most recent estimates are that the proposal would affect more than 83,000 families, involving 235,000 individuals of whom 150,000 are children, and a large number are elderly poor or disabled adults.

I certainly share the administration's concerns regarding burgeoning Federal spending, and well recognize that in the coming months, as we examine the fiscal 1976 budget, Congress must act with restraint.

But I cannot accept measures which place the burden of restraint on those least able to bear it. Those individuals for whom rising food prices—frequently higher in the Washington metropolitan area than in any other part of the country—entail a weekly struggle to make ends meet—to balance a meager budget which leaves very little income for rent and the barest of necessities. To now cut back on our assistance to these people in coping with the cost of food—and, I reiterate, to the point where some may drop out of the food stamp program entirely—is a cruel step which we must not allow to occur.

Last month, I joined a bipartisan group of my colleagues in sponsoring a resolution calling upon the Secretary of Agriculture to immediately rescind the proposed regulations and take all necessary steps to insure that our Nation's elderly and poor will continue to benefit from the food stamp program to the same extent which they presently do. As it became clear that the administration's position on this was a steadfast one, I further joined in cosponsoring legislation, similar to the bill now before us, to accomplish this goal. I heartily endorse a measure of this nature, and urge my colleagues' support thereof.

Mr. EDWARDS of California. Mr. Speaker, today while the effective purchasing power of food stamps is being drained away by inflation, the administration proposes to further diminish their value by increasing the price the poor must pay for these "devalued" food stamps. The 15 million Americans now benefiting from the food stamp program are already to the point where they cannot "substitute down" to less expensive foods as the more affluent can. In spite of this, the administration is seeking to increase, by an average of one-third, the cost of food stamps to 95 percent of those now receiving them. This will affect about 30,000 people in my district alone.

The heaviest burden will fall on the elderly poor. This is because the greatest impact of the proposed increase in purchase requirements falls on one and two-person households. The elderly comprise over two-thirds of the program's one-person households and more than one-third of the 2-person households. Presently an elderly widow with a net income of $105 a month pays $18 in cash for a $46 monthly allotment of food stamps. Under the President's proposal she would pay $31.50.

Recipients under the supplemental security income—SSI—program will be hit particularly hard by the administration's program. Where SSI participants are eligible for food stamps, the proposed new purchase requirements would exceed the monthly food stamp allotment for one-person households, thus removing them from the program. In other States, one-person SSI households would receive a benefit of only about $1.20 per month. The Community Nutrition Institute estimates that under the new proposal, 1.5 million persons would either be eliminated or feel compelled to leave the food stamp program.

The spinoff of this is that hundreds of millions of dollars would be pulled out of State economies. Food stamp dollars turn over rapidly in local economies, creating a significant multiplier effect. Thus the actual loss to State economies would be several times greater than the reduction in food stamp dollars. Using USDA figures, the Community Nutrition Institute estimates that the loss to California's economy under the President's program would be close to $84 million. The total economic impact throughout the United States is estimated at $958 million. Now—while the country is struggling to recover from the depths of a recession—is not the time to cut back on food assistance to those hit hardest by the recession, our Nation's poor and elderly. Nor is it the time to further cripple our weak local economies as the administration's plan would do.

I therefore urge you to join me in support of the bill which our colleagues on the Agriculture Committee have presented us.

Mr. JONES of Oklahoma. Mr. Speaker, I am in support of H.R. 1589, which will prohibit the Secretary of Agriculture from forcing the poor and elderly to pay an even larger share of their meager incomes this year for food stamps.

The most compelling argument the Secretary has made in support of his recent action is that many persons who are not in need of food stamps are abusing the program. The Secretary's approach to this problem is to force all people, including the vast majority who are eligible and are in need, to pay these exorbitant prices.

It was my understanding that we settled this issue in the last Congress when we established the "needs test" as a part of the general farm bill. At that time, Congress stated that only those who would otherwise be deprived of a nutritious diet would be able to participate. It seems to me the Department of Agriculture is not enforcing the mandate of Congress.

I will not be a part of further bureaucratic inefficiency which deprives the neediest persons in our country of a nutritious diet and forces America's poorest persons to bear the heaviest share of our mismanaged economy. I urge the Congress and especially the Agriculture Committee and its Oversight Subcommittee to insure that any abuses of the food stamp program are weeded out and that only those in need are allowed to participate.

Mr. KOCH. Mr. Speaker, I rise today in strong support of the measure now before us, H.R. 1589, a bill which I am cosponsoring. The bill, as amended by the House Agriculture Committee last week, provides for the maintenance of January 1, 1975 food stamp prices, through December 30, 1975. I feel this is the least the Congress can do to combat the vile administration proposal which would charge each participating household 30 percent of its net income for the same amount of food stamps it now receives, although the current average payment is more like 23 percent of net income.

The Food Stamp Act of 1964 needs a great deal of revision because as it now stands, it is brimming with inequities. The elderly, and households with a small number of persons are currently paying a higher percentage of their income for their food stamps than other participants in the program. There is a requirement in the act that household members under age 60 be related in order to qualify for the program. This requirement was ruled unconstitutional by the U.S. Supreme Court. Another section of the Food Stamp Act provides that food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled must be over 60 years of age to use stamps for Meals on Wheels. Disabled persons under 60 are forced to pay cash for meals, even though they have food stamps.

H.R. 1589, in its original form corrects some of the aforementioned deficiencies. I am hopeful that the issue of reforming the Food Stamp Act of 1964 will come before us again during this session of Congress and that we will then undertake the necessary revisions.

In this time of soaring inflation and unemployment, we should not be using the very food supply of our own people as a means of budget cutting. The administration estimates that could save $625 million with its suggested cost increase. Compared to the $4 billion cost excess on the F-111 aircraft, the $625 million saving achieved by making food more scarce for our poor people is laughable.

Mr. LONG of Louisiana. Mr. Speaker, I rise in support of H.R. 1589, as amended, to freeze the current cost of food stamps until January 1976. This bill is absolutely essential to the well-being of hundreds of thousands of people in my own State and to millions of people throughout the country who are struggling to survive on low incomes with the help of food stamps.

Unless we act swiftly and decisively today to block the President's proposed increase in the price of food stamps, the poor, the elderly, and the disabled will be forced to pay one-third of their income in order to continue participating in the program. Generally speaking, this means an immediate 30-percent increase in the cost of food for the very people who already bear the brunt of our economic woes.

Few Americans can escape the permeation of inflation as it touches virtually every aspect of our daily lives. But no one is more severely or painfully wounded by rising prices than those who must live on low or fixed incomes. These people spend their entire income on the basic needs of life, and, faced with dramatic increases across-the-board, simply cannot afford to spend 30 percent of their budget on food. Many will have no choice but to drop out of the program.

In Louisiana we are talking about 160,000 households—or 600,000 people—who will not only have less food on the table, but food of a lower quality.

Statistics they have provided me reveal that a single person who lives alone may have to pay as much as $22.20 more monthly for his coupons under the new regulation. The average increase will be $12.42 for the 39,000 one-person households in the State.

Available statistics show further that one- and two-person households will be the ones most seriously affected by the increase. The following table illustrates this affect:

Household size:	*Maximum increase*	*Average increase*
1	$22.20	$12.42
2	22.00	8.87
3	21.53	7.87
4	27.78	6.76

People who receive supplemental security benefits are also victims of the President's plan, and in Louisiana they account for approximately 33 percent of all food stamp recipients. Anyone receiving monthly SSI payments of $146—the basic benefit—now pays $30 for $46 worth of food stamps, but if the President's plan is implemented on March 1, would pay $43.30 for $46 worth of food stamps.

Under the new policy, some single persons living alone may even pay more than the actual value of the stamps received. Under the present food stamp guidelines, a single person may earn up to $194 monthly and still qualify for participation. However, in order to meet the President's 30 percent requirement, this would mean paying $58.20 for $46 worth of food stamps.

For these reasons, it appears to me that the President's plan to charge more for food stamps has been hastily and thoughtlessly devised, that it is insensitive to the real needs of the poor and the elderly, and that it must be stopped.

Therefore, I strongly urge favorable consideration of the legislation which we are considering here today, and which I am cosponsoring. Its passage is of the utmost importance.

Mr. FAUNTROY. Mr. Speaker, I rise in support of H.R. 1589 because I believe that we cannot permit the Department of Agriculture's regulations to enter into effect without a serious study by the Congress. I wish to point out that the supplemental views of the report which accompanied this bill clearly indicate that the Committee on Agriculture will study the entire food stamp program which I think should obviate any fear that some may have over the increasing costs of the program.

Until the Congress does have this opportunity, however, a delay in the implementation of the requirements for food stamps is appropriate because it is clear that more than 93 percent of all recipients will be required to put more of their very limited cash into food purchases. Indeed, many of our citizens will see an increase in their food bill of at least one-third—some will be eliminated from the program while others will have increases totaling 200 percent.

In my own district, which is our Capital City, as many as 23,000 persons stand to be dropped from the program. That is 20 percent of the total number of participants. Nationally, the number has to be beyond any kind of comprehension. Yet, the regs would save only $325 million out of a program that is going to now cost $3.7 billion. This is a relatively small amount of money to expend to assure that our citizens are reasonably well fed.

I would have hoped, frankly, that we could have expanded food stamp benefits. Perhaps when we look again at this proposal we can do those things which will assure that the benefits reach those who are intended to be helped; but, in the meantime, we must suspend the proposed regs else we harm those whom we most intended to help.

Mr. ROBINSON of Virginia. Mr. Speaker, as one who has been much concerned by the dramatic increase in the cost of the food stamp program in recent years, I regret the terms of the bill before us. The formula scheduled to go into effect on March 1, 1975—unless the Congress acts to override the order of the Secretary of Agriculture issued pursuant to statutory authority—does appear to bear down unduly on the truly needy, particularly the elderly. To bar the proposed adjustment in food stamp costs until the end of this calendar year through a bill called up hastily under procedure barring amendment, without committee hearings directed toward waste in this huge program, is not responsible legislating.

I will vote for this bill only because I do not want to see elderly recipients of food stamps, and other deserving poor who have no means of supplementing their meager incomes to counteract persisting inflation, suddenly subjected, on March 1, to higher charges for their food stamp allotments.

A bill providing for a 90-day delay in the upward revision of food stamp costs would have been preferable, and would have given the responsible committees of this House time to identify means of revising the formula to cut program costs without adding at this time to the financial burdens of elderly couples and aged citizens living alone.

As a member of the Committee on Appropriations, I will continue my efforts to find means of getting the undeserving off the food stamp eligibility lists, and reducing the unacceptable cost levels of this program.

Mr. MATSUNAGA. Mr. Speaker, I rise in support of H.R. 1589, a bill which would prohibit the Secretary of Agriculture from raising food stamp costs beyond their January 1, 1975 cost.

As we are all aware, this legislation is necessary to prevent a price increase on food stamps scheduled to take effect on March 1.

Under existing USDA regulations, the cost of food stamps ranges from 5 percent of a recipient's income to 30 percent, based on a sliding scale. The USDA estimates that the average recipient today pays only 23 percent of his income for food stamps. Under the new regulations, food stamp costs will rise to a mandatory 30 percent. Thus, the average food stamp purchaser will have his food stamp cost increased by 30 percent unless the bill before the House today is enacted.

In Hawaii, about 70,000 persons use food stamps every month. Statistics for September 1975 indicate that these persons paid a total of $1.3 million for $3 million worth of food stamps. That would breakdown to each recipient paying an average of $55 for food stamps worth $124. If the administration's regulations are allowed to go through, the average Hawaii recipient will pay $16 more per month for his food stamps.

A $16 increase in food stamp costs would be serious enough given the low income of all food stamp recipients, but this outrageous increase hits hardest upon our senior citizens and poorest residents who already have been assaulted by the full impact of inflation. Under the administration's new regulations, those with the lowest income are hit with the highest percentage increase in monthly food stamp expenditures. As the income of the recipient rises the proposed percent that his food stamp expenditures will rise is lowered. This sort of discrimination, which hits hardest those who can least afford it, derogates the very nature of the food stamp program.

The intent of Congress in setting up the food stamp program is clearly expressed in 7 U.S.C. 2011:

> Congress hereby finds that the limited food purchasing power of low income households contributes to hunger and malnutrition among members of such households . . . to alleviate such hunger and malnutrition a food stamp program is herein authorized which will premit low-income households to purchase a nutritionally adequate diet through normal channels of trade.

It is indeed difficult to see how raising the price of food stamps contributes to this goal. Rather alleviate hunger and malnutrition among the low-income community, the administration's new regulations will add to the problem.

Mr. Speaker, H.R. 1589, if passed, will give Congress adequate time in which to study fully the food stamp program and assess the total impact of a change in the regulations upon the low-income and elderly of our Nation. I therefore strongly urge my colleagues to join its proponents in passing this measure by an overwhelming majority.

Mr. CHARLES WILSON of Texas. Mr. Speaker, while I am happy to support this bill I must confess I am very disappointed that circumstances have required this kind of legislative action. At a time when Congress has so many pressing issues to consider, there is no excuse for our having to spend valuable time legislating that which has already been legislated. Nonetheless, the Department of Agriculture has promulgated regulations that are completely contrary to the existing provision of section 7(b) of the Food Stamp Act which requires food stamp prices to be set only as high as a point which equals a "reasonable investment" on the part of a household. "Reasonable investment" must be construed according to the Food Stamp Act's purpose of providing a nutritional diet to needy Americans and therefore the price must set low enough to reflect a household's nutritional and economic needs. We cannot allow USDA's new regulatory scheme, with its consequent impact on poor people, to take effect.

This bill will prohibit Agriculture from implementing their regulation to increase the purchase price of food stamps to 30 percent of a households' net income. Under that regulation, millions of elderly food stamp recipients living alone, will be denied their guarantee of receiving a nutritionally adequate diet through the food stamp program by virtue of having to pay $45 or $43 for a $46 coupon allotment. In fact, many impoverished elderly will drop out of the program because the defendants' regulation reduces their benefits to an inconsequential sum. We have promised these people the means of purchasing a substantial diet and we cannot allow Agriculture to renege on this congressional commitment. Consequently, this bill will confirm the existing provisions of section 7(b) of the Food Stamp Act and will nullify Agriculture's regulation of January 22, which would take effect on March 1, 1975. It will require Agriculture to apply as purchase price maximums, the purchase price standards that were effective as of January 1, 1975, throughout the year.

Under this bill, Agriculture can, and must, continue to increase food stamp allotments and eligibility standards; that is, they must increase these standards as of July 1, 1975, to remain in effect until December 31, 1975. However, Agriculture is prohibited under this bill, to raise purchase prices for stamps for this same period. As I said, it is unfortunate that we must legislate, once again, that poor people need pay only a reasonable investment for their food stamps, but Agriculture's regulation makes this legislation imperative.

Mr. HEINZ. Mr. Speaker, as a cosponsor of similar legislation, I rise in support of H.R. 1589, the Department of Agriculture's plan to increase the cost of food stamps to recipients from an average 23 percent of their budget to 30 percent. At a time when unemployment has risen to 7.1 percent and inflation is running above 12 percent annually, food stamps actually stand between survival and desperation for many of our poor and elderly.

While I am not convinced that the food stamp approach is any substitute for a reform of our inequitable and discouraging welfare system, it is the best answer we have at the moment to assure some Americans the purchasing power to buy food. As one measure of the times, food stamp participation has grown from over 13.5 million in June to 15.1 million in October. Today, the number of food stamp recipients is estimated to be as high as 17 million. The program is costly, but attempts to pare it down will only worsen conditions for many people who now live at the edge of despondency. Surely the administration and the Congress can find some other way to save $650 million from a budget of over $300 billion, than to take it out of the pockets of the poor and aged.

Finally, I want to emphasize that the food stamp program itself may be in need of progressive reforms so that it adequately helps those with the greatest need, and that my vote today is not a vote against any future constructive changes. Indeed, I urge the House Agriculture Committee to get down to work at once on a complete review of the food stamp program.

Mr. FORD of Tennessee. Mr. Speaker, I rise in support of H.R. 1589, a bill designed to prohibit any increases in the costs of food stamps. This program in its present form extends benefits to nearly 17 million Americans. If President Ford's efforts to secure a higher price for food stamps are successful, over 15 million persons, 93.5 percent of all recipients, would be adversely affected.

In my own district, as of January 1975, 28,830 households representing 110,183 people were participating in this program. If the increases were to go unchecked, well over 98,000 Memphians would suffer a reduction in benefits at a time when they can least afford it.

As it stands now, the average household taking part in the food stamp program pays 23 percent of its net income for food stamps. If the President's proposal were to become effective, these families would be required to pay 30 percent of their net income for food stamps. Why should those who are in the worst financial shape be asked to bear the heaviest burden of the Federal budget cutbacks?

The House Committee on Agriculture in its careful and I might add, commendable deliberations over this bill advised that the elderly poor would be most severely hit by the implementation of the President's plan. Further, the committee warned that nearly one-half of all elderly individuals and couples in this program might drop out if the new proposal were adopted.

Mr. Speaker, I for one, find such a prospect totally reprehensible. We have no right to jeopardize the health and well-being of the aged and indigent people of this country by denying them a fully nutritious diet. This situation clearly demands decisive action and the blame will deservedly fall upon the Members of this body if we fail to rise to the challenge.

This is only the beginning of a comprehensive effort by President Ford, steered by misguided priorities, to reduce the Federal budget deficit. Blinded by his zeal, his administration is attempting to sabotage those very programs that are required in these times of economic turmoil. It is our responsibility to rearrange this Nation's priorities so that the people of the United States are our major concern.

Mr. Speaker, I implore my distinguished colleagues to join with me in support of this worthwhile bill. Our duty to our fellow citizens demands nothing less than resounding passage of this legislation.

Mr. BAUMAN. Mr. Speaker, I greatly regret that the majority has seen fit to bring up H.R. 1589 under a suspension procedure which greatly limits debate and permits no amendments. As I noted earlier in the question I posed to the gentleman from Virginia (Mr. WAMPLER), many of us feel there is a strong need for reform of the food stamp program and it is my intention to join with other Members of the House in introducing legislation which will bring about such needed reforms. These bills are now being drafted and will be introduced shortly.

Thousands of people have been permitted to join the food stamp rolls who neither deserve nor need this type of Government assistance. Included are college students, strikers, and those who voluntarily place themselves in a poverty status in order to qualify for food stamps.

While I may not agree in every detail with the Department of Agriculture's proposed regulation changes, it has to be admitted that this program has grown far beyond the originally intended limitation. If, in fact, the regulations are permitted to take effect, there will be a minimum savings of $215 million in fiscal 1975 or about 5 percent of the total $4 billion food stamp budget. For fiscal 1976 these regulations could mean a substantially larger reduction in the order of $600 million as compared to what it might cost unless these changes are made. Considering that in its 5-year history the food stamp program has increased in cost more than 600 percent, we must do something to stop this constant growth and drain on our tax dollars.

Mr. Speaker, while I feel that an inordinate burden of these regulations falls on single person households and the elderly, an argument can also be made that a requirement that an across-the-board 30 percent of net income should be spent for food stamps is a more equitable way of calculating purchase requirements than permitting a sliding scale of percentages as is the present case. Most households affected by the new regulation will see increases of less than $10 per month and there has not been any general increase in purchase requirements since the beginning of the program 10 years ago. In the meantime the benefits of the program have reached the point where the monthly allotment in some cases is more than the amount paid for a four-person family receiving AFDC cash welfare.

I think it should be kept in mind what we are talking about is 30 percent of net income for food, not gross income. Most households under the program are allowed many deductions in calculating this "food stamp income" and quite often the net income is substantially below the actual cash income.

All of this is not to deny the fact that we are in very difficult economic times and this program does offer some assistance. But what is really needed is a general overhaul of the food stamp program so that the truly needy can receive more assistance, and those who should receive none can be eliminated from the rolls.

It does no good to paint this issue in terms of being "for" and "against" the poor. The truth of the matter is that the money to finance this program must come out of the pockets of all American taxpayers and the resulting inflation caused by massive budget deficits, such as the President recommended yesterday, results in a tax on everyone, including food stamp recipients.

We have today a chance to cast the first vote against continued inflation and for a more nearly balanced budget. Every time such a chance presents itself Members justify in their own minds the thought that this is not the program to be cut. And so no programs are cut, only increased. That is precisely why we are in the economic straits in which we find ourselves today.

I hope, Mr. Speaker, that we will be able to bring about a meaningful reform of the food stamp program in this session of Congress as has been promised by the chairman of the Committee on Agriculture (Mr. FOLEY). But to be realistic, I do not believe that this will occur and I suspect the vote we cast today will be the only chance we have to address this issue.

Mr. STOKES. Mr. Speaker, I rise in support of H.R. 1589, which will prohibit the Secretary of Agriculture from raising the cost of food stamps beyond their January 1, 1975, cost. Because of the great urgency and importance of this matter for so many millions of Americans already severely economically distressed, I have cosponsored several bills on this subject, including the one that was reported out by the subcommittee.

Today more than ever before this Nation faces a grave leadership crisis. The priorities of Government must be seriously questioned when the administration reduces the availability of food for Americans in order to increase the availability of weapons for the South Vietnamese. Our Chief Executive has demanded in his energy and economic proposals that the poor be made to shoulder the "entire" burden of the recession. To save $110 million he would reduce food stamp benefits desperately needed by 17 million Americans. At the same time he asks Congress for $522 million for the "corrupt" Thieu regime.

We have learned hard lessons in this country in recent years. We have learned that the prolonged prohibitive costs of foreign entanglement gradually ruins the economy of a once-prosperous nation. We have learned that deals made by powerful men in high places can invisibly undermine the very foundations of our representative democracy. Now we are challenged to prove that we have profited from the revelations of Vietnam and Watergate. I submit that the 94th Congress, with the faith and trust of the American people, will rise to that challenge.

My colleagues and I are fighting at this moment to prevent the imposition of several potentially disastrous Government edicts. I am confident that we can come to the rescue of the nearly 10 percent of the population who stand to lose most of the benefits of the food stamp program beginning March 1. We cannot tolerate the blatant immorality of reducing these benefits at a time when increasing numbers of Americans need them. In Cleveland we would witness widespread suffering comparable to the depression if President Ford's plan goes through. Thousands of elderly have already been cut from free lunch programs and other charitable efforts to save them from malnutrition. To these elderly citizens the food stamp is the key to survival. Then there are the new recruits to the ranks of the poor; auto-industry workers whose layoffs increased Cleveland's unemployment rolls by 40 percent in the last month alone; erstwhile middle-income families who lost that status when consumer prices jumped 12.2 percent for the largest increase since the end of World War II.

Figures released this week by the Department of Agriculture reveal that for the first time most food stamp recipients are coming from the work force, those who earn low salaries or who have recently lost their jobs. In Cleveland alone thousands more qualified for food stamps when food prices went up 11.1 percent.

The poor and the elderly are two segments of the population that have for too long been limited to the cheapest and often the least nutritious foods. These people cannot be asked to limit their steak consumption and to eat more casseroles. Many of them have been reportedly eating dog food. With their rent steadily rising, their utilities' expenses on an unending upsurge, their medical expenditures mounting constantly, and with their food stamps purchase power decreasing simultaneously, how can we ask them to bear an additional load of the economic burden?

The average household participating in the food stamp program now pays 23 percent of its net income for food stamps. This new regulation would require participants to pay 30 percent of its income for the stamps. The Community Nutrition Institute reports that if the new proposal were implemented, one-person households in the $154 to $194 a month income range would pay $46 to $58 and still get only $46 in food stamps. The people would obviously realize that under such a program, it will be in many cases cheaper not to buy the stamps. A phased out food stamp program would result from such nonparticipation.

After the Ford administration announced the increase in the food stamps, Secretary of Agriculture Earl Butz received 4,367 letters expressing concern over the new proposal—50 persons supported the plan while 4,317 persons expressed strong opposition. Because President Ford does not seek to have a responsive administration, he ignored the peoples' cries not only in his food stamp decision but throughout his entire newly proposed budget.

It is obvious that we are all anxious to rectify the Nation's existing economic situation, but in our efforts to improve the country's financial state, we must be careful not to devise and implement laws or programs that will bring unbearable affliction upon the poor and the elderly who already being tormented most severely by inflation and recession.

Mr. MOAKLEY. Mr. Speaker, I rise in support of H.R. 1589, a bill to amend the Food Stamp Act of 1964. This bill would freeze present costs of food stamps to recipients at its present level until December 31, 1975.

In his November speech on the economy, President Ford announced that he intended to generate a savings of $650 million by raising the price of food stamps. I cannot think of a time less suited for such a proposal. This new plan, scheduled effective March 31, 1975, would require millions of poor people across the Nation to pay more—in many cases, significantly more—for their food stamps. This plan would require all but the most destitute—those households with a monthly income of $20 or less—to pay a flat 30 percent of their net income for food stamps. The national average now paid by food stamp recipients is 22 percent. The new plan would require the average family to pay nearly one-third more for its food stamps than it now pays. However, in some instances, some families would be faced with a 200-percent increase in their food bill at a time when unemployment has outraced employment opportunities at a pace unequaled since the Great Depression. Also, rent, heat, and other costs have skyrocketed beyond the reach of millions of Americans.

The dollar loss to the economy if the plan went into effect in my State of Massachusetts, based on 87,774 food stamp recipients, would be $3,686,508. Where, may I ask, is the savings?

Mr. Speaker, I join my colleagues in urging quick passage of this urgent piece of legislation to insure that every American has sufficient food, regardless of how poor or disadvantaged they may be.

Mr. RISENHOOVER. Mr. Speaker, I adamantly oppose the administration's proposal to increase the price of food stamps for the poor people of America. I strongly support the H.R. 1589 which prohibits that proposed increase.

During this time of economic crisis, no segment of the Nation is suffering more than ordinary working people, our older citizens on pensions and folks who are out of work. Yet, these are the people who would be hit hardest by this increase in the cost of their food.

I was talking today with Lloyd Rader, our State welfare director, who shares my opposition to this increase and my amazement that the national administration would propose such a burden on the lower income people of our Nation.

Lloyd tells me that if these increases are allowed, it would add about $700,000 a month to the food bill of lower income Oklahomans. About 15,000 people who now are helped by food stamps would lose the benefits entirely, and more than 167,000 people will pay higher prices for food stamps.

In Lloyd Rader's words:

> The increases would create a hardship for many Oklahomans at the very time when inflation is making it difficult for low-income families to provide necessary food.

In my own congressional district, Mr. Rader tells me that 3,784 people would lose the assistance of food stamps and 38,549 people would pay higher prices.

Mr. Rader has provided me with the following county-by-county breakdown of the number of people who would lose benefits—and those who would pay more for food stamps, if the new prices are imposed.

County	Benefits lost	Pay more for stamps
Cherokee	202	2,406
Muskogee	652	5,823
Sequoyah	313	3,366
Creek	252	3,537
Okmulgee	478	4,671
Washington	153	1,494
Adair	166	3,015
Rogers	146	1,264
Nowata	63	602
Osage	182	1,747
Craig	92	732
Ottawa	234	2,088
Delaware	150	2,022
Mayes	163	1,453
Wagoner	143	1,846
McIntosh	247	1,288
Okfuskee	148	1,195

Bob White, the retiring director of Oklahoma's Office of Economic Opportunity, says that his analysis of the proposed changes show they would discriminate against smaller families, particularly one and two person families, and the poorest of poor, while subsidizing larger families in the lower-middle income brackets.

During this time of deepening economic troubles, low-income families are being hit hardest by spiraling inflation and increasing recession. Retired people on fixed incomes and the unemployed are being driven to the wall of despair. Even the low income, large families need immediate help.

The administration's determination to add to their burdens by increasing the purchase price of food stamps is unthinkable and indefensible at this time.

It is my belief that a sensitive and responsive National Government should—during these troubled times—be taking positive action to assure that the physical needs of the elderly, unemployed, and poor are being met.

We are living in a time when there is a surplus of beef—which has driven the cattle market into a chaotic state—but people are faced with hunger. The Food Stamp Act attempted to relieve the specter of malnutrition from the lower income people of our Nation. It was an important start—and it deserves to be strengthened. However, I repeat, that I am opposed to raising the prices for food stamps.

Mr. FRASER. Mr. Speaker, once again, the Congress finds itself in the midst of yet another battle with this administration over spending priorities. Unfortunately, based upon initial analysis of the President's budget released yesterday, it seems this will be only the first of many budgetary struggles in which this new Congress will find itself. For I interpret the President's inequitable proposal to increase food stamp prices as a clear message to us all of just what the administration's priorities are. Mr. Ford asks the American people to prop up the Thieu regime in South Vietnam with $300 million while asking 15 million of the Nation's poor, those citizens already bearing the heaviest burden in these bad economic times, to pay an additional $650 million for food stamps. With one hand he tries to give low-income people a tax rebate so they can buy more of their daily necessities, and with the other hand takes the money back again through higher food stamp prices.

All of us here realize the country is experiencing serious economic problems. Some of us have different answers to those problems. Some call for tax rebates, others for higher taxes. Some call for gasoline taxes, others want gasoline rationing. Some experts argue we must stimulate the economy with lower interest rates and increased spending while others argue we must be more frugal and cut back Government spending; and those advocating cutbacks further argue as to where those cuts should be made.

While there is strong disagreement and much debate as to what is the proper economic course for us to take, inflation does not stop to listen to our words. It continues. And, I believe, there can be little disagreement who has been hit the hardest by economic bad times. It is the poor; whether it is the working poor or those who live on fixed incomes—our blind, disabled, and elderly. These are the people who need food stamps and all the help we in Government can give them. Yet the administration has chosen them to bear spending cutbacks.

The shame of this proposal is that it is not based on logic. Administration officials claim huge savings by forcing households out of the program. When asked how many elderly will be affected by these new regulations, they could not say. They could only respond with an "efficiency for efficiency's sake" mentality where each dollar is the same and misleading statistics rule, conveniently pointing out that food stamp recipients will be spending "only" 16 percent of their total income for food purchases, 0.9 percent below the national average. But, what are the real consequences of these regulations that will affect 95 percent of all food stamp recipients in the country, over 150,000 people in Minnesota, and over 40,000 in Hennepin County alone?

The new plan would hit hardest at food stamp recipients living in one- and two-person households, the majority of whom are elderly. Nearly one out of every four food stamp recipients live in a one- or two-person household. The plan would be harshest on those individuals whose net income is between $154 and $195 a month. All such persons—who are now eligible for a $10 to $13 food stamp benefit each month—would be eliminated from the food stamp program. This includes the aged, blind, and disabled poor who participate in the Federal Government's supplemental security income program. An elderly person with an income of $154 now pays from $33 to $36 for $46 in stamps. Under the new plan, such persons will have to pay $46.20 or more and still receive only $46 in stamps. In other words, some persons living below the poverty line would be unable to get food stamp aid. Reporting on the plight of the elderly, last week the Minneapolis Star reported a rising trend in shoplifting by poor, elderly persons—thefts by people who find that their welfare checks and food stamps are not enough. Faced with starvation they must steal to survive. The articles follow:

[From the Minneapolis Star, Jan. 29, 1975]

RAMSEY OFFICIALS BLAME HUNGER FOR FOOD SHOPLIFTING BY ELDERLY

(By Paul Presbrey and Milton Coleman)

A 68-year-old woman appeared last week in Ramsey Municipal Court on charges of stealing two packages of smoked sausage links.

She told Judge Joseph Summers that she had run out of food stamps and took the sausage after selecting a few necessities.

In another case last week, a 60-year-old woman, was charged with petty larceny after leaving a store with two packages of cold cuts in her pockets. She had bought a few items and tried to get out with the extras.

Summers said that when he asked her why she had taken the meat, she replied: "I didn't have money and I had to eat."

These cases illustrate what Ramsey County judges and law enforcement officials say is a rising trend—theft of food by poor, elderly persons.

Judges and police in Hennepin County said they have seen similar incidents.

There has been a "sharp increase" during the past six months in the number of older persons arrested for shoplifting, according to St. Paul Police Capt. Robert Highberg.

Summers and Ramsey Municipal Court Judge Joseph Salland said they are getting at least one or two cases each day of elderly persons accused of minor thefts. Many of the defendants say they stole because they didn't have enough to eat.

"They're all very cleanly dressed and not one of them has had any prior problems with the law," Salland said. "They're just hungry and haven't enough money. Most of them are on Social Security."

Summers, who said he presided over 10 such cases last week, said most defendants are given a one-year deferred sentence. "This means that the charge is dismissed if they don't get into trouble again during that time," he said.

Salland said he heard the case of an 81-year-old man who slipped $3 worth of cold cuts, under his coat while shopping with his wife. Both were on Social Security.

A 66-year-old woman was apprehended trying to leave a store with a tube of toothpaste and a bottle of mouthwash, Salland said. And two women, aged 66 and 76, were tried for attempting to take some stockings and cheap cotton pants.

"They're not like the professional shoplifter," said Highberg, who heads the theft division. "They really don't know how to steal, and that's why they get caught."

Highberg said most stores take persons caught shoplifting to court rather than let them pay for the goods.

Summers said he still is giving fines or jail sentences to persons charged with petty larceny in connection with shoplifting.

He said he fined a 30-year-old man $25 after he was caught walking out of a store with a package of shrimp and another of lobster tails.

"I thought his taste was too high," Summers said. "I'm easier on hamburger thieves than on sirloin thieves."

[From the Minneapolis Star, Jan. 28, 1975]

NO FOOD SINCE FRIDAY—DOG FED, BUT THEY GOT "FLOUR GRAVY"

(By Randy Furst)

The cupboards were empty. There was a small bowl of flour on a counter and two bottles of water in the refrigerator. The 82-year-old woman said she and her 57-year-old son have been living since Friday on "flour gravy."

Iva Griffin, 2121 Hennepin Av., said she ran out of money Friday and called the Community Information Referral Agency yesterday.

The agency in turn alerted emergency food shelf at Joyce Neighborhood House in south Minneapolis.

Free groceries that will last for several days were delivered to Mrs. Griffin yesterday afternoon.

"I had enough food for the dog to eat, but nothing for me," Mrs. Griffin said. "Flower and water is awful, but Don, my son, eats it."

Mrs. Griffin said her son worked in a glove factory for many years, but he was "pushed and pushed" and had a breakdown. He has been living with her since.

Mrs. Griffin is blind in one eye and has a cataract in the other. She said that she and her son have a combined Social Security income of $295 a month and will not get another check until Monday.

She said she spent the last of her money paying debts to two grocers. She said she still owes $400 in grocery bills.

"The prices are going up," she said yesterday. "That's what's the matter. I don't know how to cope."

Her apartment is small and sparsely furnished. Her son needs shoes.

She has an unpaid electric bill of $13 for two months, a $4 gas bill and a $4.50 telephone bill. She's paid her January rent of $125.

She expects the food for her dog, 'Cindy', to run out Saturday.

"I had good jobs all my life and I come from a beautiful farm home," Mrs. Griffin said. "I never was out of money before."

Mrs. Griffin speaks quietly but articulately. She appears to be a proud woman who had not wanted to pick up the phone to call for help.

But she said her son was "pretty sick" by yesterday morning. He had nothing but a cup of coffee until the free groceries arrived.

"I had some hot water and sugar," Mrs. Griffin said.

It was not clear whether Mrs. Griffin will have enough food to last her until next week. Joyce House gave her groceries for a week, but Mrs. Griffin and her son were obviously famished, and it was possible that all the food might be eaten before her Social Security check arrives.

The referral service has been averaging 10 to 15 calls a day from persons who have run out of food, according to Ellen Fitzgerald, assistant director for the service. She said the number of calls has been on the increase.

"People sound as if they're in an emergency," Miss Fitzgerald said. "Their welfare checks and food stamps aren't going far enough. And there are more and more people out of work."

Majorie Currie, chairperson of Hunger Hennepin County, which oversees the area's 10 food shelves, says the number of persons seeking free food has increased about 33 percent in the past month.

Last year the food shelves served about 10,000 persons.

Clearly, Mr. Speaker, I think the administration has asked the wrong members of our economically troubled society to bear the increased burden. Stories such as these are a sad commentary on our national priorities.

I would also like to insert at this time some letters I have been getting in my office on these new regulations. I think the letters express better than pages of statistics the impact the regulations will have on people.

The letters follow:

From a Working Mother

I have two beautiful children ages 5 and 7. . . . The thought that after March 1 the cost of my food stamps will jump from $70 to $100 terrifies me. I now pay $70 for $118 worth of food stamps and every one of them is used by the end of month. The extra $48 means the difference between a balanced diet or a diet of mainly starch.

Must we just wait out this administration until someone can be elected who perhaps may appoint someone more human as Secretary of Agriculture. It is difficult to contemplate waiting two more years when one must contemplate being hungry for most of that time. Right now my children are healthy and happy. I shudder to think it is possible for them to change because of hunger.

From a Working Mother

I am a working mother who supports three children. I spend $126 a month for $150 in food stamps. Now, if this new plan goes through, I won't even be able to afford the food stamps.

Have you tried to dress two teen-age boys and a teen age girl on what I make. Have you tried to feed a family of four on $150.00 today. And now this is happening. I am half-nuts now, since my house is falling apart, and I need a $10,000 for home improvements, which will run me $60.60 a month plus my regular house payments.

It's getting to the point where, with this constant reporting we have to do every month, every three months, and every six months, there is no hope for the working mother.

How much more before the lid blows off? How many tears does a mother have? For seven years I've been fighting to hold my head up, receiving my degree after my divorce. Now these new laws. And Nixon gets $30,000 a year; Does he pay ⅓ for his food. Can you help us?

From a Senior Citizen

I hope you don't think I am complaining, just stating some facts that were given to me yesterday.

I was told yesterday by someone who might know the facts that I would be cut off entirely on my food stamps, which for me would be a deadly blow below the belt.

My social security pension check every month is $239.60 but here is something the other party does not know. I have bronchial asthma, have had it for years. As you know, the medicine for this asthma is just going out of sight and still going higher. What I want to say is if they cut me off of food stamps and with my rent and the medicine, I would have to go on relief and that I don't want.

I like the hi rise where I live and I don't want to move. I'll be 78 in February. This has got me worried.

I believe we must act speedily to nullify these proposed regulations and reintroduce some semblance of humane priorities in what takes place in this capital city. Time is of the essence. I commend the chairman of the Agriculture Committee, Mr. FOLEY, for his sensitivity in bringing this bill to the floor for early consideration. I think not even Mr. Butz can tell us how to explain to people why we have taken food out of their mouths and their children's mouths.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY) that the House suspend the rules and pass the bill (H.R. 1589) as amended.

RECORDED VOTE

Mr. FOLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 374, noes 38, not voting 21, as follows:

[Roll No. 11]

AYES—374

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McCloskey
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—38

Ashbrook
Bafalis
Bauman
Brown, Ohio
Clancy
Clawson, Del
Collins, Tex.
Conlan
Crane
Devine
Eshleman
Goodling
Hansen
Hébert
Hinshaw
Holt
Ichord
Kasten
Kelly
Kemp
Ketchum
Lott
Lujan
McCollister
McDonald
Montgomery
Moorhead, Calif.
Rhodes
Rousselot
Schneebeli
Shuster
Smith, Nebr.
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Treen
Wiggins

NOT VOTING—21

Ashley
Bonker
Collins, Ill.
Derwinski
Diggs
Eckhardt
Esch
Flynt
Harsha
Jarman
Levitas
McClory
McCormack
Madigan
Maguire
Mathis
Mills
Pepper
Randall
Rostenkowski
Solarz

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Levitas with Mr. Ashley.
Mr. Eckhardt with Mr. Mills.
Mr. Rostenkowski with Mr. McCormack.
Mr. Mathis with Mr. Maguire.
Mr. Randall with Mr. Bonker.
Mr. Solarz with Mr. Madigan.
Mr. Pepper with Mr. Jarman.
Mr. Flynt with Mr. McClory.
Mrs. Collins of Illinois with Mr. Esch.
Mr. Diggs with Mr. Derwinski.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to suspend increases in the costs of coupons to food stamp recipients as a result of recent administrative actions.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PUBLICATION OF THE RULES OF THE COMMITTEE ON AGRICULTURE

Mr. FOLEY. Mr. Speaker, pursuant to and in accordance with rule XI, clause 2(a)(3) of the Rules of the House of Representatives I submit for publication in the CONGRESSIONAL RECORD a copy of the rules of the Committee on Agriculture as approved by the committee on January 29, 1975.

SYNOPSIS OF COMMITTEE RULES—94TH CONGRESS

PART I—PROCEDURE IN COMMITTEE

Rule 1. Regular Meetings—Special Meetings.

Rule 2. Quorum Required.

Rule 3. Proxies.

Rule 4. Roll Calls—Public Record--Other Proceedings.

Rule 5. Consideration of Bills and Other Measures or Matters.

Rule 6. Questioning Witnesses—5-Minute Rule.

Rule 7. Recognition of Members.

Rule 8. Investigative Hearing Procedure.

Rule 9. Subpenas—Oaths.

Rule 10. Right of Minority to call Witnesses.

PART II—COMMITTEE OPERATION

Rule 11. Committee Reports.

Rule 12. Supplemental or Minority Views.

Rule 13. Participation in and Conduct of Hearings and Meetings.

Rule 14. Staff Duties.

Rule 15. Correction of Transcripts.

Rule 16. Committee Prints and Publications.

Rule 17. Availability of Committee Records.

Rule 18. Broadcasting and Still Photography.

Rule 19. Timing of Points of Order.

Rule 20. Sitting during House Sessions.

PART III—SUBCOMMITTEES

Rule 21. Establishment of Subcommittees.

Rule 22. Chairman and Ranking Minority Member as Ex-Officio Members.

Rule 23. Notice of Meetings and Requests.

Rule 24. Privilege of Members to sit in Subcommittee.

Rule 25. Two-day Rule on Subcommittee Action—Waiver of Rule.

PART IV—GENERAL

Rule 26. Travel.

Rule 27. Application of Committee Rules to Subcommittees.

Rule 28. Application of House Rules to Committee.

Appendix A—House rule XI, clause 2(k).

RULES GOVERNING THE PROCEDURE AND OPERATION OF THE COMMITTEE ON AGRICULTURE—94TH CONGRESS

PART I—PROCEDURE IN COMMITTEE

In addition to and in conformity with the Rules of the House of Representatives, the following rules are in effect for the Committee on Agriculture:

1. The Committee on Agriculture shall meet at 10 a.m. on the first Tuesday of each month and at such other times as may be designated by the Chairman. The regular Tuesday meeting of the Committee may be dispensed with at the discretion of the Chairman upon notice of such action to all members of the Committee. If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the staff director of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the staff director shall notify all members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

2. No measure or recommendation shall be reported by the Committee or by a Subcommittee when it is disclosed that a quorum is not present. A majority of the Committee or Subcommittee shall constitute a quorum for the purpose of transacting business, but a quorum for taking testimony and receiving evidence shall be two. Any member at a meeting of the full Committee or any member of the Subcommittee involved may make a point of order that a quorum is not present.

3. A member may vote on any matter before the Committee or any Subcommittee by proxy. The proxy authorization shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed, and the date or dates for which it is to be effective. Proxies may not be counted for a quorum. Such proxy shall contain all elements represented by the following form and shall be in the hands of the clerk of the Committee or the clerk of the Subcommittee, as the case may be, during each rollcall in which it is to be voted:

PROXY

Anticipating that I will be absent on official business or otherwise unable to be present, I hereby designate the Honorable ---------------------------------- to cast my votes as hereinafter indicated on the following bill, resolution, or matter:

H.R.—.
S.—.
Other—.

The proxy may be used on the following days:

My votes shall be cast in such manner as the proxy holder deems appropriate, subject to the following limitations (specify):

(Signature), (Date), (Time).

4. A rollcall of the members may be had upon the request of any member. The Staff Director shall keep a complete record of all Committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. Upon written request the result of each such rollcall vote during the 94th Congress shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. The other proceedings of the Committee in a closed meeting shall not be divulged unless otherwise determined by a majority of the Committee, except that the Chairman may announce the result of a vote and any member may disclose his individual vote.

5. Bills or other measures or matters shall be brought up for hearing or other consideration by the Chairman or by a majority vote of a quorum of the Committee. Unless the Chairman of the Committee or Subcommittee, or a majority thereof, determines otherwise, no persons other than Members of Congress or Committee staff shall walk in or be seated at the rostrum area of the Committee.

6. Committee members may question witnesses only when they have been recognized by the Chairman for that purpose. The Chairman may limit the time of such questioning after giving due consideration to the importance of the subject matter and to the length of time available. All questions put to witnesses before the Committee shall be germane to the bill or other subject matter before the Committee for consideration. Unless the Chairman of the Committee or Subcommittee, or a majority thereof, determines otherwise, no person shall interrogate witnesses, except members and staff of the Committee or Subcommittee.

The five-minute rule shall apply in the interrogation of witnesses until such time as each member of the Committee who so desires has had an opportunity to question the witness.

7. Any member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The Chairman may limit the time of any such member after giving due consideration to the importance of the subject matter and to the length of time available. If the Chairman is not present at any meeting of the Committee, the ranking member of the majority party on the Committee who is present shall preside at that meeting.

8. The Chairman at an investigative hearing shall announce in an opening statement the subject of the investigation. A copy of the Committee rules (and the applicable provision of the House Rules set forth in Appendix A) shall be made available to each witness. Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their Constitutional rights. The Chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the Committee may cite the offender to the House for contempt. If the Committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall:

(1) receive such evidence or testimony in executive session;

(2) afford such person an opportunity voluntarily to appear as a witness; and

(3) receive and dispose of requests from such person to subpena additional witnesses.

Except as provided herein, the Chairman shall receive and the Committee shall dispose of requests to subpena additional witnesses. No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee. In the discretion of the Committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing. A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee.

9. A subpena may be issued by a Committee or Subcommittee in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members of the full Committee, and authorized subpenas shall be signed by the Chairman of the full Committee or by any member designated by the Committee. The Chairman of the Committee or Subcommittee or any member designated by such Chairmen may administer oaths to any witness.

10. Whenever any hearing is conducted by the Committee upon any measure or matter, the minority party members on the Committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

PART II—COMMITTEE OPERATION

11. Each Committee report on legislation shall include in its text (a) a statement of the reported legislation's intent or purpose; (b) need; (c) the results of motions to report showing the total number of votes cast for, and the total number of votes cast against, the reporting of a bill or resolution; (d) a current and a five-year cost estimate, Administration or Departmental position (if any); (e) oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of House Rule X separately set out and clearly identified; (f) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (g) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the Committee; (h) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of House Rule X, separately set out and clearly identified, whenever such findings and recommendations have been submitted to the Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Committee's deliberations on the measure; (i) a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy; (j) changes in existing law (if any); and (k) in addition, such other provisions as the Chairman deems necessary.

12. If, at the time of approval of any measure or matter by the Committee or Subcommittee, any member of the Committee or Subcommittee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the Staff Director of the Committee. All such views so filed by one or more members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter: *Provided*, That this rule shall not apply to the approval of bills or resolutions reported by a Subcommittee to the full Committee. The report of the Committee upon that measure or matter shall be printed in a single volume which:

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report; and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of subparagraph (3) of House Rule XI, clause 2(1)) are included as part of the report.

This shall not preclude the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or the filing by any such Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that Committee upon that measure or matter.

13. Each meeting for the transaction of business, including the markup of legislation, of the Committee or Subcommittee shall be open to the public except when the Committee or Subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however*, that no person other than members of the Committee and such Congressional staff and such Departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open Committee hearings which are provided for by clause 4(a)(3) of House Rule X or by the second paragraph of this Rule, or to any meeting that relates solely to internal budget or personnel matters.

Each hearing conducted by the Committee or Subcommittee thereof shall be open to the public except when the Committee or Subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however*, that the Committee or Subcommittee may by the same procedure vote to close one subsequent day of hearing.

The Committee or Subcommittee shall make public announcement of the date, place, and subject matter of any hearing at least one week before the commencement of the hearing. If the Committee or Subcommittee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

Each witness who is to appear before it shall, insofar as practicable, file with the Committee (in advance of his or her appearance) a written statement of the proposed testimony and limit the oral presentation at such appearance to a brief summary of his or her argument.

14. The staff of the full Committee shall perform such duties as are authorized by law and shall be under the general supervision and direction of the Chairman. Staff assigned to Subcommittees shall perform such duties as are authorized by law and shall be under the general supervision and direction of the Chairman of the full Committee and the Chairmen of the respective Subcommittees. Committee members seeking assistance from the staff shall make their requests through the Chairman or Ranking Minority Member.

15. An accurate stenographic record shall be kept of all testimony taken at public hearings and at such meetings of the Committee as the Chairman shall determine the need therefor. Any public witness may, in the presence of a member of the Committee staff and at a reasonable time at the office of the Committee, examine the transcript of his or her own testimony and make such grammatical or technical changes as will not substantially alter the record of testimony. Members of the Committee shall correct and return transcripts as soon as practicable after receipt thereof. The Chairman of the full Committee may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time to make such corrections and further delay would seriously impede the consideration of the legislative action which is the subject of the hearing. Any person requesting permission to file a statement for the record of a hearing or meeting shall do so prior to the conclusion of such hearing or meeting.

16. Unless the Committee directs otherwise, all Committee prints or Subcommittee prints, or other measures or matters, except prints of bills, prepared for public distribution shall be approved by the full committee Chairman or the full Committee prior to such distribution.

17. All Committee or Subcommittee hearings, records, data, charts, and files for the 94th Congress shall be kept separate and distinct from the congressional office records of the member serving as Chairman of the Committee or Subcommittee; and such records shall be the property of the House and all members of the House shall have access thereto. In the event of a request for access to such records, the Staff Director of the Committee or the Chairman of the Subcommittee, whichever the case may be, shall promptly notify the Chairman and Ranking Minority Member of the full Committee of such request and access thereto.

18. Broadcasting and still photography of any Committee or Subcommittee hearing or meeting shall be permitted only when the full Committee by a majority vote agrees to such broadcasting or still photography. All news media shall be permitted to attend public hearings. Unless a majority of the Committee or Subcommittee decides otherwise, no person other than representatives of the news media or official reporters shall use photographic or electronic devices to record the conduct of any hearing or meeting. In the event that the full Committee votes to permit broadcasting and still photography of a hearing or meeting, the following conditions shall apply:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request

of any such witness who does not wish to be subjected to radio or television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of House Rule XI, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

19. No point of order, other than a point of order that a quorum is not present, against the hearing or meeting procedures of the Committee shall be sustained unless it is made in a timely fashion (a) at the commencement of the hearing or meeting; and (b) at the time such point of order first occurs. Any point of order not raised in a timely manner in Subcommittee shall not be sustained in full Committee.

20. The Committee or a Subcommittee shall not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

PART III—SUBCOMMITTEES

21. There shall be ten Subcommittees each of which shall be composed of eleven members (8 majority and 3 minority, excluding ex officio members) except for the Livestock and Grains Subcommittee which shall be composed of twenty members (14 majority and 6 minority, excluding ex officio members), having the following general jurisdiction:

Commodity subcommittees

Cotton.—Cotton matters generally.

Dairy and Poultry.—Dairy and poultry generally.

Forests.—Forestry generally.

Livestock and Grains.—Livestock, wheat, feedgrains generally.

Oilseeds and Rice.—Peanuts, soybeans, oilseeds and rice generally.

Tobacco.—Tobacco generally.

Operational subcommittees

Conservation and Credit.—Soil and water conservation, small watershed program, agricultural credit generally.

Domestic Marketing and Consumer Relations.—Marketing orders, domestic marketing and consumer programs generally.

Department Operations, Investigations and Oversight.—Foreign agricultural programs and agency review and analysis generally.

Family Farm and Rural Development.—Family farming and rural development generally.

In the case of any measure or matter not specifically described above, or which includes the jurisdiction of two or more Subcommittees, the Chairman may, unless the Committee by a majority vote decides otherwise, refer such measure or matter in the manner authorized in House Rule X, clause 5. All legislation and other matters referred to the Committee shall be referred to the Subcommittee of appropriate jurisdiction within two weeks unless, by majority vote of the members of the full Committee, consideration is to be by the full Committee.

22. The Chairman and the Ranking Minority Member shall serve as ex officio members of all Subcommittees and shall have the right to vote on all matters before such Subcommittees, but shall not be counted for the purpose of establishing a quorum. The full Committee shall, by a majority vote, designate one of its members as Vice Chairman who in the absence of the Chairman shall perform such duties as the Chairman may direct.

23. Notice of all Subcommittee meetings and full Committee actions on suspension requests, consent requests, and requests for rules shall be given to the Chairman and the Ranking Minority Member of the full Committee by the Staff Director of the full Committee.

24. Any member of the full Committee may have the privilege of sitting with any Subcommittee during its hearings or deliberations and participate therein, but shall not have authority to vote on any matter, nor be counted present for the purpose of a quorum for any Subcommittee action, nor (except as the Subcommittee Chairman or a majority of the Subcommittee may permit) participate under the five-minute rule set forth in Rule 6, nor raise points of order unless such member is a member of such Subcommittee.

25. No bill, recomendation, or other matter reported by a Subcommittee shall be considered by the full Committee until two calendar days have elapsed from the time the action of the Subcommittee has been reported to the Staff Director. Upon receipt of such report by the Staff Director, the Staff Director shall promptly advise all members of the Committee of the action of the Subcommittee. This rule may be waived by a majority vote of those members present and voting.

PART IV—GENERAL

26. Funds authorized for the Committee under clause 5 of House Rule XI are for expenses incurred in the full Committee's activities within the United States; however, local currencies owned by the United States shall be made available to the full Committee and its employees engaged in carrying out their official duties outside the United States. No appropriated funds shall be expended for the purpose of defraying expenses of members of the full Committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to their use of such currencies:

(1) No member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law; and

(2) Each member or employee of the Committee shall make to the Chairman of the Committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or, if such transportation is furnished by an agency of the United States Government, the cost of such transportation and the identification of the agency. All such individual reports shall be filed by the Chairman with the Committee on House Administration and shall be open to public inspection.

27. The foregoing rules, unless specifically stating otherwise, shall apply to Subcommittees which are part of the full Committee and are subject to its authority and direction.

The Chairman shall insure that each Subcommittee is adequately funded and staffed. Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it. Subcommittee Chairmen shall set meeting dates after consultation with the Chairman with a view toward avoiding simultaneous scheduling of Committee and Subcommittee meetings wherever possible.

Subject to the above, and except for the Subcommittee on Department Operations, Investigations and Oversight, no major investigation shall be initiated by a Subcommittee without the approval of the Chairman of the full Committee or a majority of the full Committee.

28. Except as otherwise specified herein, the Rules of the House shall govern the procedure of the Committee when it is in session, and the rules of the Committee shall be interpreted in accord with applicable House Rules.

Adopted: January 29, 1975.

/s/ FOWLER C. WEST,
Staff Director.

APPENDIX A—HOUSE RULE X, CLAUSE 2(k): INVESTIGATIVE HEARING PROCEDURES

(k)(1) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the com-

mittee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

INTRODUCTION OF PRESIDENT FORD'S ENERGY PACKAGE

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I am today introducing for the consideration of my colleagues in the Congress, the President's proposals to solve our energy problems. This omnibus energy bill—the Energy Independence Act of 1975—is a comprehensive program to deal with the challenge of providing ample supplies of energy for the future—and conservation and wise use of supplies available today.

E. K. Chesterton once wrote that: Progress is the mother of problems. It is no secret that our Nation faces problems in the field of energy. Solving them can assure our Nation's future progress. The people are demanding positive action in meeting our energy problems, and the only clear, positive, comprehensive proposal we have is the one I am introducing today at the request of the administration.

I am pleased that 23 of my colleagues have joined me in introducing this legislation. Not all of those who cosponsor this legislation agree with all aspects of the President's proposals. There are many individuals who have serious reservations about specific provisions of the package. I submit, however, that the proposal has been presented as a well-planned, interdependent package. We cannot hope to please everyone in any kind of program that entails sacrifice. But we must start somewhere, and this package represents the best balanced approach we have had so far.

It has been said that a miser sacrifices the present to the future—a spendthrift sacrifices the future to the present. We can afford to be neither miserly—nor spendthrifts with energy. It is our responsibility to adopt a policy of intelligent use.

President Ford has outlined a program of considerable scope. It proposes to develop our oil, natural gas, coal and nuclear energy resources—to encourage research and development of new sources of energy. At the same time it is realistic in presenting a plan to curtail the unnecessary use of energy—during the interim while we establish our capacity to the point of energy independence.

Independence always has been the backbone of America. We fought for it in our Nation's beginnings, and we have fought to preserve and protect it for the individual. Now we must fight another kind of battle—for national independence—for self-sufficiency—in energy.

The President's proposals have taken into consideration the needs of our economy, the realities of our present supplies, and our potential for the future. I urge that this package of proposals be given the utmost study by this Congress. Constraint is never pleasant—but we all know that if we are to enact a workable conservation plan, there must be some cutback on energy consumption. The President, after reviewing carefully the alternatives, has proposed that the pricing system be used to impose across-the-board reduction of energy use. This would spread the burden—and no energy conservation plan can work unless we all share some of the load.

It would be remiss, and unfair, if this Congress chooses to accept the easy parts—and reject the tough actions that are needed. A piecemeal plan would add to the problem—not present a solution. No Presidential proposal should be rigid. This Congress will have full opportunity to investigate in depth all of these various programs. Some modification will undoubtedly be made. But—I urge that we keep in mind that we are legislating for the future of America—for our economic strength in the years ahead—and for prosperity and high living standards for our people.

All problems can be solved more easily when they are small. We need only to think back 1 year—to the lines at the service station—to recognize that we have a rare opportunity to attack our energy problem before it again becomes a national crisis. Foresight now can prevent us from facing a drastic energy emergency in future years. We have the technology, we have plentiful resources. Now we must summon the will to face up to our energy challenge. By working together we can pull ourselves out of dependency on foreign sources, and insure a strong and grawing America.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, at an earlier leadership meeting on the Democratic side this morning, the Speaker announced that he had taken the President's message, which he knew was going to be offered by the gentleman and also by Members on our side, and divided the 13 titles and sent them to the proper committees. The Speaker has notified each chairman that he wants the staff on each of those committees to start immediately looking into the merits of the message that the President of the United States has sent and that he hoped that by a week from Monday we would be able to have some type of reports and would be able to start from those reports on legislation.

Here is where each title was sent:

Title I: Relating to naval petroleum reserves, to the Committee on Armed Services;

Title II: Relating to a national strategic petroleum reserve—civilian—to the Committee on Interstate and Foreign Commerce—Initially;

Title III: Amendments to the Natural Gas Act, to the Committee on Interstate and Foreign Commerce;

Title IV: Extension of and amendments to the Energy Supply and Environmental Coordination Act of 1974, to the Committee on Interstate and Foreign Commerce;

Title V: Clean Air Act Amendments of 1975, to the Committee on Interstate and Foreign Commerce;

Title VI: Further amendment to the Clean Air Act, to the Committee on Interstate and Foreign Commerce;

Title VII: Utilities Act of 1975, to the Committee on Interstate and Foreign Commerce;

Title VIII: Energy Facilities Planning and Development Act of 1975, to the Committee on Interstate and Foreign Commerce—Initially;

Title IX: Energy Development Security Act of 1975, to the Committee on Ways and Means;

Title X: Building Energy Conservation Standards Act of 1975, to the Committee on Banking, Currency, and Housing—Initially;

Title XI: Winterization Assistance Act of 1975, to the Committee on Banking, Currency and Housing;

Title XII: National Appliance and Motor Vehicle Energy Labeling Act of 1975, to the Committee on Interstate and Foreign Commerce; and

Title XIII: Standby Energy Authorities Act of 1975, to the Committee on Interstate and Foreign Commerce—initially.

Mr. RHODES. I thank the Speaker and the majority leader for the expedition in which the majority moved on this, and I hope we will be able to come up with some very meaningful legislation soon.

LET'S PUT BURDEN FOR CLEAN AIR WHERE IT BELONGS—IN DETROIT

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, I introduce today two bills designed to clarify existing laws for reducing automotive air pollution. The legislation would limit the authority of the Environmental Protection Agency to regulate indirect sources of air pollution such as parking lots and traffic patterns.

Primary purpose of the bill would be to put the main burden for cleaning the air back where it belongs, on the auto manufacturers.

I believe that if EPA concentrates on cleaning up the cars, we can and will achieve clean air—but without undue inconvenience to the motoring public.

As my colleagues on the Commerce Committee can attest, I have not wavered in my support of the strongest possible Clean Air Act; for a southern Californian, any other stance would be illogical. But the implementation of this law must be realistic and reasonable, if it is to be effective.

The Clean Air Act properly gives first priority to direct controls on automobile emissions in the war against smog. There is also authority for controls on land use and transportation patterns, the indirect sources, although recent studies indicate that these are at best, marginally effective, and at worst may actually do more harm than good. They certainly are disruptive, and in my view not even really necessary.

But as the deadlines for cleaning up auto emissions have been relaxed, the deadlines for meeting the national ambient air quality standards have remained firm. As a result, EPA has been forced to turn increasingly to the so-called secondary implementation measures—the controversial indirect source controls—in order to meet mandatory deadlines.

Unless there are changes in the current structures of the Clean Air Act, vehicle miles traveled in the Los Angeles Basin will have to be cut by about 75 percent. It would be fine if we could get away with this, in Los Angeles or anywhere else. But in the real world, this is a totally impossible requirement. The life style of Los Angeles—and most of the rest of the country—is too rooted in the use of the private automobile, and alternative means of transportation that could even begin to fill the gap have not as yet been developed.

One of my bills provides that parking lot and other land use controls be implemented only if the ambient standards cannot be attained when at least 75 percent of the cars in a given region meet ultimate statutory emission standards. The bill expressly prohibits parking surcharges, restrictions on the size of parking areas and any limitation of existing parking lots. After all other measures had been found wanting, EPA would be able to block proposals for new parking facilities in localities where smog levels remained high.

The other bill requires the EPA of its delegate State agencies to conduct hearings on whatever new controls might be proposed. Agencies would be required to back their decisions with a preponderance of the evidence in the hearing records, and other parties would have up to 90 days to petition for review of any decision.

Under no circumstances could controls over indirect sources—as opposed to direct emission controls—be imposed before 1978, at the earliest.

I know many Members have expressed concern about recent EPA moves to restrict traffic in our urban areas, through imposition of new parking fees coupled with a reduction in the number of parking spaces. This concern manifested itself a few months ago when Congress approved language in an appropriations bill forbidding the EPA from using any funds "to tax, limit, or otherwise regulate parking facilities." I supported this directive, but of course it expires June 30, with the end of the current fiscal year.

The approach recommended in my bills may be somewhat more reasonable, in that it would not completely rule out parking lot regulations. It also would provide a statutory basis for long-range planning not possible in a year to year ban on certain types of EPA activity.

I stand fully behind these bills, and I hope they can be considered at an early point in this session.

NEW CHAIRMAN OF THE OFFICE OF TECHNOLOGY ASSESSMENT BOARD

(Mr. MOSHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOSHER. Mr. Speaker, it is my pleasure and privilege to announce to the House that our distinguished colleague, "Tiger" Teague of Texas, has been elected Chairman of the Office of Technology Assessment Board for the duration of the 94th Congress. He succeeds Senator Kennedy as Chairman.

The gentleman from Texas was chosen by unanimous vote of the six House Members whom you, Mr. Speaker, named last week to the OTA Board. It is a bipartisan Board, including Congressmen Teague, Udall, George Brown, Mosher, Esch, and Holt from this House.

We who served previously are very pleased to welcome the two new Members, Congresswoman Holt and Congressman George Brown, succeeding Congressman Gubser and John Davis, respectively.

And I am happy to report that the six Senate Members of the OTA Board have voted unanimously to maintain that bipartisan spirit by electing a Member of the minority party, Senator Case of New Jersey, to serve as Vice Chairman. I had the privilege of serving as Vice Chairman of the Board during OTA's first year of existence, in the 93d Congress, thus establishing the bipartisan precedent.

Mr. Speaker, last week I presented to you my personal report as Vice Chairman concerning OTA's first year, its progress to date, and some of the inevitable hurdles we still face in our attempt to perfect its usefulness as a new and unique arm of the Congress. My report to you is reprinted in the Record for Friday, January 31. I hope it may help increase a more general awareness here in the House concerning OTA's unique mission.

As I indicated to you in that report, there is no doubt within our OTA Board that Chairman Teague will serve very fairly and effectively. All of us know well his dynamic leadership qualities.

This new assignment for "Tiger" is of particular importance, involving the crucial task of steering OTA, our new congressional tool, out of its infancy and into early maturity, to fulfill a need vital to congressional effectiveness.

At this point, Mr. Speaker, I will place in the Record the resolution we unanimously agreed to in selecting Mr. Teague as the new OTA Board Chairman, as follows:

> We, the undersigned House Members of the Technology Assessment Board, pursuant to the authority vested in us under subsection (c) of section 4 of the Technology Assessment Act of 1972 (Public Law 92–484), do hereby select the Representative from Texas, Mr. Teague, to serve as the Chairman of the Technology Assessment Board for the duration of the 94th Congress.
>
> Olin E. Teague,
> Morris K. Udall,
> George E. Brown,
> Charles A. Mosher,
> Marvin L. Esch,
> Marjorie S. Holt.

PROPOSED LEGISLATION TO TRANSFER JURISDICTION OVER ELK HILLS

(Mr. BELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BELL. Mr. Speaker, I am today reintroducing a joint resolution which would provide for badly needed production from the Naval Petroleum Reserve at Elk Hills in California by allowing for a jurisdictional transfer of our four petroleum reserves from the Department of Navy to the Department of the Interior.

This legislation, which I originally introduced on the first day of this Congress as House Joint Resolution 31, now has the widespread, bipartisan support of over 50 cosponsors.

It is vital that we move quickly in Congress to open the Elk Hills oil field to help ease this Nation's energy situation and dangerous dependency on Arab oil.

I consider it equally important that these resources be managed and developed by that agency of our Government most competent to do so—the Interior Department.

The Navy has no business being in the oil business.

We should no more allow them to manage our oil reserves than we should allow the Interior Department to manage the 6th Fleet.

I urge speedy consideration of this legislative proposal by the 94th Congress.

Mr. Speaker, I include the list of cosponsors and the complete text of my joint resolution in the Record at this point:

List of Cosponsors

Mr. Anderson of California, Mr. Badillo, Mr. Brown of California, Mrs. Burke of California, Mr. Carr, Mr. Carter, Mr. Del Clawson, Mr. Cleveland, Mr. Conte, Mr. Corman, Mr. Coughlin, Mr. Danielson, Mr. Drinan, Mr. Duncan of Tennessee.

Mr. Fascell, Mrs. Fenwick, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fraser, Mr. Frenzel, Mr. Gude, Mr. Guyer, Mr. Harrington, Mr. Harris, Mr. Holland, Mr. Johnson of California, Mr. Kastenmeier.

Mr. Kindness, Mr. Krebs, Mr. Lagomarsino, Mrs. Lloyd of Tennessee, Mr. Lloyd of California, Mr. McCloskey, Mr. McKinney, Mr. Matsunaga, Mr. Mitchell of Maryland, Mr. Moorhead of California, Mr. Pattison of New York, Mr. Pepper, Mr. Pritchard, Mr. Quie.

Mr. Regula, Mr. Riegle, Mr. Roybal, Mr. Ruppe, Mr. Ryan, Mr. Sarasin, Mr. Seiberling, Mr. Sisk, Mr. Stark, Mr. Steelman, Mr. Talcott, Mr. Van Deerlin, Mr. Wiggins, Mr. Wirth, Mr. Broomfield.

H.J. Res. 31

To authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to establish on any reserved or unreserved public lands of the United States (except lands in the National Park System, the National Wildlife System, and the Wild and Scenic Rivers System, and the National Wilderness Preservation System and primitive and roadless areas in the national forests now under review for inclusion in the Wilderness System in accordance with provisions of the Wilderness Act of 1964) national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, including but not limited to national defense.

Sec. 2. No reserve that includes all or part of an existing naval petroleum reserve shall be established without prior consultation with the Secretary of Defense, and when so established, the portion of the naval reserve included shall be deemed to be excluded from the naval reserve.

Sec. 3. (a) The oil and gas reserves in the contiguous forty-eight States established pursuant to this section may be developed under terms and conditions prescribed by the Secretary of the Interior sixty days after notice is given to the Congress (not counting days on which either the House of Representatives or the Senate is not in session for three consecutive days or more) if neither the House of Representatives nor the Senate adopts a resolution of disapproval. Any such notice shall explain in detail the method of development proposed, and the relative need for developing the oil and gas resource in order to meet the total energy needs of the Nation, compared with the need for prohibiting such development in order to further some other public interest.

(b) The Secretary of the Interior shall review the potential for oil and gas production in the State of Alaska, and submit to Congress within one year a plan of development, which shall not become effective unless authorized by Act of Congress.

STATEMENT BY U.S. REPRESENTATIVE JOSEPH P. VIGORITO ON THE FLOOR OF THE HOUSE OF REPRESENTATIVES ON TUESDAY, FEBRUARY 4, 1975, PROVIDING ADDITIONAL ARGUMENTS FOR BANNING NONRETURNABLE BEVERAGE CONTAINERS

(Mr. VIGORITO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VIGORITO. Mr. Speaker, I am today introducing with cosponsors a bill to ban beverage containers which are sold on a no-deposit, no-return basis.

As many Members will remember, when I first introduced similar legislation in 1970, the principal purpose was to reduce pollution which is caused by litter composed of soft drink and beer containers. This purpose is still valid since throwaway containers now account for about 20 percent of all items of litter; by volume, the figure rises to 70 percent of all litter. Reducing this litter created by nonreturnable beverage containers would benefit taxpayers by reducing the expense of litter pickup. Cleaning up just the beverage container share of the litter cost the American public $43 million in 1969.

But today, we witness three additional advantages for this legislation. First, when this measure is passed it will bring about a reduction in the intolerable burden of solid waste disposal. If this legislation had been in effect in 1972, the 8.2 million tons of beer and soft drink containers produced and discarded in this country that year, representing more than 8 percent of the total U.S. product waste, would have been eliminated. Clearly, the nonreturnable beverage container has become symbolic of the entire solid waste pollution problem. Most beverages were packaged in returnable containers until a widespread industry shift—motivated merely by convenience—to nonreturnable containers in the late 1950's and early 1960's. It has been since that time that the United States has started to experience its serious solid waste problem. Surely, nonreturnables are not the only reason for our solid waste dilemma, but they are a principal contributor to that problem.

Second, when this legislation is passed it will lead to conservation of energy currently wasted in the production of one-way containers. If in 1974, we had banned nonreturnable beverage containers, the use of returnable containers would have had an equivalent energy savings of 1.7 billion gallons of gasoline, enough to operate nearly 1.7 million automobiles averaging 10 miles per gallon for an average of 10,000 miles. Or we could examine the equivalent energy savings from the home heating fuel angle. If the ban on nonreturnables had been in effect last year, the equivalent fuel savings would have been enough that 2 million middle Atlantic States homes could have been heated for an 8-month period. I believe these statistics verify the tremendous energy conservation impact of this legislation.

Third, when this legislation is passed, it will curtail the drain on the Nation's resources of glass, aluminum, and steel. In 1972, the quantity of the materials to produce beverage containers included 6 million tons of glass, 1.6 million tons of steel, and 575 thousand tons of aluminum, which vividly shows just how much of our irreplaceable natural resources are expended on beverage containers. Surely, if returnable containers were mandated by law, there would be a substantial savings of our natural resources.

In closing, I would once again like to call upon the Committee on Interstate and Foreign Commerce to hold hearings, so that a complete discussion of this issue can be heard.

For my colleagues' inspection, I am inserting a particularly insightful editorial which appeared in the Erie Times newspaper, Erie, Pa., on the subject of banning nonreturnable beverage containers:

Major Energy Savings Possible Here

Congressman Joseph P. Vigorito's continuing effort to end the glut of old cans—an effort commended in this space—got a big boost the other day—from, among all things, a Presidential advisory committee.

The committee recommended passage of Federal legislation mandating a refundable deposit on beer and soft drink containers as a key energy saving measure.

The energy saving, the committee said, would result from the re-use of the same container over and over again. It is necessary to make a new bottle each time one is thrown away.

The recommendation came from the Citizens Advisory Committee on Environmental Quality, which said, "The resumption of an all-returnable beverage container system could almost immediately save an energy equivalent of nearly five million gallons of gasoline per day."

"This is equal," the committee said, "to the estimated energy yield by 1987 from a crash program to produce oil from shale rock—a project which will involve the expenditure of billions of dollars in capital investment, unprecedented environmental disturbance and the daily creation of a pile of waste rock six times larger than the Lincoln Memorial."

The committee is chaired by Henry L. Diamond, New York State's first Commissioner of Environmental Conservation. Its members include Laurance S. Rockefeller, who headed the committee when it was created by Presidential order in 1968, and Tom McCall, who as Governor of Oregon won the passage of the first state law requiring deposit bottles.

To his credit, Vigorito has been attempting for some time to do something to end the glut of old cans and bottles along the nation's roadways—and to save energy in the process.

While bills he's introduced on the subject in the past have gotten nowhere, Vigorito announced early in January that 1975 will mark the "big push" to get his legislation banning non-returnable beverage containers passed by Congress.

The Erie area Congressman said he is hopeful that the "new look" 94th Congress will act favorably on his "bottle bill", prompting us to say in this space, "We hope so, too."

Last week's committee recommendation could provide the support necessary to gain serious consideration for Vigorito's bill.

Bills like those introduced by Vigorito have stirred considerable controversy in the past because of sharp opposition from the can, bottle and beverage industries, whose business has grown rapidly since the institution of the one-way, or "convenience," can and bottle.

By "convenience," of course, many seem to think the full meaning involves opening your car window when you're done and heaving the empty can or bottle out onto the roadway—with appalling results for the esthetic quality of our highways and streets.

Three states, Oregon, Vermont and South Dakota, have passed bottle bills to date. While leigslation of this type has been introduced in the Pennsylvania General Assembly, it has been blocked by the beverage and container industries, mainly with the argument that there could be a severe job loss.

We think the legislators in Harrisburg and Washington were wrong not to pass the ban the can legislation in order to save the environment. Now, with the powerful energy argument coming to the fore, we think the responsibility for saying "no" to this sensible legislation will be very great indeed, and will prompt all kinds of questions from the voters back home.

The Presidential advisory committee calls for federal deposit legislation because it would be less disruptive than state-by-state laws—and that makes sense.

"Federal legislation," the committee says, "will solve the problems of interstate bootlegging and littering as well as provide uniform requirements for containers and thus make for less economic disruption in the long run."

Again, we couldn't agree more.

REPEALING OUTSIDE EARNINGS LIMITATION ON SOCIAL SECURITY BENEFITS

(Mr. NEAL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NEAL. Mr. Speaker, today I have introduced legislation to repeal the outside earnings limitation on social security benefits. I have done so believing the time has come when we ought to eliminate, insofar as possible, the yoke of poverty we continue to impose upon some 2.5 million of our elderly citizens.

Social security benefits, I believe, are intended to provide a floor, not a ceiling, on income of our elderly citizens. Yet under existing law, many potentially productive recipients of social security benefits are discouraged from lifting their standard of living above the poverty level, because they cannot now earn more than $2,400 per annum without suffering a reduction in social security benefits.

Mr. Speaker, one does not have to consult the computer to ascertain that the people most penalized by rising costs of living are the elderly citizens who must subsist on low or fixed income. For some 21 million Americans, subsistence income either consists entirely of, or is built around, social security benefits. The average benefit is $180 per month for individuals; $310 per month for couples. That is approximately 25 percent below what the Bureau of Labor Statistics estimates as the minimum budget required for adequate subsistence.

We must recognize, too, that we are here talking about national averages. Thousands of social security recipients in the Fifth North Carolina Congressional District receive substantially less benefits than the national average. Yet the needs of citizens who receive the minimum are no less than the needs of those who receive the maximum.

We are reminded that social security benefits are not welfare payments. They are earned retirement income, intended to guarantee food, shelter, and other basic necessities to citizens over 62 years of age. Many social security recipients between ages 65 and 72 are capable of continued employment. Indeed, many of them are required to supplement their social security income by working at low-paying jobs. Yet for every dollar they earn above $2,400 a year, they forfeit 50 cents in social security benefits; that is, if they continue working, they labor for half wages. It is no wonder that many elderly citizens who are capable of working—and who prefer to continue working—choose not to do so because it would deprive them of benefits to which they are entitled. In electing to protect what is rightfully theirs, they must forfeit the opportunity and the joy of continued employment.

On the other hand, citizens between 65 and 72 years of age who have substantial income from sources other than wages or salaries suffer no social security penalty because of their good fortune. I do not suggest that they ought to be penalized along with the elderly wage earner. Rather, I think equity should be accomplished by removing the earnings limitations on social security benefits for all citizens between ages 65 and 72 who are entitled to full benefits under the Social Security Act.

I therefore hope that the Committee on Ways and Means will give this bill its early consideration.

A PROPOSAL FOR NATIONAL ECONOMIC AND ENERGY RECOVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LLOYD) is recognized for 15 minutes.

Mr. LLOYD of California. Mr. Speaker, the Congress is often accused of thinking only of the short term, only of each 2-year period for which we must stand for election. This being the case, the argument continues, we regularly fail to consider the long-term consequences of our actions and even sometimes act counter to certain long-term needs of the country. The two issues of most immediate concern to this Congress have both short- and long-term aspects, and I believe any proposals we may consider, and ultimately adopt, must recognize this reality. I speak, of course, of the depression and the energy shortages.

Both the leadership of the Congress and the President have addressed these issues in recent weeks. Although I can agree with both in certain areas of their respective approaches, I must also depart in others as being detrimental to my constituents. I am taking this opportunity, then, to present my position on these two critical issues.

In developing these positions, I have drawn on the proposals of the leadership of the Congress, on the President's program, on my own personal experience and expertise and, to a significant degree, on the mail I have been receiving from my district.

The most immediate concern is the prompt return of tax dollars to the economy to begin countering the depression rapidly pulling us down. This can best be accomplished by a rebate of a percentage of the tax paid on 1974 income. I have suggested a 24-percent rebate, effective with returns due this April, with a maximum dollar total of $1,000. It is true that those in the middle-income brackets deserve to participate in any rebate. It is also true, however, that many in the middle-income brackets can continue to maintain their standard of living more readily than those in the lower brackets and are thus more likely merely to hold onto their rebate rather than to put it back into the economy in the form of purchases of durable goods. For this reason alone, I think we must concentrate the greatest benefit of the rebate among the lower-income families—those most likely to inject the money immediately into the faltering economy.

Over the long term, of course, major tax reform is essential—and long overdue. A variety of suggestions have been offered and I am listing here those I find most equitable, beneficial and of primary concern.

As opposed to the President's proposal to provide for a continuing $16.5 billion tax cut on individual income, I support the application of indexing to the tax tables. This would, in effect, adjust the tax tables each year to accommodate that year's inflation rate. The result would be that as an individual's income increased due to inflation, thus placing that individual in successively higher tax brackets, the brackets themselves would be adjusted to permit the individual to suffer no reduction in his after-taxes purchasing power. Likewise, a similar indexing system should be applied to the personal income tax exemption, the standard deduction and the minimum income allowance, for the same reasons and with the same objective. Finally, I suggest a restructuring of the payroll tax liabilities on lower-income families by reducing the percentage withheld for social security coupled with an increase in the dollar amount of income against which the tax is withheld. Broadening the base in this way will make the tax more equitable without reducing the contributions to the fund.

I realize these proposals all call for a reduction of Federal revenues at the same time that expansions in certain Federal expenditures are being suggested to counter some of the more limited effects of the depression. I firmly believe that we must balance the flow of dollars so that we only pay out what we take in. Reducing the oil depletion allowance is one way of increasing our intake. Later in this statement I will make further suggestions which will indirectly provide income to the Federal budget. I cannot stress too strongly my feelings that only from these new sources should we allocate any more Federal expenditures.

Primary in my approach to the conservation of energy is the requirement that any programs adopted take into account regional disparities in minimal needs. The President acknowledged this issue in his state of the Union message to the Congress, and I commend him for his awareness of the needs of my district and willingness to accommodate them.

Initially, we must increase our production capability. We cannot, however permit the producers the unconscionable profits reaped during the shortage last year. Imperative, then, is a windfall, or excess profits, tax coupled with an incentive program to improve production. Permitting credits against this tax in amounts equal to investments in exploration and production expansion, and not for diversification into areas outside the primary industry, is the most direct route to this objective.

In a similar light, certain federally owned and controlled oil fields should be considered for development and production. Two which have been suggested are the Elk Hills Naval Reserve and the Naval Petroleum Reserve No. 4 in Alaska. If the decision is made to develop these fields, and I think it should, I would suggest that it be undertaken by the Federal Government, acting as a sort of public utility, with any output priced on the basis of amortized costs. To maintain our strategic reserves, while developing these fields, I would suggest the allocation of certain offshore oil fields to strategic reserve status.

We are all aware of the incredible amount of dollars flowing out of the country—and out of the economy—to major oil-producing nations. This crippling imbalance must be redressed. As a partial response to the need to reduce our consumption of oil the President has proposed, and the majority of the Congress opposed, an increase in the excise tax on imported crude oil. Studies completed since the President's action have indicated that such a tax increase at this stage would do much more than merely raise the price of gas and other oil products. Those increases would only be the beginning of an incredible and unacceptable ripple effect on the entire economy. This ripple would strike virtually all segments of the economy as increased operational costs were experienced by industry after industry. The outcome would most likely be a repeat of last year's record inflation rate of 12 percent.

On the other hand, certain congressional spokesmen have suggested a gas rationing program. Although a number of my constituents have supported this approach as an alternative to the President's import excise tax increase, it is my opinion that a third option is available, that of gas allocation. This would make possible the purchase of necessary gas by those who have no alternative to the automobile while discouraging frivolous consumption.

Although some might see this as a premature abandonment of the idea of mass transit, recent votes by the people in my district have indicated they have little confidence in mass transit as an answer to their transportation problems. This is, I am sure, in part due to the lack of dynamic programs coupled with an almost untenable geographic situation in southern California, but it is nevertheless a reality and one with which we must cope in the short term, although regional cooperation could resolve this impasse—and ultimately will.

Efforts must also be made to improve gas mileage on new cars. Unreasonably heavy cars have reduced performance to an unacceptable level. Automakers must, therefore, reduce the weight and size of their product without sacrificing safety and comfort. They should be assisted in improving the mileage of their product.

The consumers must help in this effort, and we can assist them by providing more information. Energy efficiency standards, mandatory labeling of various appliances, and thermal efficiency standards can help.

Tax incentives can accomplish immediate, although limited goals. These should include deductions for insulation installation and an excise tax on wasteful commodities. Such programs must, however, have time limits placed on them, at the expiration of which they would be automatically repealed if not reevaluated and reenacted.

In the final analysis, we must accept that oil is a finite resource, that it will eventually run out, no matter how complete and efficient our extraction of it may become. The long term requires, then, research and development of alternative energy sources—tidal, nuclear, solar, coal gasification, and others known and unknown. Financing of this effort can be accomplished by careful use of the revenues from the incentive and disincentive taxes I have proposed.

The last Congress approved a massive expenditure of Federal funds for emergency public employment in an attempt to soften the ravages of rising unemployment. I do not think this is enough, either in direction or amount. Public employment cannot replace a healthy private sector, the primary employer of our work force. Reduced consumption, inflation, high interest rates, and high taxes all contribute to the depressed state of private businesses. All of these areas must be addressed in an effort to rejuvenate private enterprise. The tax revisions I have outlined above speak to reducing some of these burdens. The House Committee on Banking, Currency and Housing will be considering legislation in the areas of interest rate reduction and credit allocation, focusing on both individuals and businesses. These are complex areas, and the legislation resulting from that committee's deliberations will be intricate. I have described my objectives in these areas and will be evaluating these proposals and supporting those which achieve the necessary ends.

Similarly, the housing market is in serious trouble. It is important that we take steps to make home ownership a more easily attainable goal and a less burdensome obligation. This will also be a part of the Banking Committee's work, specifically in increasing the availability of credit through savings and loans, reviewing interest rate subsidy programs for low and middle income families and giving short-term assistance to homeowners having difficulty making mortgage payments because of unemployment or significant drops in income. Here, again, I will be studying that committee's work and supporting bills which will effectively and equitably achieve the objectives I see as necessary.

I am unimpressed with the arguments I have heard for mandatory wage-price controls. The distruptive effect on the economy of rigid controls, both during imposition and upon their removal, militate against their use at this time. I do think a more moderate program of strong monitoring by a broadly based review board, with subpena powers and authority to compel those planning to raise prices or demand higher wages to justify their actions for the public record, would be a workable tool in controlling the push and pull affect of wages and prices. Such a board ought also to have the power to order a deferral, for an established maximum time period, increases considered to be unjustified or to have too detrimental a ripple effect on other areas of concern on the economy.

These are my thoughts, Mr. Speaker. These will guide my votes on the various bills which will come to the floor designed to correct these ills.

A CITY BETRAYED—III

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday I initiated what I hope will be a short series of expositions sad in detail, particularly sad for my native and beloved city of San Antonio. But, as I said yesterday, it is also reflecting a general malaise throughout our country where corruption, thievery high and low, seems to be the order of the day.

Back in 1952 the city of San Antonio was wondering just what to do about securing its future energy supply, namely, natural gas. The city's utility wanted to keep its gas supply as cheap as it could. Looking ahead, the utility wondered if it could persuade the city's gas supplier to continue selling it gas at the then existing rate, or something close to it, beyond the contract termination date of April 1, 1962.

The City Public Service Board of San Antonio, which operates the city's gas and electric utilities, is a curious sort of creature. The city owns the utilities as a legal figment, but the board operates them. The board is a self-perpetuating group charged with protection of the people who own the bonds that the city issues to buy the utility.

The board operates very much like a private enterprise. In fact, as a closed corporation. It need not and does not feel restrained by the wishes of any particular city administration or the people, because the city does not in any way control it.

I might say, by way of parentheses and historic explanation, that when I left the city council some 19 years ago, I had initiated a fight to change the structure of that board, just as I had initiated the fight 3 years prior to that, in 1953, to change the same identical form of board with respect to the San Antonio City Water Board, which at that time was structured in identically the same way, self-perpetuating, not responsive or responsible to any public entity and free-wheeling, self-dealing and a lot of jiggery-pokery-crookery going on at that time.

I exposed it. I led the fight. It took 3 years, but we changed it even though people at that time said the same thing people are saying today: "You cannot do it, it is a fixed legal entity. It is not susceptible to change."

I hope that citizens in San Antonio will soon eventually change this structure of self-perpetuating public service board.

This board, then, was thinking about the distant future when it asked its consultants just what should be done about a long-range gas supply.

They hired a consultant, N. A. Saigh. He reported that the board ought to try and extend its gas supply contract beyond 1962, maybe as far as even 1982. Obviously, this would involve paying more money, something that the board would be reluctant to do, but Mr. Saigh reported:

> It is our sound judgment that a renegotiated contract with United Gas for as long a period as possible would best serve the public interest.

But the board needed some bargaining power, if it was going to renegotiate its contract. So, most of the Saigh report was devoted to the question of whether San Antonio could go into the gas business on its own behalf. Oil could not possibly offer any economic competition to gas; coal was out of the question, and nuclear power was still just an experimental idea. The only hope, in fact, of keeping the 1952 gas rates in effect into the 1960s, reported Saigh:

> Lies in the willingness of the board to engage in the natural gas business by developing its own gas fields.

Unfortunately, getting into the gas business would be a tricky and expensive proposition. There was no guarantee that the city could supply its own needs, and the risks were substantial. In fact, Saigh employed a geologist who reported that there was not enough uncommitted gas available within a 200-mile radius of San Antonio to meet all its projected needs. The city could make a stab at supplying itself, but the consultant said that it might also consider inviting other suppliers to replace United. They predicted that San Antonio could get gas from other suppliers at a rate of 25 to 27 cents per thousand cubic feet of gas.

This proved to be a very accurate forecast. So did the prediction that gas supplies were going to be tight.

San Antonio never did renegotiate its contract with United, as Saigh had recommended. Instead, they chose the last, least considered alternative, of considering another supplier. This proved to be a fatal mistake.

San Antonio did get a new gas contract in 1962, and it is supposed to be valid until April 1, 1982. The only trouble is that the gas supplier, Coastal States Company, cannot meet the contract terms. San Antonio today is paying anywhere from 4 to 6 times as much for gas as its contract calls for, and is not getting the quantities guaranteed.

Just what happened here?

San Antonio received supposedly solid assurances that its new supplier did in fact have plenty of gas. This supplier was not, when it got the contract, even incorporated. But the partners in the business were experienced gas operators, they were local people, and they brought out the best possible references and paraded them forward.

Do we have gas? Why certainly, they would say. In fact, they promised that none other than the greatest consultants in the gas business, De Golyer and McNaughton, would certify their reserves.

Can we get financing? Certainly, they said. We can get financing from the best—White, Weld & Co. of New York.

And if there were any questions about how solid the company was, the city public service board could employ its own consultant to check out the gas reserves.

Interesting things started to happen.

The bidders known as Martin and Schoolfield apparently had never employed DeGolyer and McNaughton, but the city public service board was not put off by the fact that when the reserve data came in, it was from someone and something else. And White, Weld & Co had never promised Martin and Schoolfield anything. In fact, they backed out of the deal, evidently because the fledgling company did not have the gas reserves they claimed to have. Incredibly, the city public service board was not put off by the sudden dissappearance of White, Weld & Co. They never even tried to find out why the financiers had changed their minds.

Instead, the board allowed Martin and Schoolfield to get some help from an erstwhile competitor, their good old friend, Coastal States Co., which took over 25 percent of their stock and thereafter ran the company as if Glen Martin, the founder, was the only director involved. Coastal controlled Alamo Gas from the very first. This situation, along with Martin's evident conflict of interest, eventually caused Schoolfield and others to leave Alamo Gas Co.

Why was the board not moved to question the soundness of its new gas supplier when Alamo failed to deliver on its original promises and bid performance?

The board never once asked White, Weld & Co. why it had soured on the Alamo Gas venture. It never asked why DeGolyer and McNaughton had not produced the reserves study that they supposedly had been commissioned to perform.

The board relied perhaps on its own consulting geologist, who came forward with a report showing that Alamo Gas did in fact have the gas reserves it claimed to have.

This consultant, William Spice, was the same man who 10 years earlier had said to this same board, as follows:

> * * * it is apparent that there is neither (1) a sufficient gas supply within 1 area of between 360 to 438 billion cubic feet to deliver from 50 to 60 million cubic feet per day within the area surveyed which is not already connected or dedicated to a main gas transmission system, or (2) a sufficient gas supply to fill these requirements in several areas which might be brought into a single system for the use of San Antonio.

Mr. Speaker, in this report Spice was talking about the possibility of getting an adequate gas supply to San Antonio within a 150-mile radius of the city. He said flatly that, at least with known gas, it could not be done.

But almost a decade later, this same consultant, William Spice, was employed by the city public service board to verify whether the proposed new gas supplier Alamo Gas, had the reserves they claimed to have. Spice examined the Alamo reserve data and verified that they had the claimed gas. The simple truth is that Spice lied throughout this report.

A close examination of Spice's report to his employer, the City Public Service Board, shows that he frequently exaggerated the size of gas reserves. He would estimate large volumes of gas without providing any supporting data. On occasion, to make the numbers come out right, he would simply add arbitrary data in the margins of the worksheets.

There is no question that Spice falsified this report. I will offer for the record the comments of a competent expert on gas reserve data, which will plainly show how Spice deceived his employers.

Why did he do this? The answer must be that someone paid Spice off.

It is known that at least some of Spice's fee was paid for by a check issued from an entity known as the Alamo Gas-Coastal States joint venture. That is a mighty strange contrivance. The City Public Service Board knew of this arrangement, because the payment went through its accounts, believe it or not. But that surely was not the only payment that Mr. Spice received.

Surely something substantial happened to make Spice change from a conservative estimator of gas reserves to one who not only threw caution to the winds, but also found it convenient, even necessary, to find imaginary data to support the claims of Alamo Gas Co.

Alamo's founder knew that he was short of gas.

White, Weld & Co., who were to be Alamo's underwriters, also knew about it, and that is why they backed out.

Spice's job was to save the gas contract for Alamo. It involved hundreds of millions of dollars in business. If his report did not come up with the right numbers, Alamo would be dead, to all accounts, its founders in deep financial trouble, and of course the City Public Service Board would be embarrassed by the revelations that it had awarded a contract to a company that not only did not exist, which everybody knew, but which did not have any hope of ever becoming viable.

And Alamo's principal founder, Glen Martin, who was desperate, was also involved and had much to lose. He was ambitious, and unfortunately, was unprincipled. Such a man would not hesitate, given the circumstances, to suborn a consultant. Martin stood to win or lose millions, and his entire fate depended on Spice. They both were bound to have known this.

Why did Spice falsify his report? He and Martin alone can tell us.

With this fake report, the City Public Service Board went ahead with the Alamo contract.

So San Antonio's fate was sealed.

The City Public Service Board allowed itself to be deceived and betrayed by its own consultant, William Spice.

The City Public Service Board failed to ask hard quesitons when White, Weld & Co. backed out of financing Alamo Gas, even when they received warnings that the underwriter doubted Alamo's gas reserve claims.

The Board never asked DeGloyer and

McNaughton why they had not been employed to conduct Alamo's gas reserve studies, as Alamo had promised the Board.

In fact, the Board asked no questions at all. If they had, they would have learned why the underwriters backed out and they would have learned that DeGolyer and McNaughton had never even been approached. They would have learned that people whom Alamo claimed to employ had never been so employed, and never would be. And if they had asked questions, they would have learned of the duplicity of their own consultant.

So San Antonio entered into a new gas supply contract. It would never have been done had it not been for the ambition of Glen Martin, his willingness to lie about his resources, and the incredible deceit of William Spice, along with the blind ineptitude and trust of the City Public Service Board itself.

I offer for the information of my colleagues and the public the comments of a recognized consultant regarding Spice's reserve study. I think that the victims of this fraud ought to know about it. I further think that my beloved city, my native city of San Antonio, must know this in order to climb out of the hole and the avarice into which these unscrupulous and unconscionable men have thrust it.

Mr. Speaker, I include the following material at this point in the RECORD, a report of Max F. Powell, consulting petroleum engineer:

PURPOSE

The purpose of this report is to present preliminary findings resulting from an incomplete review of gas reserves work performed by William H. Spice, Jr., for the City Public Service Board of San Antonio dated June 7, 1961, and entitled: "Gas Reserves: Alamo Gas Supply Company for City Public Service Board of San Antonio, Texas."

Supplemental reports of William H. Spice, Jr., were also considered, especially Supplemental Report No. 2, dated October 10, 1970.

FINDINGS

It is found that in the vast majority of the reservoirs considered by Spice, that the possible gas reserves were maximized and in many cases "Proven" and "Probable" reserves were added with little, if any, supporting data.

There is probable misrepresentation as indicated by the following sentence found in the second paragraph on page 3 of the Spice report dated June 7, 1961, to the City Public Service Board:

"Geologic subsurface structural maps and effective producing sand isopach maps were prepared on all reservoirs and the volumes of gas in place in each reservoir under the properties covered by the abovementioned sales contracts were determined."

It is believed that the foregoing statement was intended to serve the purpose of assuring the City Public Service Board that *each reservoir* had been structurally mapped and the effective producing sand of *each reservoir* had been mapped as a prerequisite to determination of volumes of gas in place in each reservoir.

The Spice worksheets would indicate that this is not the case. It is very rare for the Spice worksheets to note that the net effective producing sand was determined by planimetering a map. By-and-large, the acre-feet of effective gas pay was arrived at by multiplying an assumed productive area (most frequently 160 acres) by the total number of feet of pay in the one well completed in the reservoir. This practice served to maximize the reservoir rock volume available to contain gas, and would bear little resemblance to a mapped reservoir rock volume.

The Spice report of June 7, 1961, determined the recoverable pipeline gas reserves to be:

[In billion cubic feet]

Producing (59.35%)	733.861
Proven (27.89%)	344.842
Probable (12.76%)	157.764
Total	1,236.467

The Spice Supplemental Report No. 2 dated October 10, 1970, determined the recoverable pipeline reserves (including past production) to be:

[In billion cubic feet]

Producing	494.793
Proven	0
Probable	0

Spice dismissed the absence of the 502.606 BCF of Proven and Probable reserve (40.61% of his 6-7-61 total) by saying at the top of page 9 of his October 10, 1970 report:

"The possibility of additional 'proven' and 'probable' reserves under dedicated leases has been given proper consideration. However, since the determination of such reserves by any recognized method other than by the actual production-pressure decline method has proved to be unreliable, no such future reserves have been determined in these categories."

The Spice original report of June 7, 1961, utilized by the City Public Service Board to consumate the gas contract with Alamo Gas Supply Company, contained no such disclaimer or warning regarding the validity of the reported reserves.

It is concluded that William H. Spice, Jr., did not wholly represent the interests of his employer, the City Public Service Board, in the determination of "recoverable pipeline reserves" submitted to the Board by Spice under date of June 7, 1961; that Spice added "proven" and "probable" reserves in more than one instance in order to have his total reserve exceed the minimum of 1,200 BCF requirement of the Board; that Spice did not serve in the capacity of verifying the recoverable pipeline reserves as determined by the consulting firm of Oliver and West, of Dallas, Texas, employed by Alamo Gas Supply Company, but instead more often than not, supplied the Board with reserve estimates for individual fields higher than did Oliver and West.

WORD FIELD—LAVACA COUNTY

Reserves in this field were determined as follows:

	Oliver and West	Spice
Producing, BCF	80.0	87.609
Proven, BCF	80.0	87.609
Probable, BCF		87.609
Total	160.0	262.827

Spice determined the reserves to be 102.827 BCF (63.7%) higher than Oliver and West. In a verification capacity it would appear that he would have accepted the 160.0 BCF determination of Oliver and West even though he might have felt the reserve to be higher, leaving the City Public Service Board with a surplus in this field.

Spice work sheets reflect that he calculated the Producing reserve and there are no notations or calculations of any kind supporting his finding regarding the Proven and Probable reserves. It appears that the Proven reserve and Probable reserve were simply added to the reserve tabulation in order to achieve the minimum total reserve of 1,200 BCF required in the proposed contract.

Further, Spice had a Railroad Commission of Texas, Form GWT-1 on the Mobil Oil Company No. 1 Kahanek Unit (the only well completed in the Word Field) showing an Absolute Open Flow of only 3,600 MCF/Day. The Railroad Commission would have permitted only 25%, or 900 MCF/Day to be produced and this rate of deliverability would have required 243 years to deplete the Spice producing reserve, even if it existed. For the twenty year term of the proposed contract Spice should have assigned not more than the deliverable reserve of 6.57 BCF (900 MCF/D x 365 Days x 20 Years). The Form GWT-1 was later increased but not in time to have been considered by Spice.

Available core analysis were apparently not utilized, and the reservoir volume was not mapped. The reservoir volume was determined by multiplying 640 acres by an effective pay thickness of 270 feet. Reservoir rock volume determinations arrived at by multiplying an assumed productive area by an assumed net effective pay thickness are rarely, if ever, accurate to an acceptable degree.

1963: 561,987 MCF, Mobil Oil Company.
1964: 487,577 MCF, Mobil Oil Company.
1965: 73,156 MCF, Mobil Oil Company.
1966: 10,270 MCF, Mobil Oil Company.
1967: 0 MCF, Glen Rose Corp.
1968: 0 MCF, Glen Rose Corp.
1969: 0 MCF, Glen Rose Corp.
1970: 358,318 MCF, Glen A. Martin, Trustee.
1971: 463,630 MCF, Richard E. Haas.
1972: 216,138 MCF, Richard E. Haas.
1973: 305,204 MCF, Richard E. Haas.
1974: *219,000 MCF, Richard E. Haas.
Total: 2,695,000 MCF (2,695 MMCF or 2.695 BCF).

The cumulative production to January 1, 1975, will be approximately 2.695 BCF which is only 1.03% of the Spice estimated original reserve of 262.827 BCF.

NORTH MAUDE TRAYLOR FIELD—CALHOUN COUNTY

Spice shows a Producing reserve of 71.866 BCF and the column adds to only 42.177 BCF. His worksheets show two zones not on the reserve report, however, which are:

[In billion cubic feet]

Zone 81 Seg A	2.315
Zone 83 Seg A	18.360
Total	20.675

Even when the two above zones are added from the worksheets the total is 62.852 BCF resulting in the reserves being overstated a minimum of 9.014 BCF.

The Proven reserve is shown as 49.806 BCF and the column adds to only 20.723 BCF; however, four zones are on the worksheets that do not appear on the reserve column and these total 29.083 BCF which would bring the reserve column to the total shown of 49.806 BCF.

The Probable reserve column adds to 41.250 BCF and not the 47.250 BCF as shown. The worksheets reflect in the lower left hand corner (page B24) the following Spice notation:

Add Probable North Maude Traylor: Zone 25, 28,000; Zone 24, 3,250 MM; Zone 30, 7,500 MM; Zone 76, 2,500 MM; Zone 85, 4,000 MM; Zone 88, 2,000 MM; total 47,250 MM, 6 Zones.

The addition of 47.250 BCF of Probable reserves appears to be an afterthought; there are no calculations or estimates of reserve parameters—just naked, unsupported reserve numbers, which were squeezed in on the lower left hand corner of the page.

The foregoing is considered supportive of

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*Average annual rate based on daily average rate of 600 MCF/Day, January through August.

the conclusion earlier set out that Spice added "proven" and "probable" reserves in more than one instance in order to have his total reserve exceed the minimum of 1,200 BCF requirement of the Board.

BRACERO FIELD–ZAVALA COUNTY

The Spice report shows the following reserves for this field:

	Producing	Proven	Probable	Total
Del Monte sand	0.943			0.943
Olmos 2100′ sand	4.455	8.910		13.365

The worksheets at page B30 indicate that Spice calculated the producing reserve to be 4.655 BCF and then added, without any calculations or support of any kind, a *proven* reserve of 4.655 BCF and a *probable* reserve of 4.655 BCF. The worksheet proven and probable reserves were then added together and entered on the report reserve column under the *proven* heading, which is somewhat misleading.

It is possible that the 8.910 BCF was added as an afterthought to assist reaching the contract minimum of 1,200 BCF.

NORTH TABASCO FIELD—HIDALGO COUNTY

The Spice report shows the following reserves:

	Producing	Proven	Probable	Total
6100′ "H" Sand	0.981			0.981
Heard Sand	11.472			11.472
7800′ "P" Sand	4.118			4.118
Mission Sand		5.600		5.600
6900′ "M" Sand		3.200		3.200
7100′ Sand			5.136	5.136
Total	16.571	8.800	5.136	30.509

Each of the six reservoirs is estimated at 160 acres with varying thickness; no maps apparently considered. No pressures, water saturation, gas saturation, porosity, etc. used—just simply started with an assumed original gas in place and multiplied by the assumed productive area and assumed net effective thickness.

This type of reserve determination is entirely opinion, unsupported with fact.

GENERAL

In many fields Spice makes no attempt to go through a reserve calculation using reservoir parameters. Instead, he merely lists a reserve number without support of any kind. Examples of this are as follow:

		Reserves, BCF		
County	Field	Producing	Proven	Probable
Hidalgo	Hidalgo	2.640		
	McAllen	9.517		
Dewitt	Speed (?)		4.500	
Victoria	West Cottonwood Creek.	.450		

In some fields Spice appears to assume an acre-feet reservoir rock volume and a gas recovery per acre-foot without any other type of supporting data or calculations. Example of this is as follows:

		Reserves, BCF		
County	Field	Producing	Proven	Probable
McMullen	Lowrance	2.060 1.300	0.672 2.524	

The foregoing report may be modified and/or supplemented at the conclusion of the review.

Respectfully submitted.

MAX F. POWELL,
Consulting Petroleum Engineer, 302 Brown Building, Austin, Tex. 78701.

NATIONAL CONFERENCE ON MEDICAL MALPRACTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HASTINGS), is recognized for 10 minutes.

Mr. HASTINGS. Mr. Speaker, medical malpractice has recently gained nationwide prominence as a crucial health issue seriously affecting health care providers as well as consumers. The key problems are the rapid increase of malpractice suits and enormous court awards, while correspondingly, malpractice insurance premiums double and triple and in many cases coverage is simply unavailable.

In response to this crisis many individual Members of Congress, as well as the appropriate committees, are exploring legislative remedies. One of the major shortcomings, however, is the lack of adequate information about all the facets of this issue so that a rational approach may be developed.

In response to the need for a better understanding of the parameters of medical malpractice, I am sponsoring a National Conference on Medical Malpractice, with the cooperation of the American Group Practice Association, which represents a broad base of more than 14,000 group practice physicians and dentists of all specialties throughout the United States. The conference will be held at the Sheraton National Inn, Arlington, Va., and I hope that all Members who are interested can attend or send a representative to participate in the proceedings set for March 20–21.

The conference will be a public forum designed to illuminate the causes of the medical malpractice insurance crisis and also to explore the alternatives available to both Government and the private sector before an audience of national policymakers. Senator EDWARD M. KENNEDY, chairman of the Senate Subcommittee on Health, Representative PAUL G. ROGERS, chairman of the House Subcommittee on Health and the Environment, and Dr. Roger O. Egeberg, Special Assistant to the Secretary of HEW for Health Policy, will be active participants in the program. We are hopeful that the interaction by the Members of Congress, State legislators, public officials, physicians and other providers, attorneys, insurers, and consumers will provide the necessary base of information and understanding to help formulate effective public policy.

Legislative proposals which have been introduced at both Federal and State levels will be discussed. At the same time, those most closely affected by the problem, as well as experts in the field, will be present to react to the various proposals.

Also, between now and the conference, I plan to present background papers in the CONGRESSIONAL RECORD on the key issues of malpractice. Hopefully this information will be of benefit to my colleagues in the House in developing their interest and understanding.

NEED TO INCREASE THE ESTATE TAX EXEMPTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK), is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, over the past several months I have had the opportunity to speak to many individuals, particularly farmers, who have pointed out the serious problems they have experienced with the current estate tax exemption. Since the last adjustment to the Federal exemption was made well over 30 years ago, they feel very strongly that a revision is needed in order to reflect the effect of inflation and the application in value of certain types of property, such as real estate.

Because I am very sympathetic to these concerns, I am today introducing a bill that will amend the Internal Revenue Code to raise the estate tax exemption from $60,000 to $185,000. This bill is based on the Consumer Price Index, and reflects the change in the cost of living.

Over 2 years ago, the House Ways and Means Committee received testimony on the need to an increase in the estate tax exemption. However, to date, no action has been taken. And yet we are now experiencing double-digit inflation, and more and more people are suffering because of the outdated law. In fact, the estate tax—the "death tax"—has come to mean the death of many a family farm or family business. It is ironic that at a time when we express concern over the disappearance of small farms and businesses that we do not update the law which makes it virtually impossible for many of these family operations to continue.

Mr. Speaker, I urge immediate and favorable consideration of my bill.

LEGISLATION TO DESIGNATE A PORTION OF THE ISLE ROYALE NATIONAL PARK AS WILDERNESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 5 minutes.

Mr. RUPPE. Mr. Speaker, I have today reintroduced legislation which would designate a portion of the Isle Royale National Park as wilderness.

Isle Royale, located in Lake Superior off the Upper Peninsula of Michigan, is the largest island in the Great Lakes. It was established as a national park in 1931. While there is some development on the island at a couple of sites, most of the island is in its pure, natural state—untouched by the modern hand of man.

It has been stated that Isle Royale is one of the most prime areas for wilderness designation. Its essential qualities were recognized many years ago. In the 1930's Dr. Adolph Murie, an ecologist, made a report on the values of Isle Royale at the behest of the National Park Service. He stated:

> Isle Royale is practically uninhabited and untouched. The element of pure wilderness which it contains is rare and worth the best care. True wilderness is more marvelous (and harder to retain) than the grandiose, spectacular features of our outstanding parks.

I recognize that wilderness designation places very severe strictures on the use of the land, and as a result these lands are generally only used by hikers. My bill, however, only designates a portion of the Island as wilderness with the remainder continuing to be managed as a national park, and thus available for other uses compatible with that designation.

Hearings and markup sessions were held in the House Commitee on the Interior and Insular Affairs in the Ninety-Third Congress, and the bill was reported to the floor. However, in our rush to adjournment, the House did not have an opportunity to act on this legislation. I am hopeful that the legislative process can be expedited, so that we can insure that a portion of Isle Royale is retained in its natural, undeveloped state.

AMENDMENTS TO THE EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BROWN) is recognized for 10 minutes.

Mr. BROWN of Michigan. Mr. Speaker, today I have introduced H.R. 2640, "Amendments to the Emergency Home Purchase Assistance Act of 1974."

On October 18, 1974, we enacted the Emergency Home Purchase Assistance Act of 1974 in an effort to provide immediate Federal financial assistance to the homebuilding industry and to prospective homeowners. The Government National Mortgage Association (Ginnie Mae) implemented this act on October 21, 1974. To date, GNMA has committed to purchase $5 billion in conventional mortgages and $1 billion in FHA/VA insured mortgages on residential properties at below market interest rates. It is clear that the act has been of great benefit in responding to an urgent need. The last $3 billion increment of mortgage commitments was virtually fully subscribed during the first day of its availability, and there is good reason to believe that further activity will be required as we seek to regain economic stability for the Nation.

Because of the anticipated continuing need for the program, it is essential that we acknowledge and immediately remedy certain defects and inequities in that act which interfere with the full achievement of our stated objectives. We simply must insure that every effort in support of this critical industry will be fully effective and equitable to all concerned. I would now like to address the need for amendments to the 1974 act.

Let me be specific:

The 1974 act authorized Ginnie Mae to commit to purchase and to purchase single family residential mortgages which are either conventionally or FHA/VA insured. Conventionally insured condominium units and multifamily projects are not eligible for assistance under the act, and yet a substantial part of our homebuilding industry is engaged in this activity. Regrettably, the purchase of condominium and multifamily residential mortgages under the act was limited to those insured by FHA or VA.

Both the condominium and the multifamily type rental project are vital to the national need, and offer an attractive means for more efficient use of energy. To achieve any reasonable degree of fairness and effectiveness, we must treat the entire industry equally when we seek to assist homebuilding. Therefore, in my proposal conventionally insured condominium and multifamily mortgages will be added to the Ginnie Mae assistance program.

Still another important area is the matter of making the GNMA program workable in States where usury and other laws restrict the payment of fees or discounts. A number of States found that the program could not be implemented in its original form. H.R. 2640 incorporates a technical amendment to the existing statute which should overcome such problems and thus lend equity to the program.

Finally, I am proposing that the program be extended for an additional year, until October 18, 1976, and that the authorization level of $7.75 billion be increased to $10 billion. Both of these provisions are needed in order to retain necessary authority and provide ample financial latitude for the administration of the program over a period of continuing uncertainty in the mortgage credit market.

So that my colleagues may have full knowledge of my specific proposals, I am offering at this point in the RECORD the full text of the bill, H.R. 2640 and a section-by-section summary.

I consider these amendments essential to the proper fulfillment of the national need and I urge prompt action on H.R. 2640.

H.R. 2640—SECTION BY SECTION SUMMARY

Sec. 1 Designates the title of the bill; "Amendments to the Emergency Home Purchase Assistance Act of 1974".

Sec. 2 Sets forth the findings and purpose of the Act.

Sec. 3 Interim authority to purchase certain mortgages. Amends Section 313 of the National Housing Act as follows:

(1) Expands authorization for the Act to be utilized in periods of recession and other economic conditions, in addition to conditions involving inflation;

(2) Broadens the existing statutory provisions which preempt State usury laws and other laws serving to restrict the workability of the program;

(3) Provides a technical conforming change to authorize the GNMA commitment to guarantee pools of mortgages or to purchase such mortgages;

(4) Increases the total amount of purchases and commitments authorized to be outstanding at any one time from $7.75 billion to $10 billion; and,

(5) Authorizes the commitment to purchase and the purchase of conventional mortgages on condominium units and multifamily rental projects and;

(a) imposes limits on the amount of such mortgages,

(b) specifies conditions concerning private mortgage insurance and the loan to value ratio of such mortgages, and

(c) excludes those condominium properties which involve conversions of multifamily rental projects.

Sec. 4 Extends the period of authority granted under the Emergency Home Purchase Assistance Act to October 18, 1976, a period of one additional year.

H.R. 2640

A bill to amend the Emergency Home Purchase Assistance Act of 1974 by extending and expanding the authority of the Government National Mortgage Association to purchase certain mortgages, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amendments to the Emergency Home Purchase Assistance Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the availability of mortgage credit remains prohibitively expensive and in short supply, thus contributing to the recession in the homebuilding and related industries; and

(2) these conditions necessitate the continuance and expansion of Federal assistance for residential mortgage credit.

(b) It is the purpose of this Act to expand authority and extend the period under which certain residential mortgage credit assistance shall be provided.

INTERIM AUTHORITY TO PURCHASE CERTAIN MORTGAGES

SEC. 3. Section 313 of the National Housing Act is amended—

(1) by inserting ", or other economic conditions," immediately after "actions" in subsection (a)(1);

(2) by striking out in subsection (b)(C) "and taking into account the need" and all that follows down through the period and inserting in lieu thereof the following: "and no State or local usury law or comparable law establishing interest rates or prohibiting and limiting the collection or amount of discount points or other charges in connection with mortgage transactions shall apply to transactions under this section.";

(3) by striking out "purchased" in the first sentence of subsection (d)(1) and inserting in lieu thereof "assisted";

(4) by striking out "$7,750,000,000" in subsection (g) and inserting in lieu thereof "$10,000,000,000"; and

(5) by adding at the end of such section the following new subsection:

"(h) Notwithstanding any other provision of this section, the Secretary is authorized, when he determines that such actions would further the purpose of this section, to purchase mortgages covering more than four-family residences or single-family units in condominium projects which are not insured under the National Housing Act of guaranteed under chapter 37 of title 38, United States Code, if—

"(1) in the case of a project mortgage, the principal obligation of the mortgage does not exceed, for that part of the property

attributable to dwelling use, the lesser of the per unit amount specified in subsection (b) (B) or the per unit limitations specified in section 207 of this Act in the case of a mortgage covering a rental project, section 213 in the case of a cooperative project, or section 234 in the case of a condominium project;

"(2) in the case of a mortgage covering a housing project, the mortgage is insured by a qualified private insurer as determined by the Association, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgage;

"(3) in the case of a mortgage covering an individual condominium unit, the mortgage is insured by a qualified private insurer as determined by the Association, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgage; and

"(4) the mortgage is not being used to finance the conversion of existing rental housing into a condominium or individual unit therein.".

EXTENSION OF AUTHORITY

SEC. 4. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "The amendment made by subsection (a)" and all that follows down through "period of one year following such date of enactment," and inserting in lieu thereof "Section 313 of the National Housing Act shall remain in effect for a period of two years from the date of enactment of this Act,".

PROBLEMS IN PANAMA: VIEWS OF AN EXPERIENCED FORMER U.S. DIPLOMAT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, it has long been noted that in the evolving situation in the Caribbean, especially that affecting the Panama Canal, the major part of the mass news media has failed to present the subject as it should be.

A notable exception was a recent syndicated column by Henry J. Taylor who writes with the background of diplomatic experience. In this highly informative newsstory, he emphasizes that the crucial issue at Panama is not United States sovereignty versus Panamanian over the U.S.-owned Canal Zone but continued U.S. control versus Soviet control.

To make Ambassador Taylor's article readily available to the Congress, I quote it as part of my remarks as follows:

PROBLEMS IN PANAMA

(By Henry J. Taylor)

Behind the scenes, the Panama Canal issue erupts again. We own the zone in perpetuity by the Hay-Bunau-Varilla Treaty of Nov. 18, 1903. But Washington has negotiated another giveaway.

The canal cost the American taxpayers more than $6 billion. We would give away to Panama our legal ownership entirely.

I dined with Nicaraguan President Anastasio Somoza Debayle at the New York home of former Assistant Secretary of State for American Republic Affairs Spruille Braden. Except for Nicaragua, the U.S. 10-mile-wide Panama Canal Zone has been the only zone of stability in the entire region. But President Somoza said Fidel Castro has made 22 armed attempts to invade Nicaragua.

Additionally, Nicaragua made world headlines on December 27 when Castroite guerrillas killed three guards and the host and seized as hostages 35 prominent Nicaraguans at a Christmas party for American Ambassador Turner B. Shelton, demanding the release and flight to Cuba of 14 Castroite prisoners.

President Somoza also spelled out in detail the Red plans in Panama.

The Latin-American Communists see their take-over opportunity with the forbearance of a hungry shark. Their purpose in Panama is the black flag of anarchy and the Red flag of Moscow.

Castro's guerrilla fleet is moving armed fighters into Panama. Their point of embarkation is La Colma, Cuba. Air deliveries are from a heavily guarded Soviet air base at San Julian, 90 miles southeast of Havana. The propaganda support is sparked from Castro's powerful Russian-built radio station on Cuba's Key Breton peninsula.

Costa Rica borders on Panama. Castro has reinstalled there famous Havana-based Costa Rican Communist Julio Sunol. And his resident agent in Panama itself is Communist Thelma King. She won her spurs in 1964 when four U.S. soldiers were killed in the riot in our Canal Zone. Thelma King herself led the rioters and has been boasting about killing these U.S. soldiers ever since.

In addition, the Republic of Panama is also directly threatened on its two frontiers by Communist guerrillas, as well as internally.

How can anyone ignore the fact that Panama borders on chaotic Costa Rica and Colombia? Is it news that imported Red guerrillas are staging a horrible shooting war in nearby El Salvador? Are we to forget the Red-instigated insurrections in neighboring Guatemala and Honduras? Moreover, the Republic of Panama itself is a faction-ridden political jungle.

Dr. Arnulfo Arias was elected president on May 12, 1968. Brig. Gen. Omar Torrijos Herrera, the present head of the army, threw out Arias in an iron-fisted coup. Then Torrijos made a mistake. He left Panama and went to Mexico City to take in a horse race.

Torrijos' absence was enough for two of his rivals to seize Panama's government and declare Torrijos kaput. He flew back to Panama the next day and his rivals were kaput.

Torrijos himself is a Red fellow traveler, to say the least, and his ministers of foreign affairs and labor are outright Communists, directed in the customary way from Moscow.

Demagogues abound. Their tirades about "Yankee imperialism," "the Yankee dollar," etc., light a contrived fuse under Panamanian emotions and serve to distract the people from much that should be done.

Panama is blessed with an amazing amount of rich, arable land, as rich as the best farmland in Iowa. But less than half of it is under cultivation. Panama's true need is for better agriculture, animal husbandry and light industry. Yet it's easy for nearly any politician to roar against the United States—and bite Panama's only feeding hand.

The global strategic importance of keeping the Panama Canal in U.S. hands is self-evident. And as for Latin America, 80 per cent of Peru's and Chile's imports and exports pass through it. The dependency is equivalent along the entire Pacific side of the South American continent.

Fortunately, our senate may stop this outrageous giveaway. For the real question is not the surrender of U.S. control of the canal vs. Panamanian control. The real question is U.S. control vs. Communist control.

It should be debated in the Senate on that basis—for this is the stark reality. No wonder we ask all over the world, "What are we losing?" not "What are we gaining?"

There are two kinds of fools. One does not learn by observing the errors of others. The worse fool does not learn by observing his own.

IMPACT OF SST ON ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, last week I introduced legislation, H.R. 2377, which would require the Secretary of Transportation to report to the Congress in the affirmative that supersonic aircraft represent no medical, psychological, or environmental threat to our people or our land before any SST's would be allowed to fly into, over, or out of the United States.

I made at that time the statement that we could at least be thankful that a recent report by the Department of Transportation had allayed previous fears that the SST could destroy the ozone layer of the Earth's atmosphere, thus causing vast outbreaks of skin cancer, if not the end of life itself.

My words were based on news accounts of a press conference held January 21, in Washington, and on the words of Dr. Alan Grobecker, chief of the DOT study group.

Mr. Speaker, since last Wednesday, I have been startled to receive word from two of our Nation's most distinguished researchers in the field of atmospheric sciences that not only are my hopes a trifle premature, but, even worse, the factual veracity of the statements at the DOT's January 21 press conference are open to serious question.

Dr. Thomas Donahue, chairman of the Department of Oceanic and Atmospheric Sciences, University of Michigan, thought the problem of misinformation serious enough to call congressional attention to the apparent discrepancies in the DOT study during testimony last week before a subcommittee headed by our distinguished colleague across the Hill, Senator FRANK Moss of Utah.

Similar reservations over the accuracy of the DOT report were raised in conversations with my staff by Dr. Harold Johnston, professor of chemistry at the University of California, Berkeley. Professor Johnston has forwarded to me a copy of a letter spelling out some of his differences with the DOT report, which I shall submit at the close of my remarks today.

Both of these concerned experts, in conversations with my office, said that in taking the DOT's own figures from the "fine print" of the report, and not the more favorable aspects which were publicized, a fleet of 500 Boeing-type SST's could cause some 2.4 million cases of skin cancer in the United States alone during the 2-year life span of the aircraft.

If the somewhat more realistic "case" is taken for the British-French Concorde, a much smaller airplane than the Boeing as planned, a fleet of 125 Concordes would cause, according to the DOT's own figures, some 5,000 cases of skin cancer in this country every year.

The DOT report itself appears to indicate that enough Concordes will be in operation by the 1990's to cause at least 300,000 cases of skin cancer over a 20-year period.

To help remedy what on the surface, at least, looks to be a very serious communication gap between distinguished scientists and the information being handed out by the DOT on the vital question of destruction of the ozone layer of our atmosphere by a fleet of SST's, I late Friday wrote to the Comptroller General of the United States, Elmer Staats, formally requesting a General Accounting Office investigation of this entire matter. The text of this letter as well is appended to my remarks.

Mr. Speaker, this entire issue has taken on vital proportions, because of a request that the Concorde be allowed to fly a series of 50 tests runs into and out of John F. Kennedy Airport in New York this May.

While even the most pessimistic reports indicate that such a relatively limited number of flights probably will not alter the ozone layer drastically, it seems obvious that we can hardly take a chance on even tacitly encouraging SST development by any nation without thoroughly satisfying ourselves on this point.

I also wish to guard against any "behind-the-scenes" attempt to revive American plans for the SST, for while spokesmen for the DOT at the January 21 press conference which sparked the present controversy also reportedly said no such plans are being made, in view of the apparent contradictions in the DOT's ozone study which have so quickly come to light, I must respectfully suggest that we exercise full vigilence on this point as well.

The Congress in its wisdom refused to allow production of an American SST in 1971, and I, for one, have seen no arguments—be they environmental, medical, psychological or economic—which would prompt me to change my mind on plans by the United States or any other nation.

Mr. Speaker, I urge support for my legislation, H.R. 2377, for a GAO study of the entire situation, and for all efforts designed to bring out the truth about these wasteful and apparently unsafe aircraft once and for all.

The texts of my letter to Mr. Staats, and of Professor Johnston's letter, follow:

Berkeley, Calif.,
January 30, 1975.

Editor,
New York Times New York, N.Y.

Dear Sir: Enclosed in a Letter to the Editor in response to the DOT Report of Findings concerning the SST and Grobecker's press conference, according to your story of 21 Januray 1975.

I have delayed writing this response until I received a copy of the Report of Findings. If you read the headlines and the principal conclusions, you are told there is no effect from the SSTs. If you read the fine print, you find that they concede very large effects. In 1971 I said 500 Boeing SST would reduce ozone 23% on a worldwide basis and up to 50% near zones of high traffic. The DOT report, as I spell out in the enclosed letter, indirectly concedes a 12% ozone reduction from 500 Boeing SSTs, and they have trimmed that figure in every way they could (4.4 hours per day instead of the 7 they told us in 1971, 19.5 km cruise height instead of 20, and other cumulative little things). In this Letter to the Editor, I am not arguing the little things. Instead I take statements they make in fine print, so to speak, and put it back together in another way. Note that they concede directly that 125 Concordes would increase skin cancer cases in U.S. by 5000 per year. I point out that this means 100,000 cases over the 20 year life of the SST. They tried to dodge the question of the Boeing SST, but indirectly they confirm that it would have caused a large ozone reduction and a very large increase in skin cancers.

(Full text follows:)

Berkeley, Calif.
January 30, 1975.

Editor,
New York Times,
New York, N.Y.

Dear Editor: Your article "World SST Fleets Said Not to Damage Ozone Blanket" of January 21, 1975 was based on a press conference by Dr. Alan J. Grobecker, Director of the Climatic Impact Assessment Program (CIAP) of the Department of Transportation (DOT), in which he released the Executive Summary of the DOT Report of Findings. This study of the environmental impact of the SST has cost the U.S. tax payers several tens of millions of dollars. The findings are to be made available in several forms: (1) The already published proceedings of three CIAP Conferences (1972–74); (2) the Report of Findings released by DOT on January 20; (3) a Report of Findings to be issued within a few weeks by the National Academy of Sciences; and (4) six technical monographs to be published by June 1975. If the tax payers are to get their money's worth from this study, the CIAP findings will have to be examined in depth and from many points of view, because the DOT Report of Findings has a very narrow focus and has major omissions.

The first paragraph of your article was: "A three year study dispels fear that the present fleet of supersonic transports will damage the earth's protective blanket of ozone, the Department of Transportation said today". The "present fleet" of SSTs consists of 3 or 4 Anglo-French Concordes and about the same number of Soviet TU–144s. Reassurance about the half dozen or so SSTs in the present fleet are small comfort if one looks ahead at the large numbers of SSTs predicted for the future. The DOT Report of Findings (page vii) speaks of 30 SSTs currently scheduled to enter service by about 1980. EPA (Federal Register, Volume 39, No. 141, 22 July 1974) projects 375 Concordes for 1990. For economic justification 500 SST have been advocated, both for the Concorde and for the former Boeing SST. In laying out the future demand and the future market, Grobecker one year ago (Acta Astronautica, January 1974) predicted over 1000 large SSTs by the year 2000 and over 5000 large SSTs for the year 2025. The method of the DOT Report of Findings (not my own method) shows that the nitrogen oxides from the SSTs predicted for the year 2025 (with current emissions) would reduce ozone in the northern hemisphere by more than a factor of three! It is only when the facts as to the CIAP findings are candidly and openly stated that one can begin to assess how much SSTs need to be cleaned up before stratospheric flight is safe.

The DOT Report of Findings (page xx) belittles the significance of scientific evidence that links skin cancer to ultraviolet radiation by insisting that it has "not been proven by experiments on humans". This statement shows the fantastic degree of proof DOT demands before it accepts any conclusion adverse to the SST-cancer experimentation on humans. On page 523 of the Proceedings of the Third CIAP Conference (published November 1974) it is stated: "There can be no reasonable doubt, on the basis of animal experimentation and human epidemiological data, that frequent and prolonged exposure to sunlight is the major cause of basal-cell and squamous-cell carcinoma in man, and that the shortest UV wavelengths penetrating the atmosphere are mainly responsible".

In the DOT Report of Findings, it is stated that 125 Concordes flying 4.4 hours per day would reduce ozone by 0.5 per cent. Other newspapers (San Francisco Chronicle) quoted Grobecker as saying that this was no worse than "spending an extra 45 minutes at the beach" in terms of skin damage. The DOT Report of Findings states (page xxi) that there are now about 250 cases of skin cancer per 100,000 susceptible population in the United States and that the 0.5 per cent ozone reduction would increase skin cancers by one per cent. For a susceptible population of 200 million in the United States, this one percent increase corresponds to 5,000 additional skin cancer victims per year. Furthermore we should not just ask how many skin cancer cases per year the SSTs cause but rather how many they will cause over the useful life span of the aircraft, which is about 20 years. The 125 Concordes, according to CIAP findings, would cause an additional 100,000 U.S. skin cancer cases over a 20 year period. In twenty years the 375 Concordes projected by EPA would result in 300,000 additional U.S. skin cancer cases, according to the fine print of the DOT Report of Findings.

In the second paragraph of your article of January 20, you state that Grobecker "said a United States Fleet of the high flying planes would not have weakened the ozone shield either". Surely you misquoted him here, because in the August 20, 1974 version of the Report of Findings, it says in Chapter 8, page 19: "Each Boeing SST, as quoted in 1971, would burn three times as much fuel per hour as one Concorde, the emission index was about the same as the Concorde, the effect of NO_x emitted at 20 km, the projected altitude for the Boeing SST, is about twice as severe as that emitted by the Concorde at 17 km, and thus 500 Boeing SSTs are fifteen times greater polluters than 200 Concordes", that is, twenty-four times greater polluters than 125 Concordes. Thus according to the DOT Report of Findings, 500 Boeing SSTs give 12 percent ozone reduction, 24 percent increase in U.S. skin cancers, or 2.4 million additional skin cancer cases over a 20 year period.

January 31, 1975.

Mr. Elmer B. Staats,
Comptroller General of the United States, General Accounting Office, Office of Congressional Liaison, Washington, D.C.

Dear Mr. Staats: This is to formally request you to initiate a study by your office of a report released January 21, 1975, by the Department of Transportation entitled "Report of Findings, Executive Summary. The Effects of Stratospheric Pollution by Aircraft" (DOT–TST–75–50 December 1974).

Serious questions have been raised regarding the publicity stemming from the report, apparently indicating that little adverse environmental and medical effects would result from operations by supersonic aircraft, and the actual facts as contained in the report.

According to a news conference held January 21, 1975 in Washington, D.C., Dr. Alan Grobecker, director of the study, said an American fleet of SST's would not damage the ozone shield of the earth, and, further, that the world's present SST fleet causes no threat.

However, I have been assured by two independent scientists, Prof. Thomas Donahue, Chairman of the Department of Oceanic and Atmospheric Sciences, University of Michigan, and Prof. Harold Johnston, of the Chemistry Department of the University of California, Berkeley, that in fact the DOT's own figures show that a fleet of 500 Boeing-type SST's operating over the 20-year life-time of the aircraft, would cause 2.4 million cases of skin cancer in the United States alone.

Accordingly, I formally request you to direct your investigators to analyze the DOT's report and figures to ascertain if, as Professors Donahue and Johnston suggest, the actual facts sharply contradict the public impression allowed by DOT spokesmen in releasing the report.

Finally, would you also ascertain how such discrepencies, should they be discovered, were allowed to stand uncorrected by officials of the DOT.

Should you have any questions, or need further information from my office, please contact Christopher Nelson of my staff.

Sincerely,

LESTER L. WOLFF,
Member of Congress.

ERDA'S NONEXISTENT ENERGY BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, since its inception in June of 1973, I have been skeptical of the Energy Research and Development Administration. President Ford's 1976 budget provides the first documentation to confirm my fears. As originally proposed by President Nixon, ERDA was to centralize all the energy research and development activities of the Federal Government under one independent agency. There is no doubt that in the abstract it was a good idea. The lack of organization of the Federal Government's energy research activities has been one of the principal reasons we have found it so difficult to develop a national energy policy.

President Nixon promised that the new administration would pursue all promising energy technologies. As he stated in his message to the Congress on June 29, 1973:

> The new (Energy Research and Development) Administration would be organized to give sufficient new emphasis to fossil fuels *and potential new forms of energy*, while also assuring continued progress in developing nuclear power. (Emphasis added.)

Yet, despite his assurances, his proposal virtually guaranteed that the priority on nuclear research would continue to the detriment of research into alternative forms of energy—notably solar and geothermal energy. The simple reason this bias would be perpetuated was the fact that President Nixon proposed that the Atomic Energy Commission—without its regulatory functions—would serve as the organizational core of the new administration.

Beyond this fact, however, President Nixon proposed that ERDA encompass activities wholly unrelated to energy research and development. These functions included uranium enrichment and nuclear weaponry development and manufacture. In short, ERDA had two basic organizational flaws: first, it was biased heavily toward the development of nuclear, as opposed to nonnuclear, energy technology, and second, it was not an organization whose sole purpose was to conduct energy research. These flaws have demonstrated themselves clearly in the new budget.

ERDA'S BUDGET FOR FISCAL YEAR 1976

At first glance the ERDA budget for the coming fiscal year reveals some impressive totals: The agency's total proposed budget for fiscal year 1976 exceeds $3.7 billion. For a nation which spent only a little over $640 million on energy research in fiscal year 1973, the year's budget appears to be a monumental leap forward on the road to energy independence. A closer look at ERDA's budget, however, reveals that it is largely an illusion of aggressive energy research.

ERDA's program for fiscal year 1976 is divided into basically eight different categories as outlined in the appendix to this year's budget. They are:

First, fossil energy development;

Second, solar, geothermal and advanced energy systems development;

Third, conservation research and development;

Four, nuclear energy development;

Fifth, national security;

Sixth, environmental and safety research;

Seventh, program support; and

Eighth, cost of work for others.

Each of these categories, except the last two, is further divided into more defined program areas. For instance, fossil energy development includes research into coal, petroleum and natural gas, and oil shale. It is when we begin to look at budget totals for these specific programs that the illusion of the ERDA budget begins to fall apart. We find, for example, that "nuclear energy development" includes naval reactor development. According to the discription of this program in the adjoining explanatory notes, the naval reactor development program entails, "the development of an advanced reactor core with longer life for application to nuclear powered guided-missle frigates and on the development of advanced reactors for submarines."

Similarly, under the category of nuclear energy development we find money for space nuclear systems. Again, according to the notes:

> The space electric power development category provides nuclear power generators for scheduled flight missions such as the NASA Mariner Jupiter/Saturn missions scheduled for launch in 1977, and to pursue technology advancements for future missions.

Further, we find under the "National Security" classification programs which have little if anything to do with energy research: weapons, laser fusion, and nuclear materials security.

THE REAL ENERGY BUDGET UNDER ERDA

It is clear that if we are to get a true picture of the directions President Ford is taking in energy research and development, we must first separate the research activities of the ERDA budget from those which do not have any real applicability to our national energy needs. For the purposes of trying to define more clearly the shape of President Ford's proposed energy research and development budget. I have redrawn the program categories to approximate more closely the energy research activities of ERDA for fiscal year 1976. Only then are conclusions possible regarding where we are going in energy research.

Below is a reproduction of the "direct program" of ERDA as it appears in the appendix to the fiscal year 1976 budget:

PROGRAM AND FINANCING

[In thousands of dollars]

Identification code 19-00-0100-0-1-999	1975 estimate	1976 estimate
Program by activities:		
Direct program:		
1. Fossil energy development:		
(a) Coal	174, 199	279, 473
(b) Petroleum and natural gas	17, 267	23, 647
(c) Oil shale	3, 454	8, 147
2. Solar, geothermal, and advanced energy systems development:		
(a) Solar energy development	8, 770	57, 100
(b) Geothermal energy development	13, 800	28, 370
(c) Advanced energy systems research	12, 284	23, 173
(d) Physical research	281, 600	312, 500
3. Conservation research and development:		
(a) Electric power transmission	6, 372	11, 830
(b) Advanced automotive power systems	4, 490	8, 240
(c) Energy storage systems	5, 800	9, 100
(d) End-use energy conservation research and development		3, 000
4. Nuclear energy development:		
(a) Fusion power research and development	85, 030	120, 000
(b) Fission power reactor development	384, 088	443, 675
(c) Nuclear materials	646, 080	828, 940
(d) Advanced isotope separation technology	11, 700	24, 200
5. Program support	175, 898	200, 018
6. Cost of work for others	11, 690	12, 660
7. Adjustments to prior year costs		
Total direct program costs	3, 068, 377	3, 747, 308

I have redrafted these categories—using the program descriptions contained in the appendix—as follows:

ERDA fiscal year 1976 budget

[In thousands of dollars]

	1976 estimate
Nonnuclear energy development:	
Fossil energy development	311, 267
Solar/geothermal	85, 470
Advanced energy systems	23, 173
Physical research	312, 500
Conservation research and development:	
Electric power transmission	11, 830
Advanced automotive power systems	8, 240
Energy storage systems	9, 100
End-use energy conservation research and development	3, 000
Nuclear energy development:	
Fission	443, 675
Fusion	120, 000
National security:	
Weapons	873, 515
Laser fusion	54, 000
Nuclear materials security	10, 945
Naval reactor development	186, 200
Nuclear safety:	
Biomedial and environmental research	156, 515
Waste management	36, 000
Operational safety	5, 160
Miscellaneous nuclear activities:	
Space nuclear systems	30, 900
Nuclear materials	828, 940
Advanced isotope separation technology	24, 200
Administration:	
Program support	200, 018
Cost of work for others	12, 660

Following this breakdown a new picture emerges of ERDA's planned activity for the next year. This "new" budget is summarized in the following charts:

ERDA BUDGET BY PROGRAM CATEGORIES—FISCAL YEAR 1976

	1976 budget in thousands	Percent of ERDA budget
(1) Nonnuclear energy development	419,910	11.2
(2) Physical research [1]	312,500	8.3
(3) Conservation research and development	32,170	.9
(4) Nuclear energy development	563,675	15.0
(5) National security	1,124,660	30.0
(6) Nuclear safety	197,675	5.3
(7) Miscellaneous nuclear activities [2]	884,040	23.6
(8) Administration	212,678	5.7
Total	3,747,308	100.0

[1] A description of this program appears in the budget as follows: This program provides support for both theoretical and experimental basic research in the physical sciences. Funds are included for increased high energy physics accelerator utilization, and on research required for the development of new energy sources and for the solution of energy-related problems. By major category, the costs are as follows (in thousands of dollars):

Category	1974 actual	1975 estimate	1976 estimate
High energy physics	125,842	131,500	148,300
Nuclear science	64,360	71,700	78,100
Materials sciences	32,487	39,800	43,600
Molecular sciences	30,136	38,600	42,500
Total physical research program	252,825	281,600	312,500

[2] This program includes providing enriched uranium fuel to nuclear reactors owned by the private sector.

ERDA'S NONNUCLEAR ENERGY RESEARCH—FISCAL YEAR 1976

	Budget (in thousands)	Percent of nonnucl. budget	Percent of ERDA budget
(1) Coal	279,473	66.6	7.5
(2) Petroleum and natural gas	23,647	5.6	.6
(3) Oil shale	8,147	1.9	.2
(4) Solar energy development	57,100	13.6	1.5
(5) Geothermal energy development	28,370	6.8	.8
(6) Advanced energy systems search [1]	23,173	5.5	.6
Total	419,910	100.0	11.2

[1] This program includes primarily research into improved means of generating electricty.

Some startling conclusions emerge from these tables:

One. The largest item in the Agency's budget has nothing to do with energy research. Exactly 30 percent of the agency's funds will be spent for national security.

Two. Direct research and development into nonnuclear energy forms—coal, solar, geothermal—account for a little over one-tenth of the Agency's total budget.

Three. Less than 1 percent of the budget will be devoted to finding ways to use energy more efficiently.

Four. Excluding administrative costs, over 78 percent of the ERDA budget is related directly to research and development of various applications of nuclear energy.

Five. Exploring the profound issues of nuclear safety will account for only a little over 5 percent of the Agency's funding next year.

Six. Solar energy research accounts for only a little over 1 percent of the total ERDA budget.

SOLAR ENERGY—WHERE ARE YOU?

Looking at the comparative budget figures for solar energy research, it would appear that significant strides were being taken to expand development of this unique resource. Actual spending in fiscal year 1974 for solar research was $3.9 million. For fiscal year 1975 it is estimated that $8.7 million will have been spent. By fiscal year 1976 the budget estimates $57 million will be spent. On the face of it, these totals would appear to demonstrate an impressive sixfold increase in program funding in only 3 years. But a closer look at the figures reveals that the planned solar program for ERDA is inadequate.

Of this $57 million for solar research, approximately $10 to $12 million will be spent in the implementation of Public Law 93-409, the Solar Heating and Cooling Demonstration Act. This legislation is designed to demonstrate that heating and cooling a building with the Sun is commercially feasible. The remaining $45 to $47 million will be allocated to research into five other promising technologies which promise the use of the Sun as an energy source. These technologies include:

First. Solar thermal conversion which uses the heat of the Sun directly to generate electricity.

Second. Bioconversion which uses the Sun as an energy source to convert organic material into a usable energy form, such as methane.

Third. Ocean-thermal which uses the temperature gradients in the ocean to turn electric generating equipment.

Fourth. Photovoltaics which employ crystalline structures to convert the Sun's light directly into electricity.

How much should we be spending on developing these technologies? An educated guess was provided by a panel of experts working under the National Science Foundation who in 1973 calculated a 5-year budget for solar energy development. Reporting to Dixy Lee Ray, then Chairman of the Atomic Energy Commission, these scientists suggested two solar energy budgets: one labeled "accelerated" and the other labeled "minimal." Their recommendations can be found in the following table:

SOLAR ENERGY PROGRAM RESOURCES

[In millions of dollars]

Program	1975	1976	1977	1978	1979	Totals
Heating and cooling:						
(a) Accelerated	17.8	35.7	50.7	57.5	42.6	204.3
(b) Minimum	8.1	20.0	22.0	19.0	17.8	86.9
Solar thermal:						
(a) Accelerated	31.1	51.1	50.0	60.0	74.0	275.2
(b) Minimum	15.8	16.8	31.5	43.0	38.0	145.1
Wind energy:						
(a) Accelerated	3.5	17.3	23.5	33.9	23.0	106.2
(b) Minimum	3.8	5.4	7.1	6.9	3.7	26.9
Dioconversion:						
(a) Accelerated	12.1	17.3	23.7	30.1	40.6	123.8
(b) Minimum	8.5	10.5	10.5	10.5	12.5	52.5
Ocean-thermal:						
(a) Accelerated	8.6	19.2	16.4	28.8	25.5	59.5
(b) Minimum	4.0	4.5	7.6	12.2	13.0	41.3
Photovoltaic:						
(a) Accelerated	28.3	48.3	63.9	54.1	53.1	247.7
(b) Minimum	10.3	10.3	11.0	13.2	12.4	57.2
Totals:						
(a) Accelerated	106.4	188.9	237.2	264.4	259.8	1,056.7
(b) Minimum	50.5	67.5	89.7	104.8	97.4	409.9

Just a brief review reveals that ERDA's 1976 solar budget does not even meet the "minimum" suggested budget outlined by these experts. In fact, it falls over $10 million short. In short, the ERDA solar budget—despite all the administration's rhetoric about aggressive research into new energy forms—appears to be just keeping this research alive.

FISSION VERSUS FUSION: ARE WE ON THE WRONG TRAIN?

Perhaps the most disturbing revelation in this year's budget for ERDA is the administration's continued blind faith in the liquid metal fast breeder reactor—LMFBR—program. On April 18, 1973, President Nixon committed the Nation to a goal of commercial demonstration of the LMFBR by 1980. Since that time significant issues of safety and program cost have been raised, but remain unresolved. Briefly, the LMFBR is the latest development of technology to create energy from the fusioning—or splitting apart of nuclear material. The breeder concept is attractive, because it produces more nuclear fuel than it consumes. As it does so, however, the questions of safety, which arise from the disposal of waste products, and the questions of security, resulting from the unauthorized diversion of nuclear material become more grave. These issues remain unresolved.

Safety and security aside, however, it is no longer clear that the LMFBR represents a sound investment from a financial standpoint. Two years ago, the Atomic Energy Commission estimated that the LMFBR demonstration project would cost $700 million. Late last year, this estimate was revised upward to over $1.74 billion—an increase in project costs of over a billion dollars. And according to the Wall Street Journal:

> (S)ome AEC insiders are convinced that the cost burden of the fast breeder will prove even heavier than the latest official estimate.

They look for a further escalation to push the total well beyond $2 billion.

Clearly, the time has come for a thorough reevaluation of our Nation's commitment to the breeder project. Yet, the administration seems content to shrug off any doubts about safety, security, or fiscal responsibility. According to the budget:

> The pace of activity on the LMFBR demonstration plant will significantly accelerate in 1976 . . .

At the same time, the budget shows no signs of reversing the decision made almost a year ago to go slow on the development of nuclear fusion technology. Fusion technology—which generates its energy from "melting together" nuclear particles, not splitting them apart—has some inherent advantages over fission technology. Fusion would provide an infinite supply of fuel. There would be no possibility of nuclear run-away. There would be relatively low levels of radioactivity. There would be no emergency reactor core cooling problems. Perhaps most significantly, no weapons grade nuclear materials would be produced.

Despite the inherent technical advantages of fusion technology, the recent breakthroughs in the development of this technology, and the massive cost overruns of the breeder project, the President appears to have no plans for changing the emphasis of our nuclear program. He is apparently content to let stand the decision reached in March 1974, to slow down the pace of fusion development so that commercial production of electricity from fusion will not take place before the turn of the century.

ESTABLISHMENT OF AN ENERGY RESEARCH AND DEVELOPMENT TRUST FUND

My review of the President's budget for energy development in the coming year has pointed to the dangers that arise when politics enters the sphere of scientific research. It is no surprise that the breeder program retains such a high priority in ERDA's fiscal year 1976 budget: The AEC made a decision in the 1960's to develop the breeder concept as its first priority and the AEC now forms the organizational core of ERDA. There is more than just a bit of bureaucratic self-interest in the new ERDA budget totals.

How can Congress be assured of a truly balanced program of energy research? How can we be certain that we are not devoting an inordinate share of our resources to the development of unreliable and potentially unsafe energy technologies? Most important, how can we overcome the organizational bias inherent in ERDA toward the development of nuclear power?

I believe the most significant step that Congress can take to insure wise management of this Nation's energy research and development program is through the establishment of an energy research and development trust fund. A trust fund—formed from the revenues of modest taxes on present energy forms—will provide an independent source of funding for energy research. This policy would be the only fiscally responsible way of allocating the billions of Federal dollars which must be devoted to research in the years ahead. Also, by removing energy research from the intense pressures of budgetary politics, we will increase the chances that all research alternatives will receive adequate funding. The result should be a more balanced energy research program.

In the near future I will introduce legislation to establish an energy research and development trust fund. This bill will be similar to legislation I introduced in March of 1973. I invite my colleagues to join me in sponsoring the establishment of this vital fund.

SECOND-CLASS POSTAL RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

Mr. FORD of Michigan. Mr. Speaker, today I am reintroducing legislation I sponsored in the 93d Congress to extend preferred second-class postal rates to conservation magazines published by State agencies. This legislation would merely extend to State conservation agencies the same mailing privileges presently available to other State agencies.

Since postal legislation in this area was last considered by Congress, there has occurred a dramatic surge of popular concern for and interest in the quality of the environment, conservation of fish and wildlife, and appreciation of our natural resources. These popular attitudes have been reflected also in the significant increase of interest in outdoor recreation including hunting, fishing, backpacking, and nature study.

Forty-three State conservation agencies now publish magazines which reflect and nurture this interest. These publications play a key role in educating citizens to the conservation ethic.

Mr. Speaker, under existing law, State conservation magazines are mailed at the same rate utilized by commercial magazines. Unlike their commercial counterparts, however, these magazines are, almost without exception, published without the benefit of advertising revenue, and the burden of postage constitutes a drain on the fish and game fund which represents revenues available from hunter's and angler's license sales.

In 1951 Congress extended preferred rates for certain second-class and third-class mail when mailed by qualified nonprofit organizations including "religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations not organized for profit." From the outset the Post Office Department interpreted this provision as not extending the special rates to second-class mail when mailed by governmental bodies.

In 1962 Congress amended the definition of "qualified nonprofit organizations" eligible for preferred second-class rates to include "one publication published by the official highway agency of a State."

Again, in 1967 Congress amended the definition of "qualified nonprofit organization" to include a "development agency of a State."

All my legislation proposes to do is to amend the definition of "qualified nonprofit organization" to include "one conservation publication published by an agency of a State which is responsible for management and conservation of the fish or wildlife resources of such State."

Mr. Speaker, the increased national interest in fish and wildlife conservation is extremely gratifying. At the same time, however, it has generated demands on State agencies to mount new programs aimed at restoring threatened and endangered species as well as developing conservation programs for nongame fish and wildlife. If the same preferred postal rates which are already available to certain nonprofit organizations were available to State conservation agency magazines, as the bill I introduce today proposes, savings to the fish and game fund could be channeled into fish and wildlife restoration programs.

Mr. Speaker, I urge the Members of the 94th Congress from both sides of the aisle who share my concern for fish and wildlife restoration to give this legislation prompt consideration.

H.R. —

A bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3626 of title 39, United States Code, is amended by inserting "(a)" immediately before "If the rates" and by adding at the end thereof the following new subsection:

"(b) In the administration of this section, one conservation publication published by an agency of a State which is responsible for management and conservation of the fish or wildlife resources of such State shall be considered a publication of a qualified nonprofit organization which qualifies for rates of postage under former section 4358(d).".

SEC. 2. (a) Section 2401(c) of title 39, United States Code, is amended by striking out "3626" and inserting in lieu thereof "3626(a)".

(b) Section 3627 of title 39, United States Code, is amended by striking out "3626" and inserting in lieu thereof "3626(a)".

LAWSUIT TO ENJOIN FURTHER U.S. MILITARY PARTICIPATION IN CAMBODIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, on January 31, 1975, 20 Members of Congress and myself filed in the U.S. District Court for the District of Massachusetts a lawsuit which would halt this country's continued military operations in Cambodia. My colleagues and I will be seeking a preliminary injunction to stop the present administration's support for the Lon Nol regime, that support being prohibited by a number of congressional enactments over the last 4 years.

For the benefit of my colleagues, Mr. Speaker, I would like to insert at this time in the RECORD the first half of the Plaintiff's Memorandum of Law for the instant case:

[In the U.S. District Court for the District of Massachusetts]

PLAINTIFFS' MEMORANDUM OF LAW

Robert F. Drinan, et al., Plaintiffs, versus Gerald R. Ford, et al., Defendants.

I. INTRODUCTION

This memorandum is submitted in support of plaintiffs' Request for a Preliminary Injunction restraining defendants from further military involvement in the Cambodian civil war and for a declaratory judgment that such involvement is illegal.

II. HISTORY OF RELATED LITIGATION

On May 7, 1973, the first-named plaintiff herein, Congressman Drinan, together with Congressmen Harrington, Moakley and Studds and Airman First Class Hayden, brought suit in this Court for a declaratory judgment as to the legality of military activity by United States forces in Cambodia. *Drinan, et al. v. Nixon, et al.*, Civ. No. 73-1424.

On August 8, 1973, Judge Tauro granted defendants' motion to dismiss and denied plaintiffs' motion for summary judgment, holding that the issues raised involved political questions beyond the authority of a federal court to hear or determine. 364 F. Supp. 853.

The United States Court of Appeals for the First Circuit affirmed in an unreported Memorandum and Order dated August 10, 1973. No. 73-1271 (Appendix A).

III. STATEMENT OF FACTS

Drinan v. Nixon focused on bombing operations by U.S. military aircraft in Cambodia. Such bombing, as far as the plaintiffs know, ceased at midnight on August 14, 1973, pursuant to P.L. 93-52, § 108, 93rd Cong., 1st Sess. (the "Fulbright Amendment"). Indeed, as we shall demonstrate below, it was the closeness of this cut-off date which was mainly, if not solely, responsible for the decision of the district and appeals courts not to grant the relief requested in the first round of this litigation.

Both before and after the earlier litigation, Congress had made it abundantly clear, through a series of enactments discussed in greater detail in the ensuing section, that it was firmly resolved, once the Paris Peace Agreements were signed, to bring about the total disengagement of U.S. forces from combat and combat-related activities in Indochina. Through these enactments, Congress intended to insure that there would be no repetition of the progressive escalation of the U.S. military presence in Indochina, leading from the dispatch of a few hundred advisers by President Kennedy in 1961 to the commitment of 550,000 troops by President Johnson in 1968, and resulting in the loss, from 1961 to 1972, of 46,000 American dead and over 300,000 wounded in Indochina.

Since it is common ground that it is not the function of the courts to substitute their judgment for that of the President or the Congress in the formulation of foreign policy, there is no need here to review the agonizing history of continuing hostilities in Cambodia in the more than two years since Secretary of State (then National Security Adviser) Henry Kissenger announced that peace was "at hand". What is important is to note that, far from effecting the disengagement promised by the Nixon administration, mandated by Congress and devoutly wished by the American people, the American role in Cambodia has not only not diminished but, on the contrary, has increased to the point where, with the possible exception of Micronesia, Cambodia—at least that fifteen percent of it subject to the Lon Nol administration—appears today to be the one political unit on earth most directly and immediately controlled, run and operated by the U.S. government and its representatives.

Further evidence of the deepening involvement of U.S. personnel in the Cambodian civil war is contained in Congressman Aspin's statement, "Secret War in Cambodia", Exhibit B to Affidavit appended to Motion for Preliminary Injunction, and in the other Exhibits to such affidavit.

The rapidly worsening military situation in Cambodia has apparently led U.S. policy makers to formulate a series of contingency plans to save the tottering Lon Nol regime at any cost, "even", according to Sidney Schanberg of the New York Times, "if it exceeds the aid limits set by Congress". One possibility being contemplated by U.S. planners is a massive airlift into beleaguered Phnom Penh, should the rebel forces succeed in severing all links to the rest of the country, as they very well may.

In addition to this alarming possibility, United States military and diplomatic personnel seem, at this point, to be engaged in multiple violations of specific Congressional prohibitions, including, but not limited to, the following activities:

(a) Planning and preparation for execution of an emergency contingency plan to utilize the United States Air Force, its personnel and resources to carry out a massive airlift of military and other supplies to Phnom Penh and other embattled areas along the Mekong River.

(b) Financing, directing and controlling a secret operation code-named Operation SCOOT (Support for Cambodia out of Thailand) which coordinates flights of United States cargo planes, both military and "civilian", to resupply Lon Nol troops in Cambodia.

(c) Frequent daily aerial reconnaissance missions by U.S. Air Force planes and pilots stationed in Thailand.

(d) Collecting intelligence information concerning the hostilities, analyzing the information and passing the results of such analysis to the forces of the Lon Nol regime, including recommendations for bombing targets.

(e) Furnishing from the United States Embassy in Phnom Penh by defendant Dean and his subordinates at the mission and in the field strategic military and technical advice to Cambodian troops on a continual basis.

(f) Directing, coordinating, advising, training, and accompanying in the field military ground operations of the Lon Nol forces, including rocket attacks on enemy supply lines, coordinating local air strikes and local defensive and offensive operations.

(g) Conducting off-shore marine and naval maneuvers which provide support for ground and air attacks.

(h) Maintaining more than 200 United States personnel in Cambodia.

(i) Providing compensation and allowances in Cambodia for more than 85 nationals of countries other than the United States and Cambodia.

(j) Denying *bona fide* news media correspondents regular access to military bases constructed or maintained or operated with U.S. funds and from which personnel of the United States carry out military operations.

IV. APPLICABLE CONSTITUTIONAL, STATUTORY AND TREATY PROVISIONS

For the convenience of the Court, the Constitutional, Statutory and Treaty Provisions which prohibit the actual and contemplated activities of defendants and their servants and agents are set out below:

(a) *United States Constitution*, Article I, Section 8, Clause 11:

The Congress shall have Power . . . To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water;

(b) *United States Constitution*, Article I, Section 9, Clause 7:

No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

Article I, Section 7, Clause 1:

All bills for raising revenue shall originate in the House of Representatives; but the Senate may purpose or concur with amendments as on other bills.

(c) *1973 War Powers Resolution*, 50 U.S.C. §§ 1541, *et seq.* (See Appendix B attached)

(d) *Special Foreign Assistance Act of 1971*, § 7(a) 22 U.S.C. § 241 n:

In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisers to or for Cambodian military forces in Cambodia.

(e) *Foreign Assistance Act of 1973*, § 30, P.L. 93-189, 22 U.S.C. 2151, n. p. 45:

No funds authorized or appropriated under this or any other law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

(f) *Continuing Appropriations Act of 1974*, § 108, P.L. 93-52, 87 Stat. 134:

Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

(g) *Second Supplemental Appropriations Act, 1973*, § 307, P.L. 93-51, 87 Stat. 99:

None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam or off the shores of Cambodia, Laos, North Vietnam and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other Act may be expended for such purpose.

(h) *Department of Defense Appropriations Authorization Act, 1974*, § 806, P.L. 93-155, 87 Stat. 605:

Notwithstanding any other provision of law, upon enactment of this Act, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress.

(i) *Department of State Appropriations Authorization Act of 1973*, § 13, P.L. 93-126:

Notwithstanding any other provision of law, on or after August 15, 1973, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress.

(j) *Foreign Assistance Act of 1971*, 22 U.S.C. § 2416:

Limitations on United States personnel and personnel assisted by United States in Cambodia; air operations exclusion; executive agency of the United States Government.

The total number of civilian officers and employees of executive agencies of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. The United States shall not, at any time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. For purposes of this section, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

(k) *Foreign Assistance Act of 1974,* § 29, P.L. 93–559:

(a) Chapter 3 of Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section;

Sec. 659. None of the funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guarantees) under this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

(2) personnel of the United States carry out military operations from such base;

unless and until the President has determined that the government of such country has, consistent with security, authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base.

(1) *1973 Agreement on Ending The War And Restoring Peace In Vietnam,* Chapter VII, Article 20(b), TIAS 7542, UST 1:

Foreign countries shall put an end to all military activities in Cambodia and Laos, totally withdraw from and refrain from reintroducing into these two countries troops, military advisers and military personnel, armaments, munitions and war material.

It will be noted that the statutory enactments set out in paragraphs (c) and (h) above represent a progressive intensification of the Congressional will to prevent every form of participation by the United States in the hostilities in Indochina. The prohibition against the use of ground combat troops in Cambodia contained in § 7(a) of the Special Foreign Assistance Act of 1971, 22 U.S.C. § 2411, becomes a prohibition against military or paramilitary operations by the United States in or over Vietnam, Laos and Cambodia in § 30 of the Foreign Assistance Act of 1973, 22 U.S.C. § 2151. Sec. 108 of the Continued Appropriations Act of 1974, P.L. 93–52 and § 307 of the Second Supplemental Appropriations Act of 1973, P.L. 93–50, add the words "directly or indirectly" to the statement of prohibited activities and supplement "in or over" by "from off the shores." Finally, in § 806 of the Department of Defense Appropriations Authorizations Act of 1974, P.L. 93–155 and § 13 of the Department of State Appropriations Authorizations Act of 1973, P.L. 93–126, the definition of prohibited activities is expanded from "combat activities" to "involvement of United States military forces."

Lest there be any misapprehension as to whether the War Powers Resolution, 50 U.S.C. § 1541, et seq. in some way diminishes the force of these specific statutory restrictions, it should be noted that the one statutory provision enacted after the passage of the War Powers Resolution, i.e., the Department of Defense Appropriations Authorizations Act of 1974, contains the phrase "notwithstanding any other provision of law." Thus, the War Powers Resolution, and the War Powers Clause of the Constitution, on which the Resolution is based, merely support and reinforce the limitations contained in the status recited. Indeed, since the President has not complied with the 48-hour reporting requirement of § 1543(a) of the War Powers Resolution, the Termination Provision of § 1544(b) furnishes an additional ground for the injunctive relief sought.

The violations subject to the jurisdiction of this Court may be divided into three categories: those confirmed by official sources; those for which there is prima facie evidence, but as to which there may be a factual dispute; and those which, because of the secrecy in which the government's operations in Cambodia are shrouded, may first come to light in the course of the trial of this action.

The first category includes the following:

1. the furnishing of military advice to the Lon Nol Government by Ambassador Dean in contravention of § 7(a) of the Special Foreign Assistance Act of 1971, as admitted by him to investigators for the Senate Foreign Relations Committee;

2. the flying of reconnaissance missions over Cambodia and furnishing of intelligence information to the Cambodian armed forces, by U.S. military personnel, which surely constitutes "involvement" in the Cambodian hostilities;

3. the presence in Cambodia of U.S. personnel in numbers exceeding the limitation contained in 22 U.S.C. § 2416.

The second category includes the following:

4. the airlifting of supplies into Cambodian combat zones by U.S. military personnel and by civilian employees or subcontractors of U.S. agencies, flying air force planes;

5. involvement in ground combat operations by U.S. military and/or CIA personnel;

6. Marine and Naval maneuvers off the shores of Cambodia in support of combat operations, or constituting, in terms of the War Powers Resolution, the presence of U.S. armed forces in a situation "where imminent involvement in hostilities is clearly indicated by the circumstances";

7. the continual furnishing of military advice by many members of the U.S. Mission in Cambodia, in addition to Ambassador Dean;

8. the provision of assistance to Cambodia in violation of § 29 of P.L. 93–559, in view of the refusal of the Cambodian government to allow *bona fide* U.S. news media correspondents access to military bases located in Cambodia and constructed, maintained and operated with funds furnished by the United States.

9. the presence in Cambodia of more than eighty-five individuals who are citizens of countries other than Cambodia or the United States and who are funded directly or indirectly by the United States, in contravention of 22 U.S.C. § 2416.

The third category of violations can, of course, not be described with precision at this point. Indeed, there may be no violations falling into this category. On the other hand, since Cambodia has been the occasion of perhaps the biggest and most brazen official lie in American history—the 14 months of secret and denied bombing—and in view of the callous disregard shown by our policy makers for the Congressional mandate concerning Cambodia, it would hardly be surprising if the specific violations alleged in the complaint represented only the tip of the iceberg.

QUINCY: A CITY OF HISTORIC SITES AND DEEDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I am very proud to represent the city of Quincy, Mass., in the U.S. Congress. It was in Quincy—City of Presidents—that many important events in American history took place. In commemorating the 350th anniversary of the founding of Quincy as well as the American Revolution Bicentennial, the Quincy City Council instituted Quincy Heritage, Inc., as the official agency to coordinate these events.

Quincy Heritage recently published a supplement to the Quincy Sun, containing articles on the great historic wealth of Quincy. In order to better acquaint my distinguished colleagues in the House with this material, I will be submitting portions of the supplement each day this week in the CONGRESSIONAL RECORD. I am pleased to begin with the following article containing information on some of the major historic sites of the great city of Quincy:

QUINCY: A CITY OF HISTORIC SITES AND DEEDS

(By Mary Ann Duggan)

Quincy will celebrate its history and its heritage, its presidents and its possibilities in a two-year salute marking the twin celebrations of the city's 350th anniversary and the nation's bicentennial.

The celebration is under the direction of Quincy Heritage.

Throughout the two years, the city will sing of itself and of its proud nation, retelling a grand tale of freedom, democracy, spirit and strength.

Bit by bit, the story of Quincy will unravel, awakening in its citizens, old and new, a pride as well as an appreciation of a historic legacy, vibrant and vital.

And those who come to Quincy as visitors—honorary citizens for a day—will have much to see and remember for Quincy is rich in both historic sites and historic deeds.

Here visitors can see and tour what no other community in the U.S. can offer: the side-by-side birthplaces of two presidents—John Adams and John Quincy Adams. Quincy is the only community in the U.S. to send two Presidents to the White House and the only to have father-and-son presidents.

Here also was where patriots John Adams, Samuel Adams and James Bowdoin drafted a most cherished document—the Constitution of Massachusetts which served as the blueprint for the U.S. Constitution as well as other democratic documents of freedom.

Visitors and residents alike will delve deeper into Quincy's culture and lifestyle of old by exploring the famed Adams National Historic site, home of the Adams Family from 1787 to 1946. This imposing homestead, on Adams St., surrounded by a stone wall, served as the "summer White House" for both the second and sixth presidents.

Quincy is also the home of another famed landmark, the Adams Academy building. The structure housed a school established by John Adams and was built—as he directed—on the site of the birthplace of patriot John Hancock, the famed first-signer of the Declaration of Independence.

The Hancock home was built in 1733 by Hancock's father, Rev. John Hancock, an early minister of the First Parish Church. Twenty-six years later, the frame house was razed by fire and Adams Academy was constructed over its cellar.

Quincy is also acclaimed for a host of "firsts": the first ironworks, the first commercial railway, the construction of the first nuclear surface ship at Fore River Shipyard, the first air trials at Squantum Air Base, where Amelia Earhart learned to fly.

Another noted Quincy landmark, located in the city's center, is United First Parish Church, an historic and hallowed shrine.

Built of Quincy's own granite in 1828, this nationally known landmark is the only one of its kind, housing in its crypt the tombs of the Adams presidents and their wives.

Quincy Heritage has planned myriad activities and projects designed to create community pride and to leave a long-lasting, even permanent mark on the city.

"Salute to Quincy's Heritage", a gala kick-off dinner at the Carlton House Wednesday night marked the official opening of Bicentennial and 350th Anniversary celebrations in Quincy.

The city will celebrate its own anniversary April 11 at a dinner dance at the Chateau de Ville in Randolph.

A tourmobile service, beginning April 19, Patriots' Day, will guide city sightseers and citizens to famed landmarks, homesteads and birthplaces.

Restoration and preservation projects planned by Quincy Heritage aim at enhancing the city's environment in a permanent way. The restoration of Hancock Cemetery—to continue throughout the anniversary years—carries an added plus—the involvement of the city's youth.

As a major Bicentennial project, Quincy Heritage is seeking funds to produce a professional 30-minute film tentatively titled, "Where Independence Began". Another film, produced by Quincy school children, was premiered at Wednesday night's kick-off dinner.

Each school throughout the city—from kindergarten to elementary to junior high and high school levels—will create a significant and permanent Bicentennial project designed to enhance the city educationally, socially, historically or environmentally.

The educational aspect of Quincy Heritage will also be emphasized with a re-enactment of Col. Francis Parker's famed speech marking the 25th anniversary of the birth of "The Quincy System", a then-unique and innovative method of teaching devised by the first superintendent of Quincy Public Schools.

A host of other events is planned including patriotic plays, music festivals, religious services, parades and bazaars.

These back-to-back milestone years can cultivate enthusiasm, understanding, interest and pride in our city of Quincy, a city brimming with heritage, resources and history.

But that enthusiasm, that understanding, that interest and pride need not fade nor die with the last brilliant and booming firecracker exploding on the fourth of July, 1976.

"We must look to the years ahead!" declares John Graham. "Together we can begin to create an era which will long be remembered for its contributions to Quincy's life."

PROFILE OF A CITY

1625—Trading post established by Captain Wollaston.

1634—Mount Wollaston area made part of Boston.

1640—Mount Wollaston area incorporated as the Town of Braintree.

1792—The North Precinct of Braintree incorporated as the town of Quincy, named in honor of Colonel John Quincy.

1797—John Adams took office as second President of the United States.

1825—John Quincy Adams became sixth President of the United States.

1826—First Commercial Railroad opened to transport granite for Bunker Hill Monument, from West Quincy to the Neponset River.

1844—Town House or City Hall built of Quincy granite.

1845—The Old Colony Railroad opened its line through Quincy for travel.

1888—On June 11, citizens of Quincy accept charter making the town a city. Population—16,723.

1889—Jan. 7, Inauguration of first Mayor. [Charles H. Porter]

1910—First organized joint competitive scientific aviation meet held in the United States at Squantum.

Area of Quincy [square miles] land 16.77. Land and Water [square miles] 26. Water front [miles] more than 27. Excellent bathing beaches.

Current population approximately 90,000. Trading Area population—more than 700,000.

Retail establishments more than 600.

HERITAGE LOGO DEPICTS SPIRIT OF '75, '76

The Quincy Heritage Logo, designed by the S. Gunnar Myrbeck Company of Quincy, depicts the spirit of the 200th anniversary of the United States and the 350th anniversary of the founding of Mt. Wollaston.

Created in a two-color motif of white and blue, the white symbolizes the white-hot fires of independence burning in the hearts and minds of Quincy-born patriots such as John Adams, John Hancock and Josiah Quincy.

The blue, complementing the white, represents hope. Tenacious and gifted forefathers gave birth to the then-outlandish and outrageous concept of self-government. Yet through their persistence, through their faith, the hopes of becoming a nation became a reality.

The logo depicts two stars, one representing Quincy, the other the nation, both virtually intertwined since Quincy, the center of American independence, was so closely linked with the founding of our nation.

Although the logo expresses both our local and national heritage, it is a contemporary design. So, too, the two stars appear to be moving upward and onward.

In this way, Quincy Heritage dramatizes the great future of the City of Quincy as well as the continual creation of a heritage for generations yet-unborn.

HERITAGE COORDINATOR 350TH, BICENTENNIAL CELEBRATIONS

Quincy Heritage, Inc. was instituted last July by City Council vote as the city's official agency in charge of co-ordinating the 350th anniversary celebration of the founding of Mt. Wollaston and the 200th birthday of the nation.

Appointed by Mayor Walter J. Hannon and chaired by Supt. of Schools Dr. Lawrence Creedon, Quincy Heritage first opened its office in City Hall.

John R. Graham, former minister of United First Parish Church, heads Quincy Heritage as its executive director. Bruce McLain, former Information Officer for Quincy Public Schools and former staff reporter for the Patriot Ledger, serves as assistant director of the organization.

Linda MacIsaac, a native of Quincy, began her association with Quincy Heritage as a volunteer and was hired by the organization in Otcober as administrative assistant for community involvement.

Joseph O'Brien, former factory representative for International Telephone and Telegraph and General Telephone and Electronics, Corp., serves as Quincy Heritage's administrative assistant for business affairs.

Gordon MacPhee, another Quincy native, began working for the city in September 1972 as city services co-ordinator in the mayor's office. Now director of tourism for the city, MacPhee is also a staff member of Quincy Heritage, working there as public infomation officer.

Mary Bucklin, has been working since September 1974 as Quincy Heritage's volunteer secretary. Retired from New England Telephone Co. after 42 years as administrative assistant, she is living in Quincy.

In September 1974, Quincy Heritage moved its headquarters to the Quincy Center MBTA Station. Office space had been donated to Quincy Heritage by the MBTA.

A total of 150 volunteers work at Quincy Heritage including Richard Chapman, an instructor of Spanish at MIT.

PRESIDENT FORD'S FOOD STAMP PROPOSALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. BALDUS) is recognized for 5 minutes.

Mr. BALDUS. Mr. Speaker, today we are asked to vote on President Ford's food stamp proposals.

As a member of the House Committee on Agriculture, I am proud of that unit's immediate response to the call of millions of the less fortunate in our country. In action last week, the committee overwhelmingly reported out H.R. 1589 which prohibits increasing food stamp prices above January 1 levels throughout 1975.

I am cognizant of the need to reduce our national deficit in the interest of fiscal restraint. However, we must find areas in the budget that can be effectively curbed without extracting the price from our Nation's elderly, poor and unemployed. The food stamp proposals submitted by the administration strike hardest at the Nation's elderly poor.

For instance, persons who are enrolled in the supplemental security income program—SSI—the Federal Government's basic assistance program for the aged, blind, and disabled poor—would be affected with particular severity. An elderly individual with $146 a month net income, the basic Federal payment level in supplemental security income program, now pays $30 for $46 in stamps, for a monthly benefit of $16. The new regulations would require such individuals to pay $43 for $46 in stamps, for a benefit of only $3.

I would like to highlight the effect the food stamp increase will have on the States. Such a regulation would pull at least $650 million a year—and probably closer to $1 billion a year when one takes account of those households that would drop out of the program—out of the economy at precisely the time that the economy needs stimulation. The amount such a regulation would pull out of my own home State of Wisconsin in this time of recession is $5,434,926 if no one leaves the program. However, should the drop-off rate go to 10 percent, surely a minimal forecast, this loss increases to $7,421,003.

The Committee on Agriculture acted with dispatch in this case to oppose the increase for the above reasons. The administration's arguments—that the increase is necessary as a budget cutting device and that the increase would make the food stamp program more equitable—do not stand up under close scrutiny.

The administration's proposal is a severe cost to the elderly, to the unemployed and also to the States themselves who would be faced with the overwhelming task of implementing the program. I wish to commend the chairman of the Agriculture Committee for his timely and decisive response, and urge my colleagues to vote in support of the committee's action.

PUBLIC SERVICE EMPLOYMENT FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 10 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, on January 29, 1975, I began inserting in the CONGRESSIONAL RECORD the prime sponsors receiving funds for public service employment under title VI of the Comprehensive Employment and Training Act.

I will continue today with the amount of Federal moneys allotted to prime sponsors in Puerto Rico, Delaware, Maryland, Pennsylvania, Virginia, West Virginia, Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

These funds can be used to provide job opportunities for unemployed Americans in towns and cities from coast to coast. It is my hope that the money will quickly be translated into meaningful work situations for today's jobless citizens.

The list of allocations follows:

Final Title VI Allocations Comprehensive Employment and Training Act

Prime sponsors	*Amount*
Puerto Rico	$27, 599, 221
Ponce Municipio	1, 978, 601
Bayamon Municipio	1, 278, 524
Carolina Municipio	589, 241
San Juan Csrt	4, 943, 879
*San Juan Mun	4, 294, 194
Guaynabo Municipio	375, 300
Mayaguez Municipio	1, 079, 356
Bal of Puerto Rico	17, 729, 620
Aguadilla Municipio	1, 234, 295
Arecibo Municipio	1, 040, 408
Caguas Municipio	1, 326, 420
Region III	64, 465, 513
Delaware	1, 778, 578
Wilmington	649, 203
Balance of Delaware	1, 129, 375
New Castle CNTY	805, 078
Sussex County	108, 844
Kent County	183, 160
Maryland	6, 135, 069
Baltimore Consrt	3, 156, 534
Baltimore CTY	1, 759, 792
Baltimore CNTY	789, 993
Anne Arundel	309, 044
Harford	183, 316
Carroll County	67, 394
Howard County	46, 995
Montgomery County	717, 674
Prince Georges CTY	1, 281, 745
Western MD CSRT	383, 313
Washington CNTY	117, 174
Allegany County	138, 021
Frederick County	97, 955
Balance of MD	594, 803
Cecil County	108, 128
Wicomico County	67, 218
Pennsylvania	40, 488, 505
Allentown CTY	183, 504
Lehigh Valley CSRT	427, 321
Lehigh CNTY	124, 777
Bethlehem City	111, 326
North Hampton County	191, 218
S. Alleghny Consrt	2, 179, 870
Cambria Cnty	276, 530
Altoona City	170, 194
Blair County	231, 980
Somerset County	244, 369
Erie Cty	220, 277
Erie Cnty	240, 137
Susquehanna Consrt	560, 248
Cumberland Cnty	181, 583
Harrisburg City	167, 349
Dauphin County	$169, 363
Lancaster Consrt	780, 624
Lancaster City	344, 043
Lancaster Cnty	287, 868
Lebanon County	148, 714
Bucks County	1, 646, 074
Bristol Twp	331, 423
Chester County	411, 343
Delaware County	1, 920, 748
Chester City	370, 936
Haverford Twp	75, 147
Upper Darby Twp	155, 839
Montgomery County	1, 307, 772
Abington Twp	139, 470
Lower Merion Twp	83, 452
Philadelphia	11, 920, 014
Allegheny County	1, 667, 310
Penn Hills Twp	59, 967
Pittsburgh	2, 163, 366
Beaver County	295, 193
Washington County	434, 825
Westmoreland County	1, 474, 100
Berks County	391, 597
Reading City	191, 623
Lackawanna County	1, 113, 479
Scranton	859, 885
Luzerne County	1, 837, 132
Wilkes-Barre City	247, 165
York County	482, 472
York City	223, 661
Lycoming Consrt	686, 569
Lycoming County	343, 653
Butler Consrt	468, 545
Butler County	207, 520
Armstrong County	191, 949
Indiana County	69, 075
Fayette County	656, 355
Franklin County	140, 634
Lawrence County	244, 080
Mercer County Consrt	996, 913
Mercer County	387, 107
Crawford County	377, 011
Venango County	74, 545
Schuykill Consrt	1, 173, 223
Schuykill County	1, 103, 220
Carbon County	70, 004
Bal of Penn	3, 604, 895
Adams County	133, 303
Bradford County	122, 930
Centre County	155, 918
Clearfield County	213, 871
Columbia County	374, 568
McKean County	175, 423
Northumberland County	711, 563
Virginia	7, 716, 644
Penninsula Consrt	562, 959
Newport News	329, 814
Hampton City	164, 747
Stamps	1, 804, 447
Norfolk	740, 542
Portsmouth	418, 130
Virginia Beach	187, 228
Chesapeake	133, 025
Ramps	457, 844
Richmond	429, 898
Henrico County Consr	201, 731
Henrico County	123, 849
Chesterfield County	56, 555
Roanoke Consrt	294, 291
Roanoke County	68, 247
Roanoke City	135, 591
Arlington County	354, 907
Fairfax County	564, 269
Prince William County	127, 035
Alexandria City	162, 865
Balance of Virginia	3, 186, 296
Henry County	111, 930
Pittsylvania Cnty	80, 918
Lynchburg City	72, 789
West Virginia	3, 783, 446
Statewide Csrt	3, 783, 446
Cabell County	67, 003
Huntington Cty	213, 204
Harrison Cnty	171, 291
Kanawha County	273, 307
Charleston	100, 464
Marion County	97, 639
McDowell County	95, 977
Mercer Cnty	128, 844
Monongalia County	53, 268
Ohio County	85, 510
Raleigh County	$110, 014
Wood County	361, 506
Washington, D.C	4, 563, 271
Region IV	95, 228, 662
Alabama	7, 518, 033
Birmingham Consrt	1, 532, 505
Birmingham	971, 772
Jefferson Cnty	560, 733
Huntsville Consrt	509, 134
Huntsville	394, 981
Bal Madison Cnty	114, 153
Mobile Consrt	835, 993
Mobile Cty	544, 625
*Mobile Cnty	171, 835
Baldwin Cnty	70, 004
Montgomery Consrt	304, 603
Montgomery City	204, 917
Balance Montgomery County	40, 145
Tuscaloosa County	188, 050
City of Tuscaloosa	88, 897
Balance of Alabama	4, 147, 748
*Calhoun County	179, 149
Gadsden City	341, 990
Balance Etowah County	260, 421
Cullman County	180, 480
Dale County	29, 105
Dallas County	300, 317
Houston County	82, 976
Lauderdale County	101, 091
Lee County	56, 630
Marshall County	163, 873
Morgan County	156, 181
Talladega County	135, 415
Walker County	82, 148
Florida	31, 815, 896
Volusia County	485, 842
Lee County	305, 341
Alachua County	142, 491
Gainesville City	98, 682
Brevard County	1, 774, 419
Orange County	1, 988, 683
Orlando City	384, 887
Escambia County	474, 740
Pensacola City	241, 523
Sarasota County	256, 294
Pasco County	353, 267
Palm Beach County	2, 538, 892
W. Palm Beach City	564, 034
Hrtlnd Manpwr Cnsr	2, 364, 576
Polk Cnty	2, 132, 150
Miami/Dade Cnsrt	7, 730, 737
*Dade Cnyt	3, 790, 201
*Miami	2, 820, 458
*Hialeah	395, 468
Miami Beach Cty	587, 320
Monroe Cnty	134, 781
Ne Fla. Mnpwr Cnsrt	1, 423, 871
*Jacksonville	1, 383, 274
Broward Consrt	4, 171, 038
*Broward Cnty	1, 638, 477
*Ft. Lauderdale	600, 762
*Hollywood	798, 854
Leon/Gadsden Cnsrt	535, 842
Bal Leon Cnty	45, 138
Tallahassee City	413, 834
St. Petrsbg Cnrst	1, 343, 468
*St. Petersburg	594, 173
Clearwater City	77, 405
Bal Pinnellas Cnty	634, 980
Tampa Consrt	1, 882, 389
*Tampa	1, 134, 327
*Hillsborough Cnty	534, 372
Balance of Florida	4, 044, 006
Bay Cnty	261, 704
Lake Cnty	231, 092
Manatee	205, 557
Marion County	337, 725
Okaloosa Cnty	208, 972
St. Lucie Cnty	246, 476
Seminole Cnty	454, 128
Georgia	15, 681, 518
Atlanta	3, 247, 461
Fulton County	318, 821
DeKalb County	567, 279
Cobb County	649, 478
CSRA Consrt	1, 538, 774
Augusta Cty	432, 185
Richmond Cnty	167, 056
Sav/Chatham Consrt	352, 952
*Savannah	281, 669

Bal Chatham Cnty	$71, 283
Mid. Ga Consrt	560, 965
*Macon	295, 825
Bal Bibb Cnty	47, 536
Houston Cnty	130, 641
Columbus Area Csrt	572, 967
*Columbus/Muscogee	535, 094
Balance of Georgia	7, 872, 821
Albany City	521, 402
Bal Dougherty Cnty	20, 173
Clarke Cnty	82, 173
Clayton Cnty	171, 622
Glynn County	55, 777
Gwinnett Cnty	96, 449
Hall Cnty	211, 250
Lowndes Cnty	75, 900
Walker Cnty	78, 183
Whitfield Cnty	531, 801
Floyd Cnty	280, 739
Kentucky	7, 036, 641
Kenton County	429, 097
Covington Cty	323, 013
Louisville consrt	1, 541, 929
*Louisville	1, 073, 156
Jefferson Cnty	468, 773
Lexington Csrt	669, 190
*Lexington/Fayette	498, 547
Rural Cep	838, 151
Pike Cnty	55, 350
Bal of Kentucky	3, 558, 274
Owensboro Cty	115, 988
Davies Cnty	79, 416
Boyd County	87, 414
Campbell Cnty	287, 615
Christian Cnty	106, 710
Hardin Cnty	52, 089
Warren Cnty	75, 800
McCracken Cnty	87, 668
Mississippi	3, 415, 973
Jackson Consrt	337, 673
*Jackson	213, 649
Bal Hinds Cnty	74, 144
Balance of Miss	3, 078, 300
*Harrison Cnty	321, 771
Forrest Cnty	73, 968
Jackson Cnty	145, 101
Jones Cnty	76, 477
Lauderdale Cnty	86, 037
Washington Cnty	98, 356
North Carolina	14, 263, 031
Buncombe County	333, 382
Asheville City	198, 142
Cumberland County	261, 679
Fayetteville Cty	53, 745
Gaston County	259, 916
Onslow County	201, 171
Charlotte	579, 594
Winston-Salem Csrt	783, 541
* Winston-Salem	651, 864
Bal Forsyth Cnty	131, 677
Raleigh Consrt	686, 963
* Raleigh	164, 571
* Wake Cnty	140, 860
Johnston Cnty	178, 443
Greensboro-Guilford	404, 716
* Greensboro	212, 043
* Guilford	96, 750
High Point Cty	95, 872
Durham Csrt	280, 215
* Durham Cty	158, 599
* Durham Cnty	38, 339
Orange Cnty	83, 277
Balance of N.C	10, 471, 854
* Mecklenburg Cnty	152, 176
Alamance Cnty	546, 967
Burke County	239, 106
Cabarrus Cnty	109, 120
Caldwell Cnty	360, 710
Catawba Cnty	421, 130
Cleveland Cnty	345, 302
Craven Cnty	143, 402
Davidson Cnty	153, 631
Edgecombe Cnty	229, 183
Halifax Cnty	246, 428
Iredell Cnty	129, 035
Lenoir Cnty	155, 574
Nash Cnty	144, 316
New Hanover Cnty	251, 558
Pitt Cnty	133, 846
Randolph Cnty	$97, 302
Robeson Cnty	487, 911
Rockingham Cnty	220, 138
Rowan County	99, 059
Surry Cnty	190, 133
Wayne Cnty	252, 562
Wilson Cnty	81, 445
Union Cnty	86, 438
South Carolina	8, 261, 811
S. Carolina Csrt	8, 261, 811
Charleston City	177, 247
North Charleston	380, 030
Bal Charleston Cnty	203, 620
*Richland Cnty	165, 474
*Columbia Cty	215, 523
Greenville Cty	95, 722
Bal Greenville Cnty	265, 888
*Spartanburg Cnty	324, 135
*Anderson Cnty	179, 701
*Bal of State	2, 731, 006
Aiken Cnty	390, 519
Beaufort Cnty	66, 416
Berkeley Cnty	209, 050
Darlington County	324, 073
Florence County	463, 216
Horry County	193, 057
Lexington County	120, 687
Orangeburg County	268, 946
Pickens County	66, 917
Sumter County	414, 739
York County	302, 079
Tennessee	7, 235, 759
Cattanooga	198, 840
Bal Hamilton Cnty	170, 417
Nashville/Davison	846, 910
Sullivan County	137, 172
Knoxville Constr	340, 914
*Knoxville	249, 985
*Bal. of Knox Cnty	90, 929
Memphis Constrt	1, 281, 156
*Memphis City	1, 158, 346
Shelby County	122, 811
Balance of Tenn	4, 260, 350
Anderson County	166, 671
Blount County	80, 968
Bradley County	121, 992
Madison County	75, 222
Montgomery County	69, 502
Rutherford County	82, 047
Sumner County	79, 488
Washington County	107, 314

TAX COUNSELING FOR MINORITY BUILDING CONTRACTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, one of the major problems facing minority building contractors is the inability to receive expert management advice. These contractors are especially confused by the complexity of the tax laws. In order to provide minority contractors with help concerning their tax problems, the Chicago district of the Internal Revenue Service—IRS—has devised and implemented a tax counseling program. In conjunction with the United Builders Association of Chicago, Inc.—UBA—IRS in Chicago has held a minority contractors tax assistance clinic and has set up a six-man task force to counsel minority contractors regarding their tax problems.

Such a tax counseling program has been greatly needed. Because of it, minority contractors will be able to develop more viable businesses. Both Mr. Charles F. Miriani, district director of the Chicago district of the IRS, and Mr. Paul King, executive director of UBA, are to be highly commended for their initiative and efforts in setting up this program. I hope that it will become a prototype for similar programs throughout the country.

Here I enclose an article which appeared in the Chicago Defender which describes the tax counseling program in greater detail.

IRS TO AID BLACK CONTRACTORS

(By Robert McClory)

If you want to see a black or Latino contractor sweat, just tell him there's a man from the Internal Revenue Service outside who would like a word with him.

Many minority contractors (and some white white ones too) live in daily fear of an IRS audit. The nature of their business causes monumental tax headaches and jam-ups. And the landscape is littered with the carcasses of once thriving, small construction outfits that were eventually closed down by the IRS.

Paul King, executive director of the United Builders Assn. (UBA), estimates that the IRS has placed liens on 50 percent of the association's member companies during the past year. The lien is often the first step toward bankruptcy.

Recently, however, the grim picture has brightened, thanks to a still shaky detente worked out between the IRS and minority contractors. The Henry Kissinger of this arrangement is King, 34, who operates his own painting contracting firm on the South side as well as heading the 115-member UBA. He approached tax officials last April and said something had to be done. To his surprise, he found sympathetic ears in Charles Mariani, IRS district director, and Robert Weiber, chief of the collection and taxpayer service.

Together they worked out a Minority Contractors Tax Assistance Clinic, which was held July 23, at the University of Illinois Circle Campus. IRS and a roomful of 125 nervous contractors discussed their problems in detail. Each side found out the other was not totally unreasonable.

From that summit there has developed a six-man, IRS task force, which has agreed to counsel members of King's association on a regular basis. "It's a beginning," said King. "The contractors are developing guarded hopes and a little trust in the government."

Previously, he noted, black owners with tax troubles (just about all of them) were scared "out of their minds" by the IRS and its mind-boggling regulations. Often they didn't seek help or ask for accomodations until it was too late. One of the major problems is that small contractors are forced to use collected payroll taxes to meet current wages because agencies like the Chicago Board of Education and large general contractors are slow in paying for work long completed.

King cited one company that was more than $50,000 behind in turning over withholding taxes. Another had just had its door padlocked by IRS officials for similar reasons. After consultation and discussion both contractors arrived at an understanding with IRS and are in the process of slowly bailing themselves out. Without the service, King said neither company could have long survived.

He estimated that better than 80 percent of the UBA member companies stand to profit from the new friendly relationship. "It's important to eliminate the tax problems of minority contractors," he said, "so IRS can turn its attention to the big delinquent taxpayers, who deprive the government of millions of dollars each years. Further information is available from the UBA office, phone 225-0600.

MORATORIUM ON LATIN ARMS DELIVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Leggett), is recognized for 5 minutes.

Mr. LEGGETT. Mr. Speaker, for those of us interested in the cause of arms control, an event of potentially great significance occurred in Ayacucho, Peru last December 9. Eight Latin American States, members of the Andean group of countries signed an agreement to limit their armaments and stop acquiring offensive weapons. In addition to Peru, they include Chile, Bolivia, Ecuador, Venezuela, Argentina, Colombia and Panama.

There has been some diversity of views in the press about the effectiveness this declaration can be expected to have, but in the words of our new Assistant Secretary of State for Inter-American Affairs, William D. Rogers, it is "an extraordinary and unprecedented step which could substantially reduce tensions in the hemisphere." One of the key problems is obviously the absence of Brazil from the list. I think it is clear that that country will ultimately have to be brought into the agreement if it is to prove an effective tool for limiting the region's arms race.

Thus we must conclude now that it is not yet clear just how far the Latin nations will go beyond this promising initial step toward actually putting meaningful limitations on their inventories of arms. I think it is encouraging, however, that a meeting of all of them has been scheduled for next summer in Caracas, Venezuela, to explore the possibility of further moves in regional arms control. It seems to me that Assistant Secretary Rogers summed up the situation well when he said that—

> Our attitude is one of great interest toward the intentions of the Ayacucho signatories. But we are not yet sure where we go from here.

Nevertheless, I do hope that we in the United States will do what we can to encourage the Latin nations in the direction of effective arms control and a commitment to the resolution of disputes through peaceful means. One thing we can certainly do is to impose a moratorium on arms transfers to the region while the intentions of the parties are further clarified. This might be particularly important in the case of States such as Chile and Peru, which have traditionally viewed each other suspiciously and competed in acquired arms. If we can contribute to breaking the cycle of hostility and arms competition, perhaps we can assist the Latin States in continuing their fortunate trend of escaping much of the warfare that has afflicted the European and Asian continents in this century.

I would like to include in the Record at this point two articles about the declaration of the Latin nations which have appeared by Victor Zorza and Dave Binder of the Times.

[From the Washington Post, Dec. 19, 1974]

The Other Arms Race

(By Victor Zora)

Very little attention has been paid in the outside world to a remarkable Latin American initiative which may result in the limitation of conventional arms in that area and, perhaps by way of an example, in other parts of the world.

The nuclear arms race consumes only a fifth of world arms expenditure. The other 80 per cent goes on conventional arms. The most expensive of these are sold by the industrial world to what it calls the backward countries—much as early Western traders sold rifles to the natives.

Latin America, which has long provided a market for such exports, has seen many unsuccessful arms limitation initiatives in the past. This time, however, the eight members of the Andean group of countries, including, most notably, the mutually hostile regimes of Chile and Peru, have agreed on a pledge to bring about "effective arms limitation. "They will, in particular, "put an end" to the purchase of offensive weapons from foreign suppliers.

The history of Latin America and of disarmament is littered with high-sounding statements of this kind, but the background of the Declaration, issued this month in Lima, the capital of Peru, is made up of practical politics, not of pious hopes. Most of the previous Latin American disarmament proposals were the result of U.S. prompting, and this doomed them to failure from the start, but the Lima Declaration is a genuine home grown product.

The idea was first broached by President Velasco of Peru at the beginning of this year, and its formal promulgation during the Lima meeting came as something of a surprise to the United States. When Velasco first proposed it, he was replying to foreign criticism of Peru's purchase of Soviet tanks—the first Soviet appearance as a major arms supplier on this continent. He insisted on Peru's right to get its arms from any country, but at the same time suggested a freeze on current Latin American arms levels by imposing a 10-year moratorium on arms purchases.

His proposal was dismissed as a propaganda effort designed to reduce the impact of the Soviet arms deal. This had so alarmed the new Chile regime that it promptly pressed the United States, with some success, for "balancing" arms supplies. A new arms race was in the making.

Arms spending has rarely exceeded 3 per cent of the GNP by any of the Latin American countries, compared with 5 per cent for developing countries generally, and nearly 7 per cent for the industrial countries. But Latin America can ill afford even the lower levels of arms spending, and any competition between the United States and the Soviet Union as arms suppliers would bring to the area the kind of instability which now bedevils relations in other regions of the world.

The Peruvian regime was grateful for the Soviet tanks, which the Kremlin eagerly provided on easy terms, but the Velasco regime is far more interested in social reform and economic development than in military splendor. It knows that, to carry out its ambitions, it must limit and, if possible, reduce the claims of defense on resources that are already inadequate.

In Chile, too, the regime is not unconcerned about economic development, but it is particularly alarmed by the prospect of a gradual accumulation of Soviet weapons in the hands of a potentially warlike neighbor. The Chile regime, internally insecure as its suppression of Allende supporters shows, is clearly anxious to mitigate any external threat, especially if it appears to be Communist-inspired. The Peru regime is certainly not Communist—but Soviet arms are.

In this way the political interests of both Chile and Peru, however hostile the two regimes may be, require the reduction and, if possible, the termination of the flow of foreign arms to the area. The private conversations between the eight governments in the past year are known to have been as serious as the public propaganda war between Chile and Peru was irresponsible. Tanks, for instance, have been mentioned as being among the imports to be banned—and that would be a very promising beginning.

Brazil, although the most powerful country on the continent, was not included in the earlier stages because it is not a member of the Andean group. But Brazil is to be invited to next year's summit meeting in Caracas which ought to give more practical expression to the Lima Declaration. In the meantime, staff talks between the participating countries will attempt to work out the details of the formal agreement to be signed by the heads of state.

The common culture and history of most Latin American countries, their liberation by Simon Bolivar 150 years ago at the battle of Ayacucho which forms a passionate and lasting bond between them, the economic links which they have been trying to forge in recent years in an attempt at integration—all these help to promote the arms limitation agreement. The Lima meeting, in fact, was held to commemorate the battle of Ayacucho. There are other parts of the world, such as West Africa, for instance, where politics and tradition combine with the low intensity of local conflicts and the low level of arms spending to make such agreements possible.

Here it is the arrival of Soviet arms on the scene that has stimulated serious interest in arms limitation efforts. Elsewhere Soviet and U.S. and European arms suppliers are already in serious competition. But one successful example of such arms limitation could do a great deal to show the way. Latin America, once derided as the continent of military coups, could yet prove to be an example for the rest of the world.

Eight Latin Nations Declare Intention To Limit Arms

(By David Binder)

Washington, December 12.—Eight Latin-American countries, after a three-day meeting in Peru, have issued a declaration of agreement to limit armaments and to stop acquiring offensive weapons. The eight were Peru, Chile, Bolivia, Ecuador, Venezuela, Argentina, Colombia and Panama.

All of these signers have been involved in frontier clashes in the past and some still lay claim to territory in neighboring countries.

The declaration, which contains no specifics on types or numbers of weapons, was hailed today by William D. Rogers, the Assistant Secretary of State for Inter-American Affairs, as "an extraordinary and unprecedented step which could substantially reduce tensions in the hemisphere."

BRAZIL PARTICIPATION SOUGHT

Mr. Rogers, who attended the signing of the declaration Monday in Ayacucho, Peru, returned to Washington last night.

United States officials said that the agreement would require the addition of Brazil to make it really effective. Brazil is the largest and most powerful country of the continent and borders several of the nations. A follow-up meeting has been scheduled for next summer in Caracas, Venezuela, with all Latin-American countries attending.

The occasion for the latest meeting was the 150th anniversary of the battle of Ayacucho, in which Simón Bolívar finally defeated the forces of Spain, ending the Spanish colonial empire in Latin America.

One reason for the disarmament agreement expressed in the declaration was to divert arms expenditures to economic and social projects, Mr. Rogers noted at a press briefing.

But he added that the United States considered the agreement "most hopeful" on the expressed intention to solve future problems among the signers through peaceful means.

SOME FRONTIER DISPUTES

One frontier problem referred to specifically in the declaration involves landlocked

Bolivia's wish for access to the sea. But Latin-American specialists said the agreement would also have a bearing on traditional disputes between Colombia and Venezuela, Venezuela and Guyana and Peru and Chile.

The declaration also expressed the intention to bring together foreign ministers and defense ministers of the eight countries in the event of a threat to peace in the region.

Mr. Rogers said that the declaration "goes far beyond the Rio treaty" of 1946, in which the hemisphere countries agreed on the principle of nonaggression and mutual defense.

U.S. DELEGATION PRESENT

Mr. Rogers said that he had the impression that the eight countries intended the declaration to be a vehicle for new forms of Latin-American solidarity and cooperation.

The United States was one of several countries to send guest delegations to the Ayacucho meetings that began last Friday. Canada and Cuba were also represented.

"Our attitude is one of great interest toward the intentions of the Ayacucho signatories," Mr. Rogers said. "But we are not yet sure where we go from here."

STATEMENT OF CONGRESSMAN M. CALDWELL BUTLER ON FBI OVERSIGHT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. BUTLER) is recognized for 5 minutes.

Mr. BUTLER. Mr. Speaker, the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary will hold hearings on February 20, 1975, concerning allegations that the FBI may have exceeded its legal authority in some of its domestic intelligence programs. This hearing is but one in a series of hearings held under the subcommittee's FBI oversight responsibilities.

While the subcommittee has a duty to call attention to any improprieties that may be revealed, it is not the function of the subcommittee to embarrass the FBI by publicizing and politically exploiting minor transgressions which may have occurred over 15 years ago. The Cointelpro hearings held on November 20, 1974, focused on intelligence programs conducted from 1956 through 1971 against various subversive groups. Many of the programs were completely legitimate and wholly within the law; others, such as programs seeking to disrupt certain groups, may have been illegal insofar as such disruption denied members of the group their right to peacefully assemble as guaranteed by the First Amendment of the Constitution. While I do not condone these violations, it now appears that the Department of Justice has taken steps appropriate to remedy past violations. Our function should be to insure that the FBI will not again exceed its statutory authorization. I am hopeful that our Members will keep in mind the adverse effect of unfair criticism on FBI morale.

Mr. Speaker, Director Kelley of the FBI made a statement to the subcommittee last year that is worthy of the Members' attention. The text is as follows:

STATEMENT OF CLARENCE M. KELLEY, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Attorney General William B. Saxbe today has released a report regarding FBI counterintelligence programs. The report was prepared by a Justice Department committee which included FBI representatives that was specially appointed early this year to study and report on those programs.

Since taking the oath of office as Director on July 9, 1973, I also have made a detailed study of these same FBI counterintelligence programs.

The first of them—one directed at the Communist Party, USA—was instituted in September, 1956. None of the programs was continued beyond April, 1971.

The purpose of these counterintelligence programs was to prevent dangerous, and even potentially deadly, acts against individuals, organizations, and institutions—both public and private—across the United States.

They were designed to counter the conspiratorial efforts of revolutionary elements in this country, as well as to neutralize extremists of both the Left and the Right who were threatening, and in many instances fomenting, acts of violence.

The study which I have made convinces me that the FBI employees involved in these programs acted entirely in good faith and within the bounds of what was expected of them by the President, the Attorney General, the Congress, and the American people.

Each of these counterintelligence programs bore the approval of the then-Director J. Edgar Hoover.

Proposals for courses of action to be taken under these programs were subject to approval in advance, as well as to constant review, by FBI Field Office and Headquarters officials.

Throughout the tenure of these programs, efforts admittedly were made to disrupt the anarchistic plans and activities of violence-prone groups whose publicly announced goal was to bring America to its knees. For the FBI to have done less under the circumstances would have been an abdication of its responsibilities to the American people.

Let me remind those who would now criticize the FBI's actions that the United States Capitol *was* bombed; that other explosions rocked public and private offices and buildings; that rioters led by revolutionary extremists laid siege to military, industrial, and educational facilities; and that killings, maimings, and other atrocities accompanied such acts of violence from New England to California.

The victims of these acts of violence were human beings—men, women, and children who looked to the FBI and other law enforcement agencies to protect their lives, rights, and property. An important part of the FBI's response was to devise counterintelligence programs to minimize the threats and the fears confronting these citizens.

In carrying out its counterintelligence programs, the FBI received the personal encouragement of myriad citizens both within and without the Government. Many Americans feared for their own safety and for the safety of their Government. Others were revolted by the rhetoric of violence and the acts of violence that were being preached and practiced across our country by hardcore extremists.

I invite your attention to the gravity of the problem as it then existed, as well as the need for decisive and effective counteraction by the criminal justice and intelligence communities.

I want to assure you that Director Hoover did not conceal from superior authorities the fact that the FBI was engaging in neutralizing and disruptive tactics against revolutionary and violence-prone groups. For example, in a communication concerning a revolutionary organization that he sent to the then-Attorney General and the White House on May 8, 1958, Mr. Hoover furnished details of techniques utilized by the FBI to promote disruption of that organization.

A second communication calling attention to measures being employed as an adjunct to the FBI's regular investigative operations concerning this same revolutionary organization was sent to the Attorney General-designate and the Deputy Attorney General-designate by Mr. Hoover on January 10, 1961.

Mr. Hoover also sent communications to the then-Attorneys General in 1965, 1967, and 1969 furnishing them information regarding disruptive actions the FBI was employing to neutralize activities of certain Rightist hate groups.

I have previously expressed my feeling that the FBI's counterintelligence programs had an impact on the crises of the time and, therefore, that they helped to bring about a favorable change in this country.

As I said in December, 1973:

"Now, in the context of a different era where peace has returned to the college campuses and revolutionary forces no longer pose a major threat to peace and tranquility of our cities, some may deplore and condemn the FBI's use of a counterintelligence program—even against hostile and arrogant forces which openly sought to destroy this nation.

"I share the public's deep concern about the citizen's right to privacy and the preservation of all rights guaranteed under the Constitution and Bill of Rights."

My position remains unchanged.

NEW DIRECTION IN REHABILITATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 5 minutes.

Mr. QUIE. Mr. Speaker, the State of Minnesota has embarked on a new path in the corrections field. Pursuant to enabling legislation passed by the State legislature in 1973, the department of corrections is working to bring private industry to the grounds of the State prison. The objectives of allowing private companies to operate in the prison are to manufacture or process goods, to establish a stable work force, to pay adequate wages to inmate workers, and to provide these workers with training and in-and-out-of-prison opportunities.

As explained by Mr. R. D. Conner of Control Data Corp. in "A Position Paper on Establishing a Manufacturing Operation in the Minnesota State Prison":

> Individuals in prisons are primarily disadvantaged before they are sent there, a condition which is worsened by the prison experience. Research shows that inmates are less able to adjust to society upon release than they are when they are sent to prison. Forty to seventy percent commit new crimes. Making punishment more stringent has not worked. The large and rising cost of crime and punishment in the United States seems to be worsened by incarcerating offenders in prisons. Alternatives have to be found to improve the prison's environment so that it provides positive experiences. One proposed alternative is allowing industry to operate a manufacturing plant within the prison to provide stability, jobs, training, etc.

In his paper entitled "Private Industry in the Minnesota State Prison," Mr. Stan Wood, director of the Minnesota State Prison private industry experimental program, explained that prison industry is not new. However, while such industry has some benefits for the state it has been an in-house, State-operated venture with many drawbacks. It provides little experience or training that can be applied toward employment once an inmate leaves the institution; there is no preservice training in the particular job or in-service training to improve skills; there is little financial incentive to the inmate; and there is no placement or follow-up service with industries outside the prison.

As a further note on the disadvantages of the current correctional system vis-a-vis prison industry, Prof. Neil M. Singer stated in his excellent paper, "The Value of Adult Inmate Manpower," which was prepared for the American Bar Association's commission on correctional facilities and services—

> The total loss from wasted adult inmate labor is conservatively $1 billion, and probably nearer $1.5 billion per year.

Obviously much is at stake.

The inmate in the Minnesota project will receive the benefits of on-the-job, preservice, and in-service training, adequate wages allowing him to build a financial base, and a requirement that he become financially responsible by entering into a contract to reimburse the prison for room board, and support services, to provide financial assistance to his family, and to buy those services necessary for him to become a productive citizen.

Society will benefit from the reduced cost of the correctional system and the collection of taxes on wages, from releasing into society trained inviduals capable of supporting themselves honestly, and from the reduced recidivism that can be expected from enabling the former prisoner to function normally in society.

However, an impediment to the success of the Minnesota project exists in Federal law. For this reason, I am today introducing legislation to amend chapter 85 of title 18 and an act of Congress codified at 49 U.S.C. 60; 18 U.S.C. 1761 proscribes the shipment in interstate commerce of goods, wares or merchandise manufactured, produced or mined wholly or in part by convicts or prisoners; 18 U.S.C. 1762 provides that such goods must be plainly and clearly marked to show, among other things, the name and location of the penal or reformatory institution where they were produced; 49 U.S.C. 60 divests such goods of their interstate—hence protected—nature whenever they arrive in a State and allows for their treatment as if they were produced within the State.

Failure to amend these laws would be very detrimental to the success of a program which has great promise of rehabilitating inmates. An industry must be able to move its goods in interstate commerce, and it must not have its goods treated in a discriminatory manner. The legislation I have introduced today would correct this situation.

This legislation would exempt from the operation of chapter 85 of title 18 goods produced wholly or partially by prisoners if they were paid prevailing minimum wages as determined for purposes of the Walsh-Healey Act. Further, the legislation would exempt such goods from the operation of 40 U.S.C. 60 by allowing them to retain their interstate nature and by providing specifically that the States could not discriminate in their treatment of them.

Correctional officials of States such as Wisconsin, Lousiana, Connecticut, Massachusetts, and Oregon have contacted the director of the Minnesota project to express their interest in the private industry proposal and to obtain information on it. I hope that the Congress can act quickly on this leigslation in order to allow the impetus of this progressive rehabilitation program to continue and to help insure its success.

THE "ALL-KENTUCKY CITY AWARD"

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record.)

Mr. PERKINS. Mr. Speaker, 28 communities in Kentucky have won the "All-Kentucky City" award in a competition held by the State Chamber of Commerce, and several of them are in the Seventh Congressional District. Also, other communities in the Seventh Congressional District have won honorable mention.

I want to honor the people of these communities, and their public officials, for the hard and devoted work that went into winning an award or honorable mention.

One city in my district, Pikeville, qualified for the Hall of Fame because it won the All-Kentucky title for the third time within 5 years. The other winners in my district are Owingsville, Paintsville, Ashland, Hazard, Jenkins, and Mount Sterling.

Mr. Speaker, these communities and many others in my district are struggling hard to improve themselves, and everything we can do, on the Federal level, to help them, is deserved. Not only is it deserved, but the benefits in better communities will far outweigh the costs.

ESEA TITLE IV ADVISORY COUNCILS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record.)

Mr. PERKINS. Mr. Speaker, it has been brought to my attention that the American Library Association held its annual midwinter meeting in Chicago January 19–24. Many school librarians and other educators attended this conference, and a topic of great interest was implementation of the new Education Amendments of 1974 (P.L. 93–380).

It is my understanding that there is a good deal of confusion at the State and local level about how the new title IV consolidation will be implemented. Regulations and guidelines are being drafted now by the U.S. Office of Education, but will not be ready for publication in draft form in the Federal Register for at least a month.

Meanwhile, to participate in the title IV program in fiscal year 1976, the States are required to have new State advisory councils in place by April 2, 1975, which is 90 days prior to the beginning of the new fiscal year.

While certain types of members are specified in the law and must be included on each State advisory council, it was the intent of Congress also that the advisory councils be broadly representative of the program purposes represented in the two consolidations.

Accordingly, each State advisory council should include representatives from the programs consolidated by title IV–B Libraries and Learning Resources, and by title IV–C Educational Innovation and Support.

The members of the State advisory councils are to be appointed by the State educational agencies or as otherwise provided in state law. Expertise from all the program purposes represented in the consolidations is essential to enable the State advisory councils to carry out the type of evaluation the law requires of the effectiveness of all programs and projects assisted under title IV.

REMARKS BY REPRESENTATIVE PATSY T. MINK CONCERNING H.R. 2523, VETERAN EDUCATIONAL ASSISTANCE ALLOWANCE

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record.)

Mrs. MINK. Mr. Speaker, last week I introduced a bill, H.R. 2523, which would provide for payment of educational assistance allowances in certain cases where a veteran transfers from one approved educational institution to another.

In the instance where a student changes his program during the period between semesters and remains in the same school, he may continue to receive benefits during the interim period. Under current law, however, where a veteran transfers from one school to another and he is required to terminate his enrollment at the first school and then enroll at the second school, he cannot receive benefits for the interim since he would not be enrolled at either institution.

On May 9, 1974, I wrote to the then chairman of the Veterans' Affairs Committee, the Honorable Wm. Jennings Bryan Dorn, as follows:

> The enclosed correspondence with the Veterans Administration is referred for your attention. It appears they will not change their policy of not paying veterans educational benefits between semesters unless pending legislation is adopted.
>
> It seems to me this practice is unfair and creates a hardship for many veterans.
>
> Apparently, if a student transfers to another school between the Fall and Spring semesters, he is not entitled to any benefits during this break. He does not receive benefits even if he transfers to another school within the same system. Also, if a student changes his major between the Fall and Spring semesters he will not receive benefits.
>
> I believe these deficiencies should be redressed by legislation, and encourage you to press for the adoption of same.

H.R. 2523 would correct this inequity. The Veterans' Administration by letter dated August 9, 1974, replying to mine said:

> This is in further reply to your inquiry of July 16, 1974 concerning payment of educational benefits for periods between semesters for eligible veterans and persons who transfer from one school to another school.
>
> The question concerning benefits for periods between semesters has previously been considered. Where a veteran or person transfers from one school to another he is required to terminate his enrollment at the first school and then enroll at the second school. Our General Counsel has previously held that under such circumstances the law (38 U.S. Code 1780(a)) provides that benefits may not be paid for the interim period since the veteran or person would not be enrolled in either institution.
>
> In the instance where a student changes his program during the period between semesters and remains in the same school he may continue to receive benefits during the interim period. For example, if a veteran or person should change his course of study from liberal arts to pre-medical during the period between semesters, and he remains in the same institution, he would continue to receive benefits from the Veterans Administration. In the situation where a veteran or person changes his program and transfers schools then he may not receive benefits.

I believe this is a bad situation based on the worse sort of bureaucratic nonsense. I hope this Congress will see fit to correct this small but mischievous inequity which is of minimal cost to the program but which to the veteran involved means loss of a month's subsistence upon which he and his family depended.

THE DOUBLE BOTTOM MYTH PERSISTS

(Mr. MURPHY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, it has been almost 2 years now since extensive congressional hearings of the House Merchant Marine and Fisheries Committee's Subcommittee on Coast Guard and Navigation and the Intergovernmental Maritime Consultative Organization Convention in London put to rest the fallacy of the so-called double bottom tankships as a solution to accidental oil pollution of the seas. Yet, the double bottom myth has been revitalized mainly by individuals who either refuse to accept recent data on the subject or who are ignorant of the existence of such data, or who disagree with the judgment reached by IMCO and the U.S. Coast Guard on the best method for reducing operational and certain other kinds of accidental tanker pollution.

For example, a recent article in the National Observer accused the Coast Guard of "scuttling its own reforms on tanker construction." This, the author attributes to the highly unlikely proposition that the Coast Guard deferred to Liberian and Greek shipbuilders. He comes to the unbelievable conclusion that at the IMCO Convention—

> It (the Coast Guard) merely went along with the regulations approved by the Liberians and the Greeks and all the rest at London and made those international regulations applicable to our domestic trade in our own ships.

Aside from many inaccuracies and misstatements in the article, the above quote is the most outrageous statement I have seen in regard to this issue. As a matter of fact, there were days of debate on the double bottom question—which I and my staff attended—with the major input coming from England, the United States, Norway, France, Russia, the Japanese, and other nations. These were the countries the author referred to as "all the rest at London" that overwhelmingly voted for compulsory segregated ballast, leaving the use of double bottoms to achieve that segregated ballast system discretionary on the part of ship designers and the other nations of the world.

Another example: The interview with Coast Guard Adm. W. M. Benkert, who headed on a day-to-day basis the U.S. delegation at IMCO, was conducted on the telephone and, according to Benkert, he was misquoted in the article. The National Observer author wrote:

> . . . Rear Adm. W. M. Benkert, chief of the Office of Merchant Marine Safety, told me last week that the final rules will be issued in a month's time and that they will not require segregated ballast and double bottoms in new tankers.

This is asinine.

The whole point of decision on tanker construction at IMCO was to require segregated ballast on all tankships over 70,000 deadweight tons, including American vessels. Had the author read Admiral Benkert's treaties in the January 1974 issue of Marine Technology on the results of IMCO, he might have known that.

But he did not.

If this was a mistake, it is shoddy reportage.

If it was purposive, it is unforgivable.

Further, the so-called authorities cited in the article were at IMCO—in a secondary role—and their theories were thoroughly trounced by some of the most brilliant ship designers in the world. To quote one participant, "they were almost laughed out of the hall."

I point out to Members that the use of the terms "segregated ballast" and "double bottoms" are incorrectly used by the National Observer author both technically and in quoting Admiral Benkert who then proceeds to arrogantly conclude that the Coast Guard "wasn't ready" on this issue. I suggest the author was not ready on this issue and still is not and that he do a little homework the next time he attempts to expound on this question.

Mr. Speaker, I have gone into detail on this article because it epitomizes the repeated shibboleths and canards that have appeared in the media recently and in the CONGRESSIONAL RECORD. As the chairman of the Coast Guard Committee during the time it held hearings on this subject, I felt compelled to try to inject a few facts into the continued revival of the double bottom myth. For one thing, I might point out that recent major articles refer to the *Torrey Canyon* and its massive oil spill when discussing double bottoms. These advocates of the double bottom uniformly failed to point out that anyone vaguely familiar with the *Torrey Canyon* agrees that a double bottom would have been absolutely and totally useless in that situation and in fact in any situation similar to it.

I contend, Mr. Speaker, that double bottoms could be worse than useless and I submit for the RECORD at this point a section of the recent report of the House Merchant Marine and Fisheries Committee which contains the Coast Guard Subcommittee's position and findings on the issue of double bottom tankships:

COAST GUARD HEARINGS ON TANKER CONSTRUCTION AND THE OCTOBER-NOVEMBER IMCO MEETING

The Coast Guard Committee held extensive hearings on proposed regulations promulgated by the Coast Guard as required by title II of the Ports and Waterways Safety Act of 1972. The effect of these rules would have been to require that all large tankers contracted for after January 1, 1974, or delivered after January 1, 1976, entering U.S. territorial waters, be equipped with segregated ballast tanks, which would be effected by the construction of a so-called double bottom. The double bottoms would allegedly significantly reduce the problems of the intentional discharge of oily ballast at sea and provide protection against accidental discharge cause by grounding incidents.

The oil pollution problem, contrary to popular belief, is not, in the main, due to accidents such as the high seas breakup of supertankers like the *Torrey Canyon*. As bad as such an occurrence can be, it is a fact that the bulk of the oil pollution in our seas occurs when the world's tankers enter harbor to take on a new load of crude oil. Seawater that had been used as ballast is flushed into the ocean which contains significant amounts of crude oil left over from previous transits. This adds up on an annual basis to an estimated 1 million tons of crude oil pumped into the world's oceans.

The Coast Guard proposed regulations (Federal Register, vol. 38, No. 17) requiring tankerships which intend to trade within the navigable waters of the United States to be capable of carrying sufficient ballast without recourse to the use of oil tanks for water ballast. The capacity of the segregated ballast tanks would be such as to achieve in the ballast condition not less than 45 percent of the full load displacement of the ship. This caused apprehension on the part of the U.S. merchant marine industry whose members felt endangered by these proposed new rules in that they would be put at a crippling competitive disadvantage if the standards were not uniformly applied worldwide.

There was also great concern in the Congress that, as proposed, these rules would be highly detrimental to the U.S.-flag merchant marine and to the tanker building program. As has so often been the case in the past, U.S. regulations would be damaging the American merchant marine to the advantage of foreign fleets.

As proposed, the rules created a disadvantage for the U.S.-flag fleet for a number of reasons. First, building vessels to the proposed specifications obviously would involve additional cost. Generally, it has been estimated that a 6-percent increase in a vessel's required freight rate would be needed to cover the cost. Even here, there arose controversy over the proposed regulations. While there would be obvious variations in the estimated cost to build double bottom tanks, owing to differences in tanker designs and sizes, U.S. shipbuilders told the subcommittee that they seriously challenged the cost estimates contained in Coast Guard projections.

Cost, in itself, however, would not create a disadvantage for the U.S.-flag fleet, since both the law (Public Law 92–340) and the proposed regulations would apply equally to foreign and U.S. vessels entering our territorial waters. If everyone were starting from ground zero, the increased cost for both foreign- and U.S.-flag vessels would not disrupt the competitive balance of the two. A look at the facts revealed that the United States is not in such a fortunate position, however.

The crucial problem for this country was in the self-imposed dates contained in the regulation; that is, the contracting and delivery dates of January 1, 1974, and 1976, respectively. Foreign fleets have made major expansions in the past decade with vessels that do not meet the new specifications. Under the proposed regulations, they would not be subject to the requirements. Neither would they be required to retrofit to meet the new requirements. Conversely, this country's tanker fleet is in the beginning stages of its expansion. The new U.S. vessels would be much more expensive because they would be subject to the standards and be in competition with existing lower cost foreign tankers. Thus, our fleet would have been put in a crippling competitive economic position. One expert suggested the "net result would probably be to bring the U.S. shipbuilding program to a halt because our U.S. market would continue to be served by foreign vessels contracted for and built before the relevant dates."

After the initial hearings, officials of the Coast Guard told the committee that no further action would be taken on the proposed rule-making until after the Intergovernmental Maritime Consultative Organization Marine Pollution Conference scheduled for October of 1973. Section 7(c), title II, of the Ports and Waterways Safety Act provides for the establishment of rules and regulations consonant with international treaties and agreements. The results of the October IMCO meeting, therefore, would have a direct bearing on the actions the Coast Guard must take in accordance with title II.

In view of the threat posed to the U.S. tanker fleet-to-be, by the-double-bottom requirement and the proposed compliance dates, the hearings attempted to determine the efficacy of the proposed Coast Guard rule, and the plans of this Government, vis-a-vis the IMCO meeting, to safeguard our merchant fleet.

As far as the proposal that double bottoms would reduce oil pollution, extensive hearings into the Coast Guard regulations which would require double bottom-segregated ballast on future tankships adduced expert testimony which raised serious question over the actual ability of double-bottom tankers to reduce the possibility of accidental oil pollution. The record indicated that the double-bottom solution to accidental oil pollution was no solution at all. To the contrary, an analysis of the dynamics of a double-bottom tanker, under adverse conditions showed that just one failure owing to the decreased stability of such vessels could cause a catastrophic discharge of oil greater than the annual 60,000 tons of spillage from conventional tankers.

There appeared to be four serious disadvantages to double-bottom tankers that did not surface in the original studies. These included: (1) An inherent decrease in stability, with a decrease in resistance to capsizing; (2) a loss of buoyancy in a grounded double bottom which would impair salvage efforts and increase the potential for losing an entire cargo; (3) the potential for gas accumulation in the double bottom and the danger of explosion; and (4) the fact that they only work with minor accidents.

As to the IMCO meeting, the chairman of the Coast Guard Subcommittee was appointed by the Speaker of the House as a congressional adviser to the conference. A member of the subcommittee staff and a member of the subcommittee chairman's personal staff also attended the entire conference and made known the findings of the Coast Guard Subcommittee hearings to both the U.S. and foreign delegations. After lengthy debate, the opponents of the double-bottom solution to oil pollution convinced the bulk of the participants that double bottoms would decrease vessel stability, increase operational dangers from gas accumulation, prevent the lifting and moving of grounded ships, and in the long run, prove more dangerous and more likely to pollute than a single-bottom vessel. The findings in this area of the United Kingdom, France, Norway (which has had extensive negative experiences with double bottoms), Japan and Greece very closely paralleled the findings of the Coast Guard Subcommittee's investigation. For example, the Norwegian delegation stated, "We have had experience in Norway with double bottoms in oil and bulk ore carriers. We experienced much more difficulty with double bottoms than single bottom vessels. For example:

(1) Gas would collect in the pipelines and owners found they had to install detectors in the double bottom as a safety measure against explosions.

(2) There would be extensive leakage of oil into the double bottom.

(3) Cracks in the structure always occur and if the double bottom gets oil in it, without a piping system to remove the oil, it has to be discharged through the bilge and through the engine room, which is exceedingly dangerous to the ship and crew.

In short, Norway felt that double bottoms are dangerous to safety and cause pollution, citing problems of grounding and sinking, difficulty in mooring, difficulty in salvaging and the constant threat of gas seepage into the double bottom space and explosions.

The British and French were also unalterably opposed to double bottom tank ship requirements. The British delegation pointed out that their experience with double bottoms found the following negative effects:

(1) Adverse effect stability.

(2) Adverse effect on stability of intact vessel when loaded.

(3) Poor stability of damaged vessel.

(4) Additional adverse effect when wind loading.

(5) Possibility of leakage into the double bottom.

(6) Added weight to double bottom.

The French delegation suggested at one point that IMCO actually prohibit double bottoms as a threat to the world's oceans.

Understandably, the vote on the inclusion of mandatory double bottom requirements in the IMCO convention was 2½ to 1 against the requirement for large tankers and 4 to 1 against the tankships under 70,000 tons.

The convention did adopt a mandatory requirement that every new oil tanker (new ship) of 70,000 tons deadweight and above shall be provided with segregated ballast tanks. The capacity of the segregated ballast "shall be so determined that the ship may operate safely on ballast voyages having regard to a draught, freeboard, stability, and maneuverability without recourse to the use of oil tanks for water ballast * * *."

A "new ship" is defined in the convention as a ship:

(*a*) For which the building contract is placed after December 31, 1975; or

(*b*) in the absence of a building contract, the keel of which is laid or which is at a similar stage of construction after June 30, 1976; or

(*c*) the delivery of which is after December 31, 1979; or

(*d*) which has undergone a major conversion:

(1) for wihch the contract is placed after December 31, 1975; or

(2) in the absence of a contract, the construction work of which is begun after June 30, 1976; or

(3) which is completed after December 31, 1970.

Despite the satisfactory outcome of the IMCO convention for the United States—as opposed to what might have been—the 1973–74 energy crisis threatened further revisions in the convention. The definition of a "new ship", for example, was based on then current estimates of vessel construction schedules. Delays of up to 1 year were forecast because of the fuel situation which might have required a revision of the dates contained in the convention. The subcommittee, however, in discussions with Coast Guard officials determined that shipbuilders that might have been so jeopardized would be given grace periods to complete vessels without being penalized because of a "force majeure."

Further, despite evidence such as that just reviewed, there are still a few advocates of double bottoms as an anti-pollution measure. The chairman of the subcommittee testified before the Department of Transportation (Coast Guard) on July 31, 1974 on Tank Vessels in Domestic Trade—Protection of Marine Environment; Notice of Proposed Rulemaking. Double bottoms were still a major issue based on the original studies relating to their efficacy on pollution control in tanker groundings. Accordingly, the Chairman presented a brief history of the chronology of the double bottom "fad" and its quick demise in all but a few sectors. In summary the facts are as follow:

The U.S. Coast Guard initially reported that double bottoms would eliminate 92% of penetration of cargo tanks in a selected number of cases.

An IMCO study of 78 groundings concluded that 73% of grounding spills would have been prevented with a double bottom.

MARAD reevaluated the Coast Guard studies and further delimited the Coast Guard figure stating that 35% of the grounding oil loss would be prevented.

Testimony before the Coast Guard Subcommittee brought forth the hitherto unknown negative aspects of double bottoms, i.e., loss of buoyancy, etc., and witnesses indicated that the 35% figure would go even lower.

At the IMCO meeting in October or 1973, the French reported that they ran the Coast Guard figures through their computers and came up with a negative reading, that is, based on the factors discussed above, there would actually have been less oil spilled with double bottoms than with single skin tankers.

This whole reduction from the original optimistic Coast Guard figure of 92% took place over the four month period, July–October 1973, and constituted a dramatic reduction in the supposed pollution reduction potential of the double bottom tankship.

This is one of the main reasons the Coast Guard has altered its position on this type of ship construction as outlined in a November 7, 1974 position paper which states:

"... The Coast Guard is opposed to mandatorily, either legislatively or by regulation, requiring that oil tankers be constructed with double bottoms because it would deny the possibility of other combinations of construction and operating standards for oil tankers which may provide better protection for our marine environment."

ENERGY CONSERVATION

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, today's introduction of the administration's energy conservation program gives the Congress a thoughtful, comprehensive set of proposals to examine, and I commend the President for his strong leadership in preparing and recommending the plan. The 13 titles of the legislation cover a wide range of measures all designed to reduce energy consumption, particularly oil, and to push the country toward energy self-sufficiency.

Many of the President's proposals have much to recommend them. The opening of the Elks Hill Reserve, the establishment of thermal efficiency standards for homes, and the creation of programs to help the poor and elderly winterize their homes, for example, are important energy saving ideas.

Impressed though I am with the scope of the program, however, I feel compelled to point out some reservations I have about certain of its provisions. First, a popular target in any energy conservation program is the Nation's environmental standards. While we must continually review and update our environmental legislation, I have believed and continue to believe that energy production is consistent with tough environmental standards—that we can have energy self-sufficiency without sacrificing clean air and water. The proposed amendments to the Clean Air Act and the Energy Supply and Environmental Coordination Act go too far, in my view, toward sacrificing these hard-won environmental standards, and I will offer amendments of my own to keep the standards consistent with our environmental goals.

Second, I continue to have reservations about proposals to deregulate the price of natural gas. I share the view that the price is too low and must go up if adequate incentives for further production are to exist, but I believe it would be a serious mistake to deregulate prices in an industry which lacks sufficient competition. The resulting price, set by the companies and not the free market, would almost certainly be higher than is necessary to stimulate new production. A better approach, in my view, is to support efforts to increase the price within a regulatory framework.

I urge my colleagues to not allow this program to become victim to partisan wrangling, but rather to discuss and consider it objectively. We must enact a program with deliberate speed regardless of the difficulty of making tough decisions.

ADMINISTRATION REQUEST FOR ADDITIONAL ASSISTANCE TO CAMBODIA

(Mr. BROOMFIELD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROOMFIELD. Mr. Speaker, at the request of the administration, the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania (Mr. Morgan), and myself are introducing legislation effecting additional military assistance for Cambodia.

Mr. MORGAN. Mr. Speaker, together with the Honorable William S. Broomfield, the ranking minority member of the Committee on Foreign Affairs, I am today introducing a bill to amend the Foreign Assistance Act in order to authorize additional military assistance to Cambodia.

I am introducing the bill at the request of the executive branch so that the Committee on Foreign Affairs can proceed with the consideration of the President's recommendations as soon as the organization of the committee has been completed.

The text of the bill and the section-by-section analysis provided by the executive branch follows:

H.R. 2704

A bill to provide additional military assistance authorizations for Cambodia for the fiscal year 1975, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 504(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "In addition, there is authorized to be appropriated to the President not to exceed $222,000,000 for additional military assistance for Cambodia for the fiscal year 1975."

Sec. 2. Section 655 of the Foreign Assistance Act of 1961 is amended by repealing subsection (a) and subsection (b) thereof.

Sec. 3. The value of orders of defense articles and services ordered under Section 506 of the Foreign Assistance Act of 1961 for military assistance for Cambodia shall not exceed $75,000,000 in the fiscal year 1975.

Section-by-Section Analysis of the Proposed Bill To Provide Additional Military Assistance Authorizations for Cambodia

The proposed bill would amend the Foreign Assistance Act of 1961, as amended, to provide certain additional authorizations for military assistance to Cambodia in fiscal year 1975.

The first section of the bill would amend Section 504(a) of the Foreign Assistance Act of 1961 to add a new sentence authorizing the appropriation of not to exceed $222,000,000 for the purpose of providing additional military assistance to Cambodia. This would be in addition to the current $600,000,000 world-wide military assistance authorization enacted by the Foreign Assistance Act of 1974, $200,000,000 of which has already been obligated for Cambodia.

Section 2. This section would amend the Foreign Assistance Act of 1961 by repealing Section 655(a), which establishes an overall ceiling of $377,000,000 on economic and military assistance of any kind to, for, or on behalf of Cambodia, no more than $200,000,000 of which may be available for military assistance, and which establishes a $75,000,000 ceiling on the exercise of the President's "draw-down" authority under Section 506 of the Act for Cambodia, and Section 655(b), which establishes rules for the computation of the $377,000,000 ceiling. The repeal of subsections (a) and (b) of Section 655, however, shall not be deemed to affect any unrepealed provisions of law which refer to them. Moreover, the remaining subsections of Section 655, in particular the reporting requirements of subsections (e) and (f), would be left intact. Removal of Section 655(a) would not change the allocation of $100,000,000 for economic assistance contained in Section 36(a)(2) of the Foreign Assistance Act of 1974 but it would permit increased P.L. 480 food assistance to meet Cambodian needs.

Section 3. This section establishes a limitation of $75,000,000 on the exercise of the President's "draw-down" authority under Section 506 of the Foreign Assistance Act of 1961 for military assistance for Cambodia in fiscal year 1975. A similar limitation is contained in Section 655(a) of the Act; inasmuch as Section 2 of the proposed bill would repeal that section, it is necessary to reenact that limitation through the inclusion of a separate provision to that effect in the proposed bill.

Mr. BROOMFIELD. Mr. Speaker, together with the Honorable Thomas E. Morgan, chairman of the House Foreign Affairs Committee, I, as the ranking minority member of the committee, am introducing legislation today which would authorize additional emergency humanitarian and military assistance for Cambodia.

I am introducing the bill at the request of the executive branch so that the Committee on Foreign Affairs can proceed with the consideration of the President's recommendations as soon as the organization of the committee has been completed.

The amount of money requested—$222 million more for the remainder of this fiscal year—is not large in terms of the overall investment we have in that part of the world nor in terms of the dollar amounts we regularly authorize for other foreign and domestic programs.

The greater significance of our decision lies in the impact it will have on our future policy toward Cambodia, all of Indochina and in the implications for our foreign policy objectives throughout the world.

Very simply, we are at a crossroad in Cambodia.

We have supported the government with moderate levels of military and economic aid for the past 5 years balancing the assistance provided by North Vietnam and the People's Republic of China to the Communist Khmer insurgent forces.

We must decide whether to continue that general level of assistance in the hope that military stalemate will result in a negotiated settlement or to withdraw our assistance abandoning Cambodia to a forcible Communist takeover.

The latter course would be an act without precedent in our history and one which undoubtedly would have repercussions far beyond Cambodia.

The choice is clear and the timetable for making it is short. Because of the reductions and ceilings voted by Congress last year and the intensity of the dry-season offensive currently underway, the Cambodian Government may run out of military supplies within 6 weeks and face serious food shortages shortly thereafter.

We must make a decision very soon or allow events to dictate our policy in Cambodia. Congress has a clear opportunity to work its will and assume responsibility for a fundamental foreign policy decision. We must not default on that opportunity by inaction.

Specifically, the legislation I am offering for consideration today would amend section 504a of the Foreign Assistance Act of 1961 to add a new sentence authorizing the appropriation of not to exceed $222 million with the purpose of providing additional military assistance to Cambodia.

This would be in addition to the current $600 million worldwide military assistance authorizations enacted by the Foreign Assistance Act of 1974, $200 million of which already has been obligated for Cambodia.

The second section of the bill would amend the Foreign Assistance Act of 1961 by repealing section 655(a) which establishes an overall ceiling of $377 million on economic and military assistance of any kind to, for, or on behalf of Cambodia, no more than $200 million of which may be used for military assistance, and which establishes a $75 million ceiling on the exercise of the President's "drawdown" authority under section 506 of the act for Cambodia, and section 655(b), which establishes rules for the computation of the $377 million ceiling.

The repeal of subsections (a) and (b) of section 655 would not be considered to affect any other provisions of the law. Removal of section 655(a) would not change the allocation of $100 million for economic assistance contained in section 36(a)(2) of the Foreign Assistance Act of 1974, but it would permit increased Public Law 480 food assistance to meet Cambodian needs.

Section 3 of the bill establishes a limitation of $75 million on the exercise of the President's "drawdown" authority. The inclusion of this separate provision reenacting the limitation on the President's "drawdown" authority is necessary, inasmuch as section 2 of the bill would repeal section 655(a) of the act which contained the original limitation.

Essentially, this bill seeks two kinds of action from the Congress—an authorization of additional funds for military supplies and the lifting of overall aid ceilings so that food for peace already available can be shipped to feed the victims of the war.

Five years of constant, and often intense warfare has shattered the economic life of Cambodia, taken thousands of lives and made refugees of as many as 1.5 million people—more than a fifth of the total population. The new offensive launched January 1 by the Communist forces has further ravaged the already devastated economy of the country and created more than 60,000 new refugees as Cambodians "voted with their feet" in advance of the insurgent forces.

In addition, the offensive has set back seriously refugee crop programs, forcing heavier reliance on and faster depletion of imported Public Law 480 rice supplies. Between $73 and $100 million in additional rice and wheat will be required this fiscal year to avert economic collapse and even starvation in Cambodia. These vital commodities are available through funds already included in the Food and Peace program but cannot be shipped until the overall ceiling on Cambodian aid is lifted. No additional funds are required.

New appropriations are needed without delay if the Cambodian military is to sustain itself through the current offensive and avoid collapse and chaos. The determined offensive launched in early January by the Cambodian insurgent forces was designed to cut the Mekong River supply route and to force the fall of Phnom Penh.

In the heavy fighting that ensued, government troops succeeded in halting all insurgent force advances and have now retaken most lost positions. Because of this progress, some convoys have been able to reach Phnom Penh with much-needed ammunition and food supplies. The intensity of the battle has, however, depleted the Cambodian Government's supplies to the point where it will run out of ammunition and other "combat consumables" within the next several weeks—unless we provide the necessary additional funds.

With this supplemental aid, there is good reason to believe that government forces will withstand the current offensive and return to the stalemate that existed during most of last year. While the government cannot defeat the insurgents militarily, neither can it be defeated short of a cutoff in aid from the United States.

The additional funds requested for this purpose would place our total expenditure in Cambodia this fiscal year slightly more than $100 million above what the administration requested last year. At that time, the President asked Congress for $390 million for military assistance for fiscal year 1975. Congress instead set a $200 million ceiling and authorized a $75 million "drawdown" from Department of Defense stocks and services. By January of this year, $200 million had been expended, or about half of the total originally requested.

The $75 million "drawdown" authority is now being utilized and at the heavy rate of consumption caused by the offensive will be exhausted by mid-March.

Our objective in Cambodia has been to restore peace and to allow the Cambodian people the opportunity to decide for themselves the political future of their country. It has never been our belief that the conflict would end in a conclusive military victory by the Cambodian Government forces. The Cambodian Government itself repeatedly has called for talks with the opposing side, without preconditions and we have fully supported these proposals as well as the recent United Nations General Assembly resolution calling for early negotiations. The Communists, however, have remained opposed to a negotiated settlement. Their position will only change if they are convinced a miltary takeover is not possible. Our military assistance program is aimed at preserving the military balance and, thereby, promoting negotiations.

Mr. Speaker, this request does not represent the beginning of a new and open-ended commitment for the United States. It does pose the question of whether we are willing to continue our policy of past support for Cambodia or abandon that small nation to certain collapse. The amounts of money requested are not large when held up against the sacrifices and the investment we already have made, but they are vital to conditions which can lead to peace in Camboda.

In keeping with the Congress' avowed intention of fully exercising its constitutional authority in important foreign policy decisions, it is imperative that the appropriate congressional committees give prompt and careful consideration to this request. If we delay or if we fail to act thoughtfully, the final chapter on Cambodia could be written by default. Whatever our decision, it should be made consciously with a full understanding and awareness of the long- and short-term consequences.

GENERAL LEAVE

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks, and include extraneous matter, following the introduction of the bill affecting additional military assistance for Cambodia.

The **SPEAKER.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

RAPID DEVELOPMENT OF FEDERAL OIL FROM ELK HILLS AND ALASKA

(Mr. MELCHER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MELCHER. Mr. Speaker, the Subcommittee on Public Lands Thursday morning of this week will hold the first day of hearings on H.R. 49 which would authorize the Secretary of the Interior to propose plans consistent with public interest and giving opportunity to smaller or independent oil producers and refineries for development of oil and gas in the contiguous 48 States on Federal lands held in reserve for that purpose.

H.R. 49 also would authorize and direct the Secretary of the Interior to explore for oil and gas production on public lands in the State of Alaska, except lands in the National Park, Wildlife, Wild and Scenic Rivers, and Wilderness Systems. While it would not permit the Secretary to go ahead with development there, the bill would direct him to submit a plan of development which could only become effective if authorized by Congress.

It is pertinent that Congress begin to proceed quickly on legislation of this type and all Members are invited to testify at the hearings on Thursday.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Diggs (at the request of Mr. O'Neill), for February 4 through February 6, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 60 minutes, today.

(The following Members (at the request of Mr. Goodling), to revise and extend their remarks, and to include extraneous matter:)

Mr. Hastings, for 10 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Ruppe, for 5 minutes, today.

Mr. Brown of Michigan, for 10 minutes, today.

Mr. Butler, for 5 minutes, today.

(The following Members (at the request of Mr. Armstrong) to revise and extend their remarks and include extraneous material:)

Mr. Quie, for 5 minutes, today.

(The following Members (at the request of Mr. English), to revise and extend their remarks, and to include extraneous matter:)

Mr. Flood, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Baldus, for 5 minutes, today.

Mr. Dominick V. Daniels, for 10 minutes, today.

Mr. Metcalfe, for 10 minutes, today.

Mr. Leggett, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Moorhead of Pennsylvania, to revise and extend and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $973.

(The following Members (at the request of Mr. Goodling), and to include extraneous matter:)

Mr. Crane in five instances.

Mr. Ashbrook in two instances.

Mr. Hastings.

Mr. Don H. Clausen in two instances.

Mr. Gilman.

Mr. Railsback.

Mr. Frenzel in three instances.

Mr. Cleveland.

Mr. Cochran.

Mr. Whitehurst.

Mr. Del Clawson.

Mr. Quie.

Mr. Buchanan.

Mr. Johnson of Colorado.

Mr. Kemp.

(The following Members (at the request of Mr. English) and to include extraneous matter:)

Mr. Fraser in 10 instances.

Mr. Rosenthal in two instances.

Mr. St Germain in two instances.

Mr. Fauntroy.

Mr. Nowak.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Neal.

Mr. de la Garza in 10 instances.

Mr. Corman in five instances.

Mrs. Keys.

Mr. Addabbo.

Mr. Mottl in two instances.

Mr. Ford of Michigan, in two instances.

Mr. Blouin.

Mr. Milford.

Mr. Won Pat in two instances.

Mr. Charles Wilson of Texas in five instances.

Mr. Evans of Indiana.

Mr. Risenhoover in two instances.

Mr. Nichols.

Mr. Roe in three instances.

Mr. Mikva in 10 instances.

Mr. Rangel.

Mr. Obey.

Mr. Drinan.

Mr. Leggett.

Mr. Patten.

Mr. Charles H. Wilson of California in five instances.

Ms. Schroeder.

Mr. Scheuer in 10 instances.

ADJOURNMENT

Mr. ENGLISH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 23 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 5, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

234. A letter from the President of the United States, transmitting a draft of proposed legislation to increase domestic energy supplies and availability by: authorizing production of the naval petroleum reserves; establishing a National Strategic Petroleum Reserve; assuring increased supplies of natural gas at reasonable prices; amending and extending the Energy Supply and Environmental Coordination Act of 1974; amending the Clean Air Act; alter regulatory practices and procedures of governing electric utilities; assuring timely siting consideration, approval and construction of necessary energy facilities; and preventing foreign oil producing countries from undermining efforts to develop petroleum resources; to restrain energy demand by: providing national energy conservation standards for new residential and commercial buildings; authorizing the Federal Energy Administration to assist States in winterizing dwellings of low-income persons; and providing for the labeling of major appliances and motor vehicles; to prepare for energy emergencies by: providing standby energy authorities and implementing the International Energy Program; and for other purposes (H. Doc. No. 94-42); divided and initially referred as follows: title I to the Committee on Armed Services; titles II, III, IV, V, VI, VII, VIII, XII, and XIII to the Committee on Interstate and Foreign Commerce; title IX to the Committee on Ways and Means; and titles X and XI to the Committee on Banking, Currency and Housing, and ordered to be printed.

235. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Department of Health, Education, and Welfare for "Limitation on Salaries and Expenses, Social Security Administration," and "Special Benefits for Disabled Coal Miners" have been apportioned in a basis which indicates a necessity for a supplemental estimate of appropriation for fiscal year 1975, pursuant to section 3679 of the Revised Statutes [31 U.S.C. 665]; to the Committee on Appropriations.

236. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1974, pursuant to Public Law 89-690 [29 U.S.C. 606]; to the Committee on Armed Services.

237. A letter from the Comptroller, Washington Gas Light Co., transmitting a copy of the balance sheet of the company as of December 31, 1974, pursuant to 43 District of Columbia Code 313; to the Committee on the District of Columbia.

238. A letter from the Chairman, National Advisory Council on Education Professions Development, transmitting the Annual Report of the Council for 1974, pursuant to section 502(c) of Public Law 90-35, as amended [20 U.S.C. 1091a(c)]; to the Committee on Education and Labor.

239. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of delays in the submission of quarterly reports on the obligation of funds for South Vietnam, Laos, and Cambodia, required by sections 38(e) and 40(f) of Public Law 93-559 and section 304(b) of Public Law 92-226; to the Committee on Foreign Affairs.

240. A letter from the Acting Assistant Secretary of the Treasury, transmitting notice of a delay in the submission of the first annual report on debt relief granted by the U.S. Government to developing countries, required by section 634(g) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

241. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility to carry out the national interest or humanitarian objectives of that act; to the Committee on Foreign Affairs.

242. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on Foreign Affairs.

243. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report that no specialized or technical services were provided to State or local governments by NASA during calendar year 1974 under the authority of title III of the Intergovernmental Cooperation Act of 1968, pursuant to section 304 of the act (Public Law 90-577); to the Committee on Government Operations.

244. A letter from the Federal and State Cochairmen, Joint Federal-State Land Use Planning Commission for Alaska; transmitting the annual report of the Commission for calendar year 1974, pursuant to section 17(a)(8)(A) of Public Law 92-203; to the Committee on Interior and Insular Affairs.

245. A letter from the Chairman, U.S. Civil Service Commission, transmitting a report for calendar year 1974 on positions in grades GS-16, 17, and 18 in the Federal Government under 5 U.S.C. 5108(a), pursuant to 5 U.S.C.

5114(a); to the Committee on Post Office and Civil Service.

246. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting the annual reports for calendar 1974 on positions in grades GS–16, 17, and 18, and on scientific and professional positions in the Department of Defense, pursuant to 5 U.S.C. 5114(a) and 5 U.S.C. 3104 (c); to the Committee on Post Office and Civil Service.

247. A letter from the Administrator, Environmental Protection Agency, transmitting three drafts of proposed legislation to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

248. A letter from the Federal Cochairman, Pacific Northwest Regional Commission, transmitting the annual report of the Commission for fiscal year 1974, pursuant to section 510 of Public Law 89–136, as amended [42 U.S.C. 3189]; to the Committee on Public Works and Transportation.

249. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

250. A letter from the Administrator, Energy Research and Development Administration, transmitting the second interim report by the Geothermal Energy Coordination and Management Project on the development of a program definition, pursuant to section 102(a)(2) of Public Law 93–410; to the Committee on Science and Technology.

251. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XVIII of the Social Security Act to make technical changes in the method of determining the supplementary medical insurance premium; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

252. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Commodity Credit Corporation, Department of Agriculture, for fiscal year 1974 (H. Doc. No. 94–43); to the Committee on Government Operations and ordered to be printed.

253. A letter from the Comptroller General of the United States, transmitting a report on the Law Enforcement Assistance Administration's management of its Pilot Cities Program; jointly, to the Committees on Government Operations, and the Judiciary.

254. A letter from the Comptroller General of the United States, transmitting the annual report for calendar year 1974 on positions in the General Accounting Office in grades GS–16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 142. Resolution providing for the consideration of H.R. 1767. A bill to suspend for a 90 day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes (Rept. No. 94–3). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 143. Resolution providing for the consideration of H.R. 2634. A bill to increase the temporary debt limitation and to extend such temporary limitation until June 30, 1975 (Rept. 94–4). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAGGERS (for himself, and Mr. DEVINE):

H.R. 2633. A bill to increase domestic energy supplies and availability by: authorizing production of the naval petroleum reserves; establishing a National strategic petroleum reserve; assuring increased supplies of natural gas at reasonable prices; amending and extending the Energy Supply and Environmental Coordination Act of 1974; amending the Clean Air Act; altering regulatory practices and procedures of governing electric utilities; assuming timely siting, consideration, approval, and construction of necessary energy facilities; and preventing foreign oil producing countries from undermining efforts to develop petroleum resources; to restrain energy demand by: providing national energy conservation standards for new residential and commercial buildings; authorizing the Federal Energy Administration to assist States in winterizing dwellings of low-income persons; and providing for the labeling of major appliances and motor vehicles: to prepare for energy emergencies by: providing standby energy authorities and implementing the International Energy program; and for other purposes; divided and initially referred as follows: title I to the Committee on Armed Services; titles II, III, IV, V, VI, VII, VIII, XII, and XIII to the Committee on Interstate and Foreign Commerce; title IX to the Committee on Ways and Means; and titles X and XI to the Committee on Banking, Currency and Housing.

By Mr. ULLMAN:

H.R. 2634. A bill to increase the temporary debt limitation and to extend such temporary limitation until June 30, 1975; to the Committee on Ways and Means.

By Ms. ABZUG (for herself, Mr. CONYERS, Mr. FASCELL, Mr. GUDE, Mr. ROSENTHAL, and Mr. JAMES V. STANTON):

H.R. 2635. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

By Ms. ABZUG (for herself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. DODD, Mr. EILBERG, Mr. FORD of Tennessee, Mr. FRASER, Mr. HARRINGTON, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NIX, Mr. PEPPER, Mr. PRICE, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. RIEGLE, Mr. ROYBAL, Mr. SARBANES, Mr. SOLARZ, Mr. STOKES, Mr. STUDDS, Mr. CHARLES H. WILSON of California, and Mr. WON PAT):

H.R. 2636. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement of States for home relief payments to disabled applicants prior to determinations of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Ms. ABZUG (for herself, Mr. PATTISON of New York, Mr. ROSENTHAL, and Ms. SCHROEDER):

H.R. 2637. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determinations of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 2638. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings in any year which (subject to further increases under the automatic adjustment provisions) is permitted without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. ANDREWS of North Dakota:

H.R. 2639. A bill to provide that certain lands shall be held in trust for the Standing Rock Sioux Tribe in North Dakota and South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Michigan:

H.R. 2640. A bill to amend the Emergency Home Purchase Assistance Act of 1974 by extending and expanding the authority of the Government National Mortgage Association to purchase certain mortgages, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. ANNUNZIO (for himself, and Mr. CONTE):

H.R. 2641. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a Federal minimum death and dismemberment benefit to public safety officers or their surviving dependents; to the Committee on the Judiciary.

By Mr. ANNUNZIO (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. BLANCHARD, Mr. BURKE of Massachusetts, Mr. CARNEY, Mr. DAVIS, Mr. FLOOD, Mr. FORD of Tennessee, Mr. HARRINGTON, Mr. HEINZ, Mrs. HECKLER of Massachusetts, Ms. HOLTZMAN, Mr. HYDE, Mr. MADIGAN, Mr. MOTTL, Mr. MURPHY of New York, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. NIX, Mr. NOWAK, Mr. PATTEN, Mr. PEPPER, Mr. PEYSER, and Mr. RICHMOND):

H.R. 2642. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. ANNUNZIO (for himself, Mr. RODINO, Mr. RUSSO, Mr. SIMON, Mr. SMITH of Iowa, Mrs. SPELLMAN, Mr. THONE, Mr. TRAXLER, Mr. VIGORITO, Mr. WAXMAN, Mr. WON PAT, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 2643. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. ASHLEY (for himself, Mr. Matsunaga, Mr. Price, Mr. Rodino, and Mr. Charles Wilson of Texas):

H.R. 2644. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. BINGHAM:

H.R. 2645. A bill to designate a segment of the Delaware River flowing between the State of New York and the State of Pennsylvania as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRINKLEY (for himself and Mr. Nichols):

H.R. 2646. A bill to establish within the National Cemetery System the Fort Mitchell Regional Veterans' Cemetery in Russell County, Ala.; to the Committee on Veterans' Affairs.

By Mr. DON H. CLAUSEN:

H.R. 2647. A bill to establish in the Department of Housing and Urban Development a direct low-interest loan program to assist homeowners and other owners of residential structures in purchasing and installing more effective insulation and heating equipment; to the Committee on Banking, Currency and Housing.

H.R. 2648. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit or an income tax deduction for certain expenditures of a taxpayer relating to the thermal design of the residence of such taxpayer; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 2649. A bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress; to the Committee on Banking, Currency and Housing.

By Mr. RHODES (for himself, Mr. Michel, Mr. Anderson of Illinois, Mr. Conable, Mr. Devine, Mr. Edwards of Alabama, Mr. Frey, Mr. Vander Jagt, Mr. Quillen, Mr. Cederberg, Mr. Bob Wilson, Mr. Latta, Mr. Quie, Mr. Broomfield, Mr. Horton, Mr. Dickinson, Mr. Spence, Mr. Hutchinson, Mr. Ruppe, Mr. Harsha, Mr. Mosher, Mr. Schneebeli, Mr. Skubitz, and Mr. Gude):

H.R. 2650. A bill to increase domestic energy supplies and availability by: authorizing production of the naval petroleum reserves; establishing a National strategic petroleum reserve; assuring increased supplies of natural gas at reasonable prices; amending and extending the Energy Supply and Environmental Coordination Act of 1974; amending the Clean Air Act; altering regulatory practices and procedures of governing electric utilities; assuring timely siting, consideration, approval, and construction of necessary energy facilities; and preventing foreign oil-producing countries from undermining efforts to develop petroleum resources; to restrain energy demand by: providing national energy conservation standards for new residential and commercial buildings; authorizing the Federal Energy Administration to assist States in winterizing dwellings of low-income persons; and providing for the labeling of major appliances and motor vehicles: to prepare for energy emergencies by: providing standby energy authorities and implementing the international energy program; and for other purposes: Divided and initially referred as follows: title I to the Committee on Armed Services; titles II, III, IV, V, VI, VII, VIII, XII, and XIII to the Committee on Interstate and Foreign Commerce; title IX to the Committee on Ways and Means; and titles X and XI to the Committee on Banking, Currency and Housing.

By Mr. CRANE:

H.R. 2651. A bill to repeal certain provisions of law relating to the private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2652. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses paid by him in connection with his education or training, or the education or training of his spouse or any of his dependents, at an institution of higher education or a trade or vocation school; to the Committee on Ways and Means.

H.R. 2653. A bill to repeal the provisions of law which relate to the checkoff procedure for financing presidential election campaigns; to the Committee on Ways and Means.

H.R. 2654. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. DENT (for himself, Mr. Perkins, Mr. Thompson, Mr. Sisk, Mr. Rodino, Mr. Rosenthal, Mr. Preyer, Mr. Nix, Mr. Mollohan, Mr. Regula, Mr. Boland, Mr. Diggs, Mr. Brown of California, Mr. Gude, Mrs. Holt, Mr. de Lugo, Mr. Chappell, Mr. Carney, Mr. Eilberg, Mr. Charles H. Wilson of California, Mr. Murphy of New York, Mr. Burgener, Mr. Davis, Mr. Dominick V. Daniels, and Mr. Whitehurst):

H.R. 2655. A bill to provide an income tax credit for savings for the payment of postsecondary educational expenses; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 2656. A bill to amend the Food Stamp Act of 1964 to permit households to use food stamps to purchase seeds, plants, and fertilizer from retail stores engaged primarily in the sale of seed and feed; to the Committee on Agriculture.

By Mr. DODD:

H.R. 2657. A bill to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG (for himself, Mr. Green, Mr. Gude, and Mr. Oberstar):

H.R. 2658. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLORIO:

H.R. 2659. A bill to prohibit, after January 1, 1975, an increase in the amount required to be paid by households for food stamp allotments unless such increase is presented to the Congress and is not disapproved by one House of Congress; jointly to the Committees on Agriculture and Rules.

By Mr. FISHER:

H.R. 2660. A bill to amend title 5, United States Code, to include as creditable service for purposes of the civil service retirement system certain periods of service of civilian employees of nonappropriated fund positions in special services recreation and morale programs of the Armed Forces; to the Committee on Post Office and Civil Service.

H.R. 2661. A bill to bring certain employees of the Department of Defense within the purview of the competitive civil service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FORD of Michigan (for himself, Ms. Abzug, Mr. Anderson of Illinois, Mr. Blanchard, Mr. Breaux, Mr. Brodhead, Mr. Brown of California, Mr. Carr, Mr. Carter, Mrs. Chisholm, Mr. Cleveland, Mr. Cornell, Mr. D'Amours, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Evans of Indiana, Mr. Fascell, Mrs. Fenwick, Mr. Flood, Mr. Ford of Tennessee, Mr. Fraser, Mr. Frenzel, Mr. Gaydos, and Mr. Gilman):

H.R. 2662. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. FORD of Michigan (for himself, Mr. Harrington, Mr. Holland, Mr. Horton, Mrs. Keys, Mr. Lehman, Mrs. Lloyd of Tennessee, Mr. McCollister, Mr. McHugh, Mr. Mann, Mr. Matsunaga, Mr. Michel, Mr. Nedzi, Mr. O'Hara, Mr. Ottinger, Mr. Pepper, Mr. Risenhoover, Mr. Roe, Mr. Sarasin, Mr. Simon, Mrs. Spellman, Mr. Stark, Mr. Steiger of Wisconsin, Mr. Stokes, and Mr. Stratton):

H.R. 2663. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. FORD of Michigan (for himself, Mr. Studds, Mr. Traxler, Mr. Charles H. Wilson of California, Mr. Wydler, Mr. Young of Florida, Mrs. Heckler of Massachusetts, Mr. Mr. Cederberg, and Mr. Ruppe):

H.R. 2664. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. FORSYTHE:

H.R. 2665. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 2666. A bill to order the construction of a Veteran's Administration hospital in the southern area of New Jersey; to the Committee on Veterans' Affairs.

By Mr. FRASER:

H.R. 2667. A bill to prohibit discrimination on the basis of sex, marital status, affectional or sexual preference; to the Committee on the Judiciary.

By Mr. FRASER (for himself and Mrs. Chisholm):

H.R. 2668. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit of $300 for certain personal exemptions, to impose an additional excise tax of 20 cents a gallon on gasoline and certain special fuels, to allow a refundable tax credit for the additional excise tax imposed on a certain portion of the gasoline and special fuels used for commuting or business-related highway travel, and for other purposes; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 2669. A bill to prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with; to the Committee on Armed Services.

By Mr. GAYDOS:

H.R. 2670. A bill to establish the Reconstruction Finance Corp. to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing; to the Committee on Banking, Currency, and Housing.

H.R. 2671. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 2672. A bill to establish a Voter Registration Administration within the General Accounting Office for the purpose of administering a voter registration program through the Postal Service; to the Committee on House Administration.

H.R. 2673. A bill to provide for the selection of candidates for President of the United States in a national Presidential primary election, and for the election of a President and a Vice President by direct vote of the people, and for other purposes; to the Committee on House Administration.

H.R. 2674. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

H.R. 2675. A bill to postpone the effectiveness of any U.S. district court order requiring the busing of schoolchildren until such time as all appeals, including to the Supreme Court if necessary, in connection with such order have been exhausted, and for other purposes; to the Committee on the Judiciary.

H.R. 2676. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

H.R. 2677. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter; to the Committee on Ways and Means.

H.R. 2678. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

H.R. 2679. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 2680. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 2681. A bill to repeal economic sanctions against Cuba which are contained in certain acts of Congress; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI:

H.R. 2682. A bill to amend the Manpower Development and Training Act (Public Law 87–415, as amended) to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; jointly to the Committees on Education and Labor, and Banking, Currency, and Housing.

By Mr. HOWARD:

H.R. 2683. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Ms. Abzug, Mr. Ambro, Mr. Anderson of California, Mr. AuCoin, Mr. Badillo, Mr. Baldus, Mr. Baucus, Mr. Blouin, Mr. Brodhead, Mr. Carr, Mrs. Chisholm, Mr. Cornell, Mr. D'Amours, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Harrington, Mr. Harris, Mr. Koch, Mr. McCloskey, Mr. Mazzoli, Mr. Mikva, Mr. Miller of California, and Mr. Mitchell of Maryland):

H.R. 2684. A bill requiring personal financial disclosure, and promoting public confidence in the legislative, executive, and judicial branches of the Government of the United States; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. KASTENMEIER (for himself, Mr. Mosher, Mr. Neal, Mr. Nix, Mr. Patten, Mr. Quie, Mr. Reuss, Mr. Rosenthal, Mr. Seiberling, Mr. Simon, Mr. Solarz, Mr. Stark, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Won Pat):

H.R. 2685. A bill requiring personal financial disclosure, and promoting public confidence in the legislative, executive, and judicial branches of the Government of the United States; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. KAZEN (for himself and Mr. Krueger):

H.R. 2686. A bill to permit the remission of certain overpayments made to members of the Armed Forces who are now retired, and for other purposes; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 2687. A bill to amend title 23 of the United States Code to add 337 miles to the Interstate System and provide for the inclusion of a critical north-south highway corridor; to the Committee on Public Works and Transportation.

H.R. 2688. A bill to amend title 23 of the United States Code to add 320 miles to the Interstate System and provide for the inclusion of a critical north-south highway corridor; to the Committee on Public Works and Transportation.

By Mrs. KEYS:

H.R. 2689. A bill to change the minimum age qualification for serving as a juror in Federal courts from 21 years of age to 18 years of age; to the Committee on the Judiciary.

H.R. 2690. A bill to retain November 11 as Veterans' Day; to the Committee on Post Office and Civil Service.

By Mr. LEHMAN:

H.R. 2691. A bill to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services; to the Committee on Interstate and Foreign Commerce.

H.R. 2692. A bill to amend title XVIII of the Social Security Act to provide for the coverage, under the supplementary medical insurance benefits program established by part B of such title, of one routine physical checkup each year and for preventive care for individuals insured under such program; to the Committee on Ways and Means.

H.R. 2693. A bill to provide for tax counseling to the elderly in the preparation of their Federal income tax returns; to the Committee on Ways and Means.

H.R. 2694. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 2695. A bill to direct the Secretary of the Treasury to compensate States and units of local government for the loss of real property tax revenues due to the tax-exempt status of certain real estate property owned or occupied by foreign countries and international organizations; to the Committee on Government Operations.

H.R. 2696. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Mr. Forsythe, Mr. Jenrette, Mr. Krebs, Mr. Mitchell of Maryland, Mr. Montgomery, Mr. Quie, Mr. Rose, Mr. Ryan, Ms. Schroeder, Mr. Taylor of North Carolina, and Mr. Treen):

H.R. 2697. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on Foreign Affairs.

By Mr. McCOLLISTER:

H.R. 2698. A bill to amend the National Housing Act and the Small Business Act to transfer without change from the Small Business Administration to the Department of Housing and Urban Development the function of providing catastrophe assistance to victims, other than small business concerns, and the function of providing assistance to certain organizations operated in the interest of handicapped individuals; jointly to the Committees on Banking, Currency and Housing, and Small Business.

By Mr. McEWEN:

H.R. 2699. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. MOAKLEY:

H.R. 2700. A bill to provide emergency relief to low- and moderate-income families who, due to current economic conditions, are threatened with eviction from federally insured multifamily housing projects; to the Committee on Banking, Currency, and Housing.

H.R. 2701. A bill to establish a fuel stamp program which will provide fuel stamps to certain low-income households to help meet fuel costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

H.R. 2702. A bill to amend the Internal Revenue Code of 1954 to raise needed additional revenues by tax reform; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 2703. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. MORGAN (by request) (for himself and Mr. Broomfield):

H.R. 2704. A bill to provide additional military assistance authorizations for Cambodia for the fiscal year 1975, and for other purposes; to the Committee on Foreign Affairs.

By Mr. NEAL:

H.R. 2705. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. Baldus, Mr. Cornell, Ms. Abzug, Mr. Aspin, Mr. Badillo, Mr. Baucus, Mr. Bowen, Mr. Bedell, Mr. Brodhead, Mr. Brown of California, Mr. Carr, Mr. Carter, Mr. Cochran, Mr. Conte,, Mr. Dan Daniel, Mr. Davis, Mr. Duncan of Oregon, Mr. Esch, Mr. Fish, Mr. Flood, Mr. Gaydos, Mr. Gilman, Mr. Goodling, and Mr. Hanley):

H.R. 2706. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. OBEY (for himself, Mr. Harrington, Mr. Hastings, Miss Holtzman, Mr. Hughes, Mr. Ichord, Mr. Ketchum, Mr. Kindness, Mr. Krebs, Mr. Litton, Mr. McCormack, Mr. McEwen, Mr. McKay, Mr. Metcalfe, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Moorhead of California, Mr. Murtha, Mr. Oberstar, Mr. Perkins, Mr. Riegle, Mr. Roe, Mr. Quie, and Mr. Roybal):

H.R. 2707. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. OBEY (for himself, Mr. Schulze, Mr. Seiberling, Mr. Simon, Mr. Sisk, Mr. Smith of Iowa, Mrs. Spellman, Mr. Stark, Mr. Steed, Mr. Steiger of Wisconsin, Mr. Stokes, Mr. Talcott, Mr. Traxler, Mr. Udall, Mr. Vigorito, Mr. Charles Wilson of Texas, Mr. Wirth, Mr. Won Pat, and Mr. Winn):

H.R. 2708. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. PATTEN:

H.R. 2709. A bill to establish an Office of Consumer Affairs in the Executive Office of the President and a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; jointly to the Committees on Government Operations and Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 2710. A bill to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. PIKE:

H.R. 2711. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983) to establish a 1-year statute of limitations on actions under such section against certain law enforcement officers; to the Committee on the Judiciary.

H.R. 2712. A bill to amend the act entitled "An Act to Establish a Contiguous Fishery Zone Beyond the Territorial Sea of the United States," approved October 14, 1966; to the Committee on Merchant Marine and Fisheries.

H.R. 2713. A bill to amend section 6956 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 2714. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. QUIE (for himself, Mr. Fraser, and Mr. Frenzel):

H.R. 2715. A bill to allow the distribution in interstate commerce of goods produced by prison inmates who are paid not less than the prevailing minimum wages as determined for purposes of the Walsh-Healey Act; to the Committee on Education and Labor.

By Mr. RAILSBACK:

H.R. 2716. A bill to amend the Internal Revenue Code of 1954 to raise the estate tax exemption from $60,000 to $185,000; to the Committee on Ways and Means.

By Mr. ROBINSON:

H.R. 2717. A bill to amend the Food Stamp Act of 1964 in order to make optional with each State the present requirement that each State provide procedures whereby food stamp recipients may have the cost of their food stamp coupons deducted from their public assistance payments and then have the coupons distributed with such payments; to the Committee on Agriculture.

H.R. 2718. A bill to provide a priority system for certain agricultural uses of natural gas; to the Committee on Interstate and Foreign Commerce.

By Mr. REGULA (for himself, Mr. Conte, Mr. Cleveland, Mrs. Heckler of Massachusetts, Mr. Melcher, Mr. Mann, Mr. Frey, and Mr. Anderson of California):

H.R. 2719. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

By Mr. RISENHOOVER:

H.R. 2720. A bill to appropriate funds to compensate the Cherokee Nation, a tribe of Indians of Oklahoma, for the loss of 545,175.14 acres of land; to the Committee on Interior and Insular Affairs.

H.R. 2721. A bill providing for an emergency off-system bridge replacement program; to the Committee on Public Works and Transportation.

By Mr. RUPPE:

H.R. 2722. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

H.R. 2723. A bill to provide for payments to compensate county governments for the tax immunity of Federal lands within their boundaries; to the Committee on Government Operations.

H.R. 2724. A bill to provide for establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2725. A bill to declare that certain federally owned land is held by the United States in trust for the Keweenaw Bay Indian Community and to make such lands parts of the reservation involved; to the Committee on Interior and Insular Affairs.

H.R. 2726. A bill to designate certain lands in the Isle Royale National Park, Mich., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 2727. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 2728. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2729. A bill to change Veterans' Day to November 11; to the Committee on Post Office and Civil Service.

H.R. 2730. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2731. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 2732. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for investments in certain economically lagging regions; to the Committee on Ways and Means.

H.R. 2733. A bill to amend the Internal Revenue Code of 1954 to increase the standard deduction from 15 percent to 20 percent, and to increase the maximum allowable amount of such deduction from $2,000 to $2,500; to the Committee on Ways and Means.

H.R. 2734. A bill to amend the Internal Revenue Code of 1954 to provide that the credit for foreign taxes shall not be allowed in the case of taxes paid to a foreign country with respect to the income derived from any oil or gas well located in a foreign country; to the Committee on Ways and Means.

By Mr. SATTERFIELD (for himself, Mr. Teague, Mr. Roberts, and Mr. Hammerschmidt):

H.R. 2735. A bill to amend title 38 of the United States Code in order to provide for an annual investigation by the Administrator into the cost of travel by veterans to Veterans' Administration facilities and to set rates therefor, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. SCHROEDER:

H.R. 2736. A bill to require that the Administrator of the Federal Energy Administration allocate supplies of materials and equipment associated with the production of energy supplies to the extent necessary to maintain and increase the production and transport of fuels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHULZE:

H.R. 2737. A bill to amend the Internal Revenue Code of 1954 to allow taxpayers to designate that $10 or less of their income tax be used to reduce the public debt; to the Committee on Ways and Means.

By Mr. SEBELIUS:

H.R. 2738. A bill to adjust target prices established under the Agriculture and Consumer Protection Act of 1973, as amended, for the 1975 through 1977 crops of wheat and feed grains to reflect changes in farm production costs and yields; to the Committee on Agriculture.

H.R. 2739. A bill to amend title II of the Social Security Act to increase to $6,000 the amount of outside income which (subject to further increases under the automatic adjustment provisions) is permitted each year without deductions from benefits, and to provide that income of all types and from all sources shall be included in determining whether an individual's benefits are subject to such deductions; to the Committee on Ways and Means.

By Mr. SEBELIUS (for himself and Mr. Skubitz):

H.R. 2740. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Elkhart, Kans., for airport purposes; to the Committee on Public Works and Transportation.

By Mr. SEIBERLING:

H.R. 2741. A bill to incorporate the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2742. A bill to assure that weather modification activities and the collection of hydrometeorological information necessary to the management of water resources can be conducted in conjunction with the management and administration of wilderness areas and other Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 2743. A bill to authorize the Secretary of Agriculture to convey certain lands in the Sierra National Forest, Calif., to the Madera Cemetery District; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN:

H.R. 2744. A bill to authorize voluntary withholding of Maryland and Virginia income taxes in the case of officers and employees of the Architect of the Capitol; to the Committee on House Administration.

H.R. 2745. A bill to encourage earlier retirement by permitting Federal employees to purchase into the civil service retirement system benefits unduplicated in any other retirement system based on employment in Federal programs operated by State and local governments under Federal funding and supervision; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H.R. 2746. A bill to amend the Federal Food Stamp Act to prohibit any increase in the portion of a household's income that may be charged for food stamps under such act in the case of any household whose members are all 60 years of age or older or in the case of any household in which over one-half of the income is provided by members 60 years of age or older, and for other purposes; to the Committee on Agriculture.

H.R. 2747. A bill to provide for the establishment of a national cemetery in the State of South Carolina; to the Committee on Veterans' Affairs.

By Mr. JAMES V. STANTON:

H.R. 2748. A bill to provide for compensation to victims of violent crime; to the Committee on the Judiciary.

H.R. 2749. A bill to name a portion of the site of the Anthony J. Celebrezze Federal Building in Cleveland, Ohio, the George Washington Square; to the Committee on Public Works and Transportation.

H.R. 2750. A bill to amend the Internal Revenue Code of 1954 by repealing the present provisions with respect to income averaging and readopting the provisions in effect prior to 1964; to the Committee on Ways and Means.

H.R. 2751. A bill to amend the Public Works and Economic Development Act of 1965 to establish a program to assist municipalities and businesses in urban industrial development, and for other purposes; jointly to the Committees on Public Works and Transportation, and Banking, Currency and Housing.

By Mr. STARK:

H.R. 2752. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. STEELMAN (for himself, Mr. Goldwater, Mr. Horton, Mr. Koch, Mr. Vigorito, Mr. Martin, Mr. Melcher, Mr. Regula, Mr. Forsythe, Mr. Solarz, Mr. Spence, Mr. Pritchard, Mr. Mathis, Mr. Thone, Ms. Keys, Mr. Charles Wilson of Texas, Mr. Brown of California, Mr. Symington, Mr. Charles H. Wilson of California, Mr. Hefner, Mr. Edgar, Mr. Ryan, Mr. Anderson of Illinois, Mr. Mosher, and Mr. Talcott):

H.R. 2753. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. Goldwater, Mr. Horton, Mr. McKinney, Mr. Edwards of California, Mr. Mitchell of Maryland, Mr. Studds, Mr. Anderson of California, and Ms. Heckler of Massachusetts):

H.R. 2754. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 2755. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 2756. A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors; to the Committee on Armed Services.

H.R. 2757. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or in part; from acquiring securities of certain domestic issuers of securities; by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate, or other natural resources deemed to be vital to the economic security and national defense of the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 2758. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

H.R. 2759. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2760. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. TAYLOR of North Carolina:

H.R. 2761. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 2762. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. TAYLOR of North Carolina (for himself, Mr. Johnson of California, Mr. Udall, Mr. Don H. Clausen, Mr. Phillip Burton, Mr. Ruppe, Mr. Foley, Mr. Kastenmeier, Mr. Sebelius, Mrs. Mink, Mr. Regula, Mr. Kazen, Mr. Steelman, Mr. Vigorito, Mr. Melcher, Mr. Young of Alaska, Mr. Bingham, Mr. Bauman, Mr. Seiberling, Mrs. Burke of California, Mr. Won Pat, Mr. de Lugo, Mr. Eckhardt, Mr. Bell, and Mr. Cleveland):

H.R. 2763. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina (for himself, Mr. Frey, Mr. Gibbons, Mr. Goldwater, Mr. Hamilton, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Koch, Mr. McKay, Mr. Mollohan, Mr. Morgan, Mr. Pepper, Mr. Roe, Mr. Roush, Mr. Pickle, Mr. Quie, Mr. Stark, Mr. Vanik, Mr. Conlan, Mr. Fascell, and Mr. Wolff):

H.R. 2764. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN:

H.R. 2765. A bill to amend the Clean Air Act to impose certain procedural requirements on decisionmaking with respect to State implementation plans; to the Committee on Interstate and Foreign Commerce.

H.R. 2766. A bill to amend the Clean Air Act to provide certain limitations with respect to land use, transportation, and certain other controls under air quality implementation plans and to permit an extension of time for the attaining of certain standards; to the Committee on Interstate and Foreign Commerce.

By Mr. VIGORITO:

H.R. 2767. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, to raise the contribution base, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VIGORITO (for himself, Mr. Conyers, Mr. Brown of California, Mr. Roe, Mr. Burke of Massachusetts, Ms. Holtzman, Mr. Studds, Mr. Harrington, Mr. Nix, Mr. Koch, Mr. Charles H. Wilson of California, Mr. Ford of Tennessee, Mr. Fraser, Mr. Solarz, Ms. Abzug, Mr. Ryan, Mr. Richmond, and Mr. Won Pat):

H.R. 2768. A bill to reduce pollution which is caused by litter composed of soft drink and beer containers, and to eliminate the threat to the Nation's health, safety, and welfare which is caused by such litter by banning such containers when they are sold in interstate commerce on a no-deposit, no-return basis; to the Committee on Interstate and Foreign Commerce.

By Mr. VIGORITO (for himself, Mr. Danielson, Mr. Jenrette, Mr. Hechler of West Virginia, Mr. Beard of Rhode Island, Mr. Eckhardt, Mr. Fascell, Mr. Stokes, Mr. Matsunaga, Ms. Schroeder, and Mr. Bingham):

H.R. 2769. A bill to reduce pollution which is caused by litter composed of soft drink and beer containers, and to eliminate the threat to the Nation's health, safety, and welfare which is caused by such litter by banning such containers when they are sold in interstate commerce on a no-deposit, no-return basis; to the Committee on Interstate and Foreign Commerce.

By Mr. WON PAT:

H.R. 2770. A bill to amend the Public Health Service Act to revise the definition of the term "State" to authorize the inclusion of Guam in the programs authorized by that act; to the Committee on Interstate and Foreign Commerce.

H.R. 2771. A bill to waive the visa requirements for aliens visiting Guam for not more than 15 days; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 2772. A bill to amend the Outer Continental Shelf Lands Act to insure that the Federal Government has available to it reliable information on the nature and extent of energy resources in the undeveloped areas of the Outer Continental Shelf, and that any decision to develop such resources take place within the context of a national energy policy; jointly to the Committees on the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, and Science and Technology.

By Mrs. BURKE of California:

H.J. Res. 181. Joint resolution providing for a study by the Commission on Civil Rights of certain aspects of the local, State, and Federal criminal justice systems as they affect women; to the Committee on the Judiciary.

By Mr. ESHLEMAN:

H.J. Res. 182. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on Post Office and Civil Service.

By Mr. GAYDOS:

H.J. Res. 183. Joint resolution proposing an amendment to the Constitution of the United States limiting deficit spending by the Federal Government; to the Committee on the Judiciary.

H.J. Res. 184. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

H.J. Res. 185. Joint resolution proposing an amendment to the Constitution of the United States to permit voluntary participation in prayer in public schools; to the Committee on the Judiciary.

H.J. Res. 186. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on Post Office and Civil Service.

H.J. Res. 187. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H.J. Res. 188. Joint resolution to repeal the joint resolution expressing the determination of the United States with respect to the situation in Cuba, approved October 3, 1962; to the Committee on Foreign Affairs.

By Mr. McEWEN:

H.J. Res. 189. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

H.J. Res. 190. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.J. Res. 191. Joint resolution authorizing the President to proclaim the first Sunday of June of each year as American Youth Day; to the Committee on Post Office and Civil Service.

By Mr. St GERMAIN:

H.J. Res. 192. Joint resolution authorizing the President to proclaim the fourth Wednesday in January as National School Nurse Day; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST:

H.J. Res. 193. Joint resolution calling for a wildlife preserve for Humpback Whales in the West Indies; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself and Mrs. Keys):

H. Con. Res. 90. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. GILMAN (for himself, Mr. Spence, Mr. McDonald of Georgia, Mr. Goldwater, Mr. Henderson, Mr. Fish, Mr. Emery, Mr. Mazzoli, Mr. Thone, Mr. Davis, Mr. Holland, Mr. Rose, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Rosenthal, Mr. Johnson of Pennsylvania, Mr. Montgomery, Mr. Flood, Mr. Krebs, Mr. Roe, Mr. Frenzel, Mr. Murtha, Mr. Hall, Mr. Steelman, and Mr. Walsh):

H. Con. Res. 91. Concurrnt resolution requesting the establishment of a Presidential task force on missing in action; to the Committee on Armed Services.

By Mr. PERKINS (for himself, Mr. Pressler, Mr. Addabbo, Mr. Anderson of California, Mr. AuCoin, Mr. Badillo, Mr. Brown of California, Mr. Carney, Mr. Carter, Mr. Conyers, Mr. Davis, Mr. de Lugo, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Flood, Mr. Florio, Mr. Harrington, Mr. Holland, Ms. Holtzman, Mr. Koch, Mr. Melcher, Mr. Nix, Mr. Rangel, and Mr. Reuss):

H. Con. Res. 92. Concurrent resolution expressing the sense of the Congress with respect to increases in costs of operating a national school lunch and school breakfast program; to the Committee on Education and Labor.

By Mr. PERKINS (for himself, Mr. Thompson, Mr. Dent, Mr. Dominick V. Daniels, Mr. Brademas, Mr. Hawkins, Mr. Ford of Michigan, Mr. Meeds, Mrs. Mink, Mr. Phillip Burton, Mr. Gaydos, Mr. Clay, Mrs. Chisholm, Mr. Biaggi, Mr. Andrews of North Carolina, Mr. Lehman, Mr. Benitez, Mr. Blouin, Mr. Cornell, Mr. Risenhoover, Mr. Simon, Mr. Miller of California, Mr. Mottl, Mr. Hall, and Mr. Peyser):

H. Con Res. 93. Concurrent resolution expressing the sense of the Congress with respect to increases in costs of operating a national school lunch and school breakfast program; to the Committee on Education and Labor.

By Mr. PERKINS (for himself, Mr. Rosenthal, Mr. Roe, Mr. Rodino, Mr. Sarbanes, Ms. Schroeder, Mr. Solarz, Mr. Stark, Mr. Studds, Mr. Vander Veen, Mr. Vigorito, Mr. Charles H. Wilson of California, Mr. Won Pat, Mr. Young of Georgia):

H. Con. Res. 94. Concurrent resolution expressing the sense of the Congress with respect to increases in costs of operating a national school lunch and school breakfast program; to the Committee on Education and Labor.

By Mr. PERKINS (for himself, Mr. Zeferetti, and Mr. Eilberg):

H. Con. Res. 95. Concurrent resolution expressing the sense of the Congress with respect to increases in costs of operating a national school lunch and school breakfast program; to the Committee on Education and Labor.

By Ms. ABZUG (for herself, Mr. Carr, Ms. Keys, Mr. Nolan, Mr. Solarz, and Mr. Weaver):

H. Res. 134. Resolution requesting certain information regarding U.S. involvement in Indochina, from the Secretary of Defense; to the Committee on Armed Services.

By Mr. CONABLE:

H. Res. 135. Resolution to amend the Rules of the House of Representatives to require that meetings of the Committee on House Administration for consideration of the fixing and adjusting of allowances of Members and committees be open to all Members of the House, and for other purposes; to the Committee on Rules.

By Mr. FISHER:

H. Res. 136. Resolution to authorize the voluntary withholding of Maryland, Virginia, and District of Columbia income taxes in the case of Members of the House of Representatives and certain legislative employees, pursuant to agreements subject to review by the Committee on House Administration; to the Committee on House Administration.

By Mr. GAYDOS:

H. Res. 137. Resolution disapproving the deferral of certain budget authority relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. GIAIMO (for himself, Mr. Nedzi, Mr. Moss, Mr. McFall, Mr. Bingham, Mr. Harrington, and Mr. Davis):

H. Res. 138. Resolution establishing a Select Committee on Intelligence; to the Committee on Rules.

By Mr. PERKINS:

H. Res. 139. Resolution to provide for the expenses of the Committee on Education and Labor for the investigations and studies to be conducted pursuant to Rule XI of the Rules of the House of Representatives; to the Committee on House Administration.

By Mrs. SPELLMAN (for herself, Ms. Abzug, Mr. Baldus, Mr. Downey, Mr. Edgar, Mr. Florio, Mr. Gude, Mr. Hechler of West Virginia, Mr. Hughes, Mr. Long of Maryland, Mr. Mitchell of New York, Mr. Neal, and Mr. Charles Wilson of Texas):

H. Res. 140. Resolution concerning the oversight responsibilities of the committees of the House of Representatives with respect to the locating and relocating of Federal installations and facilities; to the Committee on Rules.

By Mrs. SPELLMAN (for herself and Mrs. Fenwick):

H. Res. 141. Resolution concerning the oversight responsibilities of the committees of the House of Representatives with respect to the locating and relocating of Federal installations and facilities; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 2773. A bill for the relief of Modern Life and Accident Insurance Co. of Chicago; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 2774. A bill for the relief of Charles A. Pfleiderer; to the Committee on the Judiciary.

By Mrs. KEYS:

H.R. 2775. A bill for the relief of Rev. Ernest E. Thompson; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 2776. A bill for the relief of Candido Badua; to the Committee on the Judiciary.

H.R. 2777. A bill for the relief of Michael Catalan; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 2778. A bill for the relief of Ralph Lafi Alisa Toelupe; to the Committee on the Judiciary.

H.R. 2779. A bill for the relief of Yun Tim Yim and Amy Chee Yim; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2780. A bill for the relief of Benjamin Baxter; to the Committee on the Judiciary.

H.R. 2781. A bill for the relief of Masonic Homes of California, a nonprofit corporation; to the Committee on Agriculture.

H.R. 2782. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. U-0140571, and for other purposes; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

THE CRISIS IN ASTRONAUTICS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 3, 1975

Mr. TEAGUE. Mr. Speaker, last Thursday, in an address to the American Astronautical Society, the distinguished Senator FRANK E. MOSS, delivered an important and timely message entitled, "The Crisis in Astronautics." As newly appointed Chairman of the Office of Technology Assessment, I intend to lend my support to Senator Moss' request for providing the Congress the best tools in helping to decide the hard choices between competing requests for research and development funds. I commend this speech to all my colleagues:

THE CRISIS IN ASTRONAUTICS

(By Senator FRANK E. MOSS)

It is a great pleasure to meet with you at the AAS annual luncheon and to have this opportunity to share a few thoughts with you.

You have honored me twice in recent months—by inviting me to be with you today and by electing me to your Board of Directors. I must acknowledge that I was unopposed on your ballot, a situation that I have seldom experienced and that I find quite enjoyable. I wish it could become habit-forming.

In thinking over what I might discuss with you today, I decided first-off to include the word "crisis" in the title. Unless you are talking about a "crisis" these days, no one will pay much attention to you.

Historians will have to choose whether to call the 1960's the decade of Apollo, of Vietnam, or of political assassination. But I have little doubt that they will settle on the 1970's as "The Decade of Crises".

Thus we are all aware of crises in the environment, crises in energy supply and demand, and of a worldwide crisis of faith in various institutions, especially political institutions. National Commissions warn us of impending crises in food, in water and in materials generally. Scientists increasingly are sounding alarms over the apparently deteriorating world climate. And now, as my Committee heard yesterday, we face the possibility that our ozone supply will end, not with a bang, but with the "psst" of Freon from a can of hair spray.

And so my subject: "The Crisis in Astronautics".

Let me begin by assuring you that my remarks will dwell only briefly on the sad symptoms of the crisis. I will devote most of my thoughts to suggested solutions for the future.

But first, let's deal with the present.

At first glance, 1975 is a bright year for the science of astronautics.

With Apollo-Soyuz, we will see this summer the first truly joint venture in space by men from different nations and different ideologies.

A few days after ASTP, we will launch the twin Viking spacecraft toward their historic landings on Mars in 1976.

Pioneer 11 will speed toward Saturn, and two Helios spacecraft toward closeup studies of the Sun, while we launch small astronomy and Explorer satellites and continue the era of space applications with a dozen or more new communications, weather and earth resources satellites, whether they be "ERTS" or "Landsats". Especially in non-NASA communications satellites, we are witnessing a veritable explosion of activity, and isn't ATS-6 a great success!

And here on Earth, the space shuttle program will be in high gear. We are finally actually building, in plants across this country and in Europe, the elements of the first space transportation system.

Heady stuff!

But here, at the risk of sounding like Chicken Little, I'll list some of the dark clouds that come with these silver linings. I give you this list, not in ascending or descending order of gloom, but simply as the facts come to mind.

First. After ASTP comes the long-foreseen four to five year hiatus in American-manned space flight. Public interest in the space program has traditionally dropped during such periods.

Second. For the sixth consecutive fiscal year, the Administration budget request for NASA totals $3.5 billion or less. With inflation gnawing away at NASA just as it is at the rest of us, we have now sunk well more than a half billion dollars below the promised "constant level" budget. And this year there are no new starts!

Third. Although those of us who believe in research and development as the key to a better tomorrow welcome the creation of ERDA, we must face the likelihood that increasing demands for energy research and development will represent increasing competition for the astronautics research and development dollar.

Fourth. The space shuttle requirement for over a billion dollars per year for each of the next few years will leave precious little room in the NASA budget for meaningful new starts. NASA and its contractors have shown great ingenuity in recent years in flying backup hardware, and in using the "billiard ball" approach to planetary flybys to give us the maximum science for the dollar. But there is a limit to the amount of progress that can be made unless, the Space Science Board has pointed out, a new start "wedge" can be created soon.

Fifth, and finally. Astronautics budgets over the next two years face the substantial uncertainties of greatly changed congressional membership, a new, untried and complex congressional budget process, and Presidential election politics.

Enough of the symptoms of pessimism! I am sure each of you can add one or more equally valid reasons for concern. If this be crisis, let us make the most of it.

I'll turn now to some of the considerations I believe we should all have in mind as we move into the second half of this decade.

For openers, let me suggest that we should more and more be viewing astronautics as a routine part of our national—indeed our international—life. Certainly in the area of space applications this is becoming the case. We barely note that every month or so a domestic or international communication satellite, a new low-earth orbit or synchronous orbit operational weather satellite or remote sensing resource satellite is launched. Commercial and foreign-built satellites are becoming quite common. Indeed, during one recent month NASA had six satellites in process at the Cape for launch, not one of them a NASA bird.

Someone noted a few years ago that not too long after Lindbergh's flight the French stopped flocking to Le Bourget every time someone flew across the Atlantic. Even in this room full of space buffs, I doubt if many of you could name the nine Skylab crewmen. So perhaps we should not be too upset when the networks decline to cover a splashdown. And while I am on this point I certainly should note that once the space shuttle has made its first few flights, another shuttle flight will probably generate about as much interest as the sailing of a large ship from New York or San Francisco.

Of course, I would not want to suggest that we settle permanently for NASA budgets of $3.5 billion, but perhaps the relatively level nature of the budget over these past six years can be viewed as one indicia of acceptance.

I happen to believe that Congress would accept a bit more, but let us be thankful that, despite the repeated rumors, the budget has not continued to decline.

Now, if we view the current budget levels, or only modestly higher levels, as the norm for the next few years, perhaps we will view our options for the near-term future in a different way.

Perhaps we will begin to devote serious attention to how we can capitalize on the advantages of the space shuttle in the 1980's. As we move into the shuttle era, there will be little patience with science and applications payload advocates who aren't ready.

The great inventor, Fulton, is supposed to have said "when it's steamboat time, you steam!" Whether or not Fulton really said it, I fully expect NASA to say to the payload community, "when it's shuttle time, you shuttle!"

Such an attitude, it seems to me, would have the dual benefits of removing the high cost burdens of other launch systems from our astronautics budgets sooner, but also of fostering timely and realistic action toward reducing the costs of payloads themselves.

Stated differently, when I read in the press statements by a NASA official suggesting that one existing launch system will be kept in the inventory through 1985 because of planetary mission requirements, I feel that we perhaps are not being as serious about either economy or the shuttle as we should.

Let me turn now to a different, but closely related, topic, and one that I find exciting.

The year of Apollo-Soyuz should lead us to consider closely the possibilities of increased international cooperation in astronautics. Here the record is already quite good. From the many hundreds of sounding rocket flights, to increasingly common launch services agreements and to major cooperative projects like Helios, the Canadian applications satellite, and ASTP, NASA has had an exceptionally successful program of international cooperation in space flight.

The undertaking of our European friends to build Spacelab modules for shuttle flights marks the beginning of what will hopefully be a permanent large-scale cooperative effort in manned and unmanned space science and applications projects. But I believe we should look beyond these successes for further opportunities for cooperation. This is so not only for the sake of cooperation itself, but for the sake of improved astronautics endeavors as well. After all, cooperation offers very real benefits. In addition, joint ventures will relieve the strain on the U.S. space budget.

I do not offer international cooperation as a panacea. As we have learned from each of these efforts in the past, they often involve many roadblocks and hurdles that would not be encountered in a purely unilateral space program. With these caveats in mind, let me mention by way of example two or three major long-range opportunities for mutually beneficial space flight cooperation.

Number one. Let us consider a space station. Most of you will recall that, originally, in the late 1960's, NASA had hoped to make a space station its number one priority project in post-Apollo period. As the studies proceeded, it became clear that a new and better way was needed to get back and forth to such a station, and so the idea of a space shuttle evolved.

Because of budgetary constraints, it soon became apparent that these two projects could not be developed simultaneously, so NASA opted to go forward first with the more basic of the two, the space shuttle. Plans for the space station were dropped, and no such missions are even shown in the shuttle mission model for 1979–91.

But why shouldn't we revive the idea of a space station? As I mentioned, we already have the cooperative Spacelab program with the Europeans. At the moment, the Spacelab is designed to fly up and back on the shuttle, relying on the shuttle for its life support and other systems. But it is not inconceivable that life support and other shuttle transported modules could be launched in conjunction with a Spacelab so that we would have the beginnings of a space station.

The Soviets have recently launched the Salyut 4 and over many years have shown an active and continuing interest in the development of larger and more sophisticated orbiting manned spacecraft. Again, it is not inconceivable that the next generation of such craft would be large enough to hold several people and remain in orbit indefinitely. Perhaps a logical long-term follow-on to the ASTP program would be a joint program with the Soviets whereby they would furnish the space station and we would help resupply their station with provisions and scientific personnel.

Opportunity number two. NASA is now in the preliminary stages of designing a large space telescope, the LST. As you know, this instrument will operate above the earth's interfering atmosphere and give us our first really good unrestricted look at the universe. This instrument, and its ancillary equipment, is designed to be taken into orbit by the shuttle and left there untended when the shuttle returns to earth. The shuttle revisits it for resupply and to retrieve collected data. The entire instrument can be returned to the earth for refurbishment and repair, if necessary. In its normal mode, however, the LST can be thought of as an embryonic space station. Perhaps it could be operated in conjunction with Spacelab modules or with a Soviet space station. Certainly the data from the LST is going to be of enormous interest to scientists, especially astronomers, from all over the world.

Opportunity number three. If everything goes well, on July 4, 1976, a strange looking craft called the Viking will make a soft landing on the surface of Mars. We don't know yet, of course, what we will learn from that far-away landing, but already the interest in the scientific community is rising and speculation about follow-on programs is mounting. Sooner or later we are going to want to examine that Martian soil more closely. The January Issue of *Astronautics and Aeronautics* contains two rather detailed articles on possible post-Viking Mars exploration and the return of Mars surface samples to the earth. A roving vehicle on Mars is another possibility and here the Soviets' experience with thir lunar rovers could be quite useful.

One thing is certain, any such Martian mission will be expensive and it seems unlikely that any one nation—not even the United States—could carry out a series of such expeditions alone. So this seems like another area that would be ideal for an international program of cooperation that would benefit all the people of the world.

Before I close today, there is one other matter that I would like to bring to your attention. For a long time most of us interested in the development of new technologies have accepted as an article of faith that money spent on advanced R&D would create benefits that would eventually pay back to society many times more than the amounts originally expended. Another way of saying this is that R&D leads to greater productivity and the creation of greater wealth without inflation. As part of this faith, we have believed that it was necessary for the Nation to spend a certain portion of its income on R&D and for the Federal government to shoulder the burden for the riskiest portion.

Within the last three or four years, there have been some preliminary econometric studies which tend to show that these relationships are indeed true. There are two studies underway right now at NASA trying to refine the earlier studies. But none of these studies has yet given us the broader and more detailed results that would allow us to make more rational decisions on R&D priorities.

I have, therefore, asked the new Office of Technology Assessment to look at the problem with the hope that a comprehensive study might give us more confidence in what we had previously accepted on faith and also give us a better method for making the hard choices between competing requests for R&D funds.

I can assure you that if the OTA is able to develop a useful methodology in this area, it will be of enormous benefit to the Committee and to the Congress in the annual requirement to authorize and appropriate money for R&D projects.

I am confident—or else I would not have asked for the study—that we will be able to place our requests for an adequate space program on a sounder and more secure basis, and thus avoid a continuing crisis in astronautics. One final word—a postscript—I have talked for longer than usual without mentioning the ERTS program except in a passing way. There is an old political adage that politicians should avoid becoming zealots. I must confess to having become, over the past few months, a virtual zealot in support of continuing and expanding the ERTS program. I'm trying to taper off, but I haven't quite made it. I can't resist sharing with you my delight at the firm rumors around town that ERTS–C, or Landsat 3 is now in the NASA budget. Let's work together, at least as moderate zealots, to keep it there, and to continue and expand the many other worthy programs. Thank you.

LEO J. MEUSER

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. BLOUIN. Mr. Speaker, it seems particularly appropriate to me, at a time when the esteem of elected officials has dropped to record lows, to call attention to exceptions to that trend.

One of these exceptions, and one which I know from personal experience, is the former treasurer of Dubuque County in my home State of Iowa, Mr. Leo J. Meuser.

Mr. Meuser retired as county treasurer on December 31 of last year, after 36 years in public office. I believe it is a tribute to Mr. Meuser's honesty, proficiency, and dedication that he was continually reelected to the office of county treasurer since 1938.

He dispatched the weighty responsibilities of his office with a degree of integrity and efficiency which earned him the respect of the citizens he served as well for so long. Mr. Meuser is a very excellent example of the many thousands of public officeholders who disprove the cynicism and the disillusionment with which the public views politicians and public servants these days.

Because Mr. Meuser's record of service is both a source of encouragement and an example to be followed by all of us in public office, I would like to include the following article from the January 1, 1975, edition of the Dubuque Telegraph-Herald for the review of my colleagues:

MEUSER "CHECKS OUT" AFTER 36 YEARS

(By Bill Knee)

Dubuque County taxpayers and motorists will have to break a 36-year-old habit beginning tomorrow.

Checks to pay property taxes and motor vehicle registrations will no longer be made out to County Treasurer Leo J. Meuser.

Meuser, 73, spent his last day in office at the County Courthouse Monday. Late in the afternoon, the County supervisors followed the annual routine of counting the cash in the treasurer's office. Not so routinely, Meuser turned over the keys to the treasurer's office to County Treasurer-elect Tom Breitbach, Meuser's successor and the county's first new treasurer in 36 years.

A short office party was held at the end of the day to commemorate the occasion: Coke, coffee and a cake inscribed "Best wishes and appreciation Leo".

Everyone sang, "For he's a jolly good fellow." Meuser's eyes got wet more than once. Memories . . . Recollections . . .

It was back in the spring of 1938 that Meuser aspired to the county treasurer's job. He entered the Democratic primary, running against incumbent Treasurer Frank J. Hickson.

Meuser's father had been hit hard by the depression, and the position in the family business that Meuser had been groomed to fill was no longer there.

Meuser won that election 7,186 to 6,693. He still has the newspaper clipping showing a precinct breakdown of the vote.

"I've been here 36 years, about half my life," Meuser said in an interview. "My dad came down after I'd been in office about six months. He took me aside and said, 'You take care of this place, and they might give you two or three terms.' "

The two or three terms stretched into 36 years, as no opponent of either political party showed to run against Meuser in subsequent elections.

At first, the public had trouble with its new treasurer's name. It's pronounced MOY-zer.

"People still have trouble pronouncing it, although not nearly as much as at first," Meuser said. "It was everything from mouser, mewser, miser to a few other ways."

The years passed. People stopped writing Hickson's name on checks sent to the county treasurer's office.

In Meuser's first year in office, $2.9 million passed through his hands; in 1973, he handled $31.5 million. The 36-year total comes close to $1 billion.

Back in 1939, there were about 12,000 or 13,000 automobile registrations in Dubuque County. Last year there were more than 40,000.

Meuser said two county bond issues bracketed his tenure. In 1939, $45,000 in bonds were sold to meet heavy demands on the county poor fund. In 1973, $490,000 in bonds were sold to finance the county's share of the new County-City Law Enforcement Center.

During all those years, there never was a hint of irregularity.

Once, the state auditor criticized the county for not investing idle funds promptly. A front-page story in the Telegraph Herald Nov. 11, 1966, reported a loss of $80,000 in unearned interest. The figure was a typograpical error; it was corrected to $8,025 in the next edition. The story was clarified further by Meuser's explanation that $4,500 had indeed been earned in 1965, but hadn't shown up as receipts yet.

Meuser never took a vacation. His longest absence from work occurred last winter, when he was sick for a few months. That illness convinced him not to run for reelection.

However, Meuser did leave Dubuque briefly every four years to attend the national conventions of the Catholic Order of Foresters, an organization he has belonged to since he was 18.

For 39 years Meuser was the chief ranger (president) of one of Dubuque's five Catholic Order of Foresters courts. He was chief ranger of Iowa foresters for 20 years. And since 1960, Meuser has been one of the national organization's 15 trustees.

Meuser's retirement plans call for an eventual part-time job. In the meantime, however, he said he would work for the Catholic Order of Foresters to increase the group's membership.

Meuser will continue to live in Dubuque with his sister at the Stanton Street apartment he moved into a year ago after selling the last family home at 2499 Central Ave.

He never married. "I played hard to get, but I overdid it," laughed Meuser. Then, more seriously: "The real reason was that my mother was sick half of her life, and my sister had to take care of her. I had to take care of the family financially after my father died. . . . Just circumstances."

Looking back over 36 years in the county treasurer's office, Meuser said he was fortunate to have had a good staff: Deputy Treasurer Victor Brecht, 36 years with Meuser, with the exception of a short break to try his hand at business; Deputy Treasurer Eileen Boyce, 36 years also; Deputy Treasurer John Manders, 25 years; Chief Clerk Pat Powell, about 22 years, and many more.

"If there's been any success in the office, it wasn't due to myself, it was due to the good help," Meuser said.

He paused, then added: "They had a pretty good overseer, though."

THE CASE FOR A GASOLINE TAX

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. FRASER. Mr. Speaker, if there must be an increase in the cost of petroleum, higher prices should be imposed on gasoline alone, through an additional excise tax.

An editorial in yesterday's New York Times points out that—

> The fatal flaw in the Administration's argument against a gasoline tax is the assumption that all uses of petroleum are equal—equally necessary or equally wasteful, equally desirable for social or economic health.

Inconvenient and difficult though it may be, it will be possible to reduce gasoline use with less real hardship than to cut consumption of heating oil or industrial fuel.

The editorial follows:

TAXING GASOLINE AND AUTOS

The fatal flaw in the Administration's arguments against a gasoline tax is the assumption that all uses of petroleum are equal—equally necessary or equally wasteful, equally desirable for social or economic health. Thus, President Ford insists on a tariff on all crude oil imports rather than a higher excise tax on gasoline alone.

Yet, essential though automobile transport has become in most parts of the country, many American families have already found that the gasoline to power inefficient cars, one driver at a time, over short urban and suburban distances is far easier to spare in their energy budget than, say, the fuel to provide basic 68-degree heat in the home.

On average, American motorists drove about 300 miles less per car last year as a result of the higher cost of gasoline forced by foreign oil producers' price increases. This is an indication of the elasticity in gasoline—optional consumption that falls off as the price rises.

Nor is it necessarily fairer, as the Administration contends, to spread out the costs of conserving energy across all petroleum users—which, one way or another, means everyone. It is surely fairer to let each American motorist make the decision for himself how much to drive, rather than to force every consumer to pay the higher costs passed along by utilities, industries and everyone else who uses petroleum in the production process.

The fourfold price increase that has already occurred in crude oil has forced gasoline prices up about 37 per cent, but far higher percentages hit other fuel prices; diesel fuel went up 49 per cent, home heating oil 66 per cent, aviation fuel 100 per cent and residual fuel oil, used in industry and electric utilities a staggering 143 per cent.

Where is the equity, therefore, in "sparing" motorists the burdens of a sizable increase in the cost of a gallon of gasoline in order to spread out the burden among all petroleum products when these other products have already risen so much more?

Undoubtedly, adjustment to higher gasoline prices would create hardships, particularly at the start and in localities where there may now be no practical alternative to the car for employment and communication. But designing a system of rebates and allowances for essential automobile uses would be far less complicated than any attempt to compensate for the gross inflationary damage from across-the-board petroleum increases.

The social and economic judgment that underlies President Ford's abhorrence of a gasoline tax centers on an exaggerated pride of place which he assigns to the automobile industry. However, the unpalatable fact is that the directions pursued in car design and marketing over the past decade and the infrastructure of highways and community development that this trend has promoted have distorted the economic growth and social well-being of the nation.

One current example is the impact on employment and energy consumption from highway construction, so long the symbol of this country's auto-based economy. In a recent issue of Science magazine, two researchers calculated the difference between spending $5 billion on construction of new highways or investing the same amount in railroads and other mass transit facilities. The energy consumed in the construction work alone would be 62 per cent less for railroads than for highways; such a shift in priorities, moreover, would provide more than 8,000 additional jobs.

Leaders of the automobile industry recognize the need for new directions. Chrysler has begun a long-term restructuring that cuts capital overhead by one-third and projects sales in the range of 6 million cars every year instead of 8.8 million sold in 1974. General Motors has announced a four-year research program, costing $3 billion, to make its models smaller and lighter.

Such steps are but a beginning. Dr. Edward Teller, who knows something about advanced technology, believes that "except for the mental inertia in Detroit, we could have a fifty-mile-per-gallon car in perhaps as short a time as three years." Another critic of the automobile industry, Donald E. Weeden, president of the City Club of New York, has even proposed "massive government aid to Detroit to produce twenty million compact cars a year in order to get us out from under our existing inefficient fleet." A tax on horsepower or automobile weight would be a logical complement to a tax on gasoline; the goal is not to penalize motorists, but to reward efficient design and use of cars.

No energy policy that aims to protect the status quo of the automobile industry by preserving the relative cheapness of gasoline can make more than a dent in the profligacy of this country's energy consumption.

The undoubted hardships of a gasoline tax can only be measured against the alternative hardships foreshadowed by President Ford's tariff plan; these are becoming more extensive with each new economic analysis by the government itself. For the longer term, automobile and gasoline taxes would promote the necesary trend of American life away from the extravagances of the unfettered automotive economy.

LAWSUIT TO ENJOIN FURTHER U.S. MILITARY PARTICIPATION IN CAMBODIA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. DRINAN. Mr. Speaker, 20 members of the Congress and myself filed in the U.S. District Court for the District of Massachusetts on January 31, 1975, a lawsuit which would seek a preliminary injunction to halt further U.S. military operations in Cambodia. The suit has been brought against President Gerald R. Ford and other high ranking officials.

For the benefit of my colleagues, Mr. Speaker, I would like to bring to their attention the first half of the complaint which was filed last Friday in Boston:

[United States District Court for the District of Massachusetts]

VERIFIED COMPLAINT

Robert F. Drinan, Michael J. Harrington, John Joseph Moakley, Bella S. Abzug, Herman Badillo, George E. Brown, Jr., Yvonne B. Burke, Bob Carr, Ronald V. Dellums, Don Edwards, Donald M. Fraser, Ken Hechler, Henry Helstoski, George Miller, Richard L. Ottinger, Frederick W. Richmond, Benjamin S. Rosenthal, Edward R. Roybal, John F. Seiberling, Fortney H. Stark, Henry A. Waxman, and David E. Lowry, on his own behalf, and on behalf of all others similarly situated, Plaintiffs, v. Gerald R. Ford, individually and in his capacity as President of the United States; James R. Schlesinger, individually and in his capacity as Secretary of Defense; John L. McLucas, individually and in his capacity as Secretary of the Air Force; Henry A. Kissinger, individually and in his capacity as Secretary of State, and John Gunther Dean, individually and in his capacity as United States Ambassador to Cambodia; William L. Colby, individually and in his capacity as Director of the Central Intelligence Agency, Defendants

I. NATURE OF THE ACTION

1. Plaintiffs seek a preliminary and permanent injunction restraining defendants from carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and from furnishing advice, support, training and intelligence to the military forces of the Lon Nol regime, on the grounds that such activities are in violation of the mandate of Congress, the Constitution of the United States, the Paris Peace Treaty and other provisions of domestic and international law. Plaintiffs also seek appropriate declaratory relief.

II. JURISDICTION

2. This is a civil action seeking a declaratory judgment pursuant to Title 28 U.S.C. § 2201 *et seq.*, and injunctive relief, pursuant to Title 28 U.S.C. §§ 1331(a) and 1361, adjudging that certain operations currently being conducted or planned in, over, off the shores of and respecting Cambodia under the direction of defendants are in violation of domestic and international law, and restraining defendants and their agents from engaging therein. Jurisdiction is conferred upon this Court by Title 28 U.S.C. §§ 1331 and 1361; Title 5 U.S.C. §§ 701–706; Article I, Section 8, Clause 11, Article I, Section 9, Clause 7, Article I, Section 8, Clauses 12 and 18, and Article I, Section 2, Clause 5 of the Constitution of the United States and the Fifth Amendment thereto. The matter in controversy involves rights, privileges and immunities valued in excess of $10,000, exclusive of interest and costs.

III. PARTIES

Plaintiffs

3. Plaintiff Robert F. Drinan is the duly elected Member of the United States House of Representatives from the Fourth Congressional District of Massachusetts, residing at 140 Commonwealth Avenue, Newton, Massachusetts.

4. Plaintiff Michael J. Harrington is the duly elected Member of the United States House of Representatives from the Sixth Congressional District of Massachusetts, and resides at Bayview Avenue, Beverly, Massachusetts.

5. Plaintiff John Joseph Moakley is the duly elected Member of the United States House of Representatives from the Ninth Congressional District of Massachusetts, residing at 1812 Columbia Road, South Boston, Massachusetts.

6. The above-named plaintiffs, all Members of the House of Representatives from the District of Massachusetts, are joined in this action by the following duly elected Members of Congress from across the Nation:

Bella S. Abzug, representing the Twentieth Congressional District of New York;

Herman Badillo, representing the Twenty-first Congressional District of New York;

George E. Brown, Jr., representing the Thirty-eighth Congressional District of California;

Yvonne B. Burke, representing the Thirty-seventh Congressional District of California;

Bob Carr, representing the Sixth Congressional District of Michigan;

Ronald V. Dellums, representing the Seventh Congressional District of California;

Don Edwards, representing the Ninth Congressional District of California;

Donald M. Fraser, representing the Fifth Congressional District of Minnesota;

Ken Hechler, representing the Fourth Congressional District of West Virginia;

Henry Helstoski, representing the Ninth Congressional District of New Jersey;

George Miller, representing the Seventh Congressional District of California;

Richard L. Ottinger, representing the Twenty-fourth Congressional District of New York;

Frederick W. Richmond, representing the Fourteenth Congressional District of New York;

Benjamin S. Rosenthal, representing the Eighth Congressional District of New York;

Edward R. Roybal, representing the Thirtieth Congressional District of California;

John F. Seiberling, representing the Fourteenth Congressional District of Ohio;

Fortney H. Stark, representing the Eighth Congressional District of California.

Henry A. Waxman, representing the Twenty-fourth Congressional District of California.

7. The above-named plaintiffs, hereinafter referred to as "Congressional Plaintiffs" have been deprived by defendants of their Constitutional and statutory right and obligation to participate, together with other Members of Congress, in deciding where and when American forces are to be committed to and involved in, hostilities; and also where, and for what purposes the funds of the United States Treasury are to be appropriated. By the illegal acts of defendants complained of herein, the legislation which they enacted, together with over a majority of the Members of Congress, has been and continues to be rendered a nullity, in whole and/or in part. They have a right to compliance, by the executive branch, with their lawful mandate, and are entitled to a determination as to the illegality of defendants' actions complained of herein, under their Constitutional duty to determine whether a resolution of impeachment is called for, and also to prohibitory injunctive relief against defendants to effectuate, as swiftly as possible, their lawful mandate.

8. David E. Lowry, is a Private First Class, resides at 1550 Worcester Road, Framingham, Massachusetts, and is presently serving in the United States Marines, attached to the Second Marine Air Wing at Cherry Point, North Carolina. He is trained as an electrician to work on aviation support equipment. Plaintiff Lowry believes that defendants' activities complained of herein are illegal, that they perpetuate and cause to be escalated American military involvement in the civil war in Cambodia, and that if forced to participate directly or indirectly therein, he may be deprived of life or liberty without due process of law, either by being killed or taken prisoner in the course of carrying out illegal military operations, or by being disciplined for disobeying an illegal order. Plaintiff Lowry sues on his own behalf and on behalf of all those similarly situated.

Defendants

9. Defendant Gerald R. Ford is the President of the United States and Commander in Chief of the Armed Forces, and in these capacities, it is his duty "to take care that the laws be faithfully executed" and he is responsible for all the actions of all the defendants and their agents.

10. Defendant James R. Schlesinger is the Secretary of Defense and is the official responsible for the conduct of the Armed Forces of the United States.

11. Defendant John L. McLucas is the Secretary of the Air Force and, in that capacity, is the civilian official directly responsible for and in control of the operations being conducted by the United States Air Force in Southeast Asia.

12. Defendant Henry A. Kissinger is the Secretary of State, and in that capacity is responsible for the conduct of the foreign affairs of the Nation, and the operations of the foreign service.

13. Defendant John Gunther Dean is the United States Ambassador to Cambodia, and in that capacity is responsible for the execution of United States policy toward Cambodia and for the conduct of all official United States personnel in Cambodia.

14. Defendant William F. Colby is the Director of the Central Intelligence Agency and in that capacity is responsible for the conduct of all CIA personnel in and with respect to Cambodia.

IV. CLASS ACTION ALLEGATIONS

15. Plaintiff David E. Lowry sues pursuant to Rule 23(a) and (b)(2), on his own behalf and on behalf of all other members of the United States service similarly situated, who, by virtue of the continued and escalating involvement of the United States in the hostilities in Cambodia are threatened with being ordered to serve or assist, directly or indirectly, in the illegal and unconstitutional activities of the defendants respecting the civil war in Cambodia, which eventuality would put their life, limb, and liberty in jeopardy without due process of law and would expose them to punishment in violation of due process of law should they refuse to carry out such illegal and unconstitutional orders. The class represented by the plaintiff is so numerous that joinder of all members is impracticable; there are questions of law and fact conmmon to the class. The claims or defenses of the plaintiff are typical of the claims and defenses of the class; the plaintiff will fairly and adequately protect the interests of the class. Defendants have acted on grounds generally applicable to the class, thereby making appropriate final injunctive and corresponding declaratory relief with respect to the class as a whole.

V. THE INCIDENTS AT ISSUE

16. On February 27, 1973, the United States signed, in Paris, the Agreement on Ending The War And Restoring Peace in Vietnam, (hereinafter "Paris Agreements"), Article 20(b) of which obliges the United States to put an end to all military activities in Cambodia.

17. Notwithstanding the Paris Agreement, a civil war has been and continues to be waged in Cambodia, respecting which hostilities the forces of the Lon Nol regime receive massive military and paramilitary assistance from the United States by and through the servants, agents and employees of the defendants.

18. In a series of enactments both prior and subsequent to February 27, 1973, the Congress of the United States has manifested its unequivocal intent to prohibit the direct or indirect involvement of the United States in the Cambodian civil war, whether in a combat, combat-support or advisory capacity.

19. Nevertheless, on information and belief,

the defendants, their agents, servants and employees and those acting in concert with, under the direction or wtih the assistance of the aforesaid, are engaged in combat, combat-support, and strategic and intelligence activities in, over, from off the shores of and respecting Cambodia and are sustaining, advising and directing the operations of the armed forces of the Lon Nol regime on a day-to-day basis. On information and belief, such activities include but are not limited to the following activities.

(a) Planning and preparation for execution of an emergency contingency plan to utilize the United States Air Force, its personnel and resources to carry out a massive airlift of military and other supplies to Phnom Penh and other embattled areas along the Mekong River, should the present supply missions prove inadequate to sustain the Lon Nol regime. (Exhibit A, to affidavit of Peter Weiss filed in support of Plaintiffs Order to Show Cause, (hereinafter "Weiss Affidavit")).

(b) Financing, directing and controlling a secret mission code-named Operation SCOOT (Support for Cambodia out of Thailand) which coordinates flights of United States cargo planes to resupply Lon Nol troops in Cambodia. Those flights involve both United States Air Force and other military personnel directly and indirectly; and since October, 1974 are also being carried on by so-called "civilian companies", which airlift supplies daily in and around Phnom Penh, Neak Luong and other areas of Cambodia under siege. The "civilian companies", one of which is known as "Bird Air," carry out missions under contract with and under direction and control of defendants, their servants, employees and agents, utilize repainted Air Force transport planes provided by defendants and former Air Force officers as pilots, and as such are acting as agents of the defendants. The flight operations described in this paragraph have involved the loss of life and injury to an unknown number of military and "civilian" personnel. Combat pay or a stipend for special hazardous operations is paid to the military and civilian personel involved. (See Exhibits A, B, C, D, E, F, and G.)

(c) Frequent daily aerial reconnaissance missions by U.S. Air Force planes and pilots stationed in Thailand. These flights collect strategic information concerning the circumstances of hostilities, including but not limited to the deployment of troops and movement of supplies, targets for and results of bombing sorties. The flights are made over areas and under circumstances where hostilities are raging or imminent, and some planes have returned from missions over Cambodia with battle damage, and special combat pay is given to the military personnel involved in these reconnaissance missions. (See Exhibits B, H, I, J, and K attached to Weiss Affidavit).

(d) Collecting, on a daily basis, by means of aerial reconnaissance and other means of intelligence information concerning the hostilities, analyzing the information and passing the results of such analysis on to the United States Embassy in Phnom Penh and to the forces of the Lon Nol regime, such results including, but not limited to, recommendations for bombing targets, information concerning the effects of the bombing carried out in response thereto, and other information and recommendations concerning the movement of ground and naval troops, and resupply needs and missions. (See Exhibits B, H, I, J, K and L attached to Weiss Affidavit).

(e) Furnishing from the United States Embassy in Phnom Penh by defendant DEAN and his subordinates, at the mission and in the field, strategic military and technical advice to Cambodian troops on a continual basis. (See Exhibits B, L and M attached to Weiss Affidavit).

(f) Directing, coordinating, advising, training, and accompanying in the field military ground operations of the Lon Nol forces, including rocket attacks on enemy supply lines, coordinating local air strikes and local defensive and offensive maneuvers.

(g) Conducting off-shore marine and naval maneuvers which provide support for ground and air attacks.

20. United States involvement in the Cambodian civil war is, on information and belief, not marginal.

21. On information and belief, the combination of activities orchestrated and carried out by the defendants, their servants, agents and employees and those acting in concert with them and under their direction and control, as heretofore alleged in paragraphs 19–20 and as yet to be discovered and revealed, constitute continuing and escalating direction, control, sustenance of and involvement in the civil war in Cambodia on behalf of the Lon Nol regime. (See Exhibits A through P attached to Weiss Affidavit).

22. In a series of enactments, the Congress of the United States has also manifested its unequivocal intent to limit the direct or indirect involvement in and support of the Lon Nol regime by the United States, to wit, by limiting in the Foreign Assistance Act of 1971, 22 U.S.C. § 2146, to 200, the number of United States personnel who may be present in or over Cambodia at any one time and to 85 the number of non-United States or Cambodian citizens in Cambodia who may be compensated in whole or in part, directly or indirectly out of United States funds.

23. Nevertheless, defendants have, on information and belief:

(a) maintained and do maintain more than 200 United States personnel at the Embassy in Phnom Penh and in other parts of Cambodia and have engaged and continue to engage in the subterfuge of transferring United States personnel in and out of Cambodia for brief periods of time contracting for the services of United States civilians not in the formal employ of defendants in an attempt to evade the legal limit. (See Exhibits G and L attached to Weiss Affidavit).

(b) provided compensation and allowances, in whole and in part, directly and indirectly, for more than 85 nationals of countries other than the United States and Cambodia, among the tasks of such individuals being to staff commercial convoys of vessels numbering up to 30, which cross into Cambodia from Vietnam and attempt to break through the present blockade of the Mekong River and deliver supplies to embattled Lon Nol forces along the route and in Phnom Penh. (See Exhibit P, attached to Weiss Affidavit).

24. On information and belief, the aforedescribed economic and military assistance to the Lon Nol regime, including financing of activities, programs and supplies, and providing personnel, expert and otherwise, is essential to the maintenance of the Lon Nol regime, against the will of the people of Cambodia, without which regime the hostilities, involving United States personnel and assistance on a continuing basis, as heretofore alleged, would cease.

25. Information concerning the full and complete scope of United States military and paramilitary operations, in, over, from off the shores of and respecting Cambodia, is limited because, on information and belief, *bona fide* news media correspondents have been denied through acts of omission and commission of the defendants, their servants, agents, employees and other persons acting in concert with them and on behalf of foreign governments, regular access, in whole or in part, to military bases which were constructed or are being maintained or operated with U.S. funds, and from which personnel of the United States carry out military operations, among these being the Udorn Air Force Base in Thailand and the aircraft landing area in Cambodia, which is being used for the "civilian" airlift of supplies to Lon Nol forces in and around Phnom Penh. (See Exhibits B and D, attached to Weiss Affidavit).

DEMAND FOR INVESTIGATION OF ACTIVITIES OF FORMER VICE PRESIDENT AGNEW

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. MOTTL. Mr. Speaker, great segments of the American public are increasingly indignant over the manner in which many persons who betray their trust seem to reap rich rewards for their malefactions.

It seems to me that Congress should investigate and expose the get-rich-quick career of former Vice President Spiro T. Agnew since he left office in disgrace.

According to news media reports, Mr. Agnew is apparently well on his way to becoming a multimillionaire by peddling influence and helping Arab investors buy control of American coal mines, real estate, and industry.

Mr. Agnew, it might be said, is enriching himself through activities which might be considered inimical to the best interests of the American people.

His conduct prompts me to propose that Congress seriously consider the possible enactment of legislation which would:

First, bar former public officials from selling their knowledge of Government operations to alien investors or commercial interests; and

Second, prevent the threatened takeover of vital American resources and industry by foreign capital.

In the latter regard, the consequences might be disastrous if the same Middle Eastern monarchs who have created an energy and economic crisis throughout the world by organizing a cartel to artificially skyrocket the price of oil were to use their profits from this operation to buy control of American coal mines and other fuel sources which are potential substitutes for petroleum.

I have, therefore, written the Honorable Henry S. Reuss, chairman of the House Committee on Banking, Currency and Housing, requesting that his committee conduct an investigation on the activities of Mr. Agnew and the desirability of imposing a legislative curb on them and similar activities which may be deemed harmful to our national interests.

My letter to Mr. Reuss reads as follows:

House of Representatives,
Washington, D.C., January 30, 1975.

Hon. Henry S. Reuss,
Chairman, Committee on Banking, Currency and Housing, Washington, D.C.

Dear Congressman Reuss: It has been reported in the Press that Spiro T. Agnew, the discredited former vice president, who left office in disgrace because he betrayed his trust, has since been accumulating a personal fortune by representing Middle Eastern oil sheiks in the acquisition of American property such as coal mines and real estate. It has also been reported that Richard G.

Kleindienst, the former Attorney General of the United States has been retained as the $120,000 a year representative of the interests of a foreign country.

It seems to me that these developments point up certain critical problems which call for an investigation and public hearings by your committee.

First, is it ethical and proper for a former government official to capitalize on his previous authority and information to sell his services at fabulous prices to foreigners whose interests may not be compatible with the interests of the people of the United States?

Should we permit foreign nations, whose control of oil production is causing serious international economic problems, to gain control of American energy sources, such as coal mines?

It seems to me that the American public is entitled to full disclosure, as well as a spotlighting of the principles involved, of all the details of the specific cases of Mr. Agnew and Mr. Kleindienst.

I herewith request that your committee make a thorough investigation of these matters and schedule public hearings in which Mr. Agnew and Mr. Kleindienst would be called to testify and explain their possible conflict of interest between their status as fromer public officials and present representatives of foreign interests.

I also think it is important that your committee look into the crucial problem of foreign governments and foreign investors gaining control of vital American industries and resources.

Sincerely,

RONALD M. MOTTL,
Member of Congress.

ENERGY INDEPENDENCE ACT OF 1975

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. QUIE. Mr. Speaker, I have today cosponsored the Energy Independence Act of 1975 with over 20 cosponsors representing all Republican leadership posts and including most of the ranking minority members on the legislative committees. It is a very comprehensive bill embracing all major aspects of the President's energy package.

The central theme of the energy issue is this: The entire globe has been changed fundamentally by a quadrupling in oil prices set by the OPEC nations as a political tool. The United States which rose to power on the assumption of unlimited supplies of cheap oil, must change markedly or face an economic ruin. It is this unpleasant truth that the Energy Independence Act of 1975 recognizes.

The package, among others, authorizes the production of petroleum from naval petroleum reserves, deregulates wellhead price controls over new natural gas sold in interstate commerce and seeks a better balance between automobile fuel economy and air quality. It is a package aimed at the size of this country's energy diet.

While I wish to support the President in achieving these goals, I am in basic disagreement with two measures in the package. I oppose administrative decontrol of domestic old oil now controlled at $5.25 per barrel. Presidential authority for decontrolling old oil lies in the Emergency Petroleum Act of 1973, but Congress retains the power to block decontrol. Secondly, I oppose imposition of an excise tax on all domestic crude oil of $2 per barrel. The total tax package and decontrol would ultimately add about $4 a barrel, or 10 cents per gallon at the pump, to the average costs of all products. The hike roughly equals 1 cent per gallon per dollar of tax.

The effect is clear and it does not seem to me that we should permit domestic crude to rise drastically. These price increases would unfairly penalize the poor and elderly who would be least able to afford them. Everyone would pay more and I cannot see how this large increase in fuel price would in any way be helpful to bring us out of a recession.

I wish to make clear my strong support of the $3 tariff tax by April 1 as a means of cutting back on domestic use of foreign oil. Our foreign oil costs last year led to our second worst trade deficit in history. We would have recorded a 1974 trade surplus of $14 billion without the foreign price increase.

The United States could adopt an import quota system but this would cause disparities greater than a tariff.

In 1972 our oil imports accounted for 29 percent of our total consumption. Imports now amount to 40 percent; we must reduce our frightening dependency on foreign oil. The United States cannot continue exporting our dollars at an annual rate of $25 billion just to pay for foreign oil. The Energy Independence Act of 1975 is a vehicle to help us obtain energy efficiency. There is no quick or painless way out of this agonizing mess. This prescription for solving the country's energy problems deserves serious and quick consideration.

LAWMAKERS, CONSUMERISTS CALL FOR FULL LABELING OF BABY FOODS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. ROSENTHAL. Mr. Speaker, 57 of our colleagues in the House and Senate plus two public interest consumer groups today joined me in petitioning the Food and Drug Administration to require full ingredient disclosure and percentage labeling of all baby foods.

Current baby food labels are misleading because they give the impression that the contents are pure product—that is, egg yolk, beef, apples, et cetera—when, in reality, they contain significant amounts of nonnutritious ingredients.

Present law requires only the listing of ingredients in order of predominance; this gives no clue as to the true quantity of contents. The first ingredient may be present in an amount only fractionally greater than the second. The petition being filed today seeks the listing of all ingredients constituting 2 percent or more by weight.

FDA considers baby foods to be "foods for special dietary use" and thus the agency has authority to order the labeling requested by the lawmakers and the consumerists.

Our petition also asked FDA to require that the name of the baby food on the jar include the percentage by weight of the major—characterizing—ingredients. For example, the name of a strained carrot product would be "strained carrots—70 percent carrots."

FDA already requires this information on such products as seafood cocktails, crabmeat, Greenland turbot, bonita and diluted orange juice beverages. So why not baby food?

Baby food companies are deceiving the public. Parents should know that "high meat" baby foods contain as little as 30 percent meat and that "cottage cheese with pineapple" contains only 20 percent cottage cheese. Current labeling, in my opinion, is misleading and in violation of the Federal Food, Drug, and Cosmetic Act.

Percentage ingredient labeling of baby foods would introduce competition on the basis of quality in the marketplace instead of Madison Avenue imagery. The cost to manufacturers to initiate such labeling would be negligible—but the value to consumers would be immense. The companies have all the ingredient information in hand and new labels are needed periodically.

Commercial baby foods often contain large amounts of water. Dilution with water is frequently undetectable because the ingredients are so well homogenized and because the use of modified starches masks the presence of large amounts of water. These starches add only calories, not nutrients. Consumers should—and must—know the percentage of nutritious ingredients versus the percentage of empty calorie starches and sugar. One brand of apples and cranberries contains more water than apples and more sugar than cranberries.

Appearances can be deceiving because consumers cannot determine visually or by taste the approximate composition of products since most baby foods are pureed beyond recognition.

Joining in the petition are the Center for Science in the Public Interest—CSPI—a nonprofit research organization, and LABEL, Inc., a group which has been very active in the field of food labeling. Concurrent with filing the petition, CSPI today released a "White Paper on Infant Feeding Practices," which charges that infant feeding practices in the United States have been shaped by commercial pressures rather than by scientific knowledge about what is best for infants.

Members of Congress signing the petition follow:

MEMBERS OF CONGRESS SIGNING THE PETITION

Rep. Bella S. Abzug (N.Y.)
Rep. Joseph P. Addabbo (N.Y.)
Rep. Herman Badillo (N.Y.)
Rep. James J. Blanchard (Mich.)
Rep. William M. Brodhead (Mich.)
Rep. George E. Brown, Jr. (Ca.)
Rep. James C. Corman (Ca.)
Rep. Christopher J. Dodd (Conn.)
Rep. Thomas Downey (N.Y.)
Rep. Robert F. Drinan (Mass.)
Rep. Robert Duncan (Ore.)
Rep. Don Edwards (Ca.)
Rep. Joshua Eilberg (Pa.)
Rep. Daniel J. Flood (Pa.)
Rep. Donald M. Fraser (Minn.)
Rep. Benjamin Gilman (N.Y.)

Rep. Gilbert Gude (Md.)
Sen. Vance Hartke (Ind.)
Rep. Michael Harrington (Mass.)
Rep. Augustus F. Hawkins (Ca.)
Rep. Ken Hechler (W. Va.)
Rep. Elizabeth Holtzman (N.Y.)
Rep. James Howard (N.J.)
Sen. Hubert H. Humphrey (Minn.)
Rep. Edward I. Koch (N.Y.)
Rep. Andrew Maguire (N.J.)
Rep. George Miller (Ca.)
Rep. Patsy T. Mink (Haw.)
Rep. Joe Moakley (Mass.)
Sen. Walter F. Mondale (Minn.)
Sen. Joseph M. Montoya (N. Mex.)
Rep. William S. Moorhead (Pa.)
Rep. Charles A. Mosher (Ohio)
Rep. Stephen L. Neal (N.C.)
Rep. Robert Nix (Pa.)
Rep. David R. Obey (Wisc.)
Rep. Richard Ottinger (N.Y.)
Rep. Edward J. Patten (N.J.)
Rep. Claude Pepper (Fla.)
Rep. Charles Rangel (N.Y.)
Rep. Frederick W. Richmond (N.Y.)
Rep. Peter W. Rodino, Jr. (N.J.)
Rep. Robert A. Roe (N.J.)
Rep. Charles Rose (N.C.)
Rep. Benjamin S. Rosenthal (N.Y.)
Rep. Edward R. Roybal (Cal.)
Rep. Paul E. Sarbanes (Md.)
Rep. Patricia Schroeder (Colo.)
Rep. Stephen J. Solarz (N.Y.)
Rep. Fortney H. Stark (Cal.)
Rep. Lewis Stokes (Ohio)
Rep. Gerry E. Studds (Mass.)
Rep. Paul E. Tsongas (Mass.)
Rep. Morris Udall (Ariz.)
Rep. Henry Waxman (Cal.)
Rep. Charles Wilson (Tx.)
Rep. Timothy Wirth (Colo.)
Rep. Gus Yatron (Pa.)

GOOD ROADS FOR RURAL AMERICA

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. RISENHOOVER. Mr. Speaker, I am today introducing important legislation which I believe meets a crucial need in providing good roads for rural America—a bill providing emergency bridge construction.

Public Law 93–643, enacted by the 93d Congress, made important headway in strengthening our Nation by improving means for building rural roads. As the 94th Congress considers spending programs for fiscal 1976, I am hopeful that full funding of this program receives top consideration.

Legislation I am introducing today was prepared in close cooperation with the State of Oklahoma Department of Highways and would serve to fill a critical gap in the Federal-aid highway program by setting up a special bridge construction program.

The new legislation is aimed at increased funding in the specific area of emergency bridge construction on off-system roads. Funding would be authorized as follows:

RISENHOOVER BILL

	Millions
1976	$176
1977	175
1978	175
1979	200
1980	200

PUBLIC LAW 93–643

The additional features and revisions which are desirable in terms of implementing and administering Public Law 93–643 are included. This is through revisions of methods of apportioning funds, identifying needed projects and procedures of administering the program.

First, the local units of government—in Oklahoma that would be our county commissioners—would have the responsibility of selection of the projects based on logical criteria. The local government would provide engineering and design work and get the project ready for letting with important aspects such as right-of-way acquisition.

Then the State transportation agency—in Oklahoma that would be the highway department—would act as the county's agent in letting the contract and supervising construction. This basic administrative procedure is now used in the county farm-to-market program and the urban system program.

Oklahoma's Highway Director Dick Ward said this division of responsibility is necessary because he is "doubtful that many counties in Oklahoma would have the resources available to let construction contracts and administer the contracts after they were let."

Mr. Speaker, I feel strongly that the future growth and economic strength depends strongly on new commitments for building rural America. A top priority must be getting the farmers out of the mud and their vital products on a smooth road to market. The bill I am introducing today is critical in meeting that challenge through bridge building.

My county commissioner friends tell me that their main road-building problem is construction of bridges. Safe, strong bridges are needed now—and there is an emergency.

Again, I want to thank the Highway Department of Oklahoma for helping me draft this legislation: Director Ward and his planning engineers. Monte Murphy and Jerry Chambers, worked long and hard in helping draft the bill. Also, I am grateful for the counsel of my county commissioners of the second district who have encouraged me in finding a solution for the problems. I urge each Member of the House—and the important members of the Public Works Committee—to carefully consider this bill and move for its early enactment as well as toward full funding of public law 93–643.

THE SOCIAL SECURITY SYSTEM

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. EVANS of Indiana. Mr. Speaker, an excellent article on the social security system appeared in yesterday's New York Times, entitled "Social Security: Healthy but Facing Problems."

This article was of particular interest to me, as I have received several letters from constituents during the past few weeks who are very worried about the financial integrity of the system. Many have expressed concern that the age floor for benefits will be pushed back, so that benefits they have counted on for their retirement years will not be available to them.

While no easy answers or assurances are contained in the article, I believe it clearly explains the difficulties and hard choices which Congress must soon grapple with. I commend this article to the attention of my colleagues:

SOCIAL SECURITY: HEALTHY BUT FACING PROBLEMS

(By Edwin L. Dale, Jr.)

WASHINGTON, Feb. 2.—In the 35 years since its first benefit checks went out, the United States Social Security System has grown into the largest cash-disbursing operation in the world—and one that is beginning to see financial troubles ahead.

Not counting Medicare, the basic Social Security System of retirement benefits, survivors' benefits for the families of workers who die and disability benefits for those whose illness or injury prevent their working will be paying out an estimated $65-billion in the current fiscal year to about 31 million men, women and children.

The financial problems are not immediate, and benefits are not in jeopardy. But Congress will have to begin examining the problems later this year because benefits will soon start to exceed the income from Social Security taxes.

Social Security has provided more benefits than the original law envisaged for anyone who has retired up to now, and it has proved a reasonably good insurance policy for widows with children and for the disabled. Often overlooked is the fact that 11 million of the beneficiaries, or 35 per cent are in the last two categories.

YOUNGER WORKERS' BURDEN

Questions have been raised about the value of the system to today's younger workers, who are paying far higher Social Security taxes than their predecessors in the labor force. But these younger workers, too, are assured of a retirement income related to their wages and have the "insurance policy" in the meanwhile. A strong case can be made that the system remains a good financial proposition for them as well, and there is very little support for doing away with it, in any case.

Social Security has always been presented as "social insurance," not welfare. There has never been a means test for Social Security benefits, which are related to past earnings and come as a matter of right, regardless of income.

At the beginning, the system was financed partly on the insurance principle. That is, a "trust fund" was built up as a reserve for future benefits, although Social Security never pretended to be "actuarially sound" in the same sense as a private life insurance company.

But by now—even though the $50-billion trust fund built up in the past remains—the system is entirely "pay as you go." Each year's taxes just pay for that year's benefits. That is another way of saying that the young pay for the old. The old are guaranteed their benefits by law and the good faith of the United States Government, not by their past contributions or a vast "reserve."

BENEFITS PEGGED TO WAGES

Social Security has provided much more income for those already retired than they had counted on because their benefits—which started at a fixed relationship to their wages while they were working—have been repeatedly increased by Congress and now rise automatically with the consumer price index. The original "insurance contract" entitled them only to a fixed amount in perpetuity. But in the last five years, the percentage increase in Social Security benefits has substantially exceeded the rise in the cost of living.

The automatic cost-of-living increase will continue to apply to those who retire in the future, and—except for a handful of plans negotiated by unions—no private pension plan or insurance policy can offer that.

Social Security has been particularly beneficial to retirees with lower wages while working and to those whose starting benefits were very low. Although the point is seldom trumpeted, Social Security has always had a "welfare" element.

That is, the benefit formula is computed so that starting benefits are higher in relation to wages of lower paid workers than to those of higher paid workers.

For a worker who has always received a salary at least as high as the wage base [now $14,100 a year], the starting retirement benefit will be about 34 per cent of his covered average wages (plus half again as much when his wife reaches 65). But for a worker whose wages are about at the poverty level of $5,000 a year, the starting benefit will be 63 per cent of his wages—plus, again, an added 50 per cent for his wife.

In addition, for those with very low starting benefits, Congress has from time to time raised the minimum benefit, which removes all relationship with past wages. But this remains quite small, at $93.30 a month for the retired worker with very low lifetime earnings.

Partly because the tax rate has gradually increased, but even more because of the large and steady rise in the covered wage base, Social Security taxes have risen substantially for better paid workers—to a maximum of $824.85 this year compared with $174 10 years ago—with the employer paying the same. But so have their prospective benefits risen.

A man or woman retiring tomorrow who has always made at least as much as the wage base will have a starting benefit of $316.30 a month (plus half as much again when the spouse reaches 65). A man-and-wife income of $474.45 monthly, tax free, is significant indeed, especially since it will rise with the cost of living.

In addition, the starting benefit for the better paid worker will rise regularly—although the exact amount cannot be calculated now—because new retirees will have worked more years at the ever-higher wage base, thus raising their average covered wages.

If Social Security, then, on the whole, appears a reasonable deal, what are its problems?

The chief one is financial, and must be divided into two parts—the short run and the long run.

The short run problem, which does not present an emergency, starts as early as next year. Largely because of double-digit inflation, and the way prices—departing from the historical record—have outrun the rise in wages, Social Security benefits starting in 1976 will exceed tax receipts by several billion dollars.

Given the $50-billion trust fund as a kind of cushion, this poses no early threat to benefits. But the trust fund cannot be run down indefinitely.

Thus the Social Security Advisory Council, a group of prominent private citizens, established by law, will soon recommend a change in financing. This would remove slightly more than half of the cost of Medicare—about $7-billion—from the Social Security tax, and leave more of that tax to finance the basic Social Security System. Under this proposal, the tax rate could remain at the present 5.85 per cent paid by both employer and employee for a number of years to come, and Social Security benfits would be safely covered by receipts. But the $7-billion to pay for Medicare would have to be found from general revenues at a time of severe budgetary stringencies and large deficits.

BIRTH RATE FACTOR

The Ford Administration and Congress will be grappling with this problem later this year and may not resolve it until 1976, quite possibly in the context of an over-all program of national health insurance.

The long-term problem has quite a different cause—the new demography in the United States caused by the recent unexpected fall in the birth rate. In the next century, there will be more aged persons for each person employed, and it will be a greater burden for the young to pay for the old.

Present estimates are that, compared with 30 beneficiaries of Social Security for every 100 workers now, there will be 45 by the year 2030. Whether this will mean much higher taxes on the workers, a fundamental change in the system or even a later retirement age, no one can say now. But there is about a quarter century to debate the issue, and there is no reason to believe that the retirement benefits of any present member of the working force are in jeopardy.

The second main problem relates to the first. The Social Security tax, which was almost painless for the first 25 or 30 years of the program, is now a real burden—a worthwhile one, perhaps, perhaps, but still a burden. And it remains regressive in the sense that workers earning from almost nothing up to $14,100 pay a full 5.58 per cent of their wages while those earning more than that pay a decreasing percentage as earnings rise.

The tax rate does not rise with income, as is true of the income tax. It has no special deductions for the very low wage earner as the income tax does. But then, the tax is in a sense an "insurance premium" and, in the opinion of many, should not be viewed as other taxes are.

TAX REFORM POSSIBILITY

The problem may well be handled in good part by making the income tax more progressive, with major relief for those with lower incomes. This was proposed recently by President Ford and backed in principle by Democrats in Congress. It is the combined tax burden—the total deduction from every paycheck—that matters to the working person. Under this idea, the Social Security tax as such would remain as is, but the combined tax burden would be more progressive and substantially reduced in the lower ranges of the income scale.

There remain some long-standing lesser criticisms of the system. It treats women differently from men in some respects. It continues to impose a penalty on persons between 65 and 72 who want to work because, if they earn enough, they lose some or all of their Social Security benefits.

But public support for it appears strong on the whole, despite probably more criticism, or at least doubt, in the last few years than ever before.

INTRODUCTION OF VISA WAIVER LEGISLATION

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. WON PAT. Mr. Speaker, last September, I introduced H.R. 16775, a bill to waive visa requirements for aliens visiting Guam for more than 15 days. Shortly thereafter, Congressman PETER RODINO, chairman of the House Judiciary Committee kindly informed me that he had requested reports from the Departments of State and Justice on H.R. 16675. To assure legislative continuity in this Congress, I have again introduced legislation identical to H.R. 16775.

The basic thrust of my bill would be to eliminate the present time-consuming restrictions required by immigration law and thus hopefully, make travel for foreign visitors to Guam simpler and more attractive.

The matter of waiving visa requirements for temporary visitors to Guam is a vital one for our island's economy. Guam in recent years has experienced a remarkable increase in the number of foreign visitors who come to our island. Many of these visitors are on their honeymoon; others are on Guam for short business trips. As they are presently structured, the requirements which aliens need to fulfill just to obtain a temporary entry visa into Guam are not only cumbersome, but offensive to many foreigners. So much so, that the Guam Chamber of Commerce and the Guam Travelers Bureau believe that foreign reluctance to submit to the Department of State's stringent regulations may inhibit many potential visitors from coming to Guam.

It is my belief that temporary visitors to Guam need not be submitted to this kind of rigid paperwork since Guam is outside the U.S. Customs territory. We want to encourage visitors to Guam, not discourage them. Being a small island, there would be little difficulty in keeping aliens under surveillance, unlike larger areas in the States.

Under the provisions of this legislation, nonimmigrant aliens who seek to enter Guam without meeting the present regulations would be limited to nationals of foreign countries designated by the Secretary of State on the basis of reciprocity or on his determination that such a designation would prompt America's interest in the Pacific.

Other islands in the Pacific are competing with Guam for the Pacific tourist trade. Unless Congress can provide aliens who seek to visit Guam with some easing of the present entrance regulations there is every reason to believe that they will find it easier to take their business and money elsewhere. I, therefore, urge my colleagues in the Congress to support this measure which could provide a welcome boost to Guam's tourist industry.

Thank you.

A REMARKABLE YOUNG MAN'S VIEW OF CITIZENSHIP

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. ST GERMAIN. Mr. Speaker, when the Rhode Island Veterans of Foreign Wars announced Scott Liard as winner of their Voice of Democracy Contest, I was not a bit surprised. I have known Scott for the greater part of his life and have come to expect nothing less than outstanding achievement in everything he undertakes.

This young man ranks first academically among the 294 seniors at Lincoln High School, where he is also secretary of the National Honor Society and vice president of the Student Council. He is president of the State Association of

Student Councils, an active participant in the Catholic Youth Organization, and in Explorer Scouts.

Scott excells in athletics, is a member of the Lincoln Amateur Skating Association, plays in a hockey league and regularly takes part in the activities of the Cumberland-Lincoln Boys Club.

He has received an impressive number of scholastic awards, including the Senate Youth Award of the Heart Foundation, the Senator Pell History Award, and was named outstanding boy of his class by the Harvard Club of Rhode Island.

My distinguished colleague, Senator John O. Pastore, has nominated Scott Liard to the U.S. Naval Academy, and I have the honor to have nominated him to the Air Force Academy. This young man has consistently demonstrated such a remarkable degree of responsible leadership that I am confident of his future accomplishment in whatever career he chooses to pursue.

It is with great pride that I call to the attention of my colleagues Scott Liard's winning essay, titled "My Responsibility as a Citizen":

Voice of Democracy Contest: "My Responsibility as a Citizen"

(By Scott Liard)

I believe that when I was born, I received a very special gift, but so quietly and subtly that to this day, I don't fully appreciate just how encompassing that gift is. I was born a citizen of the United States of America, with all the rights, privileges and responsibilities this status carries.

We read a lot about all the crises facing our country today; the food crisis, the energy crisis, the economic crisis, the morality crisis, and the world crisis. To listen to a TV news commentator would make you think that the U.S. is on the verge of collapse and that those who speak out in praise of America have closed their eyes to reality and are merly reciting patriotic rhetoric. But turn off that TV set and take a hard look around you, not at the America someone else tells you about at the America you can see for yourself. Take a drive in your family car, or if you're like most American families—2 cars. You won't need special government permission to travel around the country. You won't see masses of destitute starving people. At night, you won't have to sleep in fear of an enemy attack or an attempt to overthrow the government. I admit that this country has its share of problems, but underneath it all America is as solid as a rock and I believe the vast majority of Americans share my confidence that the U.S. will endure as the best country to live in in the world.

I believe the strength of America lies in her citizens, a vast reservoir of different cultures and faiths now bonded together by a common heritage. We are all citizens of the U.S.A., and as citizens we do have a responsibility to our country. I don't mean to say that we should all rush out and form massive rallies, or all run for public office, or all join the armed forces. I believe my responsibility as an American citizen is to take pride in my work and keep an interest in my government.

If we all take pride in our jobs and work hard at whatever we're best at, the quality of American goods and services can be the highest in the world. The best way we can work to improve our country and solve our problems is not to sit back, complain and become discouraged, but it is to take a little time to do our own job right. America's strength lies in the collective effort of her citizens, therefore it is each citizen's responsibility to make the chain strong by taking care of his or her own link.

As an American citizen it is also my responsibility to keep an interest in my government because public apathy leads to corruption and an over-representation of special interest groups. Each American is directly involved in government through his or her power to vote carefully for people he believes to be honest, dedicated, and qualified and then to place his confidence in the government he has elected. Public officials can suggest policies, but the key to their effectiveness is the active support of the average American citizen. By this I mean that if government officials tell me that lowering thermostats, driving under 55 m.p.h. and conserving energy wherever I can will help solve the energy crisis, then it is my responsibility to do my share in making this policy effective. But don't misunderstand me. If you seriously disagree with official policies, it is your responsibility to offer constructive alternatives or improvements.

I am proud to say I'm an American citizen because I do believe that the United States is strong and I know that there are many opportunities for me to live a happy and comfortable life in this country. I believe that we all have the responsibility as American citizens to take pride in our work and an interest in our government. Let us work collectively by doing our individual jobs well to keep America the best place to live and work in the world.

UKRAINIANS MARK 57TH ANNIVERSARY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. **MOAKLEY**. Mr. Speaker, on January 22, we commemorated the 57th anniversary of the proclamation of a free and independent Ukrainian National Republic. In my own district, this anniversary is reverently observed as a result of the tireless efforts of the Ukrainian Congress Committee of America.

In this regard, I would like to pay special tribute to Mr. Konrad Husak, president and Mr. Orest Szczudluk, vice president of the committee.

Mr. Szczudluk has presented me with copies of the resolutions marking January 22 in Boston and Massachusetts and I would like to place them in the Record at this point:

The Commonwealth of Massachusetts—A Proclamation

Whereas, January 22, 1975, marks the fifty-seventh anniversary of the proclamation of free Ukrainian National Republic as the sovereign state of the Ukrainian people, and

Whereas, Ukrainian Americans of Massachusetts desire to manifest their support for the Ukrainian people to regain their freedom and national freedom, and

Whereas, Americans of Ukrainian descent in Massachusetts wish to come to the defense of Ukrainian intellectuals who are persecuted for having spoken out against oppressive policies, and

Whereas, This anniversary serves to dramatize the legitimate right and aspiration of all captive nations for freedom and independence;

Now, therefore, I, Michael S. Dukakis, Governor of the Commonwealth of Massachusetts, do hereby proclaim as "Ukrainian Independence Day," January 22, 1975, and urge all citizens of the Commonwealth to take appropriate cognizance of the event and to participate fittingly in its observance.

Given at the Executive Chamber in Boston, this thirteenth day of January, in the year of our Lord, one thousand nine hundred and seventy-five, and of the Independence of the United States of America, the one hundred and ninety-ninth.

By His Excellency the Governor,

Michael S. Dukakis.
John F. X. Davoren,
Secretary of the Commonwealth.

City of Boston—Declaration

Whereas: the Ukrainian people will mark the 57th anniversary of the independence of the Ukrainian National Republic on January 22, 1975; and

Whereas: the 57th anniversary of Ukrainian independence dramatizes the legitimate right of the Ukrainian people for freedom and national independence; and

Whereas: the 57th anniversary of Ukrainian independence is a fitting opportunity to direct public attention to the continuous violations of national and personal freedom in the Ukraine by the government in Moscow; and

Whereas: Americans of Ukrainian descent urge the Government to support the release of all Ukrainian dissidents from Soviet imprisonment:

Now, therefore, I, Kevin H. White, Mayor of the City of Boston, do hereby proclaim Wednesday, January 22, 1975, "Ukrainian Independence Day" in the City of Boston and direct that the Ukrainian National Flag be raised at City Hall Plaza to symbolize Ukrainian freedom.

Kevin H. White,
Mayor.

City of Boston—In City Council

Whereas, the Ukrainian Independence Day in Boston will be celebrated on January 22, 1975, commemorating the 57th Anniversary of the proclamation of the free Ukrainian National Republic; and

Whereas, despite the many conflicts for world freedom, the Ukrainian people continue to struggle to gain freedom and national statehood for their beautiful land in the economically abundant region of the Ukraine which is still under Communist control; and

Whereas, thousands of Ukrainian patriots languish in Russian Communist prisons as a result of their fight for the restoration of national and human rights in the Ukraine; and

Whereas, Valentyn Moroz, who has become a symbol of Ukraine's current struggle for national rights and liberties by enduring 145 days of a hunger strike at the Vladimir Prison outside Moscow, continues to be imprisoned for his freedom fight for the Ukraine; and

Whereas, the world council known as the United Nations is continually ignoring the plight of those enslaved people of eastern Europe who were promised freedom and self-government but whose rights have been ignored; and

Whereas, the City Council of the City of Boston is concerned for the relatives and friends of its many American citizens of Ukrainian ancestry residing here in Boston; now, therefore, be it

Resolved: That the Boston City Council appeals to our national leaders to press the Soviet government to free the Ukrainian patriots, such as Valentyn Moroz, L. Plyushch, L. Lukianenko, E. Sverstiuk and V. Chornovil from imprisonment in the Soviet jails and to exert through the United Nations all the effort possible to bring about freedom for these enslaved people of the Ukraine.

In City Council January 20, 1975. Adopted.

Attest:

—— ——,
City Clerk.

THE FREDERICK CHAMBER AND THE ECONOMY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. BYRON. Mr. Speaker, recently the Chamber of Commerce of Frederick County, Md., issued its program to fight inflation. It seems to me that this is a well thought out program with possible application in other areas.

I know that all Americans are concerned over the impact of unemployment. It is important to realize that individual organizations are working to provide guidance and coordinated programs to remedy the situation or to reduce its impact.

I would like to share with my colleagues an article from the Frederick News outlining the new chamber of commerce program:

[From the Frederick (Md.) News, Jan. 23, 1975]

"Operation MAX–EM" To Reduce Unemployment

The Chamber of Commerce of Frederick County and the Frederick County Community Services Agency today announced a new, volunteer effort to reduce the effects of unemployment in Frederick County.

Dubbed "Operation MAX–EM," the volunteer effort will be a cooperative venture by employers and employes alike to preserve as many jobs as possible in Frederick County business and industry.

Operation MAX-EM, short for MAXimum EMployment, is simply a "share the work load" approach to employment. If a business is faced with reducing its work force because there isn't enough work to keep the whole staff busy, Operation MAX–EM would encourage the employes to voluntarily reduce their work week by a few hours each in order to keep the whole work force on the job, a press conference was told at Winchester Hall.

In announcing this new effort, Chamber President William L. Haugh called upon industry and labor to join together to keep as many people working as possible. "We believe," said Haugh, "that a cooperative effort by employers and employees alike will produce significant results in reducing the spiralling unemployment rate in Frederick County. If we all pull together, perhaps we can keep more people working."

According to Haugh, over 4,000 people are currently unemployed in Frederick County . . . and more people are being laid off almost every day. With the Frederick County work force estimated at just over 40,000 people, Frederick County is rapidly approaching a 10 per cent unemployment rate. Operation MAX–EM is designed to slow the increase in unemployment, and perhaps even reverse that trend.

"If a group of 40 employees are willing to reduce their work week . . . and their pay . . . from 40 to 39 hours a week," said Haugh, "they can save one job. Reducing two hours per week will save two jobs. Americans have always rallied to help whenever major problems appear. We believe that Americans, working together, can lick the unemployment problem and make a real contribution toward helping the state of the economy."

The idea for Operation MAX–EM is not new. Employes of the Washington Star Newspaper recently voted to reduce their work week and their pay to keep the full force on the job. The International Ladies Garment Workers Union has adopted a similar posture for the past 40 years, and workers in the nation's steel industry did much the same thing during the depression of the thirties. However, the effort in Frederick County marks the first time a concerted, cooperative effort has been mounted by the business community as a whole.

"Obviously, Operation MAX–EM will not work for all companies," Chamber officials said. "The logistical requirements of shift work, and the nature of the jobs involved at a particular company, may make the program impractical at some businesses. To be truly effective, without working an undue hardship on any individual, requires implementation in those companies where the work force is large enough to spread the work among more people."

The concept of Operation MAX–EM will involve "sacrifices by employers and employees alike. Employes will sacrifice an hour or two pay each week. Employers will kick in the money necessary to administer the expenses of maintaining more employes. Fringe benefit packages will, of course, be maintained as a fixed dollar per employe figure, regardless of the individual hours worked by an employe," it was explained.

In the weeks ahead, the Chamber of Commerce will mount a concerted effort to explain fully the program as it can be applied in various businesses and industries, Haugh said.

"We must emphasize that Operation MAX-EM is purely a volunteer program," said Haugh. "The Chamber of Commerce or Community Services Agency cannot and will not try to dictate to any business or any group of employes how many hours they can or should work. But we would hope that individual companies and groups of employes will embrace the concept of 'Everybody share the load.'

"We think it is much better for an employe to be assured of keeping his job, even if he must work a few less hours, than to face the very real possibility of losing his job all together.

"Everybody has been crying for an answer to the rising unemployment rate. So far, nobody has done anything significant to correct the problem. We in the Chamber feel that Operation MAX–EM is a positive step that can have an impact if employers and employes alike join forces to work together to lick the problem.

"Operation MAX–EM is obviously not the total answer, but it is a positive step in the right direction. With the unemployment figures we are faced with, any improvement in the situation is most desirable," concluded Haugh.

REJECT SUPPLEMENTAL INDOCHINA AID

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. LEGGETT. Mr. Speaker, the most recent editorial in the Washington Post on the subject of the President's supplemental request for Vietnam represents an interesting change of position for that publication. In earlier comment Congress was importuned to grant the entire $300 million; now it appears that half a loaf would be sufficient. Unfortunately, the logic presented does not support either conclusion. While the editorial suggests that "it would be quite right . . . for Congress to make a more active effort to promote a political settlement," it goes on to state that "though warned not to expect more than $700 million in military aid this year, the administration supplied Mr. Thieu at a rate which let him ignore the warning." Thus, the Post asks us simultaneously to make stronger efforts to promote a settlement while negating just such an effort before it has even had a chance to be effective.

If the administration is making any attempt at all to promote a coalition government, they are at least as invisible to me as they are to the Post. We made the finding last year that both sides were in violation of the Paris accords, and it seems to me the height of intellectual dishonesty for the President to request $300 million for another 5 months' fighting on grounds that "The Republic of Vietnam has repeatedly" offered elections while conveniently ignoring the fact that this same government has repeatedly rebuffed attempts to form the National Council for Reconciliation and Concord provided in that agreement.

The failure of the administration to press for compliance on this point indicates that the administration has chosen to abandon all hope of a settlement under the Paris peace agreement, thus consigning that document to the status of a huckster's ploy whose sole use is to wring more money from Congress. I reject this denigration of the Paris accords; if they are defective and fail, so be it, but let us at least abide by the complete agreement rather than give up when we are halfway there.

It is long since time we left the Vietnamese to settle their internal problems among themselves, without artificial props to one side or the other provided by American taxpayers. The supplemental request is such a prop, and should be defeated.

NEWS STORIES DEMONSTRATE NEED FOR GUN CONTROL AT EVERY LEVEL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. FAUNTROY. Mr. Speaker, few issues are as important as handgun control in our major cities. In the District of Columbia, the preliminary police analysis of last year's record number of homicides indicates that 158 of the 295 victims were killed with handguns. Another 16 were killed by shotguns or rifles.

In Detroit, we can amply see demonstrated by the attached newspaper article from the Washington Post that homicides and the use of handguns are closely related to the economic health of our Nation and the ready availability of these weapons of death and destruction.

The more human aspects of the tragedies wrought by these weapons is brought home by the article written by Smith Hempstone of the tragic end of two Washingtonians who were attending to their own affairs and doing nothing that should be the start of the end of their lives.

Mr. Speaker, I call these articles to the attention of my colleagues. I hope that they will read them and gain the same understanding that I have on this issue of the need for handgun control:

TWO LIVES, TWO DEATHS

(By Smith Hempstone)

Aside from their shared humanity and reputations for being decent, hard-working Washingtonians, Lorenzo Wooden and South Trimble Jr. had little in common.

Wooden's turf was the inner city. A 21-year-old high school dropout whose great love was football. An unmarried black. Three sisters and five brothers. Lived at home with his parents. Had made his first down payment on a color television set. Held a blue-collar job at this newspaper. Was saving his money so that he could buy furniture and get an apartment of his own.

Trimble was a member of Washington's white establishment. Son of a Kentucky congressman. A 78-year-old tax attorney. Former head of the Senate Commerce Committee's staff. Belonged to the right clubs. Three sons, two daughters, 15 grandchildren.

What united Wooden and Trimble where the circumstances of their deaths: At 2:30 p.m. on New Year's Eve, while watching a payday card game, Wooden was shot to death by robbers who entered the ground floor of the Star-News building and made off with the pot; Trimble, who had just returned from church, was slain by a gunman seven hours later in the garage of his Northwest Washington apartment.

Wooden became Washington's 294th homicide victim of 1974—setting a new and grisly record—and Trimble the city's 295th casualty. One life was snuffed out at its beginning, one near its end. And one wonders just how long the American people are going to put up with this barbarism, this tolerance of a situation in which law-abiding men and women of all races, sorts and conditions can be gunned down with virtual impunity at their places of work, in their homes, on the public streets.

Although Washington has a bad reputation for crime, the problem is a national one. In nearby Baltimore, with about 200,000 more people than Washington, there were 330 killings in 1972, the record year. The 1974 record for Detroit was an incredible 800 dead.

On a statistical basis, one is infinitely safer walking down a darkened street between the Catholic and Protestant sectors of strife-torn Belfast than in any of America's 10 largest cities: Between them, the bomb-throwing Irish Republican Army and the British Army managed to kill "only" 476 people in Ulster's record bloody year of 1972.

Although the level of violence is rising in the white suburbs, the core of the murder problem—and of other crimes of violence—remains the inner cities. This means that, just as most of the perpetrators of these vile acts are blacks, so too are most of their victims, like Lorenzo Wooden.

We know also what the murderers' favorite weapon is: Of Washington's 295 homicides last year, 161 people were slain by pistols, which are cheap, readily available and easy to conceal (there are an estimated 30 million handguns in the U.S. and about 600,000 new ones go on the market every year).

The solution to urban violence will not be complete, easy or cheap. But there are a number of things that could be done to reduce the mayhem in "acceptable" levels.

There ought to be a total federal ban on the importation, domestic manufacture or sale of handguns for any purpose other than military or police. Those who own pistols should be compelled to register them, with fines to be imposed upon the owner if they are lost or stolen (shotguns and rifles, which have legitimate sporting uses and are seldom used in crimes of violence, ought to be excluded from registration).

The existing laws against carrying a concealed deadly weapon and the use of such a weapon in the commission of a crime should be enforced and strengthened, with incremental sentences for repeaters. Finally, the states ought to rewrite their laws to remove from the death penalty the "capricious" element that the Supreme Court has found unconstitutional.

They say that capital punishment is nothing but legalized murder, that it debases society and does not act as a deterrent. In an ethical sense, one understands the philosophical objection to the death penalty.

But Lorenzo Wooden and South Trimble, both decent men, had had a right to live. Those of delicate sensibilities may forgive me if I feel that society would not suffer unduly if those who on New Year's Eve denied them that right shared their fate.

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159 OF 295 VICTIMS SLAIN BY HANDGUNS

A preliminary police analysis of last year's record number of homicides in Washington says that 158 of the 295 victims were killed with handguns. In another 16 cases the weapons used were shotguns or rifles.

District homicides for 1974 also include 12 cases in which people were killed by police using service revolvers.

The worst year for homicides in the city's history has been previously attributed to the easy availability of hand guns by homicide chief Capt. Robert M. Boyd.

Fifty-four cases are still under investigation, and warrants have been issued for the arrest of suspects in six of these.

Three cases were listed by the police as 'solved by other means,' in which the police were certain of the perpetrator's identity but were unable to obtain an indictment for varying reasons.

[From the Washington Post, Jan. 12, 1973]

DETROIT'S HOMICIDE SPIRAL LINKED TO ECONOMIC DISTRESS

(By Norman Sinclair)

DETROIT, Jan. 11.—From Jefferson Avenue in downtown Detroit, only 1,000 yards of murky water separate the Motor City from Windsor, Ontario, its Canadian neighbor to the north.

But the 1,000 yards of the Detroit River might as well be 1,000 miles. While Windsor is noted for its fine restaurants and clean streets, Detroit grimaces at its growing reputation as the murder capital of the world.

Last year, there were 801 homicides in Detroit, up from 751 in 1973. Across the river in Windsor, the police department of that city of 211,697 people recorded 6 murders.

Even more disturbing is the fact that Detroit had over 6,000 near misses—serious assault victims who, had it not been for the Detroit General Hospital emergency staff, would have been part of the homicide statistics.

James D. Bannon, a police commander who is finishing his study for a doctorate degree in sociology, believes that the poor economic situation in Detroit—with unemployment now over 9 per cent—will combine with factors that were consistent in last year's homicides to keep the deadly spiral rising.

In a majority of the homicides last year, the killers and victims were practically interchangeable, Bannon points out.

Their backgrounds were the same—black men between the ages of 19 and 30, unemployed, poorly educated and hooked on drugs or liquor.

"These ingredients, regardless of race, will give the same results," he said. "It just happens that in Detroit these predominant factors affect the black community."

Bannon's conclusions are based on an 18-month study of homicides that he and Dr. Marie Wilt, a Wayne State University researcher, have been conducting through a police foundation grant.

Of the 801 victims last year, 642 were black, 153 were white and six were of Mexican-American heritage. In these cases, 694 of those accused of murder were black and 106 were white.

There were 371 killings in homes, and 175 on the streets. In the 801 homicides, handguns were used in 440 cases, shotguns in 110, rifles in 72 and knives in 133.

The predominant number of handgun killings is not surprising in Detroit since police estimate there are between 500,000 to one million illegal handguns in the city.

On New Year's Eve, the department ordered its helicopters grounded at 10 p.m. for fear that overenthusiastic celebrants firing their guns in the air might bring one of the machines down. The previous New Year's Eve, gunfire had narrowly missed a helicopter.

In 1967, Wayne County Prosecutor William Cahalan, coined the name "Saturday Night Special" for the cheap handguns used in many of the killings.

He said the name was derived from the habit of Detroiters who used to go to Toledo, Ohio, on the weekends and buy a gun on Saturday night.

Detroit's love affair with the handgun is shown time and again in some of the hard to believe cases that are now routine police blotter news in the city's newspapers.

Last year, a man paid his way into a movie theater, bought a 35-cent box of popcorn, then objected when the concession operator handed him salt in a ketchup bottle.

The man protested that the salt was unsanitary and during the ensuing argument, a security guard fatally shot the movie patron in the head.

In another incident, a man came home drunk one night, attempted to sit at the dining table, missed the chair and fell on the floor.

His wife laughed at him and he told her to shut up. When she continued to laugh the man pulled his gun and killed her.

In yet another incident, a man was killed in an argument over his smelly feet.

He was visiting friends and took off his shoes. Another man teased him about the smell of his feet and in the altercation that followed the man with the foot odor was shot and killed.

Bannon and Wilt say that such killings are merely the end result of conflict-motivated pressures brought to bear on young, under-educated, unemployed blacks.

Nearly half of those involved in killings in Detroit—the victims and the perpetrators—had criminal records, police statistics show.

Prosecutor Cahalan, the chief law enforcement officer in the Detroit area, acknowledges that the years of automobile production-line boredom have created a syndrome that triggers conflict-motivated homicides. But he believes the relationship between murder and handguns in Detroit has a strong bearing on the problem.

"If you didn't have as many handguns you wouldn't have as many murders. It is as simple as that," he said.

"Through November of last year, the No. 1 offense for which warrants were issued from this office was for carrying concealed weapons," he said.

"We issued warrants in 2,023 concealed weapon cases."

Only 16 of every 100 such cases resulted in convictions.

"Law enforcement hasn't failed. It just hasn't been tried," he said.

Cahalan believes that the certainty of punishment, not the severity, would be a deterrent to crime.

"In the state of Michigan, 86 per cent of the persons convicted of criminal conduct do not go to jail," he said.

Last December, Cahalan asked the Detroit Recorder's Court judges to impose mandatory five-day jail terms for anyone caught with a gun, but the judges threw out his request. He is currently sponsoring a bill in the Michigan legislature that would provide a five-year prison term for anyone caught carrying a gun while committing a crime.

Recorder's Judge Robert J. Colombo said that mandatory jail terms for gun offenses is not the cure for homicide in Detroit.

"There is no doubt about it that nearly every one in this town is carrying a gun, but the ones that Cahalan brings into my courtroom are by and large respectable citizens carrying guns for fear of their lives," he said.

He said he does not view the Detroit homicide total as startling, considering that for the past 33 years there have been only short periods of peace between wars.

"We have taught most of the adult males over that period how to kill people. Most of the persons that are charged with murder in recorder's court have military backgrounds," he said.

Cahalan's plea for handgun legislation seems almost doomed in a city in which the mayor, Coleman Young, is known to have carried a gun for years.

A couple of years ago, a defense attorney went beserk in a recorder's courtroom, whipped out a pistol and fired wildly.

The presiding judge, James Del Rio, a flamboyant former Michigan state representative who openly boasted about carrying a pistol under his judicial robes, dived under the bench.

When the shooting ended, the attorney was dead, killed by court officers' gunfire.

The gun problem in Detroit has also divided the mayor and his appointed police chief, Philip G. Tannian.

Last year, when Tannian tried to organize a statewide campaign to get a gun control proposal on the November ballot, Young put the brakes on him.

The mayor said he could not support taking guns away from the black community until the police and the community arrive at a state of mutual confidence and respect. Gun control efforts tried in 1968 meant police going into the homes of black people, the mayor said.

A curious phenomenon police noticed in Detroit last year is that whenever the newspapers carried a story about gun controls, the following day the police department's gun registration office would receive more than the usual number of gun permit applications.

One encouraging fact so far this year is that in the first 10 days of the year, the number of homicides had dropped 50 per cent from 24 last year in the same period to 12 this year.

Last year Detroit, with a population of 1.4 million, had 801 murders while England and Wales, Australia, and Sweden with a combined population of 75.8 million had approximately 750 murders.

Closer to home, Chicago, with a population of 3.3 million had 970 homicides. New York City, through the end of October, recorded 1,268 homicides among its 7.7 million residents. In Philadelphia with 1.9 million residents, there were 490 homicides. Baltimore with 893,222 persons had 293 homicides, Dallas recorded 196 among its 836,121 citizens, Washington had 295 among its 756,510 residents and Atlanta, Ga., had 248 murders among its 487,553. On a per capita basis, Detroit led them all.

THE DAIRY IMPORT SANITATION ACT OF 1975

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. OBEY. Mr. Speaker, today I am reintroducing legislation to protect American consumers from contaminated foreign dairy products. I am pleased to announce that 66 Members have joined me in sponsoring this measure, which would require that foreign dairy producers and manufacturers meet health and sanitation standards as rigid as those which farmers and manufacturers must meet in the United States.

When I introduced this bill under a different title in the last Congress, it was cosponsored by more than 60 Members of the House, from both urban and rural areas. The bill (H.R. 9419 in the 93d Congress) was approved by the Dairy and Poultry Subcommittee late last year but was never acted on by the full House Agriculture Committee.

Under the Dairy Import Sanitation Act of 1975 (H.R. 1342), imported dairy products would be required to meet the same standards of purity and wholesomeness now met by American dairymen. The enforcement mechanism established would be similar to that used in our foreign meat inspection program, in that each country exporting dairy products to the United States will be expected to set up its own system for farm and plant inspections, and these systems in turn will be monitored by U.S. inspectors to insure compliance with U.S. regulations.

The bill is intended to protect American consumers from contaminated foreign dairy products and make foreign producers share the burden of American dairy farmers and manufacturers who must comply with tough domestic sanitation standards. This is the situation:

Last year we imported six times more dairy products than we exported—import volume jumped 19 percent from fiscal 1973 to fiscal 1974—and random inspections by the Food and Drug Administration to determine the quality of imported dairy products dropped significantly—from 13.2 percent of all imports in 1973 to only 5.8 percent in 1974. We know that thousands of pounds of imported dairy products are not allowed into the country each year because they have been found to be contaminated, but because such a small portion of all dairy imports is inspected we have no way of knowing how many thousands of pounds of contaminated dairy products from abroad may be finding their way onto consumer shelves.

Some dairy economists have indicated that consumer pressure for low food prices and pressure from the administration for free agricultural trade are likely to lead to future increases in dairy imports. If that is to be the case, I think one of the most important actions we can take now is to make sure that other dairy producers comply with sanitation standards comparable to ours.

Here is the list of cosponsors:

Alvin Baldus (Wis.)
Robert J. Cornell (Wis.)
Bella Abzug (N.Y.)
Les Aspin (Wis.)
Herman Badillo (N.Y.)
Max Baucus (Mont.)
David Bowen (Miss.)
Berkley Bedell (Iowa)
William Brodhead (Mich.)
George Brown (Calif.)
Bob Carr (Mich.)
Tim Lee Carter (Ky.)
Thad Cochran (Miss.)
Silvio Conte (Mass.)
Dan Daniel (Va.)
Mendel Davis (S.C.)
Robert Duncan (Oreg.)
Marvin Esch (Mich.)
Hamilton Fish (N.Y.)
Daniel Flood (Pa.)
Joseph Gaydos (Pa.)
Benjamin Gilman (N.Y.)
Bill Goodling (Pa.)
James Hanley (N.Y.)
Michael Harrington (Mass.)
James Hastings (N.Y.)
Elizabeth Holtzman (N.Y.)
William J. Hughes (N.J.)
Richard Ichord (Mo.)
William Ketchum (Calif.)
Thomas Kindness (Ohio)
John Krebs (Calif.)
Jerry Litton (Mo.)
Mike McCormack (Wash.)
Robert McEwen (N.Y.)
Gunn McKay (Utah)
Ralph Metcalfe (Ill.)
Donald J. Mitchell (N.Y.)
Parren Mitchell (Md.)
Robert H. Mollohan (W. Va.)
Carlos Moorhead (Calif.)
John Murtha (Pa.)
James Oberstar (Minn.)
Carl Perkins (Ky.)
Albert Quie (Minn.)
Donald W. Riegle, Jr. (Mich.)
Robert Roe (N.J.)
Edward Roybal (Calif.)
Richard Schulze (Pa.)
John Seiberling (Ohio)
Paul Simon (Ill.)
B. F. Sisk (Calif.)
Neal Smith (Iowa)
Gladys Spellman (Md.)
Fortney H. (Pete) Stark (Calif.)
Tom Steed (Okla.)
William Steiger (Wis.)
Louis Stokes (Ohio)
Burt Talcott (Calif.)
Bob Traxler (Mich.)
Morris K. Udall (Ariz.)
Joseph P. Vigorito (Pa.)
Charles Wilson (Texas)
Timothy Wirth (Colo.)
Antonio B. Won Pat (Guam)
Larry Winn, Jr. (Kans.)

NO MORE FEDERAL SUBSIDIES FOR ALCOHOL ADVERTISING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. GOODLING. Mr. Speaker, alcohol dependence has been recently cited by the National Commission on Marihuana and Drug Abuse as the most serious drug problem in our country today. In view of this finding, I feel that it is time for the Congress to take some positive action to stop the spread of this illness.

Congress needs to immediately reverse its policy of giving Federal subsidies to encourage this serious drug problem. Our current tax system allows for business tax deductions for the advertising of liquor. I have today introduced legislation to prohibit these tax deductions. It certainly seems ridiculous to me that we should allow a sizeable tax incentive to an industry which spends $247 million annually in portraying alcohol as the stepping stone to the "good life." In a nation where the estimated yearly economic cost is nearly $25 billion, we need fewer people as a part of this "good life."

Here are some staggering facts surrounding alcohol misuse:

First. Public intoxication accounts for one-third of all arrests each year.

Second. One-half of all homicides and

one-third of all suicides are related to the use of alcohol.

Third. Alcohol plays an important part in one-half of all the highway fatalities each year.

Fourth. As many as 10 million Americans had problems in connection with alcohol last year.

In view of these statistics, I fail to see how anyone could see the rationale behind a tax incentive to encourage the use of liquor.

Congress has recognized some of the importance of these facts, and in past years almost $75 million has been spent annually by the Federal Government to combat alcoholism. Unfortunately, most of these programs are directed at those who are already affected. We need to stop indoctrinating—as any good P.R. man will tell you we are doing—our citizens into feeling left out of society if they do not indulge in the use of alcohol.

Our taxpayers should stop being forced to pay at both ends on this particular matter. This legislation would stop the payment at the correct end by cutting out these tax deductions for alcohol advertising.

HUMAN RIGHTS IN URUGUAY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. FRASER. Mr. Speaker, a recent report from the International Commission of Jurists indicates that repression in Uruguay has increased seriously in recent months. An earlier report of the I.C.J. June 1974—indicated that the situation was already grave.

The report, which follows, contains serious charges concerning the treatment of political suspects, the right to free elections, academic freedom and freedom of the press:

INTERNATIONAL COMMISSION OF JURISTS,
Interjurists, Geneva.

SUPPLEMENT TO REPORT ON URUGUAY OF JUNE 17, 1974

I. TREATMENT OF POLITICAL SUSPECTS

The assassination on 19 December, 1974, of Colonel Raman Trabal, the military attache at the Uruguayan embassy in Paris, has been the occasion for a renewed wave of arrests and a worsening of the conditions of detention of political suspects.

This assassination calls, of course, for the strongest condemnation, as does its sequel.

The day after the assassination, the bodies of 5 persons, 2 men and 3 women, were found riddled with bullets at a cross-roads on the outskirts of the Uruguayan capital, Montevideo. It is now known that the victims, former political prisoners who had been conditionally released, had been living in Argentina, at Sarratea Street, Buenos Aires, until November 8, 1974. They were then seized and taken off by an armed group claiming to belong to the police. Habeas corpus proceedings had been started in the Argentine courts by their relations, without avail. There was no news of them until their bodies were found in Montevideo. The 3-year old child of one of the couples, who was also kidnapped, has not been seen again. It is perhaps significant that, in comparison with the state funeral given to Colonel Trabal, no disapproval of this assassination has been expressed by the Uruguayan authorities and, as a result of the censorship, the press has merely published without comment the official communique on the finding of the bodies.

Colonel Trabal's assassination was also the occasion for the following measures being taken against political prisoners and suspects:—

(i) hundreds of former political prisoners, who had had been conditionally released following the examination of their cases by military judges, were promptly re-arrested and held in solitary confinement;

(ii) many new arrests have been carried out, in the same illegal manner as was described in the ICJ report of June 1974 (anonymous arrests without written authority, detention in military barracks in solitary confinement for prolonged periods before bringing the detainee before a court);

(iii) defense lawyers are being hampered in the conduct of the defence; professional secrecy is violated; their interviews with their clients have been conducted under surveillance and at times recorded; some detainees have had their visits from their lawyers suspended;

(iv) visits to detainees by their families have been suspended at all places of detention;

(v) in all detention centres the detainees have had their few privileges suspended, including all recreation and leisure activities and all correspondence. Letters and photographs in the possession of detainees which had previously passed the censors have been confiscated;

(vi) there are reports that corporal punishment has been inflicted on detainees in military barracks.

II. PRESIDENTIAL ELECTIONS AND THE ROLE OF THE ARMY

Under Article 77(9) of the Constitution (which the Government continues to affirm, although they have overridden many of its provisions), the next presidential election is due in November, 1976. The Government has now let it be known that this provision will not be respected.

Certain proposals for reforming the Constitution in a corporatist direction have been published, and a proposed new Statute governing political parties has been announced. This led to a remarkable open letter by some 100 leading political personalities, demanding the return to freedom of political action to enable the parties to comment on the proposed constitutional reforms, on the proposed new statute for political parties, and on other matters of public interest. President Bordaberry replied to this letter in a speech of September 4, 1974, saying that the classical notion of political representation had changed, that the people could pronounce upon constitutional reforms without the assistance of the political parties, that it was out of the question to hold elections under the old Constitution, and that they should give up any hope of an election in 1976.

On December 30, 1974, in a speech to the armed Forces President Bordaberry affirmed that they were the basis on which his government rested, that the failure of the political party system had justified their intervention, that they were entitled to "supreme tranquillity", and that their intervention and actions could not be submitted to the judgment of the people, either directly or indirectly.

III. THE PURGE OF THE UNIVERSITY

Since 1943 all civil servants and teachers have been required to make a formal declaration of loyalty to the principles of the republican democratic government. Under a Decree of May 7, 1974, all public servants, including university staff, are now required in addition to state under oath that they do not belong to and have never belonged to any of the "anti-national" organizations which have been dissolved by the government, or to any other organization which has attacked the existing system of government. Failure to sign is a ground for dismissal. The University administration are advised by the security services on the "democratic" loyalty of the members of the staff.

This has placed opponents of the regime in the dilemma of either refusing to sign, whereupon they lose their jobs, or of signing and running the risk of being sent to prison for signing a false declaration.

ENERGY-SAVING IMPROVEMENTS

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, I am today introducing two bills which will provide a means for conserving energy while not severely adding to our present economic difficulties.

The two bills are designed to provide homeowners with both the incentive and the means to make energy-saving home improvements. By reducing wasted energy due to inefficient heating and cooling equipment and insufficient insulation we can make a positive advance toward our goal of reducing consumption in the home.

The first measure would establish a low-interest loan program for low- and middle-income families in the Department of Housing and Urban Development for improving heating equipment or fully insulating a home. The loans would be available at a 5-percent annual interest rate and would extend for 10 years.

This program is designed to help those living in older homes particularly and those less able to afford major improvements of this kind. In my district, there are a growing number of senior citizens who live in older homes and who as a result of living on fixed incomes just cannot now even consider major energy-saving improvements. At the same time, however, they watch their heating bills climb.

In addition to providing the incentive for energy-saving improvements, this measure would also give a boost to the heating, air conditioning, insulating, and electrical contractors who have been so hard hit by the sluggish homebuilding market.

The second measure permits a homeowner to subtract from his Federal income tax liability 25 percent of his investment in storm windows, storm doors, insulation, caulking material, and other small home energy-saving improvements. The credit is limited to $250 and applies only to the person's principal residence.

In addition, the bill permits the taxpayer to credit 25 percent, up to a limit of $1,000, for installing solar heating and cooling equipment.

The Solar Heating and Cooling Demonstration Act which was enacted during the last Congress and which I cosponsored provides for the establishment of standards and guidelines on the type of equipment which would qualify under this bill.

The taxpayer may also choose to elect a tax deduction equivalent to the tax credit.

It is estimated that at least 18 million homes could qualify under this proposal and that up to 500,000 barrels of oil could be saved per day by 1985.

It is imperative that we provide some positive incentives to encourage reduced energy consumption in the home. While increasing costs would eventually have somewhat of the same effect, I believe that this approach will cut the waiting time and help us reach our goal of energy independence by 1985.

In addition, this energy saving incentive program could have a tremendously favorable impact on jobs in the housing sector of our economy. It could give this very sick industry a badly needed shot in the arm. Carpenters, and other members of the building trades are available, willing, and able to cooperate in this badly needed housing rehabilitation program directed toward energy conservation and independence.

NO "PEACE ON EARTH" FOR THE TORTURED

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. FRASER. Mr. Speaker, a constituent recently sent me a Religious News Service article on torture that was printed in the December 17, 1974 issue of The Lutheran Standard. It is an excellent summary of Amnesty International's report on torture in 64 countries during the past 10 years.

Many who read this will be shocked to learn of Amnesty International's conclusion that refinements in torture techniques designed to "intensify pain without causig death or irreversible damage" are now used in many countries.

Amnesty International's effort to raise "a public outcry throughout the world until torture becomes as unthinkable as slavery," deserves our support. The Lutheran Standard publication of the article is a very useful contribution to the effort. It follows in its entirety:

No "Peace on Earth" for the Tortured

Despite widespread denials, torture remains as a terrifying political fact in our world. And the government of the United States is not without responsibility for its continuation.

Amnesty International, a private London-based organization that seeks freedom for political prisoners, recently published a devastating report on torture in 64 countries during the last 10 years.

The 224-page document describes pain-inflicting techniques as virtually "a worldwide phenomenon," practiced "in an effort to retain political power."

According to American lawyer James Becket, who helped prepare the survey for Amnesty International, "Rulers of the past often openly institutionalized torture to better defend their power and privilege. Their counterparts today solemnly deny it publicly while they are busily refining the technology of torture and the theory of order without law."

Most of what the report calls a "cancerous growth" of torture has occurred in Latin America, the agency maintains, spreading to 22 nations.

Portugal (before the April 1974 coup) and Northern Ireland (in 1971) are among the 10 European countries named in the report, as are 14 countries in Africa, seven in Asia, and eight in the Middle East.

Although there is no accurate count of victims—no nation admits torturing—Amnesty International contends that "uncounted hundreds" of the victims in urban areas are members of legitimate political organizations, trade unions, and youth groups, professors, women's leaders, religious figures, lawyers, and journalists.

In rural areas, it says, it is unarmed peasants, villagers, and even children who are caught in the torture net.

"It is apparent today," Amnesty contends, "that much of state torture is carried out by the military forces, usually elite or special units, who displace the civil police in matters of political security."

SOUTH AMERICAN POLICY

According to Jean-Pierre Clavel, a French contributor to the Amnesty International report, it is possible to pinpoint the arrival of political torture as a policy in South America.

Painstaking research, says Clavel, has revealed that secret steps were taken in Brazil in the early 1960s by a group of senior military and police officials to create a coordinated, autonomous torture and "death squad" network to crush political opposition.

"To train personnel," Clavel writes in an article in the *New York Times*, "illustrated lectures and live demonstrations of torture were conducted, using political prisoners as guinea pigs, by Operacao Bandirantes, once described as 'a type of advanced school of torture.' Subsequently, trained Brazilian torturers traveled to military academies in neighboring nations to conduct courses in what is euphemistically called 'interogation.'"

Among the victims in Brazil was the Rev. Henrique Pereira Neto, an aide to the Most Rev. Helder Camara, the progressive archbishop of Olinda and Recife. Neto was found dead on May 27, 1969, with indications of beating, castration, and other tortures. Linked to the killing were several police officers and a group of right-wing militants, but legal proceedings have stalled and no convictions seem imminent.

INTERNATIONAL TRAFFIC

The *Christian Science Monitor* has reported "a brisk international traffic in torture experts and equipment." Tutors of foreign torturers, it says, include several "humanitarian" Western nations: the United States, Britain, France. The government of Pakistan conceded in 1973 that the previous regime had purchased "instruments of torture" in the United States.

"Refinements" in torture techniques, Amnesty International contends in its report, have resulted from technical and medical research designed to develop methods of intensifying pain without causing death or irreversable damage.

In Northern Ireland in 1971, the report says, the British security forces put "sensory deprivation" into action against Irish Republican Army suspects, using electronic noise, tactile obliteration, fatigue, and starvation to force nervous systems to "torture themselves."

Dr. Timothy Shallice of London's National Hospital has traced these methods to a clear line of private and government-sponsored research that began in the 1950s and intensified after the Korean war. "Torture which was once a craft," says Dr. Shallice, "has become a technology."

Further evidence of this trend came to light after the April coup in Portugal. Inside the headquarters of the now disbanded DGS (political police) in Lisbon were found anatomy charts and films used to instruct novices in torture and detailed medical reports indicating that torture had become a medical science conducted under the supervision of doctors.

Chile, long after the military coup that overthrew the government of Marxist President Salvador Allende Gossens, is still being accused of systematically torturing political prisoners, despite vigorous official denials.

In early September 1974, a report issued by the Geneva-based International Commission of Jurists (IJC) strongly supported a view voiced by a Western diplomat, familiar with the Chilean scene, that "torture has become institutionalized in Chile."

"A substantial number of those arrested (by Chilean authorities) have been subjected to torture," an IJC mission to Chile said. "Methods employed have included electric shock, blows, beatings, burning with acid or cigarettes, prolonged standing, prolonged hooding and isolation in solitary confinement, extraction of nails, crushing of testicles, sexual assaults, immersion in water, hanging, simulated executions, insults, threats, and compelling attendance at the torture of others."

SPECIFIC ACCUSATIONS

Amnesty International, in special reports on specific countries, has accused the authorities in each of engaging in the practice of torture:

South Vietnam: "There can be no doubt that (torture) is widely used by the (Saigon government) not only as an instrument of intimidation but as an end in itself."

Zanzibar (the island incorporated as part of the east African country of Tanzania): "The torturers are the Zanzibari police and secret police, and some allegations have stated that they are trained by police from the German Democratic Republic (East Germany)."

South Korea: "Students and intellectuals are being unjustly tried, tortured, and convicted for opposing the government (of President Park Chung Hee)."

In July 1974, the Executive Committee of Lutheran World Federation (LWF) voted to "identify" itself with the "concern" of African Lutheran churchmen over "continuing torture of political prisoners in Namibia." (Namibia, or South-West Africa, is administered in defiance of the United Nations by South Africa.)

In August 1974, Anglican, Roman Catholic, and Methodist church leaders of Rhodesia charged members of the white-ruled country's security forces with 10 cases of brutality to blacks, which, the churchmen said, resulted in three deaths and two suicides.

Scoring what they called "the inhumane methods" used to "elicit information from the civilian population," the church leaders said that "innocent people" had been subjected to "prolonged and brutal assaults . . . beating on the face and body with sticks, kicking with boots, and the use of electric shocks."

THE UN DECLARATION

The United Nations solemnly affirmed 25 years ago, in its Declaration of Human Rights: "No one shall be subjected to torture or to cruel, inhuman, or degrading treatment or punishment."

In September of this year, representatives of all the world's major religions met in Louvain, Belgium, for a World Conference on Religion and Peace. They adopted a report denouncing the "torture" of political prisoners as "an evil which extends right across the world from Chile to Korea."

When Amnesty International launched its "anti-torture" campaign, it said its purpose was to raise "a public outcry throughout the world until torture becomes as unthinkable as slavery."

The record would seem to indicate that that time is not yet: the outcries of revulsion are still being drowned out by the screams and groans of the tortured.

JOHNSON & JOHNSON: SOCIALLY RESPONSIBLE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. PATTEN. Mr. Speaker, one of the most progressive and responsible industrial firms in the Nation is located in the congressional district I represent: Johnson & Johnson.

The seeds of its enlightened philosophy were planted many years ago under the humane and distinguished leadership of its former chairman of the board, Robert Wood Johnson. I knew him when I was mayor of Perth Amboy in the 1930's, and even then he was deeply interested in people and concerned about the future of New Brunswick, N.J., whose future is now bright and promising, because of Johnson & Johnson's interest in a revtialized New Brunswick. He had vision, he had courage, and he was a leader, not only in industry, but in government, in which he served as brigadier general on the War Production Board during World War II.

There have been several board chairmen since General Johnson, and the company has enjoyed tremendous growth and prosperity under their strong and dynamic leadership. Under its present board chairman, Richard B. Sellers, Johnson & Johnson has achieved record sales, and his predecessor, Philip B. Hoffman, also provided the leadership that resulted in notable accomplishments.

What is the secret of Johnson & Johnson's remarkable success? The success of no company can be attributed to just one person, because every employee contributes to it. However, if one person—above all others—deserves special credit for being the main source of inspiration for the success of Johnson & Johnson, it was Robert Wood Johnson. He said:

> Human relations are more than matters of expediency, sound psychology, or profitable business. There are also moral and religious laws. If we accept the brotherhood of men under God, important conclusions follow . . .

He meant those words, he believed in them, because he practiced them. The spirit of Robert Wood Johnson still lives—and always will—because it was a good spirit.

Mr. Speaker, an anonymous author wrote:

> 'Tis what we do, not what we say, that makes us worthy of His grace.

This is not only true in religion, but in every field, because only by judging people—and firms—by what they do—and not merely what they say—can we really determine what they have in their hearts. And I like what Johnson & Johnson has in its heart, because it is more than just interested in sales and profit, but in people—human service and human justice.

It is, therefore, with deep pride that I insert in the Record two articles on Johnson & Johnson that were published in the Courier News, of Bridgewater, N.J. I hope that my colleagues will share the pride I have in this great company—not only preeminent in the surgical supply field, but also preeminent in human relations:

JOHNSON & JOHNSON: "SOCIALLY RESPONSIBLE"

(By Robert T. Comey)

Harold R. Sims, director of corporate affairs, Johnson & Johnson, 1974:

"Human relations are more than matters of expediency, sound psychology or profitable business. There are also moral and religious laws. If we accept the brotherhood of men under God, important conclusions follow. Each man has an inner dignity, with basic rights and duties. Life has an over-all purpose. Men must judge their conduct, not merely in terms of personal gain or convenience but also as a right or wrong. Service to society, as well as personal interest, becomes important."

Robert Wood Johnson, former chairman of the board, Johnson & Johnson, 1949.

"We took the philosophy of Robert Wood Johnson and said, "That's our program.' "

NEW BRUNSWICK.—Johnson & Johnson has been preaching and practicing affirmative action and equal opportunity in behalf of minority groups for years.

The giant company (its 1973 sales totaled $1.6 billion), which primarily manufactures health-care products, is "sensitive to the minority problem in totality" and has been "socially responsible from the day the company was conceived" in 1887, John J. Heldrich commented recently. Heldrich is vice president administration nad a member of J&J's board.

While J&J has long practiced what has been guaranteed for 10 years in the Civil Rights Act of 1964, the company decided several years ago that it needed more corporate direction in furthering equal employment opportunity nad affirmative action.

The purpose of equal employment opportunity, covered by Title VII of the Civil Rights Act of 1964, is to prohibit employers, employment agencies, labor organizations and governmental units from discriminating in employment because of a person's race, color, religion, sex or nationality.

Title VII applies to any person or organization in an industry that affects interstate commerce and has 15 or more employees each working day in at least 20 weeks of a year. It also applies to unions with 15 or more members.

Affirmative action requires an employer to make additional efforts to recruit, hire and promote qualified members of groups formerly excluded, even if the exclusion cannot be traced to specific acts by the employer. Affirmative action plans generally specify goals for hiring minorities. There are federal guidelines to assist in the development of such plans, but there is no single set standard to follow.

To implement its decision, J&J established its Corporate Administrative Division, headed by Heldrich and described by him as "really an umbrella division."

The division's activities have grown dramatically in recent years, with the hiring of Harold R. Sims, former acting director of the National Urban League, as director of corporate affairs, and the recent naming of Ms. Carla E. Ingram of Westfield as manager for female affirmative action in J&J's corporate affairs department.

As Sims explained recently, "We took the philosophy of Robert Wood Johnson and said, 'That's our program.' "

Emphasizing that J&J's increased involvement in equal opportunity did not come as a reaction to the urban riots to the late 1960s, Sims said it resulted from a corporate decision to "accelerate our historic efforts. We also took the view that J&J is an economic institution. We had to relate to black and Hispanic institutions."

As evidence of the company's attack on job discrimination "on many fronts," Sims cited a growth in black employes in recent years from 6 per cent to 11.6 per cent as of June, despite an expanding workforce. Of its 33,500 employes in its 20 domestic operations, 42.1 per cent are women. Over-all, 16 per cent of J&J's domestic employes represent native American minorities.

"We've pretty well solved the base problem," Sims added. "We've achieved population parity." Now, he continued, J&J is striving to move its minority employes into positions of greater responsibility.

J&J's equal opportunity program extends well beyond employment. Sims noted that as recently as three years ago, no J&J corporate funds were deposited in integrated or minority-controlled banks. Now, about $500,000 is deposited in such banks in a variety of areas, Sims said. "We had to use our resources to increase their activity."

In construction, Sims went on, some $3 million in contracts has been steered to minority contractors, sometimes "at great cost to us."

J&J's media advertising expenditures directed at minority consumers have increased from zero in recent years to $300,000 annually.

And $16 million worth of insurance business has been spread among three black-controlled companies.

Despite these and other developments, Sims said, "We still view these as starting points."

Added Heldrich: "When you talk about affirmative action, we've taken a multifaceted approach. We haven't limited our focus" to employment.

He noted that J&J has "put the full resources of our corporation" at the disposal of the country's 16 black congressmen who asked J&J for assistance to improve their image and who represent 8.5 million urban consumers. J&J has provided the congressmen with $500,000 in operating funds.

Heldrich noted that 1,000 to 1,200 J&J employes in New Jersey are involved in community activities, with politics accounting for only 3 per cent of these efforts.

"Johnson & Johnson does not believe in eyewash or tokenism," Heldrich declared. "We're trying to find the best people to help us reach our goals."

He singled out Sims, a leading figure in the American civil rights movement and a close associate of the late Whitney Young; Ms. Ingram, former director of the Public Employment Division in New York City's Housing and Development Administration, and John Herbert, a black lawyer who is director of compliance.

As far as J&J is concerned, government regulations in equal opportunity and affirmative action are unnecessary. If government programs in those areas were halted today, J&J's programs would continue, Sims emphasized.

He went on to say that "you must always take into consideration the present effects of past discrimination." It has long been the American tradition to assist minorities, whether they be European immigrants, share croppers or urban blacks and Hispanics, he said.

Today's emphasis at J&J, Sims said, is "liberalization of human talent." He noted that there is less emphasis on tests. When they are used, they are used to test skills, not to exclude persons from employment or advancement.

"We make decisions based on our view of the world," Sims summed up. "We have been an inclusive company. Although we are privately owned, we are a public enterprise.

"Business ought to do whatever it can to multiply the number of people who can participate in it."

Johnson & Johnson Continues Expansion

(This article was prepared by the public relations staff of Johnson & Johnson)

New Brunswick.—The Johnson & Johnson Family of Companies continued to expand its New Jersey operations in 1974 with four new major construction projects initiated during the year.

Fourteen Johnson & Johnson companies employ about 12,000 people in New Jersey locations. They are all part of a worldwide family of companies manufacturing medical, health care, consumer and industrial products. Worldwide headquarters are in New Brunswick, and Johnson & Johnson has operations in 16 states in the United States and more than 40 foreign nations.

The new building projects are located in Middlesex, Somerset and Mercer counties. They include a seven-story research building at Ethicon Inc., Bridgewater; the first stage in a new headquarters complex for Ortho Pharmaceutical Corp., Raritan; a Johnson & Johnson Baby Products Co. manufacturing and distribution facility in Montgomery, and a warehouse for the Export Division of Johnson & Johnson International in North Brunswick.

Ground was broken in March for the Research Tower at Ethicon, a 74,000 square-foot structure at Ethicon headquarters.

In nearby Raritan, Ortho Pharmaceutical Corp. began construction of a three-story research building on Route 202. The building is the first of four planned phases in a five-year construction program on a 200-acre site across the highway from Ortho's current headquarters. Ortho Pharmaceutical, a leader in family planning products, now shares facilities with Ortho Diagnostics Inc., a manufacturer of blood banking products and diagnostic agents.

The Johnson & Johnson Baby Products Co. manufacturing and warehouse facility in Montgomery will be a 425,000 square-foot plant. The single-story structure is located on 252 acres on Grand View Road and County Route 13.

New product development is another area of significant activity for Johnson & Johnson companies in New Jersey during 1974.

Ethicon, a leader and pioneer in wound repair, introduced a synthetic absorbable suture that is the result of years of development and clinical evaluation. Research scientists at Ethicon had long been seeking a molecular structure for a suture that would be timed to retain its tensile strength through the healing period and then break down and be absorbed quickly when no longer needed.

The new product Vicryl (polyglactin 910) synthetic absorbable suture, is designed for use by surgeons where a synthetic absorbable is preferred. It is composed of chemical compounds that form a unique molecular chain, providing desirable one-of-a-kind properties. The suture is biologically inert, minimizing tissue reaction. Studies of Vicryl suture show that it holds its strength better than any other synthetic absorbable for the duration of the critical healing period, and that it then is absorbed faster after it has served its function.

Ortho Pharmaceutical introduced a new fungicide that has proved highly effective in treating vaginal Monilia, one of the most frequent types of vaginitis. The new product is called Monistat Cream and is available by prescription only.

In the area of dental health, the newest product from the Johnson & Johnson Dental Products Company is a remarkable alloy for posterior tooth fillings called Dispersalloy (dispersed phase alloy). Five years of clinical usage have shown that Dispersalloy has outstanding properties as compared to conventional alloys.

Major metallurgical advances in the composition of the formula for the new filling material reduce its tendency to corrode. The product also quickly develops the physical properties necessary to resist the enormous grinding force generated by normal chewing in posterior teeth.

Johnson & Johnson's contributions to the community during the past year in New Jersey ranged over many areas of health, medicine and civic endeavor. They included direct financial support as well as the efforts of hundreds of Johnson & Johnson employes serving as volunteers in local organizations and projects.

Among these programs were contributions totaling $330,000 to eight community hospitals in central New Jersey through the Johnson & Johnson Associated Industries Fund to help improve the delivery of health care services. The unrestricted grants were all for three years and range from $30,000 to $60,000 for each hospital over the period.

In announcing the grants, Richard B. Sellars, chairman of the Associated Industries Fund and chairman of the board of Johnson & Johnson, said: "As a family of companies we have always recognized that one of our principal social responsibilities is to help improve health standards and the quality of patient care."

The hospitals include Hunterdon Medical Center, Flemington; John F. Kennedy Medical Center, Edison; Morristown Memorial Hospital; Muhlenberg Hospital, Plainfield; Overlook Hospital, Summit; Perth Amboy General Hospital; Princeton Medical Center; and Somerset Hospital, Somerville.

BILL TO AMEND IRS CODE OF 1954 TO EXCLUDE FROM GROSS INCOME THE FIRST $500 OF INTEREST

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. ROGERS. Mr. Speaker, today I am introducing legislation to help ease the tight supply of funds available for mortgage loans for the purchase of housing and new construction and for bank consumer and business loans.

The legislation would amend the Internal Revenue Code to provide for an income exclusion of up to $500 for each taxpayer for the interest or dividends on savings deposits or withdrawable accounts in savings and loan associations, banks, credit unions, and other thrift institutions. The bill provides for up to a $1,000 interest exclusion for jointly filed returns.

The tax breaks provided by this legislation will provide some relief to the taxpayer as well as encourage more people to place their savings in savings accounts in banks and savings institutions. It has been estimated that an additional $12 billion would flow into financial institutions to finance thousands of additional mortgage, consumer, personal, and business loans. As a result credit should be more freely available to the consumer, home purchaser, builder, and small businessmen who has borne the burden of our stagnated economy.

I urge my colleagues to join me in support of this legislation as part of the congressional package to restore a healthy American economy.

GAMES THE PENTAGON PLAYS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mrs. SCHROEDER. Mr. Speaker, as the new session gets underway and the time arrives for Congress, once again, to wrestle with another defense budget, I would like to draw attention to several articles, two from the Philadelphia Inquirer and one from the Washington Star, describing games the Pentagon plays. While I support a strong and efficient national defense, I am worried that, in the pursuit of that goal, Congress can be intimidated into appropriating funds by such tactics as announcements of Russian missile buildups each January—It's budget time at the Pentagon.

It is of the utmost importance that Congress objectively evaluate Pentagon spending requests, because they are fundamental to the economic health of the Nation and the lives and deaths of millions of people in a nuclear age. Thus it is essential that we be aware of the manner in which these requests are sometimes presented. As Saul Friedman's article "United States To Spend Millions on Plant It Sold" explains, the Army sold an important arms plant for $2 million and now requests $85.9 million to relieve the serious shortage of M–60 tanks that ensued. Apparently, it was hoped that a scarcity of tanks would succeed in getting a new multimillion dollar tank development program through Congress. If what has been alleged is true, then I am dismayed that the military has stooped so low that they must play trick or treat to ease the passage of their budget through Congress.

The Defense Department has announced that it will seek out public comment on new regulations affecting the public, according to Vernon Guidry's article entitled "Pentagon Qualifies 'Impact on the Public.'" Yet the list of exemptions and qualifications imposed on this new open policy seem to exclude more than they include. Such concealment of the very origins of defense policy under a pretense of openness is exactly the problem we in Congress are up against. How can we effectively evaluate the budget if we cannot gain any real perspective on the requests before us? In attempting to scale this mound of requested budget items, we should bear in mind the way in which it has grown and the tactics which have brought it to its present proportions. Unless we constantly question and evaluate, I am afraid that after we have climbed to the top of this mountain we will have no perspective at all and no better understanding of the actual needs of the country and of our national defense.

The articles follow:

It Is Budget Time at Pentagon

(By James McCartney)

Washington.—If this is January, which it is, then the Russians probably have a new missile threat, which, according to the Pentagon, they do.

Indeed, in five of the last seven Januaries—the month when budget requests normally are sent to Congress—the Pentagon has announced the discovery of important missile advances by the Soviet Union.

In the other two years, 1971 and 1972, similar announcements were made in February or March, but still much before Congress had completed budget action.

This year's discovery was disclosed last Tuesday by Defense Secretary James Schlesinger, who announced that the Soviet Union had begun deploying a new class of ocean-spanning ballistic missiles that could be equipped with MIRVs—multiple nuclear warheads that can be separately aimed.

The record for previous years reads like this:

1969—(Jan. 18) The Pentagon said the Soviets had made significant progress in missile capabilities, more than tripling its force in the previous three years.

1970—(Jan. 7) Defense Secretary Melvin Laird warned of a rapid buildup of Soviet strategic weapons, adding that the new, multibillion dollar Trident submarine was needed as a counterforce. Previous estimates of Soviet missile activity had been "conservative," he said.

1971—(Mar. 9) A "missile gap" was threatening to develop between the United States and the Soviets, Laird reported.

1972—(Feb. 15) Laird said the Soviet Union had 50 percent more land-based missiles than the United States and could reach numerical parity with the U.S. submarine fleet by late 1973. Parity has still not been reached.

1973—(Jan. 8) Laird said The USSR had tested a new intercontinental ballistic missile and had developed a submarine-launched missile with a range of over 4,000 miles.

1974—(Jan. 10) The new defense secretary, Schlesinger, noted "improved Soviet nuclear capabilities" and warned of their increased size, and accuracy. There was danger that the Soviet missiles might make U.S. forces obsolete, he said. Secretary of State Henry A. Kissinger, however, says the U.S. Forces are in no danger of becoming obsolete.

What the Pentagon has consistently failed to mention in announcing these annual threats, is that the United States was far ahead of the Soviets in missile development and technology.

The United States has had MIRVs for years. It has hundreds of them ready to use today, while the Soviets are just getting them.

The United States can deliver far more than twice as many nuclear warheads on the Soviet Union than the Soviets can deliver on the United States.

When the United States first deployed its own MIRVs, the Pentagon made no special effort to let the U.S. public know about it. But when the Soviets are believed to have deployed their first MIRV, the defense secretary is prepared with a lengthy, detailed speech.

There has been growing belief in Congress that the Pentagon is playing games.

United States To Spend Millions on Plant It Sold

(By Saul Friedman)

Washington.—The U.S. Army is about to spend nearly $30 million on an important arms plant in Birdsboro, Pa., that it sold three years ago for only $2 million.

The sale of the plant not only accounted for a huge loss of taxpayer funds but also was largely responsible for a serious bottleneck in the production of the Army's main battle tank.

The Armed Services and Appropriations Committees of the House have been looking into the foul-up. But it appears they will be forced to approve the spending of an additional $85.9 million to up-grade plant facilities and remodel old tanks until the new ones can be produced.

The problem and the military snafu came to light after the October 1973 Arab-Israeli war. A group of congressmen visiting the Mideast found that the United States was having difficulty fulfilling its commitment to supply Israel (and other friendly nations) with America's firstline tank, the M–60.

Furthermore, U.S. production was so slow and so far behind that foreign sales had depleted by more than half the authorized number of M–60 tanks the Army needed for its own uses.

Harold Brownman, an assistant secretary of the Army, explained that the holdup in tank production was in getting cast steel tank bodies and turrets, made in only one foundry, Blaw-Knox, near Chicago.

The only other foundry that could have made the hulls and turrets, Brownman said, was the Birdsboro plant, built by the government during the Korean War then moth balled.

A subsidiary of Penn Engineering bought the plant for $2 million, although its government-appraised market value was $25 million to $30 million.

An investigator on the House Appropriations Committee charged that the Army, by not increasing production of M–60 tanks, had helped create a tank shortage in hopes of getting congressional approval for a multimillion program to build a new battle tank.

Pentagon Qualifies "Impact on the Public"

The Defense Department has announced it will voluntarily be asking the public for comment on new regulations that have a "substantial and direct impact on the public."

But there is a catch.

It would seem that much of what the department does has a substantial impact on the public, one way or another. But comment isn't being invited on its most important and costly operation.

Exempted from public involvement will be:

Anything classified in the areas of military and foreign affairs operations.

Anything that deals with agency management, personnel or public contracts.

Anything that deals with policy or interpretation of rules.

And if that isn't enough, the department reserves the right to reject public comment when it is determined that it would be "contrary to the public interest."

In announcing the new policy yesterday, the Pentagon said examples of areas for public comment would include environmental consideration involved in Defense Department actions, civilian health and medical programs carried out by the uniformed services, management of fish and wildlife, and college and university participation in ROTC.

Defense Secretary James R. Schlesinger has given the department and the armed forces until April 1 to get ready.

Who will decide when public comment is in the public interest? Whoever proposes a new regulation.—Vernon Guildry.

FAMINE PREVENTION ACT OF 1975

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. FRENZEL. Mr. Speaker, I rise today, as a sponsor, along with a number of my distinguished colleagues, of the Famine Prevention Act of 1975, and to urge its passage.

This bill would authorize up to $150 million a year in support to U.S. land grant universities to enable them to help food-deficit countries to establish similar institutions, to improve the agricultural programs of existing colleges in these countries, to assist underdeveloped countries to improve extension services, and to contribute to the work of international agricultural research organizations.

The U.S. land grant universities have a remarkable success record in increasing agricultural productivity in this country through their research programs and through education within and outside the classroom.

A major challenge which we face today is to transfer successfully the technology and techniques these universities have developed to the underdeveloped countries. This bill provides the means to tackle this challenge.

I believe this bill provides one means of enabling the underdeveloped countries to move toward the goal of feeding their own people. It is a step toward solving the world's hunger problem and averting future famines. It should also reduce future demand for U.S. food aid and thus bring about long-term savings for Americans.

AVIATION BRIEFING

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. MILFORD. Mr. Speaker, Kendall Hoyt, a senior editor of Airport Services Management, and a reporter for Flight magazine, published in my district, has written an excellent article highlighting issues in the aviation field which Congress needs to face.

In my opinion, he has hit the nail on the head in pinpointing the issues—both problems and solutions.

I would urge my colleagues in the Congress to take time to read the article and to consider the points Mr. Hoyt makes. He has been covering the aviation scene for many years and is quite knowledgeable on the subject.

The article follows:

What Every Member of Congress Should Know About Aviation

(By Kendall K. Hoyt)

Civil aviation, vital to U.S. progress and security, is drifting for lack of firm direction. This great industry looks with hope to the new Congress, determined to regain powers lost to the Executive Branch.

For leadership, aviation owes much to the Senate Committee on Commerce, now joined by the House Committee on Public Works & Transportation. New Senate and House Committees on the Budget will reinforce the Committees on Appropriations.

These panels, with other Senators and Congressmen who know what aviation means, can put air progress on course.

Aviation asks little. It is fairly prosperous despite inflation, recession, taxes, and rules. It has its own trust fund to build for oncoming traffic.

But years of indecision have left problems that can no longer wait.

FOR EARLY ACTION

Urgent items face the 94th Congress.

Airport-Airway Act—The main aviation issue this year is renewal of the 1970 law, passed after the 1968 traffic jams to provide the means to expand and improve our aviationhandling systems. It gives $310 million a year to airports, $250 million to airways, $80 million to research and development, and $15 million to plans. Spending authority ends June 30.

Aviation Trust Fund—User taxes on passengers, shippers, and aircraft owners yield over $900 million a year for airports and airways. The uncommited balance is closed to $600 million. Administration budget men want to tap the fund for operating expenses. Others would spread it to terminal improvements, land banking, and anti-noise retrofit.

User Taxes—The 1970 law told the Department of Transportation to study how federal costs can be repaid by users. After DOT findings, the Office of Management & Budget wants to load over $110 million a year more on non-carrier flying.

Aircraft Noise—Cities are losing patience. Solutions are moot as airlines long have stalled and government has dallied.

Air Service—Smaller communities have been taken from the airline map. Service to others has been cut.

Federal Organization—DOT puts aviation below other forms of transport and frustrates its Federal Aviation Administration. The Civil Aeronautics Board, regulating airlines, is divided and due for overhaul.

These and other problems are aggravated by the economic slowdown that checks income-producing growth while costs still rise, as well as uncertainties in fuel supply. We shall return to the above. First the broader view.

WHAT AVIATION MEANS

"Civil aviation is a prime force to keep our nation strong. By fast flight, the 50 States are united. City and country are linked into a single entity, within quick reach of all parts of the world. The equipment and skills are an asset for peace, a reserve for emergency, and a balancing factor in world trade.

"Our national mainstream is in jetways connected with 10,000 (now 13,000) landing places by feeder lines and general aviation. American leadership has advanced with air progress and can decline without it.

"Locally, employment-creating aviation invigorates communities and reduces welfare needs."

This statement, co-authored by the writer in 1970, was endorsed by 15 national aviation groups. It is still valid today.

AVIATION RESOURCES

The airlines have 2,600 planes, mostly jetliners, to fly passengers and cargo between some 500 U.S. cities and abroad. They are today's only form of national inter-city mass transit; the nation depends on them for travel.

A new feeder system of commuter airlines, limited to 30 passengers per plane, is fast developing scheduled service where big jets are uneconomical.

General aviation (non-airline) has 700,000 pilots and 150,000 aircraft. They use 13,000 landing places including some 11,000 airports of which 6,500 are open to public use, plus heliports and seaplane bases. Business and corporate flying are the main use, together with many services to agriculture, industry, and government.

Flight helps spread manufacturing to smaller communities and check unhealthy crowding in big cities. Aviation is a tool of American productivity, crucial at this time of world crisis. It helps support an aerospace industry with close to a million workers, essential to security and trade.

NO AVIATION POLICY

To foster and protect these assets, there is no national policy on the role of aviation and its development to fulfill its role. The 1970 Act created an Aviation Advisory Commission, appointed by the President, to study and report in a year. After two years, with division among its members, its findings were moot.

Congress also told DOT to formulate a policy on transportation into which aviation would fit, still not done despite insistence by the House Committee on Appropriations. Meanwhile FAA cannot set a policy of its own. There has been no guideline document since the Horizon Report of 1961.

Unprotected by any positive declaration, aviation is harassed by negative actions. The Office of Management & Budget stated in 1971 that until future needs are clear, flying may be "arbitrarily" curtailed rather than funded for growth and that the attitude of Congress must be changed accordingly. Now OMB proposes general aviation taxes to reduce traffic 4% to 9%.

For lack of a dynamic belief in its essentiality, once-popular aviation is attacked by civic groups for its noise and fumes so new airport projects are stopped and many a field plowed under.

In the energy crisis of 1973, officials had so little understanding of general aviation that they proposed to cut its fuel supply in half. Congress prevented this after nation-wide protests.

The industry otherwise comes to Congress with little unity. The airlines are organized for lobbying in every state to resist anything that will add to expenses. Airport operators serving county and municipal governments, a strong axis, are opposed to powerful state aviation officials seeking more part in federal programs. Unions of airline employees and controllers have their pay interests. Other pilots fight new federal rules. FAA has its own power structure.

Members of Congress will hear the divergent views of these and other groups. To cut through confusion, it would help if an appropriate committee drafted a statement of roles and goals preparatory to this year's legislation.

INDUSTRY SITUATION

Aviation is in better shape than was thought possible during the fuel crisis a year ago but not enough so that it can stand more taxes, rules, and harassments. 1974 has been a no-growth year in traffic. 1975 will show a decline unless the economy improves faster than expected.

The airlines have had a hard readjustment. When they had profits in the 1960s after conversion from propellers to jets, CAB made them cut fares and opened many routes to overcompetition. Anticipating continued 10% annual growth, the lines bought jumbo jets. To fill them, they needed more fun-flying added to business travel, not yet possible to generate.

Traffic growth fell. Then came the jump in fuel prices on top of wage boosts that run past $100,000 for a captain pilot. Allowed by CAB to get together, the lines cut schedules to save money and increase load factors—formerly below 50%—and now approaching 60%. They also raised fares to the point of diminishing returns. So profits are higher this year than last. In 1975, traffic may fall while costs continue to rise.

General aviation traffic runs a little more than last year in itinerant flights, because of business travel, and a little less from local flights because of the drop in training, the foundation of future business. Light plane production, boosted by exports, is a little more than last year.

Rising costs have made pleasure flying too expensive for most people. General aviation is a serious business-oriented industry, facing little net decline in 1975 unless its fuel is cut. Rationing or taxing of auto gas would increase the use of light planes that burn no more fuel per passenger than cars and save precious time.

PREPARING FOR THE FUTURE

Though there is no general emergency in aviation now to require the help of Congress, action is urgent so work necessary to meet future demands will not be disrupted.

Although FAA estimates of growth have been reduced from those made in more hopeful times, it is expected that most items will gain 3% to 6% a year between now and 1981.

In this 6-year span, it is forecast that airline enplanements will increase 52%; passenger miles 60%; aircraft handled at FAA control towers 51%; and general aviation hours 31%.

The figures may be a bit high. But as Gross National Product rises again, the demand for air traffic will increase and there will be congestion at key points unless system capacity is expanded, especially at the 20-odd large hubs and along crowded airways. This would check commerce and industry, like a hardening of our national arteries.

Since it takes years to plan and finish a project, there will be jams before 1980 unless Congress acts in the present session.

AIRPORT-AIRWAY ACT

The effectiveness of the airport-airway program has been far less than it should have been. Ready to pass even before the 1968 jams showed the need acute, the bill was delayed by industry bickering and federal inaction until 1970.

By then the environmental movement had gained strength to delay or block projects. In consequence, the program has produced only one small transport airport in the continental U.S., a couple of relievers near hub cities, and a few dozen general aviation fields. Few major runway extensions have been built.

More than a billion in federal aid, plus matching funds from state and local governments, has gone mainly for such things as widening and strengthening runways and taxiways; also safety and security items newly required.

Meanwhile construction costs have soared, as much as 30% in the past year. As red tape has delayed projects for two or three years of clearance procedures, the buying power of the airport dollar has fallen.

The federal share is 50% for large hubs, 75% for other airports, and 82% for safety and security work. Since the share was increased from an across-the-board 50% in the 1973 renewal act, project applications have exceeded the available funds. The $310 million for FY 1975, augmented by $25 million recently released, is almost all committed.

It would be a hardship to many airports with projects pending if the airport sum is reduced by putting trust money to other uses such as land banking, and landside work such as terminal buildings. Use for FAA maintenance and operations is strongly opposed.

As this is written, aviation groups are completing a survey of needs with cost estimates. With spending authority expiring June 30, FAA has been meeting with industry without much agreement on renewal terms. DOT is working on a bill.

It is felt the question is not whether a bill is to pass. The user taxes keep money flowing into the trust fund. It is aviation's money. The decision is whether worth-while amendments can be agreed on in time or whether a year's extension in the present form is the interim solution.

COMPLEX PROBLEMS

It is hoped that the foregoing notes have laid some groundwork for the urgent positive step of Airport-Airway Act renewal and have shown that aviation, this great American industry, cannot bear any more negative actions now.

OMB asks a departure tax of $5 to $10 on general aviation, impractical and destructive, and more FAA fees. For budget balancing, why not cut FAA with its 54,000 employees averaging $19,000 a year?

OMB also wants aviation trust money to go into FAA operations and maintenance, forbidden by Congress. Aviation people hope the idea of a single transportation trust fund, to mingle their money with highway and other funds, is dead.

Noise is a serious problem. FAA proposes Sound Absorption Material (SAM) to be financed by a 50¢ passenger head tax.

For smaller communities, flow-through subsidy for scheduled service to commuter-lines is gaining support.

Reforms in the federal regulatory system, and in DOT–FAA where non-aviation people rule over aviation affairs, are long overdue.

As the session advances, we ask leave to report further on these vital matters, believing that in this Congress is hope for new leadership in aviation.

OPENING GOVERNMENT TO PUBLIC SCRUTINY: A DECADE OF FEDERAL EFFORTS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the 1974 amendments to the Freedom of Information Act (5 U.S.C. 552) that was enacted by Congress last November over President Ford's veto, are scheduled to become effective on February 19 of this year. They will make a number of significant changes in the law to provide for more open Government to help offset the secrecy minded policies and practices of the Nixon administration.

The bipartisan congressional effort that resulted in the enactment of Public Law 93–502 was the culmination of over 3 years of effort by the Foreign Operations and Government Information Subcommittee of the House Government Operations Committee, which I chaired during the 92d and 93d Congresses, and by the Senate Judiciary Subcommittee on Administrative Practice and Procedure, chaired by Senator Kennedy.

Mr. Speaker, the decade of effort to make the Federal Government more open and responsive to the public's right to know is the subject of an excellent article in the January-February 1975 issue of Public Administration Review. The author, Dr. Harold C. Relyea of the Congressional Research Service, Library of Congress, has worked closely with the staff of our subcommittee since 1971 on matters involving our investigative and legislative efforts on the Freedom of Information Act. I commend the article to our colleagues and insert the full text at this point in the Record:

Opening Government to Public Scrutiny: A Decade of Federal Efforts

(By Dr. Harold C. Relyea, Congressional Research Service, Library of Congress)

Within the past decade, federal administrators have been confronted by various new statutes and Executive directives affecting government information policies and practices. These recent measures stem from two fundamental principles of American government: popular sovereignty and the constitutional doctrine of checks and balances. In addition to providing a procedure for realizing the right of the public to petition for information, citizens are offered various options to become informed about the activities of the Executive Branch—on their own initiative, through the press, or with the assistance of public officials or organized interests. If the fundamental basis of democracy is an alert and aware public, active in the affairs of government, such measures seemingly have a potential for fostering an informed citizenry.

These new policies have also sought to promote greater executive accountability to Congress regarding the faithful execution of the laws. Such information is essential if the legislature is to carry out its oversight function, prescribe new law, and allocate funds in a responsible way.

The information relationship among the Executive, Congress, and the public is fraught, however, with a variety of cross-purposes and mixed motives. Cherishing personal privacy, the citizen is not anxious to have the government gather and disseminate material pertaining to his or her individual characteristics, activities, and associations.

In addition, conflicts over information arise between the two branches due to political differences, constitutional impediments to its dissemination, and the invocation of official secrecy to control its circulation. Both Congress and the public have been denied information by the Executive for reasons of security or statutority permitted administrative discretion. Nevertheless, the important change effected by certain of these new measures lies in their policy presumption that all government information—whether of the documentary or witnessable variety—is available to the citizenry unless provision is otherwise made for its restriction. The weakness of this premise, however, derives from the necessity of having the Executive Branch enforce such laws against itself.

The struggle to perfect arrangements opening government information though perhaps Sisyphean to some, remains a matter of salient importance in any democratic society. The following is a synopsis of some of the achievements of the past decade in making government information more accessible.[1]

FREEDOM OF INFORMATION

The product of some 11 years of investigative hearings by the House Government Operations Special Government Information Subcommittee chaired by Rep. John E. Moss (D-Calif.), the Freedom of Information Act (FoI) (5 U.S.C. 552) provides the basic authority and procedure for the public to petition for otherwise unreleased government documents.[2] Enacted in 1966 (80 Stat. 250), codified (81 Stat. 54) and otherwise effective the following year, the FoI Act was the product of many compromises and political pressures. No federal agency urged its passage and, for a time, even the President's approval of it seemed uncertain. Nevertheless, it finally became law.

It was not until the latter half of the 92nd Congress, almost five years after its enactment, that the administration and operation of the statute came under congressional scrutiny. During 14 days of sworn testimony, the House Foreign Operations and Government Information Subcommittee, successor to the Moss panel, heard various government and private witnesses discuss their experience and difficulties with the act.[3] In reporting its findings, the Subcommittee stressed certain administrative problems revealed during the oversight proceedings.[4] Implementing regulations were found to be "confusing, inadequate, or deficient, adhering neither to the guidelines, in the 1967 Attorney General's memorandum nor the intent of Congress."[5]

Although no clear resolution of the question was arrived at during the hearing, it appeared that the Federal Power Commission had promulgated a regulation requiring "good cause" be shown by a requester in order to examine a certain type of information, this rule being established in spite of the fact that the FoI Act presumes all information will be available to the public unless it falls within one of the statute's nine permissive exemptions.[6] Regulations of the Cost of Living Council and two of its subdivisions—the Pay Board and the Price Commission—were also found to be in conflict with the FoI Act with regard to the release of information within their possession.[7]

The Subcommittee also reported that certain "Federal agencies have not kept adequate records of requests for public information under the act to properly evaluate their performance."[8] The Civil Service Commission, Department of Army, Department of Navy, Department of Labor, and Securities and Exchange Commission had no data on their FoI caseload and aspects of its processing over the period of the act's first four years of existence. The Agriculture Department maintained no centralized data on administrative action under the statute and presumed its principal subdivisions would, in variously responding to FoI requests, maintain such records. The Department of Air Force seemed to inflate its FoI caseload by including all information requests in its reported statistics on operations under the act.[9]

Other difficulties included excessive user fees, some exceeding $3 an hour for document searches and $0.30 per page for copy reproduction, which were thought to "have deterred individuals desiring access to such records."[10] Based on its findings, the Subcommittee urged the Office of Legal Counsel in the Department of Justice to be more vigorous in apprising agencies of significant court interpretations of the act; a greater role for public information officials was suggested in the administration of FoI policy; and more training, orientation, and statements of guidance were recommended for those charged with the daily implementation of the statute.[11]

Having made these suggested administrative innovations to the Executive, the Subcommittee also made some explicit legislative proposals: specification of time frames for responding to FoI requests at both the initial and appellate stages, clarification of the "identifiable record" clause to eliminate its use as a device for withholding information, setting a time frame on responsive pleadings by the government in FoI court cases, making the government responsible for court fees when losing an FoI adjudication, requiring agency reports on FoI operations each year, and tightening the permissive exemptions at least to conform with prevailing judicial interpretations.[12]

Legislation is pending to implement certain of these recommendations by amending the basic statute.[13] Efforts were also made within the Justice Department to establish a group which would undertake a governmentwide study of the administration of the FoI Act. Created to propose recommendations for uniformity in the administration of the act or model regulations designed to produce this effect, the project collapsed in June of 1974 when Attorney General William Saxbe revoked a commitment to the independence of the study and the lawyer in charge resigned in protest.[14]

Certainly the Freedom of Information Act has been instrumental in affording the public greater access to desired government documents. Nevertheless, administration of the

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Footnotes at end of article.

statute has not been particularly impressive. The bureaucracy did not want this law. Unfortunately, this attitude of opposition has manifested itself during the first years of the act's operation in excessive processing fees, response delays, and pleas of ignorance when petitioned for documents in terms other than an exact title or other type of precise identification. As a consequence, it is now necessary to clarify certain provisions of the basic statute and otherwise eliminate language being utilized to thwart the intent of the law.

The legislative reaction against the frustration of its purpose in this policy area is serious: the proposed FoI amendments would penalize an agency losing its case in court by causing the agency to pay the attorney and litigation fees of the successful petitioner. If this is not sufficient notice of the manner in which the administration of the FoI Act is to be carried out, Congress may shift the burden of responsibility to the individual bureaucrat.

ADVISORY COMMITTEE MEETINGS

Although Congress enacted legislation designed to open the proceedings of federal advisory committees to public observation, this law has been thwarted, curiously enough, by the use of certain provisions of the Freedom of Information Act itself. After extensive hearings, initiated in 1970, on the activities and operations of Executive Branch advisory units, Congress ratified the Federal Advisory Committee Act (P.L. 92–463) on October 6, 1972.[15] Patterned after the FoI law, this statute presumes all advisory panel meetings will be open to public scrutiny unless the President or the head of the agency to which the advisory committee reports determines the subject matter of a particular session "is concerned with matters listed in section 552 (b) of title 5, U.S.C.," *i.e.*, the exemption provisions of the Freedom of Information Act. Thus, to close a meeting, the agency head simply gives public notice that the business of a committee is exempted by a cited item. Oftentimes, FoI authority is merely alluded to when secrecy is invoked. As Professor William H. Rogers, Jr., of the Georgetown University Law Center recently testified in hearings on advisory committees now underway before the Senate Government Operations Subcommittee on Budgeting, Management and Expenditures:

"Why can't the public attend three meetings of the Civil Service Commission's Federal Prevailing Rate Advisory Committee? Because the "meetings will be closed to the public under a determination to do so" reads the full *Federal Register* (37 F.R. 28307) explanation. And why can't the public sit in on the deliberations of the Treasury Department's Advisory Committee on Reform of the International Monetary System? Because a determination "has been made that this and future meetings of the Committee will consider matters falling within one or more of the exemptions to public disclosure set forth in 5 U.S.C. 552(b) and that the public interest requires such meetings to be closed to public participation (Treasury Department Order J32–73, August 8, 1973)."[16]

Other difficulties which became apparent almost immediately after the Federal Advisory Committee Act took effect were inadequate notice of when committee meetings are to occur, even though guidelines on this matter promulgated by the Office of Management and Budget require a seven-day announcement time in the *Federal Register*. Space limitations are occasionally cited as a basis for restricting public access to advisory committee proceedings. Although "detailed" minutes are required by the act for every advisory panel's deliberations, the resulting records are, in many cases, inadequate accounts of what transpired.

The act also specifies that the President "shall, not later than March 31 of each calendar year (after the year in which this Act is enacted), make an annual report to the Congress on the activities, status, and changes in the composition of advisory committees in existence during the preceding calendar year." In meeting the requirements of this provision, the Office of Management and Budget submitted a brief report in March 1973 listing, by department and principal agency, the advisory panels reporting to the heads of those units. Appended to this document were loose copies of annual reports prepared by each of the advisory committees. Within these appended reports was the detailed information required by the Federal Advisory Committee Act. The entire compendium was issued through OMB, not the Government Printing Office, and was, therefore, not available for public purchase. It was not indexed and, upon inspection, did not contain all advisory committees then in operation. Indeed, certain of the panels listed in the general report failed to appear in the appended materials at all.[17]

Thus far, the Federal Advisory Committee Act has failed to meet the expectations of its sponsors as a device for opening advisory panel proceedings or obtaining accurate and detailed information for Congress and the public about the purposes, membership, or activities of such bodies. Hearings on the administration of the statute have been held before the Senate Subcommittee on Budgeting, Management, and Expenditures, chaired by Sen. Lee Metcalf (D-Mont.), one of the authors of the advisory committee law. Undoubtedly, major amendments to the existing act will be forthcoming as a result of these oversight proceedings.

SECURITY CLASSIFICATION

After almost two decades of operations under President Eisenhower's information security classification directive, E.O. 10501 (18 F.R. 7049), President Nixon called for a complete reexamination of this policy area with a view toward reducing the volume of restricted materials and limiting the number of personnel who might affix classification markings.[18] The result was a new order, E.O. 11652 (37 F.R. 5209), entitled "Classification and Declassification of the National Security Information and Material," and, subsequently, a National Security Council memorandum (37 F.R. 10053) regarding the implementation of the instrument. Two House subcommittees immediately began scrutinizing the directive.[19]

On its face, E.O. 11652 suggested shifts in policy which were not particularly pleasing to these congressional committees. The order was promulgated on the authority of the permissive exemption provision of the Freedom of Information Act regarding secret information (5 U.S.C. 552(b)(1)). The thrust of the statute is that all government information should be made available to the public and, with but slight exception, nothing should be withheld. E.O. 11652 utilizes the statute's justification for an occasional small amount of information being withheld to defend holding a huge store of documents captive.

While E.O. 10501 used the referent "interests of national defense" to justify secrecy, the new order utilizes "interests of national defense or foreign relations" which may collectively refer to "national security." Not only did this appear to be a broadening of the policy sphere affected, but the phrase in E.O. 11652 was not harmonious with the language of the statutory provision which it was allegedly based. The FoI Act clause uses the term "interest of national defense or foreign *policy*." The Foreign Operations and Government Information Subcommittee elaborated upon this matter further in a report, saying:

"In addition to putting the language of the new Executive order at variance with the language of the Freedom of Information Act on which it relies for application of the exemption, the semantic and legal differences between the terms 'national defense' and 'national security' and the terms 'foreign policy' and 'foreign relations' weaken the entire foundation of Executive Order 11652, while failing to correct a basic defect in Executive Order 10501—namely, its lack of a definition for the term 'national defense.' For example, 'relations' is a much broader word than 'policy' because it includes all operational matters, no matter how insignificant."[20]

After scrutinizing the entire order, the Subcommittee's criticisms of the directive included the following:

(1) Totally misconstrues the basic meaning of the Freedom of Information Act (5 U.S.C. 552);

(2) Confuses the sanctions of the Criminal Code that apply to the wrongful disclosure of classified information;

(3) Confuses the legal meaning of the terms "national defense" and "national security" and the terms "foreign policy" and "foreign relations" while failing to provide an adequate definition for any of the terms;

(4) Increases (not reduces) the limitation on the number of persons who can wield classification stamps and restricts public access to lists of persons having such authority;

(5) Provides no specific penalties for overclassification or misclassification of information or material;

(6) Permits executive departments to hide the identity of classifiers of specific documents;

(7) Contains no requirement to depart from the general declassification rules, even when classified information no longer requires protection;

(8) Permits full details of major defense or foreign policy errors of an administration to be cloaked for a minimum of three four-year Presidential terms, but loopholes could extend this secrecy for 30 years or longer;

(9) Provides no public accountability to Congress for the actions of the newly created Interagency Classification Review Committee;

(10) Legitimizes and broadens authority for the use of special categories of "classification" governing access and distribution of classified information and material beyond the three specified categories—top secret, secret, and confidential; and

(11) Creates a "special privilege" for former Presidential appointees for access to certain papers that could serve as the basis for their private profit through the sale of articles, books, memoirs to publishing houses.[21]

But to the extent that E.O. 11652 is operating well, credit for its implementation must be given to the Interagency Classification Review Committee established by the directive. Initially chaired by John Eisenhower with White House aide David R. Young, principal author of the new order, serving as executive director, the panel is currently headed by Dr. James R. Rhoads, Archivist of the United States, with William Brown, a former Atomic Energy Commission attorney, as executive director. Under Eisenhower's tenure, the Committee claimed to have made a 63 per cent reduction in the number of authorized classifiers; accelerated the rate of publication of the Foreign Relations series produced by the State Department; reviewed, approved, and brought about the publication of new regulations by all 34 agencies affected by E.O. 11652; and established a reporting system to enable monitoring of the progress of agencies in meeting the requirements of the new order and related directives.[22]

The selection of Rhoads and Brown indicate an interest on the part of the Executive in promoting expert records management practices through the ICRC: control of the

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panel might have been given over to individuals representative of the more security preoccupied defense or diplomatic community. Although the committee has developed a number of innovations to foster an equitable and efficient classification-declassification program, it will require more resources than it presently receives. It is virtually without a staff or a budget.

And while the ICRC has attempted to resolve a number of conflicts in its policy sphere, important questions still remain. How is sensitive material to be defined, identified, isolated, maintained, utilized, and evaluated for possible release? Should Congress have access to such restricted information? Should accessibility be general or selective within the Legislative Branch? Might judges examine classified documents to determine if they are properly restricted or might actually be released? To what extent is secret information admissible as evidence in a trial? Who is to be punished for the unauthorized release of such data? Is espionage the only charge which might be brought against offenders?

CRIMINAL CODE REVISION

Certain of these questions have taken on increased importance if only because some answer to them is posed by a recodification of Title 18, the criminal law portion of the U.S. Code. Eight years ago legislation was enacted (80 Stat. 1516) creating a National Commission on Reform of Federal Criminal Law. Chaired by former California Governor Edmund G. Brown, the panel surveyed every aspect of criminal law, including espionage, the management of classified information, trafficking in restricted data, and unauthorized disclosure of protected materials. The Commission made its final report on January 7, 1971.[23] With the convening of the 93rd Congress, modified versions of the Commission's recommended model criminal code were offered by the Senate Judiciary Subcommittee on Criminal Laws and Procedures (S. 1) and by the Justice Department on behalf of the Administration (S. 1400, H.R. 6046).

Although the two different versions contain unique provisions and special language with regard to the unauthorized disclosure of national defense information, both would inflict strong criminal punishment: (1) if an individual knowingly "reveals" (S. 1) or "communicates" (S. 1400) material pertaining to the national defense to a person unauthorized to receive it, or (2) if an individual in "possession" (S. 1) or "possession or control" (S. 1400) of information pertaining to the national defense, which he/she is not authorized to have, fails to deliver such material "on demand" (S. 1) or "promptly" (S. 1400) to a federal official entitled to receive it. Viewing these provisions in terms of recent experience, they are designed to punish the principals involved in the next Pentagon Papers incident. Not only are they aimed at the Daniel Ellsbergs of such situations, but at the newspaper willing to publish such information as well. As one critic of these provisions has observed:

"Up to this point, the legal right of the government to withhold information has been barred by the First Amendment written into the Constitution stating that Congress shall make no laws infringing upon freedom of speech or of the press. Congress has made a concession, however, in the Espionage Act, which makes illegal two specific types of disclosure of information by the government employee to a foreign agent. The Espionage Act also contains a section (Title 18, Section 793 of the U.S. Criminal Code) that reads:

" 'Whoever having unauthorized possession or access to, or control over any document . . . or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation (delivers such information) to any person not entitled to receive it (is guilty of a crime).'

"It was this section of the Espionage Act that the government used to try to stop the publication of the Pentagon Papers by the *New York Times, Washington Post,* and *Boston Globe.* The legal counsel for the *Times* argued successfully that the section is not applicable because it strictly deals with espionage and fails to include the word 'publish'." [24]

Hearings on the espionage section of the criminal code revision bills, now underway before the Senate Judiciary Subcommittee on Criminal Laws and Procedure, have brought forth various critical views from the legal and press communities regarding these provisions pertaining to the unauthorized disclosure or receipt of national defense information.[25] The acceptability of the language remains open to debate.

NEW PROPOSALS

Consideration is also currently being given to a statutory basis for the classification and declassification of national defense information. A comprehensive bill (H.R. 12004), offered by Rep. William S. Moorhead (D-Pa.) with various cosponsors, was examined by the House Foreign Operations and Government Information Subcommittee in proceedings during late July and early August of 1974. The measure establishes three categories of classification and details for the administration of same. The bill provides for a nine-member Classification Review Commission which would have the status and authority of an independent regulatory agency. The Commission would, within the framework of the statute creating it, prescribe standards and procedures for the handling and processing of classified information, adjudicate disputes involving such information as a court of first instance, and be responsible, as well, for the declassification of materials.

Hearings have also been held in the Senate before the Intergovernmental Relations Subcommitee chaired by Sen. Edmund S. Muskie (D-Maine) on a number of measures concerned with security classification.[26] All of these proceedings are exploratory in that legislative ideas are being gathered for inclusion in newly drafted proposals to be considered further in the next Congress.

In another area, hearings are underway on a proposal authored by Sen. Lawton Chiles (D-Fla.) designed to provide increased opportunities for public observation of the meetings of government agencies and congressional committees. Popularly titled the "Government in the Sunshine" Act—borrowing upon the observation of Justice Brandeis that "sunlight" is the best "disinfectant" for remedying "disease"—the bill (S. 260), modeled after the Freedom of Information Act, presumes all government meetings within its scope will be open unless their subject matter falls within the permissive exemptions provided for a closed meeting. The measure applies to all congressional committee proceedings, whether by special, joint, or standing units or by conference panels, and to Executive Branch deliberations governed by the Administrative Procedure Act (60 Stat. 237) or involving the preparation of an environmental impact statement. Drawing upon the recordkeeping provisions of the Federal Advisory Committee Act, the proposal sets standards for the reporting of both open and closed meetings within its scope, for the preparation of both open and closed meetings within its scope, for the preparation of transcripts of same, and for access to these records.

Professional and expert views on the bill have been solicited and published by the Senate Government Operations Subcommittee on Reorganization, Research, and International Organizations.[27] Sen. Chiles has served as acting chairman of this panel during the course of hearings on the measure.

Hearings were also held by the House Foreign Operations and Government Information Subcommittee on a measure (H.R. 12206) introduced by Rep. Edward I. Koch (D.-N.Y.) permitting any person to inspect a federal agency record maintained on that individual, to supplement the information contained in the record, and to remove erroneous information. The bill would also require agency notification of the person if his or her record is disclosed to any other agency or person outside of the unit maintaining the record, would prohibit the disclosure of information of any kind in the record to individuals in the agency other than those who need to examine the record in the performance of their duties; and would require the maintenance of a log of all persons inspecting such records pertaining to an individual. A similar bill (S. 3418) introduced in the Senate has been considered and adopted but broad differences have made compromise most difficult.

OVERVIEW

Although the administration of these laws has not always been consistent with the spirit of their enactment, these policy instruments generally reflect a desire to open government information, at least at the federal level, to the citizenry. What this record appears to demonstrate is: (1) a new operating presumption that government information, whether in documentary or in observable form, be available to the public unless it is otherwise specifically exempted; (2) that formal processes and procedure should govern this access in terms of timely notice of events, proper petitions for documents, right of appeal or mandatory review, etc.; (3) that judicial review of denials or refusals of information shall ultimately resolve such disputes; and (4) that these laws basically serve the individual citizen by being clearly intelligible in application and effective in producing desire results.

The fundamental basis of a democracy lies in an alert and articulate public, active in the affairs of state. Without that participation, a democratic government cannot truly be said to exist. Yet, the idea of men having rule over their own daily affairs, either directly or through chosen representatives, does not rest upon any sense of the people being inherently wise or virtuous. Rather, given factors of information, it is hoped that seemingly reasonable decisions can be arrived at, presented, argued, altered, and finally settled upon. Such behavior is manifested in a popular vote, a legislative determination by elected representatives, and administrative decisions by government officials. The actions of each, whether citizen or officeholder, is affected by the availability of information. Consequently, the perception and understanding of such forms of behavior itself becomes an element of information which can be utilized at some future time for arriving at another public policy position. Even in so abstract a model as this, the importance of accessible information, to both government *and the governed,* should be apparent.

Few would deny that, at least in principle, the authority of the American State lies with a sovereign citizenry. Yet working against this premise are pleas for elite authority based upon claims of expertise, privilege of power, or national security. All too often, these are the despoilers of open government policies. To the extent that they are successful in justifying secrecy, they are undermining democratic practice as well. The right of popular petition includes the right to request information. Policy instruments and procedures for opening government information exist now and others are about to be added to the statute books. Sensitivity to the need for their application must be more res-

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olute. Failing this, democratic practice will certainly not disappear but it will, undoubtedly, be diminished with the consequent rise of anxiety and cynicism.

FOOTNOTES

[1] A general bibliography of materials relevant to this subject area may be found in U.S. Congress, House Committee on Government Operations, *U.S. Government Information Policies and Practices—Administration and Operation of the Freedom of Information Act* (Part 5), Hearings, 92nd Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1972), pp. 1463–1471 (hereafter referred to as *U.S. Government Information Policies and Practices*).

[2] See U.S. Congress, Committee on Government Operations, *Availability of Information from Federal Departments and Agencies* (17 parts), Hearings, 84th-86th Congresses (Washington, D.C.: U.S. Government Printing Office, 1956–1959), 4260 pp. Also see Robert Okie Blanchard, *The Moss Committee and a Federal Public Records Law*, unpublished doctoral dissertation, Syracuse University Graduate School, 1966, 278 pp.; and Robert O. Blanchard, "A History of the Federal Records Law," *Freedom of Information Center Report No. 189* (Columbia, Mo.: University of Missouri School of Journalism, 1967), 12 pp.

[3] This does not include an additional six days of testimony pertaining to security classification problems arising from exemption 4 U.S.C. 552(b) (1) of the statute.

[4] For general details on these problems, see U.S. Congress, House Committee on Government Operations, *Administration of the Freedom of Information Act*, House Report 92–1419 (Washington, D.C.: U.S. Government Printing Office, 1972), pp. 12–19.

[5] *Ibid.*, p. 9. A copy of the *Attorney General's Memorandum on the Public Information* Section of the Administrative Procedure Act (Washington, D.C.: U.S. Government Printing Office, 1967) may be found in *U.S. Government Information Policies and Practices* (Part 5), pp. 1954–1960.

[6] House Report 92–1419, *op. cit.*, pp. 13–14; also see *U.S. Government Information Policies and Practices* (Part 6), pp. 1954–1960.

[7] House Report 92–1419, *op. cit.*, pp. 14–16.

[8] *Ibid.*, p. 10.

[9] See *U.S. Government Information Policies and Practices* (Part 4), pp. 1336, 1338.

[10] House Report 92–1419, *op. cit.*, p. 10; also see *U.S. Government Information Policies and Practices* (Part 4), p. 1245.

[11] House Report 92–1419, *p. cit.*, p. 10.

[12] *Ibid.*, pp. 10–11.

[13] See U.S. Congress, House Committee on Government Operations, *The Freedom of Information Act*, Hearings, 93rd Congress, 1st Session (Washington, D.C.: U.S. Government Printing Office, 1973), 412 pp.; also see U.S. Congress, Senate Committees on Government Operations and Judiciary, *Executive Privilege, Secrecy in Government, Freedom of Information, Hearings*, 93rd Congress, 1st Session (Washington, D.C.: U.S. Government Printing Office, 1973), 1482 pp.; the House version of amending legislation (H.R. 12471) was reported (House Report 93–876) in March of 1974 while the Senate version (S. 2543) was reported (Senate Report 93–854) in May; an initial conference on the two proposals was held during the first week of August, but, as of this writing (mid-August), disagreements over time frames for administrative and legal action and over the application of sanctions have halted the adoption of a final measure.

[14] On the scope of the project as envisioned by Attorney General Elliot L. Richardson, see U.S. Congress, Senate Special Committee on the Termination of the National Emergency, *National Emergency*, Hearings, 93rd Congress, 1st Session (Washington, D.C.: U.S. Government Printing Office, 1973), p. 759; the collapse of the project was reported in *The Washington Post*, June 1, 1974.

[15] On the evolution of the Federal Advisory Committee Act (P.L. 92–463) see the following publications of the U.S. Congress, House Committee on Government Operations, all available from the U.S. Government Printing Office: *Presidential Advisory Committees*, Hearings, 91st Congress, 2nd Session, 1970, 382 pp.; *The Role and Effectiveness of Federal Advisory Committees*, House Report 91–1731, 1970, 45 pp.; *Advisory Committees*, Hearings, 92nd Congress, 1st Session, 1972, 123 pp.; *Federal Advisory Committee Standards Act*, House Report 92–1017, 1972, 19 pp.; *Executive Branch Advisory Committees*, House Report 92–1403, 1972, 13 pp. See also the following publications of the U.S. Congress, Senate Committee on Government Operations, available from the U.S. Government Printing Office: *Advisory Committees*, Hearings, 91st Congress, 2nd Session, 1970, 818 pp.; *Advisory Committees*, Hearings, 92nd Congress, 1st Session, 1971, 1094 pp.; *Federal Advisory Committee Act*, Senate Report 92–1098, 1972, 22 pp.

[16] U.S. Congress, Senate Committee on Government Operations, *Advisory Committees*, Hearings, 93rd Congress, 1st and 2nd Sessions (Washington, D.C.: U.S. Government Printing Office, 1974), p. 83.

[17] See U.S. Congress, Senate Committee on Government Operations, *Federal Advisory Committees: First Annual Report of the President to the Congress, Including Data on Individual Committees*, Committee print (Washington, D.C.: U.S. Government Printing Office, 1973), 5 volumes.

[18] E.O. 10501 was amended as follows: E.O. 10816 (24 F.R. 3777), E.O. 10901 (26 F.R. 217), E.O. 10964 (26 F.R. 8932), E.O. 10985 (27 F.R. 439), E.O. 11097 (28 F.R. 2225), and E.O. 11382 (32 F.R. 16247).

[19] See U.S. Congress, House Committee on Armed Services, *Hearings on the Proper Classification and Handling of Government Information Involving the National Security*, Hearings, 92nd Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1972), 620 pp.; also see U.S. Congress, House Committee on Government Operations, *U.S. Government Information Policies and Practices—Security Classification Problems Involving Subsection* (b) (*1*) *of the Freedom of Information Act* (Part 7), Hearings, 92nd Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1972), 675 pp.

[20] U.S. Congress, House Committee on Government Operations, *Executive Classification of Information—Security Classification Problems Involving Exemption* (b) (*1*) *of the Freedom of Information Act (5 U.S.C. 552)*, House Report 92–221 (Washington, D.C.: U.S. Government Printing Office, 1973), p. 62.

[21] *Ibid.*, pp. 58–59.

[22] *Weekly Compilation of Presidential Documents*, Vol. 9 (April 30, 1973), pp. 419–420.

[23] See The National Commission on Reform of Federal Criminal Laws, *Final Report of The National Commission on Reform of Federal Criminal Laws* (Washington, D.C.: U.S. Government Printing Office, 1971), 364 pp.

[24] Darryl W. Levings, "A U.S. 'Official Secrets Act'?" *Freedom of Information Center Report No. 311* (Columbia, Mo.: University of Missouri School of Journalism, 1973), p. 3.

[25] See U.S. Congress, Senate Committee on the Judiciary, *Reform of the Federal Criminal Laws* (Parts VI and VII), Hearings, 93rd Congress, 1st Session (Washington, D.C.: U.S. Government Printing Office, 1973); of related interest, see Harold Edgar and Benno C. Schmidt, Jr., "The Espionage Statutes and Publication of Defense Information, *Columbia Law Review*, Vol. 73 (May 1973), pp. 929–1089; on the objectionable information provisions of the proposed criminal code, see Richard Criley, "Nixon's 'Official Secrets Act,'" *The Nation*, Vol. 219 (March 2, 1974), pp. 265–268.

[26] The bills, together with introductory and explanatory statements, may be found in U.S. Congress, Senate Committee on Government Operations, *Legislation on Government Secrecy*, Committee print (Washington, D.C.: U.S. Government Printing Office, 1974), 265 pp.

[27] See U.S. Congress, Senate Committee on Government Operations, *Government in the Sunshine, Committee print* (Washington, D.C.: U.S. Government Printing Office, 1974), 128 pp.

BUFFALO HOSPITAL'S ROLE CITED IN HEART SURGERY TECHNIQUE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. NOWAK. Mr. Speaker, currently early correction of congenital heart defects in infants is being performed with increasing frequency at various health centers. A procedure involving surface-induced deep hypothermia, circulatory arrest, and limited cardiopulmonary bypass is now being employed to facilitate open heart surgery on infants and small children. Excellent operating conditions are provided with the heart completely relaxed and the surgeon's view unobscured by blood.

Dr. S. Subramanian, chief of the Division of Cardiovascular Surgery at Children's Hospital in my hometown of Buffalo, N.Y., has been using this technique for more than 4 years, and has completed 205 operations. One hundred and twenty of these were on infants under 1 year of age, with an overall mortality of less than 20 percent. Dr. Subramanian states further that Children's Hospital has the largest experience in this country using this operative technique.

The Buffalo area regularly has played a prominent role in health research, and I would like to share this specific example with my colleagues. As part of my remarks I am including an article from the Washington Star-News of January 21, 1975, which explains this technique in more detail:

SUSPENDED ANIMATION SAVING BABIES' LIVES

(By Judith Randal)

MARCO ISLAND, FLA.—Babies born with serious heart defects are being put into a state of suspended animation so that they can undergo corrective surgery within the first few months, or even the first few hours of life.

In preparation for the surgery, the infant—some of them weighing as little as 4 pounds and only a day and a half old—is first anestheized and then put into a bag of ice until the body temperature drops to 68 degrees Fahrenheit, Dr. Aldo R. Castaneda told the American Heart Association's Science Writers Forum here yesterday.

This, he said, literally stops both the heart and the circulation so that when the baby is removed from the ice the surgeon can operate confidently on the tiny inner parts of the heart without the risk that bleeding might obstruct his view or endanger the child. Most important, the cooling protects the infant's brain and central nervous system from damage by oxygen deprivation, giving the surgeon as long as an hour to make the needed repairs.

Castaneda, cardiovascular surgeon-in-chief at Children's Hospital Medical Center in Boston and a professor at Harvard Medical School, said the technique—called hypothermia—represents a real advance since it enables surgeons to repair an infant's heart defect permanently.

While hypothermia in itself is not new, he explained, it has been little used for this purpose until recently. Indeed, surgeons ordinarily have had to operate in such a hurry on infants that surgery was, in effect, only a stopgap measure and the patient had to undergo a further operation when old enough and big enough to withstand the open-heart technique routinely used for children and adults.

Like the surgery for such older patients, however, the surgery for infants necessitates the use of a heart-lung machine. But instead of being used throughout the operation, the machine is hooked up to the patients cirulatory system just after he is cooled and is activated only when the heart repairs have been completed and the baby is ready to be rewarmed. Rewarming to normal body temperature ordinarily takes about 20 minutes, Castaneda said.

Hypothermia for infant heart surgery originated in Japan in the early 1960s, Castaneda reported, and then spread, first to New Zealand and Britain and then to the United States. Several U.S. medical centers have had considerable experience with it, he added, including Children's Hospital in Buffalo and the University of Alabama Hospital in Birmingham.

At his own hospital in Boston, Castaneda reported, the technique has been used for 83 patients with correctable defects in the past two years—38 of them less than 3 months old—and only 10 have died. So far there has been no evidence that the oxygen deprivation to the brain during the surgery interferes with a baby's later physical and mental development, he said.

About 4,000 of the 11,000 infants born with heart defects in the United States each year require life saving surgery in the first three months of life. Until recently, babies born with such defects in the Washington area had to be sent out of town (if they were strong enough) for surgery in which hypothermia was used. In July, however, Dr. Thomas Midgley, who was trained in this technique at the Hospital for Sick Children in London, joined Washington Children's Hospital Medical Center.

In a telephone interview, Midgley said that none of the three babies whom he has treated to date in the United States has survived, but that all of them had multiple and extremely serious defects which made them especially poor candidates for surgery. Thus, he explained, he expects better results in the future.

Meanwhile, he said, many children in London who underwent their operations as infants as long ago as 1968 have done well both academically and athletically, indicating that they have developed normally in every way.

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. WON PAT. Mr. Speaker, today I am introducing a bill which authorizes an amendment to section 2(f) of the Public Health Service Act (42 U.S.C. 201 (f)) so as to include the Territory of Guam in the definition of a "State" includes all American areas, including the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. Only Guam is left out. This measure is identical to a bill which I introduced in the 93d Congress.

Guam's exclusion from this important section of our national health laws was not intentional in the strict sense of the word. When the PHS Act was first enacted by Congress in 1944, Guam was then in the hands of Japanese occupiers. Consequently, the territory was deleted from the original definition of a State, although our sister territory, the Virgin Islands, and the Commonwealth of Puerto Rico were so defined for the purposes of receiving benefits.

The quality and the quantity of medical care in Guam is a matter of constant concern to many of our people. At present, Guam has many fine physicians practicing in the territory. However, there exists a critical shortage of skilled doctors and nurses to meet our total needs. I believe that this problem can be alleviated throughout our continued participation in the public health service program.

For this reason, and to insure that Guam will not once again find itself left out of yet another PHS program, through inadvertent legislative omission, I urge my colleagues to support the bill I have introduced today. Thank you.

UKRAINIAN POLITICAL PRISONERS

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. BUCHANAN. Mr. Speaker, the hope for freedom still lives among such captive peoples as those of Ukraine, fed and encouraged by such American friends of freedom as the Women's Association for the Defense of Four Freedoms for Ukraine. Today, representatives of this fine organization are visting Congressmen and Senators, pleading the cause of those Ukrainian women now held as political prisoners in the Soviet Union. Their efforts deserve our prayerful support. There follows a statement concerning their purpose here, together with a partial list of the political prisoners whose cause they plead:

WOMEN'S ASSOCIATION FOR THE
DEFENSE OF FOUR FREEDOMS
FOR UKRAINE, INC.,
New York, N.Y.

Commemorating the 57th anniversary of the Proclamation of the Independent State of Ukraine, the delegation of the Women's Association for the Defense of Four Freedoms for Ukraine, Inc., composed of women from various states, are paying a special visit to the offices of their senators and congressmen to express their gratitude for defending the human rights of the people in enslaved Ukraine, for their unselfish support and continued interest in the knowledge of the struggle and desire of the Ukrainian people for the restoration of a free Ukrainian State. On this occasion, we particularly express our appreciation for their voice in defense of Ukrainian political prisoners.

Allow us to present to you a small desk flag, a reproduction of our Ukrainian flag, to serve as a symbol of Ukraine, and as a token of appreciation in behalf of our membership and of the Ukrainian people in your state.

On the occasion of this visit with you, permit us to inform you that during the month of February, Ukrainians, in secrecy at home, and in the free world, traditionally for more than half a century pay tribute to their Ukrainian heroines. In harmony with the tradition and in the spirit of the United Nations Proclamation of International Year of Woman 1975, Ukrainians will this year also acknowledge the contributions of women for their achievements in Ukrainian culture, science, economy, industry, religion, family and social life.

A special tribute will be paid to the thousands of Ukrainian women political prisoners who were sentenced by the Russian court to many years in prison and concentration camps in Siberia although no crimes were committed. They are not criminals, they are respected ladies of all strata who refused to renounce their arrested mates and loved ones, but defended them instead. They opposed the russification policy, forced atheism, colonial exploitation, and police control of family and public lives. They bravely defended their human rights and Ukrainian identity. A partial list of Ukrainian women arrested and persecuted between 1972–73 is attached.

As Americans of Ukrainian descent, we are proud to state that Ukraine is a friendly western oriented nation and is a sincere and reliable ally. Ukrainians believe in the policy of self-liberation and their desire for freedom has cost them more than twenty million victims in the past 57 years of Russian occupation.

In the International Year of Women 1975, initiated by the USSR, we are asking your honorable person for your intervention before the Soviet authorities in behalf of the women political prisoners to persuade the Soviet authorities to grant them amnesty and release to return to Ukraine, their homes and families.

ULANA CELEWYCH,
President.

A PARTIAL LIST OF UKRAINIAN WOMEN ARRESTED AND PERSECUTED BETWEEN 1972–73

IRYNA STASIV-KALYNETS

Iryna Stasiv was born in 1940, graduated from Lviv University and became a teacher in secondary school. From there she went on to become a lecturer in Ukrainian Language and Literature in the preparatory faculty of the Lviv polytechnic institute. An authoress of several unpublished works, she, and husband Ihor Kalynets, came out in defence of the persecuted Ukrainian patriots and signed a collective protest letter in defence of V. Moroz. Iryna also protected against the destruction of Ukrainian historical monuments. For this, she was fired from her post and continuously victimised, while officially her poetry was forbidden to be published. In 1971 she joined the "People's Committee for the defence of Nina Strokata," who had been arrested without any grounds. Iryna Stasiv-Kalynets was arrested in January and sentenced in Lviv on July, 1972 to 6 years imprisonment and three years in exile. She and her husband have a ten year old daughter—Dzvinka, who was left orphaned because Ihor Kalynets was also sentenced to 12 years of prison and exile. Iryna Stasiv-Kalynets was sentenced under Article 62 of the Criminal Code of the USSR "for anti-soviet agitation and propaganda." She is serving her sentence in a Mordavian concentration camp from where she, Stefania Shabatura, and Nina Strokata-Karavanska, sent a letter on May 10, 1973 to the Secretary General of the U.N., Kurt Waldheim, in which they protested against the enslavement of the Ukrainian nation and demanded an open trial for themselves in the presence of a U.N. representative.

IRYNA SENYK

Iryna Senyk, a poetess, was born in 1925, near Lviv. She was initially arrested in 1946 in Lviv, on the accusation that she belonged to the Organization of Ukrainian Nationalists, in which she acted as massenger from the O.U.N. Headquarters whose head was Roman Chuprynka, commander of the Ukrainian Insurgent Army. She was sentenced to ten years hard labour. After finishing her term of imprisonment, she left prison with tuberculosis of the bones. After treatment for TB, she obtained her specialist qualifications in literature. In her free time, she wrote patriotic verses full of love for Ukraine and hatred for the enemies of freedom. The publication of her works was interrupted by the arrest of Shornovil, who was to be the editor. From 1969 onwards Iryna Senyk and others wrote letters in defence of S. Karavansky and V. Moroz. For this she was persecuted. In 1970, the KGB searched her house, after which she was arrested and sentenced to six years imprisonment and five years exile.

The trial was "in camera"; she was charged with propagating literature, for possessing E. Rice's book, "The New literary current in the Ukraine" which was confiscated from her, and for her friendship wtih V. Moroz, V. Chornovil, M. Osadchy, and with the writer Olga Duchymynska. A Soviet newspaper reported that at her trial Iryna Senyk did not admit to guilt and even considered herself as suffering for the achievement of Ukrainian independence. Her place of confinement is unknown.

NINA KARAVANSKA-STROKATA

Nina Karavanska was born on the 31st of January, 1925, in Odessa. After finishing secondary school, she became a student in the Odessa Medical Institute, from where she graduated with distinction. For a while she worked in the Microbiological Institute in Odessa, and later practised medicine for 6 years. From 1952 until 1971 she did research in the Odessa Medical Institute, and was working on her doctorate, and publishing many scientific works.

Nina is married to Svyatoslav Karavansky, who was imprisoned in concentration camps from 1944 to 1960 for having been active in the Odessa unit of the Organization of Ukrainian Nationalists, who fought for the liberation of Ukraine. He was arrested again in 1965 for writing an article on the policy of the russification of the Ukrainian language in Ukraine and for appealing to the leaders of the Communist parties of Poland and Czechoslovakia in the matter of the political arrests of 1965 in Ukraine. For this he was sent back to serve out the nine remaining years of his 25 year sentence. In 1969, he was sentenced to a further eight years, thus making a total of 33 years imprisonment. At this trial, Nina Karavanska-Strokata appeared as a witness, defending her husband and accused the Moscow bolshevik authorities of a cruel and brutal trial. Because of this, the Odessa Medical Institute demanded that she publicly denounce her husband. As she refused, she was fired from her post on May, 1974, and not permitted to defend her dissertation for a doctorate. Nina also came out in defence of persecuted Ukrainian patriots, and signed a statement against the unlawful imprisonment of V. Moroz. For a while, harassment towards her was interrupted due to the fact that a cholera epidemic had broken out and she was among the most active in combatting the epidemic. After the epidemic was overcome, a new campaign of villification was mounted against her in the press, and she was unable to find employment. Because of this, Nina was forced to leave Ukraine at the end of the summer of 1971, and went to Nalchyk, (Kabarolyno-Balkarue) where she became a medical lecturer. But even here she was persecuted. On the 8th of December, 1971 while returning to Odessa from Nalchyk, Nina was arrested by the KGB, her house searched, and various poems and books by her husband were found.

The KGB stated that Nina had been arrested because she would not "forget" her husband's case and because of her contacts with the committee for Human Rights. She was officially charged under Article 62 of the Criminal Code of the USSR, and her trial, which took place in Odessa, lasted from the 4th to the 19th of May, 1972. She was tried together with the writer Alex Rysnykov and Alexander Prytyka. The latter pleaded guilty, while Strokata and Rysnykov stated they were innocent and refused to accept their defense lawyer, since he was on the prosecutor's side. Nina was sentenced to four years imprisonment, Rysnykov to five years, and Prytykra to two years. On the 10th of May, 1973, Nina Karavanska—Strokata, Stefania Shabatura and Iryna Stasiv—Kalynets sent out a letter from a Mordavian concentration camp to the U.N. Secretary General, Kurt Waldheim, in which they protested against the enslavement of the Ukrainian nation and demanded an open trial in the presence of a U.N. representative.

STEPHANIA SHABATURA

Stephania Shabatura, born in 1940, is an artist who drew many cartoons with Ukrainian patriotic motifs. In 1970, she protested against the illegal arrest of Valentin Moroz, for which she was persecuted, and finally arrested in Lviv, 1972. The KGB began a continuous interrogation of Katala, an engineer, in connection with the case. His refusal to give fake evidence led to his mysterious death in a prison in Lviv, on May 28, 1972. In August, 1972, Stephania Shabatura was sentenced to five years imprisonment and three years of exile. Together with other women prisoners, Shabatura sent a letter of protest against the enslavement of the Ukrainian nation by Moscow to the Secretary General of the United Nations, in which they demanded an open trial in the presence of a U.N. representative.

NADIA SVITLYCHNA

Nadia Svitlychna, sister of the literary critic Ivan Svitlychny, is a pilologist. She is the wife of Danylo Shymuk, who was sentenced to 15 years imprisonment, and has a 3 year old son, Yarema. Nadia Svitlychna worked in a Kiev Library but was fired from her post for signing a petition demanding freedom for Ukraine. Since then, she has been without work and has been persecuted. After the murder of Alla Hors'ka, she made a demand for an inquiry into the circumstances of the artist's mysterious death. The KGB searched Svitlychna's house and took Alla Hors'ka's files. From January to May 1972, Nadia Svitlychna had to report to the KGB every day, and on May 19, 1972, she was sentenced in a closed trial to four years imprisonment (according to article 62 of the Constitution of the Ukrainian S.S.R.). Her little son was forced to enter a government orphanage. Her place of confinement is unknown.

LYUBOV SEREDNIAK

In January, the KGB searched Lyubov Seredniak's house, and found a novel by Solzhenitsyn, a work by Grossman, and similar literature. For this she was arrested, and, after four months of interrogation, was sentenced on May 15, 1972, to a year's imprisonment. She has not yet been released.

VALYA KORNICZUK

Valya was a former student of Lviv University. She was expelled in the summer of 1973 for citicizing the terrorist activities of the Soviet regime. She was also a member of a student group which published an uncensored magazine "Postup" and disseminated pamphlets that criticised Moscow's policies of Russification in Ukraine.

ALLA OLEKSANDRIVNA HORS'KA

Alla was brought up in a russified Ukrainian family in Kiev. She completed her education at the Kiev Art Institute. She took an active part in the national rebirth within the community life in Kiev, which since the 1960's has attracted young generations of artists and intellectuals.

In 1962, she became one of the organisers of a cultural club for young people which was closed down in 1964. She took part in organising literary and artistic meetings and exhibitions, in spreading underground publications and in organising aid and funds for the arrested and persecuted and their families.

In May, 1964, Alla designed and produced a Shevchenko stained-glass panel exhibited in the foyer of the University of Kiev. The panel was destroyed for ideological reasons and Alla Hors'la expelled from the Ukrainian Artists' Union. She was then forced to find work outside Kiev, so, together with other artists she organised a range of monumental and decorative panels in Donbas. During the following years she continued to take an active part in Ukrainian cultural life.

In December 1965 she appeared as a witness in the pre-trial investigation of Yaroslav Hevrych. Thoughout 1965 and 1966 she wrote complaints to the Ukr.S.S.R. Procurator, to the Supreme Court and other officials protesting against the violation of the Soviet law system, and against the persecution of Ukrainian cultural development. In 1967, Alla witnessed the trial of Vyacheslav Chornovil and later signed a collective protest letter against the unlawful nature of that trial. In July 1968, together with others, she wrote an open protest letter to "Library Ukraine" against O. Poltoratsky's article concerning Ukrainian intellectuals. In 1969-70, Alla supported Valentin Moroz in public when he met with opposition towards his recent works such as "Among the Snows."

On November 28, 1970, Alla Hors'ka was murdered at her inlaw's home in Vasyl'kiv, near Kiev. She was found murdered in the basement by friends who after being unable to trace her whereabouts, demanded that the KBG let them into the in-law's house. Her funeral was arranged for December 4, 1970. People from Kiev and distant areas came to the funeral. Unexpectedly, the funeral was postponed until December 7th. Her family was forbidden to see her or even take the coffin, which remained sealed from the time of her death. Despite all schemes and efforts on the part of the Soviet authorities to prevent a public funeral from taking place, about 150–200 people gathered for this occasion. Those who dared to pay the last tribute to her were threatened with reprisals. Searches were carried out at their homes. On the day of her funeral, her friends held a post-mortem exhibition of all her works. Hundreds of people passed through her studio.

STEFANIA HULYK

Stefania was an employee of the Society for the preservation of historic and cultural monuments in Lviv. In 1970, she sent a protest letter to the Supreme Court of the Ukrainian S.S.R., in defence of the unlawfully sentenced Valentin Norz, and against the destruction of Ukrainian cultural and historical monuments by the Bolsheviks. She is married and has a small child. She was arrested in January and later released. However, she is constantly being questioned by the KBG and may be rearrested at any time.

OLHA VASYLIVNA DUCZYMINSKA

Olha was born in 1883 in Western Ukraine. She is an expert in literature and art. Olha was formally accused of having strong patriotic beliefs and contact with the Ukrainian revolutionary freedom fighters. For this, in 1949, she was arrested and sentenced in Lviv to 10 years imprisonment. In 1972 the KGB aimed malicious accusations at Olha who was by then 89 years old. They began to persecute her again. She was alleged to be circulating Ukrainian anti-Soviet literature and to be giving her opinions on patriotic Ukrainian poems, especially the works of Iryna Senyk, who was sentenced to 11 years imprisonment.

IRYNA HUSAR (BORN 1905)

Iryna received a doctorate in philology from the University of Lviv in 1940, and is an author of German language textbooks. She was released from her job at the University of Lviv in the summer of 1973, where Ukrainian students were demanding lecturers to teach subjects in the Ukrainian language. Ukrainian professors and lecturers were blamed for this and since that time Iryna Husar has been continuously persecuted. Now it is questionable whether she will receive her pension.

SVITLYANA KYRYCZENKO

Svitlyana is a scientist, formerly working at the Institute of Philosophy in the Academy of Sciences of the Ukrainian S.S.R. In 1972, in Kiev, she was fired from her job after continuous harassment. She is accused of "nationalistic and anti-Soviet views". Such an accusation is usually a precurser of arrest; Svitlyana may soon be another victim.

ATHENA VOLYCKA

Athena Volycka, a scientist at Lviv University, stood up in defence of all repressed Ukrainians and protested to the Supreme Court of the USSR against the savage trial of V. Moroz, demanding an end to the illegal judgment. She was publicly reprimanded for this, and given an assistant at the laboratory, who was an agent of the KGB. In the summer of 1972, Volycka's home was searched, after which she was arrested. Her present fate is not known.

MARIA KOVALSKA

Maria was a sales clerk in the bookshop "Molod" in Lviv. In 1973 the KGB searched her apartment but found nothing. Nevertheless, she was released from her job and is continuously persecuted. Maria Kovalska is accused of too friendly an association with visiting tourists, of conversing with them (which is forbidden to Soviet citizens unless they are agents of the KGB), and of expressing sympathy for Ukrainian cultural figures sentenced by the regime.

KHRYSTYNA TYMCHUK

Khrystyna Tymchuk, who worked at the Academy of Sciences, was arrested in 1972 in Kiev. During interrogations, the KGB insisted that she work for them, but when she refused, they promised to help her in her career as a reward for her cooperation. This, too, had no effect. The fate of Khrystyna Tymchuk and her present whereabouts are now unknown.

RAJISA MOROZ

Rajisa Moroz is the wife of the well known historian Valentin Moroz who was sentenced to 14 years of imprisonment. She is a teacher of German in the Ivano Frankivsk teacher's college and is continuously persecuted because her husband was sentenced for "anti-Soviet" activities as he stood out in defence of the Ukrainian culture and language. In 1973 harassment towards her was increased because she had contact with Ukrainian intellectuals abroad. As a result of this, she was also threatened to have her 11 year old son, Valik, taken away and placed in a police-supervised institution.

IRYNA VOLODYMYRIVNA DZYLENKO

Born on April 28, 1931, in Kiev, Iryna received a degree from the Philological Faculty of Kiev University in 1964. She worked as a tutor, and later in a newspaper and magazine publishing office. She published her first poems in 1958 and since then has systematically appeared on the pages of various periodicals. In 1964 her artistic essays "Bykovynski Ballads" were published, followed by several collections of poetry. A series of her lyric poems "In the Bells of the Heart" appeared in 1972–73. As a result of this, the Soviet censors began to attack Iryna Dzylenko on the pages of the Soviet press, accusing her of "ambiguity in the context of her poetry", and of straying from the Party line. Normally, such strong criticism and accusations precede the denunciation of an author's works and probable imprisonment. It is not known what the future holds for Iryna Dzylenko and her creative endeavours.

OLHA HEL'

Olha's brother, Ivan Hel', is a distinguished writer who is serving a long prison sentence. Olha herself has heart trouble, and looks after her elderly mother. She previously received an invalid's pension, which has since been stopped. Ill and persecuted she lives under strained circumstances. It was reported that in 1972, Olha Hel' was arrested but later released on account of her ill-health.

MARIA KACZMAR-SAVKA

Maria is an artist, who on November 25, 1970, sent a letter of protest to the Supreme Court of the Ukrainian S.S.R. in defence of the unjustly sentenced Valentin Moroz. The court ignored this as well as other similar protests, but as a consequence the KGB began to harass Maria Kaczmar-Savka. In 1972 the KGB stepped up its persecution toward her.

LUDMYLA CHYZHUK

Ludmyla was a student at the Kiev University where she transferred from the Russian to the Ukrainian department. On May 22, 1971, she recites poems by the poet Symonenko at the Shevchenko Monument. After this she was called up for interrogation, at which she was reproached, among other things, for changing her university course, and for reading Symonenko. She was accused of nursing a "hostile view of Soviet authority". Since then Ludmyla Chyzhuk has been expelled from the university and is still continuously persecuted.

IRYNA STESHENKO

Iryna was born July 5, 1898, in Kiev. A writer-actress who translated foreign works into Ukrainian, she was the granddaughter of a well-known writer. In 1920, she graduated from the Dramatic Institute, and worked as an actress at the Shevchenko Theatre, and then at the Berezel' Theatre. At the same time, she translated plays, poetry and prose from French, Italian, English, German and Russian. She took part in the "Fatherland War" for which she was awarded a medal. In 1973 Iryna Steshenko fell into disfavour, being accused of maintaining contact with Ukrainian scientists abroad, and allowing her lodgings to be used for meetings with Ukrainian cultural figures and foreign tourists, in which she also took part.

MARIJKA VALYA

Marijka Valya, an assistant at the Institute of Sociology in Lviv, and a specialist in baroque literature, was fired on the pretext of "nationalist, anti-Soviet feeling". She has since been deprived of her government pension.

LYBOMYRA POPADYUK

Lybomyra was a lecturer of German at the University of Lviv. Early in 1972, the KGB searched her house and began persecuting her. Later she was fired from work, under the pretext that she was acquainted with cultural figures M. Osadchy, V. Chornovil, and others. In actual fact, she was fired because the students of Lviv University protested against russification and criticised the regime in the Ukraine. There have been recent reports of her arrest. Her son Zerian Popadyuk has been arrested and sentenced to 7 years imprisonment.

RAJISA MORDAN' (BORN 1939, NR. KIEV)

Rajisa is the wife of poet V. Mordan'. She was a teacher at a nursery school in Kiev, and taught the children a few Ukrainian songs, and brought them to a concert commemorating Lesya Ukrainka, in which the ethnic choir 'Homin' also took part. For this, Rajisa Mordan' was called up for "questioning" at which she was brutally treated and dismissed from work. She was accused of "contact with the 'nationalistic' choir Homin, and of influencing the children". From then on Rajisa has undergone continuous persecution, and her husband has also suffered as a result of this.

LUDMYLA SHEREMETYEVA (BORN IN 1945)

Ludmyla was an extra-mural student of journalism at Kiev University. After the arrests of O. Nazarenko and Karpenko, the KGB searched her home, looking for Samvydav material which it did not find. However, Sheremetyeva has continued to be persecuted since then, and in 1969 she was expelled from Kiev University.

MARIA VOYTOVYCH

Maria Voytovych lives in Lviv. On May 12, 1972, she wrote a letter to the Supreme Court of the Ukrainian S.S.R. in defence of the illegally convicted historian Valentin Moroz. As a result of this, she is continuously persecuted and unable to obtain work.

NADIA VOLKOVYCH

Nadia was born in 1947, and became a member of the Komsomol. She worked in a children's nursery in Kiev. She was a member of the Ukraine folk-ensemble, "Homin", which was disbanded by the Russian authorities who accused it of being "nationalistic." Nadia Volkovych was interrogated in connection with this, and was requested to be an informer for the KGB. When she refused to do this she was fired from her job and has been continuously persecuted.

HALYNA YAREMYCZ

Halyna was a student at Lviv University, from which she was expelled in 1973 for protesting together with other students against the russification of Ukrainian schools, and for insisting on the freedom to commemorate the poet, Shevchenko. Several students of this group were arrested, but so far it is not known what has happened to Halyna Yaremycz.

THE 1974 VOTING RECORD OF CONGRESSMAN ROBERT F. DRINAN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. DRINAN. Mr. Speaker, I believe my constituents are entitled to know how I voted on each issue during 1974. I am, therefore, taking this opportunity to set forth my position on every vote. In doing so I am following a practice which I have followed in each of the 4 years I have served in the Congress.

During 1974, in the second session of the 93d Congress, I was unadvoidably absent for only 3 votes out of the total of 537 recorded votes. My attendance record, over 99 percent, was the third highest of the 435 Members of the House.

I would welcome comments or inquiries from any constituent about any of the votes I have taken.

My complete voting record for 1974 follows:

Date	Measure and result	Vote
January 21	H.R. 11387. Alcoholism Programs. Staggers (D W.Va.) motion to suspend the rules and pass the bill to authorize $294-million in fiscal 1974–76 for the prevention and treatment of alcoholism. Motion agreed to 338–22.	Yes
January 22	H.R. 11537. Game Management. Dingell (D Mich.) motion to suspend the rules and pass the bill to extend and expand the authority of federal agencies to carry out wildlife conservation and propagation programs on military reservations and other public lands. Motion agreed to 355–25 (PL 93–452).	Yes
January 22	H.R. 11809. Fishery Zones Baselines. Dingell (D Mich.) motion to suspend the rules and pass the bill to expand the fisheries zones off the coast of the United States by providing that baselines be straight rather than following the indentations of the coastlines. Motion agreed to 375–1.	Yes
January 23	H.R. 11354. International Development Association. Passage of the bill to authorize an additional $1.5-billion contribution to the International Development Association. Rejected 155–248.	Yes
January 29	H.R. 11793. Federal Energy Administration. Adoption of the rule (H Res. 788) providing for House floor consideration of the bill to create a Federal Energy Administration. Adopted 380–5. (PL 93–275).	Yes
January 30	H.R. 5463. Federal Rules of Evidence. Adoption of the rule (H Res 787) providing for House floor consideration of the bill to establish a uniform set of rules of evidence for federal courts. Adopted 386–18.	Yes
February 4	H.R. 4861. Piscataway Park. Taylor (D N.C.) motion to suspend the rules and pass the bill to authorize the acquisition, preservation and protection of certain lands known as Piscataway Park in Prince Georges and Charles Counties, Maryland. Motion agreed to 334–4. (PL 93–444).	Yes
February 5	H.R. 11221. Deposit Insurance. Adoption of the rule (H Res 794) providing for House floor consideration of the bill to increase to $50,000 from $20,000 the amount of a bank deposit that can be covered by federal insurance and to provide for full federal insurance of both checking and savings deposits by state and local governments. Adopted 397–0.	Yes
February 5	H.R. 11221. Deposit Insurance. Wylie (R Ohio) amendment to delete from the bill provisions to provide for federal insurance for unlimited amounts of bank savings deposits by state and local governments. Rejected 170–202.	No
February 5	H.R. 11221. Deposit Insurance. Motion to order the previous question (thus end further debate and the possibility for amendment) on Blackburn (R Ga.) motion to recommit to the Banking and Currency Committee the bill to increase federal deposit insurance limits. Motion to order previous question rejected 122–259.	No
February 5	H.R. 11221. Deposit Insurance. Passage of the bill to increase to $50,000 from $20,000 the amount of a bank deposit that can be covered by federal deposit insurance and to provide for federal insurance on unlimited amounts of savings deposits by state and local governments. Passed 282–94.	Yes
February 6	H. Res. 803. Impeachment Inquiry Subpoena Authority. Rodino (D N.J.) motion to order the previous question (end further debate and the opportunity for amendment) on the impeachment inquiry resolution. Motion agreed to 342–70.	No
February 6	H. Res. 803. Impeachment Inquiry Subpoena Authority. Adoption of the resolution to authorize and direct the House Committee on the Judiciary to conduct an investigation of whether sufficient grounds exist to impeach President Nixon and to authorize use of subpoenas in conducting the inquiry. Adopted 410–4.	Yes
February 6	H.R. 5463. Federal Rules of Evidence. Passage of the bill to establish uniform rules of evidence for federal courts. Passed 377–13.	Yes
February 6	Adjournment. Waggonner (D La.) motion to adjourn. (The intent of the motion was to seek adjournment before House Rules Committee could report a rule providing for House floor consideration of the energy emergency bill (S 2589) on Feb. 7.) Motion rejected 125–155.	Not Present
February 7	H. Con. Res. 425. Lincoln's Birthday Recess. O'Neill (D Mass.) motion to concur with Senate amendment to the resolution providing for adjournment of the Senate from Friday, Feb. 8, to Monday, Feb. 18, and adjournment of the House from Thursday, Feb. 7, to Wednesday, Feb. 13. Motion agreed to 209–175.	No
February 7	S. J. Res. 185. Truckers' Fuel Cost Reimbursement. Adoption of the rule (H Res 835) providing for House floor consideration of the resolution to permit the Interstate Commerce Commission to order regulated trucking companies to reimburse independent truckers for increased fuel costs by Feb. 15 instead of March 20. Adopted 384–10).	No
February 7	S. J. Res. 185. Truckers' Fuel Cost Reimbursement. Passage of the resolution to permit the Interstate Commerce Commission to order regulated trucking companies to reimburse independent truckers for increased fuel costs by Feb. 15 instead of March 20, thus reducing the statutory waiting period for comments on the order. Passed (thus cleared for the President) 374–6. (PL 93–249)	Yes
February 7	H.R. 11873. Animal Health Research. Gooding (R Pa.) motion to recommit to the House Agriculture Committee the bill to authorize an Agriculture Department matching grant program to carry on a program of animal health research. Rejected 27–328.	Yes
February 7	H.R. 11873. Animal Health Research. Passage of the bill to authorize an Agriculture Department matching grant program to carry on a program of animal health research. Passed 324–23.	Yes
February 13	H.R. 11864. Solar Energy. Teague (D Texas) motion that the House resolve into Committee of the Whole House to consider the bill to provide for demonstrations of technology for using the sun's energy to heat and cool homes and other buildings. Agreed to 248–2.	Yes
February 13	H.R. 11864. Solar Energy. Passage of the bill to provide for National Aeronautics and Space Administration program of demonstrations of technology to use solar energy to heat and cool homes and other buildings. Passed 253–2.	Yes
February 19	H.R. 12628. Veterans' Education and Rehabilitation Amendments of 1974. Dorn (D S.C.) motion to suspend the rules and pass the bill to increase veterans' education benefits by 13.6 per cent and make other changes in veterans' education and training programs. Motion agreed to 382–0.	Yes
February 19	H.R. 10834. Golden Gate National Recreation Area. Taylor (D N.C.) motion to suspend the rules and pass the bill to add approximately 875 acres to the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif. Motion agreed to 284–88.	Yes
February 19	H.R. 10203. Water Resources Development. Adoption of the conference report on the bill to authorize $1.3-billion in fiscal 1974–79 for the construction, repair and development of navigation, flood control and other water resource projects. Adopted 374–4 (PL 93–251).	Yes
February 21	H.R. 12670. Military Flight Pay. Passage of the bill to restructure the flight pay system of the armed forces in order to improve retention of trained aviators and provide more equitable flight pay. Passed 320–67 (PL 93–294).	No

Date	Measure and Result	Vote
February 26	H.R. 2. Private Pension Reform. Sisk (D Calif.) motion to move the previous question (cut off further debate and preclude the opportunity for amendment) on the rule (H Res 896) providing for House floor consideration of the bill to establish minimum federal standards for private pension plans. Agreed to 331-53.	Yes
February 26	H.R. 2. Private Pension Reform. Adoption of the rule providing for House floor consideration of the bill to establish minimum federal standards for private pension plans. Adopted 373-7 (93-406).	No
February 27	S. 2589. National Energy Emergency Act. Pepper (D Fla.) motion to order the previous question (cut off further debate and preclude the opportunity for amendment) on the rule (H Res 901) providing for House floor consideration of the energy emergency conference report. (Opponents of the rule sought to change the terms by which certain conference provisions could be considered by the House.) Motion rejected 144-259.	No
February 27	S. 2589. National Energy Emergency Act. Anderson (R Ill.) request for a separate vote striking from the conference report the provision to reduce and to control the price of domestic crude oil which had been exempted from price controls by law or by the Cost of Living Council. Rejected 173-238.	No
February 27	S. 2589. National Energy Emergency Act. Eckhardt (D. Texas) request for a separate vote striking from the conference report provisions granting the President authority to impose mandatory energy conservation plans and providing for congressional disapproval of the plans. Rejected 66-343.	No
February 27	S. 2589. National Energy Act. Latta (R Ohio) request for a separate vote striking from the conference report the provision to authorize the President to impose rationing of crude oil and oil products. Rejected 199-211.	No
February 27	S. 2589. National Energy Emergency Act. Adoption of the conference report on the bill to grant the President authority to impose gasoline rationing and other conservation measures and to ease clean air standards and to direct him to reduce and control the price of domestic crude oil that had been exempted from controls by law or by the Cost of Living Council. Adopted 258-151.	Yes
February 28	H.R. 2. Private Pension Reform. Erlenborn (R Ill.) amendment to place management of pension plan termination insurance in a government-operated pension benefit insurance corporation headed by a nine-member board rather than in the Secretary of Labor and two other persons selected by him, as provided by the bill. Rejected 179-217.	No
February 28	H.R. 2. Private Pension Reform. Conable (R N.Y.) amendment to allow the maximum tax deductibe amount that a self-employed person could contribute to his own retirement fund to be adjusted by cost of living increases. Rejected 183-206.	No
February 28	H.R. 2. Private Pension Reform. Long (D La.) amendment to reduce to $6,000 from $7,500 the maximum tax-deductible amount that a self-employed person could contribute to his own retirement fund each year. Rejected 63-323.	No
February 28	H.R. 2. Private Pension Reform. Passage of the bill to establish minimum federal standards for private pension plans. Passed 376-4.	Yes
March 4	H.R. 11143. Government Purchases From the Blind. Hicks (D Wash.) motion to suspend the rules and pass the bill to authorize $240,000 in fiscal 1974 and open-ended funds thereafter for the federal commission supervising government purchases of goods and services from the blind and other severely handicapped persons. Motion agreed to 308-0. (P.L. 93-358).	Yes
March 5	H. Res. 947. Reorganization Plan No. 2. Holifield (D Calif.) motion to suspend the rules and adopt the resolution to amend the Reorganization Plan No. 2 of 1973, by agreeing to Senate-approved amendments to a bill (H.R. 8245), passed by the House July 17, 1973, and by the Senate Dec. 3, 1973, eliminating difficulties in administering government immigration and naturalization programs. Motion agreed to 317-86.	Yes
March 5	H.R. 11793. Federal Energy Administration. Holifield (D Calif.) amendment, clarifying sections of the bill, to restrict the authority of the Federal Energy Administration to functions transferred to it under H.R. 11793 or to those found in existing law. Adopted 301-103.	No
March 6	H.R. 11793. Federal Energy Administration. Bauman (R Md.) amendment to prohibit the implementation of rationing programs for gasoline and other petroleum products by the administrator of the Federal Energy Administration without congressional approval. Rejected 160-241.	No
March 6	H.R. 11793. Federal Energy Administration. Dingell (D. Mich.) amendment to roll back the price of domestic crude oil to $5.25 a barrel and to allow prices to rise no more than 35 percent above the $5.25 ceiling. Adopted 218-175.	Yes
March 7	H.R. 11793. Federal Energy Administration. Second vote on Dingel (D Mich.) amendment (*See vote 42, above*) requested by Holifield (D Calif.). Amendment rejected 163-216.	Yes
March 7	H.R. 11793. Federal Energy Administration. Passage of bill to create a Federal Energy Administration replacing the Federal Energy Office, established by executive order in December 1973, to manage federal emergency energy program. Passed 353-29.	Yes
March 11	H. Res. 790. Armed Services Committee Funding. Adoption of the resolution authorizing $150,000 for the Armed Services Committee for the remainder of the 93rd Congress for investigations, consultants fees, equipment rentals, and other miscellaneous expenses. Adopted 312-1.	Yes
March 12	House Journal. Wolff (D N.Y.) motion to read the March 11 proceedings from the House journal in their entirety. (The motion was a tactic to delay consideration of H.R. 69, a bill to amend and extend the Elementary and Secondary Education Act of 1965; *see vote 47, below*). Motion rejected 16-365.	No
March 12	H.R. 69. Elementary and Secondary Education Act Amendments. Adoption of the rule (H. Res. 963) providing for House floor consideration of the bill to amend and extend the Elementary and Secondary Education Act of 1965. Adopted 234-163.	Yes
March 13	H.R. 12341. State Department Property. Passage of the bill to amend the Foreign Service Buildings Act of 1926 to authorize the sale of the former consul building and residence in Venice, Italy, by the State Department to Wake Forest University in North Carolina for $250,000. Passed 402-0. (PL 93-264)	Yes
March 13	H.R. 12466. State Department Supplemental Authorization. Passage of the bill to amend the State Department Appropriation Authorization Act of 1973 by reducing some authorizations and increasing others, for a net reduction of $12.7-million for fiscal 1974. Passed 331-75. (PL 93-312)	Yes
March 13	H.R. 3858. Anti-Hijacking Act. Metcalfe (D. Ill.) amendment to eliminate the death penalty as a punishment for hijacking crimes and substitute instead a prison sentence of from 20 years to life. Rejected 121-286.	Yes

Date	Measure and result	Vote
March 13	H.R. 3858. Anti-Hijacking Act. Mathis (D. Ga.) amendment to eliminate four of the mitigating factors under which the death penalty for hijacking could not be imposed, but to retain a fifth factor prohibiting the death penalty for anyone under the age of 18. Rejected 102–302.	No
March 13	H.R. 3858. Anti-Hijacking Act. Eckhardt (D. Texas) amendment to eliminate the mandatory death penalty for specifically defined hijacking crimes in the bill and make it discretionary instead. Rejected 162–239.	Yes
March 13	H.R. 3858. Anti-Hijacking Act. Passage of the bill implementing the 1971 Hague international hijacking convention and authorizing the President to suspend air service to and from any country he determined was acting inconsistently with the convention, defining the circumstances under which the death penalty must be imposed for hijacking crimes, and authorizing certain security measures for use at U.S. airports. Passed 361–47.	No
March 14	H.R. 12471. Freedom of Information. Passage of the bill to amend the Freedom of Information Act of 1966 to improve the public's access to federal government documents by strengthening procedures for obtaining materials from government agencies and by providing for closer congressional oversight of the agencies covered by the act. Passed 383–8.	Yes
March 18	S. 1206. Immigration and Nationality. Eilberg (D Pa.) motion to suspend the rules and pass the bill to amend section 312 of the Immigration and Nationality Act to exempt any alien over 50 years of age who had lived in the United States for at least 20 years from the requirement that he have a working knowledge of the English language before applying for naturalization. Motion agreed to 301–21.	Yes
March 18	H.R. 10337. Hopi-Navajo Land Partition. Meeds (D Wash.) motion to suspend the rules and pass the bill to authorize the U.S. District Court of Arizona to formally partition lands that had been jointly used by the Hopi and Navajo Indians between the two tribes. Motion rejected 133–199.	No
March 18	S. 2771. Military Enlistment Bonuses. Stratton D N.Y.) motion to suspend the rules and pass the bill to revise the special pay bonus structure of the armed services by allowing up to $15,000 in selective reenlistment bonuses (SRB) for re-enlistments of persons with critical skills and to expand existing law by allowing for enlistment bonuses of up to $3,000 for a four-year enlistment in any critical skill area in any service. Motion agreed to 237–97. (PL 93–277).	No
March 19	H.R. 12503. Narcotic Treatment Programs. Staggers (D W.Va.) motion to suspend the rules and pass the bill to require persons dispensing methadone and other narcotics in drug treatment programs to register with the attorney general. Motion agreed to 375–0.	Yes
March 19	H.R. 12417. Diabetes Research. Staggers (D W. Va.) motion to suspend the rules and pass the bill to authorize $23.5-million in fiscal 1975–77 to establish a national commission to develop a long-range plan to combat diabetes and to create new centers for diabetes research and training. Motion agreed to 380–6.	Yes
March 19	H.R. 11105. Nutrition for the Elderly. Brademas (D Ind.) motion to suspend the rules and pass the bill to authorize $600-million in fiscal 1975–77 for the nutrition program for the elderly (Title VII) under the Older Americans Act. Motion agreed to 380–6. (PL 93–351).	Yes
March 20	H.R. 12435. Minimum Wage Increase. Snyder (R Ky.) amendment to exempt from minimum wage and overtime requirements newsboys who also delivered shopping newspapers. Rejected 167–236.	No
March 20	H.R. 12435. Minimum Wage Increase. Passage of the bill to raise the hourly minimum wage for most non-farm workers from $1.60 to $2.00 two months after enactment, then to $2.10 on Jan. 1, 1975, and to $2.30 on Jan. 1, 1976; to extend new minimum wage coverage to approximately 7 million workers and to repeal several minimum wage and overtime coverage exemptions contained in existing law. Passed 275–37.	Yes
March 20	H.R. 11929. TVA Pollution Control Costs. Passage of the bill to entitle the Tennessee Valley Authority to a credit for the costs of installation of pollution control equipment against repayments of appropriations to the U.S. Treasury. Passed 209–193.	No
March 21	H.R. 12920. Peace Corps. Adoption of the rule (H Res 994) providing for House floor consideration of the bill to authorize $82,256,000 for Peace Corps operations and up to $1,000,000 for increases in Peace Corps salaries and employee benefits in fiscal 1975. Adopted 380–9.	Yes
March 21	H.R. 12920. Peace Corps. Passage of the bill to authorize $82,256,000 for Peace Corps operations and up to $1,000,000 for increases in Peace Corps salaries and employee benefits for fiscal 1975. Passed 294–103 (PL 93–302).	Yes
March 25	H.R. 8747. D.C. Smallpox Vaccination. Passage of the bill to repeal a District of Columbia law requiring public school students to be vaccinated against smallpox. Passed 316–1. (PL 93–334).	Yes
March 25	H.R. 12109. D.C. Neighborhood Councils. Landgrebe (R Ind.) motion to recommit, and thus kill, the bill amending the District of Columbia Self-Government and Governmental Reorganization Act to require the establishment of neighborhood advisory councils by majority vote. Motion rejected 118–215.	No
March 25	H.R. 12109. D.C. Neighborhood Councils. Passage of the bill to amend the District of Columbia Self-Government and Government Reorganization Act to establish neighborhood advisory councils if a majority of those voting approved their establishment; the law had originally required a majority of all registered voters to approve establishment of the councils. Passed 227–111 (PL 93–272).	Yes
March 25	H.R. 12832. D.C. Law Revision Commission. Passage of the bill to create a District of Columbia Law Revision Commission and establish a municipal code for the city. Passed 220–119 (PL 93–379).	Yes
March 26	H.R. 69. Elementary and Secondary Education Act Amendments. Peyser (R N.Y.) amendment to require that federal education aid to disadvantaged students be distributed on the basis of a formula that counted the number of children from families making less than $4,000 and all of the children from families receiving AFDC (aid to families with dependent children) in excess of $4,000. Rejected 87–326.	Yes
March 26	H.R. 69. Elementary and Secondary Education Act Amendments. O'Hara (D Mich.) amendment to distribute two-thirds of the federal aid for disadvantaged students to school districts on the basis of the total number of school children, and one-third on the basis of the bill's formula—which counted only poor children (under the federal definition of poverty) and two-thirds of those receiving AFDC payments in excess of the poverty level. Rejected 103–312.	No
March 26	H.R. 69. Elementary and Secondary Education Act Amendments. Esch (R Mich.) amendment to ban busing for desegregation purposes to any but the school closest or next closest to the student's home and to allow reopening of school desegregation orders to modify them to conform with the provisions of the amendment. Adopted 293–117.	No

Date	Measure and result	Vote
March 27	H.J. Res. 941. Veterans Supplemental Appropriations, Fiscal 1974. Passage of the bill to provide supplemental appropriations of $750,000,000 in fiscal 1974 for readjustment benefit payments to veterans enrolled in educational and vocational programs. Passed 398-0.	Yes
March 27	H.R. 69. Elementary and Secondary Education Act Extension. Mink (D Hawaii) amendment to extend impact aid programs for three years, through fiscal 1977, instead of one year, through fiscal 1975. Adopted 276-129.	Yes
March 27	H.R. 69. Elementary and Secondary Education Act Extension. Ashbrook (R Ohio) amendment to prohibit any appropriated funds from being used for busing to achieve school desegregation. Adopted 239-168.	No
March 27	H.R. 69. Elementary and Secondary Education Act Extension. Crane (R Ill.) amendment to withhold education funds from any local education agency if the agency required its employees to join or pay dues to a union or professional organization. Rejected 95-308.	No
March 27	H.R. 69. Elementary and Secondary Education Act Extension. Passage of the bill to extend most programs authorized by the Elementary and Secondary Education Act of 1965 through fiscal 1977 and restrict the use of busing for desegregation purposes. Passed 380-26.	Yes
March 28	S. 2747. Minimum Wage Increase. Adoption of the conference report on the bill to raise the hourly minimum wage for most non-farm workers from $1.60 to $2.00 on May 1, 1974, then to $2.10 on Jan. 1, 1975, and to $2.30 on Jan. 1, 1976; and to extend new minimum wage coverage to approximately 7 million workers. Adopted 345-50. (PL 93-259)	Yes
March 28	H.R. 12412. Foreign Disaster Assistance. Passage of the bill to authorize $65-million in disaster assistance to Nicaragua and Pakistan and $50-million to the Sahelian countries of Africa, and to require congressional review of any agreements modifying the terms of foreign aid debts of foreign governments to the United States. Passed 276-124. (93-333)	Yes
April 1	H Res 937. Internal Security Committee Funding. Passage of the bill to authorize $475,000 for the House Internal Security Committee in fiscal 1975. Passed 247-86.	No
April 1	H.R. 13515. Librarian of Congress Retirement. Nedzi (D Mich.) motion to suspend the rules and pass the bill to provide a congressional retirement of $20,700 per year for L. Quincy Mumford, librarian of Congress, provided that he retired within 30 days of enactment of the bill. (Mumford was scheduled to retire as a Civil Service employee at $15,000 per year.) Motion rejected 103-226.	No
April 2	H.R. 6186. D.C. Elections. Adoption of the conference report on the bill to permit employees of the federal government or the government of the District of Columbia to become candidates for mayor and city council of the city and to amend the District of Columbia Revenue Act of 1947. Adopted 388-6. (PL 93-268)	Yes
April 2	S. 1585. Unauthorized Use of Woodsy Owl. Edwards (D Calif.) motion to suspend the rules and pass the bill to provide a fine and prison term for using for profit the conservation emblem, Woodsy Owl, or the slogan, "Give a hoot, don't pollute." Motion agreed to 384-15 (PL 93-318).	Yes
April 2	S. 2770. Military Medical Pay. Adoption of the rule (H Res 1017) to provide for House floor consideration of the bill to increase bonuses and special pay for physicians, dentists, veterinarians and optometrists in the armed forces. Adopted 288-112.	No
April 2	S. 2770. Military Medical Pay. Aspin (D Wis.) amendment, in the nature of a substitute bill, to increase bonuses and special pay only for physicians in the armed forces. Rejected 194-201.	Yes
April 2	S. 2770. Military Medical Pay. Passage of the bill to increase bonuses and special pay for physicians, dentists, veterinarians and optometrists in the armed forces. Adopted 291-106.	No
April 3	H.R. 13163. Consumer Protection Agency. Adoption of the rule (H Res 1025) providing for House floor consideration of the bill to establish an independent Consumer Protection Agency to represent consumer interests in the proceedings and activities of federal agencies. Adopted 372-20.	Yes
April 3	H.R. 13163. Consumer Protection Agency. Broyhill (R. N.C.) amendment, to the Brown (R. Ohio) amendment in the nature of a substitute bill (*See* vote 89, *below*), to limit the authorization of the Consumer Protection Agency to fiscal 1975-77. Adopted 224-177.	No
April 3	H.R. 13163. Consumer Protection Agency. Brown (R Ohio) amendment, in the nature of a substitute bill, to restrict the Consumer Protection Agency's access to other federal agencies' information, to limit its authority to seek judicial review of agency decisions and to delete its indirect subpoena power. Rejected 176-223.	No
April 3	H.R. 13163. Consumer Protection Agency. Fuqua (D Fla.) amendment, as a substitute to the pending Wright (D Texas) amendment (*See* vote 91, *below*), to limit the Consumer Protection Agency's right of judicial review to questions dealing with its right to obtain information or to represent consumers. Rejected 149-241.	No
April 3	H.R. 13163. Consumer Protection Agency. Wright (D Texas) amendment to require the Consumer Protection Agency to demonstrate that judicial review of any agency decision in which it did not participate originally would serve the interests of justice before seeking such review. Adopted 236-147.	No
April 3	H.R. 13163. Consumer Protection Agency. Passage of the bill to establish an independent Consumer Protection Agency to represent the interests of consumers in the activities of federal agencies. Passed 293-94.	Yes
April 4	H.R. 12253. Guaranteed Student Loans. Adoption of the conference report on the bill to eliminate the needs test for certain students seeking federal interest subsidies on guaranteed student loans and to make fiscal 1974 education funds available for expenditure through fiscal 1975. Adopted 376-1. (PL 93-269)	Yes
April 4	H.R. 12565. Defense Supplemental Authorization, Fiscal 1974. McSpadden (D Okla.) motion to order the previous question, which would have the effect of ending further debate on and the possibility of amending the rule (H. Res. 1026) providing for House floor consideration of the bill to authorize supplemental defense appropriations for fiscal 1974. Motion rejected 113-268.	No
April 4	H.R. 12565. Defense Supplemental Authorization, Fiscal 1974. Leggett (D. Calif.) amendment to delete the provision to authorize $29-million to expand the U.S. naval facility at the Indian Ocean island of Diego Garcia. Rejected 94-255.	Yes
April 4	H.R. 12565. Defense Supplemental Authorization, Fiscal 1974. Hebert (D. La.) amendment to increase the fiscal 1974 authorization ceiling on U.S. military aid to South Vietnam from $1.126-billion under existing law to $1.4-billion (the administration originally had requested $1.6-billion). Rejected 154-177.	No

Date	Measure and Result	Vote
April 8	H.R. 12473. Eisenhower Convention Center. Passage of the bill to establish and finance a bond sinking fund for construction of the Eisenhower convention center. Rejected 138–211.	Yes
April 9	H. Res. 998. House Rules. Adoption of the rule (H. Res. 1018) to provide for House floor consideration of the bill to modify House parliamentary procedures. Adopted 311–84.	Yes
April 8	H.R. 12473. Eisenhower Convention Center. Diggs (D. Mich.) amendment to allow District of Columbia residents to vote in a nonbinding advisory referendum on whether or not the Eisenhower convention center should be built. Adopted 276–69.	Yes
April 8	H.R. 12473. Eisenhower Convention Center. Gray (D. Ill.) amendment to delete a $14-million authorization, previously enacted into law, in federal funds for the convention center and to eliminate oversight authority of the Senate and House Appropriations Committees for convention center plans and construction. Rejected 142–205.	No
April 9	H. Res. 998. House Rules. Gross (R-Iowa) amendment to delete the language in the resolution to raise to 40 from 20 the number of members needed to force a recorded vote on an amendment in situations where more than 200 members were on the floor. Adopted 252–147.	Yes
April 9	H. Res. 998. House Rules. Adoption of the resolution to restrict the use of quorum calls on the floor, establish a new procedure for consideration of bills under suspension of the rules, and broaden the opportunity for House members to consider and vote on non-germane language added to bills by the Senate and in conference. Adopted 374–27.	Yes
April 9	H.R. 14012. Legislative Branch Appropriations, Fiscal 1975. Passage of the bill to appropriate $603,221,280 in fiscal year 1975 for the operations of the House of Representatives, joint House and Senate activities, the Architect of the Capitol and other items. Passed 373–17.	Yes
April 10	H.R. 14013. Supplemental Appropriations, Fiscal 1974. Obey (D-Wis.) amendment to increase to $250-million from $100-million an appropriation to continue existing public service job programs triggered whenever national unemployment is 4.5 percent or more and to increase total appropriations for both existing and new public service jobs programs to $500-million from $350-million. Adopted 236–168.	Yes
April 10	H.R. 14013. Supplemental Appropriations, Fiscal 1974. Addabbo (D-N.Y.) amendment to appropriate $4,500,000 for implementing a Federal program to prevent and treat child abuse. Adopted 254–149.	Yes
April 10	H.R. 14013. Supplemental Appropriations, Fiscal 1974. Gross (R Iowa) amendment to delete a $230-million appropriation for a payment to the U.S. Postal Service Fund to offset losses caused by a Cost of Living Council order delaying a postage increase to March 2 from Jan. 5. Rejected 97–302.	No
April 10	H.R. 14013. Supplemental Appropriations, Fiscal 1974. Symms (R Idaho) amendment to cut all appropriations in the bill by 5 per cent. Rejected 145–249.	No
April 10	H.R. 14013. Supplemental Appropriations, Fiscal 1974. Passage of the bill to make supplemental appropriations of $8,811,362,043 in fiscal 1974 for defense, pay cost increases, manpower programs and other purposes. Passed 375–22.	Yes
April 11	H.R. 13113. Commodity Futures Trading Commisison. Adoption of the rule (H. Res. 1029) providing for House floor consideration of the bill to strengthen federal regulation of commodity futures trading by creating a five-member, semi-independent commission to oversee the industry; to grant the commission new legal authority to prescribe and enforce regulations; and to extend federal regulation to all agricultural and other commodities traded on commodity exchanges. Adopted 347–15.	Yes
April 11	H.R. 13113. Commodity Futures Trading Commission. Sisk (D Calif.) amendment to ensure that the four public members of the commodity trading regulatory commission proposed in the bill be fulltime employees of the commission, and that the fifth member, the secretary of agriculture, not be appointed chairman of the body. Rejected 158–179.	Yes
April 11	H.R. 13113. Commodity Futures Trading Commission. Passage of the bill to strengthen federal regulation of commodity futures trading by creating a five-member, semi-independent commission to oversee the industry; to grant the commission new legal authority to prescribe and enforce regulations; and to extend federal regulation to all agricultural and other commodities traded on commodity exchanges. Adopted 281–43.	Yes
April 23	S. 2770. Military Medical Pay. Adoption of the conference report on the bill to revise the special pay structure for physicians in the armed forces and to set a maximum bonus of $13,500 for each year of additional service that a military physician agreed to perform. Adopted 327–17 (PL 93–274).	Yes
April 23	H.R. 13919. Atomic Energy Commission Authorization. Lujan (R N.M.) amendment to increase the fiscal 1975 authorization for the Atomic Energy Commission by $600,000 for construction of a solar heating and cooling demonstration project at the Los Alamos, N.M., Scientific Laboratory. Adopted 275–112.	Yes
April 23	H.R. 13919. Atomic Energy Commission Authorization. Robison (R N.Y.) amendment to increase the fiscal 1975 authorization for controlled thermonuclear (fusion) research to $112-million from $91-million. Rejected 115–283.	No
April 24	H.R. 12799. Arms Control and Disarmament Agency Authorization. Foreign Affairs Committee-approved amendment to require the director of the Arms Control and Disarmament Agency to report to Congress on the impact major weapons programs would have on U.S. arms control policy and negotiations. Rejected 152–239 (P.L. 93–332).	Yes
April 24	S. 628. Civil Service Annuity. Adoption of the rule (H Res 1010) to provide for consideration of the bill to eliminate the reduction in the annuity taken by a Civil Service retiree in order to provide survivor benefits for a spouse, and to provide a surviving spouse with a basic annuity of 55 per cent of the retiree's annuity. Adopted 363–30.	Yes
April 24	S. 628. Civil Service Annuity. Passage of the bill to eliminate the reduction in annuity taken by a Civil Service retiree in order to provide survivor benefits for a spouse and to provide a surviving spouse with a basic annuity of 55 per cent of the retiree's annuity. Passed 296–102 (P.L. 93–474).	Yes
April 24	H.R. 11321. Public Safety Officers' Benefits. Danielson (D Calif.) amendment to change the effective date of the program established by the bill from Oct. 11, 1972, to the date of enactment of the bill. Rejected 187–191.	No
April 24	H.R. 11321. Public Safety Officers' Benefits. Wiggins (R Calif.) motion to recommit the bill to the Judiciary Committee. Rejected 77–300.	No
April 24	H.R. 11321. Public Safety Officers' Benefits. Passage of the bill to provide a $50,000 federal payment to the surviving dependents of non-federal public safety officers—policemen, firemen, corrections officers, pris-	Yes

Date	Measure and Result	Vote
	on and probation officers—who died from injury sustained in the performance of their work. Passed 320–54.	
April 25	H.R. 13999. National Aeronautics and Space Administration Authorization. Passage of the bill to authorize $3.3 billion in fiscal 1975 appropriations for the National Aeronautics and Space Administration. Passed 341–37.	Yes
April 25	H.R. 13999. National Science Foundation Authorization. Symington (D Mo.) amendment, as a substitute amendment to the pending Roncallo (R N.Y.) amendment (*see note 123 below*), to bar the National Science Foundation from performing any research using live human fetuses outside the womb except to save the life of the fetus or to carry out the duties and responsibilities of the medical profession. Rejected 136–218.	Yes
April 25	H.R. 13999. National Science Foundation Authorization. Roncallo (R. N.Y.) amendment to bar the National Science Foundation from performing any research using live human fetuses outside the womb except to save the life of the fetus. Adopted 281–58.	No
April 25	H.R. 13999. National Science Foundation Authorization. Passage of the bill to authorize $788.2 million in fiscal 1975 appropriation for the National Science Foundation. Passage 330–8 (P.L. 93–413).	Yes
April 29	H.R. 11793. Federal Energy Administration. Adoption of the conference report on the bill to establish a temporary Federal Energy Administration to manage short-term energy shortages. Adopted 356–9 (P.L. 93–275).	Yes
April 29	H.R. 11989. Fire Prevention and Control. Passage of the bill to establish a National Bureau of Fire Safety and a Fire Research Center in the Department of Commerce and to authorize the National Institutes of Health to develop a program for the improved treatment of burn victims. Passed 352–12.	Yes
April 30	H.R. 14434. Energy Research and Development Appropriations. Fiscal 1975. Roncalio (D Wyo.) amendment to delete $4,335,000 in Atomic Energy Commission funds for research and evaluation for the use of underground nuclear expositions to stimulate the recovery of shale oil and mineral ores. Rejected 190–207.	Yes
April 30	H.R. 14434. Energy Research and Development Appropriations, Fiscal 1975. Passage of the bill to appropriate $2,269,828,000 for energy research and development programs of the federal government. Passed 392–4 (PL 93–322).	Yes
May 1	H.R. 12993. Broadcast License Renewal. Broyhill (R N.C.) amendment to extend the broadcast license term from three to five years, instead of from three to four years. Adopted 308–84.	No
May 1	H.R. 12993. Broadcast License Renewal. Passage of the bill to amend the 1934 Communications Act by extending the broadcast license term from three to five years, putting new limits on the Federal Communications Commission's power to revoke licenses, and requiring broadcasters to follow specific rules in determining the interests of their audiences. Passed 379–14:	No
May 1	H.R. 14368. Energy Supply and Coordination. Wyman (R N.H.) amendment to suspend auto emission controls in the United States until 1977 except for those areas designated as having heavy pollution levels. Rejected 169–221:	No
May 1	H.R. 14368. Energy Supply and Coordination. Passage of the bill to authorize a relaxation of several air pollution regulations and to require the federal energy administrator to collect information on the nation's energy resources. Passed 349–43 (PL 93–319).	No
May 2	H.R. 13053. National Cancer Program. Passage of the bill to authorize $2.8-billion over a three-year period (fiscal 1975–77) for the federal program of cancer research, detection and treatment. Passed 390–1:	Yes
May 2	H.R. 6175. National Institute on Aging. Passage of the bill to establish a National Institute on Aging within the National Institutes of Health. Passed 379–1:	Yes
May 6	H.R. 296. Historical and Archeological Data Preservation. Taylor (D N.C.) motion to suspend the rules and pass the bill to expand federal efforts to recover, preserve and document historical and archeological resources that would otherwise be lost because of federal construction projects. Motion agreed to 296–23.	Yes
May 6	S. 1125. Alcoholism Program. Staggers (D W.Va.) motion to suspend the rules and concur with Senate amendments to the bill to authorize $374-million in fiscal 1975–77 for federal programs for the prevention and treatment of alcoholism and alcohol abuse. Motion agreed to (thus cleared for the President) 301–17. (P.L. 93–282).	Yes
May 7	H.R. 11035. Metric Conversion. Teague (D Texas) motion to suspend the rules and pass the bill to establish a national board to plan for the voluntary conversion to the metric system of measurement in the United States. Motion rejected 153–240.	No
May 7	H.R. 14117. Disabled Veterans. Dorn (D S.C.) motion to suspend the rules and pass the bill to authorize cost-of-living increases in the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for their survivors. Motion agreed to 396–0.	No
May 7	H.R. 14354. National School Lunch Program. Perkins (D Ky.) motion to suspend the rules and pass the bill to extend through fiscal 1975 the authority of the agriculture secretary to purchase food commodities for distribution to child nutrition programs at non-surplus prices. Motion agreed to 359–38.	Yes
May 8	H.R. 8053. Voter Registration Act. Adoption of the rule (H. Res. 929) to provide for House floor consideration of the bill to establish a nationwide postcard voter registration system for federal elections. Rejected 197–204.	Yes
May 8	H.R. 8193. Energy Transportation Security. Anderson (D Calif.) amendment to exempt refineries with a capacity of 30,000 barrels of oil per day or less from the bill's requirement that a percentage of imported oil (*see vote 142, below*) be carried in American ships. Agreed to 227–176.	No
May 8	H.R. 8193. Energy Transportation Security. Passage of the bill to require that American ships carry 20 per cent of all oil and oil products imported into the United States, with the percentage increasing to 25 per cent after June 30, 1975, and to 30 per cent by June 30, 1977. Passed 266–136.	No
May 14	S. 1752. Productivity Commission. Adoption of the rule (H. Res. 895) providing for House floor consideration of the bill revising and defining the objectives and functions of the National Commission on Productivity. Adopted 308–57.	Yes
May 14	S. 1752. Productivity Commission. Passage of the bill revising and defining the objectives and functions of the National Commission on Productivity, and authorizing fiscal 1975 funds for the commission. Passed 238–139 (P.L. 93–311).	Yes
May 15	H.R. 12000. Egg Research and Consumer Information Act. Goodling (R. Pa.) amendment to require the egg industry to pay administrative expenses of its research and promotion program from voluntary contributions, instead of using government funds for that purpose. Adopted 238–151.	Yes

Date	Measure and Result	Vote
May 15	H.R. 1200. Egg Research and Consumer Information Act. Passage of the bill authorizing egg producers to establish, finance and carry out a program of research and promotion to improve their market position, under Department of Agriculture supervision. Passed 302–90 (P.L. 93–428).	No
May 15	S. 3062. Disaster Relief Act. Adoption of the conference report on the bill to expand federal assistance to states which were affected by major disasters. Adopted 392–0 (P.L. 93–288).	Yes
May 16	H.R. 13973. Overseas Private Investment Corporation. Passage of the bill to extend the programs of the Overseas Private Investment Corporation (OPIC) through Dec. 31, 1977, and to promote the transfer of OPIC's insurance functions to private insurance companies, multilateral organizations or other private agencies by stating the intent of Congress that OPIC cease writing expropriation and inconvertibility insurance after Dec. 31, 1979, and war risk insurance after Dec. 31, 1980, and by authorizing OPIC to assume the role of reinsurer. Passed 225–152.	Yes
May 16	H.R. 7824. Legal Services Corporation. Ashbrook (R Ohio) motion to recommit to the conference committee with specific instructions the bill (*see vote 150, below*) to establish an independent corporation providing legal services for the poor. (The instructions would have required House conferees to insist on retaining House-passed provisions to eliminate the corporation's authority to make grants and contracts for outside research on legal questions affecting the poor.) Motion rejected 183–190.	No
May 16	H.R. 7824. Legal Services Corporation. Adoption of the conference report on the bill to establish an independent public corporation providing legal services for the poor. Adopted 227–143.	Yes
May 20	H.R. 14592. Defense Procurement Authorization. Adoption of the rule (H. Res. 1112) providing for House floor action on the bill to authorize $22.6-billion for Defense Department procurement, research and development in fiscal 1975. Adopted 298–0.	Yes
May 21	H.R. 12526. Rural Electrification Loans. Poage (D Texas) motion to suspend the rules and pass the bill making technical changes in the procedures for obtaining guaranteed loans under the Rural Electrification Act of 1936, as amended. Motion agreed to 386–9.	Yes
May 21	H.R. 13834. Standby Energy Emergency Authority, Staggers (D W.Va.) motion to suspend the rules and pass the bill to give the President authority to ration scarce fuels and to roll back and control the price of crude oil and oil products. Motion rejected 191–207.	Yes
May 21	H.R. 14225. Vocational Rehabilitation Act Extension. Brademas (D Ind.) motion to suspend the rules and pass the bill to amend and extend the Rehabilitation Act of 1973 for one additional year, through fiscal 1976. Motion agreed to 400–1.	Yes
May 21	H.R. 13221. Saline Water Authorization. Johnson (D Calif.) motion to suspend the rules and pass the bill to authorize $13.9 million in appropriations for fiscal 1975 for the Interior Department's saline water research, development and demonstration program. Motion agreed to 396–3 (PL 93–342).	Yes
May 22	H.R. 14592. Defense Procurement Authorization. Pike (D N.Y.) amendment to delete $499-million authorization for the continued development of the B–1 manned bomber. Rejected 94–309.	Yes
May 22	H.R. 14592. Defense Procurement Authorization. Abzug (D N.Y.) amendment to delete all research and development funds in the bill allocated to the administration's new counterforce nuclear strategy of targeting on Soviet missile sites. Rejected 34–370.	Yes
May 22	H.R. 14592. Defense Procurement Authorization. O'Neill (D Mass.) amendment, as substitute for Dellums (D Calif.) amendment, to reduce the total number of U.S. troops overseas by 100,000 by Dec. 13, 1975, with the reductions to be determined by the Defense Department. Rejected 163–240.	Yes
May 22	H.R. 14592. Defense Procurement Authorization. Leggett (D Calif.) amendment, to the Hébert (D La.) substitute for the original Leggett amendment, to set a $1-billion ceiling in fiscal 1975 on military aid for South Vietnam. Rejected 190–211.	Yes
May 22	H.R. 14592. Defense Procurement Authorization. Aspin (D-Wis.) amendment to reduce the total authorization in the bill $733.1-million—to $21.9-billion—by setting a ceiling equivalent to the fiscal 1974 congressionally approved procurement appropriations, plus a 7.4 percent adjustment for inflation. Rejected 185–209.	Yes
May 22	H.R. 14592. Defense Procurement Authorization. Passage of the bill to authorize $22.6-billion for fiscal 1975 for Defense Department procurement, research and development. Passed 358–37.	No
May 23	H.R. 14832. Debt Limit Increase. Adoption of the rule (H. Res. 1141) to provide for House floor consideration of the bill to increase the temporary federal debt ceiling to $495-billion. Adopted 330–44.	Yes
May 23	H.R. 14832. Debt Limit Increase. Passage of the bill to increase the temporary federal debt ceiling to $495-billion from $475-billion from July 1, 1974, through March 1975. Passed 191–190. (PL 93–325).	No
May 29	H.R. 14449. Community Services Act. Quie (R Minn.) amendment to delete provisions of the bill to create a separate Community Action Aministration within the Department of Health, Education and Welfare. Rejected 94–284.	No
May 29	H.R. 14449. Community Services Act. Kemp (R-N.Y.) amendment to require a community action agency to be a unit of state or local government (existing law allowed private groups to be community action agencies). Rejected 122–264.	No
May 29	H.R. 14449. Community Services Act. Froehlich (R-Wis.) amendment to bar community action programs from using family planning assistance funds for medical aid or supplies in abortion cases. Adopted 290–91.	No
May 29	H.R. 14449. Community Services Act. Passage of the bill to extend programs of the Office of Economic Opportunity through fiscal 1977 and to transfer them to a separate Community Action Administration within HEW and to other cabinet-level departments. Passed 331–53.	Yes
May 29	H.R. 10337. Hopi-Navajo Land Partition. Meeds (D-Wash.) amendment in the nature of a substitute for the bill, to provide for court appointment of three arbitrators to settle the land dispute between the Hopi and Navajo Indians if they failed to reach an agreement after six months of negotiation. Rejected 129–199.	No
May 29	H.R. 10337. Hopi-Navajo Land Partition. Passage of the bill to authorize the U.S. District Court of Arizona to formally partition land that had been jointly used by the Hopi and Navajo Indians. Passed 290–38.	Yes
May 30	H.R. 10265. Federal Reserve Audits. Adoption of the rule providing for House floor consideration of the bill to require General Accounting Office audits of the Federal Reserve System. Adopted 290–85.	Yes
May 30	H.R. 10265. Federal Reserve Audits. Ashley (D-Ohio) amendment to restrict General Accounting Office (GAO) audits of the Federal Reserve System to the system's administrative expenses and financial transactions and to prohibit GAO evaluation of Federal Reserve Board monetary policymaking. Adopted 224–139.	No

Date	Measure and Result	Vote
May 30	**H.R. 10265. Federal Reserve Audits. Passage of the bill to require regular General Accounting Office (GAO) audits of Federal Reserve System financial administration but not of Federal Reserve Board monetary policies. Passed 333-20. R 141-6.**	**Yes**
May 30	H.R. 13678. Hospital Employees Bargaining Rights. Quie (R Minn.) amendment to allow the National Labor Relations Board to cede jurisdiction for labor-management relations involving nonprofit hospitals to any state that had a law "substantially equivalent" to that outlined in the bill. Rejected 152-161.	No
May 30	H.R. 13678. Hospital Employees Bargaining Rights. Erlenborn (R Ill.) amendment to provide for a 60-day "cooling off" period before employees could strike against a health care institution in the event that bargaining reached an impasse. Adopted 168-137.	No
May 30	H.R. 13678. Hospital Employees Bargaining Rights. **Passage of the bill to remove the** exemption from coverage under the National Labor Relations Act of all nonprofit nongovernmental hospitals and to establish certain labor relations procedures for all health care institutes, including the right to strike only if 10 days notice were given. Passed 240-58.	Yes
June 3	H. Con. Res. 271. U.S. Soldiers Missing in Action. Adoption of the resolution to express the sense of Congress that U.S. consideration of trade, financial aid or diplomatic recognition of North Vietnam or the Viet Cong be terminated until they complied with provisions of the Jan. 27, 1973, settlement on cessation of hostilities in Southeast Asia regarding servicemen missing in action. Adopted 273-0.	Yes
June 3	H.R. 14833. Renegotiation Act Extension. Mills (D Ark.) motion to suspend the rules and pass the bill to extend through Dec. 31, 1975, from June 30, 1974, the federal Renegotiation Board, which was established to review federal defense and space contracts and eliminate excessive profits to contractors. Motion agreed to 378-2 (PL 93-329).	Yes
June 4	S.J. Res. 40. White House Conference on Libraries and Information Services. Brademas (D Ind.) motion to suspend the rules and pass the bill to authorize and request the President to call a White House Conference on Library and Information Services in 1977. Motion rejected 223-147.	Yes
June 4	H.R. 13595. Coast Guard Authorization. Murphy (D N.Y.) motion to suspend the rules and pass the bill to authorize $122-million in fiscal 1975 for Coast Guard operations. Motion agreed to 365-0 (PL 93-430).	Yes
June 4	S. 2844. Recreation Use Fees. Taylor (D. N.C.) motion to suspend the rules and pass the bill to amend the Land and Water Conservation Fund Act of 1965 to reinstitute camping fees at all national parks and recreation areas (authority to levy charges on campers was inadvertently eliminated in 1973 by legislation amending the Flood Control Act of 1968). Motion agreed to 355-10 (PL 93-303).	Yes
June 4	H.R. 12565. Fiscal 1974 Defense Department Supplemental Authorization. Adoption of the conference report on the bill to authorize a supplemental appropriation of $769-million for Defense Department procurement, construction, research and development for fiscal 1974. Adopted 354-14: (PL 93-307).	No
June 4	H.R. 14013. Second Supplemental Appropriations, Fiscal 1974. Adoption of the conference report on the bill making definite supplemental appropriations for various federal departments and agencies of $8,771,474,398 for fiscal 1974. Adopted 339-27 (PL 93-305).	Yes
June 5	H.R. 14747. Sugar Act Amendments. Adoption of the rule (H. Res. 1152) providing for House floor consideration of the bill to amend and extend the Sugar Act of 1948 for five years, through Dec. 31, 1979. Adopted 370-13:	No
June 5	H.R. 14747. Sugar Act Amendments. Mitchell D. Md.) amendment to phase out the sugar quota for South Africa by 1976. Rejected 149-238:	Yes
June 5	H.R. 14747. Sugar Act Amendments. Ford (D. Mich.) amendment to include changes in productivity and costs of worker travel among the criteria which the secretary of agriculture must consider in determining minimum wage rates for sugar workers. Adopted 244-143:	Yes
June 5	H.R. 14747. Sugar Act Amendments. O'Hara (D. Mich.) amendment to require growers who employed sugar field workers at piece rates to pay them at least the hourly minimum wage determined by the secretary of agriculture. Adopted 233-151:	Yes
June 5	H.R. 14747. Sugar Act Amendments. Passage of the bill to amend and extend the Sugar Act of 1948 for five years, through Dec. 31, 1979. Rejected 175-209:	No
June 5	H.R. 69. Elementary and Secondary Education Act Extension. Esch (R Mich.) motion to instruct House conferees to the bill to insist on House-passed busing language forbidding the transportation of students to achieve racial integration beyond the school next closest to the students' homes. Motion agreed to 270-103.	No
June 6	H.R. 15155. Public Works-AEC Appropriations, Fiscal 1975. Conte (R Mass.) amendment to delete $800,000 in fiscal 1975 appropriations for preconstruction planning and study for the proposed Dickey-Lincoln School hydroelectric power project on the Saint John River bordering Maine and Canada. Rejected 186-201.	Yes
June 6	H.R. 15155. Public Works-AEC Appropriations, Fiscal 1975. Passage of the bill to appropriate $4,475,410,000 for fiscal 1975 for federal public works programs and the Atomic Energy Commission. Passed 374-21.	Yes
June 6	H.R. 10701. Deepwater Ports Licensing Authority. Eckhardt (D Texas) amendment to the Sullivan (D Mo.) substitute (*see vote 192, below*) to the Jones (D Ala.) substitute for the committee bill—Establish a high seas oil port liability fund financed from a 2 cents a barrel user charge to pay for damages suffered to property within the U.S. territorial limits from an oil spill which occurred as a part of the high seas port operation.	Yes
June 6	H.R. 10701. Deepwater Ports Licensing Authority. Sullivan (D Mo.) substitute as amended by Eckhardt (D Texas) (*see vote 191, above*) to the Jones (D Ala.) substitute for the committee bill—Authorize the secretary of interior to grant licenses for construction of deepwater ports off the territorial waters of the United States after it was determined that construction of a port was in line with the land and water use laws of the adjacent state. Adopted 174-158.	Yes
June 6	H.R. 10701. Deepwater Ports Licensing Authority. Passage of the bill to authorize the secretary of interior to grant licenses for construction of deepwater ports off the territorial waters of the United States after it was determined that construction of a port was in line with the land and water use laws of the adjacent state. Passed 318-9.	Yes

Date	Measure and Result	Vote
June 10	**H.R. 15074. District of Columbia Campaign Financing. Fauntroy (D D.C.) amendment to reduce the campaign spending ceilings for mayoral candidates in the District of Columbia from $150,000 to $100,000 for each primary and general election campaign and to set lower limits for campaigns for other District offices. Adopted 273–56.**	**Not Present**
June 10	H.R. 15074. District of Columbia Campaign Financing. Passage of the bill to regulate political campaign financing practices in the District of Columbia. Passed 314–17 (P.L. 93–376).	Yes
June 11	H.R. 12165. Colorado River Basin. Adoption of the rule (H. Res. 1166) providing for House floor consideration of the bill to authorize certain programs in the Colorado River Basin for the control of the salinity of the water delivered to users in the United States and Mexico. Adopted 402–1.	Yes
June 11	H.R. 12165. Colorado River Basin. Passage of the bill to authorize certain programs in the Colorado River Basin for the control of the salinity of the water delivered to users in the United States and Mexico. Passed 403–8 (P.L. 93–320).	Yes
June 11	H.R. 10294. Land Use Planning. Adoption of the rule (H. Res. 1110) providing for House floor consideration of the bill to provide for federal grants to the states to help them draft comprehensive land use plans under guidelines established in the act. Rejected 204–211.	Yes
June 12	S.J. Res. 202. Vice Presidential Residence. Adoption of the rule (H. Res. 1169) to provide for House floor consideration of the bill to designate the official residence of the U.S. chief of naval operations as the official residence of the vice president until such time as a permanent vice presidential residence was constructed. Adopted 388–4.	Yes
June 12	H.J. Res. 876. Laotian Military Student. Passage of the bill to permit a citizen of the Kingdom of Laos to receive instruction at the U.S. Military Academy without expense to the United States. Passed 294–101.	No
June 12	S.J. Res. 202. Vice Presidential Residence. Passage of the bill to designate the official residence of the U.S. chief of naval operations as the official residence of the vice president until such time as a permanent vice presidential residence was constructed. Passed 380–23 (P.L. 93–346).	No
June 13	H.R. 13839. Council on International Economic Policy. Passage of the bill to authorize appropriations of $1.8-million in fiscal 1975 for the Council on International Economic Policy. Passed 175–168 (P.L. 93–315).	Yes
June 17	H.R. 14354. National School Lunch Program. Perkins (D. Ky.) motion to suspend the rules and adopt the conference report on the bill to extend through fiscal 1975 the agriculture secretary's authority to purchase food commodities for school lunch programs at non-surplus prices and to make use of the authority mandatory. Motion agreed to 345–15 (P.L. 93–326).	Yes
June 17	H.R. 15296. Legal Training for Disadvantaged Students. O'Hara (D Mich.) motion to suspend the rules and pass the bill to continue education assistance of $1,000 a year to disadvantaged students seeking entry into the legal profession. Motion agreed to 310–53 (P.L. 93–343).	Yes
June 18	H.R. 7130. Congressional Budget Reform. Adoption of the conference report on the bill to revise congressional procedures for considering the federal budget, shift the federal government to an Oct. 1–Sept. 30 fiscal year, set deadlines for consideration of authorization and appropriations bills, make new backdoor spending programs subject to annual appropriations and provide procedures for limiting impoundment of funds by the President. Adopted 401–6 (P.L. 93–344).	Yes
June 18	**H.R. 15404. State, Justice, Commerce Appropriations, Fiscal 1975. Heinz (R Pa.) amendment to increase appropriations for the antitrust division, Justice Department by $1,082,000, to $16.8 million, an increase of $2 million over fiscal 1974. Adopted 216–185.**	**Yes**
June 18	H.R. 15404. State, Justice, Commerce Appropriations, Fiscal 1975. Passage of the bill to appropriate $5,554,254,100 for the Departments of State, Justice, Commerce, the federal judiciary and 13 related agencies in fiscal 1975. Passed 365–36.	Yes
June 19	S. 411. Postal Rate Adjustments. Chappell (D Fla.) amendment to eliminate most profit-making publications from coverage under the bill, thus lengthening the phaseout period for postal subsidies only for nonprofit publications and weekly newspapers with circulation of 10,000 or less. Rejected 166–237.	No
June 19	S. 411. Postal Rate Adjustments. Passage of the bill to amend the Postal Reorganization Act of 1970 to continue annual federal subsidies for most second, third and fourth class mail for longer periods than had originally been authorized. Passed 277–129 (P.L. 93–328).	Yes
June 19	H.R. 15405. Transportation Appropriations, Fiscal 1975. Shoup (R Mont.) amendment to prohibit the use of Federal Aviation Administration (FAA) funds to phase out existing FAA airport flight service stations. Adopted 281–120.	No
June 19	H.R. 15405. Transportation Appropriations, Fiscal 1975. Passage of the bill to appropriate $8,848,978,448 for the Department of Transportation and related agencies. Passed 392–4.	Yes
June 20	H.J. Res. 1062. Continuing Appropriations, Fiscal 1975. Passage of the resolution making continuing appropriations for fiscal 1975 through Sept. 30 for agencies whose regular appropriations bill had not been cleared by July 1, the start of the new fiscal year. Passed 393–6 (PL 93–324).	Yes
June 20	H.R. 15361. Housing and Community Development. Ketchum (R.-Calif.) amendment to exempt increases in Social Security benefits after June 1974 in computing income eligibility for public and federally subsidized housing and the amount of required rent for such housing. Adopted 285–114.	Yes
June 20	H.R. 15361. Housing and Community Development. Steele (R.-Conn.) amendment to reinstate a low-interest direct loan program for unsubsidized, non-profit developers of housing for the elderly and to make occupants of housing constructed under the program eligible for federal rent subsidies. Adopted 274–112.	Yes
June 20	H.R. 15361. Housing and Community Development. Rousselot (R.-Calif.) amendment to delete provisions of the bill to allow recipients of basic grants from the National Foundation on the Arts and Humanities to receive supplementary grants from the Department of Housing and Urban Development for programs in new communities. Rejected 111–260.	No
June 20	H.R. 15361. Housing and Community Development. Passage of the bill to authorize $11.3-billion (including $1.5-billion in Treasury borrowing authority) in fiscal 1975–77 for housing assistance programs and community development block grants and to encourage greater availability of mortgage credit. Passed 351–25.	Yes
June 21	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations. Fiscal 1975. Conte (R.-Mass.) amendment to delete $3-million in subsidies to Cotton Inc., a promotional and research organization. Rejected 182–189.	Yes

Date	Measure and Result	Vote
June 21	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Eckhardt (D Texas) amendment to delete provisions that would require the Federal Trade Commission to use data obtained in its line-of-business reporting program for statistical purposes only and prohibit public disclosure of the data in other than aggregate form. Rejected 127–201.	Yes
June 21	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Dickinson (R Ala.) amendment to make households of striking workers ineligible for food stamps. Rejected 147–169.	No
June 21	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Anderson (R Ill.) amendment to make all college students who are claimed as tax dependents by their parents ineligible for food stamps. Adopted 195–123.	No
June 21	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Mizell (R N.C.) amendment to add $7 million to the bill for grants to rural volunteer fire departments. Adopted 213–103.	No
June 21	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Passage of the bill to appropriate $13,405,420,000 for agricultural, environmental and consumer protection programs in fiscal 1975. Passed 278–16.	Yes
June 24	H.J. Res. 1061. Fiscal 1974 Veterans' Administration Supplemental Appropriation. Adoption of the joint resolution to appropriate an additional $179,000,000 for veterans' benefits and programs for the fiscal year ending June 30, 1974. Adopted 337–0 (P.L. 93–321).	Yes
June 25	H.R. 14715. White House Office Authorization. Derwinski (R Ill.) amendment, in the nature of a substitute, for the Pickle (D Texas) amendment (*see vote 225, below*) to reinstate the existing authorization for 14 positions at executive level II; to authorize appointment of not more than 21 positions at executive levels III through V (the current strength); and to allow the President continued flexibility in hiring to fill lower-level positions from GS–18 (the current strength was 61), limited only by the amount of the appropriation. Rejected 181–237.	No
June 25	H.R. 14715. White House Office Authorization. Pickle (D Texas) amendment to reduce the current number of outside consultants and the number of people detailed from other agencies to the White House. Rejected 77–336.	Yes
June 25	H.R. 15544. Treasury, Postal Service Appropriations, Fiscal 1975. Addabbo (D N.Y.) amendment to reduce to $16-million from $22-million the fiscal 1975 appropriation for the Office of Management and Budget (OMB). Rejected 152–252.	Yes
June 25	H.R. 15544. Treasury, Postal Service Appropriations, Fiscal 1975. Gross (R Iowa) amendment to reduce to $19.4-million from $22-million the fiscal 1975 appropriation for the Office of Management and Budget (OMB). Adopted 287–104.	Yes
June 25	H.R. 15544. Treasury, Postal Service Appropriations, Fiscal 1975. Addabbo (D N.Y.) amendment to forbid use of funds appropriated by the bill to transfer border inspection duties to any other federal agency from the Customs Bureau in the Treasury Department. (The amendment would forestall an Office of Management and Budget plan to transfer port and border crossing inspection functions to the Immigration Service in the Justice Department from the Customs Bureau.) Adopted 283–100.	Yes
June 25	H.R. 15544. Treasury, Postal Service Appropriations, Fiscal 1975. Passage of the bill appropriating $5,503,794,000 in fiscal 1975 for the Treasury, Postal Service, Executive Office of the President and other independent agencies. Passed 367–13. (PL 93–381).	Yes
June 26	H.R. 15572. HUD, Space, Veterans Appropriations, Fiscal 1975. Passage of the bill to appropriate $20,846,323,500 for the Department of Housing and Urban Development (HUD), the National Aeronautics and Space Administration, National Science Foundation and Veterans Administration and related agencies in fiscal 1975. Passed 407–7.	Yes
June 26	H.R. 14883. Economic Development. Passage of the bill extending the Public Works and Economic Development Act of 1965 for two years, through fiscal 1976, and authorizing appropriations of $510-million for the Economic Development Administration in each of fiscal 1975–76. Passed 402–11. (PL 93–423).	Yes
June 27	H. Res. 988. Commitee Reorganization. O'Neill (D Mass.) motion to table and thus kill, the Anderson (R Ill.) resolution (H. Res. 1203) to direct the chairman of the Select Committee on Commitees to ask the Rules Committee to give immediate consideration to grant a rule for House floor consideration of H. Res. 988, providing for reorganization of the committees of the House of Representatives. Motion agreed to 242–163.	No
June 27	H.R. 69. Elementary and Secondary Education Act Extension. Waggonner (D La.) motion to instruct House conferees to the bill to insist on House-passed busing language forbidding the transportation of students to achieve racial integration beyond the school next closest to the students' homes. Motion agreed to 281–128.	No
June 27	S. Con. Res. 96. Fourth of July Recess. Passage of the resolution to provide for House adjournment for the Fourth of July holiday from close of business July 3, 1974, until July 9, 1974, and to provide for Senate adjournment from the close of business June 27, 1974, until July 8, 1974. Passed 297–84.	Yes
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Obey (D Wis.) amendment to increase appropriations for the Comprehensive Employment and Training Act by $300-million, to $2,450,000,000. Adopted 231–171.	Yes
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Symms (R Idaho) amendment to reduce appropriations for the Occupational Safety and Health Administration by $30,416,000, from $100,816,000 to $70,400,000. Rejected 179–218.	No
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Steiger (R Wis.) amendment to earmark $5-million of the Occupational Safety and Health Administration appropriation for contracts with the states to provide consultation services to employers on federal health and safety regulations. Adopted 301–100.	Yes
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Findley (R Ill.) amendment to prohibit the use of any funds to pay the salaries of Occupational Safety and Health Administration inspectors inspecting firms with 25 or fewer employees. (The amendment effectively exempted such firms from compliance with federal health and safety regulations.) Adopted 201–194.	No
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Camp (R Okla.) amendment to delete the entire $100,816,000 appropriation for the Occupational Safety and Health Administration. Rejected 97–295.	No

Date	Measure and Result	Vote
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Ashbrook (R Ohio) amendment to cut the appropriation for the National Institute of Education by $90-million, from $100-million to $10-million. Rejected 44-331.	No
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Ashbrook (R Ohio) amendment to prohibit the use of funds to transport students and teachers in order to overcome racial imbalance or to carry out a racial desegregation plan. Adopted 231-137.	No
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Roncallo (R N.Y.) amendment to prohibit any funds in the bill from being used to pay for abortions, abortion-causing drugs and devices, abortion referral services or support of research to develop methods of abortion or to force any recipient of federal funds to provide abortions or insurance benefits for abortions. Rejected 123-247.	No
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Second vote requested by Steiger (R Wis.) on the Findley (R Ill.) amendment (*see vote 238, p. 1778*) to bar funds in the bill from being used to pay the salaries of Occupational Safety and Health Administration inspectors who inspected firms employing 25 or fewer persons. Adopted 190-182.	No
June 27	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Passage of the bill to appropriate $33,156,541,000 for the Departments of Labor and Health, Education and Welfare and related agencies in fiscal 1975. Passed 329-43.	Yes
June 28	H.R. 69. Elementary and Secondary Education Act Extension. Mink (D Hawaii) motion to instruct House conferees to insist on House impact aid amendments. Motion rejected 144-187.	Yes
June 28	S. 3458. Food Commodity Assistance. Adoption of the conference report on the bill to extend through fiscal 1977 the agriculture secretary's authority to purchase food commodities for needy families, institutions, disaster victims and other assistance programs at non-surplus prices. Adopted (thus cleared for the President) 325-0 (PL 93-347).	Yes
June 28	H.R. 7724. Biomedical Research. Adoption of the conference report on the bill to authorize $207.9-million in fiscal 1975 for awards to young scientists and doctors in biomedical research training programs and to establish a two-year commission to oversee the use of human subjects in medical research funded by the Department of Health, Education and Welfare. Adopted (thus cleared for the President) 311-10. (PL 93-348).	Yes
June 28	H.R. 15581. District of Columbia Appropriations, Fiscal 1975. Passage of the bill making fiscal 1975 appropriations for the District of Columbia of $1,074,124,000, composed of U.S. Treasury funds and revenues raised by the city. Passed 236-36.	Yes
July 1	H. Res. 1210. Impeachment Inquiry Rule. Rodino (D N.J.) motion to suspend the rules and pass the resolution to suspend the House rule requiring that each member of a committee have five minutes to question a witness. The resolution would authorize the House Judiciary Committee to proceed without regard to that rule in questioning witnesses before its impeachment inquiry. Motion rejected.	Yes
July 1	S.J. Res. 218. Export-Import Bank Extension. Patman (D Texas) motion to suspend the rules and pass the joint resolution to extend by 30 days, to July 31 from June 30, the date for expiration of authority for the Export-Import Bank operations. Motion agreed to 238-115 (PL 93-331).	Yes
July 1	H.R. 15276. Juvenile Delinquency Prevention. Quie (R Minn.) amendment to transfer administration of federal juvenile dilenquency prevention and treatment programs from the Department of Health, Education and Welfare to the Law Enforcement Assistance Administration. Rejected 144-210.	No
July 1	H.R. 15276. Juvenile Delinquency Prevention. Passage of the bill to provide an expanded and coordinated federal program of assistance and research concerning juvenile delinquency. Passed 329-20.	Yes
July 2	H.R. 15465. International Development Association. Gross (R Iowa) motion to strike the enacting clause and thus kill the bill. Rejected 96-268.	No
July 2	H.R. 15465. International Development Association. Rousselot (R Calif.) motion to recommit the bill to the Banking and Currency Committee with specific instructions to report it back with the IDA provisions in the bill stricken, thus retaining only provisions relating to ownership of gold. Rejected 135-230.	No
July 2	H.R. 15465. International Development Association. Passage of the bill to authorize U.S. participation in and a contribution of $1.5-billion to the International Development Association and to permit U.S. citizens to own, buy or sell gold effective Dec. 31, 1974. Adopted 225-140.	Yes
July 9	S. 3703. D.C. Indigent Representation. Passage of the bill to authorize a transfer from the federal judiciary system to the District of Columbia responsibility for providing legal representation of defendents who are financially unable to obtain an adequate defense in criminal cases in the District of Columbia courts. Passed 242-120 (P.L. 93-412).	Yes
July 9	S. 2830. Diabetes Research. Adoption of the conference report on the bill to authorize $41 million in fiscal 1975-77 to establish new centers for diabetes research and training and to create a national commission to develop a long-range plan to combat diabetes. Adopted 356-4 (P.L. 93-354).	Yes
July 10	H.R. 15323. Nuclear Accident Insurance. Adoption of the rule (H. Res. 1196) providing for House floor consideration of the bill to extend until Aug. 1, 1987, the federal program insuring the public against losses in the event of a nuclear accident. Adopted 391-2.	Yes
July 10	H.R. 14920. Geothermal Energy Research and Development. Passage of the bill to improve coordination of federal geothermal energy research and development programs and to guarantee loans or to pay the interest for borrowers for research, development, demonstration or commercial operation of geothermal energy projects. Passed 404-3 (P.L. 93-410).	Yes
July 10	H.R. 15323. Nuclear Accident Insurance. Gross (R. Iowa) amendment to prohibit federal insurance guarantees for nuclear accidents occurring in foreign countries. Adopted 255-151.	Yes
July 10	H.R. 15323. Nuclear Accident Insurance. Roncalio (D. Wyo.) amendment, in the nature of a substitute bill, to extend the federal program insuring the public against losses in the event of a nuclear accident to Feb. 1, 1979, instead of Aug. 1, 1987. Rejected 138-267.	Yes
July 10	H.R. 15323. Nuclear Accident Insurance. Passage of the bill to extend to August 1, 1987, the federal program insuring the public against losses in the event of a nuclear accident. Passed 360-43.	No
July 11	S. 3203. Hospital Employee Bargaining Rights. Adoption of the conference report on the bill to remove the exemption from coverage under the National Labor Rela-	Yes

Date	Measure and Result	Vote
	tions Act of all nonprofit, nongovernmental hospitals and to establish certain labor mental health care institutions, including the right to strike only if 10 days notice were given. Adopted (and thus cleared for the President) 205–193: (PL 93–360)	
July 11	H.R. 14215. Developmental Disabilities. Passage of the bill to authorize $192-million in fiscal 1975-76 for federal programs to aid those with developmental disabilities such as mental retardation and cerebral palsy. Passed 337–2.	Yes
July 11	H.R. 15427. Amtrak Authorization. Passage of the bill to authorize $200-million in operating grants to the National Rail Passenger Corporation (Amtrak) for fiscal 1975, to increase the ceiling on guaranteed government loans for Amtrak and to make other amendments to the Rail Passenger Service Act of 1970. Passed 317–67.	Yes
July 15	H.R. 14494. Simplified Procurement Procedure. Holifield (D Calif.) motion to suspend the rules and pass the bill increasing to $10,000 from $2,500 the maximum amount of any federal purchase that could be made through simplified procurement procedures that were less time-consuming and costly than normal procedures. Motion agreed to 361–0.	Yes
July 15	H. Con. Res. 559. Impeachment Inquiry Reports. Hays (D Ohio) motion to suspend the rules and concur in the Senate amendment to the resolution authorizing printing of 20,000 additional copies of the House Judiciary Committee's hearings and 50,000 additional copies of the committee's final report on impeachment and providing for all additional copies to be sold at cost. Motion rejected 197–169.	Yes
July 16	H.R. 15560. Emergency Guaranteed Livestock Loans. Mayne (R Iowa) amendment to stipulate that financial assistance provided to partnerships and corporations under the bill would go only to those in which a majority of the stock was owned by actual livestock producers. Adopted 405–7.	Yes
July 16	H.R. 15560. Emergency Guaranteed Livestock Loans. Passage of the bill to provide temporary emergency financing to livestock producers through the establishment of a government-guaranteed loan program. Passed 210–204.	No
July 16	H.R. 7824. Legal Services Corporation. Gross (R. Iowa) motion to table (and thus kill) the Perkins (D Ky.) motion *see vote 271, below*) that the House agree to the Senate amendments to the House version of the bill to establish an independent legal services corporation for the poor with another amendment. (*see vote 271*). Motion to table rejected 136–269.	No
July 16	H.R. 7824. Legal Services Corporation. Perkins (D Ky.) motion that the House agree to the Senate amendments to the House version of the bill to establish an independent legal services corporation with an amendment substituting all of the provisions of the conference version of the bill except those allowing the corporation to fund outside poverty law research centers. (In effect, the motion provided for adoption of the conference report on the bill; but conference provisions to allow the corporation to fund the outside centers were changed to bar such funding in the substitute amendment.) Motion agreed to 265–136 (PL 93–355).	Yes
July 17	H.R. 11500. Surface Mining. Adoption of the rule (H Res 1230) providing for House floor consideration of the bill to provide for federal and state regulation of surface mining for coal and the reclamation of mined lands. Adopted 411–1.	Yes
July 18	H.R. 11500. Surface Mining. Hosmer (R Calif.) amendment, in the nature of a substitute to the committee bill, to provide for the regulation of surface mining and reclamation of mined lands. Rejected 156–255.	No
July 18	H.R. 11500. Surface Mining. Hechler (D W.Va.) amendment, in the nature of a substitute to the committee bill, to phase out all surface mining for coal over a 54-month period. Rejected 69–336.	Yes
July 18	H.R. 11500. Surface Mining. Udall (D Ariz.) motion to limit the remaining debate on amendments to the findings and purposes section of the bill (Title I) to 10 additional minutes. Motion agreed to 217–176.	Yes
July 18	H.R. 11500. Surface Mining. Hosmer (R Calif.) amendment inserting language in the bill to emphasize in establishing the legislative history of the bill that coal was essential to meet the nation's energy requirements and to reduce the environmental emphasis in the purposes outlined in the bill. Rejected 146–250.	No
July 22	H. Res. 1107. Broadcasting of Committee Meetings. Passage of the resolution amending the rules of the House of Representatives to allow the broadcasting of committee meetings, in addition to committee hearings, when the meetings are open to the public. Adopted 346–40.	No
July 22	H.R. 69. Elementary and Secondary Education Act Extension. Waggonner (D La.) motion to instruct House conferees to the bill to insist on original House-passed busing language forbidding the transportation of students to achieve racial integration beyond the school next closest to the students' homes. Motion agreed to 261–122.	No
July 22	H.R. 11500. Surface Mining. Udall (D Ariz.) motion to limit to 20 minutes the remaining debate on the Hosmer (R Calif.) substitute and the Mink (D Hawaii) substitute and all perfecting amendments to section 201 setting forth interim regulatory procedures for the control of the environmental impact of surface mining. Motion rejected 150–233.	No
July 22	H.R. 11500. Surface Mining. Mink (D Hawaii) substitute to the Hosmer (R Calif.) substitute to the committee substitute to section 201 setting forth interim regulatory procedures for the control of the environmental impact of surface mining during the three-year period before a state program became effective. Adopted 241–144.	Yes
July 23	H.R. 11500. Surface Mining. Kazen (D Texas) amendment deleting language to restrict strip mining permits for Appalachia to two years, thus retaining a blanket five-year period for permits). Adopted 213–193.	No
July 23	H.R. 11500. Surface Mining. Hosmer (R Calif.) amendment to the Mink (D Hawaii) amendment to the committee substitute to section 211 adding agricultural and recreational purposes to the list of possible uses of formerly strip-mined land which would be permitted if certain requirements were met. Adopted 213–193.	No
July 24	H.R. 16027. Interior Department Appropriations, Fiscal 1975. Ichord (D Mo.) substitute amendment for the Gross (R Iowa) amendment to ensure that the proposed $39.7-million cut for the National Foundation on the Arts and Humanities would be divided proportionately between the Endowment for the Arts and the Endowment for the Humanities. Rejected 126–284.	No
July 24	H.R. 16027. Interior Department Appropriations, Fiscal 1975. Passage of the bill appropriating $3,153,515,310 in fiscal 1975 for the Department of Interior and related agencies. Passed 385–22.	Yes
July 24	H.R. 11500. Surface Mining. Udall (D Ariz.) motion that the House resolve itself into the committee of the whole (the procedure used to consider amendments to most bills) to resume debate on the bill. Motion agreed to 324–54.	Yes

Date	Measure and result	Vote
July 25	H.R. 11500. Surface Mining. Hosmer (R Calif.) motion to recommit the bill to the Interior and Insular Affairs Committee with instructions to substitute provisions of an alternative bill (H.R. 12898) imposing less stringent environmental safeguards on surface mining and reclamation programs. Rejected 106–267.	No
July 25	H.R. 11500. Surface Mining. Passage of the bill to set federal guidelines for the regulation of surface mining for coal and for the reclamation of land that had been strip mined. Passed 291–81.	Yes
July 29	H.R. 14592. Defense Procurement Authorization. Adoption of the conference report on the bill to authorize $22,159,364,000 for defense procurement, research and development for fiscal 1975. Adopted 305–38 (PL 93–365).	No
July 29	H.R. 15791. D.C. Home Rule Amendment. Passage of the bill to make technical amendments to the District of Columbia Self-Government and Government Reorganization Act of 1973, including provision for filling a vacancy in the position of council chairman. Passed 337–10 (PL 93–395).	Yes
July 29	H.R. 15643. District of Columbia Postsecondary Education Act. Passage of the bill to consolidate the existing local institutions of higher education into a single land-grant university. Passed 351–11 (PL 93–471).	Yes
July 29	H.R. 15842. District of Columbia Salary Increases. Passage of the bill to increase salaries for District of Columbia, police, firemen and teachers, and to impose a 5 percent tax on parking in the District. Passed 284–75 (PL 93–407).	Yes
July 29	H.R. 11108. District of Columbia Medical Act Extension. Passage of the bill to extend through fiscal 1977 the District of Columbia Medical and Manpower Act of 1970 and to authorize assistance grants to private medical schools in the District for fiscal 1975–76. Passed 348–11 (PL 93–389).	Yes
July 30	H.R. 15472. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Adoption of the conference report on the bill to appropriate $13,571,395,000 for agriculture, environmental and consumer protection programs for fiscal 1975. Adopted 351–41.	Yes
July 30	S. 386. Urban Mass Transit Subsidies. Adoption of the rule of H. Res. 1253 providing for House floor consideration of the conference report on the bill to authorize $800-million in fiscal 1975 grants to states and localities for mass transit operating and capital improvement subsidies. Adopted 255–141.	Yes
July 30	S. 386. Urban Mass Transit Subsidies. Wylie (R. Ohio) motion to recommit, and thus kill, the bill to the conference committee. Motion agreed to 221–181.	No
July 31	H.R. 82. Duty-Free Ship Repairs. Pickle (D Texas) motion to delete from the conference report a nongermane Senate-passed amendment, on which a point of order had previously been sustained, extending until April 30, 1975, an unemployment compensation program scheduled to expire July 31, 1974. Motion rejected 63–336.	No
July 31	S. Con. Res. 93. Inflation Policy Study. Passage of the concurrent resolution authorizing an emergency, six-month study of inflation in the United States by the Joint Economic Committee. Passed 335–66.	Yes
July 31	H.R. 69. Elementary and Secondary Education Act Extension. Adoption of the conference report on the bill to extend and amend the Elementary and Secondary Education Act of 1965 and related education programs and to declare that students should not be bused beyond the school next closest to their homes, but allowing the courts to order more extensive busing to protect the civil rights of individuals as guaranteed under the Constitution. Adopted 323–83 (P.L. 93–380).	Yes
July 31	H.R. 15582. International Nuclear Agreements. Long (D Md.) amendment to require approval by Congress before international agreements for peaceful cooperation in nuclear technology could take effect. (The bill as reported would have required specific disapproval by Congress to block an agreement.) Adopted 194–191.	Yes
July 31	H.R. 15582. International Nuclear Agreements. Passage of bill to require affirmative action by Congress on international agreements for peaceful cooperation in nuclear technology, including the sale of nuclear equipment to foreign nations, before they could be implemented. Passed 373–8.	Yes
August 1	H.R. 14012. Legislative Branch Appropriations, Fiscal 1975. Adoption of the conference report on the bill appropriating $708,275,650 in fiscal 1975 for the operations of the legislative branch. Passed 380–13.	Yes
August 1	H.R. 14012. Legislative Branch Appropriations, Fiscal 1975. Roybal (D Calif.) motion that the House accept a Senate-passed amendment, reported in disagreement by House-Senate conferees, providing funds for the restoration of the west front of the Capitol. Motion rejected 192–203 (P.L. 93–371).	Yes
August 1	H.R. 15046. USIA Authorization. Passage of the bill to authorize appropriations of $243,738,000 for fiscal 1975 for operations of the U.S. Information Agency. Passed 352–43.	Yes
August 1	H.R. 15416. AEC Omnibus Bill. Long (D Md.) amendment to require specific congressional approval of increases above the statutory levels for distribution of nuclear material to groups of nations and international agencies. Rejected 88–298.	Yes
August 1	H.R. 15416. AEC Omnibus Bill. Passage of the bill to make various changes in the 1954 Atomic Energy Act and the 1955 Atomic Weapons Rewards Act. Passed 377–6 (P.L. 93–377).	Yes
August 2	H.R. 15736. Reclamation Development Act. Passage of the bill to authorize appropriations of $191,972,000 for reclamation projects in 10 western states. Passed 320–8 (P.L. 93–493).	Yes
August 2	H.R. 14780. International Broadcasting Authorization. Passage of the bill to authorize appropriations of $49.99-million for fiscal 1975 for Radio Free Europe, Radio Liberty and the Board for International Broadcasting. Passed 278–58 (P.L. 93–392).	No
August 5	S. Con. Res. 72. 1980 Winter Olympic Games. Fraser (D Minn.) motion to suspend the rules and pass the concurrent resolution to extend an invitation to the International Olympic Committee to hold the 1980 Winter Games at Lake Placid, New York, and to pledge the cooperation and support of the Congress of the United States. Motion agreed to 382–4.	Yes
August 5	H.R. 15936. Special Pay for Military Physicians. Stratton (D N.Y.) motion to suspend the rules and pass the bill to provide extra pay for physicians in initial residency who agreed to remain in the armed services. Motion agreed to 375–3 (P.L. 93–394).	Yes
August 5	H.R. 14402. Air Force Officers. Stratton (D N.Y.) motion to suspend the rules and pass the bill to extend for two years, through Sept. 30, 1976, the existing authorization for the number of lieutenant colonels and colonels in the Air Force. Motion agreed to 271–108 (P.L. 93–397).	No
August 5	H.R. 13377. Medical Care for Polish and Czech Veterans. Roberts (D. Texas) motion to suspend the rules and pass the bill to provide veterans' medical care benefits to persons, now U.S. citizens, who served with the	Yes

Date	Measure and result	Vote
	armed forces of Poland or Czechoslovakia as U.S. allies in World War I or World War II. Motion agreed to 341–40.	
August 5	H.R. 15912. Veterans' Housing. Roberts (D. Texas) motion to suspend the rules and pass the bill to liberalize the Veterans' Administration home loan guaranty programs. Motion agreed to 384–0.	Yes
August 5	H.R. 13267. Extension of Agricultural Programs to Guam. Matsunaga (D. Hawaii) motion to suspend the rules and pass the bill to authorize the secretary of agriculture to provide technical and financial assistance to Guam for fire control, watershed protection and reforestation programs. Motion agreed to 360–27 (P.L. 93–421).	Yes
August 5	H.R. 16077. National Health Service Corps Scholarships. Staggers (D. W. Va.) motion to suspend the rules and pass the bill to extend through fiscal year 1975 the scholarship program for the National Health Service Corps and the loan program for health professions students. Motion agreed to 371–9 (P.L. 93–385).	Yes
August 5	H.R. 15172. Passport Application Fee. Morgan (D. Pa.) motion to suspend the rules and pass the bill to authorize the secretary of state to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the fee for each application accepted by it. Motion agreed to 381–7 (P.L. 93–417).	Yes
August 5	S.J. Res. 229. Export-Import Bank. Ashley (D. Ohio) motion to suspend the rules and pass the bill to amend the Export-Import Bank Act of 1945 to extend the Export-Import Bank's authority for 60 days to Sept. 30, 1974. Motion agreed to 271–113 (P.L. 93–374).	Yes
August 5	H. Res. 1258. Chemical Warfare Policy Review. Zablocki (D. Wis.) motion to suspend the rules and pass the resolution expressing the sense of the House that the 1925 Geneva Protocol should be ratified by the Senate and that the United States should review its policies on chemical warfare. Motion agreed to 315–70.	Yes
August 6	H.R. 16243. Defense Appropriations, Fiscal 1975. Giaimo (D. Conn.) amendment to reduce funds for the Safeguard ABM system by cutting $37.5-million from Army operation and maintenance funds and $45-million from funds for research and development. Rejected 182–219.	Yes
August 6	H.R. 16243. Defense Appropriations. Fiscal 1975. Hicks (D Wash.) amendment to delete $5.8 million for binary nerve gas production facilities at Pine Bluff Arsenal, Ark. Adopted 214–186.	
August 6	H.R. 16243. Defense Appropriations, Fiscal 1975. Abzug (D. N.Y.) amendment to delete $169.5-million for counterforce weapons research and development programs intended to increase the accuracy and yield of U.S. intercontinental ballistic missiles. Rejected 69–328.	Yes
August 6	H.R. 16243. Defense Appropriations, Fiscal 1975. Flynt (D. Ga.) amendment to reduce funds for military assistance to South Vietnam by $300-million, to a total of $700-million. Adopted 233–157.	Yes
August 6	H.R. 16243. Defense Appropriations, Fiscal 1975. Addabbo (D. N.Y.) amendment to limit defense spending for fiscal 1975 to $81.2-billion. Rejected 178–216.	Yes
August 6	H.R. 16243. Defense Appropriations, Fiscal 1975. Passage of the bill to appropriate $83,393,570,000 for Defense Department activities and all armed services and weapons programs for fiscal 1975. Passed 350–43.	No
August 7	H.R. 16090. Federal Elections Campaign Act. Young (D. Texas) motion to order the previous question (to end debate and the possibility of amendments) on the rule (H. Res. 1292) providing for floor consideration of the bill to publicly finance presidential election campaigns and impose political contribution and campaign spending limits. Motion agreed to 219–190.	Yes
August 7	H.R. 16090. Federal Elections Campaign Act. Adoption of the rule (H. Res. 1292) providing for floor consideration of the bill to publicly finance presidential election campaigns and impose political and campaign spending limits. Adopted 330–78.	Yes
August 7	H.R. 16090. Federal Elections Campaign Act. Mathis (D Ga.) amendment to lower the campaign spending limits for House general elections and for primary elections to $42,500 from $75,000. Rejected 187–223.	No
August 7	H. Res. 802. Broadcasting of Impeachment Proceedings. Adoption of the resolution providing for television and radio coverage of proceedings in the chamber of the House of Representatives on any resolution to impeach the President of the United States, Richard M. Nixon. Adopted 385–25.	Yes
August 8	H.R. 16090. Federal Elections Campaign Act. Obey (D Wis.) amendment to allow election campaign spending ceilings adopted after Dec. 30, 1970, by the states to preempt the limits in H.R. 16090 if they were lower than the federal figure. Rejected 169–250.	No
August 8	H.R. 16090. Federal Elections Campaign Act. Cleveland (R N.H.) amendment to lower the campaign spending limit for House campaigns to $60,000 from $75,000. Adopted 240–175.	No
August 8	H.R. 16090, Federal Elections Campaign Act. Brademas (D Ind.) amendment to provide for a six member Board of Supervisors to oversee compliance of the bill's provisions composed of four public members, appointed by the House speaker and the President of the Senate on a bipartisan basis, who would be voting members, plus the clerk of the House and secretary of the Senate, who would be ex-officio members; and to modify the "review of regulations" provision to require that all rules and regulations be submitted to the House and Senate for review and approval or veto. Adopted 391–25.	Yes
August 8	H.R. 16090. Federal Election Campaign Act. Frenzel (R Minn.) amendment to delete from the bill provisions for federal financing of presidential nominating conventions. Adopted 223–193.	No
August 8	H.R. 16090. Federal Elections Campaign Act. Frenzel (R Minn.) amendment to delete provisions from the bill for partial federal financing through matching grants of presidential primary campaigns. Rejected 163–253.	No
August 8	H.R. 16090. Federal Elections Campaign Act. Udal (D Ariz.) amendment to provide for partial public financing of congressional general election campaigns by providing for matching federal funds to be raised from the Presidential Campaign Fund Dollar Check-offs on individual income tax returns. Rejected 187–228.	Yes
August 8	H.R. 16090. Federal Elections Campaign Act. Second vote requested by Brademas (D Ind.) on Frenzel (R Minn.) amendment (*see vote 331, above*) to delete the provisions for public financing of presidential nominating conventions. Amendment rejected 205–206.	No
August 8	H.R. 16090. Federal Elections Campaign Act. Dickinson (R Ala.) motion to recommit the bill to the House Administration Committee with specific instructions to report it back to the House with language barring candidates or their campaign committees from accepting contributions from political committees or organizations unless the individual contributor designated to which candidate his contribution was to go and the committee identified the contributors making up the contribution. Motion rejected 164–243.	No

Date	Measure and result	Vote
August 8	H.R. 16090. Federal Elections Campaign Act. Passage of the bill to provide for public financing of presidential election campaigns, impose campaign spending and contribution limits, and establish a board of supervisors to oversee and administer the law. Passed 355–48.	Yes
August 9	H.R. 16136. Military Construction Authorization. Adoption of the resolution (H. Res. 1297) providing for House floor consideration of the bill to authorize $2,983,821,000 for military construction projects for fiscal 1975. Adopted 327–1.	Yes
August 9	H.R. 16136. Military Construction Authorization. Passage of the bill to authorize $2,983,821,000 for military construction projects for fiscal 1975. Passed 322–30 (P.L. 93–552.	No
August 9	S. Con. Res. 108. President Gerald R. Ford. Adoption of the concurrent resolution extending best wishes to Gerald R. Ford, who became the 38th President of the United States on Aug. 9, 1974, upon the resignation of President Richard M. Nixon. Adopted 329–0.	Not present
August 12	H.R. 14214. Health Services Programs. Passage of the bill to authorize $1.7-billion in fiscal 1975–76 for health services formula grants to the states, family planning programs, community mental health centers, migrant health services and community health centers for the medically underserved. Passed 359–12.	Yes
August 12	H.R. 5529. Motor Vehicle and Schoolbus Safety Amendments. Wyman (R N.H.) substitute amendment, to Moss (D Calif.) clarifying amendment, to prohibit the Department of Transportation from requiring vehicles to be equipped with safety belt-ignition interlock systems, sequential warning devices or passive restraint systems such as air bags; allowed such devices to be at the purchaser's option. (The Moss amendment would have required cars to be equipped with either the interlock system or the sequential warning device.) Adopted 339–49 (PL 93–492).	No
August 12	S. 1728. War Claims Act Amendment. Passage of the bill to increase benefits to American civilian internees in Southeast Asia from $60 to $120 per month, and to give first priority in benefits to individuals for property losses arising out of World War II. Passed 368–17.	Yes
August 13	H.R. 15155. Public Works-AEC Appropriations, Fiscal 1975. Adoption of the conference report on the bill to appropriate $4,505,472,000 for fiscal 1975 for federal public works programs and the Atomic Energy Commission. Adopted 376–18 (PL 93–393)	Yes
August 13	H.R. 15405. Transportation Appropriations, Fiscal 1975. Adoption of the conference report on the bill to appropriate $3,288,504,000 for the Department of Transportation and related agencies for fiscal 1975. Adopted 394–3 (PL 93–391).	Yes
August 13	H.R. 15264. Export Controls. Adoption of the rules (H Res 1234) providing for House floor consideration of the bill to extend and expand the authority of the secretary of commerce to regulate exports through June 30, 1976. Adopted 387–9.	Yes
August 13	H.R. 15264. Export Controls. Blackburn (R Ga.) amendment, as a substitute for the Hanna (D Calif.) substitute amendment (*see vote 347 below*) for the committee bill, to restrict exports of industrial and technological goods and services to communist nations and to require consultation with members of Congress before imposition of export controls. Rejected 142–246.	No
August 13	H.R. 15264. Export Controls. Hanna (D Calif.) amendment, in the nature of a substitute for the committee bill, to extend to June 30, 1976, from June 30, 1974, the existing authority of the secretary of commerce to regulate exports. Adopted 258–131.	No
August 13	H.R. 15264. Export Controls. Passage of the bill to extend to June 30, 1976, from June 30, 1974, the authority of the secretary of commerce to regulate exports. Passed 379–6.	Yes
August 14	S. 2510. Federal Procurement Policy. Adoption of the conference report on the bill to establish an Office of Federal Procurement Policy within the Office of Management and Budget to set policies for purchase of goods and services by federal government agencies and by recipients of federal grants. Adopted 389–1 (P.L. 93–400).	Yes
August 14	H.R. 12859. Federal Mass Transportation. Adoption of the rule (H. Res. 1313) to provide for House floor consideration of the bill to authorize $20.4-billion over a six-year period to construct public mass transit systems in urban, suburban and rural areas. Adopted 370–21.	Yes
August 14	H.R. 9989. Real Estate Settlement Costs. Stark (D. Calif.) amendment to the committee amendment (*see vote 352, below*), to eliminate provisions of the bill which would repeal a 1970 law authorizing the Department of Housing and Urban Development (HUD) to set standards governing allowable real estate settlement charges connected with the purchase of homes backed by federal mortgage guarantees. Rejected 199–202.	Yes
August 14	H.R. 9989. Real Estate Settlement Costs. Adoption of the Banking and Currency Committee amendment to repeal the 1970 law authorizing HUD to set allowable settlement charges connected to the purchase of homes backed by federal mortgage guarantees and to require the HUD secretary to study the need for regulation of settlement charges. Adopted 274–121.	Yes
August 14	H.R. 9989. Real Estate Settlement Costs. Stephens (D. Ga.) motion to order the previous question (end further debate and the possibility for amendment) on the McKinney (R. Conn.) motion to recommit the bill to the Banking and Currency Committee. Motion ordering previous question agreed to 237–160.	No
August 14	H.R. 9989. Real Estate Settlement Costs. Passage of the bill to revise practices with settlement charges connected with buying a home and to repeal a 1970 law authorizing HUD to set allowable settlement charges for homes backed by federal mortgage guarantees. Passed 399–2 (P.L. 93–533).	Yes
August 15	S. 3066. Housing and Community Development Act. Adoption of the conference report on the bill to authorize $11.1-billion for fiscal 1975–77 for federal housing assistance programs and community development block grants and to encourage greater availability of mortgage credit. Adopted (thus clearing the bill for the President) 377–21 (PL 93–383).	Yes
August 15	H.R. 12859. Urban Mass Transit. Milford (D Texas) amendment to cut from the $20.4 billion mass transit authorization bill a provision for federal operating subsidies for existing mass transit systems. Rejected 197–202.	No
August 15	H.R. 12859. Urban Mass Transit. Synder (R Ky.) amendment to provide that no funds authorized in the bill were to be used to transport students or teachers for the purpose of correcting racial imbalances in schools. Adopted 243–149.	No
August 15	H.R. 12859. Urban Mass Transit. Harsha (R Ohio) amendment to allow cities with populations of 2-million or more to qualify for "Category A" funds—the category with the highest grant level. (The bill limited Category A grants to cities which had or were constructing fixed rail transit systems.) Rejected 143–215.	No
August 15	H.R. 12859. Mass Transit. Shuster (R Pa.) amendment to provide that in determining the distribution of grant funds, in the bill, the secretary of transportation should con-	No

Date	Measure and result	Vote
	sider as a major factor the local effort to encourage public transit use and discourage automobile use. Rejected 155–174.	
August 19	H.R. 16425. Inflation Task Force. Patman (D Texas) motion to suspend the rules and pass the bill to establish through June 30, 1976, a Cost of Living Task Force within the Executive Office of the President to monitor wage and price increases. Motion agreed to 379–23.	Yes
August 19	H.R. 16102. Daylight Saving Time. Staggers (D W.Va.) motion to suspend the rules and pass the bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974 through the last Sunday in February 1975. Passed 383–16. (PL 93–434).	Yes
August 19	H.R. 14897. Youth Conservation Corps. Daniels (D N.J.) motion to suspend the rules and pass the bill to make permanent the Youth Conservation Corps and to authorize appropriations of $60-million annually. Motion agreed to 361–38. (PL 93–408).	Yes
August 19	H.R. 16027. Interior Department Appropriations. Fiscal 1975. Adoption of the conference report on the bill appropriating $3,169,162,310 in fiscal 1975 for the Interior Department and related agencies. Adopted 374–25 (PL 93–404).	Yes
August 20	H.R. 2. Pension Reform. Adoption of the conference report on the bill to set minimum federal vesting, funding and participation standards that private pension plans must meet and to provide for a system of plan termination insurance. Adopted 407–2 (PL 93–406).	Yes
August 20	H. Res. 1333. Impeachment Report. O'Neill (D Mass.) motion to suspend the rules and adopt the resolution to take formal notice of the action of the House Judiciary Committee in recommending the impeachment of President Nixon and of Nixon's subsequent resignation, to accept the report of the committee on impeachment, and to authorize its printing. Adopted 412–3.	Yes
August 20	H.R. 15581. District of Columbia Appropriations, Fiscal 1975. Adoption of the conference report on the bill appropriating $1,073,642,900 in fiscal 1975 for the District of Columbia, comprised of U.S. Treasury funds and local revenues, and setting the federal payments to the city at $221,200,000. Adopted 352–58 (PL 93–405).	Yes
August 20	H.R. 12859. Mass Transit. Harsha (R Ohio) amendment, in the form of a substitute for the Roberts (D Texas) amendment, to reduce the total authorization in the bill from $20.4-billion to $11.4-billion. (The original Roberts amendment sought to reduce the authorization to $15.8-billion.) Adopted 257–155: R 165–19; D 92–136.	No
August 20	H.R. 12859. Mass Transit. Passage of the bill amendment to delete from the bill a provision to increase the allowable weight for trucks operating on interstate highways. Adopted 252–159.	Yes
August 20	H.R. 12859. Mass Transit. Gross (R Iowa) amendment to remove from the bill a provision to authorize $14-million for a railroad crossing demonstration project in Hammond, Ind. Rejected 190–223.	No
August 20	H.R. 12859. Mass Transit. Passage of the bill to authorize $11.4-billion in fiscal years 1975–80 for mass transit capital and operating subsidies. Passed 324–92.	Yes
August 20	S. 3919. Inflation Council. Patman (D Texas) motion to suspend the rules and pass the bill to establish a Council on Wage and Price Stability within the Executive Office of the President to monitor inflation. Motion agreed to 369-27 (PL 93–387).	Yes
August 21	H.R. 11864. Solar Energy. Adoption of the conference report on the bill to provide for demonstrations of technological advancements in using the sun's energy to heat and cool homes and other buildings. Adopted 402–14 (PL 93–409).	Yes
August 21	H.R. 16168. State Department Authorization. Passage of the bill to authorize appropriations of $74[illegible],191,000 for the Department of State operations and programs for fiscal 1975. Passed 330–43. (PL 93–475).	Yes
August 21	H.R. 15977. Export-Import Bank. Banking and Currency Committee amendment to repeal a 1971 federal law removing the Export-Import Bank receipts and disbursements from the federal government budget. Rejected 191–202.	Yes
August 21	H.R. 15977. Export-Import Bank. Ichord (D Mo.) amendment to allow either the House or the Senate to disapprove Export-Import Bank financing of exports to a communist nation by adopting a resolution within 30 days after the bank reported the transaction to Congress. Rejected 178–215.	No
August 21	H.R. 15977. Export-Import Bank. Passage of the bill to extend the Export-Import Bank through June 30, 1978, and to require the bank to report to Congress any loans of $50-million or more to finance exports to communist nations. Passed 330–67.	Yes
August 21	H.R. 15487. Foreign Investment Study. Passage of the bill to direct the secretary of commerce and the secretary of the Treasury to make an 18-month study of foreign investments in the U.S. economy. Passed 324–29.	Yes
August 22	H.R. 15572. HUD, Space, Veterans Appropriations, Fiscal 1975. Adoption of the conference report on the bill to appropriate $21,215,812,000 for the Department of Housing and Urban Development, National Aeronautics and Space Administration, National Science Foundation, Veterans Administration and related agencies in fiscal 1975. Adopted 379–3. (PL 93–414).	Yes
August 22	H.R. 12628. Veterans' Education Benefits. Dorn (D S.C.) motion to recede from House disagreement to the Senate amendment to the bill, and to concur in a modified version of the Senate amendment that would increase rates of veterans' educational and vocational rehabilitation benefits. Motion agreed to 386–0.	Yes
Sept. 11	H.R. 13565. Non-Nuclear Energy Policy. Fuqua (D Fla.) amendment to delete language establishing a patent policy for inventions developed under authority of the bill with federal funds and to require the administrator of the proposed Energy Research and Development Administration to make his recommendations on patent policy within six months of enactment. Adopted 182–142.	No
Sept. 11	H.R. 13565. Non-Nuclear Energy Policy. Passage of the bill to establish a $20-billion, 10-year program of research and development in non-nuclear energy resources. Passed 327–7.	Yes
Sept. 11	H.R. 15928. Debt Obligations. Passage of the bill to give federal bank regulatory agencies discretionary authority to regulate debt obligations issued by holding companies affiliated with financial institutions regardless of whether funds earned by selling the obligations went to the subsidiary bank or to thrift institutions. The bill was designed to confer authority to regulate variable interest notes issued by bank holding companies at terms attractive to small investors. Passed 317–5. (PL 93–501).	Yes
Sept. 12	H.R. 15301. Railroad Retirement. Devine (R Ohio) motion to recommit the bill with instructions that the committee report back a bill extending the existing railroad retirement system for one year. Motion to recommit rejected 26–329.	No

Date	Measure and result	Vote
Sept. 12	H.R. 15301. Railroad Retirement. Passage of the bill to restructure the financing of the existing federally operated railroad workers' retirement system, authorized under the Railroad Retirement Act of 1937. Passed 343–10.	Yes
Sept. 19	H.R. 16371. Solar Energy Research Management. Passage of the bill to establish a management program to coordinate federal research and development programs in solar energy technology and to authorize $2-million in fiscal 1975 for a study to assess the technology needed to develop solar energy resources. Passed 383–3. (PL 93–473).	Yes
Sept. 19	H.R. 7917. Consumer Product Warranty and FTC Amendments. Eckhardt (D Texas) amendment, to the Broyhill (R N.C.) substitute for the committee bill, to authorize the Federal Trade Commission (FTC) to seek court redress for consumers injured by "unfair or deceptive" trade practices. Rejected 180–209.	Yes
Sept. 19	H.R. 7917. Consumer Product Warranty and FTC Amendments. Passage of the bill to set minimum federal standards for consumer product warranties, revise Federal Trade Commission (FTC) procedures and authorize fiscal 1975–77 funds for the commission. Passed 384–1. (P.L. 93–637).	Yes
Sept. 23	H.R. 16243. Defense Department Appropriations, Fiscal 1975. McDade (R Pa.) motion ordering the previous question (to end further debate and the possibility for amendment) on the McDade (R Pa.) motion to recommit the conference report on the bill making appropriations for the Department of Defense for fiscal 1975. Motion ordering previous question agreed to 228–125.	No
Sept. 23	H.R. 16243. Defense Department Appropriations, Fiscal 1975. Adoption of the conference report on the bill appropriating $82,576,297,000 for the Department of Defense for fiscal 1975. Adopted 293–59. (P.L. 93–437).	No
Sept. 24	H.R. 15323. Nuclear Accident Insurance. Adoption of the conference report on the bill to extend until Aug. 1, 1982, the federal program insuring the public against losses in the event of a nuclear accident. Adopted 376–10.	No
Sept. 24	H.J. Res. 1131. Continuing Appropriations, Fiscal 1975. Rosenthal (D N.Y.)-du Pont (R Del.) amendment to prohibit funds in the bill from being used to supply military assistance, including military sales and credits, to Turkey until the President certified to Congress that "substantial progress toward agreement has been made regarding military forces in Cyprus." Adopted 307–90.	Yes
Sept. 24	H.J. Res. 1131. Continuing Appropriations, Fiscal 1975. Holtzman (D N.Y.) amendment to prohibit any funds in the bill from being used by the Central Intelligence Agency to undermine or destabilize the governments of foreign countries. Rejected 108–291.	Yes
Sept. 24	H.J. Res. 1131. Continuing Appropriations, Fiscal 1975. Adoption of the joint resolution to make continuing appropriations for fiscal 1975 through the sine die adjournment of the 93rd Congress for agencies whose regular fiscal 1975 appropriations bill had not yet been cleared by Congress. Adopted 374–26.	Yes
Sept. 24	H.R. 15404. State, Justice, Commerce Appropriations, Fiscal 1975. Adoption of the conference report on the bill to provide $5,532,957,100 for the Departments of State, Justice, Commerce, the judiciary and 13 related agencies for fiscal 1975. Adopted 358–31 (PL 93–433).	Yes
Sept. 25	H.R. 16032. Eisenhower College—Penny Composition. Wylie (R Ohio) amendment to delete a provision of the bill which would authorize up to $10-million for grants to the Eisenhower College and earmark 10 per cent of such grants for the Sam Rayburn Library. Rejected 166–169.	Yes
Sept. 25	H.R. 16032. Eisenhower College—Penny Composition. Passage of the bill to provide funding for the Eisenhower College in Seneca Falls, N.Y., and the Sam Rayburn Library in Bonham, Texas, and to authorize the secretary of the Treasury to reduce the amount of copper in the penny if the price of copper made the penny more valuable for its copper content than for its use as a coin. Passed 172–166 (PL 93–441).	No
Sept. 30	H. Res. 988. House Committee Reorganization. Adoption of the rule (H. Res. 1395) providing for House floor consideration of H. Res. 988, to reorganize House committee jurisdictions and procedures, with H. Res. 1248 in order as a substitute. Adopted 326–25.	Yes
Oct. 1	H. Res. 988. House Committee Reorganization. Thompson (D N.J.) amendment, to the Hansen (D Wash.) substitute resolution (H. Res. 1248), to increase the permanent staff of standing committees from 12 to 30; to allow the minority to appoint one-third of that total (10); and to allow the ranking minority members of subcommittees to appoint one professional staff aide to be paid out of funds derived from additional expense resolutions. Adopted 218–180.	No
Oct. 1	H.R. 16900. Supplemental Appropriations. Fiscal 1975. Roybal (D Calif.) amendment, in the nature of a substitute to the Obey (D Wis.) amendment (*see vote 400, below*), to increase funds for education aid to the disadvantaged and handicapped and impact aid by $193.6-million. Adopted 253–145.	Yes
Oct. 1	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Obey (D Wis.) amendment, as amended by the Roybal (D Calif.) substitute amendment (*see vote 399, above*), to increase funds for education aid to the disadvantaged and handicapped and impact aid by $193.6-million. Adopted 280–114.	Yes
Oct. 1	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Holt (R Md.) amendment to prohibit the federal government from withholding funds from school districts as a method of compelling them to classify or assign teachers and students to schools or classes on the basis of race, sex, religion or national origin or to keep records and files pertaining to the race, sex, religion or national original of their students and teachers. Adopted 220–169.	No
Oct. 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Roybal (D Calif.) amendment to increase funding for library resources by $5-million, to $95,250,000. Adopted 280–120.	Yes
Oct. 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Pepper (D Fla.) amendment to add $25.4-million, to a total of $125-million, for nutrition programs for the elderly (Meals on Wheels). Adopted 282–125.	Yes
Oct. 2	H. Res. 988. House Committee Reorganization. Kuykendall (R Tenn.) amendment, to the Hansen (D Wash.) substitute resolution H. Res. 1248), to restore jurisdiction over surface and air transportation to the Committee on Commerce and Health (currently Interstate and Foreign Commerce.) Rejected 172–239.	No
Oct. 2	H. Res. 988. House Committee Reorganization. Young (R Fla.) amendment, to the Hansen (D Wash.) substitute resolution (H. Res. 1248), to establish a non-legislative Select Committee on Aging. Adopted 323–84.	Yes
Oct. 2	H. Res. 988. House Committee Reorganization. Ichord (D Mo.) amendment, to the Hansen (D Wash.) substitute resolution (H. Res. 1248), to retain the House Internal Security Committee as a separate standing committee instead of transferring its jurisdiction to the Judiciary Committee. Adopted 246–164.	No
Oct. 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Stokes (D Ohio) amendment, to Addabbo (D N.Y.) amendment (*see*	Yes

Date	Measure and result	Vote
	vote 408 below), to delete all appropriations for former President Nixon authorized under the Presidential Transition Act of 1963. Rejected 169-228.	
October 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Addabbo (D N.Y.) amendment to reduce to $100,000 from $245,000 the amount available for former President Nixon for presidential transition expenses. Adopted 342-47.	Yes
October 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Waldie (D Calif.) amendment, to Addabbo (D N.Y.) amendment (*see vote 411, below*), to delete appropriation of $55,000 for former President Nixon's fiscal 1975 pension. Rejected 46-344.	Yes
October 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Stokes (D Ohio) amendment, to Addabbo (D N.Y.) amendment (*see vote 411, below*), to delete all allowances to former President Nixon authorized under the Former Presidents Act of 1958 except his pension. Rejected 107-277.	Yes
October 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Addabbo (D N.Y.) amendment to reduce the appropriation for former President Nixon's pension and other allowances to $100,000 from $153,000. Adopted 321-62.	Yes
October 2	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Passage of the bill making fiscal 1975 supplemental appropriations of $8,436,251,562 for several federal departments and agencies. Passed 317-72.	No
October 3	H. Res. 988. House Committee Reorganization. Bolling (D Mo.) motion to resolve the House into the Committee of the Whole to consider amendments to H. Res. 988 and two substitute resolutions. Agreed to 384-2.	Yes
October 3	H. Res. 988. House Committee Reorganization. Waggonner (D La.) amendment, to the Hansen substitute resolution (H. Res. 1248), to delete a provision of the resolution permitting the House speaker to bring legislation to the floor without prior approval by the Rules Committee. Adopted 295-104.	No
October 7	H.R. 17027. National Visitors Center. Gray (D Ill.) motion to suspend the rules and pass the bill to authorize $12.9-million for construction of the National Visitors Center in Washington, D.C. Motion rejected 185-175.	No
October 7	H.J. Res. 1131. Continuing Appropriations, Fiscal 1975. Adoption of the conference report on the bill making further continuing appropriations for fiscal year 1975 for federal agencies and departments whose appropriations had not yet been cleared by Congress. Adopted 330-25.	Yes
October 7	H.J. Res. 1131. Continuing Appropriations, Fiscal 1975. Mahon (D Texas) motion that the House concur in a House-Senate conference amendment to a Senate amendment prohibiting funds for further U.S. military assistance to Turkey until the President certified that that nation was in compliance with the Foreign Assistance Act of 1961 and the Foreign Military Sales Act and was making "good faith efforts" to reach a negotiated settlement with respect to Cyprus. Rejected 69-291.	No
October 7	H.R. 12471. Freedom of Information Act. Adoption of the conference report on the bill to amend the 1966 Freedom of Information Act to guarantee broader public access to government information and documents. Adopted 349-2.	Yes
October 7	H. Res. 988. House Committee Reorganization. Bolling (D Mo.) motion to resolve the House into the Committee of the Whole to consider amendments to H. Res. 988 and two substitute resolutions. Agreed to 211-121.	Yes
October 7	H. Res. 988. House Committee Reorganization. Martin (R Neb.) preferential motion that the committee rise and report H. Res. 988 with a recommendation that the resolving clause be stricken (thus killing the resolution). Rejected 39-295.	No
October 7	H. Res. 988. House Committee Reorganization. Bolling (D Mo.) motion to limit to five hours debate on the Hansen (D Wash.) substitute (H Res. 1248) and amendments to it. Agreed to 274-56.	Yes
October 8	H. Res. 988. House Committee Reorganization. Dennis (R Ind.) amendment to the Martin substitute (*see vote 426, p. 2886*), to retain jurisdiction over the Panama Canal and Panama Canal Zone in the Merchant Marine and Fisheries Committee instead of transferring it to the Foreign Affairs Committee. Adopted 228-132.	No
October 8	H. Res. 988. House Committee Reorganization. Eckhardt (D Tex) amendment, to the Martin (R Neb.) substitute resolution (H Res. 1321), to delete a provision allowing the Rules Committee to decide jurisdiction disputes between committees on bill referrals and allowing committee chairmen to appeal those decisions to the floor. Adopted 186-168.	No
October 8	H. Res. 988. House Committee Reorganization. Heinz (R Pa.) amendment, to the Martin (R Neb.) substitute resolution (H Res 1321), to establish a non-legislative Select Committee on Aging. Adopted 299-44.	Yes
October 8	H. Res. 988. Committee Reorganization. Duncan (R Tenn.) amendment, to the Martin (R Neb.) substitute resolution (H. Res. 1321), to prevent defeated or retiring House members from using government funds for foreign travel. Adopted 301-43.	No
October 8	H. Res. 988. House Committee Reorganization. Martin (R Neb.) amendment in the nature of a substitute resolution (H. Res. 1321) to the Hansen (D Wash.) substitute resolution (H. Res. 1248). Rejected 41-319.	No
October 8	H. Res. 988. House Committee Reorganization. Froehlich (R Wis.) amendment, to the Hansen (D Wash.) substitute resolution (H. Res. 1248), to establish a nonlegislative select committee to study the abortion issue. Rejected 163-193.	No
October 8	H. Res. 988. House Committee Reorganization. Latta (R Ohio) amendment, to the Hansen (D Wash.) substitute resolution (H. Res. 1248), to ban voting by proxy in committee. Adopted 196-166.	Yes
October 8	H. Res. 988. House Committee Reorganization. Cleveland (R N.H.) amendment, to the Hansen (D Wash.) substitute resolution (H. Res. 1248), to give the minority party in Congress control of a select investigating committee whenever the majority controlled both houses of Congress and the presidency. Rejected 148-218.	No
October 8	H. Res. 988. House Committee Reorganization. Hansen (D Wash.) amendment in the nature of a substitute (H. Res. 1248) to H. Res. 988, changing House committee jurisdictions and procedures. Adopted 203-165.	No
October 8	H. Res. 988. House Committee Reorganization. Passage of the resolution changing House committee jurisdictions and procedures, as amended by the Hansen substitute resolution (H. Res. 1248). Passed 359-7.	Yes
October 9	H.R. 16901. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Passage of the bill to appropriate $13,379,183,000 for agriculture, environmental and consumer protection programs for fiscal 1975. Passed 366-24.	Yes
October 9	S. 1769. Fire Prevention. Adoption of the conference report on the bill to authorize $45.5-million over fiscal years 1975-76 for establishing a comprehensive federal fire prevention and control program. Adopted 381-3 (P.L. 93-498).	Yes

Date	Measure and result	Vote
October 9	H.R. 13113. Commodity Futures Trading Commission. Adoption of the conference report on the bill to establish an independent commission to regulate trading in commodity futures. Adopted 375–4 (PL 93–463).	Yes
October 9	H.R. 11510. Energy Research and Development Administration. Adoption of the conference report on the bill to abolish the Atomic Energy Commission and create an Energy Research and Development Administration and a Nuclear Regulatory Commission to take over the AEC's regulatory functions. Adopted 372–1 (PL 93–438).	Yes
October 9	H.R. 11221. Deposit Insurance. Adoption of the conference report on the bill to increase to $40,000 from $20,000 the limit on the amount of a bank or thrift institution deposit covered by federal insurance. Adopted 355–1 (PL 93–495).	Yes
October 10	S. 3044. Federal Election Campaign Financing. Adoption of the conference report on the bill to establish spending and contribution limits for federal election campaigns and to provide for the public financing of presidential elections. Adopted 365–24 (PL 93–443).	Yes
October 10	H.R. 12628. Veterans' Educational Benefits. Adoption of the conference report on the bill to increase veterans' educational benefits by 22.7 per cent and raise on-the-job training assistance and vocational aid for the disabled by 18.2 per cent. Adopted 388–0.	Yes
October 10	S. 3698. International Nuclear Agreements. Eckhardt (D Texas) motion to recommit the conference report to the House-Senate conference committee with instructions that the House managers insist on a House provision requiring approval of Congress on proposed international nuclear agreements. Motion rejected 143–230 (PL 93–485).	Yes
October 10	S. 3792. Export Administration. Adoption of the conference report on the bill to extend the Export Administration Act through Sept. 30, 1976, authorizing the secretary of commerce to regulate exports. Adopted 332–43 (PL 93–500).	Yes
October 10	H.R. 17027. National Visitors Center. Passage of the bill to authorize appropriations of $12.9-million for construction of a National Visitors Center in Washington, D.C. Passed 198–159 (PL 93–478).	No
October 10	H.R. 8193. Energy Transportation Security. Du Pont (R Del.) motion to delete from the bill reported by House-Senate conferee provisions require oil tankers to be equipped with the latest pollution control technology; provisions had been ruled nongermane by the speaker on a point of order. Motion rejected (overruling point of order) 95–261.	Yes
October 10	H.R. 8193. Energy Transportation Security. Adoption of the conference report on the bill to require upon enactment that U.S. flagships carry at least 20 per cent of all oil and oil products imported into the United States, with the percentage increasing to 25 per cent after June 30, 1975, and to 30 per cent after June 30, 1977. Adopted 219–140.	Yes
October 10	S. 1296. Grand Canyon National Park. House Interior and Insular Affairs Committee amendment to place 185,000 acres of the Grand Canyon National Park in trust for the Havasupai Indian Tribe. Adopted 180–147. (P.L. 93–620).	No
October 10	H.R. 15888. District of Columbia Community Development and Finance Corporation. Ketchum (R Calif.) amendment to delete language that would allow the chairman of the proposed Community Development and Finance Corporation to seek federal appropriations to restore insufficiencies in the corporation's capital reserve fund. Rejected 146–165.	No
October 10	H.R. 15888. District of Columbia Community Development and Finance Corporation. Passage of bill to establish a District of Columbia Community Development and Finance Corporation to serve as a housing financing agency and a developer of last resort. Rejected 116–191.	No
October 11	S.J. Res. 247. Foreign Aid to Turkey. Passage of the joint resolution to authorize the President to delay the cutoff of military funds to Turkey, contained in an emergency appropriations bill (H.J. Res. 1131) and required under the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, until Dec. 15, 1974, if he determined that the delay would help negotiations for a peaceful settlement of the Cyprus conflict. Rejected 171–187.	No
October 11	H. Con. Res. 667. Federal Spending Target. Sisk (D Calif.) motion to order the previous question (ending debate and preventing amendments) on the rule (H. Res. 1437) providing for House floor consideration of the concurrent resolution to set a $300-billion target for fiscal 1975 federal spending. Motion adopted 195–150.	No
October 11	H. Con. Res. 667. Federal Spending Target. Frenzel (R Minn.) motion to order the previous question (ending debate and preventing amendments) on the concurrent resolution to set a $300-billion target for fiscal 1975 federal spending. Motion adopted 260–84.	Yes
October 11	H. Con. Res. 667. Federal Spending Target. Passage of the resolution to set a $300-billion target for federal spending during fiscal 1975. Adopted 329–20.	Yes
October 15	H.J. Res. 1131. Continuing Appropriations, Fiscal 1975. Passage, over the President's Oct. 14 veto, of the joint resolution to make further continuing appropriations for fiscal year 1975 and to prohibit further military aid to Turkey until the President certified that the Ankara regime was in compliance wtih U.S. foreign assistance laws and that substantial progress had been made in negotiations regarding its military forces on Cyprus. Rejected (thus sustaining the President's veto) 223–135.	Yes
October 15	H.R. 15301. Railroad Retirement. Passage, over the President's Oct. 12 veto, of the bill to restructure the financing of the existing federally operated railroad workers' retirement system, authorized under the Railroad Retirement Act of 1937. Passed (thus overriding the President's veto) 360–12 (PL 93–445).	Yes
October 15	S. 3979. Emergency Mortgage Credit. Adoption of the rule (H. Res. 1446) providing for House floor consideration of the bill to authorize the Government National Mortgage Association to purchase, for one year, home mortgage loans not insured by the federal government and to limit the outstanding value of loans purchased to $7.75-billion. Adopted 355–13 (PL 93–449).	Yes
October 15	H.R. 15427. Amtrak Authorization. Adoption of the conference report on the bill authorizing $2-million in fiscal 1975 operating subsidies for the National Railroad Passenger Corporation (Amtrak) and raising the ceiling on federally guaranteed loans for the corporation. Adopted 299–35 (PL 93–496).	Yes
October 16	H.R. 14225. Rehabilitation Act Extension. Adoption of the conference report on the bill to extend the Rehabilitation Act of 1973 through fiscal 1976, to authorize a White House Conference on the Handicapped in 1976, and to give priority to blind persons to operate vending stands on federal property. Adopted 334–0.	Yes
October 16	H.J. Res. 1163. Continuing Appropriations, Fiscal 1975. Rosenthal (D N.Y.) amendment to require an immediate cutoff of military aid to Turkey if any U.S.-supplied military equipment or supplies were shipped to Cyprus by Turkey after enactment. Adopted 194–144.	Yes

Date	Measure and result	Vote
Oct. 16	H.J. Res. 1163. Continuing Appropriations, Fiscal 1975. Gross (R Iowa) amendment to extend the limitations on U.S. aid to Turkey to cover similar U.S. aid to Greece. Rejected 84–237.	No
Oct. 16	H.J. Res. 1163. Continuing Appropriations, Fiscal 1975. Passage of the joint resolution to make further continuing appropriations for the fiscal year 1975 through the sine die adjournment of the 93rd Congress and also to bar further military aid to Turkey until the President certified it was in compliance with U.S. foreign assistance laws and that substantial progress had been made on negotiations regarding military forces on Cyprus, but permitting the President to delay the ban until Dec. 10, 1974, if it helped the negotiations; however the ban would become effective immediately if Turkey shipped additional military supplies or equipment to Cyprus. Passed 287–30.	Yes
Oct. 17	H.J. Res. 1163. Continuing Appropriations, Fiscal 1975. Passage, over the President's Oct. 17 veto, of the joint resolution to make continuing appropriations for fiscal 1975 and also to suspend as of Dec. 10, 1974, military aid to Turkey, but requiring the aid cutoff to take effect immediately if Turkey shipped any additional military supplies or equipment to Cyprus before that date. Rejected (thus sustaining the President's veto) 161–83.	Yes
Oct. 17	H.J. Res. 1167. Continuing Appropriations, Fiscal 1975. Adoption of the rule (H. Res. 1456) providing for House floor consideration of the joint resolution to make further continuing appropriations through the sine die adjournment of the 93rd Congress for fiscal year 1975 for federal agencies and departments whose appropriations had not been cleared. Adopted 210–14.	Yes
Oct. 17	H.J. Res. 1167. Continuing Appropriations, Fiscal 1975. Passage of the joint resolution to make further continuing appropriations through the sine die adjournment of the 93rd Congress for fiscal year 1975 for federal agencies and departments whose appropriations had not been cleared, and to bar further military aid to Turkey as of Dec. 10, 1974, provided Turkey until then honored the cease-fire line on Cyprus, neither increased nor decreased its troops there and did not transfer any U.S.-supplied weapons to Cyprus. Passed 191–33 (PL 93–448).	Yes
Nov. 18	H.R. 16982. UN Peacekeeping Forces. Fraser (D Minn.) motion to suspend the rules and pass the bill to authorize payment for fiscal 1975 to the United Nations of an unspecified amount for the U.S. share of the United Nations peacekeeping forces in the Middle East and $4.8-million for the United Nations force in Cyprus. Motion agreed to 304-56.	Yes
Nov. 18	S. 1064. Judicial Disqualification. Kastenmeier (D Wis.) motion to suspend the rules and pass the bill to broaden and clarify the circumstances under which a federal judge should disqualify himself from sitting on a case. Motion agreed to 317-31. (PL 93–512).	Yes
Nov. 19	H.R. 16757. Emergency Fuel Allocation Act Extension. Staggers (D W. Va.) motion to suspend the rules and pass the bill to extend the Emergency Petroleum Allocation Act of 1973 from Feb 28, 1975, through Aug. 31, 1975. Motion agreed to 335-55.	Yes
Nov. 19	H.R. 13002. Safe Drinking Water. Passage of the bill to authorize the Environmental Protection Agency to set national standards for safe drinking water. Passed 296-84.	Yes
Nov. 20	H.R. 14225. Rehabilitation Act Extension. Passage, over the President's Oct. 29 veto, of the bill to extend the Rehabilitation Act of 1973 through fiscal 1976, to authorize a White House Conference on the Handicapped in 1976 and to give priority to blind persons to operate vending stands on federal property. Passed (thus overriding the President's veto) 398-7. (PL 93–516).	Yes
Nov. 20	H.R. 12471. Freedom of Information Act. Passage, over the President's Oct. 17 veto, of the bill to amend the 1966 Freedom of Information and documents. Passed (thus overriding the President's veto) 371-31. (PL 93–502).	Yes
Nov. 20	H.R. 6624. Private Bill. Passage, over the President's Oct. 29 veto, of the bill to compensate two American citizens, as recommended by a Review Panel of the Commissioner of the Court of Claims, who were wounded by U.S. military personnel in a 1965 shooting incident in the Dominican Republic. Rejected (thus sustaining the President's veto) 236-163.	Yes
Nov. 20	H.R. 16373. Privacy Act. Erlenborn (R Ill.) amendment to prevent government agencies from disclosing to federal military and civilian personnel the names of sources who had supplied confidential information about them as well as examination of materials contained in employee files. Adopted 192-177.	No
Nov. 21	Mass Transit Subsidies. Adoption of the rule (H. Res. 1470) providing for House floor consideration of and waiving points of order against the conference report on the bill. Adopted 241–154.	Yes
Nov. 21	Mass Transit Subsidies. Adoption of the conference report on the bill authorizing $11.9-billion for mass transit operating and capital subsidies for fiscal years 1975–80, including $7.8-billion for capital grants and nearly $4-billion for large cities to use for either capital or operating expenses. Adopted 288–109. (P.L. 93–503.)	Yes
Nov. 21	H.R. 16373. Privacy Act. Passage of the bill to protect individual privacy by regulating the federal government's collection, use and disclosure of personal data on citizens. Passed 353–1.	Yes
Nov. 25	H.R. 17450. District of Columbia Public Service Commission. Passage of the bill to provide a people's counsel for the Public Service Commission in the District of Columbia to represent consumers' interests in utility matters. Passed 278-65. (P.L. 93–614.)	Yes
Nov. 25	H.R. 16609. AEC Supplemental. Passage of the bill to authorize $80.5-million in fiscal 1975 supplemental appropriations for Atomic Energy Commission weapons testing and nuclear security programs. Passed 312–49. (P.L. 93–576.)	No
Nov. 26	H.R. 15580. Labor-HEW Appropriations, Fiscal 1975. Adoption of the conference report on the bill appropriating $33,045,356,000 in fiscal 1975 for the Departments of Labor and Health, Education, and Welfare and related agencies. Adopted 352–25. (P.L. 93–517.)	Yes
Nov. 26	H.R. 17468. Military Construction Appropriations, Fiscal 1975. Passage of the bill to appropriate $3,062,108,000 for military construction programs in fiscal 1975. Passed 341–33. (P.L. 93–636.)	No
Dec. 3	H.R. 12628. Veterans' Education Benefits. Passage, over the President's Nov. 26 veto, of the bill to increase veterans' educational benefits by 22.7 per cent and raise on-the-job training assistance and vocational aid for the disabled by 18.2 per cent. Passed (thus overriding the President's veto) 394–10. (P.L. 93–508.)	Yes
Dec. 3	H.R. 6191. Zinc Imports. Passage, over the President's Nov. 26 veto, of the bill to suspend until June 30, 1977, the duties on zinc materials and to entitle 1972 flood disaster victims to exclude from their taxable incomes up to $5,000 in payments for flood damages even if their losses had been deducted in previous years. Rejected (thus sustaining the President's veto) 249–150.	Yes

Date	Measure and result	Vote
Dec. 3	H.R. 17481. Truman Memorial Scholarship. O'Hara (D. Mich.) motion to suspend the rules and pass the bill to authorize $30-million to establish the Harry S Truman Memorial Scholarship Program. Motion rejected 236–149.	Yes
Dec. 4	H. Res. 1483. Suspension of the Rules. Adoption of the resolution to authorize the Speaker of the House to allow the introduction of motions to suspend the rules on Monday, Dec. 9, 1974, and at any subsequent time during the remainder of the 2nd session, 93rd Congress. Adopted 210–164.	Yes
Dec. 4	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Adoption of the conference report on the bill to make fiscal 1975 supplemental appropriations of $8,659,352,078 for several federal departments and agencies (the total included $2,357,718,000 for advance fiscal 1976 funding for several education programs). Adopted 292–89.	Yes
Dec. 4	H.R. 16900. Supplemental Appropriations, Fiscal 1975. Mahon (D. Texas) motion to concur with an amendment, reported in technical disagreement by House-Senate conferees, to prohibit the Department of Health, Education, and Welfare from withholding federal funds under authority of the Civil Rights Act of 1964 from school districts in order to compel them to classify or assign its students and teachers to schools or classes on the basis of race, sex, religion or national origin for the purpose of desegregation. Motion agreed to 212–176.	No
Dec. 9	S. 425. Strip Mining. Udall (D. Ariz.) motion to suspend the rules and adopt the conference report on the bill to regulate strip mining of coal and the reclamation of mined lands. Motion rejected 212–150.	Yes
Dec. 9	S. 2201. Flood Damage. Breaux (D. La.) motion to suspend the rules and pass the bill to provide $5-million in relief to Louisiana oyster fishermen. Motion rejected 172–185.	No
Dec. 9	S. 4040. Veterans' Pensions. Dorn (D S.C.) motion to suspend the rules and pass the bill to provide a 12 per cent increase in pension rates for eligible veterans and their survivors. Motion agreed to 357–1 (P.L. 93–527).	Yes
Dec. 10	H.R. 5385. Surface Transportation. Matsunaga motion to order the previous question (end further debate and the possibility for amendment) on the rule (H. Res. 1485) providing for House floor consideration of the bill to grant $2-billion in federally guaranteed loans for railroads and to make changes in the surface transportation regulatory system. Motion rejected 93–263.	No
Dec. 10	H.R. 11666. Asian Development Bank. Passage of the bill to authorize an increase in the U.S. contribution to the Asian Development Bank. Passed 186–147 (P.L. 93–537).	Yes
Dec. 10	H.R. 14214. Health Services Programs. Adoption of the conference report on the bill to authorize $1.9-billion in fiscal 1975–76 for health services formula grants to the states, family planning programs, community mental health centers, migrant health centers and community health centers for the medically underserved. Adopted (thus cleared for the President) 372–14.	Yes
Dec. 10	H.R. 5385. Surface Transportation. Fulton (D Tenn.) amendment to delete a provision of the bill to prevent transportation property from being taxed at a rate higher than other industrial and commercial property, and to substitute language allowing states to classify transportation property as public utility property. Rejected 79–314.	No
Dec. 10	H.R. 5385. Surface Transportation. Passage of the bill to provide for $2-billion in federally guaranteed loans for the nation's railroads and make changes in the surface transportation regulatory system. Passed 377–15.	Yes
Dec, 10	H.R. 17234. Foreign Aid Authorization. Adoption of the rule (H. Res. 1468) providing for House floor consideration of the bill to provide foreign military and economic assistance. Adopted 322–58.	Yes
Dec. 11	H.R. 17234. Foreign Aid Authorization. Mathis (D Ga.) amendment to delete a ceiling of $85-million for the procurement of fertilizer for South Vietnam and deny use of funds for that purpose. Adopted 291–98.	Yes
Dec. 11	H.R. 17234. Foreign Aid Authorization. Rosenthal (D N.Y.) amendment to provide for an immediate cut-off of military aid to Turkey until the president certified to Congress that Turkey was in compliance with the Foreign Aid and Foreign Military Sales Acts and that substantial progress had been made toward a military settlement on Cyprus. Adopted 297–98.	Yes
Dec. 11	H.R. 17234. Foreign Aid Authorization. Gross (R Iowa) amendment to reduce funds for international organizations and programs to $127,822,000 from $154,400,000. Rejected.	No
Dec. 11	H.R. 17234. Foreign Aid Authorization. Gross (R Iowa) amendment to end all aid and military credit sales to India. Rejected 159–223.	No
Dec. 11	H.R. 17234. Foreign Aid Authorization. Miller (R Ohio) amendment to permit the president to disperse assistance funds only in return for strategic raw materials and to provide for the stockpiling or sale of those materials by the United States. Adopted 244–136.	No
Dec. 11	H.R. 17234. Foreign Aid Authorization. Final passage of the bill to authorize $2,643,325,000 for fiscal 1975 for foreign economic and military assistance. Passed 201–190.	Yes
Dec. 12	H.R. 16901. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Adoption of the conference report on the bill appropriating $13,389,851,000 for agriculture, environmental and consumer protection programs for fiscal 1975. Adopted 359–20.	Yes
Dec. 12	H.R. 16901. Agricultural, Environmental and Consumer Protection Appropriations, Fiscal 1975. Whitten (D Miss.) motion that the House insist on its disagreement to a Senate amendment that deleted House language barring the Environmental Protection Agency (EPA) from taxing, limiting or otherwise regulating parking facilities. (Prior to the vote, the speaker had sustained a point of order against language approved by the conference committee that would have prohibited EPA from implementing or enforcing indirect source regulations pending completion of judicial review.) Motion agreed to 282–90. (PL 93–563).	No
Dec. 12	H.R. 17597. Emergency Unemployment Compensation. Ullman (D. Oreg.) motion to suspend the rules and pass the bill to give an additional 13 weeks of unemployment insurance benefits to unemployed persons who had exhausted both their regular and extended unemployment benefits. Motion agreed to 374–2 (P.L. 93–572).	Yes
Dec. 12	H.R. 16596. Public Service Jobs. Adoption of the rule (H. Res. 1493) under which the bill to provide public service jobs was considered. Adopted 360–10.	Yes
Dec. 12	H.R. 16596. Public Service Jobs. Passage of the bill to authorize $2-billion in fiscal 1975 to provide public service jobs to the unemployed and such sums as might be necessary to extend unemployment compensation coverage to approximately 12 million persons, primarily farm workers, domestics and state and local government employees. Passed 322–53.	Yes

Date	Measure and result	Vote
Dec. 12	**H.R. 17084. Health Manpower Programs.** Staggers (D. W.Va.) motion to suspend the rules and pass the bill to authorize $1.6-billion in fiscal 1975–77 for health manpower assistance programs. Motion agreed to 337–23.	Yes
Dec. 12	**S.J. Res. 40. White House Conference on Libraries.** Passage of the bill to authorize and request the President to call a White House Conference on Library and Information Services in 1976. Passed 259–81.	Yes
Dec. 13	**S. 425. Strip Mining.** Adoption of the rule (H. Res. 1496) providing for House floor consideration of the conference report on the bill to regulate strip mining of coal and the reclamation of mined lands. Adopted 198–129.	Yes
Dec. 13	**H.R. 16204. Health Planning Programs.** Passage of the bill to authorize $1.2-billion in fiscal 1975–77 for new federal health planning and resource development programs. Passed 236–79 (P.L. 93–641).	Yes
Dec. 13	**H.R. 14266. International Airlines.** Murphy (D. N.Y.) amendment to direct the Civil Aeronautics Board (CAB) to fix new rates paid by the U.S. Postal Service to U.S. airlines for carrying mail overseas that were no lower than those paid by the Postal Service to foreign airlines for carrying U.S. mail. (The effect of the amendment was to raise rates set by CAB on U.S. international airlines routes to the higher rates set by international agreement, thus aiding financially troubled Pan American Airways and Trans World Airlines.) Adopted 154–131.	Yes
Dec. 13	**H.R. 14266. International Airlines.** Passage of the bill to require CAB to set higher rates for U.S. international airlines carrying mail overseas and to direct federal officials to seek reductions in unfair charges levied by foreign governments on U.S. airlines at foreign airports or to impose offsetting charges on foreign airlines using U.S. facilities. Passed 221–54 (PL 93–623).	Yes
Dec. 16	**H.R. 16900. Supplemental Appropriations, Fiscal 1975.** Mahon (D Texas) motion that the House concur in the Senate-passed Mansfield (D Mont.)-Scott (R Pa.) amendment nullifying the effect of the so-called Holt amendment—which would have prohibited the Department of Health, Education and Welfare from withholding funds from school districts to compel them to classify or assign teachers and students to schools or classes on the basis of race, sex, religion or national origin—by specifying that such a prohibition would not apply if the withholding of funds was necessary to enforce and comply with federal antidiscrimination laws. Motion agreed to 224–136. (PL 93–554).	Yes
Dec. 16	**H. Res. 1509. Conference Reports.** O'Neill (D Mass.) motion to suspend the rules and adopt the resolution authorizing consideration of conference reports and reports from the House Committee on Rules of the same day they were reported or on any day thereafter during the remainder of the second session of the 93rd Congress. Motion rejected 252–135.	Yes
Dec. 16	**S. 1283. Non-Nuclear Energy Policy.** Udall (D Ariz.) motion to suspend the rules and adopt the conference report on the bill to establish a national program of research and development of the nation's non-nuclear energy resources. Motion agreed to 378–5 (PL 93–577).	Yes
Dec. 16	**H.R. 17504. American Film Institute.** Brademas (D Ind.) motion to suspend the rules and pass the bill to amend the National Foundation on the Arts and the Humanities Act of 1965 to create the American Film Institute as an independent agency. Motion rejected 123–264.	Yes
Dec. 16	**H.R. 17382. American Folklife Center.** Nedzi (D Mich.) motion to suspend the rules and pass the bill to provide for the establishment of an American Folklife Center in the Library of Congress. Motion rejected 249–134.	Yes
Dec. 16	**S. 1901. Denver Mint Building.** Gray (D Ill.) motion to suspend the rules and pass the bill increasing to $95-million from $45-million the amount authorized for the building of new mints in the United States and permitting to July 1, 1983, any previous appropriations to be spent, thus allowing construction of a new mint building in Denver, Colo. Motion agreed to 241–143.	Yes
Dec. 16	**H.R. 17481. Truman Memorial Scholarship.** Adoption of the rule (H. Res. 1495) providing for House floor consideration of the bill to authorize $30-million to establish the Harry S Truman Memorial Scholarship Program. Adopted 298–56.	Yes
Dec. 17	**H.R. 15263. Rice Production.** Adoption of the rule (H. Res. 1381) providing for House floor consideration of the bill to suspend for three years, through 1977, the acreage allotment and marketing quota system for rice. Adopted 256–135.	Yes
Dec. 17	**H.R. 15263. Rice Production.** Passage of the bill to suspend the acreage allotment and marketing quota system for rice, beginning in 1976. Rejected 118–263.	Yes
Dec. 17	**H.R. 17481. Truman Memorial Scholarship.** Passage of the bill to authorize $30-million to establish the Harry S Truman Memorial Scholarship Program. Passed 238–122 (P.L. 93–642).	Yes
Dec. 18	**H. Res. 1512. Conference Reports.** Adoption of the resolution authorizing the consideration of conference reports on the same day reported or any day thereafter during the remainder of the second session of the 93rd Congress. Adopted 351–42.	Yes
Dec. 18	**S. 3394. Foreign Aid Authorization.** Adoption of the conference report on the bill authorizing $2,697,226,000 for foreign military and economic assistance for fiscal year 1975 and permitting the President to delay an immediate ban on military aid to Turkey until Feb. 5, 1975, provided Turkey observed the cease-fire on Cyprus and did not ship additional weapons or troops there. Adopted 209–189 (P.L. 93–559).	Yes
Dec. 18	**H.J. Res. 1178. Continuing Appropriations, Fiscal 1975.** Adoption of the resolution making further continuing appropriations through Feb. 28, 1975, for federal agencies and departments whose appropriations had not been cleared, to appropriate funds for Israel, Egypt, and Cyprus and to suspend military aid to Turkey effective Feb. 5, 1975. Passed 272–122 (P.L. 93–570).	Yes
Dec. 18	**H.R. 16596. Public Service Jobs.** Adoption of the conference report on the bill authorizing $2.5-billion for emergency public service jobs and such sums as necessary to extend unemployment compensation coverage to approximately 12 additional million workers. Adopted 346–58 (PL 93–567).	Yes
Dec. 18	**H.J. Res. 1180. Emergency Supplemental Appropriations.** Mahon (D Texas) motion to suspend the rules and pass the resolution making urgent supplemental appropriations of $4,824,873,000 for fiscal 1975, including $4-billion for emergency jobs and unemployment compensation programs. Motion agreed to 378–24 (PL 93–624).	Yes
Dec. 18	**H.R. 5463. Federal Rules of Evidence.** Adoption of the conference report on the bill establishing the first uniform code of evidence for federal courts. Adopted (and thus cleared for the President) 363–32 (PL 93–595).	Yes

Date	Measure and result	Vote
Dec. 18	**S. 3934. Highway Programs. Adoption of the conference report on the bill setting a permanent 55-mile-per-hour speed limit nationwide and authorizing appropriations for federal highway programs. Adopted 307–67 (PL 93–643).**	**No**
Dec. 18	H.R. 15977. Export-Import Bank. Adoption of the conference report on the bill extending the Export-Import Bank through June 30, 1978, increasing the bank's financing authorizations and requiring congressional review of support for exports to the Soviet Union. Adopted 280–96 (PL 93–646).	Yes
Dec. 18	S. 2439. Wild and Scenic Rivers. Taylor (D N.C.) motion to suspend the rules and pass the bill providing for a two-year study of 70 miles of the New River in North Carolina and Virginia for its suitability for inclusion in the National Wild and Scenic Rivers System. Motion rejected 196–181.	Yes
Dec. 19	S. 3976. Copyright Protection. Dingell (D Mich.) motion to suspend the rules and pass the bill providing permanent copyright protection for sound recordings, extending the duration of certain expiring copyrights and establishing a National Commission New Technological Uses of Copyrighted Works. Motion agreed to 292–101 (PL 93–573).	No
Dec. 19	H. Res. 1511. Rockefeller Nomination. House approval, as provided for by the 25th Amendment, of President Ford's Aug. 20 nomination of Nelson A. Rockefeller of New York to be vice president. Approved (thus confirming the nomination) 287–128.	No
Dec. 19	H.R. 1520. Conference Reports. Adoption of the resolution providing for the consideration of conference reports from the Committee on Rules on the same day reported or any day thereafter during the remainder of the 93rd Congress, waiving the two-thirds vote requirement for passing bills under suspension of the rules, and authorizing the speaker to declare recesses. Adopted 276–58.	Yes
Dec. 19	H. Res. 1494. Speedy Trials. Adoption of the rule providing for House floor consideration of the bill (H.R. 17409) to give force to a citizen's constitutional right to a speedy trial. Adopted 221–69.	Yes
Dec. 20	H.R. 10710. Foreign Trade. Adoption of the conference report on the bill giving the President broad powers to negotiate trade agreements and reduce trade barriers and granting favorable trade status to Communist countries which permitted their citizens to emigrate freely. Adopted 323–36. (P.L. 93–618)	Yes
Dec. 20	H.R. 421. Needles and Pins and Taxes. Adoption of the conference report on the bill allowing duty-free imports of upholsterers' needles and pins and making various changes in the U.S. tax laws including provisions increasing the interest rate that the Treasury charged on delinquent tax payments, doubling the existing limit on tax credits and deductions for political contributions and clarifying the tax status of political parties. Adopted 257–71. (P.L. 93–625)	Yes
Dec. 20	H.R. 6668. State Lotteries. Passage of the bill to permit the transportation, mailing and broadcasting of advertising information and materials concerning lotteries authorized by state law and conducted by the state. Passed 185–126. (P.L. 93–583)	Yes
Dec. 20	H.R. 14449. Community Services Act. Adoption of the conference report on the bill to extend programs of the Office of Economic Opportunity (OEO) through fiscal 1977. Adopted 244–43. (P.L. 93–644).	Yes
Dec. 20	S. 4206. Milk Price Supports. Jones (D-Tenn.) motion to suspend the rules and pass the bill raising the price support for milk from 80 per centum to not less than 85 per centum of the parity price. Motion agreed to 205–58.	No
Dec. 20	H.R. 620. Assistant Secretary of Interior. Meeds (D-Wash.) motion to suspend the rules and agree to the conference report on the bill to establish within the Department of the Interior an additional assistant secretary of the interior for Indian affairs. Rejected 109–132.	Yes

FULL CONSERVATION

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. NICHOLS. Mr. Speaker, for too long now there has been too much talk and too little action on the part of our Government and many Americans regarding the conservation of our fuel sources. Our country is known for its wastefulness but not all of us are the type who waste or believe in the "toss-away" concept of "use once and throw away."

The Anniston Army Depot at Anniston, Ala., has been conducting a reclamation program for about 8 months with outstanding results. The Depot takes the waste gasoline and diesel fuel from the tanks and trucks they rebuild and filter it into top quality usable fuel. Since this program began the Anniston Army Depot has reclaimed more than 400,000 gallons of fuel.

But the conservation efforts have not ceased. In a recent letter from Col. Robert L. Bergquist, commanding officer of Anniston Army Depot, he tells me of a new program which has been initiated. In the past large quantities of unreclaimable contaminated lubricating oil generally taken from vehicle engines and gear boxes was disposed of in some manner. Now they have found that by soaking the coal used at the depot with this oil, they have been able to save about one ton of coal per day.

These energy conservation efforts are outstanding and show a great deal of imagination. My hat is off to Colonel Bergquist and the employees of Anniston Army Depot for their dedicated efforts to conserve fuel and petrolem products. They have demonstrated that conservation can work and work well.

THE ELDERLY AND HANDICAPPED AMERICANS TRANSPORTATION SERVICES ACT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. ROSENTHAL. Mr. Speaker, elderly and handicapped Americans are becoming increasingly alienated and isolated in our society. They need something to give added meaning to their lives, but many obstacles hinder their attempts to add this new dimension. One of their biggest obstacles is transportation. Living on fixed incomes and having difficulty traveling, the old and the disabled may find that their inability to reach these destinations will discourage them from exploring other areas of interest.

To make travel around town or across country easier and cheaper for elderly Americans, I have introduced the Elderly and Handicapped Americans Transportation Services Act. This legislation, H.R. 993, which has more than 50 cosponsors, would:

Allow persons 65 and older to travel at free or reduced fares on airlines, railroads, and buslines;

Permit similar discounts for the blind, the mentally and physically handicapped, and persons traveling in their attendance on airlines. Rail and bus lines already are covered under present law; and

Provide special services and facilities to eliminate travel barriers—such as steps for those in wheelchairs—encountered by handicapped and elderly persons on mass transit facilities.

Beneficiaries of this bill include more than 25 million of the Nation's handicapped, including many Vietnam veterans; 20 million elderly Americans who wish to remain active and keep in touch with society; the friends and relatives these persons will be able to visit; and the transportation industry.

Getting out of their homes and traveling, whether for pleasure or for a previously unavailable job, is certain to give these Americans a new sense of belonging and a feeling of independence.

This bill not only makes travel easier for those who would have trouble doing so, but it would also help to fill commercial transports that usually run well below capacity. Over 100 urban transport systems around the country have reduced fare programs, and most are finding that their business has increased. For example, since the New York City subway started its reduced fare program, there has been a reported 30 percent increase in travelers. In addition, the recently passed Urban Mass Transit Act will result in more reduced fares in other areas of the country. Under this act, any community that accepts Government transportation subsidies must provide a fare of no more than half the regular fare for elderly and handicapped people during nonpeak hours, providing these people are able to board and exit the facility.

The transportation industry would soon find that this virtually untapped segment of the American population would bring considerably more business to commercial transportation. The fare provisions of this bill are discretionary, allowing each carrier to decide for itself how much, if any, discount to offer.

The potential mobility of those who would benefit is severely limited by lack of income; 25 percent of the Nation's elderly are below the poverty level. Yet, reducing fares is not enough. If the handicapped and the elderly are to take advantage of the reduced fares, special facilities will have to be made for them. Through this bill, special grants and loans will be allocated to State and local agencies to assist them in providing barrier-free mass transportation services that are planned, designed and carried out to meet the special needs of these people. Some of the services that would be included are ramps at subway stations, sheltered waiting areas with special areas for wheelchairs, and stanchions running from floor to ceiling in subway cars instead of overhead grips. The Secretary of Transportation would prescribe design standards to insure that the elderly and handicapped would have ready access to these services.

The bill also provides for special consideration of applications for Federal transportation grants and loans to those agencies taking measures to aid the elderly and handicapped. It authorizes $40 million over the next 2 years for special transportation planning, research and demonstration grants.

It is difficult for the public to understand that the greatest single obstacle of the handicapped is the physical design of buildings and facilities they must or would use. Alternatives will have to be found to such barriers as bus and train steps, which 30 percent of the handicapped cannot now use; escalators; long staircases; and a multitude of obstacles which do not even warrant a second thought by the able-bodied majority.

I believe that many measures can be taken to relieve the strain of urban and cross-country travel. Some examples of these include special ticket lines; turnstiles that have been redesigned to accommodate not only the elderly and handicapped but also shoppers with packages, children or anything that restricts their movements; travel lanes set aside for those people unable to move quickly; wider doors on all vehicles; and shuttles or minibuses where a long walk is required, as in airline terminals.

Since handicapped people tend to suffer more from the confusion and panic experienced when they become disoriented, visual indicators, illuminated sign boards, audio signals, and floor texture pathways would greatly benefit these people and help to keep the masses of travelers flowing smoothly. These special adaptations for the handicapped need not be separate from the normal traffic patterns. It may prove to be even more convenient and preferable to the general public.

This bill goes beyond mere practicality. It makes available to the elderly and disabled new opportunities which they could not heretofore have taken advantage of. They would be freed of much of their present dependence and could use their new mobility to attain broader and richer lives. It would aid in relieving some of the boredom and misery of old age and infirmity by helping these people travel more easily. More than anything else, this bill will aid our aged and disabled in achieving a dignified and meaningful life.

IS THE U.N. AIDING NORTH VIETNAM AND THE VIETCONG?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. ASHBROOK. Mr. Speaker, is the United Nations or its agencies giving money to North Vietnam and the Vietcong. On October 4, 1973, I pointed out that UNICEF was on the verge of giving aid to North Vietnam and the Vietcong. At that time my office received a letter from the Department of State which in part stated:

> No U.S. funds will be used in projects for North Vietnam or the Provisional Revolutionary Government.

In a letter to Kurt Waldheim, Secretary-General of the U.N., Father Raymond de Jaegher, president of the Free Pacific Association, charges that North Vietnam is receiving $18 million in aid from UNICEF plus the Vietcong are receiving $4 million in aid from UNICEF. UNICEF has been and is still largely dependent on U.S. contributions—both governmental and nongovernmental. Are U.S. funds directly or indirectly going to aid North Vietnam and the Vietcong at a time when they continue their war of aggression in South Vietnam and continue to refuse helping us in finding our MIA's?

In addition to my question above, I wonder how long we are going to allow the United Nations to thumb its nose at the United States. At the Geneva office of the United Nations, the Vietcong have been permitted by the United Nations to open a liaison office.

This adds one more to the long list of U.N. actions that make that body's actions inimical to the interests of the United States and other free peoples. It is an outrage that the Vietcong, who in fact are the North Vietnamese, have been allowed recognition by the United Nations. Two years ago recognition was refused. It should continue to be refused.

At this point I include in the RECORD the text of Father de Jaegher's letter to Kurt Waldheim:

JANUARY 23, 1975.

H. E. Mr. KURT WALDHEIM,
Secretary General of the United Nations,
United Nations Plaza, New York, N.Y.

DEAR SECRETARY GENERAL: I was very much upset to read in the New York Times that your Excellency agreed to have the Vietcong open Liaison Bureau with the U.N. in Geneva for humanitarian reasons.

Having spent ten years in Vietnam, I have witnessed Vietcong aggressions and violences of all sorts many times. Recently, I read reports from Vietnam and reports in the New York Times about the attack with tanks and artillery during the battle for the Provincial Capital of Phuoc Binh—an open aggression against the Paris agreement enjoining the parties "to maintain the ceasefire and ensure a lasting and stable peace". I was in Kontum and Pleiku two years ago (end of July 1972) and visited the battlefield and saw mountains of shells used by the North Vietnamese Army when they attacked the Highlands of South Vietnam in violation of the Paris agreement. Vietcong activities are all inside the borders of the Republic of Vietnam. The Vietcong are not part of the Government of South Vietnam nor of North Vietnam. For 20 years, the war was waged in the South—not in the North—How could we accept aggressors in a liaison bureau for humanitarian reasons, when the United Nations is condemning aggression in countries all over the world.

UNICEF aid to North Vietnam is 18 million dollars plus 4 million dollars for the Vietcong—a total of 22 million dollars. UNICEF aid to South Vietnam is only 12 million dollars. The aggressors received 22 million dollars and the attacked only 12 million.

I really am shocked to see the United Nations promote, through your Excellency, aid to the aggressors by giving to the Vietcong in Geneva a liaison bureau for "Humanitarian Reasons". I hope you will not grant the aggressors a Liaison Bureau and destroy the prestige of the United Nations by giving them a platform to promote war and not peace.

Today in the Free World is Freedom Day celebrating the Korean and Chinese prisoners of war who refused to go back to North Korea and the People's Republic of China, but wanted to go freely to South Korea and Free China. We cannot forget that the United Nations condemned the Chinese for their aggression in Korea. We cannot now accept that the Vietcong and the North Vietnamese would have a liaison for further aggressions.

I remain, Dear Secretary General,
Very sincerely yours,
RAYMOND DE JAEGHER.

A TRIBUTE TO THE 57TH ANNIVERSARY OF THE UKRAINE'S PROCLAMATION OF INDEPENDENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. KEMP. Mr. Speaker, both the independence of Ukraine and the act of union were proclaimed in Kiev, the capital of Ukraine, on January 22, 1918, and January 22, 1919, respectively. By these proclamations, the Ukrainian ethnographic lands were united into one independent and sovereign state of the Ukrainian people.

It is a sad fact that virtually since the time of these proclamations, the Ukrainian people have been oppressed by the vastly superior power of the Soviet Union, and forced within the Soviet satellite.

Ukrainian independence was short lived, but the Ukrainian spirit of independence was not. Through long and lonely years, the Ukrainian people have fought to regain their freedoms. During World War II, they waged a two-front war of liberation against Nazi Germany and Soviet Russia. Although granted charter member status at the United Nations, Ukraine has, since 1945, been outrightly colonized by the Soviet Union.

Stalin marked the Ukraine for physical extinction. Khrushchev, and now Brezhnev and Kosygin, replaced outright terror with tactics of cultural and political manipulation, attrition through propaganda, gross discrimination, and suppression. These efforts of Russification have, however, been singularly unsuccessful.

Ukrainian national feeling has not been transformed or suppressed, and continues today as strongly as in 1918.

It is to this proud and undaunted spirit that I rise in tribute today. The Ukrainian people continue to wage a valiant struggle for human rights and freedoms. Their perseverance in the face of oppression is a memorial to the dignity of all of mankind.

I am privileged to have in my district in New York State many thousands of persons who were either born in the Ukraine, or who are Americans of Ukrainian descent. The Buffalo chapter of the Ukrainian Congress Committee of America has worked hard to reflect here the brave struggle going on in the Ukraine. Under the able leadership of Wasyl Sharvan, the Buffalo chapter has championed the cause of Ukrainian intellectuals, and pressed for congressional commitment to the release of Valentyn Moroz and Leonid Plyushch, who remain imprisoned by the Soviets.

Mr. Speaker, I am proud to associate myself with the efforts of the Ukrainian Congress Committee of America—and will continue to press for swift congressional action to free Moroz and Plyushch, and restore independence to Ukraine. I also want to thank Mrs. Nestor Procyk of Buffalo for her presenting me with the flag of the Ukraine, commemorating its day of Independence, January 22, 1918.

During the month of February, Ukrainians at home and in the free world traditionally pay tribute to their Ukrainian heroines. In harmony with the tradition and in the spirit of the United Nations Proclamation of International Year of Woman 1975, Ukrainians will this year also acknowledge the contribution of women of achievement in Ukrainian culture, science, economy, industry, religion, family and social life.

A special tribute will be paid to the thousands of Ukrainian women political prisoners who were sentenced by the Russian court to many years in prison and concentration camps in Siberia although no crimes were committed. They are not criminals, they are respected ladies who refused to renounce their arrested mates and loved ones, but defended them instead. They opposed the russification policy, forced atheism, colonial exploitation, and police control of family and public lives. They bravely defended their human rights and Ukrainian identity. And we in the West must not forget them.

INFLATION AND REVOLUTION

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. DEL CLAWSON. Mr. Speaker, this morning's Washington post contains a column which points out a lesson to be derived from history. It is a lesson with particular significance as we in the Congress attempt to determine guidelines to assist us in mapping sane direction for U.S. economic policy. The article by George F. Will follows:

INFLATION AND REVOLUTION

(By George F. Will)

Thomas Mann, the novelist, remembered that even children were mesmerized by the great German inflation: "My youngest daughter sat on her rocking horse and called out: 'The dollar is up!' when the horse's head rose. The same words were sung to the first notes of Beethoven's Fifth Symphony . . . People spoke of nothing but marks, dollars, and pounds . . ."

Mann, living in the United States while a refugee from Hitler, remembered other things about the inflation that helped produce Hitler:

"I can still remember the look of pride on our old governess' face when she told us one day that she was planning to retire soon and live on her savings. At the time the few thousand marks she had in the bank were worth less than a penny. People who had once been wealthy and were still living in their dilapidated old mansions sold their art treasures and furniture to sharpers. A Rembrandt might bring them enough to live on for a few weeks. In the end they were turned out into the streets with their pockets full of multicolored paper."

So spoke novelist Mann in a 1942 lecture on the German decade of inflation, 1913–1923.

"Peasants filled their houses with sewing machines, pianos, and Persian rugs, and refused to part with their eggs and milk except in exchange for articles of permanent value . . .

"You took your money as fast as your legs would carry you to some innocent grocer . . . If you were lucky, he had the mark quotation for 9 a.m., but not for noon . . . You might drop in at the tobacconist's for a cigar. Alarmed at the price, you'd rush to a competitor, find that his price was still higher, and race back to the first shop, which may have doubled or tripled its price in the meantime . . . On Friday evenings you could see workers coming out of the factories with baskets, sacks, and suitcases full of money . . . It became necessary to pay wages daily . . ."

On Nov. 8, 1923, when Hitler launched his Putsch in a beer hall, one U.S. dollar was worth 4.2 billion marks. Not unreasonably, Mann believed this:

"A straight line runs from the madness of the German inflation to the madness of the Third Reich . . . In those days the market woman who, without batting an eyelash, demanded a hundred million for an egg, lost the capacity for surprise. And nothing that has happened since has been insane or cruel enough to surprise her.

"It was during the Inflation that the Germans forgot how to rely on themselves as individuals and learned to expect everything from 'politics,' from the 'state,' from 'destiny.' They learned to look on life as a wild adventure, the outcome of which depended not on their own effort but on sinister, mysterious forces. The millions who were then robbed of their wages and savings became the 'masses' with whom Dr. Goebbels was to operate."

Mann was not giving a "merely economic" interpretation of Germany's catastrophe. No significant economic phenomenon, like inflation, is only an economic phenomenon.

The February issue of the British monthly, Encounter, contains Mann's 1942 lecture, "for whatever unfortunate topical value it now has." That value is limited but real.

Germany's great inflation was the result of fighting—and losing—the first "total war." But inflation can have intolerable effects without being as virulent as Germany's inflation was in 1923.

An average U.S. inflation rate of 10 per cent over 10 years would have some of the "severe" consequences Mann described:

"A severe inflation is the worst kind of revolution . . . For there is neither system nor justice in the expropriation and redistribution of property resulting from inflation. A cynical 'each man for himself' becomes the rule of life . . . The great mass of those who put their trust in the traditional order, the innocent and unworldly, all those who do productive and useful work, but don't know how to manipulate money, the elderly who hoped to live on what they earned in the past—all these are doomed to suffer. An experience of this kind poisons the morals of a nation."

You say "it can't happen here"? It can happen in any nation that decides that a high rate of inflation is an acceptable price to pay to achieve other economic goals.

MIDDLEMAN'S SLICE OF BEEF IS LEAN

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. JOHNSON of Colorado. Mr. Speaker, many of us are familiar with the repeated stories about the middleman and his advantageous position between consumer and producer. The polarized positions have explained their perspectives at length, yet rarely is the view of the man in the middle articulated. The January 20, 1975, edition of the Denver Post details the experience of some of the middlemen in the beef business. I commend it to the attention of my colleagues at this point in the RECORD.

The article follows:

HOW THEY "GOUGE" YOU—MIDDLEMAN'S SLICE OF BEEF IS LEAN

(By Bill Strabala)

Between the farmer's pasture and the meat counter is a merchandising no-man's land that has traditionally belonged, in consumers' minds, to the middleman.

Although many suspect the middleman's chief role is to push up the price and take exorbitant profits, nobody knows for sure who the middleman is. True enough, there are truck drivers, there are meat cutters, and there are packaging specialists, business administrators, shipping specialists, and marketing representatives.

So who is the middleman?

Even if the middleman ever had an identifiable role in the beef industry, that role has become increasingly hidden as beef processors have become more vertically intergrated and prone to perform functions that formerly were done by separate businesses.

For those who can't understand how a farmyard bovine that sells for 29½ cents a pound can be turned into steaks selling for $1.95 a pound, here's a part of what happens in the middle—the part that most of us never see—based on information provided by a spokesman for a large feedlot.

At one point about two months ago, 800-pound feeder cattle in the Colorado market were selling for $29.50 per hundredweight, or $236. Including operational overhead, the farmer's cost for producing these pasture-fed cattle was about $37 a hundredweight, or $296. That's a loss of $60 per head, a fact that most producers have been complaining about for the past year.

(In many cases, other more profitable farming operations keep the producers afloat.)

FEEDLOT COSTS

Once the steer is sold, it costs about $1 per hundredweight for the feedlot operator to transport it. In addition, he usually feeds it fattening grains for about 125 days until it gains about 325 pounds.

This costs the feedlot operator about 65 cents per pound, or a total of $212.25 for that added 325 pounds. By the time it's ready for slaughter, the steer, which now weighs 1,125 pounds, has cost the feedlot operator $456.25.

At this point, that steer the farmer sold for 29½ cents a pound is worth 40 cents a pound before slaughter. By the time it is shipped to a packing plant, the cost is up to 41 cents a pound.

But two months ago slaughter steers were bringing only 37 cents a pound, or $416.25. That means the feedlot operator also operated, at least temporarily, at a loss—of $51.25 per head.

The packing plant then takes a 37-cent-per-pound animal and slaughters it at a cost of about $20. The packer then has $436.25 or about 38 cents a pound in the slaughtered animal.

But he loses 37 per cent of those 1,125 pounds as offal—the inedible parts such as hide and organs. That amounts to a loss of 416 pounds, but it's not a total loss, because the packer can sell the offal for about $36. When that is deducted as a credit, the packer has $400.25 in the carcass, which now weighs 709 pounds. That's 56 cents a pound.

If the packer sells the carcass for fabrication into primal cuts, he finds that only two-thirds of the meat on the carcass will be graded choice, which brings him 61 cents a pound. The other one-third will bring him 56 cents a pound, or a total of $410.69.

In other words, the packer has netted $10.44 per head, for a profit of 1.5 cents per pound.

The fabricator, which usually is the same firm as the packer, will have costs of 6 cents a pound for processing the carcass. Result: that 709 pounds of meat now costs $453.23. But another 11 per cent of that weight is lost in trimming of fat and tallow. When he sells this 78 pounds of waste, the packer receives a total of $15.60.

What's left is 631 pounds of meat, usually cut into primal cuts, costing the fabricator $437.63, or 69 cents a pound.

PRICES IN MARKET

Just last week, one area supermarket was advertising swiss steak for 96 cents a pound, short ribs for 59 cents a pound, English roasts for 98 cents a pound, boneless chuck roasts for 88 cents a pound, and chuck roasts for 57 cents a pound.

Another supermarket advertised ground beef at 59 cents a pound, and round steaks at $1.19 a pound.

Although there are higher priced cuts, such as sirloin and T-bone, those advertised come to about 82 cents a pound on the average.

So what happened to the middleman in all this?

The beef produced lost money at 29½ cents a pound, the feedlot operator lost money at 37 cents a pound, the beef packer-fabricator made a profit of 1½ cents a pound, the shippers presumably made some profit by charging about 1 cent a pound, the meat cutters and salesmen made a living, and the retailer apparently priced the end product pretty close to his cost.

By the time 53 pounds of bones are trimmed, the fabricator has 578 pounds of meat ready for shipping to wholesalers. After selling the bones for 2 cents a pound, those 578 pounds of meat have cost the fabricator $436.56, or 75 cents a pound.

Boxing costs for the 578 pounds of meat will be $6.07, and shipping costs will add $5.78, for a total of $448.42, or 77 cents a pound by the time it reaches the wholesale market, or the supermarket's warehouse.

By the time the primal cuts are shipped to the supermarket, trimmed and cut into chops, steaks and hamburger, and then packaged, the base cost of the meat will be around 84 cents a pound, without considering unknown loss in trimming, or cost of packaging.

And that is before the supermarket or retailer takes his profit.

MIKVA CALLS FOR SOCIAL SECURITY REFORMS AND OPPOSES FORD PLAN TO CUT SOCIAL SECURITY COST-OF-LIVING INCREASES

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. MIKVA. Mr. Speaker, I rise today in opposition to President Ford's recent proposal to limit social security benefit increases to 5 percent and, second, to recommend to the House several reforms in the social security system which require immediate action.

As to the Ford plan for a 5-percent ceiling, it is unconscionable to limit social security cost-of-living increases to less than half the rate of national inflation. As it is, minimum levels of payments for the aged, blind, and disabled are too low to pay for increased rent, food, and other prices at current rates. Holding cost-of-living increases below the increased cost of goods and services is both unfair and wrong.

Mr. Speaker, so that the President knows that the Congress will not ask the Nation's elderly, widowed, and disabled to bear the brunt of inflation and resulting high prices, I have sponsored a concurrent resolution opposing the President's proposed ceiling on social security benefit increases.

This concurrent resolution declares that the cost-of-living escalator provision was intended to protect beneficiaries from the uncertainties of inflationary periods. Further, the resolution declares, it is the sense of the Congress that no 5-percent ceiling be enacted.

Mr. Speaker, we must not, however, be satisfied with blocking the President's ill-advised 5 percent proposal. We must immediately begin to overhaul the tax structure which finances the social security system, to improve certain benefits, and to make other needed reforms.

As a recently elected member of the Social Security Subcommittee of the Ways and Means Committee, I am hopeful that a major reform of the system will soon be undertaken by the subcommittee. The United States is the only country in the world that uses the regressive payroll tax to finance social security. This dependence on the payroll tax must be drastically reduced.

I propose that general revenues be made available to reduce the unfair impact of the payroll tax and that recommendations for increasing the amount of earnings subject to the tax—for instance, from $14,100 to $20,000 or $25,000—be rejected. I intend to press these recommendations before the Social Security Subcommittee.

In addition, Mr. Speaker, I propose the following: first, an immediate increase in the amount of money senior citizens can earn without losing social security benefits from $2,500 to at least $3,000 to $4,000 per year; second, a raise of the minimum level for payments to the aged, blind, and disabled from $130 to $140 per month for individuals and from $195 to $210 for couples; and third, the elimination of the rules that reduce the benefits of married couples, which discourages senior citizens from marrying.

Mr. Speaker, we cannot allow the burdens of inflation—which drive up food, fuel, transportation, housing, and other costs—to be borne by those least able to afford them. I urge prompt legislative action along the lines I have suggested.

INTRODUCTION OF THE POSTAGE-FREE ABSENTEE VOTING ACT OF 1975

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. FORD of Michigan. Mr. Speaker, today I am introducing the Postage-Free Absentee Voting Act of 1975. For several years, Mr. Robert G. McLachan, an officer of the International Institute of Municipal Clerks and clerk of the city of Dearborn Heights, has been advocating the free mailing of absentee voting material.

Today, I am pleased to reintroduce legislation which I offered in the 93d Congress designed to accomplish this goal. Very simply, my proposal would authorize the agency or official of a State or a political subdivision thereof which administers the election laws to mail postage-free absentee ballots and instructions to any voter requesting such material. Further, this measure provides for the free return mailing of the ballot to the designated official or agency for tabulation.

Mr. Speaker, it was estimated that 5.7 percent of the total votes cast in the 1972 general election were by absentee ballot and preliminary estimates tell us that at least 5 percent of the total votes cast in the 1974 general election were also absentee ballots. Many persons who, for reasons of infirmity or proximity to their legal place of voting, were unable to reach the polls on election day and voted by mail. In my district, 4,594 absentee ballots were counted in the general election. This would include the elderly, students, as well as civilian and military personnel stationed overseas.

Mr. Speaker, my proposal will encourage and promote a greater participation in the electoral process. Citizens have no greater power or expression of sentiment than through their vote, and as their representatives, it should be one of our primary responsibilities to evoke an even greater interest in our democratic system.

Mr. Speaker, I strongly believe my bill would accomplish this and I urge prompt consideration of this legislation by the 94th Congress.

At this point I would like to insert into the RECORD the text of the Postage-Free Ballot Act of 1975:

H.R. —

A bill to provide for the mailing of absentee voting matter free of postage

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postage Free Absentee Voting Act of 1975".

SEC. 2. (a) Chapter 34 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3406. Mailing of absentee voting matter

"(a) An official or agency of a State or political subdivision having authority to administer the election laws of the State or political subdivision may mail free of postage to an absentee voter of the State or political subdivision an application for an absentee ballot requested by the absentee voter, an absentee ballot, instructions explaining such application or ballot, and an envelope or other cover to return such application or ballot to the official or agency. The absentee voter may make a return mailing of his application or absentee ballot free of postage if such mailing is made in the return envelope or other cover provided by such official or agency.

"(b) Any envelope or other cover containing matter authorized to be mailed free of postage under subsection (a) of this section shall bear the words 'Free Postage—Absentee Voting Matter', or words to that effect specified by the Postal Service, in the upper right-hand corner of the address area.

"(c) For purposes of this section, the term—

"(1) 'State' shall include each of the several States and the District of Columbia; and

"(2) 'election' shall include any general, special, or primary election."

(b) The analysis of such chapter, immediately preceding section 3401 of such title, is amended by adding at the end thereof the following new item:

"3406. Mailing of absentee voting matter.".

SEC. 3. (a) Section 2401(c) of title 39, United States Code, is amended by striking out "3403–3405" and inserting in lieu thereof "3403–3406".

(b) Section 3627 of such title is amended by striking out "3403–3405" and inserting in lieu thereof "3403–3406".

ONE CAUSE OF THE FOOD CRISIS: NATIONALIZED FARMING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. CRANE. Mr. Speaker, the world faces a crisis in food. Global population is growing at a rate of 70 million a year and by the year 2000 the world's population could be approximately 6.5 billion people. The weather has been bad both in 1972 and 1974. World production of wheat, corn, barley, oats, sorghum, and rice—the basic cereals on which people rely—will have to increase by about 25 million metric tons a year to cope with the rising demand brought on by population growth and rising affluence. Between 1971 and 1972—while population increased—annual world output actually declined by 35 million tons. The output in 1974 was lower than the 1,265 billion tons produced in 1973.

It is high time that those who are most vocal in their concern for the starving millions, particularly in the underdeveloped countries, recognize one major cause of the current problem which they have thus far overlooked. That, of course, is the disastrous failure of nationalized farming—whether in the form of forced collectivization in the Soviet Union and Communist China, or in other state-controlled systems in India, Tanzania, Argentina, and elsewhere in the world.

In Argentina, Latin America's major exporter of food, the government grain board paid farmers less than $70 a ton for wheat in 1973, even though the world price was $200 a ton. The government wanted to keep consumer prices low. In effect, it made farmers subsidize urban populations. The Soviet Union has replaced efficient private farming with costly collective farms. Before the Russian Revolution of 1917, the Soviet Union exported grain—now it must import basic food products. The same story can be told of India.

Discussing the failure of collective agriculture in Tanzania, Peter Seidlitz, notes that under the forced nationalization program—

> Farm wages have risen by a total of only 2.2% in the past three years (compared to 22% in Kenya during the same period), while minimum wages in the cities have climbed by about 40% this year alone . . . The result is that a large segment of the population in the villages has lost all enthusiasm for the collective effort.

Writing in the January 1972 issue of the Swiss Review of World Affairs, Mr. Seidlitz notes that, "production is declining."

Rather than permit free enterprise to exist in the agricultural sphere, he writes:

> The government prefers to continue importing the basic foodstuffs.

Following is Mr. Seidlitz's important article, "The Failure of Tanzania's Collective Agriculture," from the January 1975 issue of the Swiss Review of World Affairs:

THE FAILURE OF TANZANIA'S COLLECTIVE AGRICULTURE

(By Peter Seidlitz)

Every family in the ujamaa (agricultural cooperative) villages in the district of Dodoma, Tanzania's future capital, must cultivate about 7.5 acres of land. Each additional woman in the family must work another 7.5 acres. Secretary King'ombe of TANU, the country's monolithic political party, has ordered identity cards to be issued to the rural population, on which their success (or failure) at this task is noted. Farmers who remain below the official quota are confined to their villages; "lazy" farmers are not only banned from travel, but are not permitted to take part in barazas (festivals) and cattle auctions or to enter public bars.

Such extraordinary measures by short-sighted provincial functionaries of TANU, aimed at forcing the ujamaa policy which is the cornerstone of President Julius Nyerere's concept of socialism, are no longer unusual in Tanzania. The compulsory system, conceived by the politicians as a means of achieving a better living standard for the people as a whole, is threatening to undermine the foundation of Nyerere's concept, which is the guarantee of a life in freedom.

In Iringa, near Dodoma, one individualist farmer recently gave the authorities a graphic demonstration of his opinion of the ujamaa policy, the guiding principle of which is division of labor: When the TANU district commissioner tried to force him to give up his solitary efforts at farming and merge into the cooperative, the farmer shot the official, loaded the corpse onto his truck and delivered it to the nearest police station. In mid-October several ministers from the Dar es Salaam government, along with a 27-man TANU delegation, undertook an inspection tour of ujamaa villages to hear the growing complaints of the agrarian population.

A clash between party ideologists and the people had become inevitable. Although agriculture, with the ujamaa villages as its focal point, has been the basis of Tanzania's development policy for several years now, it has enjoyed only very modest success. Despite good initial conditions, especially in the Usambara Mountains and the southern and northern highlands, the real growth of Tanzania's agriculture has lagged far behind that of neighboring Kenya. From 1967 to 1971 the growth rate was a mere 1.6%, compared to Kenya's 4.4%.

Each month Tanzania must import some 10 million dollars' worth of such agricultural products as sugar, corn, milk, meat, fruits and grain. Yet, instead of drawing the inevitable conclusions from this state of affairs, government officials have resorted to make the system work. At present there seems little change of success. The fact has been ignored that small-scale African farmers, like their counterparts elsewhere, react positively to material incentives and increase their production when it seems rewarding to do so. Until now comparisons made here between private and equivalent state-run agricultural enterprises have regularly yielded results clearly in favor of the great number of farms which are still privately owned and run.

In the agrarian sector as in no other Tanzanian functionaries have deviated from the TANU principle that "Leaders must not be masters." Julius Nyerere did not want to "replace white district commissioners with black ones," who would lord it over the people. In practice, however, this is what has happened. Even the semi-official Daily News has published regular reports on popular resistance against the resettlement projects decreed by the party.

In the Kilombero district alone, about 100,000 people have been resettled in new villages spaced along the Chinese-built railway line. A propaganda campaign has been launched to convince the villagers of the advantages of cooperative farming: more efficient planning, cheaper buying, increased productivity, higher market prices. And, according to the official line, ujamaa makes possible the construction of schools, the drilling of more wells, the mechanization of field work through the purchase of jointly operated tractors—all with official government support.

The reality of the situation is different, however. If there is any initial enthusiasm—skepticism is more usual—it is quickly supplanted by harsh economic realities. Even the government's limited ability to help is vitiated by the clumsy bureaucracy. For example, frequently the state-operated trucks which are supposed to bring the produce to market arrive too late, or break down en route due to faulty maintenance, so that foodstuffs rot before they can be sold.

The rural population is by no means ignorant of the fact that farm wages have risen by a total of only 2.2% in the past three years (compared to 22% in Kenya during the same period), while minimum wages in the cities have climbed by about 40% this year alone to 340 shillings (about $50 U.S.) per month (and thus are somewhat higher than in Kenya). Often the farmers are as short of operating capital as they are of technical knowledge.

The result of these circumstances is that a large segment of the population in the ujamaa villages has lost all enthusiasm for collective effort. To the despair of government functionaries, production is declining. Nor is it true, as the party argues, that the ujamaa villages constitute an extension of the African tradition of the extended family. This structure, which provides support for the weaker members of the community and involves a sharing of the fruits of common labor, is still to be found everywhere in Africa; but it is strictly clan-oriented, and never involves a sharing of work and earnings with members of other clans.

Tanzania's omnipotent officials also go out of their way to stamp out the smallest signs of private enterprise and initiative. Not long ago, some members of the Tanzanian elite who maintained chicken and dairy farms in the communities around Dar es Salaam (such activities are forbidden to government officials by a kind of code of honor), and thus kept the market in the capital supplied with eggs and milk, were unmasked and reprimanded as "enemies of the people and saboteurs." Rather than permit such "capitalistic" institutions to thrive, the government prefers to continue importing the basic foodstuffs.

A situation similar to that of Tanzania exists in Mexico. During 1973, the industrial sector of the Mexican economy grew by 14 percent. At the same time, notes Luis Pazos—

> The agricultural system, very similar to that in Russia . . . permits the farmers to work land that doesn't belong to them and in which they do not have an interest. As a result, 75 percent of the land in Mexico produces 25 percent of the national agricultural products. Only 25 percent of the farmers, those who own their lands, produce 75 percent.

Writing in the February 1975 issue of Reason, Mr. Pazos concludes that—

> This confirms that the agricultural failures of the U.S.S.R., Chile, Cuba, and Mexico are not the result of the weather but rather of the bad political-economic systems that prevent the full development of agricultural property.

One answer to the food crisis which the world would do well to consider is the institution of free market incentives in the agricultural field. That makes more sense in the long run than constant demands for additional "emergency" aid from the United States, whose farmers produce food for export because they produce in freedom.

I wish to share with my colleagues the article, "Keynesianism and Socialism in Mexico," by Luis Pazos from the February issue of Reason, and insert it into the RECORD at this time.

KEYNESIANISM AND SOCIALISM IN MEXICO

(By Luis Pazos)

MEXICO CITY

The very first problem that a good observer of Mexican economic and social development faces is to classify Mexican political systems. The government vacillates from "left" to "right."

CONTRADICTIONS

One of the biggest mistakes of the Mexican government is inconsistency; this affects the economic development of the country. One day a Secretary will declare that the government will sell all government business and companies, next day another Secretary says the contrary. On the one hand, because it is necessary to encourage foreign investments, Ministers and even the President will visit other countries to interest foreign companies in opening branches in Mexico; on the other hand, important government representatives declare that foreign investments are terrible for the economic development of Mexico and must be stopped. These contradictory opinions frighten away new investments from national and foreign business.

THE ECONOMIC SITUATION

Mexico is a very good illustration of the failure of Keynesian doctrines, Government intervention, and increase of public expenditures. From 1971 to 1973 the public expenditures increased 220 percent. To cover these expenses the government increased the amount of money in circulation 48 percent. In accordance with Keynesian ideas the increase of public expenditures will increase goods, public services, investments, employment and economic activity. But reality shows that the result is a deficit in the public budget, inflation, higher prices, lower production and unemployment. In 1973 prices in general went up 30 percent and the percentage of working people went down 30 percent.

Mexican Government representatives find different causes to explain the bad situation, often blaming "world inflation," but excessive production of currency here in Mexico is the real reason.

THE PROBLEM OF THE FARMERS

Despite these factors, the industrial and commercial sectors have grown. The industrial sector grew 14 percent in 1973. But the agricultural problems offset the advances in industry. The agricultural system, very similar to that in Russia, the so-called "ejido" system, permits the farmers to work land that doesn't belong to them and in which they do not have an interest. As a result, 75 percent of the land in Mexico produces 25 percent of the national agricultural products. Only 25 percent of the farmers, those who own their lands, produce 75 percent. This confirms that the agricultural failures of the U.S.S.R., Chile, Cuba, and Mexico are not the result of the weather but rather of the bad political-economic systems that prevent the full development of agricultural property. The agricultural failure is clear but nobody accepts it and nobody has an interest in finding solutions to this problem (which causes the loss of millions of dollars and keeps 50 percent of the inhabitants poor and unproductive).

IDEOLOGICAL DISORIENTATION

In Mexico 99 percent of the books about social, political, and economic matters have a socialist tendency. The market system is used but intellectually unknown. There are many businessmen who look at the government as the solution to most problems. With very rare exceptions one could say there is nobody to talk in favor of the free market system. Research among students in the National University of Mexico shows that 80 percent of the students are against private companies. It is the result of the atmosphere created by books, magazines, teachers and public men which attacks the market system and capitalism.

At the present time there is an ideological fight in Mexico, a very important one that will establish the future of the country; those in favor of economic freedom must find a way to demonstrate that the free market is the best way to develop Mexico. Unfortunately they are very few and at the same time there are, day by day, more and more people teaching the socialist theories.

THE FOOD STAMP PROPOSAL

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mrs. KEYS. Mr. Speaker, in November, the Ford administration announced a plan to change the food stamp program. Since that time, many research groups and those individuals involved have voiced deep concern that the changes would result in a tremendous blow to millions of Americans.

It is my hope that my colleagues will seriously review all the information available, and then give their full support to H.R. 2082, which will freeze the cost of food stamps at the January 1, 1975 rate—until December 30, 1975.

On January 17, the USDA adopted the administration proposal to raise food stamp prices, beginning in March. This increase will cause all but the most destitute—those households making below $20 per month—to pay 30 percent of their net income to purchase their food stamps. Approximately 94 percent of those purchasing food stamps will have to pay more for their stamps.

The administration's proposal would hit hardest those recipients of food stamps who live in one- and two-person households, the majority of whom are elderly. Most individuals would face a 35- to 100-percent increase in the price of their food stamps. For a few individuals and couples the increase would be as much as 800 percent.

The cost increases would most severely affect individuals now living on net incomes of $154 to $194 a month. All such persons now eligible for $10 to $13 food stamp benefits each month would be eliminated from the program entirely, since the new plan would require that they pay more in cash for food stamps each month than they receive back.

Even though many of these individuals are living below the poverty line of $194 a month for persons living alone, they would for the first time in years be unable to receive aid from the food stamp program.

In Kansas, this would directly affect any individual receiving social security or enrolled in the SSI program, the Federal Government's assistance program for the aged, blind, and disabled. Kansas is one of 18 States which combines an additional State payment to the Federal level of $146 per month, making those individuals in the SSI program recipients of $154 a month. Under the administration's proposal, these individuals would be eliminated from the food stamp program.

At the present time, the amount of food stamps a household receives each month is based on the USDA economy food plan. This plan has been described by medical experts and even USDA nutritionists as nutritionally inadequate except over short periods of time.

Nevertheless, the food stamp program does provide important assistance to the diet and health of millions of Americans. Especially in these troubled times, we should reject any plan to make the program less accessible to those who need it.

VIRGINIA—AND THE SEA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. WHITEHURST. Mr. Speaker, last month Vice Adm. M. G. Bayne, USN, Commandant of the National War College, gave an address to the Virginia Historical Society entitled "Virginia—and the Sea." I would like to include Admiral Bayne's remarks at this point in the RECORD, because I think it has deep meaning for every Member of this body.

Admiral Bayne, with a distinguished naval career behind him, is well qualified to point up the deficiencies which now face this Nation on the high seas. This is an excellent paper, and I hope that my colleagues will take the opportunity to read it carefully:

VIRGINIA—AND THE SEA

(An address by Vice Adm. M. G. Bayne, U.S. Navy Commandant, National War College)

What a privilege it is for a naval officer to speak with this distinguished audience about the Sea: And what a pleasure for a native of this great commonwealth to talk of the Virginia Sea—where it all began. Captain John Smith named the Atlantic Ocean coastal area from Cape Cod to Cape Hatteras the Virginia Sea, and so inscribed his famous map of Virginia. He was describing the boundaries of the original Virginia charter issued by King James I jointly to the London and Plymouth Companies on April 10, 1606.

This charter announced "our license to make habitation, plantation, and to deduce a colony of sundry of our people into that part of America commonly called Virginia, situate, lying and being all along the sea coasts, between 34° northerly latitude from the equinoctial line, and 45° of the same latitude, and in the mainland between the same 34° and 45°; and the islands thereunto adjacent or within 100 miles of the coast thereof."

The charter thus, defined Virginia as all the land, coastal areas, islands and water from what is now South Carolina to Maine extending 100 miles to seaward. Captain John Smith's Virginia Sea was aptly named.

Quite recently, the Virginia sea has again been identified and updated by an interesting bathymetric chart produced by the Virginia Institute of Marine Science at Glouster Point, Virginia. Part one of that chart issued last year and called the Virginia Sea covers the coastal areas from Cape Henlopen; Delaware to Cape Hatteras; and as we approach our bicentennial year—carries us back to those days when western man was beginning an adventure destined to have the most momentous consequences for all mankind.

In the years which followed that first charter, the Virginian Sea became the crossroads for the greatest expansion of commerce and trade the world has ever known.

Through the waters of this sea hopeful people struggled westward with their meagre possessions and their dreams—often only their dreams. Many lost those possessions, and many gave their lives in the pursuit of their dreams; but the dreams were enough to sustain most of them, and their achievement, in time, provided the world with the finest flowering of western civilization yet known.

Their courageous vision and its direct relation to positive action was clearly seen in the 17th and 18th centuries; but at times today that vision may seem clouded. It is about that vision, and its fundamental truth that I would speak this evening.

The adventure through the Virginian Sea, which ultimately established in a new world, immense wealth and new frontiers of law, government, religion, commerce, education, society, technology and—especially of personal freedom—that adventure was successful because of the clear understanding of one unchanging natural law. Our world is 70% water—seas—oceans—which can be the highways between islands of populated land. The people who live on these islands most successfully are those who understand best how to use the water areas between them.

The eventual success of the London Company's establishment in Jamestown was achieved only after repeated efforts during the 17th century had failed; it was attempted in clear recognition that through the Virginian Sea lay the path of least risk to a new world. The Spanish held sway to the south of latitude 34°; the French to the north of latitude 45°. The English defeat of the Spanish Armada in 1588 removed most of the Spanish warships from the Atlantic Ocean highways, and freed the movement of English ships to cross the Atlantic and enter the Virginian Sea. A residual of Spanish naval power remained, and constituted a threat as English ships moved west into the new world. Close by were the traditional routes of the Spanish treasure fleets; any ship sighted had to be feared as a potential enemy: here pirate trade flourished; here storms and treacherous, uncharted areas were a way of life. But here in the Virginian Sea lay the roadway to new wealth, fertile new lands, new raw materials to feed the industrial revolution in England; and above all—a chance for all who survived the trip to start a new life and adventure unmarred by royal or feudal whims.

The southern end of the Virginian Sea was the gateway to this new world. In the developing days of this nation the rivers of the James, the York, the Rappahanock, the Potomac led into the fertile coastal plain, and nurtured and spread the unique seed first planted in 1607 at Jamestown. Shipping reached these rivers, through Cape Henry and Cape Charles by proceeding into the Chesapeake Bay (an Algonquin Indian name meaning great shellfish bay). The bay and the rivers formed a natural protective system, and fostered rapid development of special kinds of seaborne commerce which brought the benefits of wealth and prestige to Virginia planters. It was an environment in which energetic and intelligent men could prosper.

The lure of the new life brought all types across the Virginian Sea—and Virginia accommodated them all—aristocrats, religious zealots, criminals; defeated royalists driven from England by Cromwell, as well as those "roundheads" who fled when Charles II came to the English throne—borne on the highway of the sea they came, and subsequently sent back the riches of the new world; creating a revolution in trade—seaborne trade—with Europe and with the Far East—opening up the natural wealth of this continent and beyond. By 1830 growing world trade turned on the hub of a wheel which revolved about the U.S. Atlantic seaboard and British ports; the spokes of the wheel reaching all portions of the globe. The equation was balanced, and it was a maritime one—its elements—the Virginian Sea; colonial energy—initially British protection at sea—later U.S. protection at sea, equalled: world maritime trade. The formula spelled success.

Trade was interrupted by the Civil War, which in large part was decided by Union control of the Virginian Sea and the Atlantic and Gulf coasts; but this was only an interlude in the steady development of trade from this hemisphere.

When the last vestige of Spanish power was removed from the Caribbean in 1898, the United States held sway. The Panama Canal was built and another maritime dimension was added to world trade.

What I shall say this evening will accentuate the historical truth—hammered home by our past—that the sea rewards those who understand it and who use it well. They achieve a degree of freedom and progress not available to others.

Perhaps that statement before this audience, smacks of Admiral Mahan updated—and in a way it does—for Alfred Thayer Mahan wrote that success in peace and war is dependent on control of the seas—certainly he would agree that our security today, in an increasingly interdependent world, is even more dependent on free access to this three-quarters of our planet's surface.

George Washington understood it. He began his own navy in 1775 by converting several small schooners into warships which harassed British shipping. They were called "Washington's fleet." But they were not enough, and without the French fleet under Admiral De Grasse off the Virginia Capes in 1781, General Cornwallis would not have surrendered at Yorktown. Washington, in writing De Grasse, said:

"Your excellency will have observed that whatever efforts are made by the land armies, the navy must have the casting vote in the present contest."

Lord Montgomery, Britain's most famous army general in World War II, said in his History of Warfare:

"The lesson is this: In all history the nation which has had control of the seas has, in the end, prevailed."

It is tempting to go on, quoting great men, basking in the reflected light of exciting times past; it is tempting and it is fun; but today we are not apt to hear too well these distant echoes from the past.

We are a comfortable nation, a successful nation—the most successful the world has ever known. The vast majority of our people have never known want; true, some have, and for them we feel a compassion which drives us to help them improve their lot. Generally, we take our good life for granted, not questioning too deeply how we obtained it—it was always there—not worrying too much about signs which indicate that the cup may be running over—if we spill a little—somehow, someone else will fill it up for us—not relating carefully to the future, the immutable laws of supply and demand—because today in spite of temporary reverses, we believe things will turn out all right. They always have before!

There is nothing surprising about this American attitude. We are human beings, and as such are competitive. We strive for improvement of our way of life—and are sometimes delayed in seeing how actions of others, perhaps thousands of miles away, may be setting the stage to change that life—we see it when it happens to us—not before.

The basic truths have not changed. The expense, the risk, the determined hard work undertaken by those hardy souls who set out under London charter to enter the Virginian Sea in 1606, are just as applicable today as they were then—perhaps camouflaged a bit—perhaps dangerously camouflaged by our comfort and our success; but they are there still, and if we violate them our way of life will change adversely—if we respect them—our path ahead is unlimited.

Today the United States is an island, connected with other world islands by water highways—highways along which commerce freely flows. These highways are paths—not barriers—they become barriers only if we make them so. In prior times we heard that the two best allies of this country were the Atlantic and Pacific Oceans. This was the isolationist belief heard between the two world wars. Perhaps in the early days of the Virginian Sea that notion had merit—the separation in time and technology made it true. Now these oceans are connecting links and we cannot hide behind an outdated theory which claims that they protect us. The other islands are now too close, close in time and close in the technology required to span their widths easily.

Here it is that our contemporary American vision sometimes tends to blur. It becomes blurred when we, the largest international trader in the world, allow the percentage of our overseas trade carried in U.S. flag ships to drop from 57.6% in 1947 to 5% in 1970.

By comparison, in 1970, the Soviets carried 56% of their trade in ships flying the Soviet flag, Japan 47%, Norway 43%, France 38%, Spain 37%, United Kingdom 35%, West Germany 29%, Italy 23%.

In October of 1970, in recognition of this deterioration, the U.S. Maritime Act of 1970 was signed into law. It provides for a ten-year shipbuilding program to update the American merchant fleet. This program is designed to begin the road back to a capability envisioned in the Merchant Marine Act of 1936. This act states that it is necessary for our national defense and for the development of our foreign and domestic commerce, that the United States shall have a merchant marine capable of carrying all its domestic waterborne commerce; a substantial portion of its foreign trade; and capable of serving as a naval and military auxiliary in time of war or national emergency.

Certainly 5% cannot qualify as substantial. Today we import all or part of 69 of the 72 essential commodities which sustain the industrial heart of our land. The vast majority of these products arrive at our ports in ships which do not fly the American flag. There are those who feel that this degree of reliance on foreign shipping is not against our national interests; that U.S. privately owned ships flying other flags, primarily Liberian or Panamanian, are just as subject to call as are ships owned and operated under United States laws. The statistics are interesting.

In 1971 the foreign flag fleet owned by U.S. citizens numbered 480 ships with a deadweight tonnage of 28 million tons.

In 1973 the United States flag fleet numbered 573 ships of only 13 million deadweight tons.

I do not intend to sit in judgment here, simply to present facts as they are emerging in our complicated, competitive, commercial world. Perhaps symbolic of our times is the launching just ten days ago, into the Patapsco River of the largest ship ever built in this country. She is the supertanker *Massachusetts*, a 265,000 ton tanker built by Bethlehem Steel for Boston VLCC Tankers, Inc.

Although she will enter the Virginian Sea to begin her life of world trade, she is not likely to carry out that trade in U.S. waters for some time. Her size, and the absence of U.S. ports deep enough to accommodate her will cause her to be leased for operation among foreign oil ports of call.

On January 4th of this year President Ford signed a bill granting permission to build deep water moorings for such ships, beyond the three-mile line, off the coasts of Delaware, Maryland and Virginia.

In Virginia maritime trade is growing rapidly. Last October Admiral E. P. Holmes, the executive director of Virginia's port authority, informed the 26th annual Conference on World Trade that the port of Virginia had exceeded shipping forecasts; running almost four years ahead of projections, and would reach five million tons of general cargo and, over 300,000 containerized units per year by 1980, a 40% increase over present levels.

He attributed the rapid growth to the favorable geography of Hampton Roads and an abundance of good loading and transportation facilities. He referred to Hampton Roads as the Gateway to the Midwest. It is the pull of the Virginian Sea all over again.

This attraction of the Virginian Sea works in other ways. The establishment of the international trade and development department in Virginia in 1969 has, to some extent, made more visible this attraction. At present about 460 million dollars of foreign capital has been invested in the commonwealth. Sixty-one foreign firms ranging from automotive assembly to the manufacture of synthetic fibers use the pathways of the Virginian Sea. Is it unrealistic to assume that the massive availability of investment capital to the oil producing nations will result in significant increases of capital flow to this unique trading location?

The merchant marine is only one factor in this maritime equation. To be viable, to move freely about the oceans, that trade must be secure. It must not be challenged, it must not move under conditions which become unpredictable enough to cause insurance and wage rates to soar beyond the points of profitability.

The Virginian Sea was and is an attractive pathway because the British, and now the United States Navy insure freedom of movement to and from it.

We have no viable option in this country but to continue to maintain a Navy that is second to none. There seems nothing at all illogical about the notion that the nation which conducts the world's largest maritime trade requires the world's largest navy. It is an expense and a responsibility which must be borne—or, if we fail to do so, at a future time we will not conduct the world's largest volume or maritime trade. England is the latest example of this maritime truism.

Always, I am at great difficulty in following the arguments of those who suggest that a reduction in strength leads to greater probability for stability. Can anyone really believe that the Cuban quarantine, the Dominican Republic affair or the uneasiness at Lebanon some years ago would have resulted in a more stable world order had not the United States' naval capability been superior to others.

In no case were naval weapons used, and that superior power was precisely the reason weapons were not needed. A society is at its closest proximity to conflict when it is perceived to possess valuables desired by another society, and is further perceived unable or unwilling to protect those valuables. It is not strength which gives rise to danger—it is exactly the opposite—weakness—as history has demonstrated time and again.

One cannot discuss this matter in the abstract for long without someone raising the question of the Soviet maritime build-up. Is it bad? Does it threaten us?

My answer to this invariably is, no, there is nothing bad about it at all, and it does not threaten us, unless the Soviets perceive that we are unwilling or unable to continue to insure the free and full use of the world's maritime highways. Mankind has not changed since 1945—his weapons have—his numbers have—his use of the resources of his planet has—all have multiplied many times—but until mankind changes his basically competitive nature—he is most safe being strong not weak.

Last month in San Francisco, the Secretary of the Navy, J. William Middendorf, speaking before the San Francisco rotary club, said:

"It is the trend of expanding Soviet naval capabilities that I personally view as one of the most significant strategic developments since the atomic bomb."

This is an important statement for our nation to hear, particularly Virginians who understand that a second-best maritime capability is not posted on the success board.

Since 1962 the Soviet Navy has outbuilt the U.S. Navy in every category except aircraft carriers. If we list the numbers of major combatants today the comparison shows—

	Soviets	*United States*
Aircraft carriers	2	14
Cruisers	30	6
Destroyers	80	90
Escorts	109	66
Submarines	325	115

Next year the total number of ships in the United States Navy will be under 500, the lowest since before 1938.

It is difficult and dangerous to attempt comparisons of this nature. Someone is certain to say—you didn't list this or that, or one of these equals two of those. I do this not to ask you to add up sides and fight a hypothetical naval engagement. I do it only to indicate trends, and to provide data which will allow you to answer for yourself the inevitable question—how does he perceive me? Am I too strong to tempt or am I too weak to care? It is a personal question—you cannot check the bidding to some mystical group of "brass," a euphemism meaning many things in today's vernacular. They preach the gospel in which they believe, just as surely as does your minister in your own church on Sunday morning. You either believe him or you do not: and your life and actions are governed accordingly.

Perhaps there is an illustrative symbol here also. On December 14th the eighth American naval ship to bear the name *Virginia* left the building ways at Newport News Shipbuilding and Drydock Company and floated to her new home in the James River.

She is a nuclear powered naval cruiser to be armed with modern anti-submarine and anti-air weapons.

The newspaper accounts of the launching gave more space to the seven earlier U.S.S. *Virginias* than to this new ship. They recounted that a former U.S.S. *Virginia* had been originally named the *Merrimack* until she entered history and ushered in the era of iron clad warships.

But while making much of the poignant history of the earlier U.S.S. *Virginias,* they took little note that the eighth was the first ship of this type launched in our country in ten years.

Today we cannot confine our view of the sea to maritime trade and naval protection. The sea offers so much more. In April of last year our Senate began a national ocean policy study. They did so in recognition, that aside from the highways of the sea, the world's oceans contain enough food, energy and mineral resources to provide for the needs of mankind for undetermined periods into the future. The requirements for technology to reap these benefits, and to develop agreements among nations for use of the sea areas are becoming increasingly compelling.

Surprisingly perhaps, our country has no national ocean policy to bring together the related programs involving the merchant marine, the Navy, ocean research, fishing, and exploration of the seabeds—all programs having far-reaching significance for our national security.

The Soviets do have such a policy. They coordinate carefully the activities of their navy, their merchant marine, their fishing fleets and their oceanographic research ships—all under a policy to advance their national interests.

Admiral Gorshkov, the head of the Soviet navy, says it well in explaining that objective. These are his words—

"It is evident that every time ruling circles in Russia failed to properly emphasize development of the fleet and its maintenance at a level necessitated by modern-day demands, the country either lost battles in wars or its peacetime policy failed to achieve designated objectives.

"However, the ruling circles of Tsarist Russia—despite repeated grave lessons demonstrating the absolute needs of the state for sea power—still did not understand the importance of a navy in the achievement of political objectives."

One other factor in this maritime equation must be mentioned.

The expanding resource needs of industrial societies place increased pressures on the 70% of the earth's surface covered by water, and industrial activities threaten the ecological balance of the oceans through pollution. Few issues so clearly exemplify the interacting character of global society as the problem of achieving a cooperative regime for the use of the seas. A Law of the Sea Conference in 1958 produced international agreements on certain aspects of this problem. Fresh United Nations efforts in the last five years have aimed at a comprehensive multilateral convention covering all the principal issues: The width of the territorial sea, the navigation of international straits, a coastal resource zone, an international regime for the exploitation of the seabeds beyond the national jurisdiction, control of marine pollution, and the establishment of a basis for scientific research.

At Caracas, Venezuela this past summer, 148 nations met to discuss these issues. It was the largest international conference ever held. The consensus appeared to be moving towards a twelve-mile territorial sea, a 200-mile coastal resource zone, and an international regime for the deep seabeds, but attainment of a comprehensive agreement still requires, most importantly, acceptance of free navigation of international straits. The hope is that agreement can be reached at a further session in Geneva scheduled for this March, with the possibility of a signing conference in Caracas in the summer. International agreement on these most important issues will be a huge step toward a rational approach for use of the planet's resources. Disagreement raises the possibility of unilateral national actions.

Being the wealthiest nation on earth; conducting the largest amount of world trade; using the largest amount of the earth's resources; creating the highest standard of living; producing the greatest product in goods and services—nearly twice as much as the next nation in line; producing more food than any other nation and producing it much more efficiently; with all of this as our 100-year heritage—we necessarily inherit the awesome responsibility to keep the world's sea routes open and free.

Just as did those who set out for the Virginian Sea in 1606, we face risks. These risks may not come from weather and pirates; but they can come from being misunderstood.

The world is at a critical moment in history. Its people sense that there is a finiteness to the planet. They are beginning to be aware that population increases are using up planet resources at an exponential rate and producing waste at rates feared, but not yet clearly understood as to their effect on the earth's environment. People throughout the world are becoming much more aware of each other. Those who have; sense a greater concern for those in need; not always because they are innately altruistic, but because those in need are becoming more aware of the great disparity between their lot and the luxury of others—and they are making themselves heard.

The haves and the have nots; the developed countries; the developing or undeveloped countries; the east, the west—divide them into whatever categories you choose: (each of today's philosophers seems to have a favorite way to slice the world pie)—all have this sense of impending change. It can come in orderly fashion, by logical, negotiated, rational understanding. It can also come by choosing up sides and issuing ultimatums.

Our country generally is acknowledged as the leader of most of the world's nations because of those superlatives I used a moment ago. As that leader we have a primary responsibility to ensure that the rational road is the road travelled. So far, we seem to have done rather well—despite the hand wringing and the dire predictions of some.

If we are to continue, one of the most responsible and least costly actions we must take, is to provide insurance for those who cannot provide it for themselves, that the maritime pathways of this increasingly interdependent globe remain free for all to use. We can do this only by a strong, professional merchant marine to carry the trade, a strong, professional navy to ensure its safe arrival, a progressive national program to seek new benefits from the interior, and from the seabeds of the world's oceans; all within a body of international law to legitimize the free use of these oceans for all.

The Virginian Sea is alive and well. It means much more now than it did *200* years ago. As we *Virginians* travel through this great state—we sometimes have the feeling from the gift shops, the bumper stickers, the information booth posters, that *"Virginia is for Lovers"*—but deep down the heritage of *John Smith, Washington, Jefferson, Madison, Harrison, Lee,* and others whom this audience can so readily name—that heritage leads me to the notion that *Virginia* is—and always has been for leaders.

THE HIGH COST OF FEDERAL DOLLARS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. ASHBROOK. Mr. Speaker, if you were offered $30,000 in Federal funds to help run your volunteer program, you would leap at the chance. Or would you?

Accompanying such a grant would be a flood of bureaucratic regulations, guidelines, and restrictions. The paperwork burden could become an administrative nightmare. You may decide that the burden is so great that it is better to turn down Federal funds rather than accept them.

According to a recent edition of the Baltimore News American, such a decision was made by the Howard County Commission on Aging. Rather than accept $30,000 in Federal funds for its retired senior volunteer program, it refused the funds because it could operate more efficiently without them.

The executive director of the commission stated:

> All the volunteers will go on just the same and the only thing different is that we expect their administrative paper work will be more efficient and therefore more effective.

As the News American contends, "Surely there is a lesson here for bureaucracy."

Following is the article from the December 30, 1974, edition of the Baltimore News American.

[From the Baltimore News American, Dec. 30, 1974]

TAKE HEED, BUREAUCRACY

It was with fascination that we learned the Howard County Commission on Aging has turned down $30,000 in federal funds for its Retired Senior Volunteer Program simply because it can operate more efficiently without the federal money.

Under the program:

Any senior citizen requesting it receives a daily phone call to make sure he or she is all right.

Shut-ins receive regular visits from volunteers to cheer them up and keep them from getting lonely.

Volunteers take senior citizens shopping if they lack transportation.

So the federal government was making $30,000 available to support the program, but the money offer was accompanied by a flood of bureaucratic regulations, guidelines and restrictions that simply added up to a collossal headache.

No thank you, said the commission on aging and its executive director Mrs. Hazel Ricker. In fact, Mrs. Ricker said, "All the volunteers will go on just the same and the only thing different is that we expect their administrative paper work will be more efficient and therefore more effective."

Surely there is a lesson here for bureaucracy, but just as surely, sadly, it will be ignored.

A PLAN TO INVIGORATE THE AUTO INDUSTRY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. MOTTL. Mr. Speaker, there is general agreement that our Nation's economic health would be greatly improved if some way could be found to invigorate the slumping automobile industry.

Thousands of workmen in plants throughout the country have been laid off because of the sharp drop in public purchasing of new cars.

The reasons for this falling off of auto sales are multitudinous and complex. There are varying viewpoints and opinions about the cause. However, there seems to be unanimous agreement that the results are harmful, and that the entire Nation would benefit if some way were found to stimulate auto sales and production.

Manufacture of automobiles is an important industry in the 23d District of Ohio, which I have the honor to represent in this Congress.

Thousands of my constituents have had their earnings curtailed or cut off by the recent reductions in automobile manufacturing activities.

Therefore, I would like to call the attention of the great auto companies with special urgency to a suggestion of Wayne K. Medders, president of the United Auto Workers Union local in the huge Ford Motor Co. manufacturing complex at Brook Park, Ohio, which adjoins my district.

The proposal of Mr. Medders was reported in an article in the Cleveland Press, which reads as follows:

PROPOSAL OF WAYNE MEDDERS

(By Norman Mlachak)

> Wayne K. Medders, president of the United Auto Workers local at the Ford complex in Brook Park, came up with a proposal which he believes will wipe out Ford's backlog of cars, stimulate production, reduce unemployment and raise employee morale.
>
> In telegrams to top officials of Ford and the UAW, Medders is proposing that Ford give its hourly workers the traditional new car discounts it grants to some salaried workers—most of them superintendents and above.
>
> Top echelon white collar workers, Medders said, receive new Fords at $100 to $200 above cost.
>
> Extending the program to Ford's 180,000 factory workers, Medders believes, would wipe out the firm's 100-day backlog of cars and start the assembly lines humming again.
>
> Responding to Medders' proposal, a spokesman here said that Ford has instituted programs under which hourly workers and retirees alike can save up to $600 on a new car.
>
> Earlier this month Ford announced that hourly workers and retirees alike would be given $100 rebates on any 1975 model cars or light trucks or on selected 1974 models.
>
> This rebate, the company spokesman said, is in addition to customer cash rebates that its employees would be entitled to.
>
> Under the customer program, the company is offering rebates ranging from $200 to $500 on five of the company's small car lines and on one of its light truck models.
>
> "In effect, hourly employees who purchase a car or light truck included in the customer program are eligible for up to $600 in rebates," the spokesman said.
>
> Medders isn't overly impressed. He claims dealers don't shave prices as much when they know the buyer qualifies for a rebate. Dealers, he said, can find out who qualifies when customers fill out financing reports.
>
> Medders today also challenged views of UAW President Leonard Woodcock who said that auto makers can't reduce prices because of what he considers their paper-thin profit margins.
>
> Medders concedes that the auto makers may be hurting now, but insists that what he calls their record profits in recent years provides a financial reservoir which could make possible price cuts.
>
> As head of one of the biggest UAW locals here, Medders is understandably worried about the slump in auto sales.
>
> At the Ford Brook Park plant where he is the union leader for about 10,000 workers, both the foundry and Engine Plant No. 2 are shut down this week. The shutdowns affect 4150 workers.
>
> In addition, about 725 of his union members have been laid off indefinitely.

UKRAINIAN INDEPENDENCE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. WALSH. Mr. Speaker, on January 22, 1918, the Ukrainian nation declared its independence and founded the Ukrainian National Republic. Two short years later, this independence was destroyed by Moscow's armed conquest. Today, the 48 million Ukrainian people constitute the largest non-Russian nation under Moscow's domination, both inside and outside the U.S.S.R.

Domination is too mild a word, however, to describe the way in which Soviet officials rule the Ukraine. They rule by fear, violence, and torture.

Since 1963 to the present, alarming numbers of arrests have been made. In 1973 and 1974 these arrests escalated to include Ukrainian intellectuals, writers, literary critics, professors, students, scientists and representatives of every strata of society. These people are being charged with "anti-Soviet agitation and propaganda."

In reality, this "propaganda" consists of petitions, appeals, and letters submitted from concentration camps by prominent political prisoners and prominent Ukrainians at home to the Communist Party and government officials of the Ukraine and the U.S.S.R. raising the question of the violations of human and constitutional rights.

Soviet authorities are using torture and psychological methods of inhumane treatment on Ukrainian political prisoners. It is no doubt their intent to prevent these people from surviving the terms of their sentences.

These prisoners are subjected to secret trials. They are not allowed to have attorneys present, nor are members of the prisoners' families even allowed to attend.

These tactics are totally foreign to everything for which the United States stands and we should do everything in our power to insure their cessation.

I would like to quote from a letter I recently received from a very prominent Ukrainian-American, Mr. Lev E. Dobriansky of Georgetown University. Mr. Dobriansky writes:

> Basic human rights are universal, and no current myth of 'non-interference in internal affairs' can becloud this truth for free men. An empire such as the U.S.S.R., built and maintained on conquests and foreign domination, cannot logically justify the national, non-interference principle. With our technology, know-how and capital flowing to this empire, we have every right and duty to move forward for (1) a strict Congressional accounting of across-the-board emigration from the U.S.S.R. (2) an equally strict accounting of deals made by our businessmen who are admittedly confused by present rules in U.S.-U.S.S.R. trade (3) in the spirit of Senator Jackson's appeal to Brezhnev on Sept. 10, 1974, the release of Valentyn Moroz (4) Congressional hearings on the resurrection of the Ukrainian Orthodox and Catholic Churches genocided by Stalin and (5) a short term Select Committee on the Captive Nations to crystallize for our citizenry a reality that no amount of diplomacy can conceal.

I support the above-stated goals and pledge to my Ukrainian-American friends to do everything I can to see they are achieved.

TELLING IT LIKE IT IS

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. BAFALIS. Mr. Speaker, I am submitting an editorial written by Malcolm Johnson of the Tallahassee Democrat entitled "Watch Out for Ricochets!" for the review of my colleagues.

While the subject matter of this editorial is not pleasant or popular, I applaud Mr. Johnson for his courage in "telling it like it is". For decades now, economists and government officials alike have lauded the praises of deficit spending. While citizens across the country questioned the fact that Government could run year after year in the red while individuals could not, their fears were being scoffed at by intellectuals.

Now, however, the once imaginary bill has come due—and at a time when this Nation can ill afford to pay. We must now face the reality and the seriousness of the situation. Mr. Johnson deals very candidly with this in his editorial. I commend him for his willingness to "lay it on the line."

The editorial follows:

WATCH OUT FOR RICOCHETS!

(By Malcolm Johnson)

> They're starting to fire from the hip in Washington—at ghosts and hobgoblins.
>
> If they don't watch out they'll shoot up the house.
>
> Just when natural economic laws begin to cut prices inflated to the bursting point by extravagance (both private and governmental) new political laws are whipped up to save us from the austerity we must exercise.
>
> Our President glumly inform us "the state of the union is not good . . . I've got bad news."

"Prices are too high," he says, "and sales are too slow." And he's exactly right.

So what'll we do, what'll we do? Why we'll take a hair of the dog that bit us, and start off on another binge—borrowing more money we can't pay and putting it in the hands of people encouraged to go out and buy more to keep the prices from falling.

And as the national debt passes half a trillion dollars, with annual interest payments above $33 billion, our government will compete in the money market and reinflate interest rates just now beginning to fall.

Inflation is the inevitable end of public fiscal deficit. Debt must be repaid, or repudiated; and governments are historically less inclined to pay up than to wipe it out by printing more and more worthless paper money with which their people can't buy much of anything.

Inflation still is our direct threat. Deflation (recession, if you prefer) is its natural antidote. You can't cool a room by stoking the furnace. What goes up must come down. And you can't burn the candle at both ends by fighting inflation with one hand and holding a match to the other.

Our prayer should be that the politicians will get into such a partisan disagreement over method that they'll do nothing much at all, lest whatever they do turns out to be wrong.

In the meantime, perhaps the dependable old laws of supply and demand and other compensating factors of economics will work to bring about some desirable adjustments.

Sure, we have a whole lot of people out of jobs. The highest unemployment rate and the lowest stock market prices since 1960, they tell us. But, think back: What was so disastrous about 1960?

And the ghost of the Great Depression of the 1930s is trotted out by alarmists determined to save us by heading it off at the pass—but firing wild enough to cause a stampede.

We mustn't panic. There's no need to panic. We're a long, long way from conditions in 1929 and we have some sound devices, built in after that collapse from extravagance, to break the fall if it comes again—job insurance for the unemployed, mortgage and deposit insurance against bank runs and foreclosure, healthy welfare programs for the destitute and infirm.

By past experience, we might see a ballooning of the nation's service and sales force—men and women trying to do odd jobs or to sell something on low salaries and commissions.

By then, prices may be down enough for the more enterprising and energetic of them to pep up those "slow sales" the President lamented. There's nothing like a full crew of salesmen, competing for commissions and bonuses, to clear out laggard inventories—given a little price cutting and easier credit to overcome buyer resistance. (And how long has it been since anyone really tried to sell you anything?)

By and by, in the routine of things, inventories will be reduced, production lines will resume, and most of those factory workers will be called back to work, less some who will have found new careers more to their liking.

"Things are slow," we'll say. And it will be true, but this nation and most of its people can live a long time on our fat without facing disaster.

Many of us who lived through that Great Depression (didn't like it but learned to endure it) have been warning for quite a few years that sooner or later there must be a return to some degree of austerity. Either that, or the inflation will explode in our faces and leave us with nothing much on which to rebuild.

We've been dancing merrily for a long time, and not paying the piper. He's about to walk out and leave us to feed the juke box, a coin a dance if we must dance.

Unless, that is, our politicians responsive to the howls from the most sensitive pressure points float a new loan against the earnings of our children and give it to the piper for him to blow while we live it up a little longer.

It's best that we try sitting out a dance or two, to see if the tune doesn't slow us down to a pleasant waltz for awhile. No point in working up a sweat over it all.

HOUSE OF REPRESENTATIVES—*Wednesday, February 5, 1975*

The House met at 12 o'clock noon.

Rev. C. Wade Freeman, Capitol Hill Baptist Church, Washington, D.C., offered the following prayer:

Be ye therefore followers of God.—Ephesians 5: 1.

Help us, O God, today to recognize how human we are, and to remember that being human, we cannot be infallible. Thou hast made us as we are; Thou dost know how much we need divine leadership and direction.

So often in our haste and eagerness we are guilty of dependence on self for life's daily direction and decisions. Our prayer is today that we might heed the plea of Paul and be "followers of God."

For these Congressmen today, we pray that in their deliberations they will be good followers. This, too, would we pray for all the people of our great Nation, for only as we follow after Thee will we be strong.

In the name of our Lord do we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

THE BALANCED BUDGET BILL

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, all of us here today can agree that our most pressing problem is the state of the economy. Prices are still rising; as is unemployment. Our national productivity is declining.

The reasons of course are complex, but a root cause has been continued, long-term deficit spending. One product of this failure to keep national expenditures in line with revenues has been double digit inflation. When Congress failed to levy new taxes to pay for added new programs, Congress imposed—just as surely—the tax of inflation.

A stable national economy with those able to work employed and with the value of the dollar remaining stable so salary increases are real instead of cruel illusions, is a goal we can all support. It crosses party and ideological boundaries.

There are times when deficits are unavoidable—when a depressed economy must be stimulated into balance and health. But we must recognize that these occasions are extraordinary—that we cannot continue fiscal business as has been usual over the past few decades without permanently crippling our economy.

I have today introduced a bill, with 24 cosponsors, to provide that Federal expenditures during each fiscal year shall not exceed projected tax revenues except in time of an economic necessity declared by a two-thirds vote of the membership of each House of Congress, or in time of declared war.

This bill would give Congress the flexibility to stimulate the economy while supplying the discipline necessary to stabilize the economy.

This proposal should be one of the priorities of the Committee on Ways and Means during the 94th Congress.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. FLYNT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 12]

Badillo
Barrett
Beard, R.I.
Blanchard
Brown, Mich.
Broyhill
Byron
Carr
Chappell
Chisholm
Collins, Ill.
Conyers
D'Amours
Derwinski
Dickinson
Diggs
Drinan
Early
Edwards, Calif.
Esch
Florio
Fraser
Gaydos
Gude
Harris
Hébert
Hightower
Holtzman
Jarman
Jones, Ala.
Jones, Okla.
LaFalce
Leggett
McClory
Macdonald
Madigan
Michel
Mikva
Mills
Neal
Nedzi
Pattison, N.Y.
Pepper
Randall
Riegle
Rosenthal
St Germain
Santini
Satterfield
Solarz
Steelman
Steiger, Ariz.
Steiger, Wis.
Teague
Thompson
Udall
Waxman
Yates
Young, Alaska

Mr. SPEAKER. On this rollcall 374 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. MAGUIRE. Mr. Speaker, yesterday I spoke in favor of H.R. 1589. I support the bill. I was cosponsor of the bill. I was inadvertently out of the Chamber at the time of the rollcall. I would like the RECORD to show that I would have voted in favor of that bill had I been in the Chamber.

PROVIDING FOR CONSIDERATION OF H.R. 1767 TEMPORARY SUSPENSION OF PRESIDENTIAL AUTHORITY TO IMPOSE FEES ON, OR OTHERWISE ADJUST, PETROLEUM IMPORTS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 142 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 142

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1767) to suspend for a ninety-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such ninety-day period, and for other purposes, as introduced on January 23, 1975, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments relating to the authority of the President under section 232 of the Trade Expansion Act of 1962. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself 7 minutes.

Mr. Speaker, if I could have the attention of the Members briefly, I would like to quickly explain exactly what the Committee on Rules did yesterday in connection with handling this particular subject.

The present resolution, which has been read, is self-explanatory. It provides for a modified rule, with 2 hours of general debate, on H.R. 1767, as introduced on January 23, 1975.

It also waives all points of order against the bill, and further provides that no amendment shall be in order to H.R. 1767—and I think this is important to know—except amendments relating to the authority of the President under section 232 of the Trade Expansion Act of 1962.

It is a completely open rule in connection with the defense section, section 232, but under the provisions of the rule, other sections of the Trade Expansion Act would be closed.

H.R. 1767, of course, is the initial bill as introduced by the gentleman from Pennsylvania (Mr. GREEN) and a number of associates, and does not, of course, include any amendments adopted in the Committee on Ways and Means.

As introduced, it prohibits for a 90-day period the President from adjusting import fees on petroleum and petroleum products. It also negates any Presidential import adjustment action taken after January 15, 1975, and before the beginning of the 90-day prohibition.

Further, as introduced, it also provides that the 90-day suspension of Presidential authority to adjust oil import fees will be removed if a national emergency arises during the 90-day suspension period.

Mr. Speaker, if I could just briefly comment on the action taken yesterday by the Committee on Rules, I would hope that it does not seem that there have been impertinent or arbitrary or capricious actions taken by that committee. However, it became evident that the situation of considering the bill in regard to Presidential powers in connection with petroleum fees, as it had been proposed and tied in with the debt ceiling for some temporary debt ceiling increase, was a strategic mistake, I think, which was recognized by a great many Members.

So in order to expedite consideration of both of these subjects, since we are under pressure of time, in view of the fact that the debt ceiling will actually prevent authority to allocate above the ceiling after February 17, it is essential that action be taken on that matter.

So the Committee on Rules, with the concurrence, I might say, of a majority of the members, has taken this action. I wish to express deep appreciation to the members of the Committee on Ways and Means, to the chairman of the committee, the gentleman from Oregon (Mr. ULLMAN), and to the gentleman from Pennsylvania (Mr. GREEN), as well as to others, for their cooperative attitude in working out a satisfactory solution and a procedure in order to handle both of these matters expeditiously.

Mr. Speaker, as I said, I hope that this will allay any idea that the committee arbitrarily utilized excessive power in connection with this situation. We did it, rather, in order to permit the House to expeditiously handle very vital and important issues.

I have just one further comment. I know there are differences of opinion in connection with the merits of the import fees, as provided in this bill, which, of course, would prohibit the President for a 90-day period to impose such fees.

Mr. Speaker, I will say this because of questions that have been raised with me concerning the rule: As I understand it, this would permit amendments that would be germane to section 232 of the Trade Expansion Act affecting other powers of the President in connection with that, having to do with the setting of import quotas. As the bill is presently written, that, too, would be prohibited.

In other words, the President under the provisions of this bill would not only be prohibited from assessing the $1 on February 1, and then the $2 and the $3, if he chose, but it would also prohibit him from utilizing any type of allocation or imposition of import quotas. Some of us feel that if such an amendment might be offered, this is a matter worthy of exploration by the House in consideration of the issue as to whether in fact his hands should be frozen in connection with that particular subject.

So, Mr. Speaker, I simply want to make it clear that any germane amendment under this rule to section 232 of the Trade Expansion Act would be in order, and such an amendment dealing with that subject under this rule would be in order.

Mr. Speaker, I urge the adoption of House Resolution 142 in order that the Committee on Ways and Means might be permitted to debate this subject.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Speaker, I just wish to point out to the House, and to my friend, the gentleman from California, that it is not my understanding that any provision of this bill takes away any power that the President has to allocate. What it does do is this: It prevents him from putting on an import quota. The result of putting on an import quota might be the need to allocate, but the fact of the matter is that this bill does not deal with allocation but simply with the quota.

Mr. SISK. Mr. Speaker, let me say that I appreciate what the gentleman has said, and I want to clarify this if what I may have said may be misunderstood.

I recognize, so far as domestic allocation is concerned, that it does not preclude the President from involving himself in that type of allocation.

What I intended to say—and I appreciate the gentleman's correcting me, because I think he is right—what I meant to say, though, is that it would preclude him from imposing any import quota as a part of an allocation.

Mr. GREEN. He would be precluded from doing that. I thank the gentleman.

Mr. SISK. I thank my colleague, the gentleman from Pennsylvania, for his question.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished gentleman from California (Mr. SISK) has explained some of the proceedings in the House Committee on Rules yesterday and also explained the provisions of the resolution before us today.

Mr. Speaker, I am opposed to this rule and also opposed to the measure made in order by the rule.

I am opposed to the rule because it implements a dangerous precedent, and I am opposed to the bill because it is a partisan attempt, in my opinion, to delay the implementation of the President's energy program.

First, let me explain what I think happened in the Committee on Rules yesterday. The chairman of the Committee on Ways and Means requested a rule on a bill reported by his committee. The bill did two things: First, it prohibited for a 90-day period the President from boosting import fees on crude oil. Second, it included an amendment to increase the public debt ceiling by $36 billion through June 30, 1975.

The Committee on Rules did not grant a rule on the bill. Instead, in effect, it split the bill of the Committee on Ways and Means, and two other bills were made in order for consideration by the House. One contains most but not all of the provisions dealing with the delaying of the President's energy program. The provision dealing with raising the public debt ceiling constitutes the other bill.

Each of these bills was granted a separate rule. Neither of these bills which will be considered here today has been reported by the Committee on Ways and Means. There is no separate committee report on either of these bills.

At the time the rule was granted one of the bills had not even been introduced. This procedure has seldom been used by the Committee on Rules, and to renew this precedent, which was used back in 1920, is a step which many Members may regret in the future.

But, Mr. Speaker, far more objectionable than the rule is the bill made in order by the rule. This bill is a partisan attempt to delay the implementation of the President's energy program, and we all know that we are in a very serious crisis throughout the width and breadth of this country. It is time for both sides of the aisle to join hands together and to work together, not in a partisan manner, but for the benefit of the people of this country and the America which we all love so much.

There is no positive thrust to the bill. It does not pretend to provide any constructive solution to the energy problems of the country. All it does is delay the implementation of the only plan we have for dealing with the energy crisis.

The majority party in Congress has not come forward with another comprehensive course of action. All we can do is wonder what they might eventually agree upon.

Some of the proponents of this bill will argue that the additional 90-day delay is necessary to allow the Congress to work out the solution. But, Mr. Speaker, the Arab oil embargo was instituted approximately 15 months ago, and no effective plan has yet been produced. There is no assurance that the majority party will produce a better solution in the next 3 months than they have been able to produce in the last 15 months.

Mr. Speaker, time does make a difference in the situation. At present the demand for petroleum in the United States is 18.7 million barrels per day. Of this amount imports provide 7.4 million barrels daily. The deficit in petroleum production compared with demand has grown since 1966 when the United States ceased to be self-sufficient.

Mr. Speaker, as a result of the increased price in oil in the international market, and the increasing dependence of the United States on imported oil, our balance of payments is suffering greatly. Today the outflow of payments for petroleum is running at the rate of $25 billion annually. If this kind of outflow is permitted to continue unchecked it means that the Arab countries will accumulate more and more while Americans will have less and less. Some action has to be taken now, not 3 months hence, not 15 months from now, but today.

If the Democrats prefer mandatory rationing over the President's proposal, then let them enact it. Certainly they have substantial majorities in both Houses of the Congress. But, Mr. Speaker, I do not believe that Americans want to arbitrarily be limited to 9 gallons of gasoline per week. For many this would make it impossible even to get to work. The President's proposal offers much greater flexibility, and avoids the necessity of establishing a huge and expensive bureaucracy to manage the whole program.

In addition, rationing will produce black markets and will not produce equitable results for all Americans.

The President has put forth a proposal. He has implemented a plan on which the crude oil fee level will be increased $1 per barrel on February 1, and that is now in effect; by $2 per barrel on March 1; and by $3 per barrel on April 1.

The President has indicated that he is willing to compromise in order to reach an agreement. Let us forget partisan politics on this issue and join together in seeking a positive approach. Let us defeat this rule. Let us defeat this bill, and then let us proceed immediately to work out a positive solution for the good of the Nation.

This bill provides for the suspension of the President's authority to do what his program demands for the American people. I think it is time for action in this Congress. The American people are crying out for action.

Let me say to my colleagues on both sides of the aisle the constituents in my district and the constituents in your districts in many cases are applauding the President for moving forward and coming out with a positive program, and for speaking out in its promotion.

I remember back many years ago when Harry Truman, a great President of the United States, spoke out to all Americans for the programs in which he believed. His speaking out strengthened his image as a great president. The American people bought his programs and returned him as President of the United States.

My colleagues, again I say that the people of America are demanding action. They are demanding leadership. Today the eyes of the nation are upon this Congress. Let us defeat this rule and let us defeat this bill.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Speaker, I rise in support of House Resolution 142, the rule providing for the consideration of H.R. 1767.

The separation yesterday of the amendment to increase the debt limit from the proposed suspension of the President's power to increase the tariff on imported oil, removes from this body any suspicion that political games are being played with an issue that is so vital to the people and the economy of the United States.

The modified open rule in no way limits debate on the issue before us. Amendments relevant to any section of this legislation would be in order, and the only restriction applies to nongermane sections of the Trade Act which are not under consideration at the present time.

The issue is now clear. The rule under consideration provides for open debate on the merits of this proposal.

I urge the immediate passage of this rule so that we may expedite the passage of the critical legislation scheduled to come before us today.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

In the past the gentleman has always been a strong advocate of an open rule. Has he changed his mind?

Mr. MOAKLEY. This is a modified open rule which deals with the tariff bill.

Mr. ROUSSELOT. In other words, it is like being just a "little bit pregnant." I think I understand, but I am surprised the gentleman is in effect willing to accept what is in fact a closed rule.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, a few minutes ago as I entered the Chamber, the gentleman from Pennsylvania (Mr. GREEN), one of the principal authors of H.R. 1767, asked me if, indeed, I was opposed to the rule, and I said that as one who does not normally oppose rules that would make in order the consideration by the full House of important legislation, I was constrained to oppose this rule for a very specific reason in that I think it makes in order substantive legislation that is bad legislation, that is not needed at this time, indeed, is counterproductive as far as our purpose of conserving energy and embarking upon a meaningful program in that regard.

The gentleman from California has already said that the Committee on Rules performed some radical surgery on the original measure that we have before us, and on the suggestion of the gentleman from Pennsylvania, has decoupled what were two certainly nongermane and unrelated items; but notwithstanding that fact, I think that the most charitable and sensible thing that this House could do this afternoon would be to defeat this rule and permit the members of the Committee on Ways and Means to go back to work on what they promised our committee the other day they were willing to do—the drafting of a comprehensive energy and economic program.

I am a realist. I am certainly not standing before this House this afternoon and suggesting that the President's three-stage tariff on foreign oil imports is a perfect program or that it is some kind of a panacea for our energy problems. It perhaps does have deficiencies and drawbacks. One can argue, as some Members did before the Committee on Rules, that there is an inflationary ripple that comes when we put a tax on the whole barrel of oil rather than an excise tax on selective products that come out of that barrel. But the fact remains that the President has given this Congress a comprehensive energy program. He has told us that he is willing to start with this tax, and if we have a better answer, come up with it within the 90 days before this total $3 excise tax on imported oil would become effective.

So let us not waste our time this afternoon on a bill that does nothing, as the gentleman from Tennessee pointed out—does nothing to solve the energy problem, but, indeed, if we read section 1 of this bill, it says that it suspends for 90 days any other provision of law deemed to grant to the President any authority—any authority—to adjust imports of petroleum or any product derived therefrom. It does not just strip away the power of the President to impose an import fee of $1 effective midnight, February 1; it strips away completely the power of the President for the next 90 days to deal with the energy question by, for example, imposing an import quota on foreign oil.

I have looked at many Democratic plans purporting to deal with the energy question and I find that many of them—many of them—suggest that we ought to have a flat import quota on oil reducing by 10 or 15 percent or some fixed percentage the quantity of oil we now import. Remember, when we suspend the President's authority under H.R. 1767 we do not leave him with that kind of power, even though it is at the heart of many of the so-called Democratic proposals that have been floated in this body and elsewhere.

So if we can ever conceive of overkill, it is what we will be accomplishing in this particular measure. I would suggest if this House really wants to face up to its responsibility—and we heard that from the distinguished chairman of the Ways and Means Committee yesterday when he testified before the Committee on Rules, we should defeat this bill. The argument that the President should not take unilateral action makes no sense in view of the lack of a congressional alternative.

The Members will pardon me if I find that sentiment, laudable as it is, a little bit inconsistent with some of the suggestions I hear this morning from this side of the aisle, that we ought to give the President standby—standby—rationing authority. We will very courageously march up the hill and give him standby authority but leave it to him to decide when we impose this particular burden and yoke on the American people.

I do not think we are acting responsibly when we adopt this rule today, and if the Senate does likewise, I hope the President vetoes the legislation. I think it can be sustained in the Congress because increasingly I believe the American people are beginning to understand that we cannot afford to lose time, and we will be throwing away 90 days at least as far as the objective of trying to cut down on the consumption of oil. We will be throwing away for 90 days the opportunity to make a dent in that 18 million barrels or the 6.7 million barrels per day the gentleman from Tennessee talked about, that we are presently importing from foreign sources.

I would like to have anyone from this side of the aisle come forward and stand up in the well of this House this afternoon and tell us what we are going to do to make up for that time, that momentum that we will have lost.

Let me tell the Members one of the reasons why the President was anxious to get started on February 1 with an import fee. We formed an international agency and we pledged to the 10 or 11 nations of the OECD that we were going to make a meaningful conservation effort to save 1 million barrels a day by 1975 and they in turn, the British and the French and the Dutch and the Belgians and all the other countries were going to save 3 million barrels. We will lose our credibility in this Congress today if we send a signal to the world that we have got so much time to deal with the energy problem that we can throw away, as I have stated, 90 days while we continue to meaninglessly meander around looking for a solution to the energy problem.

Let us start with the President's program, perhaps the other side can come up with a better compromise, and they can talk to any other Members on this side and we can work it out.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, is it not true that Senator LONG said the other day, and he stood up and admitted it publicly, that the Democratic Party really does not have an alternative to the President's proposal?

Mr. ANDERSON of Illinois. That is correct. That is why I call this a dog in the manger bill. They want to have their cake and eat it too. They do not have even a program but at the same time they refuse to go down the road with the program the President has proposed.

Mr. ROUSSELOT. So it is really basically double talk on the part of the Democratic Party?

Mr. ANDERSON of Illinois. I agree.

Mr. Speaker, I would urge the House to defeat the rule.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, the gentleman from Illinois (Mr. ANDERSON) who just concluded speaking is a very great orator and usually he makes us feel that the issue that is presented at any particular time is the most important one in the world. But I do not really think this legislation necessarily represents the end of the world no matter how we vote on this rule or how we finally vote on the matter itself.

I had the pleasure this morning of accepting an invitation—and I do not accept many of them—for breakfast at 7 o'clock in the morning. It was at the White House, of course, and there were a number of other members of the Democratic Party down there, too.

I understand the Republicans were entertained last night at dinner, so it was not quite as hard on their body time systems to be on hand. In any case the President presented his basic position on this energy matter to both gatherings, as I understand it.

I am not sure that I speak for any other Members, but I must say I was impressed by the presentation the President and his staff made. He indicated the urgency of the need for conservation.

Mr. Zarb, I thought, made a very forceful presentation in discussing some of the alternate proposals that were considered.

I have been a strong advocate of rationing and I still am. But Mr. Zarb made some arguments that are at least worth considering.

But I believe the most interesting thing the President said this morning was that the $1 tariff which he ordered added on oil on the 1st of February is not actually going to be felt in our economy for 55 days. It is going to take awhile to trickle down through the economy. On the other hand, both the President and the other people who spoke failed to address what to me is the most significant feature of this whole arrangement, and the one which most deeply troubles me, is that at a time when the state of our economy is the most important problem we are concerned about, that this proposal may very well vitiate everything that we are trying to do to get our economy moving upward again. By adding this $3 a barrel tax on oil we may be actually turning the economy down instead of turning it up.

So it seems to me that if this is a serious possible result of this tariff increase—and I do not think the President or any of his advisers answered that point—it does not seem to me it is asking too much to suggest that after the executive department considered the matter for a whole year before coming up with their own recommendations, as they told us this morning that they had done, the Congress of the United States should have at least some time to deliberate on the same matter and come up with our own views.

The President said his action will not really have any impact for 55 days. Well, all we are asking for is 90 days.

I went up to the President after our breakfast and said, "What about a compromise? Why can't we both agree to settle for 60 days? Why don't you defer imposing another $1 tax on the 1st of March, and let Congress at least have 60 days to come up with our own plan? If we don't come up with one by then, well all bets are off."

Of course, I cannot quote the President, but I can say I got the impression, that he was not uninterested in that kind of a compromise.

Since then I have talked with Mr. WRIGHT, the chairman of the Democratic Task Force, on this issue. I have also talked with the Speaker. I think both of them are interested in the compromise idea.

Probably it is too late to put this thing into legislative form in this debate. But I think it is a real possibility. So even if we pass this proposal today by an overwhelming majority, which would indicate that we feel strongly that Congress ought to have some more time, it is going to go over to the other body. The other body is probably going to sit on it for a little while anyway. So we will have time to work out a suitable compromise.

So instead of all this inflated rhetoric about Armageddon, I believe such a compromise is possible and would make sense. I do not like the idea of confrontation. I do not think the American people like the idea of confrontation today. They want us to get going, I believe, and we should get going. But why cannot Congress have a little time, when the President has had a whole year to consider his own solution? Let us see if we cannot sit down across the table from the President, perhaps with the help of the negotiating skill of Henry Kissinger that was available there this morning, and work out a reasonable and satisfactory compromise that we can all support and that will be beneficial to the American people.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Speaker, the gentleman spoke of the legislative proposal for a 60-day suspension as a compromise. Is the gentleman going to offer an amendment of 60 days when the bill is before the House today?

Mr. STRATTON. I am not sure this can be offered at this stage in legislative form. I am not sure that would be the best way to deal with it. But with all the problems we have, we ought to be able to sit down across the table from the President of the United States and work out something reasonable.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I wonder if the gentleman from California (Mr. SISK) would yield for a question.

I notice points of order are waived, and I presume this is to cover the return of the impost that might be collected under the terms of section 2 of the bill.

Mr. SISK. Mr. Speaker, if the gentleman will yield, I will say that yes, all points of order in connection with the bill had been waived, of necessity.

I think there are several reasons why that was done, but that is certainly one of the reasons why all points of order were waived. That is, of course, at the request of the Committee on Ways and Means.

Mr. FRENZEL. Mr. Speaker, I was wondering if there were points of order that lie with the bill to which most of us would agree, such as that one, why cannot those specific points of order be waived? Why do we have to waive all points of order against the bill.

Mr. SISK. I think, if the gentleman will yield further, the Committee on Rules, as I say, was faced with a flat request agreed to, I might say, by both the minority and majority members of the Committee on Ways and Means, for a total waiver. We simply, in order to expedite the situation, the action we did take was to go ahead and give a blanket waiver.

Let me say further to my colleague that I agree with the gentleman that normally the committee does specify. We have been moving, as the gentleman knows, in the last 2 years toward becoming specific in waiving only in those areas where it was essential. In this case, I think as a matter of time saving, we simply faced this as a blanket matter.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman from California. I am encouraged by his response but, Mr. Speaker, I would like to invite the attention of the House to the fact that the first matter of business we considered this year was the adoption of the rules, in which there was no opportunity for amendment. In fact, we on the minority side thought there was an outrageous allocation of time in that we had none other than that which we received as a matter of largess. So that was a kind of unusual procedure which, in my judgment, does not conform to good legislative procedure.

The next item we took up was the food stamp bill which came under the rule of suspension. Again, there were no amendments allowed. Today, the first bill we take up under a regular rule is a bill that waives points of order and is a modified open rule. That is what we call it euphemistically. But we all know what that means—it is a closed rule.

I would ask the Members of the supposedly reform-oriented or reform minded House of Representatives when, in Heaven's name, are we going to take up a bill under regular procedures to guarantee the rights of every Member of this House to participate in those procedures and have a chance to express himself or herself in a responsible way.

Mr. SISK. Mr. Speaker, if the gentleman will yield further, let me say that I appreciate the concern my colleague has indicated here, and join with him, but I believe the gentleman will agree with me that if we look at the tradition going back for many, many years, that at least this moves a considerable step forward for bills coming out of the Committee on Ways and Means.

I am sure, as my colleague knows, that certainly for the last 20 years every bill out of the Committee on Ways and Means was under a closed rule and waiver of points of order. I am not criticizing the committee, but only very recently have we begun to change that. We certainly have a situation, so far as the expansion act under consideration, it is completely open, and also the next rule is also an open rule.

I simply want to call to the attention of the gentleman that it seems to me, even though I appreciate the gentleman's concern, that we are making some progress in connection with Ways and Means acts.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his efforts in this progress, but I note that a glacier also makes progress moving down the side of a mountain at the rate of a couple of inches a year.

Mr. Speaker, I think it is a particularly important point for the Members of the majority caucus, who have expressed their great interest in reform, to worry about these things and make sure that our procedures are in order. I do note that the next bill we are going to take up will be under the open rule, which is 100 percent better than anything else we have done this year, but it also waives all points of order, so this House has a long way to go before we restore our own and our constituents' trust in representative government.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, but I would like to again remind my colleagues that, for the benefit of our country, let us defeat the rule and let us defeat the bill.

Mr. SISK. Mr. Speaker, I yield myself 2 minutes, and I do this, Mr. Speaker, in order to make a brief comment in connection with the statement made by my good friend from Illinois (Mr. ANDERSON).

I might say that basically I agree with one basic point he made. I am concerned about the fact that we are precluding, as I interpret the legislation, the right of the President, if he saw fit within the 90 days, to impose an import quota.

That does happen to be a part of at least a package that I have been interested in as a possible approach or a possible solution and I expect to offer such an amendment, or in time to support such an amendment if offered, that would retain that authority in the President's hands.

Let me just add one further quick thing, that I too, as indicated by the gentleman from New York—I was at the breakfast this morning—was impressed by the sincerity of the President. I am hopeful we might reach some agreements. I could even buy, for example, the $1, if he in turn agrees to compromise and not go any further at the present time, and agree to some kind of import quotas, in some additional cooperative effort.

I think that we should do that. I do not think the country wants us to be here in a head-on collision. I think the people of this country are concerned that we do something in this area, and I agree to that extent with the gentleman from Illinois.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Speaker, I thank the gentleman for yielding. I just want to take a second to mention something that has not come up in this discussion but it is constantly alluded to, that perhaps we are stripping the President of some power. Of course, the intention of this is to do just that. But I think it must be remembered that under section 232 of the Trade Act the President of the United States is granted extraordinary power. He is acting under a section of the Trade Act that deals with national security; and he must, before he can act, make a determination that, in effect, the national security of the United States of America is in imminent jeopardy and then take action as a result of imports that are coming in on any particular product.

Under this section there are all sorts of procedural requirements that are mandated. He is supposed to have hearings, he is supposed to give interested parties notice, he is supposed to, in my opinion, notify the Congress of the United States. But what we have to remember is that in this instance none of the procedural requirements of section 232 were taken. There were no hearings, there was no notice to any company in this country that this might be done. There was no notice to the U.S. Congress that this be done. Everyone heralds the fact that the President acted.

Everyone wants to see action, everyone in this Congress on both sides of the aisle. The reason this rule comes up in such an unusual fashion today is because yesterday, before the Rules Committee, both the chairman of the Rules Committee and myself indicated that this would expedite action, action we ought not to delay. But we want the President of the United States, whenever he acts, to act legally, and there are some of us who seriously question whether or not section 232 was ever complied with or in fact could ever be complied with in 90 days anyway.

At the very minimum, I think this much is required; clearly this much is required: that an investigation under this section be made, and that the President base his decision on that investigation.

What happened here? Secretary Simon came before our committee. I said to him, "Mr. Secretary, did you make the investigation?"

He said, "Yes."

I said, "When did it begin?"

He said, "January 4."

I said, "When did it end?"

He said, "January 14."

I said, "It began on the 4th and ended on the 14th?"

"That is correct."

Then I asked, "And the President based his decision on this investigation?"

He said, "That is correct."

I said, "The President announced his decision on the 13th."

Mr. Speaker, the President did announce his decision on the 13th. In the report here, there is a copy of Secretary Simon's letter sending the study to the President of the United States the day after the President made a speech theoretically based upon the study which he received a day later.

There is a very serious question here of unilateral action and perhaps illegal action by the President of the United States, to begin with, and that is one of the problems. When they attempted to find out from the departments whether or not there was in fact a national emergency, they received a letter from the Secretary of Labor which said in part as follows:

> Data usually provided by the Department of Labor for section 232 investigations could not be collected and made available within the time required by Mr. Simon's memorandum of January 4. If you wish us to proceed with the fully detailed Department of Labor portion of a section 232 investigation, we would be pleased to consult with you on the matter.

Mr. Speaker, this is in the record, not because we put it there, but it was put there by the Republicans on our committee who, in my opinion, did not realize that the Secretary Dent's letter was so revealing.

I think we have to realize here that no Member is against action. We all favor action. However, every economist who came before our committee, with the exception of Secretary Simon, whether they are economists generally associated with the Republican administration or not—men like Herbert Stein and others—all the way across the spectrum, advisers to both Democratic and Republican Presidents, indicated to us that the President's decision is, unwise, and that this is in fact the wrong course to take.

What we wish the President had done is to come before us so we could work out a program together, because I think the American people demonstrated last November that they are not easily satisfied with whatever economic prescriptions President Ford hands down. To take this extraordinary action under section 232, is clearly unwarranted, particularly when virtually every economist in the country says that the substance of what the President did is wrong.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I will merely offer the observation that the distinguished gentleman from Pennsylvania (Mr. GREEN) made this identical argument yesterday in the Committee on Rules, and at that time it was observed that he sounded more like a Philadelphia lawyer than he did a Congressman from Pennsylvania.

I would point out, if the Members would take the time to consult appendix B to the minority views in the report, which can be found on pages 64 through 67 of the committee report, the Members will find the written opinion of the Attorney General of the United States, William B. Saxbe.

I will point out further that there is nothing in the statute to which the gentleman has referred that bears out his point. He makes much of the fact that there was not a written report made to the President of the United States certifying the necessity of his action prior to January 14, 1975. There is nothing in the basic statute that requires such a report to the President to be in writing. It can be an oral report, and during all of the week prior to January 14 the President was in close consultation with his advisers on this issue. They did report to him, and I will simply repeat the language of the Attorney General's opinion, which reads as follows:

> A broad interpretation of the President's powers under section 232(b) has been concurred in by the courts. As stated in Pancoastal Petroleum, Ltd. v. Udall, 348 F. 2d 805, 807 (D.C. Cir. 1965), "The law confers discretion on the President in broadest terms."

And then the Attorney General's opinion continues as follows:

> Against this background, there is no doubt that the devices employed in the draft Proclamation are within the authority of section 232(b). These include a return to the tariffs eliminated by Proclamation 4210 of April 18, 1973 * * *.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. Is it not also true that this is the Kennedy Tariff Act under which President Ford acted to impose import taxes which the Democratic Party vigorously supported in 1962? Therefore, it was a Democratic sponsored act that gave the President that power. The Democratic Party was the one that suggested that act in 1962. Now many of those same Democrats on Mr. GREEN's side of the aisle are coming back and saying that they want to take that power back. Despite the fact that the Democrats are the ones who wanted to give the President the power, now they disagree with how Mr. Ford is using it. It was President Kennedy who wrote this bill in 1962, and many of us tried to warn the Congress we were in fact delegating too much authority to the executive branch.

Mr. ANDERSON of Illinois. Mr. Speaker, in concluding, I would simply again remind the Members that I have no intent or desire to demean the legal argument that was made by the gentleman from Pennsylvania, but I think in view of prior interpretations that have been made by the Federal courts with respect to the parameters of Presidential power as that may be exercised under section 232(b), that, taken in conjunction with the opinion of the Attorney General of the United States, puts us on the kind of solid legal footing that we need to conclude that the President's action was legal.

Mr. Speaker, it ought to be supported, and we can support it by defeating the rule today.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2634, TO INCREASE THE TEMPORARY DEBT LIMITATION AND TO EXTEND SUCH TEMPORARY LIMITATION UNTIL JUNE 30, 1975

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 143 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 143

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2634) to increase the temporary debt limitation and to extend such temporary limitation until June 30, 1975, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 143 provides for an open rule with 2 hours of general debate on H.R. 2634, a bill to increase the temporary public debt limitation. All points of order against the bill are waived.

For the benefit of my colleague who raised the question earlier about waiver of points of order, actually the action of the Committee on Rules in this case was to literally, for all purposes, discharge the Committee on Ways and Means from further consideration of this matter and to bring a bill directly to the floor. Of course, there was no report on the bill. The Ramseyer rule was not complied with. As a result, it is necessary that we have a waiver of points of order in order to expeditiously consider this particular bill which was only introduced yesterday afternoon.

The bill extends the temporary limit on the debt ceiling to June 30, 1975. I want to make it clear that this does not deal with fiscal year 1976, but deals only with the period up to and until June 30 of 1975. It also increases the temporary limitation to $531 billion. Present law provides for a temporary debt limit of $95 billion, and this would increase it by $36 billion, so far as the temporary period is concerned, bringing the total, then, to $531 billion, which would be $131 billion as the temporary limit, and $400 billion, of course, is the permanent ceiling.

Mr. Speaker, the Secretary of the Treasury estimates that the current ceiling of $495 billion will be reached on February 18.

Passage of H.R. 2634 is then needed in order to meet this deadline, and therefore is imperative.

Mr. Speaker, I urge the adoption of the resolution in order to permit the Committee on Ways and Means to debate the issue.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this rule which would make in order House consideration of H.R. 2634, a bill to introduce and extend the temporary ceiling on the public debt.

I must admit to some ambivalence about the action taken by our Rules Committee yesterday because it was a rather unusual, though not unprecedented maneuver. The chairman of the Ways and Means Committee had requested a closed rule on the combination tariff-prevention/debt-ceiling bill reported from his committee. The Ways and Means Committee had voted 15 to 14, I believe, to tack the unrelated debt issue onto the bill suspending for 90 days the President's authority to adjust petroleum tariffs or quotas.

The consensus which developed in the Rules Committee was that it was irresponsible to tie these two unrelated issues together, and the gentleman from Pennsylvania (Mr. GREEN), a member of the Ways and Means Committee, suggested that we could divide the proposition by reporting two rules on two separate bills.

My own inclination, given previous criticism in this body of such arbitrary actions by the Rules Committee, was to simply adopt one open rule on the entire matter and permit the full House to work its will on the merits of each of the propositions. My substitute rule was defeated, and the committee subsequently adopted the two-bill, two-rule approach, even though a separate debt ceiling bill had not yet been introduced.

So, this is the source of my ambivalence on the action taken by our committee. On the one hand, I don't like to resort to such questionable tactics in the Rules Committee; yet, on the other hand, I think the Rules Committee took the responsible course which should have been taken by the Ways and Means Committee in the first place. We just cannot countenance allowing such an important item as a debt ceiling increase to be held hostage for partisan blackmail. Such blatant confrontation politics make Russian roulette seem like pop-gun plinking by comparison.

Mr. Speaker, I am pleased that the rule of reason and responsibility eventually did prevail on the other side of the aisle and that the House will now be permitted to consider each of these important items separately and on their individual merits.

Turning to the rule before us, it grants 2 hours of general debate with full opportunity for amendment. Points of order have been waived, as in the past on such legislation, because this does involve appropriating on an authorization.

I think most Members are aware of the urgent need for this extension and increase in the temporary debt ceiling. The permanent debt ceiling is $400 billion. The present temporary ceiling of $495 does not expire until March 31, 1975. And yet the Treasury Department estimates that the present temporary ceiling will be reached by the 18th of this month if present outlay and receipt patterns continue. The bill which this rule makes in order would thus raise the temporary ceiling to $531 billion through the end of this fiscal year. Additional House action would be necessary at that time on the administration request to raise the temporary ceiling to $604 billion through fiscal 1976.

It is therefore imperative, before this House breaks for the Lincoln recess, to act on this vital legislation. If we do not act, the Government simply will not be able to meet its obligations after February 18.

I urge adoption of this rule so that the House may proceed to act on this urgent and vital debt ceiling bill.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF PRESIDENTIAL AUTHORITY TO IMPOSE FEES ON, OR OTHERWISE ADJUST, PETROLEUM IMPORTS

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the consideration of the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1767, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 10 additional minutes.

First, let me express my appreciation to the members of the committee and also to the Committee on Rules for their cooperation and coordination in getting this measure before the Committee of the Whole in a very orderly and rapid manner.

Mr. Chairman, the purpose of H.R. 1767 is to temporarily suspend Presidential authority to impose fees on, or otherwise adjust petroleum imports. The first section of H.R. 1767 would suspend for the 90-day period beginning on the date of the enactment any authority that the President might have to adjust imports of petroleum and petroleum products.

Section 2 would negate any Presidential action to adjust petroleum imports taken after January 15, 1975, and before the date of enactment, including the termination of the Presidential proclamation on petroleum imports of January 23, 1975. In addition, there is provided a rebate of duties, taxes, or fees levied and collected pursuant to any such action.

Section 3 provides that the suspension of Presidential authority to adjust imports will cease if at any time during the 90-day period war is declared, a national emergency occurs, or certain situations involving the commitment of U.S. Armed Forces arise.

At the appropriate time I will offer a committee amendment to provide that the act should not affect the import license fee system on petroleum and petroleum products which was in effect on January 15, 1975.

Let me say, Mr. Chairman, to my colleagues that the Committee on Ways and Means does not want to have a confrontation with the executive branch or the President of the United States. I met with the President on two separate occasions prior to the proclamation of the President and strongly urged that he give us a 90-day period to act and permit the Congress to come forth with an energy policy. That, it seems to me, is the responsibility of the Congress.

I wrote a letter to the President on January 21 in which I stated:

> As you have implied in your message to the Congress, the energy and indeed the economic problems we face call for comprehensive and consistent legislative approach. In this regard, there is a preferable course to take and one which will provide the greatest degree of cooperation between the Executive branch and the Congress. To this end I respectfully request that you take no further action under the national security provision to impose additional fees or tariffs on imports of petroleum and petroleum products, but await appropriate legislative action. As I am sure you are aware the Committee on Ways and Means is responding to your request for action by making your proposal the first order of business.

The President, I think, agreed with me that a confrontation between the executive branch and the Congress would do no good at all. What we must do as a government—that is, both the legislative and the executive branches—is to come up with a sound energy policy for this Nation and do it rapidly. But I made a strong argument with the President on the basis of principle.

What the President is doing, essentially, by imposing import fees is preempting the policy area.

In the judgment of the Ways and Means Committee and in the judgment of the very able staff on the Committee on Internal Revenue Taxation and in particular, the very competent staff we have on trade and tariffs, the President is acting on marginal authority in imposing the import fees. We also believe that the procedures he followed were extremely marginal in nature.

I think even more importantly what the President is doing is preempting policy that should really be determined by the Congress because he is moving into the price structure in such a way that it will of necessity create an inflationary wave throughout the whole economy. It will raise the prices of fertilizers and of airline fares and of electricity and of plastics and of the elements in our society that depend upon petroleum. It will have a major inflationary impact.

The President knows all too well that Congress cannot respond to an energy program in 30 days or even 60 days. He served here many years. We are going to move I think more rapidly than this Congress has ever moved in any major political area, but he well knows it takes 90 days minimum and possibly longer in order to put in place legislatively a new national policy and program in the field of energy. But by the time the Congress can act the President will have put in place this $3 import fee which will have a drastic effect on prices throughout our economy. Then if the Congress comes forth with an alternative policy, which I believe we will, it will not have an inflationary impact but will restrict the flow of petroleum into this country in an orderly way but not through the price mechanism. However, if the President has in fact through his action increased the price structure in the economy and we then impose a more orderly procedure that is not inflationary, the evil will have already been done. Prices and energy costs will have already increased. All of us who have lived through these inflationary times know all too well that once we get an increase in price and once we get the inflation, we are not going to recapture lower price levels.

So I think the President is doing a grave disservice not only to the consuming public of America, to those who pay airline tickets, and who buy fertilizer, all the things in which petroleum is part of the price package, but also in my judgment a grave disservice to the constitutional system.

Congress itself should be making this basic policy decision. There is not any energy policy unless we act. I think it is most unfair and I think it is most unwise for the President to move unilaterally to try to preempt policy, and that is why we have before us this bill that would stay the hand of the President for 90 days.

I ask for the support of Members in passing this bill. I hope it will be overwhelmingly passed.

There is no intention, again, of causing a confrontation. I met with the President twice, and I told him I would meet with him as often as necessary to obtain a constructive solution. Even now, after imposition of the first layer of import fees, there is no reason why in the world we cannot have an accommodation. What the people of America want is a sound policy. They want answers to our problems. They do not want confrontation. It will be doing our country a great disservice if we get ourselves into a posture of bickering between the two branches of Government.

My good friend, the gentleman from California, says he might introduce an amendment that would allow the President during this period of time to impose quotas even though we restrict him on import fees. I do not think it would be a disaster to pass that amendment, but I do not think it is really proper under the circumstances because a 90-day period of time for the Congress of the United States to make policy is not too long a time.

We have gone on for months and years and the President has not acted, and now all at once he refuses to stay his hands for 90 days when we are saying to him, "Give us 90 days and we will give you a policy."

I recognize that we have not in the past been fully responsive, and those of us in the legislative branch, I think, will agree.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, this is a new Congress. This is a Congress fully aware of the problems of this Nation. The problem of recession, for example, is of major concern, and we are moving immediately on the tax reduction package of major proportions to accommodate that problem. We hope to have it on the floor of this House very shortly. We will then move immediately to an energy package. While the Committee on Ways and Means is considering its portion of the package, we will attempt to coordinate policies throughout the other portions of the House.

It is our intention to move more rapidly than we have ever moved before in a new national policy area and get a bill on the floor of the Congress within 45 days, or 60 days at the most, from the time it takes to get it out.

This Congress, the 94th Congress, will be responsive. All we are saying to the President is to give us 90 days, put the burden on us and we will produce a sound energy policy; but do not preempt our policymaking by placing us into a mechanism that will, through additional inflation, do grave disservice to the country at this time.

Before I discuss each of these points in detail, let me anticipate a question that has been asked a number of times. That is, why is the Committee on Ways and Means seeking to set aside a part of the President's energy program at this time when the committee has no alternative energy program to offer? I believe the answer is relatively simple. The President has no energy program until the Congress enacts it. In fact, there are any number of elements in the President's program over which there are honest and very wide differences of opinion throughout the country. It is the responsibility of the Congress to examine the options open to us.

The Committee on Ways and Means does not have jurisdiction over all aspects of the energy problem. However, if we stand aside, we will permit the President to commit the Government to the type of broad energy tax program depending heavily on the price mechanism and built on the petroleum import fee action. As a result, other committees may well be foreclosed from developing legislation in their own areas of jurisdiction. This is not appropriate, and it must not be allowed to happen.

The point is, Mr. Chairman, we are being responsive to the President. We do have the double challenge of inflation and recession as well as energy problem. The Committee on Ways and Means is meeting and will continue to meet day and night to report to this House needed tax reduction legislation. We intend immediately to turn our attention to the energy problem and report back to the House on that matter as soon as possible.

No, we do not have a complete alternative to the President's energy proposals to present to the House today. We do ask favorable consideration of H.R. 1767. Enactment of this bill will preserve the possibility that, just as always, the President's program can be greatly improved upon not only by the Committee on Ways and Means but by other committees of this House.

FULL AGREEMENT ON NEED TO REDUCE IMPORT DEPENDENCY

Every Member of the House certainly agrees that we need to reduce our reliance on foreign oil. There are, however, any number of approaches that can be taken to achieve that goal. Not all of the alternatives rely on the import fee on petroleum proclaimed by the President on January 23. Not all the alternatives require an immediate and across-the-board increase in energy costs that is implicit in the President's program. It is ironic that we seemed to have relied on the authority Congress delegated the President some 20 years ago in section 232 of the Trade Expansion Act to prevent imports of petroleum from impairing the national security. For any number of reasons, the results have been increased dependence on foreign oil. It is time Congress resumed its constitutional responsibilities and enacted legislation to assure that foreign oil will account for a decreasing share of our energy consumption.

PRESIDENT'S EMERGENCY ACTION UNNECESSARY

The President's proclamation is said to constitute at least some action to reduce demand for foreign oil, and that his early action will help to achieve the goal of 1 million barrels per day reduction in consumption during 1975. I am not convinced. The figures on just how the reduction will be achieved rely heavily on the enactment of an excise tax on domestic petroleum, including products and on natural gas, plus price deregulation. The minimum import restraint achieved by issuing the proclamation and imposing the $1 to $3 per barrel import fee and not waiting for legislative action can hardly be measured. This is not a short-term crisis we face, but a long-term challenge.

The very nature of the investigation and finding by the Secretary of the Treasury belies the necessity of the unilateral action by the President.

Rome was not built in a day, nor are the important factors which go into a national security action on imports analyzed and placed in perspective and the appropriate action decided in 10 days. At 7 million barrels of oil imports per day, the $3 per barrel fee is the equivalent of a $7.7 billion tax increase, in this case by a proclamation by the President. Matters of this magnitude, particularly involving the equities of the divergent burdens of energy cost, demand much more careful consideration and decisions by the Congress. I remain unconvinced that the unilateral action by the President was either warranted or soundly based.

PRESIDENT'S PROGRAM IS INFLATIONARY

I am convinced that the President's energy tax program is inflationary, much too inflationary for the economy at this time, and just as disappointing are the severe recessionary aspects of the proposals.

The administration has indicated that the entire energy package is expected to cause a one-time increase in the price indexes of approximately 2 percent. This Treasury Department estimate combines the primary and ripple effects of the total $30 billion energy conservation taxes and fees package. Therefore, the administration considers the potential inflation impact of the oil import fee portion of the energy package to be small.

Other estimates are far more pessimistic. A January 1975 Library of Congress Congressional Research Service report indicates that all elements of the administration's energy program in the aggregate could cost at least $50.3 billion in 1975. Given an anticipated 1975 gross national product of $1,500 billion, the program could raise living costs by 3 percentage points, assuming complete pass through of the sum to final prices. Directly, before consideration of secondary or ripple effects, the energy package will raise the rate of inflation from an estimated 6 to 7 percent to 9 to 10 percent in 1975.

Energy costs are marked up through layer upon layer of the manufacturing, distribution, and retailing systems which results in products embodying energy having their prices raised by more than the actual increase in energy costs. Many wages and other payments like social security are tied to the change in prices, hence, compounding the rise in energy prices' effect on the general price level. The ripple effect is estimated to be 1.5 to 2 times the primary effect, implying that, potentially, the administration's total energy package's primary and secondary effects could cause 1974's 12 percent inflation rate tc continue through 1975.

It is quite clear that the negative impact of the $50 billion increase in energy costs on effective demand for other goods has been underestimated by the administration.

This was reflected in an unusual consensus among economists appearing before the Committee on Ways and Means.

Let me summarize statements by a few of the economists regarding the energy tax proposals:

R. A. Gordon, University of California and president, American Economics Association: Believes that the President's overall proposal will have a depressing effect on production and employment while being inflationary throughout the economy.

Argues against exclusive reliance on the market-price system to allocate necessary fuels.

Paul A. Volcker, Woodrow Wilson School of Public and International Affairs, Princeton University: Views a sudden $30 billion energy fiscal package as being uncertain in its impacts, with at least a short run drag on the economy while at the same time causing prices to rise.

Agrees with the President's long-term goals and the emphasis on price and market mechanisms, but that it would be too much for the present economy.

Philip M. Klutznick, chairman of the Research and Policy Committee, Committee for Economic Development: Maintains that the President's proposed energy taxes will raise prices on gasoline, fuel oil, electricity, et cetera, and will increase the average family's energy bill by $250–$300 a year. Feels that there is risk that the overall inflationary impact of the package will be substantial, after taking into account its indirect impact on costs and prices, including multiplier effects on wages and other costs of business.

Michael K. Evans, Chase Econometric Associates, Inc.: Argues that the President's proposed energy program has no redeeming features, except for the proposed deregulation of oil and natural gas.

Indicates that the President's program will reduce the rate of growth in the first half of 1975 because of higher oil prices without having an adequate offsetting fiscal stimulus.

Charles L. Schultze, the Brookings Institution: Feels that although it is important to reduce our dependence on oil imports over the next 5 years, it is not a necessary condition now for economic recovery. Asserts that the most needed action is an economic recovery, and that the President's import fee will seriously affect any recovery program by siphoning off $800 million a month by April 1—$10 billion a year—from consumers which will almost negate the impact of the proposed tax rebate.

Joseph A. Pechman, director of Economic Studies, the Brookings Institution: Considers the proposed taxes on petroleum to be an ill-advised approach to the energy problem because such taxes will be counterproductive by causing prices to rise substantially; and secondly, they will depress demand because the $6.5 billion in corporate tax rate reduction will have little effect on corporate spending in the short run.

Walter W. Heller, University of Minnesota: Notes that the quadrupling of oil prices is now siphoning off some $30 billion a year from consumers while adding about 3 points to the rate of inflation. Maintains that the President's proposed energy tax program would deal a double blow against the economy by boosting inflation and worsening the recession.

Arthur M. Okun, senior fellow, the Brookings Institution: Endorses the separation of the antirecession tax package from the more complex issue of energy taxes. However, contends that if the import fees go into effect and oil prices are decontrolled before income tax offsets can be enacted, there will be a substantial drain on the economy. If the President does not delay such action, recommends that the Congress restrict the President's statutory powers over tariffs and mandate the continued price ceiling on domestic oil.

AT ISSUE ARE LEGISLATIVE GUIDELINES OR DECISIONS BY EXECUTIVE FIAT

Although H.R. 14462 of the 93d Congress did not become law, section 204 of that bill would have amended section 232 of the Trade Expansion Act to prescribe criteria for, and to limit the use of, restrictions on the importation of petroleum and products derived from petroleum which may be imposed by the President under section 232. Thus, the nature of the proposed action forcefully indicated the committee's interests and views on these matters which, in effect, were ignored by the Secretary of the Treasury in his section 232 investigation and in the action taken by the President.

The existing license fee system and the import fee system proclaimed January 23 establishes a separate taxing mechanism, defining taxable units and categories of goods, determining equities among taxpayers based on assumed special circumstances, and assigning revenue collection responsibilities. The whole revenue and tariff system established by the President is outside the tariff and customs law and the Internal Revenue Code, and none of the criteria and guidelines for administering the system has been approved by the Congress.

Even at the low level of the license fees—$0.21 per barrel of crude—the future revenue was significant enough to cause the committee last year to drop the provisions of section 204 of H.R. 14462, mentioned above, from a tax bill it reported later in that session due to the revenue loss it was estimated could result from the enactment of statutory criteria on the imposition of import license fees on petroleum.

The long and continued use of such a broad authority as section 232 in the exercise of basic legislative functions of raising revenues and regulating commerce erodes the authority of the Congress and prevents it from fully exercising its constitutional responsibilities.

THERE ARE PREFERABLE ALTERNATIVES TO THE PRESIDENT'S ENERGY TAX PROPOSALS

There can be no doubt that in suspending the President's national security authority and negating his recent action under it with respect to imports of petroleum, the Congress is assuming a heavy responsibility to propose and enact an energy legislation. The Committee on Ways and Means intends to develop as soon as possible and to cooperate with other committees in developing a sound energy program, hopefully, in cooperation with the President. Certainly it cannot be done effectively if Congress must act under the leverage of executive action which increases basic energy costs through import fees with no opportunity for the Congress to choose more selective cost increases through the tax system. By its action of favorably reporting H.R. 1767, the Committee on Ways and Means is accepting its responsibility to develop and report to the House as expeditiously as possible legislation on petroleum and petroleum products—both imports and domestically produced—that is responsive to our energy requirement and coordinated with broad tax changes that are needed to stimulate economic activity and alleviate the inequities stemming from the inflationary pressures of the past year and a half.

In order to carry out those responsibilities effectively, the Congress must enact H.R. 1767 and assume a full partnership with the President in this area of great concern.

For the reasons stated above, I ask that the House approve H.R. 1767.

Mr. SCHNEEBELI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I oppose this legislation because I strongly believe that the President should not have his authority to adjust import license fees taken away from him, in view or a very real national security finding and in the absence of any alternative course of action.

H.R. 1767 is loaded with irony, as well as danger. Its sponsors would tell the President he cannot implement a key part of his plan to reduce our reliance on imported oil, yet they have no cohesive suggestion about what to do instead, except wait—but for what and for how long?

Mr. Chairman, there have been quite a few issues raised with respect to the authority under which the President acted to implement his duty increase. I would like to review that authority with my colleagues.

In 1955 the Congress approved a trade bill, including a "national security provision," giving the Chief Executive, in the interest of national security, the authority to use quotas, license fees, duties, or other imports adjustments. This authority was reexamined in development of the Trade Act of 1962, and was incorporated in that legislation as section 232.

Again, in the 1974 trade bill, passed just last fall, this authority was further reviewed, and the language relating to Presidential action was retained intact. Indeed, after almost 20 years of experience, that language has not been altered in any substantial way.

Now, what implementation has been made of this authority? In 1959 then President Eisenhower issued a proclamation, establishing quotas, because at that time heavy and cheap imports of oil into the United States were knocking down domestic prices, and endangering the capability of home industry to find and produce enough fuel to meet national needs.

In 1973 the quotas were replaced by license fees, with the fee on crude oil placed at 63 cents a barrel. That is equal to a cent and a half a gallon.

The action taken by the President in establishing these fees was not challenged by the Congress at that time. So, the question is, when the President wants to implement a policy already established, why this sudden questioning of his authority to do so, especially in view of the fact that authority has been reviewed repeatedly by the Congress and retained intact.

The Attorney General has stated, as was noted by the gentleman from Illinois (Mr. ANDERSON), that the action taken by the President was in full compliance with the law.

Now, just what is the thrust of the President's program? To what is it addressed? What are the basic problems involved?

The program goes directly to three problems of highest priority: The problem of recession, the problem of inflation, and the problem of energy conservation. In brief, the President's approach to the problem of recession includes a rebate of 1974 taxes in the amount of about $12 billion. This would be given back to taxpayers as early as May of this year. At the same time, business expansion, leading to more jobs, would be enhanced through an increase in the investment credit.

With respect to inflation, the President requested action on a series of energy taxes, estimated to yield $30 billion of annual revenue. This money would be returned to the economy through a major tax reduction, thus putting more money in peoples' pockets on a permanent basis. Reflecting a concern for inflationary problems, this package is balanced between income and expenditures.

The third problem, energy conservation, would be addressed through the higher price that would result from increased license fees. The price would discourage consumption and at the same time encourage the development of alternate sources of supply.

So, the President's broad and comprehensive program would address itself to three of our greatest problems—recession, inflation, and energy conservation—and the $1 additional license fee that he has imposed, and which we ask the Members to endorse, is merely the first step in implementing this program.

I would like to emphasize that under any effective program, whether devised by the Congress or the President, the price of oil is going to go up. Whether we have an allocation system, rationing, import quotas or a combination of any of these, the price of petroleum products will rise. We have enjoyed for many, many years low energy prices in the United States, but that era has come to an end, regardless of the program that we adopt.

Mr. Chairman, there has been ample time and opportunity for the Democratic majority in the Congress to develop a workable alternative. But none has materialized and as far as I know none is imminent. Meanwhile, our dependence on foreign supplies continues mounting, along with uncertainties about the stability of those supplies.

We now import about 40 percent of our total petroleum consumption, and most of the countries selling to us are organized into a cartel which has maximized prices at a level four times that which prevailed prior to the 1973–74 embargo. More than $2 billion are leaving the United States every month to pay for that oil—a loss which steadily weakens us economically and politically.

I submit that in these circumstances prolonged inaction is dangerous. The President has presented a carefully constructed program designed to remove us from an an energy quagmire. It is a tough and demanding program, and parts of it may very well be unpopular. But there are no easy ways out—a harsh fact which the Democratic majority in the Congress undoubtedly has discovered and which may be in part responsible for the lack of a viable alternative at this time.

Without a better plan before us, Mr. Chairman, the President should be allowed to proceed with his program without delay, for the good of us all. His action would not preclude the Congress from proposing revisions, or even a completely different approach, if we indeed are able to develop one. On the other hand, each day which we waste in doing nothing increases proportionately our vulnerability because of our reliance on imported oil.

The American people have made it clear that they are anxiously awaiting the implementation of a sound and comprehensive program to reduce our vulnerability, and I believe they are pleased that the President has come forward with such a program. H.R. 1767 would thwart not only the President's efforts in this regard, but the public will as well.

Mr. Chairman, I urge my colleagues to defeat this bill as presented to the House.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Chairman, when this bill came to a vote in the Committee on Ways and Means, I supported it with some reluctance. I was concerned that in our debate on the bill, too little time was actually spent discussing the actual merits of the President's import fee. I was concerned as well, that attaching the debt ceiling extension to this bill would further cloud the consideration of this important energy issue.

Now that the Rules Committee has made in order separate votes on these issues, it will be easier to debate the actual suspension of the President's power to impose import fees on petroleum.

I consponsored H.R. 1767 because I felt that the President's plan to increase import fees on crude oil would impose tremendous economic hardships on many American families. This would be done without producing any significant decrease in the level of crude oil imports. In my opinion, the increased fee did not increase the economic disincentive necessary to force the American consumer to alter his present purchasing habits. In fact, probably the only product whose price would increase sufficiently to force consumers to change their habits would be home heating oil, home heating oil that is distilled from foreign crude. But, as has been consistently pointed out by my colleagues from New England, there is presently no alternative to this home heating oil for those consumers.

My support for this bill is based on the premise that if we want to impose economic incentives to discourage the use of petroleum, this must be done in a way that will force consumers to alter their spending patterns on products for which the demand is somewhat flexible. I feel that the President's import fee is not the economic incentive that would accomplish this.

Rather, in my opinion, it is necessary to take steps to directly curtail the use of gasoline—the one oil-based product in this country in which significant consumption curtailment can be achieved without massive economic disruption. While I personally favor a strong economic disincentive to the use of gasoline, I could support any alternative that would effectively eliminate wasteful gasoline consumption and as a result, decrease the need for crude oil imports.

Mr. Chairman, the passage of this legislation today will give us 90 days in which to form our own energy program. In this time, the Congress must act, for the American people are tired of hearing endless discussions of this issue. So, I hope that we in the Congress can come together behind a unified program to meet this present crisis. For, if we do not, I for one will feel obligated to support the President in his approach in solving our present energy crisis.

Mr. SCHNEEBELI. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I hope my colleagues will think carefully about the consequences of their votes on H.R. 1767. I oppose the bill, because I feel it is a negative reaction to a positive program.

Certainly no one in this Chamber is likely to argue that all is well with respect to our fuel supplies. We face critical problems in this regard—problems which have grown in dimension and in number over the past several years. Virtually everyone in the Nation is aware, in varying degrees, of a need for concerted national action to meet these problems head on.

The President has responded to this need with an integrated program, a key part of which is the imposition of a higher import license fee on foreign petroleum. He took this step after careful deliberation and after a finding by the Secretary of the Treasury that imports of oil were indeed threatening to impair the national security.

In reaching his determination of a threat to national security, the Secretary ordered an investigation, which involved consultations with and advice from other Cabinet members and agency heads. He was directed to do this by section 127 of the Trade Act of 1974, and it is worth noting in this connection that both the Secretary of State and the Secretary of Defense have found conclusively that petroleum imports do in fact constitute a threat to the national security.

Section 127 also states that the Secretary may, if he deems it appropriate, hold public hearings or otherwise afford additional interested parties an opportunity to present information and advice relative to the investigation. The Secretary decided in this case that it would be inappropriate to follow such procedures, because he believed that national security required an immediate determination and action on oil imports. The language of the section in this regard is plainly permissive and the Secretary, who was in command of the facts disclosed by the investigation, exercized the judgment which the law unmistakably allows.

The President, in acting on the Secretary's finding, exercized the authority granted him under section 232 of the 1962 Trade Expansion Act. This is a relatively old provision of law dating back to the Trade Agreements Extension Act of 1955.

Known as the "national security provision" of our trade laws, the section states that unless the President disagrees with a finding that imports of an article are—

> In such quantities and under such circumstances as to threaten to impair the national security . . . He *shall* take such action, and for such time, as he deems necessary, to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

The original language with respect to Presidential action was added by the other body to the 1955 act, and both in the committee report and in floor debate, congressional intent was made clear that the President could and should take whatever action he believed necessary to adjust imports of the article in question.

During the long life of this provision, many requests to use it have been filed and numerous investigations conducted, but the Presidential action has been taken only on petroleum imports.

Following a 36-day investigation in 1959, President Eisenhower issued Proclamation No. 3279, which established our oil imports control program. At that time, foreign shipments of petroleum were low in price and at such levels that the capability of domestic industry to find and produce enough oil to meet national needs was in jeopardy. As a result, quotas were used to restrict incoming shipments.

Over the years, oil supply conditions changed materially, and early in 1973, quotas were replaced with a license fee system. Heating oil had been in short supply during the preceding winter and there was a strong possibility that gasoline supplies would be inadequate the following summer. A Cabinet task force studying the problem found that quotas no longer served the national interest, that they were unduly limiting imports at a time of impending shortages and were no longer an essential device to stimulate increased investment in domestic exploration and production. The administration felt that a license fee system would result in increased foreign supplies sufficient to meet current needs yet would at the same time maintain adequate controls on imports for national security purposes.

Now, in the wake of the well-remembered Arab oil embargo over a year ago and the subsequent increase of imports following its end, our national position with respect to oil supplies has taken another new turn.

About 4 out of every 10 barrels of petroleum we use now comes from abroad, and only a small portion of these imports can be considered secure from interruption in the event of a new political or military crisis. Most of the exporting countries have formed a cartel which, in addition to having the capacity to control shipments into the United States at any level, has helped bring about an oil price level which is roughly four times that prevailing prior to the embargo. Funds to the oil producers are flowing out of the United States at an annual rate of about $25 billion, and partly as a consequence our trade balance has sunk to the lowest level in years.

In view of these facts, it seems to me that the only conclusion the President could have reached was that immediate action was needed to reduce our reliance on imported petroleum and that a failure to take such action would add to the threat to our national security.

Mr. Chairman, I think it is significant that our oil imports control program has been continued for 15 years, under five Presidents, using both quotas and license fees, and the Congress has not enacted legislation during this time to alter that program.

The Attorney General, in a letter to the Treasury Secretary confirming the legality of administration action, pointed out:

> The force of congressional acquiescence in this practice is particularly strong since Congress has during that period, twice amended the very provision in question—the last time only a month ago.

Mr. Chairman, it is clear that the President acted pursuant to the law, in response to public need and demand, and in the face of a threat to our national security. Those who would postpone the implementation of his program through H.R. 1767 have no reasonable, comprehensive plan of their own.

I realize that I have dealt a good deal here with the legalities of our situation. I think we can spend too much time talking about legalities.

The concern that many of us feel goes beyond the uncertainties afflicting our citizens lacking a comprehensive energy policy. We should also be concerned with our posture in the world as a free people. Clearly, our national security concerns here are real. Not only do the potentates presiding over the oil supplying countries have the capacity to shut off oil at the wellhead, but our supply lines can be disrupted in many ways by our potential enemies in the world.

However, our problem goes beyond the long-range protection we must provide for our national security. Our position is one of potential leadership in an oil-consuming world that is trying to pull itself together.

Any effort by the oil-consuming world to counter the operations of the oil cartel requires some sort of united front on our part. The United States is going to have a very poor claim to leadership in dealing with this threat if we now back down from an obvious step to reduce consumption of imported oil. The oil-producing countries are very likely to increase the price of oil as long as they feel we are incapable of concerted action. They have raised the price of oil twice since the embargo, and they will do it further if we demonstrate weakness at a time like this. Congress should consider what sort of signal it is sending to OPEC countries if it repudiates the President on his constructive action. And what signal does it send to our consuming allies, as well?

Mr. Chairman, I believe there are real dangers inherent in delaying positive action. It is 15 months since the embargo. I urge the House to vote down the bill before us and allow the President to move forward in the exercise of the powers we have given him. Approval of H.R. 1767 would constitute, in my opinion, a tragic step backward in our effort to achieve a safer level of self-reliance in energy.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, I heard the distinguished gentleman from New York suggest that the President's first tariff increase is an obvious move to reduce consumption.

I hope that this bill passes and that it is signed by the President, in which event we will never know whether Mr. CONABLE is right or not. However, if that eventuality does not come to pass, I think the last thing that will occur as a result of this first step of self-propelled action by the President is to reduce consumption one whit.

This step will raise prices. The fact of the matter is that there is no consensus in this country any place as to what the energy package ought to be—not in the Congress, not among the public, not among the experts; and not among the people in the administration.

During the testimony on this bill and on other bills before the Committee on Ways and Means, it was very clear that there are divided voices within the administration itself as to what we ought to be doing. If the President's program were adopted in its entirety, there have been estimates by some of the best economic experts in the country that it might add as much as five points to the rate of inflation.

Think of that, Members of the Committee. Are we really in such an economic position that we could add an additional five points to what has been such a deeply disturbing rate of inflation in this year? I am sure the President does not seek this result. The fact of the matter is that there are many who believe that this is merely a step toward escalating the "chicken war" with the Congress.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I am glad to hear the gentleman in the well raise this point. As I recall, the price of oil was raised from about $3.40 in the spring of 1973 to about $7 average in the early part of 1974, which generated approximately 3 percentage points of inflation at that time. But what we are talking about here is a possible increase from about $9 average to about $15 average, and to hear people talk, as I heard this morning Mr. Greenspan speak in terms of a 2-percent increase in the face of that history seems to me to be wholly without basis.

Mr. MIKVA. Mr. Chairman, the gentleman from Texas is absolutely correct; there is no question that the previous inflationary problems were accelerated and aggrevated and escalated by the increasing costs in energy. And the proposals here, if the entire program were instituted, would make that last increase in the cost of energy look like a modest increase by comparison.

Mr. Chairman and members of the committee, if a program is to succeed then it is going to need support from everybody in the country. One part of that support that will be needed is from a Congress that agrees with the Executive as to where the best program can be found.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I thank the gentleman from Oregon for yielding me this additional time.

Mr. Chairman, I believe that the chairman of the committee, the gentleman from Oregon (Mr. ULLMAN), laid it on the line very clearly when he said that we are asking for a 90-day suspension; not a stall, as many of the Members have most assuredly made it clear, and if we cannot come up with the beginnings of a program within 90 days then we have no alternative but to let the President work his will. But I can assure the Members that if the President were told that the Congress could find an answer so as to do something about a program that the administration really wants, that I cannot believe for a moment that it would be a program that would add the level of acceleration to our inflationary problems that this program would add.

I cannot believe that the administration has no other answer, other than one that would clearly escalate the very serious problems of energy costs and increase the rampaging inflation.

So, if we cannot find the answer in 90 days then we have to let the President work his will.

Ninety days is not an unreasonable amount of time.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, as the first sponsor of antitariff legislation in the 94th Congress, I rise to speak in favor of H.R. 1767, a bill to suspend for 90 days the President's alleged authority to impose a tariff on oil imports.

I am pleased to report that my own bill, H.R. 315, which would amend the Trade Expansion Act to require the President to get the approval of Congress before proposing an oil tariff, now has 50 cosponsors. I would urge the distinguished chairman of the Committee on Ways and Means to give this bill his further consideration.

Mr. Chairman, there is no region more affected by the tariff than New England. And there is no region that has given it closer attention. I have studied the possible impact of the tariff on New England, and I am deeply troubled. Let me tell you why.

In New England, three-fourths of the

homes are heated by oil burners. The fuel they consume is 75 percent imported. Electric utilities in my region generate 80 percent of their power by burning oil, almost all of which is imported. So overall, New England is 80 percent dependent on oil. Any increase in the price of oil means a sharp jump in inflation, unemployment, business failures and loss of consumer buying power. For New England, the tariff is both inflationary and recessionary.

The tariff means serious trouble for charitable organizations. The Boys' Club in Pittsfield, Mass., my home town, is one example. Its fuel bills have risen by $13,000 in the past 2 years. The tariff would hike it another $10,000, making the Boys' Club devote over one-fifth of its budget just for fuel. This would mean the end of the club's ice hockey, skating, swimming, and basketball programs.

For the 2 dozen independent colleges and universities in Massachusetts, the tariff would mean sharply higher tuition fees. These schools suffered higher fuel costs in the past year that averaged out to $100 per student. The tariff would add another $50 to $70 in per-student costs. Being tax exempt, private institutions like schools and hospitals would get none of the higher fuel costs back as a tax rebate.

For industrial firms that consume residual fuel, the tariff would mean another 25-percent hike in energy costs. In the past 2 years, their fuel bills have tripled. For many of the small, established paper, textile, and hand tool companies in New England—already plagued by high operating costs and taxes, OSHA and EPA clean-up laws—the tariff may be the final blow that puts them out of business.

I am very concerned about the impact of the tariff on home heating oil consumers. Their price for fuel has doubled in the past 2 years. It now costs between $110 and $150 a month to heat the average home. The tariff will add on another $14 to $20 a month. I already see the first stages of a chilling prospect. If the tariff goes through, by the end of this winter, 30 percent of fuel oil consumers in New England will be forced to pay "cash on delivery."

I am concerned about the impact of the tariff on our hopes to build new oil refineries in New England. With the so-called tariff rebate, the administration attempts to ease the impact of the tariff on product imports. But by slapping a $3 a barrel tariff on imported crude oil, the prospects for building a refinery in New England—and we now have two projects well along now in the early planning stages—are hurt.

The impact of the tariff on electric utility bills will be devastating. In my district there are thousands of new "all-electric" homes. When they purchased them, the new owners were promised years of cheap electricity, based on the promise of abundant nuclear energy in New England. The hopes for atomic power have dimmed since then, and electric bills for these people have jumped alarmingly.

Let me give you some examples:

In the past year, the monthly electric bill from December 1973 to December 1974 for John Bys of Easthampton, Mass., rose from $80 to $150. Almost all of that was due to the increase in "fuel adjustment" charges. For his neighbor, Rogers Madison, the December electric bill jumped from $72 to $126. For John Pistana on the same street, the same bill increased from $57 to $113. I could go on with thousands of examples.

Each of these homeowners has seen his electric bill double in just 1 year. He now pays almost as much for electricity in the winter as he pays for his mortgage.

The tariff would increase the monthly electric bill of each of these owners of "all-electric" homes by 20 percent. John Bys would be paying $225 a month—just to keep his home at a minimum temperature in the 60's. After paying his mortgage and utility bills, what will he have left to live on?

These are some of the reasons why I am worried about the impact of the tariffs on New England.

Higher fuel prices would not conserve fuel in our region, because we are already at minimum consumption. Tax rebates would not cover more than half the income spent on higher fuel prices. New England is in economic trouble. We need time to come up with reasonable alternatives. That is why we need a 90-day deferral of the tariff.

So I urge my colleagues to support this bill.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I urge adoption of this legislation which would postpone for 90 days, the President's unilateral action imposing a $1 per barrel fee on imported oil. An import fee of this dimension constitutes a tax and clearly intrudes upon the constitutional right of the Congress to impose taxes.

The imposition of the $1 import tax is the first step in the President's energy plan. It is the first step in what I believe is a blueprint for economic disaster. It is the first step in the incredible plan to increase the cost of living by a staggering $120 billion.

If we permit the imposition of this $1 tax to go forward, we will immediately see the price of oil—which is distributed around the Nation on a weighted average price basis—begin to climb. Other forms of energy, which follow the price of oil, will begin to increase. For example, in 1973, the average price of a ton of coal was about $8.50. Last year, the average price was about $15. Coal will soon be quoted at $30 per ton. As the oil prices rise—so will coal, natural gas, and uranium prices.

The President's proposal, of which the import fee is the first step, moves in one clearcut economic direction—the decontrol of prices on old oil and the deregulation of natural gas. The President's approach is designed to create a reduction in oil imports and gas demand by permitting drastic increases in price. In a time of crisis and shortage he endeavors to turn the problem over to the energy industry by giving it drastically higher prices and profits on the theory that a free market will produce conservation and new supplies.

However, there can be no free market in a scarce, essential commodity controlled by so few. Today, 64 percent of the crude oil reserves are controlled by eight companies. In his statement, President Ford charges the OPEC nations with rigging the price of oil by establishing a price cartel, and then he proposes to raise the price of old domestic American oil to the level of what he himself says is a price rigged by the OPEC cartel.

In the year following the Cost of Living Council action which increased the price of old oil to $5.25 per barrel, the consumer paid about $31 billion more for all forms of energy. The total consumer cost of oil and petroleum products rose from an estimated $56 billion in 1972 to $74 billion in 1973 and to over $102 billion in 1974. If the President immediately prevails in his efforts to decontrol old oil, the price can be expected to escalate to $11 plus the proposed excise tax of $2 per barrel, or a total of $13 per barrel. The import tax will equalize the foreign oil price at the same levels. The pass-through of these prices along the energy stream will increase energy costs to the consumer by more than $100 billion. There can be no retreat of inflation in the face of this circumstance.

The $13 per barrel oil will increase the costs of everything we buy and need. The costs of freight and passenger transportation will soar. The costs of fertilizer and food will multiply.

The President's proposal will create horrendous windfall profits which his rebate plan will never offset. The average consumer costs will bear little relationship to the insignificant rebate proposal. The horrendous windfall profits are very likely to escape the tax collector. It has yet to be proven that Congress can pass a meaningful windfall tax program. As these prices anger the consumer, pressures will develop for the elimination of the excise taxes and the import taxes on which the promised rebate or tax reduction is based. The best way to deal with windfall profits is to prevent them from occurring in the first place. There is every likelihood that the Nation will be left with high petroleum prices, high windfall profits to the petroleum industry and increased Federal deficits.

The President's program guarantees continued high inflation and imposes a crushing burden on the consumers at every point along the energy stream. Those who conserve energy are penalized to the same degree as those who waste. His program imposes a special burden on homeowners who have no alternative source of energy supplies for home heating and little capital for realistic conservation measures.

I believe that the Congress can come up with a better idea. As a deliberative body of two Chambers, composed of 535 Members, we must have time, and 90 days is not too much, if we are to prevent a compounding of our economic disaster.

The passage of H.R. 1767 will give the 94th Congress a reasonable time in which to act.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, in the brief period since the President announced his plan for reducing our energy imports, his program has received some muted praise and a great deal of much louder criticism.

The most popular alternative to his program, to judge by some of his most vocal critics, seems to be gasoline rationing. Many people believe—or profess to believe—that this is the only equitable way to reduce our energy consumption.

On the surface, rationing seems a reasonable proposition: Since we need to cut back on the amount of fuel we use and since we should share the sacrifice fairly among us, the idea seems to be that we should just limit every driver to the same amount of gasoline and require anyone who wishes to use more than that amount to buy extra coupons in an open market from those who choose to use less gas. What could be fairer than that?

Well, a closer examination of the details of such a program suggests that almost any alternative would be fairer, and not only fairer but more effective as well.

One of the first things to keep in mind is that this system will not prevent the price of gasoline and of other petroleum products from rising. Furthermore, a rationing program is estimated to allow each driver only about 36 gallons of fuel per month, based on an overall reduction in imports of 1 million barrels per day. Additional coupons would probably cost about $1.20 each on the open market, as consumers would vie for the right to buy the limited remaining supply.

For each gallon of gasoline over the 36-gallon limit then, the effective price, after the driver has actually paid for his gas at the pump, would be about $1.75. Therefore, the large majority of Americans, whose gasoline use averages 50 gallons a month, would find their overall gas costs increased from about $27 to $44—more than 60 percent. In effect, for them, the price of gas would have risen to almost $0.90 a gallon.

Another cost factor involves refinery engineering. Briefly stated, American refineries are constructed to use about 43 to 47 percent of every barrel of oil to produce gasoline. The remaining amount becomes heating oil, residual oil, and other products. This ratio cannot be changed without substantial rebuilding of refineries involving massive expenses. To achieve our goal of reduced consumption under a rationing program, refiners would be compelled to cut back their production of gasoline to about 90 percent of its present level. Reducing gasoline production, then, would mean reducing the production of other fuels by a proportionate amount. The country would have to rely increasingly on expensive imported products—middle distillates, and so forth—to make up the deficit and the prices of these products, of course, would rise.

However, we do not need to go into these complicated calculations—to crawl among the catalytic converters and fractionating towers of a refinery—to see why gasoline rationing does not present a solid answer to the energy problem.

In the first place, it simply does not cover enough ground. Gasoline consumption represents about 40 percent of the Nation's total petroleum use. If we control the consumption of only this 40 percent, we ignore such fruitful areas for conservation as improved industrial efficiency, better construction and insulation of buildings, and less wasteful use of electricity and natural gas. We cannot be independent unless these other petroleum uses are also dramatically reduced.

Another point to keep in mind is that individuals and industries dependent on gasoline would suffer disproportionately under a rationing program. It would be far fairer and more economically sound to spread the effects of reduced consumption across the spectrum of all consumers and industries in the country.

Even the most successful rationing program would be, at best, a short-term and temporary solution to our energy problems. What we need today is a comprehensive program which will encourage conservation as a way of life, not a program which is in itself an invitation to "beat the system." In order to accomplish our long-term goal of independence from foreign energy sources, we need to expand our own energy production. A rationing program contains nothing that would encourage increased domestic production, and offers no incentive whatever to explore and develop alternate energy sources.

But perhaps the strongest argument against gasoline rationing as a measure to solve the energy problem is the complete impossibility of constructing a fair program. Even the costly and cumbersome bureaucracy which would be needed to administer a rationing program would not be able to give everyone an even break. So varied are our lifestyles and needs that any regulation must immediately have hundreds of exceptions.

In one family, perhaps both parents and three teenagers, all licensed drivers, would be eligible for ration coupons. If the young people used their gasoline to drive to school instead of taking the bus, would it be fair for them to have it? If, on the other hand, they all had part- or full-time jobs, would it be fair for them not to have it?

And, what of a widowed mother of three young children who supplements income from her full-time job on one side of town with earnings from a part-time job on the other? If her one set of coupons were insufficient to handle her driving to and from work, would it be fair to force her into the marketplace to buy additional coupons at an estimated $1.20 each?

Inequities of this sort would abound under even the best constructed of rationing programs. Then, too, there would be geographical discrepancies.

People living in the sparsely populated West need more gasoline than people in the densely populated areas of the East, and would endure undue hardship as a result of rationing.

It would be literally impossible to construct a program that would have equitable impact throughout our society. Why then, should we be eager to embrace the idea of gasoline rationing as a cure for our energy problems?

What America needs now is a comprehensive energy program, one which will provide both short- and long-term solutions to our dependence on foreign energy sources, and one which will be as equitable as possible to every citizen. President Ford's proposals may not, in all their parts, be the answer—we must take them up, consider them, and accept or reject them. But we must not ignore them from the very start and opt, instead, for gasoline rationing.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Chairman, I share the concern that some of my colleagues have expressed over this action of the President, yet I also recognize the dire need to stimulate domestic energy production. Perhaps we could stimulate domestic production better by establishing a floor of $8.50 to $8 a barrel on imported oil, so energy companies could go after alternative sources of energy, as well as the development of new oil wells, without someone fearing they would bankrupt these companies by backdoor admission of temporarily cutrate oil. Perhaps that is the way to do it, and we can still do this under the provisions the President is putting forth.

I think we have to recognize that in the President's proposal he allows a passback of this $3 charge to the people and to the corporations, as he presented it to us not only through the press but in a working session last night.

I am concerned, because in his mention of reimbursing this charge to corporations and individuals, he totally forgot the biggest energy consuming business in this country, agriculture. There was no provision for farmers who use more fuel than any other business in this country, no passthrough. The concern, of course, should be for consumers as well, and the consumers are affected by agricultural production availability. If our farmers are not encouraged to produce, the entire Nation suffers.

Last night in a working session at the White House and yesterday morning in my office with my colleague, the gentleman from Virginia (Mr. WAMPLER), the ranking member of the House Agricultural Committee and some other members from agricultural areas, we visited with Mr. Zarb and brought this to his attention. He said he could do something about it and he pledged to us that he would act on it.

Last night with the President in attendance, Mr. Zarb pledged, and my good friend, the gentleman from Pennsylvania, the ranking member of the Committee on Ways and Means was there, that he would remedy this situation so this tariff charge could be reimbursed through to the farmers.

Mr. SCHNEEBELI. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Chairman, I was present when that statement was made to the gentleman that some cooperation would be worked out whereby the farmer would be refunded. This is not too difficult to do, because at the present time the farmer does get 4 cents Federal gas tax refunded to him, for off-the-road fuel usage, so the operation is already in being and it can be extended to rebate this new Federal tax.

Mr. ANDREWS of North Dakota. That is right.

Mr. SCHNEEBELI. The statement was made in the session last night.

Mr. ANDREWS of North Dakota. Yes, I also received a letter this morning from Frank G. Zarb, Administrator of the Federal Energy Administration, in which he said:

> As we discussed, I share your concern over the increased costs to farmers caused by the President's energy tax proposals. I want to assure you that we will have in operation a program that will provide farmers sufficient transitional tax rebates so that the increased fuel costs associated with off-road farm use will not unfairly impact the agricultural sector of our economy.

Mr. Chairman, I think also we have to take a look at the impact across the Nation of cost of heating fuels to people in their own homes. We have to realize that one rebate level uniformly across the country is not fair, is not equitable. We brought that out last night and I pointed out to the President and to Mr. Zarb that in my district we had 9,271 degree-days. The national average is 4,257 and in Houston it is 1,434. The degree-day is a measure of heating cost and is computed by the weather bureau. We used twice as many degree-days in North Dakota as the average in America and four times as many as people in the southern tier of States.

Mr. Zarb also pledged they would seek to balance this up on a State-by-State basis, so that the passback to consumers would recognize the additional heating costs.

So, Mr. Chairman, while I am not happy about a price hike of any kind in these inflationary times, I have been assured that sufficient concern will be paid to our farmers and our homeowners in northern latitudes that I am intending to support this proposal, because the alternative, the lack of enough fuel at all, is far worse to our part of the country, it has far more dire consequences in our northern areas where we need to heat our homes and in our agricultural areas where we need to produce the food required by this Nation.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well. As the gentleman knows, my district and his district are very similar in temperatures and industries and makeup of the area.

I, too, was very relieved, after visiting with Mr. Zarb, and again last night, when I attended a meeting with the President at the White House. Of course, I will be waiting anxiously to see the program that will be forthcoming that will correct the inequities that exist in my district and rural America. I am very pleased that the President and Mr. Zarb recognize our problem and intend to do something about it.

The paramount concern I have had ever since the President announced his energy program is the matter of equity for rural areas of America.

As the program was received, I found that I could not, in good conscience, endorse it. To be sure, I most certainly desired to give the action of President Ford my support, for the steps he has taken demonstrate that he has, indeed, "bitten the bullet."

The President did something about which the Congress in the past year has done little. We witnessed at the conclusion of the last Congress the record of much discussion, but little action by the legislative branch of Government on the critical energy and economic problems confronting this Nation.

Our country has been crying for action to meet the critical problems confronting us. So it is with some admiration that I say that the President responded, and forthrightly, with his program.

However, while I salute the President in moving forward while others merely gave lipservice to our dilemma of a country buffeted by the strange combination of inflation and recession, I have been concerned about some aspects of this program. These would, it seems to me, unfairly penalize a segment of our populace in which geography and livelihood have, unfortunately, established an unwitting victim of this new program.

Primarily rural States such as South Dakota have unusual circumstances confronting them which will result in extreme economic difficulties should the President's program be adopted as submitted to the Congress.

My concern over this aspect of the President's program was reviewed in a letter I wrote to Mr. Frank Zarb, Administrator of the Federal Energy Administration. I would like to include that letter in the RECORD at this point:

JANUARY 27, 1975.

Mr. FRANK ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: South Dakota is located in the heart of the bread basket of rural America. Agriculture not only is the lifeblood of our state but of the whole nation, and I sincerely feel that the Administration's current energy proposals could impair the farmers' financial existence. In view of the response by Acting Deputy Administrator Eric Zausner to my question at the recent briefing you held for Members of Congress, I felt the following information might be helpful in your assessment of the desperate situation confronting agriculture producers.

Although some 12 to 13 per cent of the total United States energy consumption is located in the food and fiber sector of the economy, approximately only 3 per cent is consumed in farm production. In addition, fuel as a farm production input in 1973 was 2.9 per cent of total production input costs.

This, however, understates the nature of the cost of fuel to farm income returns. As can be seen in the attached table generated by the Economic Research Service of the Department of Agriculture, the impact of fuel prices on farm returns is significant. Fuel purchases as a percentage of total cash sales is consistently less than 5 per cent for all four types of farms. But if fuel purchases are computed as a percentage of labor and management earnings, these range from 18.6 to 39.4 per cent.

If fuel costs were doubled, for example, returns to labor and management for dairy men would be reduced by almost 40 per cent, and reduced nearly 20 per cent for grain farmers.

We are all too well aware that farming, more than any other sector of our economy, is dependent on the vagaries of the market place. Unlike manufacturing sectors, however, farmers cannot pass on higher input costs by raising their prices and are thus caught in a price squeeze.

We are currently pressuring the farmer for more production, possibly driving down prices for his products. This new economic and energy proposal will prove to be a great hardship, threatening the very foundation of American agriculture.

It is extremely important, therefore, that we implement a program which will not force the food producer out of business.

I would like to urge your consideration and development of an energy program which will not place the additional financial burden on our rural population which will be imposed by the present proposals.

Sincerely,

JAMES ABDNOR,
Member of Congress.

Subsequent to the letter, as noted before, a number of us met with Mr. Zarb to further review our concerns over the difficulties we felt would be faced by our agricultural areas.

In this conference, assurances were given to us that the problems of agricultural areas would be given attention. We were told revisions would be made in the program so that farmers and those living in our towns and cities of rural America who are dependent upon agriculture, would not be unfairly penalized.

For example, a formula is being developed which will permit a special allowance or credit for fuel purchases which will be above a prescribed level and which are a result of climate. This means that people living in the so-called cold weather areas of America will receive a credit for the extra amount of fuel they are required to use.

South Dakota requires more heating fuel to live—air conditioning is a luxury, but heating is a necessity in South Dakota. To exemplify this difference, Pierre, S. Dak., has 7,677 heating degree days and Aberdeen, S. Dak., has 8,617 heating degree days, while Houston, Tex., has only 1,434 heating degree days. The average temperature for Pierre is 46.2 degrees and 42.8 degrees for Aberdeen, while Houston's average temperature is 68.9 degrees.

I think this particular proposal will be of great benefit to some of our elderly people who are confronted with the problem of living on a small income and faced with fuel costs which could take virtually all of their meager income.

Another step would be to provide a credit for gasoline used in business travel. According to the Federal Energy Administration, there are only three other States in the United States that use as much or more gasoline per capita than South Dakota. I sincerely do not believe that we waste more gasoline than other areas but that the great distances from our service centers result in higher usage. Without a rebate based on the money expended for energy consumed, South Dakotans would be penalized worse than any other region.

Of great significance, however, is the assurance given concerning agricultural use of both fuel and fertilizer, both of which promise to sharply increase in price. It is planned that farmers will be able to take a credit for the additional amounts it will cost them for fuel and fertilizer which will certainly make less painful this program.

And it should be noted, Mr. Chairman, that these credits of which I speak are not special benefits for a portion of our population. What these credits will do is achieve equity, and nothing more than equity, for our farmers who—unlike all other economic units of our society—cannot pass along to the consumer the increased costs they experience in their operations.

I think it is particularly important that this fact be kept in mind that the farmer must accept what the market will pay for his livestock, for his poultry, for his grain, regardless of how high his operating costs may rise. This, of course, as everyone knows, is not true for any other business operation in this country and explains why it is necessary to have a special protection provided by way of an energy credit if we are to prevent the agriculture economy from complete collapse.

Mr. Chairman, much of my discussion has resolved around the need for assisting our agriculture enterprises and those who rely on these enterprises for their livelihood. I believe the record should also contain a very positive note on what agriculture means to America and I wish to cite only one statistic.

We hear much about the problem we have with our balance of payments and the difficulties we have with the great outflow of American dollars overseas. In fact, the problems we are dealing with today are a direct result of the tremendous imbalance which exists. If it were not for agriculture, this deficit would be even more severe. Last year if it had not been for agricultural exports which totaled $11.7 billion above the break-even point of farm exports and imports, the U.S. balance-of-trade deficit would have been over $14 billion instead of the $3 plus billion.

Mr. Chairman, on the basis of assurances given my colleagues and me by the administration that steps would be taken to protect our agricultural areas which therefore will make this program as equitable as possible, I am pleased to lend my support to the President's efforts.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 1 additional minute to the gentleman from North Dakota.

Mr. CONABLE. Mr. Chairman, will the gentleman yield

Mr. ANDREWS of North Dakota. I yield to my colleague from New York.

Mr. CONABLE. Mr. Chairman, I would like to compliment the gentleman on the position he is taking. I know there is very real concern about the increased costs resulting from the tariff on imported oil, but there is going to be increased cost in any event. How much preferable it is for us to have these increased costs provide us also with the opportunity to get under control a situation which is otherwise going to deteriorate, which is going to cost our farmers money without any prospect of improvement.

Clearly, the opportunity for improvement is implicit in the restriction of imports that is being taken, and provides us with a handle to take hold of an otherwise deteriorating situation.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate the gentleman's comment.

Mr. Chairman, let me conclude by saying that we need a supply of fuel on the farm. While the waiting in line at the gas station in Washington is an inconvenience, nondelivery of fuel oil to a home in North Dakota where it is 40 degrees below zero is stark tragedy. In addition, not having fuel to till the soil shortchanges our consumers and stops farming, which is highly energy oriented, dead in its tracks.

We need the supply. There has been no alternate that has been proposed in this Nation to meet this challenge.

I appreciate the solemn commitments made by the President and by Mr. Zarb to take care of the unique needs of agriculture and Northern climates. Based on this, I intend to oppose this bill. That would propose taking action on this critical matter. When the Congress faces up to its responsibility in the energy crisis the import tariff can well be removed. In the meantime, there is no alternative to assure in the adequate domestic supply development we need.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, at the outset I wish to say that there are some things which the President proposes as matters of general principle with which I agree. We must have a positive program which would include, first, reduction of imports; second, development and encouraging of alternate sources of energy; third, a means of decreasing U.S. use of energy sources, mainly gasoline.

As a member of the Committee on Interstate and Foreign Commerce, I certainly intend to help develop a positive program in Congress to accomplish these objectives, but I most strongly believe that the proposals of the President are not good answers to these propositions.

I present it this way: There may be some of my colleagues on the other side of the aisle who may be able to refute these propositions, but I want to say simply that as I understand it, the present average price of oil in the United States is about $9. Old oil is $5.25. New oil sells at about $10, and foreign oil at about $12.60.

If we add $2 ultimately to the price of foreign oil, we have then pegged the price of oil at about $14.60, and it seems obvious to me that the price of all oil used in the United States will go to approximately $14.60.

The price of oil advanced in 1973 from around $3.40 to approximately $7, just about double. If we permit it to double again, we are simply putting into effect a geometric progression in price, a doubling once and then a doubling of the result.

I have heard talk this morning—indeed, at the White House from Mr. Greenspan—that this would increase the cost of living by about 2 percent. It astounds me that this statement could seriously be made, because the increase of the cost of living caused by oil from 1973 to 1974 was approximately 55 percent.

How conceivably could the larger increase from 1974 to 1975 not produce a greater increase in the cost of living than occurred during the last year? Can the economy stand this?

I recognize that there must be a control on imports; I would place a dollar limit on them. Recognizing that there must be a decreased use of the use of oil in the United States, I would impose rationing, as I now see it. Recognizing that there must be something more done than is presently being done, I would take steps to develop other sources of energy. I think there are certainly more viable means for meeting the very standards that the President says ought to be met than the utterly disastrous plan that he has outlined of which this is the first step.

Of course, we should devise a specific answer. Of course, we should not engage in a game of oneupmanship between the Presidency and the Congress—and we shall not do that on our side—but is it unreasonable for us to consider the same facts that the President considered in devising his program To give him credit, he does propose something concrete. Is it unreasonable that we also take those same facts, that we also hear the options presented by the experts and develop our own plan before we adopt a portion of a plan which seems to me to be utterly disastrous in the area that poses the greatest danger to our economy, that is, in the area of energy?

Mr. SCHNEEBELI. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, while I dislike any artificial price increases, I must oppose this legislation which would strip the President of his authority to impose fees on oil imports. The President's method of reducing oil import dependency may be unpopular, but it will be far more unpopular if we squander valuable time waiting until war again returns to the Middle East.

I voted against this stripping bill in committee and will do so again today. The power this bill would strip is that of the so-called "national security" clause of the Trade Expansion Act of 1962; in one form or another it has been on the books since the early years of the Eisenhower administration. The power was fought for and gained by that administration and then fought for and retained by the Kennedy administration. The question is now whether the power to restrict imports in the interest of national security will now be revoked, because it is used. Did those Members who voted to support President Kennedy—and earlier President Eisenhower—with regard to this power think it would never be used or that, if used, the burden of its use would be nonexistent? Why would the Congress give President Kennedy a blank check because he asked for it, and then deny a subsequent President the authority to fill in the blanks? Ironically, this is the third exercise of this authority. President Eisenhower first established import quotas, and more recently President Nixon affixed an import duty of 63 cents on a barrel.

The test as to the use of the "national security" clause is whether the particular use is in the interest of national security. We know there are costs imposed by every exercise of governmental power. Here we have a situation in which our galloping demand for imported oil is putting our entire economy, our entire society, in that final and very awkward position involuntarily assumed by the late Louis XVI at the moment of his demise. In our case, we have the Organization of Petroleum Exporting Countries—or, more accurately, Minister Yassir Arafat and his supporters—holding the lanyard. The posture is both vulnerable and humiliating.

This country cannot—absolutely cannot—endure depedence upon hostile and potentially hostile regimes abroad for our energy supplies. At the very least, we must curtail our consumption of foreign oil enough so that we can prevail through future embargoes.

I am convinced that President Ford's fee impositions will lead to a reduction in oil imports. It will mean less oil than we would otherwise have, and less than we would want. But, it would mean one giant step toward being immune from foreign policy dictation by Mr. Arafat and his supporters. Reduced oil imports mean costs and discomforts. We have a choice between that and remaining in that picturesque but untenable position of just waiting for the guillotine to drop all at once. While we wait, the billions of dollars to buy the foreign oil would continue to increase, making our would-be executioners even richer.

Sure, there will be costs resulting from the exercise of the power granted Presidents Eisenhower and Kennedy. Was it ever envisioned that a curtailment of imports by quota or fee would be without costs? But we can very easily adjust the impact of those costs so that they do not fall inordinately on any geographic section or economic strata. We cannot do everything through the Internal Revenue Code, but we can at least do that much, as the President himself has urged.

So, in the interest of making us immune from the economic and social disaster flowing from any future embargo—and immune from Arab dictation on foreign policy—I urge that this stripping bill be defeated.

Mr. Speaker, some have suggested rationing as an alternative. But rationing is not an alternative, because it was voted down last year. Some have suggested that import quotas would be preferable to import duties. If that is so, then this bill is ironically defective because it will suspend authority to do both. How embarrassing, Mr. Speaker.

There is no substitute for the President's action, because no substitute has been authorized and—let us face it—none is being authorized today. None is even seriously being proposed, although a lot of "suggestions" have echoed off these walls for a year and a half.

Maybe some day Congress will come up with "a better idea than Ford". When we do, then let us assert ourselves with all the glory and power that we command. Until then, and especially for so long as we do not have any alternative idea to substitute, it would be more fitting that we confine ourselves to rhetoric and headlines—and stay out of the way of those who have unpleasant work to do.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. Harris).

Mr. COTTER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Connecticut.

Mr. COTTER. Mr. Chairman, I rise in support of H.R. 1767, a bill to suspend for 90 days the President's use of authority under section 232 of the Trade Expansion Act of 1962. As each Member knows, the President has used this authority to impose a series of tariffs on imported crude oil and imported oil products.

I want to thank my chairman, Al Ullman, and our Trade Subcommittee chairman, Bill Green, for the expeditious and totally correct action in seeking swift approval of this necessary legislation.

Both Jim Burke and I were charged with getting such action by the members of the New England Congressional Caucus; and with the cooperation of these men and the entire Ways and Means Committee, we are ready to seek this necessary delay through legislation.

Mr. Chairman, I, of course, support the 90-day delay on the imposition of the tariffs. In spite of repeated assertions that no region of this Nation would suffer adverse economic impact because of these tariffs, these facts stand out:

New England is heavily dependent on foreign oil, especially foreign oil products such as residual oil and home heating oil. We use 25 million barrels of foreign home heating oil and over 147 million barrels of residual oil, which provides fuel for 85 percent of New England's electrical capacity.

The entitlements program, which the administration says will equalize regional cost disparity caused by the tariffs, is now tied up in extensive court action. One major oil company—Gulf—has refused to participate at all in the entitlements program, and two other companies—Exxon and Marathon—are in the midst of a lengthy court battle over the constitutionality of the entitlement program.

The result of these factors led to the inevitable conclusion that the cost for the tariffs will be borne by the users of foreign oil alone and all this talk of price equalization looks to me like the traditional "sock it to New England" policy that has dominated Federal oil import policy.

I have spoken with Lynn Brooks, administrator of the Connecticut Energy Office, and he informs me that his newest, and most conservative, estimate is that the direct costs of the President's entire energy package for Connecticut alone will exceed $420 million in higher fuel and electric energy costs. This does not even take in the indirect costs.

Further, Mr. Brooks estimates the tariff alone will add an immediate cost of $120 million to heating and electric bills in Connecticut during the next few months. Without equalization, there will be an additional $16 million increase.

In brief, Mr. Chairman, the cost of this tariff program will be borne in large measure by the people of New England who have experienced tremendous price increases in home heating fuel of 102 percent and residual fuel of over 152 percent. Yet at the same time people in New England have been doing more than their fair share in energy conservation. We have cut our consumption of No. 2 heating fuel by over 20 percent and our use of residual oil by 10 percent. Both of these figures are well above the national average. We are doing our share and we hope to do even better; but forcing the price of foreign oil products even higher is a prescription for economic disaster.

Mr. Chairman, this position does not underestimate the need for both the President and Congress to work together for a reasonable energy policy. The House Ways and Means Committee is prepared to turn to the energy area immediately after finishing the tax stimulus package this week.

Yet I would be remiss if I did not point out another problem. In all my questioning of witnesses and economists last week—I might add, they were a bipartisan group and included Dr. Burns of the Federal Reserve Board—I was very concerned by the growing consensus that not only would the President's entire energy tax deregulation proposals add between 2½ and 3½ percent to the Consumer Price Index, but as importantly, would contribute directly to the deepening recession that is currently facing our country. Perhaps President Ford has decided to "live with" 8 percent unemployment for the next 3 years, but I have not, nor do I believe this Congress will agree with this inhumane economic medicine.

The President and the Congress must be given a chance to work together, but to hold an economic gun to the head of New England is not a prudent way to proceed.

One final point, Mr. Chairman. As my colleagues may be aware, the Governors of several New England States are contesting the legality of the President's actions and trying to seek a court decision on this matter. There is nothing in this bill nor in the intent of those who support it to undermine this effort.

Therefore, Mr. Chairman, I urge my colleagues to vote for this legislation.

Mr. HARRIS. Mr. Chairman, I am a cosponsor of H.R. 1767, the bill to suspend for 90 days the President's authority to increase oil import fees and I urge the House of Representatives to move swiftly in passing this essential legislation.

The question before us today has been called a Presidential power play to force the Congress to act. It has been called a show of strength to the OPEC countries. It has been called an effort to stimulate the conservation of gas. It has been called our first step to escape from dependence on foreign oil. It has been called many things.

I believe the real question is not one of these. The real question before us today is this: Are we going to make Government responsive to people's basic needs? The issue of oil—its cost, sources, allocation, and necessity—is at the core of the American economy, in fact, the American way of life. This lesson we too painfully learned last winter.

President Ford's "crash" program of a $1 to $3 increase in oil import fees, his drastically and intentionally driving up the cost of something so central to the way we live right in the middle of a skyrocketing inflation, is clearly a direct economic slap in the face to the American citizen. For when we jack up the cost of oil, we raise the cost of almost everything, especially our basic necessities. A few examples:

Just this week I received reports that the average residential electric bill went up 60 percent in my State, an increase far exceeding the 12 percent increase in the cost of living in the area last year. Likewise, gas bills for heating homes jumped 31 percent.

A food chain in my district—which serves citizens who coped with a 22 percent jump in food prices since 1973—has informed me that this proposal will only add "insult to injury." Petroleum is integral to the food industry. It is used to operate farm machinery for planting and harvesting; in transporting food from the farm to the processing plant to storage; and then from storage to the store, not to mention the fuel used in cooking and refrigeration.

One of the school superintendents in my district—who has to heat 187 buildings and fuel 1,177 vehicles within an already too tight school budget, says that the oil hike will mean $965,000 in increased costs.

A hospital in my district says that its fuel oil budget has tripled in the last 3 years. The cost of medical care generally in the Washington metropolitan area has risen 17 percent in the last year.

An already financially perilous public transportation system that this year has a diesel fuel bill of almost $6 million supplying 18,000 buses could be crippled by this proposal. Ford's plan would add almost a million dollars to their fuel budget.

Fairfax County, the largest jurisdiction in my district, paid 82 percent more for petroleum products in the last year and saw a whopping 160 percent surge in electric rates. The public coffers are not bottomless. Costs like these inevitably mean higher real estate taxes. And this would mean higher taxes on top of higher costs for food, clothing, electricity, and heating oil at home.

This is just the beginning. Energy costs are translated into manufacturing, distributing, and retailing costs. Since oil transports American goods by truck, rail, and air, all our basic material needs are affected. Since petrochemicals are the base for many plastic products, we will face escalating prices for everything from heart valves to ball point pens.

The experts say that overall the Ford fee boost will cost the country from $30 to $50 billion, $150 for every man, woman and child, $600 a year for every family of four. Or in everyday terms, it will mean 15 cents more for each gallon of gas, 10 cents more for every gallon of residual fuel.

I believe no one can definitely calculate the total dollar cost because the economy and energy are so intricately intertwined. I doubt if the most sophisticated computer could tell us in finite numbers what the total price tag of this proposal will be. But I do not need a computer to show me that this increase will further inflate inflation.

Not only will the President's proposal swell the cost of our basic necessities, it will also further stagnate our sick economy. When business and industry have to pay higher fuel and utility bills, they have to cut somewhere. And the first cuts always come in personnel. Thus, we will see more layoffs, more food stamp applicants, more medicaid recipients—and so goes a labyrinthian nightmare. The American economy will be further depressed by depriving American consumers of $30 to $50 billion in buying power. Furthermore, Ford's program, rather than encouraging industrial expansion and providing more jobs, which we critically need, will further disable industry and eliminate jobs.

I do not believe the administration's "$19 billion distribution to individuals" will make up for the enormous pinches in the American pocketbook that would result from this proposal. $19 billion—coupled with executive deferrals and recissions, cuts in food stamps and other human services—falls far short of the $30 to $50 billion predicted cost of this program. More important, these numbers do not begin to measure the humiliation of human beings who cannot feed their families, clothe their children, heat their homes, and find a job.

Mr. Speaker, I vigorously oppose the President's proposal and there are many reasons. But my first and foremost reason is, as I have outlined, the economically and personally disruptive effect this increase will have on our American people. The solutions are many and involved. Both parties have proposed some that have merit, some that do not. I propose that we Democrats and Republicans, the Congress and the President, seriously and immediately agree on an all-encompassing crash program to solve this economic-energy mess that is so draining on us all. It was a crash program that got us to the moon. We can do no less to get every American back on his or her feet securely and proudly.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I rise in opposition to this legislation. There has been much talk around the country in recent weeks about the prospect of mandatory gasoline rationing. Various Senators have expressed support for such a program. I wonder, however, whether they have thought through the real implications of rationing for the average American—whether they have recognized that a vote for rationing would be both unfair to the American consumer and, ultimately, unwise for their own political future. Rationing may sound like an appetizing dish on the menu, but it will mean prolonged indigestion if we swallow it.

Today, the average American driver uses approximately 50 gallons of gasoline per month.

With mandatory rationing, the net effect would be to restrict the average driver to only 36 gallons per month—or a fraction more than 1 gallon per day.

This might, on the surface, seem like an equitable solution to our current energy problem. The amount of gasoline each American uses would be reduced, our oil imports would be contained, our balance of payments would be aided. In fact, there is only one objection to the plan.

And that is, it will not work.

The fact of the matter is that rationing, in order to be even remotely equitable, would require an enormous number of exceptions to its provisions, as our single past experience with it during World War II made clear. And adjudication of these exceptions would require an enormous bureaucracy. Now, I think most Senators are well acquainted with the kind and number of difficulties which would arise—all we have to do is multiply our mail on social security and veteran's benefits by a factor of 50 or 100 to gage what this aspect of rationing would entail.

Let us consider for a moment the effects of a rationing program without provisions for exceptions.

Take the case of a widow with two small children, living in a suburban community, who must drive 32 miles a day to work in a car that gets about 12 miles per gallon—13 is the national average. Under the rationing plan, her cost to commute will increase 70 percent since she would have to buy additional coupons—at $1.20 each—every month, just to keep her job. That amounts to about $250 a year.

There are thousands of other examples of people dependent on their automobiles for basic transportation to and from employment—migrant farmers, blue-collar workers, salespeople, and so forth. Is a gallon a day enough for them?

Similarly, a rigid gas rationing plan creates inequities on a regional basis. The average driver in rural areas travels twice as far as his urban counterpart, and the city dweller drives far less than the suburbanite.

The point is, a 36-gallon-a-month gas diet is not good for everybody. In fact, it is not good for anybody in the long run.

Gasoline by coupon is, at best, a short-term remedy for a single ailment—overconsumption. Reducing demand for gasoline for the estimated 130 million or more cars, trucks, and buses on America's highways is not enough. Conservation efforts directed only at the automobile ignore the need to save energy in other areas by better building design, construction, and insulation, more efficient industrial processes and practices, and more efficient generation of electricity. But conservation alone still isn't the answer. U.S. companies must accelerate domestic production and the search for alternative energy sources.

Thus, not only would rationing be inequitable—and, most probably, unworkable—in regard to curtailed consumption, but it fails even to address the other side of the energy crisis, increased production.

So, if we put the President's program down with no further consideration, and, instead, dredge up some kind of rationing device, what will we do a year from now, when the people have been justly outraged by it, when it has failed to promote development of new energy resources—in short, when it has permitted the energy crisis to roll on unimpeded for a full year? What will we do? Pull the President's program out of the dustbin, brush it off and try to make it work 12 months too late?

I do not concur on all points of his program. I want to study it, hear debate on it, consider it in detail. But I do not want to reject it out of hand only to find that an ill-conceived rationing program has been substituted in its place. That, I think, would be the result of adopting this resolution.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Chairman, President Ford has sent messages to the Congress with heavy energy emphasis on September 12, October 8, on November 18, and of course, on January 15.

For all practical purposes, the Congress has been here since early December when it held the first organizational meetings of the caucuses.

The Presidents action addresses itself to a problem which we all acknowledge. I share the reservations expressed here today about the President's action; but certainly we must concede that the Democratic Party and its leadership has had all the time they need to respond with a positive program of their own, if they have the capacity and the intelligence to do so.

In the absence of a program of its own, the Congress of the United States ought to have the good grace to refrain from saying no to the one proposal on the table today.

I urge a vote against this legislation, and I urge the appropriate committees to go to work on positive programs of their own.

Mr. ULLMAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Kansas (Mrs. KEYS).

Mrs. KEYS. Mr. Chairman, in my opinion, there are two criteria to be used in considering the President's energy proposals: Fairness and effectiveness.

The proposal to increase oil import fees $3 per barrel meets neither standard.

A higher price for imported oil will mean higher prices for all petroleum products and derivatives, for all persons using those products.

We must conserve gasoline, but the President's arbitrary action puts an inescapable burden on workers traveling to their jobs, elderly persons driving to do their shopping, and others using their cars for necessary purposes.

These persons have no choice; they have to make their check or their pension stretch still further.

Other segments of our population also have no choice. Farmers will be forced to pay still higher prices for fertilizer and propane. Homeowners will pay more for heating oil. Consumers will pay more for every product that is derived from petroleum.

The President's proposal will result in an indiscriminate tax on everyone, regardless of their financial circumstances, type of work, or personal energy conservation measures.

In short, the proposal is not fair.

Neither would it be effective.

As a member of the Ways and Means Committee, I heard several days of testimony by administration officials in regard to their energy proposals. I heard no conclusive evidence that an increase in the price of gasoline will produce any significant energy savings. Unless the price reaches extremely high levels, people will continue to buy all the gasoline they need or want.

Other petroleum products and derivatives will also continue to be purchased. Farmers do not have the option of not buying fertilizer, for example. The higher prices will just make it harder for them to stay in business.

This Congress must and will accept the responsibility for our energy policy; but the President's action to save energy through higher import fees is neither fair nor effective. I urge my colleagues to suspend the higher fees by passing H.R. 1767.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. WAGGONNER), a member of the committee.

Mr. WAGGONNER. Mr. Chairman and my colleagues of the House, it is somewhat difficult for me to rise in opposition to a bill from my own committee, and I intend to compensate for this opposition, however, by voting later today for the next bill, which is from my committee. But seriously, it is difficult to rise in opposition to a bill brought here by our distinguished new chairman, giving due consideration to the diligence with which he has proceeded and to the sureness of his action to lead this committee as the committee ought to be led.

However, my distinguished colleagues, we have a problem in this country, and there are no good answers. All the answers are bad, and they are going to cost somebody something by way of a sacrifice, either personally or monetarily.

The problem is simple. There is no satisfactory answer. Supply, as far as oil and gas are concerned, simply does not meet demand.

I come from a producing State. I am aware of the fact that in 1950 we were self-sufficient in the United States with regard to our petroleum needs, but by 1960 we were importing 16 percent of our petroleum needs. We have reached the point now that we are importing 40 percent of our required petroleum needs, and we are paying out about $25 billion a year for this product that we are forced to import.

If we do not do something, by 1980 we will be importing a minimum of 50 percent of our petroleum needs.

Whether you realize it or not, the situation is not told by those figures. The truth is that since about 1970 in the instance of crude oil, production has been declining in the United States, the overall production has decreased.

Another fact of life, and this is part of the problem, is that two-thirds of all of the known free world oil reserves are not located in the United States, nor on the North American Continent, nor in the Western Hemisphere; but they are in the Middle East. These reserves are held by the Persian Gulf nations, and they know that they have got us over an oil barrel.

Also there are international implications to the problem we have now. We will have to have some help from others, and if we are going to have to get help from others then we will have to give them something in the way of return. We will have to maybe at some point in time share products, and even now we are helping them pay for the burden of higher priced oil. The problem we have is one that in October 1973 the people who are asking for a delay today laughed at. They said, "Oh, this is all just a contrived shortage created as a figment of the imagination by the American oil companies simply to enable them to get a higher price."

These people are not saying today we were wrong in October of 1973, they are saying "give us time to do something about the problem." They will not even admit they were wrong in 1973.

So at least we have come a little bit along the way, and some people are admitting now that we have a problem.

What is the answer to the problem? We have three options. The first one is do nothing. And even those who say, "Give us a delay today" admit that we cannot forever afford to sit idly by and do nothing; that we have to do something.

The second option is that we do something as the administration has done in the form of a combination of fees, tariff levys, taxes, and that sort of thing.

And the third option is the worst of all worlds: Rationing.

While I am talking about rationing, let me say that I have heard people say, "Let us try allocations."

Allocations would be rationing at another level.

Have the people who suggest that forgotten those gas station lines of late 1973? That was rationing by allocation. It was nothing else but that.

The problem in addition is this, and I want you northeasterners, you heating-oil people, to listen to me: Only about 40 percent of a barrel of crude oil on the average is converted into gasoline. We need to conserve crude oil, not just gasoline. If we are going to conserve crude oil we cannot ignore the 60 percent of that barrel of crude oil which goes for other products and say, "You go ahead and waste it, you go ahead and do what you want to with it. Let us just conserve in the instance of gasoline." This we cannot afford to do.

What has the President done? He has levied fees in two cases; he has levied and put in place a fee by the barrel on imported crude oil of $1 which took effect on February 1. He has done nothing yet in the instance of the other fee, which has to do with a fee on finished products. But when he does, if he does it, as he proposes, and if we can come up with a better answer it will not be done, and should not be done, he proposes a levy of 60 cents a barrel on finished products, with a rise the second month to $1.20 per barrel. This is favored treatment for the users of heating oil, not discrimination.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, it is unreasonable to expect, you of the Northeast, that just those people who use gasoline should bear all of the burden. If we are going to conserve crude oil we have to conserve crude oil in every aspect of it, and that affects everything that comes from a barrel of crude oil.

The other thing is excise taxes. He proposes a levy on domestic oil. They have not been put in place yet. I hope they are not required to be put into force. I hope we can come up—and believe we can—with an answer before then under the able leadership of the gentleman from Oregon (Mr. ULLMAN).

Mr. Chairman, the President's proposal is intended to do—whether it will or not, I do not know—these things: First, to conserve crude oil by increasing prices to reduce demand, and this does work because we are not using any more product today than we did in October 1973. It is intended to put some pressure on the OPEC nations to lower prices, because if we can conserve and there is a reduced demand, then those people are going to have about 9 million barrels a day of excess production. I think they are going to look for something to do with that excess production.

It is intended to reduce, if we conserve, the outflow of dollars, which we must do something about. It is intended to provide a maximum supply of petroleum and petroleum products under the maximum conditions of the operation of a free market, a free economy. Some say it will not. What do you suggest?

Mr. Chairman, the purpose of the proposal to cut taxes is to help these people who are unduly burdened, where everybody is going to be burdened to a point, to allow them to pay for the cost-of-living increases of this program. The pressure is on the Congress. I believe that we can meet the responsibility, because we have come a long, long way. But we have got a problem now. I believe we are going to put our shoulders to the wheel in the Committee on Ways and Means, and in other committees here, and we are going to come up with a proposal we can present to the President; and if we can prove to him that what we propose is better than what he proposes, I believe that he would accept it.

However, if I sat where the President sits, I would not take the criticism from our international trade partners and our allies there and from the people of this country for doing nothing. I would keep the pressure there until somebody showed me they had something better in a detailed and specific way. If he had not made a proposal of some sort some of you who oppose him today would be criticizing him for doing nothing.

We in the Committee on Ways and Means are going to work toward that goal. I, as an individual, am going to oppose the bill today, believing that we can maybe later compromise this matter somewhat and have everybody be a bit happier. But we are not going to do it without cost to everybody in this country. Where will you and where will the country be if we do not reduce demand, we do nothing, and have to cope with another embargo which will be twice as devastating? Most o fyou oppose the President's proposal but none of you have a specific proposal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 1767, a bill deferring for 90 days the President's authority to impose a tariff on foreign oil imports.

President Ford has demonstrated outstanding leadership by presenting to the Congress a coherent and comprehensive program for stemming inflation and reducing our energy costs. I agree with his goals and wish to work for the achievement of Operation Independence through energy conservation. I know the President is sincere in his desire to reduce our dependence on foreign oil, and I have discussed this problem with him at great length during several meetings. Thus, I am reluctant to disagree with one part of his specific plan for implementing the energy conservation goal, that is, the imposition of a $1 to $3 tariff on imported oil.

But it is clear that the imposition of this additional tax does not provide any guarantee that oil consumption will be reduced. What the tax does guarantee are high prices—for gasoline, for oil products, for synthetics derived from petroleum, and for electricity.

The President is seeking to reduce domestic consumption by 1 million barrels of oil per day. Clearly, such a reduction will create shortages which we must learn to live with. I feel that the President can accomplish the same goal—the 1-million-barrel-per-day reduction—by simply placing a limit on oil imports, without taxation or price increases. We will have shortages in either case, but under the President's current plan, we will have additional increases in costs. A limit on oil imports, without any built-in tax increase, is an important alternative which I feel that President and the Congress should consider during the 90-day deferral period established by H.R. 1767. Therefore, I will vote for H.R. 1767 and stand ready to work with my colleagues and President Ford to develop programs which will reduce oil consumption without raising prices.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, there is no good way to deal with a scarcity. Everybody wishes we did not have a scarcity, but we do. We have a situation in this world in which we are priced out of the market as far as petroleum is concerned, to the extent that the scarcities are imposed upon us because of our inability over a long period of time to sustain the cost to our balance of payments that will be necessary if we continue to import crude oil at the prices which we are now paying. So we do have a scarcity.

The only program which we have seen put forth so far—in fact, the only program in town—is the one that the President of the United States has offered. He proposes to deal with this scarcity by raising prices by imposing a tax to the point that we will not import 1 million barrels of oil a day which we now import. This will save rather considerable sums insofar as the international bill for petroleum is concerned.

However, the question arises, of course, as to just how to deal with what will then be a physical shortage as well as a projected shortage. Some people suggest that we deal with it by rationing.

I submit to the Members, Mr. Chairman, that rationing will not work over a long period of time. It never has, and it is flying in the face of what I consider to be the best traditions of the free enterprise system to try to do it in that way. I think it is much better to do it by imposition of a tax as the President has proposed.

I would point out to the Members that the President's program is not just for energy. It is also part of his economic program. I am certainly not giving away any secrets when I say we do have a recession in this country. One of the means of dealing with a recession is to do what is necessary to get the economy of the country moving again. One way is to instill confidence in the economy. This morning the distinguished Chairman of the Federal Reserve Board, Dr. Arthur Burns, made the point that it is not enough to have an adequate money supply. We need to have the confidence of the consumer which will cause the consumer to spend money, in other words to increase the velocity of the money supply.

One of the ways to increase confidence of course is to put some rather quick money into the hands of the consumer. The President proposes that there be a rebate for 1974 taxes to give to the consumer; half to be returned in May, and half in September. It will give the consumer a rather massive shot in the arm, as far as personal finances are concerned, and most people believe it will cause the consumer to go into the market and make contracts and purchase goods which he otherwise might not buy.

So this is to have a twofold effect. It will have the effect of reducing the amount of importation of oil and also it will have the effect of giving an impetus to the economy in areas which are in need of it. So I think it is important that we go ahead with this program.

If I could see another program which was taking shape which had as much chance of success as this one I might be willing to support that other program.

I might point out to Members also, as the gentleman from Louisiana did, that allowing this program to go into effect is not an irrevokable decision It is the decision we make for now because it is the best thing we have. Then if something else comes along later, there is no reason why that better thing cannot be enacted and substituted for this program whenever the House and the Senate decide in their wisdom that this is necessary.

I say to my friends on my left, this is a brand new Congress. This is the first key vote which we will have as members of the party of the President of the United States.

This is a very important vote because on the results of this vote will depend a great deal of the motion, the motive which is necessary for those on this side of the aisle to shape up as a group of people who have a program, who have a mission in life, and who, yes, if they were in the majority would know where they were going. I think it might be a well-put contrast to the people of this country, and I suggest the best way to dramatize the fact that this is so, that we do know where we are going, is to cast a substantial vote against this bill which would hamper the President of the United States in his ability to deal with the crisis which the country now faces.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania, the chairman of the trade subcommittee.

The CHAIRMAN. The gentleman from Pennsylvania will proceed.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, the gentleman from Pennsylvania is the chairman of the new Subcommittee on Trade of the Committee on Ways and Means. It is a new operation. We have a very responsible subcommittee. The gentleman from Pennsylvania is assuming the leadership in good fashion and I commend him for it.

Mr. GREEN. Mr. Chairman, I want to take just a few minutes, if I can, to review the situation and ask everyone on both sides of the aisle to take a look at what it is we are trying to do.

First of all, what has the President done? The President has acted unilaterally to put into effect part of his program for the economy and in the area of energy. He gave no notice to the U.S. Congress of any intention to do this, and in my opinion did not conduct the proper investigation, He based his action on a study or an investigation that they claimed was made from the 4th to the 14th of January and then announced on the 13th, prior to receiving a copy of that study from Secretary Simon.

Now, I do not want to get stuck on procedure, except that I think procedure is important. I think if we are going to have, as the President said when he spoke to the new Members of this Congress, a spirit of cooperation, a spirit of compromise, a spirit of conciliaton, so that we could get the action we so desperately need. Let us get together with the Congress and the President and take that opportunity to shape the program. We did not have that opportunity here. This is one part of the President's program.

The President's program is an integral program. I commend the President for having a program. I commend the President for making it a total program. I think that is important; but the fact of the matter is that he has taken one part of that program and unilaterally jammed it down the throats of Congress.

Let us get away from the procedure used for a minute and get down to whether or not, the President's decision was wise. The fact of the matter is that every single economist from every point in the spectrum who came before the Committee on Ways and Means and indicated that they thought that the President's decision in this instance was ill-advised, with the exception, of course, of Secretary Simon.

Now, we are not trying to be arbitrary. Are we delaying the President's action? Clearly, we are, and clearly we intend to, but not to slow things down; to speed things up.

We have done everything we could in this process to speed them up. As chairman of the Subcommittee on Trade which would have had original jurisdiction over this in our committee, we waived subcommittee action so that we could let the full committee consider the testimony and evidence and act immediately, as quickly as we possibly could. When the Committee on Ways and Means, with my participation and ill-advisedly, I think, tied the two bills together, and when we saw what was beginning to happen was a game of chicken between the Congress and the President. with the debt limit as a hostage, I went before the Rules Committee and the chairman of the Committee on Ways and Means went before the committee. I recommended this unusual procedure that the Rules Committee adopted.

Why? To speed things up, not to slow them down. We are anxious to get to work on a comprehensive package on the energy problem and for the economy. The fact that we had this unilateral action taken disagreed to by every economist that came before us and, I say, from all spectrums, the fact that we had to stop and consider this delayed action because we considered it ill-advised, has caused us to take valuable time away from the kind of consideration that the President of the United States would like us to give and certainly we will give to his entire proposal.

Now, to get back just for a moment to procedure, it is really very interesting to me all of a sudden to watch a group of strict constructionists become broad constructionists. That is exactly what is happening here.

The fact is that there are extraordinary powers granted under section 232, but those powers can only be exercised after an investigation and the President has seen the results of the investigation. It is in the report, a copy of Secretary Simon's letter to the President of the United States, sending him the results of the investigation, after the President made his announcement as to what his action would be in connection with section 232.

This bill should be passed. I hope it does not take us 90 days to act.

I indicated at the outset in the committee and I indicate now on the floor that it is not my intention to do this again. If the Congress does not act within 90 days, if the Congress does not act, will not act, or is incapable of acting, then I think the President should act even if, he is acting unilaterally.

Clearly, we have a crisis. Clearly, it has national security implications, certainly in the long run. Whether it does in the next day or two or 90 days, I think is extremely questionable, but let us not argue about that. We do have a crisis, and we must act, and we must act together because what we are going to be asked to do—and the point has been made by my good friend from New York (Mr. CONABLE) and by others—that it is important that Secretary Kissinger and others be able to go to the other consuming nations around the world and say that the United States is prepared to act with regard to its own consumption of oil as we would expect other companies to do, so that we can have concerted action around the world in connection with this problem of a unified position, hopefully, by the consumer nations.

But, we will only have the chance to have that unified action if we are first, here in our own country, unified as to what course of action we should take, and that was the kind of call for compromise and conciliation that the President of the United States spoke of, and it takes quick action by the U.S. Congress.

I think we can act in 90 days. I will not propose this bill again if we do not act in 90 days. But, let us act together with the President of the United States, with him giving some notice to the Congress; with the Congress having a chance to have some input. That is what we seek today, a chance to help shape the program.

There was a prior economic program. I have heard how this has gone on 15 months. As late as November of this year the President of the United States had a program, which was rejected overwhelmingly by the American people and which most Members ran away from.

So, let us not just say that we have to rubber stamp any program the President of the United States sends up here to deal with the economy, but let us consider it openly. Let us consider it fairly, and let us work together without delay to solve the problems we face during this terrible crisis.

Mr. SCHNEEBELI. Mr. Chairman, I recognize for 1 minute a new member of the committee, a very valuable member of our committee, the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank my distinguished ranking member for yielding to me and for his comments.

Mr. Chairman, I listened with great interest to several of the speeches made by the distinguished and articulate gentleman from Pennsylvania (Mr. GREEN). I would hope my colleagues would not become confused by a legalistic argument from a Philadelphia lawyer.

I think it is absolutely clear that section 232 grants to the President of the United States the power to take the action he took. It may be that Members do not want him to take any action, but it is fundamental to understand that the Congress of the United States granted authority to the President of the United States to take whatever action he deems necessary.

As to whether there was an investigation or was not an investigation, I have yet to find—and I have studied the question—where a written report is required. Clearly, there was an investigation. Clearly, it was published.

Clearly, we do not have to have public notice. So, at no point in time was the President of the United States in any way, manner, shape, or form abusing any of the powers, the extraordinary powers, granted to him, by this section under the act.

I will, when we go back in the House, ask unanimous consent to include the letter from the Attorney General which outlines this whole matter fully.

The letter follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., January 14, 1975.

Hon. WILLIAM E. SIMON,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: This is in response to your letter of January 7, 1975 requesting my views as to compliance with § 232 of the Trade Expansion Act of 1962, as amended, 19 U.S.C. § 1862, and with applicable Treasury regulations, of the proposed procedures for adoption and the proposed contents of an amendment to Proclamation 3279, Adjusting Imports of Petroleum and Petroleum Products into the United States, 3 CFR Proc. 3279, as amended.

Proclamation 3279 was originally promulgated on March 10, 1959 (24 Fed. Reg. 1781), after a finding by the Director of the Office of Civil and Defense Mobilization pursuant to 19 U.S.C. § 1352a (Pub. L. No. 85-686, § 8 (a), Aug. 20, 1958, 72 Stat. 678) "that crude oil and the principal crude oil derivatives and products are being imported in such quantities and under such circumstances as to threaten to impair the national security," which finding was concurred in by the President. As you are aware, that finding was based upon the facts that existed at that time, an overproduction of petroleum in the world market with a consequent extremely low price for foreign petroleum which discouraged domestic exploration and production. No one doubts that the findings was accurate, and a proper basis for the Proclamation, in 1959,[1] but the question arises whether it is a lawful basis for the presently contemplated modification of the restrictions, especially in light of the drastic change from the factual situation which provided the basis of the 1959 finding. Today the world is faced with high prices and threatened cutbacks in production, and the United States has recently suffered an oil embargo by many producing states.

Section 232(b) of the Trade Expansion Act, as amended, 19 U.S.C. § 1862(b), after setting forth the requirement for an investigation and finding of a threat to the national security, provides that the President ". . . shall take such action, *and for such time, as he deems necessary* to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security." (Emphasis supplied.)

The normal meaning of the phrase "such action," in a context such as this, is not a single act but rather a continuing course of action, with respect to which the initial investigation and finding would satisfy the statutory requirement. This interpretation is amply supported by the legislative history of the provision, which clearly contemplates a continuing process of monitoring and modifying the import restrictions, as their limitations become apparent and their efforts change. See *e.g.*, the comments on the floor of the House by Congressman Cooper, floor manager of the bill which adopted the provision: [2]

The President would not only retain flexibility as to the particular measure which he deems appropriate to take, but, having taken an action, he would retain flexibility, with respect to the continuation, modification, or suspension of any decision that had been made." [3]

The Conference Report on the bill stated with reference to § 232(b) that "it is . . . the understanding of all the conferees that the authority granted to the President under this provision is a continuing authority . . . ." H. Rep. No. 745, 84th Cong., 1st Sess. 7 (1955). The 1958 amendments to § 232(b) were aimed at eliminating the same sort of wastefulness and duplication of effort which a requirement of reinvestigation for every modification of restrictions would produce. *See* S. Rep. No. 1838, note 2 *supra*.

The interpretation here proposed, whereby import restrictions once imposed can be modified without an additional investigation and finding, has been sanctioned by the Congress' failure to object to the President's proceeding on that basis repeatedly during the past fifteen years.

Proclamation 3279 has been amended at least twenty-six times since its issuance in 1959, *see* U.S.C. § 1862 note. Some of those amendments have been minor administrative changes; others have involved major alteration of the means by which petroleum imports were restricted; none have been preceded by a formal § 232(b) investigation and finding. The force of congressional acquiescence in this practice is particularly strong since Congress has, during that period, twice amended the very provision in question—the last time only a month ago. *Cf. Saxbee* v. *Bustos*, —— U.S. ——, ——, 43 USLW 4017, 4021 (Nov. 25, 1974).

The foregoing does not imply that the statute contemplates modification of restrictions without any Presidential determination that the modification is necessary to protect against imports that threaten national security. To the contrary, not only for modification but even for continuation of restrictions the statutory scheme presumes that the President will monitor, through the appropriate agency (now the Department of the Treasury), the factual situation and the effectiveness of his measures in meeting it. The point, however, is that this monitoring, both for continuation and for modification, does not have to comply with the formal investigation and finding requirements applicable to the original imposition of the restriction. And there is nothing to indicate that this rational scheme somehow changes when the factual basis on which a threat to the national security is found changes from that which governed the original determination. Such a distinction not only has no foundation in the statute or its legislative history; it is also unworkable, since facts constantly change and there is no apparent criterion for determining when the change is significant enough to give rise to a reinvestigation and renewed finding requirement.

My conclusion that there is no legal requirement for a new § 232(b) investigation and finding in order to issue the proposed Proclamation does not preclude your making a specific investigation and finding if you wish to do so in connection with the constant monitoring which the statute envisions. Such discretionary action would not be subject to the requirements of § 232(b) nor to the Treasury regulations (31 CFR Part 9) relating to that section. Moreover, even if it were, there is no doubt that you would not be required to give notice, allow for public comment, or hold public hearings on the matter. Section 232(b) states that "the Secretary shall, *if it is appropriate* and after reasonable notice, hold public hearings . . ." (Emphasis added.) There is no evidence in the report of the committee which drafted this language, S. Rep. No. 93–1298, 93d Cong., 2d Sess. 96 (1974), that it is meant to establish a standard any more specific or restrictive than its language implies. Your own regulations require public notice upon undertaking an investigation and allow for public comment, 31 CFR § 9.7(b); and they provide for public hearings when the Assistant Secretary deems it appropriate, 31 CFR § 9.7(f). But these provisions can be varied or dispensed with in emergency situations or when, in your judgment, national security interests require, 31 CFR § 9.8. Your letter states that you have determined in the present case that national security interests require a most speedy investigation which would not allow for notice and hearings or comments. This reason fully suffices for dispensation from any such requirements of the statute and the regulations.

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[1] In *Texas Am. Asphalt Corp.* v. *Walker*, 177 F. Supp. 315 (S.D. Tex. 1959), the President's judgment that the facts called for exercise of his authority was held not subject to judicial review.

[2] 19 U.S.C. § 1862(b) has its origin in Section 7 of the Trade Agreements Extension Act of 1955, 69 Stat. 166. It was originally codified to 19 U.S.C. § 1352a. In the Trade Agreements Extension Act of 1958, Pub. L. No. 85-686, § 8(a) Aug. 20, 1958, 72 Stat. 678, the wording of the subsection was slightly changed so as to increase the President's flexibility and power, *see* S. Rep. No. 1838, 85th Cong., 2d sess., 1958 U.S. Code Congressional and Administrative News 3614, and a new subsection was added which is now 19 U.S.C. § 1862(c). In 1962 the entire section was reenacted as § 232 of the Trade Expansion Act of 1962, Pub. L. No. 87-794, Oct. 11, 1962, 76 Stat. 877, and codified to 19 U.S.C. § 1862, without change in meaning or intent, *see* S. Rep. No. 2059, 87th Cong., 2d sess., 1962 U.S. Code Congressional and Administrative News 318. Most recently the Trade Act of 1974, Pub. L. No. 93-618, § 127 (d), made further slight amendments in the investigative procedure.

[3] 101 Cong. Rec. 8160-61 (1955). Because these remarks were made in amplifying the Conference Report by the House floor manager, they are entitled to be given the same weight as a supplemental committee report. *See Duplex Printing Press Co.* v. *Deering*, 254 U.S. 443, 474-75 (1921).

There remains for consideration the question whether § 232(b) authorizes the types of measures adopted by the proposed Proclamation to restrict imports of petroleum and petroleum derived products. It is clear that § 232 grants the President the broadest flexibility in determining what measures to use to restrict imports, as well as in modifying the restrictions in light either of changed circumstances or of evidence that existing restrictions were insufficient. The language of the section, "take such action . . . as he deems necessary," reflects this, and the legislative history reinforces it.

The report of the Committee which drafted this provision stated that the President was to have the authority to take "*whatever* action is necessary to adjust imports." (Emphasis supplied.) S. Rep. No. 232, 84th Cong., 1st Sess. 4 (1955). On the floor of the Senate, Senator Milliken, who with Senator Byrd actually drafted the provision as an amendment to the House bill, stated that: "It grants to the President authority to take whatever action he deems necessary to adjust imports. . . . He may use tariffs, quotas, import taxes, or other methods of import restrictions." (101 Cong. Rec. 5299 (1955)).

Senator Barkley, also a member of the Senate Finance Committee which added this section to the bill, stated that the President can ". . . impose such quotas or take other steps as he may believe to be desirable in order to maintain the national security." (101 Cong. Rec. 5298 (1955)).

Senator Bennett, again a member of the Senate Finance Committee, commented on the powers the President could give to the Office of Defense Mobilization, saying that—". . . they will have at their command the entire scope of tariffs, quotas, restrictions, stockpiling, and any other variation of these programs." (101 Cong. Rec. 5588 (1955)).

The Conference Report made clear that the President's flexibility in choosing the means extended not merely to his initial action but also to any modifications that he might make in light of changed circumstances. H. Rep. No. 745, *supra;* see the floor remarks of Congressman Cooper, quoted at page 3, *supra*. The 1958 amendments intended no change in this flexibility and discretion. The Senate Report stated: "As was the purpose when the national security section was added in the 1955 extension of the act, the amendments are designed to give the President unquestioned authority to limit imports which threaten to impair defense-essential industries." (S. Rept. No. 1838, supra).

A broad interpretation of the President's powers under § 232(b) has been concurred in by the courts. As stated in *Pancoastal Petroleum, Ltd.* v. *Udall,* 348 F.2d 805, 807 (D.C. Cir. 1965), "The law confers discretion on the President in broadest terms."

Against this background, there is no doubt that the devices employed in the draft Proclamation are within the authority of § 232 (b). These include a return to the tariffs eliminated by Proclamation 4210 of April 18, 1973, and an increase in the license fees established by the same Proclamation. Both tariffs and license fees are traditional means of restricting imports and certainly envisioned by the statutory provision.

Sincerely,

William B. Saxbe,
Attorney General.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. Fascell).

Mr. FASCELL. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, as a sponsor of identical legislation, I urge our colleagues to join in passing overwhelmingly the bill H.R. 1767. This legislation is needed to assert the legitimate role of the Congress in formulating the Nation's energy policy.

I am most distressed by President Ford's action in utilizing the national security clause of the Trade Expansion Act of 1962 to arbitrarily impose a high import tax on oil before giving the Congress an opportunity to review and act upon the remainder of his energy proposals. This single action by the President will not conserve a significant amount of energy nor will it contribute to the national security.

It will, however, place a tremendous burden on the people of the State of Florida and other sections of the country, who, as a result of long-established petroleum supply networks, are largely dependent upon foreign oil for energy.

While President Ford promised in his state of the Union message to equalize the price burden nationwide, the actual proposal issued by the Federal Energy Administration will leave a grossly unfair portion of the import tax to be paid by residents of Florida and the New England States. These areas of the country are already the hardest hit by current foreign oil prices, and simply cannot afford to pay more.

In imposing this additional tax on foreign oil without a fair equalization program, the President is, in essence, holding Florida and New England as economic hostages in the energy policy debate.

Further, while the people of these regions are being bled dry by increased fuel oil and electricity costs, the major oil companies will add to their already immense profits by immediately raising the price of uncontrolled domestic oil to equal the price of imported oil.

While the increased import tax will undoubtedly add to the coffers of the oil companies and the miseries of the consumer, there is no indication that it will conserve much oil. I question whether even the drastic, across-the-board increases in the price of all oil and gas that the President has proposed will effectively meet the short-term energy conservation goals he has set for the Nation. The dramatic price increase imposed by the oil cartel 18 months ago has reduced energy consumption only slightly.

On the other hand, the same price hike has fueled double-digit inflation, created severe hardship for many lower income Americans and small businessmen, and drained money from the domestic economy, thus contributing to the present serious recession. I can see no reason why the President's proposed price increase will be any more beneficial than the OPEC price increase except that the U.S. Government, rather than the OPEC nations, will have the opportunity to share in the bounty with the major oil companies while the economy continues its downward slide.

The additional import tax which the President has imposed is an arbitrary and unfair first step toward an energy policy that will seriously damage our already reeling economy. Enactment of this legislation, H.R. 1767, will provide the Congress with the time it needs to create a more rational energy policy.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation. As my distinguished colleague from Pennsylvania, Mr. Green, has so forcefully stated, we need to develop a comprehensive program that will take into account the need for concerted action all over the world. It is for this reason that we must provide for the 90-day suspension.

Moreover, it is not possible at this time to measure the full impact of the $3 per barrel oil import tariff throughout our entire Nation.

I have been able to secure preliminary information with respect to New York City and I must say that it is devastating.

In New York City, which depends heavily on imported fuels, the price of home heating oil is already an astronomical $12 to $13 per barrel. A $3 a barrel import tariff would translate into an immediate 25-percent increase in the price of home heating oil, an increase that most individual homeowners can ill afford.

The increase would also affect the residents of apartments, specifically the poor who are forced to live in substandard housing. Home heating oil, currently priced at over 40 cents a gallon, is expected to receive a minimum 8-cent-a-gallon increase. Today, the New York City Council is debating a bill that would pass along the increased energy cost to the tenant. The measure calls for a $3 per month per room increase in rent whether the apartment is controlled or decontrolled under the city's rent control laws. For the average five-room apartment, this would mean a $15 per month increase in rent for the tenant.

The pass-along measure, along with the tariff would probably cause a deterioration of housing conditions and greatly aggravate the already overwhelming problem of building abandonments. Those landlords who could not absorb further increases in heating oil would simply refuse to supply their tenants with heat and thereby exacerbate the plight of the poor and accelerate the rate of building abandonments. New York City can do without any additional factors which worsen living conditions, cause the abandonment of buildings, and further erode the city's tax base.

In addition, the President's proposal

will cost the New York City consumer a minimum increase of $200 million per year for electricity. For the average electricity customer, it will mean a raise in the monthly utility bill of 8 percent per month.

The people of New York City, already suffering tremendously because of our current economic conditions, could not bear the added burden of the $3 per barrel oil import tariff. I understand that people in areas elsewhere in the country would be faced with similar increases if the President's proposal were adopted. It is for these reasons I support H.R. 1767. I am hopeful that, following its adoption, the Congress will consider more equitable solutions to the energy problem, such as fair price mixing of domestic and imported oil, import limitations coupled with meaningful priorities, and the reallocation of existing domestic supplies.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, I am rising in support of H.R. 1767, to prohibit the levying of tariffs on imported oil. To implement such a tax program is to further devastate the New England region.

If the closing of the naval base facilities in Rhode Island last year did not contribute to a 9.1 percent current unemployment rate, if the already bloated prices of oil had not caused New Englanders to pay 139 percent more for energy than the previous year—as opposed to a 40 percent increase nationwide—if New Englanders were not voluntarily responding to the energy crisis by conserving at rates more than twice as high as the national average, if New Englanders were not dependent on imports for 75 percent of their oil and not dependent on oil for 85 percent of their energy needs, perhaps then and only then would it be appropriate to bring them this harsh philosophy.

However, this is certainly not the case. And we can neither minimize nor ignore any of the elements of the problem unique to the New England region.

I must admit to some admiration of President Ford as he has gone around the country and spoken to the people about his energy program. His breakfasts with Congress, his use of the media, and his appearances at various State and local affairs have bespoken his desire to bring his program to the people and to provide full explanations as he did in Atlanta a couple of days ago.

As I said, I admire his zeal. And I would invite him to bring his program, explanation, zeal, and all, to the people of New England. I invite President Ford to come to Providence and explain to these people why they deserve to carry yet another burden. I invite him to tell the residents of Rhode Island why a program supposed to reflect a spirit of compromise and conciliation, a two-way street, has suddenly become a dead end.

New England is famous for its opposition to unfair taxation and has fought more than one battle to sustain its rights. Though we certainly are not declaring a war with the administration, I do feel that the President owes New England equal time, that to speak to the rest of the country is impressive, but to bring his story to Providence, Boston, or any New England city would certainly be the ultimate test.

Mr. ULLMAN. Mr. Chairmain, I yield such time as he may consume to the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO. Mr. Chairman, I support H.R. 1767, to prohibit imposition of import tariffs on crude oil, because I am deeply concerned about the inequity of the President's energy program and because of the severe inflationary impact it will have upon our economy.

My State of Wyoming is one of the foremost petroleum producing States in the Union, and I shall defend retention of the oil depletion allowance for oil and gas independent producers, particularly for those who produce less than 3,000 barrels a day. They are the backbone of the industry, and we need the independents in the national effort to increase domestic production and free our country from OPEC control.

Though imposition of import fees would be beneficial to our domestic petroleum industry, I am more concerned about the $40 billion increase in consumer costs for fuel and petrochemical products caused by the administration's energy program. The administration estimates that import tariffs alone would raise the cost of gasoline at the pumps by at least 10 cents per gallon. Added to the fourfold increase in petroleum prices in the past year, that is an unreasonable burden upon American working people. And what guarantee have we that the President's goal of independence from OPEC oil can be met through this inequitable means by the year 1985?

The President's action is not in the spirit of cooperation with the Congress. Rather it is a hasty act which will have a terrible inflationary impact upon our economy without the guarantee more stringent actions would have upon reducing oil imports.

We are all willing to bite the bullet to reduce our 17-percent energy dependency upon foreign sources of oil, but it must be done in a manner fair to all segments of our society. To deny this passthrough today will be the beginning step in that direction.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. Fisher), a member of the committee.

Mr. FISHER. Mr. Chairman, in support of this bill (H.R. 1767) I want to make one point that I believe to be of critical importance. The placing of an import fee of $1 on a barrel oil on February 1, to be followed by additional dollars on March 1 and April 1, make three significant steps in the direction of trying to reduce oil imports mainly by raising oil prices. These steps, no doubt, will be followed by removing regulation of the price of domestic oil. Taken together, these actions will be inflationary and constitute an unnecessary burden on consumers of all oil products.

The Congress and the country need a short time to consider these actions in the context of a comprehensive energy policy, whether the President's or its own. We must not be drawn into a policy direction we may well not wish to take. Failure to pass this bill would make it much more difficult for the Congress to weigh the alternative solutions and legislate wisely. Up to three months is not too long a time to take to do this job right.

Mr. SCHNEEBELI. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Chairman, last night, along with a number of my colleagues, I had the opportunity of being with the President, Dr. Kissinger, and Mr. Zarb. I listened to the situation that they outlined in this country and in the world today, and I came away from that meeting genuinely disturbed over the future and the security of the United States. I listened to them outline the real critical situation this country is faced with today.

In my belief, the President's program is not addressing the real problem that this country is facing today. It is my hope, and, frankly, my prayer, that the Congress and the proper committees are going to address this problem just as though we were fighting a war, because it is my understanding that we are, basically, fighting a war. This happens to be an energy war. But it is a war for our very survival.

We should and must establish national goals. We must set a program in motion for the people of this country, we should not worry about frightening the people with a tough program. The people of this country will rise to support a program, a national goal of conservation, a national goal of nuclear energy, a national goal in the development of new domestic oil.

We have to take the steps. Give the country something to shoot at, give it a target, and this country will meet it. In effect, I look at the President's program as nothing but pussyfooting around the issue.

Mr. Chairman, I do not believe this program of taxing import oil is going to answer or solve the problem in any way—it will create new problems. I believe we must take hard steps; we must be willing to take them in order to make this country independent. If we do not have the creative ability here in the Congress to do that, then the President must do it. But I hope the Members on both sides of the aisle—this is not a one-party affair—will take the steps, will establish the goals, and will tell the people what has to be done and then go ahead and do it.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Chairman, I am one of those who would have preferred something else besides costlier fuel to solve the energy crisis. I would have preferred something that would cause less economic pain and deprivation and injury to my constituents. But the fact is that there is no such alternative offered that I can vote for in trying to resolve this problem.

I had hoped that my distinguished colleagues on the majority side of the aisle would come up with some more pleasant alternative, a painless alternative. I thought, through the control of the effective committees we have here in Congress and utilizing the experience of the large and well organized staffs of experts that these committees have, perhaps they could have come up with something better.

That would have saved me a good deal of embarrassment, had they been able to come up with a better alternative, because I do not like the idea of asking people to pay more for gasoline or for fuel oil or for the other products that come from petroleum. Unfortunately, nothing has come forth in the past several weeks or, for that matter, for the last several months or, for that matter, for the last year and a half during which we have known that we had this energy crisis, or, for that matter, for the last 5 years during which we have been afflicted with inflation. If they could not come up with a painless alternative, perhaps they could have come up with something less painful. But again there has been no real comprehensive less painful alternative proposed.

Mr. Chairman, the President's plan makes sense, painful though it may be. It is designed to make it possible for us as a nation to avoid being held hostage by the Arab oil producing powers and by other powers which control more oil than we do in the world markets. It will keep us from being dependent, after it has operated for a period of time. Right now we are dependent to the extent of 35 percent of our present oil needs.

Increased prices will serve to bring in more oil from our domestic reserves, both from military reserves and existing wells, from which we now get out, on the average, only about 32 percent of all the oil in the ground. I have been advised by some technicians in the business who reside in my part of the country that the technology exists to get an average of 48 percent of the oil out of old wells, existing wells, if the price of oil were to go to about $2 higher than it is now. That is a 50-percent increase. That amounts to 48 percent of the oil out of a well that only brought in 32 percent before, which is a 50-percent increase in our oil supply from such domestic wells.

In addition, the President's plan encourages the development of new wells on the Outer Continental Shelf, and the vehicle he uses for that is an effective human quality—the desire for profit. The conservation factor is equally as effective, and again it is a human quality—the desire for self-protection.

If gasoline costs each of us more, we will each find a way to get along with less of it. Perhaps we will get a sufficient amount in rebates from taxes to pay for the additional costs that we cannot avoid. As for the average citizen, he will probably do better than that, because those of us in Congress have never been able to devise a Federal program where the average citizen has not been able to figure out a way to make it work for his advantage—or else the average citizen sees that it does not work at all.

So if we have a program of rebates, the average citizen will save more because the price is up, and he will probably get more in rebates than it actually costs him for gasoline. That is the beauty of this program. It fits together. It uses natural economic methods to accomplish what we must do for good and sufficient economic reasons for the benefit of the Nation. It depends on the average citizen.

Rationing? Allocation? All of these require some form of very expensive Federal programs where supposedly superior intelligence from Washington makes all the decisions. However, since that superior Washington wit has not been able to galvanize into action in order to resolve this problem in any better or more comprehensive way than that which the President of the United States has now proposed to us, I have little confidence in our ability to ration or allocate any more equitably than free market economic mechanisms.

Mr. Chairman, I do not find any pleasure in this rather painful plan, but I do not find any pride in just putting it off for 90 days and saying, "We will try to think of something."

That, frankly, is a little embarrassing to me after 18 months of this energy crisis. It is a little embarrassing after 5 years of inflation. It is a little embarrassing after what happened to us last year when the Arabs cutoff our oil.

I think we ought to have the integrity, as Members of Congress, to accept a comprehensive plan that tries to resolve a real problem. If we have a better idea, I am sure that our ideas can be presented to the administration and some negotiation can take place to come up with a compromise over the next few months. But failing that, failing having the better idea now, I think the American people look to us to try to solve what they also perceive as a real problem.

Mr. Chairman, I insert in the record the testimony this morning of Secretary of the Treasury William E. Simon before the Joint Economic Committee. It deals in general with the energy problem, and also in general with the economic problem our Nation faces today.

It lays it on the line very clearly for all of us to try to understand and accept, even though it may not have been an idea that we originally came up with.

The statement follows:

STATEMENT OF THE HONORABLE WILLIAM E. SIMON

Mr. Chairman and Members of the Joint Economic Committee:

It is a pleasure to appear again before your distinguished Committee. These sessions provide a valuable opportunity to review the economic and financial developments of the recent past and to discuss appropriate policies for the future.

We have no shortage of problems to deal with this year. The economy is in recession while intolerably high rates of inflation still persist. At the same time, we must take drastic steps to reduce our dependence upon foreign oil. These same three problems of recession, inflation, and high-priced oil also dominate the international scene and we must continue to work with our friends abroad in search of acceptable solutions.

Our discussions today take place within the context of three recent events: the formulation and submission by President Ford of a comprehensive program to cope with the interrelated problems of the economy and energy; the submission by the President of the budget for the coming fiscal year; and the release yesterday of President Ford's first economic report. The main elements of the Administration's program are familiar to you and I will not take your time this morning to review this program at any length. It does seem to me that your Committee is uniquely equipped to take a broad view of our economic situation and possible remedies, and it is to these that I wish to turn initially.

DOMESTIC ECONOMIC OUTLOOK

We have an economy with a short-run problem of recession and a continuing problem of inflation. There is no doubt about the recession; it may very well turn out to be the longest and deepest decline since World War II. There is also no doubt about the inflation. It dwarfs anything that we have experienced in our peacetime history. Both of these conditions must be bought under control.

Much of the current discussion concentrates almost exclusively upon the recession. This is understandable. Falling output and rising unemployment create economic hardship, which would be intolerable if continued for too long a period. Real output declined at a 9 percent annual rate in the fourth quarter and is again falling sharply during the current quarter. Unemployment rose above 7 percent by the close of last year and will probably exceed 8 percent this year before beginning a gradual decline. For 1975 as a whole the unemployment rate is likely to average close to 8 percent, far above last year's 5.6 percent.

The trend through the year, however, should be distinctly better than last year. In 1974, output was falling rapidly by the end of the year. By the end of this year, output will be rising. In 1974, the rate of inflation was in double digits by the end of the year. By the end of this year, it will be well below 10 percent. The Economic Report provides our best estimates on output, prices, and employment. As in other rent years, our own estimates are close to the consensus of private economic forecasts.

The forecasts may not be altogether convincing. Last year's forecasts—our own and most others—called for output to rise and inflation to fall in the second half of the year. That was not the way it turned out. Now, with the good news once again scheduled for the second half of the year and the bad news here in the present, some skepticism is inevitable.

Our case for a recovery in the second half of this year rests primarily upon cyclical forces. Inflation caused the supply of mortgage credit to dry up and sent the housing industry into a tailspin. With inflation gradually receding now, and the economy soft, short-term interest rates have declined sharply. This has renewed the inflow of funds to the thrift institutions and provided the essential precondition for a housing upturn.

Inflation also cut deeply into the real income of consumers as prices transferred income from most consumers to growers of grain and sugar and to owners of oil both here and abroad. Inflation also cut indirectly into real disposable income through higher effective rates of taxation. As a consequence, real consumer purchases fell 3 percent in the past year. However, now that the pattern of wage settlements has accelerated and the rate of inflation is subsiding, the real income of workers should be on the upgrade again in 1975. This, in turn, should lead to an increase in consumer spending, providing another element of support for the general economic recovery.

A third cyclical element that should turn around during the year is inventory investment. Businessmen are liquidating excessive stocks now, not only in the automobile industry, but also in a wide range of other industries. Since final demands in the economy will not fall away precipitously—for many reasons, including the automatic stabilizers built into our budget—the decline in inventory investment will end and will turn around and become a positive economic factor once again.

Thus housing, consumer spending and inventory investment will all be contributing to a recovery from the recession during 1975.

There have been 5 cyclical contractions in the postwar period, 27 in the past 120 years. We have survived them all. From every indication, the present contraction will fall within the accustomed postwar pattern. I think there is no prospect whatsoever of a long and deep economic downturn on the scale of the 1930s.

Nonetheless, we are not prepared simply to let nature take its course. The Federal Reserve has already eased monetary condition substantially. Similarly, the President has recommended a $16 billion temporary tax rebate this calendar year to provide economic stimulus at a time when the economy is weak. This tax rebate is in addition to the estimated $17 to $18 billion that will be spent on unemployment compensation and public service employment programs in FY 1976. We advocate the $16 billion temporary tax cut not because the economy would not recover without it, but because it will make the recovery in the second half of the year more solid and certain.

Even so, there are no instant cures. Our current economic troubles grew out of multiple causes reaching back a decade or more. While special factors, of which food and fuel are the most prominent, were important, the most fundamental sources of our difficulties have been overstimulative monetary and fiscal policies. It is unrealistic to expect that the economic weakness can be cured overnight. A careful and balanced policy approach is required, and it will take time to yield its full results.

The worst policy of all, in my opinion, would be to both crank up Federal spending and cut back taxes in a massive and permanent way. Those are the very policies that got us where we are now. That sort of advice ignores or minimizes the fact that inflation remains a problem of the first magnitude. It also ignores or minimizes the fact that the enormous budget deficits have to be financed in capital markets that are already strained by a decade of inflation. The financial implications of a massive swing to fiscal ease are so disturbing that I want to discuss them with you subsequently at some length.

Even with a cyclical recovery beginning in the middle months of the year, the economic situation will remain difficult. Productivity has fallen. Gains in output later in the year should mean that productivity growth will resume. But prices, costs, and productivity will not quickly come into anything like the balanced non-inflationary relationship that existed before the mid-1960s. Inflation has become deeply imbedded in the economic system and it will not be removed in a matter of a few quarters.

LONGER RUN CONSIDERATIONS

We must face up to the fact that under the best of circumstances we will finish this year with the rate of unemployment and the rate of inflation far above acceptable long-term levels. From there, at least two paths branch out into the economic future. One choice would be to attempt to push the economy back to full capacity operations at breakneck speed without regard to the inflationary consequences. That is the wrong path to travel, because it would not work. In a very short time, inflation would again be rampant. We would then retrace the same sequence of events we have just been through, tumbling into another recession and shaking public confidence even more severely than at present.

The other path requires patience on the part of the American people. There must be vigorous growth in the economy so that we can steadily reduce unemployment. But some margin of economic slack must remain for a period of years to insure that inflation can be squeezed out gradually. There must be no early return to conditions of excess demand. If this seems an overly cautious approach, it might be recalled that in early 1965, after four years of recovery from the 1960–61 recession, the unemployment rate was still only slightly below 5 percent but the economy was relatively free from inflation.

In the remote historical past, periods of rapid inflation were followed by financial panics and an ensuing deflation. Since the economic and financial trauma of the 1930s we have been unwilling to accept that result and, quite properly, we have built safeguards into the economic and financial system to prevent any deep cumulative downturn from occurring. But we have not yet learned any way of avoiding the inflationary consequences when the economy is pressed too far, too fast. Price controls are no solution at all. They would destroy our market economy if used permanently in peacetime. Therefore, we must hold the economy within the zone of acceptable price performance and apply such other policies as may be required to deal with any structural unemployment that remains.

As we look to the longer run, much greater emphasis also needs to be placed upon the central role of capital formation in economic growth. Our own ratio of private investment to gross national product is much lower than that of other major industrial nations. In turn, this is reflected in our much lower rate of growth in productivity.

In the future, we are going to have to do better. The capital requirements of the American economy over the next decade will be enormous. We will need up to a trillion dollars for energy alone. Beyond that, we will need extremely large sums for control of pollution, urban transportation, and rebuilding some of our basic industries where new investment languished over the past decade. In addition, there are the more conventional, but still mammoth, requirements for capital to replace and add to the present stock of housing, factories and machinery.

Yet in the face of these massive requirements, we are not providing adequate incentives for new investment. Over the past decade the inflation has led to high effective rates of business taxation and low rates of profitability, which in turn, have greatly eroded the incentives for capital formation. It is not unfair to say that we are in a profits depression in this country. Nonfinancial corporations reported profits after taxes in 1974 of $65.5 billion as compared to $38.2 billion in 1965, an apparent 71 percent increase. But when depreciation is calculated on a basis that provides a more realistic accounting for the current value of the capital used in production and when the effect of inflation on inventory values is eliminated, after-tax profits actually declined by 50 percent from $37.0 billion in 1965 to $20.6 billion in 1974. A major factor contributing to this decline is that income taxes were payable on these fictitious elements of profits. That resulted in a rise in the effective tax rate on true profits from about 43 percent in 1965 to 69 percent in 1974. Thus, a realistic calculation shows that the sharp rise in reported profits was an optical illusion caused by inflation.

Since, in our economy, corporate profits are the major source of funds for new investment, and thus in the creation of new jobs, all of this has grave implications for capital formation and growth. That is perhaps seen best in the figures for retained earnings of nonfinancial corporations, restated on the same basis to account realistically for inventories and depreciation. It is the retained earnings that corporations have available to finance additional new capacity (as distinguished from the replacement of existing capacity). In 1965, there were $20 billion of retained earnings. By 1973, after eight years in which real GNP had increased 36 percent, the retained earnings of nonfinancial corporations had dropped 70 percent to $6 billion. And for 1974, our preliminary estimate for retained earnings is a minus of nearly $10 billion. That means that there was not nearly enough even to replace existing capacity, and nothing to finance investment in additional new capacity.

It is a simple but compelling economic fact of life that increases in productive performance are required over time to support a rising standard of living. Yet, as a Nation, we are rapidly expanding public payments to individuals but neglecting to provide adequate incentives for new investment. Since 1965, in real terms, economic output has increased by one-third while government transfer payments to persons more than doubled. On the other hand, private investment expenditures—upon which the economic future of all of us inevitably depends—have failed to keep pace, rising by only a bit more than one-fourth.

It is imperative that we make better provision for the future. This means that we must place much greater emphasis upon saving and investment and much less upon consumption and government expenditure. Today, recession, inflation, and energy policy dominate the discussion of economic events and policy. We must take determined action to deal with these interrelated problems. At the same time, however, we must begin to shift the long-run balance of domestic priorities away from consumption and government spending and toward investment and increased productivity. I believe history will judge us, not on how we handle our short-run problems such as recession, but on our ability to deal with the more fundamental problems of the allocation of resources and capital formation. If, as a Nation, we fail to address these problems, we will fail to attain the prosperity and the rising standard of living that the American people can achieve. Our goal should be to enlarge the economic pie, not just to redistribute it.

FINANCING FEDERAL BUDGET DEFICITS

Federal budget deficits are estimated to total $87 billion in fiscal years 1975 and 1976—$35 billion this fiscal year and $52 billion next year. I have made no secret of the fact that I feel that such deficits are large by any standard and that they pose a substantial problem. Let me make my conclusion on this issue quite clear. Although they present dangers and although they will inevitably impose strains on the financial markets, I believe those deficits will be manageable if—and I want to stress this—if they do not become significantly larger and if they are temporary in duration.

It is true that financial conditions normally ease substantially during a recession and normally they remain easy well into the period of recovery. There are two main reasons for this: First, some private demands for credit are closely related to the pace of business activity and decline sharply during a recession period. Short-term business borrowing to finance inventories is a prime example. Second, the Federal Reserve customarily "leans against the wind" during a period of recession and seeks to expand, or at least maintain, the rate of growth in money and credit. Therefore, interest rates can be expected to decline and the availability of credit to increase as a normal part of the cyclical process.

It must be considerations of this general nature which lead some observers to conclude, too readily in my opinion, that the financing of large Federal deficits in the current recession is a routine matter, largely devoid of any particular economic significance. I respectfully disagree.

The current recession is an outgrowth of a long period of inflation that has left private financing demands much heavier than usual. There has been the market decline in profits I mentioned earlier and a serious erosion of the liquidity base of households and busineses. The decline in the stock market has in many cases virtually ruled out the sale of new equity as a source of funds.

For these and other reasons, there has been an unusually large supply of private debt issues coming into the market. Our latest projections show that net new corporate bond issues, which rose from $12½ billion in 1973 to $25 billion in 1974, will advance even further to some $30 billion or more in 1975. While corporate capital spending programs are being cut back, there will still be a very heavy volume of corporate long-term borrowing. Furthermore, the state and local fiscal position has changed drastically. Their surpluses have melted away, tax receipts are affected by the recession, and state and local borrowing needs will be substantial.

Some slackening in private demands for short-term credit is underway and more can be expected. Yet by any previous recession standards, total private demands for credit—both short and long term—are likely to remain fairly large.

Federal requirements will, of course, have to be met. But there are risks in such a situation. First, if private demand does not fall back spontaneously to make room for the larger Federal borrowing, credit demand will outrun supply, interest rates will be driven higher, and some private borrowers will be crowded out. Judging from past experience, the housing industry would be the most likely to suffer. Indeed, its recovery might even be aborted. At the worst, financial factors might be such a binding constraint as to dampen the normal cyclical recovery that would otherwise occur.

The second risk is on the inflation side. Some observers suggest that, in order to avoid any strains on the credit markets, the Federal Reserve should undertake whatever rate of growth in money and credit is required to insure that Federal and all other borrowing requirements are met at stable or declining interest rates. This approach, however, could be a sure formula for still higher inflation rates when the recovery gets into full swing—if not sooner.

The key to successful financing of the large Federal deficits lies in diligent restraint of Federal expenditures. Large as they are, the $85 billion in deficits projected for fiscal years 1975–76 can probably be accommodated although they will produce some strains in the financial markets. However, if Congress were to push Federal expenditures much beyond the budgeted levels, it would not be possible to retain much optimism as to the result. Either the recovery would be delayed or more inflation would be experienced in the future.

In previous recessions one could be more relaxed about the financing of temporary Federal deficits. This recession began, however, with the financial markets under considerable pressure. If the Congress will work with us in a joint effort to restrain expenditures, we can probably move through the period ahead without undue difficulty, but it would be a mistake to ignore the possible adverse effects of having to finance large Federal deficits. In my opinion, the projected deficits for fiscal 1975–76 are—in the context of our expectations about the course of the economy—about as large as our financial system can tolerate without doing more harm than good for the economy.

THE DOMESTIC ECONOMY AND THE ENERGY PROGRAM

In addition to the temporary measures designed to cushion the impact of recession and promote recovery, President Ford is recommending a comprehensive program to achieve self-sufficiency in energy in ten years. The essence of the program is the reduction of energy consumption through the use of the market mechanism. Under the President's program, energy price increases and other measures will enable us to achieve an estimated 1 million barrels per day saving on imported oil by the end of this year and another 1 million barrels per day by the end of 1977. From a macroeconomic point of view, the program is designed to be neutral in its impact on total demand. An additional $30 billion will be collected in the form of taxes and fees but it will then be returned to the economy, mostly in the form of permanent tax reductions and payments to non-taxpayers.

The introduction of such a program, many of whose effects cannot be predicted with absolute precision, is bound to be controversial. There probably would never be an ideal time for such action. The plain fact of the matter is, however, that many non-economic considerations dictate the necessity of prompt, credible action to move toward energy independence.

With our own economy in recession, it is important to insure that the energy program has as neutral an impact as possible on the overall economy. In particular, this requires that the timing of the economic impact be carefully considered. Taken in conjunction, the temporary $16 billion tax cut to stimulate the economy and the various energy taxes are designed to exert their maximum stimulus in the second and third quarters of this year and then to taper off to a position of neutrality by the end of 1976. A table attached to my statement provides an estimate by quarters of the direct budget impact.

One undesired, but unavoidable, impact of the energy program will be a temporary inflation effect. Our best estimate is a one-shot increase in the general price level of roughly 2 percent. It should be stressed that the rate of inflation is increased by this amount once only, not on a permanent basis.

It is a valid question whether any program seeking to reduce energy consumption through a sizable shift in relative prices can confidently be described as neutral in its impact. Its neutrality is, of course, only with respect to the net effect on economic activity. Energy intensive industries and higher income taxpayers—to mention only two examples—will feel a disproportionate impact. Furthermore, there are uncertainties and gaps in our knowledge which preclude a definite and precise estimate of all the effects. To the best of our ability, however, we have put together an energy program which should be neutral in its total impact on economic activity. At the same time, it represents a comprehensive and balanced national energy policy that will effectively reduce our reliance on insecure sources of energy.

FOREIGN ECONOMIC OUTLOOK

The picture I have given you of the U.S. economy also portrays only too well the economic situation in most other major industrial countries. As the industrialized nations have become more interdependent, their economies increasingly march in step together. In 1972–73, the industrialized nations experienced virtually simultaneous boom conditions. Now most have moved into a generalized condition of minimal or negative growth and substantial unemployment in the face of continuing price pressures.

The recession which most major countries are experiencing is the worst since World War II. Collectively, our partners in the Organization for Economic Cooperation and Development (OECD) saw their growth rate fall to 1½ percent last year from 6½ percent in 1973. Toward the end of last year the Secretariat of the OECD was predicting 2¼ percent growth for the area in 1975, again excluding the United States. From the reports I have heard from my colleagues abroad recently, however, I judge that this estimate will have to be revised downward.

Japan and Germany, like the U.S., are experiencing a more pervasive slowdown in economic activity than expected only a few months ago. To a lesser degree, the outlook for the French, British and Canadian economies has also weakened. There is considerable evidence of loss of confidence on the part of both consumers and investors, with consequent damage to investment and jobs. Reduced levels of consumer spending, along with high interest rates, have led to continued retrenchment in business plans for plant and equipment expenditure.

Unemployment has also become a problem abroad. Declines in average hours worked, increases in part time work and actual declines in employment, particularly in the manufacturing and construction sectors, are characteristic. Unemployment rates in Europe are in many cases approaching postwar highs, and in the case of France, unemployment has already reached a postwar record. As in the United States, unemployment levels may well increase further before levelling off and starting down again toward the end of the year.

Intolerable inflation rates abroad have recently shown signs of easing. But for much of last year, far from abating, in most countries they climbed to even higher levels under the pressure of the oil price increases and escalating wage and salary demands.

Double digit inflation rates were recorded in 22 of the 24 OECD countries in 1974. Excluding the United States, the OECD inflation rate was over 15 percent for that year, as compared with 8½ percent in 1973 and an average of 4¼ percent in the previous ten years.

All of the OECD countries hope to bring down their inflation rates in 1975, but none expects to achieve a level which it would consider satisfactory. Of the other OECD countries, price increases of less than 10 percent are forecast for only Germany and Switzerland. Japan, Italy and the United Kingdom still face the prospect of rates above 15 percent for 1975.

For the policy maker searching for the means to restore both prices stability and growth, the difficulty has been compounded by record wage demands. In many countries, wage increases in 1974 averaged more than 20 percent—well above inflation rates—and in Japan they approached 30 percent. The extent to which these pressures can be moderated will be a key factor in determining the success of efforts to reduce inflation in 1975.

In my talks with other finance ministers, I find an acute awareness that economies caught in a two-way stretch and that it would be dangerous to focus on only one source of the tension. Individually and together, governments are reappraising their policies as time passes and the situation changes. In several countries, government policies have shifted, just as they have in the United States. Most Governments are moving cautiously, however, seeking to absorb slack gradually so as to avoid giving a new boost to inflationary pressures. Germany—which had the best record on inflation in 1974—has relaxed previous restrictive policies significantly, and Britain has also moved progressively to stimulate its economy.

Canada has moved modestly toward less restraint in both budget and monetary policy. France on the other hand, has sought to maintain restraints. Japan, laboring under a cost of living increase of 25 percent in 1974 and facing demands for another 30 percent increase in wages, has also kept restraints taut despite a 6.7 percent decline in output in the fourth quarter.

One implication of the depressed outlook for major economies this year is that foreign demand will not be of much assistance in achieving early recovery. The volume of international trade may well decline in 1975. Another, more heartening, implication is that there could be greater progress against inflation then earlier foreseen. There is a possibility that the world wide slump may lead to more softness in the prices of basic commodities than has been incorporated into most forecasts. With higher unemployment rates, wage demands may turn out to be somewhat more modest than anticipated. Inflationary pressures could thus subside somewhat more rapidly than expected, if governments can resist pressures for excessively stimulative policies.

INTERNATIONAL PAYMENTS

Never in peacetime has the pattern of international payments shifted as sharply and as suddenly as it did last year under the impact of the OPEC cartel's quadrupling of oil prices. The OECD countries, which had a combined current account surplus of $2½ billion in 1973, faced a deficit of perhaps $37½ billion in 1974. Countries which had been accustomed to exporting capital and transferring resources to the developing countries found themselves unable to pay for their own imports with their exports. They have been forced to become borrowers—on a scale out of all proportion to previous experience.

The announcement that the United States had a $3 billion merchandise trade deficit in 1974 (census basis) occasioned headlines here in Washington. This was a deterioration of less than $5 billion from the 1973 balance. With the trade surplus of the OPEC countries rising—in rough order of magnitude—$60 billion in 1974, there had to be an equivalent deterioration in the trade balances of the oil importing countries as a group. Since the U.S. was importing not much less than a quarter of the oil and our oil import bill rose $18 billion, our trade position clearly strengthened relative to most of the oil-importing world. Germany was the only important industrial nation to experience an increase in its surplus on trade account.

Record deficits in the oil importing countries had their counterpart in record surpluses of the oil exporters. We estimate that in 1974 the thirteen OPEC countries received about $90 billion from oil exports, or roughly four times the amount they earned in 1973. In addition, their other exports, or roughly about $5 billion, bringing their total receipts to $95 billion. During this same period, the OPEC nations spent approximately $35 billion—or a little more than a third of their export receipts—on imports. This left a balance of approximately $60 billion available for investment abroad.

OPEC needed to find investment outlets for this balance, and oil importing countries needed to borrow these funds. Our rough and tentative estimates suggest that in 1974, the OPEC countries invested their surpluses as follows:

Some $21 billion, or about 35 percent of the surplus, apparently went into the Eurocurrency market, basically in the form of bank deposits.

Some $11 billion, or 18½ percent, flowed directly into the United States. Available figures suggest that of this amount, roughly $6 billion went into short and longer-term U.S. Government securities, while some $4 billion were placed in bank deposits, negotiable certificates of deposit, bankers' acceptances, and other money market paper. As best we can tell, less than $1 billion was invested in property and equities in this country.

Some $7½ billion, or about 12½ percent, is believed to have been invested in pound sterling denominated assets in the United Kingdom, some of it in U.K. government securities, some in bank deposits, some in other money market instruments and some in property and equities. This amount, I should note, is quite apart from the large Eurocurrency deposits there.

Some $5½ billion, or about 9 percent, may have been accounted for by direct lending by OPEC countries to official and quasi-official institutions in developed countries other than the U.S. and the U.K.

About $3½ billion, or 6 percent of the total, represented OPEC investments in the obligations of official international financing institutions such as the World Bank and the IMF.

Perhaps $2½ billion, or 4 percent, has flowed from the OPEC countries to other developing countries. This includes funds channeled through various OPEC lending institutions such as the Kuwait Fund and the Arab Bank for Africa.

With regard to the remaining 15 percent, we have only limited information, but this residual would cover funds directed to investment management accounts as well as private sector loans and purchases of corporate securities in Europe and Japan. There are, of course, other transactions we simply know nothing about.

The rather wide distribution of OPEC capital flows among markets in the oil importing nations explains in part why the massive shifts in financial assets did not lead to the financial crises that some envisioned. OPEC funds did not move to one or only a few attractive capital markets, as once was feared.

The United States, with the largest capital markets, received directly only 18½ percent of the total, an amount substantially less than OPEC's increased receipts from oil sales to the U.S. The United States also continued to export large volumes of capital to other areas abroad, and our net capital imports last year, as measured by our current account deficit, were probably in the range of only $3 billion.

It appears that something approaching half of the OPEC investments last year were placed through the commercial banking systems of the major industrialized countries. The banks redistributed these funds exercising their traditional intermediation role in meeting the needs of borrowers throughout the world. Admittedly, the sheer volume of OPEC funds placed some strains on the banking systems. Probably few banks expect to continue to increase international lending at the 1974 rate. Banks as a whole may not be able to accept as large a portion of the OPEC surplus in 1975.

Changes in the methods of channeling OPEC investments were already evident in the course or 1974. Banks were increasingly playing the role of broker and assisting their OPEC clients in arranging direct placements. OPEC countries were relying more heavily on government-to-government credits, investment in longer-term securities of governmental and quasi-governmental agencies and lending to international institutions. There was also evidence of a small amount of OPEC funds being invested in corporate securities and real estate. As time passes, we are likely to see a more varied pattern of investment as well as increasing disbursements under OPEC commitments of assistance to developing nations.

That last year's totally unexpected and unprecedented shift in international payments flows occurred without financial crisis and without disruption of trade says a great deal for the soundness of the international banking system and the international capital markets, the network of intergovernmental financial cooperation, and the system of floating exchange rates.

Nevertheless, I recognize, that at times concern has been expressed about the magnitude of exchange rate fluctuations under the present regime. We recently witnessed a temporary episode of large fluctuations in individual rates, when the Swiss franc appreciated by about 5 percent against the dollar within a span of a few days. These abberations tend to reflect market reactions to specific, immediate developments—in this case probably to a bank failure and the decline in U.S. interest rates—but become subsumed as the market adapts to broader economic trends. As has generally been the case, this most recent experience has had only a minor impact on a broader measure of the dollar's "exchange rate": the dollar's average value, relative to the currencies of all of the major industrial countries, declined by only about 1 percent before a reversal was set in motion. Taking a more relevant period of comparison, the dollar's average exchange rate is still at the level reached after the major exchange rate realignments of 1971 and 1973, despite nearly two years of generalized floating since the latter realignment. Throughout this period of generalized floating, our intervention policies have been directed to the avoidance of disorderly exchange market conditions and not to the achievement of maintenance of any particular rate.

INTERNATIONAL COOPERATION

The experience of the past year has served to reinforce our conviction that the financial aspects of the oil situation are manageable. Nonetheless, we have recognized the possibility that some countries might encounter particular difficulty in meeting their financial requirements and turn to restrictive actions which could disrupt the world economy.

To reduce that risk, the United States developed a comprehensive series of proposals involving expanded use of the resources of the International Monetary Fund, the establishment of a new "solidarity fund" to provide a "safety net" for members of the OECD, and a Trust Fund to provide the concessional assistance needed by the poorest of the developing countries. Other countries also had suggestions for new financing arrangements. These proposals have been the subject of intensive consultation and negotiation over the past months.

Finance Ministers around the world have developed a whole family of committees and informal groupings in which they can meet periodically to consider the world's economic and financial needs. The great value of this network—including the Group of Ten, the Interim Committee of the IMF and the IMF/IBRD Development Committee, as well as smaller, less formal groups—was demonstrated by the agreements reached at a series of meetings here in Washington in mid-January. In the course of these sessions, a consensus was reached on a number of measures which will provide additional financial security for the near future and strengthen the monetary system for the longer term:

Agreement was reached among the major OECD countries that a new Solidarity Fund, a financial support arrangement along the lines of the United States proposal for a $25 billion "safety net", should be established at the earliest possible date. This arrangement is to be available to provide supplementary financing, if the need arises, to participating OECD countries which follow cooperative economic and energy policies. Detailed work on this new arrangement is to be completed promptly.

Agreement was reached among IMF countries that IMF resources would continue to play a role in 1975 to the extent needed. As one expression of this intent, it was agreed that the IMF oil facility should be continued on a limited basis during 1975. Borrowing from oil producers and others for this facility will be limited to about $6 billion (or 5 billion SDR's), less than some countries originally favored. This agreement was preceded by considerable discussion of different methods of using IMF resources. One approach is to use the Fund's resources in effect as collateral for loans as is done for the special oil facility. A second approach is to mobilize the Fund's resources directly for lending. In the end, it was agreed to do both. There will be some new borrowing and also increased direct use of IMF resources to meet the needs of nations in difficulty. Contributions from oil producers and industrial countries to subsidize interest costs of the IMF Oil Facility for the very poorest countries may also become a feature of the facility in 1975.

Agreement in principle was also reached to increase IMF quotas of member countries by approximately one-third subject to agreement on a related package of amendments to the IMF Articles of Agreement. The major oil exporters' collective share of the total IMF quotas will be doubled in order to call for greater participation and a greater voice for these countries in the activities of the International Monetary Fund. Quota increases will be dependent upon the agreement of countries when such use is economically justified.

Agreement was also reached on the general lines of a number of other amendments to the IMF Articles, with the particulars to be worked out over the months ahead. These amendments are designed to improve the structure of the IMF and bring it more in line with current realities. One amendment supported by the United States will provide that member countries are no longer required to maintain their exchange rates within narrowly fixed margins, but can float their currencies—a practice which is not legally permissible under the IMF Articles as now written.

Considerable progress was also made toward narrowing differences with respect to the broader question of gold and its role in the international monetary system. It was agreed in principle that the official price of gold—and its central function as "numeraire" of the monetary system—should be abolished and that obligations on the part of members to pay the IMF in gold, and on the part of the IMF to receive gold, should be ended. Progress was also made toward replacing the existing prohibition against members of the IMF buying gold in the private market with safeguards assuring that this freedom would not be used to return gold to the center of the monetary system. Our aim is to arrive at workable arrangements which will take gold out of the center of the international monetary system, while also allowing countries greater freedom to utilize their gold holdings. It is my hope that the entire package of quota provisions and amendments, including those relating to gold, will be ready for approval at the Interim Committee meetings scheduled for this June.

Less progress was made at these meetings than had been hoped in organizing assistance for developing countries, some of which face very serious difficulties. As I mentioned earlier, there was some support for measures to subsidize interest rates for loans to these countries from the IMF oil facility. The United States proposal for a new facility—a Trust Fund managed by the IMF which would channel funds to the poorest of the developing nations on concessional terms—remains under study. It continues to be our hope that adequate arrangements can be devised, and that the OPEC nations will provide an appropriate part of the contributions to this effort.

Oil consuming countries have also made considerable progress in concerting their energy policies. Last fall agreement was reached among a number of consuming countries on the International Energy Program which was an outgrowth of Washington Energy Conference in February of 1974. We have developed an unprecedented program to limit individual and collective vulnerability during emergencies created by supply interruptions. Under this arrangement, participating countries have agreed to:

Build a common level of emergency self-sufficiency, which would allow them to live without imports for a certain period.

Develop demand restraint programs to cut oil consumption by a common rate without delay if necessary.

Allocate available oil to spread shortfalls among participants should there be supply interruption.

Concrete plans are also now being laid to coordinate programs of energy conservation and longer term development of new sources of supply. The new solidarity fund, by providing financial assurance and promoting confidence, will support accelerated efforts in the energy field. And consumer solidarity in both energy and finance will prepare the way for a fruitful dialogue with the oil producing countries.

U.S. participation in the solidarity fund will involve commitments requiring the endorsement of the Congress. I hope the Congress will recognize the importance of this arrangement in furthering our economic goals and, following presentation of the detailed agreement, endorse U.S. participation without delay.

With the passage of the Trade Act of 1974, the new round of Multilateral Trade Negotiations can move into substantive bargaining. The February meeting of the Trade Negotiations Committee will open this stage of negotiations that are the most comprehensive ever attempted. They will deal not only with the traditional trade problems of tariffs and nontariff barriers, but also with overall reform of the international trading framework.

Getting the trade negotiations underway is more important now than ever because of current world economic conditions. These negotiations should help forestall unilateral measures which attempt to shift economic burdens to other countries, and which, if widespread, could have a depressing effect on the world economy.

THE CHALLENGES AHEAD

Mr. Chairman, the past year has seen the development of the high degree of consensus necessary for effective actions to deal with the multiple problems of recession, inflation, and a disruption in the world energy balance. While there still remains room for honest differences as to the course to be followed, I believe that the scope for disagreement has become increasingly smaller.

Certainly we cannot afford, either in this country or abroad, excessively stimulative policies which could only lead to further escalation of an already intolerable inflationary spiral.

Nor can any country afford not to take prompt steps to ensure that the current recession does not deepen and is instead succeeded by a resumption of the sustainable growth of production and productivity necessary to maintain the health of economies around the world.

And we cannot afford to delay programs of strong action to create a new energy balance.

The President has placed before the Congress an effective program to address all of these problems. He has expressed his desire and evidenced his willingness to work with the Congress in carrying out that program. We recognize that Members of the Congress have views of their own—views that are held with the same degree of conviction as we hold ours within the Administration. Our hope is that we can find reasonable means of reconciling those differences, so that together we can provide America with the leadership it needs at this critical hour.

TABLE 1.—DIRECT BUDGET IMPACT OF THE PRESIDENT'S ECONOMIC AND ENERGY PROPOSALS

[In billions of dollars]

	Calendar years—							
	1975				1976			
	I	II	III	IV	I	II	III	IV
Energy taxes	+0.2	+4.1	+12.6	+7.6	+7.5	+7.5	+7.5	+7.5
Return of energy tax revenues to economy:								
Tax reduction	0	−3.2	−9.0	−9.0	−5.6	−7.9	−6.3	−6.4
Nontaxpayers			−2.0				−2.0	
S. & L. Governments	0	−.5	−.5	−.5	−.5	−.5	−.5	−.5
Federal Government	0	0	−.8	−.7	−.8	−.7	−.8	−.7
Temporary tax cut	0	−6.1	−7.9	−.6	−.8	−.9	0	0
Net effect	+.2	−5.7	−7.6	−3.2	−.1	−2.5	−2.1	−.1

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I have asked for this time to ask the distinguished gentleman from Oregon, the chairman of the Committee on Ways and Means, a question, if I may.

Inasmuch as this legislation affects foreign producers and the President has said that one of its purposes is to encourage domestic oil production, I would like to say that I have long had a concern about the granting of foreign tax credits for what are, in reality, royalties to the OPEC nations.

What does the chairman intend to do about this situation?

Mr. ULLMAN. If the gentleman will yield, this matter will come before the committee when we get to the energy package, which will be immediately following the tax reduction.

Last year we considered it tentatively. It is a problem. The committee will have to deal with that problem at that time and, hopefully, have it on the floor within the next 2-month period. If it is not considered at that time, it will certainly be considered in connection with tax reform.

Mr. WYLIE. I thank the gentleman. Does this involve a substantial amount, I would ask the gentleman?

Mr. ULLMAN. It involves a substantial amount.

Let me qualify that somewhat. We are going to have a third package with respect to tax reform. I think it would be of the utmost urgency that we get an energy package, and the committee may desire to wait until tax reform passes, but certainly some time this year it will be brought to the floor of the House.

Mr. WYLIE. I assume that included in said consideration will be the question of the oil depletion allowance on foreign oil income?

Mr. ULLMAN. Certainly; this was part of the tax reform package last year. It should be a part of the energy package that we expect to bring next to the Congress.

Mr. WYLIE. Would elimination of

these tax benefits be a feasible alternative to this approach of imposing a $1 tax on a barrel of crude oil; I mean all of the tax breaks, the tax credit, the oil depletion allowance, the deduction for intangible drilling expenses, et cetera?

Mr. ULLMAN. I say to the gentleman that a part of it is, but the whole energy program is far broader than that. This is only one little piece of it.

Mr. WYLIE. I thank the gentleman.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, the facts are available for all who want to see them. Within 3 years from this very date, within about 2 years and 3 months after the embargo that was put on, and the price rises that were announced by the oil companies, these United States could have been independent of all oil imports into our country. We have the greatest resource in both Btu's, volume, and availability of energy in the entire world right within our own land.

One nation on the face of the Earth, when driven to it by adversaries all over the world pressuring them, pinching them, was able to come up with coal as the source of all their energy, 85 percent of all of their oil requirements and gas requirements being derived from coal—and our coal deposits are even richer than the coal deposits of that country, South Africa.

They have now started, since the embargo was put on, toward converting all of their diesel fuel equipment, navigation equipment, transportation equipment, boilerhouse equipment, into coal-burning units.

We in America have just announced the purchase of $160 million worth of new locomotives burning diesel fuel.

We do not want to get well.

We do not want to correct this situation.

We had to have some kind of an issue, and not an issue that would lead to the salvation of this problem which indeed means the very survival of our Nation.

We have at this moment coal being produced above ground, and not being sold. The western coal which was intended to fire the stokers of the powerplants of the West is being shipped East. This affects the cost of ore as well as coal. We have never been able to have a great economy anywhere in our ore production unless we sold our coal to the West. We shipped coal out on the Great Lakes into Duluth and Superior, and above, and brought back ore. We are now going to have an increase in the cost of the ore coming into the steel producing States, because we will have to ship the freighters out with empty bottoms to bring back ore. They will ship coal from the West to the East, and go back with empty cars.

The amount of coal coming from the West to the East has risen from 4 unit cars per week to 68 unit cars per week in a little less than a year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield the gentleman from Pennsylvania another 3 minutes.

Mr. DENT. Mr. Chairman, I thank the gentleman for yielding me the additional time.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. DENT. I am happy to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I think what the gentleman from Pennsylvania is saying is that unless we face up to the total problem that we cannot expect to have an energy program in this country. The President's program does nothing toward increasing our coal production or our conversion program. We have to convert and we have to get started. This will be a major part of the program, and has to be a part of any energy package. The program proposed by the President does not face up to this issue.

Mr. DENT. The gentleman from Oregon is absolutely correct in what he has said.

In the early 1960's, along with the late John Saylor, I was a cosponsor, and in helping to pass the first coal experimentation program in this country. We have spent millions of dollars ever since, and up to right now we have not gotten 5 gallons of oil.

The South Africans started 7 years ago. They do not produce 1 gallon of oil, and they are producing 85 percent of their needs. Within 60 days they will produce 110 percent of their requirements.

What are we talking about here? What crisis is there? There is an energy crisis because we have a thinking crisis in America.

Do you know that all the major coal companies have been purchased by the oil companies? All of the major oil companies own the coal in the West. They are shipping the coal to the East to stoke our furnaces here, and they are keeping the oil-burning furnaces out there to burn oil now, the valuable oil that ought to be put into transportation, ought to be put into the grease and oil that is required to run our machinery, and the commerce of this country.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend's yielding, and congratulate him for his statement.

I could not agree with you more about the great need for coal conversion. I just wanted to ask the gentleman if he does not think that the President's program to deregulate new natural gas thus allowing the price of new natural gas at the wellhead to go up, would make coal competitive, and ultimately make a contribution to the industry?

Mr. DENT. Coal needs nothing to make it competitive except to help this country to put it to use.

Mr. KEMP. If the gentleman will yield further, I should like to ask another question. Has not the FPC artificially low-priced natural gas accelerated the switch from coal to natural gas?

Mr. DENT. No, not necessarily. In fact, if we would convert our coal into gas, we would probably reduce the price of oil and gasoline to the users of oil and gasoline, because there is no need in the world for this Nation to import one barrel of oil.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 1767.

Fuel prices were a major element in last year's 12.2-percent increase in the Consumer Price Index. Thus, any program designed to combat inflation should seek a meaningful reduction in the consumption of imported oil—the price of which increased from $3.32 per barrel in December 1972, to $12.50 per barrel in December 1974.

Regrettably, the President's energy program not only fails to achieve this goal but, in its implementation, exacts a very high economic and social cost.

Specifically, I have four objections to the administration's plan—the first part of which—$1 per barrel tax on imported oil—was invoked last Saturday.

First, the conservation effect will be minimal. In today's industrial economy, oil is a necessity. Therefore, it is much less elastic than other commodities in that prices have relatively little effect on demand. For example, in December 1972, the composite price of oil—domestic and foreign prices combined—was $3.50 per barrel. The average price of gasoline at the pump was $0.2514 per gallon—not including Federal and State taxes. The average daily consumption during that month was 18,738,000 barrels of oil.

In December 1974, at a time when the composit price was $9.50 per barrel—an increase of 171 percent in 24 months—and the average per gallon price at the pump was $0.4145, a 65-percent rise; the average oil consumption was 18,168,000 barrels per day. This slight decline in oil usage is attributable principally to the current economic recession, not an increase in energy costs.

From the foregoing, it is clear that the imposition of higher taxes on imported and domestically produced oil will have little effect on industrial and individual consumption of that product.

Second, the administrations's energy program is highly inflationary. President Ford concedes that his proposed new policies will increase taxes by $30 billion. Under the executive branch's economic plan, this direct cost to business and the consumer will be offset by a corresponding $30 billion Federal rebate—in the form of tax reduction, increased revenue sharing, and other means. However, much of the $30 billion in increased taxes will be absorbed by our Nation's business firms and, therefore, will be passed on to the public in the form of higher prices.

An illustration of this "pass-through" phenomenon is the doubling of heat and electric bills in my congressional district, occasioned by the higher fuel costs being borne by local utilities. The February 10 issue of Business Week notes that separate economic studies reveal that the multiplier effects of the President's plan will create anywhere from a 2.8-percent—Chase Econometric Associates—to 4-percent—Data Resources, Inc.—increase in the Consumer Price Index. Library of Congress research indicates that the total cost of the Ford plan would be "at least $50.3 billion in 1975."

Simply stated, the administration is apparently seeking to combat higher prices by generating more inflation.

Third, if allowed to continue, the President's energy undertaking will aggravate an already serious economic recession. Our present business downturn stems primarily from the 9-year period of rising prices which commenced with our military intrusion in Southeast Asia. This inflationary spiral reduced the average citizen's buying power—for instance, between September 30, 1973, and September 30, 1974, real per capita income in the United States declined by $110, $25 billion overall decline in purchasing power.

As already indicated, the President's energy policy will reduce further the consumer's ability to buy. What will follow is inevitable. Declining consumption will lead to curtailed production of goods and services; this, in turn, will reduce total employment requirements, thereby swelling the Nation's ranks of unemployed.

Fourth, the administration's new energy policy is inequitable in its application. This program is being sold on the premise that the marketplace is the simplest and most effective way of allocating resources. If the issue involved the utilization of luxury items—chocolate eclairs or vacation trips to Florida—this principle might be defensible. However, as delineated previously, we are concerned with restricting the use of a necessity—a commodity required both by industry and the private citizen—conceding, of course, that there is considerable wastage by both user categories.

Under the Ford program, oil distribution will be regulated by the price mechanism. This means that the question of who obtains oil products will be determined by "ability to buy," not "need." This concept, of course, penalizes low- and middle-income Americans. There is nothing in the executive branch's plan to restrain wealthy citizens from driving or flying from New York to San Francisco on a vacation jaunt, but it may preclude the blue collar worker from driving to and from his place of employment. I have two ancillary concerns regarding the administration's energy proposals. First, the "marketplace" principle is already being distorted. For instance, imported duties for oil destined for the New England States will be less than those applicable for the rest of the country. The President also has promised to give relief to farmers, as well as educational and other nonprofit institutions. Too, Mr. Ford has pledged to give consideration to the problem of higher-than average usage resulting from geographical peculiarities—colder winters; greater commuter distances.

Consequently, the administration already has begun to accept "need" as a distribution factor. In so doing, Federal energy authorities have begun the transition into the allocation-rationing approach they so deplore.

Second, I am disturbed by the linkage between tax relief and the imposition of a system of sumptuary taxes. The most successful sumptuary tax is one which curtails consumption completely, thereby raising no revenues. At best, the income effects of a sumptuary tax are uncertain. Therefore, while the President, a majority of the Congress, and America's leading economists are agreed upon the desirability of a tax cut, predicating such a reduction upon the vagaries of a sumptuary tax seems inappropriate.

In conclusion, administration spokesmen urge congressional adoption of the Ford energy package "because it is the only game in town." To sanction a plan containing the previously outlined defects because it is the only program off the drawing board is illogical. It is for this reason that I support H.R. 1767. By the same token, a more feasible approach to our energy problems is essential. It is the responsibility of the Congress to develop such a program. To the attainment of this objective I pledge my full cooperation and support.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. Vander Veen).

Mr. VANDER VEEN. Mr. Chairman, as a member of the Committee on Ways and Means I was privileged to hear over the last 10 days to 2 weeks a series of the most eminent economists we could bring before the committee. They were there to testify on two principal matters, the tax emergency relief bill and the energy program that has been suggested to the country by the President.

As has been pointed out earlier here today, without exception every single one of those economists, and they numbered about 20 in total and ranged from one end of the spectrum to the other, including Mr. Herbert Stein, stated that economically the President's proposal to impose a tariff on imported oil would be an economic mistake. Many of them used different kinds of adjectives to describe it, but the word "disaster" was used by more than one. So I asked myself, together with other members of the committee, what the real purpose is of asking at this time that this country go to the expense, the enormous expense that would be involved in the imposition of tariffs on imported oil such as the President has suggested.

Mr. SCHNEEBELI. Mr. Chairman, will the gentleman yield?

Mr. VANDER VEEN. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Chairman, the gentleman from Michigan made a statement that the economists who testified before our committee objected to the President's program. As I recall it, there were several economists who testified they thought an ongoing program such as the President suggested might be feasible as a part of the total program.

Mr. VANDER VEEN. I ask the gentleman from Pennsylvania if he can name some of them?

Mr. SCHNEEBELI. I think that Messrs. Stein, Weidenbaum, and Roosa may have been among them.

Mr. VANDER VEEN. With all due respect to the gentleman from Pennsylvania (Mr. Schneebeli), I believe that Mr. Stein did not testify in accordance with what the gentleman from Pennsylvania has just reported Mr. Stein to say. We may have misunderstood the gentleman.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. VANDER VEEN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I believe the gentleman will agree the economists before our committee testified primarily on the tax cut and that although some of them may have expressed opinions about the energy program, the burden of their testimony related to other things. Therefore, they were not there for the purpose of dealing with the energy program which our committee was described as addressing itself to later on in connection with the total energy policy. Is that not correct?

Mr. VANDER VEEN. It is correct, I will say to the gentleman from New York (Mr. Conable).

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. VANDER VEEN. I yield to the gentleman from Oregon, the chairman of the committee.

Mr. ULLMAN. Mr. Chairman, it would be fair to say that most of the panelists dealt with this problem in one way or another and most of them were not in favor of that program.

Mr. VANDER VEEN. I would be glad to accept that.

I would like to make this point. I was one of those who was invited to the White House for a working breakfast this morning. The first speaker presented to us was the Secretary of State, Dr. Kissinger. I felt as if he should have been a witness before the Committee on Ways and Means because I felt during the testimony that it was Dr. Kissinger who could really give us the real reason why this program was being proposed.

Mr. ULLMAN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. VANDER VEEN. Mr. Chairman, I was waiting for someone this morning to ask Dr. Kissinger what the reason was for his program and he said in his careful statement that it was to give encouragement and leadership to the rest of the oil importing countries of the world.

Mr. Kissinger was not asked—we were not given the opportunity to ask the direct question: "Would you consider any other alternatives to this kind of a program?"

We were not given the opportunity to ask him this directly. This may have been only because of the shortage of time.

The question I wished to ask was: "Could you not achieve the same result you wish by a quota of whatever number of barrels per day you may wish to prevent coming into this country?"

It is my feeling that there are other more direct and more precise ways to accomplish the result that Dr. Kissinger says is the purpose of the tariff.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. O'Brien).

Mr. O'BRIEN. Mr. Chairman, the

President's plan for reducing consumption of gasoline and other petroleum products may not be perfect, but it does offer a unified approach to the problem. And, as many editorial writers and commentators have pointed out, it is the only comprehensive program before us at the present time.

We are being asked today to suspend for 90 days the President's authority to adjust imports of petroleum and petroleum products. In other words, the bill reported by the Committee on Ways and Means would block implementation of the President's order increasing petroleum import fees which he made effective February 1. The committee's rationale for this bill, as set forth on page 4 of its report, is that its enactment "will reserve congressional options to work as an equal partner with the President on our energy problems, including the problem of the growing dependence on foreign oil." Nobody can quarrel with the partnership notion. But here we have a situation where one of the partners, the President, has already acted to reduce our dependence on foreign oil, while the other partner, the Congress, stands ready to block that action without having an alternative plan to take its place. Wouldn't it be wiser not to interfere with the President's authority to increase the import fees until we have something better to offer?

We must not lose sight of the fact that only President Ford and his advisers have developed a comprehensive energy program to protect our national security and our freedom of action in foreign policy, to reduce the outflow of dollars from our economy, and to reduce our international trade deficit. Those who criticize it should have an alternative plan to offer. Let us keep the President's program in operation until we find a better solution, if indeed one is available.

My colleagues may not heed these words but they should because enactment of this bill will assure continuance of the dollar drain for imported oil until we find some other way to curb this country's voracious appetite for petroleum products. We currently depend on foreign sources for 38 percent of the oil consumed in the United States. Imported oil cost us $24 billion in 1974. By 1975, the bill could rise to $32 billion and it will keep on increasing in succeeding years if we fail to act.

Those dollars represent wealth, ownership, and jobs transferred from the United States to the oil producing countries. This leaves our industries vulnerable to interruption of energy supplies, as occurred during the 1973–74 Arab embargo, and our foreign policy subject to the advice and consent of the oil producing states.

Mr. Chairman, if the message I get from home is similar to that which other Congressmen get, it is, "For heaven's sake, do something."

I do not think a 90-day delay is in the national interest. While my people are concerned about their personal energy needs, they are also deeply concerned about the national interest.

I suggest for the benefit of our constituents that we allow the President's program to go into effect and thus put pressure on the Congress to re-do the job, if, indeed, we think we can do it better than he.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska (Mr. McCollister).

Mr. McCOLLISTER. Mr. Chairman, I would briefly like to state my reasons for opposing the proposed resolution.

Its sponsors say that it will merely postpone the implementation of the President's program for a few months—enough time for us to think out our own position on the issues—to decide if the President's program really is the best thing for America.

But let us be under no illusion about the matter. To take no action is in itself to take action in the least constructive possible manner. It means that the same economic crisis which now troubles us will continue to contribute to our Nation's economic ills for at least 90 more days. More likely, before the sponsors are ready to present their own plan, another 6 months, or even a full year will have elapsed—a full year of stagnation, continued outflow of American capital, continued layoffs of American workers, and, of course, continued energy paralysis. Our country cannot accept the prospect, much less the fact, of such a course of inaction.

There is, however, an even more troubling prospect before us, and I think that we have to be aware of it if we are to understand what underlies efforts of the resolution's supporters.

They realize that if the President's program is dealt this setback, at the very outset, the way will be clear for implementation of their own favored plan; namely, mandatory gasoline rationing.

But mandatory rationing would be a return to a system discredited 30 years ago, and a complete denial of the basis of the American economic system—the free market.

What rationing does is to say to the average man, "You are not competent to make intelligent choices about energy; we in the government, who know what's best for you, will make your choices for you."

This system was tried last during World War II. Do any of us have to be reminded what happened then? We saw profiteering, evasion, corruption and, in the end, general ineffectiveness. And at the same time, a massive bureaucracy was called into being to administer the program, a bureaucracy which contributed nothing to the Nation's economy and nothing to the winning of the war. The results would be no better if rationing were tried today; in fact, they would be far worse in their economic impact, owing to the greater weakness of today's economy.

The results would be no better if rationing were tried today; in fact, they would be far worse in their economic impact, owing to the greater weakness of today's economy.

A rationing program, if implemented, would require: 15,000 to 20,000 full-time Federal bureaucrats; the use of 40,000 post offices to aid in its administration; setting up 3,000 State and local boards to grant exceptions to rationing rules; and, $2 billion of the taxpayers' money per year to operate.

Moreover, a rationing program would take 4 to 6 months to activate, months during which we would be at the mercy of the current energy crisis. And it would, when complete, give the average American driver exactly 36 gallons of gasoline per month. Today the average driver uses 50 gallons per month.

It would be a bonanza for organized crime, the greatest since prohibition. With fuel supplies so reduced, and with the rewards so great, a black market could spring up in a matter of months pumping millions of dollars from the pockets of the American taxpayer into the subsidization of racketeering and international drug traffic. Do the sponsors of rationing really desire such results?

Some expect that the problems of a black market can be averted by the use of a so-called "white market" system whereby those having more coupons than they needed themselves could sell their surplus to someone needing an additional supply.

But this system itself could lead to abuses. How would the coupons be distributed, by family or by individual driver? If by family, how would we deal with the needs of a teenager who needs a car to get to work? If by individual, how would we handle a family, with a number of teenaged drivers, able to travel when and where it wanted, and their neighbor, a widow with small children who would get too few coupons for her family needs?

The examples I have just cited are drawn from an excellent editorial in the Washington Post of January 26. I commend this editorial to the attention of Members of the House.

So the "white market" is no solution to the problems of a rationing program any more than the rationing program itself is a solution to our energy problem.

These points might seem to offer sufficient refutation of the thesis that rationing is the easy cure for all of our energy ills, but there is one point yet to be made: the failure of balance that such a program would involve.

In order for us to solve our energy problem, it is necessary to create a balanced program, one that will boost our domestic energy production at the same time that it reduces our energy consumption.

The President's program does this. By increasing the price to be paid for energy, it encourages fuel economy. At the same time it creates a financial incentive for the type of energy development that we need.

Rationing does not do this. It offers nothing but energy privation and offers this at a time when we are desperately trying to stem the effects of recession on our economy.

America cannot afford the bureaucracy this system would entail, the inefficiency with which it would be administered, or the ineffectiveness and the inequities that would be its only results.

For this reason, I urge my colleagues to oppose the proposed resolution. It is only the opening wedge of a program that our economy cannot, and should not, be asked to bear.

Mr. SCHNEEBELI. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, I rise in opposition to this bill and in support of the President's program.

It has been mentioned on this floor that we are at war. I think that if we continue to delay and procrastinate, we are very quickly going to lose that war.

We have a very basic question before us; that is: Is the goal set out for us to become energy invulnerable by 1985 worthy of being reached? If we answer that question no we might as well forget this program or any other program; but I happen to think the goal is worthy of being reached.

How do we get to be energy invulnerable without saying that we are going to deliberately deny ourselves oil that is there, that we are going to slow our imports before our dependence becomes even greater than it is; before we send billions of dollars overseas and out of our economy?

I am sure it has been mentioned over and over that imported oil cost us $3 billion in 1970, $24 billion in 1974, and will reach $32 billion in 1977, unless we turn this around. How do we do this? What system do we use?

I like the President's program because it has a symmetry to it. It has a balance to it, and if the numbers are wrong, if we decide that the energy cost to the individual is, in fact, greater than the estimates, then let us adjust it on the other side of the ledger and make the necessary tax adjustments and tax rebates required to make up for that loss to the individual, but let us not destroy a program that has this kind of balance.

There are other alternatives suggested, such as allocation, which are self-imposed embargoes. Those of us in New England remember well what the embargo did to us in 1973. Rationing, which is the worst of our choices, is being suggested. Rationing can reach the goal of conservation, but does nothing for the economy or for development of alternative sources and creates a system which is designed to be beaten, which obviously will self-destruct before it has a chance to accomplish the desired purpose, and which will become the most despised system of governmental interference ever put forward. I am categorically opposed to this option.

A tax at the gasoline pump might discourage consumption but also fails to meet the goal of alternative source development and will impose a tax of at least $0.40 to effect the desired conservation.

Or, do we let price become the incentive for conservation? Do we allow people to make their own decisions? Do we allow them to set their own priorities, and do we cover them for the increased cost of energy? I think the President's program does cover the cost, and reach the other goals as well. That is why this program is a good vehicle to use.

We are saying, if we do not adopt this; we are saying, if we go along with the delays: "Mr. President, we have not the slightest idea of what to do. We know we are not going to be able to do anything. The only thing we are sure of is that we do not like what you are doing."

It is very easy to line up people on this floor to say, "Yes, I am against the President's program," but ask them what their program is and see how many people are left standing in that collection of those who are against the President's program.

This body is very, very quick to give away the goodies. There is no question income tax rebates and tax adjustments will pass this House but where do we see this Congress making the hard decisions? We do not see any alternative program, an alternative program which has the same kind of balance. One which addresses itself to eventual freedom from unsafe oil imports; one which directs itself to domestic energy development; one which allows the automatic market functions to bear most of the load; one which is as fair and equitable to our society as possible.

Such a program is not before us, so we should be directing our efforts to improve and fine tune the President's program. It is the only game in town.

Mr. SCHNEEBELI. Mr. Chairman, I have no further requests for time.

Mr. ULLMAN. Mr. Chairman, this country is in a serious recession. This is no time to send an inflationary wave through this economy, as the President's import fee schedule would provide.

We in this Congress have a responsibility for coming up with a sound energy package. The President's program is no substitute for an energy package. All this measure says is, "Give the Congress 90 days to come up with a program."

That is the constitutional way. I urge all the Members to support this bill.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, while I have my own reservations about some parts of the President's energy proposals, and in particular higher tariffs on imported oil, I am going to vote against stripping the President of tariff-imposing powers in a final effort to get the Democratic majority in the Congress off its collective tail.

In my judgment the proposed across-the-board increase in the tariff on imported petroleum will unfairly penalize users of fuel oil as well as cause increased prices in other segments of the economy. For these reasons I favor other energy conservation measures.

At the same time I cannot in good conscience take away from the President the only lever he has to pry the Democratic Congress into taking some kind of action to meet the energy emergency. The Democratic leadership in particular has put on an impotent display of partisanship at its worst by continually opposing administration initiatives while offering no solid plans to ameliorate the energy situation.

Individual Democrats, including the Senate majority leader, have offered a number of general plans to cut oil consumption without providing any specifics. The Democrats have failed to agree on a single approach let alone a single plan.

And incredibly, with an emergency situation before us, the Democrat leadership recessed Congress for the better part of December and January and now propose to recess again, having done little or nothing in the meantime.

Mr. PICKLE. Mr. Chairman, did you know that the Governor of Texas, Hon. Ralph Briscoe, has stated that the President's proposed program would generate harsh consequences that he finds unacceptable because of their negative impact on Texas?

The Governor's office maintains a computer simulation[1] of the Texas economy and it tells us that the immediate effect of the President's increasing import fees on crude oil and petroleum products will result in a decline in employment in Texas of 9,000 jobs. The loss in total personal income in Texas is estimated at $102.9 million. State and local government taxes are estimated to lose $17.4 million if the tax rates remain unchanged. Fuel and feedstock costs would result in increase of $142 million to the petrochemical industry in Texas. Gasoline prices are estimated to increase at least 4 cents per gallon. Natural gas utility prices are estimated to rise 54 percent, while electric utilities will rise as follows:

[In percent]

Commercial	12.2
Industrial	21.4
Residential	10.6
Refined petroleum products	18.6

These price increases will be felt by all industries in the Texas economy. For example, $13-per-ton increase in the cost of natural gas used in the manufacture of 1 ton of anhydrous ammonia fertilizer by Texas farmers. This can be expected not only to raise the farmers costs but to raise the prices that the consumer has to pay for agricultural products.

This program, of course, hurts all the States. We are all in this together. We all need to work to get energy prices to a level that we can afford. Raising them by imposing a severe tax on them, will not help but hurt the consumer.

Another interesting assessment was made by Governor Briscoe's simulated model of the Texas economy that has a point that affects all the other States too. A national equilibrium analysis on the market versus regulated crude oil and natural gas showed that without price regulations or price controls on crude oil, natural gas, or coal, the 1974 price of these fuels would have been: Crude oil, $8.70 per barrel at wellhead; natural gas, $0.66 per thousand cubic feet at wellhead; and coal, $6.20 per ton at mine.

At these prices for oil gas and coal, the industry would have discovered new reserves and increased production facilities within the State so that declining trends in oil and gas production in Texas would have been reversed in the late 1970's. At these prices it is estimated that Texas oil production would have increased by 26.1 percent in 1980, gas production would have increased 20.6 percent in 1980. A comparison of estimated production under controlled prices and the estimated national market clearing prices are shown below:

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[1] Holloway, M. L., H. W. Grubb, and W. L. Grossman, "An Economic Analysis of Declining Petroleum Supplies in Texas: Income, Employment, Tax, and Production Effects as Measured by Input-Output and Supply-Demand Simulation Models," Office of the Governor, Austin, Texas, January, 1975 (report in review).

Year	Crude oil			Natural gas		
	Old price (billion barrels)	New price (billion barrels)	Increase (percent)	Old price (billion barrels)	New price (billion barrels)	Increase (percent)
1974	1.185	1.185		8.360	8.360	
1975	1.103	1.133	2.7	7.050	8.000	1.9
1976	1.031	1.091	5.8	7.390	7.700	4.2
1977	.968	1.062	9.7	6.970	7.450	6.9
1978	.913	1.043	14.2	6.610	7.280	10.1
1979	.866	1.036	19.6	6.230	7.160	14.9
1980	.825	1.040	26.1	5.910	7.130	20.6

The input model further shows that although increased prices for Texas crude oil and natural gas would increase the prices of petroleum refinery products, petrochemicals and electricity to Texas consumers, total personal income in Texas would increase.

While these figures are good for Texas, the further increase in oil and gas production would mean that all the States could rely on domestically produced oil and gas rather than the uncertainties we face with foreign oil. The lesson is obvious. While we question the President's tax on oil imports, nevertheless his proposed deregulation of the price of "old oil" and natural gas can only have an overall positive effect. In general, his proposed program has many worthwhile objectives, and I support many of them.

Mr. Chairman, during the committee hearings, I offered an amendment that would have allowed the $1 tariff to go into effect on February 1, as proposed, but to hold off or delay the imposition of the additional $2 and $3 tariff for 60 days so that the Congress could come up with proposals of their own. I felt the President had the legal right to propose the tariffs, and that the first dollar tariff was or could be acceptable. The administration would not accept that approach, apparently choosing to negotiate later or to compromise later. The majority of the Democrats on the committee felt that no tariff or fees should be imposed. Neither group or side would make an effort to compromise at this point.

The $1 tariff is now in effect. This morning the President indicated he might be willing to go to the $2 level and no more. But if we defeat this bill many of us would be unable to offer amendments. We would be locked in on our position. The President's program will be the program.

I am willing to meet the President more than halfway. I do not think the public interest will be served if we engage in partisan conflict now in energy matters. We must conserve. The President has advanced a bold program, but he has chosen the price mechanism—at this time—to be practically the only weapon to force conservation. I am willing to let the price be one of the vehicles to help us obtain conservation but not the only weapon.

Mr. DRINAN. Mr. Chairman, I rise in strong support of the legislation presently being considered by the House, H.R. 1767, the oil import fee bill. This legislation would suspend for 90 days the authority of the President to increase import fees, tariffs, or quotas on petroleum and refined products. It would also repeal any similar actions taken by the President after January 15, 1975. While the act only delays the final imposition of the oil import fees, it is important that this legislation pass so as to prevent the President's energy program from going into effect.

I have strongly objected to President Ford's energy program previously on a number of occasions. I have argued that if this program is adopted, it will deal a devastating blow to New England, and in particular to my State of Massachusetts.

In the New England region, we are 75 percent dependent on oil for our energy needs. This is a much larger percentage than most other regions of the country. Statistics show that while New England is three-quarters dependent on oil, most other regions are only 10- to 20-percent dependent on this form of energy. For example, the East South Central region of the United States uses oil for 10 percent of its energy needs, and the Pacific region is 20 percent dependent on oil. Clearly, when we talk about raising prices of oil, we must realize that New England takes the full brunt of these cost hikes.

Mr. Chairman, the administration's energy program is no small-cost item. If the total energy package were enacted, the cost to American consumers would be at least $30 billion in 1975. This $30 billion figure has come, however, from the Federal Energy Administration. A more independent study conducted by the Library of Congress estimated that President Ford's energy proposals could cost consumers an additional $50 billion per year, truly a staggering sum. The Library of Congress has also estimated that the tax on crude oil alone could cost consumers $12.6 billion. The ripple effect of these higher oil prices would be felt throughout the economy as well. With this energy program enacted, last year's 12 percent inflation rate would probably continue throughout 1975.

When we speak in terms of billions of dollars, Mr. Chairman, it is very difficult for us to understand the magnitude of those figures. However, they may be easily understood if we bring them down to a more personal level.

With this in mind, we should point to the figures which the White House has recently released estimating the increased energy costs for the American family as a result of this broad program. After its latest calculations, the administration is now projecting that for a family of four, the average cost increase could amount to as much as $345 per year in increased fuel bills. In these present times of economic recession I ask the President, "Can these drastic measures really be justified?"

The rationale behind the President's energy program is that these import fees will cut down on the consumption of energy. While on the surface it might seem that energy conservation would result from this drastic step, in New England, this would not be the case. Our region is already well ahead of the rest of the country in promoting energy conservation. We are doing our share and this is reflected in the energy savings which have been brought about. Industrial companies in Massachusetts have cut fuel consumption from 20 to 35 percent, and residential consumers have realized up to 20-percent savings in heating oil. Yet there is a practical limit to the conservation measures which can be taken by industries and companies, and I fear that the only way to further reduce oil consumption would be to actually close the doors of our businesses. Instead of having the effect of conserving energy, the oil tariff would only force these companies to pay a higher price for what they must have.

As I have previously stated, H.R. 1767 only suspends the President's authority to increase import fees for 90 days. While I believe that this action must be taken on a short-term basis, I am most in favor of legislation which would require the approval of Congress before the imposition of such tariffs take place. In article I, section 8 of the Constitution, Congress is given the exclusive power to "lay and collect taxes, duties, imports and excises." I do not feel that the President, irrespective of the provisions of the Trade Expansion Act of 1962, has the power to impose unilaterally a tariff duty. Whether the tariff is called a duty or a "license" as the administration prefers to call it, it is the Congress and not the President which is given the power to act in this area.

In conclusion, Mr. Chairman, I feel that the impact of the Ford energy program would strike a devastating blow at New England. With only 5.8 percent of the Nation's population, New England is being asked to bear over 10 percent of the newly imposed cost increases. While I do believe that the Congress must act to reduce this country's dependence on imported oil, I maintain that President Ford's plan is ill-advised and discriminatorily applied against New England. Surely the Congress is capable of devising a more equitable system.

Mr. BOLAND. Mr. Chairman, H.R. 1767, which would temporarily suspend the President's power to impose fees upon petroleum imports, has my unequivocal and total support, just as the President's recent actions pursuant to this authority have my absolute disapproval and opposition. Even with the rebate system which the administration has devised to alleviate the harshest effects of the oil tariff on my region, New England, severe economic dislocation will be the hallmark of Mr. Ford's program to raise energy import prices. In particular, the prices of home heating fuel and residual oil, which heat New England's homes and run its businesses respectively, and which have skyrocketed in the past year, will still climb sharply. Both products are imported into the Northeastern States and cannot be replaced by domestic supplies, since New England is practically unique in its near total dependence on these products for heating and power and domestic refineries do not have the capacity to replace any significant amount of the imports.

For people who have since the founding of this Republic been known as a frugal and thrifty race, the New England Yankees now find themselves in the unenviable position of being punished for their truly admirable effort of the past year and a half in greatly reducing energy usage. Of course, they had the spur of quadrupled prices, high unemployment, and incredible inflation to quicken this surge of conservation, but their gains have been great—a 20 percent cut in home heating fuel usage and a 15 percent cut in the use of residual oil. President Ford's new tax on imported oil and petroleum products has the effect of greatly increasing the price of products whose usage has already been pared to the bone. Some of my constituents—too many to mention—now live in constant 60° temperatures because they cannot afford to heat their homes at higher levels. And yes, New England businesses have been and continue to be failing because of impossible prices they must pay for power or specialized petroleum derivatives.

Mr. Chairman, sadly enough, increased taxes on imported oil will not merely raise oil prices. Increased charges for energy will have a ripple effect on retail prices across the whole spectrum of American products. It has been estimated that, even taking into consideration the President's proposed tax rebates and tax cuts, consumers across the Nation will experience little if any benefit in the first year and from $30 to $40 billion in price increases in the second year. That kind of an economic drag offers a strange sort of weapon with which to fight unemployment and recession. I just do not know of a responsible economic analyst that recommends more of the problem as a solution to the problem. I think that this indicates the lack of foresight and depth of consideration inherent in the presentation of the President's economic package. You simply cannot sacrifice an entire region of the country in an effort to halt economic ills, and in the process bankrupt the lower- and middle-income consumers throughout the entire country, and call that the answer to recession.

Mr. Chairman, the country cannot wait to see the economic chaos that Mr. Ford's programs will bring. At the same time, it must be obvious to all that the Congress has not yet formulated a precise package of relief measures despite general agreement on many points. Faced with these circumstances, it is incumbent on this body to place Mr. Ford's energy tax powers in abeyance for a few months until we in the House and Senate can explore the alternatives to this most disastrous of policies. This may require a number of months and H.R. 1767 provides 3 months. I believe that this time will be well used by the Congress. The House Ways and Means Committee has already made important advances in increasing the tax cuts proposed by the President. We cannot afford, however, to delay much longer in implementing such programs. Every day brings fresh evidence of deepening economic woes. We require a tax cut, but we must also set our house in order by providing for strict energy conservation and the reordering of spending priorities.

This Congress has the obligation to get our economy moving again. It must act swiftly, but only after a consideration of options other than the President intends to offer us. To do this, we need the 90 days provided by H.R. 1767. I urge the overwhelming passage of this bill that will be necessary to later overcome the expected veto. The consequences of any other outcome offer no hope for economic recovery.

Mr. ASHLEY. Mr. Chairman, I rise in support of H.R. 1767, a bill to suspend the President's authority to impose tariffs on imported oil. Although the President's directive to place a $1-per-barrel fee on foreign oil went into effect on February 1, I believe that it is important for us to delay this program because there are serious questions as to whether it will accomplish its intended goals.

The great drawback of the administration plan is that it will have the immediate effect of raising prices on all petroleum products directly and on all commodities and products produced in industries dependent on imported oil. By his own admission, the President's tariff proposal will raise the American people's oil bills by $30 billion this year, and the estimates of its inflationary impact range from a 2-percent to 4-percent increase in the cost of living in 1975.

To counter higher fuel costs, the administration has proposed $16 billion in tax cuts, $12 billion for individuals and $4 billion for business. Assuming his own forecasts are correct, on balance the President plans to take $14 billion out of the pockets of consumers this year in an attempt to cut oil consumption.

Mr. Speaker, there is widespread agreement that recession is our most urgent problem, and it is my conviction that by jacking up oil prices to new inflationary levels long before any tax rebates or other income supplements reach consumers, the President has reversed the order in which programs should be implemented to solve our economic problems.

Unemployment continues climbing to new highs, real earnings are falling behind cost-of-living increases, production declines, GNP is dropping, and we have massive balance-of-payments deficits. It is clear, therefore, that our first priority must be to stimulate the economy by tax cuts, followed by an expansion of public service jobs, emergency measures to restore the health of the housing market, and incentives for business to expand and thereby create opportunities for employment.

But not until such antirecessionary measures are enacted and their benefits flowing into the economy should we risk fueling a new inflationary spiral by imposing steep tariffs on oil. We need time to examine all the alternatives—from rationing to tariffs to gasoline price hikes—before taking hasty action, as I believe the administration has done, on any proposal that threatens to have adverse effects on the economy in the long run.

I have no argument at all, Mr. Speaker, with the goal of reducing our vulnerability to foreign oil embargoes and unilateral price increases. On the contrary, one of our highest priorities must be the formulation of a long-range conservation program that will result in our achieving eventual self-sufficiency in energy. But the administration's tariff scheme was conceived and put in place with too much haste and without sufficient consideration of its impact on the economy. Since no public hearings were held on this subject and since, as has happened so frequently in the formulation of our hodgepodge national oil policy, there was no consultation with Congress preceding the President's directive, I believe that the prudent course is to suspend the tariffs for 90 days to assure more careful deliberations as to the best solutions for our pressing national problems.

We must insure that the tax and energy programs we enact mesh in such a way that the economy will be stimulated by increases in jobs and consumer purchasing power, and that those effects will not be negated by stiff hikes in the prices of oil, utilities, and petroleum products.

Mr. Speaker, this is not a partisan dispute, for the American people will not—and should not—abide our playing politics on such a critical matter. We need to act with deliberate speed, not reckless haste, and I believe that 90 days will allow time for sufficient consultation between the President and the Congress as to the most feasible programs to attack our national problems. Working together, we should be able to produce a coordinated and comprehensive long-range tax and energy package in the immediate weeks ahead. We must avoid the danger of acting just for the sake of acting, and for that reason, Mr. Speaker, I will vote for passage of H.R. 1767 today.

Mr. EVANS of Indiana. Mr. Chairman, I am neither an economist nor an energy expert, and I do not represent myself as one.

But if we have learned anything during the past 2 years, it is the basic principle that increased oil prices mean higher prices here at home across the board, and we must be fully cognizant of and prepared for what is accurately and reliably estimated to be the result of such an increase before blithely increasing the cost by artificial means.

It is obvious to me that all the consequences of the President's proposal are not clear at this time. The administration estimates that the President's action would cost consumers about $30 billion in 1975. On the other hand, the Library of Congress estimates the cost to consumers to be $50 billion this year, causing last year's 12 percent inflation rate to continue in 1975. High unemployment and decreased buying power due to last year's double-digit inflation have already taken their toll, and I don't believe Congress should embark on a course of action which would continue such hardships.

I fully agree with the President that we must lower our dependence on foreign oil. The question is, instead, how best to implement this policy. Without further study, by Congress and the administration, and I note with some skepticism that the Secretary of the Treasury was able to investigate the complex arena of issues involved in the increase in the amazingly brief time span of a few weeks, I do not believe anyone, either in Congress or the administration, has all the facts with which to make a knowledgeable decision.

Mr. STOKES. Mr. Chairman, as a cosponsor of legislation identical to H.R. 1767, I rise to urge the passage of this measure. As we witness an economic situation imperiling the security and livelihoods of millions of Americans, it is imperative that the policies we pursue not cause even more severe economic disruption.

My support for this resolution stems from both my conviction that the import fee proposal is terrible on policy grounds, and from my concern that hasty action in defiance of strong congressional calls for more careful evaluation is both unwise and intolerable.

This resolution conveys the sense of the Congress that the President not impose any tariff or import restrictions prior to April 1, 1975. What we ask for here is a reasonable opportunity for Congress to act.

When proposing such a major change in our economic structure as raising the oil import fee, it is particularly necessary to be certain that all points of view have been well represented in deliberations, and that all the ramifications of such action are understood. That is a role which Congress performs extremely well.

It is important for us to discern, as precisely as possible, what the impact of a major new policy will be on our economy and our citizens. Any impact must be measured by both the immediate and direct results and the subsequent indirect results so often misunderstood. Already we have discovered that reasonable changes in questionable assumptions used by the administration vary the estimated impact of this program by 38 percent. If Mr. Ford's plan is compared to an automobile then the oil import fee proposal can be expected to fit like a 38 percent oversized tire. And I do not intend to ride in such a hodgepodge.

What I hope to gain is a chance to discuss the substance of this proposal, to point out why I feel the logic behind this rise in the oil import fee is seriously flawed, and to allow the expeditious development of alternative policies.

We are asked to understand that we can remedy the damage done by excessively high oil prices if only we make them higher still. Higher crude oil prices will be passed through the economy and affect food processing, farming, all transportation, industrial fuels, plastics, and chemicals.

The price of other fuels will naturally increase as well. Excess automobile gasoline use is likely to be less curtailed than vital home heating and industrial use because, as recently pointed out by the Joint Economic Committee of Congress:

> To avoid losing sales, refiners would have an incentive to pass the tax through disproportionately on the most essential products with the *least* price elasticity of demand.
>
> If this were done, it would maximize the price inflation and consumer hardship from the tax and minimize the oil savings.

A crude oil tax will spur a new round of inflation, deepen the recession, and it may not even be that significant in curtailing gasoline consumption. I urge the passage of this resolution so that Congress may intelligently and thoughtfully bring relief to the American people.

Mr. BEARD of Rhode Island. Mr. Chairman, 2 days ago the President presented to us the fiscal year 1976 budget as part of his economic and energy program. This budget contains a deficit of at least $50 billion cutback in social services and an increase of $8 billion for defense. In short, it is a blueprint for continued economic disaster, especially for New England.

The Ford program is based in part upon a tariff on oil imports. However, I believe this tariff will have a tremendous inflationary impact on all sectors of our economy. The average New Englander cannot afford to pay additional taxes hidden in higher fuel costs. The 94th Congress has a clear mandate: We must remedy the worst economic affliction our country has experienced since the depression. We need to stimulate the economy without unnecessary inflation. The administration's proposals do not meet these objectives. Congress must provide fair alternative programs to meet our economic and energy needs. It is our obligation as a separate and equal branch of Government to innovate to resolve people's problems. I urge my colleagues to impose a 90-day prohibition of tariffs on oil imports as a necessary first step in getting the economy moving again.

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 1767 which would suspend the Presiden's power to increase the tariff on imported oil for 90 days to give this Congress time to enact a comprehensive program to deal with the energy crisis that faces us today.

The President's decision to increase the tariff on imported oil would be a disaster if it became effective. The burden of increased fuel costs would be unfairly placed on the consumers least able to reduce their consumption. Home heating bills alone would increase by over $200 a year in New England and the ripple effect that this proposal would have on our economy is estimated to be a drag of more than $800 million in New England alone.

Furthermore, the President's decision represents a unilateral action which denies Congress the ability to exercise its legal authority to deal with the critical energy and economic issues which must be resolved.

I commend the distinguished chairman and the members of the Committee on Ways and Means for their expeditious action on this proposal, and I urge my colleagues to vote for this bill and against the President's proposal which would be a national disaster.

Mr. BROYHILL. Mr. Chairman, after listening to a lot of rhetoric from both sides of the aisle on President Ford's national energy program, I have come to the conclusion that there is no one perfect energy plan.

Without doubt, there will be compromise before a final program is enacted. The President and his chief advisors have indicated their willingness to work out any viable changes which Congress may propose.

During the weeks ahead, as these critical decisions are made, I trust that we will keep sight of the larger goals and principles that are essential for any national energy policy to be effective.

In the near term, our primary goal must be to reduce oil imports. The President has set reduction targets of 1 million barrels a day by the end of 1975, and 2 million barrels a day by the end of 1977.

Over the midterm—the next several years—our goal must be to increase production and development of our own domestic energy resources, while continuing a concerted effort to cut back on energy consumption so we can further reduce our reliance on imports.

Over the longer haul, hopefully before the year 2000, this Nation must strive to develop the technology and new sources of energy that will carry us and the rest of the world beyond our dependence on depletable fossil fuels.

And, I feel strongly that whatever plan of action that we agree on must be consistent with the basic principles that are imperative for the wellbeing of this Nation. That means the energy program must go hand in glove with our national economic goals.

It means that while some hardships are unavoidable, the American consumer must be provided with energy at the lowest possible cost, and that both the hardships and the benefits of the program be distributed as equitably as possible among our citizens.

It means that some tradeoffs must be made over the next few years to balance our energy requirements with our environmental concerns.

And it means that while an effective program requires increased Government involvement in the energy marketplace, precipitous action must be avoided and every effort made to retain and strengthen the fundamental integrity of our free market system.

Most of the programs we will enact in the weeks ahead will be concerned with setting our own domestic energy house in order. And that is as it should be.

At the same time, as the leader of the free world, the United States has a large stake in setting the kind of example necessary to foster solidarity among all the energy importing nations of the West.

I trust the actions taken in this Chamber and by our colleagues on the other side of the Rotunda will display the type of objective concern and leadership needed to answer these goals.

DELAY AND RATIONING—UNACCEPTABLE ALTERNATIVES

Passage of the resolution—that is, rejection of the very first portion of the administration's comprehensive economic and energy program to come before us for a vote—would, for all practical purposes, leave us with two alternatives: to continue to do nothing, or to pass some measure mandating gasoline rationing. Both of these alternatives are unacceptable, and for this reason the resolution should be rejected.

For 4 years—since we undertook a National Fuels and Energy Study—we have done nothing. For the past year—since the oil embargo forced the energy crisis into the consciousness of virtually every American—we have done nothing. And during these years this Nation's energy ills have developed, worsened, and become acute. We could not afford the luxury of inaction 4 years ago or 1 year ago; we can afford it even less today.

The President's proposals are not, perhaps, timely themselves. Nor, in every detail, do they necessarily spell out the course we should follow. But presentation of his program, at least, set the stage for a response we can no longer avoid. He has, at least, forced Congress to abandon the unacceptable alternative of continued inaction.

But does that mean that, because we disagree with individual portions of his program, we should scrap it at the very outset and turn, instead, to that second alternative, mandatory rationing, which is, in my judgment, every bit as unacceptable as further delay?

At the moment, rationing seems to enjoy some popular support. Gallup and Harris polls suggest that 50 to 60 percent of the American people are favorably disposed toward it. This is not surprising. The administration program, complicated as it may be, is crystal clear in its major thrust—we are going to pay more for energy in the future, and that includes gasoline. The President has been perfectly forthright about it. The costs of rationing, on the other hand, are less obvious. And its advocates, for good reason, have not spelled them out to the people.

So, popular perception of the alternatives today is of more costly gasoline under the President's program, on one side, and of some simple, painless solution through rationing, on the other.

But, can we really face the people of our respective States and tell them that rationing would effectively cut oil imports to tolerable levels with no expense to them in convenience, mobility or money? Can we, in good conscience, confirm their mistaken belief that rationing would guarantee them a fair share of supply at low cost and little sacrifice?

Curtailing oil imports is not a short-term need; it is a long-term necessity. We all know that reduced consumption must become a permanent feature of American life. Given this national imperative, is it wise or fair to promote rationing as the easy way out of our energy dilemma?

Evaluation of the problems of gasoline rationing does not have to depend upon speculation or theory. We have the evidence of history—the 38 months of rationing imposed on the Nation during World War II.

It was a time when patriotic fervor in this country was running as high as it ever has—a time when the entire country was united in its desire to win the war. And yet, during those 38 months, during that time of unprecedented national unity, the rationing system had to be reorganized three times, black marketers eventually controlled over 5 percent of the Nation's gasoline supply, 300-million gallons worth of stamps were stolen from ration boards, Congress had to launch an investigation of the whole program, more than a thousand dealers in counterfeit and stolen coupons were arrested, and over 40,000 filling stations had to make good on illegitimate coupons. And all of that took place at a time when there were one-fourth as many automobiles on the road as there are today.

Now we are hearing talk about "white market" rationing—a system that would miraculously dispense with all of these difficulties. It, too, has a deceptively superficial appeal: every driver would receive the same basic allotment of coupons; those who had more than they needed could sell them on the open market to others who were willing to pay the price for a few extra gallons. This, we are expected to believe, is just free enterprise. But it is not that simple.

To reduce our oil imports by 1 million barrels a day, we would have to limit each driver in the country to just 36 gallons per month—or slightly more than a gallon a day. Perhaps that might be enough for some hypothetical "average" American motorist, but how many drivers actually conform to that abstract profile? What, for example, about a blue-collar worker who has to travel 20 miles each way from his home to work and back? Is it a "simple" solution for him to supplement his basic 36-gallon allotment by paying an estimated $1.20 per coupon on the "white" market to a doctor or accountant whose office is in his home?

It might be simple but it would certainly not be fair.

Nor would it be fair for the millions of Americans who would have to buy extra coupons to subsidize the inevitable network of brokers and middlemen who would spring up between them and those motorists who have coupons to sell.

These individual inequities would be intensified by regional differences. For instance, Easterners with relatively well-developed transit systems and short driving distances, could accommodate themselves to rationing far more easily than drivers who must daily negotiate the vast distances of the Midwestern and Western States. The average driver in Montana, for example, travels about twice as many miles per month as his counterpart in New Jersey. Could the extra financial burden that rationing would impose on him be considered fair?

But even assuming that all the difficulties concerning who should get how much gasoline could be equitably resolved, there are compelling arguments against rationing.

First, it would focus entirely on gasoline—considerably less than half of our petroleum consumption. It would do nothing to reduce consumption of other oil products. It places the entire sacrifice of conservation on just one segment of society.

Second, although gasoline rationing might dampen demand, it would do nothing to encourage production of one additional drop of oil—nothing to provide incentive to tap our other vast energy resources.

In fact, since most of our refineries were built during an era of profligate gasoline consumption, they are equipped to produce more gasoline than anything else. We cannot cut gasoline usage by 1-million barrels per day without cutting the supply of all other petroleum products, including, for example, home heating oil.

In short, gasoline rationing would impose undue hardship on the American people and would compound, not resolve, our energy problems. Like continued inaction, it is an unacceptable alternative. For this reason, we must not shoot down the administration's program with the first shot. Rather, we should take it up, examine it constructively, eliminate those portions of it that we find wrong, and from it develop a comprehensive energy program that addresses the larger questions of the energy crisis and is fair for the American people.

Mr. MAGUIRE. Mr. Chairman, the President's proposed hike in oil import tariffs violates the spirit of cooperation he has pledged to foster with the Congress. It is also unsound economics. Because the price increases are indiscriminate and across the board rather than targeted at energy consumption practices which are relatively the most wasteful, the President's plan will further aggravate both inflation and recession. The victims of his unilateral action will be the American people.

After revising earlier figures, the President estimates that his program will cost about $345 per year for a family of four. I believe even that figure is low. After paying for all the indirect costs that will occur in food production, manufacturing, transportation, building materials, and all the other goods and services that would be affected throughout the economy, it is apparent that the actual impact on the average family will be much more serious—perhaps two or three times what the President now estimates. The administration's tax plan would only offset a portion of these increased costs, and the relief promised by his proposed tax rebate schedule is unfortunately weighted in favor of wealthier individuals and corporations and against the average homeowner.

We cannot permit this administration to place the burden of balancing the budget on the people who can least afford to bear it—the poor, the elderly, the middle-income family. These are the people who have already shouldered the recent 40-percent increase in gasoline costs and a near doubling of fuel oil prices.

I must therefore respectfully join with my colleagues to suspend implementation of the President's plan. I do so in the expectation that we will be able to develop a less indiscriminate, more equitable program which fits the solution to the problem—both in economic and in human terms.

Mr. JEFFORDS. Mr. Chairman, I honestly wish I could stand here today and offer my unqualified support for the President's energy program. Along with virtually every other Member of this Chamber, I share the President's deep concern about this Nation's overconsumption of energy, and overdependence upon foreign petroleum sources. The problem is indeed a serious one, which requires sober action by the Congress and by the President.

I have nothing but admiration for the President's determination on this issue. He has chosen a strong course of action, and a strong course is needed. But after a thorough analysis, I can only conclude that the first step of his program is unfair, if not totally in the wrong direction.

Raising the fees for oil imports would place an intolerable burden on the New England region, which includes my home State of Vermont. We have already done much in Vermont to conserve energy, and are proud of the record. For example, Vermont's gasoline consumption dropped 5.6 percent from 1973 to 1974, compared to 1.2 percent nationally. Even more dramatically, during the same period Vermonters decreased their consumption of medium distillate and residual fuel oils by 20 to 25 percent.

In my own home, we have cut in half our consumption of heating fuel, with no reduction in our heating bills. That is a fairly typical situation for a Vermont family. The residents of my home State have proven their willingness to make sacrifices for fuel conservation. But the winters are cold, and they must heat their homes. And Vermont is a rural State, where the majority of workers have no alternative to the automobile as a means of commuting to their places of employment. I cannot believe higher prices will achieve any meaningful further reductions in consumption in Vermont. Instead, they will impose needless pain. You cannot squeeze blood from Barre granite.

The tariff program will cost the average Vermont family about $250 annually, some $50 more than for the average family in the rest of the Nation. If the entire program as proposed by the President comes into play, the inequity may be ended by price increases throughout the remainder of the Nation. But we have no assurance that the entire program will ever be enacted. Decontrol of crude oil prices, indeed any proposal for increased prices, is not popular in this Chamber. Imposition of the tariff now is similar to asking New Englanders to duck their heads in the bathtub without an assurance that the water will be drained.

And continuing with the same analogy, we are uncertain of the consequences even if the water is drained. The experts are in disagreement as to projections of the economic impact of the administration's energy program.

The Congressional Research Service estimates the loss of consumer purchasing power would be slightly over $50 billion, or more than double the President's estimate. If the $50 billion figure is correct, then even with the proposed tax rebates the average U.S. family would carry an additional financial burden of $490. Some experts tell us the program could increase the inflation rate by 3 percent, and that the impact on industry would drive unemployment up to 8 percent or more. I am not suggesting that those projections are any more accurate than the President's. I am simply saying that there is no way for us to know at this time with reasonable certainty. And if the worst of the projections are correct, the consequences could be catastrophic.

Mr. Chairman, I am firmly convinced that this Congress can deal decisively with today's energy problems after passage of H.R. 1767. This legislation will by no means negate this Nation's commitment to the goals of conservation and energy selfsufficiency. I personally shall be working on at least three alternative routes.

The first is a modification of the President's plan, to remove inequities to New England and avoid any drastic economic impact on the Nation.

The second is to carefully watch the rationing proposals which appear to be forthcoming. I personally have grave reservations about rationing, largely because it could pose a terrible threat to the tourist industry which is vital to the economy of Vermont and many other parts of the Nation. It would also be expensive and clumsy to administer. But rationing proposals should be closely watched and examined to determine how to minimize the harmful effects if, as a last resort, such a system is eventually passed by the Congress.

The third route is to continuously search for new approaches. The New England delegation is working on a legislative package which is expected to be completed within 2 weeks. I will be complementing this effort with proposals now being developed in my office. It would not be fruitful now to review all the proposals under consideration, but I am confident that the Congress can and will take action on a program which will be both fair and effective.

Mrs. HECKLER of Massachusetts. Mr. Chairman, it is indeed unfortunate that the first legislative action on energy by the 94th Congress must be in opposition to the President's initiative; however I firmly believe that we are right in delaying the use of import tariffs and fees to drive up the price of foreign oil. I have tremendous respect for the President, and I know he is sincere in his desire to provide leadership in this difficult time.

However, I also know that the direction he has chosen will be disastrous for the country, and particularly for New England. Our region derives 85 percent of its total energy from oil, twice the national average. Further, New England is twice as dependent on foreign oil as is the rest of the country. We import two-thirds to three-quarters of the oil we use, whereas the national average is one-third.

This is not by choice, but because New England has long been the economic stepchild of the major oil companies. We are at the end of the domestic distribution system, and we are always the first region to feel the effect of any increase in price, or any reduction in supply. Over the years, our utilities and industries have been forced to import oil because it has been the only way to obtain the product at prices competitive with the rest of the country. Without foreign oil, our manufacturers would be at a severe competitive disadvantage. The economics of our domestic oil industry forced New England to rely so heavily on imports.

Therefore, any price increase or supply reduction in imported oil has a much greater effect on New England. In the last year, we have seen the price of oil triple in New England, with residual prices skyrocketing from $4 a barrel to over $12 a barrel.

This increase was felt immediately in 7 of 10 homes in New England, because they burn oil for heat. It was also quickly reflected in utility charges, because New England's electric generators mostly burn oil. My constituents have found themselves paying heating bills that often exceed their monthly mortgage payments, and also are paying electric bills on which the fuel adjustment charge is more than the basic rate itself. I have constituents contacting me who are bankrupt because of higher heat and electricity costs.

Business and industry in New England are just as severely affected. When I was in the city of Taunton, Mass., the other day, one businessman showed me the utility bill for his plant. In 1973, he paid $23,000 for oil. In 1974, he paid $93,000 for the same amount. This terrible increase is by no means an isolated instance.

And now we have an Executive order calling for further increases, at a time when unemployment in Massachusetts stands at 9.9 percent, and is rising almost 1 percentage point each month. The national average is far less, 7.5 percent.

We are confronted by the fact that the proposed tariff increase will add $800 million to the cost of energy in New England. The added havoc that this increase would wreak in New England, for the homeowner, for the unemployed, for the elderly, for the poor, for our economic foundations, is completely unacceptable.

It is obvious that we as a nation can no longer afford to be as dependent on foreign petroleum, and I fully support our Government's efforts to achieve that objective. But we cannot cut our needs so abruptly. The reduction in oil imports must be more gradual, so that in the process we do not produce atrophy in our economy.

Certainly Congress has a responsibility. It is up to us to draft an alternative program, which will accomplish our national goals and avoid the pitfalls accompanying the tariff increase. In taking back the power to adjust import tariffs and fees, Congress is also assuming the burden of decision and the responsibility for the results of our actions. I hope that our actions here today will result in compromise, not confrontation. We need solutions, better solutions than have so far been proposed. It is the foremost challenge this Nation now faces, and our future prosperity and independence depends on our initiative.

Mr. LEGGETT. Mr. Chairman, President Ford has offered the Nation a complex program for the purpose of dealing with some economic aspects of the energy shortage. Today we are to cast our first vote on this program; specifically, we are to vote on the imported oil tax.

After considerable study, I have concluded that this tax, and the entire program, would make our problems worse rather than better. Therefore, I shall vote against it.

Let us consider the standards by which an energy program should be judged, and let us evaluate the Ford program in terms of these standards.

First, the program should reduce our dependence on imported oil. I know there are those who argue that a "drain America first" policy is unwise, but on balance I am convinced our best course is to minimize the total export of American wealth during the 20 or so years before technology can bring our need for fossil fuel down to a tolerable level.

By this standard, the Ford program is a failure. If the import tax were applied in isolation, it would have considerable beneficial effect. But since the plan calls for taxing and decontrolling domestic oil so that its price will rise to the price of the taxed imported oil, the import-reducing effect is lost except to the extent that all oil consumption is reduced.

Second, the program should minimize the total economic burden placed upon the American people. In this respect, the program is an absolute, abysmal, spectacular catastrophe. It is by this standard that my strongest objections to the program are generated.

Mr. Ford proposes to discourage consumption of petroleum by taxing and decontrolling crude oil up to a price of about $15 per barrel. This will express itself in a direct increase of about 12 cents per gallon of gasoline at the pump. Since decontrolling will allow the oil companies to receive about $12 per barrel for old oil as opposed to the present $5.25 per barrel, an excess profits tax would be imposed. Funds raised would be returned to the people by an income tax reduction.

At first glance, all this appears reasonable. Consumption would be discouraged by higher prices, but the additional cost would be returned to the consumer. Thus, those who use less petroleum would come out ahead; those who use more would have to pay steeply for their profligacy.

But on closer examination, the beautiful theory has warts in practice. In fact, it is all wart.

Consider the excess profits tax. It does not really get at the excess profits. In fact it allows a totally unconscionable profit increase on old oil of nearly $2.

Moreover, the excess profits tax will be applied to crude oil only. But as the price of crude rises, the price of everything else—not only refined petroleum products, but every commodity that is manufactured or transported by petroleum-based energy—will go up, and every firm that sustains this increased cost will not only pass it along to the consumer but will add its cut. Responsible economists have estimated that the Ford energy tax package will total about $15 billion in itself but the American people will find themselves with a $50 billion increase in consumer prices.

Therefore, if we make realistic assumptions about the excess profits tax specifics, we find the Ford program giving a twofold bonanza to industry and a twofold sock in the jaw to the American people.

I do not favor any kind of energy tax. But if there is to be a tax, it should be imposed at the retail level, both for selectivity and to prevent its effects from multiplying through the wholesale-retail chain.

Third, the program should distribute the burden among the American people in a socially responsible manner.

By this measure, the Ford program is all Republican, which means the rich get richer and the poor stay home and freeze.

The Ford idea is for everyone to pay the same price for petroleum products, but to ease the burden through cash rebates. So far so good; this is the only way such a program can be administered effectively—and I am pleased that Mr. Ford does not mind copying one of Senator McGOVERN's campaign proposals.

But look at what happens when Ford puts the theory into practice: Zero-income families get $80; families with incomes of $5,000 get $197; and families with incomes of $50,000 get $1,130.

As I have said, perhaps this is a Republican administration's concept of fair and equitable load sharing. It is not mine.

Fourth, the program should give everyone at all levels a strong incentive to reduce energy consumption. In fairness, I must give the Ford program good marks in this respect. While not ideal, it does as well as a realistic program can.

Fifth, the program should encourage new oil exploration and discover, and discourage draining of old reserves. By this criterion, the Ford program gets a zero, since it wipes out the price difference between old and new oil.

Sixth, the program should give us long-term direction toward more efficient energy consumption. This is a fancy way of saying we need money for good mass transit systems that will be used because they get people where they want to go; the Paris system is a good example. Coincidentally, a mass transit program will also provide jobs. The Ford program directs none of the energy tax funds to mass transit, so it gets a zero by this standard.

Seventh, the program should minimize the degradation of quality of life. We do not want people to have to wait 3 hours for a tank of gas as they did a year ago. By this criterion, the Ford program works well. But this is not enough.

We have drifted along without an energy policy for entirely too long. President Ford is correct when he says we need decisive action, and the very fact that he has produced a plan is to his credit. This is particularly true in light of his and his predecessor's record on inaction on all pressing domestic problems. But it is not enough to have a plan; it must be a good plan and this is not.

It is now incumbent upon us in Congress to produce a better idea. In my view, we can do a great deal better with an intelligent rationing program. I recognize that this will entail some inconvenience, and also a substantial bureaucracy. Nevertheless, on balance I believe it to be the best program available.

The administration's objections to rationing are incomprehensible. They center around various hypothetical people—ranchers, migrant workers, people who move cross country, et cetera—and point out how these people will exceed their basic ration.

This has to win the "Richard Nixon Award for Weakest Argument of the Year." These people will simply have to buy extra ration stamps. They will thus pay a relatively low price for their first batch of fuel and a high price for the remainder. Under the Ford tax system, they would pay an intermediate price for all their fuel. The net results will be approximately identical, depending on the details of the rationing program.

The administration arguments are particularly objectionable in that they imply rationing should be rejected because it would penalize some high energy users. It is fantasy to suggest that things could be otherwise. The fact is we are short of petroleum, and there is simply no painless way around the problem. Whether under a rationing system or a tax system, everybody is going to suffer. The best we can do is to distribute the suffering equitably and not add to it. This is what the Ford program does not do, and what a good rationing program could do.

My own preference is for a relatively inflexible ration program. The American people are highly sensitized to and antagonistic toward anything that suggests favoritism. If we start giving extra rations to everybody and his brother, the whole system could lose public trust and collapse. If a man drives a 4,500-pound car 50 miles to and from work, he has no claim on extra rations; he needs a smaller car or a car pool. An obstetrician may need extra rations, but most physicians, who make neither house calls nor emergency hospital visits, should not get extra rations. Members of Congress have no claim to extra rations. And so forth.

A good rationing system can be worked out, and I hope to see Congress get on with the job.

Mr. ST GERMAIN. Mr. Chairman, it seems to be habitual with both the administration and Congress to speak of the current economic problems of recession, inflation and energy shortage in cosmic terms far removed from the reality of constituents. Today I would like to step back from the "OPEC nations," "billions of dollars," and "double-digit inflation" to address the problems of a single constituent whose concerns, I believe, are highly representative to those in Rhode Island, New England, and perhaps the entire country.

This constituent, Nick, is an independent service station owner who is concerned not with the reduction of 1 million barrels per day of imported oil, but with the few cents' increase in his price per gallon of gasoline which has placed him far above competitive prices in the area. Nick buys from a small oil distributor who sells the imported product, as do most of the New England dealers. And a further tax on imported oil will surely spell Nick's ruin. The question becomes, how do we explain to Nick, and numerous others who will be adversely affected by the import tax, that this move is required because of our need to create programs to oppose OPEC nations' control over the United States. Do we point to the outrageous attempt recently made by an Arab sheik to buy the Alamo for his son's birthday? Do we tell Nick that in one night Arabian oil barons lost several hundred thousand dollars in Las Vegas?

I, for one, have no further answers to give Nick to explain why he, being a Rhode Islander, should be charged higher prices than those dealers supplied by the major, domestic companies, simply because of New England's economic dependence on imported oil. I cannot explain to Nick why he and all other Rhode Islanders will shortly be charged even greater fees for gasoline, heating fuels, and other petroleum products, even though all of the New England States have voluntarily conserved fuel at much higher rates than the rest of the country.

I do have one answer, perhaps the only equitable one, to propose to my colleagues. Let us seek an alternative to the President's program which will place the burden proportionately throughout the country. New England should not be punished because of its involuntary dependence on imported oil. Our constituents deserve to be served individually and collectively. I do not believe that a "bite the bullet" philosophy which asks basically that New Englanders chew more than their share of the ammunition is either an honest or realistic solution to the energy problem.

LINCOLN CITGO SERVICE,
Lincoln, R.I., January 15, 1975.

Hon. FERNAND ST GERMAIN,
Rayburn House Office Building,
Washington, D.C.

DEAR SIR: I am writing this letter to bring to your attention a situation that exists in the gasoline service station business, of which you may be unaware of.

The price of gasoline as it is being sold on the street is taking its toll on all of the small service stations that are privately owned. It seems to me that somebody in the government should be aware of these facts, because unless the small businessman can have a fair chance to build a successful business in America, there will be no incentive for men like myself to work hard to build a better country. It seems to me that for too long we have passively sat by and let the big money interests take over in one community after another.

Here in the Town of Lincoln where I operate my business, competition is so keen I just can't believe it is fairly carried on. The gasoline prices that are posted on this avenue run from 45.9 to 52.9, which is my price. I am the smallest service station on the street with probably the lowest overhead, but can't compete in this market. My present price that I pay for a gallon of gasoline is 45.6/10. At present I am working on a 7 3 cent margin, which when you consider the national average at 10 cents a gallon, is pretty low.

In order for me to enter into competition with other dealers, I would have to be able to buy my product for approximately the same tank wagon price. It is my belief that competition should be among retailers not wholesalers. In the present situation it seems that wholesalers are all selling their gasoline at various prices. Gulf Oil has a wholesale price of 2.5 cents lower than Citgo. It has been lower all year long. This means because I am a dealer who can only buy from Citgo, I have the privilege of paying 2.5 cents more a gallon for such a basic product. If the Major Oil Companies want to compete with each other, gasoline should be sold on an open market.

My sales representative says that the Citgo tank wagon price is higher than other companies because they have to buy foreign oil. it is my understanding that some of the majors like Gulf, Exxon, Texaco, Mobil and American have plenty of native product to sell so they can sell to their dealers at a lower price. As a Citgo Dealer I must buy foreign oil at a higher price and my customers are penalized for patronizing my station.

I am a Veteran of the Korean War and fought for this country in 1952 with the 45th Infantry Division and feel I deserve a chance in this country of ours and feel I am being short changed. I am not a person who wants charity or any kind of special treatment, but what I want is men like yourself to fight for equal opportunity for all men like myself.

One way you could begin is by finding out what the different oil company tank wagon prices are and why the big variation. Nobody can give the excuse that certain dealers pay less because they buy in quantity. All gasoline is sold in large amounts. I buy 3000 to 4000 gallons every delivery and sometimes as much as 7000 or 8000 at a time. I suggest all Major oil companies publicize the tank wagon price to the dealers via the newspaper.

If you were a customer of mine, you would be paying about 60 cents more for every ten gallons you purchase from me. You drive into my station and say, "Fill it up Nick." The sale comes to $7.55 for 14.3 gallons of gas. A tax of 12 cents on every gallon of gas goes to repair our roads, which never seem up to par. You drive down the road thinking about the high price you paid just to fill your tank at Nick's Station at 52.9 a gallon. As you are driving by Shell which post 46.9 Cumberland Farms 46.9, American 46.9 and Texaco 46.9, you must have to feel that Nick is really gouging you.

I am sure it is obvious to you by now that dealers like myself need help in this or we will just fade away like many private stations have done in the past. Competition is only good when it is done on a fair basis. I do not consider this as competition, a better way of stating it would be oil company pressure on small independent dealers.

I feel that since you are a native of this area, you would lend an ear to me and not just file this letter in the waste basket. You may have an opportunity of going to bat for the little guy, his only defense and voice in government. We can't lobby in Washington.

I am writing this letter to you knowing you will bring these facts to the attention of the proper government agency.

Very truly yours,
NICHOLAS B. O'REILLY.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 1767 which would prohibit imposition of tariffs, fees, and quotas on oil imports.

The bill to postpone for 3 months the Presidential power to impose oil import fees is the first battle in the war against the sagging economy that the Congress will wage this year.

The President's proposal, as many others have indicated, is too harsh a method of dealing with a complicated problem and it would have dealt a particularly devastating blow to the North Atlantic States whose homeowners already pay a discriminatingly high proportion of their annual incomes for petroleum products. As is the case with so many of the President's energy proposals, the wrong people are singled out to assume most of the burden for carrying the administration's proposals.

Thankfully, we are able to head off at the pass this poorly conceived proposal. Three months from now, the Congress should have its own energy package ready to enact, or failing that, the immediate impact upon Northeastern States should not be so great with winter past.

I should point out to the House what New York Governor Hugh Carey has already told President Ford. Imposition of the $3-a-barrel import quota would cause a 20-percent increase in heating costs not only to every homeowner within our State, but to every governmental jurisdiction. Schools, office buildings, mass transit systems all would suffer unjustly because of the proposed fees. Where would the money come from to provide the basic services? It would have to come from the pockets of individual taxpayers who are already groaning under the heavy load they carry. Certainly, our cities and our States, as well as individual citizens, must reorder their priorities in the coming months as we adjust to the new world of high petroleum costs. But unless we are ready to return to the Dark Ages, we must do our best to maintain vital services at prices our citizens can afford. The action of the House will do that today, the Ford proposal would reverse all we have sought to gain in years past.

Mrs. MINK. Mr. Chairman, I rise today in support of H.R. 1767 which would suspend for a period of 90 days, the President's authority to increase tariffs, import fees and quotas on petroleum and refined products. I support the legislation not only because of the obvious inflationary impact of this discriminatory across-the-board tariff proposal which the President has mandated on the Nation as a whole, but also because of the unwarranted disproportionate hardship which imposition of the tariffs and the increased prices would bring down upon my own constituents in the State of Hawaii.

Surely the President himself can see that by increasing the tariffs on imported oil and removing controls on the pricing of domestic oil, higher prices for energy and petroleum-based products such as plastics and fertilizers will soar. Smaller service and manufacturing concerns in my district have already made it clear that increased costs of petroleum products can no longer be absorbed and that these increased costs must now be passed on to the consumer. And surely the President must see that his own proposal for tax rebates and tax reductions for the future cannot hope to offset these higher consumer prices. We see the Government pouring money into the economy in order to fight recession on the one hand, while at the same time, under the President's plan, the government asks that the consumer take that money—and more—to offset higher prices which come as a result of an obviously counter-productive government oil pricing policy. We have now seen that the White House realizes that its own optimistic predictions of what the new energy package will cost the average American family are too optimistic—that the cost to the average family could go as high as $345 a year, an amount that is three-fourths of an entire month's income for someone who is living at what the Government has established as the poverty level.

We cannot allow the restructuring of petroleum pricing as the President has decreed. H.R. 1767 will allow the Congress sufficient time to examine the several better alternatives to our common and most worthy goal of energy conservation to assure equitable treatment among those most able and those least able to bear the increased economic burdens which seem likely to result. Fair treatment for all American citizens must be the goal of public policy; surely the President's tariff increase proposals cannot be considered fair to all.

In addition to hitting hard at the pocketbooks of low-income Americans, this proposed plan to raise the costs of all petroleum products will work special hardships on those areas of the country which have a heavier-than-average dependence on oil as a source of energy. We have heard a great deal lately about the plight of the New England States in this regard, and I fully sympathize with that plight. If the situation in New England is bad, I would remind my colleagues that we in Hawaii are 100 percent dependent on oil as a source of energy. We have no natural gas lines from sources across the Pacific in the continental United States; we have no hydroelectric power or nuclear plants; we have no coal fields; nor do we have any practical means of getting coal or gas to our islands. We have a virtual total dependence on oil, about 65 percent from foreign sources in Asia, and 35 percent from domestic U.S. sources. An analysis of the impact of the President's proposed tariff increases on foreign oil and the lifting of price controls on domestic oil indicates that increases in utility rates in Hawaii would be five times the comparable increases in other parts of the United States.

While the President in his state of the Union address to this Congress promised geographical relief for areas disproportionately effected by the energy plan, no such relief for Hawaii—and evidently inadequate relief for New England—has been included in Federal Energy Administration regulations published to implement the revised fees. We cannot allow these tariff increases and revised fees to take effect.

For these reasons, Mr. Chairman, I urge my fellow Representatives to vote for H.R. 1767.

Mr. **ANDERSON** of California. Mr. Chairman, on January 23 the President issued a proclamation which would increase the import fees on crude oil by $1 per barrel effective February 1, $2 per barrel as of March 1, and $3 per barrel as of April 1.

Since we presently import about 37 percent of the oil we use—about 4.1 million barrels per day of crude oil and about 2.6 million barrels per day of fuel oil and other refinery products—the effect of this program on our economy is devastating. According to a January 1975 study conducted by the Library of Congress Congressional Research Service, this import fee program will increase the rate of inflation about 50 percent in 1975, even before considering the ripple effect that would emanate from the primary price increase. The result would be a continuation of the double-digit 12 percent inflation rate through 1975.

The reason for the President's action is to cut imports by 1 million barrels a day and, thus reduce the outflow of U.S. dollars to the oil producing nations. Certainly, we should cut imports and I feel that the decisive action by the President was a needed addition to our dialog on energy conservation.

However, the oil tariff program, as proposed by the President, runs a great danger toward resulting in increased inflation, greater recession, and even more unemployment. Moreover, those areas, such as Los Angeles, which must rely on imported oil because of its low sulfur content, would be especially hard-pressed by the import fee system. The Southern California Edison Co., which provides public utility electric service to more than 7.5 million residents, estimates that the tax on imported oil would cost their customers in excess of $150 million in additional increased rates annually. Pacific Gas and Electric Co., which serves 3 million customers, states that the additional tax would result in an $80 increase in rates.

Not only would the consumer's electric bills be increased, but the cost of groceries would also increase, since fertilizer is a prime derivative of petroleum.

In addition, the price of gasoline, as a result of the import tax, would rise by approximately 10 or 15 cents a gallon.

Thus, the oil import tax, as proposed by the President would threaten our already shaky economy and could lead us into even greater economic turmoil, with the middle and moderate wage earners bearing the brunt of the fight.

Is there not a better way to cut imports?

I believe that we must move quickly to reduce our dependence on overseas oil. But a rationing program, advocated by many, would be unwieldly and inequitable. And a gasoline tax would fall particularly hard on those individuals with limited incomes. However, a combination of these approaches, with gas "stamps" for the middle and moderate wage earners, might present an alternative. Conservation, certainly, should be increased; if the U.S. cars on the road averaged 20 miles per gallon, we would save 500,000 barrels of oil per day—half of the savings goal expressed by the President.

In addition, gasless Sundays or weekends is an alternative that should be explored.

Mr. Chairman, we must conserve our resources and we must reduce our dependence on foreign oil. However, the proposed oil tariff threatens to do more harm than good and should be postponed until the other alternatives have been analyzed and acted upon.

Mr. **HANLEY**. Mr. Chairman, I rise in support of H.R. 1767, a bill suspending for 90 days the President's authority to levy import tariffs on oil.

As you know, the President hopes to reduce our reliance on imported oil by using higher prices to force a reduction in demand of some 1 million barrels a day. While in all probability such a plan would reduce consumption of oil, it would also have the disastrous effect of setting off another round of inflation, place further strain on an already recessionary economy and harm the well-being of the American people through a further erosion of their purchasing power. This is an action that can only be construed as completely contrary to governmental efforts to stimulate spending and reduce unemployment.

As a result of the October War in the Middle East and the subsequent Arab oil embargo, imported oil prices jumped 150 percent in a few short months, sliding an already shaky economy into a full-bloom recession. The $3-a-barrel import tariff would add a further 75 percent increase to this already massive burden and would represent a complete about-face in our efforts to bring the price of energy down to a reasonable level.

While the President is to be commended for his initiative in developing an energy program, Congress would be making a grave error in judgment if it were to confuse initiative with wisdom. These may sound like harsh words, but I feel they are commensurate with the harsh action the President has taken in committing the American people to another round of price hikes. These same American people; dismayed over the probable effects of the President's plan, are also very worried that the Congress has no satisfactory alternative to raising the price of oil. I, in all honesty, must share their concern, for at present we do not have a comprehensive legislative program to meet the challenge in this area. However, given the time extension contained within H.R. 1767, I am fully confident that the expertise and experience of the committee process will develop the comprehensive and thoughtful approach that is the hallmark of this body's best legislative efforts.

I hope you can agree with the sentiments expressed above and that you will support this legislation to give Congress the necessary time to go forward with alternatives to the import oil tariff.

Mr. **FINDLEY**. Mr. Chairman, two aspects of this legislation I feel justify further comment.

Several speakers have pointed a finger of blame and alarm at Arab nations. It is true of course that Arab nations imposed a boycott on oil shipments in 1973. No one mentions that this action was taken as a means of economic warfare by the Arab States to bring pressure on Western nations in support of their desire to have the State of Israel return occupied lands to Syria, Egypt, and Jordan. One may argue whether the Arab position was justified, of course, but the linkage between the oil embargo and occupied lands cannot be denied.

A resolution of the controversy over occupied lands hopefully is emerging. When it comes, as I believe it will, the likelihood of a new embargo will diminish substantially.

By implication if not directly, several speakers have scored Arab States as undependable sources of oil. No mention is made of the fact that Arab States—admittedly at a high price—have supplied fully U.S. oil needs in recent months whereas shipments from two non-Arab OPEC States—Venezuela and Canada—have dropped.

The other aspect relates to inflation. In my view, inflation is the greatest peril facing our citizens, certainly the greatest since the Civil War. Although unemployment is at a high level and less dependence on imported oil is desirable, I view both of these goals as less critical than halting inflation.

I oppose this legislation with mixed feelings, because I feel that the President's proposals place too much emphasis on curbing oil imports. The price, in terms of inflationary pressure, is too high.

Mr. BURKE of Massachusetts. Mr. Chairman, I support the passage of H.R. 1767, which would negate the recent action of the President in proclaiming a $1 to $3 per barrel fee on imports of petroleum and petroleum products. New England, which depends more than any other area of the country on petroleum imports, particularly for home heating and residual fuel oils, would also bear the greatest inflationary burden of this program. The New England Fuel Institute estimates that the President's program would increase oil costs for consumers in New England by more than $1½ billion and that electric bills could rise between 30 to 40 percent. This comes at a time when New England utilities and other energy users have already been undertaking voluntary conservation measures.

Consequently, increased fees on oil products would not be likely to bring about a further significant decrease in consumption. The President's program also comes at a time when the impact of recession and unemployment has been pictured particularly severe in New England. The increased fuel costs proposed at this time can only increase the closings and exodus of industry from the area which cannot meet their higher energy bills.

I wish to thank the chairman of the Ways and Means Committee for his leadership in bringing about prompt action on this bill, which can enable the Congress to legislate a sound energy program which is balanced and equitable in its impact on all regions of the country.

Mr. MOFFETT. Mr. Chairman, I wish to voice my firm opposition to the administration's planned tariff on imported petroleum products and to express my support for H.R. 1767, which rescinds any such Presidential order for 90 days.

As a Representative from a northeastern State, I find the inequitable burden placed on a region so dependent upon imported petroleum products totally unacceptable. As a Member of a body whose duty it is to make laws and to oversee the implementation of laws, I resent the usurpation of this power by the executive branch with that well-worn and in this case, unsubstantiated, argument of "national security." And, as a consumer of petroleum products in varying forms to either heat my home or place food on my table, I share the frustration of my constituents, who are finding it more and more difficult to make ends meet.

I believe it is our obligation to ease the economic burden on the American people. And I feel even more strongly that raising the prices on increasingly inelastic commodities is not the proper vehicle to alleviate the current pressures on the average American family.

The strongest single inflationary factor in the past year has been the rising cost of energy. But this proposed import fee will only serve to fuel the fires of inflation. The major emphasis in a national energy policy should be, in my opinion, conservation of energy, rather than Mr. Ford's "price rationing." Unfortunately, the administration's proposals only pay lip service to this conservation concept. The President's program includes few substantive provisions which will genuinely affect the present crisis in other than short-range terms. In addition, the administration's total lack of concern for those on fixed incomes—the elderly, the poor, the disabled—is both heartless and unnecessary.

For the benefit of my colleagues, I insert a brief outline of some of pertinent arguments presented before the Energy Resources Council in December 1974, by Mr. Gary DeLoss, staff attorney for the corporate accountability research group, on the need for a mandatory energy conservation policy.

The first point Mr. DeLoss emphasizes is that our economy cannot afford another $18 billion in excess profits for the energy industry; additionally, Mr. DeLoss indicates his support for price rollbacks on domestic oil, gas, and coal. A program of mandatory limits on energy consumption would permit such rollbacks without simultaneously stimulating an undesirable increase in energy use. Conversely, these rollbacks would help make the mandatory reduction of energy consumption palatable to the public. The tradeoff is sacrificing some consumption while gaining lower cost energy in return.

Second, Mr. DeLoss points out that mandatory energy conservation is anti-inflationary. Squeezing energy waste out of the economy would improve efficiency in the production of goods and the delivery of services.

A third consideration is that mandatory energy conservation can eliminate our trade deficit. Since so much, if not all, of this deficit has resulted from the increased costs of oil imports, a reduction in consumption of imported oil of about 7.1 percent, according to Mr. DeLoss, could mean a trade surplus once again.

Mandatory energy conservation can also help insure a proper distribution of natural gas supplies. An allocation system for this commodity is feasible and necessary to prevent the closing of factories, schools, and other users of natural gas which are unable to find substitute energy supplies.

A final and important aspect of Mr. DeLoss' testimony is that a program of mandatory energy conservation would reduce environmental hazards inherent in overzealous exploration and powerplant construction programs. Utility companies have displayed a very consistent tendency to maximize profits and expand their plants at the cost of any environmental or conservation considerations.

Implementation of this type of long-range plan could be accomplished through a variety of alternatives, all of which deserve thorough examination and cost-benefit analyses. What is clear to me, at this point, is that President Ford's proposal of "price-rationing" is not the answer; in fact, it can only serve to aggravate an already serious situation.

Mr. DON H. CLAUSEN. Mr. Chairman, over the past several days I have taken the time to carefully study the number of energy proposals presented by the President and the congressional leadership, because I share the concerns of my constituents in finding the most efficient, equitable, and economic means to resolve our energy problems. I have concluded that, at this point, the President's plan represents a more practical approach to the total energy dilemma than the individual, "patchwork" proposals presented in Congress thus far.

First, I want to set the record straight on two points that I think the President and most of the Congress would agree on:

There are no simple, overnight solutions to our energy problems. We have the capability to achieve energy independence, but reaching this goal will require commitment and cooperation.

Each of the energy alternatives we are now considering will add to the cost of energy, not only in economic terms, but also in social and environmental considerations. The days of cheap energy are over and from now on, energy will be occupying a higher priority position on our scale of social and economic values.

Why?

Because several years ago, the United States began moving from a position of strength as a major energy-exporting nation—one which produced enough energy to meet its own requirements and sell energy to other countries on favorable economic terms—to a position of increasing energy dependence—a position of economic vulnerability.

While demand for energy at home increased enormously, the economic climate in the United States became less favorable to the energy industry. Through the regulation of natural gas, a loosely administered oil imports program, and other related actions the Federal Government brought about a decline in the domestic production of oil and gas, and energy companies began to expand their overseas operations where the energy resources of other nations could be favorably exploited to produce maximum energy supplies at the lowest possible costs.

As a result, until recently, American consumers have had access to cheap, available energy supplies. But as a nation, the United States has paid an awfully high price, because our dependence has left us dangerously vulnerable to international boycotts and other economic pressures, and consumers are now feeling the pitch.

Consider these facts:

In 1970, the United States paid out $3 billion to foreign governments for imported oil.

In 1974, oil imports cost the United States $24 billion.

If we continue to import at present levels, by 1977, foreign oil will cost the United States an estimated $32 billion.

At the present time, the United States imports about 38 percent of the petroleum it consumes.

If present trends continue, by 1977, imports will constitute 50 percent of the petroleum products consumed in the United States.

The implication of these facts is unmistakably clear. Our growing appetite for foreign oil has accelerated the growth of inflation and made the United States more vulnerable in world affairs. If this trend is not halted and gradually reversed, there is no question but that the United States will become a second-class power, unable to maintain a stable economy at home and unable to protect its citizens from unacceptable compromises in its dealings with other nations.

With this in mind, I think the American people can readily see why we cannot wait any longer to reduce this dependence.

What is the best course of action to achieve our goal?

To answer this question, I want to briefly compare the program outlined by the President and measures proposed by the leadership in the Congress.

First, the President's approach is far-reaching and comprehensive. To meet increasing energy costs, it provides a means for reimbursing those hardest hit—those on fixed incomes, the low- and moderate-income wage-earner and the small businessman—for those added costs through a system of tax rebates and incentives. The President's program will stimulate the accelerated development and production of domestic energy resources and production facilities to insure that our national defense interests are protected and that the American consumer will have access to stable, secure, and reasonably priced energy. While it provides incentives to the energy industry to increase production, it would prevent the industry from taking an unfair advantage through a windfall profits tax. Finally, while encouraging development of new energy sources and supplies, the President's plan offers incentives for energy conservation and brings environmental and economic considerations into balance, by recognizing the fact that reliable and assured sources of energy are absolutely essential if we are to restore the required confidence in the investor and the job-creating enterprises of the private sector.

In short, the administration's program provides an across-the-board approach for achieving energy independence—it is an action plan for coping with short-term energy problems as we move to achieve long-range energy goals.

To place the administration's plan in perspective, I see it this way—the increase in energy costs is offset by a reduction and/or rebate in taxes to the individual. The major gains for society and the country as a whole come about with the establishment of a positive energy conservation program and by creating more incentives for energy production, thus adding to supply. This, then, will set in motion a trend toward production, sale, and use of a more energy-efficient automobile and/or the development of a more comprehensive, efficient and functional bus or mass transit system. While the fuel may cost more, the more efficient auto will use less fuel, equalizing the overall cost to the consumer, cutting down on total fuel consumption and enabling each of us to make a personal contribution to energy conservation and independence. Under the administration's program, decision-making on energy choices is left in the hands of the consumer, rather than in the hands of a large, cumbersome, inefficient Government bureaucracy.

In addition and of utmost importance is the fact that we are doing something positive about checking the very dangerous outflow of dollars to oil-producing nations that is threatening our entire monetary system and our balance of payments relating to international trade.

Finally, as this positive energy conservation program takes effect, we will increase our bargaining leverages in concert with other energy-consuming nations as we lessen our demand for and dependence on the oil-producing nations' supplies. This reduction in demand could have the affect of lowering the price of crude oil in the future—particularly as we develop alternative energy sources.

All of this can and will add immeasurably to America's economic strength and stability at home and throughout the world.

What are the alternatives?

It has been suggested that individual rationing of gasoline is a better and fairer means of weaning ourselves away from foreign oil, but now many in the Congress who advocated rationing as an alternative are backing off, because the facts simply do not support this conclusion.

Consider these points:

It has been estimated that to meet the stated goal of saving 1 million barrels per day, while assuring adequate fuel for business and industry, each licensed driver—who now uses an average of 50 gallons per month—would be limited to 36 gallons per month. For those drivers who would be required to purchase more than the basic ration, the price of gasoline could run as high as $1.75 per gallon.

Rationing is a short-term solution to dole out existing supplies of gasoline, but it provides no incentive for increasing domestic oil supplies or development of new energy sources.

Rationing limits gasoline consumption not through price but through prohibition, creating an artificial shortage and encouraging people to "beat the system" rather than conserve energy, and could lead to development of a "black market" or production and sale of counterfeit ration coupons.

Gasoline consumption amounts to about 40 percent of total petroleum use, and as an energy conservation tool, rationing would not deal with the consumption of other fuels, which also must be reduced.

In a rationing system where each driver receives the same number of coupons, there is no way that individual needs and preferences or regional driving patterns can be taken into consideration.

Rationing would involve the Government even more in our individual lives through more bureaucratic controls. It has been estimated that an effective rationing system would require 15,000 to 25,000 additional Government employees and would cost taxpayers about $2 billion annually.

Finally, most of the earlier congressional advocates of rationing are backing away from support. Recently, the Southern Governors came out against rationing.

There are but a few of the consequences that any plan to ration gasoline, no matter how well-intentioned, will have on individual citizens, along with the long lines and delays we experienced during last year's fuel shortages.

Others have proposed plans offering a "mixed bag" of oil import reductions and quotas, petroleum allocations, rationing, and increases in gas taxes to discourage automobile use. Yet the proposals presented thus far offer no comprehensive "package" for rebating higher fuel costs to those on fixed incomes, low- and moderate-income wage-earners and small businessmen; no programs for increasing energy supplies or developing new energy sources; and no incentives for energy conservation.

As my colleague in the Senate, Mr. GRIFFIN, so aptly stated, it has been well over a year since the Arab oil embargo, which cost the American consumer between $10 and $20 billion, was first imposed, yet the leadership of the Congress has done nothing to curtail or reduce foreign imports and alleviate the devastating economic impact another embargo could have on our sagging economy.

The President, on the other hand, has proposed a specific action plan for achieving energy independence, and while I, like many others, have reservations about certain elements of the plan, it seems to me that the President's approach does provide a basic framework within which the Congress and the President can work out a mutually acceptable compromise.

For this reason, I strongly believe that taking action to negate the President's initiative to reduce foreign oil imports is shortsighted and ill-advised, unless and until the leadership is prepared to offer a positive and constructive alternative.

As I see it, President Ford has taken an important first step. The ball is now in Congress' court and every Member of the House and Senate has the responsibility of evaluating this proposal on its merits free from partisan or political considerations. These are serious times and demand that we either accept this comprehensive energy package or come forth with improvements or better alternatives.

I, for one, will reserve my options and work toward possible improving amendments, but I will not be a party to delay and procrastination on a question which so vitally affects all Americans. Our future, our economy, our people, and our position of respect in this dangerous and unstable world are all key factors dependent on the Congress' and the President's cooperative and positive action.

It seems to me that if the Congress wants to demonstrate to the American people that it is serious about dealing effectively with our energy dilemma, we ought to be dealing with the entire question in as comprehensive a manner as it has been put before us in the President's proposed Energy Independence Act of 1975. To do otherwise places us in the position of being part of the problem rather than part of the solution.

Mr. O'NEILL. Mr. Chairman, I rise in strong support of this legislation to suspend for 90 days the authority of the President to increase import fees, tariffs, or quotas on petroleum and refined products.

I heartily commend Chairman AL ULLMAN and the members of the Ways and Means Committee for their courageous and expeditious consideration of this bill. The President's plan to increase oil import fees, coupled with an excise tax on domestic crude oil, will have a severe inflationary impact and will worsen the Nation's recessionary economy. Chairman ULLMAN has clearly pointed out in the debate today that there are other more desirable alternatives to the President's inflationary energy tax program which must and will be considered by this Congress. The President's Executive order would preempt these alternatives.

This temporary legislation is desperately needed if we are to avert a worsening of our economic difficulties. I urge all my colleagues to endorse this measure and vote aye.

David Rosenbloom, of the Parkman Center for Urban Affairs, has conducted for me a research project on the impact of the President's tax and energy proposals on residents of Boston. The results of this research point out graphically that the President's action will place unfair burdens on certain regions of the Nation, particularly in the New England States, which are most dependent upon imported fuel oil. I include Mr. Rosenbloom's report for the benefit of my colleagues:

If President Ford's economic program becomes law, the real income of almost every family in Boston will decline in 1975. Families living near or below the poverty line and older people living on social security will be particularly hard hit. The 20% of Boston's families with incomes below $5000 a year will lose almost $400 in buying power in the next year. If the President's proposals are fully adopted, older individuals living alone on social security will lose almost 10% of their buying power. Couples living on social security will see 4.6% of their buying power erode.

If the earnings of workers in the city remain steady during the next year despite the recession the average working family in Boston (four people with an income of $10,000) will take about a $650 cut in real pay. If worker's incomes decline, as they did in the last quarter of 1974, families will be even worse off. If they get a 5% pay raise for 1975, the average family will be worse off at the end of the year than it is now.

Further, rather than meet its objective of stimulating the economy out of the current recession, the President's program will weaken the economy of the city of Boston and threaten the ability of state and local government to hold the line on taxes. Despite the recession, vigorous efforts by local government and private developers have led to scheduling more than one billion dollars in new construction in Boston for 1975. The higher interest rates that will result from the President's program threaten this job creating construction and provide the likelihood of even higher unemployment.

The energy tax package proposed by the President is a direct challenge to State and local government's efforts to hold the line on tax increases. For example, the tax rate in the city of Boston will rise by $8.40 per thousand if the city is forced to pass on to tax payers the entire burden of price increases expected to result from the energy tax program.

These conclusions emerge from an analysis of the impact of the President's proposals on Boston residents the sections which follow indicate how the conclusions were reached.

ELEMENTS IN THE PROJECTIONS

Expected gains in income—During past recessions, money income has held about steady because of increases in government support payments like social security and welfare. However, money income actually declined during the last quarter of 1974 for workers in Massachusetts and there are continuing rumors that welfare and unemployment payments may be reduced if the numbers of people who need help continue climbing. On the other hand people earning higher salaries in service and professional jobs have not yet been hit hard by the recession. Thus it is very difficult to predict if and how much money income will rise for Boston families next year. A different projection is made for each income group and is explained in the detailed presentation.

The 1974 Tax rebate—The President has proposed that 12% of all personal income taxes, up to $1000 a family be rebated in two payments during 1975. This will represent an increase in the income of everyone who paid taxes on 1974 income.

The permanent tax rate reduction—The President has proposed permanent reductions in the personal tax rates. These new rates will put more money in most people's pockets. The effects of these reductions are calculated for each of the typical income groups studied from IRS projections.

Low income payment—The $80 payments proposed by the President were added to the incomes of the poorest groups examined.

The expected rate of inflation—There are two elements in the President's proposals that will cause prices to go up. They are 1) the continuing impact on the inflation already in the economy and 2) the impact of the new energy taxes themselves. To assess the net impact of the President's programs on Boston families, a projection of the continuing inflation had to be made. The rate of inflation in the United States during 1974 was 12%. That could have been continued as the projection for 1975. However, prior to the President's proposals a consensus seemed to be emerging among economists that the rate of inflation for 1975 would be somewhere between 8% and 10%. There was nothing in the President's proposals to indicate an easing of inflationary pressures. In fact, the heavy federal borrowing that will be needed to pay for the large deficits may well add new pressure. The projection for continuing inflation used in this report is the lowest of those made for the year prior to the President's proposals. (The effect of choosing a low projection is to make the estimates more conservative or lower than they may actually turn out to be.)

Additional home heating costs—The President has proposed new taxes on imported oil, new fees on domestic oil and steps that will increase natural gas prices. To calculate the likely impact on Boston families, the anticipated increase of 12 cents per gallon was multiplied by the average number of gallons of oil used by Boston families. The result was about $200 a year or a **32%** increase in the cost of heating a home in Boston.

Curiously, this was lower than the estimate of $250/year increased home heating costs issued by the White House. Thus the estimate used in this report may be conservative.

Additional electricity costs—New England imports almost 90% of the oil used to generate electricity. The costs of fuel is passed directly along to consumers. Thus an increase of $3 a barrel on the price of fuel will show up in higher electric bills very quickly. Boston residents can expect another 20% increase in their fuel bills over the course of next year. This is a somewhat lower estimate than the national forecast of 25% made by the Edison Institute to account for the phasing of the tax and price increases over the next few months.

Possible increase in state and local taxes—The federal government can run a deficit in bad times, but state and local governments can not. When their costs rise or incomes fall they must either cut services or increase taxes. The energy proposals alone will probably mean an inflation of about 4% for the Boston city government and 3.3% for the Commonwealth government. The possible increases are calculated according to the share of local and state taxes now paid by different income groups. In fact, both the city and state governments are committed to not raising taxes during the next year, and they will try very hard to offset the price increases caused by the President's program. However, if the city of Boston is forced to pass its energy related cost increases along to taxpayers the tax rate in the city would go up about $8.40/thousand.

These figures take into account the extra money the Commonwealth and city will get from the federal government to help them pay their higher fuel bills. Boston's share of the special appropriation will be about $6 million, but its added costs will be about $21 million. The possible increases calculated in this report make up for the difference.

LOW-INCOME FAMILIES

More than 20% of Boston's families have incomes of less than $5,000 a year. Since many in this group already rely on unemployment or welfare funds, they can look forward to no increases in income during 1975. In fact, there have been several press reports that welfare and unemployment benefits may be cut back as a result of the recession. This group of families did not pay much in federal taxes in 1974, so the rebate will give them only about $12. The permanent tax cut will help them because they will no longer pay any federal income taxes. This will increase their income by about $100 a year. The payment to low income people will give each family another $80 or $160 depending on whether one or two adults are present. Thus, the President's proposals will put up to $270 into the hands of our poorest families. However, the continuing inflation, and the added costs of home heating oil and electricity resulting from the President's energy tax program will cost them about $622 during 1975 and possible increases in state and local taxes related to the cost of energy would cost them $35. Thus the poorest families in Boston will see the value of their incomes shrink by almost $400 during 1975, if the President's proposals are adopted.

Impact of the President's proposals on a Boston low-income family of four

Present adjusted gross income	$5,000
Expected gain in income	0
1974 tax rebate	12
Permanent tax cut	98
Low income payment	160
Total additions to income	270
Expected inflation at 8 percent	400
Additional home heating costs	200
Additional electricity costs	22
Possible increase in State and local taxes	35
Total reductions to income	657
Net loss for year	387
Expected real income at end of year	4,613
Loss in real income during year	7.7%

MODERATE-INCOME FAMILIES

The median family income in Boston is now around $10,000 for a family of four. The heads of most of these households are still employed. In normal times people in this income group can expect their incomes to increase every year. However, in the last quarter of 1974, money income actually declined in Massachusetts and it is therefore impossible to predict a rise in income for this group in 1975. This large group of families will benefit from the tax proposals made by the President. The rebate will be worth about $104 and the tax cut an additional $349. As with the poorer families, however, inflation and increased heat and electricity costs and state and local taxes make this group of families lose about $650 dollars in real income, this is the equivalent of taking a 6.5% cut in pay during the next year.

Many working families have raised their incomes by having both adults work full or part time. Thus many families in the city now make about $15,000 a year. Even if these families' incomes stay steady during this recession, they too will be net losers at the end of the year. The family of four which makes $15,000 in 1974 in Boston can expect to take a pay cut of about 7.5% by the end of 1975 if the President's proposals have the predicted effect.

Impact of the President's proposals on a Boston moderate-income family of four

Present adjusted gross income	$10,000
Expected gain in income	0
1974 tax rebate	104
Permanent tax cut	349
Low income payment	0
Total additions to income	453
Expected inflation at 8 percent	800
Additional home heating costs	200
Additional electricity costs	36
Possible increase in State and local taxes	74
Total reductions to income	1,110
Net loss for year	657
Expected real income at end of year	9,343
Percent loss in real income during year	6.5%

HIGHER INCOME FAMILIES

Even higher income families in the city making $20,000 and continuing to increase their income will suffer losses during 1975. Many of these families have not yet been hit by the recession. Their heads of households are often in service or professional jobs. They may be able to keep their jobs and even get modest pay increases in 1975. By the end of the year, however, they will probably have real incomes that are about 2.5% smaller than what they have now.

Impact of the President's proposals on a Boston middle-income family of four

Present adjusted gross income	$15,000
Expected gain in income	0
1974 tax rebate	204
Permanent tax cut	221
Low income payment	0
Total additions to income	425
Expected inflation at 8 percent	1,200
Additional home heating costs	200
Additional electricity costs	36
Possible increase in State and local taxes	113
Total reductions to income	1,549
Net loss for year	1,124
Expected real income at end of year	13,876
Percent loss in real income during year	7.5%

Impact of the President's proposals on a Boston high-income family of four

Present adjusted gross income	$20,000
Expected gain in income	1,000
1974 tax rebate	319
Permanent tax cut	210
Low income payment	0
Total additions to income	1,529
Expected inflation at 8 percent	1,600
Additional home heating costs	200
Additional electricity costs	60
Possible increase in State and local taxes	124
Total reductions to income	1,984
Net loss for year	455
Expected real income at end of year	19,545
Percent loss in real income during year	2.3%

PEOPLE LIVING ON SOCIAL SECURITY

Twelve percent of Boston's population is over 65. Most of these people depend on social security payments for their income. Currently they are scheduled to receive a 9% increase in payments during 1975. Under the President's plan this increase would be reduced to 5%. When the increased costs growing from the President's program and continued inflation are totaled, individuals living alone on social security will suffer a 9.4% loss in income in 1975 and couples will suffer a 4.6% loss.

Impact of the President's proposals on a Boston elderly individual living alone on social security

Annual social security benefits	$2,244
Cost of living increase at 9 percent	202
Tax rebate	0
Tax cut	0
Income payment	80
Total Additions to Income	282
Scheduled cost-of-living increase:	
Expected inflation at 8 percent	180
Proposed cost-of-living reduction to 5 percent	90
Additional home heating costs	200
Additional electricity costs	22
Possible increase in State and local taxes	0
Total reduction to income	492
Net loss for year	210
Expected real income at end of year	$2,034
Percent loss in real income during year	9.4%

Impact of the President's proposals on a Boston elderly couple living alone on social security

Annual social security benefits	$3,864
Cost-of-living increase at 9 percent	348
Tax rebate	0
Tax cut	0
Income payment	160
Total additions to income	508
Expected inflation at 8 percent	309
Proposed cost-of-living reduction to 5 percent	155
Additional home heating costs	200
Additional electricity costs	22
Possible increase in State and local taxes	0
Total reduction to income	686
Net Loss for year	178
Expected real income at end of year	3,686
Percent loss in real income during year	4.6%

IMPACT ON THE LOCAL ECONOMY

The President hopes his program will jolt the country out of the current recession by stimulating private consumption and major investment in new construction and equipment. The Wharton econometric model of the economy predicts that the President's proposal will not stimulate the economy as a whole. The prospect for Boston is also grim.

The Ford program threatens progress in jobs and economic development in Boston. There are no provisions to marshall savings and mortgage money for badly needed housing, though many people may put their rebates in the bank. There are no measures to channel urgently needed credit for privately funded urban development. As a result, new housing construction in Boston in 1975 is likely to experience one of the poorest years in recent times. Further, one or two of Boston's most prestigious prospects for major private commercial developments scheduled for construction in 1975 are experiencing serious difficulty in obtaining short-term bank financing. The higher interest rates expected as a result of federal deficits may halt these and other projects.

Despite the limited means at its disposal, the City of Boston has been doing its part to mobilize resources for jobs, development and expanding opportunities through public investment in community facilities. In addition to enhancing the city as a place to work and live, these capital improvements encourage a large private investment commitment to the future of the city and provide hundreds of constructive jobs.

The capital improvement program is financed by long term bonds. In the past year, the city's bond rating has been improved twice as testimony to its improved fiscal management. The higher interest and construction costs facing the city as a result of the President's proposal may reverse this progress and add more than $20 million to the ultimate cost of the 1975 capital construction program. However, if the program is stretched out of cut back, jobs will be lost and unemployment will go even higher than it is now.

INCENTIVES FOR ENERGY CONSERVATION

By raising the cost of energy, the President hopes to reduce its use and our reliance on foreign energy sources. He believes that the higher prices of oil will make people conserve more than they do now. While higher prices may well provide real incentive toward energy conservation, it is not true that the demand for home heating and electricity consumption are entirely elastic according to price. In fact, during a cold spell, it may be easier to give something else up and pay the higher heat bill than to be cold.

Energy conservation in homes and institutions is more likely to be effected by investments that increase the efficiency of heating systems and reduce the need for oil, gas and electricity. To encourage such investments the President has proposed a tax credit of 15% (up to $150) of the cost of installing insulation and storm windows on homes. It may be possible to take the credit in each of the next three years enabling a person to recover up to 45% of the cost of these energy saving home improvements.

Home owner-occupants in Boston may be eligible for an additional 20% subsidy on the costs of these improvements when the housing improvement program announced by the Mayor goes into effect. Under this program, owner-occupants in Boston will be eligible for rebates on the cost of many home improvements including insulation and storm windows.

With these incentives, it will be cheaper for Boston home owners to install insulation and storm windows than to pay higher prices for home heating oil. Initial calculations indicate that most improvements will pay for themselves in one year.

CONCLUSION

The net impact of the President's proposals on residents of Boston will be negative. They will be called upon to make sacrifices in the quality of life they lead, without any real prospect that the inflation and recession in the economy will be ended.

Mr. Chairman, even Mr. Sawhill has indicated that the Ford administration's energy policies discriminate against New England. If President Ford's import fee is implemented, it could eventually cost the six-State region $800 million annually in higher oil prices.

I include for my colleagues David Nyhan's article in today's Boston Globe in which Mr. Sawhill very poignantly shows how counterproductive is an energy program that adversely affects the economies, environment, State policies and programs of the Northeast section of this country. Mr. Nyhan's article follows:

SAWHILL CALLS U.S. ENERGY POLICIES RIDICULOUS AND UNFAIR TO NORTHEAST

(By David Nyhan)

WASHINGTON.—John Sawhill, who was eased out of the nation's top energy job by the Ford Administration, said yesterday the Administration's energy-economy policies are "absolutely ridiculous" and unfairly penalize New England.

"I think New England is being discriminated against," said Sawhill, former head of the Federal Energy Administration. He called Mr. Ford's oil import tariff fees a hastily-concocted program, and said "I don't know anybody who would disagree with that position."

New Englanders in Congress are trying to overturn the oil import fee, charging the scheme Mr. Ford implemented last Saturday could eventually cost the six-state region $800 million annually in higher oil prices.

Sawhill said the Administration is shying away from tackling head-on the need to conserve gasoline, and that it is moving to revive the ailing auto industry, hurt badly by slumping sales and massive layoffs.

"I think the Michigan Mafia is at work," he said, in apparent reference to the fact that President Ford, his top economic aide L. William Seidman, and his closest Senate friend, minority whip Robert Griffin, are all from the home base of the auto industry.

"My own perception is that the economic policy and the energy policy were put together separately and are not coordinated," he said. Sawhill is in the running for an appointment by congressional Democrats to head the new Congressional Budget Office.

"My own concern is that the energy policies will negate the economic policies. The No. 1 problem is recession—we have to do everything we can to get people back to work. And scooping $50 billion out of the economy (under the Ford economic program) is not the way to do it."

Asked if he was forced out of the Administration because of his views, Sawhill said, "Oh, yes, I felt very strongly about this."

"What we need to do is not have a crash program to reduce oil usage—that is too tough on the economy—but we should have a long-range program to change the life-style and consumption habits of the American people, and put that in place now."

He criticized the underpinnings of the Administration's oil import fee approach, which aims to curb oil imports by one million barrels a day in its first year. "I've never seen any justification for (the target of) one million barrels a day," Sawhill said.

"We are spiralling down into the worst recession since World War II," he said adding that unemployment will probably be worse than the Administration predictions of at least six million unemployed through 1980.

As far as New England's dependence on oil, which is greater than the nation's as a whole, he said, "Frankly, I think you just can't have that kind of program which has that regional impact. What we need is not a sharp reduction right now (of imported oil) but to put in place policies that will curb long-term consumption nationally."

Concerning the rebate structure, under which the Administration claims New England will pay no more for its oil, than the rest of the nation, Sawhill said: "I don't think anybody understands it."

He said, "the basic flaw (with the President's program) is that it is asking for too much too soon" in terms of restricted oil imports.

Sawhill proposes a modest gasoline tax, such as 5 cents a gallon now, and phasing in 5 cents more each year so that in four years gasoline would carry a tax of about 25 cents a gallon. This would not disrupt the economy, he said, and would give the public time to prepare for it.

"I favor things like a mandatory requirement that new cars get at least 20 miles per gallon, mandatory thermal standards for new buildings (to conserve heat loss), subsidies for installation of storm windows and insulation, and substantial tax credits" to induce energy conservation.

Mr. MINISH. Mr. Chairman, I rise in strong support of H.R. 1767, a bill to delay for 90 days the President's authority to increase tariffs on imported oil.

I want to commend the chairman and members of the Ways and Means Committee for their hard work and expeditious action in bringing this measure to the floor at such an early date. In my opinion, prompt and overwhelming passage of H.R. 1767 is vital if we are to avoid a severe rekindling, in the form of higher home heating oil and gasoline prices, of our dangerously high level of inflation.

On January 23, President Ford by Executive order, increased oil import fees under authority granted him by the Trade Expansion Act of 1962. The fee increase began at $1 a barrel for imported crude on February 1, is scheduled to rise to $2 on March 1, and to $3 by April 1.

A Library of Congress study estimates that all the administration's energy proposals could cost consumers an additional $50 billion this year, and the tax on imported crude oil alone could cost $12.6 billion. The study concluded that the ripple effect of the higher petroleum prices might cause inflation to continue at a 12-percent rate for all of 1975. This is completely unacceptable to me as I am sure it is to the vast majority of Americans.

It is significant to note that the President issued the oil import fee proclamation without the benefit of a public hearing on the effects of such a tax and without public or congressional review of the decision, the criteria used in reaching the decision, or the possible alternative methods of energy conservation.

While we all agree that the goal of energy conservation is laudable, adding more to the price of necessities like home heating oil at this time will only contribute to the inflationary spiral, increase the recession, and not guarantee any fuel savings.

Price increases for home heating oil and gasoline will make life much less tolerable for the millions of citizens who cannot do without these products. They will have no alternative but to pay the higher prices.

All Americans share the President's goals of implementing a national fuel conservation program and reaching national self-sufficiency in this area. However, I urge my colleagues to join me today in sending a clear message to the White House that these goals cannot be reached through higher energy prices.

Mr. HEINZ. Mr. Chairman, we do not want the Arabs, or any nation, to dictate our foreign policy.

For this reason, we absolutely must adopt an energy program to reduce our dependence on OPEC oil imports.

Furthermore, demonstrating to the world our ability and determination to deal with our own massive waste of oil and energy is a matter of the greatest urgency. The best chance to achieve international cooperation in reducing the world price of oil is right now while a worldwide recession is causing a substantial cut in international demand.

I am not convinced that President Ford's program is the fairest or wisest or best program for this Nation, and I do not intend to acquiesce in accepting the administration's plan or any plan. In fact, I want Congress to make the final decision on any plan. This is a responsibility we must not ignore.

In this connection, the vote today is not a vote of approval or disapproval for the President's plan. It is a question of adopting a temporary plan—and only a small part of a comprehensive plan at that—until Congress provides, as we must, a better plan.

I think it is important to also point out that the bill we are considering, H.R. 1767, does far more than simply stay for 90 days any change in tariffs on imported oil. This legislation would prevent the President from taking "any other import adjustment action," as stated on page 1 of H.R. 1767. The result is to strip the President of his authority even to impose an import quota, a step which has been called for by many economists and Members of Congress of both parties. To weaken ourselves to this extent is a dangerous and irresponsible action.

Mr. Chairman, the American people agree that we need a tough conservation plan. Only last week I mailed a questionnaire to my constituents asking their opinion on these issues. One question in particular that I asked is as follows:

> The President's goal is to cut oil imports by 2,000,000 barrels a day by 1977, to reduce our dependence on Arab oil. Obviously, considerable sacrifices will have to be made to do this. In principle, do you support this goal?

My constituents are answering "yes" to this question by a 3-to-1 margin. It appears they realize the necessity for a tough and responsible energy conservation goal.

I believe what we need is a carefully planned strategy to meet this goal. It must be one the American people can understand and support. It must make clear, as will be true of any plan, that sacrifices will be required and what those sacrifices will be. Assuredly they will cause changes in the lifestyle and habits of all Americans. This is why the final plan we in Congress adopt must give Americans a chance to make an orderly change in our lifestyle. A plan which touches off a pattern of disruption is totally unacceptable. Just as important, we must not adopt any plan that would permit a rip-off by oil companies.

It is my hope that the result of our actions here today will not be to destroy the initiative and incentive for Congress to develop a fair and effective plan, but rather to insure that we will meet our responsibilities to the American people to provide the participation and leadership in quickly enacting an energy program the American people will support.

That is why I must vote "no" on H.R. 1767, the resolution to suspend for 90 days the President's power to set tariffs or take other actions to control the massive outflow of American dollars for foreign oil imports.

Mr. FORD of Tennessee. Mr. Chairman, I rise in strong support of H.R. 1767. I address this body because of many questions I have concerning the economic policies proposed by the White House. We are, as we all know, in a situation in which we are faced with the twin demons of inflation and recession. We are also in a situation in which we have been told that our energy resources are in short supply. Clearly, it is a time for some action. The question before us is, What kind of action is in order?

I think the answer that we must come up with must be based on a clear understanding of our goals and our priorities. What is it we are trying to accomplish? Are we trying to keep foreign oil out of the United States? Are we trying to reduce unemployment? Are we trying to cut down on the use of our energy resources? The reason we must state our priorities is that one action may move us toward one goal at the expense of another. We may slow down inflation and cause unemployment. We may conserve oil by putting the squeeze on the middle and lower income American.

Besides getting clear our own priorities and goals, we must ask and then answer, Who is going to pay the prices for our proposals to solve our problems? Are the poor going to suffer the most? Will the burden be on the shoulders of the middle class? Or will every American pay his or her fair share?

President Ford, during the fall of 1974 and since the first of this year, has given us many, many proposals for our consideration. Some of these he himself has retracted. He is no longer advocating a surtax. He is now proposing the opposite—a tax rebate. He is no longer telling us to whip inflation now. He is talking about the recession we are in and which we have been in for some time. Like his ill-advised surtax, I believe he will reconsider some of the proposals he has now made to us.

Foremost of the proposals we ought to reject is the $3 per barrel tax on domestic crude oil and the removal of a price ceiling on presently existing crude oil in the United States. Such proposals which would raise the price of fuel and gasoline would be an unfair burden to the average American and a hardship to the poor.

According to the White House figures, the price increases would cost the average American family at least $400 per year. According to Robert A. Gordon, president of the American Economic Association, the rise in oil prices would add about 4 percent to the inflation rate as reflected in the Consumer Price Index. If this is correct, a rise in fuel prices would be both inflationary and increase unemployment. President Ford's ideas are both inflationary and increase unemployment. President Ford's ideas are but another example of the kind of thinking that has given America both inflation and recession. We have paid heed to that thinking long enough.

But inflation and recession aside, we have no reason to believe that a new tax on oil coupled with a lifting of the price ceiling on oil will serve what has been its stated purpose. It will not be a step toward real conservation of our energy resources.

The increase in oil and gas prices will not conserve energy resources significantly at the same time that it will cost the average American family $400 and add at least 4 percent to inflation.

The President's proposals which would lead to higher fuel prices would do two things in addition to what I have mentioned which America cannot and should not tolerate. Granted that the very rich can buy fuel at almost any price and granted that the very poor cannot buy it at any price. What about the vast majority of Americans who will continue to buy fuel even if the price rises, but who do not have money in limitless supply? These people, in order to continue to have the freedom of their own cars, the convenience of going when and where they please, and the comfort of their own homes—these homes in order to maintain their good life are going to stop going to restaurants, stop buying new clothes, not buy a new car or go to movies, and so on. In short, the result of a tax increase on gas will be to take money from many segments of the economy and give it to the giant oil companies.

That means further economic imbalance. It means unemployment and more profits to the oil companies which are now making record profits in this time of suffering for the average Americans. I will not stand for this.

I suppose it could be argued that the President's policy would bring revenue into the Government Treasury. As the demand for energy is inelastic, surely, it would be an effective tax measure. But what good is it if it is used to pay for unemployment? What good is a tax increase if it is inflationary? What is worse, what should we say about a tax that is unfair because it does not tax people in proportion to their ability to pay. A tax on gas is regressive. It asks those who can least afford to pay more than their share.

Now, I know that there are inequities in every system. I know also that we will always have some people in this country who are richer than others and some who are poorer than others. But I also know this: the American people in their fight to improve our economy are willing to sacrifice and pay their dues. But they are not willing to get behind any program that is unfair. The President's program is just that. I know also that I will never support any program which makes the rich richer, and the poor poorer. The tax on crude oil and the lifting of the ceiling on oil prices would do just that. So I reject it and urge the House to do the same. If the Government asks to increase rather than to reduce inequity, then we are no longer a government of the people. Let us reject the idea of increasing fuel prices.

Mr. CLEVELAND. Mr. Chairman, I rise in opposition to H.R. 1767 which would suspend for 90 days the President's authority to adjust petroleum imports under the Trade Expansion Act.

Although I am deeply concerned about the impact of the President's imposition of increased fees on imported oil, particularly in my own region of New England which has already borne a disproportionate share of the energy conservation and cost burden, I am even more concerned about the lack of a serious and intensive effort to reduce U.S. dependency upon foreign oil.

Since last winter's Arab oil embargo, the Congress has had ample opportunity to enact a comprehensive program to achieve energy self-sufficiency. Indeed, the House could have taken steps toward preventing the crisis which resulted from that embargo as early as 1971 had they not defeated a bill which I cosponsored to establish a special congressional committee to study all aspects of our energy situation and the crisis that even then was evident.

Even today, the criticism directed at the President's program has failed to produce an equally effective alternative proposal. For this reason, I intend to vote against this bill which would simply prolong the delay in taking action that is badly needed. I would also point out that much of the criticism against the President's program seems to be emanating from those who have advocated gasoline rationing, which I strongly oppose.

This decision was not easily made. In fact, immediately following the President's speech, in keeping with my well-known fight against a continuing abrogation of congressional powers, I joined in cosponsoring a bill to require congressional approval of tariffs on petroleum imports. However, as it becomes more and more apparent that this Congress is not prepared to assume its responsibilities in enacting a comprehensive energy program and the situation continues to worsen, I am convinced that mere negative reaction to the President's program and delaying tactics will serve no useful purpose.

Furthermore, having read the minority views in the committee report together with the appendix to those views, I am convinced that the implications of the President's program have at least been carefully studied with particular attention given to the threat to our national security if our dependence upon imported oil is not substantially reduced.

Faced with this evidence, I am constrained to oppose this delaying tactic and urge my colleagues to address themselves to positive effective action which I will gladly support.

In my view, the Congress should move forward on efforts to improve our long-range energy situation by passing legislation to permit expanded use of our own abundant coal resources, to accelerate the construction of environmentaly acceptable nuclear powerplants, to open up the Elk Hills Petroleum Reserves, to move ahead with offshore drilling, and to develop solar, geothermal, and other alternate sources of energy. Only by such broad-based, concreted action will we effectively reduce our dependence on imported oil and move forward to a real solution to our energy problems.

Mr. HUGHES. Mr. Chairman, I would like to take a few moments to make some brief comments supporting my decision to vote for H.R. 1767, to delay for 90 days the President's authority to increase the tariff on imported oil and against H.R. 2634 to increase the national debt from $495 billion to $531 billion through June 30, 1975.

First of all, I want to thank the managers of the legislation for showing the wisdom to separate the oil tariff bill from the debt ceiling provisions. These are separate questions which we should have the opportunity to so consider.

I have stated many times that if we are to develop an effective energy program that the vast majority of Americans will have confidence in—because the sacrifices are fair and shared—that our best hope was through cooperation not confrontation between the Congress and the administration.

Unfortunately the President, in the desire to give the appearance of action, has chosen unwisely to exercise his authority under the Trade Expansion Act of 1962 to increase import tariffs by $1 a barrel effect last Saturday and by like amounts on March 1 and April 1.

I am not so much voting against the tariff increases as against the manner in which it is being presented. Frankly there is much in both the President's energy program that troubles me and in the response of the Democratic leadership.

But I do not consider the differences irreconcilable. Our action in delaying for 90 days the President's authority to unilaterally impose an increase will give both his advisors and the Congress the short delay necessary to determine how such a hike fits in to an overall energy strategy.

On the question of raising the public debt limit by $36 billion to a level of $531 billion, I am compelled to register a protest.

We are in this budget box because we have historically failed to make cuts in better economic years or to enact legislation to restructure an inequitable tax system.

Put bluntly, we have simply poorly managed our economy and are reaping the unpleasant benefits of budget deficits in 14 of the past 15 years.

It took 186 years for the Federal budget to reach $100 billion, a line it crossed in 1962, but then only 9 more years to reach $200 billion. Now, 4 years later, we are breaking the $300 billion budget barrier, rolling up deficits of $36 billion in 1975 and the projected, staggering $51.9 billion deficit next fiscal year.

I am appalled, Mr. Speaker, by the administration's request for a debt limit of $604 billion through June 30, 1976, and an annual debt service of $33 billion.

My vote against this new debt ceiling is a vote for tax reform this year and for budget cuts which I believe this Congress can make in reviewing the President's recommended 1976 budget which reached us this past Monday.

We are indeed fortunate this year in having just selected an excellent group of colleagues to serve on the Budget Committees in the House and Senate.

I am confident that this 94th Congress is going to have much to say about priorities and what cuts can be made in the budget recommendations.

We are no longer a rubberstamp Congress when it comes to the Federal budget and I have no intention of conceding that we need to be a rubberstamp Congress whenever the administration feels it can pass off mismanagement by raising the national debt.

Mr. DODD. Mr. Chairman, the direct and indirect effects of President Ford's import tax on petroleum would produce economic havoc in New England and the Nation by greatly increasing the price of essential as well as nonessential uses of gasoline and oil.

In New England, intensive efforts have long been under way to conserve fuel for home heating and business uses. New England's consumption of heating and residual oil is down considerably, 20 percent and 15 percent respectively, even though there is an increased demand for these products as a result of massive natural gas curtailments. It is estimated that by April the President's plan would increase the per barrel costs of imported oil by $2. This would cause the costs of New England's residual oil to increase by $332 million a year and heating oil costs to rise by $248 million. Under the President's plan, import tariffs and taxes would fall heavily on these two fuels adding to inflation, unemployment and general industrial stagnation without appreciably reducing consumption.

Further conservation efforts should be directed at the nonessential uses of gasoline in a way that does not discriminate against a particular region like the Northeast, which is almost totally dependent on imported fuel. Roughly 40 percent of our petroleum consumption is in the form of gasoline for motor vehicles. Any tax policy that we may recommend to increase energy conservation must be very careful not to add greater financial burdens on businesses that are now attempting to recover from problems related to the recession. Instead, the President's program would indiscriminately impose increased fuel costs on all gasoline users, causing further price increases and more unemployment.

A recent study by the Library of Congress states that the President's energy proposals which would ultimately raise the per barrel cost of oil by $4 or $5, would also cause last year's 12 percent inflation rate to continue this year and would cost the taxpayers an additional $50.3 billion in 1975 alone—$20 billion more than the administration has predicted.

Mr. Chairman, I do not think that the people of this country can afford the President's energy proposals, and therefore I urge the Congress to approve H.R. 1767 which would suspend for 90 days the authority of the President to increase tariffs or to take any other import adjustment action with respect to petroleum or petroleum products.

Mr. BROWN of California. Mr. Chairman, I rise to oppose this legislation, H.R. 1767, the bill to block for 90 days the President's imposition of fees on imported oil.

Our overriding concern must be to stop the profligate waste of energy in this country. We need to do so to preserve the health of our precious biosphere, for the benefit of our less fortunate neighbors on this planet, and for the sake of our own economic stability. The President's oil import fees plan will help end this waste. Simply stopping that plan will not help at all.

I sympathize with critics of the President's strategy who argue that it will put additional economic burdens on many who are already harshly affected by inflation and recession. But we cannot simply hide behind this observation of inequity. Many aspects of our economic organization are inequitable even without oil import fees. If the hesitation about this method of energy conservation is based simply on economic inequity, we can immediately begin work on major reform steps, in taxation and social welfare, to reduce inequities resulting from oil tariffs along with the many others which have existed for decades.

Neither can we hide behind the promise to come up with an alternate energy conservation plan. The fact is that we have not presented a coherent alternate strategy, though we have nearly all realized the need was urgent for more than 1 year. More importantly, we have not even organized effectively to develop a comprehensive plan, and we still rely on the fragmented suggestions of committees and members who see the problem only in terms of their own jurisdictions and constituencies. Under these conditions, I think we must accept the President's tariff fee steps, applaud their energy conservation implications, and work to rectify the inequities which he has very unfortunately ignored.

Mr. LEHMAN. Mr. Chairman, without appropriate congressional consideration and consent, the President has set in motion a tariff policy, designed to reduce consumption of oil, but which, in fact, is going to give our inflation one big boost all across the board.

I cannot fault the President's basic objectives. His goals of self-sufficiency through accelerated development of our domestic energy resources is commendable, reasonable and achievable—but only if the criteria established to attain these goals is equitably constructed and fairly administered.

Under the President's import fee system, the cost of crude oil will rise substantially. Florida for instance which requires substantial quantities of oil for electrical power generation will be hard pressed. Nearly half of the Florida utilities' fuel needs are supplied from foreign sources. Prior to the President's action, Florida's utilities were paying $12.38 per barrel for Venezuelan crude. The President's import fee scheme will boost the price of crude to the utilities by $3, or $15.38 a barrel—nearly three times its cost in 1973. Owing to its high dependency on foreign oil, Florida's already weakened economic condition will suffer immeasurably unless it is compensated for this added expense.

Mr. Chairman, under the President's proposal—there is no escape from higher prices. They are the inevitable result of restricting supply—it is basic economic principle.

Many residents in my congressional district are living on fixed incomes. Their budgets cannot tolerate higher utility bills or increased costs for gasoline and other fuel.

Mr. Chairman, the President justifies his policy as a fundamental step in this country's efforts to conserve its fuel supplies and thereby counteract the potential threat of another oil embargo by the oil producing countries. I do not question the President's sincerity in pursuing such a course—but do the circumstances warrant such drastic remedies?

We hear on a continuing basis, conflicting reports that suggest that we are either drowning in oil or are in imminent danger of oil strangulation by foreign producers. Neither, I believe, is an accurate assessment of our energy situation. In the absence of such substantive evidence that there does in fact exist a petroleum shortage we must move cautiously and carefully to avoid overreacting to this skeptical emergency.

First, we must suspend for 90 days, the President's authority to levy an import tariff. Congress should be absolutely assured that the net benefits to accrue from such a policy far outweigh the potential consequences.

Second, we must resolve during this interim period, whether our energy situation requires the imposition of rationing or allocation or higher taxes or a combination of any, to curb our seemingly insatiable fuel appetite. Added taxes would surely make gasoline and fuel oil a luxury commodity rather than the necessity it is to so many American families, industries, and business concerns. Rationing on the other hand would require a monstrous administrative bureaucracy. An allocation program means the Government makes all the decisions—between old and new companies, between agriculture and transportation, between Florida and New England. It would require an unbearable Federal bureaucracy.

Mr. Chairman, cooler heads must prevail at this point. I urge my colleagues to support the Committee on Ways and Means proposal to suspend for 90 days the President's authority to impose an import tariff so that Congress can assemble a more sensible and equitable approach toward energy production and consumption.

Mr. ULLMAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments relating to the authority of the President under section 232 of the Trade Expansion Act of 1962.

The bill reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of the enactment of this Act and ending at the close of the ninetieth day thereafter, nothing in section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) or in any other provision of law shall be deemed to grant to the President any authority to adjust imports of petroleum or any product derived therefrom.

SEC. 2. (a) (1) Any action which is taken after January 15, 1975, and before the date of the enactment of this Act by the President under section 232(b) of the Trade Expansion Act of 1962 or any other provision of law which results in the imposition of a rate of duty on petroleum or any product derived therefrom shall cease to have effect on the date of the enactment of this Act, and the entry or withdrawal of petroleum and any product derived therefrom on or after such date of enactment shall be duty free.

(2) Upon appropriate request therefor filed with the customs officer concerned on or before the sixtieth day after the date of the enactment of this Act, the entry or withdrawal of petroleum or any product derived therefrom to which a rate of duty imposed by the President (pursuant to any action by him after January 15, 1975, and before the date of the enactment of this Act under such section 232(b) or any other provision of law) applies shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as if no duty applied to such entry or withdrawal.

(b) (1) Any action which is taken after January 15, 1975, and before the date of the enactment of this Act by the President under section 232(b) of the Trade Expansion Act of 1962 or any other provision of law which results in the imposition of a tax or fee on the importation of petroleum or any product derived therefrom which is higher than the tax or fee imposed on the importation of petroleum or any such product on January 15, 1975, shall cease to have effect on the date of the enactment of this Act; and the tax or fee imposed on the importation of petroleum or any product derived therefrom after such date of enactment shall be the tax or fee in effect on January 15, 1975.

(2) Upon request therefor filed with the appropriate Federal agency on or before the sixtieth day after the date of the enactment of this Act, the amount of any tax or fee imposed by the President (pursuant to any action by him after January 15, 1975, and before the date of the enactment of this Act under such section 232(b) or any other provision of law) and paid by any person on the importation of petroleum or any product derived therefrom which exceeds the tax or fee that was imposed with respect to the importation of petroleum or products derived therefrom on January 15, 1975, shall be rebated to such person.

SEC. 3. If during the ninety-day period referred to in the first section of this Act—

(1) the Congress declares war,

(2) United States Armed Forces are introduced into hostilities pursuant to specific statutory authorization,

(3) a national emergency is created by attack upon the United States, its territories or possessions, or its Armed Forces, or

(4) United States Armed Forces are introduced into such hostilities, situations, or places, or are enlarged in any foreign nation, under circumstances which require a report by the President to the Congress pursuant to section 4(a) of the War Powers Resolution (50 U.S.C. 1453(a)),

the first section of this Act shall not thereafter apply.

The CHAIRMAN. Are there amendments to the bill?

COMMITTEE AMENDMENTS OFFERED BY MR. ULLMAN

Mr. ULLMAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ULLMAN: Page 4, after line 14, insert the following:

"SEC. 4. Nothing in the first section and sections 2 and 3 of this Act shall be deemed to affect the validity of any proclamation or executive order issued before January 16, 1975, by the President under section 232(b) of the Trade Expansion Act of 1962."

Mr. ULLMAN. Mr. Chairman, I will not take the full 5 minutes.

Mr. Chairman, this committee amendment to H.R. 1767 would add substantively the same language as in section 4 of the bill reported by the Committee on Ways and Means.

The purpose of H.R. 1767 is to suspend the authority of the President to impose import restrictions on petroleum imports and to negate such action taken after January 15 for a 90-day period beginning on the date of enactment; namely, to negate the system of supplemental fees outlined in the Presidential proclamation of January 23.

It is not the purpose of the bill to affect in any way the existing system of import license fees on petroleum and petroleum products instituted in May 1973. However, the bill in its present form would have the effect of precluding the President from imposing any fees, present as well as prospective, on petroleum imports. This amendment remedies that.

I, therefore, urge adoption of this amendment to restrict the application of the bill to the new program.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Oregon (Mr. ULLMAN).

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CONTE: On page 1, strike out line 3 and all that follows thereafter down through line 5 on page 2 and insert the following:
>
> That section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is amended by adding at the end thereof the following new subsection:
>
> "(e) After the effective date of this subsection, no tariff, fee, or quota may be imposed by the President pursuant to this section with respect to imports of any petroleum or any products derived therefrom unless the Congress by concurrent resolution first approve the imposition of such tariff, fee, or quota."
>
> On page 3, strike out line 24 and that follows thereafter down through line 14 on page 4.

Mr. CONTE. Mr. Chairman, I rise to offer an amendment to this bill that would strengthen the control of the Congress over the imposition of tariffs on imported oil.

My amendment is quite simple. It provides that the President, before he can impose a tariff, fee, or quota on imported oil—must first get the approval of the Congress.

My amendment is identical to H.R. 315, the first bill in this Congress to be introduced against the tariff, which I introduced on the opening day of this session. This bill was cosponsored by 50 Members, sufficient support to warrant its introduction as an amendment.

My bill would restore to the Congress a power that the Constitution expressly gave to the Congress. The Constitution states:

> The Congress shall have power to lay and collect taxes, duties, imposts and excises.

In the press of other business, the Congress has allowed the power to impose oil tariffs to slide to the executive branch. It is now time to restore this power to the Congress.

Mr. Chairman, when the Rules Committee split the tariff deferral and debt ceiling, it put this entire tariff issue in a new ballpark. In splitting these bills, the Congress gave the President what he wants—the debt ceiling authorization. Now it is time for the Congress to take its quid pro quo. My amendment provides that, instead of a 90-day deferral period on the oil tariff, the Congress should pass a law invalidating the tariff that has already been promulgated and requiring that the President come to the Congress to get approval first before any new tariff can be imposed.

Earlier during general debate on this bill, I outlined some of the devastating effects the tariff would have on the people of my congressional district.

I mentioned how the tariff will seriously curb the activities of charitable and nonprofit organizations. I gave the example of the boys' club of Pittsfield, Mass., my hometown, which might have to stop its hockey, skating, swimming, and basketball programs this winter.

I mentioned how the tariff would add another $50 to $70 per student cost on the independent schools and colleges of New England.

I outlined how the tariff would drive out marginal business firms in New England, leading to higher unemployment, fewer jobs and less consumer buying power.

I showed how the tariff would require fuel oil dealers in New England to demand "cash on delivery" from at least 30 percent of their customers this winter.

And then I showed how the tariff would have a devastating effect on the utility bills of people in my district who live in all-electric homes. I have thousands of such constituents. I showed how these people have watched their electric bills double in the past year to the point where many are paying as much for their electricity as they are for their mortgage.

If other members look at their districts, they will find some of the same effects. The tariff is part of the President's overall energy package. It should be considered as part of that package. With my amendment, the Congress would be afforded a full opportunity to consider the Nation's energy future—not just in the next 60 or 90 days, but in the time that such important decisions require.

I urge my colleagues to support this amendment.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

I am strongly opposed to this amendment, Mr. Chairman. It goes far beyond the intent of the bill. What the bill does is this: It merely restricts for a 90-day period Presidential authority, but it does carve out special military emergency situations where the President can act.

This amendment provides for a permanent change, and it carves out no emergency military situation. What we are saying in this amendment is that the President's hands are permanently tied, and that there will be no national security authority on the part of the President without action on the part of the Congress.

It totally subverts the purposes of the bill before us. It makes a fundamental change in the whole trade concept involved in the national security provision, and I strongly oppose it.

Mr. Chairman, I hope the Members will vote unanimously against the amendment.

Mr. SCHNEEBELI. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, twice since this section was put into the Trade Act of 1955, both in 1962 and in 1974, this section was reviewed very minutely by the members of the committee. The action now being proposed had been reviewed, and it was turned down in the committee after due deliberation.

First of all, there is no time limit involved in the amendment, as I read it. The amendment stops forever any Presidential action in a national emergency with respect to the petroleum industry. It takes away from the President any right to act in a situation where it is in the interest of national security.

I am very much opposed to the amendment. I think, probably, a more effective way of dealing with this matter is to eliminate the entire section—entirely. That is the real way to "gut" this thing.

Mr. Chairman, I am very much in opposition to the amendment.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I rise in opposition to this amendment, and I am going to try to be very brief in my explanation. First of all, I like the general thrust of the amendment.

I really believe that the Presidents of the United States in the past—not just this one, but other Presidents—have too quickly used the so-called national security provisions to take some action in the name of national interest. We have heard cited today some justification for what was done in these instances and for what was done in 1959 during the Eisenhower administration when the quotas were put in.

Mr. Chairman, I will tell the Members why the quotas were put on then in the name of national security, or why I think they were put on. I think they were put on because foreign oil was at that time much cheaper than domestic oil. What we did was this: In order to give higher profits to the oil companies in this country, we put a quota on, and it resulted in draining America dry. So now we have a crisis.

So I find the amendment, I will say to my friend, the gentleman from Massachusetts (Mr. CONTE), very attractive. But make no mistake about it, the amendment goes too far and it should not be adopted.

Mr. Chairman, there is absolutely no provision in the amendment for the President of the United States to act in a genuine national emergency, if we were attacked for example. If that occurred, we would have to get a concurrent resolution through this Congress before the President of the United States could act with regard to oil.

I will say to my friend, the gentleman from Massachusetts, that I, as the new chairman of the Subcommittee on Trade, certainly intend to take a hard look at how the President of the United States or any President in the past has used this or would use it in the future. I think this is an area for action, but this is not the time to act on that matter.

Mr. Chairman, it would be extremely ill-advised for us to agree to this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I am a little confused about this issue, on the basis of the gentleman's previous statements made just about an hour ago in which he said he wanted the Congress to share more of this responsibility. The gentleman from Massachusetts has offered an amendment which I must say goes too far, in my opinion, but I am a little confused as to why the gentleman now does not want to support the idea of recapturing that authority, since that was the thing he was just criticizing.

Mr. GREEN. I know the gentleman's record, and I would like to say that I am not surprised that the gentleman is confused by anything I say.

Mr. ROUSSELOT. No; but I was also interested in the gentleman's comment about irresponsibility.

Mr. GREEN. I think I made myself clear. I think the general thrust of this amendment is to put some limit on the President's unilateral exercise of power in this area in the name of national security. There is no question in my mind that in many areas allegations of national security, whether it is with tapes, whether it is with oil, or whatever it may be, has been excessively used by the President of the United States in the past; but to strip away all power for the President to act in a case of national emergency with regard to something like petroleum is extremely ill advised.

I do not think that this House should fall for anything like that.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. First of all, I would like to ask how the gentleman from Pennsylvania voted on the War Powers Act.

Mr. GREEN. I voted to sustain the President's veto.

Mr. CONTE. I asked the gentleman how he voted on the War Powers Act.

Mr. GREEN. I voted against the War Powers Act.

Mr. CONTE. Then the gentleman is not consistent on it.

Mr. GREEN. I thought that that was giving the President congressional power to make war, and I did not think we should give that authority away.

Mr. CONTE. Not if the gentleman voted the other way. I just thought the gentleman said he voted with the President.

Mr. GREEN. Believe me, I was not voting with the President.

I reject the reasons the President gave for his veto.

Mr. CONTE. Then the gentleman is inconsistent. I am glad that the gentleman was able to see the old quota system, adopted under national security, was as phony as a $3 bill. He knows it, and I know it.

Mr. GREEN. I agree with the gentleman. The general thrust of what the gentleman is trying to do has a great deal of merit, but the gentleman's amendment is clearly excessive, and I think it should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On Page 2, line 5, immediately before the period, insert the following: "; except that nothing in this Act shall be deemed to deny the President authority to impose import quotas, during such period, on the importation of petroleum or any product derived therefrom".

Mr. SISK. Mr. Chairman, I want to express my appreciation to the Committee on Ways and Means for the work that its members have done in connection with the bill that we have before us today. Let me hasten to say that I expect to support their legislation whether or not this amendment is adopted, but I do feel very strongly about this particular part of the issue.

I have a feeling—maybe it is entirely erroneous—that the President is desirous of working with the Congress. I think the President is concerned, as we are all concerned, about doing something in connection with our energy and in conservation of energy and all sources of energy.

If I understand what he is saying today, he took certain actions intended, to some extent, I think, to try to build a fire under some people.

Maybe it is a good thing, and to that extent I accept the challenge, and I hope that all of us, as Members of Congress, so accept it. However, many of us have felt that a better way to meet this problem, at least to deal with it, is through some kind of import quotas, whether we go back and set as a base 100 percent of 1972 and move into allocation from there, or whether other adjustments, starting from the import allocation, would be advisable.

But it seems to me that, if in fact we feel this way, that it is unfair at this point in time to deny to the President such powers as he at present would have to impose import quotas. That is exactly what this act does in addition to precluding the President from the assessment of fees: it also negates his authority to impose import quotas which would have to be, it seems to me, the first step in any kind of allocation program in this country.

I think as a strategic matter that we, as Members of the Congress—and I might say to my good friends on the Democratic side that it is an error to deny him this authority when in fact many of us are hopeful that we will be able to reach some compromise here. Almost of necessity a part of such a compromise, as I see it, and I know that in the direction so many of us would like to go, would be the necessity of his power to impose some kind of import quotas.

All this amendment says is that nothing in this act restricts his power, if he sees fit in 15 days or 30 days or 60 days, to use the imposition of import quotas to deal with this subject.

It just seems to me it is good commonsense. It in no sense affects the fee matter, the bill can go ahead and move forward in connection with restricting him on the imposition of those fees. But let us at least leave that much flexibility in connection with our attempts to work out a compromise which, as I say, I feel the President is desirous of achieving.

I would hope that my colleagues would support this amendment.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the first place the committee feels very strongly that in resolving this problem, which is a matter of economic policy, that the national security provisions should not be used. We think it is an extremely marginal use of the national security provisions. As a matter of fact, it may very well result in some legislation in our committee further restricting the Presidential authority. It is a misuse of that provision.

But, second, Mr. Chairman, if we do go the quota route, and it certainly at the present time is my thinking that we should, if we need to restrict imports then we should use the quota mechanism, but it should be done by congressional mandate, and according to a set of ground rules, which is a sound constitutional procedure, rather than allowing the President to implement it in a manner that he sees fit under very marginal authority. The quota system can be implemented in many ways, and it should be designed to fit the total pattern of an energy policy. But to allow, willy-nilly, a quota implementation not geared to a national energy policy, would be a grave error.

So it seems to me that we should vote this amendment down.

It will accomplish no good purpose. It may accomplish a great deal of harm.

Remember, this bill involves only a 90-day stay, and we in the Congress have the responsibility of coming up with our energy package. So give us the 90 days before we further subvert our course of action by this kind of amendment.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I deeply appreciate the gentleman yielding. As the gentleman knows, I have great respect for him in this matter, and I appreciate the work the gentleman has done. However, it seems to me that we are dealing with a national emergency, as I recognize it, in connection with this energy situation.

The question I would like to direct to my good friend, the gentleman from Oregon (Mr. ULLMAN) is this:

Is the gentleman in essence saying that the President should not use his emergency powers in connection with the present situation, if in fact it is for national security—and I think that is basically what we are talking about—to impose import quotas if in fact he felt within 30 days that was the best move to make.

Mr. ULLMAN. The Committee on Ways and Means does not believe that the present situation meets the criterion that allows Presidential action for national security. We think that this is an economic program. There certainly is great need for an energy policy, but it is a grave mistake to implement either import fees or quotas by Presidential mandate until the Congress has fashioned a total energy policy. They should fit together, and the President, if he moves unilaterally without considering the direction of congressional policy, may very well do just as great a disservice in that direction as he is going to do in the import fee direction. We have only 90 days, and in 90 days the Congress has the responsibility of coming up with an energy policy, and I think it would be a grave mistake to adopt the gentleman's amendment.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

The effect of the amendment offered by the gentleman from California would be to force the President to go the quota route if he is going to do anything restrictive of oil imports during this 90-day period. I personally oppose this approach because it is completely unpredictable as to what the imposition of quotas would do to price. At least when we are using the tariff mechanism or the license import mechanism, we have some idea of the economic impact. When we start changing the supply of something by quota restriction, we have no idea what the results will be in terms of price, and the results can be quite capricious.

For this reason, Mr. Chairman, I think the amendment is inadvisable, and I hope it will be defeated.

Mr. SISK. Mr. Chairman, would the gentleman from New York yield momentarily to me?

Mr. CONABLE. I yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding.

I do not expect to take a lot of time. In fact, there is nothing in here that forces the President to use this. I understand from statements made by the President and his people that they do not feel this is the proper way to go, but it does seem to me that this would be unnecessary if, in fact, the situation should change within 15, 30, or 60 days, and it does not require him to do anything. But it would be impossible to use that as a mechanism if, in fact, there is an allocation.

Mr. CONABLE. I understand what the gentleman is saying, and I appreciate his motives for it. In fact, the President has clearly signaled his intention to try to restrict oil imports, and if he is to do this, I would personally far prefer to see him do it with tariffs rather than with quotas.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from California. Basically, we have, as I sense it, three options before this body and before this Nation. One is the imposition of fees which, as I sense it, a strong majority of this body and the majority of the people in this Nation who have studied it oppose.

The second is rationing, which some Members of this body support—which I do not—and which the President opposes. I think it would be a first-class mess.

The third, and it seems to me the compromise, is import quotas.

What the gentleman from California (Mr. SISK) said we should keep in mind. We are not mandating it. We are leaving the door open in the event the President wants to utilize this tool.

The gentleman from New York suggests that because of restrictions on the amounts coming in, prices might soar. The purpose of the import fees is to restrict the amounts coming in and we would have the fees on top of everything else. But there are ways to restrict price increases and demand, many ways. We could have allocation. We could close gasoline stations on Sundays. We could close retail stores 1 day a week. We could say the public cannot use credit cards for the purchase of gasoline the first 7 days of the month.

Right now we reward people for the more energy they use. We could increase the gas and oil and electricity fees as they use more and more instead of the other way around, as Senator LONG of Louisiana has suggested. There are all kinds of things that can be done.

I think this amendment makes a great deal of sense. I attended the breakfast this morning. I sensed on the part of the President a yearning to work out a practical compromise. That compromise can be worked out in this direction.

This does not stop the distinguished gentleman from Oregon and his committee from continuing to work on this. This does not say to the President: "You have to go in this direction." But let us make clear in a signal through this amendment that this is a door for possible compromise. I think this is the right answer for the Nation and I would like to see the President explore it. I would like to see the Ways and Means Committee explore it.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment. I just want to say I do not think that we need this door in order to consider quotas an area for possible compromise, but I do not think if we are going to work together, as we must if we are going to have a unified position in this country, that we should leave it to the national security mechanism, and give the President the power to take unilateral action for the next 90 days, which might be disagreed with by the Congress.

I happen to prefer the quota route and perhaps some kind of allocation and perhaps a gasoline tax as a method of reducing consumption and as a way of keeping those 1 million barrels out. But I think we will work best if we can develop a program at this time. But this amendment tends to leave the President with one option if he wants to act. I do not think we want him to act unilaterally, I do not think he should act unilaterally, and I think we want to work with him in a spirit of compromise that we are talking about, and I do not think it will take us 90 days to come up with a plan.

Mr. KREBS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distinguished colleague, the gentleman from California (Mr. SISK).

Mr. Chairman, I am a newcomer to these Chambers and as such I want to make it abundantly clear that I speak for myself. If there was a mandate that the people of this country gave anybody in this past election, it was a mandate not to obstruct, and I am very much aware of my responsibility in that direction. I need not be reminded by the Secretary of Agriculture or by Members of the minority party in these Chambers of this responsibility.

But let me say that in my opinion this country is facing an emergency, and whether it is facing a national security problem or not is a question of semantics and of individual interpretation, but it seems to me that when the reserves of Saudi Arabia are only $2 billion behind the United States, this country indeed is facing a grave problem and should attend to it forthwith.

I certainly concur wholeheartedly with the President in his attempt to do so. However, I respectfully depart from his methods for reasons that have already been eloquently stated and therefore I will not dwell on them in any detail.

Let me say, having grown up in the Middle East, I do not have the slightest illusion that any time the Arabs see fit, they will cut oil supplies to this country, and let us not kid ourselves on that.

I wish I could stand here and support the President's program. I want to support the President of the United States anytime I feel that I can agree with him; but I simply cannot buy a program that I in my own mind, and everybody that I have talked to almost without exception, feels is not going to solve the energy problem of this country; however, by the same token, it is not my intent to tie the hands of this President any more than I absolutely have to in order to protect the best interests of the people who sent me to these Chambers. It is for this reason that I am supporting the amendment proposed by my distinguished colleague, the gentleman from California (Mr. SISK).

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Chairman, the President of the United States without this amendment can propose a quota and we can make decisions then to agree with it.

The fact of the matter is that what we are trying to do is get something to work together and not unilateral action. I think we have to be very careful in the area of national security but even our bill does not strip the President in the case of emergency from imposing a fee or a quota if we were attacked or in a situation of hostility of any kind.

So I think we have the opportunity to work together and let us not do what we do by unilateral action which might cause reaction by this House causing further delay. Let us leave the situation so we can work together in the next 90 days.

Mr. KREBS. Mr. Chairman, may I point out that I sense the same feeling of compromise on both the executive as well as the legislative branches of the Government; but I do not wish to leave the impression with anybody in or out of this Chamber that the Democratic majority is not willing to work with the President wholeheartedly. It is in this spirit and in this spirit only that our distinguished colleague, the gentleman from California (Mr. SISK) offered this amendment. I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. SISK).

The amendment was rejected.

The CHAIRMAN. Are there additional

amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of Union, reported that that Committee having had under consideration the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes, pursuant to House Resolution 142, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ULLMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 309, noes 114, not voting 10, as follows:

[Roll No. 13]

AYES—309

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Cohen
Conlan
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Goodling
Grassley
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holt
Holtzman
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McCormack
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Slack
Smith, Iowa
Snyder
Spellman
Staggers
Stanton, James V.
Stark
Steed
Steelman
Stokes
Stratton
Studds
Sullivan
Symington
Symms
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—114

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Beard, Tenn.
Bell
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Carter
Cederberg
Clausen, Don H.
Cleveland
Cochran
Collins, Tex.
Conable
Coughlin
Crane
Daniel, Robert W., Jr.
Derrick
Devine
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Findley
Flowers
Flynt
Forsythe
Frenzel
Frey
Ginn
Goldwater
Gradison
Guyer
Hagedorn
Hammerschmidt
Hastings
Heinz
Hillis
Hinshaw
Horton
Hutchinson
Hyde
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kindness
Lagomarsino
Landrum
Latta
Lujan
McCloskey
McCollister
McDade
Martin
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mosher
Myers, Ind.
O'Brien
Pettis
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Sikes
Skubitz
Smith, Nebr.
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wydler
Young, Alaska

NOT VOTING—10

Collins, Ill.
Derwinski
Dickinson
Diggs
Jarman
McClory
Madigan
Mills
Pepper
Solarz

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Diggs for, with Mr. McClory against.

Until further notice:

Mr. Pepper with Mr. Mills.
Mr. Solarz with Mr. Jarman.
Mrs. Collins of Illinois with Mr. Madigan.
Mr. Dickinson with Mr. Derwinski.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that I may have 5 legislative days in which to revise and extend my remarks and include extraneous matter on the bill just passed and that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

RESIGNATION AS CHAIRMAN OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER laid before the House the following resignation from the Committee on Standards of Official Conduct:

WASHINGTON, D.C.,
February 5, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby resign as Chairman of the House Committee on Standards of Official Conduct effective this date.

Sincerely,

MELVIN PRICE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 144) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 144

Resolved, That John J. Flynt, Jr., of Georgia be, and he is hereby, elected chairman of the Committee on Standards of Official Conduct; and,

That Wright Patman, of Texas be, and he is hereby, elected a member of the Committee on Interior and Insular Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS OF THE STANDING COMMITTEE ON THE BUDGET

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 145) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 145

Resolved, That the following-named Members, be, and they are hereby, elected members of the standing Committee on the Budget of the House of Representatives: Brock Adams (chairman), Washington; Thomas P. O'Neill, Junior, Massachusetts; Jim Wright, Texas; Thomas L. Ashley, Ohio; Robert L. Giaimo, Connecticut; Neal Smith, Iowa; James G. O'Hara, Michigan; Robert L. Leggett, California; Parren J. Mitchell, Maryland; Omar Burleson, Texas; Phil M. Landrum, Georgia; Sam Gibbons, Florida; Patsy T. Mink, Hawaii; Louis Stokes, Ohio; Harold Runnels, New Mexico; Elizabeth Holtzman, New York; Butler Derrick, South Carolina.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO INCREASE THE TEMPORARY DEBT LIMITATION AND TO EXTEND SUCH TEMPORARY LIMITATION UNTIL JUNE 30, 1975

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2634) to increase the temporary debt limitation until June 30, 1975.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2634, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I feel very badly that in my first appearance here chairing the Committee on Ways and Means in handling this matter of the debt limit, that it is necessary to come to this body and ask for one of the most significant increases that we have asked for in some time.

The fact remains that this Nation, because of the impact of both the recession and inflation, and the energy problem, and other factors, is in serious economic difficulty, and the 1975 and 1976 budgets are going to see this Nation with a total deficit that will run over $90 billion.

This is the result of the factors that I have mentioned, but it is clearly an indication that the economy of the Nation is out of order; that we do need a better system of budgeting and managing our resources.

The increase in the debt limit before us today will be sufficient until fiscal limit expires on March 31 of this year.

It is, however, a substantial increase of $36 billion over the present limit. The present temporary limit is $495 billion, and the bill increases it to $531 billion. The bill also extends this new limit to June 30, 1975. The present temporary limit expires on March 31 of this year.

The need for so large an increase in the debt limit reflects, first of all, the effects of the recession on both receipts and outlays. This recession is the most serious since the 1930's.

The rate of unemployment, Mr. Chairman, of the labor force was 7.2 percent in December and will be near 7½ percent for January, and it is expected to go to 8 percent before the year is out.

The gross national product in constant prices fell in each quarter of 1974. Real GNP fell 2.2 percent last year, but the decline in the fourth quarter was at an annual rate of 9.1 percent. The recession generally is expected to continue through the middle of this year before there is even a leving off, or a start on the recovery.

Receipts and outlays in the Federal budget quickly reveal the effects of a recession. Falling profits reduce corporation income taxes as the corporations revise their quarterly estimated tax liabilities to reflect their most recent economic situations. Layoffs and shorter work weeks cut individual income taxes, and a falling stock market generates capital losses rather than capital gains.

On the outlay side of the budget, recessions produce higher unemployment benefit payments and increase the number of retirees receiving benefits under the social security system.

The latest budget estimates demonstrate the impact of the economic decline. The latest estimates show a deficit of $35 billion for fiscal year 1975, as compared with an estimated $9 billion deficit just 2 months ago. The receipts estimates have been cut in this 2-month period by $14 billion, $9 billion of which reflects the economic decline. Outlay estimates have gone up by $11 billion in the same period, primarily reflecting increased expenditures for unemployment compensation and other programs to offset the effects of recession on individuals.

In addition, the President's programs for economic stimulation and energy conservation have some effect on the fiscal 1975 budget. The President proposes emergency and temporary tax cuts, a rebate to individuals based on 1974 tax liability, and a temporary increase in the investment credit that would reduce receipts by $6 billion. The bill that the committee is presently working on—and it is the hope of the chairman that they will be able to complete action on this bill by this Thursday night—entails reductions of at least the size outlined by the President for this period of time. The total package will probably be in the vicinity of $19- to $20 billion, but the impact on this particular budget at this time will be in the neighborhood of $6 billion.

To see the effect of the budget on the requirements for public debt limitation, it is important to look at the deficit in Federal funds rather than the deficit in the united budget. The estimated Federal deficit in fiscal year 1975 presently is $43 billion. Remember, this is the figure that is relative to an increase in the national debt. The unified budget does not directly relate to the indebtedness. This $43 billion Federal funding deficit reflects both the $35 billion deficit in the unified budget and an $8 billion surplus in the trust funds which must be invested in Federal obligations.

The $531 billion limit represents a net increase of $55 billion through fiscal year 1975.

The Federal funds deficit of $43 billion accounts for all but $12 billion of this increase. The remaining debt increase represents the net amount of financing for the credit activities of various Federal agencies through the Federal Financing Bank. The administration decided to use the Federal Financing Bank as the means of acquiring funds for these credit activities, rather than permitting the agencies to issue their own obligations directly in the market, because it is able this way to reduce the rate of interest on these issues by one-half percentage point and save about $70 million in interest costs. I am in accord with that procedure as also is the committee.

Although the administration asked for a debt limit increase that would meet its estimated requirements for a 17-month period through June 30, 1976, the committee decided that there were too many uncertainties to be resolved in the fiscal year 1976. There is no way to get a crystal ball good enough to analyze what might happen in the next fiscal year as a result of legislation not yet reported from committees, and so the committee felt we should just provide an increase sufficient to carry us through fiscal year 1975, or until June 30 of this year.

The committee carefully listened to the Secretary of the Treasury and the Director of the Office of Management and Budget who represented the executive branch. We have a very excellent report which I commend to the Members which has all the tables that explain this matter and explain the nature of the fiscal impact on a time basis. I commend it to the Members.

The administration asked for the amount that we are giving them. The committee felt however that on the basis of the assumptions of the President we might have cut back the request of the administration somewhat. However, it was the feeling of the chairman and of the members of the committee, that some of the assumptions, that are included in the President's budget are not valid and therefore it was our feeling that the administration would need every dollar they asked for. As a result we decided to provide for in all respects the requests of the executive agencies and the administration. This is the only practical solution which will meet the very real problems we are facing. I suggest and I commend that we vote by a large margin for this bill.

In conclusion I would like to suggest that the theory that somehow we are an economy minded Member of the Congress if we vote against a debt ceiling simply is not a valid theory. This is no more economy minded than is the man who refuses to put a sufficient balance in his bank account to cover the checks he has written. The way to cut expenditures is to budget properly and to act properly on the appropriation bills when they come along, but after we have done that and we have authorized the expenditures, then to try to imply that there is some great economizing in voting against a debt ceiling proposal is clearly not valid. I respect the voters too much to believe that very many of them are fooled by this device.

All we are talking about here is the authority of the Government to pay its debts or obligations that we have already authorized the executive department to spend. So I urge upon the Members not to vote against this measure because of any false theory that in some way it might indicate that a Member is economizing. All we are doing here is facing up to the realities of the situation and paying the bills on indebtedness we have authorized in the past.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support H.R. 2634, which would increase temporarily the statutory limit on the public debt.

Under present law, the limit is $495 billion. $95 billion of that amount is temporary, and at midnight March 31, the ceiling would—without prior congressional action—revert to its permanent level of $400 billion.

Under more normal circumstances, we might be considering about now an increase in the statutory limit to take effect upon expiration of present law. But well in advance of March 31—by February 18, according to the latest Treasury estimates—the actual debt will be pushing up against the statutory limit. Therefore, there is an unusually critical time factor in the proposal before us. It is important that we act as promptly as possible in order to prevent the Government from encountering a fiscal crisis in about 2 weeks.

The Committee on Ways and Means, in meeting this problem, has developed legislation which is highly restrictive, both in amount and duration. The administration requested a new debt ceiling of $604 billion, to run through fiscal 1976. The committee, however, noting Treasury projections of actual debt levels, determined that $531 billion would enable the Government to borrow sufficiently to meet its obligations through the end of this fiscal year. Thus, the bill before us provides for a $36 billion increase in the statutory ceiling for a period of fewer than 5 months, instead of the $109 billion increase the administration had requested through June 30 of next year.

There is not much margin for error in H.R. 2634. It should be pointed out that the Treasury, in making its debt projections, assumed that the Congress would not enact new spending programs and would accept the President's proposals for recisions in programs already in existence. I would like to think such objectives could be realized, but experience tells me the administration has made some optimistic assumptions—assumptions which underscore the narrowness of the borrowing authority this bill would grant.

It is a tight measure, even if the Treasury's projection coincide with actual developments. And in any event, because of the effective dates of the legislation, we will be facing within a very short time another impending crisis with respect to the debt.

It is a harsh truth to accept, but until we in the Congress exercise proper control over expenditures, we will continue to face debt crises.

We have no hope of dealing effectively with the amount we owe, with or without a statutory ceiling on it, until we get a firm grip on the funds which we authorize and appropriate. The greater the restraints we place on spending at this end of the fiscal funnel, the lesser the amounts we will have to add to governmental borrowing authority at the other end.

Eventually, if our recently devised legislative budget control mechanisms begin to work, the recurring problem of legislating statutory debt limit increases may be eased. But today, we have to pay the piper for past tunes and pass H.R. 2634. There is no reasonable alternative if we are to keep the Government in business.

Mr. SCHNEEBELI. Mr. Chairman, I support H.R. 2634 to increase temporarily the statutory limit on the public debt from $495 billion to $53 billion through the end of this fiscal year.

I do so with no enthusiasm, but out of necessity. There is simply no other choice. The Secretary of the Treasury has informed the Committee on Ways and Means that the present limit will be reached by February 18.

After that date, unless the statutory limit has been raised, the Government would be unable to rollover its debt and meet its obligations. The Secretary lacks authority to set priorities in this respect; therefore, bills would have to be paid on a first come, first served basis. When the money ran out, bills no longer could be paid and our economic stability would be impaired.

As far as the actual level of the debt itself is concerned, there is no question that it is already much, much too high. Its size, both current and projected, are shocking and properly should give rise to cries of outrage. But simply holding the lid on the statutory ceiling really does nothing to control the amount of the debt. When the administration—any administration—comes to us with a request to increase the ceiling to accommodate a necessarily rising level, the real damage already has been done. The old bromide about locking the barn door after the horse has gone is indeed a fitting analogy in these situations.

If we really want to put effective restraints on the public debt, we first have to use congressional reins on spending. All we can accomplish by failing to increase the statutory ceiling is to hobble the Government—and at a critical time such as this, that action—or inaction—would constiute the attainment of a new level of fiscal recklessness.

The deadline we face—February 18—is only 13 days from now. This gives us little time to act—especially with the prospect of the Lincoln Day recess facing us.

To delay now, we would be courting fiscal and administrative chaos, and that is a game we simply cannot afford to play.

Therefore, Mr. Chairman, I urge my colleagues to join me in supporting this legislation. For some of us, it may be an unpleasant task, but it must be done.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, here we are again considering another proposal for an increase in the temporary debt ceiling. H.R. 2634 would increase the temporary debt limit from $95 billion to $131 billion and would thereby raise the combined permanent and temporary debt limitation from $495 billion to $531 billion. The present total limitation of $495 billion is effective through March 31, 1975, and this legislation would provide that the new limit of $531 billion would be effective through June 30, 1975. The administration proposal is to increase the total limitation to $604 billion to be effective through June 30, 1976.

In his presentation of the administration proposal before the Committee on Ways and Means on January 23, 1975, Treasury Secretary William E. Simon noted that the present debt ceiling will probably be exceeded on or about February 18, 1975, more than 6 weeks before the legal expiration date. Mr. Simon presented a table showing projected levels of public debt subject to debt limitation for the fiscal year 1976. The figures provide for a $6 billion "operating cash balance" and for a $3 billion "usual margin for contingencies," and they assume a deficit of about $50 billion for the fiscal year 1976.

It is noteworthy that both H.R. 2634 and the administration proposal are based on the predictions contained in the table. H.R. 2634 adopts the projected June 30, 1975, figure of $531 billion while the administration proposes the June 17, 1976, estimated "peak" level of $604 billion in total Federal debt. The major difference between the proposals is that H.R. 2634 offers a chance to tack additional spending proposals onto a new debt ceiling bill at the end of fiscal 1975. I am deeply concerned about the inflationary impact of allowing Federal borrowing in the money market to increase at the rate proposed by this bill—an intolerable situation for an economy already experiencing double-digit inflation.

To put the effect of this increased borrowing in perspective, Secretary Simon presented "a few facts and figures" to the Committee on Ways and Means:

> It took 186 years for the Federal budget to reach the $100 billion mark, a line we crossed in 1962, but only nine more years to reach

the $200 billion mark, and then only four more years to break the $300 billion barrier.

In 1930, just before the New Deal, government spending accounted for just 12 percent of our gross national product. Today, government at all levels absorbs over 32 percent of our gross national product, and if present trends continue, government could account for as much as 60% of our GNP by the year 2000. I deeply believe that government of that size could rob us not only of our economic freedom but our personal freedoms as well.

As government domination has increased, the bureaucracy has also grown so that today one out of every six working men and women in this country works directly for the government, whether at the Federal, state or local level.

Consider, too, the trend toward deficit financing by the Federal Government. Before the New Deal, Americans ran their government on a business-like basis: except in war years, the budget was in surplus four years out of every five years. In recent years, by contrast, the budget has been in almost continual deficit, so that when we close the books on fiscal year 1975, we will find that we have had only one surplus in the last 15 years.

The Secretary darkly observed that, "To continue the rapid upward momentum of Government growth over an indefinite period would erode the very foundations of our economy and eventually lead us to social ruin." The key words in my judgment are "indefinite" and "eventually." How much longer can this Nation continue to court disaster? What will happen if the assumption that the defiit for fiscal 1976 will be $50 billion turns out to be several tens of billions short of the mark?

The latter prospect has been suggested by Chairman George Mahon of the Committee on Appropriations. In a speech on the House floor on February 3, 1975, Mr. Mahon said there is a "likelihood" that Federal borrowing will amount to $150 to $170 billion during the next 18 months—much more than the $87 billion which the administration predicts. The result, according to Mahon, will be to "heighten inflation, raise interest rates, and create more unemployment and further erode our confidence," and such borrowing may also "trigger another devaluation."

I am today joining with over 20 other Members in presenting our solutions to this Nation's economic problems. We will discuss our proposals in detail in a special order on the floor this afternoon, and I hope all of my colleagues will take the time to study our recommendations.

Our proposals call for congressional action to—

First. Balance the budget—reducing Federal expenditures to balance with anticipated revenues.

Second. Cut taxes—an action that will be made possible by the reduction in Federal spending.

Third. Repeal regulatory laws which allow Federal intervention in the private sector, discouraging competition, raising prices, and otherwise promoting inflation.

It has consistently been my position throughout my service in the House that the Federal Government must get out of the business of regulating the private sector, and that Federal spending must be brought into balance with anticipated revenues if a healthy economy is to be restored. I strongly urge all of you in this body to join in this effort.

We are starting a new year, a new Congress, and I hope we can start a new trend toward fiscal responsibility. Vote with me to defeat H.R. 2634, and then let Congress act to reduce Federal spending and to make any increase in the debt limit unnecessary, thereby making any increase in the inflationary burden generated by Federal deficits unnecessary as well.

I strongly urge that H.R. 2634 be defeated.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. Mr. Chairman, we are called upon at least once a year, and more and more frequently twice and three times a year, to go through this exercise of increasing the national debt ceiling. I have been here 16 years, and I suppose I have voted 20 times on this issue.

We hear the same arguments this time. It puts those of us who are trying to act responsibly in a very difficult spot, because the responsible thing to do is to vote "yea" on this legislation. But, I do not intend to do so, and I want to tell the Members why.

Year in and year out, the big spenders in this Congress—and you know who you are—go home and say to the people, to their constituents, "Look what I have done for you. I have voted increased benefits for welfare. I have voted increased food stamps; I have voted an increase for everything. I am your Santa Claus; I am good to you."

Then, the time finally comes, the day of reckoning, to pay for those excesses, and we in the Congress are called upon to act responsibly and increase the national debt ceiling so that the United States can be a responsible nation and honor its obligations.

But, what happens? Those of us who have voted against those programs on the basis that we did not have the money and we could not afford them, are called upon to bail those others out for their excesses. I am sick and tired of it, and that is why I intend to vote against this increase.

Of course, dire consequences are predicted, such as the Nation will grind to a halt; no one will get their paychecks; they are the poor, downtrodden, oppressed people, the veterans, the people on a fixed income; they are the ones who will suffer.

But, those Members who are responsible for this are the ones who should vote to pay for their excesses, and I call on those of us who believe in and vote for a balanced budget, against charging our bills to future generations.

The "uncontrollable" locked-in expenses of government are the responsibility of the Congress, not the President, but he is forced to submit a horrendous deficit budget. The day of reckoning is close by.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Ohio who was just in the well, except I think he and I are casting the responsible vote. I think he said it much better than I could, but he reminded me of a story.

One time in Germany, about 50 to 60 years ago, when they had energy problems, inflation problems, and politicians like we have today—most of them very sincere in trying to do what they thought was the right thing for their country—the Prime Minister and the Secretary of the Treasury, whatever they call those officers, called Professor Mises to see if he could come up with some kind of suggestion which would help solve all the problems.

He said, "Yes, I will help you, but I want to meet you at midnight at a certain street." If we put it over to America, it would be like having a professor of economics call the Congress out to meet at midnight at the corner of 14th and Independence Avenue, where the Government printing press is located.

They went down there, and they had a printing press in Austria, very much like the one we have here, where they printed money. Professor Mises said to the gentleman, "Now, Professor, how are we going to solve the problems, the energy problems, the economic problems, the inflation problems we are facing?" Professor Mises told the gentleman from the Austrian Government, he said, "Stop that noise, stop that infernal noise of the printing press. You are debasing our currency, once you stop the noise. Then we can start to address ourselves to solving the other problems."

If we really mean what we say, I say to the Members on the other side of the aisle who did sincerely campaign to balance the Federal budget, and I think many of them on this side of the aisle—I think the gentleman from Ohio (Mr. Devine) puts his finger on it very succinctly—we would not expand the debt ceiling, and we can face a new day, because the day of reckoning is bound to come. It is like pouring water in the soup. The soup gets thinner and thinner and thinner, causing more dislocations in the marketplace. We are only kidding ourselves, and the quicker we face the music the easier it will be to march to the Pied Piper's song. I urge my colleagues to vote "no." The interest on the national debt already is costing 30 billions of dollars a year. This is an outrage of aggression of the "state" against the private citizens of this country.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, I must disagree with the implication of the remarks of the distinguished chairman of the Committee on Ways and Means when he closed his remarks and told us that the only responsible thing to do is to vote in favor of this bill, or, as the gentleman from New York (Mr. Conable) said, "Pay the piper."

There are a few of us in this body who have not, over the time we have been elected to serve, chosen to vote for the many expensive programs that now burden the taxpayers.

Yesterday there were 38 hardy souls in this House, who will be characterized by the various pressure groups as "cruel" "stingy," and all of the other epithets that are hurled in politics because we felt we had a chance to indeed save $600 million and thereby save the lives and fortunes of all of the American people at all levels of economic earning in this country, including the poor.

So today we have before us a bill, which the distinguished gentleman from Kentucky (Mr. NATCHER), who presides over us, referred to correctly, in my opinion, as one of the most serious and important pieces of legislation that we will act upon. This is the bill that comes back, as the gentleman from Ohio (Mr. DEVINE) pointed out, three or four times a year. Republican administrations are no different from Democratic administrations anymore. The bankruptcy has become bipartisan. Over and over again we are asked to pull the plug so that more and more of our wealth can go down the drain.

Mr. Chairman, it might be well if the Government does run out of money. I hope we do face the specter of no paychecks for Members of Congress. Let us include ourselves in reality for once. Let us realize what the people of this country are facing because of the policies that we have adopted for the last 10, 20, nay, 30, or 40 years. We are not going to change these disastrous economic policies until we realize the serious impact of what we are doing; what we are doing wrong; what we are repeatedly doing wrong right here in this Congress.

So today we do have a clear-cut issue before us, and that is whether or not to vote to put our stamp of approval on this continued policy of bankruptcy. I hope that all of our card-carrying liberals who came here with that fresh wind of reform will be able to go back and explain to their people what they did here and how they voted on this issue.

This is not just another issue. This is one we cannot slough off. It is one we have to be responsible for, and I, as one Member who votes against increased spending, am going to accept my responsibility, as I hope some of the other Members will, and vote against this debt increase.

Mr. Chairman, we need to open the eyes of the people of this country, but, even more, we must open our own eyes, because our own eyes have been shut too long.

Mr. SKUBITZ. Mr. Chairman, I want to commend the gentleman from Maryland (Mr. BAUMAN) for his honest, forthright statement and associate myself with his remarks.

Personally, I have always thought that the responsibility of the Ways and Means Committee was to find ways and means to raise the funds to finance the programs sponsored by the Congress.

During my 12 years in this body it has not had the courage or the wisdom to do the job—and instead it has met the problem by raising the debt ceiling—charging it to future generations—after they cannot vote nor can they object. I shall vote against H.R. 2634.

Mr. KRUEGER. Mr. Chairman, I will vote "yea" to this bill, because the administration must pay its debts. But I do so reluctantly. Like most Members here, I campaigned on the desirability of a balanced budget, and I see this as no less desirable now than I did when I was campaigning.

However, to vote against raising the temporary debt ceiling is not a vote for fiscal responsibility; it would be an act of fiscal irresponsibility, for it would mean that the Federal Government's creditors could not be paid. To vote "nay" makes no more sense than for a corporate board of directors to vote not to pay its bills.

At the same time that I vote for raising the ceiling, I also would remind this body of the fact that we must commit this Nation to a course of fiscal responsibility. We must work to reduce unnecessary expenditures; we must examine existing programs to see where reductions can be made; we must set this House in fiscal order. It must be the task of this body in the months ahead, not to pass vast new programs requiring enlarged expenditures, but rather, to reassess what has been done in the past, and to do it better, and cheaper. The American people are counting on us for this, and they expect results.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 2634 which would raise the temporary debt ceiling to $531 billion.

I find little solace in the fact that this bill will certainly pass, else the wheels of government roll to a halt. It is a frightening matter to see the national debt continue to skyrocket. The Congress would be prudent, in my view, to take a hard look at all expenditures in the coming session for the President's proposed budget will increase the debt much higher, even as presented. Since his programs will not pass the Congress unaltered, the national debt, if we are not cautious in our spending approaches, could go much higher.

The Congress has moved a step in the right direction by providing responsibility to the newly established Budget Committee to impose a real ceiling on each year's expenditures. That should be a good improvement over the current method of adjusting the national debt to meet expenditures which have already been authorized.

Our action in passing this bill today is primarily technical; we have no other option. We do have the choices ahead of us in the coming year. While I do not agree with the President's spending priorities, we must—if we are to rechannel Federal spending along lines more in tune with the way the majority in this House feel they should be allocated—assume responsibility for cutting spending, or eliminating it entirely, where it is unjustified or has a low priority.

The people of this country who are struggling mightily these days to keep their homes and their families intact will not look favorably on a Congress which will not devote its full attention to restructuring Federal spending habits. We must eliminate wasteful and needless spending. We must direct our spending to where it does our citizens the best good. As far as I am concerned, our citizens and their human needs take priority over foreign spending or development of esoteric weapons systems that military planners inevitably seek.

Mr. BIAGGI. Mr. Chairman, I find myself once again rising in opposition to another increase in the public debt limit sought by the administration. In a time when this Nation is crying out for fiscal responsibility and leadership, I only hope that this body will heed the call and denounce this request.

For the past several years, the Congress has been asked to increase the public debt on a temporary basis and on each occasion the Congress has gone along with the request. A great deal of our present economic problems can be traced directly to these votes for as we all know these increases over the years have become permanent.

Since the last request for an increase in May of 1974 this Nation's economic situation has gone from one of severe inflation to a full fledged recession. The President's budget for fiscal year 1976 shows to a great extent the consequences of this Nation's reckless spending policies, namely a $52 billion deficit for this year alone.

These types of bills have become so common that the actual figures involved become so large that the average American loses sight of their meanings. The request in this legislation is to increase the present temporary debt limitation from $495 to $531 billion through June 30, 1975. This represents not only a $36 billion increase in the combined limitation but an extension of the limit for an additional 3 months.

Translated into common terms it means that the Federal Government cannot keep its financial house in order. We should not be a party to this pattern of fiscal irresponsibility but rather we should begin to exert a bit of good old fashioned fiscal fortitude. Let us here and now put a stop to these dangerous increases. Unless we curb these spending patterns there will be no incentive for the administration to balance its budget, a condition which I feel is paramount if we are to turn our economic fortunes around.

Over the years I have advocated a policy whereby Congress places a ceiling on appropriations at least equal to the amount of revenue expected for a particular fiscal year. This will at least permit a stabilization of the public debt and hopefully even an eventual reduction.

The 94th Congress was elected with a clear mandate from the people that our current economic maladies be cured with as little additional suffering for the American people as possible. This is our first opportunity to deal straight on with the problems of recession and inflation. I hope those of my colleagues who have usually made this vote a pro forma operation will come to grips with the realities of an increased public debt. This request deserves to be defeated and I urge my colleagues to do so today.

Mr. EVANS of Indiana. Mr. Chairman, it is with considerable reluctance that I rise in support of this bill.

I note that one of the reasons put forth for the need for an increase at this time, in addition to justifiable reasons of lower receipts due to increased unemployment and capital losses due to a falling stock market, is the increasing trend among corporations to utilize an artificial accounting method which lowers their tax liabilities. The Department of the Treasury estimates that this trend will cost the Treasury $4 billion this year alone.

While I realize that controls on artificial accounting systems would not, by itself, generate sufficient revenue gains to offset the need for a temporary increase in the public debt limit, I believe this is but one instance of perhaps many in which revenue losses are occurring because of loopholes in our tax code which have not been reexamined in many years.

Mr. Chairman, judging from the letters I have received from constituents during my first month in Congress, people back home strongly believe that the Federal Government cannot continue to spend more money each year without the corresponding dollars in the Treasury to pay the bills. Frankly, I would feel better about voting for the bill before us if I had some assurance that a substantive tax reform bill, which is a result of a detailed, in-depth reevaluation of our tax laws, would be before us in the very near future.

I am forced to vote to approve the temporary debt ceiling because of the obvious chaos that would result if the Federal Government were not able to meet its obligations. Such a gap would later force expensive start-up costs in federally financed construction programs, and the costs in human distress would be high too, as Federal benefit checks such as veterans' checks did not arrive in the mail.

Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to H.R. 2634, the measure which would increase the amount of money the Government could borrow by $36 billion over the next 3 months.

Presently, the Federal Government owes the public $495 billion and each day this figure gets larger and larger. The interest alone on this debt is an estimated $36.7 billion during fiscal year 1976—the third largest item in the Federal budget, representing a full 7.8 percent of Federal expenditures.

What happens when the Federal Government borrows money to pay for its operations? First, when tax dollars do not cover expenditures, the Federal Government is forced to borrow from the public, thus creating a shortage in money available for private loans. And, as a result of this shortage, interest rates increase for everyone—the prospective home buyer, the small businessman, and the Government.

When the pressure on interest rates increases, we further compound inflation which is already rampant.

This debt has gotten completely out of hand, almost doubling since fiscal year 1964, when the Government owed the public $312 billion. By 1968, it was up to $350.7 billion. Then in 1971, the debt was $399.5 billion. By 1973, it was up to $459 billion, and by the end of this fiscal year, June 30, 1975, it will be up to $531 billion.

Mr. Chairman, we must bring our financial house in order and we must reject the old policies that have led us deeper and deeper into debt. A balanced budget—with taxes covering all expenditures—must be our policy and it must start now.

To reject this proposal, which increases the amount the Federal Government can borrow from $495 billion to $531 billion, is a step toward fiscal sanity and it must be taken.

Mr. YOUNG of Florida. Mr. Chairman, just 8 short months ago I stood in this Chamber and spoke in opposition to a bill authorizing an increase in our "temporary" debt ceiling—from $78 billion to $95 billion, for a total national debt of $495 billion. "Temporary" is indeed the key word for the debt ceiling. No sooner do we adjust ourselves to one staggering increase than we are asked to approve yet another. The bill before us today raises the "temporary" ceiling to $131 billion, and our total national debt to $531 billion. In the space of a year, the Congress will have added $53 billion to our national debt, and the end is not in sight.

I will vote against this bill, as I voted against its predecessors. We already pay more than $30 billion each year in interest on our national debt—an estimated $34.4 billion this year. This same money could take care of the fiscal needs of the Department of Health, Education, and Welfare for a year. The Federal Government's incessant borrowings of public funds have driven interest rates, up, up, up, thereby worsening our inflationary situation. I wonder if the money market can stand up under this additional $36 billion demand; our economy is already reeling from the effects of Federal overspending and from Government intervention.

We must bring the Federal budget under control. We must make sure that our spending levels are balanced with adequate revenues. We must reverse the trend toward ever-greater deficit spending and retire a portion of the "temporary" debt. To do otherwise is to hasten the fiscal disaster awaiting this Nation.

Mrs. HOLT. Mr. Chairman, I am absolutely appalled at the legislation that would raise the Federal debt ceiling from the awful $495 billion to a staggering $531 billion.

Those monstrous numbers symbolize the cause of our grave economic problems.

This Government, dominated by liberal thinkers, has devoted many years to spending billions more than tax revenues, then borrowing to cover the deficits.

The interest payments alone on the Federal debt amount to $31 billion in this fiscal year, and will reach new heights in the next fiscal year.

The budget deficits for this fiscal year and the next will probably soar to a catastrophic total of $100 billion, an amount equal to the cumulative deficits of the previous 5 fiscal years.

Borrowing by all levels of government consumes more than 60 percent of all the capital in this country.

To my way of thinking, a new Federal debt ceiling of more than half a trillion dollars is intolerable.

The liberal spenders in both the Congress and the administration—those who continue the course of ruinous extravagance—are destroying our currency with inflation. They are devaluing the earnings of the American people.

If you have any doubts about what is happening, consider the continuing decline of the value of the American dollar in international markets. The world questions the value of our money.

Mr. ASHBROOK. Mr. Chairman, today we are asked to vote another $36 billion increase in the "temporary" debt limit. This will bring the combined permanent and temporary debt ceiling to $531 billion.

The Ways and Means Committee report assures us that the increase in the debt ceiling will result in no additional costs. This is ridiculous.

The cost of the public debt to the American taxpayer is staggering. The interest alone will come to $34.4 billion in fiscal year 1976. This is up from $31.3 billion in 1975 and $28.1 billion in 1974.

These are not the only costs, however. A further debt increase also will mean heavy Federal borrowing from the private money market in order to help finance the deficits.

Already 60 cents out of every $1 being borrowed today is by the Federal sector. Further borrowing will put even more pressure on interest rates.

As Federal borrowing goes up, so do interest costs. Money for house mortgages and business expansions disappears. Construction and production slump while unemployment and inflation soar.

The irresponsible Federal spending that has caused our massive budget deficits and fueled inflation must be stopped. Now is the time to trim the Federal budget, not vote to add another $36 billion to the public debt.

Mr. FISHER. Mr. Chairman, we have no course other than to increase the debt limit and to do it now; otherwise before February is over this country will be in deep trouble because the Government will be unable to meet its bills and pay the salaries of its military and civil servants. Those who would oppose this have to be irresponsible.

The only question is by how much should the limit be increased and for how long. To favor what the administration has asked for—an increase of more than $100 billion extending to June 30, 1976—would be to remove what little restraining influence the debt ceiling can have. The bill before us sets out a prudent amount of debt limit increase, $36 billion, for reasonable length of time, until June 30 of this year.

The debt ceiling is not the critical matter many think it is. The national debt is the result of the revenues that come into the Treasury under taxes voted by the Congress on the one side and the appropriations voted by the Congress and spent by the administration on the other side. The debt goes up or down depending on whether expenditures exceed revenues or vice versa. The debt is the tail and cannot be expected to wag the dog.

Still and all, limiting the abstract amount of the debt can have some general influence over specific tax and appropriation decisions. That is why the Congress should avoid authorizing large debt increases for a year or more ahead, as the President has requested, and instead should parcel out debt authority reluctantly and in smaller measures.

This bill makes the best of an unfortunate situation of economic recession in the country and deficit in its public finance. It should be passed.

Mr. du PONT. Mr. Chairman, I rise in support of the bill to increase the level of national debt. I do so, however, with considerable reservation. First, when we vote on these measures—votes which are coming with alarming frequency—we are faced with an impossible situation; either approve the bill and continue this stampeding national debt, or vote against the bill and have the Government default on its debts. Neither is a satisfactory solution. Clearly, it is too late to worry about the level of deficit by the time we have to vote on the national debt. The time to worry about the debt level is when spending bills are drafted, when they are considered in subcommittee, and on the floor. Unfortunately, we never seem to bring ourselves to the point where we say "no" to increasing deficits.

Now a new dimension has been added to this vote and one which I think is worth considering—not just for this bill but for all the appropriations bills we are going to consider in this Congress. A few years ago when we created a national debt, we were paying for it at fairly low interest rates—down around 4 and 5 percent. Today when we incur deficits it must be paid for at extremely high interest rates—up to 9 percent. That means that our deficits now are going to lock us in for the next 20 years paying for a national debt at premium rates. The percentage of the budget devoted to interest is now about 7 percent. I expect it will soon climb much higher. This is worth remembering as we vote on 1975 appropriation and spending bills.

Mr. GRADISON. Mr. Chairman, as Federal deficits have grown in the last few years, the Government has been forced to borrow more heavily to pay its bills. The inflationary spending of the 93d Congress drove us into increasing debt. Therefore, the 94th Congress must increase the debt limit just to borrow money to pay our bills and keep the Government operating. We are being forced to pay for the big spending record of the 93d Congress. As a matter of fiscal responsibility, we must increase the debt limit.

During the past year I expressed my opposition to many of the programs which are responsible for the need to increase the ceiling. In the coming year, I will monitor very closely Federal spending, vote to stop unnecessary programs, and keep new spending to a minimum.

If new big spending bills are passed this year over my objection and a proposal is made to increase the debt limit next year, I will express my firm opposition to these new outlays by voting not to increase the ceiling.

Mr. CONABLE. Mr. Chairman, I have no further requests for time.

Mr. ULLMAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That during the period beginning on the date of the enactment of this Act and ending on June 30, 1975, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increaesd by $131,000,000,000.

SEC. 2. Effective on the date of the enactment of this Act, the first section of the Act of June 30, 1974, providing for a temporary increase in the public debt limit for a period ending March 31, 1975 (Public Law 93-325), is hereby repealed.

The CHAIRMAN. There being no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2634) to increase the temporary debt limitation and to extend such temporary debt limitation until June 30, 1975, pursuant to House Resolution 143, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 248, nays 170, not voting 15, as follows:

[Roll No. 14]

YEAS—248

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brown, Ohio
Buchanan
Burke, Calif.
Burleson, Tex.
Burton, John L.
Burton, Phillip
Butler
Carter
Casey
Cederberg
Chisholm
Clay
Cohen
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Delaney
Dellums
Dingell
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fulton
Giaimo
Gibbons
Goodling
Gradison
Green
Gude
Hall
Hamilton
Hanley
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hinshaw
Holtzman
Horton
Howard
Hungate
Hyde
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kazen
Keys
Koch
Krueger
LaFalce
Lehman
Lent
Litton
Long, La.
Long, Md.
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Railsback
Rangel
Rees
Reuss
Rhodes
Richmond
Risenhoover
Rodino
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Slack
Smith, Iowa
Spellman
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Symington
Talcott
Teague
Thompson
Thornton
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wirth
Wydler
Yates
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—170

Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Bowen
Brinkley
Brodhead
Brown, Calif.
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Byron
Carney
Carr
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis
de la Garza
Dent
Derrick
Devine
Dodd
Duncan, Tenn.
Early
Emery
English
Eshleman
Evins, Tenn.
Fithian
Flynt
Fountain
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Harkin
Harrington
Harsha
Hastings
Hechler, W. Va.
Henderson
Hightower
Hillis
Holland
Holt
Howe
Hubbard
Hughes
Hutchinson
Ichord
Jacobs
Jenrette
Johnson, Colo.
Jones, Tenn.
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Landrum
Latta
Leggett
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McCollister
McDonald
Macdonald
Mann
Martin
Mathis
Mazzoli
Milford
Miller, Ohio
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Murtha
Myers, Ind.
Neal
Nichols
Patterson, Calif.
Pressler
Quie
Quillen
Randall
Regula
Riegle
Rinaldo
Roberts
Robinson
Roe
Rogers
Roncalio
Rose
Rousselot
Runnels

Santini
Satterfield
Scheuer
Schroeder
Schulze
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Staggers
Steiger, Ariz.
Stephens
Stuckey
Studds
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Tsongas
Wampler
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—15

Alexander
Bell
Collins, Ill.
Derwinski
Dickinson
Diggs
Frey
Fuqua
Jarman
McClory
Madigan
Mills
Pepper
Solarz
Stanton, James V.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McClory for, with Mr. Frey against.

Until further notice:

Mr. Diggs with Mrs. Collins of Illinois.
Mr. Pepper with Mr. Mills.
Mr. James V. Stanton with Mr. Dickinson.
Mr. Solarz with Mr. Madigan.
Mr. Alexander with Mr. Jarman.
Mr. Fuqua with Mr. Derwinski.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that I may extend my remarks and include extraneous matter and that all Members may have 5 legislative days in which to revise their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

THE EFFECTIVENESS OF MEDICARE

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, one of the outstanding writers of the Denver Post for many years has been Dorothy Kostka. The effectiveness of the medicare program has been questioned by both legislators and patients since its inception and as Dorothy Kostka points out in the following article, the time has clearly come for Congress to act to establish a more useful medicare program which can begin to meet the growing costs of nursing home care. The article follows:

The Effectiveness of Medicare

(By Dorothy Kostka)

"Dear Mrs. Kostka.—Are you aware of the fact that Medicare provides almost no benefits for patients in a nursing home? I don't refer to those few who receive coverage under Medicare but to the many others who pay their own bills and then are denied the benefits they would receive in their own homes.

"My husband spent several months in a nursing home which doesn't participate in the Medicare program. Since he had been discharged from a hospital after surgery for a broken hip and received physical therapy, he might have been covered by Medicare if the nursing home was taking part in the Medicare program. During the 100-day benefit period Medicare supposedly allows, his care cost around $2,000, plus drugs. Medicare paid only for the physical therapy.

"When the nursing home billed me for oxygen, I sent the charge slips into Medicare and received this reply: 'According to current Social Security regulations, charges for oxygen, while the patient is a beneficiary in a skilled-nursing facility, are not a benefit of the Medicare program.' I think this is unfair and I wish you would write something about it."

People are beginning to understand the Medicare program more fully and as they understand it, their disillusionment grows. A letter in The Denver Post a few weeks ago spoke of the hardship inflicted on the lower middle-income group, who must pay their own bills in a nursing home because they aren't quite poor enough to qualify for Medicaid. The writer said, in part . . . "the elderly spouse just does not have the $125 to $150 a week to pay the bill and the life savings, along with the proceeds from the sale of a little home, would soon be depleted, leaving the couple bankrupt." They then become eligible for public assistance and Medicaid, but is this what we want to do? Force our elderly citizens into bankruptcy?

Presently, in Colorado, the Colorado Admissions Program is moving patients out of hospital beds (paid for by Medicaid) as soon as possible and into nursing homes where, in all probability, the Medicare patient must pay his own bill.

By January 1976, this job of hurrying patients out of hospitals (and sometimes not letting them in at all) will be going on in every state, handled by a Professional Standards Review Organization. The government saves money and the individual goes broke.

It is time the government stops pretending that it provides Medicare benefits in a skilled-nursing facility, except for a very few and for a very limited time. The maximum coverage, which few patients receive, is 20 days of free care and a copayment of $10.50 a day for the next 30 days.

This seems to be Medicare's reasoning, as related to the nursing-home patient: if you don't qualify for Medicare coverage (given only when the patient requires daily skilled-nursing care or skilled rehabilitation services), then you are really living in a "home" environment. Medicare then contradicts itself by denying you the benefits in a nursing home that it would provide if you were living in your own home.

In your home, Medicare will provide (quoting from the new Medicare handbook) . . . "durable medical equipment such as oxygen equipment, wheel chairs, home dialysis systems . . . surgical dressings, splints, casts and similar medical supplies ordered by a doctor in connection with your medical treatments." Medicare won't pay for any of these benefits in a nursing home unless you are one of those few qualified under the 100-day provision.

Nationally, there are 7,420 skilled-nursing facilities of whom 3,813 are certified for participation in the Medicare program. This is 51 per cent. In Colorado, with 160 licensed skilled-nursing facilities, only 62 (37 per cent) are participating in the Medicare program. Thus, the individual's chance of being covered by Medicare is further lessened by the probability that a nursing home taking part in the program won't be available to him.

Another injustice perpetrated on the nursing home resident is the denial of a new benefit period for hospital care. As long as he remains in a nursing home (licensed as a skilled-nursing facility), he never can enter upon a new benefit period. If he suffers from a chronic illness, necessitating hospitalization from time to time, he may very well exhaust all his Medicare hospital benefits.

Briefly, here is what happened to Medicare in the nursing homes. When the nursing-home provision of Part A went into effect in January 1967, a generous interpretation was used in qualifying patients for this benefit. When sizable bills began coming in Medicare backtracked, using "retroactive denial" of nursing-home charges. Months, even a year or two after the patient had left the nursing home through death or discharge, the benefit was denied. The nursing home couldn't collect from the patient or his family and had to take the financial loss. Nursing homes began dropping out of the Medicare program. I was told by several sources that some of the nursing homes still in the program accept as few Medicare patients as possible, retaining their certification only in the hope of future reform.

Medicaid is an entirely different program from Medicare. It is the meat and potatoes of the nursing home industry. In Colorado, only two nursing homes refuse Medicaid patients. Medicaid is available to those receiving public assistance in Colorado, including the Old Age Pension.

In a nursing-home situation, Medicaid provides every service, all equipment and all supplies needed by the patient, including prescription drugs. There are a few exceptions, such as over-the-counter drugs not ordered by the patient's physician, personal items such as clothing and toilet supplies, special-duty nurses and a private room. Also, if a wheel chair is needed on a permanent basis, the nursing home is expected to supply it or the patient must buy it.

The nursing home is reimbursed for Medicaid patients according to a formula based on the cost of patient-care in that particular home. This way of doing business bypasses the uncertainty, red tape and delays involved in the Medicare program. Also, the Medicaid patient often remains a long time in the nursing home, not infrequently spending the rest of his life there.

The quality of nursing-home care is a matter of concern to many people—and rightly so. A legislative committee, composed of six Colorado state representatives, held a hearing a few months ago to receive testimony on the problems and needs of nursing homes. Morgan Smith is the committee chairman and the members are Dennis Gallagher, David Gaon, Bob Kirscht, Arie Taylor and Wellington Webb.

The report of the hearing included a statement on reimbursement, concluding with "Lastly, we worry that the low level of reimbursement or other factors might be forcing up the charges paid by private-pay patients so that the private-pay patient, in effect, subsidizes the state and the state-assisted patient." Undoubtedly the private patient, denied assistance by Medicare, is doing just that.

Sen. Frank Moss (D-Utah) is chairman of the subcommittee on long-term care, Senate Special Committee on Aging, which last month released the first volume of its report "Nursing Home Care in the U.S.: Failure in Public Policy." Moss commented that the report's conclusion is . . . "that Medicare and Medicaid are ineffective and inefficient and that more than one-half million older Americans are going without the nursing home care they need because of coverage limitations placed on these programs."

Now is a good time to write your senators and representatives in Washington and urge them to work for improvement in Medicare, in whatever national health-care legislation finally evolves.

INTRODUCTION OF CONCURRENT RESOLUTION ON GUAM'S POLITICAL STATUS BILL

(Mr. WON PAT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WON PAT. Mr. Speaker, I am proud today to introduce a concurrent resolution which asks the support of Congress for any future effort of the people of Guam to seek a modification of their political status with the United States through a duly constituted constitutional convention.

The measure I place before the House of Representatives today is identical to House Concurrent Resolution 296 which I sponsored in the 93d Congress. Since House Concurrent Resolution 296 was introduced 2 years ago, the 12th Guam Legislature has released a recently completed report on the various status options which are open to Guam. The report also contains an analysis of Guam's Organic Act and recommends changes by the Congress in that document to improve Guam's political status, from both an internal sense and from the viewpoint of Guam's relations with the Federal Government. The Organic Act of Guam was enacted 25 years ago and has since undergone several amendments. Many of its provisions are archaic, cumbersome, and superfluous and unrealistic in terms of protecting national interests.

At stake are the political aspirations of the American people of Guam and their efforts to solidify their ties with their fellow Americans in the States. As Americans, we are simply seeking congressional recognition of our efforts to improve our political status, an action which is in keeping with the American system and the statutory obligations of the United States to the people of Guam. If passed, this measure would impose no other obligation on the Congress, nor would passage of my resolution infer that the territory is asking for statehood.

During the 75 years since Guam came under the American flag in 1898, it has been our unswerving goal to develop closer ties with this great nation within a political framework that will enable our people to develop themselves as Americans and to maximize their opportunities. Congress, in 1950, granted us an Organic Act which established Guam as an unincorporated territory of the United States, brought into being the American tripartite governmental structure for the island, and bestowed upon the people of Guam the cherished privilege of American citizenship. Since that time, Congress has also approved an elective Governor position for the territory, and, in the 92d Congress passed legislation authorizing Guam to elect its own nonvoting Delegate to the House of Representatives.

For its historically unparalleled willingness to extend the principles of democracy to the inhabitants of an island 6,500 miles from the shores of mainland America, this country has earned the heartfelt devotion and loyalty of the people of Guam, and the frank admiration of our fellow islanders in other parts of the Pacific.

In 1969, Guam held a constitutional convention to explore our future political goals. Although we learned many things from that exercise, the convention, unfortunately, lacked the sanction of Congress.

More recent developments, such as the current status talks between the United States and the residents of the Pacific Trust Territory, have again brought to the fore the matter of Guam's future political status. This, coupled with the continued allegations by the United Nations Subcommittee on Decolonization that the United States is failing to promote and encourage the political development of Guam, led the 12th Guam Legislature and the Governor of Guam to each establish within their own branches, political status units. The Commission was charged with reviewing all matters which have a bearing on the present and future relations between the Federal Government and the people of Guam.

We, the American people of Guam, do not seek a path which would alienate us from the relationship we have labored so hard and so long to develop. Rather, we seek to establish our own goals with regard to our internal affairs and our continued relations with the Federal Government, within the framework of the Federal Constitution.

Accordingly, I now submit to this body a concurrent resolution asking that Congress support the wishes of the people of Guam by agreeing to give its serious consideration to the future recommendations of a duly constituted Guam Constitutional Convention, which shall be ratified by popular vote.

DR. JOHN W. PRICE ELEMENTARY SCHOOL, LANCASTER, PA.

(Mr. ESHLEMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ESHLEMAN. Mr. Speaker, I respectfully request unanimous consent to revise and extend my remarks.

I thought my colleagues—especially those on the Education and Labor Committee—would be interested in some dollar and cent figures concerning a recently constructed elementary school in Lancaster, Pa., in my district.

I submit the following résumé concerning that particular school:

Dr. John W. Price Elementary School

The Price Elementary School in Lancaster, Pa. is no ordinary school building . . . and neither was the man for whom the school was named.

The school is the District's first "open plan" building, and its total construction cost was the lowest per square foot and per pupil in the entire state of Pennsylvania according to the 1972–73 Pennsylvania Department of Education report, "Our Schools Today."

Daniel W. Moyer, Jr., Administrator of Buchart Associates' Lancaster office, said recently "Good school design does not have to be expensive. It is the sensible use of standardized materials in an esthetically pleasing manner. The blending of these and practical innovations provide the livability features for a successful building. We believe this is the secret of a good school."

The Price school was designed to serve 1,178 students from an early childhood to grade six and cost $1,535,770 to construct. Construction was completed September 1, 1973. The school is the first of a long range 3-phase project in the City of Lancaster which was named the "Park Project."

It is located on a 25-acre wooded rolling site. The "Park Project" plans call for development of a picnic area, swimming pool, tennis courts, community pavillion, a field for Little League baseball and six-man football, the Lancaster Park Department headquarters, recreational building, nature trails, pedestrian paths, sled and ski runs, formal and free-play areas and parking facilities.

Recognizing that education is an on-going process, the principal, Robert E. Lehr, cited the following goals for the school: (1) Peer teaching, (2) Modified non-graded learnings, (3) More student responsibility (4) Increased student freedom, and (5) A 3 to 5 year program of curriculum development. As one teacher observed, "Children interested in what they're doing are not disciplinary problems."

When submitting the school to the AASA/AIA jury, Buchart Associates noted the following observations: Good functional design does not cost more; schools need not be institutional in decor; Learning can be individualized; School/community projects are feasible solutions; a school can successfully respond to existing and evolving educational programs; color costs no more but adds much more; and, certainly not least, learning can be fun!

The per-pupil cost of the school was $1,613, which is $948 per pupil under the state average . . . an economy of 37%.

YOUTH CAMP SAFETY ACT

(Mr. HELSTOSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HELSTOSKI. Mr. Speaker, an editorial in today's Washington Post describes the Youth Camp Safety Act as one of the "many pieces of worthy legislation that did not make it through the last session of Congress."

Indeed, the failure of this important and much-needed bill in the previous session is a tragedy—for this summer, if past statistics are any indication, nearly 3,000 youngsters will sustain injuries, illnesses and even death as a consequence of their summer camp experience.

This year, my distinguished colleague from New Jersey, Representative DOMINICK V. DANIELS, is again in the forefront of efforts to pass legislation establishing minimum Federal standards for youth camp safety and encouraging the States to establish and administer their own safety programs.

I have cosponsored this bill in previous sessions and again strongly support this long-overdue legislation. I hope that the Youth Camp Safety Act can move speedily through this session of Congress so that the lives of over 10 million children who annually attend summer camps will not be placed in jeopardy.

The editorial follows:

[From the Washington Post, Feb. 5, 1975]

Decisions on Summer Camp Safety

Of the many pieces of worthy legislation that did not make it through the last session of Congress, few had broader support than the Youth Camp Safety Act. The Boy Scouts, the Girl Scouts, the American Camping Association and the National Safety Council were among the organizations seeing the need for a comprehensive federal law to protect children in summer camps. Last year, a report by HEW—a report of limited breadth because less than half of the 7,800 camps bothered to respond to the questionnaires—noted that 25 deaths, 1,223 serious illnesses and 1,448 injuries were associated with camping. Of such horrors, Rep. Dominick V. Daniels (D-N.J.), a chief sponsor of the bill, said: "It is ironic that we have federal laws to protect animals used in research, laws to protect wildlife and yet no federal law is on the books to protect our children in summer camps."

Although the opening of the camping season is many months away, the subject is topical, not just because of the bill's reintroduction by Mr. Daniels and 47 other House members, but also because this is the time when many parents are choosing where to send their children. Generally, the camps they select are safe and well run, but in many instances choices are made blindly. An appealing brochure, a magazine advertisement, or merely "hearing about" a particular camp may influence them. But how reliable is this information?

Those who are concerned about summer camps are familiar with the grim statistics on health and safety. Equally unsettling is the fact that the legislation has failed in the last four Congresses. The argument against federal intervention is that camp safety is a state matter. That is exactly what the Daniels bill takes note of; after establishing minimum federal standards, HEW would provide assistance to the states for creating and running their own camp safety programs. Some assistance is assuredly needed. According to past testimony in congressional hearings, only seven states—New York, California, Colorado, Connecticut, Michigan, Texas and New Jersey—have comprehensive safety laws.

This time, Mr. Daniels has scheduled no hearings for his proposed legislation. As a matter of record, they aren't needed, because the facts have come out in detail in the hearings of past years. Instead of more talks—which at this point means only more delay—Congress should move quickly to offer the kind of protection millions of children should have been getting routinely all along.

BILL TO REQUIRE 20 MILES PER GALLON MINIMUM FOR AUTOMOBILES

(Mr. EVANS of Colorado asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. EVANS of Colorado. Mr. Speaker, there are not many in this country any more who doubt the seriousness of our national shortage of energy both now and for the years to come. We are alarmed not only because our economy requires oil to function, but also because it is causing growing deficits in our balance of payments and imperiling our national security.

While it is true that new sources of energy must be discovered, it is also imperative that we find ways of conserving the use of the energy we now have.

In the area of oil as a source of energy, our transportation needs account for 51.7 percent of our oil consumption, with automobiles consuming 57 percent of the major end uses within the transportation sector. Some 38 percent of the gasoline we consume in this country is refined from imported crude oil, and this imported crude oil is now costing us approximately $25 billion a year.

A year ago this winter we all saw just enough of a touch of chaos in securing gasoline for our cars to teach us how serious the problem can be. To some journalists the situation appeared sufficiently serious to ask our President and Secretary of State whether or not another embargo placed upon the exportation of oil to this country by the Arab nations would cause this Nation to seriously consider taking military action.

I cannot accept the possibility of military action under such circumstances. I would also hope that our energy problem will not have to be met by gasoline rationing or economic rationing as long range solutions.

With something like 87 percent of the workers in this country transporting themselves to and from their jobs by passenger cars, and with their average 1974 gasoline mileage being only 14.7 miles per gallon, and with there now being some 101,237,000 private passenger vehicles in the United States consuming gasoline at a rate of 270 million gallons of gasoline per day, it would seem to me that something must be done in the years ahead that will require conservation of this needed source of energy.

In view of these facts, I have introduced a bill which, 5 years after its enactment, would require all passenger motor vehicles manufactured or sold in this country, to be required to achieve at least 20 miles per gallon, with 200 horsepower or less and not weighing in excess of 3,000 pounds.

In the interim 5 year period, any vehicle with an engine horsepower in excess of 200 would be taxed at one-half of 1 percent of the manufacturer's sale price for each horsepower in excess of 200.

Many vehicles sold in the United States today are capable of meeting these horsepower and weight restrictions. In 1974, vehicles which came within 100 pounds of my limit—either above or below—and were well below the 200 horsepower level included: American Motors V8 Hornet, 14.3 miles per gallon; Gremlin V8, 15.9 miles per gallon; the Dodge Sport 6, 16 miles per gallon; Ford Mustang 2V6, 20.1 miles per gallon; Ford Maverick 4-door 6, 15 miles per gallon; Maverick 2-door V8, 14 miles per gallon; Mercury Comet 4-door 6, 19.9 miles per gallon; and Plymouth Valiant Duster 6, 16.7 miles per gallon.

It is my understanding that the larger U.S. manufacturers of automobiles have committed themselves to President Ford for an "average of the line" improvement of 18.7 percent in gas mileage of their vehicles by 1980. It is my understanding this would require a trade-off in the nature of a moratorium or stretchout on pollution control and safety standards. If the current average gasoline mileage is 14.7 miles per gallon, an 18.7-percent improvement by 1980 would only amount to 2.75 miles per gallon thus bringing the average up to only 17.45 miles per gallon. It seems to me that this savings is insufficient and that the concurrent sacrifice of pollution and safety control would not be acceptable.

I believe legislation like mine is not only imperative but reasonable. A recent study by the EPA and the Department of Transportation concluded that automakers could improve new-car gasoline mileage an average of 25 to 40 percent by 1980 and 60 percent or more by 1985 while still meeting federal clean air requirements. These conclusions are based upon the manufacture and sale in the years ahead of a larger percentage of smaller cars, the use of smaller engines and relatively simple design changes. Further, all of these changes are technologically possible today.

Over the past 100 years our energy consumption in this country has risen over five times faster than our increase in population. If energy demands continue to grow at the rate they have since 1964 our energy consumption would double every 14 years. In addition to this staggering prospect the staff of the Joint Committee on Atomic Energy reports approximately one-half of the energy consumed in the United States is wasted. This waste is intolerable and for all these reasons I believe my bill is essential.

JUSTICE FOR IGOR BOBROWSKY

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, on May 20 and February 21, 1974, I discussed the case of Igor Bobrowsky in the CONGRESSIONAL RECORD. Mr. Bobrowsky has been fighting for admission to the Marine Corps Officer Candidate School. I will not restate all of the facts concerning this matter, since they are set forth at length in my prior RECORD statements. The crux of his case is that in answering a questionnaire after his conditional acceptance, he did not lie when undoubtedly many others responding to the question lied and were accepted. The question asked of him when applying to the MCOCS was, "Have you ever used LSD, marihuana, opiates, and so forth?" to be answered "yes" or "no." Igor Bobrowsky, a combat soldier in Vietnam, had used marihuana on approximately six occasions in Vietnam and no other drugs. For this reason and this reason alone, he was denied admission to the MCOCS. Let me provide you with the latest update.

This week I received two letters, one from the White House, and one from Dr. Robert L. DuPont, Director of the Executive Office of the President, Special Action Office for Drug Abuse Prevention. The thrust of the letters is that the Department of the Navy has now revised its recruiting policy to include a new provision which reads as follows:

> c. *Recruiting.* The Chief of Naval Operations and the Commandant of the Marine Corps shall take strong measures to screen out drug abusers at the point of application for entry into the naval service. However, they shall establish a waiver procedure for good risk applicants for initial entry into service (enlistment/commissioning).

But, the Marine Corps still refuses to accept Igor Bobrowsky. I suppose Igor can take pride in having, through his persistence, caused the Navy to admit error as it applies to a class of individuals. But, I must say that I take no pride in the Navy's refusal to admit error as it applies to one individual, to wit, Igor Bobrowsky. Perhaps its simply too much to ask from the armed services to do justice in a particular case, even when it agrees to apply that justice to future cases. History is undoubtedly replete with cases where a strong, persistent, motivated, and deserving individual has made it easier for others, who would follow him, but not reap the benefit of that victory himself. In this case, because I know Igor Bobrowsky, I can say to this Congress, the White House, and the Navy, we have lost the services of a first rate American who deserves better of us.

I do intend to make one more effort and to write to Gen. Robert E. Cushman, Jr., asking him to reconsider. Igor is worth another effort from all of us.

The correspondence follows:

THE WHITE HOUSE,
Washington, January 29, 1975.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR ED: This is in further reply to your letter of October 17, 1974, regarding Mr. Igor Bobrowsky's application for commissioning in the United States Marine Corps.

Upon receipt of your previous letter which called into question the U.S. Marine Corps policy, the Secretary of the Navy was requested to take action to provide a procedure for waiver of drug abuse in good-risk cases. On September 13, 1974, the Under Secretary of the Navy provided this office with a modification of the Marine Corps Procurement Manual which permits waivers of drug abuse by the Commandant of the Marine Corps. It was in the context of this modified policy that Mr. Bobrowsky's case was again considered by the Marine Corps.

After due consideration, the Marine Corps has again concluded that Mr. Bobrowsky is not as qualified as other applicants for commissioning in the U.S. Marine Corps. Included in this consideration was his admitted use of marihuana while on active duty in a combat area. Inasmuch as the Marine Corps Commissioning Program is administered by the Secretary of the Navy, this office must respect the decision of the Commandant of the Marine Corps which has also been concurred in by the Assistant Secretary of the Navy and the Secretary of the Navy.

While the decision has not been favorable to the applicant, your correspondence caused the Department of Defense to reexamine its accession policies as they relate to those who voluntarily admit to casual or experimental use of drugs. All four military services now provide for a waiver in good-risk cases. In addition, the Department of Defense has now under consideration changes in the governing DOD directive which will prescribe general guidelines for waivers in deserving cases.

It is regretted that the Marine Corps decision is not in accord with your desires. However, your arguments in support of a modified policy have been successful and the resulting policy will be applied in determining the qualifications of future applicants.

Sincerely,

MAX L. FRIEDERSDORF,
Assistant to the President.

EXECUTIVE OFFICE OF THE PRESIDENT,
SPECIAL ACTION OFFICE FOR DRUG
ABUSE PREVENTION,
Washington, D.C., January 31, 1975.
Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Thank you for your recent letters calling to my attention the case of Mr. Igor Bobrowsky, denied admission to the Marine Corps Officer Training Program on the basis of his admission to having used marihuana for a brief period in 1967 during his enlistment as a Marine.

As a result of your inquiry my office has participated in several discussions with Department of Defense officials in an effort to persuade the Marine Corps to adopt policies which would not only screen out drug abusers at point of application for entry into service but also would establish an appropriate waiver procedure for good risk applicants.

We have been advised that the Department of the Navy by order of the Secretary of the Navy (SECNAVINST 5355.1) has adopted a revised recruiting policy which provides in part:

"c. *Recruiting.* The Chief of Naval Operations and the Commandant of the Marine Corps shall take strong measures to screen out drug abusers at the point of application for entry into the naval service. However, they shall establish a waiver procedure for good risk applicants for initial entry into service (enlistment/commissioning)."

Pursuant to the above order the Marine Corps has adopted a waiver procedure under which the Marine Corps Commandant after his personal review and evaluation of each request on its own merits may grant a waiver.

The new approved procedure in my opinion constitutes a great improvement over the former Marine Corps policy of "zero tolerance" which precluded enlistment or commissioning of an individual with any admitted usage of drugs.

Although adoption of the above changes in policy may have occurred too late to be of personal benefit to Mr. Bobrowsky, they will serve to insure the flexibility required for appropriate response to similar situations arising in the future.

If I can be of further service to you, please do not hesitate to call on me.

Sincerely,

ROBERT L. DUPONT, M.D.,
Director.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 4, 1975.
Gen. ROBERT CUSHMAN,
Commandant, U.S. Marine Corps, Headquarters, U.S. Marine Corps, Washington, D.C.

DEAR GENERAL CUSHMAN: I have received letters from both the White House and Dr. Robert DuPont, Director of the Special Action Office for Drug Abuse Prevention of the Executive Office of the President reciting the fact that as a result of Igor Bobrowsky's case the Navy has revised its regulations and will now allow a waiver to be granted in cases of his kind. I am making a statement on the floor of the House tomorrow, a copy of which I am also enclosing, to to bring the Congress up to date on Igor's case.

I urge you to reconsider this case, and that you personally talk with Igor in advance of any final decision. I am convinced that were you to do that you would conclude as I have, that it would be a gross miscarriage of justice to not apply the new rules and waiver provisions to Igor.

Sincerely,

EDWARD I. KOCH.

THE LOSS OF ETHICS AND VALUES

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, over the past several months, more and more people are becoming concerned about the deterioration of ethics and values in contemporary American society.

Recently, U.S. News & World Report and the Wall Street Journal each had excellent and timely editorials focusing attention on this national malaise. I commend them to my colleagues and the Nation as follows:

[From U.S. News & World Report, Jan. 6, 1975]

HONESTY ON HOLIDAY?

(By Howard Flieger)

Here is something unsettling to contemplate in this holiday season—

A highly respected, nonpartisan, nonsectarian, nonprofit organization is in the midst of a saturation campaign to popularize the concept that it pays to do right.

In other words:

Honesty is the best policy.

Well, now! Isn't that one of the verities? Have things reached a point in America where people have to be "sold" on *that?*

Could be. A recent public-opinion poll by the Sindlinger organization asked people to rate in importance the problems we face. Morality got no votes.

Ivan Hill, the President of American Viewpoint, Inc., which is sparking the crusade mentioned above, recently wrote in "NAM Reports," a publication of the National Association of Manufacturers:

"We want to develop a massive mass media campaign to debunk dishonesty. . . . We wish to make honesty socially and culturally 'all right,' the smart thing, maybe even fairly fashionable. . . ."

President Hill and his associates aren't kidding. They are conducting tests to determine public response to the idea that "it is not stupid or nuts to be honest. Especially do we wish the youth of America to learn that you can be professionally and financially successful—even rich—and be honest."

Right now the organization is immersed in research to develop new teaching materials on ethics and values that can be used in all schooling, from kindergarten right up through graduate school.

At the same time, it has a program to persuade business, professional and trade associations, and labor unions to "develop or update their own codes of ethics. We should like for such groups to take their codes of ethics out of the frames on the walls, read them, practice them, and enforce them."

American Viewpoint, Inc., plans to set up an Ethical Resources Center at Chapel Hill, N.C., to which any school, local government, union, business or professional association can write and obtain sample codes of ethics with suggestions for making them work.

The organization has just published a book, "How To Make America More Honest."

All this activity brings up a question: Is endemic dishonesty a side effect of inflation, or is it the other way around? American Viewpoint, Inc., is convinced there is a relationship between the two. Mr. Hill says:

"Although economic historians may not agree on which comes first, a severe decline in a society's honesty and morality or a severe inflationary spiral, the two do seem to go together. Some already have started asking: Can a free society survive a long and severe period of inflation? The prime basis for this question is the unequal burden of inflation. Those who cannot keep pace in the inflation race will condemn the whole track meet."

As waning morality spreads, many scholars and just plain citizens tend to blame government, arguing that any political system can only be as good as its leaders.

There's where they and Mr. Hill's organization part company. He contends:

"What the leaders believe actually reflects society or they would not be leaders. It's up to the individual participants in a society to develop their own standards."

Has life really come to such a pass that all of us have to be re-educated to the truth that liars and cheaters are both dishonest and alien to our culture?

If so, it is a sad thought to ponder at this particular time of the year—or any time of year, for that matter.

[From the Wall Street Journal, Jan. 2, 1975]

MORAL EDUCATION

Watergate provided the final push, but other social problems from drug use to rising crime have spurred U.S. public schools to pay more attention to questions of moral and ethical development. A Christian Science Monitor survey found widespread enthusiasm in schools for courses in "moral development," "character education" and "value clarification."

In a certain sense this represents a turnabout in the direction of American education. In the early years schools placed great stress on moral and ethical development along with the three Rs. Whatever their other defects, William McGuffey's "Eclectic Readers" and similar primers sought to impart an ethical consciousness. But directed efforts to impart standards lessened as American society became more complex and pluralistic.

The revived effort to teach moral principles in schools is, however, not a particularly radical change, even in modern terms. It would be hard for good teachers not to convey a set of ethical and moral principles to their students through their words and example and through their interpretations of literature, science and other academic subjects. By this process, there can be little doubt that schools always have tended to reflect the ethical or moral framework of the society that surrounds them.

We would admit to some concerns over efforts to formalize this process and to make it a conscious and directed part of the school curriculum. In a pluralistic society, specific standards of belief are better set by such bodies as the church, where membership is voluntary, or in the home than by state-directed schools.

There is always the danger that the state efforts will come into conflict with personal and private beliefs or that they will attempt to foster an allegiance to selective, and not altogether wholesome values. Militarists in pre-war Japan, for example, seized upon moral instruction in the schools (shu-shin) to forge a doctrine of blind obedience to the emperor. This sort of thing may make for a more orderly society but it carries risks for a democratic, free nation.

Having said that, however, we have little doubt that there are generally accepted ethical and moral verities that have had a place in almost every society and religion down through time. The simple principle of "do unto others as you would have, etc.," is a prescription for ethical conduct, for example, that is hard to improve upon, whatever sophists might try to make of it .

We would hope that the ethical revival the Monitor sees would reaffirm such basic verities. There is little doubt that some youngsters in our society receive no worthwhile ethical guidelines, from either church or family. And too many modern adults, in the schools, churches and households, are reluctant to exercise moral authority, perhaps because of a confusion in their own beliefs. If the latest movement restores the notion that adults can and should provide moral leadership, it will be welcome indeed.

ALTERNATIVE SOLUTIONS

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

A FREE ENTERPRISE ANSWER TO INFLATION AND RECESSION

Mr. KEMP. Mr. Speaker, I have taken this special order today to permit the Members, like myself, who believe in limited Government and free enterprise solutions to our Nation's problems to present alternatives to the New Deal-type answers being offered by so many today on the Democratic side of the aisle.

We also must say, in all candor, that while we applaud the leadership of our President in coming up with a comprehensive plan for the Nation's economy, we must as a group speak out against the huge budget deficit being proposed to the American people, much of which, of course, is the result of fiscal irresponsibility of previous Congresses and administrations.

Outrageous deficit spending financed by huge increases in the money supply and unlimited Government borrowing is strangling the productivity of the American free enterprise system. Government is choking to death the incentives and capital investment necessary to generate jobs, the goods and services so necessary to increase the wealth of this Nation.

It took 186 years for this Nation to reach a $100 billion budget. It took only another 9 years to reach a $200 billion budget. It took 3 more years to reach a $300 billion budget, and at the rate we are going within just a very few short years over 55 percent of the total private income of America will be taken by Goverment in the form of taxes at one level of the Government or another.

By the President's own figures in his budget, without any new spending programs, by the year 2000 it is estimated that over 66⅔ of the total private income of America, the total private income of the people of this country, will be taxed at the Federal, State, or local level.

The time is overdue for the implementation of a policy providing for an enduring economic recovery. It is time for the adoption of a plan which will work, not only in the short run but also on a more permanent basis. And, it is time for an economic recovery which does not sow the seeds of another recession or additional inflation.

During the past several weeks, an impressive number of Members have participated in the preparation of a fiscally responsible, free market policy for economic recovery.

Our policy may not be politically popular or possible but it is, nonetheless, time tested—it reflects the lessons of economic history.

The statement, together with those who have participated in its formulation, follows:

STATEMENT ON ALTERNATIVE ECONOMIC POLICIES

We believe that solutions to our dual economic problems of inflation and recession lie in returning decision-making to the people through the forces of the marketplace—letting the people decide what to produce, sell, and buy, and at what price levels. The pricing mechanism of the marketplace, derived from the interaction of supply and demand, is a more efficient, productive and stable regulator of the economy than government can ever be. No government agency or official is as capable of making such decisions as are the people through the voluntary exchange of goods and services. To believe otherwise is to deny the basic tenets of democracy and liberty.

We also believe increased productivity—not compulsory rationing, allocations or regulations and controls—is the basic answer to our problems. We believe prosperity to be related directly to the amount of capital invested in increased production. We believe over-concentration on consumption, fostered by government policy, has led to inadequate attention to the production which results in improved efficiency, more jobs at higher pay, and more goods at less cost.

Finally, we believe our economic ills—from heavy inflation to rising unemployment, from high interest rates to inadequate capital formation, from exorbitant fuel costs to anticompetitive regulatory practices—have one root cause: Policies of government, principally those of the Federal government which cause or contribute to inflation.

We, therefore, propose the following:

Controlling the run-away growth of government and the soaring increases in Federal expenditures and deficits, in an effort to better balance the budget. This would reduce the need for government borrowing from the capital markets and would put a brake on the inflationary expansion of the money supply.

The enactment of job-creating, accelerated capital formation techniques, sufficient to insure the full productive capacity of this country and the millions of jobs which would flow from such full capacity. Such measures would include:

A tax reduction for both small business and corporations, to spur production; and,

A permanent increase in the investment tax credit, to allow long-range planning in order to help avoid a repetition of this recession.

Giving protection against inflation to the individual income tax payer by indexing income tax brackets, thus taking the "windfall profit" out of inflation for the government when taxpayers slide into higher tax brackets solely as a result of government-created inflation.

The removal of anticompetitive regulatory practices of the Federal government, practices which drive production down and prices up.

That a limitation, established as a percentage of aggregate national personal income, be placed on the level of revenue taken each year by the Federal government.

Increased reliance on the laws of supply and demand to conserve fuel and to increase production, including the deregulation of natural gas and domestic crude oil.

That increases in the money supply be tied more directly to increases in national productivity, thus eliminating the price rises which accompany expansionary monetary policies.

We believe these measures should be adopted and enacted. We intend to push actively for them.

SIGNATURES

Jack F. Kemp, of New York.
Bill Archer, of Texas.

William L. Armstrong, of Colorado.
Robert E. Bauman, of Maryland.
Robin L. Beard, of Tennessee.
Clair Burgener, of California.
Don Clancy, of Ohio.
John B. Conlan, of Arizona.
Philip M. Crane, of Illinois.
Robert W. Daniel, of Virginia.
Sam Devine, of Ohio.
Barry M. Goldwater, Jr., of California.
William F. Goodling, of Pennsylvania.
Tennyson Guyer, of Ohio.
Tom Hagedorn, of Minnesota.
Marjorie S. Holt, of Maryland.
James G. Martin, of North Carolina.
John Y. McCollister, of Nebraska.
W. Henson Moore III, of Louisiana.
William M. Ketchum, of California.
Trent Lott, of Mississippi.
Ralph Regula, of Ohio.
J. Kenneth Robinson, of Virginia.
John H. Rousselot, of California.
Richard T. Schulze, of Pennsylvania.
Keith G. Sebelius, of Kansas.
Floyd Spence, of South Carolina.
Steven D. Symms, of Idaho.
Charles Thone, of Nebraska.
David C. Treen, of Louisiana.

This statement establishes the framework for our remarks here this afternoon, and it outlines the problems we see in other proposals being advanced.

We welcome the support of other Members, from both sides of the aisle, with whom we did not have an opportunity to confer before the statement's release.

I would like to amplify, from my own understanding of the issues at hand, on the points raised through the statement.

THE CAUSES OF OUR ECONOMIC ILLS

Policies of government, principally those of the Federal Government, cause and contribute to inflation. Only when we understand what caused our problems can we set about on a true course to correcting them, insuring to ourselves and our posterity that our leaders will not repeat them.

The solutions to our economic problems can hardly lie, therefore, in further reliance upon government decisionmaking—government interference in the economic affairs—in the private economic lives—of the people.

No matter how well intentioned or how well administered the programs of government may be, they can never duplicate the efficiency, productivity, and diversity of the economic marketplace—a marketplace composed of the countless millions of decisions made every day by the American people on what to buy and what to sell based upon their priorities not government's. No government agency or official is capable of making such decisions as well as or better than the people. To believe otherwise—and such a belief is too frequently reflected in many of the proposals for remedial action which we hear in these times—is to deny the basic tenets of democracy and liberty.

Advocates of big government purport that there is almost no sphere of the national life in which the Government may not legitimately intervene.

The liberty view, on the other hand, holds that—just as the Government produces little and must be limited in its power to siphon off the fruits of labor of the private sector—so must large areas of the national life, on principle, be cordoned off from Government interference, no matter how well intentioned.

It is, therefore, incumbent upon a legislator who believes in a free society to oppose, in deed as well as word, certain types of legislative initiatives on the grounds that the Government should not involve itself at all in those types of matters.

It seems that at a time when virtually everyone is calling for reduced Federal spending, so as to reduce the pressures of inflation and taxes, that we have an opportunity to examine the existing programs with a view toward ending the funding of those less than essential programs. We must seize this opportunity.

In terms of this continued advocacy of big government, let us look at the Democratic Party leadership's proposals for economic recovery.

AN ANALYSIS OF THE DEMOCRATIC PARTY LEADERSHIP'S PROPOSALS

They have proposed mandatory and presumably permanent wage and price controls, or at least, minimally the placement of controls on a selective basis for some critical industries. They have done this despite the fact that higher prices and wages are the results of, not the causes of, inflation; they have their cart before the horse, once again.

These are the kinds of controls which destroy the bargaining process—individual or collective—between employees and employers, a process essential to a free society.

These are controls which deprive industry of the capital investment funds which are needed for jobs, to increase productivity, and to increase the supply of goods required to drive prices downward. These are also controls which cause innumerable shortages of goods which the consumers both need and want. They are patterned after the control devices which have failed time and time again, from Rome in A.D. 301 to America in 1971–74. It seems to me that after our experiences with the beef freeze—and shortages in over 600 other goods—some would have learned enough so as not to repeat their errors. Apparently this is not the case.

They also propose an expansion of the public service jobs program, one not unlike the "make work" programs of the thirties. They propose this despite the fact that these jobs are essentially nonproductive and that all funds from them must come from taxes or expansion of the national public debt—either of or both of which make inflation and recession worse. This program deprives the private sector of the economy of the fullest means to create real, permanent jobs—tax-generating jobs instead of tax-consuming ones. This is truly a counterproductive program, taking out of the nongovernment sector the very capability it must have to reduce unemployment permanently.

They also propose the rationing of gasoline, the most patently unfair and inequitable of all the fuel conservative measures under consideration. Dramatically increased supplies, which could come about through deregulation, would accomplish the same objectives—bringing demand and supply into harmony, without penalizing the people. If there is rationing, there is no way it can be made fair, when applied on a case by case basis.

The Democratic leadership also proposes the revival of the Reconstruction Finance Corporation, a Government chartered and operated "corporation," to bail out failing businesses with the taxpayers' dollars, forcing those taxpayers to save a company whose products they had already indicated they did not wish to buy in sufficient quantities to keep it afloat. If they had, the company would not be ailing in the first place. This corporation's functions would needlessly duplicate our existing system of 14,000 banks and other private lending institutions. This program would reward inefficiency and poor management over and against companies which succeed, produce, create, and preserve jobs and pay, rather than consume, taxes. It's a rewarding of failure; that's what the corporation's role would be. It would be using borrowed money to lend to companies who—because of excessive Government deficit-induced borrowing—could not borrow enough capital on their own to remain competitive.

They propose the allocation of credit by the bureaucracy in Washington instead of by the free choice of the people and our vast, highly competitive private credit system, permitting bureaus and boards and bureaucrats to decide what or whatever is to be purchased by the people. It gives to the bureaucracy the role of determining what is productive and what is speculative, as to the uses of available capital. And, keep in mind, that Government itself is draining off huge amounts of capital in order to pay the deficits; over 62 percent of the available capital in this country was preempted by the Federal Government during calendar year 1974 to finance its deficit. I cannot help but believe, as we pointed out in the declaration released this morning, that if Thomas Edison had gone to such a bureau and asked for money to invent and develop the light bulb, as an alternative to whale-oil lamps and candles, that they would have said, "No," on the basis that the venture was too "speculative." We say: Let the incentives of the marketplace determine what is speculative and what is productive—determined by the total of the decisions made by vast millions of people through their buying or abstention from buying.

They propose the reform of our tax laws, under the euphemism of closing loopholes. They do not mention that the largest so-called loophole is the personal deduction for real estate taxes and interest paid on home mortgages by homeowners, without which few homes could be built and purchased, reforms which typically add additional burdens to the tax load already being borne too heavily by the middle class. We are opposed to the elimination of such incentives. We need tax reform, but it ought to be on the basis of logic and economics, not catch phrases.

They also propose, through offering a variety of programs, some in wholly new fields for the Federal Government, a massive increase in Federal spending.

Few actually say they favor it, but that is the inevitable result of the proposals being offered. These proposals for new spending are being made despite the fact that this would result in increased deficits—the principal factor fueling inflation and pushing up interest rates; despite the fact that this would mean additional reliance on Government instead of increased independence from it; despite the fact that such spending is simply taken from our already overburdened people; and, despite the fact that such spending would take further from the non-Government sector of the economy the private means to deal with the very social problems to which Government programs would be addressed. It used to be that Government was the last resort, to be relied upon only when the private sector had failed. Now, as soon as a problem is spotted, actual or potential, the clamor is for the Federal Government to rush in and spend money. We cannot abuse ourselves with such folly any longer.

WHAT'S RIGHT AND WHAT'S WRONG WITH THE ADMINISTRATION'S PROPOSALS

I am pleased with many of the President's proposals to overcome our economic ills. I believe that many are clearly within the best interests of the Nation to implement, as soon as possible. I applaud the President's leadership in identifying much of what is amiss in our economy today and clearly speaking up for the pricing system.

I believe there is much merit to his proposals to place a 5-percent ceiling on increases in Federal salaries, retirements, pensions, and so forth, through June 30, 1976.

I agree with his proposed moratorium on new spending programs for fiscal year 1976. I just wish he had proposed a moratorium on new spending per se, so that we could have held the line on fiscal year 1976 spending at the level of fiscal year 1975 spending.

I agree that we should provide additional incentives to public utilities to expand energy supplies to meet rising demands, for an increase in supply, in relation to demand, will permit utility costs to be driven downward.

I agree that a deregulation of domestic crude oil and new natural gas is called for. This would result in an appreciable increase in oil and natural gas supplies. At a time when hundreds are being furloughed in industry—not because of capital shortages or inadequate demand, but because oil and natural gas are not adequately available—we believe these to be sound measures.

We applaud across-the-board corporate tax cuts, those which will lead to the capital formation requisite to expansion of machinery and plants in an effort to enhance efficiency, for it is that enhanced efficiency—producing a product at less cost—which will stimulate job-producing demand. Of course, the catch to this proposal is that it is contingent on congressional approval of the plowing back, through tax cuts, of the $30 billion of additional revenue generated by the $3 per barrel tax on oil.

And, we applaud his concept of indexin personal taxes.

We are, on the other hand, concerned over several other proposals offered in the state of the Union and related messages.

No matter how strong the rhetoric against inflation-creating budget deficits, the fact remains that we will have deficits of at least $30 billion this year and $52 billion next; they will probably end up being much more. The impact of these deficits in generating worsened inflation are economically inevitable; it will hurt the economy.

Here, in these deficits, are the potential seeds of a worse economic picture. In hopes of stimulating the economy through deficit spending, it may actually be slowed. In a shift from dealing with inflation to recession, we are concerned that the short-term anti-recession measures may worsen our long-term abilities to combat inflation.

CHAIRMAN MAHON'S REPORT ON THE BUDGET

On Monday of this week, the distinguished and learned chairman of the Committee on Appropriations, Mr. MAHON, addressed the House, as he does after the submission of each budget, on the implications and ramifications of the proposed budget for fiscal year 1976. As is customary for that presentation, the chairman simply put forth the facts on what the budget says and what it does not say. It is, undoubtedly, the most accurate and penetrating analysis yet done on the implications of the budget.

I cannot overly stress how honored I am to be now serving, on the Committee on Appropriations, in the shadow of this man and his stewardship of that committee. The reasoned, reflective voice of truth, removed from considerations of partisanship, is what he has, is now, and will continue to bring to the deliberations of that Committee and Subcommittee. The Nation needs that.

Let me quote, briefly, from his remarks of this week, for they are of profound importance to understanding what confronts us:

> The budget proposes outlays of $349 billion. But in my judgment, the Government will never live within that. The spending will be much higher.
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> * * * * *
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> The budget calls for spending in fiscal year 1975 of $313.4 billion and $349.4 billion in fiscal year 1976. This is an increase from 1974 to 1975 of $45 billion and from 1975 to 1976 of $36 billion. This will cause a unified budget deficit of $34.7 billion in 1975 and $51.9 billion in 1976, but the total additional increase in debt will be $52.8 billion in 1975 and $67.6 billion in 1976—an increase of $120.4 billion over 2 years. If that will not shock the American people to the marrow of their bones then we as a nation are insensitive to the fiscal situation which confronts us.
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> * * * * *
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> The total increase in the amount of the debt which must concern us over the next 18 months is not the $87 billion increase in the Unified budget but the likelihood that we will go into the capital market for as much as $150 to $170 billion just on the matters proposed in this budget. That amount, alarming as it may be, does not reflect the liability associated with loans guaranteed by the Government.

The implications of the chairman's remarks are grave for all of us who are charged with the constitutional responsibility of exercising fiscal and monetary responsibility.

Let me put before this House, in chart form, what the chairman put before us several days ago:

PROJECTED FEDERAL DEBT INCREASES

[In billions of dollars]

	Fiscal year—		
	1975	1976	Total
Projected unified budget deficit	$34.7	$51.9	$86.6
Borrowing from the trust funds	+8.3	+3.1	+11.4
Borrowing to finance off-the-budget agencies	+13.7	+10.4	+24.1
Other financing	−4.1	+2.2	−1.9
Subtotal: projected real base deficit	52.8	67.6	120.4
Effects of congressional refusal to support President's proposed selected spending reductions	+5.9	+17.0	+22.9
Subtotal	58.7	84.6	143.3
Possible congressional action on proposed tax cuts offered by the President	+4.3	+19.0	+23.3
Total	63.0	103.6	166.6

Mr. Speaker, charts on proposed expenditures and new obligational authority reflect similar increases and possible actions and inactions; thus, in addition to the announced projected debt rising by these additional amounts, so too will expenditures and new obligational authority rise accordingly.

The likelihood of the Federal Government borrowing nearly $170 billion or even $100 billion from the capital markets in this Nation over the next 18 months is staggering. Interest rates would soar to even new record highs; and there would be little, if any, money left for private borrowing by manufacturers, homebuilders, et cetera. Inflation would rise steadily as the Federal Reserve System pumped up the supply of new money—through extensions of credit to boost available funding for borrowing. A deeper recession and higher inflation could well set in. Thus, these measures—designed to get us out of recession—would actually put us further into it, all caused by trying to cure our problems with inflated dollars.

The policies which we have today outlined are better, more effective, faster, and more enduring ways in which to bring our country out of this recession, to provide millions of jobs—through the nongovernment sector of the economy—and to do so without additional reliance on the taxpayer. These policies will stop inflation. They will stop the recession. They will restore the economy.

FEDERAL BUDGETS SHOULD BE BALANCED TO HOLD DOWN INFLATION AND INTEREST RATES

I propose a reduction in the runaway growth of Federal budgets, holding the total level of expenditures down to the level of projected revenue. This is a goal of budget balance, free from the deficits that are our No. 1 problem.

We must help eliminate the deficits from Federal financing. To do otherwise is blatantly counterproductive, for it is this borrowing of money from the Nation's capital markets by the Federal Government which drives up interest rates and drives down available capital for private individuals and businesses, and it is the monetizing of the national debt which produces the additional increase in money stock which causes inflation.

How does this process work?

When Government spends more than it takes in, it still must pay its bills. It pays those bills through borrowing funds from the same financial institutions that lend them out privately, to businesses, to contractors, to prospective home purchasers, et cetera. The more capital Government takes out of the markets, the less remains.

Thus, competition for those dollars remaining allows those institutions to set higher rates of interest. This, in and of itself, reduces the amount of speculative capital, because those with speculative ventures cannot nearly as well afford to pay the higher rates of interest. But, the effect is higher interest rates, and when businesses, contractors, home purchasers, and so forth, cannot borrow, recession is the inevitable result, meaning the loss of productivity and jobs.

The Federal Government, unlike you or me, has another way to pay off its bills. The Government may pay off a portion of its new debt by monetizing it—a process by which the Federal Reserve System extends credit to its member banks, through "high-powered" money devices. If the money supply increases faster than production, higher prices are always the result. There has never been a dramatic increase in money supply in the last century which has not been followed by a dramatic increase in prices. As the rate of inflation goes up, so to does the rate of prices, following by a few months to a year.

The conclusion to be drawn from this is that deficit spending must be substantially reduced—with the eventual good of balancing the budget.

THE ESSENTIAL CHARACTER OF CAPITAL FORMATION

I am proposing the enactment of capital formation inducing laws at the earliest opportunity. A corporate tax cut would aid significantly in making capital funds more available to industry, business—large and small—and home construction.

There are additional policies which would help to accomplish the same objectives, including amendments to the capital gains tax structure, increasing the exemption of interests and dividends from savings and similar institutional investments.

Prosperity rests—more than on any other determinant—on the amount of capital invested per person within an economy. In other words, the more capital invested per person, the greater the economic growth and the better the standard of living—in real, not inflated, dollars. Our laws have ignored this cardinal rule of economics during recent years, favoring instead those policies which have led to a decline in the rate of capital investment.

Our present Federal tax structure encourages overconsumption and discourages investment, because the tax laws place a significantly heavier burden on savings and investment than on consumption. Taxwise, it is now preferable for the taxpayer to consume and spend instead of producing and saving. The tax policy which underlies the present tax structure has resulted in laws which have stifled needed capital formation and economic growth. It should be reversed.

That the economy of the United States needs vast increases in capital outlays is demonstrable.

In a recent editorial, entitled "Productivity: The Rest of the World Is Catching Up," the Washington Post depicted our situation this way:

> Since 1960 productivity increases in this country have been the lowest of any of the major industrial countries, and our rate has hardly been better than the average for all the other industrial countries together.

This principal measure of prosperity—capital investment—gives much credence to the editorial. According to an extensive study of the Joint Economic Committee, gross private domestic investment in the United States last year was only 15.7 percent of gross national product. By contrast, Germany invested 26 percent, France 28 percent, and Japan 37 percent.

Minimally—to curb inflation and to maintain a "socially acceptable level of unemployment"—the United States should raise its investment rate to 18 to 20 percent. To stop inflation and to send unemployment back down to the lowest rate in the past 10 years, a much greater investment rate would be required.

Yet, even to maintain the 15.7, 1973 rate, the United States will have to invest over $4.5 trillion—$4,500 billion—in capital over the next 12 years. Under our present tax policy and laws, it will be difficult for this amount to be raised. To the degree that it is not raised, our prosperity will be further threatened.

TAX REFORM IS NEEDED TOO

The enactment of job-creating, accelerated capital formation techniques, sufficient to insure the full productive capacity of this country and the millions of jobs which would flow from such full capacity is needed.

Such measures would include a tax reduction for both small business and corporations, to spur production. They would also include a permanent increase in the investment tax credit, to allow long-range planning in order to help avoid a repetition of this recession.

A personal income tax cut can also be feasible in the sense that stimulated consumption will decrease the surpluses which have caused many layoffs. And, if additional personal funds are put into savings, then additional borrowing—badly needed for home construction and corporate borrowing—will be spurred. But, we should be aware that if the supply of money in the hands of consumers is increased and the number of goods remain the same or decrease as inventories are reduced, then prices will go up, not down. Thus, there are counter-productive dangers in enacting solely a personal income tax cut of which Government, the Congress, and especially the people ought to be fully aware.

These are important factors in aiding our economic recovery. One of the best things for the economy right now would be measures that strengthen natural recovery forces that are contained in the profit motive and work incentives. An effective method would be to winnow an effective across-the-board tax cut of the measures incorporated in the budget and at the same time to drastically cut Federal spending so the resulting deficit would not further deplete the Nation's capital.

It must be understood that the secret of recovery does not lie in mere artificial stimulation of consumer demand. There must be a restoration of real, useful production that will generate real capital, which will in turn be employed efficiently by market forces. Unless there is a beginning made toward that end, there will be no recovery and those pessimistic projections in the budget could prove to be optimistic instead.

CANADA HAS CUT ITS CORPORATE TAXES AND UNEMPLOYMENT IS WAY DOWN

Two years ago, Prime Minister Pierre Trudeau succeeded in obtaining a reduction in corporate income tax from 49 percent to 40 percent.

Advocating and pushing through the proposal required strong leadership.

What happened once the proposal was enacted?

Canada became a magnet for outside capital, even as it generated it internally. Successive surveys of capital spending plans showed jumps from 9 percent to 13 percent, then to 20 percent.

Unemployment is at 5.6 percent, notably less than ours.

The tax reduction was coupled with an innovation which allowed the progressive tax brackets, major deductions, and exemptions each year to be adjusted to hold down dollar-level increases in government revenue which would result solely from inflation. This is important, because here in the United States, if inflation amounts to 10 percent in a year and one gets a 10-percent wage increase to offset it, one's real purchasing power is still reduced because the taxpayer will through his wage increase move into a higher tax bracket solely because of inflation.

On January 1, because inflation averaged 6.6 percent in 1973, the Canadian tax brackets were adjusted upward by 6.6 percent, in effect denying the Government a $400 million inflation reward. This indexing device destroys one of the incentives for Government leaders to continue to allow inflation. On January 1, 1975, the brackets will move up to 10.1 percent, saving the taxpayers $750 million. If one believes—and I certainly do—that government's threat to individual liberty can be measured in terms of the growing percentage of the people's livelihood which is taken in the form of taxes, I think one can see the importance of restraining the growth of government in this manner.

I think this proposal ought also to be incorporated in a major tax revision.

Did all of this add up to a staggering deficit—because of reductions in revenues associated with the tax cuts? Not at all. This is one of the most remarkable aspects of the Canadian tax cut. A year ago, the Finance Minister projected a deficit of $450 million in the current year as a result of these tax cuts, but there has been so much real economic growth that revenue increases are adding up to a $250 million surplus. Those figures may be small to us, but remember their entire budget is much smaller than ours, too.

INDEXING INCOME TAXES AND THE TRANSFER PAYMENT PROBLEM

Government actually has a motive in fostering inflation. We must eliminate that motive, that incentive to create and maintain inflation.

As inflation occurs, demands are created within the work force for higher wages. When these higher wages are obtained—even if it is just to keep pace with the rate of inflation—the wage earner will slide from a lower tax bracket to a higher one. Government reaps a benefit in two ways. First, since more money is being earned, there is more base to tax. Second, as a person slides from one bracket into another, he slides into a higher rate of taxation, because of the progressivity in our tax laws—the more money you make, the higher rate at which it is taxed. Of course, if inflation went up 12 percent, and wages went up 20 percent, one would be subject to an additional tax on that amount—8 percent—over the rate of inflation.

I believe that income tax brackets should be indexed.

There is another reason, an important one, why we should make a careful reexamination of our individual income tax laws and the way in which those laws redistribute income among those who generate taxes and those who consume them. This is known, among the economists, as income transfer. It is an important phenomenon, for the percentage amount being transferred, through Federal policies, including our tax laws, from those who produce to those who consume or depend upon government largess, increases annually.

The Wall Street Journal recently editorialized on this problem. I include the full text of that editorial, for I think it is of profound importance to the deliberations of the Committee on Ways and Means and of this House during this session:

THE TRANSFER PAYMENT EXPLOSION

It was encouraging to hear Eric Sevareid of CBS comment favorably on President Ford's proposals to at least begin to bring federal spending under control. For more than a decade, most Americans have tended to assume that the U.S. is so rich it could do just about anything. Mr. Sevareid was apparently shocked to learn that if present trends continue, by 1985 half the national income will be controlled by government. What this means, of course, is that half of all national income will be taken in taxes.

That prospect in itself is cause for alarm, but what is even more troubling is the reason for this growth of government. Spending is not increasing by leaps and bounds because of military requirements. It is not growing because government is rebuilding cities, constructing dams or financing scientific research and development. It is mushrooming at a steadily accelerating rate because of government commitments to give cash to people who are not producing after extracting it from people who are producing. We are in the midst of an explosion in transfer payments.

As recently as 1965, government transfer payments to individuals came to a modest $37.1 billion. Last month, federal, state, and local governments were disbursing cash to individuals at an annual rate of $155.9 billion, for which no services are rendered. These include Social Security pensions, government pensions of all kinds, unemployment benefits, black-lung money, food stamps, welfare payments and health insurance benefits. While the payments are of course defended on grounds of compassion, they are having a serious effect on the economy, by steadily breaking down the relationship between reward and effort. The following table is revealing:

	Government transfer payments (in billions)	Wages and salaries	Transfers as percent of wages and salaries
1965	$37.1	$538.9	6.9
1972	103.2	626.8	16.5
1973	117.8	691.7	17.0
1974	139.8	751.1	18.6
Dec. 1974[1]	155.9	765.4	20.4

[1] Dec. figure is at an annual rate.

What the table doesn't show is the great burst since October, when a rapid triggering of unemployment, welfare and food stamp benefits coincided with a slide in wages and salaries. In two months, wages and salaries dropped by $7.6 billion at an annual rate and transfer payments advanced by $8.3 billion. The December 1974 over December 1973 annual rates showed an increase in wages and salaries of $46.1 billion and an increase in transfer payments of $33.3 billion. With the bottom of the economy not in sight, it seems highly likely that in 1975 transfer payments will grow more than wages and salaries.

It is taken as axiomatic that production is maximized when taxes are zero, i.e., output is greatest when employers and workers can keep everything they produce. The nation benefits from taxes, even though production is not maximized, when it employs receipts in ways the private sector cannot—providing general government, police and fire protection, national security, etc. Helping the poor, the elderly and weak is certainly an important function. From the figures one would assume it is being discharged far better now than five years ago, though the improvement is certainly not reflected in political rhetoric.

The problem is that the tradeoff between lower production and general benefits has a breaking point when private production can no longer carry the burdens placed on it by government. The nation has been flirting with that breaking point for a long time, but seems to have reached it in October. Present and future taxes, which have to be raised to finance government deficits, are now so high that it is more beneficial for more and more producers and workers to not work than to work.

Any serious attempt to solve the nation's economic problems has to focus on this explosion of transfer payments. Mr. Sevareid's concern with government spending has to come to grips with the implications of the following table:

FEDERAL BUDGET

[In billions of dollars]

	1970	1975	Increase
Total	196.6	304.4	107.8
Transfers	66.6	134.2	67.6
Defense	77.5	82.0	4.5
All other	52.5	38.2	35.7

The only reason we have for even cautious optimism about the future is that, at long last, a few brave policymakers, politicians and opinion shapers seem willing to break the bad news to the public. President Ford made a good start in his State of the Union Message. Mr. Sevareid made his contribution. Now, somehow, the news has to get to Capitol Hill.

ESTABLISH A LIMIT ON FEDERAL REVENUE

Federal, State, and local tax collections have risen markedly, as percentages of national income, during the past half century. In 1929, such tax collections constituted only 13 percent of total national income; by 1950, it had risen to 26 percent; and by 1972 it had risen to 34 percent. The increase is even more dramatic when compared to total national personal income: 1930, 15 percent; 1950, 30 percent; and 1972, 43 percent. If present trends continue, by 1985, total Government's share of national personal income will have increased to 54 percent—54 cents out of every $1—more than half the people's earnings. As I said earlier, by the year 2000, it will have increased to nearly 67 percent of all personal income.

Government spending—and the raising of revenue requisite to that spending—has a historical ceiling beyond which it invites either or both the collapse of the economic strength of a nation or the loss of freedom.

Government must realize that it cannot indefinitely tax the people at constantly increasing levels without destroying the people's ability to support themselves and their families.

The Congress has tried for nearly 200 years to control total spending by controlling the overall level of appropriations as each individual appropriations bill came to the floor. These efforts—commendable though they may be and successful though some may have been on occasion—simply have not worked sufficiently.

The reason these efforts have not worked is that the intentions which underlay them are not directed at the one point where more effective control really could be exercised: at the level of revenue, of income.

We have for too long tried to control spending only where the money flows from the Treasury. In other words, we are trying to plug holes in the Treasury's dike or to heighten that dike, when, instead, we should be trying to control the level of water behind it.

It is always easier to control a problem at its source. The source here is the level of revenue raised by the Government from which programs are then funded. To deal with the question of expenditures alone is to work only with the result of our problem, spending, instead of its cause—too much being taken from the taxpayers with which to do that spending.

When an institution knows that it will have a known amount of dollars with which to work, it typically devises means of spending those dollars. It is human nature. Parkinson's law, thus states that spending rises to meet income. That is a truth demonstrated by our national experience as a government. There is a more modern corollary to Parkinson's law which, however, more accurately describes the tendencies of Congress; present spending rises to slightly exceed present income in expectation that future increases in income will cover that spending. When an institution operates from those premises—and the Congress has operated from those premises for years—it means an ever-increasing amount of dollars being taken from the taxpayers.

We cannot, of course, as the legislative branch of the Federal Government—and without an elaborate amendment to the Constitution of the United States—establish revenue and budget outlays ceilings binding on all governments—Federal, State, and local.

We can, however, establish such ceilings with respect to the Federal Government. That is what title I of the Fiscal Integrity Act is all about.

It would establish for each fiscal year a revenue and budget outlays limit for the Government. No appropriation could be made for any fiscal year by the Congress in excess of the revenue and budget outlays limit for that fiscal year.

How would the limit work?

The revenue and budget outlays limit for each fiscal year shall be the amount derived by multiplying the estimated aggregate national income for such fiscal year by a "Federal revenue factor."

Thus, from the first year of the operation of this provision, a ceiling in relation to national income is established on Government revenue and spending. As the economy grows, new dollars would be available for existing or new programs, but a greater percentage of the people's income would not be available.

One should note that a cut in outlays is accompanied by a cut in revenue—and vice versa—so that cutting revenue will not result in creating more of a deficit—as is now a danger—and cutting outlays should result in a cut in taxes.

The bill specifically requires that, if during any fiscal year the revenue of the Government exceeds the established limit for that year, the amount in excess shall be used for the payment of the public debt of the Government. It cannot be carried over to be spent on programs during a subsequent fiscal year.

What if an emergency arises—such as a large-scale war or severe economic crisis—which absolutely requires spending beyond the revenue level?

In that case—that emergency—a resolution passed by no less than two-thirds of each House of Congress may suspend the limitation, but only to the extent necessary to meet that particular emergency and only for that fiscal year within which the resolution was passed. If the suspension is to be continued beyond that fiscal year, the Congress must pass a new resolution allowing it. A vague, general, "times are tough" emergency resolution would not be allowable. The provisions of the bill guard against that happening.

It should also be made clear that the power of the House Committee on Ways and Means and the Senate Committee on Finance with respect to tax reform is not impaired by this bill. Within the overall revenue limitation, those committees can carry out any degree of tax reform—increase certain taxes, reducing others—eliminating old taxes, imposes new ones—deemed necessary. The limitation is that the total revenue collection not exceed that percentage established in relation to aggregate national income for that period.

ENERGY MEASURES

I believe the most effective fuel conservation device is to remove Government interference and to place greater reliance on the price mechanism of the marketplace. This will result in three immediate benefits:

First, incentives to conserve; second, incentives to produce; and last, incentives to develop alternative sources of energy.

I voted earlier this afternoon to defer the imposition of the fee on foreign oil imports, the fee imposed by the President through Executive order last month. That measure to defer the fee passed; it will soon be law.

I voted against the tax or import fee for several reasons. I believe, as the experts have pointed out, that the fee could artificially push up the cost of gasoline by as much as 7 to 10 cents per gallon; heating oil and other petroleum products and derivatives will similarly cost more. I believe those additional costs will reduce consumption only marginally, and it is that decreased consumption which was one of the two aims of the use of the import fee.

Additionally, there is little reason to believe that this action alone will create sufficient pressures on the oil producing nations to reduce their prices. I see, therefore, no reason why the people should be forced to bear this additional, Government-imposed cost.

The policies of the Federal Government created the domestic shortages and the dependency on foreign oil imports in the first place. Now, that same Government wants the people, not itself, to pay higher costs, with Government on the other hand to benefit from receipt of the fees. This is another example, in my opinion, of Government asking the people to "take it on the chin," when it is Government which ought to be required to suffer the hardship instead.

There is no easy answer to our energy problems. In order to reduce our dependence on imported oil and, therefore to more efficiently protect ourselves against another oil embargo, we must begin to develop the capability of being independent of foreign oil for domestic energy. Encouraging maximum domestic energy production must be our prime concern. From experience we know that the pricing mechanism of the free market is the most equitable, economical and productive way to allocate scarce resources.

I support deregulation of natural gas and decontrol of domestic oil, together with positive incentives for capital investment in energy research and development. I am convinced that this is the way to permanent energy recovery.

In the broad overview of options, our alternatives are, at best, limited. Regulation of oil and gas against deregulation; rationing against supply and demand; import tariffs, taxes, fees, or quotas against tax incentives and disincentives for domestic and foreign energy investments, respectively. These are the major points of contention, and the major points to be decided in the formulation of a comprehensive approach to energy.

Increased Federal controls would probably force the Federal Government to impose a quota to limit imported oil, as a readily available means of forcing domestic market investment in both new and old energy sources. Even with this negative incentive, the bulk of costly research and development would still have to come from the Federal Government. Price controls would also be imposed to prevent the reduced oil supply from forcing the price out of reach. Rationing, to allocate available supplies would then almost certainly follow.

With an import fee, import quota, and/or rationing in effect—even if coupled with corporate tax incentives and "plowbacks" for energy related investments—consumer prices would not reflect accurately the limited supply and large demand for oil products, and thus, the investable capital would be substantially reduced, causing little or no R&D by industry. These events would be counterproductive to our long-range goal of developing adequate energy.

In our present economic state, and at a time when there are other urgent domestic priorities to consider in the expenditure of tax dollars, an increase in federal outlays for research and development projects in new energy areas would place a drain on the economy it could not support.

There is no question that deregulation of natural gas at the wellhead and decontrol of domestic oil will result in higher prices at first. However, it is important to note that the increased cost at the wellhead represents only 20 percent of the total cost of gas at the burner tip. The estimated increase that I see as most realistic is about 10 percent at its peak. With decontrols—combined with measures to eliminate foreign investment tax credits and with windfall profit taxes on any additional profits not reinvested in energy development—individuals and businesses would be deciding which uses of energy should be reduced or forgone, rather than the Federal Government. Continued regulation, on the other hand, would effectively drive the price up as it caused greater dependence on imported liquified natural and on synthetic natural gas.

The experiences we have had in the past several years with Federal regulations and controls on the pricing system in the free market—the failures associated with the Federal bureaucracies inefficient and anticompetitive interference with supply and demand—leads me to the conclusion that decontrols are the key to effective domestic energy recovery.

Because I strongly support deregulation as the most positive means to establish energy priorities, I believe better alternatives exist to the import and proposed excise tax on domestic crude. First, deregulation will permit the price of oil to rise. Combined with a fee, tax, or quota on imports, that price would be greatly accelerated and would place too heavy an immediate burden on the economy. Certainly, western New York would be severely hurt by action of this nature. Our supply of Canadian oil would be reduced immediately, as would our access to Arab oil and domestic oil. Considering the particularly hard effects energy shortages have already had on the economy of our area—United States Steel, for example, just laid off 1,500 people in its Buffalo plant—I seriously doubt that we could survive a sharp curtailment of our direct oil supply.

My alternative proposal is a combined tax incentive, directed at energy-related investments, and a tax disincentive, directed at foreign investments and non-energy-related investments.

At the present time, American companies investing abroad in energy related areas are given a tax credit for taxes paid to foreign governments. At the same time, royalties paid by those companies to foreign governments or quasi-government entities are treated by the U.S. Government as taxes, and are, therefore, also credited. My proposal would treat royalties as royalties, not as taxes, thereby eliminating that credit, and reduce the credit for foreign taxes over a period of years—perhaps 5—to a defined minimum level.

I am not really convinced that a so-called "windfall profit" tax is necessary. Logic and good business sense both point toward the use of additional profits for reinvesting in increasing production from which to meet rising demand; after all, only through that increased production can a company maintain its place within the industry. If, however, a windfall profits tax is imposed, I would fully support a "plow-back" provision—like that which was in the bill reported by the Committee on Ways and Means last session, allowing companies to use additional income for energy-related research, development, deployment, exploration, recovery, and production without the assessment of the windfall profit tax on that amount so reinvested.

The treatment of foreign taxes and domestic taxes should be closely coordinated to assure maximum incentives for domestic production.

In short, while this type of program would bring American dollars back to the United States through reduced foreign investment incentives, it would positively reinforce the incentive to invest domestically in energy resources and potential energy sources. I am convinced that this would be a highly effective program. It would not cause a massive drain on the economy, nor would it immediately reduce the supply of oil imports. It would not drastically reduce our gross national product, and it would not cause gas lines at service stations.

In line with efforts to conserve energy and promote mass transportation, I am considering a provision for a "horsepower" tax on all new automobiles sold in the United States. The tax would be a graduated one, ranging from no tax on low horsepower cars, up to approximately $500 on high horsepower cars. The revenues from the tax would be identified for deposit into a special highways and public transportation trust fund, to be spent for the development and maintenance of Federal highways and public transport vehicles and systems.

The Washington Post of January 26, 1975, editorialized on what they see will happen, in a real world context, if rationing is instituted in this country. That editorial follows:

[From the Washington Post, Jan. 26, 1975]

How To Ration Gasoline

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs— one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become.

Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular decision is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEMP. Mr. Speaker, I would now like to yield to my distinguished friend and colleague from Colorado (Mr. Armstrong), who has been one of the leaders in this effort today and is certainly one of the articulate spokesmen for the freedom philosophy.

Mr. ARMSTRONG. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman from New York (Mr. Kemp) for his leadership in addressing the Nation's economic problems. Few Members of Congress, if any, equal his foresight and courage in grappling with these hard issues.

I share the concern which my colleague from New York, and others, have expressed.

In the near future, I intend to submit detailed fiscal and monetary recommendations aimed at curbing unemployment, stabilizing general price levels, fostering long-term productivity, curtailing ill-advised Government intervention in our economic system, and correcting structural imbalance among our economic institutions. In the meantime, I would like to offer a few general observations:

I am very much concerned by the lack of recognition of what causes our country's economic problems—both inflation and recession. From the tone of national debate on economic issues, one might assume that we are facing uncontrollable forces of nature or the consequences of an act of God. The way politicians tell it, one would never suspect the crisis is caused by unwise Government policies. Yet this is clearly the case, as most economists will now ruefully concede and a growing segment of public opinion also recognizes.

Nor were these consequences, inflation and recession, unforeseen.

On the contrary, a vocal minority, including some Members on the floor of the House today, have been warning of precisely this situation for some time. Their cries of alarm over mounting Federal deficits and other irresponsible Federal policies have been dismissed by those who have found it more politically expedient to spend money we do not have, year after year.

I draw this fact to the attention of my colleagues because there are still so many political leaders who are trying to pretend problems can be solved by superficial means or without sacrifice. In many instances, Members of Congress are even advocating increased doses of the very poison which has sickened our system—more Government spending, more intervention in the free economy, and the imposition of various forms of repressive controls on labor and business. If we follow this advice, our Nation's economic system will be destroyed.

I am also greatly concerned by the implicit assumption which underlies so much of the dialog about our economy: The idea that the Government can control the economic outcome by certain actions which have predictable results. In the last three or four decades, there has been widespread acceptance of the myth that economists know enough about how our economy works to predict accurately the consequences of various forms of Government intervention.

It baffles me that we are expected to have confidence in economic and political leadership which has such a sorry record. The "experts" who would have us believe there's an easy answer to economic problems—for example, that we can cure unemployment by simply increasing fiscal stimulus; that is, by increasing the Federal deficit—are the same people whose economic forecasts have been wildly inaccurate in the past and whose recommendations got us into this mess in the first place.

The private sector of the economy is no passive lump waiting to be stroked, massaged, kneaded, or kicked to produce certain desired economic results. On the contrary, despite the intrusion of Government on a vast scale, the private sector still accounts for about two-thirds of the Nation's economic activity and almost all of the real vigor, drive, and creativity.

As a consequence, Government intervention often has unforeseen and undesirable results. In large measure, the ultimate consequences of Government action seem to depend less on technical economic factors and more on public attitudes.

Here, then, is the nub of the problem: There is a crisis of confidence. The American public is becoming increasingly disillusioned with the irresponsibility of Government—the promise-anything-to-get-elected philosophy—the spend-now-and-let-our-children-pay-for-it concepts which have dominated the Nation's political thinking for several decades. Although the average American knows little about economic theory, only the most myopic could fail to see the disaster ahead if present policies are not reversed.

But when the Government begins to put its house in order—reducing deficits and, ultimately, balancing the budget, foregoing some of the vote-buying schemes Congress is addicted to and putting the Federal Government on a sound footing—the public will begin to reflect a new sense of confidence which will quickly show up in healthy economic indicators: Increasing sales, declining unemployment, increased capital formation and savings, higher profits and so on.

Perhaps nowhere is the ominous trend more obvious than in the rising proportion of our national income being diverted from the productive sector—from people who are actually working and producing—to the nonproductive sector. Approximately 18 percent of the Nation's total wages and salaries were paid out in various forms of transfer payments last year. This proportion is rising very, very rapidly.

It can certainly be argued that some minimum standard of living should be assured to all citizens, including those who are unable to care for themselves. So welfare payments, social security and the like can be justified on grounds of social justice or humanitarian considerations.

But we have plainly moved beyond the concept of providing a decent minimum to people who are unable to care for themselves. We are generously supporting many people who could and should care for themselves but who don't wish to do so. In my view, this is completely wrong as a matter of moral principle. To force working people to support loafers is a form of involuntary servitude. It just does not square with American ideals.

But it is not my purpose to argue moral considerations today.

I do want to talk about the economic consequences of such huge transfer payments. Predictably, as the compensation for not working has risen to levels approaching—and in some instances exceeding—the compensation for working, work incentives have been seriously reduced. This is one of the primary reasons for declining productivity in the Nation as well as one of the principle components of skyrocketing governmental costs. The subsidy-welfare-transfer payment portion of Government spending must be controlled and this trend reversed.

I would also like to note that unwise tax and regulatory policy have seriously eroded the Nation's productivity. Productivity gains have been declining for years because we have an inadequate rate of investment in plant and equipment from which productivity gains flow. Our Nation now has the lowest rate of capital formation in the industrial world. Unless our tax system is restructured to remove the disincentives on investment and entrepreneurship it is hard to see how productivity gains can be expected.

In conclusion, Mr. Speaker, I want to discuss briefly a noneconomic aspect of the mess we are in. Economic issues are important. But our ultimate concern must be for human values. In this respect, trends of the economy and Government finance are positively alarming.

Government spending now accounts for approximately one-third of the Nation's total output. If present trends of increasing Government activity are projected into the future, it will not be long before over one-half of the Nation's economic activity will be Government. Today, I was distressed to learn of an estimate that by the year 2000 as much as 58 percent of the U.S. gross national product will be accounted for by Government, if recent trends are simply projected on a straight-line basis.

Economic stagnation is a certainty if we permit this to happen.

But the greater threat is to our political liberty. As each of us becomes more and more dependent on the Government, it becomes increasingly difficult for us to express meaningful political dissent. Economic freedom is inextricably linked to our other cherished liberties. All of us who value our freedom—political, intellectual, and economic—must view with alarm the ever-increasing incursion of Government into every aspect of our national life.

Mr. KEMP. Mr. Speaker, I thank the gentleman for his generous comments and his very vital observation that there can be no political freedom without economic freedom, they are indivisible.

There has never been in recorded history a nation which has been politically free which did not practice some form of private enterprise, and I appreciate very much the time the gentleman has taken.

I would now like to yield to my friend and colleague, and another organizer of this special order, who has worked long and hard on these issues, and who has been just as effective a spokesman for these principles, the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague from New York for yielding.

Mr. Speaker, the proposals which we are presenting today to restore stability to our economy and relief from inflation and recession are the only workable and lasting solutions.

Our proposals include:

A balanced budget—reducing Federal expenditures to balance with anticipated revenues.

Tax cuts that will be made possible by the reduction in Federal spending.

Repeal of regulatory laws which allow Federal intervention in the private sector discouraging competition, raising prices, and otherwise promoting inflation.

These solutions would allow the free market to function to deliver goods and products at competitive prices to all consumers—returning the basic decision-making power to the people. While some of the Members in this House are advocating stronger Federal regulation, our proposal is to get the Federal Government out of the business of controlling consumer supply and demand. We completely reject the regulatory climate of wage and price controls, controlling interest rates, and allocating credit which rob each American of freedom of choice and prevent the return to a healthy economy.

Our Nation is currently experiencing double digit inflation and recession which is primarily the result of the Federal Government's interference and regulation of the economy, and to believe that further control is the answer is pure folly.

Our current economic problems are rooted in the actions of the Federal Government, and it is illogical to allow further intervention in the private sector to correct a situation which has primarily been caused by governmental regulation. If Members of this body are truly interested in reversing the inflationary trend that has now led to recession, they should be more concerned with fiscal discipline of the spending of tax dollars rather than imposing controls on the private sector. The ideas of regulating wages and prices, interest rates, and consumer credit are completely unworkable and inequitable.

WAGE AND PRICE CONTROLS

During my service in Congress, I have discussed the results and consequences of controls in great detail in statements on the floor of this House, and in views included in House Banking Committee reports on this issue. Congress finally got the message when it rejected any extension of the control authority beyond April 30, 1974.

Economic controls cause distortions and shortages. During our recent experience with controls—1971–74—shortages emerged in all industries, and in early 1974, Congress received extensive information from private industry representatives on the extent and consequences of the commodity shortages. Following are some examples of the seriousness of this situation brought about by this interference in the economy:

First. In a statement to the Senate Banking Committee on January 30, 1974, O. Pendleton Thomas, chairman of the board and chief executive officer of the B. F. Goodrich Co. stated:

> In those sectors where prices are controlled, serious shortages and black markets are occurring. Each day we are faced with a lengthening list of actual or potential shortages of critical raw materials including tallow, rubber solvents, zinc oxide, titanium dioxide, carbon black, process oils, epoxy resins, antioxidants, polyester and nylon fibers, and synthetic rubber. In some cases, the severity of these shortages has been compounded by suppliers being forced out of business. In recent weeks, for example, one supplier of bead wire, which is used in tire construction, was forced to close its West Coast plant because of the inability to gain approval to raise prices sufficiently to assure an adequate return on investment. Another diversified supplier recently eliminated bead wire from its product lines.
>
> Controls on domestic prices have also stimulated exports of certain raw materials, many of which are already in short supply in this country, especially chemical feedstocks. During the first ten months of 1973, the combined exports of toluene and butadiene used in synthetic rubber production were 270 percent higher than during the same period of 1972.
>
> When conventional economic forces are permitted to function, imports into this country are a significant factor in the supply of critical materials. During recent world shortages our price controls have prevented the inflow of materials—instead, as I have just indicated, exports of some materials have been accelerated, seeking the higher world market prices, thus compounding our problem.

Second. In a March 8, 1974, statement to the House Banking Committee, John C. Datt, director of congressional relations for the American Farm Bureau Federation, discussed the effects of controls on food production:

> Due to controls, prices of fertilizers in this country became so out of line with world prices that a sizeable portion of our domestic production moved into foreign markets to the detriment of U.S. food production. This was recognized belatedly by the Cost of Living Council in November, and fertilizer controls were removed; however, there is reason to believe decontrol may have come too late to maximize U.S. farm production in 1974.
>
> Price controls have played a role in the energy crisis. Uncertainty created by economic controls is one of several factors that have brought new refinery construction to a halt. Indications are that this same uncertainty has contributed to a decline in oil and gas exploration in this country.
>
> Agriculture is now facing a shortage of baling wire. Much of our baling wire is imported. Domestic prices frozen at levels unrelated to world prices have contributed to an extreme shortage of wire in this country since American farmers and ranchers are prohibited from bidding for supplies in the world market.
>
> The unwise, though relatively brief, attempt to control beef prices in 1973 brought chaos in the industry—and shortages at the meat counter. It was costly to farmers and to consumers. In fact, the reductions in beef supplies which have resulted in price distortions in recent months are more a result of the abortive controls imposed last year than any other single factor. Furthermore, these controls contributed nothing to the stabilization of the economy.

Third. The Associated Builders and Contractors, Inc., discussed construction industry shortages in its statement to the House Banking Committee in March 1974:

> The basic question is one of supply and demand. Experience has shown that controls create shortages and whenever there are shortages there is upward pressure on prices. Why do controls produce shortages? The plain fact is that if a price ceiling makes it unprofitable to produce an article those in the business of producing it find it sensible either to cut its production or to stop producing it entirely.
>
> . . . On the list of recent critical shortages, according to the experience of a firm facing the shortage problem, are lumber, steel and steel products, paper products, hardware, copper wire and copper cabling, trucks, aluminum bar and tube, electrical components, and paint. These are just some of the items which are basic to construction found to be in critically short supply by firms which use them.

Wage and price controls are actually harmful to the economy. The stimulation of competition in the free market is the only route to a healthy economy. In a competitive market, prices respond quickly to changes in supply and demand, and prices are the barometer of the economy. The price mechanism is the best possible allocator of our resources as well as our goods and products. Tampering with this delicate balance only leads to disruptions, distortions, and shortages—conditions which prevent economic growth.

INTEREST RATE CONTROL

It has been suggested that the Federal Government should regulate interest rates. However, this type of action would do nothing to correct the causes of rising interest rates.

Deficit spending puts pressure on the Federal Reserve to finance the deficits by increasing the supply of money in the economy. This is a particularly relevant point when considering that the President's budget submitted to Congress this week calls for an almost $55 billion deficit in Federal funds during fiscal year 1976. This excessive increase in the money supply creates a chain reaction—it increases prices which in turn push interest rates upward over the long run as lenders raise rates to compensate for the inflationary impact generated by the growth in the money supply. Excessive growth in the money supply at rates estimated to range between 10 and 12 percent occurred in the first years of the 1970's. However, a restrictive growth in the money supply—like what we are now experiencing at a rate estimated at 3.2 percent—forces the private sector to absorb the Government's deficit, and also pushes up interest rates.

Clearly interest rates can be brought down by congressional fiscal reform bringing Federal spending into balance with anticipated revenues, and it is on this point which Congress should concentrate its efforts. This would allow the increase in the money supply to be tied to real growth such as growth in national productivity.

CREDIT ALLOCATION

This week a subcommittee of the House Banking and Currency Committee is holding hearings on credit allocation proposals. Credit allocation is an attempt to set priority areas for consumer lending and redirect the allocation of bank credit to national priority areas. Such an action does not, however, guarantee that funds will be available for lending in any specific areas.

This interference in the money market and with the free market mechanism of distributing capital further ignores the causes of rising interest rates and tight money. It would again involve the setting up of a Federal bureaucracy to administer what can be best handled by the free market. It ignores economic interrelationships and attempts to isolate certain segments of the economy. One result of credit allocation could be shortages in industries that are not priority areas—industries which contribute not only goods and services, but also jobs and incomes to working people in that industry. In addition, there is some speculation that such a program could also cause upward pressure on interest rates.

This is the time for Congress to examine all areas of governmental intervention in the private sector which discourage competition, raise prices, or otherwise promote inflation in the economy. There can be no question but that the Government has contributed to the upward pressures on costs and prices from tariffs, import quotas, price supports, and other laws which protect segments of the economy from market forces. At the President's Conference on Inflation in September 1974 the following list was suggested as target areas for regulatory reform—this list was generally adopted by the economists who participated in the Economists Conference on Inflation preceding the main conference:

Recommendations To Improve Economic Efficiency and Price and Cost Structure of the Economy

(Originally presented at the Sept. 23, 1974, Meeting of Economists, New York City)

PART I

(1) Repeal the interest rate ceiling on long-term government bonds.

(2) Repeal of the private express statutes that provide the post office with a monopoly of first class mail.

(3) Outlaw state prorationing of oil and gas.

(4) Repeal the Connolly Hot Oil Act.

(5) Terminate the embargo on uranium imports.

(6) Amend marketing order legislation to prohibit restrictions on the interstate movement of specified types of agricultural products, supply controls for products, state fluid milk price and output control, and production quotas on individual producers.

(7) Repeal the meat import act.

(8) Repeal import quotas on dairy and other farm products.

(9) Remove all route and commodity restrictions imposed on ICC licensed motor carriers.

(10) Approve automatically railroad and truck rates within a zone of reasonableness.

(11) Repeal the antitrust exemption of railroads and trucking rate bureaus.

(12) Reduce or eliminate entry barriers into trucking.

(13) Abolish rate and entry controls for inland water carriers and freight forwarders.

(14) Approve automatically all air fares, including discount fares, within a zone of reasonableness.

(15) Authorize existing CAB licensed carriers to extend their operations into any markets while at the same time permitting them to withdraw from unprofitable or undesired markets.

(16) Authorize charter carriers to wholesale seats to travel agents.

(17) Make capacity-limiting agreements among the airlines subject to the antitrust laws.

(18) Eliminate regulation Q and other regulations which prevent savings institutions from paying competitive rates for deposits.

(19) Terminate the "voluntary" quota agreements for steel and textiles.

(20) Make merchant and passenger ship firms subject to the antitrust laws for any conference agreements.

(21) End "voluntary" quotas on other foreign exports to U.S.

(22) Prohibit resale price maintenance.

PART II

(a) Repeal legislation now preventing the sale of surpluses from the stockpile.

(b) Prohibit unreasonable restrictions on union membership, such as prior apprenticeship and excessive entrance fees.

(c) Abolish union operated hiring halls.

(d) Repeal the Davis-Bacon Act and similar laws concerning wages paid under government contracts.

(e) Repeal legislated further increases in the minimum wage.

(f) Deregulate the wellhead price of natural gas.

(g) Terminate crude petroleum allocation and oil price controls.

(h) Repeal the Jones Act governing coastal shipping.

(i) Abolish subsidies for ship construction and operation.

(j) Make such auto safety devices as the seat belt interlock system, heavy duty bumpers, and air bags voluntary rather than mandatory.

Congress must act now to get the Federal Government out of the business of regulating the private sector, and must act to bring Federal spending into balance with anticipated revenues. It is these actions and these actions alone which will start our country on the road to lasting economic stability.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's remarks. His statement concerning the credit allocation scheme of some of our friends on the other side of the aisle reminds me of a letter which appeared in my morning newspaper. It said: "The only way to keep this Nation from going totalitarian is to impose gasoline rationing and wage and price controls in the country immediately." Is that not an incredible contradiction in terms?

It is interesting that the liberal community, which is so antitotalitarian in its rhetoric, is coming up with solutions which indeed lead to totalitarianism, and led to the tragic situation in Great Britain, where we find almost 70 percent of its total industry is now nationalized. Professor Von Hayek's book, "The Road to Serfdom," chronicles how it could be possible here.

Mr. Speaker, I thank the gentleman for his contribution.

Mr. DEVINE. Mr. Speaker, will the gentleman yield

Mr. KEMP. I yield to my friend, the gentleman from Ohio (Mr. Devine), a Member who has consistently stood on this floor as a leader to help return some fiscal and monetary responsibility to this Nation.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from New York (Mr. Kemp) for his leadership in presenting these issues having to do with the economy of this country. The gentleman deplores the fact that we find ourselves in such a bind, and I congratulate the gentleman from New York for having the courage to meet this issue head on without political overtones, because he is not necessarily in tune with the messages we are receiving from downtown.

I think all of us were appalled when the budget message was sent up here and we found in it a proposed budget deficit of something in the neighborhood of $52 billion. I know that the gentleman from New York was shocked, as I was. Yet it was anticipated because of the excesses of those of us in the Congress who engage in deficit spending and authorizing the excess expenditure of public funds.

The public should keep in mind that only the Congress, not the President and the administration, can authorize and appropriate public funds. We have built into the budget so many uncontrollables that the President and the administration can do nothing about that. They must operate in this fashion in order to try to keep the Nation functioning.

Mr. Speaker, when I looked at that $52 billion deficit, I looked also at the President's state of the Union message wherein he said he hoped to have a moratorium on any new spending, and that he hoped the Congress of the United States would act responsibly and not come up with any more spending programs and engage in busting the budget.

I made it quite clear to the President that I felt a moratorium, based on this program would indeed be like living in a dream world and would be like basing a foundation on quicksand, because I think it is an illusion to anticipate that this Congress will act responsibly and that it will operate within the budget and not come up with new, vast spending programs.

So what are we talking about? Not just an anticipated deficit of $52 billion. I would say, more realistically, if we look at the temper of the Congress and if we look at the makeup of the Congress and the liberal persuasion of many of our Members, that we are looking closer toward a deficit of $75 billion to $100 billion in fiscal year 1976.

This caused me to go to the chief of the President's Economic Advisers and suggest this to him: That if we are indeed to have a $50 billion or $60 billion or $70 billion or $80 billion deficit, would that not require us to go into the private sector to borrow the money to pay for these programs that the big spenders want, and would that not mean paying very high rates of interest?

Would this not, in fact, be just like pouring gasoline on the flames of inflation, to set it off higher and higher, and

I refer to those people on fixed incomes and the others who cannot afford this.

I would say to the gentleman that I appreciate his taking the initiative to point these things out, because the American people are entitled to know, and these, I think, are clearer, solid facts and should be presented to the public.

Mr. Speaker, the uncanny timing of the administration's recommended deficit with this special order on the economy has afforded me the opportunity of emphasizing the urgent need for my colleagues to now assume the initiative to return this Nation's budget to reasonable proportions. For it appears that only through definitive congressional action will this end be accomplished.

The President proposes a $51.9 billion annual budget deficit, and unfortunately the Congress seems ready to accept that amount. Indeed, some even insist that we will add to that budget deficit through further increases in Federal spending. Our country cannot recover from the pains of inflation-recession by implementing fiscal policies which have rapidly given rise to our 12 percent inflation rate and an anticipated unemployment figure in excess of 8 percent. These statistics will never improve when the executive and legislative branches have resigned themselves to the practice of spending more money than the Government receives. This is the base formula for not only inflation, but also a deterioration of the currency. As the leading liberal economist of this century, Lord Keynes, warned us in "The Economic Consequences of the Peace":

> There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which one man in a million is able to diagnose.

Instead, we are asked to use a tax rebate and long-term reduction as the chief antirecession weapon while the people are still compelled to pay for a Government which borrows and spends without restriction. A tax cut is an entirely laudable and desirable objective, but it can only be justified when, and only when, accompanied by a serious reduction in Government expenditures. Whether we give the people a $12 billion or a $15 billion, or a $30 billion "antirecession tax rebate," the effect will be quickly and completely negated so long as inflationary borrowing remains unchecked. Government borrowing to finance this enormous deficit results in inadequate amounts of capital available to free enterprise expansion. Thus, as private industry finds it difficult or impossible to expand, employment is restricted and reduced.

Those primarily responsible for this condition are those Americans who insist on receiving additional services from the Federal Government while resisting legislation to pay for them. They are joined by those in Washington who are willing to hand these programs out, and at the same time, shirk the responsibility of appropriating specific tax revenues for that purpose. They prefer that the Government pay for these handouts with borrowed funds. We are, in effect, requiring our children and grandchildren to pay for our irresponsibility.

Mr. Speaker, let us not distort or cover up the reality facing our present economic policies. We cannot ever expect to spend the country out of a recession. The proposed $51.9 billion deficit and the alarming fiscal intentions of this 94th Congress will only provide the ingredients for economic quicksand for this Nation.

Mr. **KEMP**. I appreciate the gentleman's comments and his friendship.

Before the gentleman sits down, I want to tell him that I was informed by the Secretary of the Treasury that last year that Government borrowing preempted over 60 percent of the total private credit available in this country, and with a deficit of upward of $100 billion, we are talking about going out and financing in the private credit markets, upward of 80 percent. Imagine what that will do to economic recovery in housing and construction.

Mr. **DEVINE**. If the gentleman will yield further, he precisely puts his finger on the point, because when we have to go into the private sector and borrow the money, we dry it up and the homebuilding industry, the construction people, do not have the money to build and create jobs and sell the appliances and everything that is necessary. Also, the Treasury has to sell bonds and Treasury notes at 9 or 10 percent, again affecting the people in the private sector, and it is really counterproductive as well.

Again I compliment the gentleman for bringing this to the attention of the House.

Mr. **EDWARDS** of Alabama. Mr. Speaker, will the gentleman yield?

Mr. **KEMP**. I will be happy to yield to the gentleman from Alabama (Mr. EDWARDS), my friend and the ranking minority member of the Defense Subcommittee on which I serve.

Mr. **EDWARDS** of Alabama. I thank the gentleman for taking the time to create a dialog here on the floor on a subject that needs more discussion now than ever before.

I will say that I am very pleased to have the gentleman on the Subcommittee on Defense. He is a very active participant in the hearings, and he does his homework, as he has done today in presenting this special order to the House.

I think that the gentleman should be commended, and I would hope that the Members will read the record and will give consideration to what the gentleman has said and what others have said, and that it will create further dialog as we try desperately to find some logical, long-range answers to the problems that confront us. It is not going to be good enough to find quick answers to these problems. We are going to have to look down the road because the economy and the budget and all that goes with them are in such shape that we are going to have to really give some long-range thought to this.

I would like to make my own contribution today to the subject of the economy as it is impacted on by the energy crisis.

Mr. Speaker, President Ford's package for fighting the problems of inflation, recession, and energy is tough medicine with both a good side and a bad side.

Not many people will argue about the offsetting tax cuts proposed for individuals and the investment incentives proposed for business.

However, there will be considerable argument over the proposed increase in tariffs on imported oil because these tariffs, which are designed to reduce our dependence on foreign oil and the resultant outflow of dollars, will mean higher gasoline and other fuel prices.

Taken as a whole, and that is the way we must look at it, my first impression is that the President's proposals for the economy and energy have merit.

President Ford has recommended a tax cut in personal incomes of $12 billion which, for the 1974 tax year, would be returned to taxpayers in the form of a cash rebate. The proposed 12-percent rebate is designed to return a portion of the taxes paid on 1974 personal income up to a $1,000 maximum per taxpayer.

In addition, the President asked for a 1-year moratorium on new Federal spending programs, except for energy projects. He also asked Congress to set 5 percent ceilings on increases in federal and military pay and social security benefits for 1975.

On energy, the President announced a national energy program under which he will raise the tariff on imported crude oil and ask Congress to approve other energy conservation proposals. The President acknowledged that his measures would increase the cost of gasoline and other petroleum products.

On the other hand, the President said his proposals will discourage the unnecessary use of petroleum products and will encourage the development and substitution of alternative sources of energy. He said his plan is designed to make the United States invulnerable to foreign energy disruption by 1985.

President Ford will accomplish the tariff increase by immediate use of emergency Executive powers under a 1962 law. The other measures require congressional approval. They include: A 5-year delay in new automobile pollution standards; an oil allocation authority to oversee even distribution of oil products across the country; and a tax on oil companies' windfall profits. The increased petroleum tax revenue is expected to be about $30 billion per year. The President said this would be returned to the economy in the form of reduced taxes, probably by reducing tax rates.

The national energy program, the President said, advocates stronger measures to speed the development of coal, nuclear, solar, and geothermal energy sources.

Now it is up to the Congress to consider the President's package for the economy and energy. If Congress tears it apart and passes only that which is politically popular, ignoring that which is more difficult to explain to the voters, then there will be no stopping recession.

The Congress must make some difficult decisions over the next few months. I can tell you now that they will not all be popular, but we are not going to lick the combined problems of inflation, recession, and energy by running a popularity contest. I realize this and I am determined to do what is necessary. Consequently, I have joined in introducing the President's package, not because I think it has all the answers, but because I think it should be the vehicle with which we should work.

Mr. Speaker, it was just about this time last year when we began to get the large increase in oil prices and we began to feel the first impact of the Arab oil embargo.

The United States vowed at that time to become self-dependent in oil and to research and to develop other sources of energy. I think most of us would agree that these are good goals to pursue and would prevent any foreign country from again placing us in the economic vise in which the Arab countries held us.

Since our declaration, the embargo has been terminated and now we find strangely enough that we are importing more instead of less oil from the Arab countries.

Why is this the case? Well, American consumption of oil had been rising steadily at a rate of about 5 percent a year. Because American domestic oil production had begun to decline in 1970, imports had to cover the entire growth in our demand and then some. Imports rose geometrically until the end of 1973 when, in a few weeks, the whole structure of the world economy suddenly changed.

Western countries, which we traditionally counted on for some of our oil imports, Canada and Venezuela, cut back on their exports, trying to divert a large percentage of their oil to their own industry.

As our imports have continued to creep up, the prices we have been paying to foreign countries have gone out of sight.

In 1970, we paid $3 billion for foreign oil.

In 1974, we paid $25 billion for foreign oil.

And in 1977, if we do not do something, we will pay $32 billion for foreign oil.

And so we are becoming ever more dependent on imported oil and we are more and more vulnerable to external blackmail. The next oil embargo could do us in. So we must conserve, we must become less dependent, and we must encourage production at home. Voluntary conservation has not worked. We must find other ways.

One way is a 20-cent-a-gallon tax on gasoline at the pumps. This is unacceptable because it takes money out of the economy and offers nothing in return.

A second proposal would be to restrict imports and thus create a fuel shortage, higher prices, and longer lines at the gas stations. Gasoline rationing would be the result.

Third is the proposal that President Ford recently recommended which will place an import fee on oil and do away with the two-tier system of domestic oil prices.

The net effect of this would be to shift some production from foreign countries to this country, and a byproduct would be an increase in all fuel costs with gasoline going up about 10 cents a gallon or more.

To offset this, the President has proposed a reduction in income tax rates so that the increase in the cost of gasoline and the reduction in income taxes is about equalized.

This sounds complicated and it is. But it is designed to cause people to use less fuel, thus reducing imports, and then, it is argued, there would be more money to spend on domestic needs, which in turn would help the recession.

This proposal may produce windfall profits for the oil companies, so the President has proposed a windfall profits tax to keep from unjustly enriching the oil companies at the expense of the consumer.

Well, the natural reaction is to throw up your hands and say I do not want any part of such a crazy plan. But I think we must pause and ask—What is the cost of no plan at all?

Mr. Speaker, as we look at the President's budget, we can see the impact of the oil import problem. We must solve it. In many ways, it is at the heart of the economic problems we face.

I urge Members to use restraint in considering the budget and to use imagination finding useful long-range answers.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's contribution and his comments.

Since I serve on the Appropriations Committee with him, I will join the gentleman in taking a close look at the defense budget as closely as anyone can with a mind to exercising economics in every program and agency of our national spending.

That is something that we do not want to overlook, and we want to make sure that the fat is cut and not the muscle so that this Nation may remain strong in its national defense.

Mr. Speaker, I yield to my new friend, the gentleman from Louisiana (Mr. MOORE), a new Member of this body. It is a great honor to have him make a statement.

Mr. MOORE. Mr. Speaker, I appreciate the fact that the gentleman from New York has so graciously extended me some of his time.

I would also like to commend him for having made the effort, through this special order, to bring this important message to the people of this country at the beginning of this most important Congress.

Mr. Speaker, these are my first remarks to this august body, and I feel that it is a very important matter that causes me to rise on this occasion. That matter is the fact that our present economic woes have demanded that each one of us explore and examine every possible alternative for stimulating overall productivity. Increased productivity has always been the answer, and it has always provided the remedy for recessionary ailments. Since the prodigal policies of the Federal Government over the past several years remain the root cause of the stagnation in private industry, this Congress must assume the responsibility of leading the country in the right direction.

In a period of recession and inflation, we need to solve both—we cannot ignore either.

The answer to this dual problem is to increase productivity through our hallowed free enterprise system. Greater consumption alone is not the answer, and will not work. We first must have the goods and services to consume. We need greater production.

Greater production will make more goods available, and thus lower inflation. It will provide expansion of our economy, which will take care of our rising unemployment. Greater production and expansion will bring us out of this recession.

On the other side there are many who are answering that the way to change our economy is through increasing our Government programs. I humbly submit that this is not the answer to our problems. Increasing Government programs and expenditures only stifles productivity as it dries up private capital needed for expansion. It creates the need for new taxes and has brought us to the point in our history where over 40 percent of all private income goes to Government at all levels in the form of taxes.

Greater Government programs create increased deficit spending.

I voted today against increasing the national debt ceiling in protest to increased deficit spending in this country.

On the first day of this Congress I cosponsored a constitutional amendment, House Joint Resolution 129, to stop deficit spending. I think this was symbolic that on our first day in session this important proposal was introduced to get at the root cause of our problem. Our free enterprise system has for over 200 years given us the highest standard of living in history. Some mistrust it, and look to the Government for solutions. I do not. I look to our people, and their ability to work hard and to produce. I think the answer is to increase production, and we can do so by the five following points:

First: give our productive sector incentive to expand by immediately passing a 10-percent investment tax credit, and make it permanent—not just for 1 year.

Second: give an income tax rebate to small businesses and corporations by reducing corporate taxes from 48 to 42 percent, and do so immediately. This will help small businesses who might not otherwise use the investment tax credit. They need such a tax incentive, as many of them went bankrupt last year, and part of their problem is the crushing tax burden that they now face.

Third, we must encourage labor and management to cooperate in finding ways to increase productivity corresponding with increases in wages, and costs of goods and services.

Fourth, we must end unnecessary Government regulation of private enterprise which is strangling our productivity, and again hurting our small businesses.

Fifth, and finally, we must make more capital available by:

Reducing Government borrowing.

Increasing the capital supply by encouraging the lowering of the Federal Reserve interest rates.

And by encouraging people to save.

To establish savings, today I introduced a bill to exempt the first $1,000 on savings accounts from Federal income taxes. This will reduce inflation by encouraging savings. It will give an average saver a tax incentive that large savers and investors now have in tax-free municipal bonds.

And third—and most importantly—this will reduce recession and unemployment by making funds available for loans for home construction and business expansion.

I conclude, Mr. Speaker, by urging the return to free enterprise by needed incentives, such as I have outlined, which will restore the time-honored principles of supply and demand, increase our standard of living, and restore our confidence in our Government and ourselves.

Mr. KEMP. Let me say to our new colleague, the gentleman from Louisiana, he has made an eloquent defense of the free market and limited Government philosophy, and his proposal for accelerating the capital formation necessary to boost productivity is well thought out, and a responsible answer to the recession facing this Nation.

I should like to say to the gentleman and others who are in the Chamber that the gentleman from Louisiana obviously understands the fact that the only real and lasting way to increase the standard of living of the maximum number of people in this country is to increase the amount of capital invested per capita: the more capital invested per individual leads to better tools and plants and to a higher rate of production; the better the rate of production, obviously, the higher the ultimate standard of living.

Mr. Speaker, I now yield to my friend, the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the gentleman very much for yielding. I appreciate his leadership as a fellow economic libertarian. I appreciate the leadership of the gentleman from New York (Mr. KEMP) in trying to bring some of these very important points to the floor, and I am very pleased to be speaking after the very articulate presentation by the gentleman from Louisiana (Mr. MOORE).

I think that what Mr. MOORE is really reemphasizing is what Governor Bradford discovered in 1623 when the American Revolution really started, and that was that it is easy for someone to divide up the grains in the bin, but it is very difficult to have there be some grain in the bin, and that is when he threw out the socioeconomic type of system they were living under in the colony and started us on the free enterprise system, and that is where the great ideal burst forth.

Mr. Speaker, today I should like to emphasize a special part of our economic dilemma besides the fiscal and the monetary matters the gentleman from New York and others have so articulately placed before this House, and emphasize some of the problems we face in the economic tieups. It seems as though there are three large factors in the country: the regulators, the environmental extremist hysterical groups that would stop all natural use of our natural resources, and, of course, the regulators.

Mr. Speaker, I am pleased to associate myself with my colleagues who are participating in this special order sponsored by Mr. KEMP. I do not think that I need to emphasize that the American people are facing an economic crisis—namely inflation with a slowdown in production.

However, I would like to address myself to something that has been a particular problem to our economy recently—environmental extremism and the Environmental Protection Agency. Since its creation in 1969 the EPA has been a single purpose agency by definition. It serves a very special clientele and looks to it for support. Its "missionary" role has attracted personnel who have internalized the values of the environmentalist community it serves. It is not equipped to make trade-off decisions between environmental and other objectives. As a result of this, some EPA decisions have been based on data that is neither scientifically accurate nor conclusive. Oftentimes the so-called facts have been twisted to fit a previously desired conclusion of environmental extremists. This type of bureaucratic regulation has taken its economic toll on all of us.

Under the Environmental Protection Act of 1969, it is required that Federal agencies with licensing powers over public works file "environmental impact" statements concerning the effect of such proposals upon the earth, its atmosphere and waterways. The concept has spread to other layers of government and findings of bad "environmental impact" have recently stalled all sorts of projects, including nuclear powerplants, improvement of electrical facilities, and construction of refineries. These controls have had drastic counterproductive results. Overconcern about such things as the mating habits of caribou and the ground squirrel population has adversely affected our economy in numerous crucial areas—causing shutdowns of industries, laying waste to crops and timberland and contributing decisively to the energy crunch.

One of the most glaring examples is the ban on the use of DDT that resulted in millions of dollars worth of damage to timber in the forests of the Northwest. Tussock moth infestation placed severe economic hardship on the timber industry in my own district in Idaho and in the neighboring States of Oregon and Washington. This added to the cost of lumber and to housing and so on down the line, all because of the arrogance of environmental elitists at the EPA. And this kind of thing goes on and on. The banning of certain pesticides as a result of inconclusive data could easily cost us dearly in food production and add to the consumer cost of food.

However, one of the greatest causes of our economic difficulties today is the lack of production and high cost of energy. And it is in this area that the EPA and other environmentalist obstructions have taken their greatest economic toll on the American people.

Since nothing can disrupt industry or bring a nation to its knees faster than an energy shortage, let us take a look at what the environmentalists have done in this field. The most horrifying example is, of course, the Alaskan pipeline. We are forced to import oil at a rate of over 1 million barrels a day from the Middle East at a terrific cost. Yet if court action by environmentalists had not blocked the Alaskan pipline, today we already would be receiving over a million barrels a day from that one source. Even though Congress passed legislation during the last session to enable its construction, we cannot receive oil from the pipeline for 4 years; meanwhile the estimated cost of the pipeline has escalated from $1.5 billion to $3.6 billion and a large part of one of the richest oilfields in the world lies unexplored because of a lack of means to transport new discoveries. Just look at the cost Americans are paying today because the environmental lobby is concerned about the pipeline's effects on the Alaskan caribou.

Another tremendous source of domestic oil and gas lies offshore, but the environmental lobby is bringing suits under the Environmental Protection Act to prevent the sale of oil leases offshore. Furthermore, refinery construction has been blocked due to unreasonable environmental regulations. Some examples are the Stuart Petroleum refinery at Piney Point, Md.; a 65,000-barrel-a-day refinery by North East Petroleum at Tiverton, R.I.; and a Shell Oil Co. 150,000-barrel-a-day refinery on Delaware Bay.

Also, EPA regulations have greatly added to fuel consumption by automobiles. Cleaning up auto exhausts has already cost 300,000 barrels a day of extra gasoline, according to the Office of Emergency Preparedness and could go to 2 million barrels a day by 1980 unless the standards are relaxed. Yet, we are supposed to be on a fuel saving campaign. So it seems to me that fuel economy and the EPA are working in opposite directions.

Coal, which is the only domestic fuel in plentiful supply, is on the environmental blacklist because it is dirty. What is more, environmental regulations all but preclude mining of clean, low-sulfur coal which could meet the strict air pollution standards, yet the clean air standards preclude the burning of high-sulfur coal which can still be mined legally.

So that leaves nuclear power, but that is anathema to environmentalists and many of the EPA regulators. As a result, the nuclear powerplant construction program has fallen way behind schedule. Construction on nuclear powerplants has been delayed and in some cases abandoned altogether as a result of environmentalist lawsuits and unreasonable EPA regulations.

The point that I want to make, Mr. Speaker, is that all of these regulations, many of which are not based on sound scientific data, greatly add to the consumer cost of energy and have contributed to the energy shortage. Just look for a moment at the rapid rise in utility rates; when a power company must battle lawsuits and complex environmental regulations in order to construct a generating plant, somebody has to pay the bill—the consumer.

The increased costs to consumers of environmental regulations is not confined to direct energy cost alone; rather they are reflected in higher cost of practically all goods and services. It has been estimated that when all of this is taken into consideration, the average American family is paying approximately $1,000 a year in higher prices as a result. We are now in a position where we must weigh "economic impact" with "environmental impact".

In conclusion, Mr. Speaker, the President has asked for a relaxation of EPA regulations in order to expedite energy production; this is especially critical if we are to make use of our abundant coal supplies. Now, the EPA is directly under the control of the President and if they do not cooperate then President Ford should consider some staff changes at EPA and the Department of the Interior.

Mr. KEMP. Mr. Speaker, I yield to my distinguished friend and colleague, the gentleman from Virginia (Mr. Robinson), with whom I serve on Appropriations.

Mr. ROBINSON. Mr. Speaker, as a member of the Appropriations Committee—the only member of that committee from the Commonwealth of Virginia—I have a particular responsibility to be concerned about the state of the Federal finances.

Recurring heavy annual Federal deficits—paying out billions of dollars more each year than the Treasury collects in revenue—worried me as a private citizen before I had the privilege of serving in this House. The same was true of the related inevitable substantial increase in the national debt. Through two Congresses, this sort of worrying was a continuing part of my official duties. Now, in the first session of another Congress, I am not merely worried. I am appalled, and truly frightened, by the prospect of annual deficits in excess of $50 billion and a national debt of more than $600 billion, with the Federal Government approaching a spending rate of a billion dollars a day.

Frankly, I am concerned for the very solvency of our National Government.

As representatives of the people, we are being called upon to deal effectively with inflation, recession and an energy crisis. There are plans to stimulate the economy by rebating and reducing taxes, in order that individuals and business might have more money to spend, thereby, hopefully, restoring lost jobs and creating new ones.

At the same time, there are plans to impose new taxes in an effort to enforce energy conservation, and to recoup some of the revenue which would be lost through income-tax reductions and rebates.

These measures are directed toward the recession and the national energy shortage.

For the time being, the problem of inflation seems to have been nudged into the background, as something all of us simply will have to tolerate for the indefinite future.

Inflation, though, is an identifiable menace in the overwhelming majority of American households. The families so affluent as to be able to ignore its impact on their standards of living represents a very small fraction of our population.

If this Congress does not demonstrate a disposition to deal in a responsible and energetic manner with the persistent double-digit annual increases in the cost of living, relative to household funds available to pay this cost, all of us who serve in the Congress will feel the anger of the people—and properly so.

One step we can take—if we have the courage to do so—is to reduce Federal spending drastically. We must face up to some emergency costs at this time, but we must avoid the destruction of the free enterprise system by preempting its essential resilence, ingenuity and denying it self-regulation through the economic law of supply and demand.

As the biggest purchaser of goods and services, and as the biggest borrower, the Federal Government is a major factor in inflationary price increases—including the price of money—interest rates.

An example of how inflationary spending by the Federal Government has fed upon itself is the revenue gain to the Treasury attributable solely to inflation—the situation in which a taxpayer has moved into a higher tax bracket, not because of increased productivity, but because of increased income in dollars—less valuable dollars, to be sure—produced by inflation-induced increases in wages, professional fees, business profits, or investment yields.

These are not true income increases, but the Federal Government reaps a windfall profit in inflated dollars, which it then spends to maintain the inflation spiral.

Taxes should be related to real income. Taxes should be reduced for both individuals and business to rejuvenate the free enterprise economy, and the Federal Government simply should get along with less for its own functions—which functions, not incidentally, should be reduced drastically.

We need more effective checkreins on the Federal tax power, such as a limitation on the percentage of aggregate national personal income which might be taken each year in Federal taxes.

Most Americans believe in the free enterprise system. Certainly, I am sure there are few, if any, in the House, who would advocate abandoning it.

Over the years, however, we have brought this system to the point of strangulation through legislation and bureaucratic regulations.

There still is time to ease the bonds and prepare to enter the third century of this free Nation with reliance on the innate vigor of free enterprise, and the commonsense of the people.

Mr. KEMP. Mr. Speaker, I appreciate the comments of the gentleman as well as living up to his words by his work on the Committee on Appropriations.

Mr. Speaker, my friend, the gentleman from Texas (Mr. Collins) is another leader in the economic freedom movement and I yield now to him.

Mr. COLLINS of Texas. Mr. Speaker, I appreciate very much what the gentleman from New York is doing.

In this particular week we have heard so much about the budget and we have heard about the $52 billion deficit, whereas in reality we should be talking about a deficit which approaches $100 billion.

The person who is often overlooked in these discussions is the average American. I have read some statistics applying to the average American workingman. It was said that during the past 2½ years the workingman's monthly income has increased $100 but interestingly enough his purchasing power is $34 a month less. What has been happening is the more money the Government spends, the less money the fellow who is working, the fellow who is paying his taxes, the fellow who is making this Government operate is receiving.

There is nothing more pertinent now than discussing this budget. The gentleman from New York is to be congratulated.

This special order by my scholarly colleague from New York, Congressman Kemp, is most timely. The Nation is looking for answers to inflation and recession.

There comes a time in the reality of economics when the best solution is not always the easiest one. Today we are discussing the economy of this country, and I join those colleagues calling on America for sacrifice and long-term planning.

I would emphasize the need for long-term planning. Liberals have thought only in terms of the next election and for three decades liberals have been leading the country toward a socialistic state.

America is the greatest country in the world because it provides a system of government with equal participation for all. In this Republic of ours we provide incentives by encouraging more production. But more and more legislation has been designed to emphasize broader distribution of goods.

Congress continues to give and spend money as they pay by extended bank credit, printing more money and borrowing money. These weak finance practices have developed weaker money.

In the first week of this session, I addressed the House and recommended 22 specific points to cut back on our overspent budget. These points called for sacrifice but they would lead the way to a stronger economy for America in the future.

Our biggest problem in this country today is excessive Government spending. We overspend at the Federal, State, and local government levels. Our crisis in inflation and recession derives from this overspent deficit budget.

Inflation is severely hurting the plain average workingman. This week's issue of U.S. News had an enlightening chart that showed what had happened to a factory worker in the past 2 years. Back in 1972, his paycheck averaged $136.51 and today it averages $259.87. But he is not making $100 a month more as his paycheck indicates. Instead, we need to compare his real weekly pay of actual purchase power dollars using 1967 as a base year. The average worker has $34 a month less in the real purchasing power of goods than he had only 2 years ago. He has $34 less money in purchasing power than he did 2 years ago. It comes back to one fundamental. The more the Government spends, the less money is available for the private sector.

We talk about inflation all over the world. It is true that other countries have inflation. But it used to be that the American dollar stood highest in value all over the world. The old expression was it was just as good as a Yankee dollar. Let us compare the American dollar today with other currencies. How has our exchange rate held up from where we were 5 years ago? Compared to Belgian francs, we are down 29 percent. Compared to the Danish kroner, we are down 26 percent. With the French franc we are down 22 percent. Look at Central Europe, we find we are down 33 percent less than the Dutch guilders. We are down 36 percent less than the West German mark, and we are down 42 percent with the strong money of Switzerland. Other countries have had inflation, but the dollar is eroding faster. It is the same fundamental weakness—the U.S. Congress is overspending its budget.

Congress should not borrow more money to give away. We should consider the advisability of whether to continue foreign aid. How can we share revenue with States when we are actually creating debts?

Unless Congress balances its budget, this will require more of the Nation's money for the Government and less will be available for the private sector. Let us remember the private sector creates the jobs, pays the salaries, and pays the taxes.

Mr. KEMP. Mr. Speaker, I thank the gentleman from Texas for being here and taking part in this discussion.

Mr. Speaker, I yield now to my friend, the gentleman from Maryland, who has had such a great deal to do with this special order, Mr. BAUMAN.

Mr. BAUMAN. Mr. Speaker, I commend the gentleman from New York for his efforts here this evening.

I would like to say, however, I am going to abbreviate my remarks this evening. I served for many years on the staff of the House and special orders were the bane of our existence.

I can only say I owe the other gentleman a debt.

Mr. Speaker, I hope the gentleman in the White House will watch this section of the RECORD as closely tomorrow as they watch the voting records.

Mr. Speaker, I appreciate this opportunity to join with my colleagues in presenting alternative proposals to deal with the crisis which afflicts the American economy. There has been a great deal of criticism of some aspects of the administration's budget and economic proposals. I share many of those criticisms. Certainly the largest peacetime deficit in history is not a prospect which any of us can view with pleasure.

Unfortunately, most of the proposals put forward by the majority party in this Congress either share the basic errors which mar the administration proposals, or offer the same tired New Deal solutions which originally got us into this economic mess. There is a serious need in this country for the articulation of another course of economic action, for a frank and bold departure from the programs of the last 40 years. Variations on the same shabby themes will no longer do. For this reason, I am particularly grateful to my colleague from New York (Mr. KEMP) for his leadership and his untiring labors on behalf of articulating sensible free-market-oriented solutions to our economic problems.

It has been said that the economy is in such a fix because the Government has spent the last 40 years trying to fix it. This sentiment is more than a mere turnng of a phrase. It contains the kernel of truth the realization of which can help us to see our way out of our current problems.

The American economy is a massive and complex mechanism. A total gross national product in excess of $1,400 billion reflects thousands, and hundreds of thousands of individual transactions and decisions. Millions of people make their own estimates of the individual economic circumstances in which they live, and decide whether or not to produce or to purchase, how much to purchase, how to organize their affairs to provide for their own welfare, when to cut costs and when to invest.

Here in Washington, Congressmen and Government officials often lose sight of the millions of decisions and calculations which comprise our free economic system. We receive neatly printed booklets from Government agencies, which translate all of this into a series of figures and statistics. We can look at these figures and get an overview. If we are not careful, we can start to think that we can control all those millions of decisions and guide them along the path to prosperity and full employment.

Viewing the economy as a set of statistics, it becomes easy to think you can comprehend and control it. But such an arrogant attitude is a delusion, a trap for the unwary. No one person, no matter how brilliant, can comprehend all the complex factors which are part of our economy. Not even in the Office of Management and Budget is there enough capacity to absorb and comprehend statistics to run our economy with complete rationality and accurate information.

In addition to the difficulty inherent in any attempt to "fix" the economy from above, there is a very real question of freedom involved. We may see a lot of statistics and numbers, but those cold statistics represent the lives, jobs, hopes, and aspirations of millions of individual American citizens. Who are we in Washington to interpose our supposedly superior wisdom in place of the decisions of those who are most directly affected? How did we acquire the right and the power to disrupt millions of American lives for the sake of the theoretical juggling of some statistics on an econnomist's balance sheet?

We are paying the price now—not those of us in Congress, but our constituents out across America. Some may complain that we have not had a pay raise in several years, but $42,500 is still more than 98 percent of our constituents are making. Most of us can manage to scrape by. But how about our constituents, the people whose lives may be ruined by economic mistakes made here in Washington? Those are the people who are now protesting higher and higher taxes and deficits. Those are the people we are going to have to go back and look in the face. Can we live with ourselves if we simply go back and tell them, "Well, I went along with doing more of the same. I did not know if it would work, but in Washington you have got to go along to get along. We will try to get some increased unemployment compensation for those of you who have been thrown out of work by misguided Government efforts to manage the economy." That type of lame excuse will not work this time.

Mr. Speaker, trying to manage and fine tune the economy from above simply has not worked. We have had periods of prosperity in the last 40 years, but the cumulative effect of deficits, regulations which tie the economy in knots and deter progress, and plain and simple mistakes, is now beginning to tell. The up-and-down cycles are becoming more frequent and more drastic. We are now in the midst of a "stagflation recession" which, according to most economists, is not going to respond very quickly to the old medicine. When inflation becomes a habit, it takes ever-larger doses of inflation and deficits to provide ever-smaller stimuli to the economy. Thus the administration tells us that this largest peacetime deficit in history is not likely to put the economy on an even keel for 2 years or more—and if the past is any guide the administration forecasts will prove to err on the optimistic side.

Well, if even the advocates of the conventional wisdom, who stick to the formula of using deficits to stimulate the economy, predict that it will take at least 2 years for this method to turn the economy around, then we really should be looking at our economic problems from a much more long-range perspective than many of us in Congress are accustomed to adopting. If we cannot apply a few bandages and splints and give the economy an appearance of health by midyear, or the next election, it might behoove us to investigate a little more deeply into the root causes of our difficulties. If it is going to take us several years to restore prosperity, why not restore a real prosperity, rather than appropriating enough funds for public service jobs to compensate for the harm which the Government is doing to the fabric of our economy?

Mr. Speaker, the basic answer to our economic troubles is increased productivity. Productivity comes from accumulation of enough investment capital to make the risks inherent in new production feasible and reasonable. Productivity is enhanced when individual workers and producers have reason to believe that they will be allowed to retain the fruits of their labor, rather than having it taken from them to pay for the mistakes of Government. Productivity is encouraged when investment capital is allowed to flow to those kinds of investments which offer the best rate of return—rather than being seized and allocated according to artificial, politically inspired schemes into nonproductive activities and endeavors.

Productivity, in short, is enhanced when the Government maintains a low profile in the marketplace, allowing those millions who participate in the market to decide how to allocate their resources and direct their endeavors.

In the long run, productivity will be enhanced, and a genuine economic recovery brought about, through increasing reliance on the free market, and a decrease in the control which government exercises over marketplace decisions. The conventional liberal wisdom, embodying controls, allocations, deficit spending and printing more paper money, may bring us out of this economic decline, for a short while. But the result will be only the appearance, the illusion of prosperity. Unless it is undergirded by increased productivity, these formulas will only be paving the way for the next decline, which will likely be steeper and more costly—not just in terms of money but in terms of shattered lives and trampled aspirations.

If we are to think in terms of returning the power to make decisions to the people, a good place to start out thinking is with the Federal budget. It may not be completely accurate to say that the size of the Federal budget is an infallible indicator of how extensively the Government is intervening in the lives of its citizens. But it can be a pretty good indicator. To meddle, even in an unproductive manner, requires money and resources. The size of the budget can give us some indication of just how much of our national wealth is being diverted away from productive, job-creating activities into non-productive, resource-consuming activities.

In that perspective, the proposed budget for fiscal 1976 must be considered alarming at the least. As the Wall Street Journal has pointed out, even Eric Sevareid has expressed concern about the ever-increasing percentage of the national wealth which is diverted to the uses preferred by the Government rather than those chosen by the people. Mr. Sevareid was apparently shocked to learn that if present trends continue, in 1985 half the national income will be controlled by the Government.

That is a shocking projection to many of us. What may be more shocking, however, is the size of the projected deficit—more than $52 billion. In the last few days, both administration and majority party spokesmen have acknowledged what I had predicted over 2 weeks ago—that the actual deficit may be much higher, perhaps in the $80 billion range. The distinguished gentleman from Texas (Mr. MAHON) has even estimated a possible deficit in the next 18 months in the amount of $150 billion.

The impact of a deficit of that size can scarcely be comprehended. The first fact to be recognized is that a deficit of that magnitude indicates that we as a people are getting, and perhaps asking for, more Government than we are willing to pay for. In effect, we are asking our children, and perhaps our grandchildren, to pay for the Government services and payments which we want now. If we are not willing to pay for Government at that cost level, there must be a way to cut back the Government to a level which taxpayers are willing to support.

The second implication of a deficit of this magnitude is the effect on the capital market and interest rates. Some economists may downgrade the notion, but it seems to me there is no way to get around this simple fact. When the Government goes out into the marketplace to borrow $150 billion—or even a "mere" $52 billion—it has to have a serious impact on the availability of capital for other kinds of loans. Diverting that much money from the private capital market is going to have an influence on interest rates, and it is not going to be to drive them down.

The only way you can avoid a credit crunch with a deficit of $50 to $80 billion or more is to pump up the money supply. Such a deficit will place tremendous pressure on the Federal Reserve System to create more money, so that there will be some funds available for private investment. But the economists tell us the productivity is going to decline in the next year or so. Lower productivity and an increased money supply can mean only one thing—double digit inflation, perhaps of a magnitude which will make us think of 1974 nostalgically.

The conclusion which seems demanded is that we must cut the Federal budget drastically—now—this year. Each year we hear about the special circumstances which make a deficit necessary this time around, usually accompanied by a promise to move toward a balanced budget next year. Those kinds of promises are not good enough. This Congress must act now, to cut the budget and move toward balance.

Anybody who has spent much time in Washington knows that there is a great deal of waste in Federal spending. Thus, while it may be somewhat simple in conception, the idea of an across-the-board spending cut should not be rejected out of hand. Such a cut would be greeted with lamentations and weeping, but there is simply not a department of Government which could not manage to struggle along with, for example, 5 percent less than they have asked for in fiscal 1976. We are giving the taxpayers an 11-percent annual inflation rate, which means that those who do not get a raise this year will, in effect, have an 11-percent decrease in their standard of living. Why should we accept, as a matter of course, the proposition that the Government should have an increase each year, at the expense of the taxpayers?

In looking for other places to cut, it would seem logical to examine those programs which have most recently been enacted. Roughly, Government expenditures can be divided into two categories: The provision of services, and the transfer of wealth. A third area, the expense of regulatory agencies which shackle the economy, should be considered as well, but let us consider the area of transfer payments.

The provision of services should not be considered exempt from budget cutting. There is little doubt that budget consciousness and improved management could reduce the cost of most Government services appreciably. But the area in which the Federal budget has exploded in the last several years is this area of transfer payments.

As the Wall Street Journal pointed out in a January 24 editorial, as recently as 1965, such transfer payments were "only" $37.1 billion. By the end of 1974, the Government was taking from some people and giving to other people at the rate of $155.9 billion per year. The increase in unemployment compensation and public service jobs is likely to bring this figure even higher in the next year.

It seems to me that in looking for places to cut the Federal budget we should concentrate on those areas which have experienced the most growth in the last few years. Those are the kinds of expenditures which this country managed to struggle along without for almost 200 years. A gradual and humane program of eliminating such questionable expenditures could bring healthy results for the economy as a whole.

I would like to insert at the conclusion of my remarks the Wall Street Journal's editorial for January 24, which discusses the problems associated with transfer payments in a serious and thought-provoking manner.

I would also like to suggest that curtailment of many of the regulatory agencies in the so-called "fourth branch" of Government would have two salutary effects. It would reduce the direct cost to the taxpayers involved in the maintenance of this bureaucracy. And it would liberate the people of this country so that they could turn their attention to increasing productivity rather than filling out Federal paperwork and complying with the arbitrary edicts of hundreds of bureaucrats in Washington.

The people of America are resilient and resourceful. The economy is not yet on its deathbed, although application of the same old medicine is likely to induce a lingering death rather than a speedy recovery. What our people need is not more handouts and controls, but the opportunity to work and produce in an atmosphere of freedom from arbitrary Government control.

In order to protect that freedom it is going to require the arduous and sometimes unpopular work of attacking, reducing, and revising those Government programs and policies which got us here in the first place.

Again, I thank the gentleman from New York (Mr. KEMP) for his leadership and for arranging this special order today.

The material referred to follows:

[From the Wall Street Journal, Jan. 24, 1975]

THE TRANSFER PAYMENT EXPLOSION

It was encouraging to hear Eric Sevareid of CBS comment favorably on President Ford's proposals to at least begin to bring federal spending under control. For more than a decade, most Americans have tended to assume that the U.S. is so rich it could do just about anything. Mr. Sevareid was apparently shocked to learn that if present trends continue, by 1985 half the national income will be controlled by government. What this means, of course, is that half of all national income will be taken in taxes.

That prospect in itself is cause for alarm, but what is even more troubling is the reason for this growth of government. Spending is not increasing by leaps and bounds because of military requirements. It is not growing because government is rebuilding cities, constructing dams or financing scientific research and development. It is mushrooming at a steadily accelerating rate because of government commitments to give cash to people who are not producing after extracting it from people who are producing. We are in the midst of an explosion in transfer payments.

As recently as 1965, government transfer payments to individuals came to a modest $37.1 billion. Last month, federal, state, and local governments were disbursing cash to individuals at an annual rate of $155.9 billion, for which no services are rendered. These include Social Security pensions, government pensions of all kinds, unemployment benefits, black-lung money, food stamps, welfare payments and health insurance benefits. While the payments are of course defended on grounds of compassion, they are having a serious effect on the economy, by steadily breaking down the relationship between reward and effort. The following table is revealing:

	Government transfer payments (in billions)	Wages and salaries	Transfers as percent of wages and salaries
1965	$37.1	$538.9	6.9
1972	103.2	626.8	16.5
1973	117.8	691.7	17.0
1974	139.8	751.1	18.6
Dec. 1974[1]	155.9	765.4	20.4

[1] Dec. figure is at an annual rate.

What the table doesn't show is the great burst since October, when a rapid triggering of unemployment, welfare and food stamp benefits coincided with a slide in wages and salaries. In two months, wages and salaries dropped by $7.6 billion at an annual rate and transfer payments advanced by $8.3 billion. The December 1974 over December 1973 annual rates showed an increase in wages and salaries of $46.1 billion and an increase in transfer payments of $33.3 billion. With the bottom of the economy not in sight, it seems highly likely that in 1975 transfer payments will grow more than wages and salaries.

It is taken as axiomatic that production is maximized when taxes are zero, i.e., output is greatest when employers and workers can keep everything they produce. The nation benefits from taxes, even though production is not maximized, when it employs receipts in ways the private sector cannot—providing general government, police and fire protection, national security, etc. Helping the poor, the elderly and weak is certainly an important function. From the figures one would assume it is being discharged far better now than five years ago, though the improvement is certainly not reflected in political rhetoric.

The problem is that the tradeoff between lower production and general benefits has a breaking point when private production can no longer carry the burdens placed on it by government. The nation has been flirting with that breaking point for a long time, but seems to have reached it in October. Present and future taxes, which have to be raised to finance government deficits, are now so high that it is more beneficial for more and more producers and workers to not work than to work.

Any serious attempt to solve the nation's economic problems has to focus on this explosion of transfer payments. Mr. Sevareid's concern with government spending has to come to grips with the implications of the following table:

FEDERAL BUDGET

[In billions of dollars]

	1970	1975	Increase
Total	196.6	304.4	107.8
Transfers	66.6	134.2	67.6
Defense	77.5	82.0	4.5
All other	52.5	88.2	35.7

The only reason we have for even cautious optimism about the future is that, at long last, a few brave policymakers, politicians and opinion shapers seem willing to break the bad news to the public. President Ford made a good start in his State of the Union Message. Mr. Sevareid made his contribution. Now, somehow, the news has to get to Capitol Hill.

Mr. KEMP. Mr. Speaker, I appreciate the remarks of the gentleman.

I yield now to another new colleague, the gentleman from Minnesota (Mr. HAGEDORN) who also stands for limited government and free enterprise.

Mr. HAGEDORN. Mr. Speaker, I congratulate the gentleman for his extensive effort in putting forth a program to meet the needs of our Nation in economic terms and for calling to our attention a very important but often overlooked trend in the financing of the Federal Government which has been going on the past few years.

That trend is the rapidly growing increase in so-called "off-budget" financing—spending by agencies of the Federal Government or Federal guarantees for borrowing by quasi-public agencies.

In fiscal year 1974 the Federal Government borrowed $3 billion from the public to finance the $3.5 billion unified budget deficit. What is often not taken into account, however, is the disturbing fact that it borrowed an additional $28 billion from the capital markets—more than $2 billion a month—for the "off-budget" activities of such agencies as the Federal Home Loan Bank Board, the Environmental Financing Authority, the Postal Service fund, the Export-Import Bank, and many other Federal agencies whose monumental demands upon the capital market are semisurreptitious—we cannot read about them in the Federal budget.

In the last 10 years, while the Government was running up an unprecedented $104 billion in official budget deficits, the "off-budget" Federal agencies were borrowing even more—$142 billion.

There are, of course, a good many economic effects of this situation. Federal borrowing and guaranties increase the demand for credit, but do not increase the total supply of funds available. As a result of this policy, interest rates are pushed higher and higher making it more difficult for the ordinary citizen to borrow to finance a home or for small businessmen to expand their business and create more jobs in the private sector.

A political effect of this policy is to make it more difficult for the people's representatives to adequately scrutinize these large spending operations in the "hidden budget." As Senator William Proxmire recently observed:

> No Federal program should be excluded from the budget. The whole purpose is to place all Federal programs—loans and direct expenditures—in competition with one another.

Secretary of the Treasury Simon in testimony before the Senate Budget Committee on August 15, 1974, said that in fiscal 1973, total Federal and federally assisted borrowing accounted for 62 percent of the funds raised through borrowing on the capital markets. His figures were based on the Federal Reserve System flow of funds data, which showed that the capital markets raised $52.6 billion in fiscal 1973, and that the Federal Government accounted for $32.8 billion of this. This was comprised of $21.6 billion in borrowing by the Federal Government and $11.2 billion by federally sponsored agencies. This 62 percent figure is in marked contrast with the 22 percent which was the Federal Government's share of the capital market borrowing 10 years previoulsy in 1963. Secretary Simon has recently pointed out that if the present trend continues, the Federal Government will soak up 80 percent of the funds available in the capital markets in just a few years time.

Mr. Bruce K. MacLaury, president of the Federal Reserve Bank of Minneapolis in my home State, recently wrote that—

> With the big Federal umbrella covering a growing portion of funds moving through the credit markets, these markets simply become vehicles for mobilizing private savings, and their role in assessing credit risks is displaced or forgotten . . . As a result the potential exists for reduced efficiency in resource allocation in the economy, as Federal credit programs spread.

I should like to conclude, Mr. Speaker, by reminding our colleagues of the warning which Dr. Arthur Burns, President of the Federal Reserve Board, voiced to the Senate Budget Committee on August 21, 1974. He pointed out that—

> In the fiscal year just concluded, the condition of the Federal budget failed to improve sufficiently. True, the reported budget deficit declined about $3½ billion—a much smaller deficit than in the three preceding years. But in a year of such powerful inflationary force, the Federal budget should have been in surplus. Moreover, when off-budget outlays and the expenditures of governmentally-sponsored agencies are taken into account, as I believe they should be, the total Federal deficit reached $21 billion last year, which is not much lower than the extraordinary deficits of the three previous fiscal years . . . the financing of the huge Federal deficits has contributed powerfully to the upward pressure on interest rates and the tension in financial markets, which have been troublesome of late.

Mr. Speaker, in calling these facts to the attention of our colleagues, my purpose is not necessarily to imply that all of this spending and borrowing through off-budget financing is undesirable. My point is, that the Congress has a duty to bear these huge sums being spent in this way in mind and to take "off-budget" financing into account as we supervise the growing Federal budget. I believe that Senator PROXMIRE has given us an important warning when he urged that no Federal spending program should be excluded from the budget.

Mr. KEMP. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I yield to my friend, the gentleman from Nebraska (Mr. McCOLLISTER), who since coming to the 92d Congress with myself has been one of those who consistently has spoken out for sound fiscal and monetary policies and the efficacy of private financial enterprise.

Mr. McCOLLISTER. Mr. Speaker, the gentleman from New York deserves the praise of this body for having put the focus on these issues of limited government and our free market. Next Tuesday evening the gentleman from New York (Mr. KEMP) will have the opportunity to speak in a similar vein, I hope, on these same subjects in my hometown of Omaha, Nebr., at a Lincoln Day Dinner. I am indebted to the gentleman, not only for that, but for having arranged this special order on this vital subject this evening.

HOW MUCH GOVERNMENT DO YOU WANT?

Since the days when our Founding Fathers grappled with the issues of the proper role and functions of our Federal Government, the subject has been the topic of lively public debate. Never has it been more important than today to understand the dynamics of Government growth and its implications for our society.

The introduction of the President's record $349 billion budget and the confusion and concern of our professional economists about how to deal with our present economic difficulties makes the basic question of what Government should be doing of critical timeliness.

Congress faces some hard choices. Can we afford to meet our past promises of governmental services? Can we afford not to? Is spending out of control? And what about the other nonspending aspects of Government intrusion into the lives of our citizens?

GOVERNMENT SPENDING

The most obvious barometer of the growth of the Federal Government is in government spending. It took 173 years for the Government to reach the $100 billion budget level. Only 9 years later it passed the $200 billion level. This year, 5 years later, we topped $300 billion. In another 2 years we will reach $400 billion. Can the taxpayers, can the economy stand this rapid expansion? And if they can, is this rapid expansion of Government spending bringing our society the kinds of benefits that make such sacrifices worthwhile?

The scary part is that the budget seems to have a momentum of its own. We are committed to so many programs that continue year after year that fully three-quarters of the budget is considered "uncontrollable" in the sense that it is nearly immune to congressional review. Of course, that did not just happen. Congress created this situation. Congress provided open-ended promises of benefit payments in so many social welfare and income maintenance programs, for example, that the budget of the Department of Health, Education, and Welfare alone approaches $120 billion for next year—assuming no new programs are enacted and increases in benefit levels are held to 5 percent this year.

Government spending, of course, is only symptomatic of the growing role of government in our economy and in society. At the present rate, governments will soon be spending more than half of our total income. Put another way, governments will be making more than half the economic decisions in this country if the present trend holds. In many ways, freedom of economic choice is directly translatable into freedom of personal choice. As governments spend more of our earnings, we have less to spend on our personal choices.

PAYING THE BILL

How do we pay for all this spending? A good question and one that the Congress has not been meeting straight on. The budget document projects that deficits will total $86 billion for this year and next. That is shocking enough. But that figure omits some backdoor transactions which actually bring the total national debt increase to $120 billion. And all this assumes that the Congress will vote to cut benefit increases to 5 percent and defer all new spending programs.

We have mortgaged the freedom of future generations by burdening them with a half-trillion dollar debt and Government deficit financing has a largely hidden effect. Government borrowing in the next 18 months may well reach $150 to $170 billion, draining this available loan capital away from would-be borrowers in the private sector where it would be used to build houses, modernize our industrial base, and create jobs.

Congress has ducked the hard questions too long. We are reaping the inflationary consequences of paying our bills by borrowing beyond our ability to pay and of pressuring the Federal Reserve Board to pay the bills by increasing the money supply. These are easy, short-term answers. The serious consequences are just now beginning to be felt.

GOVERNMENT REGULATIONS

Government regulations have become a way of life. We hear a lot about the possibility of wage and price controls or of gas rationing. We virtually ignore the omnipresent controls routinely imposed by a myriad of Government departments and regulatory agencies. The "alphabet soup" agencies are not just some abstract evidence of bureaucratic growth. Government bureaucrats determine transportation costs, what we see and hear on television and radio, the policies of our Nation's banking and securities industries, the contents and manufacturing methods of a vast variety of consumer goods, and a good deal more. Their decisions affect our daily lives at every turn.

ARE WE BETTER OFF?

The true test of any governmental system is its result—what kind of people and what kind of society does it produce. There can be no doubt that we are more affluent today with bigger Government than we were a half century ago. But are we better people? Is our society more desirable? As tradeoffs against our high standard of living we have crime and moral relativism, entangling Government redtape, increasing mental illness, and the destruction of the family as an institution, not to mention a frustrating "stagflation" in the economy and a crisis in public confidence in our Government itself. Could we achieve "the good life" with fewer of the present drawbacks?

It is instructive that the first priority of the new Congress this year was to create special committees to investigate charges of a Government agency spying on our citizens. Big Brother is watching. These kinds of abuse, combined with the demonstrated waste and inefficiency created by the clumsy bureaucracy, bear eloquent witness to the need to refocus some of our justly-renowned common sense on the problem of big and growing Government. Which programs do we need and want? Which ones should be discontinued? The public must decide. Congress only too well mirrors, even magnifies, the will—or the irresolution—of the people.

Mr. SEBELIUS. Mr. Speaker, I am pleased to be able to participate in this special order and enter into this discussion regarding our national economic policies. Most important, we need to talk about how these policies will affect the pocketbook of every American citizen.

I wish to commend my good friend and colleague, Congressman JACK KEMP from New York, for his leadership in making this discussion possible.

I am privileged to represent a district that typifies rural and smalltown America, the 57-county "Big First" district of Kansas. It goes without saying that folks in my district are concerned and frustrated over the present state of our economy. The mail now coming into my office is increasing daily and it reflects the serious concern that our rural and smalltown citizens have regarding the fact the inflation buck stops in rural America. I might add the economic status of folks in my district should be of special concern to everyone, for farmers and the small businessmen and working men and women who support our agriculture-related economy have the responsibility of feeding our country and a hungry world.

I believe it most important for every American to realize the real answer to providing quality food at reasonable prices lies in making it possible for the farmer to produce. In this regard, I am very much concerned over what I think is a most peculiar and distressing attitude that is apparently prevailing in this body, throughout the media and our Nation.

Today, any comment or criticism aimed at business—and let me point out American agriculture still represents our Nation's largest business—for the presumed benefit of the "working man and woman" usually results in headlines or prime time coverage. On the other hand, any defense of our private enterprise system or profits as the foundation of our free society is likely to be ignored, considered self-serving or politically expedient in behalf of so-called special interest.

Let me say I have a special interest. My special interest is doing what I can to help revitalize rural America. Put simply, I think it is time to quit deluding ourselves that "big government" can somehow be a source of jobs, income, social progress. The effects of our private enterprise system in a period of economic hardship will surely be harsh but compared to the problems we are experiencing and could experience with a government controlled economy, I think the private enterprise system is, without question, much more desirable.

This is so true today in rural America. In response to a growing shortage of food, controls were relaxed and the farmer responded with unprecedented production. Unfortunately, export, program, and marketing controls have been dragged back into the picture due largely to political pressure. Prices for our basic commodities are now depressed and as a result so is our food production capability.

Mr. Speaker, the following editorial from the February issue of the Farm Journal sums up in everyday language what I have been trying to say and what we are discussing. The article is entitled "Profits Aren't Obscene" and I think it should be required reading for everyone interested in our Nation's economic problems.

Again, I thank the gentlemen from New York for affording me the opportunity to take part in this discussion and for his leadership in making this special order possible.

The article follows:

PROFITS AREN'T OBSCENE!

For more than a decade now, the U.S. business enterprise system has been under increasingly virulent attack. During the 1960s, businesses got a lion's share of the blame for the nation's social ills: racial discrimination in hiring, polluting the air and water; killing and maiming employees with unsafe factories; and neglecting their medical and retirement needs.

The attacks have shifted to new fronts in the past year or two: Watergate and its illegal campaign contributions; neglect of the nation's fuel and power needs; and now blame for high profits and high prices.

We're not feeling sorry for any particular industry or corporation. Many of them deserve the criticisms they've gotten. Besides, public as well as competitive pressures are part of the game, as every businessman knows before he signs on.

But we are alarmed by one proposed cure that keeps popping up. During the oil embargo a year ago, several members of Congress declared that the U.S. should set up a government oil corporation "to bring more competition to the oil industry." When Consolidated Edison, New York City's power supplier, got into financial difficulty last spring, a *New York Times* editorial suggested that it might be a good idea for the State of New York to own all power plants. And when Pan American Airways fell onto hard times, there were claims that only a government-owned airline could compete with other international carriers.

Some farmers have joined in criticizing business, particularly when they've had to pay $350 a ton for anhydrous ammonia or $25,000 for a new tractor. Of course, it is part of the free-market system to resist price increases every way you can. But we hope farmers won't attack private ownership itself.

Right now it's popular to condemn profits as being too high. The U.S. Bureau of Labor Statistics reports that between November 1973 and November 1974 the inflationary rate was 12.1%. Add to that a minimum 4% or 5% real return on a risky investment like common stocks, and profits for the year should have averaged 16% to 17%. *Forbes Magazine* says in its Jan. 1, 1975 "Report on American Industry" that the median return to equity (dividends and capital appreciation to stockholders) for the 850 largest corporations last year was 13.3%. No wonder the stock market is depressed.

Before condemning high profits, we should remember that grain farmers who harvested decent yields last year are as vulnerable as any businessman to the charge. Some farmers could be accused of making profits of 100% or more. Yet you know how many poor years a single good year often has to pay for. You also know that if you're going to add new machinery, put up buildings or buy more land, profits must provide the capital to do it.

Many businessmen, including farmers, are feeling the growing squeeze on capital. Cattle feeders felt it last summer. So did power companies, who, in spite of the need for new generators, were unable to float new bond issues. Investors just weren't interested in buying utility bonds—not when they could get U.S. Treasury bills and notes at record rates of interest.

If the capital squeeze continues, one day it will be farmers—not Lockheed or Pan Am—who go to Washington to ask Uncle to be their "lender of last resort." Like any other lender, when Uncle extends credit, he often asks for, and gets, control.

Vermont Royster, former editor of the *Wall Street Journal*, summed up the situation well in a recent column: "Even the most obtuse politician can see how the plight of the auto business translates into lines of unemployed. But a Senator Jackson can still talk about the 'obscene profits' of oil companies at a time when the real welfare of people calls for untold billions of capital investment to find and deliver new oil.

"It never seems to occur to the railers against business that if new oil supplies aren't found . . . the lines of the unemployed will grow even longer."

Mr. GOLDWATER. Mr. Speaker, I commend the gentleman from New York (Mr. KEMP) for taking this special order to discuss the state of the economy. I subscribe to his "Statement of Economic Principles." Unfortunately, our mutual view of the economy and what needs to be done to combat inflation heretofore has not met with approval by a majority of the Congress and the Federal Government.

Well, I have said it probably 1 million times, but I will say it again—we cannot spend ourselves into prosperity and out of inflation. On the contrary, the single greatest cause of inflation is the Federal Government and its monetary policies.

This national debt of over one-half trillion dollars did not happen by some exterior force outside our control. It has happened because this Congress and the preceding 20 or so Congresses have been on a spending spree with little or no regard for the consequences. Congress has acted like the proverbial drunk with a credit card, and in order to pay for all the pie-in-the-sky things we have dreamed up over the years, the Federal Reserve simply increases the money supply by borrowing whatever is needed.

It is really not too difficult to understand inflation. It is the inevitable result of increasing Government spending—faster than we have been willing to pay for it through taxation.

From 1963 through 1968 the percentage of national income represented by Government domestic spending increased from 24 to 27 percent. From 1968 through 1973, it jumped from 27 to 32 percent. Meanwhile the national debt soars, double-digit inflation is with us, and productivity lags.

Now, we have a budget that calls for a $51 billion deficit. Of course, we will be lucky to get through with a deficit of less than $70 billion for fiscal 1976.

Several years ago I recall that a handful of the most vocal opponents of deficit spending predicted that future generations would literally pay for this folly. They were right. The future generation has arrived. We are paying now for 40 years of unbridled Government spending with $3 bags of sugar, 70 cents per gallon gas, ad nauseam. And this is just the beginning. Who would have thought 10 years ago that a six-pack of cola would cost more than a six-pack of beer? Who would have thought that a so-called medium priced car would go for $5,000?

Frankly, I am not at all certain the future holds promise for an end to this madness. Congress would not practice restraint. Far too many of our colleagues still feel that their constituents really like all this spending. Maybe they are right. But those constituents are going to have to pay the piper.

The gentleman from New York (Mr. KEMP) and the other brave few who are trying to tell this story deserve to be heard, and hopefully some people will start listening. The gentleman has introduced thoughtful, comprehensive legislation that deserves consideration. It certainly makes more sense than all these deficit budget proposals floating around. His bill is designed to help establish the integrity of the Government and its monetary policy through the imposition of ceilings on both revenue and budget outlays. This would be done by tightening the issuance of additional money by the Federal Reserve—a very noble purpose, indeed.

The Government causes inflation, thus the Government can stop inflation. First and foremost we have got to stop unnecessary Federal spending over revenue taken in. Second, we have got to stop printing phoney money to pay for the Federal Government's version of utopia, and lastly the Government must start offering incentives to private industry through tax credits and a reduction in top heavy antibusiness edicts, such as OSHA regulations, in an attempt to step up production, which most economists agree—steps up employment.

Mr. CONLAN. Mr. Chairman, any talk about the economy and how to stop inflation that causes recession and unemployment must consider an important point from the President's state of the Union message, when he said to the American people:

> What we most urgently need today is more spending money in your pockets rather than in the Treasury in Washington.

Government is the only organization competing against individual citizens and productive enterprises in the private sector for spending money.

There are three ways Government obtains money for its own projects: First, through taxation. Second, through deficit spending that borrows on tomorrow's productivity and earning power. Third, by inflating the money supply with an infusion of new printed dollars from the Federal Reserve System.

Politicians do not like to increase taxes, which is the honest way of committing people to support their spending ideas and receiving their approval for new Government projects. Voters would throw them out of office for spending money on most of their extravagant and wasteful schemes.

Liberals in Congress have worked around this thorny political problem of increased taxes for new and expanded programs with the dishonest almost-secret tax of deficit spending, which is why today we were again asked to increase the limit of the multi-billion dollar national debt.

Assuming Congress does not agree to the President's proposed $17.5 billion in budget cuts—which I personally feel is not enough—Federal spending in fiscal year 1976 will be $100 billion more than 1974. The combined deficits of 1975 and 1976 will also be $100 billion. That is more than a third of our entire U.S. money stock, which is currently around $284 billion.

These horrendous Federal deficits are the direct result of legally required spending by the Congress. They will be higher still if liberal leaders of Congress push through their political vote-buying but economically foolish tax cut proposals without a comparable cut in Government spending. This is why the national debt limit will have to be jacked up to over $60 billion by 1976.

In addition to catastrophic deficits and other economic mush-headedness by Congress, liberals on my House Banking Committee have this week rolled out their big guns to get through a big increase in the Nation's money supply. This requirement for the Federal Reserve to crank out additional money will not be backed by increased productivity, the only honest way to increase the money supply, and thus will result in more inflation.

If their proposal goes through, the new printing-press money will depreciate everyone else's money. The Government will be taking spending power from the people, particularly the low- and middle-income people, to use on its own boondoggles. This will also increase the prices of all goods and cause interest rates over the long haul to soar even higher.

Our goal must be to drastically reduce Government spending to eliminate much of the 1975–76 deficit. If Government borrows more money from the public, private borrowers will be deprived of lendable funds and interest rates will be higher.

Consider the staggering economic impact if Government takes more lendable money away from the private sector:

All commercial and industrial loans in 1973 totaled only $156 billion. Outstanding auto loans and charge accounts were $61 billion. And FHA mortgages totaled $68 billion. If investors bought another $100 billion in Federal securities, other potential uses of such funds—such as auto loans and home mortgages—would have to get by with much less. Thus the economy will not get the shot in the arm it desperately needs, and areas of the economy most hurt by the current recession will continue to suffer.

I say cut Federal spending, and cut it now. Put money back into citizens' pockets and into the private sector. Develop a sound program to reduce the budget and eliminate the 1975–76 deficit now. Here is my proposal, introduced in a package of five bills in this Congress:

First, place a 3-year moratorium on all U.S. foreign aid (H. Con. Res. 9).

Second, reduce the 1976 Federal budget by at least enough to put it 10 percent below what was spent in 1975 (H. Con. Res. 36).

Third, impose an immediate moratorium on new Federal spending programs (H. Con. Res. 10).

Fourth, balance the Federal budget every year, tie the growth of Federal spending to the growth of national productivity, and establish a firm monetary policy to prevent inflationary growth of the money supply (H.R. 1252).

Fifth, pass a constitutional amendment forbidding future Federal deficits and requiring gradual repayment of our half-trillion-dollar national debt (H.J. Res. 5).

And for dessert, let us require all foreign nations to pay us what they owe for U.S. loans—money and equipment—during the two World Wars and the Korean conflict. The total bill, with interest, comes to hundreds of billions of dollars. France alone still owes us $6 billion from World War I, and the Soviet Union owes us $2.6 billion from Lend-Lease. The list goes on and on.

Americans do, indeed, need more spending money in their own pockets. Let us stop the destructive flow of money from the productive sector of our economy into the hands of bureaucrats in the nonproductive Government sector. And let us make foreign nations pay back the billions they owe us to help put our economy straight and create jobs.

Mr. GUYER. Mr. Speaker, nearly 2 years ago we publicly predicted the coming of an energy crisis and since that time the majority party has submitted no program nor put forth any solutions to deal with this most critical situation.

The events of the past 2 years have made us painfully aware that the United States must achieve energy self-sufficiency at the earliest possible date. It is obvious that to become independent of foreign energy supplies, we must move rapidly to develop alternative energy sources. The prospect and need for reaching our goal is great. We must develop methods to draw power from the Sun, extract oil from our shale, make gas from our vast coal supplies and take heat from the Earth's core.

The role that the Government plays in the development of these alternative energy resources will evolve in the next several years. Neither compulsory rationing, further allocation, quota systems, regulations, controls, nor press releases and rhetoric will expedite the achievement of our energy goals. Only prompt and bold action will suffice. We must create incentives for industry to assume the responsibility of creating new energy sources and to perfect the technology to further develop those supplies for speedy utilization. The private sector of our economy has the professional know-how, expertise, and the capital resources and motivation to make self-sufficiency a reality.

The free enterprise system, over the past 199 years, has made America the greatest Nation on Earth. Let us not lose faith in that economic system as we strive to keep our country strong, free, productive, and self-reliant.

Mr. ASHBROOK. Mr. Speaker, for a number of years I have warned my colleagues that irresponsible Federal spending would seriously injure our Nation. Despite my warnings, the Congress has continued to spend far beyond the Nation's means.

The result today is a soaring national debt and double-digit inflation. Inflation means a higher cost of living and a growing rate of unemployment, which together are putting a terrible squeeze on many American families. Action must be taken now to help bring inflation under control.

First, Congress must cut Federal spending. Unfortunately, too many in the Congress talk of economy but vote for new programs and much higher appropriations for existing programs—even though their usefulness may be unknown. Federal spending can be cut. A limitation can be placed on the number of governmental officials. Additional cuts can be made in a number of other programs including foreign aid. Our country simply cannot afford $350 billion budgets.

Second, I suggest that the Congress and the administration both start using the zero-base budget concept. Under this plan each agency and department would have to justify its whole program each year. Some will ask if that is not already done. In reality departments and agencies only are asked to justify increases in their authorizations and appropriations of funds. The result is that many programs continue year after year with few knowing if the program has outlived its usefulness. Over the years, programs develop their own constituencies. The constituency may be made up simply of those who administer the program. Very seldom is there movement to eliminate programs that may have become outdated.

Third, the Federal budget should be changed in order that all Federal expenditures are included. To accomplish this some changes will be needed in existing laws. The new Committee on the Budget in both the House of Representatives and the Senate should take into consideration the totality of Federal spending.

Action on these proposals will start us on the road to controlling the ravages of inflation. The increasing cost of living can be turned around but it will take action. These suggestions will provide the framework for a policy of prosperity without inflation.

Mrs. HOLT. Mr. Speaker, for more than a generation, the Government of the United States has been perpetuating an economic fraud on the American people.

The political leaders of this country have, in effect, been telling the people that Federal money is free; that the Federal Government can infinitely expand services without imposing proportionate costs on the people.

Reduced to its simplest terms, the popular notion has been that Government can produce wealth by printing more money. Presidents and Members of Congress, of both parties, have ignored the timeless truth that money must represent something in value.

In the last 5 fiscal years, including the current one, we have produced a cumulative budget deficit of $100 billion.

The Federal debt has reached an almost unimaginable total of half a trillion dollars. Interest payments on that debt amount to $41 billion in the current fiscal year, and will leap to new heights in the next.

With manic spending pouring billions of unearned dollars into our currency, nobody should have any doubts about why price inflation accelerated to an annual rate of more than 12 percent last year.

I rise today to urge every Member of Congress to tell the bald truth—that every dollar spent by the Government is extracted from the people either by taxation or inflation, which is a cruel and sly erosion of the people's earnings.

There is, at least, honesty in taxation. The cost of growing Government is imposed on the people with a direct and comprehensible charge voted by their elected representatives. I daresay that the growth of Government would be slowed considerably if we were required to balance spending with taxation.

Financing Government with inflation, however, is a practice fit for scoundrels. It is dishonest. The Congress has habitually voted to spend billions more than anticipated revenues, billions more than tolerable rates of taxation would allow.

But how many times have we heard Members of Congress tell the people that deficit spending is taken from their earnings as surely as though it had been taxed away? The people hardly ever hear such truth from their elected representatives.

The recession we are enduring today was caused in inflation. Government borrowing on a grandiose scale drained the capital markets and forced interest rates to record highs, plunging the homebuilding industry into depression and vastly increasing the costs borne by every industry.

The flood of unearned cash into the currency increased the price of everything until massive consumer resistance developed. Sales of goods and services sharply declined and the unemployment rate climbed above 7 percent.

Suddenly, the President and nearly everybody in the Congress is in a panic to fight recession and unemployment, which are the inevitable consequence of the inflationary policies we have pursued. Tax reductions of $16 to $22 billion are now proposed as the method of stimulating the economy.

Now, I enjoy voting for a tax cut as much as anybody in the Congress, especially since I have long believed that government takes too much from the people, and spends their money in ways they would never tolerate if they know what is really going on here.

But those of us who think about the consequences of our acts are very concerned about these tax cut proposals, because we doubt whether the congressional majority will match them with spending cuts.

As a consequence, we are confronted with the prospect that the Federal budget for the next fiscal year will be $50 to $70 billion in the red, a new record for peacetime.

If we fail to cut spending significantly, if we fail to make the hard decisions, we will be experiencing a rate of inflation by 1977 that will make last year's 12 percent seem mild by comparison.

In the sorry circumstances of the Federal budget, a tax cut is not returning surplus revenues to the people. It means only that the Federal Government will be borrowing $16 to $22 billion more than it would otherwise have borrowed.

What is being proposed is an exchange of some taxation for more inflation as a method of financing government, unless we are able to cut deeply into spending.

Let us hear no more talk about the budget being uncontrollable. We have the responsibility to control it.

There are approximately 975 Federal domestic programs, of greater and lesser value and efficiency. We must separate what is essential from what is merely desirable.

We have been sailing along for too many years on a magic carpet of imagined affluence. We piled billions of debt upon billions of debt, wallowing in unearned money that devalues the real earnings of the people.

Such irresponsibility will surely ruin this great Republic unless we practice discipline and restraint.

Just think, a mere 5 percent reduction in Federal spending would provide sufficient savings to finance the proposed tax cut in the 1976 fiscal year.

We would not then be exchanging some taxation for more inflation. We would not be practicing fraud.

The tax cut would mean something if it were balanced with reductions in spending, and most importantly, the dollars thus released to the citizens would represent something of value.

The question is whether we are responsible public officials, or are we practitioners of deception, bamboozling the public with the same old deceit we have watched for a whole generation?

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, today I joined with many of my colleagues in a statement of alternative economic policies which I believe offers a responsible solution to our dual economic problems of inflation and recession.

I am principally concerned with controlling the runaway growth of government expenditures and increasing Federal deficit.

This year government at all levels—Federal, State, and local—will borrow about 80 percent of all funds raised in the Nation's bond market. This is up from 60 percent from last year. Such government dominance of the financial markets squeezes out private borrowers and puts upward pressure on interest rates.

If we can curb government spending through elimination of wasteful spending programs, then we can reduce the need for government borrowing from the capital markets and put a brake on inflation.

Mr. MARTIN. Mr. Speaker, the statement on alternative economic policies discussed here this afternoon is the "Old Time Religion" and I, for one, am getting tired of the way the free enterprise system, the profit motive, and individual initiative are being kicked around in this Congress and this country.

It is time for this country to call a halt to congressional mismanagement in the form of straightjacketing the economy and trying to solve problems by throwing money at them.

For too long we have been loading the private sector up with requirements which reduce the quantity of goods produced per unit of labor expended in their production. When our basic problem is declining production, coupled with rising costs to produce, it ought to appear ridiculous that the solution is 180 degrees around from further increasing costs to produce and further diminishing the ratio of production to labor input. We cannot afford to continue to shift employees from productive work to paperwork.

Regulatory reform was an important part of the President's almost forgotten "WIN" program. It deserves to be resurrected as a major goal. I believe very strongly that we cannot long escape the inflation/recession crunch without increasing the amount of production output per unit of labor and capital input. Greater productivity rewards suppliers of both capital and labor in the form of higher wages and higher profits. If the employer, the employee, and the investor all gain—and recognize that they all gain—we can have hope of not sliding down the razor blade of class division the way Europe has done.

But, if we continue—albeit with motives as pure as today's driven snow—before it turned to slush—to overregulate with our OSHA's, NEPA's, and the like, we will continue to reduce productivity. Nobody intends that that should happen—at least, I hope not—but if a factory that used to have 100 employees, 95 of whom worked on an assembly line producing 100 widgets a day has to hire five more white collar employees to record sanitary, environmental, racial, and other data for our bureaucracy, we go from one widget per man-day of labor to 95 percent of a widget per man-day of labor, with widget costs rising proportionately. A surgeon can waltz through a gall bladder operation in 30 minutes and have to spend—or hire someone to spend—a couple of hours filling out Government-required forms.

Then, when widgets and gall bladders become more expensive we blame the free enterprise system.

Well, since almost everything worth quoting is in either the Bible, Shakespeare, Churchill, or Pogo, I submit from the latter that "we have met the enemy and he is us." We—the Government—must assume the lion's share of blame for declining productivity.

We do not solve that problem by throwing money at it in the form of conferences, committees, and programs on productivity. We solve it by backing off on requirements that result in diminishing the percentage of a business' total payroll that creates goods and services. Incidentally, allowing a reduction in nonproductive work implies fewer nonproductive Government forms and, therefore, a need for fewer nonproductive Government employees to review, analyze, compute, fold, spindle, and mutilate them. Them, and us.

Out there, out there "where the broad fields of the Republic roll on under the night," there is faith in our system—more than we find here. Today I received a letter from a constituent who has been laid off for 60 days from the job he held for over 15 years, and I would like to quote him. He is no economist, just a formerly—and future—middle-income American, a Democrat:

> We will come out of this slump and be a stronger country. . . . The other good men in Washington will help us to do what we can to make this so because I believe it is my job as well as yours to do what we can to make America once again the land of the free and the home of the brave. Too many people today are not brave and want someone else to do their thinking and working for them.

We must do what we can to let the American people do for ourselves. I would underscore "ourselves" because too often of late I have heard sentences including "the American people—themselves" as if we on Capitol Hill and in the bureaucracy were somehow a nation apart.

We—here on this Hill—must abandon fears of offending special interests, be they organizations of the drawers of benefits, or supporters on corporate boards. We are all elected from districts and should represent them, of course, but faced with hard choices affecting this entire Nation, we should stake our political necks on how our districts reflect on what we have done for all America.

We must let this economy of ours get moving again. We must encourage people to work, to invest, to take risks. The worker's freedom from the fear of ups and downs in the job market must be seen as tied to the employer's and manager's freedom from the fear of ups, downs, ins, and outs of the complexities of well-intentioned regulation out of Washington. We all need a sense of security. The more the Government intrudes into the marketplace, the more complex it becomes and the more bets have to be hedged. We must encourage investors to run the risk of investing in new capacity; we must encourage businessmen to run the risk of new product lines; we must encourage the workingman and his family to run the risk of investing in a new home—or maybe his company's stock. We must, to put it simply, encourage America to restore its faith in itself, its self-esteem. We cannot sit back as a nation, grumbling, whining, and pointing fingers of blame at the pet demon of the day.

The American people are not lining up for the dole. The American people do not demand, or even want, their Government to throw money at them. They do not insist that the Government solve their problems. Rather, the American people are looking to their Government to let them solve their own problems and to provide some assurance that they will not—once at work to solve their problems—have the rug pulled out from beneath them by a new edict from on high. They want some assurance that whatever success they achieve will not be penalized and that their Government will allow risks to be run and the rewards to be kept. The American people are not crying to be protected from their own individual errors—just from errors inflicted upon them.

I suggest that there are three major lessons to be learned from recent errors inflicted upon the people of this Nation:

First, we cannot cure inflation and recession concurrently by slapping together more of the same policies that created them. More spending, higher deficits, and artificial controls are not the answer. They caused the problems, and causes make poor cures;

Second, short-term solutions have a way of becoming permanent. When someone is given a temporary break or advantage, they will feel unfairly penalized when the temporary advantage runs out, and

Third, our modified, regulated, taxed, and subsidized—but otherwise—free-enterprise system can recover and fend for itself if we only take the tourniquets from about its neck.

Mr. ABDNOR. Mr. Speaker, in participating in this discussion of the economic problems confronting our Nation, I would be remiss if I did not devote my remarks to what I consider the most significant economic problem confronting the people of my State of South Dakota. That problem is inflation and the hardship it is causing for an area which has its primary dependence on an agriculture base. Certainly the recession is not easy for anyone.

I would submit, however, one of the major reasons we are in a recession is the fact that we have been on such an inflation binge for so long that something had to give.

And give it did when the people quit buying automobiles and other goods which they felt were too high priced.

The combination of inflation-recession is a relatively new experience for America.

Productivity serves as an important measuring stick in the measuring of inflation.

We find that the industries of America rate of productivity has fallen behind, this has contributed immeasurably to inflation.

The one industry that stands out for their outstanding record of high productivity is agriculture.

If our industry as a whole had the record for productivity that we find in agriculture, we would not be in the disastrous inflationary period this country finds itself in today.

The American farmer, however, has been taking it on the chin for a good long time. Through most of the past quarter of a century he has found himself going through the economic wringer that we call the "cost-price squeeze."

During that 25-year period, the income the farmer received was at less than what we call full parity. In other words, he was not enjoying the benefits of the prosperity in which most of the rest of America participated. His costs of operation always seem to run a bit higher and a bit ahead of his receipts, thus reducing the margins of profit he would otherwise receive had he the same protection others have in the marketplaces of America.

The farmer, however, cannot set the price he receives for the goods he sells. Business and industry can and do. When business and industry have increased costs in their operations, they raise their prices. The farmer is the victim of the marketplace. Someone else determines the price he is to receive for his products.

For a short period during this past quarter of a century, there was a sharp escalation in farm prices. That lasted about as long as it takes for a hailstorm to wipe out a good crop. Most farmers did not benefit from the high prices of a year and a half ago. The wheat farmer, for example, had already marketed his crop when the big wheat sale occurred which sharply raised that price. Most everyone down the line from the farmer shared in that increase. But not too many farmers. What the farmer received, in large part, was the blame for the increase in the cost of bread.

This was also true for our livestock producers. When the high prices came for cattle, many farmers had sold their livestock. Their animals were already in the farm-to-meat counter chain. For the remainder, their animals were not ready for market. When marketing time came, the good prices were down.

But the farmer got the blame for the high beef prices in the grocery stores. Unfortunately, he got little of the profits.

Today, many livestock producers are on the point of bankruptcy.

It is not easy—nor has it ever been—to operate a family farm. For America, however, the family farm is vital. We enjoy, because of our agriculture, the highest standard of living of any people on Earth and at a cost that takes less from our total earning power than anywhere else in the world.

This story, however, does not seem to get told. The average citizen does not seem to have the proper perspective of what agriculture means to this Nation.

One of the Nation's largest grain cooperatives is doing something about this, trying to set the record straight as to the contribution agriculture makes not only to our way of life but to our very survival.

FAR-MAR-CO, Inc., of Hutchinson, Kans., is sponsoring a series of messages on the importance of farmers as a valuable resource. One of this firm's recent advertisements appeared in the U.S. News & World Report. I believe it tells an important story which should be of significant interest to all Americans.

It is a story that deserves an important place in any discussion of our Nation's economic plight and certainly is worthy of consideration today as we review the problems of inflation.

I include the material in the RECORD at this point:

FAR-MAR-CO., INC.,
Hutchinson, Kans.

Farmers are a valuable resource.
Let's not forget it!

If we take time to listen to the newsmakers of the day, nearly everyone is talking about food. Food reserves, food production, malnutrition. We can go on and on. But stop and think for a minute. Who is the most valuable and vulnerable link between food production and the dinner table? It's the American farmer, who is subject to skyrocketing input costs, and uncertain economic returns.

According to USDA figures, the farmer paid 81% more for his fertilizer for the 1974 crop, than he paid in 1973. That was only if he could get it. Black market prices ranged 300% higher.

Seed for crop production is also taken for granted. Yet, it too jumped 23% in cost last year, and nearly three times what it was in 1967.

Farmers know what the cost-price squeeze is. Others must recognize this also. It is time to acknowledge the farmer's importance as one of the world's most valuable resources.

The American farmer produces food for himself and many, many others. This extremely important contribution can be continued, but only if he can have profitable farming operations.

If you have any questions or comments, contact me personally. We will appreciate hearing from you.

Sincerely,

GEORGE VOTH,
Executive Vice President.

THE FARMER IS PAYING THE PIPER, BUT LOOK WHO'S DANCING

To put things into perspective, let's take a look at what the American farmer is paying.

He paid 81% more in 1974 for fertilizer than he did in 1973. And that's when he could get it. His building and fencing supply costs were up 23%. When he planted his crops, the farmer paid 20% more for his seed in 1974 than he did in 1973.

These are just three examples. But they show what the farmer is having to pay to the large, powerful corporations from whom he has to buy.

It becomes even more shocking when prices are compared with 1967 levels. For the seven year period, the above percentages explode to 212%, 191%, and 263% respectively.

As the American farmer is feeling this extraordinary cost squeeze, he is also feeling the threats against his only real hope for survival.

Cooperatives are his method of dealing with the powerful buyers and sellers on a somewhat more equal basis. Yet there are some who seek to destroy this efficient marketing system.

Especially with today's strangling inflation, we can no longer take the American farmer—and his production—for granted. His valuable contribution to this nation can be continued only if we provide an atmosphere conducive to profitable farm operations.

The American Farmer.

Let's not take him for granted.

(One in a series of messages sponsored by the Nation's largest grain cooperative on behalf of American agri-businessmen. FAR-MAR-CO, Inc., The Wiley Building, Hutchinson, Kans. 67501.)

Mr. DICKINSON. Mr. Speaker, we Americans have engaged in reckless, deficit spending for too long now, and the day is close at hand when we must face the music and pay the piper. Rampant inflation is today, indeed, threatening the very ability of the Department of Defense to "provide for the national defense." And since the Congress is constitutionally responsible for national defense, I believe a few "sour notes" about Pentagon problems are now in order.

Even though the total strength of our Armed Forces has been cut 40 percent since 1968, the cost has increased due to inflation. But, as a percentage of gross national product, our military expenditures have been steadily decreasing, and in fiscal year 1974, were only 6 percent. In fiscal year 1975, that figure should be about 5.9 percent.

I believe that today peace in the world is dependent upon the maintenance of a military balance between East and West, and when that balance is upset, we risk war. And the question now is, "What is happening to the military balance?"

We have not heard of a reduction in Soviet military expenditures. To the contrary, the CIA has reported that real Soviet military spending is increasing at 3 to 5 percent per year. The Soviets outspend us militarily, and have since 1970, in terms of real expenditures or, in other words, the absolute amount of goods and services which a given number of rubles or dollars will buy.

Even though our own military budget is growing in terms of real dollars, the absolute amount of goods and services purchased is decreasing rapidly. These facts are now creating a serious disequilibrium in the balance of power between East and West.

Let us take a closer look at what is actually happening to our defense budget and let me give you a few facts and figures to back it up.

In the past 2 years, Army aviators' flying hours have been reduced by over 25 percent, and the cost of each hour flown has increased 42 percent. The consumption of oil and petroleum products has been reduced by 21 percent while the cost has increased by 58 percent. The cost of procurement of a small steel item like track shoes, which are the individual links comprising the track on tracked vehicles such as tanks and armored personnel carriers, has increased a total of $18.7 million in less than 2 years. But does this mean we can reduce or eliminate our need for such items? It cannot be done. We must now pay the price.

We all know what has happened to our utility bills. The Army has that problem, too. In the past year, their cost of coal has increased 91 percent, electricity 58 percent, and water and sewage 48 percent.

The Army, as the other services, has already cut, reduced, and shaved right to the bone. At the unit level, equipment shortages, excessive down time, the nonavailability of spare parts, and the shortage of fuel has resulted in the curtailment of training. The standard of living of our military personnel has dropped, and if the trend does not soon reverse, we will be faced with widespread morale problems. The time has now come when their budget must be substantially increased if they are to remain capable of fielding an effective military force.

Let us take a look at the Navy. We know that a ship's useful life is limited to about 25 years. Using that figure, we must build an average of 20 ships per year just to maintain a fleet of 500 ships, about what we have now. And if we could build 20 ships per year and have each last for 25 years, our average ship age would level off at 12½ years.

Now let us take a look at what we have actually done. Since 1970, the Navy has received authority to build a total of 89 ships, or an average of about 15 per year. If we sustained our shipbuilding program at 15 ships per year, our fleet would be reduced to a size of 375 ships by 1990. But can we allow that to happen?

Even today, except for our aircraft carriers, the Soviets lead us in tonnage of surface combat ships, nuclear-powered submarines, diesel-powered submarines and in tonnage of coastal patrol and minesweeping ships. They have more major surface combat ships and three times as many submarines as the United States. They lead us in numbers and in range of missiles deployed aboard naval vessels. Is this the kind of naval power which the Congress wants to take credit for providing to our people? I do not believe so.

It was in 1970 that the Navy retired many World War II ships, thereby reducing the size of the fleet by about 400 ships. It was determined that the operating costs thereby saved could be used for additional ship construction. But, then along came 1974, and the rampant inflation which threw every American budget back to the drawing board. And the Navy's was no exception. The Bureau of Labor Statistics reported that fiscal year 1974 saw an increase of over 22 percent in the cost of shipbuilding materials.

The United States is a maritime nation. We cannot afford to let inflation erode the naval strength we must have to protect our vital interests.

And, as for the Air Force, the problems are no different. Inflation is chewing away at every program, whether in research and development or in procurement.

The Air Force today seems to be our only service which can match its Soviet counterpart. Not because they have done something the other services have not, but because the Soviets have not yet mastered the advanced level of American avionics. The Soviets chose, instead, to concentrate first on their army and navy, both of which are now formidable forces. They have begun their assault on air superiority, too. We must not let them succeed as a result of the intransigence of the American people in their determination to defeat the cancer which is now destroying our economic system.

I have tried to outline some of the problems which are now facing the Department of Defense and to give you a few facts and figures. Inflation is eroding our defense posture, upsetting the military balance of power between East and West and increasing the risk of war.

We have a choice, Mr. Speaker. We may pay the price to slow inflation, or we may risk the price of World War III. It is the United States alone which has the ability and the responsibility to maintain that balance of power. We alone carry the torch, and there is no one else to pick it up, should we choose to let it fall. In 1949, Senator Arthur Vandenberg said:

> Much as we might crave the easier way of lesser responsibility, we are denied the privilege. We cannot turn back the clock. We cannot sail by the old and much easier charts. That has been determined for us by the march of events. We have no choice as to whether we shall play a great part in the world. We have to play that part. We have to play it in sheer defense of our own self-interest. All that we can decide is whether we shall play it well or ill.

If we choose to play it well, and I believe we must for the alternative is unthinkable, then we must begin, right here, to bring inflation under control. The Congress has the responsibility for establishing and maintaining the military force of our Nation. If we choose to also provide them with worthless dollars, then we must also bear the blame. If we are going to fulfill our responsibility of all the American people, then we must begin to act in a responsible way.

Who among us believes we have an alternative?

Mr. ARCHER. Mr. Speaker, during this time of difficulties with our economy and the problem of energy, we need to continue our faith in our institutions and to follow the path which has brought us success in the past before we take a chance on traveling new and unproven roads. This lesson is clear when we look at the energy situation.

If we are to develop our full potential and reach energy self-sufficiency, we must follow the road proven success—the free enterprise system.

Our economic system in the past has provided us with efficient and cheap energy in abundant supply—oil, natural gas, coal. Despite our increase in production over the years, our Nation has been consuming more and more energy. Jack Bridges, formerly with the Joint Congressional Committee on Atomic Energy and a widely recognized expert on energy, has observed:

> If the U.S. can get the energy, it will come close to using more oil and gas from 1970 to 1990 than has been used by the nation in all the years before 1970.

The era of cheap energy is over; the era of the energy shortage is upon us. We can meet our energy challenge if we pursue the right policy now and in future years.

Our national leaders recognize the necessity of developing our own domestic energy sources in order to reduce our dependence on foreign suppliers. The way to accomplish this objective is to provide incentives for our own citizens. Yet, at the very time we recognize the need to encourage our domestic supply, there are proposals to eliminate a major incentive for individuals to invest in and explore for oil—the depletion allowance. We will not be able to increase our oil exploration and development in the United States unless we can provide the necessary incentives for people to enter this field.

The percentage depletion on oil and gas has provided a major incentive encouraging exploration and development and has allowed oil and gas to be available to the American public over the years in increased quantities and at reduced price levels. However, the critics of the depletion allowance charge this item is a tax "loophole" for the large oil companies and that no harm will result in our efforts toward energy self-sufficiency if we eliminate it.

The facts tell a different story. The independents, not the large oil companies, now drill over 80 percent of our domestic wells, and the elimination of the depletion allowance will have a severe effect on these energy searchers. Because of the high cost involved in the oil business and lack of new incentives, the number of independents has been declining over the last few years. The effect of reducing or eliminating the depletion allowance simply means the independent oilman will likely cut back on exploratory drilling. Arthur T. Stieren, an independent oil producer residing in San Antonio, Tex., has estimated that a reduction or elimination will result in a reduction in drilling in the range of 20 to 60 percent. We have a good historical example to back up this prediction. When an attempt was made to close this loophole by reducing the statutory role of depletion from 27½ percent to 22 percent in the Tax Reform Act of 1969, a 20-percent reduction in drilling did occur.

We recognize the desirability of providing certain tax benefits to encourage charitable contributions and business investments in capital equipment and donations to educational and research organizations. We need to recognize the need to keep an incentive for those in the private sector likely to provide our future energy needs.

The elimination of this incentive will deter the high-risk investment needed for the United States to acquire self-sufficiency. If we are going to borrow a platform from consumer organizations urging truth in labeling, we should label any bill to reduce or eliminate the depletion allowance as follows: "a bill to allow the United States to continue its dependence on foreign sources of petroleum and to discourage American energy independence."

If we are to encourage domestic development, it is essential that we recognize that adequate profits attract new capital which makes possible additional supplies. The petroleum industry is a capital intensive industry and requires a huge investment on a long-term basis. Over the past 10 to 15 years, net income of the petroleum industry has been too small relative to its capital needs. The National Petroleum Council has estimated that industry needs to spend $19 billion per year during the 1971–75 period for oil and gas exploration, development, refining, transportation, and synthetics—plants and mines—in order to achieve 83 percent oil self-sufficiency by 1985. This would require at least tripling the 1972 expenditures of $8 billion on these items.

The Chase Manhattan Bank in a special study on energy has estimated that if the oil industry is to raise sufficient funds the rate of return on invested capital needs to range between 15 to 20 percent. Rice University Prof. Dr. Robert R. Sterling has noted that oil companies have been earning less on total assets than other industries. In his current value accounting analysis of returns for other industries between 1964 and 1973, Dr. Sterling concluded that average industry returns for other industries were 7.7 percent while average oil companies returns were 6.9 percent. If we eliminate incentives plus add disincentives—like the so-called windfall profits tax—we will not be able to raise the necessary capital to reach our goal of energy self-sufficiency.

We have already experienced one long-range effect of Government controls on energy resources—the decision in 1954 which allowed the Federal Power Commission to set an artificially low wellhead price on natural gas used in interstate commerce. There was an expected rush to use this "cheap" fuel. This fixed price, lower than the free market level, overstimulated consumer demand and discouraged producer initiative in exploring for and developing natural gas. It became a Federal program not to produce cheap energy but in reality a Federal program to guarantee a shortage. Do we ever learn? We have advocates of continued Federal regulations over the price of "old" oil, proposed controls over "new" oil, suggestions of placing "public representatives" on the boards of oil companies, and even the proposal to establish a Federal Oil and Gas Corporation—Fogco. This latter Corporation would take the lead in developing our energy resources. This Corporation would probably operate with the efficiency and dispatch of our postal system. At least the initials of this Corporation give us a clue to what will happen to our energy policy if the Federal Government takes over—our energy program will be in a "fog."

Speaking of our postal system, we should remember that almost 20 years ago it cost 1 penny to send a postcard from Texas to New York through our postal system and it cost a penny to send a gallon of oil from Texas to New York by tanker. Presently, private enterprise can still move a gallon of oil from Texas to New York for about a penny by tanker while a postcard costs 8 cents—and we are never quite sure how long the journey will take.

An analogous situation to our present energy crisis occurred during the latter part of the 19th century. It has been related by Walter B. Wriston, chairman of the First National City Corp. of New York, in a speech entitled "The Whale Oil, Chicken and Energy Syndrome." It illustrates a historical lesson we should not forget. Mr. Wriston notes:

> Few Americans even remember that from the time of the American Revolution until the Civil War, a major source of artificial lighting was the whale oil lamp. No one should have needed a Congressional commission to predict that the supply of whale oil could not forever keep pace with the demand of a growing nation.
>
> The tragedy of our Civil War disrupted whale oil production and its price shot up to $2.55 a gallon, almost double what it had been in 1859. Naturally there were cries of profiteering and demands for Congress to "do something about it." The government, however, made no move to ration whale oil or to freeze its price, or to put a new tax on the "excess profits" of the whalers who were benefitting from the increase in prices. Instead, prices were permitted to rise. The result, then as now, was predictable. Consumers began to us less whale oil and the whalers invested more money in new ways to increase their productivity. Meanwhile men with vision and capital began to develop kerosene and other petroleum products. The first practical generator for outdoor electric lights was built in 1875. By 1896 the price of whale oil had dropped to 40 cents a gallon. Whale oil lamps were no longer in vogue; they sit now in museums to remind us of the impermanence of crisis.

We need to utilize the free enterprise approach to solve our energy crisis—free market incentives not Federal controls. We need to keep incentives like the depletion allowance and avoid disincentives like the so-called windfall profits tax. We need to decontrol all domestic oil and deregulate natural gas while avoiding Federal price controls and a Federal Government energy corporation. The increased involvement of the Federal Government in our energy crisis will not solve it but will only make it worse. Our private enterprise system with the necessary incentives can do the job of making the United States self-sufficient in energy.

A CITY BETRAYED—IV

The SPEAKER pro tempore (Mr. METCALFE). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, when San Antonio's City Public Service Board invited bids for a new gas supply contract on July 8, 1960, there were no qualifications required. Anyone could enter the competition, regardless of any previous experience, regardless of whether they had a company in being, and regardless of any other qualification. This certainly assured the widest possible competition for the city's business, which was easily worth almost a half billion dollars to the successful bidder. But such open competition also made it necessary for the Board to carefully evaluate the offers, and be sure that the successful bidder could actually produce the gas called for. As everyone knows by now, the Board failed utterly in its task of being certain that they could and would get what they had bargained for.

On September 1, 1960, the City Public Service Board let it be known that six bids had been received. The lowest of these was from an unincorporated, supposedly independent group known as Martin and Schoolfield, later incorporated as Alamo Gas.

There were very close connections between the Martin group and another offeror, Coastal States, from the very beginning. By the time Alamo Gas actually started delivering gas to San Antonio, it was in the control of its supposed competitor, Coastal States.

The founder of what later became Alamo Gas seems first to have gotten interested in the San Antonio contract when he was approached by a gas buyer for Coastal States, a man named Ivol Eugene Burnham. Aside from Martin, Burnham enlisted another Coastal employee, John Emerson, and the three, working with Ray Schoolfield, a San Antonio businessman, set up the Martin and Schoolfield bid.

When Alamo Gas finally incorporated, the two Coastal men were made key officers, that is, Burnham and Emerson. Moreover, when Alamo submitted its list of key operating personnel to the city public service board, at least three of these people were at the time working for Coastal States. However, like the geologic documents later submitted by William Spice, this document was a fake, because the personnel Alamo claimed to have employed were not so employed by them, and never would be.

Throughout 1961, Martin and Schoolfield, now incorporated as Alamo Gas, scrambled to meet the qualifications required by the city public service board. As I have said, their financing scheme fell apart, and their gas reserve figures had to be doctored. But getting financing proved to be the problem that ended any independence that Alamo might have ever hoped for. In order to get their initial financing, Alamo turned to their erstwhile and supposed competitor, Coastal States, which agreed to provide funds in return for a half interest in certain pipeline facilities.

With this help from Coastal, Alamo was able to get a purchase agreement for gas from the city public service board. This was in mid-June, 1961.

Within a matter of weeks, effective control of Alamo passed into the hands of Coastal States. Coastal acquired 25 percent of Alamo's stock on August 28, 1961, and placed this, together with another 26 percent owned by Glen Martin, into a voting trust. From that point on, Coastal owned Alamo, for all intents and purposes, though they did not complete the acquisition until late 1963.

If Coastal was not aware of the fraudulent gas reserve claims of their new partners in the summer of 1961, they certainly knew of it by that winter, some time before delivery of gas to San Antonio ever started. The contract called for delivery to start on April 1, 1962. On February 5, Coastal's senior vice president, Jack Ware, wrote to the company's senior vice president and general counsel that the gas reserves claimed by Alamo were deficient. So if Coastal did not know of the duplicity of their partners at the beginning, they had positive knowledge well before they started doing business with San Antonio.

But Coastal, like Alamo, kept the shortage a secret. They told nobody, and the city public service board, apparently still confident in the fraudulent report of William Spice, asked no questions.

Instead of telling San Antonio that there was a problem, Coastal concentrated on hiding it.

They had good reason to hide it.

Competitors were saying that the San Antonio deal would never go, because Alamo did not have the gas needed. If knowledge of the shortage ever got out, Alamo—and Coastal, since it now controlled Alamo—would be blown out of the water.

So Coastal worried about hiding the facts. For instance, within a few days of receiving a warning about the shortages, the Coastal general counsel noted to himself that financial circles were saying that "Coastal will lose the San Antonio contract because they don't have reserves."

I would like to observe that this man did not think the contract belonged to Alamo. The city thought it was dealing with Alamo, but the Coastal counsel thought of Alamo as part and parcel of Coastal. And he knew that the reserves were short, that they were in default on the contract, and that the facts had to be hidden.

Aside from this, Coastal was worried that their control of Alamo would become known. The incumbent gas supplier, United, was alleging just that in a lawsuit.

Alamo was worried about this, too. One director, Schoolfield, complained about Glen Martin's close relations with Coastal. Norman Davis, counsel, noted,

> United already alleges that Coastal controls Glen—if Glen goes into any new deal w(ith) Coastal, on their money, this will prove such "control".

Oscar Wyatt, the Coastal president, pressed for aggressive action to keep United from breaking up his deal. He wanted to get the San Antonio contract going, because his big financial deals depended on it. Davis wrote to himself, regarding Wyatt's comments on February 12—again, within a week of his having positive knowledge that the San Antonio reserves were short—that:

> Need April 1 S. A. delivery to set up "low price contracts." Hayden Stone projection and recommendation of 2/1/62 based on "delivering gas to S. A. on April 1."

Just to be sure everything was in readiness for the San Antonio deal, Coastal directed its managers to "dedicate enough additional gas to SA now to make up any shortages under Spice's figures."

So it was that early on April Fool's Day, 1962, San Antonio started receiving its gas from Alamo Gas Co. The City Public Services Board did not know it, and Glen Martin's partners perhaps were only beginning to suspect it, but Alamo was very much in the hands of Oscar Wyatt and his Coastal States Gas Co. And both Martin and Wyatt knew that Spice's reserve figures were faked, but they wanted to hide it. Martin needed the money that the deal he had made with Coastal would bring him. Wyatt needed the San Antonio business to launch his company as a major enterprise. They did not mind keeping the secret, perhaps thinking that they could get everything straight eventually. In any case, it would be years before anybody discovered the truth, and by then it would be too late.

TAXATION WITHOUT REPRESENTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 10 minutes.

Mr. CRANE. Mr. Speaker, 200 years ago the British Parliament continued to deny the American colonies the right to a voice in how they were to be taxed. The practice of "taxation without representation" led directly to the War of Independence.

The year 1975 marks the second time in our history when the people must directly confront the fact that they are again being forced to pay an increase in their taxes without the benefit of active representation. As a result of a combination of the progressive tax structure and the inflationary economy, the Federal Government has been able to realize a significant profit on inflation throughout the years. Indeed, 1974 alone showed a profit of $2.5 billion by this practice. This increase in the budget has been accomplished through the collection of tax dollars never directly legislated or appropriated by the Congress.

As a family's dollar income rises to keep pace with inflation its spendable income is significantly reduced as it moves into higher and higher tax brackets. If left uncontrolled, the situation could reach such disrupting proportions that a person earning $15,000 today will have to make $103,210 in 20 years—assuming a constant 10 percent annual inflation—in order to have the same spendable income while his distorted tax level will have jumped to the 70 percent bracket.

The beneficiary of this hidden tax is, of course, the bloated Federal budget and the institutions it supports. Government has continued to profit from the effects of inflation over the years, and in fact, it consistently acts and spends according to invisible incentives to inflate. Those responsible for administration of our vast bureaucracy soon realize that they are able to receive additional appropriations by simply allowing inflationary factors to progress. Spiraling inflation allows the budget to expand without congressional appropriation or oversight.

These positive incentives for the Government to encourage inflation must be removed as the first step toward controlling inflation. To achieve this objective, I am proposing that the Congress enact indexation on all Federal taxes and contracts. Such a program would entail the application of an escalator clause tied to the Consumer Price Index for:

First, income tax rates;
Second, the standard deduction;
Third, personal exemptions;
Fourth, depreciation; and
Fifth, the interest rates on all U.S. savings bonds, savings certificates, and certain other U.S. obligations.

In recent years, indexation has evolved in those sectors of our society generally considered the hardest hit by inflation. For that reason, built-in adjustments in payments to those living on fixed incomes, such as social security recipients, are already in effect, based on the Consumer Price Index. Indexation is now needed for all citizens. Prudent savers and budget conscious individuals and organizations will be protected by this system. Debtors, particularly the Federal Government, will have to realize and respect the advantages of wise fiscal management by the removal of distortions in the economy created by inflationary spending.

At the present time, the American people are being taxed in part without the right of representation due to these inequities in our tax structure. I sincerely hope this body will correct these deficiencies and distortions in one significant and meaningful step. We must have the courage to accept the responsibility of fiscal management and accountability by allowing the budget to expand only through explicit congressional initiative and legislation.

GENERAL AVIATION FEES MAKE NO SENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SHRIVER) is recognized for 10 minutes.

Mr. SHRIVER. Mr. Speaker, we now have before us the administration's budget proposals for fiscal 1976. I am disappointed with some aspects of the administration budget including the heavy dose of deficit financing which has been prescribed. Today I want to express special concern about the proposals for financing the airport/airway system of this country.

The Appropriations Committee, as well as other congressional committees, will be taking a long hard look at the President's proposals for restructuring the airport system. The airport/airway system is part of the national transportation system and must be regarded on such a basis. Although I do support a reduction of Federal spending, we must be sure that we continue to have a safe and efficient airport/airway system.

Specifically, the proposal to levy $88 million in departure fees on general aviation at control tower airports makes no sense. General aviation is currently contributing to the aviation trust fund through fuel taxes and annual registration and user fees. This tax is working well and is generally accepted. The proposal for a departure fee at FAA control towers will not only add an unfair burden to general aviation operations, but introduces some questions regarding safety.

It will also be a tax which will be costly to collect. I understand it will be the responsibility of the airport operator to collect this fee.

The administration recognizes that this departure fee will hurt general aviation by the fact that current fuel taxes will be reduced by the amount of $4 million, because of a reduction in flying. It makes little sense to levy a new tax which will kill the golden goose.

General aviation is a partner in the air transportation system. The industry employs about 250,000 people in manufacturing, sales service, flight instruction, agricultural operations and business flight departments. Approximately 90 million people a year are transported in intercity travel.

Mr. Speaker, there is great concern expressed by the administration and those of us in Congress to take necessary actions to revive the national economy, and to put the unemployed back to work. General aviation represents one of the few bright sectors in today's economy. It is disturbing to me that proposals are being made to further tax general aviation which can only result in a setback for this important segment of our national transportation system.

I am confident this Congress will not enact charges which are detrimental to the vitality or safety of the industry.

EXTENDING THE VOTING RIGHTS ACT

The SPEAKER pro tempore (Mr. Gonzalez). Under a previous order of the House, the gentleman from Illinois (Mr. Railsback) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, a recent report by the U.S. Commission on Civil Rights noted:

> Minority political participation has increased substantially in the 10 years since enactment of the Voting Rights Act. There are more minority citizens registered, voting, running for office, and holding office than at any time in the Nation's past. Though the potential of minority political participation has yet to be realized, the progress of the last 10 years is striking. A large part of this progress is due directly or indirectly to the impact of the Voting Rights Act.

Unfortunately, as we all know, certain provisions of the Voting Rights Act are due to expire on August 6 of this year. Because I feel very strongly that the 1965 act has insured progress in safeguarding and enhancing the right to vote, I have joined several of my colleagues in introducing H.R. 2148, the Voting Rights Act Amendments of 1975. Briefly stated, our bill is a 5-year extension of the basic provisions of the earlier act. Without such an extension, there would be the ever-present danger that, absent the guarantees of such legislation, a reversion to past discriminatory practices could occur.

The Voting Rights Act of 1965 is undoubtedly the most effective civil rights legislation intended to implement the 15th amendment by securing for minorities their rights to register and vote ever enacted. The major success of the act is primarily due to its distinguishing feature, in comparison to other civil rights legislation, of immediate and automatic application in jurisdictions, without the need for lengthy and repeated litigation. Another important feature of the act is section 5 which prevents covered jurisdictions from instituting any new practice or procedure that affects the right to vote until the Attorney General or the U.S. District Court for the District of Columbia determines that the new practice or procedure is not discriminatory in its purpose or in its effect. To allow these sections to expire would invite the reinstatement of many of the laws which were used to systematically discriminate against the voting rights of minorities, especially blacks.

Mr. Speaker, I therefore urge the immediate adoption of the bill H.R. 2148, which would extend the Voting Rights Act of 1965, and further protect the right to vote of all our citizens.

A BILL TO ESTABLISH CRITERIA IN FEDERALLY ASSISTED POSTSECONDARY EDUCATION PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Bell) is recognized for 15 minutes.

Mr. BELL. Mr. Speaker, it has become increasingly evident that education is necessary for the proper development of the child and the proper functioning of society. In the past, education was destined for a chosen few. However, during my years in Congress and as a member of the House Education and Labor Committee, I have watched American education prosper into a system enveloping the lives of every citizen. Much of this growth is due to nourishment from Federal initiatives and expenditures. We in the Congress have enabled the monstrous mechanism of the Federal Government to work efficiently and effectively with the States, to produce an education system of which we can be proud. I am not so naive as to think that we need do no more; however, I do feel that we can congratulate ourselves on these accomplishments.

In congratulating ourselves, however, we must also remain wary of those who use this system for their personal aggrandizement to the detriment of others. Although such abuses may be rare, we cannot afford tampering with such a vital societal system.

This bill that I am introducing today with my colleague from California, Mr. Pettis, will, I understand, be offered shortly in the Senate under the sponsorship of Mr. Percy. Our offices have worked closely together in the development of this measure. The bill establishes criteria to be observed by approving entities for federally assisted postsecondary education programs in order to protect students in such programs. This bill was drafted after abuses involving proprietary trade schools were repeatedly brought to my attention by constituents and students throughout the country. The following are brief examples of such abuses:

The West Coast Trade Schools, a group of five proprietary vocational schools in the Los Angeles area, closed its doors on 2 days' notice in May of 1973, leaving hundreds of students holding the bag on worthless Government loans and leaving at least $6 million of potentially worthless loan paper in the hands of unsuspecting financial institutions. A small private California school, Riverside University, went bankrupt in May 1971; $2 million was at stake in this case.

California is not unique to these instances. Such abuses are national in scope and should be a concern to every legislator in this country. Articles concerning abuses involving proprietary trade schools recently appeared in the Readers Digest, the Washington Post, and the Boston Globe. These articles focus on such schools' deceptive advertising, high-pressure sales tactics, and misleading claims.

It is an unfortunate and tragic fact that the students so often attracted to these schools are among the most vulnerable of our citizens. They are usually persons from low-income backgrounds. They are often veterans, who are not asking for a handout, but while seeking an education, get slapped in the face.

Let me emphasize at this point that I believe postsecondary trade and technical schools are a beneficial element of our overall education system. They provide necessary instruction and training in areas not included in our traditional college and university curricula. However, just as we cannot condemn the entire industry as a result of an erring few, we also cannot afford to dismiss the problems that are present in a system that affects a great many students and involves a multimillion dollar industry.

To further investigate this problem, the U.S. Office of Education contracted with the Brookings Institution and the National Academy of Public Administration Foundation for the report "Private Accreditation and Public Eligibility." In this report it was stated that from 1966 through 1973, students received 6.1 million loans totaling $6 billion. It further stated that in fiscal 1972, proprietary school students were responsible for 75 percent of the default claims in the Federal program, though accounting for only 31 percent of the cumulative loan volume as of November 1972. Such default resulted in expenditures of millions of dollars by the Federal Government. From these statistics alone one is able to see that this problem not only adversely affects students, but also every citizen as a taxpayer.

I believe that these gross inequities must quickly be remedied. It is for this reason that I am introducing this legislation, the Postsecondary Education Consumer Protection Act of 1975.

This measure is similar to the bills that Mr. Pettis, Senator Percy, and I introduced during the 93d Congress. However, specific provisions have been added that strengthen and clarify the intent and purpose of this bill.

Included in the new legislation is a provision that the institution, as described by this bill, must have executed such bonds to secure the faithful performance of its financial obligations. After repeated examination, it was determined that accrediting agencies should not be the only means by which an institution can become eligible for participation in the student loan program. In the same breath, these agencies should not be expected to be the policing agencies for such institutions. This bonding amendment would not only serve as a policing element, but also it would serve as another term of eligibility for the Federal Government to accept. Thus, we opted for continuation of the present two-step process whereby the agencies of the Federal Government rely on the expertise of non-Federal bodies of approval or accreditation—however, with more stringent standards and supervisory responsibilities.

Also included in this bill is a list of criteria for federally recognized approving entities to require of those institutions that they accredit. Such criteria were drawn from suggestions by the education commission of the States and also from specific recommendations by the Special Studies Subcommittee of the House Government Operations Committee, as a result of hearings held on the subject of proprietary vocational schools in July 1974.

Since the introduction of the Postsecondary Education Consumer Protection

Act of 1974, hearings have been held and much public attention has been drawn to this subject through the news media. Extensive and comprehensive hearings were held on this subject by the Government Operations Committee and the subject was briefly discussed in hearings on the guaranteed student loan program before the Special Subcommittee on Education of the Education and Labor Committee.

Although much has been accomplished, it is hoped that this introduction of the Postsecondary Education Consumer Protection Act in the House and Senate will encourage speedy passage. The problems are known to us. We should not be as reluctant in finding solutions to these problems as we were in discovering that the problems existed.

I include the text of the Postsecondary Education Consumer Protection Act at this point in the RECORD:

H.R. 2786

A bill to establish criteria to be observed by approving entities for federally assisted postsecondary education programs in order to protect students in such programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postsecondary Education Consumer Protection Act of 1975."

PURPOSES

SEC. 2. The Congress declares that the purposes of this Act are to provide protection for students, consumers, and legitimate postsecondary educational institutions against substandard or fraudulent practices, to provide compensation for losses of Federal financial assistance by way of loan or loan insurance because of the insolvency of eligible institutions, and to provide for improvement in the quality of postsecondary education, by strengthening the process by which postsecondary educational institutions gain eligibility for funding status.

FINDINGS

SEC. 3. The Congress finds that—

(a) under the provisions of various federally assisted student aid programs and other Federal programs assisting educational institutions, substantial Federal funds and loan funds guaranteed by the Federal Government flow into postsecondary educational institutions;

(b) eligibility of such institutions for receipt of such funds has sometimes been misrepresented by institutions as amounting to direct accreditation or approval by the Federal Government or any agency or department thereof, when no such accreditation exists;

(c) such misrepresentation has sometimes induced students to enroll in a particular education program who would not otherwise have so enrolled; and

(d) the Nation has suffered substantial losses of human, financial, and educational resources because of the unethical actions of the administrators, recruiters, and other persons associated with eligible postsecondary educational institutions.

DEFINITIONS

SEC. 4. For purposes of this Act—

(a) The term "approving entity" means a public or private association or accrediting agency which approves or accredits postsecondary educational institutions or the programs of such institutions.

(b) The term "federally recognized approving entity" means an approving entity relied upon by any Federal officer or agency in connection with a program (1) of Federal assistance to postsecondary educational institutions by way of grants or contracts, loans, or loan insurance or guarantee, (2) of Federal assistance to students at postsecondary educational institutions by way of grants, loans, loan insurance or guarantee, or work-study programs, or (3) under which continuation of Federal payment is conditioned on attendance at a postsecondary educational institution approved or accredited by an approving entity.

(c) The term "postsecondary educational institution" includes, but is not limited to, an academic, vocational, technical, home study, business, professional, or other school, college, or university, or other organization or person, offering instruction or educational services primarily to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance in their respective States.

(d) The term "education" includes, but is not limited to, any class, course, or program of training, instruction, or study.

(e) The term "postsecondary education" means instruction or educational services offered only to persons who have completed or terminated their secondary education or who are beyond the age of compulsory school attendance in their respective States.

(f) The term "home study" includes such courses of education or training as described by the Secretary.

(g) The term "completion rate" means the percentage of those students who began a course of study or training who completed such course.

(h) The term "job placement data" means (1) the ratio of those students who completed a course and, within six months of course completion, obtained employment in the field for which the course prepared them, to those students who completed that course and did not obtain such employment, or (2) a valid statistical sampling of students who completed a course reflecting the percentage of such students who, within six months of course completion, obtained employment in the field for which the course prepared them.

ELIGIBILITY STUDY

SEC. 5. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall, through the Advisory Committee on Accreditation and Institutional Eligibility, conduct a study of the operation and effectiveness of the various federally recognized approving entities. In conducting said study, the Secretary may utilize information and data available as a result of other studies which are relevant to the purposes of this Act. Such study should be conducted with a view toward determining whether the standards employed by such entities are closely monitored and strictly enforced by the entities and effective in protecting the interests of students and toward general improvement of postsecondary educational institutions and their programs.

(b) The Secretary shall, from time to time, make such interim reports of his activities, findings, and recommendations (including recommendations for changes in the provisions of this Act) as he may deem appropriate and shall make a final report to the President and the Congress not later than 2 years after the date of enactment of this Act, which shall detail the results of his findings and make such recommendations with respect to the operation of this Act or to new legislation as he may see fit.

CRITERIA FOR FEDERALLY RECOGNIZED APPROVING ENTITIES

SEC. 6. Upon completion of the study conducted under section 5(a), the Secretary, within six months after the date of enactment of this Act, shall by regulation, and upon recommendation of the Advisory Committee on Accreditation and Institutional Eligibility, revise the criteria to be met by federally recognized approving entities, where appropriate, to insure that recognized approving entities are functioning as to assure the following:

(1) That the institution shall have a statement in plain, clear, and understandable language regarding the objectives of its program of education or training.

(2) That the institution provides students and other interested persons with a catalog or brochure containing information describing the programs offered, program objectives, definition of educational credentials awarded, length of program, completion rates, job placement data on former students (required only of those institutions making job placement claims), schedule of tuition, fees, and all other charges and expenses necessary for completion of the course of study, cancellation and refund policies, and such other material facts concerning the institution and the program or course of instruction as are reasonably likely to affect the decision of the student to enroll therein, and that such information is provided to prospective students prior to enrollment.

(3) That the institution has executed such bonds to secure the faithful performance of its financial obligation in such amounts, with such surety or sureties thereon, and under such terms and conditions as the Secretary may prescribe; and that the institution provides students and other interested persons with a disclosure statement of its financial status, business relations, and other relevant information regarding the fairness, legality, and solvency of its financial situation, and that such a statement is provided to prospective students prior to enrollment.

(4) That the education or training, ethical practices, and experience qualifications of directors, administrators, supervisors, and instructors are such as may reasonably insure that the students will receive fair administrative treatment and education consistent with the objectives of the course or program of study.

(5) That the institution has adequate space, equipment, instructional materials, and personnel, where appropriate, to provide education of good quality.

(6) That the quality and content of each course or program of instruction, training, or study are such as may reasonably and adequately achieve the stated objective for which the course or program is offered.

(7) That students are not enrolled unless it is reasonably certain that they have the potential to benefit from the training offered.

(8) That upon satisfactory completion of training, the student is given appropriate educational credentials by said institution, indicating that said course or courses of instruction or study have been satisfactorily completed by said student.

(9) That accurate auditable financial records accounting for receipt and refund of guaranteed student loan proceeds, and records to show attendance, progress, or grades are maintained on the premises; and that satisfactory standards are enforced relating to admission, attendance, progress, and performance.

(10) That the institution is maintained and operated in compliance with all pertinent ordinances and laws, including rules and regulations adopted pursuant thereto, relative to the safety and health of all persons upon the premises.

(11) That neither the institution nor its agents engage in advertising, sales, collection, credit, or other practices of any type which are deceptive or unfair, as defined by the Federal Trade Commission by final orders, trade regulation rules, or guides.

(12) That the institution has a fair and equitable cancellation and refund policy; that all unearned tuition from guaranteed student loan proceeds is returned to the student's account with the lender (or other

holder of the note); that such refunds be on a timely basis (within thirty days of the student's last day of attendance or, in the case of home study students, within a reasonable time as determined by the Secretary); and that failure to comply with these requirements shall be cause to remove the approved or accredited status (and the institutional eligibility) of such institution.

ADMINISTRATION

Sec. 7. (a) The Secretary shall continuously monitor the performance of all federally recognized approving entities and if he determines, after due notice and opportunity for a hearing on the record, that such an entity is failing to meet and enforce the criteria established pursuant to section 6, he shall so notify all departments and agencies recognizing such entity. The Secretary shall rescind such notification when he determines after due notice and opportunity for a hearing on the record, that the entity has come into compliance with such criteria.

(b) Whenever an officer or agency of the United States receives notification from the Secretary that a federally recognized approving entity fails to meet the criteria prescribed by the Secretary, he shall, until such notification is rescinded, discontinue reliance on such entity's approval or accreditation of postsecondary education institutions or programs, but institutions and programs which such an entity has approved or accredited prior to receipt of such notification may (in the discretion of the department or agency) continue to be considered to be recognized through the end of the current enrollment period, or such time as may be deemed appropriate by the Secretary.

(c) During the period that subsection (b) is applicable to an approving entity, and the Secretary determines there is no other nationally recognized approving entity qualified to approve the institutions formerly approved by such approving entity, he shall appoint an advisory committee, composed of persons specially qualified to evaluate education provided by postsecondary institutions formerly approved by such entity, which shall prescribe the standards of content, scope, and quality which must be met in order to qualify such institutions to participate in programs in the area with respect to which such approving entity operated.

Sec. 8. If the Secretary determines, after affording due notice and opportunity for a hearing, that (1) a student is prevented from receiving the educational benefits contracted for in a program of postsecondary education assisted by a student loan guaranteed by the United States either because the institution ceases its operations or because it fails to provide the education or training stipulated in an agreement between the student and the institution, and (2) in the case of denial of such benefits by an institution eligible after the establishment of criteria under Section 6, the Secretary determines that such institution should not have been eligible under the standards of the federally recognized approving entity which approved or accredited the institution, the United States shall ensure that—

(a) Refunds required under section 6(12) that are applicable to loans guaranteed by the United States shall be paid to the holders of the loans on behalf of the student,

(b) If the institution holds the loans at the time such refund is due, the institution shall mark the amount of refund on the loan note,

(c) If such refund due exceeds the amount of the outstanding loans guaranteed by the United States, the excess shall be paid directly to the student,

(d) Such refunds are properly credited to the accounts of the students and are paid to the holders of the loan and the students entitled thereto, and

(e) The student is forgiven any obligation to repay the loan and loan interest when the United States is the holder of the loan or has reimbursed a State or non-profit institution or organization for a loss with respect to that loan under Section 428(c) of the Higher Education Act of 1965. Should the Secretary determine, after affording due notice and opportunity for a hearing that an institution has failed to make refunds as prescribed in the preceding sentence, the Secretary shall be responsible for making such refunds by paying the holder of the loan or the student as appropriate, and the institution shall reimburse the Secretary for any such refunds made on its behalf. In determining whether an institution has failed to provide the educational benefits contracted for, the Secretary shall be guided by the criteria established under Section 6. Refunds shall not be payable in accordance with this Section to any holder that is linked by common ownership to the institution that is responsible for the refund or with respect to loans that were acquired by the holder after having notice that refunds were due. This section shall also apply in those cases wherein a student as a result of an institution's insolvency is, in the determination of the Secretary, adversely affected with respect to his education or training and wherein a student fails to receive stipulated education or training which occur after the date of enactment of this Act and prior to the effective date of the regulations promulgated by the Secretary as required under Section 6.

Sec. 9. Section 553 of title 5, United States Code, shall apply to the promulgation of criteria by the Secretary under Section 6, and sections 554 and 558 of such title shall apply to proceedings under Section 7(a) of this Act.

Sec. 10. The Secretary shall publish biannually in the Federal Register a list showing the following:

(1) The approving entities which currently meet the criteria established by the Secretary pursuant to section 6.

(2) The postsecondary educational institutions which are approved or accredited by such approving entities including a particularization of the departments or courses of study which are approved or accredited at the institutions.

(3) The institutions which have lost approval or accreditation and those whose applications for approval or accreditation were not accepted.

Sec. 11. It is the sense of the Congress that the several States should enact and enforce laws for the approval or accreditation of postsecondary educational institutions and authorization to grant degrees. Such laws should establish standards for approving entities that will insure proper business procedure within the industry and could utilize model legislation plans and the wealth of recent study in drafting statutes for this purpose.

FEDERAL CONTROL

Sec. 12. Section 432 of the General Education Provisions Act is amended by inserting after "the Emergency School Aid Act;" the following: "the Postsecondary Education Consumer Protection Act of 1975;".

Mr. Speaker, I am also introducing today another bill, which relates closely to the Postsecondary Education Consumer Protection Act of 1975. This bill would provide the Secretary of Health, Education, and Welfare with additional personnel to investigate allegations of fraud or misuse of Federal financial assistance committed by persons administering or participating in programs and activities administered by the Department.

There currently exists within HEW, under the Secretary, a very minimal staff of 10 professional investigators assigned to track down abuses in Federal financial aid programs administered by the Department. This tiny staff is currently swamped with cases of alleged fraud or abuse in such programs which desperately need full and thorough investigation by professionally trained personnel.

The U.S. Government and the Federal taxpayer is currently faced with possible losses of hundreds of millions of dollars resulting from such cases, and in light of this, I see it as mandatory that we provide sufficient personnel to watch over our best interests. At present, more than 80 major criminal cases are backlogged in HEW files, while another 100 instances of serious criminal allegations have not even been investigated due to the severe lack of personnel in the investigative division.

My bill would provide for an additional 20 to 30 new investigators, to bring the total on that staff to a maximum of 40, or an average of 4 investigators for each of the 10 HEW regional offices.

Mr. Speaker, I ask that the complete text of this bill be inserted into the Record at this point:

H.R. 2863

A bill to provide the Secretary of Health, Education, and Welfare with additional personnel to investigate allegations of fraud or misuse of Federal financial assistance committed by persons administering or participating in programs and activities conducted by the Secretary, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) there apparently has been an increase in the incidence of fraud and misuse of Federal financial assistance committed by persons administering or participating in programs and activities conducted by the Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary"), including programs and activities relating to health aid, rehabilitation, and financial assistance; and

(2) the increased incidence of such fraud and misuse of assistance has created an urgent and present need to provide the Secretary with additional personnel to undertake investigations relating to allegations and charges of such fraud and misuse of assistance.

Sec. 2. (a) The Secretary shall appoint not less than 20 nor more than 30 persons to serve as full-time professional investigators to carry out the provisions of subsection (b)(1). The Secretary may appoint such additional personnel as he considers necessary to provide administrative and clerical support for such investigators.

(b)(1) Except as provided by paragraph (2), the Secretary shall direct persons appointed as investigators under subsection (a) to investigate and prepare written reports for the Secretary with respect to any allegation or charge received by the Secretary involving fraud or misuse of Federal financial assistance in any program or activity conducted by the Secretary.

(2) The Secretary may not direct such persons to carry out any investigatory or other function with respect to—

(A) any internal employee security program or activity established pursuant to the Act entitled "An Act to protect the national security of the United States by permitting the summary suspension of employment of civilian officers and employees of various departments and agencies of the Government, and for other purposes", approved August 26, 1950 (Public Law 733; 64 Stat. 476); or

(B) any other program or activity relating to internal employee security, except to the extent any such program or activity relates to the investigation of any allegation or charge of fraud or misuse of Federal financial assistance in the administration of any program or activity conducted by the Secretary.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

NATO CONTINGENCY FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, NATO is in danger of being eviscerated. The soft underbelly of the vital Western defense alliance may be on the verge of receiving a fatal puncture. If that occurs, the Mediterranean will turn pink.

The reason for the gloom is a series of unrelated events which threaten the security of Europe and the entire Western World.

France long ago removed itself from NATO's integrated command.

Italy strives perennially against political and economic instability which at times has brought that country's economy to the verge of collapse and has toppled several governments.

Portugal has undergone an extreme social and political reversal from a rightist dictatorship to a Socialist government with Communist participation.

Greece, which was a sore on the NATO body since the 1967 coup, has resumed democratic procedures but has now withdrawn from the NATO military command due to the crisis over Cyprus. The future of U.S. installations there is in doubt, as it is elsewhere.

The most recent sore to open is in Turkey, where the cutoff of U.S. aid for alliance defense purposes threatens to jeopardize a critical strategic forward base. To realize how serious the potential damage may be, one need only to recall the reaction of the Soviet Union during the Cuban missile crisis of a decade ago. The primary concession the Soviets extracted from the United States in return for removal of Soviet missiles from Cuba was removal of U.S. missiles from Turkey.

Turkey still maintains a tremendous strategic position on the Mediterranean, even in this day of vastly improved ICBM's. Stability in the Middle East still teeters precariously on the Golan Heights between Syria and Israel. If the peace falls, and the Soviets choose to supply or intervene on behalf of Syria, they may request air rights over Turkey. The answer will be vital to U.S. interests.

United States efforts to pressure Turkey to settle the Cyprus crisis have failed. So far, U.S. influence has waned with the passing of our military aid, rather than increased.

Yet, at no time since the North Atlantic Treaty was signed almost 30 years ago has the strength and vitality of the alliance been more important. The Soviets will move toward détente only insofar as they see it as the only way they can get the Western technology they desire. A strong alliance forces them to compromise in other areas. Weakness breeds not only contempt, but Soviet confidence that time is on their side. Indeed, the Marxist wave of the future now seems to be rising on the Mediterranean Sea, threatening the 100 million people who live on its shores.

It is time for the United States to take the leadership to stem the tide running against NATO. As a start, I propose an emergency contingency fund to be available to the President, so he can respond to emergency needs to strengthen the NATO alliance and build the defense capability of NATO states where needed. Such a fund would not need to be large, and therefore it would not significantly aggravate the balance of payments problems that have proven difficult in the past.

The value of such a contingency fund cannot be overstated. It would make possible a quick infusion of vitality into a strategic area of Europe. It would provide the assurance that the U.S. commitment to Europe remains strong and intact. Most important, it would help provide our allies with the capability of defending themselves against emergency problems emanating from within and without their borders. And today, as it has been for the past 30 years, the peace and stability of Europe is the peace and stability of the entire world.

Text of my bill:

H.R. 2806

A bill to authorize an emergency NATO contingency fund.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any other provision of law, there is hereby authorized to be appropriated for expenditure by the President $100 million as an Emergency NATO Contingency Fund, to be available only for alliance purposes in order to strengthen the military capabilities of signatories of the North Alliance Treaty.

CLEVELAND-WRIGHT CLEAN WATER BILL GAINS SUPPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 20 minutes.

Mr. CLEVELAND. Mr. Speaker, on January 28 I introduced H.R. 2175, a measure I regard as indispensable to achievement of the Nation's clean water goals as set forth in the landmark Water Pollution Control Act Amendments of 1972.

Its purpose is to accelerate the development and approval of municipal sewage treatment projects by enlarging the responsibility, authority and capability of the States, making them genuine partners in the Federal-State program.

Principal benefit would be accelerated improvement of water quality in our rivers and streams as a result of more rapid construction and expansion of municipal wastewater treatment facilities.

But there would be other benefits as well: Construction economies through reduction of delays at a time of cost escalation running at 15 percent a year; a spur to employment in an industry plagued by erratic phasing of projects; economic and residential expansion in communities stifled by lack of treatment capacity; and a healthier Federal-State relationship in an important area of public policy.

To achieve these ends, this legislation would expand application of the State certification principle, an approach employed in another major public works undertaking: the Federal-aid highway program.

Qualified States could enter into agreements with the Environmental Protection Agency and certify their compliance with the provisions of the Clean Water Act, Public Law 92–500, in the development of project funding applications. A small percentage of construction allotments could be used by States to expand staff capabilities of their environmental agencies to assume these increased responsibilities.

STRONG ENDORSEMENTS

This bill has been endorsed by the Environmental Protection Agency, a majority of State water pollution control officials, a bipartisan group of congressional cosponsors and a number of engineering and contractor groups.

Indeed, Mr. Speaker, I can say without exaggeration that no comparable piece of legislation with which I have been associated during the past 12 years in this body has generated such support in advance of legislative hearings. I therefore urge my colleagues to examine the problems it seeks to resolve—and its means of addressing them—and to consider joining as cosponsors.

The problems stem from the tremendous needs for construction of municipal wastewater treatment facilities—estimated at $150 billion—and the mandate in Public Law 92–500 for expanding, accelerating and upgrading the design, construction and operation of such systems.

The Clean Water Act not only expanded funding for the municipal programs under title II, but also imposed stricter requirements for performance. The discretionary authority vested in EPA, compounded by the new complexity, created the administrative problems which have hampered the program and which in part persist today.

To its credit, EPA was one of the first to recognize the problems of redtape, delay and duplicative review of an enormous amount of documentation involved in the program. Roughly 2 years ago, in fact, an agency-initiated study concluded that a State certification program would be desirable, feasible and legal. But the agency sought to cope administratively.

Last year, our Public Works Investigations Subcommittee, headed by my good friend JIM WRIGHT, of Texas, held oversight hearings into administrative problems hampering effective implementation of the construction grants program. This bill, which JIM WRIGHT joined in supporting as principal cosponsor, is an outgrowth of those hearings and a direct response to the problems disclosed.

STATES CONSULTED

It was circulated to the States for comment and received a most encouraging response. However, a number of constructive criticisms from State agencies were received, reviewed and incorporated into a revised bill for reintroduction in its current form. I am pleased to say that response has been overwhelmingly enthusiastic from the States.

A majority of State administrators are now on record, through regional organizations, in direct communications with my office and through the Association of State and Interstate Water Pollution Control Administrators, in support of this bill.

The authoritative Environment Reporter, a Bureau of National Affairs publication, reported recently as follows on the ASIWPCA meeting in Kansas City January 15–17 at which delegates unanimously supported this bill:

> The association adopted positions on numerous proposals to amend the Act, declined to take positions at this time on other proposals, and concluded that the highest—and in the minds of some officials, the only—legislative priority is enactment of the bill introduced originally by Congressman James C. Cleveland (R–NH) to transfer to the states certification authority under the construction grants program.

EPA, again to its credit, has come to welcome this approach. Administrator Russell E. Train endorsed it in principle at a meeting of the Water Pollution Control Federation in Denver last October 9. More recently, on January 6, EPA's construction grants review group called for support of my bill in "modified form." Finally, on Monday of this week, Russ Train sent a communication to the House and the other body concerning legislative amendments, which concluded as follows:

> TRAIN SUPPORT BILL
>
> A further area that we have under consideration concerns the role of the states in certifying compliance with the conditions of Title II of the Act with respect to waste treatment facility construction grants. H.R. 2175, which was introduced in the 94th Congress, would authorize states which meet minimum qualifications to certify compliance with Title II conditions. Under such an approach, duplication of state and federal effort can be avoided and administrative delays reduced. We believe that such an approach has considerable merit. We will support that measure.

Costly, time-consuming and frustrating delays would be eliminated by the streamlining of procedures, permitting States to certify compliance with an array of requirements for project approval, including:

Plans, specifications and estimates; response to environmental needs; conformity with all required plans and priority determinations; bidding procedures; use of best practicable technology and cost-effectiveness; and provisions for non-Federal matching of funds, user charges and recovery of capital costs to treat industrial discharges.

States could use 2 percent of their construction allocations for staffing under this proposal, which would in no way substitute for program funding under section 106 of the act.

LIMIT TO QUALIFIED STATES

It should be emphasized that this is purely an optional procedure, available to States with a demonstrated track record of performance, commitment and competence in the clean-water area. EPA, retaining the ultimate authority, would exercise more of a postaudit role. Moreover, there are provisions whereby EPA could reassert its certification authority in case of inadequate performance by any State.

In addition, States could phase into the program, assuming responsibility for certification in the case of selected functions as suggested by their growing capabilities.

In concept, this is quite close to the provisions of title 23 of the United States Code with respect to the noninterstate portions of the Federal-aid highway systems, which permit the Secretary of Transportation to discharge his responsibilities by:

> Accepting a certification by the State highway department, or that department, commission, board, or official of any State charged by its laws with the responsibility for highway construction, of its performance of such responsibilities, if he finds such projects will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this title.

CLEAN WATER PROGRAM SIZE

Details aside, this legislation recognizes that the clean water program is more than a regulatory effort; it represents a public works undertaking of potentially unprecedented magnitude. The program level of $4 billion for fiscal year 1976 already exceeds the $3 billion projected for the interstate highway program.

It has become increasingly evident that this program simply cannot be run from Washington, and demands the best efforts of all levels of government involved: Federal, State, and local.

In this connection, the bill recognizes that not all States now have the capability to meet all of the responsibilities which would be delegated under its provision. Others can, as demonstrated by: First, the fact that some States pioneered water pollution abatement efforts well before the Federal Government entered the field; second, further progress was made through the Federal-State partnership under Federal legislation preceeding enactment of Public Law 92–500; and third, some States now impose stricter requirements than does the Federal Government concerning certain aspects of the program.

Accordingly, those States which can do the job should be given the opportunity to do so. Those which currently cannot should be offered both the incentive and means of doing so. To me, this represents a pragmatic approach to a very real problem.

In addition to the majority of State administrators, this bill is supported by the American Consulting Engineers Council; it has drawn favorable, if informal, comment from organized business and the Water Pollution Control Federation, representing professionals from States and municipal government, suppliers, manufacturers, and consultants—WPCF has formally adopted a package of proposed legislative amendments, including a State certification provision.

FURTHERS CLEAN-WATER GOALS

Important as this bill is, I do not for a moment suggest that it is the final answer to all the problems surfacing in the administration of Public Law 92–500. Recognizing that a number of economic, technical, and environmental unknowns were involved, the Congress provided in the act that progress under it be assessed by the National Commission on Water Quality. That body is charged with the respsonsibility of gaging progress toward the clean-water goals set forth in the act and recommending such mid-course corrections as indicated on the basis of experience.

As a newly appointed member of the Commission, I look forward to the opportunity to undertake such far-reaching considerations. It is doubtful that any sweeping, far-reaching changes in the act could or should be considered before the Commission reports its findings in early 1976.

Meanwhile, however, as we are about to consider lesser amendments wholly consistent with the original thrust of the act—and indeed to further its purposes—I urge support for the Cleveland-Wright bill as a measure whose time has come.

HEW'S CHILD HEALTH CARE FAILURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 30 minutes.

Mr. METCALFE. Mr. Speaker, there are presently more than 10 million children in this country who are receiving inadequate health care services and whose lives will be forever marked, or even cut short, by illnesses that go undetected or untreated.

In 1967, the Congress, acknowledging this need for proper child health care, passed a series of Social Security Act amendments (P.L. 90–240) which added child health care services to the medicaid program. The program was called the early and periodic screening, diagnosis, and treatment program (EPSDT) and was, under congressional mandate, scheduled to be implemented by July 1, 1969.

The program was not implemented by July 1, 1969.

It was not implemented by July 1, 1970, or 1971, or 1972, or 1973.

The program, Mr. Speaker, has still not been implemented.

Those 10 million children who were not receiving proper medical care in 1967 are, for the most part, still not receiving proper medical care.

Children who were not yet born when Congress created this program are now 7 years old and many of them, over 9 million of them, have not yet had one single medical examination under this program.

On January 9, the Comptroller General of the United States released the result of an investigation undertaken at my request documenting the failure of HEW and of the States to implement the EPSDT program.

The report showed that less than 4 percent of those 10 million eligible children are being provided the eye, ear, dental, and other preventive medical care which was mandated under this program.

The report showed that more than 96 percent, more than 9½ million children, have gone untested for ear and eye defects, dental problems, anemia, and heart conditions and parasites as well as all the so-called childhood diseases whose treatment we all take for granted.

The General Accounting Office investigated eight sample States throughout the country—Alabama, Idaho, Illinois, Massachusetts, Oregon, Rhode Island, Washington, and Wisconsin. Their report showed that, as of June 30, 1973, less than 58,000 of 1.8 million eligible children in these States, less than 3 percent, had been screened under this program.

In my home State of Illinois, one of the eight sample States, only 13,000 of more than 583,000 eligible children had been screened—a screening rate of less than 2 percent. In three States, Massachusetts, Wisconsin, and Oregon, not a single child had been screened. There is no reason to believe that, in light of these statistics, substantial compliance has been achieved anywhere in this country.

However, the GAO report indicated that despite this lack of compliance in any of the eight sample States, not a single compliance hearing had ever been ordered by HEW.

Where does the fault lie?

How could a program as vital to so many young people as this one be such a failure?

Much of the fault must lie with HEW.

It took HEW more than 2½ years to even issue regulations for the program. In the 3 years since the regulations were issued, HEW has made little effort to assist the States with compliance. According to the GAO report, an inadequate outreach program and a serious lack of professional and paraprofessional personnel has contributed greatly to the lack of success of the program.

Many parents are simply unaware that the program is available to their children and, in far too many parts of the country, a shortage of doctors, nurses, and technicians makes compliance by the States difficult.

The root cause of it all seems to have been money. Both the States and HEW were so worried about the cost of the program that they simply did not implement it.

So the program was not implemented. Diseases were not prevented or detected at an early stage. Children got sick. Some may have died. Those who lived sooner or later probably came under a doctor's care or were admitted to a hospital. All of this medical treatment, delayed and far more extensive than would have been necessary under a preventive program such as EPSDT, was, in the end, paid for by HEW and by the States. In dollars, the increased costs for treatment and recuperative care is far above that for preventive care. In human terms, the cost is incalculable.

This fiscal myopia at HEW has resulted in a tragic irony. In an attempt to save a few dollars, HEW has left itself, and the American people, a bill of enormous cost.

HEW, in its shortsightedness and in its inaction has turned what it thought would be a minimum savings into a maximum expense.

In the end, then, we have all paid for what has been at the very least, HEW nonfeasance. The taxpayers have paid. The children have paid.

This was most dramatically shown in Alabama, one of the eight sample States in the GAO study. Here, in a State which incidentally had the highest screening rate of all those investigated—16 percent—39,000 children were screened. State figures indicate that those 39,000 children, showed 40,000 incidences of illness or physical impairment—an average of more than one serious medical deficiency for every single child tested.

I can only ask, "How many more children have suffered needlessly? How many more children are still suffering needlessly?"

Mr. Speaker, our goal now is clear.

We must find out exactly why HEW violated the law in not implementing this program for over 7 years.

We must find out who was responsible for this inaction and we must hold them accountable.

More important, we must work to insure that the law and the will of the Congress is complied with now and in the future.

HEW has said in response to the GAO investigation that it will apply 1 percent penalties against States that do not implement the EPSDT program. But surely financial penalties against the States, which must in the end be borne by AFDC families, is not the answer.

HEW, after years of inaction, surely can do better than penalties and negative incentives. It is time that positive Federal programs are created that will assist the States in improving their programs.

We in the Congress must exercise our responsibility in this matter.

We have, all too often, ignored our own role in the creation and oversight of child health care services programs.

We can, and we must, see to it that outreach programs are expanded and improved.

We can, and we must, create means and incentives for medical personnel, both professional and paraprofessional, to be trained and we must see that these people are deployed in areas where they are most needed.

A recent study by a group of physicians at Children's Hospital in Boston clearly shows that paraprofessionals can meet many of the preventive health care needs of children. The State of Idaho has shown how effective allied health professionals can be. We have, in presently existing health manpower legislation a vehicle for developing paraprofessional health manpower training programs. We need to expand present health manpower training legislation, however, with a focus on these allied health professionals and with an orientation toward preventive medicine.

Finally, we must see to it that the law is obeyed. We must no longer allow HEW, or any other Federal department, to violate the law by deliberately ignoring the congressional mandate in this area.

Our ultimate goals must be nothing less than universal health care for all children in this country.

It is imperative that we guarantee that medical care is available for every child in America. We must make the facilities available and we must relieve the burden of the cost.

It has been estimated that total preventive care for every child in America for the first 16 years of their lives would cost about $1,000 per child.[1]

In other words, if we took all the money that President Ford is asking in additional military aid for Southeast Asia, and used it to assure proper medical care for our own children, we could provide all the necessary preventive care for every medicaid child in the State of Illinois through their 17th birthday.

This is an expense that we cannot afford not to pay.

The lives of literally millions of children depend on a long overdue change in attitude by HEW, renewed cooperation of the States, and the immediate action of the Congress.

Mr. Speaker, there are 10 million children awaiting our response.

INTRODUCTION OF HOME OWNERS' LOAN ACT OF 1975

The Speaker pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

Mr. FORD of Michigan. Mr. Speaker, I am introducing legislation today designed to avert a tragedy thousands of Americans are otherwise destined to face—the loss of their homes through mortgage foreclosures. As our rate of unemployment continues to rise, many families will find themselves in the tragic position of losing the most important investment of their lives—their homes. Confronted with a loss of income and the higher prices caused by the energy crisis and inflation, many people will be hard pressed to continue making mortgage payments and will face foreclosure.

In an attempt to avert this national—yet very personal—tragedy, I am today introducing the Home Owners' Loan Act of 1975 to reactivate a program which was highly successful during the Depression. The bill establishes a new Home Owners' Loan Corporation to come into existence when and if the quarterly index published by the Federal Home Loan Bank Board indicates that the foreclosure rate has reached a critical five-tenths of 1 percent. At that level, it is estimated that the number of foreclosures on 1- to 4-family properties would be approximately 100,000 per year.

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[1] E. H. Newberger, C. M. Newberger, J. B. Richmond: *Child Health in America: Toward a Rational Policy*, 1972.

The HOLC, at that point, would be instructed to counter mortgage foreclosures by purchasing mortgages from private lending institutions and to refinance the mortgages of homeowners faced with the loss of their homes because of a temporary financial hardship. The HOLC could then refinance the mortgage over a 30-year period at an interest rate not to exceed 6 percent. The corporation could also make cash advances—up to 50 percent of the property value—to homeowners whose obligations cannot be secured by the corporation. Further, the corporation would be able to help homeowners redeem homes already lost to foreclosure.

This legislation is intended to accomplish the following: First, it is intended to help the young homeowner who purchased a home in recent years at a high price and high rate of interest. This group of young Americans is the group most severely affected by rising unemployment.

Second, because the HOLC can acquire—in addition to mortgages—tax liens and other obligations secured by real estate, it is intended to help millions of elderly homeowners with mortgage-free homes who cannot pay the property taxes on their fixed incomes during an inflation.

Finally, it is intended to stimulate the housing industry. When the rate of foreclosures rises in an area, real estate values collapse and lenders become reluctant to finance new housing. Inactivity in the construction industry contributes further to the depression of the economy. This bill is aimed at breaking this cycle by reducing the number of foreclosures.

According to one bank official in my congressional district, it is estimated that the rate of foreclosures in the tri-county area which encompasses my district has been increasing by 30 to 50 percent during the past year.

Similar legislation was sponsored in the Senate during the last Congress by a number of Senators, including Senator Mondale, Senator Hart of Michigan, Senator Brooke, Senator Humphrey, and Senator Kennedy.

Additionally, the Michigan legislature recently received a report from a special subcommittee created to study the problems caused unemployed workers in Michigan. One of its 11 recommendations was the creation of "a Home Owners Loan Corporation to provide emergency relief with respect to home mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes who are unable to amortize their debt elsewhere."

Mr. Speaker, it is important to point out that, inasmuch as the corporation will be empowered to issue its own securities guaranteed by the Federal Government, this program is intended to cost the taxpayers nothing. It is also important to note that, when the old HOLC went out of business in 1951, it closed its books with a slight profit.

In view of the financial crisis, many thousands of Americans are facing all across the country, I urge my colleagues from both sides of the aisle to join me in endorsing this self-supporting program to help all our constituents and hope that the Housing Subcommittee will consider this legislation during the hearings scheduled on emergency housing legislation.

JUSTICE DEPARTMENT AUTHORIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino), is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I am today introducing a bill which will require specific authorizations of appropriations for the Department of Justice. Under current law, there is a permanent authorization of appropriations based on the Organic Act which created the Department of Justice. As a result, the activities of the Department of Justice are reviewed only when the respective appropriations subcommittee considers the President's Annual Budget request for that Department.

However, the events of recent years dramatically demonstrate the need for closer congressional scrutiny of the operation and activities of the Department of Justice and this legislation, which is sponsored by all seven of the subcommittee chairmen of the Judiciary Committee, as well as the chairman of the Government Operations Committee, is intended to achieve that objective.

If enacted, this bill would charge the Judiciary Committee with the responsibility of recommending to the House the funding ceiling for the various divisions within the Department of Justice. More importantly, the consideration of authorization legislation by the Judiciary Committee would enable us to systematically and periodically review those programs and laws which have been enacted by our committee. At the same time, this authorization process would provide a system for communicating to the Congress and to the Department of Justice the priorities which our committee attaches to the laws and legislative programs administered by the Department of Justice. The undertaking of this responsibility by the Judiciary Committee will also serve to insure the integrity of those funds which are appropriated by the Congress.

The roots of the legislative need and purpose for this bill are traced to and expressed in the Legislative Reorganization Act of 1946 that directed each standing committee of the Congress to "exercise continuous watchfullness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee." This responsibility was made more explicit in the Legislative Reorganization Act of 1970 which required each standing committee of the House to conduct reviews and studies on a continuing basis of the "application, administration and execution" of laws within its jurisdiction. Such reviews and studies are designed to "assist the House in its analysis, appraisal, and evaluation of the application, administration, and execution of the laws—and in the formulation, consideration, and enactment of—such modifications—and such additional legislation as may be necessary or appropriate." Likewise, the committee reform resolution (H. Res. 988) considered and adopted by the House last year placed great emphasis on strengthening the oversight role of congressional committees.

In addition, on April 1, 1974, even the Supreme Court of the United States had reason to observe:

> We have no doubt that Congress, in the sphere of its legislative authority, may just as properly addresses itself to the effective enforcement of criminal laws which it has previously enacted as to the enactment of those laws in the first instance.

I sincerely believe that the athorization authority embodied in this bill is indispensable to the proper conduct of our oversight duties with respect to the Department of Justice. In seeking this departmental authorization, the Judiciary Committee breaks no new territory since the Department of State and the U.S. Information Agency are currently required to obtain annual authorizations from the appropriate legislative committees of Congress.

An additional advantage of this legislation is that it would make the Department of Justice more responsive to the informational needs of the Judiciary Committee and it would establish a mechanism for continuous consultation and communication between the Justice Department and this Committee.

With the propriety and the necessity of effective Judiciary Committee oversight thus firmly established and consistently restated in a bipartisan manner, I am confident that all of my colleagues in the House will support this measure.

LAWSUIT TO ENJOIN FURTHER U.S. MILITARY PARTICIPATION IN CAMBODIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan), is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, on January 31, 1975, 20 Members of Congress and myself filed in the U.S. District Court for the District of Massachusetts a lawsuit which would halt this country's continued military operations in Cambodia. In yesterday's Congressional Record for February 4, 1975, the first half of the plaintiff's Memorandum of Law was printed on pages H522 through H524. Today, I would like to bring to my colleagues' attention the second half of the Memorandum of Law which was filed last Friday in Boston:

V. THE "POLITICAL QUESTION" QUESTION

As stated above, the complaint in *Drinan v. Nixon*, which raised issues bearing a surface similarity to those now presented to this Court, was dismissed on the ground that these issues involved "political questions, in the legal sense of the term, which are beyond the authority of a federal court to hear or determine" 364 F. Supp. 854, 856. This section of this Memorandum will therefore examine how this case differs from the earlier one and why the issues now raised are an appropriate subject for adjudication.

Following the landmark decision of the Court of Appeals for the First Circuit in

Massachusetts v. *Laird*, 451 F2d 26, the law of this circuit is that the courts will not automatically abstain from adjudicating any conflict that may arise between the Legislative and Executive branches relating to their "shared powers" to involve United States forces in hostilities. The crucial question is no longer justiciability *per se*, but whether the issue raised is presented in sufficiently clear terms to warrant judicial intervention.

In the words of Chief Judge Coffin, at p. 34:

"Because the branches are not in opposition, there is no necessity of determining boundaries. Should either branch be opposed to the continuance of hostilities, however, and present the issue in clear terms, a court might well take a different view."

Judge Tauro enunciated the same principle in the following words, at p. 858 of his opinion in *Drinan* v. *Nixon*:

"This is not to say that the courts may never have a proper role to play in the area of foreign relations, particularly with respect to involvement of this country in a war. On the contrary, should it be apparent that the political branches themselves are clearly and resolutely in opposition as to the military policy to be followed by the United States, such a conflict could no longer be regarded as a political question, but would rise to the posture of a serious constitutional issue requiring resolution by the judicial branch.

"In order to rise to the level of a constitutional question, however, the conflict between the executive and legislative branches must be clear and at least apparently incapable of resolution, absent judicial intervention. Stated another way, a federal court may judge the propriety of war activities of the executive and legislative branches only when there is a clear conflict between the actions taken by them."

In *Drinan* v. *Nixon*, plaintiffs alleged that the bombing of Cambodia by the U.S. Air Force, at least subsequent to April 1, 1973, when all United States forces had been withdrawn and American prisoners of war repatriated from Vietnam, was in violation of the will of Congress and Judge Tauro conceded at p. 860, "that, during this period, the Congress was clearly at odds with the executive concerning the conduct of military activities".

However, by the time Judge Tauro came to issue his opinion, on August 8, 1973, the clarity of this opposition had become considerably obscured by Congress' adoption, on July 1, 1973, of the so-called "Fulbright Amendment" or "August 15 Compromise", setting a cut-off date of August 15, 1973 for U.S. bombing operations in Cambodia, after the receipt of assurances from the President that this deadline would be observed.

As a result, the argument as to the nature of the Congressional/Executive opposition, at least by the time of Judge Tauro's decision, had shifted from its initial lucidity to a highly complex examination of the significance of the Presidential veto preceding the passage of the Fulbright Amendment and quasimetaphysical speculation as to whether Congress can forbid something to be done which is already illegal.

In the end, Judge Tauro concluded, at p. 865:

"By any objective standard it is clear that, after weeks of continuing debate and division, the executive and legislative have acted so as to avoid resolute conflict. The political question has been resolved by the Political Branches and, therefore, there is no justiciable issue before this court."

The Court of Appeals, in affirming Judge Tauro's decision, did not fully agree with the finding that the "August 15 Compromise" represented a clear resolution of the conflict, freely arrived at by Congress. On the contrary, Chief Judge Coffin, the author of the court's unanimous opinion, wrote:

"The court is faced with Congressional action that at times was ambiguous and at times possibly contradictory. The Fulbright Amendment may have, as plaintiffs argue, represented "a bowing to the naked exercise of Presidential power." Or, Congress itself eschewing the exercise of its full power, it may have represented a political compromise between Congress and the President in which a Congressional majority consented to operations until August 15 in return for an end to the war. In order for this court to say there was no political compromise, we would have to read minds as well as words. Any attempt to discern a "clear conflict" would involve the court in evaluating Congressional strategies and motives. In this case we are of the view that there are no judicially manageable standards for determining whether conflict presently exists."

In the instant case, there patently is not only no such conflict resolution as that found by Judge Tauro, but there is not even the ambiguity, the need for Congressional mind-reading, which troubled the Court of Appeals.

Here, there are only two questions:

(1) Are the facts alleged by the plaintiffs true?

(2) If so, do they represent a clear and unambiguous defiance by the Executive of a series of specific Congressional mandates?

In *Harrington v. Schlesinger*, 373 F. Supp. 1138 (E.D.N.C. 1974) which appears to be the only similar case to come before any federal court since *Drinan v. Nixon* and the parallel case of *Holtzman v. Schlesinger*, 361 F. Supp. 553 (E.D.N.Y. 1973) rev'd 484 F. 2d 1307, order stayed 414 U.S. 1321, cert. den. 94 S.Ct. 1935, it was held at p. 1141, that what constitutes a "United States force" or "combat activities" is a "determination of a kind clearly for nonjudicial discretion"; that there is a "lack of judicially discoverable and manageable standards for resolving it"; and that this court could not undertake an "independent resolution [of those questions] without expressing lack of the respect due coordinate branches of government." *Baker v. Carr, supra*, 369 U.S. at 217, 82 S.Ct. at 710.

Apart from the fact that this holding is intrinsically difficult to comprehend—surely the dropping of bombs on military targets or the firing of artillery shells at enemy troops would be "combat activities" by *any* standard—it is not a holding consistent with the law of this circuit, which is premised on the readiness of the courts to intervene in a dispute such as this, provided the grounds for intervention are clear and unambiguous.

It may be that some few of the specific questions raised by this complaint will raise difficulties in terms of judicially manageable standards, but clearly not the majority. No amount of parsing of *Baker v. Carr* can create any serious ambiguities as to whether 275—if that be the number of American officials in Cambodia—is larger than 200. No amount of scholarly analysis of *Marbury v. Madison* can create any doubt that a specific order by an American officer to a Cambodian soldier to fire a specific weapon at a specific target constitutes "ground combat" or "military advice". No amount of dissection of *Mississippi v. Johnson* can possibly lead to the conclusion that a massive airlift by the U.S. Air Force into the beleagured city of Phnom Penh, with enemy rockets pouring down on all parts of the city from all directions—if such were to take place—would constitute "involvement in hostilities" in Cambodia.

Both *Massachusetts v. Laird* and *Drinan v. Nixon* foundered on the rocks of Congressional ambiguity. In the present case, the question is not "What did Congress intend?", but "Does the Executive intend to obey the mandate of Congress?" and "Will the courts come to the aid of Congress in enforcing its mandate?"

VI. REASONS FOR GRANTING PRELIMINARY INJUNCTION

As stated by Chief Judge Caffrey of this Court in *Natick Paperboard Corp. v. Weinberger*, 367 F. Supp. 885, 887 (1973):

"It is now well settled law in this Circuit that in order to obtain a preliminary injunction the plaintiff moving therefor must show a substantial likelihood of success on the merits and a probability of immediate and irreparable harm if the injunction is not granted. In passing on these two issues a court is to consider also whether the failure to issue an injunction will cause more harm to plaintiff than the granting of an injunction would cause to defendants."

The likelihood that the plaintiffs will prevail on the merits has been demonstrated in the preceding section.

As to the probability of immediate and irreparable harm if the injunction is not granted, the Congressional plaintiffs have been and continue to be harmed by each and every incident of the kind alleged in the complaint.

Each time a Congressional mandate is deliberately violated by the Executive, all members of Congress are diminished in their stature and dignity and frustrated in the fulfillment of their most important function: the duty and responsibility to legislate for the common weal. *Baker* v. *Carr*, 369 U.S. 186, 217, 82 S. Ct. 691, 710 (1962) urges judicial restraint for fear of "expressing lack of respect due coordinate branches of government". But by the same token, do not the courts owe a duty to the legislature to ensure that it receives due respect from the executive, where only the courts can effectively bring about such a result? What, after all, is Congress to do if the President and his agents commit the kinds of violations alleged in this complaint? Passing a resolution to the effect that "no involvement in hostilities" really means "no involvement in hostilities" would hardly help. Nor would it be reasonable to suggest that impeachment is the only remedy. Having done without a Presidential impeachment for over a century, the country surely does not wish Congress to go to the other extreme and resolve each dispute between itself and the Executive by resort to the ultimate and most cumbersome weapon. The function of the courts is to adjudicate, and, where they find a justiciable wrong being done, to enjoin its further commission.

A further powerful reason arguing for injunctive relief is the necessity to restore the traditional relationship between the three branches of government, and to curtail the lopsided growth of executive power symbolized by Vietnam, Watergate and by the new revelations of executive abuse which continue to burst upon the American public. Neither the signing of a peace agreement nor the abdication of a President can, by themselves, restore a governmental scheme so woefully distorted, in relation to the constitutional design. For the courts to deny relief, in situations such as the one presented by the plaintiffs, where only judicial relief will avail, would merely be to perpetuate the grave dangers inherent in the current situation.

With respect to the military plaintiff and the class he represents, their interest in the granting of an injunction is at least equal to that of the Congressional plaintiffs. What is at stake for them is not only the daily possibility of being confronted with a choice between obeying orders which they may, with reason, consider illegal and being court-martialed for refusing to obey, but the possibility of physical injury, death or capture and imprisonment.

In addition, this Court is respectfully requested to take judicial notice of the fact that events in Indochina, which had receded from the nation's consciousness over the past two years, appear, once again, to be moving toward an all too familiar crisis point. As if there were no lessons at all to be learned from the tragic history of the Vietnam war, the President is once again urging America to "support our valiant allies" in Indochina, for the sake of maintaining our "credibility" in the world. The Vice President is once again conjuring up the specter of a "blood bath" if Indochina should "fall to the Communists", while the real blood bath continues from day to day on the battlefields, aided and abetted by American arms, money, direction and participation.

At similar turning points in the past, as with the incidents preceding the Gulf of Tonkin resolution, the invasion of Cambodia and the mining of North Vietnam's harbors, previous administrations have forced the hand of Congress by creating faits accomplis. The Congressional Record for the period 1965 to 1970 is replete with the anguished statements of members of Congress who said that they abhorred the war in Vietnam, but could not bring themselves to vote against military appropriations so long as the safety of our boys was at stake.

There is now a real and imminent possibility that some new master stroke by the executive decision makers will create a situation in which Congress will, once more, be confronted with a situation in which its will has been, not only partially, but totally frustrated and in which it has, for all practical purposes, been deprived of any real alternatives. How else is one to interpret the alarming reports that the White House is determined "to have the Lor Nol regime at all costs", or the repeated trial balloons about a massive airlift to save Phnom Penh?

If such an eventuality were to materialize, it would, of course, appreciably increase the danger to the military plaintiffs as well. A plaintiff does not have to submit to irreparable harm before he can obtain preventive relief. *American Eutectic Welding Alloys Sales Co., Inc. v. Rodriguez*, 480 F.2d 223 (1st Cir., 1973).

"There is traditionally less reluctance to issue a preliminary injunction merely prohibitory in form that is aimed at preserving the status quo", *Celebrity, Inc. v. Trina, Inc.*, 264 F.2d 956 (CA 1 1959). However, preliminary injunctive relief is warranted not only by the possibility of re-escalation, but also by the continuation of illegal activity on the present scale. In this respect, there can be little doubt that "the failure to issue an injunction will cause more harm to plaintiff than the granting of an injunction would cause to defendants". If this Court agrees with the plaintiffs that the defendants are acting in an illegal manner, then the only harm which the proposed injunction could cause to the defendants would be to deprive them of the right to persist in their illegal conduct, a right which manifestly they do not possess.

Wherefore, it is respectfully requested that this Honorable Court grant the relief requested by plaintiffs.

Respectfully submitted,

PETER WEISS,
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DORIS PETERSON,
NANCY GERTNER,
Attorneys for Plaintiffs.

Dated: New York, N.Y., January 31, 1975.

ANNUNZIO INTRODUCES LEGISLATION TO EXTEND FEDERAL INSURANCE PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today I am introducing legislation to extend the national insurance program for an additional 5 years.

Under existing authority the national insurance development program, which contains the so-called FAIR plan and Federal crime insurance, would expire on April 30 of this year. Under legislation I have introduced today, the National Insurance Development Act of 1975, the programs would be extended to April 30, 1980, with an additional 3-year period to cover the time when a plan of liquidation and termination of the reinsurance and direct insurance programs—the so-called runoff feature—has to be submitted to the Congress.

The two programs that would be continued under my legislative proposal represent the two most important Federal insurance programs dealing directly with the homeowner and businessman.

Under the so-called FAIR plan system, the Federal Government agrees to reinsure insurance companies for riot inflicted losses provided the insurance companies write fire insurance and extend coverage to homeowners and businesses who are unable to obtain coverage through normal commercial channels. This program operates in 28 States including the District of Columbia and Puerto Rico. They are: California, Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Virginia, Washington, and Wisconsin.

At the present time some 800,000 policies are in force in the FAIR plan programs for a total coverage of $16.2 billion.

Mr. Speaker, the FAIR plan legislation which I originally sponsored was brought about because of the reluctance on the part of the insurance industry to write fire insurance in the inner-cities of our country. This reluctance was heightened by a number of large city riots in the late 1960's. For the most part it is my feeling that the insurance industry used the riots merely as an excuse to deny insurance coverage to millions of homeowners. These companies engaged in the practice of red lining in which they would merely draw a red circle around an area on a map and refuse to write policies for homeowners who lived within the designated territory. Under the FAIR plan legislation, insurance companies could not red line and, in fact, could only deny insurance coverage where it could be shown that the individual applying for the insurance was a totally unacceptable risk. These decisions had to be reached on a case-by-case basis rather than by a broad brush treatment.

The second portion of the National Insurance Development Act of 1975 deals with Federal crime insurance, a program in which I was the original legislative sponsor.

Federal crime insurance, which is administered through the Department of Housing and Urban Development, was brought into being because businesses and homeowners in a number of areas found it impossible to purchase robbery and burglary insurance from private insurance companies. Red lining was also used by insurance companies to eliminate areas in which crime insurance would be written. Many businesses, particularly small businesses, were forced to close because they could not operate without insurance and homeowners who could not obtain the policies began deserting the cities to live in areas where they could obtain proper insurance coverage.

Crime insurance is now available in 13 States and the District of Columbia. These States are: Connecticut, Delaware, Illinois, Kentucky, Florida, Massachusetts, New Jersey, New York, Ohio, Missouri, Pennsylvania, Rhode Island, and Tennessee. Under the crime insurance program the Governor of a State must certify that such insurance is not available at reasonable rates from private carriers before the Federal policies can be issued.

To date some 20,000 policies have been sold for a total insurance coverage of roughly $130 million. The crime insurance program, which is several years younger than the FAIR plan, has been inadequately advertised and the number of policies that have been sold is limited. A recent program to make homeowners and businessmen aware of the crime insurance program has brought about a dramatic increase in policy sales. It has been suggested that the Federal Government, instead of writing crime insurance, take action to control crime. While I certainly agree that we must be more vigorous in our fight against crime, at the same time we should not penalize homeowners and businessmen because crime exists. Homeowners and businessmen did not create crime and they are not the ones who are failing to take action to alleviate the situation. Yet homeowners and businessmen in high crime areas are the ones who have suffered in the past; namely, with the denial of insurance.

One important aspect of the crime insurance program is that before a government policy can be written, the insurance applicant, whether he be a homeowner or a businessman, must install certain protective devices to deter criminals. These devices range from deadbolt locks for homeowners to electronic burglar alarms for certain types of businesses. Areas where Federal crime insurance is sold have been hailed for using these protective devices as an effective means of deterring crime.

Mr. Speaker, I have saved the best for last. Both the FAIR plan insurance and the crime insurance program operate at no cost to the taxpayer. No appropriated funds are used to run these programs. Instead all premium income is placed in the national insurance development fund and excess amounts in that fund are invested so as to bring an additional return to the fund.

It is rare that the Government can put together a program that not only helps homeowners and businessmen but at the same time does not burden the taxpayers with additional expenses.

This is the type of program that has proved its merit and should be extended for an additional 5 years. A copy of the National Insurance Act of 1975 is included as part of my remarks.

AMERICANS FOR AMNESTY AND GOLD STAR PARENTS FOR AMNESTY SUPPORT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, this week I had the very moving experience of meeting with families of war resisters and with families of men who were killed in Vietnam. These people had come from all over the country, together, to urge their Senators and Representatives to act on real amnesty. Both groups agreed that amnesty must be universal and unconditional.

It would not bring back the young lives cut short by that horrible war, but it would restore to this country the men who refused to participate in that war. Eventually the majority of our citizens came to realize that the war was immoral and illegal; those who resisted simply reached that awareness earlier.

They and their families have suffered in many ways, while the men served time in jail, in exile, in the underground or in the armed forces. Most of them completely reject President Ford's clemency program as punitive, inadequate, and discriminatory. They do not feel that they should have to apologize and pay further penalties, as the clemency program requires.

The administration has claimed that 7,400 of the 137,000 eligible men have responded to the appeals on TV and radio, and so the program has been extended for a month. The extension does not improve the program; and even if a few hundred more persons respond, the problems of the vast majority are still left unsolved. Those who received certain kinds of less than honorable discharges, for example, are not covered by this program—and such discharges are proving a formidable block to veterans' employment. Others can earn a "clemency discharge" which is equally stigmatizing.

Mr. Ford's program promised to heal the wounds of Vietnam, but it has not done so. On the contrary, there are ominous signs that the Nation will once more be engaged in a struggle to keep a second Presidential war from occuring in Vietnam. It is incredible to contemplate such a national debate recurring, while the victims of our long Asian war—the veterans and the resisters—are not yet reintegrated into our society. The veterans cannot find jobs and the exiles cannot come home.

What is needed now is complete amnesty—a wiping out of all charges, allegations, convictions, that impugn the loyalty and distort the records of those who opposed the killing of Vietnamese. This would be a real gesture of reconciliation and a way of pledging ourselves not to commit the terrible blunder of intervention once again.

My bill H.R. 2568, now cosponsored by Representatives CONYERS, EDWARDS of California, HARRINGTON, HOLTZMAN, MITCHELL of Maryland, ROSENTHAL, and WAXMAN, would impose no punitive alternative service, no loyalty oath, no showing of repentance.

It would extend not just to draft evaders but to deserters and antiwar demonstrators as well; to those who violated any Federal, State, or local law in the course of essentially nonviolent war protest. We feel that it is unfair to grant amnesty to draft resisters while denying it to deserters, who simply developed their moral awareness after entry into the Armed Forces, rather than before. We oppose case-by-case study of deserters, since many of them are less well educated and less well able to articulate their motives, even though they are totally sincere.

Further, this bill grants a thorough restoration of rights to war resisters. Those imprisoned would be released, further prosecution restrained, police records expunged, and other than honorable discharges converted to discharges with no coding or other indication of reasons for discharge. Citizenship would be restored to anyone who renounced it because of the war.

Administration of amnesty would be granted directly and automatically except in cases of violations involving injury or destruction of property. A Presidential commission would review these cases and grant amnesty if the actions were motivated by opposition to the war.

Certain acts considered criminal in the UCMJ but not in civilian life—such as the use of contemptuous words—are also amnestied. The Commission—to be appointed by the President with the advice and consent of the Senate—would include women and members of minority groups. The right of exiles to visit their families would be granted, as well as citizenship for naturalized exiles, if requested.

Nothing less than this will restore these people to productive lives in the United States, and put behind us the divisive debate over Vietnam.

I would like to include the text of the bill herewith:

H.R. 2568

A bill to exonerate and to provide for a general and unconditional amnesty for certain persons who have violated or are alleged to have violated laws in the course of protest against the involvement of the United States in Indochina, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "War Resisters Exoneration Act of 1975".

FINDING AND DECLARATION

SEC. 2. (a) The Congress finds and declares that a general and unconditional amnesty, with full restoration of all civil, political, property, and other rights is a necessary measure, after the cessation of United States military operations in Indochina, for the reconciliation and reinstatement of persons who have been prosecuted, or who may be subject to prosecution, for failing to comply with any requirement of, or relating to, service in the Armed Forces during the involvement of the United States in Indochina, or for engaging in any nonviolent activity or activity justified by deeply held moral or ethical belief in protest of, or opposition to, the involvement of the United States in Indochina.

(b) The Congress further finds and declares that it is an immunity of citizens of the United States (within the meaning of section 1 of the fourteenth amendment to the Constitution of the United States) to enjoy the annulment of all legal disadvantages that have been incurred or suffered by reason of opposition to the involvement of the United States in Indochina, to the greatest extent consistent with the preservation of life and property.

EFFECT OF GENERAL AMNESTY

SEC. 3. The general amnesty granted by or under this Act shall, with respect to any violation of law enumerated in section 4 or covered under section 6—

(1) restore to the grantee all civil, political, citizenship, and property rights which have been or might be lost, suspended, or otherwise limited as a consequence of such violation;

(2) immunize the grantee from criminal prosecution for such violation;

(3) expunge all notation relating to such violation from the records of law enforcement agencies and cause an appropriate entry to be made in relevant public records;

(4) require the granting of an honorable discharge to any person who received a discharge other than an honorable discharge from the Armed Forces if such violation was solely the cause, or a substantial cause, of the granting of such other than honorable discharge;

(5) require that the honorable discharge from the Armed Forces granted by subsection (4) of this section contain no indication of any kind of the reason for the discharge;

(6) nullify all other legal consequences of such violation and entitle the grantee to indicate in any manner that such violation never occurred.

AUTOMATIC GENERAL AMNESTY

SEC. 4. (a) Notwithstanding any other provision of law, general amnesty is hereby granted to any person for violation of one or more of the laws enumerated in this section or regulations and policies promulgated pursuant thereto, if such violation was committed between January 1, 1961, and November 22, 1974. Such amnesty is automatic, and no application to the Amnesty Commission or any other agency is necessary to effectuate it.

(b) General amnesty is granted for violations of any of the following laws:

(1) Section 6(j) of the Military Selective Service Act (50 App. U.S.C. 456(j)).

(2) Section 12 of the Military Selective Service Act (50 App. U.S.C. 462).

(3) The following sections of title 10, United States Code (Articles of the Uniform Code of Military Justice):

(a) section 881,
(b) section 882,
(c) section 883,
(d) section 885,
(e) section 886,
(f) section 887,
(g) section 888,
(h) section 889,
(i) section 890(2),
(k) section 891(2), (3),
(l) section 892,
(m) section 894,
(n) section 895,
(o) section 899,
(p) section 900.
(q) section 901,
(r) section 904,
(s) section 905,
(t) section 915,
(u) section 917,
(v) section 933,
(w) section 934.

(4) Section 1381 of title 18, United States Code.

(5) Section 2387 of title 18, United States Code.

AMNESTY COMMISSION

SEC. 5. (a) There is established a commission to be known as the Amnesty Commission (hereinafter in this Act referred to as the "Commission").

(b) The Commission shall be composed of five members, qualified to serve on the Commission by virtue of their education, training, or experience. Members shall be nominated by the President, to be appointed with the confirmation of the Senate of the United States, as follows:

(1) At least two members shall be female.

(2) At least two members shall be from racial minorities.

(3) At least two members shall not have served in the Armed Forces of the United States.

Individuals who are officers or employees of any government are not eligible for nomination to the Commission. A vacancy in the Commission shall be filled in the manner in which the original nomination was made.

(c) Members shall be nominated and confirmed for the life of the Commission.

(d) (1) Members of the Commission shall each be entitled to receive an annual salary equal to the annual salary payable to a judge of a United States district court.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(e) Three members of the Commission shall constitute a quorum. The Chairperson of the Commission shall be elected by the members of the Commission. All decisions of the Commission shall be by majority vote.

(f) The Commission may appoint and fix the pay of such personnel as it deems desirable, including such hearing examiners as are necessary for proceedings under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5 are applicable to hearing examiners appointed pursuant to this subsection.

(g) (1) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(2) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(3) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

GRANT OF GENERAL AMNESTY BY THE COMMISSION

SEC. 6. (a) Notwithstanding any other provision of law, the Commission shall grant general amnesty as provided for in section 3 of this Act to any individual who, during the period beginning January 1, 1961, and ending on November 22, 1974, violated any Federal law (other than one enumerated in section 4 of this Act) or State or local law if the Commission finds that—

(1) such violation was in substantial part motivated by the individual's opposition to, or protest against, the involvement of the United States in Indochina; and

(2) the individual was not personally responsible for any significant property damage or substantial personal injury to others in the course of his violation of any such law;

except that, in any case in which the Commission finds that an individual was personally responsible for significant property damage or substantial personal injury to others in the course of his violation of any such law, the Commission shall grant amnesty if it finds that such conduct was justifiable on the basis of a moral or ethical belief deeply held by the individual.

(b) (1) Whenever the Commission grants general amnesty under this section to an applicant who received a discharge other than an honorable discharge from the Armed Forces, it shall make a finding as to whether any violation of law for which general amnesty is granted was solely the cause, or a substantial cause, of the granting of such discharge.

(2) The Commission shall also have jurisdiction to hear and determine applications from individuals entitled to automatic amnesty under section 4 of this Act and aggrieved by the refusal of the military board concerned to grant an honorable discharge to him under section 3(4) of this Act, or to grant an honorable discharge free from any indication of the reason for such discharge under section 3(5) of this Act.

(3) Any finding or determination made by the Commission pursuant to this subsection shall be conclusive upon the military board concerned and is not reviewable by any agency or member of the Armed Forces or any civilian officer of the Military Establishment.

(c) Any individual desiring amnesty under this section, or review of the decision by a military board to deny him an honorable discharge or discharge free of indication of the reason for such discharge, shall make application therefor to the Commission in such form as it shall prescribe. The Commission shall not receive any application for amnesty or discharge review under this Act after the close of the forty-eighth month after the month in which this section takes effect.

(d) Any application for amnesty or discharge review which is timely filed shall be determined on the record after opportunity for hearing in accordance with sections 554, 556, and 557 of title 5, United States Code. The entire record developed at the hearing on any application shall be certified to the Commission for decision.

(e) Any applicant may obtain judicial review of a decision by the Commission which is adverse to him by filing a petition for review in the United States court of appeals for the circuit wherein he resides within sixty days after the date on which the decision is made. The Commission shall thereupon file in the court the record of the proceedings on which the Commission based its decision, as provided in section 2112 of title 28. The court shall have jurisdiction to review the decision in accordance with chapter 7 of title 5 and to grant appropriate relief as provided for in such chapter.

(f) Any individual not able to apply to the Commission for a determination under subsection (b) (2) of this subsection because the decision of the military board concerned to deny him an honorable discharge or discharge without indication as to reason for such discharge was made after a date sixty days prior to the closing date specified in subsection (c) of this section may obtain judicial review of such decision by filing a petition for review in the United States district court for the district wherein he resides within sixty days after the date of such decision. The military board concerned shall thereupon file in the court the record of the proceedings on which the board based its decision. The court shall have jurisdiction to review the decision of the military board in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided for in such chapter.

RESTORATION OF CITIZENSHIP

SEC. 7. (a) Upon petition to any district court of the United States, by petitioner or a legal representative, the United States citizenship of any former citizen who states that he renounced such citizenship or became naturalized in a foreign country, solely or partly because of disapproval of involvement of the United States in Indochina shall be fully unconditionally restored.

(d) Upon sworn written statement to the Department of Immigration and Nationality of the United States, any former citizen of the United States who states that he renounced such citizenship or who became naturalized in a foreign country, solely or partly because of disapproval of involvement of the United States in Indochina, shall be exempted from the provisions of section 212 (a) (22) of the Immigration and Nationality Act (section 1182(a) (22) of title 8, United States Code).

SUITS IN THE DISTRICT COURTS

SEC. 8. (a) The district courts of the United States shall have jurisdiction without regard to the amount in controversy to hear actions brought to redress the deprivation of rights granted by section 3 of this Act, and to grant such legal and equitable relief as may be appropriate.

(b) Notwithstanding the provisions of section 2283 of title 28, United States Code, or any successor provision thereto, a district court hearing an action brought pursuant to subsection (a) of this section may grant injunctive relief staying proceedings in a State court.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEPARABILITY OF PROVISIONS

SEC. 10. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons or to other circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 11. Sections 4, 6, 7, and 8 of this Act shall take effect upon the date of enactment of this Act.

PENSION RIGHTS OF SURVIVING SPOUSES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, I introduced legislation which will amend the Employee Retirement Income Security Act of 1974 to protect the pension rights of surviving spouses.

It is crucial that our pension laws provide full coverage for the people they are supposed to protect. Unfortunately the present law does not do this. Take the case, for example, of a woman whose husband has worked for the same company since he was 25 years old. He has been covered by a pension plan which has "joint and survivors" benefits and which gave him vested rights to those benefits when he had been with the company for 15 years—that is, when he was 40 years old. He suddenly dies at the age of 60. What happens to his widow under the new pension reform law?

She gets nothing.

The reason for this is that the new law contains a major loophole that leave widows—and widowers—completely unprotected. Behind the technical language of the new law is a provision which prevents a widow from receiving survivor's benefits unless her husband dies after he has reached retirement age. Retirement age in most cases is 65; some plans may have a lower age. This means that a man who has worked for a company for 15 or 20 years, and whose pension benefits have become fully vested by the time he reaches the age of 45 or 50, had better remain alive for another 15 or 20 years if he wants his wife to receive her share of those vested benefits. If he dies even within 2 months of collecting his first pension check, she will get nothing. The same situation, of course, applies to surviving husbands.

I believe that many of my colleagues as well as the public have the impression that under the new pension reform law, once a worker's benefits have vested, his wife will be provided for in the event he predeceases her. This was apparent to me during the debate on the new law last year when I introduced an amendment to close this loophole. Certainly most workers believe that under the new law, their vested benefits will automatically go to their widows or widowers regardless of when the workers die.

Such is not the case. This gap in the new law is unconscionable, particularly because it is not apparent from the language of either the law or the report which is supposed to explain the law. I am afraid that it will give employees a false sense of security that once their pension rights are vested, their wives will be provided for, regardless of what happens to them.

My bill will correct this problem. It will allow a widow to receive survivors' benefits to which she would have been entitled if her spouse had lived to retirement age. A widow will be eligible to receive such benefits at the time that her husband—had he lived—would have been entitled to start receiving pension benefits. The same will be true for widowers.

Providing adequate survivors' benefits under private pension plans will help solve one of the most pressing needs of our over-65 population—the lack of income for older women. Women over 65 who live alone comprise the poorest segment of our population. Six out of every ten have incomes below the poverty level.

If pension plans are to be more than a gamble on survival and a bet on coverage, and if we sincerely want to protect the rights of the surviving spouse, then my bill should be adopted.

PROPOSED REBATE FOR THE TAXICAB INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, I am today introducing legislation to amend the Internal Revenue Code of 1954 to provide a repayment for part of the Federal excise tax paid on gasoline and special fuels used in taxicabs.

Mr. Speaker, the taxicab industry is the only segment of public urban passenger transportation that does not receive a rebate of this tax. The Internal Revenue Code of 1954 granted a rebate to local transit systems for part of their payment of excise tax on gasoline in section 6421(b) of the code. This section provides a 2-cent per gallon rebate for local transit companies defined as "scheduled common carrier public passenger land transportation service along regular routes." Although the taxicab industry does not provide "scheduled" service, it provides a very necessary mode of transportation in urban America.

In fact, not only are taxicabs ineligible for this tax rebate, their gasoline taxes are used to support other transit systems with which they compete. As a result of the Federal Aid Highway Act of 1974, moneys paid into the highway trust fund by taxicabs are currently used to subsidize local transit systems with capital grants and supporting services. Local transit systems receive further support from many State legislatures which have extended special tax relief and funding in order to speed the growth of urban mass transit. These factors place the taxicab industry in the unenviable position of subsidizing other forms of local public transportation.

In discussing public transportation in urban areas, movement by taxicab transit should be given equal consideration with mass transit. In some communities taxicabs are the only available form of public transit. Taxicabs are major transporters of the aged and handicapped as well as many other persons who cannot drive or do not have access to an automobile.

The sum of 2,561 communities are served exclusively by taxicabs as compared with less than 800 communities served by urban transit systems as well as taxicabs. The 20 percent of the population of the United States that does not have private passenger cars available constitute a basic market for the taxicab industry and also for bus transit. Contrary to popular belief, people do not ride taxicabs because they are rich, they ride taxicabs because mass transit often does not provide this service, or mass transit provides an inefficient ride in terms of time, comfort, and convenience. Surveys indicate that about 60 percent of the trips are by housewives, students, unemployed, elderly, or handicapped persons.

The State of Michigan recently enacted legislation to provide a full 9 cents per gallon State tax rebate for taxicabs. In the State of New York, where taxicabs are recognized as an integral part of urban public transportation, taxicabs have been granted a 3 cents per gallon rebate since 1959.

Mr. Speaker, the States of New York and Michigan have corrected this situation and it is now time for the Congress to act. In my judgment this is a necessary bill.

PROPOSED LEGISLATION TO PROHIBIT BEEF AND DAIRY IMPORTS FOR 1 YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker, I am introducing today a bill (H.R. 2876) on behalf of myself and several of my distinguished colleagues, to prohibit for 1 year the importation into the United States of beef and dairy products, during which time the Secretary of Agriculture is directed to investigate and evaluate U.S. policies relating to agricultural products and marketing, agricultural policies, and the purity and wholesomeness of products available to the American consumer.

Many Members of this House have rightly expressed dismay at the high price of beef at the supermarket. I think it is high time to express some dismay about its price at the ranch. In Oklahoma today, the cattle industry is in a state of disaster. Government policy has played with the price of beef from the stockyards to the supermarket. Now it is time for the Government to realize that misguided policies have driven the cattle industry in America, and the rural community which the cattle industry supports, to the point of bankruptcy. It just is not possible for a rancher to buy cattle at $180 a head, sell the same cattle a year later at $54 a head, and still make a living. Yet this is exactly what is happening to America's ranchers.

Members of the Oklahoma Legislature have held extensive hearings on the cattle industry, and have passed a concurrent resolution which calls for a 1-year moratorium on the import of cattle, and an immediate investigation of Government policies pertaining to such imports. I respectfully suggest that the importance of the American cattle industry to the economy of this country, and to the world food supply, makes it imperative that this body act promptly to give relief to our ranchers.

Mr. Speaker, I was honored to note that the Speaker of the House, the Honorable CARL ALBERT, stated his support for this legislation, and indicated that he would refer it to the Committee on Agriculture. On behalf of my colleagues from the entire Oklahoma delegation, and the other distinguished Members who have joined with me in this action, I am happy to introduce this bill, and I include the text of the bill, of Speaker ALBERT's statement, and of Oklahoma enrolled House Concurrent Resolution No. 1004 in the RECORD immediately following my remarks:

STATEMENT OF REPRESENTATIVE CARL ALBERT THE SPEAKER, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., JANUARY 29, 1975

Last Monday evening, I spoke on national television about the economic troubles which are confronting our country. I made it a special point to bring the American people's attention to the depression in American agriculture and, in particular, the problems facing cattlemen.

No single segment of our economy has been harder hit than the cattle industry. Farmers and ranchers have had to pay higher prices for everything from baling wire to fertilizer, and they have been rewarded with lower prices for their cattle and increasing competition from foreign producers. On top of all this, one of the nation's largest beef processing firms has gone bankrupt, leaving Oklahoma cattlemen and feedlot owners with thousands of dollars in returned checks.

I am particularly concerned about the Administration's failure to recognize these problems. Former President Nixon lifted meat import quotas while our trading partners closed their doors to U.S. beef. President Ford right now has the authority to limit foreign beef imports with the stroke of a pen. He already has the authority to purchase surplus meat for distribution to the needy, and to emphasize and expedite the enforcement of our antitrust laws.

I, along with many other Members of Congress, have urged the President and the Secretary of Agriculture to exercise their powers to help solve this crisis. So far, they have demonstrated little willingness to do so.

In July of last year, Congress passed the Emergency Livestock Credit Act to establish a $2-billion guaranteed loan program for ranchers, but bureaucratic delays and red tape have virtually crippled its effectiveness. The very fact that Congress feels the need to enact emergency legislation shows the inadequacies of the Administration's farm policies.

Congressman Glenn English is introducing legislation which would place a one-year ban on the importation of cattle, beef, and some dairy products into the United States.

Congressman English's bill is an important first step towards putting our nation's cattle industry back on its feet. I support this legislation.

Resolution

A concurrent resolution memorializing the President and Congress to immediately stop all cattle imports for one-year period and to begin an immediate investigation for all U.S. policies pertaining to foreign beef imports and to also require that all foreign beef be labeled as imports; and directing distribution

Whereas, it was ordained and established in Article I, Section 8, of the Constitution of the United States of America that the Congress of the United States of America shall have the power to regulate commerce with foreign nations; and

Whereas, the health and welfare of the people of the United States of America can be directly affected by the purity and cleanliness of beef products imported into this country; and

Whereas, the President of these United States of America has made no suggestion as to the regulation of foreign beef imports into this country which has led to economic disaster for many of our cattlemen.

Now, therefore, be it resolved by the House of Representatives of the 1st session of the 35th Oklahoma Legislature, the Senate concurring therein:

Section 1. That the President and the Congress of the United States of America be memorialized to immediately stop all cattle imports into this country and declare a one-year moratorium.

Section 2. That the Congress of the United States of America be memorialized during the one year to conduct a thorough investigation and evaluation of all U.S. policies and regulations pertaining to foreign beef imports.

Section 3. That all foreign beef be labeled as imports and be required to meet all production and processing standards that are required of cattlemen in the U.S.

Section 4. That duly authenticated copies of this Resolution be distributed to members of the House of Representatives and Senate, including the Oklahoma Congressional Delegation, and the President of the United States of America.

TESTIMONY ON THE UNITED NATIONS PRESENTED BY HON. LESTER L. WOLFF TO THE COMMITTEE ON FOREIGN AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, yesterday the Foreign Affairs Subcommittee on International Organizations began 2 days of hearings reviewing the past session of the United Nations and reexamining the relationship of the United States to that organization. I requested that these hearings be held because of the concern that has arisen in many Americans over recent U.N. actions. Testifying yesterday were the Honorable John Scali, U.S. Ambassador to the United Nations; Dr. Hans Morgenthau, professor CUNY; Dr. Luther Evans, president, World Federalists USA; and myself. At this time, I would like to share with my colleagues the thrust of my questions concerning our future position in the U.N.:

Testimony on the United Nations Presented by the Honorable Lester L. Wolff to the Committee on Foreign Affairs, February 4, 1975

I would like to thank the Chairman of the Subcommittee on International Organizations for honoring my request that hearings be held to review the recent session of the United Nations and the relationship of the United States to that organization. In the past, I have strongly supported the U.N., though I did question the size of the U.S. financial contribution. Today, I and a large number of heretofore strong supporters of the U.N. find ourselves troubled by the actions the organization has taken. It is unreasonable for us to expect that the U.S. position will always prevail, but it is not too much for us to expect that the United Nations will follow its own Charter and will act to increase the prospects for peace in the world. In the past session the U.N. did not live up to these most reasonable of expectations. It acted in ways that not only left these expectations unfulfilled but did damage to the credibility and viability of the organization. In light of this, I felt that it was essential for us to re-examine our policies.

I would like to recount and comment on some of the U.N. actions that have troubled me and other Americans. Perhaps the most obvious incident is the granting of observer status to the Palestine Liberation Organization and in permitting its leader, Yasir Arafat, to address the General Assembly.

The United Nations is, as its name implies, an organization of nations. The PLO is simply not a nation. It is the umbrella organization of a band of international terrorists who have no qualms over spilling the blood of innocents. It is an organization whose authority and existence are based on the indiscriminate use of terror in attacking civilians and avoiding military targets. It is an organization that has received world wide attention not because of its respect for international law or for its attempts to bring peace, but for its trampling of that law and its efforts to destroy a member state of the U.N.

On November 10, 1974, Yasir Arafat announced that ". . . the goal of our struggle is the end of Israel, and there can be no compromises or mediation . . . We don't want peace—we want victory. Peace, for us, means Israel's destruction and nothing else." Contrast his words with these from the U.N. Charter ". . . to practice tolerance and live together in peace with one another as good neighbors." Despite the fact that the PLO operates in total violation of the goals of the U.N., the General Assembly saw fit to grant it observer status by a vote of 95–17–19.

After granting the PLO observer status, the General Assembly greeted Yasir Arafat with full ceremonial honors and permitted him to address the Assembly. Only one other non-member has been granted this honor; Pope Paul.

In addition to making a mockery of U.N. ideals, this recognition of the PLO presents a most dangerous precedent for the future. It makes terrorism legitimate. It shows that disregard for human life is an acceptable tactic in achieving one's goals. Instead of placing the world body in opposition to bloodshed, it encourages it. It is a clear statement to terrorist groups in the world that if they persist they can receive honor, rather than punishment, for their crimes.

The U.N. has an abysmal record on the whole matter of curbing terrorism. After the 1972 Munich massacre of the Israeli Olympic team, Secretary-General Waldheim personally suggested that the General Assembly should give the matter of terrorism high priority. This suggestion received far less than whole-hearted approval and no steps were taken. In fact, between July 1968 and the end of 1973 there were 27 recorded incidents of Arab terrorism that received no action by the U.N. Terrorists receive accolades as freedom fighters and their victims, who are often women and children, are ignored by the U.N. and their deaths hailed by the organizations that perpetrate these crimes.

During the past session's debate on the entire question of the Middle East, a debate in which a significant number of nations seemed to indicate that a member state of the U.N. had no right to exist, Israel's right to reply to the charges and comments made was limited to a single speech, plus a ten minute statement at the end of the day. This action was, in the recollection of many diplomats, unpredecented in the entire 29 year history of the U.N. This is a most serious matter. One of the major functions of the U.N. is that of acting as an arena for the interaction of nations' opinions. This action severely limited the exchange of opinion that is most beneficial to all parties in any dispute and, again, sets a dangerous precedent for the future. It was not done because of the threat of an international form of "filibuster", but resulted from narrow mindedness and disregard for fair play. I would like to emphasize that my concern in this has two bases. One, I felt that the opinions presented by the majority of the nations were not conducive to peace. Beyond this, however, I am concerned over the precedent such freedom of speech curbs set for the entire U.N.

A further incident was the suspension of South Africa from the General Assembly. I should make it clear that I am in total opposition to the apartheid policies of South Africa, but, again, I feel that the action taken was improper, irresponsible and injurious to the well being of the U.N. system.

The United Nations Charter clearly states that a member ". . . may be suspended from the exercise of the rights and privileges of membership by the General Assembly upon the recommendations of the Security Council." In the case of South Africa, the Security Council did not make any such recommendation. Rather, the suspension proposal met with a triple veto. The Legal Counsel of the United Nations, at the 25th Session of the Assembly, set forth a ruling that stated that "the participation in meetings of the General Assembly is quite clearly one of the important rights and privileges of membership. Suspension of this right through the rejection of credentials would not satisfy the requirements and would therefore be contrary to the Charter." Despite this clear ruling, the General Assembly voted 91–22–10 to suspend South Africa from participation.

One of the objects of the U.N. is to bring persuasion to bear on its delinquent members. To suspend a nation from membership in the Assembly is to isolate it from the very forum from which the persuasion emanates and is totally antithetical to the goal. Suspension is a one time blow to a nation's international standing; it is a one shot expression of international protest, but once this "shot" is fired, the U.N. has no further hold on the delinquent nation and a subsequent resolution condemning that nation's activities will have even less effect than before.

This suspension is also a step away from the desirable goal of universal membership and sets a disturbing precedent for the future. By the parliamentary chicanery of refusing to accept a delegation's credentials, even though there can be no question as to the legitimacy of those credentials, the doorway is opened to suspending any nation that a mathematical majority wishes to express it pique at.

A further example of the U.N.'s irresponsibility is in the exclusion of Israel from a regional group of UNESCO. This is an international agency dedicated to educational, scientific, and cultural goals. It has been, and should continue to be, non-political in its operation. Yet, there is no question that its actions against Israel were politically based. Accordingly, the U.S. has chosen to halt aid to UNESCO until it returns to its proper role. This is a most appropriate response.

One of the concerns underlying all of the actions I have discussed is the hypocrisy that the U.N. has shown. The U.N. seems to be wearing a set of blinders; condemning activities in one nation while ignoring similar or worse in other nations. The spectacle of Uganda, where General Amin expelled all those of Asian ancestry and has people liquidated almost daily, solemnly condemning the racism in South Africa borders on the ludicrous. Thousands of Burundians were killed in 1972 and 1973, yet the U.N. remained silent. Amnesty International has accused more than 60 of the 125 member nations of UNESCO of using torture as an instrument of control over the past ten years. The U.N. response was to withdraw its offer of its facilities to the organization.

Violations of human rights must be acted upon by the U.N., but the U.N. must serve all mankind and not act for political reasons.

The disturbing actions I have outlined were taken because a majority of the U.N.'s membership favored them. But, because each nation is given one vote, a two-thirds majority can be obtained from nations representing a scant 10% of the total population represented in the U.N. By virtue of this, the General Assembly has passed measures that do not conform to the realities of the world situation. A majority passes a resolution that requires the minority to make concessions. It must be remembered that the General Assembly cannot dictate solutions and any attempt to do so will be ignored if it is considered unreasonable by those it is directed against. If this is a recurring situation, and it has become one, the minority will treat these resolutions with less and less respect. Such actions by the General Assembly accomplish nothing. They only serve to undermine the respect that is essential for the U.N.

This problem becomes more acute when the minority contains members whose economic, military and political resources are, in all probability, equal to or greater than those of the majority.

To summarize, the General Assembly has acted irresponsibly, in violation of its own Charter, in violation of any standard of fairness, and has acted to promote conflict and divisiveness rather than promote conciliation. It has acted according to the whims of a majority of the members, a majority that does not accurately reflect the world political situation. The General Assembly has become a seriously flawed body and these flaws are shared by other U.N. agencies such as UNESCO and ECOSOC.

It is ironic that the voting bloc that now controls the United Nations and has such a major voice in the policies adopted takes such small interest in financing the U.N. The U.S. pays a full 25% of the U.N. regular budget. For 1975, this comes to $81,268,739. The U.S. has but one vote. On the other hand, the countries that constitute the Third World bloc and more than half of the U.N. membership are, for the most part, assessed at the minimum rate of .02% of the budget or $56,030 for 1975. Additionally, nearly 110 Third World and Soviet bloc nations are delinquent in some form of payment. The OPEC nations only pay a combined total of 1.28% of the budget.

Drug abuse is a problem that afflicts a large number of nations and the problem continues to grow. The U.N. Fund for Drug Abuse Control attacks this problem on a worldwide basis, yet, of the $13.6 million that has been donated to this fund since 1971, $10 million, 74% has come from the United States. Again, the U.S. pays a disproportionate share in combating this problem of global import. We carry the brunt of the burden despite the fact that the U.S. does not produce any of the opium that is one of the principle components of this problem.

What we have is a contradiction. The nations that have joined together in these majorities have made their position prevail do not support the institution that they are now abusing. It is the United States, the American taxpayer, who has paid the lion's share of the U.N.'s expenses. We have financed the irresponsibility of the past session. To continue as we have in the past would indicate our continued support for such irresponsibility. Accordingly, I urge a reduction in our contribution as a clear gesture of U.S. disapproval. Again, I would like to make it clear that I advocate such a reduction not because the U.S. position did not always prevail, but because the U.N. has violated its own Charter and acted in ways to encourage world conflict rather than curb it.

In addition, in the upcoming review of the Charter, I urge that the U.S. delegation give consideration to a form of weighted voting system in the U.N. Such a system should consider a nation's population and economic base in determining the voting weight. The U.S. should also insist that the U.N. strictly adhere to Article 24, paragraph 1 of the Charter which states that the Security Council will have the ". . . primary responsibility for the maintenance of international peace and security . . .". These proposals, if implemented, would make the U.N. a more viable body, responding to the accurately reflected concerns of the world in a way that would insure that the support of the necessary powers is obtained.

In closing, I would like to note that, while the U.N. has acted irresponsibly and improperly in all of the actions I have outlined, it did take a few actions that show that it can act as a useful instrument for world peace. The U.N. can take pride in the Secretary-General's efforts on Cyprus and in the stationing of peacekeeping forces on that island and their continuation in the Middle East. However, these bright points are overshadowed by the others.

We must act to insure that irresponsibility does not continue and that the U.N. returns to an uncompromised role as a body devoted to conciliation between nations.

THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 15 minutes.

Mr. MOAKLEY. Mr. Speaker, listen to these prices:

Bread $0.66 a loaf in Dorchester.

Sugar $3.49 a 5-pound bag in the North End.

Gasoline $0.56 a gallon in West Roxbury.

Home heating oil $620 a year in Jamaica Plain.

Electricity $264 a year in Roslindale.

These were the prices before President Ford's state of the Union message.

Now, 1 month later, sugar, bread, and other vital groceries are still priced exorbitantly. And the cost of gasoline, homeheating oil, and electricity, already brutally high, are in danger of skyrocketing 50 percent more.

As I see it, our priorities should be to:

First. Increase purchasing power for low- and middle-income families and individuals through a sizable tax cut and a sharp lowering of interest rates.

Second. Keep the lid on fuel and food prices by demanding equitable treatment for New England and pressing a tough antitrust policy against price-gouging and giant food "conglomerates."

Third. Provide jobs for the 30,000 Bostonians now out of work and, until that time, provide adequate unemployment benefits.

As President Ford saw it—judging from his state of the Union proposals—there is nothing wrong with our economy that cannot be curred by assuring that General Foods, ITT, and Exxon achieve higher profits.

In the area of purchasing power, Ford proposed a tax rebate. Under this rebate, David Rockefeller would receive two direct aid payments from the Treasury of $500 each. A typical widow on social security would not receive a penny. In short, Ford's rebate proposal would fatten the wallets of America's wealthiest 17 percent, while the rest of us ultimately pick up the tab.

In the area of fuel costs, Ford proposed an energy tax which would increase the cost of fuel by 20 to 50 percent—20 percent in the rest of the Nation, nearly 50 percent in our own New England.

In the area of food costs, Ford acknowledged that they were high. In the area of unemployment, Ford said and offered even less.

As for myself, I do not believe that this Nation has to head into another depression. But a depression will not be beaten back by a "leadership approach" that denies that such a threat exists.

We need straight talk and positive action from Washington. America is on the brink of a devastating economic crisis.

As a member of the House Rules Committee and the New England Congressional Caucus, and as one who grew up in the last depression, I am determined to do everything possible in my power to prevent a depression and get America's economy moving again.

PURCHASING POWER

I support a tax cut which would increase purchasing power by up to $25 billion—a majority of which would go to households averaging from $5,000 to $15,000 income a year.

I support legislation to bring down interest rates. Spiraling rates are an important factor in runaway inflation and depressed housing markets and reduced consumer spending. For example, a homebuyer who takes out a $20,000 mortgage for 25 years at today's 9.31 percent will pay the bank a total of $51,633. If that same mortgage were taken out, for example at the 7.66 percent rate of 2 years ago, the homebuyer would save $6,667—and we would have more homebuyers and more housing construction.

I support credit channeling, which would make money available cheaply and easily for the least inflationary uses—such as housing, energy conserving home improvements, and business investments geared toward creating new jobs.

FUEL PRICES

To permanently lower fuel prices, I support legislation breaking up oil monopolies and restoring competitive practices. Under our approach, oil companies could engage in only exploration, refining, or retailing; they would sell off their interests in the other two areas. Breaking in this way the stranglehold of the seven major refiners could reduce retail prices by as much as 30 percent.

To help absorb the harsh impact of current fuel prices, I support a fuel adjustment tax credit. This would especially aid New Englanders who carry an unfair share of the burden of rising fuel costs. Last year Boston electric bills rose an average $130. Our legislation would rebate half of that or any future increase through a tax credit.

To permanently provide low cost energy supplies, I support massive Federal action to develop alternative sources of energy. The cost of two B-1 bombers is more than our Nation's total budget for solar and geothermal energy research. I propose that we spend at least 500 percent more on such research. That amount—$510 million—would still be less than we spend today in Vietnam on a war we "withdrew from" 2 years ago.

To help distribute existing energy supplies fairly, I support an allocation plan that will share the burden of spiraling prices for imported oil. New England Congressmen had met with the Secretary of the Interior Morton and worked out an agreement to enable New England to obtain one-third of its oil—all foreign—at domestic prices. By imposing a $3 tax, the President canceled the benefit of this agreement. In fact, the President's tax will raise prices in New England by 35 percent—only half that in Grand Rapids, Mich.—and probably not at all in Houston, Tex. Those facts speak for themselves.

FOOD PRICES

To permanently lower food prices, I support legislation breaking up food—agribusiness—monopolies. In the past 20 years, food prices have leapt astronomically. But only 6 percent of that increase went to farmers. Ninety-four percent went to middlemen such as processors and wholesalers.

Our food divestiture legislation would force giant "agribusiness" corporations to compete exclusively in growing, processing, or retailing food—and to sell off all their interests in the other two areas.

Experts estimate that such actions would drive down retail food prices by at least 25 percent.

I support outlawing all agricultural tax subsidies and price supports.

Currently, a huge percentage of such subsidies and supports go to giant agribusinesses as "windfall profits," while a fraction goes to small farmers.

JOBS

I support a public service employment program which would create an additional 500,000 jobs immediately, and 250,000 more each time the unemployment rate goes up one-half of 1 percent. Such a program must be keyed to regional unemployment. Boston now has more than 30,000 jobless workers—but only 1,200 public service jobs—and a promise of only 800 more to come. The program I propose would put 3,000 more Bostonians back to work—cutting our unemployment by nearly 20 percent.

I support increased benefits to disabled, elderly, and unemployed Americans, based on the cost of living. If prices jump 12.2 percent as they did last year, the social security, unemployment, and supplement security income payments should also go up 12.2 percent, not 5 percent as the President suggests. Otherwise our commitment to those disadvantaged Americans who, through their own labor helped build our country—is an empty one.

RULES OF THE COMMITTEE ON HOUSE ADMINISTRATION, 94TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Hays) is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Speaker, pursuant to and in accordance with rule XI, clause 2(a)(3) of the rules of the House of Representatives I submit for publication in the Record a copy of the rules of the Committee on House Administration as approved by the committee on January 28, 1975, and amended on February 5, 1975:

Committee on House Administration—Rules of the Committee on House Administration, 94th Congress

1. GENERAL PROVISIONS

The Rules of the House, and in particular the committee rules enumerated in Clause 2 of Rule XI, are the rules of the Committee on House Administration, to the extent applicable. Each subcommittee of the Committee on House Administration (hereinafter referred to as the "Committee") is a part of the Committee and is subject to the authority and direction of the Committee, and to its rules to the extent applicable.

2. DATE OF MEETING

The regular meeting date of the Committee on House Administration shall be the first Wednesday of every month when the House is in session. Clause 2(b) of Rule XI of the House. Additional meetings may be called by the Chairman as he may deem necessary or at the request of a majority of the Members of the Committee in accordance with Clause 2(c) of Rule XI of the House of Representatives.

The determination of the business to be considered at each meeting shall be made by the Chairman subject to Clause 2(c) of Rule XI of the House of Representatives.

A regularly scheduled meeting need not be held if there is no business to be considered.

3. QUORUM

No measure or recommendation shall be reported unless a majority of the Committee is actually present. For purposes of taking testimony, two Members shall constitute a quorum.

4. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) As required by Clause 2(g), Rule XI, each meeting for the transaction of business, including the markup of legislation, of the Committee or its subcommittees, shall be open to the public except when the Committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* that no person other than members of the Committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public.

This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

(b) As required by Clause 2(g), Rule XI, each hearing conducted by the Committee or its subcommittees shall be open to the public except when the Committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* that the committee or subcommittee may by the same procedure vote to close one subsequent day of hearings.

5. ANNOUNCEMENT OF HEARINGS

Public announcement shall be made of the date, place, and subject matter of any hearing to be conducted by the Committee at least one week before the commencement of that hearing, unless the Committee determines that there is good cause to begin such hearing at an earlier date. Such determination shall be made with respect to any hearing by the Chairman, unless the Committee, by majority vote, shall determine otherwise.

Public announcement of all hearings shall be made at the earliest possible date and shall be published in the Daily Digest portion of the Congressional Record.

Members shall be notified in advance by the Chief of Staff of the Committee of all meetings of subcommittees and of the full Committee.

6. WITNESSES

(a) *Interrogation of witnesses*

Insofar as practicable, witnesses shall be permitted to present their oral statements without interruption, questioning by the Committee Members taking place afterward, each Member being called in turn by the Chairman. A Member desiring to speak or ask a question shall address the Chairman and not the witness in order to insure orderly procedure.

Each Member may interrogate the witness for 5 minutes, the reply of the witness being included in the 5-minute period. After all Members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

The Chairman shall take note of Members who are in their chairs when each day's hearing begins and, insofar as practicable, when the time occurs for interrogation, shall recognize each such Member ahead of all others.

(b) *Statement of witnesses*

So far as practicable, each witness shall file with the Committee, 48 hours in advance of his appearance, a written statement of his proposed testimony and shall make a brief oral summary of his views.

7. PUBLIC ANNOUNCEMENT OF COMMITTEE VOTES

The result of each rollcall vote in any meeting of the Committee shall be made available for inspection by the public at reasonable times at the Committee offices, including a description of the amendment, motion, order or other proposition; the name of each Member voting for and against, and whether by proxy or in person, and the Members present but not voting.

A rollcall vote shall be ordered on any question at the request of 20 percent of those present.

8. PROXIES

Proxy voting is permitted in the Committee only under the following conditions: The proxy authorization:

(a) Shall be in writing;

(b) Shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee; and

(c) Shall be limited to a specific measure or matter and any amendments or motions pertaining thereto.

An exception is that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies are not counted for a quorum.

9. STAFF SERVICES

It is intended that the skills and experience of all members of the Committee staff shall be available to all Members of the Committee. Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the Committee on House Administration shall be appointed as follows:

(a) The professional and clerical employees of the Committee, except those assigned to the minority or to a subcommittee as provided below, shall be appointed, and may be removed, by the Chairman with the approval of the majority members of the Committee. Their remuneration shall be fixed by the Chairman within the ceiling set in Clause 6(c) of Rule XI, and they shall be under the general supervision and direction of the Chairman. Staff assignments are to be authorized by the Chairman or by the Chief of Staff under the direction of the Chairman.

(b) The professional and clerical staff assigned to the minority shall, be appointed and their remuneration determined as the minority members of the Committee shall determine; *Provided, however,* that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart. Such staff shall be under the general supervision and direction of the minority members of the committee who may delegate such authority as they deem appropriate.

(c) The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the full committee;

10. NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be 9 standing subcommittees as follows:

The jurisdiction of those subcommittees shall be:

(1) Subcommittee on Accounts: (Internal budget matters; expenditures from contingent fund.)

(2) Subcommittee on Elections: (Federal election matters.)

(3) Subcommittee on Library and Memorials: (Matters relating to Library of Congress, Smithsonian Institution, House Library, statuary and pictures, acceptance or purchase of works of art for the Capitol, Botanic Gardens and erection of monuments to the memory of individuals.)

(4) Subcommittee on Printing: (Matters pertaining to cost of printing, Government Printing Office, depository libraries, material printed in *Congressional Record*, and authorization for printing Army Engineers' reports.

(5) Subcommittee on Electrical and Mechanical Office Equipment: (Matters pertaining to furnishing electrical and mechanical office equipment for use in the office of Members, Officers or Committees.)

(6) Subcommittee on Personnel and Police: (Matters pertaining to salary scale of House employees and police.)

(7) Subcommittee on Contracts: (Matters pertaining to committee employees under contract for services rendered.)

(8) Subcommittee on Parking: (Matters pertaining to parking facilities.)

(9) Subcommittee on Excess Paper: (Matters pertaining to excess paper accumulation.)

(b) There shall be 1 additional subcommittee as follows: The jurisdiction of such subcommittee shall be:

(10) Ad Hoc Subcommittee on Computers: (Matters pertaining to House Information Systems.)

11. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full Committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of Committee or subcommittee meetings or hearings wherever possible. It shall be the practice of the Committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full Committee.

In order to insure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the Chairman through the Chief of Staff of the Committee.

12. REFERRAL OF BILLS BY CHAIRMAN

All legislation and other matters referred to the Committee shall be referred by the Chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the majority party members of the full Committee, consideration is to be otherwise effected. The Chairman may designate a subcommittee chairman or other Member to take responsibility as "floor manager" of a bill during its consideration in the House.

13. PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

The majority party caucus of the Committee shall determine an appropriate ratio of majority to minority party Members for each subcommittee: *Provided, however,* that party representation on each subcommittee or conference committee shall be no less favorable to the majority party than the ratio for the full Committee. The Chairman of the full Committee and the ranking minority party Member are authorized to negotiate matters affecting such ratios including the size of subcommittees and conference committees.

14. SUBCOMMITTEE BUDGETS AND RECORDS

(a) Each subcommittee shall have an adequate budget to discharge its responsibility for legislation and oversight.

(b) In order to facilitate Committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a roll call vote is demanded. The result of each such roll call vote shall be promptly made available to the full Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

All subcommittee hearings, records, data, charts, and files, shall be kept distinct from the congressional office records of the Member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full Committee, shall be the property of the House, and all Members of the House shall have access thereto.

15. ACCESS TO CLASSIFIED INFORMATION

Access to classified information supplied to the Committee and attendance at closed sessions of the Committee or its subcommittees shall be limited to Members, and to members of the Committee staff and stenographic reporters who have appropriate security clearance when the Chairman determines that such access or such attendance is essential to the functioning of the Committee.

Notice of the receipt of classified documents submitted to the Committee by the Executive will be sent to Committee Members. Classified documents will be kept in the Committee safe and will be available to Members in the Committee office.

The Chairman of the full Committee shall establish such other procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any national security information received by the Committee classified as secret or higher. Such procedures shall, however, insure access to this information by any member of the Committee or any other Member of the House of Representatives who has requested the opportunity to review such material. Such security procedures as are established by the Chairman may be modified or waived in any or all particulars by a majority vote of the full Committee.

16. BROADCASTERS OF COMMITTEE HEARINGS AND MEETINGS

When requested by the Superintendent of the House Radio and Television Gallery and upon approval by the Committee or its subcommittees, all Committee and subcommittee hearings which are open to the public may be covered, in whole, or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, provided that such request is submitted to the Committee or its subcommittees not later than 4 p.m. of the day preceding such hearings.

The Chairman of the full Committee or the chairman of the subcommittee are authorized to determine on behalf of the full Committee or its subcommittees respectively whether hearings which are open may be broadcast, unless the Committee or its subcommittees respectively by majority vote determine otherwise.

Such coverage shall be in accordance with the following requirements: (Clause 3 of Rule XI of the Rules of the House of Representatives).

(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any Member or bring the House, the committee, or any Member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f) The written rules which may be adopted by a committee under paragraph (e) of this clause shall contain provisions to the following effect:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of this rule, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five years photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstrusive manner.

17. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee. Any additional procedures or regulations may be modified or rescinded in any or all particulars by a majority vote of the majority party members of the Committee.

CAPTIVE NATIONS, CUBA AND THE PANAMA CANAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, over a period of years, I have spoken out in the Congress on two major subjects: First, the captive nations of Eastern Europe now under Soviet domination; and second, the Panama Canal,, which has been under Communist assault that aims to wrest its sovereign control from the United States.

Though the geographical locations of these two situations are widely separated they are interrelated for both bear upon the security of the Soviet empire. What affects one will undoubtedly make its impact on the other.

As to the captive nations' vulnerability of the U.S.S.R., C. L. Sulzberger, an able New York Times writer, has recently emphasized that the strongest political force today is the "spread of decolonialism" extending to the homelands of various countries of Europe where minorities are seeking independence of central governments. These include the vast area of the U.S.S.R. known as the Ukraine.

Regarding the oil lands in the Near and Middle Easts, Mr. Sulzberger concludes that should the United States undertake "some kind of military intervention," the U.S.S.R. would "react violently" with bureaucratic "hard liners" in Moscow taking over.

Such reaction could well involve the Caribbean where Soviet power controls strategic Cuba, Soviet submarines prowl nearby waters, and Soviet agents are ensconced in the present Panamanian Government, which controls the former U.S. Air Base at Rio Hato close to the U.S. Canal Zone territory and the Panama Canal.

The article follows:

DECOLONIALISM AMOK?

(By C. L. Sulzberger)

PARIS.—The twentieth century's strongest political force is not the ideological revolution produced by Communism, the implications of nuclear weapons, nor even the sudden discovery by developing nations of the immense value of raw materials they possess.

The strongest political force is the spread of decolonialism, not only in the traditional overseas empires like Britain's, France's and Portugal's but also in land-bound agglomerations of which the outstanding example is the Soviet Union and its bloc of East European neighbors.

Liberty is almost incapable of being rationed. Its flame leaps from country to country like a forest fire. And the concept of liberty in a community rather than in an individual sense is hard to define logically.

Thus, having shed virtually all their former colonial possessions, the British are plagued with burgeoning mini-nationalism among the Scotch, the Welsh and the Nortn Irish. The French still harbor tiny embers of Breton and Basque nationalism.

And Belgium, after evacuating the Congo, finds itself being tribalized in bitter argument between Flemish and French-speaking Walloons. There is even a Jura separatist movement in Switzerland.

The idea that domination of any minorities by even beneficent majorities is inherently evil now threatens world order. Nigeria fought a war against its Biafran peoples on this, holding in check Africa's disrupting tide of tribalism.

The vague, romantic spirit of decolonialism—which means one thing to Eritreans in Ethiopia, yet another to Naga warriors in India or to starving Bangladesh—could become terrifyingly explosive in the Soviet Union. Moscow is a tough-minded capital and it sees the danger to itself if any form of neonationalism is allowed to run amok and break up its own system of order.

This Soviet fear is often ignored by Kremlinologists. Russia has an elemental worry that its control in eastern reaches—Central Asia and portions of Siberia—might some day be threatened. The loss of those vast areas would immediately catapult the U.S.S.R. from the role of superpower and, therefore, the idea would never be tolerated.

In the east, Moscow's great nightmare is that China, Japan and the United States or a combination among them might join in an anti-Soviet coalition. But a great chunk of Moscow's western and Slavic domain also privately worries the Kremlin. That is the Ukraine.

The Russians calculate that because of the plain facts of power, they will never have to be concerned about unrestrained nationalism in little Baltic lands—Latvia, Estonia, Lithuania. But the Ukraine is something else—with its huge population, rich agricultural lands, iron, industry. Moscow has tried hard to gain favor among the Ukrainians but without overwhelming success. The Kremlin consequently feels embarrassed.

This uneasy historic background—east and west—is an important aspect of the complex Russian character and must always be taken into account in analyzing Soviet policies. The U.S.S.R. is a massive, strange country: a superpower with its head in outer space, with its feet in the mud of poverty, with mighty muscles and fear in its heart.

All this relates to the current argument with Washington about permitting Soviet Jews to emigrate—as a result of American commercial and political pressures. The publication of exchanges on the subject between Secretary Kissinger and Senator Jackson has been resented by Moscow as an embarrassment.

The ultimate problem posed is: If Jews are allowed to depart as a result of foreign insistence, couldn't this lead to other meddling by other nations on the part of different segments of the enormous, land-bound, polyglot Soviet empire? More emigration? Or secession?

It is hard to imagine how these atavistic concerns can be dealt with in even the most confidential diplomatic talks (if such are imaginable with Washington). But certain primary points should not be obscured by emotional argument or wishful thinking.

The Russians felt humiliated by the 1962 Cuban confrontation and later ousted Khrushchev. Now they feel humiliated by the Arab loss of billions of dollars of Soviet arms plus Washington's public insistence on according to Jews rights not usually accorded other Soviet citizens. Could this in the end lead to Leonid Brezhnev's departure?

Should he go, it is almost certain hardliners would take over, part of the bureaucratic "they" who represent the Soviet military-industrial complex. And it is equally certain that, should the United States deem such a moment of change favorable for some kind of military intervention in Arab petroleum lands, Moscow would react violently.

NEGOTIATIONS TO UPDATE 1949 GENEVA CONVENTIONS FOR THE PROTECTION OF WAR VICTIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. HICKS) is recognized for 5 minutes.

Mr. HICKS. Mr. Speaker, our country is currently involved in a wide range of negotiations which impact upon our national defense posture. Some of these negotiations are so important that their acronyms have become familiar to us all. Other negotiations, while not as important as the SALT or MBFR talks, still demand congressional attention. Particular attention should be paid to the negotiations to update the 1949 Geneva Conventions for the Protection of War Victims.

These negotiations are important to us for at least three reasons. First of all, they cover the treatment of prisoners of war. Second, they cover the treatment of noncombatants. And finally, they cover the actual weapons of war.

Our national experience in Vietnam raised all of these questions to the fore. There can be no doubt, for example, that safeguards for prisoners of wars provided in the 1949 Geneva Conventions are inadequate. New developments in weapons technology have intensified problems relating to the protection of noncombatants during warfare. Weapons inventories are far different today than those of 1907, when the Hague Conventions for land warfare came into effect. The Hague Conventions are the main building blocks for international law prohibiting weapons calculated to cause unnecessary suffering or indiscriminate effects.

For these reasons, I call the attention of my colleagues to the report of the U.S. delegation to the Conference of Government Experts on Weapons That May Cause Unnecessary Suffering or Have Indiscriminate Effects. This conference was held in Lucerne, Switzerland, in September and October 1974. Another is scheduled for next fall. Hopefully, these sessions will lead to an updating of the Geneva Conventions by drawing up two additional protocols relating to international and noninternational armed conflicts.

In this connection, it is useful to note that the Defense Department has given closer attention to the aforementioned subject matter. I am inserting into the RECORD one Department of Defense directive regarding implementation of the law of war, and one Department of Defense instruction entitled "Review of Legality of Weapons Under International Law."

The Pentagon is to be congratulated for taking these steps, although it is unfortunate that they were not earlier in coming.

Under the instruction for weapons development and use, a particularly heavy responsibility is placed on the shoulders of each service's Judge Advocate General. His job is to review each weapons system so that its "intended use in armed conflict is consistent with the obligations assumed by the United States under all applicable international laws." This review must be made prior to the award of the initial contract for production. The Director of Defense Research and Engineering is given the responsibility of monitoring all Defense Department components to see if they comply with this regulation. It is now up to these officials to make sure that the Pentagon's procedures are carried out. And it is up to interested Members of Congress to monitor the entire process along with them.

REVIEW OF LEGALITY OF WEAPONS UNDER INTERNATIONAL LAW

PURPOSE

This Instruction assigns responsibilities and prescribes procedures for Department of Defense compliance with international law with respect to the acquisition and procurement of weapons.

POLICY

All actions of the Department of Defense with respect to the acquisition and procurement of weapons, and their intended use in armed conflict, shall be consistent with the obligations assumed by the United States Government under all applicable treaties, with customary international law, and, in particular, with the laws of war.

APPLICABILITY

The provisions of this Instruction apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, and Defense Agencies (hereinafter referred to collectively as "DoD Components").

RESPONSIBILITIES

A. The Secretary of each Military Department will insure that a legal review by his Judge Advocate General is conducted of all weapons intended to meet a military requirement of his Department in order to ensure that their intended use in armed conflict is consistent with the obligations assumed by the United States under all applicable international laws including treaties to which the United States is a party and customary international law, in particular the laws of war.

1. The legal review will take place prior to the award of an initial contract for production. At such subsequent stages in acquisition or procurement as the Judge Advocate General concerned determines it is appropriate to do so, he may require a further legal review of any weapon.

2. Each Judge Advocate General will maintain permanent files of opinions issued by him in implementation of this Instruction.

B. Each DoD Component having primary responsibility for the engineering development, acquisition or production of a weapon will develop and issue internal plans and regulations which will assure that the Judge Advocate General concerned is requested to make the legal review provided for in this Instruction prior to the engineering development and prior to the award of an initial contract for production of that weapon. All DoD Components having data relevant to the legal review will provide such data to the Judge Advocate General concerned upon his request.

C. Nothing in this Instruction shall be construed as derogating from the functions and responsibilities vested in the General Counsel of the Department of Defense by 10 U.S.C. 137 (reference (a)) and DoD Directive 5145.1 (reference (b)). Upon request of the Secretary of Defense, the Secretary of a Military Department, the Director of Defense Research and Engineering, the Assistant Secretary of Defense (Installations and Logistics) or any Judge Advocate General, the General Counsel will review any opinion issued by a Judge Advocate General in implementation of this Instruction.

D. The Director of Defense Research and Engineering will, during the research, development, testing and evaluation phases of the acquisition of weapons, be responsible for monitoring compliance by DoD Components with Section IV.B. of this Instruction.

E. The Assistant Secretary of Defense (Installations and Logistics) will, during the production phase of the acquisition of weapons, be responsible for maintaining compliance by DoD Components with Section IV.B. of this Instruction.

EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Two copies of implementing regulations shall be forwarded to the General Counsel, Office of the Secretary of Defense, within 90 days.

DOD PROGRAM FOR THE IMPLEMENTATION OF THE LAW OF WAR

Refs: (a) Army Field Manuel 27–10, *The Law of Land Warfare*, July 1956

(b) Naval Warfare Information Publication 10–2, *Law of Naval Warfare*, September 1955

(c) DoD Directive 5100.69, "DoD Program for Prisoners of War and Other Detainees," December 27, 1972

(d) DoD Instruction 5500.15, "Review of Legality of Weapons Under International Law," November 5, 1974

(e) DoD Directive 5000.19, "Policies for the Management and Control of DoD Information Requirements," June 2, 1971

(f) Hague Convention No. IV Respecting the Laws and Customs of War on Land, 18 October 1907

(g) Geneva Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, 12 August 1949

(h) Geneva Convention for Amelioration of the Condition of the Wounded, Sick and

Shipwrecked Members of Armed Forces at Sea, 12 August 1949

(i) Geneva Convention Relative to the Treatment of Prisoners of War, 12 August 1949

(j) Geneva Convention Relative to the Protection of Civilian Persons in Time of War, 12 August 1949

PURPOSE

This Directive provides policy guidance and assigns responsibilities within the Department of Defense for a program to insure implementation of the law of war.

PROGRAM OBJECTIVES

Its objectives are to:

A. Ensure that the law of war and the obligations of the United States Government under that law are observed and enforced by the Armed Forces of the United States.

B. Ensure that a program, designed to prevent violations of the law of war, is implemented by the Armed Forces of the United States.

C. Ensure that alleged violations of the law of war, whether committed by U.S. personnel or enemy personnel, are promptly reported, thoroughly investigated, and, where appropriate, remedied by corrective action.

APPLICABILITY

The provisions of this Directive apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, Defense Agencies, and the Unified and Specified Commands (hereinafter referred to collectively as "DoD Components").

DEFINITION AND SCOPE

A. The law of war encompasses all international law with respect to the conduct of armed conflict, binding on the United States or its individual citizens, either in international treaties and agreements to which the U.S. is a party, or applicable as customary international law.

B. There is excluded from the scope of this directive that part of the law of war relating to the acquisition and procurement of weapons and weapons systems for the armed forces of the United States, which is the subject of DoD Instruction 5500.15 (reference (d)).

POLICY

A. The Armed Forces of the United States will comply with the law of war in the conduct of military operations and related activities in armed conflict however such conflicts are characterized.

B. The Armed Forces of the United States will insure that programs to prevent violations of the law of war to include training and dissemination as required by the Geneva Conventions (GWS Art. 47 (reference (g)), GWS Sea Art. 48 (reference (h)), GPW Art. 127 (reference (i)), GC Art. 144 (reference (j)), and by Hague Convention IV (Art. I) (reference (f)), are instituted and implemented.

C. Violations of the law of war alleged to have been committed by or against members of, or persons accompanying or serving with the Armed Forces of the United States will be promptly reported, thoroughly investigated, and, where appropriate, followed by corrective action.

D. Violations of the law of war alleged to have been committed by or against allied military or civilian personnel will be reported through appropriate command channels for ultimate transmission to appropriate agencies of allied governments.

RESPONSIBILITIES

A. The Assistant Secretary of Defense (Manpower and Reserve Affairs) will maintain overall coordination of and monitor the service plans and policies for training and education in the law of war.

B. The Assistant Secretary of Defense (International Security Affairs) will coordinate DoD positions on international negotiations of the law of war.

C. The Assistant Secretary of Defense (Public Affairs) will monitor the public affairs aspects of the DoD law of war program and provide public affairs policy guidance as appropriate, to include coordination with the Department of State on matters of mutual public affairs concern.

D. The DoD General Counsel will provide overall legal guidance within the Department of Defense pertaining to the DoD law of war programs, to include review of policies developed in connection with the program and coordination of special legislative proposals and other legal matters with other Federal departments and agencies.

E. The Secretaries of the Military Departments will develop internal policies and procedures consistent with this Directive in support of the DoD law of war program in order to:

1. Provide publication, instructions, and training so that the principles and rules of the law of war will be known to members of their respective departments, the extent of such knowledge to be commensurate with each individual's duties and responsibilities.

2. Provide for the prompt reporting and investigation of alleged violations of the law of war committed by or against members of their respective departments in consonance with directives issued pursuant to paragraph VI.H.4. of this Directive.

3. Provide for the appropriate disposition, under the Uniform Code of Military Justice, of cases involving alleged violations by persons subject to court-martial jurisdiction of their respective departments.

4. Provide for the central collection of reports and investigations of violations of the law of war alleged to have been committed by members of their respective military departments.

5. Insure that programs within their respective departments to prevent violations of the law of war are subject to periodic review and evaluation, particularly in light of any violations reported.

F. The Secretary of the Army is designated as the Executive Agent for the Department of Defense for the administration of the DoD law of war program with respect to alleged violations of the law of war committed against U.S. personnel. In this capacity he will act for the Department of Defense in the development and coordination of plans and policies for the investigation and, subject to the provisions of DoD Directive 5000.19, collection, recording, and reporting of information related to enemy violations of the law of war.

G. The Joint Chiefs of Staff will:

1. Provide guidance to the commanders of unified and specified commands conforming with the policies and procedures contained in this Directive.

2. Insure that a primary point of contact in the Organization of the Joint Chiefs of Staff is designated to handle actions concerning activities under the provisions of this Directive.

3. Issue and review appropriate plans, policies, and directives as necessary in consonance with this Directive.

4. Insure that rules of engagement issued by unified and specified commands are in consonance with the law of war.

H. Commanders of unified and specified commands will:

1. Institute necessary programs within their respective commands to prevent violations of the law of war and insure that they are subject to periodic review and evaluation, particularly in light of any violations reported.

2. Implement Joint Chiefs of Staff guidance for the collection and investigation of reports of enemy violations of the law of war.

3. Designate an authority within the command to supervise the administration of those aspects of this program dealing with alleged enemy violations.

4. Issue appropriate plans and directives to insure that war crimes allegations to which this Directive applies are reported promptly to the appropriate authorities and investigated.

5. Insure that initial reports and reports of investigation of alleged war crimes committed by U.S. personnel are forwarded to the appropriate military departments.

6. Insure that rules of engagement issued by the command conform to the law of war.

I. The Director, Defense Intelligence Agency, will provide appropriate information from the intelligence community to the Secretary of the Army and the commanders of unified and specified commands pursuant to Paragraphs VI. F. and H. above, concerning violations of the law of war perpetrated against captured or detained United States nationals.

EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Two copies of implementing documents and notification of designated representatives, in accordance with Section VI. above, and any revisions, changes or reissuances of appropriate directives or other documents thereafter, will be forwarded to the General Counsel and the Assistant Secretary of Defense (Manpower and Reserve Affairs) within 6 months.

BINGHAM INTRODUCES KING STATUE RESOLUTION WITH 152 COSPONSORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

Mr. BINGHAM. Mr. Speaker, it is with no small measure of pride that I introduce today, with 152 cosponsors, including all members of the Black Caucus, a concurrent resolution to authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr., for placement in the U.S. Capitol. When I first introduced this resolution in the 92d Congress, I had 61 cosponsors, and last year 143 Members joined with me. The increasing support indicates to me that the time has come to move on this matter.

I am proud because so many Members of the House have come to feel as I do—that the absence of any statute or painting of a distinguished black American among all the others in the Capitol Halls is a disgrace to a fair-minded nation. How can we memorialize great men and women in American history here at the seat of Government, and ignore the crucial role of blacks in that history? How can we walk through the building day after day without feeling ashamed and angry at such callousness and ignorance? Clearly, at least 152 of us cannot, and we believe that Martin Luther King deserves a place in those Halls.

His death was a violent tragic blot on our recent history, but Mr. King's life was a shining example to us all, and part of my feeling of pride is pride that there lived such a man as he. His hopes and dreams guided the Nation in the struggle for equal justice, equal opportunity, and indeed for basic human rights. Although the struggle is not over, Dr. King advanced it as far as any man or woman in this century. His memorial in the Capitol would serve to remind America and the world how vital that struggle is, and would inspire in us the conviction that the struggle can be won. Such inspiration is sorely needed in times like these. I urge that this resolution be quickly passed.

EXPLANATION OF VOTE ON DEBT LIMIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Fithian) is recognized for 5 minutes.

Mr. FITHIAN. Mr. Speaker, I realize that my vote for this matter or against it is of little consequence. Had my vote really been needed to keep the Government in the business of paying its bills I would certainly have voted in favor of raising the debt limit as requested by the distinguished chairman of the Committee on Ways and Means. I rise to speak against this bill as a symbolic protest against the past conduct of the Government of this great country, which has been so out of tune with fiscal reality that we today must vote yet another time to raise the legal limit of debt.

We have spent in profligate manner of substances which we either did not have or were unwilling to fund from current resources. We have, by continuing to spend beyond our means, in effect mortgaged the next generation. I am fully aware of the economic difficulties facing us today and appreciate the fact that an unbalanced budget is a necessity at this time. But what of years gone by when we were not faced with such difficulties? Where were the responsible leaders who should have said that the U.S. Government is not fundamentally different from the individual, the State, the county unit of government, or the company or corporation? All others have realized that spending must not be in excess of income for other than short periods of time when a loan may be necessary. Basically the Federal Government is not any different from the individual. I must balance my bank account at the end of the month. Is the Federal Government so different?

It is my earnest hope that the Budget Committee, to which we elected our party representatives today, will accept as its responsibility helping us make the hard choices between programs. There will always be more good programs which we want than we can afford. May we in the near future muster the courage to shoulder the responsibility of providing what we can pay for in the way of services and programs, foreign aid, and defense. Provide what we can pay for, yes, but provide no more than we can pay for.

WE CANNOT FIGHT UNEMPLOYMENT BY CUTTING JOBS

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, the President's budget proposals are a disappointment to all of us who are concerned with the state of the economy but they are an unmitigated disaster to that growing number of our fellow citizens who have lost their jobs and are beginning to despair of finding a new one.

The budget predicts an unemployment rate of over 8 percent for calendar year 1975—that means over 7 million persons seeking work and unable to find it. It is hard to conceive of the hardship suffered by 7 million persons but I would recommend that all administration officials that support the policies in the budget walk down a line of just 700 persons lining up for the pitifully few public service employment jobs that the budget contemplates. That may give them a better appreciation of the suffering they are creating.

We know from the experience of the EEA as well as from CETA that public service employment programs can create jobs for the unemployed as well as providing useful public services that benefit all citizens. But at the very time that unemployment is going up, the administration plans to cut these employment opportunities.

Because my colleagues may find it hard to believe that the administration plans to fight unemployment by cutting down on the number of jobs, I want to emphasize that the following data is taken entirely from the official budget documents. There are—see Special Analyses, page 159—three principal measures of the level of manpower services: First, man-years of service, and public service employment is down from 166,000 in fiscal year 1975 to 145,000 in fiscal year 1976; second is new enrollees, and public service employment is down from 284,000 in fiscal year 1975 to 163,000 in fiscal year 1976; and third, outlays, and public service employment is down from $1.355 billion to $1.304 billion.

I believe that the proposed cuts in the public service employment program are intolerable. Instead of gutting the program, we should expand it and that is exactly what my bill, H.R. 2584, proposes to do. I invite the support of all Members who believe that the unemployed should get jobs, rather than being required to eke out an existence on unemployment insurance or welfare.

THE NEED FOR HOME HEALTH CARE FOR THE ELDERLY AND HANDICAPPED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Senate Subcommittee on Long Term Care held its second hearing in New York City on nursing home abuses on February 4. Two major factors became apparent in the testimony given before the subcommittee: First, that medicaid's regulations for nursing home reimbursement are sorely lacking. Second, that medicaid does not provide adequate alternatives to institutionalization in nursing homes. The first factor has opened the way to inflated, and possibly fraudulent, medicaid billing by nursing home operators and poor care in return. The second means that between 14 and 25 percent, according to the Department of HEW estimates, of the 1,070,000 persons in nursing homes are unnecessarily maintained in an institutionalized environment. The average yearly cost of maintaining an individual in a New York City skilled nursing home is $14,589. The cost of providing health care at home would run between $3,000 and $9,000.

It is my hope that the Senate hearings in New York, called by Chairman Frank Moss at my request, and the Moreland Commission established by Gov. Hugh Carey will clarify how the medicaid procedures must be changed to prevent future abuses in medicaid billing and to improve nursing home conditions.

In the meantime, I have introduced legislation, H.R. 2389, the National Home Health Care Act of 1975, to provide home health services. Briefly my bill would do the following by amending our medicare and medicaid laws:

First. Provide unlimited doctor and nursing visits necessary to maintain a person at home, as well as homemaker services (including assistance with household tasks, shopping, and walking).

Second. Assist in the payment of rent under medicaid for elderly or disabled persons who otherwise would require nursing home care.

Third. Require that each child, over the age of 18, provide financial support, to the extent of 5 percent of his or her taxable income, for the care of the parent.

Fourth. Expand the Department of HUD's demonstration project for congregate housing for the elderly and handicapped.

Mr. Speaker, I believe that if we provide such services the elderly would be assisted in living longer and more productive lives in their own homes, at considerably less cost to the taxpayer.

The most controversial part of the bill is that concerning the children's partial financial responsibility for their parent's care. I think there is an obligation on the part of children to support their parents and not leave it totally to the Government to do so. At the same time I would not want the children to bear a cost which would be oppressive and embitter their personal relationships. As an example, under my bill, a family of four with an income of $15,000 using the standard deduction would pay no more than $500.

Finally there will be some who will attack my bill as one which would provide maid service to everyone covered by it. What they forget is that the Government is now providing registered nurse service for those in homes far more costly than the cost of providing housekeeping services for those not able to care for themselves. Obviously there will have to be strict controls monitoring physicians who certify what services are required for their parents.

In conclusion, Mr. Speaker, I would like to emphasize that the legislation I have introduced is a draft bill for discussion purposes. I have circulated the bill for comments to 150 organizations concerned with the elderly and the disabled.

I urge anyone with expertise in this matter to provide me with their comments.

THE CIA CONTINUES TO SUPPRESS INFORMATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in December 1972 the press reported that the Central Intelligence Agency was providing training to members of the New York City Police Department. I wrote to CIA Director Richard Helms at that time inquiring into the nature and cost of the training provided as well as the number of police officers involved in such training. In January 1973 the agency informed me that at the request of local police departments it had provided what it termed "briefings" to about "a dozen city and county police forces—within the past 2 years." According to the CIA, the "briefings . . . covered a variety of subjects such as the procedures for the processing, analyzing, filing and retrieving information, security devices and procedures, and metal and explosives detection techniques."

As you recall, Mr. Speaker, subsequent to this correspondence, and with the assistance of former Chairman Chet Holifield of the Government Operations Committee, Mr. Helm's successor, James Schlesinger, agreed in March, 1973 to discontinue the CIA "briefings" except "in the most compelling circumstances and with his personal approval." Although the "briefings" were to be ended, the agency maintained its stance in refusing to reveal the identities of the municipalities involved. Two years have passed now, and allegations of widespread CIA involvement in domestic activities continue to surface daily. With press reports of infiltration into dissident groups and the accumulation of files on as many as 10,000 Americans who happened to oppose the Vietnam war, I felt that the disclosure now of the "dozen" municipalities receiving training from the CIA could hardly be deemed prejudicial.

The confidence of the American public and of its representatives in Congress in the CIA has been shaken. Former Director Helms appears to have made contradicting statements on the role of the CIA in the Watergate inquiry. And the question that many of us are asking is, did the CIA tell us the truth when it described what it did with local police departments prior to March 1973. Five of the 12 police departments were identified at the time of the disclosure, to wit New York City, Washington, D.C., Boston, Fairfax, and Montgomery Counties. But at least seven others remain undisclosed.

I thought it would be in the interest of public safety that we know the names of those police departments so that reporters and others could make inquiries as to what in fact took place and whether whatever took place then actually ceased in March 1973. Accordingly, on January 9, 1975, I wrote to William E. Colby, Director of CIA, requesting the names of all the police departments who received training from the Agency during the 2 years such "briefings" were conducted.

This week, Mr. Speaker, I received Mr. Colby's response and the CIA persists in its refusal to divulge the identities of the police departments which it assisted. While Mr. Colby has assured me that "all such assistance and training were terminated by former Director Schlesinger and none have been resumed," Mr. Colby continues to feel the need to preserve confidentiality in this matter.

Mr. Speaker, the fact that Director Colby refuses to divulge the information makes the matter even more suspicious. His reliance on "confidentiality of relationships" in a situation such as this is in my judgment a misconception of his fiduciary position. He is after all, as is the CIA, a servant of the American people, not of the police departments. We have been told by a number of those who have been privy to the assorted investigations of the CIA now underway in the House and Senate as well as by the White House itself, that there have been improper if not illegal activities undertaken by the CIA in this country. While I believe that the CIA has a proper role to protect this country in the areas of espionage and counterespionage because other countries are similarly engaged, I also believe that unless its misconduct both in this country and overseas is made public it will not have the support of the American people. We are a peculiar society—strong, resilient, open and to our credit in many ways innocent. There were those who sought to cover-up Watergate and prevent the removal of the former President because they said it would hurt the country. Just the other way—when other countries would have had revolution we followed our democratic antecedents, laid bare the facts of Watergate, removed the President and are stronger today because of that. If the CIA continues to conceal when concealment is not required as is the case in this matter, then it raises another cloud over its continued activities. Sometimes you have to help people help themselves and I think that is the case with the CIA. It is obvious that it will not willingly come forward with the facts in this matter and a whole host of other matters. Therefore I urge each of the congressional committees taking testimony on the CIA's activities to inquire into this chapter as well.

For the benefit of my colleagues, I have appended my correspondence in this matter:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 9, 1975.

Hon. WILLIAM E. COLBY,
Director, Central Intelligence Agency,
Washington, D.C.

DEAR MR. COLBY: I would like to refer to my earlier correspondence concerning the CIA's involvement with local police departments. The letters to which I refer are herewith enclosed.

In view of the latest revelations with respect to the agency, I would like to have the names of all the police departments that were receiving assistance at that time. You will note that the agency's response mentioned "about a dozen city and county police forces."

With the recent press reports concerning the extensive activities of the CIA, I would think that the information, I am requesting could not possibly be considered classified.

I will look forward to hearing from you.

Sincerely,

EDWARD I. KOCH.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., February 1, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to your letter dated 9 January 1975 referring to earlier correspondence concerning the Agency's assistance to certain police departments and requesting the identity of those departments referred to in the Agency's letter to you dated 29 January 1973. You indicated that with the recent press allegations, this information "could not possibly be considered classified."

As you will recall, the press allegations made in January 1973 were the subject of an extensive inquiry by appropriate committees of the Congress, and a full disclosure of the assistance given was made to them. Though the training and assistance provided were considered not to be contrary to our basic charter, all such assistance and training were terminated by former Director Schlesinger and none have been resumed. Further, in August 1973, the Omnibus Crime Control Act was amended to exclude the Agency from the Government-wide program of providing services, equipment, personnel or facilities to the Law Enforcement Assistance Administration in their support of local law enforcement organizations.

As noted in Mr. John M. Maury's letter of 29 January 1973 to you, the identities of the departments involved were being kept confidential by mutual agreement of the parties. I feel that it serves no useful purpose to publicize these identities at this time for, among other things, such publication could hamper current police programs and disclose the identities of certain police personnel involved in those programs. Confidentiality of relationships is generally a prerequisite to good intelligence. If we are forced to violate the trust and confidence under which these relationships were established, our reputation and effectiveness as a serious intelligence organization will be seriously impaired. I trust that you will understand and appreciate this position.

Sincerely,

W. E. COLBY,
Director.

LEGISLATION TO PREVENT PARTY-AFFILIATION DISCRIMINATION IN EMPLOYMENT

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ROUSH. Mr. Speaker, over the past several years the Congress has passed important election reform legislation, first the Federal Election Campaign Act of 1971 which provided for a reporting system for campaign receipts and expenditures and then amendments thereto last year which put ceilings on contributions and expenditures. I heartily agreed with the objectives of these bills and gave them my full endorsement.

However, there is another related kind of legislation that is needed which I am introducing today. We all know of cases, in our own States, in which individuals either secure employment or are denied it, or after being hired are dismissed on the basis of their political activity or lack thereof, namely their party affiliation. Individuals are required, in some instances, to "kick back" part of their pay to State coffers. Where the jobs are strictly positions offered by the State government, I can offer no remedy. But where Federal funds are involved, I believe we can offer a remedy.

Accordingly, I am today introducing a bill that will, first of all, amend section 601 of title 18 United States Code to make it clear that an individual cannot be deprived of or excluded from employment or benefits provided for or made possible in whole or in part by any act of Congress, on the basis of political activity.

Under the present wording of section 601, protections against deprivation of employment due to political activity is restricted to work relief projects funded by Congress. My intent in the bill is to extend the protection of section 601 to any program or activity receiving Federal financial assistance.

Secondly, sections 600 and 601 are complementary, the first dealing with promises of employment and the latter with deprivation of employment due to political activity. In both, I would increase the fine that is presently imposed for violation of these two sections of the code from the present maximum amount of $1,000 to $25,000. In the campaign reform legislation, we have been passing of late, the $25,000 figure is common and represents a more accurate and fitting punishment for violation of these sections today.

I do not believe that where Federal dollars are being used to support in whole or in part a program or activity that discrimination on the basis of party affiliation should be allowed, more particularly, that taxpayers should be required to, in effect, return some of the Federal dollars they are paid for their job—or which are used to support the program they work in—to one political party or the other. It is time we offered this additional reform and protection.

CLARIFYING OPEN BEACHES SPONSOR

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, I must apologize to Mr. Rogers of Florida for mistakenly listing his name on the Open Beaches bill, H.R. 1676, which I introduced on Monday, January 20. Due to a mistake, Mr. Rogers' name was listed as a cosponsor. I regret exceedingly this error.

THE TRADE ACT AND LATIN AMERICA

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, in recent weeks, U.S. relations with Latin America have greatly deteriorated as a result of what I believe has been a serious overreaction to an amendment to the Trade Act approved by Congress in December. I do not believe that it was the intention of this House to in any way harm our hemisphere neighbors and that we, therefore, must act quickly to clarify the situation either by advising the executive branch of our actual wishes or by passing clarifying legislation.

There follows a letter which I have sent to the able chairman of the Committee on Ways and Means asking that he act to halt the serious deterioration in our Latin American relations in whatever fashion he deems suitable.

February 4, 1975.

Hon. Al Ullman,
Chairman, Ways and Means Committee U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: As I am sure you are aware the inclusion of the so-called OPEC amendment (sec. 502(b)(2)) in the Trade Act has created serious problems for United States relations with virtually all the nations of Latin America.

After studying the actual wording of this amendment it seems to me that it was actually intended to be prospective in nature, that it was intended to put the OPEC nations on notice regarding the consequences of their future actions rather than to be used as a punishment for past actions.

I would greatly appreciate your clarifying the intent of the Ways and Means Committee and the House conferees with respect to this amendment. If the amendment was intended as punishment for past actions I respectfully request that your Committee, on an urgent basis, consider clarifying legislation to make certain that countries such as Venezuela and Ecuador, which did not engage in a boycott of the United States, are excluded from any punitive effects. Not only would such a clarifying amendment more justly apply retaliatory actions, but it would greatly strengthen efforts to strengthen our ties to traditional and dependable Hemisphere petroleum suppliers while lessening reliance on certain Middle Eastern states which are the source of our difficulties.

Sincerely,

Dante B. Fascell,
Chairman, International Political and Military Affairs.

TOWARD AN AMERICAN FOREIGN POLICY

(Mr. SYMINGTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SYMINGTON. Mr. Speaker, in his farewell address George Washington cautioned his countrymen to beware of foreign entanglements. The Father of his country had been a loyal British subject, having fought on the Indian frontier with General Braddock. His Americanization, like that of his associates, occurred by degrees as his mind and spirit became alienated by perceived injury and attracted by a corollary sense of patriotism to the emerging colonial cause. Were he to be allowed to visit with us today he would be hard put to fathom our network of alliances, trading arrangements, military aid programs, and the intricacies of détente. Observing our grants, sales, and loans to nearly every participant in the Middle East struggle, he might conclude our foreign policy bordered on the occult. If he were to offer advice after being afforded such an overview, it seems to me it would be simply to bear in mind America's national interest in the formulation of foreign policy, so that it might be an American foreign policy with no prefixes denoting an infusion of extranational bias or sentiment. He would have agreed with Senator Lodge, Sr. who early in this century spoke of the need to cease being Anglo - Americans, German - Americans, Italian-Americans and Irish-Americans and become just Americans. This is harder than one might think. The melting pot melts slowly and Congress quite accurately reflects the condition of its content.

Not that some of our greatest errors have not been all-American errors, that is, Vietnam. Few chords of specific kinship called us to that undertaking, but rather a subtle distortion of the peacekeeping role we assumed in this century, coupled with the determination to block Communist aggression as that term is understood, an undertaking given gallant expression in President Kennedy's inaugural pledge, "to bear any burden, pay any price" to that end. In this bicentennial year, nostalgic as we are for the broad sweeping answers of the past, we cannot have them. We will have to draw on today's wisdom. The quality of America's insight does not drop like gentle rain from heaven. It is strained to remove elements disagreeable to citizen lobbies of every description. Presidents can work these lobbies and be worked by them, as can Congress.

I remember President Johnson's warning to Israel's President Shazar. Sitting in the rose garden in August 1966, Johnson was bemoaning certain rabbinical opposition to our Vietnam involvement:

> If we can't defend that Asian country of 20 million, how should we be counted on to fight for a little Middle East country of 2 million?

President Shazar was being asked to use his influence to quiet some of Johnson's rabbinical critics. By then, however, the criticism was too widespread to be muted by whispers from abroad. Still, the assumption was made and not rejected that this was a proper relationship to exploit.

Reflecting overwhelming but imperfectly informed public sentiment, dominant voices in the House and Senate recently prevailed on the administration to insist on a more liberal Jewish emigration policy on the part of the Soviet Union as a condition for increased trade. I supported the effort as the only one offered to express our proper concern for another people. But I would have thought a more attainable and more valuable quid pro quo would have been a firm guarantee of Soviet cooperation in securing a stable peace for Israel and her neighbors. That would have been in the best interest of Israel, the United States and, in fact, a whole world clinging precariously to the hem of peace. For the Soviets that would have been an external not an internal initiative, thus properly negotiable. It would also have been one which could have led to Israel's becoming at least as safe a place to live for Soviet Jews as the Soviet Union. Until such an arrangement is made, every emigrant to Israel joins the ranks of a citizenry subject to sudden aggression and possibly annihilation. Congress in its collective wisdom pressed for this condition. Secretary Kissinger relayed the demand. To his surprise and that of Congress, it was rejected, leaving both the trade aspects of détente and the fate of hopeful emigrants in doubt.

Diplomacy is akin to the work of a potter's kiln. Congress can break but not make its products. There were aspects of the trade arrangement which I believe were questionable. A $10 billion investment in Soviet energy production capacity with the hope of getting a steady supply of it seemed to merit close scrutiny. But if its benefits could stand that test it should not have been sacrificed to any condition other than one of the first magnitude. Compared to a great-power cooperative peace effort, the emigration flow is of a lower order of magnitude.

The Cyprus question provides another example of how Congress would lay its heavy hand on the fragile pen of diplomacy. First, a word about Greece. My own feeling toward Greece was perhaps best expressed some 15 years ago when I decided to sponsor a child for 10 years through the Save the Children program. I chose a Greek child because I felt we owed a lasting debt to the men of Athens who centuries before the birth of Christ gave the barbaric world a new vision of law, democracy, order and beauty, and who made a reality of this vision in their own heroic, sunlit time. I was never prouder of the legacy that links us to Greece than one day in 1966 when the Greek Ambassador, Matsas, handed to Dean Acheson for transmittal to the Harry Truman Library a Greek helmet found at Marathon where Western civilization stood its ground. Any citizen of the Western World can be forgiven a lingering regret for the defeat of Athens in the Peloponnesian War, and a thousand years later, Constantinople.

Even centuries cannot erase cultural memories. We give effect to them every day. As I wrote to a friend after the last House vote on the Cyprus question, "tell the Greeks we lie here in obedience to their laws." But good cultural memory is not necessarily good policy. And Cyprus is not Greece, nor is it Turkey. It is difficult to see how it can ever become one or the other. It remains a smoldering amalgam of the two, but sovereign.

The delicate task of reconciling the two contending NATO nations chiefly interested by bonds of blood, affinity, history, and geography is ours as the principal NATO partner. The administration approaches the thicket most cautiously. We enter as if the thorns will recede at the sight of us. The problem appears simple to Congress. It is merely one of first principles. The provisions of the law are broken when one NATO power uses U.S. arms, not defensively but offensively, against another or a neutral. A factor? Definitely. The principal factor? Reverse the players and see. Let us assume the Turkish enclave produced a militant force which threatened the Greek sector, and Greek troops arrived first to defend, but then to attack and occupy the Turkish sector.

Would the same impulse to curtail aid to Greece until the withdrawal of those troops be manifested with such firmness on the House floor, particularly if the President asked for time and patience? Candor compels a negative response to the hypothetical. What is it then that impels the Congress to take over the negotiations on Cyprus in this instance? The law only? No, the law buttressed by sentiment which evokes a sympathetic response from every minority which looks upon its respective kindred people overseas as an endangered species. American foreign policy is thus like Gulliver, bound and immobilized by myriad threads of prejudice, favoring a chance assortment of nations and peoples whose own first concern is by no means for America. In the rush to resolve a delicate dispute on behalf of one favored contestant, another's rightful claims to our gratitude or respect are muted and forgotten. Turkish excesses and the agonies of the Greek Cypriot community are well ventilated. But forgotten is the response of Turkey to our needs in Korea and the bravery of her soldiers there. Forgotten is the tangible bulwark Turkey poses by history and national character to Soviet expansion; forgotten, the strategic importance of her steadfastness; muted, the impact on her people of the mass execution of her civilian kinsmen on Cyprus. No, indeed, these concepts give way to the wry humor of what is fed in Greek restaurants to Congressmen who vote "wrong," reminiscent of the jokes that flourished in the wake of the 6-day war in the Middle East and which bring no smiles now.

Similar impulses unite the Black Caucus on Rhodesia and South Africa, while Caesar Chavez suggests favored treatment to millions of illegal immigrants at the expense of his fellow citizens including 8 million unemployed. Are we so homesick for the problems of others that we care not for our own? There is irony in the fact that the technology of communication, normally a force for cohesion, has had a centrifugal effect on our attention span, leading us emotionally back to the entanglements Washington so feared. We live in a new and permanent era of interdependence. But the day-to-day reflection of our rightful concern for the rationality of our involvement is better left to the executive than the legislative branch. The Congress plays its proper foreign policy role when it uses its principal powers, those of oversight, investigation, and the purse to encourage or discourage long-term courses of action. It was painfully slow, but right to take the historical initiative to curtail our involvement in Indochina. This was easier for a Congress than any President to do. Congressional initiatives to that end were more than justified by a decade of experience with the fatuous and futile pledges of four administrations. The facts spoke louder than the doctored dispatches from the field, and the force of the charge of "irresponsibility" for "losing" some part of the world is spent with less effect on 535 individuals than on one. But to insist on guiding the most fragile diplomacy of all, that is, between friends, on a month-to-month basis, is foolhardy. The President must be presumed at a given moment to know better than the Congress how far an international friendship can be bent before it snaps. The Turks are tacticturn. They do not complain. Our Government which has offered millions to Syria, Lebanon, Egypt, Jordan, Saudi Arabia, and even Hanoi at one time, does not suggest that the good behavior of any of these nations can be "bought." Nor is it the next shipment of aid which holds Turkey's friendship. It is the manifest respect we show her, plus the parallel view we have of the threats to peace and security in that part of the world.

But it occurs to me she would prefer to face these threats alone than in open subservience to America. Which of the self-appointed diplomatists of either House of Congress has endeavored to learn first hand the Turkish viewpoint? And should the cutoff of Turkish aid not produce the desired result, Turkish accommodation on Cyprus, then what? It is not so much our job to conduct such searching inquiries as it is that of the executive branch. And if it has not succeeded in securing "progress" in the negotiations is this due to a want of interest or effort? American initiatives toward peace in Cyprus are not automatically acceptable to both sides because they are American. They will be accepted if and when they are understood and their provisions are seen by both sides in a favorable light.

If the 535-Member Congress thinks its collective wisdom is all that is necessary to break the deadlock, it engages in a presumption commensurate with its size. In the further consideration of this and other matters that come before us, we would do well to remember not only our individual origins but the origins of the Nation we serve. Its majesty and power were given us not to pursue old feuds but new understandings, not for venegeance but for vision.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 30 minutes, today.

(The following Members (at the request of Mr. Goodling) to revise and extend their remarks and include extraneous material:)

Mr. Crane, for 10 minutes, today.
Mr. Shriver, for 10 minutes, today.
Mr. Railsback, for 5 minutes, today.
Mr. Bell, for 15 minutes, today.
Mr. Findley, for 5 minutes, today.
Mr. Martin, for 10 minutes, today.
Mr. Cleveland, for 20 minutes, today.
Mr. Cohen, for 15 minutes, February 6.
Mr. Lujan, for 5 minutes, today.

(The following Members (at the request of Mr. Carr) to revise and extend their remarks and include extraneous material:)

Mr. Metcalfe, for 30 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Ms. Abzug, for 15 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Corman, for 5 minutes, today.

Mr. English, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Moakley, for 15 minutes, today.

Mr. Hays of Ohio, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Hicks, for 5 minutes, today.

Mr. Bingham, for 15 minutes, today.

Mr. Rostenkowski, for 30 minutes, today.

(The following Members (at the request of Mrs. Boggs) and to revise and extend their remarks and include extraneous matter:)

Mr. Fithian, for 5 minutes, today.

Mr. Sikes, for 10 minutes, today.

Mr. Krueger, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brown of Ohio, and to include extraneous matter with his remarks during the general debate on H.R. 1767 today.

Mr. O'Neill to include extraneous matter in his remarks made today in Committee of the Whole.

Mr. Steiger of Wisconsin to revise and extend his remarks and include extraneous matter with remarks on H.R. 1767.

(The following Members (at the request of Mr. Goodling) and to include extraneous material:)

Mr. Forsythe.

Mr. Crane in six instances.

Mrs. Holt in two instances.

Mrs. Fenwick in two instances.

Mr. Hammerschmidt.

Mr. Cohen.

Mr. Gilman in two instances.

Mr. Lagomarsino.

Mr. Jeffords in two instances.

Mr. Hillis.

Mr. Eshleman.

Mr. Symms in two instances.

Mr. Steiger of Wisconsin.

Mr. Peyser.

Mr. Ketchum.

Mr. Collins of Texas in three instances.

Mr. Walsh in two instances.

Mr. du Pont.

Mr. Robinson.

Mr. Beard of Tennessee in two instances.

Mr. Don H. Clausen in two instances.

Mr. Brown of Ohio.

(The following Members (at the request of Mr. Carr) and to include extraneous matter:)

Mr. Scheuer in two instances.

Mr. Ryan.

Mr. Fraser in two instances.

Mr. Fulton.

Mr. Evans of Indiana in 10 instances.

Mr. Patterson of California.

Mr. Van Deerlin.

Mr. Russo.

Mr. Badillo in 10 instances.

Mr. Traxler in two instances.

Mr. Mazzoli in three instances.

Mr. de Lugo.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Thompson.

Mr. Roe.

Mr. Obey.

Mr. Mottl.

Mr. John L. Burton.

Mr. Harrington.

Mr. Dominick V. Daniels in two instances.

Mr. Maguire in four instances.

Mrs. Keys.

Mr. McDonald of Georgia.

Mr. Stark in two instances.

Mr. Vanik.

Mr. St Germain.

Mr. Evans of Colorado.

Mr. Jones of Tennessee.

Mr. Boland.

Mr. Beard of Rhode Island.

Ms. Abzug.

Mr. Ottinger.

Mr. Downing.

Mr. Drinan.

Ms. Holtzman.

Mr. Fisher.

ADJOURNMENT

Mrs. BOGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 29 minutes p.m.) the House adjourned until tomorrow, Thursday, February 6, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

255. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in the Spokane Indian Reservation Irrigation Development and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83-172; to the Committee on Appropriations.

256. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the annual report for 1974 on third-country transfers of U.S.-origin defense articles under the provisions of section 3(a) of the Foreign Military Sales Act of 1968, as amended, and section 505(e) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

257. A letter from the Chairman, Board for International Broadcasting, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1976 and 1977 for carrying out the Board for International Broadcasting Act of 1973; to the Committee on Foreign Affairs.

258. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend the Employment Act of 1946 with respect to stability of the general price level; to the Committee on Government Operations.

259. A letter from the Secretary of Health, Education, and Welfare, transmitting a negative report on the disposal of excess foreign property during calendar year 1974, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 514(d)]; to the Committee on Government Operations.

260. A letter from the Secretary of the Interior, transmitting the 1974 Annual Report of the National Park Foundation, pursuant to Public Law 90—209; to the Committee on Interior and Insular Affairs.

261. A letter from the Secretary of Transportation, transmitting the first annual report on pipeline spillage on Federal lands, pursuant to section 28(w)(4) of the Mineral Leasing Act of 1920, as amended [87 Stat. 583; 30 U.S.C. 185(w)(4)]; to the Committee on Interior and Insular Affairs.

262. A letter from the vice president for Government and Public Affairs, National Railroad Passenger Corporation, transmitting a report on the number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, for the month of December 1974, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

263. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended [8 U.S.C. 1254 (c)(1)]; to the Committee on the Judiciary.

264. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(2) of the Immigration and Nationality Act, as amended [8 U.S.C. 1254 (c)(1)]; to the Committee on the Judiciary.

265. A letter from the Acting Attorney General, transmitting a draft of proposed legislation to repeal limitations on the compensation and other emoluments attached to the Office of Attorney General; to the Committee on Post Office and Civil Service.

266. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting the annual report for calendar year 1974 on positions in the Immigration and Naturalization Service in grades GS-16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

267. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report for calendar year 1974 on scientific and professional positions estabilshed in NASA, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

268. A letter from the Secretary of Transportation, transmitting the first annual report on highway safety programs for railroad crossing improvement, pavement marking demonstration projects, improvements at high-hazard locations, and roadside obstacle elimination; and the interim report on the safer roads demonstration program; pursuant to section 203(e) of Public Law 93-87, and sections 151(g), 152(e), 153(e), and 405(h) of title 23, United States Code (H. Doc. No. 94-41); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

269. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974 and for other purposes; to the Joint Committee on Atomic Energy.

270. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a draft

of proposed legislation to authorize supplemental appropriations to the Nuclear Regulatory Commission for fiscal year 1975; to the Joint Committee on Atomic Energy.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 2783. A bill to continue the national insurance development program by extending the present termination date of the program to April 30, 1980 and by extending the present date by which a plan for the liquidation and termination of the reinsurance and direct insurance programs is to be submitted to the Congress to April 30, 1983; to the Committee on Banking, Currency and Housing.

By Mr. ARCHER:

H.R. 2784. A bill to amend the Internal Revenue Code of 1954 to provide income tax relief for small businesses; to the Committee on Ways and Means.

By Mr. ASHLEY (for himself and Mr. Dodd):

H.R. 2785. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. BELL (for himself and Mr. Pettis):

H.R. 2786. A bill to establish criteria to be observed by approving entities for federally assisted postsecondary education programs in order to protect students in such programs; to the Committee on Education and Labor.

By Mr. BIAGGI:

H.R. 2787. A bill to amend title IV of the Higher Education Act of 1965 to provide for a national student financial assistance data bank; to the Committee on Education and Labor.

H.R. 2788. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 2789. A bill to amend Public Law 92-425, and act "to amend chapter 73 of title 10, United States Code, to establish a survivor benefit plan, and for other purposes; to the Committee on Armed Services.

H.R. 2790. A bill to provide survivorship benefits for the families of certain severely disabled veterans; to the Committee on Veterans' Affairs.

H.R. 2791. A bill to amend title 38 of the United States Code in order to entitle veterans to 45 months of educational assistance for undergraduate or any other authorized programs of education; to the Committee on Veterans' Affairs.

By Mr. BROOMFIELD:

H.R. 2792. A bill to terminate all price-support programs for tobacco beginning with the 1976 crop of tobacco; to the Committee on Agriculture.

H.R. 2793. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2794. A bill to impose a minimum income tax on certain individuals and corporations with substantial incomes; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself, Mr. Burke of Massachusetts, Mrs. Boggs, Mr. Carter, Mr. Cleveland, Mr. Fascell, Mr. Harrington, Mr. Jenrette, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Mathis, Mr. Murphy of New York, Mr. Patman, Mr. Pritchard, Mr. Rees, Mr. Rodino, Mrs. Schroeder, Mr. Schulze, Mr. Pattison of New York, Mr. Benitez, and Mr. Seiberling):

H.R. 2795. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COHEN:

H.R. 2796. A bill to amend the Council on Wage and Price Stability Act to authorize the establishment of wage and price guidelines, to provide the Council with authority to suspend wage and price increases for 90 days, to provide subpena power for the Council, and for other purposes; to the Committee on Banking, Currency and Housing.

H.R. 2797. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the personal exemption to $1,000, to increase the amount of the standard deduction, to lower the tax rates which apply to certain low- and moderate-income brackets, to increase the amount of the investment tax credit, and for other purposes; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.R. 2798. A bill to prohibit the use of gasoline and diesel fuel for the busing of public school students, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE:

H.R. 2799. A bill to amend subchapter G of chapter 1 of the Internal Revenue Code of 1954 (relating to the accumulated earnings tax); to the Committee on Ways and Means.

By Mr. WYLIE (for himself, Mr. Beard of Tennessee, Mr. Carter, Mr. Clancy, Mr. Del Clawson, Mr. Crane, Mr. Dan Daniel, Mr. Devine, Mr. Dickinson, Mr. Eshleman, Mr. Flynt, Mr. Fountain, Mr. Grassley, Mr. Guyer, Mrs. Holt, Mr. Johnson of Pennsylvania, Mr. McCollister, Mr. Mann, Mr. Miller of Ohio, Mr. Regula, Mr. Rousselot, Mr. Spence, Mr. Stephens, Mr. Symms, and Mr. Walsh):

H.R. 2800. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; to the Committee on Government Operations.

My Mr. CONTE (for himself and Mr. Pattison of New York):

H.R. 2801. A bill to require congressional approval of tariffs on petroleum imports; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 2802. A bill to amend the Internal Revenue Code of 1954 to provide a repayment for part of the Federal excise tax paid on gasoline and special fuels used in taxicabs; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 2803. A bill to establish minimum prison and parole standards in the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 2804. A bill to authorize the Secretary of Health, Education, and Welfare to establish a medical malpractice reinsurance program, and to conduct experiments and studies on medical malpractice; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H.R. 2805. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 2806. A bill to authorize an emerency NATO contingency fund; to the Committee on Foreign Affairs.

By Mr. FISH:

H.R. 2807. A bill to amend the Council on Wage and Price Stability Act to authorize the establishment of wage and price guidelines, to provide the Council with authority to suspend wage and price increases for 90 days, to provide subpena power for the Council, and for other purposes; to the Committee on Banking, Currency and Housing.

H.R. 2808. A bill to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2809. A bill to amend the Internal Revenue Code of 1954 to impose an excise tax on every new passenger automobile with respect to its weight; to the Committee on Ways and Means.

H.R. 2810. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the personal exemptions to $1,000, to increase the amount of the standard deduction, to lower the tax rates which apply to certain low- and moderate-income brackets, to increase the amount of the investment tax credit, and for other purposes; to the Committee on Ways and Means.

By Mr. FORD of Michigan:

H.R. 2811. A bill to provide for the mailing of absentee voting matter free of postage; to the Committee on Post Office and Civil Service.

By Mr. FORD of Michigan (for himself and Mr. Blanchard):

H.R. 2812. A bill to provide emergency relief with respect to home mortgage indebtedness to refinance home mortgages, to extend relief to the owners of homes who are unable to amortize their debt elsewhere, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. FORD of Michigan (for himself, Mr. Blanchard, Mr. Brodhead, Mr. Broomfield, Mr. Carr, Mr. Cederberg, Mr. Clay, Mr. Dingell, Mr. Ford of Tennessee, Mr. Ichord, Mr. Nedzi, Mr. O'Hara, Mr. Steiger of Arizona, Mr. Thone, Mr. Traxler, Mr. Vander Veen, Mr. Winn, and Mr. Yatron):

H.R. 2813. A bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

By Mr. FORSYTHE (for himself, Mr. Dingell, Mr. Leggett, Mr. Don H. Clauson, Mr. Studds, and Mr. Chappell):

H.R. 2814. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FUQUA:

H.R. 2815. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

By Mr. FUQUA (for himself, Mr. Bennett, Mr. Bevill, Mr. Brown of California, Mr. Chappell, Mr. Conte, Mr. Dickinson, Mr. Fascell, Mr. Frey, Mr. Haley, Mr. Kelly, Mr. Mitchell of New York, Mr. Roe, Mr. Rogers, Mr. Sikes, Mrs. Spellman, Mr. Udall, Mr. Winn, and Mr. Young of Florida):

H.R. 2816. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the

Bartram Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. HARRINGTON:

H.R. 2817. A bill to amend the Trade Act of 1974 to provide for the application of the Generalized System of Preferences to Western Hemisphere countries; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 2818. A bill to amend title IV of the Civil Rights Act of 1964 to prohibit federally ordered assignment of teachers or students on racial and other similar grounds; to the Committee on the Judiciary.

By Mrs. HOLT (for herself, Mr. Eshleman, Mr. Gaydos, Mr. Jones of North Carolina, Mr. Lott, Mr. McCollister, Mr. McDonald of Georgia, Mr. Milford, Mr. Nichols, Mr. Symms, Mr. Waggonner, and Mr. Treen):

H.R. 2819. A bill to amend the Equal Educational Opportunities Act of 1974 to prohibit any agency of the Federal Government from requiring schools or other educational institutions, as a prerequisite to the receipt of Federal funds, to provide such agency with access to certain records maintained by such schools or other institutions; to the Committee on Education and Labor.

By Mr. JENRETTE:

H.R. 2820. A bill to amend the Agriculture and Consumer Protection Act of 1973 to increase the loan rate and established price on cotton; to the Committee on Agriculture.

By Mr. LENT:

H.R. 2821. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates and the amount of the standard, personal exemption, and depreciation deductions; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 2822. A bill to amend title IV of the Higher Education Act of 1965; to the Committee on Education and Labor.

H.R. 2823. A bill to provide for the regulation of surface mining for the conservation, acquisition and reclamation of surface areas affected by coal mining activities, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2824. A bill to extend the Appalachian Development Act of 1965; to the Committee on Public Works and Transportation.

H.R. 2825. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2826. A bill to suspend for a temporary period the import duty on tungsten ore and other materials in chief value of tungsten; to the Committee on Ways and Means.

By Mr. McDADE (for himself and Mr. Udall):

H.R. 2827. A bill to provide for the reclamation of abandoned coal mine lands and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MICHEL (for himself and Mr. Annunzio):

H.R. 2828. A bill to amend the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of New York:

H.R. 2829. A bill to provide price support for milk at not less than 85 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. MOORE:

H.R. 2830. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $1,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 2831. A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy; to the Committee on the Judiciary.

H.R. 2832. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 2833. A bill to amend title 39, United States Code, to provide for the mailing of correspondence to Members of the Congress free of postage, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2834. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits thereunder shall continue through the month of his or her death (except where the consequent delay in survivor eligibility would reduce total family benefits); to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. Rees, Mr. Bergland, Mr. Pattison of New York, Mr. Murphy of New York, Mr. Eilbert, and Mr. Yatron):

H.R. 2835. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for sanitation and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

By Mr. OBEY (for himself, Mr. Conte, Mr. Yatron, Mrs. Sullivan, Mr. Carney, Mr. Hechler of West Virginia, Mr. Carr, Mr. Walsh, Mr. Conyers, Mr. Brown of California, Mr. de Lugo, Mr. Bolling, Mr. Anderson of California, Mr. Drinan, Mr. Badillo, Mr. Horton, Mr. Eilberg, Mr. Davis, Mr. Yates, Mr. Roncalio, Mr. Vigorito, Mr. Sarbanes, Mr. Mitchell of Maryland, Mr. Rosenthal, and Mrs. Burke of California):

H.R. 2836. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. Addabbo, Mr. Mollohan, Mr. Cohen, Mr. Harrington, Mr. Oberstar, Mr. Melcher, Mr. Solarz, Mr. Metcalfe, Mr. LaFalce, Mrs. Lloyd of Tennessee, Mr. Seiberling, Mr. Aspin, Mr. Mottl, Mr. Waxman, Mr. Hayes of Indiana, Mr. Fraser, Mrs. Spellman, Mr. Ford of Michigan, Mr. Rees, Mr. Moorhead of Pennsylvania, Mr. Brodhead, Mr. Ryan, Mr. Edgar, and Ms. Abzug):

H.R. 2837. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. Roybal, Mr. Giaimo, Mr. Stokes, Mr. Charles Wilson of Texas, Mr. Matsunaga, Mr. Flood, Mr. Rodino, Mr. Stark, Mr. Baldus, Mr. Howard, Mr. McDade, Mr. Bowen, Mr. Hicks, Mr. Pepper, Mrs. Heckler of Massachusetts, Mr. Cornell, Mr. Gude, Mr. Morgan, Mr. Johnson of California, Mr. Murphy of New York, Mr. McKinney, Mr. Thompson, Mr. Fascell, and Mr. Bergland):

H.R. 2838. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. Edwards of California, Mr. Nix, Mr. Winn, Mr. Won Pat, Mr. McCormack, Mr. Lehman, Mr. Riegle, Mr. Coughlin, Mr. Evins of Tennessee, Mr. Reuss, Mr. Studds, Mr. Helstoski, Mrs. Mink, Mr. Fish, Mrs. Chisholm, Mr. Fulton, Mr. Rangel, Mr. Brademas, Mr. Burke of Massachusetts, and Mr. Fauntroy):

H.R. 2839. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. PATTERSON of California:

H.R. 2840. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H.R. 2841. A bill to establish an Office of Rural Health within the Department of Health, Education, and Welfare, and to assist in the development and demonstration of rural health care delivery models and components; to the Committee on Interstate and Foreign Commerce.

H.R. 2842. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of law enforcement officers killed in the line of duty; to the Committee on the Judiciary.

H.R. 2843. A bill to authorize the Secretary of the Army to investigate, plan, and construct projects for the control of streambank erosion; to the Committee on Public Works and Transportation.

H.R. 2844. A bill to amend title 38 of the United States Code in order to provide that monthly social security benefit payments and annuity and pension payments under the Railroad Retirement Act of 1937 shall not be included as income for the purpose of determining eligibility for, and the amount of, veterans' or widows' pensions, and parents compensation; to the Committee on Veterans' Affairs.

H.R. 2845. A bill to amend chapter 15 of title 38, United States Code, to provide for the payment of pension of $125 per month to World War I veterans, subject to a $2,400 and $3,600 annual income limitation; to provide that retirement income such as social security shall not be counted as income; to provide that such pension shall be increased by 10 per centum where the veteran served overseas during World War I; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2846. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

H.R. 2847. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 2848. A bill to improve the private retirement system by allowing individuals to establish their own pension plans; to the Committee on Ways and Means.

By Mr. ROBINSON (for himself, Mr. Martin, Mr. Ruppe, Mr. Satterfield, Mr. Steiger of Arizona, Mr. Waxman, Mr. Whitehurst, and Mr. Winn):

H.R. 2849. A bill to provide further for uniform annual observances of certain legal public holidays on Monday, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RODINO (for himself, Mr. Brooks, Mr. Flowers, Mr. Sarbanes, Mr. Seiberling, Ms. Jordan, Mr. Mezvinsky, Mr. Mazzoli, Mr. Hughes, and Mr. Howe):

H.R. 2850. A bill to permit the attorneys general of the several States to secure redress to the citizens and political subdivisions of their States for damages and injuries sustained by reason of unlawful restraints and monopolies; to the Committee on the Judiciary.

By Mr. RONCALIO (for himself and Mr. Thompson):

H.R. 2851. A bill to authorize the Administrator of General Services to provide space in the Old Post Office Building to tenants approved by the Chairman of the National Endowment for the Arts, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RYAN:

H.R. 2852. A bill to create a U.S. Amnesty Commission to make recommendations to the President on appropriate action to be taken, on a case-by-case basis, with respect to certain persons; to the Committee on the Judiciary.

H.R. 2853. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

Mr. ST GERMAIN:

H.R. 2854. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to U.S. fishermen to cover the costs of damages to their vessels and gear by foreign vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. SANTINI:

H.R. 2855. A bill to declare that all right, title, and interest of the United States in 2,640 acres, more or less, are hereby held by the United States in trust for the Paiute-Shoshone Tribe of the Fallon Indian Reservation, Nev., to the Committee on Interior and Insular Affairs.

H.R. 2856. A bill to authorize the Director of the Bureau of Mines to extend certain assistance to certain individuals engaged in mineral exploration and development; to the Committee on Interior and Insular Affairs.

By Mr. SIMON (for himself, Mr. Annunzio, Mrs. Collins of Illinois, Mr. Crane, Mr. Derwinski, Mr. Erlenborn, Mr. Hyde, Mr. Madigan, Mr. Metcalfe, Mr. Murphy of Illinois, Mr. O'Brien, Mr. Price, Mr. Railsback, Mr. Rostenkowski, Mr. Shipley, Mr. Yates, Mr. Russo, Mr. Hall, and Mr. McClory):

H.R. 2857. A bill to designate the Federal office building to be located in Carbondale, Ill., the "Kenneth J. Gray Federal Building"; to the Committee on Public Works and Transportation.

By Mr. JAMES V. STANTON:

H.R. 2858. A bill to amend the Internal Revenue Code of 1954 to provide for income averaging in the event of downward fluctuations in income; to the Committee on Ways and Means.

By Mr. TALCOTT:

H.R. 2859. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

H.R. 2360. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TRAXLER:

H.R. 2861. A bill to provide a program to systematically reduce imports of crude oil, residual fuel oil, and petroleum products and to provide for a report to accompany such program, and for other purposes; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 2862. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. BELL:

H.R. 2863. A bill to provide the Secretary of Health, Education, and Welfare with additional personnel to investigate allegations of fraud or misuse of Federal financial assistance committed by persons administering or participating in programs and activities conducted by the Secretary, and for other purposes; to the Committee on Government Operations.

By Mr. BEVILL:

H.R. 2864. A bill to authorize the Secretary of the Interior to convey certain mineral interests of the United States to the owner or owners of record of certain lands in the State of Alabama; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI:

H.R. 2865. A bill to establish rational criteria for the mandatory imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. BOWEN:

H.R. 2866. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. BRADEMAS:

H.R. 2867. A bill to establish within the Department of Commerce a Foreign Investment Review Administration to conduct a continuing review and analysis of foreign investment in the United States, to require reports and information from foreign investors in the United States, to publish reports with respect to such investment, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2868. A bill to amend the Internal Revenue Code of 1954 to eliminate, in the case of any oil or gas well located outside the United States, the percentage depletion allowance and the option to deduct intangible drilling and development costs, and to deny a foreign tax credit with respect to the income derived from any such well; to the Committee on Ways and Means.

H.R. 2869. A bill to amend the Internal Revenue Code of 1954 to eliminate the percentage oil and gas depletion allowance; to the Committee on Ways and Means.

By Mr. BROYHILL (for himself, Mr. Eilberg, Mr. Edwards of California, Mr. Schneebeli, Mr. Brown of California, Mr. Carter, Mr. Jenrette, Mr. Madigan, Mr. Holland, Mr. Derwinski, Mr. Badillo, Mr. Quie, Mr. Riegle, Mr. Jeffords, Mr. Hastings, Mr. LaFalce, Mr. Preyer, Mr. Roe, Mr. Solarz, Mr. Mitchell of New York, Mr. Rinaldo, Mr. O'Brien, Mr. Roncalio, Mr. Whitehurst, and Mr. Dodd):

H.R. 2870. A bill to provide authorizations for appropriations for the regulatory agencies of the Federal Government for fiscal years 1976, 1977, and 1978; jointly to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. BURGENER (for himself, Mr. Anderson of California, Mr. Archer, Mr. Bafalis, Mr. Brodhead, Mr. Brown of Ohio, Mr. Cleveland, Mr. Coughlin, Mr. Eshleman, Mr. Frenzel, Mr. Hechler of West Virginia, Mr. Hinshaw, Miss Holtzman, Mr. Jenrette, Mr. Lagomarsino, Mr. Leggett, Mr. McCloskey, Mr. Moorhead of California, Mr. Pritchard, Mr. Rees, Mr. Ryan, Mrs. Schroeder Mr. Talcott, Mr. Bob Wilson, and Mr. Charles Wilson of Texas):

H.R. 2871. A bill to amend title 5, United States Code, to provide for a reduced retirement annuity for a Member of Congress who remains in office after becoming 70 years of age; jointly to the Committees on Post Office and Civil Service, and House Administration.

By JOHN L. BURTON:

H.R. 2872. A bill to amend title 5, United States Code, to allow Federal employees an alternative to the Federal health benefit plans administered by private insurance carriers by providing for the establishment of a health benefit plan to be administered by the Civil Service Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H.R. 2873. A bill to preserve and promote competition among corporations in the production of oil, natural gas, coal, oil shale, uranium, geothermal stream, and solar energy; to the Committee on the Judiciary.

By Mr. DENT (for himself, Mr. Flood, Mr. Won Pat, Mr. Jones of North Carolina, Mr. Evans of Indiana, Mr. Milford, Mr. Addabbo, Mr. Helstoski, Mr. Edgar, Mr. Harrington, Mr. Zeferetti, Mr. Yatron, and Mr. Gaydos):

H.R. 2874. A bill to provide an income tax credit for savings for the payment of postsecondary educational expenses; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Ms. Abzug, Mr. John L. Burton, Mr. Carr, Mr. Danielson, Mr. Drinan, Mr. Edwards of California, Mr. Gibbons, Mr. Gilman, Mr. Krueger, Mr. Lehman, Mr. Mineta, Mr. O'Hara, Mr. Pattison of New York, Mr. Rangel, Mr. Roybal, Mrs. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Udall, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Wirth):

H.R. 2875. A bill to amend the Coastal Zone Management Act of 1972 to establish a national policy with respect to the beach resources of the Nation; to the Committee on Merchant Marine and Fisheries.

By Mr. ENGLISH (for himself, Mr. Andrews of North Dakota, Mr. Bedell, Mr. Cochran, Mr. Goodling, Mr. Hightower, Mr. Jarman, Mr. Jones of Oklahoma, Mr. Pressler, Mr. Risenhoover, Mr. Roncalio, Mr. Rose, Mr. Steed, Mr. Charles Wilson of Texas and Mr. Yatron):

H.R. 2876. A bill to protect the health and welfare of the Nation's meat and dairy producers and consumers; to the Committee on Agriculture.

By Mr. EVANS of Colorado:

H.R. 2877. A bill to amend the Internal Revenue Code of 1954 to impose a temporary exercise tax on passenger motor vehicles based on horsepower, to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the manufacture of passenger motor vehicles which do not comply with certain limitations with respect to weight, fuel economy, and horsepower, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mrs. FENWICK:

H.R. 2878. A bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 2879. A bill to provide for emergency relief for shall business concerns in connection with fixed price Government contracts; to the Committee on Small Business.

By Mr. FORD of Michigan:

H.R. 2880. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2881. A bill to amend the Postal Reorganization Act of 1970, title 39, United States Code, to provide for uniformity in labor relations; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H.R. 2882. A bill to amend title 10 of the United States Code in order to eliminate or reduce certain deductible payments by patients for treatment under the uniformed service health benefits program; to the Committee on Armed Services.

By Mr. GOLDWATER:

H.R. 2883. A bill to amend title II of the Social Security Act to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 2884. A bill to authorize the Secretary of Health, Education, and Welfare to establish a medical malpractice reinsurance program, and to conduct experiments and studies on medical malpractice; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON:

H.R. 2885. A bill to amend part B of title XI of the Social Security Act to make certain reforms in the program of review of professional medical services provided under the Social Security Act, and to protect the confidentiality of medical records; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 2886. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of compensation paid to law enforcement officers shall not be subject to the income tax; to the Committee on Ways and Means.

H.R. 2887. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. HENDERSON (for himself, Mr. Nix, Mr. Rousselot, Mr. Lehman, Mr. Collins of Texas, Mr. Lott, Mr. McCormack, and Mr. Martin):

H.R. 2888. A bill to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans Day; to the Committee on Post Office and Civil Service.

By Mr. HINSHAW:

H.R. 2889. A bill to amend the Coastal Zone Management Act of 1972 to suspend until no later than June 30, 1976, Federal oil and gas leasing in areas seaward of State coastal zones; jointly to the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mrs. HOLT:

H.R. 2890. A bill to amend the Budget Control Act of 1974 to incorporate a system for the limitation of Federal revenues and budget outlays, to improve the dissemination of information concerning the fiscal impact of all bills and joint resolutions, to impose upon the Federal Reserve Board a set of limits for the expansion of monetary supply, and for other purposes; jointly to the Committees on Rules and Banking, Currency, and Housing.

By Ms. HOLTZMAN (for herself and Mr. Bingham):

H.R. 2891. A bill to amend title XVI of the Social Security Act to insure that cost-of-living increases in supplemental security income benefits are granted to recipients of such benefits in all States, to provide a housing supplement to certain recipients of such benefits, to prevent reductions in such benefits because of social security benefit increases, to allow recipients of such benefits in cash-out States to elect to receive food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 2892. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes; jointly to the Committees on the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, and Science and Technology.

By Mr. JOHNSON of California:

H.R. 2893. A bill to extend the Library Services and Construction Act through September 30, 1978; to the Committee on Education and Labor.

By Mr. JONES of Oklahoma:

H.R. 2894. A bill to modify the Keystone Reservoir project on the Arkansas River in order to provide that previous owners be given a priority in the leasing of lands acquired for such project; to the Committee on Public Works and Transportation.

H.R. 2895. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself, Mr. Byron, Mr. Duncan of Oregon, Mr. English, Mr. Pattison of New York, and Mr. Rodino):

H.R. 2896. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KETCHUM:

H.R. 2897. A bill to prohibit certain restrictions on the sale of firearms and ammunition; to the Committee on Interstate and Foreign Commerce.

By Mr. KRUEGER (for himself, Mr. Badillo, Mr. Bingham, Mr. Blanchard, Mr. John L. Burton, Mr. Danielson, Mr. Dellums, Mr. Edwards of California, Mr. Eilberg, Mr. Esch, Mr. Ford of Michigan, Mr. Hawkins, Ms. Holtzman, Mr. Hyde, Mrs. Keys, Mr. LaFalce, Mr. McDade, Mr. Melcher, Mr. Mitchell of New York, Mr. Oberstar, Mr. Peyser, Mrs. Schroeder, Mr. Stokes, Mr. Weaver, and Mr. Wirth):

H.R. 2898. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. LOTT (for himself, Mr. Breaux, Mr. Sikes, Mr. Ryan, and Mr. Cleveland):

H.R. 2899. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period for disability benefits, to liberalize the earnings test, to permit adopted children to qualify for benefits without regard to time of adoption, to eliminate the reconsideration stage in benefit determination, to provide for the issuance of duplicate benefit checks where the initial checks are lost or delayed, and to provide for expedited benefit payments to disability beneficiaries; to the Committee on Ways and Means.

By Mr. BROWN of Michigan (by request):

H.R. 2900. A bill to alleviate massive unemployment in the housing and related industries, to provide homeownership oportunities not otherwise available because of excessive interest rates, and to assist in restoring the Nation's economic health; to the Committee on Banking, Currency and Housing.

By Mr. LEHMAN:

H.R. 2901. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees; to the Committee on Government Operations.

H.R. 2902. A bill to amend title XVIII of the Social Security Act to eliminate all the deductibles, coinsurance, and time limitations presently applicable to benefits thereunder, to eliminate medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insurance benefits (so that all benefits under such title will be financed from general revenues), and to provide for eye care, dental care, hearing aids, prescription drugs, prosthetics, and certain other items not now covered; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 2903. A bill relating to the public lands of the United States; to the Committee on Interior and Insular Affairs.

H.R. 2904. A bill to authorize Federal cost sharing in promoting public safety through the elimination of hazardous open canals by converting them to closed conduits and by fencing; to the Committee on Interior and Insular Affairs.

H.R. 2905. A bill to designate the Manzano Mountain Wilderness, Cibola National Forest, N. Mex.; to the Committee on Interior and Insular Affairs.

H.R. 2906. A bill to designate the Sandia Mountain Wilderness, Cibola National Forest, N. Mex.; to the Committee on Interior and Insular Affairs.

H.R. 2907. A bill to modify the boundary of the Cibola National Forest, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2908. A bill to repeal the Act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico; to the Committee on Interior and Insular Affairs.

H.R. 2909. A bill to provide for a study of the suitability and feasibility of designating the Vietnam Veterans Chapel, Eagle Nest, N. Mex., as a national memorial to the Vietnam veterans; to the Committee on Interior and Insular Affairs.

By Mr. McFALL:

H.R. 2910. A bill to amend title II of the Social Security Act to permit retirement of all persons in the United States at the age of 60 years with benefits sufficient, in the absence of any other resource, to assure elderly persons freedom from poverty and also to assure elderly persons generally full participation in prevailing national standards of living, to provide like benefits for physically, mentally, or vocationally disabled persons aged 18 and over, and to provide benefits for certain full-time students aged 18 to 25, and to provide benefits for certain female heads of families and for certain children, and to provide for the establishment and operation of this system of social security by an equitable gross income tax, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of Illinois:

H.R. 2911. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, in any manner affecting interstate or foreign commerce, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

By Mr. MOLLOHAN:

H.R. 2912. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. MURTHA (for himself, Mr. Hechler of West Virginia, Mr. Morgan, Mr. Charles H. Wilson of California, Mr. Conyers, Mr. Helstoski, Mr. Rosenthal, Mrs. Collins of Illinois, Mr. Price, Mr. Johnson of Pennsylvania, Mr. Harrington, Ms. Holtzman, Mr. Slack, Mr. Staggers, Mr. Murphy of New York, Mr. Roybal, Mr. Dent, and Mr. Gaydos):

H.R. 2913. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. O'HARA:

H.R. 2914. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. OTTINGER:

H.R. 2915. A bill to provide for daylight saving time during the period beginning on the last Sunday in February and ending on the first Sunday in November of each year; to the Committee on Interstate and Foreign Commerce.

By Mr. QUIE:

H.R. 2916. A bill to amend the State and Local Fiscal Assistance Act of 1972 to make Federal revenue sharing a permanent program to provide for periodic increases in the dollar amounts of revenue returned to the States under the act to offset the effects of inflation, and to eliminate certain restrictions on the purposes for which local governments may use funds obtained under the act; to the Committee on Government Operations.

By Mr. RIEGLE:

H.R. 2917. A bill to amend the Natural Gas Act to secure adequate and reliable supplies of natural gas and oil at the lowest reasonable cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO (for himself, Mr. Brooks, Mr. Kastenmeier, Mr. Edwards of California, Mr. Hungate, Mr. Conyers, Mr. Eilberg, and Mr. Flowers):

H.R. 2918. A bill to require that all authorizations of appropriations for the Justice Department, with respect to any fiscal year beginning after June 30, 1975, shall be specifically made by act of Congress; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 2919. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. ROUSH:

H.R. 2920. A bill to amend section 600 and section 601 of title 18, United States Code, relating to the granting or deprivation of benefits provided for or made possible by any act of Congress, on the basis of political activity, and for other purposes; to the Committee on the Judiciary.

By Mr. SANTINI:

H.R. 2921. A bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 2922. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. STEED:

H.R. 2923. A bill to provide incentives for the establishment of new or expanded job-producing industrial and commercial establishments in rural areas; to the Committee on Ways and Means.

By Mr. STEED (by request):

H.R. 2924. A bill to declare that certain federally owned land is held by the United States in trust for the Kiowa, Comanche, and Apache Indian Tribes of Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 2925. A bill to authorize the conveyance of certain lands of the United States to the city of Lawton, Okla., to develop for public use as an outdoor recreation complex; to the Committee on Interior and Insular Affairs.

By Mr. STEELMAN (for himself, Mr. Charles Wilson of Texas, Mr. Neal, Mr. Vander Jagt, Mr. Dodd, Mr. Gilman, and Mr. Pressler):

H.R. 2926. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly, to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. STEPHENS (for himself, and Mr. Landrum):

H.R. 2927. A bill to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam; to the Committee on Ways and Means.

By Mr. TALCOTT:

H.R. 2928. A bill to amend the Coastal Zone Management Act of 1972 to authorize financial assistance to coastal States to enable them to study, assess, and plan the effects of offshore energy-related facilities and activities in or on the Outer Continental Shelf on their coastal zones, and to provide for needed public facilities and services; to provide assistance to the coastal States for coordinating coastal zone planning, policies, and programs in contiguous interstate areas; and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 2929. A bill to amend the Coastal Zone Management Act of 1972 to suspend until no later than June 30, 1976, Federal oil and gas leasing in areas seaward of State coastal zones; jointly, to the Committees on Merchant Marine and Fisheries, and Interior and Insular Affairs.

H.R. 2930. A bill to amend the Coastal Zone Management Act of 1972, to provide for Federal-State cooperation in activities which may affect the coastal zone of a State prior to final approval of a State's coastal zone management program; jointly to the Committee on Merchant Marine and Fisheries, and Interior and Insular Affairs.

By Mr. TEAGUE (for himself and Mr. Mosher) (by request):

H.R. 2931. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. Brown of California, and Mr. Esch):

H.R. 2932. A bill to authorize appropriations for environmental research, development, and demonstration; to the Committee on Science and Technology.

By Mr. WHITE (for himself, Mr. Horton, and Mr. McKay):

H.R. 2933. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. WHITE (for himself, Mr. Yatron, Mr. Charles H. Wilson of California, Mr. Pickle, Mr. Riegle, Mr. Badillo, Mr. Sarbanes, Mr. Harrington, Mr. Cohen, Mr. Won Pat, Mr. Steelman, Mr. Drinan, Mr. Davis, Mr. McCloskey, Mr. Ford of Michigan, Mr. Murtha, Ms. Abzug, Mr. Roybal, Mr. Whitehurst, Mr. Rodino, and Mr. Rangel):

H.R. 2934. A bill to amend title XVIII of the Social Security Act to provide payment under part A (the hospital insurance program) for care and treatment furnished at a central radiation therapy treatment facility, and to provide full payment under Part B (the supplementary medical insurance program) for radiation therapy services furnished by physicians to inpatients or outpatients of any hospital or any such facility; and for other purposes; jointly to the Committee on Ways and Means and Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 2935. A bill to amend the Federal law relating to the protection, management, and control of wild free-roaming horses and burros on public lands in order to provide the authority needed to properly manage wild horses and burros in harmony with wildlife and other uses of the national resource land; to the Committee on Interior and Insular Affairs.

By Mr. BOB WILSON (for himself, Mr. Bowen, Mr. Esch, Mr. Frey, and Mr. Burke of Massachusetts):

H.R. 2936. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself, Mr. Barrett, Mr. Bauman, Mr. Beard of Tennessee, Mr. Brinkley, Mr. Burleson of Texas, Mr. Cochran, Mr. Dickinson, Mr. Evans of Indiana, Mr. Gilman, Mr. Krueger, Mr. Hinshaw, Miss Jordan, Mrs. Keys, Mr. Nichols, Mr. Nowak, Mr. Pickle, Mr. Rhodes, Mr. Santini, Mrs. Schroeder, Mr. Steiger of Arizona, Mr. Taylor of Missouri, Mr. Wirth, and Mr. Zeferetti):

H.R. 2937. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

By Mr. BELL (for himself, Mr. Brown of California, Mr. Carr, Mr. Cleveland, Mr. Johnson of California, Mr. Krebs, Mr. Matsunaga, Mr. Stark, and Mr. Wiggins):

H.J. Res. 194. Joint resolution to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas (for himself and Mr. Rhodes):

H.J. Res. 195. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.J. Res. 196. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. KARTH:

H.J. Res. 197. Joint resolution proposing an amendment to the Constitution of the United States relating to the right to life of unborn human beings; to the Committee on the Judiciary.

By Mr. LUJAN:

H.J. Res. 198. Joint resolution authorizing the Secretary of the Interior to establish a memorial museum at Las Vegas, N. Mex., to commemorate the Rough Riders and related history of the Southwest; to the Committee on Interior and Insular Affairs.

By Mr. McDADE:

H.J. Res. 199. Joint resolution authorizing increased production of petroleum from the Elk Hills Naval Petroleum Reserve for national defense purposes; to the Committee on Armed Services.

By Mr. ROBINSON (for himself, Mr. Archer, Mr. Carter, Mr. Eilberg, Mrs. Heckler of Massachusetts, Mrs. Lloyd of Tennessee, Mr. Lott, Mr. McCollister, Mr. Martin, Mr. Moorhead of California, Mr. Pressler, Mr. Ruppe, Mr. Satterfield, Mr. Spence, Mr. Steiger of Arizona, Mr. Treen, Mr. Waxman, Mr. Whitehurst, and Mr. Winn):

H.J. Res. 200. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as American Business Day; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM (for himself, Ms. Abzug, Mr. Adams, Mr. Addabbo, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Ashley, Mr. Aspin, Mr. Badillo, Mr. Barrett, Mr. Bedell, Mr. Bell, Mr. Benitez, Mr. Bergland, Mr. Biaggi, Mr. Biester, Ms. Boggs, Mr. Boland, Mr. Bolling, Mr. Bonker, Mr. Brademas, Mr. Brown of Ohio, Mr. Brown of Michigan, Mr. Brown of California, and Mr. Buchanan):

H. Con. Res. 96. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Burke of Massachusetts, Ms. Burke of California, Mr. John L. Burton, Mr. Phillip Burton, Ms. Chisholm, Mr. Clay, Ms. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Cotter, Mr. Coughlin, Mr. Dominick V. Daniels, Mr. Danielson, Mr. Dellums, Mr. de Lugo, Mr. Diggs, Mr. Drinan, Mr. Duncan of Oregon, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, and Mr. Evans of Colorado):

H. Con. Res. 97. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Fascell, Mr. Fauntroy, Mrs. Fenwick, Mr. Findley, Mr. Fish, Mr. Flood, Mr. Foley, Mr. Fraser, Mr. Ford of Tennessee, Mr. Frenzel, Mr. Giaimo, Mr. Gibbons, Mr. Green, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Ms. Holtzman, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Hungate, and Mr. Johnson of Colorado):

H. Con. Res. 98. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Ms. Jordan, Mr. Karth, Mr. Kastenmeier, Ms. Keys, Mr. Koch, Mr. Leggett, Mr. Litton, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. McCloskey, Mr. McHugh, Mr. McKinney, Mr. Madden, Mr. Matsunaga, Mr. Mazzoli, Mr. Meeds, Mr. Melcher, Mr. Metcalfe, Mr. Mezvinsky, Mr. Miller of California, Ms. Mink, Mr. Mitchell of New York, Mr. Mitchell of Maryland, and Mr. Moakley):

H. Con. Res. 99. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Moorhead of Pennsylvania, Mr. Mosher, Mr. Moss, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Nix, Mr. Nowak, Mr. Obey, Mr. O'Brien, Mr. O'Neill, Mr. Patten, Mr. Pattison of New York, Mr. Pepper, Mr. Price, Mr. Pritchard, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Riegle Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roush, and Mr. Roybal):

H. Con. Res. 100. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Ryan, Mr. Sarbanes, Ms. Schroeder, Mr. Seiberling, Mr. Simon, Mr. Sisk, Mr. Solarz, Mr. J. William Stanton, Mr. Stark, Mr. Steelman, Mr. Stokes, Mr. Stratton, Mr. Symington, Mr. Thompson, Mr. Traxler, Mr. Tsongas, Mr. Udall, Mr. Van Deerlin, Mr. Vander Veen, Mr. Vanik, Mr. Vigorito, Mr. Waxman, Mr. Weaver, and Mr. Whalen):

H. Con. Res. 101. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Won Pat, Mr. Wydler, Mr. Yates, Mr. Young of Georgia, and Mr. Zeferetti):

H. Con. Res. 102. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. HINSHAW:

H. Con. Res. 103. Concurrent resolution expressing the sense of Congress that no Federal agency conducting or supporting oil leasing activities directly or indirectly affecting the U.S. coastal zone shall conduct or permit any such activities prior to the development of an approved State management program under the terms of the Coastal Zone Management Act of 1972 by each State which may be directly or indirectly affected by such activities; jointly, to the Committee on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. MINISH:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. STRATTON:

H. Con. Res. 105. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. WON PAT:

H. Con. Res. 106. Concurrent resolution relative to giving serious consideration to the political status preference of the people of Guam and to recognize the contribution of their elected representatives toward the principle of government by the consent of the governed; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of Alabama:

H. Res. 146. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. GONZALEZ:

H. Res. 147. Resolution creating a special committee to conduct an investigation and study into the legal, political, and diplomatic status of lands which were the subject of grants from the King of Spain and from the Government of Mexico prior to the acquisition of the American Southwest as a result of the Treaty of Guadalupe-Hidalgo concluding the Mexican-American War in 1848; to the Committee on Rules.

By Ms. HOLTZMAN (for herself, Mr. Dodd, Mr. Downey, Mr. Pattison of New York, and Mrs. Schroeder):

H. Res. 148. Resolution directing the President to provide to the Committee on the Judiciary of the House of Representatives certain information relating to certain activities of the Central Intelligence Agency; to the Committee on the Judiciary.

By Mr. LEHMAN:

H. Res. 149. Resolution creating a select committee to conduct an investigation and study of the role of the oil and gas industry in contributing to the current energy crisis; to the Committee on Rules.

By Mr. MADDEN:

H. Res. 150. Resolution providing funds for the Committee on Rules; to the Committee on House Administration.

By Mr. MORGAN, (for himself, Mr. Anderson of Illinois, Mr. Badillo, Mr. Bolling, Mr. Brown of California, Mr. Florio, Mr. Flowers, Mr. Findley, Mr. Fountain, Mr. Fuqua, Mr. Helstocki, Mr. Johnson of Pennsylvania, Mr. Krebs, Mr. Krueger, Mr. Long of Maryland, Mr. Murphy of New York, Mr. Quie, Mr. Santini, Mr. Schulze, Mr. Sebelius, Mr. Sikes, Mr. Stark, Mr. Steiger of Wisconsin, Mr. Van Deerlin, and Mr. Zeferetti):

H. Res. 151. Resolution expressing the sense of the House of Representatives with respect to the missing in action in Southeast Asia and the Paris agreement; to the Committee on Foreign Affairs.

By Mr. MORGAN (for himself, Mr. Addabbo, Mr. Alexander, Mr. Armstrong, Mr. Bennett, Mr. Broomfield, Mr. Devine, Mr. Fascell, Mr. Fish, Mr. Hansen, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Horton, Mr. Latta, Mr. Mahon, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Nedzi, Mr. Nix, Mr. Nowak, Mr. Rosenthal, Mr. Sarbanes, Mr. Schneebeli, Mr. Wolff, and Mr. Yatron):

H. Res. 152. Resolution expressing the sense of the House of Representatives with respect to the missing in action in Southeast Asia and the Paris Agreement; to the Committee on Foreign Affairs.

By Mr. MORGAN (for himself, Mr. Barrett, Mr. Bell, Mr. Davis, Mr. Dent, Mr. Fraser, Mr. Fulton, Mr. Gaydos, Mr. Guyer, Mr. Hagedorn, Mr. Hamilton, Mrs. Lloyd of Tennessee, Mr. McDonald of Georgia, Mr. McHugh, Mr. Minish, Mr. Murphy of Illinois, Mr. Rees, Mr. Rhodes, Mr. Roe, Mr. Ryan, Mr. Spence, Mr. Steiger of Arizona, Mr. Whalen, Mr. Wirth, and Mr. Won Pat):

H. Res. 153. Resolution expressing the sense of the House of Representatives with respect to the missing in action in Southeast Asia and the Paris Agreement; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 2938. A bill for the relief of Senor Salvador Vanegas V.; to the Committee on the Judiciary.

By Mr. BURGENER:

H.R. 2939. A bill for the relief of Violetta Bowman; to the Committee on the Judiciary.

H.R. 2940. A bill for the relief of Maria Sylvia Macias Elliott; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.R. 2941. A bill for the relief of Susan Rosemary Harwood; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 2942. A bill for the relief of William M. Raisner; to the Committee on the Judiciary.

By Mr. OBEY:

H.R. 2943. A bill for the relief of the estate of James J. Caldwell; to the Committee on the Judiciary.

By Mr. PETTIS:

H.R. 2944. A bill for the relief of Alfred Coleman; to the Committee on Interior and Insular Affairs.

By Mr. SISK:

H.R. 2945. A bill for the relief of Juan Jose Campama-Socias, Rebecca Larrain Campama, Juan Jose Campama, Jr., Luis Antonio Campama, Gonzalo Gustavo Campama, and Francisco Javier Campama; to the Committee on the Judiciary.

H.R. 2946. A bill for the relief of Mrs. Dorothy Hinck; to the Committee on the Judiciary.

By Mr. SNYDER (by request):

H.R. 2947. A bill for the relief of William T. Owens; to the Committee on the Judiciary.

H.R. 2948. A bill for the relief of Robert Simmons Construction Co., Inc., Louisville, Ky.; to the Committee on the Judiciary.

By Mr. STEED:

H.R. 2949. A bill for the relief of Clyde E. Boyett; to the Committee on the Judiciary.

H.R. 2950. A bill for the relief of Harold L. Rutherford; to the Committee on the Judiciary.

H.R. 2951. A bill for the relief of Harold L. Rutherford; to the Committee on the Judiciary.

H.R. 2952. A bill for the relief of those members of the class action suit, Mozelle Frey against the United States of America, filed in the U.S. District Court for the Western District of Oklahoma, for whom judgments were entered by such court, but later vacated by the U.S. court of appeals for the 10th circuit; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 2953. A bill for the relief of William H. Spratling; to the Committee on the Judiciary.

By Mr. STEPHENS:

H. Res. 154. Resolution for the relief of William H. Spratling; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

19. By the SPEAKER: Petition of the city council, Wheaton, Ill., relative to revenue sharing; to the Committee on Government Operations.

20. Also, petition of the American Public Power Association, Washington, D.C., relative to delay of the President's proposed oil import fee; to the Committee on Ways and Means.

SENATE—*Wednesday, February 5, 1975*

The Senate met at 12 o'clock meridian and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, before whom the generations rise and pass away, we thank Thee for the lessons of history. Show us now that strength and beauty and wisdom are distilled from difficulties. In these troubled times, with colossal problems baffling the best minds and bringing anguish to the most sensitive souls, make us to know that Thou art a God of history at work in history, through human beings of simple trust and confident faith. Use us, O Lord, to live to Thy glory and in service to the people. Help us to labor with all diligence and to be so open to Thy Spirit that in the end we may receive the divine approbation—"Well done, good and faithful servant."

And to Thee shall be the praise and thanksgiving. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, February 3, 1975, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDERS FOR ROUTINE MORNING BUSINESS AND FOR EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized today under the standing order, there be a period for the transaction of routine morning business, not to extend beyond 12:30 p.m., with statements therein limited to 5 minutes each; and that at 12:30 p.m., the Senate go into executive session to consider the nomination of Mr. Levi.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 12:30 p.m. today, the Senate go into executive session to consider the nomination of Mr. Lynn.

My earlier reference to Mr. Levi was based on the fact that there are no holds on my side of the aisle, and I thought the matter was cleared and ready to go. So I ask unanimous consent that my request be changed accordingly.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HUGH SCOTT. Mr. President, I rise simply to say that we have had one request for someone to look at the committee hearings, and I hope we can arrange for the transcript to be available. If so, we will be back to the majority.

Mr. ROBERT C. BYRD. Today?

Mr. HUGH SCOTT. I will see if we can do it today, because I am in favor of immediate consideration.

Mr. ROBERT C. BYRD. I thank the Senator.

THE SENATOR FROM NEW HAMPSHIRE—CREDENTIALS

Mr. HUGH SCOTT. Mr. President, the Committee on Rules and Administration agreed the other day to order the sending down from New Hampshire of all the paper ballots in the contested election and the rechecking for secure handling of certain contested machines, amounting in number to 10, I believe, and in number of votes involved to approximately 10,000. The committee wants to be sure that these records are safe and securely handled. They will be lodged within the Capitol, under the protection of the Federal marshals and the Capitol Police force.

The committee has come to no conclusion as yet on how many ballots are to be counted. We have received testimony which would indicate that the counting of all the paper ballots, using several teams, could be done in a matter of perhaps 3 days and that that count would be simpler and less difficult than the counting of 3,000-plus ballots which have been specified, particularly in another place, and will also be sent to us. The reason is that to count the 3,000-plus ballots would require certain judgmental decisions and therefore necessitate examination of each ballot; and if a pattern were to develop there of an increase or decrease in a candidate's tally, it would be interesting to follow up and see whether that pattern carried through with the rest of the ballots. But the actual tally of the approximately 190,000 ballots can be done quickly for the purpose of determining whether or not mechanically a proper tally was made.

We all know that if four or five people count a large sum of numbers, all five of them are quite likely to come up with different results, even though they may use the most sophisticated calculators; because, while calculators cannot think, fingers can slip—quite inadvertently, of course.

Therefore, it is my present view that it is going to be extremely difficult to determine who did win in New Hampshire, difficult because 1,157 are not accounted for at all—some instances, on the machines, in which more votes were cast than were checked for candidates, and in at least one other instance fewer votes were cast than were counted for the candidates.

Therefore, we are confronted with a situation of great confusion, and the committee is earnestly engaged in a sincere effort to find out what we have here, and at this moment I am sure no one really knows.

I just bring this to the attention of the Senate as a matter of reportage.

I hope that the committee ultimately will agree to send the matter to the franchise of the people of the sovereign State of New Hampshire or will agree that the only true and correct and legal and valid certificate is that held by Senator-elect Wyman.

However, we cannot promise early action. I do not know how long this is going to take. But I do know that all members of the committee have been faithful in their attendance, all have participated in the proceedings, and we are doing the best we can.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair, pursuant to Public Law 83-591, appoints the Senator from Arizona (Mr. FANNIN) to the Joint Committee on Internal Revenue Taxation.

The Chair, in accordance with Public Law 77-250, and acting on the recommendation of the chairman of the Committee on Finance, appoints the Senator from Nebraska (Mr. CURTIS) to the Joint Committee on Reduction of Federal Expenditures.

The Chair, pursuant to Public Law 81-774, appoints the Senator from Massachusetts (Mr. BROOKE) to the Joint Committee on Defense Production.

ROUTINE MORNING BUSINESS

The VICE PRESIDENT. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 12:30 p.m., with statements therein limited to 5 minutes each.

Is there morning business?

PUBLIC SERVICE JOBS IN MARYLAND

Mr. BEALL. Mr. President, as a cosponsor of and conferee on the Emergency Jobs and Unemployment Assistance Act of 1974, I was, of course, extremely pleased that the 93d Congress, in its closing days, was able to pass this urgently needed legislation and send it to the President, where it was signed on December 31.

The philosophy behind that bill was that maximum Federal benefits, in terms of both public service jobs and labor intensive public works programs, would be directed to those areas of our country most severely impacted by high unemployment. Although the statewide unemployment rate in Maryland is fortunately one of the lowest in the country, there were two pockets of severe unemployment in my State, in western Maryland and the Eastern Shore, which had double digit unemployment. Thus, I was pleased that substantial funds would be directed to those two areas.

However, Mr. President, the Labor Department has recently announced its allocations for prime sponsors, and I must report that the allocations raise serious questions as to the validity of the Bureau of Labor Statistics unemployment figures and the method used in computing these statistics across the country.

In the case of my State, the allocations for the two hardest-hit areas of unemployment are so low as to defy belief. In spite of estimates that five Maryland counties are in situations of double-digit unemployment, the Department of Labor has steadfastly clung to the belief that there are no areas of substantial unemployment within my State.

Mr. President, the December unemployment rates, as computed by the State of Maryland, for western Maryland, southern Maryland, and the Eastern Shore are as follows:

	Percent
WESTERN MARYLAND	
Garrett	15.9
Allegany	13.5
Frederick	6.8
Washington	7.3
EASTERN SHORE	
Worcester	19.2
Somerset	16.2
Kent	10.0
Caroline	9.2
Wicomico	7.7
Queen Anne	7.3
Dorchester	6.4
Cecil	7.6
Talbot	6.1
SOUTHERN MARYLAND	
Charles	5.3
Calvert	6.2
St. Marys	5.9

Mr. President, how anyone, particularly a Federal agency charged with the administration of this critically important legislation, could state that there are no areas with substantial unemployment, is beyond me. Certainly there can be expected slight variations in our unemployment figures between different agencies. But when unemployment reaches levels of 19 percent, as it has in Worcester County, or 16 percent as it has in Somerset County, or 15.9 percent as it has in Garrett County, or 13 percent as it has in Allegany County, and still the Labor Department says there are no areas of substantial unemployment, then it is time for us in Congress to begin wondering how, in fact, the Department of Labor is computing unemployment.

For the benefit of my colleagues, I would like to review briefly the situation leading up to our current dilemma. As I mentioned before, the Labor Department provided the Congress with unemployment statistics at the time we were considering the Emergency Jobs and Unemployment Assistance Act of 1974. Those figures indicated that western Maryland and the balance of state manpower area, consisting of nine Eastern Shore counties and the three counties in southern Maryland qualified as areas of substantial unemployment.

These statistics were, I thought, confirmed when on January 3, 1975, the Labor Department released their total planning estimates for prime sponsors throughout the country. According to those figures, the western Maryland consortium should receive $1,377,836, of which $437,408 would be forthcoming immediately. The balance of State consortium was also advised to expect $981,500, of which $311,587 would be allocated at once. Pursuant to this announcement, the western Maryland consortium received on January 10, a grant signed by Mr. James L. Whitsett, region III manpower administrator, for $437,408, its initial allocation, effective on that date. The consortium was also directed by the Department of Labor to implement rapidly the new jobs program. In Program Guide No. 1, dated January 8, 1975, from the HEW Office of Human Development, Federal officials advised local prime sponsors that:

> The date by which DOL would like the prime sponsors to have their programs operational are: January 10, 1975, for 30% of the total allocation and January 25, 1975 for the remainder.

As a result of this and other directives, the western Maryland consortium hired 145 persons for a promised full year of employment.

Then on January 28, 3 days after the entire program was supposed to be in effect, things suddenly changed. Based on the totally unrealistic unemployment figures produced by the Bureau of Labor Statistics through their Current Population Survey, final allocations for western Maryland were cut nearly 75 percent from the planning estimates only 3 weeks ago. The final allocation for western Maryland is now less than the supposed interim allocation announced by DOL and formally forwarded to the western Maryland consortium through a signed grant. The balance of State consortium received a 40 percent reduction. All told, the two highest areas of unemployment in the State of Maryland lost $1,380,000 of much needed jobs money that they and the Congress thought they were getting.

Mr. President, these allocations totally fail to recognize the terrible unemployment levels of western Maryland and the Eastern Shore, and they are not believed by anyone even slightly familiar with the real situation. They indicate to me the desire by the Department of Labor to renege on previous commitments and, in fact, place in jeopardy the public credibility of the Federal Government's desire to help our Nation's unemployed.

In the wake of these shocking reallocations, Senator MATHIAS and I have urged Secretary of Labor Brennan to utilize a portion of his $87.5 million discretionary fund to bring the allocations for western Maryland and the balance of State area up to reasonable and fair levels. Unless he acts, hundreds of Marylanders who were promised assistance from the Federal Government in a period of severe economic difficulty will again find themselves jobless.

Additionally, I have contacted the distinguished chairman of the Labor and Public Welfare Committee (Mr. WILLIAMS), asking him to schedule hearings as early as possible on the entire issue of the computation of unemployment throughout the country. I understand other States are encountering similar problems with their unemployment statistics compiled by BLS in its Current Population Survey method. Mr. President, I believe Congress, in its oversight role, has a responsibility to investigate this matter thoroughly and to make sure that the method of computing unemployment statistics across the country is a valid one and that the statistics do indeed reflect the actual conditions that exist in various parts of the country.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I yield some of my time to the distinguished minority leader.

Mr. HUGH SCOTT. I thank the distinguished assistant minority leader.

I wish to explain to the distinguished Senator from Idaho that I am rising for the purpose of introducing a bill.

REFERRAL OF THE PRESIDENT'S MESSAGE AND PROPOSED OMNIBUS ENERGY BILL, THE ENERGY INDEPENDENCE ACT OF 1975—S. 594

Mr. HUGH SCOTT. Mr. President, President Ford's message on his energy program and his proposed omnibus energy legislative package to implement that program, the Energy Independence Act of 1975, have been formally transmitted to the President of the Senate. I am today introducing this measure, which consists of 13 separate titles and which cuts across the jurisdiction of at least nine of the standing committees of the Senate.

Mr. President, I ask unanimous consent that the President's message, a summary of the program, and an outline of the 13 titles of the bill be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection it is so ordered.

(See exhibit 1.)

Mr. HUGH SCOTT. To permit early and expeditious consideration of the President's program, I ask unanimous consent that the message and the proposed legislation be jointly referred to the following standing committees which exercise jurisdiction over one or more of the subject matter areas of the President's proposal:

Armed Services.
Banking, Housing and Urban Affairs.
Commerce.
Finance.
Government Operations.
Interior and Insular Affairs.
Judiciary.
Labor and Public Welfare.
Public Works.

The VICE PRESIDENT. Without objection it is so ordered.

Mr. HUGH SCOTT. Mr. President, the purpose of this joint reference to the committees is to permit each committee an opportunity to review the subject matter of the President's proposed energy program in the context of the total program.

Mr. President, I further ask unanimous consent that in accord with the provisions of the Legislative Reorganization Act of 1946, as amended, the following committees be recognized as having the predominant jurisdiction or shared jurisdiction over the respective titles of the President's program for purposes of legislative action on the President's proposal:

ENERGY INDEPENDENCE ACT OF 1975

Title I—Naval Petroleum Reserves (Armed Services and Interior).

Title II—National Strategic Petroleum Reserve (Civilian) Act of 1975 (Interior and Armed Services).

Title III—New Natural Gas Deregulation (Commerce).

Title IV—1975 Legislative Proposals to Amend the Energy Supply and Environmental Coordination Act of 1974 (Public Works).

Title V and VI—1975 Legislative Proposals to Amend the Clean Air Act of 1970 (Public Works).

Title VII—Utilities Act of 1975 (Commerce, Finance and Government Operations).

Title VIII—Energy Facilities Planning and Development Act of 1975 (Interior, Commerce and Public Works).

Title IX—Energy Development Security Act of 1975 (Banking, Housing and Urban Affairs, Finance).

Title X—Building Energy Conservation Standards Act of 1975 (Banking, Housing and Urban Affairs, Commerce and Public Works).

Title XI—Winterization Assistance Act of 1975 (Interior, Banking, Housing and Urban Affairs, Labor and Public Welfare).

Title XII—National Appliance and Motor Vehicle Energy Labeling Act of 1975 (Commerce).

Title XIII—Standby Energy Authorities Act of 1975 (Interior, Banking, Housing and Urban Affairs, Judiciary).

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, where more than one committee shares a legitimate jurisdictional interest over any of the titles of the President's program I ask unanimous consent that it be the responsibility of the respective committee chairmen and ranking minority members to agree upon and establish a procedure for legislative consideration of that aspect of the President's program which will permit early action by all of the respective committees.

Finally, Mr. President, I ask unanimous consent that this agreement not in any way prejudice the jurisdictional responsibilities of any of the committees of the Senate not named in this agreement but which may have jurisdictional responsibilities over some aspect of the President's proposed legislative program.

The VICE PRESIDENT. Without objection, it is so ordered.

EXHIBIT 1

JANUARY 30, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In my State of the Union address earlier this month, I outlined the dimensions of our interrelated economic and energy problems and proposed comprehensive and far-reaching measures for their solution.

The measures I described included both Executive and Congressional actions. Because further delay is intolerable, I have already taken administrative action to deal with our energy problems, including issuance of a proclamation to impose increased fees on imported oil. The Secretary of the Treasury has already presented my detailed energy tax proposals to the House Ways and Means Committee.

I am enclosing a proposed omnibus energy bill—the Energy Independence Act of 1975—which, along with the tax proposals already presented, will provide the combined authorities that are necessary if we are to deal seriously and effectively with the Nation's pressing energy problems.

We have delayed too long in taking decisive actions to reduce our dependence on foreign energy sources and to eliminate our vulnerability to energy disruptions such as we experienced last winter—or worse.

In the near term, enactment of the proposed legislation along with certain Administrative actions would reduce oil imports by one million barrels per day by the end of this year, and two million barrels per day by the end of 1977. Over the mid-term (1975–1985), enactment of the proposed legislation will insure that domestic supplies of energy are substantially increased, that the growth in energy demand is reduced substantially and that we develop effective protection from future energy embargoes or energy emergencies. In the long term, my proposals will allow our Nation to once again supply a significant share of the energy needs of the free world.

The legislative program I have proposed will:

(1) encourage early development of our oil, natural gas and coal resources;

(2) help speed the siting and construction of nuclear and other energy facilities;

(3) reduce energy consumption by mandating thermal standards for new homes and commercial buildings and assisting persons with low incomes in winterizing their homes;

(4) encourage investments in the development of new domestic energy resources;

(5) establish a strategic petroleum reserve to guard against future import disruptions; and

(6) authorize certain standby authorities to cope with potential embargoes or energy emergencies.

A more detailed summary of my legislative proposals is enclosed.

My tax proposals already presented by the Secretary of the Treasury would:

(1) place an excise tax of $2 per barrel on all domestic crude oil and an import fee of $2 on all imported crude oil and petroleum products to help reduce the demand for oil, promote domestic refining and encourage the development of new sources of energy;

(2) impose a tax on all domestic crude oil in order to capture windfall profits;

(3) place an excise tax on natural gas equivalent to the $2 tax on oil to reduce natural gas demand;

(4) provide additional tax credits for public utilities to provide equal tax treatment with other industries and promote the construction of needed electric generating facilities;

(5) provide tax credits for homeowners who install additional insulation to reduce energy consumption;

(6) return to the economy the revenue from energy conservation taxes to offset higher energy costs, particularly for low and middle income citizens, and to help restore jobs and production.

The 13 titles of this bill, coupled with appropriate tax measures, are essential to the eventual attainment of our common goal of energy independence. Prompt action on all these measures is essential.

I cannot stress too much the sense of urgency I feel about these proposals and the need for their swift consideration by the Congress as a basis for the earliest possible enactment into law. Without these measures, we face a future of shortages and dependency which the Nation cannot tolerate and the American people will not accept.

Sincerely,

GERALD R. FORD.

SUMMARY OF PROPOSED LEGISLATION TO INCREASE DOMESTIC ENERGY SUPPLY AND AVAILABILITY

Title I of the Energy Independence Act of 1975 would authorize the production of petroleum from the Naval Petroleum Reserves to top off Defense Department storage tanks, with the remainder sold at auction or exchanged for refined petroleum products used by the military or used to fill a National Strategic Petroleum Reserve. Revenues generated from the sale of oil produced from the Naval Petroleum Reserves would be used to finance the further exploration, development and production of the Reserves, including NPR #4 in Alaska, as well as to create the National Strategic Petroleum Reserve. At least 20%, or such other amount as determined by the President, of the oil eventually produced from NPR #4 would be earmarked for military needs and for the National Strategic Petroleum Reserve and the remainder made available to the domestic economy. Although the oil reserves contained in NPR #4 are largely unexplored and significant production is not expected before 1982, it is anticipated that NPR #4 will provide a minimum of 2 million barrels of oil per day by 1985. Title I would also grant the Department of the Navy authority to acquire, construct, fill and maintain a military strategic petroleum reserve of 300 million barrels as part of the National Strategic Petroleum Reserve.

Title II would authorize the establishment of a civilian national strategic petroleum reserve of up to 1 billion barrels of petroleum. Once created, this strategic reserve, together with the exercise of certain standby authorities provided for in Title XIII, will minimize disruption from future embargoes or other energy emergencies. This Title would authorize the Federal government to acquire, construct and maintain petroleum storage facilities, to purchase petroleum or require industrial set-asides for a strategic reserve, and to utilize petroleum from the reserve to offset disruptions in foreign imports. Most of the funds required to finance this program, as well as a large amount of the oil to be stored would come from the production of NPR #1 in Elk Hills, California. Within one year of enactment, a report would be prepared and submitted to the Congress detailing actions taken and proposed plans for developing a strategic petroleum reserve system.

Title III is designed to reverse the declining natural gas supply trend as quickly as possible and to insure increased supplies of natural gas at reasonable prices to the consumer. Under the proposal, wellhead price controls over new natural gas sold in interstate commerce would be removed. This action will enable interstate pipelines to compete for new onshore gas and encourage drilling for gas onshore and in offshore areas. In order to discourage further conversions to natural gas and to encourage greater natural gas conservation, the President is also proposing an excise tax of 37¢ per thousand cubic feet on natural gas which is equivalent to the proposed $2 tax on oil.

Titles IV and V contain amendments to the Clean Air Act and the Energy Supply and Environmental Coordination Act of 1974 (ESECA). The amendments are needed to pursue a vigorous program, consistent with appropriate environmental safeguards, to make greater use of domestic coal, and thus to reduce the need for natural gas and imported oil. The proposed amendments would serve to reduce the need for oil imports by 100,000 barrels per day in 1975 and 300,000 barrels by 1977.

The amendments to ESECA would expand and extend the Federal Energy Administration's authority to issue and enforce orders prohibiting power plants and other major installations from burning petroleum products and natural gas. One of the amendments to the Clean Air Act would eliminate the regional requirement which prohibits major fuel burning sources from burning coal where the violation of health-related standards is caused by other sources. Another amendment would permit certain isolated plants to use intermittent control systems on an interim basis where they do not pose a threat to public health. In addition, the amendments seek a better balance between automobile fuel economy and air quality by stabilizing auto emission requirements for five years at the level of California's 1975 standards for hydrocarbons and carbon monoxide emissions, and holding at national 1975 standards for oxides of nitrogen.

Title VI would delete the "significant deterioration" requirement from the Clean Air Act. There may be more appropriate ways to deal with the issues associated with significant deterioration than through the Clean Air Act, and Congress should undertake a prompt and comprehensive review of this issue.

Title VII is designed to restore the financial health of public utilities. It would eliminate undue regulatory lags involved in approving proposed rate changes, assure that rates adequately reflect the full cost of generating and transmitting electricity, and remove prohibitions that now prevent lower prices from being charged to consumers during off peak hours. Though many states have already adopted similar programs, enactment of Title VII will establish certain standard regulatory procedures across the Nation, resulting in more equitable treatment of utilities.

Treasury Secretary Simon has presented to the House Ways and Means Committee proposals for tax changes including increased investment tax credits for public utilities. Presently only a 4% tax credit is available to utilities while a 7% tax credit is available to other industries. The proposed legislation would raise the tax credits to a level of 12% for one year with the 12% rate being retained for two additional years for all electric generating facilities not fired by oil or gas. Utilities would also be allowed to increase from 50% to 75% the portion of their 1975 tax liabilities that can be offset by the investment tax credit. The percentage would phase back down to 50% by 1980. Corporate tax deductions would also be allowed for preferred stock dividends issued by utilities and other industries. These legislative proposals would reduce the cost of capital for needed utility expansions and stimulate equity rather than debt financing.

Title VIII is designed to expedite the development of energy facilities. The Federal Energy Administration would be required to develop a National Energy Site and Facility Report with appropriate Federal, State, industry and public input. Information in this report would be utilized by the Federal government, the States and industry in developing and implementing plans to insure that needed energy facilities are sited, approved and constructed on a timely basis. At the Federal level, FEA would be responsible for coordinating and expediting the processing of applications to construct energy facilities.

States would be required to develop management programs to expedite the process by which energy facility applications are reviewed and approved at the State level, to insure that adequate consideration is given to national and regional energy requirements in the State's siting and approval processes, and to provide that decisions of State regulatory authorities on energy facility applications are not overruled by actions of local governments. FEA would provide grants and technical assistance to the States in developing their programs. If a State does not develop an acceptable management program, FEA would promulgate an appropriate management program for it. The Federal government would not be authorized to override any State decision on a particular site of facility application.

Title IX would provide needed authority to prevent foreign oil producing countries from undercutting U.S. efforts to develop domestic petroleum energy resources or achieve energy independence. The Federal Energy Administration would monitor the effect of oil price fluctuations on the economic viability of conventional petroleum development and production projects. Upon the finding that this viability is being threatened, tariffs, quotas, or variable import fees would be imposed.

Two other measures are being developed that will affect domestic energy supplies. One proposal would assure more rapid siting and licensing of nuclear facilities while retaining sufficient safeguards to protect the environment and public health and safety. The other proposal, to regulate surface mining, would provide the appropriate balance between the urgent need to increase coal production and the need to protect the environment.

DEMAND RESTRAINT MEASURES

Each of the demand restraint measures contained in Titles X–XII is an essential element in achieving our overall goal of reducing oil imports and lowering the demand for coal, natural gas and electricity. These proposals will serve to reduce wasteful energy use, create jobs, and lessen economic hardships, while not impeding economic output.

Title X would establish mandatory thermal (heating and cooling) efficiency standards for all new homes and commercial buildings. It is anticipated that this program will save the equivalent of 500,000 barrels of oil per day in 1985. The Secretary of Housing and Urban Development in consultation with engineering, architectural, consumer, labor and industry representatives would be responsible for developing thermal efficiency standards. Standards for residential dwellings would be promulgated and implemented within one year, and performance standards for commercial and other residential buildings developed and implemented as soon thereafter as practicable. State and local governments would assume primary responsibility for enforcing standards through local building codes.

Title XI would establish, within the Federal Energy Administration, a grant program for States to assist low income persons, particularly the elderly, in winterizing their homes. Title XI is modeled after a successful pilot project that was conducted in the State of Maine during 1974. Annual appropriations of $55 million would be authorized to fund the three year grant program, and enable States to purchase winterization materials for dwellings of low-income persons.

Title XII would authorize the President to require energy efficiency labels on all new major appliances and motor vehicles. This title would insure that consumers are fully apprised of the efficiency of various appliances and motor vehicles and would encourage the manufacture and greater utilization of more efficient products.

EMERGENCY PREPAREDNESS PROGRAMS

In addition to taking measures to increase domestic supplies, reduce demand and create a strategic reserve system, we must be in a position to take immediate and decisive actions to counteract any future energy emergency.

Title XIII would provide the President with certain standby authorities to deal with future embargoes or other energy emergencies and to carry out the International Energy Program agreement, including provisions for international oil sharing, mutual energy conservation programs, and international cooperation on various energy initiatives. This title would include authority to allocate and control the price of petroleum and petroleum products, promulgate and enforce mandatory energy conservation programs, ration petroleum products, order increases in domestic oil production, and allocate critical materials needed for the maintenance, construction and operation of critical energy facilities. All or a portion of these authorities would be invoked upon a determination that emergency conditions exist.

[Fact Sheet]

ENERGY INDEPENDENCE ACT OF 1975

TITLE I—NAVAL PETROLEUM RESERVES

Background

In his State of the Union Message, the President urged quick action on the legislation necessary to allow use of the Naval Petroleum Reserves (NPR's) to increase domestic oil supplies available in commercial markets as well as to establish a strategic petroleum storage program of 1 billion barrels for domestic needs and 300 million barrels for defense requirements.

Problem to be solved

Current and growing dependence on foreign sources of petroleum makes the Nation highly vulnerable to major disruptions in its energy supply.

What the bill would do

This legislation provides for full development and production of NPR's 1, 2, and 3 for replenishing existing DOD stocks, for storage in a National Strategic Petroleum Reserve, and for sale or exchange, the receipts to be used to further explore, develop, and produce the NPR's, to construct facilities (pipelines, etc.) on or off the reserves, and to construct and manage the National Strategic Petroleum Reserve. Production of up to 160,000 bbls per day is anticipated by mid 1975 and 300,000 bpd by 1977.

The bill also authorizes the President to explore, develop, and produce NPR-4 in Alaska through competitive leasing, competitively negotiated contracts or other business arrangements that provide adequate compensation to the U.S. Production of at least 2 million bpd is expected by 1985 or sooner. The Government share of NPR-4 production will contribute to the National Strategic Petroleum Reserve and to military needs. The remainder will be made available to the public economy.

TITLE II—NATIONAL STRATEGIC PETROLEUM RESERVE (CIVILIAN) ACT OF 1975

Background

In order to make the United States invulnerable to foreign oil disruptions and other energy emergencies, President Ford in his State of the Union Message proposed the establishment of a national strategic petroleum reserve of 1 billion barrels for civilian use and 300 million barrels for defense purposes.

Problem to be solved

It is anticipated that by 1985 the United States will still be importing between 4 and 5 million barrels of oil a day. If we are to be protected from the potentially disastrous ramifications of future disruptions in foreign imports, we must have the capability to offset significant reductions in imports.

What the bill would do

The National Strategic Petroleum Reserve (Civilian) Act of 1975 would—

Provide for the construction and maintenance of strategic petroleum storage facilities;

Authorize the President to purchase petroleum or require industrial set asides to meet the 1.3 billion barrel goal;

Authorize the President to utilize the strategic petroleum reserve to offset disruptions in imports and protect the national security;

Require a detailed implementation plan to be submitted to the Congress within one year of enactment which would include: A comprehensive environmental assessment; an analysis of alternative types of storage facilities; a timetable for completing the petroleum reserve system; a comparison of available methods for obtaining petroleum for the strategic reserve;

Require submission of annual reports to the Congress.

TITLE III—NEW NATURAL GAS DEREGULATION

Background

In the President's January 15, 1975, State of the Union Message to Congress, legislation was proposed to deregulate new natural gas.

Title III of the Administration's Energy Independence Act contains this legislation.

The Problem to be solved

Natural gas shortages are forcing curtailment of supplies to many industrial firms and denial of service to new residential customers. (14% expected this winter versus 7% last year.) This is resulting in unemployment, reductions in the production of fertilizer needed to increase food supplies, and increased demand for alternative fuels—primarily imported oil.

Deregulation of new natural gas is needed to increase domestic production and reduce demand for scarce natural gas supplies.

What the bill would do

Permit competitive pricing of new natural gas in the field. Existing regulation of transmission and distribution as well as FPC regulation of old gas is retained.

Define new natural gas as natural gas sold or delivered by a producer to a natural gas company in interstate commerce—(i) which is dedicated to interstate commerce for the first time on or after January 1, 1975—(ii) which is continued in interstate commerce after the expiration of a contract by its own terms for the sale or delivery of such natural gas existing as of such date, or—(iii) which is produced from wells commenced after such date.

TITLE IV—1975 LEGISLATIVE PROPOSALS TO AMEND THE ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Background

In June, 1974, Congress enacted the Energy Supply and Environmental Coordination Act of 1974 (ESECA), which gave the FEA the authority to:

Require powerplants and other major fuel-burning installations to convert from petroleum products or natural gas to coal, or require them to remain on coal if they were already using it—provided the plant meets the criteria of the Act, including air quality criteria.

Require certain powerplants in the early planning process to be built with the capability to burn coal.

Since last summer the importance of increasing use of coal to reduce reliance on petroleum products has become even clearer. FEA and the Administration have, therefore, reviewed ESECA to determine if amendments to ESECA are needed to insure greater use of coal.

The Federal Energy Administration is proposing today 3 amendments to expand and extend the ESECA coal program.

The Environmental Protection Agency is also proposing amendments to the Clean Air Act which will allow greater coal use by the plants covered by the ESECA program, consistent with protection of public health.

Amendments

The FEA amendments:

1. *Extend FEA's authority to issue orders under ESECA to June 30, 1977.*

FEA's authority to issue order prohibiting use of petroleum products and natural gas and requiring powerplants in the planning process to be built with capacity to burn coal expires on June 30, 1975. FEA expects to have issued orders by that date to a group of about 30 of the most promising powerplant conversion candidates. It will still be in the process of conducting on-site investigations of about 30 additional powerplants and developing an adequate data base on convertibility of non-utility major fuel-burning installations.

The proposed amendment would extend FEA's authority 2 years to June 30, 1977, to permit it to issue orders to a large number of additional plants—with resulting substantial oil savings.

2. *Extend FEA's authority to enforce its order under ESECA to 1985.*

At present, FEA can only enforce its orders to 1979.

The proposed amendment would allow FEA to enforce its orders during the critical period to 1985—insuring that the oil savings resulting from conversions under ESECA are not lost through voluntary reconversions during the period between 1979 and 1985. The plants would have to meet applicable air pollution requirements after expiration of any "compliance date extension," as at present.

3. *Extend FEA's authority to issue orders prohibiting use of petroleum products/natural gas to additional categories of plants.*

At present, FEA can only issue prohibition orders to plants that had the capability to burn coal in June, 1974. It cannot issue orders to plants being planned, designed and constructed. It is anomalous that FEA can order powerplants in the early planning process to be built with the capacity to burn coal, but cannot require them to use it.

The proposed amendment would permit FEA to issue prohibition orders 1) to powerplants and other major fuel-burning installations under construction with, or designed with, coal-burning capability, 2) plants in the early planning process that FEA can order to be built with coal-burning capability. Oil savings from ordering early planning process plants to burn coal, alone, could result in oil savings of 470,000 barrels per day by 1983. Plants covered by this amendment will have to meet any applicable new source performance standards.

TITLES V AND VI—1975 LEGISLATIVE PROPOSALS TO AMEND THE CLEAN AIR ACT OF 1970

Background

The environmental energy and economic problems facing our society are interdependent and require complementary solutions and goals. The proposed amendments to the Clean Air Act will reinforce our Nation's commitment to achieve and maintain air quality capable of protecting the health and welfare of our citizens while taking cognizance of the serious economic and energy-related problems which must be solved. The amendments are as follows:

Intermittent controls—Problem

To insure permanent control of SO_x emissions from power plants, but allow reasonable time for scrubber installations and acquisition of long-term low sulfur coal contracts.

Proposal

The amendment would authorize compliance schedule extensions which would allow certain isolated plants until January 1, 1985, to install and operate scrubber systems or acquire long-term low sulfur coal contracts. Under the compliance schedule, these plants, which are reliable and enforceable, would employ intermittent control systems, e.g., fuel switching or, under certain circumstances, load shifting, to meet primary health protecting SO_x standards until permanent systems are operational. Under no circumstances would extensions be granted in areas where the health-related sulfur oxides standard would be violated.

Amendment

Extensions of compliance for certain power plants.

Coal conversion related amendments—Problem

Need to facilitate conversions to coal while continuing to protect public health.

Proposal

These amendments would (1) permit plants subject to FEA orders that qualify for intermittent control systems pursuant to prior amendment to use intermittent control systems up to 1985, (2) eliminate regional limitation provision, and (3) make eligible for compliance date extensions source that would switch from coal to oil but were prohibited from doing so because of an FEA order disallowing fuel switching.

Amendments

1. Date of termination of Implementation plan requirements and Compliance date extensions.
2. Regional limitations on compliance date extensions.
3. Installations eligible for compliance date extensions.

Auto emission standards—problem

Given the Nation's increasing concern regarding dependence on foreign oil, auto makers should be allowed to strike an appropriate balance so as to significantly improve fuel economy while maintaining stringent environmental controls.

Proposal

Make .9 grams per mile (gpm) hydrocarbons (HC) and 9.0 gpm carbon monoxide (CO) the emission standards for light-duty vehicles manufactured for model years 1977 through 1981. These are the same as the 1975 interim standards in effect in California. Beginning with the 1982 model year, the original statutory standards would take effect. Regarding nitrogen oxides (NOx) 3.1 gpm would be the 1977 through 1981 requirement and be set administratively thereafter. Nevertheless, authority would be retained allowing California to establish more stringent emission standards. The 1975 California standards represent roughly a 90 percent reduction in CO and HC in comparison with pre-1968 vehicles and will provide significant fuel savings over five years.

Amendment

Automotive emission standards.

Primary particulate standard—Problem

Provide flexibility in dealing with areas where particulate standards will not be met because "fugitive emissions" and urban background of dust are a major problem. Fugitive emissions refer to natural or man-made sources of particulates that are not readily controllable, e.g., farming operations and unpaved roads.

Proposal

Allow the EPA Administrator to grant certain regions of the country additional time to meet the primary air standards for particulate matter. EPA estimates that some 60 air quality control regions—urban and rural—around the country may need additional time to meet the primary particulate standards. Eligible regions would be those that can demonstrate that controls for meeting the standards at an earlier date are not reasonably available. In the interim, however, all reasonably available technology would be required.

Amendment

Extension for attainment of national primary ambient air quality standards for suspended particulate matter.

Transportation control plans—Problem

Some of the 38 urban areas with transportation control plans will be unable to meet health-based air quality standards by 1975–77 without implementation of certain measures that would have serious adverse social or economic effects, such as gas rationing. Limited extensions are needed in some cases to avoid such effects.

Proposal

Communities that are unable to meet air quality standards for auto-related pollutants by the 1975–1977 statutory deadline, despite implementation of all reasonably available measures in their transportation control plans, could receive deadline extensions on the condition that all additional reasonable measures needed to meet the standards are implemented during the extension.

Amendment

Extensions of transportation control plans.

New source and hazardous emission equipments standards—Problem

To simplify monitoring and enforcement of a few source categories normally subject to hazardous or new source performance standards.

Proposal

Explicitly authorize EPA to set design or equipment standards for sources if and for as long as it is not feasible to set customary emission or performance standards. For example, gasoline storage tanks at thousands of filling stations would have substantially lower emissions of hydrocarbons during refill by delivery trucks if a simple submerged filling pipe were used. A simple designation of this equipment would avoid the costly and time-consuming monitoring, measuring, and violation processing often associated with emission standards.

Amendment

New source and hazardous emission equipment standards.

Waivers for technology innovation—Problem

To encourage development of technology that (1) may achieve lower emissions than conventional technology, or (2) may achieve emission standards at substantially less cost than conventional technology.

Proposal

Authorize, where the EPA Administrator approves in advance, a waiver of compliance with new source performance standards to encourage innovative and experimental control technology, provided that primary air quality standards must be met. This would apply only to specific new facilities that appear likely to be able to meet the new source performance standards.

Amendment

Waivers for technology innovations.

Assessment of civil penalties—Problem

To provide increased enforcement flexibility to the Administrator. Currently criminal penalties are the only types of penalties available to the Administrator.

Proposal

To provide civil penalties of up to $25,000 per day of violations by stationary sources.

Amendment

Assessment of civil penalties.

Enforcement order extensions—Problem

To confirm EPA's authority to write enforcement orders requiring specific control steps which may extend beyond the statutory air quality standard attainment date.

Proposal

To clarify the Administrator's authority to issue enforceable compliance orders which extend beyond the statutory air quality standard attainment date.

Amendment

Enforcement orders extending past attainment dates.

Compliance implementation plan revisions—Problem

Need to provide increased flexibility by allowing sources to meet whatever emission limitation is in effect upon termination of a coal conversion order; this would recognize that coal conversion sources should meet the same emission limitations which other coal burning sources in the air quality control region are required to meet.

Proposal

To permit compliance with any SIP revisions which may be in effect at the termination of coal conversion compliance extension.

Amendment

Compliance plan requirements.

Significant deterioration—Problem

The relevance of the "significant deterioration" issue to the Nation's environmental, energy and economic well being requires explicit action from the 94th Congress. The Courts have found that prevention of significant deterioration of air quality in the United States where the air is cleaner than required by Federal health and welfare standards is presently required under the Clean Air Act. Since the Congress did not address in the substantive portions of the Act the concept of "significant deterioration," it has been open to numerous interpretations. Further, the Courts have not specifically defined the boundaries of the discretion of the Environmental Protection Agency in this area.

In light of the Supreme Court's decision, EPA promulgated final regulations to implement its best judgment of how to prevent significant deterioration of existing clean air areas. These regulations are now the subject of court challenge.

Proposal

The amendment would delete the significant deterioration requirement from the Clean Air Act. There are other ways to deal with this critical problem and it is recommended that the Congress undertake a prompt and comprehensive review of this issue.

TITLE VII—UTILITIES ACT OF 1975

Background

In the President's January 15, 1975, State of the Union Message to Congress, legislation was proposed to make selective changes in state utility commission regulation.

Title VII of the Administration's Energy Independence Act contains this legislation—the Utilities Act of 1975.

The problem to be solved

Utilities can no longer attract sufficient capital to meet both current and expected demand because present utility pricing practices and local regulatory procedures do not always reflect the full cost of the generation and transmission of electrical energy.

Utilities have deferred or cancelled a significant portion of planned plant expansion and have been limited in their ability to finance conversion of facilities to coal.

Shortages and unreliability in the supplies of electricity now exist or are imminent.

Certain regulatory practices and procedures governing electric utilities need to be altered to make them more responsive to changed energy and economic environment.

What the bill would do

Eliminate undue regulatory lag by prohibiting suspension of proposed rate schedules for longer than five months.

Eliminate prohibitions against fuel adjustment clauses to ensure that utility rates accurately reflect increasing fuel costs.

Eliminate undue financial hardships associated with construction of capital intensive projects by prohibiting exclusions of construction work in progress from rate base.

Eliminate prohibitions against off-peak pricing so utilities may charge lower prices to consumers during off-peak hours.

Eliminate prohibitions against exclusions of legally required costs associated with pollution controls from rate base.

Eliminate prohibitions against use by a utility of normalization method of account.

TITLE VIII—ENERGY FACILITIES PLANNING AND DEVELOPMENT ACT OF 1975

Background

In his State of the Union Message, the President stated that within the next ten years 200 major nuclear powerplants, 150 major coal-fired powerplants, 30 major new oil refineries, and 20 major new synthetic fuel plants will be needed. In order to assure that the facilities are sited and constructed in timely fashion, the President has proposed the "Energy Facilities Planning and Development Act of 1975." The Act would assure adequate planning for the siting of major energy facilities and the expeditious processing at the Federal and State level of applications to site, construct, and operate energy facilities.

The problem to be solved

A national energy plan is needed to assist the States and industry in their long-range energy facility planning.

Major delays in the selection and approval of energy facility sites and uncertainties involved in obtaining preconstruction approvals have reduced the availability of needed energy supplies.

Lack of any central mechanism to eliminate duplication and reconcile conflicts between agencies has resulted in a piecemeal approach to siting and preconstruction approvals at the Federal level.

Many States have failed to develop adequate plans, programs and procedures to assure that needed energy facilities are sited and approved in a timely and orderly fashion.

What the bill would do

National Energy Site and Facility Report

Authorizes and requires FEA to prepare within one year after enactment of this Act a National Energy Site and Facility Report, detailing the number, type, and general location of needed energy facilities. The report will provide information on:

The possible impact of energy conservation measures on reducing energy demand;

The status of all applications for energy facilities pending at Federal and State levels;

The financial and public service impacts of various types of energy facilities on local communities; and

Economic, social and environmental advantages of constructing and locating energy facilities in various regions or marketing areas.

State Energy Facility Management Programs

Requires that each State, within 1 year from issuance of the National Energy Site and Facility Report, submit to FEA for approval a State Energy Facility Management Program. The period for submission of a management program may be extended at the Administrator's discretion on a case by case basis. Such program must provide for:

An expedited process for reviewing and approving energy facility applications;

Adequate consideration of national and regional energy needs in the States' energy facility planning process;

Procedures to insure that State decisions on applications to site, construct, or operate energy facilities are final; and

Coordination of the siting process within the State's overall land use program.

Requires each State to submit with its management program information which will assist the Administrator in preparing an environmental impact statement on the proposed program.

Authorizes FEA to promulgate an energy facility management program for any State failing to submit an acceptable program.

Development and Administrative Grants

Establishes a $1 hundred million 5-year matching grant program to assist the States in developing and implementing their Energy Facility Management Programs.

FEA will provide technical assistance to the States in developing and initiating their management programs.

Federal Approval Process

Authorizes FEA to expedite and coordinate the processing of all Federal applications for energy facilities.

Establishes an 18-month deadline for issuance of a final Federal decision on applications to construct energy facilities.

Provides for the preparation of a consolidated environmental impact statement for each proposed facility.

Prohibits construction of energy facilities (other than nuclear facilities) until all Federal agencies with approval authority over an application for construction have granted approval.

TITLE IX—ENERGY DEVELOPMENT SECURITY ACT OF 1975

Background

In his State of the Union Message the President announced that he would seek legislation to authorize and require tariffs, import quotas or price floors to protect our efforts to develop domestic petroleum resources and thus achieve energy independence.

Title IX of the Administration's Energy Independence Act contains this legislation—the Energy Development Security Act of 1975.

The problem to be solved

In order to ensure that foreign oil producing countries cannot undercut United States efforts to develop and exploit domestic petroleum resources by instituting massive price cuts, additional authority to provide investment certainty is needed.

What the bill would do

The main features of the proposed legislation are:

Investigations by the Administrator of FEA to determine whether there has been a significant drop in the price of imported petroleum such that the economic viability of a substantial part of United States petroleum production and development is threatened or that such a price drop threatens to cause a substantial increase in petroleum consumption.

Presidential authority to impose tariffs, quotas or variable import fees if such a drop occurs.

TITLE X—BUILDING ENERGY CONSERVATION STANDARDS ACT OF 1975

Background

In his State of the Union Message, the President proposed legislation to make thermal efficiency standards mandatory for all new buildings in the United States. Such standards would save thousands of barrels of oil daily by reducing the amount of energy needed to heat and cool buildings. The "Building Energy Conservation Standards Act of 1975" provides for the development and implementation of minimum energy conservation standards to be applied to new buildings through the operation of State and local building codes.

The problem to be solved

Large amounts of fuels and energy are consumed unnecessarily each year in heating, cooling-ventilating, and providing domestic hot water for newly constructed residential and commercial buildings because such buildings lack essential energy conservation features.

What the bill would do

Direct the Secretary of Housing and Urban Development to develop and promulgate energy conservation standards for new residential and commercial buildings, and to implement those standards through State and local building codes.

Major features of the bill include the following:

Types of standards

Provides for: Initial "prescriptive" energy conservation standards to be promulgated by the Secretary of HUD, after consultation with the Administrator of the Federal Energy Administration, which will set forth specific energy conservation features to be included in new residential buildings.

Later "performance" standards for new commercial and residential buildings, under which energy conservation objectives would be specified but architects and builders would be given flexibility to use different specific means or methods of achieving those objectives.

Timetable for standards

Sets forth timetables as follows:

Within six months after enactment, HUD to publish for public comment proposed prescriptive standards for residential buildings; HUD to consider comments received and within six months to promulgate final prescriptive standards which will become effective one year after promulgation.

Within eighteen months after enactment, HUD to publish for public comment performance standards for commercial buildings; by six months thereafter, HUD to issue final standards which will become effective within one year after promulgation.

Within three years, HUD to propose for public comment performance standards for commercial buildings; by six months thereafter, HUD to promulgate final standards to become effective within one year after promulgation.

Dates for promulgation of proposed or final standards may be extended if necessary, but by no more than six months.

State and local codes

Provides for implementation of standards through:

State codes, local codes or similar provisions certified by the State as implementing the Federal standards, or, on a temporary (not to exceed one year) basis only, local codes approved by the Secretary of HUD, where a State on the effective date of the prescriptive standards is developing but is not yet ready to implement its State code or procedure for certifying local codes.

Conditions for Federal Assistance and Federally Related Loans

Provides that in areas which do not have codes or similar procedures for enforcing prescribed energy conservation standards:

No Federal financial assistance shall be extended for construction of buildings.

No loans for construction or financing of buildings are to be made by Federally insured, supervised, or regulated banks or savings and loan associations.

Grants and Technical Assistance

Provides for:

One time grants to States to assist them in developing codes and certification procedures, with a total of $5 million authorized for such grants for fiscal 1976.

Technical assistance to States and localities.

Research

HUD is directed, in cooperation with FEA, ERDA, and NBS, to carry out necessary research and demonstrations to assist in development of standards and their implementation by States and local governments. A three-year research and demonstration program is contemplated.

Other Features

Requires that:

Standards take account of climatic variations.

Standards be periodically reviewed and updated.

Standards be issued only after consultation by the Secretary of HUD with industry, labor, consumers and other interested or affected groups.

Federal agencies take steps to assure that Federal buildings conform to the energy conservation standards prescribed under the bill.

TITLE XI—WINTERIZATION ASSISTANCE ACT OF 1975

Background

In his State of the Union Message, the President proposed the establishment of an energy conservation program to help low income families to insulate and winterize their homes in order to reduce the long-term consumption of energy. The proposed "Winterization Assistance Act of 1975" would provide for a three-year program of Federal grant assistance to State programs designed to winterize the homes of low income persons. Winterization of these dwellings would allow a confortable inside temperature to be maintained with a significant reduction in heating fuel. The combined savings in fuel, estimated to be thousands of barrels a day, would not only lessen America's dependence on imported fuels, but would also lower heating bills of low income persons and families.

The problem to be solved

Dwellings owned or occupied by low income persons frequently are inadequately insulated, and low income persons can least afford to make the necessary modifications which would reduce their residential energy use.

What the bill would do

The bill would authorize the Administrator of the Federal Energy Administration (FEA) to provide grants to the States to assist in carrying out programs providing for winterization of dwellings of low income persons, particularly the low income elderly.

Major features of the bill include the following:

Development and Submission of State Programs

The States would submit annual applications to the Administrator of the FEA for grants to be used to insulate dwellings of low income persons.

The Administrator of FEA would review the State applications for the purpose of providing Federal grant assistance according to criteria developed by the Administrator of FEA after consultation with the Secretaries of Housing and Urban Development, Health, Education, and Welfare, and Labor. These criteria would include such items as the number of dwellings to be winterized, the amount of fuel which would be conserved by the State's program, the climate of the area where the winterization work is to be done, and mechanisms for obtaining services of volunteers.

Federal Assistance Provided

Upon approval of a State's application, the Administrator of FEA would be authorized to grant funds to that State to aid the winterization program. The Federal funds granted to the State could be used only for the purchase of winterization materials, such as insulation, storm windows, and caulking and weatherstripping except that no more than 10% of each State's grant could be used for administrative costs of the program in the State.

Program Coordination

In administering this program, the Federal Energy Administrator intends to consult with other Federal agencies, including the Community Services Administration and ACTION, in order to achieve most effective implementation.

The States would be urged to encourage prime sponsors under the Comprehensive Employment and Training Act of 1973 (CETA), a Federally assisted program to provide training and public service jobs, to utilize CETA participants in the proposed winterization projects.

Review of Programs

The Administrator of FEA would be authorized to monitor State winterization programs receiving Federal assistance to determine if such program was in compliance with the approved application.

Authorization of Appropriations

The bill would authorize appropriations of $9 million for fiscal year 1975 and $55 million for each of the fiscal years 1976 through 1978.

TITLE XII—NATIONAL APPLIANCE AND MOTOR VEHICLE ENERGY LABELING ACT OF 1975

Background

In the fact sheet supplementing the President's January 15, 1975, State of the Union Message to Congress, legislation was proposed to conserve energy by requiring labels on major appliances and motor vehicles to show their energy use and efficiency.

Title XII of the Administration's Energy Independence Act contains this legislation—the National Appliance and Motor Vehicle Energy Labeling Act of 1975.

The problem to be solved

Automobiles and major appliances are important consumers of energy.

Major appliances such as air conditioners, water heaters, refrigerators and ranges account for about one-third of residential energy use.

Motor vehicles account for about 45% of the petroleum and close to 20% of all energy used in the U.S.

Similar products vary widely in the amount of energy used, and few consumer products now on the market clearly indicate how much energy is needed for their operation.

Energy information must be readily available if consumers are to compare energy use and efficiency when selecting appliances or motor vehicles.

What the bill would do

Authorize the President to require appliance and motor vehicle labels to give the consumer information that will permit comparison of relative energy consumption. Products covered will include motor vehicles, room and central air conditioners, refrigerators, freezers, clothes washers and dryers, dishwashers, kitchen ranges and ovens, and water heaters.

TITLE XIII—STANDBY ENERGY AUTHORITIES ACT OF 1975

Background

In the fact sheet supplementing the President's January 15, 1975, State of the Union Message to Congress, legislation was proposed to authorize a number of standby authorities to deal with significant domestic energy shortages.

Title XIII of the Administration's Energy Independence Act contains this legislation—the Standby Energy Authorities Act of 1975.

The problem to be solved

Disruptions in supplies of imported petroleum, whether as a result of embargoes or other reasons can have severe economic consequences for the United States. The President must possess sufficient authority to deal with such energy emergencies quickly and effectively.

The United States has entered into an Agreement or an International Energy Program which provides for cooperation among major oil consuming nations both in dealing with energy emergencies and in other cooperative efforts. The authorities contained in the Standby Energy Authorities Act of 1975 would enable the United States to fulfill its obligations under this international agreement.

What the bill would do

Upon finding that national energy shortage conditions exist or are imminent which threaten United States national security or that international obligations require such action, the President is authorized to

Control private inventories of petroleum.

Order increased domestic petroleum products.

Allocate and ration petroleum products.

Promulgate energy conservation plans restricting the use of energy materials.

Allocate materials needed for energy production and development.

Provide for the international allocation of petroleum.

Promote voluntary agreements to fulfill international allocation obligations under an international agreement.

Restrict exports of energy related materials.

AMENDMENT OF SECTION 720 OF THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Mr. HUGH SCOTT. Mr. President, on behalf of the distinguished majority leader, Mr. MANSFIELD, and myself, I send a joint resolution to the desk and ask for its immediate consideration. This will simply allow the appointment of private sector members to the Commission on Supplies and Shortages and extend the reporting dates and the authorization for the Commission.

The VICE PRESIDENT. The clerk will state the joint resolution.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 27) to amend the Defense Production Act.

The VICE PRESIDENT. Without objection, the joint resolution will be considered as having been read the first time by title and the second time at length. Is there objection to the request of the Senator from Pennsylvania?

Mr. ROBERT C. BYRD. Mr. President, this joint resolution meets with the approval of the majority leader (Mr. MANSFIELD). As the distinguished Republican leader has stated, he is a cosponsor of the joint resolution, and, therefore, we have no objection.

The VICE PRESIDENT. Without objection, the Senate will proceed to its immediate consideration.

The joint resolution was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 720 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(d) (1) The President, in consultation with the majority and minority leaders of the Senate and the majority and minority leaders of the House of Representatives, shall appoint five members of the Commission from among persons in private life. Nothing in sections 203, 205, 207, 208, or 209 of title 18, United States Code, shall be deemed to apply to any of these persons because of membership on the Commission.

"(h) In the first sentence strike out "March 1, 1975" and insert "June 30, 1975". In the second sentence strike out "June 30, 1975" and insert "December 31, 1975".

"(i) (2) In the second sentence strike out "for the fiscal year ending June 30, 1975" and insert "to remain available until December 31, 1975".

"(l) Strike out "for the fiscal year ending June 30, 1975" and insert "to remain available until December 31, 1975".

EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, I ask unanimous consent that the Senate resolution continuing and authorizing additional expenditures by the Special Committee on Aging be referred to the Committee on Rules and Administration.

The VICE PRESIDENT. Without objection, it is so ordered.

CHANGE OF REFERENCE—SENATE RESOLUTION 10

Mr. CHURCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be discharged from any further consideration of Senate Resolution 10, to continue and authorize additional expenditures by the Special Committee on National Emergencies and Delegated Emergency Powers, and that it be referred to the Committee on Rules and Administration for appropriate action.

I have consulted with the distinguished chairman of the Committee on Foreign Relations and he concurs with this action.

The VICE PRESIDENT. Is there objection?

Mr. GRIFFIN. Mr. President, I object.

The VICE PRESIDENT. Objection is heard.

(The following proceedings occurred later in the day:)

Mr. GRIFFIN. Earlier the Senator from Idaho (Mr. CHURCH) made a unanimous-consent request with respect to a resolution. I objected, not on the merits, but because it had not been cleared with the leadership on this side.

I would state for the record that the distinguished Senator from Idaho has now explained what is involved. There was a reference by mistake apparently to the Committee on Foreign Relations having to do with the extension of a committee. He is asking that the resolution go to the Committee on Rules and Administration which ordinarily would have jurisdiction over such matters.

I have no objection if he wishes to renew the request.

Mr. CHURCH. I thank the distinguished Senator from Michigan. It had been my understanding that the unanimous-consent request had been cleared with both sides of the aisle, and I appreciate his cooperative attitude.

Mr. President, once again I ask unanimous consent that the Senate Committee on Foreign Relations be discharged from any further consideration of Senate Resolution 10, a bill to continue and authorize additional expenditures by the Special Committee on National Emergencies and Delegated Emergency Powers, and that it be referred to the Committee on Rules and Administration for appropriate action.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADDITIONAL COSPONSORS AND CORRECTION OF CLERICAL ERRORS—SENATE RESOLUTION 10

Mr. CHURCH. Mr. President, due to a clerical error the dates in Senate Resolution 10, introduced on January 15, 1975, should read as follows:

Line 6, strike "February 28" and insert "February 29"; Line 9, strike "February 28" and insert "February 29"; Line 24, strike "February 28" and insert "February 29."

I ask unanimous consent that these clerical corrections may be made in the resolution.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CHURCH. In that connection, I also ask unanimous consent that the names of the following Senators be added as cosponsors of Senate Resolution 10:

The Senator from Michigan (Mr. HART), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from New Jersey (Mr. CASE), the Senator from Kansas (Mr. PEARSON), and the Senator from Wyoming (Mr. HANSEN).

The VICE PRESIDENT. Without objection, it is so ordered.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States transmitting the economic report of the President, which was referred to the Joint Economic Committee:

To the Congress of the United States:

The economy is in a severe recession. Unemployment is too high and will rise higher. The rate of inflation is also too high although some progress has been made in lowering it. Interest rates have fallen from the exceptional peaks reached in the summer of 1974, but they reflect the rate of inflation and remain much too high.

Moreover, even as we seek solutions to these problems, we must also seek solutions to our energy problem. We must embark upon effective programs to conserve energy and develop new sources if we are to reduce the proportion of our oil imported from unreliable sources. Failure or delay in this endeavor will mean a continued increase in this Nation's dependence on foreign sources of oil.

We therefore confront three problems: the immediate problem of recession and unemployment, the continuing problem of inflation, and the newer problem of reducing America's vulnerability to oil embargoes.

These problems are as urgent as they are important. The solutions we have proposed are the result of careful study, but they will not produce swift and immediate results. I believe that these programs and proposals will be effective. I urge the Congress to adopt them and to help me follow through with further measures that changing circumstances may make desirable. In our efforts we must recognize that the remedies we devise must be both effective and consistent with the long-term objectives that are important for the future well-being of our economy. For the sake of taking one step forward we must not adopt policies which will eventually carry us two steps backward.

As I proposed to you in my State of the Union message, the economy needs an immediate 1-year tax cut of $16 billion. This is an essential first move in any program to restore purchasing power, rebuild the confidence of consumers, and increase investment incentives for business.

Several different proposals to reduce individual taxes were considered carefully in our search for the best way to help the economy. We chose the method that would best provide immediate stimulus to the economy without permanently exacerbating our budget problem. Accordingly, I recommended a 12 percent rebate of 1974 taxes, up to a maximum of $1,000. The rebate will be paid in two large lump-sum payments totaling $12 billion, the first beginning in May and the second by September.

I have also proposed a $4-billion investment tax credit which would encourage businessmen to make new commitments and expenditures now on projects that can be put in place this year or by the end of next year.

The prompt enactment of the $16-billion tax reduction is a matter of utmost urgency if we are to bolster the natural forces of economic recovery. But in recognizing the need for a temporary tax cut, I am not unmindful of the fact that it will increase the size of the budget deficit. This is all the more reason to intensify our efforts to restrain the growth in Federal spending. I have asked Congress to institute actions which will pare $17 billion from the fiscal 1976 budget. Even so, we foresee a deficit of more than $50 billion for the fiscal year beginning July 1. Moreover, even without new expenditure initiatives, the budget deficit is likely to remain excessively large in fiscal 1977. As a consequence, I will propose no new expenditure programs except those required by the energy program.

I am also asking the Congress to join me in finding additional ways to slow the rate of increase in Federal spending. Budget outlays for new programs or for expansion of existing ones would have their economic effect long after the economic recovery gets under way. It is essential that the deficit be reduced markedly as the economy begins to return toward full employment. Control of expenditures is the only way we can halt an extraordinary increase in the portion of our incomes which Government will take in the future.

A simple calculation shows the size of the problem which we face. Transfer payments to individuals by the Federal Government have increased, after adjustment for inflation, by almost 9 percent annually during the past two decades. A continuation of this trend for the next two decades, along with only modest increases in other Federal expenditures and in those of State and local governments, would lift the expenditures by government at all levels from about one-third of the gross national product to more than one-half. Spending on this scale would require a substantial increase in the tax burden on the average American family. This could easily stifle the incentive and enterprise which is essential to continued improvements in productivity and in our standard of livng.

The achievement of our independence in energy will be neither quick nor easy. No matter what programs are adopted, perseverence by the American people and a willingness to accept inconvenience will be required in order to reach this important goal. The American economy was built on the basis of low-cost energy. The design of our industrial plants and production process reflect this central element in the American experience. Cheap energy freed the architects of our office buildings from the need to plan for energy efficiency. It made private homes cheaper because expensive insulation was not required when energy was more abundant. Cheap energy also made suburban life accessible to more citizens, and it has given the mobility of the automobile to rural and city dwellers alike.

The low cost of energy during most of the twentieth century was made possible by abundant resources of domestic oil, natural gas, and coal. This era has now come to an end. We have held the price of natural gas below the levels required to encourage investment in exploration and development of new supplies, and below the price which would have encouraged more careful use. By taking advantage of relatively inexpensive foreign supplies of oil, we improved the quality of life for Americans and saved our own oil for future use. By neglecting to prepare for the possibility of import disruptions, however, we left ourselves overly dependent upon unreliable foreign supplies.

Present circumstances and the future security of the American economy leave no choice but to adjust to a higher relative price of energy products. We have, in fact, already begun to do so, although I emphasize that there is a long way to go. Consumers have already become more conscious of energy efficiency in their purchases. The higher cost of energy has already induced industry to save energy by introducing new production techniques and by investing in energy-conserving capital equipment. These efforts must be stimulated and maintained until our consumption patterns and our industrial structure adjust to the new relationship between the costs of energy, labor, and capital.

This process of adjustment has been slowed because U.S. energy costs have not been allowed to increase at an appropriate rate. Prices of about two-thirds of our domestic crude oil are still being held at less than half the cost of imported oil, and natural gas prices are being held at even lower levels. Such artificially low prices encourage the wasteful use of energy and inhibit future production. If there is no change in our pricing policy for domestic energy and in our consumption habits, by 1985 one-half of our oil will have to be imported, much of it from unreliable sources. Since our economy depends so heavily on energy, it is imperative that we make ourselves less vulnerable to supply cutoffs and the monopolistic pricing of some foreign oil producers.

The need for reliable energy supplies for our economy is the foundation of my proposed energy program. The principal purpose is to permit and encourage our economy to adjust its consumption of energy to the new realities of the market place during the last part of the twentieth century. The reduction in our dependence on unreliable sources of oil will require Government action, but even in this vital area the role of Government in economic life should be limited to those functions that it can perform better than the private sector.

There are two courses open to us in resolving our energy problem: the first is administered rationing and allocation; the second is use of the price mechanism. An energy rationing program might be acceptable for a brief period, but an effective program will require us to hold down consumption for an extended period. A rationing program for a period of 5 years or more would be both intolerable and ineffective. The costs in slower decision making alone would be enormous. Rationing would mean that every new company would have to petition the Government for a license to purchase or sell fuel. It would mean that any new plant expansion or any new industrial process would require approval. It would mean similar restrictions on homebuilders, who already find it impossible in much of the Nation to obtain natural gas hookups. After 5 or 10 years such a rigid program would surely sap the vitality of the American economy by substituting bureaucratic decisions for those of the market place. It would be impossible to devise a fair long-term rationing system. The only practical and effective way to achieve energy independence, therefore, is by allowing prices of oil and gas to move higher—high enough to discourage consumption and encourage the exploration and development of new energy sources.

I have, therefore, recommended an excise tax on domestic crude oil and natural gas and an import fee on imported oil, as well as decontrol of the price of crude oil. These actions will raise the price of all energy-intensive products and reduce oil consumption and imports. I have requested the Congress to enact a tax on producers of domestic crude oil to prevent windfall profits as a result of price decontrol.

Other aspects of my program will provide assurances that imports will not be allowed to disrupt the domestic energy market. Amendments to the Clean Air Act to allow more use of coal without major environmental damage, and incentives to speed the development of nuclear energy and synthetic fuels will simultaneously increase domestic energy production.

Taken as a whole, the energy package will reduce the damage from any future import disruption to manageable proportions. The energy program however will entail costs. The import fee and tax combination will raise approximately $30 billion from energy consumers. However, I have also proposed a fair and equitable program of permanent tax reductions to compensate consumers for these higher costs. These will include income tax reductions of $16 billion for individuals, along with direct rebates of $2 billion to low-income citizens who pay little or no taxes, corporate tax reductions of $6 billion, a $2-billion increase in revenue sharing payments to State and local governments, and a $3-billion increase in Federal expenditures.

Although appropriate fiscal and energy policies are central to restoring the balance of our economy, they will be supplemented by initatives in a number of other areas. I was pleased to sign into law in December unemployment compensation legislation which provides extended benefits and expanded coverage for the unemployed. The budget also provides for a significant expansion in public service employment. I also urge the Congress to remove the remaining restrictions on agricultural production and enact legislation to strengthen financial institutions and assist the financial position of corporations. I have also asked for actions to strengthen the Administration's antitrust investigative power and to permit more competition in the transportation industry.

We sometimes discover when we seek to accomplish several objectives simultaneously that the goals are not always completely compatible. Action to achieve one goal sometimes works to the detriment of another. I recognize that the $16-billion anti-recession tax cut, which adds to an already large Federal deficit, might delay achieving price stability. But a prompt tax cut is essential. My program will raise the price of energy to consumers; but when completed this necessary adjustment should not hamper our progress toward the goal of a much slower rate of increase in the general price level in the years ahead.

As we face our short-term problems, we cannot afford to ignore the future implications of our policy initiatives. Fiscal and monetary policies must support the economy during 1975. In supporting the economy, however, we must not allow victory in the battle against inflation to slip beyond our grasp. It is vital that we look beyond the unemployment problem to the need to achieve a reduction in inflation not only in 1975 but also in 1976 and beyond.

The future economic well-being of our Nation requires restoring a greater measure of price stability. This will call for more responsible policies by your Government. The stakes are high. Inflation reduces the purchasing power of our incomes, squeezes profits, and distorts our capital markets. The ability of our free economy to provide an ever higher standard of living would be weakened. We must not be lulled into a belief that inflation need no longer be a major concern of economic policy now that the rate at which prices are increasing appears to be slowing.

The proposals I have made to deal with the problems of recession, inflation, and energy recognize that the American economy is more and more a part of the world economy. What we do affects the economies of other nations, and what happens abroad affects our economy. Close communication, coordination of policies, and consultations with the leaders of other nations will be essential as we deal with our economic and financial difficulties, many of which are common to all the industrial countries of the Western World.

We are already cooperating to ensure that the international monetary system withstands the pressures placed on it by higher oil prices. The passage of the Trade Reform Act of 1974 will make it possible to begin critical negotiations this year on further liberalizing the international trading system, and we will continue to work with other countries toward solutions to the special problems of food and energy.

The economic problems that have emerged during the 1970's are difficult. Some of them reflect years of misdirection. Our efforts to solve the Nation's economic difficulties must be directed toward solutions that will not give rise to even bigger problems later. The year 1975 must be the one in which we face our economic problems and start the course toward real solutions.

GERALD R. FORD.

FEBRUARY 4, 1975.

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 1589) to suspend increases in the costs of coupons to food-stamp recipients as a result of recent administrative actions, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation To Amend the Agricultural Trade Development and Assistance Act of 1954

A letter from the Acting Secretary, Department of Agriculture, transmitting a draft of proposed legislation to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility to carry out the national interest or humanitarian objectives of that act (with accompanying papers); to the Committee on Agriculture and Forestry.

Exemplary Rehabilitation Certificates, Calendar Year 1974

A letter from the Secretary of Labor, reporting, pursuant to law, on exemplary rehabilitation certificates, calendar year 1974; to the Committee on Armed Services.

Annual Report of the Marine Mammal Commission

A letter from the Chairman, Marine Mammal Commission, transmitting, pursuant to law, the second annual report of the Marine Mammal Commission (with an accompanying report); to the Committee on Commerce.

Financial Report of Washington Gas Light Co.

A letter from the comptroller, Washington Gas Light Co., transmitting, pursuant to law, a certified copy of a balance sheet of the company as of December 31, 1974 (with accompanying papers); to the Committee on the District of Columbia.

Proposed Legislation Making Technical Changes in the Method of Determining Supplementary Medical Insurance Premium

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XVIII of the Social Security Act to make technical changes in the method of determining the supplementary medical insurance premium (with accompanying papers); to the Committee on Finance.

International Agreements Entered Into by the United States

A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties, hereafter entered into by the United States, within 60 days after the execution thereof (with accompanying papers); to the Committee on Foreign Relations.

Report of the Advisory Commission on Intergovernmental Relations

A letter from Chairman, Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, the 16th annual report of the Advisory Commission on International Relations (with an accompanying report); to the Committee on Government Operations.

First Annual Report, Office of Energy Conservation and Environment

A letter from the Administration, Federal Energy Administration, transmitting, pursuant to law, the first annual report of the Office of Energy Conservation and Environment (with an accompanying report); to the Committee on Government Operations.

Report of the Community Relations Service

A letter from the Director, Community Relations Service, Department of Justice, transmitting, pursuant to law, a report of the activities of the Community Relations Service for fiscal year 1974 (with an accompanying report); to the Committee on the Judiciary.

Report on Activities in Certain Countries Relating to Applications for Conditional Entry

A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting, pursuant to law, a report of activities in certain countries, relating to applications for conditional entry, for the period June 30, 1974 to December 31, 1974 (with an accompanying report); to the Committee on the Judiciary.

Reports of the Department of Labor

A letter from the Secretary of Labor transmitting, pursuant to law, a report pertaining to activities in connection with the Age Discrimination in Employment Act of 1967 (with an accompanying report); to the Committee on Labor and Public Welfare.

A letter from the Secretary of Labor transmitting, pursuant to law, a report pertaining to fair labor standards in employments affecting interstate commerce (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Upper Great Lakes Regional Commission

A letter from the Cochairmen of the Upper Great Lakes Regional Commission transmitting, pursuant to law, the annual report of the Commission for the fiscal year 1974 (with an accompanying report); to the Committee on Public Works.

Report of the Pacific Northwest Regional Commission

A letter from the Cochairman of the Pacific Northwest Regional Commission transmitting, pursuant to law, the annual report of the Commission for the fiscal year 1974 (with an accompanying report); to the Committee on Public Works.

Report of the New England Regional Commission

A letter from the Cochairman of the New England Regional Commission transmitting, pursuant to law, a report of the Commission for the fiscal year 1974 (with an accompanying report): to the Committee on Public Works.

Report of the Coastal Plains Regional Commission

A letter from the Cochairman of the Coastal Plains Regional Commission transmitting, pursuant to law, the annual report of the Commission for the fiscal year 1974 (with an accompanying report); to the Committee on Public Works.

Proposed Legislation by the Environmental Protection Agency

A letter from the Administrator of the Environmental Protection Agency transmitting three draft bills of proposed legislation amending the Federal Water Pollution Control Act (with accompanying papers); to the Committee on Public Works.

Report of the National Armed Forces Museum Advisory Board

A letter from the Secretary of the Smithsonian Institution transmitting, pursuant to law, a report dated December 20, 1974, of the National Armed Forces Museum Advisory Board (with an accompanying report); to the Committee on Rules and Administration.

Report of the Government Printing Office

A letter from the Public Printer transmitting, pursuant to law, the annual report of the Government Printing Office for the fiscal year 1974 (with an accompanying report); to the Committee on Rules and Administration.

Proposed National Commission on Regulatory Reform

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to establish a National Commission to study and report on the regulatory activities of the Federal Communications Commission, Federal Maritime Commission, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, Securities and Exchange Commission, Consumer Product Safety Commission, and the Civil Aeronautics Board (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, and the Committee on Government Operations, jointly, by unanimous consent.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution of the General Court of the Commonwealth of Massachusetts urging the establishment of a national cemetery in Massachusetts; to the Committee on Veterans' Affairs:

"Resolutions Memoralizing the Congress of the United States to Enact Legislation Establishing a National Cemetery in the Commonwealth

"Whereas, It is the right of every veteran to be accorded the honor of a burial in a national place of honor; and

"Whereas, Out of the ninety-eight national cemeteries in the United States, there is none in the New England area; and

"Whereas, The saturation point of these cemeteries is rapidly being reached and the need for new land is pressing; now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to establish a National Cemetery in the Commonwealth; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of the Congress of the United States and to the members thereof from the Commonwealth."

A resolution adopted by the Multnomah County Board of Commissioners of Multnomah County, Oreg., in opposition to the President's proposed energy program; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. Res. 57. An original resolution authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MAGNUSON, from the Committee on Commerce:

S. Res. 63. An original resolution authorizing expenditures by the Committee on Commerce for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, with an amendment:

S. 35. A bill to maintain the nutritional adequacy of the food stamp program.

By Mr. DOLE, from the Committee on Agriculture and Forestry:

S. Res. 58. An original resolution to direct the Secretary of Agriculture to make a study of the food stamp program and submit legislative recommendations.

By Mr. McGEE, from the Committee on Post Office and Civil Service, with an amendment:

S. 58. A bill concerning compensation and other emoluments attached to the Office of the Attorney General (Rept. No. 94-6).

By Mr. LONG, from the Committee on Commerce, without amendment:

S. 332. A bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce. (Rept. No. 94-7).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOMENICI (for himself, Mr. Randolph, Mr. Williams, Mr. Fong, Mr. McGovern, Mr. Baker, and Mr. McClure):

S. 551. A bill to provide for the recycling of used oil, and for other purposes. Referred, by unanimous consent, to the Committee on Public Works; and, if and when reported, to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. Metcalf, Mr. Bayh, Mr. Humphrey, Mr. Laxalt, Mr. McGovern, Mr. Moss, and Mr. Williams):

S. 552. A bill to amend the Mining and Minerals Policy Act of 1970, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUGH SCOTT:

S. 553. A bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rates of postage on second-class and third-class bulk mailing applicable to certain nonprofit organizations. (Referred to the Committee on Post Office and Civil Service.)

By Mr. FANNIN:

S. 554. A bill to encourage States not presently having in effect an approved medicaid plan to establish and put into effect such a plan. Referred to the Committee on Finance.

By Mr. EASTLAND (for himself, Mr. Stennis, Mr. Dole, Mr. Allen, and Mr. Young):

S. 555. A bill to amend the Consolidated Farm and Rural Development Act. Referred to the Committee on Agriculture and Forestry.

By Mr. BEALL:

S. 556. A bill to permit withholding of State income taxes from compensation of members of the Armed Forces. Referred to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. Montoya):

S. 557. A bill to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna. Referred to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN (for himself and Mr. Allen):

S. 558. A bill to amend the Clean Air Act to assure consideration of the total environmental, social, and economic impact while improving the quality of the Nation's air. Referred to the Committee on Public Works.

S. 559. A bill to amend the black lung benefits provisions of the Federal Coal Mine Health and Safety Act of 1969 to extend these benefits to miners who incur silicosis in iron mines, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. CHURCH:

S. 560. A bill to amend title II of the Social Security Act to increase the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and for other purposes. Referred to the Committee on Finance.

By Mr. KENNEDY:

S. 561. A bill to provide for the adjustment of status of certain aliens under the Immigration and Nationality Act, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. Fong, Mr. Case, Mr. Humphrey, Mr. Inouye, Mr. McGee, and Mr. Mathias):

S. 562. A bill to provide international disaster relief asistance. Referred to the Committee on Foreign Relations.

By Mr. HUMPHREY:

S. 563. A bill to provide for congressional reforms, to strengthen the role of Congress as a coequal branch of Government, and for other purposes. Referred to the Committee on Government Operations.

By Mr. KENNEDY (for himself, Mr. Hugh Scott, Mr. Clark, Mr. Mathias, Mr. Abourezk, Mr. Bayh, Mr. Bentsen, Mr. Biden, Mr. Brooke, Mr. Case, Mr. Eagleton, Mr. Gravel, Mr. Cranston, Mr. Culver, Mr. Philip A. Hart, Mr. Hartke, Mr. Haskell, Mr. Hathaway, Mr. Humphrey, Mr. Inouye, Mr. Javits, Mr. Leahy, Mr. Moss, Mr. Pell, Mr. Stafford, Mr. Symington, and Mr. Tunney):

S. 564. A bill to provide public financing of primary and general elections for the Senate and the House of Representatives. Referred to the Committee on Rules and Administration.

By Mr. TUNNEY (for himself, Mr. Abourezk, Mr. Bayh, Mr. Bentsen, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Cranston, Mr. Dole, Mr. Domenici, Mr. Eastland, Mr. Fannin, Mr. Goldwater, Mr. Gravel, Mr. Gary W. Hart, Mr. Philip A. Hart, Mr. Hartke, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Humphrey, Mr. Javits, Mr. Kennedy, Mr. Leahy, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Metcalf, Mr. Mondale, Mr. Montoya, Mr. Nelson, Mr. Percy, Mr. Hugh Scott, Mr. Stevenson, Mr. Stone, Mr. Tower, and Mr. Williams):

S. 565. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 566. A bill to provide authority for the District of Columbia to place two statues in Statuary Hall of the Capitol. Referred to the Committee on Rules and Administration.

By Mr. HUMPHREY (for himself, Mr. Tower, Mr. Abourezk, Mr. Bumpers, Mr. Domenici, Mr. Philip A. Hart, Mr. Hatfield, Mr. Laxalt, and Mr. Pell):

S. 567. A bill to amend the Internal Revenue Code with respect to nonrecognition of gain from the sale or exchange of a residence. Referred to the Committee on Finance.

By Mr. CHURCH:

S. 568. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax. Referred to the Committee on Finance.

By Mr. PHILIP A. HART:

S. 569. A bill for the relief of Mr. Julio Hernandez Guerrero, Lydia Rodrigues de Hernandez, and children, Daniel, Martin, Ricardo, David, Anna, Martin, Marcela, Sara, and Olga. Referred to the Committee on the Judiciary.

S. 570. A bill for the relief of Soledad R. Isturis. Referred to the Committee on the Judiciary.

S. 571. A bill for the relief of Erlinda Tomado Zaragosa. Referred to the Committee on the Judiciary.

By Mr. McINTYRE:

S. 572. A bill for the relief of Vera Lucia Carvalho, Marcia Maria Carvalho, and Marcos

Vinecius Carvalho. Referred to the Committee on the Judiciary.

By Mr. MOSS (for himself and Mr. Goldwater) (by request):

S. 573. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. HOLLINGS:

S. 574. A bill to amend the Internal Revenue Code of 1954 to permit the deduction without limitations of medical expenses paid for certain dependents suffering from physical or mental impairment or defect. Referred to the Committee on Finance.

S. 575. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education. Referred to the Committee on the Judiciary.

S. 576. A bill to amend the Federal Food, Drug and Cosmetic Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 577. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 578. A bill entitled the Energy Transportation Security Act of 1975. Referred to the Committee on Commerce.

By Mr. BELLMON (for himself, Mr. Bartlett, and Mr. Curtis):

S. 579. A bill to amend the Emergency Livestock Credit Act of 1974. Referred to the Committee on Agriculture and Forestry.

By Mr. HOLLINGS:

S. 580. A bill to promote commerce and establish a Council on Energy Policy, and for other purposes. Referred to the Committee on Commerce.

By Mr. SCHWEIKER:

S. 581. A bill relating to the authority of the armed services to utilize all news media for advertising for military manpower recruitment. Referred to the Committee on Armed Services.

By Mr. BURDICK (by request):

S. 582. A bill to amend section 40 of the Bankruptcy Act to fix the salaries of Referees in Bankruptcy. Referred to the Committee on the Judiciary.

By Mr. BURDICK:

S. 583. A bill to provide that the price of wheat, corn, and milk be supported at not less than 90 per centum of the parity price therefor, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. BURDICK (for himself, Mr. Bayh, Mr. Beall, Mr. Case, Mr. Philip A. Hart, Mr. Mathias, Mr. Metcalf, Mr. Pastore, Mr. Pell, Mr. Schweiker, Mr. Hugh Scott, and Mr. Thurmond):

S. 584. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. CHILES:

S. 585. A bill to prohibit travel at Government expense outside the United States by Members of Congress who are not reelected to the succeeding Congress. Referred to the Committee on Rules and Administration.

By Mr. HOLLINGS (for himself, Mr. Kennedy, Mr. Tunney, Mr. Mathias, and Mr. Williams):

S. 586. A bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes. Referred to the Committee on Commerce.

By Mr. HOLLINGS:

S. 587. A bill to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HANSEN (for himself, Mr. Abourezk, Mr. Allen, Mr. Bartlett, Mr. Curtis, Mr. Fannin, Mr. Hatfield, Mr. McClellan, Mr. McGee, Mr. Mansfield, Mr. Thurmond, Mr. Tower, and Mr. Young):

S. 588. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer. Referred to the Committee on Agriculture and Forestry.

By Mr. FONG:

S. 589. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act in order to authorize reduced rate transportation for handicapped persons, members of a family traveling together, and persons who are 65 years of age or older or 21 years of age or younger. Referred to the Committee on Commerce.

By Mr. FONG:

S. 590. A bill for the relief of Fred D. Domingo, Aquilina B. Domingo, Froilan Domingo, Azucena Mae Domingo, and Wilmina Domingo. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 591. A bill to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HANSEN (for himself and Mr. McGee):

S. 592. A bill for the relief of Carlos Quinonez, Maria Quinonez, Valentine Quinonez, and Julian Quinonez. Referred to the Committee on the Judiciary.

By Mr. NELSON:

S. 593. A bill to provide for the price support of milk at not less than 100 per centum of parity. Referred to the Committee on Agriculture and Forestry.

By Mr. HUGH SCOTT:

S. 594. A bill to increase domestic energy supplies and availability by authorizing production of the naval petroleum reserves; establishing a national strategic petroleum reserve; assuring increased supplies of natural gas at reasonable prices; amending and extending the Energy Supply and Environmental Coordination Act of 1974; amending the Clean Air Act; alter regulatory practices and procedures of governing electric utilities; assuring timely siting, consideration, approval, and construction of necessary energy facilities; and preventing foreign oil producing countries from undermining efforts to develop petroleum resources.

To restrain energy demand by providing national energy conservation standards for new residential and commercial buildings; authorizing the Federal Energy Administration to assist States in winterizing dwellings of low-income persons; and providing for the labeling of major appliances and motor vehicles.

To prepare for energy emergencies by providing standby energy authorities and implementing the international energy program; and for other purposes.

Referred, by unanimous consent, to the Committees on Armed Services, Banking, Housing and Urban Affairs, Commerce, Finance, Government Operations, Interior and Insular Affairs, Judiciary, Labor and Public Welfare, and Public Works.

By Mr. BARTLETT (for himself, Mr. Bellmon, Mr. Hansen, and Mr. Domenici):

S. 595. A bill to amend Public Law 88-482. Referred to the Committee on Finance.

By Mr. BROCK:

S. 596. A bill to revise the payment of compensation to widows and widowers of certain deceased Federal employees. Referred to the Committee on Post Office and Civil Service.

By Mr. HUGH SCOTT on behalf of Mr. Mansfield (for himself and Mr. Hugh Scott):

S.J. Res. 27. A joint resolution to amend the Defense Production Act of 1950. Considered and passed.

By Mr. McGOVERN (for himself and Mr. Mondale):

S.J. Res. 28. A joint resolution concerning an emergency survival feeding operation. Referred to the Committee on Armed Services.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. Randolph, Mr. Williams, Mr. Fong, Mr. McGovern, Mr. Baker, and Mr. McClure):

S. 551. A bill to provide for the recycling of used oil, and for other purposes. Referred, by unanimous consent, to the Committee on Public Works; and, if and when reported, to the Committee on Finance.

NATIONAL OIL RECYCLING ACT

Mr. DOMENICI. Mr. President, I am introducing today, on behalf of myself and Senators Randolph, Williams, Fong, McGovern, Baker, and McClure, legislation to create a National Oil Recycling Act.

I have conferred with the Parliamentarian and with the leaders on both sides, and I ask unanimous consent that the bill be referred to the Committee on Public Works and then if and when reported to the Committee on Finance to consider that portion of the bill which falls within its jurisdiction.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DOMENICI. This bill is in tune with the energy requirements of today as well as the present environmental ethic. One area which we have not dealt effectively with is the problem of lubricating oil and grease sold in the United States. Of this amount, approximately 1.5 billion gallons ends up as waste lube oil which is disposed of in ways destructive to the natural environment.

Senators will note that this is a fairly substantial amount of oil. This oil is a potentially valuable resource that may be reused and applied as a partial solution to the energy problem which this Nation is presently facing. This oil use should be examined carefully, especially since the fate of approximately 20 percent of used oil is not known.

We do know that less than 40 percent of all waste oil is processed for reuse. The remaining oil is dumped on the ground or in sewers; a little is used for oiling roads and bogs. This is a waste of a precious resource and an insult to the environment which we can no longer tolerate.

The business of collecting and reprocessing waste oil has never been a lucrative one. Much of the oil that is recovered is treated in very cursory fashion and burned as fuel oil, releasing the lead that accumulates in crankcase oil into the atmosphere. The serious and reputable rerefiner is a fast disappearing breed. In 1965, there were 160 such companies; now fewer than 40 remain. Their refining capacity has fallen to 100 million gallons per year, a small fraction of the total waste oil generated. The economics of careful reprocessing has simply been unfavorable.

The thrust of this bill is to help reestablish a more favorable economic climate for the recovery and rerefining of waste oil. Several approaches are taken, none of which is a major policy change in itself, but the sum of which should provide incentive for competent operators to expand existing capacity or to enter the industry in areas where no rerefining capacity exists now.

Quality standards for recycled oil will insure that it is as good as, or better than new oil for the same purposes, and the EPA will see to it that labels on recycled oil reflect its quality. This should go a long way toward removing the stigma which has been attached to recycled oil, in part as a result of poor products turned out in the past by operators interested in making a fast buck instead of quality product.

Various agencies shall have to change their procurement regulations and specifications in order to use recycled oil, but this is a small price to pay for a clean environment. Federal and State governments would be encouraged to use recycled oil, and EPA would oversee State programs to license and monitor collectors and recyclers. Contracts discouraging the use of recycled oil would be prohibited.

Research on new processes and technology for recycling of waste oil would be promoted through funds authorized to be appropriated to EPA. In addition, funds would be provided to the Department of Commerce for the development of standards and test methods for recycled oil quality.

Finally, changes would be made in the existing excise tax structure to reestablish the situation which existed 10 years ago, when the rerefining industry was able to compete with producers of new oil.

I am convinced that this bill fills an important gap in the current legislative effort to deal with our energy and environmental problems. I invite my fellow Senators to join me again in cosponsoring this bill. I ask unanimous consent that the bill be printed in its entirety in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Oil Recycling Act".

PURPOSES

SEC. 2. In view of the purposes of the Solid Waste Disposal Act to promote resource recovery systems which preserve and enhance the quality of air, water, and land resources it is the purpose of this Act to establish an effective program to promote the recycling of used oil.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "used oil" means all oil which has through use been contaminated by physical or chemical impurities which have not been removed by subsequent re-refining or other processing;

(2) the term "recycled oil" means used oil which has been re-refined or otherwise processed to remove the physical and chemical contaminants acquired through use, which by itself or when blended with new oil or additives is substantially identical or superior to new oil intended for the same purposes;

(3) the term "new oil" means all oil which has been refined from virgin oil and may or may not contain additives, but has never been used, and does not include used oil or recycled oil;

(4) the term "lubricating oil" means all oil regardless of origin, which—

(A) is suitable for use as a lubricant, or

(B) is sold for use as a lubricant;

(5) the term "hydraulic oil" means all oil which is used primarily to transmit power or pressure, but which may also serve lubricating and other functions;

(6) the term "cutting oil" means all oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also serve lubricating and other functions;

(7) the term "fuel oil" means all oil which has been refined, re-refined, or otherwise processed for the purpose of being burned to produce heat;

(8) the term "automotive oil" means all oil, including lubricating oil and hydraulic oil, which is used in automobiles, trucks, buses, motorcycles, and all other motor vehicles which travel on roads and highways;

(9) the term "industrial oil" means all oil exclusive of virgin oil, fuel oil, oils used for cooking and medicinal purposes, and automobile oil, and includes, but is not limited to, lubricating oil, hydraulic oil, and cutting oil when such oils are not automotive oils;

(10) the term "used oil collector" means any person who controls a system which functions to retrieve or collect used oil for sale or transfer to oil recycling facilities, or for other methods of disposal; and

(11) the term "used oil recycler" means any person who re-refines or otherwise processes used oil to remove its physical and chemical contaminants.

FEDERAL ENCOURAGEMENT OF THE USE OF RECYCLED OIL

SEC. 4. All Federal officials shall act within their authority to encourage the use of recycled oil. Such action includes, but is not limited to—

(1) procuring recycled automotive and industrial oils for all military and nonmilitary Federal uses, whenever such recycled oils are available at prices competitive with those of new oil produced for the same purposes;

(2) requiring all persons contracting with the Federal Government to use recycled oil in performing such contracts, whenever recycled oils are available at prices competitive with those of new oil produced for the same purposes;

(3) educating the Government and private sectors of the economy as to the merits of recycled oil, and the need for its use in order to reduce the drain on the Nation's oil reserves and minimize the disposal of used oil in ways harmful to the environment; and

(4) where necessary, assisting and encouraging the development of performance standards and specifications, and systematic and economical testing procedures to facilitate the comparison of recycled oil with new oil.

(5) Within eighteen months of the enactment of this section, the General Services Administration, the Department of Defense, and all other Federal agencies shall revise their procurement regulations and specifications to comply with the intent of this section.

STATE REGULATION AND ENCOURAGEMENT

SEC. 5. (a) This Act shall in no way preempt State regulation of recycled oil or used oil disposal whenever such regulation provides for stricter control of recycled oil or used oil than provided for by Federal law.

(b) The States should encourage the use of recycled oil in order to accomplish the purposes of this Act. In order to qualify for Federal grants under section 11 of this Act, a State shall adopt laws, regulations, and administrative machinery which shall provide for, but not be limited to—

(1) requiring that used oil collectors obtain a State permit prior to engaging in used oil collecting activities, and such permits shall require, as a minimum, information pertaining to methods for collecting, storing, transferring, and disposing of used oil, as well as the identity of used oil sources, purchasers, transferees, and disposal sites;

(2) requiring that used oil recyclers obtain a State permit prior to engaging in recycling operations and such permits shall require, as a minimum, information identifying—

(A) the sources and quantities of used oil to be acquired for recycling;

(B) the recycling facility's plant size and operating capacity;

(C) the specific recycling technologies to be utilized;

(D) the quantities and grades of recycled oil to be produced; and

(E) the methods of disposing of the waste byproducts;

(3) when recycled oil is available at prices competitive with new oil produced for the same purpose, using recycled oil for all automotive and industrial uses of the State government, and requiring all parties contracting with the State to use recycled oil in the performance of such contracts;

(4) regulating the retail sales of automobile oil so as to encourage the recycling of used oil;

(5) prohibiting the use of used oil as fuel oil or for the oiling of State roads, unless such oil has been processed to meet the minimum standards for such uses established by Federal and State pollution control laws; and

(6) educating the public and private sectors of the State as to the merits of recycled oil, and the need for its use in order to reduce the drain on the nation's oil reserves and minimize the disposal of used oil in ways harmful to the environment.

LABELING OF RECYCLED OIL

SEC. 6. (a) The Administrator of the Environmental Protection Agency shall promulgate regulations with respect to the labeling of recycled oil in order to carry out the purpose of this Act. As of the effective date of such regulations, any decision or regulation of the Federal Trade Commission, or of any State or local government, requiring that recycled oil which is sold for a purpose designated in such regulations of the Administrator be labeled as "previously used" or "reprocessed" oil shall cease to have effect and shall be repealed by operation of law.

(b) The Administrator shall also promulgate regulations requiring all containers of automotive and industrial oil, both new and recycled, to bear labels relating to the proper disposal of such oils after use.

RESTRICTIVE CONTRACTS PROHIBITED

SEC. 7. (a) It shall be unlawful for any person to enter into any contract or agreement where the intent of such contract of agreement is to discourage the recycling of used oil.

(b) Violations of subsection (a) are subject to a fine of $50,000 for each violation thereof, or imprisonment for a term not to exceed one year, or both.

RECORDS

SEC. 8. (a) Users of more than 100 gallons of industrial oil per year shall maintain complete records of—

(1) the quantities and types of all oils purchased for industrial use;

(2) the quantities and types of all industrial oils consumed during use; and

(3) the quantities and types of all industrial oils disposed of after use—

(A) by in-house recycling;

(B) by delivery to or pickup by used oil collectors or used oil recyclers; or

(C) by any other method of disposal.

(b) Used oil recyclers shall maintain complete records of—

(1) the quantities and types of all used oil acquired;

(2) the quantities and types of all new oil acquired for use in blending recycled oil;

(3) the quantities, types, and sources of sale or other disposal of all recycled oil produced; and

(4) the quantities, types, and places of disposal of all waste byproduct generated in the recycling process.

(c) Used oil collectors shall maintain complete records of—

(1) the quantities and types of used oil collected; and

(2) the quantities and types of used oil—

(A) delivered to recyclers; and

(B) otherwise disposed of (including the place of disposal).

(d) Records required to be kept by this section or any other provision of this Act shall be kept in accordance with regulations promulgated by the Secretary of the Treasury, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency acting jointly.

REPORTS

SEC. 8. The Administrator of the Environmental Protection Agency shall make reports to Congress not later than March 31 of each year, containing, but not limited to, the following information—

(1) the amount of automotive and industrial oil sold throughout the United States each year;

(2) the amount of used oil recycled each year;

(3) the significance of used oil as a contributor to water pollution and other environmental problems; and

(4) the problems of the oil recycling industry (including new technological requirements and necessity for tax incentives).

MANDATORY LICENSING

SEC. 9. Whenever the Administrator of the Environmental Protection Agency determines that—

(1) in implementing the provisions of this Act, a United States patent right not otherwise available is necessary to enable any person to comply with this Act;

(2) there are no reasonable alternative methods to accomplish this Act's purposes; and

(3) the unavailability of such patent right may result in a substantial lessening of competition or a tendency to create a monopoly in any line of the Nation's commerce; the Administrator, through the Attorney

hearing, may determine.

General, may so certify to a district court of the United States, which may order the person owning the patent to license it on such reasonable terms as the court, after hearing, may determine.

PENALTIES AND ENFORCEMENT

SEC. 10. Any person violating any provision of this Act which does not provide for specific penalties or punishment thereunder shall upon conviction thereof be guilty of a misdemeanor which shall be punishable by a term of six months in prison for each violation, or a fine of not to exceed $25,000, or both.

(b) It shall be the duty of the Attorney General to prosecute violations of this Act.

GRANTS AND APPROPRIATIONS

SEC. 11. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, $25,000,000 for grants to the States to assist them in fulfilling the purposes and provisions of this Act. The Administrator of the Environmental Protection Agency shall make allotments to the States, not to exceed 10 cents per capita for any State based on the latest national census, when he has determined that they are in compliance with this Act. The Administrator may prescribe regulations, pursuant to this Act, governing the expenditure of the allotments.

(b) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1975, and for each succeeding fiscal year through the fiscal year ending June 30, 1978, $10,000,000,000 for the development of new processes and technology to be used in the economical and ecological recycling of used oil. The Administrator of the Environmental Protection Agency may make grants of this money, pursuant to regulations and requirements he shall adopt, to private parties, or use this money within the Environmental Protection Agency for the above purposes.

(c) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, through the fiscal year ending June 30, 1978, $5,000,000 for the development of standards and testing methods to facilitate the comparison of recycled oil with new oil. The Secretary of Commerce may make grants of this money, pursuant to regulations and requirements he shall adopt, to private parties, or use this money within the Department of Commerce for the above purposes.

AMENDMENTS TO INTERNAL REVENUE CODE

SEC. 12. (a) Subpart B of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to lubricating oil) is amended to read as follows:

"SUBPART B—LUBRICATING, HYDRAULIC, AND CUTTING OILS

"Sec. 4091. Imposition of tax.
"Sec. 4092. Definitions.
"Sec. 4093. Exemption of sales to producers.

"SEC. 4091. IMPOSITION OF TAX.

"There is imposed on lubricating, hydraulic, and cutting oils (other than recycled oils) which are sold in the United States by the manufacturer or producer a tax of 6 cents per gallon, to be paid by the manufacturer or producer.

"SEC. 4092. DEFINITIONS.

"(a) Certain Vendees Considered Manufacturers or Producers.—For the purposes of this subpart, a vendee who purchases lubricating, hydraulic, or cutting oils exempt from tax under section 4093 is considered to be the manufacturer or producer of such oils.

"(b) LUBRICATING OIL.—The term 'lubricating oil' means all oil regardless of origin, which—

"(1) is suitable for use as a lubricant, or

"(2) is sold for use as a lubricant.

"(c) HYDRAULIC OIL.—The term 'hydraulic oil' means all oil which is used primarily to transmit power or pressure, but which may also serve lubricating and other functions.

"(d) CUTTING OIL.—The term 'cutting oil' means all oil which is used primarily in cutting, milling, and machining operations (including forging, drawing, rolling, shearing, punching, and stamping), but which may also serve lubricating and other functions.

"(e) RECYCLED OIL.—The term 'recycled oil' means used oil which has been re-refined, or otherwise processed to remove the physical and chemical contaminants acquired through use, which by itself or when blended with new oil or additives is substantially identical or superior to new oil intended for the same purposes.

"SEC. 4093. EXEMPTION OF SALES TO PRODUCERS

"Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under this subpart upon lubricating, hydraulic, or cutting oils sold to a manufacturer or producer of such oil for resale by him.".

(b)(1) Section 6424 of such Code (relating to lubricating oil not used in highway motor vehicles) is repealed.

(2) The item relating to section 6424 in the table of sections for subchapter B of chapter 65 of such Code is repealed.

(3)(A) Section 6675(a) is amended by striking out "6424 (relating to highway oil not used in highway motor vehicles,"; and

(B) Section 7603, 7604, and 7605 are amended by striking out "6424(d)(2)," each place it appears therein.

(c) Section 39 of such Code (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended—

(1) by inserting at the end of subsection (a)(2) the word "and";

(2) by striking out subsection (a)(3);

(3) by redesignating subsection (a)(4) as (a)(3); and

(4) by striking out "6424," and "6424(g)." in subsection (c).

(d) The amendments made by this section apply to lubricating, hydraulic, and cutting oils sold on and after the first day of the first calendar quarter beginning more than thirty days after the date of enactment of this Act.

EFFECTIVE DATE

SEC. 13. The provisions of this Act, except as otherwise provided, shall be effective after ninety days following the date of enactment of this Act.

By Mr. DOMENICI (for himself, Mr. METCALF, Mr. BAYH, Mr. HUMPHREY, Mr. LAXALT, Mr. MCGOVERN, Mr. MOSS, and Mr. WILLIAMS):

S. 552. A bill to amend the Mining and Minerals Policy Act of 1970, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMENICI. Mr. President, I rise to introduce in behalf of myself, my principal cosponsor (Mr. METCALF), and we have been joined by Senators BAYH, HUMPHREY, LAXALT, MCGOVERN, MOSS, and WILLIAMS, a bill to amend the Mining and Minerals Policy Act of 1970.

Mr. President, we introduce this measure for consideration in this Congress because we believe that now more than in previous years it is time to promote development of our domestic mining industry.

This need becomes apparent when you look over events of the past year. During 1974 there was a United Nations conference to discuss raw materials and the needs of the developing countries which produce many of them. At this conference, Algeria and other Arab countries encouraged producers of bauxite, copper, and other minerals vital to the industrial world to form marketing groups.

During 1974, Zaire and Zambia announced plans to coordinate copper-production policy. As Senators are aware, copper production is concentrated in Chile, Peru, Zambia, and Zaire.

In 1974, Jamaica and Guyana demanded higher taxes from American aluminum companies. Bauxite production is concentrated in Jamaica, Guinea, Surinam, Guyana, and the Dominican Republic which supply about 40 percent of world output. Australia supplies about 28 percent and no other developed country supplies a major portion of its own requirements.

The United States has become increasingly dependent upon imports for large amounts of several materials which are considered crucial for modern industry. These include: bauxite, chromium, manganese, nickel, tin, tungsten, and zinc.

The Congress must act soon to bring about the development of an economically sound and stable domestic mining industry or we may be faced with a crisis situation similar to that we are facing with energy today.

Many of those present today will recall when the Mining and Minerals Policy Act was considered by the Senate and subsequently became Public Law 91–631. This legislation had wide bipartisan support, and a number of Senators present today cosponsored the measure. We believe that this act has fulfilled a basic need. The act alerted the Congress to the fact that development of domestic mineral resources are not keeping pace with domestic demand, with unfortunate effects upon the entire economy.

Mr. President, the Mining and Minerals Policy Act is a simple statement of policy which states:

> The Congress declares that it is the continuing policy of the Federal Government in the National interest to foster and encourage private enterprise in (1) the development of economically sound and stable domestic mining, minerals, metal and mineral reclamation industries; (2) the orderly and economic development of domestic mineral resources, reserves, and reclamation of metals and minerals to help assure satisfaction of industrial, security and environmental needs; (3) mining, mineral, and metallurgical research, including the use and recycling of scrap to promote the wise and efficient use of our natural and reclamation mineral resources; and (4) the study and development of methods for the disposal, control, and reclamation of mineral waste products, and the reclamation of mined land, so as to lessen any adverse impact of mineral extraction and processing upon the physical environment that may result from mining and mineral activities.

This statement of policy is an excellent beginning. However, it does not provide the means to bring about "the development of economically sound and stable domestic mining, minerals, metal, and mineral reclamation industries."

Mr. President, the bill which we introduce today will provide a single government organization as an information base so that data available in the public and private sectors can be brought to bear properly upon questions of concern to all.

The council will be responsible for coordinating the policy spelled out in the Mining and Minerals Policy Act so that the American people will have a clear understanding of where this Nation stands in the development of domestic minerals resources.

The bill establishes an organization to provide a factual basis for the formulation and implementation of laws, regulations, and policies on the mining industry.

Mr. President, a good example of the need for this type of coordination becomes apparent when you consider that the Mining and Minerals Policy Act of 1970 requires the Secretary of the Interior to make an annual report to the Congress on the state of the domestic mining, minerals, and mineral reclamation industries. The second annual report was submitted to the Congress in June 1973. As of this date, the Congress has not received the third annual report.

While many economists, exploration engineers, and geologists have stressed their concern with our dwindling resources over the past 20 years, little action has been taken to remedy the problem. Even though Government experts now predict that the United States could depend on imports for as much as half of its supplies of basic raw materials by 1985.

A recent report from the Joint Committee on Defense Production reveals that since 1940 the United States has consumed an estimated $260 billion worth of minerals—about equal to the amount used by the entire world in all history before 1940.

Mr. President, we would like to bring to the attention of the Senate the April 29, 1974, Comptroller General's report to the Congress concerning "U.S. Actions Needed to Cope with Commodity Shortages."

I ask unanimous consent that a portion of the Comptroller General's report which deals with minerals be printed in the RECORD at the end of these remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, we feel that if this bill is enacted, it will bring into focus the need for development of an economically sound and stable domestic mining industry and will help to stimulate domestic production.

EXHIBIT 1

REPORT TO THE CONGRESS: U.S. ACTIONS NEEDED TO COPE WITH COMMODITY SHORTAGES

(By the Comptroller General of the United States)

POLICY PLANNING SYSTEMS REQUIREMENTS FOR ENERGY AND NONENERGY MINERALS

Policy planning requirements in the minerals area are similar to those associated with agriculture. Both areas involve resource scarcity issues resulting from rising population and affluence imposed on a finite supply and global economic boom.

Policymaking in both areas also must contend with the same multiplicity of variables including:

Limits of productivity.

Technological capability and its relationship to resource development.

Trends in land use and availability of other production inputs.

Production-inhibiting effects of environmental regulations.

Unpredictable and uncontrollable foreign political and strategic developments affecting foreign demand, supply, and price.

Long-term foreign diplomatic and economic trends.

Policy planning for minerals and agricultural commodities is also characterized by various competing public policy objectives. This competition, particularly between environmental protection and increased productivity, has intensified as fears of scarcity have spread. It has also generated varying degrees of conflict on the extent of transformation in the present environment, necessary adjustments to a transformed environment, and respective roles of government and industry in achieving those adjustments.

Finally, both areas exhibit a complexity requiring integrated and coordinated policy-planning structures capable of collecting, analyzing, and assimilating large volumes of data on diverse international and domestic developments and on forging consensus on policy objectives for optimum satisfaction of competing interests. Despite recent organizational and policy initiatives, neither area is currently approached with adequate institutional frameworks.

Despite these similarities, the challenge of developing policy planning systems for minerals is greater than that for agriculture. While both are resource allocation issues from a global perspective, the minerals area presents for the United States the added problem of resource acquisition. In contrast to the near self-sufficiency the United States enjoys in agriculture, it is increasingly dependent for energy and nonenergy minerals upon frequently unreliable foreign sources at a time of growing risk for U.S. foreign direct investment in extractive industries and an increased inclination and capacity on the part of suppliers to dictate the volume, price, and direction of their raw materials exports. This dependency, the sheer number of minerals and mineral sources involved, and the inherent difficulty of measuring and projecting resources located within the earth multiplies the relevant variables and imposes great demands on policy planning systems.

As a result of these complexities and the weaknesses in present policy planning efforts, agency positions on minerals policy have not coalesced to the extent that they have in agriculture. Different perceptions of the problems prevail within and between responsible agencies. Thus, policy development is inhibited less by a lack of consensus on specific issues than by an inability to define the issues, understand trends in minerals supply and demand, and conceptualize the relationship between these trends and national objectives.

Uncertainties of the present environment

Volume of Domestic Demand

The aggregate volume of domestic demand for minerals can be projected within broad parameters based on current volume of consumption, projected gross domestic product, population growth, and trends in intensity of use. Volume of import demand is difficult to project, since it depends upon the difference between aggregate demand and domestic supply and the supply variables introduce considerable uncertainty. Projections of the total value of import demand for petroleum and nonenergy minerals are subject to wide ranges of interpretation. Finally, it is difficult to discern the responsiveness of demand to price increases.

Volume of Domestic Supply

The data gaps and uncertainties are relatively greater here. Resources and reserves of energy and nonenergy minerals are particularly resistant to projections. (Interior defines reserves as "known, identified deposits of mineral-bearing rock from which the mineral or minerals can be extracted profitably with existing technology and under present economic conditions" and resources as including reserves and "other mineral deposits that may eventually become available—either known deposits that are not economically or technologically recoverable at present, or unknown deposits that may be inferred to exist.")

Further uncertainties include the nature of economic incentives necessary to convert resources to reserves, level and character of private industry exploration and investment in research and development, effects of environmental regulations on exploration and refining, potential rates of resource recovery through recycling, availability of production inputs (energy required for mineral exploration and industrial materials available for energy exploration), and possible levels of foreign demand for U.S. supply. The latter variable increases the uncertainties because of changes in currency values and the forces influencing foreign countries' productivity, foreign reserves, indigenous mineral supplies, and import policies. The U.S. Government data gaps are particularly serious in this area.

Volume of Foreign Supply

This area contains great uncertainties, and serious data limitations. Calculations and projections of foreign resources and reserves are frequently little more than educated guesses, and the uncertainties attending other domestic supply variables are magnified. Furthermore, because the operative issue from the U.S. perspective is the export availability of foreign supply, other variables must be introduced. These include the identification of foreign government attitudes and policies on U.S. foreign investment; increased desire and ability of suppliers to conserve and strengthen national control over their materials resources; incidence of cartelization and producer country alliances affecting price, volume, and direction of exports; and increased international competition for available supplies from other consumer countries and coalitions. These nonmarket forces are not susceptible to precise prediction but do represent trends increasingly significant in global raw materials markets.

By Mr. HUGH SCOTT:

S. 553. A bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rates of postage on second-class and third-class bulk mailing applicable to certain nonprofit organizations. Referred to the Committee on Post Office and Civil Service.

Mr. HUGH SCOTT. Mr. President, I am pleased to introduce a bill to extend to volunteer fire companies and volunteer ambulance and rescue companies the rates of postage on second-class and third-class bulk mailings applicable to certain nonprofit organizations. Representative Biester is offering a counterpart measure in the House of Representatives.

This legislation will correct an inequity which I believe is not within the spirit of those sections of postal regulations which grant reduced rate mailing privileges to educational, religious, and veterans organizations. Under current law, fire companies and rescue organizations are considered to function as civic organizations and, therefore, do not qualify to mail at the special rates of postage.

With public financial support dwindling, volunteer emergency organizations, fire companies, and rescue units need every reasonable assistance in their fund-raising efforts. Postage is a significant item of fund raising expenses, and a reduction in this cost through access to reduced rate mailing privileges would be helpful to our volunteer fire companies and emergency groups.

When the emergency alarm sounds at all hours of the day and night, it is reassuring to know that our dedicated firefighters and rescue personnel are ready to answer the call. We have recognized the need which exists here—now let us respond.

I ask unanimous consent that the text of my bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4539(e)(2) of title 39 of the United States Code is amended by inserting after the word "fraternal," the words "volunteer fire companies, volunteer ambulance and rescue companies,".

Sec. 2. Section 4452(d) of such title is amended by inserting after the word "associations" where it appears in the first sentence a comma and the words "and volunteer fire companies, volunteer ambulance and rescue companies,".

By Mr. FANNIN:

S. 554. A bill to encourage States not presently having in effect an approved medicaid plan to establish and put into effect such a plan. Referred to the Committee on Finance.

Mr. FANNIN. Mr. President, this bill, which I had originally introduced on December 9 during the last Congress, will facilitate the establishment of a medicaid program in Arizona. Specifically, this amendment will permit Arizona to take advantage of title XIX funds to develop Arizona's capacity to manage its medicaid program.

It is no secret that Arizona is the last State to establish a medicaid program. Its reluctance to enter into this program when passed initially was based on the fear of runaway costs and their very real financial implications to the financial integrity of the State. These fears were proven correct as numerous States found themselves with financial problems of considerable proportions. The State of Arizona then took the position that until the Federal Government corrected some of the deficiencies in the program it would not participate. With the passage of Public Law 92-603, the Social Security Amendments of 1972, however, the State determined that with the modifications in the medicaid law provided for under Public Law 92-603 it could establish a medicaid program without fear of major financial difficulties. Consequently, the Arizona State Legislature passed and the Governor approved a bill last year to establish a medicaid program with delivery of services set for October 1, 1975. The reason the State chose to begin services on October 1 was to allow for planning, administrative development, and the installation of a mechanized claims processing and informational retrieval system; all of which were considered vital to proper financial management of this program.

In preparing for the implementation of this program, however, the State found that Federal matching funds for meeting administrative costs provided for under the act could not be made available to Arizona until 3 months preceding the date of service delivery and the approval of a State medicaid plan. In addition, the Department of Health, Education, and Welfare determined that costs for developing a computer claims processing system, which HEW developed, would be unavailable to Arizona since such administrative startup funds are, according to HEW interpretation, only available to current operating programs.

Understandably, the State of Arizona is concerned that while embarking on a major program, it now finds itself without adequate funds to prepare for the implementation of a program which could conceivably serve 260,000 medically indigent Arizonans at a cost of approximately $130 million in Federal-State funds. Since this problem is a result of the interpretation of current law by the Department of Health, Education, and Welfare, I am proposing legislation which would have the effect of enabling the Department to make available funds sufficiently in advance of the delivery of services to permit the State of Arizona to meet its deadlines in program development and install the most efficient and effective procedures and mechanisms to operate the program. This legislation will promote better service to the recipient and yet protect the taxpayer.

In brief, the proposed legislation provides that where a State intends to put into effect a medicaid program no later than January 1, 1976, it may apply for Federal administrative matching funds beginning as early as July 1, 1974. This will extend the period of time for the availability of such funds to enable the State, with Federal assistance, to proceed with its startup plans without having to have approved a State plan. It is my view that this is what the Congress intended in regard to providing Federal matching funds for meeting administrative startup costs for this program. This legislation, therefore, corrects minor deficiencies in the law and will immeasurably assist the State of Arizona in developing an efficient and effective medicaid program.

By Mr. BEALL:

S. 556. A bill to permit withholding of State income taxes from compensation of members of the Armed Forces. Referred to the Committee on Finance.

Mr. BEALL. Mr. President, I am sending to the desk, legislation that would authorize the Department of Defense to withhold State taxes from the pay of military personnel.

Last summer I received a correspondence from the Honorable Louis L. Goldstein, comptroller of the treasury for the State of Maryland, outlining the advantages that would accrue to the State and to the individual members of the Armed Forces should Congress authorize the military to withhold State taxes. Mr. President, I ask unanimous consent that the text of Comptroller Goldstein's letter be printed in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

COMPTROLLER OF THE TREASURY,
Annapolis, Md., August 30, 1974.

Hon. J. GLENN BEALL, Jr.
Senate Office Building
Washington, D.C.

RE: Withholding of State tax from members of the military—amendment to public law 587-82.

DEAR SIR: As Comptroller of the Treasury, in the administration of the income tax laws of the State of Maryland, I respectfully request your support in a matter that will increase the efficiency of our tax collection process.

The National Association of Tax Administrators, at their 1974 annual summer session, concluded and resolved that there are state compliance problems which are becoming increasingly serious in the case of military personnel. This is occasioned by the fact that Public Law 587–82 does not authorize the withholding of state taxes from the pay of members of the Armed Forces. The resulting consequence is significant revenue losses to the states and unusually large multiple year tax deficiencies by service personnel at such time as they are made aware of their tax obligations.

Our experience with the military indicates that, when absent from their home state, a vast majority are misinformed as to their responsibilities and would in fact welcome having payroll deductions.

With the advent of computerized central payroll systems, it would appear feasible and relatively uncomplicated, procedure-wise, for the particular Federal agency to withhold the appropriate state income tax from the pay of military personnel much in the same manner as they are now withholding from their civilian employees.

Your favorable consideration to the amendment of Public Law 587–82, so as to accomplish the above purpose, would be very much appreciated.

With kindest regards and best wishes, I am,

Cordially yours,

Louis L. Goldstein.

Mr. BEALL. Mr. President, after receiving Comptroller Goldstein's letter, I contacted the Department of Defense in an effort to ascertain their views on this matter. I received a letter from Vice Admiral John G. Finneran, USN, the Deputy Assistant Secretary of Defense for Manpower and Reserve Affairs—military personnel policy—commenting in general on the Department's position, and I would ask unanimous consent that the text of this letter be printed in the Record at this point in my remarks.

Assistant Secretary of Defense,
Washington, D.C., October 3, 1974.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: This is in response to your referral of September 18, 1974, concerning a letter from Mr. Louis L. Goldstein, Comptroller of the Treasury for the State of Maryland, in which he seeks your support for legislation to authorize the withholding of state income tax from the pay of military personnel.

The Department of Defense is not in a position to readily comment on whether such a proposal would be supported or opposed by the Administration. Were such a proposal introduced, it would receive every consideration by the DoD, just as with any other legislative proposal on which we are requested to comment.

This Department accepts, as a responsibility, an obligtaion to generally make our military members aware of possible state tax liabilities. In March of this year, a renewed and more vigorous information effort was undertaken in this regard. Among other initiatives, this effort will ensure that the subject of state taxation will be fully covered on an annually recurring basis.

As an observation, it should be pointed out that the withholding of state income tax from military pay would not likely be achieved with the relative ease envisioned by your constituent. The number of military personnel, the transitory nature of military duty assignments, the differences in state tax laws and the lack of total computerization of military pay would complicate administration of such withholding and could result in a considerable cost to the Services.

I trust this information will be of assistance to you in preparing a response to Mr. Goldstein.

Sincerely,

John G. Finneran,
Vice Admiral, USN, Deputy Assistant Secretary of Defense.

Mr. BEALL. Mr. President, the legislation I am introducing today would permit State income taxes to be withheld from the pay of members of our Armed Forces. I would hope that the appropriate committees will give this matter a prompt and thorough review.

By Mr. DOMENICI (for himself and Mr. Montoya):

S. 557. A bill to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMENICI. Mr. President, I introduce today a measure which would set aside a tract of approximately 480 acres of Federal land, now administered by the Bureau of Land Management, to be held in trust for the pueblo of Laguna, N. Mex. I am pleased to be joined by my distinguished colleague from New Mexico (Mr. Montoya).

The tract, which is adjoined on the north, east, and south by lands already held by the United States in trust for the pueblo of Laguna, is currently used by the pueblo under a permit from the Bureau of Land Management. Although this bill was not part of the Bureau of Land Management or Bureau of Indian Affairs legislative program, I understand that neither agency has indicated any objection and I know of no other persons or groups having any interest in these lands.

I urge prompt and favorable action on this measure and I also ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the pueblo of Laguna:

New Mexico Principal Meridian

Township 9 north, range 3 west section 30, northwest quarter and south half, containing 480 acres, more or less.

By Mr. CHURCH.

S. 560. A bill to amend title II of the Social Security Act to increase the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and for other purposes. Referred to the Committee on Finance.

INCREASE THE SOCIAL SECURITY RETIREMENT TEST TO $3,000

Mr. CHURCH. Mr. President, I introduce for appropriate reference, a bill to raise the social security retirement test to $3,000 a year.

During the past 2 years the Senate Committee on Aging has conducted extensive hearings on "future directions in social security."

These hearings have concentrated on several issues directly affecting older Americans, such as the retirement test.

Ideally speaking, I would like to see the earnings limitation abolished completely for persons under age 72. But in terms of legislative feasibility, such a proposal has almost no chance for enactment now because of cost considerations and the administration's opposition.

For these reasons, I have sponsored legislation to raise the retirement test to a more realistic level.

And, today I introduce a bill to increase the annual earnings limitation to $3,000.

In recent years the Congress has made significant improvements in the retirement test.

First, the annual exempt earnings limitation has increased by 50 percent during the past 3 years, from $1,680 to $2,520.

Second, benefits are now reduced by $1 for each $2 of earnings above the ceiling. Under prior law, this $1-for-$2 feature applied only to a $1,200 wage band between $1,680 and $2,880. Any earnings above this amount reduced social security benefits on a dollar-for-dollar basis.

Third, an automatic adjustment mechanism has been built into the retirement test. Beginning this year the earnings ceiling is to be increased in proportion to the rise in average earnings, whenever social security benefits are raised automatically.

Despite these reforms, there is still a critical need to improve the retirement test.

With inflationary pressures intensifying, many older Americans are discovering that they must work to supplement their retirement income.

Social security, of course, provides valuable protection. But benefit levels are frequently inadequate. In fact, the average monthly benefit for all retired workers is just $187. On a weekly basis, this amounts to a little more than $40.

Consequently, it is necessary for many elderly persons to work if they want to live independently. Instead of being penalized, they should be given every opportunity to help themselves.

My proposal, it seems to me, would be a constructive measure to help those who have been hard pressed by our unacceptably high level of inflation.

The work ethic is very strong among most elderly persons. Much of the progress we now enjoy is because of their earlier labor.

Our national policies should encourage—not discourage—those who want or need to work.

Time and time again, I ask myself this fundamental question: Why should our Nation deny older Americans the opportunity to remain active during their later years, particularly since inactivity is one of their greatest enemies.

Most elderly persons have lived very vigorous lives during their working years. And they should continue to be active participants.

Advancing age need not be a time of neglect and despair. It can and should provide an opportunity for continued self-development and fulfillment.

If this goal is to be achieved, we must remove employment disincentives for older workers.

For these reasons, I urge the adoption of my bill to increase the annual earnings ceiling under social security to $3,000.

Mr. President, I ask unanimous consent that the text of this proposal be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraphs (1), (3), and (4)(B) of section 203(f), and paragraph (1)(A) of section 203 (h), of the Social Security Act are each amended by striking out "$200" and inserting in lieu thereof "$250".

(b) The amendments made by subsection (a) shall apply with respect to taxable years ending after December 1975.

SEC. 2. (a) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended—

(1) in paragraph (5), by striking out "4.95" and inserting in lieu thereof "5.0", and

(2) in paragraph (6), by striking out "5.95" and inserting in lieu thereof "6.0".

(b) Section 3111(a) of such Code (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended—

(1) in paragraph (5), by striking out "4.95" and inserting in lieu thereof "5.0", and

(2) in paragraph (6), by striking out "5.95" and inserting in lieu thereof "6.0".

By Mr. KENNEDY:

S. 561. A bill to provide for the adjustment of status of certain aliens under the Immigration and Nationality Act, and for other purposes. Referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, I am introducing today a bill to amend the Immigration and Nationality Act.

The bill is an effort to contribute an additional legislative alternative in the continuing discussion over how to deal with the issue of illegal aliens. A great deal has been said about this issue in recent years, and the time is long overdue for Congress to enact meaningful legislation in this important area of public policy and concern.

The bill I am introducing today accomplishes four principal objectives.

First, the bill places reasonable civil penalties on the employers of illegal aliens.

Second, the bill provides an authority for the Attorney General to regularize the status of certain illegal aliens, and certain other aliens present in the United States in violation of law, who have resided continuously in our country for at least 3 years. The primary purpose of this provision is to recognize the de facto situation of many illegal alien families, who have not only resided in the United States for a number of years, but who also have American citizen family members and have fully adjusted to the community in which they live. For humanitarian, family unity, and hardship reasons, I am hopeful we can be compassionate and humane in dealing with the problem of illegal aliens. I am hopeful we have the good sense to avoid the mass deportations contemplated in some quarters, which would seriously injure many people and families, and the ideals for which our country stands.

Third, the bill provides for the adjustment of status of nonimmigrant aliens from Western Hemisphere countries on the same basis as nonimmigrant aliens from Eastern Hemisphere countries.

And fourth, the bill amends the Civil Rights Act of 1964 to bar job discrimination against alien refugees "lawfully present" in the United States, and "aliens lawfully admitted for permanent residence."

Mr. President, the bill I introduce today, and any similar legislation, offer no panacea in resolving the issue of illegal aliens. I believe, however, that action on the immediate immigration aspects of this issue, which are addressed in my bill, will go a long way in providing a remedy and meaningful reform.

But the issue also has other immigration dimensions, including the need for new general legislation involving the more equitable allocation of visas to immigrants from Western Hemisphere countries. And I shall shortly introduce a bill for this purpose.

And finally, the issue has economic and social dimensions, which not only involve our own citizens and society, but also our diplomacy in the international community and our relations with other countries.

The time is past due to face squarely the issue of illegal aliens, and the many domestic and foreign relations problems involved. I am hopeful that Congress will finally move on this issue, and that meaningful legislation will be enacted within the near future. I am also hopeful that the administration will actively join this effort, and that the President's new Domestic Council Committee on Illegal Aliens will closely work with Congress in accomplishing the goal all of us seek.

Mr. President, I ask unanimous consent that the text of the bill I am introducing and a brief summary of its summary be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Immigration and Nationality Act Amendments of 1975".

SEC. 2. (a) Notwithstanding any other provisions of law, and without regard to the numerical limitations specified in the Immigration and Nationality Act (8 U.S.C. 1101), the status of any alien who on January 1, 1975 was in the United States in violation of law may be adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence if—

(1) the alien makes an application for such adjustment: and

(2) the alien has resided continuously in the United States for at least three years on the date of enactment of this Act.

(b) The provisions of this section shall be applicable to any alien described in subsection (a) of this section, who is physically present in the United States on the date of enactment of this Act and to the spouse and child of any such alien who are present with such alien in the United States.

(c) Upon approval of an application for adjustment of status under subsection (a) of this section, the Attorney General shall record the alien's lawful admission for permanent residence as of the date of the order of the Attorney General approving the application for adjustment of status.

(d) Application for adjustment of status pursuant to the provisions of subsection (a) of this section may be made on or after the date of enactment of this Act, but not later than the last day of the first fiscal year beginning on or after the date of enactment of this Act.

(e) Except as otherwise provided in this section, the definitions contained in section 101 of the Immigration and Nationality Act shall apply to this section.

SEC. 3. Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended to read as follows:

"SEC. 345. (a) The status of an alien, other than an alien crewman or any alien admitted in transit without visa under section 238(d), who was inspected and admitted or paroled into the United States may be adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence if (1) the alien makes an application for such adjustment, (2) the alien is eligible to receive an immigrant visa and is admissible to the United States for permanent residence, and (3) an immigrant visa is immediately available to him at the time his application is filed: *Provided*, That any alien who meets the qualifications of an alien refugee as set forth in section 203(a)(7) as determined by the Secretary of State, shall be eligible to make an application for adjustment regardless of such alien's means of entry into the United States.

"(b) Upon the approval of an application for adjustment made under subsection (a), the Attorney General shall record the alien's lawful admission for permanent residence as of the date the order of the Attorney General approving the application for the adjustment of status is made, and the Secretary of State shall reduce by one the number of the preference or nonpreference visas authorized to be issued under section 203(a) within the class to which the alien is chargeable, for the fiscal year then current."

SEC. 4. (a) Section 249(a) of the Immigration and Nationality Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "October 3, 1965".

(b) The heading of section 249 of such Act is amended by striking out "JUNE 30, 1948" and inserting in lieu thereof "OCTOBER 3, 1965".

(c) Item 249 in the table of contents of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "October 3, 1965".

SEC. 5. Section 274 of the Immigration and Nationality Act (8 U.S.C. 1324) is amended by deleting the proviso in paragraph 4, subsection (a) and by redesignating subsection (b) as subsection (c) and adding new subsections (b), (c), and (d) to read as follows:

"(b)(1) It shall be unlawful for any employer, or any person acting as an agent for such an employer, or any person who for a fee, refers an alien for employment by such an employer, to hire and employ after the effective date of this Act, or refer for employment, any alien in the United States who has not been lawfully admitted to the United States for permanent residence, unless the employment of such alien is authorized by the Attorney General: *Provided*, That an employer, referrer, or agent shall not be deemed to have violated this subsection if he has made a bona fide inquiry whether a person hereafter employed or referred by him is a citizen or an alien, and if an alien, whether he is lawfully admitted to the United States for permanent residence or is authorized by the Attorney General to accept employment: *Provided further*, That evidence establishing that the employer, referrer, or agent has obtained from the person employed or referred by him a signed statement in writing in conformity with regulations which shall be prescribed by the Attorney General that such person is a citizen of the United States or that such person is an alien lawfully admitted for permanent residence or is an alien authorized by the Attorney General to accept employment, shall be deemed prima facie proof that such employer, agent, or referrer has made a bona fide inquiry as provided in this paragraph. The Attorney General of the United States shall prepare forms for the use of employers, agents, and referrers in obtaining such written statements and shall furnish such forms to employers, agents, and referrers upon request.

"(2) If, on evidence or information he deems persuasive, the Attorney General concludes that an employer, agent, or referrer has violated the provisions of paragraph (1), the Attorney General shall serve a citation on the employer, agent, or referrer informing him of such apparent violation.

"(3) If the Attorney General finds that any employer, agent, or referrer upon whom such citation has been served has thereafter violated the provisions of paragraph (1), the Attorney General shall assess a penalty of not less than $1,000 for each alien in respect to whom any violation of paragraph (1) is found to have occurred.

"(4) A civil penalty shall be assessed by the Attorney General only after the person charged with a violation under paragraph (3) has been given an opportunity for a hearing and the Attorney General has determined that a violation did occur, and the amount of the penalty which is warranted. The hearing shall be of record and conducted before an immigration officer designated by the Attorney General, individually or by regulation, and the proceedings shall be conducted in accordance with the requirements of title 5, section 554 of the United States Code.

"(5) If the person against whom a civil penalty is assessed fails to pay the penalty within the time prescribed in such order, the Attorney General shall file a suit to collect the amount in any appropriate district court of the United States. In any such suit or in any other suit seeeking to review the Attorney General's determination, the suit shall be determined solely upon the administrative record upon which the civil penalty was assessed and the Attorney General's findings of fact, if supported by substantial evidence on the record considered as a whole, shall be evidence on the record considered as a whole, shall be conclusive.

"(c) Any employer or person who has been assessed a civil penalty under subsection (b) (3) which has become final and thereafter violates subsection (b)(1) shall be assessed a civil penalty of not less than $2,000 for each alien in respect to whom any violation of this subsection occurs. The provisions of subsections (b)(4) and (b)(5) shall be applicable to violations of this subsection."

Sec. 6. The first paragraph of section 1546 of title 18 of the United States Code is amended to read as follows:

"Whoever forges, counterfeits, alters, or falsely makes any immigrant or nonimmigrant visa, permit, border crossing card, alien registration receipt card, or other document prescribed by statute or regulation for entry into or as evidence of authorized stay in the United States, knowing it to be forged, counterfeited, altered, or falsely made, or to have been procured by means of any false claim or statement, or to have been otherwise procured by fraud or unlawfully obtained; or".

Sec. 7. Nothing contained in this Act, unless otherwise specifically provided therein, shall be construed to affect the validity of any document or proceeding which shall be valid at the time this Act shall take effect, or to affect any prosecution, suit, action, or proceeding, civil or criminal, done or existing, at the time this Act shall take effect; but as to all such prosecutions, suits, actions, proceedings, statutes, conditions, rights, acts, things, liabilities, obligations, or matters, the statutes or parts of statutes repealed by this Act are, unless otherwise specifically provided therein, hereby continued in force and effect.

Sec. 8. (a) Section 7151 of title 5, United States Code, is amended by inserting immediately after "employees" the following: "who are citizens of the United States, aliens lawfully admitted for permanent residence, or aliens lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act".

(b) Section 703 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following new subsection:

"(k) As used in this section the term 'individual' applies to a citizen of the United States, an alien lawfully admitted for permanent residence, or an alien lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act."

SUMMARY OF IMMIGRATION BILL INTRODUCED BY SENATOR KENNEDY

Section 1: technical provision.

Section 2: provides an authority for the Attorney General, under such regulations as he may prescribe, to adjust the status "of any alien who on January 1, 1975 was in the United States in violation of law" to that of "an alien lawfully admitted for permanent residence."

(a) the alien must apply for such adjustment of status.

(b) the alien must have been physically present in the United States for at least 3 years.

(c) the alien must not be a criminal, a violator of the narcotics laws, or among any other such class of aliens inadmissable to the United States.

Section 3: provides for the adjustment of status of nonimmigrant aliens from Western Hemisphere countries on the same basis as non-immigrant aliens from Eastern Hemisphere countries.

Section 4: facilitates "a record of lawful admission for permanent residence" for an alien who is present in the U.S. in violation, and who entered the U.S. to October 3, 1965.

Section 5: bars the employment of illegal aliens and other aliens not authorized to work, and provides for a 3-step sanctions procedure on the employer of such aliens. The 3-step sanctions procedure, involving civil penalties, is as follows:

(a) After the first violation, the Attorney General "shall serve a citation" on the employer.

(b) In case of a second violation, the Attorney General shall assess such employer "a penalty of not less than $1,000 for each alien" employed.

(c) In case of a third violation, the employer "shall be assessed a civil penalty of not less than $2,000 for each alien" employed in violation of law.

Section 6: Strengthens present law regarding the falsification and forgery of immigration documents.

Section 7: Technical provision.

Section 8: Amends the Civil Rights Act of 1964 to bar job discrimination against alien refugees "lawfully present in the United States" and "aliens lawfully admitted for permanent residence."

Section 9: Technical provision.

By Mr. KENNEDY (for himself, Mr. Fong, Mr. Case, Mr. Humphrey, Mr. Inouye, Mr. McGee, and Mr. Mathias):

S. 562. A bill to provide international disaster relief assistance. Referred to the Committee on Foreign Relations.

INTERNATIONAL HUMANITARIAN ASSISTANCE ACT

Mr. KENNEDY. Mr. President, I am pleased to introduce today, on behalf of my distignniushed colleague, Senator Fong, the ranking minority member of the Subcommittee on Refugees, as well as on behalf of Senators Humphrey, McGee, Case, Inouye, and Mathias, a bill to establish a permanent statutory authority for International Humanitrian Assistance.

This legislation embodies the essential provisions of an amendment I offered in the last session of Congress to the Foreign Assistance Act, which was adopted by the Senate in its first consideration of the bill in October, and accepted by the Foreign Relations Committee in its reconsideration in December. However, during debate on the bill last session, questions were raised over the funding provisions of that amendment, and I agreed with the distinguished manager of the bill, Senator Humphrey, and with Senator Inouye, to delete that section in favor of a revised funding authority under a separate bill.

The bill I am introducing today accomplishes this goal by authorizing a permanent source for international relief assistance as well as a $50 million line-item appropriation for this fiscal year. Moreover, it establishes what I hope will be a permanent authority for international humanitarian assistance. The authorizing language and reporting requrments built into the bill are, I believe, very precise to insure that the funds appropriated are utilized solely for humanitarian purposes and not abused as so often has occurred under the existing contingency fund and disaster relief provisions of the Foreign Assistance Act. Funds made available under the International Humanitarian Assistance Act would be distributed through the Department of State, as well as the Agency for International Development.

Mr. President, this bill continues the long record of Congress and the American people in responding to humanitarian emergencies. Just last year Congress acted to meet famine needs in Africa, and the emergency relief requirements in Pakistan and Nicaragua, by authorizing a special foreign disaster assistance fund for fiscal year 1974. And last year, during consideration of the foreign aid bill, Congress enacted section 639B which provided substantial famine-and-disaster relief to the African Sahel for the first time.

This bill is a logical extension of these acts by Congress, and it advances our country's proud record of concern for our fellow man.

Mr. President, the first important feature of this bill is that it establishes a permanent authority for international humanitarian assistance in disaster situations which require large-scale relief, rehabilitation, and reconstruction assistance. This provision of the bill will allow our Government to meet unanticipated humanitarian disasters that have never been adequately met through the existing contingency fund.

The second provision of the bill is a specific authorization of $50 million for this fiscal year to meet the international relief, rehabilitation, and reconstruction needs caused by the massive flooding in Bangladesh, the civil and international strife in Cyprus, and the drought-and-famine conditions in the nations of Africa.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Humanitarian Assistance Act of 1975".

POLICY

SEC. 2. Recognizing that prompt United States assistance to alleviate human suffering caused by natural and man-made disasters abroad is an important expression of the humanitarian concern and tradition of the American people, the Congress affirms the willingness of the United States to provide assistance for the humanitarian relief, rehabilitation, and reconstruction of peoples and countries affected by such disasters. Such humanitarian assistance both symbolizes the concern of the United States for the welfare of people in need throughout the world, but also constitutes an important element in the foreign relations of the United States in its efforts to contribute to a stable international peace.

GENERAL AUTHORITY

SEC. 3. Notwithstanding any other provision of law, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief, rehabilitation, and reconstruction in the case of disasters that require large-scale relief and rehabilitation efforts.

APPLICABILITY OF FOREIGN ASSISTANCE ACT PROVISIONS

SEC. 4. Except as otherwise specifically provided, or as is inconsistent with the provisions of this Act, the provisions of part I of the Foreign Assistance Act of 1961 shall apply to the provisions of this Act.

INTERNATIONALIZATION OF ASSISTANCE

SEC. 5. Assistance made available under this Act shall be distributed to the maximum extent practicable under the auspices and direction of the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, or private voluntary agencies.

REPORTING REQUIREMENT

SEC. 6. Not later than six months after the date of enactment of this Act, and at the end of each six-month period thereafter, the President shall transmit to the Speaker of the House of Representatives, and the Committee on Appropriations and the Committee on Foreign Relations of the Senate a report describing fully and completely the disposition and use of funds made available by this Act, the steps he has taken to carry out the provisions of section 5 of this Act, and the extent to which assistance made available under this Act is being distributed under the auspices or direction of the organizations, institutions, and agencies described in such section.

AUTHORIZATION

SEC. 7. There are authorized to be appropriated to the President, to carry out the purposes of this Act, in addition to funds otherwise available for such purposes—

(1) such sums, not to exceed $50,000,000 in any fiscal year, as may be necessary for disaster relief, rehabilitation and reconstruction assistance in any country, including those countries referred to in clause (2) of this section; and

(2) for the fiscal year 1975, for international relief, rehabilitation, and reconstruction needs caused by the massive flooding and food shortages in the Peoples Republic of Bangladesh, the civil and international strife in the Republic of Cyprus, and the draught and famine conditions in various countries in Africa, $50,000,000.

Amounts appropriated pursuant to this section shall remain available until expended.

By Mr. HUMPHREY:

S. 563. A bill to provide for congressional reforms, to strengthen the role of Congress as a coequal branch of Government, and for other purposes. Referred to the Committee on Government Operations.

THE MODERN CONGRESS ACT OF 1975

Mr. HUMPHREY. Mr. President, I am today introducing the Modern Congress Act of 1975, legislation that will help transform Congress into an effective, up-to-date institution and strengthen its role as a coequal branch of Government.

A 20th century Congress cannot be content with employing 18th and 19th century techniques. Yet in many areas, the Congress of the United States has done just that. This is unfortunate, even when we are able to work cooperatively with an administration which respects the rights and responsibilities of the legislative branch, but it can lead to a critical situation when an administration ignores or contravenes congressional mandates under statutory laws.

Part of the solution to this dilemma involves getting our own house in order.

We have already dealt with the problem of examining the national budget in a comprehensive, logical manner by passing the Congressional Budget and Impoundment Control Act.

But further reform measures are needed. I have separately introduced legislation to study the need to reorganize the various Senate committees to avoid overlap and fragmentation, and to establish legislative review subcommittees within the Senate's standing committees.

The Modern Congress Act which I offer today, is designed to further strengthen the role of Congress as a coequal branch of Government by providing it with the tools and mechanisms needed to meet the challenges that face us in carrying out our constitutionally delegated responsibilities.

Title II formalizes a "state of the Congress" report which is currently done on an informal basis by the congressional leadership. This report would review the initiatives, priorities, and shortcomings of the session just completed and would take the form of speeches by designated members of the majority and minority parties to be presented within the first 10 days of each session of Congress.

By establishing a tradition of significance through this event, Congress would have a valuable opportunity to make the public more aware of its operation and it might have the desirable side-effect of generating more interest in the legislative process. Moreover, Congress might also begin to receive more of the recognition it deserves for its various accomplishments.

More than 60 percent of the Members of this Congress have, at one time, served as members of State legislative bodies. Title III provides a formal means for intergovernmental exchange by creating a permanent, 24-member bipartisan Federal-State Legislative Council to explore, research, and recommend solutions to problems of mutual concern.

Congress needs 50 functioning State legislatures, and the State legislatures need the Congress. The work of the Council would nurture a cooperative relationship and could bring a new dimension to American federalism. Six Senators and six Representatives would serve on the Council along with 12 State legislators.

With the lessons of excessive secrecy all too clear, Congress needs to open its processes to the public eye. The need for this is nowhere more obvious than in the area of committee hearings and sessions.

Title IV provides that all standing, joint, special, select, and conference committee meetings be open to the public, except in such cases where the subject matter involves national defense or when testimony may tend to defame or incriminate any person, and then only when the committee decides by a majority of those present to meet in executive session.

Congress is an arm of the people, and the public has every right to be completely informed of the deeds of its representatives. Accountability is something the public demands and Congress must preserve if it is to keep the trust of the people.

Title V of my bill creates an Office of Congressional Communications. The quality of congressional information and communications system has a major, direct bearing on the decisions we make in this Chamber. Perhaps the most glaring deficiency has been our failure to keep abreast of the innovations in the field of communications, a field so basic to the duties of a Congressman. Large organizations have benefited from modernized technical facilities and such changes in Congress are long overdue.

Advances in the field of video recording offer great potential to congressional offices. The OCC would include a video library of news programs, documentaries and other appropriate broadcasts. The OCC would establish a network of television facilities within the Capitol itself and in Members' offices to allow monitoring of congressional hearings, floor proceedings, and other congressional business. News wire service facilities would also be available. Such innovative measures would hopefully make the Congress a better informed body, better able to make the important decisions we continually face.

Congress has continually suffered from the absence of legal counsel to represent it in court proceedings involving other agents of government. This situation would be rectified through the Office of Congressional Counsel which is established in title VI.

The counsel would be an independent legal adviser and advocate. Both Houses could employ his services to assert the intent of Congress especially when an administration obstructs or deliberately ignores the legislation of Congress.

Title VII would grant new powers to the General Accounting Office, one of the main factfinding arms of the legislative branch. Limitations now constraining the GAO make it difficult to obtain information vital to the operation of Congress. My bill gives the GAO new powers, such as the ability to subpena information and the power to bring individuals to court.

Mr. President, it is imperative that Congress regain much of the influence it seemingly has abdicated to the executive branch. This can be accomplished in many ways, not the least of which is by streamlining its own processes to gain greater efficiency.

The innovations contained in the bill are designed to bring the Congress up to the level of modernization which large organizations in other fields have enjoyed for years. The internal changes are no more than an effort to maximize the resources which the Congress already controls.

It is time that the Congress take a long, hard look at its own operation in order to prepare itself to deal effectively with the increasingly critical, complex, and urgent problems it surely must face. Through effective legislation and constant concern about the efficiency with which it conducts its business, the Congress can succeed in establishing itself at the forefront of American society's institutions.

Mr. President, I ask unanimous consent that the text of the Modern Congress Act of 1975 be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 101. This Act may be cited as the "Modern Congress Act of 1975"

POLICY AND PURPOSE

SEC. 102. It is the policy of the United States Congress that the public is entitled to the fullest practicable information regarding the initiatives, priorities, and the decisionmaking process of the Congress.

SEC. 103. The role of the U.S. Congress as a coequal branch of Government should be strengthened so that it may more effectively carry out its constitutionally delegated responsibilities.

SEC. 104. Existing methods and procedures need to be modified or new ones introduced to transform the U.S. Congress into an up-to-date institution able to effectively meet the challenges of the 20th century.

SEC. 105. Intergovernmental communication between legislative institutions at all levels should be encouraged because similar problems, outlooks, and goals are of mutual concern.

TITLE II—"STATE OF THE CONGRESS" REPORT

SEC. 201. To establish a tradition of significance and to increase public awareness of the role played by the U.S. Congress, the majority and minority leaders of the Senate and the House of Representatives shall, either jointly or individually, submit to the Congress and the President a "State of the Congress" message with respect to each session.

SEC. 202. (a) Each such message shall include statements, with respect to each session, concerning

(1) those matters about which Congress has taken the initiative;

(2) priorities established by the Congress;

(3) matters not acted upon by Congress but upon which Congress should act or have acted; and

(4) those other matters in the foreseeable future to which Congress must address itself.

(b) The "State of the Congress" message will be prepared at the end of each regular session of Congress and presented to the Nation within the first ten days of the subsequent session.

TITLE III—FEDERAL-STATE LEGISLATIVE COUNCIL

SEC. 301. (a) A Federal-State Legislative Council (hereinafter referred to as the "Council") is hereby established which shall be composed of twenty-four members appointed to achieve a geographic balance and representation as follows:

(1) six members to be appointed by the President of the Senate from the United States Senate;

(2) six members to be appointed by the Speaker of the House of Representatives from the United States House of Representatives;

(3) six members to be appointed by the President of the Senate from among a list of twenty-four persons nominated by the National Legislative Conference and the State legislative leaders organization from among the members of the upper legislative bodies of the several States; and

(4) six members to be appointed by the Speaker of the House from among a list of twenty-four persons nominated by the National Legislative Conference and the State legislative leaders organization from among the members of the lower legislative bodies of the several States.

(b) Of the members enumerated in subsection (a) (1) and (2) of this section, three shall be from the majority party of each House and shall be appointed from Members designated by the majority leaders of the respective Houses and three shall be from the minority party of each House and shall be appointed from Members designated by the minority leaders of the respective Houses. Of the Members enumerated in subsection (a) (3) and (4) of this section, not more than six shall be from any one political party.

(c) The term of office of each member of the Council shall be four years; members may serve until their successors are appointed, except that in any case in which any member ceases to serve in the official position from which he was originally appointed under this section, his term of office on the Council shall terminate at the time he ceases to serve in such official position. No member may serve for more than two terms.

(d) Any vacancy in the membership of the Council shall not affect its powers and shall be filled in the same manner as the original appointment was made.

(e) The Council shall select a Chairman and Vice Chairman from among its members annually. The Vice Chairman shall act in the place of the Chairman in the absence of the Chairman. The Chairmanship shall alternate between members of the Council appointed from the United States Congress and members appointed under subsection (a) (3) and (4) of the first section of this title. The Vice Chairman shall be chosen from the category of members other than the category from which the Chairman was selected.

(f) Seven members of the Council shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings.

SEC. 302. (a) The Council shall form substantive committees to conduct studies to identify and investigate problems common to the legislative process and are of mutual concern to the legislatures of both the Federal and State Governments. Based on such studies, the Council shall make such recommendations from time to time for the solution of these problems as it deems appropriate. The Council shall also develop and prepare proposed legislation to carry out its recommendations.

(b) The Council shall meet at least once quarterly but may hold such additional meetings as it deems necessary. At least one-half of the meetings held by the Council shall be held outside Washington, D.C.

(c) The Council may issue such reports regarding its findings and recommendations, and shall submit an annual report of its findings and recommendations to the President and the Congress, the State Governors, and each State legislature not later than the first day of February of each year.

SEC. 303. (a) The Council or, on the authorization of the Council, any committee or member thereof, may, for the purpose of carrying out the provisions of this title hold such hearings, take such testimony, and sit and act at such times and places as the Council, committee, or member deems advisable. Any member authorized by the Council may administer oaths or affirmations to witnesses appearing before the Council or any committee or member thereof.

(b) Each department, agency, and instrumentality of the Federal Government, including independent agencies, is authorized and directed to furnish to the Council, upon request made by the Chairman or Vice Chairman, such information as the Council deems necessary to carry out its functions under this title.

(c) Subject to such rules and regulations as may be adopted by the Council, the Chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and the General Schedule under section 5332 of in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

SEC. 304. (a) A member of the Council who is a Member of Congress or a full-time salaried official of the body of which he is a member when appointed to the Council shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Council.

(b) A member of the Council other than one to whom subsection (a) of this section applies shall receive $100 per day when engaged in the actual performance of duties vested in the Council and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

TITLE IV—OPEN COMMITTEE MEETINGS

SEC. 401. Subsection (b) of paragraph 7 of rule of the Standing Rules of the Senate is amended to read as follows:

"(b) Meetings for the transaction of business of each standing, select, special, joint, or conference committee or subcommittee thereof shall be open to the public except when the committee, by rule or by majority vote of those present determines that a portion or portions should be closed. Meetings of each committee may be closed if the matters to be discussed or the testimony taken (1) will disclose matters necessary to be kept secret in the interest of national defense or the necessarily confidential conduct of the foreign policy of the United States; (2) will relate solely to matters of committee staff personnel or internal staff management or administration; or (3) will tend to charge with crime or misconduct, or to disgrace any individual, partnership, corporation, associated governmental authority, or public or private organization.

Sec. 402. This title is enacted as an exercise of the rulemaking power of the Senate, subject to and with full recognition of the power of the Senate to enact or change any rule of the Senate at any time in its exercise of its constitutional right to determine the rules of its proceedings.

TITLE V—OFFICE OF CONGRESSIONAL COMMUNICATIONS

Sec. 501. (a) There is established for the Congress, under the Architect of the Capitol, an Office of Congressional Communications, which shall be subject to the supervision and control of the Architect.

(b) The Office shall—

(1) maintain a library of video tapes of all television network news programs and television programs of significant public interest;

(2) provide for closed circuit telecasts and tape of committee proceedings and proceedings of the Senate and House of Representatives.

(3) provide equipment in the office of each Member of Congress to receive telecasts of any such proceedings and for the viewing of any tapes referred to in clauses (1) and (2) of this subsection;

(4) have installed, at appropriate places throughout the Capitol Building and the office buildings of the two Houses of Congress (including, if appropriate, in the office of each Member), equipment to receive information transmitted by any of the major news wire services; and

(5) upon request, assist Members with respect to press, photographic, recording, taping, radio, and television matters.

(6) provide for other measures to modernize the communication-information service available to Congress including the viewing of congressional documents and legislation.

(c) The House Recording Studio and the Senate Recording Studio, and all their records, property, assets, and personnel are transferred to the Office and are made a part thereof.

Sec. 502. The Architect is authorized—

(1) to appoint, on a permanent basis, without regard to political affiliation, and solely on the basis of fitness to perform his duties, a Director of the Office to serve as the head of the staff of the Office and such personnel as he deems necessary;

(2) to prescribe the duties and responsibilities of such personnel;

(3) to fix the pay of such personnel in accordance with the schedule of rates of pay for other personnel in the Office of the Architect, except that any person transferred from the House of Senate Recording Studio to the Office of Congressional Communications shall not be paid at a rate less than the rate he was last paid while employed by such studio; and

(4) to terminate the employment of such personnel.

Sec. 503. Nothing in this title shall be held or considered to require the ues of the facilities of the Office by any Member, committee, or officer of the Senate or House of Reprepresentatives, if in the opinion of such Member, committee or officer, the use of such facilities is inappropriate.

Sec. 504. For purposes of this title, "Member of Congress" means a Senator, Representative, Delegate, or Resident Commissioner.

TITLE VI—OFFICE OF CONGRESSIONAL COUNSEL GENERAL

Sec. 601. (a) There is established in the legislative branch of the Government the Office of Congressional Counsel General, which shall be under the direction and control of the Congressional Counsel General. The Congressional Counsel General shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate, with the approval of the House of Representatives and the Senate, without reference to political affiliations and solely on the basis of his fitness to perform the duties of his office, and shall be subject to removal by those officers for inefficiency, misconduct, or physical or mental incapacity. The Congressional Counsel General shall be appointed for a term which shall expire at the end of the Congress during which he is appointed. The Congressional Counsel General shall receive the same salary as Members of Congress.

(b) Subject to the availability of appropriations, the Congressional Counsel General may appoint and fix the compensation of such Assistant Counsels General and other personnel as may be necessary to carry on the work of his office. All personnel of the office shall be appointed without reference to political affiliations and solely on the basis of fitness to perform the duties of their offices.

(c) The Congressional Counsel General shall promulgate for his office such rules and regulations as may be necessary to carry out the duties imposed upon him by this title. He may delegate authority for the performance of any such duty to any office or employee of the Office of the Congressional Counsel General. No person serving as an officer or employee of such office may engage in any other business, vocation, or employment while so doing.

(d) The Congressional Counsel General shall cause a seal of office to be made for his office, of such design as the Speaker of the House of Representatives and the President pro tempore of the Senate shall approve, and judicial notice shall be taken thereof.

Sec. 602. (a) It shall be the duty of the Congressional Counsel General, under such rules as the Committees on the Judiciary of the Senate and the House of Representatives may prescribe jointly from time to time, to—

(1) render to committees, Members, and disbursing officers of the Congress, and to the Comptroller General, legal opinions upon questions arising under the Constitution and laws of the United States;

(2) render to committees and Members of the Congress advice with respect to the purpose and effect of provisions contained in laws, or to be inserted in proposed legislative measures;

(3) perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules;

(4) intervene or appear as amicus curiae, upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any law, or the validity of any official proceeding of or action taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress; and

(5) represent, upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House committee, Member, officer, office, or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, Member, officer, office, or agency.

(6) Upon receipt of written notice from the Congressional Counsel General to the effect that he has undertaken pursuant to subsection (a) (5) of this section to perform any such specified representation service with respect to any designated action or proceeding pending or to be instituted in a court of the United States, the Attorney General shall be relieved of responsibiliy and shall have no authority to perform such service in such action or proceeding except at the request or with the approval of the Congressional Counsel General.

Sec. 603. (a) Subject to applicable rules of practice and procedure, the Congressional Counsel General shall be entitled as of right to intervene as a party or appear as amicus curiae in any action described in subsection (a) (4) of section 602.

(b) For the purposes of all proceedings incident to the trial and review of any action described by subsection (a) (5) of section 602 with respect to which the Congressional Counsel General has undertaken to provide representational service, and has so notified the Attorney General, the Congressional Counsel General shall have all power conferred by law upon the Attorney General, any subordinate of the Attorney General, or any United States attorney.

(c) The Congressional Counsel General, or any attorney of his office designated by him for that purpose, shall be entitled for the purpose of performing duties imposed upon him pursuant to this title to enter an appearance in any such proceeding before any court of the United States without compliance with any requirement for admission to practice before such court, except that the authorization conferred by this subsection shall not apply with respect to the admission of any person to practice before the United States Supreme Court.

Sec. 604. The Office of the Congressional Counsel General shall have the same privilege of free transmission of official mail matter as other officers of the Congress.

TITLE VII—GENERAL ACCOUNTING OFFICE

Sec. 701. The Budget and Accounting Act, 1921, as amended (31 U.S.C. 42), is further amended by adding at the end thereof the following new sections:

"Sec. 320. (a) Whenever the Comptroller General, in the performance of any of his functions authorized by law, has reasonable cause to believe that any officer or employee of the executive branch is about to expend, obligate, or authorize the expenditure or obligation of public funds in an illegal or erroneous manner or amount, he may institute a civil action in the United States District Court for the District of Columbia for declaratory and injunctive relief. If the Attorney General is in disagreement with the Comptroller General he is authorized to represent the defendant official in such action. Other parties, including the prospective payee or obligee who shall be served with notice or process, may intervene or be impleaded as otherwise provided by law, and process in such an action may be served by certified mail beyond the territorial limits of the District of Columbia.

"(b) Upon application of the Comptroller General or the Attorney General an action brought pursuant to this section shall be heard and determined by a district court of three judges under section 2284 of title 28, United States Code. An action brought under this section shall be expedited in every way.

"(c) In actions brought under this section, the Comptroller General shall be represented by attorneys employed in the General Accounting Office and by counsel whom he may employ without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapters III and VI of chapter 53 of such title relating to classification and General Schedule pay rates.

"(d) In the event the institution of suit under this section serves to delay a payment beyond the date it was due and owing in payment for goods or services actually delivered to and accepted by the United States, then such payment when made by the agency involved shall include interest thereon at the rate of 6 per centum per annum for the time it has been withheld. Otherwise, no court shall have jurisdiction to award damages against the United States, its officers, or agents as a result of any delay occasioned by reason of the institution of suit under this section.

"(e) This section shall be construed as creating a procedural remedy in aid of the statutory authority of the Comptroller General and not as otherwise affecting such authority.

"SEC. 321. No action may be instituted by the Comptroller General under section 320 until the expiration of a period of thirty calendar days (excluding the days on which either House is not in session because of adjournment of more than three days to a day certain or an adjournment of the Congress sine die) following the date on which an explanatory statement by the Comptroller General of the circumstances giving rise to the action contemplated has been filed with the Committees on Government Operations of the Senate and the House of Representatives and during such thirty-day period the Congress has not enacted a concurrent resolution stating in substance that it does not favor the institution of the civil action proposed by the Comptroller General."

SEC. 702. To assist in carrying out his functions, the Comptroller General may sign and issue subpoenas requiring the production of negotiated contract and subcontract records and records of other non-Federal persons or organizations to which he has a right of access by law or agreement.

SEC. 703. In case of disobedience to a subpoena issued under section 702 the Comptroller General may invoke the aid of any district court of the United States in requiring the production of the records involved. Any district court of the United States within the jurisdiction in which the contractor, subcontractor, or other non-Federal person or organization is found or resides or in which the contractor, subcontractor, or other non-Federal person or organization transacts business may, in case of contumacy or refusal to obey a subpoena issued by the Comptroller General, issue an order requiring the contractor, subcontractor, or other non-Federal person or organization to produce the records; and any failure to obey such order of the court shall be punished by the court as a contempt thereof.

TITLE VIII—APPROPRIATIONS AUTHORIZED

SEC. 801. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. KENNEDY (for himself, Mr. HUGH SCOTT, Mr. CLARK, Mr. MATHIAS, Mr. ABOUREZK, Mr. BAYH, Mr. BENTSEN, Mr. BIDEN, Mr. GRAVEL, Mr. BROOKE, Mr. CASE, Mr. CRANSTON, Mr. CULVER, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HUMPHREY, Mr. INOUYE, Mr. JAVITS, Mr. LEAHY, Mr. MOSS, Mr. PELL, Mr. STAFFORD, Mr. EAGLETON, Mr. SYMINGTON, and Mr. TUNNEY.):

S. 564. A bill to provide public financing of primary and general elections for the Senate and the House of Representatives. Referred to the Committee on Rules and Administration.

Mr. KENNEDY. Mr. President, on behalf of Senator HUGH SCOTT, and Senators CLARK, MATHIAS, ABOUREZK, BAYH, BENTSEN, BIDEN, BROOKE, CASE, CRANSTON, CULVER, PHILIP A. HART, HARTKE, HASKELL, HATHAWAY, HUMPHREY, INOUYE, JAVITS, LEAHY, MOSS, PELL, STAFFORD, SYMINGTON, TUNNEY and myself, I send to the desk a bill to provide public financing of primary and general elections for the Senate and the House of Representatives.

Mr. President, I ask unanimous consent that a joint statement by Senators HUGH SCOTT, CLARK, MATHIAS, and myself explaining the bill and the text of the bill be printed in the RECORD.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS EDWARD M. KENNEDY, HUGH SCOTT, DICK CLARK AND CHARLES McC. MATHIAS, JR., INTRODUCING LEGISLATION FOR COMPREHENSIVE PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

We are introducing legislation in the Senate today calling for comprehensive public financing of both primary elections and general elections for the Senate and the House of Representatives.

We are pleased to have as cosponsors of this legislation Senators Abourezk, Bayh, Bentsen, Biden, Brooke, Case, Cranston, Culver, Philip Hart, Hartke, Haskell, Hathaway, Humphrey, Inouye, Javits, Leahy, Moss, Pell, Stafford, Symington and Tunney.

In submitting this proposal, we intend to work together for its enactment in the present Congress. If prompt action is forthcoming, we believe the proposed reform can take effect in time for the 1976 Congressional elections.

Under the Federal Election Campaign Act Amendments of 1974 (S. 3044, P.L. 93–443), the election bill signed into law by President Ford last October, comprehensive public financing will already be available for Presidential general elections and Presidential primaries in 1976. The legislation we are proposing today would apply essentially the same public financing provisions to Senate and House elections.

The bill contains three principal features:

First, full public funding would be available for candidates of major parties in general elections for the Senate and House of Representatives.

Each candidate would receive public funds equal to the amount of his spending ceiling under current law.

In general, for Senate elections, as the accompanying table indicates, the amount would be 14.4 cents per eligible voter in the State, or $180,000, whichever is greater.

For House elections, the amount would be $84,000.

No candidate would be required to accept public funds. Any candidate could choose, instead, to continue to rely on private funds or he could use a mix of funds, part public and part private.

Second, partial public financing would be available for minor party candidates in general elections, based on the party's showing in the preceding election. A minor party candidate would also be eligible for funding retroactively on the basis of his showing in the current election. In general, a minor party is defined as a party whose candidate received 5% or more, but less than 25%, of the vote in the preceding election or the current election.

Third, a system of matching grants of public funds would be established for Senate and House primary elections. Candidates who raise a threshold sum—20% of the spending limit for Senate races and $10,000 for House races—would be eligible to receive matching grants of public funds for each private contribution of $100 or less.

The cost of the bill will be modest. We estimate it at $134 million for each biennial Congressional election, or about $70 million a year.

Essentially all of these provisions were approved last year by the Senate as part of S. 3044. Over the opposition of the four of us as Senate conferees on the bill, the public financing provisions for Congressional elections were dropped at the insistence of the House conferees in the Senate-House conference on the bill. Now, the four of us are joining in proposing new legislation to close the obvious loophole in the 1974 Act, and to pick up where we left off last year in the struggle for reform.

In our view the time has come for full public financing of all elections to Federal office. To stop after the 1974 Act, to stop after achieving reform for Presidential elections, would leave the job half done.

We believe, therefore, that Congress should move quickly this year to do for Congressional elections what we have already done for Presidential elections. The law we passed last year was a major victory for better government that should be extended now to our own elections for the Senate and the House of Representatives.

The abuses and corrosive influences of big private campaign contributions and special interest money did not end with Watergate or the 1972 Presidential election. They are found in Congressional elections, too. If we fail to act, then we will be inviting future scandals of our own and future Watergates in Congressional campaign financing.

In fact, in light of the recent reform of Presidential elections, the need for action is especially urgent for Senate and House elections. The new law has largely insulated the Presidential election process from the influence of special interest money and massive private contributions. But all that private money and all that special influence are still there, looking for fresh fields to conquer.

As recent headlines make all too clear, so long as Congress relies on private contributions to finance its own elections, special interest groups with an interest in Federal legislation will try to wield their influence. And they will wield that influence through sizeable campaign contributions made to members of key committees and others in a position to affect their special interests. Often, in the eyes of the special interest donor, his generous contribution will be justified by his knowledge of the guaranteed access his contribution is likely to provide.

Every Senator and Congressman is a target for this corrosive and corrupting special interest money. None of us is blind to the potential conflict that exists and to the ambiguous relationships that are easily created. None of us can ignore the problem.

That is why we believe public financing for Congressional elections is more urgent now than it was before. The danger is that without reform, the 1976 Congressional elections will be swamped with special interest money, as big contributors and organized interest groups vie with one another to gain new footholds in the Senate and House, and increase their already powerful sway over Congress and its work.

Limits on campaign contributions and disclosure of such contributions are not enough. Inevitably, loopholes creep in; the limits and the disclosure provisions are easily subverted. In fact, as many experts have already pointed out, the 1974 act itself, although a major advance over the loophole-ridden prior law, contains a number of provisions that are easily read as invitations to abuse and that are likely to be the loopholes of the future.

That is why public financing of elections is the only effective answer. It guarantees a clean and honest election for every candidate to Federal office. And it guarantees that once elected, a successful candidate will take his oath of office with no strings attached. Gone will be the possibility of dubious relationships created for the benefit of those who may have an interest in his votes and his other actions once he is in office.

And the cost of the reform is extremely small—$70 million a year to clean up Congressional elections. To us, that is the wisest single investment the hard-pressed American taxpayer can make in the future of the country. From that reform alone can flow many benefits in every aspect of our work in Congress.

The debate is well known and familiar to us all. The issue is whether elections belong to all the people or just the special interests. Last year Congress achieved a major breakthrough for reform in the financing of Presidential elections. But we also established a blatant double standard for our own Congressional elections. If public financing is right for Presidential elections, it is right for Senate and House elections, too. And the sooner we accept that fact, the sooner we shall have a Congress responsive to the people, and the better our democracy will be.

A summary of the proposed legislation is attached.

SUMMARY OF PROPOSED BILL ON PUBLIC FINANCING FOR CONGRESSIONAL ELECTIONS

PURPOSE

1. The measure builds on existing law, which already provides public financing for Presidential general elections and Presidential primaries. The bill would enact similar provisions for Senate and House general elections and primaries.

EXISTING LAW

2. The existing law is the dollar checkoff under the Internal Revenue Code, as amended by P.L. 93–443 (S. 3044), the Federal Election Campaign Act Amendments of 1974, which were signed into law by President Ford on October 15, 1974. The provisions for public financing of Presidential elections will go into effect for the 1976 election. Under the law, taxpayers are authorized to designate that $1 of their taxes ($2 on joint returns) shall be available for an election campaign fund established on the books of the Treasury. Under an automatic appropriation, the amounts designated by taxpayers are transferred into the fund, from which they will be apportioned among eligible candidates in the Presidential primaries and election. Public funds will also be made available for the Presidential nominating conventions. The existing program is administered by the Federal Election Commission, created by P.L. 93–443.

PUBLIC FINANCING OF SENATE AND HOUSE GENERAL ELECTIONS

3. Except as noted, the provisions applicable to general elections for the Senate and House are essentially identical to those now applicable to Presidential general elections under existing law. In effect, the bill simply extends the existing law to include Senate and House elections.

4. Under existing law, public financing is available as an alternative to private financing for Presidential elections. Candidates have the option of public or private financing, but candidates electing public financing may not also use private financing, except in cases where the available public funds are insufficient to meet the candidate's full entitlement.

Under the bill, a Senate or House candidate has the option of accepting full public financing, or full private financing, or a combination of the two. Thus, a candidate eligible for full public financing may choose to accept only part of the public funds to which he is entitled, and may finance the rest of his campaign through private contributions. Such private contributions will be subject to the contribution limits and other provisions of existing law applicable to private financing.

5. The bill follows the basic formula in existing law for allocating public funds among candidates of major and minor parties and independent candidates.

A "major" party is a party that received 25% or more of the total number of popular votes received by all candidates for the office in the preceding election, or the party with the next highest percentage of the votes in an election where only one party would otherwise qualify as a major party.

A "minor" party is a party that received more than 5%, but less than 25%, of the popular vote in the preceding election.

6. In Senate elections and statewide Congressional elections, a candidate of a major party is entitled to public funds in the amount of 14.4¢ per voter or $180,000, whichever is greater. In House elections in States with more than one Representative, the entitlement of a major party candidate is $84,000. These figures represent the expenditure levels in existing law, adjusted to include the so-called 20% fund-raising supplement. The levels will be adjusted for future increases in the cost of living.

7. A candidate of a minor party is entitled to receive public funds in proportion to his party's share of the vote in the preceding election. The candidate may increase his entitlement on the basis of his performance in the current election, and may obtain retroactive reimbursement for the increase after the election.

8. A candidate of a new party is entitled to receive public funds in proportion to his share of the popular vote in the current election, on a retroactive reimbursement basis, if he receives more than 5% of the vote in the election.

9. An independent candidate is entitled to public funds on the same basis as if he were the candidate of a party.

PRIMARY ELECTIONS

10. To qualify for public funds, candidates must accumulate the following threshold amounts of private funds raised by small private contributions:

Senate: 20% of the spending ceiling or $125,000 (whichever is less) in contributions of $100 or less.

House: $10,000 in contributions of $100 or less.

11. Once the threshold is reached, a candidate is eligible for public funds matching the threshold amount. He is also eligible for additional public funds matching each additional private contribution of $100 or less. Matching is on a 50–50 (dollar for dollar) basis.

GENERAL PROVISIONS

12. The bill authorizes Congress to appropriate additional funds to make up deficits in the fund after the operation of the dollar checkoff.

13. Priority in public funds goes to Presidential elections. Public funds will not be available for Congressional elections until the needs of the Presidential election are met.

14. As in the case of Presidential elections, the program will be administered by the new Federal Election Commission. The Commission will certify a candidate's eligibility for payments, and be responsible for conducting detailed post-election audits and obtaining repayments when necessary.

15. The bill imposes heavy criminal penalties for exceeding the spending limits, and for unlawful use of payments, false statements to the Commission and kickbacks and illegal payments.

16. The effective date would be the date of enactment. If the bill is enacted in time, its provisions would be applicable to the 1976 Congressional elections.

17. The cost of the public financing provisions for the biennial Congressional elections is estimated at $134 million. Thus, the average annual cost of the program is about $70 million a year. The estimates for Senate and House elections are as follows:

[In millions of dollars]

	Senate	House
Primaries	10	31
General elections	24	69
Total	34	100

PROPOSED BILL ON PUBLIC FINANCING FOR CONGRESSIONAL ELECTIONS

STATE-BY-STATE TABLE OF PUBLIC FUNDS AVAILABLE TO MAJOR PARTY CANDIDATE IN A GENERAL ELECTION

Geographical area	Voting age population—VAP (18 yr. and over)	Spending ceiling in general election equals amount of public funds available to a major party candidate [2]
United States	141, 656, 000	$20, 000, 000
Congressional district	[3] 325, 000	[4] 84, 000
Alabama	2, 338, 000	336, 672
Alaska	200, 000	[5] 28, 800
Arizona	1, 345, 000	193, 680
Arkansas	1, 374, 000	197, 856
California	14, 143, 000	2, 036, 592
Colorado	1, 631, 000	234, 864
Connecticut	2, 101, 000	302, 544
Delaware	382, 000	[5] 55, 008
District of Columbia	529, 000	[5] 76, 176
Florida	5, 427, 000	781, 488
Georgia	3, 140, 000	452, 160
Hawaii	549, 000	[5] 79, 056
Idaho	501, 000	[5] 72, 144
Illinois	7, 568, 000	1, 089, 792
Indiana	3, 530, 000	508, 320
Iowa	1, 957, 000	281, 808
Kansas	1, 570, 000	226, 080
Kentucky	2, 235, 000	321, 840
Louisiana	2, 399, 000	345, 456
Maine	689, 000	[5] 99, 216
Maryland	2, 720, 000	391, 680
Massachusetts	4, 006, 000	576, 864
Michigan	5, 922, 000	852, 768
Minnesota	2, 575, 000	370, 800
Mississippi	1, 453, 000	209, 232
Missouri	3, 251, 000	468, 144
Montana	474, 000	[5] 68, 256
Nebraska	1, 042, 000	[5] 150, 048
Nevada	365, 000	[5] 52, 560
New Hampshire	531, 000	[5] 76, 464
New Jersey	5, 030, 000	724, 320
New Mexico	691, 000	[5] 99, 504
New York	12, 665, 000	1, 823, 760
North Carolina	3, 541, 000	509, 904
North Dakota	421, 000	[5] 60, 624
Ohio	7, 175, 000	1, 033, 200
Oklahoma	1, 832, 000	263, 808
Oregon	1, 532, 000	220, 608
Pennsylvania	8, 240, 000	1, 186, 560
Rhode Island	677, 000	[5] 97, 488
South Carolina	1, 775, 000	225, 600
South Dakota	454, 000	[5] 65, 376
Tennessee	2, 799, 000	403, 056
Texas	7, 785, 000	1, 121, 040
Utah	715, 000	[5] 102, 960
Vermont	309, 000	[5] 44, 496
Virginia	3, 243, 000	466, 992
Washington	2, 329, 000	335, 376
West Virginia	1, 228, 000	[5] 176, 832
Wisconsin	3, 033, 000	436, 752
Wyoming	234, 000	[5] 33, 696

[1] Voting age population figures as of July 1, 1973.

[2] Figures for Senate elections calculated as (VAP) multiplied by (12 cents) multiplied by (120 percent), under 18 U.S.C. 608 (c)(1)(D), including the 20 percent fund-raising supplement under 18 U.S.C. 691 (f)(4)(H). Figures for House elections calculated as ($70,000) multiplied by (120 percent) under 18 U.S.C. 608(c)(1)(E) and 591(f)(4)(H). Figure for Presidential election specified in 26 U.S.C. 9004 (a)(1).

[3] Average voting age population of a congressional district.

[4] In the 6 States entitled to only 1 Representative (Alaska, Delaware, Nevada, North Dakota, Vermont, Wyoming), the spending ceilings for House elections are the same as for Senate elections. 18 U.S.C. 608 (c)(1)(D).

[5] In States where the figure based on population is less than $180,000, the spending ceiling is set at $180,000, including the 20 percent fund-raising supplement 18 U.S.C. 608(c)(1)(D)(ii).

S. 564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Election Financing Act of 1975".

SEC. 2. The Federal Election Campaign Act of 1971, as amended, is amended by inserting at the end thereof the following new title:

"TITLE V—PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

"DEFINITIONS

"SEC. 501. For purposes of this title, the term—

"(1) 'candidate', 'Commission', 'contribution', 'expenditure', 'political committee', 'political party', or 'State' has the meaning given it in section 301 of this Act;

"(2) 'authorized committee' means the principal campaign committee of a candidate under section 302 of this Act or any political committee authorized in writing by that candidate to make or receive contributions or to make expenditures on his behalf;

"(3) 'Representative' means a Member of the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegate from the District of Columbia;

"(4) 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to the office of Senator or Representative;

"(5) 'primary election' means (A) an election, including a runoff election, held for the nomination by a political party of a candidate for election to the office of Senator or Representative, or (B) a convention or caucus of a political party held for the nomination of such candidate;

"(6) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this title;

"(7) 'major party' means, with respect to an election for the office of Senator or Representatives—

"(A) a political party whose candidate for election to that office in the preceding general election for that office received, as the candidate of that party, 25 per centum or more of the total number of votes cast in that election for all candidates for that office, or

"(B) if only one political party qualifies as a major party under the provisions of subparagraph (A), the political party whose candidate for election to that office in that election received, as the candidate of that party, the second greatest number of votes cast in that election for all candidates for that office (if such number is equal to 15 percent or more of the total number of votes cast in that election for all candidates for that office); and

"(8) 'minor party' means, with respect to an election for the office of Senator or Representative, a political party whose candidate for election to that office in the preceding general election for that office received, as the candidate of that party, at least 5 per centum but less than 25 per centum of the total number of votes cast in that election for all candidates for that office.

"ELIGIBILITY FOR PAYMENTS

"SEC. 502. (a) To be eligible to receive payments under this title, a candidate for the office of Senator or Representative shall agree—

"(1) to obtain and to furnish to the Commission any evidence it may request about his campaign expenditures and contributions;

"(2) to keep and to furnish to the Commission any records, books, and other information it may request;

"(3) to permit an audit and examination by the Commission under section 506 and to pay any amounts required under section 506; and

"(4) to furnish statements of campaign expenditures and proposed campaign expenses required under section 507.

"(b) Every such candidate shall certify to the Commission that—

"(1) the candidate and his authorized committees will not make campaign expenditures greater than the applicable limitation under subsection (c) of section 608 of title 18, United States Code; and

"(2) no contributions will be accepted by the candidate or his authorized committees in violation of section 608(h) of title 18, United States Code.

"(c)(1) To be eligible to receive any payments under section 505 for use in connection with a primary election campaign, a candidate shall certify to the Commission that—

"(A) he is seeking nomination by a political party for election to the office of Representative and he and his authorized committees have received contributions for that campaign of $10,000 or more; or

"(B) he is seeking nomination by a political party for election to the office of Senator and he and his authorized committees have received contributions for that campaign equal in amount to the lesser of—

"(i) 20 percent of the maximum amount he may spend in connection with his primary election campaign under subsection (c) of section 608 of title 18, United States Code; or

"(ii) $125,000.

"(2) To be eligible to receive any payments under section 505 for use in connection with a primary runoff election campaign, a candidate shall certify to the Commission that he is seeking nomination by a political party for election to the office of Senator or Representative, and that he is a candidate for such nomination in a runoff primary election. Such a candidate is not required to receive any minimum amount of contributions before receiving payments under this title.

"(d) to be eligible to receive any payments under section 505 for use in connection with a general election campaign, a candidate shall certify to the Commission that—

"(1) he is the nominee of a major or minor party for election to the office of Senator or Representative; or

"(2) in the case of any other candidate, he is seeking election to such office and he and his authorized committees have received contributions for that campaign in a total amount of not less than the campaign fund required under subsection (c) of a candidate for nomination for election to that office, determined in accordance with the provisions of subsection (e).

"(e) In determining the amount of contributions received by a candidate and his authorized committees for purposes of subsection (c)(1) or subsection (d)(2)—

"(1) no contribution received by the candidate or any of his authorized committees as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account; and

"(2) no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his campaign.

"(f) In the case of a candidate for election to the House of Representatives from a district which has been established, or the boundaries of which have been altered, since the preceding general election for such office, the determination of whether the candidate is a major party candidate or a minor party candidate or is otherwise entitled to payments under this title shall be made by the Commission based upon the number of votes cast in the preceding general election for such office by voters residing within the area encompassed in the new or altered district.

"(g) Agreements and certifications under this section shall be filed with the Commission at the time required by the Commission.

"ENTITLEMENT TO PAYMENTS

"SEC. 503. (a)(1) Every eligible candidate for the office of Senator or Representative is entitled to payments in connection with his primary election campaign in an amount which is equal to the amount of contributions he accepts for that campaign.

"(2) For purposes of paragraph (1), no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election campaign.

"(b)(1) Every eligible candidate for the office of Senator or Representative who is nominated by a major party is entitled to payments for use in his general election campaign in an amount which is equal to the applicable limitation for that campaign in subsection (c) of section 608 of title 18, United States Code (relating to limitations on expenditures).

"(2) Every eligible candidate for the office of Senator or Representative who is nominated by a minor party is entitled to payments for use in his general election campaign in an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate of that minor party for that office in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election.

"(3)(A) A candidate who is eligible under section 502(d)(2) to receive payments under section 505 is entitled to payments for use in his general election campaign in an amount equal to the amount determined under subparagraph (B).

"(B) If a candidate whose entitlement is determined under this paragraph received, in the preceding general election held for the office to which he seeks election, 5 per centum or more of the total number of votes cast for all candidates for that office, he is entitled to receive payments for use in his general election campaign in an amount (not in excess of the applicable limitation under subsection (c) of section 608 of title 18, United States Code) equal to an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate for that office in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election. The entitlement of a candidate who, in the preceding general election held for that office, was the candidate of a major or minor party shall not be determined under this paragraph.

"(4) An eligible candidate who is the nominee of a minor party or whose entitlement is determined under section 502(d)(2) and who receives 5 per centum or more of the total number of votes cast in the current election is entitled to payments under section 505 after the election for expenditures made or incurred in connection with his general election campaign in an amount (not in excess of the applicable amount under subsection (c) of section 608 of title 18, United States Code) equal to—

"(A) an amount which bears the same ratio to the amount of the payment under section 505 to which the nominee of a major party was or would have been entitled for use in his campaign for election to that office as the number of votes received by the candidate in that election bears to the average number of votes received by all major party candidates for that office in that election, reduced by

"(B) any amount paid to the candidate under section 505 before the election.

"(c) Notwithstanding the provisions of subsections (a) and (b), no candidate is entitled to the payment of any amount under this section which, when added to the total amount of contributions received by him and his authorized committees and any other payments made to him under this title for his primary or general election campaign, exceeds the amount of the expenditure limitation applicable to him for that campaign as specified under subsection (c) of section 608 of title 18, United States Code.

"(d) For purposes of this section, the amounts specified in subsection (c) of section 608 of title 18, United States Code, shall be increased by 20 per centum.

"CERTIFICATION BY COMMISSION

"Sec. 504. (a) On the basis of the evidence, books, records, and information furnished by each candidate eligible to receive payments under section 505, and prior to examination and audit under section 506, the Commission shall certify from time to time to the Secretary of the Treasury for payment to each candidate the amount to which that candidate is entitled.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 506. Notwithstanding the preceding sentence, such certifications and determinations by the commission are subject to judicial review in accordance with the provisions of section 9041 of the Internal Revenue Code of 1954.

"PAYMENTS TO ELIGIBLE CANDIDATES; CONGRESSIONAL ELECTION ACCOUNT

"Sec. 505. (a) The Secretary of the Treasury shall maintain in the Presidential Election Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1954, in addition to any other account which he maintains under such section, a separate account to be known as the Congressional Election Account. The Secretary shall deposit into the account, for use by the candidate of any political party who is eligible to receive payments under section 502 and this section, the amount available after the Secretary determines that amounts for payments for Presidential elections and Presidential nominating conventions under subtitle H of such Code are available for such payments. In addition to the amounts appropriated to the fund under section 9006(a) of such Code, there are authorized to be appropriated to the fund such additional amounts as may be necessary to carry out the provisions of this title and subtitle H of such Code.

"(b) Upon receipt of a certification from the Commission under section 504, the Secretary of the Treasury shall pay the amount certified by the Commission to the candidate to whom the certification relates.

"(c) If the Secretary of the Treasury determines that the moneys in the account are not, or may not be, sufficient to pay the full amount of entitlement to all candidates eligible to receive payments, he shall reduce the amount to which each candidate is entitled in accord with the procedures established under subtitle H of the Internal Revenue Code of 1954 for Presidential elections.

"EXAMINATION AND AUDITS; REPAYMENTS

"Sec. 506. (a) After each election for the office of Senator or Representative, the Commission shall conduct a thorough examination and audit of the campaign expenditures of all candidates for such office who received payments under this title for use in campaigns relating to that election.

(b)(1) If the Commission determines that any portion of the payments made to an eligible candidate under section 505 was in excess of the aggregate amount of the payments to which the candidate was entitled, it shall so notify that candidate, and he shall pay to the Secretary of the Treasury an amount equal to the excess amount. If the Commission determines that any portion of the payments made to a candidate under section 505 for use in his primary election campaign or his general election campaign was not used to make expenditures in connection with that campaign, the Commission shall so notify the candidate and he shall pay an amount equal to the amount of the unexpended portion to the Secretary. In making its determination under the preceding sentence, the Commission shall consider all amounts received as contributions to have been expended before any amounts received under this title are expended.

"(2) If the Commission determines that any amount of any payment made to a candidate under section 505 was used for any purposes other than—

"(A) to defray campaign expenditures, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray campaign expenditures which were received and expended) which were used, to defray campaign expenditures,

it shall notify the candidate of the amount so used, and the candidate shall pay to the Secretary of the Treasury an amount equal to such amount.

"(3) No payment shall be required from a candidate under this subsection in excess of the total amount of all payments received by the candidate under section 505 in connection with the campaign with respect to which the event occurred which caused the candidate to have to make a payment under this subsection.

"(c) No notification shall be made by the Commission under subsection (b) with respect to a campaign more than eighteen months after the day of the election to which the campaign related.

"(d) All payments received by the Secretary under subsection (b) shall be deposited by him in the fund.

"INFORMATION ON EXPENDITURES AND PROPOSED EXPENDITURES

"Sec. 507. (a) Every candidate shall, from time to time as the Commission requires, furnish to the Commission a detailed statement, in the form the Commission prescribes, of—

"(1) the campaign expenditures incurred by him and his authorized committees prior to the date of the statement (whether or not evidence of campaign expenditures has been furnished for purposes of section 504), and

"(2) the campaign expenditures which he and his authorized committees propose to incur on or after the date of the statement.

"(b) The Commission shall, as soon as possible after it receives a statement under subsection (a), prepare and make available for public inspection and copying a summary of the statement, together with any other data or information which it deems advisable.

"REPORTS TO CONGRESS

"Sec. 508. (a) The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the expenditures incurred by each candidate, and his authorized committees, who received any payment under section 505 in connection with an election;

"(2) the amounts certified by it under section 504 for payment to that candidate; and

"(3) the amount of payments, if any, required from that candidate under section 506, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to conduct examinations and audits (in addition to the examinations and audits under sections 504 and 506), to conduct investigations, and to require the keeping and submission of any books, records, or other information necessary to carry out the functions and duties imposed on it by this title.

"PENALTY FOR VIOLATIONS

"Sec. 509. Violation of any provision of this title is punishable by a fine of not more than $50,000, or imprisonment for not more than five years, or both.".

By Mr. TUNNEY (for himself, Mr. Abourezk, Mr. Bayh, Mr. Bentsen, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Cranston, Mr. Dole, Mr. Domenici, Mr. Eastland, Mr. Fannin, Mr. Goldwater, Mr. Gravel, Mr. Gary W. Hart, Mr. Philip A. Hart, Mr. Hartke, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Humphrey, Mr. Javits, Mr. Kennedy, Mr. Leahy, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Metcalf, Mr. Mondale, Mr. Montoya, Mr. Nelson, Mr. Percy, Mr. Hugh Scott, Mr. Stevenson, Mr. Stone, Mr. Tower, and Mr. Williams):

S. 565. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes. Referred to the Committee on the Judiciary.

CONDUCT OF BILINGUAL PROCEEDINGS

Mr. TUNNEY. Mr. President, on behalf of myself and 37 cosponsors, I am pleased to reintroduce the Bilingual Courts Act, which was unanimously passed in the same form by the Senate last September 30.* This legislation will guarantee to every American who is not fluent in the English language the services of a competent interpreter in any criminal or civil proceeding in a Federal court. To do any less for the many millions of our citizens of Spanish, Puerto Rican, Chinese, native American and other heritages who do not adequately understand English is to deny them real justice under the law.

The cornerstone of our legal system is the equality of treatment that it assures to every citizen, rich or poor, young or old, black, brown, red, or white. We cannot permit circumstances of birth or language to determine the right of redress in a courtroom. Yet, for generations the non-English-speaking residents of our country have been victims of neglect in all manner of public services. No experience could be more frightening or discriminatory for an individual than to have to come before the justice system, either in a criminal or civil case, and find that the proceedings are being conducted in an alien tongue. Too often, when such a situation arises, the vast, impersonal legal system will provide an interpreter too late, or one who may not be competent, or one who comes from part of the law enforcement apparatus itself—hardly a reassuring condition for a criminal defendant.

To redress these problems, the Bilingual Courts Act contains two major provisions. The first part of the bill sets standards, based on constitutional guarantees already enumerated by the courts, for use of interpreters in the Federal courts. In any criminal or civil case, when the judge determines that a defendant, a party or witness cannot understand English sufficiently well to comprehend the testimony, the judge shall order a translation of all proceedings for that person. In a criminal case, an oral simultaneous translation is required. In civil cases, where circumstances warrant, the judge has discretion to order consecutive or summary translation rather than simultaneous. At the judge's discretion, an electronic recording of the proceedings may be kept to verify the translation for the record. When an interpreter is required, the judge shall obtain the services of a local or nearby certified interpreter from a list kept by the district courts, or if none is available, another competent interpreter.

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* S. 1724 (S. Report 93-1185, Committee on the Judiciary).

The second part of the act assigns to the administrative office of the courts the responsibility for implementation of the new interpreter rules. The office will identify competent interpreters for lists kept by the district courts, hire full or part-time interpreters for use in districts with high need, purchase necessary equipment, set fee schedules for interpreter services, and carry out other necessary functions.

The need for this legislation was confirmed during 2 days of hearings held by the Subcommittee on Improvements in Judicial Machinery, whose able chairman, Senator BURDICK, was extremely helpful in the success of this bill last year.** Testimony and statements in favor of the Bilingual Courts Act were received from civic leaders, lawyers, judges, persons involved in the administration of justice, and from representatives of the administration. J. Stanley Pottinger, Assistant Attorney General for the Civil Rights Division of the Justice Department testified:

> It is my opinion that S. 1724 is a significant and necessary step toward insuring that all persons before the Courts are able to comprehend and participate in the judicial process.
>
> The ability of a party to comprehend what is happening in a judicial proceeding may well be considered an implied element of the constitutional right to a judicial proceeding.
>
> In 1965, Congress provided in section 4(e) of the Voting Rights Act a guarantee that a person with a sixth grade education from an American-flag school in which the predominant classroom language was other than English could not be denied the right to vote on the ground he was not literate in English. This section is too basic to justify language infringements on that right.
>
> The right to equality before a federal court is equally as fundamental as the right to vote. . . .
>
> The bilingual courts bill represents recognition that a person's ability to comprehend the language of the court is an indispensable element of equality and efficiency in the courts. The Justice Department endorses this legislation.

Manuel Fierro, executive director of the Raza Association of Spanish Surnamed Americans—RASSA—told the subcommittee:

> It is RASSA's opinion that persuasive constitutional arguments, primarily based on the fifth and sixth amendments, demand the enactment of bilingual courts legislation which will provide simultaneous translation of all courtroom proceedings. Other policy consideration; namely, fundamental fairness, the integrity of the factfinding process, and the potency of our adversary system of justice, also mandate its enactment.

The scope of the problem which is addressed by the Bilingual Courts Act can be seen in the statistics regarding language facility. The largest group is the Mexican-American population of the Southwestern United States comprising up to 8 million persons, depending on the source of the estimates. One study indicates that 47 percent of the Mexican-American population in southern California is Spanish-speaking only. In 1970, 1.5 million persons of Puerto Rican ancestry lived in the continental United States, spread out over many States. The major centers are in New York, New Jersey, Illinois, California, and Pennsylvania. Census figures show that Spanish is the primary tongue of over 70 percent of these people, and over 30 percent of the over 10 population reports on inability to read or write English, which would indicate a substantial segment of this population which could not adequately understand courtroom proceedings.

The third largest group which would require interpreter services in courts are persons with deafness or severe hearing impairment. Some 2 million people in the United States report difficulty understanding normal speech, and 500,000 persons use sign language to communicate.

Beyond these groups, there are many thousands of other Americans in important ethnic communities where English may not be understood: Chinese and Japanese in California, other west coast States and New York; French in Maine and Louisiana; Cuban in Florida; and many other smaller groups throughout the country. For the most part, effective bilingual skill is more common in these groups than others which have been mentioned, but there are certainly a great many persons in these communities who are not fluent in English.

One of the most tragic situations involves our native Americans. Many of these people, who were the original inhabitants of this continent, cannot receive full justice in our courts because of language barriers.

The Billingual Courts Act is impelled not only by a sense of fundamental fairness in our judicial system, but by the Constitution itself. I believe that the fifth and sixth amendments to the Constitution may require that non-English speaking persons be afforded full translation services of all courtroom proceedings, in both civil and criminal matters.

The sixth amendment states that:

> In all criminal prosecutions, the accused shall enjoy the right . . . to be confronted by the witnesses against him; . . . and to have the assistance of counsel for his defense.

The right to confrontation means more than just the physical presence of the accused in the same courtroom as the witness. The accused must be able to understand what is being said against him, so that he can respond and advise his attorney. Unless the attorney is bilingual, the constitutional right to counsel is negated by the absence of an interpreter. The accused must be able to confer with his attorney, and help the attorney to examine or cross-examine English-speaking witnesses, and test their memory and credibility. It is clear to me that simultaneous translation of the proceedings, and of conversations with an attorney, are required to fulfill the constitutional guarantees of confrontation and assistance of counsel.

The case law on the constitutional right of a defendant in a criminal trial to an interpreter is surprisingly sparse, but the U.S. Second Circuit Court of Appeals has recently held, in *United States ex rel Negron* v. *New York*, 434 F. 2d 386 (2nd cir. 1970) that it is constitutionally required that a non-English speaking defendant be provided with a simultaneous translation of all the courtroom proceedings. In Negron the State had provided an interpreter for the defendant. However, the interpreter was merely required to periodically summarize what was happening in the courtroom. The Second Circuit stressed that this was not enough to protect the constitutional rights of the defendant. The court stated that it was:

> Axiomatic that the Sixth Amendment's guarantee of a right to be confronted with adverse witnesses . . . includes the right to cross-examine these witnesses as an essential and fundamental requirement for the kind of a fair trial which is this country's constitutional goal, 434 F. 2d at 389.

The court went on to state that the:

> (Defendant's) incapacity to respond to the specific testimony would inevitably hamper the capacity of his counsel to conduct effective cross-examination. Not only for the sake of effective cross-examination, however, but as a matter of simple humaneness, (defendant) deserves more than to sit in total incomprehension as the trial proceeded. 434 F. 2nd 390.

The Supreme Court recently decided in the case of *Lau* v. *Nichols* (414 U.S. 563) that the failure of a school system to teach English to San Francisco schoolchildren who speak only Chinese had effectively foreclosed those children from any meaningful education. Chinese children could not use the textbooks, materials, and teaching, because of language barriers, although they had the same exposure as other children. The Court found that equal educational opportunity in fact requires more than just equal access to the components of an educational system; it requires a basic ability to communicate in and comprehend the language of instruction. I feel confident that the principle enunciated by the Court in Lau would apply equally to the situation of a criminal defendant in a courtroom who is provided with all the trappings and elements of a fair trial, but without language comprehensiion.

In sum, the Bilingual Courts Act is mandated by the sixth amendment guarantees of the right to effective counsel and the right of confrontation. Fundamental fairness, the integrity of the factfinding process, and the potency of our adversary system of justice also demand its enactment.

The fifth amendment to the Constitution supports the contention that the Bilingual Courts Act should apply to both criminal and civil proceedings. The fifth amendment provides that:

> No person shall . . . be deprived of life, liberty, or property without due process of law.

**October 10, 1973, and February 5, 1974. Printed hearing record is available from the Subcommittee or the Government Printing Office.

Surely any legal proceeding that allows a party to an action to be deprived of life, liberty, or property without bothering to insure that he understand fully what is going on at the trial is so lacking in basic and fundamental fairness as to be violative of the due process clause. Civil matters are of the utmost importance because problems may arise in civil cases that can lead to drastic personal consequences. Ignorance of English can result in loss of important personal or property rights.

Therefore, I conclude that the provisions of the Bilingual Courts Act are required by the constitutional protections of the fifth and sixth amendments. Indeed, protection of equal justice through specific provisions for interpreter services is not a novel idea. The Canadian Bill of Rights, adopted in 1960, assures the right to an interpreter in court proceedings. The constitution of New Mexico specifically provides that in all criminal prosecutions the accused is entitled "to have the charge and testimony interpreted to him in a language he understands."

The Congress itself has previously enacted and confirmed provisions of law and court rules which assist in making interpreter services available. Rule 28(b) of the Federal Rules of Criminal Procedure provides that a Federal District Judge may appoint an interpreter of his own selection and may fix the reasonable compensation thereof. The Criminal Justice Act of 1964 authorizes payments from the Treasury for services other than lawyers fees which are necessary to an adequate defense.

On the civil side, rule 43(f) of the Federal Rules of Civil Procedure also authorizes the judge to appoint an interpreter of his choosing and fix his compensation. The cost of the interpreter may be paid from funds authorized by law, or paid by the parties or taxed as court costs, as the judge decides.

These provisions of the court rules have been used to provide interpreters in the Federal courts, but there are still major problems which need to be corrected by the Bilingual Courts Act. Most obvious is the lack of uniform standards for using interpreters. Although interpreters in criminal cases are almost uniformly used, the Bilingual Courts Act will assure that an oral simultaneous translation is provided in every case, and with proper equipment. It will also assure that interpreter services are available from the earliest possible time in the criminal process. To verify the interpretation, particularly if an unusual language is involved, the act authorizes recording of the proceedings.

More importantly, the act for the first time contains a requirement of translation services for all civil cases, although the level of interpretation may be varied by the judge depending on the circumstances. It should be noted, that it is the intent of the legislation to require the use of oral simultaneous translation for any type of proceeding which, even though it may be technically called a civil proceeding, has a direct effect on the liberty of an individual. Thus, Federal and State habeas corpus cases, or immigration cases, ought to have the highest level of interpretation available.

Another facet of the problem which will be helped by this act is the upgrading of the quantity and quality of interpreters in the Federal courts. At present, the Federal courts have on their staff 11 interpreters, in the following districts:

California Southern, 1; Texas Western, 2; Texas Southern, 1; New York Southern, 1; New York Eastern, 1; Florida Southern, 1; and Puerto Rico, 4.

Additionally, two interpreter-investigators in the Public Defender's office in Florida assist the full-time interpreter. These interpreters are paid on the average from $8–$12 thousand a year. This small number of interpreters are assisted on an ad hoc basis when more help is needed, or in other districts. Standards for selecting such temporary interpreters vary, and it is particularly onerous for a defendant if an interpreter is chosen from among the ranks of the law enforcement agencies located in the courthouse, as often occurs. On occasion a lawyer or family member serves as interpreter. This detracts from the effectiveness of the lawyer, and family members cannot be relied on as competent and disinterested interpreters.

Judge Manuel Real, from the Central District of California, testified at the hearings on this bill in 1973 about the problems which exist in the Federal courts today:

> The personal experience I have had as a lawyer and judge in the Central District of California and the Southern District of California, the District of Massachusetts and the District of Arizona, indicates to me the need for legislation affecting court interpreters and the availability of their services to non-English speaking litigants.
>
> Because of their proximity to the border of a Spanish speaking nation, the Southern and Central District of California and the District of Arizona have always—within my experience—had available Spanish speaking interpreters in criminal cases when needed. We have had within these districts, however, a need to upgrade the quality and quantity of interpreters available to us. In the Central District, we have one available interpreter who is extremely competent—but her services are given to us at some considerable financial sacrifice. I'm sure almost every district engaging interpreters within areas that have metropolitan state courts meets the same problem. This condition creates difficulties to the administration of justice in two ways—1. delay of proceedings where our interpreter is otherwise engaged in another court, or 2. settling for an interpreter insufficiently qualified to completely give an accurate translation of the testimony.
>
> In cases where two or more of the litigants are non-English speaking, one interpreter cannot possibly fulfill the obligations expressed in *Negron*, supra, particularly when the interpreter's services are required to translate the testimony of a non-English speaking *witness*. . . .
>
> Any legislation which would improve the quality of justice must recognize that just saying it doesn't make it so. Federal courts in metropolitan communities must be able to compensate interpreters competitively with State courts and administrative tribunals to get and keep competency at the highest level available. . . .
>
> My experience in the District of Massachusetts was limited to one month just a year ago but the experience does not appear to be atypical. A Spanish speaking defendant appeared before me in a criminal case for setting a trial date. No one advised me that the defendant did not speak English until I heard his lawyer audibly—in open court—tell him in Spanish of the date set for his trial. I then inquired whether the defendant understood English and the lawyer told me he did not, but that it wasn't that important because he translated for him as he had many times, not only in Federal courts, but also in States courts, acting as interpreter of the proceedings. Everybody in *Negron*, supra, must have thought the same things until Judge Bartels recognized the realities of justice when personal liberty is at stake.

I am confident that passage of the Biligual Courts Act will go a long way toward solving the kinds of problems Judge Real and other witnesses alluded to. More interpreters will be hired on a full-time basis, and they will be paid better. Lists of certified interpreters from private life will be compiled. Necessary translation equipment will be obtained. The subcommittee heard testimony that a simple portable device to allow simultaneous translation through earphones can be constructed for under $200.

The Bilingual Courts Act will centralize the responsibility for administration of all these functions, and thereby assure uniform standards and efficient operations. The Administrative Office of the U.S. Courts will implement the provisions of the bill. The Office is already underway in planning for the requirements of the legislation when it is passed.

The ethnic communities, and our native Americans—our multilingual and multicultural elements—are a vibrant part of our society, and a reminder of our heritage. These communities deserve and must have benefits and rights equal to those of other members of our society. Our Nation has gone far in recent years to meet the needs of the non-English-speaking minorities, with passage of the Bilingual Education Act of 1967 and other actions. This momentum must be carried forward with the adoption of the Bilingual Courts Act, so that our legal system can serve all Americans equally.

The unanimous passage of the act last year is a signal that the time for action has come. I am confident that the Senate will pass this bill again in the near future, and I am hopeful that Congressman Don Edwards' subcommittee in the House Judiciary Committee can hold early hearings. It is my fervent wish that this vitally important legislation can be signed into law before the next anniversary of our Nation's birth, as a reminder to all that we are still committed to the ideals of equal justice and fairness upon which our Nation was founded.

Mr. President, I request unanimous consent to have printed in the Record at this point the text of the Bilingual Courts Act, and a summary of the provisions of the act.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bilingual Courts Act".

CONDUCT OF BILINGUAL PROCEEDINGS

Sec. 2. (a) Chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"**§ 1827. Bilingual proceedings**

"(a) (1) In any criminal action, whenever the judge determines, on his own motion or on the motion of a party to the proceedings, that (A) the defendant does not speak and understand the English language with a facility sufficient for him to comprehend either the porceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any person who does not so speak and understand the English language, the court, in all further proceedings in that action, including arraignment, hearings, and trial, shall order an oral simultaneous translation of the proceedings, or an oral simultaneous translation of that testimony, to be furnished by an interpreter in accordance with the provisions of subsection (b) of this section.

"(2) In any civil action, whenever the judge determines on his own motion or on the motion of a party to the proceedings, that (A) a party does not speak and understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any person who does not so speak and understand the English language, in all further proceedings in that action, including hearings and trial, the court shall order an oral translation of the proceedings to be made by an interpreter in accordance with the provisions of subsection (b) of this section. The judge shall also determine, in the interests of justice, whether the translation shall be simultaneous, consecutive, or summary in nature, except that if a party request a simultaneous translation, the court shall give the request special consideration.

"(3) In any criminal or civil action, the judge, on his own motion or on the motion of a party to the proceedings, may order all or part of the non-English testimony and the translation thereof to be electronically recorded for use in verification of the official transcript of the proceedings.

"(4) The defendant in any criminal action, or a party in any civil action, who is entitled to a translation required under this section, may waive the translation in whole or in part. The waiver must be expressly made by the defendant or party upon the record and approved by his attorney and by the judge. An interpreter shall be used to explain the nature and effect of the waiver to the non-English speaking defendant or party.

"(5) The term 'judge' as used in this section shall include a United States magistrate and a referee in bankruptcy.

"(b)(1) The district court in each judicial district shall maintain on file in the office of the clerk of the court a list of all persons in that district who have been certified as interpreters by the Director of the Administrative Office of the United States Courts under section 604(a)(12) of this title.

"(2) In any action where the services of an interpreter are required to be utilized under this section, the court shall obtain the services of a certified interpreter from within the judicial district, except that, where there are no certified interpreters in the judicial district, the court, with the assistance of the Administrative Office of the United States Courts, shall determine the availability of and utilize the services of certified interpreters from nearby districts. Where no certified interpreter is available from a nearby district the court shall obtain the services of an otherwise competent interpreter."

(b) The analysis of chapter 118, of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1827. Bilingual proceedings.".

FACILITIES AND PERSONNEL FOR BILINGUAL PROCEEDINGS

SEC. 3. Section 604(a) of title 28, United States Code, is amended—

(1) by redesignating paragraph (12) as paragraph (13); and

(2) by inserting immediately below paragraph (11) the following new paragraph:

"(12) Under section 1827 of this title, (A) prescribe, determine, and certify the qualifications of persons who may serve as certified interpreters in bilingual proceedings, and in so doing shall consider the education, training, and experience of those persons; (B) maintain an updated master list of all interpreters certified by him, and report annually on the frequency of requests for, and the use and effectiveness of interpreters in bilingual proceedings pursuant to the provisions of this Act; (C) provide, or make readily available to each district court, appropriate equipment and facilities for the translation of non-English languages; (D) prescribe, from time to time, a schedule of reasonable fees for services rendered by such interpreters and, in those districts where the Director considers it advisable based on the need for interpreters, authorize the employment by the court of certified full-time or part-time interpreters; and (E) pay out of moneys appropriated to the judiciary for the conduct of bilingual proceedings the amount of interpreter's fees or costs of recording which may accrue in a particular proceeding, unless the court, in its discretion, directs that all or part of those fees or costs incurred in a civil proceeding in which an interpreter is utilized pursuant to section 1827(a)(2) of this title be apportioned between the parties or allowed as costs in the action;".

APPROPRIATIONS

SEC. 4. There are hereby authorized to be appropriated to the Federal judiciary such sums as may be necessary to carry out the amendments made by this Act.

EFFECTIVE DATE

SEC. 5. The amendment made by this Act shall take effect on September 1, 1975.

SUMMARY PROVISIONS OF THE BILINGUAL COURTS ACT

Section 2: Creates new Section 1827 of Title 28, U.S.C.

Subsection (a)(1) applies to criminal cases and requires that an oral simultaneous translation of all proceedings be furnished to a non-English-speaking defendant. Also requires oral simultaneous translation of the testimony of any non-English-speaking witness.

Subsection (a)(2) applies in civil cases and requires translation of the proceedings to be furnished to a non-English-speaking party. The court is given discretion in civil cases to determine whether the translation shall be simultaneous, consecutive or summary. Also requires translation of the testimony of any non-English-speaking witness. Need for an interpreter in (a)(1) or (2) is to be made by the judge on motion of either party or on his own motion.

Subsection (a)(3) gives to the judge the discretion to order electronic recording of a translation for use in verification of the official transcript of the proceedings.

Subsection (a)(4) permits a defendant in a criminal case or a party in a civil case to waive his right to a translation. The waiver may not be implied but must be expressly made by the defendant or party, on the record, and with the approval of his attorney and of the judge.

Subsection (a)(5) would make the provisions of this Act applicable to proceedings before U.S. Magistrates and before Referees in Bankruptcy.

Subsection (b)(1) requires the Clerk of Court in each judicial district to maintain on file a list of all persons in that district who have been certified as interpreters. The list would be both by name and language spoken.

Subsection (b)(2) requires that, where an interpreter is required, he must be a certified interpreter located within the district or available from nearby districts. When a certified interpreter is not readily available the court may utilize the services of an otherwise competent interpreter.

Section 3: Amends Section 604 of title 28, United States Code, by adding to the statutory duties of the Director of the Administrative Office of the U.S. Courts the duties relating to certification of interpreters, providing appropriate equipment and facilities for translation, prescribing a schedule of reasonable fees to be paid to interpreters, employment of either full-time or part-time interpreters, and the payment of the cost of translation, all as specified in the bill.

Section 4: Authorizes an appropriation to the federal judiciary of such sums as may be necessary to carry out this provision of this bill.

Section 5: Specifies September 1, 1975, as the effective date of the bill.

Mr. TOWER. Mr. President, I am very pleased to cosponsor the Bilingual Courts Act which is being introduced today by the distinguished gentleman from California, Senator TUNNEY.

My colleague from the State of California has clearly stated the need for this legislation. Certainly, we can all agree that we are not providing to the extent possible equal justice under the law to all persons in our country, when many persons—particularly the Spanish speaking—are often prevented from exercising their full legal rights in our Nation's courtrooms because of language barriers.

I share the Senator's view that all persons in our country should have full access to our Federal court system. Yet, there is sufficient evidence that persons with limited English speaking ability, especially the Spanish speaking, are unable to participate in our Federal court system on the same terms as those enjoyed by most other Americans.

Through this bill, we recognize that those who possess limited English speaking ability are no less entitled to justice and equal protection under the law than all other Americans. The full measure of justice such persons deserve can never be provided to them if the due process of law is systematically denied them in a system of English-speaking courts.

Mr. President, we have traditionally been a nation of people who have taken a special pride in our sense of fair play. We can take a very big step, therefore, toward providing to all persons who make up our society a full measure of this sense of fair play by extending to those persons with limited English speaking abilities complete access to the courts by initiation of a bilingual system. If my colleagues will consider the merits of this bill, I am confident it will receive the Senate's approval.

Mr. HASKELL. Mr. President, I am pleased to cosponsor the Bilingual Courts Act being introduced today. As a cosponsor of this bill in the last session of Congress, I was gratified that it passed the Senate, and I hope that both the Senate and the House will act upon it this session.

The necessity for the passage of this act—which will assist thousands of non-English-speaking Americans to defend themselves adequately in court proceedings—has been most persuasively stated by my colleague from California in his introductory remarks. I share with the Senator from California deep concern for the plight of those Americans who are effectively denied access to our Federal courts because the language used is alien to them. Indeed, it is alien to the cherished ideal of equal justice under law that a party in court can only stand mute before it.

This bill certainly is an admirable start toward remedying what I view as an intolerable situation. Providing for the translation of all courtroom proceedings in both criminal and civil cases will allow non-English-speaking Americans more effective participation in our courts. I hope that the Congress will see the merits of this proposed legislation and proceed forthwith to act upon it.

By Mr. HUMPHREY:

S. 566. A bill to provide authority for the District of Columbia to place two statues in Statuary Hall of the Capitol. Referred to the Committee on Rules and Administration.

Mr. HUMPHREY. Mr. President, I am today introducing a bill to provide authority for the District of Columbia to place two statues of distinguished residents in the Capitol. Under the current practice, established by House Concurrent Resolution No. 47 in 1933, one of these would be placed in Statuory Hall and a second at an appropriate place elsewhere in the Capitol.

When Statuary Hall was created in the old Hall of the House of Representatives in 1864, each State was invited to place two statues there.

While the District has yet to be granted voting representation in the Congress, progress has been made toward self-government by enactment, in the 93d Congress, of Public Law 93-198, the District of Columbia Self-Government and Government Reorganization Act, providing for an elected Mayor and City Council.

While the District shoulders the burdens of a recognized political entity, it does not enjoy all the rights which accrue to States. We can make a small step toward recognition of the District's contributions by granting its citizens recognition in the Capitol.

Washington truly is a national city. Since 1800 it has housed the Federal Government, serving as the adopted home of many of our great national leaders. It also is the legal residence of some 740,000 full-time residents.

The statues which are placed by the States depict Americans who have contributed significantly to our national history. Certainly this category of "distinguished Americans" should include many citizens of this city who have distinguished themselves in the betterment of the District and the entire Nation.

In my view it is most appropriate that we acknowledge and commemorate in this way the contributions of the District of Columbia and its citizens to the history of the United States.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 1814 of the Revised Statutes is amended by adding at the end thereof the following: "For purposes of this section, 'State' includes the District of Columbia."

By Mr. HUMPHREY (for himself, Mr. Tower, Mr. Abourezk, Mr. Bumpers, Mr. Domenici, Mr. Philip A. Hart, Mr. Hatfield, Mr. Laxalt, and Mr. Pell.

S. 567. A bill to amend the Internal Revenue Code with respect to nonrecognition of gain from the sale or exchange of a residence. Referred to the Committee on Finance.

THE HOUSING SALE ACT OF 1975

Mr. HUMPHREY. Mr. President, on behalf of myself and eight colleagues, I am today introducing legislation designed to prevent the inadvertent imposition of taxes on homeowners as a result of collapse in the housing market. This legislation would extend the period, from the present 12 months to 18 months, during which proceeds from the sale or exchange of a residence could be reinvested in another residence without taxation. In the case of a residence under construction, this period will be extended to 24 months from the current 18 months.

We need no reminding that the housing industry is in the worst shape of any industry in our economy. The latest data available is for December—and the data is distressing. Housing starts are down to an 8-year low. Not since 1966 have so few new housing units been put under construction. Even worse, applications for building permits for new housing fell to an alltime low. Never have so few applications been processed in the entire period covered by the Department of Commerce statistics.

Numbers, Mr. President, are difficult to relate to—there is no flesh and bones for many people to grasp. Yet the numbers coming from the housing industry are so shocking that no one should have difficulty understanding what has happened there. Since 1973, housing starts have fallen 60 percent; building permit applications are down an incredible 70 percent in the same period. Unemployment in the construction industry now exceeds 15 percent and is climbing. Mortgage money remains tight, and interest rates are still near their historic highs of this past fall. In short, Mr. President, things have gone from bad to worse and are still going downhill. The major culprit in this collapse is high interest rates.

Record high interest rates have crippled the used home resale market as well as the new home market. In fact, one of the major reasons new housing construction is at depression levels is that existing homeowners cannot "move up" to larger, new homes and sell their existing residences. They cannot purchase a new home or sell their old home—skyhigh interest rates have sharply reduced the sales of all homes.

In this situation, Congress should and, in fact, must insure that hardships are not imposed on individuals due to Federal rules or regulations intended to apply to normal times. One clear example of such a hardship relates to the limited time period during which the proceeds from selling or exchanging a used home for a new home may be reinvested in that new home without being taxed. Currently, if these proceeds are reinvested within 12 months—18 months in the case of a new home under construction—in another residence, any capital gains tax on the sale is deferred. This is an appropriate and desirable Internal Revenue Service regulation designed to avoid penalizing a family which is doing nothing more than purchasing a new home in exchange for another residence.

However, the limited time periods of 12 and 18 months are now too short even for periods of normal mortgage rates; homeowners searching for a new home find themselves pressed to make a hasty decision solely because the tax deferment reinvestment period is soon to terminate for them.

What is needed is a flexible time limit during which proceeds from the sale of a house can be reinvested in another residence and not be taxed. When mortgage rates are low, a relatively short tax deferral time period is adequate because homeowners can easily acquire financing to buy a new residence. However, in periods like today of tight money and high interest rates, a longer time period during which proceeds from the sale of a house are deferred from taxation pending reinvestment is appropriate for two reasons:

First, a home buyer simply may not be able to acquire mortgage money at any interest rate; and second, home buyers are, understandably, very reluctant to borrow mortgage funds even when they are available due to the high interest rates. As a result, a short tax deferral period may expire before proceeds from a house sale can be reinvested in another house.

The legislation I am introducing will partially remedy this inequity. Under this legislation, which is entitled "the Housing Sale Act of 1975," the time period, during which proceeds from the sale or exchange of a residence are tax deferable, would be lengthened. Home buyers will have 18 months—2 years in the case of homes under construction—to reinvest in another residence before being subject to taxation.

The extension of this time period to 18 and 24 months is identical to provisions carried in the general tax reform legislation which grew out of deliberations by the House Ways and Means Committee last fall. They predicted that no appreciable revenue loss would occur with this change.

I urge my colleagues to support this legislation designed to remedy an unintended result of our Internal Revenue Code.

I ask unanimous consent, Mr. President, that the text of the Housing Sale Act of 1975 be included in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1034 of the Internal Revenue Code of 1954 (relating to sale or exchange of residence) is amended by—

(1) striking out "1 year" each place it appears in subsection (a) and inserting in lieu thereof "18 months",

(2) striking out "1 year" in subsection (c) (4) and inserting in lieu thereof "18 months",

(3) striking out "one year", "1 year", and "18 months" in subsection (c)(5) and inserting in lieu thereof "eighteen months," "18 months", and "2 years" respectively,

(4) striking out "1 year" in subsection (d) and (h) and inserting in lieu thereof "18 months".

(b) The amendments made by this Act apply to the sale of an old residence by a taxpayer after December 31, 1973.

By Mr. CHURCH:

S. 568. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax. Referred to the Committee on Finance.

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, a bill which I submitted for consideration during the 93d Congress.

This proposal would amend the estate tax provisions of the Internal Revenue Code of 1954 dealing with the specific exemption.

The present estate tax exemption, which amounts to $60,000 of the gross estate, is simply unrealistic and in need of revision. The rapid rise in the cost of living has just about tripled since the original exemption provision was first written into the tax laws in 1942. This same cost increase is dramatically reflected in the value of farmland which, in 1974, increased 25 percent over the previous year according to the Agriculture Department's Economic Research Service. During 1973, the value increased by 21 percent. The estate tax specific exemption must be reconciled with the sunken value of today's dollar. By raising the exemption to $120,000, as called for in my proposal, this section of the tax law will be brought more into line with today's price levels.

I believe that adoption of this measure will also eliminate a primary obstacle to the preservation of small family businesses and family farms. When a family member inherits a small business or farm, he or she is immediately saddled with enormous estate taxes.

This is so because real property is valued at "fair market value" for estate tax purposes. The productive capacity of land which is used as farmland may not be reflective of that land's value at current market prices. Income produced by small businesses is also frequently below the return one would expect if the assets of the business were purchased at current values. Even where a closely held business, like a family farm or small business, comprises the major part of an estate—in which case the Federal estate tax imposed on that estate may be paid in installments over as long a time period as 10 years—there is frequently too little income realized from a small business or a family farm to permit payment of estate taxes without sale of at least part of the property subject to the tax.

As illustration of the impact of such estate taxes might make the point clearer: suppose an Idahoan inherits from his or her father a 200-acre farm valued at $650 an acre, plus farm equipment and farmhouse, for a total valuation of $180,000. Under the present estate tax structure, the beneficiary would pay $26,700 in Federal estate taxes—less expenses for settling affairs of an estate or credits for State taxes. The tax is owing—a small farm or business may net no more than $10,000, and this is stretched very thin in light of today's inflationary prices for living expenses and necessary investments for new farm equipment and other assets—and where is the son or daughter to get the money to pay the estate taxes? If liquid assets are not available to pay the estate tax—and that is usually the case—the outcome is predictable. The beneficiary must mortgage the property or sell part of the farm or business in order to pay the tax on the father's estate.

Adoption of this legislation would raise the specific exemption provided under section 2052 of the Internal Revenue Code from $60,000 to $120,000. Under the illustration I have described, an exemption of $120,000 would mean that a beneficiary would pay a total of $9,500 of estate taxes on $60,000 worth of the father's $180,000 farming or small business estate.

An amendment of this nature is desperately needed. In 1973 the number of farms in the United States declined by 26,000 and at the same time the number of acres in farming declined by 3 million. Preliminary 1974 figures indicate that the number of farms will again decline by some 23,000.

When you add to this declining number of farms the fact that the average age of the American farmer is 56 years and it becomes clear that young people are not moving into agriculture. Yet, the sons and daughters of existing farm families are the Nation's most logical reserve of farmers. The Federal estate tax laws, however, create unnecessary obstacles for the maintenance of family-owned farms and small businesses.

The estate tax was not meant to break up small family operations, its purpose was to prevent amassing and perpetuating great fortunes. Like other provisions of our tax laws, the original purpose has become outdated.

Bustling farm communities, maintained by small businesses and supported by family-sized farms are fast becoming relics of another age. The trend will continue unless sensible action is taken. While revision of the Federal estate tax is not the complete answer, it is surely a step in the right direction. To do nothing can only mean that small farms will become more concentrated into vertically and horizontally integrated agribusinesses, and the small, community-based business will close shop, unable to compete against the financial power of the giant corporations. In the end, the country will have lost a way of life which I, for one, think is worth saving.

I urge speedy action on this measure.

By Mr. HOLLINGS:

S. 577. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. HOLLINGS. Mr. President, at a time when this Nation's economy is perhaps at its lowest point in 30 years, the housing industry has been facing one of its worst crises ever. A sharp decline in economic activity and a continuing high rate of inflation along with extremely high interest rates have combined with other factors to produce a severe impact on the housing market.

Housing starts plunged 35 percent last year to 1,340,000 units, the fewest starts since 1967 and the biggest decline since 1943. December's level fell 12 percent to an 868,000 unit seasonally adjusted annual rate, an 8-year low; the annual rate is expected to get worse before it gets better.

The generally weakened economy has driven large numbers of workers into unemployment and has reduced the income of many others. In December the overall unemployment rate was 7.1 percent, which means that 6,535,000 employees were out of work in a civilian labor force of 91 million.

As a result of these adverse economic conditions the capacity of many homeowners to continue to make mortgage payments has deteriorated and the delinquency rate on home mortgages is increasing rapidly. The number of foreclosed houses, maintained in part with a loan of more than $1 billion from the U.S. Treasury, has grown from about 26,000 in late 1970 to a peak of more than 78,000 in May, according to a spokesman for the Department of Housing and Urban Development. The spokesman said the Government now spends an average of $6.23 each day to maintain each house in its current inventory of 73,718.

H. R. Crawford, HUD's Assistant Secretary for Housing, said the inventory of foreclosed homes may increase soon. He said:

> If the economic situation doesn't improve, there will be more foreclosures; the greatest problem now is the effect of the layoffs from the auto industry that will trickle down. I think we can expect to see the number of foreclosures increasing about next April or May.

The bill which I now introduce is a bill designed to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or whose incomes have been significantly reduced as the result of adverse economic conditions.

The Secretary of Housing and Urban Development is authorized and directed to make repayable emergency relief payments on behalf of distressed homeowners when the Secretary determines that the action is necessary to avoid foreclosures and that the action will enable homeowners to make adjustments necessary for a full resumption of mortgage payments.

Mortgage relief payments to homeowners may be in an amount up to the amount of the principal, interest, taxes, hazard insurance, and mortgage insurance premiums due under a mortgage or mortgages covering a dwelling owned and occupied by the homeowner as his principal residence, not exceeding $375 per month.

Those homeowners eligible for emergency mortgage relief payments include one or more individuals who own and occupy a dwelling as a principal residence and whose income has declined by more than 20 percent because of unemployment or other adverse conditions. Payments may be made by the Secretary for a period not exceeding 2 years, but may be terminated by the Secretary at any time the homeowner is able to resume making mortgage payments in full.

The Secretary is authorized to establish a revolving fund to provide for the mortgage relief payments, obligations issued to the U.S. Treasury, and any other expenditures including administrative and nonadministrative expenses.

The positive effects of this bill would probably be a lower rate of foreclosure and a lower mortgage delinquency rate. Homeowners would benefit in being able to continue making their mortgage payments, and thus to avoid the loss of their homes due to economic conditions.

By Mr. McGOVERN (for himself and Mr. Mondale):

S.J. Res. 28. A joint resolution concerning an emergency survival feeding operation. Referred to the Committee on Armed Services.

EMERGENCY SURVIVAL FEEDING OPERATION

Mr. McGOVERN. Mr. President, it has come to my attention that there presently exists a supply of food that would feed 10 million people for 60 days. This supply of food is not being used. This is a supply of food for which there is no commercial demand. This is a supply of food that may go wasted. I am referring to the civil defense all-purpose biscuits. These biscuits are valued at 50 cents per pound. At 300 million net pounds, they amount to $150 million worth of food.

These biscuits have recently been used in small amounts in Bangladesh, Chad, Colombia, Nicaragua, Honduras, and the Philippines. They were well received by all.

Today the shelf life of these biscuits is nearing its end. To quote from a Government memorandum "Means of disposal must be determined soon." I suggest that the only possible means of disposal for this vast quantity of food is human consumption. Consumption by the most needy. The millions in South Asia or the Sahel who today face starvation.

On December 18, 1974, I wrote the President, after conducting an all-day hearing on famine and U.S. food aid, with this suggestion. On January 3, 1975, I received an answer from W. D. Eberle, Executive Director, Council on International Economic Policy. Mr. Eberle's response to me is, I believe, contradictory to a December 3, 1974, in-house memorandum on this subject from one D. S. Paulsen to Mr. C. Herbert Rees.

It is clear to me that none of the "several major problems" cited by Mr. Eberle constitute more than momentary delays in the context of a concerted effort to deliver this food to starving people. On the "problem" of cost of delivery Mr. Eberle states that—

> It may be uneconomical to move rations long distances because the cost of transportation can exceed the value of the food.

In this case, that reasoning seems strained to say the least. The in-house memorandum on this subject states:

> The clincher, perhaps, is the fact that these biscuits (valued at approximately 50 cents per pound if they were to be replaced today) are available, where-is-as-is, at no cost.

And that—

> Pondering several potential areas of need, worldwide, including inland freight to U.S. seaports, I estimate that about $50 million would be needed to move the entire 425,000 measurement tons available.

The issue is clear to me. Is it worth $50 million to the United States to send $150 million worth of food to 10 million starving people to feed them for 60 days, or should other "means of disposal" be found? I do not believe "several weeks of research process" is necessary to come to an answer.

What is needed is a diligent effort to get this food on its way to its logical and rightful destination—starving people. To that end I offer Senate Joint Resolution 28. It is a simple resolution meant to accomplish a simple end. Without it I have come to fear this matter will fall through the bureaucratic cracks. I believe we should spend $50 million, or whatever it costs to feed people now, rather than millions of dollars later to dispose of what could become, the most wasteful and expensive garbage in history.

I ask unanimous consent that Senate Joint Resolution 28 be printed in the Record with my correspondence on this subject and the memorandum I have quoted from.

There being no objection, the joint resolution and material were ordered to be printed in the Record, as follows:

S.J. Res. 28

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, there is on hand 300 million net pounds of Civil Defense All Purpose Survival Biscuits, which constitutes a six-hundred million man-day supply of desperately needed food;

Whereas, this supply of Civil Defense Biscuits is nearing the end of its shelf life;

Whereas, means of disposal will have to be determined soon;

Whereas, food created for human consumption should be made available to hungry people before "alternative" means of disposal are considered;

Whereas, the world is faced with the threat of massive famine and the death of hundreds of thousands, perhaps millions of children, women, and men;

Whereas, it would be a national disgrace to allow food worth $150,000,000, that would feed ten million people for sixty days to become the most expensive garbage in history;

Therefore be it resolved: That food should be put to use within ninety days to help relieve hunger; That to this end the Secretary of State is respectfully directed to report to the Congress within twenty days a comprehensive plan to deliver this supply of Civil Defense All Purpose Survival Biscuits to nations designated as "most severely affected" by the United Nations.

Civil Defense All-Purpose Survival Biscuits; an Alternative/Supplemental Source of Food

1. As discussed recently by telephone, it has come to my attention that in addition to the 6,400 tons shipped to Bangladesh this fall, some 300 million pounds of Civil Defense Biscuits remain on hand. Defense Civil Preparedness Agency advises that this food is finally nearing the end of its shelf life. Means of disposal must be determined soon.

2. Stored in various municipalities throughout the United States and Puerto Rico, these biscuits (150,000 net tons) are an important resource, particularly during this period of world shortages, increased demands and limited U.S. means. The clincher, perhaps, is the fact that these biscuits (valued at approximately 50 cents per pound if they were to be replaced today) are available, where-is-as-is, at no cost. It would seem that food suitable for human consumption should be made available to hungry people before alternative means of disposal are considered.

3. Some facts:

Each half-pound of "fortified" (not Hi-protein) biscuits provides approximately 1,000 calories calculated to sustain human life for people of slight build for one day. The potential here is a staggering six-hundred million man-days of survival.

"Ingredients: Wheat flour, sugar, vegetable shortening, corn flour, corn sugar, soy flour, salt, leavening, and with BHA (Butylated Hydroxyanisole), BHT (Butylated Hydroxytoluene), Propyl Gallate and citric acid in Propylene Glycol added to preserve freshness".

Biscuits are packed in quarter-pound, cellophane packages in 2½ gallon (approx. 6 lbs.) and 5 gallon(approx. 15 lbs.) tins; six 2½ gallon or two 5 gallon tins per carton.

Biscuits are well packaged and readily distributable to the family level. They are ready to eat; need no re-packaging, processing, cooking or preparation.

Contents (biscuits) are in good condition. Some cartons, however, are beginning to deteriorate, because in some storage areas dampness has affected the glue and paperboard. A few cans are rusty, but tests show that the contents remain good. I have sampled them. The stale odor initially present tends to dissipate upon exposure to air. The taste is such as one might expect of rather dense crackers of the description furnished.

Biscuits have proven to be acceptable. CARE shipped and distributed 5 million lbs. to various Sahel destinations where acceptability was demonstrated. A pilot shipment was equally well received in Bangladesh this summer. People were reported to be pushing and shoving to get them after having eaten them for several days. 27 million lbs. have also been shipped to disaster areas in Chad, Colombia, Nicaragua, Honduras, and the Philippines. Large scale acceptability should be evidenced again within the next day or so as the first of the 6,400 tons mentioned above reaches the people.

4. 300 million net pounds of biscuits together with packaging works out to about 170,000 long tons and 425,000 measurement tons (of 40 c.f.) of cargo. Pondering several potential areas of need, worldwide, including inland freight to U.S. seaports, I estimate that about $50 million would be needed to move the entire 425,000 measurement tons available. Exactly how much would be needed to move specific quantities to the several overseas areas of need would, of course, depend upon how much, to where, from where. While this amount seems large, replacing the ingredients of the biscuits entails buying at least 150,000 tons of commodities.

Bonus: In addition to the biscuits, unknown quantities of "survival type carbohydrate dietary supplement" (almost pure sugar, lemon and cherry flavored candy balls) similarly packed, is also available. This commodity has invariably slipped into biscuit shipments made in the past because it is similarly packed and stored with the biscuits. Needless to say, it "goes down well".

5. Several people in the Agency have expressed interest. Money seems to be the largest stumbling block. Senator Symington's office has made inquiries concerning the biscuits here and at DCPA.

6. A sample package of biscuits accompanies this memo together with a sample of the 2½ gallon tin.

WASHINGTON, D.C.,
December 16, 1974.

Hon. GERALD R. FORD,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing you today regarding reports that 150,000 tons of food are available in this country for distribution to the hungry overseas.

This food was originally prepared and stored in case of a disaster caused by nuclear war.

Fortunately, the world has averted this kind of man-made disaster. But millions of human beings are facing another kind of disaster today—malnutrition and death from famine.

Experts suggest that the 150,000 tons of food stored originally for civil defense purposes could feed 10 million people for 60 days.

Apparently, in the past several years, through the cooperation of the United States Civil Defense Preparedness Agency, volunteer agencies such as CARE and local communities, some of this food has been shipped abroad to alleviate hunger.

As I know you are aware, the famine emergency overseas grows more grave daily. Every day, thousands of innocent children are dying for want of adequate nourishment. Before this tragedy ends, thousands more will die or be crippled.

For this reason, I respectfully urge you to convene in Washington a special meeting of officials from the Civil Defense Preparedness Agency, the Food for Peace Agency, voluntary agencies such as CARE, Church World Service and Catholic Relief, and representatives of local communities, to draft plans to ship this desperately needed food abroad.

I know your time is short and burdened with the very serious problems this nation faces.

But no problem facing mankind today is graver than that of famine and starvation. America should lose no opportunity to do what it can to alleviate this tragedy.

Sincerely,

GEORGE MCGOVERN,
Chairman.

THE WHITE HOUSE,
Washington, D.C., December 18, 1974.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I wish to acknowledge and thank you for your December 16 letter to the President recommending that he call a special meeting to draft plans to ship abroad the 150,000 tons of food available from present stores of food the government has maintained as part of its preparedness program.

You may be assured your letter will be called to the prompt attention of the President and the appropriate members of the staff. I am certain your proposal will be carefully studied.

With kindest personal regards,

Sincerely,

TOM C. KOROLOGOS,
Deputy Assistant to the President.

COUNCIL ON INTERNATIONAL
ECONOMIC POLICY,
Washington, D.C., January 3, 1975.

Hon. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: This is in further reply to your letter to the President of December 16th, which was acknowledged on December 18, 1974 by Tom C. Korologos.

We have already begun a survey to determine how much of the food which was originally stored for use during a nuclear disaster is available for human consumption. From 1962 to 1964, the federal government procured food, medical and sanitation supplies, and water containers which were granted to local governments for storage in 100,000 shelters throughout the country. These supplies are owned by the local governments, not the federal government. Approximately 150,000 tons of food were originally stored. We are now attempting to determine exactly how much remains in storage. The food supplies consist of rancid cereal-based rations of a biscuit type, and carbohydrate supplements, which are similar to hard candy.

Shipment of these reserves overseas for famine relief would entail several major problems. First, we must determine what supplies are presently available. Some supplies have been used in the past for relief programs; some have been destroyed by fire, flood or similar occurrences; and others have been destroyed because they have deteriorated beyond fitness for human consumption.

Second, since these supplies are legally owned by the local governments, they must be donated to or purchased by the federal government or a private agency before they can be distributed overseas.

Third, at the time of their installation in the shelters, it was determined that the supplies had a shelf-life of at least five years. Although their deterioration has not materially affected their nutritional value, they have become rancid and are considered palatable only after they have been aired to dispel their rancid odor.

Last, the physical removal of these supplies from their respective storage areas, and their transportation overseas involves substantial expense which must be borne by the federal government or some other public or private agency. The Agricultural Research Service of the Department of Agriculture has determined in the past that it may be uneconomical to move rations long distances because the cost of transportation can exceed the value of the food.

I fully agree with you that we should do everything we can to alleviate hunger abroad, and I have asked the Defense Civil Preparedness Agency to determine the feasibility of shipping these reserves overseas. The research process has begun and we expect to have the results within several weeks. We will be in touch with you again as soon as the analysis is completed.

Sincererly,

W. D. EBERLE,
Executive Director.

By Mr. HOLLINGS:

S. 578. A bill entitled the Energy Transportation Security Act of 1975. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, I am today introducing the Energy Transportation Security Act of 1975. When President Ford vetoed such legislation at the close of the last session of Congress, many of us warned of the injurious economic effects which were bound to follow such veto. These consequences are already becoming clear.

The February 10 issue of the respected journal, Business Week, contains a report on the declining status of our hard-hit shipbuilding yards. Specific reference is made in the article to the Seatrain Shipbuilding Corp. where two large U.S.-flag tankers have been under construction; one of these ships is 82-percent completed, and the other 30 percent. The Government's role in financing construction of these vessels has, of course, been considerable, through construction subsidies and loan guarantees. Now the future of the ships, and of the whole American tanker industry, is up in the air. The President's veto has provided a serious body blow to America's chances of launching an adequate tanker fleet. Our yards are cutting back and workers are being laid off, thereby exacerbating the current economic recession. While the President talks about made-work jobs for the unemployed, he simultaneously delivers this devastating set-back to an industry which is vital to the future well-being of the country. By failing to implement cargo preferences, the President makes us ever more dependent upon the ships of other nations for our energy imports—and we know now that the Arabs themselves are making an all-out effort to capture control of world oil shipping, thereby giving them even more control over the future of the United States and the other oil-consuming countries.

How such a piece of legislation can be vetoed is beyond me. For the sake of jobs—for the sake of encouraging a vital American industry—and for the sake of avoiding increased dependence upon the oil-exporting nations—the Congress should pass the Energy Transportation Act by a majority sufficient to insure its being written into the lawbooks.

Let me point out also, Mr. President, that the cargo preference provisions of this legislation would not only have facilitated jobs and enhanced our national security, but they would also have gone a long way toward encouraging safety in the transportation of imported energy. If we could move from the present 4 percent up to 30 percent of imported oil brought in in American bottoms, then that much more oil would be moved in ships built to the high standards of American safety. Recently the commandant of the Coast Guard testified before Congress that safety would be greatly improved if that higher percentage of imported energy was required to move in American bottoms.

Mr. President, it is up to the Congress to act on this, and if we move with dispatch and with the sufficient majority, we may perhaps—even at this late date—reverse the stagnating situation in our shipbuilding yards—put people back to work on productive and important jobs—and protect the national interest by leading the way toward increased independence for the United States.

Mr. President, I ask also that the article from Business Week which I mentioned earlier in my remarks be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UNITED STATES MAY BAIL OUT SEATRAIN'S TANKERS

Until President Ford exercised a year-end pocket veto of a bill that would have required 30% of U.S. oil imports to be carried in U.S. flag tankers, prospects for Seatrain Shipbuilding Corp., a subsidiary of Seatrain Lines, Inc., were merely risky. Now they are desperate. This week a four-man team from the Federal Maritime Administration returned from a fact-finding trip to New York, where Seatrain builds tankers in the old Brooklyn Navy Yard. The yard is virtually shut down, following an announced four-week furlough last week of 1,800 workers that left only a few caretakers. The yard had already reduced its work force by more than 1,000 employees since December.

The Maritime Administration's fact finders, headed by Deputy Assistant Secretary Howard F. Casey, were looking after the government investment in two 225,000-dwt U.S. flag tankers under construction in the yard. One, scheduled for delivery next December, is about 82% complete, and the other, scheduled for December, 1977, delivery, is about 30% finished. Two earlier tankers built by the yard were delivered in December, 1973, and December, 1974, respectively. At the moment, however, the yard has no firm buyer or lessee in sight for the two tankers under construction.

The government has two major interests in the ships: It has paid out $31.5-million so far in construction subsidy progress payments, and it also guaranteed 75% of the private funds borrowed to build the ships. (Under a term loan agreement with its banks, Seatrain Lines was supposed to make principal payments on about $45-million outstanding at the end of January. However, a spokesman for Chase Manhattan Bank said this week that talks were under way to extend this date to the end of February.)

THE OPTIONS

The question facing Robert J. Blackwell, Assistant Secretary of Commerce for maritime affairs, is how best to protect the government's investment. Basically, his options boil down to whether the government should pay an additional $18-million to $20-million to finish the first tanker, and $40-million or more for the second, or whether it should end support now.

One factor affecting the decision is whether the world market for tankers, currently very depressed, is likely to improve by the time the vessels are finished. Another factor is the impact of the yard layoffs on the Brooklyn economy. The yard has been a pilot project in rehabilitating a depressed region by on-the-job training of the local work force to perform skilled tasks. A delegation of New York interests, including Congressional representatives, met with Blackwell last week to plead for government intervention to save the shipyard and jobs. About 85% of the yard workers belong to minorities.

The Maritime Administration has reserve funds to bail the shipyard out, Blackwell says, but he wants private investors in the ships to put up cash, too. "I can make the decision," Blackwell says. But, he adds, "I would clear it with Secretary of Commerce Dent and he might want to discuss it with the White House."

However the decision goes, it will be made soon. If the government bails out the ships, they would be sold when completed, and both the government and private investors would get their money back—assuming buyers could be found and the price was right. Because of cost overruns, Seatrain lost an estimated $13-million on the first two ships delivered.

HEARINGS COMING UP

The situation for American flag tankers is drawing new attention in Congress. The Senate Commerce Committee will hold hearings beginning Feb. 7 on the "depressed condition of the U.S. tanker industry and the impact of President Ford's energy proposals on that industry." There are Congressional rumors about a move to exempt oil carried in U.S. flag ships from any tariff levied on imported oil. Also, Congress seems likely to send the cargo preference bill back to the White House.

Seatrain's Brooklyn operation is the yard hit hardest so far, but Newport News Shipbuilding & Dry Dock Co., a division of Tenneco, Inc., has laid off about 150 workers so far this year, and its president, John P. Diesel, expects the number to reach 2,000 by June. If massive shipyard layoffs spread, Congress will seek legislative relief. Says one congressman: "We will knock heads with the White House if necessary."

By Mr. BELLMON (for himself, Mr. Bartlett, and Mr. Curtis):

S. 579. A bill to amend the Emergency Livestock Credit Act of 1974. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, I am today introducing a bill to amend the Emergency Livestock Credit Act of 1974 so that the Farmers Home Administration of the USDA will be able to guarantee 90 percent of loans made to livestock producers by authorized lending institutions. The bill also provides for new guarantees through December 31, 1976, guaranteed loans of up to $500,000 and includes the Federal Financing Bank as a "legally organized lending agency" as defined by the act.

The Emergency Livestock Credit Act of 1974 was signed into law on July 25, 1974. Since that time cattle prices have continued to decline, reaching record lows, while production costs have increased sharply.

Accordingy to the Statistical Research Service of the USDA, the price received by farmers for cows has decreased 42 percent from May 1974 to December 1974—from $28.90 per hundredweight to $17 per hundredweight. Calf prices have dropped from $42.80 per hundredweight in May 1974 to $24.80 per hundredweight in December or a 42-percent decrease.

As many of you will remember the Senate passed the Emergency Livestock Credit Act with a 90-percent guarantee provision. The House would not accept the 90-percent provision and a compromise of 80-percent was agreed upon. However with the continued deterioration of the cattle market, 90-percent guarantee is necessary to insure cattle producers with adequate credit. Many cattlemen have not been able to find lending agencies that will provide credit with the 80-percent guarantee. In Oklahoma, a significant number of cattle loans are not being renewed and farmers and ranchers are being forced to sell their herds, their equipment, and their land. This legislation is vital to the survival of a viable livestock industry which is essential to meet future food needs of our growing population.

The House of Representatives limited the loan guarantee to $250,000. This loan limit has worked a great hardship on many of the Nation's most efficient producers since the more cattle owned, the greater the losses and the greater the resulting need for credit. I have talked with a cattle producer in western Oklahoma who had 3,500 head when the bottom dropped out of the market. This experienced and normally successful cattle producer had financed his cattle operations through the Production Credit Association. The PCA is now suing him to make him sell his land to pay his loan. With the guarantee limit increased to $500,000, this efficient Oklahoman would be able to survive and continue producing food for a hungry world. This is not an isolated case, Mr. President.

The Oklahoma Bankers' Association was in Washington last week and several bankers stressed the importance of extending the life of this act. Cattle producers operated at extreme losses in 1974 and if a cattle producer breaks even in 1975, he will be lucky. As cattlemen renew their bank loans many are unable to pay their interest, much less any principal. Increasingly, cattle loans are becoming stale and bank examiners are forcing lending institutions to call livestock loans. The Emergency Livestock Credit Act must be extended through 1976 for the cattle industry to maintain adequate credit.

A good example of the current economic crisis of the cattle industry was expressed by a rancher from Strong City in western Oklahoma. This individual bought 200 heifers for $187 per head in the fall of 1973. He sold the same heifers this week and they averaged $54 per head. He had run out of feed and could not borrow money to buy more feed. This shows a $133 per head loss without considering interest, feed, labor, and any other production cost.

The current low market is having serious repercussions on other businesses and industries. At **Elk City, Okla.**, I talked with a car dealer who sold over 20 new pickup trucks in January 1974. Through January 27, 1975, he had sold one new pickup. Unemployment in Detroit can be traced directly to hard times in agriculture.

I urge Congress to take immediate action on this bill so that efficient farmers and ranchers may survive and so consumers will have a beef supply 5 or 6 years down the line.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Emergency Livestock Credit Act of 1974 (Public Law 93–357) be amended:

(1) By placing a period after the word "hereunder" in subsection (b) of section 2 and striking the remainder of the subsection;

(2) By striking all of subsection (c) of section 2 after the word "Secretary" and inserting the following in lieu thereof: "to guarantee more than 90 per centum of the principle and interest payment due on such loan.";

(3) By substituting in section 3(a) (3) the figure "$500,000" for the figure "$250,000"; and

(4) By striking section 8 and inserting in lieu thereof the following:

"The authority to make new guarantees under this Act shall expire on December 31, 1976."

By Mr. SCHWEIKER:

S. 581. A bill relating to the authority of the armed services to utilize all news media for advertising for military manpower recruitment. Referred to the Committee on Armed Services.

Mr. SCHWEIKER. Mr. President, I introduce today legislation to allow the military services to utilize paid radio and television advertising for military recruitment purposes.

Ever since 1971, when restrictive language prohibiting military recruitment broadcast advertising was inserted in the conference report for the defense appropriations bill for fiscal year 1972, the armed services have interpreted congressional intent as prohibiting such advertising. This concern over congressional intent has gone so far as to inhibit the services from including radio and television advertising in their recruitment advertising budget requests to the Congress.

Passage of this bill will once and for all end doubts in the Department of Defense and the Congress about whether broadcast ads are allowed or not.

Radio and television stations can play an important role in airing military procurement ads during prime times in order to reach potential recruits for the volunteer Army. Ads can be targeted to specific areas, and aired on programs known to be popular with potential recruits. This kind of time and location flexibility cannot be matched by public service advertising. To deny the Department of Defense the high flexibility of paid radio and television advertisements to seek recruits is shortsighted, and discriminatory against broadcasters.

This bill is similar to an amendment I introduced to the fiscal year 1973 military procurement bill. That amendment was rejected by House-Senate conferees on the grounds that there was no prohibition in the law. However, every effort I have made to have appropriated military recruitment funds earmarked for radio and television advertising has been thwarted on the grounds that there is no authority by Congress to spend such funds.

If my bill is not taken up separately, I will introduce it as an amendment to the military procurement authorizations bill for fiscal year 1976. Only a clear statement of authority by Congress, such as my bill, will end the confusing vicious circle that has kept alive the prohibitory language of the 1972 conference report.

This language does not require any military service to use paid radio and television advertising. Perhaps only the Army, in seeking the volunteer Army, will want to use broadcast advertising. And even the Army is not required to use it. But we should insure that any service that feels that paid broadcast advertisements would be a useful part of their military recruitment advertising budget at least has this as an option. This bill would allow such services to include paid advertising in their budget requests to Congress.

The current situation is arbitrary and discriminatory, and I urge swift action to clarify it.

I request that the text of my bill be printed in the RECORD following these remarks:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 581

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That in order that all appropriate means may be available to the Department of Defense in furthering its efforts to maintain an all-volunteer military force, nothing in any act of Congress shall be construed as prohibiting any branch of the Armed Forces of the United States from expending funds for the purpose of advertising in any type of news media, if the purpose of such advertising is to attract eligible persons to enlist or accept commissions in such Armed Forces and the funds used to pay for such advertising were appropriated for recruiting or advertising purposes.

By Mr. BURDICK (by request):

S. 582. A bill to amend section 40 of the Bankruptcy Act to fix the salaries of Referees in Bankruptcy. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, today I am introducing a bill which will amend section 40 of the Bankruptcy Act. The purpose of this bill is to restore to the Congress the sole and exclusive authority to fix salaries of the full-time bankruptcy judges along with all other members of the Federal judiciary similarly situated. It will also serve to implement the salary authorization made by Congress 6 years ago.

Section 40 provides that full-time bankruptcy judges shall receive salaries of not more than $36,000 per annum and part-time bankruptcy judges, not more than $18,000. Subject to those limitations, the statute gives the Judicial Conference of the United States the power to set the salaries of bankruptcy judges. The Conference is required to take into consideration such factors as the average number and types of cases handled by bankruptcy judges, the average amount of assets realized from such cases, the number of cases closed and pending in the territory during the preceeding 10 years and such other factors as may be material.

The Judicial Conference has refused to bring any of the bankruptcy judges up to the maximum prescribed by Congress in the statute. In the past the maximum figure has been paid to at least some bankruptcy judges, those with the heaviest caseloads and the more difficult cases. Today, in spite of a record number of cases not a single bankruptcy judge receives the maximum $36,000 which was authorized by Congress in 1969. Indeed, the salaries of full-time bankruptcy judges which had been set by the Conference at $30,000 was only increased to $31,650 in 1972 as a result of congressional intervention.

This leveling of salaries is a result of a change in policy by the Judicial Conference in 1969. It was decided then that all full-time bankruptcy judges should be paid at the same rate. In accordance with this policy the Conference, in 1973, asked Congress for legislation repealing the language in section 40 containing the criteria for establishing the salaries of full-time bankruptcy judges.

The effect of the 6-year salary freeze has endangered the quality and effectiveness of the bankruptcy court. Three former law professors, two former State court judges, and one of the authors of the prestigious "Collier on Bankruptcy" have recently left the bankruptcy bench due to economic reasons. Other bankruptcy judges are on the verge of returning to State courts or private practice in the absence of prompt relief from their present economic problems. Not surprisingly, the Bankruptcy Division of the Administrative Office of the U.S. Courts advises that recruitment is already becoming markedly more difficult because qualified attorneys are apprehensive over the existing inadequacy and longe-range prospects for salary relief and security for bankruptcy judges.

Any weakening in the caliber of the bankruptcy bench could not come at a worse time. The volume and complexity of Federal bankruptcy litigation has already risen to heights never before experienced. Already fiscal 1975 has seen a rise of 33.2 percent over the comparable period of fiscal 1974. Thus, fiscal 1975 could be the year with the largest number of filings in history.

It seems altogether appropriate then to rectify the salary inequities experienced by bankruptcy judges over the past several years. And, inasmuch as every full-time bankruptcy judge now receives the same salary without regard to the standards prescribed by section 40a of the Bankruptcy Act, it also seems appropriate that Congress revoke its delegation of the authority to fix the salary of bankruptcy judges now that the reason for the congressional delegation of authority no longer exists.

Finally, a permanent return of the salary-fixing authority to the Congress would do much to restore the confidence of bankruptcy judges and to preserve the important gains made in recent years in the quality and competence of the bankruptcy bench.

By Mr. BURDICK:

S. 583. A bill to provide that the price of wheat, corn, and milk be supported at not less than 90 per centum of the parity price therefor, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. BURDICK. Mr. President, I send to the desk a bill that would set the target prices of wheat, feed grains, and milk at not less than 90 percent of parity. I also want to express my sincere appreciation to the Senate Committee on Agriculture and Forestry for promptly holding hearings on the proposed revisions of Federal farm programs.

North Dakota's farmers and farmers throughout the Nation are facing a squeeze caused by falling farm prices and higher costs. Dairy products, wheat and feed grains have illustrated this in the past year. Along with ever-increasing production costs, the current market instability threatens the well-being of rural America.

With this in mind, I urge the Congress to set the target prices on wheat, feed grains, and milk at not less than 90 percent of parity. The current target price of $2.05 for wheat, in the present law, is outmoded and inadequate in view of the unprecedented rise in farm expenses. Under the 90 percent of parity concept, the target price for wheat would be about $4 per bushel, and the price would thereafter move with the parity index.

In analyzing the current farm price situation, a combination of declining exports and sharp cutbacks in livestock feeding has brought wheat and feed grain prices down, continuing a trend that began in October of last year. For example, hard winter wheat, has slipped almost 90 cents a bushel below the level in early December.

Prices farmers received for their crops and livestock in the month that ended January 15 decreased 1.5 percent. According to the U.S. Department of Agriculture, this was the third consecutive monthly decline. Furthermore, most of the decrease came from lower prices for wheat and feed grains.

An outlook of this kind is causing great concern among grain farmers. Our agriculture community fears that large crops this coming fall would cause price-depressing surpluses. When we consider that farmers' operating costs rose an average of 16 percent in 1974, there is little wonder that farmers are afraid of another drop in their income.

Mr. President, these declines were more painful for our farmers than they were helpful to consumers. The grain farmer is unquestionably distressed when he sees retail prices at a high level while his product has fallen to a deplorable level.

Mr. President, for these reasons I am introducing a bill today to set the target prices on wheat, feed grains, and milk at not less than 90 percent of parity. Mr. President, this is a fair measure and I urge the adoption of this proposal.

By Mr. BURDICK (for himself, Mr. BAYH, Mr. BEALL, Mr. CASE, Mr. PHILIP A. HART, Mr. MATHIAS, Mr. METCALF, Mr. PASTORE, Mr. PELL, Mr. SCHWEIKER, Mr. HUGH SCOTT, and Mr. THURMOND):

S. 584. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. BURDICK. Mr. President, for over 50 years National Guard technicians have made vital contributions to our national defense. However, National Guard technicians were not covered under the Civil Service Retirement Act before January 1, 1969. Under the provisions of the National Guard Technicians Act of 1968, Public Law 90-486, Federal employee status was granted to civilian technicians. Under its unique service credit provisions Public Law 90-486 allowed full credit for all pre-1969 technician service in determining length of service for purposes of Federal employee benefits; for example, leave, group life and health insurance, severance pay, tenure, and status.

For civil service retirement however, Public Law 90-486 allowed only 55 percent of such service to be used in computing annuities, with the regular 10-percent reduction in annuity for nondeposit for past service applied against 55 percent of the required amount. No credit is now allowable for National Guard technician service prior to January 1, 1969, unless the employee served in that capacity after that date. An employee, for example, who served as a National Guard technician prior to January 1, 1969, and then moved to another identical position with the Government but not with the National Guard would receive no Federal retirement credit at all for his National Guard technician service.

The 55-percent figure is unique in computation of individuals under the retirement system. This was a compromise reached in the Senate Armed Services Committee and the 45-percent figure is intended to approximate the difference between the Government's contribution to social security and State retirement programs in behalf of these employees and the amount the Government would have received if they had been covered by the Civil Service Retirement Act.

The bill I am introducing today will do three important things:

First. It would grant retirement credit for technician service performed before 1969 to all former technicians serving in any position subject to the retirement law on or after January 1, 1969.

Second. It would allow credit for 100 percent of pre-1969 technician service for annuity computation purposes.

Third. It would permit eligible technicians to pay the full amount rather than 55 percent otherwise owed as a deposit for pre-1969 technician service.

Mr. President, this is a fair measure and I urge the Senate to adopt this bill.

By Mr. CHILES:

S. 585. A bill to prohibit travel at Government expense outside the United States by Members of Congress who are not reelected to the succeeding Congress. Referred to the Committee on Rules and Administration.

Mr. CHILES. Mr. President, every 2 years we bear witness to a familiar pattern—the mass exodus of lameduck Congressmen on trips abroad. Right after this past election, the press reported that 98 Congressmen who had either been defeated or were retiring took off at Government expense for foreign shores.

In an effort to bring to a halt this unwarranted expenditure of public funds, I am today introducing legislation to prohibit the use of U.S. Government appropriations, or transportation, for travel outside the United States by Senators or Members of the House of Representatives who have been defeated, or who have resigned or retired.

As you are well aware, Mr. President, our Nation is currently going through a period of severe economic strain. We are facing the combined threats of inflation, recession, and unemployment. Prices are on the rise, and at the same time assembly lines are closing down.

In order to help weather this economic crisis, we have called upon the American people to tighten their belts and to make sacrifices where it hurts—in their pocketbooks. Under these circumstances, it is imperative that we in the Congress move quickly to put our own house in order.

This legislation is by no means intended to prevent Members of Congress from fulfilling their constitutional responsibilities. I am fully aware of the important benefits to the legislative process which can be derived from congressional travel. Senators and Congressmen can use these opportunities to gather valuable background information for their committee work, lay the foundation for new legislative initiatives, and exercise their investigative powers and responsibilities over programs which Congress has instituted. This bill is not meant to interfere in any way with the normal workings of this legislative process.

But it is hard to imagine what purpose is to be served by a trip of this nature when a man's term of office is about to expire and he is not returning to the new Congress. This is the area about which the public feels very uncomfortable, and over which they have every right to hold us accountable.

Mr. President, it is incumbent upon the Congress during this difficult economic period to set an example of prudence and self-restraint with respect to its own expenditures. This legislation represents a small but hopefully an important step in that direction. I might add that it is my sincere hope that the executive branch will take note of this action, and that this effort on the part of the Congress to limit its own spending will serve as an example to other Government agencies to similarly curtail any superfluous travel by lameduck officials.

By Mr. HOLLINGS (for himself, Mr. KENNEDY, Mr. TUNNEY, Mr. MATHIAS, and Mr. WILLIAMS):

S. 586. A bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, last week I introduced, along with 13 of my colleagues, a bill amending the Outer Continental Shelf Lands Act. The purpose of that bill (S. 426) is to revise and update our national policies with regard to the development of offshore oil and gas resources to control as much as possible the adverse impacts and to assure the public an adequate return for their resources.

S. 426 is the first in a two-bill legislative package developed by the staff of the National Ocean Policy Study on this subject. Since the study was first established by the Senate last February, it has been assessing the total spectrum of coastal economic, social, and environmental impacts expected from offshore development and the proper role of State coastal zone management programs in the overall OCS decisionmaking process. This legislation, and the bill I am introducing today, contains what we feel is the correct approach to solving the problems that confront the coastal States as a result of the accelerated leasing program.

The bill I am introducing today, entitled "The Coastal Zone Environment Act of 1975," is the second bill in the study's legislative package. It complements S. 426 by providing the means for assisting coastal States in the amelioration of the socioeconomic and environmental problems resulting from the location of support facilities onshore needed to service the expiration and development activities on the OCS and to assure consistency of these activities with State coastal zone management programs. In addition, the bill contains provisions to strengthen the Coastal Zone Management Act in areas that are presently being given little or no attention, such as the need for protection of and access to public beaches, and the preservation of coastal islands.

Mr. President, the citizens of our coastal States—including those in the Gulf of Mexico—realize that offshore oil development requires a variety of large-scale developments onshore, including such things as pipeline landfalls, harbor supply bases, refineries, tank farms, and petrochemical plants, to name a few. Furthermore, skilled and unskilled workers must be brought into coastal areas to build these facilities, and to man them; and these workers will, in turn, increase the demand for housing, schools, roads, and other public services. It is no secret that the burden of accommodating all of this activity—the planning, the raising of additional revenues, the location of proper sites for facilities—will fall squarely on the shoulders of local and State governments that are already having financial difficulties. I do not believe there is any question that Federal assistance is needed to help States deals with these extra burdens and responsibilities.

The Coastal Zone Management Act of 1972 will be the focal point for this new assistance effort, because it is the only program in existence at the Federal level which has as its purpose the development of State and local land and water management programs for coastal areas. Mr. President, this act has been recognized by the coastal States, by Members of Congress, and by the administration as the one essential tool available to coastal States to assist them in the planning, managing, and accommodating secondary impacts of OCS development. Furthermore, all coastal States which expect to have drilling off their coasts are presently participating in the coastal zone management program, and many are working feverishly to complete their programs before leasing begins.

But, Mr. President, the Coastal Zone Management Act is primarily a planning and management tool. While it has stimulated the creation of new institutions and processes at the State level for planning for coastal impacts, the act is underfunded at best, and does not provide the broad assistance the States and local governments are going to need to accommodate the massive growth impacts of OCS development. And while it does contain strong language requiring consistency of Federal licenses and permits with any approved State coastal zone management program, the applicability of this provision to Federal OCS activities has yet to be formally established by the courts.

Mr. President, this bill would amend the Coastal Zone Management Act to include the following new features:

A coastal impact fund to provide up to $200 million in annual grants to States for alleviating coastal impacts of offshore drilling and the siting of all types of energy facilities and for providing necessary public services and facilities;

Language which would make the "Federal consistency provision" in the Coastal Zone Management Act more specific with regard to Federal oil and gas leasing, development, production, and energy facilities siting activities which, directly or indirectly, affect a State coastal zone program;

Incentives to increase the capability of coastal States to accomplish the interstate and regional coastal zone management responsibilities of the Coastal Zone Management Act, especially as it pertains to energy-related activities;

Creation of a grant program to provide quick turnaround research and technical assistance to coastal States;

Encouragement and incentives for coastal States to include in their coastal zone management programs the necessary policies and procedures to provide for adequate access to public beaches and preservation of coastal islands; and

An extension of the existing authority for administering grant programs for the development and management of State coastal zone programs for an additional 5 fiscal years beyond the present fiscal year 1977 deadline contained in the act.

One major rationale behind the creation of a Coastal Impact Fund is the recognition of the need for onshore support facilities for Outer Continental Shelf drilling and the likelihood that secondary growth will occur in the onshore areas near such facilities. Experience has certainly shown that OCS development creates onshore impacts. It has been shown conclusively, during hearings and investigations by the National Ocean Policy Study of the Senate, that in most cases, States have not been properly prepared in coping with these impacts. The fund would provide Federal assistance to be granted by the Secretary of Commerce under rules and regulations he shall prescribe consistent with national policy as expressed in the Coastal Zone Management Act of 1972 and with State programs being established pursuant to that act.

One recently released study attests to the size of the problem facing State and local governments. And with a stepped-up offshore program, this problem will grow. The Texas Coastal and Marine Council, headed by State Senator A. R. Schwartz of Galveston, the current president of the Coastal States Organization, requested a study be made of the costs and offsetting revenues for the State of Texas as a consequence of oil and gas operations in Federal waters off its shore. The results of this study are interesting indeed. It demonstrates that the Texas Office of Information Services reported receipt of $48.9 million in tax revenues from the various activities onshore brought about by the offshore operations. The costs of providing extra services required for these operations to State and affected local governments is reported to be $111 million. Simple mathematics leaves Texas with an annual deficit of approximately $62 million.

Because of this traditional shortchanging of States in the revenues from Federal offshore activities, this bill proposes to make grants from the Coastal Impact Fund to cover 100 percent of the costs incurred by the States, and does not require matching funds. The special nature of the problem and the special needs of the affected coastal States justify this departure from the basic philosophy of the Coastal Zone Management Act. However, to be eligible to receive grants from the fund, States must be participating in the coastal zone program and the Secretary is required to coordinate grants from the fund with the States' coastal zone management programs.

The second major provision of this bill concerns the so-called "Federal consistency provision" of the Coastal Zone Management Act. While this provision clearly states that all Federal licenses and permits must be consistent with a State's approved coastal zone management program to the extent practicable, the applicability of this provision to Outer Continental Shelf oil and gas development activities has not yet been established by the courts. Our bill would make this provision specific with regard to Federal leasing activities and to OCS development and production activities directly or indirectly affecting the coastal zone of coastal States, thereby assuring a modicum of substantive State participation in decisionmaking concerning the timing and location of offshore development.

The next major component of the Coastal Zone Environment Act deals with the need to provide States with incentives to engage in interstate or regional coastal zone management efforts. While the present act encourages coastal States to do so, the reality is that "in-State" coastal zone management problems and needs are so immediate and so compelling that activities of more than State concern are tended to be accorded a lower priority or are simply deferred or ignored. Obviously, coastal zone management problems do not halt at a State boundary line. Many decisions, such as providing for regional water or sewer facilities, energy needs, or gaging the impact of a refinery, must be worked out at the regional level and in close coordination with the coastal zone management programs of other coastal States. It is expected that existing interstate entities could do the job, but, wherever the need exists, prior congressional consent should be given to allow States to enter into interstate compacts in order to get the job done properly.

To encourage the individual States to deal with their coastal management problems which involve their neighboring States, we propose a new section 308 be added to the basic Coastal Zone Management Act. This new section authorizes 100-percent grants to the States to insure that high priority is given to the need to coordinate coastal management efforts on an interstate basis. The amount of $5 million is authorized for fiscal years 1976 to 1980 for this purpose.

Finally, Mr. President, this bill recognizes the importance of assuring the protection and access to public beaches and the protection of islands, areas which have been experiencing ever-increasing developmental and recreational pressures in recent years.

The Coastal Zone Management Act presently provides the framework for assuring proper protection of these areas, since threatened beach and island areas fall within the definition of "coastal zone" established by the act and are subject to being included in a State's coastal zone management program as an area of particular State concern. However, States are not required to assure protection of beaches and islands in order for the program to gain approval by the Secretary of Commerce. What is needed—and what this amendment provides—is a requirement that each State coastal zone management program include as a prerequisite to receiving management grants under section 306, measures to facilitate protection and access to public beaches for recreational, historic, or esthetic purposes, and to assure protection of threatened coastal islands.

A problem with beach-access proposals introduced in previous Congresses is that they have attempted to impose a public right to the Nation's beaches. This approach has generated charges of Federal heavihandedness or of unconstitutionality. Our amendment would circumvent the issue of establishing a "right" of the public to use the Nation's beaches, leaving this to the determination of each individual State. The amendment is purposely broad so that coastal States can structure their beach access plans according to their individual needs.

Several States, such as Texas and Oregon, already have stringent beach access laws that should easily meet the requirements of this amendment. Other coastal States will be confronted with some difficulties, especially with regard to payment of condemnation costs necessary to assure access to beaches and island preservation. In order to offset these difficulties, the bill authorizes an amount of up to $50 million per year to help State and local governments to pay the necessary costs of acquisition of such land and water areas.

By Mr. HANSEN (for himself, Mr. ABOUREZK, Mr. ALLEN, Mr. BARTLETT, Mr. CURTIS, Mr. FANNIN, Mr. HATFIELD, Mr. MCCLELLAN, Mr. MCGEE, Mr. MANSFIELD, Mr. THURMOND, Mr. TOWER, and Mr. YOUNG):

S. 588. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer. Referred to the Committee on Agriculture and Forestry.

Mr. HANSEN. Mr. President, I am today introducing a bill which would amend the Federal Meat Inspection Act to require that imported meat and meat products be labeled "imported" at all stages of distribution in the United States until delivery to the ultimate consumer.

This legislation would enable the consumer in the retail store to recognize and choose between foreign and domestically produced meat. There are many Americans who, if they had a choice, would prefer to purchase meat which has been raised and processed here in the United States. To the housewife who demands top quality in wholesomeness and cleanliness for the products she serves her family, there is a great deal to be said for domestically produced meat which has passed through the strict and exacting inspection system we have in the United States.

Aside from this, there is another reason why the American consumer should be told whether the meat he or she is buying is domestic or foreign.

Under existing laws and regulations which control the Department of Agriculture's meat inspection system, foreign meat imported for manufacturing or processing purposes is normally shipped in frozen blocks of 50 to 60 pounds. These blocks are labeled as to origin. However, after processing in this country, the product is not further identified as being of foreign origin.

In other words, the processor, packer, canner, or distributor who purchases the meat at port of entry is considered the "ultimate consumer" and no further labeling of the origin of the meat is required.

In this situation, a problem develops from the fact that the greatest part of the total red meat imported is frozen, boned beef which is thawed, ground, blended with fat trimmings from domestic beef, and then sold as hamburger. A consumer has no way of knowing when buying a package of hamburger at the retail outlet whether it is all or part imported meat, or, more significantly, whether it has been previously frozen.

The freezing, thawing, and possible refreezing of imported meat seems inconsequential until we realize that Department of Agriculture consumer bulletins warn:

> Cook thawed meat immediately or keep only a short time in a refrigerator. Avoid refreezing thawed meat.

Despite this clear instruction from the Department, there is no way for a consumer to know whether the hamburger purchased at the retail outlet should be frozen. If the hamburger is made of imported meat, it has already been frozen and thawed once.

Mr. President, I believe we are justified in taking steps to see that consumers know the origin of the meat they purchase. I hope this legislation will be favorably considered by the Congress.

By Mr. FONG:

S. 589. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act in order to authorize reduced rate transportation for handicapped persons, members of a family traveling together, and persons who are 65 years of age or older or 21 years of age or younger. Referred to the Committee on Commerce.

Mr. FONG. Mr. President, on July 18, 1973 during the first session of the 93d Congress, I introduced S. 2196, a bill to amend the Federal Aviation Act of 1958, which would have authorized reduced air fares for senior citizens, for youths, and members of a family traveling together. Later during the first session of the 93d Congress, I cosponsored S. 2651, a bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act which would have authorized reduced air fares for senior citizens, for the handicapped, and for youths. S. 2651 was passed by the Senate on November 5, 1973, and was sent to the House Interstate and Foreign Commerce Committee, where the bill died last December 20, on adjournment of the 93d Congress.

As the ranking Republican Member of the Senate Special Committee on Aging, I wish to continue my efforts in the 94th Congress to obtain reduced fares, especially for our senior citizens in Hawaii. I am therefore introducing today, Mr. President, S. 589, which would amend the Federal Aviation Act of 1958 and the Interstate Commerce Act and would authorize reduced rate transportation for persons who are 65 years of age or older, for handicapped persons, for persons who are 21 years of age or younger, and for members of a family traveling together.

Mr. President, I have recently received petitions from the Kauai County Council, the Maui County Council, the Hawaii County Council, and the Hawaii Commission on Aging all requesting that the Civil Aeronautics Board permit reduced air fares for senior citizens. In addition, the Hawaii State Commission on Aging sent a delegation to Washington, ably led by their chairperson, Mrs. Shimeji Kanazawa, to personally request the Civil Aeronautics Board to permit discount fares for senior citizens.

As you know, Mr. President, unlike the situation on the mainland, travel among the Hawaiian Islands is restricted to air transportation. There is no alternative means of transportation between our islands. Additionally, a reduced fare on a stand-by basis does not impose a detriment to full fare passengers. Also, one of the fundamental goals of the Older Americans Act, as amended, was and still is to reduce the isolation of our senior citizens. Therefore, every means of transportation, especially air transportation, should be made readily accessible to our senior citizens if we are to achieve this objective.

As many know, one of the basic problems in Hawaii is the low fixed incomes of our retired citizens and the higher cost of living. This problem is now exacerbated by the spiraling cost of goods and services, thus drastically reducing the purchasing power of those on fixed incomes. Lower air fares are one of the ways we can help the elderly and alleviate their isolation.

Mr. President, Hawaii has already proven that stand-by discount fares for senior citizens can be economically feasible. Hawaiian and Aloha Airlines for the past 3 years ending November of 1974, have allowed senior citizens to travel at reduced fares. Hawaiian Airlines found that the percentage growth in senior citizen passengers from 1967—when their special offer first went into effect—was substantially higher than their system's overall growth. I am advised that during this 5-year period, air traffic in Hawaii had increased 38 percent. In that same period, when Hawaiian offered reduced fares for senior citizens on a standby basis, the number of passengers 65 years of age and older increased approximately 300 percent.

While Hawaii's was the only ongoing experiment on discount fares to senior citizens, I think it showed dramatic proof that such a program of discount fares to senior citizens can be economically feasible.

I am therefore pleased, Mr. President, to introduce S. 589 today, and urge the Senate again to pass this bill, and to send it to the House for quick positive action so that it can be signed into law.

By Mr. WILLIAMS:

S. 591. A bill to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources. Referred to the Committee on Banking, Housing and Urban Affairs.

EMERGENCY MIDDLE-INCOME HOUSING ACT OF 1975

Mr. WILLIAMS. Mr. President, I am today introducing the Emergency Middle Income Housing Act of 1975. This bill is similar to a measure which was introduced in the House of Representatives by Henry Reuss, the distinguished chairman of the House Committee on Banking, Currency, and Housing.

Housing is a vital and special need of American families, deserving of priority preference within Government programs and policies and budget limitations. The industry is unique, serving the most necessary of human requirements—shelter. In addition, the health of the housing industry is closely bound up with the health of our overall economy. The housing industry itself is a major employer, and millions more are employed in industries whose prosperity is directly related to the production of homes.

Even the administration now concedes that our economy is in the midst of a very serious recession—the most serious since the 1940's. The housing industry, however, is in worse shape than most other sectors of the economy. Indeed, I can say without exaggeration that it is in a depression.

Unemployment in the construction industry is now 15 percent. This represents 664,000 persons across the country. In my home State the estimates of the unemployment rate range up to 30 percent. In December the annual housing starts level dropped to an 8-year low of 868,000, a decline of more than 60 percent since October of 1972. New Jersey has experienced a similar downturn in housing starts, and the construction of new homes is proceeding at a rate which is estimated to be less than one-third of that which is necessary to meet the needs of our citizens.

The depression in the housing industry is attributable in large part to the skyrocketing costs of construction, and, perhaps more importantly, to record high interest rates. Studies indicate that 3.4 million potential buyers are removed from the market every time interest rates rise 1 percent. Interest rates for home mortgages are currently between 9 and 10 percent.

A single family home is now out of reach for more than one-half of all American families, and the ripples of this disruption in the housing industry are making waves in the other sectors of our economy. Clearly, we must direct our efforts to find permanent solutions to our economic woes, but for the time being emergency measures are certainly in order.

The Emergency Middle Income Housing Act of 1975 can stimulate the construction of up to 1 million homes over the next year. I expect this bill to generate a substantial market demand for new housing among middle income families by lowing interest costs from 9½ or 10 percent to 6 percent.

The bill is designed to serve families primarily in the $10,000-to-$18,000 bracket. These are hardworking Americans who need a minimum of help to make a go of homeownership. Homes under this program could be financed either through FHA or VA programs, or with conventional mortgages, and assistance payments under this bill could only be made with respect to modestly priced homes—those whose appraised value does not exceed $42,500.

Since this is emergency legislation, the duration of Federal assistance payments would be relatively short. Most families would receive a subsidy for 4 years or less. The average cost per family should be about $650 a year. During the fourth year the subsidy would be cut in half. After the fourth year the subsidy would terminate completely unless a case of extreme hardship could be demonstrated in which case assistance payments could continue for an additional 2 years.

The bill also requires that a preference be given to high-density developments. Numerous studies have shown that apartment buildings and row or clustered homes reduce urban sprawl and cut land and fuel costs substantially.

I am anxious to insure that this legislation is not abused. Toward that end, the bill requires that persons receiving mortgage assistance payments actually occupy the dwelling unit. In addition, I intend to explore the need for and feasibility of including a provision allowing the Federal Government to recapture a portion of the assistance payments made if capital gains are realized as a result of the sale of a home after a brief period of homeownership.

Mr. President, I ask unanimous consent that the Emergency Middle Income Housing Act of 1975 be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Emergency Middle Income Housing Act of 1975".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) many families of middle income cannot afford to purchase homes at present prices and high interest rates;

(2) the decline in the home purchasing power of middle-income families has contributed to severe economic recession and unemployment in the building industry and those industries dependent upon the building industry;

(3) the sharp decline in housing starts jeopardizes the attainment of an adequate housing stock in the years ahead; and

(4) the accessibility of homeownership to middle-income persons is further aggravated by the high costs of land and fuel associated with low-density development.

(b) It is the purpose of this Act to reduce high mortgage interest costs to middle-income families during the current emergency period and to encourage land and energy conservation, where appropriate, to reduce further the costs of homeownership.

TEMPORARY HOMEOWNERSHIP ASSISTANCE

Sec. 3. (a) The Secretary of Housing and Urban Development (hereinafter referred to as "the Secretary") is authorized to make, and to contract to make, periodic assistance payments on behalf of families of middle income to assist such families in acquiring homeownership during periods of high interest rates.

(b) (1) The assistance payment shall not exceed (A) the difference between the amount of principal and interest due under a mortgage, and the amount of principal and interest due if the mortgage were to bear interest at the rate of 6 per centum per annum, or (B) such lesser amount as the Secretary may prescribe as a maximum assistance payment under this section.

(2) Assistance payments may be made up to the full amount authorized under paragraph (1) for the first three years during which a family occupies a dwelling unit and up to one-half of such amount during the fourth year. No assistance payments shall be made after the fourth year, except that the Secretary, in order to protect against the loss of homeownership and ensuing hardship, is authorized to extend assistance payments for two additional years in those instances in which the increase in the income of the mortgagor prior to the expiration of the first four years, is less than one-half of any increase in the amount of any required mortgage payment.

(3) No assistance payments under this section shall be made after two years following the date of enactment of this Act, except pursuant to contracts entered into on or before such expiration date, and no assistance payments under this section may be made with respect to any mortgage executed prior to the date of enactment of this Act.

(c) Assistance payments may be made with respect to single-family units, one-family units in a condominium project, or units in a cooperative housing project, but no such unit shall have an appraised value in excess of $42,500. Not less than 70 per centum of the units assisted shall be newly constructed or substantially rehabilitated units, as determined by the Secretary. Assistance payments on behalf of an occupant of a cooperative housing project shall be in amounts computed on the basis of the formula set forth in subsection (b) applying the cooperative member's proportionate share of the obligations under the project mortgage to the items specified in the formula.

(d) In making financial assistance available under this Act, the Secretary shall accord a preference to such dwelling units as he determines will contribute to the conservation of land and energy resources because of their location in clusters or projects or otherwise.

(e) As used in this Act, the term "families of middle income" means those families whose incomes do not exceed 120 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 120 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors.

(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. The aggregate amount of contracts to make assistance payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $650,000,000 per annum.

By Mr. BARTLETT (for himself, Mr. Bellmon, Mr. Hansen, and Mr. Domenici):

S. 595. A bill to amend Public Law 88–482. Referred to the Committee on Finance.

Mr. BARTLETT. Mr. President, as everyone is well aware, livestock producers in this country are in an extremely serious financial condition. Total cattle numbers are up by some 7 million head and the supply-demand situation is drastically out of balance. Low beef prices and high grain costs have further distorted the market as more and more cattle are going directly from the range to slaughter. Accordingly, a smaller percentage of the total domestic beef production has been grain fed.

The 1964 Meat Import Act was drafted in such a manner as to allow imports from other countries, primarily grass-fed beef straight from the range, to be increased in proportion to domestic production. This approach to beef imports has been counter-productive, Mr. President, and has further complicated an already difficult situation. It makes little sense to me to allow a greater amount of imported beef into the country at a time when there is already a domestic surplus.

While I would agree with many cattle producers that a total beef import embargo is justified, it is obvious that because of consumer and free international trade convictions of many Senators it is highly unlikely that this action would be taken by the Senate. In my opinion, the bill I am introducing is a reasonable compromise for all concerned.

Basically, this bill amends the meat import law in two important ways: First, the maximum amount of beef imports in any 1 year would be limited to a total not to exceed 750 million pounds. This is approximately 430 million pounds below the level allowed today and represents an initial decrease of some 36 percent. Second, future import adjustments will be based upon a responsive relationship to a 1969–72 base period. If the percentage of domestic grain-fed beef slaughter decreases in comparison to total slaughter, foreign beef imports would be further reduced on a formula base. Remember, most foreign imports are grass-fed cattle, which compete directly against domestic grass-fed cattle.

A brief example will illustrate how this would work: From 1969–72 the percentage of grain-fed slaughter to total slaughter was 73 percent. This 1969–72 period reflects operation of a relatively stable market and is used for the base percentage. Since late 1973 there has been economic adjustment in the beef industry. This has taken the form of increased domestic production of nonfed beef, which must compete with foreign nonfed beef imports. The extent of this adjustment is evident in the fact that fed-cattle marketings in the last quarter of 1974 fell to 60 percent of the total beef slaughter. This represents a 17.8 percent change from the base period. This 17.8 percent decline in fed-beef production would then be utilized to further reduce the level of foreign beef imports. This, the base of 750 million pounds would be reduced on a quarterly basis by 17.8 percent so that total beef imports for the quarter could not exceed 154.1 million pounds—616.4 million pounds at an annual rate. This compares to 300 million pounds per quarter which would be allowed in under the present act and represents a reduction of foreign beef imports of nearly 50 percent.

Mr. President, American livestock producers find themselves near bankruptcy today because of actions taken by this Government under the economic stabilization program. Consequently, I do not believe it to be unrealistic for the Federal Government to take whatever actions it can to undo the damage. Passage of this bill is one action we can take which will be beneficial to both producers and consumers in the long run.

Through the example of the oil crisis, the people of this country have seen first-hand what it means to be dependent upon other nations for a critical commodity. If something is not done to prevent total bankruptcy of the livestock industry, they may have the unplesant opportunity to experience dependence on other nations for a most critical commodity—beef.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 6

At the request of Mr. Williams, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 6, the Education for All Handicapped Children Act.

S. 2

At the request of Mr. Proxmire, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of the bill (S. 2) to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations.

S. 13

At the request of Mr. McGovern, the Senator from California (Mr. Tunney) and the Senator from Illinois (Mr. Stevenson) were added as cosponsors of the bill (S. 13) to amend the Food Stamp Act of 1964.

S. 28

At the request of Mr. Moss, the Senator from Minnesota (Mr. Humphrey), the Senator from Alabama (Mr. Sparkman), the Senator from South Carolina (Mr. Hollings), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of the bill (S. 28) to amend the Internal Revenue Code of 1954 to provide a credit against tax, or in the alternative a deduction, for energy conserving residential expenditures.

S. 63

At the request of Mr. Beall, the Senator from Arkansas (Mr. McClellan), the Senator from California (Mr. Cranston), the Senator from Oregon (Mr. Hatfield), and the Senator from California (Mr. Tunney) were added as cosponsors of the bill (S. 63) to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations.

S. 136

At the request of Mr. Montoya, the Senator from New York (Mr. Javits), the Senator from Arizona (Mr. Goldwater) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of the bill (S. 136) to amend the Internal Revenue Code of 1954 to require the establishment of formal procedures and criteria for the selection of individual income tax returns for audit.

S. 137

At the request of Mr. Montoya, the Senator from New York (Mr. Javits) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of the bill (S. 137) to amend the Internal Revenue Code of 1954 to require judicial confirmation of the need for a jeopardy assessment.

S. 138

At the request of Mr. Montoya, the Senator from New York (Mr. Javits), the Senator from Oregon (Mr. Hatfield), and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of the bill (S. 138) to amend the Internal Revenue Code of 1954 to revise the provisions relating to property exempt from seizure for collection of taxes.

S. 139

At the request of Mr. Montoya, the Senator from New York (Mr. Javits) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of the bill (S. 139) to amend section 7802 of the Internal Revenue Code of 1954 to define the term of the Commissioner of Internal Revenue.

S. 156

At the request of Mr. Moss, the Senator from Florida (Mr. Chiles) was added as a cosponsor of the bill (S. 156), to provide for continuing Earth resources satellite experimentation.

S. 168

At his own request, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 168, a bill to amend the Internal Revenue Code of 1954 to allow an income tax credit or an income tax deduction for expenditures by a taxpayer relating to thermal design or thermal improvements to an individual's residence.

S. 168

At the request of Mr. Domenici, the Senator from Arizona (Mr. Fannin), the Senator from Minnesota (Mr. Humphrey), the Senator from Pennsylvania (Mr. Hugh Scott), and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of the bill (S. 168), to amend the Internal Revenue Code of 1954 to allow an income tax credit or an income tax deduction for certain expenditures of a taxpayer relating to the thermal design of a residence of such taxpayer.

S. 169

At the request of Mr. DOMENICI, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of the bill (S. 169) to extend social security outside earnings limitation if those earnings are used for medical expenses.

S. 216

At the request of Mr. DOMENICI, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor to the bill (S. 216) to amend the Gun Control Act of 1963.

S. 229

At the request of Mr. KENNEDY, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor to the bill (S. 229), to amend the Endangered Species Act of 1973 to make it more consistent with the Marine Mammal Protection Act of 1972.

S. 231

At the request of Mr. EAGLETON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of the bill (S. 231) to amend section 5 (b) of the Food Stamp Act of 1964 to prohibit the use of funds to furnish food stamps to certain persons enrolled in institutions of higher education.

S. 250

At the request of Mr. HUMPHREY, the Senator from Arkansas (Mr. BUMPERS), was added as a cosponsor of the bill (S. 250) to prevent increases in the cost of coupons to food stamp recipients.

S. 277

At the request of Mr. TOWER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor to the bill (S. 277) to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's or widower's benefits.

S. 278

At the request of Mr. TOWER, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of the bill (S. 278) to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record.

S. 308

At the request of Mr. DOMENICI, the Senator from New York (Mr. JAVITS) was added as a cosponsor of the bill (S. 308) to provide one free physical exam per year for Medicare recipients.

S. 398

At the request of Mr. KENNEDY, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of the bill (S. 398) to establish the Susan B. Anthony home in Adams, Mass., as a national historic site.

S. 408

At the request of Mr. BROOKE, the Senator from California (Mr. TUNNEY) was added as a cosponsor of the bill (S. 408) to repeal exemptions in the antitrust laws relating to fair trade laws.

S. 422

At the request of Mr. MONDALE, the Senator from Alaska (Mr. GRAVEL) and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of the bill (S. 422) the Children and Youth Camp Safety Act.

S. 441

At his own request, the Senator from Florida (Mr. STONE) was added as a cosponsor of the bill (S. 441) to amend the Forest Pest Control Act of June 25, 1974, to provide that funds appropriated to carry out the program of eradication and control of forest insect pests and diseases, under this act are to remain available until expended.

S. 445

At the request of Mr. HUGH SCOTT, the Senator from Arkansas (Mr. BUMPERS), the Senator from Colorado (Mr. HASKELL), and the Senator from Utah (Mr. Moss) were added as cosponsors of S. 445, a bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or a reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs.

S. 490

At the request of Mr. ABOUREZK, the Senator from Colorado (Mr. HASKELL) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of the bill (S. 490) to amend section 111 of title 38, U.S. Code, relating to the payment of travel expenses for persons traveling to and from Veterans Administration facilities.

S. 498

At the request of Mr. EAGLETON, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of the bill (S. 498) to amend title XVI of the Social Security Act to permit individuals who are residents in certain public institutions to receive supplementary security income benefits.

S. 548

At the request of Mr. PROXMIRE, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of the bill (S. 548) to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs.

S. 548

At the request of Mr. PROXMIRE, the Senator from South Dakota (Mr. McGOVERN) and the Senator from Minnesota (Mr. HUMPHREY), were added as cosponsors to the bill (S. 548) to prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs.

SENATE RESOLUTION 10

At the request of Mr. CHURCH, the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from New Jersey (Mr. CASE), the Senator from Kansas (Mr. PEARSON), and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of Senate Resolution 10, authorizing additional expenditures by the Special Committee on National Emergencies and Delegated Emergency Powers.

SENATE RESOLUTION 20

At the request of Mr. KENNEDY, the Senator from Wisconsin (Mr. NELSON), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Indiana (Mr. HARTKE), the Senator from Utah (Mr. Moss), the Senator from Michigan (Mr. HART), the Senator from Iowa (Mr. CULVER), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Maine (Mr. HATHAWAY), the Senator from Illinois (Mr. STEVENSON), the Senator from Ohio (Mr. TAFT), the Senator from Rhode Island (Mr. PELL), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. TUNNEY), the Senator from Idaho (Mr. CHURCH), the Senator from South Dakota (Mr. McGOVERN), the Senator from Arizona (Mr. FANNIN), the Senator from Missouri (Mr. SYMINGTON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Tennessee (Mr. BROCK), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Resolution 20, relating to the Vladivostok Agreement and strategic arms control.

SENATE RESOLUTION 23

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. HARTKE), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of Senate Resolution 23, a resolution to disapprove the administration's proposed deferral of $50 million of the funds appropriated by Congress for HUD section 701 comprehensive planning grants this fiscal year.

SENATE RESOLUTION 48

At the request of Mr. SPARKMAN, the Senator from South Dakota (Mr. McGOVERN), the Senator from Delaware (Mr. ROTH), the Senator from New Mexico (Mr. DOMENICI), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Florida (Mr. STONE) were added as cosponsors of Senate Resolution 48 urging continuing efforts in behalf of Americans missing in action in Southeast Asia.

SENATE RESOLUTION 55

At the request of Mr. HUMPHREY, the Senator from Maryland (Mr. BEALL), the Senator from Delaware (Mr. BIDEN), and the Senator from Tennessee (Mr. BROCK) were added as cosponsors of Senate Resolution 55, to establish legislative review subcommittees for each standing committee of the Senate, except Appropriations.

SENATE JOINT RESOLUTION 2

At the request of Mr. BROOKE, the Senator from Kentucky (Mr. FORD), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Arkansas (Mr. BUMPERS), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of the resolution (S.J. Res. 2) designating January 15 of each year as Martin Luther King Day.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. DOLE, the Senator from Rhode Island (Mr. PASTORE)

was added as a cosponsor of Senate Concurrent Resolution 5, to urge the President to establish a Council on the Missing in Action.

SENATE RESOLUTION 60—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL ASSISTANTS IN THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. GRAVEL (for himself, Mr. Brock, Mr. Packwood, Mr. Morgan, Mr. Ford, Mr. Glenn, Mr. Biden, Mr. Haskell, Mr. Clark, Mr. Huddleston, Mr. Abourezk, Mr. Nunn, Mr. Chiles, Mr. Bentsen, Mr. Humphrey, Mr. Tunney, Mr. Stevenson, Mr. Cranston, Mr. Eagleton, Mr. Hollings, Mr. Mondale, Mr. Bayh, Mr. McGovern, Mr. Metcalf, Mr. Hartke, Mr. Muskie, Mr. Hatfield, Mr. Curtis, Mr. Brooke, Mr. William L. Scott, Mr. Thurmond, Mr. Taft, Mr. Schweiker, Mr. Pearson, Mr. Buckley, Mr. Stafford, Mr. Baker, Mr. Stevens, Mr. McClure, Mr. Domenici, Mr. Dole, Mr. Fannin, Mr. Hugh Scott, Mr. Case, Mr. Laxalt, Mr. Mathias, Mr. Beall, Mr. Garn, Mr. Roth, Mr. Fong, Mr. Javits, Mr. Bellmon, Mr. Hansen, Mr. Griffin, Mr. Weicker, and Mr. Tower) submitted the following resolution:

S. Res. 60

Resolved, That Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraphs:

8. (a) Each Senator serving on a committee is authorized to hire staff to assist him in his duties as a member of each committee on which he serves as follows:

(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee, an amount equal to two times the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

(2) A Senator serving on one or more standing committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for each such committee an amount equal to the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

(b) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the Chairman and ranking minority member of the committee and shall be accorded equitable treatment with respect to access to the records of that committee.

(c) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(d) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate on vouchers approved by such Senator.

(e) Individuals appointed as employees under this paragraph shall be in addition to employees otherwise authorized to be appointed to the office of a Senator.

9. (a) Each Senator serving as chairman of any subcommittee or ranking minority member of any subcommittee is authorized to hire staff to assist him in his duties as chairman or ranking minority member of each subcommittee on which he serves as follows:

(1) A Senator serving as chairman or ranking minority member of a subcommittee shall receive for each subcommittee assignment an amount equal to two times the amount referred to in section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(2) Such amount shall not be lowered unless done so by agreement of the chairman of the committee, the subcommittee chairman, and the ranking minority subcommittee member.

(3) The provisions of this paragraph shall not apply when funds for the purpose of employing a staff for a subcommittee are provided by the full committee.

(b) An employee appointed under this paragraph shall be designated as such and certified by each Senator to the chairman and ranking minority member of each full committee.

(c) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(d) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate on vouchers approved by such Senator.

(e) Individuals appointed as employees under this subsection shall be in addition to staff members otherwise authorized to be appointed to the office of a Senator.

Mr. GRAVEL. Mr. President, I wish to introduce a Senate resolution to amend the rules of the Senate to provide Members with additional staff.

In the closing days of the last session I had an opportunity to discuss my amendment with several Members. Since that time the resolution has received the support of 57 cosponsors and the endorsement of the Democratic and Republican Caucuses. My colleagues, Mr. Brock and Mr. Packwood, have been extremely helpful in this effort. I am pleased that, at least partially as a result of this proposal and the support it has received, some committee chairmen have seen fit to enlarge their staff commitment to junior members of their committees.

My resolution provides clerk hire funds to each Senator based on a committee membership formula.

The formula I suggest would make available to each member of an A committee an additional $69,762 and to each member of a B and C committee an additional $34,881. These funds may be spent in any way the members see fit as long as persons hired are specifically put to work on areas of activity relating to their committee assignments.

I further propose that an additional $69,762 be made available to each subcommittee chairman and each subcommittee ranking minority member for additional staff to assist them with their subcommittee leadership responsibilities.

Arrangements for housing and supplying this additional personnel would fall upon each member, not the appropriate committee.

My amendment would not lower any existing committee or subcommittee staffing arrangement.

Each person appointed under this amendment will be designated as such and certified by each appointing member to the appropriate committee chairman and ranking minority member.

Since I began soliciting cosponsors for this resolution several rumors concerning it costs have been widely circulated. I would like to present what I consider is a realistic cost estimate based on data taken from existing Senate pay records.

Section 8(a)(1) which provides for $69,762 per membership on an A committee if used to its maximum extent, would cost $15,347,640. It is reasonable to assume that this provision will not be used to its maximum extent because the full committee chairmen and ranking minority members will not avail themselves of the funds made available by my amendment. Through their leadership roles on committees they have fully staffed themselves already. It is, therefore, realistic to assume we can reduce expenditures under this section by multiplying 26 times $69,762, therefore effecting an additional reduction of $1,813,812 which brings the total for section 8(a)(1) to $13,533,828.

Section 8(a)(2) of my resolution which provides $34,881 per membership on B and C committees would if used to its maximum extent cost $5,371,674.

This provision will not be used to its fullest extent because full committee chairmen and ranking minority members will not avail themselves of this provision therefore creating a deduction of $836,144, leaving a preliminary adjusted figure for section 8(a)(2) of $4,535,530. These two reasonably expected deductions bring our total preliminary cost estimate to $18,069,358 for section 8.

Section 9, concerning the staffing of subcommittee memberships, if maximally used, would cost $22,044,732.

Subtracting the amount allotted to subcommittee chairmen and ranking minority members who also serve as full committee chairmen and full committee ranking minority members, we achieve deductions of $8,432,508.17, bringing the cost for section 9 to $13,612,223.83.

Thus, the total for sections 8 and 9 now stands at $31,681,581.83, Two further large deductions can reasonably and logically be expected to occur.

A study recently conducted by the staff of the Joint Committee on Congressional Operations of the latest available Senate payroll data—January through June of 1974—shows the following:

> Slightly over one half of the members (51) turned back over 10% of their personal payroll allotment.
>
> Of those 51 members, 38 remain in the Senate after the last elections, and 26 are full committee chairmen or ranking minority members. This clearly supports the contention that those holding ranking positions on full committees will not use the funds available under my amendment. They do not fully use their personal allotments at the present time. They are, as stated earlier, adequately staffed by virtue of their committee leadership roles.

Assuming that these Senators who turned back 10 percent or more of the available clerk-staff hire funds, who are not full committee chairmen or ranking minority members, would not use the additional funds available under sections 8 and 9, we arrive at a further deduction of $13,881,226.37 which when subtracted from $31,681,581.83 further reduces our projected cost to $17,800,355.46.

After briefly studying the list of Senate subcommittees, it seems reasonable to assume that at an absolute minimum, at least 20 subcommittees, 12½ percent, cannot justify the expenditures of the allotted $139,524 per subcommittee. This totals a minimum reduction of $2,790,480 and when subtracted from our adjusted cost estimate brings the final cost estimate of my amendment to $15,009,875.46.

However, one additional point needs to be made when discussing the actual cost of this program. Fifty-one members did not expend $2,201,418.68 of clerk hire funds during the first 6 months of 1974. Because we lack the data for the last 6 months of the year, I have doubled this amount to obtain a guestimate of the actual "turn back" figure for the entire year. This totals $4,412,837.37.

By using the same approach with available data, the total of unused funds for all 100 Senate Members for 1974 would be $5,361,019.87.

If we subtract this amount from the projected $15,009,875.46 cost of my amendment, we see that the total cost in newly appropriated funds would be $9,648,855.59.

I realize that we can arrive at a more accurate new money cost estimate after the data for July through December is available, but I believe that this information would be useful in the consideration of my proposal at this time.

While most of the remainder of my remarks will deal with the justifications of my resolution, there are ethical considerations germane to this discussion that are worthy of note.

Recent years and, indeed, recent weeks have witnessed a considerable lifting of the shroud of secrecy that has cloaked the activities of the Senate for almost two centuries.

The intent of the Legislative Reorganization Act of 1946 as amended in 1970 concerning the use of committee staff is rather obvious. In 72a relating to committee staffs, the following words appear:

> Such professional staff members shall not engage in any work other than committee business and no other duties may be assigned to them.

It is in the spirit of this law that I offer sections 8(b) and 9(b) of my proposed amendment which requires that appointees under my proposal be "designated" as those responsible for the appointing member's committee roles and "certified" as such to the full committee chairmen and ranking minority members.

It is a fact unbecoming to the Senate that its practices have not lived up to the spirit of the Legislative Reorganization Act.

We all know that hundreds of people come to work in the Senate everyday who are on committee payrolls who do no committee work. They perform services for members not related to committee activities.

The reasons for the existence of this situation are obvious.

The population formula by which we allot ourselves staff hire funds is inadequate.

The only immediate remedy to this situation is to curry the favor of one's committee chairman in the hopes of gaining additional staff.

The latter machinations take place, well-hidden from public view, under layers of seniority, Senatorial courtesy, private back scratching and negotiations.

I submit that this is a rather silly process in which grown men are involved. But we all do it. We all curry the favor of our chairmen at least partly to glean favors. We all long for the day when we are "senior," so that we may have the "luxury"—note I use the term "luxury"—of adequate staff, and so that we may dispense at our own whim benefits to our junior colleagues. We all partake of benefits flowing from this system because of our desire to serve our constituents well and broaden our areas of legislative activity.

While I freely admit to not being able to "cast the first stone" I do advocate reform. I believe in openness and candor in the expenditure of public funds. Hiding of personal staff on committee payrolls is rather hypocritical and not consistent with the spirit of the law. It is for this reason that I have tried to detail the reasonably expected costs of my proposal and to make certain that persons hired under my amendment work on committee related affairs.

I do not intend to expose or embarrass any of my colleagues by revealing alleged staffing "arrangements." Indeed, I suspect there would be positive correlations between a list of those Senators who accomplish most and a list of those who have the largest staff.

My purpose is not served by the destruction of existing arrangements. I simply wish to set a staff base from which we all, because our votes are all weighted and counted equally, can intelligently contribute to the legislative process.

But I do believe that we should not wait until the Biblical admonition to "set thine house in order" is changed to read "set thine Senate in order." We should reform our present method of operations now.

For far too long—in the midst of increasing citizen awareness and participation, lengthening of Senate sessions, increasing quantity and complexity of national problems and legislative remedies—we have continued to fund each Senate office on a formula based solely on State population.

There are 14 such allotments ranging from $392,298 to $751,980. The formula is relevant only as it pertains to constituent problems and services and bears absolutely no relation to our legislative responsibility. Thus, the constant tug between political realities and legislative duties continues unabated.

It is time we face the facts squarely. It is time we staffed ourselves adequately to live up to our legislative responsibilities. We must add to the population formula a formula based on committee membership and subcommittee leadership roles.

We must recognize that as committee members we not only serve our constituents, but have a definite and direct responsibility to the Senate, the Congress, and the Nation.

To some degree, this responsibility is recognized. Many chairmen allow subcommittee chairmen a budget and full authority to staff as the subcommittee chairman sees fit. However, on many committees this is not the case. Some subcommittee chairmen must wait 8, 10, and 12 years to receive staff asistance. In my judgment, seniority, personal relationship with the chairman, or pure patronage largess should not determine the extent to which we can intelligently participate in the fulfillment of our legislative responsibility.

As every high school government student knows, the real decisions of Congress are made in committee. Every one of us has between two and seven committee assignments.

I am not ashamed to admit that in days when we have 10 to 15 rollcall votes, two of my subcommittees and one of my full committees meet, and I have a full schedule of constituent appointments, I have a difficult time keeping abreast of events, let alone meaningfully participating in the legislative process. Additional professional and support staff totally assigned to monitor matters relating to committee activities can alleviate some of the confusion that permeates our legislative efforts.

I want to stress again that whether you have just sat through your 1st caucus or your 10th—whether you come from a State of 300,000 or of 15 million, each of our votes is weighed and counted equally. The population formula for clerk staff hire does not reflect this equality. It does not provide a minimum equal staffing base from which we can attempt to make a committee and legislative contribution.

We have just passed through one of the most difficult periods of American history. One in which the Executive tried to run rampant over the American people, the Constitution, the Congress, the courts, and the press. While the Senate played a major role in saving American democracy, we were a major contributor to creating the situation that led directly to this blatant, illegal, and unconstitutional abuse of power. For while we appropriated moneys year after year to expand the agencies, departments, and the White House staff, we have neglected to staff ourselves adequately to meet our legislative oversight responsibilities.

The facts are that since 1971, we have appropriated a 27.9 percent increase in staff for the Executive Office of the President, and a 5.9 percent increase in Cabinet Department employees—total 33.8 percent increase—while we have increased our own budget 12.7 percent.

Democracy thrives when the doors are open to the people, when information flows, when legislators know enough to ask the tough questions. Unless we staff ourselves so that our representatives can walk through the doors, distill the information, share with their members their best thoughts and ideas, we will be no more than an uninformed rubber stamp.

Far too often we see the following scenario. The White House formulates a legislative idea; a department immediately breaks off 10, 20, or 30 staff to research and draft the proposal; it is introduced in the Senate and in the final analysis is referred to a subcommittee which may have no staff or simply a counsel and a secretary. Thus the stage is set for another steamroller job from the Executive. The Congress must stop performing its crucial functions in this passive fashion. We must enhance our factfinding, investigative, and technical capacity.

We should not limit our activities to the consideration—and not very detailed consideration at that—of pending executive proposals or the monitoring of present executive actions. We should prepare ourselves to chart future courses for the Nation.

The legislative branch has chosen to reassert itself—partly as a reaction to the Watergate and partly because it is right. We must continue to do so for another reason. The nature of the problems that face us; namely, the economy, energy, and the international financial crisis defy philosophical solutions. They are technical, detailed problems that require definitive action based on fact. We are going to need all the help we can get.

In a rational, civilized, democratic society, knowledge is power. To reinstate an effective system of checks and balances we must adequately staff the Senate. The solution lies completely within our power and prerogative. We can help ourselves and the country. We can solve our own problems if we have the courage to act.

It is a disgraceful state of affairs that Congress and its divisions are still operating on a budget equal to two-tenths of 1 percent of the 1974 budget.

At the same time we appropriate millions to finance thousands of commissions and panels to study inane problems.

An article by Paul Dickson in the February edition of True magazine compiles several studies of this problem and reports that among other commissions the Congress has funded are:

> The Commission for the Standardization of Screw Threads.
>
> The Panel on the Review of Laxatives.
>
> The State Department Dance Panel.
>
> The Commission on Arts in the Embassies.
>
> The President's Temporary Commission on Pennsylvania Avenue.
>
> The National Peanut Advisory Committee.
>
> The Dialer and Answering Devices Advisory Committee.
>
> The Interagency Planning Group on Intermodal Container Certification.
>
> Ad Hoc Air Frame Icing Working Group.

It is an affront to commonsense and to our responsibility to the American people that we fund these types of commissions. The price tag for their activities is, in reality, incalculable but estimated at $75 million. It's time the Senate appropriated a fraction of this amount to make policy to govern the Nation.

Mr. BROCK. Mr. President, it has become increasingly apparent that the workload of the Congress is growing at a rapid rate. The problems and difficulties with which we have to deal today are much more complex than only a few years ago. With this in mind, I today introduce along with the Senator from Alaska (Mr. GRAVEL) and 57 other Senators a Senate resolution which will strengthen the committee system within the Senate, and better enable us to meet headon the needs of the day. This resolution would, in effect, allow for each member to hire a staff person(s) for each committee assignment.

This resolution that we introduce today takes note of the fact that the Senate work load has grown so rapidly that many of us find that our personal staffs are engaged in legislative and committee activities. In fact, 11 members of my personal staff are presently totally involved in legislative and committee work. A recent study of 19 ranking committee members indicated that 14 personal staff members were engaged in a high or moderate level of legislative activity such as accompanying the Senator in committee meetings, on legislative research, bill drafting, reading and analyzing bills, and so on. If senior Members are having this type of problem, think of what a freshman Senator faces. It is simply a fact of life that we have to use personal staff for legislative and committee work.

I mentioned earlier that the work load of Congress has increased. For instance, in the 80th Congress, 1031 bills were referred to the Judiciary Committee. By the 92d Congress, that committee was handling 1,464 bills. Add to the great growth the complexity of the bills and increased constituent interest and you simply have a mammoth work load.

Mr. President, the Senate committees are currently authorized to employ over a thousand persons strictly for committee work. Of this number, nearly 300 are provided for by public law or Senate resolution, and are called permanent staff. The remainder is generally known as investigative staff, and are funded each year by the annual supplemental and regular authorization requests. Our committee staffs make up less than 4 percent of the legislative branch's personnel. I would like to point out that at this moment the Congress, the elected representatives of the people, have just over 34,000 persons employed. As of January 1, 1974, the executive departments and the independent agencies number 2.8 million people. The point here is simply that we have very little committee staff in relation to the legislative responsibilities which we face and the huge responsibility of overseeing the functioning of the government.

If we take a moment to check records, it can be noted that the 90th Congress was authorized to expend $14 million for committee staff. The 94th Congress is authorized to spend nearly $35 million. This is due to a proliferation of subcommittees and quantum increases in staff sizes in the Senate. I do not condemn all of these increases, for many are vital for a responsible Congress. But the time has come to review these trends and to discuss the alternatives. Our resolution provides a legitimate, responsible alternative.

I am afraid that the committee staff situation is really at times no more than a charade. There are times when committee and subcommittee investigative staffs are involved in legislative work not directly related to their assigned subcommittees or even their committee. This situation has arisen for a number of reasons:

First. Within the last decade it has become the policy for each Senator to be appointed the chairman or ranking member of at least one subcommittee. With this assignment generally comes staff.

Second. The leadership and the Members have continually supported increases in investigative and permanent committee staff through resolutions and bills, without reviewing the responsibilities of these staffs.

Third. The increased legislative workload the Congress has been asked to handle over the last 28 years has out of necessity diluted the efforts of staff in any one area.

Fourth. Inflation, the scourge of us all, has caused the rate of pay for committee staffs to rise, thus ballooning the requests for operating funds and diluting the numbers of staff.

Of course, we would be remiss if we did not address ourselves to the question of does this resolution conform to the spirit of the Legislative Reorganization Acts of 1946 and 1970? Without a doubt, yes. The act states:

> Such professional staff members should not engage in any work other than committee business and no other duties may be assigned to them.

This language is perfectly clear. Our resolution would thus allow Senators to assign their general committee and legislative work to their personal committee staff and, therefore, allow the committee staffs to perform work for the committee as the Legislative Reorganization Act mandates.

Additionally, personal committee staff appointed under this resolution will be given equitable treatment with respect to the assignment of facilities and the accessibility of committee records. Committee chairmen and ranking minority members would be responsible for seeing that this was properly administered.

This resolution does not provide a simple solution to this problem. It will take a concerted effort by all of us, and I believe this is a good step forward, in seeing that it works. It is a step in the direction of responsible reform.

Mr. President, I would like to make one further point. I would like to note the efforts being made by the members of the Rules and Administration Committee, and in particular, its chairman, Senator CANNON. As I understand it, the Rules Committee staff is presently working only on those matters of direct concern to their committee. My distinguished colleague, Mr. CANNON, has begun reforms within the Rules and Administration Committee which could well be used as a model for other committees. His efforts and those of other members of the committee are to be applauded.

The enactment of this resolution which we introduce will facilitate similar committee staff reforms throughout the Senate and I dare say, improve our ability to function.

I ask unanimous consent that certain material and tables in this connection be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 2.—PERSONNEL EMPLOYED BY THE LEGISLATIVE AND JUDICIAL BRANCHES OF THE FEDERAL GOVERNMENT DURING APRIL AND COMPARISON WITH MARCH 1974, AND PAY FOR MARCH AND COMPARISON WITH FEBRUARY 1974

	Personnel				Pay (in thousands)			
	April	March	Increase	Decrease	March	February	Increase	Decrease
Legislative branch:								
Congress:								
House of Representatives	9,535	9,588		53	$11,224	$11,160	$64	
Senate	5,411	5,364	47		6,550	6,465	85	
Architect of Capitol	1,848	1,841	7		1,777	1,729	48	
Botanic Garden	56	55	1		56	55	1	
Cost Accounting Standards Board	7	37			74	70	4	
General Accounting Office	4,930	4,907	23		6,930	6,594	336	
Government Printing Office	8,278	8,262	16		9,754	9,127	627	
Library of Congress	4,481	4,447	34		6,944	4,549	2,395	
United States Tax Court	181	181			$275	$263	$12	
Total, legislative branch [1]	34,757	34,682	128	53	43,584	40,012	3,572	
Net increase, legislative branch			75				3,572	
Judicial branch:								
Supreme Court	271	271			315	197	118	
Other Judiciary	9,123	9,029	94		10,943	10,262	681	
Total, judicial branch	9,394	9,300	94		11,258	10,459	799	
Net increase, judicial branch			94				799	

[1] April figure includes 29 disadvantaged persons employed under Federal opportunity programs as compared with 28 in March and their pay.

Source: "Monthly Report on Federal Personnel and Pay," Joint Committee on Reduction of Federal Expenditures, April 1974, p. 12.

Personal professional staff of committee chairmen: Legislative activity

Personal Staff Members Employed by Committee Chairmen

Person and legislative activity:

1	VH
2	M
3	M
4	L
5	L
6	VH
7	M
8	H
9	M
10	H
11	VH
12	VH
13	M
14	L
15	H
16	L
17	L
18	M
19	M

Key: VH—Very High (Top 10%); H—High (Top Third); M—Middle (Middle Third); L—Low (Lower Third).

From over 480 Senate staffers surveyed, 19 professional personal staff of Committee Chairmen in the Senate responded and are listed above. These 19 staffers are identified by the intensity of their legislative activity. Legislative activity includes: 1) with Senator in Committee, 2) writing floor remarks and speeches, 3) on legislative research, bill drafting, and reading and analyzing bills. (Contact Harrison Fox at ext. 49579 for more information.)

Therefore even committee chairmen's personal staff are often engaged in committee work.

(NOTE.—Data taken from Harrison W. Fox, Jr., "Personal Professional Staffs of U.S. Senators", unpublished doctoral dissertation, American University, 1973.)

SENATE

Committee	Number of bills referred	Number reported out	Number passed in Senate	Number enacted into law
80TH CONGRESS				
Agriculture and Forestry	98	30	24	16
Appropriations	21	7	6	3
Armed Services	374	97	90	64
Banking and Currency	188	51	42	20
Civil Service	183	76	58	25
District of Columbia	99	31	24	18
Expenditures in the Executive	40	20	16	1
Finance	211	22	15	9
Foreign Relations	81	40	36	20
Interstate and Foreign Commerce	183	40	29	22
Judiciary	1,031	267	246	143
Labor and Public Welfare	191	31	26	14
Public Lands	372	95	83	64
Public Works	134	38	31	17
Rules and Administration	126	63	58	3
85TH CONGRESS [1]				
Agriculture and Forestry	316	86	77	63
Appropriations	49	49	48	45
Armed Services	270	107	92	89
Banking and Currency	178	33	30	18
District of Columbia	167	86	81	62
Finance	481	92	90	89
Foreign Relations	194	67	45	34
Government Operations	130	61	48	34
Interior and Insular Affairs	556	251	233	166
Interstate and Foreign Commerce	308	109	96	74
Judiciary	2,546	1,260	1,228	757
Labor and Public Welfare	321	54	53	37
Post Office and Civil Service	228	57	56	42
Public Works	276	89	89	73
Rules and Administration	294	220	218	14
91ST CONGRESS				
Aeronautical and Space Sciences	10	0	0	0
Agriculture and Forestry	164	30	28	21
Appropriations	2	0	0	0
Armed Services	155	20	10	7
Banking and Currency	208	46	42	24
Commerce	339	43	36	15
District of Columbia	90	46	46	32
Finance	301	7	7	3
Foreign Relations	121	20	19	6
Government Operations	91	19	18	14
Interior and Insular Affairs	544	124	111	64
Judiciary	2,265	1,032	470	107
Labor and Public Welfare	349	35	34	22
Post Office and Civil Service	147	16	16	4
Public Works	169	21	21	16
Rules and Administration	250	189	187	5
92D CONGRESS				
Aeronautical and Space Sciences	4	1	1	0
Agriculture and Forestry	173	35	31	12
Appropriations	5	([2])	([2])	([2])
Armed Services	171	41	38	32
Banking, Housing and Urban Affairs	194	34	32	20
Commerce	412	59	40	19
District of Columbia	77	19	18	6
Finance	406	3	3	0
Foreign Relations	199	31	24	11
Government Operations	106	9	6	1
Interior and Insular Affairs	533	108	101	59
Judiciary	1,464	163	154	67
Labor and Public Welfare	352	46	36	15
Post Office and Civil Service	120	15	12	6
Public Works	157	22	24	10
Rules and Administration	210	27	27	8
Veterans' Affairs	116	11	4	2

[1] Includes House bills.

[2] Information not available.

TOTAL STATUTORY AND INVESTIGATIVE FUNDS AUTHORIZED FOR SENATE COMMITTEES

83D–93D CONG., 1ST SESS.

Congress	Years	Total statutory funds and increments thereto	Total investigative funds	Grand total	Increase (millions)
83d	1953–54	$369,000	$4,125,178	$4,494,178	
84th	1955–56	315,000	6,578,856	6,893,856	+2.4
85th	1957–58	320,000	7,955,541	8,275,541	+1.4
86th	1959–60	300,000	10,458,231	10,758,231	+2.5
87th	1961–62	283,300	9,458,700	9,142,000	−1.6
88th	1963–64	280,000	9,734,433	10,014,433	+.9
89th	1965–66	$320,000	$11,982,135	$12,302,135	+2.3
90th	1967–68	374,000	13,669,075	14,043,075	+1.6
91st	1969–70	390,000	17,998,920	18,388,920	+4.3
92d	1971–72	630,000	26,583,975	27,213,975	+8.8
93d projected	1973–74	800,000	34,140,000	34,940,000	+7.5

Source: "Expenditure Authorizations for Senate Committees," Committee on Rules and Administration, U.S. Senate, Jan. 3, 1974.

SENATE RESOLUTION 61—SUBMISSION OF A RESOLUTION DISAPPROVNG REFERRAL OF BUDGET AUTHORITY UNDER THE NATIONAL HOUSING ACT

Referred jointly to the Committee on Appropriations, the Committee on the Budget and the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN (for himself, Mr. Brooke, Mr. Hathaway, Mr. Humphrey, Mr. Javits, Mr. Mathias, Mr. Percy, Mr. Proxmire, Mr. Stevenson, and Mr. Williams) submitted the following resolution:

S. Res. 61

Resolved, That the Senate disapproves the proposed deferral of budget authority to carry out the homeownership assistance program under section 235 of the National Housing Act (numbered D75–48), set forth in the special message transmitted by the President to the Congress on October 4, 1974, under section 1013 of the Impoundment Control Act of 1974.

SENATE RESOLUTION 62—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH (for himself, Mr. Fong, and Mr. Moss) submitted the following resolution:

S. Res. 62

Resolved, That the Special Committee on Aging, established by S. Res. 33, Eighty-seventh Congress, agreed to on February 13, 1961, as amended and supplemented, is hereby extended through February 9, 1976.

Sec. 2. (a) The committee shall make a full and complete study and investigation of any and all matters pertaining to problems and opportunities of older people, including, but not limited to, problems and opportunities of maintaining health, of assuring adequate income, of finding employment, of engaging in productive and rewarding activity, of securing proper housing, and, when necessary, of obtaining care or assistance. No proposed legislation shall be referred to such committee, and such committee shall not have power to report by bill, or otherwise have legislative jurisdiction.

(b) A majority of the members of the committee or any subcommittee thereof shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

Sec. 3. (a) For purposes of this resolution, the committee is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to hold hearings, (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate, (4) to require by subpena or otherwise the attendance of witnesses and the production of correspondence, books, papers, and documents, (5) to administer oaths, (6) to take testimony orally or by deposition, (7) to employ personnel, (8) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, and (9) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same condition as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

Sec. 4. The expenses of the committee under this resolution shall not exceed $561,000, of which amount not to exceed $15,000 shall be available for the procurement of the services of individual consultants or organizations thereof.

Sec. 5. The committee shall report the results of its study and investigation, together with such recommendations as it may deem advisable to the Senate at the earliest practicable date, but not later than February 29, 1976. The committee shall cease to exist at the close of business on February 29, 1976.

Sec. 6. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 63—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE

(Referred to the Committee on Rules and Administration.)

Mr. MAGNUSON, from the Committee on Commerce, reported the following resolution:

S. Res. 63

Resolved, That (a) in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(b) The investigations referred to in subsection (a) shall include, but not be limited to, investigations of (1) national ocean policy, (2) transportation development and regulation, and (3) tourism. The investigation of national ocean policy shall be conducted in accordance with, and subject to the provisions of S. Res. 222, Ninety-third Congress, agreed to February 19, 1974. The investigation of tourism shall be conducted in accordance with S. Res. 347, Ninety-third Congress, agreed to October 10, 1974

Sec. 2. The expenses of the committee under this resolution shall not exceed $2,347,639.47, of which amount not to exceed $200,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable rate, but not later than February 29, 1976.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 64—A RESOLUTION TO INCREASE PUBLIC AWARENESS OF TRANSCENDENTAL MEDITATION

(Referred to the Committee on the Judiciary.)

Mr. GRAVEL. Mr. President, if we were to try to capture in a nutshell the different contributions that East and West have made to the understanding of man and his world, I think we would say that the one has looked at life in its wholeness, while the other has focused on the separate parts which the whole comprehends. Eastern thought has been integrative of our experience, whereas Western thought has been analytical. Both these ways of seeing ourselves and our environment are important. We understand best when we know both how to take things apart and how to put them back together.

Unfortunately for those of us acculturated to the thought patterns of the West, the Eastern's approach to life seems at the very least a bit bizarre, and perhaps even totally irrational. Such has been the reaction to the subject about which I want to speak today—transcendental meditation. The very words themselves put us on our guard. I suppose the image most of us immediately conjure up is that of an other worldly and impractical guru who is something of a religious fanatic. Nothing could be further from the truth.

Transcendental meditation is, in my own experience, a profoundly pragmatic means of integrating the welter of experiences which impinge upon us every day. Through a process of physical and mental relaxation, the mind is allowed to do its own work of synthesizing the data available to it, rather than constantly being short-circuited or given false starts by conscious efforts to control the cerebral processes. The results are significant.

First, there evolves a spontaneous creativity which never seems to come from our conscious efforts to push and shove the mind into predetermined channels. I expect the process is similar to what happens in the often reported experience of solving previously insoluble problems during sleep. Second, the integration which occurs during meditation brings a personal calm which both reduces anxiety and improves the way in which one relates to other people. Third, the total relaxation practiced during meditation clears the mind of cobwebs and reenergizes one for further productive activity.

In addition to these personal benefits, transcendental meditation has proved to be remarkably effective in its social consequence. Respected researchers at such institutions as Harvard University and Stanford Research Institute have demonstrated a positive correlation between the practice of transcendental meditation and a decline in the use of alcohol and drugs. Personnel in correctional institutions and other therapeutic settings have also found transcendental meditation of rehabilitative value. Many of the details of this research have previously been entered into the Congression Record by certain of my colleagues.

Mr. President, in recognition of these personal and social benefits, I am today introducing a sense of the Senate resolution that the World Plan Executive Council of the International Meditation Society be encouraged to increase public awareness of transcendental meditation and the science of creative intelligence by celebrating the second week in November as "World Plan Week—U.S.A." I ask unanimous consent that the resolution be printed at this point in the Record, together with a paper entitled "One In One Hundred," which further explains the background and purposes of transcendental meditation.

There being no objection, the resolution and paper were ordered to be printed in the Record, as follows:

S. Res. 64

Whereas, the success of the Science of Creative Intelligence in enabling the individual to experience his or her full potential is being verified by hundreds of scientific research projects conducted around the world; and

Whereas, this scientific research has measured the beneficial effect of the Science of Creative Intelligence within education, health, rehabilitation, athletics and business, because of its ability to increase social responsibility, intelligence, creativity, energy and efficiency while decreasing hypertension, insomnia, drug and alcohol abuse, anxiety and other stress-oriented problems; and

Whereas, the Science of Creative Intelligence, by strengthening the individual, restores to our democracy the purpose and cohesiveness which is eroded by lack of creative intelligence in individuals in society; and

Whereas, the teaching of the Science of Creative Intelligence is being coordinated by the World Plan Executive Council, members of which represent and direct the activities of each World Plan Center; and

Whereas, the purpose of the World Plan is to establish a World Plan Center for each one million population; and

Whereas, the purpose of a World Plan Center is to train one thousand teachers of the Science of Creative Intelligence (one teacher per one thousand population); and

Whereas, the Science of Creative Intelligence is a systematic study verifiable by repeatable experiment into the nature, origin, display, growth and range of creative intelligence; and

Whereas, the goals of the World Plan are:

i) to develop the full potential of the individual;

ii) to improve governmental achievements;

iii) to realize the highest ideal of education;

iv) to eliminate the age-old problem of crime and all behavior that brings unhappiness to the family of man;

v) to maximize the intelligent use of the environment;

vi) to bring fulfillment to the economic aspirations of individuals and society; and

vii) to achieve the spiritual goals of mankind in this generation; and

Whereas, these seven World Plan goals, though ambitious, are realizable through the technique of the Science of Creative Intelligence, whereby each individual is taught to develop his or her full potential of creative intelligence, and thereby is able to act in a manner responsible to himself or herself, to others and to the environment: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States of America that the World Plan Executive Council be encouraged to increase public awareness of the achievements resulting from the teaching of the Science of Creative Intelligence by celebrating the second week in November as "World Plan Week—U.S.A.".

One In a Hundred

A. BACKGROUND

Over 200 scientific studies at major universities and research laboratories around the world have been evaluating the effects of Transcendental Meditation (TM) as taught by Maharishi Mahesh Yogi, on the physiology, psychology and sociology of its practitioners. Results of the studies completed and published to-date objectively verify the subjective reports of meditators who have observed from the practice greater psychological and physiological stability, adaptability, purification and growth.

In September 1974, the scientists of Maharishi International University in Fairfield, Iowa, embarked on the investigation of new fields of study to trace how the precise mechanics of increasing synchrony and orderliness, developed in the individual through the practice of TM, spread to directly influence the individual's social and political environment.

B. SUMMARY OF THE PSYCHO-PHYSIOLOGICAL RESEARCH ON TM

Transcendental Meditation is not based on philosophical attitude, religious belief, psychological suggestion or mood; rather, it is a definite, specific, systematic technique easily learned by anyone in a short period of instruction.

Measurements show that a twenty-minute period of TM brings the experience of a fourth major state of consciousness that is distinct from dreaming, deep sleep or waking. This unique new state is characterized by a dramatically reduced metabolic rate lower than that attained at any point during sleep, by reduced breath rate, and by reduced work load on the heart. Both electrical change and biochemical change indicate relaxation and reduced anxiety.

While the body experiences extremely deep physical relaxation, the mind remains awake and alert, as indicated by electroencephalographic (brain wave) measurements. During TM, the brain waves become highly ordered and synchronized. The chaotic, shifting frequency distribution characteristic of waking consciousness is replaced by a more orderly and simplified pattern of waves that expand from localized areas of the brain to cover the whole cortex. The left and right cerebral hemispheres become synchronized in frequency and phase, suggesting an effective functional expansion of the potential of the mind.

Several striking experiments have shown that the increased metabolic efficiency experienced during TM results in increased cardiovascular efficiency, or reduced heart rate, and increased respiratory efficiency maintained after meditation.

Galvanic skin response studies show increased stability of the nervous system, even in the presence of external stressful stimuli. These results, as well as data showing that the effects of sleep deprivation are more quickly overcome by meditators, may be understood by considering TM as an extremely efficient means of relieving the nervous system of accumulated stress.

Increased cardiorespiratory efficiency and greater stability of the nervous system gained through TM result in better health. Generally improved resistance to disease has been found in the areas of infectious disease, susceptibility to allergy, and inflammation of the gums. Improvements have also been found in certain specific diseases such as bronchial asthma and abnormally high blood pressure. The gradual decrease in use of alcohol and cigarettes and the normalization of body weight are two other factors that have profound implications for longevity and maintenance of good health.

The increased synchrony, stability and orderliness of brain wave activity recorded during TM also continues after meditation, which may account for the increased orderliness of thinking experienced by meditators. Practitioners of TM gain broader comprehension and improved ability to focus attention, increased intelligence growth rate, and greater ability to learn and remember.

This improvement of mental and physical potential through TM includes holistic development of mind-body coordination: meditators exhibit faster reaction time and superior perceptual-motor coordination.

Psychology improves markedly through TM; almost every major personality index uniformly shows a pattern of increased capability for spontaneous and expressive interpersonal relationships, positive self-image, firm identity and reduced negativity of all kinds. All research indicates that the practice of TM brings about a reduction in anxiety, an increase in internal control, and a greater degree of self-actualization.

The whole picture of improved health, expanded mental potential, emotional stability, and increased inner control strengthens the individual and makes him capable of creatively solving his problems, expanding his activities and relationships, and finding greater enjoyment in life.

C. PHASE TRANSITION: ONE-IN-ONE-HUNDRED

Based on the increased orderliness and improvement in the quality of life observed in individual meditators, Maharishi Mahesh Yogi has stated that if "only one-in-one-hundred" of the world's population were practicing TM, a "phase transition" would occur in society which would bring about increased orderliness, harmony, productivity and fulfillment. Scientists note that this "one-in-one-hundred" theory is supported by a general principle in physics which states that when a certain small percentage of elements within a system become orderly, their influence produces a phase transition which brings the entire system from a disorderly to an orderly state.

A study of four midwestern cities in the United States revealed that when the number of people practicing Transcendental Meditation reached 1% of the city's population, the crime rate dramatically decreased. In another four cities matched for population and geographic location, crime rate continued to rise as usual. One percent of the population practicing TM reversed the trend of increasing crime by 17%.

New research on 18 other cities in the U.S. shows each city to have a decrease in its crime rate when the meditating population reached 1%. In this study as well, the matched control cities continued to show an increase in crime as usual. (It has been pointed out that although crime rate is so far the only parameter in society which has been measured, other parameters are also effected by people practicing Transcendental Meditation. Wide-ranging statistical data from the several hundred cities in the U.S., Canada, Norway, England and Germany where more than 1% of the population are meditating is being studied for further evidence of TM's impact on society.)

There are presently 450,000 persons practicing TM in the U.S. today. The scientists at Maharishi International University have mathematically calculated that 700,000 would be a sufficient number to effect a positive phase transition on a nationwide scale; worldwide, only 3 million people practicing TM would be required. Both figures are realizable within this year based on the current rate of growth in the number of meditators.

D. WORLD PLAN

On January 1, 1972, a "World Plan" was inaugurated to make the benefits of TM readily available to the 3,600 million people of the world. The World Plan Executive Council (WPEC) was formed to implement this World Plan by establishing 3,600 learning centers around the world—one for each one million population—to teach TM and its theoretical aspect, the Science of Creative Intelligence (SCI); to train teachers of TM and SCI; and to offer basic courses for undergraduate and graduate degrees under the auspices of Maharishi International University.

Now established in over 60 countries, the World Plan Executive Council provides the structure for teaching TM and SCI to every area of society. In addition to books, charts and related teaching materials, the WPEC has developed a "Global Television" system which will spread the knowledge of SCI and TM as quickly and cost-effectively as possible through the use of color video cassettes and equipment.

Recognizing a necessity to strengthen national security through raising the quality of individual life, in November 1974, the government of Nepal called on the WPEC to implement its educational programs on every level of Nepalese society. Illustrative of the technological capabilities of the WPEC, within a month's time low-power low-cost television transmitters and closed-circuit video systems carried the message of higher education through SCI and TM to nearly one million people, and marked the first television broadcasting in the nation's history.

E. A FORMULA TO ENRICH CULTURAL INTEGRITY

At a time when wise leaders in every country are concerned with preserving the integrity of cultural traditions, the Science of Creative Intelligence brings a formula to enrich the growth of traditional values in each country and simultaneously promote unity in the family of nations.

As Maharishi points out, "When a culture is stable, it is able to adapt to any outside influence. Cultural, economic, religious, political, or intellectual influences from outside the culture will not be able to overthrow national integrity. Also, the new influence will be purified: whatever aspect of it is life-supporting will be naturally integrated into the life of the culture. This is how, by virtue of the qualities of stability, adaptability, purification, and integration outside influences can act as a fertilizer for a culture's growth."

It is clear that elements of national life reflect the quality of individual life. Therefore, the more people who are meditating in a country, in whom the qualities of adaptability, stability, integration, purification, and growth are enlivened, the more the life of the nation will be infused with these qualities. "This explains how SCI can make the cultural, economic, political, religious, and intellectual values of one country grow, and simultaneously serve as fertilizer to enrich the corresponding values of every other country.

"Every nation will be strong in its own values, capable of giving and taking strength from others. The unity of nations will be spontaneous, natural, and enduring because it will be a unity of storing differences," Maharishi said.

Looking forward to the time when the life of every nation will reflect the quality of enlightened individual life, the Maharishi has said, "The time is fast approaching when each individual nation, rapidly progressing in its own right, will be capable of enriching every other nation and contributing maximum to the unity of the family of nations."

F. REFERENCES

Benson, H. and R. K. Wallace, *Congressional Record,* Serial No. 92-1, June, 1971.

"Maharishi International University," *Congressional Record,* p. 905, January 28, 1974.

"Transcendental Meditation," *Congressional Record,* pp. 13219–23, May 6, 1974.

"Transcendental Meditation and Drug Abuse," *Congressional Record,* pp. 14491–94, May 14, 1974.

Brown, I. M., *Congressional Record,* Serial No. 93–91, May 1974.

SENATE CONCURRENT RESOLUTION 10—SUBMISSION OF A CONCURRENT RESOLUTION CONCERNING THE PLACEMENT IN THE CAPITOL OF LIKENESSES OF INDIVIDUALS FROM MINORITY GROUPS

(Referred to the Committee on Rules and Administration.)

TO HONOR VITAL CONTRIBUTIONS OF MINORITY GROUPS IN AMERICAN HISTORY

Mr. HUMPHREY. Mr. President, I am today submitting a Senate concurrent resolution which would direct the Joint Committee on the Library to obtain likenesses, for placement in the Capitol, of individuals from minority groups who have contributed significantly to our Nation and our history.

My resolution also would establish a procedure for the selection of those who should be represented.

It would provide that the leadership of both the Senate and the House of Representatives act together to appoint an advisory committee of nine persons distinguished in public or private life to nominate individuals whose likenesses would be obtained for permanent exhibit in the Capitol. It would be my hope that this advisory committee could include historians, political scientists, representatives of the arts and sciences, the professions, Government officials past or present, or others with a high degree of expertise in relevant fields.

The advisory committee would be authorized to seek the advice and recommendations of a broad range of experts, as well as the general public, similar to the procedures utilized by the Special Committee on the Senate Reception Room which was authorized by Senate Resolution 145, of the 84th Congress to select five outstanding persons who served in the Senate whose portraits would be placed in the Senate reception room.

The number of persons to be selected for representation has been left unspecified, so as to allow the advisory committee the greatest possible freedom in its determinations. Space limitations in the Capitol will necessarily impose certain restrictions on the number, but I believe that this question should be left to the advisory committee and the House and the Senate, acting as authorized in the resolution to approve the recommendations of the advisory committee.

The advisory committee would be directed to complete its selection process within 1 year from the date this resolution is agreed to, after which time both Houses would be called on to approve the selections by concurrent resolution.

Upon final approval of the selections, the Joint Committee on the Library, which has jurisdiction over works of art in the Capitol, would be directed to obtain likenesses of these individuals by any of several procedures currently available. The manner in which each individual is to be represented—whether by statue, bust, or portrait—is left unspecified, to allow the joint committee flexibility in placing the works of art in light of the current shortage of available space.

Mr. President, it would be impossible to overstate the role that has been played in our national history by members of minority groups. Great achievements in law, medicine, science, philosophy, religion, sports, the arts—indeed, in every phase of American life—have been accomplished through the determined and often unrecognized efforts of minority citizens who struggled against great odds to bring honor to themselves and their country.

Nearing our 200th year as a nation, we have finally put to rest many of the legal, socioeconomic, and cultural barriers which often prevented these outstanding citizens from being brought into the mainstream of American life. We are better able at this juncture to assess the vital contributions which have been made in the building of our Nation.

It is fitting that we determine at this hour in our national life to honor these citizens suitably and to bring their achievements to the attention of the American people by commemoration in the U.S. Capitol.

Thousands of citizens pass through these halls each year. Many are schoolchildren who are seeing American history firsthand. It is neither accurate nor just to have them believe that American history is only a history of white, Anglo-Saxon Protestants. Rather, they should be allowed to see that American history is a tapestry—composed of many diverse peoples.

As our national goal for 1976, I would like for us to be able to show the world that we were able to create out of this diversity of people a sense of common purpose while retaining respect for individuality and cultural heritage.

We have to be willing once again to find the ideals that move people and nations. So let us begin our third century as an America aware of the richness in our heritage and diversity; a nation that realizes the importance of every people; a society in which the contributions and achievements of each ethnic and racial group are respected and valued.

Let us proudly announce to the world the true freedom—the freedom of all people to be themselves—to be as diverse as history and culture have made them, and to make their fullest contribution to a greater America. I believe that we can enhance the chances for realization of this goal by beginning now to redraw the lines that have impeded the recognition of the accomplishments and contributions of minority citizens. I can think of no more appropriate way to look toward America's future than to acknowledge and cherish her true history.

Mr. President, I ask unanimous consent that the text of the concurrent resolution be printed at this point in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

S. Con. Res. 10

Whereas the United States of America will celebrate its two hundredth anniversary in 1976;

Whereas it is appropriate that the richness and variety in our national history be commemorated in conjunction with bicentennial events and celebrations;

Whereas it is fitting and appropriate that the important role of members of minority races, cultures, and nationalities in the development of the Nation and the enhancement of human life in America be acknowledged and commemorated; and

Whereas minorities are not adequately represented among the statues, busts, portraits, and other works of art displayed in the United States Capitol: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized to obtain, in accordance with this concurrent resolution, likenesses of members of minority groups to be placed in the United States Capitol.

Sec. 2. (a) The President pro tempore of the Senate, the majority and minority leaders of the Senate, the Speaker of the House of Representatives, and the majority and minority leaders of the House of Representatives shall jointly appoint—

(1) an advisory committee to be composed of nine distinguished citizens from the public and private sectors, for the purpose of selecting members of minority groups it deems appropriate who have made significant contributions to the United States; and

(2) one member of the advisory committee as chairman of the advisory committee.

Each member of the advisory committee who is not otherwise employed as an officer or employee of the United States Government shall receive compensation, for each day (including traveltime) that he performs duties as a member of the advisory committee, at an annual rate of pay which is in effect with respect to pay disbursed by the Secretary of the Senate and which will provide a daily rate which is nearest to, but not less than, $75 for each such day. Each member of the advisory committee shall be paid for expenses incurred, including travel expenses, with respect to his duties as a member.

(b) The advisory committee is authorized to seek advice and recommendations from such historians and other sources, including the general public, as it deems advisable.

(c) The advisory committee shall report any of its selections to the Senate and House of Representatives not later than one year from the date this concurrent resolution is agreed to.

(d) The Joint Committee on the Library, the Architect of the Capitol, and the Commission on Art and Antiquities of the United States Senate shall provide to the advisory committee, to the maximum extent practicable, employees, facilities, supplies, and equipment that the advisory committee deems appropriate in carrying out its duties under this concurrent resolution.

Sec. 3. Upon approval by the Senate and House of Representatives by concurrent resolution of any selection made by the advisory committee, the Joint Committee on the Library shall obtain by donation, loan, purchase, or commission appropriate likenesses of any individual so approved.

Sec. 4. Expenses of this concurrent resolution shall be paid out of the contingent fund of the Senate upon vouchers approved by the chairman of the Joint Committee on the Library.

NOTICE OF HEARING

Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Agricultural Credit and Rural Electrification of the Committee on Agriculture and Forestry will hold a hearing on Monday, February 17, 1975, at Sioux Falls, S. Dak.

The subject of the hearing will be an oversight assessment of the Emergency Livestock Credit Act of 1974, consideration of legislative proposals for additional credit for livestock producers, proposed changes in the emergency disaster loan program for producers affected by the January blizzard in the upper Midwest, to hear testimony on the emergency feed grain assistance program for drought-stricken counties, and to receive recommendations on overall improvement of existing and proposed Federal farm credit law.

The hearing will begin at 9 a.m. in the community room of the Howard Johnson Motor Lodge in Sioux Falls.

NOTICE OF HEARING—RURAL LEADERS DESIRE TO REBUT ADMINISTRATION WITNESSES

Mr. CLARK. Mr. President, I wish to announce that the Rural Development Subcommittee will hold an oversight hearing at 1 p.m., February 25, in room 324 of the Russell Senate Office Building.

On January 22, the subcommittee held a hearing at which only administration witnesses were heard. A number of rural leaders have requested that I call this hearing so that those who are on the front lines of rural development may have the opportunity to rebut the Government witnesses.

Although the hearing will be held in conjunction with the annual legislative conference of the National Association of Counties, testimony will not be limited to members of NACO's Rural Coalition. Any interested group or individual will be welcome to testify or present testimony for the record.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, February 12, 1975, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Stanley S. Brotman, of New Jersey, to be U.S. district judge for the district of New Jersey vice Mitchell H. Cohen, retired.

J. Smith Henley, of Arkansas, to be U.S. circuit judge for the eighth circuit vice Pat Mehaffy, retired.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McClellan), the Senator from Nebraska (Mr. Hruska), and myself as chairman.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator Eastland, I state that the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Donald W. Wyatt, of Rhode Island, to be U.S. Marshal for the District of Rhode Island for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, February 12, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS

Mr. WILLIAMS. Mr. President, the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold 3 days of hearings on S. 425. The hearings will be held on March 4, 5, and 6 at 10 a.m. in room 5302, Dirksen Senate Office Building.

The bill would amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities and for other purposes.

NOTICE OF HEARINGS

Mr. WILLIAMS. Mr. President, the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold 3 days of hearings on S. 249. The hearings will be held on February 18, 19, and 20 at 10 a.m., in room 5302, Dirksen Senate Office Building.

This bill, which I introduced with Senators Tower and Brooke, would amend the Federal securities acts with respect to the following matters: Commission rates; institutional membership; fiduciary standards; self-regulation and SEC oversight; national market system for securities; national system for clearance and settlement of securities transactions; municipal securities; institutional disclosure; and sale of investment company advisers for profit.

The bill is a consolidation of five bills, S. 470, S. 2058, S. 2474, S. 2519 and S. 2234, considered during the 93d Congress. The first four of these bills passed the Senate and extensive hearings were held on the fifth.

HEARINGS SCHEDULED ON STANDBY ENERGY EMERGENCY AUTHORITIES LEGISLATION

Mr. JACKSON. Mr. President, on February 13 at 10 a.m., in room 3110 of the Dirksen Senate Office Building, the Senate Interior and Insular Affairs Committee will hold hearings on pending standby energy emergency authorities legislation. These hearings are being held pursuant to the Senate's national fuels and energy policy study and ex officio representatives from other committees are invited to attend and participate.

Testimony will be received from administration witnesses.

ANNOUNCEMENT OF HEARINGS ON GENERAL ECONOMIC PROBLEMS OF SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business will hold public hearings on general economic problems of small business on February 24, 1975, in Denver, Colo. The hearings will begin at 9 a.m. and will be held in the Post Office-Federal Building, 1873 South Street.

This is the third in a series of field hearings the committee plans to hold in various parts of the country in order to obtain firsthand knowledge from small businessmen themselves on the extent of their problems and their efforts to remain viable in our current economic downturn.

The Senator from Colorado (Mr. Haskell) has been designated to serve as acting chairman for the Denver hearings.

Further information on the hearings can be obtained from the offices of the committee, 424 Russell Senate Office Building, telephone 224-5175.

NOTICE OF HEARINGS ON THE ECONOMIC IMPACT OF THE ADMINISTRATION'S ENERGY PRICE, TAX, AND TARIFF PROPOSALS

Mr. JACKSON. Mr. President, on February 6 at 10 a.m., in room 3110 of the Dirksen Senate Office Building, the Senate Interior and Insular Affairs Committee will receive testimony from selected representatives of labor, industry, and electrical utilities concerning the economic impact of the President's energy price, tax, and tariff program. These hearings are being held pursuant to the Senate's national fuels and energy policy study and ex officio representatives from other committees are invited to attend and participate.

Witnesses invited to present testimony are Leonard Woodcock, president of the United Auto Workers, Paul Ignatius, president of the Airline Transport Association, Charles Owens of Charles Owens & Associates, Inc., Guy Nichols, chief executive officer of the New England Electric Co., Ben H. Fuqua, senior vice president of the Florida Power & Light Co., and Jack Embersitch, director of university operations at Yale University.

HEARINGS ON THE ECONOMIC IMPACT OF THE PRESIDENT'S ENERGY PROGRAM AND ALTERNATIVE POLICY OPTIONS

Mr. JACKSON. Mr. President, the economic impacts of alternative energy policies will be the subject of hearings Wednesday, February 12, by the Senate Committee on Interior and Insular Affairs. A panel of distinguished economists will examine the implications of different energy policy options, including the administration's energy price, tariff and tax proposals, on inflation, unemployment, world trade and the stability of the world financial system. The hearing is part of the continuing national fuels and energy policy study, composed of the Interior Committee and six other committees, which was established by Senate Resolution 45 in the first session of the 92d Congress.

The witnesses will include: Prof. Richard Cooper, Yale University; Dr. John A. Lichtblau, Petroleum Industry Research Foundation, New York; Dr. Eric B. Herr, Data Resources, Inc., Cambridge, Mass.; Dr. William Janeway, F. Eberstadt & Co., New York; Dr. John Sawhill, former Administrator, Federal Energy Administration.

Our economy is suffering the worst inflation since the 1940's and the worst unemployment since the 1930's. The fabric of world trade and finance is beginning to unravel. Under these conditions, the consequences of additional shocks in the form of policies designed to increase the price of energy to the United States and other world economies could be deadly.

It is imperative that the United States have a strategy to increase domestic energy production and to build energy conservation permanently into our economy. It is not clear, however, that either the President's radical tariff and tax prescriptions, or any of the other drastic measures being debated today, such as rationing or highly restrictive import quotas, are either necessary or effective in building long-term energy security. It is clear, however, that any set of measures drastic enough to reduce oil imports by 1 million barrels per day will have serious effects on prices and consumers as well as on the economy and employment.

The purpose of Wednesday's hearing will be to review the major energy options proposed by the President and others in the context of the wider economy, and to assess their relative costs and benefits.

The hearing will begin at 10 a.m., February 12, in room 3110 of the Dirksen Senate Office Building.

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Testimony will be received from administration witnesses.

ANNOUNCING HEARINGS ON S. 327, AMENDING THE LAND AND WATER CONSERVATION FUND ACT

Mr. JOHNSTON. Mr. President, I wish to announce to the Members of the Senate and other interested persons that the Subcommittee on Parks and Recreation of the Committee on Interior and Insular Affairs has scheduled an open hearing for February 11, 1975, on S. 327, a bill to amend the Land and Water Conservation Fund Act and to establish the National Historic Preservation Fund.

Similar legislation was passed by the Senate in the 93d Congress and it is hoped that expeditious action can be taken in this Congress to bring about final enactment of this much needed measure.

The hearings will be held in room 3110, Dirksen Senate Office Building, beginning at 10 a.m.

Persons wishing to testify or submit statements for the hearing record should so advise Mr. James P. Beirne, Special Counsel for the Subcommittee on Parks and Recreation.

ADDITIONAL STATEMENTS

THE PRESIDENCY—ALIVE AND WELL

Mr. HUGH SCOTT. Mr. President, the Presidency is alive and well and living in the White House, according to an article in the Philadelphia Inquirer. I ask unanimous consent that this article, written by Creed Black, be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Feb. 2, 1975]

LEADERSHIP: THE WHITE HOUSE HAS IT, CONGRESS NEEDS IT

(By Creed C. Black)

WASHINGTON.—Who's in charge here? President Gerald R. Ford, that unassuming man from Grand Rapids who sits in the White House by accident.

There were some large doubts when Mr. Ford assumed the Presidency, please remember, that he would ever be a command figure in the job despite all of its inherent power and trappings. And they were magnified in November when the Democrats beefed up their control of Congress with a thumping election victory.

But anybody coming here expecting to find a timid and uncertain President marching to the drum of dynamic and strengthened Democratic leadership in the Congress is in for a surprise.

"I feel very secure in my capability to do the job," Gerald Ford told John Chancellor and Tom Brokaw in the chatty TV interview from the White House living quarters 10 days ago. "My feeling of security grows every day."

That security is reflected in conversations with the cool and tightly disciplined Don Rumsfeld and other top aides in a White House that now bears more and more of the Ford imprint with the departure of inherited Nixon staffers.

It is also reflected in the high quality of the new President's first two cabinet nominees—William T. Coleman Jr. of Philadelphia, for secretary of transportation and Edward Levi of Chicago for attorney general. As in the selection of Nelson Rockefeller for the vice presidency, these appointments are applauded here as evidence that Gerald Ford is not an executive who feels threatened by having strong men around him.

And it is reflected most of all in the fight over the President's economic and energy proposals.

Whether you agree or disagree in whole or in part with Mr. Ford's program, he does have one, he believes in it, and he's pushing it hard. This is a lot more than can be said for his Democratic critics, who ironically have now switched from lambasting the President for doing too little to letting him have it for trying to do too much too fast.

At the moment, the Democrats remind one of that old story about the jury which was made up exclusively of lawyers. Three days after they had retired to the jury room for their deliberations, the judge sent a bailiff to ask if they were close to a verdict.

"Of course not," the answer came back. "We're still making nominating speeches for foreman."

The Democratic blood-letting over committee chairmanships which has occupied so much of the new Congress's attention thus far has been well publicized. But backstage unhappiness over the party's leadership on Capitol Hill is just coming to light.

It is expressed in a letter, now being widely quoted here, which Sen. Hubert Humphrey wrote to Speaker Carl Albert last Dec. 10..

Mr. Humphrey pointed out that the Democrats were split seven ways from Sunday on an economic program and called on Speaker Albert, as the party's ranking elected official, to call the House and Senate leadership and other key members together to hammer out a policy which could then be presented to the caucuses.

"We simply must have someone who can call the shots and give us a sense of direction," Sen. Humphrey wrote.

"Once the Democrats have agreed on what they want to do and where they want to go, then we should sit down with the President and his administration and see if we can't come to some understanding. This should be followed by prompt action in the Congress. If there are disagreements between ourselves and the President—and I'm sure there may be—we must then proceed with our program. The people expect action."

Neither Sen. Humphrey nor the people got it from Speaker Albert, however. He did nothing about the Humphrey request by the mid-January date the senator had proposed.

And though Mr. Albert sat directly behind President Ford when the President spelled out his program in his State of the Union message, he stunned Washington newsmen at a breakfast a week later by his lack of understanding of Mr. Ford's proposals. He thought, for example, that the tax rebate the President had called for was based on the number of gallons of gasoline you buy.

Still, Mr. Albert was the party's official spokesman chosen to go before the nation on TV to present the Democratic response to the President.

All this helps explain why White House spokesmen respond a little incredulously when asked about the possibility of compromise.

"Compromise with *what?*" they ask.

My own impression is that Gerald Ford, contrary to one popular assessment, has not substituted confrontation for the cooperation, conciliation, communication and compromise he promised earlier. He spent too many years on the Hill not to understand how it works, and he is keeping his lines open.

But right now Congress is hardly working at all in developing alternatives to the President's program, so he is pushing ahead in an effort to get something done. He obviously agrees with Sen. Humphrey that "the people want action," and he is confidently trying to give it to them.

FUNDING FOR FOREST SERVICE PROGRAMS

Mr. CHURCH. Mr. President, as part of his program to cut back budget outlays, President Ford has acted to rescind $10,000,000 of the 1975–76 annual appropriation for Forest Service reforestation and stand improvement programs. I have no quarrel with the President's efforts to restrain Federal spending, I support him in this endeavor; however, I think he is mistaken in cutting out Forest Service funds intended to increase the long range timber supply.

During the 93d Congress, the Budget and Impoundment Control Act was enacted into law. By authority vested in this law the Congress now has an opportunity to reject the President's planned cuts in funding. No longer is the Congress relegated to the sidelines, powerless to command action once the Chief Executive has ordered an impoundment of funds. Through affirmative action, either the Senate or the House of Representatives can require the President to utilize congressionally appropriated funds for programs which he has rescinded. In effect, Congress has the power to countermand Presidential control over the purse strings.

In this case of rescinded Forest Service programs, the question now is whether Congress will use that authority granted itself thus forcing the President to use these funds.

No portion of the economy requires a healing ointment more than the homebuilding industry and its allied industries such as lumber and plywood. The entire housing industry is in the grip of a depression, the worst downturn on record. Housing starts are at an annual rate of 1.1 million, the lowest since 1967, except for 1 month in 1970. The current level is little more than 40 percent of the 2.6 million set by Congress in 1968 as the annual rate at which the American people need new homes.

In Idaho, logging operations and lumber mills have slowed activities to a snail's pace. Hundreds of Idaho workers, long associated with the timber industry have been laid off. Many times their employment in a sawmill provides the lifeblood of a small Idaho town. A forced shutdown of the plant strangles the entire economy of the community.

The basic cause of the present state of the housing industry is the unavailability of mortgage money. What is needed immediately is an infusion of money to finance home buying and construction. High interest rates, brought on by tight money policies, prevent house purchases because the individual prospective home buyer lacks the resources to obtain and bear high-interest, long-term financing.

The Congress reacted to the credit problems of the housing industry by enacting legislation which allows the Government to buy up $3-billion of mortgage loans immediately at interest rates set up by the Department of Housing and Urban Development. However, experience with the program now indicates that the interest rates may be set too high—only those buyers who can afford expensive housing are benefited by the program. Furthermore, the backlog of constructed, but unsold, houses has tended to negate the hopes of using the program to bring relief to the industry.

During the forthcoming session of Congress, the President must propose other means by which to solve the immediate short-term crisis. If he fails to act, then Congress must do the job on its own.

The present depression, however, cannot be viewed in isolation for it followed on the heels of two recent booms in 1968–69 and again in 1972–73, when wood product prices soared as demand outstripped supply.

Thus, to properly understand the economic character of the housing and timber industries, to put this feast or famine, boom or bust economic cycle into perspective, it is important to realize that the crisis facing these industries is both short and long term. And, while it is oftentimes easier, and more expedient, to react to the short-term problem, the housing industry, and related lumber and plywood supply industries, will remain unstable unless the long-term problems are also resolved.

High interest rates and tight credit reflect one part of the long-term problem of wild swings and drastic fluctuations in the financing and construction of housing. When the industry booms, prices skyrocket because lumber products are in short supply. The shortage of timber then causes high interest credit which eventually dries up and throws the industry into a recession.

Wood products are available now at low prices because a huge inventory exists. But the record indicates that very little has been done to assure an adequate supply of timber and that means that the Nation can expect another price-supply crisis whenever housing booms again.

As with energy, serious potential shortages of timber and its products have long been foreseen. Whenever demand has out-stripped supply the problem has been traced to inadequate timber supply. Everyone knows the long-term solution—permanent mortgage markets for housing and proper forest management programs to grow more trees. In the case of forest management practices, the Ford administration, like its predecessor, will allow the situation to deteriorate by requesting inadequate funding for reforestation and timber stand improvement programs.

Currently there is a reforestation backlog of approximately 3 to 4 million acres. The Forest Service had indicated that U.S. tree growth could be doubled merely by reforesting lands that are not now stocked, using over-aged timber, and replanting lands with fast-growing young forests. More intensive forest management practices could increase timber yield even more.

Not in the name of budget cuts, nor in the name of long-term economic growth, is the President right in cutting funds for reforestation and stand improvement. The cyclical problems and instabilities of the industry will continue until these long-term problems are adequately confronted and resolved.

I hope that the appropriate Senate committees will hold hearings on this proposed rescission and that the Senate will have an opportunity to reverse the President's actions. I intend to do what I can to see that the money Congress initially appropriated for these programs is utilized by the Forest Service in enhancing the timber supply.

GREECE AND CYPRUS: U.S. POLICY QUESTIONS

Mr. KENNEDY. Mr. President, this past week a noted Greek journalist and political writer, Mr. Elias Demetracopoulos, delivered an important speech on the future of United States-Greek relations.

Speaking at the Women's National Democratic Club, Mr. Demetracopoulos views the rebirth of democracy in Greece with the special perspective that comes with 7 long years in exile from the former Greek junta. And he views United States-Greek relations from the special vantage point of spending those years of exile here in Washington, as a critical observer of the course of American policy toward the Eastern Mediterranean.

Even as a new beginning has come to the people and Government of Greece, so, too, has a watershed point been reached in United States-Greek relations. Mr. Demetracopoulos' speech provides a thoughtful analysis of where U.S. policy has gone wrong in the past, and where it can go right in the future.

Mr. President, I ask unanimous consent that the speech by Mr. Demetracopoulos be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

How To Control the Damage: Greece and Cyprus

(By Elias P. Demetracopoulos)

To attempt to review American policy toward Greece over eight years before this audience is a great pleasure for me. I have considerable respect and admiration for the Women's National Democratic Club. I have often attended these luncheon meetings as a visiting journalist and later as a political activist. It is now especially gratifying for me to address you concerning the subject which brought me to this country to live over seven years ago.

Like the man who came to dinner, my presence in Washington is due to the combination of hospitality I have received here and difficulties which have occurred before and after my arrival.

So that you will know how an Athens journalist found freedom as well as pain, in Washington, let me tell you briefly how I arrived here, much as a soldier behind enemy lines.

I was a political editor in Athens in 1967 when a military coup occurred shortly after midnight, April 21, 1967. After I refused to write under censorship, and following a period of harassment by the military authorities, and an agonizing reappraisal of where I would be most helpful in the cause of Greek democracy, I left Greece. I fled in September 1967 with the assistance of the United Nations to attend a U.N. Conference of Editors in Warsaw, Poland. I left Greece with the resources you might have for a weekend trip to New York. I have never been back to Greece although I tried in 1970 to attend my father's funeral. The junta refused me permission.

I am now happy to say that I will leave in the next few weeks for a visit to Athens, my first in over seven years.

I have told you this background so that you can understand better what a military dictatorship means. Your country has been very fortunate. As you approach your country's two hundredth anniversary, you can rejoice. Despite several major wars, a tragic Civil War, your accession to World Power and even a Watergate, you have never been subjected to dictatorial rule. That is, unfortunately, a claim that few countries in the world can make.

I sometimes think that American history is best appreciated by foreigners. Americans have lived well and long under democratic rule. Unfortunately, your history and your distance from problems elsewhere in the world make it difficult for Americans to understand fully the meaning of events elsewhere.

One of the difficulties of my life in Washington, where I have worked for my country's freedom these seven years, is the lack of sufficient understanding for the political situations elsewhere, including my country. Some Americans I have met here were surprised to hear that Greece had a dictatorship; others were surprised to hear that we had anything else since Pericles.

Greece had a rather well-functioning democracy which was killed on the night of April 21, 1967. Not a perfect democracy, but one which persisted through our civil war in 1946 to 1949 and one which would have survived the modernization thrust upon Greece in the early 1960s.

The fact that the coup of 1967 succeeded is an indication of the complacency which is always the greatest threat to democracy. In my country, there were many people in the spring of 1967 who thought that democracy would survive no matter what happened. There were similarly many people in both Greece and elsewhere who were prepared to compromise on democracy through fear, or indifference or for personal gain.

The prevailing climate in Greece and in the United States toward Greece at that time was a combination of this complacency and fear. This combination produced a nightmare for my country from which we are now only beginning to recover.

Because the history of Greece since the second World War has been so closely tied to the United States, it should not be surprising that my country is affected greatly and rapidly by what your country does. It is a paradox that these relations are often one-sided; for what Greece does is not generally recognized of much importance to the United States.

What I would like to do today, therefore, is to trace the relations of Greece and the United States in the past 25 years, within my time limits, to see what lessons are there for both of our countries.

Let me begin with both a conclusion and a prediction: the conclusion is that the Greek attitudes toward the United States are at the lowest level in modern history; my prediction is that these attitudes, although subject to the ebb and flow of specific events, will never return to the heights of the post World War II period.

Greece, as you recall, became identified in World War II with a monumental resistance effort against the Italian and the German invasion forces. Greece successfully engaged the military resources of the Fascist powers from 1940 to 1944. The end of the war, which brought peace and painful reconstruction to Western Europe and Communism to Eastern Europe, marked the beginning of a tragic civil war in my country. The assistance of your country during that civil war, under the Truman Doctrine, resulted in a victory for Democracy in Greece and the beginning of a remarkably close military and political cooperation between our countries.

This caused a predominant American role in Greek politics. The 1950s saw Greece enter the North Atlantic Treaty Organization under American sponsorship, the establishment of important American military bases in Greece and a massive economic military assistance program which gave Greece approximately $4 billion in aid.

By the 1960s, the relationship between

Greece and the United States had stabilized. The basis was Greek economic prosperity, the superior military force of the United States (as expressed in NATO) and the interwoven mutual interests in the Eastern Mediterranean. Beneath this somewhat complacent veneer, serious political problems were developing in Greece. Prosperity was bringing pressures for political as well as economic development. An antiquated and paternalistic political tradition could not meet this demand.

The United States was not concerned about these problems. The distraction of Vietnam eventually became a maddening obsession. The United States viewed Greek political developments with a condescension which, although perhaps understandable for a superpower, was ill-advised in the case of Greece. The waning of the more rigid period of the Cold War gave Greek political leaders, for the first time since the second World War, an opportunity to view the country's relations with the United States with detachment.

Greece's commitment, in 1961, to become a full member of the European Community, was one manifestation of this new ability of Greece to view itself with interests separate from (although not necessarily antagonistic) to those of the United States. For the first time, political leaders, other than the Communists, could question whether that kind of Greek dependence on NATO and Washington was necessarily in the best Greek national interests.

Those closely involved with the military cooperation between the two countries were concerned about these tendencies. This concern coincided, on the American side, with increasing preoccupations elsewhere in the world. Political leadership in the United States, found that certain problems remained despite (or perhaps because of) its acknowledged role as the predominant power in the world: A Communist Cuba less than 100 miles off the American shores was no more easy to deal with than distant Indochina; neither Berlin nor the Middle East would yield to persistent American concern. No wonder that a tendency developed toward Greece which emphasized the tangible security cooperation and which tended to be disdainful of Greek political problems. No matter what happened, we could count on the Greeks, Washington seemed to say.

This complacency was shocked in 1964 when a liberal government under George Papandreou won a solid majority in Greece. Different kinds of Greek political leaders were appearing; some questioned the conservative economic system, others the security arrangements and still others the traditional Greek political party structure and even the King!

An acute political crisis arose on July 15, 1965 when Prime Minister George Papandreou was forced to resign by King Constantine. After a prolonged political deterioration, a caretaker government was named pending new elections. The strength of the Democratic Left was now viewed by certain Greek leaders as a threat to the traditional economic and political society. The fear which animated ultra-conservative political leaders, including many of the King's supporters, was pronounced among the Greek military whose loyalty to the Royal Family was still unquestioned.

The instinctive American reaction was to draw closer to conservative political forces. As the elections of May 1967 approached, predictions of another massive victory by the Liberal Center Union brought ultra-conservative forces, supported implicitly by the United States, to the brink of panic. The strong possibility of a coup by the King's military supporters dominated the political world.

Instead, a group of senior field grade and intelligence officers worked steadily to plan a coup which they designed many years before. Animated by an obsession with Communism dating from the Civil War and with a hatred of politicians who had somehow allowed Greek society to deteriorate, these Colonels plotted their own solution. On April 21, 1967, shortly after midnight, they struck. By dawn, most political leaders were arrested, the King, and his Generals isolated, the May election cancelled, all civil rights suspended and martial law proclaimed.

The American reaction was guarded. While the Johnson Administration announced that "heavy" arms assistance would stop pending clarification of the Colonels' intentions, other military cooperation continued. "Small" arms and ammunitions continued to arrive. The American bases continued to operate. Normal diplomatic and alliance relations continued.

Was the United States involved in the coup? If by "involved" one means did the United States actively plan and execute the end of Greek democracy, I would have to say that to the best of my knowledge, no conclusive documentary evidence exists yet.

If the question means, however, did many American military and civilian leaders see the coup as a restoration of "stability" which guaranteed U.S. base rights, the answer is regrettably "Yes."

But the actual American role in the Spring of 1967 is not the true measure of United States policy for the past 10 years. More significant, in Greek eyes, is the policy followed since those terrible days. For seven years, two American Administrations passively watched the strangulation of Greek democracy by U.S. trained officers who imprisoned political leaders and editors, debased and degraded the Armed Forces, tortured courageous resisters and attacked defenseless students.

Not once in seven years, for the country which the United States proudly saved for democracy in the 1940s, was one strong public and official word spoken—much less an action taken—for the ravaged Greek democracy. American Admirals and Generals continued to pay official visits to Greece; high civilian officials, including the Vice President, came to my country with words of warm praise; full American military aid was resumed and a major homeporting of a U.S. aircraft carrier was undertaken.

When Europen countries questioned American and NATO policy during this period, the United States sought acquiescence; when American Congressional critics wondered what had happened to the alliance of democracy which NATO was intended to be, senior American officials testified that such concerns had to be balanced by military base considerations.

The paradox for American policymakers is that the American bases for which so much was sacrificed during the dark years of the dictatorship are likely to be the first casualty in the reassessment by the new civilian government in Greece of the American relationship.

Already the idea of basing an American aircraft carrier in Greece has been abandoned, partly because anti-American feeling is so high in Greece today that the safety of your servicemen can not be assured.

The dictatorship ended not with American support or encouragement but with a madness of the Greek dictators themselves who sought to install on Cyprus an export version of their own junta. The violent Turkish reaction to this attempt caused both the Cypriot and the Greek governments to fall. The self-exiled conservative leader, Constantine Caramanlis, was called back from Paris to form the Government whose policies have already taken Greece out of the NATO military structure and which will soon have to accommodate the strong political pressures for a revision of the American base agreements.

There are lessons in the unhappy account for both of our countries. The Greek people today, I believe, are more realistic—some would say cynical—about alliances and allies. Although the tragic events of the last six months on Cyprus are not fully absorbed yet, there is developing in Greece a sense of self-reliance which I judge to be healthy, considering the past Greek dependence on outside powers. I believe that Greece will place, for example, more trust in the diversity of a European Community, to which it is now fully committed for membership, and less faith in a superpower whose interests now seem more remote to us. The strength of the United States in the world is still so considerable that there will not be an immediate dramatic turn away from your country. The sizeable cultural and ethnic role of Greece in this country will also contribute some stability for some time to our relationship. But both countries are beginning to understand—ours more rapidly than yours, I think—that the past relationships have been permanently and importantly altered.

I would like to suggest that your country has also lessons to be learned from this tragic chapter of my country's history. As I said earlier, the relations between a powerful global power and a small Mediterranean country have an unequal reciprocal value; what happened in Greece may seem less important to you than does your country's role in those events to Greece. But the lessons of Greece can be ignored by the United States only at the peril of repeating the errors elsewhere.

Let me summarize those lessons as I see them:

(1) In a world obsessed with military strength, there are some things more important than naval bases, landing fields and aircraft carriers. If we forget the purposes of military strengths, as American Governments forgot the purpose of NATO, which was to safeguard the development of democracy, both democracy and the military alliance are badly damaged.

(2) Military leadership is no substitute for political judgment and to confuse the two does a disservice to both.

(3) The refusal to consider internal political developments in an ally's country is worse than short-sightedness; it is the last refuge of international scoundrels. There is not a person in this room who does not know that the kind of societies that exist in this world is of direct interest to the American people.

(4) The ideals of American democracy, which has endured so well in the trials of the past few years, are also the ideals of much of the world. That democratic tradition must animate American foreign policy more clearly in the future than it has in the past decade. I say that as someone who has grown to appreciate this country during my forced exile here for most of that decade. But I can also see this country with a detachment which few Americans can develop. America is a better country than its foreign policy would indicate.

(5) The physical isolation which has meant so much in American history still insulated its citizens from an active concern with the rest of the world. For those of you who do not often travel outside of Washington, I urge you to do so. My work in Wall Street has given me much opportunity to see this country and its citizens. I usually

return to Washington impressed with the industry of these citizens but appalled at their isolation from the rest of the world. I hope that the best qualities of your fellow-countrymen will, in the future, be translated more effectively into your foreign policies than they have been in the past. The Congress, which has so often in these past seven years been the only source of hope for Greece, has a most important role in translating the popular concern for democratic government into an effective and courageous foreign policy.

It is a paradox to note that much of the work in Congress on Greece in the past seven years has been done in the building named for Sam Rayburn whose philosophy of Congressional behavior has often, and I hope, erroneously, been summarized in his advice: "If you want to get along, go along."

The Congress, to its credit, did not "go along" with the shortsighted policies on the State and Defense Departments on Greece. I sometimes suspect that those words of advice attributed to Sam Rayburn were actually invented in the State Department. I would think it in the best American tradition for Congress to consider in the coming difficult months in dealing with Greece, Turkey and Cyprus that the motto for dealing with real-politik of Washington should be "If you want to get along with America, don't go along—at least without questioning—the assumptions which brought you the foreign policy nightmares of the past ten years."

The present disaster in Cyprus is an excellent illustration of how American policy went wrong. The damage done to Greek-American relations will endure, in my judgment, for many decades. For the Greek people saw in Cyprus the fruition of seven years of American neglect of the true interests of Greece as a democracy and as a defense partner.

The misadventure of the Greek Colonels in Cyprus in July 1974 would never have occurred if the United States had assessed more carefully its own national interests with Greece since 1967. The Colonels in Athens were led to believe by the implicit American support they received that anything would be tolerated as long as American military bases were continued. When the Dictator Papadopoulos ruthlessly suppressed student and worker demonstrations and scores of young men and women were murdered in cold blood in November, 1973 with tanks and machine guns (supplied incidentally by the United States), there was not a word of protest from Washington. When Papadopoulos fell from power as a reaction to this popular uprising, he was replaced by an even more oppressive dictator. Still the United States did not react. Yet any undergraduate student of history could see that Greece was on a downward political spiral which would only end with the repudiation not only of its government but of any country which appeared to cooperate with that government. The United States continued in early 1974 to think that stationing an aircraft carrier and the operation of its other air and navel base complex would continue without interruption no matter what happened to the dictatorship.

The end of the dictators came with the Cyprus disaster I described. What was the American reaction during the crucial week of July 15, 1974? To put it mildly, hesitation and a misguided caution was all that the Secretary of State and his spokesmen could express. Yet in that week the opportunity to repudiate the Greek dictatorship evaporated for the United States. On the contrary, official Washington tilted toward Ioannides and against President Makarios. The initiative was left to Turkey which invaded the Island and occupied a strong beachhead. The United States stood by apparently unable to act and to judge its own interests in both restoring democracy to Greece and in preventing a brutal Turkish occupation force on Cyprus.

When the Turks sensed weakness in the American position and a military inability on the part of Greece to respond, they enlarged their occupation area on Cyprus to cover nearly 40 per cent of the Island. Over 200,000 Greek Cypriot refugees were created, whose terrible plight was so eloquently observed by Senator Kennedy's study mission report last October. When an indignant Congress attempted to stop U.S. military aid from being used for aggressive purposes by Turkey, the Secretary of State asked for time to persuade the Turks to withdraw. Six months have passed. The Turks have solidified their occupation zone and their military leaders are clearly in control both in Ankara and in Cyprus. The American policy of seeking to protect its military bases has now produced a threat to those bases in both Greece and Turkey. Even more dangerous, the American policy under Secretary Kissinger has produced a situation when Greece and Turkey face the real danger of a new war this spring over the Aegean Sea.

To control this damage to American interests will not be easy. The American bias toward Turkey must be rectified, an action which history has left to the American Congress which has ordered aid to Turkey to end next week. On the contrary we see the Administration proposing the other day to Congress additional military sales to Turkey of more than $200 million. The larger problem is this: Does the Secretary of State understand that American interests lie in protecting democratic governments and not in promoting, at whatever costs, a system of military bases which prove, as in the present case in the Mediterranean, of little value? There is little evidence that he does.

Until there is a reassessment of true American interests, not only in the Mediterranean but elsewhere, I see little hope for controlling the damage to your interests.

This reassessment must include, in my view, the following minimum conditions:

(1) Military assistance to Turkey must end until that country withdraws its invasion force from Cyprus and allows all refugees to return to their homes.

(2) Cyprus must receive a new guarantee of its independence and integrity from an appropriate international organ.

(3) The United States must end its policies of viewing smaller countries principally as strategic pieces of geography on which to locate military bases.

(4) The long-term interests of the United States are best assured when democratic development is encouraged openly and fully supported in a coordinated manner by every agency of the American Government.

DEMATHA HIGH SCHOOL BAND INVITED TO ITALIAN INTERNATIONAL BAND FESTIVAL

Mr. MATHIAS. Mr. President, the DeMatha High School band, of Hyattsville, in Prince Georges County, Md., has been invited to represent the State of Maryland at the Italian International Band Festival to be held March 11–16, 1975, in Rome. This is a particularly noteworthy recognition, because the DeMatha band was created only 4 years ago. Since then, its 67 members, under the leadership of Mr. John Mitchell, have developed into an excellent group of hard-working young musicians, with many accolades to their credit.

Mr. Mitchell actually has organized three bands at DeMatha—the wind ensemble, the jazz band, and the concert band. In addition, there is a pep band that performs at the school's basketball games under the direction of Jim Cleveland, a senior student.

The DeMatha band is fortunate in having the enthusiastic support of students, parents, faculty, alumni, and others who proudly call themselves the DeMatha Band Boosters. It is largely through their efforts that the band is receiving the support it needs to make the trip to Rome.

Mr. President, all Marylanders are proud of the DeMatha band's achievements and the recognition it will bring to our State by its participation in the Italian Band Festival, and I know my colleagues join with me in saluting the members and supporters of this fine organization.

SENATE RESISTS 5-PERCENT CEILING ON SOCIAL SECURITY INCREASE

Mr. CHURCH. Mr. President, a few days ago the administration called for a 5-percent ceiling for the July cost-of-living increase in social security benefits.

When asked at his January 21 news conference whether this proposal would force the elderly "to assume an unfair burden of the hardship and sacrifices," President Ford gave this response.

> I think it is proper to indicate that I am not requesting Congress to keep the Social Security payments at the present level. I am saying that in order to have a total effort in this country, to combat inflation and to help the economy, that there should be a 5-percent increase, but no more.

The President's reply, in my judgment, was totally inadequate and shows a shocking misunderstanding of the impact of inflation upon older Americans.

Once again, this response demonstrates an all-too-ready willingness on the part of this administration to force the elderly to bear the brunt of our efforts to control inflation.

Older Americans did not create our present economic mess. But, they have probably been harder hit by inflation than any other group in our society.

Since October 1972 the overall inflationary index has increased by almost 23 percent.

Several items, which have a more direct impact upon the elderly have risen at even a more accelerated pace.

One example, of course, is the price of food, which has jumped by 36 percent. And home heating fuel oil has nearly doubled, increasing by a staggering 92 percent in a little over 2 years.

Recently 53 Senators joined me in sponsoring legislation, Senate Concurrent Resolution 2, to express congressional opposition to any proposed reduction in the cost-of-living increase.

With such overwhelming support, older

Americans can be confident that they will, in fact, receive the full amount of their cost-of-living increase, which is now projected at almost 9 percent.

In terms of dollars and cents, this will mean an additional $90 more per year on the average for social security beneficiaries than would be the case under President Ford's ill-conceived proposal.

And, this money would be well spent for everyday necessities, such as food, medicines, increased energy costs, and others.

Our proposal would also be beneficial for supplemental security income recipients, since the SSI automatic escalator provision is pegged to social security cost-of-living adjustment mechanism. Thus, Senate Concurrent Resolution 2 would also have the effect of assuring SSI beneficiaries the full amount of their projected cost-of-living increase, and not 5 percent as recommended by the administration.

Mr. President, a New York Times article of January 26 entitled "Senate Resists Curb on Pensions" provides an excellent discussion of the harsh effects of the President's proposal. For this reason, I ask unanimous consent that it be printed in the Record at the close of my remarks, together with a listing of cosponsors of Senate Concurrent Resolution 2.

There being no objection, the article and list were ordered to be printed in the Record, as follows:

Senate Resists Curb on Pensions—Votes Opposition to Ford Proposal To Hold Social Security Rise to 5 Percent

(By Marjorie Hunter)

Washington, January 25.—The Senate dealt an all but fatal blow this week to President Ford's proposal that Social Security benefit increases be held to 5 per cent this year.

Decisive opposition to the President's proposal came in the form of a resolution sponsored by 51 Senators—a majority—declaring that it is "the sense of Congress" that no legislation imposing a ceiling on cost-of-living Social Security increases be enacted.

House leaders, too, are preparing a similar resolution for introduction within the next few days.

The consensus around the Capitol is that the President, if he continues to insist on such a ceiling, will suffer a major defeat.

FORD DEFENDS PROPOSAL

Twice this week, President Ford defended his proposal for a 5 per cent limitation on Social Security benefits, saying that the time had come for "politically, unpopular decisions."

Speaking to a meeting of news broadcasters, the President said Friday: "A proposal such as the 5 per cent ceiling on Social Security increases for 1975 is a perfect target for irresponsible politicking. There is a legitimate national concern, which I share, about the impact of inflation on the fixed incomes of older Americans." But even so, he added, he would continue to press for such a limitation as part of his plan to reduce Federal spending to curb inflation.

Under legislation enacted in 1972, future Social Security benefit increases were made automatic, geared to cost-of-living rises, effective this coming July 1.

INCREASE OF 8.7%

Present estimates are that this would mean an automatic increase of about 8.7 per cent on July 1, not the 5 per cent limitation proposed by the President.

The Senate's sense-of-Congress resolution, sponsored by 51 members of both parties, would have no effect of law. It merely serves notice that Congress is not prepared to retrench on the expected 8.7 per cent automatic benefit increase.

Joining 42 Democrats in sponsoring the resolution were nine Republicans: Bill Brock of Tennessee, Edward W. Brooke of Massachusetts, Mark O. Hatfield of Oregon, Jacob K. Javits of New York, Richard S. Schweiker of Pennsylvania, Robert T. Stafford of Vermont, Milton R. Young of North Dakota, William V. Roth of Delaware, and Robert Taft, Jr., of Ohio.

CHURCH IS KEY SPONSOR

The principal sponsor of the resolution is Senator Frank Church, Democrat of Idaho, and he has strong backing from other influential Democrats, including Senator Russell B. Long of Louisiana, the chairman of the Senate Finance Committee.

Representative John Brademas, Democrat of Indiana, cosponsor of a similar "sense of Congress" resolution being prepared for the House, also said that there was no chance that Congress would impose a benefit ceiling.

"The President's proposal makes no more sense economically or morally than his proposed tax surcharge last fall," Mr. Brademas said.

Social Security beneficiaries, now numbering about 30.5 million people constitute a sizable part of all Congressional constituencies. Already, thousands of letters have poured into Congressional offices, protesting imposition of any ceiling.

At the present time, the average retired worker with no dependents receives $186 a month; the average couple, $310. Under the projected 8.7 per cent increase, the average monthly benefit for a single retired worker would rise from $186 to $202, instead of to $195 as proposed by Mr. Ford.

The average monthly benefit for retired couples would rise from the present $310 a month to $337 under the projected 8.7 per cent increase, but to $325 under the proposed 5 per cent ceiling.

List of Cosponsors

Cosponsors of Senate Concurrent Resolution 2 to express the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living increases be enacted.

Kennedy, Mondale, Williams, Abourezk, Bayh, Bentsen, Brooke, Bumpers, Burdick, Byrd (W. Va.), Cannon, Chiles, Clark.

Cranston, Eagleton, Eastland, Ford, Hart (Colo.), Hart (Michigan), Hartke, Haskell, Hatfield, Hathaway.

Huddleston, Humphrey, Inouye, Jackson, Javits, Johnston, Leahy, Long, Magnuson, McGee, McGovern, McIntyre, Metcalf, Montoya, Moss.

Muskie, Pastore, Pell, Proxmire, Randolph, Ribicoff, Roth, Schweiker, Stafford, Stevenson, Stone, Taft, Talmadge, Tunney, Young.

GOVERNMENT SPENDING

Mr. DOMENICI. Mr. President, the recent concern about whether the Federal budget can sustain the deficit that a tax cut would produce misses an important point. One of the major problems behind our economic crisis is the total size of the budget, a fact often overlooked in our legitimate concern about ever-increasing deficits.

An editorial in the January 22 Wall Street Journal analyzes this dilemma and the resulting confusion. Mr. President, I ask unanimous consent that the editorial be printed in the Record for the consideration of the Members of this body as we deal with those important issues.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Conservative Reaction to Deficits "Misplaced"

In reacting to President Ford's economic program, many conservative political and business leaders have instinctively seized on its prospect of huge deficits, totaling $80 billion over two years. We think this reaction misplaced, for while deficits definitely do matter, they are by no means the most important part of the President's proposals.

Deficits are inflationary because they have been, and to the extent that they are, forces for faster growth of the money supply. To cover deficits the government must borrow, preempting part of the available credit pool (in 1973, for example, a record 62% of all monies in the bond market). This leaves private borrowers strapped for credit, and to prevent their collapse the Fed pumps out more liquidity.

As we head deeper into recession, private demand for funds slackens. At the moment, in fact, the Fed seems to be having trouble getting money to grow as rapidly as it would like; it can supply bank reserves, but if the reserves are not loaned, the money supply does not grow. So we are at a point when government deficits are likely to have little immediate effect on inflation. (Also, with any given monetary policy deficits per se have little effect on stimulating the economy, but that is another argument.)

Surely there is some limit to the amount of government deficit that can be safely financed, and $80 billion over two years certainly pushes against it. But the even more important question is whether deficits can be turned off when recovery starts, and private loan demands start to grow. Unless government credit demands then subside, the Fed will face the choice of aborting the recovery or unleashing yet-higher inflation.

We are in our current inflationary difficulties, after all, not because of deficits run during recessions, but because of deficits run during the recent boom. Large deficits were recorded in 1971 and 1972, and truly consolidated accounts, including federal agencies, would also show huge government demands on the credit markets in 1973. The trick to controlling inflation is to break the system that gives us inflationary deficits not only in recession but year in and year out.

The heart of the problem is not deficits per se but out-of-control federal spending. If we could somehow cut spending $90 billion and cut taxes $45 billion we would still have a $45 billion deficit but we would break the back of the problem facing us. A drastic cut in spending would slow its inexorable growth permitting a balanced federal budget when recovery starts to raise government revenues.

By the same token, if we currently balanced the budget not by cutting spending but by raising taxes, it would cure the deficit but make our real problems unimaginably worse. A large part of our problem is that taxes are too high, especially since inflation pushes everyone into higher brackets. This saps incentives to produce, especially since the money is then paid out in transfer payments, further reducing the income gap between workers and non-workers. The real stimulus in a tax cut comes not from its effect on the deficit, but from its effect in restoring incentives to produce.

For all of the deficiencies in the Ford program, it shows more understanding of these real problems than do its critics on either the right or left. The President has promised to veto new spending programs, the 'wedges' that inevitably would mean big deficits even in recovery. He has even taken the previously unthinkable step of proposing a ceiling on Social Security increases, thus cutting to the very heart of the transfer payment problem. He has proposed to cut both corporate and personal tax rates, restoring incentives to production as well as to demand. If enacted in toto, his program would mean a couple of big deficits, but our long-run problems would be far less.

The catch, of course, is that his program will not be enacted in toto by the current Congress. If we get deficits fueled by higher transfer payments, and tax cuts that do not restore incentives, our problems will be far worse. In that case, the deficits will be just as bad as all the conservatives think. The President's battle is to keep the tendencies of Congress in check, and to make a record that makes the real problems clear to the American people.

In this task he needs all the help he can get. It would be a tragedy if the wrathful-God theory of deficits blurred the education effort, obscuring the real point that, deficits aside, lower spending and lower taxes are necessary in their own right.

COMMERCE AND THE CONSUMER

Mr. MOSS. Mr. President, each year the various committees of the Senate prepare analysis of their forthcoming activities and submit these to the Senate Committee on Rules and Administration in support of their requests for supplemental funds. In addition to the detailed program which will be provided to the Rules Committee by the Senate Commerce Committee, I have prepared a conceptual analysis of the program which we will undertake in the Consumer Subcommittee, which I would like to share with my colleagues.

The modern consumer movement took root in the mid-1960's, an affluent era, and its overriding concerns were equity in the marketplace and quality and safety of consumer goods and services. Today, in the mid-1970's, the movement reaches maturity in an era marked by a time of corrosive inflation and unnerving recession. Yet its underlying objectives remain as sound and as responsive to the needs of our citizens as ever; perhaps more so. For the counterpart of fairness and equity in the marketplace is economic efficiency generated by true consumer sovereignty in securing the optimum purchasing power for the consumer's dollar. More than ever the American consumer must be assured that the purchasing power of his deflated dollar is not eroded by anticompetitive practices or structures, deceptive or predatory marketing techniques, shoddy product and service quality or inadequate or misleading production information.

At the same time, the advocates of consumer reform must approach Government intervention in the marketplace with an enhanced sensitivity to the need for limiting fruitless burdens on already hard-pressed industrial and commercial organizations. We have always believed that the Government's role in channeling market forces for the benefit of consumers is not only consistent with, but essential to, a healthy economic structure. Properly conceived consumer laws and regulations are both proconsumer and probusiness. At the same time, we remain unconvinced that the preservation of inefficient businesses and market structures unresponsive to consumer needs are in the long term interests of either consumers or a vigorous and healthy economic system.

In setting our priorities for the 94th Congress, we have sought those goals which give high promise of relief from inflation. Thus, we have examined those market forces which have driven up the price of food by more than 30 percent since January 1973 and have mapped programs for stimulating and strengthening the FTC's activities in pursuing anticompetitive structures and practices in food-related industries. We will again pursue our determination to rid the automobile insurance system of inefficiencies derived from the fault system which returns consumers less than $0.50 for every $1 of automobile insurance premium they are forced to spend.

Having imposed standards on consumer product warranties and guarantees for the protection of consumers through the Magnuson-Moss Act (Public Law 93-637), we will seek means of aiding States in policing the quality and pricing of repair services.

Finally, we will explore alternate cost-saving mechanisms for the delivery of consumer goods and services such as strengthened consumer cooperatives. Each of these consumer initiatives has as its basis the belief that the strengthening of the market structure and competition can only bring about a healthier marketplace and greater consumer value.

The Motor Vehicle Information and Cost Savings Act enacted in 1972 was designed to channel the competitive energies of the automobile industry toward the economical design of automobiles which would be less of a drain on the consumer's pocketbook throughout the life cycle of the automobile, thereby reduce operating maintenance, repair, and property insurance costs. This act will be closely reassessed.

One theme of the consumer movement, reaching back to the anguish of the Great Depression, has been the pursuit of strengthened systems for providing price and quality information to consumers which can form the basis for prudent purchasing decisions. Point of purchase disclosure of automobile and appliance energy consumption costs and product life cycle data; the development of meaningful product test information; the requirement that the advertiser substantiate his product claims; requirements for the disclosure of comparative price information to the consumer of health services—each of these efforts will better enable the consumer to seek value at an optimum price. We pledge ourselves to do what can responsibly be done to speed the flow of such critical information to consumers in a form which can best be utilized.

IMPROVING CONSUMER REDRESS

The consumer who has purchased a product which fails to work or has service inefficiently performed is as victimized in his pocketbook as the consumer who is overcharged by monopoly pricing. We must make certain that the aggrieved consumer has access to low-cost, convenient complaint settlement machinery and that the careless or conscienceless purveyor of goods and services is brought to account. We will seek to improve the quality of consumer redress through legislation to strengthen small claims courts and informal dispute mechanisms to strengthen the enforcement tools of the Federal Trade Commission and Department of Justice against prevalent consumer frauds and to provide access to the courts where appropriate by groups of consumers generically victimized, utilizing the cost-spreading efficiencies of consumer class actions.

CONSUMER HEALTH AND SAFETY

Our concern with strengthening the purchasing power of the consumer in the marketplace need not diminish our persisting concern with the healthfulness and safety of the products marketed. Strengthened governmental procedures to enhance protection against food contamination, auto and product safety, reduction of risks of hazards from new technologies, and of new chemical substances need not entail greater design costs. Rather, they are designed to enhance systems of engineering safety into the conception and design of products. We are not sympathetic to industries which meet general standards for safe performance of products with needlessly costly and unimaginative design fixes, then turn to the Government to fix the blame for their own lack of design ingenuity.

Our concern over the health impact of the marketing system is not limited to obvious physical dangers from hazardous toys or poorly designed automobiles. We are concerned, too, with the feared psychological health consequences of marketing techniques which may stimulate such self-destructive behavior as nutritional inadequacies or drug abuse. Neither the shrinking dollar nor economic uncertainty should deflect us from persisting in these goals.

IRS INFORMATION DISCLOSURE PRACTICES

Mr. KENNEDY. Mr. President, last year the Subcommittee on Administrative Practice and Procedure conducted an inquiry into the Internal Revenue Service's disclosure policies and procedures. In April we heard testimony from the public sector, which included an array of complaints concerning how the IRS was—and was not—responding to requests for information. In July Commissioner Alexander testified at our hearings. Although he did announce a new policy of prospective release of IRS letter rulings, and a number of procedural reforms in the information disclosure area, implementation of this policy and many of the reforms discussed at the hearings was deferred to the future.

In September I wrote the Commissioner to determine whether the Service was following through on many of the matters left open at our hearings. I also sought to ascertain the impact of legislation proposed by the administration's release of certain information on the Freedom of Information Act to be disclosed to the public.

From the Commissioner's responses to my questions, and from other letters I have received from persons requesting information from the IRS, it is clear that the Internal Revenue Service still has a long way to go toward full and faithful implementation of the letter and the spirit of the Freedom of Information Act. Let me cite some examples.

Despite two court decisions that the IRS must disclose private letter rulings, with suitable deletions to protect taxpayer privacy, the Service continues to resist any disclosure beyond the particular documents ordered released by the courts. Moreover, the IRS has sent legislation to Congress which, as the Commissioner points out in his letter, is specifically designed to "change the law regarding availability of private letter rulings." This hardly reflects a responsive public disclosure attitude at the IRS, and I want to make clear, Mr. President, that I will oppose congressional enactment of this proposal.

The Commissioner's answers to my questions concerning the Service's "sensitive case" reporting procedure were not fully responsive and still leave many important issues unanswered. Although that formal procedure has been suspended, it has been replaced with a vague directive in a November 13, 1974, IRM supplement indicating that—

> Pending development and implementation of a new Reporting System, field offices should keep appropriate management levels advised of matters significant to tax administration.

Further, I requested in September information on who outside Treasury received sensitive case information; the Commissioner replied that after October 31 no one outside Treasury received such information, but he did not indicate who received it prior to that date, as my letter requested. And, while witnesses had alleged inequities in treatment of sensitive cases, my inquiry on this was met with the observation that there had been no "objective" of treating sensitive cases differently, though the Commissioner offered no hint of what in fact was being done in the field.

Finally, I recently received a letter from two of our witneses suggesting that in the course of the over 16-month delay on their request, much of the material involved—at least in one regional office—was destroyed or discarded by the Service. This charge raises serious questions about IRS practices, and I have written the Commissioner for a full explanation of this situation.

Mr. President, since I know that both the public and many of my colleagues are interested in IRS disclosure practices and procedures, I ask unanimous consent that the Commissioner's responses to my questions be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Questions Submitted to the Service by Senator Kennedy on September 20, 1974

1. *We discussed for some time the question regarding access by the White House and other entities to tax return information. Section 6103(a)(2)(B), of the legislation proposed by the Administration on this subject would appear to require the withholding of broad categories of the IRS documents which are now or may be required to be made public under the Freedom of Information Act. Specifically, paragraphs, (ii)-(iv) would require the withholding of all tax rulings issued before the date to be inserted in the statute, along with such other documents as potentially all internal memoranda, reports, comments on regulations, guidelines, and instructions of less than general applicability.*

Question 1a: Can you specifically describe the intent of this proposed section as to restricting disclosure of any document which is now being made public (by court order or agency discretion, as well as by agency interpretation of any direct mandate of the Freedom of Information Act? Please describe documents involved.

Reply: Perhaps the most succinct description of the intent of the definition of "return information" in section 6103(a)(2)(B) of the Administration proposal is the following from the narrative description which accompanied the proposal:

"The proposed new definition of "return information" is intended to cover information of any kind filed with, or compiled by, the Service which relates to a taxpayer's past, present, or future tax liability. The new definition would specifically cover private letter rulings issued pursuant to a request made before enactment of this legislative proposal and all requests for technical advice made by Service personnel to the National Office, regardless of when made. Future private ruling letters generally would be confidential only to the extent permitted by the Freedom of Information Act or other Federal legislation. *Also protected* is *tax information furnished* to the Secretary or his delegate *in connection with tax administration and accepted by him as confidential pursuant to regulations.*"

This section codifies the agency practice in disclosing information received by the Service which relates to a tax return, and would not restrict any information *currently* being made available by the Service under the Freedom of Information Act.

Regarding court decisions, section 61003 (a)(2)(B) would codify the result reached by the D.C. Court of Appeals in *Tax Analysts and Advocates v. Internal Revenue Service,* —— F.2d —— (D.C. Cir. 7974), regarding technical advice memoranda. It would also *change the law regarding availability of private letter rulings* as determined by the D.C. Court of Appeals opinion. If enacted past private letter rulings would be specifically exempt from disclosure by statute under exemption (b)(3) of the Freedom of Information Act.

Question 1b: In what way is this section intended to limit disclosure generally beyond the matters presently permitted to be withheld under the Freedom of Information Act.

Reply: The answer to this question depends, of course, upon resolution of what is presently permitted to be withheld under the Freedom of Information Act. In *Tax Analysts and Advocates v. Internal Revenue Service,* —— F.2d —— (D.C. Cir. 1974), we argued unsuccessfully, as you know, that certain private letter rulings issued between July 26, 1968 and October 1, 1971, were specifically exempted from disclosure by section 6103 of the Code and, therefore, were not subject to disclosure under the Freedom of Information Act. I continue to believe that our position on this issus was and is correct. Nevertheless, proposed section 6103(a)(2)(B)(ii) addresses itself directly to the question of the application of section 6103 to private letter rulings issued pursuant to a request received on or before the enactment date to be inserted in the statute and *would make it clear, contrary to the Court of Appeals decision cited above that past private letter rulings are not available under the Freedom of Information Act.*

Question 1c: Will enactment of this section without amendment result in overriding the Court of Appeals decision in the Tax Analysts case? Please identify any other judicial decisions which would be affected by enactment of this section.

Reply: If enacted, proposed section 6103 (a)(2)(B)(ii) would alter the law concerning private letter rulings as indicated in the Court of Appeals position in the *Tax Analysts and Advocates* case. It would also codify the position adopted by the Court of Appeals for the District of Columbia regarding technical advice memoranda. The section would also modify the position reflected in the *Fruehauf Corp. v. United States,* 369 F. Supp. 108 (E.D. Mich. 1974). The district court held certain excise tax private letter rulings issued between January 1, 1947 and June 26, 1973, to be outside the protection of Code section 6103. It was held that technical advice memoranda were outside the protection of that section. The *Fruehauf* case is currently on appeal to the Sixth Circuit and is waiting decision after oral argument.

Question 2: You indicated that the IRS was presently formalizing procedures to record all contacts made to the Service regarding White House access to tax return information and would shortly release the procedures publicly. Have these procedures been formalized and released?

Reply: Yes. On August 9. 1974, an Information Notice was issued to instruct Internal Revenue Service employees of procedures to be followed with respect to disclosing tax returns and tax return information to members of the White House Staff. A copy of the notice, transmitted to your office on August 9, 1974, is enclosed as Exhibit A. These procedures require that any officer or employee of the Service who receives a White House request for tax returns or tax information shall communicate the contents of the request to the Commissioner, who will evaluate the request. Only the Commissioner, or in his absence the Deputy Commissioner, will make tax returns or tax information available to the White House.

On August 22, 1974, a news release was issued to this effect (see Exhibit B). A revision of Chapter (19)00 of the Disclosure of Official Information Handbook, IRM 1272, containing instructions for processing tax check requests, was also published (see Exhibit C). Copies of the Information Notice and Chapter (19)00 of the Disclosure Handbook were attached to the news release.

On September 20, 1974, President Ford signed Executive Order 11805, which requires that any request for inspection or copies of tax returns by the President shall be made only upon written request signed by the President himself (enclosed as Exhibit D). Only those White House personnel designated by the President will be authorized to receive or inspect such information.

Question 2a: Will the record (names or numbers) of White House requests be a public record? Will it be furnished regularly to the Joint Committee?

Reply: The number of requests, the number of taxpayers involved, and the number of returns requested by the White House are included and will continue to be included in the semi-annual disclosure report prepared for the Joint Committee on Internal Revenue Taxation. The report does not and will not include the names of the taxpayers or other identifying information. The IRS does not presently make this report available to the public. However, we are now considering whether we should make it public in the future.

Question 2b: Will a taxpayer be able to find out whether his return or information has been requested or made available to the White House under these new procedures?

Reply: Our revised procedures do not contain provisions for informing the taxpayer that his return or other information has been requested by or made available to the White House. This information usually is requested in connection with an appointment to a high level position and is run through my office for control and avoidance of possible improper use. Since the taxpayer may not be aware that he is one of several being considered for such appointment, we do not feel that the Service should make this information routinely available to the taxpayer. Howexer, if a taxpayer would ask us or had asked us on prior occasions whether his return or other information had been made available to persons outside the Service, including the White House, we would answer the inquiry.

Question 3: You stated that the allegation that certain IRS employees had improperly supplied the White House with information about tax returns and audit activities was under investigation which would shortly be concluded. Can you provide us with the status or results of this investigation?

Reply: These matters are still under investigation. I repeat the hope that this investigation will be completed soon, but I can make no predictions.

Question 4: The "tax check" procedure was the subject of discussion at our hearings, and you indicated that this procedure is "under consideration." Has any final determination been made to modify or tighten up the "tax check" procedures outlined in IRM (19)00, which were supplied for our record? If so, when will these changes be made and what kind of modifications are projected?

Reply: On August 22, 1974, Chapter (19)00 of the Disclosure of Official Information Handbook, IRM 1272, was revised to require that tax check reports be furnished only upon written request by a designated official of the requesting agency, and to have the report contain only specified tax information. A copy of this document, submitted for the record on August 23, 1974, is enclosed as Exhibit C.

Reports are now limited to the following: (1) Whether such person has filed returns with respect to taxes imposed under Chapter 1 of the Internal Revenue Code for not more than the immediately preceding three years (but dates of filing are not given); (2) Whether such person owes any unpaid taxes (but amounts are not given) and, if so, for what years; (3) Whether such person has been or is under investigation for possible criminal offenses under the internal revenue laws and the results of such investigation; and (4) Whether such person has been assessed any penalty for fraud or negligence.

Question 4a: Can a taxpayer find out from the Service whether a tax check is being or has been made on him? If not, should this information be available to the taxpayer?

Reply: Tax checks are requested in connection with pending employment, and applicants may or may not be aware that a tax check has been requested. However, as we stated in our reply to question 2b above, a taxpayer may not know that he is one of several under consideration for a Presidential appointment. At the present time, the Service makes this information available to the taxpayer only upon his or her request. However, our procedures in this regard may be reevaluated as a result of the Privacy Act of 1974.

Question 5: During our April 1 hearings concern was voiced over the meaning of the IRS administrative directive suggesting that a taxpayer may waive his privilege surrounding his tax return if, for example, he communicates with the news media or his Congressman. We discussed these Congressional inquiries at the hearings on July 31.

(a) *Can you clarify the nature and scope of this waiver as applied to the taxpayer requests to Congress for assistance?*

(b) *You indicate that you have initiated "new procedures" in this area. Can you provide a description or copy of these procedures for our record?*

Reply: The administrative directive mentioned in this question and subject to discussion during your April 1 hearings have been superceded by Manual Supplement 12G-88, dated May 6, 1974. A copy of this document was transmitted to your office on September 20, 1974 (see Exhibit E).

Manual Supplement 12G-88 clarifies the nature and scope of a taxpayer's waiver of privilege when he communicates with a member of Congress about some action the Service has taken or failed to take with respect to his tax matters. In such a situation, the Service takes the position that the taxpayer has made a limited waiver of the privilege of confidentiality with respect to his tax affairs, and there is no legal restriction preventing the Service from disclosing specific information required to place in proper context the matter on which the privilege has been waived. A taxpayer's waiver of privilege as to a portion of his tax affairs does not legalize or justify disclosure of all of his tax affairs. Indeed, the Service will limit its response to the factual situation presented by the taxpayer and disclose only that information required to do so.

Consideration is now being given to further modifications to provide for the recognition of an oral waiver in emergency situations. Personnel will be reminded, however, that except in such situations written waivers will be required in order to clearly ascertain the extent of the taxpayer's waiver of confidentiality.

Question 6: The subject of the handling of "sensitive cases" came up at both our April 1 and our July 31 hearings. You indicated that this entire procedure was under review and that new procedures would be promulgated and supplied to the Subcommittee within the three or four weeks. Have such procedures or rules been promulgated? If so, please supply these for your record. If not, when do you expect them to be finalized?

Reply: As an initial step in our plan for review in this area, the existing sensitive case reporting system was suspended. This is shown by the enclosed Manual Supplement (Exhibit F). It will remain suspended until we can develop and implement procedures for an acceptable alternative. If we do develop an alternative system, we will furnish your office with copies of the new procedures.

Question 7: You indicated that, pending review, the transfer of sensitive case information outside the IRS has been suspended. Is this practice still under suspension?

Reply: The transfer of sensitive case information outside the IRS has been, and remains, suspended.

Question 8: Can you give us some idea of the numbers of taxpayers considered "sensitive," the volume and nature of sensitive case information (including numbers of taxpayers) annually transmitted by the IRS to Treasury and by IRS or Treasury to officials outside the Treasury Department?

Which agencies or officials outside Treasury receive information on or notification of action on sensitive cases on either a regular or intermittent basis?

Reply: As of October 31, 1974, just prior to the date that sensitive case procedures were suspended, we had 760 open cases. Now that the system has been suspended, of course, no agencies or officials, including Treasury, receive information or notification of action on sensitive cases.

Question 9: Would you provide further comment on whether the apparent inequity of treatment for sensitive cases suggested in IRS internal directives, as alleged by the Longs in their April 1 testimony, has been found in your review of this process and, if so what is being done to correct this inequity?

Reply: The Longs imply that the designation of taxpayers as a sensitive case prescribes special treatment. The designation "sensitive case" and the attendant reporting system had as its objective keeping the appropriate Service offices and management levels adequately informed of significant tax issues and matters likely to be the subject of inquiries from outside the Service. There has never been an objective to treat some taxpayers differently from others.

Currently, the sensitive case reporting system is suspended and will remain so until a system can be developed that will keep appropriate Service officials adequately informed, yet not be interpreted as providing special tax treatment.

Question 10: Have specific procedures been devised to implement the new policy of disclosure of rulings announced at our hearings in July beyond those contained in the August 9, 1974, IRS news release? If so, will you provide these to the Subcommittee?

(a) *When do you expect this new policy to be fully implemented?*

Reply: Proposed procedures have been drafted and were published in the Federal Register on December 10, 1974 (see Exhibit G). A copy was transmitted to your office on December 7, 1974.

In accordance with Senator Kennedy's suggestion in a letter to the Commissioner, the Service is affording the public an opportunity to comment on the procedures before implementing them formally. Thus, while proposed procedures have been published, the procedures will not be finally implemented until comments from the public have been received and considered by the Service, and the proposed procedures have been revised to the extent indicated by such comments.

Question 11: Since the Service will be under new procedures, prospectively releasing tax rulings, is consideration being given to prospective disclosure of technical advice memoranda under the same rationale? If not, how are technical advice memoranda practically distinguishable from rulings?

Reply: Consideration is not being given to prospective disclosure of technical advice memoranda under section 6103. The Court of Appeals in its opinion in the *Tax Analysts* case distinguished private letter rulings from technical advice memoranda as follows:

Letter rulings are issued at the request of taxpayers seeking advice as to the tax consequences of specific transactions. This information provides guidance in planning and conducting their business affairs and, if the transaction is consummated, aids in preparation of their tax returns . . .

Conversely, technical advice memoranda are prepared in response to an inquiry by a District Director as to the treatment of a specific set of facts relating to a tax return filed by a named taxpayer involving either an audit or in connection with the taxpayer's claim for refund or credit of taxes . . .

Question 12: As you know, the Tax Analysts decision was rendered last month requiring the IRS to disclose past tax rulings. Has the decision been made yet whether the government will seek certiorari to the Supreme Court, and if so, what is that decision? Have any procedures been instituted to implement the court's decision in this case with respect to pending and future requests for past tax rulings?

Reply: The government has decided not to petition the Supreme Court for a writ of certiorari in the *Tax Analysts and Advocates case.* However, the same issue is currently pending with the Sixth Circuit in *Fruehauf Corp.* v. *United States,* 369 F. Supp. 108 (E.D. Mich. 1974). That case has been submitted to the Sixth Circuit for decision after oral argument and briefing and a decision is expected shortly. Whether the Service will continue to litigate the issue will be determined when the Sixth Circuit renders its decision.

The Service will provide to the plaintiffs the requested documents in the *Tax Analysts and Advocates* case subject to the deletions permitted by the district court under the Freedom of Information Act.

In light of the proposed legislation and the pendency of the *Fruehauf* case no formal procedures for disclosing past tax rulings have been established.

Question 13: You stated that you would be furnishing the Subcommittee for the record the current status of disclosure of manual materials. The insertion provided for our record refers to major parts of the manual. Please provide us with a further breakdown by chapter of materials that are (a) *available in their entirety,* (b) *available with exceptions (please specify exceptions),* (c) *unavailable pending review, and* (d) *withheld as exempt under the Freedom of Information Act.*

(a) *For those materials presently under review, will you provide the Subcommittee with a time schedule for expected completion of review.*

Reply: Exhibit H lists current IRS Manual chapters and handbooks that are (a) available in their entirety, (b) available with exceptions, (c) exceptions, and (d) withheld as exempt under the Freedom of Information Act.

Our review of the Internal Revenue Manual has been completed and all materials are presently classed in one of the above categories.

Question 14: At our last hearing Mr. Gibb, head of the disclosure staff, stated that regional and district directives corresponding to the IRM would be made public and that "instructions are in process currently" to allow field personnel to declassify field materials under the same categories used by the national office for the Manual. Have these instructions been issued? If so, please supply us with copies, if not, can you give us a target date for issuance?

Reply: Field officials were instructed on August 30, 1974 that their memoranda and circulars are not to be classified as "Official Use Only" unless they contain materials the same as, or similar to, material so classified in either the IRS Manual or the ADP Handbooks issued by our National Office. A copy of these instructions, transmitted to your office on October 2, 1974, is enclosed as Exhibit I. Additional instructions in this regard are also being presently processed and will be furnished to your office when finalized. In addition a training course relating to internal management documents and the Freedom of Information Act was conducted for field officials from October 21 through 24 of last year.

15. Mr. Willsey indicated at our hearing that final updates on IRS submissions to the Justice Department Freedom of Information Consultation Committee were to be provided no later than August 5, that a meeting would take place shortly thereafter, and that a final determination on release of statistical materials would at that time be made.

Question 15a: Will you give us the present status of this consultation process, including when the IRS submitted its updated material and what has happened subsequently?

Reply: A meeting between representatives of IRS and the Department of Justice Freedom of Information Consultation Committee was held on August 21, 1974. As a result of that meeting, it was decided to make available pursuant to the Freedom of Information Act all statistical data compiled within IRS which has been requested to date with the exception of data which would serve to identify specific taxpayers. In addition, it has been decided that, for the most part, statistical data generated under the Taxpayer Compliance Measurement Program (TCMP) will not be made available to the public, since its disclosure would enable taxpayers so inclined to predict IRS' enforcement strategies. Reply to questions 15 b and c contain additional details.

Question 15b: Specifically, what statistical reports or materials were the subject of this consultation?

Reply: The consultation concerned various statistical material sought by Mr. and Mrs. Long under the Freedom of Information Act. The Longs filed numerous requests for such material, generally seeking operational statistics, including reports on the type and amount of audit activity, manpower utilization reports, delinquent returns surveys, and other similar material. A list of the material sought is enclosed as Exhibit J. The specific items on the list have been approved for release to the Longs, except as noted in our reply to question 15c.

Question 15c: Please provide in detail the final decision as to each of these items. For those items determined to be covered by exemptions to the Freedom of Information Act, which the Service has decided to withhold pursuant to Freedom of Information Act exemptions, please explain the reasons for the withholding.

Reply: With one exception, all the statistical reports requested by Mr. and Mrs. Long (and subject to the consultation with the Department of Justice) have been approved for release. The exception relates to the district Reports on Large Deficiency and Overassessment Cases, NO–CP:A–114. Those reports contain the names of taxpayers and dollar amounts of their deficiencies or overassessments. Materials which identify specific taxpayers are considered exempt from disclosure under the provisions of 5 U.S.C. 552 (b) (3). The release of such data would compromise the confidentiality of taxpayer information subject to protection under 26 U.S.C. 6103 and 7213 and by 18 U.S.C. 1905.

Question 16: At our hearings I referred to specific requests brought to the Subcommittee's attention from Mr. and Mrs. Long, Mr. Brandon, and Mr. Irish. Will you provide us with the current status of requests by those persons which have been pending for over a year?

Reply: The *Long* request, to which reference was made at the July 31, 1974 hearings, was discussed in the response to Question 15.

The *Brandon* request, to which reference was made at the July 31, 1974 hearings, has been filed by furnishing all documents requested except Forms 4062, Quarterly Report of Joint Committee Cases, and 4451, Large Case Status Report. The excepted reports contain taxpayer identification (see response to 15c).

The *Irish* request, for an unedited version of one of the handbooks in the IRS' manual system, has been substantially filled by providing an edited copy. The portions deleted from that handbook are considered to be protected from disclosure under the Freedom of Information Act. The IRS position in this regard has been substantially approved by the Department of Justice Freedom of Information Committee.

17. *Public witnesses had suggested several apparent problem areas contributing to inordinate delays in obtaining information from the IRS under the Freedom of Information Act. These include a lack of priority for FOIA requests by the operating divisions in clearing release of documents, the absence of an effective monitoring system to speed responses through the process, and the lack of adequate assistance to persons seeking information.*

Question 17a: Has the Service taken any recent steps to improve agency performance in responding more rapidly to FOI requests?

Reply: We have increased the staff of the Freedom of Information Branch with technical and clerical people, and this should improve our performance in responding more rapidly to FOI requests. We have instituted followups of documents in the clearance process to expedite the flow of FOIA correspondence to requesters. We have also decentralized the authority to declassify internal management documents to field officials, declassified more than 95% of the pages in the Internal Revenue Manual (which is the subject of many FOIA requests), and authorized field personnel to make those documents available to the public. This eliminates the need for forwarding FOIA requests for declassified portions of the Manual to the National Office. We have also conducted meetings with and made telephone calls to requesters on a case-by-case basis to assist them to formulate their requests under FOIA when we did not understand their inquiries as first presented to us. Our instructions to field people will require that assistance be provided to the public to help people formulate their requests under the Act.

Question 17b: As you may know, the House-Senate Conference Committee has approved a final version of legislation (H.R. 12471) allowing agencies ten days to respond initially to a request for information, and twenty days on appeal. Is the IRS prepared to meet the time limits required by this legislation?

Reply: We believe that the time limits provided by the recent amendments to the FOIA will be administratively burdensome. Our experience indicates that such time limits will be generally adequate in responding to fairly simple requests for readily identifiable documents where large volumes are not involved. In all probability, a large number of requests will fit that description. On the other hand, the time limits will be difficult to meet for requests involving large numbers of documents that have not been previously screened for release. An example is a request for any and all investigative files on a particular person or firm which may require accumulation of vast amounts of documents and page-by-page review to prevent disclosure of materials which would interfere with enforcement proceedings or otherwise be exempt under 5 U.S.C. 552(b). For such requests, it will be most difficult to make final determination within the time limits prescribed. Although the time limits will impose a serious burden on the Service and will involve considerable expense, every reasonable effort will be made to fully comply with the requirements of the amendments.

Question 17c: Are taxpayer service or other personnel in field offices provided guidance or instructions on offering assistance to a per-

son needing help in formulating his request for information and in describing the records sought?

Reply: Instructions are currently being developed that will guide field personnel on the assistance to be provided persons needing help in formulating Freedom of Information Act requests. We are also considering a proposal to establish in each Regional Office, District Office, and Service Center an appropriately trained disclosure representative. Disclosure representatives will be assigned responsibilities in connection with local disclosure and Freedom of Information activities, including the responsibility for assisting the public in formulating requests.

Question 17d: Testimony on July 31 suggested that steps were being taken to implement procedures to regularly inform and authorize field offices to make available to the public information released by the National Office under the Freedom of Information Act. Please provide us with any regulations or directives issued on this subject, or a target date for their promulgation. Has consideration been given to establishing a similar procedure for releasing records other than the Internal Revenue Manual, perhaps through publication of a description of available but not generally distributed documents in the Internal Revenue Bulletin?

Reply: Authority for the release of information by our field offices is being expanded by the continued declassification of Internal Revenue Manual materials and other internal management documents issued locally. Of course, the field officials have had authority to make available records that were not subject to statutory restrictions or designated for "Official Use Only." That authority extends to records other than the Internal Revenue Manual. As previously mentioned, a training course relating to internal management documents and the Freedom of Information Act has been conducted for field officials and instructions relating to these subjects are presently being processed. Although formal instructions have not been released, field officials have been instructed to proceed with declassification on the basis of a draft of the document containing detailed guidelines. In addition, Manual Transmittals which convey declassification information to field officials will continue to be released.

We have considered publishing notification of materials released under the Freedom of Information Act in the Internal Revenue Bulletin; however, this is not an appropriate vehicle for such announcements. The Internal Revenue Bulletin, while available to the general public, has a circulation limited primarily to accountants, attorneys, and other tax practitioners.

For the most part, we have relied on a reading room index to inform public interest groups, the news media, individuals with a specific interest and others of the availability of IRS materials. The release of new material has been widely publicized in *Tax Notes*, published by Tax Analysts and Advocates, and in the news media. Numerous releases have been announced in the Wall Street Journal.

To further publicize the release of material under the FOIA, we are designing a procedure to notify the public through news releases. Our public affairs people will evaluate the materials released to make a determination of general public interest.

Our public affairs and disclosure personnel have been available for assistance. As we gain additional experience in what documents or types of records are of general interest, we will consider alternative means for preparing and distributing lists of available documents.

Question 18: Witnesses at our earlier hearing suggested that the Service is charging 10¢ per page for copying of printed material requested by the public. The proposed revision of the Freedom of Information Act (H.R. 12471), in discussing availability of non-printed indexes, provides that the agency may not charge more than the "direct cost of duplication." What is the "direct cost" of duplicating printed materials (excluding overhead, etc.), and will the IRS consider utilizing this standard for photocopies of printed materials?

Reply: Since the 1974 amendments require a uniform schedule of fees applicable to all constituent units of the agency and defines "agency" as executive department, the IRS will make charges for search and duplication under the schedule of fees promulgated by the Treasury Department. The Treasury Department's proposed regulations in this regard were published in the Federal Register on January 16, 1975. A copy is enclosed as Exhibit K.

Question 18a: Would it be possible for the public to subscribe to periodic internal publications which must be made available on request but which are ordinarily not promoted for sale to the general public?

Reply: Subscription services for periodic Federal Government publications are the responsibility of the Government Printing Office. The Government Printing Office already sells subscriptions to *IRS Regulations* and the *Weekly Bulletin*, the latter being a publication for announcing official rulings, procedures, Treasury decisions, legislation, court decisions, and other items of general interest. If they were to set up a similar system for the public portions of the Internal Revenue Manual, we would be happy to give them our full cooperation.

Also much of the Internal Revenue Manual is currently published for commercial distribution by two private concerns. Tax Analysts and Advocates publish a weekly service for tax practitioners and the press entitled *Tax Notes*. This publication summarizes Internal Revenue Manual changes, Treasury correspondence, the bills prepared by Treasury with respect to legislation, and Securities Exchange Commission tax data. It offers a complete text of any document summarized. Commerce Clearing House publishes the Internal Revenue Manual as a separate tax service. They have also published certain Internal Revenue training courses and other documents they considered to be saleable.

EULOGY FOR REV. MSGR. JOSEPH T. KENNEDY

Mr. MATHIAS. Mr. President, I join the hundreds of parishioners of St. John the Evangelist Church in Silver Spring in mourning the death of the Reverend Monsignor Joseph T. Kennedy. In the 32 years that Monsignor Kennedy served as pastor of St. John's in Forest Glen and Silver Spring he earned the love and respect of all who met him. Known for his warmth, gentle humor, humanitarianism, spiritual and secular leadership, Monsignor Kennedy will be dearly missed.

Mr. President, I ask unanimous consent that the eulogy from the Mass of Christian Burial for Rev. Msgr. Joseph T. Kennedy, delivered by Rev. Robert F. Mordino, assistant pastor at St. John's, be printed in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

EULOGY FOR REV. MSGR. JOSEPH T. KENNEDY,

1895–1975

"Occasions for great rejoicing occur only rarely in the life of most men. When they do occur, they are, more than anything else, times for sharing with others. It is with great pleasure, then, that I share with all of you the anniversary day which marks my Golden Jubilee of Ordination to the Priesthood of Jesus Christ. It is a day of great joy, but especially it is a time of thanksgiving. I am extremely grateful to Almighty God for his many blessings, especially for the length of days I have been privileged to spend in his Service."

These words are taken from the Homily delivered by Father Kennedy at the Jubilee Mass celebrating his fifty years in the priesthood.

In the name of the Father, and of the Son. and of the Holy Spirit. Amen.

If it seems somewhat unorthodox to preface a homily at Mass with a quotation taken from a non-scriptural source, I make no apology—at least for this particular instance. Biblical prayer and especially prayer that is authentically Hebrew in nature, is primarily prayer of thanksgiving and joy. It is precisely this mode of prayer that issued forth from the lips of Christ time and again in His praise of the Heavenly Father who gave Him to us as our Saviour and our Brother. This being the case, I think we can see in these words of Monsignor Kennedy the sincere and genuine whisperings of an inspired and deeply felt prayer that exemplify not only the sum total of his life, but the meaning and crowning glory of his death as well! For though he was many things, Monsignor Kennedy was most especially, a man of gratitude. It is for this reason then that our eulogy today is largely a litany of thanksgiving.

In 50 years of Priesthood, a man of God closes many eyes in death and blesses many graves. In the course of such experiences, this same priest witnesses many different types of death and many approaches to the thought of dying. Death is sometimes sudden and unexpected—coming as "a thief in the night" or sometimes hovers in the background through a long waiting time of prolonged illness. Death sometimes comes much too early in the life of a loved one or holds back until the brow is deeply furrowed and the back is bent. Some people because of normal human emotions view death with fear and anxiety while others out of deep abiding faith and trust in God await his calling in serene contentment.

All of these experiences necessarily help to form and inhabit a priest's own approach to death: but not so completely or so finally as to remove the constant challenge of confronting the prospect of death, personally and on his own terms. In a totally Christian concept of death, Monsignor Kennedy can be counted as fortunate in having had to confront personal death from a distance, with time not only to ponder but to prepare. Endowed, as we all are, with nature's all too bountiful gifts of anxiety and fear—Monsignor had to face up to the possibility of death by drawing on his considerable spiritual resources. He composed his approach to death out of the language of his life—a life of prayer, devotion to the Mass and Sacraments, of service to others, and of a special love for our Blessed Mother whose Rosary was always tucked away in his hand as he strolled, sometimes briskly, sometimes leisurely, in his daily walks around the Church and rectory of which he was so justly proud. While he never relinquished the feisty determination of his Irish heritage which helped carry him through his long and difficult illness, he did in the end, acknowledge the will of God and surrendered Himself to the serene embrace of the Divine Creator.

Famous in his lifetime for having a witty word for every occasion and every situation and for usually having the final word in every human confrontation, Monsignor continues his grasp of the occasion today even as he lies here in death—for my words today are largely his words.

In early November, he called me to his room one day and asked me to sit and consider with him plans for his eventual death. A consideration prompted not by the fatalistic face of death, but rather by his ever practical prescription of being "ahead of time" so as to be "on time." He said to me: "It's just that no one would excuse a man whose been around for almost 80 years and goes off leaving things undone or ill-prepared.

His first consideration, and one which I feel especially compelled to explain to all here present was his decision to be buried at Gate of Heaven Cemetery. I was taken aback by this pronouncement—and it was just that a "pronouncement," and accused Monsignor of kidding me. But he quickly assured me that he was not kidding, that he was perfectly serious and then went on to explain why. He said—"I feel a great love for the cemetery at Forest Glen, but at Gate of Heaven, there is a special section for priests. Many of my priest friends are buried there now and others will be over the years, and that's where I want to be—with the priests.

The second shock came quickly upon the first when Monsignor Kennedy said "And I want you to preach at my funeral Mass." I felt compelled to protest—suggesting that there were others better known, and more qualified and eloquent to speak in his behalf. But he insisted that his mind was made up, saying, "You've been my ghost writer all these years—it's about time the public knew who is really to blame." Then he proceeded to tell me what I was not to do and what he wanted me to say.

First, he said, "Don't be flowery—remember the bible says, 'you can't make a silk purse out of a sow's ear'."

Second he said, "Don't be serious or profound or people will have to take a second look at my casket to be sure it's me you are talking about".

Third he said, "Don't be eloquent or you'll become a marked man—and others will want you to perform the same service for them".

He set down a final "don't" but I'll reserve that comment until the end.

Once these prohibitions were clearly outlined, Monsignor told me that the one thing he wanted said at this time above all else was a profound and universal "thank-you".

In the first place he expressed his gratitude to Almighty God for his gift of priesthood which he deeply loved and appreciated all of his 51 years in the ministry. It was this wish that determined my choice of the quotation used to introduce this eulogy. No one could have said this "thank-you" better than he.

Right alongside his thanks to God, Monsignor Kennedy placed his gratitude to the beloved people of St. John the Evangelist parish. Their love and esteem were known to him only too well. He said evidence of this love all about him throughout his 38 years of intimate association with these people of God. But he held a special sense of gratitude in his heart for the concern, the compassion and the prayers expressed by the people of the parish during the long months of his illness. They gave him heart and hope in the face of his bout with cancer. And included in this parish family, of course, were those relatives and friends whose lives were lived beyond the physical boundaries of this parish but who nevertheless were ever loving toward him and never themselves beyond the boundless reach of his own love and concern.

Monsignor then turned his thoughts to those very special people who surrounded him during his illness and brought him physical comfort and peace of soul. The doctors, the nurses, the hospital personnel and the people who lived and worked in the rectory were all the special object of Monsignor's gratitude. He never once took their kindness for granted—never hesitated to say "thank-you" for even the smallest consideration.

And finally, there was Monsignor's greatest concern—expressing his thanks to his brother priests. One of Monsignor's favorite expressions was "O quam bonum et jucundum habitare fratres in unum—Oh how good and pleasant it is when brothers dwell as one". The fraternity and friendship of priests, young and old, was the greatest joy of Monsignor's life. He delighted in their visits and held court in their gatherings with humor and good fellowship. Monsignor asked especially that I thank publicly Cardinal O'Boyle, Cardinal Sheehan, our Archbishop and Auxiliary Bishops and all those priests who visited him during his confinement in the hospital and at home. You brought him your special comfort and your blessings and he treasured these gifts above all else.

Most men would like to measure their lives by milestones—some have that opportunity, some do not. Monsignor Kennedy was a fortunate man in the sense that he looked forward late in life to three special and significant events: His Golden Jubilee of Priesthood, the 200th Anniversary of St. John's Parish and his own 80th Birthday. God granted him the first two while he was still vigorous and active and able to celebrate them to the fullest and to reap the joy they brought him. The third and final milestone, however, was a different story. Monsignor lay gravely ill on the evening of January 4, 1975. All signs pointed to imminent death. The clock ticked away the minutes while his heart continued its erratic beat. But midnight finally approached and January 5th—Monsignor's 80th Birthday was at hand. Six and one-half hours later the end came. Three shallow breaths, three long pauses and then final stillness—candles flickering at the bedside, a crucifix clutched in thin pale hands. And through the bedroom window, somewhere in the far off distance the first light of the sun began to appear on the horizon. But it was not "the sun which gives light" that greeted the departed soul of Father Kennedy, but rather "the Son who is Light".

In an age when we are less and less likely to discover symbols that have meaning in our lives, Monsignor Kennedy had many meaningful symbols that might have been related to his death. Such was his physical condition, he could have died on Christmas Day when God gave us His Son and Salvation was assured; he could have died on December 27th the feast of St. John the Evangelist whose name is hallowed by this sacred place and through whom Monsignor, I am sure, received many graces down through the years; he could have died on January 1st the Feast of the Motherhood of Mary and a time for new beginnings and the dawn of the Holy Year.

But none of these occasions carried just the right symbolism. To do justice to this priest of Jesus Christ, God chose the Feast of the Epiphany to bring Joseph to his new home in heaven. The manifestation of Christ to the world as its saviour and redeemer is the meaning of Epiphany for all of us as it was also for Monsignor Kennedy—only in his case, it was Christ made known and present in His fullness, the veil pulled aside, the clouded glass removed. God revealed in all his Glory, never again to be hidden in shadow or in mystery. But this manifestation of Christ to Monsignor Kennedy is only part of the symbolism. It is the unique but not exclusive privilege of the priest to bring Christ to others—to manifest His love and his mercy to God's people. This Monsignor Kennedy did to an exemplary degree. Christ brought to God's people through the Holy Sacrifice of the Mass, through the Sacraments and through prayer; Christ manifested in acts of kindness and words of comfort, praise and gratitude. This two-fold symbolism gives us reason to be joyful and at peace even in the face of sorrow and loss.

Monsignor Kennedy is present in this Church in his mortal flesh for the last time. But his spirit and his warmth will ever remain a part of it even as he goes on living in the hearts and minds of all of us who knew and loved him. The Christmas decorations that brighten this Church today were left in place in tribute to Monsignor Kennedy who had a particular love for both this great feast and for the little children for whom Christmas is so special. It was Monsignor's great delight each Christmas to stand at the Creche after Mass and usher the little children past the crib. On one of these occasions, he received a unique and almost prophetic honor. A small child seeing Monsignor Kennedy with his red cassock and his silver white hair remarked, "See Mom, even the Church has a Santa Claus". And indeed this Church did.

Now the circle of this life is complete. He died with Christ in Baptism, may he now share in the joy of the resurrection. Eighty years is enough to have loved and been loved, to serve Christ and others, to prepare for eternity, to say, "O Lord, I am tired and I am ready. Take me."

One is tempted to wonder, what secret little greeting of wit or beguilement Monsignor Kennedy used in greeting his God. I feel sure that along with a look of ineffable joy and awe, his face was surely marked by his indelible trademarks—a little twinkle in the eyes and a winsome smile on his lips. Heaven now is his home and so that next time you hear thunder rock the heavens don't dismiss the possibility that what you hear isn't really thunder—but a roar of laughter coming from Monsignor's little corner of Paradise where the brethren are gathered and Monsignor is the host.

My final word is a confession rather than a revelation. Monsignor Kennedy's final caution which I alluded to earlier was this: "Be brief". On this score I have failed miserably. If brevity, my dear Monsignor, be the soul of wit, then verbosity must be the curse of the witless, and to this charge I plead "guilty". But I pray you will forgive me.

May God grant you eternal rest, Monsignor Kennedy.

And may perpetual light shine upon you.

But as for me, I know that my Vindicator
  lives,
 and that he will at last stand forth upon
  the dust;
Whom I myself shall see:
 my own eyes, not another's shall behold
  him,
And from my flesh I shall see God.

—Job 19:25–27.

SYLVIA PORTER LOOKS AT SSI

Mr. CHURCH. Mr. President, it has been a year now since the supplemental security income—SSI—program became effective. That year has brought problems for the Social Security Administration, the Congress and above all, the SSI recipient. The Social Security Administration was faced with a tremendous task of transferring former public assistance recipients to the SSI rolls, as well as making determinations on new applications for the program. Administrative tieups and backlogs resulted in long waits and delays in eligibility determination, in mailing of benefits and in having reviews and hearings processed. As chairman of the Senate Committee on Aging, I have explored such issues at recent hearings.

Supplemental security income is intended to provide for those aged, blind, and disabled a national guaranteed income of $146 for an individual and $219 for a couple. Although the program has benefited many of those in the blind, disabled, and aged categories, the number enrolled in the program is projected to be only about half of those estimated to be eligible—7.2 million according to the Social Security Administration. Therefore, approximately 4 million persons who are in need of such a benefit as SSI have not taken advantage of the program, largely due to their lack of knowledge about the program, or false pretenses about their eligibility. Outreach efforts to reach and educate these individuals about the program have been lax and ineffective.

Recently, Sylvia Porter devoted several columns to the new program—critical of specific factions and procedures. I found the columns to be most informative and pertinent for public consumption. Many of the questions a potential recipient most certainly faces when considering applying for SSI are adequately covered by Ms. Porter. I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star-News, Jan. 6, 1975]

YOUR MONEY'S WORTH, ADDED SECURITY INCOME—1

(By Sylvia Porter)

Last fall, Social Security computers spewed out letters promising an increase in their next benefit checks to more than 3,000 elderly in a Northeastern state, reflecting a boost in Supplemental Security Income—a welfare reform program designed to guarantee an income floor to elderly, blind and disabled.

The increases showed up in the checks and generally were spent at once.

Social Security then sent out telegrams informing the recipients that the raises were a mistake and requested that the amounts—ranging from a few dollars to $125—be returned.

Many sent back not only their SSI checks but also their Social Security checks and even cash from the meager savings accounts they are allowed to have under the SSI program, because they were "afraid of getting in trouble with the government," or losing their benefits.

Then to top it, when the time came for the next month's benefit checks to be sent, the honest people who had returned their checks (leaving themselves virtually penniless for a full 30 days) were informed there would be no SSI checks at all during that month.

Matters became so desperate that local antipoverty groups and state agencies were forced to set up emergency services to provide the elderly with money to buy food until the snafu could be straightened out.

The state's Legal Aid got an injunction against Social Security, forbidding SS from accepting any more money being returned—and Legal Aid now is preparing a class action suit to recover money that had been returned.

This is just one horror story uncovered by my associate, Lydia Ratcliff, which has come out of the year-old federal Supplemental Security Income program originally heralded as being "as important to older Americans as the passage of Medicare."

So inadequate has the SSI program been that critics have dubbed it the "Supplemental Insecurity" program.

There were 3.9 million in the program, at latest count, receiving a maximum of $146 a month in federal benefits per person (or $219 per couple)—plus state supplements, in many states. Total SSI benefits now being paid are about $500 million a month.

BUT . . . The number enrolled is only about half those estimated to be eligible—7.2 million according to the Social Security Administration, and 8 to 9 million according to the Bureau of Social Science Research in Washington.

As many as 5 million of our elderly, blind and disabled remain in ever-more desperate financial circumstances while the program continues to be riddled with unexplained delays and benefit cutoffs.

Applicants frequently are unable to travel to the district office or they are discouraged by all-day waits in the SS office.

An estimated 361,000 SSI applications are pending, and the waiting period before an application is decided upon can stretch to 10 months. Even the clearly eligible may be forced to wait months before they receive benefits.

Yet, as Adele Blong, a lawyer for the Center on Social Welfare Policy and Law in New York, says, "Even a few days' delay can be a personal disaster if you're trying to live on less than $1,600 a year."

In fact, the gap between the SSI income floor and the poverty line is even greater than it was when the law was enacted in October 1972.

Contributing to this scandalous SSI situation are two major factors:

Although SS had a full 14 months to launch the program (it didn't become effective until Jan. 1, 1974), the program began before many key rules and regulations were issued. Thus, the SS staff has been ill-equipped to make key decisions.

New regulations still are being issued almost every week—leaving both potential benefiiciaries and administrating officials baffled. Social Security offices have been seriously understaffed and employes supposed to be implementing the SSI program have been poorly trained. Requests for more staff have been rejected at the White House level.

In brutal summary: The SSI program to date has been among the biggest broken promises ever made by a Congress and an administration. Instead of a giant step toward reform of our unworkable welfare system, it is, as of now, a disgrace.

[From the Washington Star-News, Jan. 8, 1975]

YOUR MONEY'S WORTH—ADDED SECURITY INCOME

(By Sylvia Porter)

Are you—an elderly, disabled or blind American or this person's relative or friend, now trying to survive on Social Security plus possibly some other benefits or income—aware that you also may be eligible for Supplemental Security Income benefits placing an income floor under you?

Have you been told that you might be eligible even if you own your own house and car, even if you have substantial savings in the bank, even if you are working and earning an income, even if your application for benefits has been rejected?

Do you know that you may now have as much as $375 a month in earnings from a job and still get SSI benefits—and that in states which supplement the federal payments, you may earn even more and still qualify for SSI benefits?

Today, 3.9 million Americans are getting SSI benefits under a year-old program designed to help our lowest-income citizens by guaranteeing an income floor of at least $146 a month for an individual and $219 for a couple.

But as research by my associate, Lydia Ratcliff, has uncovered, this is less than half the 8 million to 9 million estimated to be eligible. The tragic fact is that millions of you do not know whether or not you are eligible.

Your eligibility depends primarily on your "net" income and your assets—as defined by the law and by regulations issued by the Social Security Administration.

How do you figure your "net" income?

You deduct the first $20 of any income—earned or unearned, including Social Security benefits—plus the next $65 of earned income, plus 50 percent of any additional income. Thus you, an individual, can have up to $166 ($239 for a couple) in unearned income such as Social Security benefits. You also can have up to $377 a month ($523 for a couple) in earned income for employment.

For instance, let's say you as an individual get SS benefits of $120 a month and that this is your only income. You first deduct $20 from this income, leaving you with $100 in net income. Subtract this from the $146 federal income floor and you get a SSI payment of $46 a month (in a state with no state supplement).

You also may deduct refunds of real estate and sales taxes, life insurance proceeds up to $1,500 which the beneficiary has spent on the insured's last illness or burial, "infrequent and irregular" earned income up to $30 per quarter, and infrequent and irregular income that is unearned up to $60 a quarter.

The income of your children or other relatives is not counted in determining your eligibility. Only the income of your spouse. Or if you are a blind or disabled child under age 18, or 18 to 21, and at school and living with your parents, their income would be counted.

If you are getting free room and board by living in someone else's household, federal benefits are lowered by one-third—to $97 for an individual or $146 for a couple.

But if you can meet the definition of a "co-head" of the household, the one-third reduction does not apply.

Even if you are not living in another person's household, but if a relative or friend is paying part of your room and board, that contribution is counted as income to you.

If SS overpays you but you don't realize it's an overpayment and you spend it, SS generally cannot require you to pay back any money and cannot deduct any money from your future checks. In a case like this, SS could require repayment only if you had extra money in addition to your SSI check and to the income that was deducted in determining your SSI payment.

[From the Washington Star-News, Jan. 9, 1975]

YOUR MONEY'S WORTH: SUPPLEMENTAL SECURITY INCOME

(By Sylvia Porter)

The rules governing Supplemental Security Income benefits—a program originally designed to be of vital importance by placing an income floor under the poorest of our elderly, disabled or blind citizens—have been disgracefully underpublicized. They are sadly and widely misunderstood. They also are changing constantly.

You may, in fact, be eligible today for benefits—even though in 1974 you applied and were turned down because your other income was too high or your assets were too great or you weren't disabled enough.

Yesterday's column gave you a rundown on today's basic income requirements for SSI eligibility. Generally speaking:

If your Social Security and/or private pension checks amount to less than $166 ($239 for a couple) and you have no earnings or other income, you surely are eligible for some

SSI benefits—if you also can meet the "assets test" described below.

If your total earned income—from work—is less than $377 a month ($523 for a couple) and you have no unearned income, you'll surely be eligible for some SSI benefits—(assuming, again, that you can meet the assets test).

If you have some earned income and some unearned income the maximum total will be in between.

And if you live in a state which supplements the basic federal SSI payment, the income limits are substantially higher.

But in addition, you may own your home and car and also have a modest amount of money in the bank and/or life insurance policies and still collect benefits.

Q. How much savings can you have and still get SSI?

A. You can have assets up to $1,500 as an individual or $2,250 as a couple—including money in the bank, stocks or bonds. The "excess" value of your house, car or personal belongings—above the permissible maximums described below—is counted as part of these assets.

Q. What are these other limits?

A. Your permissible assets include the value of a home worth up to $25,000. "Value" is generally based on a tax assessment which the SS office requires you to bring in. But if your home is worth $26,000, $1,000 is counted against your $1,500 assets limit.

Q. And your car?

A. You're permitted to own a car worth up to $1,200, and any value above this is counted as part of your other cash assets. However, if your car is worth more than $1,200, and if you need it regularly for your job or to get medical care (as most people do), the car's entire value is exempted.

Q. What other exemptions are there?

A. Household goods and personal effects valued at up to $1,500, and the face value of your life insurance policies if this is less than $1,500 (term and burial insurance are completely excluded, no matter what their face value). Exemptions also include other property deemed "essential for self-support," and tools or assets of an operating business for the blind and disabled, the resources needed "to achieve a plan of self-support." Such resources are excludable, though, only to the extent that they yield a "reasonable rate of return."

Q. Must you give the federal government a lien on your house or other property before you can get SSI benefits?

A. No. The federal government may not impose any lien on any of your property as a prerequisite for giving you benefits.

Q. What should you do if the Social Security office has told you—verbally—that you don't qualify for benefits because your assets are too high?

A. Even if you already have inquired about SSI benefits and been turned down verbally at the SS office, this denial may have invalid. Or the rules may have changed since you applied, raising the total of assets and-or income you may have and still qualify.

So, you owe it to yourself to go back and make a written application, if you think you are eligible (or a relative or friend is). SS admits that every person who thinks he or she may be eligible has the right to make a written application so that this person may get a formal decision on eligibility.

[From the Washington Star-News, Jan. 7, 1975]

Your Money's Worth, Added Security Income

(By Sylvia Porter)

Are you—or a friend or relative who is elderly, disabled or blind—among the millions eligible for, but not receiving, federal Supplemental Security Income benefits?

As many as 5 million Americans are not receiving benefits legally due them under our nation's first "guaranteed income" program designed to aid the very poorest among us.

There has been an utterly inadequate effort to find eligibles during the program's first year, and where outreach efforts have been made, incompetence frequently has been the rule.

Thus, this week's series will give you the first who-what-where-how primer on all aspects of the SSI program. The data was put together with the assistance of the Community Nutrition Institute in Washington and the New York-based Center on Social Welfare Policy and Law.

Q. Can you get both Social Security and SSI?

A. Yes—and an estimated one in five SS beneficiaries is also eligible for SSI.

Q. What are the maximum federal benefits you can get?

A. As an individual, $146 a month; as a couple, $219. You receive as a monthly benefit the difference between your actual net income (after deductions described tomorrow) and these maximums. The maximums are adjusted each July 1 to take into account living cost increases.

Q. How much are the state supplements?

A. Only about half the states make additional payments to suplement federal SSI benefits, with the amounts varying from state to state. The maximum combined federal-state payment to an aged individual (65 or over) is $269 a month (in Massachusetts). The maximum for a couple is $440 a month (in California). Even higher amounts are paid to individuals in some states in special living arrangements, such as certain custodial care institutions.

Q. Where does the money for SSI benefits come from?

A. From general Treasury revenues—our tax payments.

Q. Are all SSI beneficiaries automatically eligible for Medicaid to pay health related bills not covered by Medicare?

A. Yes, if you formerly received state aid to the aged, blind or disabled. But each state has the option to make or not make all new SSI recipients eligible for Medicaid.

Q. Are all SSI beneficiaries eligible for food stamps?

A. No. In five states (California, Massachusetts, Nevada, New York, Wisconsin) SSI recipients are specifically ineligible for food stamps because these states have "cashed out" the food stamp bonus by upping SSI benefits by appropriate amounts. In all other states most SSI beneficiaries are eligible and should apply at food stamp offices.

Q. What if you (or your relative or friend) are in a nursing home or foster care home or rest home?

A. If it's a public institution where you are not covered by Medicaid, you are not eligible for SSI. If it's a private non-medical residence, you do qualify for regular SSI benefits. If it's a public or private Medicaid-covered institution, you generally get the maximum of $25 a month (vs. the regular $146.) Generally, states cannot add to this $25 maximum, but they are permitted to supplement this sum for a limited period if the purpose is to help pay the person's cost of keeping a shelter to return to when he or she has left the institution.

[From the Washington Star-News, Jan. 12, 1975]

Your Money's Worth: Supplemental Security Income

(By Sylvia Porter)

In New York, a lawsuit was filed in early '74 on be half of 40,000 beneficiaries of the Supplemental Security Income program whose benefit checks had been suddenly cut down or cut out.

The recipients—all aged, disabled or blind—received no more than three days' notice and had no chance to contest the cutoffs.

Recently, the Social Security Administration was ordered by the court to give SSI beneficiaries adequate notice of any such benefit reduction—plus an explanation of the action, plus an opportunity for a hearing.

Still pending are other parts of this suit, brought by the Center on Social Welfare Policy and Law in New York City. But there is no doubt as to how serious have been violations of rights of Americans eligible for this program.

The SSI program's official, written policy is not to discourage any applicant but more than 1 million 'informal denials' have been made verbally to would-be applicants by SS personnel who simply had the "impression" the individuals didn't qualify. An estimated 10 to 20 percent of these denials have been incorrect.

Throughout its entire first year, the SSI program has been riddled with computer snafus, misinterpretation of the rules, untrained administrators and disgracefully inadequate outreach efforts.

As a result fewer than half of the needy estimated to be eligible for SSI benefits—which establish a federal income floor of $146 a month for an individual and $219 for a couple and much more if special state supplements are added—are getting them.

You have read in last week's columns a unique primer on who's eligible, how much income you can have and still collect benefits, what cash and other assets you may have.

But what if you have been wrongly turned down for benefits or your benefits are abruptly cut or cut out? How "blind" or "disabled" must a beneficiary be?

Q. Is the SS office the only place you can apply?

A. No. In some cases, the welfare office administers the state supplementation benefit.

Q. What if you have been verbally denied benefits for which you believe you are eligible or your benefits have been cut?

A. Go back at once to the SS office make a written application for a formal ruling on your eligibility. On reductions, look at the back of the notice you received for information on your right to ask SS (in writing) for reconsideration or a hearing.

Q. Where can you get advice or legal help?

A. The Center on Social Welfare Policy and Law is the best source, 25 West 43 St., New York, N.Y. 10036. Public interest groups should get its 200-page "N.W.R.O. Supplemental Security Income Program Advocates Manual" (about $4). Individuals should check the nearest Legal Services office.

As it now stands, this program is not the great reform law it was heralded to be. It is a disgrace.

Q. Must you apply in person?

A. Generally, yes. But in some cases, you can arrange to apply by mail and/or have someone else take your application to SS.

REFORM AND MODERNIZATION OF THE PATENT LAWS

Mr. PHILIP A. HART. Mr. President, on January 29, 1975, I introduced S. 473, a bill for the general reform and modernization of the patent laws, title 35 of the United States Code, and for other purposes. I ask unanimous consent to have printed in the Record the complete text of S. 473, as introduced.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 473

A bill for the general reform and modernization of the Patent Laws, title 35 of the United States Code, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with the authority granted by article 1, section 8, clause 8 of the United States Constitution, title 35 of the United States Code entitled "Patents", is hereby amended in its entirety to read as follows:

"TITLE 35—PATENTS

"Part Sec.

"I. PATENT AND TRADEMARK OFFICE 1

"II. PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS 100

"III. PATENTS AND INFRINGEMENT OF PATENTS 261

"IV. PATENT COOPERATION TREATY .. 351

"PART I—PATENT AND TRADEMARK OFFICE

"CHAPTER Sec.

"1. ESTABLISHMENT, OFFICERS, FUNCTIONS 1

"2. PROCEEDINGS IN THE OFFICE 21

"3. PRACTICE BEFORE THE OFFICE 31

"4. OFFICE FEES 41

"CHAPTER 1.—ESTABLISHMENT, OFFICERS, FUNCTIONS

"Sec.

"1. Establishment.

"2. Seal.

"3. Commissioner and other officers.

"4. Restrictions on officers and employees as to interest in patents.

"5. Board of Examiners-in-Chief.

"6. Library.

"7. Classification of patents.

"8. Certified copies of records.

"9. Publications.

"10. Research and studies.

"11. Annual report to Congress.

"§ 1. Establishment

"The Patent and Trademark Office, hereinafter referred to in this title as the 'Office,' shall be continued as an agency within the Department of Commerce. Records books, drawings, specifications, and other papers and things pertaining to patents and to trademark registrations shall be kept and preserved in the Office, as provided by this title or other provisions of law. Except as otherwise provided by this title, proceedings before the Office shall be governed by the Administrative Procedure Act (5 U.S.C. 551–559, 701–706). Appointment of members of the Board of Examiners-in-Chief and primary examiners shall not be subject to the provisions of section 3105 of title 5, United States Code. The Office shall function independently of the Department of Commerce in the exercise of discretion concerning the rule-making, investigatory, and adjudicatory functions of the Office, including judicial proceedings related thereto.

"§ 2. Seal

"The Office shall have a seal with which letters patent, certificates of trademark registration, and papers issued from the Office shall be authenticated.

"§ 3. Commissioner and other officers

"(a)(1) There shall be a chief administrative officer of the Office, the Commissioner of Patents and Trademarks, referred to in this title as the 'Commissioner.' The Assistant Secretary of Commerce for Patents and Trademarks, shall, ex officio, be the Commissioner of Patents and Trademarks. The Commissioner shall be appointed by the President, by and with the advice and consent of the Senate, and he shall be compensated at the rate now or hereafter provided for level IV of the Executive Schedule pay rates (5 U.S.C. 5315). The Commissioner shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trademarks, shall have the authority to carry on studies and programs regarding domestic and international patent and trademark law and practice, and shall have charge of property belonging to the Patent Office. The Commissioner is authorized to promulgate rules and regulations, not inconsistent with law, governing proceedings before the Office; to review, himself or by such delegate as he shall designate, all decisions or orders of the Office, the review of which other provisions of this title do not assign to the Board of Examiners-in-Chief; and otherwise to prescribe such further rules and regulations and take such further actions as may be necessary or proper for purposes of administration of the Office. Rules and regulations promulgated by the Commissioner shall have the force of law.

"(2) The Commissioner may, in coordination with the Department of State, carry on programs and studies cooperatively with foreign patent offices and international intergovernmental organizations, or may authorize such programs and studies to be carried on, in connection with the performance of duties stated in subsection (a)(1) of this section.

(3) The Commissioner may, with the concurrence of the Secretary of State, transfer funds appropriated to the Office, not to exceed $200,000 in any year, to the Department of State for the purpose of making special payments to international intergovernmental organizations for studies and programs for advancing international cooperation concerning patents and trademarks. These special payments may be in addition to any other payments or contributions to the international organization and shall not be subject to any limitations imposed by law on the amounts of such other payments or contributions by the Government of the United States.

"(4) The Commissioner may, with the concurrence of the Secretary of State, allocate appropriated to the Office, to the Department of State for the purpose of payment of the share on the part of the United States to the working capital fund established under the Patent Cooperation Treaty. Contributions to cover the share on the part of the United States of any operating deficits of the International Bureau under the Patent Cooperation Treaty shall be included in the annual budget of the Office and may be transferred by the Commissioner to the Department of State for the purpose of making payments thereof to the International Bureau.

"(b) There shall be a Deputy Commissioner of the Office, who shall be appointed under the unclassified civil service by the Commissioner, and who shall be compensated at a per annum rate of basic compensation not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule. The Deputy Commissioner shall perform such functions as the Commissioner may assign or delegate and he shall act as Commissioner during the absence or disability of the Commissioner or in the event of a vacancy in the office of the Commissioner.

"(c) The Commissioner may appoint under the unclassified civil service not more than two Assistant Commissioners of the Office who shall be compensated at a per annum rate of basic compensation not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule. Such Assistant Commissioners shall perform such functions as the Commissioner may from time to time assign or delegate. In the event of vacancies in the offices of Commissioner and Deputy Commissioner, or their absence or disability, the Assistant Commissioner senior in date of appointment shall fill the office of Commissioner until said vacancies, absences, or disabilities terminate.

"(d) In addition to the officers designated in the preceding subsections of this section, there shall be a Solicitor, appointed by the Commissioner, who shall be compensated at a per annum rate of basic compensation not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule. He shall perform such legal functions as requested by the Commissioner. He or his delegate—

"(1) may participate in any proceeding before the Office when the primary examiner or the Board of Examiners-in-Chief so requests, and it appears to him that it is necessary or appropriate in the public interest for him to participate; and

"(2) shall take or defend appeals from any decision to the Board of Examiners-in-Chief, or from any final action of the Office, except as otherwise provided by subsection (f) of this section and subsection (b) of section 134; and

"(3) shall have, in a proceeding to which he has become a party pursuant to the provisions of this subsection, or in which this title permits or requires him to participate, all rights and powers afforded parties under this title, including that to take depositions and testimony, and to seek evidence or other information, pursuant to section 23 of this title; and

"(4) shall take such other action, and conduct such other investigations or inquiries pursuant to section 24 of this title, as may be necessary or appropriate to carry out the purposes of this title, including the investigation of possible violations of this title and rules and regulations promulgated thereunder; and

"(5) shall, whenever his functions pursuant to this subsection require his representing differing legal positions in a proceeding, make available employees of his office to assure that such positions are adequately presented.

"(e) The Commissioner shall, subject to other requirements of law, appoint other officers and employees and assign or delegate to them the functions of the Office. The Commissioner is authorized to fix the per annum rate of basic compensation of each examiner-in-chief at not in excess of the maximum scheduled rate provided for positions in Grade 17 of the General Schedule (5 U.S.C. 5104).

"(f) Any other provision of law to the contrary notwithstanding the authority of the Solicitor and that of any office or employee of the Office, to appear before the courts shall be subject to the direction and control of the Attorney General, and shall be limited to such delegation of authority as the Attorney General or his duly authorized representative may make.

"§ 4. Restrictions on officers and employees as to interest in patents

"(a) Officers and employees of the Office shall be incapable, during the period of their appointment or employment and for one year thereafter, of:

"(1) applying for a patent;

"(2) being named as an inventor in an application for patent for an invention conceived or made during the period of their appointments or for one year thereafter; or

"(3) acquiring, directly or indirectly, except by inheritance or bequest, any patent or any right of interest in any patent issued or to be issued by the Office.

"(b) After expiration of the one-year post-appointment period provided for in subsection (a) of this section, a former officer or employee may apply for a patent or be named as an inventor in an application for patent: *Provided, however,* That if the subject matter claimed in an application for patent was conceived or made during the period of his appointment or employment or within one year thereafter, the application for such patent shall not be entitled to any date of invention earlier than one year after termination of the appointment of such former officer or employee.

"(c) The Commissioner shall prescribe regulations governing the participation of present or former officers and employees of the Office in the preparation or prosecution of applications for patent which may be or have been assigned to one or more examining groups to which the work of such officers or employees may be or has been related.

"(d) Nothing contained in this section shall be construed to modify the obligations imposed by this or any other title of the United States Code upon present or former officers and employees of the United States.

"§ 5. Board of Examiners-in-Chief

"(a) There shall be in the Office not to exceed sixty examiners-in-chief, who shall be appointed under the competitive service.

"(b) The examiners-in-chief shall constitute a Board of Examiners-in-Chief. The examiners-in-chief shall be persons of competent legal knowledge and scientific ability, who will perform and exercise the judicial functions of the Office. The Chairman of the Board shall be appointed by the Commissioner.

"(c) The Board of Examiners-in-Chief shall:

"(c) review (as provided in chapter 12 of this title) final rejections by primary examiners; and

"(2) render other decisions and orders, and take other agency action, as provided in this title; and

"(a) perform the functions specified as being performed by a Board of Patent Interferences in other Acts of Congress and when performing said function shall constitute a Board of Patent Interferences; and

"(4) render other decisions and orders as the Commissioner may by regulation or order prescribe.

"(d) Except as otherwise provided in or pursuant to this title, the Board of Examiners-in-Chief shall exercise all judicial functions of the Office, including all agency review of appeals, under this title. Except as provided otherwise in this title, the decision of the Board of Examiners-in-Chief shall constitute final agency action (as that term is defined in 5 U.S.C. 551) in all matters considered by it, and shall be the final decision of the Patent Office for the purposes of chapter 13 of this title.

"(e) Each appeal or other action shall be heard or considered by a panel of one or more members of the Board of Examiners-in-Chief, as the Commissioner by general regulation shall prescribe. Said panel shall be designated for each case by the Chairman of the Board consistent with the provisions of section 3105, of title 5, United States Code. The Board of Examiners-in-Chief shall have sole power to grant rehearings.

"(f) In any proceeding before the Board of Examiners-in-Chief, the Board or any member thereof may:

"(1) administer oaths and affirmations;

"(2) issue subpenas or discovery orders for testimony, evidence, depositions, or other information pursuant to section 23 of this title;

"(3) rule upon offers of proof and receive relevant evidence;

"(4) dispose of procedural requests or similar matters;

"(5) regulate the course of the hearing;

"(6) hold conferences for the settlement or simplification of the issues with notice to all parties involved;

"(7) make decisions in accordance with the provisions of this title; and

"(8) take any other action authorized by this title, or by such regulation as the Commissioner may, consistent with the provisions of this title, prescribe.

"(g) Whenever the Commissioner considers it necessary to maintain the work of the Board of Examiners-in-Chief current, he may designate any patent examiner of the primary examiner grade or higher having the requisite ability, to act as an examiner-in-chief for periods not exceeding six months. An examiner so designated shall be qualified to act as a member of the Board of Examiners-in-Chief. Not more than one acting examiner-in-chief shall be a member of any panel of the Board of Examiners-in-Chief hearing any appeal or considering any case, nor may an acting examiner-in-chief be the sole member of any such panel. The Commissioner is authorized to fix the per annum rate of basic compensation of each acting examiner-in-chief in the Office at not in excess of the maximum scheduled rate provided for positions in grade 16 of the General Schedule (5 U.S.C. 5104). The per annum rate of basic compensation of each designated examiner-in-chief shall be adjusted, at the close of the period for which he was designated to act as examiner-in-chief, to the per annum rate of basic compensation which he would have been receiving at the close of such period if such designation had not been made.

"§ 6. Library

"(a) The Commissioner shall maintain a complete and current library of scientific and other works and periodicals, both foreign and domestic, in the Office which shall be available to its employees in the discharge of their duties under this title and to assist the public in the study of the useful arts.

"(b) The Commissioner shall establish liaison with such Government agencies as may be appropriate in order to make available to the Office library additional scientific and other works and periodicals, both foreign and domestic.

"§ 7. Classification of patents

"The Commissioner shall maintain with appropriate revisions the classification by subject matter of published specifications of United States patents and of such other patents and applications and other scientific and technical information as may be necessary or practicable for the purpose of determining with readiness and accuracy the patentability of subject matter for which applications for patent are filed.

"§ 8. Certified copies of records

"The Commissioner shall, upon payment of the prescribed fee, furnish certified copies of records of the Office to any person, subject to any specific prohibition established by law.

"§ 9. Publications

"(a) The Commissioner shall cause to be published in a timely fashion in such format as he determines to be suitable, the following:

"(1) the specifications and drawings of patents, and patent applications, subject to the provisions of this title; and

"(2) certificates of trademark, registrations, including statements and drawings.

"(b) The Commissioner may cause to be published, in such format as he determines to be suitable, the following:

"(1) patent abstracts;

"(2) the Official Gazette of the United States Patent and Trademark Office;

"(3) annual indexes of patents, published applications, and of trademarks and information concerning the same;

"(4) annual volumes of decisions in patent and trademark cases;

"(5) classification manuals and indexes of the classifications of patents and trademarks; and

"(6) pamphlet copies of the patent laws and rules of practice, laws and rules relating to trademarks, and circulars or other publications relating to the business of the Office.

"(c) The Commissioner may exchange copies of any of the publications specified in subsection (a) or (b) of this section for publications desirable for the use of the Office, and furnish copies of any of these publications to international intergovernmental organizations of which the United States is a member.

"(d) The Commissioner may supply copies of specifications and drawings of patents to public libraries in the United States, which shall maintain such copies for the use of the public, at the rate for each year's issue prescribed by the Commissioner in accordance with section 41(b) of this title.

"(e) The Office may print the headings of the drawings for patents for the purpose of photolithography.

"(f) The Commissioner (1) shall maintain public facilities for the searching of patent materials, (2) may establish a public information service for the dissemination to the public of information concerning patents and trademarks, and (3) may from time to time disseminate or provide for dissemination of technological and other information, the publication of which in his judgment would encourage progress in the useful arts. Such dissemination may be made by periodical or other publications, the preparation and display of exhibits, and other appropriate means.

"§ 10. Research and studies

"The Commissioner shall conduct a program of research and development to improve and expedite the handling, classification, storage, and retrieval of patents and other scientific and technical information for the purposes of raising the level of technology utilized by the Office to that permitted by the state of the art.

"§ 11. Annual report to Congress.

"The Commissioner shall report to Congress annually the money received and expended, statistics concerning the work of the Office, an evaluation of the overall quality of the patents issued (including court decisions related to the validity and enforcement of patents), and other information relation to the Office as may be useful to the Congress or the public. Such statistics shall evaluate current patterns (as well as historical development over time) of patent and trademark ownership, grouped by economic categories of ownership, significance and type of technology involved, and geographic origin.

"Chapter 2.—PROCEEDINGS IN THE OFFICE

"Sec.
"21. Day for taking action falling on Saturday, Sunday, or holiday.
"22. Form of papers filed.
"23. Issue of subpenas and other orders by Board of Examiners-in-Chief; review and enforcement."
"24. Issue of subpenas and other orders in investigations; review and enforcement.
"25. Oath and declaration in lieu of oath.
"26. Effect of defective or missing execution.
"27. Postal interruptions.
"28. Program to assist individual inventors and small businessmen in prosecuting applications.

"§ 21. Day for taking action falling on Saturday, Sunday, or holiday

"When the day, or the last day, for taking any action or paying any fee required by this title falls on Saturday, Sunday, or holiday within the District of Columbia, or any other day where receipt of papers cannot be effected, the action may be taken, or the fee paid, on the next succeeding secular or business day.

"§ 22. Form of papers filed

"The Commissioner may by regulation prescribe the form of papers filed in the Office.

"§ 23. Issue of subpenas and other orders by Board of Examiners-in-Chief; review and enforcement

"(a) Any party to a proceeding before the Board of Examiners-in-Chief may apply at any time to the Board or any member thereof for subpenas or discovery orders to provide testimony, evidence, depositions, or other information, and the Board or member shall issue the same ex parte to (1) the Solicitor; (2) parties to proceedings had pursuant to sections 5(c)(3) or 136 of this title; and (3) upon a showing of good cause, to parties to proceedings had pursuant to section 135 of this title. Any member also may issue such subpenas or orders on his own motion in any proceeding. Subpenas and orders may issue against the applicant or any person within the jurisdiction of the United States, whether or not he is a party in the proceeding.

"(b)(1) The Commissioner shall establish rules for obtaining such discovery, testimony, evidence, affidavits, depositions, or other information. Subject to subsection (a) of this section, such rules shall provide any party granted a subpena or discovery order all discovery permitted, and the sanctions, other than contempt, for noncompliance therewith prescribed, in the Federal courts pursuant to the Federal Rules of Civil Procedure, as now in force or as amended hereafter, with such different time limits as the Commissioner may by regulation prescribe. Such rules shall provide, further, for protective orders and for the payment of witness fees and expenses as prescribed for proceedings in the district courts.

"(2) The Board of Examiners-in-Chief or any member thereof shall have the power, in accordance with such regulations as the Commissioner shall prescribe, to sustain, quash, or modify subpenas or orders issued pursuant to subsection (a) of this section.

"(c)(1) Agency action pursuant to subsections (a) and (b) of this section shall not be deemed final decisions or orders for the purposes of chapter 13 of this title. Judicial review of orders pursuant to subsections (a) and (b) of this section may be had upon review of the final decision or order in the entire proceeding, pursuant to chapter 13 of this title, or as may otherwise be required by sections 701–706 of title 5, United States Code.

"(2) Any party aggrieved by refusal or failure to comply with a subpena or order issued, and not quashed, pursuant to subsection (a) or (b) of this section, may apply for such civil enforcement by moving for an order to show cause why the person refusing or failing to comply with such subpena or order should not be commanded by the court to comply therewith. Except as provided in paragraph (3) of this subsection, such application shall be to the United States District Court for the District of Columbia. The process of such district court for such purpose shall run through the United States and otherwise as provided by the Federal Rules of Civil Procedure or any Federal statute.

"(3) In the case of a person not a party to the proceeding before the Board of Examiners-in-Chief, such application shall be made to the United States district court for the judicial district in which such person or his agent for service resides or may be found. Such court may, if it finds that the interests of justice, judicial economy, and fairness to such person so permit, transfer such application to the United States District Court for the District of Columbia.

"(4) Disobedience of any court order entered pursuant to this subsection shall be punishable as a contempt.

"§ 24. Issue of subpenas and other orders in investigations; review and enforcement

"(a) To carry out the provisions of this title, the Board of Examiners-in-Chief shall upon the application of the Solicitor issue a subpena or order to any applicant, patentee, or person within the jurisdiction of the United States, requiring him—

"(1) to appear before a desginated representative of the Office in a nonadjudicative proceeding to testify, or to produce documentary evidence or other information or material; or

"(2) to file reports or answers in writing to specific questions—relating to any investigation or inquiry by such officer, involving conduct which may be a violation of sections 31, 32, 33, 115, 131, 135 or chapter 19 of this title, or likely to lead to the production of information relating thereto, whether or not the subject matter of the investigation or inquiry may also be involved in any proceeding before a primary examiner or the Board of Examiners-in-Chief, or in any other proceeding before a court or other tribunal. A person so required to appear shall be entitled to the payment of witness fees and expenses as prescribed for proceedings in the district courts. A subpena or order requiring such a person to appear at a proceeding held pursuant to paragraph (1) of this subsection may issue against any such person within the jurisdiction of the United States.

"(b) Agency review of subpenas or orders issued pursuant to this section shall be in accordance with such rules as the Commissioner may prescribe.

"(c) In the case of disobedience to or failure to comply with such subpenas or orders, the Solicitor may, in his discretion, seek enforcement thereof by the procedure specified in section 23(c) of this chapter, and the procedures specified therein shall be applicable to subpenas and orders entered pursuant to this section.

"§ 25. Oath and declaration in lieu of oath

"(a) An oath to be filed in the Office may be made before any person within the United States authorized to administer oaths, or before any officer authorized to administer oaths in the foreign country in which the affiant may be, whose authority shall be proved by certificate of a diplomatic or consular officer of the United States, and such oath shall be valid if it complies with the laws of the State or country where made.

"(b) The Commissioner may by regulation prescribe that any document to be filed in the Office and which is required by any law or regulation to be under oath may be subscribed to by a written declaration in such form as the Commissioner may prescribe, such declaration to be in lieu of the oath otherwise required.

"(c) Whenever such written declaration is used, the document must warn the declarant that willful false statements and the like are subject to punishment including fine or imprisonment, or both (18 U.S.C. 1001).

"(d) Whenever the affiant or declarant does not understand English, the oath or declaration shall be made in a language he understands and shall be filed with an English translation, the accuracy of which shall be attested pursuant to such rules as the Commissioner may prescribe.

"§ 26. Effect of defective or missing execution

"Any document to be filed in the Patent Office and which is required by any law or regulation to be executed in a specified manner may be provisionally accepted by the Commissioner despite a defective or missing execution, provided a properly executed document is submitted within such reasonable time as may be prescribed by the Commissioner.

"§ 27. Postal interruptions

"(a) A patent application or application for trademark registration shall be considered as having been filed in the Office on the date that it would have been received by the Office except for any delay caused by a substantial interruption of the postal service in a significant part of the United States, due to work stoppage, national emergency, or other unforeseen circumstances, which has been determined by the Commissioner to have interfered with the transmission of mail to the Office, if a claim is made for the benefit of an earlier filing date in accordance with subsections (b) and (c) of this section. The said determination by the Commissioner will specify the date on which the substantial interruption shall be deemed to have commenced and any geographical or other limitations which shall be deemed to apply to claims for benefits under this section. A further determination shall be made by the Commissioner specifying the date on which the interruption is deemed to have ended. Notice of such determinations shall be promptly published by the Commissioner in the Federal Register and Official Gazette of the Office, or other appropriate publication, and shall constitute the only basis for the claims.

"(b) No patent or trademark application, patent, or trademark registration shall be entitled to an earlier filing date under subsection (a) of this section unless a verified statement by the applicant or owner of record or by his attorney or agent claiming the earlier filing date to which the application is believed to be entitled is filed in the Office within three months after the publication in the Federal Register or other appropriate publication of the date on which the interruption is deemed to have ended. Such statement shall be maintained in the file of the application in the Office and shall be referred to in the patent or trademark registration when practicable.

"(c) When a statement filed under subsection (b) of this section appears unreasonable or defective on its face, or when the filing date of the patent or trademark application, patent, or trademark registration is called into question or is material in any inter partes proceeding in the Office or any proceeding in the courts, the applicant or owner of such application, patent, or trademark registration or his attorney or agent may be required to present evidence establishing the filing date to which the application is entitled. The filing date to which the application is entitled shall be determined on the basis of such evidence and any evidence introduced by an opposing party. The evidence shall be presented as directed by the Commissioner in proceedings in the Office or as directed by the courts in proceedings in the courts.

"(d) Except for the filing of a patent or trademark application, if any action is taken or any fee is paid in the Office later than the end of any time period established by law for taking such action or paying such fee, and no other provision exists for excusing such delay, the delay may be excused if found to have been caused by a postal interruption with respect to which determinations are made and published by the Commissioner as required by subsection 27(a). Relief under this subsection must be requested by a verified statement filed in the Office by the patent or trademark applicant or owner or any other party to a proceeding in the Office or by his attorney or agent within three months after the publication in the Federal Register or other appropriate publication of the date on which the interruption is deemed to have ended. This subsection is applicable to every law requiring an action to be taken or a fee to be paid in the Office, including this title; the Trademark Act of 1946 (ch. 540, 60 Stat. 427), as amended; the Atomic Energy Act of 1954 (Public Law 83–703, 68 Stat. 919), as amended; and the National Aeronautics and Space Act (Public Law 85–568, 72 Stat. 426 (1958)), as amended. In cases involving the Atomic Energy Act of 1954 of 1954 or the National Aeronautics and Space Act, determinations of relief shall be made by the Board of Examiners-in-Chief. In other cases, determinations shall be made by the Commissioner.

"§ 28. Program to assist individual inventors and small businessmen in prosecuting applications

"(a) The Commissioner shall establish a program designed to provide advice and assistance to individual inventors and small business concerns (as that term is defined in or pursuant to section 2[3] of the Small Business Act, as amended, 15 U.S.C. 632) in—

"(1) preparing and filing applications for patent; and

"(2) prosecuting or defending proceedings under chapters 12 and 13 of this title.

"(b)(1) Such an inventor or small business concern (hereinafter referred to in this section as the 'candidate') shall qualify for such program upon an appropriate showing of need, as the Commissioner shall, in his discretion, prescribe by regulation. Qualifications as to need shall include considerations of the expense and ability of the candidate to obtain adequate counsel, the complexity and importance of the subject matter sought to be patented, and the complexity and expense to the candidate of the proceeding in which the candidate may be or is involved.

"(2) Five years from the effective date of this Act, the Commissioner shall submit a report to Congress indicating the effectiveness of this pilot program and the extent of its utilization, evaluating the criteria used in selecting candidates, reporting on the cost-effectiveness of the program, and recommending appropriate legislation, if the Commissioner deems any appropriate, to place this pilot program on a permanent basis.

"(c) The Commissioner shall assign sufficient professional and clerical staff to this pilot program adequately to test its effectiveness, and shall take measures appropriate to assure that adverse or conflicting interests or positions are not taken by the same employee of the Office.

"CHAPTER 3.—PRACTICE BEFORE THE OFFICE

"Sec.
"31. Regulation for agents and attorneys.
"32. Suspension or exclusion from practice.
"33. Unauthorized practice.
"34. False statements.

"§ 31. Regulation for agents and attorneys

"(a) The Commissioner may prescribe regulations governing the recognition and conduct of agents, attorneys, or other representatives of applicants or other persons before the Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office.

"(b) Any person refused recognition under subsection (a) of this section by action of the Commissioner may have judicial review of such action in the United States District Court for the District of Columbia, in accordance with the provisions of chapter 7, of title 5, United States Code.

"§ 32. Suspension or exclusion from practice

"The Commissioner may determine on the record, after notice and an opportunity for a hearing as provided in chapter 5, subchapter II, title 5, United States Code, to suspend or exclude from further practice before the Office, either generally or in any particular case, any agent, attorney, or representative of an applicant or other person if such individual is shown to be incompetent, or to be guilty of gross misconduct, or not to have complied with section 31 of this chapter or sections 115 or 131 of this title, or regulations established thereunder, or to have, in any manner and with intent to do so, deceived, misled, defrauded, or threatened, whether by word, circular, letter, documents, advertising, or otherwise, any applicant, prospective applicant, or other person having immediate or prospective business before the Office in his official capacity. Judicial review of the Commissioner's actions under this section shall be had in the United States District Court for the District of Columbia, in accordance with the provisions of chapter 7, title 5, United States Code.

"§ 33. Unauthorized practice

"(a) Whoever—

"(1) not being recognized pursuant to section 31 of this chapter to practice before the Office—

"(A) holds himself out or knowingly permits himself to be held out as so recognized, or

"(B) holds himself out or knowingly permits himself to be held out as available either to perform the services of preparing or prosecuting an application for patent or to provide such service to be performed by a person not so recognized or by an unidentified person, or

"(C) for compensation, either performs the service of preparing or prosecuting an application for patent for another not so recognized or provides such service to be performed by a person not so recognized or by an unidentified person; or

"(2) whether recognized or not pursuant to section 31 of this chapter to practice before the Office, makes an applicant, prospective applicant for a patent, or the Office any false, misleading, or deceptive representation of any material fact, by commission or omission, with respect to the procurement of a patent—

shall be punishable by imprisonment not exceeding one year or a fine not exceeding $10,000 for each offense, or both.

"(b) For the purposes of subsection (a)(1) of this section, where an agent, attorney, or firm recognized to practice before the Office, assumes responsibility for the service of preparing or prosecuting a patent application at the time such service is rendered, the service shall be considered as performed by such agent, attorney, or firm.

"§ 34. False statements

"Whoever—

"(a) knowingly and willfully makes a false statement to the Office; or

"(b) knowingly and willfully makes a statement to the Office in which he fails to disclose any fact or other matter, the disclosure of which is necessary to prevent the statement, or a prior statement relating thereto, from being misleading when considered as a whole; or

"(c) knowingly and willfully fails to disclose to the Office information required to be disclosed by this title or another provision of Federal law; or

"(d) conspires or attempts to do any of the foregoing; aids, abets, or causes another to do so; or willfully assists another to conceal or cover-up his having done so—

shall be punishable by imprisonment not exceeding six months, or a fine not exceeding $5,000, or both.

"CHAPTER 4.—OFFICE FEES

"Sec.
"41. Office fees.
"42. Payment of fees; return of excess amounts.

"§ 41. Office fees

"(a) For purposes of this section—

"(1) Costs of operation of the Office are total Office appropriations for the most recently completed fiscal year plus expenditures during the same year from the separate account or accounts established by subsection (d) of this section.

"(2) Fees charged for patent and trademark examination may include:

"(A) fees charged under this title for (i) filing, searching, examining, and publishing patent applications, and claims in applications, (ii) issuing patents, (iii) filing disclaimers, (iv) filing appeals to the Board of Examiners-in-Chief and briefs in support of such appeals of proceedings, (v) filing petitions for revival of abandoned patent applications or for delayed payment of fees, and (vi) issuing of certificates under section 255 or section 256, and (vii) processing international applications under Part IV of this title;

"(B) fees charged under the Trademark Act of 1946 (60 Stat. 427), as amended, for (i) filing original applications for registration of a mark in each class, (ii) filing applications for renewal of a mark in each class, and an additional fee for filing after expiration of the registration, (iii) filing affidavits under section 8(a) or 8(b) for a mark in each class, (iv) filing petitions for revival of abandoned applications, (v) filing oppositions to registration of a mark in each class, (vi) petitioning for cancellation of a mark in each class, (vii) filing appeals to the Trademark Trial and Appeal Board for a mark in each class (viii) issuing new certificates of registration following changes of ownership of marks or corrections of registrant's mistakes, (ix) issuing certificates of correction of registrants' mistakes or amendments after registration, (x) filing disclaimers after registration, and (xi) filing notices of claims of benefits of the Trademark Act of 1946 for marks to be published under section 12(c).

"(3) In determining the costs of products and services for purposes of this section there shall be included (A) all costs identifiable directly with the performance of the products or services, including, but not limited to, personal services and benefits, related accrued annual leave, services rendered under contract, materials and supplies consumed, inventory losses, and equipment purchase and depreciation directly related to the performance of such products or services; and (B) a proportionate allocation of general, administrative, and research expenses charged to the Office on the basis of the extent to which such expenses are related to the products or services.

"(b)(1) The Commissioner shall prescribe by regulations the fees which shall be charged for patent and trademark examination, the maintenance of patents in force, supplying of copies of records, furnishing of publications, other products, or services provided by the Office, and any other matters set forth in this title or in the Trademark Act of 1946 (60 Stat. 427), as amended, requiring a fee. Fees shall be designed to effect an overall recovery of approximately 50 per centum of the costs of operation of the Office. Reduced or nominal fees may be charged to libraries specified in section 9(d) of this title for patent copies.

"(2) For patents owned legally and beneficially by an individual inventor or a small business concern (as that term is defined in or pursuant to section 2[3] of the Small Business Act, as amended, 15 U.S.C. 632), and which the owner is under no legal obligation to assign, combined filing, examination, and issuance fees shall not exceed $100. For all other patent applicants the combined filing, examination, and issuance fees shall not be less than $200.

"(c) Fees charged for patent and trademark examination and maintenance shall not be adjusted more than once every two years. Fees for new services may be instituted whenever necessary. All fee adjustments and new fees shall be announced in the Federal Register thirty days prior to their coming into effect.

"(d) Except as provided in subsection (f) of this section, fees shall be charged to recover the full cost of providing Office products and services, other than patent and trademark examination, which convey special benefits to recipients above and beyond those accruing to the public at large. The individual fees for such products or services shall, as nearly as practicable, recover the costs attributable to the particular products or services for which the fees are charged. All fees paid to the Office for products and services, other than fees charged for patent and trademark examination and fees for maintaining patents in force, shall be deposited in a separate account or accounts which may be used to pay directly the costs of such products or services, to repay or make advances to appropriations or funds which do or will initially bear all or part of such cost, or to refund excess sums when necessary, the provisions of section 6 of the Act of June 26, 1934 (31 U.S.C. 725e) notwithstanding. Acts appropriating funds to the Office may include provisions limiting annual expenditure from said account or accounts.

"(e) The fees prescribed under the authority of this title and the Trademark Act of 1946 (60 Stat. 427), as amended, shall apply to any other Government department or agency, or officer thereof, except that the Commissioner may waive the payment of any fee for services or materials in cases of occasional or incidental requests by a Government department or agency, or officer thereof: *Provided*, That nothing herein shall affect the authority to register trademarks without charge under section 2 of the Act of August 27, 1935 (49 Stat. 891) (25 U.S.C. 305a), as amended.

"(f) (1) During the term of a patent, other than a design patent, the following maintenance fees shall be due:

"(A) a first maintenance fee of at least $300 on or before the seventh anniversary of the beginning of the term of the patent and

"(B) a second maintenance fee of at least $600 on or before the tenth anniversary of the beginning of the term of the patent; and

"(C) a third maintenance fee of at least $1,100 on or before the thirteenth anniversary of the beginning of the term of the patent.

"(2) In the case of a reissue patent the times specified herein shall run from the date of the original patent.

"(3) (A) A grace period of six months will be allowed in which to pay any maintenance fee, provided it is accompanied by the fee prescribed for delayed payment. When a response is not received to the notice provided by paragraph (5) of this subsection, a subsequent notice shall be sent approximately sixty days after the due date of any maintenance fee.

"(B) The first and second maintenance fees may be deferred in accordance with paragraph (6) of this subsection.

"(4) A patent will terminate on the due date for any maintenance fee unless, as provided for in this section, the fee due (including any fees previously deferred) is paid or a statement in accordance with paragraph (6) of this subsection requesting deferment is filed. Such termination or lapsing shall be without prejudice to rights existing under any other patent.

"(5) Notice of the requirement for the payment of the maintenance fees and the filing of statements in compliance with this subsection shall be attached to or embodied in the patent.

"(6) (A) Any inventor to whom a patent issued (or his heirs), or any small business concern (as that term is defined in or pursuant to section 2[3] of the Small Business Act, as amended, 15 U.S.C. 632), who legally and beneficially owns the patent, and which the owner is under no legal obligation to assign, may within six months of the seventh anniversary of the beginning of the term of the patent by a statement to the Commissioner request deferment of the first maintenance fee if the gross benefit received by the inventor or any other party having or having had any interest in the subject matter of the patent, from, under, or by virtue of the patent or from the manufacture, use, or sale of the invention, was less in value than the amount of the fee, and the statement so specifies. The fee shall thereupon be deferred until the time the second maintenance fee is due and shall be paid in addition to the second maintenance fee.

"(B) Any inventor to whom a patent issued (or his heirs) or any small business concern (as that term is defined in or pursuant to section 2[3] of the Small Business Act, as amended, 15 U.S.C. 632), who legally and beneficially owns the patent, and which the owner is under no legal obligation to assign, may within six months of the tenth anniversary of the beginning of the term of the patent by a statement to the Commissioner request deferment of the second maintenance fee (and further deferment of the first maintenance fee is such fee has been deferred) if the gross benefit received by the inventor or any other party having or having had any interest in the subject matter of the patent during the proceding four years, from under, or by virtue of the patent or from the manufacture, use, or sale of the invention, was less in value than the amount of the second fee, and the statement so specifies. The second fee, or the first and second fees, as the case may be, shall thereupon be deferred until the time the third maintenance fee is due and shall be paid in addition to the third maintenance fee and with the same result if not paid. No deferment of any of the fees beyond the thirteenth anniversary of the term of the patent shall be permitted and the patent will terminate at the end of the thirteenth anniversary of the term unless all maintenance fees are paid in accordance with the provisions of this subsection.

"(g) Any small business concern electing the lesser fee under subsection (b)(2) or electing deferral of any fee under subsection (f) hereof shall provide to the Commissioner an appropriate certification, in such form as the Commissioner by regulation shall prescribe from the Small Business Administration of his qualification as a small business concern under the Small Business Act.

"§ 42. Payments of fees; return of excess amounts

"All fees shall be paid to the Commissioner who, except as provided in sections 361(b) and 376(b) of this title, shall deposit the same in the Treasury of the United States, and the Commissioner may refund from the appropriate account any sum paid by mistake or in excess of the prescribed fee.

"Part II—Patentability of Inventions and Grant of Patents

"Chapter	Sec.
"10. Patentability of Inventions	100
"11. Application for Patent	111
"12. Examination of Application	131
"13. Review of Patent Office Decisions	141
"14. Issue of Patent	151
"15. Plant Patents	161
"16. Designs	171
"17. Secrecy and Filing Applications in Foreign Countries	181
"18. Deferred Examination	191
"19. Amendment, Correction, and Reissue of Patents	251

"Chapter 10.—Patentability of Inventions

"Sec.
"100. Definitions.
"101. Subject matter patentable.
"102. Conditions for patentability; novelty and bars to patent.
"103. Conditions of patentability; nonobvious subject matter.
"105. Priority of invention.

"§ 100. Definitions

"When used in this title, unless the context otherwise indicates—

"(a) The term 'invention' means invention or discovery.

"(b) The term 'process' means process, art, or method and includes a new use of a known process, machine, manufacture, composition of matter, or natural material.

"(c) The terms 'United States' and 'this country' mean the United States of America, its territories, and possessions, and the Commonthwealth of Puerto Rico.

"(d) The term 'applicant' means any person who owns an application for a patent, as provided in this title.

"(e) The term 'patentee' includes not only the person to whom the patent was issued but also the successors in title to such person.

"(f) The term 'actual filing date in the United States' includes the filing date to which an application, an international application under section 363 of this title, or patent, or the subject matter of any claim thereof, may be entitled under the provisions of sections 120 and 365(c) of this title (and excludes any date under section 119, 365(a) or 365(b) of this title). An application, an international application, or the resulting patent may contain separate claims for subject matter having different actual filing dates in the United States by virtue of the provisions of sections 120 and 365(c) of this title or may contain claims entitled to the benefit of a prior date under the provisions of sections 119 and 365 (a) and (b) of this title, in addition to claims not so entitled.

"(g) The terms 'manufacture,' 'composition of matter,' and 'new and useful improvement thereof' do not include any known manufacture or composition of matter, or any new but conventional formulation or preparation of any of the foregoing or any natural material, whether or not the same is adapted for practicing a new use thereof; *Provided, however,* such subject matter may be claimed in the manner specified in section 112(e)(3) of this title.

"(h) The term 'person' includes an individual and any entity considered as such at law, including a coroporation, company, association, firm, partnership, joint stock company, foundation, institution, society, union, club, church, the United States, any government, government agency, or any other group of persons organized for any purpose.

"(i) The term 'inventor' as applied to any claim of a patent or application for patent, means the individual or group of individuals who invented or discovered the subject matter of such claim.

"§ 101. Subject matter patentable

"Whoever invents or discovers any new and useful process, machine, manufacture, composition of matter, or any new and useful improvement thereof, or his successor in title, may obtain a patent therefor, subject to the conditions and requirements of this title.

"§ 102. Conditions for patentability; novelty and bars to patent

"A person shall not be entitled to a patent if the subject matter sought to be patented—

"(a) was, before the invention thereof by the inventor named in the application—

"(1) patented in this or a foreign country; or

"(2) described in this or a foreign country in a printed or other tangible form of publication; or

"(3) known or used nonsecretly in this or a foreign country by any person other than the inventor named in the application; or

"(b) was, more than one year prior to the actual filing date in the United States of the application for patent—

"(1) patented in this or a foreign country; or

"(2) described in this or a foreign country in a printed or other tangible form of publication; or

"(3) in public use or on sale in this or a foreign country; or

"(4) in commercial use by the inventor, the applicant, any person to whom either is under any obligation to assign the application, the applicant's predecessor in title, or any of them; or

"(c) was suppressed or otherwise unreasonably concealed by the inventor, the applicant, any person to whom either is under any obligation to assign the application, the applicant's predecessor in title, or any of them; or

"(d) was first patented or caused to be patented by, or was the subject of an inventor's certificate issued to, the inventor or applicant or their legal representatives or assigns, or the applicant's predecessors in title, or described or caused to be described in an officially published application, in a foreign country prior to the actual filing date in the United States of the application for patent, on an application for patent or inventor's certificate filed more than one year before the actual filing date in the United States of the application; or

"(e) was described in a published or publicly available United States patent application or United States patent by an individual or group of individuals other than the inventor named in the application, unless such application has an actual filing date in the United States (or prior filing date arising under section 119 of this title) subsequent to the date of invention of the subject matter by the inventor named in the application; or

"(f) was not invented by the inventor named in the application; or

"(g) was invented by any other individual or group of individuals who is entitled to priority of invention pursuant to section 105 of this title.

"§ 103. Conditions for patentability; nonobvious subject matter

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

"§ 105. Priority of invention

"(a) Among several individuals or groups of individuals asserting, or on whose behalf is asserted, inventorship of the same or substantially the same subject matter, that individual or group of individuals shall be entitled to priority of invention, subject to subsections (b) and (c) of this section, who is entitled to the benefit of the earliest actual filing date in the United States (or prior filing date arising under section 119 of this title).

"(b) An individual or group of individuals shall be entitled to priority of invention as to claimed subject matter, whether or not he or it filed a patent application thereon, and notwithstanding subsection (a) of this section but subject to subsections (c) and (d) of this section, if he or it establishes the earliest date of reduction to practice in this or a foreign country.

"(c) An individual or group of individuals shall be entitled to priority of invention as to claimed subject matter, whether or not he or it filed a patent application thereon, and notwithstanding subsections (a) and (b) of this section but subject to subsection (d) of this section, if he or it establishes the earliest date of conception of an invention in this or a foreign country, and further establishes that he or it was reasonably diligent toward reduction to practice, from a time immediately prior to the date of conception of the subject matter by any other individual or group of individuals asserting inventorship of the subject matter until his or its own reduction to practice.

"(d) In determining entitlement to priority of invention, no individual or group of individuals shall be entitled to rely on a date of conception or actual reduction to practice if, subsequent to such date—

"(1) the inventor, the applicant, any person to whom either is under any obligation to assign the application, the applicant's predecessors in title, or any of them, suppressed or otherwise unreasonably concealed the subject matter sought to be patented, or

"(2) the inventor, the applicant, and all persons engaged in such activity, to whom the inventor or applicant is under any obligation to assign the application, terminated activity with respect to the subject matter sought to be patented, in circumstances establishing intent not to resume such activity.

Inactivity with respect to the subject matter for a period of one year shall constitute prima facie evidence of such intent. Nothing contained in paragraph (2) of this subsection shall prevent an individual or group of individuals who resumes activity from relying on the date of resumption of activity.

"(e) Notwithstanding any other subsections of this section, an individual or group of individuals shall not be entitled to priority of invention, if it is established that he or it derived the invention from any other individual or group of individuals, whether or not the latter individual or group of individuals is asserting inventorship.

"(f) Notwithstanding any other subsections of this section, no person shall be entitled to establish a date of invention by reliance on knowledge or other activity more than one year prior to the earliest actual filing date in the United States (or prior filing date arising under section 119 of this title).

"CHAPTER 11.—APPLICATION FOR PATENT

"Sec.
"111. Applications for patent.
"112. Specification.
"113. Drawings.
"114. Models, specimens.
"115. Duty of disclosure; oaths, statements.
"116. Joint inventors.
"117. Death or incapacity of inventor.
"119. Benefit of earlier filing date in foreign country; right of priority.
"120. Benefit of earlier filing date in the United States.
"121. Divisional applications.
"122. Confidential status of applications.
"123. Availability of decisions respecting abandoned applications.

"§ 111. Application for patent.

"(a) An application for patent may be filed by any individual or group of individuals claiming to have invented the subject matter sought to be patented, or his assignee or other successor in title. The application shall be made in writing to the Commissioner, shall be signed by the applicant, shall include the name of each individual believed by him to have made an inventive contribution to the claims in such application. An application filed by a person not the inventor shall include, at the time of filing, a statement of the facts supporting the allegation of assignment and ownership of the subject matter sought to be patented.

"(b) An application for patent shall include—

"(1) a specification as prescribed by section 112 of this chapter; and

"(2) a drawing as prescribed by section 113 of this chapter; and

"(3) a fee within reasonable time and in such amount as the Commissioner may by regulation prescribe under section 41(a) of this title.

"(c) An application for patent filed on behalf of an applicant by another shall be considered as having been filed by the applicant, providing the applicant furnishes written notice to the Commissioner of acceptance of the filing on his behalf. Failure of the applicant to provide such written notice within six months of the filing of the application shall result in abandonment of the application.

"(d) Except as provided in section 371(e) of this title, when the application is signed by or on behalf of the assignee, or other successor in title, the inventor, after having been furnished the application, may file a ratification within thirty days from the filing of such application. If such ratification is not timely filed the assignee or successor in title shall be notified to that effect by the Office; and within thirty days after the sending of such notice he shall serve a copy of the application on the named inventor along with a statement calling attention to the provisions of subsection (e) of this section. Service may be effected by mailing a copy of the application and statement, by first-class mail to the last known address of the inventor or, if such address is not known, to the last known address of his legal representative. Failure to serve a copy of the application and statement on the named inventor within thirty days from the sending of such notice shall result in abandonment of the application unless good reason for such failure is shown to the satisfaction of the Commissioner. The primary examiner examining the application may require proof of such service, and may extend the thirty day period from its sending of such notice or waive the requirement for service upon a showing of sufficient cause. In the case of a deceased inventor, or one under legal incapacity, the provisions of section 117 of this chapter shall become applicable.

"(e) An inventor, within a time prescribed by the Commissioner, may furnish a statement under oath to the Commissioner alleging that the applicant is not the assignee of the subject matter of the application as required by subsection (a) of this section. The Commissioner, in accordance with such regulations as he establishes and on the inventor's compliance with the requirements of this title, shall issue a patent to the inventor filing such written notice, without prejudice to later judicial proceedings, unless the notice is withdrawn by the inventor or the applicant files a written statement by the inventor consenting to the filing of the application by, and the issuance of the patent to, the applicant.

"(f) Notice to the Commissioner, in a manner prescribed by him in regulations, of a final decision in a judicial proceeding in a court having jurisdiction thereof from which no appeal has or can be taken that an applicant is the assignee or owner of the subject matter of the application shall constitute an assignment to such applicant of his application.

"(g) An error or mistake in the naming of an individual as an inventor in either a sole or joint application for patent, or in the failure to include an individual as an inventor in an application for patent, without any willful default or intent to defraud, mislead, or deceive the public on the part of any of the individuals named as inventors, whether originally or subsequently, or the assignees thereof, may be corrected while the application is pending before the Office on timely petition by all the individuals originally and subsequently named as inventors, and the assignees thereof, with proof of the facts, in accordance with regulations established by the Commissioner: *Provided, however,* That the actual inventor must make the statement as prescribed in section 115 of this chapter.

"§ 112. Specification

"(a) (1) The specification shall at the time the application is filed contain a written description—

"(A) of the subject matter sought to be patented; and

"(B) of the novel, superior, or unexpected properties or results on which the applicant will rely in seeking or upholding the grant of the patent.

"(2) Whenever the patentability of the subject matter sought to be patented depends on properties or results referred to in paragraph (1) (B) of this subsection, such properties or results must have been discovered by the inventor named in the application, or by other individuals identified by the inventor and acting on his behalf in the exercise of nondiscretionary duties under his direction, for the applicant to be entitled to rely thereupon.

"(b) The specification shall at the time the application is filed, contain and designate as such, a description of that which the inventor, any person to whom he is under any obligation to assign the application, the applicant, or any of them, knows or contemplates to be the manner and process of making and using the subject matter sought to be patented, including the best mode or modes of doing so then known, designated as such, in such full, clear, concise, and exact terms as to enable any person having ordinary skill in the art to which it pertains, or with which it is most nearly connected, to make, use, and practice it.

"(c) (1) The specification shall state what is known to the inventor, any person to whom he is under any obligation to assign the applications, and applicant, or any of them, to be conventional or old with respect to the subject matter claimed. It shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter sought to be patented. Any new use of a known machine, manufacture, composition of matter, or natural material must be claimed as a process (as defined in section 100(b) of this title), and may not be claimed as a machine, manufacture, or composition of matter. A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

"(2) Subject to paragraph (3) of this subsection, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

"(3) A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

"(d) An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital in the claim of structure, material, or acts in support thereof. A means or step for performing a specified function shall be construed to cover the structure, material, or acts in support thereof expressly set forth in the specification as relating thereto, and, subject to the provisions of section 282(e) of this title, the equivalents thereof.

"(e) (1) The Commissioner shall prescribe regulations, consistent with the provisions of this title, governing the format of claims. Except as provided by paragraph (2) of this subsection, such regulations shall assure that claims avoid inclusion of parts, elements, or steps that are not part of the inventive contribution of the inventor.

"(2) Whenever the nature of the case admits, any independent claim shall contain, in the following order:

"(A) a preamble including a description of all the elements or steps of the claimed subject matter which are conventional or old,

"(B) a phrase such as 'wherein the improvement comprises', and

"(C) those elements, steps, and/or relationships among them and/or between them and the elements or steps set forth in the preamble, which constitute that portion of the subject matter of the claim embodying the inventive contribution.

"(3) (A) Notwithstanding section 100(g) of this title, whoever discovers that a new but conventional formulation or preparation of a known manufacture or composition of matter, or a natural material, is adapted for practicing a specific, identified use or uses thereof, discovered by him, shall only be entitled to claim the same as a method or in the following form:

"(i) a description of the manufacture, composition of matter, or natural material, formulated or prepared as disclosed in the specification for practicing the specific, identified new use or uses thereof;

"(ii) a phrase such as 'for use in practicing the method claimed in'; and

"(iii) a reference to a method claim previously set forth.

"(B) A claim in such form shall be construed to incorporate by reference all the limitations of the method claim to which it refers. A claim in such form may make multiple references to method claims previously set forth, as in the manner specified for multiple dependent claims, in subsection (c) (3) of this section, and shall be construed in like manner in respect to the limitations in such claims.

"(f) When the subject matter sought to be patented relates to a process involving the action of a micro-organism not already known and available to the public or to a product of such process, the written description required by subsections (a) and (b) of this section shall be sufficient as to said micro-organism, if—

"(1) not later than the date that the United States application is filed, an approved deposit of a culture of the micro-organism is made by or on behalf of the applicant or his predecessor in title, and

"(2) the written description includes the name of the depository and its designation of the approved deposit and, taken as a whole, is in such descriptive terms as to comply with subsections (a) and (b) of this section.

"(g) For the purpose of subsection (f) (1) of this section, an approved deposit shall be a deposit which—

"(1) is made by any public depository which shall have been designated for such deposits by the Commissioner by publication, and

"(2) is avaliable, except as otherwise prohibited by law, in accordance with such regulations as the Commissioner may prescribe—

"(A) to the public upon issuance of a United States patent to the applicant or his predecessor or successor in title which refers to such deposit, or

"(B) prior to issuance of said patent, as specified in section 122 of this title.

"(h) For the dissemination of information and other purposes, the Commissioner, in accordance with such regulations as he establishes, may require an abstract of all or part of the application. The abstract shall not be used for interpreting the scope of any claims of a patent.

"§ 113. Drawings

"The applicant shall furnish a drawing where necessary for the understanding of the subject matter sought to be patented. When the nature of such subject matter admits of illustration by a drawing and the applicant has not furnished such drawing, the Commissioner may require its submission within a time period of not less than two months from the sending of a notice thereof. Drawings submitted after the filing date of the application may not be used—(i) to overcome any insufficiency of the specification due to lack of an enabling disclosure or otherwise inadequate disclosure therein, or (ii) to supplement the original disclosure thereof for the purpose of interpretation of the scope of any claim.

"§ 114. Models, specimens

"(a) The primary examiner may require the applicant to furnish a model of convenient size to exhibit advantageously the several parts of the subject matter sought to be patented.

"(b) The primary examiner may also require the applicant to furnish specimens or ingredients for the purpose of inspection or experiments.

"§ 115. Duty of disclosure; statements

"(a) (1) The inventor, the applicant (if not the investor), any person to whom the inventor or applicant is under any obligation to assign the application, and each of the agents or attorneys (or other representatives recognized under section 31 of this title) who directly or through any agent prepared or prosecute the application (or participate in any other proceeding before the Office) have a continuing uncompromising duty to act with the highest degree of candor and good faith toward the Office, a duty to make reasonable inquiry as to information in their respective possession or control, and a duty to disclose to the Office all information they respectively know, the disclosure of which is necessary to make the application (and each document filed in connection therewith) as a whole not misleading in respect to the requirements of this part of this title.

"(2) The duty to make reasonable inquiry will be satisfied by making good faith inquiry into those sources of information which a reasonably prudent man would inquire into before making representations to another, on which he knew the other would rely.

"(3) The applicant and his agents and attorneys have an obligation, continuing until issuance of the patent, to notify the Office of any known change in, or addition to, the section 131 (b) of this title.

"(b) (1) Each inventor, at the time the application is filed (or as soon as practicable within six months thereof), shall file a statement that he believes himself to be original and first inventor, and shall state of what country he is a citizen.

"(2) The inventor, the applicant (if not the inventor), any person to whom the inventor is under any obligation to assign the application, and the agent or attorney (or other representative recognized under section 31 of this title) who has been primarily responsible for the prosecution of the application (or if such agent or attorney is not reasonably available to the applicant, the agent or attorney then responsible) shall, after the Office sends notice of allowance, but before payment of the issue fees pursuant to section 151 of this title, makes reasonable inquiry as to information in his possession and control and file a statement that he has fully complied with the requirements of subsection (a) of this section, and that he believes (to the extent he has knowledge thereof) that each of the other persons referred to in subsection (a)(1) has also fully so complied.

"(3) In the case of an applicant not the inventor, such statement shall also verify the facts supporting the allegation of ownership of the application, or other basis of the right to file an application for patent on the subject matter.

"(4) In the case of an applicant, such statement shall verify that no change has occurred in the information provided in accordance with sections 115(a)(3) and 131(b) of this title.

"(5) In the case of a corporation or other business entity not a natural person, the statement shall be made by one or more directors, officers, employees, or agents thereof, and shall verify that he or they have actual knowledge of the subject matter of the application and actual authority to make a statement on behalf of the business entity.

"(c) Whenever an inventor, applicant, agent, attorney, or other representative recognized under section 31 of this title refuses to execute any statement required by this section, or cannot be found or reached after reasonable effort, the inventor or a person to whom the inventor has assigned or agreed in writing to assign the subject matter sought to be patented, or who otherwise shows sufficient proprietary interest in the matter justifying such action, shall file in lieu of said statement an affidavit proving the pertinent facts as to such reasonable effort and showing that such action is necessary to preserve his rights or to prevent irreparable damage.

"§ 116. Joint inventors

"(a) When two or more individuals (referred to hereafter in this section as 'joint inventors') have jointly made inventive contributions to the subject matter of at least one designated claim of an application, they shall apply for a patent jointly. It shall not be necessary for each of the joint inventors to have contributed to each of the claims of the application provided the application conforms to the requirements of section 121(a) and subsection (b) of this section. Each of the joint inventors shall sign the application and make the required statement, or, if the application is filed by another person having the right to do so, they shall be named together as joint inventors of such claimed subject matter and each shall make the required statement.

"(b) In any application for patent not having the same inventor for such claim therein—

"(1) the applicant shall state to which claim or claims each individual made an inventive contribution;

"(2) each individual named as one of the joint inventors shall identify the claim or claims to which he believes he made an inventive contribution; and

"(3) the patentability and validity of claims having different inventors shall be determined as if such claims occurred in separate applications for patents.

"(c) If a joint inventor refuses to join in an application for patent, or cannot be found or reached after diligent effort, the application may, subject to the requirements of section 111 of this chapter, be made by the other inventor on behalf of himself and the omitted inventor. The Office, in such proceedings and after such notice to the omitted inventor as the Commissioner shall by regulation prescribe, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

"§ 117. Death or incapacity of inventor

"Legal representatives (and, if necessary to preserve legal rights or prevent irreparable damage, the assignee or any person to whom the inventor was or is under an obligation to assign the applicant) of deceased inventors and of those under legal incapacity, may make application for patent and otherwise proceed on behalf of the inventor upon compliance with the requirements and on the same terms and conditions applicable to the inventor.

"§119. Benefit of earlier filing date in foreign country; right of priority

"(a) If an applicant seeks to obtain a patent on subject matter disclosed in an application previously filed in a foreign country, he shall, subject to the provisions of this section be entitled to the benefit of such earlier foreign filing date, if—

"(1) such foreign application was filed by the applicant, or the predecessor or successor in title thereto; and

"(2) the subject matter claimed in the application on which the applicant seeks a United States patent is expressly disclosed in such foreign application in the manner required by sections 112 (a) and (b) of this chapter at the time such foreign application was filed; and

"(3) the two applications have the same inventor for the subject matter common to both applications and claimed in the later application; and

"(4) the application filed in the United States was filed within twelve months after the earliest date on which such foreign application was filed; and

"(5) such foreign application was regularly filed in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States.

"(b) No application shall be entitled to a right of priority under this section unless a claim therefor is made in the specification within three months of the time of filing the application, unless it can be shown to the satisfaction of the primary examiner that there was sufficient cause for failure to do so, and a verified copy of the original foreign application, specification and drawings, upon which it is based, is filed in accordance with regulations established by the Commissioner not later than the time of payment of the fee specified in section 151(b) of this title. An applicant shall not be required to file such verified copy earlier than six months after the actual filing date of the application in the United States. Certification shall show the date of the application and of the filing of the specification and other papers. The Commissioner may require translation of the papers filed if not in the English language and such other information as he deems necessary.

"(c) In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in the same foreign country instead of the first filed foreign application, provided that any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority.

"(d) When the application claiming priority under this section discloses an invention relating to a process involving the action of a micro-organism not already known and available to the public or to a product of such a process and an approved deposit is made under section 112(f) of this chapter, the approved deposit shall be considered to have been made on the earliest date that an application in a foreign country, the priority of which is being claimed, contains a reference identifying a deposit of the same micro-organism made in a public depository.

"(e) Applications for inventor's certificates filed in a foreign country in which applicants have a right to apply, at their discretion, either for a patent or for an inventor's certificate shall be treated in this country in the same manner and have the same effect for purpose of the right of priority under this section as applications for patent, provided such applicants are entitled to the benefits of the Stockholm Revision of the Paris Convention at the time of such filing.

"§ 120. Benefit of earlier filing date in the United States

"(a) If an applicant seeks to obtain a patent on subject matter disclosed in any application previously filed in the United States, he shall be entitled to the benefit of such earlier filing date, if—

"(1) the subject matter claimed in the later application, and on which he seeks a patent in the later application, was disclosed, in the manner required by sections 112(a) and (b) of this chapter, in the previous application; and

"(2) the two applications have the same inventor for the subject matter common to both applications and claimed in the last filed application; and

"(3) the applicant specifically claims the benefit of the date of filing the previous application for the subject matter claimed in the later application within three months of the time he files the later application; and

"(4) the later application is filed prior to—

"(A) the patenting of the previous application, or

"(B) the abandonment thereof; and

"(5) the applicant has not invoked the provisions of this section more than two times previously in connection with the subject matter in whole or part claimed in the later application, provided, however, that reference in an application, filed as a result of a requirement for restriction made by the Commissioner under section 121 of this title to an earlier application which was the subject of such requirement, shall not be deemed as invoking the provisions of this paragraph.

"(b) Subject to the limitations of this section, if a previous application referred to in subsection (a) of this section is entitled to the benefit of the date of an application in a foreign country under section 119 of this chapter, with respect to the subject matter sought to be patented in the later application, then the later application referred to in subsection (a) of this section shall be entitled to the benefit of such date.

"(c) When any applicant who seeks to obtain the benefit of an earlier filing date has made any changes in the specification of the later application, with respect to the allegedly common subject matter, and the examiner questions the right of the applicant to reply on the earlier filing date for the changed matter in the specification, the burden shall be on such applicant to persuade the Office that the subject matter of such changes was expressly disclosed in the previous application.

"§ 121. Divisional applications

"(a) One application shall claim one invention only or a group of inventions so linked to form a single general inventive concept. The Commissioner may require the application to conform to such requirement.

"(b) A patent issuing on an application with respect to which a requirement for restriction under this section has been made, or on an application filed as a result of such a requirement, shall not be usable as a reference in the Office and in the courts against a divisional application or against the original application or any patent issued on either of them.

"§ 122. Publication and confidential status of of application

"(a) (1) Except as provided in paragraph (2) of this subsection, and application for patent filed without a request for examination under section 193 of this title shall be examined as to formal matters and such other matters as the Commissioner may prescribe. Applications for patent shall be published as soon as practicable after a date 18 months from the claimed earliest effective date, upon payment of the fee prescribed in accordance with section 41(b) of this title, if the application is still pending. Failure to pay such fee at the expiration of that period shall result in abandoment of such application.

"(2) The time limit for filing a request for examination with respect to international applications shall be that provided by section 371(b) of this title.

"(b) (1) An applicant may at any time before the expiration of the period established in subsection (a), upon payment of the fee prescribed in accordance with section 41(b) of this title, request complete publication of his application for patent. Publication thereof shall occur as soon as practicable after the request.

"(2) On publication pursuant to the provisions of paragraph (1) of this subsection, the applicant may declare the subject matter disclosed in such application dedicated, and the application abandoned. Thereafter, the application shall no longer be pending before the Office, except as provided in paragraph (3) of this subsection.

"(3) If a pending application or an issued patent claims the same or substantially the same subject matter as the subject matter disclosed in an application that is published pursuant to paragraph (1) of this subsection and dedicated as provided in paragraph (2) of this subsection, the owner of such abandoned application shall be permitted to participate with all the rights of a party, and at least to the same extent as if he were asserting priority of invention pursuant to section 136 of this title, in any proceeding pursuant to section 135 of this title or, as if he were a patentee, in a judicial proceeding pursuant to section 291 of this title. That the owner of the abandoned application is the prevailing party in such proceeding shall not, however, change the effect of his previous dedication or abandonment.

"(c) Before publication of an application for patent, or any portion thereof, under this section, the applicant may be required to place such application or such portion thereof in proper form for publication.

"(d) Until an applicant requests issuance of a patent pursuant to section 132 of this title, or until publication as provided in subsection (b) of this section, applications for patent and records of the prosecution thereof, shall be kept in confidence by the Office and no information concerning the same given without authority of the applicant, except as may be necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner. Thereafter, except as may be expressly provided otherwise by this title, the entire record of such application, including any prior or subsequent record relating to proceedings pursuant to sections 135 and 136 of this title, shall be available to the public for inspection and copying, pursuant to such regulations as the Commissioner may prescribe.

§ 123. Availability of decisions respecting abandoned applications

"(a) Except as provided in subsection (b) of this section, the Office shall index and maintain available for public inspection and copying all final decisions of the Board of Examiners-in-Chief, all final decisions of the Commissioner, and the nonfinal decisions of the Office involving an interpretation of this title or regulations promulgated thereunder, in cases in which the application is abandoned.

"(b) Within one month of the date that an application is abandoned, the applicant may in a verified statement designate any portions of the statement of facts set forth in any decision respecting the application that disclose a trade secret or other confidential research, development, or commercial information belonging to and of substantial value to the applicant (hereafter referred to in this section as 'trade secret information'). Such verified statement shall explain the basis on which the assertion of trade secret information status is made. The Board of Examiners-in-Chief shall review the statement and determine whether any matter should be deleted from the decision to protect trade secret information. The Board may edit the decision for publication purposes, after making deletions of trade secret information, when it is necessary or appropriate to do so to preserve the intelligibility of the decision as to the issues decided therein.

"(c) The provisions of subsection (b) of this section shall not apply to an application relied upon for the purposes of priority in another application on which a patent issues.

"CHAPTER 12.—EXAMINATION OF APPLICATION

"Sec.
"131. Examination of application.
"132. Examination proceedings.
"133. Time for prosecuting application.
"134. Appeal to the Board of Examiners-in-Chief.
"135. Reexamination; inter partes proceeding.
"136. Procedures in priority of invention proceeding.
"137. Burden of persuasion.
"138. Effect of proceedings before the Office.
"139. Settlement agreements.

"§131. Examination of application.

"(a) The Commissioner shall cause an examination to be made of the application and the subject matter sought to be patented. If on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor.

"(b) (1) There shall be filed with each application, within such time and in such form as the Commissioner shall prescribe by regulation, a memorandum containing copies of or citations to such patents, publications, prior art, or other information relating to the patentability of the subject matter sought to be patented (A) that was considered by the applicant or his agent or attorney during preparation of the application for patent, and (B) disclosure of which might reasonably be expected to affect a decision of the Office. The memorandum shall also contain an explanation of the reasons why the claims in such application are allowable over, and upon consideration of, such information. If no such information was considered, the memorandum shall contain a statement of that effect along with reasons supporting the allowability of the claims of such application.

"(2) The Commissioner, in his discretion, may decline to examine any application if the memorandum required by this subsection is not in conformity with regulations as to format and content that the Commissioner has prescribed, or if it is unduly prolix or is lacking in clarity. The applicant shall not lose his filing date if the memorandum is resubmitted according to regulations the Commissioner has prescribed.

"§ 132. Examination proceedings

"(a) In an examination proceeding, an examiner may take any action authorized by this title, or by such regulations as the Commissioner may, consist with the provisions of this title, prescribe.

"(b) (1) In an examination proceeding, or any other proceeding before the Office authorized by this title, the applicant and his agent or attorney shall reduce to writing and submit to the Office for inclusion in the record all arguments and assertions of fact on which they seek to have the Office base any action. If any assertion of fact in the examples set forth in the specification or in assertions made to overcome a rejection is not based on empirical data, then such written statement shall expressly so disclose.

"(2) In an examination proceeding, or any other proceeding before the Office authorized by this title, an examiner or examiner-in-chief may require the applicant, subject to rejection of the application, to support any assertion of fact with the empirical data on which it is based; or, if any assertion is not based on empirical data, with evidence that the assertion is true by reason of accepted scientific principles, or that there is otherwise a reasonable basis on which to draw the conclusion stated.

"(3) An examiner or examiner-in-chief shall not allow a claim or withdraw a rejection thereof on the basis of an assertion of fact unless it is reduced to writing and made a part of the record of the patent application.

"(4) The Commissioner shall by regulation provide, upon notice to all participants, that a record be made of any personal meeting, telephone discussion, or other communication between an examiner and an applicant, or anyone acting on behalf of the applicant, relating to the patent application under examination, and that such record be preserved by the Office for the purposes of administration of this title. A copy of any such record shall, upon request and payment of the prescribed fee, be provided to the applicant or his agent or attorney.

"(c) Whenever, on examination, any claim for a patent is allowed or rejected, or any objection or requirement made, the Commissioner shall notify the applicant thereof stating the reasons for such allowance or rejection, or objection or requirement, with a citation to all references or other information, including any oral representation or statement of fact made by an applicant or his agent or attorney at any interview, relied upon by the Office, together with any other references or information which may be useful in judging the propriety of continuing the prosecution of the application. If, after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined.

"(d) When all the claims in an application have been allowed or finally rejected, the applicant may, in accordance with such regulations as the Commissioner may prescribe, appeal the rejected claims to the Board of Examiners-in-Chief, request issuance of a patent on the allowed claims, or both. When an appeal is taken on rejected claims and request for issuance of a patent on the allowed claims is made simultaneously, any proceedings pursuant to section 135 shall be conducted with respect to both the allowed and rejected claims.

"(e) No amendment shall introduce new matter into the disclosure of an application for patent. Whenever any change is made in the drawing, specification, or claims of an application and the examiner questions whether the changed matter was actually disclosed in the original drawing, specification, or claims of the application, the burden shall be on the applicant to persuade the Office that the changed matter was actually so disclosed.

"(f) The applicant may present amended or new claims for reexamination of his application. Whenever an amendment enlarges the scope of a claim in any material respect, whether by the elimination or contraction of any limitation thereto or otherwise, the applicant shall so state, pursuant to such regulations as the Commissioner shall prescribe, unless he in good faith believes that the amendment does not enlarge the scope of the claim in any material respect, in which case, he shall so state.

"(g) When the applicant requests issuance of a patent on allowed claims under subsection (d) of this section, the Office shall promptly publish such application, or a representative portion thereof, in such form and manner as the Commissioner may prescribe. Thereafter, the procedure specified in section 135 of this title shall become applicable.

"§ 133. Time for prosecuting application

"Upon failure of the applicant to prosecute the application within six months after any decision relating thereto to which notice has been given or mailed to the applicant, or within such shorter time, not less than one month, as ordered in such decision, the application shall be regarded as abandoned, unless it be shown to the satisfaction of the primary examiner, or other officer rendering such decision, that such delay was unavoidable.

"§ 134. Appeal to the Board of Examiners-in-Chief

"(a) (1) Subject to section 3(a) (1) of this title, an applicant for patent, or the Solicitor, may appeal to the Board of Examiners-in-Chief from any final rejection, or objection or requirement by the primary examiner. The Board of Examiners-in-Chief shall thereupon conduct an inter partes examination proceeding. In such proceeding, the Board shall determine, de novo, subject to paragraph (2) of this subsection, whether the subject matter claimed in the application is patentable. The Board may render a decision on that issue, or may remand the proceeding to the primary examiner for reconsideration in light of evidence or other information presented to or adduced by the Board.

"(2) In deciding an appeal pursuant to paragraph (1) of this subsection, the Board may reject a claim that the primary examiner has decided is allowable. When the Board rejects a claim that the primary examiner has decided is allowable, the Board may remand the proceeding to the primary examiner for consideration, consistent with the Board's rejection, of amendments that the applicant wishes to make, but no such amendment shall materially enlarge the scope of the claims in the application or add new matter.

"(b) If any such appeal is taken to the Board of Examiners-in-Chief, the primary examiner may in his discretion, within such time as the Board shall prescribe, prepare a legal opinion elaborating and explaining the final rejection made by him. The Solicitor shall be responsible for preparing, taking discovery, briefing, and arguing the case before the Board of Examiners-in-Chief in respect to any appeal taken by any applicant. The Solicitor may authorize the briefing and arguing of a case by the primary examiner, if such primary examiner consents to the delegation and will himself participate in the appeal.

"§ 135. Reexamination; inter partes proceeding

"(a) Any person may, within six months after an application for patent is published as allowable, pursuant to section 132 of this title—

"(1) notify the Commissioner, in writing, of patents or publications in printed or other tangible form, relating to the subject matter claimed, or any other information which may be relevant to allowability of any claim of such application;

"(2) submit any explanation thereof which he deems appropriate; and

"(3) request the Office to examine the application further on the basis of such information.

"(b) (1) The Commissioner shall:

"(A) supply the applicant with the information disclosed by the notification, and any explanation thereof; and

"(B) direct further examination of the application by a primary examiner.

"(2) The applicant may present amended or new claims for such examination, but no such claims shall materially enlarge the scope of the claims of the application or add new matter. The order entered by the primary examiner on such examination shall be communicated to the applicant and to each person who has made notification pursuant to subsection (a) of this section within two months after the close of the period for requesting such examination, unless the Office for cause extends such time. No fee shall be charged for such examination.

"(3) The person requesting such examination pursuant to this subsection shall not otherwise participate in the proceeding before the primary examiner. The Office shall keep the identity of such person in confidence, unless he elects otherwise. No information concerning the identity of the person shall be given without his authority, nor shall any information concerning the same be the subject of involuntary discovery or interrogation in a civil action except as may be necessary to carry out the provisions of an Act of Congress or in such special circumstances as the Commissioner may determine.

"(4) The applicant, or the person who made such notification, if he discloses his identity, may appeal from such order of the primary examiner to the Board of Examiners-in-Chief, and public notice thereof shall be given. The Board in an inter partes proceeding shall determine the matter de novo, in accordance with such procedures as the Commissioner by regulation shall prescribe.

"(5) (A) The applicant and the person taking the appeal pursuant to paragraph (4) of this subsection shall be parties to the inter partes proceeding.

"(B) Any other person asserting an interest in the subject matter may, in accordance with such regulations as the Commissioner shall prescribe, intervene as a party in such proceeding. Such regulations shall insofar as is possible correspond to the Federal Rules of Civil Procedure, now in force or as amended hereafter, relating to intervention.

"(C) In addition, the United States may upon timely application intervene of right as a party in such proceeding.

"(6) Parties to such inter partes proceeding shall submit written briefs and shall be permitted to—

"(A) present oral argument;

"(B) take depositions, discovery, or testimony, pursuant to section 23 of this title;

"(C) present oral testimony and cross-examine witnesses in proceedings not limited to only patents, publications, or other documents or information in tangible form relating to the state of the art; or otherwise when good cause is shown; and

"(D) take any other action authorized by this title, or by such regulations as the Commissioner may, consistent with the provisions of this title, prescribe.

"(7) Proceedings before the Board of Examiners-in-Chief, pursuant to this section, shall be open to the public, and notice thereof shall be given. A record of any hearings shall be kept.

"(8) The applicant may, on the basis of the information submitted, present new or amended claims for consideration by the Board of Examiners-in-Chief, but no such claims shall materially enlarge the scope of the claims in the application or add new matter. The Board of Examiners-in-Chief may, pursuant to regulations prescribed by the Commissioner, remand the application to a primary examiner for consideration of such new or amended claims.

"(9) Any party may take an appeal from a decision of the Board of Examiners-in-Chief pursuant to chapter 13 of this title.

"(c) If a party to a proceeding under this section asserts that the subject matter sought to be patented is not patentable to the applicant by reason of priority of invention of such party, and the requirements of section 136 of this chapter have otherwise been met, the Board of Examiners-in-Chief may, pursuant to such regulations as the Commissioner shall prescribe, institute a proceeding pursuant to section 136 of this title and suspend the proceeding pursuant to this section until the completion of such proceeding pursuant to section 136.

"(d) Notwithstanding section 154(b) of this title, the term of any patent issued by the Commissioner on an application which was the subject of proceedings pursuant to subsection (a) (4) shall be extended by that portion of the period of time equal to the time elapsed between the close of the period for requesting examination pursuant to subsection (a) of this section and the date on which such proceedings were completed, in excess of twelve months.

"(e) Nothing contained in this title shall be deemed to preclude any person from at any time submitting any information to the Office he may deem pertinent to any pending proceeding, nor to preclude the Office or any examiner from taking such action, if any, on the basis thereof as may be deemed appropriate.

"§ 136. Procedures in priority of invention proceeding

"(a) (1) Whenever there are two or more pending otherwise allowable applications naming different inventors and claiming the same or substantially the same subject matter, and a priority of invention proceeding is instituted in accordance with subsection (b) of this section the Office shall designate as the 'senior party'—

"(A) the inventor named in the application having the earlier or earliest actual filing date in the United States, with respect to such subject matter, or

"(B) if two or more pending applications have the same actual filing date in the United States, the inventor named in one such application, in accordance with such regulations as the Commissioner shall prescribe.

"(2) The Office shall designate each inventor other than the senior party as a 'junior party.'

"(b) The priority of invention between or among the senior party and each junior party shall be decided by the Board of Examiners-in-Chief in a priority of invention proceeding, in accordance with such regulations as the Commissioner shall establish, if—

"(1) the application of such junior party is otherwise allowable;

"(2) such junior party makes a prima facie showing of prior invention; and

"(3) such junior party offers to present evidence in support of such showing, within such time as the Commissioner shall prescribe by regulations.

"(c) (1) Subject to paragraph (2) of this subsection, and paragraphs (2) and (3) of subsection (b), whenever an otherwise allowable claim of an application is for the same or substantially the same subject matter as a claim of an issued patent, the Office shall initiate a proceeding to determine priority of invention.

"(2) No claim for the same or substantially the same subject matter as a claim of an issued patent shall be allowed unless such claim is made within one year after the date on which such issued patent was granted. Nothing contained in this paragraph shall, however, preclude any person from asserting the unpatentability to the patentee of the subject matter of such claim.

"(d) Failure of a junior party applicant to proceed under subsection (b) or (c) of this section shall preclude such applicant from asserting priority of invention with respect to the subject matter claimed in the application, for the purpose of obtaining a patent. Failure of a junior party patentee to proceed under subsection (c) of this section shall operate to cancel such claim from the patent, and notice thereof shall be endorsed on copies of the specification of the patent therafter distributed by the Office.

"(e) If any claim of an application involved in a priority of invention proceeding is allowable with respect to subject matter not within the scope of the priority of invention proceeding, the Commissioner may, pursuant to section 155 of this title, issue a patent on such otherwise allowable claim or claims.

"(f) In any proceeding under this section, the Board of Examiners-in-Chief, or any party, may raise the question of the patentability of any claim which is involved in the proceeding or of any claim of the patent or application of one party over the subject matter claimed or disclosed in the patent or application of the other party, and such question shall be considered in the proceeding.

"(g) Upon a final decision in a priority of invention proceeding from which no appeal or other review has been or can be taken or had, the prevailing party shall be deemed entitled to priority of invention with respect to the subject matter of the claim or claims involved in the proceeding and with respect to the parties to the proceeding. The corresponding claims of the application or patent of each other party shall be rejected or canceled. Thereafter, pursuant to such regulations as the Commissioner may prescribe, the primary examiner or examiners shall continue the examination of the application or applications, pursuant to section 132 of this title.

"(h) Unless the prevailing party has elected interim issuance of a patent pursuant to subsection (e) of this section, the term of his patent, pursuant to section 154 (b) of this title, shall be extended by a period equal to the time elapsed between the date he was made a party to the proceeding under this section and the date a final decision in his favor became effective. If he elected such interim issuance, the normal term pursuant to section 154(b) shall apply.

"§ 137. Burden of persuasion

"Whenever the patentability of a claim is to be decided by the Office, the applicant shall have the burden of establishing that the claim is allowable.

"§ 138. Effect of proceedings before the Office

"(a) A final decision by the Office adverse to a claim of an issued patent from which no appeal or other review has been or can be taken or had shall constitute cancellation of such claim from the patent, and notice thereof shall be endorsed on copies of the specification of the patent thereafter distributed by the Office.

"(b) A final decision by the Office favorable to a proposed new or amended claim of an issued patent under the provisions of section 135 of this title shall constitute the addition or substitution of such claim in the patent and notice thereof shall be affixed to copies of the specification of the patent thereafter distributed by the Office.

"(c) Except as otherwise provided in this title, no person shall be foreclosed, estopped, or in any way prejudiced with respect to the assertion of any claim or any defense in any proceeding in any court by reason of his, or any other person's, having, or having failed to have, engaged in any administrative proceeding before the Office, as provided by this title. Nothing contained in this title shall be construed to supersede the jurisdiction of any Federal court or agency, nor to make any proceeding before such court or agency subject to the primary jurisdiction of the Office.

"§ 139. Settlement agreements

"(a) (1) Any agreement or understanding between parties to a proceeding pursuant to this chapter, or any appeal therefrom, made in connection with or in contemplation of settlement of, termination of, or withdrawal from the proceeding, shall be in writing. Before the termination of the proceeding, as between such parties, there shall be filed in the Office a copy thereof, together with a copy of any collateral agreement referred to therein or dependent thereupon. Each such copy shall be made part of the public record of such proceeding, except as provided in paragraph (2) of this subsection.

"(2) Any party may designate those portions of any agreement, understanding, or collateral agreement that he deems to relate to a trade secret or other confidential research, development, or commercial information belonging to and of substantial value to him. Upon a verified showing of good cause, such designated information shall be kept separate from the public record, and made available only to government agencies on their written request therefor.

"(b) If any copy required by subsection (a) (1) of this section to be filed is not filed as prescribed thereby, the agreement or understanding, including any collateral agreement, shall be permanently unenforceable. Any patent issuing to a party to such agreement or understanding or such collateral agreement, shall also be permanently unenforceable if that patent or any application on which that patent issued was involved in such a proceeding or appeal. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding, including the collateral agreements, during the six-month period subsequent to the termination of the proceeding as between the parties to the agreement or understanding.

"(c) The Commissioner shall give notice to the parties or their attorneys of record a reasonable time prior to said termination of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding or collateral agreement within the six-month period on a showing of good cause, the parties may file such agreement, understanding, or collateral agreement within two months of the receipt of such notice.

"CHAPTER 13.—REVIEW OF OFFICE DECISIONS

"Sec.
"141. Appeal to Court of Customs and Patent Appeals.
"142. Notice of Appeal.
"143. Proceeding on Appeal.
"144. Decision on Appeal.
"145. Civil action.
"148. Presumption of correctness.
"149. Judicial review of final and nonfinal decisions.

"§ 141. Appeal to Court of Customs and Patent Appeals

"An appeal under part II of this title from a final decision of the Board of Examiners-in-Chief, or a nonfinal decision of the Office which the Commissioner has by general regulation made appealable, may be had by any party to the United States Court of Customs and Patent Appeals. Any such appeal shall be dismissed without prejudice, however, if any other party within one month after the notice of appeal is filed, files notice with the United States Court of Customs and Patent Appeals, and the Commissioner that he elects to have all further proceedings conducted as provided in section 145 of this chapter. Thereupon the appellant shall have one month thereafter within which to file a civil action under section 145, in default of which the decision appealed from shall govern the further proceedings in the case.

"§ 142. Notice of appeal

"When an appeal is taken to the United States Court of Customs and Patent Appeals, the appellant shall file in the Office a written notice of appeal directed to the Commissioner, and shall serve such notice upon all parties, within such time after the date of the decision appealed from, not less than two months as the Commissioner prescribes.

"§ 143. Proceeding on appeal

"The Commissioner shall transmit to the United States Court of Customs and Patent Appeals certified copies of the decision of the Board of Examiners-in-Chief and of all other necessary original papers and evidence in the case specified by the appellant or any other party. The Solicitor shall be responsible for briefing and arguing the case before the court in respect to any appeal taken by any party, except with respect to priority of invention proceedings had pursuant to section 136 of this title, in which cases participation of the Solicitor shall be at his discretion. The court, shall, before hearing such appeal, give notice of the time and place of the hearing to the Commissioner, and all parties.

"§ 144. Decision on appeal

"The United States Court of Customs and Patent Appeals shall review the decision appealed from under section 141 of this title, on the record made before the Office. The court may affirm the decision below, or set it aside and remand the matter to the Office for further consideration. Upon its determination the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and govern further proceedings in the case.

"§ 145. Civil action

"(a) Any final decision of the Board of Examiners-in-Chief, any final decision of the Commissioner under part II of this title, or a nonfinal decision of the Office under part II of this title which the Commissioner has by general regulation made judicially reviewable, shall be subject to judicial review by civil action in the United States District Court for the District of Columbia against the Commissioner, or other party.

"(b) Such action shall be commenced within such time after such decision, not less than two months, as the Commissioner shall by regulation prescribe. The party commencing the action shall notify the Commissioner and any party to the original proceeding in the Office, if not named in the suit, of the filing of the suit.

"(c) The Solicitor shall be responsible on behalf of the Office for preparing, taking discovery in, briefing, and arguing the case before the court, in respect to any action brought by any party.

"(d) In any judicial review pursuant to this section, any party may, except in the case of a nonfinal decision, introduce into the record any publication, patents, other evidence of the state of the art, or other information not previously made part of the record; and may seek to reverse the decision of the primary examiner or Board of Examiners-in-Chief on the basis thereof. The court may consider patentability, de novo, and may affirm the decision below, set aside the rejection of any claims which were rejected in the decision of the primary examiner or Board of Examiners-in-Chief, reject the allowance of any claims previously allowed, or remand the proceeding to the Office for further consideration. Such adjudication shall be entered of record in the Office and govern further proceedings in the case.

"(e) The process of such district court for such purpose shall run throughout the United States and otherwise as provided by the Federal Rules of Civil Procedure or any Federal statute.

"§ 148. Presumption of correctness

"In any appeal or other proceeding under this chapter, the Office decision shall be given a presumption of correctness.

"§ 149. Judicial review of final and nonfinal decisions

"(a) All appeals of final or nonfinal decisions of the Office in proceedings instituted under this title shall be had exclusively in accordance with the procedures specified in this chapter, unless this title expressly provides otherwise.

"(b) Except as the Commissioner may by general regulations prescribe, there shall be no judicial review of nonfinal decisions of the Office.

"CHAPTER 14.—ISSUE OF PATENT

"Sec.

"151. Notice of allowance; issue of patent.

"152. Late payment; effect of reinstatement of patent.

"153. Forms of issued patents.

"154. Contents and term of patent.

"155. Interim grant of patent.

"§ 151. Notice of allowance; issuance of patent

"(a) After all opportunity for proceedings pursuant to section 135 of this title, and appeal therefrom, has passed, if there is a final decision that one or more claims of the application should be allowed, then the Office shall give or mail to the applicant a written notice of allowance of the application as to such claims. No such notice shall be made unless publication pursuant to section 132 of this title has occurred and there has been opportunity for proceedings as specified in section 135 of this title.

"(b) The notice shall specify a sum, constituting the issue fee, which shall be paid within three months thereafter or within such shorter time, not less than one month, as fixed by the Commissioner.

"(c) Upon payment of this sum the patent shall issue. If payment is not timely made, the application shall be regarded as abandoned.

"(d) If any payment required by this section is not timely made, but is submitted with the fee for delayed payment, and the delay in payment is shown to have been unavoidable, the Commissioner may accept it as though no abandonment or lapse had ever occurred.

"§ 152. Late payment; effect of reinstatement of patent

"The Commissioner may, in accordance with sections 41(f)(3) and 151(d) of this title, accept late payment of fees. No patent with respect to which a late payment is accepted pursuant to such sections shall abridge or affect the right or privilege of any person or his successors in business or title to continue to use, or to sell to others for their use or sale, anything which such person without bad faith made, used, or acquired during the interim period—(i) after the date the application became abandoned or the patent lapsed or became unenforceable for failure to pay such fee, and (ii) prior to the reinstatement of the patent. Any such person or his successor may use or sell the specific thing so made, used, or acquired, in the same manner as if the patentee had authorized such use or sale, even though such use or sale by him or his successor would infringe the patent, in the absence of such authorization. In addition, a court before which the matter is in question may provide for the continued manufacture, use, or sale of things, to the extent and under such terms as the court deems equitable for the protection of investments made, business commenced, or business for which substantial preparation was made—during such interim period.

"§ 153. Form of issued patents

"Patents shall be issued in the name of the United States of America, under the seal of the Office, and shall be signed by the Commissioner or have his signature placed thereon, and shall be recorded in the Office.

"§ 154. Contents and term of patent

"(a) Every patent shall contain a grant to the applicant, his heirs or assigns, or, as provided in section 111(e) of this title, to the inventor, his heirs or assigns of the right, during the term of the patent, to exclude others, pursuant to part III of this title, from making, using, or selling the patented subject matter throughout the United States, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

"(b) Subject to subsection (c) of this section and section 135(d) and 136(h) of this title, the term of a patent shall expire twenty years from the date of filing the application in the United States, or if the benefit of the filing date in the United States of a prior application is claimed pursuant to section 120 of this title, from the earliest such prior date claimed. In determining the term of the patent, the date of filing any application in a foreign country which may be claimed by the applicant shall not be taken into consideration, except as provided by section 365(c) of this title.

"(c) The term of a patent whose issuance has been delayed by reason of the application having been ordered kept secret pursuant to section 181 of this title shall be extended for a period equal to such delay in issuance of the patent after the notice of allowability referred to in section 183 of this title. The term of a patent shall also be extended for a period equal to the delay incurred due to review under section 151 or 152 of the Atomic Energy Act of 1954 (68 Stat. 943), or under section 305 of the National Aeronautics and Space Act (72 Stat. 435).

"§ 155. Interim grant of patent

"(a) Although fewer than all the claims of an application have been ruled allowable, a patent may issue for only the allowed claims after all opportunity for proceedings pursuant to section 135 of this title, and appeal therefrom, has passed, upon the request of the applicant—

"(1) pursuant to section 136(e) of this title, or

"(2) prior to appeal under section 134 of this title, subject to subsection (c) of this section.

"(b) Upon payment of the prescribed fee, the Commissioner shall issue a patent on the allowed claims, in accordance with this chapter. No other claims shall be included in such patent, but the Commissioner, in accordance with such regulations as he may prescribe, may provide for the publication (other than in the patent) of claims of the application that have not been allowed, and which are involved in proceedings under sections 134 or 136(c) or chapter 13, of this title, or are otherwise identified pursuant to subsection (d) of this section.

"(c) The Commissioner may issue a patent, pursuant to subsection (b) of this section, during the pendency before the Board of Examiners-in-Chief of an appeal pursuant to section 134, or judicial review of such appeal pursuant to chapter 13, of this title, if prior to the initiation of the appeal pursuant to section 134 proceedings pursuant to section 135 have been conducted with respect to both the allowed and rejected claims.

"(d) Any patent issues pursuant to this section shall contain a notice, in such form as the Commissioner may by regulation prescribe, identifying or summarizing the claims in the application that have not been allowed, and the basis on which any such claims have not been allowed.

"CHAPTER 15.—PLANT PATENTS

"Sec.

"161 Patents for plants.

"162 Description, claim.

"163 Grant.

"164 Assistance of Department of Agriculture.

"§ 161. Patents for plants

"(a) Whoever invents or discovers and asexually reproduces any distinct and new variety of plant including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title.

"(b) The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

"§ 162. Description, claim

"(a) No plant patent shall be declared invalid for noncompliance with section 112 of this title if the description is as complete as is reasonably possible.

"(b) The claim in the specification shall be in formal terms to the plant shown and described.

"§ 163. Grant

"In the case of a plant patent the grant shall be of the right to exclude others, pursuant to Part III of this title, from asexually reproducing the plant or selling or using the plant so reproduced.

"§ 164. Assistance of Department of Agriculture

"The President may by Executive order direct the Secretary of Agriculture, in accordance with the request of the Commissioner, for the purpose of carrying into effect the provisions of this title with respect to plants (1) to furnish available information of the Department of Agriculture, (2) to conduct through the appropriate bureau or division of the Department research upon special problems, or (3) to detail to the Commissioner officers and employees of the Department.

"Chapter 16.—DESIGNS

"Sec.

"171. Patents for designs.

"172. Right of priority.

"173. Term of design patent.

"§ 171. Patents for designs

"(a) Whoever invents any new, original, and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.

"(b) The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.

"§ 172. Right of priority

"The right of priority provided by section 119 of this title and the time specified in section 102(d) of this title shall be six months in the case of designs. Applications for design registrations and such registrations in foreign countries shall have the same effect as applications for design patents and design patents for the purpose of sections 102(e) and 119 of this title.

"§ 173. Term of design patent

"Patents for designs shall be granted for a term of fourteen years from the date of issue.

"CHAPTER 17.—SECRECY AND FILING APPLICATIONS IN FOREIGN COUNTRIES

"Sec.

"181. Secrecy and withholding of patent.

"182. Abandonment of subject matter by reason of unauthorized disclosure.

"183. Right to compensation.
"184. Filing of application in foreign country.
"185. Patent barred for filing without license.
"186. Penalty.
"187. Nonapplicability to certain persons.
"188. Rules and regulations, delegation of power.

"§ 181. Secrecy and withholding of patent

"(a) Whenever publication or disclosure of the subject matter of an application for patent in which the Government has a property interest might, in the opinion of the head of an interested Government agency, be detrimental to the national security, the Commissioner upon being so notified shall order that the subject be kept secret and shall withhold disclosure thereof and the grant of a patent therefor under the conditions set forth hereinafter.

"(b) Whenever the publication or disclosure of subject matter described in an application for patent in which the Government does not have a property interest, might, in the opinion of the Commissioner, be detrimental to the national security, the Commissioner shall make the application for patent in which subject matter is disclosed available for inspection to the Atomic Energy Commission, the Secretary of Defense, and the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States.

"(c) Each individual to whom the application is disclosed shall sign a dated acknowledgement thereof, which acknowledgement shall be entered in the file of the application. If, in the opinion of the Atomic Energy Commission, the Secretary of Defense, or the chief officer of another department or agency so designated, the publication or disclosure of such subject matter would be detrimental to the national security, the Atomic Energy Commission, the Secretary of Defense or such other chief officer shall notify the Commissioner, and the Commissioner shall order that such subject matter be kept secret and shall withhold publication and the grant of a patent for such period as the national interest requires, and notify the applicant thereof. Upon proper showing by the head of the department or agency which caused the secrecy order to be issued that the examination of the application might jeopardize the national interest, the Commissioner shall thereupon maintain the application in a sealed condition and notify the applicant thereof. The applicant whose application has been placed under a secrecy order shall have a right to appeal from the order to the United States District Court for the District of Columbia, under such condiions and upon such proceedings as the court by its rules determines.

"(d) Subject matter described in an application shall not be ordered kept secret and the grant of patent withheld for a period of more than one year. The Commissioner shall renew the order at the end thereof, or at the end of any renewal period, for additional periods of one year upon notification by the head of the department or agency which caused the order to be issued that an affirmative determination has been made that the national interest continues so to require. An order in effect, or issued, during a time when the United States is at war, shall remain in effect for the duration of hostilities and one year following cessation of hostilities. An order in effect, or issued, during a national emergency declared by the President shall remain in effect for the duration of the national emergency and six months thereafter. The Commissioner may rescind any order upon notification by the head of the department or agency which caused the order to be issued that the publication or disclosure of such subject matter is no longer deemed detrimental to the national security.

"§ 182. Abandonment of subject matter by reason of unauthorized disclosure

"Subject matter disclosed in an application for patent subject to an order made pursuant to section 181 of this chapter shall be held abandoned upon a determination by the Board of Examiners-in-Chief, in such proceedings as the Commissioner shall by regulation establish, that in violation of said order such subject matter has been published or disclosed or that an application for a patent therefor has been filed in a foreign country by the inventor, his successors, assigns, or legal representatives, or anyone in privity with him or them, without the consent of the Commissioner. The abandonment shall be held to have occurred as of the time of violation. The consent of the Commissioner shall not be given without the concurrence of the heads of the departments and agencies which caused the order to be issued. A holding of abandonment shall abrogate all claims against the United States based upon such subject matter by the applicant, his successors, assigns, or legal representatives, or anyone in privity with him or them.

"§ 183. Right to compensation

"An applicant, or patentee, or his legal representative, whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such order, his application is otherwise in condition for allowance, and ending six years after a patent is issued thereon, to apply to the head of any department or agency who caused the order to be issued for compensation for the damage caused by the order of secrecy and/or for the use of such subject matter by the Government resulting from his disclosure. The right to compensation for use by the Government shall begin on the date of the first use of such subject matter by the Government and shall terminate twenty years from the actual filing date in the United States of the patent. The head of the department or agency is authorized upon the presentation of the claim to enter into an agreement with the applicant, or patentee, or his legal representatives, in full settlement for the damage and/or use. The settlement agreement shall be conclusive for all purposes notwithstanding any other provision of law to the contrary. If full settlement of the claim cannot be effected, the head of the department or agency may award and pay to such applicant, or patentee, or his legal representatives, a sum not exceeding 75 per centum of the sum which the head of the department or agency considers just compensation for the damage and/or use. A claimant may bring suit against the United States in the Court of Claims or in the district court of the United States for the district in which such claimant is a resident for an amount which when added to the award shall constitute just compensation for the damage and/or use of such subject matter, by the Government. The owner of any patent issued upon an application that was subject to a secrecy order issued pursuant to section 181 of this chapter, who did not apply for compensation as above provided, shall have the right, after the date of issuance of such patent, to bring suit in the Court of Claims for just compensation for the damage caused by reason of the order of secrecy and/or use by the Government of such subject matter resulting from his disclosure. The right to compensation for use by the Government shall begin on the date of the first use of the invention by the Government and shall terminate not later than twenty years from the actual filing date in the United States of the patent. In a suit under the provisions of this section the United States may avail itself of all defenses it may plead in an action under section 1498 of title 28. This section shall not confer a right of action on anyone or his successors, assigns, or legal representatives who, while in the full-time employment or service of the United States, discovered, invented, or developed the subject matter on which the claim is based. A patentee receiving a settlement of his claim for damages caused by reason of an order of secrecy by the Court of Claims shall be required to disclaim the terminal portion of the patent term equal in duration to any extension granted under the provisions of section 154(c) of this title.

"§ 184. Filing of application in foreign country

"(a) Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country an application for patent or inventor's certificate or for the registration of a utility model, industrial design, or model in respect of an invention made in this country prior to six months after filing an application in the United States, or prior to four months after filing an application for patent on an ornamental design under section 171 of this title. A license shall not be granted with respect to an invention subject to an order issued by the Commissioner pursuant to section 181 of this title without the concurrence of the head of the departments and the chief officers of the agencies who caused the order to be issued. The license may be granted retroactively where an application has been inadvertently filed abroad and the application does not disclose an invention within the scope of section 181 of this title, upon a timely showing that the application has been inadvertently filed abroad, and the application does not disclose subject matter within the scope of section 181 of this title.

"(b) The term 'application' when used in this chapter includes applications and any modifications, amendments, or supplements thereto, or divisions thereof.

"(c) No license shall be required subsequent to the filing of a foreign application for any modifications, amendments, or supplements to that foreign application, or divisions thereof, which do not alter the nature of the subject matter originally disclosed, which are within the scope of the subject matter originally disclosed, and where the filing of the foreign application originally complied with the provisions of this section, unless the applicant has been notified by the Commissioner that a specific license is required for filing such papers in connection with any application.

"§ 185. Patent barred for filing without license

"Notwithstanding any other provisions of law any person, and his successors, assigns, or legal representatives, shall not receive a United States patent for subject matter described in an application if that person, or his successors, assigns, or legal representatives shall, without procuring the license prescribed in section 184 of this chapter, have made, or consented to or assisted another's making application in a foreign country for a patent or for the registration of a utility model, industrial design, or model in respect to such subject matter. A United States patent claiming such subject matter, issued to such person, his successors, assigns, or legal representatives shall be invalid.

"§ 186. Penalty

"Whoever, during the period or periods of time any subject matter has been ordered to be kept secret and the grant of a patent thereon withheld pursuant to section 181 of this chapter, shall, with knowledge of such order and without due authorization, willfully publish or disclose or authorize or cause to be published or disclosed the subject matter or material information with respect thereto, or whoever, in violation of the provisions of section 184 of this chapter, shall file or cause or authorize to be filed in any foreign country an application for patent or for the registration of a utility model, industrial design, or model in respect of an invention made in the United States shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than two years, or both.

"§ 187. Nonapplicability of certain persons

"The provisions and penalties of this chapter shall not apply to any officer or agent of the United States acting within the scope of his authority, nor to any person acting upon his written instructions or permission.

"§ 188. Rules and regulations, delegation of power

"The Atomic Energy Commission, the Secretary of Defense, the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States, and the Secretary of Commerce, may separately issue rules and regulations to enable the respective department or agency to carry out the provisions of this chapter, and may delegate any power conferred by this chapter.

"CHAPTER 18.—DEFERRED EXAMINATION

"Sec.
"191. Deferment of examination or search.
"192. Prior art search.
"193. Examination.
"194. Examination of related applications.

"§ 191. Deferment of examination or search

"Notwithstanding the provisions of chapter 12 of this title, the examination of an application for patent, or a prior art search in accordance with section 192 of this title, shall be deferred unless at the time of filing the applicant requests immediate examination or search and pays the appropriate fee prescribed in accordance with section 41(b) of this title. Except for a filing, publication, or search fee, as prescribed in accordance with section 41(b) of this title, no fees shall be charged during the period of time in which the examination of such application is deferred under the provisions of this chapter.

"§ 192. Prior art search

"(a) If examination has been deferred under section 191 of this title, a request for a prior art search on a pending application for patent may be filed, and the primary examiner assigned such application in accordance with section 132 of this title shall conduct a search for that prior art which is to be considered in connection with the determination of patentability of the subject matter claimed in such application. As soon as practicable thereafter, he shall establish a search report citing such patents, publications or other prior art relating to the patentability of the subject matter sought to be patented. He shall not, however, make any determination as to patentability.

"(b)(1) The applicant or any other person may file the request under subsection (a) of this section upon payment of the fee prescribed in accordance with section 41(b) of this title.

"(2) If the request is filed by a party or person other than the applicant, the applicant shall be informed of that fact. However, the identity of such other party or person (except the Solicitor of the United States) filing the request under subsection (a) of this section shall be kept in confidence by the Office, and no information concerning the same shall be given without his authority unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

"(3) The search report established under subsection (a) of this section, including copies of the material cited therein, shall be forwarded to the applicant. If the request was filed by another party or person, it also shall be forwarded to him. Upon payment of the fee prescribed in accordance with section 41(b) of this title, it also shall be forwarded to any other person requesting it.

"(c) Subject to section 122 of this title, information regarding the filing of any request under subsection (a) of this section shall be published in the Official Gazette, or other appropriate publication.

"(d) If a request for a prior art search under subsection (a) of this section, or for examination under section 193 of this title, has been filed, subsequent requests under subsection (a) of this section shall be refused and the accompanying fees refunded.

"§ 193. Examination

"(a) A request for examination of an application for patent, the examination of which has been deferred under section 191 of this title, may be filed at any time before the expiration of five years from the earliest effective filing date claimed in such application. The examination shall be conducted as provided in chapter 12 of this title, except that it shall await the conclusion of proceedings under section 192 of this title if a request under that section has been filed.

"(b) The applicant or any other person, may file the request under subsection (a) of this section. If the request was filed by a party or person other than the applicant, the applicant shall be informed of that fact. However, the identity of such other party or person (except the Solicitor of the United States) filing the request under subsection (a) of this section shall be kept in confidence by the Office, and no information concerning the same shall be given without his authority unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

"(c)(1) If the request under subsection (a) of this section is filed by the applicant, he shall, at the same time, transmit the fee prescribed in accordance with section 41(b) of this title. If the applicant filed a prior request under section 192 of this title, accompanied by the fee prescribed under section 41(b) of this title, the fee prescribed for filing a request under subsection (a) of this section shall be reduced by the amount of the fee prescribed for filing a request under section 192 of this title.

"(2) If the request is filed by any other party or person, he shall, at the same time, transmit the fee prescribed in accordance with section 41(b) of this title. The applicant shall pay all other fees, including any fee for extra claims.

"(3) If payment of the fee prescribed in accordance with section 41(b) of this title for filing a request under subsection (a) of this section is not timely made, but is submitted with the fee for delayed payment, and the delay in payment is shown to have been unavoidable, the Commissioner may accept it, and the request shall be considered as having been filed on its original date of receipt by the Office. If the delay in payment exceeds by six months the time specified in subsection (a) of this section, no fee shall be regarded as not having been made.

"(d) Subject to section 122 of this title, information regarding to filing of any request under subsection (a) of this section shall be published in the Official Gazette or other appropriate publication. Subsequent requests under subsection (a) of this section shall be refused and the accompanying fees refunded.

"(e) If no request for examination is received by the Office within the time specified in subsection (a) of this section, the application for patent shall be regarded as abandoned.

"§ 194. Examination of related applications

"When examination of a deferred application for patent is requested under section 193 of this title, the Commissioner may call upon the applicant to request examination of any other of his applications for patent which may have been deferred and which claim the date of the first mentioned application, or any application for patent owned by such applicant the date of which is claimed by the first mentioned application, and to pay the fee prescribed in accordance with section 41(b) of this title. Notice shall be given the applicant of the fee due, and a time of not less than thirty days shall be allowed for payment. If the fee is paid within the specified time, examination shall proceed on all such applications concurrently. If the fee is not paid within such time, the applications for patent on which the required fee has not been paid shall be regarded as abandoned.

"CHAPTER 19.—AMENDMENT, CORRECTION, AND REISSUE OF PATENTS

"Sec.
"251. Reissue of defective patents.
"252. Effect of reissue.
"253. Disclaimer.
"254. Certificate of correction of Patent Office mistake.
"255. Certificate of correction of applicant's mistake.
"256. Correction of named inventor.
"257. Certificate to supplement patent.

"§ 251. Reissue of defective patents

"(a) Whenever any patent is, through inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more, or less (subject to subsection (c) of this section), than he had a right to claim in the patent, the Office, pursuant to such rules and regulations as the Commissioner shall prescribe, and on the surrender of such patent and the payment of the fee required by law, shall reissue the patent for the subject matter disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

"(b) The provisions of chapters 12, 13, and 14 of this title relating to applications for patent shall be applicable to applications for reissue of a patent.

"(c) No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within one year from the grant of the original patent.

"§ 252. Effect of reissue

"(a) The surrender of the original patent shall take effect upon the issue of the reissued patent. Every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form. Insofar as the claims of the original and reissued patents are identical or substantially identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical or substantially identical with the original patent, shall have effect continuously from the date of the original patent.

"(b) No reissued patent shall abridge or affect the right or privilege of any person or his successors in business or title to continue to use, or to sell to others for their use or resale, anything which such person made, used, or acquired prior to the grant of the reissue, unless the making, using, or selling of such thing infringes a valid claim of the reissued patent, which was in the original patent. Any such person or his successor may use or sell the specific thing so made, used or acquired, in the same manner as if the patentee had authorized such use or sale, even though such use or sale by him or his successor would infringe the patent, in the absence of such authorization. In addition, a court before which the matter is in question may provide for the continued manufacture, use, or sale of things, to the extent and under such terms as the court deems equitable for the protection of investments made, business commenced, or business for which substantial preparation was made, prior to the grant of the reissue.

"§ 253. Disclaimer

"(a) Whenever, through inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, a claim of a patent is invalid, the remaining claims shall not thereby be rendered invalid; provided the patentee timely, after he realized or clearly should have realized the claim was invalid, makes a disclaimer pursuant to this section. A patentee, whether of the whole or any interest therein, may on payment of the prescribed fee, make disclaimer of any claim, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing and recorded in the Office; and it shall thereafter be considered as part of the original patent to the extent of the interest possessed by the disclaimant and by those claiming under him.

"(b) In like manner any patentee or applicant may disclaim or dedicate to the public the entire term, or any terminal part of the term, of the patent granted or to be granted.

"§ 254. Certificate of correction of Office mistake

"Whenever a mistake in a patent, incurred through the fault of the Office, is clearly disclosed by the records of the Office, the Commissioner may issue a certificate of correction stating the fact and nature of such mistake, under seal, without charge, to be recorded in the records of patents. Such certificate shall be considered as part of the original patent, and a copy thereof may be attached to each copy of the patent. Every such patent, together with such certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form. The Commissioner may issue a corrected patent without charge in lieu of and with like effect as a certificate of correction.

"§ 255. Certificate of correction of applicant's mistake

"Whenever a mistake of a clerical or typographical nature, or minor character, which was not the fault of the Office, appears in a patent and a showing has been made that such mistake occurred in good faith, the Office may, pursuant to such rules and regulations as the Commissioner shall prescribe and upon payment of the required fee, issue a certificate of correction, if the correction does not involve such changes in the patent as would constitute new matter or would require reexamination. Such certificate shall be considered as part of the original patent, and a copy thereof may be attached to each copy of the patent. Every such patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.

"§ 256. Correction of named inventor

"An error or mistake in the naming of an individual as an inventor in either a sole or joint application for patent, or in the failure to include an individual as an inventor in an application for patent, without any willful default or intent to defraud, mislead, or deceive the public on the part of any of the individuals named as inventors, whether originally or subsequently, or the assignees thereof, may be corrected after a patent thereon has issued on timely petition by all the individuals named as inventors, whether originally or subsequently, and the assignees thereof, with proof of the facts, in accordance with regulations established by the Commissioner, provided, however, the actual inventor makes the statement prescribed by section 115 of this title. A court before which such matter is called in question may order correction of the patent on notice to and opportunity for hearing by all persons concerned. Upon such correction, the Commissioner shall issue a certificate accordingly.

"§ 257. Certificate to supplement patent

"(a) Whenever a claim in an application is allowed, subsequent to the issuance, pursuant to section 155 of this title, of a patent containing one or more previously allowed claims from such application, the Commissioner shall issue a certificate of supplementation, upon payment of the prescribed fee, containing such newly allowed claim. Such certificate shall be issued in accordance with the procedures of section 254 of this chapter and shall be entered in the record of the prosecution of the patent containing the previously allowed claims.

"(b) The Commissioner shall publish notice thereof, as he may by regulation prescribe. Such certificate shall thenceforth be considered as part of the original patent, and shall expire concurrently therewith. A copy of the certificate shall be attached to each copy of the patent thereafter distributed.

"(c) Upon the issuance of such certificate, each claim thereof shall constitute a claim of the original patent, and shall thenceforth have the force and effect specified in sections 154 and 271 of this title, in respect to actions thereafter arising.

"PART III—PATENTS AND INFRINGEMENT OF PATENTS

"Chapter	Sec.
"26. Ownership and Assignment------	261
"27. Government Interests in Patents--	267
"28. Infringement of Patents----------	271
"29. Remedies for Infringement of Patent, and Other Actions------	281

"CHAPTER 26.—OWNERSHIP AND ASSIGNMENT

"Sec.
"261. Ownership, assignment.
"262. Joint owners.

"§ 261. Ownership; assignment

"(a) Subject to the provisions of this title, patents shall have the attributes of personal property.

"(b) Applications for patent, patents, or any interest therein, shall be assignable in law by any person by an instrument in writing. The applicant, patentee, or his assigns or legal representatives may in like manner grant and convey an exclusive right under his application for patent, or patents, to the whole or any specified part of the United States.

"(c) A certificate of acknowledgment under the hand and official seal of a person authorized to administer oaths within the United States, or, in a foreign country, of a diplomatic or consular officer of the United States or an officer authorized to administer oaths whose authority is proved by a certificate of a diplomatic or consular officer of the United States, shall be prima facie evidence of the execution of an assignment, grant or conveyance of a patent or application for patent.

"(d) An assignment, grant or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Office within three months from its date or prior to the date of such subsequent purchase of mortgage.

"§ 262. Joint owners

"In the absence of any agreement to the contrary, each of the joint owners of a patent may make, use, or sell the patented subject matter without the consent of and without accounting to the other owners.

"CHAPTER 27.—GOVERNMENT INTERESTS IN PATENTS

"Sec.
"267. Time for taking action in Government applications.

"Notwithstanding the provisions of sections 41, 133, and 151 of this title, the Commissioner may extend the time for taking any action to three years, when an application for patent or patent has become the property of the United States and the head of the appropriate department or agency of the Government has certified to the Commissioner that the subject matter disclosed therein is important to the armament or defense of the United States.

"CHAPTER 28.—INFRINGEMENT OF PATENTS

"Sec.
"271. Infringement of patent.
"272. Temporary presence in the United States.
"273. Unauthorized practice of subject matter prior to issuance of patent.

"§ 271. Infringement of patent.

"(a) Except as otherwise provided in this title, whoever without authority makes, uses, or sells any patented subject matter, within the United States after the issuance of the patent therefor and during its term, infringes the patent.

"(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

"(c) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the patented subject matter, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

"(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; or (3) sought to enforce the patent against infringement or contributory infringement.

"(e) Whoever, without authority, makes or sells, within the United States, all of the components of a patented machine, manufacture, or composition of matter, uncombined, intending that such components will be combined outside the United States to constitute the patented subject matter, knowing that if such components were combined within the United States, the combination would be an infringement of the patent, shall be liable as an infringer.

"§ 272. Temporary presence in the United States

"The use of any patented subject matter in any vessel, aircraft, or vehicle entering the United States temporarily or accidentally shall not constitute infringement of any patent, if such subject matter is used exclusively for the needs of the vessel, aircraft, or vehicle, and is not sold or used for the manufacture of anything to be sold in or exported from the United States, and if the country of registration of such vessel, aircraft, or vehicle affords similar privileges to vessels, aircraft, or vehicles of the United States.

"§ 273. Unauthorized practice of subject matter prior to issuance of patent

"(a) After the issuance of a patent, a patentee may obtain damages, as set forth in subsection (c) of this section pursuant to the provisions of chapter 29 of this title, for any unauthorized making, using, or selling of the subject matter of a claim in the patent (referred to hereafter in this section as 'unauthorized practice'), that occurred during the interim period specified in subsection (b) of this section.

"(b) such interim period shall begin after the occurrence of each of the following events:

"(1) the publication, pursuant to section 122 or 132 of this title, of the application containing such claim;

"(2) the entry of a final decision, pursuant to section 132 of this title, that such claim is allowable; and

"(3) actual notice, from the applicant to the person allegedly engaged in unauthorized practice, that such claim has been ruled allowable, accompanied by a statement of the basis on which the applicant considers the acts of such person to constitute unauthorized practice.

The interim period shall terminate on the date of issuance of the patent, pursuant to section 151 of this title.

"(c) Damages for unauthorized practice during the interim period shall be limited to royalties reasonable in the circumstances. Remedy with respect to the use or sale, after the date of issuance of the patent, of reasonable quantities of machines, manufactures, or compositions of matter made prior to such date, as to which notice was given pursuant to subsection (b)(3) of this section, shall be limited to damages in the form of royalties reasonable in the circumstances.

"CHAPTER 29.—REMEDIES FOR INFRINGEMENT OF PATENT, AND OTHER ACTIONS

"Sec.
"281. Remedy for infringement of patent.
"282. Presumption of validity; defenses.
"283. Injunction.
"284. Damages.
"285. Attorney fees.
"286. Time limitation on damages.
"287. Limitation on damages, marking and notice.
"288. Action for infringement of a patent containing an invalid claim.
"289. Additional remedy for infringement of design patent.
"290. Notice of patent suits.
"291. Priority of invention between patentees.
"292. False marking.
"293. Nonresident patentee; service and notice.
"294. Voluntary arbitration.
"295. Challenge to validity by assignor.
"296. Challenge to validity by licensee.
"297. Removal in validity challenge cases.
"298. Challenge to validity by the United States.

"§ 281. Remedy for infringement of patent

"A patentee shall have remedy by civil action for infringement of his patent.

"282. Presumption of validity; defenses

"(a) A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent of multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

"(b) The following shall be defenses in any action involving the validity or infringement of a patent:

"(1) noninfringement, absence of liability for infringement, or unenforceability;

"(2) invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability;

"(3) invalidity of the patent or any claim in suit for material failure to comply with any requirement of sections 112, 115, 131, or 251 of this title; or

"(4) any other fact or act made a defense by this title.

"(c)(1) In actions involving the validity or infringement of a patent, except as provided in paragraph (3) of this subsection—

"(A) the patentee or party asserting infringement shall give notice in the pleadings or otherwise in writing to all parties as soon as practicable and at least ninety days before the trial, of the manner in which each of the claims alleged to be infringed, element by element, applies to the allegedy infringing process, machine, manufacture, or composition of matter, and the elements of the structure thereof;

"(B) the party asserting invalidity or noninfringement shall at some later time give notice to all parties of the country, number, date, and name of the patentee of any patent, and the title, date, and page numbers of any publication, to be relied upon as anticipation of the patent in suit, or as showing the state of the art; and the name and address of any person who may be relied upon as the prior inventor, or as having prior knowledge of, or as having previously used or offered for sale, the subject matter of the patent in suit;

"(C) such party shall thereafter (and at least sixty days before the trial) apply such prior art, element by element, against the claims alleged to be infringed, that he alleges to be invalid.

"(2) In the absence of such notice and other information, as specified in this subsection, proof of such matters may not be made at the trial except on such terms as the court may require. Amendment of notices that this section requires to be filed shall be allowed in accordance with considerations of fairness.

"(3) The provisions of this subsection shall be inapplicable to actions in the Court of Claims, and shall be imapplicable or may be modified if any other court so orders, in the particular case or by general rule.

"(d) In any proceeding involving the patentability of claimed subject matter arising under this title, or involving the validity, enforceability, or infringement of a patent, whether or not arising under this title, in connection with which a court of the United States orders any party of record or any person in privity with such party to furnish discovery, testimony, or evidence, and such party or person refuses, declines, or fails to comply with such order on the ground that a foreign statute or law prohibits compliance with such order, the court may enter an order against such party dismissing all or some of his claims, striking all or some of his defenses, or otherwise terminating the proceeding adversely as to him; and if an issued patent owned by such party is involved in such action or proceeding, it may be canceled. Where applicable, notice of such cancellation shall be endorsed on copies of the specification of the patent thereafter distributed by the Office.

"(e) The burden shall be on the patentee to establish the equivalency, as set forth in section 112(d) of this title, of the disclosed means, step, or element to an allegedly infringing means, step, or element. Such equivalency shall be established by demonstrating that, at the time of the actual filing date in the United States, it was generally recognized by persons of ordinary skill in the art to which the patented subject matter pertains, or with which it is most nearly connected, that the allegedly infringing means, step, or element could be substituted for that which was expressly disclosed in the specification. Nothing contained in this title shall be deemed to alter the existing law as to file-wrapper estoppel.

"§ 283. Injunction

"The several courts having jurisdiction of cases under this title may grant injunctions in accordance with the principles of equity to prevent the infringement of any claim of a patent, on such terms as the court deems reasonable.

"§ 284. Damages

"(a) Upon finding for the claimant the court shall award damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the patented subject matter by the infringer, together with interest and costs as fixed by the court.

"(b) When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed.

"(c) The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

"§ 285. Attorney fees

"The court in exceptional cases may award reasonable attorney fees to the prevailing party. Reasonable expenses including attorney fees shall be awarded to the prevailing party where a claim of collateral estoppel is upheld in an action filed or maintained after the patent has previously been held invalid by a court of competent jurisdiction from which no appeal has been or can be taken, if the court finds there were no reasonable grounds for bringing or maintaining such action.

"§ 286. Time limitation on damages

"(a) Except as otherwise provided by law, no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action.

"(b) In the case of claims against the United States Government for use of a patented invention, the period before bringing suit, up to six years, between the date of receipt of a written claim for compensation by the department or agency of the Government having authority to settle such claim, and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the period referred to in subsection (a) of this section.

"§ 287. Limitation on damages, marking and notice

"Patentees, and persons making or selling any patented article (or using any patented process) for or under them, may give notice to the public that the article or process is patented, either by affixing to the patented article (or an article produced by such process, or otherwise related to the use of such process) the word 'patent' or the abbreviation 'pat.' (or, in the case of a process patent, the words 'made by process patent', or such other words as the Commissioner may by regulation prescribe), together with the number of the patent, or when, from the character of the article, this cannot be done, by affixing to it, or to the package wherein one or more such articles are contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

"§ 288. Action for infringement of a patent containing an invalid claim

"Whenever, through inadvertence, accident, or mistake without any willful default or intent to defraud, mislead, or deceive the public, a claim of a patent is invalid, an action may be maintained for the infringement of a claim of the patent which may be valid, provided the requirements of section 253(a) of this title have been met.

"§ 289. Additional remedy for infringement of design patent

"(a) Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than $250, recoverable in any United States district court having jurisdiction of the parties.

"(b) Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.

"§ 290. Notice of patent suits

"The clerks of the courts of the United States, within one month after the filing of an action under this title shall give notice thereof in writing to the Commissioner, setting forth so far as known the names and addresses of the parties, name of the inventor, and the designating number of the patent upon which the action has been brought. If any other patent is subsequently included in the action, he shall give like notice thereof. Within one month after the decision is rendered or a judgment issued the clerk of the court shall give notice thereof to the Commissioner. The Commissioner shall, on receipt of such notices, enter the same in the file of such patent.

"§ 291. Priority of invention between patentees

"(a) Whenever there are two patents naming different inventors and claiming the same or substantially the same subject matter, the owner of either of the patents may have relief against the owner of the other by civil action, and the court may adjudge the validity of any of such patents, in whole or in part. A final judgment in such action adverse to a claim of a patent from which no appeal or other review has been or can be taken or had, shall constitute cancellation of the claim from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Office.

"(b) Such suit may be instituted against the party in interest as shown by the records of the Office, but any party in interest may become a party to the action. If venue or jurisdiction may not be otherwise had in a court of the United States, the United States District Court for the District of Columbia shall have jurisdiction. The process of such district court for such purpose shall run throughout the United States and otherwise as provided by the Federal Rules of Civil Procedure or any Federal statute.

"§ 292. False marking

"(a) Whoever, without the consent of the patentee, knowingly and willfully marks upon, or affixes to, or uses in advertising in connection with anything made, used, or sold by him, the name or any imitation of the name of the patentee, the patent number, or the word 'patent', 'patentee', or the like, with the intent of counterfeiting or imitating the mark of the patentee, or of deceiving the public and inducing them to believe that the thing was made or sold by or with the consent of the patentee; or

"Whoever knowingly and willfully marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word 'patent' or any word or number importing that the same is patented; or

"Whoever, knowing no application for patent has been made, or if made, is not pending, willfully marks upon, or affixes to, or uses in advertising in connection with any article, the words 'patent applied for', 'patent pending', or any word importing that an application for patent has been made—

"Shall be liable for a civil penalty of not more than $500 for every such violation. Each article so marked shall furnish the basis for finding a separate violation.

"(b) Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.

"§ 293. Nonresident patentee; service and notice

"Every patentee not residing in the United States may file in the Office a written designation stating the name and address of a person residing within the United States on whom may be served process or notice of proceedings affecting the patent rights thereunder. If the person designated cannot be found at the address given in the last designation, or if no person has been designated, the United States District Court for the District of Columbia shall have jurisdiction and summons shall be served by publication or otherwise as the court directs. The court shall have the same jurisdiction to take any action respecting the patent or rights thereunder that it would have if the patentee were personally within the jurisdiction of the court.

"§ 294. Voluntary arbitration

"(a) The parties to an existing dispute as to patent validity or infringement may, after such dispute has arisen, agree in writing to settle such dispute by arbitration, and such agreement shall be valid, irrevocable, and enforceable, except for any grounds as exist at law or in equity for revocation of any contract.

"(b) Arbitration of such disputes, awards by arbitrators and confirmation of awards shall be governed by title 9, United States Code, to the extent such title is not inconsistent with this section. In any such arbitration proceeding, the defenses provided for under section 282 of this title shall be considered by the arbitrator.

"(c) Within two months after the award is rendered, the patentee shall give notice thereof in writing to the Commissioner and to the clerk of the district court of the United States for the district and division embracing the place where the arbitration proceeding was conducted. There shall be a separate notice prepared for each patent involved in such proceeding. Such notice shall set forth the names and addresses of the parties, the name of the inventor, and the name of the patent owner, shall designate the number of the patent, shall contain a copy of the award, and shall contain a copy of all submissions to the arbitrator concerning the validity of the patent. The Commissioner shall, upon receipt of such notice, enter the same in the record of the prosecution of such patent.

"(d) Any party to the arbitration proceeding may designate those portions of an award or submission contained in the notice required under subsection (c) of this section that he deems to relate to a trade secret or other confidential research, development, or commercial information belonging to and of substantial value to him. Upon a verified showing of good cause, such designated information shall be kept separate from the file of the patent, and made available only to government agencies on written request.

"(e) Failure to give the required notice shall render permanently unenforceable such award and the patent to which such notice applies. The Commissioner may, however, on a verified showing that failure to give the required notice within the time prescribed by subsection (c) of this section was due to inadvertence, accident, or mistake, permit the filing of the notice after such prescribed time has expired.

"§ 295. Challenge to validity by assignor

"(a) An assignor of a patent may at any time assert the invalidity of the patent, in whole or in part, subject to the provisions of this section.

"(b) Subject to subsection (c) of this section, an assignor may assert the invalidity of the patent in the course of litigation against the assignee, only if the assignor also offers to rescind the assignment agreement. If the assignee then elects to rescind, the assignor shall pay the assignee an amount set by the court, in accordance with the principles of equity, equivalent to the value of the consideration paid by the assignee to the assignor for the assignment of the patent, less reasonable compensation to the assignor for the patent right that the assignee enjoyed during the period that the agreement was in force.

"(c) Subsection (b) of this section shall apply to an assignment by an employee to his employer only if the consideration for the assignment is not part of the regular salary or compensation of the employee, nor anything to which he would have been legally entitled even if he had not made the invention or assignment, and the assignment is otherwise negotiated in good faith and at arm's length.

"§ 296. Challenge to validity by licensee

"(a) Any licensee may at any time assert the invalidity of a patent in whole or in part, subject to the provisions of this section.

"(b)(1) The licensee may assert the invalidity of the patent, in whole or in part, in any action to which he is a party or by sending a written notice to the patentee pursuant to this paragraph. Such notice shall specify with particularity the grounds for invalidity then known to the licensee, and contain a statement that the licensee believes for such reasons he is not obliged to pay royalty to the patentee under the license, or otherwise perform thereunder.

"(2) Upon service of such notice the licensee may—

"(A) suspend payment of royalty to the patentee, or any other performance to which the patentee is legally entitled under the license; or

"(B) bring a declaratory judgment action (pursuant to title 28, United States Code, chapter 151) against the patentee, to secure a declaration that the patent is invalid; or

"(C) both.

"(3)(A) The patentee may, within sixty days of his receipt of such written notice, or of the assertion by the licensee of invalidity in litigation, election to terminate the license. The patentee may not thereafter terminate the license except on grounds other than the action of the licensee taken pursuant to paragraph (1) of this subsection.

"(B) If the patentee elects so to terminate, then after the date of termination the licensee shall not be liable to the patentee, under the license, and the licensee shall be liable to the patentee, if at all, only for infringement of the patent, pursuant to this part of the title.

"(C) If the patentee does not elect so to terminate, then he may bring or maintain a civil action or counterclaim to enforce such license, in any court of competent jurisdiction. Invalidity of the patent shall constitute a defense in such action.

"(c)(1) Subject to paragraph (3) of this subsection and subsection (d) of this section, the licensee shall be liable to the patentee for any royalty, or other performance to which the patentee is legally entitled under the license, due prior to assertion of invalidity or service of notice, as specified in subsection (b)(1) of this section, and he shall be so liable, whether or not the patent is held invalid in an action referred to in subsection (b) of this section.

"(2)(A) If the patentee does not elect to terminate, pursuant to subsection (b)(3)(A) of this section, then the licensee shall be liable, subject to paragraph (3) of this subsection, to the patentee for any royalty, or other performance to which the patentee is legally entitled under the license, due after assertion of invalidity or service of notice, as specified in subsection (b)(1) of this section, only if judgment is entered therefor against the licensee in favor of the patentee, in an action or counterclaim brought to enforce the patent, referred to in subsection (b) of this section.

"(B) The court before which the matter is pending may, in appropriate circumstances and in accordance with the principles of equity, require the licensee to pay royalties in escrow during the pendency of the action.

"(3)(A) Subject to subparagraph (B) of this paragraph, the licensee shall not be obliged to pay the patentee, pursuant to this subsection—

"(i) any amount the liability for payment of which is created or accelerated by the conduct of the licensee, pursuant to subsection (b) of this section, or the termination by the patentee of the license, nor

"(ii) any other amount that the court before which the matter is pending finds has the necessary effect or was intended to have the effect of discouraging the licensee from challenging the validity of the patent.

"(B) To effectuate the purposes of subdivision (ii) of this subparagraph, the court before which the matter is pending may equitably prorate any paid or unpaid royalty.

"(d) If the patent is held invalid in any action referred to in subsection (b) of this section, the patentee shall not be liable to restore royalties to the licensee, unless there has been a failure to comply with the duties imposed by sections 115 and 131(b) of this title. Nothing contained in this paragraph shall immunize the patentee from liability for fraud or other unlawful conduct, pursuant to any other provisions of law.

"(e) If any license is terminated with respect to fewer than all of the patents or claims within the scope of the agreement, and the agreement itself does not provide for (or the parties thereto are unable, within such time as the court before which the matter is pending may determine to be reasonable, to agree upon) the royalty to be paid for a license under the remaining patents or claims, the court shall determine a reasonable royalty therefor. Thereafter, the license shall continue in force at such royalty.

"§ 297. Removal in validity challenge cases

"Any civil action pending in state court, in which a party asserts the invalidity of a patent and to which the provisions of section 295 or 296 of this chapter apply, may be removed by any party to the district court of the United States for the district and division embracing the place at which such action is pending.

"PART IV.—PATENT COOPERATION TREATY

"CHAPTER 35.—DEFINITIONS

"Sec.
"351. Definitions.

"§ 351. Definitions

"When used in this part unless the context otherwise indicates—

"(a) The term 'treaty' means the Patent Cooperation Treaty done at Washington, on June 19, 1970, excluding chapter II thereof.

"(b) The term 'Regulations', when capitalized, means the Regulations under the treaty excluding part C thereof, done at Washington on the same date as the treaty. The term 'regulations', when not capitalized, means the regulations established by the Commissioner under this title.

"(c) The term 'international application' means an application filed under the treaty.

"(d) The term 'international application originating in the United States' means an international application filed in the Office when it is acting as a Receiving Office under the treaty, irrespective of whether or not the United States has been designated in that international application.

"(e) The term 'international application designating the United States' means an international application specifying the United States as a country in which a patent is sought, regardless where such international application is filed.

"(f) The term 'Receiving Office' means a national patent office or intergovernmental organization which receives and processes international applications as prescribed by the treaty and the Regulations.

"(g) The term 'International Searching Authority' means a national patent office or intergovernmental organization as appointed under the treaty which processes international applications as prescribed by the treaty and the Regulations.

"(h) The term 'International Bureau' means the international intergovernmental organization which is recognized as the coordinating body under the treaty and the Regulations.

"(i) Terms and expressions not defined in this part are to be taken in the sense indicated by the treaty and the Regulations.

"CHAPTER 36.—INTERNATIONAL STAGE

"Sec.
"361. Receiving Office.
"362. International Searching Authority.
"363. International application designating the United States: Effect.
"364. International stage: Procedure.
"365. Right of priority; benefit of the filing date of a prior application.
"366. Withdrawn international application.
"367. Actions of other authorities: Review.
"368. Secrecy of certain inventions; filing international applications in foreign countries.

"§ 361. Receiving Office

"(a) The Office shall act as a Receiving Office for international applications filed by nationals or residents of the United States. In accordance with any agreement made between the United States and another country, the Office may also act as a Receiving Office for international applications filed by residents or nationals of such country who are entitled to file international applications.

"(b) The Office shall perform all acts connected with the discharge of duties required of a Receiving Office, including the collection of international fees and their transmittal to the International Bureau.

"(c) International applications filed in the Office shall be in the English language.

"(d) The basic fee portion of the international fee, and the transmittal and search fees prescribed under section 376(a) of this part, may be paid on filing of an international application, and shall be paid not later than one month from the date of receipt of such international application. Payment of designation fees may be made on filing and shall be made not later than one year from the priority date of the international application.

"§ 362. International Searching Authority

"The Office may act as an International Searching Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau.

"§ 363. International application designating the United States: Effect

"An international application designating the United States shall have the effect, from its international filing date under article 11 of the treaty, of a national application for patent regularly filed in the Office.

"§ 364. International stage: Procedure

"(a) International applications shall be processed by the Office when acting as a Receiving Office or International Searching Authority, or both, in accordance with the applicable provisions of the treaty, the Regulations, and this title.

"(b) An applicant's failure to act within prescribed time limits in connection with requirements pertaining to a pending international application may be excused upon a showing satisfactory to the Commissioner of unavoidable delay, to the extent not precluded by the treaty and the Regulations, and provided the conditions imposed by the treaty and the Regulations regarding the excuse of such failure to act are complied with.

"§ 365. Right of priority; benefit of the filing date of a prior application

"(a) In accordance with the conditions and requirements of section 119 of this title, a national application shall be entitled to the right of priority based on a prior filed international application which designated at least one country other than the United States.

"(b) In accordance with the conditions and requirement of the first paragraph of section 119 of this title and the treaty and the Regulations, an international application designating the United States shall be entitled to the right of priority based on a prior foreign application, or a prior international application designating at least one country other than the United States.

"(c) In accordance with the conditions and requirements of section 120 of this title, an international application designating the United States shall be entitled to the benefit of the filing date of a prior national application or a prior international application designating the United States, and a national application shall be entitled to the benefit of the filing date of a prior international application designating the United States. If any claim for the benefit of an earlier filing date is based on a prior international application which designated but did not originate in the United States, the Commissioner may require the filing in the Patent Office of a certified copy of such application together with a translation thereof into the English language, if it was filed in another language.

"§ 366. Withdrawn international application

"Subject to section 367 of this part, if an international application designating the United States is withdrawn or considered withdrawn, either generally or as to the United States, under the conditions of the treaty and the Regulations, before the applicant has complied with the applicable requirements prescribed by section 371(c) of this part, the designation of the United States shall have no effect and shall be considered as not having been made. However, such international application may serve as the basis for a claim of priority under section 365 (a) and (b) of this part, if it designated a country other than the United States.

"§ 367. Actions of other authorities: Review

"(a) Where a Receiving Office other than the Patent and Trademark Office has refused to accord an international filing date to an international application designating the United States or where it has held such application to be withdrawn either generally or as to the United States, the applicant may request review of the matter by the Commissioner, on compliance with the requirements of and within the time limits specified by the treaty and the Regulations. Such review may result in a determination that such application be considered as pending in the national stage.

"(b) The review under subsection (a) of this section, subject to the same requirements and conditions, may also be requested in those instances where an international application designating the United States is considered withdrawn due to a finding by the International Bureau under article 12(3) of the treaty.

"§ 368. Secrecy of certain inventions; filing international applications in foreign countries

"(a) International applications filed in the Office shall be subject to the provisions of chapter 17 of this title.

"(b) In accordance with article 27(8) of the treaty, the filing of an international application in a country other than the United States on the invention made in this country shall be considered to constitute the filing of an application in a foreign country within the meaning of chapter 17 of this title, whether or not the United States is designated in that international application.

"(c) If a license to file in a foreign country is refused or if an internatonal application is ordered to be kept secret and a permit refused, the Office when acting as a Receiving Office or International Searching Authority, or both, may not disclose the contents of such application to anyone not authorized to receive such disclosure.

"CHAPTER 37.—NATIONAL STAGE

"Sec.
"371. National stage: Commencement.
"372. National stage: Requirements and procedure.
"373. Improper applicant.
"374. Publication of international application: Effect.
"375. Patent issued on international application: Effect.
"376. Fees.

"§ 371. National stage: Commencement

"(a) Receipt from the International Bureau of copies of international applications with amendments to the claims, if any, and international search reports is required in the case of all international applications designating the United States, except those filed in the Office.

"(b) Subject to subsection (g) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22 (1) or (2) of the treaty, at which time the applicant shall have complied with the applicable requirements specified in subsection (c) of this section.

"(c) The applicant shall file in the Office—

"(1) the national fee prescribed under section 376(a)(4) of this part;

"(2) a copy of the international application, unless not required under subsection (a) of this section or already received from the International Bureau, and a verified translation into the English language of the international application, if it was filed in another language;

"(3) amendments, if any, to the claims in the international application, made under article 19 of the treaty, unless such amendments have been communicated to the Office by the International Bureau, and a translation into English language if such amendments were made in another language;

"(d) Failure to comply with any of the requirements of paragraphs (2) and (3) of subsection (c) of this section, within the time limit provided by article 22 (1) or (2) of the treaty shall result in abandonment of the international application.

"(e) If the international application was signed by or on behalf of the assignee, or other successor in title, the inventor after having been furnished the application may file a ratification within thirty days from commencement of the national stage as provided in subsection (b) of this section. If such ratification is not timely filed, the procedure provided by section 111(d) of this title shall apply.

"(f) After an international application has entered the national stage, no patent may be granted or refused thereon before the expiration of the applicable time limit under article 28 of the treaty, except with the express consent of the applicant. The applicant may present amendments to the specification, claims, and drawings of the application after the national stage has commenced.

"(g) At the express request of the applicant, the national stage of processing may be commenced at any time at which the application is in order for such purpose and the applicable requirements of subsection (c) of this section have been complied with.

"§ 372. National stage: Requirements and procedure

"(a) All questions of substance and, within the scope of the requirements of the treaty and the Regulations, procedure in an international application designating the United States shall be determined as in the case of national applications regularly filed in the Office.

"(b) In case of international applications designating but not originating in, the United States—

"(1) the Commissioner may cause to be reexamined questions relating to form and contents of the application in accordance with the requirements of the treaty and the Regulations;

"(2) the Commissioner may cause the question of unity of invention to be reexamined under section 121 of this title, within the scope of the requirements of the treaty and the Regulations.

"(c) Any claim not searched in the international stage in view of a holding, found to be justified by the Commissioner upon review, that the international application did not comply with the requirement for unity of invention under the treaty and the Regulations, shall be considered canceled, unless payment of a special fee is made by the applicant. Such special fee shall be paid with respect to each claim not searched in the international stage and shall be submitted not later than one month after a notice was sent to the applicant informing him that the said holding was deemed to be justified. The payment of the special fee shall not prevent the Commissioner from requiring that the international application be restricted to one of the inventions claimed therein under section 121 of this title, and within the scope of the requirements of the treaty and the Regulations.

"§ 373. Improper applicant

"An international application designating the United States shall not be accepted by the Office for the national stage if it was filed by anyone not qualified under chapter 11 of this title to be an applicant for the purpose of filing a national application in the United States. Such international applications shall not serve as the basis for the benefit of an earlier filing date under section 120 of this title in a subsequently filed application, but may serve as the basis for a claim of the right of priority under section 119 of this title, if the United States was not the sole country designated in such international application.

"§ 374. Publication of international application: Effect

"The publication under the treaty of an international application designating the United States shall have the same effect under this title as a published national application.

"§ 375. Patent issued on international application: Effect

"(a) A patent may be issued by the Commissioner based on an international application designating the United States, in accordance with the provisions of this title. Such patent shall have the force and effect of a patent issued on a national application filed under the provisions of chapter 11 of this title.

"(b) Where due to an incorrect translation the scope of a patent granted on an international application designating the United States, which was not originally filed in the English language, exceeds the scope of the international application in its original language, a court of competent jurisdiction may retroactively limit the scope of the patent, by declaring it unenforceable to the extent that it exceeds the scope of the international application in its original language.

"§ 376. Fees

"(a) The required payment of the international fee, which amount is specified in the Regulations, shall be paid in United States currency. The Office may also charge the following fees:

"(1) A transmittal fee (see section 361(d));

"(2) A search fee (see section 361(d));

"(3) A supplemental search fee (to be paid when required);

"(4) A national fee (see section 371(c));

"(5) A special fee (to be paid when required; see section 372(c));

"(6) Such other fees as established by the Commissioner.

"(b) Amounts of fees specified in subsection (a) of this section and the time of their payment, with the exception of the international fee, shall be prescribed by the Commissioner in accordance with section 41(a) of this title. He may refund any sum paid by mistake or in excess of the fees so specified, or if required under the treaty and the Regulations. The Commissioner may also refund any part of the search fee, where he determines such refund to be warranted.".

TRANSITIONAL AND SUPPLEMENTARY PROVISIONS

SEC. 2. Section 1542 of title 28, United States Code, Judicial Code and Judiciary, is amended to read as follows:

"§ 1542. Patent and Trademark Office decisions

"The Court of Customs and Patent Appeals shall have jurisdiction of appeals from decisions of the Patent and Trademark Office as to patent applications and patents as provided in chapter 13 of title 35, United States Code, and trademark applications and proceedings as provided in section 1071 of title 15."

SEC. 3. If any provision of title 35, United States Code, as amended by this Act, or any other provisions of this Act, is declared unconstitutional or is held invalid, the validity of the remaining provisions shall not be affected.

SEC. 4. (a) This Act shall take effect on the day one year after enactment.

(b) Except as otherwise provided hereafter in this section, it shall apply:

(1) to all applications filed in the Office and all international applications either originating in the United States or designating the United States, or both, filed on or after such effective date, whether or not such applications are entitled to the benefit of an earlier filing date:

(2) to all applications as the Commissioner by regulation may prescribe, that are on file in the Office on or after such effective date, whether or not such applications are entitled to the benefit of an earlier filing date, unless there has been a notice of allowance pursuant to section 151, title 35, United States Code, on such application prior to such date; and

(3) to patents issued on or after the effective date or on applications within the scope of paragraphs (1) and (2) of this subsection.

(c) Except as otherwise provided hereafter in this section, the provisions of title 35, United States Code, in effect immediately prior to the effective date of this Act, shall govern:

(1) all patents issued before such effective date;

(2) all applications, except as the Commissioner by regulation may prescribe, pursuant to subsection (b)(2) of this section, on file in the Office before and still pending on such effective date, in respect to which, on or before such effective date, there has been a notice of allowance, pursuant to section 151, title 35, United States Code; and

(3) patents issued on applications within the scope of paragraph (2) of this subsection.

(d) The following provisions of title 35, as amended by this Act, shall apply to all unexpired patents, whether issued or applied for before or after the effective date of this Act:

(1) sections 136, 138, 252, 253, 254, 255, and 256 of part II, and

(2) part III.

(e) (1) Section 139 of title 35, United States Code, as amended by this Act, shall apply to, and only to, all settlement agreements made on or after the effective date of this Act.

(2) Section 251 of title 35, United States Code, as amended by this Act, shall apply to, and only to, applications for reissue filed after the effective date, but the conditions for patentability shall be determined under the law applicable to the original patent.

(f) Examiners-in-Chief in office on the effective date of this Act shall continue in office under and in accordance with their then existing appointments.

(g) No application, in respect to which, on or before the effective date of this Act, there has been notice of allowance pursuant to section 151 of title 35, United States Code, shall be held incomplete, and no patent issued on such application shall be held invalid, because availability to the public of a deposit of a micro-organism recited therein was conditioned upon issuance of a United States patent reciting a deposit of said micro-organism.

(h) The amendment of title 35, United States Code, by this Act, shall not affect any rights or liabilities existing under title 35 in effect immediately prior to the effective date of this Act.

(i) The Commissioner may exercise any rulemaking power conferred upon him by this Act, upon the date of enactment hereof: *Provided, however,* That no rule promulgated under any newly conferred authority shall become effective prior to the effective date hereof.

Sec. 5. (a) The Board of Examiners-in-Chief shall perform the functions performed by a Board of Patent Interferences in Public Law 593, Eighty-second Congress (ch. 950, 66 Stat. 792, section 1), and when performing said functions shall constitute a Board of Patent Interferences.

(b) Nothing in title 35, as amended by this Act, shall affect any provision of the Atomic Energy Act of 1954 (August 30, 1954, ch. 1073, 63 Stat. 919) as amended or of the National Aeronautics and Space Act. (Public Law 85–568, July 29, 1958, 72 Stat. 426) except that the functions of a Board of Patent Interferences specified in said Acts may be performed by the Board of Examiners-in-Chief as specified in section 6 of title 35, as amended by this Act.

Sec. 6. Section 31 of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1113) is revised to read:

"§ 31. Trademark fees

"Trademark fees shall be prescribed by the Commissioner under the authority of section 41 of title 35, United States Code. If a fee in connection with examination of a trademark application is not paid within such time as prescribed by the Commissioner, the application shall be regarded as abandoned."

Sec. 7. In the second sentence of section 7(c) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1057(c)), "fee herein provided" is changed to "prescribed fee".

Sec. 8. In section 7(e) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1056(e)), "fee herein provided" is changed to "prescribed fee".

Sec. 9. In section 9(a) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1059(a)), "The additional fee herein prescribed" is changed to "an additional prescribed fee".

Sec. 10. In section 12(a) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1062(a)), "fee provided in this chapter" is changed to "prescribed fee".

Sec. 11. (a) There shall be in the Department of Commerce, in addition to the Assistant Secretaries now provided by law, one additional Assistant Secretary of Commerce who shall be known as the Assistant Secretary of Commerce for Patents and Trademarks, who shall be appointed by the President by and with the advice and consent of the Senate.

(b) Section 5315 of title 5, United States Code, is amended by striking "(7)" at the end of item (12) and substituting "(18)".

(c) Section 5316 of title 5, United States Code, is amended by striking item (48).

Sec. 12. Section 41 of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1123) is revised to read as follows:

"§ 41. Trademark Proceedings in the Patent and Trademark Office

"(a) The Commissioner shall make rules and regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office under this Act.

"(b) The Commissioner may establish rules for taking affidavits and depositions required in trademark cases in the Patent Office. Any officer authorized by law to take depositions to be used in the courts of the United States, or of the State where he resides, may take such affidavits and depositions.

"(c) The clerk of any United States court for the district wherein testimony is to be taken for use in any contested trademark case in the Patent Office, shall upon the application of any party thereto, issue a subpena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested trademark cases in the Patent Office.

"(d) Every witness subpenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

"(e) A judge of a court whose clerk issued a subpena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpena."

Sec. 13. (a) For the purposes of section 3283 of title 18, United States Code, any offense proscribed by section 34 of title 35, United States Code, or section 371 or 1001 of title 18, United States Code, relating to any proceeding arising pursuant to provisions of title 35, United States Code, shall not be deemed completed before the Patent and Trademark Office issues the patent to which the conduct relates, or otherwise terminates the proceeding related thereto.

(b) Notwithstanding the provisions of section 3282 of title 18, United States Code, a prosecution for any offense referred to in subsection (a) of this section may be commenced two years after discovery of the offense by the Attorney General, but in no case shall this provision extend the period of limitations provided by such section 3282 by more than five additional years.

Sec. 14. This Act may be cited as "The Patent Reform and Modernization Act of 1975".

CABLE TELEVISION IN THE SENATE

Mr. HUGH SCOTT. Mr. President, I am delighted to go on record with more than 20 of my colleagues in favor of a proposal to be considered by the Senate Rules Committee. In a joint letter we urged the Rules Committee to approve the installation of equipment in the Senate Recording Studio to permit preparation of tapes for use by cable television systems.

It is a special pleasure for me to urge the adoption of this recommendation. I am proud to say that I represent a State which is acknowledged to be the home of cable television. Years ago when the first television signals were difficult to pick up in the hills of Pennsylvania, several entrepreneurs decided that they could inexpensively and efficiently transmit television signals to potential viewers in these areas. From these initially small ventures, cable systems have developed throughout Pennsylvania and the country so that presently more than 4½ million homes in America are subscribers to cable television.

I think it is important that communities served by cable television be able to show tapes prepared by public officials on issues of interest to the community. I would like to point out that this kind of recording equipment already exists in the House of Representatives Recording Studio. There is no reason why such equipment should not be available to Senators so they may be able to prepare tapes for use on local origination channels of cable television systems in their respective States.

I am hopeful that the Senate Rules Committee will act swiftly in approving the equipment for the studio.

FATHER THORNING'S OBSERVATIONS

Mr. MONTOYA. Mr. President, the events now unfolding in Portugal deserve the attention of the Congress.

One aspect of the social change now taking place there has been commented on by Father Joseph Thorning, who is known to the Congress as the Padre of the Americas. A report of his views was recently filed by John A. Novotney, the Washington correspondent of the Religious News Service for the National Conference of Christians and Jews.

I ask unanimous consent that this article be printed in the RECORD so that my colleagues may have the advantage of Father Thorning's long experience in viewing and commenting on matters related to the Iberian peninsula.

There beiing no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.—A recent contention by Lisbon Radio that the Roman Catholic Church in Portugal had been largely caught off guard by the military coup of April 1974 has been disrupted by a Catholic scholar and writer here who has closely watched developments in Portgual the past 45 years.

Father Joseph F. Thorning, Ph. D., D.D., former dean of the Georgetown University Graduate School and currently associate editor of "World Affairs," said that since Lisbon Radio and other mass media organs in Portugal had been "strongly infiltrated even before the coup by Marxist-Leninist activists, it was not astonishing that Lisbon Radio would claim that religious people would be caught off guard by the coup."

The government-operated radio station, in what it termed an appraisal of the role of the Portuguese Catholic Church in the recent past, said that "even before the April military coup ended a half a century of right-wing dictatorship," individual Catholics, including some members of the hierarchy, had expressed public opposition to the regime's "overseas" policies.

Dr. Thorning, who said he has traveled to Portugal almost every year since 1929, asserted in a Religious News Service interview that criticism by especially younger members of the hierarchy had not been confined to the overseas policies of the overthrown regime of former Premier Marcello Caetano and his predecessor.

In consultation with several Portuguese bishops, university professors and students already 10 years ago, the American priest drew attention to this in his writings, he pointed out.

"It's clear that 10 years ago, religious people looked for evolution rather than revolution in Portugal [95 per cent of whose population is Roman Catholic], so they weren't taken by surprise," he said.

As to Lisbon Radio's observation that the April coup left the Portuguese Catholic church "in a politically ambiguous and vulnerable position," Father Thorning said it is "more religious (than political) ambiguity that makes the Church's position vulnerable today. Why? Because throughout the religious world (and not only among Roman Catholics), there has been in the past 10 years in growing volume a demand for compromise with, or even accommodation with Marxist principles and values."

The Portuguese government radio had also commented that "there is strong feeling in Portugal for scrapping the 1940 Concordat (between Portugal and the Vatican) altogether," thus depriving the Catholic Church "of its officially privileged status."

The Washington-based priest, whose most recent visit to Portugal was last August, said: "It should astonish no one to find there is strong feeling in Portugal to scrap the Concordat because the bishops in nearby Spain in no small number are persuaded that it may be better that church people and the Holy See should have complete independence in the selection of bishops."

He also took exception with the broadcast editorial statement that "with Portugal's first free elections in 48 years, scheduled for next March," the Catholic Church there "is facing challenges."

"Actually, almost all people with religious conviction in Portugal are in favor of free elections in March," he said, "before this daily bombardment of Marxist-Leninist propaganda reaches all segments of the population, including the rural north. Marxist-Leninist activists, whether in the coalition government or in the mass media, are now demanding postponement of free national elections," he said.

Father Thorning said it is "entirely' laudable that the bishops encourage the faithful to vote in the elections because it is a grave obligation. "And it is equally gratifying," he continued, "that the bishops in Portugal, as the bishops in the United States, want priests to do the work essential to their scared ministry and not to work and talk simply like politicians."

CYPRUS CRISIS DEEPENS

Mr. KENNEDY. Mr. President, the news over this past weekend of an outbreak of fighting on Cyprus, and of the continuing deadlock in negotiations, serves as a reminder that the crisis on Cyprus deepens each day.

This last Friday, I issued a statement calling for additional assistance to the refugees of Cyprus, and discussed a letter I received, as chairman of the Subcommittee on Refugees, from Secretary of State Henry Kissinger on the progress in negotiations over Cyprus. Given the approaching February 5th deadline on continuing military aid to Turkey, I would like to share with my colleagues the text of the Secretary's letter to the subcommittee.

Mr. President, I ask unanimous consent that my statement and the Committee's correspondence with Secretary Kissinger be printed in the RECORD.

There being no objection, the statement and letters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EDWARD KENNEDY

The full text of Senator Kennedy's statement follows:

"Last December 19, shortly after Cyprus hearings before the Subcommittee on Refugees, four members of the Subcommittee addressed a joint letter to Secretary of State Henry A. Kissinger. Among other things, the Subcommittee's letter strongly recommended that as an aid to the negotiating process, 'the United States must finally use its vast influence and good offices with Turkey to persuade the Ankara Government of the need for an immediate 'gesture of good will', which includes a meaningful withdrawal of occupation forces and the return of refugees to their homes.' The Subcommittee's letter also appealed for renewed diplomatic efforts to reopen the Nicosia airport, and continuing American contributions to international relief efforts by the Red Cross and the United Nations High Commissioner for Refugees (UNHCR).

"On January 6, the Secretary replied to the Subcommittee's letter. The main thrust of the Secretary's letter was that gestures of goodwill by Turkey were no longer needed to get negotiations launched, and that 'some progress' had been made in recent weeks toward getting 'substantive negotiations' underway. A few days later these negotiations began—between Greek Cypriot leader Glafcos Clerides, and the Turkish Cypriot leader Rauf Denktash.

"About the same time, members of Congress were being privately assured by spokesmen for the Administration that these negotiations were significant, and that some meaningful progress would surely be made before February 5—the date when present law suspends military aid to Turkey. And in recent days this hopeful view has been reiterated by Secretary Kissinger and others in the Department of State.

"Americans concerned about Cyprus can only welcome the resumption of negotiations and the optimism expressed by our diplomats. And hopefully, Ankara's recent announcement of the withdrawal of some 1,000 Turkish troops is indeed a 'positive step', which will be followed by others in the day immediately ahead.

"But more is needed than tokenism, good intentions, and the cosmetics of progress—especially in light of the stark realities that still grip the people and nation of Cyprus.

"No movement has really been made in restoring the territorial integrity, sovereignty and independence of Cyprus. At least 35,000 Turkish occupation troops remain on the island, and these troops still occupy nearly 40 percent of Cyprus. The economy of Cyprus continues to deteriorate. And over 200,000 people remain refugees—driven from their lands and homes only a few miles away. For six months they have lived wherever they could find shelter and help. And today they are still waiting the opportunity to return to their livelihoods and homes, and to their families and friends.

"And so, despite the hopeful signs of some progress on the Cyprus issue, the basic human and political tragedy of the island remains unchanged—and so do the issues for American policy. Moreover, American military assistance to Turkey continues. The refugee problem festers. And the humanitarian needs on Cyprus grow.

"As I reported early last December, in the first quarter of this fiscal year (July–Sept., 1974), military assistance to Turkey totaled some $40,530,000. At the time, I also suggested that the heavy military shipments to Turkey were continuing—despite the lack of any visible progress in negotiations over Cyprus.

"And in response to my inquiry, the Department of State now indicates the following schedule of deliveries from last September. The quarterly totals include both Foreign Military Sales and Military Assistance Program deliveries.

"October–December, 1974, $39,095,000; January–March, 1975, $48,397,000; and April–June, 1975, $64,367,000.

"The continuing heavy shipment of arms to Turkey, and the pending Turkish requests for even greater deliveries, is cause for grave concern. But, as the Chairman of the Subcommittee on Refugees, I am equally concerned over the sluggishness of the Administration in responding to humanitarian needs on Cyprus.

"As of last fall, the United States had contributed some $10,000,000 to the International Red Cross and the UNHCR relief programs. Since then, however, Cyprus government requests for food and rehabilitation aid, and for minimal assistance in irrigation projects and reforestation in war damaged areas, have been all but ignored.

"Even more distressing, is the fact that International Red Cross and UNHCR appeals for new humanitarian contributions are tied up in the red-tape bureaucracy of the State Department.

"The time is past due for the Administration to release the funds made available by Congress to support the urgent and important humanitarian work of these international organizations. And hopefully this will be done within the next few days.

"Hopefully, current diplomacy will finally bring peace and relief and justice to the people and nation of Cyprus."

SUBCOMMITTEE ON REFUGEES' CORRESPONDENCE WITH SECRETARY HENRY A. KISSINGER

DECEMBER 19, 1974.

Hon. HENRY A. KISSINGER,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: As you know, since the outbreak of violence last July, the Subcommittee on Refugees has closely followed developments on Cyprus. Our primary concern has been the refugee and related humanitarian problems resulting from Turkish military operations, and the kinds of efforts our country is making to help bring peace and relief to the people of Cyprus.

In addition to a series of three public hearings on this issue of concern to Congress and the American people, members of the Subcommittee have exchanged views with officials in the Department of State, and a special Study Mission, representing the Subcommittee, traveled in the field during August and September. A report of their findings and recommendations was submitted to the Department of State for comment on October 25th.

We share the view of many Americans that the plight and fate of the refugees is central to the Cyprus issue, and to any meaningful negotiations over the future of the island. We further believe that a viable solution to the Cyprus problem, much less peace on the island, will not be readily accomplished unless and until a significant number of Greek Cypriot refugees are permitted to return safely to their lands and homes in areas currently occupied by Turkish forces. We believe, therefore, that the United States must finally use its vast influence and good offices with Turkey to persuade the Ankara Government of the need for an immediate "gesture of good will", which includes a meaningful withdrawal of occupation forces and the return of refugees to their homes. In purely human terms, such a "gesture of goodwill"—involving the orderly return of refugees to the Famagusta and, perhaps, the Morphou areas of the island—would significantly ease the tragic plight and humanitarian needs of many refugee families. Such a development would also offer an immediate opportunity to break the deadlock over the resumption of negotiations among the parties involved, and serve as a meaningful first step toward a negotiated settlement of the Cyprus problem and the restoration of the island's full independence, sovereignty and territorial integrity.

As members of the Refugee Subcommittee, we would like to recommend that an immediate withdrawal of Turkish forces from the areas cited, and the orderly return of refugees to their homes and lands in these areas, be a clearly understood and primary objective in current American diplomacy over Cyprus. We share the strong conviction that such development would accomplish important humanitarian and diplomatic ends, which will contribute positively toward a resolution of the Cyprus problem and the renewal of peace and stability in the Eastern Mediterranean.

We would also like to express our concern over the absence of any visible progress in efforts to open the Nicosia airport, which has been closed since July. Most observers agree that the opening of this airport, under United Nations auspices, would, among other things, greatly facilitate international relief operations in behalf of the Cypriot refugees and others in distress, both Turkish and Greek. We are extremely hopeful that the problem of the Nicosia airport is high on the diplomatic agenda, and that the United States will lend a greater measure of diplomatic support to the opening of this important facility under appropriate international auspices until the island's future is determined.

Finally, we commend the Administration for its important humanitarian contributions to international emergency relief efforts in behalf of the refugees and other Cypriots in need. We are hopeful that our Government is prepared to continue this tangible expression of America's traditional generosity and compassion overseas, and that efforts to meet growing rehabilitation and reconstruction needs on Cyprus will also receive our Nation's active concern and support.

We would appreciate very much your early consideration and comment on these areas of public policy and concern.

Many thanks for your consideration, and we look forward to hearing from you soon.

Best wishes.

Sincerely,
EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees.
HIRAM L. FONG,
CHARLES McC. MATHIAS, JR.,
PHILIP A. HART.

SECRETARY KISSINGER'S LETTER TO SENATOR KENNEDY AND THE SUBCOMMITTEE ON REFUGEES

JANUARY 6, 1975.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees, U.S. Senate, Washington, D.C.

DEAR TED: Thank you for your letter of December 19 and for your views and those of Senators Fong, Mathias, and Hart on the Cyprus problem and the role the United States should play in it. Happily, it appears that we share many views on this question. In particular, we share your deep concern for the plight of the refugees and believe that resolution of this tragic human problem is central to the Cyprus issue and to any meaningful negotiations on a political settlement. Likewise, we believe that the question of Turkish troop withdrawals will be part of any settlement and that arrangements must be worked out among the parties involved which will preserve Cyprus' sovereignty, independence, and territorial integrity and enable the people of Cyprus to live together in peace and security.

Our primary objective, from the outset of the crisis, has been to bring about negotiations between the parties concerned which would address the urgent questions. We have worked closely with all the parties to this end, encouraged flexibility and moderation, and supported various United Nations resolutions urging the parties to make early progress on the refugee and troop withdrawal issues.

Fortunately, some progress has been made in recent weeks toward getting substantive negotiations underway. I had good talks in Brussels on December 11–13 with the Greek and Turkish Foreign Ministers which led in turn to the resumption of discussions between the representatives of the two communities on Cyprus on December 19. They are now working to resolve one final point so that political negotiations can begin. In light of these developments, I believe we have progressed beyond the point where gestures are needed as a means of getting negotiations launched. However, a conciliatory approach by all parties and the creation of a favorable atmosphere remain as important as ever to successful negotiations. We will therefore continue to encourage all parties to make whatever contributions they can to improve the atmosphere and to proceed as rapidly as possible toward a negotiated settlement. At the same time, while we can take and advocate positions on some issues in the negotiations, it is important that we keep the process moving without ourselves getting in the middle prematurely with suggested solutions.

I can assure you that both from a humanitarian and practical point of view, we agree on the importance of the reopening of Nicosia Airport. My talks led to agreement that this will be a priority agenda item once negotiations get underway, and there are good prospects that interim arrangements for operating the airport can be worked out and agreed upon without too much difficulty.

In closing, I would welcome and appreciate your cooperation and support for our efforts to facilitate a negotiated settlement to this troublesome and deeply rooted historical problem. Let me also thank you and your committee for your support of United States contributions to the Cyprus refugee relief effort. These contributions have been, as you aptly put it, a "tangible expression of America's traditional generosity and compassion overseas", and we fully intend to express our continuing concern for the refugees in Cyprus through further, contributions, as necessary and appropriate, to the relief effort.

Warm regards,
HENRY A. KISSINGER.

DEATH OF TOM ADEN, ASSOCIATED PRESS BUREAU CHIEF IN PHOENIX

Mr. FANNIN. Mr. President, I was saddened last week to learn of the passing of Tom Aden, the bureau chief in Phoenix for the Associated Press.

Tom Aden was an outstanding, highly dedicated journalist who insisted on thorough, fair, and accurate reporting.

He was very active in Sigma Delta Chi, working both to promote professionalism in journalism and to prevent Government infringement on the freedom of information.

Tom Aden was a very aggressive newsman, yet he remained throughout his life the southern gentleman that he was.

In the 8 years that he directed the Associated Press in Arizona he improved the newsgathering system in our State and earned the respect of his colleagues and those in all fields of endeavor.

Mr. President, the Arizona Republic in last Tuesday's editions carried a story recounting some of the achievements of Tom Aden during a distinguished career which spanned almost three and one-half decades in the Midwest, South, Southwest, and West. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THOMAS B. ADEN DIES AT 58; CHIEF OF ASSOCIATED PRESS BUREAU IN CITY

Thomas B. Aden, Arizona bureau chief for the Associated Press here the past eight years died Monday night in Good Samaritan Hospital after an extended illness.

The 58-year-old Aden directed the gathering and dissemination of news to 15 daily newspapers and nearly 40 radio stations in Arizona from his Phoenix bureau.

He spent 30 of his 34 years as a newsman working for the AP. He started as an AP reporter in Denver in 1945 and worked up to head two bureaus.

"Tom Aden, who was one of the best AP bureau chiefs ever to serve in Arizona, will be missed by his colleagues throughout

Arizona and beyond," said Eugene C. Pulliam, publisher of The Arizona Republic and The Phoenix Gazette and a former first vice president of The Associated Press.

"Aden's dedication to his job and his unfailing courage in what he knew for more than six months to be a fatal illness won him the admiration of all who knew him here and throughout the Associated Press," Pulliam said.

Before coming to Phoenix in 1966, Aden served nine years as chief of the AP bureau at Nashville, Tenn. Historic news stories whose coverage he directed while there included the jury-tampering conviction of former Teamsters Union boss James Hoffa and the admission of the first black to the University of Mississippi at Oxford.

Aden underwent an operation last June and subsequently returned to work. He was planning to attend the Arizona Newspaper Association convention at Tucson last week before he was admitted to Good Samaritan Hospital.

Under Aden's direction the AP bureau here replaced typewriters with cathode ray tube machines that compose and transmit news electronically.

He also served as state manager of News Election Service which coordinates election returns for AP, United Press International and the three major broadcast networks.

Aden began his career as news director of Radio Station WMBH in Joplin, Mo., in 1933. Two years later he went to work with the old United Press at Denver, where he remained until 1942.

He served in the U.S. Army Air Corps from 1942 to 1945. A technical sergeant with a B–29 air photo reconnaissance unit, he served in the Pacific and Panama.

He was a native of Christmasville, Tenn. He attended Bethel College and was graduated from the University of Missouri school of journalism.

After six years at Denver with AP, Aden was transferred in 1951 to Boise, Idaho, where he covered the Idaho legislature and state offices.

In 1955 he switched to the AP membership force. He was assigned to Portland, Ore., as regional membership executive in charge of sales of AP services to stations in Idaho, Washington, and Oregon.

In 1957, he was transferred to San Francisco, where he headed sales for Southern California, southern Nevada and Arizona. He was named Nashville bureau chief in 1958.

Aden was a member of the board of directors of the Phoenix Press Club. He also belonged to the Valley of the Sun Chapter of the Society of Professional Journalists, Sigma Delta Chi. He was active in organizing the society's 1974 national convention here.

Survivors include his wife, Paula; a daughter, Mrs. Gary Armstrong of Albuquerque, and a sister, Mrs. Sheila Higgins of Hopkinsville, Ky.

S. 483—TO PREVENT CREDIT DISCRIMINATION BASED ON AGE

Mr. MONTOYA. Mr. President, last Wednesday I joined the distinguished Senator from Tennessee (Mr. BROCK) in introducing S. 483 to prevent age discrimination in the granting of credit.

I am indeed happy to be a cosponsor of this measure. A capricious denial of credit premised on an arbitrary age limit is unwise, and ought to be illegal. I personally know hundreds of New Mexicans who, if such an age limit were 65 years, would not qualify for credit. Yet these people are hardworking and productive members of their communities. To prevent them from receiving the benefits of sound credit—solely on the basis of age—deprives them of the respect we owe the elderly. Furthermore not granting credit to old folks can hold large numbers of potential buyers out of sagging markets. Business, at least in New Mexico, would surely agree that if a woman or man pays his bills, she or he ought to be creditable no matter how old.

I, therefore, gladly join Senator BROCK and the other cosponsors of S. 483 in pressing for early passage of the bill.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT

Mr. WILLIAMS. Mr. President, I am pleased to join Senators RANDOLPH and STAFFORD and other members of the Subcommittee on the Handicapped in reintroducing the Developmental Disabilities Assistance and Bill of Rights Act. This bill is virtually identical to S. 3378, passed by the Senate in the 93d Congress. This legislation extends and strengthens the Developmental Disabilities Services and Facilities Construction Act and establishes basic minimum standards for community and residential services for developmentally disabled persons. As originally passed by the Congress in 1970, this legislation was intended to provide a comprehensive mechanism through which States could pull together, at the level of service delivery, all of the fragmented programs needed to provide integrated care, education, and other services for individuals with neurological handicapping conditions. The goal was not to duplicate or pay for existing services, but to deploy funds in a catalytic manner for systematic planning and coordination of services; funds were only to be used to support services when such services did not exist or when necessary gaps must be filled to provide comprehensive programing. The legislation before us today builds on this model and makes changes which are necessary to further this effort.

The main focus of this legislation, both titles I and II, is the facilitation of the comprehensive services in the community for persons who are mentally retarded or with other developmental disabilities.

The committee has taken steps to strengthen the efforts of State planning councils for the developmentally disabled in order to carry out this purpose and has established as the primary goal of the legislation the provision of services to individuals in the most normalized environment possible. Because of the inadequacy of services in the community, mentally retarded and other persons with developmental disabilities have been segregated in residential living situations which provide inadequate services to meet their needs. While some services may be exemplary, there is no State in the Union which can claim that it provides good developmental care and education services for this population. Over the past few years, the horrifying conditions which exist in most of the public residential institutions for the mentally retarded and other developmentally disabled persons have provided shocking testimony to the inhuman way we care for such persons. The conditions at Willowbrook, at Partlow in Alabama, and at Rosewood in Maryland, and at many other institutions have shown beyond a shadow of a doubt that the treatment of these individuals is worse than all of us would like to admit. Steps to scale down many of these large custodial institutions have resulted in not-so-large institutions, often with not much improved care and with little followup. This has been true at Willowbrook: in 1965 and again in 1972, broad criticism has been levied at this institution; all indications point toward little change, unless substantial legal and advocacy pressure is forthcoming. While much can be said about the lack of available funds to improve conditions at these institutions, at some point this country must draw the line. The abuses are too commonplace to point at a single institution, or a single abuse and say that it is an anomaly. Over the last 2 years the Committee on Labor and Public Welfare has taken testimony or received reports of: inappropriate admissions because of lack of community services, inappropriate and inhuman experimentation with residents, sterilizations, and other operations performed for convenience of treatment, starvation and malnutrition, abuse and physical punishment, inadequate food and living conditions, and death.

Some improvements have occurred over the last few years. Yet, the Constitution of the United States provides equal protection of the law for all persons no matter who they are or what their condition. A Federal district court in Alabama has ruled in the Partlow case that this includes the right to treatment for persons who are institutionalized, for without that right such persons have been incarcerated without due process. A judge in New York in a preliminary hearing on the Willowbrook case said that this includes the right to protection from harm. Despite the Constitution, despite State and local law, it would be difficult for anyone to argue that individuals who reside in these institutions receive the equal protection of any law, let alone the constitutional rights they are entitled to enjoy by being citizens of this country.

The legislation before us provides a framework by which these constitutional rights may be enforced. Title I assists States in their planning toward the provision of services to meet the needs of developmentally disabled individuals. Title II of the legislation sets forth basic minimum standards for both community agencies and facilities and residential facilities. In brief, title I—

Transfers the Office of Developmental Disabilities from the Social and Rehabilitation Services Administration to the Office of the Secretary;

Requires affirmative action to employ and advance in employment handicapped individuals—applies to all recipients of assistance under the Act and parallels provisions in the Rehabilitation Act;

Creates a new special project grant authority in the developmental disabilities legislation;

Strengthens the State Planning and

Advisory Councils by providing adequate staff, making them responsible for submission of a State plan and approving all plans for implementation of the State plan, including the plans for expenditure of funds, and giving them prior review and comment over other State plans for Federal assistance which affect persons with developmental disabilities;

Establishes priorities for the expenditure of funds under the act, which place primary emphasis on the establishment of community-based programs to serve persons with developmental disabilities and the deinstitutionalization of such persons;

Includes as a primary emphasis for funds for university-affiliated facilities, the deinstitutionalization of persons with developmental disabilities, and provides funds for university-affiliated facilities to conduct assessments of the need for facilities to train persons and provide services in States not served by university-affiliated facilities, and funds to establish satellite centers; and

Mandates the development of a model evaluation system by the Secretary of Health, Education, and Welfare which will assess the adequacy of services to individuals with developmental disabilities;

Title II of the bill sets forth a means to assure that the rights of developmentally disabled individuals will be protected. As introduced, this legislation provided that all facilities for persons with developmental disabilities meet standards based on the standards of the Joint Commission on Accreditation of Hospitals for residential facilities or lose any Federal assistance within 5 years. S. 3378, as passed by the Senate, and this identical bill provide alternative procedures for residential and community facilities and agencies providing services to persons with developmental disabilities, as follows:

A State must provide assurances to the Secretary within 1 year from enactment that each facility and agency within the State has adopted a plan for compliance with the requirements of the act, and the State must submit to the Secretary a plan which demonstrates how such compliance will be met.

A State must agree to do compliance reviews, and the Secretary is required to conduct validation surveys of such compliance reviews.

Residential and community facilities and agencies are required to meet standards based on standards of the Joint Commission on Accreditation of Hospitals within 5 years; or, must meet alternative requirements which include:

Such performance criteria as developed by the Secretary;

The provision of individualized written habilitation plans;

A client program coordinator to be assigned to each developmentally disabled individual; and

Certain minimum standards relating to family visitation, admission requirements to facilities, personnel, educational services, civil rights, and food, medical treatment and safety.

Title II also provides that a system of personal and protective advocacy must be established in each State to monitor programs and services and to protect the rights of each developmentally disabled individual.

Mr. President, the focus of this bill is the reinforcing of all the aspects of service delivery to persons with developmental disabilities which are needed to provide a comprehensive service system. The committee has emphasized the need for ancillary services in the community under title I to bolster community facilities and community care. Such ancillary care includes: parent training and counseling, early childhood diagnostic and evaluation services, home care, and stimulation and intervention services. Continuing this emphasis on the need to develop comprehensive services which will aid in the provision of quality developmental care for all persons with developmental disabilities, the bill also transfers the Office of Developmental Disabilities from the Social and Rehabilitation Services Administration to the Office of the Secretary.

The bill further broadens the definition of developmental disabilities and other disabilities which are found to be closely related to mental retardation as that term refers to the general intellectual functioning or an impairment in adaptive behavior or which requires treatment similar to that required for persons who are mentally retarded. Such disabilities must: originate before age 18, be expected to continue indefinitely and constitute a substantial handicap to the individual's ability to function normally in society. This definition stresses the chronic nature of the disability, its occurrence early in life, and its impairment of the development of an individual. It is further important to note that in terms of development, persons with developmental disabilities are those who are the most severely impaired in both intellectual functioning or general adaptive behavior. It is for this reason that autism and specific learning disabilities are included, but the bill intends that those individuals with specific learning disabilities who are covered by this definition are persons for whom this disability is a very severe impairment.

In conclusion, Mr. President, I wish to praise my colleagues on the committee who were most steadfast in their support and continuing examination of this legislation in the 93d Congress and wish to thank the Senator from West Virginia (Mr. RANDOLPH), the Senator from Vermont (Mr. STAFFORD), the Senator from California (Mr. CRANSTON), and the Senator from New York (Mr. JAVITS) for their work on this legislation and their staffs for their assistance.

INCOME TAX DEDUCTION FOR THERMAL IMPROVEMENTS TO RESIDENCES

Mr. HUGH SCOTT. Mr. President, I am delighted to join in sponsoring Senate bill 168. This is important legislation which I hope will receive favorable consideration in the coming months.

The bill would amend the Internal Revenue Code of 1954 to allow an income tax credit or an income tax deduction for expenditures by a taxpayer relating to thermal design or thermal improvements to an individual's residence. This legislation will spur homeowners to invest money in energy saving thermal materials. Essentially, the taxpayer will get a tax break of up to $4,000 for installing energy-saving insulation or devices in his home. The bill provides an option for either a deduction of the $4,000 taxable income or a 25-percent tax credit on expenditures authorized by the legislation. I believe the option is important, because the taxpayer may decide which of these options benefits him the most.

We must decrease our national demand for energy at all levels. There will be a directly proportional decrease in the energy necessary in the future by increasing the amount of insulation and thermal protection through the implementation of this legislation. I support this concept and I urge its adoption by my colleagues.

CANADA'S HEALTH INSURANCE OFFERS LESSONS FOR US

Mr. KENNEDY. Mr. President, two articles by Harry Nelson from the Los Angeles Times are an excellent description of some of the lessons this country can learn from Canada's experience with national health insurance. The articles describe Canada's current efforts to institute cost controls, and incentives for efficiency and economy in their health care system which were largely overlooked when they enacted their program of national health insurance. I have long maintained that any national health insurance program enacted in this country should be accompanied by such controls and incentives from the very beginning while the various proposals which Congress has considered differ widely in this respect, the Health Security Act of 1975, S. 3, is by far the strongest in this regard.

Mr. President, I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[Reprinted from the Los Angeles Times, Nov. 29, 1974]

CANADA'S HEALTH INSURANCE OFFERS LESSONS FOR UNITED STATES

(By Harry Nelson)

OTTAWA.—National health insurance is thriving in Canada and its residents cannot understand why the United States doesn't adopt a similar plan.

It is hard to find a Canadian who is unhappy with the government medical insurance and even physicians who originally opposed the inclusion of doctors in the plan are generally satisfied and making more money than ever.

It may come as a surprise, then, to learn that an increasing number of Canadians believe that national health insurance—essentially a system for paying for health care—by itself is not enough.

"Now that we've solved the problems of paying doctor and hospital costs, the real battle begins," said one government official.

The real battle, as some Canadian health planners see it, is to change people's most basic attitudes about health care—what it is, who is responsible for it, and how it should be delivered.

That is far less dramatic and appealing than the arrival of national health insurance, which in Canada has relieved an entire population of the threat of financial ruin from illness.

But it may be the most crucial question the Canadian experience poses for the United States: how far should national health insurance legislation pending in the U.S. Congress go beyond merely providing a mechanism to pay the bills? Should it attempt to alter the American health system itself, along with some of the deep-set beliefs Americans have about health care?

Canada's experience suggests that when national health insurance arrives, there must also be inducements for professionals to use health dollars with drastically increased efficiency and for patients to accept what that means for them.

If this does not happen, a lot of money is spent for benefits that are questionable and may not produce much real improvement in health.

But to accomplish this change in attitudes, some powerful convincing needs to be done, among consumers as much as health professionals.

Doctors fear they will be weaned away from the lucrative fee-for-service method of payment. Hospitals like the freedom of deciding whether they will install a new million-dollar piece of equipment. Patients prefer putting the responsibility—or blame—for their health on their doctor rather than on themselves.

Some Canadian planners call this awakening interest in changing attitudes the third revolution. The first revolution came in 1958 when national hospital insurance was passed. Ten years later came the second revolution—the national plan for paying doctor bills.

Various Canadian provinces have various ways of going about it, but the goal of the third revolution is to redesign the health care delivery system so that unnecessary medical procedures and duplicative hospital or clinic facilities are discouraged, the public plays a bigger role in running the system, and patients have new responsibility for maintaining their own good health.

Although far from reaching this stage, the third revolution has already met with considerable opposition.

Take, for example, some provincial efforts to regionalize health care. Regionalization attempts, among other things, to assure that expensive medical services will not be duplicated at hospitals within the same geographical area while also assuring that individual hospitals get to do the things—open heart surgery, for example—they are best qualified to handle.

The immediate crunch has come over what regionalization implies for actual hospital facilities.

Now that the provincial and Canadian federal governments control the health purse strings, government has a strong incentive not only to curtail the building of new hospitals but to try to close many already built.

The financial reason for this is obvious. Canada, like Los Angeles and many other parts of the United States, has too many hospital beds which, because they exist, will continue in use unless the government prohibits it. Hospital costs account for more than half of Canada's health budget.

Perhaps more important are the sound medical reasons for deemphasizing hospitalization. Making it easy to enter a hospital undermines efforts to strengthen preventive medicine intended to stop ailments in their earliest stages. And, many people get sicker in hospitals because of infections they acquire there or as a result of drug interactions.

As might be expected, said one official in British Columbia, where regionalization is tentatively being tried, the vested interests ganged up on the government and used their political influence to cool the ardor of the visionaries.

"The real power is about 160 of the 3,000 doctors in the province," the official said.

"If you look where these people live in Vancouver and Victoria, you will find that they live next door to the handful of businessmen who sit on the hospital boards and run the voluntary health agencies and businesses connected with health.

"These are the people who decide whether the professionals will change their attitudes."

While a change in attitude would seem to benefit the taxpaying patients, the public apparently doesn't always think so.

In Montreal it was laymen, as well as professionals, who marched the streets to protest the closing of hospitals that Quebec government health authorities felt were superfluous.

In scores of communities across Canada the outcry against closing hospitals has come from a public which equates quality medical care in part with the presence of a hospital nearby.

It apparently is difficult to convince the residents of a small town with a 20-bed hospital that they would be better served if the hospital were closed and merged with a larger, more elaborate one 10 miles down the road. The same problem exists in larger cities.

Nevertheless, determined government health officials in Quebec, led until a year ago by Health Minister Claude Castonguay, have been able to halt $250 million worth of new hospital construction and to close 100 private facilities including ten 50- to 100-bed hospitals.

Ontario, one of the country's most affluent provinces but creaking under a health budget that is growing at a rate of 10% to 15% a year, has taken out of service 1,200 of its 50,000 beds.

But, an official admitted, there are still 5,000 beds too many. Then, reflecting on the political implications of further reductions, he noted there is a provincial election next year "so we probably won't be cutting more beds for a while."

From Quebec to British Columbia, reports have been appearing over the past two years recommending ways to tighten the system to improve quality and perhaps save money. All the recommendations entail significant changes in attitude by both consumers and professionals.

A national report issued last April says the Canadian government intends to focus greater attention on the roles played by living habits and the environment in causing illness.

In effect, the report says it is wasteful to continue paying doctor and hospital bills without taking steps to prevent some of those costs by cleaning up the environment and by trying to change people's lifestyles.

The report, entitled "A New Perspective on the Health of Canadians," was authored by Marck Lalonde, minister of national health and welfare.

Lalonde implies that unless environmental hazards such as air and water pollution are controlled and unhealthy lifestyles are altered, a national health insurance plan not only costs more but will have far less effect on improving health.

Self-imposed health risks cited in the report are excessive drinking, smoking, addiction to psychoactive drugs, overeating, high-fat diets, fad diets which lead to malnutrition, lack of exercise, and even careless driving and failure to use seat belts.

Together with the environment, these risks are said to be the principal factors in each of the five major causes of death over the age of one year: motor vehicle accidents, heart disease, all other accidents, respiratory disease and lung cancer and suicide.

The report clearly implies that individuals may soon be expected to take greater responsibility for their own health. There is no hint of what will happen if they don't, but some observers speculate that individuals who persist in bad health habits may in the future be penalized financially under the insurance plan.

A British Columbia report prepared by Dr. Richard Foulkes is an example of the ways professionals are expected to change. Foulkes' report was written at the request of Dennis Cocke, then a candidate for provincial health minister (an elected office in Canada). He now occupies the post.

In his report, Foulkes pushed for creation of a system of health care delivery in British Columbia.

One principal ingredient is local centers in each community that would provide a wide variety of health services and social services as well. The emphasis would be on prevention.

Combining health and social services in one setting is based on the growing awareness that many health problems have a social cause as their basis.

For example, an elderly person may have frequent colds because he or she is not taking the trouble to prepare nutritious meals. An aware social worker could spot this deficiency and arrange to have it corrected. Without the involvement of social services it might not be corrected because most health workers are medically, not socially, oriented.

Another ingredient of Foulkes' plan is the regional health district concept which caused the flap over hospital control. A key element is involving ordinary citizens in the planning, managing and providing of health care.

One goal of the Foulkes' report was to decrease provincial government control and place more control in the hands of local people who presumably know their health needs better.

This would be accomplished by having consumers represented on boards responsible for these functions, both areawide and within individual clinics. In this way the public would be given a voice in deciding what kinds of services would be offered and where and when.

Cocke, the health minister, appears little inclined to implement the Foulkes' report at this time.

"It's something you can't do overnight," Cocke said. His critics say he has capitulated to the British Columbia Medical Assn., which reacted with horror to the suggestion that the present system be replaced.

In Quebec, former Health Minister Castonguay was more fearless—some say reckless—in trying to implement a revolutionary health program during his tenure.

The idea in Quebec has been to reorganize all social and outpatient medical services so they are accessible in one place—some 50 to 60 clinics which would be scattered across the province. Fifty per cent of the membership of each clinic's board of directors are to be consumers.

The plan also calls for dividing hospitals into three categories according to degree of specialization, with patients needing hospitalization channeled from the community clinics to the most appropriate hospital. All this is to be coordinated by regional boards.

Castonguay attempted to implement the system with one master stroke, knowing what the consequences would be.

As expected, the professionals were furious over the audacity of the move and many laymen were disturbed at the prospect of disrupting familiar doctor-patient relationships.

One of the most serious points of friction developed between the physicians and the social workers who worked side by side in the community clinics. Physicians are inclined to believe the medical role is paramount, whereas social workers know full well that social factors often are what make people sick. And the lay board often has its own notion of what is important.

A story circulating about a community clinic in Montreal is a good example of how conflicting interests can lead to dissension. Like most such centers, this clinic was charged with offering the public the kinds of services, both medical and social, that would best meet the public's needs.

Apparently the most pressing need was seen as putting a stop to a freeway about to be built nearby. This, according to the story, delighted the more socially oriented members of the clinic but exasperated those who felt the clinic's prime concern should be more medical.

The upshot was that the medical staff quit en masse.

One of Canada's first community health clinics started in Saskatoon, Sask., in 1962. The staff of that clinic stresses that good relations between its lay and medical and social worker elements is no easy task—even after 12 years.

But there is a payoff if the way can be found to maintain mutual respect between the various interests. Betsy Naylor, the clinic's ombudsman, says the consumers must work hard to create respect and not just coast on the coattails of the professionals.

"It's important to give doctors the same kind of hearing we give the patient," she notes. "The patient's advocate must not bully the doctors for the same reason they don't want the patients bullied."

Doctors, on the other hand, cannot expect to get by treating patients in a cavalier manner.

Patients cannot stand to go to the doctor, be handed a pill and told to come back Tuesday without being told why, Ms. Naylor says.

The degree of cooperation at the Saskatoon clinic has reached the point where the clinic doctors refuse to prescribe a tranquilizer without having a social service followup, according to Ms. Naylor.

It is this kind of use of varied talents directed at meeting social as well as medical needs that community clinics should achieve.

Maintaining the proper chemistry, however, is not easy. In Regina, the provincial capital, a similar type of clinic underwent reorganization after nine of its physicians walked out, taking the records of 35,000 patients with them.

They said the lay board was "more interested in lay control than lay input" and "tried to control everything." Twenty other community health clinics in Saskatchewan which began about the same time also have fallen by the wayside.

The appearance of government-instigated clinics has triggered the general practitioners and specialist federations of Quebec, who regard the government with considerable mistrust, to open similar clinics which are more traditional in that they stress the medical aspects of health.

Patients seem to like the latter clinics, perhaps because the doctors are trying harder.

Dr. Jacques Brunet, deputy minister of social affairs and a participant in the Castonguay report, says his government's experience with paying clinic doctors a salary rather than fee for services was "not a solution."

"That we are convinced of. There was too much talking and not enough incentive to work," Brunet says.

But, he added, fee for service is not the answer either, because it encourages overutilization—too many unnecessary services performed on patients because the more the doctor does, the more he gets paid.

The solution, Brunet and others believe, may be to have a variety of pay methods—salary, per capita payments, fees for service, prepaid group practice—with each payment tailored to meet certain needs.

"We can't make the system work if we make the doctors angry all the time," Brunet says.

Some observers report that Castonguay's brash plan embarrassed his government by rallying powerful opposition from the forces made angry by his attempts to reorganize the system.

The health planners are apt to look at men like Castonguay as their ideal of what a politician should be—a man with the correct hunches who has the courage to implement them despite the political consequences.

But politicians and other hardnose types are apt to look upon him as a meddling academic.

One prominent Canadian medical leader called the report prepared by Foulkes, the British Columbia visionary, a "do-it-yourself 'Mein Kampf.'"

Nearly everyone agrees that the present system is not perfect. The question is how to change it and how long to take doing so.

Ways must be found to cut hospital use, emphasize preventive measures and primary care, overcome the disadvantages of fee for service, improve quality, redistribute doctors and provide services in places where people know how to get at them.

Quebec initially attempted to make changes rapidly. Other provinces followed a more evolutionary course—plant seeds and then wait to see if they grow.

The question asked by many leaders, especially the politicians who must take the heat for tax hikes, is: is there time to take the evolutionary course in view of rapidly escalating costs?

"Our hospital budget last year rose from $277 million to $370 million and this year the hike will be about the same," says Cocke, British Columbia's health minister.

"We're going slowly (in making changes) but one thing I do know is we can't continue the cost escalation."

When will the pressure generated by rising costs outweigh political considerations which now keep governments from hammering out dictums the professionals and possibly the public won't like?

What does all this mean for the United States, now possibly on the eve of implementing its own national health insurance?

American national health insurance plans being designed by congressional researchers undoubtedly will contain regulations aimed at controlling some of the problems which have become apparent in Canada.

But how far will the American planners dare go, considering the political implications of, for example, regionalizing hospitals?

Do they dare devise a system that would handicap fees for service in favor of a prepaid group practice system? Sen. Edward M. Kennedy's original bill (Kennedy-Griffiths) had provisions similar to this and to regionalization. But a subsequent bill (Kennedy-Mills) backs away from these approaches.

British Columbia's former hospital insurance commissioner, Lloyd F. Detwiler, believes Canada has gone too far.

"We took a great plunge and some of us would like to come back again," says Detwiler, now administrator of the University of British Columbia health services center.

"When we started we had no idea of the implications of national health insurance. I am saying now we made a shibboleth out of health care as a right. Too much of the GNP (Gross National Product) is going into health care. We went too far. Individuals are no longer responsible for their own health care."

Dr. David Penman, chairman of Saskatchewan's Medical Care Insurance Commission, would disagree vehemently. He believes Americans have been pussyfooting too long over a national health insurance plan of their own.

"I think Americans have forgotten they were the first to revolt against the British," he said. "Sure there are vested interests but I think if the U.S. people woke up to the fact that health is a social need and realized it is too important to leave the AMA (American Medical Assn.) and congressional lobbies, major steps would be taken tomorrow."

PROJECT OFFERS ANSWERS TO BASIC QUESTIONS

(By Harry Nelson)

Because Canada is more like the United States than any other nation, its experience with national health insurance (NHI) should be meaningful to Americans.

Virtually all of Canada's 22 million residents have had comprehensive doctor and hospital coverage for at least three years since the last province joined the plan in 1971.

Here is what they have learned:

The system works. It does what it set out to do—eliminate financial considerations as a barrier to seeking medical care. To Americans, on the eve of adopting their own national health insurance, that is perhaps the most important finding.

Doctors, in general, are happy with the plan. "There have been great benefits from both the hospital and medical plans and I am sure that nobody wants to turn back the clock to the old days," said Dr. J. D. Wallace, secretary-general of the Canadian Medical Assn.

Canadian NHI has had little if any effect on controlling health care costs, which have been spiraling in Canada at a rate comparable to the United States.

NHI made doctors' offices and clinics more crowded because it added 20% more people to the previously insured population. The added load was not so much that it swamped doctors, as predicted by critics before the plan's enactment. Nevertheless, Wallace pointed out, giving everybody a credit card with no need to pay at the time the service is provided has caused both consumers and providers to abuse the system to a degree.

The quality of Canadian medical care does not appear to have been changed.

Charging patients a small fee (copayment) at the same time the service is rendered in order to discourage unnecessary utilization may not be desirable. It imposes a barrier for the poor, elderly and large families, and encourages the rest of the population to overuse because doctors' offices are less crowded when the poor and others are deterred. Copayment was tried in Saskatchewan and abandoned.

The doctor-patient relationship has not been destroyed.

NHI did not solve the problem of geographical maldistribution of doctors, although it did encourage some doctors to settle in places where, before NHI, they could not have made satisfactory incomes.

No one seems upset that NHI is administered entirely by the government without any involvement by private insurance companies. Ontario tried using private insurance companies under NHI but abandoned the idea.

Doctors prefer NHI over the formerly existing private insurance system, according to the Canadian Medical Assn.'s Wallace. The reason, he says, is that there no longer are treatments excluded from coverage—the government pays the total cost of all medically required services rendered by physicians. Formerly, he noted, doctors had problems with exclusions in private contracts which few patients had bothered to read.

NHI has had no effect on changing people's poor health habits. Some critics think this is tied in part to the Canadian plan's emphasis on fee-for-service as the method of paying doctors. Because the more treatments a doctor provides the higher his income rises, some observers believe the system encourages sickness rather than prevention of sickness.

Dr. Thomas L. Perry, professor of pharmacology at the University of British Columbia medical school and a former practicing pediatrician in Los Angeles, is typical of fee-for-service critics.

Fee for-service, Perry believes, insures poor quality by tempting doctors to see many patients and perform unneeded services.

Dumping that method of paying doctors, he said, would not only improve quality but attract to medicine students more strongly motivated by "humane and scientific interests than the lure of high incomes."

Needless to say, most physicians disagree with Perry. They believe fee-for-service is the best incentive for assuring that the medical needs of the nation are met. It should be noted that despite the shortcomings of fee-for-service, Canada has not been able to find a more satisfactory way of paying its doctors, although attempts at other methods have been and still are being tried.

Unlike the United States, every physician in each Canadian province (state) charges according to a fee schedule which has been jointly negotiated by the medical association and the provincial government.

In Ontario, for example, the surgeon's fee to do a gallbladder operation is $125 if he is a general practitioner or $162 if he is a specialist.

Canadian doctors had fee schedules long before NHI entered the picture and consequently were used to that kind of control—in sharp contrast with U.S. physicians who traditionally have been fearful of fee schedules.

The Canadian government and the medical associations now keep a sharp eye on the appropriateness of specific fees because, its spokesmen said, the old fees often were established on the "Robin Hood" principle that doctors must collect more from those able to pay because a certain percentage of patients ended up as bad debts.

Now that NHI has eliminated bad debts the emphasis is placed on holding fees down, despite inflation, and even on reducing the fees of some higher-earning specialists.

Nevertheless, physician incomes have increased significantly since NHI. In Ontario the average physician's annual net income rose from $33,903 in 1969 (the year before the province joined the NHI plan) to $41,363 in 1971. Other provinces showed similar jumps in physician income after adopting the plan.

Another difference between Canada and the United States is that Canada's NHI plan evolved over many years, whereas the U.S. plan, when it comes, probably will be more sudden.

Canada adopted a nationwide hospital insurance plan in 1958 and a plan to pay doctors' bills in 1968, although it was not until 1971 that all provinces had joined.

In essence, the hospital and doctor plans cover all medically required doctor bills, without dollar limits or exclusions, and most hospital bills for an unlimited period of time and without any deductibles or co-payments that the patient must pay out of pocket.

The public is guaranteed freedom of choice of physicians. Physicians may opt out of the plan if they choose, but the number who do not wish to participate is very small except in Ontario where 9% of the province's doctors have opted out. In Quebec, where physicians strenuously resisted the plan, only 10 out of 7,000 doctors do not belong.

The federal government pays 50% (more in poorer provinces) of the cost out of general tax revenues. The remainder comes either from provincial income taxes, employer contributions, premiums, sales taxes or provincial general taxes.

Except for politicians and government bureaucrats, it is hard to find Canadians who are aware of how much their health plan is costing them. Yet, together with welfare, it is the largest single item in the federal budget—31 cents out of each tax dollar.

It is difficult to generalize on how a typical Canadian family pays for its insurance because the methods differ from province to province.

In Ontario the physician and hospital plans have been joined into a single insurance operation for which annual premiums of $132 for single persons and $264 for families are charged. In some cases the employers pay all or part of this premium. Taxes cover premiums for the poor.

Lest this seem unrealistically inexpensive, it should be remembered that the federal government gave Ontario $776 million last year which accounted for nearly half of the plan's cost and which Ontarians contributed to in the form of federal taxes.

Quebec has no premiums for doctor bill coverage but finances it instead by a provincial income tax surcharge and by special employer contributions. The tax is 0.8% of net incomes with a maximum contribution of $200. Employers are required to contribute 0.8% of their payrolls.

Health care costs have been rising in Canada at approximately the same rate as in the United States. In 1971, health care cost the average Canadian $306.11 per year per person. The total health expenditure of $6.6 billion represented 7.1% of the gross national product (GNP).

In the United States in the same year, the average citizen spent $386.92 and the $79.7 billion national total for health spending was 7.6% of the GNP.

In 1960, when NHI in Canada was in its infancy, both countries were spending 5.3% of their GNP for health and on a per capita basis, $113.50 each per year versus $149.43 for Americans.

The Canadian Medical Assn. estimates the average annual increase of health cost to be about 12.7% per year. This would place the total health expenditure at $13 billion—or 18% of the GNP—by 1981. It is generally agreed that such a high percentage of the GNP would be untolerable.

Canadian officials, like many of their American counterparts, say escalating costs are the most pressing problem in the health care field.

"The people really don't know how much their 'free' health care costs them," an Ontario official said.

"If they had to sign a check for $350 for each member of the family, I can assure you they would soon begin to pay attention, especially if told they'll be paying $700 soon if present trends continue."

The same trends exist in the United States, but here the costs are not quite so hidden in taxes.

The attitude of some provincial government officials on a related subject—the number of doctors in practice—may have meaning for Americans, who seem convinced there is a doctor shortage.

"Next to too many hospital beds, our other big problem is we have far too many doctors," said W. Alan Backley, an Ontario official.

Canada has begun to place certain kinds of restrictions on doctor training programs because of the growing feeling that Canada is oversupplied with doctors, according to Dr. Jan F. Brandejs, director of research for the Canadian Medical Assn.

For example, in provinces where officials believe the number of doctors is already excessive there is an attempt to keep new doctors out, unless there is a need for a specific specialty.

Also, according to Brandejs, medical schools are beginning to accept only students from their own provinces.

In Ontario, one of Canada's most affluent provinces, there is one doctor for every 550 persons, a ratio roughly comparable to that of Los Angeles, which has a higher ratio than the nation as a whole.

It has been estimated that adding one doctor costs the health plan up to $200,000 a year in services that he performs, including hospitalizations. As long as the services are truly needed, the money is considered well-spent.

However, many experts maintain that health services, unlike most other kinds of services, are almost insatiable—the more they are made available, the more they are used.

The point at which need is in best balance with availability has not yet been determined, at least not to everyone's satisfaction. Patients who must wait a month to see a doctor for a nonemergency condition may think there is a doctor shortage, while officials faced with cost-benefit considerations may disagree.

The public, of course, is footing the bill and as long as it is willing to pay the price of convenience, the problem is academic.

But officials like Backley think the time is fast approaching when the public will no longer be willing to pay the price.

A SERMON FROM SENATOR SCOTT

Mr. PELL. Mr. President, this past Sunday our colleague, the senior Senator from Pennsylvania, Mr. Scott, delivered a moving and fine sermon at Saint John's Church in Georgetown, a church of which I am very fond and which I attend on occasion.

I believe the thoughts and ideas of our colleague, a devoted churchman and a deep and original thinker, would be of interest to us all. For this reason, I ask unanimous consent that his words be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Senator Hugh Scott at Saint John's Church, Georgetown

My texts are two:

St. Mathew 6,27: "Which of you, by taking thought, can add one cubit to his stature?" and

St. Luke 17,1: "Then said he unto his disciples, it is impossible but that offenses will come: but woe unto him through whom they come!"

I begin with Matthew who, as an official in the civil service, must have come to terms with certain realities. One of these was obvious: that whatever thinking may do for you, it will not effect changes in your physical being. Matthew could never have been a follower of Dr. Coue's creed of repetition: "Every day in every way I grow better and better."

But his implied corollary is there: what can come from one's thinking, suitably directed?

We are often struck by the universality of religious experience. Whether one finds inspiration within the forms of organized religion or whether one disclaims religion altogether, man cannot entirely shield himself from awareness of an external spiritual force.

The Christian finds comfort in the immanence of the Holy Spirit, the Buddhist whose avatar, meditating under the bo tree instructs him to find self through the denial of self, the Jew who seeks his roots in the Word, the Muslim whose goal is to become that truly holy man, the haji.

So, I believe it must be even with those who, like the Marxists, decry religion as the opiate of the people. Aside from the fact that the trappings of Communism suggest a form of religious devotion, there are other signs. One recalls the almost comical slips of

Khrushchev in his references to God. The rulers of the People's Republic of China speak often of heaven, although their intent is to suggest that they, like their Imperial predecessors, hold heaven's mandate. Even so, there still exists this recognition that will not go away, of some sort of spirit exterior to man's will and affecting man's purpose.

I have a Russian friend, who called to wish me well in a common enterprise. These were his parting words: "For your success, I pray to my Communist Gods!"

At least one author, writing about Dzerzinsky, the ruthless prosecutor of the Bolsheviks, who sent thousands to their deaths, ends his book about this apostle of atheism on a surprising note. When Dzerzinsky was dying, as attendants bent to listen, he uttered one last gasping word: "Jesus."

I return to my thesis: How then, by taking thought, can we add to our stature? Surely, as we all know, through meditation we search for understanding, for peace of mind, for a surcease of discord and the beginning of accord. Buddha under his bo tree, and you and I, when alone with ourselves, are equally engaged in the process of discovering ourselves.

Through meditation we become more acutely aware of our limitations. From meditation we receive once more, and should welcome, knowledge that no one is strong enough within himself to live in peace with himself.

So, through taking thought, we can say with Matthew, we have grown, not in physical stature, but in a surer understanding of God's purpose for us.

Turning now to St. Luke, we move from inward thought to outward behavior. "It is impossible but that offenses will come." For St. Luke knew that this newly come Savior was well aware of our imperfectness. So, wrongs will be done. Evil will not be erased. It will not leave men alone.

But St. Luke adjures us: "Woe unto him through whom they come!"

So, as mediation can strengthen faith, behavior can ameliorate offenses.

We pray for forgiveness for having done those things we ought not to have done, and—such is our fallibility—Sunday's good intentions dissolve into quotidian lapses.

But as we mediate for strength and guidance, so perhaps we may find the strength of purpose to improve our behavior. From St. Matthew, the tax collector, we are told that we can't change our figures and from St. Luke, the physician, we are reminded that weakness of the spirit may prove more debilitating than the ills of the body.

Good behavior sets good examples. Even the visible struggle toward good behavior says to others: Help me, give me your support, add your strength to mine.

The other side of that shield bears St. Luke's warning: "Woe unto him from whom they (these offenses) come!" Thus, wrongful behavior in oneself gives social sanction to imitation, may cause to surface offenses in thought, word and deed by others, may poison relationships and proceed by ripple effect to enhancement of evil.

We have read together this morning from the 19th Psalm (v. 12,13): ". . . cleanse thou me from secret faults. Keep back thy servant from presumptuous sins; let them not have dominion over me: then shall I be upright, and I shall be innocent from the great transgression".

The great transgression. Is not that the nature of the offense against which St. Luke warns? That we may be lured from minor offenses to the great offense, to the doing of evil.

In our travel from Sundays through the ensuing weekdays, let us give thought then toward the avoidance of offenses.

As Fuller says: "Measure not men by Sundays, without regarding what they do all the week after."

And Bunyan: "Religion is the best armor that a man can have, but it is the worst cloak".

Let me conclude with the motto of Wolfgang Philip von und zu Guttenberg, Bailiff of Brandenberg, Hospitaller of the Knights of St. John: "Fumus, humus, sumus; et cinis est nostra ultima finis": "We are smoke and earth, and our end is ashes".

It need not be so.

If we have, with Matthew, increased our spiritual stature; if we have, with Luke, let not offenses come, without Christian struggle, from us, then our end is glory.

HEROIC ACT OF CHARLES HAZELETTE

Mr. HUGH SCOTT. Mr. President, I should like to express my admiration of Mr. Charles Hazelette of Bedford, Pa., who, on Saturday, the 18th of January, saved three people from drowning on the Raystown Branch of the Juniata River. I should further like to express my sincere condolences to Mr. and Mrs. Marshall R. Simpson who lost their son Mark in this accident.

I think that the article from the January 20 Bedford Gazette well describes Mr. Hazelette's heroic act, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOCAL YOUTH, AGE 7, DROWNS

Tragedy struck the family of a Bedford Borough policeman Saturday afternoon when his seven-year-old son was killed in the Raystown Branch of the Juniata River.

Mark Simpson, son of Marshall R. and Mae Belle Simpson of Bedford RD 2, was pronounced dead at the scene by Dr. Charles Griffiths of Bedford RD 4. The cause of death was ruled as an accidental drowning.

Charles Hazelette, a neighbor of the Simpsons, recounted the story of the accidental drowning.

Mark and his brother, Matthew, 9, were out sled riding at about 4 p.m. near their home located on Twp. Route 494, three-tenths of a mile north of Route 30.

Mark decided to venture out on the thin, snow-covered ice of the river nearby. After walking out about 25 feet, the ice broke and Mark plunged into the river.

Matthew went out to save his brother and also fell through the ice. Joyce Allison, 13, their neighbor, who was with the boys at the time, ran back to her home for help.

Charles Hazelette, Joyce's guardian, ran to help the boys while Joyce went to tell Mark's parents what had happened.

When Hazelette arrived at the scene only Matthew could be seen. Matthew, who was holding on to the edge of the ice, apparently had hold of his brother for a while but lost his grip on Mark.

Hazelette crawled out on the ice and pulled Matthew out.

By that time, Mark's parents also arrived. Mrs. Simpson panicked when she couldn't see Mark and went out on the ice to find him. Shortly after, the ice broke again and she fell in. Marshall Simpson went out to save his wife and also fell through the ice.

Hazelette crawled again on the ice to the Simpsons and pulled them both out.

Bedford Volunteer firemen later arrived at the scene along with the State Police. Fireman Bobby Reese went out to find Mark. After falling in, Reese fished the icy river for the body of the boy.

Rescuers spotted clothing of the boy along the shore and pointed out where they thought the boy was. Reese then pulled Mark out of the river at about 4:45.

Fireman Reese was taken to Bedford County Memorial Hospital. He was treated and released for over exposure.

Hazelette, who is 60 years old and has lived along Twp. Route 494 for almost 30 years, said, "In all my life I have never met anything like this. And I hope it never happens again."

Hazelette, who had saved Matthew from drowning and pulled his parents out of the river, said fireman Reese deserved the credit for going into the river to find the drowned boy.

NOTICE OF REVENUE SHARING BRIEFINGS

Mr. GARN. Mr. President, one of the most important pieces of legislation that we have ever passed in Congress is the Revenue Sharing Act. I am happy to see that the Office of Revenue Sharing is going to conduct briefings on this significant program and I recommend that all of our staffs take advantage of these.

Mr. President, to give the broadest publicity for these briefings, I ask unanimous consent that the following letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY
OF THE TREASURY,
Washington, D.C., January 29, 1975.

DEAR MR. SENATOR: The Office of Revenue Sharing will conduct a series of briefings on general revenue sharing to acquaint you and members of your staff with current developments in this new program. To provide ample opportunity for you to attend and participate we are scheduling these briefings on several dates between February 5 and 12, 1975. The schedule is:

Date, time, and location:

Wednesday, February 5, 1:30-3:30 p.m., Rm. 335, Russell.

Thursday, February 6, 1:30-3:30 p.m., Rm. 2222, Rayburn.

Friday, February 7, 9:30-11:30 a.m., Rm. 2222, Rayburn.

Tuesday, February 11, 1:30-3:30 p.m., Rm. 2222, Rayburn.

Wednesday, February 12, 9:30-11:30 a.m., Rm. 457 Russell.

These briefings will provide new members of your staff with a general overview of this unique program of assistance to States and local governments and acquaint them with the most prevalent constituent problems. Among those questions most frequently asked are how payments are determined, how general revenue sharing funds may be spent, and methods by which citizens can participate in local revenue sharing decisions. By touching on these issues, and questions you may bring to the sessions, we believe that your office can more effectively handle revenue sharing questions from your constituents.

We look forward to seeing you and your staff at one of these briefings. Please select whichever time and date is most convenient.

Sincerely,

GRAHAM W. WATT,
Director,
Office of Revenue Sharing.

FOOD STAMP FOLLY

Mr. CHURCH. Mr. President, as chairman of the Special Committee on Aging, I learned long ago that the most vulnerable part of the elderly's budget is that portion they spend on food. Their rent must be paid, as well as their utilities, medical bills, and drug expenses. What small amount they have left over is allotted for food. Faced by what is often called the tea and toast diet, many elderly face severe health deficiencies because of their poor nutritional standards.

In the past several years, nutrition programs for the elderly, meals on wheels program which deliver well balanced meals to the homes, and the food stamp program have combined to help alleviate some of the nutritional inadequacies of the elderly. I have visited several of the nutrition sites and have often heard the participants admit that this was the only meal of the day for them. Some even took an extra piece of bread or meat to save for later.

It is widely recognized that those living on fixed incomes are being seriously affected by today's rising costs. With this in mind, it is somewhat baffling for me to understand the administration's latest proposal concerning the food stamp program; that is, to escalate the participants' entry price into the program to 30 percent of income instead of 23 percent, the present average.

According to the Community Nutrition Institute's—CNI—analysis of the proposal, those hardest hit would be those living in one- and two-person households, the majority of whom are elderly. Of those most severely hit by the increase, it is estimated by CNI that the increases in the price of their food stamps would increase as much as 35 to 100 percent. These unwarranted increases would cause many of the elderly and other indigent participants to drop out of the program because they simply could not afford to buy their way into benefits.

The history of the food stamp program, especially the recent court order instructing the Department of Agriculture to expand its outreach efforts to inform more of the public about the program, causes me to wonder seriously about the reasons behind the administration's proposal. A court order directs the Department to increase the scope and effectiveness of its program, and in turn, the Department proposes cost increases which would eliminate participants.

From what I hear from within Congress and outside, I am not alone in my doubts about the Department of Agriculture's motives concerning their recent proposal. In fact, the Department of Agriculture received over 4,000 complaints on the proposed changes. Adding to my convictions was an editorial in this week's Washington Post which articulately describes what they refer to as the "Ford administration's 'dubious approach to saving.'" I ask unanimous consent that the Post editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Food Stamp Folly

To the 15 million Americans who receive food stamps, it must appear that President Ford gives with one hand and takes away with the other. Some place in the transaction, it seems the poor lose. Mr. Ford has made a great deal of his plan to introduce the first steps toward a negative income tax for some of the poorest Americans. While that is indeed good news, the fact that the President is going ahead with a plan to increase the cost of food stamps is bad news. Almost all recipients of food stamps will wind up paying more under the plan which the administration has just officially approved. For some, especially the elderly, the food stamp program will become an empty gesture.

The Ford administration's purpose in raising the cost of food stamps is to save $650 million a year. That is a dubious approach to "saving." To begin with, the recognized authorities on the subject of aging have pointed out that making food less accessible for older Americans will raise the cost of caring for them in hospitals and nursing homes because poor diet is such a prominent factor in the health of the elderly.

More than that, nobody knows what other costs will result. The economic impact of this change in policy in those states and areas where there are large pockets of poverty is likely to be keenly felt. In the District of Columbia, for example, one estimate is that if 10 per cent of the recipients leave the program—and that is a conservative expectation—the dollar loss to the economy of this city is likely to be $7.3 million a year. Community Nutrition Institute, which made the estimates, said the loss in Texas could be $69 million, in Ohio, $50 million, in Maryland, $16 million, in Virginia $13 million. In a time of recession, those dollar losses mean job losses to people who are not on food stamps, but who will have become eligible as a result of this short-sighted plan.

Astonished members of Congress have promised to work to reverse the administration policy before this policy goes into effect in March. We think nothing is more important for Congress to do for the elderly poor in particular and for the country in general. The administration has never been able to make a plausible argument for saving money at the expense of the poorest of the poor. As matters now stand, only 15 million people receive food stamps out of a group of as many as 35 million who would be eligible if the program were run as it should be.

A U.S. District Court judge recently ordered Secretary of Agriculture Earl Butz to spend more than $200,000 that the department is mandated by Congress to spend to inform the public of the availability of the food stamp program. Mr. Butz took the view that what the poor didn't know couldn't hurt them, and the court took precisely the opposite view. Congress wanted the poor of the nation to receive this help and it wanted them to know the help was there. Mr. Butz, the court found, simply ignored that aspect of his directive from Congress. When Congress looks into the latest action of the Agriculture Department, we hope it takes the opportunity for a longer study of the cavalier attitude that seems to surround the entire food stamp program.

LOS ANGELES INTERNATIONAL FILM EXPOSITION

Mr. TUNNEY. Mr. President, it gives me real pleasure to advise my colleagues of the outstanding work of a significant cultural organization in California, the Los Angeles International Film Exposition, also known as Filmex.

Filmex was founded 4 years ago in order to present to the community films not ordinarily available to the people of Los Angeles. During those 4 years, Filmex has originated and coordinated special programs which illuminate the art of film.

Filmex accomplishes this purpose most notably through the presentation of an annual film exposition of international scope. The annual exposition is a noncompetitive, 14-day event, presenting the work of filmmakers from around the world—encompassing old and new, feature length and short subject, experimental and spectacle, documentary and animation—creating an environment in which people can see, talk about, and, above all, appreciate movies.

Filmex and its activities impressively highlight the role of Los Angeles as an international cultural center for the world film community. The activities that occur at the exposition reach out across the United States and into every major world filmmaking capital.

The historical attachment of Los Angeles to the development of film recalls a similar relationship between Florence, Italy, and painting; in each instance a particular art form grew beyond previously established creative limits in an atmosphere of artistic and commercial enterprise. Just as the museums of Florence foster familiarity with its artistic past, Los Angeles continues to sponsor a forum to exhibit works in the art form which has developed there. Filmex provides such a showcase for past and present films from other nations encompassing a variety of cinematic styles.

Filmex provides many programs free of charge to the general public. High school and junior high school classes—English, history, film, art—attend the presentations, as do lower income citizens and senior citizens.

The exposition—officially accredited by the International Federation of Film Producers Associations—was attended by over 60,000 people in 1974. It is now the largest professional public film event in the world. This year the exposition will take place in Century City—March 13–26, 1975—and is expected to attract 100,000 persons. The exposition will be a dynamic cultural experience and it deserves our attention and support.

RETIREMENT OF PRICE DAY, EDITOR-IN-CHIEF OF THE BALTIMORE SUNPAPERS

Mr. MATHIAS. Mr. President, one of the most distinguished newspapermen in Maryland and the Nation has written "30" to his long and remarkable career in the fourth estate. Price Day, editor-in-chief of the Baltimore Sunpapers since 1960, retired on February 2. With his departure from the front ranks of his profession, contemporary journalism loses another of its pioneers. Price Day's career is worth relating in detail, for its richness of experience which, in turn, he put back into journalism. The readers of the Sunpapers and, indeed, of all the Nation's leading papers, are the beneficiaries.

Price Day was born November 4, 1907, at Plainview, in Hale County, Tex. He was a son of John Water Day and Zillah Price Day. His paternal great-grandfather and grandfather were among the early trail drivers north out of Texas. His maternal grandfather was an early settler on the North Plains, the Texas Panhandle. So young Price Day was a true descendant of pioneers, and their spirit marked his career.

He moved to Chicago with his family in 1917, and attended Nicholas Senn High

School, where his fellow students included Herbert Block, better known today as Herblock, the Washington Post's excellent editorial cartoonist. Price Day graduated in 1929 from Princeton, where he was chairman of the Tiger, the monthly humor magazine, and designer of programs and posters for the Triangle Club. He also worked variously as a caricaturist and occasional writer for magazines, and contributed light verse to the New Yorker.

His first newspaper job was with the Fort Lauderdale, Fla., Daily News, and it lasted 9 months in 1930. He quit for a better paying position—selling mutual tickets at Hialeah Park race track. Fortunately for journalism, however, he returned to the fold. From 1935 to 1942, he wrote for national magazines, principally the Saturday Evening Post and Collier's.

In January 1942, he became city editor of the Fort Lauderdale Times, of which his father was editor. When that paper folded 7 months later, he came to the rewrite desk of the Evening Sun in Baltimore. That was the beginning of a 32-year affiliation with the Sunpapers.

Price Day was sent abroad in December 1943, to cover the 8th Air Force. In March 1944, he was assigned to the Mediterranean, where he covered the Anzio beachhead operation, the breakout from Anzio, the liberation of Rome, and the subsequent fighting as far north as Livorno. He left Italy to cover the invasion of southern France on August 15, 1944; then the Rhone Valley campaign and the winter fighting in the Vosges. Assigned to headquarters SHAEF in February 1945 he was the only reporter for an individual newspaper present at the signing of the German surrender at Rheims 30 years ago this year.

His assignments after World War II included the Potsdam Conference, the Nuremberg trials, and the early, brief freedom in Czechoslovakia. In 1947, as part of a Sun survey of what was then the British Empire, he worked extensively in the Union of South Africa, India, Burma, Malaya, Australia, and New Zealand.

For a portion of that job—a report on India's first year of independence—he was awarded the Pulitzer Prize for distinguished reporting of international affairs in 1948.

Price Day joined the editorial page staff of the Sun in 1952. He became an associate editor in 1956, and editor in chief of the Sunpapers in 1960. He has continued to work abroad frequently, particularly in Asia and Europe, and has served as a member of the advisory board of the Pulitzer Prizes.

Price Day was married to Alice Alexander, of Coconut Grove, Fla., in 1931. They have four sons.

Throughout his long and rich career that spanned many of the important events of this century, Mr. President, Price Day served his profession and his readers with distinction. I am sure that my colleagues join with me in extending best wishes to him as he enters now into a well-earned retirement.

SOME THINGS WERE DONE RIGHT

Mr. McINTYRE. Mr. President, we have heard much in recent days about the inevitability of a reduction in living standards and a diminution of the quality of life for our people in the years immediately ahead.

I do not take issue with this forecast. Indeed, I admire President Ford for refusing to sugar-coat the pill.

But I would hope, Mr. President, that facing up to some hard facts and a little belt tightening will not precipitate gloom and despair. This country has survived hard times and met seemingly insurmountable challenges over and over again, emerging from each ordeal a better and a stronger Nation than it was before.

I am confident this will be the case again. And that confidence was reinforced by Jack Anderson in a recent column.

Drawing on information compiled by his staff or drawn from Ben Wattenberg's book, "The Real America," Anderson describes the incredible social and economic advances made by this country in the past quarter century.

One look at those statistics, Mr. President, will prove that this Nation can do whatever has to be done no matter what the odds.

And those statistics prove something else. They prove that the record of the public and the private sector since 1950 was not an unbroken record of error, miscalculation, and short-sightedness. Obviously some things were done right, or that dazzling progress never would have come about.

Mr. President, I believe Mr. Anderson's column is just what we need to maintain perspective and restore our faith in America, and for that reason I ask unanimous consent to have the full text printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Brighter Side of the Coin—Taking Stock in America

(By Jack Anderson)

As we move into 1975, national morale is shaky.

Across the front pages march the grim phalanxes of inflation, recession, scarcity, crime and corruption with heavy tread.

They have sent out stabs of fear that good times are forever gone and our system is crumbling under the forces of disintegration.

On newsstands, national magazines challenge passers-by with apocalyptic covers: one depicts a well-to-do family sitting down to a Christmas dinner of empty plates; another trumpets "The End of Affluence: The Last Christmas in America;" a third cover announces that we are "Coming Around to Socialism."

Erudite pundits blithely tell us that the edifice America has built is junk, now come tumbling down about us. Great difficulties loom before us in 1975, no one can doubt that. But before writing off the future or jumping into a briar patch of quack nostrums, a little stock taking is in order.

Remember the 1950s? That decade opened on a surge of Korean War inflation, followed with three back-to-back recessions.

Hanging over the chronically depressed economy were two spectres that promised untold trouble. Remember? One was automation, which threatened to bring mass unemployment by wiping out millions of traditional jobs; the other was the aftereffect of the postwar baby boom.

What would happen, went the refrain, when 70 million kids poured into the school system and then the job market? The mathematical extrapolations were ghastly. At the levels of growth and capacity, which were then current, the incoming hordes would be locked out, first without classrooms and teachers, then without jobs, houses, hospitals, highways.

To ward off a catastrophe that would bring on a breakdown of society, we would have to spend more, train more and construct more in two decades than in all the previous years of our national life combined. Stagnant America lacked the will and the vision, the critics said; it couldn't be done.

Well, we did it. What we accomplished just yesterday is worth reviewing. For if we grasp what we have done, then we shall gain a sense of what we can do. This may help us meet the challenge of reviving the economy and developing new energy sources.

Part of the story is chronicled in the book, "The Real America," by Ben Wattenberg, an author with a nose for doomsday cant and an uncanny gift for making the cold statistics come to life. Other facts have been gathered by my staff.

Here's the story, all carefully documented:

Since 1950, we have made it possible for—hold your hats—74 million people to be enrolled in schools today. That's one third of the nation! Nine million are in college, more than double the 1960 figure. From our poorest homes, earning from $3,000 to $5,000 a year, 21 per cent enter college. Of our college population, 60 per cent are the children of parents who did not attend college. Thus, while we went about our ordinary business we produced the greatest miracle of upward mobility in human history.

Since 1950, employment has expanded fast enough to absorb almost all those postwar babies. Manual labor and menial jobs declined. But the ditch-digger re-emerged as a bulldozer operator and the maid as a bank teller.

Since 1950, America has constructed from scratch a suburbia that houses 35 million people. In a twinkling, as it were, we erected the physical equivalent of a new nation, containing more houses, furniture, bathtubs, vehicles, stores, theaters, libraries, communications equipment, paved roads and public services than the efforts of centuries have accumulated in such advanced nations as France, Great Britain or Italy. Aesthetes may deride these lookalike homes on their quarter acres, but they represent the best material living conditions ever created for working people anywhere.

Since 1950, the median income of the American family has doubled. With inflation taken into account, average family income, measured in constant, 1972 dollars, has risen from $4,500 to more than $11,000. Distress over inflation and fear of recession cause us to forget this gain. But there it is, the greatest and broadest increase in well-being ever recorded.

Since 1950, working conditions have improved dramatically. Shameful conditions still exist in some industries and they must be relentlessly exposed. But for most people, gains have been impressive. Work begins later and retirement comes earlier, cutting 10 to 15 years off the working life. In 1949, 61 per cent of our workers got paid vacations of two weeks; by 1972, 87 per cent got paid vacations of four weeks or more.

What of the poor? Since 1959, poverty has been cut in half; the percentage of families below the poverty line has dropped from 22 to 11 percent. Substandard housing fell from

16 to 7 per cent. In the past dozen years, 14 million Americans crossed over the poverty line. For those who remain below, the rate of exit offers hope. Meanwhile, food stamps, rent supplements and health care make poverty less the Dickensian horror of old.

We who have wrought these advances in our own time have not suddenly atrophied and fallen sterile, ready for the ideological embalmers. Whatever innovations the new era calls for, we'll be equal to them.

THE BUDGET PROCESS

Mr. CRANSTON. Mr. President, with the release of the President's Budget, the ball is in the court of Congress to reclaim our constitutional power of the purse, and to exercise our responsibility with respect to Federal spending levels and program priorities.

The Congressional Budget and Impoundment Control Act of 1974 establishes complex procedures under which Congress, working through the new Budget Committees, can set its own budget priorities.

Having reviewed the priorities of the President, I believe we have much work to do.

I recently had occasion to describe the new budget process in some detail to the legislative conference of the National School Board Association.

For the benefit of those Senators and others who may be struggling to familiarize themselves with the congressional budget process established by the act, before its rapidly approaching deadlines are upon us, I ask unanimous consent that my remarks to the National School Board Association be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Alan Cranston

I hope very much that between us we can share an understanding about the unfolding Congressional Budget process to make it less of a mystery, and to aid you in your efforts to insure a fairer and more efficient federal funding for public education.

We are in many ways at a point of beginning: a new year has started, free of the trauma and the scandal of Watergate.

A new Congress has convened, more reform-minded and less tradition-oriented than any in recent memory.

I am—and I think I can say, most members of the new Congress are—committed to work for the achievement of peace and prosperity, two matters that are closely linked.

Plainly, we have great problems on both fronts. At home, there are great difficulties with deepening recession, rising unemployment, increasing difficulties for business, and incredibly huge budget deficits.

The new budget process will play a vital role in dealing with our ill economy, insofar as its ills relate to government spending, programs and priorities.

I'm delighted to be on the new Budget Committee, which on the Senate side, will be responsible for so much of this effort.

It was on July 12, 1974, less than one month before his resignation, that President Nixon signed the Congressional Budget and Impoundment Control Act of 1974, which created the new process.

The Constitution long ago gave to Congress the exclusive power of the purse. But, it is a long time since Congress has used that power effectively. Almost all presidents, starting with Thomas Jefferson, have tried to alter Congressional spending plans through impoundment—the withholding of funds which Congress has provided under law.

The first impoundment of record was $50 thousand appropriated for gunboats to patrol the Mississippi River. President Jefferson, in 1803, impounded the expenditure, because the Louisiana Purchase gave the United States both banks of the river, making the patrol unnecessary.

There is, then, a case for some executive discretion to withhold spending, either when a Congressional purpose can be achieved for less than Congress thought, or when the need seen by Congress has lessened between the time the appropriation was approved and the time the funds are ready to spend.

Drawing the line to limit this discretion has caused unresolved conflict throughout our history.

The information needed by Congress to make sound budget judgments became less available, more complicated, more voluminous, as the federal budget grew in complexity and size to more than $300 billion. Multi-year appropriations, entitlement programs, trust funds, guaranteed loan programs, contract authority with budget overruns, all made the appropriations process a more intricate machine than Congress was equipped, or willing to deal with effectively. For more than forty years, increasingly, Congress has been willing to delegate many of the decisions and, seemingly, virtually all the responsibility to the man in the White House, and then cry out in horror and alarm when things went wrong.

The Congress increasingly depended on administering agencies to determine their own program needs, funding levels, evaluations, and to coordinate programs with similar objectives.

The law requiring an annual Presidential budget aided the trend toward greater executive control over fiscal spending and fiscal policy.

The mystique of secrecy surrounding our intelligence and defense activities supported this trend. One of my current major projects is to make public the sum we spend annually for the intelligence community. This is hidden in the defense budget, distorts the whole budget, and I think exceeds $6 billion.

The growth of complex bureaucracies like HEW compounded the problem. So did the natural tendency of bureaucrats to defend and expand their provinces, by withholding or puffing information.

Congress, on the one hand, found it easier to defer than to reform. The Executive, on the other hand, became persuaded that it should hold the power of the purse, free from interference from an inadequate and, frankly, sometimes irresponsible Congress.

A struggle for budget supremacy between administrators and legislators is entirely natural. You know that so very well Administrators, whether federal executives or school superintendents, often tell legislators, whether Congress or the school boards each of you represent, that the legislators should defer to the professionals running the programs, because they can make better judgments.

But the Nixon administration escalated a natural conflict into a constitutional confrontation, with an impoundment policy different in kind and degree from that of any previous administration. It adopted the broadest possible view of executive fiscal power, and defied Congress to do anything about it.

President Nixon created what was called the "policy impoundment", a brand new concept. When he decided to scrap the system of categorical grant-in-aid programs, in favor of general and special revenue sharing, the President immediately stopped outlays for the existing programs authorized and, in effect, mandated by law. This impoundment of funds appropriated by Congress took place despite the failure of Nixon's program to win Congressional approval.

In 1972, Nixon asked Congress to set a spending ceiling of $250 billion dollars. By the bill that he proposed, he would have gained full discretionary power to cut expenditures below Congressional appropriation levels by exercising a line-item veto. I supported the $250 billion ceiling, as many others did, but we opposed that means of deciding how to get below the ceiling.

The President claimed that he had an absolutely clear Constitutional right to impound funds in any way he saw fit. He defined impoundment as "not spending money when the spending of money would mean either increasing prices or increasing taxes." But, as I pointed out during the Senate floor debate after the House passed the bill—something I'm sure the current, reform-minded House would not do—the House bill granted Presidential power far in excess of any necessary to halt inflation or rising taxes.

The line-item veto proposal struck at the very heart of our Constitutional balance of power, one of the keystones, along with the Bill of Rights, of our liberties and Constitutional right to alter national priorities, handling many spending decisions over to the President. It would have substituted spending by Presidential decree for laws, appropriations and programs established by Congress.

The Senate amended the bill, the two Houses failed to agree, and the spending ceiling was dropped. The peak of Nixon administration impoundments came on February 4, 1974, when the Federal Register reported reserves of $11.8 billion! $9 billion in Environmental Protection Agency funds for water pollution abatement, although being withheld at that time, was *not* being reported! Administration officials made clear the reasons for the impoundments: the President's priorities were different from that of Congress!

Suits were brought to release the funds. In one of the many rulings upsetting Presidential impoundment (in most cases, the Courts ruled that Nixon was impounding illegally and unconstitutionally) Federal Court Judge Flannery said, "Nowhere does our Constitution extol the virtue of efficiency, and nowhere does it command that all our laws be fiscally wise. It does most clearly, however, state that laws, good or bad, be enacted by Congress and enforced by the President."

That doesn't mean that we in Congress can consider ourselves free to be irresponsible or unwise, but it does make plain that the President cannot arbitrarily proceed to impound money and alter programs mandated under law, by our Acts.

The impoundment control provisions of the new Budget Act are a critical part of budget reform. As one committee report points out, "No matter how prudently Congress discharges its appropriations responsibility, legislative decisions have no meaning, if they can be unilaterally abrogated by executive impoundments."

The new act doesn't *bar* impoundments. It simply provides reporting procedures so that Congress can judge the merits of the impoundments, and legislative procedures by which Congress can release impoundments that it disapproves.

Presidential impoundments have actually increased, rather than decreased, since President Ford replaced Richard Nixon. In his last cumulative report released January 10, OMB Director Roy Ash lists more than $24 billion in pending deferrals, and $863 million in pending rescissions—the new words for impoundment. They total more than when the Nixon administration impoundments, reported and unreported, were at their peak!

But, the responsibility is now, clearly, in the hands of Congress to judge the merits of these impoundments, and to take prompt action to release the funds when impoundment is not justified.

The challenges by the Nixon administration created the political atmosphere in which Congress was finally willing to undertake an effort to create the machinery for budget reform and reassertion of Congressional authority.

And, in his weakened condition on the eve of threatened impeachment, President Nixon signed the bill. In an ironic way, Watergate was the source of a number of reforms to reverse the trend toward one-man rule in our country. We were able to achieve those reforms in part because of rising strength on the part of Congress, and a rising recognition of our need to reassert our authority and to diminish the power of the Presidency.

The Budget Act sought to provide Congress with better information to make budget judgments. It sought to create a mechanism to help Congress establish priorities among its goals. Finally, it sought to provide a method for shaping economic policy through the budget process.

Another problem the Act hoped to solve was that of "continuing resolutions." I know they are the bane of your existence, as they are for many others in our country. Because of the timing of the fiscal year, the increasing volume of Congressional business, and the sluggishness of Congressional procedures, Congress was often unable to get its appropriations work done on time. This situation is compounded by Presidential vetoes of appropriations bills, when we have to start all over again. As a result, most Federal agencies have operated for increasing periods on "continuing resolutions," which, as you know, simply perpetuate funding levels of the previous year.

During inflationary spirals, these levels are often inadequate. Worse, they double the cost of last year's waste. Two other factors often have prevented responsible exercise of Congress's budget power. First, 75 percent of the Federal budget is relatively uncontrollable, dictated by previously-enacted entitlement programs. Second, 56% of all Federal spending is now what we call "backdoor spending"—outside the regular appropriations process. Obviously, there is some overlap between these two categories, making a significant part of it even tougher to come to grips with.

These are problems with which the Budget Act was designed to deal.

Most of all, the Act was designed to do away with the outmoded procedures, under which Congress simply appropriates for a number of different categories: education, foreign aid, defense, agriculture—one after another in the order in which they happen to reach the floor, with little effort to add them up, and see what the total is; no adequate effort to understand what revenues will come in to meet, or not meet, those needs; no taking into account of the state of the economy, and whether we need a pump-priming budget, or something quite different; no real effort to pose priorities by deciding whether we need more for education, and less for something else.

I hope that through this process we will reform all that and begin to behave in a more fiscally responsible fashion than the past approach that has amounted to signing checks without knowing the balance in the bank.

I am hopeful that, among other things, we will find ways to provide more money for such programs as education, if more can be demonstrated to be needed, while spending less in certain places where I *know* less is in order; such as, less for our over-bloated, inefficient, wasteful defense budget.

The Administration now wants to raise that to over $100 billion for the first time in history—the biggest peace-time budget for military matters for any nation in the history of the world. We've finally managed to put peace on a war-time basis!

Also, I believe we must cut back on the $5 billion we presently spend annually on military aid to 57 dictators around this world of ours.

And, I assure you, we are not going to let the Executive Branch drag us back into Viet Nam, militarily or financially.

We need help in changing those priorities. We don't get much help on Capitol Hill, except from so-called "do-good" groups, and primarily, those groups dedicated to peace.

We need help from the business community that wants greater fiscal responsibility.

We need help from those of you who have other spending needs that can't be met when we spend so much on overseas adventures that threaten our peace, and the peace of the world.

So *help* us in your legislative activities, not only in terms of your needs, but also in terms of knocking down the case presented by those who claim they need money for these other purposes—a case which so many of you believe, with me and with others on Capitol Hill, to be invalid.

We don't get enough help in those terms from people like you.

The Budget Act contains ten titles, which can be grouped into four major categories: Titles I and II create separate Budget Committees in the House and Senate, and authorize the creation of a Congressional Budget Office to serve the Congress as an information and analytical source. Titles III and IV establish a timetable and orderly procedures for the new Congressional Budget process. Titles V through IX provide for a new fiscal year, improve the language and information requirements for the President's budget, expand the program review and evaluation capacity of GAO, and establish effective dates for implementation of various provisions of the Act. Title X, the Impoundment Control Act, attempts to create orderly procedures for Congressional review of Presidential Impoundment actions.

The Senate Budget Committee, on which I serve, has sixteen members: ten Democrats, six Republicans. Senator Ed Muskie, of Maine, is Chairman.

There are no subcommittees. In a rather new, unique, and, I think, wise move, we are assigning special areas of our responsibilities to task forces with rotating memberships, rather than to subcommittees. This way, after a few budget cycles, each member of the committee will hopefully be familiar with every area of the budget, instead of being a specialist in one particular area. We *won't* let subcommittee responsibilities develop our own vested interests and special constituencies.

The Budget Committees were created to guide Congress in an entirely new role: to set national fiscal policy by determining total spending, total revenue, and total debt levels.

This won't take work away from other committees. Rather, it will eventually enable them to do their work with greater focus and effect.

The Congressional Budget Office will provide Congress, through the Budget Committees, with the information it needs to make sound judgments on budget, tax and spending matters. The Congressional Budget Office, which will become known as CBO, will also be the scorekeeper of budget authority and outlay levels.

It will propose, for consideration by the two Budget Committees, alternative levels of spending for the total budget and for each of sixteen major functional categories. These are the same categories that appear in the OMB budget, but they are quite different, unfortunately—and this creates confusion—from those that Congressional committees are set up to handle legislatively.

An example is the budget category, "Education, Manpower and Social Services." While almost all of these programs are under the jurisdiction of the Appropriations Subcommittee on Labor-HEW, and end up in the Labor-HEW appropriations bill, parts of this category are under the jurisdiction of five other subcommittees of Appropriations.

Eventually, the Budget Committees will work out, and Congress will require, an OMB budget that translates more easily into the traditional jurisdictional areas of Congressional committees.

Meanwhile, the allocation of major functional categories to various Congressional committees is known as the "budget crosswalk"—which sounds like a 1920's dance, and is sometimes just as frantic.

Congressman Al Ullman, who is the first House Committee Budget Chairman, has now moved on to the chairmanship of Ways and Means.

The new Budget Committee chairman in the House won't be named until February 5. The vacant chair has prevented serious negotiations to decide on a mutually acceptable director for the Congressional Budget Office and, since there's no director yet, it looks like the Budget Committees will have to do without much CBO help this year.

Other factors complicate the first year. The Act requires the President to begin the budget cycle by submitting to Congress a current services budget on November 10 of each year. But the first one is not required until next November 10!

Another problem is the change in the timing of the Federal fiscal year, which will begin on October 1 instead of July 1. But this change won't occur until October, 1976! The current services budget is an estimate of the budget authority and outlays to carry on existing programs and activities for the next fiscal year under certain economic assumptions. Its purpose is to give Congress, at the earliest date possible, detailed information with which to begin analysis and preparation of the budget.

The Joint Economic Committee must examine the estimates and economic assumptions in the current services budget. Its report, due by December 31, will help the Budget Committees evaluate the President's budget projections.

The President is required to submit his budget on the 15th day after Congress convenes in January. But it hasn't happened this year! Because of President Ford's late recognition of the magnitude of our economic recession, OMB was sent back to the drawing board. The budget won't be delivered until, hopefully, February 3.

Shortly after the President's budget is submitted, the Budget Committee will begin public hearings on the budget. We'll look at the economic assumptions on which it's based, and national budget priorities—for the first time in the history of Congress—and we'll look at the condition of the economy in general.

The next step is especially important and depends on the close cooperation of other committees: Each of the standing committees of both Houses must report to the Budget Committee of their House, a preliminary, but comprehensive, indication of their spending plans for the upcoming fiscal year, by not later than March 15. That is just one month before the Budget Committee must make its first budget recommendation. Eventually, we either must enlist cooperation, or develop alternatives for any committee that is delinquent.

On that same date, March 15, the Joint Economic Committee also reports its fiscal recommendations to achieve full employment.

The report of the Congressional Budget Office, which I described earlier, is due April 1.

Each Budget Committee reports to the floor its First Concurrent Budget Resolution on April 15. This resolution contains the Budget Committees' recommendations for appropriate levels of budget authority and outlays for the upcoming fiscal year, totalled and broken down by major functional categories. It suggests an appropriate level of tax revenues, and the size of any tax increase or decrease deemed appropriate. It also suggests the appropriate level of the public debt.

A report, accompanying this first Resolution compares the Committees' estimate with those of the President, identifies recommended sources of revenues, makes 5-year budget projections, spells out economic assumptions and objectives, and lists significant changes in federal aid to states and localities. The Budget Committee report also breaks down the functional categories to show differences between proposed and existing programs. These are further divided into permanent and regular appropriations, and controllable and uncontrollable amounts.

Congress is given only one month, rather incredibly, until May 15, to complete action on the First Concurrent Budget Resolution. That month provides some time for consideration, but clearly permits no unnecessary delay.

Prior to final consideration by both Houses, after a conference resolving or identifying any differences, a joint Statement of Managers is issued. At this time, the floor managers are again required to do that "budget crosswalk."

Until the first resolution is adopted—that is until both Houses have agreed on overall spending targets—Congress is not permitted to adopt (and this is the vital part of this) any revenue, spending, entitlement or debt legislation. In other words, nothing can happen piecemeal, until the *whole* ball of wax has been examined and overall decisions made.

That's the way we intend to get spending under control!

May 15 is also the deadline for the authorizing committees to report all legislation requiring new budget authority. Certain classes of funds are excepted from this deadline, and exceptions are also possible in emergencies. But, again, the process will run smoothly only if authorizing committees meet their deadline. If we run into a problem, we will have to develop alternative procedures to meet any resistance from slow-moving or recalcitrant committees.

We cannot permit a few obstructionists, if any there may be to upset this reform process which Congress as a whole has approved, and is anxious to implement!

Hopefully, Congress will eventually develop a pattern of advance authorizations for programs now authorized on an annual or multiyear basis. This should greatly assist school districts which now, as you so sadly know, must often wait until the last minute, or later than that, to offer teacher contracts because Congress didn't act sooner on educational funding bills. So plainly, this can have an incredibly significant effect on your ability to plan, and to act more wisely than you can now, when you don't know what the Federal government is going to do!

One week after Labor Day is yet another critical deadline. That's when Congress must complete action on all regular budget authority and entitlement bills. Once again, even slight delay will prevent ending the budget cycle on time. Avoiding the alternative evil—reliance on continuing resolutions—is one of the main purposes of this whole process.

While the Congress is acting on spending bills, the Congressional Budget Office, in effect, keeps score—keeps a tally—and issues periodic scorekeeping reports on what it's all adding up to.

After the reports on spending bills are received, the Budget Committees report a second resolution, affirming or revising the First Concurrent Budget Resolution according to new data, changed economic circumstances, and Congressional spending actions that have taken place in the interim.

The second resolution also directs the appropriate committees to make necessary changes such as rescinding or amending appropriations, raising or lowering revenues, or adjusting the debt limit. Significantly, the dollar amounts in the first resolution are merely targets—the dollar amounts in the second resolution, once adopted by the Congress, are ceilings—something firmer and quite different.

The Act sets no deadline for the Budget Committee to report the second resolution, but it does require Congress to adopt it on or before September 15. The reporting date each year will depend on when Congress completes action on spending bills.

If the system works on schedule, finishing the spending bills before the August recess will enable the Budget Committees to report right after that recess, so floor consideration could and should begin right after Labor Day. Reconciliation of the actions of other committees with the second budget resolution must be done by September 25.

That completes the process!

The new fiscal year then starts October 1, and the cycle begins again with the President's current services budget on November 10.

The Congress may not adjourn until the second resolution has been adopted and reconciliation completed.

After reconciliation, bills which would cause total authorizations or outlays to exceed the ceilings in the resolution are out of order. They simply cannot be considered! The same goes for bills that would cause a reduction in revenues. However, subsequent resolutions may be enacted to meet changes in economic conditions.

The Act also attempts to close the back door on spending. Beginning January 1976, new contract authority or borrowing authority legislation must not exceed current appropriation levels. Entitlement legislation, including many educational programs, cannot be considered, if it takes effect before the start of the fiscal year. This is to make entitlements fully subject to the reconciliation procedure.

In summary, there are four main phases of the new budget process: authorization, budget resolution, spending measures, and finally reconciliation, each of which must be completed by a specified date.

The quality of information available to Congress will be improved both by creation of the Congressional Budget Office, and by greatly expanding the analytical material required in the President's budget.

Two interim updates of the budget will be required—on April 10th and July 15th.

Beginning in Fiscal 1977, the Act requires the Executive to submit requests for authorizing legislation no later than May 15 of the preceding year. That is—authorizing legislation for programs beginning, say, October 1, 1978, must be submitted 17 months earlier—by May 1, 1977—obviously giving us much more time to know where we're heading, and to give you much more advance warning at what's impending, before the final decisions are made. The idea, obviously, is to promote long-range planning. This should be tremendously helpful to you and others in meeting your local responsibilities.

A word now about those two key terms: rescissions and deferrals, the new words for impoundment.

If the President thinks that budget authority won't be needed to carry out Congressional objectives, or if, for fiscal reasons he thinks the budget authority for one fiscal year should not be spent that year, or if he simply decides for any other reason that appropriated money should not be spent—then he must recommend a rescission.

The President then submits a Special Message to Congress requesting rescission, and explaining his reasons. Both Houses must act affirmatively within 45 days if the rescission is to be approved. If Congress doesn't act at all, the rescission is disapproved.

Under the present practice, the money is impounded while this decision is being made by Congress. Because of the funny way days are counted on Capitol Hill, a cleverly-timed request for a rescission can result in an impoundment of more than three months, whether or not the rescission is actually approved. There is no provision for prompt Congressional disapproval of a rescission request.

I will introduce legislation to revise this practice to prevent impoundment while Congress is considering the case.

A deferral is reported whenever Executive action, or inaction, temporarily prevents the obligation of budget authority. Again a Special Message to Congress is required. But in this case the impoundment must be released if either House disapproves.

There is no time limit on Congressional action. Disapproval can come immediately, or it can be delayed while Congress thinks the matter over.

The Comptroller General is empowered to advise Congress of misclassifications or unreported impoundments, and to file expedited civil suits in Federal court to release funds, if they are not obligated after Congress has disapproved a proposed rescission or deferral.

The President is also required to submit cumulative monthly reports of proposed rescissions, reservations, and deferrals, and they have to be published in the Federal Register, explaining the justification for an impoundment. So, if you watch that part of the Federal Register, you will know what's happening in matters affecting you.

To date, the reports do not reflect a great desire by OMB to comply with the spirit of the Act, but I must say the quality is improving. My staff has just completed a comprehensive analyses of these reports for the Senate Budget Committee.

I'm sure you're concerned about three deferrals of ESEA program funds totalling almost 18 million dollars, which President Ford announced last November. These deferrals effect supplementary services, equipment and remodelling, and nutrition and health programs under ESEA. I expect these funds to be released. Congressional action will probably be necessary in respect to some.

The new budget process will not provide overnight solutions to any of our economic problems. It's a long-range institutional reform on a major scale—maybe the first of such dimensions since King George III was evicted.

Congress is working hard on immediate problems to aid the economy and, of course, cannot lose sight of short-term objectives.

But we must also keep the long view in mind, or no real reforms will ever really take place.

It will take a few years at least, to implement fully and effectively the innovations called for by this Act.

And budget reform will work ultimately only if Congress works hard, and only if Congress demonstrates its willingness and ability to accept fiscal responsibility.

Those of us who have worked hard for the passage of this Act, and are now deeply involved in its implementation, are committed to making it work.

But it will require considerable cooperation from many people who have vested interests in continuing the old ways.

As we begin, I am optimistic.

But, only time will tell.

We count on your help and advice to make it work.

INTERNATIONAL ANTISEMITISM

Mr. HUGH SCOTT. Mr. President, Barbara Tuchman, in Newsweek magazine, discusses anti-Semitism in the international context of today's politics. Her article deserves the attention of my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEY POISONED THE WELLS

(By Barbara W. Tuchman)

When people suffer plague and famine or, as now, feel themselves threatened by economic depression, fear of war and a sense of events moving out of control, they search for someone to blame. Historically the Jews have filled that role. During the Black Death of the fourteenth century, a virulent epidemic of bubonic plague that swept over India, the Near East and all of Europe, killing an estimated one-third of the population, the first corpses in Europe were hardly buried before the cry against the Jews was raised. They were accused of poisoning the wells in a monstrous conspiracy "to kill and destroy the whole of Christendom." Mobs assaulted the Jewish quarters, dragged the inhabitants from their homes and burned them in bonfires. In many towns the assaults occurred ahead of the plague.

The actual cause, a bacillus carried by rat-borne fleas, had nothing to do with drinking water and contemporaries did not really suppose it had. Lacking knowledge of the real cause, they ascribed the plague to malign planetary influence or to divine punishment upon mankind for its sins. Nevertheless, people in their anger and misery still looked for a human agent upon whom to vent the hostility that could not be vented on God.

In vain Pope Clement VI pointed out in two separate bulls that Jews died of the disease like everyone else, that the plague was affecting all peoples including Jews, and that it raged in areas where no Jews lived. Hence the charge of well-poisoning was "without plausibility." But the popular hysteria was not contained. By the time the plague had passed, few Jews were left in Germany or the Low Countries.

Currently anti-Jewish sentiment is growing more outspoken. Its renewal raises certain principles of history, and a prologue in the form of a caution that in the honest wish to learn from the past, people tend to overestimate history's capacity to repeat itself. Events cannot be relied on to happen in the same way as before. History is a great joker always likely to take an unexpected turn for which no one has planned. Its lessons cannot tell us what will happen next but only how people tend to react.

FIRST PRINCIPLE

It is vain to expect logic—that is to say, a reasoned appreciation of enlightened self-interest—to determine the course of events. Rational thought and rational behavior rarely govern either the formation or the operation of policy. Since human behavior is not logical, history cannot be.

Rational thought tells us that the elimination or permanent weakening of Israel would not restore the happy days of cheap oil or open an era of friction-free relations with the Arabs, but rather the contrary. Released from the cautions required by the existence of Israel, the Arabs would be subject to no restraint whatever and the United States would be left with no lever, no foothold in the Middle East and no ally in that region. The logic of the situation is as obvious as it was in 1348 that to burn a thousand Jews would not save a single person from the plague.

Nevertheless the feeling grows that if only the Jews of Israel would go away and the Jews of America would stop supporting them, the oil problem and the threat of war would vanish. There follows a rising demand upon Israel for concessions: a return of the Mitla and Gidi passes and Sinai oil fields to Egypt, the Golan Heights to Syria, Jerusalem to satisfy King Faisal, the West Bank to the PLO. After that why not give up sovereignty altogether and share a democratic state with Yasir Arafat? This brings us to a second historical principle which, it is rather frightening to realize, does not lie in the personal experience of anyone now under 40 and may need re-explaining.

SECOND PRINCIPLE

The futility of appeasement. The rule of human behavior here is that yielding to an enemy's demands does not satisfy them but, by exhibiting a position of weakness, augments them. It does not terminate hostility but excites it. Since Israel hardly needs to be reminded that the sequence Rhineland-Austria-Spain-Czechoslovakia-Poland would be paralleled by Sinai-Golan-Jerusalem-West Bank with the same end result, it cannot realistically be expected to initiate the process. Given the experience of regained sovereignty and statehood after 2,000 years of being other people's victims, suicide is not now likely to be the Jewish choice.

Meanwhile public opinion is exercised by specters of a Jewish lobby that either controls Congress, according to Senator Fulbright, or controls the banks and the newspapers, according to General Brown.

A Jewish lobby certainly exists as does the teachers' lobby, the gun lobby, the milk lobby, the labor lobby and countless others. But even if it had the power ascribed to it by Messrs. Fulbright and Brown, they would be barking up the wrong tree. For the situation in the Middle East is not basically a matter of Arabs versus Israel but a rising, armed by the suddenly discovered power of oil, against the oil dominion of the whites. This could hardly have been more pointed than when the Arab-African-Chinese-et cetera bloc at the U.N., led by an Algerian president of the Assembly, welcomed with honors a Palestinian guerrilla leader ostentatiously wearing a gun holster. Like Hitler's "Mein Kampf" which the world preferred to ignore, the welcome to Arafat meant what it said.

The disappearance of Israel would do nothing to change the movement; Israel is the excuse, not the cause. As always in history, from the Crusaders' massacres and the Black Death to the Dreyfus affair, the czarist pogroms and the Nazis, the Jews have been a distraction for other rages, other tensions and other aims. This brings us to anti-Semitism, a human reaction so old and enduring that it can qualify as a historical principle.

THIRD PRINCIPLE

Anti-Semitism is independent of its object. What Jews do or fail to do is not the determinant. The impetus comes out of the needs of the persecutors and a particular political climate. Originally the Jew became an object of popular animosity because his rejection of Christ as Savior and of the new law of the Gospel in place of the Mosaic law challenged the very foundation of the early church. Consequently the synagogue was pictured as enemy and the Jew as hateful. Far from its origins, anti-Semitism endures because of the uses it serves.

Today American Jews have learned that the restored sovereignty of Israel has marked the difference from the past; that a people without a country were a ghost people and aliens everywhere, that if the state should be vanquished all Jews become once again vulnerable. What is still needed among them is recognition, first, that they are a contributing, integral part of the nation with the same right to speak out and lobby for what they want as any other group; and second, that anti-Semitism does not depend on them but on the political climate of the whole. It rises with the right or with the totalitarian left; it remains more or less quiescent while democratic institutions survive. The climate of the whole is what Jews like other Americans must be concerned with.

BILINGUAL COURTS ACT

Mr. MONTOYA. Mr. President, I am pleased to again be an original cosponsor of this vital legislative measure. When this bill was considered by the 93d Congress, I supported the bill in committee and on the floor of the Senate. The importance and urgency of this cannot be understated for I believe that each day we delay this measure means another day that full due process is denied some Americans merely because they cannot fully communicate in English.

We cannot stand by and see citizens' access to our Federal courts denied, or have their rights handicapped because language disabilities prevent them from fully participating in our judicial system.

Mr. President, my State, New Mexico, has been a model and an experimental laboratory for this long-overdue Federal legislation. I am understandably proud of that fact. More than 50 percent of our population is made up of people whose cultural and lingual heritage is not English.

Because our need was so obvious and so widespread, our State court system has used interpreters, at State expense, for many years. Our Constitution provides for interpretation in judicial proceedings, wherever needed, and a genuine effort is made to see that the language barrier provides no "chilling effect" on minority-language individuals either as litigants in civil suits or in seeking justice in criminal cases.

That does not mean, however, that equality under law is protected and provided for in every case. I do not want to mislead you. Many years of prejudice and inequality, pervading every area of social communication and social activity, make it difficult to assure evenhanded justice to all persons, in New Mexico as well as in other States. In the city of Albuquerque the police department has recently completed a training program under the pilot cities program to provide 150 bilingual law officers. This program was originated because of the many complaints by Spanish-speaking citizens that their first contact with the legal system was often through a police officer who could not understand them. Surely it is even more important that communication be clear and fair in the courtroom.

As has been pointed out by the Senator from California (Mr. TUNNEY), we are only now beginning to reach a national understanding of the fact that real equality can never be provided minority children without support for bilingual-bicultural education. Most educators and educational administrators now accept that fact. Congress has recognized the need in the Bilingual Education Act, although we have never funded the programs sufficiently to make real impact on the problems of minority children.

However, acceptance of the value of and need for this kind of educational equality has not yet provided the texts, teachers, and new teaching systems which would be needed if we were to do an efficient job in the field of bilingual-bicultural education.

I suspect that some of the same problems will arise when we try to correct the judicial system to provide for real equality under the law by recognizing the citizen's right to understand and be understood in a court of law. The legislation you are considering today makes provision for the certification of interpreters by the Director of the Administrative Office of the U.S. Courts. I think that is a wise and proper provision. But we should be aware that trained and fully qualified translators must be available to the courts so that the practical requirements of this legislation can be met.

Mr. President, I urge the Senate to act quickly on this legislation. It is tragic to have to admit, as an American, that there exists within the Federal judicial system of the United States an unequal protection under law, an unequal opportunity for justice, or an unequal provision in defense of personal or property rights of American citizens.

It would be even more tragic if we failed to provide the corrective legislation needed as proof positive of our commitment to fair treatment to every part of our multicultural and multilingual nation.

VOCATIONAL EDUCATION

Mr. PELL. Mr. President, I would like to call to the attention of my colleagues a new report issued by the General Accounting Office entitled "What is the Role of Federal Assistance for Vocational Education?" Since the Vocational Education Act of 1963 expires this fiscal year, the Subcommittee on Education, of which I am chairman, plans to conduct oversight hearings on the act's implementation, as well as receiving suggestions for its amendment. I am certain that the GAO report and its suggestions for legislative improvement will be most helpful in serving as a basis for our hearings.

Mr. President, I ask unanimous consent to have printed in the RECORD a digest of the findings and conclusions of this very important GAO report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHAT IS THE ROLE OF FEDERAL ASSISTANCE FOR VOCATIONAL EDUCATION?

(Comptroller General's report to the Congress)

WHY THE REVIEW WAS MADE

GAO reviewed the operation of vocational education programs—designed to insure that, ultimately, persons of all ages in all communities have ready access to vocational training or retraining which is realistic in the light of actual or anticipated employment opportunities—because the Congress is considering changes in vocational education legislation; over $3 billion of Federal funds have been expended since enactment of the Vocational Education Act in 1963; projections of the national economy indicate increased demand for vocationally skilled manpower; and large numbers of youth leave school without skills needed for employment, and many subsequently are unemployed.

GAO conducted its review in seven States: California, Kentucky, Minnesota, Ohio, Pennsylvania, Texas, and Washington. These States spent $146 million in fiscal year 1973, or 30 percent of the total $482 million of all Vocational Education Act funds spent that year. In States and localities where the policies, processes, and practices are not similar to those discussed in this report, GAO findings and conclusions may not be applicable and therefore should not be interpreted as necessarily being typical of vocational education activities in all locations.

FINDINGS AND CONCLUSIONS

Office of Education (OE) statistics show that in the decade since enactment of the Vocational Education Act, State and local support for vocational education has increased, the number of persons enrolled in vocational education has grown, and vocational opportunities have been expanded for the disadvantaged and handicapped.

OE officials, State directors of vocational education, and the National Advisory Council on Vocational Education told GAO they attribute this progress in large part to Federal assistance provided under the act.

Role of Federal funds (See pp. 8 to 21).

The Vocational Education Act authorized Federal assistance for vocational training to States primarily for distribution to local education agencies. These funds were intended to encourage State and local governments to

Increase their funding,

Accord high priority to persons with special needs,

Provide programs geared to real and emerging job opportunities, and

Increase the number of participants.

The use of Federal funds has not been adequately evaluated at Federal, State, or local levels. OE has not provided adequate guidance to help insure that the purposes envisioned by the Congress would be accomplished.

Federal funds often have been used to provide basic support for traditional local programs rather than to achieve the purposes itemized above.

GAO reviewed the role the Federal dollar has played and found that:

Although in most States the major portion of Federal assistance is directed to the local level, large amounts of Federal funds have been retained at the State level for administrative purposes. State directors of vocational education told us that there was strong leadership at the State level because Federal funds have been available for this purpose and that such leadership would not be possible in many States without Federal funds being available for State administrative salaries.

Although State and local governments have increased their funding for vocational programs, maintaining a nationwide average since 1970 of about $5 for every Federal dollar, in some States the ratio of State and local support to Federal support has declined. State directors of vocational education advised GAO that economic factors at the State and local level have made it more difficult to maintain their ratio of State and local dollars to Federal dollars.

Although expanded vocational opportunities have been made available for the disadvantaged and handicapped, persons with special needs have not been given a high priority. State vocational officials said that it was more difficult to acquire State and local funds for particular population groups.

Although participation in vocational programs has grown in the last decade, increased funding has not necessarily resulted in proportionately increased enrollment. State directors of vocational education stated that some programs are more costly today than they were in the past and that in other instances decisions have been made to use new Federal funds for constructing facilities and improving program quality, which would not necessarily result in increased enrollments.

Planning for use of funds. (See pp. 22 to 36)

Greater attention to systematic, coordinated, comprehensive planning at national, State, and local levels would improve the use of Federal funds and better insure that vocational education is provided in a manner that best serves student and community needs. We noted that

State and local plans reflect compliance rather than planning;

Systematic assessment of community and individual needs does not take place;

Organizational patterns at all levels fragment responsibility and result in independent and isolated planning for vocational education;

Advisory council limitations lessen impact on improvement in the planning of programs to meet current and anticipated manpower needs; and

Data that would be helpful in planning is unavailable, inadequate, or unutilized.

Distribution of funds (See pp. 37 to 46)

Federal funds have been distributed by the States reviewed in a variety of ways, many of which do not necessarily result in funds being targeted to geographical areas of need or providing for the programmatic initiatives called for by the law. Some major practices noted were

Making funds available to all local education agencies within a State, rather than concentrating funds in selected agencies with high needs;

Making funds available to local agencies without adequately identifying the relative need for the program; and

Making funds available without considering ability of local agencies to provide their own resources.

Use of training resources (See pp. 47 to 67)

States and local agencies have not always considered the range of existing training resources which could provide expanded training options to a larger number of people.

In many instances, secondary schools, community colleges, and area vocational-technical institutes could have made better use of their own facilities and explored opportunities to share each other's resources and those of federally-supported manpower programs, military installations, proprietary schools, or employer sites.

Factors which have limited the use of community-based training resources were that

Schools prefer to use the facilities they control;

Training resources have not been inventoried;

Costs have not been analyzed on a comparative basis;

Program scheduling has not been flexible;

Transportation often has not been provided;

Construction of new school facilities has been favored; and

Public and private sources of equipment and supplies have not been fully explored.

Relating training to employment (See pp. 68 to 90)

Changing manpower requirements need to be better addressed in many secondary and postsecondary occupational programs supported by Federal funds. Students often are enrolled in traditional courses and are not always able to find employment in fields for which they have been trained.

Factors which affected the relevancy of existing vocational programs were:

Labor market demand and supply have been neither fully nor realistically assessed;

Work experience has not been an integral component of the vocational curriculum;

Occupational guidance has not received adequate attention;

Responsibility for job placement assistance has not been routinely assumed by schools; and

Followup on graduates and employers has been marginal or nonexistent.

GAO also noted that barriers, such as age, sex, and entrance requirements, have restricted access to training and employment.

RECOMMENDATIONS

To provide sound expansion of vocational opportunities and to increase program effectiveness, GAO is recommending that the Secretary of Health, Education, and Welfare take specific actions to improve present practices in planning programs, distributing funds, using resources, and relating training to employment. (See pp. 20, 35, 46, 65, and 87.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW generally concurred with GAO's recommendations and described actions taken or planned to implement them. Appendix V contains a complete text of HEW's comments.

HEW did not entirely agree with GAO's interpretation of the catalytic role intended for Federal assistance. These differing interpretations are discussed in chapter 2.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report calls attention to specific areas of administration and operation of the Vocational Education Act that can be strengthened at the Federal, State, and local levels to help insure that vocational programs achieve maximum impact. It suggests that the Congress consider amending the act by:

Setting a limit, as provided in other Federal education legislation, on the amount of Federal funds that can be retained at the State level so that more funds can be made available for direct services to program participants at the local level.

Requiring States to use a portion of whatever Federal funds are retained at the State level to improve the planning process.

Requiring that Federal funds be used primarily to develop and improve programs and extend vocational opportunities by limiting the amount of Federal funds that can be used to maintain existing activities.

Adopting one or several options with regard to providing programs and services for the disadvantaged and handicapped if the Congress believes these two groups should receive priority attention in the utilization of Federal funds. Two of the options available are:

(a) Requiring States to match Federal set-asides for disadvantaged and handicapped at the same level they are required to match regular part B funds (50–50), thereby insuring State and local involvement in and commitment to these efforts.

(b) Increasing the percentage of the set-asides for the special need categories.

Requiring the Secretaries of HEW and the Department of Labor to establish a process for planning which would relate vocational education to the State Postsecondary Commissions authorized by the Education Amendments of 1972 and the Comprehensive Employment and Training Act of 1973 to insure that education and manpower efforts will be synchronized for students at all levels—secondary, postsecondary and adult.

Establishing a set-aside requirement for cooperative arrangements to expand vocational offerings and strengthen programs through use of other public training facilities or nonpublic training resources (e.g. movement of secondary students to postsecondary facilities).

Establishing as a legislative policy that Federal funds will not be used for construction except in instances in which there is adequate justification that additional facilities are needed after thorough consideration of alternatives.

Requiring that Federal vocational funds directed to local education agencies for programs be used for those skill areas for which existing or anticipated job opportunities, whether local, regional, or national, can be demonstrated.

Requiring that work experience be an integral part of part B programs to the extent feasible.

Requiring that schools take responsibility for job placement assistance and followup in Federally supported vocational education programs.

The report also suggests that the Congress consider:

Reducing the impact of several barriers which inhibit persons from participating in vocational education. (See p. 90.)

Amending the Federal Property and Administrative Services Act to provide for eligibility of recipients of Federal vocational funds to acquire Federal excess property.

THE UNITED NATIONS—SHIRKING ITS RESPONSIBILITY

Mr. DOMENICI. Mr. President, there is a great amount of concern, disappointment, and disapproval on the part of a vast number of Americans today with respect to actions taken by the 1974 General Assembly of the United Nations.

America has stood by and watched the United Nations forsake its noble ambitions to be an instrument of peace and provide a forum for responsible international debate. America has watched an armed revolutionary guerrilla leader address the General Assembly and be accorded the full honors usually reserved for chiefs of state. We have witnessed a limitation on Israel's right to speak to the General Assembly. We have seen the termination of cultural aid to Israel by the United Nations Educational, Scientific, and Cultural Organization. These actions are especially troublesome as the State of Israel is itself a creation of the United Nations. America has also seen the exclusion of South Africa from the General Assembly and we have observed the approval of a world economic charter which endorses cartels for raw-materials producers but bans similar organizations for industrial countries.

In response to these irresponsible activities, Ambassador John Scali addressed the General Assembly of the United Nations and said the following:

> My country cannot participate effectively in the U.N. without the support of the American people and the Congress. For years they have provided that support generously. But I must tell you honestly that this support is eroding—in our Congress and among our people. Some of the foremost champions of this organization are deeply distressed at the trend of recent events.

I must say that I concur with Ambassador Scali's assessment of the mood of the American people and I must question how much longer we can ask our citizens to fund this organization. Our taxpayers provided 40 percent of all funds spent by the United Nations from 1945 to 1970. American contributions were reduced in 1973 to a little over 29 percent or approximately $410 million. Further cuts have been scheduled to bring the U.S. share of funding down to 25 percent. Will this not still impose a disproportionate share of the funding on our American populace? I think it will.

Mr. President, the United Nations is a democratic institution. Democracy implies freedom and freedom can lead to chaos unless tempered with responsibil- shown itself to be a responsible world ity. Has the United Nations recently organization? I think not.

Mr. President, I ask unanimous consent that two articles from the New York Times which are relevant to my remarks be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 21, 1974]

STORM IN THE GLASS MENAGERIE

(By C. L. Sulzberger)

PARIS.—When the United Nations General Assembly wound up this week, it left behind considerable diplomatic wreckage. In good log-rolling tradition, Moscow, Peking, the Arabs and the underdeveloped states traded votes and brought in a series of decisions that rattled every window in the glass menagerie. Bruised in the process were Israel, South Africa and the United States—plus a careful built-up body of tradition.

In a sense, the trouble started back in 1946 when the decision was taken on the location of the body's headquarters. Personally I argued several times with Secretary of State Stettinius and his deputy on the United States delegation, Adlai Stevenson, that it was folly to seat the U.N. in America—or, for somewhat comparable reasons, in Russia.

I suggested that an entirely circular tower headquarters be constructed in the heart of ravaged Berlin and that the former German capital should be left in ruins for a mile all around. Then, whenever statesmen disagreed, they had only to walk out on a balcony to see what argument produced.

It seemed obvious to me that Berlin was likewise a strategically sensible center, close to the ideological divide between the world's power blocs. My idea was never seriously considered. It was explained that it was essential to have the U.N. in the United States to encourage American public interest and avoid a recurrence of isolationism.

In those days Israel didn't pose a problem because it didn't exist, and South Africa was still a relatively more liberal Government than that which subsequently developed. Only a small portion of the Third-World lands had yet achieved independence and joined the United Nations.

Russia (although it had three votes—its own, Ukraine and Byelorussia) was in an uncomfortable minority. The United States was not just a superpower; it was the monopower of the earth.

This situation was reflected in 1950 when the U.N. followed Washington's lead and banded together against North Korea's invasion of the South (after a silly Soviet diplomatic lapse). What has been going on at this Assembly was, one might say, Moscow's quiet revenge for what went on at its expense in 1950.

The purpose of the U.N. Charter is to insure majority rule while, through the device of a Security Council, restraining it from interfering in the private affairs of individual nations. The concept was to have five permanent Council members who, together with rotating members, could protect each other's friends or clients from such interference. But Assembly President Bouteflika, an Algerian, simply bent the rules and gave the Assembly more power than it is supposed to have.

Hamstringing Israel in the U.N. and virtually blackballing it from UNESCO while suspending South Africa and giving the Palestine Liberation Organization what is tantamount to membership, penalized not only Israel and South Africa but also the United States. And the fact that Americans pay a far larger share of the U.N.'s bills than anyone else and even finance (through foreign aid) the presence of many member delegations is ignored.

But this isn't the crux of the matter. The crux is that an amorphous but controlling bloc of votes—armed with new authority under Mr. Bouteflika's rules—could attempt again to impose its emotional prejudices on the world. There it won't succeed; but it might destroy the U.N.

If the U.N. is allowed to function according to uninhibited bias, why shouldn't it end up some day including the P.L.O. but not Israel (like China and Taiwan); North Korea but not South Korea; North Vietnam without South Vietnam; maybe even East Germany without West Germany? Further rule-bending is all that's needed.

Why shouldn't the whites be voted out of Rhodesia? Then out of South Africa? Or out of New Zealand and Australia? Then how about voting the Americans out of Puerto Rico and finally out of the United States itself, there being, after all, a few Indian tribes still left around?

Indeed, this might sound dandy to the Russians and the Chinese until an Assembly, giddy with success, decides to vote the former out of Central Asia and the latter out of Tibet. There is no end to this riduculous road and surely all more experienced statesmen see this.

The original philosophy of U.N. rules must be adhered to. After all, those rules represented considerable but realistic compromises. The path of folly along which the 29th General Assembly floundered leads only to disaster—above all for the little nations which need the U.N. most.

[From the New York Times, Jan. 27. 1975]

DISSATISFIED U.S. REVIEWING POLICIES TOWARD U.N.

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., Jan. 26.—The United States, which has attacked recent United Nations decisions and warned of eroding American support, has begun a high-level review of its policies toward the world organization and all its affiliates, according to a high-ranking American official.

The review was ordered after the last General Assembly session, which Washington said had excluded South Africa illegally, curbed Israel's right to speak on the Palestine question and had generaly been dominated by nations of the third world and their Communist supporters.

Administration officials in Washington and members of the United States Mission here are conducting the review, which will continue for weeks, it was said, and could determine the American attitude and degree of financial support for United Nations operations.

This suggested that the review was part of an effort to serve notice that Washington's position could not be ignored and that a tougher attitude toward the United Nations was to be expected.

BACK TO THE CHARTER

United States officials were reluctant to discuss details of the effort, insisting that there were "no blueprints" but acknowledging that they were searching for ways to try to reverse the current trends. One official explained: "The aim is to get back to the Charter, to the regulations and to a sense of fair play which has been lacking noticeably."

The United States desire for drastic reforms was clearly indicated by the major policy statement made in the General Assembly on Dec. 6. John A. Scali, the American delegate, protested against an increasing trend in the United Nations toward adopting one-sided, unrealistic resolutions and toward disregarding the Charter and the rules on the part of "special interest groups."

Congress recently cut off American contributions amounting to $19-million for the United Nations Educational, Scientific and Cultural Organization until it reverses decisions barring Israel from some of its activities.

The American review covers UNESCO as well as 12 other specialized agencies affiliated with the United Nations and voluntary programs to which the United States contributes. For many of them the United States is the largest single contributor, supplying about 30 percent of the $1,270,655,000 that all governments gave in a recent year to the United Nations system.

United States disapproval of third world tactics in the Assembly and elsewhere in the United Nations also appears to have affected its attitude toward Secretary General Waldheim, who is seen by some American officials as being increasingly responsive to the interests of that group of developing nations.

American concern has been developing for some time, it was said, and was sharpened when Mr. Waldheim permitted the Vietcong to open an office in Geneva for contacts with United Nations aid agencies. What was seen as his inaction in responding to the recent incidents of terrorism was also criticized.

"Mr. Waldheim is becoming more the Secretary General of the third world than of the whole international organization," one high-ranking American said in a recent conversation. He contended that the Secretary General seemed to be acquiescing to China and the third world nations in their drive for international recognition of the Vietcong's Provisional Revolutionary Government.

The Waldheim decision on the Vietcong office, which was made over strong American objections, seems to have raked up old differences and accentuated new ones.

ARAFAT AND A CHAIR

It still seems to rankle American officials that Mr. Waldheim made no public objections when Yasir Arafat, the leader of the Palestine Liberation Organization, came here in November to address the Assembly and was given protocol honors, including a chair, usually reserved for heads of state.

The arrangements were ordered by the Assembly President, Foreign Minister Abdelaziz Bouteflika of Algeria. The Americans were aware that Mr. Waldheim objected to the chair for Mr. Arafat and that Mr. Bouteflika yielded to the extent that the Palestinian leader was escorted directly to the podium and back so that he was never seated; he only rested his arm on the chair-back as he received applause. But to American officials, the concession was not enough. They insist that the chair was of symbolic significance and that Mr. Waldheim should have spoken out.

American critics complain that the Secretary General does not speak out plainly on issues where third world sensitivities are involved.

After the attack by Arab terrorists at Orly Airport, last week, the French Minister of the Interior, Michel Poniatowski, advocated international efforts to punish terrorists—the first such statement by a French official.

American aides pointed out that there was no strong endorsement from Mr. Waldheim, although the Secretary General took the lead in 1972, after the Munich killings of Israeli athletes, in proposing that the Assembly act against terrorism. But Arab nations objected and African members were persuaded that United Nations measures could harm those fighting for national liberation. Consideration of the issue has been postponed by the 1973 and 1974 Assembly sessions.

Mr. Waldheim has spoken against incidents of hijacking and terrorism to reiterate his disapproval of violence, but he has not repeated his initiative.

Concerning the Vietcong office in Geneva, Mr. Waldheim has said it would be restricted to humanitarian matters such as facilitating the aid already going to children and refugees in Communist-controlled areas of South Vietnam.

PRESIDENT FORD'S PROPOSED CUT IN EDUCATION

Mr. PELL. Mr. President, I am extremely disappointed with President Ford's proposed budget for education for fiscal year 1976.

In the first place, the press release on the budget issued by the Department of Health, Education, and Welfare is based on an assumption—and a very large assumption, to my mind—that the Congress will ratify every rescission and deferral of education expenditures proposed by the President. This assumption, which the press release does not present to the public on an item-by-item basis, shows a total cut in education funding of $360 million, when compared with fiscal year 1975. However, to this figure must be added an additional $286 million in proposed rescissions and another $375 million in proposed deferrals. If my mathematics is correct, this totals to $1.021 billion worth of cuts in education appropriations proposed by the President. And this figure does not include another $159 million for the Emergency School Aid Act now contained in the continuing resolution, since the Administration proposes that act's replacement with a new discretionary Desegregation Assistance Act with a $75 million authorization. If the Congress does not act on that proposal, and it has shown no inclination to do so over the past year, that $159 million must also be taken into account in determining the ultimate amount available for education.

This obscurity in presenting the budget carries through into its proposals for fiscal year 1976. An increase of $2.5 million from 1975 to 1976 in the State grant program for education of the handicapped is shown, from $47.5 million to $50 million. Yet this represents a cut through a proposed rescission of $102.5 million which the Congress has already appropriated for the education of the handicapped for the 2 fiscal years.

Similarly, the budget proposes a figure of $256 million for impact aid, a cut of $390 million from the fiscal year 1975 level of $656 million. This is to be accomplished by enactment of a proposal to "reform" the program. The Congress enacted a reform proposal only last year, as part of the Education Amendments of 1974. Yet the administration would ignore this action and propose a far more drastic cut. Districts would not be eligible to receive impact aid funds unless they were entitled to an amount in excess of 5 percent of their total annual operating budget; their entitlement in that case would be only the amount of the excess. The Department of Health, Education, and Welfare itself estimates that this would eliminate from the impact aid program 3,500 of the 4,300 districts which currently receive payments based on their enrollment of federally connected children. I question whether anyone can seriously suggest that the Congress would consider such a meat-ax approach to a program which provides much-needed support to school districts across the country.

As I noted before, the budget assumes the passage of new legislation to assist school districts desegregating or attempting to alleviate racial imbalance. However, the Congress again has indicated its will concerning the form such legislation should take, by extending the Emergency School Aid Act in the Education Amendments of 1974. The Congress has believed an appropriate funding level for these activities should be $236 million; the budget shows an appropriation level of only $75 million.

One feature of the budget which I fervently hope will prove true, but which past experience with the guaranteed loan program leads me to question, is the projection of the amounts necessary to pay off defaulted loans under the program. For fiscal year 1975, $115 million was appropriated to pay defaults. The current estimate for that fiscal year is $198 million, so a supplemental appropriation of $83 million will be necessary. Yet for fiscal year 1976, the budget projects a default level of only $202 million, a $4 million increase.

The Subcommittee on Education, of which I am chairman, has given a good deal of attention to the problem of mounting default rates in the guaranteed student loan program, seeking ways to tighten up program administration so that such massive levels of defaults did not ruin the program. Last fall the subcommittee heard testimony from the Commissioner of Education concerning his plans for improved collection of defaulted payments. I wholeheartedly wish him well in that endeavor. However, I question whether it is realistic to assume that collection procedures will be sufficiently improved within a single fiscal year to reduce the amount attributable to increased rates of default from $109 million between 1974 and 1975 to $4 million within that period of time.

I am pleased that the budget proposes full funding of the basic grant program, of which I was an author. However, again the budget is able to achieve this funding level at the expense of the supplemental opportunity grant and national direct student loan programs, programs popular with the Congress and institutions of postsecondary education. It is unlikely that this juggling of limited student aid resources will be accepted by the Congress; therefore, full funding of the basic grant program will be more difficult to achieve.

Overall, the President's 1976 budget proposes drastic cuts in existing education programs, programs which employ large numbers of men and women whose unemployment can only worsen our nation's economic crisis. I cannot imagine that the Congress will accept such wholesale cuts in proven programs. Our economies must, instead, come in other areas, such as defense. Domestic programs of value to all our people must not become the scapegoat for the administration's lack of an economic policy. I am confident that the Congress will reorder our priorities to accord education its proper share of the Federal Treasury.

THE BUDGET—A DOCTRINE OF DESPAIR

Mr. PROXMIRE. Mr. President the 1976 budget represents a doctrine of despair. It is a program providing for a high and sustained level of unemployment for years to come. It provides that 6 to 7 million Americans will be out of work this year and next year and the year after that.

As chairman of the Senate Banking, Housing, and Urban Affairs Committee and as a former chairman of the Congressional Joint Economic Committee I have had a special interest in the economic effects of budget documents from year to year.

I have long fought government waste—in the Pentagon, at HUD, in HEW, and in the independent agencies. But the worst waste in this country is the waste of human resources—the 6 to 7 million Americans who want to work but cannot find work.

The budget provides for just such a level of idleness and indicates it will continue for at least 2 years. This is a disgrace.

No other developed industrialized country in the world has such a high level of unemployment or would permit it to exist. The comparable unemployment rate for Europe is half that indicated in the President's budget. In Japan, it is one-fifth the U.S. rate.

The President's Budget is a tragic confession of failure. It admits that the richest and most powerful country in the world cannot provide useful work for millions of those who seek work.

At a time when the country is meeting less than half of its housing goals and housing needs, this is wholly unnecessary. By stimulating housing, through very small Government outlays, massive increases in economic activity can be generated in the private sector. Idle men and women can be put to work on idle resources to produce vitally needed homes.

It is completely feasible to provide literally 2 million jobs in the private sector within a year by Government policies to bring down interest rates and provide easier money for housing. This would mean that unemployment could within a year be below the level the administration projects through 1980.

This kind of a vigorous economic program would also greatly reduce the Federal deficit as people now receiving unemployment compensation or welfare go back to taxpaying jobs.

A CONFERENCE DEALING WITH THE PROBLEMS OF THE HOTEL AND RESTAURANT INDUSTRIES

Mr. MONDALE. Mr. President, I am pleased to rise today to tell my colleagues about an important conference held in Geneva, Switzerland from November 25 to December 6, 1974. The conference was sponsored by the International Labour Organization and dealt primarily with matters relating to the hotel and restaurant industries. The focus of the conference was twofold. First, the delegates engaged in an in-depth consideration of the problems of migrant workers throughout the world. Second, the delegates considered the problems of training workers and management in the industry.

Nearly two dozen Nations were represented at the conference. The United States was an active participant. From all I heard and read about the Geneva Conference, it was a hard-working, constructive event. The delegates considered important and difficult problems and made real progress toward understanding and solution.

The two matters which received lengthy consideration by the delegates are most important to the United States and to the world community. Obviously, each government and each delegation came to the conference with its own particular problems, its own priorities, and its own proposed solutions. Nevertheless, the conference provided a helpful source of exchanged information and mutual understanding.

For instance, Switzerland has a very different migrant problem than does the United States. It viewed the proposed solution to its problem in light of the needs of its nation, as did our delegation, I am sure. However, a thread of similarity and a common concern ran through all of the deliberations on this question. All were similarly concerned with the despair and the human tragedy that flows from joblessness, poor health, and substandard housing. All wanted to find a way to help the migrant worker.

I compliment the International Labour Organization for its humanitarian concerns. The ILO, through the auspices of its Geneva Conference, called attention to this problem and worked toward solution.

Mr. President, the Geneva Conference also spent many hours discussing the training of workers and management in the industry. We in the United States surely realize the extreme importance of tourism and its related industries. In 46 of our 50 States, tourism ranks among the top 3 industries. That means millions of jobs and thousands of hours of important service to the American people. Tourism expenditures are the second ranking retail expenditures in this country. It is estimated that tourism expenditures will directly and indirectly provide employment for approximately 6,700,000 workers in the United States by 1980.

Needless to say, the Geneva Conference provided a useful means for exchanging information on training. The quality of the services provided by the workers and the level of management expertise will determine the growth rate of this industry in this country and throughout the world. We have much to learn. We have much to teach. The Geneva Conference provided a forum for both.

Mr. President, I pay particular tribute to the great American unions that made a contribution to the Geneva Conference. The Hotel and Restaurant Employees and Bartenders International Union of the AFL–CIO is the largest union in this industry in the United States. Based upon per capita figures of the International Union of Food and Allied Workers' Association, it is the largest union exclusively in the hospitality business in the free world.

Under the leadership of its president, Edward T. Hanley, the union played an important role in the Geneva Conference, sharing its expertise with other delegates and learning new ways to increase its already-excellent service to the American people. I congratulate the union for its participation and the International Labour Organization for its sponsorship of this excellent event.

THE RISE IN CRIME

Mr. MATHIAS. Mr. President, our society continues to be plagued by the problem of crime. Despite a massive Federal effort to deal with this problem, we appear to have made discouragingly little progress. Recently, the former Attorney General Saxbe gave us a fresh reminder of the relationship between economic circumstances and crime. His chilling reminder was that as the economy turns down, crime rises.

I have been reviewing the December 1974 statistical report: monthly crime index of the Metropolitan Washington Police Department. The statistics show a further rise in crime, up 7 percent over the previous year. With knowledge of the shortcomings of statistics in this field, I nevertheless think it important to call this report to the attention of my colleagues. I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATISTICAL REPORT, MONTHLY CRIME INDEX, METROPOLITAN POLICE DEPARTMENT

CRIME INDEXED FOR DECEMBER 1974

Year-end crime data show a 7% rise in the 1974 Crime Index over 1973. This is the first time in five years that the calendar year crime rate has risen over that of the previous year. Crime Against Persons decreased in 1974 by 0.4% compared to 1973 and Crime Against Property increased by 9%. Aggravated Assault recorded the steepest drop (22%) and Burglary the sharpest rise (20%). Most of the yearly increases occurred in the fourth quarter, which was 23% above the corresponding period in 1973. Burglary and Larceny comprise 70% of this year's Crime Index compared to 65% of last year's Index; further, these two categories increased this year by 4.428 offenses, overriding an 833 decrease in the other five categories for a net increase of 3,595 offenses in 1974 from the 1973 calendar year total of 51,046.

The December Homicide incidence at 29 is below November's 32 and also below two of the last five Decembers. The number of Rapes at 54 is higher than any month this year—except August, when 56 cases were reported—and the yearly rate is 6% below 1973. December's Robbery at 877 is the highest of the 12 months; the increasing trend this year marks a reversion to the pattern of 1968 and earlier years. Aggravated Assault continues to record new lows: At 220, this is the lowest December since 1965 (when 208 were reported) and 1974 is the first year since 1968 to record under 300 each month.

Burglary at 1191 follows a seasonal pattern of winter reductions from mid-year peaks—over 1500 in August and over 1300 in July, September and October. Larceny also follows a seasonal pattern of mid-year peaks; this year, however, the peak was broader than usual (beginning in May at 2227 and reaching 2533 in August) and the winter decline (2203 in November and 2224 in December) was not as sharply downward as in past years. The entire December Crime Index of 4914 is 1136 offenses more than last December's 3778—and Burglary together with Larceny account for 970 of that increase. Auto Theft at 319, while above last month's 270, is the lowest December since 1965; the yearly total for 1974 is 17% below 1973.

CRIME INDEX OFFENSES—NUMBER REPORTED AND PERCENT CHANGE BY TYPE OF CRIME, DECEMBER 1974

Type	Number reported and monthly change				Fiscal year cumulative through December			Total for 12 mo ending December		
	December		Change							
	1974	1973	Number	Percent	1974	1973	Percent change	1974	1973	Percent change
Crimes against persons:										
Criminal homicide	29	21	+8	+38	161	130	+24	279	268	+4
Forcible rape	54	40	+14	+35	293	295	−.7	561	596	−6
Robbery	877	705	+172	+24	4,440	3,915	+13	7,936	7,176	+11
Aggravated assault	220	244	−24	−10	1,375	1,871	−27	2,811	3,591	−22
Total crimes against persons	1,180	1,010	+170	+17	6,269	6,211	+.9	11,587	11,631	−.4
Crimes against property:										
Burglary	1,191	939	+252	+27	7,865	6,452	+22	14,126	11,801	+20
Larceny-theft	2,224	1,506	+718	+48	13,971	12,490	+12	25,004	22,901	+9
Auto-theft	391	323	−4	−1	2,008	2,567	−22	3,924	4,713	−17
Total crimes against property	3,734	2,768	+966	+35	23,844	21,509	+11	43,054	39,415	+9
Crime index offenses	4,914	3,778	+1,136	+30	30,113	27,720	+9	54,641	51,046	+7

CRIME INDEX OFFENSES BY CRIME CATEGORY AND DISTRICT, DECEMBER 1974

District	Crime index total	Crimes against persons					Crimes against property			
		Total	Homicide	Forcible rape	Robbery	Aggravated assault	Total	Burglary	Larceny	Auto theft
1	1,097	243	8	4	177	54	854	220	569	65
2	673	73	1	6	56	10	600	139	420	41
3	807	210	7	13	143	47	597	195	358	44
4	587	148	5	7	113	23	439	153	250	36
5	789	198	4	6	154	34	591	229	302	60
6	383	101	1	9	70	21	282	109	139	34
7	578	207	3	9	164	31	371	146	186	39
Total	4,914	1,180	29	64	877	220	3,734	1,191	2,224	319

CRIME INDEX OFFENSES BY DISTRICT AND BY CRIME CATEGORY, NUMBER REPORTED, AND MONTHLY CHANGE, DECEMBER 1974.

District	Number reported for			Percent change	
	December 1974	November 1974	December 1973	December 1974/December 1973	December 1974/November 1974
Total crimes:					
1	1,097	925	813	+35	+15
2	673	725	491	+37	−10
3	807	757	697	+16	+3
4	587	620	405	+45	−8
5	789	699	657	+20	+9
6	383	381	291	+32	−3
7	578	577	424	+36	−3
Total	4,914	4,684	3,778	+30	+2
Crimes against persons:					
1	243	229	181	+34	+3
2	73	75	64	+14	−5
3	210	198	252	−17	+3
4	148	167	132	+12	−14
5	198	183	193	+3	+5
6	101	98	68	+49	0
7	207	150	120	+73	+33
Total	1,180	1,100	1,010	+17	+4
Crimes against property:					
1	854	696	632	+35	+19
2	600	650	427	+41	−11
3	597	559	445	+34	+3
4	439	453	273	+61	−6
5	591	516	464	+27	+11
6	282	283	223	+26	−4
7	371	427	304	+22	−16
Total	3,734	3,584	2,768	+35	+.8

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the process of creating a viable system of international law is a slow, often frustrating one. It depends on the cooperation of all nations, and particularly those nations which are leading world powers.

A system of international law commanding the respect of all nations can be a strong influence in the international arena. But the development of such a system can never be achieved without the cooperation of the United States, and in many areas this cooperation is sorely lacking.

Because of its failure to ratify all but a few of the human rights treaties which have been adopted by the United Nations General Assembly and ratified by scores of nations worldwide, the role of the United States in the creation of an international law structure is diminishing.

Among those conventions yet to be ratified by the United States are the Convention on Elimination of All Forms of Racial Discrimination, the Convention on the Political Rights of Women, the American Convention on Human Rights, and the Conservation on the Prevention and Punishment of Genocide.

It is essential that the United States join in the ratification of the many human rights treaties it has not yet signed. The Genocide Treaty, pending before this body for more than a quarter century, is a worthy place to begin. Though it is ascribed to by more than 75 nations, the United States has yet to ratify it.

I urge quick adoption of the Convention on the Prevention and Punishment of Genocide.

SOME APPRECIATION FOR A POLICE OFFICER

Mr. McCLELLAN. Mr. President, at times, from what one reads in the newspapers, it must seem that police officers across the country are not doing anything right. Every other day, someone somewhere is using the news media to charge a police officer with brutality or corruption. Despite all the publicity given to such charges, very often they are later proved unfounded. But somehow that news never seems to get the same publicity given to the accuser, nor do the many admirable and courageous deeds performed by our law enforcement personnel every day. Dedication and devotion to duty is not news.

It is therefore always a pleasure to read about a police officer who has performed his duties well and whose dedication has been appreciated by the citizens he serves. One such officer is Chief Walton H. Mathis, chief of police of Eudora, Ark. On March 1, Chief Mathis will retire after 64 years as a law enforcement officer and 58 years as Eudora's chief of police. During his long career, Chief Mathis has earned a reputation as an outstanding lawman throughout the State of Arkansas. He has earned the respect not only of his fellow police officers, but, more importantly, the people he served. He will be missed by them.

Since it is rare that we have the opportunity to read about such a man, I ask unanimous consent to have printed in the RECORD a brief article from the Eudora Enterprise describing Chief Mathis' long career of excellent services to his community.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Eudora (Ark.) Enterprise, Jan. 22, 1975]

MATHIS RESIGNS AS EUDORA POLICE CHIEF EFFECTIVE MARCH 1

Walton H. Mathis, Eudora's chief of police for 58 years and apparently the oldest law enforcement officer in America in consecutive years of service, has announced his resignation, effective March 1.

In a special meeting of Eudora City Council last Friday, Mr. Mathis, 83, said he was offering his resignation because of his age.

The Council accepted the resignation with regret, and Mayor Harlan Nunnelee announced that Chief Mathis had agreed to stay with the police department in an advisory capacity.

Applications for the position of police chief are currently being taken and studied, Mayor Nunnelee said.

Mr. Mathis has carried a badge for 64 years. He was a Chicot County deputy sheriff before accepting the position of Eudora City Marshal in October, 1917.

About eight years ago, the veteran law enforcement officer was honored by citizens of Eudora with a special Walton H. Mathis Day. At that time he received a report from the Federal Bureau of Investigation that he had served as a lawman longer than any other living person in the United States.

He received special congratulations from the director of the FBI, J. Edgar Hoover.

Mr. Mathis, who is known throughout Arkansas, Louisiana, and Mississippi as an outstanding lawman, was the first person inducted into the Arkansas Sheriff and Deputy Hall of Fame in Hot Springs.

SOME ECOLOGICAL MISCONCEPTIONS

Mr. FANNIN. Mr. President, it is becoming increasingly evident that much of the environmental legislation passed by the Congress during the past 5 or 6 years has been poorly conceived and badly misdirected.

Some of these laws would appear to be creating more environmental hazards than they are curing. Certainly these laws have added to the cost and complexity of living.

The premises on which some of our laws and regulations have been drawn were based on emotional appeal rather than scientific fact.

Environmental concern on the part of Congress and the Government and the American people is a good development. What we must do is make certain that this concern is properly harnessed for the good of our society and not exploited by those who seek personal power or want to impose their narrow view of what our country should be on the Nation as a whole.

Mr. President, an article in the Houston Chronicle of November 17, 1974, has come to my attention. This article by Dr. John J. McKetta makes some very timely observations about some of the misinformation we have acted on previously. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONCE ECOLOGICAL FEARS ARE CUT DOWN TO SIZE, ANSWERS CAN BE FOUND

(By Dr. John J. McKetta)

It bothers me that there are so many purveyors of gloom who talk about the hopelessness of our future.

There is an entire spectrum, from zero to infinity, of views and actions on almost any problem. Let's take the pollution problem, for example.

We all know there are still some companies and cities who put toxic gases and liquids into our air and streams. It's almost unbelievable that many of our large cities still discharge raw sewage, or only partially treated sewage into our streams. Both industry and the cities should be stopped immediately from these flagrant violations.

On the other extreme we have those people who wish to have distilled water in the streams and zero particulates in the atmosphere. These are impossible concentrations and could not be attained even if we had no people on this Earth. The answer, obviously, is somewhere between these two extremes.

We're all deeply concerned about reports of the destruction of our environment as a result of technological recklessness, overpopulation, and the lack of consideration to the preservation of nature. As chairman of the National Air Quality Commission, I have to read great amounts of technical literature in this area, I've turned up a lot of evidence and some surprises that I'd like to share with you.

FORGET ABOUT DEPLETING THE OXYGEN

My first surprise concerns the air we breathe. You have been reading that we are seriously depleting the oxygen in the atmosphere and replacing it with toxic substances such as carbon monoxide.

Throughout my formal education, I have always been taught that oxygen in our atmosphere is supplied by green plants using the process of photosynthesis. It is known that plants take in carbon dioxide and through activation by sunlight, combine CO_2 with water to make starches and cellulose, and give off oxygen.

In this way the whole chain of plant and animal life is sustained by energy from the sun. When the vegetable or animal materials thus produced are eaten, burned, or allowed to decay they combine with oxygen and return to the carbon dioxide and water from whence they came. We all know this. Then, what is the surprise?

Surprise number one is that most of the oxygen in the atmosphere doesn't come from photosynthesis. The evidence is now overwhelming that photosynthesis is just inadequate to have produced the amount of oxygen that is present in our atmosphere. The reason is that the amount of oxygen produced by photosynthesis is just exactly enough to convert the plant tissue back to the carbon dioxide and water from which it came. In other words, the net gain in oxygen due to photosynthesis is extremely small.

The oxygen in the atmosphere had to come from another source. The most likely possibility involves the photodissociation of water vapor in the upper atmosphere by high energy rays from the sun and by cosmic rays. This process alone could have produced (over the history of the Earth) about seven times the present mass of oxygen in the atmosphere.

The significance of this information is that the supply of oxygen in the atmosphere is virtually unlimited. It is not threatened by man's activities in any significant way. If all the organic material on Earth were oxidized, it would reduce the atmospheric concentration of oxygen by less than 1 per cent.

We can forget the depletion of oxygen in the atmosphere and get on with the solution of more serious problems.

CARBON MONOXIDE IS NOT INCREASING AT ALL

As you know, the most toxic component of automobile exhaust is carbon monoxide. Each year man adds 270 million tons of carbon monoxide to the atmosphere. Most of this comes from automobiles. The scientists are concerned about the accumulation of this toxic material because they know that it has a life in dry air of about three years.

For the past several years, monitoring stations on land and sea have been measuring the carbon monoxide content of the atmosphere. Since the ratio of automobiles in the northern and southern hemisphere is 9:1 respectively, it was expected that the northern hemisphere would have a much higher concentration of atmospheric carbon monoxide. Measurements show, however, that there is no difference in CO amounts between the hemispheres and that the overall concentration in the air is not increasing at all. In fact they've found higher concentrations of CO over the Atlantic and Pacific oceans than over land.

Early in 1971 scientists at the Stanford Research Institute in Palo Alto disclosed that they had done some experiments in smog chambers containing soil. They reported that carbon monoxide rapidly disappeared from the chamber. Next, they sterilized the soil and then found that now the carbon monoxide did not disappear. They identified the organisms responsible for CO removal to be fungi of the aspergillus (bread mold and penicillin types). These organisms, on a worldwide basis, are using all of the 270 million tons of the CO made by man for their own metabolism, thus enriching the soils of the forest and the fields.

This does not say carbon monoxide is any less toxic. It does say that, in spite of man's activities, carbon monoxide will never build up in the atmosphere to a dangerous level except on a localized basis.

To put things in perspective, let me point out that the average concentration of CO in Austin is about 1.5 parts per million. In downtown Houston, in heavy traffic, it sometimes builds up to 15 or 20 ppm. In Los Angeles it gets to be as high as 35 ppm. In parking garages and tunnels it is sometimes 50 ppm.

Here lies surprise number two for you—do you know that the CO content of cigarette is 42,000 ppm? The CO concentration in practically any smoke filled room grossly exceeds the safety standards we allow in our laboratories. It is not at all unusual for CO concentrations to reach 100–200 ppm range in poorly ventilated, smoke filled rooms.

In the broad expanse of our natural air, CO level. are totally safe for human beings.

Incidentally, 93 per cent of the CO comes from trees and greeneries (3.5 billion tons per year). Only 7 per cent comes from man (270 million tons per year).

SOMETIMES I THINK NATURE LAUGHS AT US

I have been extremely impressed by the various research to remove oxides of nitrogen from the products of combustion in the tail pipe of our automobiles. I've read about the brilliant work of Dr. Haggen-Smit that showed that the oxides of nitrogen play a critical role in the chain reaction of photochemical smog formation in Los Angeles. Oxides of nitrogen are definitely problems in places where temperature inversions trap the air.

But we've all known for many years that nature, in addition to man, also produced oxides of nitrogen. The No. 3 surprise (and shock) is that most of the oxides of nitrogen come from nature. If we consider only nitric oxide and nitrogen dioxide, the best estimates are 97 per cent is natural and only 3 per cent are man made. If we also consider nitrous oxide and amines, then it turns out that 99 plus per cent is natural and less than 1 per cent is man made.

Nature makes oxides of nitrogen in several ways. Biological action and organic decomposition produce most. In fact, the great saltpeter deposits of South America are a result of perpetual thunderstorms over the Andes. Oxides of nitrogen in rain water react with minerals of the soil and end up as saltpeter when the water evaporates.

The great abundance of marine life between Anarctica and the tip of South America is also attributed to the nitrate runoff from the Andes which initiates plankton growth, thus setting off a whole chain of fishes which eat each other, ending on top with the blue whale.

Even if we are 100 per cent successful in our removal of the oxides of nitrogen from combustion gases, we will still have more than 99 per cent left in the atmosphere which is produced by nature. Sometimes I think nature laughs at us.

DETERGENTS ARE NOT THE CULPRITS, SEWAGE IS

We've all read for some time that Lake Erie is dead. It's true that beaches are no longer swimmable and the oxygen content at the bottom of the lake is decreasing. This is called eutrophication. The blame has been placed on phosphates. Housewives were urged to curb the use of phosphate detergents. In fact for several years phosphate detergents were taken off the market.

There's been a change in law since scientific evidence proved phosphate detergents were not the culprits and never should have been removed from the market in the first place.

Many experiments have now been carried out that bring surprise No. 4—that it is the organic carbon content from sewage that is using up the oxygen in the lake and not the phosphates in the detergents.

Gov. John J. Gilligan of Ohio declared war on pollution in general and on thermal pollution in particular. Gov. Gilligan announced that he would "back legislation making it unlawful to increase the temperature of the water by more than one degree over the natural temperature." I don't know what he will do with the sun breaking the law, since the natural temperature of Lake Erie is changed by the sun more than 40 degrees every year between winter and summer. The natural life in the lake accommodates this change in great fashion, as it has for many thousands of years.

According to my calculations, if we would store up all of the electricity produced in Ohio in a whole year and use it exclusively for heating Lake Erie all at one time, it would heat the entire lake less than 3/10ths of 1 degree.

In terms of localized heating, we must remember that we already have hundreds of power plants pouring warm water into streams and lakes. Forty of these are nuclear power plants. Evaluation of the effect from an ecological point of view is that "thermal pollution" is a less descriptive and less appropriate term than is "thermal enrichment". There are no species disappearing. No ecological catastrophies or problems have appeared. Some of the best fishing locations in the country are near the warm water outlets of these power plants.

DDT ENDANGERING MANKIND OR SAVING IT?

DDT and other chlorinated compounds are supposedly endangering the lives of mankind and eliminating some bird species by the thinning of the egg shells *of birds*. There is a big question mark as to whether or not this is true. From the readings that I have done, the experiments were conducted in such a manner that positive conclusions could not be drawn from them.

Even if it is true, it's quite possible that the desirable properties of DDT so greatly outnumber the undesirable ones that it might prove to be a serious mistake to ban entirely this remarkable chemical.

Dr. Norman E. Borlaug, the Nobel Peace prize winner, is opposed to the banning of DDT. He won the Nobel prize because he was able to develop a new strain of wheat that can double food production per acre.

Dr. Borlaug said: "If DDT is banned by the United States, I have wasted my life's work. I have dedicated myself to finding better methods of feeding the world's starving population. Without DDT and other important agricultural chemicals, our goals are simply unattainable."

DDT has had a miraculous impact on arresting insect borne diseases and increasing grain production from fields once ravaged by insects. According to the World Health Organization, malaria fatalities alone dropped from 4 million a year in the 1930's to less than 1 million per year in 1968. Other insect borne diseases, such as encephalitis, yellow fever and typhus fever showed similar declines.

Surprise No. 5 is that it has been estimated that 100 million human beings who would have died of these afflictions are alive today because of DDT. Incidentally, recent tests indicate that the thinning of bird egg shells may have been caused by mercury compounds rather than DDT.

ANIMALS COME AND ANIMALS DISAPPEAR

Many people feel mankind is responsible for the disappearance of the animal species. It is possible that in some instances man may hasten the disappearance of certain species. However, the abundance of that evidence indicates that he has very little to do with it.

About 50 species are expected to disappear during this century and 50 species the century before that and so on.

Dr. T. H. Jukes of the University of California points out that about 100 million species of animal life have become extinct since life began on this planet, about 3 billion years ago. Animals come and animals disappear. This is the essence of evolution as Mr. Darwin pointed out many years ago. Mankind is a relatively recent visitor here. Surprise No. 6 is that he has had nothing to do with the disappearance of millions of species that preceded him.

In fact, one of man's failures is that he has not been successful in eliminating a single insect species, in spite of his all-out war on certain undesirable ones in recent years.

Here's the seventh surprise. The late Dr. William Pecora has calculated that all of man's air pollution during his thousands of years of life on Earth does not equal the amount of particulate and noxious gases from just three volcanoes (Krakatoa, Java, 1883; Mt. Katmai, Alaska, 1912; Hekla, Iceland, 1974).

Dr. Pecora pointed out that nature's pure water is not so pure after all.

The natural springs feeding the Arkansas and Red rivers carry approximately 17 tons of salt per minute.

The Mississippi River carries over 2 million tons of natural sediment into the Gulf of Mexico each day.

IN GOOD OLD DAYS, LIFE WAS BRIEF

Don't believe the trash about the happy lives that people once had before all this nasty industrialization came along.

Let's consider what life was really like in America just 150 years ago. For one thing, life was very brief. Life expectancy of males was about 38 years. It was a grueling 38 years. The work week was 72 hours.

The women's lot was even worse. They worked 98 hours a week scrubbing floors, making clothes by hand, bringing in firewood, cooking in heavy iron pots, fighting off insects without pesticides. Most of the clothes were rags by present day standards. There was no fresh vegetables in winter. Vitamin deficiency diseases were prevalent. Homes were cold in winter and sweltering in the summer.

Epidemics were expected yearly and chances were high that they would carry off some members of the immediate family. If you think the water pollution is bad now, it was deadly then. In 1793 one person in every five in the city of Philadelphia died in a single epidemic of typhoid as a result of polluted water.

Many people of that time never heard a symphony orchestra, or traveled more than 20 miles from their birthplace during their lifetime.

Many informed people do not want to return to the "paradise" of 150 years ago. Perhaps the simple life was not so simple.

The last surprise is that we're going to live!

In summary let me state that we are not on the brink of an ecological disaster. Our Oxygen is not disappearing. There will be no buildup of poisonous carbon monoxide. The water can be made pure again by adequate sewage treatment plants. The disappearance of species is natural.

A large percentage of pollution is natural pollution and would be here whether or not man was on Earth. We cannot solve our real problems unless we attack them on the basis of what we know rather than what we don't know.

Let us use our knowledge and not our fears to solve the real problems of our environment.

TESTIMONY ON ENERGY POLICY BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on January 29, in the course of its continuing hearings on President Ford's economic message, the Joint Economic Committee received some very incisive testimony concerned especially with the President's energy recommendations. The witnesses were Dr. John Sawhill, former head of the Federal Energy Administration, Prof. Hendrik Houthakker of Harvard, and Dr. George Perry of the Brookings Institution.

What was very striking about this testimony was the complete unanimity of view on certain major issues. The panel was unanimous and unambiguous in stating that prompt action on an anti-recession tax cut must be our first legislative priority and should not be delayed by debates on the thorny issues of energy policy. Professor Houthakker stated that:

> The economy is going through a decline of terrifying steepness.

Dr. Perry said that, unless action is taken soon, unemployment this year could rise to the appalling level of 9 percent. The country is in dire peril, and action against recession cannot wait!

All witnesses also concurred that the reduction of oil imports by one million barrels per day in 1975 should not be regarded as a sacrosanct goal. Conservation is very important, but we should adopt no arbitrary goals that would require sacrificing recovery now or prosperity in the future. To recognize this fact is vital for the economic welfare of our allies and trading partners as well as for our own country.

All witnesses agreed likewise that President Ford's proposal to impose heavy new taxes on oil and gas is dangerously inflationary and inequitable. All agreed that it would deepen our recession and imperil recovery. While some aspects of the President's plan warrant sympathetic consideration, his basic price-tax program for energy is simply unacceptable.

The three speakers also proposed a range of effective proposals for energy conservation and increased domestic production for 1975 and the years beyond. While each man's package differed in detail and emphasis from the others, I believe that Members of Congress who read this testimony will find a remarkable core of concensus among their views even on these issues. And, this type of concensus is what we are seeking.

Mr. President, I believe this testimony is valuable and pertinent to today's critical economic issues. I ask unanimous consent that these three statements be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TESTIMONY OF JOHN C. SAWHILL

I appreciate this opportunity to appear before you to discuss and evaluate government actions to deal with the Nation's energy problems. During the year that has elapsed since the oil embargo, we have become a far more energy-conscious Nation; but we are not yet an energy-wise Nation. We still do not have a coherent, effective national energy policy.

The President has presented a comprehensive and extremely complex program for dealing with the energy situation. Congress, on the other hand, thus far has come forward with only a fragmented response. Some members favor rationing of gasoline; others call for quotas on imported oil; others want to decontrol all prices immediately; and still others support a variety of different measures. Given the scope and intricacy of the President's program—the fact that it would in numerous ways affect virtually every American—perhaps such a fragmented response was to be expected. But it is inadequate.

Consequently, I hope that my comments today will contribute to a more united Congressional—and national—response and, hence, ultimately, to the more rapid solution of our problems. The time has passed for investigations, reports and debates. The time has arrived, not simply fo the formulation of a national energy policy, but, more urgently, for the implementation of such a policy.

At the outset of my statement, I would like to place the dual problems of economic recession and energy dependence in perspective. The economy is spiraling downwards into the worst recession since the Great Depression. Unemployment jumped from 5.5% in the third quarter of 1974 to 6.5% in the fourth quarter. It will, quite likely, reach 7.5% during the current quarter. Most economists believe that unemployment will climb to 8.5% and average at least 8% this year. Industrial production, which had remained relatively flat through most of 1974, actually declined sharply in November and December. Other economic indicators are equally discouraging, i.e., productivity, housing starts, plant and equipment spending, corporate profits, etc.

This situation is intolerable. The costs in human and social terms of continued unemployment at such levels are profoundly disturbing. Congress must move quickly to reverse these trends. It must do so not only to salvage our economy here at home but, also, to provide much-needed stimulus to the economies of many of our traditional friends and trading partners overseas, some of whom are teetering on the brink of bankruptcy. The most important single thing that we can do to help them finance their oil deficits, which are far more disruptive than ours, is to provide a growing market for their exports, and this growth will not take place until we have turned the American economy around. This is why I feel that we must make the revitalization of our economy our number one priority.

I have spent some time dwelling on the economy because I am convinced that—important as our energy problems are—at this time our economic difficulties must come first. A balanced energy budget is an important national goal, but not if it comes as a result of economic dislocations that would largely obliterate its benefits. And this, I fear, might be the case if the President's energy program were to be implemented exactly as presented. I will come back to this point later.

Now, I would like to turn specifically to energy. Before outlining some of the steps that I regard as appropriate in solving our energy problems, I will briefly describe our energy situation. Energy consumption in this country has been growing at a rate of 4–5% since the mid-1960's, while domestic energy supply has been expanding less rapidly. Coal production has been stagnant since the 1930's, and we now are using natural gas faster than we find new supplies. Oil production has actually been declining since 1970. The result, of course, has been sharp increases in petroleum imports in recent years. Petroleum exporters less than a decade ago, we now find ourselves relying on foreign sources for 37% of our oil consumption. And, if the present trends continue, this figure could rise to more than 50% by 1980. The reason for such projected increases in imports—in the absence of government action to curtail demand—is that domestic oil production will continue to decline at least through 1977 and perhaps longer. Current heightened domestic drilling activity is simply not sufficient to offset the declining rate of production from existing fields prior to the time that Alaskan oil begins to flow.

This gap between demand and domestic supply creates a number of unfortunate consequences. First, we were in no position to deal effectively with the quadrupling of prices over the past eighteen months, and that increase, coupled with the increased volume of imports, has undermined our balance of payments position. Second, the rising cost of oil has had serious impact on the economy, contributing perhaps one-third to our high inflation rate, and forcing some other nations to the brink of disaster. And, third, increasing imports means increasing vulnerability to another embargo and to further price increases.

Regarding this final point, I might note that since the embargo our imports have become more and more concentrated in Africa and the Middle East. We are, therefore, more vulnerable now than ever before since, today more than half of all the oil we import comes from the Middle East and Africa—areas that, in the past, have been referred to as "insecure." We rely more and more on those sources because other nations have begun to cut back on production and exports. Those nations, including Canada and Venezuela, to name two of our greatest suppliers, are reducing their exports because of the fear of overproduction or the eventual loss of their own self-sufficiency. But whatever the reason, we are becoming more reliant than ever on the Middle East.

It has been said that 1974 was the year the Arabs discovered money and the year we discovered the Arabs. That observation reflects the dismay that has swept the industrialized, non-Communist world over the past year as the oil deficits of the consuming nations skyrocketed and the oil surpluses of the producing nations multiplied. The financial implications of this growing imbalance are staggering. According to our best estimates, the surpluses of the members of the Organization of Petroleum Exporting Countries (OPEC)—that is, what they have left after they have paid for their imports and domestic development—are currently piling up at a rate of about $60 billion a year, or $7 million an hour, or $115,000 a second.

The respected London-based journal, The Economist, has assessed the economic potential of these accumulations in dramatic fashion: it notes that 8 hours worth of surplus OPEC cash can buy one Lockheed C–5A; ten days worth can buy the Bank of America; seventy-nine days, the EXXON Corporation; 143 days, IBM; 1.8 years, all America's direct investments outside the U.S.; 9.2 years, the New York Stock Exchange; and 15.6 years worth of surplus OPEC cash can buy all the companies on all the world's major stock markets.

Secretaries Kissinger and Simon and representatives of other major consuming nations made progress in their recent meetings to provide a financial cushion for those countries that are most hard-pressed. But with a few nations acquiring such surpluses—and the power that goes with the wealth, more must be done.

Given the magnitude of the problem, further cooperation among the governments of the consuming nations must be forthcoming. And to accomplish our country's part in these cooperative endeavors, the U.S. government must play a more active role in international petroleum matters in the future. We must support the proposed meeting of producing and consuming nations and we must be prepared to discuss the demands of producers for indexing and special trading relationships.

But, we must do more than merely participate in programs designed to avert the bankruptcy of the most vulnerable countries, we must also assume far greater responsibilities in direct negotiations with the oil producers, perhaps, as suggested by Professor Morris Adelman of M.I.T., by requiring exporters to bid for access to U.S. markets. Over the past 5 years, we have seen the control of the international oil system shift from the oil industry to the governments of producing countries. I believe, therefore, that the governments of consuming nations—including our own—must now become more deeply involved in oil negotiations. We can no longer leave such a vital national interest exclusively in the hands of private enterprise.

Beyond these international considerations, the government's most important function is to develop a comprehensive program to increase domestic energy supplies, to stockpile supplies as a precaution against possible future supply interruptions and to curtail energy demand. In short, the government must take steps to make this Nation more self-sufficient—not only in petroleum, but in all forms of energy.

The critical question that this poses—indeed, the crux of the current debate on energy—is simply this: in striving to attain our goal of energy self-sufficiency, while at the same time working toward our other national goals and meeting our other national needs, how fast can we afford to go? How many economic and environmental trade-offs are we prepared to make to expedite energy self-sufficiency?

Clearly, we will have failed to answer these questions correctly if, a decade from now, we are a people sitting atop a vast mountain of strip-mined coal or awash with the coastal spillages of a domestic oil surplus—even though those surpluses might have bought us self-sufficiency. And, clearly, we will have failed to answer them if, two or three years hence, we are still struggling to climb out of the current recession.

The correct answers require that we keep *all* of our needs and aspirations in perspective.

At this point, and in the time remaining, I would like to discuss what we can and what we should do to advance toward our energy goals, while maintaining that perspective.

To begin with, we should all recognize that, even if all other economic, environmental or social goals were subordinated to that of energy, we would be unable to depend immediately or exclusively upon increased domestic supply. It takes 3–5 years to open a new coal mine, to develop an oil or gas field, to build a major refinery. And it takes 8–10 years to bring a nuclear power plant on line. And those numbers are conservative when we must first find the new oil or gas fields, when we must decide how and where we will allow refineries and power plants to be built, and when we must decide where, when and how much of the various kinds of exploration and development can be done in our coal-rich lands, or in the promising areas for oil and gas in the Gulf of Alaska or the Atlantic Outer Continental Shelf.

In light of these and other difficulties already of great concern to the Members of this Committee, we should all recognize that we do indeed have few short-range options for expanding domestic energy supply. But we must begin now to take those steps available to us to assure domestic energy production increases in the future.

We must develop the Elk Hills Naval Petroleum Reserves in California. This could mean 160,000 barrels per day by the end of 1975, and about 300,000 by the end of 1977. As you know, Mr. Chairman, the Senate voted thirteen months ago to allow development of Elk Hills, but the House did not. I hope that the new Congress recognizes the gravity of the situation and makes provision for development of Elk Hills.

We must also explore and develop Naval Petroleum Reserve #4 in Alaska. While the payoff from NPR 4 will be years in coming, if we do not take the necessary beginning steps now, we will get no benefits from that resource until after 1985. We cannot allow a decade to pass for the sake—or as the result—of inaction now.

We must, through Congressional mandate, agree upon and implement a method by which we increase the price of natural gas. Only by taking some steps in that direction will we bring an end to the uncertainty of the current regulatory climate, and, thereby, assure increased production of our cleanest, most efficient fuel.

It is also important to begin Outer Continental Shelf exploration and development in the so-called "frontier" areas of the Gulf of Alaska and the Atlantic. I recognize that this is an emotionally charged issue, but that does not detract from the necessity of getting started. I would suggest that we put first priority on exploration. We need to know what our OCS reserves are so that we can assess how heavily we need to rely on other sources of energy and how much to cut back on energy demand. Furthermore, once we have drilled exploratory wells and know where the reserves are located, we will be in a better position to determine how to develop these reserves in the most environmentally appropriate way. As part of this program, it may be necessary for the Federal government to contract for or, in some other way, carefully supervise exploratory drilling on the OCS. In that way, our resources, the environment and the interests of all of our citizens will be protected through a greater-than-usual degree of Federal involvement.

While the nation takes these exploration and development steps, the Congress and the Administration must agree upon, and implement the following measures so that other, equally important energy projects can be undertaken:

1. A tough, clear bill to regulate strip-mining activities and to bring about the restoration of previously destroyed lands.

2. Amendments to the Clean Air Act and to the Energy Supply and Environmental Coordination Act. These Amendments should give EPA greater discretion in delaying the implementation of certain State plans—they should not change the basic environmental standards. I also feel we should take a hard look at—and perhaps change—the automobile emission standards, but I do not favor the 5-year moratorium on auto emission standards suggested by the President.

Both the strip-mining bill and the Clean Air Act amendments must become law to enable us to use the coal we have in such prodigious quantities. And we must be able to use the coal if we are to solve the energy problems we now face. Further, we need to find ways, administratively or legislatively, to facilitate nuclear licensing and siting and to expand research and development—particularly, but not exclusively, in nuclear safety and waste management programs. And we must have continued expansion in energy R&D programs to give special emphasis to coal conversion; shale development, particularly in-situ processing; environmental effects; solar and geothermal energy; alternative breeder reactors, fusion and MHD.

In short, we must continue to fund, or to foster through other special arrangements, public and private research and development. Only through a broad, flexible and imaginative R&D program will we go beyond the mere point of manageable self-sufficiency to restoration of a long-term position of leadership.

But having said that all those things are necessary, I must also say that they are insufficient. We must also take a number of other steps that only now, more than a year after the embargo, seem finally to be gaining wide acceptance. The only way to make ourselves more self-sufficient in the immediate future is to restrain energy consumption. And the only way that consumption can be restrained is by mandatory, or institutionalized, conservation measures. The President's program recognizes this fact, and it includes a number of steps to move us along this path—tax incentives to save fuel in homes and thermal efficiency standards for new buildings, for example. But it also has certain defects.

1. First, and this returns to my major point at the beginning, it could severely aggravate our economic difficulties, which are already as acute as any we have experienced in decades. The proposed taxes and tariffs on crude oil would raise prices on the entire range of petroleum products, from gasoline to plastics, from home heating oil to synthetic fabrics. The program would result in higher costs for other fuels, such as coal. It would require an additional tax on natural gas that could, for example, translate into increased fertilizer costs of $4 or more per acre of cultivated land and, ultimately, into further escalation of food prices.

In short, the "ripple" effect of these proposals would eventually work its way through the entire economy—transportation, industry, agriculture, utilities, would all be affected. The Administration projects an increase in the consumer price index of approximately two percent—probably enough to assure continuation of double-digit inflation—but given the scope and magnitude of these "ripple" effects, that figure remains at best uncertain.

2. Second, such undiscriminating increases would penalize those people who can least afford them. Poor people and people living on fixed incomes, along with the rest of us, would have to pay those higher prices to heat their homes and feed their families. They would not have the option of closing the cottage in the mountains or postponing the vacation on the West Coast.

3. Similarly, people living in certain regions, such as New England and the Upper Midwest, could be forced to carry a disproportionate share of the burden.

4. Finally, there is no guarantee that the proposals would work: that the Arabs would not simply view this as an invitation to hike their prices again and that a Nation faced with increased costs across the board would not simply find itself, a year from now, sending even more dollars to the Middle East. They did not chose to do so at their meeting over the weekend, but that is no guarantee that they will not do so at some future time. What I have just done, of course, is to give some comfort to critics of certain aspects of the President's program. I should go on to say, however, that I feel that the arguments against rationing are as numerous and as serious for citizens and for the economy as many of those against the President's program.

Advocates of rationing either do not realize or do not explain, that their proposal to cut gasoline usage is not one that replaces higher gasoline prices; it merely adds an administrative and bureaucratic layer onto those higher prices. As a matter of fact, according to FEA's estimates, a person who used 40 gallons of gasoline under the President's proposal ($40 \times 65 = 26.00$) would pay less than someone who used the same amount under the rationing system ($36 \times 55 = 19.80$) + ($4 \times 1.75 = 7.00$)$= 26.80$. Above that 40-gallon point, every gallon would cost nearly three times more for the driver under a rationing system than under the President's proposal.

And of course the cost of the 15–20,000-man bureaucracy, the inconvenience of the lines at Post Offices for coupons and at gasoline pumps for fuel, cannot be forgotten. Nor can the income-transfer effect of a "white-market" which would work in such a way that East Coast residents would be the ones with the surplus coupons to sell to the citizens of the larger, more rural states where people drive nearly twice as much.

I don't think I need dwell on this further. The simple fact is that while the President's program may be inequitable for our citizens and bad for the economy—rationing is equally bad or worse.

I am convinced, however, that there is another way to reduce oil imports and curtail consumption at home, *and* to do so without imposing inequities or adding further disruption to an already shaken economy. The way to achieve this is not to try to meet a conservation goal of 1 million barrels of oil per day by the end of this year, or 2 million barrels a day by the end of 1976. Our economy simply cannot afford it. We must set some lower target for this year, but make sure that we meet that target—and successively higher ones for the next several years. Only in this way, through a more gradual approach, can be hope to return our economy to health as rapidly as is necessary for our own national welfare and that of our allies.

Beyond setting the lower, graduated goals—and I am in a somewhat unfamiliar role now calling for less haste in energy conservation—we must take a different approach to achieving those goals. We should not raise all petroleum-related prices, for that would do little to reorder personal, industrial or national spending priorities. Rather we must raise the prices of those products that we, as a people, can most afford to do without.

1. Instead of pointing a shotgun at the field, we should aim a rifle at the rabbit. The rabbit, in this case, of course, is gasoline, which should be the target for increased prices, because it is the petroleum product with which we are the most wasteful.

2. A moderate but gradually increasing gasoline tax—accompanied by refunds to those who would otherwise suffer undue hardships, i.e., those whose livelihoods are dependent upon it, and by investment in mass transit—is the best means of achieving the necessary targeted reduction in oil consumption. It could be set at 10 cents the first year, and increased by perhaps 5 cents increments over the next 4–5 years. This would bring about some gasoline savings immediately, but would also signal a future of gradually higher prices. Consumers and auto manufacturers would plan and act accordingly. The transition to a more efficient auto fleet would be steady, and rapid. This type of energy/tax program is one that the American people can understand and are willing to buy. And, in the long run, with a public increasingly well-educated in energy affairs, it is a far more politically palatable remedy than a program with a "rippled" increase in costs to the consumer that might reach 30—or perhaps exceed 50 billion dollars—according to various estimates.

3. To reduce the inflow of Arab oil and the outflow of dollars, we should set quotas rather than impose a tariff that, by its very nature, would result in inflationary price increases. At the same time, we should involved the government more directly in negotiations with oil exporters—perhaps, as I mentioned earlier, by having it require exporters to bid for access to U.S. markets. But, we must first take steps to curb demand before quotas and a "sealed bid" approach can be effective.

4. In addition, instead of taking a voluntary approach toward development of more energy-efficient automobiles, as the President's program suggests, we should use some of the tax funds for public transportation and we should proceed to set mandatory efficiency standards which would require companies to make more efficient cars. After all, automobile manufacturers have, over the years, demonstrated two things: that they are resilient in responding to market demand that they are resistant to accommodation of the public interest—as in decreasing pollution or increasing efficiency in their automobiles—until they feel compelled to be otherwise.

5. Further, I think the Congress should quickly—and favorably—consider the President's proposals for mandatory efficiency standards for new buildings, a tax credit to those who retrofit existing buildings with insulation and storm windows and subsidies to low income families to make their homes more energy efficient. The only change I would suggest in these proposals would be to increase the tax credit from 15 to 25 or 30 percent.

6. Finally, I would suggest that the Congress enact legislation requiring the FEA to develop conservation goals and programs for the largest industrial consumers of energy—i.e., steel, aluminum, cement, pulp and paper, petroleum refining, chemicals and food—and report annually on the progress achieved.

With a new, lower set of goals, and a tough, targeted program to bring about the desired results, we will have an energy program that will work to the benefit of our economy at a time when such a benefit is sorely needed. Conservation is important if we are to achieve self-sufficiency. But we must not sacrifice economic recovery to energy conservation.

These are steps that I believe can lead to a solution of our immediate energy problem. And perhaps they, or some variants of them, will ultimately be taken as Congress and the Administration put together a national energy policy. Hopefully, that policy will—indeed, it must—emerge rapidly in the weeks ahead.

Money, Taxes, and Energy

(Statement of Hendrik S. Houthakker)

Mr. Chairman, allow me to start by congratulating you on assuming the leadership of this committee and by thanking you for the opportunity to appear before it. I realize that energy is supposed to be the main topic of discusssion this morning, but with your permission I would first like to say something about more important matters. As I will explain later the best thing we can do in the energy area is to cease and desist from the foolishness in which we are now engulfed and let market forces bring about new equilibrium. This does not mean I am unconcerned about present and future developments in the energy area, but I am much more alarmed about the general economy.

The economy is now going through a decline of terrifying steepness. From the third quarter to the fourth quarter of 1974, real GNP fell at the highest rate recorded since quarterly data started in 1947. The increase in unemployment is also without precedent in recent decades. Unlike most previous postwar recessions, moreover, the present one is not dominated by inventory adjustments, but appears to have a more deep-seated character, although superficial explanations in terms of energy shortages do not appear to hold water.

What has already happened in the current recession is bad enough, but my concern is further increased by looking at recent monetary policy. According to the weekly figures, which admittedly are somewhat inadequate for analytical purposes, the money supply has been falling for several weeks, and is now no higher than it was three months ago. It is true that interest rates have declined somewhat but this should not be interpreted as indicating a less restrictive monetary policy. The fall in interest rates appears to be due not to easier monetary policy but to a decline in the demand for money, which is normal in a deep recession. There is much evidence that a sustained fall in money supply will lead to a fall in money GNP, and hence to an even steeper fall in real GNP when prices are rising. Since the apparent reduction in the money supply is only a few weeks old, and may be due primarily to international factors, I do not want to make too much of it. Nevertheless, it would not be amiss to remember what Friedman and Schwartz had to say about the effects of perverse monetary policy on the early development of the Great Depression.

There is widespread agreement among economists that the economy needs stimulation without further delay. Getting monetary policy back on a track of moderate expansion is the first order of business, but tax cuts are also necessary. I have reservations about some details of the President's fiscal program, yet I hope that a prolonged legislative debate can be avoided and some fiscal stimulus applied during the next few months. The idea of rebating a part of the 1974 income tax is an ingenious one which should be implemented without interminable discussions about equity.

The proposed permanent reduction in the individual income tax is also necessary and should certainly not be made conditional on passage of the energy tax proposals, whose merits I will discuss in a moment. My most serious reservation concerning these permanent reductions relates to the corporate income tax, which in view of the deterioration in the capital markets needs a more drastic restructuring than is currently under consideration. However, today's hearing may not be the right occasion to expand on this point.

Another defect of the President's program is that it appears to be based on a simple dichotomy between inflation and recession. What we have had for the last year or two is stagflation, a phenomenon that calls for a more sophisticated approach. There are now many signs that inflation is receding, but we have to keep the next recovery in mind and try to make it less inflationary than the preceding one. This can be done by a policy aimed at greater efficiency by removal of obsolete government restrictions on competition (often known as the "sacred cows"). More active competition in the product, labor and capital markets will at the same time increase real GNP and lower prices. It is sometimes dismissed as a long run approach, but we have to recognize that the long run is upon us.

Let me now turn to energy by first saying a few words about the economic nature of recent developments. What we have seen in the world petroleum market during the last few years is not nearly as much influenced by political factors as is commonly believed. During the 1960's the real price of petroleum and other energy resources declined because of large discoveries, and these declining prices in turn led to an accelerated growth in energy consumption. As was true in virtually every other raw materials market, the world-wide boom of the early 1970's further intensified petroleum demand. As a result, inventories had to be drawn down and the stage was set for a price increase, which happened to come after the Arab-Israeli war of October 1973, although it would probably have come earlier and more gradually if there had been a central market in petroleum. The higher price was proclaimed by a cartel, but so far the cartel has not really had to intervene to make the higher price stick since some of its members have reduced production unilaterally. The normal reactions of the market have already led to a worldwide reduction in demand for petroleum products, which was probably of the order of 4% in 1974. At the same time crude oil output increased by about 2% in the non-Communist world. Thus inventories are being rebuilt, and this will in due course put pressure on the price. In the long run further relief will come from new exploration, which is now proceeding at a feverish pace and has already led to considerable success, contrary to the popular notion that we are close to the limits of the world's energy supply.

To emphasize this point let me give some figures from the Oil and Gas Journal. (*See* the Table.) At the beginning of 1974 oil reserves in the non-Communist world were about 525 billion barrels; one year later they are 604 billion barrels, an increase of 15% in one year; this is about double the growth rate of reserves experienced since World War II. Gas reserves in the non-Communist world increased even more spectacularly, from 1298 trillion cubic feet at the beginning of 1974 to 1709 trillion cubic feet a year later, an increase of 31%. There were also large increases in the Communist countries, some of which will be available for export. It is true that much of the increase in the reserves, especially in gas, occurred in the OPEC countries, but there have also been considerable increases in non-OPEC reserves, and even the OPEC reserves are not likely to remain undeveloped. Instead of the ever-tightening scarcity of energy that we hear so much about, the statistics suggest that they may well be a glut once the new discoveries come into production.

OIL & GAS RESERVES

[Oil in billions of barrels; gas in trillions of cubic feet]

	Jan. 1, 1974		Jan. 1, 1975	
	Oil	Gas	Oil	Gas
Asia-Pacific	15.6	114.2	21.0	115.9
Indonesia	10.5	15.0	15.0	15.0
Australia	2.3	37.7	2.3	38.0
Europe	16.0	193.8	25.8	202.8
Netherlands	.3	92.0	.3	94.8
Norway	4.0	23.0	7.3	24.7
United Kingdom	10.0	50.0	15.7	50.0
Middle East	350.2	413.3	403.9	672.7
Abu Dhabi	21.5	12.5	30.0	200.0
Iran	60.0	270.0	66.0	330.0
Iraq	31.5	22.0	35.0	27.5
Kuwait	64.0	32.5	72.8	32.0
Saudi Arabia	132.0	50.9	164.5	55.0
Africa	67.3	187.7	68.3	315.0
Algeria	7.6	105.9	7.7	229.0
Libya	25.5	27.0	26.6	26.5
Nigeria	20.0	40.0	20.9	45.0
Western hemisphere	75.8	388.9	85.3	402.7
Mexico	3.6	11.0	13.6	15.0
Venezuela	[1]14.0	42.0	[1]15.0	43.0
United States	34.7	257.3	35.3	250.0
Canada	9.4	[2]40.3	9.4	[2]52.5
Total non-Communist	524.9	1,298.0	604.3	1,709.1
Communist	103.0	735.4	111.4	846.6
Total world	627.9	2,033.4	715.7	2,555.1

[1] Does not include Orinoco heavy oil.

[2] Does not include Arctic gas.

Source: Oil and Gas Journal, last issue of year.

Even in the United States during 1974 more oil was found than was consumed, although no really large fields have been made so far. Oil reserves showed a small increase from 34.7 billion barrels to 35.3 billion barrels, but there is much more we could do and should do if we are serious about becoming less vulnerable to supply interruptions. Naval Petroleum Reserve No. 4 in Alaska, for instance, is believed to contain at least as much oil as the neighboring Prudhoe Bay Field and the President's bill to permit development of this reserve is a matter of the highest priority. There will probably be no market for this oil on the West Coast and to ship it to the East Coast would be inefficient, but selling this oil on the world market would have a salutary effect on the global price structure.

Perhaps even more important is exploration in the Atlantic and the Pacific. The oil industry is sufficiently confident of finding oil there to be prepared to bid large amounts for leases. It goes without saying that exploration in these areas has to be accompanied by proper environmental safeguards, but it would be irresponsible to retard exploration because of the unfounded fears of summer residents about beach pollution. After the Alaska Pipeline had been delayed for some precious years by legal maneuvers, Congress wisey decided that enough is enough; it should do the same thing with respect to Atlantic and Pacific leasing. The opposition of some of the coastal states, especially the Northeast, is all the more questionable because these same states are the first to complain about the high cost of imported oil and about the threat to their economic viability. Rather than establish price-equalization schemes, which weaken our conservation efforts, these states should be told that the solution to high energy prices and to a weakening economy is in their own hands. An element of realism could be introduced by linking continuation of price relief for the Northeastern states to their own efforts at increasing energy supplies.

I have probably said enough to indicate that I see the solution of the energy problem in expansion of domestic output, augmented by reduction in demand consequent upon higher prices. I support those parts of the President's proposal that go in this direction, including particularly the deregulation of old oil. Although there is not yet much hard evidence on this point, it seems likely that the price ceiling on old oil is reducing production from existing fields by providing an incentive to withhold recovery or to drill unnecessary new wells. The distinction between old oil and new oil is far from tight, and we should have learned by now that price controls lead to artificial shortages. An increase in the price of old oil to the level of new oil would probably add 8 or 10 cents to the price of gasoline, with further beneficial effects on conservation. There may be a case for capturing the resulting windfalls by a special tax, but the windfall profits tax proposed by the President does not appear to be well-conceived. In fact it is not a windfall profits tax at all but a separate tax on the profits of the oil companies, levied indiscriminately on old and new oil. This proposal has to go back to the drawing board.

The other tax measures proposed by the President are even more questionable. Our principal problem is that the price of imported oil is already too high from a long run point of view, so on the face of it it appears strange to put another duty on top of it, or to impose additional excise taxes on domestic oil and gas. These proposals are especially inappropriate in the present economic context because they would raise prices and absorb purchasing power, just the opposite of what we need. While higher taxes might lead to some further reduction in consumption, there is a danger of overkill; if we let prices find their market level by decontrolling old oil, we will probably get all the conservation we need for the longer run. The notion that energy conservation is somehow good for its own sake is difficult to take seriously. As regards reactions abroad (and especially in OPEC) it would seem that a decision to accelerate the development of massive new reserves will have more impact than a relatively minor reduction in imports in 1975.

What we should avoid above all is a piling of new distortions on top of old distortions, such as the price ceiling on old oil and the price-equalization program. The President's energy tax proposals threaten to resurrent something like the sugar program, now fortunately defunct, for oil and gas. Just as the Sugar Act was unable to prevent staggering price increases, so the import duties and excise taxes are unlikely to bring imported oil prices down. Compared to the proposed crazy-quilt of taxes and regulations, the workings of the market have the merit of simplicity and proven effectiveness.

Let me finally say a few words about the international financial aspects of the petroleum problem. We have heard so many alarms on this subject that it is hard to get excited again. After the embargo many people believed that the money received by the oil countries would somehow disappear from circulation. When the fallacy of this argument became evident it was argued that while the money would indeed go into the Euro-dollar market, it would all go to the short end where there was no demand. Somehow this particular calamity also evaporated and now we are told that the major banks of the world are unable to accept any more deposits, so that disaster is once more at hand. Conceivably there are transitional problems because the Arabs tend to favor a relatively small number of banks, but if these banks really were to turn down the deposits that are offered to them the owners would no doubt find outlets in other banks. Moreover, the banks that complain most about unwanted deposits could improve their capital structure by issuing new equities; both Morgan Guarantee and First National City Bank, for instance, have price earnings ratios of 13 which would make new issues quite attractive. While I think, therefore, that most of the financial apprehension is exaggerated, I do support Secretary Kissinger's proposals for a safety net and expanded recycling facilities. I also have much sympathy for the idea advanced by Richard Gardner to establish new investment funds in which the Arabs could invest their money.

Finally, I wish to restate the main message of my testimony: Let us save our attention for essentials, namely the turning around of the recession and the control of future inflation. In a commodity problem, such as we have in energy, the government can do most good by letting the market do its job.

Statement by George L. Perry

Four basic propositions shape my recommendations for economic and energy policy at this time:

First, the economy is in a fast-deepening recession, easily the worst since the 1930s. The outlook for production and unemployment is grave. Strongly expansionary monetary and fiscal policies are urgently needed.

Second, the underlying forces of inflation are waning. Without another increase in energy prices, the inflation rate will soon be only half of recent rates and should continue to slow even if monetary and fiscal policies reverse the economic downturn.

Third, a substantial rise in the price of oil will add a huge new burden depressing the economy and will undo most of the expected improvement in the inflation rate. It is doubtful that policies could be implemented to offset either the depressing effect or the inflationary effect of the price increases that would come from the Administration's energy proposals.

Fourth, while bringing down the international price of oil is a very desirable goal, increasing energy prices in the United States is an extremely costly and unpromising way of trying to achieve it.

FIGHTING RECESSION

The only thing falling faster than forecasts of the economy has been the economy itself. Unemployment rose from 5.4 percent to 7.1 percent during the last four months of 1974. It is likely to go above 8 percent this spring. Unless prompt policy actions are taken to reverse the decline and generate a strong expansion, it is likely to continue rising throughout the year. The economy needs a substantial expansion of purchasing power and investment incentives together with a sharp and sustained decline in interest rates.

The President's proposal of a $12 billion rebate on 1974 personal tax liabilities is needed, and as soon as possible. It should be paid in a single installment and it would be desirable if it could be available in time to reduce final tax settlements due in April. The economy could use a larger rebate than the President proposed. And Congress may want to modify its form. But every day of delay in providing this rebate will cost jobs and output to the economy.

The President's proposal of an increase in the investment credit is a timely incentive to business spending. Business investment plans are being cut sharply and growing weakness in this sector of demand is one of the major danger signals in the present economic outlook.

Prompt passage of these measures are urgently needed to help arrest the present decline in the economy. But the economy will need a permanent lift from further fiscal stimulus to promote a sustained economic expansion. By this summer, the nation's total output will be some $150 billion below the level that would accompany 5 percent unemployment.

The economy is burdened by the effects of past inflation on private purchasing power. Making an allowance for the need to keep interest rates down, $20 billion of permanent tax reductions should be enacted to lift this burden and provide a good chance at sustained recovery. These should include raising the investment credit to 10 percent on a permanent basis and tax reductions aimed particularly at helping middle and lower income consumers who have been hardest hit by recent inflation. Such tax reductions should not be delayed. If possible, they should take effect by this summer so as to sustain the momentum of the spring tax rebates.

ADDING TO RECESSION

In view of the State of the economy and the need for massive measures to reverse its decline, it is alarming that the Administration has proposed adding the burden of sharply higher fuel prices. The President's proposals would add more than $30 billion to the nation's bill for fuel and other petrochemical products, most of it to be paid by consumers: Releasing "old" oil prices would add $12 billion and the $2.00 excise tax on oil and gas $20 billion more. If one believed coal prices would rise in response to oil prices, or that industry unit margins would expand in response to any decline in volume that would accompany higher prices, the total bill would rise even more.

At a time when a major shift in fiscal and monetary policies is needed just to undo the effects of past price increases and reverse the recession in the economy, it would be particularly difficult to offset the burden of these new price increases. The offsets proposed by the President are insufficient.

First, in order to offset the purchasing power loss we would need a $25 billion reduction in tax bills of consumers, including payments to those whose incomes are too low to pay income taxes. These would have to come on top of the $12 billion tax rebate that the economy needs immediately to stop the present downturn, and the $20 billion tax cut that the ecnomy needs on a permanent basis if a healthy expansion is to be sustained.

Second, in order to accommodate the higher transactions demand for money that would accompany higher oil prices, the Federal Reserve would have to expand the money supply by an additional 3 to 4 percent. It would have to do this at a time when the economy already requires aggressive monetary easing just to bring interest rates down and to keep them down in order to support recovery and expansion.

Third, in order to offset the inflationary spiral effect of prices pushing up wages, we would either have to intercede directly in the wage-setting process, which nobody is seriously considering at this time, or else take most of the needed overall tax reduction in the form of reduced excise taxes or payroll taxes that show up directly in the price level. This form of tax reduction would be highly desirable today, since it would restore purchasing power by reducing prices and thus simultaneously fight both inflation and recession. But it is a complicated and novel form of tax change to start considering at a time when tax reduction is needed promptly.

IF NOT OIL TAXES, THEN WHAT?

Before putting the American economy through the wringer of another massive price increase for energy, it is vitally important to explore the alternatives available to us and ask what it is we are trying to accomplish. Oil today, at present prices, is plentiful on world markets. Were it not for the possibility that reducing U.S. imports could contribute materially to bringing down the cartel-controlled world price, a proposal to self-inflict on ourselves a further price increase would seem totally bizarre.

It is extremely doubtful that a rise in the price of U.S. petroleum products would be decisive in bringing down world oil prices. Assume for the moment that any reduction in U.S. consumption would result in a corresponding drop in our imports. The guess that a $30 billion increase in our petroleum bill would reduce consumption by one million barrels a day is highly uncertain but not unreasonable. Yet that amounts to only one-third of a billion barrels a year or about 3 percent of OPEC exports to the world. It would be hard to justify the huge costs and risks to our economy that are involved on the chance that this last 3 percent would bring down the cartel and with it the price of world oil.

Yet that amounts to only one-third of a billion barrels a year or about 3 percent of OPEC exports to the world. It would be hard to justify the huge costs and risks to our economy that are involved on the chance that this last 3 percent would bring down the cartel and with it the price of world oil.

But the case is even weaker than that, for he easy assumption that any reduction in domestic use would show up as a corresponding reduction in imports is itself questionable. During 1974, our oil imports grew steadily once the embargo ended while domestic production declined month by month. It is often argued that the decline in domestic production reflected the disincentive of the present pricing system which has frozen the price of "old" oil at $5.25 a barrel. But production of old oil has risen during the course of the year, while production of new and released oil, where price incentives are great, has declined. In these categories, production in the August-October period was 30 percent below its level in the embargo months of the first quarter. One can only speculate about the reasons for this peculiar development. But a plausible explanation for these figures is that imports are not the residual source of supply for the United States, filling the gap between our demand and our maximum domestic output. With the same companies involved in importing and producing domestic oil, they are free to choose to import or expand their domestic output according to their own considerations of profitability or political strategy rather than according to any national desire to minimize the level of our imports. I believe the reasons for the decline in domestic oil production last year deserves serious investigation. And until we are assured that domestic output is as large as possible, I do not believe that we can assume that a reduction in total domestic demand would achieve a corresponding reduction in our petroleum imports.

There are far more direct and promising ways to put economic pressure on world oil cartel prices. If we want to limit imports, we should use import quotas, and take bids from world market sources for filling those quotas. This would have two important advantages. First, with quotas, we would know how much we were going to import. We would eliminate both the uncertainty of guessing how much demand will fall in response to a particular price increase; and more importantly, would eliminate the uncertainty about how much of a drop in demand would show up as a drop in imports. Second, with competitive bidding to fill those quotas, we might add a potentially divisive element to the cartel's operation. We cannot directly break the cartel; but we can at least molest it.

Of course, by limiting imports through

quotas, we make the market-clearing price of petroleum in the United States uncertain. It will depend on the import level set by the quotas, on the level of domestic production, and on the success of non-price conservation measures that are adopted. It should be our aim to leave little or no gap between total demand and total supply to be closed by price increases or other means, such as some form of rationing. To do this, top priority should be assigned to producing all that we can domestically. It is hard to believe that we maximized our output in 1974. I have just mentioned the need to find out why new oil production has declined since the embargo's end aid to see to it that no potential production is being withheld.

In addition, we can relax existing state restrictions on production that may have been economically desirable in the oil market of several years ago but are no longer desirable today. And we can start producing from the Naval Petroleum Reserve at Elk Hills.

This still leaves the hard question of what level of imports to aim for. I can see no justification for choosing a low level that would create shortages at current prices despite our best efforts to expand domestic output. The world's productive capacity for oil exceeds world demand today. Competitive bidding for the right to import to the United States should have its effect, whether big or small, quite independent of exactly how much we are willing to take in. And in makes no sense to tell American consumers that there is oil available at prices they are willing to pay, but the government will not let them have it.

This leads me to the final issue of what to do if we do not want to do any of the above. Then, I believe, the answer is do nothing. If an embargo comes, it will be time enough to ask for sacrifice, rationing, gas lines, excise taxes or whatever; and there will be time enough to choose our poison and implement it before the first ship doesn't arrive.

For the longer run, both demand and supply will respond increasingly to the price increases that have already occurred. Even prices well below those on today's world market—together with measures to encourage leasing, exploration and development of new fields—will assure the expansion of domestic supply. This may or may not lead to self-sufficiency. But we should not pursue self-sufficiency if the cost is a protected domestic energy industry with prices well above those available to other countries in world markets. In the meanwhile, we should avoid crusades to deliberately reduce the amount of oil available to our country or needlessly to raise its price. Such policies can only worsen our economic problems.

AN ANALYSIS OF THE CIA SITUATION

Mr. MUSKIE. Mr. President, Olin Robison, provost of Bowdoin College in Brunswick, Maine, wrote an excellent short analysis of the CIA situation in an article published in a recent issue of the Maine Times.

Among his major conclusions Mr. Robison states—

> While it may not be possible to eliminate foreign covert operations altogether, at least the CIA and the American public ought to resist the temptation to turn a regrettable necessity into a virtue.

This, and the other points Mr. Robison makes in his article, can provide us good guidance this year in our examination of American intelligence activities.

Mr. Robison, educated at Baylor and Oxford Universities, has been provost of Bowdoin since 1970. He served as Special Assistant to the Deputy Under Secretary of State for Political Affairs for 3 years ending in 1968, and prior to that served in an executive capacity with the Peace Corps.

His article on the CIA makes good reading, and I commend it to my colleagues.

Mr. President, I ask unanimous consent that Mr. Robison's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Maine Times, Jan. 24, 1975]

THE CIA AND THE TAR BABY

(By Olin Robison)

Chiselled in stone over the main entrance of the CIA building in Langley, Virginia, are the words of Christ, "Ye shall know the truth, and the truth shall make you free." Considering Allen Dulles's Presbyterian background and America's sense of destiny when the building was completed in 1961, the inscription no doubt seemed a logical choice. If the building were being built today, a more apt inscription might be an excerpt from the Tale of Bre'er Rabbit and the Tar Baby. The CIA has discovered that it is far easier to get into covert operations, both foreign and domestic, than to get out, and that the whole sticky mess attracts a lot of unwanted attention.

The recent allegations that the CIA has been involved in systematic surveillance of American citizens cause all past exposes to pale by comparison. Even the CIA's detractors are usually prepared to admit that an argument can be made for some foreign covert activities in an imperfect world. But not even the agency's most ardent supporters are convinced that there is excuse for the alleged domestic operations. Each of the past publicized incidents has produced some refinement of US intelligence policy or practice. We can only hope that this will be so again.

While attention is again focused on CIA activities, it is worth remembering that the CIA's record of public exposure, on balance, has not been too bad. Its agents were America's shock troops during the most intense years of the Cold War. There were some spectacular successes. The CIA was the trendy place to be if you were a young liberal in the 1950's. The Communists were not gentlemen, and certain messy things had to be done. We would take on the Communists at their own game, we told ourselves, and even play by their rules if necessary.

The first time the American public was made aware of how thoroughly we played the game was the U-2 incident in 1959. Public reaction was mixed: there was pride in the technological accomplishment, shame because of the widely-held assumption that caught spies were supposed to destroy themselves, and embarrassment about the Russians lording it over President Eisenhower. Actually, the Russians helped us through that one. Their public behavior was terribly righteous and petulant when everyone knew it to be a case of a splinter in our eye and a board in theirs. Insiders thought it a terribly inconvenient time for this sort of thing to happen.

However, a new precedent had been set. For the first time a chief of state of a major nation had publicly confessed to spying. Spying is an old and honorable profession, but up to 1959, kings, prime ministers and Presidents never owned up to their own. In his memoirs, President Eisenhower acknowledged that a Presidential disavowal was expected but that the evidence the Soviets had was so overwhelming that a lie would not have done any good. It was a momentary victory for practicality over the gray morality of the Cold War.

There was little further public notice of the intelligence community until the Bay of Pigs fiasco in 1961. Detractors of the CIA, especially those with a moral axe to grind, had a field day. Supporters, or at least defenders, of the CIA were dismayed and angered at the ineptitude of the operation. The President was ill-advised, embarrassed, and worst, was made publicly to appear not in command. Those who felt he was in command believed he had made a very bad decision.

The next major public stir over the intelligence community came in February, 1967, when the CIA was caught financing the overseas activities of the National Student Association and sundry other domestic organizations. Until recently this episode had proven more damaging to the public image of the CIA than any other. There was a genuine furore, and with good reason. The CIA had systematically used unwitting American organizations for its own purposes. It was one thing to infiltrate Communist organizations, but quite another to use Americans who did not know they were being used.

In each of these incidents, the American people became more aware of the extent of CIA activity, and in each case there was public discussion which proved to be helpful and constructive to Washington policymakers. The U-2 episode set the precedent of Presidential public acceptance of responsibility and dramatized the need for better communication between the operational end of the intelligence organization and the most senior policymakers, especially the White House.

The Bay of Pigs disaster provoked managerial reforms of note within the intelligence community and underscored emphatically the limits of covert military operations. Unfortunately these lessons were not well learned, as subsequent developments in Southeast Asia were to show.

The CIA-NSA affair produced a new policy statement from the White House concerning CIA use of and involvement in domestic educational and cultural organizations. Simply put, there was to be none. People knowledgeable in the affairs of the CIA have thought until recently that the CIA had followed this policy to the letter.

Now the CIA is again in the news on two fronts. The first issue is the CIA's admitted covert action aimed at influencing the internal political struggles in Chile. That admission, with the attendant media coverage, has raised the question of the need for and morality of covert action of any sort.

The second, and far more serious, issue is the recent allegation in the *New York Times* that the CIA has engaged in extensive domestic surveillance, compiling dossiers on thousands of U.S. citizens.

President Ford has now appointed a panel of distinguished Americans to address the latter of these two issues. However, as when President Johnson appointed a similar committee to look into the CIA–NSA affair, the mandate of the new commission is quite narrow. The commission is to decide whether the CIA has violated its charter, "whether existing safeguards are adequate to preclude agency activities that might go beyond its authority," and to make recommendations. The commission has not been asked to go into the question of foreign covert activities.

The President's action is commendable. But it is not enough. An extraordinary opportunity is being missed. The President should give the new commission a far more sweeping mandate. Meddling in another nation's internal politics is a vexing question and ought to be addressed. Just as important is the question of control; to whom is the CIA genuinely answerable? Can the American public be assured that the spirit of the law governing the intelligence community is not being flouted on some legalistic technicality? It is time for a wide-ranging discussion of intelligence policy.

Intelligence organizations created and sustained by democratic societies are, at the very least, an anomoly. Although Americans have always had a healthy suspicion of any secret government activity, they were prepared to accept Cold War justifications for the creation and growth of the CIA and related agencies. However, the national consensus will not be forthcoming without public discussion of something which costs the taxpayers several billions every year.

No one need pretend that such public discussion of the hard questions will result in immediate or sweeping changes. However, the stage can be set for doing things differently in the future. Why not, for instance, examine the complexity, size, cost, and wastefully duplicative habits of the intelligence community? Why not ask what might happen, if anything, were we to abandon the covert operations field to the Soviets? Could some of these matters, like disarmament, be the subject of negotiation? Is it really necessary for us to inflict on other nations activities which, were our circumstances reversed, we would resent and resist?

Unless the larger questions are addressed, the CIA-Chile affair and the domestic activity allegations may, regrettably, have little effect other than further deflation of public confidence in government. From now on, the government will find it increasingly difficult to keep covert operations covert, and the American public is not likely to become more tolerant of discovered blunders. Nor does it help to have people wondering if they are being spied upon. The problems simply will not go away for two major reasons:

1. The CIA suffers from a syndrome which might be labelled "all dressed up and nowhere to go". It is an organization with extraordinary capabilities employing some of the most talented people in government service (the Watergate personalities notwithstanding). The natural bureaucratic tendency is toward self-perpetuation, and no large organization is likely to change its policies and operations without external pressure to do so.

2. Any American President should have the capacity to influence international events where American interest are clearly in jeopardy. The President, as well as other heads of state, is keenly aware that the vanishing consensus about America's role in the world and the painful Viet Nam experience have made it unlikely that the American people will tolerate or support an executive threat to send in U.S. troops. With his options thus restricted, a President is unlikely to give up a strong and flexible foreign covert action capacity in the intelligence community, though he may be reluctant to use it. If it is there, it is likely to find something to do.

Brer Rabbit fans will remember that the cagey rabbit escaped the Tar Baby by tricking Brer Fox into throwing him in the briar patch, his natural home. Perhaps the U.S. foreign affairs establishment has been in the sticky snare of covert operations for so long that it now regards such action with pride. Nonetheless, the briar patch of public discussion is the natural home of any major instrument of a democratic republic. And while it may not be possible to eliminate foreign covert operations altogether, at least the CIA and the American public ought to resist the temptation to turn a regrettable necessity into a virtue. Any question of the permissibility of domestic covert operations ought to be laid to rest, firmly and permanently.

W. DALE CLARK, OF OMAHA, NEBR.

Mr. **HRUSKA**. Mr. President, I was deeply saddened recently by the death of a long-time friend and great civic leader in my home city of Omaha, W. Dale Clark. He shunned the public spotlight, but he was a man who made things happen. His contributions to Omaha and the State of Nebraska were innumerable.

Dale Clark served as president or board chairman of the Omaha National Bank for 33 years. As a news story in the January 29, 1975, edition of the Omaha Word-Herald relates:

> Clark's mother wanted her son to work in a bank, "where it is clean," so in 1908, at the age of 16 and after only a year and a half of high school, he left the family farm near tiny Fillmore, Mo., and went to St. Joseph, Mo., to seek his fortune.
>
> There were no openings in the banks, so he went to work instead at a wholesale grocery firm for $15 a month. Six months later he landed a job as a bank messenger with a princely increase to $25 a month.
>
> Fifty-four years later, in 1962, he ended his active banking career at his retirement as chairman of the board of the Omaha National Bank, Nebraska's largest. Until his death he retained an office provided by the bank and a position on the bank's senior advisory council.

During his career he helped many Omaha businesses survive hard times. Dale Clark headed many charity drives and served on the board of several Omaha firms and institutions. He was instrumental in insuring that the ownership of Omaha's only daily newspaper, the World-Herald, remained in local hands.

Dale Clark was a great man. His contributions will be missed. Mr. President, I ask unanimous consent that a World-Herald editorial of January 29, 1975, paying tribute to Dale Clark, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

W. Dale Clark

Dale Clark was a warm, gentle, courteous, human man who used his great abilities to try to improve the world around him.

The world around him was this community, this area.

For half a century he spent much of his time and energies leading or counseling in the building of civic projects or raising funds for charity or simply helping people.

He became president of the Omaha National Bank while he was still in his 30s. He helped this newspaper and was at one time its board chairman. He sat on a number of corporate boards of directors.

But the list of his achievements does not begin to tell the kind of man he was.

"We are dependent upon one another and through our attitude toward our fellow man we make the going either smooth or rough. Life to us is a laboratory test, in which we have the advantage of being able to respond favorably or not, as we see fit.

"Change is an essential part of this life; therefore it is important that we decide what are really the important things we can hold to."

These were Dale Clark's words when he became president of the bank 46 years ago. They were not simply words; they described the way he lived his own life.

Every man, woman or child who wrote him a letter received an answer. He was an inveterate note writer and the messages were almost invariably a compliment or a thank you, an upbeat comment.

He had an extraordinary effect on people because they knew he was genuine. His offhand manner put anyone at ease and he was one of the most approachable of men.

He could express firmly held beliefs softly, but he seemed more interested in what the other fellow had to say.

He had a sense of humor, which like almost everything else about him, was gentle and quiet, never biting. His betting limit, as he often said, was 10 cents but when he did bet a dime he had an uncanny way of winning.

Generous himself, he used to coax his listeners to contributing to a worthy cause by pointing out that "nobody ever went broke contributing to charity."

For years he taught a class at First Methodist Church. He rarely talked about his beliefs; he lived by them. One friend said of him that in every particular his life reflected the Christian teaching.

Now this good, wise and much loved man is gone, dead at age 82. He has left his mark on the community as few men have. We shall miss him.

FRENCH REPORT ON INTERNATIONAL OIL COMPANIES

Mr. **ABOUREZK**. Mr. President, on November 6, 1974, the National Assembly of France published a report by one of its deputies, M. Julien Schvartz, on "the commercial, financial, and fiscal conditions under which oil companies operating in France supply the French market, insure the distribution of various petroleum products, and on their relations with the Government." This report, translated by Ms. Pauline Mian of the Library of Congress, examine the impact on the French economy by predominantly American multinational oil companies. In addition, M. Schvartz makes some interesting observations on U.S. energy policy, especially as it affects other European countries.

For example, the observation that "the United States became aware early in the 1970's that it must retain its independence in energy if it wanted to retain its superpower status and room for international maneuver and therefore contributed to the price increases and were not bothered by those which occurred at the end of 1973" is one that is not generally accepted by American energy policymakers, but one which sheds some light on the administration's refusal to roll back domestic energy prices and its commitment to increasing these prices.

I believe that is necessary for members of the Senate and House to appreciate how another nation such as France views the energy policy being developed and promulgated by this Government.

Mr. President, I ask unanimous consent that the translations made available to me by the Library of Congress be printed in the Record.

There being no objection, the translations were ordered to be printed in the Record, as follows:

Volume II

PART II

I. French Oil Policies

France consumed little petroleum at the time legislation was enacted enabling the Government to intervene on the petroleum market. France perceived, early on, the international character of the oil industry as well as France's increasing dependence on oil.

In 1930, the preponderance of the major international oil companies was well established and its oligopolistic character was difficult to reconcile with the principle of free competition. The French Government, therefore, was prompted to assume control over petroleum imports. Legislation was passed in 1928, which, for the times, was novel and interventionist. The law of March 30, 1928, gave the Government a monopoly over imports which in turn the Government delegated to the companies. In return for the companies' cooperation in assuring France security of supplies, the companies were guaranteed protected markets. Despite the appearance of French companies which tried, with the help of the government, to secure an important share of the market, this agreement has never been fundamentally questioned, each quarter finding it to his own advantage.

Taken as a whole, one cannot question the coherence of France's oil policies, intent on achieving a relative independence and secuity of supplies. Based on the control of, as well as the cooperation, of the multinational companies, and subsequently on the development of a state-owned petroleum sector, France's policies have nevertheless been costly to the consumer. Despite the illusions of the 1928 legislators, the complete absence of competition with regard to imports spilled over into the distribution area. The fate of the consumer has become a matter of increasing concern to today's legislator.

Legislation against price-fixing and other abuses stemming from dominant positions on the market has been enacted. These laws remain a dead letter for the petroleum industry, which argues that the Government, in passing the 1928 legislation, abandoned the idea of open competition. According to the industry, collusion and other practices discovered at the distribution level are the natural consequence of the agreement between the Government and the companies, and are sanctioned by the Government. The industry also claims that other instances of concerted action which have been uncovered were decided upon at echelons far removed from headquarters and are, of course, regrettable.

Having received a mandate, not only to investigate the supply situation, but also conditions surrounding the distribution of petroleum products, the committee must reply to these arguments. This entails an examination of the Government's attitude toward the oil companies. Has not the consumer, who has only been rarely mentioned during the course of these hearings, been sacrificed on the altar of cooperation between the Government and the companies? Was it necessary to pay this price in order to ensure oil supplies for France? The committee thus received a mandate from the National Assembly to examine the behavior of those agencies responsible by law for the Government's relations with the companies, as well as the attitude of the companies themselves, whose non-competitive practices in the area of distribution have already been established. The importance of this investigation remains, despite its retrospective character, at a time when the relations between the government and the oil companies are being questioned, as a result of the energy crisis.

Chapter I. French oil policies since World War I

A. Background.

To trace French oil policies, one must study the evolution of the Government's relations with the oil companies. At the outset, Government intervention was motivated by a concern to ensure security of supplies, through control over the multinational companies; gradually, state intervention became more systematic. Two periods can be distinguished: one extending from the law of 1928 to World War II, the second from 1945 to 1970, and which was characterized by the development of a state-owned oil industry.

1. Control over the oil market.

The legal status governing the French oil market derives from article 53 of the law of April 4, 1926, and from the law of March 30, 1928. These laws were designed to prevent the take-over of the French economy by the anglo-saxon companies, or at least to arbitrate among them, as well as to ensure a steady supply of crude and finished products. The main provisions of the law of 1928 consist in the granting of special import authorizations, subject to certain obligations on the part of the recipients. Import authorizations fall into two categories: authorizations to import crude (refining authorizations called A10—of a ten-year duration), and authorizations to import finished products (distributing authorizations called A3—of a three-year duration). Authorizations are granted on a quota basis after requests submitted to a special interministerial committee are approved.

Renewal of authorization gives the Goverment a significant weapon, with which it can impose obligations on importers. These obligations include: a 3-month reserve stock for each category of products, (decree of March 10, 1958), agreement to meet the Government's projections for necessary supplies, participation in contracts of "national interest" (decree of February 1963—purchase of crude and finished products which the Government considers useful to the French economy). Other constraints imposed on the companies have enabled the Government to encourage the development of a national tanker-fleet, a refining industry, and to regulate distribution outlets.

2. The French Government's quest for independence in oil and the development of a state-owned petroleum sector.

An important step in this direction was made in 1939 with the creation of the Regie Autonome des Petroles (RAP), and subsequently with the creation of the Societe Nationale des Petroles d'Aquitaine (SNPA) and the Bureau des Recherches Petrolieres (BRP). The Government's desire to take a firmer hand in the petroleum industry after World War II was prompted by the state of ruin of our refining industry, and our complete dependence on the United States for oil, coupled with our lack of foreign exchange. The objective of national independence required massive government aid.

The development of the state-owned oil industry can be resumed briefly: the establishment of RAP, BRP, and UGP was followed by the merger of BRP and RAP into one national company (ELF-ERAP). (decree of December 1, 1965).

ELF-ERAP has pursued its policies on two fronts: on the foreign front, ELF has tried to diversify its sources of supply. On the domestic front, ELF-ERAP has attempted to regroup its numerous subsidiaries and affiiliates at all levels of the petroleum industry.

Having given up the goal of supplying France exclusively with "franc-area" petroleum, ELF has created many subsidiaries in Australia, Canada, and the North Sea. ELF has broken with the practice of Anglo-Saxon companies which have sought concession agreements with producing countries, and has negotiated participation with the latter.

The period 1945–1970 was marked by the discovery of oil in the Sahara, and Algeria's subsequent nationalization of French assets in 1971, and by the signing of the Treaty of Rome.

During this period, the Government oscillated between direct intervention and cooperation, exercising interventionist methods but calling for cooperation. The Government's cooperation with the private companies centered mainly in the area of research and exploration (via tax incentives). Cooperation with the private companies became necessary when France became a producer of petroleum. It imposed upon them the distribution of "franc-area" petroleum until Algeria's nationalization of French assets in 1971, after which the Government abandoned its search for petroleum payable in francs.

COMMENTS

A brief survey of French oil policies thus enables one to appreciate their coherence and continuity. Prompted by the quest for security of supplies, they followed two courses: 1) control over the subsidiaries of the multinational companies by organizing the market and maintaining a certain balance among them. The Government was perfectly aware of the advantages granted to the companies. [In return for continuity of supplies and fulfillment of "national interest" contracts, the companies were given a guaranteed access to a protected market—at prices generally higher than world prices, and determined in a relatively arbitrary fashion.]

2). The second course was the development, with the help of the Government, of national oil companies, whose goal was also security of supplies by the production of "frac-area' petroleum. The Government's influence was at first very limited. When the Compagnie Francaise des Petroles (CFP) was created in 1924, its mandate was to cooperate with the multinational companies. After World War II, the Government created publicly-owned companies and regrouped them into one national company, whose mandate was to wrest a share of the market from the firmly-entrenched multinational companies. While the Government interpreted the 1928 law as an attempt to limit the growth of the multinational companies through the creation of ceilings, the multinational companies interpreted it as an inalienable right to a share of the French market—and the appearance of a French national company challenged this notion.

The 1928 law certainly contained the seed of this misunderstanding and explains why, despite the Government's wish to maintain a certain competitiveness on the oil market within ceilings, the industry organized price-rigging and other practices, seemingly within a legal framework, in order to maintain and consolidate its gains on the French market.

Without prejudging our conclusions, it is appropriate at this time to question the advantages of a system which grants extra revenues to the foreign companies. Did the problem of security of supplies require these sacrifices with regard to prices? And, most importantly, did the system achieve true security of supplies, since security of supplies is the justification for the system?

France, 45 years after the enactment of the law of 1928, despite the creation amidst a general outcry of a truly national company, remains very dependent on the international companies and must contribute to their prosperity in order to ensure a continuity of supplies.

Nevertheless, despite its cost, the balance sheet of the law of 1928 is not entirely negative. Its main advantage is that it obliges the companies to divulge specific information to the government regarding their activities. It enabled the development of a strong refining industry. It also enabled the Government to prevent the predominance of one international company on the French market and ensuring a balance among them, although in this respect the "cartellization" of the majors has made it of dubious effectiveness. The law was nevertheless inspired by the idea of diversifying supplies, expressed in the popular dictum "don't put all your eggs in the same basket." Finally, the legislation enabled the Government to establish a national petroleum sector, without great upheaval, and without endangering supplies.

However, this positive aspect must not mask the price paid for this policy of national independence. First of all, the French consumer has had to pay a little more than his neighbor for petroleum products, in order to support the national companies, especially when they were selling "franc-area" crude. Agencies charged with implementing governmental policies—such as the BRP—benefitted from substantial capital investments; and with hindsight one can question the concrete results of this effort, especially when one compares France's position with that of Germany which pursued an opposite course. France indeed possesses refineries and a strong industrial base, but despite the intensity of its exploration efforts, it is not better off than its neighbors when it comes to security of supplies at critical times.

While the Government has powerful means at its disposal for information, intervention and control, it would seem that it has not taken full advantage of its powers of control. The "collusion" practices brought to light, institutionalized by the industry a long time ago, even if they only represent a superficial aspect of the problem, are nevertheless significant. (What is the use of setting up rules governing distribution?) As for the publicly-owned petroleum sector, it is the whole problem of its control which is in question. What good are the considerable powers at the disposal of the Government's representatives within the companies, if one merely rests content that the national companies follow, like the subsidiaries of foreign companies, the directives given to implement the Government's general oil policies? What is the use of a control which is exerted mainly when the companies are in need and ask for the Government's help?

These questions have guided your Rapporteur in the Committee's investigation of collusion practices in the distribution sector. These practices, several of which have recently been made public, lead one to question whether the Government, despite all the means at its disposal, really controls the petroleum market, most notably with regard to prices.

PART III—GENERAL CONCLUSIONS

I. On France's oil policies

The main problem confronting the West is the multiplication by four of the price of crude. The brutal increase in the price of crude is felt by many to be an unjustified aggression, decided upon either by irresponsible people or by blackmailers taking advantage of their position. The producing countries are held responsible for all our ills: inflation, unemployment, economic constraints. In this atmosphere it is difficult to be rational and objective. Some try, nevertheless. Mr. Maurice Papon, in his report on the 1974 budget, noted that for all OECD countries in 1974, petroleum is responsible for only 1.5% of the inflation that member countries are witnessing, the figure reaching 2.7% for France, while our average inflation rate has been 15%. The fact is that the Western world is reaping the harvest of its lack of foresight and its inability to listen to the voices—among them that of General de Gaulle—which have called for a more equitable distribution of the world's riches.

The trouble is that western countries have suffered unequally from the crisis and have therefore adopted different approaches to its solution. The worst hit by the crisis have been the Third World countries which do not produce oil. Among the developed countries, there are two which have not really suffered from the present crisis: West Germany and the United States, although both for different reasons.

Because of its industrial power base, its vigorous anti-inflation policies, and the strength of its exports, West Germany's balance-of-payments were not jeopardized by the recent events. As for the United States, the international monetary system allows it to have a permanent balance-of-payments deficit. As a matter of fact, the present situation has worked in the United States' favor: the balance-of-payments deficits experienced by the European countries has led them to seek more and more dollars, which remain the keystone of the international monetary system. On a long-term basis, the increase in the price of oil will improve the United States' supply situation. Indeed, their productive capacity will increase as a greater number of domestic wells become competitive. Also, the search for alternative sources of energy will be accelerated as profit margins become acceptable. On the other hand, the impact of the price increases was considerable on four countries: France, Japan, Great Britain and Italy.

Despite these differences, one has the impression that the industrial countries are being drawn into what one might call the "American rationale".

Indeed, the United States became aware early in the 1970s that it must retain its independence in energy if it wanted to retain its super-power status and room for international maneuver. Therefore they contributed to the price increases, and those which occurred at the end of 1973 does not bother them.

Under these circumstances, "Project Independence" is the logical outcome of the United States' acceptance of an increase in the price of crude. "Project Independence" calls for massive investments for research and production of domestic crude as well as in areas outside the Middle East, an ambitious nuclear program, a re-ordering of priorities with regard to coal and gas, and the production of synthetic crude.

It is noteworthy that the United States—little affected by the increase in the price of crude—called a conference of consumer nations last winter in Washington. Mr. Jobert, then French Foreign Minister, remarked that the final communique doesn't even mention petroleum. It is also noteworthy that within the Committee of Twelve, under the aegis of the United States, discussions have borne on oil-sharing in the event of scarcity, and that the question of prices has not yet been broached.

The French Government was therefore right to refuse participation in the beginning of 1974 in a cartel of consumer countries under the leadership of the United States, whose only ambition was to seize the opportunity of forging unity among its allies and thus increase its diplomatic cards in the Middle East conflict.

We should also note that the United States has not tackled the problem of reforming the international monetary system. Yet, if a viable solution is not found for absorbing all this excess capital, the producer countries will have no alternative but to reduce petroleum production to a level at which corresponding revenues would cover their needs and not create surplus capital.

To go along wtih the American point of view, therefore, is an enormous risk, which should be avoided at all costs, because it implies an enormous investment effort which in the final analysis spells out an enormous waste.

It is perhaps not useless to point out—at a time when so many favor concentrating our investment efforts on energy—the shocking character of this waste at a time when the greater part of humanity is sinking deeper and deeper into misery. The colossal increase in energy investments can only be achieved at the expense of social expenditures and the redistribution of income. Is it absolutely necessary for France to participate in research efforts outside the Middle East? The cost of an extra barrel of oil is 3 cents in the Persian Gulf, 17 cents in Venezuela, more than 1 dollar in the United States, and between 1½ and 2 dollars in the North Sea. It is on the basis of this increase in production costs that the companies justify their claim to considerable profits. But it should be remembered that the British Government has already announced that North Sea oil discoveries would go for English consumption. It is an illusion to think that oil discoveries in this part of the world would result in lower world prices for oil; producing countries would most likely limit production to their own needs. Should France participate in this effort which can only benefit others? What has the Federal Republic spent on energy research—more specifically on petroleum—since 1945? The same question could be asked of Japan. If France, in its search for agreements with the producing countries, encounters only negative responses among its Western partners, why should it go along with their policies? In the last analysis, the only worthwhile exploration effort for France is that in the Iroise Sea (off the coast of Brittany).

The world would benefit greatly from the elaboration of a world-wide energy program which would allow for a reasonable level of investments. Unfortunately, this objective has not enlisted the necessary support. There has been no real dialogue between the consumer and producer countries since the October Mideast War. The West, subconsciously, refuses to recognize the oil-producing countries as worthy interlocutors. How can solutions be reached at international conferences if the producing countries are not included? Inversely, the producing countries haven't always given the impression of great coherence, or at least cohesion, in their proceedings. Agreements have been reached between the producer countries and the international companies which have enabled the latter to adjust without difficulty to the situation. The companies can always pass higher costs on to the consumer, and the dependence of Europe on the international companies remains complete, for deliveries as well as for refining and distribution.

Given the situation, what can France do? It can take two initiatives.

In the international domain, France should do its utmost to bring about a dialogue between the producer countries and the Europe of Nine. It must also do its utmost to convene a new Bretton-Woods conference to stabilize the international monetary system. This is not an anti-American line. The United States must realize that the Western world cannot persist in avoiding its own problems without risking terrible upheavals.

On the domestic front, France must seek government-to-government contracts with the producer countries.

II. For a clarification of the Government's petroleum policies

The Government's first task should be a clarification of its oil policies. This is rendered difficult by the fact that the Government is both judge and a party in the matter.

The Government's intervention in the petroleum sector has resulted in the establishment of a regulatory system applicable to all companies—both national and foreign. This regulatory system was also used to enhance the position of the national companies. Thus, under the guise of being general, the Government was led to enact legislation aimed at favoring its companies. The companies, in no position to become the true equals of their rivals and fill the role assigned to them by the Government, adopted reprehensible practices. The business of collusion in dividing up the distribution market illustrates this regrettable phenomenon. From the time Elf-Erap entered the Union of Petroleum Companies, it behaved in a manner similar to that of the other companies, when it was not the instigator. Indeed, your Rapporteur felt that in certain instances, the foreign companies held back in these collusion practices.

A second difficulty resides in the integrated character of the oil companies which has enabled them to develop activities which extend far beyond the scope of the 1928 law. They have branched out into fields such as chemistry, non-ferrous metals and real estate—a diversification which complicates the Government's task of controlling the companies.

A third difficulty rests in the Government's insufficient authority in exercising its regulatory role. The Direction des Carburants (Bureau of Fuels in the Ministry of Industry) prefers to deal with the Union of Petroleum Companies rather than with the companies themselves. This practice reinforces the "cartellization" of the companies.

The Government has not sufficiently helped its national company Elf. Elf-Erap was created haphazardly by the purchase of various companies, and has not yet achieved a coherent structure. The complexity of Elf's structure has handicapped the company and has made control over it more difficult.

Too much free rein has perhaps also been given to those responsible for overseeing the petroleum sector. The Government representatives within the national companies give the impression of being mere observers or liaison men between the individual company and the various ministries concerned. What about the ministers themselves? Can they exert more control? Since the creation of Elf there have been 8 ministers of industry while Elf has had one president. There exists also a permanent crossing-over from the Government to the public sector and back again. After his departure from the Bureau of Fuels in 1949 Mr. Guillaumat became responsible for the public oil sector. His successor at the Bureau belonged to the industry and has come back to the Government as Secretary of Energy. At the same time Elf has placed its men in key positions. Mr. Desprairies, who was in charge of public relations for Elf-Erap, has recently been named president of the French Petroleum Institute.

Under these circumstances, the ties binding those in the Administration responsible for France's oil policies resemble those of a vassal to his suzerain. Where is the Government in all this? Is it at the head of the Bureau of Fuels, at the General Secretariat for Energy, or at the head of Elf-Erap.

A state of permanent conflict seems to prevail between the Ministry of Finance and the Bureau of Fuels. The latter appears to be the spokesman for the oil industry within the Government. It seems to have limited itself to the task of overseeing imports. For the rest, it seems to have shown great understanding for the problems of the oil industry.

Other government agencies give the impression of concerning themselves only with their limited roles. The Bureau of Customs, for example, does not even centralize the information it possesses on the origin of imported crude.

Under these circumstances, control over the companies becomes practically impossible and the formulation of oil policies is the result of negotiations between various interests, the public interest supposedly coming out triumphant from the battles.

Priority should be given to two initiatives.

The first should be the creation of an autonomous bureau, responsible for the elaboration of and control over the Government's oil policies. The bureau should be attached directly to the office of the Prime Minister, and the Director of the bureau, given his power and responsibility, should be a politician with ministerial rank.

The second initiative should be directed toward streamlining the state-owned petroleum sector. Should this involve a merger between CFP and Elf-Erap? The matter should be debated.

Should state-to-state contracts become the general rule, the problem of controlling the companies will be simplified. (The companies would become mere operators, limiting their activities to the production, transportation and the refining of crude, fulfilling government contracts.) The price of crude would become known, and profit margins well established. Under these conditions there would be no need to question the presence of foreign companies in France. As for the distribution sector, it would become an open market once again.

III. "Democratization" of choices

Your rapporteur would like to conclude by insisting on the need for open debate on the question of policy options. The National Assembly is also guilty of failure to exert any control, and to provide information on French petroleum policies.

IV. Minority opinions.—Centrists, Reformers, and Social Democrats

a. It is not accurate to say that France is at the mercy of an American approach to the problem. The present situation is more the result of a conflict of national interests among the United States, the Soviet Union, and the Middle Eastern countries. The situation of West European countries reflects their vulnerability in energy and their lack of political unity.

b. The impact of the price increase of oil on European countries has been underestimated. The seriousness of the present crisis goes beyond the problem of inflation and concerns world monetary stability as well as upheavals to be expected in the industrial structures of western economies.

c. To limit French exploration efforts to the Iroise sea appears insufficient. It would be wiser to diversify exploration efforts geographically and to encourage the development of alternative sources of energy.

Communists

In view of the relationship which came to light between the Government and the petroleum companies, the Minister of Finance does not appear qualified to give an objective assessment of the oil companies' pricing policies, and the increase granted the companies last August is unjustified. With regard to energy matters the Communists adhered to the Common Program of the Left.

UNEMPLOYMENT REACHES DEPRESSION LEVEL IN RAW NUMBERS

Mr. WILLIAMS. Mr. President, with the economy slipping into deeper recession, recollections of the great depression have become commonplace. Even spokesmen for the Ford administration have made comparisons that have surfaced in the news media.

In some cases, the comparisons have been irresponsible to both extremes, asserting either that we are already in a painful depression of the scope we suffered in the 1930's or that there are no comparisons whatsoever.

Still other comparisons are simply incorrect. The Wall Street Journal last week, for example, carried a report in which it was pointed out that the unemployment rate in 1934 as 25 percent.

The newspaper cannot be blamed for using that figure, since it is an official one derived from Department of Labor statistics that have been published for years. If blame is to be assigned, it must fall on modern statistical policy for compiling unemployment data.

Mr. President, the Library of Congress has done a study that lends some perspective to this matter by analyzing the differences between today's system of counting the unemployed and the one used in the 1930's.

The major finding of the study is that people who were working in the Federal work-relief programs of the 1930's were listed as unemployed. Today they are not.

By making the necessary adjustments to bring the data into conformance, the Library of Congress study points to the following conclusions:

There are just as many people unemployed today, in raw numbers, as there were on the average over the first 7 years of the New Deal, from 1933 to 1940.

Certainly, today's economy—troubled and wracked as it is—is not the rickety structure that fell apart in 1929. Moreover, we have unemployment insurance, social security programs, protection for individual savings, and public assistance programs that were not available in the 1930's. Our social fabric is thicker and stronger today. It can absorb a great deal more adversity.

My basic point is that, with just as many individuals out of work today, we are doing a great deal less to directly provide them with federally funded opportunities for productive employment.

The Library of Congress report shows that in 1934 there were over 11 million people out of work, but the Federal Government created jobs for over half of them.

And over the entire 7-year period, Federal work relief programs provided jobs for fully one-third of the unemployed.

Today, it stands closer to one-thirtieth—10 percent of the level of effort of 40 years ago.

I believe this effort must be expanded. I do not see any alternative for taking up the slack while the Government experiments with new and unfamiliar economic remedies.

Because of this belief, Mr. President, I intend to join in sponsorship of legislation that would create a million public service jobs immediately—three times as many as the President has been willing to talk about.

With far greater resources available today than President Roosevelt could draw upon in the 1930's, it is ironic and disappointing that the Ford administration has not drawn a firm policy of creating public service jobs on a scale commensurate with today's need.

Mr. President, I ask unanimous consent that the Library of Congress report be printed in the RECORD, together with a brief history of the Federal work-relief programs implemented under the New Deal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A NOTE ON UNEMPLOYMENT RATES DURING THE NEW DEAL

Comparisons between the unemployment rates of the 1930's and those of the present are becoming more frequent. However, any comparison between the official unemployment figures for then and for now should be made with awareness of the fact that persons employed on Federally-funded work relief programs were counted as unemployed in the 1930's but are counted as employed today. If current definitions of who is employed and who is unemployed were applied to the 1930's, the numbers of unemployed and the unemployment rates would be substantially different, as the following table illustrates:

[Numbers of people in thousands]

Year	Civilian labor force	Unemployed [1]	Percent unemployed [1]	Numbers in work relief programs [2]	Adjusted unemployed [3]	Adjusted percent unemployed [4]
1933	51,590	12,830	24.9	3,061	9,769	18.9
1934	52,230	11,340	21.7	6,158	5,182	9.9
1935	52,870	10,610	20.1	1,915	8,695	16.4
1936	53,440	9,030	16.9	3,647	5,383	10.1
1937	54,000	7,700	14.3	2,896	4,804	8.9
1938	54,610	10,390	19.0	3,427	6,963	12.7
1939	55,230	9,480	17.2	3,132	6,348	11.5

BACKGROUND

Prior to 1940, the rate of unemployment was estimated by deducting the total of those actually employed from the total available for work. (The volume of employment was estimated in accordance with changes in indexes of employment from such sources as the Bureau of Labor Statistics, the Interstate Commerce Commission, the National Income Section of the U.S. Department of Commerce, Dun and Bradstreet, and other governmental and private agencies.[5])

Those on work relief programs were excluded from the ranks of the employed. In 1945, the Bureau of Labor Statistics applied methods used by the Census Bureau in its Monthly Report of the Labor Force to adjust the rate of unemployment reported during the Depression. The rates were adjusted in relation to a revised estimate of the size of the labor force during the 1931–1939 period which was derived by interpolating linearly between the worker rates of the 1930 and the 1940 Census and applying the resultant rates to Census estimates of population by age and sex for each year.[6] However, since the method of identifying the unemployed was the same as that used during the Depression, i.e., deducting the number actually employed from the total labor force, the adjusted unemployment rates did not change the designation of those on work relief programs from "unemployed." The rates arrived at by the Bureau of Labor Statistics in 1945 are those used today in the Government's economic report.[7] In 1964, an interagency committee was set up to determine the classification in the labor force of the growing number of enrollees in Federal manpower work-training programs. In classifying enrollees as employed or unemployed, the committee considered the purpose of each program, whether participants were supposed to work or receive training, and their status as wage earners under the Internal Revenue Code and the Social Security Act. Enrollees in such programs have been classified since 1964 as employed if they were receiving wages rather than subsistence or other allowances, or if they were getting on-the-job training.[8] Under such rulings, the enrollees of the Federal work relief programs of the New Deal era would have been considered employed. The adjustments made in the table on page one of this paper place Depression-year unemployment rates on a comparable basis with current rates.

FOOTNOTES

[1] Official figures as given in Appendix C of the Annual Report of the Council of Economic Advisers (1972), p. 220.

[2] Persons employed in the Civilian Conservation Corps, the Civil Works Administration, the National Youth Administration out-of-school program, the Works Progress Administration, and other Federal agency projects as reported in Appendix 9 of the 1942 report of the National Resources Planning Board.

[3] Calculated by subtracting number employed in work relief programs from the number of unemployed.

[4] Adjusted unemployed as percentage of Civilian Labor Force.

[5] Security, Work, and Relief Policies, U.S. National Resources Planning Board, Government Printing Office, Washington, 1942, p. 554.

[6] Monthly Labor Review, U.S. Dept. of Labor, Bureau of Labor Statistics, July, 1948, p. 52.

[7] cf. Economic Report of the President, February, 1974, p. 276 with Monthly Labor Review, July, 1948, p. 52.

[8] Monthly Labor Review, U.S. Dept. of Labor, Bureau of Labor Statistics, Sept., 1972, p. 7.

A BRIEF HISTORY OF WORK RELIEF PROGRAMS DURING THE DEPRESSION

The Emergency Relief and Construction Act of 1932 under which the Reconstruction Finance Corporation was authorized to make repayable advances to the States to relieve the hardships resulting from unemployment and to lend funds for self-liquidating public works [1] was the first major Federally-financed work relief program of the Depression. From July 1932 to May 1933, $300,000,000 in Federal funds was loaned to the States for public works projects. Peak employment in largely unskilled manual labor jobs was 1,970,000 in March 1933.

In May of 1933, the Federal Emergency Relief Act (FERA)—modeled on a New York State program which Franklin Roosevelt had initiated when he was governor of that state—"permitted the federal government to make grants-in-aid to states to stimulate private employment if possible, to create public jobs if not, and to provide relief if necessary." [2] FERA programs spent $3,088,670,625 in government funds before relief responsibilities were returned to the states at the end of 1935.[3] Peak employment in the program was 2,466,266 in January 1935.

The Civil Work Administration, also aimed at providing work relief, was launched in November 1933. Half of the employees were to be from the relief rolls and the other half from the ranks of the unemployed not on relief. The program was expensive (spending nearly one billion dollars in eight months) and not very successful.[4] It was terminated in July 1934 having had a peak employment of 4,263,644 in January 1934.

The Emergency Conservation Work program (later called the Civilian Conservation Corps) and the National Youth Administration were developed especially for youth. The CCC, organized in April 1933, employed an annual average of 250,000 to 300,000 youths to build trails, roads, cabins, firebreaks, and to do other conservation work in the country's national parks and forests.[5] Total government expenditures for the program, which lasted from 1933 to 1940, were $2,628,327,000.[6] The NYA, begun in June 1935, employed an average of 150,000 to 190,000 in-school and out-of-school youth, mostly on part-time jobs. During its five year existence, the program cost $355,979,000 in State and Federal funds.

By far the largest of all the work relief programs during the Depression was the Works Progress Administration (WPA). It was established by the Emergency Relief Appropriations Act passed by Congress on April 8, 1935. That act appropriated $4.88 billion "to provide relief, work relief, and to increase employment by providing useful projects." The money was divided up mostly among existing federal agencies with the idea that each would sponsor temporary projects for unemployed workers. The new agency, WPA, received $1.4 billion to finance "small useful projects." [7] Because other federal agencies had difficulty developing projects, most were soon run directly by the WPA.

Projects were to be initiated locally by a state or local government or by a federal agency known as a sponsor. (The WPA itself acted as its own sponsor in a few cases; however, after 1939 Congress required projects to be sponsored by some public body other than the WPA).[8] The sponsor was expected to contribute to the cost of the project. The contribution could be in cash or kind (office space, material, use of equipment, etc.) and was expected to be at least 25% of the total cost. (This percentage was not formalized until 1940 when it was set at 25 percent for the state as a whole, although individual projects could guarantee less. Prior to this ruling the local contribution averaged about 19 percent).[9] Plans for projects were worked out between the sponsor and the district WPA office and approved by the state and finally the national office. Although the sponsor had to guarantee part of the overall supervision of the project and provide the site, the WPA was responsible for hiring and paying workers, securing necessary materials, supplies, and equipment, and supervising the actual work.[10] On completion, the product of the project came under local jurisdiction.

But end products were not the primary goal of WPA. Its purpose was to provide temporary work relief to needy unemployed people. As Administrator Hopkins told his staff in June 1935: "Never forget that the objective of this whole program as laid down by the President is the objective of taking 3,500,000 people off relief and putting them to work, and the secondary objective is to put them to work on the best possible projects we can.[11]

The goal of employing 3.5 million people was never reached, but in November 1938 employment on WPA projects peaked at 3,300,000 workers. The yearly average of WPA employees compared with the total civilian labor force (in parenthesis) was: in 1936—2,544,000 (53,440,000); in 1937—1,793,000 (54,000,000); in 1938—2,893,000 (54,610,000); in 1939—2,658,000 (55,230,000).

The two major criteria for employment on WPA were need and employability. State and local relief agencies were approved by WPA to certify need. Their determinations were based on considerations such as family income, family size, and participation of a family member in other relief programs. Those under 18 did not qualify since the CCC and NYA were designed specifically for youth. There was no upper age limit and older workers tended to be a high percentage of WPA enrollees because it was difficult for them to find other employment (43% of all WPA employees in November 1937 were 45 or older). For the same reason Blacks tended to be a higher percentage of employees (15.2 percent in 1937) than they were of the population as a whole.[12] Despite the predominance of construction projects, women constituted from 13 to 18 percent of those employed during WPA's existence.[13]

From 1936 to 1942, WPA paid out an average of nearly $1.4 billion per year in wages. In 1935, President Roosevelt had set the policy for wages by declaring that compensation would be in the form of "security

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Footnotes at end of article.

payments, which should be larger than the amount now received as a relief dole, but . . . not so large as to encourage the rejection of opportunities for private employment.[14]" In 1936, Congress required that WPA workers be paid prevailing hourly wages but the number of hours employees were allowed to work was correspondingly limited so that that number multiplied by the prevailing hourly wage would equal the prescribed "security wage." In 1939, the prevailing-hourly-wage policy was abandoned. From then on, WPA employees were required to work 130 hours per month to earn the security wage.[15] These security wages varied with the type of work and the region in which it was being done. For instance, in August 1939, the lowest wages were paid in Mississippi, ranging from $31.20 per month to $74.40. In the District of Columbia at the same time, the range was $52.00 to $94.90 per month (the highest paid anywhere for skilled work).[16]

From 1936 through 1941, WPA expenditures for both the Federal and State governments totalled over $11 billion. On a yearly average for this period WPA wages were approximately 1.5 percent of the GNP and between 20 and 30 percent of annual Federal expenditures.[17] It is difficult to calculate exactly how many store owners, landlords, and construction material manufacturers and suppliers benefited from business with WPA employees and projects but one WPA official in 1938 estimated that the program affected the economic well-being of 50,000,000 people or 40% of the population at the time.[18]

Though the majority (averaging 76% per year from 1936 to 1940) of WPA projects were construction projects such as highways, public buildings, recreational facilities, sewer systems, and airports, there were many other types of employment available. The list included: making Braille books, sewing garments for the needy, teaching handicrafts, serving school lunches, controlling mosquitoes, beautifying cemeteries, stuffing birds, painting murals, restoring library books, sealing abandoned mines, teaching Spanish to members of the Armed Forces, and giving concerts.[19] WPA workers built 651,000 miles of new roads; built or reconstructed 124,000 bridges and viaducts; built 35,000 new buildings and 353 new air fields (including New York's LaGuardia); restored Independence Hall in Philadelphia and Fanueil Hall in Boston; built the Philadelphia Art Museum, New York's Central Park Zoo, and Chicago's waterfront; served 765,000,000 school lunches; preserved 60,000,000 quarts of food; and cut the illiteracy rate in Arkansas by 40%.[20] However, as Alden Briscoe points out, the completed projects were "less important than the money paid out in salaries . . . millions maintained their self-respect and fed themselves and their dependents as a result of the WPA." [21]

Under President Roosevelt's Reorganization Plan No. 1, effective on July 1, 1939, the Works Progress Administration became the Works Projects Administration and was placed under the Federal Works Agency. Only 1.6 million people were employed by the program in 1940 as the nation's economy, stimulated by defense demands, began to recover from the Depression. The program was terminated in 1941.

FOOTNOTES

[1] National Resources Planning Board, Security, Work, and Relief Policies. Washington, U.S. Government Printing Office, 1942, p. 556.

[2] Briscoe, Alden F. in U.S. Congress. Senate. What should Be the Role of the Federal Government in Extending Public Assistance to All Americans Living in Poverty? Washington, U.S. Government Printing Office, 1973, p. 125.

[3] National Resources Planning Board, *op. cit.*, p. 557.

[4] Brown, Josephine C. Public Relief, 1929–1939. New York, Henry Holt and Co., 1940, p. 140–159.

[5] Briscoe, *op. cit.*, p. 125.

[6] National Resources Planning Board, *op. cit.*, p. 598.

[7] Briscoe, *op. cit.*, p. 125.

[8] Briscoe, *op. cit.*, p. 127.

[9] *Ibid.*, p. 128.

[10] *Ibid.*, p. 128.

[11] Craig, Lois, "Beyond "Leaf-Raking': WPA's Lasting Legacy," City, Vol. 4, No. 3, October/November, 1970, p. 23.

[12] National Resource Planning Board, *op. cit.*, p. 115.

[13] *Ibid.*, p. 116.

[14] Briscoe, *op. cit.*, p. 131.

[16] Briscoe, *op. cit.*, p. 131.

[17] *Ibid.*, p. 138.

[18] Howard, Donald S. "WPA: A Giant Rescue Operation," Washington Post, January 7, 1975, p. A14.

[19] Howard, Donald S. The WPA and Federal Relief Policy. New York. Russel Sage Foundation, 1943, p. 126.

[20] Briscoe, *op. cit.*, p. 134.

[21] *Ibid.*, p. 134.

INAUGURAL ADDRESS OF GOVERNOR MELDRIM THOMSON, JR.

Mr. HELMS. Mr. President, all too often it has become the custom in Washington for the Federal Government to tell the States what to do. We do not listen enough to what the States actually want. And unfortunately, some States themselves have surrendered their constitutional rights in favor of the Federal handout and the Federal guideline.

It is very refreshing, therefore, to read the inaugural address of one Governor who believes in the integrity of his State and in the ability of its people to solve their own problems. I am referring to the inaugural address of Gov. Meldrim Thomson, Jr., of the great State of New Hampshire. Under his able leadership, New Hampshire has extended its programs, cut waste, piled up a surplus, and developed a healthy economy that is able to hold its own even in the present times. The Governor's address expresses his policies of practical prudence, his sense of historical mission, and reverence for the U.S. Constitution. It contains wisdom that all of us can attend to.

Mr. President, I ask unanimous consent that excerpts from the inaugural address of Governor Thomson be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Inaugural Address of Meldrim Thomson, Jr., Governor of New Hampshire

Mr. Speaker, Mr. President, Members of the General Court, distinguished guests, ladies and gentlemen:

I come here today to account faithfully for my stewardship for the past two years and humbly to accept the challenge of a second term as Governor of our sovereign State of New Hampshire.

I am deeply mindful of the great opportunity that has been mine to serve the people of our State. I am determined that within the limit of my abilities we shall improve upon that record of service.

To each and every person who through the years contributed so much to make our work possible, I extend the appreciation of a grateful heart.

Two years ago I said that I would daily try to follow the wise counsel of the Prophet Isaiah who said:

"Learn to do well; seek judgment, relieve the oppressed, judge the fatherless and plead for the widow. Come now, and let us reason together."

This sage advice shall continue to be the lodestar of our administration.

* * * * *

SOVEREIGN POWER

Before we cast our moorings for the two year voyage ahead, let us look to the lines of our ship of State and the constitutional compass by which we steer her.

A proper understanding of our great constitution of 1784, the second oldest in the nation, is essential to the success of our voyage.

We believe in state sovereignty and the federal concept of duality that frames it.

The New Hampshire Constitution in Part I, Article 2 describes the nature of state sovereignty by proclaiming that "the people of this state have the sole and exclusive right of governing themselves as a free, sovereign and independent state" except for that power expressly delegated to the Congress.

Only in the Constitution of Massachusetts can we find a similar provision.

In the tenth amendment of the Federal Constitution, state sovereignty is affirmed by the reservation to the states of all powers not expressly delegated to the federal government.

Tragically, the clear line of demarcation of power between the state and federal governments drawn by Madison in the 45th Federalist Paper has become obscured, if not obliterated.

Madison expressed the intent of the founding fathers on this point by stating that the powers of the state governments are numerous and indefinite.

"The powers reserved to the several states will extend to all the objects which, in the ordinary course of affairs; concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the state."

Federal intrusion into states that began as a tiny stream many years ago now washes across state boundaries in a full and greedy tide of usurpation.

Who can believe that the founding fathers ever intended that an omnipotent federal government should exercise control over abortions, capital punishment, busing, schools, wages and hours of state and local employees, and levy penalties in factories without due process?

We believe that if the concept of federalism is to survive and continue to sustain our freedom, we must have a new delineation of those sovereign powers that belong to the state and those delegated to the federal government.

With this in mind I have asked the Attorney General to find support from other states for an action against the federal government that might sharply define the division of powers between state and federal governments.

POWER OF THE PEOPLE

In New Hampshire we firmly believe that all power is derived from the people.

In our constitution we reiterate this belief several times.

We say, for example, that all government originates from the people, is founded in consent, and instituted for the general good.

Again, we say, that all power being derived from the people, all the magistrates and officers of government are their substitutes and agents and at all times accountable to them.

As we work together to achieve the greatest good for all of the people of our state, it is essential that we constantly remind ourselves that each of us sought and were granted the privilege of serving our people—not ruling them.

To this end we might each adopt as the high purpose of our term of service here the sentiment expressed in that finest of all provisions of our Constitution: namely, Part I, Article 38, that reads:

"A frequent recurrence to the fundamental principles of the Constitution, and a constant adherence to justice, moderation, temperance, industry, frugality, and all the social virtues, are indispensably necessary to preserve the blessings of liberty and good government; the people ought, therefore, to have a particular regard to all those principles in the choice of their officers and representatives, and they have a right to require of their lawgivers and magistrates, an exact and constant observance of them, in the formation and execution of the laws necessary for the good administration of government."

We are here to serve the people. Let us do it well that freedom might continue to flourish in our land.

THE ECONOMY GENERALLY

Our economy today is much like that which faced the Pharaoh of Ancient Egypt when Joseph interpreted for him his dream of the seven kine and seven ears of corn.

We have had in America and in many countries of the world several years of prosperity, growth and attendant inflation. Now we are caught up in a time of recession.

The effects of our recession have thus far been less disastrous than in the rest of the nation or most of the world. However, New Hampshire is not an island unto itself, and the economic waves that wash the other states eventually reach us also.

The problems generated by the world-wide recession will consume here in the State House most of our labor in the months ahead.

For the first time in several decades unemployment at the national level has spilled over past norms.

Across America the percent of unemployed persons is pushing seven and the number of persons unemployed is more than six million. Both of these figures will surely go higher until we recognize that there can be no such thing as a little bit of uncontrolled recession.

Just as escalating inflation, if unchecked, ultimately brings bankruptcy, so will unbroken recession move eventually into depression.

America has suffered a number of recessions and several depressions in its two hundred year history. Not one of these economic ills was cured by sloganizing or through public spending panaceas.

The chicken in every pot and the assurance that prosperity was just around the corner of the Hoover days in the great depression was no more effective in restoring economic normalcy than was the Rooseveltian admonition that we had nothing to fear but fear itself.

With all due respect to President Ford, the "WIN" acrostic, whether spelled forwards or backwards, will not add one job to the nation's economy.

The cure for our present recession is not more federal taxes such as the Ballon-tested gasoline tax and surtax, which happily the President says he was now abandoned.

Nor will the antidote be found in deficit public spending such as the recently enacted public assistance act that will pump four and a half billion more into an already swollen bureaucracy, nor eight additional billion dollars of deficit spending for unemployment benefits.

Very little of public works monies ever reach the pockets of the average taxpayer. In the long run the creation of new public jobs in a time of recession only add to the problem because they contribute to the total indebtedness without creating new wealth.

What is needed from Washington far more than massive federal handouts is a strong leadership at both ends of Pennsylvania Avenue with the courage to admit that America's recession is due to restrictive government policies that stifle free enterprise. We need a National leadership with the good sense to realize that we can lick this recession if we make it possible for America's unemployed to return to their jobs where they can create the products that contribute to the wealth of the nation.

Instead of closing steel mills in Gary, letting a coal strike run for weeks without invoking the Taft-Hartley Act; instead of shipping all kinds of precious grains by the hundreds of millions of tons to the four corners of the world, and submitting to the extortionate demands of oil producing countries, Americans should arouse themselves to the urgent need to work and produce as though our very lives depended upon it—as in truth they most certainly do!

We must tighten our economic belts for the next year. We must balance our governmental budgets, avoid new taxes, cut government restrictions on free enterprise, and use our capital resources in productive purpose.

This is the distasteful medicine of national self-discipline. Nothing less will erase the recession and restore prosperity. The world has never found a substitute for hard work as a means of generating wealth.

NEW HAMPSHIRE'S ECONOMY

The recession has hit New Hampshire.

We have about 19,000 persons unemployed as compared with 13,000 a year ago. For these 19,000 out of a civilian labor force of 328,000, the recession is real, unpleasant and down right tragic.

They deserve and will have nothing less than our best efforts to restore them to gainful employment as quickly as possible.

However, in comparison with our sister New England states our economy is strong. It possesses a potential resilience much greater than that of other states in the Northeast.

For example, in the area of unemployment for the month of November our rate of unemployment stood at 5.1. The national rate was 6.2. That of the other New England states varied from 6.8 to 8.3.

Another important economic indicator is the insured unemployment rate. This reflects the number of workers actually drawing unemployment benefits.

As of last November, New Hampshire had a low rate of 3.2 compared to the national average of 3.7. The rate of the other New England states ran from 4.2 to 5.5.

Perhaps the most significant factor in our Unemployment Compensation Fund stood at $59 million.

For these funds federal authorities set a standard of adequacy for this area. It is generally 4 percent of annual taxable wages.

New Hampshire is in a very favorable position in this regard. Our current 6.1 percent of annual taxable wages to our Unemployment Compensation Fund is substantially above the 4 percent standard of adequacy.

For other New England states it runs from a low of .2 percent for Vermont to 2.8 percent for Massachusetts.

Both Vermont and Connecticut have had to borrow monies from the federal government to keep their respective funds solvent. The other New England states may have to do the same thing within the next several months.

We owe much credit to past legislatures that had the courage to withstand over the years raids on the unemployment fund by special interests.

The wisdom of the General Court in preserving the adequacy of our Unemployment Compensation Fund makes it possible for this Legislature to improve our benefit structure to serve better our unemployed. And this, of course, is why we have unemployment compensation.

The status of unemployment in New Hampshire is only one indication of the economic wellbeing of our body politic. There are many more.

For example, our low per capita taxes—the lowest north of West Virginia and east of Ohio.

An overall projection shows an 8.1 percent industrial growth to 1980—the largest such projected gain of any New England state.

A population growth that is faster than any other New England state and that now ranks us eighth among all of the states in the nation.

In personal income growth for 1973 New Hampshire ranked 21st among the states with a 10.7 percent increase. This exceeded all other New England states.

Many of these and other New Hampshire vital economic statistics will be found in a new and excellent "Annual Report on the Economy of the State—1973", prepared for the Department of Resources and Economic Development by experts of Colby Junior College. The report is being released today. I would urge each of you to get a copy.

ENVIRONMENTAL STUDIES

For more than a decade America has been victimized by an environmental mystique that has insisted on multivarious studies that have crippled progress for endless months and years and at a cost of millions of taxpayers dollars.

Thus, had we proceeded with the construction of the Alaska pipeline when oil was first discovered on the North Slope instead of spending $10 million on an environmental study, one copy of which weighed 100 pounds when published, we might now be enjoying the benefits of cutting by at least one-third the high cost of foreign oil—a savings of three to four billion dollars for our homes, industries and utilities, and eventually for our consumers.

Instead we'll now wait another three years before the black gold of Prudhoe Bay, can help America.

Off the shores of our Atlantic States billions of barrels of oil 'and trillions of cubic feet of gas lie locked deep on the Atlantic Continental Shelf.

At long last the Secretary of the Interior has proposed to begin leasing exploratory rights in the Baltimore Trough of the Continental Shelf next summer.

Even if we began leasing and exploring next summer, it would be 1980 before we could hope to see the first oil trickle in from these great deposits.

And yet, despite our desperate need for more domestic oil, we find a host of public officials—many in the Congress and in State Houses—who now plead for longer delays and more studies!

Here in New Hampshire we have experienced on many occasions the high cost of duplicative studies for highway projects. In many instances these are but the delaying tactics of a few who want no progress at all.

Either we must restore balance between progress and environmental concerns or we shall see the current recession deepen further.

ENERGY

Commerce is the life blood of an industrial nation. It is the jugular vein of a great nation. Disrupt it and the nation will soon perish.

America today is dependent on energy to move its commerce.

If America and the other industrial nations of the world continue their growing reliance for oil on the Organization of Petroleum Exporting countries, we will be destroyed in another decade.

The mid-east countries, Africa and Venezuela will then become the nations of wealth and power.

The World Bank, in a private report, has projected that the OPEC oil producing block of nations could control 1 trillion dollars by 1985. And a large part of that would be drained away from our taxpayers.

The price of energy has become an economic time bomb that jeopardizes not only the economic well being of the people of New Hampshire and of the United States, but perils the peace and security of the entire world.

December 23, 1973 when the OPEC countries quadrupled the price of oil is as significant in the history of the world's economy as Pearl Harbor was to our international security.

We need not be dependent for long on the OPEC countries if we will bring in the oil and gas on our continental shelves.

At the same time we must move forward with a crash program of construction of nuclear plants.

This is the advice recently given to the United Nations by the father of the H-bomb, Dr. Edward Teller. He dismissed the objections of environmentalists as exaggerated.

Dr. Teller said, "There is not a single obstacle to massive use of nuclear reactors that cannot be overcome."

On this all important subject I shall soon submit to you a more comprehensive report with detailed recommendations for legislation.

TAXES AND THE BUDGET

The problems of taxes and the budgets will take much of our time and efforts.

* * * * *

The books of the State for fiscal 1974 should be closed and the results available to you in another two weeks. They will show an unappropriated surplus as of last July 1 of $25 million. Approximately $15 million of this surplus will be wiped out in current fiscal 1975 by the appropriations made at the Special Session last spring.

For the biennium 1976–77 we shall have to follow the advice of our Constitution and practice moderation and frugality.

* * * * *

I understand that other New England states face budget dificits now and the dismal prospect of heavy new taxes in the immediate future. That is not the case in New Hampshire.

Instead, we have a current surplus and the happy prospect of an increase in expendable revenues of approximately 5 to 6 percent for the new biennium.

* * * * *

You are all familiar with my firm and irrevocable position on taxes. In times such as these we must not place the burden of new state taxes on our people.

I shall honor my campaign commitment to the voters. There will be no broad-based tax in this biennium.

* * * * *

As we face the tough decisions of budget making, we would do well to remember the advice given to the nation by that great Democrat, Grover Cleveland, in his Second Annual Message of 1886. Cleveland said:

"When more of the people's sustainance is exacted through the form of taxation than is necessary to meet the just obligations of Government and expenses of its economical administration, such exaction becomes ruthless extortion and a violation of the fundamental principles of free government."

* * * * *

CONCLUSION

In conclusion, I would point out that I have tried to reorganize and streamline the operations of the Governor's Office that we might better cooperate with you.

As your session progresses we will undoubtedly disagree on some subjects.

As far as I am concerned there will be patience instead of conflict; moderation instead of vituperation; and cooperation in lieu of pressure; that we might together preserve the blessings of liberty and good government.

* * * * *

These are grave times. They call for firm, strong leadership.

I call upon the members of this General Court to join with me in demonstrating that leadership necessary to restore jobs to our people and confidence in our political institutions.

You are the Bicentennial General Court. As we observe New Hampshire's leadership in the war for freedom, let us determine to solve today's problems with the same courage, faith and vision that marked the tough decisions of our Founding Fathers.

In July, 1777, the fortunes of the colonists were at a low ebb. They had won no significant battles. The British forces were strong and on the move.

Our Legislature called upon John Stark to lead a force of New Hampshire men to Bennington and Saratoga. Clouds of despair hung heavy over the Granite Colony.

On July 18, 1777, that great New Hampshire patriot, John Langdon, then Speaker, rose before the predecessor of this body and said:

"I have $1,000 in hard money. I will pledge my plate for $3,000 more. I have 70 hogsheads of Tobago Rum which will be sold for the most they will bring.

"They are at the service of the State.

"If we succeed in defending our firesides and our homes, I will be remunerated. If we do not the property will be of no value to me."

Let us catch that vision splendid of those Founding Fathers.

To ourselves and our children, let us renew, by our actions in the months ahead, the pledge they made of their lives, fortunes, and sacred honor, so that with God's help, this Nation's destiny may stretch to the sunset of time.

THE WAY TO VIETNAM PEACE

Mr. McGOVERN. Mr. President, in recent days we have heard alarming news about events in Indochina and about the course the Ford administration wants to pursue. The war in Vietnam has not disappeared, and it now presses on our attention again.

Two of the most telling questions bearing on our policy are: First, the attitude of the Vietnamese parties toward the Paris agreement; and second, the feasibility of implementing the political terms of that document.

Recently I joined in a press conference with two gentlemen who are exceptionally well qualified to speak to those points.

Bishop Paul Washburn of Chicago and northern Illinois, is president of the board of Global Ministries of the United Methodist Church, and he returned in December from a mission to the Democratic Republic of Vietnam.

Bishop Washburn does not dismiss the fact that the cease-fire has been largely abandoned in recent weeks. But he does bring back a strong conviction that the cease-fire is in ruins for just one reason—because not only the military but the political provisions of the agreement, those providing for an ultimate resolution of the conflict, have long since been discarded by Saigon. Bishop Washburn believes very strongly that the North Vietnamese do support and do want to implement the agreement they signed in Paris nearly 2 years ago.

The other participant in this press conference was Ngo Cong Duc, a former deputy of the South Vietnamese Assembly and former publisher of the Saigon daily newspaper Ting Sang.

Mr. Duc is a non-Communist neutralist who lives in exile in Sweden and France. While administration spokesmen claim that more arms for Saigon will save the peace, Mr. Duc told us forcefully this morning that it is our aid to Saigon that has kept peace from coming, under the very terms the Paris agreement provides.

Mr. President, I ask unanimous consent that the prepared statement I presented at the press conference be printed in the RECORD, together with an excellent series of articles by Mr. Michael Parks, a staff correspondent from the Baltimore Sun, in which he analyzed from North Vietnam the directions and aspirations of the DRV at that time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GEORGE McGOVERN

I am frankly astonished that we are holding this press conference.

It is astonishing to me that sane people must still debate this insane war.

It is astonishing to hear the chairman of the Joint Chiefs of Staff and the Secretary of State considering the diversion of a U.S. carrier task force to Vietnam as a "show of force."

It is astonishing to hear admissions of American reconnaissance flights over North and South Vietnam—coupled with State Department claims of our "right" to break the peace agreement we made two years ago.

It is astonishing to hear discussions of an urgent supplemental request for more arms to the Saigon regime.

It is astonishing to see the sabers so recently sheathed by the Congress now being rattled again in Southeast Asia.

We have endured Johnson's war and Nixon's war. Now our message is. We don't want Ford's war, too.

The Vietnamese should not need our permission to decide their own destiny. And we do not have the right to decide for them, or the power to write an American formula for the future of Indochina. Least of all can we succeed in making South Vietnam safe for dictatorship.

That lesson is one legacy of the last generation.

It is why the vast majority of Americans turned against the war and finally forced the Administration to withdraw our troops. It is why Congress had adopted flat and unmistakable restrictions against U.S. intervention in, over, or from off the shores of Indochina."

I take it that American policy in Vietnam is represented by the Agreement on Ending the War and Restoring Peace in Vietnam, signed in January of 1973.

I support that agreement. Presumably the Administration supports it—after all, they signed the agreement. Further, the vast weight of the evidence is that the North Vietnamese and the Provisional Revolutionary Government support it. Bishop Paul Washburn, who is here, will be able to speak precisely to that point.

But President Thieu of South Vietnam does not support the agreement. He is bitterly opposed to it now; he has opposed it from the beginning; he has attempted to thwart it at every turn.

For example, Article 12 of the Agreement contemplates a third neutral force in Vietnam, with authority equal to that of the PRG and the Saigon government in arranging a political settlement and free elections. Article 11 calls for immediate guarantees of democratic liberties, including freedom of speech and of the press, of political activities, and of political organization.

Yet it is against the law in South Vietnam—Article 2 of Degree Law 93/SL/CT—for anyone to commit "acts of propaganda for and incitement of Neutralism."

So, Mr. Thieu simply locks up any neutralists, and then tells us that while he would like very much to implement the agreement, it is plain that the neutral third force just does not exist.

Mr. Duc, who is also here, can speak to that issue from personal experience, since he is a non-communist neutralist who, if he were in Vietnam today, would be in prison.

So it is Mr. Thieu who must bear the burden of responsibility for the awful truth that, after two years, peace is still not at hand.

Yet we are now told that we must move urgently to give him more weapons if we want the Paris agreement to succeed.

But more aid to General Thieu is the way to sabotage the agreement, not save it. It would go not to achieve a real peace but to avoid it.

On January 25, 26, and 27, I plan to join with an assembly here in Washington sponsored by a broad coalition of religious groups and other organizations who have continued to work for peace. This "Assembly to Save the Peace Agreement" will mark the second anniversary of that document.

I see this assembly as one very important step we can take to help guarantee that war will end—that we will at last stand by our responsibilities under the Paris agreement, that we will assist no effort to subvert it, that there will at last be a declaration of American independence from an unworthy regime in Saigon.

With respect to Southeast Asia, it is time to recognize that we are not God, and that the Vietnamese people are human beings.

RECONSTRUCTION AHEAD OF VICTORY IN SOUTH

(By Michael Parks)

HANOI.—In one of its most critical decisions, North Vietnam has put its own reconstruction ahead of a Communist victory in the South.

The decision is one of priorities, North Vietnamese officials here emphasize, for Hanoi still wants a reunified Vietnam under Communist rule.

But the new strategy clearly postpones both a Communist victory in the South and reunification of North and South Vietnam.

Top priority now goes, officials said here, to rebuilding the North's war-devastated economy and to resuming efforts to fashion a socialist society here.

Both are difficult, long-term tasks and they already are consuming most of the country's energy, having displaced the war as the focus of attention here.

COULD BE CHANGED

This strategy could be changed quickly, and it undoubtedly would be if Hanoi felt that the Communist position in the South was seriously threatened by the government of President Nguyen Van Thieu in Saigon.

North Vietnam's commitment to the new strategy, adopted 4 months ago, runs for just another 18 months, in fact.

Then Hanoi, which hopes its economy will be back at the pre-bombing level of 1965, will survey the situation to decide how to proceed. A five-year development plan is to be drawn up and a party congress to be held.

North Vietnam will have invested a great deal of effort by then in its reconstruction, but officials here said this does not predetermine what new strategy will be worked out.

Hanoi also has carefully provided itself the option of returning to the battlefield in the South in full force at any time.

Although North Vietnamese leaders do not discuss the extent of their military preparations over the last year, they implicity acknowledged as essentially correct American estimates that Communist forces now have enough men, weapons, ammunition and other supplies on hand in the South for a general offensive bigger than those of 1968 and 1972.

Only when Hanoi had this option—which it would clearly like to use as a bargaining chip in negotiations with the United States and Saigon—could it decide to proceed with reconstruction at home, North Vietnamese officials indicated in a series of interviews here.

The factors in this decision are not clear, and that means it is also not known what factors would bring a change in policy.

Some Western analysts have speculated that the Soviet Union and China, concerned about their relations with the United States and hoping to lighten their aid burden, were influential, perhaps even decisive.

WAR-WEARINESS

Others attribute the decision primarily to North Vietnam's own war-weariness, to the extensive destruction of its economy by the heavy American bombing and to a feeling of some Vietnamese intellectuals and officials that, if Hanoi did not rebuild soon, the modern world would bypass the country.

There also are strong indications that the North Vietnamese leadership believes the Communist position in the South is such that a shift from major military engagements is not only possible but timely, permitting time for the political consolidation of Communist-held areas.

Whatever the reasons behind it and whatever its duration, the new policy is being pushed hard here now.

Le Duan, the first secretary of the ruling Vietnam Workers (Communist) party and No. 1 in the Hanoi political hierarchy, said unequivocally in a recent speech that reconstruction is the country's "primary and principal task." He did not minimize the size of the undertaking.

"The U.S. imperialists destroyed nearly all the economic structures our people had built at the cost of a tremendous amount of energy," he said. "The war has rolled back our originally undeveloped economy, which had just made one step forward, to where it was more than 10 years ago.

"Apart from the material damage estimated at many billions, other consequences of the war will take a fairly long time to eliminate."

In Hanoi, Haiphong and other cities now, slogans and posters about reconstruction have replaced those calling for defeat of the "American aggressors." The controlled press, radio and television devote two to three times more attention to rebuilding the North than to the continuing war in the South—a complete change from a year ago.

LEADING INTELLECTUAL'S VIEW

One of North Vietnam's leading intellectuals, Dr. Nguyen Khav Vien, explained the official position this way:

"We are now in a semi-war condition since our country is still at war in the South. But the situation, as far as our people in the North are concerned, has completely changed in comparison with 1973.

"We are entering a new stage of our development. First comes reconstruction and then the building of a new socialist society. This is both the aim of our policy and the focus of our activity today."

Both regular Army and militia units are being widely used in reconstruction projects. Soldiers are coming home from tours in the South in unprecedented numbers, greatly boosting morale here, and are put to work rebuilding the ruins of industry.

The whole country seems like a vast construction site with workers moving with antlike industry to reach the same level of development by the end of next year that they had achieved a decade earlier before the American bombing.

North Vietnam, a country about the size of the state of Georgia, now has a population of 24 million.

"Every resource, all available workers are being channeled into this effort," said Hoang Tung, a principal North Vietnamese spokesman and editor of Nhan Dan (the People), the country's chief newspaper.

"Our policy is clear and unambiguous. Reconstruction is the primary and principal task of our people today . . . .

"Aside from what this means for us, it should be taken abroad as an expression of our goodwill, our desire to settle the problem [of Vietnam] peacefully."

The reconstruction program is predicated on preparedness, Mr. Tung said. "If Richard Nixon sees this as a step-up of war in the South, then he is wrong in his assessment . . .

"We can shift from peace back to war," Mr. Tung continued, "and we have taken measures to defend ourselves and enforce the Paris agreement if necessary. But we will not choose violence."

Other North Vietnamese officials also issued tough warnings to the United States and the Thieu government, saying that Communist forces in the South will defend their territory and will "punish" any Saigon violations of the Paris agreement.

Communist officials here, both North Vietnamese and representatives of the Viet Cong's Provisional Revolutionary Government, continue to call for full implementation of the Paris agreement as the only way to end the fighting in Vietnam and reach a political settlement.

Recently they have sought to give Western visitors and diplomats here the impression that they would like to begin serious negotiations with Saigon on reducing the level of fighting and taking initial steps toward resolving the difficult political questions.

"AMERICANS KNOW NOW"

"Americans know now how many chances for peace were lost in all those years of war," said one official. "This is a similar opportunity that should be seized. All the conditions are favorable."

But these affairs of state do not preoccupy most North Vietnamese. They are concerned with making the most of each day of peace, a task they go about now with high morale.

In the densely populated Red River Delta, thousands of new brick houses are being built by peasants. Their agricultural co-operatives are expanding their acreage by filling bomb craters, and they are planning to double their flocks of chickens and ducks and herds of pigs.

Conditions in the cities are grimmer. There is an acute housing shortage, and quality consumer goods can meet only a fraction of the demand. The end of the war seems to have aggravated other social problems—crime, corruption, hooliganism—a high birth rate, underemployment of labor that challenge the order and control of the socialist society here.

"Nobody knows the severity of our problems better than I," says Hanoi's mayor, Dr. Tran Duy Hung, "But I am confident we shall deal with them successfully."

Dr. Nguyen Khac Vien, one of the country's leading intellectuals, observed, "one thing the war taught us—and this applies to the solution of these serious postwar social problems—is that without socialism we would not have survived.

"Without socialism, we would have lost the war. For example, if rice were not rationed and the price controlled, we would never had the support of the people," Dr. Vien argued.

"We entered the war with a new social

structure that was still shaky. There were still people prior to the war who did not believe in a socialist regime. But everyone saw its benefits during the war and knows that it is the key to our future development."

The sacrifice of the individual North Vietnamese family is universally evident in its poor housing, meager rice meals and threadbare, patched clothing. Altmost every family has lost not one or two members, but frequently many more in what amounts to 30 years of war.

Most people responded with cheerfulness, however, when asked whether they are ready for the additional 30 years of sacrifice entailed in the country's ambitious plans for rapid economic development, a program that will mean only small improvements in their living standard for the first postwar years.

"It is the only way things will get better," said a civil engineer in Haiphong, North Vietnam's major port. "If I do not benefit from it, then my children will.

"I am optimistic and have confidence. And, see, are not things better now than a year ago, much better than two years ago when the Americans were bombing Haiphong? The bombs have stopped, and if we do not have peace yet, we also do not have war. . . .

"Nine members of my family were killed in the war, four here in the North in the air raids and five fighting in the South. But I can honestly say, even though it sounds like a propaganda cliche, that nothing, yet not even life itself, is more precious than freedom and independence."

Hoang Tung, the editor of *Nhan Dan*, raised the same issue. "How great is the Vietnamese capacity for pain?" he asked. "It is difficult to measure how much the Vietnamese people can stand, whether they are exhausted or not.

"We will continue our fight if necessary for many, many years. If our generation cannot finish, then the next will.

"It would be a serious mistake," he said. "To interpret our new policy of reconstruction as a sign of weakness, of exhaustion."

Hanoi Says Next Move Is Up to United States

(By Michael Parks)

Hanoi.—If it takes another military escalation to produce a political settlement in Vietnam, Communist leaders say they are ready, but they insist that they prefer negotiations.

North Vietnamese and Viet Cong officials said in interviews here that the choice between war and peace, between continued, perhaps stepped-up fighting and a political settlement—the alternatives they see—is up to the United States.

What they want is an end to American military and economic assistance to the government of President Nguyen Van Thieu in Saigon, a move they are sure would push it into serious negotiations with the Viet Cong's Provisional Revolutionary Government on a political settlement.

As a basis for negotiation, the Communists proposed a six-point program last month, tightly tying military and political moves together after separating them for the Paris agreement.

The Communists want the political concessions they feel they were promised in the Paris agreement, including a coalition government after general elections in the South.

They are offering, at least on paper, strict observance of the 15-month-old cease-fire and, following establishment of a new government, withdrawal of North Vietnamese forces during a general military demobilization in the South.

But negotiations on all this, they stressed repeatedly, depend more on Washington than on Saigon.

Hoang Tung, a principal North Vietnamese spokesman and editor of Nhan Dan, the newspaper of the Vietnamese Workers party, said, It is really up to the United States what happens here in Vietnam and whether there is a peaceful settlement. We really want to settle this by peaceful means, but we cannot as long as the United States is military involved as it still is."

Another North Vietnamese official made the same point this way:

When the Nixon administration says that it has withdrawn from Vietnam, that the war here is now a civil war and no concern of its, it is lying once again to the American people.

American involvement remains the principal obstacle to a peaceful political settlement today as it has for 20 years now."

Nguyen Van Tien, chief of the Provisional Revolutionary Government's delegation in Hanoi, said in an interview that "Whatever cease-fire violations there have been in the South are directly traceable to the advice and assistance, virtually orders, that Thieu receives from the United States."

As Communist leaders hammer away at continued American involvement in Indochina, it becomes clear that they regard Washington as probably the only lever short of a general military offensive that will end the unwanted stalemate of no war, no peace.

They remain very wary of President Nixon, regarding him as unpredictable to the point of irrationality. "When Nixon's men threaten to bomb us again, we have to take that very seriously," said a senior North Vietnamese official. "That man is quite capable of starting the war again all by himself."

There is little understanding—but much discussion—of the impact of the Watergate affair on President Nixon's foreign policies. North Vietnamese officials still tend to think of American politics as centered on issues of war and peace as was the case in 1968 or 1970.

The Hanoi consensus seems to be that no change is likely in American policy until Mr. Nixon leaves office. "After that," said Mr. Tung, "I think it would be possible to have normal and in time good relations between America and Vietnam."

They reject American arguments that Washington's influence with Saigon was reduced substantially when American troops were withdrawn a year ago, and they ridicule suggestions that President Thieu increasingly has become his own man, independent of Washington.

North Vietnamese officials were angered greatly by the recent American declaration that the United States was committed to substantial long-term assistance to the Saigon government. They said this proved the hypocrisy of Washington's protestations of noninvolvement.

If American aid to President Thieu's government were ended or reduced considerably, North Vietnamese officials here said, then the two South Vietnamese adversaries would have to come to terms with each other.

If the aid continues, they will continue to battle to improve their military and political positions, and the North will continue to help the Viet Cong in the South.

North Vietnamese and Viet Cong officials said the current upsurge in fighting is due to Saigon's attempts to enlarge the territory it holds by squeezing Communist-held pockets. The Communists said their forces are counterattacking to "punish" Saigon.

The already sharp local fights may escalate in time into major battles, officials here acknowledged. They indicated though that a decision on another Communist general offensive, like those of 1968 and 1972, has not been made yet.

North Vietnamese and Viet Cong officials are warning with increasing frequency, however, that Communist forces will return to the battlefield in large numbers if necessary to secure the political gains they feel they were guaranteed in the Paris agreement.

"There is no alternative for the Vietnamese people but to deal the hardest return blows at all the acts of the United States and the Saigon administration that violate the Paris agreement and sabotage peace," Le Duc Tho, the chief Hanoi negotiator in Paris, said in a recent speech.

Hoang Tung, a member of the Vietnamese Workers party-policy-making Central Committee as well as editor of its newspaper, Nhan Dan, said that Hanoi "will not choose violence, but if we are compelled we will respond.

"An escalation of military activity is not necessary to reach a political settlement, but we have prepared to follow that course if there is no other way. Negotiations are our choice but we are ready to fight," Mr. Tung added.

North Vietnamese officials declined to discuss reports from American and Saigon intelligence officers of a considerable buildup of Communist forces, including an estimated 40,000 to 70,000 North Vietnamese troops and additional armor, artillery and antiaircraft weapons in the South over the last year.

But they simply repeat that they are equally ready to fight or negotiate, that they are well prepared for main-force actions as well as the current local battles.

They also take a tough attitude toward renewed negotiations with the United States over the increasing military clashes in South Vietnam.

Referring to recent reports that Le Duc Tho would meet again soon with Henry A. Kissinger, the United States Secretary of State, Mr. Tung said that Hanoi was not pressing for such a meeting.

"If we asked for it, people would think we are weak. Actually we are stronger, and the ball is in the American court," he said. "The question is whether another meeting would solve anything. But the Tho-Kissinger relationship remains a forum for negotiations.

Although the Paris agreement neither ended the war nor brought peace to Vietnam, North Vietnamese and Viet Cong officials do not consider it the failure many Americans do.

They note it led to the withdrawal of American troops from Vietnam, reduced the level of fighting and still provides the best framework for a real cease-fire and political settlement.

"We do not want to scrap the Paris agreement," said a senior North Vietnamese official. "It is the path to achieving freedom and independence for Vietnam. We need nothing more than the Paris agreement to end the fighting, restore peace and work out a political settlement, but it must be strictly observed."

Discussing the Communists' latest proposal to Saigon for full implementation of the Paris agreement, Mr. Tien, head of the Viet Cong mission here, stressed that the various elements were all subject to negotiation and that it was meant to be a serious, concrete proposal, for bargaining with Saigon.

"This is a good opportunity to proceed to strict fulfillment of the Paris agreement," Mr. Tien said. "We should not need big military clashes for movement in our negotiations. We had hoped that our proposal, which we consider very logical and concrete, would produce some movement itself. But Saigon rejected it out of hand without consideration."

The main aim of the six-point plan, Mr. Tien said, is to establish an orderly timetable, intertwining military and political moves, to carry out the Paris agreement.

It starts with strict observance of the cease-fire and call for a series of political actions, including the release of all civilian and military prisoners and the guarantee of civil liberties, until general elections are held within a year under the auspices of a

National Council of Reconciliation and Concord.

After the establishment of a new government, presumably a coalition, talks would begin on demobilization of armed forces, including North Vietnamese troops now in the South.

Saigon twice has proposed general elections in the past year, but Mr. Tien said the Provisional Revolutionary Government feels that there would have to be "real peace and democratic liberties first, otherwise the elections would be a mockery of the term."

Saigon, he continued, is "just grandstanding when it proposes these elections, for they would be organized under Saigon's American-written Constitution and not under the auspices of the national reconciliation council as called for by the Paris agreement."

Communist leaders said they expect no substantial response from Saigon on the six-point proposal until "Washington takes it seriously," as one North Vietnamese official said.

Mr. Tung, coming back to Hanoi's denunciation of continued American involvement in Vietnam, commented, "Before the Paris agreement, the United States was worried about an honorable settlement so that it would not lose face before the rest of the world. The Paris agreement was its way out—the United States signed it. And Americans got out with honor.

"Now the Nixon administration feels that if it gives no aid to Thieu, then Thieu will collapse, and the United States again loses face. This is just a new pretext for continued involvement in Vietnam. But the United States does not need to involve itself for the Vietnamese. The South Vietnamese can settle this themselves."

Hanoi Faces Tough Social Problems

(By Michael Parks)

HANOI.—Its taut war discipline relaxed, North Vietnam is now attempting to cope with a series of difficult social problems festering for a decade.

Top Hanoi leaders have warned already that they will be tougher to resolve successfully than the country's economic reconstruction and that they will have a deep impact on life here for another generation.

Yet North Vietnamese officials expressed confidence that these problems will be effectively dealt with.

MORE WORRISOME PROBLEMS

Some of the more worrisome problems:

The cost of food and consumer goods, particularly on the free market, is rising sharply due to continued shortages: some Hanoi residents said prices have nearly doubled on the free market in the last year and are up to 40 per cent in state stores.

Petty corruption, extortion bribery have become more serious, to judge from newspaper accounts here. Officials have been warned several times in the last year against taking bribes to increase food rations, allocate new apartments, issue trading permits or allow black marketing.

Violent crimes, such as muggings in the back streets of Hanoi and Haiphong, are a serious problem, according to North Vietnamese officials.

War victims, including disabled soldiers, civilian invalids, war widows and more than 10,000 orphans number in the hundreds of thousands. There are so many that the central government has decided the best course of action is to return all to their local communities and ask their friends and neighbors there to care for them.

The housing shortage, mostly attributed to American bombing, is acute. It has led in some cities to the growth of urban slums, which the Communist leadership had eradicated 20 years ago. In some rural areas, it has led to the reappearance of malaria and other tropical diseases that had been wiped out.

The shortage of manpower in vital sectors of the economy is said to be growing worse—despite a good deal of underemployment and some unemployment as well.

"LA DOLCE VITA"

These and similar social problems led the leading newspaper, *Nhan Dan* (the People) to declare that "La Dolce Vita is gradually rotting North Vietnam Society."

Hoang Tung, the editor of *Nhan Dan* and a leading party official, commented in an interview, "There are always social problems after a war. Ours are quite serious, quite serious.

"But we do not hide them. We feel that the only way they will be solved is by identifying them, discussing them and then working to resolve them."

Another senior government official described the current period with its social problems as "very difficult . . . a challenge to our socialist system."

But they and other North Vietnamese officials strongly warned against misreading the current social problems and the widespread public discussion of them here as an indication that the government and party are losing political control or that Hanoi's resolve to fight for victory has weakened.

That political strength will be tested by one intangible but real and important problem—the gap between the rising expectations of the North Vietnamese people for a better life and the government's limited ability to satisfy those expectations.

MODEST EXPECTATIONS?

Some North Vietnamese officials contended in discussions here that popular expectations here that popular expectations are relatively low and can be met.

"We think our people are more or less realistic. They have hopes for a better life, but they know what can be expected," said a senior government official.

"They are conditioned to the reality of war. They do not expect big changes . . . and they understand that what is needed to improve their lives is hard work."

A scattering of conversations here and in Haiphong with teachers, engineers, workers and a few soldiers suggested that many people are expecting a considerable improvement in living conditions within a year or two.

An engineer recently demobilized from the Army said, "What I expect for myself and my family this year or next is a new flat with some simple but adequate furnishings, meat once a day instead of two or three times a week (we have plenty of rice now), some new clothes at lower prices, a second bicycle and, well, you know, just some of the things one normally can buy."

Most shopping lists were similar in content and in the ranking of items.

The government has moved in all these areas, making housing and an improved diet its top priorities, but officials say that resources and time will limit their success.

The housing program will provide new quarters for an estimated 100,000 to 120,000 families over three years, mostly in the cities.

Poultry, pork and fish production is on the rise, but demand far exceeds supply, and some North Vietnamese officials estimated that it might continue to do so for perhaps a decade.

Economic planners have proposed a 21 per cent increase in consumer goods sold this year compared to last, and Hanoi and Haiphong residents said that state stores are carrying more and better products mostly Chinese imports—now.

Much more fabric is available at prices just over those paid for cheap, rationed material, according to women in Hanoi, and the rebuilt Hanoi bicycle factory is producing hundreds of new bikes, the principal means of transportation here.

The government is moving to end rationing of some items and to streamline distribution of rationed foodstuffs, such as rice (an average of 37 to 44 pounds a person each month).

Shortages have led to flourishing "free markets," which are targets for intermittent official crackdowns.

Peasants are permitted to sell food products from their private plots, but there are also brisk and generally illegal markets in bicycles, radios, watches and thousands of other new and used items, much of which has been stolen from state stores or factories.

North Vietnamese officials said they were not dismayed by either the extent or complexity of their country's post-war social problems.

"Most of them are not new," said one official. "They were growing all during the war, but we did not have the time or energy then to do something. And they were also held in check by the wartime discipline. Now that discipline is relaxed a bit and we have more time to work at them."

Brick by Brick, Hanoi Repairs a Land Torn Asunder by War

(By Michael Parks)

HANOI.—North Vietnam has undertaken an energetic effort in the past year to rebuild its war-shattered economy, hoping eventually to duplicate the economic miracle of postwar Japan.

The whole country seems to be one vast construction site today with most of the labor force and now much of the army thrown into the task of rebuilding.

North Vietnam's meager industrial capacity—steel, cement, textiles, food processing, coal mining and chemicals—is being rebuilt with extensive labor and foreign equipment. Roads, bridges and railways are under reconstruction after quick post-bombing repairs; dredging is starting to deepen the channels leading to the key port of Haiphong.

Almost all the plants and workshops that were scattered around the countryside to save them from destruction during the bombing have been moved back, as have the residents of Hanoi, Haiphong and the other target cities.

In the cities today, new housing is going up—slowly so far with only enough brick housing last year for 4,000 families, but the government has ambitious plans for hundreds of prefabricated apartment buildings.

In the countryside, peasants are replacing their mud, bamboo and thatch dwellings with new brick houses. There are new barns and pens for livestock and new schools, dispensaries, churches, pagodas and community meeting halls.

The whole reconstruction effort, proclaimed the country's No. 1 priority four months ago, is meant to raise North Vietnam over the next two years to the same level of economic development it had achieved in 1965, before the American bombing.

After that, Hanoi hopes to accelerate its economic growth, telescope the industrial and scientific-technological revolutions into 30 years and become an important industrial power in the region.

IMPOSSIBLE TO GAUGE

Without meaningful statistics, it is impossible to gauge how far the country has to go or its prospects for success. North Vietnamese officials declined to disclose basic economic data and said they themselves lacked a full picture of their economy at present.

Hanoi's dependence on foreign aid from other Communist countries is plain, though. Most of the manufactured consumer goods sold comes from China; almost all its heavy machinery and equipment comes from the Soviet Union and Eastern Europe. Considerable foodstuffs also are imported.

North Vietnamese officials did express confidence in interviews here that they would not only rebuild completely by the end of 1975, but that their country would enter a period of rapid economic growth starting with the five-year development plan in 1976.

The country's economic strategy after reconstruction is apparently a matter of considerable controversy, however, with political leaders and economists divided over the relationships between agriculture, light and heavy industry.

The question of where the capital for this development will come from has not been answered, nor has the politically sensitive question of what proportion of the country's national income will be spent to raise living standards—among the lowest in Southeast Asia—and what will be reinvested.

These issues are further complicated by differences in the ideological viewpoints of top flight Vietnamese leaders.

Le Thanh Nghi, the vice premier with overall charge of the economy, referred to these disputes in a recent speech to the National Assembly here.

Socialist industrialization is the central task in the period of transition toward socialism, but this is not yet firmly understood and realized in conformity with party policies and lines in a sufficient and positive manner," he said.

Le Duan, first secretary of the ruling Vietnam Workers party, said in a subsequent speech that "rational development of heavy industry" will get priority, but that it must be balanced by development of agriculture and light industry. Central control, he said, will be offset somewhat by traditional regional independence.

But what this compromise formula will mean in practice is uncertain, senior North Vietnamese officials said.

Hoang Tun, a principal government spokesman as editor of *Nhan Dan*, the party newspaper, said in an interview: "This whole matter is of central importance to our whole future development, and it is being quite actively discussed. There are many points of view. There is agreement on the general principle, as Le Duan outlined it, but the ways, the means of implementing it are still being debated."

Although important for the long run, this debate is not the focus of North Vietnam's current efforts—they are aimed simply at getting the country back to the level of development North Vietnam had so painfully achieved 10 years ago.

A LONG WAY TO GO

North Vietnamese officials say they have made considerable progress at restoration over the past year, already matching or exceeding 1965 levels in some industries, but that they have a long way to go.

The scale of work in reconstruction is frequently greater than the available machinery so there are many scenes of people straining like bullocks between the shafts of heavily burdened carts, ropes biting into their shoulders, as they struggle to rebuild.

Major industrial plants, principal targets in the final year of American air raids, have been about half rebuilt, according to North Vietnamese and foreign estimates here.

In the Southern Panhandle of North Vietnam, whole cities are under construction after heavy destruction.

Although most of the roads and railway routes have been repaired and are open, they are in poor shape.

The railroad between Hanoi and Haiphong has just been rebuilt, but work still is under way to restore the rail line south of Vinh. Tha Hanoi railway yard and locomotive house is still in ruins although workers there are rebuilding the country's heavily damaged rolling stock with parts salvaged from scrapped freight cars.

North Vietnamese economic plans for this year call for a 21 per cent increase in gross industrial production with faster growth in key areas such as heavy industry, electric power production and coal mining. Last year the increase was 17 per cent according to North Vietnamese figures.

Capital investment is to be increased by 50 per cent over last year, which in turn was 24 per cent higher than 1972. The funds spent on major construction projects will be increased by nearly a third.

With one of the poorest rice harvests since 1960 last fall, Hanoi has increased its 5 million acres of ricelands by 10 per cent to compensate. It also is pushing industrial crops, vegetable growing and animal husbandry.

But the agricultural plans, if fulfilled, will mean only a 3 per cent growth over 1972, a fairly good year. That means less food per person for North Vietnam's population, now estimated at 24 million people and growing at the rate of more than 2.5 per cent a year.

North Vietnam does have a shortage of skilled labor, and Western analysts estimate that it lost one million young men in fighting over the last 20 years.

North Vietnamese planners have called for crash training programs to produce skilled workers, with returning veterans getting preference.

Some of the big proposals put forth frighten foreign economists and development specialists working in aid programs. They see what one called "the great leap forward syndrome, where you leap and fall flat on your face."

Little mention is made here of the American commitment in last year's Paris agreement to aid North Vietnam's recovery.

"American assistance plays no part in any of our plans," the mayor of Hanoi, Dr. Tran Duy Hung, said flatly. "The Nixon administration appears to have reneged. If we get United States aid, fine; if not, we will still rebuild."

Industrial managers, however, are eager for the aid, which might run as high as $2.5 billion. "The United States has a moral and legal obligation to assist the rebuilding," said the assistant director of the Haiphong cement plant—"our recovery will be much faster with American technology and machinery."

Hanoi Gingerly Approaches War-or-Peace Decision

(By Michael Parks)

Hanoi.—North Vietnam is gingerly approaching a series of tough political decisions that will likely determine its policies for a decade or more.

The basic question will be that of war and peace—the priorities given to economic and social development of the North and a Communist victory in the South.

An interim decision, made four months ago, puts reconstruction in the North first. But this is scheduled to be reviewed in about 18 months, according to indications here, or sooner if the situation in the South changes significantly.

The second issue is future economic development, a question that is highly political and already controversial here.

Hanoi's leadership must decide what relative roles of heavy industry, the production of consumer goods and agriculture will play. It needs to decide what proportion of the national income will go to raise living standards, to the Army and toward further economic development.

North Vietnam also needs to decide how fast to push the process of turning the country into a socialist state, a process stalled for a decade because of the war.

SENSITIVE POLITICAL QUESTIONS

This involves very sensitive domestic political questions. The enlargement of agricultural co-operatives, for example, would probably greatly diminish traditional village autonomy.

Plans are already being made—apparently despite misgivings by some senior officials—to reorganize retail trade and services to reduce the extensive role now played by private venders and craftsmen. There are also plans to enforce labor laws to make sure that everyone works.

Finally, new leaders will have to be found, younger men who may have different outlooks on these questions or different approaches to their solution than the present leadership.

North Vietnamese officials here acknowledged the crucial nature of the decision-making period now approaching, although they do not like to draw attention to it lest it suggest division and weakness.

The decision-making process will be the most thorough going and searching review North Vietnam has ever conducted of its policies, diplomats here believe, but all are hesitant to predict the outcome.

The decisions will be reached in close co-ordination with a new congress of the Vietnam Workers party, the first such national meeting since 1960, according to senior officials here. They said they cannot give a precise date for the congress.

The congress presumably will adopt the projected five year, 1976–1980 economic development plan, although it will have been drafted in advance by the leadership.

The congress will also formally elect a new policymaking central committee, a secretariat that a ruling political bureau for the party. Younger party members have been promised that this will mean the promotion of younger men into the top leadership.

"INTENSIVE DISCUSSION"

North Vietnamese officials described this whole process as a natural event in a period of postwar reconstruction.

Hoang Tung, editor of the party newspaper Nhan Dan (the people) and an alternate member of the central committee, said in an interview that the party had entered a period of "wide-ranging and intensive discussion." The leadership was working, he said, to insure that all viewpoints were heard before decisions were made.

Economic development is one of the most actively debated questions, judging from the official press and authoritative journals here.

One group appears to be pushing for a massive industrial development program as the basis of the five-year plan, with another group arguing that this is risky and foolhardy and that the rational course of development is to promote agriculture and light industry.

LeDuan, the party first secretary, waded into the debate on behalf of the leadership with a compromise proposal that accentuates industry, but not at the expense of further agricultural development.

The government is already moving in one area—the further socialization of the country's economy and North Vietnamese society—despite some apparent questions about the wisdom of this.

CONSIDERABLE OPPOSITION

Le Thanh Nghi, the deputy premier charged with overseeing the economy, announced two months ago that the government plans to reorganize retail trades and services with the aim of squeezing most of the private entrepreneurs out of the field (and into state-run industries) and making the rest agents of state enterprises.

There also is a program now being discussed with agricultural co-operatives to merge these village-based groups into much larger, state-directed units to increase their efficiency.

Both efforts are likely to meet considerable opposition, at least initially, and one agricultural co-operative manager said his members were very wary of further collectivization at this stage.

Some leaders are also cautious, undoubtedly remembering the mistakes made during the 1956 agrarian reforms.

The announced programs may stem as

much from the practical desires to reduce black marketeering and to shift more manpower into industrial production than from ideological or political goals.

Several East European sources here said these "reorganizations," as they are called, are being pushed by rising "young elements" in the party organization.

They are reportedly being resisted by the older generation of leaders who have an "easy-does-it" attitude and are warning against going too far, too fast with what remains essentially a conservative peasant constituency.

An East European commented, "When the war was intense and it was the top priority, then everyone pulled together and these other differences were forgotten. They do not like to admit it, but there is a generation gap. It may be more in style than substance, but it is a gap."

North Vietnamese officials firmly deny this.

Tien Phong, a top official of the Ho Chi Minh Youth League, asserted that "our revolution has been continuous," that there is no difference between those who fought the French in the first war and those who fought the United States in the second.

Little is known about the men who will take over from the present leaders in the next few years. Only half a dozen have achieved any prominence even in their old country.

North Vietnamese officials said, however, that they will follow the same policy of collective leadership the country has practiced since the death of President Ho Chi Minh in 1969.

Haiphong Rebuilds in Rubble

(By Michael Parks)

Haiphong, North Vietnam.—One of the Vietnam war's heavily bombed cities, Haiphong, again has become the funnel for thousands of tons of goods pouring daily into North Vietnam.

Its port is jammed with ships, mostly Soviet and East European, waiting to unload at the 10 berths. The cargoes long ago overflowed the wharves and warehouses and are being stored around the city.

The cement, ceramics and glass plants—all heavily damaged by American air raids—are being reconstructed. Roads, bridges and the railways have been repaired.

A start has been made on replacing the 175,000 acres of housing damaged or destroyed in the final raids.

"Our people are determined that Haiphong will be rebuilt so that it is a bigger and better city, so that its industry is more powerful than before, so that its people live better," says Hoang Thao, a member of the Haiphong Administrative Committee.

The reconstruction campaign replaced air defense as Haiphong's top priority when the American raids ended 15 months ago, but the people of Haiphong will remember the bombing—particularly the last months of it—as long as they live.

"I do not think the ground stopped trembling for more than an hour during the final months," said Nguyen Thi Mai, the mother of nine and a flower seller in downtown Haiphong. "My baby still cries and cries when he hears any loud noise."

Mr. Thao, who remained in Haiphong during the raids after two-thirds of the 32,000 residents of the city were evacuated, said that the "people of Haiphong cannot forget nor can they forgive the crimes of the American bombings."

Mr. Thao said that the 1972 raids, running from mid-April until the end of December, killed 1,336 persons and injured an additional 2,372.

The heaviest toll, he said, came in surprise attacks April 16, 1972, when three waves of American warplanes, including giant, eight-engine B-52's attacked Haiphong in an attempt to halt the accelerating Communist offensive in the South.

Mr. Thao said the American attacks damaged virtually every important industrial and transportation facility in Haiphong, destroying a larger number.

After a two-year reconstruction program, a major development program is planned, Mr. Thao said. The center city will extend its boundaries to encompass most of its residential suburbs with the aim of replacing much of its poor, temporary housing with new apartment blocks.

The harbor already has been re-equipped with new cranes and other machinery. A new dredger is about to begin deepening its channels. Long-term expansion plans are being drawn up.

The large backlog of goods in the port and around the city results, officials said, from new equipment arriving faster from abroad than it can be installed in the reconstructed industrial plants and to the still poor inland transportation system.

Hanoi Still Walks Sino-Soviet Tightrope

(By Michael Parks)

Hanoi, North Vietnam.—North Vietnam continues to thread its way carefully through the increasingly bitter Sino-Soviet dispute, but diplomats here believe that Hanoi's relations with both Moscow and Peking have been strained recently.

Their speculation focuses upon indications that China and the Soviet Union each applied strong pressure on North Vietnam recently to forgo another general offensive in the South and concentrate on rebuilding the North—policy Hanoi adopted.

The Soviet Union, for example, takes every opportunity to say publicly that North Vietnam's first priority is reconstruction and, implicitly, its last is pursuing a Communist victory in the south and eventual reunification.

Moscow also makes a point of calling upon all parties—not just the United States and South Vietnam—to observe the Paris agreement on Vietnam. The implication is that the Communists are violating it too, and the phrasing apparently rankles here.

These are old points of friction though, and most diplomats here said they doubted the current, somewhat tenser relations would lead to any diminution of Soviet or Chinese support.

Several of Moscow's East European allies told North Vietnam last summer that most of their future assistance would be for reconstruction and predicated on no upsurge in fighting, according to diplomatic reports here.

But there are some new elements of tension in Hanoi's relations with the Soviet Union and China, according to diplomats here.

North Vietnam protested, strongly in private and mildly in public, when China drove South Vietnamese troops off islands in the South China Sea, Hanoi, like Saigon, considers the islands to be Vietnamese territory.

Recently, the Army newspaper *Quan Doi Nhan Dan* published an article calling for vigilance against spies. This time the spies were not from the U.S. or South Vietnam but "from the north," that is, from China.

North Vietnamese information media have begun to play up the long series of Vietnamese heroes who drove "feudalist Chinese invaders" from Vietnam, according to diplomats here; sometimes the word "feudalist," signifying China's old rulers, is omitted.

In the past, such campaigns were launched to reassert Vietnamese independence and express Hanoi's displeasure over some Chinese attempt to dominate its smaller neighbor.

Relations with Moscow have taken a similar turn, according to diplomatic observers here.

A literary weekly published an article apparently condemning Alexander I. Solzhenitsyn, the Russian novelist, exiled by the Kremlin two months ago, but the article in a backhanded way actually supports many of Mr. Solzhenitsyn's political criticisms of the Soviet system.

A prominent North Vietnamese historian has written a short account of Vietnam's diplomatic relations since 1945 that harshly criticizes the Soviet Union and, to a lesser extent, China for an alleged lack of support, according to East European sources here.

The history, reportedly written from government files and now being considered for publication, is said to accuse Moscow of failing to insist in 1956 on elections that would unify Vietnam as required by the 1954 Geneva agreement ending the first Indochina war.

Not only are the two Communist giants and rivals North Vietnam's principal supporters, but their dispute is reflected within the Vietnam Workers party, the Communist party here.

Historically, there have been indications of sharp divisions within the party extending to its top leadership with some officials labeled pro-Peking and others pro-Moscow.

Western analysts regard these labels as deceptive for the whole leadership is entirely pro-Hanoi. In dispute over strategy and domestic policy, however, various leaders have adopted positions similar to Soviet or Chinese approaches.

VETERANS' DAY

Mr. GARN. Mr. President, I have joined the distinguished Senator from Nebraska (Mr. Hruska) in introducing legislation to restore Veterans' Day to November 11. I know the military is currently experiencing a decline in the public favor, but that is all the more reason for us to stand up and show our appreciation for the services rendered to us by these men and women. Freedom has never come cheaply, nor has it ever been easy. Men and women have always fought and died for it, and when there has been peace, it has most often been the strength of a nation such as the United States which has preserved the peace.

Historically, the 11th of November goes back to the Armistice Day which saw the end of World War I, the great war. It is accurate, I think, to state that the temporary nature of the peace beginning in 1918 was not the fault of the military, but of politicians and statesmen. The Armed Forces did their job, as it was asked of them; it was not, and is not, proper for them to do more. We can be grateful that they do it so well.

I think it important that we thank them; we may best do that by a special day of observance, not a day chosen arbitrarily, as a convenience to the work force. Monday holidays may be fine; I like long weekends as well as the next man, but the fact here is that we indulge ourselves at the expense of a thoughtful moment of honor to those living and dead who are veterans of our military service. I urge all Senators to join in this effort to restore Veterans' Day to its rightful place in the calendar.

THE STATE OF THE ECONOMY

Mr. CRANSTON. Mr. President, our economy is complex and highly integrated. Problems in one area often lead to problems in another. If we are to restore our Nation's economic vitality, we must pursue policies on a broad front, taking into account the interaction of the various sectors of the economy on each other.

TAX REFUND

With millions of Americans out of work and looking for jobs, I believe that a tax rebate is the most effective way to spur the economy forward. However, the formula proposed by the President for the 1974 rebate should be revised to insure that low- and middle-income individuals and families—those hardest hit by rising prices and unemployment—get a proportionately larger share. I support using a sliding scale refund instead of the flat 12 percent proposed by the President and reducing the maximum refund to $500 instead of $1,000. Under the President's plan, a taxpayer earning $8–$9,000, for example, would only get a refund of around $85. Someone earning $15–$20,000 would get a $260 refund. Only those taxpayers earning more than $41,000 would get the full $1,000 the President talks about.

ENERGY

It is clear that we cannot hope to solve our Nation's economic ills until we solve the energy problem. In the short term, we must substantially reduce consumption and insure fair distribution of gasoline, fuel, and electricity. To cut consumption immediately, the President proposes tariffs and taxes on crude oil that will cost the consumer $30 billion more for gasoline and other petroleum products.

Recent White House estimates have placed the increased costs of the President's program as high as $345 for an average family of four, a very stiff increase for many families already pinched by inflation and recession. In my opinion, this program will jolt the economy with the most inflationary cost-price push since the Arab oil boycott. Moreover, I am not persuaded that the President's price increase for oil will do much to reduce consumption. It is estimated that the price increase will result in a cutback of less than 600,000 barrels a day—well below the President's 1 million barrel-a-day goal. I think we should give serious thought to allocation and rationing of fuel as a fairer and far more effective way to reduce oil consumption without making inflation worse.

In the long run, policies must encourage greater production of domestic energy and development of alternative sources, thereby improving our balance of payments, easing strain on the international monetary system, and creating jobs. In the 93d Congress, I supported legislation for a 10-year energy research and development program and to authorize a 5-year program to study the feasibility of using solar heating and cooling systems, both now law.

FOOD

Unchecked world population growth, a fertilizer shortage, bad weather, and misguided policies of the administration have resulted in sharply rising food prices. In 1973 and 1974, food price increases have contributed substantially to the total increase in the cost of living. They have had a devastating effect both on people living on fixed incomes and on low- and middle-income families.

In my opinion, the Government must monitor food exports to make sure that U.S. supplies are adequate and food prices do not increase domestically as a result of excessive exports. While insuring the farmer a fair return, we must increase production. The Government must also take responsibility for developing and managing food reserves.

The wild speculation that we witnessed in recent years in the commodity futures markets will hopefully be checked by the new Commodity Futures Trading Commission, created by legislation Senator HUMPHREY and I sponsored in the 93d Congress and which is now law. I also wholeheartedly support efforts by the Department of Justice to determine whether price-fixing and other unfair and illegal competitive practices have occurred in the food processing and distributing industries.

FEDERAL EXPENDITURE

A major reason for waste in the Federal budget is the absence of any mechanism to scrutinize the need for, and continuing effectiveness of, Federal expenditures. An important step forward was the enactment in 1974 of the Congressional Budget Act. This major governmental reform measure creates a process for orderly and timely scrutiny of all money requests. It also permits the Congress to set strict spending limits, assign priorities for spending within a limit, and set revenue levels according to our spending needs.

As a member of the new Senate Committee on the Budget, I will continue my efforts to bring Federal expenditures under control and to manage revenues in accord with a better sense of national priorities. We must cut wasteful spending and be extremely cautious not to take steps that would unnecessarily increase the budget deficit and national debt. As it is, the President's proposed budget deficits for the next 2 years cumulatively may well exceed $76 billion. A major reason for the increasing Federal deficits—even without massive new Federal spending—has been the deepening recession. Diminished personal and corporate income has drastically effected incoming Federal revenues. At the same time, assistance to the unemployed has increased outlays. In this situation, we must make tough judgments on priorities, promote greater efficiency in Government programs, and insist that the executive branch take whatever steps are necessary to trim waste.

TAX REVISION

Not only must we scrutinize Federal expenditures, but we must also revise our sources of revenue. While I support an immediate tax rebate, I also believe that any future and more permanent tax reduction should be linked to tax reforms so as to eliminate huge loopholes, like those enjoyed by the oil industry and big earners with large amounts of tax-sheltered income.

HOUSING

Efforts to stimulate the depressed housing industry must be encouraged. In the 93d Congress, I cosponsored legislation which has authorized $7.75 billion in below-market-rate mortgages to spur the sale of 350,000 homes in the coming year while creating 300,000 jobs. To get the housing industry back on its feet, it is essential to ease monetary restraints so that builders and buyers can obtain financing at affordable rates.

UNEMPLOYMENT

Until the housing and other industries recover, those for whom no jobs exist need adequate unemployment benefits. As unemployment rates continue to rise, public works and public employment projects must be expanded. Over the years, I have worked hard to develop manpower and employment legislation to achieve a real full employment economy. I have been the principal architect of the 1971 Emergency Employment Act, the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Unemployment Assistance Act. I will be reintroducing the Public Service Employment Act which would provide for a continuing public service employment program of more than 1 million jobs.

Providing incentives to maintain existing jobs and create new ones is also important. One way to do this is through the tax system. I support the President's proposal to stimulate new business investment by increasing the investment tax credit from 7 to 12 percent, but I believe such incentives must be part of a larger tax reform package which seeks to correct present imbalances and inequities.

PRODUCTIVITY

To encourage productivity and competition, I support efforts by the Congress and the administration to review all Government regulatory activities, purchasing practices, and allocation and price support programs which may be disrupting the productivity of our economic system. I also support more vigorous enforcement of antitrust laws and stiff penalties for offenders.

CONTROLS

Alternative proposals for controls on wages and prices are being discussed. I much prefer self-regulation if it can be made to work. I vividly recall the hardships experienced by working people and businessmen during our most recent encounter with controls, and I share their concern about the inequities created. However, I also believe that the economic power of some lines of business to set prices irregardless of market conditions seriously erodes confidence in the economy, thus further aggravating a bad situation. If the problems of inflation and unreasonably high prices continue, I believe that our economic recovery may require firm—but judicious—Government action.

Revitalizing our economy continues to have my highest priority. I am giving my most critical review to the wide range or proposals being discussed, and I am grateful to the thousands of Californians who have assisted me with their thoughts and comments.

POSTMASTER GENERAL ELMER T. KLASSEN

Mr. FONG. Mr. President, on January 8, Postmaster General Elmer T. Klassen announced his intention to return to private life when his present contract expires February 15.

Ted Klassen will have spent just over 3 years as Postmaster General. He will have spent 6 years in a position of close association with postal policy development. Perhaps more than any other person, he is responsible for success achieved to date in the very difficult continuing task of transforming the Nation's mail system from a Cabinet Agency, subject to partisan control, to an independent establishment outside the political ebb and flow of public life.

Postmaster General Klassen has spent a lifetime in the business world. He rose from an office boy to become the chief executive officer of a major manufacturing company. He is a determined man of ready judgment, quick to see and correct an error, but adamant in the face of unfounded criticism.

Certainly, postal critics have not been in short supply during Mr. Klassen's years as Postmaster General. And he would be the first to admit that when he attempted to cut costs by reducing service, he ran into considerable congressional opposition. As a matter of fact, he did make such an admission. Testifying before the Senate Post Office and Civil Service Committee, he said:

> We were so hell-bent on costs that we did not pay attention perhaps to service. . . . We made some damn bad mistakes.

However, no amount of criticism can obscure the solid record of accomplishment he leaves. For example, there has been a large scale transfer of decision-making authority to local management levels, development of more efficient transportation procedures, large scale expansion of self-service installations, substantial reductions in the number of lost letters reported and claims, and vastly expanded capital investment.

Perhaps most significantly, the working conditions of postal employees have been greatly improved. Many thousands of them have progressed by merit into management positions in what formerly was a system heavily controlled by political patronage.

Postmaster General Klassen has said he feels success is in sight in accomplishing the objectives of postal reorganization. There are few people who could make such a judgment from a position of better perspective.

As he returns to private life, I wanted to express my own personal satisfaction at having worked closely with Ted Klassen, as well as to extend best wishes and thanks for his dedicated service to the public.

QUEST FOR CURE

Mr. PELL. Mr. President, I call to the attention of my colleagues an excellent article on a frequently overlooked element of health care in the United States today: the role of the health professional in educating society to the need for social intervention in the therapy process. Dr. David S. Greer, who is the associate dean of medical affairs at Brown University, has written an extremely thoughtful article, "Quest for Cure" in the December, 1974, issue of the Rhode Island Medical Journal. He points out the distinctions between disease and illness, urges the medical community to become more sensitive to the practical effects of conventional medical techniques on each, and urges social advocacy as a complement and supplement to conventional medical care in the resolution of human illness.

Dr. Greer points out the efforts which the Brown University program in medicine is making in this direction, and calls for a widening of that effort among his colleagues.

I believe that this article is a fine exposition on a topic that is really as old as America, namely community care and caring, in which each person lives, to the fullest extent possible, among his or her neighbors.

I commend this thoughtful article to each of my colleagues today.

Mr. President, I ask unanimous consent that Dr. Greer's article, "Quest for Cure" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

QUEST FOR CURE

(By David S. Greer, M.D.)

Early in 1973, a twenty-four year old, wheel-chair-bound female with multiple sclerosis was admitted to a university hospital in Boston. She had been severely ataxic and paraplegic for several years but had been maintained at home by her devoted mother. After the death of her mother, she was unable to manage alone at home and was therefore brought into the hospital.

The patient had a thorough medical investigation and was seen in consultation by the neurological, urological, and psychiatric services. She was treated with ACTH and given daily physical and occupational therapy but did not improve significantly. Ultimately, she was told that nothing more could be done for her and, since she was unable to maintain herself independently in the community, she was informed that she would be transferred to a nursing home. She chose, instead, to move to Fall River, Massachusetts, where she lives in a modern studio apartment at the Highland Heights apartment complex, a hospital-connected sheltered housing project. She entertains in her apartment frequently, attends educational and recreational meetings regularly, and is planning to matriculate at a local university. Her therapy has consisted of a supportive environment and has improved both her mobility and the quality of her life. These were the major objectives of the treatment she received in Boston but the therapeutic modalities being utilized in Fall River were not apparent from the more limited perpective of her Boston physicians.

As David E. Rogers has recently pointed out, the progressive specialization of medical practice has led to failure to recognize a basic distinction between disease and *illness* (Pharos 37:124, Oct. 1974). Increasingly, we have come to regard the two terms as synonymous when, in fact they are not. Quoting Jeremiah A. Barondess, Doctor Rogers defines disease as a pathological biological event that can be understood in scientific and objective terms. An illness, on the other hand, is a human event. Illness is an interaction of a particular person with a particular disease in a particular environmental milieu. "It is an event in the course of a human life . . . often profoundly influenced by the background, life style, and temperament of the individual who is experiencing it. It is embedded in the trappings of concerns, responsibilities, hopes, and fears of that special, unique, and particular person. Thus, an illness is ultimately to be understood not in scientific, but in human terms."

In the modern era, *medical therapy* has generally come to imply chemical or surgical intervention in the evolution of disease. Technological advance has brought us the drama of medical therapeutics in crisis intervention. Scholarship and specialization have produced the exquisitely clever biochemical manipulation which we have come to associate with the therapeutic art. Unfortunately, despite our chemical and manual legerdemain, most diseases stubbornly remain incurable; human suffering persists.

Wheelchair-bound patients, such as the young resident of Highland Heights with multiple sclerosis, generally suffer from incurable diseases. Such patients frequently reside in institutions, victims of social isolation and restricted opportunity as well as neuromuscular deficiency. The efforts of the health professions on behalf of these patients generally have concentrated in the search for pharmacological cure. Despite research in the etiology and treatment of multiple sclerosis at a cost of millions of dollars annually, the etiology of the disease remains obscure and the cure elusive; and, patients continue to present with human needs which cannot await a cure. Concern with the patient's illness rather than the disease should raise such issues as the removal of architectural barriers, the development of community services, special education, and social support. Neurological function may not return but the patient's mobility and quality of life may be markedly improved by these unorthodox therapeutic modalities.

There are large numbers of patients for whom conventional treatment methods have little to offer. The hemiplegic and the spinal cord injured, the amputee, the blind, the congenitally malformed and the cerebral palsied, the neurologically impaired and the mentally retarded, these and many others who fill our ever-expanding long-term care institutions would be better served by a medical profession with a broader view of therapeutics; a profession which compensated for its scientific inadequacies with social advocacy; a profession ready to exploit a broad range of therapeutic modalities in the community outside its hospitals and institutions. Why have we not insisted on specialized housing, barrier-free transportation, special education, nutritional support, expanded home care, and the countless other services that our "incurable" patients require? Are increased functional ability and personal dignity more noble if conferred by chemical means than if provided by human concern, and/or social intervention?

In the scientific era of the past several decades, medical education has been confined to institutions, and students have learned to relate to patients as individuals in isolation, separate from their families and environments. There is reason to believe that this limitation of the educational process has tended to produce physicians with tubular vision, focused on the application of science to the abstract clinical problems of individual patients. We treat "packaged" disease rather than human illness. The concept of the physician as a family and community resource has declined progressively. Loss of the physician's public service role has been regrettable for the profession as well as for the community.

At Brown University the Program in Medicine attempts to introduce its students to the concept of expanded therapeutic roles in the community. For some students a new humanities emphasis in the premedical years makes it possible to replace the customary physical science dominated premedical curriculum with a more humanistically oriented course of study. The curriculum in community health during the clinical clerkship years introduces the students to socioeconomic problems and "social systems" therapy. The integration of the Medical Program into Rhode Island community hospitals permits exposure of students to community problems and human service system organization.

But more than academic exposure, students need models from which to pattern their careers. They must be given the opportunity to observe that, although few diseases are curable, a broad view of therapeutics applied to human illness can produce beneficial results in most patients. Empathic supportive treatment of the patient by advocacy and formulation of new and expanded sociomedical systems—community therapy and the creation of a therapeutic environment—is medical therapy, less dramatic but often more productive than the quest for pharmacological or surgical cure.

The physician's therapeutic horizons should not be bounded by walls of his office nor restricted to the traditional chemical and surgical modalities. Environmental modification and social change may be powerful therapeutic tools. The physician-advocate, concerned with the personal needs of his patients and the therapeutic environment in his community, elevates and expands the therapeutic endeavor, bringing honor to his profession as well as comfort to his patients.

BREAKTHROUGH—A SUCCESSFUL EXPERIMENT IN DRUG ABUSE PREVENTION

Mr. WILLIAMS. Mr. President, at a time when the Congress turns its attention to a new year's urgent priorities, it is important to remember that we have not finished with some of the persistent problems of past years. One of these is drug and alcohol abuse and the damage they do to hundreds of thousands of people.

Government at all levels has shown a welcome tendency to start dealing in a realistic way with these problems. And the private sector, too, has generated some worthwhile programs aimed at opening up a world of healthy, supportive alternatives to drugs. One of these is Breakthrough, originated in New Jersey and supported by Warner-Lambert Co. and its chairman, E. Burke Giblin.

Breakthrough began as a Morris County, N.J. project that sought to help young people clarify their own values, improve decisionmaking capabilities, relate better to peers and adults, and become actively involved in community life. Breakthrough leaders use small-group sessions, yoga, creative exercises, and person-to-person intensives to build individual and community awareness and support. In its 2 years of successful programing, Breakthrough has been adapted to urban and suburban settings; it has been tapped as a valuable resource for community planning and program development for young people; and it has been sponsored as a local project by organizations in New Jersey, New York, Connecticut, Illinois, Pennsylvania, Indiana, and Ohio.

Now, the Breakthrough concept is being applied to two new targets: educators and families. Breakthrough for Educators was pilot-tested at Drew University in late 1974, and is being offered to teachers during the early months of this year. And in December, 1974, a small number of New Jersey families came together to share a Breakthrough-directed weekend.

Recently, Breakthrough received even wider national recognition for its administrative leadership of an HEW/NIDA "National Search" for innovative and outstanding drug abuse prevention programs in each State. Again, interface between Breakthrough leaders and national organizations—and young men and women in hundreds of cities—has meant new energy and imagination in opening up alternatives to drug-affected lifestyles.

I am very pleased that Breakthrough had its beginnings in New Jersey, and that Mr. Giblin and Warner-Lambert have continued to support it. An article in the September 9, 1974 NAM Reports tells the full Breakthrough story, and offers some insights for others interested in approaching the youth/drugs phenomenon. I ask unanimous consent to have this article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

BREAKTHROUGH—GETTING HIGH ON LIFE

"What do you want to be when you grow up?" the blue jean-clad suburban teen-ager asked the 10-year-old black girl with hair plaited in neat "corn rows."

"A nurse—so I can help people when they get sick and nobody else wants to help them," she murmured, smiling and ducking her head away from the questioner.

Next to her, a lanky high school athlete talked football with a junior high school student from the inner city. "You went to a real Giants game last year?" the black teen-ager asked incredulously.

Topics of these conversations and others among the young people sitting Indian-style on the floor in a rough circle were commonplace enough in themselves.

What *was* unusual about these discussions was the fact they would not have taken place at all without the vision and concern of a Morristown, N.J., man, and that of a local NAM member company, Warner-Lambert.

Several years ago, Paul Megan, an educator by training who directs the Morris County Department of Drug Abuse, became concerned about "aimlessness and alienation" among young people, too often leading them to drug experimentation and abuse. "Breakthrough," the program which brought these suburban middle-class teen-agers together with those from the core of Newark, was founded in 1972 as an outgrowth of Mr. Megan's search for activities which would encourage young people to "get high on life."

Mr. Megan and a team of youth associates composed of college students and young working people who had assisted him in county drug abuse programs set up "Breakthrough" sessions on an experimental basis at first, bringing 30 to 40 teen-agers together for an eight-hour day.

Originally called a "Sunshine" program, the "Breakthrough" day includes yoga, crafts, drama, music, and most important, dialog between participants and their peers, who lead the discussion groups. This one-on-one communication between young adults seems to be a key to success of "Breakthrough," one youth associate commented.

Warner-Lambert Chairman E. Burke Giblin added, "The peer group approach is great. . . . I think in my own experience with young people—I have seven youngsters—that they have to get motivated; they have to be interested. They tune themselves out very rapidly from parents and teachers, and perhaps from others who have been talking to them for so many years."

His company's interest in the "Breakthrough" concept was sparked several years ago, when Warner-Lambert was searching for "meaningful" social programs in which to participate. After learning of the initial success and innovative concept behind "Breakthrough," Warner-Lambert officials decided to lend the project financial support. One aspect of the program which, in his words, impressed Chairman Giblin and other Warner-Lambert executives—"It didn't just talk about drugs; it gave young people an alternative course of action."

Ms. Carol Leedham, "Breakthrough" program development director, cited Warner-Lambert's continuing interest in the project—"Several executives have attended 'Breakthrough' sessions, and they keep abreast of new program developments. Warner-Lambert has always come to our aid whenever we have asked the company for assistance." (Companies wishing further information on "Breakthrough" may contact Ms. Leedham at 633 Third Ave., New York, N.Y. 10017. (212) 697-5600.)

What is a typical "Breakthrough" day like? It begins early—usually by 9 a.m. Participants—usually ranging in age from 13 to 19, although some sessions may include younger students—arrive in blue jeans and T-shirts, tennis shoes and sandals. During the summer, "Breakthrough" programs may be held during the week. When school is in session, they are held on weekends, although almost never on school grounds. "We don't want the kids to get the idea 'Breakthrough' is related to or sponsored by the school," explained Howard Reisner, administrator, Growth Projects, a Morristown non-profit organization operating "Breakthrough" and other related drug abuse prevention programs. Mr. Reisner, like many other young men and women who assist Mr. Megan, also works full time as a Morristown businessman.

"Breakthrough" participants are generally drawn from a similar residential area—from suburban Morristown and suburban areas adjacent to Eastern and Midwestern cities where youth associate teams have traveled to put on programs—and from the inner city. Recently, experimental programs combining young adults from Morristown and Newark inner-city neighborhoods have had gratifying results. "When they are out of their normal surroundings, the inner-city kids are initially a little withdrawn," said Mr. Megan. Then, he added, they open up and seem to enjoy the experience. Interestingly, he pointed out, boys seem to be at least as gregarious as girls in participating.

Following a brief morning "rap" session, "Breakthrough" participants are asked to remove their shoes and are introduced to the program's yoga instructor. "Yoga is relaxing; it helps clear your mind so that you can concentrate on the inner you," the teenagers are told in soothing tones, as they lie on the floor with eyes closed. Moments later, most are deeply entranced by instructions to "let their bodies go limp; feel the tension drain away."

The yoga lesson over, participants are divided into discussion groups of about 10 each. Each is headed by a leader from Mr. Megan's youth team, with other youth associates intermittently sitting in on conversations.

Emphasis is on informal communication. Each teen-ager is asked to "name" himself by listing three things or people which are most important to him. Then group leaders, moving around the circles, ask participants to explain their answers. This "value clarification" is a key to understanding of the "Breakthrough" concept, emphasized Mr. Megan. "We do not suggest to the youngsters that any one value is better than another. We *do* encourage them to identify and clarify their own values, so that they will develop a stronger sense of self worth.

"This is a vital foundation, because lack of self-knowledge, and consequently, of self-esteem, is something that most youngsters who turn to destructive or pointless activity have in common," he continued.

Because "finding your creative potential" is central to the "Breakthrough" experience, the third portion of the typical day's activities is devoted to expression through some form of art. Trained artisans—also young people—guide participants in a specific art or craft activity. Teen-agers may explore such forms as pottery, leather-work, and candle-making. At the end of the day, they are asked to share what they have made with the "Breakthrough" group, reassembled after discussion groups have completed their individual tasks.

"The object each youngster has created is not important in itself," stressed one group leader. "What is important is that participants have found the courage to explore their inner potential. By sharing their creative endeavors with friends, the young people gain a sense of recognition and importance that they can carry away with them." Because "Breakthrough" participants take home objects they have made, they retain a tangible reminder of the day's experience, he added.

The fourth and final phase of the "Breakthrough" program is community involvement. Discussion group leaders try to help participants understand that they have a voice in their community's future and in helping to solve its problems. "This diminishes the helpless, straw-in-the-wind feeling that often leads to destructiveness or to apathy. Hand-in-hand with control comes responsibility," emphasized Mr. Megan.

At the conclusion of each "Breakthrough" day, every participant is handed a "follow-up" sheet on the community service project he has selected. Projects coming out of "Breakthrough" have ranged from reading to senior citizens to collecting recyclable materials to spearheading local ecology drives. Some projects are begun and completed during the six-week follow-up period; some continue long beyond. The important thing, stated Mr. Megan, is that the community action experience "be a positive, successful one for the youngsters involved, so that it is a beginning, not just an end in itself."

During the six-week "follow-up" period, participants must submit progress reports to sponsors every one to three weeks. Again, what matters is not the success of the specific activity—although many have been outstandingly successful—but the quality of the experience for the youngster, said the "Breakthrough" originator.

Local educators and law enforcement officials are as enthusiastic about "Breakthrough" as are Warner-Lambert executives and young people themselves.

"'Breakthrough' is one of the few creative and viable programs I have observed which confronts both the apathy and energy of youth simultaneously. It has as its strongest point an ability to maintain its gains for both the youth and the community beyond the immediate experiences and into the life-styles of participants," said Dr. Larry Lentchner, a professor at the County College of Morris and a New York City family relations specialist.

Howard Runyon, chief of police, Passaic Township, N.J., and president, Chiefs of Police Association of Morris County, stated, "I have been working with youth for many years . . . 'Breakthrough' allows young people to open up. It develops awareness and understanding without the usual overemphasis on athletic-type activities."

Industry in other areas of the country is also responding to the "Breakthrough" message. G. D. Searle & Co., a Chicago-based NAM member, for example, underwrote a two-day program in a Skokie, Ill., high school last June. Several of Mr. Megan's group leaders made the trip. However, says Ms. Leedham, who works to find additional sponsors for "Breakthrough," the number of such trips that can be made beyond the East Coast is limited, given current funding. She and other "Breakthrough" leaders would ideally like to see a West Coast-based operation similar to the Morristown project established. Youth teams could fan out to Western, Southwestern and Rocky Mountain states and far more young people could be reached, she explained.

In addition, "Breakthrough" has been selected to administer the Department of HEW's "national search" program announced last November "to seek to identify and stimulate the creation of innovative initiatives on the part of young people all over the country, with the goal of preventing drug abuse."

"Growth Projects, Inc.," funded by Warner-Lambert and headquartered on the first floor of a frame house near downtown Morristown, was established July 1, 1974, to meet this challenge.

INTERNATIONAL FARM TECHNICIAN EXCHANGE

Mr. CLARK. Mr. President, to a great extent, the solution to the world food problem is on the American farm. Not only can America's food production potential continue to expand to meet world food requirements, but our technology can be used to increase production in other lands.

America's agricultural abundance is largely due to the most advanced food production system in the world. Therefore, increasing food production in the developing world will require the transfer and adaptation of the technology applied by the American farmer.

Mr. Al Sweble, who is farm editor for the Cedar Rapids Gazette and president of the Cedar Rapids Chamber of Commerce Farm Division, has an excellent idea on how to pass our technology on to the farm youth of the developing world. Mr. Sweble proposes that young foreign farmers spend time on American farms to learn methods of farm production which could be taken back to their home countries. These individuals could act as extension agents for spreading their knowledge to other farmers in their own country.

I have forwarded Mr. Sweble's plan to the Agency for International Development and would like to also offer it to my colleagues for their consideration. I, therefore, ask unanimous consent that this proposal entitled "International Farm Technician Exchange" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNATIONAL FARM TECHNICIAN EXCHANGE

PURPOSE

To provide a practical learning experience for several groups of 10 to 15 young foreign farmers in the 20 to 30 year old age bracket on an Iowa farm. The experience is designed to provide the foreign farmers with an opportunity to learn some rather simplified production techniques which can materially boost food production in a hungry country, such as India. These individuals will be expected to pursue a career similar to the extension agent in the United States upon their return to their native underdeveloped country.

BACKGROUND

One of the reasons food development techniques are not accepted in developing countries is the fact that local farmers cannot visualize what an advanced farming technique can do for their farming operation.

In other cases, the techniques which are introduced to a hungry nation are so advanced that farmers cannot adopt the method which is supposed to aid their production.

The area untouched thus far in international food development is the practical one-to-one farmer contact. By exposing leading young farmers to practical American farming situations, the young farmers can adapt these techniques to their own agricultural situation. The new farming ideas gain acceptance in the farming community in the hungry nation because a native has tried the technique and it works.

One of the reasons this approach has not been attempted is the fact that no coordinating American group has tackled the problem.

The image of the American farmer also received a setback as a result of the recent World Food Conference in Rome where participating nations raked the U.S. for not boosting free food assistance at a time of extreme tight supplies in the domestic market.

The American farmer, however, has done much to relieve hunger in the world, and individual Iowa farmers are eager to assist their counterparts in underdeveloped countries. A program as outlined in this paper would go far to improve the American farmer's image in the world.

PROCEDURE

1. The agricultural bureau of the Cedar Rapids-Marion Area Chamber of Commerce is interested in coordinating such a program as outlined here.

2. The bureau has enlisted the cooperation of the agricultural department staff of Kirkwood Community College, Cedar Rapids, Iowa, who are interested in providing the technical education portion of the visit.

3. Young farmers participating in Kirkwood's veteran farm classes would be a potential group who would be willing to host the foreign young men on their farms for some very fruitful one-to-one contact on farming techniques. Hopefully, the final schedule would allow for at least three days of farm contact for the young men. The foreign farmer would live on the host family's farms during the visit.

4. The bureau has also enlisted the support of Ralph Jackson, executive vice president, and his American Soybean Association, whose headquarters are located at Hudson, Iowa, some 50 miles from Cedar Rapids.

5. Cedar Rapids is the Cereal Capital of the World with an impressive array of grain processing facilities, including an ultra-modern soy substitute plant which could be adaptable as a food in impoverished nations, as well as a meat packing plant.

6. The American Bicentennial Commission in Cedar Rapids is interested in cooperating with this project as part of the group's bicentennial observance.

7. Iowa State University at Ames, with an impressive amount of research into underdeveloped nations needs, and the Living History Farms, a cultural treat located at Des Moines, are located within a 100 mile radius of Cedar Rapids.

8. Young farmers participating in the program would visit all of these points of interest in Iowa as part of their Iowa farm learning experiences.

9. We would propose that other training take place at other locations in the United States under the auspices of the federal government. We would also propose that the individuals have some working knowledge of the English language.

10. We would propose that these individuals would make good professional farm workers on their return to their native land and that they consider a career similar to the extension service in the United States.

AUTOMOBILE PRICE REBATES

Mr. McGOVERN. Mr. President, the recession continues to take its toll. Numerous commercial sectors are giving way under the weight of a sagging economy, and without a doubt, one of the biggest victims has been the automobile industry. As car sales go down, car inventories mount up, and one of the unfortunate results is the forced closings of car dealers all around the country.

Recently, automobile manufacturers attempted to inject some adrenalin into the dealers' businesses by offering rebates to car buyers. The immediate result has been an increase in sales, but some of the dealers themselves are skeptical about the long-range workability of this arrangement. As Mr. Henry C. Billion, a dealer in Sioux Falls, S. Dak., states in the February 3 issue of Business Week:

> I just don't think rebates of $200 will change the course of automotive history this year.

Will price rebates work? The Business Week article "Mixed Reviews for Price Rebates" points up the different arms to this question and offers several possible answers and likely results. Mr. President, I ask unanimous consent that this informative article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mixed Reviews for Price Rebates

With a record 97 days' supply of new cars jamming dealers' lots, and with sales lagging 30% behind last year, the National Automobile Dealers Assn. convention in San Francisco this week was predictably one of the gloomiest in years. To start with, there was a sharp slump in attendance to 3,200, off from 4,500 of last year's NADA meeting. Symptomatic of the mood, a tour to Mexico and a golf tournament planned in Hawaii were canceled for lack of applicants.

Even the news that U.S. auto makers were coming to the dealers' aid with price rebates did little to dispel the gloom. Dealers worry that the rebate schemes are too small to do the trick, and that they may simply be borrowing ahead on sales they would make in the spring anyway. Nor do dealers see much quick help from President Ford's tax and energy program.

On the surface, there was plenty of enthusiasm for the rebate schemes, and Chrysler dealers, with a jump on the competition, could actually point to increased sales. "We just finished the best weekend we've had since July," said James Burney, president of Dodge Center in Redwood City, Calif. "I sold 50 cars last week, more than in all of December," said Ken Mead, president of Pointe Dodge in Grosse Point, Mich. Chimed in Ford dealer Hugh Gibson, president of Birkett Williams Ford in Cleveland: "Ford has a great program, and I'm glad the company got on the ball so quickly."

But uncertainty over whether the rebates would have more than a brief impact on sales tempered some of the optimism. "Most dealers lost money in December," says Gibson, and he fears the trend could continue through the first quarter unless the rebate programs significantly boost sales. Last year, nearly 300 dealers folded, up from about 100 in 1973. As many or more could close this year.

PARADOX

A major concern is that the rebate could quickly soak up what little strength there is in the market now, leaving sales flat again in the spring. "I wonder whether we're stealing some sales from ourselves now," says Philip S. Schwartz, president of Sunnyvale Dodge in Sunnyvale, Calf. Other dealers fear that consumer confidence is so low that the rebate will have little impact. Harry C. Billion, who owns Oldsmobile and Chrysler agencies in Sioux Falls, S.D., says: "I just don't think rebates of $200 will change the course of automotive history this year."

One of the reasons for the uncertainty is that the dealers and manufacturers are moving in uncharted territory. The Chrysler move is the first of its kind in automotive history. In the past, auto companies stimulated a lackluster market with incentive payments to dealers, who in turn passed some or all of the savings along to buyers. But without experience to guide them, both auto executives and dealers are reluctant to predict the outcome. John B. Naughton, Ford's vice-president for sales, says: "We want to move 250,000 cars this quarter." But he admits the figure may be optimistic. Robert W. McCurry, Jr., Chrysler's vice-president of sales, refuses to make estimates of how many cars might be sold during the Chrysler "carnival."

ACTION NEEDED

Chrysler devised its program late in November because of a need to turn its huge inventory of cars (60,000 on Dec. 1) into cash. Even more serious were the 360,000 units that dealers had sitting on their lots. "Instead of sitting on our hands and appealing to patriotism," says McCurry, "we decided to do something."

Chrysler got the most early mileage from its rebate program, not only from the advertising time it paid for on the Super Bowl football game telecast, but also from the free pre-game publicity the scheme got. Ford followed. "We saw the traffic and sales at Chrsyler dealers," a Ford man says. "We had no choice." Then came GM and, finally this week, American Motors.

MORE HELP

Analysts will not be able to make much sense out of the sales figures for several weeks, though Ford Div. General Manager B. E. Bidwell says dealers report showroom traffic two to five times normal. Help is also coming from the industry's suppliers, banks, and others.

Warner Electric Brake & Clutch Co., a South Beloit (Ill.) supplier to Chrysler and AMC, apparently was the first to provide a rebate of its own to employees who purchased new Chrysler or AMC models. Rodney F. Ackerman, vice-president, says he knows of 48 other suppliers offering rebates to 180,000 employees.

There was some hesitance among larger companies, however. "How do you give a rebate to somebody when his buddy has been laid off the day before?" an Eaton Corp. spokesman asked. But some of the industry giants are giving serious thoughts to rebates—Borg-Warner and Bendix Corp. among them—and Libby-Owens-Ford Co., GM's main supplier of glass, announced a program this week. Employees can get $100 back on any U.S.-made car or truck and $150 if the vehicle has a LOF windshield.

Banks began to sweeten the pot, too, especially those in areas dependent on the industry. Ohio's largest, Cleveland Trust Co., reduced its new car loan interest rate to 10.2% from 11.08%, and Detroit's Manufacturers Bank allocated $10 million for new car loans at reduced rates. First Pennsylvania Banking & Trust Co. in Philadelphia is "seriously considering" a lump sum rebate of $100 on auto loans, says Vice-President Charles E. Shanahan. And Sperry & Hutchinson Co. offered 50,000 Green Stamps to employees who buy a new car.

The question, however, is whether there are enough auto suppliers, banks, or S&H's to affect sales materially, and quickly. In any case, all the signs are that the rebate programs will be suspended by the end of February. "With the cost pressures we're under, none of us are in a position to continue this kind of activity," says GM's Robert D. Lund, general manager of the Chevrolet Div. "What does Saks Fifth Avenue do the day after a sale? If you missed the sale, you missed the sale. On Mar. 1, we go back to normal pricing."

ORGANIZATIONAL MEETING OF THE AERONAUTICAL AND SPACE SCIENCES COMMITTEE

Mr. MOSS. Mr. President, the Aeronautical and Space Sciences Committee held its organizational meeting on January 28, 1975. At that meeting the committee rules were adopted. I now send those rules to the desk and ask unanimous consent that they be printed in the Record pursuant to the requirements of section 190a–2 of the Legislative Reorganization Act—as amended.

There being no objection, the rules were ordered to be printed in the Record, as follows:

Rules of Procedure for the Committee on Aeronautical and Space Sciences, 94th Congress, 1975–76

Rules governing the Procedure of the Senate Committee on Aeronautical and Space Sciences, adopted pursuant to Sec. 133(b) of the Legislative Reorganization Act of 1946, as amended by Sec. 130(a) of the Legislative Reorganization Act of 1970.

1. GENERAL

All applicable requirements of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the committee and its subcommittees.

2. MEETINGS

(a) The meetings of the committee shall be on Tuesday of each week at 10:30 a.m. or upon call of the chairman.

(b) Each meeting of the committee shall be open unless pursuant to the Standing Rules of the Senate such meeting is to be closed.

3. NOMINATIONS

Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least seven (7) days before presentation in a meeting for action. Upon reference of nominations to the committee, copies of the nomination references shall be furnished each member of the committee.

4. HEARINGS

(a) No hearing on an investigation shall be initiated unless the committee or subcommittee has specifically authorized such hearings.

(b) No hearing of the committee or any subcommittee thereof shall be scheduled outside of the District of Columbia except by the majority vote of the committee or subcommittee.

(c) No confidential testimony taken or confidential material presented in an executive hearing of the committee or subcommittee thereof or any report of the proceedings of such an executive hearing shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the committee or subcommittee.

(d) Any witness summoned to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

5. QUORUM

Three Senators, one of whom shall be a member of the minority party, shall constitute a quorum of the Senate Committee on

Aeronautical and Space Sciences for the purpose of taking sworn testimony, unless otherwise ordered by the full committee. Each duly appointed subcommittee of the Committee on Aeronautical and Space Sciences is instructed (1) to fix, in appropriate cases, the number of its entire membership who shall constitute a quorum of such subcommittee for the purpose of taking sworn testimony, and (2) to determine the circumstances under which subpoenas may be issued and the member or members over whose signatures subpoenas shall be issued.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I would like to report that according to current U.S. Census Bureau approximations, the total population of the United States as of February 1, 1975, will be 213,340,492. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,581,390 since February 1 of last year. It also represents an increase of 135,922 since January 1 of this year, that is, in just the last month.

Over the year, therefore, we have added enough additional people to fill three cities the size of Pittsburgh, Pa. And in just 1 short month, we have added the equivalent of New Haven, Conn.

HEARINGS BEGIN ON FARM PROGRAM LEGISLATION

Mr. BELLMON. Mr. President, the Senate Committee on Agriculture and Forestry has opened hearings on new farm program legislation, which will be of vital importance to the Nation's food producers and consumers as well.

The chairman of the committee, the distinguished Senator from Georgia (Mr. Talmadge), is to be highly commended for his prompt action in scheduling these hearings in early February. Hopefully legislation can be enacted early enough in the session to provide the kind of price and income protection farmers need for 1975 crops.

As a member of the committee, and representing a State whose economy is closely related to a strong and healthy agriculture, I am concerned that unless necessary changes are made in the farm program, many American food producers will be driven out of business. I elaborated on these views in a statement made in connection with the opening of the hearings.

Mr. President, I ask unanimous consent that my statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Henry Bellmon

Mr. Chairman, I commend you for your promptness in calling these hearings on farm legislation early in the 94th Congress. The present target prices for wheat, cotton and feed grains were low when the bill was passed. They do not provide adequate incentive or protection for farmers facing high production costs during periods of downward price trends. American farmers cannot be expected to devote their resources to all-out production unless they have financial protection. They know that when supplies exceed demands, commodity prices rapidly decline and financial ruin for producers follows. Today's situation in the cattle industry is dramatic proof of that truth.

In Oklahoma, cotton producers received 60 and 70 cents per pound for their 1973 crop. This past fall wet fields prevented harvesting until recently and strippers are still running in many fields. Yields have been severely decreased due to the drouth in July and August and when the cotton is finally ginned, farmers are receiving in the 25¢/lb. range. Yet the price of fuel, pesticides, tractors, equipment, labor and other production inputs is much higher than in 1973.

Under the present farm program the target price is 38¢/lb. for 1-1/16 low middling cotton. Reliable production figures in Oklahoma for cotton show costs to be around 50¢/lb. This will vary depending upon the part of the country, rainfall, land quality, and other factors.

One can readily see that a 38¢/lb. target price does not provide an incentive to producers caught in the type price depressions that cotton farmers are now facing. In fact, in Oklahoma thousands of acres are being shifted out of cotton this year.

Wheat has declined in price since the USDA established their monitoring system on export sales from the $4.80 range in Oklahoma to the $3.60 range. When winter wheat was planted, prices were above $4.50/bu. USDA figures show winter wheat planting to be up 6 per cent and project total production to increase 15 per cent over 1974's record-breaking production. If foreign demand is bearish and weather conditions continue favorable, the wheat farmers may find themselves in the same position as cotton producers. The target price of $2.05/bu. does not begin to assure a farmer a return of his production costs.

For instance, since $2.05 was established in August 1973 as the target price for wheat, urea fertilizer has increased from $92/ton to $215/ton, anhydrous ammonia fertilizer has increased from $89/ton to $220/ton or more. Farm equipment prices have increased between 30 and 50 per cent in 1974 alone. One farm equipment company authorized the following increases in 1974 alone: January 1, 6 per cent; April 6, 6 per cent; June 24, 7 per cent; August 21, 8 per cent; and November, 7 per cent. A good example is a combine that one of my neighbors purchased. He ordered a John Deere model 6600 combine on January 15, 1974, which then was priced at $22,850. The combine was finally delivered on January 13, 1975, at a price of $29,610. A 4430 John Deere tractor, 125 horsepower, was selling for $13,200 in August 1973. This same tractor now costs $22,000, an increase of almost 70 per cent in one year.

Corn, sorghum, and other feed grain producers have experienced the same increases as wheat and cotton producers. The addition of a target price escalator clause to take into consideration production cost increases for 1973 and 1974 would be greatly helpful.

Mr. Chairman, the purpose the Congress had in mind when we adopted the target price concept in the 1973 Farm Bill was to provide food producers with a floor under their prices so that if the USDA overestimated the demand for the products of American farms and surpluses cause a break in prices, food producers would receive income adequate to meet production costs. Due to the opposition of the USDA, the bill did not provide for readjustments of target prices to account for the unprecedented sharp increases in the cost of production which occurred during calendar year 1974. As a result, if USDA 1975 production projections are met, a disastrous break in commodity prices is virtually certain. Present target prices are too low to provide the income producers will need to replant the 1975 crop.

Should this happen and should large numbers of American food producers be forced out of business, the ability of the nation to feed itself and meet the food requirements of our customers abroad would be seriously jeopardized.

Mr. President, even though I was one of the strongest supporters of the target price concept and made many contributions to the Act, I have begun to wonder whether or not that approach will work under present political, economic and international conditions. Even though the information available to the Secretary of Agriculture might clearly indicate that the time had arrived for the idling of a sizable acreage of American crop land to prevent an over-supply situation, I question whether consumer interests, who pack an unprecedented amount of political power in Congress and in the country, would allow the Secretary to take the action which he knew to be in the best interests of both the food producer and the consumer.

Any announcement by the Secretary of Agriculture that several million acres of land would be idled to prevent a sharp decline in food prices would likely trigger irresistible pressures upon Congress and the Administration for the reversal of this policy.

I hope during these hearings that we will have the opportunity to re-examine the target price concept, not only with the view of determining whether the present levels are adequate but also in an effort to test the political practicalities of this new and as yet untried method of balancing American food production with domestic and export demand.

If this committee and the Congress determines that political restraints on food production are impractical, then it becomes even more imperative that a target price level sufficient to prevent economic chaos among American food producers be established. If American food producers are encouraged by our government to produce for markets which do not develop, government should and must share the financial losses which will result.

As an active farmer, I am convinced that financial conditions of American food producers would not allow them to survive more than one or two seasons where the return from the sale of their commodities was inadequate to meet the steadily rising costs of fertilizer, fuel, equipment, interest and taxes.

The plain fact is that American food producers must have a steady and adequate cash flow or American's highly touted agriculture, which is the envy of much of the world, will face disaster. The less than 5 per cent of the population who are still on the land simply cannot feed our own population and millions of people abroad without the assistance of chemicals, machinery and energy which are available only at high costs.

Mr. Chairman, we have an impressive list of witnesses. I am looking forward to their testimony. Again, I commend our chairman for the prompt action in scheduling these hearings in early February. Food is first in our nation. It deserves to be first in the minds of Congress.

VIETNAM AID—PHASE FORD

Mr. MONTOYA. Mr. President, recently President Ford announced his intention to ask Congress for an additional $300 million in military aid to South Vietnam. In addition the President has also announced that he will seek $220 million more for Cambodia. Just last month the Congress spoke to this issue and reduced the administration request for aid to South Vietnam from $1.4 billion to an actual appropriation of $700 million. In the case of Cambodia we reduced the administration request of $450 million to $200 million with an authorized draw down from service stocks of $75 million.

Mr. President I voted against even these authorizations, and I intend to oppose this recent request for additional aid. We must be prepared to say no to this latest aid installment.

Mr. President, President Ford attempts to quiet criticism of this new aid request by telling us that he is asking for a just little more money for just a little longer. Fifty thousand American soldiers died and our aid to Saigon during several years exceeded $30 billion a year as experts told us a little more for a little longer. Mr. President, it is time for the Congress to stand up and say no more ever.

I think, Mr. President, that the people are looking to us—their representatives—as the last line of defense against mind boggling bureaucratic madhouse where the buck never stops and where no one is willing to accept responsibility for representing the people. If they cannot turn to us for a clear statement of responsibility and truth, where can they turn?

They know what they want. They want American participation in Indochina ended—in reality not only in rhetoric.

They want the flow of American dollars which go endlessly down the drain in Vietnam and Cambodia to cease.

Mr. President, 2 years ago I came to the floor of the Senate to urge that the American role in Southeast Asia be terminated. It was my sincere hope that it would never be necessary to speak to that issue again. Unfortunately, 2 years after the signing of the Paris peace accords fighting still goes on in Vietnam, Cambodia, and Laos.

Two years after the Paris Accords were signed an American President comes to the Congress to ask for additional aid to assist the Governments of Vietnam and Cambodia. The President and his experts are telling us just a little more for just a little longer.

On the other hand, Mr. President, the administration is telling the American people to tighten their belts. President Ford has recently called for an increase in the cost of food stamps—bringing additional hardship to those who can least afford it—our elderly poor. The President has also sought to impose a 5-percent ceiling on social security increases—again coming down hardest on those who can bear it least. I cannot vote to increase by over half a billion dollars our aid to a corrupt, and repressive regime, while low and moderate income Americans are stumbling under the weight of an ever deepening recession. The American people will not stand for it—and the Congress cannot ask them to bear it.

Mr. President, I do not want to have to come to the floor 2 years hence to voice my opposition to aid requests for South Vietnam and Cambodia. It is time to say finally—no more ever.

THE HIGH RISK OF DOING NOTHING ABOUT OUR FOOD AND FARM POLICY

Mr. McGOVERN. Mr. President, even before recessionary impacts swept through our major cities, many segments of rural America already felt the bitter effects of economic turnaround.

It has been axiomatic during much of this century that farmers and rural people are the first to be hurt by recession and depression.

Likewise, we can lead the way to economic recovery by making a good start on the farms and ranches and small towns of America.

One way to start this turnaround will be to stimulate production of food and fiber at prices which will provide the producer a reasonable profit—money that he can spend on main street, money he can use to purchase the essential production inputs which come from the assembly lines in our great cities.

A recent article in the Chicago Tribune by Richard Orr, that newspaper's farm editor, describes the potential for increasing food production and tells of the manner in which farmers will respond to price incentives with higher production.

As this body knows, the Committee on Agriculture and Forestry, on which it is my privilege to serve, is now holding hearings on legislation to improve the incentives for farmers to meet our domestic and world food needs. I regard this task as one of the most important we face.

I ask unanimous consent that the article from the Chicago Tribune be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Tribune, Jan. 19, 1975]

Success in Agriculture's Backyard: Farm Progress Promises Americans Acres of Plenty

(By Richard Orr)

Even tho the economy is on the skids, Americans are fortunate in at least one important respect. In a world short of food, American farmers have the potential to continue to produce more than enough for a growing United States population.

At present, U.S. agriculture has the capacity to produce far more than we consume domestically. In a normal year, domestic consumption takes only about 40 per cent of our annual wheat and rice crops, 60 per cent of our soybean crop, and 80 per cent of our corn.

As a result, the output of about one of every four harvested acres of major crops goes to help feed people abroad, mostly as commercial exports, but some as emergency food aid.

Consumers who think food prices are high today can only guess how much higher they would be if farmers were producing food at levels of a quarter century ago. In the last 25 years corn production has increased 55 per cent, grain sorghum by 600 per cent, wheat by roughly a third, rice nearly two and a half times, and soybean output has gone up a whopping sevenfold.

Grain is the basic element in the human diet. Wheat and rice are consumed directly in bread, pastries, and other cereal foods. Live stock feed grains—corn, sorghum, barley—and soybeans are major ingredients in the production of meat, poultry, and dairy products.

In 25 years beef production has gone up two and a half times, pork production by more than a fourth, and total red meat output is up more than two-thirds. Agriculture now is capable of producing 25 per cent more eggs, five times more turkey meat, and nine times more broiler chicken meat than it did 25 years ago.

Protein available per person per day has increased nearly 8 per cent.

While such phenomenal increases were being achieved, the number of farm people declined by nearly 15 million, or 60 per cent. One farm worker today feeds more than 55 persons, compared with fewer than 15 persons 25 years ago.

No other country in the world can claim such remarkable progress. Technology, the key to past successes, holds promise of continued expansion in American agriculture, according to the Economic Research Service [ERS], an agency of the U.S. Department of Agriculture.

Just with wider use of already existing technologies, says the ERS, American farmers within a decade could be producing 50 per cent more feed grains, a third more soybeans, nearly 28 per cent more wheat, and 40 per cent more beef cattle.

"And if science and industry manage to come up with new hybrid seed varieties, live stock management practices, and cropping technologies, even greater gains will be possible," adds ERS.

Its projections based on existing technologies could mean a 9-billion bushel corn crop and 2.3 billion bushels each of wheat and soybeans by 1985. Records set for these crops to date are 5.6 billion bushels of corn in 1973, 1.8 billion bushels of wheat in 1974, and 1.6 billion bushels of soybeans in 1973.

The ERS projections are assessments of potential, not forecasts. Whether the potential is achieved assumes that no land will be held out of production, normal growing conditions, adequate fertilizer, pesticides, fuel, seed, equipment, and other "inputs" at costs that are favorable for increased production, ERS also assumes crop prices and programs that encourage maximum production.

To illustrate what is possible, the ERS points out that today's best farmers are getting yields per acre of wheat, corn, and soybeans that are 50 per cent or more above the national average.

"While not all producers can reach the average yield obtained by the front runners, these figures do provide some measure of what's possible from use of today's technologies—hybrid seed, improved machines, effective use of fertilizer and irrigation, narrower rows and higher plant populations, continuous cropping of corn and other high yielding crops," say the ERS.

"Tomorrow's technologies—those being researched and developed right now—hold the promise of even greater yield gains."

Hybrid wheats with yield potentials 15 to 25 per cent greater than present varieties are already available in limited quantities. They could make a major impact on wheat production within five to seven years.

If price incentives prevail, the next decade could see both the planting of additional land and a major research and extension effort to expand the relatively new practice of double-cropping. Total crop acres could increase to 350 million by 1985 from 322 million last year.

The practice of double-cropping involves the planting of a short season summer crop, such as soybeans or grain sorghum, after the harvest of a winter or early spring crop, such as wheat, barley, or oats. Last year 4 million to 5 million acres of U.S. farm land were double-cropped.

Wider use of crossbreeding and artificial insemination could produce a substantial increase in beef production, according to ERS. Researchers also are looking into a variety of possibilities to increase feeding efficiency in beef cattle, such as feeding straw—now largely a waste product—and using manure as a protein source.

While projecting the rosy side of the food production potential, the ERS also points out some problems that will have to be overcome before it is fully achieved. In the near term, shortages of fertilizers and fuel could hold down crop output.

In the longer terms, ERS believes problems of labor availability and environmental restraints could be of serious concern to farmers by raising food production costs. More of the future farm labor force is likely to be hired, instead of supplied by family members, and farmers will have to pay more to attract skilled workers to operate the increasingly complex machinery and equipment.

"Minimum wage rates for farm workers will probably be the same as for nonfarm workers," the ERS predicts. "Unemployment insurance for farm workers is likely to be written into law, and collective bargaining will become more common."

GALLUP POLL REPORTS 72 PERCENT OF AMERICANS OPPOSE U.S. RECOGNITION OF RED CHINA

Mr. HELMS. Mr. President, the President of the United States has announced that he is planning to make a trip to Mainland China sometime this year. Already the so-called experts are suggesting that the purpose of this trip is to cap the work of Dr. Kissinger and former President Nixon. It is intimated that the logical conclusion of our Nation's China policy is diplomatic recognition of the Communist government of Peking. Now is the time, some pundits are saying; American public opinion has been "prepared" for the inevitable. Should we not recognize Red China now?

This question omits to state the full proposition. For the Chinese Communists have made it abundantly clear that they will never accept diplomatic recognition from the United States as long as the United States recognizes Nationalist China. The tremendous economic, social, and moral progress which the Chinese have made under the government in Taipei is a thorn in the side of the Communist regime and contradicts the very premises of their rule. As long as the free Republic of China exists and thrives, the so-called People's Republic of China confronts a visible challenge to the legitimacy of its tyrannical rule.

Let no one think, therefore, that the American people are deceived. They will never permit the U.S. Government to recognize Red China if they understand that such action means that the United States must turn against its longtime ally and friend, the Republic of China. The latest Gallup poll, released on January 30 of this year, reveals that U.S. sentiment is overwhelming on this point. According to Gallup, a total of 72 percent of the people oppose recognizing Red China if it means breaking diplomatic relations with Nationalist China. And this percentage varies only by a few points in every age and occupational bracket. This poll is so decisive that there is no doubt whatsoever that any attempt to recognize Red China on this basis would meet widespread dissatisfaction.

This sentiment is so strong that, in a related question, a plurality of the American people also feel that the United States is bound to honor our mutual defense treaty with Nationalist China. In this case, 48 percent of Americans felt it our duty to do so, while only 35 percent did not. These are remarkable figures in the light of recent American disillusionment in Southeast Asia and a trend toward isolationism. Such figures, and those on related questions, should bear close analysis.

The information coming from Mainland China tells us that the Communist regime is close to a crisis of leadership succession, that the party is in disarray, and that the military elements could quite possibly split up the country in autonomous units under war-lords if the succession does not go smoothly. On strictly practical grounds, it would be ridiculous to strengthen the diplomatic position of the Communist regime when the future is so uncertain. But if the desires of the American people are to be consulted in any case, we cannot and we must not recognize Red China.

Mr. President, I ask unanimous consent that the Gallup poll I have just mentioned be printed in the Record.

There being no objection, the poll was ordered to be printed in the Record, as follows:

Gallup Poll Reports 72% of Americans Oppose U.S. Recognition of Red China

An overwhelming majority of the American people, 72% to be exact, are opposed to the establishment by the United States of diplomatic relations with Communist China, if it entails a diplomatic break with Nationalist China.

According to a recent Gallup Poll, conducted on August 14–20, 1974, only one American out of ten, or a mere 11%, favors diplomatic relations with Communist China on such a condition, while 17% have no opinion. These statistics also show that the predominant majority opposing recognition embraces all age groups and every key stratum of American society.

Altogether the Gallup Poll put five questions to 1590 adults, 18 years of age or older during its nation-wide survey.

The most important question is:

(1) "Communist China seeks diplomatic relations with the United States, but it insists that the United States must break off diplomatic relations with Nationalist China. Would you favor or oppose having diplomatic relations with Communist China on this condition?"

The results, as tabulated, were as follows:

[In percent]

	Favor	Oppose	Don't know
Total	11	72	1
Age:			-
18 to 34 years	13	70	17
35 to 49 years	11	76	13
50 and older	9	71	20
Occupation:			
Professional	17	76	7
Clerical	10	79	11
Manual labor	9	71	20
Nonlabor	7	69	24

(2) A related question is: "The United States is bound by treaty to help defend Nationalist China in case of Communist attack. Do you think the United States should always honor this commitment or not?"

Almost half of those questioned, namely 48%, answered that the United States should always honor its commitment—in this case, the Sino-American Mutual Defense Treaty—to help defend Nationalist China in the event of a Chinese Communist attack. Those against honoring the Treaty commitment made up 35% while 17% expressed no opinion, as revealed in the following figures:

[In percent]

	Yes	No	No opinion
Total	48	35	17
Age:			
18 to 34 years	51	32	17
35 to 49 years	53	34	13
50 and older	42	40	18
Occupation:			
Professional	50	40	10
Clerical	49	38	13
Manual labor	48	34	18
Nonlabor	44	34	22

The three other questions asked are:

(3) "In 1971, the United Nations admitted China and at the same time expelled Nationalist China. Do you approve or disapprove of the United Nations' action in granting Communist China membership?"

The Poll shows that nationally, opinion is divided regarding the United Nations action, 45% approving and 37% disapproving, while 18% did not express an opinion.

Generally, as clarified in most of the answers, those approving the United Nations action did it only because they felt "all nations should be members of the United Nations."

Percentages of the tabulated answers are as follows:

[In percent]

	Approve	Disapprove	Don't know
Total	45	37	18
Age:			
18 to 34 years	52	33	15
35 to 45 years	45	38	17
50 and older	40	40	20
Occupation:			
Professional	65	25	10
Clerical	50	36	14
Manual labor	41	41	18
Nonlabor	33	44	23

(4) "Do you feel it was just or fair or not that Nationalist China lost its membership?"

Answers to this question appeared to support the afore-mentioned interpretation—approval of Communist China's membership was based on the belief that membership should be universal. The Poll shows that a majority of the American people expressed the positive view that it was "unfair" that Nationalist China should simultaneously have been expelled from the world organization. It is a decidedly minority opinion (only 15%) that believes the admission of Communist China to the United Nations at the expense of Nationalist China is a fair action while 58% think it is unfair, as may be noted in the following percentages:

[In percent]

	Fair	Unfair	Don't know
Total	15	58	27
Age:			
18 to 34 years	15	59	26
35 to 49 years	14	60	26
50 and older	16	56	28
Occupation:			
Professional	16	65	19
Clerical	14	66	20
Manual labor	16	57	27
Non-labor	13	53	34

(5) "Recently, the United States has taken steps to normalize relations with Communist China, and President Nixon visited Communist China in 1972. Do you think this was fair to Nationalist China or not?"

Public reaction to the question of fairness to Nationalist China was quite evenly divided, as shown in the following figures:

	Percent
Fair	45
Unfair	36
Don't know	19

DISUSE OF PUBLIC SCHOOLS WASTEFUL

Mr. CHURCH. Mr. President, the Elementary and Secondary Education Amendments of 1974 included the Community School Development Act. This act based on legislation I introduced earlier, lays the basis for utilizing our public school facilities more extensively than is usually the case. Community education involves opening the doors of the facilities in off-hours, on weekends, and during vacation periods.

Community schools are now operating in more than 600 districts across the country. Programs range in diversity from bread baking and language classes to welding and automobile repair. One of the community education programs in my own State of Idaho offers tax assistance by trained Internal Revenue personnel. All of these classes are offered to the entire community, regardless of age or educational background.

Recently, Sylvia Porter addressed the use of public schools for community education in her daily column. The renowned economist points out the vast waste the country puts into the enormous school plant which is used for only about 50 percent of its potential utilization time. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star-News,
Jan. 1, 1975]

Disuse of Public Schools Wasteful

(By Sylvia Porter)

Of all the stupid moves we, as citizens, are making in this era of spiraling energy and other costs side by side with deepening recession and soaring joblessness, one of the most stupid is shameful waste of public schools during periodic vacations, weekends and the summer months.

While property taxes have skyrocketed almost out of sight and are intolerably squeezing homeowners, most of the schools financed and maintained by these taxes are closed for a startling 50 percent of the time!

While during this past Christmas-New Year's vacation, countless millions of elderly, lonely, handicapped, poor and other needy were yearning for places to meet and share their meals and thoughts, our handsome, beautifully landscaped elementary and high schools were shut tight. While this summer millions more will be seeking places to improve their skills, learn new skills, find ways to meet today's problems, most of these schools again will be closed as usual.

Our public schools are to an appalling degree unused for long periods—representing an abuse of schools and an extravagance that America simply cannot afford.

The cost of supporting our elementary and high school system has tripled in the last 10 years. But the overwhelming majority of the schools still are used only five days a week, nine months a year and are restricted to the formal education of Americans between the ages 5 and 17 or 18. A stranger to the American educational system might understandably deduce that human learning begins in early September at the age of 5 and terminates (for all except the lucky) in June at the ages of 17–18.

Meanwhile, there is an ever-mounting need for further education of the older American—ranging from vocational training to retirement preparation and planning, consumer education, nutrition, music, arts, crafts. It must be increasingly clear to all thinking Americans that learning is a lifelong process, among the human being's most basic needs—and not the process that begins at 5 and ends not many years later.

What's the answer? The answer is community education schools—the use of our idle public schools to serve all of us.

And this answer will help slash local tax bills by avoiding the need to build and maintain additional expensive facilities, by keeping more real estate from falling off local town tax rolls and incidentally by reducing vandalism in and around the schools.

(Experience has demonstrated in a fascinating way that around community schools, with all the facilities for full-time, year-round use to help young and old, vandalism becomes negligible.)

The whole concept of community education is gaining acceptance at the federal, state and local levels at a speed that may come as a revelation even to the knowledgeable.

As of last count, approximately 700 school systems were involved in implementing community education on a planned, organized basis. There is an expanding national network with more than 60 centers for community education development headquartered mostly at colleges in more than 40 states.

As of early 1975, nine states had enacted legislation supporting community education. "The Community School Development Act," a part of the 1974 amendments to the Elementary and Secondary Education Act, was passed by Congress last year and signed by President Ford on Aug. 21, 1974.

Under this law, federal funds will be available beginning in 1976 to assist local public school systems in implementing community education, to help in training and dissemination of information on activities and in the establishment of a National Advisory Council.

Instead of being used to a puny one-third of their potential, our traditional schools could become community schools and be open to all ages, 12 months a year, 12 to 18 hours a day, seven days a week—and be used to their full potential. Instead of taxpayers getting a 25 percent return on their investment in schools and paying in addition for many other duplicated services, we would be getting a full return on our investment plus interest through more and better organized services.

You and your community can broaden your schools in a thousand and one ways—using them for purposes ranging from rehabilitation to special feeding programs for those who need them; from meeting places for the elderly especially, to special outings for those who could not leave their homes otherwise.

Whatever you do to use your schools more fully will all be plus.

U.N. SECRETARY-GENERAL'S PRESS CONFERENCE

Mr. McGEE. Mr. President, in a recent news conference, U.N. Secretary-General Kurt Waldheim made some very important observations about the just completed 29th General Assembly. In addition, his remarks opening the news conference were very thought-provoking.

As the Secretary-General noted, the world is undergoing a tremendous economic and political change. Change, whether it is within a nation or internationally, is neither easy nor free of possible confrontation. Yet, the ability of any nation to adjust to change is contingent upon that nation's ability to recognize what forces are at work and to capitalize on the positive aspects of these forces.

In this regard, the Secretary-General pointed out the realities of the United Nations when he noted:

> Obviously, the United Nations still faces, as it always has, two basic problems: the first is how to generate the political will and support of Governments in making its work effective. The second, and related problem, is how to improve its working methods and organization in order to measure up to the enormous problems with which the world community is faced in our days.

In essence, the United Nations bears a marked similarity to the way we, as a nation, attempt to grapple with our domestic problems on a day-to-day basis.

More importantly, the Secretary-General pointed out, and I wholeheartedly subscribe to his theory, that—

> After admitting the shortcomings of our Organization we have also to admit there is no reasonable alternative to the international co-operative approach which it provides. It is surely better to clarify, debate and reconcile differences and conflicting interests of nations and peoples here in the United Nations than to have them fought out to the ultimate ruin of all on the economic and even the military battlefields of the future.

This statement accurately reflects the United Nations as an institution. While we in the United States might become irritated and frustrated with the performance of the most visible organ of the U.N., the General Assembly, we must maintain an abiding faith in its worth to the international community as a whole, and our national interests in particular. I would hasten to point out that had there not been a United Nations for the past 29 years, the world would be a much worse place it which to live and our Nation would surely have suffered the drastic consequences in the absence of such an international organization.

I ask unanimous consent that the Secretary-General's news conference be printed in the Record.

There being no objection, the news conference was ordered to be printed in the Record, as follows:

Transcript of Press Conference by Secretary-General Kurt Waldheim

The Secretary-General. First of all, I wish to congratulate you, Mr. Thoren, on your election as President of UNCA, and I should like to extend to you all, ladies and gentlemen, my very best wishes for the new year. I wish also to mention, with respect and affection, two old friends who have died since we last met: U Thant and Darius Jhabvala.

This press conference comes at a time when there is still much comment about the last session of the General Assembly, as well as much speculation on the shape of events in the coming year. The United Nations is, of course, a very different Organization from the one which came into being in 1945. The Organization is vitally concerned in the process of adjustment to a period of unprecedented change and in trying to channel the many aspects of that change into a constructive pattern for the future. It is inevitable that this process should be accompanied by tension and also by friction. The Assembly certainly reflects these tensions and frictions. Thus the last session of the Assembly was much criticized in some quarters, especially in relation to some of its decisions. It seems to me that the proceedings of the last Assembly show that the majority in the Assembly was a changing majority, depending on the questions being discussed. I think it is important to remember this in making judgments on the performance of the Assembly at that session.

Obviously, the United Nations still faces, as it always has, two basic problems: the first is how to generate the political will and support of Governments in making its work effective. The second and related problem is how to improve its working methods and organization in order to measure up to the enormous problems with which the world community is faced in our days.

There is certainly no shortage of specific problems to be faced in the coming year. You all know as well as I do what they are. It is essential that urgent progress be made on the problems of the Middle East and Cyprus.

In the Middle East the United Nations has a significant role to play in conjunction with the efforts of the parties and of other Governments to achieve a just and lasting settlement. If there is no progress in the next few months towards such a settlement, we shall certainly be facing a very grave situation.

In Cyprus the United Nations plays a central part not only in peace keeping but also in peace making. As you know, immediately after the hostilities last summer we were able to bring together the leaders of the two communities and to get agreement for a discussion first on humanitarian questions and later on other important questions. The new round of talks on the political and constitutional problems of a settlement are beginning today between Mr. Clerides and Mr. Denktash in the presence of my Special Representative, Ambassador Weckmann-Muñoz. I hope that these talks will rapidly achieve real progress in Cyprus.

The situation in Indo-China once again gives cause for the greatest concern. The increased scale of the fighting in recent weeks is taking a heavy toll of human life. In such circumstances it is essential for all the parties involved to renew their commitment to abide by the terms of the Paris Agreements and to make progress towards the required political settlement of this lengthy and tragic war.

As regards decolonization there have been encouraging developments in the past year, as you are fully aware. Following the new policy of Portugal there are some promising signs of further progress on the problems of southern Africa, although it is obvious that many difficulties still lie ahead.

The economic situation is a major preoccupation throughout the world. An immediate problem is the imminent threat of famine in certain areas. The very serious warning signs which are being experienced in many regions concerning the functioning of the world economic system can only emphasize once again the necessity of making real progress towards a new economic order. This is a vast and immensely complex undertaking, which has been tackled in a number of special meetings in the past year and which will be the centre of attention during the special session of the General Assembly in September.

We are living in a period of acute anxiety in many parts of the world, anxiety which stems from the enormous changes which are taking place and from a deep uncertainty about the future. One thing is certain. Only international co-operation of an unprecedented scale and effectiveness can attempt to provide the answers to the problems which we face. We all know very well the limitations of the United Nations and we are all familiar with the criticism of its performance. But after admitting the shortcomings of our Organization we have also to admit that there is no reasonable alternative to the international co-operative approach which it provides. It is surely better to clarify, debate, and reconcile differences and conflicting interests of nations and peoples here in the United Nations than to have them fought out to the ultimate ruin of all on the economic and even the military battlefields of the future. In our present circumstances everyone concerned—Governments, the Secretary-General, the Secretariat, the press and the general public—bears a greater responsibility than ever before for making the United Nations a more effective Organization.

Ladies and gentlemen, that is what I wanted to tell you at the beginning of our press conference, and now of course I shall be happy to answer your questions.

Mr. Thoren (President, UNCA): Mr. Secretary-General, I want to thank you first of all for your very warm and friendly greetings. On behalf of the Executive Committee of UNCA and all my other colleagues in the Association, I want to wish you a very active and successful fourth year as the Head of this house.

We come to you today with a virtual grab-bag full of questions, some of which you have now anticipated in your opening remarks. Let me without further delay ask you to go, if possible, a bit deeper into the question of the situation in southern Africa. Do you see an increased role for the United Nations and for yourself particularly in the attempt to go forward, and what are your hopes, if any, for a real break-through soon?

The Secretary-General. The development in southern Africa is, in my opinion, encouraging, especially after the events in Portugal and the decolonization process in the Portuguese colonies. You are fully aware that these events have reflected positively on other problems of this kind—such as Namibia and Rhodesia—and it is my impression that the situation in that part of the world will develop in a positive direction. Of course we should not make the mistake of thinking that these problems will be solved quickly. They are very complex and difficult, but you have seen that for the first time there is a real willingness on both sides to get together to discuss these problems in direct contacts. I refer here especially to the talks which have taken place between the leaders of the liberation movements in Southern Rhodesia and three Heads of State of Africa in Lusaka. There were similar developments in other regards. So I think there is a good chance that we will make further progress during this year.

Question: The United States Government has reportedly sent you a note about the present North Vietnamese attacks in South Viet-Nam. What is your answer to that message?

The Secretary-General. Yes, I received the note yesterday evening. It has been published in the meantime, as you know. In the note I am requested to appeal to the Government of North Viet-Nam to stop the fighting and to work out a peaceful settlement in line with the Paris Agreements. We are studying the note very carefully. We are just today analysing the full text, and you will certainly understand that I cannot go beyond what I said in this regard in my introductory remarks.

Question: Since the United Nations has now set a precedent by the granting of recognition to a non-governmental body through the action taken on the PLO, would you say that such action has opened the door for hearings to other non-governmental bodies, such as the Kurds and South Moluccans. I understand that on Human Rights Day the President of the South Moluccas government-in-exile sent a letter to you and a memorandum on the grievances of the 3 million South Moluccans who, like the Kurds, are striving for self-determination and independence. May I ask you whether you have given this case some of your attention?

The Secretary-General. I cannot speak for the General Assembly. I have to make it crystal clear that the General Assembly is master of its own business and that it is up to it to decide who gets a hearing in the Assembly and who does not. Therefore I think your question has to be directed to the Assembly. I really cannot speak for the General Assembly.

Question: In view of the reports that warships are steaming into the Indian Ocean, could you tell us your plans for convening the concerned Powers as mandated in the zone-of-peace resolution of the last Assembly?

The Secretary-General. As you know, in this regard a number of resolutions have been adopted by the General Assembly, and we are now studying very carefully the steps that might be taken by the Secretariat. I think this is a very complex problem which needs very careful preparation before any action is taken.

I am not in a position to give you a clear-cut answer to this question. I apologize, but the subject is much too complicated, and we are still in the process of studying carefully the steps that should be taken by us in this regard.

Question: For the past couple of months you and other people in high places have been issuing rather dire warnings about the dangers of war in the Middle East, and particularly in the coming spring. I wonder if you will give us some idea of what moves you to deliver those warnings—that is, what elements of this danger are present now which were not present, say, eight or ten months ago, when I do not recall hearing such warnings?

The Secretary-General. I think it is clear that the efforts to work out a solution to the Middle East problem are not making substantive progress, and that is the reason why we are getting more and more worried about the situation. That is one element.

The second element is the fact if there is no progress it is doubtful whether the mandates for our peace-keeping forces in the Middle East will again be extended after they expire in the spring of this year. When I talked to President Assad—that was, as you know, towards the end of last year—and when he agreed to the extension he made it clear that that did not mean that Syria was ready to accept—a further extension of the mandate beyond the six months.

So there are a number of elements which create uneasiness, and it is in the light of those developments—the stalemate in the political field and the question whether the mandate of the peace-keeping forces in the Middle East will be extended—that I have made these statements.

Such statements have been made not only by me; a number of other personalities have expressed similar concern. I would repeat that the situation in the Middle East remains very serious, and if we are unable to achieve a break-through either through the step-by-step policy of Dr. Kissinger or, maybe later on, through a Geneva peace conference, then I believe that this year the situation will become extremely serious.

Question: What is your reaction to the politicization of UNESCO?

The Secretary-General. First of all, let me say that, as you are fully aware, UNESCO is an independent international organization with its own charter and its own independent governing body, the General Conference. The Director-General of UNESCO has already made known his views of the issue you have mentioned. Indeed, a series of press releases were issued by UNESCO clarifying the situation. You will therefore understand that I do not want to comment further on this matter, which concerns an independent member of the United Nations family.

Question: Mr. Secretary-General, what is the status of your contacts with the parties involved in the fighting in Cambodia in line with the resolution that the General Assembly adopted on that subject?

The Secretary-General. I have had contacts with certain delegations here at the United Nations in regard to that resolution. But it is evident that I can be helpful only if both sides so wish. In other words, it first must be clarified whether the assistance which is mentioned in the General Assembly resolution is required by the two sides. That is what I am trying to clarify. It is only after having clarified this aspect that I can proceed further.

Question: Mr. Secretary-General, quite recently we have been noting statements in papers and also on the radio to the effect that the United States Government cannot rule out the possibility of taking over the oil fields in the Middle East in the future or at any time if the situation continues to deteriorate. May I know what steps the United Nations is taking, since if this happens it is certainly not going to bring about peace but is going to hinder the efforts being made by the world body to bring about final peace for mankind.

The SECRETARY-GENERAL. I have made my views known on previous occasions, and only yesterday morning I was asked the same question on the ABC Morning Show. I gave my views also during my visit in the Caribbean right after those statements were made. I am ready to repeat what I said on that occasion. My view is that this problem has to be solved peacefully and not through the use of force. I am convinced that the use of force cannot solve this problem and that it would create a very dangerous situation not only in regard to the area immediately concerned, but also for the world as a whole. Therefore, I can only express my sincere hope that this problem will be solved not through a confrontation but through co-operation.

Question: Mr. Secretary General, I wonder if you have made these views known to Secretary Kissinger.

The SECRETARY-GENERAL. I do not want to comment on that question. I have made my views known publicly. You also know that I am in regular contact with the Secretary of State.

Question: May I add one question to this one and to the former one about the Middle East. Is there any form of co-ordination or co-operation, or whatever you would like to call it, between you and Secretary Kissinger when it comes to trying to get peace in the Middle East?

The SECRETARY-GENERAL. Well we are in regular contact. I think this is really an area where the bilateral efforts undertaken by the Co-Chairmen of the Geneva Peace Conference and our multilateral efforts through the United Nations machinery have to be closely co-ordinated. I repeat that I am in regular contact with Dr. Kissinger in this regard and, of course, also with the other parties concerned. I think this is a fruitful co-operation. I can only hope that it will produce the desired results.

There are, of course, many things one cannot say, because it is in the interest of the cause of peace and in the interest of the success of these efforts that we keep certain aspects of the efforts confidential. But I can assure you that there is definitely no competition between the efforts undertaken by the Secretary of State and our efforts. That was clearly seen, for instance, when I travelled to the Middle East to discuss the extension of the mandate for the peacekeeping forces and interrelated problems as well as the political situation.

Question: Is there any likelihood that your coming visits to the Arab oil countries may include visits to Egypt, Israel and Syria, for instance?

The SECRETARY-GENERAL. That is not envisaged during this trip. I was there only recently, and I do not think, for the time being, that it is necessary to go there again. But should my presence be required in one way or another, a decision on such visits can be made later on. This trip I am now envisaging will be limited for the time being to Europe and the Gulf Area.

Question: The oil situation has so far produced a most serious economic picture. Do your economic experts believe that the situation relating to the mechanisms operating to transfer the enormous assets now allowing to the oil producers—that is, this imbalance in the world—is being handled adequately, or do you think that we are again faced with an extremely serious situation without much of a solution in sight?

The SECRETARY-GENERAL. Are you referring to how the situation is being handled in the United Nations or how it is being handled in general in the world?

Question: I am talking about how it is being handled in general in the world, but you have a good deal to do with some of the organizations that are involved in this.

The SECRETARY-GENERAL. Quite frankly, I think that a lot more has to be done in this regard. I do not think that what is happening now in the world on this matter is satisfactory. Many efforts are being made by individual Governments and by regional groups, and of course by the United Nations also, but I feel that there is a lack of co-ordination, that there should be much better co-ordination of the various approaches.

You have been closely following the efforts undertaken by certain quarters, and I do not think it is difficult to understand why I feel that the necessary measure of co-ordination and co-operation still does not exist.

I am deeply convinced that we need better co-operation between producing countries and consumer countries. As I said before—I do not wish to repeat myself—there has to be co-operation. This problem cannot be solved in an isolated way. I therefore support any efforts to establish closer co-operation among all concerned.

Question: If that kind of co-operation is not achieved will the price of oil ever come down, in your opinion?

The SECRETARY-GENERAL. I still hope that this kind of co-operation will be achieved; indeed, there are encouraging signs in this respect.

Question: Mr. Secretary-General, the United Nations seems to be increasingly involved in disaster relief, and recently, following the earthquake in Pakistan, it was able to respond unusually promptly and efficiently. We were told yesterday that the needs there had practically been met or pledged. Now do you attribute this to better co-ordination in the Office of the Disaster Relief Co-ordinator, due to experience gained, or would you say it was due to having more money readily available—for instance, petro-dollars this time—in contributions to meet the needs?

The SECRETARY-GENERAL. I think both elements play a role in this regard. First of all I am sorry to say that we have gained more experience because there have been so many disasters. It is really incredible how many natural disasters have taken place in these last months. But it is also true that the necessary contributions have been received more quickly, and that enabled us to act immediately and successfully.

Question: Mr. Secretary-General, in your opening statement you spoke of the world's tremendous hunger problem. At Rome, the World Food Conference set up a World Food Council to pursue solutions for this problem. That Council was the subject of a high-level meeting in which you and the Director-General participated on Thursday and Friday. No agreement was reached there on a permanent Executive Secretary. What was done, if anything, to aid in alleviating the world's greatest food crisis? Would you give us your views?

The SECRETARY-GENERAL. Yes, gladly. This meeting, in which Dr. Boerma, Mr. McNamara, Mr. Peterson, Dr. Prebisch, Mr. Hannah and a number of other prominent experts participated, was a very fruitful meeting which took place in an excellent, cordial and understanding atmosphere.

I am a little surprised that you should have the impression that nothing came out of it. On the contrary, we did announce on the same evening, the full agreement had been reached that I should appoint Mr. Hannah—who is an agricultural expert, held in high regard all over the world—to be the acting head of the secretariat of the World Food Council. The exchange of views which we had on that occasion was very helpful and very fruitful. Mr. Hannah will now take over the organization of the future work in this regard. He will prepare for the first meeting of the World Food Council, which will take place in a few months, and will also deal with the setting up of a special Agricultural Fund.

Question: On the United Nations peacekeeping forces, are you completely satisfied that you have machinery, that you can call upon forces—you may be needing them in the future in case of a further settlement—and that these forces will be available? Particularly in the light of the recent withdrawal of the Peruvian forces, would you like to see any tightening up in the forces that you might need in the future?

The SECRETARY GENERAL. No, I do not expect any serious difficulties in this regard, on the contrary, we have more offers than we need for the time being.

Of course, as you know, we have to proceed on the basis of geographical distribution and, therefore, we are now interested in getting another Latin American contingent to replace the Peruvian contingent which is being withdrawn in April from our peacekeeping forces on the Golan Heights. So the problem is not that we do not have enough offers but that we want to replace the Peruvian contingent with another Latin American contingent. We are in contact with some Latin American Governments in this regard and I expect that in the near future we will be able to know which Latin American country will serve on the force.

Question: Mr. Secretary-General, yesterday you said that you accepted the constructive criticism contained in the report by the Ralph Bunche Institute on United Nations personnel practices. The point of that report was that Governments were growing leery of using the United Nations for technical and administrative functions because of their uncertainly about the politicization and competence of the personnel. While they also proposed things for Member States, they proposed that you for your part should avoid involving yourself in appointments below your Cabinet level and that you should make it clear, publicly, that you would not even discuss such appointments with permanent representatives or their subordinates.

Would you take that step now and encourage Governments not to approach you about personnel appointments and encourage your own subordinates not to discuss personnel appointments except in the normal course, through the personnel department?

The SECRETARY-GENERAL. I am certainly ready to answer your question.

First of all, let me say this: pressures and interventions are nothing unusual in national administrations. I have served as a cabinet minister in my country and I know that repeatedly—as I am sure is the case in many other countries—members of parliament, corporations and private individuals have recommended somebody for a certain post. That is nothing unusual. Why are you so surprised that this is also the case in the United Nations, where we have 138 Member States most of which are interested in having at least some of their nationals in the Secretariat? I would not really overestimate the implications of this phenomenon, which exists in national administrations—I do not know, perhaps your own country is an exception.

The question really is whether the Secretary-General and his colleagues are ready to accept such interventions and pressures. And here I disagree with all those who think or express the view that I readily yield to such pressures. If you were to speak to some of my colleagues, you would hear how I resist such pressures and that I am only ready to accept intervention if it concerns somebody who is really well qualified; in which case I would get the file to see what kind of candidate he or she is before a decision is made.

So, as I said yesterday through my spokesman, I take strong exception to the statement that I readily yield to such interventions. That is definitely not the case.

Now, as far as your particular question is concerned, of course theoretically, this is very easy; but if you were sitting on the 38th floor and if you received such questions on your desk at regular intervals, because neither the head of the department nor the Office of Personnel feels that they should make the decision alone, the Secretary-General would have to react in one way or the other; otherwise I think he could rightly be blamed for not making any decision at all. But I can assure you that I have no intention of involving myself in all cases concerning the appointments of Professional staff, because I really think that I have other important things to do.

Question: Mr. Secretary-General, last Thursday, at the dinner given in honour of His Majesty Sultan Qabus bin Said of Oman, Dr. Kissinger said he would like to have co-operation with the Arab oil-producing countries, to which the Sultan replied that he agreed, preferring co-operation to confrontation.

Now, those two statements came practically one day after you had made your views known; and then, the next day, after the Sultan had met Dr. Kissinger, he told the press that he had the impression that Dr. Kissinger's answer to *Business Week* was a hypothetical one, and then, later on, at another press conference, he said that he had been assured that there would be no confrontation.

Now, since you are going on this trip to the Arabian Gulf States, where oil is available, and I am sure that all Heads of State are going to ask you about this situation, do you think, or do you have the feeling, that Dr. Kissinger has withdrawn from the position he took in the interview with that magazine; and have your intervention and your statements played a role in so far as you represent the overwhelming majority view of United Nations Members? What is your comment on this?

The SECRETARY-GENERAL. I hope you will not consider me discourteous if I advise you to direct that question to the Secretary of State himself, because only he can know the implications and meaning of his statement. I do not think that I can speak for him; I can only express my views, and I have made my views very clear. I repeat: I very much hope that this whole question is a theoretical one and that we will never reach the point where it becomes practical.

Question: Mr. Secretary-General, in your statement published the day after the conclusion of the last General Assembly session you said that that session was one of the most important in United Nations history, and in your introduction today you again referred to the changes taking place in the United Nations. In this light, would you say that the United Nations is now better fulfilling its tasks under the Charter and better serving the purposes and principles of the Charter of the United Nations?

The SECRETARY-GENERAL. Everything in life is relative, and I think we have to take into account the changes in the world. How can you expect this Organization to work as it did right after the war, when it had only 51 Member States? Today we have almost three times as many, and many things have happened in the meantime, which make it necessary for the working methods of the United Nations to change also.

Now, that brings me to the Charter. As you know, the General Assembly dealt with the possibility of a Charter review, and while I do not want here to comment on that, I do want to say this: I feel that what we also need in this new situation is an improvement in working methods. We have made certain changes in the Charter in regard to the number of members of the Security Council and of the Economic and Social Council, and some other changes. But what is also important for the future, I think, is a change in certain working methods of this Organization, and perhaps in this way we can improve some of its activities.

THE NEED FOR A GAS TAX

Mr. BROOKE. Mr. President, at the end of the 93d Congress and again in this, the 94th Congress, I introduced legislation to increase the Federal tax on gasoline by 20 cents per gallon, provide tax credits for those less able to endure the attendant sacrifice, abolish the Highway Trust Fund, and levy a progressively stiff tax on the weight of all new automobiles produced after June 30, 1976. In December I had hoped that my initiatives would spur a full and frank national debate on energy policy. And in light of the President's subsequent energy proposals and the spate of Democratic responses, I think we are now witnessing such a debate.

Last Monday the New York Times made a particularly valuable contribution to this debate with two editorials entitled "Taxing Gasoline" and "Autos." I urge my colleagues to read these editorials carefully, because they focus on the one fuel most in need of stringent conservation and most capable of sustaining it: Gasoline. It is the use of this fuel with which we must come to grips; and we must do so not through short-term machinations such as fuel allocation or rationing but through long-term, permanent increases in the Federal taxes we pay for this fuel. As the Times quite rightly points out:

> Automobile and gasoline taxes would promote the necessary trend of American life away from the extravagances of an unfettered automotive economy.

Mr. President, I ask unanimous consent that the two editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

TAXING GASOLINE

The fatal flaw in the Administration's arguments against a gasoline tax is the assumption that all uses of petroleum are equal—equally necessary or equally wasteful, equally desirable for social or economic health. Thus, President Ford insists on a tariff on all crude oil imports rather than a higher excise tax on gasoline alone.

Yet, essential though automobile transport has become in most parts of the country, many American families have already found that the gasoline to power inefficient cars, one driver at a time, over short urban and suburban distances is far easier to spare in their energy budget than, say, the fuel to provide basic 68-degree heat in the home.

On average, American motorists drove about 300 miles less per car last year as a result of the higher cost of gasoline forced by foreign oil producers' price increases. This is an indication of the elasticity in gasoline—optional consumption that falls off as the price rises.

Nor is it necessarily fairer, as the Administration contends, to spread out the costs of conserving energy across all petroleum users—which, one way or another, means everyone. It is surely fairer to let each American motorist make the decision for himself how much to drive, rather than to force every consumer to pay the higher costs passed along by utilities, industries and everyone else who uses petroleum in the production process.

The fourfold price increase that has already occurred in crude oil has forced gasoline prices up about 37 per cent, but far higher percentage increases hit other fuel prices: diesel fuel went up 49 per cent, home heating oil 66 per cent, aviation fuel 100 per cent and residual fuel oil, used in industry and electric utilities, a staggering 143 per cent.

Where is the equity, therefore, in "sparing" motorists the burdens of a sizable increase in the cost of a gallon of gasoline in order to spread out the burden among all petroleum products when these other products have already risen so much more?

Undoubtedly, adjustment to higher gasoline prices would create hardships, particularly at the start and in localities where there may now be no practical alternative to the car for employment and communication. But designing a system of rebates and allowances for essential automobile uses would be far less complicated than any attempt to compensate for the gross inflationary damage from across-the-board petroleum price increases.

AND AUTOS

The social and economic judgment that underlies President Ford's abhorrence of a gasoline tax centers on an exaggerated pride of place which he assigns to the automobile industry. However, the unpalatable fact is that the directions pursued in car design and marketing over the past decade and the infrastructure of highways and community development that this trend has promoted have distorted the economic growth and social well-being of the nation.

One current example is the impact on employment and energy consumption from highway construction, so long the symbol of this country's auto-based economy. In a recent issue of Science magazine, two researchers calculated the difference between spending $5 billion on construction of new highways or investing the same amount in railroads and other mass transit facilities. The energy consumed in the construction work alone would be 62 per cent less for railroads than for highways; such a shift in priorities, moreover, would provide more than 8,000 additional jobs.

Leaders of the automobile industry recognize the need for new directions. Chrysler has begun a long-term restructuring that cuts capital overhead by one-third and projects sales in the range of 6 million cars every year instead of 8.8 million sold in 1974. General Motors has announced a four-year research program, costing $3 billion, to make its models smaller and lighter.

Such steps are but a beginning. Dr. Edward Teller, who knows something about advanced technology, believes that "except for the mental inertia in Detroit, we could have a fifty-mile-per-gallon car in perhaps as short a time as three years." Another critic of the automobile industry, Donald E. Weeden, president of the City Club of New York, has even proposed "massive government aid to Detroit to produce twenty million compact cars a year in order to get us out from under our existing inefficient fleet." A tax on horsepower or automobile weight would be a logical complement to a tax on gasoline; the goal is not to penalize motorists, but to reward efficient design and use of cars.

No energy policy that aims to protect the status quo of the automobile industry by preserving the relative cheapness of gasoline can make more than a dent in the profligacy of this country's energy consumption.

The undoubted hardships of a gasoline tax can only be measured against the alternative hardships foreshadowed by President Ford's tariff plan; these are becoming more extensive with each new economic analysis by the government itself. For the longer term, automobile and gasoline taxes would promote the necessary trend of American life away from the extravagances of the unfettered automotive economy.

NEED FOR A SOLUTION TO HEALTH MANPOWER SHORTAGES

Mr. JOHNSTON. Mr. President, a recent article in the Shreveport Journal explains that Mansfield, La., a town of 6,000 people, cannot attract a new physician to the community. The article goes on to say that a doctor working in Mansfield could probably earn $75,000 a year. When a community that will pay a young physician that amount of money cannot bring someone to the area, then something is wrong. How can it be argued that America has enough doctors when $75,000 per year jobs go begging?

I have followed with interest the work that our Senate Subcommittee on Health has done in the area of health manpower shortages. While my own solution to the problem may be different than the specific ones that the subcommittee has on occasion proposed, I fully share the concern of subcommittee members and of all my colleagues that we must find a means to attract doctors to every American community.

I continue to believe that we can solve these health manpower problems without unfairly restricting the mobility and independence of physicians. We must search for a method of bringing doctors to these underserved areas so that they will want to come to these communities and make their permanent homes there.

I am confident that in the coming months we will be able to find a solution to the health manpower problem—a solution that strikes a fair balance between serving small towns, rural areas, and the inner city, while at the same time maintaining the freedom of choice among our doctors. I ask unanimous consent that the article describing the Mansfield, La., physician shortage problem be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mansfield, La., Needs Doctors!

(By Ed Pettis)

Mansfield.—This town of more than 6,000 is desperate.

In an effort to secure needed doctors, the board of directors of the DeSoto General Hospital is offering cash bonuses of up to $20,000 over a two-year period, a guaranteed annual income, plush housing at low cost and financial assistance in setting up a local medical practice.

In addition, one board member estimated that $75,000 a year probably would be a low annual income figure for a physician beginning practice in this community, which has been left with only one doctor.

Harold Cornett, president of the board, said the board has advertised its inducement plan in five major metropolitan newspapers and has contacted medical associations in five states—Louisiana, Texas, Mississippi, Arkansas and Alabama. But so far, the efforts have been futile. There are no prospects in sight.

Cornett said this all-out effort is almost a necessity. The critical shortage of doctors is beginning to jeopardize the financial stability of DeSoto General, the only hospital in DeSoto Parish.

As of the first of this year, Mansfield had only one physician, Dr. Jack Grindle, who describes his daily work load as "overwhelming." Another doctor, John Wilson, closed his medical practice here at the end of 1974 to join the Air Force medical staff. Last July Dr. David Hoblit was forced to close his office to fulfill a two-year Navy commitment.

The end result of the doctor shortage has been a migration of patients to other hospitals, notably Allen Sanitarium at Converse, some 20 miles to the south, and Confederate Memorial Medical Center at Shreveport, some 40 miles to the north, and a resulting decline in the number of patients entering DeSoto General.

Mrs. Jewell Smith, administrator of the hospital here, said the 48-bed facility needs a 65 per cent daily occupancy, or about 30 to 32 patients per day, "to break even." However, because of the absence of doctors to care for the patients, the occupancy rate dropped to 55 per cent during 1974 and the figure thus far this month is only about 45 per cent.

Because of the dwindling patient load, the hospital was forced to cut its staff by about 10 employees, including five nurses, last September, and, according to Mrs. Smith and Cornett, the 75 employes, including 30 nurses, who remain on the staff have not received a pay raise since January, 1973.

"Our employes have been extremely loyal and understanding during this crisis," the administrator said. She added that department heads have done everything possible to cut expenses in order to keep layoffs to a minimum.

However, despite the existing situation at the hospital and the lack of prospects, Mrs. Smith said, "We haven't given up."

Cornett pointed out that a respiratory therapy department and two cardiac monitoring rooms were added to the hospital last year, and he said a new $80,000 X-ray machine is on order and scheduled for delivery this year. He added, "If we can get some additional doctors, we are contemplating an expansion of the hospital." However, he said the extent of the expansion would depend on how many doctors can be attracted to the town.

"We aren't just looking for one doctor," he said. "We want two or three."

Dr. Grindle, who has been in practice here since 1955, echoed that sentiment. "I would like to see three additional doctors recruited," he said during a short break in his typically hectic daily routine.

He explained that the only way he can get a day off is to prevail upon friends within the medical profession in other cities to give up one of their off-days to come to Mansfield to handle calls. "Otherwise, I'm on call 24 hours a day, seven days a week," he said, "and that's hard on a person's family."

Dr. Grindle said his daily schedule is something like this: In the hospital from 7 to 9 a.m. for surgery and emergencies, in the office to see patients from 9 a.m. to 12:30 p.m. and from 1 to 2 p.m. and then back to the hospital to make rounds. He said this takes to anywhere from 7 to 10 p.m., and then he is on call for emergencies at night.

To ease part of the burden, Dr. Grindle has made arrangements for a military doctor to see patients in his office from 2 to 5 p.m. Monday, Wednesday and Friday and to make the hospital rounds on Thursday. In addition, a resident doctor from Confederate Memorial is on duty from 6 p.m. to 6 a.m. each Wednesday and Thursday and sometimes on Friday to man the DeSoto General emergency room.

Dr. Grindle said he is following every lead he can get in hopes of luring additional doctors to the community. He has been responsible for the securing of some four or five physicians in the past, but they have all since moved onto other areas.

The hospital board already has gone to considerable expense to get more doctors and the members apparently are ready to shell out even more money. Last October an analysis of the hospital's needs, made at the request of the board by Paul G. Kiene and Associates, a hospital consulting firm from Baton Rouge, showed that the ratio of persons per physician in DeSoto Parish was 4,646 to 1, as compared to the national ratio of 639 to 1, and that was before Dr. Wilson quit his practice.

Also last October the board appointed an eight-man committee to investigate the operation of the hospital and to make any suggestions which might prove helpful. That committee made its report public last week and among the major recommendations made to the board were:

Provide adequate clinic facilities that will be available immediately for up to four doctors independent of the hospital.

Construct two houses ready for occupancy to be offered at a cost basis to any doctor willing to move to Mansfield. The hospital would handle the interim financing and make the payments on the houses until occupied.

Appoint a committee of three individuals to handle doctor recruitment, with board authority to deal with prospects on the spot.

The report concluded, "We feel it is almost useless to try to recruit a single doctor. We should shoot for a clinic of doctors—two or more."

Until such a situation becomes a reality, Cornett, Dr. Grindle, Mrs. Smith and the hospital staff are praying that no catastrophe occurs in the Mansfield area. "We just couldn't handle it," Cornett said. "Too, we've been extremely lucky not to have had a flu epidemic like many areas have."

To many Mansfield residents, the doctor shortage is a mystery. They can't understand why it is so hard to lure physicians, particularly with the potential of a lucrative annual income. John Blanchard, another member of the hospital board, said he knew of many doctors in Shreveport who make less than $30,000 per year whereas estimated income here ranges from $75,000 upward.

Cornett said he feels at least part of the answer lies in the theory that most doctors come out of medical schools located in large metropolitan areas and thus are accustomed to big city life.

This is a much different atmosphere than that found in Mansfield, the principal town in a parish with only 22,000-plus total population. And, too, most outsiders do not get a favorable impression of the town. In their report last October, Kiene and Associates said:

"DeSoto Parish is a rural parish with a high per cent of aged persons and a high per cent of non-whites. It has a low median family income, a high per cent of families with an income below the poverty level and the U.S. census reports that the parish falls below both the state and national average in the number of median school years completed by persons 25 years and older. These factors do not suggest a comparatively high standard of living, nor do they suggest a sophisticated population in terms of the value of health care."

However, Dr. Grindle, when asked why he has remained here in the face of frequent difficulty, said, "I like the town and I like the people."

Cornett and other members of the hospital board and staff are in hopes they can find two or three more doctors with that same attitude.

ROLE OF CONGRESS IN FOREIGN POLICY DECISIONMAKING

Mr. McGEE. Mr. President, in last Thursday's edition of the Washington Star-News, there appeared a column by Crosby Noyes which is certainly worth reflecting upon at this time.

Entitled "Unraveling Kissinger," Noyes makes some very pragmatic observations concerning the conduct of foreign policy of this Nation. It is worth noting at this time, because the Congress of the United States has sought to exploit a weakened executive branch and assume the predominant role in foreign policymaking.

While it is the responsibility of the Congress to oversee and correct either abuses in the conduct of executive branch operations or even ill-conceived policies, the Congress, on the other hand, must be intelligent itself in the exercise of this responsibility. It is just that—a responsibility. In essence, Congress must not force the pendulum to swing too far to the extreme.

Is Congress equipped to deal with the foreign policy decisionmaking processes of this Nation in an intelligent and responsible fashion? This remains to be seen. We will be facing numerous issues in this session which will determine whether the legislative branch of government is equal to this task. For once we assume responsibility of a major dimension, we must also be willing to accept the consequences.

I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNRAVELING KISSINGER

(By Crosby S. Noyes)

Secretary of State Henry Kissinger is behaving as if he thought his problems with the new Congress were for real and he is trying to do something about them. It may be, however, that he still is seriously underestimating what he is up against.

Kissinger is calling for a new "partnership" between the executive and the Congress in the formulation of foreign policy and promising to cooperate with the lawmakers right down the line. In return, he is appealing for a renewed sense of "mutual trust" and a certain freedom to conduct the day-to-day details of our foreign affairs without undue congressional interference.

He has drawn attention to three recent examples of the kind of interference he is talking about. Congressional efforts to link Soviet emigration policies to the trade bill, the threatened cutoff of arms aid to Turkey and restrictions on preferential tariffs for oil-exporting countries have defeated their purpose because, as Kissinger sees it, "the legislative sanctions were too public, or too drastic, or too undiscriminating." Too much of this effort to define policies toward individual countries, says the secretary, "risks unraveling the entire fabric of our foreign policy."

As far as he goes, Kissinger is absolutely right. His mistake, it seems to me, is his failure to recognize—or his refusal to admit—just how far the fabric of our foreign policy already has been unraveled by the paralysis of the executive branch and the passing of initiative to Congress. It is a process, one suspects, that will not be reversed by appeals for bipartisanship and trust.

Henry Kissinger has appeared on the scene at a singularly fortunate time in many ways. He has a conceptual approach to foreign policy perfectly adapted to the realities of the world today—a vision of a world order in which cooperation for mutual benefit gradually replaces the more traditional organization for conflict.

More than any other American secretary of state in my lifetime, he has the talent for communicating his concepts to the most skeptical of audiences. He is not an all-or-nothing sort of man, it may be that some of his improvised solutions to immediate problems are more illusory than real.

But perhaps above all, he comes across as a man who knows the direction in which the world must move if it is to survive. He inspires trust in such diverse types as Egypt's Anwar Sadat and Russia's Leonid Brezhnev. He may even flatter himself that he is able to handle his fellow Americans in the United States Congress.

And there he may be wrong. Kissinger's singular misfortune is to come along at a time of unparalleled weakness of the executive branch of government and an assertiveness in the Congress that has not been seen in this country for over 40 years. He was raised to his present authority by an administration that was discredited and driven from office by threat of congressional action for the first time in the history of the republic.

Kissinger, no doubt, is the outstanding survivor from the shambles of the Nixon administration. In a purely objective sense, what happened to them should have no effect on his ability to serve the interests of the Nation in a new administration. But politics—as the secretary understands very well—is not an objective process.

Kissinger's effort at this point is to rescue foreign policy from the institutional conflict that already is well developed between the Ford administration and the new Congress. He may be right that the focus of that conflict for the time being is largely on domestic problems.

* * * * *

Foreign policy, as preached and practiced by Henry Kissinger, is a central element of the conflict. His concepts are adjusted to the fact, for the first time in many years, there is no consensus of public or congressional opinion on the fundamentals of our international relationships. As Irving Kristol has pointed out, this lack of consensus applies across the board—to NATO, to Russia, to the oil-producing nations, even to the question of whether or not we want to remain a major military power.

But in Congress—at least in the liberal majority of Congress—there is a kind of consensus. It is that the executive branch shall not again have the kind of "flexibility" in the conduct of foreign affairs that led to what is perceived as disaster in Vietnam. And if curbing that flexibility some 10 years after the horses fled results in greater disasters in the future, the determination of Congress to shoulder that responsibility seems quite unshakable today.

57TH ANNIVERSARY OF LITHUANIAN DECLARATION OF INDEPENDENCE

Mr. FANNIN. Mr. President, this month marks the 57th anniversary of the Declaration of Independence for the people of Lithuania.

Lithuanian independence lasted for only 22 years however, and today the Lithuanian people remain under the repressive rule of the Soviet Union.

The Lithuanian people and people of Lithuanian descent living around the world still look to the day when this nation will once again be free.

Mr. President, in December the Lithuanian Americans of Southern California and their friends met in Los Angeles and adopted a resolution. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Unanimously adopted at a mass assembly of Lithuanian-Americans and their friends, living in Southern California, sponsored by the Lithuanian-American community of the United States, Western Division, held on Sunday, December 23, 1974, at 12:15 P.M. at the Marshall High School Auditorium (3939 Tracy Street, Los Angeles, California, 90027) in meeting and honoring Mr. Simas Kudirka, a Lithuanian seaman, who in November, 1970, jumped from a Soviet fishing trawler to a Coast Guard ship tied alongside and several hours later was surrendered to the Russians, triggering worldwide outrage, after four years of suffering and torturing by the Soviet Communists in the Soviet prisons and slave-labor camps, finally in November, 1974, he and his family landed in America.

Whereas, the Soviet Union took over Lithuania by force of arms in June, 1940; and

Whereas, the Lithuanian people are strongly opposed to foreign domination and are determined to restore their freedom and sovereignty which they rightly enjoyed for more than seven centuries in the past; and

Whereas, all representatives of the United Nations, including the Soviet Union, signed the Declaration of Human Rights ten years ago, but the Soviet Union has failed to live up to the principles and goals of the aforementioned declaration; and

Whereas, the government of the Soviet Union, through a program of deportations and resettlement of peoples, continues in its effort to change the ethnic character of the populations of the Baltic States; and

Whereas, scores of new States were established and founded since 1945 in Asia and Africa and admitted into the United Nations; and

Whereas, it has been the firm and consistent policy of the government of the United States to support the aspirations of Baltic peoples for self-determination and national independence; Therefore be it

Resolved, That we, Americans of Lithuanian origin or descent, reaffirm our adherence to American democratic principles of government and pledge our support to our President and our Congress to achieve lasting peace, freedom and justice in the world; and be it further

Resolved, That the President of the United States carries out the expression of the United States Congress contained in H. Con. Res. 416 (89th Congress) by bringing up the Baltic States question in the United Nations and demanding the Soviets to withdraw from Lithuania, Latvia, and Estonia; and be it finally

Resolved, That copies of this resolution be forwarded this day to the President of the United States, Secretary of State Henry Kissinger, United States Ambassador to the United Nations, John A. Scali, and selected members of the United States Congress.

JUSTICE DEPARTMENT ESTABLISHES NEW INDIAN RIGHTS SECTION

Mr. KENNEDY. Mr. President, I am pleased to learn that the Department of Justice has followed my recommendation and established a special Indian Trust Section to handle litigation on behalf of American Indians. For over 3 years I have been advocating that Justice take a more aggressive role in protecting and advocating land and water rights of Indian tribes, and that a special section be set up to alleviate the traditional conflict of interest which arises when the same Government attorney must represent both Indian and Federal interests.

Sometimes these interests are competing interests. In 1971 the Subcommittee on Administrative Practice and Procedure conducted extensive hearings which focused on the failure of the Federal Government to provide vigorous and dedicated advocacy of Indian rights in court. Out of these hearings emerged a clear pattern of the historic conflict of interest, occurring when the same Government official attempts to represent these competing interests in litigation. And out of those hearings grew a picture of Indian rights losing out time and again to the interests of non-Indians. An independent Indian Trust Counsel had been proposed by the administration but although I fully supported this legislation, it soon became evident that the bill would not get out of committee. I concluded however, that part of the conflict of interest problem could at least be alleviated by the formation of a separate unit within the Department of Justice which had Indian tribes as its only client. This unit would not at the same time have the obligation to represent the Bureau of Reclamation, the Bureau of Land Management, or the Forest Service.

I pressed this matter with Justice officials who testified at Administrative Practice and Procedure Subcommittee hearings. I raised it at confirmation hearings with Lands Division Chief Kent Frizzell; I advocated this separate section to Deputy Attorney General Kleindienst and Attorney General Saxbe. In anticipation of the confirmation of a new Attorney General this year, I requested an update on my recommendation last month. Yesterday Acting Assistant Attorney General McConnell explained in response to my inquiry that the Department had finally acted to establish this separate litigating unit. Mr. McConnell wrote:

> A recommendation has been made, and has been adopted by the Deputy Attorney General, that a new Indian Trust Section be created in the Lands Division. The attorneys in this section would be engaged exclusively in representing Indians in natural resources cases. However, creation of a new section is dependent upon additional appropriations in this and subsequent years.

Mr. President, I am pleased to see the Department of Justice move in this important area. I think that it would be useful to place in the RECORD my exchanges of correspondence with Justice Department officials on this matter, and I ask unanimous consent that they be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Mr. President, I realize that Mr. McConnell has left open the issue of finalization of this new section because of the question of additional appropriations. I intend to call upon the Department to shift some of its resources from the Lands Division, which has been responsible in the past for protecting Indian rights but has failed adequately to do so. This would allow the new unit to proceed without delay. It would be a travesty, Mr. President, if justice for Indian peoples were to be delayed further. They have already lost hundreds of thousands of acres of land and immeasurable water rights and mineral interests because the financial resources of the Federal Government have been allocated to opposing rather than promoting and protecting their interests. The Justice Department must now shift funds to support, rather than to derogate, the rights of the first Americans.

EXHIBIT 1

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE,
Washington, D.C., May 7, 1974.

Hon. WILLIAM B. SAXBE,
Office of the Attorney General, U.S. Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: In 1971 and 1972 my Subcommittee on Administrative Practice and Procedure conducted numerous hearings and extensive investigations into the government's handling of Indian resource matters. All too frequently we found that Indian rights had been afforded inadequate protection by the government, often because of the built-in conflicts of interest in the federal government. This conflict was recognized by the President in his 1970 Indian message, and the Administration proposed a Trust Counsel Authority bill to remedy this problem. The Justice Department firmly supported that legislation before the Interior Committee, but unfortunately no action on the bill appears in sight.

It is thus both timely and appropriate that the Justice Department take the initiative in this important area. At your confirmation hearings I raised the question of the need for an independent section in the Justice Department to handle cases involving Indian rights. I observed:

Over the years, I have been extremely interested in the Federal protection of Indian natural resources, and the Lands Division of the Justice Department plays a central role in this area. There is a situation in New Mexico concerning Pueblo water rights where the Justice Department is representing not only the Indians but also the various agencies of the Federal Government. So you have the Justice Department on competing sides of the same issue. There have been many of us who have urged a special, separate section within the Department to handle the prosecution of cases involving Indian rights—hunting and fishing, as well as boundaries and water—so that there could be both in appearance, as well as in reality, an avoidance of conflicts of interest. (P. 12)

I raised this same matter during the confirmation hearings of a number of other Justice Department officials. (Silberman p. 20, Ruckleshaus pp. 85–86, Kleindienst pp. 81–83, Frizzell pp. 30–32). It seems to me that the Department should have developed some concrete response to this proposal and that American Indians should not have to wait longer for the full protection and enforcement of their rights required to be provided them by law and treaty.

I hope that you will personally take an interest in this issue since a question of departmental reorganization is involved. I would be glad to work with you further on this and will look forward to your response to my proposal.

Sincerely,

EDWARD M. KENNEDY.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., July 22, 1974.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR TED: I have your letter of May 7, 1974, urging the establishment of a special, separate section in the Department of Justice to represent the interests of Indians in litigation involving natural resources. As I agreed to do at my confirmation hearing, I have looked into this matter. The purpose of this letter is to make you aware of some recent developments in this area.

As you suggest, there occur cases in the Land and Natural Resources Division of the Department which present differences between the positions advocated by or on behalf of Indians and those advocated by some Government agencies. These give the Assistant Attorney General the obligation of deciding which position should be taken by the United States in the national interest. Under a 1972 agreement with the Department of the Interior, a separate statement setting forth the views of the Solicitor of that Department is included in any brief involving Indian natural resource trust interests if such views differ from those otherwise presented by the Department of Justice in such cases.

The arrangement for such separate statement of views is not a full substitute for the Indian Trust Counsel Authority which the President has recommended and the legislation for creation of which the Department of Justice vigorously supports. However, pending the creation of such a completely independent legal advocate of Indian natural resource rights, the arrangement should go far in avoiding actual or apparent conflict of interest in the Department of Justice in litigation in which such rights are involved and in assuring that such rights are given full representation in the litigation.

The creation of a separate litigating unit within the Justice Department, whether it be in the Land and Natural Resources Division or elsewhere, depends in part on the volume of work which would be handled by that unit. When my predecessors considered this issue it was determined that there just wasn't enough work to justify a separate division. In order to reconsider this decision, we have asked the Department of the Interior to advise us as to the number of cases involving Indians which will be submitted to this Department for litigation within the foreseeable future. This information should provide a new base upon which to evaluate the advisability of an Indian division.

Moreover, I have asked Larry Silberman to undertake a compresensive review, working closely with all interested parties within the Justice Department, of all our Indian responsibilities. This would, of course, go beyond the matter you raised with me in your recent letter and should be considered as part of any possible reorganization.

I must emphasize in closing that the steps I have outlined above are no real solution to the problems we both know exist. The solution, in my view, is the creation of an Indian Trust Counsel Authority. Only the creation of this Authority will eliminate the appearance of conflict to which you refer in your letter.

Sincerely,

WILLIAM B. SAXBE,
Attorney General.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE,
Washington, D.C., January 23, 1975.

Hon. WILLIAM B. SAXBE,
Office of the Attorney General, U.S. Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: You may recall that at your confirmation hearing on December 12, 1973, we discussed the matter of establishing a special section within the Department of Justice to handle Indian natural resource protection litigation. On July 22, 1974 you indicated in a letter to me that the Department would undertake a comprehensive review of its responsibilities relating to American Indians, including the question whether a new Indian rights section should be established.

I understand that a task force established to study this matter has completed a report of its findings and recommendations. So that I might continue to work with the Department towards our mutual objective of providing maximum federal protection for Indian rights, and so that I can assess its progress in moving towards this objective, I would appreciate your providing me with a copy of this task force report.

Sincerely,

EDWARD M. KENNEDY.

DEPARTMENT OF JUSTICE,
Washington, D.C., February 4, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senator, Russell Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: This is in response to your letter of January 23, 1975, regarding the Department's handling of Indian natural resources cases.

The Department shares your concern with the need to provide the highest quality of representation in Indian "trust" cases.

A task force is currently conducting a broad ranging review of the Department's responsibilities relating to American Indians. The fulfillment of the government's "trust" responsibility to protect the interests of Indian tribes in natural resource litigation is included in this review. The task force has not completed its work and has issued no report. A recommendation has been made, and has been adopted by the Deputy Attorney General, that a new Indian Trust Section be created in the Lands Division. The attorneys in this section would be engaged exclusively in representing Indians in natural resource cases. However, creation of a new section is dependent upon additional appropriations in this and subsequent years.

It remains our view, however, that a more complete solution to the problems involved would be provided by legislation setting up an Indian Trust Council Authority, or some similar body, which would provide independent legal representation to Indians.

Sincerely,

A. MITCHELL MCCONNELL, Jr.,
Acting Assistant Attorney General.

LATINS END ISOLATION OF CUBA AT U.N.

Mr. McGEE. Mr. President, I want to bring to the attention of my colleagues an article which appeared in the Washington Post of January 30 entitled "Latins End Isolation of Cuba at U.N."

The significance of this decision is summarized in the first paragraph of the article:

> After more than a decade of systematic isolation from Latin American groups activities here, Cuba today participated in a formal caucus of the 26 delegations, in what the Cuban ambassador called "the end of an era at the U.N."

Mr. President, this diplomatic gesture by the Latin American representatives to the United Nations is just one more indication that the United States must begin to move in a more positive manner on the Cuban issue. If we persist in the neutral stance taken at the Quito conference—despite the fact that a majority of the Latin nations voted to rescind the 1964 OAS sanctions—we will eventually end up straddling the fence all alone.

This is a luxury we can ill afford, particularly at a time when our relations with the hemisphere are being severely tested on major economic issues.

Mr. President, I ask unanimous consent to have the text of the Washington Post article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 30, 1975]

LATINS END ISOLATION OF CUBA AT U.N.

UNITED NATIONS, January 29.—After more than a decade of systematic isolation from Latin American group activities here, Cuba today participated in a formal caucus of the 26 delegations, in what the Cuban ambassador called "the end of an era at the U.N."

Since the Organization of American States acted in 1963 to isolate Cuba diplomatically, the United Nations, Latin American group has ceased meeting formally, and had done its work—the defining of regional positions on U.N. issues and the negotiation of candidacies for various U.N. bodies—through "informal" meetings to prevent Cuban participation.

Today, after more than a month of quiet consultation, this month's caucus chairman, Ambassador Donald Mills of Jamaica, convened a formal meeting.

"Mills decided that enough of this travesty was enough," said one Latin American diplomat, "and no one in the group made any objection. As far as we know there was not a peep of the U.S. From now on Cuba is in on everything."

Cuba's Ricardo Alacon Quesada was the last man to enter the meeting, rushing a bit and smoking a long Havana panatela. A hush fell and then Mills and Argentine Ambassador Carlos Ortiz de Rozas shook the Cuban's hand. The doors were closed and the private meeting began.

After the meeting, which lasted about an hour, diplomats reported that all had gone smoothly. The discussion concerned Latin attitudes toward the United Nations' work program for this year, they said.

In the meeting, apparently, no one referred directly to Cuba's presence, although several representatives said in passing that the meeting was "timely."

"The political implications of today's meeting were obvious," Alacron said. "The Latin American group now reflects the times and the spirit of the U.N. For some in it, it was a transition from the stone age to modern times in one afternoon."

A majority of OAS members now support an end to the OAS boycott of Cuba. Alarcon said this move would "have an impact there only to the extent that it is a new defeat for the OAS policy of isolation."

DON'T LOSE AN ALLY

Mr. HANSEN. Mr. President, the United States has begun cutoff of arms aid to Turkey—one of our NATO allies in the Mediterranean.

As predicted during congressional debate on this issue, the action already has had a negative effect on the U.S. negotiating efforts in behalf of the people of Cyprus. According to today's Washington Post, the Turkish Government has responded to the arms cutoff with cancellation of a scheduled meeting on Cyprus with Secretary of State Henry Kissinger. Further, the Turkish Government has announced the cutoff will force a review of that country's NATO ties.

In other words, Turkey—a close neighbor to the super powerful Soviet Union—is examining how secure the Turkish people can feel if their country is in an alliance—NATO—with nations that will not supply necessary armaments. It would be natural—and the human thing to do—that the Turks would have to consider turning to the Soviet Union for arms supply. The Turks fought gallantly in Korea alongside U.S. troops against the Chinese Communists and the North Korean Communists, and I do not believe they now want to have to rely on a Communist country for arms supply. The risk of total dependency upon, and eventual takeover by the Soviet Union's sphere of influence is too great.

But with the arms cutoff, the United States risks an action that may force a proven ally into another camp.

Without U.S. arms support, the Turks cannot be expected to maintain their present posture as the dependable eastern flank of the NATO defense. The loss of Turkey would weaken the entire alliance—one that is very important to the United States' European strategy, and to Greece—the next eastern-most nation of the alliance.

Mr. President, I have been grieved deeply to see that some of my many Greek-American friends have taken a position in the past in support of the arms cutoff. They have meant well and their position was a reflection of their sympathies for the Cypriots. But they have been misled by irresponsible statements by public figures. Obviously, the arms aid cutoff has dimmed considerably the possibility of the United States playing a successful negotiating role in a just Cyprus settlement. And even more important, the cutoff has created the distinct possibility of opening a new soft eastern Mediterranean underbelly of the NATO alliance.

Our aid to Turkey has not been contingent upon the security of Cyprus, nor upon the interest of Turkey, but upon the strategic interest of the United States in maintaining a strong NATO.

We can understand readily that the Turkish Government would feel it is domestically impossible for them to make concessions on the Cyprus question under threats from the outside—from Greece or the United States. That is simple domestic politics.

Now, with the cutoff, serious questions have been raised as to the future of Cyprus and the entire area. Without constructive negotiations, it is the Cypriots—both Greek and Turkish—who could suffer most. And as a consequence of worsening conditions on Cyprus, there are no guarantees that Greek-Turkish relations would not continue to deteriorate. There is a point where some will have to think of the Greek mainland, and the Turkish mainland—not just Cyprus.

In addition, if there is a reorientation of Turkish policy on the Middle East—and I point out that the Turks, despite a religious identity with other Middle Eastern nations, admirably have maintained a balanced position on Israeli-Arab confrontations—the people of Turkey and the Turkish Government might reconsider that also. We must take action immediately to correct the mistakes made on this issue.

MAJOR POLICY CHANGES ARE HIDDEN IN "FINE PRINT" OF PRESIDENT'S BUDGET

Mr. HUMPHREY. Mr. President, in his state of the Union address, President Ford proposed a 1-year maximum increase of 5 percent in all Government programs where payment levels are tied to the Consumer Price Index—CPI. However, according to his budget, this proposal would become effective January 1, 1975 and extend until July 1, 1976—a total of 18 months and 6 months longer than previously announced.

This would mean, for example, that if food stamp benefits are adjusted by 5 percent this month, they could not be raised again before July 1976, regardless of how much food prices rise over that 18 month period.

Of the $6 billion which the President plans to save by imposing a 5-percent ceiling on Federal payments tied to the CPI, nearly $4 billion is in income security programs. This proposal would increase the burden even more on those who must bear the brunt of deepening recession and continuing rapid price escalation.

Our children's nutrition is seriously threatened by the President's 1976 budget. The school lunch program, for example, is projected to serve 3.9 billion lunches to an average of 23.4 million schoolchildren in fiscal 1976 compared with a total of 4 billion lunches to an average of 24.5 million children in 1973.

The school breakfast program, which served breakfasts to 1.5 million children last year, would be totally eliminated under the President's fiscal year 1976 budget.

The nonschool food program, which provides food for children in day care centers, and other so-called service institutions, also would be totally eliminated. This program served a total of 347 million meals last year. And, the special milk program, which encourages the consumption of fluid whole milk by children, also would face complete termination.

Other programs recommended for reduction include medicare, $1.4 billion; medicaid, $0.6 billion; health research, $30 million; and health education and training, $166 million.

The President's budget message stresses the economic stimulus contained in his tax cut recommendations. Yet the tax structure in effect in 1973 would have produced $280 billion in receipts in 1975 and $297 billion in 1976, while the President's proposals would produce $279 billion in 1975 and $297.5 billion in 1976. Clearly, the President's tax reduction is not stimulative.

One of the few programs to be recommended for a substantial budget increase is national defense—from $85.3 billion in 1975 to $94 billion in 1976. The long-range projections show this administration's priority is on defense rather than essential domestic social programs. These projections for 1976–80 show that program levels for social spending will be frozen, while defense procurement rises 4 percent per year, in real terms.

Despite the administration's own forecast of 8-percent unemployment for 1975 and 1976, Federal funding for job training programs would decline from $4 billion in 1975 to $3.9 billion in 1976. The temporary public service jobs program proposed in this budget would create only 39,000 man-years of employment in 1975 and 72,000 man-years in 1976. By contrast, a proposal made by the Joint Economic Committee would provide 1½ million jobs at an 8-percent unemployment level.

The President's budget only pays lip service to the need for welfare reform. The President says he is willing to work with Congress, but he has no plan for reforming the welfare mess.

National health insurance is not even mentioned in the discussion of health proposals. Yet, this program is urgently needed, and a top priority with the American people.

All together, the proposals in this budget represent an unacceptable mixture. They would, by the President's own admission, allow unemployment to rise, inflation to continue, and the recession to deepen, in 1976 and thereafter. In fact, the only ones to have bright prospects for the future are big businesses, whose profits are expected to jump 26 percent in 1976.

Congress will not accept the President's proposals.

Mr. President, I ask unanimous consent that a detailed analysis of the fiscal 1976 budget, prepared by the Joint Economic Committee, be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE FISCAL 1976 BUDGET

I. SUMMARY

1. *Economic Assumptions.* The 1976 Budget is based on an economic forecast which projects a 3.3 percent *drop* in real output in calendar 1975 and an average unemployment rate for the year of 8.1 percent. The unemployment rate is expected to average 7.9 percent in 1976. This forecast is within the range of most private projections.

2. *Deficit.* The deficit is now projected at $35 billion in FY '75 and $52 billion in FY '76. However, if the economy were operating at the FY '74 level of unemployment (4.9 percent), there would be a surplus estimated at $4½ billion in FY '75 and $1 billion in FY '76. At 4 percent unemployment there would be a surplus of $17 billion in FY '75 and at least $12 billion in FY '76.

3. *Impact of President's Proposals.* Combined, the proposed tax rebate and energy program would reduce budget receipts by $5½ billion in FY '75 and $13½ billion in FY '76. However, the President is also recommending FY '76 outlay reductions of $17 billion below the trend lines which outlays would otherwise follow. The total economic impact of $13½ billion in stimulus and $17 billion in restraint would appear minimal.

4. *Outlay Changes.* Outlays will rise more slowly in FY '76 than in FY '75. This reflects the expected lower rate of inflation and the President's recommendation to restrict increases in programs such as Social Security, food stamps, Federal pay, child nutrition to a 5 percent maximum. Unlike FY '75, the growth of spending in FY '76 will be fairly evenly distributed among functional categories. One notable exception is Public Service Employment where outlays actually *decline* by $50 million and the number of persons newly enrolled *declines* by 121,000.

If adjusted for the projected inflation, total outlays in 1976 would be virtually unchanged from estimated 1975 levels.

PERCENT CHANGE IN BUDGET OUTLAYS

	Fiscal year—	
	1975	1976
Total	16.8	11.5
National defense	8.5	10.2
Income security	26.4	11.2
All other	15.2	12.6

Changes in budget outlays from fiscal year 1975 to fiscal year 1796

[Billions of dollars]

Estimated 1975 outlays	313.4
CHANGE	
National defense	8.75
International affairs	1.44
Science, space and technology	.40
Natural resources, environment, and energy	.62
Agriculture	.04
Commerce and transportation	1.93
Community and regional development	1.03
Education and manpower	—.09
Health	1.56
Income security	12.02
(Social security)	(6.58)
(Unemployment insurance)	(3.47)
Veterans	.13
Law enforcement and justice	.26
General government	.53
Revenue sharing and general assistance	.22
Interest	3.09
Allowances and offsetting receipts	4.0
(Energy tax equilization)	(6.5)
	36.0
Estimated 1976 outlays	349.4

II. OUTLAY AND RECEIPT TRENDS IN THE 1976 BUDGET

Expenditures requested for fiscal 1976 total $349.4 billion, $36 billion above 1975 and $20 billion above the preliminary estimate of $329 billion presented in last year's budget. Major increases over 1975 estimates are shown in Table 1 for both outlays and authority.

While the different programs respond to inflation in different ways and with different time lags, the following changes in some of the major inflation indices for calendar 1974 may be used for comparison to the percentage increases shown in both outlays and authority in Table 1. Consumer Price Index (CPI) 12.2 percent, CPI excluding food 12.5 percent, Wholesale Price Index (WPI) 20.9 percent, Wholesale Industrial Commodities 25.6 percent. In a world of rising prices, holding a program level in dollar terms is equivalent to a reduction in actual activity. By comparing the percentage increase in each function to the increases in the summary price statistics, a rough impression of how much the increases are the result of inflation, can be obtained.

Relative size of the budget

Federal spending has not been increasing over the past two decades, when measured in the only meaningful way—relative to the size of the economy. Federal purchases of goods and services were 15.6 percent of GNP in calendar 1953. They fell to 10.9 percent by 1963, then they fell to 8.2 percent in 1973. In calendar 1975 they are projected to be 8.4 percent. Including transfer expenditures—which do not take any output away from the private sector—along with grants and subsidies, the Federal budget has changed little: from 21.1 percent of GNP in 1953, to 19.3 percent in 1963, to 20.4 percent in 1973, to an estimated 23.0 percent in 1975.

While the size of the Federal budget relative to the overall economy has changed very little in the past two decades, the composition of Federal outlays has changed markedly. In 1956 national defense took an estimated 56.4 percent of Federal outlays. In 1976 it will require an estimated 26.9 percent. Over the same period of time income security programs (primarily social security, unemployment benefits and retirement programs) have risen from 14 percent to 34 percent. Agriculture declined from 4.9 percent to one-half percent and veterans programs declined from 7.1 percent to 4.5 percent. Other changes in the percentage of Federal outlays have been relatively minor.

TABLE 1

	Outlay increases over fiscal year 1975		Authortty increases over fiscal year 1975	
	Billions	Percent	Billions	Percent
National defense	8.75	10.26	16.39	17.94
International affairs	1.44	29.69	7.76	159.23
General science, space and technology	.40	9.51	.39	9.0
Natural resources, environment, and energy	.62	6.54	.76	6.65
Agriculture	.04	2.43	−1.60	−27.24
Commerce and transportation	1.93	16.34	−22.34	−77.19
Community and regional development	1.03	21.14	.09	1.75
Education, manpower, and social services	−.09	−.62	−.89	−6.11
Health	1.56	5.91	2.57	9.05
Income security	12.02	11.27	−20.79	−13.31
Veterans benefits and services	0.13	0.81	0.13	1.11
Law enforcement and justice	.26	8.66	.10	3.09
General government	.53	20.18	.61	22.39
Revenue sharing and general purpose fiscal assistance	.22	3.07	.24	3.44
Interest	3.09	9.86	3.09	9.86
Allowances	7.35		7.58	
Undistributed [1]	−3.35	19.9	−3.35	19.9
Total	35.93	11.46	−9.23	−2.34

[1] Includes sales of off-shore oil leases.

1976 Federal budget receipts

Total receipts for 1976 are estimated at $297.5 billion. Compared with the $349.4 billion of expenditures, this results in an estimated deficit of $51.9 billion for fiscal 1976. Included in the receipts estimate is $7.4 billion from raising the ceiling on wages subject to social security taxes from $10,800 to $13,200, effective January 1, 1974, to $14,100 effective January 1, 1975, to $15,800 effective January 1, 1976. The social security tax rate will have been raised either by raising the tax rate or the ceiling on wages subject to tax in all but one of the years between 1966 and 1976.

The $297.5 billion in estimated receipts also includes the President's energy-related tax proposals which would raise a total of $3.8 billion in fiscal 1976 and his temporary economic stimulus proposals which would lose a total of $10.2 billion in 1976. The net effect of the President's proposals would be to reduce receipts which would be realized under existing legislation by $6.1 billion from $303.6 billion to the current estimate of $297.5 billion. It should be noted, however, that the future revenue impact of the President's proposed changes varies erratically from year to year. The economic stimulus provided by the rebate on 1974 personal income taxes wuold be for one year only, and the windfall profits tax would be phased out over a period of several years. In FY 77 the net impact of the tax proposals is almost zero, but revenue losses grow to $15 billion by 1980, a time at which the economy will be nearer full employment and stimulus would seem less necessary than at present.

The changes which have occurred in the past and those which the President has proposed would shift the composition of Federal receipts markedly. As shown in the attached table the contribution of individual income taxes to total tax receipts would continue its decline from about 44 percent in 1960 to about 36 percent in 1976. The contribution of corporated profits taxes would also continue to decline from about 23 percent in 1960 to about 16 percent in 1976. Social security taxes would increase from about 16 percent in 1960 to over 30 percent in 1976. Excise taxes would reverse the downward trend they have been following over the past 10 years because of the President's proposed new taxes on energy.

AS P ERCENT OF TOTAL RECEIPTS

	1960	1965	1970	1776
Individual	44.0	41.8	46.7	35.7
Corporation	23.2	21.8	16.9	16.0
Social security [1]	15.9	19.1	23.4	30.8
Excise [2]	12.6	12.5	8.1	10.8
Other [3]	4.2	4.9	4.9	6.7

[1] Includes OASDI, health, unemployment, railroad retirement, supplementary medical insurance, and civil service retirement.

[2] All Federal excises including highway trust fund receipts, and the proposed excise on crude oil and natural gas of $15,200,000,000 in 1976.

[3] Includes import fees on crude oil and petroleum products of $3,800,000,000 in 1976.

III. ECONOMIC ASSUMPTIONS

The FY 76 of Budget includes unprecedented detail on the economic outlook for calendar 1975 and 1976 as well as economic "assumptions" which underlie the budget projections for 1977 through 1980. (See page 41 of the Budget document, reproduced at the end of this memorandum.) Both the forecast for 1975 and 1976 and the assumptions for 1977 through 1980 are quite gloomy in their assessment of the prospects for real growth and employment.

Real output is expected to decline 3.3 percent in calendar 1975, and the unemployment rate is expected to average roughly 8 percent in *both 1975 and 1976*. Prices are expected to rise about 11 percent in 1975, with roughly 1½ percentage points of the increase due to the President's energy tax proposals.

Like private forecasters, the Administration has been rapidly revising its economic forecast as the weakness of the economy became more evident in recent weeks. At his press briefing Saturday, Mr. Ash acknowledged that the Administration's forecast has been revised substantially downward within the last two weeks. This accounts for the $5 billion increase in the estimated FY 76 budget from the $47 billion predicted at the time of the President's State of the Union message to the $52 billion contained in the budget document. Roughly $4 billion of the $5 billion increase is accounted for by downward revision of revenue estimates and $1 billion by an increase in the estimated cost of unemployment compensation due to an 0.3 to 0.4 percentage point upward revision in the expected unemployment rate.

The table below compares the Administration's forecast for 1975 and 1976 with one prepared by Wharton Econometric Associates on January 15. The columns labeled "Wharton I" assume the Presidents proposals are enacted in their entirety. This Wharton forecast is quite close to the Administration projections based on the same assumptions—well within the expected range of error of even the best forecasts.

The column labeled "Wharton II" assumes none of the President's tax and energy proposals are carried out but that a $30 billion personal income tax cut is enacted retroactive to January 1, 1975 and kept in effect throughout 1975 and 1976. The estimated effect on the economy is quite favorable; in 1976 real output is 3 percent higher than in the alternative forecast, the unemployment rate is a full percentage point lower, and inflation is significantly less.

COMPARISON OF 1975 AND 1976 ECONOMIC FORECASTS

	1975			1976		
	Administration	Wharton I (administration)	Wharton II [1]	Administration	Wharton I (administration)	Wharton II [1]
Gross national product (billions of 1958 dollars)	794	802	814	832	830	856
Percentage change	−3.3	−2.2	−0.8	4.8	3.4	5.2
Percent change in prices (GNP deflator)	10.8	11.8	10.0	7.5	8.1	6.2
Unemployment rate	8.1	7.6	7.3	7.9	8.2	7.2

[1] $30,000,000,000 tax cut.

Economic assumptions for 1977 through 1980 are also presented on page 41 of the Budget. These, however, are not forecasts of probable developments but rather "projections consistent with moving gradually toward relatively stable prices and maximum feasible employment." Since the assumed unemployment rate in 1980 is still 5.5 percent and the inflation rate still 4 percent, some may question whether the assumed pattern is not too gradual to be acceptable.

The nature of the growth path may also be questioned. The assumed growth rate speeds up as the decade advances and full employment grows closer. In its report of last December the Joint Economic Committee argued that growth should be rapid (7 to 8 percent) in 1976 and 1977 when the volume of idle resources will be large, then slow down gradually in later years so that a new round of inflation is not touched off by excessive growth rates at a time of nearly full resource utilization.

Price and employment impact of the President's budget

The President's budget estimates that the energy tax proposals would add about two percentage points to the rate of inflation by the end of 1976. He estimates that this price impact would ripple through the economy very rapidly so that the adverse impact would be short-lived. These projections are regarded as overly optimistic by many private forecasters. Chase Econometrics estimates that the price impact would be 2.8 percent; ——— Resources estimates 3–4 percent; and Joel Popkin, former Chief of the Price Division in the Bureau of Labor Statistics, estimates 3.5 percent.

The energy proposals must be disruptive if they are effective in achieving conservation. This means that if the proposals are successful, the economy must go through a period of adjustment and must suffer some transitional unemployment. During a time when we are facing unemployment rates in the neighborhood of 8.5 percent, this transition period will be especially difficult and long.

The proposed reductions in personal and corporate tax liability would have a positive impact on the economy, although the effect would be limited to only one year. By the end of 1975, the stimulus provided by the rebate on 1974 taxes will have ended. Witnesses before the Joint Economic Committee have recommended a permanent tax cut larger than the President's proposal and one providing substantial net stimulus in 1976 as well as 1975.

IV ENERGY

The President's package of new energy taxes and price decontrol already was presented in considerable detail on January 15. The program involves a roughly 50-percent increase in oil prices over the next two months (about 20 percent through tariff and excise tax increases and 30 percent through price decontrol). The average price of natural gas would rise about 120 percent (50 percent through an excise tax and 70 percent through decontrol of "new" interstate gas and its effect on prices on uncontrolled intrastate gas). Much of the initial effect would hit gas-producing States. Additional increase on interstate gas would occur over several years as more gas qualifies as "new". Coal prices also would rise to correspondingly higher levels as old contracts expire and additional supplies are marketed. A temporary windfall profits tax would capture some of the profits from oil decontrol but would be phased out, presumably over five years. However, the proposed windfall tax includes no "plow-back" provision such as that proposed last year by the Ways and Means Committee of the House. Windfalls on coal and intrastate natural gas would go untaxed. No reforms of existing energy tax provisions (e.g. percentage depletion) are proposed.

The proposed energy tax rebates, including payment to individuals not paying income tax and to various levels of government, as well as tax reductions for individuals and corporations, would not restore all tax revenue to the spending stream in the first half of calendar 1975 even if passed as requested by the President. About $600 million would be removed. The package would involve a stimulus of about $2.3 billion in the last half of 1975 and $900 million in the first half of calendar 1976. Not included in this calculation, however, is the depressive effect on any untaxed payments by energy consumers to producers not concurrently offset by new expenditures by the latter.

The Administration's estimates of the cost-of-living effect of the energy program seem to imply a expectation that some of the new energy taxes will not be fully passed through to consumers (at least for the present) and that some of the potential windfalls will not be fully realized. It seems to be assumed that about one-third of the excise taxes and implied windfalls will not be reflected in consumer prices. The distribution of some energy tax rebates to corporations implies that intermediate users will absorb about 15 percent of the higher costs remaining to them. The validity of these assumptions is difficult to ascertain. To the extent that they are valid, the program's effectiveness in curtailing energy consumption through higher prices also will be less. No analysis has been presented to show just how the program will achieve the energy conservation goals the President has set.

In addition to this conservation package, an increase of 36 percent in outlays for energy research and development is being requested. Sixty percent of this (or $990 million) is budgeted for nuclear power development, including $470 million for the breeder reactor. Outlays for non-nuclear energy development are to be increased by two-thirds over 1975 to a level of $670 million. The big increases in this category are budgeted for coal and solar energy development.

SECTION V.—THE DEFENSE BUDGET

Defense purchases, other than manpower, rise by four percent annually in real terms in the period 1976–1980. The total outlays are estimated at 94 billion dollars for 1976, reaching 141.4 billion dollars in 1980. In Budget Authority (NOA) national defense is $107.7 billion in 1976, rising to 149.4 billion dollars in 1980.

Budget authority for national defense (includes DOD—Military, the portion of military assistance funded through the DOD budget, Atomic Energy Defense Activities, and other defense related activities) increases from 91.3 billion dollars in 1975 to 107.7 billion dollars in 1976, a rise of 18 percent. Outlays increase from 85.3 billion dollars to 94 billion dollars, a rise of 10 percent.

Of the 8 billion dollar increase in DOD military functions and military assistance, the largest portion goes for procurement and research development, tests and evaluation. Procurement outlays are estimated to increase from 14.8 billion dollars to 16.6 billion dollars; research development, tests and evaluation increases from 8.65 billion dollars to 9.61 billion dollars, outlays for military personnel remain approximately constant. The cost of operation and maintenance increases from 25.7 billion to 28.2 billion dollars.

In terms of major military programs, obligational authority for strategic forces rise slightly from 7.4 billion dollars to 7.7 billion dollars. General purpose forces increase from 28.2 billion dollars to 35.9 billion dollars, an increase of 27 percent.

Some of the largest weapons systems requests are as follows:

Trident Ship Program, 1.17 billion dollars, Trident Missile Program, 970 million dollars, F–15 Aircraft, 1.7 billion dollars, B–1 Bomber, 749 million dollars, DD–963 Destroyer, 772 million dollars, M–60 Tank, 498 million dollars, A–10 Aircraft, 460 million dollars, and ABM-Site Defense, 140 million dollars.

The number of military personnel is estimated to decline slightly from 2,129,000 at the end of 1975 to 2,099,000 at the end of 1976. The number of civilian employees of the Department of Defense declines by 10,000 persons, leaving approximately 1 million at the end of 1976.

The Army plans to create three new combat divisions, increasing the number authorized from 13 to 16 divisions. Although the additional divisions are being created within existing manpower levels (accomplished by shifting support forces to combat assignments), the President states in his budget message that the new combat forces will require additional equipment. No figures are given in the budget for the cost of new equipment for the three additonal divisions.

Congress has not yet completed action on several military assistance items requested for the FY 1975 budget. Among the requests left over from last year, $600 million for the military assistance program and $405 million for foreign military sales credit have been authorized but not yet appropriated. Further, the President recently requested $522 million additional military assistance funds for Southeast Asia ($300 million for South Vietnam and $222 million for Cambodia). A total of $1.5 billion in military assistance requests for FY 1975 is pending before Congress.

SECTION VI—INCOME SECURITY AND EMPLOYMENT

Income Security—The Administration will propose legislation limiting all income security programs tied to the Consumer Price Index to a 5 percent benefit increase from January 1, 1975, to July 1, 1976. In addition to Social Security, this 5 percent limit on benefit increases will apply to food stamps, the child nutrition program, the Supplemental Security Income program (SSI), special benefits for disabled coal miners, and railroad and Civil Service retirement and Federal pay.

By the Administration's own estimates, the Consumer Price Index is expected to rise 11.3 percent in calendar year 1975 and 7.8 percent in calendar year 1976.

This proposal would affect 78 percent of all income security programs. Furthermore, any benefit increases which go into effect before proposed legislation is passed would be included in the allowable 5 percent. For example, food stamp benefit levels are adjusted in February and August. If benefits are raised by 5 percent or more in February, under the Administration's proposal, these benefits would not be raised again until after June 30, 1976. This would come on top of a proposed administrative change in food stamp costs which would increase the income test from 25 percent to 30 percent. In addition, the Budget eliminates entirely the school breakfast program.

Grants to States for Social Services. The Administration proposes to introduce legislation cutting Federal contribution to States for social services. The States share of funding would increase from 25 to 35 percent in fiscal 1976 and to 50 percent in 1977 under this proposal. If enacted, Federal grants to states under this program will drop from $2 billion in 1975 to $1.6 billion in 1976. During this period of recession when state revenues are declining sharply, and the level of services is threatened, the Budget document states "Should the States assume the increased share of the costs, the overall level of available service would remain the same."

Job Training and Public Employment. Federal funding of job training declines in dollar terms from $4 billion in 1975 to $3.9 billion in 1976. Of course, in real terms, after adjustment for inflation, the decline in training and support services is greater. Congress appropriated $1 billion out of a total authorization of $2.5 billion at the end of 1974 for public service jobs. One-third will be spent by the end of fiscal 1975. The remaining $650 million will be spent in the first half of fiscal 1976. The program expires on December 31, 1975. According to the budget, this temporary public job program will create only 39,000 man years of employment in 1975 and 72,000 man years in 1976. There is no proposal in the Budget to continue or to increase funding beyond December 31, 1975, in spite of the Administration's own projections that the unemployment rate will average 8.1 percent in calendar 1975 and 7.9 percent in calendar 1976. The Joint Economic Committee recommended a far larger program than is provided in the Budget. At 8 percent unemployment, the JEC proposal which is tied to the unemployment rate, would provide 1.5 million jobs.

Housing. Housing is eliminated as a functional category in the fiscal 1976 budget and these programs are spread among various other functions. The programs which are proposed in this Budget represent no new initiatives, but continue the trend away from individually funded programs such as Model Cities and Water and Sewer grants toward bloc grants. The Budget also provides $2.6 billion in subsidies to housing programs for low and moderate income families, but it does not provide for any new construction projects under the subsidy programs. Neither does the Budget provide for the construction of any urban public housing.

Much of the Federal Government's support for housing is in the form of credit. The 1976 Budget projects a decline in the value of new direct loan commitments by the Farmer's Home Administration, the Government National Mortgage Association, the Urban Renewal Fund, and various other programs. Direct loan commitments by the Federal Housing Administration are projected to increase modestly from $569 million in 1975 to $576 million in 1976. In the area of federally guaranteed loans, large declines are projected for the Farmer's Home Administration, Low-Rent Public Housing loans and Urban Renewal loans. Loans guaranteed by the Federal Housing Administration are projected to increase about $1 billion from 1975 to 1976, and loans guaranteed by the Government National Mortgage Association are projected to increase about $2.4 billion.

Health. Overall, total outlays for health are estimated to rise from $26.5 billion in 1975 to $28 billion in 1976. Almost all of this increase is concentrated in Medicare and Medicaid. Programs such as Health Research, Health Education and Training, Preventing and Controlling Disease, Health Construction, and Medical Services, actually declined from 1975 to 1976.

In the area of Medicare and Medicaid the Administration has proposed legislation which would, if adopted, increase the out-of-pocket payments by the aged for benefits and increase the payments necessary by State to maintain current level of benefits. The Administration proposals would limit the rate of increase in average daily costs for which hospitals could be reimbursed by Medicare and it would increase the monthly premium paid by the aged for Medicare benefits to $7 beginning in October from its current level of $6.70. Total savings from the Administration's proposal in fiscal years 1975 and 1976 are estimated at $2.4 billion.

Education. Total outlays for education are estimated to rise slightly from $7.3 billion in 1975 to $7.4 billion in 1976. However, this small increase assumes that Congress will accept several controversial recommendations contained in the President's budget. For example, the President has proposed a reduction of $417 million a year in the Impacted Aid program which gives money to school districts with large numbers of children of Federal employees. The Administration has also proposed to add no new capital to the Direct Student Loan fund, but to increase the guarantee loan program and to expand the Basic Opportunity Grant program which provides funds for low-income students.

The Administration has also proposed some changes in vocational education which apparently will have little effect on total outlays.

The Poor and the Elderly. More than half of the $17 billion in proposed budget reductions fall in programs that are directly aimed at helping the poor or the elderly. As part of its campaign to reduce the rate of increase in government spending, the Administration has proposed to reduce its share of funding social service programs, like welfare, from 75 percent to 63 percent in fiscal 1976 and to 50 percent in fiscal 1977. It has proposed reducing Federal matching contribution to Medicaid from 50 percent to 40 percent in the 13 states with the highest per capita income. Medicare recipients would be asked to pay a larger share of the costs of hospital treatment and physicians' services. Federal payments for dental services under Medicaid would be eliminated.

The Administration has also proposed restrictions on child nutrition programs and the total elimination of some. Under the Administration's proposal the School Breakfast program, the Non-School Food program, and the Special Milk program would all be eliminated. Other programs would be held constant in current dollar terms so that the amount of food provided would actually decline.

The Administration's proposed ceiling of five percent on social security, coal miners benefits, supplementary security income, civil service and railroad retirement and other programs would seriously affect this country's poor and elderly. According to the budget this five-month ceiling would be in effect from January 1, 1975 to July 1, 1976, a total of 18 months.

Food and Agriculture. Total Federal spending for agriculture would increase very little under the President's budget proposal, from $1.77 billion in 1975 to $1.82 billion in 1976. Price Support activities would decline substantially. Research programs and extension programs show modest increases from 1975 to 1976 but programs for consumer protection, marketing and regulatory activities decline slightly.

In spite of projected price increases of over 11%, the Administration has proposed a reduction in federal support for Food programs, including food stamps and child nutrition programs would decline by $409 million in fiscal 1976, to $5.9 billion. This decrease would be the result of an increase in food stamp prices, a limit of five percent on the current escalator clauses for food programs, and a proposed replacement of various child nutrition programs with bloc grants.

Child nutrition programs are hit especially hard by the President's proposal to economize in the 1976 budget. The school lunch program, for example, is projected to serve 3.9 billion lunches to an average of 23.4 million school children in fiscal 1976. This compares wih a total of four billion lunches served to an average of 24.5 million children in 1973. The school breakfast program which served breakfasts to 1.5 million children last year is totally eliminated. The non-school food program which provides food for children in service institutions such as day care centers is totally eliminated. This program served a total of 347 million meals last year. And the special milk program which encourages the consumption of fluid whole milk by children is totally eliminated.

Environment. Spending on the environment increased only slightly in the President's budget, rising from $6.5 billion to $6.9 billion. Implementation of the Safe Drinking Water Act of 1974 requires a $25 million outlay, the most significant new item in EPA's $743 million budget request for fiscal 1976.

The major single category of expenditure is $2.44 billion in fiscal 1976 to help communities build water treatment works. This continues the trend toward encouraging State and local governments to assume an increasing share of the responsibility for pollution control and abatement. These released funds, previously impounded by President Nixon should provide a lift to the depressed economy. This still leaves $5 billion of Federal funds withheld out of $18 billion Congress authorized for a four-year program that was supposed to end in 1975. These construction grants are part of the $4.54 billion of expected outlays in fiscal 1976 for pollution control and abatement activities. Thus, two-thirds of Federal environmental outlays occur for purposes of cleaning up the environment and preventing further deterioration.

The other major expenditure categories are (1) understanding, describing and predicting the environment, which involves 11 Federal agencies spending outlays of $1.4 billion in 1976 for the purpose of gaining a board understanding of ecological systems and environmental interactions and (2) environmental protection and enhancement, which involves $1.1 billion of activities whose emphasis is on enabling people to use and enjoy the outdoor environment through the provision of recreational facilities, parks and open spaces.

ATTACHMENT

Taken from page 41, *Budget of the United States Government, Fiscal Year 1976.*

The short-term economic assumptions presented in this section have been developed in quite different ways from the longer run assumptions:

The assumptions for calendar years 1975 and 1976 are forecasts of probable economic conditions during these years.

The longer range assumptions for the period 1977 to 1980 are not forecasts of probable economic conditions, but rather projections consistent with moving gradually toward relatively stable prices and maximum feasible employment.

ECONOMIC ASSUMPTIONS

[Calendar years; dollar amounts in billions]

Item	Actual		Assumed for purposes of budget estimates					
	1973	1974	1975	1976	1977	1978	1979	1980
Gross national product:								
Current dollars:								
Amount	$1,295	$1,397	$1,498	$1,686	$1,896	$2,123	$2,353	$2,606
Percent change	11.8	7.9	7.2	12.6	12.4	12.0	10.8	10.8
Constant (1958) dollars:								
Amount	$839	$821	$794	$832	$879	$936	$997	$1,061
Percent change	5.9	−2.2	−3.3	4.8	5.6	6.5	6.5	6.5
Incomes (current dollars):								
Personal income	$1,055	$1,150	$1,232	$1,365	$1,536	$1,717	$1,900	$2,102
Wages and salaries	$692	$751	$792	$884	$999	$1,117	$1,236	$1,367
Corporate profits	$123	$141	$115	$145	$163	$185	$208	$233
Prices (percent change):								
Gross national product deflator	5.6	10.2	10.8	7.5	6.5	5.1	4.1	4.0
Consumer Price Index	6.2	11.0	11.3	7.8	6.6	5.2	4.1	4.0
Unemployment rates (percent):								
Total	4.9	5.6	8.1	7.9	7.5	6.9	6.2	5.5
Insured [1]	2.8	3.8	7.5	6.9	6.4	5.1	4.4	3.6
Federal pay raise, October (percent)	4.77	5.52	5.00	8.75	7.25	6.50	5.75	5.25
Interest rate, 91-day Treasury bills (percent) [2]	7.0	7.9	6.4	6.4	6.4	6.0	5.0	5.0

[1] Insured unemployment as a percentage of covered employment, includes unemployed workers receiving extended benefits.

[2] Average rate on new issues within period, the rate shown for 1975 was the current market rate at the time the estimates were made.

ARTHUR OKUN ON ENERGY

Mr. KENNEDY. Mr. President, one of the most eloquent and balanced analyses of the energy crisis I have seen so far is contained in Arthur Okun's testimony today before the Senate Finance Subcommittee on multinational corporations.

As Mr. Okun states, he himself has more questions than answers on energy, but in his testimony, he shares his insights and makes clear that both Congress and the administration also need to find better answers to the questions he raises.

Mr. Okun was President Lyndon Johnson's Chairman of the Council of Economic Advisers; a part of his testimony that caught my eye is his rather moving fantasy of one of the ways President Johnson might have displayed his leadership in trying to handle the energy crisis. As Mr. Okun put it:

> Let me share a personal fantasy with you—my conjecture of how Lyndon Johnson would have handled such a problem. In a series of meetings in the Cabinet Room with the chief executives of the major petroleum firms, he would have told them how much their country needed their most diligent efforts to expand production. At the same time, he would have informed them in painful detail of the enormous political pressures on him to take punitive measures against the profits of the industry. But he would have insisted that he did not want to take that route, and indeed wanted them to make a handsome profit for their stockholders out of expanded production.
>
> He would have been prepared to negotiate the terms of an agreement on taxes and price regulations, and would have asked how the government could facilitate expanded output. The meeting would have concluded with a set of pledges by the executives on extraordinary short-term and long-term efforts to expand U.S. output. Thereafter the President would have personally received regular reports—monthly if not weekly—on the fulfillment of the production goals. I suspect that those meetings might have permitted quite a substantial reduction in imports!
>
> Obviously, Lyndon Johnson can't be resurrected. But we need an energy production drive led by the President and backed up by FEA or a newly created energy production authority. The energy industries need a change in the atmosphere of public attitudes and public policy, and the country needs a change in attitude and performance from the energy industries.

Mr. President, I believe that Mr. Okun's statement will be of interest to all of us in Congress seeking answers to the energy questions that he raises, and I ask unanimous consent that his testimony may be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

ON ENERGY AND MULTINATIONAL CORPORATIONS

(Statement by Arthur M. Okun, Senior Fellow, Brookings Institution*)

I am no expert on energy, multinational corporations, or foreign policy. To be sure, like everyone who specializes in overall U.S. economic trends and policies, I have had to learn something about energy in the past year in order to understand the developments in total output, employment, and inflation. I still have more questions than answers, but I am pleased to share my views with you.

The quadrupling of the world oil price that followed from the monopolization of the international petroleum market by OPEC countries had dramatic effects in worsening both our inflation and recession. According to the detailed study of my colleague George Perry, it added roughly 4 points to the inflation rate of consumer prices, equivalent to a loss of nearly $40 billion in real disposable income. Despite the serious economic problems the United States faced before the oil price explosion, clearly the drain of energy receipts out of our consumer spending stream is the largest single cause of the present severe recession. The way petroleum inflation affected the overall economy reflected the response of fiscal and monetary policies; the Administration and the Federal Reserve responded to the inflationary effects, and essentially ignored the depressive effects on real purchasing power.

If, for example, the loss of real income had been neutralized by tax cuts, the demand for automobiles and electric power would still have declined significantly, but spending in other areas would have increased enough to avoid a general contraction. If additional money had been supplied to finance the higher costs of petroleum, homebuilding would not have collapsed as it did. But such policy responses would have entailed even more inflation than we in fact experienced during 1974. Given the determination to lick inflation, it is not surprising that all the risks were taken on the down side of economic activity. Nor is it surprising that most Western industrial oil-consuming nations responded in a similar fashion, allowing their economies to develop recessionary tendencies rather than offsetting the loss of purchasing power. Oil inflation impacted on the world economy largely through the subtle (but huge) drain of purchasing power rather than through disruptions of productive capability or dislocations of financing that had been widely predicted.

Assuming, however, that world oil prices have now stabilized for a time at their elevated levels, it would be fair to conclude that these short-term costs are largely behind us. The United States can end its recession in the present oil environment; it can stand the balance-of-payments costs in a regime of fluctuating exchange rates; and it can help keep the world financial system functioning for the foreseeable future.

In short, if the only objectives were to curb unemployment and inflation in 1975, they would not require an initiative of public policy to curb oil imports. But neither do those objectives require us to do nothing about oil imports. We can have an energy program and economic recovery—and I offer that as a fully considered and confident professional judgment. Honestly, this nation can deal with more than one problem at a time—unlike the small boy who was unable to walk and chew gum simultaneously. I agree fundamentally with President Ford's judgment that energy must be taken seriously in public policy in 1975. Now is the time to start moving against the unacceptable long-term consequences of a monopolized world oil market.

THE COST OF INACTION

So long as the present structure of prices and supplies in world oil markets is maintained, we must expect to bear a large and growing toll. Let me outline the costs of the status quo.

1. *Financial aid*—Since the OPEC countries are spending on goods and services only a small portion of their extra proceeds, the industrial oil-importing nations essentially are issuing IOUs for most of oil they buy. Generally, the consuming countries had no difficulty getting credit in the initial year. But only an exceptional few could continue to borrow on this scale for very many years from normal financial sources. Most of them

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*The views expressed are my own and are not necessarily those of the officers, trustees, or other staff members of the Brookings Institution.

will need help in financing their oil bill before very long, and they will turn to friendly governments, either bilaterally or multilaterally.

Regardless of the precise mechanism that is used, Uncle Sam will be endorsing a great many IOUs issued by other industrial countries. These will be unsound loans—outside the bounds of any normal financial practices. Yet it will be our clear responsibility—and in our enlightened self-interest—to make such loans rather than risk any breakdown of the world financial system. Moreover, some of the oil-importing developing countries, especially ones with no strong ties to any member of OPEC, will count on the United States as the aider of last resort; we will get more pleas and more pressures for aid in cash, capital goods, and food to countries whose real problem will be their inability to handle their oil bills.

2. *Accepting large trade deficits*—As a matter of sheer arithmetic, if the OPEC countries have a trade surplus of $70 billion then all other nations of the world must have a combined trade deficit of $70 billion. (And even if that OPEC trade surplus is cut in half, as some optimists predict, the magnitude is still enormous.)

Even countries with virtually unlimited borrowing capacity will not readily incur the huge debts and debt service imposed by large trade deficits; and they will be tempted to try to pay their oil bills by cutting other imports and stimulating exports. At most, however, they would merely pass the deficits among themselves; in that process, they would reduce demands for one another's products and spread a world-wide epidemic of recession. To avoid that outcome, coordinated action must be taken to allocate the collective trade deficits; and, in any mutually acceptable allocation, the United States will have to agree to accept a large trade deficit—quite possibly as large as our oil import bill. It will take an extraordinary accommodation of U.S. political attitudes to accept unprecedented trade deficits without a mercantilist, protectionist backlash.

3. *Accepting federal budget deficits*—So long as $20 billion or more is drained out of the U.S. stream of purchasing power through the OPEC "oil tax," the United States will require a perpetuation of a federal budgetary deficits in order to regain prosperity. Such deficits would not be inflationary; and I and many other economists would urge the Congress and the President to accept them as a lesser evil than economic stagnation. However, in any realistic appraisal of the political process, the need for federal deficits to offset the oil drain dims our hopes for a return to prosperity.

4. *Proliferating cartels*—The success of the oil cartel is the envy of the world today. Other producers of raw materials and supplies would love to copy that pattern. And they will try. The great benefits of fundamentally competitive international trade could be seriously compromised. In such an environment, the United States would be sorely tempted to join the game, and to use its enormous latent power as the dominant exporter of wheat, feedgrains, oil seeds, and fertilizer. As an American citizen, I dread the day that we begin negotiating with Canada and Australia to form OGEC—the organization of grain-exporting countries; but that development is inevitable if we are confronted by a gang of cartels controlling the supplies of the raw materials we import.

5. *Further price increases*—If oil-consuming nations continue to respond passively and if private forces of supply and demand remain relatively sluggish and unresponsive, the cartel will clearly be emboldened to raise its price again and again. On this score, I regard as totally unfounded one frequent criticism of President Ford's program—allegedly, by raising the price of oil to ourselves, we would provide justification for OPEC to raise its price further. OPEC isn't looking for justification; it is pursuing a joint profit-maximizing strategy. By displaying a greater elasticity of demand, we would put downward—not upward—pressures on OPEC prices. Doing nothing encourages higher oil prices.

6. *Political leverage*—So long as the OPEC nations (or any subgroup of them) can threaten to disrupt the economies of industrial countries by cutting off petroleum supplies, the resulting political leverage will continue to compromise the self-determination and national security of the oil-consuming nations. As an economist, I put this cost last because it lies outside my bailiwick; as a citizen, I would put it at the top of the list.

These substantial costs—economic and political—provide a compelling case for serious action to change the status quo. The only happy ending to the oil saga involves the restoration of a reasonable measure of competition in world petroleum markets—or, to put it another way, the end of the cartel as a potent monopoly. The challenge to U.S. policy is to promote and accelerate that happy ending at a minimum cost to ourselves and other oil consuming nations.

I share the view of other economists that oil is now over-priced relative to a long-run pattern of supply and demand fully adjusted to the new environment. (Indeed, oil was not under-priced in 1972.) For that reason, the OPEC monopoly is probably not viable over the long run, even if the only counteracting forces are normal market incentives to reduce consumption and increase alternative supplies. But that long run could be far longer than necessary; and the interim costs could be tremendous. Hence there is a social premium in the prompt curtailment of imports.

There is unquestionably some breaking point of the cartel—a sufficient shrinkage of their oil market would make it impossible for the OPEC nations to coordinate a decision to cut back production. Individual OPEC members clearly would like to sell the maximum amount of oil at the maximum price—and that interest conflicts with the joint interest of the cartel. The self-interests of individual members have always undermined monopolistic groups and served as the salvation of consumers. But we are frankly shooting in the dark; we don't know where the breaking point is, and we must expect the curtailment of imports to have no visible effect on the cohesiveness of the cartel for a substantial period. Any first-year program is an initial installment that may require further steps all the way to self-sufficiency.

SOME PRINCIPLES FOR ACTION

I have no personal energy program to unveil, nor am I prepared to offer a full evaluation of the Administration's proposals. But I can cite some principles that follow from the analysis above.

1. *Multilateral cooperation with oil consumers*—The United States should cooperate fully in pursuit of the important common interests of oil-importing nations. Each of these nations benefits when another: (1) reduces its imports of oil from OPEC countries either by curtailing its consumption of petroleum or by enhancing domestic and non-OPEC supplies of energy; and (2) accept its share of the inevitable collective trade deficit by avoiding controls against non-energy imports, devaluation, and recession. An organized borrowing facility promotes the second objective by making oil-consuming countries more able and more willing to pay for oil with IOUs. Hence the need for an adequate multilateral safety net of lending, in lieu of ad hoc rescue programs for those that fall into a financial crisis. But a borrowing facility would impede the first objective if it were simply an easy payment plan for imported oil. Thus, I see the basic logic of Secretary Kissinger's initiative to link a reliable source of funds with a multilateral agreement on diligent efforts to curtail oil imports. And I believe that initiative will be far more successful if the United States is curtailing its own oil imports.

2. *Bilateral bargaining with oil exporting nations*—The United States should negotiate with individual trading partners who have oil to sell, but it should avoid any action that would solidify the position of OPEC as a bargaining agent for its member nations. Under no circumstances, at no time, and in no way should the United States enter any negotiation that aims for "agreement" on world oil prices.

3. *Federal control of importation of oil.* The clearest principle emerging from a careful assessment of our national interest is that U.S. importation of oil must be fully controlled, regulated, and directed by the federal government—and not by private agents following private interests. Oil importing is affected with the national interest. How much we import, how much we pay, and where we procure oil from abroad are matters for collective decisionmaking at this time and for the foreseeable future. The country-to-company arrangements of recent years have been fundamentally injurious to U.S. interests, and must be terminated.

Moreover, a federally administered quota is the only way to ensure the fulfillment of any target for reduction in oil imports, given the huge uncertainty about the impact on demand of any set of price increases or regulations designed to conserve energy. And it is the only way to ensure that a barrel less of consumption is translated into a barrel less of imports. Under present arrangements, an American company that procures foreign oil and also produces oil domestically can respond to a decline in demand by cutting back either imports or domestic production at its option. That both routes are taken is strongly suggested by the 30 percent decline in domestic production of *uncontrolled* (i.e., high-priced) oil from the embargo period of the first quarter to the August-October period. The Administration's crucial premise that consumption cuts necessarily mean import cuts on a one-for-one basis has no foundation whatsoever.

4. *Price and nonprice conservation*—In combination with other appropriate actions, a reduction of petroleum consumption *does* help our objectives. The best methods of curbing energy demand involve a pragmatic mixture of regulatory and pricing mechanisms. Many public actions that do not raise prices can help over time to cut petroleum demand; these include agreements with the automobile industry to redesign cars for greater gasoline economy, arrangements for public utilities to shift more rapidly away from residual oil, the provision of attractive and inexpensive mass transit facilities, and the prompt establishment of the necessary compromises between environmental and energy goals. On the other hand, some price rises will be necessary. or example, natural gas cannot be allocated efficiently or equitably over the long run at a price so far below its equivalent in oil. The Federal Power Commission cannot indefinitely continue to authorize the purchase of $3 worth of energy for $1.

The exact mix of price and non-price mechanisms pose hard choices that should be faced pragmatically and not ideologically. Case by case, we should ask: How inefficient is allocation by the best possible set of rules? How inflationary and how inequitable is the least painful allocation by price increases? Which is more acceptable to the American public?

It is easy in the abstract to be for or against gasoline rationing; but that verdict is meaningful only after the blueprint of the best feasible gasoline rationing system is compared with the prospect of the best feasible technique of raising prices. The nation should know what it is choosing before making this important choice.

5. *Insulating the economy.* As an economist, I can assure you that taxes to raise the price of energy products need not at all weaken the economy or add significantly to overall inflation if they are properly handled. As a political realist, I must warn you that the proper handling requires some unprecedented measures.

The inflationary and recessionary effects can be avoided simultaneously by recycling energy tax revenues into reductions of price-raising taxes on other products. Suppose a $20 billion energy tax program were enacted and simultaneously $100 per capita was offered to states and localities that reduced equivalently their sales taxes (or other taxes that enter directly into consumer prices.) The few states that now obtain less than $100 per capita from price-raising taxes would collect their full $100 by bringing them down to zero. With this plan, the consumer price index would not be pushed up, and no inflationary ripples into wages or other costs should be expected. I have advanced this proposal many times in recent months and I am very disappointed by the lack of response. To be sure, the plan is inelegant and novel. But is it really any more like a Rube Goldberg contraption than the complex Administration proposal for recycling oil and gas taxes? Isn't it better than accepting roughly 3 points of extra inflation from energy excise taxes?

If, nonetheless, that extra inflation is deemed a lesser evil than the noninflationary alternatives, then it must be—and can be—accommodated without impeding economic recovery. First, that requires a "recycling" of energy tax revenues into extra income-tax cuts along lines proposed by the President (but with more of the total going to consumers). Second, it requires an absolute assurance that the Federal Reserve will finance that inflation by providing at stable interest rates the required extra money needed to pay the higher energy bills.

With such adjustments, the reallocation of spending produced by higher relative prices of energy need not harm the national economy. Of course, higher prices (or rationing) of gasoline would lead people to travel less and would exert an unfortunate (and undeserved) adverse effect on resort industries; but it would stimulate demand for a host of substitute products such as movie tickets and meals at in-city restaurants; it would not significantly reduce overall consumer spending relative to income.

6. *The priority of expanded supply.* Expansion of the domestic supply of energy is inherently more favorable for the national economy than reductions in demand. Recent policies and proposals seem to ignore that fundamental principle. Perhaps the one clear exception is the President's proposal to produce out of the Elk Hills naval reserve—and it is striking that that may give us nearly half as much benefit as the entire 30 billion reshuffle on the demand side.

We should rely mainly on private enterprise to increase domestic supplies of petroleum and its substitutes. And that requires a public policy that permits—even promotes—profitability. Indeed, domestic energy capability should be one of the most profitable areas in which to invest capital, develop technology, and commit human talent for the decade ahead. But the profitability must come from competition and not from monopoly, from expanding domestic production and not from restricting it, from producing sooner and not from holding back for later. Those goals cannot be achieved by laissez-faire; they require a carefully designed set of incentives and disincentives for energy producers.

Indeed, there is no "free-market" solution. If the U.S. Government does not set the prices of domestic oil, that price will match the price for our imported oil and will thus be set by OPEC. The current two-tier system of price controls for U.S. oil has a fundamental and inescapable logic: the $5.25 "old" price limits the windfall profit available on that part of our productive capability that was geared up by 1972 (when crude oil sold at $3.50); the $11 uncontrolled price rewards the expansion of production. Instead of that, the Administration windfall tax proposal would create a one-price system, yielding a net of about $6.50. It seems utterly misconceived—it raises the windfall; sharply reduces the incentive for expansion; and by raising the net price through time, creates a perverse incentive to withhold production currently in expectation of greater gains later. A one-price system without these defects could be established by basing a stiff windfall tax on *1972* production (not actual 1975 and 1976 output) thereby exempting expanded production.

Many other aspects of supply policy raise serious questions. Doesn't depletion have to be a less effective incentive than a "plowback" concession for *incremental* exploration and drilling? Wouldn't domestic investment be encouraged by a disincentive to investment in OPEC—such as a presumption that *no* royalty paid to a foreign government is eligible for foreign tax credit unless it is so determined by the United States on a case-by-case, country-by-country basis? If, as the energy program implies, we can develop adequate substitutes over the long run for much of conventional petroleum, should we not be dipping into our current petroleum reserves more rapidly? Are all of the current restraints on production that supposedly guarantee maximum long-run efficiency really necessary? How can the industry be encouraged to reduce the number of shut-in wells and to bring newly drilled wells into production more rapidly? For the long run, should not the government be guaranteeing or subsidizing particular investment projects in high-cost fuel that would prove unprofitable if competition returns to the world oil market?

In the past, American business and government have shown remarkable abilities to cooperate and to respond to challenges. That cooperation gave us the aircraft miracle of World War II that President Ford cited in his State of the Union Message; it gave us the moon shot success during the sixties. Where is that cooperation today?

In some ways, the U.S. petroleum industry is harassed and threatened—with proposals for punitive taxes; with the possibility of a turnaround in prices that might leave it high and dry with huge investments in high-cost energy sources; with a general image of villainy among the American public, quite inconsistent with its good record of expanding production at stable prices during the fifties and sixties. It operates in an atmosphere of uncertainty. It is offered no aid in breaking crucial bottlenecks like tubular steel. On the other hand, the industry is doing—and is allowed to do—what comes naturally in ways contrary to the public interest, such as the reinvestment of earnings from U.S. production and sales into OPEC countries and into mergers outside the energy area.

Let me share a personal fantasy with you—my conjecture of how Lyndon Johnson would have handled such a problem. In a series of meetings in the Cabinet Room with the chief executives of the major petroleum firms, he would have told them how much their country needed their most diligent efforts to expand production. At the same time, he would have informed them in painful detail of the enormous political pressures on him to take punitive measures against the profits of the industry. But he would have insisted that he did not want to take that route, and indeed wanted them to make a handsome profit for their stockholders out of expanded production. He would have been prepared to negotiate the terms of an agreement on taxes and price regulations, and would have asked how the government could facilitate expanded output. The meeting would have concluded with a set of pledges by the executives on extraordinary short-term and long-term efforts to expand U.S. output. Thereafter the President would have personally received regular reports—monthly if not weekly—on the fulfillment of the production goals. I suspect that those meetings might have permitted quite a substantial reduction in imports!

Obviosuly, Lyndon Johnson can't be resurrected. But we need an energy production drive led by the President and backed up by FEA or a newly created energy production authority. The energy industries need a change in the atmosphere of public attitudes and public policy, and the country needs a change in attitude and performance from the energy industries.

CONCLUSION

These principles do not yield a program, but they do point to a set of priorities. First and foremost, we should establish the system of federal importation control and launch the short-term drive for expanded production. The import quota should move down very gradually in monthly steps; a cut of one million barrels a day at the end of twelve months is a reasonable target—but may be a bit ambitious. Until those efforts are taken, excise taxes to cut demand make little sense. Promptly thereafter, the tax incentives and disincentives to the industry should be restructured, including a thorough-going reform of depletion and the foreign tax credit.

Along with that, a windfall tax of $12 billion based on 1972 production would be desirable to establish a one-price system for domestic crude oil, and its inflationary effect should be neutralized by recycling the revenues into a special revenue-sharing fund to reduce state and local excises. While the import quota is starting to scale down imports, we would get additional information on how much more needs to be done, on the success of the supply efforts, and on the relative attractiveness of various types of excise taxes, rationing, and other measures.

In short, we need a concerted national policy to curb oil imports, starting now; it must not, and need not, conflict with decisive efforts to stop the severe recession. Congress should thoroughly redesign the Administrative program. But it should act. The recession is no excuse for postponing tough and politically unattractive decisions. To do nothing about energy would reveal a sad case of national myopia.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER.** The time for morning business has expired.

EXECUTIVE SESSION

The **PRESIDING OFFICER.** Pursuant to the previous order, the Senate will now go into executive session to consider the nomination of James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

The nomination will be stated.

OFFICE OF MANAGEMENT AND BUDGET

The second assistant legislative clerk read the nomination of James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session until the hour of 12:45 p.m. today; that in the meantime there be an extension of the period for routine morning business with statements limited therein to 5 minutes each; and that at the hour of 12:45 p.m. today the Senate return to the executive session and proceed with the further consideration of the nomination of Mr. Lynn.

The PRESIDING OFFICER. Is there objection? The Chair hears none and, without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

PRESIDENT FORD'S SUGGESTION THAT A CONGRESSIONAL GROUP VISIT SOUTH VIETNAM AND CAMBODIA

Mr. GRIFFIN. Mr. President, in a meeting with congressional leaders on Monday morning, President Ford put forth a very sensible suggestion. He asked that a group of House and Senate Members go to South Vietnam and to Cambodia for an on-the-spot inspection and appraisal of the situation there and to report back to their colleagues in Congress. This suggestion deserves a response from the leadership in Congress and I, for one, want to indicate that I think it is a good idea.

I hope that such a delegation will go, and that it might include Senators and Congressmen who are skeptical concerning the President's request but, at the same time, have not finally made a commitment one way or the other on the President's request for additional help to those two countries. Such a group could be of invaluable assistance, I think, to the Senate and to the House as we move toward a debate on this particular issue.

It may be that there will be a shortage of volunteers to this group, but I would hope that Senators who could perform this service and fit into the category I have described might be requested to go by the leadership as a service to the Senate and to Congress.

Nearly a decade ago the United Nations Secretary General, U Thant, asserted that in war the first casualty is truth. Judging from conflicting reports on the situation in Indochina which have been crossing my desk, U Thant may well have made a very valid point. It becomes difficult to sort the facts from the fiction in the arguments presented by the various sides in this continuing debate which has gone on so long.

I believe that a balanced congressional fact-finding delegation could provide a valuable service to all of us by making such an on-the-spot inspection, and by reporting back before the request for this additional appropriation actually comes to the floor for a vote.

Mr. President, I would think that such a suggestion would attract support not only from those who believe the President is right but also from those—and I know there are many—who sincerely believe the President is wrong, because if the situation in South Vietnam and Cambodia is such that those nations are unworthy of any further support, as critics would have us believe, then I would think that the critics would welcome such a visit by such a group.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GRIFFIN. Yes, I am very glad to yield to the distinguished chairman of the Committee on Foreign Relations.

Mr. SPARKMAN. I want to say I was there when the President made that suggestion, as was the distinguished Senator from Michigan. I think it is a very good suggestion, and I subscribe to it fully. I was intending to speak to the Senator from Montana (Mr. MANSFIELD) but he is not here.

I have discussed it with Senator ROBERT C. BYRD. He thinks it would be a good idea, and it is my feeling also that it ought to be—and I believe the Senator suggested this, too—on a voluntary basis and that we not necessarily draft people.

I do have a feeling that we ought to have representation from the Committee on Foreign Relations, from the Committee on Armed Services and from the Committee on Appropriations because, as I understand, this request that the President has made now is in the hands of the Committee on Appropriations. I believe it has been authorized, but it is a matter of appropriation. Is that the Senator's understanding?

Mr. GRIFFIN. Yes, particularly with respect to the $300 million of assistance to South Vietnam, that has been authorized.

Mr. SPARKMAN. Yes, that is what I mean.

Mr. GRIFFIN. I understand that the amount for Cambodia must both be authorized and appropriated.

Mr. SPARKMAN. I think the Senator is correct on that. I would be glad if the Senator himself would go, representing the Committee on Foreign Relations.

Mr. GRIFFIN. Well, I certainly would not say no to the distinguished chairman of the Committee on Foreign Relations, and I share his view that it would be desirable if we could have volunteers make the trip.

We may have to encourage some of the volunteers, perhaps and, as I have indicated, I would also hope that we might get representation from among those Senators who are not committed one way or the other.

Mr. SPARKMAN. I think the Senator is exactly right.

Mr. GRIFFIN. After all, there is no use in giving a sermon to those already converted one way or the other.

Mr. SPARKMAN. I think the Senator is correct. As he knows, we have both kinds in the Committee on Foreign Relations. I imagine that is true on the other committees. But I do believe there ought to be representation from the Senate as a whole.

Mr. GRIFFIN. I thank the chairman very much for his valuable contribution.

Mr. SPARKMAN. I know the President certainly did not suggest any size to the delegation.

Mr. GRIFFIN. No.

Mr. SPARKMAN. I guess a good many would not volunteer. I cannot go myself. I have been to South Vietnam and Cambodia, and I think I am fairly familiar with the situation there, but I do hope that several Senators would find it possible to go.

Mr. GRIFFIN. I thank the chairman for his contribution.

Mr. SPARKMAN. The Senator from Illinois (Mr. PERCY) has just come back from an extensive trip to the Middle East. Maybe he would be a volunteer to go to Indochina.

Mr. PERCY. What am I volunteering for?

[Laughter.]

Mr. SPARKMAN. The President suggested the other morning, the Senator knows, that he would like for a committee from the House and Senate to go to South Vietnam and Cambodia to see the situation on the ground. Senator GRIFFIN has just suggested and, as I suggested to Senator ROBERT C. BYRD—Senator MANSFIELD being absent, I talked to Senator BYRD—I think the feeling all the way around is that there ought to be Members who will volunteer and, as Senator GRIFFIN said, there will be some of those possibly who are committed one way or the other, and some who are not committed, and I would like to see a fairly good representation of the Senate as a whole.

Mr. PERCY. I fully support the idea, and it has been several years since I have been in Vietnam, and certainly we all need to be updated firsthand. But I would think that if, like a Quaker meeting, they just moved on to the committee as the spirit moves them, it would not end up as a balanced committee. Those who feel most strongly about providing additional and almost unending aid might be the ones who would get on the committee and take the time to go out. I think there should be a balanced committee that would give an objective examination, and everyone should go with an open mind on this matter. Remember that someone else was brainwashed once before and it did not work out too well for him. We ought not permit ourselves to go and hear just one point of view; the committee or the commission ought to go out and hear every point of view from those who are opponents of the present policies, as well as proponents of them. With that in mind, I think the commission would be good.

Mr. SPARKMAN. I fully agree, and that is in keeping with the suggestion made by the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I appreciate the expressions of my colleagues on this point.

Before the Senator from Illinois (Mr. PERCY) came to the Chamber, I had indicated that I hoped such a group would be made up of skeptics that did not necessarily agree with the President, and as much as possible I think the Senate would be served by a visit on the part of those who are skeptical, or at least have not made up their mind with respect to the pending request.

I focus attention upon the President's suggestion because, obviously, we are moving toward a very crucial and important decision, one which the Members of this body and the Members of the other body will have to live with for a long time.

Mr. SPARKMAN. May I interject one other thought?

Mr. GRIFFIN. Yes.

Mr. SPARKMAN. I would like to know what obligations we incurred under the Paris accords. The Senator will recall that those accords were worked out by the Secretary of State as between the Vietcong and the National Government and they were agreed to by the two parties. There was supposed to be a cease-fire, but I understand that fire has never ceased yet.

I believe that we ought to check, and I have been intending to call Secretary Kissinger and perhaps get him to give us a memorandum as to just what the Paris accords obligate us to.

Mr. PERCY. I agree that that would be an extremely important piece of information that we should have.

I would like my distinguished chairman of the Committee on Foreign Relations to know that although I have deep interest in Southeast Asia, and I will have an open mind, I am not volunteering for such a trip. Just having returned from almost a month in the Mideast I think my duties are here in the Senate and here at home rather than abroad.

I would hope that other Members could be found for such a commission, but I certainly support the idea, and I shall be guided by their judgments if they do approach it in an openminded and objective manner.

Mr. SPARKMAN. I would say, frankly, if I could go I would not want to, but I think I would, because as I have just said my thinking is tied with the Paris Accords and I would like to know what they are.

I am uncommitted on the proposition as a whole.

I thank the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I close by asking unanimous consent that a column by Crosby S. Noyes, which appeared in the Washington Star on yesterday, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ABANDONING AN ALLY

(By Crosby S. Noyes)

For those few of us who are still a bit squeamish about the spectacle of the United States deliberately and coldly abandoning an ally, this is a painful period. Because if all of the readings of the mood in Congress are correct, this is precisely what we are preparing to do in South Vietnam and Cambodia.

There is not even much of an attempt to disguise the betrayal. Leave aside the fruitless debate over the origins of the war or the wisdom of our part in it. Surely, at this point there can be no question that as a nation and as a government we did everything that we could—and possibly much more than we should have done—to encourage the South Vietnamese to resist the effort of North Vietnam to establish its control in the South.

Surely, there can be no question either that under the Paris agreements of 1973, we assumed an obligation to aid South Vietnam to resist continuing Communist military pressure. The government in Saigon signed the agreement, permitting the withdrawal of American forces from their country and the continued presence of at least 100,000 enemy troops within their borders, on the firmest assurance that they would be supplied with the means of defending themselves.

The obligation, furthermore, has been formally ratified by the American Congress.

Last year, the administration asked for $1.4 billion in military and economic aid for Indochina. The Congress, in its wisdom, took the affirmative action of authorizing $1 billion. And then, with an even more dazzling display of sagacity, it decided that $700 million—one-half the original request—would be enough to fulfill what was a recognized obligation.

It wasn't. Today, with a buildup of enemy forces now exceeding 170,000 in South Vietnam, backed by large stockpiles of Chinese and Russian equipment, the government in Saigon is in desperate military straits. The administration, which has not come close to resupplying South Vietnam on a one-to-one basis over the last year, has returned to Congress with a request for the additional $300 million which Congress originally authorized. The almost universal prediction is that the request will be refused.

Two schools of thought, in the country and the Congress, have combined to produce this likely result, neither of which reflects much credit—or even much humanity—on its adherents.

The first consists of those who have long believed that there was something morally wrong about this resistance of South Vietnam to conquest by the North. These people go a very long way toward embracing the classic Communist theory about "wars of national liberation" which says, in effect, that any military action that promotes "socialist ideas" and the political spread of the Communist system is automatically a just war, deserving the support of all progressive peoples. And conversely, as the Soviet "Red Star" put it recently:

"A war is unjust and reactionary if it is a continuation of a policy aimed at suppressing the revolutionary struggle, freedom and independence of any particular peoples and working peoples' socialist achievements . . ."

The other school, which normally does not greatly favor promoting the "cause of socialism and communism," has come to the simple conclusion that any further support of South Vietnam is useless and that the cause to which so much American effort has been devoted is lost. This possibly tenable conclusion, however, is bolstered by a number of utterly specious arguments.

It is said, for instance, that the United States, having expended 50,000 men and some $150 billion defending the South Vietnamese, can now demand that they survive entirely on their own, without further outside help. It is implied that the South Vietnamese are no longer worthy of our support (in contrast, say, to the Israelis who make more efficient use of the arms and money they receive). It is suggested that help from us at this point is simply prolonging the agony and that all would be well if the Vietnamese were left alone to "settle their differences between themselves."

Yet there are still some Americans around who can recognize double-talk when they hear it and who are not much impressed by rationalizations for the most disgraceful sellout in American history. One suspects that they will be heard from, now and then, in the months to come.

APPOINTMENT TO THE DISTRICT OF COLUMBIA REVISION COMMISSION

The PRESIDING OFFICER. The Chair, on behalf of the minority leader of the Senate, pursuant to Public Law 93–379 appoints Marion Edwyn Harrison to the District of Columbia Law Revision Commission.

REFERRAL OF COMMUNICATION AND DRAFT BILL ON CREATION OF NATIONAL COMMISSION ON REGULATORY REFORM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Office of Management and Budget forwarding a draft bill to create a National Commission on Regulatory Reform be referred jointly to the Committees on Banking, Housing and Urban Affairs, Commerce, and Government Operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of Washington's Farewell Address this year occur on February 17 instead of on February 22 as provided in the order of the Senate on January 24, 1901.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the order of the Senate of January 24, 1901, as modified February 5, 1975, appoints the Senator from Utah (Mr. GARN) to read Washington's Farewell Address on February 17, 1975.

EXECUTIVE SESSION

The PRESIDING OFFICER. Pursuant to the previous order, the hour of 12:45 p.m. having arrived, the Senate will go into executive session to consider the nomination of James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

OFFICE OF MANAGEMENT AND BUDGET

The second assistant legislative clerk read the nomination of James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

Mr. PERCY. Mr. President, I participated in hearings regarding Mr. Lynn's nomination. He was subjected to extraordinarily close questioning.

He is a man who has been in public service for a long time, as well as having spent his adult life in the legal profession.

When examining his qualifications, the committee took into account the public interest. A man occupying one of the most powerful positions in the Federal Government must take steps to earn the trust and respect of the public. We are certain that Mr. Lynn and his wife have done everything conceivable to insulate themselves and their personal financial affairs that could be reasonably expected of an individual by incorporating their assets into a blind trust.

Mr. Lynn's life prior to his Government service is well known to his community. He has been a respected member of his community for many years, an honored member of the legal profession, and has now served in a number of distinguished positions in the Federal Government.

He served as Undersecretary of Commerce under Secretary Peter Peterson. I know of the extraordinarily high regard in which he is held by Secretary Peterson and the support that he has had from him in the past. I also know the support that he will have from all of those in Government with whom he was associated in his former responsibilities.

He has served as the Secretary of HUD long enough now for the Senate to evaluate his performance in a cabinet position. His performance in a very large bureaucracy under extraordinarily frustrating conditions has been exceedingly good.

In the Committee on Government Operations Senator METCALF asked some of the most searching questions. So important did Senator METCALF consider this matter that he postponed an overseas trip so that he might personally question Mr. Lynn in order to expedite these proceedings. As a result, we will now have a Director of the Budget at the earliest possible moment, and the Senate has been given the opportunity to vote up or down on the nomination.

I wish to commend Senator METCALF for not only the hard-hitting questions that he put, but also for the accommodation of his personal schedule, which certainly is in the national interest.

I also would like to commend Senator RIBICOFF as chairman of the Committee on Government Operations. Recognizing the urgency of this matter, he proceeded with great dispatch to hold these hearings, to call out the committee, and have the Senate in the position it is in today to vote this nomination up or down.

Based on all of the record that I have seen, based on my great confidence in not only the integrity but also the intelligence and governmental experience of Mr. Lynn, I urge the Senate to vote favorably on his nomination.

I trust that he will have an overwhelming level of support in the Senate. I feel confident he is going to have the close working relationship that should be established between Senator MUSKIE, as chairman of the Budget Committee of the Senate, and the other members of this very important committee and the office of Management and Budget.

I hope that that Department, an agency of Government that numbers almost 700 employees of professional status and otherwise, will put heavy emphasis upon management as well as budget to improve the efficiency and the effectiveness of the Federal Government.

I believe that under Mr. Lynn's leadership, the Agency has great potential to carry on the tradition that its distinguished predecessors have set.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the nomination of James Lynn to be Director of the Office of Management and Budget.

Mr. PROXMIRE. Mr. President, I rise today in opposition to the nomination of Mr. Lynn to be Director of the Office of Management and Budget. I do so although I have no personal animosity toward Mr. Lynn. In fact, I have found him to be a highly intelligent, personable, engaging, and charming man.

But public office should not be extended merely to someone because he is a good family man, engages in civic activities, and is not mean to animals. What we want in public office are men who will carry out the laws and the programs authorized and funded by Congress, and I do not think that Mr. Lynn, on the basis of his record, will do so. He has shown us that he will not.

Let me be specific in my opposition to Secretary Lynn.

As the ranking Democrat on the Senate Banking, Housing, and Urban Affairs Committee, which is the legislative committee for HUD and housing, during Mr. Lynn's tenure as Secretary of HUD, and as chairman of the Senate Appropriations Subcommittee on HUD, Space and Science, which has jurisdiction over housing funds, during this same period, I believe, I was in a position to know what was going on at HUD during Mr. Lynn's tenure.

As a result of that experience, I rise to say to the Senate that Secretary Lynn's tenure at HUD was a disaster for housing and for housing-related programs.

As I have said in the past, during his tenure that Department could properly be called the Department of No Housing and No Urban Development. I urged that the initials be changed from HUD to DUD.

This Department spends $5 billion a year, but during the past 3 years, since the moratorium on publicly assisted housing and associated public housing programs began in January 1973—and it was initiated only a few weeks before Mr. Lynn took over—almost no new publicly assisted housing starts have been initiated by HUD or by Mr. Lynn. Programs were frozen, put into mothballs, and killed. And this was done knowingly, deliberately, and over the concerted opposition of Congress.

The policies followed by Mr. Lynn—not only followed but almost gleefully and joyfully carried out—have blocked millions of families from buying the homes they need. Not only has this been a period when conventional housing starts have dropped by more than 1 million units, but it is a period during which HUD and Secretary Lynn produced virtually no publicly assisted housing.

If there is one element in our economy which has led the recession, and which has provided more unemployment than any other, more than automobiles, more than any other, it is housing. The policies of HUD are responsible to a very great extent.

The fact that there has been no public-assisted housing is in contravention, incidentally, to the law and greatly aggravated an already difficult situation. The result is a 14-percent unemployment rate in construction and the bankruptcy and failure of builder after builder and, of course, the low- and moderate-income families not getting housing while they desperately need housing.

Mr. President, this is particularly bad because this is an industry which can be stimulated without an inflationary impact. The resources are there, asking to be used. We have the people who want the jobs. We have the material. Here is one of the best answers we could have to moving the economy ahead without inflationary pressures.

During the 1970 and 1971 recession, housing was saved from a total housing crunch because HUD built a large number of assisted housing units. That was before Mr. Lynn became Secretary. It kept the industry out of a depression. It was an ideal time to do it, as this last year was an ideal time to do it when the conventional market was down.

It was a good time to move ahead with publicly assisted housing.

But in 1973–74 when Mr. Lynn succeeded Secretary Romney, not only was the conventional housing market a disaster, but the policies of HUD guaranteed a housing depression by lack of action. As a result, housing is now a basket case. While Secretary Lynn was not responsible for the high interest rates and the credit crunch, he did nothing significantly to help them. But he is responsible for publicly assisted housing. And since he became Secretary of HUD those programs have been frozen, placed under moratorium, or ignored by HUD.

Let me now be even more specific about the programs and the laws and the failures of Secretary Lynn to carry them out.

The Housing Act of 1968 calls for building 2.6 million housing units a year of which 600,000 publicly assisted units are under Secretary Lynn's jurisdiction.

That was my amendment to the 1968 housing bill. But here are the sad, cruel facts.

First. Not only has his Department failed to build 600,000 publicly assisted units a year during the last 2 years but even his annual report setting forth the annual housing goals required under the 1968 Housing Act was sent up 11 months late.

Second. The homeownership program under section 235 of the 1968 Act has been frozen. Not only have no new units been committed since he came to office but he has now asked that $264 million already appropriated and unspent be deferred. That is 206,000 needed units down the drain.

That is about 400,000 jobs that have been destroyed because we did not act.

Third. The $115 million in unspent funds for the highly popular and highly successful 3 percent housing for the elderly program is frozen.

Fourth. Last year the Secretary proposed 118,000 starts for the new section 23—now section 8—program. Not one single unit was built.

Section 8 is the program which the administration says will be their new public housing program, all they will have.

How many housing starts have we had from that program? None. After 3½ months, not one unit has been started.

Fifth. This fiscal year—July 1, 1974 to June 30, 1975—the Secretary proposed 400,000 additional units of section 23—now section 8—housing. After 3½ months not one unit has been started.

Sixth. Some $181 million already authorized and appropriated for section 236—the low interest rate rental program—is unused and sitting idle. That is another 120,000 units not being built.

Seventh. New starts for conventional public housing—a highly successful program with long waiting lines and low turnover rates—are under wraps.

Eighth. The section 312 program for loans to rehabilitate existing housing is in limbo with virtually no action taking place.

The present HUD annual budget has risen from about $3 billion to $5 billion. This is the unbelievable part. You would think in this regard we would have a record of less Government spending. We do not. We have a record of exploding Government spending in this Department that is doing nothing.

But almost none of the added money is being used for new housing starts. Instead the funds are being dribbled away in a bureaucratic morass of "planning," "demonstrations," "research," and "coordination." Almost none of it is being used to build the 600,000 new housing starts called for each year to meet the goals of the 1968 Housing Act which is the law of the land. Since he came to HUD, Secretary Lynn has fallen short of the assisted housing goals by over 1 million units.

Secretary Lynn, for all his charm simply has not gotten results. He is like a football coach whose team cannot run, pass, block, or tackle. All they can do is lose.

He would make a fine ambassador or corporation lawyer, but to give him this key economic position compounds the error of appointing such advisers as Greenspan and the other advisers who are giving President Ford, who is a fine man, the worst economic advice that any President has received in the last generation.

The reason we are in this dilemma—one big reason—is because the President of the United States is getting such very bad economic advice.

The chairman of the Council of Economic Advisers has indicated that he does not believe in enforcing antitrust laws; does not believe in consumer protection; does not believe in the progressive income tax. And, of course, he is giving advice, that classical 17th century economic kind, to the President of the United States, and it obviously is not working.

Now we are compounding that by making Mr. Lynn another top economic person in the administration as the head of the Office of Management and Budget, as Mr. Ash has been.

With that track record, it is incredible that he is now being appointed to the Office of Management and Budget as its Director. He will now have jurisdiction not only over HUD programs but also over all programs.

As we have learned in Congress and in the Senate, every time we introduce a bill, if it is a significant bill, the opinion of the Office of Management and Budget is requested. That opinion is often decisive. It has great effect on members of the committee, and it sometimes has considerable effect on the floor of the Senate. It can kill legislation or permit it to become effective. Mr. Lynn is in the position to be the executioner of the kind of progressive, helpful, and useful legislation that Members of Congress will propose.

Based on his record at HUD, if he becomes the Director of the OMB, we can expect the budget to rise precipitously while the programs, productivity, and quality of the work throughout the Government declines. We will get less bang for a buck.

If a man is a failure in handling a $5-billion department, why should he be placed in a job which oversees the spending of $350 billion?

On the basis of past performance, this nomination should be defeated. I register my own opposition and ask that I be publicly recorded as voting "Nay" on this nomination.

Mr. President, I yield the floor.

Mr. HATHAWAY. Mr. President, I want to join with my colleague from Wisconsin in opposing the nomination of James T. Lynn as Director of the Office of Management and Budget. I agree with my colleague that Mr. Lynn is an intelligent and capable individual but as my colleague has stated I believe that Mr. Lynn's performance as Secretary of Housing and Urban Development has reinforced the opinion which I had of him 2 years ago when I joined with the Senator from Wisconsin and others in opposing him for that position.

In addition to the reasons which the Senator from Wisconsin has stated for opposing Mr. Lynn with which reasons I am in total agreement, I would like to point out as I did 2 years ago that Mr. Lynn's attitude toward government in general as manifested in hearings before the Banking Committee indicated to me that he would not be the type of person who would offer to the people of this country the cooperation between the executive and legislative branches which is so necessary, especially at this time, and more particularly in the office for which he has been nominated. There is no question that our economic problems are the most important we face today and the Director of the Office of Management and Budget has an extremely responsible position. Nevertheless it is incumbent upon the holder of that office to realize that the Office of Management and Budget is not the Government that it is only one agency in the executive branch which is advisory only and should not be used to usurp the will of the people. I am afraid that Mr. Lynn does not regard that office as such but would employ the office more to command than to advise.

The Office of Management and Budget has grown out of proportion in importance over the years and it is time that that office was placed in its proper perspective in the entire governmental structure. In order to do this, in my opinion, it would be much better to appoint someone to that position who is mindful of the governmental structure as a whole and the role that Congress as well as the executive branch necessarily plays in making our Government which is a government by the people operate. I am afraid Mr. Lynn would not fulfill this role.

Mr. BROCK. Mr. President, I personally feel very strongly that the President has made the right choice in his selection of this very distinguished and capable man to head up the Office of Management and Budget.

I am confident that he will continue to serve this Nation well and I am proud of the really significant accomplishments he made to this Nation and the service to our housing needs during his tenure in that particular office.

I ask unanimous consent to have printed in the RECORD a listing of these accomplishments in the past 2 years.

The PRESIDING OFFICER. Without objection, it is so ordered.

Department of Housing and Urban Development: Accomplishments—1974

Housing and Community Development Act of 1974 passed by the Congress and signed by the President, provided for:

New block grant program for community development activities, replacing such categorical programs as urban renewal, Model Cities, open space, public facility loans, water and sewer, neighborhood facility, and rehabilitation loans. Funds will be distributed to cities, counties, and other units of general local government on the basis of a statutory formula.

Established realistic limits on mortgages insured by HUD–FHA.

Created new leased housing program (Section 8) as the prime housing program to meet the needs of low income families.

Led three major efforts during the year to provide economic assistance to the troubled housing industry:

In January, GNMA was authorized to make commitments to purchase up to $6.6 billion of FHA/VA mortgages covering new construction for at least 200,000 housing units.

In May, the GNMA Tandem Plan was extended by up to $3.3 billion, enough to finance the construction of 100,000 additional housing units.

With the passage and signing of the Emergency Home Purchase Act of 1974, GNMA was authorized to purchase $3 billion of conventionally-financed mortgages on new homes. President Ford later directed that 10 percent of the total be used for the purchase of existing home mortgages.

Launched three-year Target Projects Program (TPP) to improve the physical condition and livability of individual public housing projects. Thirty-seven local housing authorities were selected to share in the first $35 million from FY 1974 funds; applications are now being received from authorities for the $35 million being made available from FY 1975 funds.

Accelerated research into lead-based paint hazards with a number of new projects, including a four-city demonstration to find the best, most cost-effective way of removing such hazards from housing.

HUD and Federal Home Loan Bank Board announced creation of a program designed to encourage neighborhood preservation efforts.—The Urban Reinvestment Task Force.

In area of equal opportunity in housing, all HUD field offices were required to provide every feasible opportunity for minority contractors and subcontractors to participate in HUD-funded construction.

6,000 units of low-income housing for Indians were released to fulfill and complete a five-year agreement to provide 30,000 units of Indian housing.

Minimum property standards for the construction of low-rent public housing and housing approved for mortgage insurance by FHA were revised, consolidated and updated.

New Mobile Home Loan Insurance Program, aimed at improved mobile home purchase financing, was started.

Total energy plant in Jersey City started up, launching a research project which could help meet some of the Nation's energy needs. The plant will demonstrate and evaluate the economy, efficiency, and reliability of a total energy system.

HUD began working with NASA and other Federal agencies to develop a solar energy program.

Department conducted two pre-summit conferences on inflation to determine the economic problems—and potential solutions—of the housing and construction industry and State and local governments.

Realigned 39 area offices to provide speedier processing of housing and community development programs in line with the expedited handling called for in the Housing and Community Development Act of 1974.

For the first time, the Department established a Goals Management System, which resulted in the development of realistic goals by all elements of the Department and a sound system of monitoring and evaluating progress towards those goals.

During the year, the number of communities participating in the Flood Insurance Program virtually doubled again (to 5,500) and more than 153,000 flood insurance policies were sold in 1974 to bring the total number of policies in force to 465,000 as of November 1974.

Disaster Relief Act Amendments of 1974.

Department of Housing and Urban Development: Accomplishments—1973

Intensive and comprehensive study and evaluation of major subsidized housing programs, which were suspended in January, completed in September and findings issued in a report, *Housing in the Seventies*, which formed basis for legislative recommendations.

Procedures in the leased housing program (Section 23) revised to bring the program into line with direct cash assistance approach.

Experimental Housing Allowance Program became operational. It is designed to evaluate the direct cash assistance concept for providing housing aid to low income families.

Transition year funding developed for community development programs terminated in anticipation of new block grant approach. Urban renewal and Model Cities programs provided with sufficient funds to carry on activities until end of Fiscal Year 1974.

Disaster assistance functions, formerly carried out by the Office of Emergency Preparedness, were absorbed by newly-established Federal Disaster Assistance Administration In HUD.

Community development and community planning and management functions combined under Assistant Secretary for Community Planning and Development.

Research and technology functions were combined with policy development under Assistant Secretary for Policy Development and Research.

Flood Disaster Protection Act of 1973, signed on last day of year, provided increased insurance for those covered by flood insurance and provided incentives for the purchase of such insurance. During the year, the number of communities participating in the program doubled (to 2,800) and the number of flood insurance policies in force rose to 315,000 ($5.4 billion in coverage).

Revised regulations issued for Interstate Land Sales Registration to increase the protection of consumers by requiring increased disclosure and regulating advertising by land developers.

Policy and procedural changes made to increase financial stability of HUD-insured rental housing and the incidence of defaults was reduced in HUD-insured properties.

Government National Mortgage Association (GNMA) guaranteed more than $2.5 billion of "pass-through" securities and issued $2.7 billion of commitments to buy mortgages under its Tandem Plan authorization.

Mr. TOWER. Mr. President, I rise in support of the nomination of Jim Lynn to be the Director of the Office of Management and Budget. Some of Mr. Lynn's critics here today have stated that Mr. Lynn is not an active department head and that he has done nothing to assist the cities during his tenure. I disagree. This morning I had the pleasure of attending a very important event. It was the first approvals by HUD of the community development block grants that were authorized by the Housing and Community Development Act of 1974. I might add that the pleasure was double for me, because the two applications that were approved came from Sinton, Tex., and Ft. Worth, Tex.

The significance of this event cannot be overstated. The Congress has tried for several years to approve this community development legislation. I sincerely think that we would have had no bill this past session had it not been for the tireless efforts of Jim Lynn and his staff at HUD. This measure was signed into law on August 22, 1974, and I think it is a tribute to the efforts that Mr. Lynn has made at HUD during the past few months—in getting the regulations published and approved, and in arguing before both Appropriations Committees for full funding for community development—that today HUD is ready to disburse well over $2 billion to communities all across the country. This is but one of his many accomplishments while at HUD.

Mr. President, it is a rarity when the Members of Congress find a person who is as accessible to our committees, their staffs and individual members, as Jim Lynn. I look forward to working with him in this same capacity as the Director of OMB.

Mr. PACKWOOD. Mr. President, I rise to support the nomination of James Lynn as Director of OMB. Jim Lynn has a distinguished record as Secretary of HUD. Under his able direction, HUD made great advances in community development, disaster relief, and housing industry stimulation. His creativity and ability to organize and manage a large bureaucracy has been amply demonstrated.

During his tenure at HUD, Jim Lynn was instrumental in the creation of the Community Development Act of 1974. With an eye for social justice as well as efficiency, Lynn's leadership is greatly respected. Under him, HUD made advances in such diverse areas as neighborhood preservation, equal opportunity for minority contractors, and low-income housing for Indians.

Being from the State of Oregon, whose economy depends upon the housing industry, I have had a chance to work closely with Jim Lynn. Under Mr. Lynn's hand, HUD led major efforts to provide economic assistance to our greatest troubled industry.

We in Congress have often looked at OMB with suspicion. Jim Lynn, I believe, is capable of changing that. He does his job in a straightforward manner. His ability and dedication combined with an openness, which have served him and our Government so well, will continue to be of value as Director of OMB.

I strongly recommend Jim Lynn for the position of Director of the OMB and urge my colleagues to support his nomination.

Mr. **STONE**. Mr. President, I ask unanimous consent that I be recorded as voting "nay" on the nomination of Mr. Lynn.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The **PRESIDING OFFICER** (Mr. Culver). The question is, Will the Senate advise and consent to the nomination of James T. Lynn, of Ohio, to be Director of the Office of Management and Budget? (Putting the question.)

The nomination was confirmed.

Mr. **FORD**. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

NATIONAL LABOR RELATIONS BOARD

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination of Betty Southard Murphy, of Virginia, to be a member of the National Labor Relations Board.

The **PRESIDING OFFICER**. The nomination will be stated.

The assistant legislative clerk read the nomination of Betty Southard Murphy, of Virginia, to be a member of the National Labor Relations Board.

NOMINATION OF BETTY SOUTHARD MURPHY

Mr. **BEALL**. Mr. President, throughout our consideration of this nomination, our distinguished colleague from Ohio, Senator Taft, has been a strong supporter of Mrs. Murphy.

Unfortunately, illness prevented him from being here today to speak on her behalf. Had he been here, he would have delivered the following statement and I ask unanimous consent that it be included in the Record at this time.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Robert Taft, Jr.

On January 29, 1975, at a hearing before the Labor and Public Welfare Committee, I had the pleasure and high honor to introduce to my Colleagues on the Committtee Mrs. Betty Southard Murphy, who has been nominated by President Ford to be a member and to be the Chairperson of the National Labor Relations Board.

On the same day, the Committee membership unanimously voted to report favorably her nomination to the full Senate. I am extremely gratified that the Senate has now confirmed her nomination and that she will be given the opportunity to contribute to the development labor law in her capacity as the Chairperson of the National Labor Relations Board.

Betty Southard Murphy is a top-notch labor lawyer and an experienced government administrator. She is presently serving as the Wage and Hour Administrator for the U.S. Department of Labor, a position for which I recommended her appointment. Since assuming this responsibility in mid-1974, Mrs. Murphy has done an outstanding job in administering some 82 labor statutes. Principal among these is the Fair Labor Standards Act which posed many difficult problems for her resolution. In all instances, she has decided matters objectively and fairly after due considerations of the issues.

Ohio is extremely proud of Mrs. Murphy and her accomplishments. Her family dates back to over 200 years of residence in the State. Mrs. Murphy began her academic studies by attending the Ohio State University undergraduate school where she received a Bachelor of Arts degree in 1952. Thereafter, she served as a correspondent and free-lance journalist. In 1958, she graduated with a J.D. degree from the American University Law School.

Her career as a labor lawyer began in 1958 as an enforcement attorney with the N.L.R.B. in Washington. Within the next two years, she joined a private practice where for thirteen years she practiced extensively in all phases of labor, corporate, and administrative law, including N.L.R.B., E.E.O.C., I.C.C., F.C.C., and other administrative agencies too numerous to mention. She has been active in all courts in the District of Columbia in general litigation. I think of substantial importance is the fact that she has tried cases or otherwise appeared in federal or state courts in nineteen different states and has argued in nine of the eleven United States Courts of Appeals. Indeed, she has earned a national reputation for rendering excellent legal service.

She is truly an experienced and competent labor lawyer, and, I might add, one of few lawyers practicing in the United States who has successfully represented both international unions and employers. Thus, she has a broad base of support from both management and labor groups. This is a real tribute to her objectivity and expertise.

As a proven government administrator, she is able to bring to the Board the expertise necessary to assure sufficient regulatory reform so that it will continue to expedite its ever-increasing case load. 1974 was a record year for the Agency in that it handled 42,373 cases, most of which stemmed from charges of unfair labor practices. The Board's case load will, in all probability, continue to increase partly because of the expanded jurisdiction which the Agency now has by virtue of the nonprofit hospital amendments to the Taft-Hartley Act, which I authored last year. It is evident that reform of the Board's administrative practices and procedures is necessary if it is going to capably and fairly process those cases that are presented to it. I am confident that if anybody can secure necessary reform, it is Betty Murphy.

Moreover, I was especially pleased to learn that Mrs. Murphy has written to the Chairman of the Labor and Public Welfare Committee, Senator Williams, indicating her willingness to appear before the Committee at any time to answer questions or provide information sought by the Committee. It is this spirit of candid cooperation which speaks highly for Mrs. Murphy. I, as a Senator, deeply appreciate her good-faith offer.

Betty Murphy is both a credit to the legal profession and to the American women's movement. She constantly exemplifies a standard of excellence, and her talent will enure to the benefit of the National Labor Relations Board and to our national labor relations policy in the years ahead. In behalf of my Colleagues, I extend to her best wishes for complete success in this critical post.

The **PRESIDING OFFICER**. Without objection, the nomination is considered and confirmed.

Mr. **STONE**. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **FORD**. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

QUORUM CALL

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF AND TIME FOR VOTE ON THE FOOD STAMP MEASURE

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that at 1:30 p.m. today, the Senate proceed to the consideration of the food stamp matter and that there be no rollcall votes in relation thereto prior to 3:30 p.m. today.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Does the Senator mean the House bill?

Mr. **ROBERT C. BYRD**. I will leave that up to the manager of the measure to decide. I simply ask that at 1:30 the Senate proceed to the consideration of that matter, and that Mr. Talmadge or his designee be recognized at that time.

Mr. **GRIFFIN**. Mr. President, reserving the right to object—and I shall not object—I wish to recite that this agreement, to take up the matter, is being entered into with the approval of the ranking minority member, the Senator from Nebraska (Mr. Curtis), and with the approval of other minority members of the Committee on Agriculture and Forestry.

As I understand the agreement, while there is consent to take it up at 1:30, there is no agreement as to voting, other than that no vote will occur prior to 3:30 p.m.

Mr. **ROBERT C. BYRD**. The Senator is correct. I would assume that there would be at least one or two rollcall votes in relation to the matter.

Mr. **GRIFFIN**. I thank the distinguished assistant majority leader.

SENATE RESOLUTION 57—ORIGINAL RESOLUTION REPORTED, AUTHORIZING EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, I ask unanimous consent to report the Committee on Banking, Housing and Urban Affairs resolution requesting a total of $890,000 for the committee's operations this year. Due to the delay in organization of our committee, we were unable to submit this resolution by January 31, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. TOWER. What is the resolution referred to by the Senator from Wisconsin?

Mr. PROXMIRE. It is a resolution requesting a total of $890,000 for the committee's operation for this year.

Mr. TOWER. And this is as agreed to by the committee?

Mr. PROXMIRE. That is correct.

Mr. TOWER. I thank the Senator.

The resolution is as follows:

S. Res. 57

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing and Urban Affairs, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The Committee on Banking, Housing and Urban Affairs, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, to expend not to exceed $590,000 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries in accordance with such succeeding sections of this resolution.

Sec. 3. Not to exceed $415,000 shall be available for a study or investigation of—

(1) banking and currency generally;

(2) financial aid to commerce and industry;

(3) deposit insurance;

(4) the Federal Reserve System, including monetary and credit policies;

(5) economic stabilization, production, and mobilization;

(6) valuation and revaluation of the dollar;

(7) prices of commodities, rents, and services;

(8) securities and exchange regulations;

(9) credit problems of small business; and

(10) international finance through agencies within legislative jurisdiction of the committee.

Sec. 4. Not to exceed $240,000 shall be available for a study or investigation of public and private housing and urban affairs generally.

Sec. 5. Not to exceed $145,000 shall be available for an inquiry and investigation pertaining to the securities industry.

Sec. 6. Not to exceed $90,000 shall be available for oversight activities pertaining to all matters over which the Committee has jurisdiction under rule XXV 1(e).

Sec. 7. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1976.

Sec. 8. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition at this time, I move that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 1:08 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Culver).

QUORUM CALL

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Culver). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 58—ORIGINAL RESOLUTION REPORTED PROPOSING A STUDY OF THE FOOD STAMP PROGRAM

Mr. DOLE. Mr. President, by direction of the Committee on Agriculture and Forestry, I report favorably the following resolution and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution to direct the Secretary of Agriculture to make a study of the food stamp program and submit legislative recommendations.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. DOLE. Mr. President, I submit an original resolution from the Committee on Agriculture and Forestry, as I have just done, and on which the Chair has granted immediate consideration. Following the consideration of this resolution the Senate will consider legislation to postpone an administration proposal to increase the amount of recipient income required to be spent on food stamps.

In approving that legislation, the committee unanimously agreed that the food stamp program should be reviewed in its entirety. Therefore, the Committee on Agriculture and Forestry ordered reported a Senate resolution directing the Secretary of Agriculture to make a study of the program and make recommendations for legislative changes in four specific areas. These areas are:

First. Disqualification of families who have adequate incomes. Eligibility is currently computed on "adjusted net income" which is gross income less taxes, certain work-related expenses, total cost of child care as a consequence of work, a portion of the amount spent for housing, medical expenses over $10, and other factors. The result has been that some families of four with annual incomes over $10,000 are qualifying for food stamps.

The second specific matter to study would be reduction of administrative complexities. General welfare programs and the food stamp program are usually administered by the same agency at the local level, but at the Federal level they come under two separate departments. As a result, a recent study indicated a 27.2-percent error rate in food stamp cases handled by those county workers who must also handle AFDC cases for the same recipient.

The third specific area of study would be cash and stamp accountability. Counties are held totally accountable by the Federal Government for all stamps shipped to sales agents within the county. Yet, there are lax procedures in notifying county officials of the amount of cash and stamps shipped.

Finally, the fourth specific category would be penalties for abuse of the program. Present penalties for embezzlement and counterfeiting of food stamps need to be increased to deter these activities and a more direct linkage between stamps and eligibility identification cards needs to be made to prevent abuse.

These are just a few suggested areas, and there may be other areas of abuse that should be studied by the Department of Agriculture.

In addition, the resolution directs the Secretary to make such other recommendations for legislation as he deems necessary.

Mr. President, as I recall, at the meeting this morning nearly every member of the Agriculture Committee expressed concern about potential abuses, not with the thought in mind of depriving anyone of benefits, but with the real thought in mind of tightening up abuses, if any, whether they be in the way the program is administered or through eligibility requirements, in an effort to make certain that those who are entitled to food stamps and who may not now receive stamps will properly receive those benefits at the earliest possible time.

So there is a great concern by everyone on the committee. I believe that concern is shared by everyone in this body, and I would hope that the resolution would be adopted.

To make certain that those at the Department of Agriculture charged with the responsibility for this study are as thorough and understand the will of the Senate, I would ask at the appropriate time that we might have the yeas and nays on the resolution. It is my understanding there will be no record votes prior to 3:30; and, at the appropriate time, when there is an adequate number of Senators present, perhaps the yeas and the nays could be called for.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, first of all, I do not think we have any better social program on the statute books than the food stamp program. I think it is an absolutely essential program in our country, and especially at this time when we have millions of people unemployed, millions of others who, while employed, are at very low income levels, and it is through the food stamp program that some 17 million people are receiving what amounts to an income supplement. They are getting their food at reduced prices through the food stamp bonus.

What the Senator from Kansas (Mr. Dole) is addressing with his resolution today is a call on the Secretary of Agriculture to take a very critical look at this program with an eye especially on any abuses that may have developed.

I think it goes without saying that in any program where you have 17 million people participating there are going to be some abuses. Even if you had 17 million angels there are going to be some abuses. There are some people who cheat on their income taxes. There are some people who may abuse some of the privileges that we have here in Congress.

Any institution, whether it is public or private, which involves that many people, is going to involve some abuses.

I personally think, as one who is somewhat familiar with this program, that the problem of abuses is greatly exaggerated in the public mind.

I am very confident in supporting this resolution, which I do. I join with the Senator from Kansas in supporting it that a critical study of this program is going to show that the number of people who are participating in a way as to abuse the program is a very, very small percentage of the total.

Indeed, the most serious abuse in this program, as far as I am concerned, is that we have not yet found as efficient a way to administer it as I would like to see us discover.

It bothers me to read reports that unemployed workers are standing in line in Detroit and other places from 5 to 6 o'clock in the morning through the day trying to get certified for food stamp assistance. These are people whose taxes have paid for this program over the years. Now some of them have been unemployed for a good many months and at this time they need some help.

In the administration of the program, there is a 30- to 60-day time while they are standing in line from day to day, even to get someone to process their application.

That is another side of the abuses that we ought to keep in mind when we are concerned about detecting who may be cheating on the program who are already participating.

But having made that clear and having reaffirmed my own essential faith in the overall character of this program, I do want to say that I have no objection to the resolution. As a matter of fact, I join with the Senator, as did every other member of the committee, in voting to bring this matter to the floor as a separate resolution.

Later on, we will turn to the question of the President's request that we cut back on food stamp benefits, but for the time being, I add my voice in support of the Senator's resolution.

Mr. DOLE. I appreciate the remarks of the Senator from South Dakota and I share his concern about the program. I am not at all convinced that we are going to find all the many abuses we hear about.

It may do a great deal to dispel some of the doubts about the program if there is a thorough and objective study done. After that study, the Agriculture Committee in its oversight function could follow up on any report made by the U.S. Department of Agriculture. It may dispel some doubts and some of the examples we discussed this morning during our hearing.

But, in any event, I would again underscore that the study is not aimed just at abuses by those who may apply or may qualify for food stamps. It also addresses itself to a broader inquiry into administrative costs, duplication, and other areas that may provide for more efficient administration and better control, with the aim in mind of producing the most benefits possible for those who are properly qualified.

Mr. President, I intend to ask for the yeas and nays. It appears from casual observation that a sufficient number of Senators are not in the Chamber. I ask unanimous consent that at the hour of 3:30 p.m. a vote occur on this resolution and that prior to 3:30 it may be in order for the Senator from Kansas to ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUSPENSION OF INCREASES IN THE COST OF FOOD STAMPS

Mr. McGOVERN. Mr. President, by direction of the Committee on Agriculture and Forestry, I report favorably the bill that is at the desk and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 35) to maintain the nutritional adequacy of the food stamp program.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike all after the enacting clause and insert:

> That, notwithstanding the provisions of section 7(b) of the Food Stamp Act of 1964 (7 U.S.C. 2016(b)), the charge imposed on any household for a coupon allotment under such Act after the date of enactment of this Act and prior to December 30, 1975, may not exceed the charge that would have been imposed on such household for such coupon allotment under rules and regulations promulgated under such Act and in effect on January 1, 1975.

Mr. McGOVERN. Mr. President, earlier today the Committee on Agriculture and Forestry voted 11 to 2 to block the administration's effort to increase the cost of the food stamps effective on March 1.

This action is very similar to the action taken in the House of Representatives yesterday when that entire body voted on the same issue by a vote of 374 to 39.

The Committee on Agriculture and Forestry suggested today that we affirm the action taken in the House.

Mr. President, the issue here is very clear. Indiscriminately, without regard to the need of the people involved, 95 percent of the 17 million food stamp recipients would have to pay 30 percent of their income in order to purchase food stamps.

That would be the case if the President's Executive order went into effect on March 1, which will happen unless this measure is passed by the Senate.

For the average food stamp participant, that would mean an increase in the cost of their food budget of about 30 percent. This would have the effect of cutting the total food stamp budget by some 20 percent, or reducing it from $3.9 to $3.2 billion.

Now, Mr. President, if what we are most interested in doing is saving $700 million, even though it comes out of the stomach of hungry people, then the administration's proposal makes sense.

If at a time when the country is in deep economic trouble, when there are millions of people unemployed, when there are millions of others on inadequate income, we are interested in protecting those people with some kind of an income supplement program, which is what the food stamp program is, then by all means the Senate this afternoon should move overwhelmingly to ratify the action taken by the Senate Committee on Agriculture this morning.

The administration's proposal would have forced over 1.3 million poor, elderly, and unemployed Americans out of the program entirely, without anything else to fall back on at a very desperate time in the economic life of this country.

So the central issue here at a time when we hear so much about the few people who may be abusing the program, the central issue is what happens to the

17 million needy Americans who are trying to get through one of the worst economic periods in the history of this country.

The issue is not the handful of people that we hear so much about who may be abusing the program, and whom I would like to see removed from this program and brought to justice, because they do give a black eye to this otherwise very fine program. We do not want to lose sight of the central issue which is the millions of people who are unemployed by the loss of their jobs that are fighting to feed their families and maintain some measure of dignity, to say nothing of the factors of health and nutrition that are involved.

Reform is needed in the food stamp program. No one argues about that. Reform to remove cheaters, but also reform to see that the thousands of truly needy families do not wait anywhere from 1 month to 3 months to receive benefits that they are fully entitled to under the law but which they are now prevented from enjoying by the redtape that, unfortunately, exists in the administration of this program.

Dealing forcefully with the abuses that keep families from receiving what this country has deemed necessary to their health and welfare is as important as catching the few people who steal from their neighbors by fraudulently participating in this program.

I want to make every effort I can, as one Senator, to see that both abuses are corrected without delay.

The problem now is to halt this ill-advised administration regulation which otherwise goes into effect on the first of March, just about 3 weeks down the road. The planned increase in purchase requirements for food stamp recipients, when you add that to the inflationary pressures that are already playing on consumers in this country, will place an impossible burden upon their ability to obtain an adequate diet.

I want to say, Mr. President, without any doubt at all, if this regulation were allowed to stand it means substantially more hunger and malnutrition in a country that ought not to tolerate it. We are in financial difficulty in this country, but the difficulty is not so serious that people have to go hungry in the United States.

In essence, the President's proposal would shift approximately $750 million in food purchase cost from the national treasury to the pocketbooks of the low-income families of the Nation during this next fiscal year, and about $325 million would be taken out of the pockets of those people in what remains in the current fiscal year. When combined with the 5-percent ceiling the President now wants to place upon any upward adjustment in the food cost adjuster provision in the Food Stamp Act, almost $1 billion in increased food stamp cost would be experienced by those participating in the program during the coming fiscal year, if both of these administration changes were adopted.

Mr. President, to make matters even worse, the administration at this same time is asking Congress for an additional $300 million in military assistance for South Vietnam, and an increase of over $8 billion in next year's budget for military purposes in general.

Without getting involved this afternoon in an involved debate or a complicated debate about this supplemental request for more arms for Southeast Asia, or whether or not we need to add on another $8 billion to the military budget next year above and beyond what we are already spending in a recordbreaking budget, I do not see how the administration can argue on the one hand that we can go ahead with an $8 billion increase in military outlays and yet we cannot afford $700 million to finance the food needs of these poor families.

Both the administration and the Congress appear to be in agreement regarding the need to provide an income tax cut in order to stimulate our economy. We may have some difference about how the tax cut ought to be applied and what the formula ought to be, but I think there is general agreement that there should be some kind of tax reduction.

We must again remember that this action offers no relief whatsoever to the poor for the simple reason that they do not have enough income to pay any taxes. Now they would be hit at both ends. They would not share the increased disposable income that would be provided to most taxpayers as a result of the tax cut, but they would be expected to increase their expenditures for food out of their existing meager incomes.

How can they be expected to do that when it is already becoming increasingly difficult for most of them to meet existing food stamp purchase requirements due to the increased prices they pay for heat, fuel, housing, clothing, health care, and other essentials in their lives?

Mr. President, I urge the Senate to not only adopt the bill now before us, but to do so overwhelmingly so the President and his associates will understand that Congress is not about to join them in turning their backs on the Nation's poor, our Nation's elderly, and our Nation's hungry citizens. I very much hope that the Senate will endorse this measure in a resounding and overwhelming manner.

Mr. CURTIS. Mr. President, the issue before the Senate is not one of whether or not we should have a food stamp program. That is in the law. It is going to stay. There is no issue over the fact that the very poor of our country should be treated most generously in a food stamp program.

There is a difference of opinion about the future of the food stamp program. There are some of us who believe that the time is now to look into certain questions and problems that arise. We are not dealing with a small program. In 1964 we had 467,000 recipients of food stamps. It cost $26 million.

Ten years later, instead of one-third of a million people receiving food stamps, there were 13 million recipients of food stamps.

In December of 1974 the number of recipients exceeded 17 million.

The Joint Economic Committee tells us that before long, by mid-1976, one in four Americans will be eligible for food stamps. That is 25 percent of the population.

Mr. President, we should not allow ourselves to get emotional about feeding those who are undernourished. There is no dispute about that. The dispute is over what should we do, and what should we do now, to make it a program that conserves our assets so that we can, for all time to come, fulfill our obligation to the poor and less fortunate of the land.

This law needs some revisions. Congress has some work to do. We cannot point our finger at the bureaucrats and say that they have caused all the trouble. We have provided a law that says that if your income is a certain amount, you are eligible for food stamps. Someone who is eligible for food stamps operates on a program whereby you put in some of your own money and get in return food stamps that enable you to buy a great deal more.

For example, the average contribution by the recipient is 23 percent of his income. Before any conclusions are drawn about income, I point out that that is a defined term. Under some circumstances, from income you deduct rent, household expenses, utilities, medical care, expenses of going to work, and many other things; and then you come down to what their net income is. If an elderly couple, after deducting all these items, would have $100 over that, that is regarded as net income; and under existing law, they would pay 23 percent and get in return $84 of food stamps—food stamps having a value of $84, for $23.

If this practice is confined to those who are really poor, I know of no one who is objecting to it. It enables them, for $23, to buy $84 worth of groceries. I am not finding fault with that, if we get it to the right people.

Who pays the difference? Their neighbors, the average person. There is no mystical place for the Government to get money.

We have an obligation to the poor to have a program so well written and so carefully run that it does not come into disrepute, that the assets of our country are sufficient to take care of the poor.

When Congress wrote the law, it provided that the recipients should pay part of their food stamp cost. How much? This is what Congress said:

> Notwithstanding any other provision of the law, households shall be charged for the coupon allotment issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 30 percent of the household's income.

What brings this matter to the floor of the Senate today? The President fixed it at 30 percent. That is higher than it was, yes. Perhaps the President made a mistake. Congress authorized it to go to 30 percent. Lawsuits are pending. There may be dispute as to how to apply the 30 percent, whether it should be uniform and whatnot. But the fact remains that Congress wrote the 30-percent provision in the law.

With respect to poor people who have practically no income, after you deduct all these deductibles and a couple has $30 or less a month, they get free stamps. After the President's action would become effective, they still would get free stamps.

I rise today not to oppose the program of food stamps. As I say, that is well established.

Mr. McGOVERN. Mr. President, will the Senator yield on the point he has just made?

Mr. CURTIS. I am happy to yield.

Mr. McGOVERN. I think it is important to understand, for the RECORD, that what the President did is not what Congress intended in the food stamp legislation. The law states that the recipient should pay a reasonable proportion based on his ability to pay, but in no case could it go beyond 30 percent.

There is not the faintest hint there that Congress intended that everybody would pay 30 percent of their income to qualify for the food stamp program. That is what the President's order provides.

The Senator has said that the Presidential regulation would still permit a small percentage of people to receive free food stamps, and that is true. But it does not do anything for the person who is just above that level. Suppose your income were a little more than $30 a month. Suppose you got $40; suppose you got $50. This is still not enough to buy the groceries.

But if the administration orders stamps, you would have to provide 30 percent of that meager income in order to qualify for food stamp assistance. How much better it is and how much more just it is to have the administrators of this program set that level according to the family's income and use the 30 percent as the ceiling, not as the common floor, that everybody is going to have to pay, without regard to their ability to pay.

I just wanted the Senator to yield me this time so that I could make that point for the RECORD.

Mr. CURTIS. I thank the Senator.

I want to be fair. There is a dispute about applying 30 percent across the board. I grant that. I stated it in my opening statement. But the fact remains, also, that Congress said that they shall fix a ceiling not to exceed 30 percent, and the President has not gone beyond 30 percent in any case. Whether or not he violated something or was in error when he made it across the board, that is the matter in dispute.

We think that the time to start the wheels in motion to improve the food stamp program is now. We are not suggesting that we hold up this resolution. One amendment could have held it up for 24 hours. If we were delaying and harassing, we would certainly have utilized that.

At the appropriate time, this is an amendment that will be offered, a new section. It provides:

> The Secretary of Agriculture is hereby directed to provide to the Congress, not later than June 30, 1975, recommendations for legislative changes which will (1) disqualify the families who have adequate incomes from receiving stamps; (2) reduce administrative complexities which make joint operation of the other Federal assistance programs difficult; (3) tighten accountability for procurement, shipping and handling of food stamps; (4) increase penalties for those who abuse the program; (5) such other recommendations as he may desire to make.

What we are asking is that this be adopted as an amendment and that it go to the House. I am sure the House will accept it.

Can anyone imagine a House Member opposing an amendment that asks the Secretary to check into the matter and report back as to whether we need any laws to disqualify families who have adequate income? Can anyone imagine a House Member voting against having the Secretary of Agriculture report back on needed changes in the law to reduce administrative complexities? Can anyone imagine a House Member who would vote against having the Secretary of Agriculture submit recommendations to tighten accountability for procurement, shipping, and handling of food stamps?

Who is the program for? It is for the poor.

Why would anybody oppose an amendment that would make more of the money available for the poor? Would anybody in the House of Representatives increase penalties for those who abuse the program? I do not think so.

Would anybody in the House of Representatives oppose an amendment that invited the Secretary of Agriculture to present such other legislative recommendations as he has in mind? The adoption of this amendment does not delay the effective date of the main resolution, the main resolution which sets aside the President's order or determination.

Mr. President, the real friends of the poor and the real friends of a properly run food stamp program are those who want a well-run food stamp program that does not result in disrepute. We have so carelessly written this law that what is income is awfully hard to define. For instance, some would take their income and they deduct from that or they disregard in their property statement the tools and equipment they need to earn a living. It should be better defined than that. A farmer who does not own his land might have a quarter of a million dollars in machines and trucks and tractors. Under this law, he can have all that equipment, he can have a car, he excludes his insurance program, and then if he had a bad year, as a lot of them did in the cattle feeding business this year, and his expenses exceeded his income, he is eligible for food stamps. He is eligible for food stamps. That should not be; that should not be.

Food stamps should be provided for rural people, farmers, and others, as for any other citizen. They should be provided when they do not have the resources to get a nutritious diet for themselves. Now, do the honest and conscientious march in and ask for food stamps under those circumstances? No.

Who does? Whom are we penalizing by trying to clean up such a thing? The worthy poor? Not at all; not at all. I know a citizen in my State who has worked hard, pays his own bills, is generous toward other people, and he rented a house from a landlord who had two other houses, and the landlord was receiving food stamps.

I wish to read to the Senate what has been published about this. I hold in my hand a book entitled "California's Blueprint for National Welfare Reform," carried on under the direction of the former Governor, Ronald Reagan. Here is what it says:

> The Food Stamp program has multiplied from 367,000 recipients nationally in 1964 to more than 13 million this year. That's a 3,400 percent increase! In just 10 years! During the same period federal expenditures for food stamps have increased 8,700 percent—from $26 million in 1964 to $2.3 billion this year.

Reading on:

> The USDA estimates that by the middle of next year, 16 million Americans—one in every 14 persons—will be using food stamps.

Last December, it passed that. Seventeen million Americans were using food stamps—

> A report prepared for use by the Subcommittee on Fiscal Policy of the Joint Economic Committee of the Congress warns that within three years, at the present rate of growth, one in every four Americans could be eligible to receive food stamps at least one month during the year.

Listen to this:

> Federal food stamp eligibility requirements are far more lax than welfare eligibility rules. In addition, the income exemptions a food stamp applicant can claim to qualify for stamps are far more liberal than those in the AFDC program.

Here is a program that is more liberal with people than the program provided for a mother who, without the assistance of a man in the house, is raising children.

This report also carries this statement:

> Federal food stamp eligibility standards now allow families with incomes well over $10,000 a year to receive food stamps, even though they are not on welfare.

Mr. President, does this amendment that is suggested stop the passage of this resolution? Not at all. Does it destroy the program? No. All it does is write into the law a requirement that the Secretary of Agriculture shall report by June 30 of this year his recommendations on these questions raised.

It may be argued that after this amendment was presented in the Committee on Agriculture and Forestry, the suggestion was made that we take the same language and pass it as the sense of the Senate. Well, I think the House of Representatives should be in on it. I think it should have the force of law.

Mr. President, when we allow a situation to prevail where someone not on welfare, having an income of over $10,000, can have food stamps, it is time for us to change the law. When we allow other people with capital assets running to over hundreds of thousands of dollars to be eligible for food stamps, it is time to change the law.

Mr. President, there is a wide disagreement over food stamps for strikers.

It is expensive. That is not involved today.

It is also true that over the length and breadth of the land, there are those people who carry on a different way of life, who live in communes, have no visible means of support, perform no useful work, and if their parents do not claim them as an income-tax exemption, they are eligible for food stamps.

Mr. President, it is time for us to think about the people of modest income in this country who pay taxes. They will be perfectly willing to dig deep and sacrifice for the real poor, the people who cannot help themselves.

But how can we go back home if we have failed to write into the law everything that we could to prevent individuals who choose a way of life of not working from having their food subsidized?

Whom is it subsidized by? Other people; people of all races, color, and creeds, who work and pay taxes. That is where the money comes from.

I want to read something further from this California report:

> Counties have long suspected that some individuals, particularly those with no fixed place of residence, receive food stamps benefits at the same time in more than one county. Moreover, duplicate benefits received from more than one state, as in the case of recipients frequently crossing the Oregon-California border at Del Norte County, enable these recipients to "maintain" a residence in both states in order to attempt to qualify for assistance in both states. To illustrate, in 1971 a man was convicted on welfare fraud charges and sentenced to prison in California. He and a woman companion had been receiving AFDC and food stamp benefits in Montana, Oregon, Utah and 18 California counties.

Mr. President, the way to serve the poor, the way to serve those who are malnourished, the way to preserve a program so the taxpayers of America will carry on the load, is to clean up such things. To pass this proposal as a sense of the Senate resolution is not a substitute for writing it into the law, though some might support it as a means of not putting something like that in the law. They will have to decide that for themselves.

Mr. President, let us do our utmost to be just and generous to the poor of the land, to do that which we could and should do for the undernourished and the malnourished, but in doing it, let us not bring disrepute upon those must receive food stamps, because they are justly entitled to them by extending this assistance to categories where it should not be. Let us not endanger any program for the just, humane, and generous treatment of the poor by having laws that permit its benefits to go to many people who are not poor at all. If we fail in this, it could well happen that a public sentiment would arise in this country and action might be taken that would be detrimental to people who are entitled to our consideration and help.

Mr. President, it is my hope that later today, when this matter is under consideration, a majority of the Senate will write into the law the requirement that the Secretary of Agriculture must bring in recommendations to take care of these and other problems that exist in this program.

I yield the floor.

Mr. HUMPHREY. Mr. President, let me say first of all that the sense of the Senate resolution that is pending will, of course, indicate to the Secretary of Agriculture the necessity for a prompt investigation of the food stamp program, under certain guidelines that are established in that sense of the Senate resolution. And second, the Committee on Agriculture and Forestry has fully agreed to exercise an oversight function on the food stamp program. Finally, I know of no resistance to a full-scale inquiry into our food stamp program, how it may be improved, any injustices or inequities to be found in it or any abuses in the program.

I rise as one who was the original sponsor of the food stamp program in the late 1950's. As the Senator from Nebraska has noted, the program indeed has grown. We started this program under the sponsorship of myself and the distinguished former Senator from Vermont, Mr. Aiken, on a trial run, with just several counties. That program was sponsored in the other body by Representative LEONOR SULLIVAN. The trial run at the time proved its effectiveness, and since that time the program has, of course, grown and expanded until today, as was indicated, there are 17.1 million people who are receiving benefits under this program.

It surely is a much more desirable program than what we used to call the old surplus commodity program, when you waited to see whether or not there was any surplus of beans, milk, or whatever it was, and you handed those out at welfare stations to needy families, often in containers that were too large, thereby promoting waste.

Furthermore, our regular commercial outlets in no way benefited from the commodity program. The food stamp program works through our supermarkets, grocery stores, and other food outlets, and for all practical purposes the food stamps are exactly the same as currency. This program has had the effect of not only helping the needy, but also of benefiting our retail establishments and promoting a better and wiser use of our food resources.

The food stamp program is a part of the massive national effort to combat hunger and malnutrition in this country. This is not to say that there are no abuses; indeed there are, and those abuses need to be corrected. It is not to say, either, that all the people who should be receiving food stamps are receiving them. On the contrary, there is great need of improving the diet of the American people, and of combating a very serious illness afflicting millions of our people called malnutrition.

Therefore, as we look into the food stamp program, I think we will find not only ways and means to improve its administration, but hopefully we will find ways and means to extend its coverage, so that needy Americans in particular will have a better diet. This country, above all, should have the best of food. We are the largest food-producing nation in the world in terms of available supplies for our people. Therefore, I suggest that we have as our objective not only cleaning out of the program those who have cheated, but bringing into the program those who need it.

There has been a Federal case in Minnesota in which the judge of the district court, the Honorable Myles Lord, has directed the Secretary of Agriculture to extend the outreach effort of the food stamp program as required by the law of the land.

Mr. President, I want to say once again that I support, as I did in the Committee on Agriculture and Forestry, the sense-of-the-Senate resolution. I think it will accomplish our objective.

I rise, of course, to support the bill that has been reported out, S. 35, and a similar bill that I had introduced, S. 250.

The language of the bill before us is identical to that passed by the House and, therefore, we need to take prompt action to give the States, which have the responsibility for the administration of the food stamp program, ample notice as to the intent of Congress and the specific provisions of law.

The reason we need action now is that the States will need at least 2 weeks' time or more to be able to adjust any rules and regulations that would be required if the President's action went into effect. All of the calculations as to the items which are deductible and the amounts that would be provided for in food stamps might have to be recomputed if the proposed regulations went into effect.

So, Mr. President, I express my strong support for this measure to stop the Department of Agriculture from raising the price of the food stamps to 30 percent of the net income of participating households as of March 1, 1975.

This ill-conceived and callous action would have the effect of reducing food stamp benefits for 95 percent of all the needy households that currently use food stamps.

The Department's plans would have a particularly severe effect on the elderly, many of whom would have their monthly food stamp benefits reduced to $3 a month or even $1 a month.

Now, Mr. President, imagine what the impact of this will be upon social security recipients if you take into consideration the administration's other recommendations on social security benefits. In the budget that is presented to us, the President asked that social security benefits be limited to a 5-percent increase. He does not ask that anybody else's income be limited, except Government employees; but social security beneficiaries who, under the law, are entitled to a cost-of-living increase, are to carry the burden of the battle against inflation by having their benefits limited to a 5-percent increase. And, I repeat, no one else in the United States is required to have that happen to them except, under the President's proposals, the military and the civil servants of this Government and the social security beneficiaries. Of all the people who should not be victimized by such a cruel blow, it is the elderly of our country.

If you add, on top of this 5-percent limitation on social security benefits, the increase in the cost of food stamps, you have dealt a double blow to the elderly of this country. And I repeat that a large number of the recipients of the food stamps are the elderly. It happens to be the tragic fact that not only are the senior citizens elderly, but they are also poor. The overwhelming majority of them are poor. So they fit two categories that would be seriously affected by the increase in the price of food stamps. The increase in the price of food stamps will seriously injure the poor and the elderly.

Now, I recognize there are some poor whose income is so low that the new rule would not affect them. In other words, they would continue to get free food stamps. But the percentage of those who would continue to receive food stamps at little or no cost is minimal, 5 percent of total recipients.

The administration's proposal was included as a part of its plan, announced on November 26, which would have the overall effect of reducing the budget by $4.6 billion. However, in the light of totally new budget plans to deal with the current recession, this proposal makes no sense whatsoever.

The administration's proposal would increase by roughly one-third the cost charged to low-income persons for food stamps.

Under the proposed new regulations, all but the most destitute would be required to pay 30 percent of their net income to purchase their food stamps. This contrasts, as was said by the Senator from South Dakota (Mr. McGOVERN), with the 23 percent of net income which an average household pays for food stamps today. The administration estimates that $650 million per year would be saved through the implementation of this program, which is to become effective on March 1, 1975. But the Commodity Nutrition Institute estimates that this figure is closer to $1 billion per year, and it terms the measure "Draconian."

The administration contends that the poor are merely being asked to pay a little extra for their food stamps. But the truth is that this step will have a devastating effect on many low income families. Most seriously affected will be the households with one or two members. These constitute almost one-fourth of the people now receiving food stamps.

It is also estimated that over half of the one- and two-member households, or at least 1,750,000, are elderly. The plan would hit hardest at those individuals whose net income is between $154 and $195 per month. These people—who now receive a $10 to $13 reduction in their $46 worth of food stamps per month—would be eliminated entirely, I repeat, eliminated entirely, from the program.

Eliminating individuals from the food stamp program, whose net income per month is between $154 and $195, would seriously affect recipients from supplemental security income, that is, the SSI program, the assistance program for aid to the aged, blind, and disabled poor.

The effect of the new regulations on SSI recipients will be to drive most of them from the program, even though Congress acted in August 1973, December 1973, and July 1974 to keep SSI recipients in the food stamp program. I repeat, that is the law. Those sections by Congress specifically directed that the recipients of SSI benefits were to be kept in the food stamp program.

The people who use and depend on the food stamps have been especially hard hit by rising food costs. While rent, electricity, and clothing have gone up in cost for everyone, food costs for the poor have advanced more sharply than the 15 percent general food inflation rate. Most of the food staples purchased by the poor, according to the National Council of Senior Citizens, have gone up by over 25 percent in the last year. And on top of this food inflation, the administration proposal that an average family of four now pay nearly a third more for its food stamps, translates into $14 a month or $168 a year in increased food costs.

The proposal has been offered as a means of cutting back on a program whose costs are reported to be out of hand, and with the enrollment growing, according to the administration, by leaps and bounds.

Well, let us take a look at the facts. This is hardly an accurate picture since in December of 1971, 14.9 million participated in either the food stamp program or the commodity program: In September 1974, with the commodity program phased out, except on Indian reservations, the number of recipients under the food stamp program was 15 million. In recent weeks, because of our increasing unemployment, it is estimated that the enrollment in the program has increased to 17.1 million.

Now, one way, Mr. President, of getting the food stamp program down in size is to get the economy up in size. That is the best way. If we had people employed at jobs at reasonable wages, they would not need any food stamps. But this administration comes in here with a budget that will forecast a rate of unemployment for the next 2 years of not less than 8 percent, and between now and 1980 not less than 7.5 percent. We have held hearings all morning in the Joint Economic Committee, and we have had the report from the Council of Economic Advisers. We also have had the report of the President in his budget, and it is a grim forecast.

I know that everybody says to me that at least the President is candid, he is frank with us; he is telling us the hard facts.

This is well and good. I like to have a doctor who, when he examines me, will tell me the facts about my health. But I would not want him very long if he would not tell me what I might do to cure my ills. We do not need somebody just to tell us that we are sick—we know it. We need somebody to tell us what to do to cure the illness.

The way to cure the illness is not to punish the elderly and the poor.

I noted this morning that the foreign aid budget for the coming year is up $800 million; the defense budget for the coming year is up from $91 billion for 1975 to $104 billion for 1976.

So we are asked to increase the defense budget up from $91 billion to $104 billion; take the foreign aid budget from $6 billion up to $6.8 billion, and then say to the poor and elderly, "You can only have a 5-percent increase in social security benefits. We are going to cut back, food stamps. We are going to cut over $8 billion in human resources programs. At the same time the defense program is being increased by $13 billion and foreign assistance is going up by $800 million. How then can we defend a cut of $650 million in the food stamp program which benefits the poor.

What kind of economics is that? That makes Scrooge look like a social worker—and Santa Claus.

Well, Mr. President, I do not intend to stand by and see it happen, and I know the Senate is not going to let it happen.

I said something about the figures of the Department not being accurate, and they are not. This is not unusual.

Our unemployed people need this assistance and we have a worthwhile program in place, which will be helpful in dealing with the recession.

I have just been informed there are approximately 10,000 auto workers in this city now—10,000 auto workers—and why are they down here? Because they are unemployed. Now, fortunately, many of them will not be asking for food stamps, some of them may need it, but they are suffering.

The cost of unemployment this year in this economy is estimated at $175 billion in lost income, in gross national product, even if we have an unemployment rate of 5 percent. We have got people trying to tell us now that full employment is 5-percent unemployment. It would have been nice to have graduated from school like that because, for example, if we got 70 we could pass. Would it not have been very nice if we could have had an extra 5 points added on when we got a 65 and got a D and were going to fail?

Five percent unemployment is called full employment now by the latest descriptions in the budget.

I want to say, Mr. President, that is written by the people who have a good job with lots of benefits and with 2 or 3 weeks' vacation. That description is not written by somebody who is out of work.

When I had somebody ask me one time what I consider to be a reasonably good figure to tolerate on unemployment, I said, "Just answer it if you are unemployed."

What we are talking about here is not just a food stamp program. We are talking about this economy. We would not need a food stamp program of this size or even one-half this size if we had an economy that was producing at its potential or if we had an economy that was even maintaining a reasonable rate of growth of 1, 2, or 3 percent.

The gross national product dropped 9 percent this last quarter. That is the most severe drop in the gross national product since the Great Depression. We have not had any such situation since 1946, Mr. President, in which we have had 11 percent to 12 percent inflation and 8 percent unemployment.

The Joint Economic Committee was created in the Employment Act of 1946 and not since its creation has the Joint Economic Committee ever received a report from any President of the United States in which we have the unbelievable figures of the projection of unemployment at 8 percent and the projection this coming year of inflation at 11 percent. And here we are arguing about whether someone cheated on food stamps.

If they cheated, we will get rid of them. We need to do that. If the formula for food stamps is not right, we will revise it. There is not any doubt about it. But after we get all through going around playing economic tiddlywinks, I suggest we get at the major problem, which is not food stamps. It is getting people to work, getting this economy going once again, taking a look at the budgetary policy, taking a look at the monetary policy, getting a tax reduction bill through and helping people get back so they can be self-sustaining.

That is the way to approach the food stamp program. The answer to food stamps is to expand the economy. If we do not do it, we are going to have more people getting food stamps because this country cannot have the record of producing large quantities of food and fiber which we send all over the world to everybody else and not take care of our own people.

I wonder who it is around here that has the courage to get up here and say that with stored surplus milk, and powdered milk, butter, cheese and wheat by the millions of bushels and the millions of tons, that we are going to sit around here and tell people in America that we cannot afford to help them out, but we can help India and we can help Bangladesh.

Now, I am for helping these countries, and we have got an administration that wants to provide a lot more for Vietnam. We stopped that by the amendment on the Foreign Assistance Act. We have got an administration that wants to put some over in Egypt. I am for that. We have got it.

The administration also wants to help Chile, Korea and other countries with food aid. This assistance costs more than the reduction in the food stamp program we are talking about here.

Mr. President, when it comes to taking care of some poor soul here, it is a different situation. To somebody whose son may have fought for this country in war, or somebody whose age is 65 and over, or somebody that is having a rough go of it temporarily, we say, "Well, now, just a minute, we have got to fight inflation and we are going to start with you, you poor soul."

We are not going to start with the bankers, we are not going to start with industry, but we are going to fight the poorest of the poor and the weakest of the weak and the most helpless soul. We have a new inflation cure, and the way we will start is by cutting the food stamp program. If it works on them, then maybe we will get to the coupon clippers a little later on.

Not with HUBERT HUMPHREY'S vote.

I believe in fair play, and if we want to cut food stamps, then cut the interest rates. That will help us a lot and we will not need to have so many food stamps.

Well, Mr. President, I thought I would get down to fundamentals. It is not food stamps we are talking about. Basically, we are talking about this economy.

I repeat, we will not need these food stamp programs for many people if we give a job to a person. We will not need to worry about food stamps for a farmer if he can get a fair price for what he produces, we will not have to worry about food stamps for the auto workers if we have an economy where people can buy cars.

So, Mr. President, while I would be the last to say that there are not some college students who have abused this program, and maybe some older persons who have abused this program, I want to say that the amount of abuse is far exaggerated as compared to the amount of good that is in this program.

So we will clean it up the program and improve it.

I agree with the Senator from Nebraska that we want to make sure these programs go to the people that need them, but I think it is also important we keep in mind why we have the program in the first place.

We do have poor in this country, and they need help. We do have people who temporarily are the victims of economic troubles, and they, at least, need food.

We do have elderly in this country who have a pitifully small budget and income, and they need help.

We have seen the pictures of the poor in this country buying dogfood.

By the way, I wish to goodness they had as much nutrition education on television about other food as they do about dogfood.

Those dog ads tell everyone that it is pure meat for old "Bowser." No cereals, nothing but pure beef.

I will bet that there are a lot of folks who would like to have a little of that good beef, and we have a lot of surplus beef on the hoof.

We ought to be canning it and getting it to the old people and the school lunch program.

I will say again, Mr. President, that this country will never go bankrupt feeding its people.

We have got a request over here for $500 million supplemental aid for Indochina—$500 million. In the same week that we got a request for $500 million for more ammunition for Indochina, they want to take $650 million by their own estimate from the recipients of food stamps.

This is so ridiculous, so unfair, so unbelievable. At least, if you are going to ask for the extra $500 million, you ought to have enough good public relations sense not to want to skimp on grandpa and grandma. There are a lot of grandpas around here, and I just happen to be one of them.

Now, Mr. President, the main reason for increasing costs under the food stamp program is not because there are a lot of cheaters. It is because food prices have gone up. Bringing inflation under control would stabilize program cost. The increase in program cost has been used by the administration to detract attention from a full and frank discussion of the issues. We need to avoid imposing this additional burden on the shoulders of the elderly, the blind, and the disabled poor. We need to clean out those who do not deserve it.

Various methods of stimulating the economy are being discussed. Almost everyone agrees that those at the bottom of the economic ladder deserve a significant reduction in their taxes, if they pay any taxes. Thank goodness, the President has said that if they did not, they ought to get an outright payment from the Government. Why give with one hand at the same time taking away with the other?

Just before we adjourned in the last Congress, in the 93d Congress, the Senate passed S. 2792, my bill, to maintain the Food for Peace program in times of short supply. That was passed here on the 18th of December 1974. It recommended in the report accompanying the bill that the administration's proposal to increase the cost of food stamps not be supplemented "until Congress had an opportunity to consider legislation on the subject next year."

So, we have already passed in the Senate once a policy statement that says do not tamper with this food stamp program until we get a chance for a thorough review of it.

Unfortunately, the administration has not seen fit to withdraw its proposed new regulations.

We would not need this bill if the administration would just wake up. Does anybody over there in the administration really think that this Senate is going to let the Department of Agriculture get by with this economic nonsense? They should know better than that. They had a chance to withdraw the regulations today. They received 38 votes in the House of Representatives out of 435. I believe that is correct—38 votes to support the Department of Agriculture's position. They go right down the road insisting on trying to implement these regulations. They know that we are not going to allow that.

It is just like this administration knows that we are not going to limit social security benefits to 5 percent. Few Members here would dare go home and face their constituents and go to a senior citizens' meeting and look those old people in the eye and say, "I am sorry. I am sorry, we are going to raise the price of gasoline. We are going to raise the price of fuel oil." They want to raise the price of everything. "But for you, the most you are going to get is 5 percent. Of course, we know your food costs have gone up 20 or 25 percent. We know the overall cost of living has gone up 12 percent. But you good souls out there, you are not going to be around long anyway. You are 70 years old, 65 or 80 years old. We are going to have you carry the burden. We are not going to put the burden on the backs of the strong. We are going to put the burden on the backs of the weak and the elderly."

What kind of social program is that? What kind of political program is that?

The President knows, and his advisers know, that this Congress is not going to stand for that. I do not call it leadership to be foolish. That is not leadership. That is just being plain obstinate and stubborn. So we will just have to roll them over. And we will. Make no mistake about it.

In a letter to Royal Shipp, the USDA Food Stamp Director, 43 Members of this Senate urged that there be no implementation of the food stamp proposal, that is, these new regulations. It should be made clear that the bill we are considering today will expressly prevent the Department of Agriculture from raising food stamp prices above their January 1, 1975, levels during the rest of this calendar year. That gives us time to work our will on a new program.

This bill is an emergency measure. It serves to confirm the existing provisions of section 7(b) of the Food Stamp Act.

What does 7(b) say? Section 7(b) requires the Secretary of Agriculture to set food stamp prices no higher than a level which reflects a reasonable estimate on the part of participating households, with 30 percent of a household's net income being the maximum price. Section 7(b), therefore, does not in any way mandate or authorize the Department of Agriculture to set food stamp prices for all households at the uniform maximum level of 30 percent. Instead, the Department under the law is required to make individual determinations for each household of different size and income as to what constitutes a reasonable investment in terms of the household's nutritional needs and economic circumstances.

That is the law. That is why a Federal judge in my State said to the Secretary of Agriculture, "Obey the law."

I thought we had enough lawbreaking around here. It seems to me that there is a very simple case here. Until this Congress is ready to change the law, the administration should obey the law. Therefore, the Department's new regulation, to be effective March 1, 1975, represents an outright, deliberate abuse of discretion in violation of the plain meaning of section 7(b) and the intent of Congress.

I regret to note that the Department of Agriculture has decided to ignore the existing law and the legislative history. Therefore, we must adopt this measure to reaffirm the requirements of section 7(b) of current law.

I would hasten to add that our Committee on Agriculture and Forestry, at the same time it was acting to report out the measure to freeze the cost of food stamps, took action to highlight the need, as I said earlier, for an in-depth review of the entire program. This will be done as part of our committee's hearings on overall agricultural legislative policy.

I want to underscore one other point at this time. It is imperative that the Department of Agriculture understand that his bill is only a freeze on food stamp charges and is not to be construed as authorizing a freeze which would prevent the Department from raising food stamp coupon allotments and food stamp income eligibility levels on July 1, 1975, as needed to reflect cost-of-living increases and food prices. Indeed, the July 1, 1975, increases are mandatory under existing law.

I thought we ought to get that into the RECORD since it was the idea of the Senator from South Dakota.

I believe it was his proposal to see to it that we had a cost-of-living increase in these programs, just as we have had a cost-of-living increase in social security. So let this action that we are about to take not be interpreted as a freeze on the assistance because the law says that July 1, 1975, there will have to be a cost-of-living adjustment.

Finally, I would urge that this measure be passed without delay, as I am sure it will be today, and I hope that President Ford will sign it promptly. Any delay in White House action will serve to create last-minute chaos at the State level, such that the mechanical tasks needed to issue food stamps on March 1 may be placed in jeopardy.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. Yes.

Mr. McGOVERN. He made reference to the program. As the Senator knows, we have another measure pending, a comprehensive reform action, which 45 Senators have now joined in cosponsoring. The Senator from Minnesota is one of the cosponsors, and the distinguished Presiding Officer (Mr. BROOKE), and also the majority leader and minority leader of the Senate. So this is a bipartisan effort. That measure is now pending in the Senate Committee on Agriculture and Forestry. The first hearing was held on it this morning. Originally, it seemed to me that we could make what we are doing here today a part of that measure, but it became clear that we did not have time to move a comprehensive reform measure through in time to head off this March 1 cutoff date.

That is the reason why the decision was made both in the House and in the Senate to move on the 1-year postponement of the administration's executive order. That will give us time to hold hearings and to move ahead on an effort to improve this program, rather than undercutting it, which would happen if we were to permit the administration regulation to stand.

Mr. HUMPHREY. The distinguished Senator from South Dakota is the main sponsor of that bill, and he is the chairman of our Select Committee on Nutrition. I think that select committee has done more to bring to the attention of the American public some of the facts of malnutrition and inadequate diet and hunger in this country than any other committee we have had. More significantly, it has also pointed the way toward remedy and correction.

We have relied on the distinguished senior Senator from South Dakota for guidance in these matters. He is, in a very real sense, the appointed agent of this body. I find it a special joy to work with him, because he knows of what he speaks. I am sure that we will get a fine program out of the work of the Committee on Agriculture and Forestry, particularly with all the research work that has gone into that effort by the Select Committee on Nutrition, a committee that does not have legislative jurisdiction but is advisory and is a study committee and therefore has a responsibility in educating the American public on these matters.

I might add that I was terribly disturbed when I read the budget message and found, for example, that our school feeding program has been seriously altered. That is another attempt, may I say, to do away with some of the guidelines that Congress has laid down for school feeding and school lunches.

It is my judgment that we should have at least one good, nutritious meal for every boy and girl in the American school system, at least once a day, just as we provide good books.

I wish we had the same kind of feeling about compulsory education that we had about compulsory military service. When a person was selected under the Selective Service law to go into the Army, they did not look at him and say, "Is your daddy well off? Does your mother make nice lunches?

"When you report to camp, we want you to bring along your billfold. Get your dad to give you a lot of money for food, and have your mother prepare a nice, big lunch, because you are from a middle-income and well-to-do family." Not at all. They all got the same kind of food.

You went into the Army, the Navy, or the Air Force, and you were provided with free food, because in this country, under selective service, one had to go into the service.

We have compulsory education, we have rules and laws. If your child does not go to school, they send out the truant officer to bring him in. We learned, finally, that we had to provide books for our children in schools. There was a time when they did not do that, when you had to buy your books. Some children never got them. So we have provided books. We have even provided books, may I say, under our library system, for public and parochial schools.

I believe that we should have a lunch for every boy and girl in school, at least once a day, a good lunch, a balanced, nutritional lunch, or breakfast—at least one meal. I submit that that would do more to make people healthy, to promote healthy bodies and healthy minds, than almost anything else we could do. We could save the amount of money we are using on psychiatrists and psychologists, if more of our young people had a good, balanced meal at least once a day.

So when we talk about food, I am not just talking about food stamps for the poor, the elderly, the blind, the deaf, the aged, and so forth—the beneficiaries of social security. I think we need a nationwide nutrition education program, and we need in our schools a universal school lunch program.

Yet, what do I see in the budget? I see increases, I repeat, for military assistance. I see increases for foreign assistance. I see a cutback in the school lunch program.

Somebody over there is not figuring right. Somebody is more interested in counting bullets and tanks than in counting people. I think that the security of this country is to be found not only in the national security with respect to the Air Force, Coast Guard, Army, and Navy—and whatever it takes—but also in the health of our people. That is why these nutrition and feeding programs are no longer just a sideshow for us. They are at the heart of the Nation's needs.

Insofar as food stamps are concerned, the size of the program is a good indicator of the health of the economy. If that program continues to grow, it means that the economy is going down. If the program has leveled off or recedes, it means that the economy is going up.

So my answer to the critics of the food stamp program, after we have cleaned out the few who may be cheating—and that is not an insurmountable task—is that the way to cut it back is to get the economy once again moving, so that people are on the job, earning their way, able to buy their food, pay their bills, and be self-sustaining citizens.

Mr. President, the Washington Post, on February 1, published two very worthwhile items, an editorial entitled "Food Stamps: A Legislative Injunction," and an article entitled "Reforming the Food Stamp Program."

Much attention has been focused on the administration's attempt to save money at the expense of the poor by raising the cost of food stamp coupons to 30 percent of net income.

It is important that this unwise proposal be defeated, and I am convinced that this will be accomplished. Legislation identical to my bill, S. 250, was taken up by the House Agriculture Committee and reported out late last week.

The Senate Committee on Agriculture and Forestry also will consider on February 5 reporting a bill to avoid implementing these new regulations. Beyond this short term issue is the question as to where do we go with the program.

The Post article by Jodie T. Allen raises some of the questions which need to be addressed. Particularly significant is the fact that deductions are least beneficial to the very poor and purchase requirements for large families are higher than for single individuals.

A major recurring theme in this program is outreach. A Minnesota judge, Judge Miles Lord, in a recent decision, spoke in clear language in ordering the Department of Agriculture to strengthen its meager efforts to enroll those eligible and not now in the program.

Our Senate Committee on Agriculture and Forestry will be looking at the program as part of its hearings on agricultural legislation. We will be looking for ways of improving the program as a part of that process. This present disagreement with the administration over coupon costs should not be construed as acquiescence in other present program inequities.

I would urge the administration to join in this effort to improve the program rather than looking for "savings" at the expense of the poor.

Mr. President, I ask unanimous consent that these two articles be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 1, 1975]

FOOD STAMPS: A LEGISLATIVE INJUNCTION

The House Agriculture Committee has acted speedily and wisely to prevent the Ford administration from going forward with its planned increases in the cost of food stamps to the poor. The committee vote, 33–2, orders the administration to charge no more for food stamps than it charged on Jan. 1. As sensible—and needed—as that injunctive action was, the committee should realize that its work in the area of food stamps has just begun. Elsewhere on this page today, Jodie Allen lays out in some detail the reason that this is so and offers an alternative to both the present program and the administration's proposed variation on it.

From its inception, the food stamp program has been a patchwork affair, with a series of convoluted deductions that help to determine a family's net income for the purpose of establishing how much it should pay for the stamps. While no one would argue that no such system is necessary, the problem with the present program is that it creates inequities against the weakest persons in the system, the elderly indigents who live by themselves.

Other problems cry out for careful study, including the so-called "outreach" program that the states are supposedly conducting to inform their poor residents of the existence of the program. Congress intended that the outreach program be a vigorous one, but a U.S. District Court has recently held that the program is anything but adequate. As a result, perhaps as many as half the people eligible for food stamps are not receiving that assistance.

One of the measures of the Agriculture Department's sensitivity to its constituency among the poor was demonstrated in the Agriculture Committee hearings recently. Edward J. Hekman, who administers the food stamp program, told the committee that public comment had been solicited before the administration proposed the price increases the committee later voted to prevent. Hekman said he received 4,317 responses from the public. "All of the comments were carefully analyzed in the decision-making process," Hekman assured the committee. Then he was asked how many of those 4,317 comments supported the increase in prices his department was proposing. "Fifty," the agriculture official replied.

And so it has gone at Agriculture. The department assured the Congress it could save about $100 million by eliminating the "nonneedy students" who now receive the stamps. But how many students who aren't really poor are receiving food stamp assistance? The Department doesn't know. It is not sure how many of its recipients are elderly or how the drastic reduction it had proposed would have affected the elderly.

These are among the reasons we believe the whole food stamp program needs a full-scale review by the Agriculture Committee. The department plays a vital role in the fight to combat hunger in America. Yet, from all indications, it doesn't know a great deal that it should know in order to administer the food stamp program properly. All that would seem to suggest that food stamps are an insignificant part of the Agriculture Department's business, a small part of a much larger enterprise too busy with other matters to keep a close eye on this program and know its workings well. Not so: since the vast reductions in the farm support program over the last several years, the food stamp program now represents two thirds of the department's budget. That is why oversight is of the utmost importance. Hunger is too serious a matter to leave to the Agriculture Department without some serious supervision.

[From the Washington Post, Feb. 1, 1975]

REFORMING THE FOOD STAMP PROGRAM

(By Jodie T. Allen)

Unless some "cooling-off" period is invoked, it appears likely that congressional response to the administration's ill-conceived proposal to raise the price of food stamps for most recipients may have the effect of freezing into law some of the worst features of the current program.

Under the administration's proposal, a family would be required to pay 30 per cent of its income, the maximum level allowable under current law, to receive its full coupon allotment. The proposal is open to criticism on grounds that it would lower income limits for food stamp eligibility, reduce net benefits for people who are eligible and discourage participation by those whose benefits no longer exceeded the attendant costs in time and inconvenience. In reaction to this proposal, concerned members of Congress are threatening to rush through legislation prohibiting any changes in the current program other than the automatic cost of living increases already legislated.

What is missing in this storm of protest is recognition of the fact that the current food stamp program is far from a model of equity. The food stamp program emerged in the 1960s as the hybrid offspring of a welfare program and a farm support program. In its early years emphasis was placed on ensuring that participants increased their food purchases. Families were required to purchase stamps at a price reflecting the average proportion of income which they would have spent on food in the absence of the program. Purchase requirements thus tended to be relatively high for large and for very low income families who had, of necessity, to allocate large proportions of their total incomes for food.

Despite major improvements instituted in 1971, the current benefit schedule is hardly a model of fairness. Equity would suggest that larger families, having greater needs for other items, should—whatever their income level—pay a lower (or at least no larger proportion) of their income for food bonuses than smaller families with the same income. Under current regulations, the opposite is true. Indeed, the nominal purchase requirements for most families of four or more are already close or equal to the proposed 30 per cent of income, while those for individuals rarely exceed 20 per cent. In any case, the sharp variation in the purchase requirement rates both across family sizes and within family size by income class are hard to defend on any grounds. For example, why should a family of 6 pay 27 per cent of its income for food stamps on a $100 monthly income, 29 per cent at $200 and only 26 per cent at $630 of monthly income?

Equally inequitable is the provision in food stamp regulations which requires automatic food stamp eligibility for public assistance recipients. In many states, the law allows families to retain welfare and related medical and social service benefits at income levels considerably above the food stamp eligibility cut-offs for nonpublic assistance recipients. For example, a family of four on welfare, with $6,200 of income, may receive at least $280 a year in food bonuses, while a comparable non-welfare family would receive none.

But the impact of these inequities is almost eclipsed by a well-intentioned "loophole" in food stamp regulations—the "itemized deduction." Since (1) families are required to purchase their stamps, and (2) other income maintenance programs designed to protect families against loss of purchasing power as the result of illness, incapacity, disaster or unemployment are inadequate for many families, the result is that the food stamp program has been led to broaden the number of deductions which may be claimed in determining how much income is to be counted in setting purchase requirements. Current regulations allow the following types of expenditure to be deducted in computing countable income for determining such purchase requirements: income and payroll taxes, union dues and mandatory retirement payments; medical expenses if these exceed $10 a month; child care expenses; tuition and mandatory educational fees, including private school tuition; support and alimony payments; unusual expenses arising from disasters or casualty losses, even if these are ultimately reimbursable through insurance; shelter costs including utilities and mortgage payments in excess of 30 per cent of income *after* all other allowable deductions have been made.

The effect of allowing these deductions is to increase greatly the inequity of the overall distribution of food stamp benefits. Far from assisting the very "poorest of the poor," itemized deductions redound primarily to the advantage of the relatively well-off participants for the simple reason that only such families can afford to purchase very much of the deductible items. Thus, among participating families of four, those with less than $100 of monthly income claim less than $15 in deductions per month on the average, while those with over $600 of monthly income claim deductions of over $225. A similarly regressive pattern is observed in the distribution of deductions by family size at any income level. For example, single person households with $350 of income claim deductions of over $250, whole families of eight with identical income but presumably far greater needs are able to claim only $40 and, as a result, must pay over $60 more for their food stamps. So extensive are claimed deductions among participants at the higher income levels that survey data indicate that the *effective* purchase requirement rate is only 14 per cent of income on the average for all participants with incomes above $600 a month and less than 5 per cent of income for small families with such income. Thus, as in the personal income tax system, deductions are worth more to the "rich" than to the poor.

These observations cast considerable doubt on the equity and efficiency of the itemized deduction as a method for promoting food stamp participation. Essentially, an itemized deduction amounts to a subsidy of certain forms of consumption since, if the expenditure were not made, the income spent on it would increase the purchase requirement. While most of the deductible expenses allowed by the food stamp program may be deemed worthy of public support, it is not clear that the task of subsidizing them should be undertaken as part of a food support program, particularly since the net effect is to channel additional income to the less needy of program recipients. In short, one such transfer program should not attempt to remedy the defects of all the others.

However bad the administration's current proposal for change, freezing the current host of inadequacies and inequities into law does not seem a very helpful response—especially since simple alternatives for reform are available.

A reform system might look like this. Each family would, as now, be entitled to purchase an allotment of food stamps the value of which would increase with family size. The cost of the stamps would be computed as a constant per cent of income in excess of a standard deduction, perhaps adjusted only for family size. The costly, inequitable and difficult-to-administer itemized deductions would be eliminated. In their place, the standard deduction would prevent food stamp costs from claiming unacceptably high proportions of income among the lowest income and large families. Together these changes would produce a distribution of benefits that is equitable. At any given income level, the purchase requirements would decline as a proportion of income as family size increases; for any given family size, purchase requirements would decline as a proportion of income as income decreases.

The determination of the appropriate level for the purchase requirement rate and the standard deduction requires further analysis of the current and potential distribution of food stamp benefits. In the meantime, it would seem wise for both the administration and the Congress to hold fire in the hopes that what will emerge will be a true reform which will at once increase net benefits to the neediest families, curtail program abuses, simplify program administration, and thus complete the transformation of the food stamp program into the only truly equitable and universal income maintenance program currently operating in the U.S.

Mr. HUMPHREY. Mr. President, there have been a number of very significant developments during the past few months regarding food aid and food supplies.

At Rome during the World Food Conference, I and other Senators urged the administration to increase the level of planned food aid from 3.3 to 4.3 million tons. This was not viewed by members of the congressional delegation as the answer to the world food needs but as a useful start in addressing the total requirements. Some of us felt that increasing our level of food aid would encourage other nations to increase their support.

In spite of data to the contrary, the administration rejected this position arguing that increasing the level of food aid would serve to inflate domestic food prices. Nations such as India—already facing increased fuel import costs—were compelled to buy needed commodities on the commercial market.

In recent weeks as grain markets have softened, the administration has finally announced its fiscal year 1975 food aid budget at 5.5 million tons. And, unfortunately, because of the administration's obsession with Southeast Asia and its unwillingness to reach a firm decision on program levels, it is doubtful whether these quantities can be shipped by the end of this fiscal year, June 30, 1975, as required by law.

Mr. President, it is clear that we need a high level of exports to help our balance of payments. And food aid is a useful and important program in terms of meeting humanitarian needs as well as helping the U.S. agricultural market.

It is clear to me that we do not have a policy or a mechanism for making determinations relating food aid and exports. We also have not yet been willing to face up to the urgency of a food reserve in order to stabilize markets, food supplies, and farm incomes.

I would like to point out three important articles by the New York Times in this area: "Food Supplies Up as Hard-Hit Lands Find Some Relief," February 2, 1975; "U.S. Grain Supply Is Held Adequate," February 1, 1975; and "U.S. To Increase Foreign Food Aid," February 4, 1975.

Mr. President, I commend these articles to the attenion of my colleagues, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 2, 1975]

FOOD SUPPLIES UP AS HARD-HIT LANDS FIND SOME RELIEF—LARGE PART OF GRAIN NEEDS BEING MET BY IMPORTS, PARTICULARLY IN INDIA

(By William Robbins)

WASHINGTON, February 1.—The world food picture has improved sharply in the last two months, most notably for India. This changed picture has emerged from interviews with Government officials and other experts here and from data from United States and United Nations sources.

While the food gap in the deficit nations will still amount to millions of tons between now and June 30 and untold numbers of lives continue to be threatened by malnutrition, several countries that faced the most serious problems when the World Food Conference met in Rome in November have succeeded in contracting large parts of needed supplies.

Many of the arrangements are still in the form of commitments yet to be shipped, but agriculture officials say the food is moving smoothly. India, for example, is reported to be receiving all the grain her ports can handle, and her officials are optimistic about the spring harvest.

GAP GREATLY NARROWED

The remaining food gap worldwide is at least three million tons, an unofficial tabulation of data from governmental and United Nations sources indicates. This compares with a generally accepted estimate of 7.5 milion tons at the end of November.

Experts emphasize that much of the improvement has come from costly purchases on commercial markets, entailing deferment of developmental needs with possibly serious consequences. They also emphasize that additional needs will continue beyond June 30, the end of the current crop year.

"As just one example," said James T. Grant, president of the nonprofit Overseas Development Council, a research organization, "the money India must spend now for food cannot be used to improve fertilizer production, and that can be even more costly in terms of future hunger."

Meanwhile, the availability of American food for export to the needy nations has improved, though financing remains a problem.

"We have more wheat available now, and it's moving smoothly," Richard E. Bell, a Deputy Assistant Secretary of Agriculture, whose responsibility is foreign trade, said in an interview. The Texas winter wheat crop, which will become available in May, looks good, he added.

"We've got plenty of rice, and we're anxious to move it so it won't be taking up space for the next crop," he said. The 1975 harvest begins in August.

RECORD STOCK OF RICE

The Agriculture Department has reported record stocks of rice on hand and 19 per cent more wheat on hand than a year ago, with consumption down in recent months.

A problem in moving the rice and other grain is a result of delays in Ford Administration approval of food-aid goals for the rest of the 1975 fiscal year, other agriculture aides say. When it comes it is expected to provide substantial increases over last year.

The improved grain supply is reflected in an internal memorandum provided provided to agriculture officials with reference to the November estimate.

"As of Dec. 16, 1974, the United States alone was in a position to supply all of the wheat required, two million tons of corn and 1.5 million tons of rice, provided the financing can be found," it said.

The deficit figure consisted of 5.2 million tons of wheat, 1.4 million tons of coarse grain such as corn and 900,000 tons of rice.

SOFTENING WORLD DEMAND

The easing of the situation is largely a result of economic decline and softening world demand, the experts say, with the biggest factor the reduced use of livestock feed lots in the United States.

India and Bangladesh are classed by the United Nations Food and Agriculture Organization as having the most serious shortages, but if United States estimates are accurate, each has obtained all but about 500,000 tons of the deficit.

The F.A.O. lists 10 other countries as suffering from lesser shortages, while one, Sri Lanka formerly Ceylon, is listed as being in danger of a shortage.

The designations are in a restricted report circulated to member governments under an early-warning system adopted at the food conference. At that time Sri Lanka was included with India, Bangladesh, Pakistan and Tanzania as the countries regarded as suffering the most serious shortages.

India was viewed as having the greatest total need although she had already begun to make substantial purchases in commercial markets. Her original need for imports to offset a disastrous drought was estimated by United States officials at 7.5 million tons. She now has commitments for about seven million tons, largely through purchases on commercial markets, Mr. Bell said.

NEW U.S. AID IN WORKS

In addition, India is negotiating with the United States for a new commitment—in the form of sales on credit at low interest rates—that originally involved 300,000 tons of wheat but has been raised to 500,000 tons, United States and Indian sources said. An Indian diplomat added that only technical details remained to be resolved in the arrangement, about which there had been some confusion as a result of Indian denials.

One problem is that India has used up two-thirds of her currency reserves to buy food and fertilizer, with purchases totaling over $1-billion. She will need new shipments in July, Government officials said, toward which she is reported to have contracted for 200,000 tons from the next United States wheat crop.

"It looks like India's crunch is about over for now," a United States official said. "But each year she needs two million tons more food just to meet the increase in population."

Bangladesh estimates that her need this year is 2.2 million tons, 500,000 tons more than the United States estimate. The F.A.O. has reported that as of Dec. 20 Bangladesh had commitments for 1.45 million tons—150,000 of it from the United States, according to Mr. Bell.

MEETING PAKISTAN NEED

The United States puts Pakistan's deficit figure at 1.2 million tons. About a million of that has been supplied, Mr. Bell said, 800,000 tons of it in commercial purchases and 200,000 in aid, with 100,000 tons from the United States.

United States officials estimate Tanzania's deficit at 360,000 to 450,000 tons. About 250,000 tons has been committed, Mr. Bell said.

Sri Lanka has commitments for 750,000 tons of a total need of a million tons, the agriculture official said. That includes 100,000 tons in aid from Australia and the European Common Market, with more to be provided eventually by the United States, Mr. Bell said.

Looking beyond June 30, another official said Sri Lanka would need sizable imports—230,000 tons of wheat and 200,000 tons of rice after commercial purchases, barter deals and aid.

In all other countries Mr. Bell put the remaining deficit at about 1.9 million tons, including 400,000 tons for the sub-Sahara section of Africa, which has been swept by drought and famine in recent years but where conditions have improved.

The countries listed by the F.A.O. as suffering from lesser shortages are the following:

Burma—The amount is uncertain. Flood damage has left rice supplies that may prove inadequate.

Burundi—Principal crops are said to have been reduced by 50 to 70 per cent by heavy summer rains; the supply situation is listed as critical.

Ethiopia—Pockets of shortages are said to remain, but with harvest prospects for main cereals reasonably good, other areas are likely to have surpluses.

Gambia—The government is seeking 3,000 tons of aid to meet shortages feared later in the season.

Honduras—The deficit is estimated at 55,000 tons because of hurricane damage, but expanded crop areas may reduce it.

Mali—The shortage is estimated at 150,000 tons.

Nigeria—Grain is available to meet demand, but aid is needed.

Rwanda—Crop losses in floods have totaled 200,000 tons, but about 17,000 tons of aid and some cash have been supplied. Two million people are said to be affected by shortages.

Somalia—Some 100,000 people are said to be affected by shortages because of drought.

South Yemen—Shortages of uncertain dimensions are said to persist partly because of droughts.

The human toll has not been determined. Officials say there has been some starvation in India and that at least 25 per cent of the population of Sri Lanka is below the F.A.O.'s minimum nutrition standards. An American study in a rural area of Bangladesh found 54 per cent of the children checked to be suffering from severe malnutrition; 12 per cent were not expected to survive.

[From the New York Times, Feb. 1, 1975]

U.S. GRAIN SUPPLY IS HELD ADEQUATE—RESERVES AT SAFE LEVEL AS WORLD DEMAND EASES

(By Seth S. King)

CHICAGO, January 31—"It looks like we've postponed the famine," a grain dealer on the Kansas City Board of Trade commented this week.

He did not mean that the hungry in Bangladesh and India were now being adequately fed. Rather he was saying that world demand for grain and soybean supplies from this country was easing, for the moment at least, and that it appeared more likely that reserves of wheat, corn and soybeans would be at safe levels when the new crops were harvested this summer and fall.

A combination of declining exports and sharp cutbacks in livestock breeding has brought wheat, corn, and soybean prices down again this week, continuing a trend that began in late October.

DOWN 90 CENTS A BUSHEL

Hard winter wheat, the most sought after bread grain, has now slipped almost 90 cents a bushel below the $4.88 level in early December. In two months the price of corn has dropped from $3.65 a bushel in Chicago to about $3.08, close to the level of a year ago. And soybeans were down from last fall's high of about $7 to about $6.15.

Prices farmers received for their crops and livestock in the month that ended Jan. 15, decreased 1.5 per cent. It was the third consecutive monthly decline, the Agriculture Department said. The department said that most of the decrease came from lower prices for wheat, soybeans, corn and eggs.

These declines were more painful for United States farmers than they were directly beneficial to consumers. But they at least offered the hope that supermarket prices, despite rising middlemen's shares, were at last leveling off.

Earlier this week both the Chinese and the Soviets cancelled previous orders for wheat. While these orders were small in volume, the cancellation was a sign to the grain trade that the haste among foreign buyers to grab American supplies while they could was over.

"ENOUGH GRAIN AROUND"

"It's an indication that the rest of the world believes there is enough American grain around now and they can buy it later if they want to," said Rod Turnbull, director of public affairs for the Kansas City Board of Trade.

How much the recession in the capitalist countries was affecting the ability of other countries to buy American grain was not clear.

But at the beginning of this week, exporters had shipped fewer bushels of wheat, feed grains, and soybeans than they had in the same period a year earlier.

Because of the cost-price squeeze on livestock feeding, the numbers of beef cattle and hogs now being fattened on corn and soybeans were down to the lowest levels in a decade, and the rate of poultry and egg production was dropping about 12 per cent below last year's.

RECORD NUMBER OF BEEF

While such sharp reductions in volume should begin pushing up prices for these products in the next six months, the record number of beef cattle now on the grass ranges should keep prices for most beef cuts lower than last year. This competition should slow the expected rises in supermarket pork and poultry prices.

Market analysts noted that the amount of feed grain and soybeans left over from the decline in livestock feeding were about equal to amounts now being exported.

This trade-off indicated that despite drought-reduced corn and soybean crops last fall, the supply left over when the * * * be the same as or a little larger than those of last year, which were adequate.

"You can expect grain prices to come down substantially," said D. Gale Johnson, a farm economist who heads the University of Chicago's department of economics.

"If the weather returns to normal and we come near the size crops now expected at harvest time, grain and soybean prices next fall will be down by half what they were last September. We're half that far already," Dr. Johnson said.

FARMERS FEAR LOSS

An outlook of this kind was increasing concern among grain farmers that bumper crops this fall would cause price-depressing surpluses.

In Iowa, the National Corn Growers Association was urging corn farmers to reduce their production this fall by at least 25 per cent to curtail a surplus. Wheat farmers in central Kansas were talking of plowing under some of their winter wheat, already growing, if the market kept declining.

Livestock feeders suffered severe losses last year, and the bad weather reduced grain yields enough to cut grain farmers' income despite record market prices.

Farmers' operating costs rose an average of 16 per cent in 1974. The forecasters expect them to go up even further this year, which would mean another drop in farmer income.

[From the New York Times, Feb. 4, 1974]

U.S. To Increase Foreign Food Aid—Administration Raising to $1.6 Billion Grant for Current Fiscal Year

(By William Robbins)

Washington, February 3.—The Ford Administration announced today an increase of more than $600-million in foreign food aid for the fiscal year ending June 30 over the total provided the previous year.

The announcement, made by Secretary of Agriculture Earl L. Butz, said that the $981-million in aid projected for this year would be raised to $1.6-billion. Foreign food aid provided in the fiscal year that ended last June 30 was $963-million.

Agriculture officials said the money now budgeted would provide about 5.5 million tons of food compared with 3.3 million tons the year before.

The Administration has latitude on spending in the food-aid program under Public Law 480. It is authorized to draw funds from the Commodity Credit Corporation for the purpose, although at some future date such funds must be replaced by a Congressional appropriation.

The Butz announcement ended a long period of speculation and conflict within the Government over the extent of efforts to help meet world food needs.

"This confirms once again the U.S. intention to share fully in the supplying of needy nations even during a period of decreased supplies in the United States," Dr. Butz said.

Both the funding of $1.6-billion and the amount of food it will provide correspond roughly with the highest of three budget options top advisers proposed to President Ford nearly two months ago.

The figure cited includes costs of ocean transportation, which department experts estimated at about $150-million.

POINT OF CONTENTION

The question of an increase in food aid has been a point of contention in the Government as well as between Administration officials and nongovernment groups since before the World Food Conference in Rome last November.

At the conference, a controversy arose between Administration representatives and several Senators accompanying the United States delegation who pressed for an announcement that this country would increase food aid by at least a million tons.

Today's announcement indicated a 2-million-ton increase but did not make clear how much of the increase would go to the hungriest nations.

Senator Dick Clark, Democrat of Iowa, one of the leaders of the Senatorial group in Rome, said today he was "delighted" that the Administration had "finally gone along with the increase."

The use of United States food to further political and strategic goals, as opposed to aid for purely humanitarian reasons, has also been a subject of controversy.

Congress recently imposed a restriction against use of more than 30 per cent of food aid for countries other than those that have been designated by the United Nations as most seriously affected by food shortages.

Conflicts over that restriction and efforts to reach a compromise on its interpretation are given privately but Government officials as one reason for the long delay in a budget announcement. Those conflicts still have not been resolved, officials said today.

There has also been uncertainty about supplies of food and the possible effects increased aid could have on world markets. But world demand for the grain involved in aid programs has dropped somewhat recently.

Mr. HUMPHREY. Mr. President, I commend the President and the Secretary of State—now that I have chastised them on some other matters—for at long last increasing the amount of food aid to $1.6 billion for fiscal 1975. This is up from $985 million.

I regret that it comes so late, because the remaining months do not permit us the time that is needed to move some of the quantity of food that should go to needy people, particularly to some of the most severely affected parts of the world.

It may be recalled that some of us at the Rome Food Conference pleaded with the administration to increase the amount of food aid in wheat by a million tons. I am happy to report that the President's proposal and recommendation we now have takes care of that, and then some.

So, in a very real sense, we have made some progress in what we called emergency humanitarian food aid.

This did not come easily. I have been in discussions with the Secretary of State and members of the White House for the last 2½ weeks, bargaining to get this amount increased. The first proposal was $1.1 billion. The next proposal I received was $1.2 billion. The next one was $1.3 billion. Each time they wanted a little more leeway on the part of the administration for food aid to countries other than those most seriously affected, as defined by the United Nations.

My response to the Secretary of State was:

> If you need more food, Mr. Secretary, for some countries that are not listed under the United Nations' definition of the most seriously affected, there is only one way to get it under the terms of present law, and that is to increase the overall amount of food aid.

So, Mr. President, despite what some people may have read in the newspapers—they are not always known for their accuracy—the food aid program is larger than had ever been contemplated by the administration. The formula in the Foreign Assistance Act that says that not more than 30 percent of all food aid under title I of Public Law 4–80 can be used for countries other than those most seriously affected remains intact. There has been a great deal of gobbledygook and journalistic fiction around here about these things. I was the author of that legislation right here on the floor of the Senate. We perfected it in the conference between the House and the Senate. What it says, in substance, is that 70 percent of all concessional food aid under title I of Public Law 4–80 must go to the most seriously affected countries as defined by the United Nations.

The balance of the 30 percent can go to title II and to other provisions for countries that are not more seriously affected.

There has been an awful lot of misinformation about this, causing a considerable amount of confusion. I might add that the confusion has been cleared away, that the President has announced, through the Secretary of Agriculture, the food aid this year at $1.6 billion, including freight and shipping charges. Next year, it will be not quite that large a sum, but we will take a look at that in the light of the prices of the commodities. After all, what is most important is how many bushels, tons, or pounds of food assistance are shipped, not always the amount of money that is involved.

I thought we would use this moment just to clear the record once again, because I have received a lot of letters from people who have apparently been doing things and writing things about which they know very little, and surely not enough. No Member of this body sought to change the existing law—the law is on the books until June 30, 1975—nor did the Secretary of State seek to change the law.

The argument was over whether or not the Government of the United States, the executive branch, would be willing to put the food aid for international emergency assistance at a high enough level to meet the basic emergency humanitarian needs in such countries as Pakistan, India, Bangladesh, and West Africa, and, at the same time, have some food available for those other parts of the world where commitments had been made by our Government, such as, for example, in Egypt, in Korea, and for Vietnam.

I want the record to be expressly and explicitly clear—because I think there has been far too much misinformation—that the food aid as now proposed by the administration meets every requirement of the law. The law has not been bargained away. No concessions have been made, and the emergency food assistance will be shipped, at least to the greatest degree possible, within the time that is available, find that amount of food assistance which does not meet the standards of the most seriously affected nations, as defined by the United Nations, is within the total budget and in no way jeopardizes our emergency assistance.

I hope that is clear. I have read the Washington Post and the New York Times and all these papers. If they would just come around once and find out what is going on instead of getting hold of some memorandum that they sneak out of the Department of State, which tells what is their point of view rather than what are the facts, then we would not have this trouble. I thought I would say this, because it helps me answer some letters. There is no way to catch up with a misleading story. I will say it does help the Post Office Department increase its revenue.

Now that we have set the record straight, I yield the floor.

Mr. MONDALE. Mr. President, I will vote for S. 35. I will do so in the belief that it is necessary to pass this legislation in order to protect the vitally important food stamp program from the illegal and ill-conceived actions of the executive branch. I will do so to protect 17 million Americans from a cruel and unfortunate act.

In December, the administration announced new regulations governing the food stamp program. The proposed regulations would increase the cost of food stamp allotments to 30 percent of a recipient's income effective March 1, 1975.

Currently, the cost of food stamps is governed by a sliding scale—varying from as low as 5 percent of income to as high as 30 percent of income. The new regulations would have meant, on March

1, an increase in cost for at least 95 percent of the 17 million Americans receiving food stamps. It would have meant an average increase of 30 percent. For some recipients, it would have meant an increase of 500 percent.

These figures only tell the full story when one remembers who is affected. The elderly and the poorest of the poor constitute the major portion of food stamp recipients. The elderly and the poorest of the poor would have been dealt a cruel blow.

S. 35 represents the minimum we can be expected to do in light of the administration's action. It freezes the current sliding scale during the calendar year 1975. It will prevent the administration's regulations from going into effect.

But, Mr. President, we must move beyond S. 35 and do more. I am proud to be a cosponsor, with more than 40 other Members of this body, of S. 13. That bill will enact a permanent freeze and will accomplish several much-needed reforms in the food stamp program.

S. 35 will give the Congress a chance to take a careful look at S. 13. It will also prevent 17 million Americans from falling victim to an unfortunate administration mistake.

As you know, Mr. President, the administration's action is not only ill-advised. It is currently being challenged in court in an effort to protect the original intent of the food stamp legislation. In my judgment, the new regulations run contrary to the intent of Congress, as clearly spelled out in the words and the legislative history of the food stamp legislation. In short, Mr. President, I believe S. 35 will prevent what I judge to be, an illegal alteration of the program by the arm of government charged with its enforcement.

Mr. President, if the new regulations are aimed at decreasing federal expenditures, they represent a cruel attempt at budget manipulation at the expense of the less fortunate.

If the new regulations are aimed at encouraging self-reliance, they affect those least able to find jobs, find decent housing, and alter their lifestyles.

If the new regulations are intended to enforce the food stamp legislation in the way Congress intended, they totally miss the mark.

The House of Representatives has overwhelmingly passed legislation dealing with this problem. The Senate Agriculture Committee has promptly and courageously acted to give the Senate a chance to block the implementation of these regulations.

Now, Mr. President, the time has come for the full Senate to act. I urge my colleagues to join in protecting the basic necessities of life for 17 million Americans.

BLOCKING THE FOOD STAMP COST INCREASE

Mr. MUSKIE. Mr. President, I will vote in favor of S. 35, a bill to freeze food stamp costs at the January 1 level through 1975. The administration's plan to increase the cost of food stamps to 30 percent of income across the board is a misplaced and misguided economy.

The fool stamp program is designed to give the poorest of our people—those who must commit all of their economic resources to living day to day—a chance to have an adequate diet. It is not an extravagant program. Simply, it is designed to help hungry people feed themselves.

Going hungry is far from an idle speculation for many, many people in my home State of Maine.

With the drastic recent increase in energy prices, many of the elderly and poor in Maine are already being forced to choose between food energy and medical care. A few statistics show the gravity of their problem. There are about 165,000 people 60 and older in Maine—more than 15 percent of the population. In southern Maine last year, about one-fourth of older people had incomes less than $2,000. More than half had incomes less than $3,000. And in York County nearly 70 percent had incomes under $3,000. And southern Maine is regarded to be better off in economic terms than other parts of the State.

Heating bills of $800 or $1,000 a year are not at all uncommon, even with conservation measures that most of us would consider drastic if not impossible to bear—thermostats at 55° or 60°; living reduced to one room of the house.

The cost of rent is rising. The cost of health care is rising, even with medicare. The cost of electricity and other utilities—all these costs are combining to squeeze dry the incomes of the poor. There simply is not enough money each month for all the necessities, let alone such luxuries as a telephone or a new winter coat.

It is these people that the food stamp program was designed to help. If the administration's proposal goes into effect, even food stamps will be too expensive for many people. They will give up the opportunity for an adequate diet, because they will simply not be able to afford it.

Mr. President, while visiting my home State last month, I had the opportunity to meet in Lewiston with a group of State officials and more than 125 food stamp recipients, in an effort to learn of their problems firsthand.

The people at that meeting were disappointed. They were angry. They told me they felt the Government had abandoned them. They need food, but they cannot afford adequate food without help. The administration's program, they said, would put even food stamps beyond their means.

Mr. President, I share the concern that the food stamp program is being abused by some people in higher income categories. And I support the proposal for a strict and comprehensive examination of possible abuses. But if we allow the administration's program to go into effect, we will be punishing the many for the abuses of the few.

Mr. President, our favorable votes today, we will serve notice that we will not abandon the principle of equity, and we will not abandon those of our people who need our help most in these difficult economic times.

Mr. HATFIELD. Mr. President, I was most pleased to join with Senator McGOVERN in sponsoring this legislation to prevent the administration's proposed increase in the cost of food stamps, and I am certainly happy to see the Congress respond so quickly and with such a substantial majority in passing this legislation.

The food stamp program is one of the best Federal programs we have, serving some 17 million people across the country. In Oregon alone, 214,136 people are able to buy more than $7 million worth of food stamps for about $2.5 million. Those food stamps enable Oregon recipients to feed their families properly, insure good nutrition for their children in the first years when a proper diet is so crucial, or to put food on the table in their later years when it is so hard to make ends meet.

The benefits go beyond the recipients, however. I am sure there are thousands of small grocery stores around the country that can stay in business because of the added customers food stamps bring. And certainly the increased food purchases made possible by the stamps helps protect the American farmer from the falling prices a surplus can bring in a time of full production.

Granted, there are abuses of this program. All of us know that; all of us receive reports from home about "hippies" or "freeloaders" or improper use of the stamps. These abuses should be stopped. The Congress has already taken some action in this area, with particular reference to students, and I intend to support the Dole resolution calling for a thorough study of the entire program by the USDA.

But we should not lose our perspective on the program because of these abuses. All Federal programs have their problems and little corruptions, certainly those that serve 17 million people. But in the case of the food stamp program, I suspect that the reports of abuses are greatly exaggerated, and that there are far more people who are eligible for food stamps but not receiving them than there are recipients who are not eligible. In fact, in the study called for in the Dole resolution, I hope that the USDA will tell us why it has not been spending all its funds for this program, or conducting its "outreach" program as it should, even though it is estimated that present recipients amount to only 50 percent of those eligible.

In closing, Mr. President, let me remind my colleagues that at the World Food Conference, we pledged ourselves to the elimination of hunger in the world. That does not only apply to India, and Bangladesh, and Tanzania, but also to the United States. The food stamp program is our best means for ending hunger here at home, and it deserves our wholehearted support.

Mr. CASE. Mr. President, legislation to prevent the proposed increase in the price of food stamps is now before us, and it is particularly gratifying to me that Congress is taking action on this matter in such a timely fashion.

As I have said repeatedly, cutbacks in the food stamp program would place a cruel burden on the poor and the elderly, most of whom have already been forced to reduce their diets to a bare minimum.

We cannot ask the very groups of people who are least able to afford it to cut back further.

In New Jersey, the department of institutions and agencies has just completed its food stamp outreach campaign through which eligible families and aged individuals are urged to claim the food stamp benefits to which they are entitled. The State has experienced a 43-percent rise in the number of nonpublic-assistance households receiving food stamps. And there has been an 8-percent increase in the number of welfare recipients participating in the food stamp program.

I hope the Senate will act favorably today to keep the cost of food stamps from going up, and I hope it will do so by an overwhelming majority.

Mr. **BUCKLEY**. Mr. President, my vote in favor of S. 35 should not be interpreted as an endorsement of the food stamp program as it is presently operated. I think quite clearly this is a program that threatens to run out of control. Aside from the fact that it is vastly expensive to administer, is subject to great abuse, it also operates in a manner where many individuals who are entitled to purchase food stamps end up with the ability to buy more expensive groceries than other families that cannot. I am currently in the midst of an investigation of the whole food stamp problem, and hope shortly to be able to offer specific proposals. In the meantime, I believe the President's own proposal should be deferred until the information called for by the Dole resolution is in hand so that the Conrgess may decide among alternative proposals.

Mr. **KENNEDY**. Mr. President, I am pleased to have this opportunity to express my support for S. 35, the food stamp amendment, that is designed to prevent an increase in the cost of food stamps for millions of needy Americans.

Serious economic problems have underscored the demand for aid to those families that even in the best of times find it difficult to properly feed themselves. The elderly, the unemployed, and deprived children are constantly faced with the problems of getting decent meals.

For over 10 years, food stamps have delivered increased nutritional aid to millions, where no help was previously offered. And for over 10 years, critics of this program have sought to eliminate its benefits with the shrill cry that too many people want to use the stamps. No testimony to the importance of this program could be more compelling than the dramatic rise in participation. Each year since 1964, more and more Americans have been able to seek nutritional adequacy because they receive food stamps. So that today over 17 million individuals depend upon food stamps to augment their daily diets.

Food stamp program officials in Massachusetts report a startling but revealing rise in the demand for this beneficial aid.

Last May the Massachusetts State food stamp office had processed 20,000 cases.

By July 1, the total was 41,000 cases.

On July 31, the total had reached 66,000 cases.

In August, the department had registered a total of 80,000 cases.

In September, there were over 114,000.

And by January 30, 1975, 149,633 households in the Commonwealth of Massachusetts were receiving food stamp benefits. That amounts to at least half a million citizens in my home State.

Welfare department officials know that at least another 300,000 people in Massachusetts are eligible to receive aid from this program.

Everyone knows that food stamps are not the panacea that can eliminate hunger, starvation, and deprivation in this country. But, they are clearly an important reinforcement in the campaign to protect families against the dangers of nutritional deprivation. Indeed, it was because of the success that this program has enjoyed for so many years that I support this legislation that will protect recipients against the threatening proposals suggested by the Ford administration.

As I understand the President's plans, food stamp recipients would be forced to spend as much as 30 percent of their income for stamps. That means some families would suffer a 600-percent increase in the cost of stamps on March 1.

S. 35 will definitely protect needy recipients from this unbearable attack upon their food budgets. For a 600-percent rise in the cost of food would simply mean that these families would be forced to stop eating. S. 35 will insure that the Nation's needy families will not be charged 30 percent of their net income for food.

This bill will prevent any increase in food stamp prices above the levels that were in effect on January 1, 1975. This price freeze will be maintained until December 31, 1975. Thus, the Department of Agriculture must continue to use the purchase requirement tables that it promulgated in late 1974 for use during the first 6 months of 1975. I wish to make very clear, however, that this bill should not be construed as altering the Agriculture Department's obligation under the present Food Stamp Act to raise coupon allotments and eligibility standards in July 1, 1975, to adjust for inflation-caused food price increases.

In preventing the Agriculture Department from raising food stamp prices to the unreasonable charge of 30 percent of net income for all participating households, this bill confirms the provisions of the existing Food Stamp Act. Specifically, section 7(b) requires the Agriculture Secretary to set food stamp prices at levels which reflect a reasonable investment on the part of needy households.

Since the term "reasonable investment" must be construed in terms of the purposes of the Food Stamp Act it means that food stamp charges must be reasonable in terms of the economic needs and nutritional requirements of participating households. Thus, food stamp prices must be set low enough so that all eligible households are in fact able to purchase food stamps, and—once they have purchased them—to receive a "bonus" of sufficient size as will guarantee adequate nutrition. The Agriculture Department's plan to charge all households' 30 percent of their net income does not comply with this requirement of section 7(b) of the Food Stamp Act, and is therefore illegal under the existing provisions of section 7(b).

I am hopeful that we will see immediate action on this measure so that our Nation's needy families will not be forced to spend more for their food needs.

Finally Mr. President—I believe it is important for all of us who are focusing on the need to increase food assistance at this time to reflect upon a very curious development that is alleged to have occurred in several of our Nation's cities in recent weeks.

I am disturbed about reports that police departments around the Nation are preparing defenses against proposed food riots by hordes of hungry Americans, who are expected to be forced into the streets by a frenzy of hunger and desperation.

I am dismayed, not only because the current economic crisis could indeed bring to pass such a frightful spectacle. But I am concerned that if the current warnings clearly predict sure dire possibilities then we ought to be planning ways to feed people instead of planning ways to subdue people who are overcome by the pains of hunger and deprivation.

I am concerned that even at the highest levels of our Government proposals to save money by not feeding the needy are advanced beyond those measures that are designed to help people remain healthy and properly fed.

And so, Mr. President, it is my hope that S. 35 will receive immediate and favorable approval by this Senate.

Mr. **HANSEN**. Mr. President, I am opposed to S. 35, which prohibits any increases in the cost which food stamp recipients pay for their food stamps. I share the concern of the administration about the astronomical cost of this program, and believe something must be done to control the huge annual increases in the cost and the number of recipients using the program.

Critics of the change have said it would hurt most the elderly, who generally live in one and two-person households, and who often do not have many of the expenses which other recipients may deduct from their income for food stamp eligibility purposes, thus reducing what they must pay for their stamps. I agree the change would have been hardest on elderly citizens, and I wish the Congress had developed legislation to revamp the program so as to relieve this hardship, while requiring a higher payment from those in better circumstances. Instead, Congress has chosen to ignore the abuses and inequities of this program and to simply prohibit any changes at all in the amounts paid by recipients for their stamps. I think that approach is wrong.

We are talking about a program which has increased in cost since 1969 by some $3.9 billion. The food stamp program in 1969 cost $250 million. In fiscal year 1974, it is estimated to cost $4.2 billion—a 1,680-percent increase over a 5-year period. The administration's concern about the uncontrollable cost of this program during a time of economic crisis is well-founded, in my opinion.

There is a strong need for reform of the food stamp program. In a year when we are projecting a $52 billion budget deficit, there is no justification for a Federal program providing food stamps to people who are fully employed, to workers on strike, and to students. The number of food stamp recipients has increased from about 370,000 in 1964, to 17 million people this year. Many of these recipients should not even be eligible for food stamps, in my opinion, and many others should be able to pay 30 percent of their adjusted net income toward the cost of the stamps they receive. Still others, such as the elderly and disabled, deserve more help than they are getting. A flat rejection of the administration's change, and a continuation of the present system, complete with inequities, does nothing to resolve the problems of the food stamp program.

I would also like to point out, Mr. President, that many of the people who were alarmed by the proposed change to require payment of 30 percent of adjusted net income were not aware of the fact that food stamp applicants may deduct from their actual income a series of personal and household expenses in order to determine the amount of income for stamp eligibility purposes. The adjusted net income which remains after these eligible expenses are subtracted then becomes the basis for computing how much the applicant pays for the stamps. Expenses which can be deducted include 10 percent of earned income for working applicants; local, State, and Federal income taxes; retirement payments; social security taxes; union dues; some types of garnishments; losses to disaster, such as fire, theft, et cetera; medical costs in excess of $10 per month, including medicare; child or invalid care payments; tuition; support and alimony payments; and shelter costs which are more than 30 percent of income after all other deductions, including utilities, rent, mortgage payments including interest, and property taxes.

I was dismayed to note that many of the newspaper and broadcast commentaries on the effect of the proposed changes failed altogether to explain this deduction system, leaving the impression that the administration was proposing payment of 30 percent of gross income, regardless of individual expenses.

I was also struck by the almost total lack of sympathy for the millions of taxpayers whose employment makes this program possible, and who must pay the cost of providing food stamps to nonneedy students and others with substantial assets who ought to be paying for their food. These taxpayers, it seems to me, have a right to expect Congress to limit such assistance to those who are truly in need of help. They have a right to be concerned about the ever-increasing cost of their Government, and about the frightening deficit projected in the new budget. The people who pay for programs like food stamps deserve some consideration, too, and a good way to start responding to their concerns would be to take a close look at the food stamp program and to make the necessary changes to limit it to the truly needy.

Mr. President, I hope the passage of the Dole resolution urging a study of the food stamp program will result in a prompt evaluation, and the proposal of some changes that will stabilize the cost of the program, while still meeting the needs of those most deserving of assistance.

I ask unanimous consent that two articles about our national budget situation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Star-News, Feb. 3, 1975]

PAYING THE PRICE OF SOCIAL PROGRAMS

(By Norman Kempster)

BUDGET HIGHLIGHTS

Here are highlights of President Ford's budget for the fiscal year 1976 beginning July 1:

Deficit

The federal government would spend $51.9 billion more than it takes in, running up the biggest deficit since the $54.9-billion deficit at the height of World War II.

Taxes

The tax rebate would amount to $12 billion for individuals and $4 billion for corporations, with only $10 billion of the total coming out of the 1976 budget. Energy taxes would raise $30 billion, but Ford said this would be returned to the economy in income-tax reductions and low-income benefits.

Energy

The energy taxes would be on domestic natural gas and crude oil as well as imported crude. The administration also would remove the controls on domestic oil and natural gas prices and absorb producers' windfall profits by a special tax. Spending for energy research would rise to $2.2 billion.

Income

Federal payments for Social Security, food stamps, unemployment and similar special programs would rise $12 billion to $118.7 billion. Food-stamp payments would be cut by $29 million to $3.6 billion.

Defense

The $94-billion figure is up $8.8 billion over last year and would allow reshuffling troops to make the Army's current 13 divisions into 16. New guided-missile ships, nuclear submarines, aircraft and missiles are on the military shopping list.

There are no glamorous new programs or bold new slogans in the domestic affairs sections of the budget President Ford sent to Congress today, just mounting billions of dollars to pay for the costly middle age of the New Deal, Great Society and New Federalism.

Adhering to his self-imposed moratorium, Ford requested no new programs except in the critical energy field.

As he officially signed the budget two hours before its delivery to Congress, Ford offered a capsule description of his program: "It has discipline and honest self-denial."

But in his written budget message, the President seemed to wince at the cost of just continuing the showpiece social programs of earlier administrations.

"The tremendous growth of our domestic assistance programs in recent years has, on the whole, been commendable," Ford said.

"Much of the burden of aiding the elderly and the needy has been shifted from private individuals and institutions to society as a whole, as the federal government's income transfer programs have expanded their coverage.

"These programs cannot, however, continue to expand at the rates they have experienced over the past two decades," he said.

"Spending by all levels of government now makes up a third of our national output," Ford said. "Were the growth of domestic assistance programs to continue for the next two decades at the same rates as in the past 20 years, total government spending would grow to more than half of our national output. We cannot permit this to occur."

Income security programs would continue to increase in the fiscal year that begins July 1. But if Congress goes along with Ford's plans, the rate of increase would slow down sharply.

Ford requested $118.7 billion for income security programs which include social security, railroad retirement, benefits to disabled coalminers, federal employee retirement, unemployment insurance, housing programs for the poor, food stamps, child nutrition and welfare.

The President's budget for those programs for the coming fiscal year is up $12 billion over anticipated spending for the current year. That increase amounts to 11.25 percent, only slightly more than the 7.8 percent rate of inflation the administration estimates for the 1976 budget year.

The largest single item in the income security section is Social Security benefits. Ford requested $71.1 billion for old-age, survivors and disability insurance, up $6.7 billion or 10 percent.

But those figures assume that Congress will approve Ford's proposal to allow only a 5 percent increase under the law that provides automatic cost-of-living adjustments in Social Security benefits.

If Congress rejects the 5 percent "cap," as seems most probable, Social Security benefits would increase another $2.2 billion to a total of $73.3 billion, up 15.25 percent from the current fiscal year.

Even at the higher benefit figure, expenditures for the coming year would be less than the $79.6 billion the government anticipates collecting in Social Security taxes.

But the margin between Social Security revenues and expenditures is shrinking. Anticipated taxes will increase only $4.9 billion over this fiscal year, $1.8 billion less than benefits would advance even if Congress approves the "cap."

Ford's budget is honeycombed with proposed cutbacks in programs which he inherited from his predecessors. Some of the total of $17 billion in requested economies are in politically popular programs which Congress always has defended.

As he did last October, Ford urged Congress to restrict the "impact aid" program to the public schools, cutting aid to any school district receiving less than 5 percent of its operating budget from the program.

That would cut out about 3,500 of the 4,400 schools now receiving aid, including those in Washington and its suburbs. Presidents have tried without success for 20 years to reduce the program but Congress has always refused to go along, probably because the program benefits schools in about 300 of the 435 congressional districts.

The domestic part of Ford's budget—all programs except for national defense, foreign affairs, science and space, veterans affairs and interest on the national debt—totals $206.4 billion for the 1976 fiscal year, up $18 billion over 1975.

In briefing reporters on the spending program, Management and Budget Director Roy Ash showed graphs of projections of the cost of continuing present programs for the rest of the century.

Pointing to trend lines that seemed to go almost straight up, Ash said that by the year 2000 the total of federal, state and local government programs would reach 60 percent of the gross national product.

As budget directors before him have done, Ash decried the trend and said the government must do something to control its spending.

In recent years, presidents have used their budget messages to propose new programs intended to cope with many of society's problems. Ford insisted the nation could not afford such an approach this year.

"I am proposing no new spending initiatives in this budget other than those for energy," Ford said. He requested $2.2 billion for energy programs in the coming fiscal year, almost four times the $606 million the government spent in the budget year that ended last June 30.

Lost in the shuffle were a number of programs which the President had given high priorities in the earlier days of his six-month-old administration:

There is no money in Ford's budget for national health insurance, a program which he once considered a "must."

Despite Ford's call last fall in his Ohio State University speech for more emphasis on uniting education with the "world of work," the budget cuts back existing job-related education programs and suggests no new approaches.

There is no effort in the budget to reform the much-criticized welfare program.

Ford said a comprehensive medical insurance plan was still desirable although it was beyond the nation's means this year.

"America needs to improve the way it pays for medical care," the President said. "We should begin plans for a comprehensive national health insurance system. However, in view of economic developments and measures I have proposed to combat recession and inflation, I cannot now propose costly new programs."

Ford rejected as too expensive a welfare proposal developed after an extensive study by his Department of Health, Education, and Welfare. The plan, which would have substituted cash grants for many of the existing narrow-focus welfare programs, was not even mentioned in the budget.

The President did make a rhetorical bow in the direction of welfare reform.

"Our present welfare system is inefficient and inequitable," he said. "It is wasteful not only of tax dollars, but, more importantly, of human potential. Left unchanged, over the long run the situation will almost surely continue to deteriorate.

"I urge the Congress to work with my administration to develop reforms that make the system simple, fair and compassionate," he said. "This approach need not cost more, but rather can use our welfare dollars more effectively."

The President offered no hints, however, as to how a better system could be drafted without increased cost. The administration he inherited from President Richard M. Nixon has been searching without success for such a plan since early 1969.

Ford did propose extending general revenue sharing, the chief domestic program of the Nixon years. The program of relatively restriction-free grants to state and local governments would expire Dec. 31, 1976. Ford called for it to be extended until Sept. 30, 1982.

Like other maturing government programs, general revenue sharing is increasing in cost. Ford asked for $6.3 billion for 1976, up from $6.17 billion in 1975.

For the first time this year, the budget estimates the amount of subsidies provided by various tax deductions as well as programs involving direct federal spending.

The budget shows, for instance, that home owners—mostly in the middle and upper income brackets—will enjoy a subsidy of $11.8 billion during the coming year through the income tax deductions for mortgage interest and real estate taxes.

By contrast, Ford asked for $2.6 billion to pay for programs to house the poor. Most of that money would go to lease housing from private landlords to be rented to poor families at subsidized rates.

On other domestic issues, Ford proposed:

Spending $5 billion on highway programs, mostly to complete the interstate system and $1.3 billion on mass transit projects.

Elimination of the reduced rate provisions on Small Business Administration loans; the loan program would be operated at market interest rates.

Spending $15 billion for Medicare, an increase of about $1 billion, and spending $7.1 billion for Medicaid, up $600 million. However, Ford requested changes in the Medicare-Medicaid laws to reduce costs. If Congress rejects the measures, spending for Medicare would be $1.4 billion higher than the budget and spending for Medicaid would increase $600 million more.

Expenditure of more than $17 billion for unempolyment compensation, a figure which reflects the recession which the administration expects to continue into the coming fiscal year.

Spending of $3.6 billion for food stamps in the 1976 budget year, down $29 million from this year. The 1976 budget figure assumes that Congress will approve Ford's plan to increase the cost of food stamps to most recipients. If the change is overturned, the program would cost $217 million more during the year.

Ford's Budget Woes: Uncontrollable Spending

President Ford has proclaimed himself horrified by the prospect, but his fiscal 1976 federal budget seems certain to run a near-record $50-billion deficit.

That deficit could go higher, perhaps approaching $70-billion, unless Congress proves itself unexpectedly adept at balancing the contradictory fiscal policy goals that Ford's $350-billion budget will be built on.

House Appropriations Committee Chairman George Mahon (D Texas) has noted that "we're riding two horses going in different directions"—shifting federal economic policy toward fighting recession while trying to restrain the built-in momentum of federal spending commitments.

In proposing tax cuts to stimulate recovery from recession, Ford has accepted an expected $35-billion deficit in fiscal 1975 and perhaps a $50-billion deficit in the fiscal 1976 budget that he will send to Congress on Feb. 3.

Those were optimistic estimates, premised on congressional approval of Ford's requests for restraining outlays under existing federal programs and on his pledge to resist new spending initiatives except for energy development. With unemployment pushing above 7 percent, there was little chance that Congress would comply.

As Mahon ruefully acknowledged, "it's going to be difficult to get spending restraint at a time when our avowed objective is to put people back to work."

SPENDING CUTS

As with earlier budgets—notably the fiscal 1974 budget submitted by President Nixon—this one has set the stage for a battle over federal spending control between a Democratic Congress and a Republican President.

The immediate issue was the fiscal 1976 deficit, and how high it could go without overstimulating the economy into another round of inflation. In the longer term, however, lay what Ford in his Jan. 15 State of the Union address called "a fundamental issue we—the Congress and I—must solve": the rising costs of federal programs beyond effective government control.

Addressing those issues required "politically unpopular decisions," Ford contended. As a start in that direction, Ford told Congress Jan. 15 that he would propose spending restraints that would trim $17.5-billion from potential fiscal 1976 outlays.

The bulk of that $17.5-billion in savings would be accomplished by budget deferrals accepted by Congress or by legislation rescinding earlier appropriations. But an estimated $6.1-billion in savings would be produced by Ford's proposal to clamp a 5 per cent ceiling on federal pay raises and cost-of-living increases in federal benefit programs.

In addition to both civilian and military pay, Ford proposed that the ceiling be applied to eight federal programs, including such politically popular programs as food stamps, child nutrition and Social Security. (*List of programs, Weekly Report p. 134*)

A 5 percent ceiling on cost-of-living increases in Social Security benefits would cut total fiscal 1976 payments by $2.5-billion, the administration estimated, holding the overall increase to $7.3-billion. Even so, total benefit payments would rise to $71.8-billion in fiscal 1976 from an estimated total of $64.5-billion in fiscal 1975.

Altogether, Ford's plan for a 5 percent ceiling merely would cut back the total increase in federal pay and cost-of-living benefits to $11.7-billion from $17.8-billion. With the ceiling in effect, those payments would rise to about $162.1-billion in fiscal 1976 from an estimated $150.5-billion in fiscal 1975. Without any ceiling, increases in the consumer price index would dictate total outlays of $168.2-billion.

LONG-TERM TRENDS

Even if held to $162.1-billion, those programs would account for nearly half of the $350-billion fiscal 1976 budget that Office of Management and Budget Director Roy L. Ash projected in Jan. 23 testimony before the House Ways and Means Committee.

The proportion of the over-all budget that those programs represent underscored the concern expressed by administration officials about the shifting composition of the federal budget, and about their inability to exercise effective control over many spending programs.

TRANSFER PAYMENTS

With federal benefit programs paying ever-increasing benefits to various groups, Ford complained in his State of the Union address that "the size and growth of the federal budget has taken on a life of its own."

In a Jan. 23 speech to a Conference Board dinner in Washington, D.C., the President singled out Social Security, food stamps and federal retirement payments as examples of such "income redistribution" programs (known as transfer payments) that have been claiming larger and larger proportions of federal outlays.

As Ford pointed out, under such programs "a qualified citizen is automatically entitled to specific benefits," committing the government to make payments to any person who meets eligibility standards. As a result, federal officials have no final control over the total amount of benefits paid out.

In the administration's view, such "income redistribution" programs have accounted for the bulk of spending increases that have pushed total federal outlays past $200-billion in fiscal 1971 toward $350-billion in only six years.

Those programs, which include general revenue sharing and categorical grants to state and local governments for federally funded benefit programs, have brought about a marked change in the principal role that government plays in the U.S. economy, administration officials contend.

"In effect," Ash told reporters during a budget briefing in November 1974, "more than one-half of all of the cash money that passes through government these days is merely on its way to somebody else. It isn't to carry out a governmental function, whether it be defense or anything. It is merely money passing through the till, counted up in government expenditures and revenues, but passed out to somebody else to spend."

As recently as fiscal 1959, transfer payments accounted for only $26.3-billion, 28.6 per cent of total federal outlays, according to government figures. In fiscal 1969, those payments had grown to 36.9 per cent of total spending. And by fiscal 1973, transfer payments amounted to $128.9-billion, or 52.3 per cent of over-all outlays.

If transfer payments continued growing at their previous rates, without allowing for enactment of new programs, they were expected to reach $227.3-billion by fiscal 1979, accounting for about 58.2 per cent of total spending.

That upward trend holds even when the impact of inflation has been discounted. On a constant dollar basis, total federal spending has been relatively constant since fiscal 1968, but transfer payments still show a steep rise.

The reverse is true for defense outlays. While defense spending has grown steadily in recent years, reaching an estimated $85-billion in fiscal 1975, with inflation discounted it has shown a steady decline since fiscal 1968.

Since over-all spending has remained constant when inflation is discounted, those trends suggest that the rising transfer payments have been financed by holding down defense outlays. And Ash in November was making a case for calling a halt to that pattern.

"We are at a crossroads," Ash maintained. "The decline in governmental operations, including defense, can no longer provide the increases that are built into these other programs."

The President picked up that theme in his Jan. 22 Conference Board address, vowing that his final 1976 defense budget would halt the decline in actual military outlays.

"If the current declining defense trends continue, we will soon see the day . . . when our country no longer has the strength necessary to guarantee our freedom, to guarantee our security in an uneasy world," Ford declared.

"We cannot let this happen," he added. "The defense budget I am about to propose to the Congress will not let this happen."

Ash told the Ways and Means Committee that during fiscal 1976 outlays for Defense Department military and military assistance programs would rise by about $8-billion above projected fiscal 1975 levels. That would account for the largest component of the $35-billion over-all increase that Ash projected for fiscal 1976.

REVENUES

While the rise in federal outlays appears inexorable, the outlook for federal revenues is less certain. Federal tax revenues will depend on the economy's course, and on whether Congress approves or changes Ford's tax-cut proposals.

By Ash's Jan. 23 estimate, revenues during fiscal 1976 should reach the range of $297-billion to $300-billion, assuming Congress enacts Ford's tax recommendations intact. Without the administration's proposed combination of 1974 tax refunds, increased energy taxes and offsetting permanent tax reductions, Ash estimated that fiscal 1976 revenues would be in the range of $303-billion to $306-billion.

Underscoring the difficulty that budget planners face in predicting revenue totals, Ash has scaled down the fiscal 1976 revenue projection that the administration had given when Ford announced his revamped economic program on Jan. 15.

At that time, fiscal 1976 revenue had been estimated at $303-billion, even assuming enactment of Ford's tax cuts. The last-minute reduction was based on more pessimistic economic projections drawn up by the Council of Economic Advisers.

The revised fiscal 1976 estimate would be an $18-billion increase above expected fiscal 1975 revenues of $279-billion. That fiscal 1975 estimate itself was $14-billion less than the $293-billion in revenues that the administration was projecting as recently as Nov. 26, 1974.

While $5-billion of the reduced fiscal 1975 estimate was attributed to Ford's tax cut plan, the remaining $9-billion reflected lagging individual and corporate incomes.

When the fiscal 1975 budget was submitted in January 1974, revenues had been estimated at $295-billion.

BUDGET PROJECTIONS

[Billions of dollars; fiscal years]

	1974 (actual)	1975 (estimate)	1976 (estimate)
Receipts	$264.9	$279	$297–300
Outlays	268.4	313	348–350
Deficit	−3.5	−35	About −50

Source: Office of Management and Budget.

REVENUE EFFECT OF FORD TAX PLAN

[Billions of dollars]

	Fiscal 1975	Fiscal 1976
Estimate excluding proposals	$284	$303–306
Tax cuts to stimulate the economy	−6.1	−10.2
1974 refunds to individuals	(−4.9)	(−7.3)
Business investment credit increase	(−1.2)	(−2.9)
Energy taxes	4.3	35.3
Excise taxes and import fees	(4.3)	(19.0)
Windfall profits taxes	(—)	(16.3)
Energy tax offsets	−3.2	−31.5
Individuals	(−1.4)	(−24.9)
Corporations	(−1.8)	(−6.6)
Net effect of proposals	−5.0	−6.4
Current estimate	279	297–300

Source: Office of Management and Budget.

DEFICITS

At best, assuming that Congress approves Ford's spending restrictions and foregoes deeper tax cuts than the President has proposed, OMB projects deficits of $35-billion in fiscal 1975 and $50-billion in fiscal 1976.

Even if held to $50-billion, that fiscal 1976 deficit would be the federal government's largest since World War II, topped only by a $53.8-billion deficit in fiscal 1943.

1943 BUDGET

In fiscal 1943, of course, the federal budget was much smaller. Even in that wartime year, the government spent only $78.9-billion, but it borrowed about two-thirds of that to supplement revenues of about $25.1-billion.

The proportions will be different in Ford's fiscal 1976 budget. While the deficit again might reach $50-billion, that would be about one-seventh of total outlays of $350-billion.

And computed as a percentage of the nation's rising total output, the fiscal 1976 deficit would be no larger than most in recent years. Ash told the Ways and Means Committee that the fiscal 1976 deficit would amount to 2.8 per cent of gross national product (GNP), the same percentage as in 1940.

Those computations, however, were on a unified budget basis, which somewhat disguises the borrowing that the government will have to do to cover its deficit. Under the unified budget basis, federal transactions with the Social Security Trust Fund and similar trust funds offset part of the government's deficit.

In fiscal 1975 and fiscal 1976, those trust funds were expected to accumulate surpluses of $8-billion and $5-billion. By law, those surplus funds must be loaned to the federal government through purchases of interest-bearing bonds.

If those borrowings from trust funds were discounted, the fiscal 1975 deficit would rise by $8-billion to $43-billion and the fiscal 1976 deficit by $5-billion to $55-billion.

On that federal funds basis, Mahon noted, Ford's budgets "would increase the national debt by about $95-billion in two years. And that's not a prospect devoutly to be sought."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement relating to S. 35 by the Senator from Delaware (Mr. BIDEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR BIDEN

The legislation before the Senate today is intended to freeze the present price of food stamps and thereby prevent the proposed increase from taking effect. Although I was detained and was unable to vote on this important matter, I wish to be recorded in the RECORD that if present and voting, I would have voted yes.

The Administration's proposal to require all but a few of the neediest food stamp recipients to pay 30% of their incomes is a cruel blow which would severely hurt the poor and the elderly. It would force an elderly person, for example, to pay $43 for $46 worth of food stamps, instead of the present price of $30. A savings of only $3 offers little incentive to remain in the program, and it is likely that such an increase in cost will effectively eliminate many participants in the program.

Although I believe that we need to control excessive Federal spending, I do not believe that we should ask the poor and the elderly to bear the brunt of the burden. The food stamp program has been a valuable one, and to increase the cost of the food stamps would be to hurt those who can least afford it.

I urge the enactment of this legislation in order that we may prevent a further injustice to the poor and the elderly of this Nation.

Mr. PACKWOOD. Mr. President, today I had to make a very tough decision. I am voting against S. 35, the proposed freeze on the price of food stamps. Our poor and older Americans are already in the stranglehold of deep recession. They should not have to continue to suffer under the widespread abuses that plague the food stamp program and cause cruelly inequitable distribution of already overextended funds.

In the face of severe economic peril we have got to make the tough decisions that will turn our economy around and give a real answer to every one of the worried individuals who had written to protest the change in food stamp regulation. It is the poor who suffer most right now, but we cannot allow dangerously billowing deficit spending to choke the life out of our economy. S. 35 would prove only a temporary palliative, and at that, one with a bitter aftertaste.

I have had to make this very difficult decision not only in the light of our current economic troubles, but also bearing in mind the very real responsibility we have to see that we provide adequate nutrition for those least able to help themselves. Mr. President, I submit that while desperately poor families struggle to survive, even eating dogfood to stretch their food stamp budget, there are individuals and families with relatively large incomes who "qualify" for stamps under exceedingly inequitable standards.

It was not the intent of Congress to spend the taxpayers money to support a program so riddled by abuse. It is this factor combined with the tremendous burden of healing our economy that made so difficult a decision absolutely necessary.

Mr. President I ask unanimous consent to have printed in the RECORD an article by Jodie Allen that details the tremendous inequities in the current program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFORMING THE FOOD STAMP PROGRAM

Unless some "cooling-off" period is invoked, it appears likely that congressional response to the administration's ill-conceived proposal to raise the price of food stamps for most recipients may have the effect of freezing into law some of the worst features of the current program.

Under the administration's proposal, a family would be required to pay 30 per cent of its income, the maximum level allowable under current law, to receive its full coupon allotment. The proposal is open to criticism on grounds that it would lower income limits for food stamp eligibility, reduce net benefits for people who are eligible and discourage participation by those whose benefits no longer exceeded the attendant costs in time and inconvenience. In reaction to this proposal, concerned members of Congress are threatening to rush through legislation prohibiting any changes in the current program over than the automatic cost of living increases already legislated.

What is missing in this storm of protest is recognition of the fact that the current food stamp program is far from a model of equity. The food stamp program emerged in the 1960s as the hybrid offspring of a welfare program and a farm support program. In its early years emphasis was placed on ensuring that participants increased their food purchases. Families were required to purchase stamps at a price reflecting the average proportion of income which they would have spent on food in the absence of the program. Purchase requirements thus tended to be relatively high for large and for very low income families who had, of necessity, to allocate large proportions of their total incomes for food.

Despite major improvements instituted in 1971, the current benefit schedule is hardly a model of fairness. Equity would suggest that larger families, having greater needs for other items, should—whatever their income level—pay a lower (or at least no larger proportion) of their income for food bonuses than smaller families with the same income. Under current regulations, the opposite is true.

Indeed, the nominal purchase requirements for most families of four or more are already close or equal to the proposed 30 percent of income, while those for individuals rarely exceed 20 percent. In any case, the sharp variation in the purchase requirement rates both across family sizes and within family size by income class are hard to defend on any grounds. For example, why should a family of 6 pay 27 per cent of its income for food stamps on a $100 monthly income, 29 per cent at $200 and only 26 percent at $630 of monthly income?

Equally inequitable is the provision in food stamp regulations which requires automatic food stamp eligibility for public assistance recipients. In many states, the law allows families to retain welfare and related medical and social service benefits at income levels considerably above the food stamp eligibility cut-offs for nonpublic assistance recipients. For example, a family of four on welfare, with $6,200 of income may receive at least $280 a year in food bonuses, while a comparable non-welfare family would receive none.

But the impact of these inequities is almost eclipsed by a well-intentioned "loophole" in food stamp regulations—the "itemized deduction." Since (1) families are required to purchase their stamps, and (2) other income maintenance programs designed to protect families against loss of purchasing power as the result of illness, incapacity, disaster or unemployment are inadequate for many families, the result is that the food stamp program has been led to broaden the number of deductions which may be claimed in determining how much income is to be counted in setting purchase requirements. Current regulations allow the following types of expenditure to be deducted in computing countable income for determining such purchase requirements: income and payroll taxes, union dues and mandatory retirement payments; medical expenses if these exceed $10 a month; child care expenses; tuition and mandatory educational fees, including private school tuition; support and alimony payments; unusual expenses arising from disasters or casualty losses, even if these are ultimately reimbursable through insurance; shelter costs including utilities and mortgage payments in excess of 30 per cent of income *after* all other allowable deductions have been made.

The effect of allowing these deductions is to increase greatly the inequity of the overall distribution of food stamp benefits. Far from assisting the very "poorest of the poor," itemized deductions redound primarily to the advantage of the relatively well-off participants for the simple reason that only such families can afford to purchase very much of the deductible items. Thus, among participating families of four, those with less than $100 of monthly income claim less than $15 in deductions per month on the average, while those with over $600 of monthly income claim deductions of over $225. A similarly regressive pattern is observed in the distribution of deductions by family size at any income level. For example, single person households with $350 of income claim deductions of over $250, while families of eight with identical income but presumably far greater needs are able to claim only $40 and, as a result, must pay over $60 more for their food stamps.

So extensive are claimed deductions among participants at the higher income levels that survey data indicate that the *effective* purchase requirement rate is only 14 per cent of income on the average for all participants with incomes above $600 a month and less than 5 per cent of income for small families with such income. Thus, as in the personal income tax system, deductions are worth more to the "rich" than to the poor.

These observations cast considerable doubt on the equity and efficiency of the itemized deduction as a method for promoting food stamp participation. Essentially, an itemized deduction amounts to a subsidy of certain forms of consumption since, if the expenditure were not made, the income spent on it would increase the purchase requirement. While most of the deductible expenses allowed by the food stamp program may be deemed worthy of public support, it is not clear that the task of subsidizing them should be undertaken as part of a food support program, particularly since the net effect is to channel additional income to the less needy of program recipients. In short, one such transfer program should not attempt to remedy the defects of all the others.

However bad the administraton's current proposal for change, freezing the current host of inadequacies and inequities into law does not seem a very helpful response—especially since simple alternatives for reform are available.

A reform system might look like this. Each family would, as now, be entitled to purchase an allotment of food stamps the value of which would increase with family size. The cost of the stamps would be computed as a constant per cent of income in excess of a standard deduction, perhaps adjusted only for family size. The costly, inequitable and difficult-to-administer itemized deductions would be eliminated. In their place, the standard deduction would prevent food stamp costs from claiming unacceptably high proportions of income among the lowest income and large families. Together these changes would produce a distribution of benefits that is equitable. At any given income level, the purchase requirements would decline as a proportion of income as family size increases; for any given family size, purchase requirements would decline as a proportion of income as income decreases.

The determination of the appropriate level for the purchase requirement rate and the standard deduction requires further analysis of the current and potential distribution of food stamp benefits. In the meantime, it would seem wise for both the administration and the Congress to hold fire in the hopes that what will emerge will be a true reform which will at once increase net benefits to the neediest families, curtail program abuses, simplify program administration, and thus complete the transformation of the food stamp program into the only truly equitable and universal income maintenance program currently operating in the U.S.

Mr. GARN. Mr. President, the 100-yard dash to halt the administration from increasing the price of food stamps may result in the further codification of a system which sorely needs reform. Could not the interest generated by this controversy be used as a stimulus to take a broad-range examination of the total program with the purpose of eliminating the blatant inequities and inefficiencies which only add to its cost? Our senior citizens have been among the hardest hit by inflation, and certainly an increase in the price of food stamps imposes an additional burden. I am convinced that we must take a good look at this program and attempt to eliminate much of the waste. Too many people are on food stamps who should not be. This increases the cost to the truly needy. We have indeed gone too far when it is possible under the eligibility rules for a family of four not on welfare to qualify for food stamps with an income of well over $10,000. We must begin to identify the worthy recipients—the permanently dependent, the aged, the physically or mentally disabled—and support them more adequately than we do now.

I would like to suggest today four reforms which can be accomplished by administrative action which would significantly eliminate a number of non-needy from the food stamps program. I repeat that these actions would not require legislative action, although I did consider introducing them as amendments on the floor today, in view of the apparent resistance to reform within the Department of Agriculture. I would like to take a moment to explain briefly these reforms and to state that unless there is some administrative action in these areas, I will offer them as amendments on the floor of the Senate at the next opportunity.

The first reform would increase the requirement for student enrollment from the present half-time to three-fourths time. In other words, to be qualified for food stamps, a student would have to be carrying at least a three-fourth academic load. There could be an exception to this requirement in the case of students who are working their way through school. If a student works at least 10 hours per week, the academic load requirement could remain at one-half time.

The public does not perceive the student in the same light as it does the low-income family, and with good reason. While students are often poor in the sense that they have little income, the benefits of their education will shortly begin to bring them financial reward. All studies indicate that education is the road to financial success, and most of us feel instinctively that while the student may not have much spending cash right now, he shortly will have more than the struggling blue-collar taxpayer who is footing the food stamp bill. This perception, which I believe to be correct, has led to a great deal of criticism of stamps for students, and while we must not cut them off blindly, the reform I suggest today would tighten up the requirement and eliminate a great deal of the criticism.

The second reform would adjust the exclusion from resources of automobiles. As it now stands, one car can always be excluded, and my amendment would not change that. However, the present regulations also provide for an exclusion for a second car, if the second car is used in the individual's employment. The reform I suggest today would provide for an exclusion for an automobile, but would not allow the exclusion of a second vehicle unless both are used for purposes of employment. In other words, I do not feel, in this time of energy crisis, that we should give an exclusion for two vehicles unless they are both essential. A second vehicle is a luxury today, and the public support could be used to procure food or other necessities.

The third reform would exclude from purchasable food commodities another nonessential: candy. Under present regulations, tobacco and liquor cannot be purchased with food stamps, but there is no restriction on candy. The stated purpose of the Food Stamp Act is to promote the nutritional level of low-income families. It is well known that candy has no nutritional value and is, in fact, detrimental to general health, but especially teeth. In view of the fact that the public is often called upon to subsidize the medical and dental care of low-income families, it is ridiculous for us to encourage the consumption of health-destroying substances. The present regulation recognizes that fact with respect to tobacco and alcohol. The Department should add candy.

Also, the high price of sugar today makes the purchase of candy with food stamps a tremendous drain on the taxpayer.

The last reform strikes at an area of present inequity. As the regulations presently stand, a person with $9 of medical expenses is not entitled to deduct anything in his computation of gross income. However, a person with $15 is entitled to deduct the entire $15. The encouragement here is to encourage needless medical care to qualify for some exclusion. My amendment would simply institute a $10 deductible feature, providing that the first $10 of medical expenses must be borne by the individual, and that the exclusion comes into play only after that figure is reached.

I personally believe that the American people stand ready to help those in need, but that they are adamant against helping those who are well able to stand on their own two feet. I hope that my remarks today will point the way to the administrators of this program to the elimination of some unjustified procedures which are resulting in justifiable criticisms of a program with most laudable aims. When we eliminate abuses, we make assistance of the truly needy so much easier, and so of such easier to defend.

RECESS UNTIL 3:30 P.M.

Mr. McGOVERN. Mr. President, we have an agreement that there will be no votes until 3:30, and I think we have discussed all aspects of this subject. I, therefore, move that we recess until 3:30.

The motion was agreed to, and at 3:14 p.m., the Senate recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BROOKE).

SENATE RESOLUTION 58—PROPOSING A STUDY OF THE FOOD STAMP PROGRAM

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Utah (Mr. GARN) be added as a cosponsor to Senate Resolution 58.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, under the previous unanimous-consent agreement I now ask for the yeas and nays on my resolution.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent that I proceed for 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, is it in order to ask for 30 seconds by unanimous consent?

Mr. ALLEN. Yes; I will yield 30 seconds to the Senator from Wyoming.

COMPENSATION ATTACHED TO THE OFFICE OF THE ATTORNEY GENERAL

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 58. We have an agreement on the two sides. There is no opposition, and it is important. It involves the new Attorney General's salary.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 58) relating to compensation and other emoluments attached to the Office of the Attorney General.

The Senate proceeded to consider the bill (S. 58) which had been reported from the Committee on Post Office and Civil Service with an amendment on page 1, in line 7, strike out "January 3," and insert in lieu thereof "February 4"; so as to make the bill read:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first section of the Act entitled "An Act to insure that the compensation and other emoluments attached to the Office of the Attorney General are those which were in effect on January 1, 1969" (Public Law 93-178; 87 Stat. 697), is repealed effective as of February 4, 1975, and the compensation and other emoluments attached.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McGEE. I thank my colleague from Alabama.

Mr. ALLEN. I thank the distinguished Senator.

A TRIBUTE TO JOSEPH DIAMOND—MANAGER OF THE U.S. SENATE RESTAURANT

Mr. ALLEN. Mr. President, Mr. Joseph Diamond, manager of the Senate restaurant, died on December 24, 1974, as a result of a recurring illness of many months. He is survived by his beloved wife, Mrs. Hazel Diamond, and by three sons, Joseph, Dennis, and Brian, and by a daughter, Barbara.

Mr. Diamond was born in Glasgow, Scotland, and came to this country as a young man. Like millions of other young men and women, he came to our shores to seek a better way of life for himself as well as to offer to his new country his industry, skill, devotion, and love. This he did and did well. He enjoyed a successful business career in the food service industry prior to his becoming a member of the Senate staff. He served with honor in the Armed Forces of his adopted country in World War II.

During the last 6 years, I have enjoyed a very close and friendly relationship with Mr. Diamond, inasmuch as I have, during that time, served as chairman of the Restaurant Subcommittee of the Senate Rules Committee, whose duty it is to oversee the work of the Senate restaurant.

In Mr. Diamond our subcommittee found a real man—able, honest, dedicated, hard working, fair, and efficient. The restaurant employees seemed devoted to him, and he seemed genuinely interested in their well-being and in protecting their best interests. Thus, there was loyalty upward and there was loyalty downward in the Senate restaurant under Mr. Diamond's managership.

He was always attentive to the wishes and needs of the Members of the Senate and their staffs and families and of the public who patronized the Senate restaurants in the Capitol and in the Russell and Dirksen Office Buildings. He ran an extremely efficient organization which operated with a minimum of confusion and dissension. His leadership and his concern for the employees and guests contributed in large degree to this happy state of affairs.

Truly, Mr. Diamond complied with the standard which the Prophet Micah records that the Lord requires of everyone—He did justly, he loved mercy, and he walked humbly with his God.

Mr. President, I speak for Mrs. Allen and myself and for my distinguished colleagues, the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Oregon (Mr. HATFIELD), present members of the Restaurant Subcommittee, and all who have so served in time past and for all Members of the Senate, and for the Senate restaurant employees and particularly Mr. Louis C. Hurst, assistant manager, and Hon. George M. White, Architect of the Capitol, and Hon. Hugh Alexander, Counsel of the Rules Committee, when I say that we loved, admired, and respected Mr. Joseph Diamond; that we miss him and his friendly greeting and affable nature and that we miss him in the work of the Senate restaurant. And I speak for all of us when I extend our deepest sympathy to Mrs. Diamond and their children in their loss and to assure them that they are in our thoughts and prayers.

SENATE RESOLUTION 58—PROPOSING A STUDY OF THE FOOD STAMP PROGRAM

The Senate continued with the consideration of the resolution (S. Res. 58) to direct the Secretary of Agriculture to make a study of the food stamp program and submit legislative recommendations.

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 58.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been called for. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to Senate Resolution 58. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Montana (Mr. MANSFIELD), the Senator from Rhode Island (Mr. PELL), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE), the Senator from Indiana (Mr. BAYH), and the Senator from Montana (Mr. METCALF) are absent on official business.

I also announce that the Senator from Vermont (Mr. LEAHY) is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Rhode Island (Mr. PELL), the Senator from Vermont (Mr. LEAHY), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "yea."

The result was announced—yeas 83, nays 0, as follows:

[Roll Call Vote No. 6 Leg.]

YEAS—83

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—16

Bayh
Bentsen
Biden
Cannon
Eastland
Goldwater
Hartke
Inouye
Leahy
Mansfield
McClure
Metcalf
Pell
Stafford
Stevenson
Taft

So the resolution (S. Res. 58) was agreed to, as follows:

Resolved, That the Secretary of Agriculture is hereby directed to make a study of the Food Stamp Program and on the basis of such study to provide the Congress by June 30, 1975, recommendations for legislative changes which will: (1) disqualify families who have adequate incomes from receiving stamps; (2) reduce administrative complexities which make joint operation with other federal assistance programs difficult; (3) tighten accountability for procurement, shipping, and handling of food stamps; and (4) increase penalties for those who abuse the program. The Secretary may make such other recommendations as he deems desirable.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. CURTIS. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion to table.

The motion to table was agreed to.

SUSPENSION OF INCREASES IN THE COST OF FOOD STAMPS

The Senate continued with the consideration of the bill (S. 35) to maintain the nutritional adequacy of the food stamp program.

The PRESIDING OFFICER. The Senate will now resume consideration of S. 35.

Mr. McGOVERN. Mr. President, if the Senators will remain in the Chamber——

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will come to order. All Senators will take their seats.

The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President, if the Senators can remain in the Chamber, it is my best judgment that these two anticipated rollcalls that remain, one on an amendment to be offered by the Senator from Nebraska (Mr. CURTIS), and then the final passage on the food stamp bill, can be disposed of almost back to back. There may be 4 or 5 minutes of discussion at the most. I believe we can dispose of them very quickly.

I would suggest at this point we go to the third reading on S. 35.

Mr. CURTIS. Mr. President, may I inquire? I have no desire to delay this legislation. The issue before the Senate should be resolved so everybody can rely on it as far ahead of time as possible. But I would like to inquire. If we follow the procedure suggested by the distinguished Senator from South Dakota, will my amendment be in order?

Mr. McGOVERN. The Senator's amendment would be in order. It would not be in order on S. 35, but on the House version of the bill. I am going to ask unanimous consent that we accept the House number to expedite this matter.

Then the Senator's amendment would be in order.

Mr. CURTIS. The Senator from Nebraska would have no objection to the unanimous consent request if the Senator includes in it a provision that after 5 minutes on each side we could have a vote on the amendment that I shall offer.

Mr. McGOVERN. I have no objection to that.

The PRESIDING OFFICER. Is there objection to the unanimous consent agreement of 5 minutes on each side to be followed by a vote on the amendment?

Without objection, it is so ordered.

The PRESIDING OFFICER. If there be no amendment to S. 35, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 1589, which is the identical language, but is the House bill which was passed yesterday by an overwhelming vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1589) to suspend increases in the cost of coupons to food stamp recipients as a result of recent administrative actions.

Mr. CURTIS. Mr. President, I send an amendment to the desk, and I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the act insert the following:

"SEC. —. The Secretary of Agriculture is hereby directed to make a study of the Food Stamp Program and on the basis of such study to provide the Congress by June 30, 1975, recommendations for legislative changes which will: (1) disqualify families who have adequate incomes from receiving stamps; (2) reduce administrative complexities which make joint operation with other federal assistance programs difficult; (3) tighten accountability for procurement, shipping, and handling of food stamps; and (4) increase penalties for those who abuse the program. The Secretary may make such other recommendations as he deems desirable."

Mr. CURTIS. I yield myself 4 minutes.

Mr. President, this is an amendment to write into the law the same thing that was in the Dole resolution. The Dole resolution, in effect, expressed the sense of the Senate that the Secretary of Agriculture, by June 30 of this year, send recommendations for legislative changes in the food stamp program that would: First, disqualify families who have adequate incomes from receiving stamps; second, reduce administrative complexities which make joint operation with other Federal assistance programs difficult; third, tighten accountability for procurement, shipping, and handling of food stamps; fourth, increase penalties for those who abuse the program; plus such other recommendations as he might choose.

Mr. President, the President of the United States faces a very serious situation. He is called upon to do that which will spur on this economy. He is called upon to preserve the solvency of this country. He is called upon to carry on his shoulders, to a large degree, the state of our economy in the next couple of years. He has acted. Perhaps everybody here disagrees with this act. We will have a chance to vote on that on final passage.

What this amendment does now does not delay the resolution of the distinguished Senator from South Dakota. His resolution would nullify the change in contributions by the recipients of programs. My amendment would not delay that; it would not change it. But it says that while we are doing that, if it is the will of the majority to override the President, let us write into the law that we need some changes in the food stamp law.

In 1964, that program cost $13 million. In 1964, it involved a third of a million people. Last December, 17 million people were receiving food stamps. The Joint Economic Committee has recommended that by mid-1976, one quarter of the population will be eligible for food stamps.

Anybody who is at all observant in his home knows that there are things about that law that should be corrected. In determining net income and net worth, you do not exclude the tools you use. It is possible for a farmer who does not own his land to have a quarter of a million dollars in machinery and trucks. But if last year his income was zero because of his expenses—and with many of them it was—he is eligible for food stamps.

I was talking about this in the presence of one of my constituents, and she reported that her landlord was receiving food stamps. This woman was working, buying her own food, and she said, "I do not know how many houses he has, but I know that he has two besides the one I rent, and he is on food stamps."

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. CURTIS. Mr. President, I reserve the remainder of my time.

Mr. McGOVERN. Mr. President, the Senate obviously has no quarrel at all with the principle that the Senator from Nebraska is trying to assert, and that is that it might be helpful to the Secretary of Agriculture to look into some of the abuses of this program. We have just ordered that by a unanimous vote.

The amendment of the Senator from Nebraska is exactly the same as the resolution on which we just voted. The problem with it is a parliamentary problem, in that it is added as an amendment to the food stamp bill. It then has to go back to the House of Representatives, where, I am advised by counsel, it would not be germane to the bill. It would require a separate vote there and undoubtedly would delay the wish of the House and what I am sure is the overwhelming wish of the Senate, that we stop this effort to undercut the food stamp program.

Right now, the administrators of this program in the States are up in the air. They do not know what the future holds. They do know that an order has come out from Washington that, as of March 1, they have to change the formula under which these stamps are issued. That cannot be done overnight. It involves, in some cases, changing complicated computer arrangements; and every hour of every day is important in terms of how we proceed in this matter.

So, in view of the fact that nothing at all is to be gained by adding what we have just done as a part of this food stamp bill—we have the resolution by the Senator from Kansas, which was agreed to unanimously by the Senate, instructing the Secretary of Agriculture to make this study—it would be redundant and would complicate the whole situation for us now to add the same language to this emergency food stamp resolution.

Under the circumstances, I move to table the amendment of the Senator from Nebraska.

Mr. CURTIS. Mr. President, I make a point of order against the motion to table. The Senate, by unanimous agreement, has agreed that there would be a vote on my amendment. I make a point of order against the motion to table.

When the request was made that the House bill be inserted and that we proceed to third reading, I announced that I had no objection to that, provided that we include in the unanimous-consent agreement the fact that we could have 5 minutes on a side and then a vote on my amendment. There was no objection to it.

The PRESIDING OFFICER. The Senator asked for a time agreement and an assurance that the Senator would be given a vote on the amendment and that that request be incorporated. Therefore, the point of order is well taken.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. The motion of the distinguished Senator from South Dakota is not debatable. Is that correct? Would that not preclude a statement by the Senator from North Carolina, or others, under the unanimous-consent agreement?

The PRESIDING OFFICER. The Senator moved to table, and there has been a ruling that the point of order by the Senator from Nebraska is well taken.

Mr. McGOVERN. Under the circumstances, I should like to withdraw the motion. I do not want to deprive the Senator, if he feels that he would get a fairer count, of having an up-and-down vote.

I do want to make clear that we have voted on this matter, and to adopt this amendment now would be to imperil all the things we have been working on here, in terms of stopping this effort that would undercut the food stamp program.

We have 17 million people who are in desperate straits. We are going through one of the most crucial economic periods in the history of this country. This would complicate the whole parliamentary procedure and would add nothing to what we have already done. The Senator's amendment, if it is added to this food stamp proposal, would not accomplish a thing that we have not already done here today, which was to approve Senator DOLE's amendment. We went through precisely the same procedure in the Committee on Agriculture and Forestry this morning.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

The Senator from Nebraska's point of order had the effect of nullifying the motion to table so it need not be withdrawn.

The Chair recognizes the Senator from Nebraska, who has one minute remaining.

Mr. CURTIS. Mr. President, the vote on the Dole resolution was in approval of a principle, that is all. The vote on my amendment is our chance to put an end to the law. That is the difference.

I yield the remainder of my time to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, if this Senate is really serious about curbing the flagrant abuses so apparent in the food stamp program, then we will have another unanimous vote on this amendment, which I am cosponsoring with the distinguished Senator from Nebraska (Mr. CURTIS).

The "sense of the Senate" resolution, which was just approved unanimously, is, in effect, just a speech. If we want action—if we want to stop taxing the hard-working people of America to support a program that is so fraught with abuse, if we want to concentrate on helping the truly needy and the truly worthy—then the way to do it is by nailing it down in the law.

We are talking, Mr. President, about a $4 billion a year program. If this amendment passes, it will not delay or inconvenience one single American participating in the food stamp program. But it will, Mr. President, expedite a cleanup of a program that every Senator on this floor knows smells to high heaven. Instead of being a compassionate program for the poor, Mr. President, this program as it presently exists actually deprives the deserving poor of additional assistance that they would otherwise receive, and which the American people would willingly provide.

We owe it to the people to make certain that we are doing all we can to assure that this program is operated solely for the truly needy—and that we stop making a mockery of a $4-billion program.

Let me reiterate, and emphasize, Mr. President, that approval of this amendment will not, in any way, delay in any adverse way final approval of S. 35.

Unless this amendment is approved, Mr. President, I shall be obliged to vote against S. 35 on final passage. It will be a protest vote—a protest against what I consider to be another failure of Congress to do its duty on behalf of the already heavily burdened taxpayers of this country.

I urge approval of the amendment.

The PRESIDING OFFICER. The question is on the agreeing to the amendment of the Senator from Nebraska.

Mr. HANSEN. I ask for a division, Mr. President.

Mr. CURTIS. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), and the Senator from Montana (Mr. MANSFIELD) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr. HARTKE), and the Senator from Montana (Mr. METCALF) are absent on official business.

I also announce that the Senator from Vermont (Mr. LEAHY) is absent because of illness.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) and the Senator from Nevada (Mr. CANNON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "yea."

The result was announced—yeas 34, nays 51, as follows:

[Roll Call Vote No. 7 Leg.]

YEAS—34

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Fannin
Fong
Garn
Griffin
Hansen
Helms
Hruska
Johnston
Laxalt
Montoya
Morgan
Nunn
Packwood
Randolph
Roth
Scott, William L.
Stennis
Stevens
Thurmond
Tower
Young

NAYS—51

Abourezk
Brooke
Bumpers
Burdick
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Mondale
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker
Williams

NOT VOTING—14

Bayh
Bentsen
Biden
Cannon
Eastland
Goldwater
Hartke
Inouye
Leahy
Mansfield
McClure
Metcalf
Stafford
Taft

So the amendment was rejected.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 1589) was read the third time.

The PRESIDING OFFICER (Mr. BROOKE). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), and the Senator from Montana (Mr. MANSFIELD) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE), the Senator from Indiana (Mr. BAYH), and the Senator from Montana (Mr. METCALF) are absent on official business.

I also announce that the Senator from Vermont (Mr. LEAHY) is absent because of illness.

I further announce that if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Vermont (Mr. LEAHY), and the Senator from California (Mr. CRANSTON) would each vote "yea".

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 76, nays 8, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—76

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—8

Byrd, Harry F., Jr.
Curtis
Fannin
Hansen
Helms
Packwood
Scott, William L.
Stennis

NOT VOTING—15

Bayh
Bentsen
Biden
Cannon
Cranston
Eastland
Goldwater
Hartke
Inouye
Leahy
Mansfield
McClure
Metcalf
Stafford
Taft

So the bill (H.R. 1589) was passed.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. Presdent, I ask unanimous consent that S. 35 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I shall take a minute to say that I am deeply gratified over the action that was taken here by the Senate this afternoon. But, more important than that, I think there are 17 million needy Americans across this country who will breathe easier tonight because of this overwhelming vote of 76 to 8 by the Senate to maintain the food stamp program and its present level of benefits for the balance of this year.

This vote, combined with the overwhelming vote of the same action by the other body on yesterday, gives us very strong assurance that the President will probably sign this measure and that we will have seen the end, at least in 1975, of any future efforts to reduce the food stamp program.

Mr. President, I yield the floor.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Edward Hirsch Levi, of Illinois, to be Attorney General of the United States.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Edward Hirsch Levi, of Illinois, to be Attorney General.

Mr. HRUSKA. Mr. President, in nominating Dr. Edward H. Levi, the President has chosen an eminent scholar of the law, an administrator of proven ability and a man whose integrity is above and beyond reproach. These are qualities to which most men aspire. Dr. Levi has attained them.

Dr. Levi's career spans professions as a professor of law, Government attorney and administrator of a university. He joined the University of Chicago Law School faculty in 1936, the same year he was admitted to the Illinois Bar. In 1940, he came to the Department of Justice to serve as Special Assistant to the Assistant Attorney General in the Antitrust Division. During his 5 years at the Justice Department, he was chairman of the Interdepartmental Committee on Monopolies and Cartels, chief of the consent decree section and first assistant in the antitrust division.

In 1945, he rejoined the University of Chicago Law School faculty and became dean of the law school in 1950. He served as dean until 1962, when he became Provost of the University.

Dr. Levi has served his Government in several capacities since 1950. He was counsel to the House Judiciary Subcommittee on Monopoly Power and has served as a member of the White House Central Group on Domestic Affairs, the White House Task Force on Education, and the President's Task Force on Priorities on Higher Education.

Mr. President, as should be evident from this brief biographical sketch, Mr. Levi is a man abundantly learned in the law. As a scholar he has distinguished himself. And as an administrator, he has gained a perceptive insight into the operation of an institution. Indeed, Dr. Levi has shown a great deal of courage and competence in the performance of the duties he has assumed. These qualities will serve him well in his new position.

Mr. President, when I examine the credentials of a nominee or potential nominee for the Office of Attorney General, I always look first at the extent of the individual's experience in practicing law. It has been my consistent position that the Office of Attorney General should be filled by a man who has considerable experience in the practice of law. The practice of law seasons an individual. It requires the practical application of one's learning in the law to a unique set of facts and, by that process, prepares him to react with good judgment in situations with which he may not, and sometimes cannot, be totally familiar.

But, in referring to this quality, I do not intend to imply that this quality is a prerequisite for the position. The Constitution, itself, does not prescribe a requirement for the position. Indeed, there is no constitutional or statutory requirement that the Attorney General be a lawyer at all. He need not be a member of the bar, although, parenthetically, I should point out that his assistants by statute are required to be "learned" in the law. This Senate has confirmed Attorneys General who were not preeminently learned in the law but who were practicing attorneys. We have also confirmed Attorneys General who were more remembered for their learning in the law than for their practice of the law.

There is, therefore, no qualification that a nominee for Attorney General must possess, save these fundamental ones: First, he must, in the judgment of the Senate, be of good character, loyalty, and patriotism. Second, he must be found by the Senate to be without any conflicts of interest which could arise upon his assumption of the duties of that office. Third, he must be a man of competence.

The fourth attribute that distinguishes a nominee for Attorney General from other eminent lawyers is this: He must have the complete confidence and trust of the President of the United States. The Attorney General is, of course, a member of the Cabinet of the President. In this capacity, he is called upon by the President for counsel and advice. His advice must be candid, forthright, reliable, and informative. I am sure Dr. Levi's counsel will be just that.

Dr. Levi meets each of these four tests. He is a man of undisputed competence. He is without a conflict of interest. And he is a man in whom the President has trust and confidence.

Mr. President, during the hearings on his nomination before the Judiciary Committee last week, Dr. Levi was presented with a wide range of direct and penetrating questions. In response, he displayed an admirable forthrightness and candor as well as a fine knowledge of the law and its enforcement. Dr. Levi indicated a deep awareness of the various sensitivities of the administration of justice, including the necessity of achieving a fair balance between the rights of citizens and the practical demands of law enforcement. He also stated his unqualified intention to work closely with the Congress and its Judiciary Committees on appropriate Justice Department matters. I welcome this pledge of cooperation.

Upon confirmation, Dr. Levi will be presented with the challenge of leading the department that counsels the entire executive branch and represents the people before the bar. Dr. Levi will meet that challenge and by his direction will insure that the Department of Justice maintains its position as one of our most cherished and highly esteemed institutions.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

S. RES. 59—ENERGY CONSERVATION

Mr. **RANDOLPH**. Mr. President, for myself and 67 other cosponsors, I send to the desk a resolution and ask for its immediate consideration.

The **PRESIDING OFFICER**. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 59) to aid in energy conservation.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. **RANDOLPH**. Mr. President, ordinarily I would not speak in reference to a resolution, but this resolution is one of very real importance, not only to the Members of the Senate, but to the American people as a whole.

I have introduced this Senate resolution, and I am gratified to note that besides this Senator there are 44 Democrats and 23 Republicans who are cosponsors of this resolution, which I call to the attention of the Senate, in support of an Energy Conservation Crusade and Energy Conservation Month.

I feel that it is very important for us to understand, Mr. President, and my colleagues, that American consumers can voluntarily eliminate the wasteful use of energy if we actually embark upon an Energy Conservation Crusade.

The measure would call on the President to declare as Energy Conservation Month the period from February 16 to March 15, 1975.

In less than a decade, Mr. President, the combination influence of increasing energy demands and declining domestic energy reserves has revolutionized this country's energy prospects for the future. Recent events have transformed our Nation's domestic fuel supplies into one large deficit.

Energy conservation affords not only an opportunity but it also presents an obligation to the American people to both reduce present and future deficits as well as foster energy independence.

During the past year our country has become energy conscious. In some instances it is an acute consciousness, in others it is not as apparent.

It is now widely accepted, however, that our practices of energy consumption in the future cannot follow those of the past. All of us will be required to make adjustments in our life styles if a workable energy conservation ethic is to be adopted.

Our citizens know the importance of reducing energy consumption. During last winter's oil embargo, and since, they have demonstrated by the hundreds of thousands an ability to live with less energy. As a result, energy consumption today is below what had been projected even though oil imports are up.

Individual commitment, Mr. President, to conservation can produce even further savings without any real inconvenience or substantial change in the life styles of Americans, that I have mentioned.

Now, there are significant opportunities for energy savings. These exist in the residential-commercial sectors, particularly for space heating and cooling, in transportation, and in industry.

In all, the potential savings were estimated in 1972 as equivalent to some 7-million-plus barrels of oil per day.

Mr. President, it may not seem too important, but I have been carrying this thermometer with me for some 2 or 3 weeks as I go about in my own State of West Virginia and here in Washington, D.C., and in the Capitol buildings.

I attended a luncheon today in room 1202 of the Dirksen Senate Office Building at the Hearst Foundation awards to two outstanding young people from each State, and this thermometer, which was laid on the table, showed a temperature of 83 degrees.

Just last week I attended another luncheon in the same room, with some 200 persons, and the thermometer registered 81 degrees. It is a matter of concern that here on Capitol Hill where we are discussing energy conservation that we also should be candid enough and forthright enough to recognize that the buildings here at the Capitol, the office buildings in both the Senate and the House, are overheated.

I mention this only as an illustration of what is happening these days.

Mr. President, the achievement of even one-half of the potential savings I have mentioned through the voluntary action of the American consuming public would represent a major move toward energy independence as well as toward a greater solution than people realize to the problems stemming from the importation of petroleum products from abroad.

In addition, we will be buying time to enable us to develop long-term programs and approaches to our energy supply problems.

What does this resolution which I have presented calling for an Energy Conservation Crusade do? It is a very simple resolution. It calls on Government at all levels, on all segments of business and industry, and on the public, to voluntarily adopt every realistic means, at their disposal in the conservation of energy. With effective national leadership by Federal, State, and local government agencies, by all segments of business and industry, and by consumers, we can, Mr. President, achieve an estimated energy savings equivalent to some 5 million barrels of oil a day.

So we are not dealing in small figures. Through energy conservation we are dealing with a major contribution to the solving of the energy problem that we face.

The importance of promoting more efficient use of our nonrenewable energy resources and the reducing of energy consumption has been cogently demonstrated by the recent OPEC oil embargo. In response to an Energy Conservation Crusade, citizens will voluntarily take the initiative to eliminate the present wasteful uses of energy in our country. This certainly can provide the Congress and the executive branch with time—time to formulate fair and realistic mandatory programs.

A voluntary national energy conservation crusade offers to all the American people an opportunity to reduce energy use without the apparent severe economic impact of higher consumer prices that will result from President Ford's proposed program of mandatory import controls and price tariffs, although this is a matter for differing convictions and viewpoints in the Senate.

Without question increased prices are going to be imposed on the consumer; however, the effect of higher energy costs on the value added to products and sales revenues will be only a few percent. For example, even for energy-intensive industries—such as electrochemical, metallurgical, and stone, clay, and glass—the cost of energy is only about 10 percent of product cost. In a few specialized industries, such as aluminum, it approaches 20 percent.

Anticipated price increases can in large part be absorbed in more efficient use of energy. What is needed is national leadership by the business community, as well as by each of us as consumers.

I wish to note, Mr. President, that there is a limit to the energy savings which can be achieved by voluntary efforts. Citizen resistance will stiffen when hardship—either real or imagined—results from their reduced uses of energy. In the long run, therefore, it will be necessary to develop mandatory controls over energy sources and to promote the more efficient use of energy supplies.

The establishment of fair and realistic programs of mandatory controls will require legislative action by the Congress, however. Such programs must be carefully and deliberately developed to assure that they apply equally to all segments of our society. Until this task is accomplished, and afterward, we must rely on the willingness of the American people to institute and maintain voluntary conservation measures.

The achievement of any substantial savings through energy conservation will involve millions of individual decisions, frankly, by the American consumers.

The importance of energy conservation for space heating and cooling is dramatic. Residential uses alone amount to some 12 percent of our nationwide use of energy, or about 60 percent of the energy consumed by households. Perhaps the most significant opportunities for promotion of energy conservation in the residential sector lie in improved insulation, storm window and doors, caulking, and weather stripping of doors and windows.

Mr. President, I call to the attention of my colleagues in the Senate who are interested in this subject that there are some 40 million existing homes in the United States in need of thermal improvements. The costs, which would range from $450 to $700 per unit, could be recovered by a homeowner in about 2 years through reduced fuel consumption for space conditioning. What is needed is a national commitment to promote an upgrading of 4 million residences per year over the next 10 years. By the end of the first year the savings could be equivalent to 108 million barrels of oil. Within 3 years, energy consumption could be reduced by almost 1 million barrels of oil per day. At the end of the 10-year period required to retrofit 40 million homes, the 1985 energy savings would be 1,100 million barrels of oil equivalent.

The program would create some 40,000 new jobs in the insulation industry at a time when it is operating at less than 50 percent of capacity. The creation of these jobs and the return to work of those individuals presently laid off would provide a major stimulus to our economy.

In addition, jobs would be created in the manufacturing and installation of storm windows, doors, calking, and weatherstripping. These positions would be in the sector of greatest unemployment—the unskilled, semiskilled, and minorities.

A major national commitment, Mr. President, will also be required by American business. A four-point energy management program was outlined last year by Secretary of Commerce Dent. He called for a top management commitment to energy conservation. He also called for a thorough audit of all forms of energy use. He believes that it is necessary to set tough, measurable goals for energy conservation. And then he supported a national energy conservation campaign designed to educate and motivate employees, customers, suppliers, and the community at large.

Mr. President, I want to be very careful in my words and I do not want to exaggerate, but the potential savings are staggering. Within the industrial sector energy savings of 15 to 20 percent are realistic over the next few years. Theoretical savings on the order of 30 to 40 percent are possible, but large capital expenditures, will be required by industry over several years.

Commercial activities account for 14 percent of the total energy budget. Over one-half of the energy consumed in transportation can be attributed to business activities alone.

In summary, Mr. President, potential energy savings throughout the business community, without reducing business activity, are quite large: 15 percent in industrial operations, 25 percent in commercial buildings, and 15 percent in business-controlled transportation.

I know of one commercial building in Los Angeles which houses just one company. In that building many months ago there was a decision by management to have the escalators that were running 10 hours a day operate 2 hours in the morning and 2 hours in the evening. There was a removal of over 11,000 fluorescent light electric bulbs. Still there was security and comfort.

With regard to the cleaning of offices, look in Washington, D.C., in the public buildings, in the private buildings. Look at any city in America at night; at 8, 9, 10, 11, 12, and 1 o'clock in the morning, those buildings are ablaze with the use of electricity.

In the one building I mentioned in Los Angeles, by staggered employment starting early in the evening, there has been a reduction by 3½ to 4 hours in the time utilized for cleaning at night. This one company I mention, since adoption of this three-pronged energy conservation program, has cut its energy usage by 31 percent.

Some say energy conservation is an idle gesture; it is just the opposite. This resolution calls the American people to a crusade; it challenges them to conserve energy. The results would then be reported to the American people by the 31st of March, in the beginning, and monthly thereafter. This is very important.

On the basis of 1973 energy use, we could produce energy savings on the order of 5 million barrels of oil per day.

President Ford has proposed mandatory controls to achieve oil import reductions on the order of one to two million barrels of oil per day.

So I say to Senator HELMS, to Senator FORD, and to the able majority whip, who are in the Chamber, that we in Government can lead the way, in a sense we can serve by example, and call on the private sector to contribute to energy conservation.

Within the vast Federal Establishment there is an enormous potential. The General Services Administration owns or leases 10,000 buildings in all parts of the country. In one 6-month period a year ago, it found that the equivalent of 88,000 barrels of oil were saved simply by removing 1.2 million fluorescent light tubes. Reducing room temperatures to a recommended 68 degrees, instead of generally 76 and 78 and 80 degrees here on Capitol Hill, and with a reduction at night to 55 degrees saved 428,000 barrels of fuel oil.

These and other practices by Federal, State, and local governments would contribute greatly to the reduction of our national energy consumption as well as foster energy self-sufficiency.

Similar savings obviously are available to the American people in their everyday lives, without reducing their standard of living. Conservative use of energy for home heating and lighting, as well as added insulation, can bring about energy savings and counteract rising fuel costs.

One of the most important energy conservation measures we enacted in the 93d Congress was the establishment of a national 55-mile-per-hour speed limit. Transportation accounts for 25 percent of our total energy consumption. Even a small percentage of savings in energy consumption in transportation therefore is significant. Because of the heavy reliance of transportation on liquid fuels, the Federal Energy Administration has calculated that a universal observance of the 55-mile-per-hour speed limit—if it is enforced, Senator HELMS—can save 5 million gallons of gasoline every 24 hours.

One option if it is not enforced is to just withhold the highway funds from the States that do not enforce it. They will take more affirmative action, because they need the construction to go forward.

Carpooling, greater use of public transportation, and consolidation of trips are other easy methods by which the American consumer can save energy.

Other options for conserving energy have been examined by the Senate's National Fuels and Energy Policy Study. Several of these were contained in measures which the Senate approved during the 93d Congress such as the Facilities Construction Energy Conservation Act of 1973 and the National Fuels and Energy Conservation Act of 1973.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks the names of the Senators who are cosponsors of the resolution I have presented.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. Abourezk, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bellmon, Mr. Bentsen, Mr. Buckley, Mr. Burdick, Mr. Byrd of Virginia, Mr. Byrd of West Virginia.

Mr. Cannon, Mr. Case, Mr. Chiles, Mr. Clark, Mr. Cranston, Mr. Culver, Mr. Curtis, Mr. Dole, Mr. Domenici, Mr. Eagleton.

Mr. Eastland, Mr. Fannin, Mr. Ford, Mr. Gravel, Mr. Hansen, Mr. Hart of Colorado, Mr. Hart of Michigan, Mr. Hartke, Mr. Haskell, Mr. Hatfield.

Mr. Hathaway, Mr. Helms, Mr. Hollings, Mr. Huddleston, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Johnston, Mr. Laxalt.

Mr. Magnuson, Mr. Mathias, Mr. Mansfield, Mr. McClure, Mr. McGovern, Mr. McIntyre, Mr. Mondale, Mr. Montoya, Mr. Morgan, Mr. Moss.

Mr. Muskie, Mr. Nunn, Mr. Pastore, Mr. Pearson, Mr. Percy, Mr. Pell, Mr. Ribicoff, Mr. Schweiker, Mr. Scott of Pennsylvania, Mr. Stennis, Mr. Stevens, Mr. Stone, Mr. Talmadge, Mr. Thurmond, Mr. Tunney, Mr. Williams, and Mr. Young.

Mr. RANDOLPH. Mr. President, seldom have we had this sort of sponsorship. It indicates that there is no partisanship whatever in this approach. We are not pointing the finger at anyone. Frankly, we are pointing our fingers at ourselves.

We all realize that an Energy Conservation Crusade with the Energy Conservation Month I have mentioned, will help us realize that we are challenged in a voluntary way to make this effort. Thus Americans can be made more aware that the problems related to the importation of oil from abroad can in a large measure be solved, by beginning our independence here, with the disciplines that we can build into our daily lives.

I thank the able Majority Leader MIKE MANSFIELD, the Majority Whip ROBERT BYRD, the Minority Leader HUGH SCOTT, and the Minority Whip ROBERT GRIFFIN for this opportunity, at perhaps a late afternoon hour, to consider and to have adopted this resolution, under a unanimous-consent agreement.

The resolution is in no way a gesture. If the President of the United States will proclaim this Energy Conservation Crusade, if he will designate the month indicated as Energy Conservation Month, and will call upon the American people, through his leadership, then we, through our cooperation, can do much in our hour of need.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

S. Res. 59

Resolved, that it is hereby declared to be the sense of the Senate that wasteful energy consumption in the United States must be eliminated at this time when our country is experiencing unprecedented economic and energy problems and is faced with severe shortages of energy, and requests the President to issue a national proclamation calling for a national Energy Conservation Crusade and declaring the period from February 16 to March 15, 1975, as "Energy Conservation Month". In the observation of Energy Conservation Month—

—the President is called on to publicize information for government, industry, and consumer use on appropriate energy conservation measures and to direct the Federal establishment to institute all available actions to reduce energy consumption without reducing the level of essential services being provided to the American people;

—governors, county executives, mayors, and other responsible officials are called on to examine the activities of State and local government and wherever possible institute comparable measures to those of the Federal government to promote energy conservation;

—business and industry are requested to examine their energy consumption practices and institute measures to eliminate unnecessary energy consumption and improve efficiency of use of available energy supplies, to curtail ornamental lighting and nonessential lighted advertising, to adjust business hours to reduce energy consumption, and to modify building operating and maintenance practices to promote energy conservation; and

—the American people are called on to take the initiative in conserving available energy supplies by observing the 55 mile per hour speed limit on highways, by reducing the use of energy to heat and cool homes, offices, schools, and commercial establishments, by increasing the utilization of mass transportation facilities, carpools, compact cars, and stick-shift motor vehicles, and by installing insulation in their homes.

Sec. 2. The President is requested to report to Congress by March 31, 1975, on the steps taken to promote energy conservation and their results and on any recommendations for legislation he believes necessary to implement a continuing program of energy conservation.

Sec. 3. The President is requested to report monthly to the American people and the Congress on the status of energy conservation initiatives and their effectiveness, domestic energy supplies, domestic energy shortages, energy imports, and the impact of available supplies or shortages on the economy of and employment in the United States.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my appreciation to my senior colleague for the leadership he is giving in this area. I compliment him on the fine statement he has made here today. I appreciate his including my name as a cosponsor.

Mr. RANDOLPH. The Senator from West Virginia has been a part of our consideration and our programing of this resolution, and I am grateful for his assistance.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. BARTLETT subsequently said: Mr. President, I wish to compliment the distinguished senior Senator from West Virginia for the submission of the conservation resolution. I was privileged to be a cosponsor of this. I am well aware of the senior Senator's interest in matters of energy dating back many years. One year prior to 1971, he submitted a resolution to attempt to bring a solution to the energy crisis. The resolution or bill—I have forgotten, really, which it was—did not pass, but, later, the following year, 1971, he was the cosponsor of Senate Resolution 45, which called for an energy study to be undertaken by the Committee on the Interior, with ad hoc status or associate status given to the Committee on Public Works and to the Committee on Commerce. I am well aware of his interest in finding solutions to the energy problems and I compliment him for his action today.

ORDER FOR ADJOURNMENT UNTIL 11 A.M., FRIDAY, FEBRUARY 7, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 a.m. on Friday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING THE ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate over to 11 a.m. on Friday, the Vice President, the President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until 11 a.m. on Friday, the Secretary of the Senate be authorized to receive messages from the House and that authorization be given for their appropriate referral.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BARTLETT. Mr. President, will the distinguished assistant majority leader yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. BARTLETT. In the session on Friday, will the Members of the Senate expect to vote?

Mr. ROBERT C. BYRD. Mr. President, I cannot answer that question at this time. At the moment, I know of no matter on which a vote will occur, but I should not want my response to be binding in any way on me as having said that there would not be any vote.

LEAVE OF ABSENCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in accordance with rule V of the Standing Rules of the Senate, that Mr. MANSFIELD be authorized a leave of absence from the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President during the adjournment over until 11 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BENTSEN AND DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON FRIDAY, FEBRUARY 7, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, after the two leaders or their designees have been recognized under the standing order, Mr. BENTSEN be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 45 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 11 a.m. on Friday. After the two leaders or their designees have been recognized under the standing order, Mr. BENTSEN will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 45 minutes, with statements therein limited to 5 minutes each.

Mr. President, I know at the moment of no rollcall votes that can be announced for sure for Friday, but this is not to say that rollcall votes may not or will not occur.

ADJOURNMENT TO 11 A.M. FRIDAY, FEBRUARY 7, 1975

Mr. FORD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 o'clock on Friday morning.

The motion was agreed to; and at 5:19 p.m., the Senate adjourned until Friday, February 7, 1975, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 5, 1975:

Office of Management and Budget

James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

National Labor Relations Board

Betty Southard Murphy, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1979.

Department of Justice

Edward Hirsch Levi, of Illinois, to be Attorney General.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

TRIBUTE TO MR. L. W. KUMMER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1975

Mr. LAGOMARSINO. Mr. Speaker, it is both an honor and a pleasure for me to pay tribute to one of the most distinguished civic and business leaders in the Santa Barbara Tri-County areas, Mr. Leonard W. Kummer.

After more than 40 years of dedicated service to the community as an independent businessman and as president of the Santa Barbara Better Business Bureau, Mr. Kummer is retiring.

Mr. Kummer has devoted many years to the improvement of business-consumer relations, having first owned and operated a furnace and air conditioning business in Santa Barbara in 1933. He semiretired from the active operation of his firm in November 1972 so that he could devote more time to community projects. His business, popularly known as Kummer and Adams, is a member of the Better Business Bureau of the Tri-Counties and has been continuously since the BBB was chartered in the community in 1945. Appropriately, his firms' files at the bureau show no complaints registered against him or his firm in 28 years. Moreover, when the council of BBB announced in 1971 that business-consumer arbitration would be one of its top priority programs, Mr. Kummer, as the 1971–72 president, began in earnest to implement an arbitration program for the Bureau as an extension to the mediation service already performed.

In December of 1972, during his second term as president of the Santa Barbara BBB, Mr. Kummer's efforts resulted in California's first voluntary binding arbitration board to resolve problems that occur in the marketplace, thus pioneering the way for arbitration programs in numerous other California cities.

Although Mr. Kummer is a three-term President of the BBB, and an honorary life member, this only represents a small portion of the time he has devoted to the Santa Barbara community during the past 40 years.

On February 8, 1975, a retirement dinner will be held by friends and colleagues to express appreciation and respect for this truly dedicated and distinguished leader.

All who have been privileged to know and work with Leonard know that he has given a great portion of his life to youth, businessmen, and to the consuming public of the community. We know that he will look forward to new opportunities and freedoms that a busy schedule has not permitted in the past.

I would like to take this opportunity to express best wishes and continued happiness to Leonard for many years of work and contribution to the public and community.

ECONOMIC COVERUP COMES APART

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. FISHER. Mr. Speaker, I joined in the cosponsorship of the bill passed today which would prohibit the President from imposing an import fee on petroleum for the next 90 days.

The increase in the price of oil which would result from the President's action would have serious effects throughout the economy. Mr. Matthew J. Kerbec, president, Output Systems Corporation of Arlington, Va., has been studying the ripple effects of high energy prices. I would like to bring to the attention of my colleagues a statement recently issued by Output Systems Corporation on the subject.

The statement follows:

ECONOMIC COVERUP COMES APART

WASHINGTON D.C.,
January 20, 1975.

Bigger than Watergate, the Economic coverup started to come apart when Mr. L. William Seidman, President Ford's economic policy coordinator conceded that there were unpredictable and significant price ripple effects associated with the President's newest proposals to increase energy prices and taxes which had not been reported in his message to Congress. The January 17, 1975 edition of the Wall Street Journal quotes Mr. Seidman as saying that the economic impact on the Consumer Price Index (CPI) could range from 1.875 to 3.5 percent. This could mean an inflationary impact of between $30 to $50 billion which would exceed any tax rebate and lead to higher inflation and unemployment without insuring energy conservation goals would be met.

Matthew J. Kerbec, of Arlington, Virginia has been knocking on doors all over Washington for the past fifteen months warning the President and Congressmen that the sudden massive energy price increases would cause huge price ripple effects leading to unprecedented price, wage and unemployment problems.

Kerbec is the author of the study Superinflation/Recession—Causes, Effects and Cures. His latest analysis significantly differs from Mr. Seidman's estimates. His figures show that the Ford proposals would increase inflation and the CPI from 4.5 to 7 percent depending upon whether a tax of $2 or $3 was used to compute total crude oil prices and whether a price increase was included for coal (in 1974 coal prices increased 78 percent primarily as a result of price increases for oil and natural gas). As no excess profit taxes for coal were included in the Ford program coal producers could reap an estimated $8.4 billion windfall profits. The net effects of the energy taxes would be a wave of price increases that would ripple through all businesses and homes.

According to Kerbec, many government spokesmen have the erroneous belief that energy price increases only have a one time effect on the Consumer Price Index. Over 50 million consumer incomes are tied to the CPI. This means increases in the CPI will trigger new wage increases which in turn will create additional price ripple effects. He also believes there is no valid reason for thinking the economic situation will automatically correct itself. The reason, Kerbec says, is that we have allowed cartel prices to force up all energy prices which forces up all product prices even though we only import 17 percent of our total energy needs. The Cost Push effects of these price increases is the main reason for the current simultaneous doses of inflation and recession. Industries producing products which are necessary to survival can recover inflated costs and maintain profit margins—they will contribute to inflation. At the same time companies producing products consumers can do without or postpone buying are suffering production cutbacks and worker layoffs—they contribute to recession. Trying to fight inflation or recession alone in this type of Cost Push situation shows an unrealistic assessment of the causes of the problem. Cartel prices defeat any supply-demand relationship that would automatically adjust prices.

Prices for products produced in the basic industries have increased over 64 percent in 1974. Foreign producers are on record as stating that if prices for the goods they buy are increased they will again increase oil prices. The Ford proposals will insure higher prices for U.S. products.

A fundamental question is—How can our economy ever stabilize when prices for energy, the most vital and pervasive commodity of all, is governed by the actions of foreign governments. It is frightening to realize that foreign price actions can affect prices, wages and unemployment, at will, in all levels of the American economy. Add to this the combination of high prices, market power wielded by monopolistic industries and price ripple effects it becomes apparent that we are on our way to destroying our civilization. The new energy tax proposals will hasten this process.

Kerbec strongly advocates public discussions based on the question—Why weren't the inflationary aspects of the price ripple effects evaluated in 1973 before the massive increases in energy prices were advocated and granted by government leaders. He believes that if this evaluation had been carried out at that time it would have avoided much human suffering, lost jobs, bankruptcies and sick industries.

ANALYSIS OF POTENTIAL IMPACT ON CONSUMER PRICES UNDER THE NEW FORD ADMINISTRATION ENERGY AND TAX PROPOSALS

CRUDE OIL AND REFINED PETROLEUM PRODUCTS

Assume: 1. That 18 million barrels of crude oil are refined daily and this will drop to 17 million barrels a day when the energy taxes are imposed.

Assume: 2. That the present composite average for the 11 million barrels produced daily in the U.S. is $7.20 and this will increase to $11 per barrel after excess profit taxes are imposed.

Assume: 3. That a $3 import and excise tax will be imposed on 17 million barrels daily.

Then the yearly tax revenues are calculated as follows:

$$(11.00-7.20)\times 11\ \text{million}\times 365=\$15.257\ \text{billion}$$

$$\$3\times 17\ \text{million}\times 365=\$18.615\ \text{billion}$$

Total ---------$33.872 billion

This will result in tax revenues of $33 billion but this cost has to be passed on to refineries and this is where the price amplifications due to ripple effects start. For the purposes of this analysis let us assume that this crude oil is marked up by only 15% to cover financing and other miscellaneous costs as it passes through the refinery.

Then the selling prices to industries becomes $38.89 (1.15×$33.872) billion. *Thus the total price increase will amount to $38.89 billion on a refined petroleum level.*

Present crude oil costs are:

domestic average
$7.20×11 million×365=$28.908 billion
imported (landed)
$12.41×7 million×365=$31.707 billion

Total ____ $60.615 billion

The program will have added 64% to the price of refined petroleum products (38.89 div. by 60.615).

NATURAL GAS

The following estimates were developed from data supplied by Mr. Henry Lippick, Counsel, Senate Commerce Committee 224–3595 and Mr. David Schwartz, Assistant Chief, Office of Economics, Federal Power Commission 386–5162.

Assume: 1. That we use 22 trillion cubic feet of natural gas yearly or 22 billion units of gas with 1,000 cubic feet in each unit. Prices usually cover a quantity of 1,000 cubic feet or MCF. The total price for all gas was about $11 billion in 1974.

Assume: 2. Under present proposals the 13 billion CMF sold interstate would go from about $0.50 per CMF to $0.80 per CMF an increase of $0.30 per CMF.

Assume: 3. A 37-cent excise tax would be levied on the 22 billion MCF.

Then the total increase in price for natural gas would be:

13 billion × $0.39=$3.90 billion which will go to the oil producers
22 billion × $0.37=$8.14 billion which will go to the U.S. Treasury as taxes
Total, $12.04 billion total increase for natural gas prices at the wellhead.

The $12.04 billion represents over a 100% increase in the price. Natural gas is a necessary requirement to produce fertilizer, petrochemical feedstocks, and industries that freeze, can, package and market food. The point to be made is that much of this gas is used for purposes other than to heat homes and is subject to price markups as it ripples through the economy.

COAL

Assume: That 600 million tons of coal are used each year.

1. That the average price in 1974 was $20 per ton. (According to the Wholesale Price Index for December the price of coal went up about 78% in the past year. It is assumed that if the prices for refined petroleum products increase about 64% and natural gas increases about 100% that coal will increase approximately 70%.) This means that the price of coal will increase by $14 a ton.

2. The total cost for coal in 1974 was approximately $12 billion.

Then the total increase in price would be:

$14×600 million=$8.4 billion as coal prices find their way up to the new natural gas and crude oil price levels.

The $8.4 billion in price increases will be primarily windfall profits for the coal industry.

Total Increase in Energy Prices as a Result of the Ford Administration's Energy and Tax Proposals are as Follows:

Refined Petroleum Products	$38.89 billion
Natural Gas	$12.04 billion
Coal	$8.40 billion
Total	$59.33 billion

Total increase in 1975 if the Ford Administration's policies are implemented.

However, it must be clearly understood that this $59 billion is only a start in measuring the effects of these energy price increases. Coal is used primarily by electric power generating companies and as a raw material in the production of steel. Oil products are used as raw materials in the transportation industry and in all the production processes concerned with producing plastics which is a $100 billion a year industry. Actually there is a cost for energy associated with obtaining, producing or transporting all raw materials and products and there are no exceptions.

One scenario for measuring the Price Amplification Effects as these price increases ripple through the economy could be by thinking of the total economy as one manufacturing operation with a 30% gross markup; one wholesale operation with a 20% gross markup; and one retail operation with a 30% gross margin. These markups are cumulative and transform the $55.67 billion into $113.01 billion at the consumer level (1.3×1.2×1.3×$59.33=$120.44).

If the crude oil tax of $33.87 billion and the $8.4 billion tax from the natural gas are redistributed to consumers in the form of lower taxes the total tax will amount to about $42.31 billion. One of the big questions is in forecasting how much of the tax rebate will be used to buy the higher priced electricity, fuel oil, gasoline and public transportation and how much will be left to purchase products produced by the depressed industries.

The end result of this first go-around in our scenario would be an inflationary impact of $120 billion offset by increased purchasing power of $42 billion. If no raises were given, that is, the buying power of the people remained constant more money would be spent for fewer necessities which would increase inflation and expenditures for non essentials which people could do without or postpone buying would be reduced, setting off a new round of production cutbacks and layoffs. It is estimated that this energy tax program will result in about a 7% increase in inflation. If this program resulted in $60 billion less being spent for goods and services and we assume that, on the average, 20% of the selling price of products are labor costs—then the labor bill will be cut by $18 billion. If the average salary for workers in the bottom 80% of the income group is $10,000 per year the $18 billion could mean 1.2 million jobs lost through reduced demand.

The above analysis is rough in that it does not show how much of the industrial income is recycled back into the buying power pool or the increased spending that would accrue through wage increases. Its main purpose is to show that huge increases in energy prices can and do have an economic impact far greater than any other commodity.

Another way to provide an insight to the potential inflationary effects of **the new** energy tax proposals is by examining the Consumer Price Index under the assumption that prices for coal, natural gas and crude oil will rise by an average of 75% in one year as indeed they did in 1974 and will if the new energy tax proposals are implemented.

Table 1 attached was calculated in September 1974 at a time when energy prices had gone up by 75%. Under the new energy proposals the Table is applicable in showing the first round effects and does not include second and third order effects due to interest and wage increases. The Table shows that a 75% increase in the price of energy could result in a 7.58% inflation under the dual assumptions that the energy component column is accurate and the prices for energy increase by 75%.

NOTE.—It is estimated that current annual energy prices are running about:

$60.61 billion for oil
$11.00 billion for natural gas
$12.00 billion for coal

$83.61 billion total for fossil fuel energy

The $59.33 billion increase in the price of these energy products as a result of the Ford Administration's energy and tax policies will increase the total energy bill by over 70%.

Based on the 70% increase inflation would increase by over 70% (0.70×10.10 from Table 1=70.7%).

(Analysis based on the study Superinflation/Recession—Causes, Effects and Cures. Published by the Output Systems Corporation, 2300 S. Ninth Street, Arlington, Virginia 22204, Phone (703) 521–2300).

FOOD STAMP PROGRAM

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. KETCHUM. Mr. Speaker, yesterday I voted against H.R. 1589, which prohibits the Department of Agriculture from raising the price of food stamps. I believe that this House made a mistake by passing this legislation for two reasons.

First, the bill prohibits the Department of Agriculture from raising some badly needed revenue. Had the Department's regulation been allowed to stand, there would have been a minimum saving of $215 million in 1975, a sum which is 5 percent of the $4 billion food stamp budget. At a time when nearly every Member of Congress professes concern over this year's projected $52 billion deficit, I think this additional income should certainly have been permitted to be raised.

Second, the bill is a very poor substitute for a wholesale reform of the food stamp program. In just 10 years, the food stamp program has mushroomed wildly. In 1964, there were only 367,000 recipients of food stamps. Last year, there were 13 million people using food stamps; this year there will probably be 16 million, and the Joint Economic Committee now estimates that 25 percent of our citizens will be eligible by 1976. The costs of this program now exceed $4 billion annually. In 1974, the Federal Government spent $316 million for food stamps in my home State of California. Moreover, the costs to the State in administering this program were over $100 million.

It is now generally regarded that the food stamp program is rife with abuses. I do not, for example, believe that a college student whose father earns $100,000 a year should receive food stamps, but he is eligible. I do not believe that strikers should qualify for food stamps, which places the Government in a decidedly nonneutral position in labor-management disputes. Nor do I believe that people who transfer property titles to others in order to qualify for food stamps should be subsidized by the taxpayers.

What is needed, Mr. Speaker, is a complete investigation of the entire food stamp program, and a package of legislation to curb its numerous abuses. In the meantime, I do not consider it wise to block increases in food stamp costs and, therefore, voted against this bill.

STATEMENT AND RECOMMENDATIONS BY THE VIRGINIA HOSPITAL ASSOCIATION

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. DOWNING. Mr. Speaker, representatives of the Virginia Hospital Association met with members of the Commonwealth's delegation yesterday. They discussed with us a number of the problems with which the hospital industry has been beset in recent months and years.

Certain of these problems are outgrowths of the implementation of legislation which we helped enact. I have not always felt that such implementation has been in keeping with legislative intent.

The statement and recommendations which the Virginia Hospital Association offered to us present a case for sound reflection, constructive thinking, and positive action. On behalf of the delegation, I offer the statement and recommendations for inclusion in the RECORD so that Members other than those of us from Virginia might have the opportunity to familiarize themselves with these problems, which we believe to be nationwide:

A POSITION STATEMENT AND RECOMMENDATIONS BY THE VIRGINIA HOSPITAL ASSOCIATION, FEBRUARY 4, 1975

(Statement to the Virginia congressional delegation, the 94th Congress, by Robert A. Cramer, president, Virginia Hospital Association)

On behalf of the membership of our association, we express appreciation for your time and, we hope, sympathetic ear to the seemingly endless concerns of the hospital industry in Virginia as well as across the Nation.

All of you have our understanding for the enormous job that faces you in dealing with not just the legislative concerns of one segment of one industry in one state, but the thousands of legislative matters from the public at large, business, industry, the professions, and other interests that must be considered during this session of Congress.

We are proud of our Virginia delegation in the Congress and look forward to working closely with you regarding health issues.

We are also honored to have with us today representatives of hospital management whom I choose to call the unsung heroes of our industry. I refer to the trustees who are here to share with you our concerns about the future of the health care field.

Too often we hear criticism of the management of hospitals, but we don't hear enough about the service of hospital trustees who provide their time and talents on a voluntary basis.

These trustees are usually the leading citizens in their communities—the leaders of industry, business and the professions. They are not paid for the duties they assume as hospital trustees, and yet are legally responsible for everything that goes on in their hospital—whether they had full information about it or not.

In my humble opinion, they seldom receive the recognition they deserve.

Getting back now to an expression of our concern about trends in the hospital industry: We believe it is time to speak out loud and clear to voice strong objection to the constant barrage of complaints from uninformed people about the exorbitant cost of hospital care and the inefficiency of hospital management.

One classic example of the Federal Government's continuing effort to control the hospital industry is its recent publishing of regulations for a utilization review program. Frankly, it is cumbersome and typical of the Government's ambiguous . . . vague . . . dogmatic . . . and extremely impractical approach to the delivery of health care services.

The regulations governing a utilization review program were published in the Federal Register on November 29, 1974. They became effective February 1, 1975. The Department of Health, Education, and Welfare promised guidelines by the implementation date, but even with the guidelines, two months is a totally inadequate period of time to prepare for such a program.

In my own situation, as administrator of a small, rural hospital, we do not have the medical staff, the cash, or—along with all other hospitals—the time to implement what apparently is expected of us today.

Under the regulations for a utilization review program, we must:

Provide a written description of our review plan which has been approved by the medical staff and the board of trustees.

Hire a utilization review coordinator for the U.R. committee to be composed of at least two physicians and other qualified professional personnel, and

Complete the review of each medicare or medicaid admission within 48 hours after admission.

Hospitals are expected to provide written justification for such admissions and certify the length of stay according to pre-established criteria.

The review programs now being implemented by all acute care hospitals must include the utilization review coordinator . . . clerical support to help with the paperwork . . . office space and equipment . . . special forms for review activities . . . physician time to set procedures, establish criteria and conduct reviews . . . and expanded medical record capability for both research and concurrent checking for conformance.

And, gentlemen, despite the professional standards review organizations also now being established as required under the social security amendments of 1972, the hospital is responsible for compliance with the new utilization review requirements.

Under the rules and regulations governing PSRO, physicians and physician groups have, by legislative mandate, almost total control of peer review. Yes, there is duplication of function, layers of confusion and needless expense.

In addition, PSROs have their own financial problems. Funding for these organizations is so inadequate that it is doubtful whether any new PSROs can be funded other than those already approved. As an illustration of the exorbitant cost of this program, one PSRO in Virginia has indicated it will cost $23.60 per admission. That is a rather steep price but is realistic when compared to existing programs in other States.

Meanwhile, we continue to be annoyed that such a substantial number of our citizens—seemingly sophisticated and intelligent people—remain so puzzled about the fact that hospital care is expensive. Of course it is expensive, and we predict that we have only seen the tip of the iceberg.

So long as the Congress of the United States and the Virginia general assembly pass legislation resulting in increased expense to the hospital industry, it is axiomatic that these increased costs must be passed on to whoever is paying the bill.

Our industry is not skimming dollars into private pockets. There are no windfalls, no excess profits, and additional efficiencies are being achieved continuously. The theme of cost containment in hospitals has been so thoroughly developed since the beginning of the economic stabilization program in 1971, that no quick solutions through cost cutting can now be expected.

Congress receives a continuing flow of bills to provide national health insurance for millions of people with cost estimates ranging from 20 to 80 billion dollars a year . . . we face the continuing and rising costs of unemployment compensation and workmen's compensation . . . the costs of the F.I.C.A. program for hospital employees are steadily increasing. The minimum wage increased on January 1st to $2 per hour, a 25 percent boost in the last eight months.

Effective last August, private hospitals for the first time were placed under the jurisdiction of the National Labor Relations Act, which brings on collective bargaining and strikes and increasing management attention to union activities. The state's attorney general only recently rendered the opinion that the Taft-Hartley amendments passed by the Congress and signed into law last summer nullify Virginia's law protecting hospitals from work stoppage and strikes.

The impact of collective bargaining on Virginia's hospital industry could, by conservative estimate, increase hospital costs by thirty percent. This is based on the experience of Baltimore area hospitals following successful union drives. It is also confirmed by events in Pennsylvania following passage of a public employee collective bargaining law in that state in 1970.

Last year the Virginia general assembly reversed the doctrine of charitable immunity as it applied to private, not-for-profit hospitals. At that time, we estimated that this would mean a 500 percent boost in the cost of hospital professional liability insurance. We made a mistake. As of last September, hospital professional liability insurance rates in Virginia increased from $14.50 per bed to $112 per bed for basic limits. In other words, a staggering 672 percent increase, resulting in a minimum of four million dollars in additional costs that must be passed on to patients at a time when they can least afford it.

On the Federal level, however, three programs are giving us increasing concern about how we are going to comply with them and still maintain high quality patient care. I refer to national health insurance, the National Health Planning and Development and Health Facilities Assistance Act of 1974, and the free care clause under the Hill-Burton Act.

We support in principle H.R. I introduced by Representative Al Ullman and urge that these three basic concepts be included in any national health insurance legislation:

Pluralistic financing by mandated private health insurance for the employed through employer-employee premium contributions . . . by revenues from State and Federal Government sources for the poor and near-poor . . . and by the existing medicare payroll tax system for the aged.

Administration primarily at the State Government level, including a variety of methods of prospective rate setting for institutional providers of health care.

Recognition of the full financial requirements of health care institutions.

We endorse completely the planning concept regarding health care facilities and services, but the planning bill itself signed into law by President Ford is another example of the cumbersome approach of the government to solve all of our problems for us without adequate understanding of what the problems are.

The language of the bill is incredibly confusing and it will be interesting to see how it is interpreted through Federal regulations regarding it.

The makeup of statewide health systems agencies is a case in point. The Senate bill said that an HSA could be either a public entity or a nonprofit corporation. The House bill said that if a public entity were so designated, it would have to be governed by a majority of elected officials or authorized by existing state law to carry out planning functions. The Conference Committee report specified further that an HSA may not be, or operate, an educational institution.

An amendment in the compromise planning bill calls for a periodic review of the necessity for all institutional health services offered in its area and recommendations regarding the appropriateness of such services. We are grateful to Congressman Satterfield for that amendment. The Senate bill had called for the "elimination" of inappropriate services and facilities.

The planning bill, along with utilization review, professional standards review organizations, and other segments of the social security amendments of 1972, are graphic illustrations of the continuing efforts on the part of the Federal Government to control the hospital system in America. It is bureaucratic regimentation that is destroying our ability to meet the demand for adequate patient care. I can foresee the physician having no time for his patient because of all the paper work involved in meeting the requirements of government regulations.

In addition, the free care clause under the Hill-Burton Act is another demonstration of the Federal Government wielding the big club.

Any hospital which has received funding assistance from the Hill-Burton program for modernization, expansion or construction of new facilities must provide a certain level of charity care.

We have three options: We can advise the State that we will not deny admission to anyone unable to pay . . . that our level of charity care will be equal to 10 percent annually of all Hill-Burton assistance received . . . or that our level of free care will be three per cent of our operating costs after we subtract Medicare and Medicaid reimbursement.

If a hospital cannot afford any of these options, it has 120 days after the end of its fiscal year to notify the State for review of its case. Whatever the option chosen, or the findings of the State after an appeal, must be published in the local newspaper.

Other requirements are that a hospital must post in its waiting room notice that persons may be eligible for free care. Also, it must send out with its billing notice that the patient may qualify for free care and if he thinks he is eligible, to notify the hospital.

These Hill-Burton requirements generate considerable paper work, further financial losses, and certainly a slow-down in attention to our most important business—the care of patients.

Meanwhile, the Virginia medical assistance program has just announced an $11.3 million cutback in Medicaid funds for the remainder of this fiscal year. We consider this an abdication of the State's responsibility, which is to all of the people. Money cannot be drained out of hospitals to supply this cutback. The money must come from the patients who pay their own hospital bills. In fact, these patients are a vanishing minority group that may become extinct before long.

The impact of this action will force some of our metropolitan hospitals to increase charges by $4 to $9 per day, just to recoup revenue losses from this Medicaid cutback. A diminishing number of patients are increasingly being burdened with paying the cost of care for indigents appropriately the responsibility of State and Federal Government.

To give a few specific examples of what will happen in Virginia:

Roanoke Memorial hospitals will lose $200,000 annually.

Richmond Memorial hospital will lose at least $200,000 annually.

Riverside hospital in Newport News will lose $100,000.

Norfolk General hospital will lose more than $500,000 annually.

Northampton-Accomack Memorial hospital on the Eastern Shore will lose $40,000—critical to a small rural hospital.

The University of Virginia hospital will lose approximately $500,000 annually and MCV hospitals in Richmond a whopping $1,200,000. The State's two large teaching hospitals face staggering deficits in 1975.

In addition to our Medicaid concern, the Medicare program is categorically limiting its payments to hospitals in several arbitrary ways, to help the Federal shortage of funds. This is done by such methods as setting artificial limits on sums paid and by manipulating hospital cost accounting requirements to minimize the Federal share. Local governments are similarly cutting back on funds available for the care of the medically indigent.

Despite these adversities, we are making every effort to mind our own store in this commonwealth. The Virginia Hospital Association is now operating a rate review program involving 61 hospitals covering 15,000 of the 20,000 acute care beds in Virginia. Positively no state funds have been obligated to this program. The association obligated $100,000 last year to underwrite administrative expense for the program and will double that this year. Other start-up costs were borne by the hospitals and were supported, in part, by a grant from the Virginia Regional Medical Program.

New laws, rules and regulations are coming so fast and furious that it is difficult to cope. Consider, if you will, that the cost of equipment and supplies to hospitals is increasing at the rate of two percent per month and could go higher.

For example, the C. and P. Telephone Company has proposed a new message rate tariff against commercial users which if approved by the State Corporation Commission will increase hospital telephone costs by 50 percent. The result may be the removal of telephones from all patient rooms.

Food costs are up 25 percent . . . I.V. solutions up 17 percent . . . oxygen up 28 percent . . . X-ray film up 23 percent . . . fuel costs have more than doubled and hospitals on interruptable gas service are—with the gas shut-off—experiencing, through no fault of their own, increases in fuel costs of 400 percent.

Wages and salaries have increased as much as 25 percent this past year as the hospital industry plays catch-up following the arbitrary, inequitable controls earlier imposed on the industry by the cost of living council.

Is there any wonder that we are frustrated in our losing battle to contain rising hospital costs? Our industry cannot, will not survive as a controlled industry in an uncontrolled economy. The last year of controls under the cost of living council dramatically proved that point.

When oppressive Federal and State controls were inaugurated in the mid-1960's, the prophets of gloom warned that the most critical hospital issue in the 1970's would be survival. We submit that that is exactly what has happened.

Several Virginia hospitals are precariously close to insolvency. As costs go up, revenues don't, and the hospitals continue to try to pay their bills and meet their payrolls. Plans for improvement of services are being canceled every day, as the insolvency questions loom larger and larger.

We are not saying that we are the only industry in America besieged by the battles of inflation, government regulations and the energy crisis. We are saying, however, that the nature of the health care industry is such that we cannot afford to play politics and money games with people's lives. More Federal and State involvement will result in fewer services, less personnel and steady deterioration in the quality of services.

I cannot stress too strongly that hospitals today have their own economic crisis. Unless the direction of current trends is reversed, Americans will be waiting in line for health care just as they are in England, Sweden, Italy, and France. Hospital costs in these countries have not been contained. And the bureaucracy cuts services every time the State faces a budgetary crisis.

We recognize that the content of this statement sounds more negative than positive. We don't mean to project the image of being entirely negative but we do face monumental problems today and in the years ahead. The one thing we do have going for us, in spite of all our problems, is that our hospital system and quality of care is the best in the world.

Finally, in the spirit of a more positive approach, we would ask your consideration of the following recommendations:

1. Delay enactment of national health insurance until the next Congress and give Public Laws 92–603 and 93–641 time to become operational and correct the problems described by the Congress in recommending this legislation.

2. Restore the cuts in the 1975 medicaid and medicare budget and temporarily liberalize benefits of these programs aimed at meeting the health needs of the two segments of our population suffering most from inflation and recession—the indigent and the elderly.

3. Consider the immediate need for some solution to the cost and availability of liability insurance for hospitals and physicians.

4. If wage-price controls are again applied to our economy, please don't place the hospital industry in the absolutely untenable position of being a controlled industry in an uncontrolled economy.

I know I have been presumptuous in taking this much of your time. I wish to express once again sincere thanks on behalf of Virginia's hospitals for your being here today and for all the consideration you have demonstrated in considering the many requests we make of you as our representatives in the Congress of the United States.

Thank you.

FUTURE HOMEMAKERS OF AMERICA

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. COCHRAN. Mr. Speaker, in these times when many people seem to have forgotten how to care for their fellow citizens, it is gratifying to learn of a group of young people who have taken the initiative to reach out to help those who need it.

The Future Homemakers of America, a national organization of secondary school students with thousands of members across the Nation, is one such group. In the past they have reached out to the elderly, the poor and the handicapped. February 9–15 is FHA week, and I believe this is the appropriate time to honor these young people and to wish them the best in their work for a better America.

Particularly, I would like to commend the 250 chapters of the Mississippi Association of Future Homemakers of America and the invaluable public service work they have performed. I believe it is important that we recognize and encourage these positive actions of our youth.

TODAY'S ARMY

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. BEARD of Tennessee. Mr. Speaker, much controversy has surrounded our transition to an all-voluntary military force. As one who has questioned the merits of this move, I am always interested to see in-depth reports concerning the quality and readiness of our Armed Forces.

One excellent study recently appeared in the Wall Street Journal; written by Richard J. Levine, it is a thorough, objective look at today's Army, which is, according to the Secretary of Defense, "back on its feet."

I recommend the article to my colleagues and I urge them to read it and reflect on it:

TODAY'S ARMY BUILDS MORALE AND EFFICIENCY WITH FIELD EXERCISES

(By Richard J. Levine)

FORT CARSON, COLO.—With a cigar clenched between his teeth and tanker's goggles pushed up on his helmet, jut-jawed Maj. William Stockman looks like a "Patton" movie character as he prepares his tanks to defend this arid mountain post.

Although he's tired and dirty after a grueling day in the field, he doesn't have time to relax as he gets his troops ready for nighttime skirmishes.

The encounters also bear a lot of resemblance to "Patton," but they're part of a three-day training exercise for soldiers of the Army's Fourth Mechanized Infantry Division stationed here.

Maj. Stockman is engaged in a mock battle involving more than 1,000 men and hundreds of combat vehicles. The men get little time to sleep and must exist on canned C-rations during the night-and-day operations.

"We need a lot more of this; a unit fights the way it trains," Maj. Stockman says as he mops his face with a red bandana in the gathering darkness.

POSTWAR PRESCRIPTION

Realistic training exercises like this one, involving large Army units, are making a comeback in today's Army. They were largely abandoned during the Vietnam war as the Army relied on basic training and individual training techniques in the rush to fill decimated ranks at home and abroad.

Now, the revived exercises have become a key element in rebuilding morale and combat effectiveness in the nation's first all-volunteer Army since 1948.

In effect, after being torn by a decade of unpopular war abroad and social unrest at home, the Army has elected to return to the unglamorous basics of peacetime soldiering.

Despite significant improvements in GI pay and living conditions, "it's a very 'old Army' environment here," says Lt. Col. Robert Wagner, commanding officer of the division's air cavalry (helicopter) squadron.

So far, the Army's renewed emphasis on tough training and traditional discipline—along with a heavy flow of volunteers and reduced turnover—seems to be paying off. By most indicators, the volunteer Army of today is markedly better than the drafted Army of two or three years ago—leaner, more motivated and better prepared for combat.

ARMY "BACK ON ITS FEET"

"Compared with what it was, the state of the Army is good," says Army Secretary Howard Callaway. "In the last year and a half, the bleak outlook has faded." In the view of Defense Secretary James Schlesinger, a hard-headed realist, the Army is "back on its feet."

This isn't to say all is well with the Army. There are still said to be too many marijuana smokers and too few high school graduates among young soldiers. Some units are short of tanks and spare parts. Troubling questions continue to be raised about the increasing percentage of blacks in the ranks, overweening ambition in the officer corps and the proper role of the Army in an era of U.S.-Soviet detente.

Nevertheless, the Pentagon today rates all 13 Army divisions "fully ready" or "substantially ready" for sustained combat. Two years ago, only four of 13 were so designated.

While some younger officers question whether the improvement has been quite so sweeping, there is widespread agreement with the assessment of Gen. Fred Weyand, the new Army Chief of Staff, that "there has been a very dramatic increase in (combat) readiness." And as the late Gen. Creighton Abrams, Gen. Weyand's predecessor, once put it: "Readiness for war is our most critical measure of effectiveness, short of combat itself."

The Fourth Division has been rated combat-ready since September 1973, following intensive individual and unit training. Having recruited thousands of soldiers in the past three years, the division today is about 1,200 men over its "authorized" strength of 15,230. Equally important, its combat elements spend about 25% of their time in the field—a schedule that keeps Fort Carson's training facilities humming.

SOME BUDGET CONSIDERATIONS

The consensus among officers is that the division's readiness has suffered somewhat from a tighter training budget (which has meant less money for fuel and spare parts), shortages of M60 tanks (replacements for retired tanks have been slow in arriving) and the departure of men for higher-priorty divisions in Europe (leaving units short of experienced noncommissioned officers).

Still, Lt. Col. George Sibert, the highly respected commander of one of the division's nine battalions, declares: "We could go somewhere and get the job done, and learn something doing it. A month into combat, we'd be a lot better." Out of earshot of the colonel, Pfc. Larry Harris renders the GI's highest accolade, "It's a good unit."

A big help in the Army's recovery from its Vietnam-era woes has been its ability to fill its ranks with volunteers. Although the Army took its last draftees in December 1972 and discharged its last draftees in late 1974, the Army has attracted enough recruits to maintain its authorized strength of 782,000.

In the fiscal year that ended June 30, the Army recruited 199,000 men and women. Recruiting since then has been going so well that the December goal was reduced by 6,000 volunteers.

Moreover, the Army seems to be making better use of its people. It has been moving them less frequently from post to post and lopping off unproductive desk jobs while increasing the number of combat units.

Currently, the Army is adding a new combat division, and in coming years it plans to field two more divisions, all without increasing its total personnel. To accomplish this, officials have been eliminating unnecessary headquarters, such as regional headquarters in Alaska, Panama and Hawaii. In other cases, headquarters staffs are being trimmed. "So far we haven't seemed to suffer," says a top Army planner in Washington, "so we'll just keep paring away."

Other peacetime problems, however, are proving more stubborn than overstaffed headquarters. Many professional military men are convinced that the Army now is enlisting too many high school dropouts (39% of first-term enlistees), black (26%) and youngsters who are running away from problems.

Young lieutenants and captains here at Fort Carson complain about the flood of soldiers' misfortunes they handle daily, ranging from debts and drugs to pregnant girl friends and marital scraps. These officers generally believe most of the young volunteers (average age at enlistment is 19 years old) can be molded into proficient fighting men. But they find that all the personnel trouble makes the job more difficult.

"It makes it a much more intensive leadership problem," says First Lt. William Webb, a 24-year-old-West Point graduate who is executive officer of an air cavalry troop. "We're getting more people who failed, or who had nothing better. In the last eight months, I've been so frustrated that I can't see living 20 years like this." Capt. John Colacicco, commander of another troop, says "10% of the people cause 90% of the problems."

DROPOUTS FALL IN

Indeed, many young soldiers here do indicate they enlisted for negative reasons. "I wasn't going to get a diploma, so I joined the Army," say Pfc. Norman Berg, an 18-year-old who quit high school after the 10th grade, "There was nothing else to do." Declares another enlistee: "Jobs were getting scarce back home."

Yet morale here seems fairly high. Despite the usual griping, men speak well of their units and officers, and they salute sharply. Although the division's monthly AWOL rate has remained essentially level at about 24 men per 1,000 commanders report that many absent soldiers quickly reported to their units when the Army was placed on world-wide alert during the 1973 Arab-Israeli war.

Moreover, the Army-wide AWOL and desertion rates have been dropping; the monthly AWOL rate averaged 9.4 men per 1,000 for the first 10 months of 1974, down from 13 per 1,000 in 1973. Another positive sign: First-term soldiers have been reenlisting in large numbers.

The most persistent discipline problem in the Fourth Division, as elsewhere in the Army, is marijuana. Heroin usage has declined sharply, but pot-smoking remains rampant. While some officers worry about the effects of marijuana on soldier performance, the GI's attitude is summed up by Pfc. Arthur Edlund, who nonchalantly compares marijuana to "a cold beer on a hot day."

The Army's changing racial composition also stirs concern. Though racial tension has ebbed considerably in recent years, blacks now constitute 22% of the Army's enlisted population, well above the 13.4% of 10 years ago. Secretary Callaway stresses his pride in the opportunities the Army provides young blacks. But privately, many Army officials are worried about the disparity between the racial composition of the Army and that of American society in general, where blacks represent a bit over 11% of the population.

"There may be some magic number at which the public perceives the Army is no longer representative" and thus isn't deserving of support, says one colonel. In an attempt to avoid just such a development, Army recruiters will work harder in predominantly white suburban areas in the future.

There's also continuing concern in and out of the Army about senior officers' tendency to put individual careers ahead of the welfare of the Army.

At the Army War College at Carlisle Barracks, Pa., Lt. Col. Lewis Sorley, an unusually candid faculty member, worries that "the (promotion) filter is in backwards, and self-interested and exploitative people all too often succeed." As a result, he argues, many high-caliber men have left the service, and general officers whose values are "distorted" continue "to pick men in their self-image."

The Army has developed a new career-management system that may reduce undue competition for command jobs. But it will be years before it's clear whether the new system will work. Meantime, rivalry for command assignments continues unabated.

DEALING WITH DÉTENTE

Furthermore, the Army faces critical questions about its role in an era of superpower détente. At a time when many national security experts find it difficult to envision fighting a non-nuclear war in Europe that is what the Army is best trained to do. A thoughtful officer at the War College suggests that "forces prepared for a cataclysmic event may not be what we need for other, more likely threats," such as individual terrorism or unconventional warfare.

Here in the foothills of the Rockies, the officers and men of the Fourth Division don't spend much time pondering broad policy. Their mission is simple: to be ready in a matter of weeks to fight in central Europe or the Mideast. And while others may doubt that the call to battle will ever come, officers here don't rule it out. "You just read the newspaper and you realize your profession is being used extensively throughout the world," says Capt. Daniel Cox.

The emphasis on combat-readiness comes from the top. Maj. Gen. James Hamlet, who commanded the division until recently, liked to say: "I'm not running a country club or a reform school. My job is to make this division ready to fight." The message got through. "All I hear is readiness, recruiting and retention," says one commander.

This wasn't always the case here. In the early 1970s, Fort Carson was deep in experiments aimed at improving the life of the GI and attracting volunteers into the ranks. Innovations included beer in the barracks and semiprivate rooms for enlisted men.

But very little training went on. Capt. John Hotz, who was stationed here in 1971, recalls: "Training had come to almost a complete halt. Some units were at 30% strength, and they just put their equipment in storage. Field exercises were unheard of."

Since July 1973, however, the division has participated in nine major training exercises in the field, including one of the largest held in the U.S. since American combat involvement in Vietnam.

To the credit of unit commanders, much of the training is rather imaginative. The air cavalry squadron, which regularly plays the role of aggressor forces on maneuvers, engages in what it calls "scenario training," using settings from recent headline stories. The squadron recently participated in a mock operation simulating conditions on the island of Cyprus.

Officers of the Fourth Division maintain that their personnel problems diminish when they take their troops into the field for tough training. That's certainly true at the division's combat-leaders school, where soldiers who have shown leadership potential are put through a hard five-week course aimed at turning them into sergeants.

In one two-week period, they are in the field constantly, going on four hours' sleep a night and two C-ration meals a day. Among the skills taught are patrolling, map-reading and communications. "I can't wait to get out, but this school is really good," says Ronald Lasek, a 20-year-old specialist four from Albany, N.Y. "It benefits you both mentally and physically." Pfc. Larry Trent, who calls the training "outstanding," declares firmly, "If I'm going to war, I want to know what I'm doing."

AID TO PENN CENTRAL

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. HILLIS. Mr. Speaker, rapid action must be taken by the House to assure the authorization and appropriation of emergency funding to the Penn Central Railroad. The necessity for quick action cannot be overemphasized.

All available data shows that the Penn Central will have exhausted its Federal funding appropriated under section 213 of the Rail Reorganization Act of 1973 by the end of this month. The drastically low operating revenues being received by Penn Central at this time have resulted from last fall's coal strike combined with a sharp decline in rail traffic felt during the past 4 months. Without the assurance of emergency funding, the Penn Central must take the action dictated by available funding.

Given no relief, Penn Central will not be able to meet its payroll debt of $14 million which comes due February 25, 27, and 28. Steps will have to be taken by Penn Central to notify shippers of the railroad's inability to assure delivery of goods. In order to protect shippers from having their freight stranded on the rail system, Penn Central must notify them of the situation by mid-February. The impact of this action would be considerable. There are not enough trucks available to absorb the loss resulting from a railroad embargo of this magnitude. Furthermore, action of this nature would further reduce freight revenues by approximately $100 million.

It is essential to determine the effect of a Penn Central shutdown on our country. The Penn Central can be viewed as the tip of the iceberg. A slowing down or closing of Penn Central would effectively hinder the operation of companies such as General Motors within a matter of days. Rail lines are interdependent, should Penn Central be fored to cease operations, all lines would eventually be affected. The northeastern quadrant of our Nation would not be alone in feeling the results of a Penn Central close down, a resulting sharp reduction in the rail traffic flow to and from the southern and western sections of our country would occur.

The Penn Central Railroad has been kept functioning, due to our country's dependency on it for shipping, primarily through Federal funding since the inability of this company to survive as a private concern was recognized in 1970. Immediate and adequate aid to revive the railroad's operation prior to mid-February is essential. We cannot afford the increased damage to America's economic health which would be a direct result of an inability of the Penn Central to continue operations.

I urge my colleagues to consider the impact and urgency of this matter carefully and to act with all due haste.

THE 110TH ANNIVERSARY OF SOKOL PHYSICAL FITNESS IN AMERICA

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. ANNUNZIO. Mr. Speaker, on February 15, 1865, a group of Czech immigrants organized the first American Sokol unit in St. Louis, Mo. The first Slovak Sokol Society was organized in Chicago, Ill. on October 30, 1892. The American Sokol Organization—Czech—and the Sokol U.S.A.—Slovak—are working closely together to achieve their common goals. Also pursuing similar objectives are Catholic Sokols in the United States. The activities of these fine organizations are based on the realization that to achieve a free nation, its people must be physically and morally strong.

America's future depends upon its youth—nurtured, guided, and supported by experienced adult leadership—and Sokol is a fraternal body for the development of physical, spiritual, moral, and cultural enlightenment among its members. It was for these reasons that my bill was passed in the 92d Congress designating October 30 as National Sokol Day and authorizing the President to call upon the American people to observe October 30 with appropriate ceremonies.

I felt it was most fitting for the Congress to honor the Sokol organizations since Sokol physical education stresses individual initiative, creativity, and self-discipline, which are basic requirements for personal achievement. Sokol gymnasiums and Sokol activities provide a training ground where each one can develop according to individual strength and skill. The Sokol membership varies in age from the preschooler, the adolescent, the middleager, to the senior citizen.

The membership enjoys the facilities of many Sokol summer camps in various parts of the country, which are used for gymnastic schools, clinics, summer youth activities, and other year-round functions. The camps are primarily financed, operated, and maintained through the voluntary services of their dedicated members. The camps are an ideal place where the training and development of young people can be fulfilled to the greatest extent.

In uniting the American heritage and the Sokol ideals in the hearts and minds of their members, the Sokol organizations contribute greatly to the welfare, safety, and freedom of the United States.

I extend my greetings to the Sokol membership in the 11th District of Illinois, which I am privileged to represent, the city of Chicago and all over the Nation. They are to be commended for their enthusiastic dedication and noble example to their fellow citizens.

LEAD POISONING: A THREAT TO WORKERS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, lead poisoning is an insidious disease which progressively pollutes the human body, ultimately causing permanent and irreversible damage. Curtailing exposure to this toxic metal in the workplace is the only sure method of preventing the invasion of lead into workers' bodies.

In November 1974, the National Institute for Occupational Safety and Health—NIOSH—filed a report on a study of workers of local No. 6496, United Steelworkers of America, AFL–CIO. The report concluded that members of the local were daily being exposed to toxic doses of lead as a consequence of their employment in lead smeltering operations.

I want to call my colleagues attention to an article in the January 1975 issue of Steel Labor which details the NIOSH report and the plight of members of local No. 6496.

Preventing exposure to the toxic effects of lead in the workplace is clearly the only sure answer to protecting the health of our Nation's workers.

Text of the article follows:

LEAD POISONING—A JOB DISEASE AT NL INDUSTRIES

NL Industries has eliminated the word "lead" from is former corporate name of National Lead Industries, but it has done little to eliminate the exposure to lead of Local 6496 Steelworkers employed at the company's Hoyt Plant lead smelting operation in Granite City, Ill.

The plant—located just a few blocks away from the city's downtown business district—has buildings more than 60 years old and some 200 workers producing lead shot, rolled sheet lead, solder wire and lead pipe. They trudge daily through the plant, where lead dust clings to their boots and blackens their faces. The plates in auto batteries are the main source of the lead, and the huge tonnage melted down by NL Industries each year has made it one of the country's largest secondary lead producers.

For the past five years, District 34 Director Lloyd McBride, Staff Rep. George Becker and the local union have been attempting to force the company to take action directed at reducing the high lead concentrations existing in the air and around the work areas of the plant. Their efforts have been hampered by a lack of government safety standards on lead exposure and the company's own casual attitude toward its employees' health.

Last November the union won its first victory, when a team of federal health experts filed a 27-page report that found one-third of workers given a series of medical tests were above the level "which some effects of lead poisoning may be anticipated." Complete with technical evaluations and tables, the report said: "Based on this evidence and upon environmental observations and measurements, it is concluded that toxic exposures to lead are occurring within the facility studied."

The federal investigators who released the report were with the National Institute for Occupational Safety & Health (NIOSH), an agency within the HEW Dept. which acts as a research arm on safety standards for OSHA.

Although the report is only "advisory" and cannot be enforced, it carries more weight than some agencies with greater authority. According to Becker—who is also safety coordinator for District 34—NL Industries claimed it would immediately begin adopting the NIOSH recommendations to reduce lead exposure of its workers.

At first Becker requested NIOSH to evaluate lead contamination of the Hoyt Plant workers—which the agency refused—so he asked NIOSH to investigate the company's 20-year practice of handing out a drug known as "versenate" to its employes. The drug is in pill form and is supposed to act on lead in the blood, causing it to pass out of the body, but Becker doubted its long term use was safe.

Arguing that versenate was a "cheap out" used by the company to avoid more costly re-engineering of the smelter, Becker found some union members who had been taking two pills three times a day, seven days a week for anywhere up to 19 years. There were versenate users without a prescription and one who was reported taking a whole bottle (250 tablets) every two weeks for years. A survey by the local showed more than 100 were using the drug.

When NIOSH examiners arrived at the smelter last March, they were so disturbed by the poor work practices and lead dust in the plant, that they proceeded to do a complete investigation of both the drug's effects and the degree of lead contamination.

Air samples taken by NIOSH revealed lead levels in "the majority of areas sampled were found to contain excessive atmospheric lead concentrations:" The one federal air standard for lead (2 milligrams per cubic meter) was even exceeded inside the respirators worn by several workers in the plant.

The report found insufficient evidence to declare versenate a dangerous drug in its use at the plant, but NIOSH did say the drug did little to reduce high lead levels found in blood samples.

In a meeting last month with the officers of Local 6496, Director McBride declared his full support of the report, saying, "Any course of action we follow that doesn't seek to enforce this advisory ruling would be irresponsible." He added that "Already too many workers at the Hoyt Plant have suffered damage to their health." He recalled numerous cases of lead poisoning in the company's records, severe enough to have required emergency hospital treatment with blood transfusions—and more probably went unreported.

Over the past few years, Becker said the company has forced several employes on early retirement, claiming they had a bad heart or some similar health problem, when the cause for the bad health was lead poisoning. Until recently, the company has kept limited records on its employes, causing difficulty collecting workers' compensation benefits. Becker says of three cases where Local 6496 members were forced to retire, the union has only been able to win a state compensation benefit for one of them after a three-year court fight.

Emphasizing "prevention" of lead exposure as the issue, rather than "evidence" of lead poisoning, Becker says the union has been successful in improving safety provisions in the contract. The contract requires a blood lead test for employes every six months, coveralls, safety boots, glasses and other items like respirators.

Local 6496 President Steve Lelik has become an outspoken critic himself of the company's safety program. As an example, he cites an air pack unit (it has a hood and independent air supply) which has remained damaged and out of use for the past nine months, despite his demands to get it repaired. He sums up the company's attitude toward the problem by noting a foreman's recent comment to him: "You're not leaded until your teeth fall out."

Lelik admits that his fellow employes don't fully recognize the danger of lead exposure, but he is hopeful that the NIOSH decision posted in the plant and the company's promise of following the recommendations will change all of that.

ON BEING LEADED

Lead has been reported as a hazardous substance in medical journals for hundreds of years, but the effects of short or long-term exposure are sometimes difficult to recognize. Like with certain other toxic metals, once it enters the body, it builds up faster than the body can eliminate it.

Lead poisoning can damage the blood, heart, brain, nerves, kidney and liver. At first a victim may only feel tired, irritable and have a poor appetite. It may progress, as lead build up continues, to cause headaches, double vision and sleepless nights.

At times, a victim can be seriously poisoned for 10 years and more before having an acute attack so intense that it is often mistakenly diagnosed as appendicitis.

If the accumulation of lead is allowed to go its course, the victim gets a blue "lead line" along the gums that becomes extremely painful and usually results in the teeth falling out.

THE NIOSH REPORT

A number of recommendations were made by the NIOSH investigators to establish a program that would effectively reduce the dangerous exposure levels of lead at NL Industries. The report stated that engineering methods should be used to reduce air-borne lead concentrations to the federal standard of 0.2 mg/m3. .

"Respiratory protection should not be accepted as a satisfactory method for reducing exposure to lead on a permanent basis," NIOSH declared, adding that "medical therapy" like the distribution of versenate "is not an acceptable form of control."

The report also offered among other recommendations:

After one-year of employment, workers should be given a blood test every six months. If blood levels exceeding 0.080 milligrams per 100 grams of blood are found, then the worker should be immediately transferred to plant areas of minimal exposure and referred to a physician.

Smoking, drinking and eating should be permitted only in areas in which hand washing facilities exist to minimize ingestion of lead particles.

THE POST OFFICE NEEDS COMPETITION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. CRANE. Mr. Speaker, it has long been my contention that a Government postal monopoly over the delivery of all letter mail has bred high cost, inefficient, and unreliable service.

As late as 1969, post office clerks sorted 9 out of 10 letters manually, using the same technique that Benjamin Franklin popularized over 200 years ago.

In 1971, as the cost of mailing a letter soared even faster than rising inflation, Congress acted to try to cure the ills of a deteriorating postal system by terminating the old Post Office Department and replacing it with the current U.S. Postal Service, an independent Government corporation patterned on the Tennessee Valley Authority. At that time, I warned that this attempted reform was insufficient. The root cause of the postal system's inefficiency was not its bureaucratic structure, but rather its monopolistic position in the marketplace.

Traditionally, it has been competition in the marketplace that has been the consumer's best protection against inflated costs resulting from inefficiencies caused by mismanagement. I believe this concept is still valid.

The solution to an inefficient postal system is not to change managers or to shift the internal structure, but rather to change the market structure in which postal services are performed.

I wish to share Jack Anderson's column, "Update the Postal System," which appeared in the February 2, 1975, issue of the Washington Post, with my colleagues for it further documents the gross mismanagement of our postal system operating in a monopolistic market over the delivery of letter mail. I insert this column in the Record at this time:

Updating the Postal Service

(By Jack Anderson)

Benjamin Franklin may be remembered in history as a founding father, statesman and inventor, but he was also the nation's premier postmaster.

Indeed Franklin's legacy lives on at the Postal Service. His clerks sorted letters by hand, and after 200 years, the Postal Service has yet to find a better way.

The failure of the postal authorities to improve the methods of their distinguished forefathers is the main reason Americans continue to pay higher postage for poorer service.

With about 90 billion pieces of mail to sort each year, the postal force is simply overloaded. The inevitable result is that the mails get clogged, errors occur and labor costs increase.

To pay for this, the price of first class stamps has shot up 67 percent in three years, and another increase is due in July.

Some pessimists predict that the mass of mail will build up like a great paper glacier until it simply overwhelms the postal system. Already, an airmail letter sometimes takes six days to cross the continent. The riders of the Pony Express made it from Missouri to California in the same time.

A few years ago, it occurred to the postal people that a machine might be able to sort mail faster than a man could, so they embarked upon a program to mechanize the mails. But unhappily, the dream of modernization has turned into a debacle.

In earlier columns, we wrote about the mechanization mess. This stirred Rep. Charles Wilson (D-Calif.) to ask the General Accounting Office to investigate. We have now obtained the GAO's confidential findings.

The bold attempt to bring the Postal Service into the 20th century, according to the GAO, has been a worse fiasco than we reported.

The plans called for the construction of processing centers, where high-volume machinery would whip out the mail for an entire region. This centralized concept was first tried out on bulk mail. But instead of speeding up the parcel post, it took longer and cost more to process the packages.

The postal hierarchy, therefore, has tentatively decided not to build similar letter-processing plants. The only thing wrong with this decision is that about $50 million has already been sunk in the new machines that were supposed to be installed in the processing centers.

It is small comfort that most of the expensive new machines don't work anyway. Those that function, meanwhile, have been grafted on to the existing postal processes. Thus they have become islands of mechanization, which aren't integrated with the present mail-moving system.

Because these mechanical marvels were designed originally to handle high volumes of mail at central clearinghouses, no post office in the country has enough mail to use them efficiently. Result: the Postal Service is stuck with excessive equipment, unneeded facilities and overstaffing.

Even more incredible, the machines aren't coordinated. No one at postal headquarters, apparently, thought of that. The focus was on building new machines to handle specific needs, not on developing a comprehensive mechanized system.

The GAO examined the three machines, which were intended to become the backbone of mechanization. Here are their startling conclusions.

"All three machines have acquisition costs substantially higher—by factors of 2 to 30—than their existing alternatives."

"All three were intended as alternatives to existing processing methods or machines, but do not outperform existing methods or machines."

"All three machines have total manpower requirements which are similar to the existing alternatives and, therefore, do not appear to offer manpower savings to an organization that spends 85 per cent of its budget on labor costs."

"None of the machines will make a significant contribution to raising the productivity of the Postal Service . . ."

The GAO report blames mismanagement, most of all, for the mail mechanization boondoggle. The report cites poor data collection, sole source contracting, fragmentation of responsibility and inadequate monitoring of contract work.

The GAO found, for example, that "$2.9 million was spent (for advanced canceller machines) and not one of the 14 units to be supplied were delivered."

But the most serious failing of the postal managers, according to the GAO, was building the machines without figuring out what to do with them first. Other steps should have been taken to make mechanization work.

The Postal Service, for example, should have standardized envelope sizes and classified mail by size instead of content. This would have simplified the mechanization process tremendously. For that matter, standardization would also speed up the hand sorting, which is slowed down by the variety of envelope shapes and sizes.

Although the mechanization disaster was inherited by Postmaster General Ted Klassen, his mismanagement has badly aggravated the problem. Now Klassen is about to be replaced by his longtime aide, Ben Bailar, who shared in the leadership decisions.

The methods of Ben Franklin live on, but his leadership and frugality have been lost.

TABLE TENNIS CHAMPIONSHIP IN INDIA WITHOUT ISRAEL

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Ms. HOLTZMAN. Mr. Speaker, the international table tennis championship games begin tomorrow in Calcutta, India. I point this out not in order to praise the event. On the contrary, I want to bring to the attention of my colleagues the fact that the Indian Government, which is host to the games, has refused to issue visas to Israel's table tennis team to participate in the games.

It is outrageous that India is taking such action against the State of Israel whose government has taken no hostile position toward India and has engaged in no hostile action toward its government. On the contrary, countless numbers of Indian people are starving because of the high oil prices established by Arab countries. But instead of condemning Arab policies, India grovels before Arab demands and refuses to allow Israeli table tennis players to participate in an international sports event.

The hypocrisy of the Indian Government should disturb all people of good will, regardless of political outlook. India, after all, has invited the PLO to participate in these games. Even more disturbing is the fact that this exclusion of Israel from international sports is becoming part of an insidious pattern.

It was evident at the World University Games in Moscow where anti-Semitism was openly displayed toward the Israeli basketball team. From there it spread to the Asian games with certain countries refusing to compete against Israeli athletes, and then, a few weeks ago, with the ouster from the Asian Soccer Federation of Israel. The championship Russian Army club withdrew from the European Club championships because they would have to play an Israeli team on a home-and-home basis. Now India has joined in this shocking behavior, insulting the State of Israel and violating principles of international sportsmanship.

Nat Holman, president of the U.S. Committee Sports for Israel, has written to the Indian Ambassador to the United States, protesting the action of the Indian Government. I am inserting Mr. Holman's letter in the Record, and I commend his articulate views to my colleagues.

The letter follows:

January 20, 1975.

Ambassador of India,
Washington, D.C.

Dear Excellency: The Officers and Directors of the United States Committee Sports for Israel, Inc. have unanimously instructed me to convey to you our extreme displeasure with the action taken by the Indian Table Tennis Federation concerning the forthcoming games to be held in Calcutta, India, February 6–16, 1975.

It has been brought to our attention that the Indian Table Tennis Federation has informed Mr. Roy Evans, Chairman of the International Table Tennis Federation, that your government refuses to issue visas to the Israel Table Tennis Team.

It is known to us that the constitution of the International Table Tennis Federation stipulates that all the members of the International Table Tennis Federation regardless of nationality, be allowed to participate in the Table Tennis Championships. It seems to us that once the government of India agrees to host the forthcoming Championships, it should abide by the rules and regulations set forth in the constitution of the International Table Tennis Federation.

We believe that international sportsmanship has suffered another serious blow as a result of this intrusion of political considerations. We trust you will agree with us that politics must be kept separate from sports if we are to preserve the spirit of fair play without which international sports competitions would become a hollow mockery.

We respectfully urge your government to issue visas to the Israel Table Tennis Team so that they can take part in the forthcoming Table Tennis Championship games in Calcutta.

Sincerely,

Nat Holman,
President.

STATE OF THE CITIES MESSAGE

HON. JAKE GARN

OF UTAH

IN THE SENATE OF THE UNITED STATES

Wednesday, February 5, 1975

Mr. GARN. Mr. President, dominating the mood of the Congress are the varied reactions to the state of the Union message by President Ford. It is not the quality of the speech, nor the personality of the man by whom it was delivered, which invites investigation, but the very nature of the speech which leads us all to agree, "The state of the Union is bad."

Furthermore, because of the concern of many of the Senators, there have been printed in the RECORD speeches by various Governors regarding the state of the State they represent.

Additionally, I have, with Senator BROCK, introduced a resolution calling for an annual state of the States message to be delivered by the chairman of the National Governors Conference, before a joint session of Congress, in an effort to make the Federal Government more responsive to local government.

To those who serve as city officials the problems of our country present themselves with even greater severity, as mayors and city councilmen view problems of inflation, recession, energy, and unemployment, with an ants eye; from the very bottom; the place where all the problems come to rest; the place where all of us who suffer from such pressing problems live.

Therefore, Mr. President, it is no less fitting that we should have, for the benefit of those local officials, and for each of my distinguished colleagues, a report on the state of the cities.

At the recent 50th anniversary Congress of Cities in Houston, Tex., Mr. Allen E. Pritchard, Jr., the executive vice president of the National League of Cities, delivered such a speech which has become an annual occurrence. I ask unanimous consent that the text of the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SECOND ANNUAL STATE OF THE CITIES MESSAGE

(By Allen E. Pritchard, Jr.)

Cities have lived with change for a very long time. They have consistently attacked their problems with all of the resources . . . all of the new technologies . . . all of the skills they could bring to bear.

Many single battles have been won. But real victory continues to escape us. Today we are faced with new imperatives.

Change takes on a new meaning. Change has become a reality with sharp teeth, and cities are already feeling the bite.

The events of the past year go a long way toward explaining why this is so.

Let me quickly refresh your memory:

The cost of living . . . up over 12 percent in the past year.

Food . . . up 12 percent.

Housing costs . . . up 14 percent in the last six months.

Unemployment . . . 7.1 percent in December and heading upwards.

Annual housing starts . . . down one million from 1972.

The long lines and short tempers of the fuel shortage.

Each of these has increased and worsened the problems of cities. More importantly, each is a current problem with a long, long future.

Already, inflation has meant fewer real dollars for cities in the federal budget. And it is likely that the nation's cities will face increasingly hard decisions on expenditures of scarce money.

In this context, then, change takes on a totally new meaning, no longer related to a change from big to bigger. It means that suddenly we are living halfway between abundance and scarcity. It means that a new world is pressing on us, one in which scarcity, always a reality for some, may well become a permanent condition for all. It means that we must add a new concept of limited resources to our traditional definition of city limits.

The symptoms are clear enough. Like most symptoms, they call first for diagnosis and then for action.

Diagnosis is not hard to come by. Quite simply, the world has been enjoying unparalleled growth for 200 years. Our country has been in the forefront of that growth.

We can read the story in two indicators—population and consumption.

World population has grown from half a billion in 1650 to 3.8 billion today. It will nearly double—to 7 billion—in a little more than 30 years—in the lifetimes of many of us here. In the United States, 30 years from now, there will be 260 million people living where 211 million live today.

As for consumption, those of you who remember the late President Hoover's rather modest 1928 slogan of "a chicken for every pot and a car in every back yard" might contrast it with the mindboggling array of durable goods we've manufactured and consumed in the years since—houses, air conditioners, freezers, television sets, stereos, furniture—not to mention chickens and cars.

We have expanded, seemingly without limit—creating costly new municipal service structures while underutilizing existing structures. We have built seemingly without constraint.

But only seemingly. Our third century cannot be another of unrestrained growth—the heedless pursuit of more and bigger. Our third century must carry us into a steady state world in which the good life must be carefully fashioned from scarcity rather than wrenched from abundance.

For example, the sources of energy, the power to do the work of society, are dwindling. One expert estimate predicts that if we stay on our present course of annually increasing consumption, oil will be depleted in about 50 years. This estimate, incidentally, is based on the assumption that we will find five times as much oil as exists in today's known reserves. Estimates vary, but all show an end point in the foreseeable future. There is an alternative, of course, though not an attractive one. The direct and indirect costs of producing and consuming oil may go so high that scarcity could become a purely academic point.

Other resources—iron, nickel, aluminum, copper, to name just a few—are under similar pressure.

Two hundred years ago—even fifty years ago when the National League of Cities was founded—we had abundance.

Today—scarcity. It has been a very short trip, one we have made on consumption. Given the finiteness of most of earth's resources, the end result was inevitable.

For consumption is not using. It is using up.

There has been a run on our resource bank.

Consumption has carried us deep into scarcity. It will carry us deeper. Before the bottom is reached, we *must* turn away from consumption—away from using up—and toward conservation.

Make no mistake. This charge—this transition—will not be easy or simple. Growing has been exhilarating. Achievements have been stupendous. But growth has come to manage us, with results that are now painfully clear. Turning the process around—to managed growth—offers challenges and achievements just as rewarding, but these changes will not take place in the world unless we first make them in our minds and compel them with our united will.

We have spoken of the world. Let us now speak of the cities, for it is the cities where the pressures of change are most obvious and most explosive. Nor do we have far to look for the reason. Cities are where the people are, and public problems are felt keenly where people are concentrated.

The facts about the growth of our nation's cities are too well known to require detailed description today. About 70 percent of our population is urban. Cities hold the bulk of our invested wealth, productive capacity, and housing stock, as well as the means of intellectual, cultural and social achievement. Cities, in short, are the nation's greatest resource.

If this is true—and it is—what has created the crisis in our cities? There are as many individual answers to that question as there are cities. Every answer is undoubtedly relevant. And every answer must ultimately take second place to the tremendous overriding problem we all face.

Consumption.

We are consuming our cities just as surely as we have consumed oil and iron, wood and copper. We have created throwaway cities to go along with the rest of our disposable culture.

To understand why unrestrained consumption has been tolerated in a time of abundance, and why it can no longer be tolerated, it will be helpful if we share some understanding of our cities and what the transition from abundance to scarcity means to them.

A city—any city—is a large number of people standing in many complex relationships to each other. A city gains its power to perform economically, socially and culturally by successfully linking people and their activities in long and complex chains.

Cities, of course, are large and small, new and old, residential and industrial, central and suburban, eastern and western, with rich and varied lifestyles.

Beneath these differences, however, is a shared experience. Growth. Every city grew from something smaller to what it is today. Some are still growing in area, population, or level of activity. Others are not. But every single one has experienced growth; every one is at a particular point in its growth life.

As with individuals, however, physical growth is not necessarily synonymous with successful performance of a city's function. While youth brings size, and perhaps raw strength, maturity should bring increased capacity to put strength to good use.

As with individuals, young cities may look with tolerance or impatience at the infirmities of the old. But no urban fountain of youth has been discovered. Aging is an experience all cities share. A slowing and an end to physical growth are inevitable at some point.

But in one vitally important way, the life of a city differs from that of an individual. Death can often be deferred indefinitely. Productive maturity can be maintained for many times the length of a man's life—often for centuries. But only with effort, and not always.

As they age cities deteriorate. Pieces of them become obsolete. Cities are a massive investment—public and private—in buildings, homes, factories, roads, transportation systems and utilities. But as the city's capital plant ages, it becomes less and less efficient. Houses decline in quality. Factories lose their competitive edge. Jobs are lost. Income declines. People move. Revenues slip. Services fall. Key links in economic, cultural and social chains are broken and the city begins to disintegrate.

What has been the classic response to this disintegration? Reconstruct . . . revive . . . and increase maintenance to halt decline and protect the urban investment. With abundance, this should have worked.

But we cannot say we have succeeded in spite of some spectacular pockets of rejuvenation—a business district or a housing complex. The regenerative power has waned. The capacity to grow and live has weakened. And so today many neighborhoods and cities are sustained by transfusions of money and programs—external life-support systems. A city at this stage cannot recycle itself.

It consumes more than it produces.

It collects people, but destroys community.

It repels the successful and traps the unsuccessful and the helpless.

The obsolete physical plant holds the elderly, the unskilled and minorities. Fewer and fewer people are able to move either up or out. Like a dying lake, the city can support less and less life. The function of the city to be a social converter as well as an economic converter is not fulfilled.

So, in fact, we see that the years of abundance did not guarantee the recycling of cities. On the contrary, abundance created the disastrous idea that cities could be discarded and replaced. At the same time deterioration and decay at the urban center repelled those who could leave the center, the economc and social attractions of fringe development drew them to the suburbs. This process encouraged the abandoning of old investments and the creation of new ones.

The seriousness and irony of this situation become clear in a few revealing housing statistics. The so-called "normal" number of about 50,000 FHA repossessions during the 1960s jumped to 250,000 by early 1974.

And between 1960 and 1970 the gross loss of housing units in the 25 largest cities in the United States was between five and ten percent of the stock.

At the same time, new housing starts, including mobile homes, were increasing—from 1.9 million between 1968 and 1970, to 2.6 million in 1971 and 3 million in 1972. This led one analyst to the inescapable conclusion that "the total number of housing units available in many large metropolitan areas shot up well above the number of households there. . . . The unexpected and undesirable result is rising abandonment and vacancy in the concentrated poverty 'ghettos' of many large cities."

In a world without resource limits it is possible to imagine this process going on indefinitely—at great cost and with many problems, but still possible. In years of abundance, we can regret the waste at the same time we support the bad habits that create waste. In the new world of scarcity, with which we must deal, necessity must become the mother not only of invention but of virtue.

There are three very good reasons why this must be so.

First, the life process of urban areas—the process of deterioration and escape—is simply too costly to be borne. Recall the limits of our resources. No matter how you look at them, they translate into money, assuming the resource is available at all. Old investments lost mean new resources consumed. Land, wood, steel, oil, concrete . . . and money. The falling supply of materials simply accelerates the rising price of a house. True, these items are added to the U.S. Gross National Product, but they are subtracted from the gross—and finite—national and world supply. On this score alone, it is clear that urban areas cannot continue to expand by underutilizing existing facilities while creating new ones. Urban development can no longer consume a disproportionate share of the world's resources.

It is not only the historical process of urban development which is costly. Its pattern of sprawl makes it even less supportable. A recent government report adds up the direct and indirect costs of different patterns of development and concludes that a planned, high-density community—compared to typical, low-density sprawl—entails 44 percent less in capital costs, 43 percent less in land costs and energy consumption, 50 percent less in auto emissions, and 35 percent less in water consumption.

Secondly, scarcity cuts across the life cycle of cities. In the sixties, we had to build two and one-half housing units simply to add a net gain of one to the housing stock in the central cities. The current downtrend in housing starts will turn from problem to crisis if subtractions from stock are not reversed by rehabilitation and construction. Currently, the bulldozers of destruction are gaining steadily on the bulldozers of construction in older urbanized areas.

Finally, scarcity diminishes the differences between old cities and new ones. If a city sustains itself by addition rather than regeneration, it will age quickly when the resources for addition are not available. In fact, the signs are showing.

Abandonment is on the increase in older suburbs.

Blight is appearing in newer suburbs.

Crime rises outside the central cities.

It is clear then, that the so-called central city problems are in fact urban problems. The central city cycle can be and is being repeated at other places and at other times. As the capacity to move on diminishes, as it becomes less and less possible to discard the problem with the city, these problems will increase and multiply in all cities.

It is equally clear where we stand.

Today—in the year 1975—we are eyeball to eyeball with the necessity of changing a way of inefficient urban development born in abundance and no longer supportable in a world where scarcity demands conservation.

How has our national urban policy brought us to this confrontation?

Before someone points out that the federal government has no national urban policy, let me assure both those who find no urban policy and those who fight against the creation of one, that an urban policy does exist.

The problem is that no one created it. It is the result of the unintentional addition and multiplication of many different, uncoordinated, primarily federal policies—housing, transportation, environmental, welfare, education, taxation and economic policies. Viewed singly, they have been well intentioned. Combined, they have encouraged urban deterioration and waste faster than programs and policies of individual cities could deal with them. They have been costly in abundance. They can be disastrous in scarcity because they combine to upset the natural process of aging and recycling in our cities.

This is not to say that existing urban programs should come to a sudden stop. We must continue to meet today's urgent problems in the best ways available.

General Revenue Sharing must be reenacted.

Mass transit operating subsidies must be increased.

Emergency employment programs must be expanded.

Community Development must be fully funded.

But, in supporting such programs, successes will be temporary unless the existing national urban policies which undermine them are transformed at the same time.

At present, America's national urban policy encourages sprawl and outward dispersion of public and private investment.

It encourages decay and pollution and discourages rehabilitation and re-use.

It encourages the over-use and waste of natural resources.

It encourages the permanent dependence and unproductiveness of a large segment of our population.

Perhaps worst of all, our national urban policy encourages ever-greater regulation of our lives in order to solve the very problems it has created.

That is where we stand at this moment. The forces at work in the world, however, are creating a very different future for cities. The old policies born and fostered in abundance do not fit into that future. Seeing that is the first step. Taking action is the next and most necessary step.

Cities and states have begun to focus on halting the waste and litter created by throwaway packaging. Now it is time to focus on halting the far greater waste created by policies of throwaway cities—to develop policies and programs that recycle and conserve our cities.

We can take pride in knowing that some local governments *are* acting to move us into the new world.

Boulder, Ramapo, Petaluma, Fairfax, Salem—these are some of the vanguard names that represent governments wrestling with the problems—and the opportunities—of managing future growth to protect existing investments. And Seattle, St. Louis, Baltimore—these are some of the vanguard names facing the challenges of urban recycling and the utilization of existing urban facilities. It is heartening to see such initiatives.

It should be clear, however, that the best attempts of local officials will lose . . . if they are left alone in the fight to manage growth and conserve cities. The forces that overpower local policy and management efforts are given velocity by current federal policy.

Conservation of urban resources can succeed only if there is a framework of national policy which does not work at cross purposes.

What should this national urban policy be? What should be its thrust?

Federal policy must reverse the incentives that encourage city decay and urban sprawl.

Federal policy must redesign the taxation and subsidy systems to encourage urban conservation and city recycling, rather than abandonment and increased consumption.

Federal policy must support transportation systems which reinforce sound urban development.

Federal policy must tie its procurement expenditures and programs of public works to sensible urban growth goals.

Federal policy must balance the demands for production and prosperity and the necessities of urban environmental quality.

All federal policy must speak to these issues in the context of national and world needs for energy, resources, food, and environmental quality within which our urban problems must be addressed and solved.

Local governments can succeed in meeting their challenges only when such a planned and positive policy is created. The decisions will be hard and all will have their costs. But we have reached a point where there is no other way.

The leaders of this nation, acting with wisdom and determination, can have a major influence in shaping a positive national urban policy and assuring the cities, and their citizens, of a better, more stable future. For cities, the realities of the world of 1975 demand a new and active policy of urban conservation.

DR. ROBERT Q. MARSTON IS THE SEVENTH PRESIDENT OF UNIVERSITY OF FLORIDA

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. FUQUA. Mr. Speaker, on Friday, January 17, 1975, Dr. Robert Q. Marston officially assumed the presidency of the 121-year University of Florida at Gainesville.

The seventh president of this great institution, Dr. Marston brings to his position a wealth of leadership and academic experience, including a brilliant term as Director of the National Institutes of Health.

It was my privilege to attend his inauguration and to share with the television audience, and those in attendance, his tremendous address which dealt with "The University and the Future."

What Dr. Marston had to say is important to each of us and I would like to commend excerpts from his remarks to my colleagues:

REMARKS BY DR. ROBERT Q. MARSTON

I rise as the seventh individual in the history of the University of Florida to accept the Presidency of this University, and I do so with humility, pride, and enthusiasm. In the tradition of previous presidents, I dedicate my energy, loyalty, and such talent as I have to our continued progress:

In the pursuit of excellence in education and research,

In intensifying efforts on this campus to respect, and to teach, basic human values, and

In improving services to our students and to the society that supports us.

An inauguration is a time of juncture in institutional history. It is a time to pay tribute to the accomplishments of the past and to outline directions for the future. It is pleasant and easy to sing the praises of this school which is the Alma Mater for so many of you. Living here this fall and being enveloped by the totality of university life has been a reassuring and exhilarating experience. I have "shown off" with great pride the students, the faculty, the staff, and the campus to friends and to visitors from all over the world.

In preparing this address, I have reviewed the great contributions, not only of past presidents—some of whom are with us today—but of many others. Just to read about the lives and contributions of faculty members and administrators for whom so many of our campus buildings are named has been inspirational. It has reinforced my belief that institutions, like the very buildings which bear these names, are built brick by brick and by many workers, never by one man or woman.

In contrast to the richness of evidence documenting these past successes, it has been exceedingly difficult to choose the appropriate balance between optimism and realism as we consider the future. On the one hand, despite voices of doom and gloom, there is every reason to encourage the hope, optimism, and enthusiasm to which youth is entitled. On the other hand, we cannot ignore the avalanche of evidence of profound changes facing the world.

My thesis today is that universities, and especially broad-based universities like the University of Florida, not only need to anticipate and react wisely to changing conditions for the future, but that they also are the best hope in our society in the search for ways to meet human needs in the future.

Leaders over the centuries have stressed the importance of educated citizens, and history suggests that civilization cannot advance without education. It is important to review some of these traditional views, because they remain as valid as ever, and must be presented as a base on which to build the future. Then, I shall return to my belief that the "University and Life in the Future" has compelling aspects, not perceivable even two or three years ago.

There is a special relationship and responsibility and opportunity that each generation has for the next. This relationship is best defined, the discharge of the responsibility best measured, and the grasping of the opportunities most easily accomplished through education—for the purposes of this inaugural address—higher education.

In all societies, from the most primitive to the most sophisticated, survival requires some protective and educational efforts by the parents. Beyond these basic familial functions, one finds mutual benefits between young and old in the gathering together of groups, tribes, clans, and nations. While there is an advantage to all, one can see readily the special benefit to the older members of such societies in having vigorous, strong, and intelligent younger members.

Turning more specifically to the U.S.A., this nation 199 years ago radically changed the relationship of one generation to another by rejecting the hereditary basis for class structure. No longer was status to be determined by the status of one's parents. This was followed closely by new ways of distributing accumulated wealth to all children rather than to the elder son. Then, in this century, inheritance taxes and the progressive income tax decreased markedly the ability to provide beyond one's death material things for one's own young.

Without taking anything away from the great importance of the love and support of the basic family unit in the past and today, the only significant direct "gift" one generation makes to the next is education. The reasons for investment in education are manifold, including social, intellectual, and vocational:

The founding fathers, especially Jefferson, were convinced that democracy could not work without informed and educated citizens. They considered it imperative to establish and support general public education;

The economic and social benefits of an education became even clearer as our Nation moved from a rural and agricultural economy to an urban, technology-based nation.

The American classrooms became the integrating and amalgamating channel for successive waves of immigrants to this country. Since the 60's the classrooms have been called on once again to provide a similar amalgamating service for the blacks and other minority groups of this nation.

From time to time significant external events or needs have led our nation to ask special efforts from universities: The land-grant movement after the civil war, the catch-up educational programs under the GI Bill after World War II, and the rapid enhancement of our science and technology capability spurred on by Sputnik.

There is a basic drive to do for youth what is right. At a minimum, we should do for them what was done by our forebears for us.

For purely selfish reasons we should provide adequately for the education of the youth. Our own lives will be more secure, more comfortable and richer to the degree that we have competent, intelligent youth taking over the management of the world.

Today, there is an additional urgency and an additional opportunity. The problems of our world are "thinking" problems—in economist Peter Drucker's terms—not the "doing" problems of the past. We have on our campus today the type of student—in ability, in motivation, in dedication—to justify our investment.

Two years ago, perhaps even a year ago, I would have rested my case on the place of higher education in society and the future of mankind at this point. I would have turned then to more specific University of Florida matters. In January, 1975, however, there is an added dimension, perhaps the most important dimension of all—the increasingly convincing evidence of major changes in the world in the near future (5–10 years) which will (1) force a re-examination of basic values, (2) necessitate significant changes in life style, and (3) require unusual creativity and wisdom.

Almost every isolated aspect of the future is controversial and uncertain. Indeed, it is difficult to choose an example that is neither emotionally dramatized nor intellectually naive. As my probe toward the future, I have selected the problem of energy.

I have chosen energy for four reasons: (1) energy is so central and so vital to our existence, (2) we have national leaders and major programs in energy at the University of Florida, (3) Energy problems have immediate reality not only in the United States, but throughout the world. One has only to note the gasoline shortage of last year, the price of our own electricity, and the fact that the University's budget crisis today resulted from a single decision on the price of oil by mideastern nations, and (4) a recent report speaks directly to the broader world implications of alternative energy policies.

John Sawhill, former chief of the Federal Energy Administration says that, "the repercussions of Project Independence will be felt throughout our economy. It will have a dramatic impact on how 211 million Americans work and live".

The Energy Administration Project Independence documents these points:

"The U.S. was self-sufficient in energy through about 1950, but our situation has deteriorated so rapidly that our dependence on foreign oil was 35% of our consumption in 1973. Coal production is still at 1940's levels; crude oil production has been declining since 1970; natural gas consumption has been exceeding new discoveries since 1948."

To meet the problems raised by these and other facts, Project Independence suggests three alternative strategies, noting that a national energy policy will probably combine elements of each:

Accelerating domestic supplies;

Initiating more energy conservation measures and centrally controlling energy use;

Initiating emergency programs, including embargoes and costly storage to protect against foreign control of supply.

The implications for the nation's economy and environment, the role of government (central planning and management of all energy use, for instance)—and as Sawhill says, "all other areas of American life could be profound." Remember that the time span covered by this report is about the time for one of our entering freshman students to finish a doctoral degree.

This "added dimension", symbolized by energy, places increased emphasis on the need in this state for at least one University of true national rank. Already one can point with considerable pride to the fact that University of Florida faculty members and programs stand 37th in the nation attracting federal research and other grants, that its library holdings rank 36th in size in the Association for Research Libraries, and that 22 of its graduate programs among 36 surveyed received national recognition by the American Council on Education. But a state that has catapulted to a position among the top ten in population in the nation in the last ten years, if it is to reach its full potential in realms other than size, warrants a university among the top ten in the nation.

The "added dimension" also demands that we focus more sharply through our strengths in the humanities and the social sciences on a re-examination of basic human values. A world of increasing constraints fortunately may lead us to develop improved human relations and thus improved, more meaningful, life styles. Where better in our society to work toward such goals than in a university, and especially in a university whose diversity is almost matchless in American Higher Education?

The University may be the only place to hear out with tolerance conflicting views, to search for truth in controversial areas, and to demand the high level of scholarship and patience many of these problems will require.

Finally, the University has the most to offer in solving these problems because of the power of the youthful minds on our campus. Especially in the graduate student do we often have the combination of the intellectual maturity and freshness of outlook to solve difficult problems. I am continually impressed with the mental vigor of a young Einstein who worked out four fundamental theoretical discoveries of physics at the age of 26, including special relativity, mass-energy equivalence, Brownian motion, and the photon theory of light, or a Jim Watson cracking the DNA code at the age of 23. On this campus, within the past year, we have had a young chemist in his early 20's who attracted national attention with the discovery of a new molecular sealing substance that defies destruction, and similarly a young engineering student whose collaboration with his professor resulted in what NASA labeled a "major breakthrough" in a Laser Beam research. I am equally impessed that youthful poets, authors, painters, musicians and others are making significant—sometimes the most significant—contributions as graduate students and junior faculty members. Many of the problems of the future are so new to us that perhaps only the imaginative minds of the young hold the answer.

Hopefully we are agreed that probable future world conditions justify special demands by society from universities, and a special effort by universities to meet these demands. I have compared the current situation to such major events as the land-grant movement and the development of a new level of science and technology brought on by Sputnik and find the current challenge and opportunity vastly more important, more urgent, and even more central to the basic mission of this University.

I believe it is possible to mobilize our resources to a new level of inspiration, effectiveness, and common efforts toward common goals. But there must be many partners in such an endeavor, including the Legislature and the people of Florida they represent, alumni and concerned citizens, our students, faculty and staff, the Board of Regents and our sister universities in Florida. . . .

At this point, Dr. Marston commented on serious administrative problems confronting the university and then had this to say:

I am concerned that a significant portion of our more academically talented students leave this State to attend other elite colleges of the nation. As an educator, I favor a process that allows students to attend the institution best suited for their needs. But with the increasing cost of education and the availability in Florida of quality higher education in almost every field of endeavor, I feel there is a valid choice available for virtually every daughter and son in Florida.

Furthermore, since the difference for the very top student may be the possibility of securing a modest scholarship, I am committed to seeking support for highly talented Florida residents, such as National Merit Scholars, who have scored in the top one-half of one percent in national competition. I suggest the Legislature consider seriously making a modest investment in these highly talented students—to allow them to attend the state university of their choice by providing appropriate scholarships. Insuring more Merit Scholars and other highly gifted students in Florida's university classrooms will enrich the educational environment for all students as well as focus the attention of our brightest young residents on the particular problems of the State of Florida. Scholarships amounting up to a maximum of $1,000 per year, depending upon family means, are needed.

But, as we look into the future, we must ask: How many students can we enroll? How many can we teach?" I have supported the controlled growth policy of the Legislature and the Board of Regents for several reasons, including the need for a period of adjustment after rapid increase in growth and the fact that our student increase was not being matched by the necessary additional resources to accommodate these increases.

But, one must look beyond numbers in determining basic student body goals for the future. Think for a moment of the characteristics of our current students:

(A) Over 20 percent of the student body is enrolled in graduate or post-baccalaureate professional programs.

(B) Over 31 percent of the undergraduates will enter graduate school within a year after receiving their bachelor's degree.

(C) Of those who took the 12th Grade Test, over 68 percent were in the top 20 percent.

(D) Of the degrees awarded at last June's commencement, almost 75 percent were from the professional colleges.

There are several implications in these brief assessments of the probable intellectual, personal, and motivational drives of our students for the future:

1. The quality of our graduate and professional faculty must be strengthened to meet the needs of such students.

2. The undergraduate faculty, especially in the College of Arts and Sciences and the University College, must be given the additional resources needed to meet the demands of their more highly qualified students, and provide a stronger base for our professional and graduate programs.

3. Perhaps most important of all, the attitude of the University toward the student must reflect from President to Graduate Assistant, from the Admissions Office to the Commencement Ceremony, the fact that our commitment to the students overrides any and all other commitments of this University.

After commenting on the quality of the University of Florida and its tremendous attributes as a part of the community of Gainesville and its role among the university system of our great State, he concluded:

Our enthusiasm and dedication is even more important because the present is difficult, the future uncertain and contemporary wisdom always a bit faulty. This University, rich in heritage and human and material resources, is in the mainstream of the flow of history. How much better to be here where the action is rather than in some backwater consumed by our own selfish needs.

Our greatest danger, our greatest fear, is that we will underestimate the great magnitude and scope of our efforts, thus failing to see clearly how profoundly what we do and how we do it will influence the future.

A NEW INDUSTRY FOR ARIZONA—THE RETIREMENT COMMUNITY

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 5, 1975

Mr. FANNIN. Mr. President, during the past two decades we have seen the development of communities around our country catering especially to the needs and desires of retired persons. Perhaps the most successful of these is Sun City in my own State of Arizona.

With the growth of these communities there has been considerable discussion of what role they should play in society as a whole.

A resident of Sun City has given this topic a great deal of thought and has sought to demonstrate that the retirement community should be considered as a special industry. This is an interesting discussion of the retirement community, and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW INDUSTRY FOR ARIZONA—THE RETIREMENT COMMUNITY

Rationale:

1. Every State exploits its natural resources: snow . . . coal . . . water . . . copper . . . fish . . . soil . . . climate . . . etc.

2. With such resources, each State competes for new industries, because new industries mean new jobs . . . new revenues . . . new growth and development.

3. Because of its geographical location, and general commercial under-development, Arizona is at a disadvantage in competing with more urbanized States for industries that require population masses, water transport, technical service facilities, etc.

4. *One* industry—a big-profit-potential industry that every State in the Union would like to induce within its borders—belongs in Arizona more than in any other State, because Arizona can offer it more natural advantages, and more opportunity for complete fulfillment than any other State can suggest. That industry is . . . the Retirement Community.

5. This industry is so new that it doesn't exist, yet. There are so-called "retirement communities"; but these are, in large part, legal and physical fictions. Other than certain walled enclaves, residency qualifications are tenuous, and dependent for acceptance and continuance more on common agreement than on legal defensibility. They offer physical amenities—generally at a premium price on residences—but they offer little advantage over non-retirement communities in many matters of most concern to retired people on a fixed income in an inflationary economy. They do not offer relief from the cost of services no longer needed.

6. There are already generic dispensations—at the local, State, and Federal level—for the indigent, the impaired, and the aged; but none of these are part of the definition of The Retirement Community, because they do not comprise specific relief from the cost of services no longer needed by the residents of The Retirement Community.

DEFINITION OF THE RETIREMENT COMMUNITY

1. A clearly definable, easily distinguishable geographical entity, of substantial dimensions—not merely a section within an established community.

2. Self-governing, within the limits of County, State and Federal restrictions.

3. Residence available, on purchase or rental, only to those over 60 (e.g.), retired from active fulltime employment, with no children under 18 . . . on an "equal opportunity" basis.

4. Provides its own fire and police services—by independent establishment or by purchase.

5. Builds, organizes, and maintains its own recreational and civic facilities.

6. Supplies its own water, light and sewer services—by construction/ownership or purchase.

7. Manages its own garbage and trash disposal.

8. Builds and maintains its own system of roads except for those designated as County, State or Federal thoroughfares.

CUSTOMARY SERVICES NOT NEEDED BY THE RETIREMENT COMMUNITY

[In whole, or in part]

1. Schools: The Retirement Community adds neither population nor costs to any school system. Whatever school-age children may be resident would be tuitioned and transported outside the community, as the sole responsibility of their grandparents or guardians.

2. Welfare: almost by definition, its a reasonable expectation that The Retirement Community will not generate a welfare load that cannot be accommodated by its own resources.

3. Fire: because it will maintain (or be responsible for) its own fire-fighting organization, The Retirement Community will not add any equipment, personnel or administrative costs to existing County or municipal services. Whenever such services may be required, they will be paid for on a contract basis, or quid-pro arrangement.

4. Police: by organizing, or buying, its own police force, the Retirement Community will have infrequent need for County or State facilities.

5. Parks: The Retirement Community will have little use for municipally-maintained parks or recreation facilities.

6. Courts and corrections: by reasons of age and sociology of its "selected" residents, The Retirement Community would be expected to contribute far less than an average community to criminality and the attendant costs of apprehension, detention, and correction.

7. General: it is within reason to visualize a level of autonomous operation within The Retirement Community that could virtually eliminate the need for such County and State services as Assessments, Auto Registration and Licensing, Building Inspection, etc.

Therefore, because it doesn't use these tax-supported services—or uses them to a minimum extent—The Retirement Community should be relieved of such taxation, in whole, or in substantial part.

WOULD THE RETIREMENT COMMUNITY BE GETTING "A FREE RIDE"?

1. Far from getting a free ride, The Retirement Community would more than pay its way. It would produce a net profit for the County and the State—thus reducing the operating costs for all other communities.

2. As an example, *Sun City*—

Pays $1.85 into the County treasury for every $.85 it gets in County services.

For each resident, pays $144 in State taxes (sales, income, property, gasoline, vehicle, liquor, etc.) for each $61 worth of services received.

With residents' savings, financed the purchase of more than 4,000 homes outside Sun City during the past four years.

Directly and indirectly provides one job for every four residents.

Brings into Arizona vast sums of money earned outside Arizona.

Provides a ready and eager source of maximum-value, minimum-cost talent of civic, juridical, educational, governmental, commercial service.

3. Just as Arizona, and every State, makes physical and financial concessions to induce attractive corporations to locate facilities within its borders, it makes sense to create this wholly-new "industry" through similar concessions—especially since the concessions are earned.

THE CONCEPT—ITS APPLICATION AND FEASIBILITY

1. The Retirement Community is nominated a "New Industry" to (a) distinguish it immediately from a typical real estate development, and (b) categorize it with income-producing enterprises in which Arizona (and every other States) habitually makes considerable competitive investments, via promotion and/or concession.

2. The concept of The Retirement Community is as flexible as it is specific. As a prototype, Sun City is an acceptable generality, but not necessarily a restrictive specific.

3. The Retirement Community can be planned for incomes at various levels . . . for specific occupational or avocational interests . . . for climatic or topographical preferences . . . for religious, ethnic, or sociological inclinations.

4. It is equally applicable to the areas around Bisbee, Prescott, Tucson, Flagstaff, Kingman, Yuma, Phoenix—or to areas separated from any of these.

5. The concept is more credible for Arizona than for any other State in the Union. Arizona has a clear-cut and natural competitive advantage for inducing and nourishing the establishment of this "New Industry."

6. The Retirement Community can go a substantial way toward alleviating the problem of "urban sprawl"—with its potential for social, political, and environmental disruptions.

7. It would be a much-needed shot-in-the-arm for the sorely-pressed construction business in Arizona.

8. Nevada created a "new industry"—legalized gambling—without any competitive edge for doing so. They simply changed some laws . . . which any State could have done.

9. Arizona can create the environment for a much more desirable "New Industry", The Retirement Community, the same way . . . by State legislation.

10. There was no reason for such a concept as The Retirement Community only one generation ago. The reason is now obvious; and Arizona—better than any other State—can translate this reason into a practical and profitable reality.

"FARMERS AUCTION THEIR LIFE AWAY; WELFARE NEXT"

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. TRAXLER. Mr. Speaker, last week in Clifford, Mich., a family dairy farm was auctioned off piece by piece. Henrietta and Donald Dawson were forced out of business by rising costs and falling dairy prices. I have spoken many times about the crisis facing American agriculture, and the need to bring price stability back into the market through an adequate Government price support system. But nothing underscores the need for sound agricultural policies than the poignant story of the Dawsons. For that reason, Mr. Speaker, I include at this time in the RECORD the following story written by Norma Gleason in the Lapeer County Press of Wednesday, January 29, 1975:

FARMERS AUCTION THEIR LIFE AWAY; WELFARE NEXT

(By Norma Gleason)

Saturday was a miserable day. Cold. Wet. Just enough wind and just enough drizzling rain and just enough chill to add up to discomfort. To numb the hands and feet.

But that was the appointed day and they all gathered in Clifford.

Jerry and Faye. They had loaded up the white wagon with plenty of refreshments, enough to last the day.

Mary Schmidt and her boss. Mary made sure she had pens and pencils in her purse against the voluminous paperwork that would fall to her this day.

Young, good-looking Jerry Smith and his wife, all the way from Jackson.

Ral Milarsky from Memphis.

Bill Kent and Harold Peters. For them, it was all in the day's work.

And in the house, watching the early arrivals parking their cars and trucks along the road, Henrietta and Donald Dawson. Henrietta had made a huge kettle of vegetable soup on the old wood-burning range, her pride and joy. There the soup simmered, filling the kitchen with its aroma.

For the Dawsons, it was a day of sorrow. They were auctioning away their life.

Large Farm Auction, said the newspaper ad. Dairy Cattle—Farm Equipment. Mr. and Mrs. Donald Dawson, Prop. 4801 Stover Road, Clifford, Michigan.

The ad didn't say that the Dawsons, in their 40's, had given up their Fenton home and a factory job to take the plunge into farming. That they made the plunge at the wrong time. That, perhaps, they went too far too fast, going into debt without the income to support it.

The Dawsons stuck with it for 4 years. "I enjoy farming more than anything else," said Henrietta Dawson, stirring the soup. "It's a whole new way of life. We've been milking for a year and a half. We'd still be in it if things were like they were. But the government is shoving us out."

Donald Dawson struggled into a heavy jacket, preparing to go outside and see how many auction customers had arrived. They had been straggling in for the last hour.

"We don't have any insurance, no unemployment benefits, we don't have nothing," said Donald. "The biggest costs of farming are feed, fertilizer and fuel. Maintenance costs are sky high too. If the farmers would join together maybe we could get somewhere. But they won't."

Auctioneer Harold Peters had started preparing for the auction a week before. "We're probably the only auction service that cleans and repairs all the machinery, clips the cattle and washes every cow," Peters said. He was a farmer himself before attending the Missouri Auction School in Kansas City, Mo. "I milked cows for 20 years," he said. Peters works with a New York auctioneer, Bill Kent. Kent did most of the actual auctioneering at the Dawson's auction.

Peters had estimated the auction would take about 2 hours. It was scheduled for 10 a.m. But farmers and other prospective buyers kept coming. Peters waited. He wanted customers to have plenty of time to walk around and inspect the machinery.

Mary Schmidt, who works for the Pioneer Bank of North Branch, settled herself at a counter top in the utility room at the Dawson home. "I'll be in here all day to collect the money," she said. "Then we'll have to go back to the bank and balance everything out."

In the Dawson kitchen, friends and neighbors hung around while Mrs. Dawson watched the soup. The Dawson kids, Ricky, 16 and dark-haired Teresa, 10, watched the throng outdoors from the windows. Teresa cuddled a gray poodle in her arms.

Piece by piece, the machines the Dawsons had struggled to buy over their 4 years in farming went. The auctioneers moved swiftly and efficiently from 1 piece to another.

An air-conditioned 8600 Ford tractor brought $14,700. "That big Ford went for less than I paid for it, and it wasn't that old," said Mrs. Dawson.

A 20–30 John Deere sold for $6,400. Another John Deere, a 630, brought $2,900. The 630 was bought by Jerry Smith, a young Jackson farmer, who farms 150 acres. "I needed another tractor to put a loader on," he explained.

After the machinery had been disposed of, the auctioneers moved into the big cattle tent. Outstanding Herd. 30 Mature Dairy Cows, the ad had said.

The cows brought from $180 to $610.

"I lost my fanny on the cows," said Mrs. Dawson. "Only one brought $610. Most sold for $200 or $300."

After the auction was over, people got in their cars and trucks and left. Jerry and Faye's white lunch wagon left. The bank people left. The auctioneers left. Friends and neighbors drifted away. The Dawsons looked out over their fields, dotted with paper cups and napkins from the lunch wagon.

"I just hope we make enough to pay all our bills," Mrs. Dawson had said before the auction.

Later she said they had not.

"The auctioneer took 10%. He gives 3% of that to the Pioneer Bank," she said. "But they did a good job. We had a good crowd. And they worked for a week before the auction getting everything ready. They washed the cows nearly every day."

The Dawsons don't know what they are going to do now.

"We can't stay in farming with our cows and machinery gone," said Mrs. Dawson.

"We've been looking for work but we can't find any. We have the farm up for sale. If we sell it we're going to try to get a bigger farm up north. Farms aren't as expensive there. Here they cost too much."

Did they think they might fare better at farming up north?

"Nope," said Mrs. Dawson with a laugh. Then, seriously, "But you got to do something. We'll do it different next time. No middle man. We'll sell right to the consumer. And any penny I can jew out of the government I am going to. Meanwhile I am going to send my income tax right to President Ford.

"We'll pay up as many bills as we can. Right now, I'm going to go down and see if I can get on welfare, I really am."

RESOLUTION OF DISAPPROVAL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 1975

Mr. STARK. Mr. Speaker, renewed interest in the deferral of 701 Comprehensive Planning grants has prompted me to reintroduce my Resolution of Disapproval. As further background, I am inserting here my testimony before the Appropriations Subcommittee on HUD, Space, Science. It presents the case against deferral and for a systematic and comprehensive planning program. Timing mechanisms within the Budget and Impoundment Control Act insure prompt consideration. I therefore call my colleagues' attention to the statement prior to floor consideration:

STATEMENT OF REPRESENTATIVE FORTNEY H. STARK, JR., JANUARY 29, 1975

Mr. Chairman and members of the Subcommittee, I would like to express my appreciation for your prompt attention to this budget deferral and for calling this most timely hearing. As you are aware, the Resolution of Disapproval that I introduced with 65 cosponsors is part of the new procedure for impoundment control mandated in the Budget and Impoundment Control Act of 1974. For the first time, we have the ability to vote up or down the President's recommendations of budget cuts.

This Subcommittee, I know, has held numerous hearings and investigations over the years into the "701" Comprehensive Planning Grants program, and some valid concern has been expressed by the members about its advance funding mechanism. I think we all agree that this program has serious flaws, and its large, obligated sums in the pipeline make its continuing merit even more questionable. But let us look briefly at its history, and its expanded role in new special revenue sharing for community development.

From a budget of less than $1 million at its inception in 1954, 701 has grown to an annual authorization of over $100 million. What was originally a small-scale effort at assisting small municipalities meet the problems of growth has ballooned into an effort that supports regional councils of government across the country. Many of these agencies are now "clearinghouses" which are required to review all federal grant applications for conformance to regional needs before they are submitted to the federal agency. This process that we know as the "A–95 review" is now mandated in hundreds of criss-crossing lines of legislation.

Comprehensive planning activities overlap local and regional agencies, and are associated with many levels of the bureaucracy here in Washington. But disorganized as it may appear from our end, the very fact of all these recipients doing so much planning is that there is unprecedented regional harmony in applying for and spending federal money. We are finally seeing the time when a regional clearinghouse—or regional government—is able to coordinate and centralize planning between its municipalities and avoid the costly duplication of past years.

Passage of the housing bill in 1974 culminated, in a sense, this movement toward regional coordination. Its premise—of giving block grants to spend on community development that is determined *by* that community—rests on the years of coordination developed through application of comprehensive planning grants.

In fact, section 401(e) of the law explicitly increased authorization for 701 in fiscal year '75. I am sure my colleagues are familiar with the legislation, but I will quote briefly from the House Report nonetheless:

> This program has assumed increased importance during the past few years as a result of expanding State and areawide planning activities. The higher authorization level is necessary to accommodate this expansion of planning activities and the increased demand on planning funds likely to result from the bill's community development block grant provisions."

My own Congressional district provides an excellent illustration of these planning needs.

The Association of Bay Area Governments, the regional planning agency and A–95 Clearinghouse, has until now played mainly an advisory role in regional development. It wrote guidelines and offered suggestion for local coordination. With the 1974 Housing Act, its authority is now vastly increased. It will be able to implement a "fair-share" housing program that will insure that housing funded under the Act indeed meets housing needs, regardless, in some cases, of other jurisdictional boundaries.

The cities of over 50,000 population in the Bay Area have also been recipients of large planning grants. Berkeley alone, for example, is spending $40,000 this year (obligated in FY '74), Oakland has spent $55,000, and the county of Alameda has spent $25,000 on behalf of the smaller towns. With ABAG's FY '75 grant of $597,000, the figures, you see, are substantial—more than half a million dollars is being spent this year alone between the Bay Area cities. And most of it this year is going toward planning that is required by the Housing Act.

The City of Oakland, for example, claims that of its $55,000 in 701 funds, nearly all have been spent preparing the initial community development application and accompanying 3-year housing plan. On a smaller scale, the same is true in all other entitlement cities in the Bay Area. For while the block grant money is itself meant to be used for on-going planning activities, it is, obviously, not yet available.

But consider the second, or even third or fourth program years. If the 701 money is permitted to dry up, as the Administration seems to intend, what was meant by Congress to be community development money will be spread thin to fund the mandated planning.

So what we come to is a philosophical impasse: the Administration wanted special revenue sharing for housing, and it got it. But now it wants to let go all the planning background that, built up over the years, has made this transition away from the categorical community development grant programs possible. This simply will not work. Block grants will lose all their usefulness if they are splintered between city lines, and diluted to cover planning as well as other expenses.

The issue here, it seems, is very clear. It is not a question of the relative merit of the 701 program as we have seen it administered. Nor is it even a question of whether the Congress agrees with the Administration that 701 has too much in obligated funds in the pipeline and ought to be scaled down. The question is whether we in Congress can go along with this Administration plan to circumvent the legislative process entirely.

Clearly there is reason to open up the usefulness of the entire Comprehensive Planning program for in-depth review. Perhaps the funding mechanism should be changed. Or perhaps it should be merged with the Community Development block grant program. But these questions are for the legislative committees to decide, upon recommendations from the Administration.

This backdoor method of sacking an entire program cannot be accepted by silent acquiescence on the part of this Committee and the Congress. We now have a vehicle for making this assertion. I urge that we take advantage of it and pass this Disapproval message.

Mr. Chairman, I am grateful to have had the opportunity to make this brief statement and I am available for any questions you or the members of the Subcommittee may have.